



# REAL ESTATE REDEFINED

ANNUAL REPORT 2021

**ACCENTRO**  
REAL ESTATE AG



# Key Figures

## INCOME STATEMENT

TEUR

	2021	2020
Group revenues	192,747	125,182
Gross profit (interim result)	58,025	27,050
EBIT	45,165	34,665
EBIT margin	23.4%	27.7%
EBT	20,597	24,313
Consolidated income	13,127	18,055
Earnings per share (EUR)	0.37	0.51

## OTHER KEY FIGURES

	31.12.2021	31.12.2020
Shares outstanding	32,437,934	32,437,934
Market capitalisation (EUR)	214,090,364	288,697,613
Total portfolio (units)	4,943	5,125
Employees	101	74

## BALANCE SHEET RATIOS

TEUR

	2021	2020
Non-current assets	427,705	311,348
Current assets	485,761	550,640
Shareholders' equity	260,637	247,101
Equity ratio	28.0%	28.7%
Total assets	929,466	861,987



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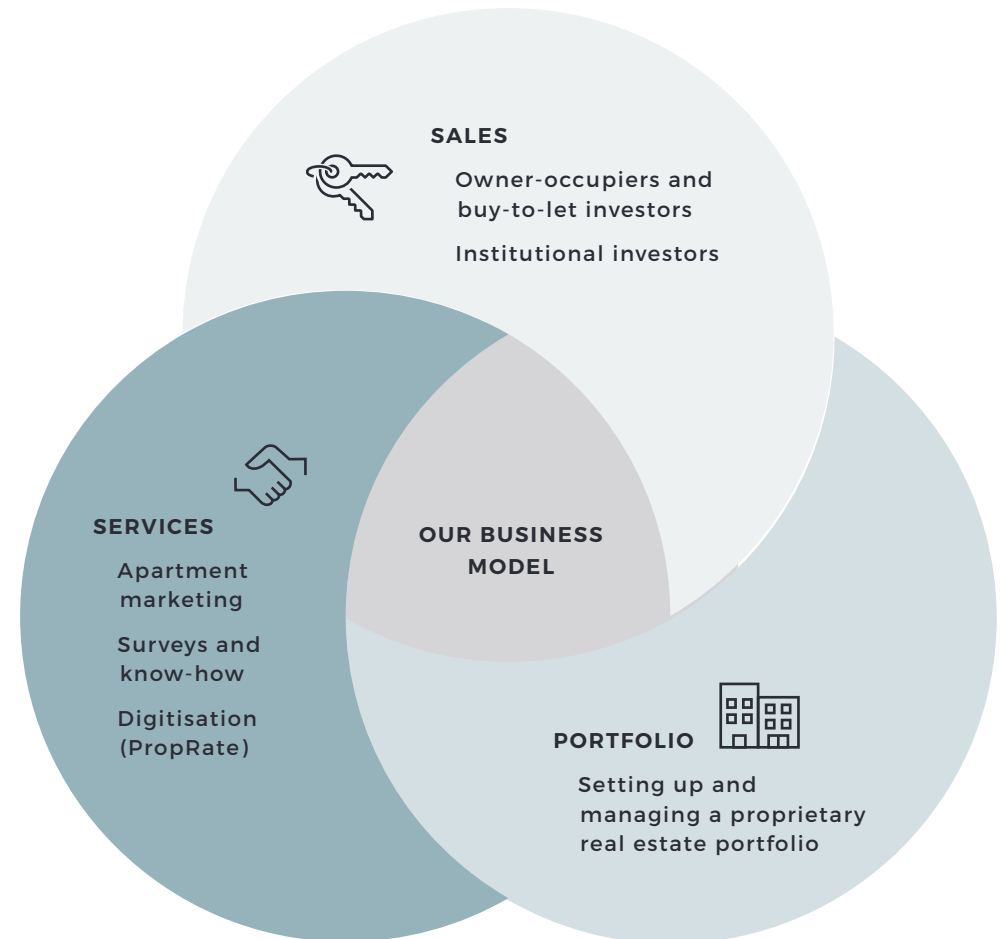
## Our Company

ACCENTRO is a residential investor and, with more than 13,000 satisfied customers, Germany's market leader for housing privatisation. In the years since 2009, we have sold more than 17,500 units in a combined value of over EUR 2.0 billion.

This amazing track record underscores our smart strategic focus and our outstanding market position. Other factors include our excellent reputation and our first-rate real estate portfolio. In addition, we benefit from a broad-based market access and a strong, widespread sales and marketing platform of international reach.

With its focus on German residential real estate, we engage one of the stablest and most attractive markets in Europe, which has experienced steady growth in rents and prices over many years (even during the two years of the coronavirus pandemic).

The business activities of ACCENTRO cover several segments. They include the tenant-sensitive sales of apartments to owner-occupier and private buy-to-let investors,



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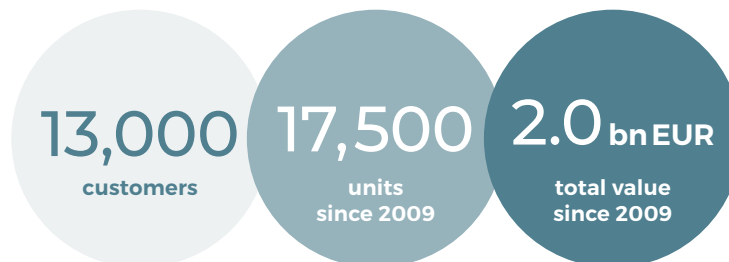
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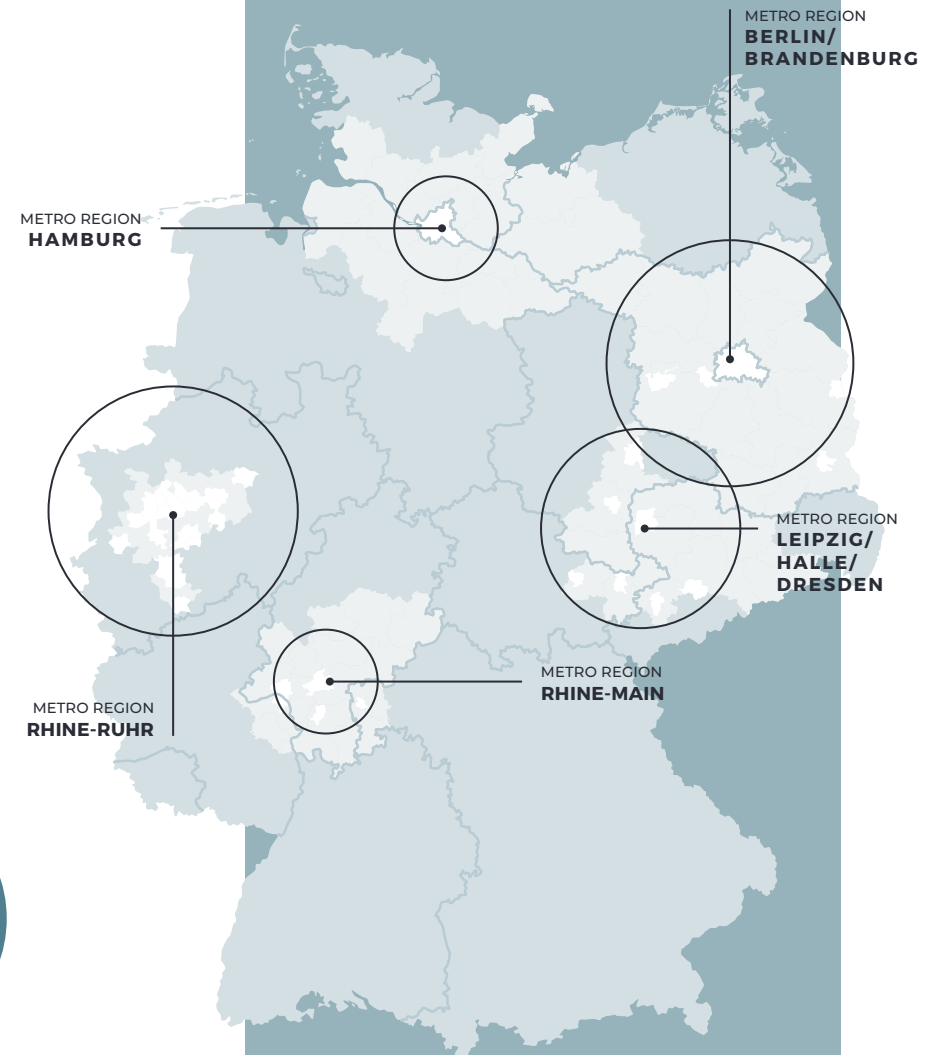
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as well as sales of entire real estate portfolios, mainly to institutional investors. Another pillar is our proprietary portfolio of properties that we let rather than sell, and whose holdings we keep stocking up. Finally, we are in the service business, marketing apartments on behalf of property asset holders, investors and developers.

By year-end 2021, the real estate portfolio of ACCENTRO consisted of around 4,900 units overall. In addition to Berlin, regional focal points include eastern German cities and conurbations, as well as the Rhine-Ruhr metro region. Since we maintain branch offices in regions marked by attractive parameters, we are very well positioned within the German real estate industry. The residential portfolio covers the entire spectrum from affordable subsidised housing to high-end apartment communities.



## Regional focal areas





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Bundratsufer  
Berlin-Moabit

SALES

# FROM RENTING TO OWNERSHIP





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**A**CCENTRO looks back on long years of success in the individual privatisation of apartments. 2021 proved to be another very dynamic year.

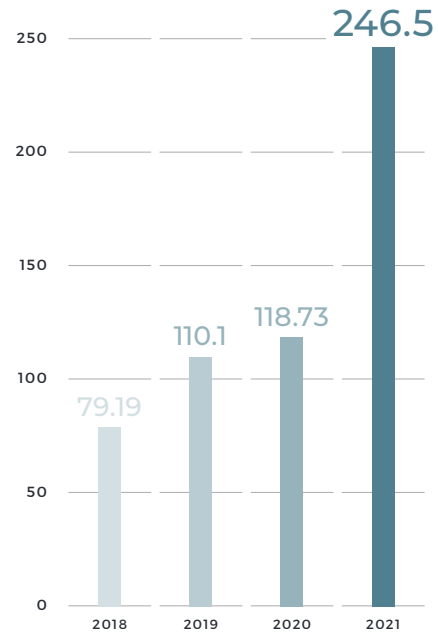
Our notarised volume of property sales climbed to a new record level: Rising by a 107.7 % to EUR 246.0 million, it more than doubled. The number of sold units developed just as dynamically, because it increased by 81.2 % to 761 units.

Our sales pipeline in the individual privatisation business remains well-filled and comprised around 850 lawfully partitioned units in a projected sales value of c. EUR 360 million by the end of 2021. ACCENTRO therefore takes a bright view of the future, and plans to continue its successful performance in the coming years.

Ratingen  
North Rhine-Westphalia  
►

## SALES VOLUME (INDIVIDUAL PRIVATISATION)

IN EURM



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### Xenia Knappe, what are the standards to which ACCENTRO generally refurbishes its buildings?

XK :: You need to take a fresh look at each construction project because every building is different. The objective should principally be to meet at least the KfW efficiency house 55 standard. This means that a given building requires only 55 % of the energy prescribed for newly constructed buildings by the Building Energy Act (GEG). You achieve this, for instance, by upgrading the thermal building shell and by installing technical systems that use renewable energies.

### Could you give us a specific example?

XK :: Of course. On Tieckstrasse in Berlin, for example, we are refurbishing a multi-family home to this very standard. This is a period building from 1889, and it currently has a final energy demand of 169 kWh/sqm.



**XENIA KNAPPE**  
Team Head Project and  
Asset Management

### What sort of works will you carry out on this building?

XK :: In addition to installing façade and roof insulation and other measures, we will achieve a high level of energy efficiency by installing a heat pump system and a photovoltaic array. Once the works are concluded, the final energy demand will be down to 16 kWh/sqm – which implies savings of almost 90% compared to what the energy consumption used to be.

# 3

## Questions about sustainable refurbishments

**169 kWh/sqm**  
current final  
energy demand

**16 kWh/sqm**  
final energy  
demand after  
refurbishment

**-90%**  
energy through  
refurbishment



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Berlin-Moabit





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Gera  
Thuringia

PORTFOLIO

# A SECOND PILLAR: LETTING





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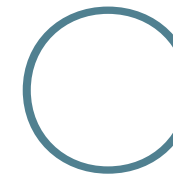
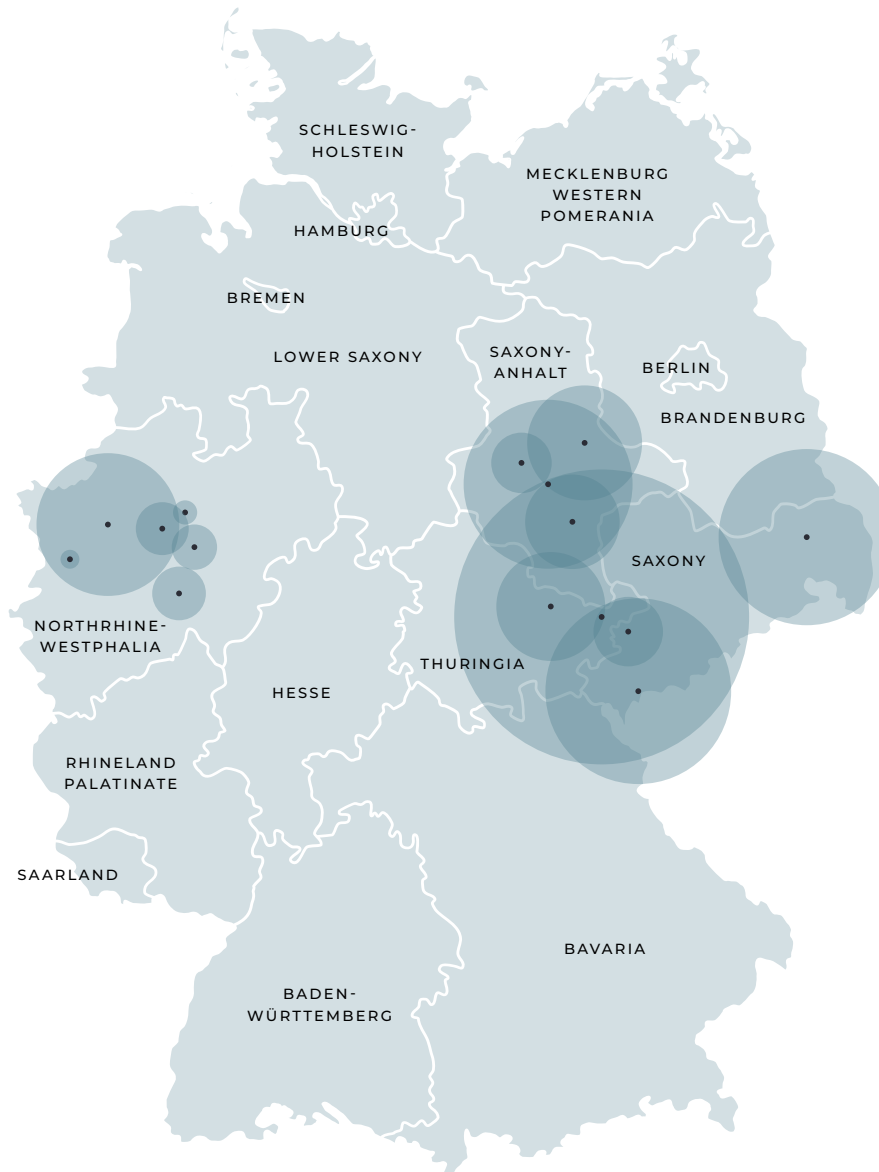
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The portfolio of our portfolio properties is concentrated in major conurbations in North Rhine-Westphalia and in the eastern German states.



Over the past twelve months, ACCENTRO massively enlarged its proprietary rental portfolio to around 3,600 units. Here,

we focused on selected secondary and tertiary cities in eastern Germany and North Rhine-Westphalia. The real estate has an extremely attractive value-add potential that the comprehensive know-how of ACCENTRO will exploit during the years ahead. ACCENTRO is aware of above-average yield potential in secondary and tertiary cities above all.

Acquisitions proceed according to any of various strategic approaches: We believe our portfolio in North Rhine-Westphalia presents an opportunity to exploit its rental upside in the near future. The property holdings here show a modest need for renovation works, while vacant apartments are being refurbished. By contrast, our East German portfolio is characterised by extensive refurbishment needs. Here, we intend to roll back vacancies in the medium term, and to seriously improve the rental potential.

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Dessau  
Saxony-Anhalt





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# KNOW-HOW AND STRONG PARTNERS



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ACCENTRO Real Estate and ImmoScout24 – a unique partnership for the optimal marketing and selling of residential real estate.

[ACCENTRO.DE/IMMOScout24](https://www.accentro.de/immoscout24)

For many years now, ACCENTRO has been a successful and preferred sales partner for apartments in large housing estates inside Germany. By entering into

a long-term exclusive collaboration with the ImmoScout24 real estate portal last year, we cleared another major milestone while laying the foundation for significant futures growth. In future, these two market leaders will use their pooled resources to market and sell residential real estate across Germany. ACCENTRO has simultaneously stepped up its efforts to pursue another business in addition to privatisation sales line by selling new-build apartments.

In conjunction with the strategic partnership, ACCENTRO and ImmoScout24 have teamed up to identify residential real estate assets for joint end-to-end marketing drives. ACCENTRO offers guaranteed purchasing agreements to property-owning companies that wish to market and sell their assets. The digital marketing of the properties will be fully and exclusively handled by ImmoScout24 as an end-to-end service. Being Germany's leading online marketplace for real estate, ImmoScout24 offers access to more than 20 million users a month via its website or app.

This high-powered partnership between our two companies, which combines optimal access to Germany's largest real estate market with a highly productive sales organisation operating nationwide, provides sellers and investors with a unique package for the marketing of residential real estate.

## ACCENTRO

Selling with the ACCENTRO purchase guarantee

CUSTOMER BENEFITS

Marketing strategy via ImmoScout24

Immo Scout24





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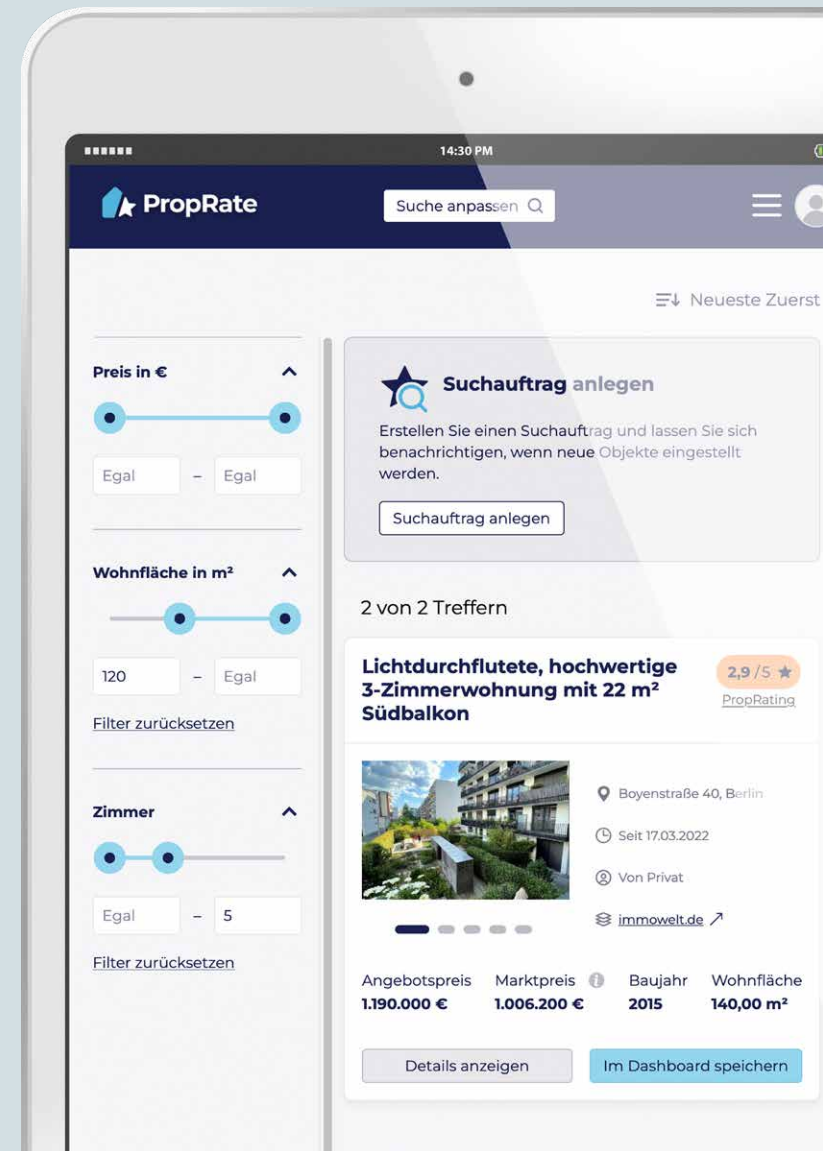
The data-driven platform developed by ACCENTRO and now available to the general public ensures transparency on the real estate market.

### Status Quo

- › Extensive search engine shows all properties of the biggest real estate search engines in Germany
- › AI-assisted property valuations, gathered into easy-to-understand ratings (asking price, location, performance, yield)
- › Realistic valuations from an investment angle – in real time
- › 100% free of charge
- › Channelling and providing professional know-how on real estate topics
- › Award-winning (Digital Award in the “Innovation (incl.AI)” category in April 2021 / Annual Multimedia Award in the “Best Use of Data & AI” category in December 2021)

### Upgrades in 2022

- › Expanding the VAT services for property owners and prospective buyers, among others
- › Brokering real estate financing
- › Analysing situation for a detailed assessment of the environment parameters of a given property (leisure attractions, shopping venues, healthcare services, transportation access, economic strength)
- › Connecting owners with estate agents and energy refurbishment consultants
- › Option to sell your own property directly to ACCENTRO after its valuation



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## Market analyses

For many years, ACCENTRO has provided detailed insights into the Germany housing market by compiling exhaustive market surveys.

### ACCENTRO Homeownership Report

- › Fact-based decision guidance for the assessment of real estate investments.
- › Which regions are most suitable for my purposes?
- › How do long- and short-term trends in certain areas interact? These and other questions are addressed by the ACCENTRO Homeownership Report
- › 14th edition
- › 81 major German cities
- › 85% of the German market
- › Data sourced from property valuation committees
- › Compiled in partnership with the German Economic Institute (IW)

### ACCENTRO Housing Cost Report

- › Comparing the housing costs borne by owner-occupiers with rental costs paid by tenants.
- › Analysing rental costs and owner-occupied housing costs in all of Germany's 401 districts and independent cities
- › The calculation is based on the net rent versus the owner-occupancy costs which break down into the purchase price, the incidental acquisition costs, the mortgage interest and the loss of interest on equity capital along with reinstatement costs and depreciation.
- › Sixth edition
- › Compiled in partnership with the German Economic Institute (IW)





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LETTER TO THE SHAREHOLDERS

## „GROWTH PATH INTACT“

**LARS SCHRIEWER**  
Chief Executive Officer



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## Letter to the shareholders

**Dear Shareholders,**

**Dear Madam, Dear Sir,**

In a challenging market environment, ACCENTRO significantly grew its revenues, and achieved the highest EBIT figure in the Company's history. Despite rising interest rates, short supply, regulatory interventions and restrictions prompted by the coronavirus pandemic, the German housing market has once again proven crisis-resistant from the perspective of proprietors, investors and lessors. Selling prices and rents have kept going up. Residential real estate continues to be seen as a stable and especially as a risk-free source of revenues. Accordingly, it is still considered an attractive investment for private retirement plans and for institutional investors who are looking for income-producing investment formats. This may explain why we saw our sales volume more than double in 2021 and our business expand dynamically. We now benefit from the large real estate inventory that we have built up since 2020.

Principally speaking, the quality of the private home and of the residential environment have seriously gained in significance, be it as cosy nest for the family, as modern workplace when working from home, or as part of people's private wealth and retirement planning. Especially the pandemic and its downstream effects for society and economy have had serious repercussions for the housing market. Demand for affordable high-quality housing remains as high as ever, and continues to exceed the available supply by far. The coming years are unlikely to bring any major changes to this status quo, even though the number of apartments and multi-family homes completed has increased lately. The goal of the new German Government, which is to see 400,000 apartments built annually, is the only way, in my opinion, to cope with the prevailing housing shortage.

### Setting a New High-Water Mark

The structural growth of the German housing market forms the foundation of our company's success. ACCENTRO, being Germany's leading housing privatisation company, is optimally positioned to meet the keen demand in this sector, given our broad-based real estate portfolio, our wide-spread sales network, our good reputation and our long-term experience. Which is why we are able to report, despite all market-related difficulties, another year of brisk business development with rising revenues and our best-ever EBIT figure. Even though the fact is not reflected in our stock market rating, we fully met our forecast targets for 2021.

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The keen interest in residential accommodation is illustrated by our record results in the housing privatisation segment: The volume of notarised property sales more than doubled this past year, rising by 107.7% to EUR 246.5 million. The number of sold units developed just as dynamically, because it increased by 81.2% to 761 units. On the strength of our robust operating activities, sales increased by a significant 53.9% to EUR 192.7 million. Earnings before interest and taxes (EBIT) also improved by 30.3% to set a new record of EUR 45.2 million. At EUR 0.37, the earnings per shares fell slightly short of the prior-year level. Yet the carrying value of our Company increased further to EUR 929.5 million. At the same time, the net asset value (NAV) increased to EUR 12.29 per share.

As far as apartment sales go—meaning our core business—we achieved a sizeable growth in revenues by 53.7% to EUR 172.8 million. Analogously, rental income jumped up 64.4% to EUR 17.1 million. Here, we benefit from the expansion of our proprietary rental portfolio last year. It has provided ACCENTRO with a second pillar of revenues, and we expect it to deliver stable and growing earnings.

### Business Continues to Diversify

We therefore face the future with confidence. Our sales pipeline for the individual privatisation segment is well filled with an anticipated sales volume of c. EUR 360 million. All of houses we earmarked for this purpose are lawfully partitioned into ownership apartments and therefore not subject to Germany's new Development Land Release Act. The law seeks to restrict the partitioning of multi-family houses for the conversion of rental flats into ownership apartments in strained housing markets. In force since June 2021, the Development Land Release Act is likely to influence our strategy for the further expansion of our privatisation portfolio. At the same time, we are convinced that we will keep growing in our prospering core business, now as in the future. Indeed, we are aware of attractive opportunities to enlarge our portfolio this year, too. We do not depend on certain markets to do so. Rather, we are positioned to act on opportunities nationwide, including via the acquisition of lawfully partitioned apartments in regions that are already subject to the law.

Another main pillar of our business is obviously our proprietary rental portfolio. The roughly 3,600 apartments we acquired in little over 12 months has put this business on a solid foundation. We will keep expanding our portfolio over the next few years, and will steadily increase our rental income in the process. Even in the ongoing year, our rental income is expected to increase significantly.

During the fourth quarter of 2021, we cleared a major milestone for our future business by entering into an exclusive partnership with the ImmoScout24 real estate portal. The partnership pools the fortes of two market leaders in a long-term marketing and sales collaboration. The wide reach of the ImmoScout24 portal combined with the extensive net-



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work and sales concept of ACCENTRO offer property developers and estate agents, for instance, significant benefits. First talks with prospects and a kick-off meeting with around 800 estate agents nationwide confirmed the already strong interest in our offer. We expect the arrangement to translate into serious sales potential for our company in the medium term.

### Outlook for 2022: EBIT Expected to Climb to All-time High

Our partnership with ImmoScout24, our well-filled pipeline, and the growing rental portfolio all support our profitable growth trajectory, which we plan to keep following in the 2022 financial year: Notwithstanding today's geopolitical situation and the current economic conditions, we are quite optimistic about the 2022 financial year, and anticipate a repeat of our successful business performance despite all the imponderables facing us: We expect the revenues to increase to somewhere between EUR 200 and 220 million (previous year: EUR 192.7 million) and EBIT at a record level between EUR 45 and 50 million (previous year: EUR 45.2 million). Due to the global economic development, the Company's sales planning efforts take into account that the high inflation rate in combination with rising interest rates and the general unease could, at least temporarily, compromise private investors' willingness to buy. In our rental portfolio, we intend to bring down the vacancy rate, while the service business will probably benefit from the collaboration with the ImmoScout24 real estate portal above all. With our business resting on several pillars, we believe we are principally well-positioned. As far as we can see, the structural growth potential of Germany's housing market remains high. We therefore expect to continue to pursue our profitable growth trajectory in the medium term.

In closing, I would like to draw your attention to a subject that concerns all of us: the transformation of our society and economy into a sustainable, carbon-neutral world. It has become mandatory for businesses to align with the so-called EU Taxonomy toward this end. It also plays a key role for me and my team. Our goal at this time is to develop an ESG strategy for ACCENTRO in the course of this year, and to set up the necessary processes along the entire value chain. Particularly the energy-efficient refurbishment of apartments and buildings can seriously contribute to the successful implementation of the transformation process and help to mitigate the consequences of climate change.

Thank you for the faith you have shown in ACCENTRO!



**Lars Schriewer**  
Chief Executive Officer

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## Report by the Supervisory Board

**Dear Shareholders,**

**Dear Madam, Dear Sir,**

Throughout the 2021 financial year, the Supervisory Board of ACCENTRO Real Estate AG conscientiously fulfilled the tasks assigned to it by law and by the Company's articles of association. Both regular meetings and one-to-one sessions were convened. The Supervisory Board was on hand even outside the scheduled meetings to advise and supervise the Management Board. It was always fully involved in important decision-making processes by the Management Board early on, scrutinised the business performance, the plans for the expansion of the business and all relevant issues concerning the Company, and passed all required resolutions. The Supervisory Board was directly involved in all decisions of fundamental significance for the Company.

### Supervisory Board and Management Board Changes

While the Supervisory Board remained unchanged, the Management Board saw the following changes in the course of the 2021 financial year:

At the start of the year, the Management Board of ACCENTRO Real Estate AG consisted of the CEO, Lars Schriewer, and the CFO appointed on 16 November 2020, Hans-Peter Kneip.

For personal reasons, Hans-Peter Kneip resigned from his position as CFO as of 30 June 2021. The Supervisory Board provisionally transferred responsibility for the finance department to the Chairman of the Management Board, Lars Schriewer. However, Hans-Peter Kneip continued to pro-

vide support through August 2021 in an advisory role in order to ensure a clean transfer. The Supervisory Board is in the process of finding a successor for the position.

### Meetings

During the reporting period, the Supervisory Board convened five meetings, specifically on 26 and 30 April, 22 June, 24 September and 7 December 2021. The main agenda items at the meetings were always the general business development of ACCENTRO Real Estate AG, buying and selling transactions, the Group's financial situation, along with other developments relevant for the Company's growth. Each meeting of the Supervisory Board was attended by all of its members. The members of the Management Board regularly attended the meetings of the Supervisory Board. If necessary, the Supervisory Board will convene without the Management Board.

A continuous exchange of views between the Supervisory Board and the Management Board was maintained even outside the meetings of the Supervisory Board. All decisions and actions requiring approval were discussed in depth, and resolutions were made on the basis of consultations. In addition, the Management Board briefed the Supervisory Board in written quarterly reports about the Company's course of business and state of affairs as well as about the business policy pursued and other fundamental corporate planning issues.

No conflicts of interest on the part of the Management Board and the Supervisory Board members were reported or surfaced during the financial year concluded.



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Under the articles of association, the Supervisory Board consists of three members. With this in mind, the Supervisory Board formed no committees. The Supervisory Board refrained specifically from forming an audit committee or a nomination committee until 31 December 2021, because it had until then considered three Supervisory Board members a sufficient number to function effectively even in joint representation. Given the size of the Supervisory Board, it would moreover have seemed unreasonable to form committees, which must include at least two people or, for a quorum, at least three people. It is now planned to set up an audit committee as of the 2022 financial year.

All members of the Supervisory Board engaged with the entire spectrum of the Board's tasks within the framework of their activities.

### Corporate Governance

The Supervisory Board deals with the corporate governance principles that the company applies. The Supervisory Board and the Management Board of ACCENTRO Real Estate AG share the opinion that the German Corporate Governance Code (DCGK) includes nationally and internationally recognised standards of good and responsible corporate governance suitable for managing and monitoring German listed companies.

Pursuant to Art. 161, German Stock Corporation Act (AktG), the management board and supervisory board of a listed company are required to issue an annual statement ("Declaration of Conformity") concerning the extent to which the company has met, and continues to meet, the recommendations issued by the Government Commission on the German Corporate Governance Code (DCGK). The latest Declaration from March 2022 refers to the Code of 16 December 2019 as amended and as published in the Federal Gazette ("Bundesanzeiger") on 20 March 2020. The full-length version of the Declaration is available at <https://investors.ACCENTRO.de/entsprechenserklaerung> on the Company's homepage.

Moreover, the Declaration of Conformity is published, together with the Annual Financial Statements and the Management Report as well as other required disclosures, in the Federal Gazette, and has been filed with the business register.

The German Corporate Governance Code suggests that members of a company's supervisory board should not exercise any board function or advisory task for significant competitors of that company and should not have a personal relationship with any competitor. The Supervisory Board members, Axel Harloff and Carsten Wolff do, however, exercise board functions for competitors. Axel Harloff is chairman of the supervisory board of Consus Real Estate AG, Berlin, and member of the management board of ERWE Immobilien AG, Frankfurt am Main. Carsten Wolff is a member of the management board (CFO) of A.D.O. Group LTD, Tel Aviv, Israel, and a board member of Eurohaus Frankfurt AG, Berlin, which are both fully owned subsidiaries of ADLER Real Estate AG, while also being a member of the supervisory board of ERWE Immobilien AG, Frankfurt am Main. The Supervisory Board believes that the situation caused no significant conflicts of interest during the 2021 reporting year. Constant dialogue and a review of the facts and circumstances of each case act as safeguards to prevent the occurrence of significant conflicts of interest in future, too.

### Separate and Consolidated Financial Statements

The annual general meeting elected Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, domiciled in Hamburg, as auditor for the financial year beginning on 1 January and ending on 31 December 2021.

The auditor reviewed the Company's annual financial statements submitted by the Management Board and the consolidated financial statements including the Management Report and the Group Management Report for the 2021 financial year, and issued an unqualified audit certificate for these.

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The Management Report submitted the Annual Financial Statements, the Consolidated Financial Statements, and the Group Management Report combined with the Management Report, along with the Auditors' Reports regarding the audits of the Financial Statements and the Consolidated Financial Statements as well as the Management Board's proposal for the appropriation of net retained profits, to the Supervisory Board in due time for its review. During its balance sheet meeting on 30 April 2022, the Supervisory Board deliberated and discussed the documents underlying the financial statements and the reports in depth with the Management Board, especially questions concerning the appraisal of the current and non-current assets. Within the framework of these meetings, the auditor reported on the key findings of their audits, and were available to the Supervisory Board for additional inquiries.

Based on its independent review of the Annual Financial Statements, the Consolidated Financial Statements, and the Group Management Report combined with the Management Report for the Company and the Group, and the Proposal for the Appropriation of Net Retained Profits, the Supervisory Board approved the auditor's audit findings, and declared that, based on the conclusive findings of its examinations, it had no objections to raise. The Supervisory Board agrees with the auditor's assessment that the internal control system and the risk management system manifests no material flaws in regard to the (Group's) financial accounting process, while some areas show need for improvement. By resolution dated 30 April 2022, the Supervisory Board approved the Annual Financial Statements, which are thereby adopted pursuant to Art. 172, AktG, and the Consolidated Financial Statements. The Supervisory Board also adopted the resolution on the appropriation of profits.

### Dependent Companies Report 2021

The Supervisory Board reviewed and approved the Report on Relations with Associates prepared by the Management Board pursuant to Art. 312, AktG. Based on the conclusive findings of its review, the Supervisory Board raised no objections to the Declaration by the Management Board at the end of its report pursuant to Art. 312, AktG.

The auditor, which is the auditing firm Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, in Hamburg, raised no objections in its audit of this report, and the result of the audit is consistent with the findings of the Supervisory Board. The auditor issued an unqualified audit certificate for the report:

"On completion of our review and assessment in accordance with professional standards, we confirm that

1. the factual disclosures of the report are accurate,
2. the consideration paid by the Company for the legal transactions detailed in the report was not unreasonably high."

### Members of the Supervisory Board

The Supervisory Board consists of shareholder representatives pursuant to Art. 96, AktG.

The Supervisory Board would like to thank the Management Board as well as the entire staff of ACCENTRO Real Estate AG for their services, their high sense of commitment and their loyalty.

Berlin, 30 April 2022

**Axel Harloff**

Chairman of the Supervisory Board



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## Corporate Governance Report

### Declaration of Compliance 2022

Pursuant to Art. 161, German Stock Corporation Act (AktG), the management board and supervisory board of a public company are required to issue an annual statement (“Declaration of Conformity”) concerning the extent to which the company has met, and continues to meet, the recommendations issued by the Government Commission on the German Corporate Governance Code (DCGK). The full-length version of the Declaration is available at [HTTPS://INVESTORS.ACCENTRO.DE](https://investors.accentro.de) on the Company’s homepage.

The Management Board and Supervisory Board of ACCENTRO Real Estate AG declare:

“During the time since it released its most recent declaration of conformity on 11 May 2021, ACCENTRO Real Estate AG met, and will continue to meet, the recommendations of the German Corporate Governance Code as amended on 16 December 2019, published in the Federal Gazette on 20 March 2020, with the following exceptions:

### Code Recommendation A.2 (Compliance Management System and Whistle-Blower System)

As of 31 December 2021, the Management Board has not yet set up a compliance management system and has also refrained from setting up a whistle-blower system. Considering the manageable scope of the Company’s structures and business processes as well as its flat hierarchies, there has been little need for a compliance management and whistle-blower system, comparatively speaking. In addition, a proactive risk management system was introduced that is constantly adapted to the requirements and growth of the Company. The system along with the close involvement of the Management Board in the main business transactions and projects as well as in the corporate workflows ensure that emerging risks are continuously monitored. The Company maintains a regular dialogue between employees and the Management Board, and cultivates an internal trust-based corporate culture.

### Code Recommendation B.1 (Composition of the Management Board)

The Supervisory Board and the Management Board expressly welcome all efforts to counter gender discrimination as well as any other form of discrimination and to adequately promote diversity. In its recruitments for the Management Board, the Supervisory Board exclusively considers the competence, qualification and experience of eligible candidates, whereas other qualities such as gender or nationality have been and continue to be irrelevant for this sort of decision.

### Code Recommendation B.2 (Succession Planning)

There is currently no written succession planning document. Management Board and Supervisory Board will always conduct talks about a term extension in good time before a given board member’s contract of employment ends. The Supervisory Board is convinced that, if the talks fail to result in a continuation of the collaboration, it will have sufficient time left to secure the succession without any need for a written concept.

### Code Recommendation B.5 (Age Limit for Management Board Members)

No age limit has been defined for members of the Management Board at this time. The Company believes that age should in and of itself not be a knock-out criterion for its board appointments. In the eyes of the Supervisory Board, the Company’s interests are furthered much more by the option to draw on the long-term know-how of individual board members from time to time.

### Code Recommendation C.2 (Age Limit for Supervisory Board Members)

In the Supervisory Board’s opinion, an age limit is unnecessary to ensure the effectiveness and success of its work, so that the Company deviated from the recommendation in the past and keep deviating from it in future.

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### **Code Recommendation C.12 (No Board Functions or Advisory Roles for Significant Competitors)**

Members of the Supervisory Board should not exercise any board or advisory functions for significant competitors of the company and should not have a personal relationship with a significant competitor. However, the Supervisory Board members Axel Harloff and Carsten Wolff hold executive positions at major competitors. Mr Harloff is Chairman of the Supervisory Board of Con-sus Real Estate AG, Berlin and Member of the Management Board of ERWE Immobilien AG Frankfurt am Main, Mr Wolff is Member of the Board of Directors as CFO of A.D.O. Group LTD, Tel Aviv, Israel, and Eurohaus Frankfurt AG, Berlin, which are wholly owned and with a 89,9 percent share subsidiaries of ADLER Real Estate AG, Berlin, as well as a member of the Supervisory Board of ERWE Immobilien AG, Frankfurt am Main. In the opinion of the Company, however, no material conflicts of interest will arise as a result.

### **Code Recommendations D.2, D.3, D.4 and D.5 (Formation of Supervisory Board Committees)**

The Supervisory Board has so far refrained from setting up committees, and has specifically refrained from setting up a nomination committee and, as of 31 December 2021, from setting up an audit committee, as it considers three Supervisory Board members a sufficient number to function effectively even in joint representation, nor will it form such committees in future, with the exception of an audit committee, unless they are prescribed by future legislation. Given the size of the Supervisory Board, it would so far seem unreasonable to form committees, which must include at least two people or, for a quorum, at least three people. The members of the audit committee are identical with the members of the Supervisory Board, namely Axel Harloff, Natig Ganiyev and Carsten Wolff. The audit committee is chaired by Carsten Wolff.

### **Code Recommendation D.12 (Training and Professional Development Measures for the Supervisory Board)**

Upon the Supervisory Board's request, the Company will adequately support the Supervisory Board in its training and professional development measures, and report on measures implemented in the Report by the Supervisory Board.

### **Code Recommendation D.13 (Self-Assessment of the Supervisory Board)**

The entire Supervisory Board will attend the periodic meetings of the Supervisory Board as well as the meetings of the Supervisory Board with the auditors. The Supervisory Board coordinates its activities via in-house meetings and conference calls. The Supervisory Board believes that a further self-assessment is unnecessary for the Company or the Supervisory Board, given the size of the Company and of the Supervisory Board.

### **Code Recommendation F.2 (Publication of Interim Financial Information during the Course of the Year and Annual Financial Statement incl. Group Management Report)**

ACCENTRO Real Estate AG publishes its financial reports (consolidated financial statements incl. group management report and interim reports) in accordance with the stock exchange regulations of the Frankfurt Stock Exchange. That said, the Company as issuer deviates from the recommendations of the German Corporate Governance Code, a circumstance explained by the Company's current structure of certain internal work processes. The Company will comply with the legal requirements set out for the annual financial report in Art. 115, German Securities Trading Act (WpHG).

### **Code Recommendation G.1 (Determining the Remuneration for Each Management Board Member)**

In accordance with statutory requirements, the Supervisory Board defines a maximum total remuneration for the Management Board. Neither a presentation of how the target remuneration is determined, nor a breakdown for each Management Board member that would include the relative shares of the remuneration components, has been and will be provided. At the time the resolution concerning the remuneration system was adopted, the Supervisory Board was in the process of finalising the long-term incentive (LTI) plan, which kept it from conclusively defining a target remuneration. From the Supervisory Board's perspective, a breakdown of the remuneration is not necessary.



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### Code Recommendation G.4 (Vertical Comparison of Proportionality)

The Supervisory Board dutifully reviews the proportionality of the Management Board's remuneration. In doing so, it takes the Company's internal wage and salary structure into account. However, the Supervisory Board does not believe that the formal comparison with the entire workforce as suggested in Recommendation G.4 is necessary to ascertain whether the Management Board remuneration is proportionate to the usual remuneration levels within the Company itself. In the opinion of the Supervisory Board, a formal comparison with the Group workforce will not improve the decision-making process.

### Code Recommendation G.6 (Variable Remuneration)

The board appointments do not specify a long-term variable remuneration component, and in this sense deviate from the recommendation that the variable remuneration defined by the achievement of targets with long-term orientation should exceed the share defined by targets of short-term orientation. The Supervisory Board believes no such provision is necessary to create an incentive for the work of the Management Board because the latter is sufficiently motivated by the existing variable remuneration plan to act in the long-term interest of the Company. However, it is intended to heed the recommendation whenever new members of the Management Board are to be appointed or existing employment contracts with board members to be renewed.

### Code Recommendation G.10 (Granting Shares, Vesting Period)

The holding period of shares acquired upon appointment to the Management Board is linked to the appointment term, so that in the event of a shorter appointment term—as in the case at hand, caused by the respective first-time appointment—the shares vest with board members before the end of a four-year term unless their appointment is renewed.

During the 2021 financial year, the Company granted no variable remuneration component in the form of shares or in share-based forms to the members of the Management Board. It is not planned to grant variable remuneration

components in the form of shares or in share-based forms to the Board members under existing contracts of employment because the Supervisory Board does not consider doing so necessary in order to motivate the Management Board to seek a long-term and sustainable development of the Company. However, it is intended to heed the recommendation whenever new members of the Management Board are to be appointed or existing employment contracts with board members are to be renewed.

Agreements regarding a share-based remuneration scheme were concluded between the main shareholder and the members of the Management Board, which are recognised pursuant to IFRS 2 as remuneration costs just like stock options in the Consolidated Financial Statements.

### Code Recommendation G.11 (Retaining or Reclaiming a Variable Remuneration)

It has not been intended so far, nor is it intended in the future, to authorise the Supervisory Board to retain or reclaim the full amount of a variable remuneration.

### Code Recommendation G.13 (Severance Cap)

There is no express provision to credit a waiting allowance against a severance payment yet to be made. The Supervisory Board believes that such a provision is unnecessary to create an incentive for the work of the Management Board. Whether or not such an allowance will be credited will be decided by the Supervisory Board on a case-to-case basis, so as to satisfy the purposes of severance payment and waiting allowance in each case.

Berlin, 31 March 2022

For the Management Board:

**Lars Schriewer**  
Chief Executive Officer

For the Supervisory Board:

**Axel Harloff,**  
Chairman of the Supervisory Board

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### Capital Market

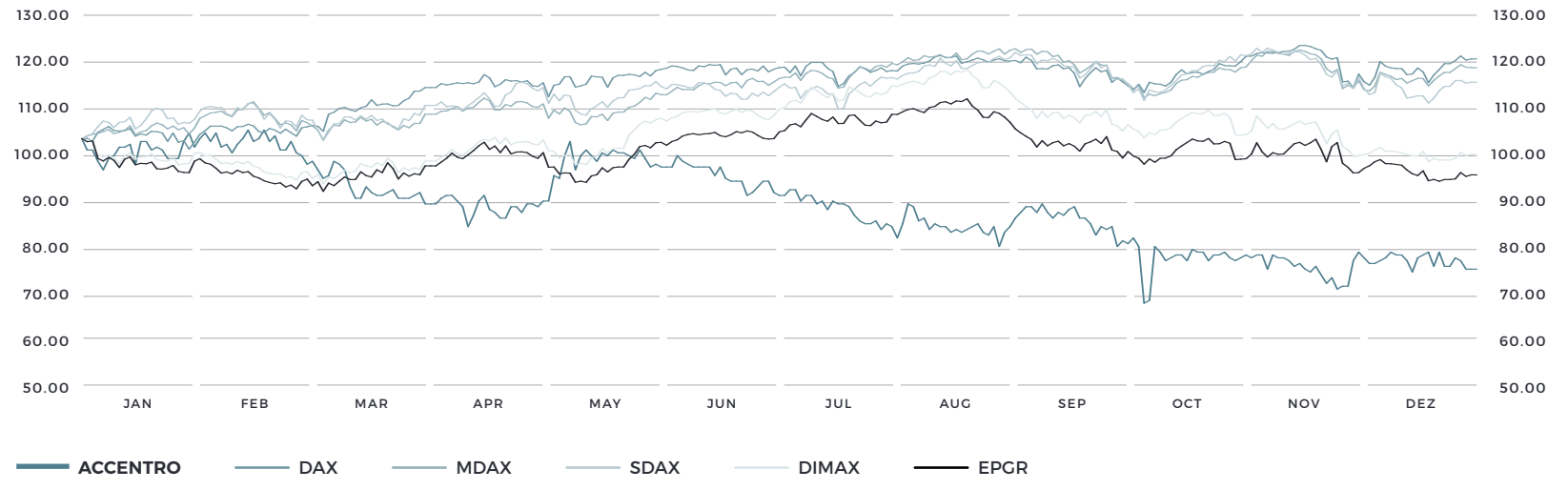
#### Successful Trading Year at the Stock Market – but Real Estate Sector Loses Momentum during Second Half-Year

Although the conflict in Ukraine currently impacts the capital market, as do inflation fears, Germany's stock market ended 2021 with a reassuring performance. The DAX family grew from 30 to 40 companies. At the same time, the blue-chip index climbed to a new high-water mark of 16,251 points. Overall, the DAX achieved a 15.8% growth up to 15,885 points. Another two German stock indices did almost as well, the MDAX rising by 14.1% to 35,123 points and the SDAX going up by 11.2% to 16,415 points.

Moreover, 2021 saw a flurry of initial public offerings (IPO). There were no less than 22 IPOs with a combined placement volume of c. EUR 10 billion in Germany.

For a long time, the stock market mirrored the buoyant sentiment among companies and on the overall market: The country's economy clearly recovered after the slump of 2020. Some business reported record earnings by the end of their 2021 financial year. Among the winners were the health-care sector as well as many cyclical stocks whose business quickly bounced back after the drastic nosedive suffered the previous year. With the successful vaccine approvals and the sharp drop in infection figures, the Corona crisis seemed to have been overcome to some extent by summer.

### ACCENTRO SHARE PERFORMANCE FROM 1 JANUARY TO 31 DECEMBER 2021





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However, sentiment on the capital markets began to deteriorate again during the fourth quarter. There are diverse reasons for the downturn: The rapid spread of the Omicron variant prompted a resurgence of coronavirus infections in numerous countries. It also caused far-reaching restrictions to be reintroduced in many areas of the economy and of public life. Supply bottlenecks keep hampering the economic growth. And intensifying political conflicts such as the one in Eastern Europe destabilised international security and made market players uneasy. Moreover, the statement by the US Fed that it would look into ways to accelerate the tightening of its monetary policy in face of persistently high inflation stoked fears of increasing lending rates.

The German real estate sector was unable to keep up with the upward trend of the stock market in 2021. The DIMAX German Real Estate Equity Index, for one, ended the year with a negative score of -3.1%. The broader-based EPRA Germany Index registered a setback by -7.2%. On the one hand, real estate companies, which proved crisis-proof during the pandemic, did not benefit from the same catch-up potential as other issuers in 2021. On the other hand, several large M&A transactions caused the market development in the real estate sector to be distorted to a certain extent. The rising inflation and the associated worries about lending rate hikes have also filled investors with trepidation, especially those who invest in real estate equity.

Faced with these parameters, and despite the company's robust business development, the ACCENTRO stock proved unable to steer clear of the real estate sector's performance on the stock market. By the end of the year, the quoted share price stood at EUR 6.60, implying a decline by about a quarter compared to the price of EUR 8.90 quoted at the start of the year. The ACCENTRO stock reached its annual high with EUR 9.05 in February. The share price probably came under pressure when the Development Land Release Act became effective in June 2021, even though ACCENTRO does not anticipate any adverse effects from it any time soon. During the fourth quarter, the share price was also significantly influenced by developments involving the Adler Group real estate company, which holds a minority stake in ACCENTRO AG.

The company's positive business development in 2021 and the forecast for the ongoing year underscore the performance strength of ACCENTRO. With c. EUR 360 million worth of fully partitioned ownership apartment units in its privatisation pipeline, its growing proprietary rental portfolio, and with the sales partnership with the ImmoScout24 real estate portal agreed in November of last year, ACCENTRO is optimally positioned for sustainable future growth. Accordingly, the Management Board expects the business performance to remain positive in 2022.

The company's strong market position and its sound strategic orientation has been reaffirmed by stock analysts, too: Most recently, as of March/April 2022, six out of seven research institutes issued a Buy recommendation for ACCENTRO stock, predicting an average upside target of EUR 12.19 per share, which would imply an upside potential of about 160% by the end of April 2022.

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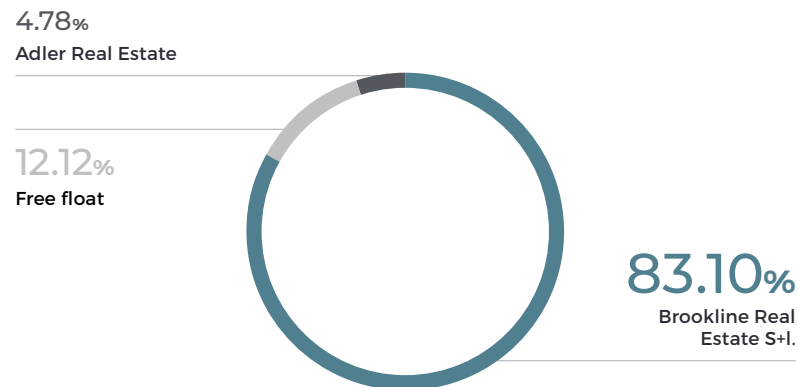
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### Shareholder Structure

The subscribed capital of ACCENTRO Real Estate AG equalled an unchanged total of EUR 32.44 million as of 31 December 2021. It breaks down into 32,437,934 no-par value bearer shares. As of 31 December 2021, a total of 83.10% of the ACCENTRO AG stock was held by Brookline Real Estate S.à.r.l., while ADLER Real Estate AG owned 4.78% and the free float accounted for 12.12%. The chart below provides an overview of the shareholding structure.

### SHAREHOLDER STRUCTURE

AS OF 31 DECEMBER 2021



### Investor Relations

#### Investor Relations Act as an Important Link to the Capital Market

Investor relations play a significant role for ACCENTRO Real Estate AG. This is why the periodic and transparent exchange of information with all capital market players matters a great deal to us. Among these stakeholders are not just our institutional and private shareholders but financial analysts and prospective investors, too. We maintain regular contact with all of these. We do so, on the one hand, within the framework of our periodic reporting on our quarterly and annual financials. On the other hand, we significantly expanded our activities last year, hosting more roadshows and attending more capital market conferences inside and outside Germany. For the financial calendar listing important dates for 2022 as well as for information about our company and about the ACCENTRO stock, please visit our homepage at [WWW.ACCENTRO.DE](http://WWW.ACCENTRO.DE).

ACCENTRO attended the following Roadshows and Investor Conferences in the year 2021:

#### INVESTORS' CONFERENCE PARTICIPATIONS 2021

18 January 2021	UniCredit Kepler Cheuvreux German Corporate Conference (virtual)
28/29 January 2021	Virtual Roadshow (Broker: M.M. Warburg)
26 March 2021	Commerzbank German Real Estate Forum (virtual)
9 June 2021	Quirin Champions Conference (virtual)
24 June 2021	UniCredit Kepler Cheuvreux German & Austrian Property Days (virtual)
7 September 2021	ZKK - Zürich Kapitalmarkt Konferenz
8 September 2021	SRC Forum Financials & Real Estate, Frankfurt/Main
9 September 2021	J.P. Morgan European High Yield & Leveraged Financial Conference (virtual)
21 October 2021	European Large & MidCap Event, Paris
22-24 November 2021	Deutsches Eigenkapitalforum (virtual)



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## COMPANY SHARES

Share price high (15 February 2021)*	EUR 9.05
Share price low (6 October 2021)*	EUR 6.00
Closing price on 31 December 2021*	EUR 6.60
Market capitalisation on 31 December 2021*	EUR 214,090,364.40
Number of shares	EUR 32,437,934

\* Closing prices in Xetra trading

## Analysts' Recommendations

### Analysts See Significant Upside Potential in ACCENTRO Shares

At the moment, seven financial analysts monitor the performance of ACCENTRO Real Estate AG. They maintain regular contact with our Management Board and our Investor Relations department, and publish written comments on the business development and strategic direction of the company several times a year. Five analysts currently recommend buying the stock, and one issued a "Hold" rating. One other analyst has temporarily stopped issuing ratings. The average target price is EUR 12.19, which corresponds to a significant upside potential of 139% relative to the current share price.

## ANALYSTS' RATINGS

ANALYST	INSTITUTION	RECOMMENDATION	PRICE TARGET
Philipp Kaiser	Warburg Research	Buy	EUR 14.00
Dr. Adam Jakubowski	SMC-Research	Buy	EUR 14.60
Katharina Schmenger	Quirin Privatbank	Buy	EUR 12.55
Stefan Scharff, Christopher Mehl	SRC-Research	Buy	EUR 14.00
Ferran Tort Barniol	Kepler Cheuvreux*		
Winfried Becker	FMR Frankfurt Main Research	Buy	EUR 10.00
Manuel Martin	ODDO BHF	Hold	EUR 8.00

\* Rating temporarily suspended

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The consolidated financial statements of ACCENTRO Real Estate AG (hereinafter “ACCENTRO 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.

Currency figures quoted in this report are denominated in euros (EUR). Both individual and total figures represent the value with the smallest rounding difference. Adding the values of the individual line items may therefore result in minor differences compared to the reported totals.

## Basic Principles of the Group

### Group Business Model, Objectives and Strategies

ACCENTRO Real Estate AG (hereinafter “the ACCENTRO Group” or “ACCENTRO”) is a listed property company focusing on residential real estate located in Germany. Geographically speaking, the business activities of ACCENTRO and its subsidiaries concentrate exclusively on real estate in economically attractive locations in selected states of Germany.

The business activities of the ACCENTRO Group comprise three core divisions. They include the tenant-sensitive retailing of apartments to private owner-occupiers and buy-to-let investors as well as the selling of real estate portfolios to institutional investors (the “trading and privatisation business”), and the build-up and management (letting) of a proprietary real estate portfolio (the “portfolio business”). These are supplemented by services provided to third parties (the “fee-based and service business”). Such services include the selling of real estate, the development and public provision of a digital platform (called PropRate) for finding and appraising or comparing real estate, and the annual compilation and publication of

several market analyses and reports on the German housing market. The acquisition of DIM Holding AG in Berlin, which had been initiated toward the end of the 2020 financial year, and the concomitant expansion of the business model to include the administration of third-party real estate, was shelved for the time being by backing out of the share acquisitions on 12 May 2021 because the business development of the parties to the sale-and-purchase agreement failed to meet the expectations regarding the scope of the residential units under management.

Germany’s steadily growing residential property market is the foundation of ACCENTRO’s business development. In addition to its current core business of apartment privatisation – which comprises the selling of residential units following minor refurbishment and repair work as well as the selling of such units after comprehensive redevelopments and the addition of extra floors along with the procurement of shared ownership deeds for yet non-partitioned multi-family homes – the Company is steadily evolving into a residential property investor, property asset holder and service provider. In the process, the Group combines the highly stable business model of a property asset holder and landlord with the high-yield business model of housing privatisation to maximise the generated cash flow and to tap synergies between the various core divisions.

As of the balance sheet date of 31 December 2021, the overall real estate portfolio of the ACCENTRO Group comprised around 4,900 units, including those whose deeds were already notarised while the transfer of benefits and burdens was still pending by the balance sheet date.

### Corporate Structure and Control System

ACCENTRO Real Estate AG is the parent company of the ACCENTRO Group. ACCENTRO Real Estate AG acts as an operationally active holding company for a number of member companies in which the residential property stock both of the portfolio business and of the privatisation business is concentrated. Within the ACCENTRO Group, ACCENTRO Real Estate AG assumes



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the top-down responsibilities of corporate controlling and administration. ACCENTRO Real Estate AG's sphere of ownership also includes core divisions such as Legal, Accounting, Controlling, Risk Management, Funding, Purchasing, Sales Project Management, Technical and Commercial Asset Management.

All companies that ACCENTRO Real Estate AG controls and that are not clearly immaterial due to their structure, e. g. as shelf companies, are fully consolidated in the Consolidated Financial Statements of ACCENTRO. For a list of the individual subsidiaries of ACCENTRO, please see the Notes to the Consolidated Financial Statements.

ACCENTRO holds several strategic investments in property development companies which are not controlled by ACCENTRO and which are therefore not included as subsidiaries in its consolidated financial statements. The pro-rata net income of these companies and their changes in value are recognised as at-equity earnings (or else are recognised as impairments, if necessary) in the Consolidated Income Statement, posted after EBIT within the financial result. Wherever the equity interest is below 20%, its contribution to operating income is reported as investment income.

Within the ACCENTRO Group, the financial statements as of the reporting date of 31 December 2021 and thus for the 2021 financial year will for the first time differentiate between segments along the lines of the Group's in-house management of its three segments "trading and privatisation business," "portfolio business" and "fee-based and service business." It is planned to keep developing the segment reporting, as well as the provision of additional financial and non-financial ratios, in conjunction with the continued build-up of the portfolio business over the next financial years.

ACCENTRO uses the consolidated earnings before interest and taxes (EBIT) and consolidated revenues as key financial performance indicators for the group management.

In the "trade and privatisation business" segment, control variables also include the sales performance of the properties along with other factors like the number of apartment reservations placed by potential buyers and the actual values of the properties sold. The latter are taken into account both by number of apartments sold and by their revenue volume. 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, viewings and reservations serve as early indicators of the Company's performance.

For the purposes of group management reporting, consolidated revenues serve as key performance indicators in addition to EBIT, since the other control variables are used for the individual analysis of each property and are not aggregated at the group level. Since the portfolio business is still in its formative stage and currently makes up a minor share of EBIT and consolidated revenues for the overall group, other key ratios typically reported by pure portfolio holders, such as funds from operation (FFO), have not yet been reported as supplementary figures because they are not used for internal management purposes either.

Prompt and regular updates on the liquidity position are among the variables recorded on the level of the parent group. The liquidity planning for the next twelve months is continuously updated. The Group relies on this centrally controlled task for the monitoring of its financial stability. One component of this control mechanism is the constant measurement of liquidity flows on the level of each company.

In addition, financial liabilities worth TEUR 416,352 (previous year: TEUR 323,000) are subject to contractual covenants toward the compliance with certain financial ratios (financial covenants) that concern the two bonds and four property financing arrangements as of 31 December 2021. The financial ratios refer essentially to industry-standard covenants relating to the limitation of net debt, the limitation of collateralised liabilities and to so-called

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debt service cover ratio, meaning the capacity to sustain the anticipated debt service by drawing on earnings. These covenants are also monitored regularly by ACCENTRO, with the necessary measures or options for action derived if necessary.

## Economic Report

### Macroeconomic Development

In spite of the lingering pandemic and tightening supply chain bottlenecks and material shortages, Germany's economy managed to recover from its prior-year slump in 2021. According to the Federal Statistical Office (Destatis), the gross domestic product, adjusted for inflation, grew by 2.7% year on year. Still, 2021 fell 2.0% short of the GDP of 2019, meaning the year before the outbreak of the coronavirus pandemic.

The economic output recovered in virtually all economic sectors. The inflation-adjusted GDP in the manufacturing industry, for instance, increased by 4.4%. In the combined economic sector of trade, transport and hospitality, the growth was more muted at 3.0%, which is due to the fact that pandemic-related constraints remained in place. The building trade, which had continued to register positive value creation in 2020, the first year of the pandemic, was the only segment with a slight -0.4% drop in economic output.

The inflation-adjusted private consumer spending stabilised in 2021 on the level of the year before, according to figures released by Destatis. But they remain a far cry from their pre-crisis level. By contrast, the government consumption spending acted as a major growth driver for the German economy, not least because it topped the high prior-year level by another 3.4%. Investments in new equipment, having taken a nosedive the previous year, increased by an inflation-adjusted 3.2% in 2021. By contrast,

building investments grew by a mere 0.5% because of labour and material shortages.

The export of goods experienced a significant growth of 9.4%, which means it nearly matched the level of 2019. Imports also surged, increasing by an inflation-adjusted 8.6%.

Germany's labour market also recovered during the second year of the coronavirus pandemic. According to the Federal Labour Agency, the jobless figure decreased by 378,000 year on year as of December 2021. This means that the unemployment rate dropped from 5.9% to 5.1%.

### Trends on Germany's Housing Market

In what has been more than two years now of the coronavirus pandemic with repeated lockdowns and major uncertainties regarding the economic recovery, the German residential investment market has proven resilient.

According to the Residential Report 2022 by BNP Paribas Real Estate, close to EUR 51 billion were invested in larger-scale housing portfolios (30 residential units or more) in Germany in 2021. That is twice as much as the sum total invested during the bumper year of 2015. The bulk of it is attributable to the takeover of Deutsche Wohnen by Vonovia and of Akelius by Heimstaden, which alone accounted for EUR 27 billion. That the new high-water mark is due not just to big-ticket mergers is illustrated by the fact that transactions of up to EUR 100 million also achieved an all-time high at nearly EUR 10 billion, topping the record that had been set in this market segment in 2017 by 20%.

The combination of high demand pressure and persistently short supply of residential real estate set the scene for the second year of the pandemic, just as it had defined the first year. According to the Spring Real Estate Industry Report commissioned by the ZIA German Property Federation, selling prices of ownership apartments and residential rent rates contin-

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ued to climb throughout 2021, actually outpacing the growth rates from the previous year.

Passing rents in Germany increased by a nationwide average of 3.7% in 2021 (2020: 3.1%). Rents in the Class A cities rose by only 2.7%, making it the third time in as many years that their growth trailed the national average.

At the same time, selling prices for (existing) ownership apartments registered a mean nationwide growth by 14.3% (2020: 11.2%). It was the sixth consecutive year with an average price growth by 9% or more. Since 2009, the year of the turning point in the real estate cycle, prices have thus increased by 146%.

The persistently strong demand for ownership apartments was driven not least by the still low effective interest rates for housing loans, which most recently approximated 1.3% (source: Deutsche Bundesbank). As a result, the loan portfolio in residential construction financing grew by 7.3% in 2021, according to the ZIA spring report.

The sum total of residential completions nationwide apparently continued to follow its slow growth trajectory in 2021, registering approximately 315,000 units completed by year-end. The upward trend is expected to remain stable in the years ahead. The growth is attributable to the increase in the number of planning consents issued in recent years. It should be added that the level of new-build construction and the number of planning consents issued in the Class A cities have mostly stagnated or even declined in some cities, such as Berlin. Then again, a trend reversal is not to be expected in the medium term, according to ZIA. Similarly, the Market Outlook 2022 by CBRE Research expects housing construction activity to gather momentum as a result of measures taken by the new Federal Government (despite existing bottlenecks in the building control and planning authorities and among contractors). Digitisation, modular construction

and the release of public land are among the steps that are to speed up the building activity and to lower costs.

According to the ZIA spring report, rural areas have lately thrived on the spillover from the major cities into their suburbs. Among the reasons for this trend, which has been ongoing for several years, is the housing supply in the Class A cities, which has been flatlining on a low level (especially as far as larger family apartments go), on the one hand. On the other hand, yield rates in the Class A cities continued to harden in 2021 in response to the unchecked surge in selling prices and the muted parallel growth in rent rates. The gross initial yield (not including incidental acquisition costs and maintenance costs) ranged from 2.2% to 3.0%, implying a drop by 20-30 basis points over prior year.

On top of that, the market has been impacted by Germany's Development Land Release Act that entered into force on 14 June 2021. The new law includes, inter alia, a distinct provision (cf. Art. 250, German Federal Building Code): The so-called apartment conversion ban makes the partitioning of existing residential buildings into ownership apartments subject to prior approval. It authorises municipalities to prohibit the conversion of rental properties into ownership apartments in buildings with more than five residential units whenever a given housing market is considered strained. Which areas qualify as such is up to state governments to determine by legislative decrees (Art. 201, Federal Building Code) accompanied by statements of the exact reasons. The decrees are effective through the end of 2026, at a maximum.

As it is, conversion bans are already in place in so-called historic district protection areas or urban conservation areas. The instrument of historic district protection is used with particular consistency in Berlin, as a result of which conversions are prohibited in many districts while modernisations are subject to approval. Boroughs like Friedrichshain-Kreuzberg also take advantage of their right of first refusal in historic district protection



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areas, either by acquiring multi-family houses in their own right or by persuading buyers to sign so-called restraining agreements. Such agreements may include provisions governing modernisation measures and rent control.

Despite the condominium conversion ban, ACCENTRO considers itself well positioned. As of 31 December 2021, the Company had a pipeline for the individual privatisation whose prospective revenue volume approximates EUR 360 million. These residential units are located in properties already lawfully partitioned into ownership apartments and therefore unaffected by the conversion ban. ACCENTRO is also planning to expand its privatisation portfolio nationwide, and is therefore not dependent on specific regions. The condominium conversion ban will certainly hamper the acquisition of new housing stock in strained markets. But there are still promising opportunities to acquire portfolios of already partitioned multi-family houses.

According to the Residential Report 2022 by BNP Paribas Real Estate, the generally positive fundamentals keep suggesting bright prospects for the German housing market. The general growth trend is therefore likely to continue on the country's residential property market. Although the number of completions has successively gone up in recent years, they have so far failed to ease the strain in a sustained manner. Instead, the market continues to be defined by pent-up demand for housing. On the national level, the vacancy rate was down to a mere 2.8% and thus well below the necessary fluctuation reserve of 3%. In the Class A cities – with the exception of Düsseldorf – the vacancy rate was actually lower than 1%.

BNP Paribas Real Estate estimates that short supply will probably keep dominating the markets, especially in the business metropolises, and ensure that rent levels remain high. After all, the expansion of the urgently needed building activity by the municipalities and key market operators is only making incremental progress.

Private buyers are as interested as ever in residential real estate either for owner-occupancy or as buy-to-let investment. Motivated not least by the accelerating inflation, they are looking for safe and yet profitable investment opportunities. This trend will prompt further price increases. Here, private investors are constantly competing with institutional buyers.

CBRE, for instance, observed in its Market Outlook 2022 that residential real estate acts as an important pillar in the portfolio allocation of institutional investors. Strong tenant demand acts as the driver here, especially in the conurbations because they reliably offer high, stable occupancy rates and therefore reliable rent cash flows. Even though yields are hardening in the “Big 5” markets (Berlin, Düsseldorf, Frankfurt, Hamburg, Munich) their spread vis-à-vis the interest on risk-free investments remains attractive. Accordingly, CBRE assumes that insurance companies and pension funds in particular, but increasingly family offices as well, will consider the advantages of this defensive asset class for their investment strategies. CBRE also expects yields in the Big 5 cities to keep declining slowly because of the persistent upward price growth.

Among the destinations that represent a viable and particularly plausible alternative to the yield drop in Class A cities for many private and institutional investors are the wider metro regions of these cities. Due to the close socio-economic interdependencies, the suburbs are directly influenced by the Class A cities they surround, and benefit from their favourable fundamentals. In addition, the housing shortages in the core cities are increasingly causing a spillover effect as people move out of the city. As a result, and subject to a certain delay, the pressure on the metropolitan housing markets is passed on to the suburbs. Just like the Class A cities themselves, the housing markets in their suburbs offer robust appreciation potential in addition to stability and security to investors.

For this reason, the ZIA spring report estimates that Class A cities are likely to see their growth dynamic keep slowing over the next few years. The

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trend will be driven by a steadily accelerating suburbanisation and migration into rural areas beyond the suburbs.

On top of that, CBRE believes that the housing industry is facing the major challenge of having to cope with the ESG requirements and to do its share to bring about the energy transition. ESG and carbon-neutral construction will anyway keep gaining in significance both for municipal decision makers and for investors. Yet the challenge of permanently lowering carbon emissions should not cause a slowdown in building activity. At the same time, as CBRE notes, the industry has to find a mechanism for keeping a lid on the costs, lest tenants and owners shoulder an even greater burden.

### Business Performance

All things considered, the business performance of the ACCENTRO Group during the 2021 financial year is reason for serious contentment, especially when considering the still massive constraints and uncertainties imposed by the coronavirus pandemic, which impacts the privatisation business more than anything else. Germany's housing market has impressively demonstrated its crisis resilience and structural growth potential. Demand for housing remained as high as ever last year. This goes both for the tenancy situation and for the demand for ownership apartments, be they intended for owner-occupancy or as buy-to-let investments.

ACCENTRO looks back on an extremely successful year of 2021 in the individual privatisation of apartments. By the end of September 2021, the notarised sales volume had more than doubled, rising by 107.7% to EUR 246.5 million (previous year: EUR 118.7 million). The number of notarised units developed just as briskly, as it increased by 81.2% to 761 units (previous year: 420 units). About 60% of the units were acquired by buy-to-let investors, a fact that underlines the high appeal that German residential real estate continues to have.

ACCENTRO significantly increased both the consolidated revenues and the consolidated EBIT during the 2021 financial year, achieving a double-digit percentage growth. At EUR 192.7 million (previous year: EUR 125.2 million), revenues did make the forecast range of EUR 170 to 200 million. Analogously, the EBIT forecast of EUR 45 to 50 million euros was fulfilled with EUR 45.2 million (previous year: EUR 34.7 million).

ACCENTRO continued to expand its real estate portfolio during the 2021 financial year. On the whole, the Company acquired around 700 units with an effective floor area of around 42,000 square metres. In addition to the acquisition of a smaller privatisation portfolio in Berlin, ACCENTRO kept enlarging its own rental property holdings through acquisitions in the Rhine-Ruhr metro region and in the eastern German states (in this case, in Saxony). The newly acquired units will serve as basis for continued stable earnings from the portfolio business, while simultaneously driving the sustained growth in rental income. The anticipated sales volume of the privatisation portfolio added up to c. EUR 360 million as of 31 December 2021.

For the marketing of residential real estate, ACCENTRO entered into a strategic and exclusive long-term partnership with the company Immobilien Scout GmbH ("ImmoScout24") during the 2021 financial year. The purpose of this important collaborative venture is to offer a full-service solution to institutional sellers, property developers, principals, estate agents and other property companies. Customers are expected to benefit from an end-to-end marketing approach, as ACCENTRO offers to sign guaranteed purchasing agreements for marketing and selling real estate with property sellers, while ImmoScout24 will fully and exclusively handle the digital marketing of the properties.

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## Earnings, Financial Position and Assets

### Earnings Position

The ACCENTRO Group's key revenue and earnings figures developed as follows during the 2021 financial year:

### EARNINGS POSITION

EURM

	FINANCIAL YEAR 2021	FINANCIAL YEAR 2020
Revenues	192.7	125.2
EBIT	45.2	34.7
Consolidated income	13.1	18.1

During the 2021 reporting year, consolidated revenues increased by EUR 67.5 million and thus topped the prior-year figure by 53.9%. As a result, consolidated revenues matched the Group's forecast for 2021, which had predicted revenues in a range of EUR 170 to 200 million.

EBIT rose by EUR 10.5 million to EUR 45.2 million during the 2021 reporting year, and thus improved by 30.3% over prior year (previous year: EUR 34.7 million). Accordingly, the EBIT also achieved its forecast range of EUR 45 to 50 million. All of the Company's business units contributed to the positive earnings performance, although the privatisation arm managed to make the largest contribution to operating income. In addition, the fair value measurement of the investment properties in the amount of EUR 19.0 million had a positive effect on the earnings performance, albeit on a visibly smaller scale than the year before (previous year: EUR 28.4 million).

Especially the trading and privatisation business, reporting a capital gains from property sales in a total amount of EUR 47.8 million, achieved a significant increase in earnings over prior-year period (previous year: EUR 19.6 million). The volume of apartments sold in the individual privatisation business increased but moderately year on year with 494 apartments sold (previous year: 313 apartments), while price effects made an all the more forceful impact due to very dynamic demand. As a result, revenues from individual apartment sales, with revenue recognition on a period-by-period basis especially for loft conversions taken into account, almost doubled at a total of EUR 144.4 million (previous year: EUR 75.0 million). By contrast, the share of large-scale real estate transactions (portfolio sales) decreased, accounting for 16.4 % or EUR 28.4 million (previous year: 33.2%).

The net rental income grew by EUR 2.1 million to EUR 7.0 million (previous year: EUR 4.9 million) during the year under review. This is attributable primarily to the expansion of the stock in residential units held in the investment property portfolio.

The net service income grew as well, rising by EUR 1.0 million to EUR 1.9 million (previous year: EUR 0.9 million). The service business comprises primarily property sales on behalf of third parties, and the corresponding fees and commissions earned thereby.

At EUR 1.3 million, the other operating income slightly trails the prior-year level (previous year: EUR 1.7 million). During the 2021 financial year, the other operating income was essentially generated by the reversal of provisions. The year before, this item was also supplemented with recovered expenses that ACCENTRO Real Estate AG had fronted. These costs were associable with a project that was sold during the 2019 financial year.

Additional acquisitions caused the portfolio of investment properties to expand substantially during the 2021 financial year. Due to the generally positive market development, a positive result from the fair value adjust-



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ment in the amount of EUR 19.0 million (previous year: EUR 28.4 million) was realised for the portfolio holdings. The reason why the result implies a one-year decline despite the fact that additions/acquisitions increased the real estate inventory by EUR 96.7 million is primarily the vacancy rate, which has yet to be reduced. One of the main goals for the property inventory of ACCENTRO both now and in the years ahead will be to reduce vacancies, which are relatively high compared to the rest of the market.

Total payroll and benefit costs increased by EUR 1.3 million to EUR 10.3 million (previous year: EUR 9.0 million) during the current period. The increase is essentially explained by the rise in the number of employees during the year under review. The employer's contribution to social security institutions registered a proportionate increase. On top of that, severance payments in the context of senior management staff changes and staff departures also increased the compensation expenses. By 31 December 2021, the number of employees working for the ACCENTRO Group had increased by 27 to a total of 101 employees (31 December 2020: 74 employees).

The stocked up provisions for losses based on an adjusted and upgraded impairment model according to IFRS 9 are also reflected in a significant increase in impairments on inventories and receivables, which now amount to EUR 1.8 million (previous year: EUR 0.1 million).

The other operating expenses in the amount of EUR 18.4 million (previous year: EUR 10.7 million) essentially represent legal and professional fees that include, like the previous year, expenses for general advisory services in the areas of taxes, real estate transactions, legal, and general strategic issues, among other expenses. Also recognised among other operating expenses are EDP costs, acquisition costs, as well as information, advertising and entertaining expenses. The elevated level of expenses here is mainly due to the issuance of another bond in a nominal value of EUR 100 million during the first quarter of the reporting year as well as significant expenses in connection with the digitisation strategy pursued by ACCENTRO. The

Company expects this strategy to deliver both income potential and efficiency gains. In addition, it deliberately spent more on consultancy expenses in an effort to enhance the risk reporting both internally and externally, and to adapt it to tightened legal requirements.

The net income in the amount of EUR 0.4 million (previous year: EUR 0.1 million) from companies included in the consolidated financial statements using the equity method represents ACCENTRO's pro-rata share in the annual net income of its associates and joint ventures. In this context, the one-off impairment of an equity investment in a joint venture became necessary (EUR 4.5 million) after the latest expert valuation of the project properties held by this joint venture at fair value, less priority bank loans to be repaid, revealed an impairment over this amount as of the reporting date of 31 December 2021.

The net interest result of the 2021 financial year equalled EUR – 20.5 million (previous year: EUR – 10.5 million). The increase in financial liabilities and bonds by EUR 40.7 million and the rise in interest expense by EUR 3.6 million during the 2021 financial year coincide with a decrease in interest income by EUR 6.4 million. It should be added that the interest income reported the previous year had resulted from an enlarged volume of granted loans and from special interest claims in connection with short-term loans.

The earnings before taxes equalled EUR 20.6 million (previous year: EUR 24.3 million). The income tax payable during the reporting period amounted to EUR 7.5 million, and thus slightly exceeded the prior-year total of EUR 6.3 million. The tax ratio for the 2021 financial year is 36.3% (previous year: 25.7%). The raised tax rate is, on the one hand, explained by one-off tax income that relates to another accounting period as a result of the reversal of tax provisions during the previous financial year, an occurrence that did not repeat itself during the 2021 financial year now concluded. The prior-period tax income was generated by trade tax effects due to the consideration of the extended trade tax exemption for property

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companies holding real estate. On the other hand, the non-recognition of deferred tax assets on loss carryforwards had an effect. For additional composition and quantitative details on expenses and income, please see the Notes to the Consolidated Financial Statements.

### Financial Position

#### KEY FIGURES FROM THE CASH FLOW STATEMENT

EURM	FINANCIAL YEAR 2021	FINANCIAL YEAR 2020
Cash flow from operating activities	99.6	-32.7
Cash flow from investing activities	-85.4	-99.6
Cash flow from financing activities	50.0	163.7
Net change in cash and cash equivalents	64.2	31.4
Increase in cash and cash equivalents from the addition of fully consolidated companies	2.1	1.0
Decrease in cash and cash equivalents from the disposal of fully consolidated companies	-1.3	0.0
Cash and cash equivalents at the beginning of the period	56.5	24.2
Cash and cash equivalents at the end of the period	121.5	56.5

During the 2021 financial year, the cash flow from operating activities equalled EUR 99.6 million (previous year: EUR -32.7 million). It broke down into a cash flow from operations in the amount of EUR 37.0 million (previous year: EUR -0.8 million) and a cash inflow from downsizing the portfolio of the inventory assets in the amount of EUR 62.6 million (previous year: cash outflows in the amount of EUR -31.9 million). The decrease in trade receivables in the amount of EUR 17.0 million and the increase in current liabilities in the amount of EUR 10.4 million contributed signifi-

cantly to the positive cash flow from operations in this context. The necessary adjustments for non-cash income were also significantly lower than they had been the previous year; here, it was most notably the income from the fair value measurement of investment properties that declined year on year. The cash flow from operations was impacted by tax payments in the amount of EUR 4.1 million (previous year: EUR 7.3 million).

For more details on the amount and composition of the cash flows, please see the Consolidated Cash Flow Statement and the Notes to the Consolidated Financial Statements (page 103).

The cash flow from investing activities during the 2021 financial year was negative at EUR -85.4 million (previous year: EUR -99.6 million). The negative cash flow is primarily attributable to the extensive acquisitions of investment property in a total amount of EUR 63.3 million (previous year: EUR 65.2 million) that were undertaken during the 2021 financial year. Loans granted during the 2021 financial year added up to EUR -23.3 million (previous year: EUR -75.9 million). The cash-effective interest received for these loans amounts to EUR 4.6 million (previous year: EUR 2.1 million). By contrast, receivables from the repayment of granted loans dropped significantly, down to a total of EUR 4.6 million (previous year: EUR 55.5 million).

The positive cash flow from financing activities in the amount of EUR 50.0 million (previous year: EUR 163.7 million) is primarily attributable to cash inflows from loan financing arrangements, and to the issuance of the 2021/2026 bond, adding up to EUR 166.9 million (previous year: EUR 349.2 million). Conversely, this is matched by payments for the redemption of financial liabilities in a total amount of EUR -97.9 million (previous year: EUR 163.9 million) and interest and financing costs paid in a total amount of EUR -19.5 million (previous year: EUR 21.6 million). There was no cash outflow from dividend payments, just like in the previous financial year.

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## ASSET AND CAPITAL STRUCTURE

EURM

	31/12/2021		31/12/2020	
	Value	%	Value	%
<b>Assets</b>	<b>929.5</b>	<b>100.0%</b>	<b>862.0</b>	<b>100.0%</b>
Non-current assets	427.7	46.0%	311.3	36.1%
Current assets less liquid assets	364.3	39.2%	494.1	57.3%
Cash and cash equivalents	121.5	13.1%	56.5	6.6%
Assets held for sale	16.0	1.7%	0.0	0.0%
<b>Debt and equity</b>	<b>929.5</b>	<b>100.0%</b>	<b>862.0</b>	<b>100.0%</b>
Equity	260.6	28.0%	247.1	28.7%
Non-current liabilities	508.8	54.7%	402.4	46.7%
Current liabilities	160.0	17.3%	212.4	24.6%

Total assets increased by another EUR 67.5 million (+7.8%) to EUR 929.5 million (31 December 2020: EUR 862.0 million).

The non-current assets increased by EUR 116.4 million. The increase is mainly explained by the acquisition of real estate and real estate portfolios, which increased the value of the investment properties, recognising their growth in market value in the income statement, by a total of EUR 115.7 million. For more details, see page 111 in the Notes to the Consolidated Financial Statements.

Moreover, non-current assets include the non-current other receivables and other assets (EUR 35.7 million; previous year: EUR 25.1 million). These include essentially interest-bearing loans to companies with whom ACCENTRO is associated through equity investments. Since ACCENTRO does not control these companies, they are not fully consolidated in the Consolidated Financial Statements of ACCENTRO.

In addition, the non-current assets include a non-depreciable goodwill in the amount of EUR 17.8 million that is attributable to the privatisation business, and which remained unchanged year on year, owner-occupied properties and buildings in the amount of EUR 24.1 million (previous year: EUR 24.4 million), equity investments in non-consolidated companies in the amount of EUR 11.6 million (previous year: EUR 12.0 million), as well as property, plant and equipment and intangible assets in the amount of EUR 5.5 million (previous year: EUR 1.8 million).

Current assets (not including cash and cash equivalents) decreased by EUR 129.8 million to EUR 364.3 million (previous year: EUR 494.1 million), and represent primarily the trading portfolio properties recognised in inventories. For 296 residential units acquired for a combined purchase price of EUR 36.4 million, the transfer of benefits and burdens took place during the 2021 financial year. For another 71 residential units acquired for a purchase price of EUR 22.3 million, the sale and purchase agreements were signed in 2021, while their benefits and burdens will not be trans-



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ferred and recognised until the 2022 financial year. Conversely, 830 residential units (previous year: 629) were sold at their historical cost of EUR 167.6 million.

The inventory properties are measured at historical costs, plus subsequent expenditures to restore their marketability. The properties held as inventory assets were not subject to reversals of impairment losses or impairments during the 2021 financial year. Properties worth a amount of EUR 393.3 million (previous year: EUR 310.2 million) are recognised as collateral for financial liabilities.

The increased current trade receivables of the previous year are mainly explained by the reporting date, because purchase price receivables in the amount of EUR 36.7 million from properties sold in late 2020 were still outstanding by the prior year's reporting date. These receivables were collected as agreed in 2021.

In addition, the current assets included the following items during the 2021 financial year: Other receivables and other current assets in the amount of EUR 29.7 million (previous year: EUR 22.7 million) for the 2021 financial year include essentially the receivables from the rescission of the sale-and-purchase agreement for the acquisition of shares in DIM Holding AG and claims related to escrow accounts and other loan receivables. Income tax receivables amounted to EUR 1.5 million (previous year: EUR 1.7 million) as of the reporting date. Contract assets created by period-based revenue recognition in connection with the development of attic apartments are reported in the amount of EUR 11.2 million (previous year: EUR 0.4 million). The remaining accounts receivable break down into a multitude of minor amounts.

At 13.1%, the ratio of cash and cash equivalents to total assets was well above the level registered at the prior-year reporting date (6.6%). This is due to the fact that the amount of the cash position more than doubled year on year, increasing by EUR 65.0 million to EUR 121.5 million.

ACCENTRO assumes that all of the loans to be renegotiated or maturing during the 2022 financial year will be renewed on a rotating basis or repaid. Considering the large holdings of cash and cash equivalents in the amount of EUR 121.5 million, ACCENTRO considers its financing requirements secured through the end of the 2022 financial year. No financing arrangements in foreign currencies were taken out by ACCENTRO AG.

At 72.0%, the debt-to-equity ratio (debt capital/total capital) by the end of the year under review more or less matched the prior-year level (71.3%). In addition to an increase in debt (EUR +54.0 million), the 2021 financial year also saw a rise in equity (EUR +13.5 million).

Reporting on the loan-to-value (LTV) ratio is based on the respective bond terms because the LTV is also subject to in-house monitoring and reporting. There is a slight difference in the ways in which the LTV ratios are calculated for the 2020/2023 bond and the 2021/2026 bond, respectively, as the subsequent calculations for each one reveals.

The LTV of the 2020/2023 bond declined slightly to 54.9% (previous year: 56,6%). The same is true for the LTV of the 2021/2026 bond, which dropped to 48.2% (previous year: 53.2%).

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## LTV CALCULATION

IN TEUR

	2021	2020
<b>2020/2023 BOND</b>		
Financial liabilities	252,920	316,823
Bonds	+353,356	+248,711
Cash and cash equivalents	-121,502	-56,541
<b>A. Net financial liabilities</b>	<b>484,774</b>	<b>508,993</b>
Total asset value (assets)	929,466	861,987
Excess of fair value of the inventory properties above carrying amount	+108,228	+135,373
Deferred tax liabilities (tax rate: 30.175%)	-32,658	-40,849
Cash and cash equivalents	-121,502	-56,541
<b>B. Adjusted total asset value</b>	<b>883,534</b>	<b>899,970</b>
<b>LTV of 2020/2023 bond (= A. / B.)</b>	<b>54.9%</b>	<b>56.6%</b>
<b>2021/2026 BOND</b>		
Financial liabilities	252,920	316,823
Bonds	+353,356	+248,711
Cash and cash equivalents	-121,502	-56,541
<b>A. Net financial liabilities</b>	<b>484,774</b>	<b>508,993</b>
Adjusted total asset value (assets)	929,466	861,987
Excess of fair value of the inventory properties above carrying amount	+108,228	+135,373
Deferred tax liabilities (tax rate: 30.175%)	-32,658	-40,849
<b>B. Adjusted total asset value</b>	<b>1,005,036</b>	<b>956,511</b>
<b>LTV of 2021/2026 bond (= A. / B.)</b>	<b>48.2%</b>	<b>53.2%</b>

The Group was able to meet its financial obligations at all times. Rolling liquidity planning makes it possible to detect potential liquidity bottlenecks early on and to seize countermeasures to deflect them if necessary.

The financing schemes of ACCENTRO rest on several pillars. In addition to bank loans collateralised by land charges, the Company employs capital-market-based financing arrangements in the form of bonds.

Largely because of the issuance of the 2021/2026 bond for the purpose of financing property acquisitions, non-current liabilities increased by 26.4% to a total of EUR 508.8 million. By contrast, current liabilities decreased by 24.7% to EUR 160.0 million. The figure reflects the reduction in current financial liabilities as a result of the rapid disposal of inventory properties and the associate repayments as contractually agreed.

During the 2021 financial year, the consolidated net income of EUR 13.1 million led to a further increase in shareholder equity to EUR 260.6 million by 31 December 2021 (31 December 2020: EUR 247.1 million). Still, the equity ratio declined slightly to 28.0% (previous year: 28.7%). This results primarily from the 7.8% growth in total assets due to the financial debt taken out to pay for the extensive investments.

### General Statement on the Business Situation of the Group

ACCENTRO succeeded in implementing its expanded corporate strategy during the 2021 financial year as planned. For one thing, it managed to enlarge the investment property portfolio significantly through additional acquisitions, increasing its value by EUR 115.7 million to a new total of EUR 330.7 million. Yet the stock in inventory properties dropped to EUR 300.6 million (previous year: EUR 409.5 million) due to the large volume of property sales. The Company continued to expand its real estate holdings outside Berlin, and to further diversify its overall business model, whereas the plan to expand into the administration of third-party real

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estate holdings, as conceived toward the end of the previous year, has not been implemented yet.

The prior-year Group Management Report predicted revenues between EUR 170 and 200 million (previous year: EUR 125.2 million) and EBIT between EUR 45 and 50 million (previous year: EUR 34.7 million). This forecast was met due to the successful business development and the robust headline rental growth for residential real estate. The actual figures added up to EUR 192.7 million in revenues and EUR 45.2 million in EBIT, and included a valuation effect in the amount of EUR 19.0 million.

ACCENTRO is rather content with the earnings performance, especially when considering the constraints imposed by the coronavirus pandemic, whose ramifications impact the privatisation business above all. The prerequisites for a sustained positive financial performance of the ACCENTRO Group were put in place during the 2021 financial year through the expansion of the real estate inventory and by setting up new collaborative ventures.

### Other Financial and Non-Financial Performance Indicators

To manage the Group, the Management Board uses the key performance indicators revenues and earnings before taxes (EBIT) as primary monitoring parameters. But other financial and non-financial ratios are applied as well.

### HUMAN RESOURCES:

The professional know-how and the commitment of employees and executives represent key conditions for a robust business performance of the ACCENTRO Group. To help retain employee knowledge and skills, the ACCENTRO Group places particular emphasis on providing attractive working conditions. This includes, above all, a competitive compensation system that is constantly monitored and adjusted if necessary. Group

employees also benefit from options for continued professional development as needed or whenever the opportunity presents itself.

### REPUTATION:

An important non-financial success factor for ACCENTRO is the reputation of the Group and of the Group member companies. With this in mind, ACCENTRO continuously talks to financing banks, investors and other relevant stakeholders.

### AVAILABLE-FOR-SALE PORTFOLIO:

For a number of years now, ACCENTRO has concentrated on the booming market of Berlin, exploiting its highly auspicious development. By building up its own trading portfolio in attractive regions outside Berlin, and by entering into an exclusive nationwide collaboration in residential real estate marketing with Immobilien Scout GmbH ("ImmoScout24"), the ACCENTRO Group will continue to expand its position as attractive and reliable partner in the segment of tenant-friendly apartment privatisation and in the marketing of new-build apartments beyond its home market. The business success of the ACCENTRO Group in the privatisation business is monitored by continuously keeping count of the apartments sold, so that the trend in sales represents yet another non-financial performance indicator.

### RENTAL PORTFOLIO:

Important monitoring parameters in the sphere of the proprietary rental portfolio, which is still in the process of being set up, include the vacancy rate and tenant satisfaction above all.

### INTERNATIONALITY:

To reach out to a wider circle of potential buyers beyond its German-speaking clientele, ACCENTRO actively continues to expand its international presence. The obvious objective being to tap new categories of buyers who are interested in German real estate.



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### Fundamentals of the Company

ACCENTRO Real Estate AG is the parent company of the ACCENTRO Group. ACCENTRO Real Estate AG acts as an operationally active holding company for a number of member companies in which the residential property stock both of the portfolio business and of the privatisation business is concentrated. Within the ACCENTRO Group, ACCENTRO Real Estate AG assumes the top-down responsibilities of corporate controlling and administration. ACCENTRO Real Estate AG's sphere of ownership also includes core divisions such as Legal, Accounting, Controlling, Risk Management, Funding, Purchasing, Sales Project Management, Technical and Commercial Asset Management.

The Company's business performance, along with its opportunities and risks, is inseparably linked to the economic development of the group entities. To properly understand the economic development of ACCENTRO Real Estate AG and its definitive influencing factors, it is therefore of the essence to consider the ACCENTRO Group as a whole. The reporting on the situation and the presentation of the opportunities and risks of the Group therefore apply essentially to ACCENTRO Real Estate AG as parent company and as an individual enterprise.

The separate financial statement of ACCENTRO Real Estate AG underlying this report was compiled according to the regulations of the German Commercial Code (HGB) for large stock corporations and the supplementary regulations of the German Stock Corporation Act (AktG).

ACCENTRO Real Estate AG is a residential property company listed on the regulated market and traded, inter alia, on the Frankfurt Stock Exchange.

### Business Performance

The pre-tax profit in the unconsolidated financial statements of ACCENTRO Real Estate AG increased to EUR 3.6 million (previous year: EUR -6.1 million). The main reasons for this include a substantial increase in other operating income, and the profits received from subsidiaries within the framework of profit transfer agreements. Total assets also grew significantly to EUR 591.4 million (previous year: EUR 473.0 million).

Payroll and benefit costs rose to a new total of EUR 7.1 million (previous year: EUR 6.0 million), which is primarily explained by the Company's growing workforce.

The net income from profit-transfer agreements signed with subsidiaries in the amount of EUR 14.0 million (previous year: EUR 6.5 million) resulted in a significant improvement of the annual net income. More than anything else, it reflects the prospering privatisation business within the ACCENTRO Group.

The net interest result declined noticeably year on year. While the 2020 financial year had returned a net interest result of EUR 9.0 million, the net interest income in the period under review added up to EUR 4.4 million.

### Earnings, Financial Position and Assets

#### Earnings Position

ACCENTRO Real Estate AG pursues its business activities through autonomous subsidiaries. As an operating holding company, it performs standard management, administrative and financing functions for its Group companies. The earnings position of ACCENTRO Real Estate AG is therefore defined, on the one hand, by the contributions to operating income from its subsidiaries, and, on the other hand, by its funding role within the Group and its expenditures in this function.

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The earnings position of ACCENTRO Real Estate AG developed as follows during the 2021 financial year:

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	01/01/2021 TO 31/12/2021	01/01/2020 TO 31/12/2020	CHANGE
Revenues	136	286	-150
Other operating income	13,471	1,601	11,870
Cost of materials	-140	-577	-437
Payroll and benefit costs	-7,140	-5,998	1,142
Amortisation of intangible assets and depreciation of property, plant and equipment	-456	-229	227
Depreciation of current assets	-5,086	0	5,086
Miscellaneous operating expenses	-15,611	-16,485	-873
Net income from investments (including profit transfer)	14,028	6,239	7,789
<b>Operating income (EBIT)</b>	<b>-797</b>	<b>-15,162</b>	<b>14,363</b>
Interest Result	4,372	9,048	-4,676
Pre-tax profit	3,575	-6,114	9,689
Income taxes and other taxes	-112	2,068	-2,180
Profit/loss for the year	3,463	-4,046	7,509

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At EUR 0.1 million, revenues barely changed year on year, and break down into fees for project management tasks and technical supervision of joint sales projects in cooperation with third-party project partners.

The other operating income grew substantially year on year, rising from EUR 1.6 million to EUR 13.5 million. In the 2021 financial year, this income was mainly generated by the disposal of an equity interest in a project company (ACCENTRO Bayern GmbH) for the amount of EUR 10.7 million. Additional revenues were generated by recovering expenses that ACCENTRO Real Estate AG had fronted for its subsidiaries and then passed on to them.

The reduction in the cost of materials is due to a one-off effect from the previous year, when warranty expenses connected to a property development sale in 2019 were recognised.

Payroll and benefit costs rose to a new total of EUR 7.1 million and reflect the continued growth of the Company's workforce. ACCENTRO Real Estate AG employed an average of 65 staff (previous year: 38) during the 2021 financial year, apprentices and Management Board members included. It should be added that the significant growth in new jobs created is not fully reflected in the figures yet because hiring continued throughout the year.

Allowances for the financial year include loans recognised among the current assets that had been granted to two subsidiaries in a total amount of EUR 5.1 million (previous year: EUR 0.0 million). These allowances in the amount of EUR 4.5 million are mainly explained by valuations of the project properties held by these subsidiaries, and by the return flow of funds now expected after their new measurement.

At EUR 15.6 million, the other operating expenses decreased by EUR 0.9 million year on year (previous year: EUR16.5 million). Basically, costs incurred in conjunction with corporate actions during the previous year led to a reduction in other operating expenses during the year under review. This contrasts with costs hikes elsewhere during the 2021 financial year concluded, especially the amounts spent on the digitisation drive of the ACCENTRO Group, which were largely covered by ACCENTRO AG, and third-party expenses toward strategic consultancy and assistance with the compilation of financial statements.

Net income from investments (profit transfers included) in the amount of EUR 14.0 million marked a noticeable increase year on year (EUR 6.2 million) that was due to larger income flows in the basis of profit-transfer agreements. This in turn is explained by stepped-up sales activities and by significant subsequent increases in net income for the subsidiaries.

The interest balance equalled EUR 4.4 million during the period under review (previous year: EUR 9.0 million) after dropping more or less to half of what it was the year before. The drop is definitively due to lower interest income, which had gone up sharply during the previous year as a result of a one-off repayment of a short-term loan. Even the significant increase in interest income was unable to compensate for the drop within the framework of the inter-group financing function of ACCENTRO Real Estate AG. Interest expenses increased slightly because of the new bond issued in 2021.

The profit for the year equalled EUR 3.5 million (previous year: EUR - 4.0 million).



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### Financial and Net Asset Position

The financial and net asset position of ACCENTRO Real Estate AG is definitively characterised by its activities as a financial holding company. The following overview lists the main non-current assets and liabilities, along with their year-on-year changes, if any:

TEUR

	31/12/2021		31/12/2020		CHANGE
<b>Assets</b>	<b>591,425</b>	<b>100.0%</b>	<b>473,038</b>	<b>100.0%</b>	<b>118,387</b>
Plant, equipment and software	2,243	0.4%	1,183	0.3%	1,060
Financial investments	143,460	24.3%	94,448	20.0%	49,012
Advance payments for financial investments	13	0.0%	13,568	2.9%	-13,555
Trade receivables	18	0.0%	91	0.0%	-73
Receivables from associates	391,268	66.2%	316,272	66.9%	74,996
Receivables from equity investments	10,157	1.7%	6,920	1.5%	3,237
Other assets	19,260	3.3%	24,871	5.3%	-5,611
Cash and cash equivalents	24,459	4.1%	14,958	3.2%	9,501
Other securities	285	0.0%	285	0.0%	0
Other assets	262	0.0%	442	0.1%	-180
<b>Equity and liabilities</b>	<b>591,425</b>	<b>100.0%</b>	<b>473,038</b>	<b>100.0%</b>	<b>118,387</b>
Equity	175,472	29.7%	172,009	36.4%	3,463
Provisions	5,952	1.0%	8,758	1.9%	-2,806
Bonds	350,000	59.2%	250,000	52.8%	100,000
Trade payables	1,850	0.3%	813	0.2%	1,037
Payables to associates	48,558	8.2%	37,795	8.0%	10,763
Other liabilities	9,593	1.6%	3,663	0.8%	5,930

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Total assets increased by EUR 118.4 million from EUR 473.0 million to EUR 591.4 million. The asset and financial position is definitively influenced by financial investments, debt financing via bonds, and the performance of receivables from, and payables to, associates.

- › Financial investments continued to increase during the 2021 financial year, rising by EUR 49.0 million to a sum total of EUR 143.5 million as companies were acquired and loans were granted in the same context toward the build-up of a real estate portfolio for long-term ownership.
- › Conversely, the money paid down for financial investments during the 2021 financial year dropped to EUR 0.0 million (previous year: EUR 13.6 million) because of changes in ownership during the past financial year.
- › The receivables from associates and equity investments experienced another substantial increase by a total amount of EUR 78.2 million to EUR 401.4 million during the 2021 financial year. The increase is essentially explained by loans granted both to new project development companies and to property companies.
- › The other assets decreased noticeably by EUR 5.6 million down to EUR 19.3 million during the 2021 financial year. This is primarily the result of reclassifying certain loan receivables from third parties as a loan receivable from an associate after a change of ownership in the case of one project company toward the end of the 2021 financial year.

The issuance of a new bond maturing in 2026 (over a nominal amount of EUR 100 million) during the 2021 financial year caused liabilities from bonds and loans to increase accordingly. Interest liabilities not due by the reporting date are reported under other liabilities.

The payables to associates increased by EUR 10.8 million to a total of EUR 48.6 million due to the repatriation of capital from project companies.

ACCENTRO complied with collateral agreements from facility agreements (covenants) and the terms of the 2020/2023 and 2021/2026 bonds during the year under review.

ACCENTRO Real Estate AG was able to meet its financial obligations at all times during the 2021 financial year.

No new shares were issued in the financial year, so that the share capital and the capital reserve of ACCENTRO Real Estate AG did not change during the year under review.

Moreover, the net income for the year caused ACCENTRO Real Estate AG's total equity to increase by EUR 3.5 million to EUR 175.5 million. The equity ratio (total equity to total assets) nevertheless declined to 29.7% (previous year: 36.4%) as a result of the drastic increase in total assets. No dividend for the 2020 financial year was paid out in 2021.

### General Statement on the Company's Business Situation and Business Performance

The earnings position of the Group, by which the economic development of ACCENTRO Real Estate AG as holding company is largely defined, evolved according to plan during the 2021 financial year due to the persistently strong demand for residential real estate but also due to the catch-up needs prompted by the pandemic-related delays during the previous financial year. The ACCENTRO Group achieved its forecast within the planned corridor.

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We are very pleased with the earnings performance in the financial year concluded, and all the more so since many pandemic-related restrictions remained in place during that year. For the 2021 financial year, a modest profit for the year and a significant increase in total assets were assumed at the level of the separate financial statement of ACCENTRO Real Estate AG. These objectives were met and the forecast thereby fulfilled.

The prerequisites for a sustained positive financial performance of the ACCENTRO Group were put in place during the 2021 financial year by continuing the rapid expansion of the real estate inventory and by setting up new collaborative ventures. This is likely to have a positive effect for the parent company, ACCENTRO Real Estate AG.



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## Forecast, Opportunity and Risk Report

### Forecast Report

The following statements on the Group's future business performance, and on the relevant factors considered decisive, are based on the corporate planning from April 2022 and concern the development of market, sector and Company. In principle, forecasts are exposed to the obvious risk that actual developments may deviate both in trend and scope from the predictions made. The material risks to which the ACCENTRO Group is exposed are detailed in the Opportunity and Risk Report.

Germany's leading economic research institutes expect the conflict between Russia and Ukraine to put a serious damper on the German economy in 2022, and revised their forecasts downwards accordingly in March 2022.

The ifo Institute for Economic Research, for one, outlines a scenario in its spring report that lowers the GDP growth outlook for Germany to a mere 2.2%. This would be a much slower growth rate than the 3.7% forecast previously assumed. The institute's scenario predicts that the situation will continue to deteriorate in the months ahead. It suggests that energy market prices will keep going up and are unlikely to reach their peak before mid-year. Although they will soften after that, they will remain well above the market expectations through the end of the forecast period. Moreover, serious economic policy uncertainties and a further tightening of supply bottlenecks will hamper the economic development until mid-year.

In a similar assessment, the IfW Kiel Institute for the World Economy has diagnosed strong headwinds for the German economy once more. The war in Ukraine is causing high commodity prices, creating new supply bottlenecks, and eliminating sales opportunities, according to the IfW. The institute goes on to predict that high commodity prices will diminish the spending

power in terms of disposable income, and thereby stall private consumption. Additional supply bottlenecks will further impact industrial manufacturing, and noticeably so. Finally, sales opportunities will dry up at least temporarily because of the sanctions imposed and due to the high level of uncertainty caused by the war. On the whole, the institute expects the gross domestic product to grow by 2.1% this year (winter forecast: 4%) and by 3.5% in 2023 (winter forecast: 3.3%).

Due to the elevated commodity prices, both institutes anticipate a high inflation rate in Germany in 2022 that will slow private consumer spending. The ifo Institute for Economic Research predicts an inflation rate of 6.1% in the scenario discussed above, which would be a significantly higher rate than the one projected in the context of ifo's economic forecast of December 2021. The IfW Kiel Institute for the World Economy ventured a similar inflation forecast for 2022, predicting a German inflation rate of 5.8%.

In response to the high inflation rate, building finance rates for ten-year real estate loans have gone up from one percent at the beginning of the year to more than 1.6% (by early March 2022), according to the Interhyp AG mortgage broker. Moreover, the company considered a further rise in interest rates likely as the year 2022 progresses. It identified the high inflation rate as driving factor.

Although the ramifications of the coronavirus pandemic for Germany's housing industry have remained modest during the past years, and although the industry has proven relatively crisis-resistant, one should not lose sight of the danger of resurging infection rates as the year progresses. It is very hard to estimate how lockdowns, possibly even on a nationwide scale (as currently considered by China), could impact the development of the global economy.

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That being said, experts believe that the structural growth of the German residential property market (as discussed in depth in the “Trends on Germany’s Housing Market” section of this report) is set to continue. Then again, the outlined economic developments and the inconclusive pandemic situation could cause the market to lose some of its momentum in the course of the year.

DZ-Bank, for instance, suggests in an analysis of the German housing market that the growth in real estate prices, while slowing its pace, will continue nonetheless. The bank assumes that prices for detached homes and ownership apartments will still experience a growth of 7.5% to 9.5% in 2022.

It names the strong unchecked demand for apartments, which continues to exceed supply, as the driver behind the projected price growth. Given the strained macroeconomic development, it remains to be seen in this context what sort of short-term ramifications persistent delays in deliveries and rising material prices will have for the new-build construction business and for the Federal Government’s policy goals.

Despite all the imponderables, the ACCENTRO Group faces the future with cautious optimism, and expects to see its successful business performance continue in 2022. Accordingly, the Company expects the revenues to increase to somewhere between EUR 200 and 220 million (previous year: EUR 192.7 million) and EBIT to equal once again between EUR 45 and 50 million (previous year: EUR 45.2 million).

Due to the global economic development, the Company’s sales planning efforts take into account that the high inflation rate in combination with rising interest rates and the general unease could, at least temporarily, compromise private investors’ willingness to buy.

That being said, the ACCENTRO plans to keep investing heavily in the property assets held for the long term during the 2022 financial year, and

this will be reflected in a clearly negative cash flow from investment activities.

As far as its rental portfolio goes, the Group intend to bring down the vacancy rate.

It also expects its service business to grow rapidly. The growth will be largely driven by the exclusive selling and marketing collaboration for residential real estate that the Company agreed on with the ImmoScout24 real estate portal last year.

Going forward, we expect the annual net income reported by ACCENTRO Real Estate AG in its separate financial statement for the 2022 financial year to be on a level with the current year under review, and the total assets to keep growing slowly.

As in previous years, the ACCENTRO Group quickly expanded its workforce last year and intends to keep hiring at a moderate pace in 2022 to ensure the Company has the human resources it needs to manage the growing scope of its business.

### Opportunity and Risk Report

#### Risk Management

The risk management system of the ACCENTRO Group is designed to safeguard the value-added potential of the Group’s business activities, and to permit its exploitation in a manner that will translate into sustainable growth of the Group’s goodwill. It is an integral part of this system to address potentially unfavourable developments and events in a structured approach that enables the Management Board to take countermeasures in good time before material damage is caused.

Serving the purpose of detecting and communicating significant risk factors promptly, particularly those that are highly relevant in terms of income and

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liquidity and that could therefore jeopardise the Group's continued existence, the ACCENTRO Group's risk management system is integrated in the planning, reporting and controlling processes of the ACCENTRO Group at the organisational level. The system is managed on a centralised basis by ACCENTRO Real Estate AG, and comprises the systematic identification, analysis, assessment, control, and monitoring of material risks by the Company's Management Board. In response to tightening constraints, a comprehensive, structured and integrated risk management was implemented in the course of the year, and it has resulted in a restructured risk report since the end of the 2021 financial year, among other things. Periodic reporting to the Management Board and the Supervisory Board on this basis covers the risks to which the ACCENTRO Group is exposed, including their probability of occurrence, ramifications and suitable countermeasures. By further developing the risk management system, internal RMS processes of the ACCENTRO Group were adapted to the revised IDW PS 340 n.F. requirements.

The risk management system deployed by the ACCENTRO Group includes the following key elements:

- › the ongoing evolution of a controlling and reporting system that is able to identify adverse business developments at an early stage, to assess and to communicate them with respect to their potential ramifications to the Company's senior management.
- › a periodic or event-related risk inventory.
- › the periodic assessment of the identified risks and the resolution of decisions on any countermeasures or the conscious acceptance of transparent risks by the Management Board of the ACCENTRO Group.
- › a continuous process optimisation to largely cover the business- and portfolio-relevant risks, the focus being on the eventual full coverage for all business units.

The key elements of the historic risk management system of the ACCENTRO Group are detailed in the subsequent overview of the risk management process:

- › **Determining the requirements:** Within the Company, methodological and thematic prescriptions for the risk management system were defined that reflect the Group's expectations, thereby strengthening in-house risk awareness. The situation is continuously analysed and optimised.
- › **Identifying and analysing risks:** All entrepreneurial risks are fully captured, analysed in regard to causes and effects, evaluated, and classified in different risk categories. In addition, potential countermeasures are identified.
- › **Reporting:** The Management Board is regularly and promptly briefed on existing and potential threats and possible countermeasures. Within the framework of the reporting cycles, reports are compiled either on occasion or on a quarterly basis, depending on the circumstances and risks at hand. Analogously, the Supervisory Board is briefed on the risk situation of the Company during the regular meetings of the Supervisory Board.
- › **Managing risks:** Based on the Management Board's decisions regarding risk management measures, the competent employees, teams or the Management Board engage in active efforts to contain the risks at hand.
- › **Controlling risks:** The purpose of risk controlling is the methodological and thematic planning, monitoring and controlling of the risk management system of the ACCENTRO Group. Risk controlling covers all phases of the risk management process, and allows the Management Board to adjust the specifications for the risk management system in methodological and thematic terms.



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To quantify the potential loss, the following break-down was chosen:

PROBABILITY OF OCCURRENCE	VALUE IN %
rare:	< 5%
improbable:	> 5% to 25%
possible:	> 25% to 50%
probable:	> 50% to 75%
almost certain:	> 75%

The materiality threshold for the amount of loss was set in the indicative risk management process at > EUR 1.25 million (impact on EBIT) and EUR 5.0 million (impact on revenues). Any amounts exceeding this threshold are either grave or particularly grave in character.

With a view to the fast growth that the ACCENTRO Group has achieved so far and plans to continue, the internal risk management system is of great significance. Accordingly, the threat of a possibly insufficient risk control process is actively addressed by the Company, and will be controlled more tightly in future.

### Presentation of Individual Risks

The ACCENTRO Group is exposed to a multitude of different risks which, individually or collectively, could adversely affect the Group's net assets, financial and earnings position, and its future economic development. We believe that the subsequently listed risks represent a very extensive round-up of these risks. They include specifically sales risks, risks arising from the property selection, and risks associated with the regulatory environment.

The Management Board of the ACCENTRO Group is responsible for the continuous and adequate organisation of the risk management process. In order to be able to identify relevant risks, the ACCENTRO Group is monitoring both the macroeconomic situation and the development of the real estate and financial sectors, and applies the insights gained to its business model and its activities. The constantly shifting circumstances and requirements make the identification of risks a permanent task that is integrated into the organisation and operational workflows. Each organisational entity has to identify any risk that could emerge as a result of current or future activities. Regularly convened jours fixes, meetings both within departments and across department lines, and queries by the central risk management also help to identify risks and to increase risk awareness.

The central risk management supports the Management Board and the organisational units subject to reporting requirements by controlling and implementing the risk management process. The respective risk owners are responsible for implementing the risk management within their spheres of ownership. Starting immediately, they will report risks within their areas to the central risk management on a quarterly basis.

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The individual risks that ACCENTRO Real Estate AG believes to be of material significance (observation level: year 1) are presented in the overview below:

### Financial risks

- › Funding risk
- › Liquidity risk
- › Interest rate risk
- › Risks from financial covenant breaches

### Operational risks

- › IT risks: attacks and data systems or IT systems

### Real estate risks

- › Transaction risks
- › Letting risks
- › Construction, valuation and project risks

### Legal & compliance risks

- › Regulatory risks

### Strategic risks

- › Economic and sector risks
- › Purchase risks from marketing agreements
- › Risks from collaborative ventures

### Other risks

- › COVID-19 pandemic
- › War in Ukraine

Risks considered material are those which could potentially jeopardise the existence of the Company and which are categorised as being of decisive

significance for the ACCENTRO Group's business model in the context of a risk inventory that is based on a synopsis of the various risk reports.

From ACCENTRO's point of view, the construction and project risk as well as the letting risk represent, when contextualised with probability of occurrence and potential ramifications, the most significant threats.

The selected material risks (>EUR 1.25 million [impact on EBIT] and >EUR 5.0 million [impact on revenues]) and risk categories that are deemed, at the least, a possibility are elaborated below.

### Material Individual Risks in Detail

#### FINANCIAL RISKS

##### FINANCING, LIQUIDITY AND INTEREST RATE RISKS

In the course of its business activities, the ACCENTRO Group is exposed to a number of financing, liquidity and interest rate risks that are addressed via the supervisory and control measures described below.

Using extensive liquidity planning instruments both in the short- and medium-term sectors, the ongoing business processes along with the planning data are reflected on the levels of the parent group, of the business divisions and of the main subsidiaries. The Management Board is regularly briefed on the current liquidity and the liquidity forecast via exhaustive reports.

As far as existing loans to finance the existing real estate holdings and to refinance the Company's current operations, and the borrowing of further debt as needed to buy additional real estate are concerned, there is a risk that company- and market-related developments may hamper the borrowing process and/or may result in less favourable lending terms than the ones previously granted. If this was to cause problems with the servicing of current loans, lenders could initiate forced realisations of collateral prop-

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erty. Such fire sales would result in grave financial setbacks for the ACCENTRO Group. This risk is addressed by observing and analysing the financing market. For instance, the ACCENTRO Group diversifies the Group's financing risks by exploiting financing alternatives in addition to classic loan financing, e. g. through the issuance of bonds.

The current business activity of the ACCENTRO Group is to a large degree influenced by the availability of financing options. If banks were to adopt a restrictive lending policy over extended periods of time, it could adversely affect the business performance and growth of the ACCENTRO Group. In order to counter this risk, the ACCENTRO Group is collaborating with various financial institutions and closely monitoring the development of the financing market.

As far as privatisation sales go, there is a risk that a given measure may not be concluded before the loan reaches maturity, and that a loan rollover may be impossible or possible only on less favourable terms and/or at higher costs. This risk is countered by repaying a disproportionately high amount through partial sales, and by negotiating longer loan terms. The ACCENTRO Group also signed loan agreements with more than one bank, so as to counter the associated risks.

Interest rate risks exist for bank liabilities and bonds that are coming up for rollover financing or refinancing as well as for financing arrangements that are planned and necessary for the acquisition of property holdings. In the privatisation sector, sensitivity analyses are conducted both in the context of drafting the business plans and in line with the continuous risk monitoring so as to be able to predict the possible ramifications of future interest rate changes for the Group's economic performance. Due to the current disproportionate repayments from sales, it rarely makes sense for the

Company to negotiate long fixed-interest periods in its privatisation business.

The direct impact of changes in the general level of interest rates on the Company's performance via changes in cash flows represents a lesser risk than the potential indirect effects that such changes in the general level of interest rates could have on the demand for real estate (on this subject, see the elaborations on the economic risks). Nevertheless, the fast increase in SWAP rates since Q1 2022 has lately resulted in elevated interest rate risks in the medium and long term as far as upcoming (re-)financing arrangements go, especially the 2020/2023 corporate bond over EUR 250 million. It also remains to be seen how the additional risk buffer in regard to the equity capital provided in real estate financing, which the Federal Financial Supervisory Authority (BaFin) requires as of April 2022, will affect financing conditions. Given the current political and economic developments, the high inflation rates and the jitters caused by geopolitical developments, it is hard to predict the trends and approximate levels of interest going forward. Based on the recent rent hikes and the macro-economic environment, we anticipate a lateral movement on the current level.

As of the reporting date of 31 December 2021, the ACCENTRO Group reported a total of EUR 65.2 million (previous year: EUR 47.9 million) as current and non-current other receivables and other current assets. This concerns in particular loans granted to various jointly controlled property development companies, minority partners and other business partners. These are, without exception, largely collateralised by real estate/land charges, and bear interest. Another claim that is also reported among the other receivables and other current assets concerns the claim to repayment of the purchase price for shares in DIM Holding AG (EUR 15.8 million) along with a shareholder loan granted to that company (EUR 3.1 mil-

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lion) whose repayment ACCENTRO has requested after it backed out of the acquisition on 12 May 2021. The claim to repayment of the purchase price has been deferred, at interest, until 12 May 2022, and has been collateralised by granted land charges since 14 October 2021. Non-payment of the respective receivables at maturity would create a significant risk that the collateral granted will not fully cover the existing claims despite the collateralisation provided for significant proportions of them. Therefore, the creditworthiness and solvency of the counterparty is monitored continuously and, if necessary, considered under the impairment model according to IFRS 9.

### RISKS FROM FINANCIAL COVENANT BREACHES

As of the reporting date of 31 December 2021, the consolidated group reported current and non-current financial liabilities and bonds in a total amount of c. EUR 606.3 million (previous year: EUR 565.5 million), the vast majority of which are subject to covenants agreed with the banks or specified in the bond terms with respect to debt service coverage ratios or debt-to-equity ratios (financial covenants). In the case of the corporate bonds in the nominal amount of EUR 250 million and in the nominal amount of EUR 100 million, the following covenants apply:

- › The debt-to-equity ratio (collateralised net financial debt to adjusted assets) must not exceed 65%
- › The debt-to-equity ratio (collateralised net financial debt to adjusted assets) must not exceed 40%
- › an interest coverage ratio of 1.5 to 1.0 in the relation of adjusted EBITDA to net interest expense (for relevant record dates preceding February 2022, as well as an interest coverage ratio of 2.0 to 1.0 in the relation of the adjusted EBITDA to net interest expense for relevant record dates after February 2022).
- › a restriction of the dividend to 50% of the IFRS annual net income

Breaches of these covenants could trigger payments into blocked accounts, constraints on further borrowing, or early repayment obligations on the basis of a contractually agreed escalation procedure. If certain credit terms were introduced, for instance in the event of a change of control, there is a chance that the corporate bond would be prematurely called for redemption. The use of appropriate monitoring methods is supposed to detect early signs of a risk that covenants might be breached, and to allow time to seize adequate countermeasures to prevent any such breach, e. g. engaging in talks with the creditors. During the 2021 financial year, all existing financial covenants were met.

### OPERATIONAL RISKS

#### IT RISKS

Measures taken to limit IT risks extensively and fully include the use of End Point Protections by Microsoft, the double checking of incoming e-mails, and the limiting of access from off-site computers (notebooks) to pre-defined IP addresses. Since its migration from an on-premises mail exchange server to MS 365, the ACCENTRO Group's e-mail security has been subject to "EOP." The acronym stands for "Exchange Online Protection," a cloud-based filter service that protects the ACCENTRO Group against spam, malware and other e-mail threats. EOP is inclusive for all Microsoft 365 organisations that use Exchange Online mailboxes.

### REAL ESTATE RISKS

#### TRANSACTION RISKS

Within the ACCENTRO Group, transaction risks are understood to mean risks arising in conjunction with the buying and selling of real property assets and portfolios, as well as the individual property sales to private and buy-to-let investors.



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The financial success of the ACCENTRO Group is definitively dependent on the selection and acquisition of real estate suitable for apartment retailing to owner-occupiers and buy-to-let investors, as well as for property asset ownership. The screening process comes with the risk of misjudging or overlooking structural, legal, economic and other encumbrances that may compromise the properties selected for purchase. On top of that, assumptions made with respect to the earnings potential of a given property could subsequently prove to have been partially or entirely mistaken. In particular, assumptions regarding the attractiveness of a given property site and other definitive factors for a tenant's or buyer's decision to move forward could prove misguided, as a result of which the management of the respective property could fail to deliver the expected earnings or could make it impossible to sell apartments intended for privatisation in the planned numbers, on the planned terms and/or within the projected period of time.

These property-specific risks are addressed by subjecting the respective properties to due diligences. Within the framework of the property appraisals, the refurbishment, maintenance and modernisation requirements to be expected are identified while the capitalised earnings value and the debt serviceability in general are examined in accordance with applicable bank standards.

Especially in Germany's metro regions and in certain university cities, it is becoming noticeably more difficult to acquire real estate at reasonable prices. To cushion this effect, the ACCENTRO Group is increasingly buying properties located outside the Berlin conurbation.

Insofar as the ACCENTRO Group relies on third-party sales partners to handle its housing privatisation sales, business success depends to a large extent on the Group's ability to find and retain qualified estate agents long-

term. This is to be achieved by offering attractive payment terms and by keeping a large supply of for-sale assets on hand.

In the field of housing privatisation sales, the business success of the ACCENTRO Group is also definitively influenced by the willingness of owner-occupiers and buy-to-let investors to buy the units offered for sale. The willingness to buy may be influenced, on the one hand, by developments within the sphere of the respective properties, such as a deterioration of the location's social environment or structural issues, but also by general developments, such as the economic situation and employment trends, on the other hand. There is a risk that such developments could impact the willingness to buy to the extent that apartments available for sale prove impossible to sell on the intended scale, on the planned terms and/or within the intended time frame.

Given the enormous significance that the privatisation business has for the ACCENTRO Group, this risk is deemed particularly relevant in terms of probability and effect.

### LETTING AND VALUATION RISKS

Even though the Company's long-term plan calls for the expansion of the rental property portfolio in the coming years, and although doing so could and probably will increase the letting risk, this remains a subordinate risk under the business model of the ACCENTRO Group for the time being, given that it still concentrates on privatisation sales. In this context, the focus is primarily on the impairment of a property as a result of poor performance by third-party service providers in the area of property management. It is a risk addressed through active in-house asset management and property management. It includes our lettings management and steps taken to ensure the competitiveness of properties within the local occupier markets. This includes specifically the constant monitoring of the service providers, proper maintenance along with refurbishments and modernisa-

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tion measures necessary to preserve or enhance the attractiveness of the properties for tenants and buyers. The idea is not least to lower the valuation risk for investment properties.

The contemplated expansion of the business model to include property asset ownership comes with its own set of risks, which the ACCENTRO Group will address definitively and ahead of time. While a proprietary portfolio improves the funding parameters and increases stability, it introduces the threat of collection losses. However, this aspect poses a rather negligible risk when you consider the market developments discussed above. Also auspicious, from our point of view, is the combination of privatisations and property asset ownership plus the concomitant mutual benefits, such as lower financing costs due to the availability of more equity capital and collateral.

Unlike the letting of residential real estate, the commercial properties also held by the ACCENTRO Group are principally exposed to a slightly higher letting risk. In order to minimise the risk of collection losses, the Company generally pays close attention to the quality and credit worthiness of commercial tenants and operators, and concluded primarily long-term leases. The Company also seeks to ensure during the acquisition process that the contemplated transaction includes as few commercial units as possible or none.

### CONSTRUCTION AND PROJECT RISKS

Going forward, the ACCENTRO Group expects risks in the area of construction risks to increase significantly. While construction risks used to be limited essentially to straightforward refurbishments and improvements for the purpose of enhancing the marketability of its housing stock, the Company has also engaged in costly major refurbishments and topping-up developments involving occupied real estate in several locations for a number of years. This sort of activity is subject to noticeably higher coordination and capex requirements.

To the extent that newly-acquired properties that are either tenant-occupied or earmarked for privatisation need structural alterations, there is a risk that the construction costs are substantially higher than the target figures. This risk is countered via the detailed planning of measures and of construction costs and the strict monitoring of these.

Uncertainties regarding whether, when and under what constraints and/or subsidiary conditions the planning consents for the projects are granted may also create construction risks. This means that the Company relies to some extent on the discretion exercised by certain authorities and on the adequacy of that authority's human resources. It also means that disputes with residents and neighbours may significantly delay or negatively impact the planning approval process. These circumstances could bring about a situation in which planned building works prove impossible to complete at the assumed costs or within the planned time frame or to be carried out at all. Accordingly, risk factors of this sort are carefully checked as early as the preparation of individual construction measures.

The ACCENTRO Group hired professionals with relevant experience to address these risks, and continues to expand the staff capacity in this division. The expansion of capacities permits a more qualified cost-planning effort, and helps to estimate the refurbishment requirements of properties as early as the time of their acquisition.

Due to the increasingly limited availability of craftsmen and construction companies as well as the macroeconomic risks from rising building material costs, the ACCENTRO Group considers this risk is particularly relevant in terms of probability and impact.

### LEGAL & COMPLIANCE RISKS (Material Risks)

#### REGULATORY RISKS

Within the framework of their business activities, the ACCENTRO Group member companies could become embroiled in legal disputes and face

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(potential) warranty and damage claims without being in a position to assert counterclaims against third parties. Warranty risks arise specifically in those cases in which no exclusion of liability has been agreed for property sales.

In connection with the sale of individual apartments, the companies of the ACCENTRO Group and their third-party sales partners also provide advisory services that could trigger third-party claims for damages.

Adequate provisions have been set aside to meet all currently existing legal risks. There are currently no other legal risks, particularly no risks from legal disputes, that could have a significant impact on the financial position of the ACCENTRO Group.

Since the business activities of the ACCENTRO Group are governed by certain legal parameters for real estate, they could be affected by changes in national and/or European legal standards, as well as by changes in the interpretation or application of existing legal standards. Relevant regulations include landlord-tenant law, public construction law, and tax law.

The activities of ACCENTRO used to concentrate mainly on the real estate market in Berlin. It is therefore of the essence to keep a close eye on the ramifications of political decisions for our core market in Berlin, most notably the developments in the area of historic district protection, the exercise of the right of first refusal by the boroughs as well as the political manipulation of rental tones.

For the time being, the regulatory measures contemplated for Berlin's rental housing market and hotly debated have virtually vanished from the political agenda. Topics like the rent cap and the exercise of the city's right of first refusal are no longer discussed after Germany's highest courts of law in Karlsruhe and Leipzig dismissed them as unconstitutional. The new

Federal Government has set up an autonomous Federal Ministry of Housing, Urban Development and Building, which is also responsible for the construction economy. According to the current state of affairs, the ongoing parliamentary term could see new discussions initiated on topics such as a change in profit taxation and the abolition of the speculation period, a fresh round of restructuring share deal regulations, a further reduction of the cap on permissible rent increases, the standardisation of rent indexes, and a re-edition of the rent cap in one form or another. That said, certain signs suggest that the current parliamentary term will be defined both by stepped-up efforts in the new-build construction segment and by regulatory efforts.

The ACCENTRO Group expects the enforcement of these instruments to have minor consequences for its own rental income. If another rent freeze scheme was introduced, it could make it harder to privatise ownership apartments at prices that are financially attractive for the buyer, although it should be added that the debate on the (previous) rent freeze had not slowed the Company's sales performance in Berlin by the time this statement of account was published.

Within the framework of the Development Land Release Act of 2021, an apartment conversion ban was passed that is supposed to make it harder to convert rental flats into ownership apartments in strained housing markets. The law will initially be in force through 2025. The inventory assets that the ACCENTRO Group currently keeps on hand for privatisation purposes are not affected by the conversion ban because the existing stock of apartments is already being marketed or prepared for marketing, its apartments having already been partitioned and therefore not being subject to the conversion ban. The volume of property sales from the sales portfolio expected as of the reporting date of 31 December 2021, equals c. EUR 360 million. But generally speaking, the conversion ban has direct consequences for the Company's current business model. The ACCENTRO

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Group therefore carefully checks the potential and risks involved in any property or portfolio acquisition. Then again, the Company still manages to find portfolios for sale across Germany that are suitable for privatisation. The acquisition of privatisation portfolios remains an option even in regions subject to the conversion ban. Under this option, the ACCENTRO Group would also consider buying residential properties already lawfully partitioned into ownership apartments.

Changes in tax law, particularly the change of RETT blocker structures, will have no influence on the business model of the ACCENTRO Group, according to our latest assessment. The Finance Committee of the German Parliament recently passed the law amending the Real Estate Transfer Tax Act (GrEStG).

There are three scenarios in which the real estate transfer taxation is of relevance for the ACCENTRO Group, as detailed below:

- a. Retail sales to private and buy-to-let investors: Every sale of a property to private investors or buy-to-let investors represents a transaction subject to real estate transfer tax. The tax debt rests, however, with the respective buyer, and needs not be taken into account by the ACCENTRO Group.
- b. Portfolio acquisitions by ACCENTRO AG and its subsidiaries: As a result of the aforementioned reform, the ratio that will trigger real estate transfer taxation of interests in a property-owning company that were acquired via a share deal will be lowered from 95% to 90% while the mandatory holding period for the minority stake remaining with the seller will be extended from five to ten years. The ACCENTRO Group started as early as its 2019 financial year to structure acquisitions that took the form of share deals accordingly, and ensured that the equity investments by co-investors were for stakes of at least 10.1%. By contrast, the minimum shareholding ratio for the applica-

tion of the group clause will not be lowered (but remain at 95%). To avoid excessive taxation in the case of listed corporations, the new law will moreover stipulate that share transfers which take place on the basis of a transaction on a recognised stock exchange will not trigger real estate transfer taxation (“stock exchange clause”).

- c. Forward deals by the ACCENTRO Group and its subsidiaries: Since forward deals tend to include risks for the Company that are hard to quantify conclusively and that are mainly associable with the construction phase, the Company prefers asset deals as transaction structure for forward-deal acquisitions (a scenario relevant for the real estate transfer taxation). Sales to private or buy-to-let investors by the ACCENTRO Group, by contrast, use forward funding by invoicing the selling price in instalments in sync with the progress of the respective project. The real estate transfer tax is borne by the respective buyer, as mentioned under a), above.

### STRATEGIC RISKS

#### ECONOMIC AND SECTOR RISKS

So far, the ACCENTRO Group has generated its revenues exclusively in Germany. Here, particularly a deterioration in national economic conditions, combined with an increase in the number of unemployed, could lead to a (steep) drop in demand for real estate investments. Moreover, the market environment in Germany is indirectly influenced by international economic developments, too. While demand for housing remained strong even during the second year of the pandemic, the delays that had plagued the buying and selling process the year before were no longer as much of an issue.

An important factor for the real estate demand, among others, is the trend in interest rate levels in Germany. A sustained increase in interest rates could make the financing of real estate investments more expensive and thus harder to shoulder for some investors. According to the ACCENTRO



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Group's own assessment, the still low level of interest rates will keep driving the demand for real estate, be it for owner-occupancy or as buy-to-let investment. Moreover, a sustained interest-tightening cycle could raise the cost of debt for the loans taken out by member companies of the ACCENTRO Group and thereby have an adverse effect on earnings in the longer term.

A deterioration of the parameters on the German real estate market could adversely affect the business performance of the ACCENTRO Group. A decline in real estate prices would make it harder to realise the projected profits from sales, and diminish the earnings in the privatisation business. At the same time, access to affordable real estate could be compromised if potential sellers refrain from selling because of the deteriorated price level.

Moreover, the development of the property sector is decisively influenced by the availability of financing instruments. A persistently restrictive lending policy could negatively impact the demand for real estate in general, and thus result in impairments for the inventory properties as well as for the portfolio properties of the ACCENTRO Group, and in lower privatisation proceeds.

The demand for condominiums in Germany depends, in addition to the absolute and possibly negative demographic growth, on the trend in the number of persons per household.

In order to mitigate these risks, the ACCENTRO Group continuously reviews its business model, adapting it to market conditions and expanding it in a pinpoint fashion. For instance, it has intensified its rental portfolio business in addition to its apartment sales while expanding its third-party business involving guaranteed sale solutions. At the same time, it will seek an adequate diversification of locations in the context of future acquisitions.

### PURCHASE RISKS FROM MARKETING AGREEMENTS

Within the framework of its third-party sales, the ACCENTRO Group entered into a number of agreements that include purchase guarantees. Under these agreements, the Company assumes the obligation to take over any property assets that remain unsold at the end of the marketing period defined in the respective agreement at a purchase price agreed with the property developer. The possibility of having to acquire these properties at the agreed purchase price plus the real estate transfer tax due for the acquisition exposes the Company to the risk that it may not reasonably hope to realise the usual margins when reselling the properties. No further purchase guarantees were granted in 2021, and no active purchase guarantees remained in place by the reporting date of 31 December 2021 (down from a volume of EUR 17.0 million as of 31 December 2020).

By entering into a collaborative venture with ImmobilienScout GmbH ("ImmoScout24"), Germany's largest online providers for residential real estate, in November 2021, ACCENTRO created a strong partnership for marketing residential real estate while offering guaranteed sales. Against the background of more than 20 million visitors a month on the website or app of ImmoScout24, and the sales strength of the ACCENTRO Group, the collaboration has created a unique joint market presence for the two companies. By also selling new-build apartments now, the ACCENTRO Group has done more than simply set up an additional business line. It has also enabled the Company to diversify its third-party business exposure.

### OTHER RISKS AND INFLUENCES

In addition to the risks outlined above, there are general influences that are unforeseeable and therefore hard to control. These include, without being limited to, political changes, social influences and risk factors such as pandemics, natural disasters, armed conflicts or terrorist attacks. Such influences could adversely affect the economic situation and indirectly impair the further economic performance of the ACCENTRO Group.

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The war in Ukraine that started in February 2022 has so far had no visibly adverse effects for the business development of the ACCENTRO Group. During the still ongoing COVID-19 pandemic, the German housing market in general and the business model of the ACCENTRO Group in particular proved resilient, making it safe to rule out adverse impacts on the Group's business activities by this issue as well.

### Risk Concentrations

To a certain extent, the business success of the ACCENTRO Group depends disproportionately on a small number of projects and inventories that account for a significant share of its revenues. Risks present themselves, on the one hand, on the regional submarkets, such as the risks to which ACCENTRO's privatisation business is exposed in its core market of Berlin, but also, on the other hand, for the Company's real estate portfolio due to its focus on the eastern and western parts of Germany. Aside from the regional dependence that is generally associable with this, there is a risk that possible delays or issues arising in the context of the privatisation of the existing holdings would disproportionately impact the business success of the ACCENTRO Group.

Moreover, specific one-off risks regularly emerge in connection with construction measures, especially cost increase, project delay and delinquency risks that may present themselves whenever the ACCENTRO Group engages in building works in the acquired property portfolios, for instance within the framework of capital improvements.

By intensifying its geographical diversification when buying real estate, the Company is reducing its dependence on the performance of individual local markets. In 2021, it acquired properties widely spread across eastern Germany, as well as in the Rhine-Ruhr metro region and in Berlin.

The risk concentration will be further reduced in future by accelerating the build-up of the proprietary rental property portfolio. Doing so will create a stabilising counterweight to the privatisation business. The objective of the ACCENTRO Group is to acquire real estate in secondary locations with a sound growth outlook and rental yields that overcompensate for the corresponding investments and financing costs.

### Assessment of the Overall Risk

By prematurely repaying the corporate bond over a nominal value of EUR 100 million and by placing a new three-year bond over EUR 250 million in February 2020, as well as by the issuance of another bond over EUR 100 million in the first quarter of 2021, ACCENTRO successfully continued to expand its capital market-based financing. Accordingly, diversification and a different maturity have noticeably improved the risk situation for the ACCENTRO Group in regard to financing. Owing to the still favourable market environment and the bright marketing prospects, ACCENTRO Group as a going concern is exposed to no discernible risks at this time. For our own planning purposes, it is therefore assumed that we will continue to operate successfully on the market. That being said, the increasing number of government interventions on the market have increased the risk profile over the risk profiles of previous years.

### Additional Risks from the Perspective of ACCENTRO Real Estate AG as Group Holding

The value of the interests in associates reported in the unconsolidated financial statements depend definitively on the gains or losses of the respective subsidiaries. The valuation risk in the context of interests in associates therefore extends specifically to the real estate holdings of these subsidiaries. In addition, valuation risks exist in regard to the accounts receivable from associates. Letters of comfort or other assumptions of liability (guarantees and loss compensation obligations from control and profit transfer agreements) the Group has employed to support its associates may also pose risks.

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Collectively, the risks discussed above are deemed to be low overall because of the persistently strong income situation, the then-as-now keen demand for apartments in combination with a shortfall in new-build construction activities, the expectation of continued rental growth, and finally the still low level of interest rates.

### Opportunities Presented by the Future Development

The acquisitions transacted during the 2021 financial year enabled the ACCENTRO Group to keep enlarging its portfolio, and to push forward with the retail sales of certain units via its highly successful sales activities. The real estate portfolio of the ACCENTRO Group includes, in addition to Berlin, locations in the conurbations of eastern Germany as well as in the Rhine-Ruhr and Rhine-Main metro regions. But it is especially the ACCENTRO Group's strong position in Berlin that continues to present an opportunity to exploit the persistently strong dynamic of the city's housing market. From the ACCENTRO Group's point of view, the continued zoning of historic district protection areas in Berlin presents opportunities along with the threats. Investors with a short-term horizon could be forced by the poor rental upside potential to divest themselves of their real estate holdings. The ACCENTRO Group expects real estate prices to deteriorate in historic district protection areas, a situation that could translate into buying opportunities.

The successive expansion of the own rental portfolio as planned also represents an opportunity for the ACCENTRO Group. Handling the asset management and property management in-house promises a sustainable appreciation of the properties and a corresponding growth in rental income. This way, the ACCENTRO Group creates a stabilising counterweight to its privatisation business.

In the 2021 financial year, the ACCENTRO Group managed to set up an additional business line selling new-build apartments. It is in this context that the ACCENTRO Group and the ImmoScout24 real estate portal entered into a long-term strategic and exclusive partnership for selling residential real estate. The purpose of the collaborative venture is to offer a full-service solution to institutional sellers, property developers, principals, estate agents and other property companies. The ACCENTRO Group has a leading position in Germany's housing privatisation sector. The collaboration is supposed to give both companies access to new privatisation assets. Customers benefit from an end-to-end marketing approach, as the ACCENTRO Group offers to sign guaranteed purchasing agreements with property sellers. The digital marketing of the properties will be fully and exclusively handled by ImmoScout24.

Collectively, all of these factors and pillars of the ACCENTRO Group's business model form the basis for a successful implementation of the corporate strategy, and are expected to keep facilitating fundraising efforts both on the capital markets and among banks.

In the wake of the rapidly advancing digital revolution in the real estate industry, the ACCENTRO Group has, like other companies, begun to seize the major opportunities offered by digitisation. The digitisation process has quickly gathered momentum in recent years, which goes to show that the ACCENTRO Group is credited with a high capability for far-reaching technical, economic and corporate changes. In addition to the operational optimisation via digital process and assistance systems, new solutions for engaging customers and for customer services are continuously emerging, such as the PropRate property rating platform that went live during the 2021 financial year. In its current beta version, the online application

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puts clients of the ACCENTRO Group and parties generally interested in real estate in touch with straightforward, automated property ratings, in certain instances supported by the use of artificial intelligence. The tool also serves as guide and real estate encyclopaedia, and was rolled out by Commit Services GmbH in Berlin, a fully owned subsidiary of the ACCENTRO Group, before it was further expanded and optimised in 2021. The purpose of the tool was to intensify the exchange with clients in future, and to provide indispensable benefits to the targeted groups, an approach that already paid off last year. The expansion and use of the available potential is planned to be continued in the 2022 financial year.

### Overall Assessment

In light of the anticipated development of Germany's housing demand and the generally auspicious parameters of the country's residential property market, the Company predicts that its business potential and business segments will keep growing in future. This assessment is backed by the persistently keen interest among owner-occupiers and private investors in properties, particularly in ownership apartments, that are acquired either as buy-to-let investments or (in the case of owner-occupiers) as components of private pension plans. Despite – or perhaps even because of – the ongoing economic, socio-economic and political developments, the ACCENTRO Group assumes that this trend is bound to gain in significance going forward, and seriously so.

The ACCENTRO Group intends to keep increasing its revenues via geographical expansion, the successive build-up of its proprietary rental portfolio, the geographical diversification of its overall portfolio, the intensification of its collaboration with ImmoScout24, a deepening focus on digitisation, and a generally strong market presence. Based on a stable business performance and viable cost structures, the Company expects to see a constant improvement of its income situation and financial position.

According to the latest assessment, the Management Board is not aware of any risks that could jeopardise the existence of the Company. Rather, the Company is convinced of its ability to seize opportunities and master challenges that will present themselves going forward without having to expose itself to unreasonably high risk levels.



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The financial risk management of the ACCENTRO Group focuses on controlling and limiting the financial risks arising from its operating activities, among other aspects. In particular, the financial risk management is supposed to prevent significant bad-debt losses that could jeopardise the parent company's or the Group's economic development. Another objective of financial risk management is to ensure optimised Group financing. Continuous supervision of the rolling cash plan is meant to ensure that the Group is adequately endowed with financial resources at all times.

The adequacy of the implemented early risk detection system is reviewed by the auditor in conjunction with the annual audit of the ACCENTRO Group's external financial reporting. Any room for improvement that is detected in the process is subsequently implemented in the system.

In order to improve the effectiveness of internal processes, the internal risk management system was optimised within the ACCENTRO Group in consultation with third-party advisers during the 2021 financial year. For instance, new procedures, guidelines and responsibilities were implemented in a systematic and focused approach to optimise the effectiveness of risk management, internal controls and monitoring processes. Some of the measures were not implemented until the end of the 2021 financial year and are to be applied on a regular basis, starting with the 2022 financial year, e. g. continuous systematised risk reporting.

Accounting at the parent company principally employs central coordination and execution to ensure the uniformity of the accounting processes at the level of the subsidiaries that are included in the Consolidated Financial Statements. The reliability of the IFRS accounting records of the consolidated companies and their consolidation in the group accounting process is principally ensured by the centralised group accounting that is done by the parent company. The consolidated financial statements prepared by consolidating the separate IFRS accounts of the companies included in the consolidated statements are reviewed by various staff members of the parent company before they are incorporated into the Group's financial reporting. To this end, ACCENTRO brings in professional qualified service providers as needed.

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ACCENTRO Real Estate AG is a stock corporation (“Aktiengesellschaft”) domiciled in Berlin, and has issued voting shares that are listed on an organised market as defined by Art. 2, Sec. 7, German Securities Acquisition and Takeover Act (WpÜG), namely the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

### Governing Body

The governing and representative body of ACCENTRO in a statutory sense is the Company’s Management Board. The composition of the Management Board and the appointment of its members are based on Articles 76, 84 and 85, AktG, in conjunction with Art. 6 of the Company’s Articles of Association. According to these provisions, the Management Board shall be composed of one or several members, even if the company’s share capital exceeds the amount of EUR 3,000,000.00. The number of Management Board members is defined by the Supervisory Board. The Supervisory Board may appoint up to five Management Board members; it may moreover appoint deputy members of the Management Board who have the same rights of representing the Company in relation to third parties as the regular members of the Management Board, and it may appoint one Board member as its chairman. At the moment, the Company’s Management Board consists of one person.

In accordance with Art. 84, AktG, the members of a management board are appointed by the Supervisory Board for a maximum term of five years. They may be reappointed, or their term be extended, for a maximum of five years in each case. The appointment and reappointment of board members requires a corresponding resolution by the Supervisory Board, to be principally passed pursuant to the provisions of Art. 84, AktG. The Supervisory Board may revoke the appointment of a member of the Management Board for good cause before the end of his or her term of office.

### Amendment of the Articles of Association

Pursuant to Art. 179, AktG, every amendment to the Articles of Association requires a resolution by the Annual General Meeting. This does not apply to amendments and additions to the Articles of Association that relate solely to their wording, the responsibility for which has been transferred to the Supervisory Board in accordance with Art. 11, Sec. 2, Articles of Association. In addition, the Supervisory Board was authorised via resolutions of the Annual General Meeting to amend the version of the Articles of Association to correspond to the scope of a given issuance of shares from the Conditional Capital 2020/I and 2020/II as well as to the scope of a given share capital increase from the Authorised Capital 2020.

Pursuant to Articles 133, 179, AktG, in combination with Art. 15, Sec. 3, Articles of Association, resolutions by the Annual General Meeting require a simple majority of the votes of the share capital represented at the time of the adoption of the resolution unless applicable legislation or the Articles of Association mandate a larger majority in certain cases. Accordingly, changing the business purpose requires a simple majority of the votes as well as a majority equal to three quarters of the share capital represented at the time of the adoption of the resolution.

### Capital Structure

#### Share Capital

The issued capital (share capital) of ACCENTRO amounted to EUR 32,437,934.00 as of 31 December 2021. It breaks down into 32,437,934 no-par value bearer shares. The Company does not issue different classes of shares, and all shares are subject to the same rights and duties.

#### Authorisation to Issue Bonds

The Management Board was authorised by the Annual General Meeting via resolution dated 24 June 2020 to issue, subject to consent by the Supervisory Board and no later than 23 June 2025, bearer convertible bonds and/or warrant bonds or profit participation rights (collectively “bonds”)

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either with or without a limited term against cash contributions and/or contributions in kind on one or more occasions for a total nominal amount of up to EUR 250,000,000.00 and to grant the bearers or creditors of bonds conversion or option rights (also subject to conversion or subscription obligations) to no-par value bearer shares of the Company in a total pro-rata amount of the share capital of up to EUR 12,975,174.00 in accordance with the specific terms and conditions of the convertible bonds and/or of the warrant bonds.

Shareholders are principally entitled to subscription rights, which means that the bonds should principally be offered to the Company's shareholders for subscription first. The bonds may also be underwritten by one or more credit institutions with the obligation to offer them to the shareholders for subscription ("indirect subscription right"). If bonds are issued by a group company, the Company should ensure that its shareholders are granted their statutory subscription rights.

However, the Management Board is authorised, subject to consent by the Supervisory Board, to exclude shareholders' subscription rights to bonds if they are issued against cash payment and the Management Board, after due examination, reaches the conclusion that the issue price is not significantly lower than the theoretical fair value of the bonds as determined by recognised actuarial methods. This arrangement applies only to bonds with a conversion and/or option right or a conversion and/or subscription obligation for shares with a pro-rata amount of the share capital not exceeding 10% of the paid-in share capital at the time at which this authorisation becomes effective or – whenever that figure is lower – is exercised. This cap of 10% of the share capital must include the pro-rata amount of the share capital attributable to shares or to which conversion and/or option rights or conversion and/or subscription obligations relate

from bonds that have been issued since this authorisation was granted while excluding subscription rights based on an authorisation of the Management Board to exclude subscription rights in direct or mutatis mutandis application of Art. 186, Sec. 3, Sent. 4, AktG, or that were acquired as treasury stock during the term of this authorisation in another way than via the stock exchange or by way of an offer to all shareholders in analogous application of Art. 186, Sec. 3, Sent. 4, AktG.

The Management Board is moreover authorised, subject to the Supervisory Board's consent, to exclude the shareholders' subscription right for fractional amounts that result from the subscription ratio.

In addition, the Management Board is authorised, subject to the Supervisory Board's consent, to exclude the subscription rights of the shareholders so as to offer the profit participation rights for subscription to individual investors without conversion or subscription rights and without conversion or subscription obligations, provided the issue price is not significantly lower than the theoretical fair value of the profit participation rights determined by recognised actuarial methods, and provided moreover the profit participation rights are only structured in analogy to obligations, meaning they should neither establish membership-like rights nor conversion or subscription rights or conversion or subscription obligations to shares in the Company, nor grant any participation in the liquidation proceeds, and provided finally the amount distributed is not tied to the amount of the net income for the year, the net retained profits or the dividend.

Furthermore, the Management Board is authorised, subject to the Supervisory Board's consent, to exclude the shareholders' subscription rights to the extent necessary to grant the bearers of conversion and subscription

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rights or conversion and subscription obligations granted by the Company or its group companies to shares of the Company the subscription rights on bonds that were issued under this authorisation to the extent they would be entitled to after exercising their conversion or subscription rights or after fulfilling any conversion or subscription obligations (protection against dilution).

Finally, the Management Board is authorised, subject to the Supervisory Board's consent, to exclude the subscription rights of the shareholders whenever bonds are issued against contributions in kind, in particular for the acquisition of companies, equity interests and equity investments, and whenever the exclusion of the subscription rights is in the overwhelming interest of the Company while the value of the contribution in kind is proportionate to the value of the convertible bonds, the theoretical fair value determined via recognised actuarial methods being definitive.

The Management Board is authorised, subject to the Supervisory Board's consent, to define the further details of the issuance and features of the bonds, in particular the interest rate and the type of interest, the issue price and maturity, the denomination, anti-dilution provisions, the conversion or option period as well as the conversion or option price, or to define them in agreement with the bodies of the Group companies issuing the bonds.

During the 2021 financial year, the Management Board did not take advantage of its authorisation to issue bonds.

### Authorisation to Implement a Stock Option Program 2020

The Management Board and, if Management Board members are beneficiaries, the Supervisory Board of the Company are authorised pursuant to the resolution by the Annual General Meeting on 24 June 2020 to grant until 23 June 2025 ("acquisition period") to members of the Company's Management Board, to members of the senior management of subsidiaries as well as to employees of the Company and employees of subsidiaries, a total of up to 3,243,793 options for a total of up to 3,243,793 shares in the Company with full dividend entitlement for the financial year in progress at the time the option is exercised.

The options issued on the basis of this authorisation in a maximum number of 3,243,793 are to be distributed among the different groups of beneficiaries as follows:

<b>Present and future members of the Company's Management Board</b>	1,297,517 options maximum
Present and future senior management members of subsidiaries	648,759 options maximum
Present and future employees of the Company	810,948 options maximum
Present and future employees of the Company's subsidiaries	486,569 options maximum

The way the share options were distributed among the four aforesaid groups resulted in a percentage breakdown of 40% to members of the Company's Management Board, of 20% to present and future senior management members of subsidiaries, of 25% to present and future employees of the Company and of 15% to present and future employees of the Company's subsidiaries.



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By exercising the subscription rights, members of these groups can subscribe no-par value bearer shares in a ratio of 1 to 1. For each subscription right exercised, a subscription price is to be paid which corresponds to the average trading price of the Company's stock on the last five stock trading days before the subscription rights are granted ("subscription price"). The trading price of the Company's stock should be determined on the basis of the closing price (or a comparable price) determined in Xetra trading (or, if Xetra trading no longer exists, a successor system defined by Deutsche Börse AG) at the Frankfurt Stock Exchange.

The exact substantive structure of the subscription rights will be defined by the Management Board or, if Management Board members themselves hold the rights, by the Supervisory Board, with the details of the authorisation taken into account.

The subscription rights may be serviced from the Conditional Capital 2020/I and/or any other conditional capital resolved in future, from authorised capital already resolved and/or to be resolved in future and/or from treasury shares already acquired or to be acquired in future. Alternatively, a cash settlement over the whole amount or parts thereof may be arranged.

In the Notes to the Annual Financial Statements or in the Annual Report, the Management Board must report on the use of the stock option program 2020 and the options granted to the beneficiaries in this context for each financial year in accordance with relevant statutory provisions. During the 2021 financial year, the Management Board did not take advantage of its authorisation to use the stock option program 2020.

### Conditional Capital

#### CONDITIONAL CAPITAL 2020/I

(SERVICING THE STOCK OPTION PROGRAM 2020)

As a result of the resolution adopted by the Annual General Meeting on 24 June 2020, the Company's share capital has been conditionally increased by up to EUR 3,243,793.00 ("Conditional Capital 2020/I"). The Conditional Capital 2020/I is intended for servicing the subscription rights issued to the beneficiaries of the stock option program 2020. Each subscription right entitles its beneficiary to the subscription of a new bearer share of the Company. The conditional capital increase will only be implemented to the extent that, in accordance with the resolution by the annual general meeting on 24 June 2020 concerning the authorisation to issue stock options, subscription rights were actually issued, that their bearers actually exercise their subscription rights, and that the subscription rights are serviced from conditional capital. The new shares shall participate in the profits from the beginning of the financial year in which they have been issued.

#### CONDITIONAL CAPITAL 2020/II (SERVICING OF BONDS)

To service bonds, the Company's share capital was conditionally increased by up to EUR 12,975,174.00 by issuing up to 12,975,174 new no-par-value bearer shares (Contingent Capital 2020/II) based on the resolution adopted by the Annual General Meeting on 24 June 2020. The funds raised via the conditional capital increase are used to service bonds issued on the basis of the authorisation resolution of the Annual General Meeting of 24 June 2020 under agenda item 11. lit. b).

The conditional capital increase will go ahead only to the extent that

- (i) the bearers of convertible and/or warrant bonds and/or participation rights with conversion or pre-emptive rights that were issued by the Company or its subordinate group companies on the basis of the authorisation resolution adopted by the Annual General Meeting of

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24 June 2020 up to and including 23 June 2025 exercise their conversion or pre-emptive rights, and that the Company decides to redeem the conversion or pre-emptive rights from this Contingent Capital 2020/II, or

- (ii) the bearers of convertible and/or warrant bonds who are subject to conversion and/or a subscription obligations and/or the bearers of profit participation rights who are subject to conversion or subscription obligations that were issued by the Company or its subordinate group companies on the basis of the authorisation resolution adopted by the Annual General Meeting on 24 June 2020 up to and including 23 June 2025 meet their obligation, or that the Company exercises its right to issue shares, and the Company decides to use this Contingent Capital 2020/II to issue shares toward this end.

The shares shall be issued in accordance with the requirements specified in the authorisation resolution by the annual general meeting on 24 June 2020 under agenda item 11, lit. b), which means specifically either (i) at least 80% of the arithmetic mean of the closing auction prices of Company shares of the same class in Xetra trading (or in a functionally comparable successor system replacing the Xetra system) at the Frankfurt Stock Exchange on the last five trading days prior to the day on which the Management Board resolves to issue the bonds or – in the case of granting a direct or indirect subscription right – at least 80% of the arithmetic mean of the closing auction prices of Company shares of the same class in Xetra trading (or in a functionally comparable successor system replacing the Xetra system) at the Frankfurt Stock Exchange during the subscription period, with the exception of those days of the subscription period that are needed to announce the conversion or option price in accordance with Art. 186, Sec. 2, Sent. 2, AktG, on time, or (ii) at least 80% of the arithmetic

mean of the closing auction prices of Company shares of the same class in Xetra trading (or in a functionally comparable successor system replacing the Xetra system) at the Frankfurt Stock Exchange on the last five trading days prior to the day on which the bond bearers notify the Company of their intention to convert the bonds or to exercise their options, taking into account any adjustments pursuant to certain anti-dilution rules specified in the resolution of the aforementioned general meeting under agenda item 11, lit. b) (v).

### Authorised Capital

#### AUTHORISED CAPITAL 2020

The Management Board was authorised via the resolution adopted by the Annual General Meeting on 24 June 2020 to increase, subject to the Supervisory Board's consent, the share capital of the Company by up to EUR 16,218,967.00 by issuing, on one or several occasions, new no-par value bearer shares in exchange for non-cash and/or cash contributions during the period ending on 23 June 2025 (Authorised Capital 2020). The shareholders are principally entitled to subscription rights. The Management Board is, however, authorised to exclude the shareholders' subscription rights wholly or in part, subject to the Supervisory Board's consent.

Excluding the shareholders' subscription rights is permitted in the following instances only:

- (i) for capital increases against cash contributions if shares in the Company are traded on a stock market (regulated market or OTC or the successors to these segments), the shares issued do not exceed 10% of the share capital and the issue price of the new shares does not significantly undercut the fair price of shares in the Company of the same class and features already traded on the stock market within the

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meaning of Art. 203, Sections 1 and 2, and Art. 186, Sec. 3, Sent. 4, AktG. The amount of 10% of the share capital must include the amount relating to shares issued or disposed of during the effective period of this authorisation and until it is exercised on the basis of different corresponding authorisations, with pre-emptive rights ruled out under direct or implicit application of Art. 186, Sec. 3, Sent. 4, AktG, if such inclusion is required by law. For the purposes of this authorisation, the issuance amount or issue price for the purchase of new shares by an intermediary with the simultaneous obligation of such intermediary to offer the new shares for purchase by one or more third parties designated by the Company is deemed to be the amount that must be paid by the third party or third parties, as the case may be;

- (ii) in the case of capital increases in exchange for non-cash contributions, particularly for the acquisition of companies, parts of companies and investments in companies, industrial property rights, such as patents, brands or licenses to these, or other product rights or other non-cash contributions or bonds, convertible bonds and other financial instruments;
- (iii) to the extent required in order to grant bearers or creditors of the bonds with warrant or conversion rights or obligations issued by the Company or its group companies subscription rights to new shares on a scale to which they would be entitled to these after exercising their option or conversion privileges or after having fulfilled their warrant or conversion obligations;
- (iv) for fractional amounts resulting from the subscription ratio.

The Management Board has been authorised, subject to the Supervisory Board's consent, to define the further content of share rights and the other details of the capital increase and its implementation. The Management Board is authorised to specify that the new shares in accordance with Art. 186, Sec. 5, AktG, should be underwritten by a bank or a company operating pursuant to Art. 53, Sec. 1, Sent. 1 or Art. 53b, Sec. 1, Sent. 1 or Sec. 7, German Banking Act (KWG), subject to the obligation to offer them to the shareholders for subscription.

During the 2021 financial year, the Management Board did not take advantage of its authorisation to increase the capital stock by drawing on the Authorised Capital 2020.

### AUTHORISATION TO BUY AND SELL TREASURY SHARES

The Company may buy back treasury shares only after prior authorisation by the Annual General Meeting or in the few cases expressly specified in the German Stock Corporation Act (AktG). On 22 June 2021, the Annual General Meeting authorised the Management Board to acquire treasury shares of the Company for any legitimate purpose up to a total of 10% of the share capital existing at the time of the adoption of the resolution or at the time this authorisation is exercised, whichever is lower, during the period ending on 21 June 2026. Yet the treasury shares acquired on the grounds of this authorisation, taken together with other treasury shares the Company which were previously acquired or which are attributable to it pursuant to Articles 71d and 71e, AktG, may at no time exceed 10% of the total share capital at the respective time. The authorisation may be exercised in whole or in part. The acquisition of such shares may also be carried out by group companies dependent on the Company within the meaning of Art. 17, AktG, or by third parties for its or their account, respectively. The acquisition may, at the discretion of the Management Board, be transacted either (i) via the stock exchange or (ii) by means of a public purchase offer submitted to all shareholders, which may also take the form of

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an invitation to tender, or (iii) in the context of a block acquisition, even outside the stock market, directly from individual shareholders willing or obliged to sell shares. In addition, the Management Board was also authorised to acquire treasury shares by using certain derivatives (put options, call options and forward purchases as well as combinations of these instruments). The total number of shares acquired using such derivatives is limited to the equivalent of 5% of the share capital existing at the time of the adoption of the resolution by the Annual General Meeting or of the share capital existing at the time the authorisation is exercised, whichever is lower. The term of a derivative may not exceed 18 months in each case and must be defined so as to ensure that the acquisition of the shares by exercising the derivative will not take place after 27 April 2026.

The Management Board is authorised to use Company shares that are or were acquired through this or previously granted authorisations or pursuant to Art. 71d, Sent. 5, AktG, for any legally permitted purpose.

Exercise of the subscription rights of existing shareholders is ruled out if the Management Board uses the shares acquired on the basis of the above acquisition authorisation to secure or to service option rights or conversion rights or conversion obligations or in conjunction with mergers and acquisitions of companies or equity investments, or if it sells the shares outside the stock exchange or without submitting a sales offer to all shareholders in accordance with provisions detailed in the resolution adopted by the Annual General Meeting, or if it issues the shares to employees or managing directors of affiliated companies, or if the Supervisory Board transfers them to the members of the Company's Management Board as part of their remuneration. Whenever treasury shares are issued as a scrip dividend, the Management Board is authorised to exclude subscription rights. In addition, the Management Board may exclude the subscription right for fractional amounts whenever an offer to acquire shares is submitted to all shareholders.

### Transfer and Voting Right Restrictions

As of the balance sheet date, the shares of ACCENTRO Real Estate AG were not subject to any voting right restrictions either under applicable law or under the Articles of Association. All no-par value shares that the Company issued as of 31 December 2021 carry full voting rights and grant one vote each at the annual general meeting. This does not apply to the 251,572 shares held by the Management Board member and the 26,955,923 (indirectly) held shares of a Supervisory Board member in the cases specified in Art. 136, Sec. 1, Sent. 1, AktG. The shares of ACCENTRO AG were not subject to any legal or statutory transfer restrictions as of the balance sheet date.

### Equity Investments Exceeding 10% of the Voting Rights

On 31 December 2021, the following direct and indirect interest in the capital of ACCENTRO Real Estate AG exceeded the threshold of 10.00% of voting rights:

Brookline Real Estate S.à r.l., Luxembourg

Natig Ganiyev, London, interest indirectly held via the Brookline Real Estate S.à. r.l., Luxembourg.

### Significant Agreements of the Company that are Conditional upon a Change of Control Following a Takeover Bid

The terms of the 2020/2023 and 2021/2026 bonds include change of control provisions. In the event of an actual change of control, their creditors are entitled to demand full or partial repayment or, at the discretion of the issuer, the buyback of the bonds at 101% of the par value plus accrued interest.



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The Management Board service agreement includes a change-of-control clause which stipulates that either party has a special right of termination for a period of one month after gaining knowledge of the change of control. In the event that the contract is terminated following a change of control, the Management Board member will receive a severance payment equal to two annual salaries but limited to the remuneration due for the remaining term of the contract of employment, as well as 50% of the variable remuneration accruing for the remaining term.

## Corporate Governance Statement pursuant to Articles 289f, 315d, HGB

The Corporate Governance Statement pursuant to Art. 289, Letter f, and Art. 315, Letter d, HGB, is published annually on the Company's homepage (in German) and retrievable via this URL:

<https://investors.ACCENTRO.de/en/corporate-governance-declaration>

## Remuneration Report

The Remuneration Report is published annually on the Company's homepage, and may be accessed via this hyperlink:

<https://investors.ACCENTRO.de/en/remuneration-report-pursuant-to-art-162-aktg>

## Closing Statement of the Management Board on the Dependent Companies Report

The report on relations with affiliated companies pursuant to Art. 312, AktG, includes the following closing statement by the Management Board:

“ACCENTRO Real Estate AG received appropriate consideration for the legal transactions listed in the Report on Relations with Associates. This assessment is based on the circumstances known to us at the time of the reportable events.”

Berlin, 30 April 2022

**Lars Schriewer**

Chief Executive Officer (CEO)

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## Consolidated Balance Sheet Assets

31/12/2021

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	31/12/2021	31/12/2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	17,776	17,776
Owner-occupied properties and buildings	24,096	24,407
Plant and intangible assets	5,495	1,835
Investment properties	330,652	215,001
Advance payments made for investment properties	0	2,757
Advance payments on corporate mergers	0	11,344
Other receivables and other assets	35,667	25,112
Equity investments	6,900	5,697
Equity interests accounted for using the equity method	4,712	6,279
Deferred tax assets	2,407	1,140
<b>Total non-current assets</b>	<b>427,705</b>	<b>311,348</b>
<b>Current assets</b>		
Inventory properties	300,597	409,505
Contract assets	11,228	407
Trade receivables	21,324	59,705
Other receivables and other assets	29,658	22,748
Current income tax receivables	1,452	1,734
Cash and cash equivalents	121,502	56,541
<b>Total current assets</b>	<b>485,761</b>	<b>550,640</b>
<b>Assets held for sale</b>	<b>16,000</b>	<b>0</b>
<b>Assets</b>	<b>929,466</b>	<b>861,987</b>

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## Consolidated Balance Sheet Equity and liabilities

31/12/2021

IN TEUR

	31/12/2021	31/12/2020
<b>EQUITY</b>		
Subscribed capital	32,438	32,438
Capital reserves	79,825	79,658
Retained earnings	135,127	124,095
Attributable to parent company shareholders	247,390	236,191
Attributable to non-controlling interests	13,247	10,910
<b>Total equity</b>	<b>260,637</b>	<b>247,101</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	46	46
Financial liabilities	148,248	148,063
Bonds	346,701	245,265
Deferred income tax liabilities	13,801	9,074
<b>Total non-current liabilities</b>	<b>508,796</b>	<b>402,448</b>
<b>Current liabilities</b>		
Provisions	633	1,923
Financial liabilities	104,672	168,760
Bonds	6,655	3,446
Advance payments received	9,464	9,177
Current income tax liabilities	5,482	5,950
Trade payables	5,343	7,126
Other liabilities	27,783	16,055
<b>Total current liabilities</b>	<b>160,032</b>	<b>212,438</b>
<b>Equity and liabilities</b>	<b>929,466</b>	<b>861,987</b>





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## Consolidated Income Statement

01/01/2021 – 31/12/2021

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	01/01/2021 – 31/12/2021	01/01/2020 – 31/12/2020
<b>Consolidated revenues</b>	<b>192,747</b>	<b>125,182</b>
Revenues from sales of inventory properties	172,847	112,397
Expenses for sales of inventory properties	-125,056	-92,772
<b>Capital gains from property sales</b>	<b>47,791</b>	<b>19,625</b>
Letting revenues	17,069	10,351
Letting expenses	-10,051	-5,496
<b>Net rental income</b>	<b>7,018</b>	<b>4,854</b>
Revenues from services	2,830	2,434
Expenses from services	-884	-1,563
<b>Net service income</b>	<b>1,946</b>	<b>871</b>
Other operating income	1,269	1,699
<b>Interim result</b>	<b>58,025</b>	<b>27,050</b>
Gain or loss on fair value adjustments of investment properties	18,988	28,367
Payroll and benefit costs	-10,257	-9,048
Depreciation and amortisation of intangible assets and property, plant and equipment	-1,434	-863
Impairments of inventories and accounts receivable	-1,799	-124
Miscellaneous operating expenses	-18,359	-10,717
<b>EBIT (earnings before interest and income taxes)</b>	<b>45,165</b>	<b>34,665</b>

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	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020
Net income from associates measured using the equity method	388	102
Equity investments and equity interests accounted for using the equity method	-4,500	0
Income from equity investments	60	36
Interest income	4,850	11,256
Interest expenses	-25,365	-21,746
<b>Interest Result</b>	<b>-20,515</b>	<b>-10,490</b>
<b>EBT (earnings before income taxes)</b>	<b>20,597</b>	<b>24,313</b>
Income taxes	-7,470	-6,258
<b>Consolidated income</b>	<b>13,127</b>	<b>18,055</b>
thereof attributable to non-controlling interests	1,282	1,488
thereof attributable to shareholders of the parent company	11,845	16,567
<b>Undiluted net income per share (32,437,934 shares; prior year 32,437,934 shares)</b>	<b>0.37</b>	<b>0.51</b>

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	SUBSCRIBED CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
<b>As of 1 January 2021</b>	<b>32,438</b>	<b>79,658</b>	<b>124,095</b>	<b>236,191</b>	<b>10,910</b>	<b>247,101</b>
Total consolidated income	0	0	11,845	11,845	1,282	13,127
Changes in non-controlling interests	0	0	0	0	1,054	1,054
Acquisition of subsidiaries	0	0	-592	-592	0	-592
Equity change from application of IFRS 2	0	167	0	167	0	167
Other effects	0	0	-220	-220	0	-220
<b>As of 31 December 2021</b>	<b>32,438</b>	<b>79,825</b>	<b>135,127</b>	<b>247,390</b>	<b>13,247</b>	<b>260,637</b>

IN TEUR

	SUBSCRIBED CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
<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	0	0	16,567	16,567	1,488	18,055
Acquisition of subsidiaries	0	0	-33	-33	7,294	7,261
Equity change from application of IFRS 2	0	974	0	974	0	974
<b>As of 31 December 2020</b>	<b>32,438</b>	<b>79,658</b>	<b>124,095</b>	<b>236,191</b>	<b>10,910</b>	<b>247,101</b>

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	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020
Consolidated income	13,127	18,055
+ Depreciation/amortisation of non-current assets	1,434	863
-/+ At-equity earnings/net income from investments	-388	-102
+ Impairments of equity interests accounted for using the equity method	4,500	0
+/- Increase / decrease in provisions	-1,521	1,042
+/- Changes in the fair value of investment property	-18,988	-28,367
+/- Other non-cash expenses / income	15,545	5,571
+/- Loss/gain from disposal of non-current assets	-25	95
-/+ Increase / decrease in trade receivables and other assets that are not attributable to investing or financing activities	16,971	-2,495
+/- Increase / decrease in trade payables and other liabilities that are not attributable to investing or financing activities	10,436	11,868
+/- Other income tax payments	-4,111	-7,327
= <b>Operating cash flow before de-/reinvestments in inventory properties</b>	<b>36,981</b>	<b>-796</b>
-/+ Cash investments (-) / divestments (+) in inventory properties (net after assumption of debt, some without cash effect)	62,570	-31,859
= <b>Cash flow from operating activities</b>	<b>99,551</b>	<b>-32,655</b>

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	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020
+ Interest received	4,597	2,098
+ Payments received from the disposal of property, plant and equipment	0	24
- Cash outflows for investments in intangible assets	-3,509	-353
- Cash outflows for investments in property, plant and equipment	-1,252	-1,870
- Cash outflows for company acquisitions	-1,761	-11,344
+ Payments from disposals of financial assets	0	23
- Cash outflows for investments in non-current assets	-1,618	-2,612
- Cash outflows for the purchase of investment property	-63,349	-65,187
- Disbursements of loans granted	-23,317	-75,895
+ Cash received from distributions/disposal of shares accounted for using the equity method	274	0
+ Repayment of loans granted	4,576	55,500
= <b>Cash flow from financing activities</b>	<b>-85,360</b>	<b>-99,617</b>
-/+ Payments / receipts from transactions between equity providers	500	0
+ Payments from issuing bonds and raising (financial) loans	166,877	349,218
- Repayment of bonds and (financial) loans	-97,893	-163,911
- Interest paid and financing costs	-19,472	-21,635
= <b>Cash flow from financing activities</b>	<b>50,011</b>	<b>163,672</b>
Net change in cash and cash equivalents	64,203	31,400
+/- Consolidation change in cash and cash equivalents	758	973
+ Cash and cash equivalents at the beginning of the period	56,541	24,167
= <b>Cash and cash equivalents at the end of the period</b>	<b>121,502</b>	<b>56,541</b>

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## Basic Information

ACCENTRO Real Estate AG (“the Company”) with its subsidiaries (collectively: “ACCENTRO” or “the ACCENTRO Group”) is a listed real estate group with three main business divisions. These include the retailing of condominiums to private owner-occupiers and buy-to-let investors and the sale of real estate portfolios to institutional investors (the “trading and privatisation business”), the management of a proprietary real estate portfolio (the “portfolio business”), and finally the provision of marketing services to third parties (the “fee-based and service business”).

The core business of ACCENTRO consists of residential property trading within the framework of housing privatisations. In addition to its home market of Berlin, the Company focuses on auspicious metro regions such as Hamburg, Rhine-Ruhr and Leipzig. In its trading and privatisation business, ACCENTRO sells apartments from its proprietary portfolio, either individually to owner-occupiers and buy-to-let investors or – bundled into portfolios – to institutional investors. The portfolio business is characterised by the management and development of the Company’s proprietary real estate stock. The fee-based and service business unit comprises the marketing of apartments on behalf of investors and property developers – including via equity investments in joint ventures, the development and public provision of a digital platform (called PropRate) for finding and appraising or comparing real estate, and the annual compilation and publication of several market analyses and reports on the German housing market. ACCENTRO Real Estate AG is listed on the Prime Standard segment of the Frankfurt Stock Exchange (German securities code number WKN: A0KFKB, ISIN: DE000A0KFKB3). The stock corporation is domiciled in Berlin, Germany, at Kantstrasse 44/45, 10625 Berlin, and is registered in the commercial register of the District Court of Charlottenburg under HRB 103691 B.

As of 31 December 2021, ACCENTRO Real Estate AG acts as the operating holding company for a large number of property vehicles.

On 30 November 2017, Brookline Real Estate S.à r.l. made a public announcement that it had taken control of ACCENTRO Real Estate AG pursuant to Art 35, Sec. 1, i.c.w. Articles 29, Sec. 2, and 30, Sec. 1, German Act on Securities Acquisition and Takeovers (WpÜG). Due to the dependent relationship with Brookline Real Estate S.à r.l., the companies Brookline Capital Limited Partnership, Brookline Capital GP Limited, Newton Investment Limited and the person of Natig Ganiyev thereby also gained indirect control of ACCENTRO as a result of a voting rights allocation pursuant to Art. 30, Sec. 1, Sent. 2, No. 2, 5 and 6, Sent. 2 and 3m i.c.w. Art. 2, Sec. 6, German Securities Acquisition and Takeover Act (WpÜG).

The consolidated financial statements were released for publication by the Management Board on 30 April 2022.

All amounts posted in the Consolidated Accounts, the Consolidated Income Statement, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity as well as in the Notes and tabular overviews are quoted in thousands of euros (TEUR), unless otherwise noted. The functional currency of the parent company is euro (EUR); there are no foreign currency transactions of significance. Both individual and total figures represent the value with the smallest rounding difference. Adding the values of the individual line items may therefore result in minor differences compared to the reported totals.

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## Significant Accounting Policies

Outlined below are significant accounting policies underlying these financial statements.

### Principles

The Consolidated Financial Statements of ACCENTRO for the 2021 financial year were prepared in accordance with the international accounting standards in the form of the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) as required in the European Union for capital market-oriented companies.

The IFRS requirements whose application is mandatory in the EU were fully met, and provide a true and fair account of the net assets, financial and earnings position of the ACCENTRO Group. Individual items in the balance sheet have been combined to enhance the clarity of the presentation. The items are elaborated in these Notes to the Consolidated Financial Statements.

The financial years of the parent company, its subsidiaries and associated coincide with the calendar year. The financial statements of the subsidiaries are prepared using standardised recognition and measurement methods.

The consolidated income statement is prepared in accordance with the nature of expense method and includes industry-standard drilldowns.

In the absence of any effects recognised directly in equity that would have to be reported in the other comprehensive income, it was decided to present no statement of comprehensive income.

The accounting methods employed in the consolidated financial statements are the same as those on which the consolidated financial statements as of 31 December 2020 were based, except for certain changes discussed below.

### Accounting Guidance Applied for the First Time during the Financial Year

As of 1 January 2021, the Group will apply the following, either new and revised, standards and interpretations:

STANDARD OR INTERPRETATIONS	SUBSTANCE OF THE STANDARDS OR INTERPRETATIONS	MANDATORY APPLICATION AS OF
Amend. IFRS 4	Application of IFRS 9 Financial Instruments together with IFRS 4 Insurance Contracts	for financial years beginning on 1 January 2021 or thereafter
Amend. IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Reform of the reference interest rates (Phase 2)	for financial years beginning on 1 January 2021 or thereafter
Amend. IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	for financial years beginning on 1 April 2021 or thereafter

The first-time adjustment necessitated no material adjustments in the Consolidated Financial Statements.

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### Accounting Standards that are Not Yet Mandatory

The following new or amended standards or interpretations have already been adopted by the IASB but are not yet mandatory or have not yet been transcribed into European law. The ACCENTRO Group refrained from applying any of these rules and regulations prematurely.

STANDARD OR INTERPRETATIONS	SUBSTANCE OF THE STANDARDS OR INTERPRETATIONS	MANDATORY APPLICATION AS OF
<b>EU ENDORSEMENT EFFECTIVE BY 31 DECEMBER 2021</b>		
Amend. IFRS 3; IAS 16; IAS 37	Business combinations; property, plant and equipment; provisions, contingent liabilities and contingent assets	1 January 2022
Annual improvements project (2018-2020 cycle)	Amendments to IFRS 1, IFRS 9, IFRS 41 and IFRS 16	1 January 2022
IFRS 17 and amend. IFRS 17	Insurance Contracts	1 January 2023
<b>EU ENDORSEMENT PENDING</b>		
Amend. IAS 1	Classification of liabilities as current or non-current; clarification that the existing right of the entity at the reporting date is decisive for the classification of liabilities as current or non-current	1 January 2023
Amend. IAS 1, IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amend. IAS 8	Definition of accounting estimates	1 January 2023
Amend. IAS 12	Deferred taxes relating to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17 and amend. IFRS 17 (replaces IFRS 4)	"Insurance Contracts": The objective is to disclose relevant information to users and to ensure a uniform presentation and valuation of insurance contracts through consistent and principle-based accounting.	1 January 2023

The above amendments are still awaiting EU endorsement. But it is safe to say that its application is unlikely to require any major adjustments to the Group's accounting.



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### Consolidation

#### a) Principles for Determining the Scope of Consolidation

The Consolidated Financial Statements present the parent company, ACCENTRO Real Estate AG, and the subsidiaries that it controls and that are included in the scope of consolidation as a single economic entity (IFRS 10).

Control over a subsidiary exists whenever ACCENTRO Real Estate AG is exposed, or has rights, to variable returns from its commitment in the respective entity and has the ability to affect those returns by using its decision-making authority vis-à-vis the entity. Whether or not ACCENTRO Real Estate AG has decision-making authority over a given company is determined on the basis of that company's relevant activities and the influencing competencies of ACCENTRO Real Estate AG.

The process takes account of voting rights and other contractual rights to control the relevant activities, unless there are economic or other obstacles preventing the exercise of the existing rights. Decision-making authority based on voting rights is vested in ACCENTRO Real Estate AG if the latter holds, due to equity instruments or contractual agreements, more than 50% of the voting rights and if this share of the voting rights comes with robust decision-making authority in regard to the relevant activities. Subsidiaries are fully consolidated as soon as the controlling interest has transferred to the parent company. They are deconsolidated whenever the control ends.

Subsidiaries also principally include structured entities that are controlled by ACCENTRO Real Estate AG. Structured entities are those where voting rights or similar rights do not constitute the dominant factor for assessing the control situation. There are currently two structured entities that the Group factually controls without having a majority of voting rights. These represent property vehicles whose privatisation process and financing

arrangements were supervised and controlled by the ACCENTRO Group, so that the ACCENTRO Group participates definitively in variable returns.

#### b) Subsidiaries

The Consolidated Financial Statements include all material subsidiaries of ACCENTRO Real Estate AG. For a schedule of all companies included, see page 87. All of the material subsidiaries were fully consolidated and are included in the consolidated financial statements of ACCENTRO Real Estate AG.

Acquired companies are recognised using the purchase method pursuant to IFRS 3 whenever the acquired company represents a business operation. In case the acquired company does not represent a business operation, it is consolidated pursuant to IFRS 10 as an acquisition of assets and liabilities.

Minority interests in the shareholder equity of the subsidiary are reported within the group equity as non-controlling interests, unless they represent interests held by outside shareholders in consolidated trading partnerships. Non-controlling interests in subsidiaries and the resulting profit or loss as well as summarised financial information on subsidiaries in which the Group holds significant non-controlling interests are detailed on page 123. For subsidiaries in the legal form of a limited partnership with a limited company as general partner (German: GmbH & Co. KG), interests held by other shareholders are recognised as borrowed capital, as they have mandatory termination rights pursuant to the German Commercial Code (HGB).

The recognition and measurement methods of subsidiaries are applied uniformly throughout the Group while expenses, income, liabilities and capital are consolidated.

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### c) Joint Ventures

Joint arrangements (IFRS 11) are based on contractual agreements between two or more parties, and serve in turn as basis for a business activity that is subject to joint control by these parties. Joint control is established whenever the parties need to cooperate in order to control the relevant activities of the joint arrangement, and whenever decisions require the unanimous consent of the participating parties. Such a joint arrangement represents a joint venture whenever the partners that have joint control have rights and obligations vis-à-vis the net assets of the arrangement.

The consolidated financial statements of ACCENTRO Real Estate AG include seven joint ventures (previous year: nine) which are recognised using the equity method pursuant to IAS 28.

### d) Associates

Associates are entities over which ACCENTRO Real Estate AG has significant but not controlling influence, be it directly or indirectly through subsidiaries. The term “significant influence” refers to the power to participate in the financial and operating policy decisions of another entity without controlling it. Significant influence principally exists if ACCENTRO Real Estate AG in its role as investor holds at least 20% of the entity's voting rights, be it directly or indirectly through subsidiaries.

Investments in joint ventures and associates that are significant for the Group's net assets, financial and earnings position are included in the consolidated financial statements using the equity method. Disclosures on the risks associated with the interests that ACCENTRO Real Estate AG holds in joint ventures and associates are posted along with summarised financial information on these entities on page 125. The summarised financial information for joint ventures and associates that are, on an individual basis, immaterial are presented in aggregate form.

ACCENTRO Real Estate AG invests in joint ventures or associates for operational reasons, on the one hand, and to add attractive investments to its own privatisation and portfolio business, on the other hand. Such ventures are therefore often motivated by the wish participate in their privatisation process. Accordingly, it also involves a certain proximity to ACCENTRO's very own operational business activity, but the Company also often assumes the role of financier above all. Starting with the year under review, the current profit and loss from investments that are accounted for using the equity method, as well as any impairment losses, are therefore uniformly allocated to the financial results, meaning that this profit or loss figure is therefore not included in EBIT. The prior-year comparables were adjusted accordingly. One-off impairment losses on equity and debt financing are reported separately in order to enhance the transparency for readers of the financial accounts.

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For investments in associates accounted for using the equity method, the accounting and valuation methods applied so far have transitioned to uniform group accounting and valuation methods. This includes, inter alia, the capitalisation of borrowing costs for project developments tied up in associates, and the classification of real estate as investment properties in accordance with IAS 40. If the company in which the equity interest is held does not provide sufficient information to meet IFRS requirements, these details are estimate or approximated by using property valuations.

### e) Scope of Consolidation

As of 31 December 2021, the scope of consolidation was subject to the following changes since the previous year:

QUANTITY	SUBSIDIARIES	JOINT VENTURES
<b>As of 1 January</b>	<b>40</b>	<b>9</b>
Acquisitions	7	3
Increase in equity interest	1	-1
Disposals	-1	-2
Liquidation	0	-2
<b>As of 31 December</b>	<b>47</b>	<b>7</b>

In addition, one shelf company was acquired but not consolidated as of 31 December 2021 due to immateriality.

Listed below are the companies integrated in the consolidated financial statements as of 31 December 2021 in addition to ACCENTRO Real Estate AG.

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## LIST OF EQUITY INTERESTS IN SUBSIDIARIES IN WHICH EITHER ACCENTRO REAL ESTATE AG OR ONE OF ITS SUBSIDIARIES HOLDS A MAJORITY OF THE CAPITAL SHARES.

	COMPANY	REGISTERED OFFICE	31/12/2021 INTEREST IN NET ASSETS (IN %)	31/12/2020 INTEREST IN NET ASSETS (IN %)
1	ACCENTRO 2. Wohneigentum GmbH*	Berlin	100	100
2	ACCENTRO 6. Wohneigentum GmbH*	Berlin	100	100
3	ACCENTRO 11. Wohneigentum GmbH*	Berlin	100	100
4	ACCENTRO 16. Wohneigentum GmbH*	Berlin	100	100
5	ACCENTRO 17. Wohneigentum GmbH*	Berlin	100	100
6	ACCENTRO 20. Wohneigentum GmbH*	Berlin	100	100
7	ACCENTRO 21. Wohneigentum GmbH*	Berlin	100	100
8	ACCENTRO 23. Wohneigentum GmbH*	Berlin	100	-
9	ACCENTRO 24. Wohneigentum GmbH*	Berlin	100	-
10	ACCENTRO Wohneigentum GmbH*	Berlin	100	100
11	ACCENTRO GmbH*	Berlin	100	100
12	ACCENTRO Verwaltungs GmbH*	Berlin	100	100
13	ACCENTRO Sachsen GmbH*	Berlin	100	100
14	ESTAVIS Wohneigentum GmbH*	Berlin	100	100
15	Estavis 43. Wohnen GmbH & Co. KG*	Berlin	100	100
16	Quartier Danziger Straße 143 GmbH*	Berlin	100	100
17	Quartier Hasenheide GmbH*	Berlin	100	100
18	Quartier Dietzgenstraße GmbH*	Berlin	100	100
19	Koppenstraße Wohneigentum GmbH*	Berlin	100	100
20	Kantstr. 44, 45 Verwaltungsgesellschaft mbH*	Berlin	100	100
21	Riehmers Hofgarten Grundbesitz GmbH*	Berlin	100	100
22	Riehmers Dachgeschoss Grundbesitz GmbH	Berlin	100	100
23	Uhlandstraße 79 Immobilien GmbH	Berlin	100	50% + 1 vote
24	ACCENTRO East Holding GmbH*	Berlin	100	-
25	LHC Beteiligungs GmbH	Zossen	100	-

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### LIST OF EQUITY INTERESTS IN SUBSIDIARIES IN WHICH EITHER ACCENTRO REAL ESTATE AG OR ONE OF ITS SUBSIDIARIES HOLDS A MAJORITY OF THE CAPITAL SHARES.

COMPANY	REGISTERED OFFICE	31/12/2021 INTEREST IN NET ASSETS (IN %)	31/12/2020 INTEREST IN NET ASSETS (IN %)
<b>SUBSIDIARIES WITH NON-CONTROLLING INTERESTS</b>			
26 COMMIT Services GmbH	Berlin	95.0	100
27 ESTAVIS Beteiligungs GmbH & Co. KG*	Berlin	94.0	94.0
28 Kantstraße 130b/Leibnizstraße 36, 36a GbR	Berlin	38.4	38.4
29 Kantstraße 130b/Leibnizstraße 36, 36a Immobilien Gesellschaft mbH	Berlin	40.8	40.8
30 Johanniterstr. 3-6 Liegenschaften GmbH	Berlin	89.5	80.0
31 ACCENTRO Rhein-Ruhr GmbH	Oberhausen	89.9	75.0
32 ACCENTRO 2. Sachsen GmbH	Berlin	89.9	89.9
33 GeSoNa Verwaltungs GmbH & Co. Hermannstraße KG	Berlin	74.25	74.25
34 GeSoNa Verwaltungs GmbH	Berlin	66.7	68.3
35 ACCENTRO Binz GmbH	Berlin	94.9	94.9
36 Düsseldorfer Straße 68-69 Projektgesellschaft mbH	Berlin	94.9	94.9
37 Wintersteinstraße 7, 9 Liegenschaften 1 GmbH	Berlin	94.9	94.9
38 Wintersteinstraße 7, 9 Liegenschaften 2 GmbH	Berlin	89.9	89.9
39 ACCENTRO NRW GmbH	Cologne	89.9	89.9
40 Lekova 12 GmbH (ACCENTRO Dessau Wohnen GmbH)	Jena	89.9	89.9
41 Lekova 14 GmbH (ACCENTRO Gera Wohnen GmbH)	Jena	89.9	89.9
42 Lekova 15 GmbH (ACCENTRO Halle Wohnen GmbH)	Jena	89.9	89.9
43 Lekova 19 GmbH	Berlin	89.9	-
44 Lekova 26 GmbH	Berlin	89.9	-
45 ACCENTRO Gera Wohnen 2 GmbH	Berlin	89.9	-
46 Werdauer Weg 3 Immobilien Projektentwicklungs GmbH	Zossen	89.9	89.9
47 Wissmannstraße 15 Grundbesitz GmbH	Berlin	89.5	30.0
<b>COMPANIES DISPOSED OF IN THE FINANCIAL YEAR</b>			
ACCENTRO Bayern GmbH	Berlin	10.1	100

\* The Company takes advantage of the exemption pursuant to Art. 264 III, HGB (preparation, disclosure and audit).

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## SCHEDULE OF EQUITY INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD

COMPANY	REGISTERED OFFICE	31/12/2021 INTEREST IN NET ASSETS (IN %)	31/12/2020 INTEREST IN NET ASSETS (IN %)
Gutshof Dahlewitz 1 GmbH (joint venture)	Berlin	44	44
Gutshof Dahlewitz 2 GmbH (joint venture)	Berlin	44	44
Düne 38 Projektentwicklungs GmbH	Berlin	44	44
DEUWA Real GmbH	Berlin	50	50
KAISER 102 Projektentwicklungs GmbH	Berlin	51	-
LHC Holding GmbH & Co. KG	Zossen	50	-
LHC Holding 2 GmbH & Co. KG	Zossen	50	-

### f) Material changes in the Basis of Consolidation during the Reporting Period

ACQUISITION OF ACCENTRO GERA WOHNEN 2 GMBH (FORMERLY: LEKOVA 18 GMBH)

With the notarial framework agreement dated 12 November 2020, ACCENTRO Real Estate AG acquired an interest of 89.9% in the company ACCENTRO Gera Wohnen 2 GmbH. The acquisition costs of the equity interest amount to TEUR 7,229 plus incidental acquisition costs in the amount of TEUR 270. In conjunction with the transaction, ACCENTRO Real Estate AG also acquired a shareholder loan in the amount of TEUR 21,989.

The acquisition of ACCENTRO Gera Wohnen 2 GmbH was not categorised as business combination within the meaning of IFRS 3 because the company runs no business operation as defined by IFRS 3. Rather, the share purchase was reported as the acquisition of a group of assets and liabilities (aggregate assets without corporate quality). The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired company at the time of acquisition according to their relative fair values.

ACCENTRO Gera Wohnen 2 GmbH was fully consolidated in the consolidated financial statements of ACCENTRO in accordance with the requirements of IFRS 10. The initial consolidation will take place when the conditions of the share purchase agreement were fulfilled on and as of 31 March 2021.

With the transaction, the Company acquired investment properties in a value of TEUR 32,691 and rights under ground leases in the amount of TEUR 5,497. The ground lease agreements effective as at the reporting date for eight plots held in the inventory of ACCENTRO Gera Wohnen 2 GmbH fall within the scope of application of IFRS 16 because the right to use a plot is transferred to the ground lessee via such an agreement against payment of a consideration for a certain period of time. On initial recognition, the lease liability is recognised with the cash value of the ground rent payments. The right of use is recognised in analogy to the liability and over the same amount, because there were no payments for the ground lease over and above the ground rent. This valuation was adopted as fair value at the time of initial consolidation in the amount of TEUR 5,497.

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The relative fair values of the identified assets and liabilities of ACCENTRO Gera Wohnen 2 GmbH as at the acquisition date break down as follows:

IN TEUR	
Investment properties	32,691
Right of use, ground leases	5,497
Cash and cash equivalents	1,787
<b>Assets acquired</b>	<b>39,975</b>
Lease liability	5,497
Payables to partners	21,989
Current financial liabilities	1,707
<b>Liabilities assumed</b>	<b>29,193</b>
<b>Net assets (100%)</b>	<b>10,782</b>
Non-controlling interests	3,283
<b>Acquisition costs</b>	<b>7,499</b>

The disproportionate share of the non-controlling interests in the net assets is attributable to higher acquisition costs for these interests, which are connected to the pro-rata acquisition of the shareholder loan that was initially not part of the acquisition but was subsequently corrected in the 2021 financial year.

The real estate assets were allocated to the long-term investment properties (IAS 40).

### ACQUISITION OF LEKOVA 19 GMBH

With a notarial framework agreement also dated 12 November 2020, ACCENTRO Real Estate AG acquired 89.9% of the shares in the company Lekova 19 GmbH. The acquisition costs of the equity interest amount to TEUR 3,840 plus incidental acquisition costs in the amount of TEUR 56. In conjunction with the transaction, ACCENTRO Real Estate AG also acquired a shareholder loan in the amount of TEUR 2,902.

The acquisition of the company was not categorised as business combination within the meaning of IFRS 3 because the company runs no business operation within the meaning of IFRS 3. Rather, the share purchase was reported as the acquisition of a group of assets and liabilities (aggregate assets without corporate quality). The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired companies at the time of acquisition according to their relative fair values.

Lekova 19 GmbH was fully consolidated in the Consolidated Financial Statements of ACCENTRO in accordance with the requirements of IFRS 10. The initial consolidation took place when the conditions of the share purchase agreement were fulfilled on and as of 30 April 2021.

In conjunction with the transaction, investment properties in a combined value of TEUR 7,187 were acquired.

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The relative fair values of the identified assets and liabilities of Lekova 19 GmbH as of the acquisition date break down as follows:

IN TEUR	
Investment properties	7,187
Current assets	7
Cash and cash equivalents	36
<b>Assets acquired</b>	<b>7,230</b>
Payables to partners	2,902
<b>Liabilities assumed</b>	<b>2,902</b>
<b>Net assets (100%)</b>	<b>4,328</b>
Non-controlling interests	431
<b>Acquisition costs</b>	<b>3,897</b>

The real estate assets were allocated to the long-term investment properties (IAS 40).

### ACQUISITION OF LEKOVA 26 GMBH

With the notarial framework agreement dated 18 November 2021 and the associated share purchase and transfer agreement, ACCENTRO Real Estate AG acquired 89.9% of the shares of Lekova 26 GmbH. The acquisition costs of the equity interest amount to TEUR 10,697 plus incidental acquisition costs in the amount of TEUR 311. In conjunction with the transaction, ACCENTRO Real Estate AG also acquired a shareholder loan in the amount of TEUR 6,078.

The acquisition of the company was not categorised as business combination within the meaning of IFRS 3 because the company runs no business operation within the meaning of IFRS 3. Rather, the share purchase was reported as the acquisition of a group of assets and liabilities (aggregate assets without corporate quality). The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired company at the time of acquisition according to their relative fair values.

Lekova 26 GmbH was fully consolidated in the Consolidated Financial Statements of ACCENTRO in accordance with the requirements of IFRS 10. The initial consolidation took place when the conditions of the share purchase agreement were fulfilled on and as of 30 November 2021.

In conjunction with the transaction, investment properties in a combined value of TEUR 18,218 were acquired.



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The relative fair values of the identified assets and liabilities of Lekova 26 GmbH as of the acquisition date break down as follows:

IN TEUR	
Investment properties	18,218
Trade receivables	2
Other assets	266
Cash and cash equivalents	165
<b>Assets acquired</b>	<b>18,651</b>
Payables to partners	6,078
Current financial liabilities	364
<b>Liabilities assumed</b>	<b>6,442</b>
<b>Net assets (100%)</b>	<b>12,209</b>
Non-controlling interests	1,202
<b>Acquisition costs</b>	<b>11,007</b>

The real estate assets were allocated to the long-term investment properties (IAS 40).

### ACQUISITION OF INTERESTS IN WISSMANNSTRASSE 15.

#### GRUNDBESITZ GMBH

The company Wissmannstraße 15. Grundbesitz GmbH, which was deconsolidated in 2020 and the interest in the company subsequently accounted for using the equity method, was fully consolidated again as of 30 June 2021 because ACCENTRO increased its interest in it to 89.5% (31 December 2020: 30%).

The acquisition of the company was not categorised as business combination within the meaning of IFRS 3 because the company runs no business operation within the meaning of IFRS 3. Rather, the share purchase was reported as the acquisition of a group of assets and liabilities (aggregate assets without corporate quality). The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired company at the time of acquisition according to their relative fair values.

Wissmannstraße 15. Grundbesitz GmbH was fully consolidated in the consolidated financial statements of ACCENTRO AG in accordance with the requirements of IFRS 10. The initial consolidation took place on and as of 30 June 2021.

The relative fair values of the identified assets and liabilities of Wissmannstraße 15. Grundbesitz GmbH as of the acquisition date break down as follows:

IN TEUR	
Inventory properties	1,611
Cash and cash equivalents	15
<b>Assets acquired</b>	<b>1,626</b>
Trade payables	13
Payables to partners	701
<b>Liabilities assumed</b>	<b>714</b>
<b>Net assets (100%)</b>	<b>912</b>
Non-controlling interests	96
<b>Acquisition costs</b>	<b>816</b>

The real estate assets were allocated to the inventory properties.

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The hidden reserves disclosed in the context of the transaction (based on the higher acquisition costs of the interests at the time of acquisition compared to the time of their previous disposal in the reporting year) in the amount of TEUR 947 were fully reversed and therefore impaired, as there is no evidence for such an increase in the value of the underlying assets.

### ACQUISITION OF LHC BETEILIGUNGS GMBH

With the notarial framework agreement dated 10 November 2020, ACCENTRO Real Estate AG acquired 100% of the shares in the company LHC Beteiligungs GmbH. However, the interests did not transfer to ACCENTRO until the end of December 2021, once they were free from encumbrances. It was only then that the purchase price for the interests was paid. The acquisition costs of the interests in LHC Beteiligungs GmbH amount to TEUR 1,500 plus incidental acquisition costs in the amount of TEUR 90. In conjunction with the transaction, ACCENTRO acquired a shareholder loan in the amount of TEUR 15,476.

The acquisition of the company was not categorised as business combination within the meaning of IFRS 3 because the company runs no business operation within the meaning of IFRS 3. Rather, the share purchase was reported as the acquisition of a group of assets and liabilities (aggregate assets without corporate quality). The acquisition costs were allocated to the individual identifiable assets and liabilities of the acquired company at the time of acquisition according to their relative fair values.

LHC Beteiligungs GmbH was fully consolidated in the consolidated financial statements of ACCENTRO in accordance with the requirements of IFRS 10. The initial consolidation took place when the conditions of the sale-and-purchase agreement were fulfilled on and as of 31 December 2021.

LHC Beteiligungs GmbH acts as joint venture partner, holding interests of 50% each in two holding companies whose subsidiaries hold several pieces of real estate.

The relative fair values of the identified assets and liabilities of LHC Beteiligungs GmbH as of the acquisition date break down as follows:

IN TEUR

Non-current receivables from associates	11,031
Interests in associates	6,062
Cash and cash equivalents	1
<b>Assets acquired</b>	<b>17,094</b>
Trade payables	19
Payables to partners	15,476
Other liabilities	9
<b>Liabilities assumed</b>	<b>15,504</b>
<b>Net assets (100%)</b>	<b>1,590</b>
Non-controlling interests	0
<b>Acquisition costs</b>	<b>1,590</b>

The equity investments in these joint venture companies held by the fully consolidated LHC Beteiligungs GmbH, which are each measured using the equity method, were subject to a TEUR 4,500 impairment as of 31 December 2021, upon initial recognition. The impairment was prompted by the valuation of the properties indirectly held by these companies by independent experts as of the reporting date of 31 December 2021, which took account of senior bank debt.

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### ACQUISITION OF SHELF COMPANIES

During the 2021 financial year, ACCENTRO acquired 100% of the interests each in four shelf companies against a purchase price of TEUR 28 each. The companies ACCENTRO 23. Wohneigentum GmbH and ACCENTRO 24. Wohneigentum GmbH acquired inventory properties before the end of the year. ACCENTRO transferred its equity interests in the companies Lekova 19 GmbH, ACCENTRO Gera Wohnen GmbH, ACCENTRO Gera Wohnen 2 GmbH, ACCENTRO Dessau Wohnen GmbH and ACCENTRO Halle Wohnen GmbH to the company ACCENTRO EAST Holding GmbH, which now acts as holding company. At year-end, ACCENTRO 25. Wohneigentum GmbH remained a shelf company that was not consolidated for reasons of materiality.

IN TEUR

	100% OF THE SHARES	10.1% OF THE SHARES RETAINED	89.9% OF THE SHARES SOLD
Non-current assets	2		
Current assets	59,436		
<b>Total assets</b>	<b>59,438</b>		
Non-current liabilities	37,501		
Current liabilities	22,937		
<b>Total liabilities</b>	<b>60,438</b>		
<b>Net assets (100%)</b>	<b>-1,000</b>	<b>-101</b>	<b>-899</b>
Revaluation / deconsolidation income	12,904	1,303	11,601
Revaluation / selling price	11,904	1,202	10,702

The sale of the 89.9% interests returns a deconsolidation income in the amount of TEUR 11,601, which breaks down into the selling price of TEUR 10,702 and the assumption of the negative net worth by the buyer in the amount of TEUR 899.

### ACCENTRO Bayern GmbH

ACCENTRO sold 89.9% of the shares in ACCENTRO Bayern GmbH by way of a notarised share purchase and transfer agreement dated 18 November 2021. In conjunction with the transaction, ACCENTRO also sold a shareholder loan in the amount of TEUR 21,973 to the buyer ACCENTRO thus retains a 10.1% interest in ACCENTRO Bayern GmbH as a minority partner.

Given a selling price of TEUR 10,702 for 89.9% of the interests, the selling price for 100% of the interest would be TEUR 11,905 while a 10.1% share thereof would be worth TEUR 1,202.

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For the legacy interest, a fair value of TEUR 1,202 is derived, with the income from the assumption of the negative net worth by the buyer to be added in the amount of TEUR 101, resulting in a total amount of TEUR 1,303 in income.

All in, the transaction returned TEUR 12,904 in income. All receivables arising from this transaction were already fully settled during the year under review.

### Equity investments and equity interests accounted for using the equity method

#### KAISER 102 PROJEKTENTWICKLUNGS GMBH

ACCENTRO acquired a 51% interest in KAISER 102 Projektentwicklungs GmbH against a purchase price of TEUR 6 via a share purchase and transfer agreement dated 29 April 2021. According to IFRS 10, two or more entities represent a parent-subsidiary relationship if the parent company controls the relevant activities of its subsidiary or subsidiaries due to existing rights. The company's articles of association were amended at the time the share and transfer agreement concerning KAISER 102 Projektentwicklungs GmbH was concluded to the effect that resolutions at the annual general meeting require a 2/3 majority. This means that ACCENTRO can control the relevant activities of the subordinate company (Kaiser 102) only together with the other equity holders. ACCENTRO therefore takes the equity interest into account using the equity method because it represents a joint venture.

#### LHC HOLDING GMBH & CO. KG AND LHC HOLDING 2 GMBH & CO. KG

In conjunction with its acquisition of a 100% interest in LHC Beteiligungs GmbH, ACCENTRO also acquired two indirect 50% equity interests in the companies LHC Holding GmbH & Co. KG and LHC Holding 2 GmbH & Co. KG. LHC Beteiligungs GmbH signed a joint venture agreement with LHC Invest GmbH. Within the framework of this master agreement, the aforementioned holdings companies and another four subsidiaries, controlled by these holding

companies (property project companies), were formed. ACCENTRO therefore includes each of the equity interests in the Group accounts using the equity method because they represent joint ventures.

#### WOHNEIGENTUM BERLIN GBR

The joint venture Wohneigentum Berlin GbR was wound up in 2021 and is therefore no longer taken into account.

#### URBANSTRASSE 5 PROJEKT GMBH

The joint venture Urbanstraße 5 Projekt GmbH was wound up in 2021 and is therefore no longer taken into account.

#### BELLE ÉPOQUE QUARTIER GEHRENSEE GMBH

ACCENTRO sold 24.996% of its interests in the company Belle Époque Quartier Gehrensee GmbH, Berlin, via a notarised share purchase agreement dated 27 October 2021, along with a shareholder loan granted to that company. Since the transfer of benefits and burdens had not yet taken place by 31 December 2021, but was completed at the beginning of the 2022 financial year, the equity investment along with the shareholder loan are reported as assets held for sale in accordance with IFRS 5 at their total disposal price of TEUR 16,000 (of which TEUR 3,250 represent the interests and TEUR 12,750 the shareholder loan). The selling price including the interest accrued by the time of payment (TEUR 16,673) was received in full by the end of March 2022.

#### BASDORFER GÄRTEN BF6 LIEGENSCHAFTEN GMBH

ACCENTRO sold a 49% interest in the company SHG Basdorfer Gärten BF6 Liegenschaften GmbH for a selling price of EUR 12,250 via a notarised share purchase and transfer agreement dated 1 June 2021. This means the company has left the Group.

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### Segment Reporting

The internal reporting to the Management Board of ACCENTRO Real Estate AG, which is the highest management body as defined by IFRS (management approach), includes no drilldowns by regions. The Group exclusively trades and manages real estate located in Germany. Therefore, no geographical segmentation has been implemented. Within the ACCENTRO Group, reporting for the 2021 financial year will for the first time differentiate between segments (which explains the absence of prior-year figures) along the lines of the Group's in-house management of its three segments "trading and privatisation business," "portfolio business" and "service business." Segment reporting is intended to keep evolving in sync with the further expansion of the portfolio business in the years ahead.

### SEGMENT REPORTING AS OF 31 DECEMBER 2021

IN TEUR

	PORTFOLIO	TRADE / PRIVATISATION	SERVICES (FEES)	OTHER / CONSOLIDATION	GROUP
<b>Consolidated revenues with third parties</b>	<b>9,224</b>	<b>180,552</b>	<b>2,694</b>	<b>277</b>	<b>192,747</b>
Revenues from sales of inventory properties with third parties	0	172,847	0	0	172,847
Expenses for sales of inventory properties	0	-125,056	0	0	-125,056
<b>Capital gains from property sales</b>	<b>0</b>	<b>47,791</b>	<b>0</b>	<b>0</b>	<b>47,791</b>
Third-party lease revenues	9,224	7,704	0	141	17,069
Letting expenses	-6,964	-4,968	0	1,881	-10,051
<b>Net rental income</b>	<b>2,260</b>	<b>2,736</b>	<b>0</b>	<b>2,023</b>	<b>7,018</b>
Revenues from third-party services	0	0	2,694	136	2,830
Expenses from services	0	-4	-853	-27	-884

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## SEGMENT REPORTING AS OF 31 DECEMBER 2021

IN TEUR

	PORTFOLIO	TRADE / PRIVATISATION	SERVICES (FEES)	OTHER / CONSOLIDATION	GROUP
<b>Net service income</b>	<b>0</b>	<b>-4</b>	<b>1,841</b>	<b>109</b>	<b>1,946</b>
Other operating income	175	786	0	308	1,269
<b>Interim result</b>	<b>2,435</b>	<b>51,309</b>	<b>1,841</b>	<b>2,440</b>	<b>58,025</b>
Gain or loss on fair value adjustments of investment properties	18,988	0	0	0	18,988
<b>Segment result</b>	<b>21,423</b>	<b>51,309</b>	<b>1,841</b>	<b>2,440</b>	<b>77,013</b>
Payroll and benefit costs					-10,257
Depreciation and amortisation of intangible assets and property, plant and equipment					-1,434
Impairments of Inventories and Accounts Receivable					-1,799
Miscellaneous operating expenses					-18,358
<b>EBIT (earnings before interest and income taxes)</b>					<b>45,165</b>
<b>Investment properties</b>	<b>330,652</b>				
<b>Inventory properties *</b>		<b>300,597</b>			
<b>Financial liabilities</b>					<b>252,920</b>
<b>Bonds</b>					<b>353,356</b>

\* Current fair value TEUR 408,825 (not including properties of Kantstraße 44/45 because these are included in property, plant and equipment)

During the 2021 financial year, ACCENTRO generated no revenues higher than 10% with any one counterparty.

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### Fair Value

According to IFRS 13, fair value is the price at which an asset could be exchanged between knowledgeable, willing parties within the framework of an orderly arm's length transaction under current market conditions at the measurement date. Eligible methods to measure the fair value include the market-based approach, the cost-based approach or the income-based approach. In the process, the use of definitive observable market-based inputs is increased to a maximum whereas the use of unobservable inputs is reduced to a minimum.

The inputs are categorised in the following measurement hierarchy:

- › Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities, assuming the reporting entity has access to these active markets at the measurement date (IFRS 13 – Appendix A, IFRS 13.76)
- › Level 2: Directly or indirectly observable inputs not included within Level 1 (IFRS 13 – Appendix A, IFRS 13.81)
- › Level 3: Unobservable inputs (IFRS 13 – Appendix A, IFRS 13.86)

If the individual inputs qualify for more than one level within the fair value hierarchy, they are broken up into significant and non-significant inputs in a first step. Next, the fair value measurement is categorised in its entirety on the level of the lowest-level input that is deemed significant to the measurement as a whole (IFRS 13.73 ff.).

### Classification in Current and Non-Current Assets and Liabilities

The Group structures its assets and liabilities in current and non-current assets and liabilities, respectively, in its accounts. An asset should be classified as current whenever:

- › the realisation of the asset is expected within the normal business cycle or the asset is held for sale or utilisation within this period, or
- › the realisation of the asset is expected within twelve months after the reporting date, or
- › the asset represents cash or a cash equivalent, unless the exchange or use of the asset to settle an obligation is confined to a period of at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability should be classified as current whenever:

- › the liability is expected to be settled within the normal business cycle, or
- › the realisation of the asset is expected within twelve months after the reporting date, or
- › the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date (e. g., if loan covenants are breached).

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets or liabilities, respectively.

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### Financial Instruments

#### Financial Assets

Acquisitions and sales of financial assets are recognised as of their settlement date. These are recognised at their fair value at the time added while taking directly attributable transaction costs into account, unless they are recognised in income at fair value. The ACCENTRO Group currently recognises only loans and receivables that are measured at amortised cost. Changes in the fair value of any financial assets carried at fair value (in particular investments) are recognised directly in equity with no effect on net income. Dividends, on the other hand, are recognised in income.

The ACCENTRO Group uses the so-called simplified impairment model in accordance with IFRS 9.5.5.15 and always calculates the impairment loss wherever possible (especially for trade receivables) in the amount of the expected credit losses over the entire lifetime, taking into account collateral (e. g. in the case of sold real estate assets, the outstanding land register transfer). As soon as it becomes apparent that a rental claim is uncollectable, the full amount will be derecognised in income in the Income Statement.

If some or all the reasons for an impairment cease to apply, the receivables are written up to a maximum of amortised cost and recognised in income.

#### Financial Liabilities

Non-derivative financial liabilities are recognised at fair value net transaction costs on initial recognition. In subsequent periods, they are carried at amortised cost. Any differences between the amount disbursed (net transaction costs) and the settlement amount are recognised in income over the term of the respective liability in accordance with the effective interest method.

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

In the context of measuring the fair value, the anticipated future cash flows are discounted on the basis of a maturity-matched market interest rate. The individual attributes of the financial instruments being measured are taken into account using standard credit and liquidity spreads.

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### Lease Relationships

The leasing standard IFRS 16 “Leases,” which has been mandatory since 1 January 2019, introduced a single accounting model for lessees (the “right-of-use” model), according to which all leases must principally be recognised in a company’s balance sheet. The distinction between operating and finance leases is retained for lessor accounting only. For the purposes of IFRS 16, a lease is any contract that gives ACCENTRO the right to control the use of an identified asset over a specified period of time in return for payment. For such lease agreements that constitute a lease as defined by IFRS 16, lease liabilities are recognised at the present value of the future lease payments, discounted at an incremental borrowing rate matched to the lease term. Correspondingly, rights of use to the leased assets (the “right-of-use assets”) are recognised on the assets side in the amount of the lease liability plus any advance payments or directly attributable initial costs. The leasing liabilities are updated on an actuarial basis. They increase by the periodic interest expenses and decrease in the amount of the lease payments made.

Modifications to the leases are generally recognised directly in equity against the right of use. Recognition in the income statement occurs when the carrying amount of the right-of-use asset is already reduced to zero, or if the recognition is prompted by a partial termination of the lease.

#### a) The Group as Lessee

Lease relationships in which the ACCENTRO Group acts as lessee are recognised in accordance with IFRS 16 (recognition of a right of use and a corresponding lease liability).

With the notarial framework agreement dated 12 November 2020, ACCENTRO Real Estate AG acquired an interest of 89.9% in the company ACCENTRO Gera Wohnen 2 GmbH. In conjunction with the transaction, rights under ground leases in a value of TEUR 5,497 were acquired. The ground lease agreements effective as at the reporting date for eight plots held in the inventory of ACCENTRO Gera Wohnen 2 GmbH fall within the scope of application of IFRS 16 because the right to use a plot is transferred to the ground lessee via such an agreement against payment of a consideration for a certain period of time. On initial recognition, the lease liability is recognised with the cash value of the ground rent payments. The right of use is recognised in analogy to the liability and over the same amount, because there were no payments for the ground lease over and above the ground rent. This valuation was adopted as fair value at the time of initial consolidation in the amount of TEUR 5,497. Valuations in subsequent periods included the respective buildings and the other investment properties at fair value in accordance with IAS 40.

Variable lease payments that are not included in the measurement of lease liabilities, such as lease payments from short-term leases, leases of low-value assets and leases that do not constitute a lease as defined by IFRS 16, are recognised as expenses on a straight-line basis over the term of the lease.

#### b) The Group as Lessor

The Group acts as lessor in conjunction with property lettings. The leasing agreements represent operating leases.

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### Realisation of Expense and Income

Revenue is recognised if the economic benefits is likely to flow to the Group, and if the amount of revenue can be measured reliably.

Expenses are recognised as soon as they have been economically incurred.

Interest income and interest expenses are realised in proportion to time, taking account of the remaining claim/liability and the effective interest rate over the remaining term.

### Residual Interests and Dividend Distributions

In its consolidated financial statements, ACCENTRO Real Estate AG includes subsidiaries in the legal form of partnerships even if third parties hold minority interests in them. In accordance with IAS 32, the shareholder positions of these minorities must be recognised as liabilities in the consolidated financial statements due to their statutory, mandatory termination right. At the time such a liability arises, it is measured at the present value of the shareholder's compensation claim. As a rule, the amount is identical to the shareholder's deposit. The liability is subsequently carried forward with the result distribution taken into account. Any change in the liability, insofar as it is not based on deposits and withdrawals, is recognised in income. If the rollover results in an imputed claim against the shareholder, it is suspended until the rollover returns a debt to the shareholder once more.

In the case of corporations within the Group, liabilities for distributions to shareholders are only reported in the period in which the annual general meeting passed the corresponding resolution on the appropriation of profits.



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## Estimates and Discretionary Accounting Choices

In preparing the consolidated financial statements, the Company uses forward-looking estimates and assumptions based on the conditions prevailing by the reporting date. The estimates thereby derived may deviate from the actual circumstances later on.

The following estimates serve as basis for the recognition, measurement and disclosure of balance sheet items:

- When classifying financial liabilities as current or non-current, the latest corporate planning is used to analyse which liabilities are expected to be repaid within the next twelve months and should therefore be reported as current liabilities. The actual repayment rate may deviate from this, depending on the sales performance.
- IFRS 13 requires several valuation parameters to be appraised for the valuation of properties at fair value. This makes it necessary to make certain assumptions, particularly in regard to the development of vacancies, the trend in market rents, maintenance expenses, as well as capitalisation and discount rates, all of which are subject to estimation uncertainties.
- Estimating the net realisable value for retail properties is subject to uncertain factors, particularly with regard to the achievable selling prices. Estimates of selling prices are based on assessments of the attractiveness of micro-locations and of the trend in purchasing power of the local population. The range in selling prices depends on the location of a given retail property. The adequacy of a price and the corresponding amount posted in the balance sheet are reviewed regularly and adjusted if necessary. To this end, the Company also commissions external valuations.
- The recognition of provisions is subject to ranges of estimates regarding the possible future burdens on the Group.
- Within the framework of the period-related revenue recognition for construction services (e. g. for loft conversions), the expected total costs need to be appraised in order to determine the progress of the work according to the cost-to-cost method.
- Current and deferred taxes are necessarily recognised on the basis of estimates. There are some uncertainties in regard to the interpretation of complex tax matters, so that differences between actual results and assumptions or future changes in estimates could precipitate changes in the tax result of future periods.
- To the extent that ACCENTRO invests in companies whose accounts were not yet finalised by the reporting date or unavailable for a more detailed insight, the best possible estimate is made to ensure uniform recognition and measurement methods.
- The same goes for the assessment of whether loans to associates are classified as a financial instrument to be separately recognised in accordance with IFRS 9 due to their structure (expected loss model), or whether they follow the rules for assets accounted for using the equity method in accordance with IAS 28.38 (incurred loss model).
- When measuring the fair value of share-based payment transactions, it is of the essence to determine the optimal valuation technique for a given loan first, which depends on the terms and conditions at which it was granted. The measurement also necessitates the identification of those input factors that are best suited for consideration in the valuation procedure, including particularly the prospective maturity of the option, the volatility and the dividend yield, along with the corresponding assumptions. The Group uses a Black-Scholes model to measure the fair value of transactions settled with employees via the use of equity instruments as of the date at which these were granted. The assumptions for measuring the fair value of share-based payment transactions are discussed in the section "Equity Capital."

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- › ACCENTRO reports a large number of properties among the inventory assets because these properties are acquired and resold on short notice. Certain disclosures, such as the maturity structure of rent receivables, are occasionally estimated because exact figures are unavailable at the moment, which is quite appropriate, though, given the negligible amounts involved and the fact that collection losses are rare.

Concerning the financial reporting and valuation rules, ACCENTRO made the following discretionary decisions concerning the basis of its accounts presentation:

- › When real estate packages are acquired and sold, the Company must decide whether the transaction involves the acquisition or sale of a business in accordance with IFRS 3 or rather the acquisition and sale of assets and liabilities.
- › The acquisition of real estate portfolios necessitates a decision as to whether they are to be sold in the ordinary course of business or, alternatively, whether the investments are to be held to earn rental income and/or for the purpose of capital appreciation, which would qualify them as investment properties under IAS 40.7.
- › In the context of the revenue recognition from the privatisation business, the appropriate time of revenue recognition needs to be determined, which necessitates an interpretation of sometimes complex agreements, especially in the case of portfolio sales. In the case of portfolio sales, you need to decide whether and when the contractual requirements for the execution of the agreements have been met and whether the proceeds are realisable.
- › In the context of determining rent revenues, the services billed as operating costs and service charges must be examined to determine whether the Company acts as principal and original provider of services or rather as agent procuring third-party services. Indicators used for this assessment, which are considered collectively and need not be fulfilled cumulatively, include the primary responsibility for the performance of a given service,

the potential inventory risk of being unable to pass on the costs, and the pricing power for a given service.

- › The initial recognition of financial instruments (IFRS 9) calls for a decision as to which of the three measurement categories they are to be allocated to: recognised in income at fair value, recognised in equity at fair value (OCI) or recognised at amortised cost.
- › The companies Kantstraße 130b/ Leibnizstraße 36, 36a GbR and Kantstraße 130b/ Leibnizstraße 36, 36a Immobilien Gesellschaft mbH are itemised as group subsidiaries on page 87 although the Group only holds minority stakes of 38.4% and 40.8%, respectively, because the Group controls the major strategic decisions and definitively participates in the returns through financing arrangements and marketing agreements.
- › IFRS 5.32.c does not regularly apply to inventories acquired by way of a share deal, as the intention to resell is not tied to the legal structure but to the underlying portfolio of inventory properties.
- › The quality of restraints on disposal must be assessed with regard to their effect on the classification as cash and cash equivalents. If restraints on disposal on the part of the banks restrict the free disposition of funds, they are removed from the cash and cash equivalents in the balance sheet and/or in the cash flow statement. Credit balances in accounts for purchase prices received (within the meaning of the Estate Agents and Property Developers Ordinance, MaBV) are reported among cash and cash equivalents.
- › In the case of the company DEUWA, ACCENTRO holds a 50% interest, but only 30% of the voting rights. Moreover, the company received equity and debt capital of comparable structure. The engagement as a whole (TEUR 2,734) was therefore reported among the equity investments accounted for using the equity method.
- › The valuation of loans granted must also include a measurement of the fair value of collateral provided in order to identify impairments that may be necessary. Since this collateral consists almost without exception of land charges, ACCENTRO draws on independent valuation experts. Determining the residual default risk requires a certain discretion.

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Whenever errors in the accounting estimates and in the fair value measurements become apparent during the reporting periods following the reporting date, the provisions of IAS 8 apply. Accordingly, material omissions or misstatements are corrected retrospectively for all reporting periods that affect them, up to and including the current financial statements, if they could influence the economic decisions that the addressees made on the basis of the financial statements.

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### Goodwill

In the context of a **business combination**, the goodwill created is equivalent to the extra amount in historical cost invested in the acquisition of a company or group of companies over and above the value of the pro-rata interest in the net assets that was acquired. Net assets represent the balance of identifiable assets that were measured at fair value in accordance with IFRS 3 at the time of their acquisition, on the one hand, and liabilities and contingent liabilities assumed, on the other hand. The goodwill is tested for impairment at least once a year and whenever events or indicators suggesting an impairment present themselves. An impairment loss is recognised in the amount by which the carrying amount of a given asset exceeds its recoverable amount. The latter is equal either to an asset's fair value less costs of disposal, or to the discounted net cash flows from its continuing use (value in use), whichever is higher. To appraise impairment losses, assets are grouped at the lowest level into cash-generating units whose cash flows can be identified largely independently of the rest of the company. The goodwill is tested at the level of the cash-generating unit to which it is allocated.

The Company's goodwill was created by company acquisitions in the trading business during the 2007 and 2008 financial years, laying the ground for the Company's present privatisation business. The latest goodwill impairment test was carried out in the fourth quarter of the 2021 financial year. To this end, the recoverable amount was compared with the carrying amount of the cash-generating unit (in this case: the privatisation business). The recoverable amount is either the value in use or the fair value, whichever is higher, less costs of disposal. When calculating the value in use, the estimated future cash flows are discounted to their present value. Here, pre-tax discount rates are used that take account of the current market situation as well as the risks specific to the privatisation business. For

the 2021 financial year, the calculation revealed considerable excess cover both for the value in use and for the fair value determined on the basis of the expected sales proceeds of the inventory properties, making an impairment unnecessary. For the purpose of measuring the value in use, a detailed planning period of 3 years, a discount interest rate of 5.06% (weighted average cost of capital/WACC) before taxes in combination with a market risk premium of 8.0% and no sustainable growth of the perpetual annuity from the end of the detailed planning period were assumed.

### Owner-Occupied Properties and Buildings

**Plots and buildings** are recognised at cost value or production costs less accumulated depreciation and accumulated impairment losses. Subsequent acquisition costs are recognised whenever economic benefits associated with property, plant or equipment are likely to accrue in the future. Scheduled straight-line depreciation is based on the estimated useful lives of the assets. The useful life of the office building is assumed to be 33 years. Depreciation is recognised in income in the Consolidated Income Statement. The carrying amounts of property, plant and equipment are checked for impairment whenever there is an indication that the carrying amount of an asset may exceed its recoverable amount.

Two properties are recognised as property, plant and equipment in accordance with IAS 16 and valued at initial cost including incidental costs for notary fees and real estate transfer tax. This concerns specifically the office building located at Kantstrasse 44/45 in Berlin that the Group has occupied since the end of 2019 as its head office.

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	OWNER-OCCUPIED PLOTS	OWNER-OCCUPIED BUILDINGS	TOTAL
<b>Acquisition costs</b>			
Beginning of period	9,686	15,824	25,510
Additions	0	176	176
<b>End of period</b>	<b>9,686</b>	<b>16,000</b>	<b>25,686</b>
<b>Cumulative depreciation, amortisation and write-downs</b>			
Beginning of period	0	1,103	1,103
Additions	0	486	486
<b>End of period</b>	<b>0</b>	<b>1,589</b>	<b>1,589</b>
<b>Depreciated book value</b>	<b>9,686</b>	<b>14,411</b>	<b>24,096</b>

31/12/2020

IN TEUR

	OWNER-OCCUPIED PLOTS	OWNER-OCCUPIED BUILDINGS	TOTAL
<b>Acquisition costs</b>			
Beginning of period	9,686	15,025	24,711
Additions	0	967	967
Disposals	0	-167	-167
<b>End of period</b>	<b>9,686</b>	<b>15,824</b>	<b>25,510</b>
<b>Cumulative depreciation, amortisation and write-downs</b>			
Beginning of period	0	627	627
Additions	0	481	481
Disposals	0	-4	-4
<b>End of period</b>	<b>0</b>	<b>1,103</b>	<b>1,103</b>
<b>Depreciated book value</b>	<b>9,686</b>	<b>14,721</b>	<b>24,407</b>

### Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets are carried at their historical cost less accumulated depreciation and accumulated impairment losses. These historical costs include the expenses that are directly attributable to the acquisition. Subsequent acquisition or production costs are capitalised only if the Company is likely to derive an economic benefit from them in the future. Repairs and maintenance are recognised as expense in the Statement of Comprehensive Income for that financial year in which they were incurred.

Depreciation is undertaken on a straight-line basis using estimated useful lives, normally of three to fifteen years. The depreciation methods and economic useful lives are reviewed for each reporting date and adjusted if necessary.

The carrying amounts are checked for impairment whenever there is an indication that the carrying amount exceeds the recoverable amount.

Gains and losses on the disposal of assets are determined as the difference between the net disposal proceeds and the carrying amount, and are recognised accordingly in income.

Property, plant and equipment and intangible assets as at 31 December 2021 include intangible assets, plus furniture, fixtures and equipment as well as the rights of use in connection with the treatment of leases under IFRS 16.



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	LEASING USE RIGHTS	INTANGIBLE ASSETS	FURNITURE, FIXTURES AND EQUIPMENT	TOTAL
<b>Acquisition costs</b>				
Beginning of period	391	583	1,756	2,729
Additions	110	3,001	1,499	4,610
Disposals	0	0	-3	-3
<b>End of period</b>	<b>501</b>	<b>3,583</b>	<b>3,251</b>	<b>7,335</b>
<b>Cumulative depreciation, amortisation and write-downs</b>				
Beginning of period	212	195	487	894
Additions	145	425	378	948
Disposals	0	0	-1	-1
<b>End of period</b>	<b>357</b>	<b>620</b>	<b>864</b>	<b>1,841</b>
<b>Depreciated book value</b>	<b>144</b>	<b>2,964</b>	<b>2,387</b>	<b>5,495</b>

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	LEASING USE RIGHTS	INTANGIBLE ASSETS	FURNITURE, FIXTURES AND EQUIPMENT	TOTAL
<b>Acquisition costs</b>				
Beginning of period	276	345	1,325	1,946
Additions	115	353	903	1,371
Disposals	0	-116	-473	-588
<b>End of period</b>	<b>391</b>	<b>583</b>	<b>1,756</b>	<b>2,729</b>
<b>Cumulative depreciation, amortisation and write-downs</b>				
Beginning of period	82	244	703	1,029
Additions	130	66	184	381
Disposals	0	-116	-400	-516
<b>End of period</b>	<b>212</b>	<b>195</b>	<b>487</b>	<b>894</b>
<b>Depreciated book value</b>	<b>179</b>	<b>388</b>	<b>1,269</b>	<b>1,835</b>

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### Investment Properties

In accordance with IAS 40, **investment properties** include any real estate that is held for the purpose of generating rental income and/or with a view to capital appreciation, meaning not real estate owner-occupied or held in order to be sold in the ordinary course of business.

The distinction between investment properties and inventory properties is made on the basis of set criteria using a decision matrix. Decision-making elements in this context include essentially the financing structure, possible (new-build) development potential, a short-term intention to sell and CAPEX requirements, while an overall assessment takes account of each factor.

Investment property reporting is subject to the option either to use the cost model which recognises historical costs or production costs less scheduled depreciation and less necessary impairment losses, if any, or to use the measurement at fair value through profit or loss in accordance with the fair value model. Investment properties are recognised in accordance with the fair value model in the financial statements of the ACCENTRO Group. The fair value is determined by an independent surveyor using accepted valuation techniques while checking for, and taking account of, property development opportunities in the process. All of the chartered surveyor have RICS qualifications. The valuation was carried out as of the reporting date using the DCF method, whereas both the DCF method and the German income capitalisation approach had been used for the valuation as of the prior-year reporting date.

The current maintenance costs are recognised as an expense in Consolidated Income Statement. Modernisation measures, assuming they go beyond current maintenance, are capitalised whenever the Company is likely to derive an economic benefit from them in the future. The valuation results are presented in the item "Fair value measurement of investment property" in the Consolidated Income Statement.

The fair values of investment properties developed as follows during the reporting period:

IN TEUR		
	2021	2020
<b>Carrying amount as of 1 January</b>	<b>215,001</b>	<b>34,452</b>
Additions	4,598	137
Acquisitions	86,568	152,045
Additions to rights of use	5,497	0
Fair value increases (+)	27,189	28,367
Fair value decreases (-)	-8,201	0
Disposals (-)	0	0
<b>Carrying amount as of 31 DEC</b>	<b>330,652</b>	<b>215,001</b>

The above table includes properties with a carrying amount of TEUR 18,216 that were not acquired until the fourth quarter of 2021 and were recognised at their historical cost (Level 1). The increased expert measurement of these properties at TEUR 22,705 as of 31 December 2021 was ignored because the acquisition was so close to the reporting date. At the same time, properties that had been recognised at their historical cost of TEUR 104,847 by the end of the previous financial year 2020 for the same reason, namely their acquisition close to the reporting date (Level 1), were now recognised at their appraised value (level 3) for the first time. Subsequent acquisition costs incurred in the course of the year are allocated to additions in the table above.

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ACCENTRO acquired properties and property portfolios worth TEUR 86,568 during the 2021 financial year. These are located in the cities of Gera, Klingenthal, Königswartha (all in Saxony) as well as in Duisburg, Hagen, Krefeld and Wuppertal (all in North Rhine-Westphalia), among other places. They were entirely allocated to the investment properties (IAS 40).

The valuation as investment properties is based on IAS 40.32a, the fair value being TEUR 330,652 (previous year: TEUR 215,001). The difference in value of TEUR 18,988 (previous year: TEUR 28,367) between fair value increases and fair value decreases that was determined by a valuer in this context was recognised in income.

The rental income from the investment properties added up to TEUR 9,224 during the financial year. The directly attributable operating expenses of the investment portfolio amounted to TEUR 6,964. The acquisition of a large number of the investment properties took place at the end of the year, so that the acquisitions had no material impact on the rental income or the directly attributable operating expenses during the 2021 financial year.

Since the investment properties are not traded on an active market, they are valued using inputs based on unobservable market data (Level 3). As at 31 December 2021, ACCENTRO had its portfolio appraised by two independent valuers. The valuers have relevant professional qualifications and the experience it takes to carry out such a valuation. The valuations are based on:

- › information provided by the Company, e. g. current rents (passing rents), maintenance and administrative costs, the current vacancy rate, planned capital expenditures, and

- › assumptions made by the valuer based on market data and the valuer's professional qualifications, e. g. future market rents, typical maintenance and administrative costs, structural vacancy rates, as well as property rates or discount interest rates and capitalisation rates.

The valuation technique and procedures were selected by the Management Board. The information provided to the valuer, and the assumptions made as well as the results of the property valuation were analysed by the asset management, the project management and by the Management Board while the resulting measurements were subsequently discussed by the Management Board and the external valuer.

The fair value (level 3 fair value measurement, based on valuation models) was determined on the basis of discounted future cash flows using the DCF method as of 31 December 2021. In each case, the underlying detailed planning period is ten years. For the end of this period, a potential discounted sale value (terminal value) is predicted for the appraised property. It reflects the price most likely to be achieved at the end of the detailed planning period. In this context, the discounted net cash flows received for a standardised year are capitalised at the so-called capitalisation rate as a perpetual annuity. The sum total of the cash operating surplus and the discounted potential sale value produces the gross capital value of the appraised property. The resulting figure is converted into an investment value by taking into account transaction costs incurred in an orderly business transaction.

The residential real estate of the "East II" and the "East III" portfolios were measured by Cushman & Wakefield C&W (U.K.) LLP, Germany branch, using the DCF method and represent a fair market value of TEUR 119,863 (31 December 2020: TEUR 58,145). However, comparability with the previous year on the basis of the presented carrying amounts is compromised

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by the fact that large-scale acquisitions were added to the “East III” portfolio during the 2021 financial year. The area-weighted vacancy rates of these properties equal 37.7% and 39.8%, respectively. The valuations are based on the assumption that the vacancy rate will be drastically reduced, allowing for appropriate maintenance and renovation expenses, and that it will be possible to let the vacant units at rent rates matching or approximating the market level over the next few years. If letting the properties proves impossible in the future, or is possible only at a lower rent, this could adversely impact subsequent valuations. With this in mind, the initial valuation of a property held in the EAST III portfolio was recognised at

TEUR 12,228 instead of its fair value of TEUR 16,456 determined by an valuer. The reason for doing so is that the vacancy targets of the previous year were not achieved within the planned period and that their achievement will remain uncertain due to existing market uncertainties. From ACCENTRO's point of view, the downward valuation adjustment is market-consistent.

The overview below shows material assumptions and results used to measure the fair value of the “East II” and “East III” portfolios within the valuation framework in accordance with the DCF method:

VALUATION PARAMETER	UNIT	MEAN		RANGE	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
Discount interest rate	%	4.85	5.14	4.00 – 6.00	5.00 – 5.25
Capitalisation rate	%	5.42	4.14	4.50 – 6.00	4.00 – 4.25
Residential maintenance costs	EUR/m <sup>2</sup>	8.50	7.50	8.50	7.50
Residential management costs	EUR/unit/year	280.00	260	280	260.00
Fluctuation rate	% p.a.	10.00	n/a	10.00	n/a
Stabilised vacancy rate	%	n/a	4.39	n/a	3.75 – 5.00

VALUATION RESULTS	UNIT	MEAN		RANGE	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
Passing rent multiplier	Ratio	23.6	27.0	13.9 – 40.2	23.3 – 33.5
Market value per m <sup>2</sup>	EUR/m <sup>2</sup>	782	926	426 – 1.231	532 – 1.141

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During the year under review, the main market-influenced value drivers were identified as the discount and capitalisation rates, the underlying market rents, the maintenance costs and the fluctuation rate. Potential fluctuations of these parameters have effects that are shown below in isolation from each other. Reciprocal effects of these parameters are conceivable but not quantifiable due to the complexity of their relationships.

31/12/2021

	DISCOUNT / CAPITALISATION RATE			MARKET RENT		
	- 0.5 PERCENTAGE POINTS	+ 0.5 PERCENTAGE POINTS	+ 1.0 PERCENTAGE POINTS	- 4,0%	- 2,0%	+ 2,0%
<b>CHANGES IN VALUE</b>						
In TEUR	14,836	-12,135	-22,509	-6,983	-3,431	3,601
in %	12.38	-10.12	-18.78	-5.83	-2.86	3.00

31/12/2021

	MAINTENANCE COSTS			FLUCTUATION RATE	
	- 10,0%	+ 10,0%	+ 20,0%	- 5.0 PERCENTAGE POINTS	+ 5.0 PERCENTAGE POINTS
<b>CHANGES IN VALUE</b>					
In TEUR	2,721	-2,511	-5,092	4,931	-4,892
in %	2.27	-2.09	-4.25	4.11	-4.08

The year before, the discount interest rate, the underlying market rents and the stabilised vacancy rates were identified as key value drivers subject to market influences. Potential fluctuations of these parameters have effects that are shown below in isolation from each other. Reciprocal effects of these parameters are conceivable but not quantifiable due to the complexity of their relationships.



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31/12/2020

	DISCOUNT INTEREST RATE		MARKET RENT		VACANCY RATE	
	+0.5 PERCENTAGE POINTS	- 0.5 PERCENTAGE POINTS	- 10%	+10%	+1 PERCENTAGE POINTS	- 1 PERCENTAGE POINTS
<b>CHANGES IN VALUE</b>						
In TEUR	-2,780	2,580	-8,380	8,100	-1,050	680
in %	-4.7	4.3	-14.1	13.6	-1.8	1.1

The other investment properties were measured by bulwiengesa appraisal GmbH in Berlin using the discounted cash flow (DCF) method, and break down into eight properties of exclusively or predominantly residential use held in the “West Portfolio” (Essen and Duisburg), the nine properties of exclusively or predominantly residential use held in the “Pracht Portfolio” (Berlin), five exclusively or predominantly residential use held in the “Rheinhausen Portfolio” (Duisburg), five exclusively or predominantly residential use held in the “BCube Portfolio” (Duisburg, Hagen, Krefeld), three exclusively or predominantly residential use held in the “Neu Portfolio” (Duisburg, Oer-Erkenschwick, Wuppertal), nineteen exclusively or predominantly residential use held in the “Klingenthal Portfolio” (Klingenthal) and the commercial property used as office and hotel at “Werdauer Weg” (Berlin). These assets represent a combined market value of TEUR 215,047. Included in the total amount with TEUR 84,851 are the assets in Duisburg, Krefeld and Klingenthal that were acquired during the year under review. This means that the prior-year figure of TEUR 155,564 does not represent an identical portfolio.

In addition, bulwiengesa performed a fair value appraisal for the eight properties of exclusively or predominantly residential use held in the “West Portfolio” (Essen and Duisburg), the nine properties of exclusively or predominantly residential use held in the “Pracht Portfolio” (Berlin) and the commercial property used as office and hotel at “Werdauer Weg” (Berlin), which have been reported among the investment properties since 31 December 2020.

The assumptions necessary for the fair value appraisal were determined separately for each property. Given their similar property typology, the properties in the portfolios “West,” “Rheinhausen,” “BCube” and “Neu” are presented collectively under the name “Nordrhein-Westfalen Portfolio” (in a total value of TEUR 44,342) whereas the properties held in the “Pracht Portfolio” (TEUR 41,700), the “Klingenthal Portfolio” (TEUR 22,705 according to valuation, but recognised at its historical cost of TEUR 18,216) and the commercial property “Werdauer Weg” (TEUR 106,300) are presented separately. The overview below shows material assumptions and results that bulwiengesa used to determine the fair value as of the reporting date in its valuation according to the DCF method:

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## NORDRHEIN-WESTFALEN PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Discount interest rate	%	4.45	4.00 – 5.50
Capitalisation rate	%	4.02	3.50 – 5.25
Residential maintenance costs	EUR/m <sup>2</sup>	12.00	12.00
Commercial maintenance costs	EUR/m <sup>2</sup>	12.00	12.00
Residential management costs	EUR/unit/year	300.00	300.00
Commercial management costs	% p.a.	3.00	3.00
Residential risk of rent loss	%	2.00	2.00
Commercial risk of rent loss	%	4.00	4.00

VALUATION RESULTS	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Passing rent multiplier	Ratio	20.6	14.1 – 27.0
Market value per m <sup>2</sup>	EUR/m <sup>2</sup>	1,568	669 – 2,326

## PRACHT PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Discount interest rate	%	2.84	2.50 – 3.25
Capitalisation rate	%	2.13	1.75 – 2.75
Residential maintenance costs	EUR/m <sup>2</sup>	12.00	12.00
Commercial maintenance costs	EUR/m <sup>2</sup>	12.00	12.00
Residential management costs	EUR/unit/year	300.00	300
Commercial management costs	% p.a.	3.00	3.00
Residential risk of rent loss	%	2.00	2.00
Commercial risk of rent loss	%	4.00	4.00

VALUATION RESULTS	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Passing rent multiplier	Ratio	45.9	34.0 – 54.7
Market value per m <sup>2</sup>	EUR/m <sup>2</sup>	3,482	2,639 – 3,914

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## WERDAUER WEG

VALUATION PARAMETER	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Discount interest rate	%	3.50	3.50
Capitalisation rate	%	3.00	3.00
Commercial maintenance costs	EUR/m <sup>2</sup>	5.00	5.00
Commercial management costs	% p.a.	1.00	1.00
Commercial risk of rent loss	%	3.50	3.50
VALUATION RESULTS	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Passing rent multiplier	Ratio	31.1	31.1
Market value per m <sup>2</sup>	EUR/m <sup>2</sup>	7,430	7,430

## KLINGENTHAL PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Discount interest rate	%	3.25	2.50 – 4.25
Capitalisation rate	%	3.00	2.00 – 4.00
Residential maintenance costs	EUR/m <sup>2</sup>	10.22	10.00
Commercial maintenance costs	EUR/m <sup>2</sup>	10.00	10.00
Residential management costs	EUR/unit/year	300.00	300.00
Commercial management costs	% p.a.	3.00	3.00
Residential risk of rent loss	%	2.00	2.00
Commercial risk of rent loss	%	4.00	4.00

The calculation for the presentation of passing-rent multipliers below ignores three properties in the Klingenthal-Portfolio in a market value of TEUR 1,997 because their current vacancy rate of still more than 60% would result in an excessive passing-rent multiplier that would distort the presentation.

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VALUATION RESULTS	UNIT	MEAN	RANGE
		31/12/2021	31/12/2021
Passing-rent multiplier	Ratio	27.4	15.1 - 39.8
Market value per m <sup>2</sup>	EUR/m <sup>2</sup>	838	596 - 925

During the year under review, the main market-influenced value drivers were identified as the discount and capitalisation rates, the underlying market rents, the maintenance costs and structural vacancy. Potential fluctuations of these parameters have effects that are shown below. Reciprocal effects of these

### NORDRHEIN-WESTFALEN PORTFOLIO

31/12/2021	DISCOUNT / CAPITALISATION RATE			
	- 1.0 PERCENTAGE POINTS	- 0.5 PERCENTAGE POINTS	+ 0.5 PERCENTAGE POINTS	+ 1.0 PERCENTAGE POINTS
<b>CHANGE IN VALUE</b>				
In TEUR	15,755,934	6,731,335	-5,215,966	-9,377,195
in %	35.3	15.1	-11.7	-21.0

31/12/2021	MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY		
	- 4.0% / +20.0% / +2.0%	- 2.0% / +10.0% / +1.0%	+2.0% / - 10.0% / - 1.0%
<b>CHANGE IN VALUE</b>			
In TEUR	-3,938,644	-1,753,915	1,683,475
in %	-8.8	-3.9	3.8

parameters are conceivable but not quantifiable due to the complexity of their relationships.

The effect of changing the underlying market rents, maintenance costs and structural vacancy rates is shown cumulatively in each case. These scenarios, rather than presenting reciprocal effects among the three parameters, merely present a cumulative effect of change.

Although the fair value of the Klingenthal sub-portfolio in Berlin was measured at Level 1 of the measurement hierarchy as of 31 December 2021, it was included in the measurement of sensitivities, based on the fair value measurement by bulwiengesa, to make the figures more informative.

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## PRACHT PORTFOLIO

31/12/2021	DISCOUNT / CAPITALISATION RATE			
	- 1.0 PERCENTAGE POINTS	- 0.5 PERCENTAGE POINTS	+ 0.5 PERCENTAGE POINTS	+ 1.0 PERCENTAGE POINTS
<b>CHANGE IN VALUE</b>				
In TEUR	39,889,084	13,400,099	-8,158,519	-13,662,334
in %	95.9	32.2	-19.6	-32.9

31/12/2021	MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY		
	- 4.0% / +20.0% / +2.0%	- 2.0% / +10.0% / +1.0%	+ 2.0% / - 10.0% / - 1.0%
<b>CHANGE IN VALUE</b>			
In TEUR	-2,686,310	-1,343,245	840,494
in %	-6.5	-3.2	2.0

## WERDAUER WEG

31/12/2021	DISCOUNT / CAPITALISATION RATE			
	- 1.0 PERCENTAGE POINTS	- 0.5 PERCENTAGE POINTS	+ 0.5 PERCENTAGE POINTS	+ 1.0 PERCENTAGE POINTS
<b>CHANGE IN VALUE</b>				
In TEUR	52,982,437	21,187,222	-15,126,272	-26,465,062
in %	49.6	19.8	-14.2	-24.8

31.12.2021	MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY		
	- 4.0% / +20.0% / +2.0%	- 2.0% / +10.0% / +1.0%	+ 2.0% / - 10.0% / - 1.0%
<b>CHANGE IN VALUE</b>			
In TEUR	-2,834,716	-1,417,358	271,176
in %	-2.7	-1.3	0.3





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## KLINGENTHAL PORTFOLIO

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DISCOUNT / CAPITALISATION RATE

	-1.0 PERCENTAGE POINTS	-0.5 PERCENTAGE POINTS	+0.5 PERCENTAGE POINTS	+1.0 PERCENTAGE POINTS
<b>CHANGE IN VALUE</b>				
In TEUR	13,521,590	5,304,328	-3,725,484	-6,490,934
in %	58.8	23.1	-16.2	-28.2

31/12/2021

MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY

	-4.0% / +20.0% / +2.0%	-2.0% / +10.0% / +1.0%	+2.0% / -10.0% / -1.0%
<b>CHANGE IN VALUE</b>			
In TEUR	-3,239,517	-1,600,074	1,732,019
in %	-14.1	-7.0	7.5

The overview below shows material assumptions and results used in the previous year to measure the fair value of investment properties within the valuation framework in accordance with the DCF method:

VALUATION PARAMETER	UNIT	MEAN		RANGE
		31/12/2020	31/12/2020	
Property yield	%	2.49		2.35 - 4.25
Remaining useful life	Years	54		40 - 61
Market rent	EUR/m <sup>2</sup>	19.72		6.50 - 23.62
Management costs	% of gross income	12.23		10.13 - 28.40

VALUATION RESULTS	UNIT	MEAN		RANGE
		31/12/2020	31/12/2020	
Gross income multiplier	Ratio	26.5		15.6 - 30.6
Market value per m <sup>2</sup>	EUR/m <sup>2</sup>	5,037		1,215 - 8,663

The property yield, the expected remaining useful life of the properties, the underlying market rents and the management costs were identified as key value drivers, subject to market influences, the year before. Potential fluctuations of these parameters have effects that are shown below in isolation from each other. Reciprocal effects of these parameters are conceivable but not quantifiable due to the complexity of their relationships.

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31/12/2020	PROPERTY YIELD		REMAINING USEFUL LIFE		MARKET RENT		MANAGEMENT COSTS	
	+0.5%	-0.5%	-5 YEARS	+5 YEARS	-10%	+10%	+10%	-10%
<b>CHANGE IN VALUE</b>								
In TEUR	-17,916	21,934	-5,821	5,447	-15,029	15,353	-1,979	2,304
in %	-11.3	13.8	-3.7	3.4	-9.5	9.7	-1.2	1.5

Although the fair value of the property on Werdauer Weg in Berlin was measured at Level 1 of the measurement hierarchy as of 31 December 2020, it was included, like the year before, in the measurement of sensitivities to make the figures more informative. The measurement was performed on the basis of a valuation according to the income capitalisation method.

The fair value measurement of investment property is allocated to the following levels in accordance with the measurement hierarchy under IFRS 13:

IN TEUR	2021	2020
<b>CLASSIFICATION OF MEASUREMENT METHODS</b>		
Level 1	18,216	104,847
Level 2	n.a.	n.a.
Level 3	312,436	110,154
<b>Total</b>	<b>330,652</b>	<b>215,001</b>

### Non-Current Other Receivables and Other Assets

IN TEUR

	31/12/2021	31/12/2020
Loan to joint venture (LHC Holding 1 GmbH & Co. KG)	11,031	0
Other loan receivables	9,614	3,956
Loans receivables from non-controlling interests	8,538	0
Loan to associate (Kaiser 102 Projektentwicklungs GmbH)	4,069	0
Loans to associates (Gutshof Dahlewitz 1 GmbH and Gutshof Dahlewitz 2 GmbH)	2,474	1,891
Other non-current assets	131	0
Impairments of non-current receivables	-190	0
Loan to associate Düne 38 Projektentwicklungs GmbH	0	1,969
Loan to associate SHG Basdorfer Gärten BF6 GmbH	0	1,504
Receivables from investment companies	0	3,674
Subordinated loan to the associate Belle Époque Quartier Gehrensee GmbH	0	12,117
<b>Total other long-term receivables and other assets</b>	<b>35,667</b>	<b>25,112</b>

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In accordance with IAS 28.38, the loans to associates were included in the subsequent at-equity valuation of each equity investment due to their equity-replacing structure, yet a separate balance sheet disclosure has been retained for reasons of transparency.

The loans to associated companies, joint ventures, minority shareholders and other project development companies reported under non-current receivables and other assets are collateralised in virtually all cases, so that the recognition of an impairment reserve was unnecessary. The recoverability of non-collateralised or not fully collateralised loans is definitively dependent on the success of the property development that was financed. Having reviewed the project calculations and the project progress reports it received, the Management Board is aware of no indications of an imminent default. For these non-collateralised or not fully collateralised loans, allowances are recognised by ACCENTRO in the amount of the expected 12-month credit loss because the default risk has not significantly increased since their initial recognition. ACCENTRO assumes that the default risk will increase significantly in the event of a default in payment or a demonstrable deterioration in the debtor's creditworthiness.

The assessment of the expected 12-month credit losses on the non-collateralised or not fully collateralised loans is based on the ratings of external rating agencies and on publicly available information (Creditreform, Fitch). For the 2021 financial year, the default rate taken into account is 1.4%, which implies a total impairment of TEUR 190.

The loan against Belle Époque Quartier Gehrensee GmbH, which was still reported in the amount of TEUR 12,117 by the end of the previous year, has been reclassified to assets held for sale in accordance with IFRS 5, including the interest income recognised in the 2021 financial year, and was repaid in full, including accrued interest, in March 2022.

Several loan receivables in the amount of TEUR 3,956 from DIM Holding AG were acquired the previous year. In conjunction with the reversal of the sale-and-purchase agreement, these loan claims (TEUR 3,133 before the formation of the impairment reserve) are reported, along with the purchase price reclamation (TEUR 15,797), under current other receivables and other assets as of 31 December 2021. For details in this context, please see the elaborations under item 4.11.

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### Subsidiaries with Significant but Non-Controlling Interests

The table below contains detailed information on subsidiaries of ACCENTRO Real Estate AG in which third parties hold significant but non-controlling interests:

IN TEUR

NAME	CAPITAL SHARE OF THE NON-CONTROLLING INTERESTS IN % (VOTING INTEREST, IN %)	CONSOLIDATED INCOME REPRESENTING CONSOLIDATED INCOME	BOOK VALUE OF THE NON-CONTROLLING INTERESTS AS OF 31/12/2021	DIVIDENDS PAID TO OR BY NON-CONTROLLING INTERESTS DURING THE CURRENT PERIOD
<b>Corporations</b>				
Johanniterstr. 3-6 Liegenschaften GmbH	10.5	102	1,676	-
ACCENTRO NRW	10.1	355	703	-
Werdauer Weg 3 Projektentwicklungs GmbH	10.1	-209	3,714	-
Lekova 19 GmbH	10.1	426	857	-
ACCENTRO Gera Wohnen 2 GmbH	10.1	812	1,874	-
Other immaterial subsidiaries	between 5 and 61.6	-204	4,422	-
<b>Total</b>		<b>1,282</b>	<b>13,246</b>	<b>-</b>

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Listed below are the summarised financial details of subsidiaries in which ACCENTRO held significant\* but non-controlling interests as of 31 December 2021:

31/12/2021 IN TEUR	
	TOTAL
Total current assets	79,163
Total non-current assets	318,376
Total current liabilities	-138,131
Total non-current liabilities	-102,429
<b>Net assets</b>	<b>156,978</b>
Earnings/revenues	10,459
Net profit for the year	13,947
thereof attributable to the shareholders of ACCENTRO Real Estate AG	12,665
thereof attributable to non-controlling interests	1,282

The net profit shares of non-controlling interests in partnerships are recognised as profit or loss in the consolidated income statement.

Listed below are the summarised financial details of subsidiaries in which ACCENTRO Real Estate AG held significant but non-controlling interests as of 31 December 2020:

31/12/2020  
IN TEUR

	TOTAL
Total current assets	80,375
Total non-current assets	199,080
Total current liabilities	-59,361
Total non-current liabilities	-108,828
<b>Net assets</b>	<b>111,267</b>
Earnings/revenues	3,265
Net earnings/loss for the year	15,215
thereof attributable to the shareholders of ACCENTRO Real Estate AG	13,727
thereof attributable to non-controlling interests	1,488

### Equity Investments

Overall, ACCENTRO held interests of 5.1% each in 14 (previous year: 15) equity investments as of 31 December 2021 and one equity investment of 10.1% (previous year: none). The earnings from these equity investments added up to TEUR 60 during the 2021 financial year (previous year: TEUR 36). No changes in the fair value of the equity investments to be recognised in other comprehensive income were realised during the 2021 financial year because the equity investments have not yet experienced any significant increase or loss in value. The equity investments were undertaken with the view of developing new housing privatisation opportunities.



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IN TEUR

	31/12/2021	31/12/2020
Equity interest in DELTA VIVUM I	2,683	2,683
Equity interest in Magnus Relda Portfolio	1,346	1,346
Equity interest in ACCENTRO 5. Wohneigentum GmbH	562	562
Equity interest in ACCENTRO Bayern GmbH	1,202	0
Other	1,107	1,106
<b>Total</b>	<b>6,900</b>	<b>5,697</b>

### DISCLOSURES PURSUANT TO ART. 313, SEC. 2, NO. 4, HGB, I. C. W. ART. 315E, SEC. 1, HGB

IN TEUR

COMPANY NAME AND REGISTERED OFFICE	DIRECT %	EQUITY 2021 IN TEUR	ANNUAL NET INCOME 2021 IN TEUR
ACCENTRO 5. Wohneigentum GmbH, Berlin*	5.1%	-3,779	-1,978
ACCENTRO Bayern GmbH**	10.1%	-907	-320
DELTA VIVUM Berlin I GmbH, Berlin*	5.1%	14,294	1,851
DELTA VIVUM Berlin II GmbH, Berlin*	5.1%	-2,271	-741
Phoenix Spree Gottlieb GmbH, Berlin*	5.1%	123	0
Phoenix Spree Mueller GmbH, Berlin*	5.1%	2,766	126
HRP Hamburg Residential S.a.r.l., Luxembourg***	5.1%	-10,325	-5,699
<b>Magnus Relda Portfolio</b>			
Estavis 6. Wohnen GmbH, Berlin**	5.1%	6,485	0
Estavis 7. Wohnen GmbH, Berlin**	5.1%	-73	0
Estavis 8. Wohnen GmbH, Berlin**	5.1%	391	0
Estavis 9. Wohnen GmbH, Berlin**	5.1%	1	0
RELDA 36. Wohnen GmbH, Berlin**	5.1%	140	0

RELDA 38. Wohnen GmbH, Berlin**	5.1%	104	0
RELDA 39. Wohnen GmbH, Berlin**	5.1%	121	0
RELDA 45. Wohnen GmbH, Berlin**	5.1%	111	0

\* provisional HGB figures from 2021

\*\* HGB figures from 2020

\*\*\* Lux GAP figures from 2020

### Equity Interests Accounted for Using the Equity Method

Equity interests accounted for using the equity method developed as follows:

IN TEUR

	2021	2020
<b>Start of the financial year</b>	<b>6,279</b>	<b>3,640</b>
Additions	1,569	2,538
Disposals	-3,524	0
Shares in profits and losses*	388	102
<b>End of the financial year</b>	<b>4,712</b>	<b>6,279</b>

\* The net income from companies that are reported in the consolidated financial statements and measured using the equity method also included income from the sale of shares.

The interests in companies accounted for using the equity method represent primarily joint ventures, and are essentially funded by ACCENTRO. The business purpose of the joint ventures is normally the planning and completion of residential real estate. ACCENTRO holds equity interests in these joint ventures in order to participate in the potential profits of the privatisation projects pursued by the joint ventures. In this context, ACCENTRO reviews the IFRS-compliant classification of the property development under IAS 2 as inventory asset (possibly associated with partial realisation of profits under IFRS 15.35) or the recognition under IAS 40 as "income producing property" in the context of maintaining uniform Group recognition and measurement methods. If a property development

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is classified as inventory asset, the borrowing costs are capitalised in line with industry standards. Expenses and income are consolidated in the pro-rata amount financed by ACCENTRO and recognised in income.

Listed below is the summarised financial information of the main associates and associated companies and joint ventures of ACCENTRO Real Estate AG along with a reconciliation to the carrying amount of the respective interest held by ACCENTRO Real Estate AG as of 31 December 2021 and 31 December 2020, measured using the equity method:

31/12/2021

IN TEUR

	DÜNE 38 PROJEKT-ENTWICKLUNGS GMBH	LHC HOLDING GMBH & CO. KG	DEUWA REAL GMBH
			(JOINT VENTURE)
Earnings/revenues	6,252	12,830	122
Profit or loss for the year/ comprehensive income	601	1,464	92
Total current assets	3,402	23,423	34,247
Total non-current assets	0	0	112
Total current liabilities	2,669	12,581	6,098
Total non-current liabilities	0	10,542	25,889
Net assets of the associate	733	300	2,372
ACCENTRO Real Estate AG's interest in net assets of the associate	44%	50%	50%
Carrying amount of ACCENTRO's interest, measured using the equity method	329	1,548	2,734

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31/12/2020

IN TEUR

	DÜNE 38 PROJEKT-ENTWICKLUNGS GMBH	URBANSTRASSE 5 GMBH	BELLE ÉPOQUE QUARTIER GEHRENSEE GMBH	DEUWA REAL GMBH
				(JOINT VENTURE)
Earnings/revenues	268	0	3	133
Profit or loss for the year/ comprehensive income	137	-5	207	56
Total current assets	5,494	449	28,405	31,999
Total non-current assets	0	0	13,937	0
Total current liabilities	29	10	14,332	7,185
Total non-current liabilities	5,318	0	35,000	22,634
Net assets of the associate	147	439	-6,990	2,316
ACCENTRO Real Estate AG's interest in net assets of the associate	44%	44%	25%	50%
Carrying amount of ACCENTRO's interest, measured using the equity method	65	283	3,250	2,609

For the risks and constraints to which ACCENTRO is exposed by each of the associates and joint ventures, please see, where relevant, the elaborations on page 148.

### Inventory Properties

The inventories of the ACCENTRO Group consist of real estate acquired for the purpose of reselling it. The initial measurement represents the acquisition or production costs. In subsequent measurements, inventory properties are carried at their acquisition or production costs and net realisable value, whichever is lower. The acquisition costs include the purchase price of the properties plus the directly attributable ancillary costs, such as estate agent fees, real estate transfer tax, notarial charges and the costs of the land registration. Refurbishment costs that result in a material improvement in the marketability of the properties are capitalised. Net

realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated sales costs going forward. In the context of share deal transactions, the acquisition costs are determined individually by adding the other net assets to the purchase price.

From time to time, the condominium retailing business necessitates a breakdown of the acquisition costs incurred by each apartment during the individual privatisation process. The breakdown of the acquisition costs determines the gross profit resulting from the disposal of a given apartment. The purchase price is broken down on the basis of the anticipated relative net selling prices, the expectation being that the breakdown will show a constant margin for the apartments. Accordingly, if a residential complex is acquired at a total consideration, the apartments with the high-

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est expected selling price in absolute terms are allocated the relatively highest share of the acquisition costs.

Among the Company's inventory assets are ready-for-sale properties mainly in Berlin but also in Leipzig, Rostock, Potsdam and Hamburg, as well as advance payments made toward properties of this type. The item breaks down as follows:

IN TEUR		
	31/12/2021	31/12/2020
Properties	295,524	405,836
Advance payments	5,073	3,669
<b>Total</b>	<b>300,597</b>	<b>409,505</b>

The Company continued to invest in the expansion of the trading portfolio during the 2021 financial year, but these acquisitions did not nearly make up for the extensive sales completed during the year under review. Transfers of benefits and burdens included 296 residential units acquired for a price of EUR 36.4 million.

For another 71 residential units acquired for a purchase price of EUR 22.3 million, the sale and purchase agreements were signed in 2021, while their benefits and burdens will not be transferred and recognised until the 2022 financial year. Conversely, 830 residential units were sold.

There were no reversals of impairment losses or write-downs on properties held as inventory assets during the 2021 financial year. The recognised properties serve mainly as collateral for financial liabilities.

There are contractual obligations to purchase inventory properties in the amount of TEUR 22,265 as of the reporting date. No purchase guarantees existed as of that date.

Inventory properties with a carrying amount of TEUR 119,246 (previous year: TEUR 265,303) are expected to be sold at a time more than twelve months away, according to the Company's plans.

### Contract Assets

The contract assets (TEUR 11,228; previous year: TEUR 407) result entirely from the period-by-period revenue recognition (IFRS 15.35) of loft apartments under construction and other expansions of residential accommodation or construction measures, and represent exclusively current assets.

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### Trade Receivables, Other Receivables and Other Assets

The trade receivables break down into purchase price receivables and rent receivables. The development of trade receivables is shown in the following table:

IN TEUR		
	31/12/2021	31/12/2020
<b>Trade receivables (gross)</b>	<b>22,506</b>	<b>59,722</b>
Allowances	-1,182	-17
<b>Trade receivables (net)</b>	<b>21,324</b>	<b>59,705</b>
<b>thereof non-current</b>	<b>0</b>	<b>0</b>
<b>thereof current</b>	<b>21,324</b>	<b>59,705</b>

The following table provides information on the estimated default risk and expected credit losses for trade receivables:

IN TEUR			
	CARRYING AMOUNT PRIOR TO IMPAIRMENT	VALUATION ALLOWANCE	CARRYING AMOUNT
Receivables from buyers of residential units	10,360	0	10,360
Receivables from operating costs not yet invoiced	6,536	-45	6,491
Rent receivables	1,946	-1,086	861
Other trade receivables	3,663	-51	3,612
	<b>22,506</b>	<b>-1,182</b>	<b>21,324</b>

The risk of default on receivables from buyers of residential units is considered low, because the transfer of the residential units is virtually without exception concurrent with the payment of the acquisition price, or because a notarial trust account is used to accept the receipt of payment. As of the reporting date, these receivables mainly include receivables from portfolio transactions, which are subject to close coordination with the buyers. The default risk is therefore deemed low, and no allowances for these receivables was taken into account. In fact, for a large part of these receivables, payments were received after the reporting date. Nor were bad-debt losses recorded in this context in previous years.

As of the current year under review, ACCENTRO has applied the simplified impairment model specified in IFRS 9 ("simplified approach") to rent receivables and receivables from operating costs not yet invoiced. According to the simplified impairment model, a risk provision in the amount of the expected losses over the remaining term is to be recognised for all instruments regardless of their credit quality.

ACCENTRO factors in a default rate of 15% on receivables from operating costs not yet invoiced that are not covered by advance payments already received (for which ACCENTRO posts an unnetted figure in the consolidated accounts) and separate individual value adjustments. Since this is a business line/segment that ACCENTRO is still in the process of building up, no historical figures are available to assess the probability of default. For the time being, ACCENTRO has therefore adopted the default rate that its corporate peers apply to receivables of this type. The total amount recognised for these remaining receivables from operating costs not yet invoiced equalled TEUR 45 as at 31 December 2021.



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Rent receivables generally become due at the beginning of a month, are short-term in nature and result from claims against tenants in the course of operating activities. With this in mind, ACCENTRO calculates the losses to be taken into account on the basis of the overdues as a global value, unless the recognition of one-off value adjustments takes priority. The allowances recognised for rent receivables are listed in the table below:

IN TEUR

	IMPAIRMENT RATE	GROSS CARRYING AMOUNT 31/12/2021	IMPAIRMENT	NET CARRYING AMOUNT 31/12/2021
<b>Rent receivables</b>		<b>1,204</b>	<b>-323</b>	<b>882</b>
not due or overdue by 1 to 30 days	0%	284	0	284
overdue by 31 to 90 days	0%	275	0	275
overdue by 91 to 360 days	50%	645	-323	323
overdue by more than 360 days	100%	0	0	0

In addition, other one-off allowances in a total amount of TEUR 763 were recognised for receivables from operating costs not yet invoiced as well as for rent receivables.

For other receivables from passed on construction costs and commissions, allowances for anticipated 12-month credit losses (1.4%) were recognised in the amount of TEUR 51.

On the whole, allowance on trade receivables developed as follows:

IN TEUR

	31/12/2021	31/12/2020
<b>As of 1 January</b>	<b>17</b>	<b>1</b>
Change in consolidated group	0	15
Additions (impairment losses)	1,165	1
Reversals	0	0
Utilisation	0	0
<b>As of 31 December</b>	<b>1,182</b>	<b>17</b>

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The other current receivables and other assets include:

IN TEUR	31/12/2021	31/12/2020
Receivable from reversal of DIM Holding AG	15,797	0
Escrow account	5,277	0
Other loan receivables	3,089	0
Loan to associate Düne 38 Projektentwicklungs GmbH	2,044	0
Receivables from investment companies	1,676	0
Loans from companies still in the acquisition process	0	13,975
Deferred interest receivables	0	4,996
Loans from non-controlling shareholders	0	2,235
Miscellaneous other receivables	1,774	1,542
<b>Sum total of current other receivables and other assets</b>	<b>29,658</b>	<b>22,748</b>

Receivables from the reversal of DIM Holding AG relate to the provisional acquisition price of TEUR 11,344 paid in December 2020 to acquire shares in the company and further claims in an original amount TEUR 3,956 for acquiring shareholder loans, and thus a total of TEUR 15,300. The advance payment on the acquisition price was reported the previous year under “advance payments on business combinations” and the acquired claims on the shareholder loan under “non-current receivables and other assets.” However, a termination agreement was signed at ACCENTRO’s request during the first half of 2021. The sale-and-purchase agreement granted ACCENTRO the option to back out of the deal if the seller fails to fulfil the contractually defined performance

obligations. The purchase price reclamation claim of TEUR 15,300 bears interest at 5.0% p. a. starting on the date of the termination agreement, while its repayment was deferred for one year until 12 May 2022. The carrying amount of the purchase price reclamation claim, including accrued interest, amounts to TEUR 15,797 as of 31 December 2021. To collateralise the claims, a land charge on several properties/partial ownership rights for a total amount of EUR 20.0 million was agreed by notarial deed dated 14 October 2021. This collateral was valued by the Company’s external valuers at c. EUR 65.9 million, leaving a positive collateral sum of EUR 17.0 million after the deduction of senior and registered land charges by banks in the amount of EUR 48.9 million. Moreover, the held shares in DIM Holding AG serve as collateral. As at the reporting date of 31 December 2021, the Management Board assumes collectability or, in the event of non-payment by 12 May 2022, full satisfaction of the purchase price reclamation claim through the realisation of the collateral provided.

In addition, DIM Holding AG was granted a loan over a total amount of TEUR 3,000 during the first quarter of 2021, which is included under other loan receivables in the table above. As of 31 December 2021, its carrying amount including the accrued interest up to that time, equals TEUR 3,133 but is reported at TEUR 3,089 to allow for the impairment reserve (1.4% or TEUR 44). This loan is non-collateralised.

The receivables from Düne 38 Projektentwicklungs GmbH were paid in full at the start of the 2022 financial year.

For the accounts receivable reported under receivables from associated companies (totalling TEUR 1,676), incoming payments of TEUR 1,369 were recorded at the beginning of the 2022 financial year.

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Receivables from operating costs not yet invoiced in the amount of TEUR 7,948 that had been reported in this consolidated accounts item for previous year were reclassified as trade receivables. The disclosure format was changed in order to adapt to the disclosure format common within the industry.

The items reported under the item “other receivables and other current assets” are therefore almost entirely secured by land charges and pledged shares. In regard to the unsecured other receivables and other assets, ACCENTRO recognises allowances in the amount of the expected 12-month credit loss, as in the non-current category.

The assessment of the expected 12-month credit losses on current other receivables and other assets is based on the ratings of external rating agencies and on publicly available information (Creditreform, Fitch). For the 2021 financial year, the default rate taken into account is 1.4%, which implies a total impairment of TEUR 44. Other one-off allowances on other miscellaneous receivables add up to TEUR 155 (previous year: TEUR 155).

### Cash and Cash Equivalents

Cash and cash equivalents are recognised at face value in the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, demand deposits at banks and other short-term, highly liquid financial investments with a remaining term of three months or less at the time of their acquisition. Earmarked funds, e. g. purchase price portions that may only be used to repay loan obligations, are not included in cash and cash equivalents but are recognised among other receivables and other current assets.

The cash and cash equivalents represent predominantly bank balances held at call. Funds in the amount of TEUR 31,192 are subject to a restraint on disposal, mainly held in accounts for purchase prices received that are associated with estate agency agreements (MaBV).

### Assets Held for Sale

Non-current assets or disposal groups comprising assets and liabilities are classified as “assets held for sale” if it is highly likely that their value will be realised primarily through their disposal rather than through their continued use. Such assets or disposal groups are generally recognised either at their carrying amount or their fair value, less costs of disposal, whichever is lower. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro-rata basis – except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment properties, which continue to be measured in accordance with the Group’s other financial accounting policies. Impairment losses on initial classification as “held for sale” are recognised in profit or loss, the same being true for subsequent gains and losses on remeasurement. Intangible assets and property, plant and equipment are no longer depreciated or amortised and any associated company accounted for using the equity method will cease to be accounted for using the equity method once they are classified as “assets held for sale” or “assets held for distribution.”

ACCENTRO sold its 25% interest in Belle Époque Quartier Gehrensee GmbH via a share purchase agreement dated 27 October 2021 and the first addendum to the share purchase agreement dated 1 February 2022. The first amendment primarily extended the original payment deadline of 23 December 2021 to 30 June 2022 at the latest, and adjusted the interest rate on the outstanding purchase price receivable to

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16.0% p. a.. Since ACCENTRO continued to have significant influence on the company up to the time of disposal, the company was accounted for using the equity method. In addition to the company interests, the subordinated shareholder loan was sold as well. The share purchase agreement was subject to the condition precedent that the selling price be paid. The selling price including the interest accrued by the time of payment was received over the full amount of TEUR 16,673 on 29 March 2022. As the accrued interest in the amount of TEUR 673 that was settled by this payment relates to the period starting on 1 January 2022 and ending on the payment date of 29 March 2022, the equity interest and the shareholder loan receivable were recognised at the contractually agreed selling prices as of the reporting date of 31 December 2021, while both the equity interest and the subordinated shareholder loan are reported as “assets held for sale” in accordance with IFRS 5.

The table below provides an overview of the carrying amounts before their reclassification, the impairment losses recognised, and the selling prices of the assets:

IN TEUR			
	CARRYING AMOUNT BEFORE RECLASSIFICATION	IMPAIRMENT	SELLING PRICE
25% equity interest in Belle Époque Quartier Gehrensee GmbH	3,250	0	3,250
Subordinated shareholder loan including interest claim	13,093	-343	12,750
	<b>16,343</b>	<b>-343</b>	<b>16,000</b>

The impairment losses are reported under impairments of inventories and accounts receivable in the Income Statement. The other comprehensive income includes no cumulative income or expense associated with the assets held for sale.

### Equity Capital

The subscribed capital (share capital) of ACCENTRO Real Estate AG amounted to EUR 32,437,934 as of 31 December 2021, unchanged year on year. It breaks down into 32,437,934 no-par value bearer shares. The Group does not issue different classes of shares.

ACCENTRO has the following authorised and conditional capital at its disposal:

IN TEUR

	AMOUNT (TEUR)	NO-PAR VALUE SHARES ('000)	PURPOSE
Authorised capital 2020	16,218	16,218	Capital increase against contributions in cash and/or in kind (until 23 June 2025)
Conditional Capital 2020/I	3,243	3,243	Servicing stock option plan 2020
Conditional Capital 2020/II	12,975	12,975	Servicing bonds (convertible bonds and/or warrant bonds or profit participation rights)

For more details, please see the Group Management Report for mandatory disclosures pursuant to Art. 315a, Sec. 1, HGB.

The values of **obligations from share-based payments** are calculated using actuarial methods based on option price models. Share-based payments that are settled via equity instruments are recognised as of their grant date at the fair value of the equity instruments that have vested by that date. The fair value of such an obligation is therefore recognised pro

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rata over the vesting period as payroll and benefit costs and offset directly against the capital reserve.

### STOCK OPTIONS 2020

In March 2020 and in November 2020, the main shareholder sold 518,239 shares of ACCENTRO Real Estate AG in off-market transactions to the two board members, Lars Schriewer and Hans-Peter Kneip, as well to one other senior executive of ACCENTRO Real Estate AG. For accounting purposes, these arrangements are attributed to ACCENTRO pursuant to IFRS 2 although ACCENTRO is not a contractual partner. The majority shareholder is bound to standstill agreements because he will have to redeem the shares at the originally agreed purchase price if the share price has fallen by the time these board members / this executive leave the Company. This standstill obligation qualifies as a stock option model in a total value of TEUR 714. The parameters used to measure the fair value of the options at vesting date are as follows:

VALUATION MODEL	BLACK-SCHOLES MODEL
Range of exercise prices	EUR 8.03 – 9.11
Weighted average remaining contract period	2 years
Range of option maturities	2 – 3 years
Weighted average fair values of the options	EUR 1.38
Weighted average share price at vesting date	EUR 8.12
Range of the expected volatility	33.12% – 35.23%
Dividend yield	2%
Range of the risk-free interest rate	-0.76% to -0.70%

Hans-Peter Kneip returned his shares when leaving the Company. All liabilities, including the interest claims resulting from the loan granted by Brookline Capital Limited Partnership, were settled by the return of all shares.

The residual value now equals TEUR 471. Moreover, no share options were forfeited, exercised or expired during the reporting period. The total remuneration paid to the Supervisory Board during the 2021 financial year equalled TEUR 141.

### Financial Liabilities and Bonds

The table below lists the Group's current and non-current financial liabilities as well as its bonds:

IN TEUR

	31/12/2021	31/12/2020
<b>Non-current financial liabilities</b>		
Liabilities to banks	142,633	147,871
Bond liabilities	346,701	245,265
Lease liabilities	5,615	192
<b>Total non-current financial liabilities</b>	<b>494,949</b>	<b>393,328</b>
<b>Current financial liabilities</b>		
Liabilities to banks	104,672	168,760
Bond liabilities	6,655	3,446
<b>Total current financial liabilities</b>	<b>111,327</b>	<b>172,206</b>
<b>Total financial liabilities</b>	<b>606,276</b>	<b>565,534</b>



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### LIABILITIES TO BANKS

Out of the carrying amount of non-current financial liabilities to banks, TEUR 142,633 (previous year: TEUR 147,871) relate to loan amounts with a remaining term of more than one and less than five years. Current financial liabilities amount to TEUR 104,672 (previous year: TEUR 168,760). The decrease in non-current financial liabilities by TEUR 5,238 (previous year: TEUR 33,589) is mainly due to the reclassification of two loans previously reported as non-current and now reported among current financial liabilities. Conversely, this was offset by seven new financing arrangements with a term of more than one year that were taken out in 2021. The decrease in current financial liabilities by TEUR 64,089 is mainly explained by the refinancing of a loan granted by the company Werdauer Weg 3 Immobilien Projektentwicklungs GmbH and the repayment of a loan to the company Quartier Hasenheide GmbH.

### Bond Liabilities

On 7 February 2020, ACCENTRO issued a non-subordinated and non-collateralised bond over TEUR 250,000 (2020/2023 bond) with a three-year maturity as part of a private placement to qualifying investors. It was issued at 99.745% of its face value at a coupon rate of 3.625%. Its interest is paid twice a year. The net issue proceeds are earmarked for the repayment of TEUR 100,000 bond at 3.75% (2018/2021 bond) as well as for the acquisition of additional real estate in Germany, and for general corporate purposes. The reported carrying amount of the bond of TEUR 247,481 as of 31 December 2021 (previous year: TEUR 245,265) represents the issue proceeds, net of the transaction costs that accrued over the term of the bond and that are calculated using the effective interest method.

The increase in bond liabilities is attributable mainly to the placement of another corporate bond in a nominal value of EUR 100 million on 23 March 2021 (2021/2023 bond). The unsecured bond was fully sub-

scribed by a pension fund. It has a five-year maturity until 23 March 2026, and bears 4.125% in annual interest. The net issue proceeds of the new bond are to be used to support the further growth of ACCENTRO, to refinance the acquisitions made last year, and for general corporate purposes. In conjunction with the placement of the corporate bond in March 2021, financing costs in an amount of TEUR 900 were paid that are deducted from the carrying amount of the bond by applying the effective interest method. The reported carrying amount of the bond is TEUR 99,220 as of 31 December 2021.

The current liabilities include outstanding interest on the bonds in the amount of TEUR 6,655 (previous year: TEUR 3,446), which is due for payment by 7 February and 23 March 2022, depending on the bond.

All things considered, the Company's bond liabilities as of 31 December 2021 amount to TEUR 353,357 (previous year: TEUR 248,710).

### SECURITIES AND FINANCIAL COVENANTS

Liabilities to banks are secured in a carrying amount of TEUR 393,277 (previous year: TEUR 310,240) by the real estate portfolio for whose financing they were taken out, and by the rent and sales receivables associable with these properties. This real estate portfolio consists of properties from the inventory assets, investment properties and owner-occupied properties and buildings. There are also restricted accounts in the amount of TEUR 40,460 (previous year: TEUR 13,767) of which TEUR 13,767 (previous year: TEUR 13,767) are reported cash and cash equivalents.

In addition, financial liabilities worth TEUR 416,352 (previous year: TEUR 323,000) are subject to contractual covenants toward the compliance with certain financial ratios (financial covenants) that concern the two

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bonds and four property financing arrangements as of 31 December 2021. The financial ratios refer essentially to industry-standard covenants relating to the limitation of net debt, the limitation of collateralised liabilities and to so-called debt service cover ratio, meaning the capacity to sustain the anticipated debt service by drawing on earnings.

The bond issued in 2020, as well as the bond issued in 2021, obligate the Company to maintain a defined maximum net debt-to-equity ratio (65%) and collateralised net debt-to-equity ratio (40%), as well as to maintain an interest coverage ratio (1.5 up to and including the reporting date of 31 December 2021, 2.0 as of the reporting date of 31 March 2022). The distribution will be limited to 50% of the IFRS consolidated net income in accordance with the bond terms. The Company is obligated by a financing arrangement of Berliner Sparkasse over EUR 23 million to maintain a debt service cover ratio of 140%, by a financing arrangement of DZ Hyp over EUR 25 million to maintain an interest coverage ratio of 120% and by a financing arrangement of Empira over EUR 18 million to maintain an LTV ratio of 68%. The new financing arrangement concluded in 2021 with Quirin Privatbank over the amount of EUR 40 million (of which EUR 20 million had been disbursed by 31 December 2021) obliges the company to maintain a maximum net debt-to-equity ratio (65%) and a debt service cover ratio of 150%.

Non-compliance with financial ratios may result in termination, a limit on further borrowing, or in the mandatory deposit of additional collateral. During the 2021 financial year, all existing financial covenants were met.

### INTEREST EXPENSES

For liabilities toward banks, non-bank lenders and the inland revenue office, interest expenses recognised in income in an amount of TEUR 10,736 (previous year: TEUR 7,240) were incurred, while the bonds generated TEUR 14,629 (previous year: TEUR 14,506) in interest expenses recognised in income and other expenses. The interest expense was matched by TEUR 4,850 (previous year: TEUR 11,256) in interest earned.

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### Provisions

Provisions are recognised if the Company has a current legal or constructive obligation based on events in the past, if settlement of the obligation is likely to require an outflow of resources, and if the amount of the obligation can be accurately estimated. If the Company expects the reimbursement of a deferred amount (for instance, due to an insurance policy), it recognises the reimbursement right as a separate asset, provided the reimbursement is virtually certain in the event of a claim under the obligation.

The Company recognises a provision for unprofitable business if the expected benefit from the contractual claim is less than the unavoidable costs of meeting the contractual obligation.

Provisions are measured at the probable outflow of resources. The measurement of non-current provisions includes discounting using a risk-adequate interest rate.

The other provisions are measured at the amount that would reasonably be required to settle the obligation as of the reporting date or, in an arm's length transfer, on the date of the transfer. Risks and uncertainties are taken into account by applying adequate appraisal methods while also considering probabilities of occurrence.

Provisions developed as follows during the 2021 financial year:

IN TEUR

	01/01/2021	UTILISATION	REVERSAL	ADDITION	31/12/2021
Provisions for payroll costs	814	814	0	270	270
Provisions for miscellaneous costs	1,110	767	28	48	363
Provisions for record-keeping obligations	46	0	0	0	46
<b>Total</b>	<b>1,970</b>	<b>1,581</b>	<b>28</b>	<b>317</b>	<b>679</b>

IN TEUR

	01/01/2020	UTILISATION	REVERSAL	ADDITION	31/12/2020
Provisions for payroll costs	398	276	14	706	814
Provisions for miscellaneous costs	484	399	11	1,036	1,110
Provisions for record-keeping obligations	46	0	0	0	46
<b>Total</b>	<b>928</b>	<b>675</b>	<b>25</b>	<b>1,742</b>	<b>1,970</b>

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The provisions for payroll costs in the amount of TEUR 270 represent essentially holiday accruals. Provisions for bonus payments were already paid in the course of the 2021 financial year.

Provisions for miscellaneous costs in the amount of TEUR 363 (previous year: TEUR 1,110) include essentially provisions for Supervisory Board remunerations in the amount of TEUR 135 (previous year: TEUR 153), and provisions for rental guarantees in the amount of TEUR 205 (previous year: TEUR 588). Management bonuses were already disbursed in the course of the year.

Other provisions in a carrying amount of TEUR 633 (previous year: TEUR 1,923) are expected to result in a cash outflow over the next twelve months.

### Trade Payables, Advance Payments Received, and Other Liabilities

The development of trade payables and other liabilities is shown in the table below:

IN TEUR

	31/12/2021	31/12/2020
<b>Trade payables</b>	<b>5,343</b>	<b>7,126</b>
<b>Advance payments received</b>	<b>9,464</b>	<b>9,177</b>
Outstanding invoices	8,601	5,638
Compensation claims of non-controlling interests in partnerships	8,403	7,804
Liabilities to minority partners	4,308	0
Liabilities from purchase price payments	2,581	0
Sales tax liabilities	1,528	315
Liabilities from security deposits	421	419
Miscellaneous liabilities	1,941	1,879
<b>Other liabilities</b>	<b>27,783</b>	<b>16,055</b>

The down-payments received in the amount of TEUR 9,464 (previous year: TEUR 9,177) break down into operating costs not yet invoiced in the amount of TEUR 5,016 (previous year: TEUR 6,375) and down-payment for plots available for sale in the amount of TEUR 4,448 (previous year: TEUR 2,803). Liabilities for outstanding invoices in the amount of TEUR 8,601 (previous year: TEUR 5,638) essentially include subsequent construction and warranty costs in the amount of TEUR 4,474 and expenses for outstanding settlements from maintenance measures in the amount of TEUR 1,575.

Other accounts payable in the amount of TEUR 1,941 (previous year: TEUR 1,879) include liabilities for wage/church tax, and social-security-related liabilities.

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### Current Income Tax Liabilities

The current income tax liabilities in the amount of TEUR 5,482 (previous year: TEUR 5,950) include corporation tax liabilities in the amount of TEUR 3,064 (previous year: TEUR 2,878) and trade tax liabilities in the amount of TEUR 2,418 (previous year: TEUR 3,072).

### Deferred Taxes

**Deferred income taxes** are recognised using the liability method in accordance with IAS 12 for temporary differences between the tax base of assets and liabilities and their IFRS carrying amounts in the balance sheet and for unused tax loss carryforwards. Deferred income taxes are generally measured using the statutory tax rate applicable on the reporting date for the respective date of reversal.

Deferred tax assets are recognised to the extent that future taxable profits are likely to be generated against which temporary differences or a loss carryforward can be offset.

Any changes in deferred taxes are principally recognised in income. Exceptions to this include the addition in equity of deferred tax items as part of the purchase price allocation in the case of company acquisitions and deferred tax items in connection with changes in value recognised as other comprehensive income, which are also recognised under "other comprehensive income."

Deferred tax assets and tax liabilities are offset against each other if the Group has a legally enforceable right to set off actual tax refund claims against actual tax liabilities and these relate to income taxes levied by the same inland revenue office on the same taxable entity.

The balance sheet recognises the following deferred taxes:

IN TEUR		
	31/12/2021	31/12/2020
Deferred tax assets	2,407	1,140
Deferred tax liabilities	13,801	9,074

The deferred taxes as of 31 December 2021 break down as follows:

IN TEUR		
	31/12/2021	31/12/2020
Tax loss carryforwards	4,790	2,477
Other	1,730	79
<b>Deferred tax claims before netting</b>	<b>6,520</b>	<b>2,556</b>
Netting	-4,113	-1,416
<b>Deferred tax claims after netting</b>	<b>2,407</b>	<b>1,140</b>
Investment properties	12,205	8,072
financing costs	1,448	2,015
Other	4,261	403
<b>Deferred tax liabilities before netting</b>	<b>17,914</b>	<b>10,490</b>
Netting	-4,113	-1,416
<b>Deferred tax liabilities after netting</b>	<b>13,801</b>	<b>9,074</b>



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Deferred taxes developed as follows:

	IN EUR		
	01/01/2021	INCOME STATEMENT	31/12/2021
Investment properties	-8,072	-4,133	-12,205
Financing costs	-2,015	567	-1,448
Other deferred tax liabilities	-403	-3,858	-4,261
Losses carried forward	2,477	2,313	4,790
Other deferred tax claims	79	1,651	1,730
<b>Total</b>	<b>-7,934</b>	<b>-3,460</b>	<b>-11,394</b>

The deferred tax liabilities result essentially from deviations between tax valuations and IFRS-based valuations of financial liabilities (effective interest method) and from the valuation of investment properties.

Deferred tax assets from tax loss carryforwards are recognised at the amount at which the associated tax benefits are likely to be consumed by future taxable profits.

No deferred tax assets are recognised for corporate income tax loss carryforwards in the amount of TEUR 14,520 and trade tax loss carryforwards in the amount of TEUR 17,731 because their realisability is somewhat uncertain.

### Revenues

Given the nature of the business model, privatisations that are not, or only to an economically insignificant degree, subject to a building obligation usually involve a single performance obligation pursuant to IFRS 15. Privatisations in this line of business include both the sale of individual residential units (individual privatisation) and the sale of entire property portfolios or property companies (portfolio sales). Revenues from privatisation include the amount invoiced for the sale of real estate held as inventory assets and is recognised at a given time upon transfer of control. The Company negotiates almost exclusively fixed acquisition prices. The transfer of control generally takes place when possession, benefits, duties and risks associated with the properties are transferred (e. g. public safety requirements). Whenever property companies are sold, the transaction date generally coincides with the completion of the share transfer. Some of the portfolio sales are based on complex contractual arrangements that necessitate the exercise of discretion on the part of the Company with regard to the timing of revenue recognition. In deviation of the regulations for individual privatisations that stipulate payment of the bulk of the purchase price before the transfer of power of disposal, credit periods for payment of the selling prices or else conditions precedent deferring the due date are sometimes granted in the case of portfolio sales. But these will normally be limited to a maximum period of a few months. Significant financing components are therefore not included in the sale-and-purchase agreements of individual privatisations and portfolio sales. In some cases, obligations to carry out subsequent renovation or improvement work are negotiated as part of a given sale. Such cases involve a separable performance obligation, which is not realised until it has been fulfilled in the amount of the respective purchase price. The latter is derived from the contractually stipulated payment schedule.

During the 2021 financial year, the ACCENTRO Group gradually stepped up the development and sales of new attic apartments and provided other construction services. These purchase contracts with significant construc-

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tion obligations generally involve a single performance obligation. Revenue is recognised in accordance with IFRS 15.35 c) on a period-by-period basis whenever purchase agreements for the individual residential units were concluded with customers. To determine the stage of completion, the ACCENTRO Group applies the cost-to-cost method, pursuant to which revenue is recognised on the basis of the costs incurred in relation to the total anticipated costs of the contract. The progress of performance is most accurately mapped by the costs incurred. Using this method, both sales revenues and the associated costs, and with them the results, are realised on an accrual basis. The Group has also the right to invoice advance payments to customers on the basis of payment schedules, which in turn are based on the regulations of the Estate Agents and Property Developers Ordinance (MaBV) and are governed by so-called milestones. Whenever the progressing construction work has cleared a performance-based milestone, the customer is invoiced for the corresponding milestone payment. For all services provided up to a given milestone, a contract asset is capitalised. If the milestone payment exceeds the revenues previously recognised using the cost-to-cost method, the Group recognises a contractual liability in the amount of the payment balance. The sale-and-purchase agreements include no significant financing component, as the period between revenue recognition under the cost-to-cost method and the respective milestone payment is always less than one year. Residential units for which no sale and purchase agreement (SPA) has been signed are recognised as inventory properties in accordance with IAS 2 until such a SPA has been signed.

The ACCENTRO Group generates income from lettings of its inventory properties prior to selling them, and increasingly investment property lettings as well. Revenues are recognised accordingly on a straight-line basis over the term of the contract as defined by IFRS 16. Service charges invoiced to tenants are generally offset against the corresponding expenses, as the recoverable expenses are deemed to have been incurred in the tenants' interest.

IN TEUR

	2021	2020
Revenues from sales of inventory properties	172,847	112,397
- thereof from individual privatisation	129,217	72,854
- thereof from portfolio transactions	28,430	38,130
- thereof from revenue recognition on a period-by-period basis	15,200	1,413
Rental income from investment properties	9,224	1,123
Rental income from properties held as inventory assets	7,704	9,149
Revenues from services	2,830	2,434
Rental income from properties held as property, plant and equipment	142	79
<b>Total revenues</b>	<b>192,747</b>	<b>125,182</b>

The increase in revenues from the sale of inventory properties by TEUR 60,450 was significantly influenced, on the one hand, by the persistently strong demand for residential properties, which also led to substantial price increases. The Company also caught up with the, partly pandemic-related, delays in the transfer of benefits and burdens by the land registries the year before in the course of the current business year. In addition, the start of sales and construction of two large-scale development projects involving a large number of notarised loft conversions led to a significant increase in revenues realised on a period-by-period basis.

But generally, the trend in revenues also depends on the different marketing and price mix of the various projects.

The increase in rental income from investment properties in the amount of TEUR 8,101 results from the pinpoint acquisition of several property portfolios during the reporting year and from the acquisitions transacted

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during the second half of the previous year, whose full-year rental income was recognised for the first time in 2021.

The moderate increase in revenues from services during the reporting year is due, inter alia, to the strong demand for residential properties and the expansion of the Company's sales activities.

### Cost of Materials

IN TEUR

	2021	2020
Expenses for sales of inventory properties	125,056	92,772
Management costs of properties held as inventory assets	4,975	5,096
Management costs of investment property	4,616	253
Expenses from services	884	1,563
Management costs of properties in property, plant and equipment	460	148
<b>Total cost of materials</b>	<b>135,991</b>	<b>99,832</b>

The increased revenues from sales of inventory properties precipitated inversely a drop in expenses for sales of inventory properties down to TEUR 125,056 (previous year: TEUR 92,772).

### Payroll and Benefit Costs

The Group employed an average of 99 people (previous year: 64) during the 2021 financial year. By the reporting date of 31 December 2021, around 101 employees were on the Group's payroll (previous year: 74).

Payroll and benefit costs break down as follows:

IN TEUR

	2021	2020
Salaries and other benefits	9,153	8,293
Employer contributions to statutory social insurance	1,104	754
<b>Payroll and benefit costs</b>	<b>10,257</b>	<b>9,048</b>

The rise in payroll and benefit costs to TEUR 10,257 (previous year: TEUR 9,048) reflects essentially the expansion of the Company's workforce. The employer's contribution to social security institutions saw a proportionate increase, too. Payroll and benefit costs were also driven up by severance payments in the context of the Management Board changes and staff departures in the amount of TEUR 40 as well as by the disbursements of management bonuses and bonus payments in a total amount of c. TEUR 275.

Contributions to the statutory pension insurance scheme during the 2021 financial year added up to TEUR 503 (previous year: TEUR 370).

### Impairments of Inventories and Accounts Receivable

Impairment losses were recognised on other receivables in the amount of TEUR 1,799 during the reporting year (previous year: TEUR 124). The increase is mainly explained by the recognition of impairment reserves for unsecured receivables and loans in the reporting year. No allowances were recognised for inventory properties during the year under review.

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### Other Operating Income and Expenses

The other operating income includes the following amounts:

IN TEUR

	2021	2020
Income from the reversal of provisions and the derecognition of liabilities	518	59
Earnings from cost allocations	0	360
Miscellaneous other operating income	751	1,281
<b>Total</b>	<b>1,269</b>	<b>1,699</b>

The miscellaneous other operating income in the amount of TEUR 751 (previous year: TEUR 1,281) mainly includes income from the settlement of benefits in kind, insurance compensations and prior-period income.

The other operating expenses include the following amounts:

IN TEUR

	2021	2020
Legal and professional fees	5,273	2,173
EDP expenses	2,906	578
Expenses for compiling and auditing the financial statements	1,678	612
Information, advertising and entertaining expenses	1,471	1,781
Miscellaneous other operating expenses	7,031	5,573
<b>Total</b>	<b>18,359</b>	<b>10,717</b>

The legal and professional fees break down into advisory services concerning taxes, capital market transactions, real estate transactions, legal, and

general strategic issues. The cost hike of these expenses up to a total of TEUR 5,273 (previous year: TEUR 2,173) is due in particular to expenses for project consultancy and valuations (c. TEUR 1,356), tax consultancy (TEUR 600), corporate and strategy advisory (c. TEUR 1,427) as well as labour law and corporate law consultancy (c. TEUR 535).

The increase in EDP expenses by TEUR 2,328 to TEUR 2,906 (previous year: TEUR 578) reflects the direct costs for the reorientation and optimisation of the Company's IT landscape, as well as ongoing administration expenses and costs of the digitisation drive pursued by the ACCENTRO Group.

The rise in expenses for compiling and auditing the financial statements to TEUR 1,678 (previous year: TEUR 612) are explained by increased expenditures for third-party service providers that were retained to assist in the report preparation process and in the improvement of the risk management in the amount of c. TEUR 1,065.

The information, advertising and entertaining expenses declined by TEUR 310 during the current year, dropping to TEUR 1,471 (previous year: TEUR 1,781). This is primarily explained by lower costs for advertising, public relations and investor relations.

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The remaining other operating expenses in the amount of TEUR 7,031 (previous year: TEUR 5,573) include, inter alia, expenditures for things like office supplies, travel expenses, motor vehicle costs, dues and continued professional development costs plus expenses for members of the Supervisory Board. The year-on-year increase is mainly due to the one-off effect of prior-period expenses caused by the mark-down of receivables (TEUR 586), by the increase in staff recruitment costs (TEUR 605) and by incidental costs of monetary transactions (TEUR 238). It also reflects the growth in the Company's workforce.

### Income Taxes

The tax expense reported in the Income Statement includes current and deferred income taxes:

	IN TEUR	
	2021	2020
Current income tax expense	4,020	555
Deferred income tax expense/income	3,449	5,703
<b>Total</b>	<b>7,470</b>	<b>6,258</b>

The current income tax expense includes TEUR 257 in tax expenses for prior years (previous year: TEUR 1,960 in tax income).

The reported tax expense differs from the theoretical amount calculated by applying the Group's average income tax rate to its earnings before taxes:

### TAX RECONCILIATION

IN TEUR

	2021	2020
Pre-tax profit	20,597	24,313
Taxes calculated on the basis of the parent company's income tax rate (30.175%)	6,215	7,336
Trade tax effects	-966	-2,432
Account balance of tax-free income/non-deductible expenses	-71	1,095
Value adjustment/non-recognition of deferred tax assets	2,378	1,583
Write-up/subsequent recognition of deferred tax assets	-246	-118
Loss carrybacks	0	750
Taxes for previous years	257	-1,960
Other causes	-97	4
<b>Reported income tax expense</b>	<b>7,470</b>	<b>6,258</b>

The imputed tax rate of 36.27% (previous year: 25.7%) for the 2021 financial year is primarily defined by trade tax effects due to the consideration of the extended trade tax exemption for property companies holding real estate, by tax-free income and by the non-recognition of deferred tax assets on loss carryforwards.



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### Earnings per Share

Basic earnings per share are calculated as the quotient of the profit attributable to the shareholders of the parent company and the average number of shares issued during the financial year, excluding treasury shares held by the Company.

	2021	2020
<b>CONSOLIDATED INCOME</b>		
		TEUR
Net profit before non-controlling interests - basic	11,845	16,567
Consolidated income before non-controlling interests - diluted	11,845	16,567
<b>NUMBER OF SHARES</b>		
		IN THOUSANDS
Unweighted number of shares outstanding	32,438	32,438
Weighted number of shares outstanding - basic	32,438	32,438
Weighted number of shares outstanding - diluted	32,438	32,438
<b>EARNINGS PER SHARE (EPS)</b>		
		EUR
unweighted - basic	0.37	0.51
weighted - basic	0.37	0.51
weighted - diluted	0.37	0.51

Thus, the diluted net income is identical to the basic net income.

The calculation of earnings per share the year before was incorrectly based on the consolidated income including non-controlling interests. Calculation of the earnings per share for 2021 was adjusted based on the consolidated income before non-controlling interests, resulting in the amount of EUR 0.51.

### Cash Flow Statement

The Cash Flow Statement shows the development of the Group's cash flows during the financial year. In the Consolidated Financial Statements, the classification is made according to the indirect method, with the consolidated income adjusted for non-cash items and inversely supplemented by cash items.

The Statement of Cash Flows distinguishes between cash flows from current business, from investing activities, and from financing activities. Cash flow from operating activities is determined using the indirect method.

The net cash provided by operating activities, has improved significantly year on year, adding up to TEUR 99,551 (previous year: TEUR - 32,655). Cash-effective disinvestments of inventory assets and a decrease in receivables are the reasons for the clearly positive cash flow from operating activities.

IN TEUR

	2021
<b>CHANGES OF INVENTORY PROPERTIES</b>	
Portfolio as at 31/12/2020	409,505
Net change	-62,570
Non-cash change	-46,338
Portfolio as at 31/12/2021	300,597

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The non-cash change in the development of inventory properties is essentially attributable to property sales that were derecognised in income before the full purchase price payments had been received. In addition, the selling price of a portfolio was offset against the acquisition price of an investment property portfolio with no effects on payments (TEUR 16,775). Only the surplus amount (TEUR 15,903) was taken into account as a cash-effective disinvestment.

The cash flow from investing activities adds up to a negative value of –85,360 TEUR (previous year: –99,617 TEUR). The Company invested heavily in investment properties during the financial year, which amounted to TEUR –63,349. Furthermore, loans with a total value of TEUR –23,317 (previous year: TEUR –75,895) were extended in 2021. The cash-effective interest received for these loans add up to TEUR 4,597, the repayment of loans granted adding up to TEUR 4,576. In the previous year, the cash flow from investing activities included advance payments for company acquisitions in the amount of TEUR –11,344.

The cash flow from funding activities adds up to TEUR 50,011 (previous year: TEUR 163,672) and essentially includes disbursements toward the repayment of financial liabilities in the amount of TEUR –97,893 (previous year: TEUR –163,911) plus financing costs and interest payments in the amount of TEUR –19,472 (previous year: TEUR –21,635). It is matched by cash inflows from loan finance and the issuance of the 2021/2026 bond in the amount of TEUR 166,877 (previous year: TEUR 349,218). There was no cash outflow from dividend payments, just like in the previous financial year.

Cash and cash equivalents increased by TEUR 2,079 (previous year: TEUR 973) due to the addition of eight companies (previous year: five) to the scope of consolidation of ACCENTRO Real Estate AG.

During the 2021 financial year, one fully consolidated company was sold. The Company's cash funds declined by TEUR –1,321 in this context.

In accordance with IAS 7, a reconciliation of the Group's financial liabilities from 31 December 2020 to 31 December 2021 is presented below:

### RECONCILIATION ACCOUNTS

IN TEUR

	31/12/2020	CASH-EFFECTIVE	NOT CASH-EFFECTIVE	31/12/2021
Financial liabilities	316,823	–40,506	–23,398	252,919
Bonds	248,710	+90,017	+14,630	353,357
<b>Total debt from funding activities</b>	<b>565,533</b>	<b>+49,511</b>	<b>–8,768</b>	<b>606,276</b>

In addition to changes from the application of the effective interest method and accrued interest, the “non-cash” column among the financial liabilities mainly includes loans from a share deal sale (TEUR –37,511), in which the property financing was also sold, and conversely the addition of lease liabilities as part of a share deal acquisition (TEUR +5,497).

Funds in the amount of TEUR 31,192 are subject to a restraint on disposal, mainly held in accounts for purchase prices received that are associated with estate agency agreements (MaBV).

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### Other Financial Obligations, Contingencies and Contingent Liabilities

Within the framework of its third-party sales, the ACCENTRO Group entered into a number of agreements that include purchase guarantees. Under these agreements, ACCENTRO assumes the obligation to take over any property assets unsold at the end of the marketing period defined in the respective agreement at a purchase price agreed with the property developer. The possibility of having to acquire these properties at the agreed purchase price plus the real estate transfer tax due for the acquisition exposes the Company to the risk that it may not reasonably hope to realise the usual margins when reselling the properties. No purchase guarantees remained as of 31 December 2021 (previous year: EUR 10.1 million).

### Minimum Lease Payments from Operating Leasing Agreements

Commercial property leases generally tend to involve claims to minimum lease payments from long-term operating leases. The leases signed for residential real estate, by contrast, generally have a statutory notice period of three months. They include no other claims to minimum lease payments.

### OPERATING LEASING DISCLOSURES UNDER IFRS 16.90B

		UP TO 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS
Total future minimum lease payments due to non-cancellable operating lease contracts as lessor as of 31/12/2021	64,002	7,327	13,229	43,446
Total future minimum lease payments due to non-cancellable operating lease contracts as lessor as of 31/12/2020	48,154	3,210	12,841	32,103

### Other Financial Obligations from Ground Lease Agreements

Eight plots held by the company ACCENTRO Gera Wohnen 2 GmbH are subject to ground lease agreements that had a remaining term of 183.17 years as of 31 December 2021. This results in the following financial obligations:

#### MATURITY

IN TEUR	
less than 1 year	233
1-5 years	932
more than 5 years	41,511
<b>Total</b>	<b>42,676</b>

Other than that, there are no material other financial obligations.

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## Capital and Financial Risk Management

Using capital management, ACCENTRO pursues the objective to sustainably strengthen the Group's liquidity and equity base, to raise funds for the Group's equity-financed growth, and to generate an adequate return on the capital employed. As the refinancing situation remains relatively favourable, the ACCENTRO Group uses debt as much as possible to finance acquisition volumes in the context of its property activities, always taking account of the relevant tax implications. The Group's accounting equity serves as a passive management criterion. Consolidated revenues and EBIT are used as active control variables.

The Risk Management unit reviews the capital structure once a quarter and ahead of large-volume transactions. The review takes the cost of capital and the risk associated with each capital class duly into account. In order to take account of third-party equity requirements specified by the banking industry, accounting ratios are measured with their latest value. This also includes property-specific debt service ratios, loan-to-value figures and, where applicable, contractually agreed balance sheet and income ratios.

The financial risk management (on this subject, see also the elaborations in the Group Management Report) includes the control and limitation of financial risks from business activities. Particularly relevant here is the liquidity risk (the avoidance of disruptions in solvency) and the default risk (the risk of loss if a contracting party fails to meet its contractual obligations).

The responsibility for managing the liquidity risks lies with the Management Board, which has set up an adequate system for managing short-, medium- and long-term financing and liquidity requirements. The Group

manages liquidity risks by securing adequate cash and cash equivalents, credit lines with banks and other facilities, as well as by constantly monitoring forecast and actual cash flows within the framework of the supervisory rolling cash plan, and by coordinating the maturity profiles of financial assets and liabilities.

In order to avoid risks of default, the Group only enters into sales relationships with parties of sound creditworthiness. In order to further limit default risk, ownership of sold properties is generally not transferred to the buyer until the purchase price has been paid into an escrow account. An increased number of unsecured loans were granted during the 2021 financial year. These include, inter alia, loans to property developers with whom the Company plans to enter into a sales collaboration at a later point, or else loans taken over in conjunction with company acquisitions.

### Classes and Measurement Categories

The table below shows the carrying amounts and fair values of financial assets and financial liabilities.

It includes no fair value details on those financial assets and on financial liabilities that were not measured at fair value wherever the carrying amount represents an adequate approximation of the respective fair value.

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31/12/2021

IN TEUR

	CATEGORY ACC. TO IFRS 7	MEASURED AT AMORTISED COST		AT FAIR VALUE	TOTAL BALANCE SHEET ITEM
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	31/12/2021
<b>Assets</b>					
Equity investments	FVOCI	0	0	6,900	6,900
Non-current other receivables and other assets	Aac	35,667	35,667	0	35,667
Trade receivables	Aac	21,324	21,324	0	21,324
Other receivables and other current assets	Aac	29,658	29,658	0	29,658
<b>Equity and liabilities</b>					
Non-current payables to banks	Flac	148,248	146,694	0	148,248
Bond liabilities	Flac	346,701	315,750	0	346,701
Current payables to banks and to bond holders	Flac	111,327	111,327	0	111,327
Trade payables	Flac	5,343	5,343	0	5,343
Other current liabilities	Flac	18,701	18,701	0	18,701

IFRS 7 class acronyms:

FVOCI Financial assets measured at fair value through Other comprehensive income

Aac Financial assets measured at amortised cost

Flac Financial liabilities measured at amortised cost



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31/12/2020

IN TEUR

	CATEGORY ACC. TO IFRS 7	MEASURED AT AMORTISED COST		AT FAIR VALUE	TOTAL BALANCE SHEET ITEM
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	31/12/2020
<b>Assets</b>					
Equity investments	FVOCI	0	0	5,697	5,697
Non-current other receivables and other assets	Aac	25,112	25,112	0	25,112
Trade receivables	Aac	59,705	59,705	0	59,705
Other receivables and other current assets	Aac	22,748	22,748	0	22,748
<b>Equity and liabilities</b>					
Non-current payables to banks	Flac	148,063	148,063	0	148,063
Bond liabilities	Flac	245,265	235,625	0	245,265
Current payables to banks and to bond holders	Flac	172,206	172,206	0	172,206
Trade payables	Flac	7,126	7,126	0	7,126
Other current liabilities	Flac	8,351	8,351	0	8,351

IFRS 7 class acronyms:

FVOCI Financial assets measured at fair value through Other comprehensive income

Aac Financial assets measured at amortised cost

Flac Financial liabilities measured at amortised cost

Trade receivables and other current receivables have maturities of one year or less. In the case of non-current other receivables and other assets, impairment losses were recognised in response to diminished fair values. The carrying amounts in such cases therefore correspond to the fair values, as higher values for the loans with fixed repayment amounts are either not expected or immaterial. The same applies, by analogy, to trade payables and other current liabilities. The ACCENTRO Group's non-current and current liabilities to banks were initially recognised at fair value less transaction costs, which always corresponded to the acquisition costs. The liabilities to banks of newly acquired companies were measured at fair value at the time of acquisition.

As a result, the carrying amount of all non-current liabilities to banks as of the reporting date represents the value that returns the amortised cost and largely matches the fair value when applying the effective interest method. For significant non-current liabilities with fixed interest rates, an average interest rate was assumed to determine the fair value.

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The bonds were measured at fair value less transaction costs on initial recognition, the value matching the initial costs including transaction costs, and thereafter at amortised costs using the effective interest method as of the reporting date.

With the exception of the bond classified as tier 3 bond under IFRS 13, the fair values of the financial assets and liabilities were measured by discounting financial surpluses or cash outflows. The fair value of the bond was obtained from the market price at the Frankfurt Stock Exchange.

The net earnings by measurement categories under IFRS 9 break down as follows:

IN TEUR				
	FINANCIAL ASSETS MEASURED AT AMORTISED COSTS (AAC)		FINANCIAL LIABILITIES MEASURED AT AMORTISED COSTS (FLAC)	
	2021	2020	2021	2020
Interest income	4,850	11,256	-	-
Interest expenses	-	-	25,365	21,746
Gains or losses on impairments	1,799	124	-	-
<b>Net earnings</b>	<b>3,051</b>	<b>11,132</b>	<b>25,365</b>	<b>21,746</b>

### Financial Risks

There is currently no evidence for serious default risks. The loans to associated companies, joint ventures, minority shareholders and other project development companies reported under non-current receivables and other assets are collateralised in virtually all cases, so that the recognition of an impairment reserve was unnecessary.

The acquisition price reclamation from the rescinded acquisition of DIM Holding AG was deferred until 12 May 2022. Claims in the amount of TEUR 15,797 were collateralised through the registration of land charges. As at the reporting date of 31 December 2021, the Management Board assumes collectability or, in the event of non-payment by 12 May 2022, full satisfaction of the purchase price reclamation claim through the realisation of the collateral provided.

Interest rate risks are negligible at the moment because our financing arrangements were largely concluded at fixed interest rates. The projects pursued by the group of companies are generally implemented in the short and medium term, and are financed at maturities that match the time to completion. Since the ECB and other major central banks maintain their low interest rate policies, there is no indication that the Company's current project and financing structures are exposed to a serious interest rate risk. Possible latent inflation risks caused by the conflict in Ukraine and in the event of a swift economic recovery following a successful vaccination campaign and containment of the virus spread would have to be considered. But even then, the ECB would be unlikely to contemplate serious interest rate hikes.

Dedicated financial risk management is intended to minimise the negative effects of the aforesaid risks on the Group's net asset, financial and earnings situation and cash flows. For a description of the risk management system, please see the Group Management Report.

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### LIQUIDITY RISK

The following tables show the undiscounted, contractually agreed payments of interest and principal of the financial liabilities that fall within the scope of IFRS 7:

31 DECEMBER 2021  
IN TEUR

	CARRYING AMOUNT	TOTAL CASH OUT-FLOW	CASH OUTFLOW UP TO 1 YEAR	CASH OUTFLOW 1 TO 3 YEARS	CASH OUTFLOW 3 TO 5 YEARS	CASH OUTFLOW AFTER 5 YEARS
Cash outflow for financial liabilities and bond	606,276	677,157	122,893	375,450	119,610	59,203

31 DECEMBER 2020  
IN TEUR

	CARRYING AMOUNT	TOTAL CASH OUT-FLOW	CASH OUTFLOW UP TO 1 YEAR	CASH OUTFLOW 1 TO 3 YEARS	CASH OUTFLOW 3 TO 5 YEARS	CASH OUTFLOW AFTER 5 YEARS
Cash outflow for financial liabilities and bond	565,534	589,085	183,447	394,688	741	10,209

In the case of interest-bearing loans with variable interest rates, the interest rates existing on the respective reporting date were used to determine the interest payments in future reporting periods. At the moment, the ACCENTRO Group is not exposed to significant interest rate risks.

The share of repayments from retail property sales itemised among the current financial liabilities amounts to TEUR 106 for the 2022 financial year. Short-term cash outflows in a total amount of TEUR 122,893 are anticipated in 2022, with interest payments and scheduled repayments taken into account.

The ACCENTRO Group's is currently not exposed to any material bad debt risks as a result of its original business model. However, several long-term loans were granted to associates and investment companies, minority partners and project companies, some of which are subordinated and not fully collateralised (see pages 121 and 129). ACCENTRO generally provides privatisation or advisory services to the borrowers that represent associates and investment companies, so that it is involved in the operational management of these companies and in a good position to assess default risks at an early stage. In the case of minority partners, the loans are fully secured by the pledged shares in real estate companies or by the assignment of profit entitlements. The collateral provided for other loans granted

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consists of land charges. ACCENTRO deems the default risks low as of the reporting date.

The ACCENTRO Group kept cash and cash equivalents in the amount of TEUR 121,502 (previous period: TEUR 56,541) on hand as at balance sheet data to cover its cash outflows, although it should be added that TEUR 40,460 (previous year: TEUR 13,676) are subject to restraints on disposal. An additional TEUR 21,324 (previous year: TEUR 51,757) in trade receivables and an estimated TEUR 181,351 (previous year: TEUR 121,382) worth of inventory properties can be liquidated within one year. In addition, short-term payables from operating costs in the amount of TEUR 5,016 (previous year: TEUR 6,375) not yet invoiced are matched by short-term receivables in the amount of TEUR 6,536 (previous year: TEUR 7,948) for operating costs not yet invoiced.

### FINANCIAL COVENANTS

The Group has credit agreements and corporate bonds totalling c. EUR 416.4 million (previous year: EUR 323 million) that require compliance with certain financial covenants (e. g. net debt-to-equity ratio, coverage ratio, debt service ratios, debt rules, change of control). Breaches of these requirements could trigger early repayment obligations on the basis of a contractually agreed escalation procedure, or trigger a limit on further borrowing. To deflect possible breaches of contract, the Group uses appropriate regular monitoring to detect any early signs of a risk that covenants might be breached, and to prevent such a breach through adequate countermeasures – e. g. by engaging in talks with the noteholders or banks – as early as possible.

The main existing financial covenants are presented on page 134 of the Notes to the Consolidated Financial Statements.

In the evening of 29 April 2022, the minority shareholder of ACCENTRO Real Estate AG, namely ADLER Real Estate AG, Berlin, along with its parent

company, Adler Group S.A., Luxembourg, announced that its auditor will state its intention not to present an audit opinion on the company's 2021 annual financial statements (disclaimer of opinion) on 30 April 2022. From the Management Board's point of view, the announcement will not directly impact ACCENTRO Real Estate AG or its business model because it affects not the Company but a shareholder in the minority shareholder role. While it is impossible at the time of the preparation of these financial statements to assess conclusively to what extent the announcement may yet lead to a change in the shareholder structure in future, not least with regard to the, partially outstanding, residual receivable of ADLER Real Estate AG, Berlin, from the acquisition of ACCENTRO Real Estate AG shares in 2017 vis-à-vis the majority shareholder, Brookline S.à r.l., Luxembourg, it cannot be ruled out either.

## Other Disclosures

### Related-Party Transactions

According to IAS 24 "Related Party Disclosures," related parties are defined as parent companies and subsidiaries as well as subsidiaries of a common parent company, associates, legal entities controlled by the Management, and the Company's management, among other entities. Business transactions between ACCENTRO Real Estate AG and its fully consolidated subsidiaries are eliminated through consolidation, and are therefore not explained in the Notes.

On 30 November 2017, Brookline Real Estate S.à r.l. made a public announcement that it had taken control of ACCENTRO Real Estate AG pursuant to Art 35, Sec. 1, i.c.w. Articles 29, Sec. 2, and 30, Sec. 1, German Act on Securities Acquisition and Takeovers (WpÜG). Due to the dependent relationship with Brookline Real Estate S.à r.l. (shareholding ratio: 83.1%), the companies Brookline Capital Limited Partnership (shareholding ratio: 100%), Brookline Capital GP Limited (general partnership role),

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Hansard Trust Company Limited, Newton Investment Limited and the person of Natig Ganiyev thereby also gained indirect control of ACCENTRO as a result of a voting rights allocation pursuant to Art. 30, Sec. 1, Sent. 2, No. 2, 5 and 6, Sent. 2 and 3m i.c.w. Art. 2, Sec. 6, German Securities Acquisition and Takeover Act (WpÜG). Natig Ganiyev is thus considered the ultimate controlling entity, since as a natural person he pursues other entrepreneurial interests in addition to this equity interest No business transaction with these entities took place during the year under review.

One subsidiary of the ACCENTRO Group (ESTAVIS Wohneigentum GmbH) is the personally liable partner of the joint venture Wohneigentum Berlin GbR. Its status as a partner of unlimited liability is not considered a risk, given the net assets, financial and earnings position of the company.

As of the reporting date, the following loan receivable from non-consolidated and associated companies and joint ventures remained. They include accrued interest claims.

IN TEUR	2021	2020
KAISER 102 Projektentwicklungs GmbH, Berlin	4,069	0
Gutshof Dahlewitz 1 GmbH, Berlin	2,397	1,820
Düne 38 Projektentwicklungs GmbH, Berlin	2,044	1,279
HRP Hamburg Residential GmbH, Hamburg	1,676	3,671
SHG Basdorfer Gärten BF6 GmbH, Berlin	0	1,504
Gutshof Dahlewitz 2 GmbH, Berlin	77	71

The subsidiary LHC Beteiligungs GmbH in Berlin, acquired by consummation in the 2021 financial year and fully consolidated as of the reporting date of 31 December 2021, holds an indirect interest in several project

companies. These companies used to be financed in the form of equity contributions by LHC Beteiligungs GmbH to LHC Holding GmbH & Co. KG, a company accounted for using the equity method as of the reporting date, which passed these funds on to the relevant project companies. Due to the contractually stipulated prioritised repayment of the equity funds, these qualify as debt capital for the company LHC Holding GmbH & Co. KG in accordance to IAS 32. The ACCENTRO Group therefore recognises these non-current and interest-bearing other receivables from this context in the amount of TEUR 11,031 under non-current other receivables and assets.

For supplementary details, please see the elaborations on other non-current and current receivables and assets on pages 121 and 129.

As of the reporting date of 31 December 2021, there were receivables from a subordinated shareholder loan (incl. accrued interest) from the company Belle Époque Quartier Gehrensee GmbH in the amount of TEUR 12,750 (previous year: TEUR 12,117). Due to the fact that the equity interest in this company was sold at the end of the 2021 financial year, the interest is reported as an asset held for sale. Please see the elaborations on page 132 in this context. Impairment losses of TEUR 343 were recognised in connection with the loan during the 2021 financial year.

Aside from that, there were no related-party transactions during the reporting period.

The composition of the Management Board of ACCENTRO AG was as follows during the 2021 financial year:

Lars Schriewer (CEO) since 18 March 2020; provisional CFO since 30 June 2021

Hans-Peter Kneip (CFO) between 16 November 2020 and 30 June 2021

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The Management Board of ACCENTRO Real Estate AG received the following compensation and benefits for the financial years shown:

IN TEUR

	2021				2020			
	FIXED	VARIABLE	STOCK-BASED	SUM TOTAL	FIXED	VARIABLE	STOCK-BASED	TOTAL
Lars Schriewer	663*	0	119	782	496*	0	89	584
Hans-Peter Kneip	279**	75	0	354	51	19	9	79
Jacopo Mingazzini	0	0	0	0	78	750	834	1,662
<b>Total</b>	<b>942</b>	<b>75</b>	<b>119</b>	<b>1,136</b>	<b>625</b>	<b>769</b>	<b>932</b>	<b>2,326</b>

\* TEUR 200 (previous year: TEUR 158), the bonus, while principally variable, being fixed for the first two years and therefore allocated to the fixed salary (prior year adjusted accordingly).

\*\* including the severance payment in the amount of TEUR 40. In return for the severance payment, Hans-Peter Kneip agreed to remain available to the Company for another two months in an advisory role.

Collectively, the total remuneration of the Management Board amounted to TEUR 1,136 for the 2021 financial year (previous year: TEUR 2,326). This remuneration includes, in addition to the paid-out fixed remuneration plus benefits in kind in the amount of TEUR 902, the severance claims paid in an amount of TEUR 40. The management bonus for the 2021 financial year was paid in full during the year under review. Likewise, the share-based remuneration was not due for payment during the year under review. For detail on share-based compensation, see the elaborations in section "Equity Capital."

The Members of the Supervisory Board were exclusively paid fixed remunerations for the financial years shown:

IN TEUR

	2021 FIXED	2020 FIXED
Axel Harloff (Chairman)	60	60
Dr. Dirk Hoffmann (Deputy Chairman until 31/03/2020)	0	11
Carsten Wolff (Deputy Chairman since 28/04/2020)	45	34
Natig Ganiyev	30	30
<b>Total</b>	<b>135</b>	<b>135</b>



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### Auditor's Fees

The auditor was paid the following remuneration for services provided to the ACCENTRO Group:

IN TEUR

	2021	2020
Audits of financial statements	468*	338
Other assurance services	66	81
Other services	3	40
<b>Total</b>	<b>537</b>	<b>459</b>

\* Out of the expenses for auditor services, 75 TEUR represent the previous year.

### Events after the Reporting Date

The loan against Belle Époque Quartier Gehrensee GmbH, which was still reported in the amount of TEUR 12,117 by the end of the previous year, has been reclassified to “assets held for sale” in accordance with IFRS 5, including the interest income recognised in the 2021 financial year, and was repaid in full and including accrued interest in March 2022.

The acquisition price reclamation from the rescinded acquisition of DIM Holding AG was deferred until 12 May 2022. Claims in the amount of TEUR 15,797 were collateralised through the registration of land charges. As at the reporting date of 31 December 2021, the Management Board assumes collectability or, in the event of non-payment by 12 May 2022, full satisfaction of the purchase price reclamation receivable through the realisation of the collateral provided. The purchase price reclaimed had not yet been received by the date of preparation of these financial statements.

The receivables from Düne 38 Projektentwicklungs GmbH were paid in full at the start of the 2022 financial year.

Germany's leading economic research institutes expect the conflict between Russia and Ukraine to put a serious damper on the German economy in 2022, and revised their GDP forecasts downwards accordingly in March 2022. The high inflation rate in combination with rising interest rates and the general unease could, at least temporarily, slightly dampen private investors' willingness to buy. The Company took all of this into account in its planning efforts.

In the evening of 29 April 2022, the minority shareholder of ACCENTRO Real Estate AG, namely ADLER Real Estate AG, Berlin, along with its parent company, Adler Group S.A., Luxembourg, announced that its auditor will state its intention not to present an audit opinion on the company's 2021 annual financial statements (disclaimer of opinion) on 30 April 2022. From the Management Board's point of view, the announcement will not directly impact ACCENTRO Real Estate AG or its business model because it affects not the Company but a shareholder in the minority shareholder role. While it is impossible at the time of the preparation of these financial statements to assess conclusively to what extent the announcement may yet lead to a change in the shareholder structure in future, not least with regard to the, partially outstanding, residual receivable of ADLER Real Estate AG, Berlin, from the acquisition of ACCENTRO Real Estate AG shares in 2017 vis-à-vis the majority shareholder, Brookline S.à r.l., Luxembourg, it cannot be ruled out either.

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## Declaration of Conformity with the German Corporate Governance Code (DCGK)

The declaration concerning the Corporate Governance Code in accordance with Art. 161, AktG, was issued in March 2022 and made permanently available to the shareholders on the homepage of ACCENTRO Real Estate AG ([www.accentro.ag](http://www.accentro.ag)).

Berlin, 30 April 2022

**Lars Schriewer**

Chief Executive Officer (CEO)

## Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, while the combined 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 going forward.

Berlin, 30 April 2022



**Lars Schriewer**

Chief Executive Officer

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## Group Auditor's Report

To ACCENTRO Real Estate AG, Berlin

### Note on the Audit of the Consolidated Financial Statements and of the Group Management Report

#### Audit Opinions

We have audited the Consolidated Financial Statements of **ACCENTRO Real Estate AG, Berlin**, and its subsidiaries (the Group), which comprise the Consolidated Accounts as of 31 December 2021, the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement for the financial year beginning on 1 January and ending on 31 December 2021 along with the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. In addition, we audited the Group Management Report which is combined with the Management Report (hereinafter the "Group Management Report") of ACCENTRO Real Estate AG, Berlin, for the financial year beginning on 1 January and ending on 31 December 2021. In line with German legal requirements, we did not audit the contents of the Group's Corporate Governance Statement published on the homepage of ACCENTRO Real Estate AG and referred to in the Group Management Report.

In our opinion, based on the findings of our audit,

- › the accompanying Consolidated Financial Statements comply in all material respects with the IFRS reporting standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Art. 315e, Sec. 1, German Commercial Code (HGB), and provide a true and fair view of the Group's net assets and financial position as of 31 December 2021 and of its earnings position for the financial year starting on 1 January and ending on 31 December 2021 in accordance with the aforesaid requirements, and

- › the attached Group Management Report provides a generally accurate account of the Group's position. The Group Management Report is consistent with the Consolidated Financial Statements in all material respects, while complying with German legal requirements and accurately presenting the opportunities and risks of the future development. Our audit opinion on the Group Management Report does not cover the aforesaid component of the Group Management Report whose contents were not audited.

Pursuant to Art. 322, Sec. 3, Sent. 1, HGB, we declare that our audit has not raised any objections as to the correctness of the Consolidated Annual Financial Statements and of the Group Management Report.

#### Basis for the Audit Opinions

We performed our audit of the Consolidated Financial Statements and of the Group Management Report in accordance with Art. 317, HGB, and with EU Statutory Audit Regulation (No. 537/2014; hereinafter "EU-APrVO"), and with the generally accepted standards for the auditing of financial statements in Germany defined by the IDW Institute of Public Auditors. Our responsibility under these rules and principles is described in more detail in the section "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and of the Group Management Report" of our Audit Report. In accordance with German and European commercial and professional regulations, we are independent of any group companies, and have performed our other duties under the German professional code of practice in accordance with these requirements. Moreover, we declare pursuant to Art. 10, Sec. 2, Lit. f, EU-APrVO, that we provided no prohibited non-audit services pursuant to Art. 5, Sec. 1, EU-APrVO. We believe that the audit evidence we obtained is sufficient and adequate to serve as basis for our audit opinion on the Consolidated Financial Statements and on the Group Management Report.

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### Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our best judgement, were most significant in our audit of the Consolidated Financial Statements for the financial year beginning on 1 January and ending on 31 December 2021. These matters were considered in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our audit opinion about them; we express no separate audit opinion on these matters.

Below, we present the audit matter that we consider to be key audit matters:

- 1) revenue recognition of inventory property sales
- 2) Recognition and measurement of investment properties

### Re 1) Revenue Recognition of Inventory Property Sales

#### A) RISK FOR THE CONSOLIDATED FINANCIAL STATEMENTS

For the 2021 financial year, the Group reports revenues from investment property sales in the amount of EUR 172.8 million (previous year: EUR 112.4 million), which account for 89.9% of the Group's total revenue. These revenues are generated via the individual privatisation of residential units and via so-called real estate portfolio sales. To some extent, the individual privatisation of residential units also involves residential units yet to be created through the conversion of attics. The audit risk to which these distribution channels are exposed requires a differentiated assessment. The revenue recognition in the individual privatisation business is largely based on standardised sale-and-purchase agreements, and its accounting decisions are characterised by low degrees of discretion and complexity, whereas in the case of property portfolio sales, given their higher degree of complexity, revenue recognition must generally be assessed case-by-case on the basis of the respective sale and purchase agreements. Whenever attic apartments not yet, or not yet fully, completed are sold within the

individual privatisation framework, IFRS 15.35 necessitates a period-based realisation of profits.

The Company's disclosures concerning revenue recognition are included on page 104 and 140 of the Notes to the Consolidated Financial Statements as well as in the sections "Business Performance" and "Earnings, Financial Position and Assets" of the Group Management Report.

When disposing of larger real estate portfolios, the Management Board draws on the tax, legal and accounting expertise provided by third-party experts. Depending on the contract structuring, a sale may be subject to collateral agreements, be structured as an asset deal or a share deal, and/or the beneficial ownership of the real estate portfolio may already be transferred before payment of a purchase price has been received, with the Management Board being definitively involved in the contract structuring process.

In the case of individual privatisations of portfolio properties, the transfer of benefits and burdens of a given property and with it the revenue recognition usually take place upon receipt of the purchase price by the Company or in a notary's escrow account, but may also be tied to the fulfilment of additional prerequisites.

In the case of individual privatisations in connection with newly constructed attic apartments, the revenues are recognised in accordance with IFRS 15.35.c on a period-by-period basis using the cost-to-cost method.

The risk for the Consolidated Financial Statements consists of revenue recognition in the reporting year that is not appropriate or not on an accrual basis. Taking into account the significant value contribution of each real estate portfolio sale and the large number of individual privatisations of portfolio properties in temporal proximity to the reporting date, the risk of

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material errors regarding the revenue recognition of these sales transactions is particularly significant in the context of our audit.

### B) AUDIT APPROACH AND CONCLUSIONS

The auditing of revenue recognition in real estate portfolios is essentially performed on a case-by-case basis by critically assessing the contract structure. During the 2021 financial year, seven disposals were transacted in the form of so-called portfolio sales. We assessed all portfolio sale-and-purchase agreements on a case-by-case basis, focusing specifically on appropriate revenue recognition. The Company's own assessments of the contractual arrangements while drawing on legal advice from third-party experts are sufficiently documented and substantiated to justify the revenue recognition of the transacted property portfolio sales.

With respect to the revenue recognition of individual privatisations, we studied the process used within the Group to ensure completeness and accuracy of the revenue recognition, and assessed its adequacy. We performed appropriate functional tests of the controls identified within the framework of the process to assess their effectiveness. As far as property sales in the individual privatisation context go, we checked to ensure proper revenue recognition in the reporting year by examining sale-and-purchase agreements and by verifying the receipt of payments in an extensive random sample. When reviewing the period-based revenue recognition for attic apartments not yet handed over, we verified the adequacy of the project costing approach, and assessed its underlying assumptions.

Our audit procedures revealed no material objections to the revenue recognition in the reporting year.

## Re 2) Recognition and Measurement of Investment Properties

### A) RISK FOR THE FINANCIAL STATEMENTS

As of the reporting date, the Group reported investment properties in a total carrying amount of EUR 330.7 million (previous year: EUR 215.0 million). ACCENTRO Real Estate AG measures these properties at fair value in accordance with IAS 40 in conjunction with IFRS 13. During the past financial year, increases in fair value in the amount of EUR 19.0 million (previous year: EUR 28.4 million) were recognised in profit or loss in the Consolidated Financial Statements. The Company's disclosures concerning investment properties are included on page 111 of the Notes to the Consolidated Financial Statements as well as in the sections "Business Performance" and "Earnings, Financial Position and Assets" of the Group Management Report. The fair value of investment properties is determined on the basis of appraisals by external experts using current market data and internationally recognised valuation procedures. In this case, the discounted cash flow method is used.

From our point of view, the valuation of investment properties was of material significance because it made a significant contribution to earnings during the reporting year, and because the recognition and valuation of this item, which is over a significant amount, is based to a large extent on estimates and assumptions. Even minor changes to the valuation-relevant parameters can lead to material changes in the resulting fair value measurements. In addition, IAS 40 and IFRS 13 stipulate a large number of disclosures in the Notes, whose completeness and adequacy the Group must ensure.

### B) AUDIT APPROACH AND CONCLUSIONS

Our audit procedures included in particular the assessment of the valuation procedure in regard to its conformity with IAS 40 in conjunction with IFRS 13, the accuracy and completeness of the property portfolio data used, as well as the adequacy of the parameters relevant to the valuation, such as e. g. discount rates and capitalisation rates, sustainable rental

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income and the trend in vacancy rates. We used random samples to verify the accuracy and completeness of the data on property portfolios and on the tenant base. We also consulted external market data, among other things, to assess the valuation-relevant parameters that have been used. To ensure a deliberately risk-oriented selection of properties, we commissioned an external expert retained by us to carry out a property valuation in the form of a check calculation. We discussed specific issues with the valuers, with the employees responsible for the properties and with the Management Board in writing, by telephone and in face-to-face meetings. We verified the qualifications and objectivity of the external valuers appointed by ACCENTRO Real Estate AG. We also assessed the adequacy of the associated Notes to the Consolidated Financial Statements. We are well aware that even relatively minor changes in the parameters relevant to the valuation can have a material impact on the value of investment properties, we also assessed the sensitivity analyses performed by the external valuer and the impact that possible fluctuations of these parameters might have.

ACCENTRO Real Estate AG has implemented a proper set of rules suitable for measuring fair values in accordance with IAS 40 and IFRS 13. In our opinion, the estimates made by the legal representatives on which the accounting is based are sufficiently documented and justified and permit an adequate presentation in the Consolidated Financial Statements. The disclosures made in the Notes to the Consolidated Financial Statements in accordance with IAS 40 and IFRS 13 are complete and adequate.

### Miscellaneous Information

The Group's legal representatives and the Supervisory Board are responsible for the miscellaneous information. The miscellaneous information obtained as of the date of this Audit Report includes:

› the Group's Corporate Governance Statement published on the homepage of ACCENTRO Real Estate AG and referred to in its Management Report,

- › the declaration pursuant to Art. 297, Sec. 2, Sent. 4 HGB, concerning the Consolidated Financial Statements, and the declaration pursuant to Art 315, Sec. 1 Sent 5, HGB, concerning the Group Management Report,
- › the Report by the Supervisory Board,
- › the remaining sections of the Annual Report, but not the Consolidated Financial Statements, nor the audited disclosures in the Group Management Report, nor our associated Audit Report.

The Supervisory Board is responsible for the Report of the Supervisory Board. The legal representative and the Supervisory Board are responsible for the declaration pursuant to Art. 161, German Stock Corporation Act (AktG), about the German Corporate Governance Code, which is part of the Group's Corporate Governance Statement referred to by the Group Management Report. Other than that, the legal representative is responsible for the miscellaneous information.

Our audit opinions on the Consolidated Financial Statements and the Group Management Report do not cover any other disclosures and, accordingly, we provide no audit opinion or any other form of audit conclusion about them.

In connection with our audit of the Consolidated Financial Statements, it is our responsibility to read the aforesaid miscellaneous information and, in doing so, to assess whether the miscellaneous information

- › manifests material inconsistencies with the Consolidated Financial Statements, the contents of the audited disclosures in the Group Management Report or our insights gained through the audit, or
- › seem to contain material misrepresentations in other ways.

If, based on the work we performed, we had reason to conclude that these additional disclosures constitute a material misrepresentation, we would be obligated to report the fact. We have nothing to report in this context.



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### Responsibility of the Legal Representative and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representative is responsible for the preparation of Consolidated Financial Statements that comply in all material respects with the IFRS reporting standards as adopted by the EU plus the additional German legal requirements pursuant to Art. 315e, Sec. 1, HGB, in all material respects, and is further responsible for the presentation of a true and fair view of the Group's asset, financial and earnings position in accordance with these requirements in the Consolidated Financial Statements. Moreover, the legal representative is responsible for the internal controls that the Group determined to be necessary to facilitate the preparation of Consolidated Financial Statements in ways that rule out material misstatements, whether they be due to fraud or error.

When preparing the Consolidated Financial Statements, the legal representative is responsible for appraising the Group's ability to continue as a going concern. The legal representative is also responsible for disclosing facts and circumstances relevant in the context of the Company's continuation as a going concern. In addition, the legal representative is responsible for ensuring an accounts presentation based on the accounting principle of the assumed intent to continue as a going concern unless the intention is to wind up the Group or to cease the business operation, or unless there is no realistic alternative to the cessation of the business operation.

In addition, the legal representative is responsible for the preparation of the Group Management Report, which provides an accurate overall account of the Group's position and matches the Consolidated Financial Statements in all material respects while also complying with applicable German legal requirements, and accurately represents the opportunities and risks of the future development. In addition, the legal representative is responsible for setting up the safeguards and measures (systems) deemed

necessary to permit the preparation of a Group Management Report in compliance with the applicable German legal requirements, and to back the disclosures in that Group Management Report with sufficient and suitable evidence.

The Supervisory Board is responsible for overseeing the Group's financial accounting process for the preparation of the Consolidated Financial Statements and the Group Management Report.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objective is to obtain reasonable assurance whether the Consolidated Financial Statements as a whole are free of material misstatements, be they due to fraud or error, and whether the Group Management Report on the whole provides an accurate account of the Group's position, and that it matches the Consolidated Financial Statements and the findings of our audit in all material respects, that it complies with German legal requirements, and accurately represents the opportunities and risks of the future development, and to provide an audit report that includes our audit opinion on the Consolidated Financial Statements and on the Group Management Report.

While "reasonable assurance" provides a high level of security, it is not a guarantee that an audit conducted pursuant to Art. 317, HGB, and the EU-APrVO regulation, and in accordance with German standards for the proper auditing of financial statements as identified by the Institute of Public Auditors (IDW) will invariably reveal material misstatements. Misstatements may result from breaches or inaccuracies, and are considered material if it is reasonable to expect that they will affect, individually or collectively, the economic decisions that recipients of the Consolidated Financial Statements and the Group Management Report make on the basis of them.

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During the audit, we dutifully exercise our best judgement and maintain a critical stance. In addition,

- › we identify and assess the risks of material misstatements, be they due to fraud or error, in the Consolidated Financial Statements and the Group Management Report, plan and perform audit procedures in response to such risks, and obtain audit evidence that provides a sufficient and adequate basis for our audit opinions. The risk that material misstatements go unnoticed is greater for legal breaches than for inaccuracies because breaches may involve fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or the overriding of internal controls.
- › we familiarise ourselves with the internal control system that is relevant to the audit of the Consolidated Financial Statements as well as with the safeguards and measures relevant for the audit of the Group Management Report so as to enable us to plan such audit procedures as are appropriate given the circumstances, albeit not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- › we appraise the adequacy of the accounting policies used by the legal representative, and the tenability of the accounting estimates and related disclosures made by the legal representative.
- › we draw conclusions about the adequacy of the accounting principle which assumes the Group's intent to continue as a going concern as applied by the legal representative, while also concluding on the basis of the audit evidence obtained whether there is any material uncertainty in relation to events or circumstances that could cast significant doubt on the Group's ability to continue as a going concern. If we were to conclude that there is reason to assume such material uncertainty, we would be required to point out the relevant disclosures in the Consolidated Financial Statement and in the Group Management Report in our Audit Report or, if the disclosures are inadequate, to revise our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, the Group's ability to continue as a going concern could also be compromised by future events or circumstances.

- › we appraise the overall presentation, the structure and content of the Consolidated Financial Statements, including the disclosures, while also checking whether the Consolidated Financial Statements present the underlying business transactions and events in such a way that the Consolidated Financial Statements provide a true and fair view of the Group's asset, financial and earnings position in accordance with the IFRS reporting standards as adopted by the EU and with the additional German legal requirements pursuant to Art. 315e, Sec. 1, HGB.
- › we obtain sufficient adequate audit evidence regarding the accounting information of the entities or business activities within the Group to express audit opinions on the Consolidated Financial Statements and on the Group Management Report. We are responsible for directing, supervising and performing the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinions.
- › we assess the consistency of the Group Management Report with the Consolidated Financial Statements, its compliance with applicable law, and the account of the Company's position that it provides.
- › we subject the forward-looking statements made by the legal representative in the Group Management Report to audit procedures. On the basis of sufficient adequate audit evidence, we reconstruct in particular the significant assumptions underlying the forward-looking statements made by the legal representative and assess the appropriate derivation of the forward-looking statements from these assumptions. We express no independent audit opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

With those responsible for the Company's supervision, we discuss the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we may detect in the course of our audit, among other things.

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We will make a declaration vis-à-vis those charged with the supervision, saying that we have complied with the relevant independence requirements, and will discuss with them all relationships and other matters that may reasonably be thought to affect our independence, and the safeguards that have been put in place to address them.

From the matters we discussed with the persons responsible for the supervision, we determine those matters that were most significant for the audit of the Consolidated Financial Statements of the current period and which therefore represent the key audit matters. We detail these matters in our Audit Report unless applicable laws or regulations preclude public disclosure of a given matter.

### Miscellaneous Statutory and Other Legal Requirements

### Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and the Group Management Report Prepared for the Purpose of Disclosure in Accordance with Art. 317, Sec. 3a, HGB

#### Audit Opinion

We performed an audit with reasonable assurance pursuant to Art. 317, HGB, to determine whether the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the "ACCENTRO\_KA.zip" file and prepared for disclosure purposes (hereinafter also referred to as "ESEF Documents") comply in all material respects with the requirements of Art. 328, Sec. 1, HGB, concerning the electronic reporting format (the "ESEF format"). In accordance with German legal requirements, this audit extends only to the transfer of the information contained in the Consolidated Financial Statements and the Group Management Report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the aforesaid file and prepared for the purpose of disclosure comply in all material respects with the requirements of Art. 328, Sec. 1, HGB, concerning the electronic reporting format. Other than this opinion and our opinions on the accompanying Consolidated Financial Statements and on the accompanying Group Management Report for the financial year beginning on 1 January and ending on 31 December 2021 included in the "Note on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express an opinion on the information contained in these reproductions or on any other information contained in the aforesaid file.

#### Basis for the Audit Opinion

We performed our audit of the reproductions of the Consolidated Financial Statements and the Group Management Report contained in the aforementioned file in accordance with Art. 317, Sec. 3a, HGB, while taking account of the IDW Auditing Standard: "Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure in Accordance with §317 (3a) HGB" (IDW PS 410 (10.2021)). Our responsibility according to the above guidance is further detailed in the section "Auditor's Responsibility for the Audit of the ESEF Documents." Our auditing practice has applied the quality assurance system requirements of the IDW Quality Assurance Standard: "Requirements for Quality Assurance in Auditing Practice" (IDW QS 1).

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### Responsibility of the Legal Representative and the Supervisory Board for the ESEF Documents

The legal representative of the Company is responsible for the preparation of the ESEF Documents which include electronic reproductions of the Consolidated Financial Statements and the Group Management Report as stipulated by Art. 328, Sec. 1, Sent. 4, No. 1, HGB, and for labelling the Consolidated Financial Statements as stipulated by Art. 328, Sec. 1, Sent. 4, No. 2, HGB. Moreover, the Company's legal representative is responsible for the internal controls deemed necessary to permit the preparation of the ESEF Documents in a way that is free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements pursuant to Art. 328, Sec. 1, HGB.

The Supervisory Board is responsible for supervising the process of preparing the ESEF Documents as a part of the financial reporting process.

### Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance as to whether the ESEF Documents are free from material non-compliance, be it due to fraud or error, with the requirements of Art. 328, Sec. 1, HGB. During the audit, we dutifully exercise our best judgement and maintain a critical stance. In addition,

- › we identify and assess the risks of violations of the requirements of Art. 328, Sec. 1, HGB, be they due to fraud or error, while also planning and performing audit procedures in response to such risks, and obtaining audit evidence that provides a sufficient and adequate basis for our audit opinion.

- › we familiarise ourselves with the internal control system that is relevant to the audit of the ESEF Documents so as to enable us to plan audit procedures that are appropriate given the circumstances, albeit not for the purpose of expressing an audit opinion about the effectiveness of these controls.
- › we assess the technical validity of the ESEF Documents, i. e. whether the file containing the ESEF Documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended by the reporting date, concerning the technical specification for that file.
- › we assess whether the ESEF Documents permit a substantively consistent XHTML representation of the audited Consolidated Financial Statements and the audited Group Management Report.
- › we assess whether the labelling of the ESEF Documents with inline XBRL technology (iXBRL) stipulated by Articles 4 and 6, Delegated Regulation (EU) 2019/815, as amended by the reporting date, permits an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

### Other Disclosures pursuant to Art. 10 EU-APrVO

We were elected as Group Auditors by the Annual General Meeting on 22 June 2021. We were appointed by the Supervisory Board on 19 November 2021. We have continuously served as Group Auditor of ACCENTRO Real Estate AG, Berlin, since its 2014 short financial year.

We declare that the audit opinions contained in this Audit Report are consistent with the additional report to the Supervisory Board pursuant to Art. 11, EU-APrVO (audit report).

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### Other Matters – Use of the Audit Report

Our Audit Report should always be read in conjunction with the audited Consolidated Financial Statements and the audited Group Management Report as well as the audited ESEF Documents. The Consolidated Financial Statements and the Group Management Report converted into the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited Consolidated Financial Statements and the audited Group Management Report, and do not replace them. In particular, the ESEF Note and our Audit Report contained therein should only be used in conjunction with the audited ESEF documents provided in electronic form.

### Auditor in Charge

The auditor responsible for the audit is Glenn Friedrich.

Hamburg, 30 April 2022

Ebner Stolz GmbH & Co. KG  
auditing firm tax services firm

**Julian Breidhardt**

chartered accountant

**Glenn Friedrich**

chartered accountant

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## Directors and Officers

### Supervisory Board

#### Axel Harloff Chairman

- › Member of the Supervisory Board since 1 September 2014
- › Business administrator
- › Other positions in comparable domestic and foreign supervisory bodies:
  - › Chairman of the supervisory board of Consus Real Estate AG, Berlin
  - › Member of the management board of ERWE Immobilien AG, Frankfurt am Main

#### Carsten Wolff Deputy Chairman

- › Member of the Supervisory Board since 1 April 2020
- › Business administrator
- › Other positions in comparable domestic and foreign supervisory bodies:
  - › Member of the management board of ERWE Immobilien AG, Frankfurt am Main
  - › Deputy chairman of the supervisory board of Westgrund AG, Berlin
  - › Member of the management board (CFO) of the A.D.O. Group LTD, Yigal Alon 94 B Tel Aviv, Israel
  - › Member of the management board of Eurohaus Frankfurt AG, Berlin

#### Natig Ganiyev

- › Member of the Supervisory Board since 1 December 2017
- › Managing Director of Vestigo Capital Advisors LLP, London
- › Other positions in comparable domestic and foreign supervisory bodies:
  - › Member of the supervisory board of Malta Montenegro Wind Power JV Ltd, Malta.

### The Management Board

#### Lars Schriewer CEO

- › Appointed for an initial 3-year period on 18 March 2020.
- › Prior to his transfer to ACCENTRO Real Estate AG, Lars Schriewer served as senior vice president of the SSN Group. Held senior positions with Westgrund AG (S-DAX) and Vivacon AG (M-Dax) for several years.

#### Hans-Peter Kneip CFO

- (resigned from the Management Board and left the company as of 30 June 2021)
- › Appointed for an initial 2.3-year period on 16 November 2020.
  - › Citing personal reasons, Hans-Peter Kneip resigned from the Management Board and left the Company as of 30 June 2021. The Supervisory Board provisionally transferred responsibility for the finance department to Lars Schriewer.

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## Forward-Looking Statements

This annual report includes certain forward-looking statements. Forward-looking statements are any statements that do not relate to historical facts and events. This applies in particular to statements concerning future financial earning capacity, plans and expectations with regard to the business and management of ACCENTRO Real Estate AG (“ACCENTRO”), growth and profitability as well as economic and regulatory parameters and other factors to which ACCENTRO is exposed.

The 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 to differ materially from, or frustrate, the expectations expressed or implied by these statements. The business activities of ACCENTRO 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

The financial year of ACCENTRO Real Estate AG corresponds to the calendar year. You will find further dates on our website

 [WWW.ACCENTRO.DE/EN](http://WWW.ACCENTRO.DE/EN).

30 APR 2022

RELEASE OF ANNUAL REPORT 2021

31 MAY 2022

RELEASE OF INTERIM STATEMENT  
AS OF 31 MARCH 2022

22 JUN 2022

ANNUAL GENERAL MEETING, BERLIN

31 AUG 2022

RELEASE OF INTERIM REPORT  
AS OF 30 JUNE 2022

30 NOV 2022

RELEASE OF INTERIM STATEMENT  
AS OF 30 SEPTEMBER 2022

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## Imprint

ACCENTRO Real Estate AG  
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10625 Berlin, Germany  
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E-Mail: [mail@ACCENTRO.de](mailto:mail@ACCENTRO.de)  
Home: [www.accentro.de](http://www.accentro.de)

### Management Board

Lars Schriewer

### Chairman of the Supervisory Board

Axel Harloff, Hamburg

### Contact

ACCENTRO Real Estate AG  
Investor Relations  
Phone: +49 (0)30 887 181-272  
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### Concept, Editing, Layout

MPM Corporate Communication Solutions  
Untere Zahlbacher Straße 13, 55131 Mainz

## Photos

Cover: Gregor Hohenberg  
Management Board: Thomas Knieps  
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