

# ANNUAL REPORT ACCENTRO GROUP 2022



# Key Figures

## INCOME STATEMENT

TEUR

	2022	2021
Group revenues	165,227	192,747
Gross profit (interim result)	44,299	58,025
EBIT <sup>1)</sup>	8,539	45,165
EBIT margin	5.2 %	23.4 %
EBT	-8,759	20,597
Consolidated total income	-11,980	13,127
Earnings per share (EUR)	-0.45	0.37

## OTHER KEY FIGURES

	31/12/2022	31/12/2021
Shares outstanding	32,437,934	32,437,934
Market capitalisation (EUR)	72,012,213	214,090,364
Total portfolio (units)	5,903	4,861
Employees	123	101

## BALANCE SHEET RATIOS

TEUR

	31/12/2022	31/12/2021
Non-current assets	453,615	427,705
Current assets	423,511	485,761
Cash and cash equivalents	100,784	121,502
Equity ratio	28.2 %	28.0 %
Total assets	877,216	929,466
Loan to Value (LTV)	57.4 % <sup>2)</sup> / 51.0 % <sup>3)</sup>	54.9 % <sup>2)</sup> / 48.2 % <sup>3)</sup>

<sup>1)</sup> including valuation result (2022: EUR -1.8m; 2021: EUR 19.0m)

<sup>2)</sup> based on the definition specified in the terms of the 2020/2023 bond

<sup>3)</sup> based on the definition specified in the terms of the 2021/2026 bond

# ACCENTRO at a glance

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## No. 1

in housing  
privatisation

---

## 50+

locations

---

## 2bn+

sales volume (EUR)  
since 2009

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## 20+

years of  
experience

---

## 13,000+

happy customers

---

## 18,000+

sold units  
since 2009

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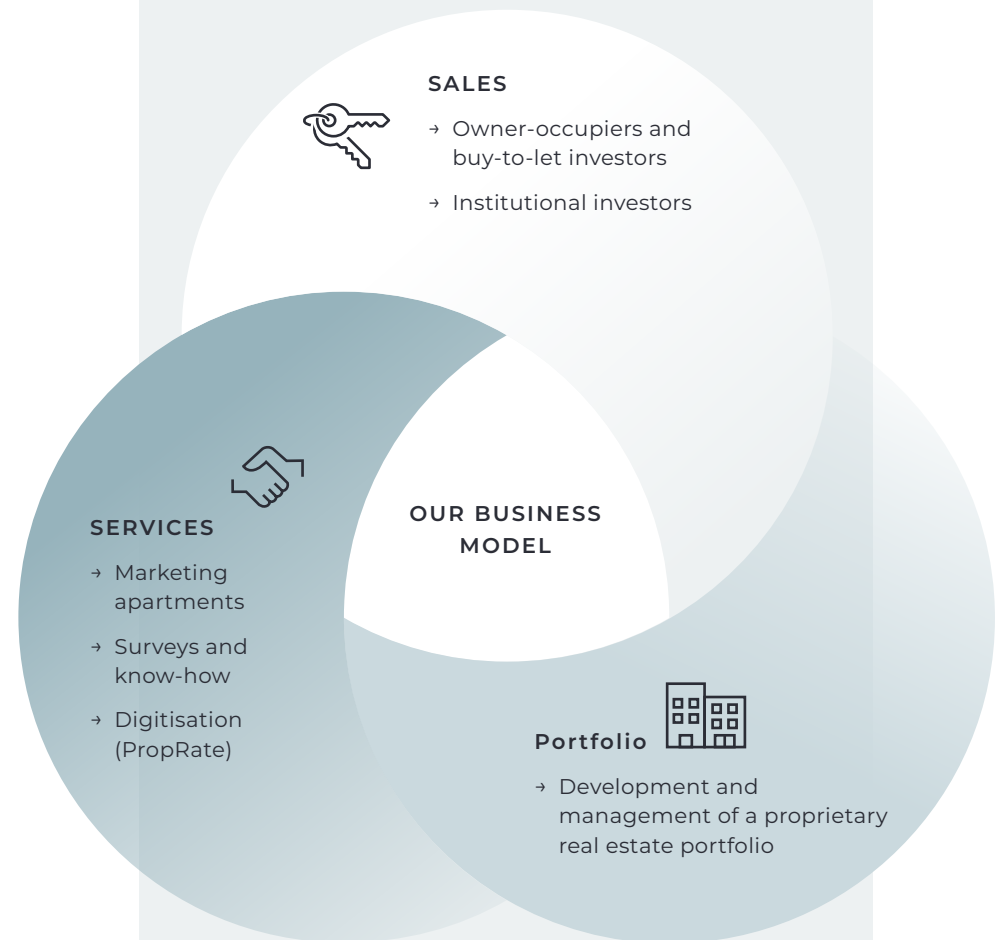
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## Our Company

ACCENTRO is a residential property investor and, with over 20 years in the business and more than 13,000 customers, is Germany's market leader in housing privatisations. In the years since 2009, we have sold more than 18,000 units with a total value of over EUR 2.0 billion.

**T**his track record underscores our smart strategic focus as well as our excellent market position. This includes our excellent reputation and our first-class real estate portfolio. In addition, we benefit from broad-based market access and a strong, far-reaching sales and marketing platform with international reach that includes more than 50 locations.





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With our focus on German residential real estate, we are addressing a market that continues to offer attractive growth potential over the long term. Even though the current difficult political and macro-economic environment is having a very negative impact on the demand for housing, the increasing demand is being offset by a supply of housing that is far too scarce. And this situation will become even more acute, as the creation of new housing in particular has come to a virtual standstill due to the prevailing crisis.

The business activities of ACCENTRO cover several segments. They include the tenant-sensitive sales of apartments to owner-occupiers and private buy-to-let investors, as well as sales of real estate portfolios, mainly to institutional investors. Another pillar is our proprietary real estate portfolio that we subject to value-add property upgrades before letting them. Finally, we are in the service business, marketing apartments on behalf of property asset holders, investors and developers.



Tegeler Weg,  
Berlin-Charlottenburg

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## Regional Focal Points

By year-end 2022, the real estate portfolio of ACCENTRO consisted of around 5,900 units overall.

**R**egional focal points, in addition to our home market in Berlin, include eastern German cities and conurbations, as well as the Rhine-Ruhr metro region. With our presence in regions with attractive parameters, we are very well positioned within the German real estate sector. The residential portfolio covers the entire spectrum from affordable subsidised housing to high-end apartment communities.



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## Letter to the Shareholders

**Dear Shareholders,  
Ladies and Gentlemen,**

We look back on an extraordinarily difficult year 2022. The war of aggression on Ukraine – and thus in the middle of Europe – has changed the usual tectonics, still scares many people in Europe today and has led to sometimes dramatic upheavals in the course of the past year. The exorbitant rise in energy prices and, as a consequence, inflation not seen for generations have led to massive uncertainty among consumers. On the capital markets, there has been an unprecedented destruction of value in almost all asset classes. The significant rise in interest rates, starting in the third quarter, and the still very problematic situation on the supply fronts have had a severe impact on the construction and real estate sector. The year 2022 was a difficult one.

Unfortunately, the positive development of the real estate sector, which had lasted for more than ten years, collapsed overnight. The immense increase in construction costs and the shortage of building materials and skilled workers have significantly slowed down new construction and increasingly led to standstills and even numerous cancellations of construction projects.

The slump on the supply side was followed by a slump on the demand side. The sharp drop in purchasing power and the simultaneous increase in financing costs have made many plans that people had for their own four walls obsolete: many people, especially younger people and families with medium incomes, can hardly



**LARS SCHRIEWER**  
Chief Executive Officer

afford home ownership at present. Accordingly, the purchase of a home is being postponed at best, and last year many purchase contracts were even cancelled. The result is an even greater need for rental flats, which has led to a further shortage of supply and thus a renewed increase in rents.

The difficult market environment has had a strong negative impact on the business development of most companies in the real estate sector in the past year. As a result, the share prices and thus the stock market valuations of many real estate companies have plummeted and are currently trading at a significant discount to their fair value. This also applies to ACCENTRO, whose net asset value per share was around EUR 10 at year-end 2022. After a still opera-

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tionally good first half-year, our company also suffered a significant slump in business development in the second half of the year. Consequently, the Management Board felt compelled to lower its forecast for 2022 at the end of November. In the end, turnover in the 2022 business year was EUR 165.2 million and earnings before interest and taxes (EBIT) EUR 8.5 million. We thus met the revised forecast, but were also significantly below the level of the record year 2021. The same applies to sales in individual privatisation, which remained significantly below the level of previous years with 244 units sold.

Despite the challenging market environment, we were able to successfully conclude an important project for the future strategic development of ACCENTRO. We succeeded in agreeing on a comprehensive refinancing concept for our two bonds with a total volume of EUR 350 million with our creditors. The approval was overwhelming at over 99% and demonstrates the great confidence of our investors in the good prospects and long-term positive business development of our company. ACCENTRO has thus created the financial basis for successful development in the coming years.

The outlook for the near future, and thus specifically the outlook for the year 2023, continues to be characterised by many uncertainties. An end to the Ukraine war is not in sight for the time being. A further escalation of the conflict cannot be ruled out – with unforeseeable consequences for the entire stability of Europe. Of course, the development of the war also has a direct influence on economic development. Although the forecasts of renowned German economic research institutes are a little more confident about the overall situation than they were last summer – anything is possible between a slight recession, stagnation and even minimal growth in Germany this year. The ifo business climate index, which has risen steadily in recent months, at least gives reason for hope. A certain easing is

also to be expected in the inflation rate. According to the calculations of many economic researchers, inflation should slow down somewhat in the course of the year. Little support for our market, on the other hand, can be expected from the European Central Bank. Further interest rate hikes are to be expected, so that the financing of residential real estate will tend to become more expensive.

Transferred to the housing market, this means that uncertainty will persist at least in the next few months and we do not expect a fundamental turnaround. The decisive factor will be how the economic framework conditions develop and whether this will lead to renewed investor confidence.

However, the good prospects for the housing market in Germany have not changed. The demand for housing continues to clearly exceed the scarce housing supply. And this effect is reinforced by the considerable decline in new construction activity. The federal government's target of building 400,000 dwellings annually nationwide was clearly missed not only last year with about 280,000 units built. According to experts, the target will not be reached in 2023 and most likely not in the years to come. In other words, the gap between supply and demand will widen even further.

In view of the continuing uncertainty about the overall economic development in Germany and the difficulty in assessing the development of the housing market this year, our company is continuing to take a long-term view. The Executive Board currently expects a turnover of between EUR 100 and 120 million and earnings before interest and taxes (EBIT) of between EUR 0 and 2 million for 2023.

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Much more important to us, however, are the positive prospects for ACCENTRO. Our company is well positioned in the market overall. We own an attractive property portfolio of around 180 apartment buildings and 5,900 flats with an area of approximately 344,000 square metres. The book value of the entire portfolio is around EUR 620 million. Our pipeline for individual privatisation with a market value of around EUR 285 million has its regional focus in Berlin, one of the most attractive residential markets in Germany. ACCENTRO's good reputation and excellent sales strength are more than ever an important competitive advantage. Furthermore, our rental portfolio offers additional potential for value appreciation, which we aim to leverage through a continuous reduction in vacancies.

The German housing market will continue to have attractive growth opportunities in the future. And every player is challenged to seize its opportunities and at the same time - especially in a currently difficult phase - to find new ways. Among other things, ACCENTRO sees a lot of potential in digitalisation and has invested extensively in the development of innovative applications in recent years. But politicians are also called upon to create incentives so that home ownership in Germany does not become a luxury good. If everyone pulls together, we can achieve a lot.

Thank you for your trust!



**Lars Schriewer**

Chief Executive Officer

## Report by the Supervisory Board

**Dear Shareholders,  
Ladies and Gentlemen,**

During the 2022 financial year, the Supervisory Board of ACCENTRO Real Estate AG diligently performed its duties as prescribed by law and the Articles of Association. Regular meetings and individual discussions were held. The Supervisory Board was also available to the Executive Board outside of the meetings in an advisory capacity and monitored its activities. It was always comprehensively involved by the Executive Board in important decisions at an early stage, informed itself about the course of business, plans for business expansion and all relevant issues affecting the company, and passed the necessary resolutions. The Supervisory Board was directly involved in all decisions of fundamental importance for the company.

### Supervisory Board and Management Board Changes

There were no personnel changes on the Supervisory Board in the 2022 financial year.

There were also no personnel changes on the Management Board of ACCENTRO Real Estate AG in the 2022 financial year. In the reporting period, Mr Lars Schriewer was the sole member of the company's Management Board.

### Meetings and Supervisory Activities

During the reporting period, the Supervisory Board held four face-to-face meetings, on 30 April, 15 July, 21 September and 8 December 2022. The meetings regularly focused on the general business development of ACCENTRO Real Estate AG, acquisition and sales transactions, the financial situation of the Group, and other developments relevant to the growth of the company. All members of the Supervisory Board participated in each of the Supervisory Board meetings. The members of the Management Board regularly attended the meetings of the Supervisory Board. When necessary, the Supervisory Board met without the Management Board.

There was also a constant exchange of views between the Management Board and the Supervisory Board outside of the Supervisory Board meetings. All decisions and measures requiring approval were extensively discussed and resolutions were made based on the consultations. In addition, the Management Board informed the Supervisory Board in written quarterly reports about the course and situation of the company as well as about the business policy pursued and other fundamental issues of corporate planning. Based on written and oral reports by the Management Board, the Supervisory Board discussed the business development and the situation of the company in its consultations. In addition, there was an exchange of information and ideas between the Management Board and the Chairman of the Supervisory Board.

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Deviations from the plans that occurred in the course of business were explained to the Supervisory Board by the Management Board and discussed with it. It was also reviewed to what extent the resolutions, suggestions and recommendations of the Supervisory Board were subsequently considered or implemented by the Management Board in the management of the company. In addition, the Supervisory Board generally reviews the legality, regularity and expediency as well as the economic efficiency of significant measures taken by the Management Board. One focus of the Supervisory Board's review and advisory activities in the reporting period was on the refinancing of the 2020/2023 bond and the 2021/2026 bond as well as the associated strategic decisions.

### Committees

According to the Articles of Association, the Supervisory Board consists of three members. Against this background, the Supervisory Board has not formed any committees – except for the audit committee, which by law consists of the three Supervisory Board members. Apart from that, the Supervisory Board has not set up any committees because it considers that three Supervisory Board members is a sufficient number to function effectively even in joint representation. The Supervisory Board also considers that the formation of committees, which must comprise at least two, and if a quorum is present, at least three persons, is not appropriate for a Supervisory Board of this size.

All members of the Supervisory Board have dealt with the entirety of the tasks of the Supervisory Board within the scope of their activities.

### Conflicts of Interest

Conflicts of interest involving Management Board and Supervisory Board members were neither reported nor occurred in the past financial year.

According to the recommendation of the German Corporate Governance Code, members of the Supervisory Board should not exercise any executive functions or advisory tasks for significant competitors of the company and should not have a personal relationship with a competitor. However, the Supervisory Board members Axel Harloff and Carsten Wolff exercised board functions at competitors. Mr Harloff was Chairman of the Supervisory Board of Consus Real Estate AG, Berlin, until 16 May 2022 and a member of the Management Board of ERWE Immobilien AG, Frankfurt am Main, until October 2022. Mr Wolff is a member of the Management Board (CFO) of A.D.O. Group LTD, Tel Aviv, Israel, and a member of the Supervisory Board of Eurohaus Frankfurt AG, Berlin, both of which are wholly owned subsidiaries of ADLER Real Estate AG. In addition, Mr Wolff was a member of the Supervisory Board of ERWE Immobilien AG, Frankfurt am Main, until 25 May 2022. In the opinion of the Supervisory Board, this did not give rise to any relevant conflicts of interest in the 2022 reporting period. Through constant dialogue and examination of the facts in individual cases, precautions are taken to ensure that no relevant conflicts of interest will arise in this regard in the future.

### Corporate Governance

The Supervisory Board dealt with the corporate governance principles within the company. The Supervisory Board and the Management Board of ACCENTRO Real Estate AG share the view that the German Corporate Governance Code contains nationally and internationally recognised standards of good and responsible corporate governance that serve to manage and monitor German listed companies.

Pursuant to § 161 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of a listed company must issue an annual declaration on the extent to which the recommendations of the "Government Commission on the German Corporate Governance Code"



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have been and are being complied with. The current declaration from March 2023 refers for the respective period of validity in each case to the Code in its version of 16 December 2019, which was published in the Federal Gazette on 20 March 2020, or its version of 28 April 2022, which was published in the Federal Gazette on 27 June 2022. The wording of the declaration is published on the company's website [HTTPS://INVESTORS.ACCENTRO.DE/EN/DECLARATION-OF-COMPLIANCE](https://investors.accentro.de/en/declaration-of-compliance).

Furthermore, the declaration of compliance, as well as the annual financial statements and management report and the other documents required by law to be disclosed, are published in the Federal Gazette and submitted to the company register.

### Annual and Consolidated Financial Statements

The Annual General Meeting appointed Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as auditor for the financial year from 1 January to 31 December 2022. The auditor was subsequently commissioned by the Supervisory Board. The auditor's declaration of independence was obtained.

The annual financial statements of the Company and the consolidated financial statements, including the management report and Group management report for the financial year 2022, submitted by the Executive Board were audited by the appointed auditor and issued with an unqualified audit opinion.

The Executive Board submitted the annual financial statements, the consolidated financial statements and the consolidated management report combined with the management report, as well as the auditor's reports on the audit of the annual financial statements and the consolidated financial statements to the Supervisory Board for review in due time. At its balance sheet meeting on 27 April 2023, the Supervisory Board discussed in detail

with the Executive Board the documents relating to the annual financial statements and the reports, in particular the issues relating to the valuation of current and non-current assets. At this meeting, the auditor reported on the main results of the audit and was available to the Supervisory Board to provide additional information.

Based on its own examination of the annual financial statements, the consolidated financial statements and the combined management report for the company and the Group, the Supervisory Board approved the results of the audit by the auditor and determined that no objections were to be raised after the final results of its examinations. The auditor also determined that the Executive Board has set up an appropriate information and monitoring system which, in its design and operation, is suitable for the early detection of developments that could jeopardise the continued existence of the company; the Supervisory Board shares this opinion. In its resolution of 27 April 2023, the Supervisory Board approved the annual financial statements, which are thus adopted in accordance with § 172 AktG, as well as the consolidated financial statements. The Supervisory Board concurred with the proposal for the appropriation of profits.

### Dependent Companies Report 2022

The Supervisory Board reviewed and approved the report on relations with affiliated companies prepared by the Executive Board in accordance with § 312 AktG. Based on the findings of its review, the Supervisory Board raised no objections to the declaration of the Executive Board at the end of its report pursuant to § 312 AktG.

The auditor, Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, did not raise any objections during its audit of this report; the audit result is in line with the findings of the Supervisory Board. The auditor issued an unqualified audit opinion on this report:

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“Following our audit and assessment in accordance with professional standards, we confirm that

1. the factual statements in the report are correct
2. the payments made by the companies in the legal transactions listed in the report were not unreasonably high.”

### Members of the Supervisory Board

The Supervisory Board consists of shareholder representatives pursuant to Art. 96, AktG, these being: Messrs. Axel Harloff (Chairman), Carsten Wolff (Deputy Chairman) and Natig Ganiyev.

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, 27 April 2023

**Axel Harloff**

Chairman of the Supervisory Board

## Coporate Governance Report

### Declaration of Compliance 2023

Pursuant to § 161 of the 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. The full-length version of the declaration is available at [HTTPS://INVESTORS.ACCENTRO.DE/EN](https://investors.accentro.de/en) on the Company’s homepage.

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

“Since the submission of its most recent declaration of conformity on 31 March 2022, ACCENTRO Real Estate AG followed the recommendations of the German Corporate Governance Code (DCGK) during its respective effective periods pursuant to its old version dated 16 December 2019, which was published in the Federal Gazette on 20 March 2020 (“**Code OV**”) and has followed them pursuant to its new version dated 28 April 2022, which was published in the Federal Gazette on 27 June 2022 (“**Code NV**”, together with Code OV referred to as “**the Code**”), and will continue to follow the Code’s recommendations in future, with the following exceptions:

### Code NV Recommendations A.1 and A.3 (Consideration of sustainable objectives)

In 2022, the Company started to develop a sustainability strategy and to make the corresponding organisational preparations. However, the process has not advanced far enough to permit the conclusive identification of the social and environmental factors relevant for the Company’s business activities, their subsequent integration into the corporate strategy and planning, nor the definition of targets derived from them. As a result, the Company will not be able to follow recommendation A.1 any time soon. Nevertheless, the legal requirements have been, and continue to be, met.

### Code NV Recommendation A.5 (Attributes of the internal control system and risk management system)

According to Recommendation A.5 of the German Corporate Governance Code 2022, the management report should describe the essential characteristics of the entire internal control system and of the risk management system, and should moreover assess the adequacy and effectiveness of these systems. The management report meets the legal requirements, and specifies the key attributes of the internal control system and of the risk management system. However, the Company abstained from assessing the adequacy and effectiveness of these systems because both the Supervisory Board and the Management Board in its supervisory function found no issues in regard to their adequacy and effectiveness.

### 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. When recruiting 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. The Management Board and Supervisory Board will always conduct talks about a term extension in good time before a given board member’s service contract 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 much better served by the option to draw on the long-term know-how of individual board members from time to time.

**Code NV Recommendation C.1 (Competency profile of the Supervisory Board, qualification matrix, sustainability)**

A competency profile has been compiled for the Supervisory Board that focuses on long-term experience and in-depth expertise in the real estate sector and in the commercial area. However, the competency profile does not currently focus on extensive experience in the area of sustainability. The Supervisory Board is intensively involved in the development of a sustainability strategy for the Company. Due to the size of the body, with its three members and the extensive experience of all members, the corporate governance statement includes no qualification matrix that reflects on the progress made in the implementation of the competency profile.

**Code Recommendation C.2 (Age limit for Supervisory Board members)**

In the eyes of the Supervisory Board, no age limit is needed to ensure the effectiveness and success of its work, with the result that the Company has deviated, and continues to deviate, from this recommendation.

**Code Recommendation C.12 (No board functions or advisory roles for significant competitors)**

Members of the Supervisory Board should not exercise any board functions or advisory roles for significant competitors of the Company, nor should they maintain personal ties with a significant competitor. Yet the Supervisory Board members Axel Harloff and Carsten Wolff did exercise board functions for competitors. Axel Harloff was Chairman of the Supervisory Board of Consus Real Estate AG, Berlin, until 16 May 2022 and member of the Management Board of ERWE Immobilien AG, Frankfurt am Main, until October 2022.

Carsten Wolff is CFO and thus a member of the Board of Directors 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. In addition, Carsten Wolff was a member of the supervisory board of ERWE Immobilien AG, Frankfurt am Main, until 25 May 2022. The Supervisory Board believes that the situation caused no relevant conflicts of interest during the 2022 reporting period. Constant dialogue and a review of the facts and circumstances of each case act as safeguards to prevent the occurrence of any relevant conflicts of interest in future, too.

**Code Recommendations D.2 and D.4 (Code NV) / D.5. (Code OV) (Formation of Supervisory Board committees)**

With the exception of the audit committee, the Supervisory Board has so far refrained, and will continue to refrain, from forming committees except for the audit committee. Specifically, it will refrain from forming a nomination committee, as it considers three Supervisory Board members a sufficient number to function effectively even in joint representation, and because it would seem unreasonable, given the size of the Supervisory Board, to form committees, which must include at least two people or, for a quorum, at least three people.

**Code NV Recommendation D.3 (Competencies in sustainability reporting)**

None of the Supervisory Board members appointed since 2019 or 2020, as the case may be, have extensive expertise and experience in the area of sustainability reporting and the auditing of sustainability reports. The Supervisory Board sees no need for new appointments to the board at this time. But as soon as a new member to the Supervisory Board is to be elected, the Code recommendation should be taken into account,

**Code NV Code Recommendation D.11 / Code OV 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 NV Code Recommendation D.12/Code OV 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, given the size of the Supervisory Board.

#### **Code Recommendation F.2 (Publication of interim financial information during the course of the year)**

Due to organisational procedures, ACCENTRO Real Estate AG does not publish its interim reports within 45 days after the end of the reporting period and the consolidated financial statements and the Group management report within 90 days after the end of the financial year. The requirements of the stock exchange regulations and the legal requirements regarding the half-yearly financial report in accordance with Section 115 of the German Securities Trading Act (WpHG) are complied with in all cases. ACCENTRO Real Estate AG aims to comply again with the Code's recommendation regarding the consolidated financial statements and the Group management report for the 2023 financial year.

#### **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 or 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 made it impossible for the Board to conclusively define a target

remuneration just yet. From the Supervisory Board's perspective, a retrospective breakdown of the remuneration will not be necessary.

#### **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 Management Board service contract in effect prior to June 2022 did not provide for a long-term variable remuneration component, and in this sense deviated from the recommendation that the variable remuneration defined by the achievement of long-term targets should exceed the share defined by short-term targets. In the Supervisory Board's opinion, no such provision was necessary to create an incentive for the work of the Management Board because the latter was sufficiently motivated by the existing variable remuneration plan to act in the long-term interest of the Company. The Management Board member's service contract that has been in effect since June 2022 now actually includes a long-term variable remuneration component whose target cash value exceeds the target value of the short-term variable remuneration component when calculated for the financial year as a whole, and so the recommendation will be followed as of the 2023 financial year.

Since the Chief Investment Officer, Dr. Gordon Geiser, was only appointed for an interim period of two years as of 10 February 2023, the Supervisory Board has felt, and continues to feel, that agreeing to long-term goals is not the right way to create proper incentives for this particular member of the



Management Board. Accordingly, the Company deviated, and continues to deviate, from Recommendation G.6.

#### **Code Recommendation G.10 (Granting shares, vesting period)**

The Management Board member's service contract that was in effect prior to June 2022 did not include provisions granting variable remuneration components that consisted of shares or were share-based. As a result, the contract deviated from the recommendation to grant, with the tax burden of the respective Management Board member taken into account, variable remuneration amounts that are primarily invested in Company shares or are share-based in some other way. In the Supervisory Board's opinion, no such provision was necessary to create an incentive for the work of the Management Board because the latter was sufficiently motivated by the variable remuneration plan effective at the time to act in the long-term interest of the Company. The Management Board member's service contract that has been in effect since June 2022 now actually includes a long-term variable remuneration component whose target cash value exceeds the target value of the short-term variable remuneration component when calculated for the financial year as a whole, and so the recommendation will be followed as of the 2023 financial year. 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 to motivate the Management Board to seek a long-term and sustainable development of the Company. However, it is intended to follow the recommendation whenever new members of the Management Board are to be appointed or existing employment contracts with board members are to be renewed.

Since the Chief Investment Officer, Dr. Gordon Geiser, was only appointed for an interim period of two years as of 10 February 2023, the Supervisory

Board has felt, and continues to feel, that share-based remuneration components are not an effective way to create proper incentives for this particular member of the Management Board. Accordingly, the Company deviated, and continues to deviate, from Recommendation G.10.

Agreements regarding a share-based remuneration scheme exist between the main shareholder and Management Board member Lars Schriewer, which is recognised pursuant to IFRS 2 as remuneration expense 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. In the opinion of the Supervisory Board, there is no need for a retention or claw-back provision on top of the existing variable remuneration components to create sufficient incentives for a sustainable corporate governance framework committed to the welfare of society.

#### **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-by-case basis, so as to satisfy the purposes of severance payment and waiting allowance in each case.

Berlin, 16 March 2023

For the Management Board:

**Lars Schriewer**  
Chief Executive Officer

For the Supervisory Board:

**Axel Harloff**  
Chairman of the Supervisory Board

## The ACCENTRO Share

### Capital Market

#### Weakest stock market year in four years

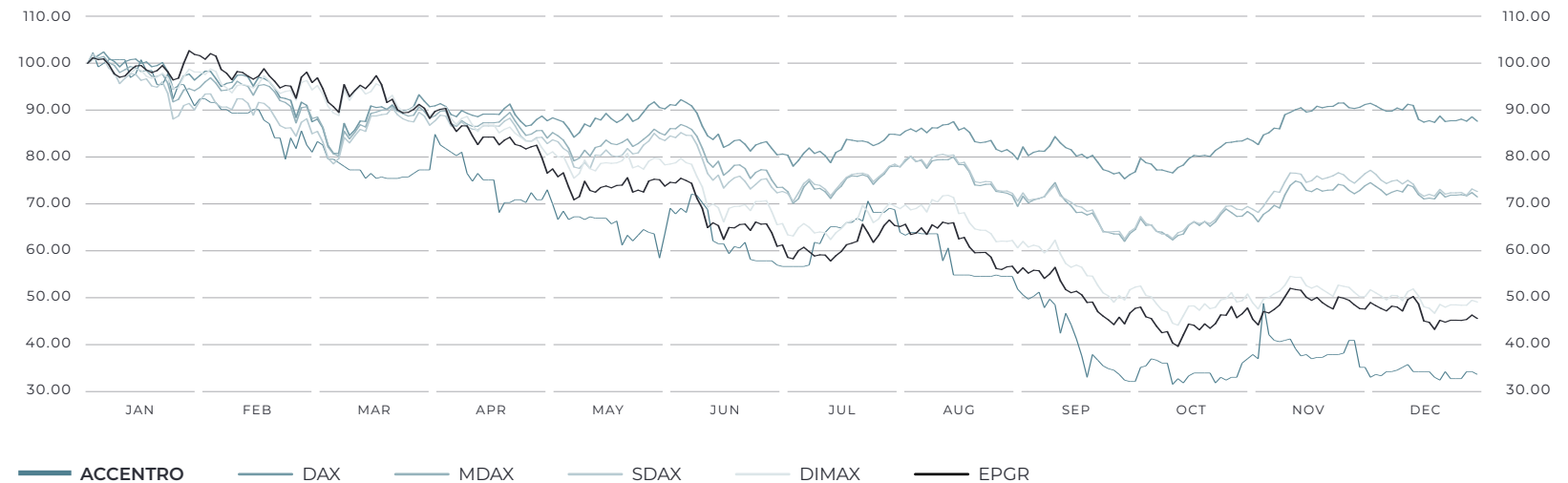
The geopolitical situation and concerns about the global economy have weighed heavily on the financial markets over the past year. Against a background of high inflation, dynamically rising interest rates and energy prices, significant supply chain disruptions, a general threat of recession and the ongoing war in Ukraine, both the stock and bond markets have come under heavy pressure.

The German share index (DAX), for example, recorded its worst performance in four years, losing 12.3% to 13,924 points. The MDAX was even weaker with a loss of 28.5% (25,118 points), as was the SDAX with a loss of 27.4% (11,926 points).

The German real estate indices performed even worse. In addition to the numerous negative factors mentioned above, rising construction costs as well as considerable delays and often complete standstills in many construction projects weighed on the price performance of most real estate shares. Thus, the German Real Estate Stock Index (DIMAX) recorded a minus of 50.9% (79 points) last year, while the EPRA Index Germany even fell by 54.4% (623 points).

The ACCENTRO share was also unable to escape the negative development of the real estate sector, losing 66.4% over the course of the year (Xetra closing price on 30 December 2022: EUR 2.22). In addition to the generally difficult capital market environment, the negative events and developments surrounding the real estate company Adler Group (a minority shareholder of ACCENTRO AG) as well as the long-term refinancing of the two corporate bonds with a total value of EUR 350 million that was

### ACCENTRO SHARE PERFORMANCE FROM 1 JANUARY TO 31 DECEMBER 2022



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successfully completed in March 2023 in a challenging market environment influenced the share price performance last year.

### ACCENTRO Successfully Concludes Long-term Refinancing Concept

ACCENTRO has successfully concluded a comprehensive refinancing transaction. All conditions necessary to implement the refinancing of the 2020/2023 bond (in the amount of EUR 250 million) and the 2021/2026 bond (in the amount of EUR 100 million) have been met. As a result, all of the changes became effective. These include, inter alia, an extension of the terms of both bonds by three years each (to 2026 and 2029, respectively) and an increased interest rate for both bonds by two percentage points each (to 5.625% and 6.125%, respectively). The investors' reassuring approval of the long-term refinancing concept demonstrates their deep faith in the bright prospects of ACCENTRO. As a result, the company is financially well positioned. It is a decisive basis for the successful further development of ACCENTRO.

For detailed information on our two outstanding bonds, please go to our website at [HTTPS://INVESTORS.ACCENTRO.DE/EN/SHARE-AND-BONDS](https://investors.accentro.de/en/share-and-bonds)

### Shareholder Structure

The subscribed capital of ACCENTRO Real Estate AG remained unchanged at EUR 32.44 million as of 31 December 2022. It is composed of 32,437,934 no-par value bearer shares. According to the latest published voting rights notifications, 83.10% of the shares of ACCENTRO Real Estate AG are held by Brookline Real Estate S.à r.l. and 4.78% by Adler Real Estate AG. The remaining 12.12% are held by other investors. An overview of the shareholder structure can be found in the adjacent chart. According to the Deutsche Börse's definition, the free float amounts to 16.9%.

### SHAREHOLDER STRUCTURE

AS OF 31 DECEMBER 2022

4.78%

ADLER Real Estate

12.12%

Others

83.10%

Brookline Real  
Estate S.à r.l.

### Investor Relations Activities

ACCENTRO attaches great importance to investor relations work. An essential factor here is the regular and transparent exchange with our shareholders and other relevant capital market participants. This was done last year, on the one hand, as part of reporting on business performance in the quarters and, on the other hand, through regular exchanges with our shareholders, financial analysts and other interested capital market participants. The company also participated in several investor conferences in 2022. Our goal is to further expand our investor relations activities in the future. To this end, we plan, among other things, to increase our participation in investor conferences and to hold more investor roadshows in Germany and abroad.

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### INVESTORS' CONFERENCE PARTICIPATIONS 2022

18 January 2022	UniCredit Kepler Cheuvreux German Corporate Conference (virtual)
05 May 2022	SdK Investor Forum (virtual)
02 June 2022	Quirin Champions Conference (virtual)
06 September 2022	Equity Forum Autumn Conference, Frankfurt am Main
13 September 2022	SRC Forum Financials & Real Estate, Frankfurt am Main
13 October 2022	Real Estate Salon, Vienna

### ACCENTRO SHARE

#### PERFORMANCE 2022 (EUR)

Highest price (3 January 2022)*	6.75
Lowest price (12 October 2022)*	2.08
Closing price (31 December 2022)*	2.22
Market capitalisation (31 December 2022)*	72,012,213.48

#### MASTER DATA

Initial listing	2 April 2007
Number of shares	32,437,934
Share capital (EUR)	32,437,934
Free float (%)	16.9
WKN/ISIN	A0KFKB/DE000A0KFKB3
Ticker symbol	A4Y
Share type	Bearer shares
Stock market	Frankfurt Stock Exchange
Segment	Regulated Market (Prime Standard)

\* Closing prices Xetra trading

### Analysts' Ratings

#### Analysts see significant upside potential in ACCENTRO shares

Currently, seven financial analysts follow the development of ACCENTRO Real Estate AG. They are in regular contact with our Management Board and Investor Relations department and publish written comments on the company's business development and strategic orientation several times a year. Currently, six analysts have issued a buy recommendation. Another analyst has temporarily suspended his rating. The analysts' average target price is currently EUR 7.40, which, based on the share price on 30 December 2022 (Xetra closing price: EUR 2.22), corresponds to an upside potential of almost 230%.

### ANALYSTS' RATINGS

ANALYST	INSTITUTION	RECOMMENDATION	PRICE TARGET
Philipp Kaiser	Warburg Research	Buy	EUR 6.20
Dr. Adam Jakubowski	SMC-Research	Buy	EUR 5.20
Klaus Soer	Quirin Privatbank	Buy	EUR 10.00
Stefan Scharff, Christopher Mehl	SRC-Research	Buy	EUR 7.00
Ferran Tort Barniol*	Kepler Cheuvreux		
Winfried Becker	FMR Frankfurt Main Research	Buy	EUR 10.00
Patrick Speck	Montega AG	Buy	EUR 6.00

\* Rating temporarily suspended



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## Preliminary Remarks

This Summarising Management Report refers to the consolidated financial statements of ACCENTRO Real Estate AG (hereinafter “ACCENTRO AG”) and to the annual financial statements of ACCENTRO AG. In its role as holding company of the ACCENTRO Group, ACCENTRO AG holds interests in associates, and handles central tasks for the Group. Accordingly, the Company’s situation is determined by the situation and development of the Group. This is why a Summarising Management Report is prepared. All of its disclosures apply both to the Group and to the separate financial statements of ACCENTRO AG unless specifically stated otherwise. Accordingly, this Summarising Management Report is based on the consolidated financial statements of ACCENTRO AG, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) the way they are to be applied in the European Union, and on the financial statements of ACCENTRO AG prepared in accordance with the provisions of the German Commercial Code (HGB).

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 up 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 federal 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 development 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 long-term growth potential of Germany’s 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 a residential property investor, property asset holder and service provider. In the process, the Group combines the 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 2022, the overall real estate portfolio of the ACCENTRO Group comprised 5,903 units, including those whose deeds were already notarised while the transfer of benefits and burdens was still pending by the balance sheet date.

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### 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 Group, ACCENTRO Real Estate AG assumes the top-down responsibilities of corporate controlling and administration. ACCENTRO Real Estate AG's sphere of ownership includes core divisions such as Legal, Accounting, Controlling, Risk Management, Funding, Purchasing, Sales, Marketing, Project Management, Technical and Commercial Asset Management. ACCENTRO AG is controlled via its annual net income.

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 supervised and controlled by ACCENTRO and which are therefore not included as subsidiaries in its consolidated financial statements. The Company's equity investments (normally representing interests of 20% or less) are recognised and measured at their fair value through other comprehensive income (FVOCI).

The at-equity companies (normally representing interests of 20% to 50%) are recognised at their historical cost and subsequently measured at the amortised pro-rata equity and with amortised hidden reserves or encumbrances or goodwill, if any, taken into account. Any changes in fair value are recognised in the income statement. 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.

The Management Board controls the Group's investment and sales activities. It defines the strategic development, makes important decisions and monitors the achievement of objectives. On the Group level, a long-term plan covering a four-year period is prepared, renewed and updated annually on the basis of the preceding year's figures, of the market environment and of the strategy. The defined control variables and key ratios integrate assessments of the industry in general. The Company submits its business plan for subsequent years to the Supervisory Board at the beginning of each year. Periodic performance reviews are carried out within the scope of central quarterly reporting. Central Controlling prepares reports and monitors specifically the "consolidated earnings before interest and taxes (EBIT)" and "consolidated revenues" key ratios (performance indicators) as key financial performance indicators for the Group management compared to the planning figures.

In regular meetings with the second-tier management, the Management Board is regularly briefed on the market situation and the business development, and redirects the Company's course of action together with the relevant segment owners if necessary. Once a year, the planning is subjected to a comprehensive review.

Definitive control of the ACCENTRO Group is exerted not least on the segment level, and may be structured in various ways. The business of ACCENTRO AG divides into three segments in line with the Company's internal control: "trading and privatisation business," "portfolio business" and "fee-based and service business." There has so far been no EBIT breakdown by segments, and the only key ratio monitored and controlled, aside from revenues, is the contribution margin. That said, segment reporting is in the process of being set up and will cover the EBIT level as early as next year.

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In the “trading and privatisation business,” control variables monitored 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 the 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.

The key ratios definitively controlling the “portfolio business” segment include revenues, vacancy rate, CAPEX and average square-metre rent.

The main key ratios of the “fee-based and service business” represent primarily revenues, acquisition volume and the time remaining to the acquisition if purchase guarantees are involved.

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 399,207 (previous year: TEUR 416,352) are subject to contractual covenants toward the compliance with certain financial ratios (financial covenants) that concern the two bonds and three property financing arrangements as of 31 December 2022. The covenants were suspended in conjunction with the bond refinancing arrangement as of 31 December 2022. The financial ratios refer essentially to industry-standard covenants relating to the limitation of net debt, the limitation of collateralised liabilities and to the so-called 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

Germany's macroeconomic development in 2022 was essentially defined by the repercussions of the war in Ukraine. They include the high rate of inflation, which was reflected in significantly increased food and energy prices, as well as material and supply bottlenecks, and a serious shortage of skilled labour. At the same time, the coronavirus pandemic, which extended into 2022 even though it abated over the course of the year, continued to impact the economic development. That said, the German economy coped well last year, and achieved an inflation-adjusted gross domestic product (GDP) growth of 1.9% over prior year, according to calculations by the Federal Statistical Office (Destatis). This means the GDP was 0.7% higher than it had been in 2019, the year before the outbreak of the coronavirus pandemic. The average inflation rate increased significantly in 2022 and amounted to 7.9% (previous year: +3.1%), according to Destatis.

But even adjusted for inflation, the economic output increased in all sectors of the German economy, except in the building trade. The biggest gains were achieved in the sectors "other service providers" (incl. the entertainment industry) with 6.3% and "trade, transportation, hospitality" with 4.0%. These benefited from catch-up effects that kicked in once the majority of the pandemic-related lockdown measures were lifted over the course of 2022.

While the manufacturing industry virtually flatlined with a growth rate of 0.2% due to high energy prices and the limited availability of intermediate products as a result of supply chain disruptions, the economic output of the building trade continued to decline, this time by -2.3%. Key factors to explain the downtrend include material shortages and the short supply of skilled labour as well as high construction costs and unfavourable terms of financing.

One of the main growth drivers in 2022 was private consumer spending, which increased by 4.6% year on year when adjusted for inflation. This means it nearly regained the level of the pre-crisis year of 2019. Here as elsewhere, catch-up effects after the vast majority of coronavirus restrictions were repealed represented the main reason for the brisk growth. By contrast, government consumption spending only perked up by a modest 1.1%, adjusted for inflation, after the previous two years, which were strongly defined by the pandemic. Investments in new equipment continued to increase, this time by an inflation-adjusted 2.5%, whereas building investments declined by 1.6%.

The export of goods saw another significant increase by 3.2%, adjusted for inflation, which means it only trailed the level of 2019 by the narrowest of margins. Imports went up as well, increasing by an inflation-adjusted 6.7%.

The development of Germany's labour market in 2022 followed relatively stable lines despite the strains caused by the war in Ukraine. According to the Federal Labour Agency, the jobless figure increased by 124,000 persons year on year in December 2022, rising to a total of 2,454,000. As a result, the unemployment rate went up by 0.3 percentage points to 5.4% during the reporting period.

### Developments on the German Housing Market in 2022

The year of 2022 was defined by numerous geopolitical jitters. These were mainly triggered by the war in Ukraine. But they were also due to the coronavirus pandemic which, even as it abated across the globe, continued to cause significant restrictions in major countries like China. Demand for real estate after a boom cycle of many years was impacted by the high rate of inflation and the surge in lending rates it prompted, on the one hand, but also by the fact that the high level of property prices was slow to soften, on the other hand.

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### Residential Investment Market Still Stable during the First Half-Year

Within an increasingly demanding macroeconomic environment, Germany's residential investment market still maintained a stable trend during the first six months of 2022. The transaction volume in the category of large-scale residential portfolios added up to c. EUR 7 billion by mid-year, according to BNP Paribas Real Estate GmbH, and thus trailed the long-term average by 19%.

According to figures released by the Association of German Mortgage Credit Banks (vdp), prices for apartments, detached homes and multi-family houses continued to see significant growth. Specifically, residential property prices in Germany increased by 2.5% quarter on quarter during Q2 2022 and by 10.1% over prior-year period. Among the German metropolises, the fastest price growth was registered in Berlin with 11.9% and in Munich with 11.6%. New-tenancy rents also continued to go up during the second quarter of 2022, exceeding the prior-year level by 4.4% at mid-year.

### Residential Property Market Taking a Nose Dive during Second Half-Year

The slow economy, the high inflation rate, and the sharp increase in lending rates caused the German residential investment market to experience a massive slump during the second half of the year, normally a time of a particularly strong performance for the industry, and this had adverse consequences for the performance of 2022 as a whole. According to an analysis by BNP Paribas Real Estate GmbH, c. EUR 13.1 billion were invested in larger housing portfolios (of 30 residential units or more) nationwide last year. The figure falls about 74% short of the record result of 2021, although it should be remembered that the prior-year total included the takeover of Deutsche Wohnen by Vonovia for more than EUR 22 billion. It makes more sense therefore to compare the figure with the long-term average, which it undercut by around one third. The decline was primarily characterised by the absence of M&A transactions and more reticence on the part of investors following the interest rate reversal.

The same analysis by BNP Paribas Real Estate suggests that Germany's seven Class A cities remain the investment hotspots, accounting for 47% of the nationwide transaction volume with a sum total of c. EUR 6.2 billion. This sum, too, undercuts the long-term average by about one third. Berlin once again topped the list with a volume of EUR 3 billion. However, it was also the year with the lowest sales total for the German capital since 2014.

In its survey of the German investment market in 2022 ("Deutschland Investmentmarkt 2022"), CBRE analogously noted a significant drop in transaction volume and stated that review and decision-making processes, particularly those for large-volume transactions, take considerably longer now. The survey also argues that tightened terms of financing, especially in the form of higher total funding costs as well as the stricter requirements for loan approvals by banks, have stood in the way of brisker investment dynamics.

### Residential Property Prices Softening during H2 – Coinciding with Stable Rental Growth

Figures released by the Association of German Mortgage Credit Banks (vdp) reveals that the price dynamics of residential real estate slowed considerably during the second half of 2022. To be sure, prices still rose by 6.1% over prior year during the third quarter. But quarter on quarter, Q3 was the first quarter in years that registered a drop, as prices declined by 0.7%.

The trend consolidated in the fourth quarter, with the price growth continuing to lose in momentum. Compared to the prior-year quarter, prices increased by 2.1% in general and in the seven Class A or "Big 7" cities by 2.2%. Quarter over quarter, prices declined by 1.8% nationwide and by 2.0% in the "Big 7" cities. Berlin showed the strongest growth among these metropolises. Residential property prices here increased by 4.6% year on year during the fourth quarter while softening by a modest 0.7% quarter over quarter.



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In contradistinction to the price development, rents were subject to stable growth. According to the vdp stats, new-tenancy rents increased by 1.6% quarter on quarter during Q3 2022 and by 4.8% compared to the prior-year period.

The upward trend continued during the fourth quarter of 2022 with an increase of new-tenancy rents by 6.5% year on year and 1.9% quarter on quarter.

### Building Finance Rates and Construction Costs Rising Rapidly – Steep Drop in Construction Financing

Interest rates for ten-year loans almost quadrupled in 2022. From about 1% p. a. at the start of the year, they ascended to about 3.8% p. a. by its end.

In combination with the high construction prices, the financial burden thereby created has become too much to bear for many people. According to figures by the Federal Statistical Office (Destatis), they increased by an annual average of 16.4% over prior year for the new-build construction of residential buildings in Germany in 2022. The massive price hike is essentially attributable to the rapidly increased costs for energy and building materials caused by supply bottlenecks in the wake of the war in Ukraine but also by the lingering effects of the coronavirus pandemic.

Demand for construction financing plummeted as a result of the surge in interest rates and in construction costs. According to an analysis conducted by Barkow Consulting, new lendings that German banks granted in the form of mortgage loans to private households and self-employed persons sank by 43% in December 2022 compared to the same month the previous year. It also suggested that the December decline marked the fourth consecutive record low. With a volume of EUR 13.5 billion, new lendings dropped to their lowest level since June 2011. Compared to the record volume of EUR 32.3 billion of March 2022, this implies a drop by almost 60%. Data released by Schufa, a German credit protection agency, show that the

downward trend continued in January 2023 as the lending volume decreased by 41% over prior year.

According to an estimate by financial intermediaries (Interhyp, Dr. Klein), the interest in real estate investments among private investors, on the one hand, is flagging because buying property in the present environment has ceased to be profitable. Many owner-occupiers, on the other hand, simply lack the financial wherewithal to buy. Similarly, the Spring Report by the ZIA German Property Federation noted that German households have an increasingly hard time shouldering debt-financed property acquisitions because the increase in interest rates and costs of living coincides with a decline in disposable income levels.

As figures released by construction finance broker Hüttig & Rompf show, real estate buyers need to bring significantly more equity capital to the table now when borrowing. In 2021, owner-occupiers contributed an average of c. EUR 111,000 in equity to the construction or acquisition of a property. This amount increased by well over a quarter to nearly EUR 140,000 last year. As a result, the equity share in the total costs incurred by principal contractors and buyers, which averaged EUR 562,000 in 2022, jumped from 20% in 2021 to nearly 25%. Moreover, there has been a noticeably increased reticence vis-à-vis real estate financing unless sustainable collateral is in place.

### Outlook for the German Housing Market

Even though the difficult macroeconomic environment has severely impacted the German housing market lately, one thing is perfectly safe to say: Demand for housing is set to remain high for the long term. Supposing completion rates were to keep declining in the years ahead, the gap between supply and demand would widen even further.

The need for more rental apartments, in any case, will probably keep growing. The inflow of Ukrainian refugees has pushed Germany's population

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total past the mark of 84 million for the first time ever. Experts assume that the rate of immigration will remain high in the future. This makes it reasonable to believe that the already low vacancy rates in most of Germany's rental housing markets will continue to go down in the coming years due to short supply while rent rates will keep going up.

The momentum of apartment sales in the months ahead will essentially depend on the development of the macroeconomic environment.

Although real estate is still considered an effective form of inflation protection and thus an attractive asset class, the propensity to buy in the coming months will definitively hinge, in addition to growing confidence, on an increase in purchasing power and therefore on eligibility for bank financing as far as apartment acquisitions are concerned. So, it will play a key role how inflation and interest rates, on the one hand, and property prices, on the other hand, develop.

The subsequent assessment of the relevant factors is based on the present market environment. It is therefore characterised by a low degree of visibility, and calls for due caution.

### Necessary Impulses Missing on the Supply Side

The ZIA Spring Report 2023 assumes that the war-related immigration of an estimated 1.1 million people from Ukraine has generated a considerable extra need for about 200,000 apartments in Germany.

But the supply side lacks the necessary incentives to jump into action and meet the demand, which is very high anyway. The Federal Government's objective to complete 400,000 new apartments annually was clearly missed in 2022 with an estimated 280,000 units completed, according to a projection by Jones Lang LaSalle ("JLL").

The year 2023 might deliver an even poorer score because many building projects were postponed indefinitely or cancelled, according to the ifo

Institute for Economic Research. The German Construction Confederation (ZDB) predicts that the number of new apartments completed this year will drop down to 245,000. An even bleaker view of the trend is taken by the Federal Association of German Housing and Real Estate Companies (GdW), as it expects only about 200,000 new apartments to come on-stream in 2023. The figure for 2024 will probably drop to a yet lower level, according to the GdW's estimate.

The regressive order intake in the construction industry underlines these experts' assessment. According to figures published for 2022 by the Federal Statistical Office (Destatis), it declined by 9.6% year on year in real money terms (adjusted for inflation) and adjusted for calendar effects. Housing construction suffered the greatest setback as it registered a real-term drop by 16.5%.

### Further Price Drops Anticipated in 2023

Experts believe that prices for residential real estate will keep softening this year. And it is true that many indicators and both political and economic conditions point in that direction.

Jens Tolckmitt, the Managing Director of the Association of German Mortgage Credit Banks (vdp), for one, assumes that the coming quarters will see the price dynamics for residential real estate cool off noticeably. He does not expect to see any price crashes, because demand continues to exceed supply by far. In addition, the price trend for residential real estate is likely to be more closely tied to actual market rents in future because the very affordable terms of financing, which had acted as one-off factor over many years, are no longer available whereas construction costs have soared.

Financial experts at DZ Bank expect the price drop to be limited to a maximum of four to six percent in 2023. The German Institute for Economic Research (DIW) compiled a survey whose findings also suggest that the risk of more serious price corrections is growing. It argues that, while Ger-

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many is not facing the threat of a huge real estate price bubble bursting, it is by all means possible that prices might drop by up to ten percent for ownership apartments and detached homes.

The experts of BNP Paribas rate the slow-trading fourth quarter as evidence that the pricing process on Germany's residential investment market is still very much in progress. Against the background that a rise in key lending rates and financing costs is likely to keep dominating the market debate at the start of the year, BNP Paribas deems a continuation of the pricing phase until mid-year the most probable scenario at the moment.

A recent survey by Deutsche Bank took a positive view of the price trend for residential real estate. It projects an end to the rise in interest rates by mid-year 2023. After that, the adverse short-term effect should abate and prices rebound. But regardless of the uncertainty concerning the price trend in the time ahead, we need to bear in mind that property prices in Germany more or less doubled over the past ten years.

So, even a hefty setback by around 20%, which some industry players consider a possibility, would merely return prices to the level of the year 2020.

### Sustained Rental Growth

The persistently strong demand on the rental housing market is matched by a shortage of affordable housing and by declining vacancies in the cities, which is attributable to the slowing pace of new-build housing construction and to the migration of refugees triggered by the war in Ukraine. The demand side also includes the group of those who, while principally interested in buying, will not be able to make their dream of homeownership come true any time soon because of the high inflation rate and the rise in interest rates.

This bottleneck will persist throughout 2023, and rents will keep rising as a consequence. In the opinion of financial experts at DZ Bank, housing com-

panies are under pressure to recover the high material prices and the significantly increased financing costs from their tenants via rent reviews.

### No Trend Reversal for Building Finance Rates but Further Increase in Construction Prices Expected

As far as building finance rates go, experts are not anticipating a trend reversal in the near future. After all, central banks have stated their intention to keep raising key lending rates to combat inflation. Renowned financial intermediaries (Interhyp, Dr. Klein) expect building finance rates to continue to go up at a moderate pace. Michael Neumann, the CEO of Dr. Klein, expects interest rates for 10-year mortgage loans to climb to between 3.5% p. a. and 4.5% p. a. during the first half of 2023. If the ECB, contrary to current expectations, were to announce more drastic interest rate moves, interest levels would come under even stronger pressure.

The auditing and consultancy firm PricewaterhouseCoopers (PwC) in turn assumes that construction prices will keep going up through 2024. The main reason that PwC cites is the very limited availability of building materials, which is explained by serious crisis-related delivery problems.

Another factor that will keep driving up construction costs in the years ahead is the shortage of skilled labour, which is causing problems for many contractors. Industry experts believe that roughly one fifth of the open positions with building contractors will not be filled between now and 2030. According to PwC, the associable shift of the supply-demand ratio will prompt wage increases, which will trigger further price increases for construction services.

In addition, significant catch-up effects could kick in as soon as the geopolitical situation calms down while government-sponsored housing construction could regain its momentum, and both developments would increase demand for construction services and cause serious construction price hikes, too.

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## Business Performance

As far as the 2022 financial year goes, the ACCENTRO Group is looking at a mixed business performance. While the first half-year still followed in the wake of the 2021 banner year, business lost momentum during the second half of 2022. At the end of the first six months of the reporting year, ACCENTRO still reported a strong increase of 28% compared to the bumper year of 2021 with consolidated revenues of EUR 93.5 million (previous year: EUR 73.0 million) and a robust EBIT margin of 10%. However, various macroeconomic developments, such as high inflation and the steep rise in interest rates, caused Germany's residential investment market, and consequently the ACCENTRO Group's business performance, to deteriorate noticeably in the second half-year, which tends to be particularly strong for the industry. Ultimately, ACCENTRO reported consolidated revenues totalling EUR 165.2 million for the year under review (previous year: EUR 192.7 million), implying a 14% decline year on year. The EBIT amounted to EUR 8.5 million (previous year: EUR 45.2 million), and was seriously impacted by the rise in lending rates and a decline in property valuations in response to softening asking prices, and by regressive demand for homes during the second half of the year.

In the Company's largest segment, the "trading and privatisation" business, ACCENTRO is looking back on a business performance that, while stable, declined due to a market-related slowdown in investment dynamics. On the one hand, the robust sales of individual residential units toward the end of the 2021 financial year, whose transfer of benefits and burdens did not take place until the 2022 financial year, drove a stable revenue trend in the privatisation sector. On the other hand, a growing reticence among investors in regard to real estate and specifically portfolio transaction emerged as the year progressed. Ultimately, portfolio deals declined by EUR 14.9 million year on year, down to a total of EUR 13.5 million. The total notarised sales volume in the individual privatisation business in 2022 came to less than half of the total of banner year 2021, falling by 62%

to EUR 93.6 million (previous year: EUR 246.5 million). The number of sold units developed just as drastically, because it decreased by 61% to 296 units (previous year: 761 units), although it should be remembered that the previous year saw the disposal of a large portfolio of about 260 units, which accounted for a major share of the total number of unit sales notarised.

In its "Portfolio" segment, ACCENTRO managed to increase its rental income once again, thereby vindicating the investments made over the past financial years. The general increase in demand for rental housing coupled with value-adding property upgrades and successful vacancy roll-backs contributed to a 4.7% revenue growth to now more than EUR 17.9 million (previous year: EUR 17.1 million). These figures refer to an inventory of 343,563 square metres. The proportion of rental income in the total consolidated revenues grew by 2.0 percentage points to now 10.8% as a result. The contribution margins (revenues net of building management costs), by contrast, dropped to EUR 5.0 million (previous year: EUR 7.0 million) as a result of value-adding maintenance measures planned for portfolio properties.

ACCENTRO continued to expand its real estate portfolio during the 2022 financial year. On the whole, the Company acquired 789 units with an effective floor area of around 51,000 square metres. Out of the total, 107 residential units with an effective floor area of about 12,000 square metres are earmarked for individual privatisation whereas 682 units with an effective floor area of about 39,000 square metres were added to the rental property holdings. While the privatisation portfolios were acquired primarily in the Rhine-Ruhr metro region and in Berlin, ACCENTRO kept enlarging its proprietary holdings of rental real estate particularly in eastern German states (in this case Saxony-Anhalt).

The newly acquired units will serve as basis for continued stable earnings from the privatisation and portfolio business, while simultaneously driving the sustained growth in rental income.

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To secure its long-term debts, ACCENTRO successfully negotiated roll-overs for its two bond liabilities in a combined amount of EUR 350 million. To this end, ACCENTRO Real Estate AG signed a lock-up agreement with about 56% of the invested noteholders of the 2020/2023 bond (in a volume of EUR 250 million) on 16 December 2022, which provides for a three-year extension of the 2020/2023 bond until 13 February 2026. Within the framework of a vote without assembly in accordance with the German Bond Act (SchVG), the noteholders approved the 2020/2023 bond rollover between 6 January and 9 January 2023. On 27 December 2022, ACCENTRO Real Estate AG analogously concluded with the sole noteholder of the 2021/2026 bond (in the volume of EUR 100 million) a modification agreement for the adjustment of the bond terms and for refinancing the 2021/2026 bond on the same terms as those agreed for the 2020/2023 bond on 16 December 2022 and extended the maturity by another three years ending on 23 March 2029. The closing took place on 6 March 2023. The transaction provides ACCENTRO with the long-term planning certainty it needs and lays the foundation for staying ACCENTRO's course of success. For additional information, we refer you to Section 4.15 in the Notes to the Consolidated Financial Statements.

## Earnings, Financial Position and Assets

### Earnings Position

The ACCENTRO Group's key revenue and earnings figures developed as follows during the 2022 financial year:

### EARNINGS POSITION

EURM

	FINANCIAL YEAR 2022	FINANCIAL YEAR 2021
Revenues	165.2	192.7
EBIT	8.5	45.2
Consolidated total income	-12.0	13.1

During the 2022 reporting year, the consolidated revenues fell by EUR 27.5 million, meaning within the range of the adjusted forecast for 2022, which projected revenues of EUR 160 to 170 million.

EBIT declined by EUR 36.1 million to EUR 8.5 million during the 2022 reporting year, and thus dropped by about 81% over prior year (previous year: EUR 45.2 million). It also means that the EBIT achieved its adjusted forecast range for 2022, which was EUR 8 to 10 million. The macroeconomic trends evolving in the course of the financial year and their downstream effects had a strong impact on earnings.

Additional acquisitions caused the portfolio of investment properties to keep expanding during the 2022 financial year. Yet due to the generally deteriorated market development and particularly because of the increased level of interest rates, the real estate holdings returned no year-on-year appreciation from fair value adjustments. The fair value adjustment for the financial year equalled EUR -1.8 million (previous year: EUR 19.0 million). A more drastic adjustment was deflected by the

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compensating effect of the real estate inventory's increased profitability, which is due most notably to a reduction in vacancies and rent reviews. One main goal for the property inventory of ACCENTRO both now and in the years ahead will be to reduce vacancies, the rate being relatively high compared to the rest of the market.

Total payroll and benefit costs increased by EUR 0.8 million to EUR 11.1 million (previous year: EUR 10.3 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. By 31 December 2022, the number of employees working for the ACCENTRO Group had increased by 22 to a total of 123 employees (31 December 2021: 101 employees).

The increase in depreciation and amortisation of intangible assets and property, plant and equipment in the amount of EUR 1.3 million is mainly due to acquisition costs capitalised in the current and previous financial years that relate to the expansion of a digital platform (called PropRate) for searching and evaluating or comparing properties as well as the annual preparation and publication of several market analyses and reports on Germany's housing market. Assets worth EUR 2.7 million (previous year: EUR 1.4 million) were subject to scheduled depreciation during the financial year.

The impairments of inventories and accounts receivable now add up to EUR 1.4 million (previous year: EUR 1.8 million), with inventory assets accounting for EUR 0.2 million (previous year: EUR 0.0 million) and receivables and other assets accounting for EUR 1.2 million (previous year: EUR 1.8 million) thereof.

The other operating expenses in the amount of EUR 18.8 million (previous year: EUR 18.4 million) consist essentially of legal and professional fees that include, just like in the previous year, expenses for 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, plus information, advertising and entertaining expenses as well as the costs of unrealised projects. The modest growth during the financial year is definitively attributable to the increase in advertising activities by ACCENTRO and compensation payments for damages from the cancellation of share purchase agreements, which are largely offset by lower legal and consulting, IT and other operating expenses.

The net income in the amount of EUR 1.2 million (previous year: EUR –4.1 million) from companies included in the consolidated financial statements using the equity method is attributable to the amortised measurement of the acquired hidden reserves and to ACCENTRO's pro-rata share in the annual net income of its associates and joint ventures.

The net interest result of the 2022 financial year equalled EUR –18.6 million (previous year: EUR –20.5 million). The decrease in financial liabilities and bonds by EUR 39.0 million reduced interest expenses by EUR 1.9 million during the financial year.

The earnings before taxes equalled EUR –8.8 million (previous year: EUR 20.6 million). The income tax payable during the reporting period equalled EUR 5.5 million, and thus fell short of the prior-year level of EUR 7.5 million. The imputed tax ratio for the 2022 financial year is –67.1% (previous year: 36.3%). On the one hand, the tax expense is attributable to profitable subsidiaries whose individual property sales increased significantly during the financial year and whose loss carryforwards have been used up. In addition, anticipated tax arrears for previous years as determined by a tax audit not yet completed were taken into account.

On the other hand, the Group is reporting a deferred tax income of EUR 0.2 million for the 2022 financial year (previous year: a deferred tax



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expense of EUR 3.4 million). The change in deferred tax liabilities compared to the previous year is essentially due to clearly regressive valuation effects in the investment property segment. For additional composition and quantitative details on tax expenditures and tax income, please see the Notes to the Consolidated Financial Statements.

The turnover of the “trading/privatisation” segment, which accounted for the largest contribution to turnover at EUR 150.4 million (previous year: EUR 180.6 million), declined by EUR 30.2 million year on year. The number of individually retailed apartments whose transfer of benefits and burdens was completed before the end of the financial year equalled 411 and represented a year-on-year decline (previous year: 494 apartments).

The share of large-scale real estate transactions contracted disproportionately, accounting for 9.3% only (previous year: 16.4%). As a result, revenues from sales of inventory properties experienced a steep corresponding decrease to EUR 146.1 million (previous year: EUR 172.8 million). This means that the contribution margin (revenues net of expenses for sales of inventory properties) dropped to EUR 38.2 million (previous year: EUR 47.8 million).

The rental income of the “portfolio” segment increased from EUR 9.2 million to EUR 13.6 million, which is essentially attributable to the successful enlargement of the portfolio and to vacancy reductions. The contribution margin (revenues net of management costs) before the fair value adjustment increased from EUR 2.3 million to EUR 3.1 million, the disproportionately small increase being explained by extensive upkeep works. The value of the portfolio properties decreased by EUR 20.8 million or –109% as a result of the “losses from the fair value adjustment of investment properties” in the amount of EUR 1.8 million during the financial year (previous year: “net gain from the fair value adjustment of investment properties” in the amount of EUR 19.0 million).

Revenues from services fell from EUR 2.8 million to EUR 1.3 million so that the contribution margin dropped by EUR 1.7 million to EUR 0.2 million (previous year: EUR 1.9 million). The service business comprises primarily property sales on behalf of third parties, and the corresponding fees and commissions earned thereby.

## Financial Position

### KEY FIGURES FROM THE CASH FLOW STATEMENT

EURM

	FINANCIAL YEAR 2022	FINANCIAL YEAR 2021
Cash flow from operating activities	67.5	99.6
Cash flow from investment activities	–18.1	–85.4
Cash flow from financing activities	–69.2	50.0
Net change in cash and cash equivalents	–19.7	64.2
Increase in cash and cash equivalents from the addition of fully consolidated companies	0.1	2.1
Decrease in cash and cash equivalents from the disposal of fully consolidated companies	–1.1	–1.3
Cash and cash equivalents at the beginning of the period	121.5	56.5
Cash and cash equivalents at the end of the period	100.8	121.5

During the 2022 financial year, the cash flow from operating activities equalled EUR 67.5 million (previous year: EUR 99.6 million). It was essentially generated by the cash inflow from downsizing the portfolio of the inventory assets in the amount of EUR 59.9 million (previous year: cash inflows in the amount of EUR 62.6 million). The decrease in trade receivables in the amount of EUR 0.9 million and the increase in current liabilities in the amount of EUR 6.1 million contributed significantly to the posi-

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tive 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; they represented most notably the expenses from the fair value measurement of investment properties. Tax payments in the amount of EUR 4.5 million (previous year: EUR 4.1 million) impacted the cash flow from operations.

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 (Section 4.28).

The cash flow from investing activities during the 2022 financial year was negative at EUR –18.1 million (previous year: EUR –85.4 million) but very much improved when compared to the prior period. The negative cash flow is primarily attributable to the extensive acquisitions of investment property in a total amount of EUR 20.8 million (previous year: EUR 63.3 million) that were undertaken during the 2022 financial year. In addition, loans granted during the 2022 financial year added up to EUR –16.7 million

(previous year: EUR –23.3 million). The cash-effective interest received for these loans amounts to EUR 1.3 million (previous year: EUR 4.6 million).

By contrast, repayments of granted loans were slightly higher with a total of EUR 5.4 million (previous year: EUR 4.6 million). Conversely, cash inflows in the amount of EUR 16.0 million were generated from the disposal of shares accounted for using the equity method.

The negative cash flow from financing activities in the amount of EUR –69.2 million (previous year: EUR 50.0 million) is primarily attributable to lower cash inflows from debt financing in a total amount of EUR 48.5 million (previous year: EUR 166.9 million) as well as to interest and financing cost payments in the amount of EUR –24.3 million (previous year: EUR –19.5 million). This is matched by payments for the redemption of financial liabilities in a total amount of EUR –92.1 million (previous year: EUR –97.9 million). Dividend payments resulted in a cash outflow of EUR 1.3 million during the 2022 financial year (previous year: EUR 0.0 million).

## ASSET AND CAPITAL STRUCTURE

EURM

	31/12/2022		31/12/2021	
<b>Assets</b>	<b>877.1</b>	<b>100.0%</b>	<b>929.5</b>	<b>100.0%</b>
Non-current assets	453.6	51.7%	427.7	46.0%
Current assets net of cash and cash equivalents	322.7	36.8%	364.3	39.2%
Cash and cash equivalents	100.8	11.5%	121.5	13.1%
Assets held for sale	0	0.0%	16.0	1.7%
<b>Debt and equity</b>	<b>877.1</b>	<b>100%</b>	<b>929.5</b>	<b>100%</b>
Equity	247.7	28.2%	260.6	28.0%
Non-current liabilities	220.5	25.2%	508.8	54.7%
Current liabilities	408.9	46.6%	160.0	17.3%

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Total assets decreased by EUR 52.3 million (–5.6%) to EUR 877.1 million (31 December 2021: EUR 929.5 million).

The non-current assets increased by EUR 25.9 million. The increase is mainly explained by the acquisition of an existing real estate portfolio and capitalised value-adding refurbishments of various standing properties, which increased the value of the investment properties by a combined total of EUR 30.8 million. For more details, see Note 4.4 in the Notes to the Consolidated Financial Statements.

In addition, the historical costs in the amount of EUR 2.5 million for the development 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 were capitalised and amortised according to schedule.

Moreover, non-current assets include the non-current other receivables and other assets (EUR 27.5 million; previous year: EUR 35.7 million). These include essentially interest-bearing loans to companies with whom ACCENTRO is associated through equity investments. The reduction was mainly due to a change in maturities from long-term to short-term and a loan repayment in the amount of EUR 2.3 million.

Unchanged since the previous year, non-current assets include goodwill in an amount of EUR 17.8 million that is not subject to scheduled amortisation and is attributable to the privatisation business. Also classified as non-current assets are owner-occupied plots and buildings in the amount of EUR 23.6 million (previous year: EUR 24.1 million), which are depreciated over a useful life of 33 years, investments in companies and interests in associated companies in the amount of EUR 13.4 million (previous year: EUR 11.6 million), and property, plant and equipment worth EUR 2.9 million (previous year: EUR 2.5 million).

Current assets (not including cash and cash equivalents) decreased by EUR 41.6 million to EUR 322.7 million (previous year: EUR 364.3 million), and represent primarily the trading portfolio properties recognised in inventories. These inventories declined by EUR 65.7 million to EUR 234.9 million during the financial year (previous year: EUR 300.6 million). Material changes were caused by the addition of 107 residential units acquired for a purchase price of EUR 23.7 million. For another 36 residential units acquired for a purchase price of EUR 3.2 million, the sale and purchase agreements were already signed in 2022, while their benefits and burdens will not be transferred and recognised until the 2023 financial year. Moreover, inventory assets increased due to comprehensive refurbishment works worth EUR 18.9 million (previous year: EUR 16.1 million) during the financial year. Conversely, 463 residential units (previous year: 830) were sold, resulting in book value decreases of EUR 108.1 million (previous year: EUR 161.5 million).

The inventory properties are measured at historical costs, plus the subsequent historical cost that were expended to restore their marketability. Properties worth EUR 140.8 million (previous year: EUR 320.2 million) are recognised as collateral for financial liabilities.

Current trade receivables are dominated by receivables from outstanding purchase price payments and operating costs not yet invoiced. Receivables decreased by EUR 3.6 million year on year because of lower purchase price receivables as of the reporting date. These receivables were collected as agreed in 2022.

Contract assets created by period-based revenue recognition in connection with the development of attic apartments declined in value to EUR 5.5 million (previous year: EUR 11.2 million) as a result of purchase price payments.

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Financial assets pursuant to IFRS 9 concern items recognised as “current other receivables and other assets” in the amount of EUR 60.8 million (previous year: EUR 29.7 million).

The increase is essentially explained, on the one hand, by loans toward property developments that were granted to Green Living GmbH (in a loan amount of EUR 15.0 million plus EUR 0.9 million in interest) as well as to various associates in a total amount of EUR 22.7 million during the financial year.

There are unchanged receivables from the rescission of the acquisition of shares in DIM Holding AG in the amount of EUR 16.5 million (previous year: EUR 15.8 million) along with loan receivables in the amount of EUR 3.3 million (previous year: EUR 3.1 million), adding up to accounts receivable from the shareholder of DIM Holding AG in a total amount of EUR 19.7 million (previous year: EUR 18.9 million).

In addition, EUR 6.5 million in loans were reclassified from non-current receivables to current receivables. On the other hand, there are claims to notarial trust account balances in the amount of EUR 6.5 million (previous year: EUR 5.3 million).

In addition, EUR 6.0 million in fundraising costs were capitalised as of the reporting date in connection with the bond refinancing efforts until the bonds reach maturity, which will be dissolved over the period of the bond using the effective interest method.

Income tax receivables amounted to EUR 3.8 million (previous year: EUR 1.5 million) as of the reporting date, essentially representing tax prepayments.

At 11.5%, the ratio of cash and cash equivalents in the amount of EUR 100.8 million (previous year: EUR 121.5 million) to total assets slightly undercut the level of the prior-year reporting date (13.1%).

At 71.8%, 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 (72.0%). In addition to an increase in debt (EUR –39.4 million), the 2022 financial year also saw a drop in equity (EUR –12.9 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 increased slightly to 57.4% (previous year: 54.9%). The same is true for the LTV of the 2021/2026 bond, which rose to 51.0% (previous year: 48.2%).

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## LTV CALCULATION

IN TEUR

	2022	2021
<b>2020/2023 BOND</b>		
Financial liabilities	211,435	252,920
Bonds	+355,323	+353,356
Cash and cash equivalents	-100,784	-121,502
<b>A. Net financial liabilities</b>	<b>465,974</b>	<b>484,774</b>
Total asset value (assets)	877,126	929,466
Excess of fair value of the inventory properties above carrying amount	+51,323	+108,228
Deferred tax liabilities (tax rate: 30.175%)	-15,487	-32,658
Cash and cash equivalents	-100,784	-121,502
<b>B. Adjusted total asset value</b>	<b>810,316</b>	<b>883,534</b>
<b>LTV of 2020/2023 bond (= A./B.)</b>	<b>57.4%</b>	<b>54.9%</b>
<b>2021/2026 BOND</b>		
Financial liabilities	211,435	252,920
Bonds	+355,323	+353,356
Cash and cash equivalents	-100,784	-121,502
<b>A. Net financial liabilities</b>	<b>465,974</b>	<b>484,774</b>
Total asset value (assets)	877,126	929,466
Excess of fair value of the inventory properties above carrying amount	+51,323	+108,228
Deferred tax liabilities (tax rate: 30.175%)	-15,487	-32,658
<b>B. Adjusted total asset value</b>	<b>912,962</b>	<b>1,005,036</b>
<b>LTV of 2021/2026 bond (= A./B.)</b>	<b>51.0%</b>	<b>48.2%</b>

The Group was able to meet its financial obligations at all times during the 2022 financial year. 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.

Non-current liabilities changed mainly as a result of the transfer of the 2020/2023 bond from non-current to current liabilities in the amount of EUR 247.3 million. The repayment of loans in the course of the disposal of inventory properties caused non-current liabilities to decrease by 56.7% to EUR 220.5 million. By contrast, current liabilities increased by EUR 250.0 million or 155.5% to EUR 408.9 million.

ACCENTRO assumes that all of the loans to be renegotiated or maturing during the 2023 financial year will be renewed on a rotating basis in the normal course of its operational business activities. All loans that matured on 31 March 2023 or earlier in the 2023 financial year have already been renewed. For other loans maturing in October 2023 or later that will not be repaid from sales proceeds before their maturity, rollover and refinancing negotiations have already been initiated. In case a creditor demands immediate repayment, the accounts payable are collateralised by land charges over their full amounts. Considering the large holdings of cash and cash equivalents in the amount of EUR 100.8 million, ACCENTRO considers its financing requirements secured through the end of the 2023 financial year. No financing arrangements in foreign currencies were taken out by ACCENTRO AG.

During the 2022 financial year, the consolidated total income of EUR -12.0 million plus dividend distributions in the amount of EUR 1.3 million led to a further decrease in shareholder equity to EUR 247.7 million by

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31 December 2022 (previous year: EUR 260.6 million). Still, the equity ratio increased slightly to 28.2% (previous year: 28.0%). This is mainly explained by the disproportionate reduction of the balance sheet total by 5.6% after the disposal of inventory properties combined with the simultaneous repayment of the corresponding financial liabilities.

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

As far as the 2022 financial year goes, the ACCENTRO Group is looking at a mixed business performance. On the one hand, the first half-year continued in the wake of the banner year of 2021. On the other hand, the fast-rising inflation rate and the soaring level of interest rates weighed down Germany's residential investment market, which in turn impacted both the ACCENTRO Group and the contribution to operating income anticipated for the second half of the financial year. From an overall perspective, this resulted in a decline in revenues and EBIT.

The corporate strategy pursued so far of expanding the investment property portfolio has proven to be a solid mainstay during the financial year due to its stable and growing contributions to the consolidated net income. ACCENTRO continued to expand its real estate portfolio during the 2022 financial year.

The stock of investment properties increased by EUR 30.8 million to EUR 361.5 million, primarily through acquisitions but to some extent also due to their performance or appreciation as vacancy rates declined. Yet the stock in inventory properties dropped to EUR 234.9 million (previous year: EUR 300.6 million) due to the large volume of property sales. In order to secure future earning power, the inventory property holdings were slightly expanded both inside and outside the core area of Berlin.

The prior-year Group Management Report predicted revenues between EUR 200 and 220 million (previous year: EUR 192.7 million) and EBIT between EUR 40 and 45 million (previous year: EUR 45.2 million) for the 2022 financial year. ACCENTRO clearly missed the forecast increase of the consolidated revenues as well as the projected repeat of the previous year's robust consolidated EBIT during the 2022 financial year. The Company did achieve the revised forecasts for the consolidated revenues of EUR 160 to 170 million and consolidated EBIT of EUR 8 to 10 million which were issued via an ad-hoc communiqué on 29 November 2022. It ultimately achieved revenues in the amount of EUR 165.2 million and EBIT in the amount of EUR 8.5 million.

The rollover of the bonds in a total amount of EUR 350 million that was agreed with the noteholders means that ACCENTRO achieved a refinancing agreement on sound funding terms in a deteriorated environment, and that ACCENTRO has the forward-looking long-term planning certainty it needs.

Even though it fell short of the originally set revenue and EBIT targets due to the shifted environment, the Management Board believes that the ACCENTRO Group is well positioned, given its long-term outlook. The Company has a well-filled sales pipeline for its individual privatisation business. ACCENTRO counts on its impeccable reputation and excellent sales strength as competitive advantages now as in the future. The real estate portfolio is regionally well diversified, covering major metro regions in North Rhine-Westphalia and Central Germany in addition to Berlin.



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### Other Financial and Non-Financial Performance Indicators

For the purposes of managing the Group, the Management Board uses the key performance indicators of revenues and earnings before taxes (EBIT) as primary monitoring parameters. But other financial and non-financial ratios are used 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.

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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 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 decreased to EUR –14.5 million (previous year: EUR 3.5 million). Total assets dropped to EUR 547.7 million (previous year: EUR 591.4 million).

Payroll and benefit costs rose to a total of EUR 8.6 million (previous year: EUR 7.1 million), which is mainly explained by the ongoing expansion of the Company's workforce.

Due to a valuation allowance on two IC loan receivables, write-downs on capital assets among the current assets increased to EUR 8.6 million (previous year: EUR 5.1 million).

The other operating expenses increased significantly year on year at EUR 24.7 million (previous year: EUR 15.6 million).

This was mainly due to a year-on-year increase in expenses, including toward marketing expenses (EUR 2.6 million), legal consultancy, especially in the context of refinancing the bond liabilities in late 2022, and real estate transactions (EUR 3.3 million) as well as the costs of unrealised projects (EUR 3.0 million).

The balance of profits and losses from profit and loss transfer agreements with subsidiaries in the amount of EUR 11.5 million (previous year: EUR 14.0 million) significantly reduced the net loss for the year of ACCENTRO Real Estate AG.

The net interest expense increased by a modest EUR 0.1 million year on year, declining to EUR 4.5 million (previous year: EUR 4.4 million).

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## Earnings, Financial Position and Assets

### Earnings Position

ACCENTRO Real Estate AG pursues its business activities through autonomous subsidiaries. As an operating holding company, the Company performs standard management, administrative and financing functions for its Group companies, which so far have not been passed on to the subsidiaries and which therefore impact the earnings of ACCENTRO AG because these amounts, which are quite substantial, are only recovered if interests

in the companies are sold. 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.

The earnings position of ACCENTRO Real Estate AG developed as follows during the 2022 financial year:

TEUR

	01/01/2022 TO 31/12/2022	01/01/2021 TO 31/12/2021	CHANGE
Revenues	135	136	-1
Other operating income	13,478	13,471	7
Cost of materials	-641	-140	-501
Payroll and benefit costs	-8,591	-7,140	-1,451
Amortisation of intangible assets and depreciation of property, plant and equipment	-938	-456	-482
Depreciation of current assets	-8,597	-5,086	-3,511
Other operating expenses	-24,696	-15,611	-13,085
Net income from investments (including profit transfer)	11,558	14,028	-2,470
<b>Operating income (EBIT)</b>	<b>-18,292</b>	<b>-797</b>	<b>-17,495</b>
Net interest result	4,454	4,372	82
Pre-tax profit	-13,838	3,575	-17,413
Income taxes and other taxes	-644	-112	-532
Profit/loss for the year	-14,481	3,463	-17,945

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At EUR 135 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 slightly year on year, rising to EUR 13.5 million. Other operating income in the financial year includes mainly the sale of a 100% equity interest in a project company (ACCENTRO 16. Wohneigentum GmbH) and a 25% interest carried at equity as well as three minority interests of 5.1% each, adding up to an earnings total of EUR 10.8 million. In addition, the Company received other operating income in the amount of EUR 2.7 million plus income in the form of expense allocations for expenses that ACCENTRO Real Estate AG had fronted for some of its subsidiaries and then recovered from them.

The cost of materials increased by EUR 0.5 million over prior year during the financial year, and is attributable to project management services that the Company provided in conjunction with the sale of a project company.

Payroll and benefit costs rose by a total of EUR 1.5 million and are explained by the continued expansion of the Company's workforce. ACCENTRO Real Estate AG employed an average of 78 staff (previous year: 65) during the 2022 financial year, apprentices and board members included.

At EUR 24.7 million, the other operating expenses increased substantially year on year (EUR 15.6 million). They were essentially caused by marketing expenses toward the ongoing digitisation drive of the ACCENTRO Group, legal consultancy in the context of refinancing the bond liabilities in late 2022 and real estate transactions as well as the costs of unrealised projects.

The net income from associates (including profit transfer and loss absorption) in the amount of EUR 11.5 million declined by EUR 2.5 million year on year (previous year: EUR 14.0 million). The effect is explained by increased loss absorptions in the amount of EUR 0.4 million and due to the decreased net income from profit transfers by subsidiaries in the amount of EUR 2.5 million.

The interest balance equalled EUR 4.5 million during the financial period (previous year: EUR 4.4 million) and implies a modest year-on-year increase.

The profit for the year equalled EUR -14.5 million (previous year: EUR 3.5 million) and thus declined by EUR 18.0 million year on year.

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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

	31/12/2022		31/12/2021		CHANGE
<b>Assets</b>	<b>547,670</b>	<b>100.0%</b>	<b>591,425</b>	<b>100.0%</b>	<b>-43,755</b>
Plant, equipment and software	3,427	0.6%	2,243	0.4%	1,184
Financial investments	149,207	27.2%	143,473	24.3%	5,734
Trade receivables	919	0.2%	18	0.0%	901
Receivables from associates	319,845	58.4%	391,268	66.2%	-71,423
Receivables from equity investments	9,281	1.7%	10,157	1.7%	-876
Other assets	38,465	7.0%	19,260	3.3%	19,205
Cash and cash equivalents	250	0.0%	285	0.0%	-35
Other securities	25,842	4.7%	24,459	4.1%	1,384
Other assets	433	0.1%	262	0.0%	171
<b>Equity and Liabilities</b>	<b>547,670</b>	<b>100.0%</b>	<b>591,425</b>	<b>100.0%</b>	<b>-43,755</b>
Equity	159,693	29.2%	175,472	29.7%	-15,779
Provisions	8,762	1.6%	5,952	1.0%	2,810
Bonds and bank debt	350,000	63.9%	350,000	59.2%	0
Trade payables	1,337	0.2%	1,850	0.3%	-513
Liabilities to associates	17,361	3.2%	48,558	8.2%	-31,197
Other liabilities	10,516	1.9%	9,593	1.6%	923

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Total assets decreased by EUR 43.8 million from EUR 591.4 million to EUR 547.7 million. The asset and financial position is definitively influenced by financial investments, debt financing via bonds, and the performance of receivables and payables vis-à-vis third parties and associates.

- › The financial investments increased by a moderate EUR 5.7 million during the 2022 financial year, rising to a total of EUR 149.2 million. The change was essentially caused by the acquisition of two companies for a combined total of EUR 21.3 million in the course of the year. Conversely, equity investments and lendings to investment companies in a total amount of EUR 14.3 million were disposed of while other lendings in the amount of EUR 2.4 million were repaid.
- › Receivables from associates decreased significantly during the 2022 financial year, dropping by a total of EUR 71.4 million to EUR 319.8 million as a result of loans repaid by, or settled with, associates and due to allowances on fair value in the amount of EUR 8.6 million.
- › The other assets increased noticeably by EUR 19.2 million to EUR 38.5 million during the 2022 financial year, especially due to a short-term loan granted to a third party, the company Green Living GmbH, in the amount of EUR 15.0 million plus interest accrued by the balance sheet date in the amount of EUR 0.9 million, for financing a property development.
- › The provisions increased by EUR 2.8 million year on year during the financial year, rising to a total of EUR 8.8 million. The increase is mainly explained by a provision for tax audit risks amounting to EUR 2.1 million and by higher outstanding invoices as at balance sheet date.
- › The payables to associates decreased by EUR 31.2 million to a total of EUR 17.4 million due to the repayment of loans to three subsidiaries.

- › Interest liabilities not due by the reporting date are reported under other liabilities.

ACCENTRO Real Estate AG was able to meet its financial obligations at all times during the 2022 financial year.

In the context of negotiating the bond rollover, a standstill agreement concerning the covenants was signed by mutual consent for the time until a lock-up agreement is closed. It was done not least to prevent possible covenant breaches.

No new shares were issued or bought back during the financial year, so that the share capital and the capital reserve of ACCENTRO Real Estate AG remained unchanged during the year under review.

The equity of ACCENTRO Real Estate AG decreased to EUR 159.7 million due to a net loss for the year in the amount of EUR 14.5 million and the distribution in the amount of EUR 1.3 million that was paid out during the financial year. The equity ratio (total equity/total assets) declined slightly to 29.2% (previous year: 29.7%).



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

ACCENTRO AG generates income mainly from sales of subsidiaries, from interest or from profit distributions paid by its affiliated entities and equity investments, or from the increase in the value of associates. Allowances on equity investments or lendings also impacted the earnings of ACCENTRO AG in the amount of EUR 8.6 million (previous year: EUR 5.1 million). Accordingly, the Company depends definitively on the performances of its subsidiaries and equity investments. Moreover, the Company has so far covered the administrative overhead of the Group without passing these costs on to its member companies. Growing advisory costs, a larger workforce, higher marketing costs, among other things, increased the expenditures of ACCENTRO AG. With this in mind, the commercial-law earnings, while significantly influenced by the development of the Group, do not necessarily reflect the current situation of the Group. In 2022, the Company sold off a portfolio along with several equity investments, and thereby generated a contribution to operating income in the amount of EUR 10.8 million. Unless it passes the costs of the central group functions on to its member companies, there is no way for the Company to sustainably generate balanced earnings.

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### Risk Management System

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 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 centrally managed, and comprises the systematic identification, analysis, assessment, control, and monitoring of material risks by the Company's Management Board. ACCENTRO implemented a comprehensive, structured and integral risk management that has produced comprehensive and restructured risk reports 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.

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- › **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.

To qualify the potential loss, the following criteria were chosen:

### PROBABILITY OF OCCURRENCE

Rated here is how likely it is that the identified threat actually materialises during the financial year in progress and during the following two financial years. These assessments are currently based on expert estimates.

PROBABILITY OF OCCURRENCE	RATED IN %
Highly improbable:	<5
Improbable:	>5 to 25
Possible:	>25 to 50
Probable:	>50 to 75
Highly probable:	>75

### EXTENT OF DAMAGE

The loss amounts are again determined for the current business year and the two following business years. Here, the two damage dimensions "impact on EBIT" and "impact on revenues" are examined, with the findings quoted either separately or jointly. The loss amounts are always determined for the worst case, for the most likely case, and for the best case. The losses are always quoted in TEUR. These assessments are currently based on expert estimates.

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 5.00 million (impact on revenues). Any amounts exceeding this threshold are either grave or particularly grave in character.

EXTENT OF DAMAGE	VALUE IN EURM
Material:	<1 to 5
Grave:	>5 to 15
Particularly grave:	>15

The commercial management of the ACCENTRO Group is in charge of the evaluation and overall responsibility of the risk management system. The function-based risk ownership rests with the second-tier executives reporting to the Management Board. Within their sphere of ownership, they handle the identification, assessment, control, monitoring, documentation and communication of all risks. Moreover, the Company's risk tool takes care of the risk stocktaking and risk alerts for threats of any kind, providing updates either within the scheduled reporting cycles or immediately if necessary.

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All risk alerts are continuously documented, updated, analysed and evaluated in a risk matrix. Updated every quarter, the risk matrix is an important component of the internal risk report. The Risk Report is prepared semi-annually and submitted both to the Management Board and to the Supervisory Board. The evaluation differentiates between risks to the Company's going concern status, material risks and other risks. The distinction is primarily based on the probability of occurrence and the potential extent of damage.

Threats are considered risks to the Company's going concern status whenever their probability of occurrence and the extent of their damage could adversely impact the going concern of the Company or the Group. No risks to the Company's going concern status were identified.

Threats are categorised and separately monitored as material risks whose occurrence would have material effects on the net assets, financial and earnings position of the Company and/or the Group, and which can therefore be of considerable concern for the shareholders and stakeholders of ACCENTRO AG.

The idea behind the risk management system is to lower the hazard potential through appropriate measures, to safeguard the going concern, and to ensure the success of the ACCENTRO Group's continued development.

### Presentation of Individual Risks

The individual risks that ACCENTRO Real Estate AG believes to be of material significance are presented in the overview below:

#### FINANCIAL RISKS

- › Funding risks
- › Liquidity risks
- › Interest rate risks
- › Bad debt risks

#### OPERATIONAL RISKS

- › IT risks
- › Personnel risks

#### REAL ESTATE RISKS

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

#### LEGAL AND COMPLIANCE RISKS

- › Regulatory risks
- › Data protection

#### STRATEGIC RISKS

- › Business model
- › Change in strategy
- › Change of ownership
- › Sales risks

### Individual Risks in Detail

#### FINANCIAL RISKS

The financial risks to which ACCENTRO Real Estate AG is exposed include

- › a possible failure to meet the annual planning targets, resulting in a correction of the Company's market rating,
- › bad-debt losses, and
- › a possible increase in the interest rate level for financing arrangements and therefore increased financing costs for the Group, for individual projects and for the member companies.

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The increase in financing costs could in turn prompt a drop in (distributable) net income and increase the probability of diminished profits from the operational activities.

Moreover, a possible breach of financial covenants of existing loan agreements could, in the absence of a cure, prompt a formal demand for immediate repayment of the loan or its continuation on less favourable terms.

### Funding Risks

The funding 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.

During the financial year, one funding risk was classified as significant due to the potential amount of loss, this being the risk of rising interest rates:

The significant increase in lending rate levels for mortgage loans has reduced the purchasing power of final buyers as it puts them under higher financial strain. For the sales portfolio, this has resulted in the already eventuated threat of a slowed selling pace in combination with declining selling prices.

A further increase in capital market rates could pose a threat for the growth of ACCENTRO, and could cause planned investments to be downscaled, paused or scrapped altogether. In addition, an increasing interest burden due to an unfavourable interest rate development may cause slowed growth or even a decrease in the results of operations. Within the scope of refinancing its bonds, ACCENTRO managed to negotiate fixed rates for the bulk of its debt capital.

For risk assessment purposes, the interest rate risk and the sales risk are two sides of the same medal because they depend on each other within the value-adding process.

### Bad Debt Risks

ACCENTRO AG is exposed only to minor default risks from its apartment privatisation business because the process is tightly regulated and because the transfer of benefits and burdens is subject to prior payments of the purchase price. The portfolio business is exposed to a certain risk that tenants of poor credit worthiness pose. Transactions with business partners for the purpose of developing new projects generally involve minor risks only, because the property developments themselves serve as collateral. But nevertheless, delays in the project phase or unforeseen developments, for example, may expose receivables from business partners to a higher risk.

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During the financial year, the receivables from two debtors were categorised as material risks because of their potential volume, but not recognised in the balance sheet because of their low probability of occurrence:

### 1. Bad Debt Risk Involving DIM Holding AG:

ACCENTRO acquired the Berlin-based company DIM Holding AG via a share sale and purchase agreement dated 29 December 2020 with financial effect as of 1 January 2021. On 12 May 2021, ACCENTRO Real Estate AG signed a termination agreement to withdraw from the aforesaid share sale and purchase agreement with effect as of 1 January 2021. It was agreed that the repayment of the purchase price in the amount of EUR 15.3 million and the redemption amount of the assumed shareholder loan in the amount of EUR 3 million plus interest would be deferred until 12 May 2022. Initially, no payment was received as planned by the agreed repayment deadline.

For this reason and given the deteriorating situation on the real estate market by mid-year in the wake of Russia's unforeseen war of aggression against Ukraine, ACCENTRO Real Estate AG deemed it necessary and appropriate out of the caution of a prudent businessman to assume an impairment requirement in the amount of EUR 4 million for the receivables owed at the time.

To secure the payment of the purchase price as well as the redemption amount, the seller pledged all shares of DIM Holding AG to ACCENTRO Real Estate AG. Moreover, a total land charge on several plots of land, including personal assumption of liability and submission to execution, in the amount of EUR 20 million plus interest was granted as additional security for the benefit of the buyer as of 14 October 2021.

During the second half of 2022, the Management Board of ACCENTRO AG closely studied the existing collateral and reviewed possibilities for its realisation. In addition, the Company managed to acquire properties after the reporting date and to set off the purchase prices against the receivables, thereby reducing the total account receivable. Existing risks were closely analysed and appraised. After careful consideration of all circumstances as well as the opportunities and risks arising from the current market situation, the enterprise is therefore convinced as at balance sheet date that the collateral discussed above is of intrinsic value and sufficient to secure the existing repayment claim. Accordingly, the value adjustment made at mid-year 2022 was reversed as of the reporting date.

The Company rates the probability of occurrence of a bad-debt loss of the remaining receivable discussed above as < 5% (c. EUR 0.6 million).

### 2. Bad Debt Risk Involving Green Living GmbH:

On 31 May 2022, ACCENTRO Real Estate AG granted a short-term loan over EUR 15 million and with a maturity of 31 December 2022 to Green Living GmbH for the purpose of implementing and completing its project. In conjunction with the facility agreement, the borrower provided collateral in the form of a land charge.

The borrower missed the agreed repayment deadline because the borrower's projects suffered a delay. The Company is in close consultation with the borrower. The parent company of Green Living GmbH issued a letter of comfort to ACCENTRO as additional security. The reasons for the delays were plausibly explained to the Management Board, and the existing collateral is deemed sufficient to cover the claims at issue. Green Living GmbH announced the repayment of the loan, meaning the full amount borrowed plus interest, for the next financial year.



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The Company is in constant communication with Green Living GmbH, and rates the bad debt risk as improbable while quantifying it at 5% (c. EUR 0.8 million) of the amount borrowed.

### OPERATIONAL RISKS

Significant operational risks for ACCENTRO Real Estate AG include possible IT risks, such as downtime due to cyber attacks and possible damage to the Company's systems. In addition to patchy internal and external communication channels or communication flows (inefficiency, incorrect/insufficient information transfer, annoyed partners and customers, etc.), the focus of this risk category is on the Company staff.

Particularly the loss or absence of staff could have strong ramifications for the revenues of ACCENTRO Real Estate AG. A scarcity of resources could cause the loss of both know-how and control and could moreover cause budget overruns and delays. It would also result in increased recruiting costs, strain and dissatisfaction among the remaining employees and could cause delays or even non-fulfilment of project obligations as planned, especially if staff members involved in the project or in the technical asset management were absent.

### 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.

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 permanently retain qualified estate agents. 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 develop-

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ments 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.

During the financial year, one real estate risk was classified as significant due to the probability of its occurrence, this being the risk of rising construction and project costs:

The coronavirus pandemic and the war in Ukraine put supply lines in jeopardy in 2022, among other consequences, and prompted a drastic increase in construction costs. The construction cost hikes due to increased inflation and the shortage of skilled labour among contractors have created a certain construction cost risk.

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 turn out to be substantially higher than the target figures. This risk is countered via the detailed and timely planning of measures and of construction costs and the strict monitoring of these. Notwithstanding the general risk, the war in Ukraine led to a significant and

abrupt increase in construction costs in 2022 due to supply-related difficulties, among other things. The construction cost risk is rated as highly probable with a 60% probability of occurrence (EBIT impact of c. EUR 2 million) for the 2023 financial year.

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 adversely 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 segment. Closely examining the planned measures, identifying potential for cost savings, communicating directly, and requesting information on the capacities of companies early on will enhance the budget planning effort and the assessment of the need for refurbishment as early as the acquisition of a given property.

### LEGAL AND COMPLIANCE RISKS

The legal and compliance risks of ACCENTRO Real Estate AG include general legal risks, such as breaches of applicable laws and contracts, adverse consequences of malicious acts, corruption and non-compliance with data protection regulations, as well as specific real estate risks. These include, inter alia, the enactment of the Real Estate Transfer Tax Amendment Act, which came into effect on 1 July 2021 or other rental law regulations governing the German real estate market, which are periodically discussed

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anew and which impact the business model of ACCENTRO Real Estate AG. Amendments to the Real Estate Transfer Tax Amendment Act constrain the flexibility of the Company's buying and selling activities (share deal, RETT obligation, etc.)

But risks of the legal and compliance category also include omissions/ errors within the scope of investor relations activities. Incorrect or late communications to the Frankfurt Stock Exchange, to the Federal Financial Supervisory Authority (BaFin) or to investors may cause reputational damage or, in certain cases, result in penalties (e. g. if financial reports are submitted late).

### STRATEGIC RISKS

In the risk reports of ACCENTRO Real Estate AG, the risk category of strategic risks refers to any event that affects the strategic orientation, the functionality of the business model and the structure of the Company. These include, for instance, legislative changes affecting the management options for real estate and/or disposal restrictions that impact the attractiveness of the offer (slower sales pace and eroding selling prices), the contraction of the sales portfolio as a result of disposals or the failure to acquire new assets, as well as the decline of selling prices as a result of rising interest rate levels or economic downturns.

Even though the significant crisis-related decline in apartment sales last year was factored in when planning for 2023, there is still a risk that the Company may fail to reach its sales target.

Other events that could cause reputational damage, a drain of talent, a loss of stakeholders, a strategy adjustment or breaches of contractual covenants (change of control) include changes in ownership structure (new major shareholder or majority shareholder), the sale or takeover of the Company. Another relevant risk concerns the adverse consequences of a corporate development that ignores emerging (mega) trends.

### Opportunities Report

To be sure, the current market environment is extremely difficult and the success-blessed German housing market has come under considerable pressure. No one can say with any degree of certainty which way this year will be trending. ACCENTRO therefore ventures its estimate for the Company's business development in 2023 with due caution.

Although demand is seriously constrained by high prices and risen building finance rates at the moment, the medium- and long-term outlook for the German housing market, from the Management Board's point of view, is as bright as it was. Demand for homeownership remains strong. It is driven not least by Germany's very low homeownership rate, one of the lowest in Europe at 49.3%, according to the Statista online statistics portal for market and consumption data.

The housing supply in Germany, which is far too low anyway, will continue to contract, given the unchanged parameters. Experts believe that the German Government will keep falling short of its self-proclaimed goal of completing 400,000 new-build apartments annually, and miss it by a wide margin during the next few years. The fact that the number of planning consents declined last year suggests as much. At the same time, property developments that had already been approved were paused because of the crisis or cancelled altogether. The combination of these factors will ensure that far too few apartments will come on-stream in the years ahead.

The fact that demand far exceeds supply is likely to lay the ground for a stable development of apartment prices. The same assessment applies to the development of rent rates, which kept going up steadily even during the crisis year of 2022.

ACCENTRO has an excellent privatisation pipeline of properties, fully partitioned into ownership apartments, whose book value approximated EUR 235 million as of 31 December 2022. The regional focus of the port-

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folio is on Berlin, which accounts for 88% of its book value. The German capital counts among the country's most popular housing markets, and even though it clearly felt the ramifications of the crisis, it delivered by far the most stable performance among Germany's leading cities.

An important mainstay for ACCENTRO is the service business in which it provides sales services for third parties, such as property developers and property asset holders. Although the difficult market environment prevented the business from developing the way the Company had hoped it would, the options it provides have increasingly resonated with clients. One key advantage from a client perspective is our extensive selling know-how and our market presence.

At the same time, our rental portfolio benefits from the increasing demand for rental apartments. Especially our large Central Germany portfolio with its secondary and tertiary locations is located in regions where demand has been driven up not least by the influx of Ukrainian refugees. Our sizeable capital expenditures of recent years are paying off, as the vacancy rate has dropped significantly.

ACCENTRO is aware of a serious potential for growth in digitisation, an area of great importance. The Company has responded by investing in the development of innovative applications in recent years. An important project in this context is the continuous upgrading of PropRate, a data-driven platform developed by ACCENTRO and available for public use. It offers its users a broad spectrum of functions that enhance the transparency of the German real estate market. In addition to an extensive search engine, it includes an AI-based property valuation feature among many other services.

Another aspect of digitisation that is important to ACCENTRO concerns the option to present projects and the Company itself, to advertise and to contact customers as well as to set up a comprehensive, professional lead management.

## Overall Assessment

Irrespective of the currently difficult political and economic market environment, Germany's housing market continues to offer attractive medium- and long-term potential for growth. Principally speaking, owner-occupiers and private investors remain keenly interested 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. Going forward, structurally strong demand will be matched by even shorter supply. It is a development that will keep having a positive effect on the development of apartment prices and rents, now as in the future.

ACCENTRO is very well positioned on the German housing market; not just as one of the leading privatisation businesses with a well-stocked and attractive residential portfolio. It also offers great longer-term growth potential through the sales services it provides to third parties and through the nationwide collaboration with the ImmoScout24 real estate portal in the same context. Moreover, the successful development of the rental property holdings shows that it has the potential to keep serving as one mainstay of ACCENTRO's business development in future.

Even if the Company were to be held back in its growth aspirations in the years ahead because of the refinancing terms of its bonds and the repayment of its financial liabilities, ACCENTRO is generally well positioned to continue along the growth trajectory of the past years.

The Company's Management Board 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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#### 1. One-Year Comparison

ACCENTRO clearly missed the increase of the consolidated revenues to somewhere between EUR 200 and 220 million according to forecast as well as the projected repeat of the previous year's robust consolidated EBIT of EUR 35 to 50 million during the 2022 financial year, which is essentially attributable to the market effects outlined above. But the Company did achieve the revised forecasts for the consolidated revenues (EUR 160 to 170 million) and EBIT (EUR 8 to 10 million) that were issued via an ad-hoc communiqué on 29 November 2022.

ACCENTRO Real Estate AG proved unable to match the prior-year result as had been predicted, nor did it succeed in increasing its total assets during the 2022 financial year.

#### 2. Baseline Situation in Early 2023 and Annual Forecast

The subsequent observations regarding the future business performance of the ACCENTRO Group and the influencing factor considered definitive in this context are based on the latest assessment of the macroeconomic trend and of the German housing market as well as on the current corporate planning state. 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.

According to the latest forecasts of leading economic research institutes, the German economy will be spared the slump that many had feared would hit in 2023. The IfW Kiel Institute for the World Economy predicts a modest increase in gross domestic product (GDP) by 0.5% for the year now under way. The ifo Institute for Economic Research takes a somewhat bleaker view and expects Germany's GDP to match the prior-year level (-0.1%).

Although the inflation trend has probably peaked, experts believe that it will stay on a high level. The IfW predicts an inflation rate of 5.4% for 2023. This will cause private household incomes to remain under severe strain, which in turn will probably prompt a decline in private consumer spending. The ifo Institute, too, assumes that the inflation rate will maintain a high level of 6.2%, and that business in the consumer-related sectors will contract as a result. The gradually easing supply bottlenecks, by contrast, are likely to have a positive effect on the manufacturing industry. Both institutes rate the German labour market as generally robust. The ifo Institute anticipates only a modest growth in unemployment figures and a virtually unchanged unemployment rate of 5.4% when compared to the previous year.

This contrasts noticeably with the economic research institutes' assessment of the trend in the construction industry. Both predict a further decline in construction investments in 2023, blaming the dip on significantly increased costs and unfavourable financing conditions. Similarly, the Federal Ministry of Transport, Building and Urban Development assumes that housing construction prices, having soared last year, will increase by another 6%.

In the coming months, demand for residential real estate will essentially depend on the development of the macroeconomic environment. Although real estate is considered an effective form of long-term inflation protection and thus an attractive asset class, the propensity to buy in the coming months will definitively hinge, in addition to growing confidence, on an increase in purchasing power and therefore on eligibility for bank financing as far as apartment acquisitions are concerned. But since the inflation rate is likely to remain high in 2023, it is reasonable to assume that interest rates will maintain their high current level.

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Inversely, experts believe that the selling prices of residential real estate will keep softening this year, continuing the downward trend that started in the second half of 2022. Opinions differ as to the scale of the trend. But considering that prices are coming down from a generally high level, homeownership is unlikely to become noticeably more affordable for many households. By contrast, rent rates will probably continue to go up in 2023. Several factors come into play here. In addition to the already strong demand for rental apartments, the need for extra housing is exacerbated by the large number of Ukrainian refugees and by the fact that the acquisition of residential property is currently out of reach for many potential buyers because of the current parameters.

However, the trend in residential property prices and rents depends on the location, as became evident last year. Rather than being limited to the difference between urban and rural regions, rents and prices also vary among the “Big 7” cities of Germany.

In addition to a difficult situation of conflicting factors, there is the grossly insufficient volume of new construction, which is set to keep shrinking in the years ahead, according to experts. The assessment is backed by the steep drop in the number of planning consents that were issued last year. The trend has continued into this year. According to figures released by Destatis, the number of apartments approved in January 2023 equalled 21,900 and was thus 26% lower than it was last January. What explains the downtrend is the large number of projects that were either postponed or shelved due to the rise in lending rates and construction costs. For an exhaustive assessment of the market development—which is the basis underlying the forecast for the business development of the ACCENTRO Group in 2023, along with other factors—see the Section “Development of the German Housing Market” in the latest Annual Report.

### 3. Future Business Development of the Group<sup>1</sup>

Given that the German housing market last year was severely affected by the ramification of the ongoing political and economic crises, with inevitable consequences for the business performance of the ACCENTRO Group as well, the Company eyes the year 2023 with due caution. Now, as then, the sense of uncertainty and the opacity of the situation make it hard to predict the economic development this year.

Against this background, the Company now expects to see consolidated revenues in the amount of EUR 100 to 120 million and consolidated EBIT in the amount of EUR 0 million to EUR 2 million. ACCENTRO assumes that the market will start recovering during the 2024 financial year, and that business will develop accordingly.

For the “trading / privatisation” segment, the Company now expects a drop in revenues by 30% to 40% and a disproportionate year-on-year decline in earnings. The sales planning takes into account that a persistently high inflation rate and a high level of interest rates as well as the general unease may continue to weigh heavily on the buying behaviour of private and institutional investors this year. The trend in sales figures during the opening months of the ongoing year has confirmed this assessment.

For the “portfolio” segment, the Group predicts a continued decline in vacancy rates and a 5% to 10% increase in rental income as a result. The Company also assumes that the portfolio investments made last year will have a disproportionate earnings-enhancing effect.

For the “services” segment, the Company predicts that revenues will more than double while expenses will remain stable. Anticipated downstream consequences include a substantial growth in earnings. However, the predicted increases in revenues and earnings will be on a low level.

<sup>1</sup> Venturing 2023 business forecasts for each of the segments is not yet possible at the EBIT level, but only for contribution margin I. Planning, controlling and assessing each segment, and thereby complying with IFRS 8 management reporting requirements, is intended to be achieved by the next financial year.



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### 4. Future Business Development of ACCENTRO AG

For the 2023 financial year, the unconsolidated financial statements of ACCENTRO Real Estate AG predict a modest year-on-year improvement of the annual net income in the low double-digit percentage range. By contrast, the balance sheet total is expected to decline year on year, also in the low double-digit percentage range.

The expenses so far covered centrally by ACCENTRO AG will be passed on to the Company's subsidiaries or business segments for the first time during the 2023 financial year. This means that ACCENTRO AG will generate revenues from intra-group allocations. The policy shift will compromise the comparability with previous financial years.

Moreover, the Company expects earnings from financial investments. Depending on the potential proceeds from the disposal of equity investments, the annual net income is expected to be balanced on the bottom line.

## Internal Control System and Risk Management in Regard to the Group Accounting Process

The primary objective of the ACCENTRO Group's accounting-related internal control system is to reduce the risk of material misstatements in the (consolidated) financial statements, to detect material misvaluations and to ensure compliance with the laws and standards applicable to financial reporting.

ACCENTRO prepares the annual financial statements of the stock corporation (AG) in accordance with the accounting standards of the German Commercial Act while also considering the supplementary regulations of the German Stock Corporation Act. The consolidated financial statements are prepared according to IFRS regulations.

An accounting-related internal control system scaled to the Group's size has been implemented. The organisation rules and measures of the accounting-related internal control system of the ACCENTRO Group are outlined below:

- › ACCENTRO has implemented processes that ensure a rules-compliant approach and uses already implemented controls to regularly check their application. To further formalise their application, accounting policies are occasionally codified in writing.
- › All Group units are integrated through a clearly defined governance and reporting organisation. The principles required for this, the organisational structure and workflow as well as process definitions have been documented and are always adapted to the latest developments.

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- › The consolidated financial statements are prepared according to a financial statement calendar that is centrally specified by Group Accounting. It defines all activities and dates of significance.
- › Accounting at the parent company 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.
- › Internal and external experts are brought in for the assessment of complex issues. This includes the commissioning of chartered surveyors for real estate appraisals.
- › Measurement issues are addressed at least once a year but usually every six months.
- › The IFRS-compliant presentation of facts and circumstances is carried out by considering the relevant facts, bringing in experts whenever necessary.
- › The accounting information of all subsidiaries are gathered by the controlling department and monitored by it. Deviation analyses are conducted and anomalies investigated and clarified with the company concerned, including in regard to its compliance with those Group guidelines that are relevant for the financial statements.
- › The Controlling unit reviews and analyses the Company's financial reporting on a monthly basis and reports on its findings.
- › Information provided by individual corporate divisions is reviewed and reconciled by the Treasury unit.
- › Intra-group transactions are reconciled on a monthly basis and reviewed within the consolidation context.
- › Intra-group reconciliation and consolidations are handled centrally. This includes, inter alia, the reconciliation of accounts receivable and accounts payable among the Group's member companies.
- › The control parameters in the consolidation context depend on the consolidation process. Reconciliation differences evident in the consolidation are communicated to the subsidiaries involved and corrected.

- › Items relevant to the financial statements that include taxes are measured with the help of external tax specialists.
- › The consolidated accounting is reviewed by various specialists at the parent company and adopted by the financial reporting of the Group. To this end, ACCENTRO brings in professional qualified service providers as needed.
- › Flat organisational structures, direct reporting lines and monthly interim periods make it possible to detect and address material accounting misstatements as well as material misvaluations in good time.
- › Accordingly, the Compliance Office of ACCENTRO AG acts as central liaison office for whistleblowers in accordance with the EU Whistleblower Directive. ACCENTRO plans to expand its compliance management system in 2023.

The risk owners of all corporate units have undertaken risk inventories and assessments at least once a year, reporting to the risk manager who assesses the reports before summarising and evaluating them in a central risk report. Identified threats are assessed and countermeasures taken if necessary. Significant threats are constantly monitored. The Risk Report is considered by the Management Board and submitted to the Supervisory Board. Risks to the Company's going concern status would be reported separately. The risk management system is evaluated and further developed on a regular basis.

The systematically and regularly identified threats are presented in the Summarising Management Report of the Company and the Group.

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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), specifically on 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 though 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. Since 10 February 2023, the Company’s Management Board has consisted of two persons.

In accordance with Art. 84, AktG, the members of the 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, any amendment to the Articles of Association principally 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 2022. 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.

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### 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”) 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.

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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 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 2022 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 is discontinued, 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 2022 financial year, neither the Management Board nor the Supervisory Board took 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 debenture bonds issued on the basis of the authorisation resolution of the Annual General Meeting of 24 June 2020 under agenda item 11, Letter b).



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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 by the Annual General Meeting of 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 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 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.

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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 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; or

(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 2022 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

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held by 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 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 2022 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 Management Board members and the 27,065,961 (indirectly) held shares of one 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 2022, 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.

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

The terms of the 2020/2026 and 2021/2029 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.

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 will receive a severance payment equal to the fixed remuneration in addition to short-term incentives (STI) for a two-year period but not exceeding the fixed 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](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](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:

"We hereby declare that ACCENTRO received appropriate consideration for all legal transactions listed in the Report on Relations with Associates according to the circumstances known to us at the time at which the legal transaction took place. No measures were taken or omitted at the direction or in the interest of the controlling company or a company affiliated with it."

Berlin, 27 April 2023

**Lars Schriewer**  
Member of the  
Management Board

**Dr. Gordon Geiser**  
Member of the  
Management Board

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## Consolidated Balance Sheet – Assets

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	NOTES	31/12/2022	31/12/2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets and goodwill	4.1	23,245	20,740
Owner-occupied properties and buildings	4.2	23,611	24,096
Property, plant and equipment	4.3	2,865	2,531
Investment properties	4.4	361,458	330,652
Other receivables and other assets	4.5	27,471	35,667
Equity investments	4.7	7,470	6,900
Equity interests accounted for using the equity method	4.8	5,954	4,712
Deferred tax assets	4.19	1,541	2,407
<b>Total non-current assets</b>		<b>453,615</b>	<b>427,705</b>
<b>Current assets</b>			
Inventory properties	4.9	234,935	300,597
Contract assets	4.10	5,504	11,228
Trade receivables	4.11	17,753	21,324
Other receivables and other assets	4.11	60,755	29,658
Current income tax receivables	4.18	3,780	1,452
Cash and cash equivalents	4.12	100,784	121,502
<b>Total current assets</b>		<b>423,511</b>	<b>485,761</b>
<b>Assets held for sale</b>	4.13	<b>0</b>	<b>16,000</b>
<b>Assets</b>		<b>877,126</b>	<b>929,466</b>



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## Consolidated Balance Sheet – Equity and liabilities

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	NOTES	31/12/2022	31/12/2021
<b>EQUITY</b>			
Subscribed capital	4.14	32,438	32,438
Capital reserves		79,958	79,825
Retained earnings		120,787	135,127
Other reserves		792	0
Attributable to parent company shareholders		233,975	247,390
Attributable to non-controlling interests	4.6	13,731	13,247
<b>Total equity</b>		<b>247,706</b>	<b>260,637</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	4.16	46	46
Financial liabilities	4.15	108,383	148,248
Bonds	4.15	99,394	346,701
Deferred income tax liabilities	4.19	12,731	13,801
<b>Total non-current liabilities</b>		<b>220,554</b>	<b>508,796</b>
<b>Current liabilities</b>			
Provisions	4.16	807	633
Financial liabilities	4.15	103,052	104,672
Bonds	4.15	255,929	6,655
Advance payments received	4.17	8,850	9,464
Current income tax liabilities	4.18	9,170	5,482
Trade payables	4.17	3,934	5,343
Other liabilities	4.17	27,124	27,783
<b>Total current liabilities</b>		<b>408,866</b>	<b>160,032</b>
<b>Equity and liabilities</b>		<b>877,126</b>	<b>929,466</b>

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## Consolidated Statement of Comprehensive Income

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	NOTES	01/01/2021 – 31/12/2022	01/01/2021 – 31/12/2021
<b>Consolidated revenues</b>		<b>165,227</b>	<b>192,747</b>
Revenues from sales of inventory properties	4.20	146,080	172,847
Expenses for sales of inventory properties	4.21	–107,870	–125,056
<b>Capital gains from property sales</b>		<b>38,210</b>	<b>47,791</b>
Letting revenues	4.20	17,875	17,069
Letting expenses	4.21	–12,852	–10,051
<b>Net rental income</b>		<b>5,023</b>	<b>7,018</b>
Revenues from services	4.20	1,272	2,830
Expenses from services	4.21	–1,106	–884
<b>Net service income</b>		<b>166</b>	<b>1,946</b>
Other operating income	4.24	900	1,269
<b>Interim result</b>		<b>44,299</b>	<b>58,025</b>
Gain or loss on fair value adjustments of investment properties	4.4	–1,793	18,988
Payroll and benefit costs	4.22	–11,086	–10,257
Depreciation and amortisation of intangible assets and property, plant and equipment	4.1–4.3	–2,725	–1,434
Impairments of inventory assets	4.23	–185	0
Impairments of receivables and other assets	4.23	–1,185	–1,799
Other operating expenses	4.24	–18,786	–18,359

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	NOTES	01/01/2021 – 31/12/2022	01/01/2021 – 31/12/2021
<b>EBIT (earnings before interest and income taxes)</b>		<b>8,539</b>	<b>45,165</b>
Net income from associates measured using the equity method	4.8	1,242	388
Equity investments and equity interests accounted for using the equity method		0	–4,500
Income from equity investments	4.7	74	60
Interest income		4,888	4,850
Interest expenses		–23,502	–25,365
<b>Net interest result</b>	4.25	<b>–18,614</b>	<b>–20,515</b>
<b>EBT (earnings before income taxes)</b>		<b>–8,759</b>	<b>20,597</b>
Income taxes	4.26	–5,478	–7,470
<b>Consolidated result for the period</b>		<b>–14,237</b>	<b>13,127</b>
thereof attributable to non-controlling interests		494	1,282
thereof attributable to shareholders of the parent company		–14,731	11,845
<b>Undiluted net income per share</b> (32,437,934 shares; prior year 32,437,934 shares)	4.27	<b>–0.45</b>	<b>0.37</b>
<b>Diluted net income per share</b> (32,437,934 shares; prior year 32,437,934 shares)	4.27	<b>–0.45</b>	<b>0.37</b>
<b>Other comprehensive income</b>			
Net gain/(loss) on equity instruments designated at fair value among the other comprehensive income	4.7	2,257	0
<b>Other comprehensive income</b>		<b>2,257</b>	<b>0</b>
<b>Consolidated total income</b>		<b>–11,980</b>	<b>13,127</b>

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## Consolidated Statement of Changes in Equity

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	SUBSCRIBED CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	EC INSTRUMENTS AT FAIR VALUE IN OTHER COMPRE- HENSIVE INCOME	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON-CONTROL- LING INTERESTS	TOTAL
<b>As at 1 January 2022</b>	<b>32,438</b>	<b>79,825</b>	<b>135,127</b>	<b>0</b>	<b>247,390</b>	<b>13,247</b>	<b>260,637</b>
Consolidated result for the period	0	0	-14,731	0	-14,731	494	-14,237
Other comprehensive income	0	0	0	2,257	2,257	0	2,257
Total consolidated income	0	0	-14,731	2,257	-12,474	494	-11,980
Reclassification of EC instruments at fair value in other comprehensive income	0	0	1,465	1,465	0	0	0
Dividend payments	0	0	-1,298	0	-1,298	0	-1,298
Acquisition of subsidiaries	0	0	0	0	0	215	215
Equity change from application of IFRS 2	0	133	0	0	133	0	133
Other effects	0	0	224	0	224	-224	0
<b>As at 31 December 2022</b>	<b>32,438</b>	<b>79,958</b>	<b>120,787</b>	<b>792</b>	<b>233,975</b>	<b>13,731</b>	<b>247,706</b>

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

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Consolidated result for the period		-14,237	13,127
+ Depreciation/amortisation of non-current assets	4.1 – 4.3	2,724	1,434
-/+ At-equity earnings/net income from investments	4.7 – 4.8	-1,168	-388
-/+ Impairments of equity interests accounted for using the equity method		0	4,500
+/- Increase/decrease in provisions	4.16	174	-1,521
+/- Changes in the fair value of investment property	4.4	1,793	-18,988
+/- Changes in the fair value of inventory assets	4.9	185	0
+ Interest expenses from financial liabilities and bonds	4.15, 4.25	21,996	23,245
+/- Other non-cash expenses/income		-1,653	5,206
+/- Loss/gain from disposal of non-current assets		0	-25
+/- Loss/gain from disposal of fully consolidated subsidiaries	2.2 e)	-4,561	-12,905
-/+ Increase/decrease in trade receivables and other assets that are not attributable to investing or financing activities	4.11	887	16,971
+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	4.17	6,050	10,436
+/- Other income tax payments		-4,533	-4,111
<b>= Operating cash flow before de-/reinvestments in inventory properties</b>		<b>7,657</b>	<b>36,981</b>
-/+ Cash investments (-)/divestments (+) in inventory properties (net after assumption of debt, some without cash effect)	4.9	59,889	62,570

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<b>= Cash flow from operating activities</b>		<b>67,546</b>	<b>99,551</b>
+ Interest received		1,295	4,597
– Cash outflows for investments in intangible assets		– 4,155	– 3,509
– Cash outflows for investments in property, plant and equipment		– 924	– 1,252
– Advance payments made for company acquisitions		0	– 1,761
+ Payments from disposals of financial assets		1,836	0
– Cash outflows for investments in non-current assets		– 150	– 1,618
– Cash outflows for the purchase of investment property		– 20,753	– 63,349
– Disbursements of loans granted		– 16,670	– 23,317
+ Cash received from distributions/disposal of shares accounted for using the equity method		16,000	274
+ Repayment of loans granted		5,394	4,576
<b>= Cash flow from investment activities</b>		<b>– 18,127</b>	<b>– 85,360</b>
– Dividend payments to shareholders	4.14	– 1,298	0
–/+ Payments/receipts from transactions between equity providers		0	500
+ Cash proceeds from the issuance of bonds and from (financial) borrowings		48,498	166,877
– Disbursements for the repayment of bonds and of (financial) borrowings		– 92,073	– 97,893
– Interest paid and financing costs		– 24,281	– 19,472
<b>= Cash flow from financing activities</b>		<b>– 69,154</b>	<b>50,011</b>
Net change in cash and cash equivalents		– 19,735	64,203
+/- Consolidation change in cash and cash equivalents	2.2e)	– 983	758
+ Cash and cash equivalents at the beginning of the period		121,502	56,541
<b>= Cash and cash equivalents at the end of the period</b>		<b>100,784</b>	<b>121,502</b>



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## 1 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 apartments 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 at 31 December 2022, 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 27 April 2023.

All amounts posted in the Consolidated Accounts, the Consolidated Statement of Comprehensive Income, 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 material significance. Both individual and total figures represent the value with the smallest rounding difference. Adding up the values of the individual line items may therefore result in minor differences compared to the reported totals.

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## 2 Significant Accounting Policies

The explanations of the accounting policies relevant to the respective items in the financial statements are provided in the corresponding sections. The accounting policies presented in the following report section are of general relevance to several items in the financial statements.

### 2.1 General Provisions

The Consolidated Financial Statements of ACCENTRO for the 2022 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 and with the commercial-law provisions additionally to be applied pursuant to Art. 315e, Sec. 1, HGB.

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.

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 Group has prepared its financial statements based on the assumption that it will be able to continue as a going concern.

The accounting methods employed in the consolidated financial statements are the same as those on which the consolidated financial statements as at 31 December 2021 were based, except for certain changes discussed below.

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

As at 1 January 2022, the Group has applied the following, either new and revised, standards and interpretations:

STANDARD OR INTERPRETATIONS	SUBSTANCE OF THE STANDARDS OR INTERPRETATIONS	MANDATORY APPLICATION AS OF
Amend. IFRS 3; IAS 16; IAS 37	Business combinations; property, plant and equipment; provisions, contingent liabilities and contingent assets	for financial years beginning on 1 January 2022 or thereafter
Annual improvements project (2018–2020 cycle)	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	for financial years beginning on 1 January 2022 or thereafter

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The amendment to IFRS 9 involves a clarification regarding fees that should be included in the present value test. In cases where the rescheduling or modification of loan conditions results in substantially different contractual terms, IFRS 9.3.3.2 provides that the original financial liability should be derecognised just as it would after a repayment and recognised as a new financial liability, measured at the new conditions. Worth noting in this context is that contractual terms are fundamentally different, meaning that there is a substantial modification if, in addition to a qualitative analysis, the present value of the new obligation, including any fees paid net of fees received, deviates by 10% or more from the remaining present value of the original obligation (IFRS 9.B3.3.6). The extension of IFRS 9B3.3.6 thus responds to the need for clarification that had emerged as to which fees should be taken into account. The fees to be included are only those paid or received between the company as borrower and the lender (including fees paid or received on behalf of each other). Costs or fees paid to third parties should not be taken into account.

The clarification affects the assessment of whether the extension of ACCENTRO's 100-million-euro bond and 250-million-euro bond during the following year ought to be classified as substantial modification (on this subject, see Section 4.15).

Apart from that, the first-time application did not result in any material adjustments of 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</b>		
IFRS 17 and Amend. IFRS 17	Insurance Contracts	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 business transaction	1 January 2023
<b>EU ENDORSEMENT PENDING</b>		
Amend. IAS 1	Classification of debt as current or non-current, non-current debt with covenants	1 January 2024
Amend. IFRS 16	Lease liability in a sale and leaseback transaction	1 January 2024

The applications are unlikely to require any major adjustments to the Group's accounting.

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## 2.2 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 with regard to the relevant activities. Subsidiaries are fully consolidated as soon as the controlling interest has transferred to the parent company. They will be deconsolidated whenever the control ends in this manner.

### b) Subsidiaries

The Consolidated Financial Statements include all subsidiaries of ACCENTRO Real Estate AG. For a schedule of all companies included, see sub-section 2.2d). 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. An entity qualifies as a business operation if the group of acquired activities and assets include at least one input factor and one substantive process that, taken together, contribute definitively to the generation of output. The acquired process is considered substantial

- › if it is crucial for the capacity to keep producing outputs, and
- › if the acquired inputs include an organised workforce that has the necessary skills, knowledge or experience to apply that process, or
- › if it can contribute significantly to the further generation of output and if it is considered unique or rare or if its replacement were to involve significant cost or effort or were to significantly delay the further generation of output.

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.

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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. The ownership interests that minority partners hold 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 in Section 4.6. 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. Elimination of intercompany profits is not necessary as there are no assets that contain intercompany profits generated within the Group.

### c) Associates and Joint Ventures

Associates and joint arrangements that are classified as joint ventures are accounted for using the equity method.

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.

Joint arrangements (IFRS 11) are based on contractual agreements between two or more parties, and serve in turn as the 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.

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 in accordance with IAS 28. 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 in Section 4.8, below. 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 to participate in their privatisation process. The current result from investments accounted for using the equity method and any impairment losses are allocated uniformly to the financial results in accordance with the requirements of IAS 1.54 and IAS 1.82. 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 joint ventures and in associates accounted for using the equity method, the accounting and valuation methods applied—wherever deviations occur—have been transitioned to uniform group accounting and valuation methods. This includes, inter alia, the classification of portfolio properties 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.

The consolidated financial statements of ACCENTRO Real Estate AG recognises seven joint ventures for the current financial year to date (previous year: seven).

### d) Basis of Consolidation

As of 31 December 2022, the scope of consolidation was subject to the following changes since the previous year:

NUMBER	SUBSIDIARIES	JOINT VENTURES
<b>As at 1 January</b>	<b>47</b>	<b>7</b>
Acquisitions	3	0
Increase in equity interest	0	0
Disposals	–1	0
Liquidation	0	0
<b>As at 31 December</b>	<b>49</b>	<b>7</b>

Listed below are the companies integrated in the consolidated financial statements as at 31 December 2022 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	31/12/2022 INTEREST IN NET ASSETS (IN %)	31/12/2021 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 17. Wohneigentum GmbH*	Berlin	100	100
5	ACCENTRO 20. Wohneigentum GmbH*	Berlin	100	100
6	ACCENTRO 21. Wohneigentum GmbH*	Berlin	100	100
7	ACCENTRO 23. Wohneigentum GmbH*	Berlin	100	100
8	ACCENTRO 24. Wohneigentum GmbH*	Berlin	100	100
9	ACCENTRO 25. Wohneigentum GmbH*	Berlin	100	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	100
24	ACCENTRO East Holding GmbH*	Berlin	100	100
25	LHC Beteiligungs GmbH*	Zossen	100	100
26	Seeländer Wohnungsgesellschaft mbH*	Berlin	100	0

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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	31/12/2022 INTEREST IN NET ASSETS (IN %)	31/12/2021 INTEREST IN NET ASSETS (IN %)
27	COMMIT Services GmbH	Berlin	95.0	95.0
28	ESTAVIS Beteiligungs GmbH & Co. KG	Berlin	94.0	94.0
29	Kantstraße 130b/Leibnizstraße 36, 36a GbR**	Berlin	38.4	38.4
30	Kantstraße 130b/Leibnizstraße 36, 36a Immobilien Gesellschaft mbH**	Berlin	40.8	40.8
31	Johanniterstr. 3–6 Liegenschaften GmbH	Berlin	89.5	89.5
32	ACCENTRO Rhein-Ruhr GmbH	Oberhausen	89.9	89.9
33	ACCENTRO 2. Sachsen GmbH	Berlin	89.9	89.9
34	GeSoNa Verwaltungs GmbH & Co. Hermannstraße KG	Berlin	75.03	74.25
35	GeSoNa Verwaltungs GmbH	Berlin	67.4	66.7
36	ACCENTRO Binz GmbH	Berlin	94.9	94.9
37	Düsseldorfer Straße 68–69 Projektgesellschaft mbH	Berlin	94.9	94.9
38	Wintersteinstraße 7, 9 Liegenschaften 1 GmbH	Berlin	94.9	94.9
39	Wintersteinstraße 7, 9 Liegenschaften 2 GmbH	Berlin	89.9	89.9
40	ACCENTRO NRW GmbH	Cologne	89.9	89.9
41	ACCENTRO Dessau Wohnen GmbH	Jena	89.9	89.9
42	ACCENTRO Gera Wohnen GmbH	Jena	89.9	89.9
43	ACCENTRO Halle Wohnen GmbH	Jena	89.9	89.9
44	Lekova 19 GmbH	Berlin	89.9	89.9
45	Lekova 26 GmbH	Berlin	89.9	89.9
46	ACCENTRO Gera Wohnen 2 GmbH	Berlin	89.9	89.9
47	Werdauer Weg 3 Immobilien Projektentwicklungs GmbH	Zossen	89.9	89.9
48	Wissmannstraße 15 Grundbesitz GmbH	Berlin	89.5	89.5
49	Berliner Platz UG	Berlin	89.9	0
<b>COMPANIES DISPOSED OF IN THE FINANCIAL YEAR</b>				
	ACCENTRO 16. Wohneigentum GmbH*	Berlin	0	100

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

\*\* These companies represent entities without business activities that will be deconsolidated as at 1 January 2023.

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

COMPANY	REGISTERED OFFICE	31/12/2022 INTEREST IN NET ASSETS (IN %)	31/12/2021 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	51
LHC Holding GmbH & Co. KG	Zossen	50	50
LHC Holding 2 GmbH & Co. KG	Zossen	50	50

For explanatory notes, see Section 4.8.

\*Despite the fact that ACCENTRO holds 51% of the shares in the company, ACCENTRO can only control the relevant activities of the company together with the other shareholder, as a 2/3 majority is required for resolutions passed by the annual general meeting.

### e) Material Changes in the Basis of Consolidation during the Reporting Period

#### Changes in Fully Consolidated Subsidiaries

##### ACQUISITION OF BERLINER PLATZ UG (HAFTUNGSBESCHRÄNKT)

With the notarial framework agreement dated 10 January 2022, ACCENTRO Real Estate AG acquired an 89.9% interest in Berliner Platz UG (haftungsbeschränkt), an entrepreneurial company with limited liability. The acquisition costs of the interests in Berliner Platz UG (haftungsbeschränkt) amount to TEUR 1,910 plus incidental acquisition costs in the amount of TEUR 16. In conjunction with the transaction, ACCENTRO Real Estate AG acquired a shareholder loan in the amount of TEUR 1,164.

The acquisition of the company was not categorised as a business combination within the meaning of IFRS 3 because the company runs no business operation as defined by this IFRS. 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.

Berliner Platz UG (haftungsbeschränkt) was fully consolidated in the consolidated financial statements of ACCENTRO Real Estate AG in accordance with the requirements of IFRS 10. The initial consolidation took place when the conditions of the share purchase agreement were fulfilled as at 12 January 2022.

In conjunction with the transaction, inventory properties in a combined value of TEUR 3,316 were acquired.

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The relative fair values of the identified assets and liabilities of Berliner Platz UG as at the acquisition date break down as follows:

IN TEUR	
Inventory properties	3.316
Cash and cash equivalents	15
<b>Assets acquired</b>	<b>3.331</b>
Other financial liabilities	26
Payables to partners	1.164
<b>Liabilities assumed</b>	<b>1.190</b>
<b>Net assets (100%)</b>	<b>2.141</b>
Non-controlling interests	215
<b>Acquisition costs</b>	<b>1.926</b>

The real estate assets were allocated to the inventory properties.

ACQUISITION OF SEELÄNDER WOHNUNGSGESELLSCHAFT MBH  
With the notarial framework agreement dated 30 June 2022, ACCENTRO Real Estate AG acquired interests of 100% in the company Seeländer Wohnungsgesellschaft mbH. The acquisition costs of the equity interest amount to TEUR 17,910 plus incidental acquisition costs in the amount of TEUR 1,425. In conjunction with the transaction, ACCENTRO Real Estate AG also acquired a shareholder loan in the amount of TEUR 8,115.

The acquisition of the company was not categorised as a 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.

Seeländer Wohnungsgesellschaft mbH 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 at 8 July 2022.

Investment properties in a combined value of TEUR 27,494 were acquired in conjunction with the transaction.

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The relative fair values of the identified assets and liabilities of Seeländer Wohnungsgesellschaft mbH as at the acquisition date break down as follows:

IN TEUR

Investment properties	27,494
Current assets	689
Cash and cash equivalents	88
<b>Assets acquired</b>	<b>28,271</b>
Other financial liabilities	821
Payables to partners	8,115
<b>Liabilities assumed</b>	<b>8,936</b>
<b>Net assets (100%)</b>	<b>19,335</b>
Non-controlling interests	0
<b>Acquisition costs</b>	<b>19,335</b>

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

### ACQUISITION OF SHELF COMPANIES

During the 2021 financial year, ACCENTRO acquired 100% of the interests in the shelf company ACCENTRO 25. Wohneigentum GmbH for a purchase price of TEUR 28 each. At year-end 2021, ACCENTRO 25. Wohneigentum GmbH remained a shelf company that was not consolidated for reasons of materiality during the 2021 reporting year. Instead, the company's initial consolidation was effected in the current reporting year.

### DISPOSAL OF ACCENTRO 16. WOHNNEIGENTUM

ACCENTRO sold 100% of its shares in ACCENTRO 16. Wohneigentum GmbH by way of a notarised share purchase and transfer agreement dated 30 June 2022. In conjunction with the transaction, ACCENTRO also sold a shareholder loan in the amount of TEUR 2,606 to the buyer.

The sale of the 100% interest returns a deconsolidation income in the amount of TEUR 4,561, which breaks down into the selling price of TEUR 7,025 net of the book value decrease of assets and liabilities in the amount of TEUR 2,464.

Overall, the transaction price for the disposal of the shares and the shareholder loan add up to TEUR 9,631. Pursuant to a notarised master agreement dated 30 June 2022, this receivable was offset against the purchase price liabilities for the acquisition of 100% of the shares in, and a shareholder loan granted to, Seeländer Wohnungsgesellschaft mbH in the amount of TEUR 26,025.

IN TEUR

Inventory properties	4,607
Current assets	315
Cash and cash equivalents	1,087
<b>Total assets</b>	<b>6,009</b>
Other financial liabilities	939
Payables to partners	2,606
<b>Total liabilities</b>	<b>3,545</b>
<b>Net assets (100%)</b>	<b>2,464</b>
Deconsolidation income	4,561
<b>Sales proceeds</b>	<b>7,025</b>



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### 2.3 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. The business of the ACCENTRO Group divides into the “trading / privatisation business”,

“portfolio business” and “service business” segments. In its trading / privatisation business, ACCENTRO pursues the acquisition, development and marketing of real estate it owns outright. The portfolio business consists of holding and letting real estate the Company owns outright. The service business consists of estate agency services related to third-party real estate. The division follows the Company’s internal control structure.

### SEGMENT REPORTING AS AT 31 DECEMBER 2022

IN TEUR

	PORTFOLIO	TRADING / PRIVATISATION	SERVICES (FEES)	CONSOLIDATION	GROUP
<b>Consolidated revenues with third parties</b>	<b>13,648</b>	<b>150,364</b>	<b>1,272</b>	<b>-57</b>	<b>165,227</b>
Revenues from disposals of inventory properties with third-party services	0	146,080	0	0	146,080
Expenses for sales of inventory properties	0	-107,870	0	0	-107,870
<b>Capital gains from property sales</b>	<b>0</b>	<b>38,210</b>	<b>0</b>	<b>0</b>	<b>38,210</b>
Third-party lease revenues	13,648	4,284	0	-57	17,875
Letting expenses	-10,506	-2,381	0	35	-12,852
<b>Net rental income</b>	<b>3,142</b>	<b>1,903</b>	<b>0</b>	<b>-22</b>	<b>5,023</b>
Revenues from third-party services	0	0	1,272	0	1,272
Service revenues from transactions with other segments	0	0	6,372	-6,372	0
Expenses from services	0	-6,372	-1,106	6,372	-1,106
<b>Net service income</b>	<b>0</b>	<b>-6,372</b>	<b>6,538</b>	<b>0</b>	<b>166</b>
Other operating income	394	312	0	193	900
<b>Interim result</b>	<b>3,536</b>	<b>34,054</b>	<b>6,538</b>	<b>171</b>	<b>44,299</b>
Gain or loss on fair value adjustments of investment properties	-1,793	0	0	0	-1,793

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	PORTFOLIO	TRADING / PRIVATISATION	SERVICES (FEES)	CONSOLIDATION	GROUP
<b>Segment result</b>	<b>1,743</b>	<b>34,054</b>	<b>6,538</b>	<b>171</b>	<b>42,506</b>
Payroll and benefit costs					-11,086
Depreciation and amortisation of intangible assets and property, plant and equipment					-2,725
Impairments of inventories and accounts receivable					-1,370
Other operating expenses					-18,786
<b>EBIT (earnings before interest and income taxes)**</b>					<b>8,539</b>
<b>Investment properties</b>	<b>361,458</b>				
<b>Inventory properties*</b>		<b>234,935</b>			
<b>Financial liabilities**</b>					<b>211,435</b>
<b>Bonds**</b>					<b>355,323</b>

\* Current fair value TEUR 286,258 (not including properties of Kantstraße 44/45 because these are included in property, plant and equipment)

\*\* Since in the 2022 financial year the management reporting per segment was only carried out up to contribution margin I, the disclosures per segment in accordance with IFRS 8 are also quoted up to this level only. The management reporting will be further developed during the 2023 financial year, so that the disclosures for the 2023 financial year will permit EBIT drilldowns to the segment level. Nor has the management reporting so far broken down financial liabilities and bonds on the segment level. This is another aspect the redeveloped management reporting will start covering during the 2023 financial year.

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	PORTFOLIO	TRADING / PRIVATISATION	SERVICES (FEES)	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 disposals of inventory properties with third-party services	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
<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
Other operating expenses					-18,358

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IN TEUR

	PORTFOLIO	TRADING / PRIVATISATION	SERVICES (FEES)	CONSOLIDATION	GROUP
<b>EBIT</b> (earnings before interest and income taxes)					45,165
<b>Investment properties</b>	330,652				
<b>Inventory properties*</b>		300,597			
<b>Financial liabilities</b>					252,920
<b>Bonds</b>					353,356

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

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Revenues from transactions with other segments are eliminated for consolidation purposes and are summarised in the “Consolidation” column.

During the 2022 financial year, ACCENTRO generated no revenues higher than 10% with any one business partner.

### 2.4 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.).

### 2.5 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 cash equivalents, 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 of the reporting date, or

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- › 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.

## 2.6 Financial Instruments

### 2.6.1 Financial Assets

Acquisitions and sales of financial assets are recognised as at 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.

ACCENTRO assesses at the level of the individual financial asset, if significant, whether there is objective evidence of impairment. Impairments are recognised for individual financial assets whenever the business partner defaulted on payments or breached covenants, as a result of rating downgrades or if the general information situation indicates the need for a valuation allowance. Collateralisation agreed with the debtor takes the form of land charges and other collateral (assignment and pledging of company shares, senior servicing of dividend claims, guarantees). Non-compliance with the arrangements will result in the realisation of this collateral to satisfy the claims.

In addition, 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 of the reasons for an impairment cease to apply, the receivables are written back to the amortised cost, at a maximum, and recognised in income.

Financial assets are derecognised whenever the contractual rights to the cash flows from a given financial asset expire or whenever the rights to receive the cash flows are transferred via a transaction that also transfers all material risks and rewards associated with the ownership of that financial asset.

### 2.6.2 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 the consolidated statement of comprehensive 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 settle the liability at least twelve months after the reporting date.



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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. The non-derivative financial liabilities are secured by land charges and other collateral (purchase price pledges, guarantees and letters of comfort by the respective ACCENTRO member company) vis-à-vis the creditors. In case the contractual agreements are not complied with, the collateral will be realised to satisfy the creditors' claims.

The Group's financial liabilities include liabilities to banks, bond liabilities, trade payables, advance payments received and other financial liabilities.

Financial liabilities are derecognised once they have been repaid. This is the case whenever obligations specified in a given contract are discharged or cancelled or have expired.

### 2.7 Lease Relationships

IFRS 16 "Leases" prescribes the application of the right-of-use model for lessees, which specifies that all leases must be recognised in the 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. Analogously, 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 consolidated statement of comprehensive income 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. The ACCENTRO Group recognises liabilities to make lease payments at the cash value of the lease payments to be made over the entire term of the lease.

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Rights-of-use assets are recognised at the date of origination at the value of the lease liability plus initial direct costs incurred and lease payments made at or prior to the origination, net of any incentives received. Rights of use are measured at cost net of any accumulated depreciation and any accumulated impairment losses, adjusted for any revaluation of the lease liabilities.

The ACCENTRO Group recognises rights of use and lease liabilities from car leases in its accounts presentation. The rights of use are reported under property, plant and equipment (IFRS 16.47 (i)). The ACCENTRO Group also recognises rights of use and lease liabilities from ground lease agreements, which were purchased in conjunction with the acquisition of 89.9% of the shares in ACCENTRO Gera Wohnen 2 GmbH. The ground lease agreements effective as at the reporting date for eight plots held in the inventory of ACCENTRO Gera Wohnen 2 GmbH (investment properties) 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. The right of use is reported under “investment properties” and measured accordingly at fair value (IFRS 16.34).

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 entire term of the lease.

### b) The Group as Lessor

Lease relationships are classified as operating leases whenever the Group does not substantially bear all the risks and rewards incidental to ownership of a given asset. Rental income is recognised on a straight-line basis over the entire lease term and reported under revenues due to its operational character.

The Group acts as lessor in conjunction with property lettings. Leasing agreements signed in this context represent operating leases.

### 2.8 Realisation of Expense and Income

The Group is active in the apartment privatisation business and generates its revenues both from the disposal of inventory assets (privatisation sales) and from the management of real property.

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 purchase 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 from 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

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the purchase prices or 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 2021/2022 financial years, the ACCENTRO Group gradually stepped up the development and sales of new attic apartments and provided other construction services. These purchase contracts with significant construction obligations generally involve a single performance obligation. Revenue is recognised in accordance with IFRS 15.35 c) on a period-by-period basis whenever sale-and-purchase agreements for the individual residential units were concluded with clients. 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 from 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 provided that the remuneration is contractually fixed or reliably measurable and that payment of the associated receivables is likely. 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.

Expenses are recognised once the deliverable has been accepted or at the time of their economic causation.

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.

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### 2.9 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.

## 3 Estimates and Discretionary Accounting Choices

In preparing the consolidated financial statements, the Company uses forward-looking estimates and assumptions regarding value-driving inputs to be expected in future 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 a basis for the recognition, measurement and disclosure of balance sheet items:

- › When classifying financial liabilities as current or non-current, the contractually agreed maturity serves as a basis for analysing 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 necessitates making certain assumptions, particularly with 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. Any change in valuation parameters can lead to significant changes in the valuation of investment properties.
- › When estimating the net selling price of retail properties, there are factors, particularly with regard to the achievable selling prices, which include estimates that are subject to an increased level of uncertainty that is particularly due to the given political and economic situation. Estimates of selling prices are based on assessments of the attractiveness of micro-locations and of the trend in purchasing power. The range in selling prices depends on the location of a given retail property. The adequacy of a price

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and the corresponding amount posted in the balance sheet are reviewed regularly and adjusted if necessary. To this end, the Company commissions external valuations for each balance sheet date or more often.

- › The recognition and measurement of provisions is based on assumptions regarding the probability of occurrence of various possible future burdens shouldered by 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 may be some uncertainties with 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. Moreover, estimates of future taxable net income affect the capitalisation of deferred taxes.
- › 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 at 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.”

- › ACCENTRO reports a large number of properties among the inventory assets because these properties are acquired and resold on short notice. In subsequent measurements, these inventory properties are carried at their acquisition or production costs and net realisable value, whichever is lower. 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. The determination of the net realisable value is subject to corresponding estimation uncertainties.

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 operation 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 and to be capitalised at their historical cost in line with the provisions of IAS 2 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.

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- › 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 in section 2.2e) 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 2,859) 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. Measurement of the remaining default risk is subject to a discretionary decision, which is fraught with a higher degree of estimation uncertainty due to the current political and economic parameters.

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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## 4 Supplementary Notes on the Individual Items of the Financial Statements

### 4.1 Intangible Assets and Goodwill

**Intangible assets** are initially recognised at their acquisition or production costs. In subsequent periods, intangible assets are recognised at acquisition or production costs, as the case may be, net of 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.

Intangible assets with finite useful lives are amortised on a straight-line basis over their entire economic lives. Their estimated useful life is generally three to five 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.

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 goodwill of TEUR 17,776 created by company acquisitions during the 2007 and 2008 financial years was allocated to the Trading Business cash-generating unit and thus to the present-day apartment privatisation business. The annual impairment test of goodwill was performed as at 31 December 2022. 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. For the 2022 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.

When calculating the value in use, the estimated future cash flows are discounted to their present value. The calculation was based on cash flow projections based on the budgets approved by the Management Board over a detailed planning period of four years. The senior management's planning is based on past experience and the best possible estimates regarding future developments. For cash flows generated after the four-year period, the average figure used was that of the final two detailed planning periods, the years 2025 and 2026. 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. The discount interest rate used for the cash flow forecast (Weighted Average Cost of Capital/WACC) is 8.66% (previous year: 5.06%), the market risk premium being 8.0% (previous year: 8.0%). As at 31 December 2022, the recoverable amount based on the value in use for the cash-generating unit was TEUR 462,189 (previous year: TEUR 715,305).

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In order to assess its recoverability, the recoverable amount thereby determined was then compared with the carrying amount that the Privatisation Business cash-generating unit posted based on the value in use. The senior management identified a positive margin (“headroom”) between the value in use and the carrying amount to be tested. Accordingly, ACCENTRO detected no need for impairments as at 31 December 2022.

The cash flows from apartment privatisations could decline in future because of the changed market conditions or changed demand. A 50% decrease in cash flows would prompt an impairment requirement in excess of the carrying amount of the goodwill as at 31 December 2022. This would result in a full write-off. An impairment would be the result of a cash flow reduction by 43%.

An increase in the discount interest rate by 624 basis points would prompt an impairment requirement in excess of the carrying amount of the goodwill as at 31 December 2022. This would result in a full write-off. An increase in the discount interest rate by 538 basis points would imply an impairment.

As at 31 December 2022, the intangible assets and the goodwill were composed as follows:

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	CONCESSIONS, LICENCES & SIMILAR RIGHTS	EDP SOFTWARE	GOODWILL	TOTAL
<b>Acquisition costs</b>				
Beginning of period	152	3,431	17,776	21,359
Additions	0	4,155	0	4,155
Disposals	0	0	0	0
<b>End of period</b>	<b>152</b>	<b>7,586</b>	<b>17,776</b>	<b>25,514</b>
<b>Cumulative depreciation and amortisation</b>				
Beginning of period	141	479	0	620
Additions	10	1,639	0	1,649
Disposals	0	0	0	0
<b>End of period</b>	<b>151</b>	<b>2,118</b>	<b>0</b>	<b>2,269</b>
<b>Depreciated book value</b>	<b>1</b>	<b>5,468</b>	<b>17,776</b>	<b>23,245</b>

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	CONCESSIONS, LICENCES & SIMILAR RIGHTS	EDP SOFTWARE	GOODWILL	TOTAL
<b>Acquisition costs</b>				
Beginning of period	152	430	17,776	18,358
Additions	0	3,001	0	3,001
Disposals	0	0	0	0
<b>End of period</b>	<b>152</b>	<b>3,431</b>	<b>17,776</b>	<b>21,359</b>
<b>Cumulative depreciation and amortisation</b>				
Beginning of period	124	70	0	194
Additions	17	409	0	426
Disposals	0	0	0	0
<b>End of period</b>	<b>141</b>	<b>479</b>	<b>0</b>	<b>620</b>
<b>Depreciated book value</b>	<b>11</b>	<b>2,952</b>	<b>17,776</b>	<b>20,739</b>

The “EDP software” item primarily includes the acquisition costs for the PropRate software.

The intangible assets (concessions, licences & similar rights and EDP software) in the amount of TEUR 5,469 (previous year: TEUR 2,963) were reported under “property, plant and equipment” in the Annual Report 2021.

### 4.2 Owner-Occupied Properties and Buildings

**Plots and buildings** are recognised at their historical costs or production costs less accumulated scheduled 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 Statement of Comprehensive Income. 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	16,000	25,686
Additions	0	0	0
<b>End of period</b>	<b>9,686</b>	<b>16,000</b>	<b>25,686</b>
<b>Cumulative depreciation and amortisation</b>			
Beginning of period	0	1,589	1,589
Additions	0	486	486
<b>End of period</b>	<b>0</b>	<b>2,075</b>	<b>2,075</b>
<b>Depreciated book value</b>	<b>9,686</b>	<b>13,925</b>	<b>23,611</b>

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IN TEUR

	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 and amortisation</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>

### 4.3 Property, Plant and Equipment

Property, plant and equipment are initially recognised at their historical cost. In subsequent periods, they are valued at their historical cost less accumulated scheduled 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 as at 31 December 2022 included furniture, fixtures and equipment as well as the rights of use with regard to the car fleet under IFRS 16.

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	LEASING USE RIGHTS	FURNITURE, FIXTURES AND EQUIPMENT	TOTAL
<b>Acquisition costs</b>			
Beginning of period	501	3,251	3,752
Additions	364	560	924
Disposals	0	0	0
<b>End of period</b>	<b>865</b>	<b>3,811</b>	<b>4,676</b>
<b>Cumulative depreciation and amortisation</b>			
Beginning of period	357	864	1,221
Additions	144	446	590
Disposals	0	0	0
<b>End of period</b>	<b>501</b>	<b>1,310</b>	<b>1,811</b>
<b>Depreciated book value</b>	<b>364</b>	<b>2,501</b>	<b>2,865</b>

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IN TEUR

	LEASING USE RIGHTS	FURNITURE, FIXTURES AND EQUIPMENT	TOTAL
<b>Acquisition costs</b>			
Beginning of period	391	1,756	2,147
Additions	110	1,498	1,608
Disposals	0	-3	-3
<b>End of period</b>	<b>501</b>	<b>3,251</b>	<b>3,752</b>
<b>Cumulative depreciation and amortisation</b>			
Beginning of period	212	487	699
Additions	145	378	523
Disposals	0	-1	-1
<b>End of period</b>	<b>357</b>	<b>864</b>	<b>1,221</b>
<b>Depreciated book value</b>	<b>144</b>	<b>2,387</b>	<b>2,531</b>

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### 4.4 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 surveyors have RICS qualifications. Valuations are done as at balance sheet date, as in the previous year using the discounted cashflow method (DCF method).

Current maintenance costs are recognised as an expense in the consolidated statement of comprehensive income. 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 Statement of Comprehensive Income.

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

IN TEUR

	2022		2021	
	INVESTMENT PROPERTIES	RIGHT OF USE TO THE GROUND LEASES	INVESTMENT PROPERTIES	RIGHT OF USE TO THE GROUND LEASES
Carrying amount as at 1 JAN	325,155	5,497	215,001	0
Additions	4,220	0	4,598	0
Acquisitions	27,494	0	86,568	0
Additions to rights of use	0	885	0	5,497
Fair value increases (+)	11,008	0	27,189	0
Fair value decreases (–)	–12,801	0	–8,201	0
Disposals (–)	0	0	0	0
Carrying amount as at 31 DEC	355,076	6,382	325,155	5,497

The aforementioned table includes properties that were recognised at their historical costs of TEUR 18,216 at the end of the 2021 financial year because they were acquired close to the reporting date (level 1). These properties were recognised at their appraised value for the first time as at balance sheet date, 31 December 2022 (level 3). 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 27,494 in the towns of Seeland and Aschersleben (Saxony-Anhalt) during the 2022 financial year. They were entirely allocated to investment properties (IAS 40).

The valuation as investment properties is based on IAS 40.32a, the fair value being TEUR 355,076 (previous year: TEUR 325,155). Adding the value in use of the ground leases brings the total carrying amount up to TEUR 361,458 (previous year: TEUR 330,652). The difference in value of TEUR – 1,793 (previous year: TEUR 18,988) between fair value increases and fair value decreases that was determined by a valuer in this context was recognised in income. With regard to the value in use of ground leases reported under “Investment properties”, please refer to the comments in Section 4.15.

The rental income from the investment properties added up to TEUR 13,648 during the financial year (previous year: TEUR 9,224). The directly attributable operating expenses of the investment portfolio amounted to TEUR 10,868 (previous year: TEUR 6,964). The acquisition of a large number of properties recognised as investment properties last year 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, making 2022 the first financial year in which they are fully recognised.

Since the investment properties are not traded on an active market, but are valued using inputs based on unobservable market data (Level 3). As at 31 December 2022, 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 know-how, e. g. future market rents, typical maintenance and administrative costs, structural vacancy rates as well as discount interest and capitalisation rates.

The valuation technique was defined 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 at 31 December 2022. In each case, the underlying detailed planning period is ten years. For the end of this period, a potential discounted disposal 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 disposal 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.



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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, and represent a fair market value of TEUR 121,799 (31 December 2021: TEUR 119,863). The area-weighted vacancy rates of these properties equal 35.09%. 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 level, this would adversely impact subsequent valuations.

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	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount interest rate	%	5.52	4.85	4.38 – 7.00	4.00 – 6.00
Capitalisation rate	%	5.83	5.42	5.00 – 7.00	4.50 – 6.00
Residential maintenance costs	EUR/sqm	8.50	8.50	8.50	8.50
Residential management costs	EUR/unit/year	280.00	280.00	280	280
Fluctuation rate	% p. a.	10.00	10.00	10.00	10.00

VALUATION RESULTS	UNIT	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Passing-rent multiplier	Faktor	22.6	23.6	13.8 – 34.1	13.9 – 40.2
Market value per sqm	EUR/m <sup>2</sup>	795	782	416 – 1,256	426 – 1,231

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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.

31/12/2022

	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

31/12/2022

	MAINTENANCE COSTS			FLUCTUATION RATE		
	- 10,0 %	+10,0 %	+20,0 %	+2.0 PERCENTAGE POINTS	+1.0 PERCENTAGE POINTS	- 1.0 PERCENTAGE POINTS
<b>CHANGES IN VALUE</b>						
in TEUR	2,481	-2,501	-4,962	-1,821	-870	860
in %	2.04 %	-2.05 %	-4.07 %	-1.50 %	-0.71 %	0.71 %

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During the previous year, 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	13,484	-11,214	-20,827	-6,602	-3,281	3,151
in %	11.07%	-9.21%	-17.10%	-5.42%	-2.69%	2.59%

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 other investment properties were appraised by bulwiengesa appraisal GmbH, Berlin, as at 31 December 2022, using the discounted cash flow (DCF) method, and break down into 21 exclusively or mainly residential rental properties of the “NRW Portfolio” (Essen, Duisburg, Hagen, Krefeld, Oer-Erkenschwick and Wuppertal), nine exclusively or mainly residential rental properties of the “Pracht Portfolio” (Berlin), nineteen exclusively or mainly residential rental properties of the “Klingenthal Portfolio” (Klingenthal), sixteen exclusively or mainly residential rental

properties of the “Seeländer Portfolio” (Seeland and Aschersleben), and the commercial property “Werdauer Weg” (Berlin) that consists of office units and a hotel. These assets represent a combined market value of TEUR 233,277. Included in the total amount with TEUR 21,293 are the assets in Seeland and Aschersleben that were acquired during the year under review. This means that the prior-year figure of TEUR 215,047 does not represent an identical portfolio.

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The assumptions necessary for the fair value appraisal were determined separately for each property. For the presentation of the key valuation parameters, the properties of the “Nordrhein-Westfalen Portfolio” are considered collectively because of their comparable property typology (sum total: TEUR 44,767), whereas the properties of the “Pracht Portfolio”

(TEUR 41,700), the “Klingenthal Portfolio” (TEUR 23,417) and the “Werdauer Weg” commercial property (TEUR 102,100) are presented separately. The overview below shows material assumptions and results that bulwiengesa used to determine the fair value as at the reporting date in its valuation according to the DCF method:

### NORDRHEIN-WESTFALEN PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount interest rate	%	4.44	4.45	3.75 – 5.75	4.00 – 5.50
Capitalisation rate	%	3.96	4.02	3.30 – 5.25	3.50 – 5.25
Residential maintenance costs	EUR/sqm	12.18	12.00	12.00 – 12.20	12.00
Commercial maintenance costs	EUR/sqm	12.18	12.00	12.00 – 12.20	12.00
Residential management costs	EUR/unit/year	309.85	300.00	300.00 – 312.00	300.00
Commercial management costs	% p. a.	3.00	3.00	3.00	3.00
Residential risk of rent loss	%	2.00	2.00	2.00	2.00
Commercial risk of rent loss	%	4.00	4.00	4.00	4.00

VALUATION RESULTS	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Passing-rent multiplier	Ratio	21.7	20.6	14.3 – 48.7	14.1 – 27.0
Market value per sqm	EUR/sqm	1,423	1,568	669 – 2,366	669 – 2,326

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## PRACHT PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount interest rate	%	2.31	2.84	2.00 – 2.65	2.50 – 3.25
Capitalisation rate	%	1.81	2.13	1.50 – 2.40	1.75 – 2.75
Residential maintenance costs	EUR/sqm	12.20	12.00	12.20	12.00
Commercial maintenance costs	EUR/sqm	12.20	12.00	12.20	12.00
Residential management costs	EUR/unit/year	312.00	300.00	312.00	300
Commercial management costs	% p. a..	3.00	3.00	3.00	3.00
Residential risk of rent loss	%	2.00	2.00	2.00	2.00
Commercial risk of rent loss	%	4.00	4.00	4.00	4.00

VALUATION RESULTS	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Passing-rent multiplier	Ratio	46.0	45.9	34.0 – 59.4	34.0 – 54.7
Market value per sqm	EUR/sqm	3,491	3,482	2,635 – 3,969	2,639 – 3,914

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## WERDAUER WEG

VALUATION PARAMETER	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount interest rate	%	3.70	3.50	3.70	3.50
Capitalisation rate	%	3.25	3.00	3.25	3.00
Commercial maintenance costs	EUR/sqm	5.00	5.00	5.00	5.00
Commercial management costs	% p. a..	1.00	1.00	1.00	1.00
Commercial risk of rent loss	%	3.50	3.50	3.50	3.50

VALUATION RESULTS	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Passing-rent multiplier	Ratio	28.3	31.1	28.3	31.1
Market value per sqm	EUR/sqm	7,137	7,430	7,137	7,430

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## KLINGENTHAL PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount interest rate	%	2.99	3.25	2.00 – 4.50	2.50 – 4.25
Capitalisation rate	%	2.64	3.00	2.00 – 4.00	2.00 – 4.00
Residential maintenance costs	EUR/sqm	10.96	10.22	10.00 – 11.00	10.00
Commercial maintenance costs	EUR/sqm	11.00	10.00	11.00	10.00
Residential management costs	EUR/unit/year	311.56	300.00	300.00 – 312.00	300.00
Commercial management costs	% p. a.	3.00	3.00	3.00	3.00
Residential risk of rent loss	%	2.00	2.00	2.00	2.00
Commercial risk of rent loss	%	4.00	4.00	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 1,500 because their current vacancy rate of more than 90% would result in an excessive passing-rent multiplier that would distort the presentation.

VALUATION RESULTS	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Passing-rent multiplier	Ratio	27.4	27.4	15.1 – 49.3	15.1 – 39.8
Market value per sqm	EUR/sqm	863	838	596 – 1,124	596 – 925



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## SEELAND PORTFOLIO

VALUATION PARAMETER	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Discount interest rate	%	4.90	n/a	3.45 – 7.00	n/a
Capitalisation rate	%	4.41	n/a	2.90 – 6.50	n/a
Residential maintenance costs	EUR/sqm	12.20	n/a	12.20	n/a
Commercial maintenance costs	EUR/sqm	12.20	n/a	12.20	n/a
Residential management costs	EUR/unit/year	312.00	n/a	312.0	n/a
Commercial management costs	% p. a..	3.00	n/a	3.00	n/a
Residential risk of rent loss	%	2.00	n/a	2.00	n/a
Commercial risk of rent loss	%	4.00	n/a	4.00	n/a

VALUATION RESULTS	UNIT	MEAN		RANGE	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021
Passing-rent multiplier	Ratio	14.4	n/a	9.6 – 20.2	n/a
Market value per sqm	EUR/sqm	543	n/a	454 – 640	n/a

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As in the previous year, the main market-influenced value drivers identified for the year under review were 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 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 at 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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## NORDRHEIN-WESTFALEN PORTFOLIO

31/12/2022	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	16,672	7,037	-5,376	-9,622
in %	37.2	15.7	-12.0	-21.5

31/12/2022	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	-3,684	-1,796	1,796
in %	-8.2	-4.0	4.0

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	15,756	6,731	-5,216	-9,377
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	-3,939	-1,754	1,683
in %	-8.8	-3.9	3.8

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## PRACHT PORTFOLIO

31/12/2022

DISCOUNT / CAPITALISATION RATE

-1.0 PERCENTAGE  
POINTS

-0.5 PERCENTAGE  
POINTS

+0.5 PERCENTAGE  
POINTS

+1.0 PERCENTAGE  
POINTS

### CHANGE IN VALUE

in TEUR

57,572

16,863

-9,348

-15,313

in %

136.9

40.1

-22.2

-36.4

31/12/2022

MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY

- 4.0 % / +20.0 % / +2.0 %

- 2.0 % / +10.0 % / +1.0 %

+2.0 % / - 10.0 % / - 1.0 %

### CHANGE IN VALUE

in TEUR

-3,002

-1,566

1,436

in %

-7.1

-3.7

3.4

31/12/2021

DISCOUNT / CAPITALISATION RATE

-1.0 PERCENTAGE  
POINTS

-0.5 PERCENTAGE  
POINTS

+0.5 PERCENTAGE  
POINTS

+1.0 PERCENTAGE  
POINTS

### CHANGE IN VALUE

in TEUR

39,889

13,400

-8,159

-13,662

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 %

### CHANGE IN VALUE

in TEUR

-2,686

-1,343

840

in %

-6.5

-3.2

2.0

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## WERDAUER WEG

31/12/2022

DISCOUNT / CAPITALISATION RATE

-1.0 PERCENTAGE  
POINTS

-0.5 PERCENTAGE  
POINTS

+0.5 PERCENTAGE  
POINTS

+1.0 PERCENTAGE  
POINTS

### CHANGE IN VALUE

in TEUR

45,297

18,533

-13,595

-23,995

in %

44.4

18.2

-13.3

-23.5

31/12/2022

MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY

- 4.0 % / +20.0 % / +2.0 %

- 2.0 % / +10.0 % / +1.0 %

+2.0 % / - 10.0 % / - 1.0 %

### CHANGE IN VALUE

in TEUR

-527

-264

264

in %

-0.5

-0.3

0.3

31/12/2021

DISCOUNT / CAPITALISATION RATE

-1.0 PERCENTAGE  
POINTS

-0.5 PERCENTAGE  
POINTS

+0.5 PERCENTAGE  
POINTS

+1.0 PERCENTAGE  
POINTS

### CHANGE IN VALUE

in TEUR

52,982

21,187

-15,126

-26,465

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 %

### CHANGE IN VALUE

in TEUR

-2,835

-1,417

271

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

### CHANGE IN VALUE

in TEUR

20,028

6,997

-4,467

-7,594

in %

85.1

29.7

-19.0

-32.2

31/12/2022

MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY

- 4.0 % / +20.0 % / +2.0 %

- 2.0 % / +10.0 % / +1.0 %

+2.0 % / - 10.0 % / - 1.0 %

### CHANGE IN VALUE

in TEUR

-4,976

-2,472

2,486

in %

-21.1

-10.5

10.6

31/12/2021

DISCOUNT / CAPITALISATION RATE

-1.0 PERCENTAGE  
POINTS

-0.5 PERCENTAGE  
POINTS

+0.5 PERCENTAGE  
POINTS

+1.0 PERCENTAGE  
POINTS

### CHANGE IN VALUE

in TEUR

13,522

5,304

-3,725

-6,491

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 %

### CHANGE IN VALUE

in TEUR

-3,240

-1,600

1,732

in %

-14.1

-7.0

7.5

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## SEELAND PORTFOLIO

31/12/2022

DISCOUNT / CAPITALISATION RATE

-1.0 PERCENTAGE  
POINTS

-0.5 PERCENTAGE  
POINTS

+0.5 PERCENTAGE  
POINTS

+1.0 PERCENTAGE  
POINTS

### CHANGE IN VALUE

in TEUR

7,701

3,319

-2,604

-4,704

in %

36.0

15.5

-12.2

-22.0

31/12/2022

MARKET RENT / MAINTENANCE COSTS / STRUCTURAL VACANCY

- 4.0 % / +20.0 % / +2.0 %

- 2.0 % / +10.0 % / +1.0 %

+2.0 % / - 10.0 % / - 1.0 %

### CHANGE IN VALUE

in TEUR

-4,633

-2,376

2,364

in %

-21.7

-11.1

11.1

Since the Seeland portfolio was acquired in the course of the year under review, fair value sensitivities were not analysed.

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

IN TEUR

2022

2021

### CLASSIFICATION OF MEASUREMENT METHODS

Level 1

n.a.

18,216

Level 2

n.a.

n.a.

Level 3

361,458

312,436

**Total**

**361,458**

**330,652**



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## 4.5 Non-Current Other Receivables and Other Assets

IN TEUR

	31/12/2022	31/12/2021
Loan to joint venture (LHC Holding 1 GmbH & Co. KG)	11,031	11,031
Loan receivables from non-controlling interests	9,032	8,538
Other loan receivables	7,625	9,614
Loan to associate (Kaiser 102 Projektentwicklungs GmbH)	0	4,069
Loans to associates (Gutshof Dahlewitz 1 GmbH and Gutshof Dahlewitz 2 GmbH)	0	2,474
Other non-current assets	0	131
Impairments of non-current receivables	-217	-190
<b>Total non-current other receivables and other assets</b>	<b>27,471</b>	<b>35,667</b>

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.

As at 31 December 2022, the non-current other receivables and other assets totalled TEUR 27,471 (previous year: TEUR 35,667) and therefore experienced a year-on-year drop by TEUR 8,196. The decline is primarily explained by a reclassification of loans to associates (Kaiser 102 Projektentwicklungs GmbH, Gutshof Dahlewitz 1 GmbH and Gutshof Dahlewitz 2 GmbH) in the amount of TEUR 8,892 as current other receivables and other assets because the remaining time to maturity of these loans was twelve months or less by the balance sheet date.

The loans to associated companies, joint ventures, minority shareholders and other project development companies reported among non-current receivables and other assets are collateralised in virtually all cases, so that the recognition of an impairment reserve was unnecessary for these collateralised loans. 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 budgets and project progress reports submitted to it, the Management Board found no evidence suggesting that the companies will be unable to repay the loans after marketing their projects. For these non-collateralised or not fully collateralised loans, ACCENTRO recognised allowances in an amount equal to the anticipated 12-month credit loss. 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 2022 financial year, the default rate taken into account remains unchanged at 1.4%, which implies a total impairment of TEUR 217 (previous year: TEUR 190). 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.

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### 4.6 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 NET INCOME	OTHER EFFECTS	BOOK VALUE OF THE NON-CONTROLLING INTERESTS AS AT 31/12/2022	BOOK VALUE OF THE NON-CONTROLLING INTERESTS AS AT 31/12/2021
<b>Corporations</b>					
Johanniterstr. 3–6 Liegenschaften GmbH	10.5	556	91	2,323	1,676
ACCENTRO NRW	10.1	41	0	744	703
Werdauer Weg 3 Projektentwicklungs GmbH	10.1	–269	177	3,622	3,714
Lekova 26 GmbH	10.1	404	1	1,606	1,201
ACCENTRO Halle Wohnen GmbH	10.1	–55	0	1,234	1,289
Lekova 19 GmbH	10.1	277	1	1,135	857
ACCENTRO Gera Wohnen 2 GmbH	10.1	–150	0	1,724	1,874
Other immaterial subsidiaries	between 5 and 61.6	–310	–279	1,343	1,932
<b>Total</b>		<b>494</b>	<b>-9</b>	<b>13,731</b>	<b>13,246</b>

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The “other effects” of the financial year in the amount of TEUR – 9 contain, on the one hand, the increase in non-controlling interests from the initial consolidation of the company Berliner Platz UG in the amount of TEUR 215. Conversely, reclassifications took place between non-controlling interests and the equity attributable to shareholders of the parent company in the amount of TEUR – 224.

Listed below are the summarised financial details of subsidiaries in which ACCENTRO Real Estate AG held significant but non-controlling interests as at 31 December 2022:

31/12/2022

IN TEUR

	TOTAL
Total current assets	79,600
Total non-current assets	332,590
Total current liabilities	–137,574
Total non-current liabilities	–111,384
<b>Net assets</b>	<b>163,232</b>
Earnings/revenues	11,037
Net profit for the year	4,112
thereof attributable to the shareholders of ACCENTRO Real Estate AG	3,619
thereof attributable to non-controlling interests	494

Listed below are the summarised financial details of subsidiaries in which ACCENTRO Real Estate AG held significant but non-controlling interests as at 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 of non-controlling interests in partnerships are recognised as profit or loss in the consolidated statement of comprehensive income.

### 4.7 Equity Investments

On initial recognition, equity investments that represent equity instruments within the meaning of IAS 32 are categorised as being measured in equity at fair value in other comprehensive income.

All changes in fair value are recognised in other comprehensive income and recognised cumulatively in equity. If the instrument is derecognised, it will not be reclassified in the consolidated statement of comprehensive income later on, but will be reclassified with the net retained profit

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instead. Dividends from these investments are recognised in the consolidated statement of comprehensive income as other income when a legal claim to their payment is established, unless the dividends recover part of the historical cost of the financial asset. In this case, the profits are recognised in other comprehensive income.

Overall, ACCENTRO held interests of 5.1% each in 9 (previous year: 14) equity investments, one equity investment of 10.1% (previous year: one) and one equity investment of 1.9% (previous year: one) as at 31 December 2022. The earnings from these equity investments added up to TEUR 74 during the 2022 financial year (previous year: TEUR 60). Changes in the fair value of the equity investments to be recognised in “other comprehensive income” amounted to TEUR 792 as at 31 December 2022 (previous year: TEUR 0). During the 2021 financial year, no changes in the fair value to be recognised in other comprehensive income had to be realised because the equity investments did not experience any material increase or loss in value. The equity investments were undertaken with the view of developing new housing privatisation opportunities.

ACCENTRO disposed of its 5.1% equity interests in the companies RELDA 38. Wohnen GmbH, RELDA 39. Wohnen GmbH, RELDA 45. Wohnen GmbH, Estavis 8. Wohnen GmbH and Estavis 9. Wohnen GmbH for a combined selling price of TEUR 1,784 during the 2022 financial year. The disposal generated a capital gain in the amount of TEUR 1,465. In line with the categorisation of the equity investments as “measured in equity at fair value” in other comprehensive income, the capital gain was initially recognised as increase in value in other comprehensive income. Since these equity investments were sold, they were subsequently reclassified with the net retained profit.

In addition, ACCENTRO owned fund shares and cooperative shares in a combined amount of TEUR 777 (previous year: TEUR 679) as at 31 December 2022.

IN TEUR

	31/12/2022	31/12/2021
Equity interest in DELTA VIVUM I	3,229	2,683
Equity interest in Magnus Relda Portfolio	1,689	1,346
Equity interest in Jühnsdorfer Weg Immobilien GmbH	432	562
Equity interest in Wohnen in Garmisch-Partenkirchen GmbH	945	1,202
Other	1,175	1,107
<b>Total</b>	<b>7,470</b>	<b>6,900</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 2022	ANNUAL NET INCOME 2022
Jühnsdorfer Weg Immobilien GmbH, Berlin*	5.1%	-6,792	-1,699
Wohnen in Garmisch-Partenkirchen GmbH, Jena (formerly: ACCENTRO Bayern GmbH)*	10.1%	-2,077	-739
DELTA VIVUM Berlin I GmbH, Berlin**	5.1%	16,787	2,493
DELTA VIVUM Berlin II GmbH, Berlin**	5.1%	-2,309	-38
Phoenix Spree Gottlieb GmbH, Berlin*	5.1%	123	0
Phoenix Spree Mueller GmbH, Berlin*	5.1%	2,766	0
HRP Hamburg Residential S.a.r.l., Luxembourg***	5.1%	-14,547	-2,667
<b>Magnus Relda Portfolio</b>			
Estavis 6. Wohnen GmbH, Berlin**	5.1%	6,485	0
Estavis 7. Wohnen GmbH, Berlin **	5.1%	-73	0
RELD 36. Wohnen GmbH, Berlin**	5.1%	140	0
Magnus-Relda Holding Vier GmbH, Berlin****	1.9%	43,270	3,116

\* provisional HGB figures from 2022

\*\* provisional figures from Q3 2022

\*\*\* Lux GAP figures from Q4 2022

\*\*\*\* HGB standard reporting figures as at 31 December 2021

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### 4.8 Equity Interests Accounted for Using the Equity Method

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 properties” in the context of maintaining uniform Group recognition and measurement methods. Expenses and income are consolidated in the pro-rata amount financed by ACCENTRO and recognised in income.

The equity interests accounted for using the equity method developed as follows during the 2022 financial year:

IN TEUR

	2022	2021
<b>Start of the financial year</b>	<b>4,712</b>	<b>6,279</b>
Additions	0	1,569
Disposals	0	-3,524
Shares in profits and losses*	1,242	388
<b>End of the financial year</b>	<b>5,954</b>	<b>4,712</b>

\* The net income from companies that are reported in the 2021 consolidated statement of comprehensive income and measured using the equity method also included income from the disposal of equity interests.

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 at 31 December 2022 and 31 December 2021, measured using the equity method

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IN TEUR

	DÜNE 38 PROJEKT- ENTWICKLUNGS GMBH	LHC HOLDING GMBH & CO. KG	DEUWA REAL GMBH
			(JOINT VENTURE)
Earnings/revenues	2,248	7,381	51
Profit or loss for the year/ comprehensive income	267	1,987	12
Total current assets	1,207	17,767	51,090
Total non-current assets	0	0	76
Total current liabilities	322	1,297	15,602
Total non-current liabilities	0	14,481	33,212
Net assets of the associate	885	1,989	2,352
ACCENTRO Real Estate AG's interest in net assets of the associate	44 %	50 %	n/a
Carrying amount of ACCENTRO's interest, measured using the equity method	389	2,542	2,859

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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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For the risks and constraints to which ACCENTRO is exposed by each of the associates and joint ventures, please see, where relevant, the elaborations in Section 5.

### 4.9 Inventory Assets

The inventory properties of the ACCENTRO Group include properties acquired for disposal, and down-payments made on such properties. 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. Whenever inventory assets are acquired via a share deal, they are recognised at fair value.

From time to time, the individual privatisation business necessitates a breakdown of the acquisition costs incurred by each apartment. 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 highest 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

	31/12/2022	31/12/2021
Inventory properties	233,700	295,524
Advance payments for property, plant, equipment	1,235	5,073
<b>Total</b>	<b>234,935</b>	<b>300,597</b>

The Company's stock of inventory assets decreased as a result of the continuous fast-paced marketing of fully refurbished developments. In a parallel move, the Company continues to invest in its development and refurbishment of standing properties to bolster their future profitability. Transfers of benefits and burdens during the 2022 financial year included 107 residential units that were acquired for a combined price of TEUR 23,733.

At the same time, 244 residential units with a notarised sales volume of TEUR 80,087 were disposed of, some of which did not generate revenues until 2023. Overall, benefits and burdens were transferred for 463 units during the 2022 financial year, so that these units generated a volume of property sales worth TEUR 146,534.

For the properties held as inventory assets, TEUR 185 in impairments were taken into account during the 2022 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 23,995 as at the reporting date. These resulted in obligations to purchase inventory properties in an amount of TEUR 3,223 and in purchase guarantees in the amount of TEUR 20,772. The transfer of benefits and burdens will probably take place during the 2023 financial year.



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Inventory properties with a carrying value of TEUR 164,769 (previous year: TEUR 119,246) are expected to be sold after more than twelve months, according to corporate planning.

### 4.10 Contract Assets

The contract assets (in the amount of TEUR 5,504; previous year: TEUR 11,228) 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.

### 4.11 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

	31/12/2022	31/12/2021
<b>Trade receivables (gross)</b>	<b>19,930</b>	<b>22,506</b>
Allowances	-2,177	-1,182
<b>Trade receivables (net)</b>	<b>17,753</b>	<b>21,324</b>
<b>thereof non-current</b>	<b>0</b>	<b>0</b>
<b>thereof current</b>	<b>17,753</b>	<b>21,324</b>

The following table provides information on the estimated default risk and expected credit losses for trade receivables as at 31 December 2022 and 31 December 2021:

31/12/2022

IN TEUR

	CARRYING AMOUNT PRIOR TO IMPAIRMENT	VALUATION ALLOWANCE	CARRYING AMOUNT
Receivables from buyers of residential units	1,973	0	1,973
Receivables from operating costs not yet invoiced	9,439	-63	9,376
Rent receivables	3,818	-2,097	1,721
Other trade receivables	4,700	-17	4,683
	<b>19,930</b>	<b>-2,177</b>	<b>17,753</b>

31/12/2021

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>

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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. Nor were bad-debt losses recorded in this context in previous years.

ACCENTRO applies the simplified impairment model specified in IFRS 9 ("simplified approach") to receivables from operating costs not yet invoiced and to rent receivables. 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 capital depreciation recognised for these remaining receivables from operating costs not yet invoiced equalled TEUR 195 as of 31 December 2022 (previous year: TEUR 45).

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 as of 31 December 2022 and 31 December 2021 are listed in the table below:

31/12/2022

IN TEUR

	IMPAIRMENT RATE	GROSS CARRYING AMOUNT 31/12/2022	IMPAIRMENT	NET CARRYING AMOUNT 31/12/2022
<b>Rent receivables</b>		<b>3,818</b>	<b>-2,097</b>	<b>1,721</b>
Not due or overdue by 1 to 30 days	0 %	740	0	740
Overdue by 31 to 90 days	0 %	402	0	402
Overdue by 91 to 360 days	50 %	1,159	-580	580
Overdue by more than 360 days	100 %	1,518	-1,518	0

31/12/2021

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

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In addition, other one-off allowances in a total amount of TEUR 0 (previous year: 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 53 (previous year: TEUR 51).

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

IN TEUR

	31/12/2022	31/12/2021
<b>As of 1 January</b>	<b>1,182</b>	<b>17</b>
Change in consolidated group	0	0
Additions (impairment losses)	995	1,165
Reversals	0	0
Utilisation	0	0
<b>As of 31 December</b>	<b>2,177</b>	<b>1,182</b>

The other current receivables and other assets include:

IN TEUR

	31/12/2022	31/12/2021
Receivable from the reversal of an acquisition and the purchase price not yet repaid	19,561	18,886
Loan receivables	15,867	0
Loans to associates	8,892	2,044
Escrow account	6,485	5,277
Fund-raising costs	6,027	0
Prepayments and accrued income	661	231
Receivables from investment companies	345	1,676
Miscellaneous other receivables	2,917	1,543
<b>Sum total of current other receivables and other assets</b>	<b>60,755</b>	<b>29,658</b>

The current other receivables and other assets increased by TEUR 31,097 to TEUR 60,755 during the 2020 reporting year (previous year: TEUR 29,658). The increase is mainly explained by a loan in the amount of TEUR 15,867 (TEUR 15,000 loan amount plus TEUR 867 in interest) that was granted to Green Living GmbH on 31 May 2022 towards the implementation and completion of a property development. In addition, loans to associates in amount of TEUR 8,892 were reclassified as short-term receivables as of 31 December 2022. The full repayment of loans granted by the associate Düne 38 Projektentwicklungs GmbH had a converse effect. Another company in which ACCENTRO holds an equity interest also repaid its loan, except for a residual interest receivable.

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The receivable from the rescission of an acquisition and the purchase price not yet repaid, which had initially been disbursed as a loan, in the amount of TEUR 19,561 (previous year: TEUR 18,886) from DIM Holding AG breaks down into the receivable from the rescission of the acquisition of the shares in DIM Holding AG in the amount of TEUR 16,465 (previous year: TEUR 15,797), loan receivables in the amount of TEUR 3,266 (previous year: TEUR 3,133) and a valuation allowance in the amount of TEUR 170 (previous year: TEUR 44). This account receivable has been due for payment since 31 December 2022.

In May 2021, ACCENTRO Real Estate AG took advantage of the option to rescind its acquisition of all shares of the company DIM Holding AG, Berlin, as well as of a shareholder loan it had acquired within the scope of the acquisition from the seller, after the company failed to achieve certain milestones that had been agreed. The claim amounting to TEUR 19,731 million had not been settled as of the balance sheet date. To ensure the recoverability of the claims, various agreements were made that are in the process of being implemented. For more details, we refer you to Section 5.2.

The loan that ACCENTRO granted to Green Living GmbH matured on 31 December 2022. In conjunction with the loan agreement between ACCENTRO and Green Living GmbH, the borrower provided collateral in the form of a land charge. The notarial creation of the land charge to secure the loan took place on 30 May 2022. On top of that, the parent company of Green Living GmbH issued a letter of comfort as additional security. For more details on this subject, we refer you to Section 5.2.

The item “loans to associates” concerns loans granted to the companies Kaiser 102 Projektentwicklungs GmbH, Gutshof Dahlewitz 1 GmbH and Gutshof Dahlewitz 2 GmbH. These loans in a total amount of TEUR 8,892 that were previously recognised as non-current other receivables and other assets were reclassified as current other receivables and other assets as of 31 December 2022 because the remaining time to maturity of these

loans was twelve months or less by the balance sheet date. For contractual details, we refer you to the elaborations in Section 6.1.

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 investment companies in the amount of TEUR 345 (previous year: TEUR 1,676), incoming payments of TEUR 1,369 were recorded at the beginning of the 2022 financial year.

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 2022 financial year, the default rate taken into account equalled 1.4%, which implies a total impairment of TEUR 170 (previous year: TEUR 44). Other one-off allowances on other miscellaneous receivables add up to TEUR 155 (previous year: TEUR 155).

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### 4.12 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 predominantly represent bank balances held at call. Funds in the amount of TEUR 45,246 (previous year: 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).

### 4.13 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.”

The transfer of benefits and burdens for the equity interest in the Belle Époque Quartier Gehrensee GmbH plus the shareholder loan receivable in the amount of TEUR 16,000 overall, which had been recognised in the previous year as assets held for sale, took place in March 2022. The selling price including accrued interest in the amount of TEUR 16,673 was collected in full. The interest total of TEUR 673 concerned the period beginning on 1 January 2022 and ending on the payment date of 29 March 2022.

The Group reported no assets held for sale as of 31 December 2022.

### 4.14 Shareholders' Equity

The Group’s equity totalled TEUR 247,706 as of 31 December 2022 (previous year: TEUR 260,637). Of the total, the shareholders of the parent company accounted for TEUR 233,975 (previous year: TEUR 247,390) and non-controlling shareholders for TEUR 13,731 (previous year: TEUR 13,247).

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.

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

IN TEUR

	AMOUNT	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)

At the Annual General Meeting of ACCENTRO Real Estate AG, a resolution was passed to distribute a dividend of EUR 0.04 per no-par share for the 2021 financial year, adding up to a total of EUR 1,297,517.36 for 32,437,934 no-par shares. The dividend was paid out in September 2022.

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 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 board member Lars Schriewer and to board member Hans-Peter Kneip, who left the Company during the 2021 financial year, 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 party to the contract. 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 with a total value of TEUR 714. The parameters used to measure the fair value of the options at the vesting date are as follows:

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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%

The stock options of one senior executive expired on 31 March 2022. The options were not exercised. 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 355. Moreover, no share options were forfeited, exercised or expired during the reporting period. The total expense of the stock options during the 2022 financial year amounted to TEUR 133.

## 4.15 Financial Liabilities and Bonds

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

IN TEUR

	31/12/2022	31/12/2021
<b>Non-current financial liabilities</b>		
Liabilities to banks	101,704	142,633
Bond Liabilities	99,394	346,701
Lease liabilities	6,680	5,615
<b>Total non-current financial liabilities</b>	<b>207,778</b>	<b>494,949</b>
<b>Current financial liabilities</b>		
Liabilities to banks	103,052	104,672
Bond liabilities	255,929	6,655
<b>Total current financial liabilities</b>	<b>358,981</b>	<b>111,327</b>
<b>Total financial liabilities</b>	<b>566,759</b>	<b>606,276</b>

### LIABILITIES TO BANKS

Of the carrying amount of non-current financial liabilities to banks, TEUR 101,704 (previous year: TEUR 142,633) relate to loan amounts with a remaining term of more than one and less than five years. Current financial liabilities amount to TEUR 103,052 (previous year: TEUR 104,672). The decrease in non-current financial liabilities by TEUR 40,929 (previous year: TEUR 5,238) is essentially explained by the reclassification of the loan for the Werdauer Weg property company previously reported as non-current and now reported among current financial liabilities, and by the repayment of the loan to the Johanniterstraße property company. Conversely, this was offset by seven new financing arrangements with a term of



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more than one year that were taken out in 2022. The decrease in current financial liabilities of TEUR 1,620 is mainly explained by the repayment of short-term loans from purchase prices received. The reclassification of the Werdauer Weg loan, previously recognised as a non-current financial liability, to current financial liabilities had a converse effect.

### Bond Liabilities

On 7 February 2020, ACCENTRO issued a non-subordinated and non-colateralised 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 the 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. On 16 December 2022, ACCENTRO Real Estate AG concluded a lock-up agreement with around 56% of the invested noteholders of the 2020/2023 bond. The agreement specifies that the noteholders concerned agree to an extension and thus to the refinancing of the 2020/2023 bond at arm's length terms and subject to the condition that an additional member be appointed to the Management Board. The agreed refinancing of the 2020/2023 bond provides for a three-year extension until 13 February 2026 while raising the interest rate by 2 percentage points to 5.625%.

Other provisions of the agreement include a one-off repayment at the time the refinancing arrangement becomes effective and additional annual minimum repayments that are contractually guaranteed (starting in December 2023), as well as one mandatory prepayment of the net proceeds from the disposal of investment properties and from certain loans and financial investments. Moreover, the new terms of the 2020/2023 bond include constraints on new borrowings and on the acquisition of new properties. The agreement stipulates specifically that ACCENTRO Real Estate AG will acquire no further investment properties until 80% of

the face value of the refinanced 2020/2023 bond is repaid, and that it will be subject to constraints in regard to the acquisition of new inventory assets until certain minimum repayments of the refinanced 2020/2023 bond have been made. The agreement also includes the obligation not to disburse any dividend payments or other distributions to shareholders of ACCENTRO Real Estate AG before the end of the extended maturity.

In a vote without assembly in accordance with the SchVG, the noteholders of the 2020/2023 bond approved the already published terms by the required majority on 10 January 2023. The votes cast represent a total of 78.41% of the outstanding nominal value of the 2020/2023 bond, and the approval rate was 99.75%. The reported carrying amount of the bond of TEUR 249,802 as of 31 December 2022 (previous year: TEUR 247,481) 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 2021/2026 bond with a nominal value of EUR 100 million was placed on 23 March 2021. The unsecured bond was fully subscribed by a pension fund. It has a five-year maturity until 23 March 2026 and bears 4.125% in annual interest. On 27 December 2022, ACCENTRO Real Estate AG concluded with the sole noteholder of the 2021/2026 bond a modification agreement for the adjustment of the bond terms and for refinancing the 2021/2026 bond on the same terms as those agreed for the 2020/2023 bond on 16 December 2022. Among the most important conditions for the refinancing of the 2021/2026 bond are the increase of the interest rate, again by 2 percentage points to 6.125%, the extension of the maturity by three years from the original date of 23 March 2026 to 23 March 2029, contractually guaranteed annual minimum repayments (starting in December 2026) and the equal distribution of payments toward the revenue-based mandatory prepayments among the two refinanced bonds as soon

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as the outstanding nominal amount of the refinanced 2020/2023 bond has been brought down to or below EUR 100 million. In all other respects, the adjusted conditions for refinancing the 2020/2023 bond were essentially adopted for refinancing the 2021/2026 bond as well. The reported carrying amount of the bond is TEUR 99,395 as of 31 December 2022 previous year: TEUR 99,220).

The current financial liabilities include outstanding interest on bonds in the amount of TEUR 6,127 (previous year: TEUR 6,655). The interest on the 250-million-euro bond due for payment on 7 February 2023 pursuant to the lock-up agreement dated 16 December 2022 was paid in time on 6 March 2023. The interest on the 100-million-euro bond was paid on 23 March 2023.

All things considered, the Company's bond liabilities as of 31 December 2022 amounted to TEUR 355,323 (previous year: TEUR 353,357).

Moreover, transaction costs in the amount of TEUR 6,027 were deferred as assets in conjunction with the rollover of the 2020/2023 bond and the 2021/2026 bond as of 31 December 2022, and recognised under "current other receivables and other assets."

## SECURITIES AND FINANCIAL COVENANTS

Liabilities to banks are secured in a carrying amount of TEUR 501,847 (previous year: TEUR 393,277) 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 54,784 (previous year: TEUR 40,460), of which TEUR 45,246 (previous year: TEUR 31,192) are reported under cash and cash equivalents.

In addition, financial liabilities worth TEUR 399,207 (previous year: TEUR 416,352) are subject to contractual covenants toward the compliance with certain financial ratios (financial covenants) that concern the two bonds and three property financing arrangements as of 31 December 2022. The financial ratios refer essentially to industry-standard covenants relating to the limitation of net debt, the limitation of collateralised liabilities and the 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. A financing arrangement granted by Berliner Sparkasse in the amount of TEUR 23,000 mandates adherence to a debt service cover ratio of 140%. The new financing arrangement concluded in 2021 with Quirin Privatbank over the amount of TEUR 40,000 (of which TEUR 20,000 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%. Financing concluded in 2021 with Berlin

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Hyp in the amount of TEUR 14,000 obliges compliance with a maximum net debt (90%) and a debt service cover ratio of 120%.

Non-compliance with financial ratios may result in termination, a limit on further borrowing or the mandatory deposit of additional collateral. In line with the contractual arrangements governing the rollover of the 2020/2023 bond and the 2021/2026 bond, the existing financial covenants for these bonds were not applicable as of 31 December 2022.

### LEASE RELATIONSHIPS

ACCENTRO reports leases in its balance sheet in accordance with IFRS 16 from vehicle leases and from ground leases associated with investment properties. The rights of use arising from the lease relationships have a value of TEUR 6,742 as of 31 December 2022 (previous year: TEUR 5,639). They are included among the balance sheet items listed below:

IN TEUR

	31/12/2022	31/12/2021
<b>DEVELOPMENT OF THE RIGHTS OF USE</b>		
<b>Rights of use</b>	<b>6,742</b>	5,639
Ground leases	6,382	5,497
<b>Rights of use to the investment properties</b>	<b>6,382</b>	<b>5,497</b>
Vehicle leasing	360	142
<b>Rights of use to property, plant and equipment</b>	<b>360</b>	<b>142</b>

The lease liabilities are reported in full among the non-current financial liabilities. They developed as follows during the year under review:

IN TEUR

	31/12/2022		31/12/2021	
	VEHICLE LEASES	GROUND LEASES (IAS 40)	VEHICLE LEASES	GROUND LEASES (IAS 40)
<b>As of 1 January</b>	<b>138</b>	<b>5,477</b>	<b>192</b>	<b>0</b>
Additions	338	885	110	5,497
Interest growth	9	220	8	155
Payments	-145	-242	-172	-175
<b>As of 31 December</b>	<b>340</b>	<b>6,340</b>	<b>138</b>	<b>5,477</b>
thereof current	0	0	0	0
thereof non-current	340	6,340	138	5,477

The vehicle leases are usually concluded for a 3-year term and are discounted at ACCENTRO's average borrowing rate of 3.8%. The increase in the lease liabilities from vehicle leases is mainly due to the addition of new leasing contracts during the 2022 financial year.

The ground lease agreements will reach maturity on 23 March 2205. On initial recognition, lease liabilities are recognised at the cash value of the applicable ground rent payments and discounted at the capitalisation rate from the valuation of the property, which is 4.25%.

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Due to an adjustment of the ground rent during the 2022 reporting year, the index-based ground rent changed from TEUR 19 to TEUR 23 per month. As of 1 October 2022, a revaluation pursuant to IFRS 16.42 was performed. In conjunction with the revaluation, an additional lease liability of TEUR 885 was recognised; inversely, the rights of use were increased by the amount resulting from the revaluation of the lease liability (IFRS 16.39).

Interest expenses from lease relationships in accordance with IFRS 16 added up to TEUR 229 in the 2022 financial year (previous year: TEUR 163), its bulk in the amount of TEUR 220 (previous year: TEUR 155) representing ground leases.

The presentation of short-term leasing liabilities is waived for reasons of materiality.

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### 4.16 Provisions

Provisions are recognised if the Group 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 Group moreover 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 2022 financial year:

IN TEUR

	01/01/2022	UTILISATION	REVERSAL	ADDITION	31/12/2022
Provisions for payroll costs	270	270	0	242	242
Provisions for miscellaneous costs	363	126	0	328	565
Provisions for record-keeping obligations	46	0	0	0	46
<b>Total</b>	<b>679</b>	<b>396</b>	<b>0</b>	<b>570</b>	<b>853</b>

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>

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The provisions for payroll costs in the amount of TEUR 242 (previous year: TEUR 270) essentially represent holiday accruals.

Provisions for miscellaneous costs in the amount of TEUR 565 (previous year: TEUR 363) essentially include provisions for management bonuses in the amount of TEUR 360 (previous year: TEUR 0) and provisions for rental guarantees in the amount of TEUR 205 (previous year: TEUR 205).

Other provisions in a carrying amount of TEUR 807 (previous year: TEUR 633) are expected to result in a cash outflow over the next twelve months.

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

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

IN TEUR		
	31/12/2022	31/12/2021
<b>Trade payables</b>	<b>3,934</b>	<b>5,343</b>
<b>Advance payments received</b>	<b>8,850</b>	<b>9,464</b>
Compensation claims of non-controlling interests in partnerships	8,403	8,403
Outstanding invoices	7,554	8,601
Liabilities to minority partners	4,517	4,308
Liabilities from purchase price payments	3,067	2,581
Sales tax liabilities	-88	1,528
Liabilities from security deposits	515	421
Miscellaneous liabilities	3,156	1,941
<b>Other liabilities</b>	<b>27,124</b>	<b>27,783</b>

The down payments received in the amount of TEUR 8,850 (previous year: TEUR 9,464) break down into operating costs not yet invoiced in the amount of TEUR 5,462 (previous year: TEUR 5,016) and down payment for plots available for sale in the amount of TEUR 3,388 (previous year: TEUR 4,448). The compensation claims of non-controlling shareholders vis-à-vis partnerships in the amount of TEUR 8,403 (previous year: TEUR 8,403) represent interests in the net assets of the partnership GeSoNa Verwaltungs GmbH & Co. Hermannstr. KG that are held by the non-controlling shareholders. Since the non-controlling shareholders have the right to terminate their equity investments in GeSoNa Verwaltungs GmbH & Co. Hermannstr. KG, these interests are rated as potential severance claims in accordance with IAS 32 and recognised among "other liabilities."

Liabilities for outstanding invoices in the amount of TEUR 7,554 (previous year: TEUR 8,601) essentially include subsequent construction invoices and warranty costs in the amount of TEUR 2,782 (previous year: TEUR 4,474) and expenses for outstanding settlements from maintenance measures in the amount of TEUR 1,535 (previous year: TEUR 1,575). In addition, liabilities for outstanding invoices include an accrual for real estate transfer taxes in the amount of TEUR 1,300, for which the assessment had not yet been received by the balance sheet date, as well as outstanding invoices for consulting services in the amount of TEUR 1,693 (previous year: TEUR 1,101). The accounts payable to minority partners in the amount of TEUR 4,517 (previous year: TEUR 4,308) essentially represent loans that were granted to the minority partner of the companies ACCENTRO Dessau Wohnen GmbH, ACCENTRO Gera Wohnen GmbH, ACCENTRO Halle Wohnen GmbH and ACCENTRO Gera Wohnen 2 GmbH in conjunction with the acquisition of said companies.

Other accounts payable in the amount of TEUR 3,156 (previous year: TEUR 1,941) include liabilities for wage/church tax and social-security-related liabilities.

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### 4.18 Current Income Taxes

Income tax receivables are measured at the amount that the competent inland revenue service expects to collect. The amount is calculated using the tax rates and tax laws that have been, or will soon be, enacted by the reporting date in the country where the Group operates and generates taxable income (Germany).

Income tax receivables amounted to TEUR 3,780 (previous year: TEUR 1,452) as of the balance sheet date and included corporate income tax receivables of TEUR 1,911 (previous year: TEUR 757) and trade tax receivables of TEUR 1,869 (previous year: TEUR 695). The current income tax liabilities in the amount of TEUR 9,170 (previous year: TEUR 5,482) include corporation tax liabilities in the amount of TEUR 4,580 (previous year: TEUR 3,064) and trade tax liabilities in the amount of TEUR 4,590 (previous year: TEUR 2,418).

Since dividends are taxed at the shareholder level in Germany, the Group's distribution of dividends to the shareholders during the 2022 financial year has no income tax consequences.

### 4.19 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 which, according to plan, can be set off against profits in future financial years. 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 against which temporary differences or a loss carryforward can be offset are likely to be generated.

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.



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The balance sheet recognises the following deferred taxes:

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	31/12/2022	31/12/2021
Deferred tax assets	1,541	2,407
Deferred tax liabilities	12,731	13,801

The deferred taxes as of 31 December 2022 break down as follows:

IN TEUR

	31/12/2022	31/12/2021
Tax loss carryforwards	3,988	4,790
Other	1,742	1,730
<b>Deferred tax claims before netting</b>	<b>5,730</b>	<b>6,520</b>
Netting	-4,189	-4,113
<b>Deferred tax claims after netting</b>	<b>1,541</b>	<b>2,407</b>
Investment properties	12,678	12,205
Leasing use rights	1,120	1,702
Financial liabilities	459	1,448
Other	2,663	2,559
<b>Deferred tax liabilities before netting</b>	<b>16,920</b>	<b>17,914</b>
Netting	-4,189	-4,113
<b>Deferred tax liabilities after netting</b>	<b>12,731</b>	<b>13,801</b>

Deferred taxes developed as follows:

IN TEUR

	01/01/2022	CONSOLI- DATED STATEMENT OF COMPREHEN- SIVE INCOME	31/12/2022
Investment properties	-12,205	-473	-12,678
Leasing use rights	-1,702	582	-1,120
Financial liabilities	-1,448	989	-459
Other deferred tax liabilities	-2,559	-104	-2,663
Losses carried forward	4,790	-802	3,988
Other deferred tax claims	1,730	12	1,742
<b>Total</b>	<b>-11,394</b>	<b>204</b>	<b>-11,190</b>

The deferred tax liabilities are essentially attributable to the differences between tax valuations and IFRS-based valuations in the valuation of investment properties, rights of use in connection with existing leasing agreements, financial liabilities (effective interest method) and the period-related realisation of revenues.

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 39,946 (previous year: TEUR 14,520) and trade tax loss carryforwards in the amount of TEUR 41,286 (previous year: TEUR 17,731) because their realisability is not sufficiently concrete.

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### 4.20 Revenues

The deferred taxes as of 31 December 2022 break down as follows:

IN TEUR

	2022	2021
Revenues from sales of inventory properties	146,080	172,847
– thereof from individual privatisation	127,098	129,217
– thereof from portfolio transactions	13,525	28,430
– thereof from revenue recognition on a period-by-period basis	5,457	15,200
Rental income from investment properties	13,648	9,224
Rental income from properties held as inventory assets	4,284	7,704
Revenues from services	1,272	2,830
Rental income from properties held as property, plant and equipment	–57	142
<b>Total revenues</b>	<b>165,227</b>	<b>192,747</b>

Revenues from sales of inventory properties (2022: TEUR 146,080, previous year: TEUR 172,847) decreased by TEUR 26,767 year on year. While individual privatisation sales remained stable, the number of completed portfolio transactions dropped, which is mainly due to the subdued market environment and the subsequent restraint that major investors and property developers showed during the 2022 financial year. The revenues from period-related revenue recognition were generated by almost fully completed property developments.

Generally speaking, 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 4,424 results from the pinpoint acquisition of several property portfolios during the second half of the previous year, whose full-year rental income was recognised for the first time during the 2022 financial year. In addition, one major portfolio transaction was completed in July of the year under review.

Reasons for the drop in service revenues by TEUR 1,558 during the reporting year include, inter alia, the moderate market environment, especially in the second half of the financial year.

### 4.21 Cost of Materials

IN TEUR

	2022	2021
Expenses for sales of inventory properties	107,870	125,056
Management costs of investment property	10,505	4,616
Management costs of properties held as inventory assets	2,387	4,975
Expenses from services	1,106	884
Management costs of properties in property, plant and equipment	–40	460
<b>Total cost of materials</b>	<b>121,828</b>	<b>135,991</b>

The reduced revenues from sales of inventory properties precipitated a proportionate drop in expenses for sales of inventory properties to TEUR 107,870 (previous year: TEUR 125,056).

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The management costs of the Company's investment properties increased significantly after the acquisition of several real estate portfolios during the second half of the previous year and one larger-scale portfolio transaction in July of the reporting year. Moreover, ACCENTRO undertook a variety of upkeep works that were instrumental in achieving a noticeable reduction in vacancies. The fact is attributable particularly to the intensified development of investment properties within the scope of ACCENTRO's corporate strategy.

The drop in management costs of the properties in the inventory assets compared to the 2021 reporting year are explained, on the one hand, by the retail sales of residential units and, on the other hand, by prior-period expenses from running cost settlements that had been reported in the previous year.

### 4.22 Total Payroll and Benefit Costs

The Group employed an average of 118 people during the 2022 financial year (previous year: 99). By the reporting date of 31 December 2022, around 123 employees were on the Group's payroll (previous year: 101).

Payroll and benefit costs break down as follows:

IN TEUR	2022	2021
Salaries and other benefits	9,737	9,153
Employer contributions to statutory social insurance	1,349	1,104
<b>Payroll and benefit costs</b>	<b>11,086</b>	<b>10,257</b>

The rise in payroll and benefit costs to TEUR 11,086 (previous year: TEUR 10,257) essentially reflects the expansion of the Company's workforce. The employer's contribution to social security institutions saw a proportionate increase, too. In addition, severance payments to employees who left the Company in the amount of TEUR 29 (previous year: TEUR 40) and bonus payments in the amount of TEUR 787 (previous year: TEUR 275) increased payroll and benefit costs.

Contributions to the statutory pension insurance scheme during the 2022 financial year added up to TEUR 607 (previous year: TEUR 503).

### 4.23 Impairments of Inventories and Accounts Receivable

Impairment losses were recognised on inventories and other receivables in the amount of TEUR 1,370 during the reporting year (previous year: TEUR 1,799). The sum total breaks down into TEUR 185 in impairments of inventories (previous year: TEUR 0) and TEUR 1,185 in impairments of receivables and other assets (previous year: TEUR 1,799).

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### 4.24 Other Operating Income and Expenses

The other operating income includes the following amounts:

IN TEUR

	2022	2021
Prior-period income	178	54
Benefits in kind	98	93
Income from the reversal of provisions and the derecognition of liabilities	29	518
Miscellaneous other operating income	595	604
<b>Total</b>	<b>900</b>	<b>1,269</b>

The miscellaneous other operating income in the amount of TEUR 595 (previous year: TEUR 604) mainly includes diverse other income and prior-period income.

The other operating expenses include the following amounts:

IN TEUR

	2022	2021
Legal and professional fees	4,428	5,273
Information, advertising and entertaining expenses	3,945	1,471
Costs of unrealised projects	3,059	0
EDP expenses	1,837	2,906
Expenses for compiling and auditing the financial statements	1,330	1,678
Occupancy costs	536	232
Miscellaneous other operating expenses	3,651	6,799
<b>Total</b>	<b>18,786</b>	<b>18,359</b>

The legal and professional fees break down into advisory services concerning taxes, capital market transactions, real estate transactions, legal, and general strategic issues. If the transaction costs in connection with the refinancing of the bond had been taken into account, these costs would have increased year on year. Transaction costs of TEUR 6,027 were deferred as assets as of 31 December 2022. Based on the remaining amount of TEUR 4,428 (previous year: TEUR 5,273), the decrease in these expenses adds up to TEUR 845. It is explained in particular by a reduced need for corporate and strategic consultancy in contexts other than the bond refinancing.

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The information, advertising and entertaining expenses increased by TEUR 2,474 during the current year, rising to TEUR 3,945 (previous year: TEUR 1,471). They are primarily attributable to the increase in advertising activities (current year: TEUR 3,392, previous year: TEUR 852) that ACCENTRO engaged in, specifically for the purpose of positioning the ACCENTRO brand.

The costs for unrealised projects in the amount of TEUR 3,059 (previous year: TEUR 0) represent compensation payments in connection with acquisition plans that were abandoned.

The decrease in EDP expenses by TEUR 1,069 to TEUR 1,837 (previous year: TEUR 2,906) reflects the declining 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 decrease by TEUR 348 to TEUR 1,330 in expenses for the preparation and auditing of the financial statements (previous year: TEUR 1,678) is due to reduced expenses for third-party service providers as an effect of the ongoing effort to bring the preparation process back in-house.

The occupancy costs in the amount of TEUR 536 (previous year: TEUR 232) imply an increase by TEUR 304 compared to the previous year. This is essentially the result of increased operating expenses for owner-occupied properties.

The remaining other operating expenses in the amount of TEUR 3,651 (previous year: TEUR 6,799) include, inter alia, expenditures for things like office supplies, travel expenses, vehicle costs, dues and continued professional development costs, plus expenses for members of the Supervisory Board. The year-on-year decrease by TEUR 3,380 is mainly due to the

absence of one-off effects such as prior-period expenses or significantly increased staff recruitment costs, which had dominated the previous year.

### 4.25 Net Interest Expense

The net interest expense in the amount of TEUR -18,614 (previous year: TEUR -20,515) imply an improvement by TEUR 1,901 compared to the previous year. It breaks down into interest expenses to banks and non-bank lenders as well as to the inland revenue office in the amount of TEUR 7,819 (previous year: TEUR 10,736), plus interest expenses for bonds and other expenses in the amount of TEUR 15,683 (previous year: TEUR 14,629). The interest expenses were matched by interest income in the amount of TEUR 4,888 (previous year: TEUR 4,850), primarily representing interest on loans granted.

### 4.26 Income Taxes

The tax expense reported in the Consolidated Statement of Comprehensive Income includes current and deferred income taxes:

IN TEUR		
	2022	2021
Current income tax expense	5,682	4,020
Deferred income tax expense/income	-204	3,449
<b>Total</b>	<b>5,478</b>	<b>7,470</b>

The current tax expense includes tax expenditures for previous years in the amount of TEUR 373 (previous year: tax expense in the amount of TEUR 257).

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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

	2022	2021
Pre-tax profit	-8,760	20,597
Taxes calculated on the basis of the parent company's income tax rate (30.175%)	-2,643	6,215
Trade tax effects	1,833	-966
Account balance of tax-free income/non-deductible expenses	860	-71
Value adjustment/non-recognition of deferred tax assets	5,108	2,378
Write-up/subsequent recognition of deferred tax assets	-27	-246
Loss carrybacks	0	0
Taxes for previous years	371	257
Other causes	-24	-97
<b>Reported income tax expense</b>	<b>5,478</b>	<b>7,470</b>

Due to the negative pre-tax result in the amount of TEUR - 8,760, the imputed tax rate is negative and amounts to - 62.53% (previous year: 36.27%). The imputed tax rate of for the 2022 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.

### 4.27 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.

	2022	2021
<b>CONSOLIDATED NET INCOME</b>		TEUR
Net profit before non-controlling interests – basic	-14,731	11,845
Consolidated income before non-controlling interests – diluted	-14,731	11,845
<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	-0.45	0.37
Weighted – basic	-0.45	0.37
Weighted – diluted	-0.45	0.37

The diluted net income is identical to the basic net income because no diluted equity instrument have been granted.

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### 4.28 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 Cash Flow Statement 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 cash flow from operating activities for the 2021 financial year was adjusted in its presentation compared to the previous year insofar as the other non-cash expenses and income were broken down into the line items "interest expenses from financial liabilities and bonds," "losses / gains from the disposal of fully consolidated subsidiaries" and "other non-cash expenses and income" in order to enhance transparency.

The net cash provided by operating activities decreased by TEUR 32,005 year on year, totalling TEUR 67,546 (previous year: TEUR 99,551). The year-on-year decrease in cash flow from operating activities is primarily attributable to the negative consolidated result for the period in the amount of TEUR - 14,237 (previous year: TEUR 13,127) and lower-scale changes in net working capital (2022: TEUR 6,937, previous year: TEUR 27,407). Conversely, the gain or loss on fair value adjustments of investment properties declined by TEUR 20,781 year on year (2022: valuation losses amounting to TEUR - 1,793, previous year: valuation gains amounting to TEUR 18,988).

The cash flow from investing activities amounted to TEUR - 18,126 during the 2022 financial year, having increased by TEUR 67,234 thousand compared to the previous year (previous year: EUR - 85,360 thousand). The cash outflows for the purchase of investment properties were lower during the financial year (2022: TEUR - 20,753, previous year: TEUR - 63,349). Moreover, loans were granted on a smaller scale during the 2022 financial year than the year before (2022: TEUR - 16,670, previous year: TEUR - 23,317). The cash-effective interest received for these loans add up to TEUR 1,295 (previous year: TEUR 4,597), with the repayment of loans granted adding up to TEUR 5,394 (previous year: TEUR 4,576). In addition, the Company received proceeds in the amount of TEUR 16,000 during the 2022 financial year from the disposal of its interests in Belle Époque Quartier Gehrensee GmbH that were accounted for using the equity method.

The cash flow from funding activities adds up to TEUR - 69,154 (previous year: TEUR 50,011) and essentially includes disbursements towards the repayment of financial liabilities in the amount of TEUR - 92,073 (previous year: TEUR - 97,893) plus financing costs and interest payments in the amount of TEUR - 24,281 (previous year: TEUR - 19,472). It is matched by cash inflows from loan finance and the issuance of bonds in the amount of TEUR 48,498 (previous year: TEUR 166,877). In the previous year, cash inflows from loan financing included payments in the amount of TEUR 100,000 from the issuance of the 2021/2026 bond. The year under review also saw a cash outflow towards dividend payments in the amount of TEUR - 1,298 (previous year: TEUR 0).

Cash and cash equivalents increased by TEUR 104 (previous year: TEUR 2,079) due to the addition of two companies (previous year: eight) to the scope of consolidation of ACCENTRO Real Estate AG.



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During the 2022 financial year, one fully consolidated company was sold (previous year: one). The Company's cash funds declined by TEUR – 1,087 (previous year: TEUR – 1,321) in this context.

In accordance with IAS 7, a reconciliation of the Group's financial liabilities from 31 December 2021 to 31 December 2022 is presented below:

### RECONCILIATION ACCOUNTS

IN TEUR

	31/12/2021	CASH-EF- FECTIVE	NOT CASH-EF- FECTIVE	31/12/2022
Financial liabilities	252,919	–49,512	8,028	211,435
Bonds	353,357	–13,188	15,154	355,323
<b>Total debt from financing activities</b>	<b>606,276</b>	<b>–62,700</b>	<b>23,182</b>	<b>566,758</b>

The “non-cash” column mainly contains changes from the application of the effective interest method, accrued interest and effects from the revaluation of the lease liability for ground lease agreements due to an adjustment of the ground rent in the 2022 reporting year.

Funds in the amount of TEUR 45,246 (previous year: TEUR 31,192) are subject to a restraint on disposal, mainly held in accounts for purchase price payments that are associated with estate agency agreements (MaBV).

### 4.29 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. Purchase guarantees effective as of 31 December 2022 added up to TEUR 38,394 (previous year: EUR 0).

### 4.30 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.

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## OPERATING LEASING DISCLOSURES UNDER IFRS 16.90B

IN TEUR

		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 31/12/2022	63,329	7,777	14,331	41,221
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

## 4.31 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 182 years as of 31 December 2022. The adjustment of the ground rent in August 2022 resulted in a higher financial obligation compared to the previous year.

This results in the following financial obligations:

## MATURITY

IN TEUR

	31/12/2022	31/12/2021
Less than 1 year	270	233
1–5 years	1,078	932
More than 5 years	47,781	41,511
<b>Total</b>	<b>49,129</b>	<b>42,676</b>

Other than that, there are no material other financial obligations.

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## 5 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 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 and credit lines with banks and other facilities, as well as by constantly monitoring forecast and actual cash flows within the framework of the supervision of the 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 and loans taken over in conjunction with company acquisitions.

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### 5.1 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.

31/12/2022  
IN TEUR

		MEASURED AT AMORTISED COST		MEASURED AT FAIR VALUE	TOTAL BALANCE SHEET ITEM
	CATEGORY ACC. TO IFRS 7	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	31/12/2022
<b>Assets</b>					
Equity investments	FVOCI	0	0	7,470	7,470
Non-current other receivables and other assets	Aac	27,471	27,471	0	27,471
Trade receivables	Aac	17,753	17,753	0	17,753
Other receivables and other current assets	Aac	53,977	53,977	0	53,977
<b>Equity and liabilities</b>					
Non-current payables to banks	Flac	108,383	103,882	0	108,383
Long-term bond liabilities	Flac	99,394	99,500	0	99,394
Current payables to banks and to bond holders	Flac	358,981	266,679	0	358,981
Trade payables	Flac	3,934	3,934	0	3,934
Other current liabilities	Flac	18,801	18,801	0	18,801

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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IN TEUR

		MEASURED AT AMORTISED COST		MEASURED AT FAIR VALUE	TOTAL BALANCE SHEET ITEM
	CATEGORY ACC. TO IFRS 7	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	31/12/2022
<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
Long-term 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

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 net of 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.

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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.

The bonds were measured at fair value less transaction costs on initial recognition, the value matching the historical 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)	
	2022	2021	2022	2021
Interest income	4,888	4,850	–	–
Interest expenses	–	–	23,502	25,365
Gains or losses on impairments	1,185	1,799	–	–
<b>Net earnings</b>	<b>3,703</b>	<b>3,051</b>	<b>23,502</b>	<b>25,365</b>

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### 5.2 Financial Risks

In compliance with the specifications of IFRS 7, supplemental disclosures on each type of business risk are provided below:

#### MARKET RISK

The term “market risk” refers to the threat that market prices, such as interest rates, will change, adversely affecting the Group’s earnings or the value of the financial instruments it holds.

Interest rate risks arise from market-related fluctuations in interest rates or margins when new loans are taken out or extended. The Group is principally exposed to interest rate risks insofar as the Group’s member companies, while mainly borrowing at fixed interest rates, also take out loans at variable interest rates in small numbers.

The direct impact of changes in the general level of interest rates on the Group’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. 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.

But 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 interest rate hikes and on the macroeconomic environment, ACCENTRO expects to see lateral movements at the current level and with it a manageable interest rate risk for the Group.

#### DEFAULT RISK

The term “default risk” refers to the threat that a business partner becomes unable to meet its obligations by a given due date, which would cause financial losses for the Group, or that the assets serving as collateral lose in value. In order to reduce the risk of loss due to non-performance, the Group strives to enter into business relationships only with parties boasting impeccable credit ratings or, where appropriate, to require the provision of adequate collateral.

The ACCENTRO Group 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 Sections 4.5 and 4.11). ACCENTRO generally provides privatisation or advisory services to the borrowers that represent associates and investment companies, meaning that it is involved in the operational management of these companies and is 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 consists of land charges. ACCENTRO deems the default risks low as of the reporting date.

The maximum default risk equals the total value of the financial assets and amounts to TEUR 106,671 as of 31 December 2022 (previous year: TEUR 93,549).

#### Bad-Debt Loss DIM Holding AG (Financial Risk):

ACCENTRO acquired the Berlin-based company DIM Holding AG via a share sale and purchase agreement dated 29 December 2020 with financial effect as of 1 January 2021. The provisional purchase price was TEUR 15,300, with TEUR 11,300 accounting for the acquisition of 100% of the company’s bearer shares and TEUR 4,000 for the assumption of a shareholder loan.



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The purchase price calculation was based on an externally commissioned expert opinion from a renowned tax consultancy firm.

The transaction was motivated by the idea to pool the entire property management of a significantly increased portfolio of rental properties and to entrust it to a single property manager rather than to nine different ones. Another major reason for the decision to buy was the economically attractive opportunity to acquire additional third-party units under management at short notice.

On 12 May 2021, ACCENTRO Real Estate AG withdrew from the aforesaid share sale and purchase agreement with effect as of 1 January 2021. The reasons for withdrawal and the signing of a termination agreement included several breaches of contract that were material from the perspective of ACCENTRO Real Estate AG. It was agreed in the termination agreement dated 12 May 2021 that the repayment of the purchase price in the amount of TEUR 15,300 and the redemption amount of the assumed shareholder loan in the amount of TEUR 3,035 plus 5% interest would be deferred until 12 May 2022.

The due date for the receivable in the amount of TEUR 19,731 is 31 March 2023. To secure the payment of the purchase price as well as the redemption amount, the seller pledged all shares of DIM Holding AG to ACCENTRO Real Estate AG. Likewise, an abstract acknowledgement of debt by Spree Erste Beteiligungs GmbH and, as additional collateral in favour of the buyer, a comprehensive land charge with the personal assumption of liability and submission to compulsory execution in the amount of TEUR 20,000 plus 15% interest as of 14 October 2021 on several plots of land were issued.

Given the steady deterioration of the situation on the real estate market by mid-year in the wake of Russia's unforeseen war of aggression against Ukraine, ACCENTRO Real Estate AG deemed it necessary and appropriate

out of the caution of a prudent businessman to assume an impairment requirement in the amount of TEUR 4,000 for the receivables owed at the time in the amount of TEUR 19,500.

Generally speaking, after careful consideration of all circumstances as well as the opportunities and risks arising from the current market situation, the Group assumes as of 31 December 2022 that the collateral discussed above is of intrinsic value and sufficient to secure the existing repayment claim in the amount of TEUR 11,485 (following the realisation measures already executed and the offsetting of mutual claims). Although the value of the collateral provided exceeds the purchase price owed, there is principally a risk of a bad-debt loss caused by unforeseeable events on the debtor's side.

**Bad-Debt Loss Green Living GmbH (Financial Risk):**

On 31 May 2022, the ACCENTRO Group granted a short-term loan of TEUR 15,000 to Green Living GmbH for the purpose of implementing and completing its project (a building in Hohenschönhausen previously owned by the domestic secret service of East Germany) which matured on 31 December 2022. In conjunction with the facility agreement, the borrower provided collateral in the form of a land charge. The creation of the land charge to secure the loan was notarised on 30 May 2022. On top of that, the parent company of Green Living GmbH issued a letter of comfort as additional security. The contractual partners also agreed to conclude an exclusive marketing agreement at a later time. The marketing agreement is in the process of being finalised and will probably be signed during the second quarter of 2023.

The borrower failed to make the payment by the agreed repayment date. The Group is in close consultation with the borrower. However, Green Living GmbH notified the Company that it expects to receive a large cash inflow shortly that had unfortunately been subject to an unanticipated and

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unplanned delay. After receiving these funds, the borrower intends to use them to pay the claim plus interest in full.

The loan receivable is closely monitored and managed at the most senior management level as part of the risk management process in order to bring about an amicable solution, the focus here being on the repayment of the loan amount plus interest.

31 DECEMBER 2022  
IN TEUR

	CARRYING AMOUNT	TOTAL CASH OUTFLOW	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 bonds	566,758	680,148	189,534	173,546	129,340	187,728

31 DECEMBER 2021  
IN TEUR

	CARRYING AMOUNT	TOTAL CASH OUTFLOW	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 bonds	606,276	677,157	122,893	375,450	119,610	59,203

The cash outflows during the 2022 reporting year reflect the actual cash outflows resulting from the refinancing of the bonds in 2023.

### LIQUIDITY RISK

The term “liquidity risk” refers to the threat that the Group may find itself unable to meet its financial obligations according to contract.

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:

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.

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The share of repayments from retail property sales itemised among the current financial liabilities amounts to TEUR 103,052 for the 2023 financial year. Short-term cash outflows in a total amount of TEUR 111,603 are anticipated in 2023, with interest payments and scheduled repayments taken into account.

The ACCENTRO Group kept cash and cash equivalents in the amount of TEUR 100,784 (previous period: TEUR 121,502) on hand as of the balance sheet data to cover its cash outflows, although it should be added that TEUR 45,246 (previous year: TEUR 40,460) are subject to restraints on disposal. An additional TEUR 15,934 (previous year: TEUR 21,324) in trade receivables and an estimated TEUR 70,440 (previous year: TEUR 181,351) worth of inventory properties could be liquidated within one year. In addition, short-term payables from operating costs in the amount of TEUR 5,002 (previous year: TEUR 5,016) not yet invoiced are matched by short-term receivables in the amount of TEUR 8,980 (previous year: TEUR 6,536) for operating costs not yet invoiced.

Another basic risk arises from facility agreements that stipulate financial covenants. Non-compliance with these financial covenants by either exceeding or undercutting pre-defined threshold values, as the case may be, can trigger a termination for cause by the lender.

The Group has credit agreements and corporate bonds totalling approximately EUR 399.2 million (previous year: EUR 416.4 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 in Section 4.15 of the Notes to the Consolidated Financial Statements. Due to the rollover of the 2020/2023 bond and of the 2021/2026 bond, the existing financial covenants for these bonds were not applicable as of 31 December 2022. For more details on the bond rollover, please refer to the elaborations in Section 4.15, above.

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.

On 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 does 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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## 6 Other Disclosures

### 6.1 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 are eliminated through consolidation, and are therefore not explained in the Notes.

Related parties of ACCENTRO Real Estate AG include the Management Board, the Supervisory Board and the second-tier management level of the Company. The Company's Management Board and Supervisory Board also constitute key management personnel in accordance with IAS 24.17.

All business transactions with related parties were conducted on arm's length terms.

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 § 35, Sec. 1, i.c.w. §§ 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), 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 § 30, Sec. 1, Sent. 2, No. 2, 5 and 6, Sent. 2 and 3m i.c.w. § 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

	2022	2021
LHC Holding GmbH & Co. KG, Berlin	11,031	11,031
KAISER 102 Projektentwicklungs GmbH, Berlin	5,554	4,069
Gutshof Dahlewitz 1 GmbH, Berlin	3,255	2,397
Düne 38 Projektentwicklungs GmbH, Berlin	0	2,044
HRP Hamburg Residential GmbH, Hamburg	0	1,676
Gutshof Dahlewitz 2 GmbH, Berlin	83	77

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 2022, 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.

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In the time since 16 June 2021, the companies ACCENTRO Real Estate AG and Kaiser 102 Projektentwicklungs GmbH concluded several loan agreements to fund the project, which were bundled in a master loan agreement on 22 August 2022. As of the balance sheet date, the loan had a value of TEUR 5,554 with accrued interest in the amount of TEUR 721 included. Its annual interest rate is 12%. The loan becomes due for repayment on 31 December 2023 and is therefore reported among the current receivables.

On 1 October 2018, the companies ACCENTRO Real Estate AG and Guts-  
hof Dahlewitz 1 GmbH concluded a master loan agreement over the amount of TEUR 1,492. The loan was increased in several tranches, the most recent update having taken place 20 September 2022, and is valued at TEUR 3,255 including accrued interest of TEUR 723 as of the reporting date. Its annual interest rate is 12%. The loan becomes due for repayment on 31 December 2023 and is therefore reported among the current receivables. The loan funds are earmarked for financing the project planning and project supervision, including the procurement of the planning consent.

On 1 October 2018, the companies ACCENTRO Real Estate AG and Gutshof Dahlewitz 2 GmbH concluded a loan agreement over the amount of TEUR 58. As of the balance sheet date, the loan had a value of TEUR 83 with accrued interest in the amount of TEUR 25 included. Its annual interest rate is 10%. The loan was due for repayment on 31 December 2021 and is therefore reported among the current receivables. The loan funds are earmarked for financing the project planning and project supervision, including the procurement of the planning consent.

For supplementary details, please see the elaborations on other non-current and current receivables and assets in sections 4.5 and 4.11.

Apart from the remuneration of the Company's executive bodies described below, there were no other business transactions with related parties and/or persons during the reporting period.

The Management Board of ACCENTRO Real Estate AG received the following compensation and benefits for the financial years shown:

IN TEUR

	2022				2021			
	FIXED	VARIABLE	STOCK-BASED	SUM TOTAL	FIXED	VARIABLE	STOCK-BASED	SUM TOTAL
Lars Schriewer	632	216	75	923	663*	0	119	782
Hans-Peter Kneip	0	0	0	0	279**	75	0	354
<b>Total</b>	<b>632</b>	<b>216</b>	<b>75</b>	<b>923</b>	<b>942</b>	<b>75</b>	<b>119</b>	<b>1,136</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.

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Collectively, the total remuneration of the Management Board amounted to TEUR 923 for the 2022 financial year (previous year: TEUR 1,136). This remuneration includes the paid-out fixed remuneration plus benefits in kind in the amount of TEUR 632. Neither the management bonus for the 2022 financial year nor the share-based compensation were yet due for payment during the year under review. Please refer to the elaborations in Section 4.14 “Equity Capital” for details on the share-based compensation. At this point, the long-term incentive (LTI) plan is not taken into account in the calculation of the total remuneration granted during the reporting period, because LTI payments will not be disbursed until the end of the assessment period (2027).

The total remuneration of the Company's Supervisory Board members added up to TEUR 135 during the 2022 reporting year (previous year: TEUR 135). It consists exclusively of fixed remunerations.

In summary, the expense recognised for the remuneration of the Management Board and the Supervisory Board in accordance with IAS 24.17 is as follows:

IN TEUR		
	2022	2021
Short-term employee benefits	983	1,112
Benefits after the termination of employment	0	0
Other long-term benefits due	0	0
Benefits on occasion of the termination of employment	0	40
Share-based remuneration	75	119
<b>Total remuneration of the key management personnel</b>	<b>1,058</b>	<b>1,271</b>

For more details, please refer to the Remuneration Report.

### 6.2 Auditor's Fees

The fees paid to the auditor during the 2022 financial year totalled TEUR 416 (previous year: TEUR 537). They break down as follows:

IN TEUR		
	2022	2021
Audits of financial statements	416	468*
Other assurance services	0	66
Other services	0	3
<b>Total</b>	<b>416</b>	<b>537</b>

\* Of the expenses for auditor services, 75 TEUR represent the previous year.

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## 7 Events after the Reporting Date

In a vote without assembly in accordance with the German Bond Act (SchVG), the noteholders of the 2020/2023 bond approved the already published conditions for refinancing the 2020/2023 bond by the required majority on 10 January 2023. The votes cast represent a total of 78.41% of the outstanding nominal value of the 2020/2023 bond, and the approval rate was 99.75%. For the refinancing conditions of the 2020/2023 bond, please refer to Section 4.15.

By 3 March 2023, ACCENTRO had met all conditions for implementing the refinancing arrangement for the 2020/2023 bond and the 2021/2026 bond. The contractually guaranteed repayment of the 2020/2023 bond in the amount of EUR 25 million once the refinancing arrangement becomes effective took place on 9 March 2023.

According to the bond terms, which have been in effect since the refinancing of the 2020/2023 bond and the 2021/2026 bond became effective, no dividend payments and bonus payments to the shareholders of ACCENTRO are permitted until the bonds reach maturity.

Dr. Gordon Geiser was appointed as additional member to the Management Board in the role of Chief Investment Officer (CIO) of ACCENTRO Real Estate AG as of 10 February 2023. As CIO, Dr. Geiser's sphere of ownership will include shared responsibility for transactions (acquisitions, investments and disposals) and the liquidity management.

The outstanding receivables in the amount of TEUR 19,731 from DIM Holding AG due to the rescission of the acquisition of that company and from the purchase price not yet repaid were significantly reduced after the balance sheet date because TEUR 8,246 were secured via initial realisation measures and offset against the outstanding receivables. On the one hand, these consist of share purchase agreements concluded with three Berlin-based project companies over a total amount of TEUR 5,665, whose notarised purchase price was offset against ACCENTRO's outstanding receivables. On the other hand, a notarised offsetting arrangement was made on the grounds of the mutual claim and debt relations between ACCENTRO and the debtor that releases ACCENTRO from payments due for purchase price liabilities in the amount of TEUR 2,581 from transactions closed, and offsets them against the outstanding claims mentioned above. The Group is in the process of implementing further realisation measures. As of 31 March 2023, the outstanding receivables from the rescission of the acquisition and the purchase price not yet repaid by DIM Holding AG amount to TEUR 11,485.



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## 8 Declaration of Conformity with the German Corporate Governance Code (DCGK)

The declaration concerning the Corporate Governance Code in accordance with § 161, AktG, was issued in March 2023 and made permanently available to the shareholders on the homepage of ACCENTRO Real Estate AG ([HTTPS://INVESTORS.ACCENTRO.DE/EN/DECLARATION-OF-COMPLIANCE](https://investors.accentro.de/en/declaration-of-compliance)).

Berlin, 27 April 2023

**Lars Schriewer**

Member of the Management Board

**Dr. Gordon Geiser**

Member of the Management Board

## Responsibility Statement by the Legal Representatives

To the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair account of the net assets, financial and earnings position, and profit or loss of the Group, and the summarising management report presents a true and fair view of the business performance including the results of operations and the Group's situation as well as a description of the principal opportunities and risks associated with the Group's prospective development.

Berlin, 27 April 2023

**Lars Schriewer**

Member of the Management Board

**Dr. Gordon Geiser**

Member of the Management Board

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To ACCENTRO Real Estate AG, Berlin

### Report on the audit of the consolidated financial statements and the 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 statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January 2022 to 31 December 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report (hereinafter: management report), which is combined with the management report, of ACCENTRO Real Estate AG, Berlin, for the business year from 1 January 2022 to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the corporate governance statement pursuant to section 289f HGB and 315d HGB or the remuneration report, each of which is referred to in the management report.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

- › the accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to section 315e (1) HGB and give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022 in accordance with these requirements; and

- › the accompanying management report as a whole provides a suitable view of the Group's position. In all material respects, this management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the consolidated financial statements and the management report.

#### Basis for the audit judgements

We conducted our audit of the consolidated financial statements and the management report in accordance with section 317 HGB and the EU Regulation on Auditors (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described in the section "Auditor's responsibility for the audit of the consolidated financial statements and the management report" of our auditor's report. We are independent of the group entities in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, we declare pursuant to Article 10 paragraph 2 letter f) EU-APrVO that we have not performed any prohibited non-audit services in accordance with Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the management report.

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### Reference to any other facts

The consolidated financial statements and management report of ACCENTRO Real Estate AG for the previous financial year ending 31 December 2021 were audited by another auditor, who issued unmodified audit opinions on these consolidated financial statements and management report dated 30 April 2022.

### Particularly important audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2022 to 31 December 2022. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

In the following, we present the audit matters that we consider to be of particular importance:

- › Valuation of investment property
- › Recoverability of certain loans receivable not arising from real estate transactions
- Loan receivables

We have structured our presentation of these key audit matters as follows:

- a) Risk for the consolidated financial statements
- b) Auditing procedure
- c) Reference to related disclosures

### VALUATION OF INVESTMENT PROPERTY

#### a) Risk for the consolidated financial statements

ACCENTRO Real Estate AG reports properties in the amount of EUR 361.5 million (41.2 % of the consolidated balance sheet total) in the consolidated balance sheet under the financial statement item "Investment property". The properties are valued at fair value in accordance with IAS 40 in conjunction with IFRS 13 as investment properties. From valuation adjustments, EUR -1.8 million was recognised in the consolidated statement of comprehensive income in the reporting year. The investment properties thus have a significant influence on the asset and income situation of the Group.

The basis for determining the fair values of investment properties is the expected cash flows of the properties, which result from the planning calculations prepared by the legal representatives and approved by the Supervisory Board. These planning calculations are based on expectations of future market and revenue developments, which are reflected in the expected net payment surpluses of the properties. For this valuation, the legal representatives of the valuation, the legal representatives of the ACCENTRO Real Estate AG Group used real estate appraisals by various external real estate experts to determine the fair values, which were valued on the basis of the discounted cash flow method.

The determination of fair values is highly dependent on the estimation of individual valuation parameters and is therefore subject to considerable estimation uncertainty. Planning calculations require forward-looking discretionary estimates, e.g. of future net cash surpluses, growth rates and the determinants underlying the discount rate (including risk-free interest, market risk premium, beta factor). Against this background and due to the complexity of the applied valuation model, this matter was a particularly important audit matter within the scope of our audit.

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### b) Auditing procedure

As part of our audit, we first obtained an understanding of the process implemented at the ACCENTRO Real Estate AG Group to determine the fair values of the “investment properties” and of the controls relevant to this process.

In order to assess whether the valuation reports of the properties can be utilised, we also assessed the competence, ability and objectivity of the external property valuers engaged and gained an understanding of their activities. In doing so, we assessed the appropriateness of their findings by investigating the appropriateness of the data used for this purpose as well as assumptions with the involvement of our internal property valuation specialists. To this end, we assessed the accuracy and completeness of the data used for the property portfolios as well as the appropriateness of the valuation assumptions used, such as the discount and capitalisation rates applied, the market rents, the expected development of rents and the planned maintenance costs, among other things, on the basis of external market data. Furthermore, we conducted on-site inspections of individual properties to assess their respective condition. Furthermore, we assessed the mathematical and financial accuracy of the valuation models. For selected properties, we performed our own sensitivity analyses, the selection of which was based on our assessment of the valuation assumptions used and other qualitative aspects.

### c) Reference to related information

The disclosures on the financial statement item “Investment property” are included in section 4.4 of the notes to the consolidated financial statements.

#### RECOVERABILITY OF CERTAIN LOAN RECEIVABLES NOT ARISING FROM REAL ESTATE TRANSACTIONS

##### a) Risk for the consolidated financial statements

The consolidated balance sheet of ACCENTRO Real Estate AG includes loan receivables totalling EUR 63.1 million under the non-current and current financial statement items “Other receivables and other assets” that did not arise directly from real estate transactions of the ACCENTRO Real Estate AG Group. On the one hand, these are loans extended to jointly managed project development companies, minority shareholders and other business partners. On the other hand, it relates to the loan claim resulting primarily from the purchase price reclaim due to the reversal of the share acquisition in DIM Holding AG, which was declared in May 2021.

Loan receivables are measured at amortised cost, taking into account any impairments. The ACCENTRO Group reviews the recoverability of material loan receivables as at the reporting date on the basis of various indicators and an assessment of the expected future earnings and financial strength of the respective debtors, taking into account the collateral provided by the debtors.

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The assessment of the legal representatives of ACCENTRO Real Estate AG regarding the recoverability of the loan receivables is subject to considerable uncertainty due to the associated scope for discretion and estimation uncertainties. Possible necessary value adjustments could materially affect the financial position and financial performance of the ACCENTRO Real Estate AG Group. Against this background, these loan receivables were of particular importance for our audit.

### b) Auditing procedure

As part of our audit, we first obtained an understanding of the process established by the ACCENTRO Real Estate AG Group to assess the recoverability of the loan receivables reported under the non-current and current financial statement items “Other receivables and other assets”, as well as the controls relevant to this process.

Based on this, we assessed the appropriateness of the valuations, among other things, on the basis of discussions with the legal representatives, responsible employees of the company as well as descriptions of the facts and contractual documents submitted to us, taking into account the collateral granted. We evaluated the assumptions made by the legal representatives and their derivation that were relevant for the assessment of the recoverability. In addition, we examined the information relevant for the assessment of the recoverability of the loan receivables for consistency in terms of content to determine whether it was correctly included in the assessment of the recoverability. We verified the calculation. Finally, we assessed whether, on the basis of the information available at the reporting date, a valuation allowance recognised during the year was reversed appropriately.

### c) Reference to related information

The disclosures on the non-current and current financial statement items “Other receivables and other assets” are included in sections 4.5. and 4.11. of the notes to the consolidated financial statements.

### Other information

The legal representatives or the supervisory board are responsible for the other information. The other information includes

- › the corporate governance statement pursuant to § 289f HGB and § 315d HGB, to which reference is made in the management report,
- › the remuneration report, to which reference is made in the management report,
- › the assurances of the legal representatives pursuant to §§ 297 para. 2 sentence 4 HGB and § 315 para. 1 sentence 5 HGB on the consolidated financial statements and the Management Report
- › the report of the Supervisory Board
- › the other parts of the “ACCENTRO Group Annual Report”.
- › but not the consolidated financial statements, the audited content of the management report or our audit opinion thereon.

The legal representatives and the supervisory board are responsible for the declaration pursuant to § 161 AktG on the German Corporate Governance Code, which forms part of the corporate governance declaration. The supervisory board is responsible for the supervisory board report. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the management report do not cover the other information and, accordingly, we do not express an audit opinion or any other form of conclusion thereon.

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In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information referred to above and, in doing so, assess whether the other information is

- › are materially inconsistent with the consolidated financial statements, the content of the audited disclosures in the management report or our knowledge obtained in the audit; or
- › otherwise appear to be materially misrepresented.

If, based on the work we have performed, we conclude that there has been a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of the legal representatives and the supervisory board for the consolidated financial statements and the management report

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).

In preparing the consolidated financial statements, management is responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the preparations and measures (systems) that it has deemed necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the consolidated financial statements and the management report.

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### Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with § 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore

- › Identify and assess the risks of material misstatement of the consolidated financial statements and the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- › Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of the arrangements and actions relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.
- › we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- › Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Group being unable to continue as a going concern.



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- › we assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e Abs. 1 HGB.
- › obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the group to express opinions on the consolidated financial statements and the 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 management report with the consolidated financial statements, its compliance with the law and the view of the Group's position conveyed by it.
- › We perform audit procedures on the forward-looking statements made by management in the management report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters discussed with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the matter.

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### Other statutory and other legal requirements

#### Report on the audit of the electronic reproductions of the consolidated financial statements and the management report prepared for the purpose of disclosure in accordance with section 317 (3a) of the German Commercial Code (HGB)

##### Audit opinion

Pursuant to section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance audit to determine whether the financial statements contained in the file ACCENTRO\_KA\_2022.zip, with the hash value f39feee0d26d3e387854f1e4382e3d3d91d868887da095e4f5af6c683ad47472, calculated using SHA256, and prepared for the purpose of disclosure of the consolidated financial statements and the management report (hereinafter also referred to as “ESEF documents”) comply with the requirements of section 328 para. 1 HGB for the electronic reporting format (“ESEF format”) in all material respects. In accordance with the German statutory provisions, this audit only covers the transfer of the information of the consolidated financial statements and the management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the management report contained in the aforementioned file and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) HGB regarding the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying management report for the financial year from 1 January 2022 to 31 December 2022 contained in the preceding “Report on the audit of the consolidated financial statements and management report”, we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the aforementioned file.

### Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the management report contained in the above-mentioned file in accordance with section 317 (3a) of the German Commercial Code (HGB) in accordance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section “Auditor’s Responsibility for the Audit of the ESEF Documents”. Our auditing practice has the quality management system requirements of the IDW Quality Management Standard: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis (IDW QMS 1 (09.2022)).

### Responsibility of the legal representatives and the supervisory board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB. § 328 para. 1 sentence 4 no. 2 HGB.

Furthermore, the company’s management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

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### Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB. During the audit, we exercise professional judgement and maintain a critical attitude.

Furthermore

- › Identify and assess the risks of material non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- › Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- › we assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, regarding the technical specification for that file.
- › we assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited management report.
- › we assess whether the tagging of the ESEF documents with Inline XBRL<sup>o</sup> technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

### Other information according to Article 10 EU-APrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on 31 August 2022. We were appointed by the Supervisory Board on 5 December 2022. We have served as auditors of the consolidated financial statements of ACCENTRO Real Estate AG, Berlin.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the supervisory board pursuant to Article 11 EU-APrVO (audit report).

### Other matters - use of the audit opinion

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited management report as well as the audited ESEF documents. The consolidated financial statements and management report converted to the ESEF format - including the versions to be entered in the companies register - are merely electronic reproductions of the audited consolidated financial statements and the audited management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

### Auditor in charge

The auditor responsible for the audit is Stefanie Weisner.

Berlin, 27 April 2023

Grant Thornton AG  
Wirtschaftsprüfungsgesellschaft

Niclas Rauscher  
Auditor

Stefanie Weisner  
Auditor

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## Directors and Officers

### The Supervisory Board

#### Axel Harloff (Chairman)

- › Member of the Supervisory Board since 1 September 2014
- › Business administrator

#### 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 (CFO) der A.D.O. Group LTD, Yigal Alon 94 B Tel Aviv, Israel
  - › Member of the Supervisory 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 (Chief Executive Officer)

- › Member of the Management Board since 18 March 2020. Appointed until May 2027.
- › Before joining ACCENTRO Real Estate AG, Mr Schriewer was Senior Vice President at SSN Group. Prior to that, he held management positions at Westgrund AG (S-DAX) and Vivacon AG (M-DAX), among others, for several years.

#### Dr. Gordon Geiser (Chief Investment Officer)

- › Member of the Management Board since 10 February 2023. His appointment is limited in time in accordance with the terms of the refinancing transaction and will end as soon as the nominal value of the 2020/2023 bond is EUR 125 million or less due to the contractually guaranteed repayments.
- › Due to his many years of experience, Dr. Geiser has a comprehensive and deep understanding of the real estate and real estate financing sectors and has previously assisted many companies in similar processes as a member of the management team.



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## Forward-Looking Statements

This Annual Report contains certain forward-looking statements. Forward-looking statements are all statements that do not relate to historical facts and events. This applies in particular to statements about future financial performance, plans and expectations regarding the business and management of ACCENTRO Real Estate AG, about growth and profitability, as well as economic and regulatory conditions 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 financial position and performance of ACCENTRO, to differ materially from, or be more negative than, those expressed or implied by such statements. ACCENTRO's business activities are subject to a number of risks and uncertainties that may also cause a forward-looking statement, estimate or forecast to be inaccurate.

## Financial Calendar

The financial year of ACCENTRO Real Estate AG corresponds to the calendar year. Further dates can be found on our website at the following URL: [🌐 HTTPS://INVESTORS.ACCENTRO.DE/EN/SERVICE](https://investors.accentro.de/en/service).

# 28 APR 2023

RELEASE OF ANNUAL REPORT 2022

# 31 MAY 2023

RELEASE OF INTERIM STATEMENT  
AS OF 31 MARCH 2023

# 07 JUN 2023

ANNUAL GENERAL MEETING, BERLIN

# 31 AUG 2023

RELEASE OF INTERIM REPORT  
AS OF 30 JUNE 2023

# 30 NOV 2023

RELEASE OF INTERIM STATEMENT  
AS OF 30 SEPTEMBER 2023

# 05

## FURTHER INFORMATION

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01 OUR COMPANY

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02 TO OUR SHAREHOLDERS

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03 COMBINED MANAGEMENT  
REPORT AND GROUP  
MANAGEMENT REPORT

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04 CONSOLIDATED FINANCIAL  
STATEMENTS

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**05 FURTHER INFORMATION**

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Directors and Officers

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Forward-Looking Statements

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Financial Calendar

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► **Imprint**

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## Imprint

ACCENTRO Real Estate AG

Kantstraße 44/45

10625 Berlin, Germany

Phone: +49 (0)30 887 181-0

Fax: +49 (0)30 887 181-11

Email: [mail@ACCENTRO.de](mailto:mail@ACCENTRO.de)

Home: [WWW.ACCENTRO.DE](http://WWW.ACCENTRO.DE)

### Management Board

Lars Schriewer

Dr. Gordon Geiser

### Chairman of the Supervisory Board

Axel Harloff, Hamburg

### Contact

ACCENTRO Real Estate AG

Investor Relations

Phone: +49 (0)30 887 181-272

Fax: +49 (0)30 887 181-11

Email: [ir@ACCENTRO.de](mailto:ir@ACCENTRO.de)

### Concept, Editing, Layout

MPM – Part of RYZE Digital

[www.mpm.de](http://www.mpm.de)

### Photos

Management Board: Thomas Knieps

Image rights of all photos and visualisations: ACCENTRO AG



# **ACCENTRO**

REAL ESTATE AG