

ACCENTRO

REAL ESTATE AG

INTERIM REPORT Q1 2021

Overview

Key Financial Data

ACCENTRO Real Estate AG	First Quarter 2021 01 Jan. 2021 – 31 March 2021	First Quarter 2020 01 Jan. 2020 – 31 March 2020
Income statement	TEUR	TEUR
Group sales	27,587	14,900
Gross profit (interim result)	7,111	4,466
EBIT	2,264	423
EBT	-1,381	-6,008
Consolidated income	-2,877	-7,904

ACCENTRO Real Estate AG	31 March 2021	31 Dec. 2020
Balance sheet ratios	TEUR	TEUR
Non-current assets	339,037	311,348
Current assets	638,887	550,640
Shareholders' equity	247,577	247,101
Equity ratio	25.3%	28.7%
Total assets	977,923	861,987
Loan to value (LTV)*	57.4%	57.1%

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

ACCENTRO Real Estate AG

Company shares	
Stock market segment	Prime Standard
ISIN	DE000AOKFKB3
German Securities Code Number (WKN)	AOKFKB
Number of shares as of 31 March 2021	32,437,934
Free float	12.12%
Share price high (1 January – 31 March 2021)*	EUR 9.05
Share price low (1 January – 31 March 2021)*	EUR 7.25
Closing price on 31 March 2021*	EUR 7.95
Market capitalisation on 31 March 2021*	EUR 257,881,575.30

* Closing prices in Xetra trading

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Letter to the Shareholders

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

The year got off to a brisk start for ACCENTRO. The volume of notarised property sales in the individual privatisation segment doubled year on year during the first quarter. Overall, 135 units in a total value of EUR 51.4 million were sold. The month of March actually achieved a new high-water mark in our Company's history.

At the same time, the volume of notarised property sales that are still awaiting their transfers of benefits and burdens continued to grow during the first quarter. It now adds up to EUR 50.7 million. The resurgence is the result of permanently strong marketing activities on the part of ACCENTRO during the past months. But it also shows that the COVID-19 pandemic keeps causing delays in the transfer of benefits and burdens.

The already secured sales, together with our existing sales pipeline in a volume of approximately half a billion euros, serve as mainstays of our growth trajectory. The pipeline assets held for sale, by the way,

have already been lawfully partitioned into condominiums, and are therefore unaffected by Germany's recently passed Development Land Release Act.

In the wake of the auspicious start to the year, ACCENTRO upholds the forecast for this year. We assume that revenues will grow by around 60% to somewhere between EUR 170 and 200 million (previous year: EUR 125.2 million) and the earnings before interest and tax (EBIT) by up to around 44% to somewhere between EUR 45 and 50 million (previous year: EUR 34.8 million).

Going forward, the Company will thus continue the work we started last year. Indeed, we will put the successful performance of ACCENTRO on an even broader base. This will include, in addition to the selling of apartments to private and institutional investors, the geographical diversification of our real estate portfolio and in particular the further expansion of our proprietary housing

After a brisk start we confirm our forecast for the year 2021.

stock. We have the asset management and property management experience it takes to develop the latter for the long term, and thereby to secure sustainably growing rent revenues and cash flows.

Via this strategy, we will benefit even more from the attractive residential property market with its structural growth potential.

At this time, let me thank you for your trust, and tell you how much I look forward to having you aboard for the successful development of ACCENTRO in future.

Please stay safe and sound!

Kind regards,



Lars Schriewer
Chief Executive Officer



Preliminary Remarks

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

Earnings, Financial and Asset Position

Earnings Position

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

	3 months 2021	3 months 2020
	EUR million	EUR million
Group sales	27.6	14.9
EBIT	2.3	0.4
Consolidated income	-2.9	-7.9

The Group sales added up to EUR 27.6 million during the three-month period of the 2021 financial year. Based on EBIT in the amount of EUR 2.3 million translated into a consolidated income of EUR -2.9 million. As with previous years, the first quarter is not indicative of the business performance of the remainder of the year.

At EUR 2.3 million, the total payroll and benefit costs more or less maintained the level of the reference period, which had been EUR 2.2 million. As of 31 March 2021, ACCENTRO had a total of 93 persons on its payroll.

The net interest income for the first quarter of 2021 in the amount of EUR -3.7 million (reference period: EUR -6.4 million) improved by EUR 2.7 million year on year. This is attributable to the one-off effect associated with the early redemption of the 2018/2021 bond, which was repaid last year.

The earnings before taxes equalled EUR -1.4 million, after EUR -6.0 million at the end of the reference period. The substantial improvement over prior year is primarily the result of capital gains from property sales, which increased by EUR 2.9 million, and reduced interest expenses. With income taxes of

EUR –1.5 million (reference period: EUR –1.9 million) taken into account, this results in a consolidated income of EUR –2.9 million (reference period: EUR –7.9 million). The income taxes represent essentially back taxes for prior periods and taxes deferred in connection with the accrued issuance expenses of the 2021/2026 bond.

Financial Position

Key Figures from the Cash Flow Statement	3 months 2021	3 months 2020
	EUR million	EUR million
Cash flow from operating activities	15.0	–46.1
Cash flow from investment activities	–40.6	–55.5
Cash flow from financing activities	87.7	103.7
Net change in cash and cash equivalents	62.1	2.0
Consolidation-related change in cash and cash equivalents	1.7	0.0
Change in restricted cash and cash equivalents	0.0	–0.8
Cash and cash equivalents at the beginning of the period	56.5	24.2
Cash and cash equivalents at the end of the period	120.4	25.4

During the first quarter of 2021, the ACCENTRO Group's holdings of cash and cash equivalents rose by EUR 63.9 million to a new total of EUR 120.4 million (31 December 2020: EUR 56.5 million).

The cash flow from current operations in the amount of EUR 15.0 million (reference period: EUR –46.1 million) is now in the positive range, fuelled primarily by inflows from the housing privatisation business.

The negative cash flow from investment activities in the amount of EUR –40.6 million results primarily from the acquisition of a property company for the purpose of further expanding the inventory of investment properties. The purchase price for 89.9% of the shares and a shareholder loan totalled EUR 29.2 million. In addition, EUR 10.6 million were paid out toward investment properties that were acquired within the framework of several asset deals.

The cash flow from financing activities in the amount of EUR 87.7 million was mainly defined by the issuance of another corporate bond in the amount of EUR 100 million on 23 March 2021. The bond is unsecured and bears 4.125% p. a. in interest. It has a 5-year maturity, and will thus become due for repayment on 23 March 2026. The bond was fully subscribed by a major pension fund.

Asset Position

Key Figures from the Balance Sheet	31 March 2021	31 Dec. 2020
	EUR million	EUR million
Non-current assets	339.0	311.3
Owner-occupied properties and buildings	24.5	24.4
Investment properties	251.5	215.0
Non-current other receivables and other assets	21.2	25.1
Equity investments and equity interests accounted for using the equity method	11.9	11.9
Other non-current assets	29.9	34.9
Current assets	638.9	550.6
Inventory properties	417.7	409.5
Trade receivables and other current assets	100.8	84.6
Cash and cash equivalents	120.4	56.5
Non-current liabilities	486.7	402.4
Current liabilities	243.6	212.4
Shareholders' equity	247.6	247.1
Total assets	977.9	861.9

The total assets increased by EUR 116.0 million since the balance sheet date of 31 December 2020, rising to a sum total of EUR 977.9 million. The growth is mainly attributable to capital expenditures in the amount of EUR 36.5 million incurred for the investment properties. In addition, the cash and cash equivalents increased by EUR 63.9 million since year-end 2020, mainly because of the cash inflow collected through the issuance of the 2021/2026 bond.

The increase in non-current liabilities in the amount of EUR 84.3 million is essentially defined by the new issue of a bond over a nominal amount of EUR 100 million. The sum total of current liabilities rose by EUR 31.2 million since year-end 2020. This is mainly due to the increase in advance payments received by EUR 16.7 million and the increase in current financial liabilities by EUR 15 million that are attributable to several pending refinancing arrangements. As in the reference period, the current assets significantly exceeded the current liabilities.

During the reporting period, the total equity of the ACCENTRO Group increased minimally from EUR 247.1 million as of 31 December 2020 to EUR 247.6 million by 31 March 2021. Due to the rise in total assets by 13.5% since year-end 2020 while the total equity remained the same, the equity ratio now equals 25.3%, compared to 28.7% on 31 December 2020.

The balance sheet structure has experienced no material changes since year-end 2020. The loan to value (LTV) ratio, as defined in the 2020/2023 bond terms, rose from 57.1% to 57.4% as of 31 March 2021.

General Statement on the Group's Business Situation

The economic situation of the ACCENTRO Group remained unchanged during the first three months of the 2021 financial year. The Management Board of ACCENTRO AG therefore reaffirms its account of the economic situation previously made in the 2020 annual report, which was published on 30 April 2021.

Directors and Officers

There were no senior staff changes concerning the members of either the Management Board or the Supervisory Board during the current reporting period.

Supplementary Report

On 12 May 2021, the Management Board and Supervisory Board of ACCENTRO Real Estate AG decided to sign a termination agreement concerning the sale-and-purchase agreement for the acquisition of DIM Holding AG ("Deutsche Immobilien Management"). Agreed performance obligations had not been met. The transaction will consequently be rescinded. On 29 December 2020, ACCENTRO AG had reported the acquisition of DIM Holding AG and the signing of the sale-and-purchase agreement. The sale-and-purchase agreement permits ACCENTRO to back out of the deal if the seller fails to fulfil contractually defined performance obligations. Notwithstanding the rescission of the sale-and-purchase agreement, ACCENTRO AG will continue its strategic collaboration with DIM Holding AG. In addition, ACCENTRO AG was granted the option to change its mind and acquire DIM Holding AG yet within the next 12 months.

Opportunity and Risk Report

The opportunities and risks to which ACCENTRO Real Estate AG is exposed in conjunction with its current operations were presented in detail in its 2020 annual report. In the 2021 financial year to date, no further opportunities and risks have emerged or become apparent that would warrant a reassessment.

Forecast Report

In its annual report 2020, ACCENTRO Real Estate AG predicted consolidated revenues within a bandwidth of EUR 170 – 200 million (previous year: EUR 125.2 million) and consolidated earnings before interest and taxes (EBIT) in a range of EUR 45 – 50 million (previous year: EUR 34.8 million) for the 2021 financial year.

Based on the successful business performance during the first quarter of 2021 and the anticipated business development in the remainder of the year, the Company confirms its forecast for the 2021 financial year.

Although the strained situation caused by the COVID-19 pandemic has noticeably eased over the past weeks, it cannot be entirely ruled out that it might deteriorate again and cause restrictions to be tightened once more. Such a development could also impact the business performance of ACCENTRO.

Consolidated Balance Sheet

as of 31 March 2021*

ACCENTRO Real Estate AG	31 March 2021	31 Dec. 2020
Assets	TEUR	TEUR
Non-current assets		
Goodwill	17,776	17,776
Owner-occupied properties and buildings	24,461	24,407
Plant and intangible assets	2,509	1,835
Investment properties	251,476	215,001
Advance payments made for investment properties	8,478	2,757
Advance payments on corporate mergers	0	11,344
Non-current other receivables and other assets	21,221	25,112
Equity investments	5,697	5,697
Equity interests accounted for using the equity method	6,279	6,279
Deferred tax assets	1,140	1,140
Total non-current assets	339,037	311,348
Current assets		
Inventory properties	417,684	409,505
Contract assets	407	407
Trade receivables	47,835	51,757
Other receivables and other current assets	50,714	30,696
Current income tax receivables	1,869	1,734
Cash and cash equivalents	120,378	56,541
Total current assets	638,887	550,640
Total assets	977,923	861,987

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

Consolidated Balance Sheet

as of 31 March 2021*

ACCENTRO Real Estate AG	31 March 2021	31 Dec. 2020
Equity	TEUR	TEUR
Subscribed capital	32,438	32,438
Capital reserves	79,728	79,658
Retained earnings	121,101	124,095
Attributable to parent company shareholders	233,268	236,191
Attributable to non-controlling interest	14,309	10,910
Total equity	247,577	247,101
Liabilities	TEUR	TEUR
Non-current liabilities		
Provisions	46	46
Financial liabilities	132,654	148,063
Bonds	344,903	245,265
Deferred income tax liabilities	9,094	9,074
Total non-current liabilities	486,698	402,448
Current liabilities		
Provisions	1,326	1,923
Financial liabilities	183,892	168,760
Bonds	1,180	3,446
Advanced payments received	25,900	9,177
Current income tax liabilities	6,711	5,950
Trade payables	7,929	7,126
Other liabilities	16,711	16,055
Total current liabilities	243,649	212,438
Total equity and liabilities	977,923	861,987

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

Consolidated Income Statement

for the period 1 January through 31 March 2021*

ACCENTRO Real Estate AG	First Quarter 2021 01 Jan. 2021– 31 March 2021	First Quarter 2020 01 Jan. 2020– 31 March 2020
	TEUR	TEUR
Group sales	27,587	14,900
Revenues from sales of inventory properties	24,235	11,675
Expenses from sales of inventory properties	-19,185	-9,549
Capital gains from property sales	5,050	2,126
Letting revenues	2,938	2,726
Letting expenses	-1,100	-929
Net rental income	1,839	1,797
Revenues from services	414	499
Expenses from services	-240	-312
Net service income	173	187
Net income from companies accounted for using the equity method	0	0
Other operating income	49	355
Interim result	7,111	4,466
Gain or loss on fair value adjustments of investment properties	0	0
Payroll and benefit costs	-2,322	-2,167
Depreciation and amortisation of intangible assets and property, plant and equipment	-221	-200
Impairments of inventories and accounts receivable	0	0
Other operating expenses	-2,303	-1,676
EBIT (earnings before interest and income taxes)	2,264	423
Income from equity investments	9	9
Interest income	620	900
Interest expenses	-4,274	-7,340
Net interest result	-3,654	-6,440
EBT (earnings before income taxes)	-1,381	-6,008
Income taxes	-1,496	-1,896
Consolidated income	-2,877	-7,904
thereof attributable to non-controlling interests	116	14
thereof attributable to shareholders of the parent company	-2,993	-7,918

Continued on page 15

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

Continued from page 14

ACCENTRO Real Estate AG	First Quarter 2021 01 Jan. 2021– 31 March 2021	First Quarter 2020 01 Jan. 2020– 31 March 2020
Earnings per Share (Comprehensive Income)	EUR	EUR
Basic net income per share (32,437,934 shares; prior year: 32,437,934 shares)	-0.09	-0.24

The ACCENTRO Real Estate AG Share

ACCENTRO Share Softens, Matching Slower Start to the Year of Real Estate Sector as a Whole

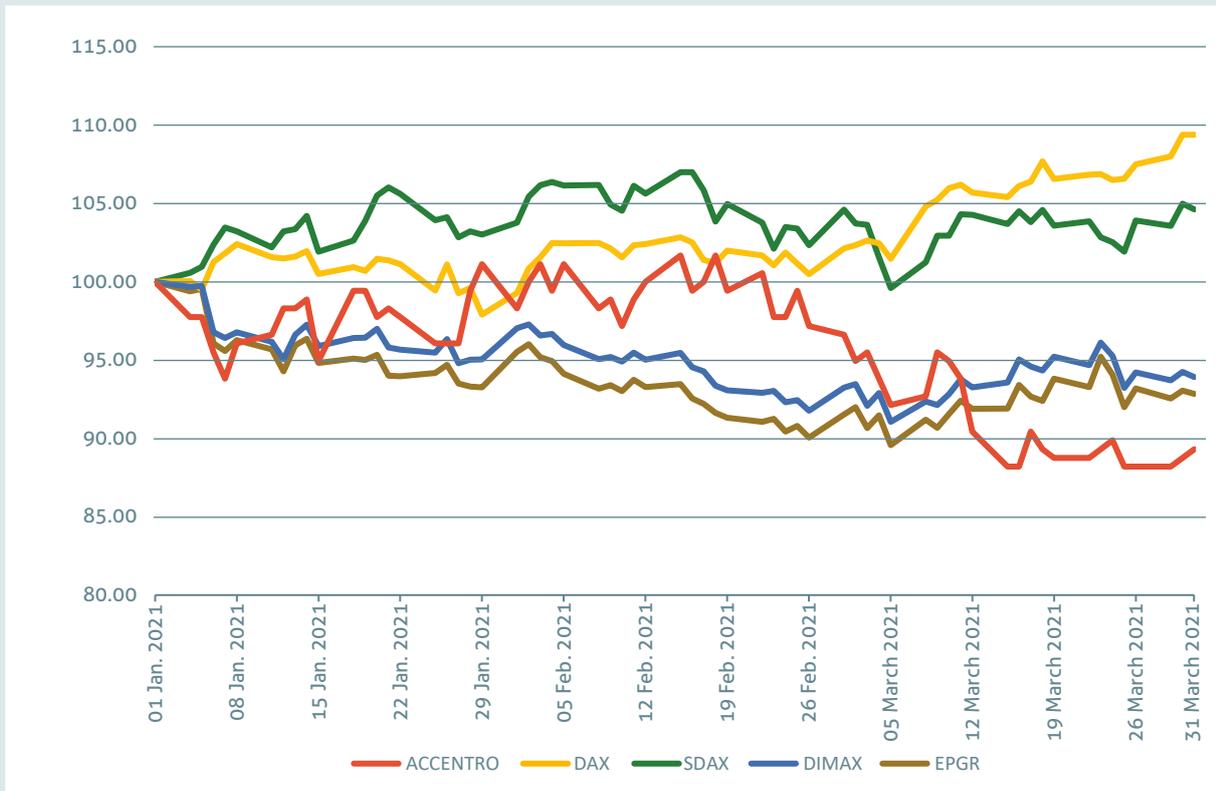
Collectively, Germany's stock market got off to a good start to the year. The DAX index gained by 9.4% during the first quarter and jumped the mark of 15,000 points (15,008 points) for the first time. Analogously, the indices MDAX (31,717 points) and SDAX (15,447 points) registered gains of 3.0% and 4.6%, respectively. Markets were buoyed by a brisk recovery of the ifo index and an equally strong Purchasing Managers' Index (PMI). Extra impetus was provided by the surprisingly positive quarter-end figures reported by many companies. By contrast, the tight restrictions still in place because of the COVID-19 pandemic, and the sluggish progress that the vaccination campaign made during the first quarter, had only a limited effect on the upbeat development of the markets.

Not all of the German real estate stocks, having outperformed the market last year, were able to match the dynamic growth outlined above. Both the EPRA Index Germany (-7.1%) and the DIMAX German real estate equity index (-6.1%) suffered losses during the first quarter. There are several reasons to explain the trend. In addition to a manifest shift in sector allocation away from rather defensive real estate companies toward more cyclically oriented stock, growing concerns over rising inflation and interest rate hikes influenced investor behaviour.

The ACCENTRO share was not immune to the downward trend of real estate stocks, despite its positive performance the previous year. It lost 10.7% during the first three month of the year and closed at EUR 7.95 on 31 March 2021. The market capitalisation as of the balance sheet date equalled EUR 257.9 million.

Once the Federal Constitutional Court ruled Berlin's rent cap unconstitutional on 15 April 2021, and after ACCENTRO presented very positive sales figures both for the fourth quarter of 2020 and for the first quarter of 2021, the share price of ACCENTRO bounced back noticeably.

ACCENTRO Share Price Development from 1 January to 31 March 2021



ACCENTRO share price development during the first quarter of 2021 (Xetra prices, indexed)

ACCENTRO Shares at a Glance

Company shares	
Stock market segment	Prime Standard
ISIN	DE000AOKFKB3
German Securities Code Number (WKN)	AOKFKB
Number of shares as of 31 March 2021	32,437,934
Free float	12.12%
Share price high (1 January – 31 March 2021)*	EUR 9.05
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Closing price on 31 March 2021*	EUR 7.95
Market capitalisation on 31 March 2021*	EUR 257,881,575.30

* Closing prices in Xetra trading

Investor Relations Activities Stepped up

Investor relations play a significant role for ACCENTRO Real Estate AG. Which is why the regular and transparent exchange of information with all capital market players matters a great deal to us. Among these stakeholders are not just our institutional and private shareholders but financial analysts and prospective investors, too. We maintain regular contact with all of these. We do so, on the one hand, within the framework of our periodic reporting on our quarterly and annual financials. On the other hand, we are significantly expanding our activities this year, hosting more roadshows and attending more capital market conferences inside and outside Germany. For the remaining financial dates this year, please check the financial calendar at the end of this report. You will also find all available information about our Company and about the ACCENTRO share on our homepage at www.accentro.ag/en.

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 this time, seven analysts recommend buying the stock, and one issued a hold rating. The average target price is EUR 11.59, which corresponds to an upside potential of around 37% relative to the current share price.

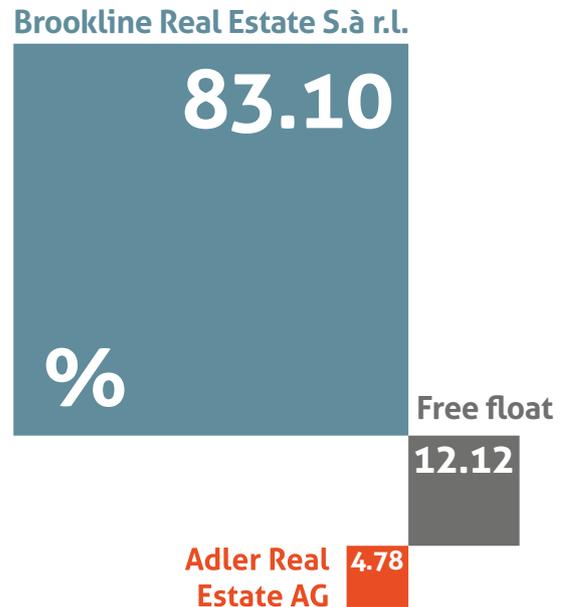
Analyst	Institution	Recommendation	Price Target
Philipp Kaiser	Warburg Research	Buy	EUR 14.00
Dr. Adam Jakubowski	SMC-Research	Buy	EUR 13.20
Klaus Soer	Quirin Privatbank	Buy	EUR 12.55
Mariya Lazarova	FMR Frankfurt Main Research AG	Buy	EUR 12.50
Stefan Scharff, Christopher Mehl	SRC-Research	Buy	EUR 11.50
Ferran Tort Barniol	Kepler Cheuvreux	Buy	EUR 11.00
Andre Remke	Baader Helvea Equity Research	Buy	EUR 10.00
Manuel Martin	ODDO BHF	Hold	EUR 8.00

Shareholder Structure

By the end of the first quarter of 2021, the subscribed capital of ACCENTRO Real Estate AG equalled EUR 32.44 million. It represents 32,437,934 no-par value bearer shares.

As of 31 March 2021, a total of 83.10% of the ACCENTRO AG stock was held by Brookline Real Estate S.à r.l., while ADLER Real Estate AG owned 4.78% and the free float accounted for 12.12%.

The adjacent chart provides an overview of the shareholding structure.



Shareholder structure as of 31 March 2021
(figures based on shareholder disclosures)

Forward-looking Statements

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

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

Financial Calendar

2021

- 09 June 2021 Quirin Champions 2021 Investor Conference (virtual)
- 22 June 2021 Annual General Meeting, Berlin (virtual)
- 23 June 2021 UniCredit Kepler Cheuvreux German & Austrian Property Days (virtual)
- 10 August 2021 Release of Interim Report as of 30 June 2021
- 07 September 2021 ZKK – Zürcher Kapitalmarkt Konferenz
- 09 September 2021 J.P. Morgan European High Yield & Leveraged Financial Conference (virtual)
- 21 October 2021 European Large & MidCap Event, Paris
- 09 November 2021 Release of Interim Statement as of 30 September 2021

All dates are provisional. Please check our website for confirmation.
www.accentro.ag/en

This translation of the original German version of the Interim Statement of ACCENTRO Real Estate AG for the first quarter of the 2021 financial year has been prepared for the convenience of our English-speaking shareholders.

The German version is authoritative.

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

Credits

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ACCENTRO
REAL ESTATE AG

Management Board

Lars Schriewer, Hans-Peter Kneip

Chairman of the Supervisory Board

Axel Harloff, Hamburg

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Photo of CEO: Thomas Knieps

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