

HALF-YEAR FINANCIAL REPORT 2022

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REAL  
ESTATE  
REDEFINED

ACCENTRO  
REAL ESTATE AG



# Key Figures

## INCOME STATEMENT

TEUR

	H1 2022 01/01/2022 – 30/06/2022	H1 2021 01/01/2021 – 30/06/2021
Group revenues	93,481	73,015
Gross profit (interim result)	26,548	15,082
EBIT*	9,029	18,995
EBIT margin	9.7%	26.0%
EBT	-366	7,840
Consolidated income	-2,279	4,664
Earnings per share (EUR)	-0.07	0.10

## OTHER KEY FIGURES

	30/06/2022	31/12/2021
Shares outstanding	32,437,934	32,437,934
Market capitalisation (EUR)	121,966,632	214,090,364
Total portfolio (units)	4,600	4,861
Employees	118	101

## BALANCE SHEET RATIOS

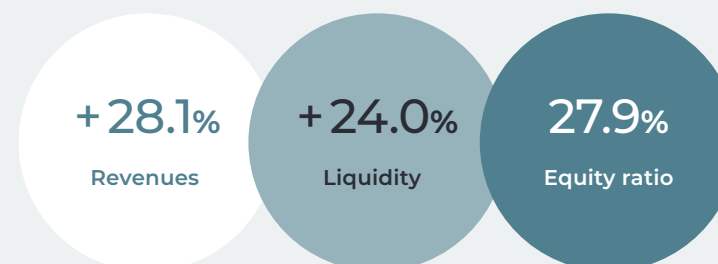
TEUR

	30/06/2022	31/12/2021
Non-current assets	437,281	427,705
Current assets	489,664	485,761
Cash and cash equivalents	150,670	121,502
Equity ratio	27.9%	28.0%
Total assets	926,945	929,466
Loan to Value (LTV)	52.6% <sup>**</sup> / 44.6% <sup>***</sup>	54.9% <sup>**</sup> / 48.2% <sup>***</sup>

\* including valuation result (2022: 0; 2021: EUR 16.3m)

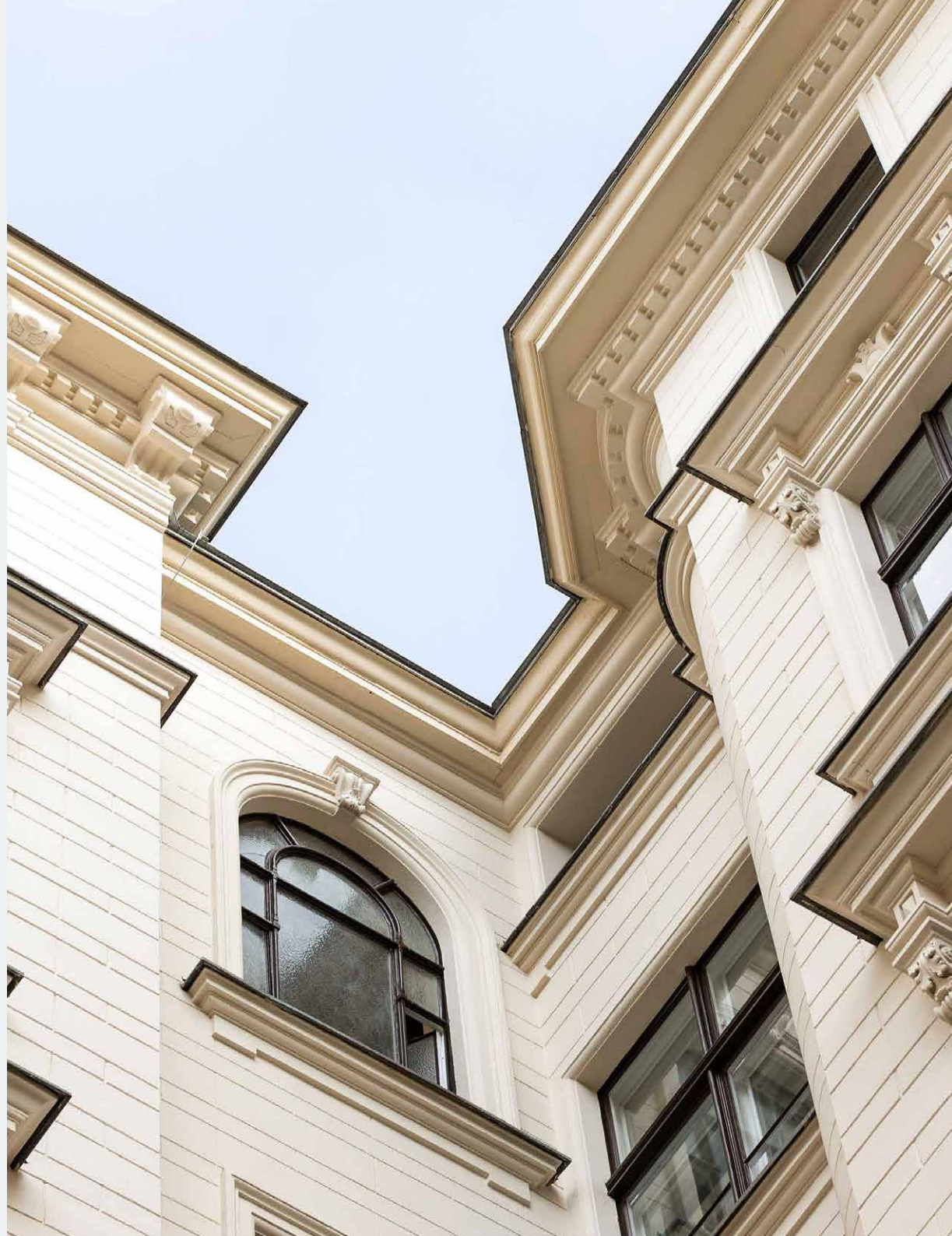
\*\* based on the definition specified in the terms of the 2020/2023 bond

\*\*\* based on the definition specified in the terms of the 2021/2026 bond



# Contents

4	Letter to the Shareholders
7	Preliminary Remarks
7	Basic Principles of the Group
8	Economic Report
14	Forecast Report
15	Opportunity and Risk Report
17	Consolidated Balance Sheet
19	Consolidated Income Statement
21	Consolidated Statement of Changes in Equity
22	Consolidated Cash Flow Statement
24	Basic Information
24	Significant Accounting Policies
25	Consolidation
27	Segment Reporting
29	Selected Explanatory Notes on the Consolidated Interim Financial Statements
33	Selected Explanatory Notes on the Consolidated Income Statement
36	Disclosures on Financial Instruments
36	Other Disclosures
39	The ACCENTRO Share
41	Responsibility Statement
42	Forward-Looking Statements
42	Financial Calendar
43	Imprint



---

LETTER TO THE SHAREHOLDERS

---

INTERIM MANAGEMENT REPORT

---

CONSOLIDATED BALANCE SHEET

---

CONSOLIDATED  
INCOME STATEMENT

---

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

---

CONSOLIDATED CASH FLOW  
STATEMENT

---

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

---

THE ACCENTRO SHARE

---

RESPONSIBILITY STATEMENT

---

FORWARD-LOOKING STATEMENTS

---

FINANCIAL CALENDAR

---

IMPRINT

---

# “GROWTH PILLARS INTACT”

LARS SCHRIEWER  
Chief Executive Officer



## LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Letter to the Shareholders

**Dear Shareholders,  
Ladies and Gentlemen,**

Despite the challenging market environment, ACCENTRO's good performance has ensured that we remain on course to achieve the annual targets we defined and to meet our growth expectations. Although it is quite impossible to predict the exact impact of the persistently volatile market development, we are filled with confidence and hereby reaffirm our year-end forecast for 2022 once more. We will keep implementing our expansion strategy, and continue to expect revenues somewhere between EUR 200 and 220 million (previous year: EUR 192.7 million) and EBIT between EUR 45 and 50 million (previous year: EUR 45.2 million).

The successfully completed first half-year of 2022 has laid the ground for our bright outlook: Consolidated revenues increased by 28.1% to EUR 93.5 million (previous year: EUR 73.0 million). The dynamic growth was mainly driven by apartment sales, which registered a revenue increase by 39.0% up to EUR 84.8 million (previous year: EUR 61.0 million). They also pushed the profit margin of this segment up to 29.0% (previous year: 16.3%). Letting revenues amounted to EUR 7.8 million (previous year: EUR 10.8 million). The decline is explained by the successful apartment sales. In a parallel development, rental income from our proprietary rental portfolio increased because we were able to roll back vacancies.

The earnings adjusted for valuation effects improved considerably, and did so despite a partial write-off on a receivable. Consolidated earnings before interest and income tax (EBIT) equalled EUR 9.0 million and thus fell short of the prior-year figure (previous year: EUR 19.0 million). But it should be remembered that the prior-year result was largely defined by positive valuation effects after major portfolio acquisitions worth EUR 16.3 million. The latest periodic valuation of our portfolio as of the balance sheet date of 30 June 2022 did not return any adjustments in value, which is clear evidence for the intrinsic value of our properties, even and especially in the currently demanding market environment. The earnings per share equalled EUR -0.07 (previous year: EUR 0.10).

While the total assets remained stable at EUR 927.0 million as of 30 June 2022 (31/12/2021: EUR 929.5 million), cash and cash equivalents increased to EUR 150.7 million (31/12/2021: EUR 121.5 million). The equity ratio at mid-year equalled 27.9% (31/12/2021: 28.0%).



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**LETTER TO THE SHAREHOLDERS**

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---

INTERIM MANAGEMENT REPORT

---

---

CONSOLIDATED BALANCE SHEET

---

---

CONSOLIDATED  
INCOME STATEMENT

---

---

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

---

---

CONSOLIDATED CASH FLOW  
STATEMENT

---

---

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

---

---

THE ACCENTRO SHARE

---

---

RESPONSIBILITY STATEMENT

---

---

FORWARD-LOOKING STATEMENTS

---

---

FINANCIAL CALENDAR

---

---

IMPRINT

---

Following a dynamic start to the year – judging by the number of notarised apartment sales – ACCENTRO and the industry in general noted a certain reticence among buyers during the second quarter that was primarily an effect of the significant increase in lending rates and of the high inflation. However, demand recovered in the months of June and July, and significantly so. By mid-year, the volume of notarised property sales had achieved a new high-water mark of EUR 52.1 million (second only to the banner year of 2021) as a result of an improved product mix and a further increase in selling prices.

Notwithstanding the challenging current market environment, the structural growth pillars of our business model remain intact, as far as we can see. The keen interest in homeownership – not least as a building block in people's retirement planning – is still matched by a so-far stable price level and by persistently short supply. And demand for rental accommodation is likely to stay as high as ever, especially in the segments that are relevant for ACCENTRO.

In operational and strategic terms, we are well positioned, and face the future with a great deal of confidence. Our sales portfolio remains well filled and has a current market value of around EUR 370 million. We continuously optimise our real estate inventory through pinpoint transactions, such as the recent sale of our Rostock portfolio and the acquisition of another attractive portfolio in eastern Germany. At the same time, we keep investing in our own rental portfolio in a steady effort to enhance the attractiveness of our apartments. On top of that, we are in the process of developing an adequate sustainability strategy for ACCENTRO.

At the same time, another important subject tops our financial strategy agenda: the refinancing of the bond that will mature in February 2023. Here, we are in the process of reviewing various refinancing options while keeping a very close eye on the financing markets. We now expect to be able to report the successful signing of a refinancing arrangement in the coming months.

In the meantime, let me thank you again for putting your trust in ACCENTRO!



**Lars Schriewer**  
Chief Executive Officer

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LETTER TO THE SHAREHOLDERS

---

INTERIM MANAGEMENT REPORT

---

CONSOLIDATED BALANCE SHEET

---

CONSOLIDATED  
INCOME STATEMENT

---

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

---

CONSOLIDATED CASH FLOW  
STATEMENT

---

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

---

THE ACCENTRO SHARE

---

RESPONSIBILITY STATEMENT

---

FORWARD-LOOKING STATEMENTS

---

FINANCIAL CALENDAR

---

IMPRINT

## Interim Management Report

### Preliminary Remarks

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

Currency figures quoted in this report are denominated in euros (EUR).

Both individual and total figures represent the value with the smallest rounding difference. Accordingly, adding the values of the individual line items may result in minor differences compared to the reported totals.

### Basic Principles of the Group

#### Group Business Model, Objectives and Strategies

ACCENTRO AG is a listed property company focusing on residential real estate located in Germany. The business activity of ACCENTRO comprises three core divisions. These are the tenant-sensitive retailing of apartments to owner-occupiers and private buy-to-let investors, along with the sale of real estate portfolios to institutional investors, the set-up and management of a proprietary real estate portfolio, and third-party apartment marketing for property asset holders, investors and developers.

#### Corporate Structure and Control System

ACCENTRO AG acts as parent company and an operationally active holding company for a number of member companies in which the housing stock is concentrated, and for one service company focused on the business

of housing privatisation. For companies in which it holds a controlling interest, ACCENTRO AG assumes the top-down responsibilities of corporate controlling, funding and administration. ACCENTRO AG's sphere of ownership includes core divisions such as Legal, Accounting, Controlling, Risk Management, Funding, Purchasing, Sales Project Management, Technical and Commercial Asset Management.

ACCENTRO AG consists of several property holding companies directly managed by ACCENTRO AG which own the Company's real estate assets. All of the property vehicles are consolidated in the Consolidated Financial Statements of ACCENTRO AG.

ACCENTRO AG uses EBIT as financial performance indicator for corporate controlling purposes. Here, the key control variable is the sales performance of the properties, paced by definitive factors like the number of apartment reservations placed by potential buyers, among others, and the actual sales data. The latter are recognised both by number of apartments sold and by their revenue volume. The other factors that the control system takes into account include the operating income of each sub-portfolio or of each property. In addition, control variables like the number of new clients as well as viewings and reservations serve as early indicators of the Company's performance.

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. Components of this control mechanism include constant measurements of liquidity flows on the level of each company and of the parent group.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Economic Report

### Macroeconomic Development

Germany's economic momentum is seriously hampered by complex and challenging parameters. The sustained coronavirus pandemic, disrupted supply chains, rising prices and the war in Ukraine clearly impacted the country's economic performance during the first half-year of 2022. According to figures published by the Federal Statistical Office ("Destatis"), the gross domestic product (GDP) grew by a mere 1.4% during Q2 2022 when compared to the same quarter of the previous year and adjusted for inflation and calendar effects. As recently as the first quarter of 2022, the increase since the previous year had still been 3.7%.

Germany's inflation rate – measured as change in consumer price index (CPI) since the same month of the previous year – equalled 7.6% in June 2022, according to Destatis. Although this means that the inflation rate slowed down slightly, it lingers on a high level. In May 2022, the inflation rate had still been at 7.9%. The main reason for the high inflation continues to be the price growth for energy products.

In addition, the incipient trend reversal for lending rates started impacting the real estate market from the very beginning of this year. According to figures released by Germany's savings banks, construction finance has gone up by an average of 2.5 percentage points since early 2022. The going rates average 3.2% to 3.5% (effective rate), depending on the amount of the credit line and the contributed equity capital. This means that construction finance costs have nearly quadrupled, and that real estate financing has become clearly more expensive as a result. When looking at the long-term picture, however, the current level of interest rates is still well below the rates of 2008.

By contrast, the labour market has remained stable. Although unemployment and underemployment did increase swiftly in June, the increases are attributable to the fact that the refugees from Ukraine have now been registered and are included in the labour market stats. It caused the unemployment rate in June to go up by 0.3 percentage points month over month, the current level rate being 5.2%.

The economic outlook remains difficult, and the German economy is making slow progress in its recovery, according to experts. Especially the energy crisis, including the lingering concerns over gas shortages and yet higher energy prices, is slowing the German economy down. The situation is compounded by the sluggish resolution of the global supply chain issues; while the war in Ukraine and the Chinese coronavirus crisis have created further, and rather unexpected, bottlenecks. In their summer forecasts for 2022, Germany's leading economic research institutes therefore predict a sustained high inflation rate and only modest economic growth for the country. The ifo Institute for Economic Research, for one, predicts a GDP growth of 2.5% and an inflation rate of 6.8%. Even more cautious is the Institute for the World Economy (IfW) in Kiel, forecasting a mere 2.1% growth in GDP and an inflation rate of 7.4%. The International Monetary Fund (IMF) went so far as to lower its growth forecast for Germany to just 1.2% in late July, having expected a growth by 2.1% as recently as the spring of this year. In regard to the global economy, the IMF revised its forecast by 0.4 percentage points downward to now 3.2%.

Analogously, the DIW Economic Barometer of the German Institute for Economic Research dropped significantly to 71.8 points in July 2022. This makes it the third quarter below the 100-points threshold, which would indicate an average growth rate for the German economy. For the sake of comparison: The index score for the second quarter of 2022 still exceeded 90 points.



## Development of the German Housing Market

Popular interest in homeownership is as high as ever, with prices remaining stable or climbing, and supply shortages persisting. That said, the German real estate market was defined by sometimes rampant uncertainty during the first half-year. Key factors that prompted the unease include the rapid rise in mortgage interest and the adjustments of the funding available from the KfW development bank to enhance the energy efficiency of developments. Severe supply bottlenecks and price hikes for energy and metals caused by the war in Ukraine have resulted in serious construction price increases. According to an analysis by Deutsche Bank, they rose by more than 17% year on year in May. Growing construction costs and lengthening completion times caused new-build construction projects to be delayed or postponed.

In spite of the uneasy market environment and the soaring mortgage interest, the transaction activity on Germany's residential investment market has been largely stable. The transaction volume in the category of large-scale residential portfolios came to just over EUR 7 billion by mid-year, according to BNP Paribas Real Estate, and thus undercut the long-term average by 19%.

CBRE, while also reporting regressive investment behaviour in the portfolio transaction category during the first half-year, simultaneously pointed out a volume increase in single-asset transactions year on year during the same period. The company added that prime yields in Germany's "Big Seven" markets had softened slightly, whereas the average yields for standing property are still stable.

Demand for ownership apartments remains strong. In addition to tenant-occupied units acquired as buy-to-let investments, apartments for owner-occupancy remain as popular as ever. The number of concluded apartment sales declined slightly during the second quarter of 2022 because the rising level of interest rates has compromised the financial feasibility for people.

Yet the now-as-then strong demand is reflected in the price trend for residential real estate. According to figures released by the VDP Association of German Mortgage Credit Banks, prices for apartments, detached homes and multi-dwelling units have continued to rally. During the second quarter, residential property prices in Germany increased by 2.5% quarter on quarter and by 10.1% over prior-year period. However, the price trend in the residential segment is subject to differences: Price tags for single-family detached homes showed a faster one-year growth at 12.1% than apartments at 9.8%. Prices for entire multi-dwelling units bought by investors increased by 8.6%. The price dynamics also differed from one metropolis to the next: Berlin and Munich took the lead with residential property price hikes of 11.9% and 11.6%, respectively. Frankfurt lagged far behind with an increase by 7.9%.

In the context of the interest rate reversal and the high inflation, it is a remarkable development. Since the real estate market has traditionally followed the macroeconomic cycle with a time lag, VDP estimates that the economic stress factors are not yet reflected in the price trend. But the association does not expect to see prices drop.

According to an assessment by Deutsche Bank, the fundamental growth drivers of the German residential property market are all intact. The temporary dip in building activity will further reduce supply going forward and generally act as a price driver. In 2021, only about 293,000 apartments were completed, roughly 13,000 fewer than the year before. Even more significant for the structurally short supply is the demand generated by the inflow of refugees from Ukraine. Deutsche Bank, for one, expects this factor alone to cause an incoming migration of nearly 1.6 million people overall in the years 2022 and 2023. Add to this the high inflow of migrants from other countries, which began to normalise during the second half of 2021. The net migration for 2021 as a whole equalled 329,000 arrivals. Naturally, the inflow added significantly to the anyway severe housing shortage.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## ACCENTRO REAL ESTATE AG

TEUR

	H1 2022 01/01/2022 TO 30/06/2022	H1 2021 01/01/2021 TO 30/06/2021
<b>Income Statement</b>		
Group revenues	93,481	73,015
Gross profit or loss (interim result)	26,548	15,082*
EBIT	9,029	18,995*
EBT	-366	7,840
Consolidated income	-2,279	4,664

\* Net income from associates measured using the equity method has been recognised below the EBIT since 31/12/2021, with the prior-year figures adjusted accordingly.

## ACCENTRO REAL ESTATE AG

TEUR

	30/06/2022	31/12/2021
<b>Balance sheet ratios</b>		
Non-current assets	437,281	427,705
Current assets	489,664	485,761
Assets held for sale	0	16,000
Equity	258,606	260,637
Equity ratio	27.9%	28.0%
Total assets	926,945	929,466

## Earnings, Financial Position and Assets

## Earnings Position

During the first half of 2022, ACCENTRO continued to increase its revenues and its operational profitability, adjusted for measurement effects. The key revenue and earnings figures of the ACCENTRO Group developed as follows during the first six months of the 2022 financial year:

## EARNINGS POSITION

EURM

	H1 2022	H1 2021
Revenues	93.5	73.0
EBIT	9.0	19.0*
Consolidated income	-2.3	4.7

\* Net income from associates measured using the equity method has been recognised below the EBIT since 31/12/2021, with the prior-year figures adjusted accordingly

The consolidated revenues of the first half of the 2022 financial year totalled EUR 93.5 million (reference period: EUR 73.0 million) and implies a strong increase year on year. This is explained by the significantly increased earnings from individual apartment sales that were definitively boosted by the disposal of the Rostock portfolio during the second quarter of 2022.

Earnings before interest and tax (EBIT) for the reporting period equalled EUR 9.0 million (reference period: EUR 19.0 million) and are definitively attributable to the increase in revenues from individual apartment sales. The decline compared to the same period last year results from the fair-value appreciation of the investment properties in the amount of EUR 16.3 million.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

Moreover, the Group recognised a valuation allowance against loan receivables in the amount of EUR 4.0 million during the first half of 2022. The EBIT without the valuation allowance equals EUR 13.0 million. Both revenues and EBIT without valuation allowance are within the bandwidth we expected to see by mid-year 2022.

At EUR 5.2 million, the total payroll and benefit costs stayed more or less at the level of the reference period (EUR 5.1 million).

The net interest expense during the first half of 2022 (EUR –9.6 million; reference period: EUR –11.2 million) consists mainly of interest expenses for the 2020/2023 bond over EUR 250 million and the 2021/2026 bond over EUR 100 million. Interest expenses in the amount of EUR 11.8 million (reference period: EUR 12.6 million) are matched by interest income in the amount of EUR 2.2 million (reference period: EUR 1.4 million).

The earnings before taxes equalled EUR –0.4 million, after EUR 7.8 million at the end of the reference period. Taking into account income taxes in the amount of EUR –1.9 million (reference period: EUR –3.2 million), this results in a consolidated income of EUR –2.3 million (reference period: EUR 4.7 million). To a large extent, the tax expense results from current income taxes and deferred tax liabilities on the valuation effects involving portfolio properties and on valuation differences in the context of recognising property developments (using the PoC method).

## Financial Position

The Group's financial strength is characterised by an increase in cash and cash equivalents.

## KEY FIGURES FROM THE CASH FLOW STATEMENT

EUR M

	H1 2022	H1 2021
Cash flow from operating activities	48.8	34.3
Cash flow from investment activities	5.1	–50.7
Cash flow from financing activities	–23.7	70.9
Net change in cash and cash equivalents	30.2	54.6
Consolidation change in cash and cash equivalents	–1.1	1.8
Cash and cash equivalents at the beginning of the period	121.5	56.5
Cash and cash equivalents at the end of the period	150.7	113.0



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

During the first six months of 2022, the cash flow from operating activities amounted to EUR 48.8 million (reference period: EUR 34.3 million). The positive cash flow from operations during the first half of 2022 is primarily due to the increased number of residential units sold through privatisation. Large payments received for properties sold during the first half-year reduced the trade receivables and other assets by EUR 2.6 million. Conversely, the accounts payable, and here specifically advance payments received toward notarised but not yet transferred plots that were sold, increased by EUR 13.7 million. Cash investments in inventory properties added up to the positive figure of EUR 27.3 million by mid-year 2022. This means that the sales of inventory assets outweighed the investments. Due to the classification of the properties as trading assets, investments in inventories are recognised among current operations.

The cash flow from investment activities amounted to EUR 5.1 million during the reporting period (reference period: EUR -50.7 million). The positive cash flow is mainly attributable to the sales proceeds from an equity interest in the amount of EUR 16.0 million, receipts from loans granted in the amount of EUR 4.4 million and interest received in the amount of EUR 1.3 million. They are matched by disbursements of loans granted in the amount of EUR 15.4 million.

The cash flow from financing activities amounted to EUR -23.7 million during the current period (reference period: EUR 70.9 million) and is dominated by the cash outflow of EUR -54.2 million toward the repayment of finance facilities. The sum is offset by new borrowings in the amount of EUR 42.7 million. The outflow for interest and financing costs during the half-year under review amounted to EUR 12.1 million (cash outflow during reference period: EUR 10.0 million), which was materially influenced by the cash-effective interest expenses.

Cash and cash equivalents amounted to EUR 150.7 million as of 30 June 2022, compared to EUR 121.5 million as of 31 December 2021.

## Net Asset Position

The financial position of ACCENTRO remains stable.

## KEY FIGURES FROM THE BALANCE SHEET

EURM

	30/06/2022	31/12/2021
<b>Assets</b>	<b>927.0</b>	<b>929.5</b>
Non-current assets	437.3	427.7
Current assets net of cash and cash equivalents	339.0	364.3
Cash and cash equivalents	150.7	121.5
Assets held for sale	0.0	16.0
<b>Debt and equity</b>	<b>927.0</b>	<b>929.5</b>
Equity	258.6	260.6
Non-current liabilities	216.2	508.8
Current liabilities	452.2	160.0

The total assets decreased by EUR 2.5 million since the balance sheet date of 31 December 2021, rising to a sum total of EUR 927.0 million (31 December 2021: EUR 929.5 million). The drop is mainly attributable to the inventory assets, whose value decreased by EUR 29.5 million as a result of disposals. The converse effect had down-payments toward investment properties in the amount of EUR 9.6 million (31 December 2021: EUR 0.0 million), involving a portfolio in eastern Germany, and a short-term loan that was granted. In addition, the cash and cash equivalents increased by EUR 29.2 million since year-end 2021, mainly because of the cash inflow from privatisation activities.

Non-current liabilities in the amount of EUR 103.1 million decreased by EUR 45.1 million compared to the previous year. The main reasons for the drop include a loan that was reclassified among the current liabilities

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENT

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

CONSOLIDATED CASH FLOW  
STATEMENT

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

because it will mature in Q1 2023, and the repayment of numerous loans. The sum total of current liabilities rose by EUR 292.1 million since year-end 2021. This is essentially explained by the reclassification of the EUR 250 million bond among the current liabilities because it will reach maturity in Q1 2023, the reclassification of a loan among the current liabilities and the increase in advance payments received by EUR 12.5 million. The current assets exceed the current liabilities, just like they did on the reference balance sheet.

The shareholders' equity of the ACCENTRO Group was reduced during the reporting period, dropping from EUR 260.6 million as of 31 December 2021 to EUR 258.6 million by 30 June 2022. The equity ratio declined slightly as a result, dropping from 28.0% as of 31 December 2021 down to 27.9%. The moderate dip was caused by the decrease in equity by EUR 2.0 million, while the total assets declined by EUR 2.5 million.

The balance sheet structure has experienced no material changes since the end of 2021. Reporting on the loan-to-value (LTV) ratio is based on the respective bond terms because the LTV is also subject to in-house monitoring and reporting. There is a slight difference in the ways in which the LTV ratios are calculated for the 2020/2023 bond and the 2021/2026 bond, respectively, as the subsequent calculations for each one reveals. The LTV of the 2020/2023 bond declined slightly to 52.6% (31 December 2021: 54.9%). The same is true for the LTV of the 2021/2026 bond, which dropped to 44.6% (31 December 2021: 48.2%).

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

The economic situation of the ACCENTRO Group remains stable despite the ongoing geopolitical crises and their ramifications both for the global economy and the German economy, and in spite of the persistent pandemic situation with its uncertain outlook. For details about all of the above, please see the notes on the economic situation and on opportunities and risks in the Annual Report 2021 that was published on 30 April 2022.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## LTV CALCULATION

TEUR

	H1 2022	2021
<b>BOND 2020/2023</b>		
Financial indebtedness	241,751	252,920
Bonds	352,510	353,356
Cash and cash equivalents	-150,670	-121,502
<b>A. Net financial indebtedness</b>	<b>443,591</b>	<b>484,774</b>
Total asset value	926,945	929,466
Fair market value surplus of inventory properties	96,580	108,228
Deferred tax liabilities	-29,143	-32,658
Cash and cash equivalents	-150,670	-121,502
<b>B. Adjusted total asset value</b>	<b>843,712</b>	<b>883,534</b>
<b>LTV Bond 2020/2023 (= A./B.)</b>	<b>52.6 %</b>	<b>54.9 %</b>
<b>BOND 2021/2026</b>		
Financial indebtedness	241,751	252,920
Bonds	352,510	353,356
Cash and cash equivalents	-150,670	-121,502
<b>A. Net financial indebtedness</b>	<b>443,591</b>	<b>484,774</b>
Total asset value	926,945	929,466
Fair market value surplus of inventory properties	96,580	108,228
Deferred tax liabilities	-29,143	-32,658
<b>B. Adjusted total asset value</b>	<b>994,382</b>	<b>1,005,036</b>
<b>LTV Bond 2021/2026 (= A./B.)</b>	<b>44.6 %</b>	<b>48.2 %</b>

## Forecast Report

Considering its successful business performance during the first half of 2022, ACCENTRO upholds its forecast for the 2022 financial year, which was initially published as part of the Annual Report 2021 in April 2022. Irrespective of the current market environment, the Group continues to expect consolidated revenues in a bandwidth of EUR 200 – 220 million (previous year: EUR 192.7 million) and consolidated earnings before interest and taxes (EBIT) in a range of EUR 45 – 50 million (previous year: EUR 45.2 million).

As far as the challenging geopolitical and macroeconomic environment goes, ACCENTRO also advises you to check the detailed explanatory notes in the forecast report of the Annual Report 2021 in this context. The forecast is subject to the proviso that the auspicious business development of the first six months of 2022 continues during the second half of the year. On top of that, the Company currently assumes that it will conclude further block sales during the remainder of the year that will have a positive impact on the Company's revenues and earnings performance during the financial year.

However, it is hard to estimate at this time to what degree the war in Ukraine and its downstream effects, especially the high inflation rate, the rising level of interest rates and the development of the coronavirus pandemic, will impact the consumption patterns of our clients, and to what extent all of this may influence the business of ACCENTRO as the year progresses.



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Opportunity and Risk Report

The opportunities and risks outlined in the combined management report of the 2021 Annual Report remain essentially in place as of 30 June 2022, the date of these interim financial statements.

The one exception is the claim to a purchase price reclamation from the reversal of a sale-and-purchase agreement involving the entire stock of DIM Holding AG, Berlin, in addition to a shareholder loan taken over from the seller in conjunction with the acquisition, which had been deferred until May 2022. The claims in a total amount of EUR 19.5 million as of 30 June 2022 (including interest and the shareholder loan, compared to EUR 18.9 million as of 31/12/2021) were not settled by May 2022 as agreed. The Company is in legal communication with the debtor and has threatened that, unless the amounts owed are paid in the near future, ACCENTRO will initiate the compulsory execution from the registered total land charge of EUR 20 million for four properties located in the Tiergarten and Grunewald districts of Berlin (three standing properties and one property development). These four real property assets were reappraised by an independent third-party surveyor commissioned by ACCENTRO to measure their value as of 30 June 2022. For the final measurement of the value of these collateral assets, any senior debts recorded in the land register were deducted.

Despite the risk that additional senior debt to other creditors may exist and may have to be settled first, the Management Board is confident that the entire outstanding debt can be collected either through compulsory execution or through the short-term receipt of payment from the debtor.

The Management Board's opinion is based, on the one hand, on the collateral's intrinsic value in the form of a total land charge in the amount of EUR 20 million, and on its possession of the entire stock of DIM Holding AG. On the other hand, the debtor made credible assurances vis-à-vis the Management Board that the entire receivable plus interest will be paid before the end of the third quarter. In the event that no payment is received, ACCENTRO will move ahead with the compulsory execution of collateral.

Due to the steps taken (legal demand for payment submitted in August 2022), and in anticipation of future revenue flows following the realisation of collateral, ACCENTRO is aware of increased expenses that are caused by the current market situation, specifically in the case of one collateral asset that is expected to require extra property development funds mainly as a result of rising construction and financing costs (while the chances for procuring its development rights are deemed as high as ever). Taking into account the currently deteriorating situation on the real estate market and the fact that recovery of the receivable has been rather uncertain so far, ACCENTRO considers it necessary and appropriate to assume an impairment requirement in the amount of EUR 4 million regarding the owed receivables of EUR 19.5 million in the event of a realisation of collateral, which is now the more likely scenario.

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LETTER TO THE SHAREHOLDERS

---

INTERIM MANAGEMENT REPORT

---

CONSOLIDATED BALANCE SHEET

---

CONSOLIDATED  
INCOME STATEMENT

---

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

---

CONSOLIDATED CASH FLOW  
STATEMENT

---

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

---

THE ACCENTRO SHARE

---

RESPONSIBILITY STATEMENT

---

FORWARD-LOOKING STATEMENTS

---

FINANCIAL CALENDAR

---

IMPRINT

---

ACCENTRO closely monitors the latest market developments, and considers it highly important to be well prepared for shifts in the market at all times. In the course of the ongoing year, the Company has also intensely focused on consistently integrating its in-house risk management processes so as to ensure a structured and early response to potentially unfavourable trends and events. They enable the Company to seize countermeasures in good time, ideally to avert potential damage before it is caused. With a view to the growth that the Company has seen lately and plans to keep pursuing, the internal risk management system attains great significance.

Moreover, the business model of ACCENTRO is continuously reviewed, adapted to market conditions if needed and expanded in a pinpoint fashion in order to deflect potential threats.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Consolidated Balance Sheet – Assets

30/06/2022

TEUR

## ASSETS

## Non-current assets

	30/06/2022	31/12/2021
Goodwill	17,776	17,776
Owner-occupied properties and buildings	23,853	24,096
Plant and intangible assets	5,672	5,495
Investment properties	330,926	330,652
Advance payments made for investment properties	9,631	0
Other receivables and other assets	35,212	35,667
Equity investments	6,848	6,900
Equity interests accounted for using the equity method	4,864	4,712
Deferred tax assets	2,500	2,407

## Total non-current assets

437,281 427,705

## Current assets

Inventory properties	271,073	300,597
Contract assets	11,007	11,228
Trade receivables	18,712	21,324
Other receivables and other assets	36,760	29,658
Current income tax receivables	1,442	1,452
Cash and cash equivalents	150,670	121,502

## Total current assets

489,664 485,761

## Assets held for sale

0 16,000

## Assets

926,945 929,466



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Consolidated Balance Sheet – Equity and Liabilities

30/06/2022

TEUR

	30/06/2022	31/12/2021
<b>EQUITY</b>		
Subscribed capital	32,438	32,438
Capital reserves	79,913	79,825
Retained earnings	132,738	135,127
Attributable to parent company shareholders	245,089	247,390
Attributable to non-controlling interests	13,517	13,247
<b>Total equity</b>	<b>258,606</b>	<b>260,637</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	46	46
Financial liabilities	103,108	148,248
Bonds	99,306	346,701
Deferred income tax liabilities	13,744	13,801
<b>Total non-current liabilities</b>	<b>216,204</b>	<b>508,796</b>
<b>Current liabilities</b>		
Provisions	690	633
Financial liabilities	138,643	104,672
Bonds	253,204	6,655
Advance payments received	22,000	9,464
Current income tax liabilities	6,790	5,482
Trade payables	3,806	5,343
Other liabilities	27,003	27,783
<b>Total current liabilities</b>	<b>452,135</b>	<b>160,032</b>
<b>Equity and liabilities</b>	<b>926,945</b>	<b>929,466</b>

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

**CONSOLIDATED  
INCOME STATEMENT**CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Consolidated Income Statement

01/01/2022 – 30/06/2022

TEUR

	Q2 2022 01/04/2022– 30/06/2022	Q2 2021 01/04/2021– 30/06/2021	H1 2022 01/01/2022– 30/06/2022	H1 2021 01/01/2021– 30/06/2021
<b>Consolidated revenues</b>	<b>59,806</b>	<b>45,428</b>	<b>93,481</b>	<b>73,015</b>
Revenues from sales of inventory properties	55,528	36,742	84,812	60,978
Expenses for sales of inventory properties	–37,357	–31,865	–60,228	–51,050
<b>Capital gains from property sales</b>	<b>18,171</b>	<b>4,877</b>	<b>24,584</b>	<b>9,928</b>
Letting revenues	3,788	7,845	7,787	10,783
Letting expenses	–4,893	–6,225	–6,356	–7,325
<b>Net rental income</b>	<b>–1,105</b>	<b>1,619</b>	<b>1,431</b>	<b>3,458</b>
Revenues from services	490	841	882	1,255
Expenses from services	–353	–120	–596	–360
<b>Net service income</b>	<b>138</b>	<b>721</b>	<b>287</b>	<b>895</b>
Other operating income	193	753	247	802
<b>Interim result</b>	<b>17,396</b>	<b>7,971</b>	<b>26,548</b>	<b>15,082</b>
<b>Gain or loss on fair value adjustments of investment properties</b>	<b>0</b>	<b>16,339</b>	<b>0</b>	<b>16,339</b>
Payroll and benefit costs	–2,675	–2,821	–5,182	–5,144
Depreciation and amortisation of intangible assets and property, plant and equipment	–540	–212	–1,075	–434
Impairments of inventories and accounts receivable	–4,133	0	–4,133	0
Miscellaneous operating expenses	–4,619	–4,545	–7,129	–6,848
<b>EBIT (earnings before interest and income taxes)</b>	<b>5,429</b>	<b>16,731</b>	<b>9,029</b>	<b>18,995</b>

CONTINUED ON P. 20

TEUR

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

**CONSOLIDATED  
INCOME STATEMENT**CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

	Q2 2022 01/04/2022– 30/06/2022	Q2 2021 01/04/2021– 30/06/2021	H1 2022 01/01/2022– 30/06/2022	H1 2021 01/01/2021– 30/06/2021
Net income from associates measured using the equity method	152	62	152	62
Income from equity investments	48	9	56	18
Interest income	813	758	2,215	1,378
Interest expenses	–5,975	–8,339	–11,819	–12,613
<b>Interest result</b>	<b>–5,162</b>	<b>–7,581</b>	<b>–9,604</b>	<b>–11,235</b>
<b>EBT (earnings before income taxes)</b>	<b>467</b>	<b>9,221</b>	<b>–366</b>	<b>7,840</b>
Income taxes	–1,279	–1,681	–1,913	–3,176
<b>Consolidated income</b>	<b>–812</b>	<b>7,540</b>	<b>–2,279</b>	<b>4,664</b>
thereof attributable to non-controlling interests	–152	1,173	111	1,289
thereof attributable to shareholders of the parent company	–660	6,368	–2,390	3,374
<b>Earnings per share (total earnings)</b>				
Undiluted net income (32,437,934 shares; previous year 32,437,934 shares)	–0.02	0.20	–0.07	0.10

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENT**CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY**CONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Consolidated Statement of Changes in Equity

01/01/2022 – 30/06/2022

TEUR

	SUBSCRIBED CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
<b>As of 1 January 2022</b>	<b>32,438</b>	<b>79,825</b>	<b>135,127</b>	<b>247,390</b>	<b>13,247</b>	<b>260,637</b>
Total consolidated income	0	0	-2,390	-2,390	111	-2,279
Changes in non-controlling interests	0	0	0	0	160	160
Equity change from application of IFRS 2	0	88	0	88	0	88
<b>As of 30 June 2022</b>	<b>32,438</b>	<b>79,913</b>	<b>132,737</b>	<b>245,089</b>	<b>13,517</b>	<b>258,606</b>

TEUR

	SUBSCRIBED CAPITAL	CAPITAL RESERVE	RETAINED EARNINGS	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
<b>As of 1 January 2021</b>	<b>32,438</b>	<b>79,658</b>	<b>124,095</b>	<b>236,191</b>	<b>10,910</b>	<b>247,101</b>
Total consolidated income	0	0	3,374	3,374	1,289	4,664
Changes in non-controlling interests	0	0	0	0	3,811	3,811
Equity change from application of IFRS 2	0	79	0	79	0	79
Repurchase/disposal of company shares	0	0	91	91	0	91
<b>As of 30 June 2021</b>	<b>32,438</b>	<b>79,737</b>	<b>127,561</b>	<b>239,736</b>	<b>16,010</b>	<b>255,746</b>



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY**CONSOLIDATED CASH FLOW  
STATEMENT**SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Consolidated Cash Flow Statement

01/01/2022 – 30/06/2022

TEUR

		H1 2022 01/01/2022– 30/06/2022	H1 2021 01/01/2021– 30/06/2021
	Consolidated income	–2,279	4,664
+	Depreciation/amortisation of non-current assets	1,075	434
+/-	Loss/gain from disposal of financial assets	0	–499
-/+	At-equity earnings/net income from investments	–209	–62
+/-	Increase/decrease in provisions	57	–359
+/-	Changes in the fair value of investment property	0	–16,339
+/-	Other non-cash expenses/income	7,619	14,194
-/+	Increase/decrease in trade receivables and other assets that are not attributable to investing or financing activities	2,630	8,976
+/-	Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	13,695	21,134
+/-	Other income tax payments	–1,098	–1,833
=	<b>Operating cash flow before de-/reinvestments in inventory properties</b>	<b>21,489</b>	<b>30,310</b>
-/+	Cash investments (-)/divestments (+) in trading properties (net after assumption of debt, some without cash effect)	27,347	4,037
=	<b>Cash flow from operating activities</b>	<b>48,836</b>	<b>34,347</b>

CONTINUED ON P. 23 ≡

TEUR

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY**CONSOLIDATED CASH FLOW  
STATEMENT**SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

		H1 2022 01/01/2022– 30/06/2022	H1 2021 01/01/2021– 30/06/2021
+	Interest received	1,295	5,039
–	Cash outflows for investments in intangible assets	–531	0
–	Cash outflows for investments in property, plant and equipment	–477	–1,156
–	Payments from disposals of financial assets	52	500
–	Cash outflows for investments in non-current assets	0	–655
–	Cash outflows for the purchase of investment property	–274	–45,880
–	Disbursements of loans granted	–15,370	–10,028
+	Cash received from distributions/disposal of shares accounted for using the equity method	16,000	0
+	Repayment of loans granted	4,394	1,504
=	<b>Cash flow from investment activities</b>	<b>5,088</b>	<b>–50,675</b>
+	Cash proceeds from the issuance of bonds and from (financial) borrowings	42,675	121,720
–	Disbursements for the repayment of bonds and of (financial) borrowings	–54,236	–40,727
–	Interest paid and financing costs	–12,124	–10,073
=	<b>Cash flow from financing activities</b>	<b>–23,684</b>	<b>70,920</b>
	Net change in cash and cash equivalents	30,240	54,592
+/-	Consolidation change in cash and cash equivalents	–1,072	1,837
+	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>150,670</b>	<b>112,971</b>

## Selected Disclosures on Condensed Consolidated Interim Financial Statements pursuant to IAS 34

### Basic Information

ACCENTRO Real Estate AG with its subsidiaries is a listed real estate group with three core divisions. These include the tenant-sensitive retailing of apartments to owner-occupiers and private buy-to-let investors, along with the sale of real estate portfolios to institutional investors, the set-up and management of a proprietary real estate portfolio and third-party apartment marketing for property asset holders, investors and developers.

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 segment, ACCENTRO sells apartments either individually to owner-occupiers and buy-to-let investors or – bundled into portfolios – to institutional investors. The portfolio business segment is characterised by the management and development of the proprietary real estate stock. In its service business segment, ACCENTRO sells apartments on behalf of investors and property developers – including through equity investments within the framework of joint ventures, among other business activities. 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's registered office is at Kantstraße 44/45 in 10625 Berlin, Germany.

As of 30 June 2022, ACCENTRO Real Estate AG acts as the operating holding company for a large number of property vehicles.

These condensed consolidated interim financial statements in accordance with IAS 34 were approved for publication by the Company's Management Board in August 2022. The condensed consolidated interim financial statements were not reviewed by an auditor.

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.

### Significant Accounting Policies

These condensed consolidated interim financial statements of ACCENTRO Real Estate AG cover the period starting 1 January and ending 30 June 2022. They were compiled in compliance with the requirements of IAS 34 "Interim Financial Reporting."

The condensed consolidated interim financial statements present, in compliance with the requirements of IAS 34, an update of the most recent regular consolidated financial statements, and therefore do not include all information and disclosures necessary for consolidated financial statements, but concentrate on the latest developments and events without repeating information already reported. Accordingly, these condensed consolidated interim financial statements of ACCENTRO Real Estate AG as of 30 June 2022 should always be read in combination with the consolidated financial statements compiled as of 31 December 2021.

All of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) whose application is mandatory for the 2022 financial year were taken into account.

The presentation currency of the condensed consolidated interim financial statements of ACCENTRO Real Estate AG is euro (EUR). For reasons of clarity, amounts are mostly presented in thousands of euros ("TEUR"). This could produce differences due to rounding.

Moreover, there were no material changes in estimates compared to the consolidated financial statements as of 31 December 2021.

The condensed consolidated financial statements were released for publication by the Management Board on 31 August 2022.

## Consolidation

### Principles of Consolidation

The Company's subsidiaries are included in the consolidated financial statements in accordance with IFRS 10. Subsidiaries are understood to be all companies in which the ACCENTRO Group holds a controlling interest. Control over an equity interest exists if the Group has the direct or indirect power to make decisions about a given Group company based on voting rights or other rights, if it has an interest in positive or negative variable returns from that Group company, and if it may use its control over the company to influence those returns. These attributes must be fulfilled cumulatively.

Subsidiaries are included in the scope of consolidation as of the date on which the Group obtains control over them, and are deconsolidated as of the date on which its control ceases.

Companies over which the ACCENTRO Group exercises significant influence are accounted for as associates using the equity method in accordance with IAS 28. Significant influence is presumed if a Group company holds at least 20% but no more than 50% of the voting rights.

Worth noting in this context are also the disclosures on the consolidation principles in the annual report for the 2021 financial year.

### Changes in the Basis of Consolidation during the Reporting Period

By 30 June 2022, the basis of consolidation was expanded compared to 31 December 2021 (47 subsidiaries and nine joint ventures) to include one additional company among the inventory assets. One company held in the inventory assets was sold and therefore deconsolidated as of 30 June 2022. Accordingly, the basis of consolidation as of 30 June 2022 included the unchanged number of 47 subsidiaries that are fully consolidated, along with seven joint ventures that are consolidated using the at-equity method.

NUMBER	SUBSIDIARIES	JOINT VENTURES
<b>As of 1 January 2022</b>	47	7
Acquisitions	1	0
Increase in equity interest	0	0
Disposals	-1	0
<b>As of 30 June 2022</b>	47	7

### 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 1,424 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 1,163.

The acquisition of the company was not categorised as 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 interim 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 of 12 January 2022.

In conjunction with the transaction, inventory properties in a combined value of TEUR 2,777 were acquired.

### ACCENTRO 16. Wohneigentum GmbH

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 will be offset against the purchase price liabilities for the acquisition of 100% of the shares in, and shareholder loans granted to, Seeländer Wohnungsgesellschaft mbH in the amount of TEUR 26,025. Since Seeländer Wohnungsgesellschaft mbH was not lawfully acquired until the payment of the full acquisition price in July 2022, the offset amount of TEUR 9,631 was recognised among the advance payments made for investment properties as of 30 June 2022.



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Segment Reporting

The consolidated financial statements of the ACCENTRO Group as of 31 December 2021 included segment reporting for the first time, because 2021 was the first financial year in which the Group differentiated between segments along the lines of the Group's in-house management of its three segments "trading and privatisation business", "portfolio business" and "service business". As of 30 June 2022, the segments present themselves as follows:

### SEGMENT REPORTING AS OF 30 JUNE 2022

TEUR

	PORTFOLIO	TRADE / PRIVATISATION	SERVICES (FEES)	ACCENTRO AG / CONSOLIDATION	GROUP
<b>Consolidated revenues with third parties</b>	<b>5,770</b>	<b>86,829</b>	<b>797</b>	<b>85</b>	<b>93,481</b>
Revenues from sales of inventory properties involving third parties	0	84,812	0	0	84,812
Expenses for sales of inventory properties	0	-60,228	0	0	-60,228
<b>Capital gains from property sales</b>	<b>0</b>	<b>24,584</b>	<b>0</b>	<b>0</b>	<b>24,584</b>
Third-party lease revenues	5,770	2,017	0	0	7,787
Letting expenses	-5,057	-1,220	0	-79	-6,356
<b>Net rental income</b>	<b>713</b>	<b>797</b>	<b>0</b>	<b>-79</b>	<b>1,431</b>
Revenues from third-party services	0	0	797	85	882
Expenses from services	0	0	-596	0	-596
<b>Net service income</b>	<b>0</b>	<b>0</b>	<b>202</b>	<b>85</b>	<b>287</b>
Other operating income	18	165	0	64	247
<b>Interim result</b>	<b>731</b>	<b>25,546</b>	<b>202</b>	<b>70</b>	<b>26,548</b>

CONTINUED ON P. 28

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## SEGMENT REPORTING AS OF 30 JUNE 2022

TEUR

	PORTFOLIO	TRADE / PRIVATISATION	SERVICES (FEES)	ACCENTRO AG / CONSOLIDATION	GROUP
Gain or loss on fair value adjustments of investment properties	0	0	0	0	0
<b>Segment result</b>	<b>731</b>	<b>25,546</b>	<b>202</b>	<b>70</b>	<b>26,548</b>
Payroll and benefit costs					-5,182
Depreciation and amortisation of intangible assets and property, plant and equipment					-1,075
Impairments of inventories and accounts receivable					-4,133
Miscellaneous operating expenses					-7,129
<b>EBIT (earnings before interest and income taxes)</b>					<b>9,029</b>
<b>Investment properties</b>	<b>330,926</b>				<b>330,926</b>
<b>Inventory properties *</b>		<b>271,073</b>			<b>271,073</b>
<b>Financial liabilities</b>					<b>241,751</b>
<b>Bonds</b>					<b>352,510</b>

\* Current fair value TEUR 367,653 (not including properties of Kantstraße 44/45 because these are included in property, plant and equipment)

During the first half of 2022, ACCENTRO generated no more than 10% of its revenues with any one party.

## Selected Explanatory Notes on the Consolidated Interim Financial Statements

### Investment Properties

TEUR		
	30/06/2022	31/12/2021
<b>Carrying amount as of 01/01</b>	<b>330,652</b>	<b>215,001</b>
Additions	274	4,598
Acquisitions	0	86,568
Additions to rights of use	0	5,497
Fair value increases (+)	0	27,189
Fair value decreases (-)	0	-8,201
<b>Carrying amount as of 31/12 and 30/06</b>	<b>330,926</b>	<b>330,652</b>

ACCENTRO did not expand its real estate inventory any further during the first half of 2022. But as of the balance sheet date, down payments in the amount of TEUR 9,631 (31 December 2021: TEUR 0) were made towards investment properties whose transfer of benefits and burdens took place a month later. Additions in the amount of TEUR 274 (2021 financial year: TEUR 4,598) represent restructuring work at certain properties of the real estate portfolio that resulted in an asset appreciation.

The valuation as investment properties is based on IAS 40.32A (a), the fair value being TEUR 330,926 (31 December 2021: TEUR 330,652). No difference in value was recognised in the income statement as of the measurement date of 30 June 2022 (2021 financial year: TEUR 18,988).

The rental income from the investment properties added up to TEUR 5,770 by mid-year 2022 (first half-year 2021: TEUR 4,321). The directly attributable operating expenses of the investment properties amounted to TEUR 5,057 (first half-year 2021: TEUR 1,487).

### Non-Current Other Receivables and Other Assets

TEUR		
	30/06/2022	31/12/2021
<b>Loan to joint venture (LHC Holding 1 GmbH &amp; Co. KG)</b>	<b>11,031</b>	<b>11,031</b>
Loans receivables from non-controlling interests	8,783	8,538
Other loan receivables	8,337	9,614
Loan to associate (Kaiser 102 Projektentwicklungs GmbH)	4,679	4,069
Loans to associates (Gutshof Dahlewitz 1 GmbH and Gutshof Dahlewitz 2 GmbH)	2,571	2,474
Other non-current assets	28	131
Impairments of non-current receivables	-217	-190
<b>Total other long-term receivables and other assets</b>	<b>35,212</b>	<b>35,667</b>

The non-current other receivables and other assets declined by TEUR 456 down to TEUR 35,212 during the first half-year of 2022 (31 December 2021: TEUR 35,667). The decline is explained by the partial repayment of loan receivables by GS Bauträger GmbH, among other reasons. Loan receivables from non-controlling interests and loans to associates underwent a converse development. These increased by a total amount of TEUR 952 due to the accrued interest during the first half of 2022.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Inventory Properties

The Company's inventory properties include available-for-sale properties and down payments for such properties. The item breaks down as follows:

TEUR		
	30/06/2022	31/12/2021
Properties	271,073	295,524
Advance payments	0	5,073
<b>Total</b>	<b>271,073</b>	<b>300,597</b>

Benefits and burdens that were transferred during the reporting period concerned 80 residential units acquired for a price of TEUR 22,383. For one other residential unit that was acquired for a purchase price of TEUR 1,350, the sale and purchase agreement was signed during the reporting period, yet the benefits and burdens will not be transferred and recognised before the end of the reporting period.

At the same time, 183 units in a notarised property sales volume of TEUR 52,084 were sold. Transfers of benefits and burdens during the first half of 2022 concerned 343 units with a sales volume of TEUR 84,812.

Contractual obligations amount to TEUR 17,606 as of the reporting date. These resulted in obligations to purchase inventory properties in an amount of TEUR 1,350 and in purchase guarantees in the amount of TEUR 16,256.

## Trade Receivables

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

TEUR		
	30/06/2022	31/12/2021
Trade receivables (gross)	19,999	22,506
Allowances	-1,287	-1,182
<b>Trade receivables (net)</b>	<b>18,712</b>	<b>21,324</b>
thereof non-current	0	0
thereof current	18,712	21,324

Trade receivables declined by TEUR 2,612 compared to the previous year, down to TEUR 18,712 (31 December 2021: TEUR 21,324). The decrease is mainly attributable to received payments of acquisition prices and the corresponding drop in receivables from plot sales.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

**Other Receivables and Other Current Assets**

TEUR

	30/06/2022	31/12/2021
Receivable from SPA rescission and loan receivables	15,347	18,886
Other loan receivables	15,117	0
Escrow account	3,020	5,277
Prepayments and accrued income	415	231
Receivables from investment companies	327	1,676
Loan to associate Düne 38 Projektentwicklungs GmbH	0	2,044
Miscellaneous other receivables	2,534	1,543
<b>Sum total of current other receivables and other assets</b>	<b>36,760</b>	<b>29,658</b>

The current other receivables and other assets increased by TEUR 7,103 to TEUR 36,760 by mid-year 2022 (31 December 2021: TEUR 29,658). The increase was mainly prompted by the granting of a loan in the amount of TEUR 15,000 to secure an opportunity to buy a new-build construction project for privatisation purposes. A converse effect had the repayment of loans granted by the associate Düne 38 Projektentwicklungs GmbH. Another company in which ACCENTRO holds an equity interest also repaid the bulk of a loan it had been granted.

Other current receivables are subject to allowances in the amount of TEUR 155 (31 December 2021: TEUR 155).

The receivable from the rescission of the sale-and-purchase agreement (SPA) and loan receivables in the amount of TEUR 15,347 (31 December 2021: TEUR 18,886) from DIM Holding AG break down into the receivable from the rescission of the acquisition of the shares in DIM Holding AG in the amount of TEUR 16,182 (31 December 2021: TEUR 15,797), loan receivables in the amount of TEUR 3,210 (31 December 2021: TEUR 3,133) and a valuation allowance in the amount of TEUR 4,045 (31 December 2021: TEUR 44). The loan receivables and the valuation allowance were recognised among loan receivables as of 31 December 2021.

A purchase price reclamation from the rescission of the acquisition of the entire stock of DIM Holding AG, Berlin, in addition to a shareholder loan taken over from the seller in conjunction with the acquisition, had been deferred until May 2022. The claims in a total amount of EUR 19.5 million as of 30 June 2022 (including interest and the shareholder loan, compared to a total of EUR 18.9 million as of 31/12/2021) were not settled by May 2022 as agreed. The Company is in legal communication with the debtor and has threatened that, unless the amounts owed are paid in the near future, ACCENTRO will initiate the compulsory execution from the registered total land charge of TEUR 20,000 for four properties located in the Tiergarten and Grunewald districts of Berlin (three standing properties and one property development). These four real property assets were reappraised by an independent third-party surveyor commissioned by ACCENTRO to measure their value as of 30 June 2022. For the final measurement of the value of these collateral assets, any senior debts recorded in the land register were deducted.

Despite the risk that additional senior debt to other creditors may exist and may have to be settled first, the Management Board is confident that the entire outstanding debt can be collected either through compulsory execution or through the short-term receipt of payment from the debtor.



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENT

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

CONSOLIDATED CASH FLOW  
STATEMENT

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

The Management Board's opinion is based, on the one hand, on the collateral's intrinsic value in the form of a total land charge in the amount of TEUR 20,000, and on its possession of the entire stock of DIM Holding AG. On the other hand, the debtor made credible assurances vis-à-vis the Management Board that the entire receivable plus interest will be paid before the end of the third quarter. In the event that no payment is received, ACCENTRO will move ahead with the compulsory execution of collateral.

Due to the steps taken (legal demand for payment submitted in August 2022), and in anticipation of future revenue flows following the realisation of collateral, ACCENTRO is aware of increased expenses that are caused by the current market situation, specifically in the case of one collateral asset that is expected to require extra property development funds mainly as a result of rising construction and financing costs (while the chances for procuring its development rights are deemed as high as ever). Taking into account the currently deteriorating situation on the real estate market and the fact that recovery of the receivable has been rather uncertain so far, ACCENTRO considers it necessary and appropriate to assume an impairment requirement in the amount of TEUR 4,000 regarding the owed receivables of EUR 19.5 million in the event of a realisation of collateral, which is now the more likely scenario.

## Financial Liabilities and Bonds

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

TEUR

	30/06/2022	31/12/2021
<b>Long-term financial liabilities and bonds</b>		
Liabilities to banks	97,453	142,633
Bond liabilities	99,306	346,701
Lease liabilities	5,655	5,615
<b>Total long-term financial liabilities and bonds</b>	<b>202,414</b>	<b>494,949</b>
<b>Current financial liabilities and bonds</b>		
Liabilities to banks	138,643	104,672
Bond liabilities	253,204	6,655
<b>Total current financial liabilities and bonds</b>	<b>391,848</b>	<b>111,327</b>
<b>Total financial liabilities and bonds</b>	<b>594,261</b>	<b>606,276</b>

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

Financial liabilities decreased by a total amount of TEUR 12,015 to TEUR 594,261 by 30 June 2022 (31 December 2021: TEUR 606,276). The decline is primarily the result of diverse loans repaid during the first half of 2022. New loans taken out during the reporting period had a converse effect. Given the approaching maturity of the 2020/2023 bond in March 2023, it was reclassified among the current financial liabilities.

The lease liabilities as of 30 June 2022 add up to TEUR 5,655 and include lease liabilities for ground leases and the Company's car fleet.

### Advance Payments Received

As of 30 June 2022, ACCENTRO recognised advance payments received in the amount of TEUR 22,000 (31 December 2021: TEUR 9,464) in the consolidated balance sheet. The increase by TEUR 12,536 is essentially explained by the down-payments received toward sold properties in the amount of TEUR 9,351 (31 December 2021: TEUR 4,448) whose transfer of benefits and burdens will take place during the second half of 2022.

## Selected Explanatory Notes on the Consolidated Income Statement

### Revenues

TEUR

	H1 2022	H1 2021
Revenues from sales of inventory properties	84,812	60,978
Rental income from investment properties	5,770	4,321
Rental income from properties held as inventory assets	2,017	6,336
Revenues from services	882	1,255
Rental income from properties held as property, plant and equipment	0	126
<b>Consolidated revenues</b>	<b>93,481</b>	<b>73,015</b>

The growth in revenues from sales of inventory properties during the first half of 2022 was essentially influenced by the robust volume of notarisations and the dynamic price trend on the real estate market during the past financial year. Sales notarised last year were not recognised as revenue until the first half of 2022, after their transfer of benefits and burdens.

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

The growth in rental income from investment property by TEUR 1,449 results from the acquisition of several real estate portfolios during the second half of 2021, and is therefore in line with the strategy of expanding the portfolio real estate.

Revenues from services followed a slow downward trend compared to the same period last year as a result of the currently sluggish market situation.

### Management Costs and Costs of Material

TEUR

	H1 2022	H1 2021
Expenses for sales of inventory properties	60,228	51,050
Management costs of investment property	5,057	1,487
Management costs of properties held as inventory assets	1,195	5,830
Expenses from services	596	360
Management costs of properties in property, plant and equipment	103	8
<b>Total cost of materials</b>	<b>67,179</b>	<b>58,735</b>

The increased revenues from sales of inventory properties prompted a disproportionately small rise in expenses toward sales of inventory properties. The development is essentially attributable to the time lag between restructuring work and apartment sales later on. Structural alteration costs budgeted for apartment refurbishments are capitalised over several reporting periods, by the end of which the selling price realised on the sales market had pushed past the targeted selling price.

Management costs of investment properties have significantly increased due to upkeep works. The fact is attributable particularly to the intensified development of standing properties within the framework of ACCENTRO's corporate strategy.

The fact that management costs of properties held as inventory assets were lower than they had been during the first half of 2021 is mainly explained by expenses from running cost settlements for other periods that were paid during the previous year.

### Payroll and Benefit Costs

The ACCENTRO Group had 118 employees on the payroll as of 30 June 2022. As at balance sheet date 31 December 2021, it had a total of 101 employees. It is planned to keep expanding the workforce at a moderate pace during the second half of 2022.

Payroll and benefit costs break down as follows:

TEUR

	H1 2022	H1 2021
Salaries and other benefits	4,522	4,642
Employer contributions to statutory social insurance	660	501
<b>Payroll and benefit costs</b>	<b>5,182</b>	<b>5,144</b>

The payroll and benefit costs remained stable compared to the same period last year at TEUR 5,182 (previous year: TEUR 5,144). The growth in the number of employees will not be on the books until the second half of this financial year.

### Impairments of Inventories and Accounts Receivable

The impairments of inventories and accounts receivable in an amount of TEUR 4,133 as of 30 June 2022 include an impairment in the amount of TEUR 4,045 on receivables from the SPA rescission and loan receivables from DIM Holding AG (for details, see pages 31/32).

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Miscellaneous Operating Expenses

The other operating expenses include the following amounts:

TEUR		
	H1 2022	H1 2021
Legal and professional fees	2,255	1,673
EDP expenses	1,145	736
Information, advertising and entertaining expenses	1,066	681
Expenses for compiling and auditing the financial statements	536	767
Rental expenses	183	237
Miscellaneous other operating expenses	1,944	2,754
<b>Miscellaneous operating expenses</b>	<b>7,129</b>	<b>6,848</b>

The legal and professional fees break down into advisory services concerning taxes, capital market transactions, real estate transactions, legal and general strategic issues. The rise in payroll and benefit costs to TEUR 2,255 (previous year: TEUR 1,673) is essentially attributable to advisory services in the context of real estate transactions.

EDP expenses increased by TEUR 409 to TEUR 1,145 (previous year: TEUR 736). These were incurred through running administrative expenses and the costs of the digitisation drive the ACCENTRO Group is pursuing. The money spent on information, advertising and entertaining expenses increased by TEUR 385 to TEUR 1,066 (previous year: TEUR 681). It is primarily attributable to the increase in advertising activities by ACCENTRO.

The expenses for compiling and auditing the financial statements declined by TEUR 231 to TEUR 536 (previous year: TEUR 767) and were mainly incurred for advisory services necessitated by reporting requirements the previous year. Other operating expenses declined by a total amount of TEUR 810 to TEUR 1,944 (previous year: TEUR 2,754). The main cause for these were one-off effects dating back to the previous year.

## Interest Result

The interest result increased by TEUR 1,631 to TEUR –9,604 (previous year: TEUR –11,235). The improvement is mainly the result of interest income increased by TEUR 837 to TEUR 2,215 (previous year: TEUR 1,378), mainly for loans granted, and reduced interest expenses due to refinancing arrangements at optimised interest rates, and increased loan repayments during the half-year under review.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## 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.

	H1 2022	H1 2021
<b>Consolidated income</b>	<b>TEUR</b>	<b>TEUR</b>
Net profit before non-controlling interests – basic	–2,390	3,374
Consolidated income before non-controlling interests – diluted	–2,390	3,374
<b>Number of shares</b>	<b>in thousands</b>	<b>in thousands</b>
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>	<b>EUR</b>	<b>EUR</b>
Unweighted – basic	–0.07	0.10
Weighted – basic	–0.07	0.10
Weighted – diluted	–0.07	0.10

The calculation of earnings per share the year before was incorrectly based on the consolidated income including the shares of non-controlling interests. Calculation of the earnings per share as of 31 December 2021 was adjusted on the basis of the consolidated income before non-controlling interests; as of 30 June 2022, the prior-year comparative figures are also recognised in corrected form.

## Disclosures on Financial Instruments

The classification of financial instruments has remained unchanged since 31 December 2021.

## Other Disclosures

### Financial Risks

The financial risks to which the ACCENTRO Group is exposed (interest rate risk, default risk, liquidity risk) remained essentially unchanged during the reporting period when compared to 31 December 2021.

The one exception is the claim to a purchase price reclamation from the reversal of a sale-and-purchase agreement involving the entire stock of DIM Holding AG, Berlin, in addition to a shareholder loan taken over from the seller in conjunction with the acquisition, whose payment had been deferred until May 2022. The claims in a total amount of EUR 19.5 million as of 30 June 2022 (including interest and the shareholder loan, compared to EUR 18.9 million as of 31/12/2021) were not settled by May 2022 as agreed. The Company is in legal communication with the debtor and has threatened that, unless the amounts owed are paid in the near future, ACCENTRO will initiate the compulsory execution from the registered total land charge of TEUR 20,000 for four properties located in the Tiergarten and Grunewald districts of Berlin (three standing properties and one property development). These four real property assets were reappraised by an independent third-party surveyor commissioned by ACCENTRO to measure their value as of 30 June 2022. For the final measurement of the value of these collateral assets, any senior debts recorded in the land register were deducted.



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

Despite the risk that additional senior debt to other creditors may exist and may have to be settled first, the Management Board is confident that the entire outstanding debt can be collected either through compulsory execution or through the short-term receipt of payment from the debtor.

The Management Board's opinion is based, on the one hand, on the collateral's intrinsic value in the form of a total land charge in the amount of TEUR 20,000, and on its possession of the entire stock of DIM Holding AG. On the other hand, the debtor made credible assurances vis-à-vis the Management Board that the entire receivable plus interest will be paid before the end of the third quarter. In the event that no payment is received, ACCENTRO will move ahead with the compulsory execution of collateral.

Due to the steps taken (legal demand for payment submitted in August 2022), and in anticipation of future revenue flows following the realisation of collateral, ACCENTRO is aware of increased expenses that are caused by the current market situation, specifically in the case of one collateral asset that is expected to require extra property development funds mainly as a result of rising construction and financing costs (while the chances for procuring its development rights are deemed as high as ever). Taking into account the currently deteriorating situation on the real estate market and the fact that recovery of the receivable has been rather uncertain so far, ACCENTRO considers it necessary and appropriate to assume an impairment requirement in the amount of TEUR 4,000 regarding the owed receivables of EUR 19.5 million in the event of a realisation of collateral, which is now the more likely scenario.

## Related-Party Transactions

The group of related parties has not changed since 31 December 2021.

As of the reporting date, the following loan receivable from non-consolidated and associated companies and joint ventures remained. They include accrued interest claims.

TEUR		
	30/06/2022	31/12/2021
LHC Holding 1 GmbH	11,031	11,031
KAISER 102 Projektentwicklungs GmbH, Berlin	4,679	4,069
Gutshof Dahlewitz 1 GmbH, Berlin	2,492	2,397
HRP Hamburg Residential GmbH, Hamburg	327	1,676
Gutshof Dahlewitz 2 GmbH, Berlin	80	77
Düne 38 Projektentwicklungs GmbH, Berlin	0	2,044

Aside from that, there were no related-party transactions during the reporting period.

## Senior Staff Changes

During the reporting period, the appointment of CEO Lars Schriewer was renewed early by another five years ending in May 2027.

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENT

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

CONSOLIDATED CASH FLOW  
STATEMENT

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Other Financial Obligations

Purchase guarantee effective as of 30 June 2022 added up to EUR 16.3 million (31 December 2021: EUR 0.0 million).

Other obligations existing as of the balance sheet date involved notarised acquisitions in the amount of EUR 46.75 million. These break down into contractual obligations from investment properties in the amount of EUR 45.4 million and obligations to acquire inventory properties in the amount of EUR 1.35 million.

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

## Events after the Reporting Date

On 8 July 2022, ACCENTRO acquired a rental housing portfolio in eastern Germany consisting of 682 residential units via a share deal. The company will be allocated to the investment properties. The accounts as of 30 June 2022 initially recognise an advance payment in the amount of TEUR 9,631 in this context.

In addition, the acquisition of another two portfolios in eastern Germany were notarised as of 30 June 2022 whose transfer of benefits and burdens will take place during the second half of 2022. An advance payment in the amount of TEUR 1,500 was made for these in July 2022.

Since August 2022, ACCENTRO has been in legal threat and communication with DIM AG regarding the claims to the repayment of the purchase price arising from the SPA rescission (for more details, see pages 36/37).

Other than that, no events of material significance for ACCENTRO Real Estate AG transpired between the balance sheet date of 30 June 2022 and the day on which the financial statements were compiled.

## The ACCENTRO Share

### Stock Market

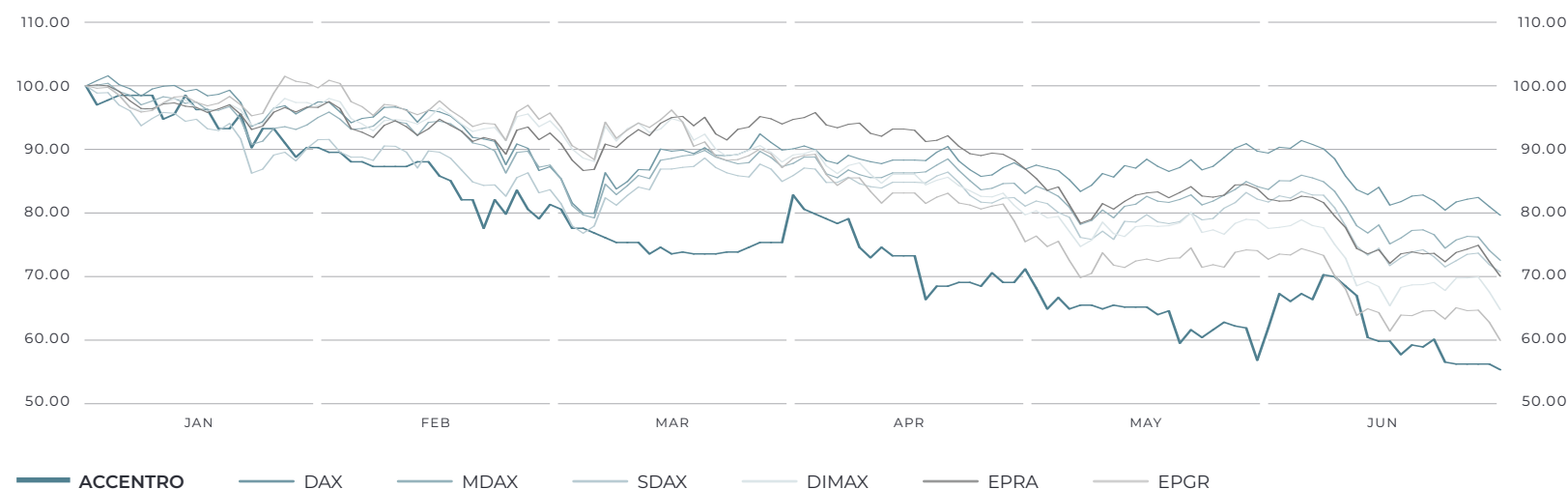
The geopolitical situation and worries about the global economy are putting financial markets under serious strain. Against the background of elevated inflation, dynamically rising interest rates and energy prices, serious disruptions of supply chains, a generally looming recession and the ongoing war in Ukraine, equity markets and bond markets came under severe pressure during the first half of 2022.

Two slow quarters in a row resulted in a sharp fall in share prices by mid-year: The German Stock Index (DAX) declined by 20.2% during the first six months (30/06/2022: 12,784 points). An even poorer performance was recorded for the MDAX, with a 27.2% drop (25,823 points), and the SDAX, with a loss of 29.1% (11,881 points).

German real estate indices deteriorated even faster. In addition to the aforementioned influencing factors, runaway construction costs and delays in completion times impacted the share price performance of many real estate stocks. The DIMAX German Real Estate Equity Index registered a drop of 34.9% (105 points) during the first six months, while the EPRA Index Germany plunged by an actual 39.7% (834 points).

Neither was the ACCENTRO stock spared the significant fall in share prices, as it lost 44.3% in value during the first half of the year (Xetra closing price on 30/06/2022: EUR 3.76). As in previous quarters, the share price of ACCENTRO AG was, aside from the generally difficult capital market environment, also impacted by the negative events and developments involving the Adler Group real estate company, which holds a minority interest in ACCENTRO AG.

### ACCENTRO SHARE PRICE DEVELOPMENT FROM 1 JANUARY TO 30 JUNE 2022



## ACCENTRO REAL ESTATE AG

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENT

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

CONSOLIDATED CASH FLOW  
STATEMENT

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

The senior management of ACCENTRO has not changed its policy to engage its investors and potential shareholders in close dialogue. In fact, the Company will, for the first time, attend the autumn conference of the Equity Forum – one of the major platforms for small- and mid-caps – in Frankfurt am Main this September. In a parallel move, it expanded its coverage: Going forward, the ACCENTRO stock will also be monitored by Montega AG, a Hamburg-based research firm. This brings the number of active analysts up to eight.

### Shareholder Structure

The subscribed capital of ACCENTRO Real Estate AG equalled an unchanged total of EUR 32.44 million as of 30 June 2022. It breaks down into 32,437,934 no-par value bearer shares. As of 30 June 2022, a total of 83.10% of the ACCENTRO AG stock was held by Brookline Real Estate S.à.r.l., while ADLER Real Estate AG owned 4.78% and the free float accounted for 12.12%. The chart below provides an overview of the shareholding structure.

### SHAREHOLDER STRUCTURE

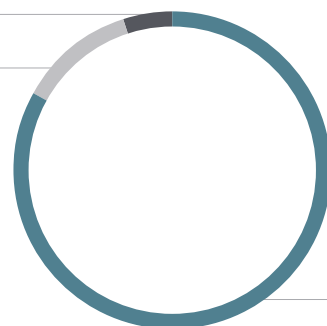
AS OF 30 JUNE 2022

4.78%

ADLER Real Estate AG

12.12%

Free float



83.10%

Brookline Real  
Estate S.à.r.l.

### ACCENTRO SHARE PRICE PERFORMANCE H1 2022

Share price high (3 January 2022)*	EUR 6.75
Share price low (30 June 2022)*	EUR 3.76
Closing price on 30 June 2022*	EUR 3.76
Market capitalisation on 30 June 2022*	EUR 121,966,631.84
Number of shares	32,437,934.00

\* Closing prices in Xetra trading

### INVESTORS' CONFERENCE PARTICIPATIONS H2 2022

6 September 2022	Equity Forum Autumn Conference, Frankfurt/Main
13 September 2022	SRC Forum Financials & Real Estate, Frankfurt/Main
13 October 2022	Real Estate Salon, Vienna
18 October 2022	European Large & MidCap Event, Paris
6 December 2022	SdK Investor Forum (virtual)

LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

**Analyst Ratings****Analysts See Significant Upside Potential in ACCENTRO Shares**

At the moment, eight financial analysts monitor the performance of ACCENTRO Real Estate AG. They maintain regular contact with our Management Board and our Investor Relations department, and publish written comments on the business development and strategic direction of the Company several times a year. At present, seven analysts recommend buying the stock, while one other analyst temporarily stopped issuing ratings. The average target price is EUR 9.81, which corresponds to an upside potential of around 160% relative to the current share price.

**ANALYSTS' RATINGS**

ANALYST	INSTITUTION	RECOMMEN- DATION	PRICE TARGET
Philipp Kaiser	Warburg Research	Buy	EUR 10.20
Dr. Adam Jakubowski	SMC-Research	Buy	EUR 11.50
Katharina Schmenger	Quirin Privatbank	Buy	EUR 10.00
Stefan Scharff, Christopher Mehl	SRC-Research	Buy	EUR 10.00
Ferran Tort Barniol*	Kepler Cheuvreux		
Winfried Becker	FMR Frankfurt Main Research	Buy	EUR 10.00
Patrick Speck	Montega AG	Buy	EUR 9.00
Manuel Martin	ODDO BHF	Hold	EUR 8.00

\* Rating temporarily suspended

**Responsibility Statement**

To the best of my knowledge, and in accordance with the applicable accounting principles, the consolidated interim financial statements give a true and fair account of the assets, liabilities, financial position and profit or loss of the Group, and the Group Interim Management Report includes a fair review of the development and performance of the Group's business and position, together with a description of the principal opportunities and risks associated with the Group's expected development.

Berlin, 31 August 2022

**Lars Schriewer**

Chairman of the Management Board (CEO)



LETTER TO THE SHAREHOLDERS

INTERIM MANAGEMENT REPORT

CONSOLIDATED BALANCE SHEET

CONSOLIDATED  
INCOME STATEMENTCONSOLIDATED STATEMENT OF  
CHANGES IN EQUITYCONSOLIDATED CASH FLOW  
STATEMENTSELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

THE ACCENTRO SHARE

RESPONSIBILITY STATEMENT

FORWARD-LOOKING STATEMENTS

FINANCIAL CALENDAR

IMPRINT

## Forward-Looking Statements

This interim report includes certain forward-looking statements. Forward-looking statements are any statements that do not relate to historical facts and events. This applies in particular to statements concerning future financial earning capacity, plans and expectations with regard to the business and management of ACCENTRO AG, growth and profitability, as well as economic and regulatory parameters and other factors to which ACCENTRO AG is exposed.

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

This translation of the original German version of the 2021 half-year financial report of ACCENTRO Real Estate AG has been prepared for the convenience of our English-speaking shareholders, the German version being authoritative.

Our financial reports are available for download on our homepage [WWW.ACCENTRO.DE](http://WWW.ACCENTRO.DE), or may be requested free of charge by writing to: ACCENTRO Real Estate AG, Kantstraße 44/45, Berlin, Germany

## Financial Calendar

The financial year of ACCENTRO Real Estate AG corresponds to the calendar year. For further dates, please refer to the report on p. 40 and to our website [WWW.ACCENTRO.DE](http://WWW.ACCENTRO.DE).

# 30 NOV 2022

RELEASE OF INTERIM STATEMENT  
AS OF 30 SEPTEMBER 2022

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LETTER TO THE SHAREHOLDERS

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INTERIM MANAGEMENT REPORT

---

CONSOLIDATED BALANCE SHEET

---

CONSOLIDATED  
INCOME STATEMENT

---

CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY

---

CONSOLIDATED CASH FLOW  
STATEMENT

---

SELECTED DISCLOSURES ON  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS

---

THE ACCENTRO SHARE

---

RESPONSIBILITY STATEMENT

---

FORWARD-LOOKING STATEMENTS

---

FINANCIAL CALENDAR

---

**IMPRINT**

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## Imprint

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

### Management Board

Lars Schriewer

### Chairman of the Supervisory Board

Axel Harloff, Hamburg

### Contact

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Page 3: HGEsch  
Management Board: Thomas Knieps

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# **ACCENTRO**

REAL ESTATE AG