



# REAL ESTATE REDEFINED

ANNUAL FINANCIAL STATEMENTS 2021

**ACCENTRO**  
REAL ESTATE AG

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## Preliminary Remarks

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

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

## Basic Principles of the Group

### Group Business Model, Objectives and Strategies

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

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

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

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

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

### Corporate Structure and Control System

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

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

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

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

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

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

In the housing privatisation business, control variables also include the sales performance of the properties along with other factors like the number of apartment reservations placed by potential buyers and the actual values of the properties sold. The latter are taken into account both by number of apartments sold and by their revenue volume. The other factors that the control system takes into account include the operating income of each sub-portfolio or of each property. In addition, control variables like the number of new clients, viewings and reservations serve as early indicators of the Company's performance.

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

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

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

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ing to the limitation of net debt, the limitation of collateralised liabilities and to so-called debt service cover ratio, meaning the capacity to sustain the anticipated debt service by drawing on earnings. These covenants are also monitored regularly by ACCENTRO, with the necessary measures or options for action derived if necessary.

## Economic Report

### Macroeconomic Development

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

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

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

year, increased by an inflation-adjusted 3.2% in 2021. By contrast, building investments grew by a mere 0.5% because of labour and material shortages.

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

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

### Trends on Germany's Housing Market

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

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

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

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selling prices of ownership apartments and residential rent rates continued to climb throughout 2021, actually outpacing the growth rates from the previous year.

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

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

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

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

authorities and among contractors). Digitisation, modular construction and the release of public land are among the steps that are to speed up the building activity and to lower costs.

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

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

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

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

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

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

BNP Paribas Real Estate estimates that short supply will probably keep dominating the markets, especially in the business metropolises, and ensure that rent levels remain high. After all, the expansion of the urgently

needed building activity by the municipalities and key market operators is only making incremental progress.

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

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

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



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For this reason, the ZIA spring report estimates that Class A cities are likely to see their growth dynamic keep slowing over the next few years. The trend will be driven by a steadily accelerating suburbanisation and migration into rural areas beyond the suburbs.

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

#### Business Performance

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

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

to-let investors, a fact that underlines the high appeal that German residential real estate continues to have.

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

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

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

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## Earnings, Financial Position and Assets

### Earnings Position

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

### EARNINGS POSITION

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

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

EBIT rose by EUR 10.4 million to EUR 45.2 million during the 2021 reporting year, and thus improved by 29.9% over prior year (previous year: EUR 34.7 million). Accordingly, the EBIT also achieved its forecast range of EUR 45 to 50 million. All of the Company's business units contributed to the positive earnings performance, although the privatisation arm managed to make the largest contribution to operating income. In addition, the fair value measurement of the investment properties in the amount of EUR 19.0 million (see page 55 in the Notes to the Consolidated Financial Statements) had a positive effect on the earnings performance, albeit on a visibly smaller scale than the year before (previous year: EUR 28.4 million).

Especially the trading and privatisation business, reporting a year-end total of EUR 47.8 million, achieved a significant increase in earnings over prior-year period (previous year: EUR 19.6 million). The volume of apartments sold in the individual privatisation business increased but moderately year on year with 494 apartments sold (previous year: 313 apartments), while price effects made an all the more forceful impact due to very dynamic demand. As a result, revenues from individual apartment sales almost doubled at EUR 145.8 million (previous year: EUR 75.0 million). By contrast, the share of large-scale real estate transactions plummeted, accounting for 15.6% only (previous year: 33.2%).

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

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

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

Additional acquisitions caused the portfolio of investment properties to expand substantially during the 2021 financial year. Due to the generally positive market development, a positive result from the fair value adjustment in the amount of EUR 19.0 million (previous year: EUR 28.4 million) was realised for the portfolio holdings. The reason why the result implies a

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one-year decline despite the fact that additions / acquisitions increased the real estate inventory by EUR 96.7 million is primarily the vacancy rate, which has yet to be reduced. One of the main goals for the property inventory of ACCENTRO both now and in the years ahead will be to reduce vacancies, which are relatively high compared to the rest of the market.

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

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

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

consultancy expenses in an effort to enhance the risk reporting both internally and externally, and to adapt it to tightened legal requirements.

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

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

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

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composition and quantitative details on expenses and income, please see the Notes to the Consolidated Financial Statements.

## Financial Position

### KEY FIGURES FROM THE CASH FLOW STATEMENT

EURM

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

During the 2021 financial year, the cash flow from operating activities equalled EUR 99.6 million (previous year: EUR - 32.7 million). It broke down into a cash flow from operations in the amount of EUR 37.0 million (previous year: EUR - 0.8 million) and a cash inflow from downsizing the portfolio of the inventory assets in the amount of EUR 62.6 million (previous year: cash outflows in the amount of EUR - 31.9 million). The decrease in trade receivables in the amount of EUR 17.0 million and the increase in current liabilities in the amount of EUR 10.4 million contributed significantly to the positive cash flow from operations in this context. The necessary adjustments for non-cash income were also significantly lower than

they had been the previous year; here, it was most notably the income from the fair value measurement of investment properties that declined year on year. The cash flow from operations was impacted by tax payments in the amount of EUR 4.1 million (previous year: EUR 7.3 million).

For more details on the amount and composition of the cash flows, please see the Consolidated Cash Flow Statement and the Notes to the Consolidated Financial Statements ([section 4.27](#)).

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

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

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## ASSET AND CAPITAL STRUCTURE

EURM

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

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

The non-current assets increased by EUR 116.4 million. The increase is mainly explained by the acquisition of real estate and real estate portfolios, which increased the value of the investment properties, not least by recognising their growth in market value in the income statement, by EUR 115.7 million. For more details, see page 55 in the Notes to the Consolidated Financial Statements.

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

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

Current assets (not including cash and cash equivalents) decreased by EUR 129.8 million to EUR 364.3 million (previous year: EUR 494.1 million), and represent primarily the trading portfolio properties recognised in inventories. For 213 residential units acquired for a combined purchase price of EUR 37.8 million, the transfer of benefits and burdens took place during the 2021 financial year. For another 71 residential units acquired for a purchase price of EUR 22.3 million, the sale and purchase agreements were signed in 2021, while their benefits and burdens will not be trans-

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

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

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

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

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

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

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

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

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

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## LTV CALCULATION

IN TEUR

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

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

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

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

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

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

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

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

The prior-year Group Management Report predicted revenues between EUR 170 and 200 million (previous year: EUR 125.2 million) and EBIT between EUR 45 and 50 million (previous year: EUR 34.8 million). This forecast was met due to the successful business development and the robust headline rental growth for residential real estate. The actual figures added up to EUR 192.7 million in revenues and EUR 45.2 million in EBIT, and included a valuation effect in the amount of EUR 19.0 million.

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

### Other Financial and Non-Financial Performance Indicators

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

### HUMAN RESOURCES:

The professional know-how and the commitment of employees and executives represent key conditions for a robust business performance of the ACCENTRO Group. To help retain employee knowledge and skills, the ACCENTRO Group places particular emphasis on providing attractive working conditions. This includes, above all, a competitive compensation system that is constantly monitored and adjusted if necessary. Group employees also benefit from options for continued professional development as needed or whenever the opportunity presents itself.

### REPUTATION:

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

### AVAILABLE-FOR-SALE PORTFOLIO:

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

### RENTAL PORTFOLIO:

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

### INTERNATIONALITY:

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



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### Fundamentals of the Company

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

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

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

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

### Business Performance

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

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

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

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

### Earnings, Financial Position and Assets

#### Earnings Position

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

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

TEUR

	01/01/2021 TO 31/12/2021	01/01/2020 TO 31/12/2020	CHANGE
Revenues	136	286	-150
Other operating income	13,471	1,601	11,870
Cost of materials	-140	-577	-437
Payroll and benefit costs	-7,140	-5,998	1,142
Amortisation of intangible assets and depreciation of property, plant and equipment	-456	-229	227
Depreciation of current assets	-5,086	0	5,086
Miscellaneous operating expenses	-15,611	-16,485	-873
Net income from investments (including profit transfer)	14,028	6,239	7,789
<b>Operating income (EBIT)</b>	<b>-799</b>	<b>-15,162</b>	<b>14,363</b>
Interest Result	4,372	9,048	-4,676
Pre-tax profit	3,575	-6,114	9,689
Income taxes and other taxes	-112	2,068	-2,180
Profit/loss for the year	3,463	-4,046	7,509

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

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

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

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

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

At EUR 15.6 million, the other operating expenses decreased by EUR 0.9 million year on year (previous year: EUR 16.5 million). Basically, costs incurred in conjunction with corporate actions during the previous year led to a reduction in other operating expenses during the year under review. This contrasts with costs hikes elsewhere during the 2021 financial year concluded, especially the amounts spent on the digitisation drive of the ACCENTRO Group, which were largely covered by ACCENTRO AG, and third-party expenses toward strategic consultancy and assistance with the compilation of financial statements.

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

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

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

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## Financial and Net Asset Position

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

TEUR

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

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

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

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

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

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

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

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

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

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

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

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

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

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## Forecast, Opportunity and Risk Report

### Forecast Report

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

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

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

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

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

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

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

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

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

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

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

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

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

That being said, the ACCENTRO plans to keep investing heavily in the property assets held for the long term during the 2022 financial year, and this will be reflected in a clearly negative cash flow from investment activities.

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

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

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

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

### Opportunity and Risk Report

#### Risk Management

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



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

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

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

- › a continuous process optimisation to largely cover the business- and portfolio-relevant risks, the focus being on the eventual full coverage for all business units.

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

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

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

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

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

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

### Presentation of Individual Risks

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

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

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

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

#### Financial risks

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

#### Operational risks

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

#### Real estate risks

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

#### Legal & compliance risks

- › Regulatory risks

#### Strategic risks

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

#### Other risks

- › COVID-19 pandemic
- › War in Ukraine

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

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

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

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

#### Material Individual Risks in Detail

##### FINANCIAL RISKS

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

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

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

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

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

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

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

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

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

As of the reporting date of 31 December 2021, the ACCENTRO Group reported a total of EUR 65.2 million (previous year: EUR 47.9 million) as current and non-current other receivables and other current assets. This concerns in particular loans granted to various jointly controlled property development companies, minority partners and other business partners. These are, without exception, largely collateralised by real estate / land charges, and bear interest. Another claim that is also reported among the other receivables and other current assets concerns the claim to repayment of the purchase price for shares in DIM Holding AG (EUR 15.8 million) along with a shareholder loan granted to that company (EUR 3.1 million) whose repayment ACCENTRO has requested after it backed out of the acquisition on 12 May 2021. The claim to repayment of the purchase price has been deferred, at interest, until 12 May 2022, and has been collateralised by granted land charges since 14 October 2021. Non-payment of the respective receivables at maturity would create a significant risk that the collateral granted will not fully cover the existing claims despite the

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collateralisation provided for significant proportions of them. Therefore, the creditworthiness and solvency of the counterparty is monitored continuously and, if necessary, considered under the impairment model according to IFRS 9.

#### RISKS FROM FINANCIAL COVENANT BREACHES

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

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

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

#### OPERATIONAL RISKS

##### IT RISKS

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

#### REAL ESTATE RISKS

##### TRANSACTION RISKS

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

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

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

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

Insofar as the ACCENTRO Group relies on third-party sales partners to handle its housing privatisation sales, business success depends to a large extent on the Group's ability to find and retain qualified estate agents long-term. This is to be achieved by offering attractive payment terms and by keeping a large supply of for-sale assets on hand.

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

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

### LETTING AND VALUATION RISKS

Even though the Company's long-term plan calls for the expansion of the rental property portfolio in the coming years, and although doing so could and probably will increase the letting risk, this remains a subordinate risk under the business model of the ACCENTRO Group for the time being, given that it still concentrates on privatisation sales. In this context, the focus is primarily on the impairment of a property as a result of poor performance by third-party service providers in the area of property management. It is a risk addressed through active in-house asset management and property management. It includes our lettings management and steps taken to ensure the competitiveness of properties within the local occupier markets. This includes specifically the constant monitoring of the service providers, proper maintenance along with refurbishments and modernisation measures necessary to preserve or enhance the attractiveness of the properties for tenants and buyers. The idea is not least to lower the valuation risk for investment properties.

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

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

#### CONSTRUCTION AND PROJECT RISKS

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

To the extent that newly-acquired properties that are either tenant-occupied or earmarked for privatisation need structural alterations, there is a risk that the construction costs are substantially higher than the target figures.

This risk is countered via the detailed planning of measures and of construction costs and the strict monitoring of these.

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

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

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

#### LEGAL & COMPLIANCE RISKS (Material Risks)

##### REGULATORY RISKS

Within the framework of their business activities, the ACCENTRO Group member companies could become embroiled in legal disputes and face (potential) warranty and damage claims without being in a position to assert counterclaims against third parties. Warranty risks arise specifically

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in those cases in which no exclusion of liability has been agreed for property sales.

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

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

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

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

For the time being, the regulatory measures contemplated for Berlin's rental housing market and hotly debated have virtually vanished from the political agenda. Topics like the rent cap and the exercise of the city's right of first refusal are no longer discussed after Germany's highest courts of law in Karlsruhe and Leipzig dismissed them as unconstitutional. The new Federal Government has set up an autonomous Federal Ministry of Housing, Urban Development and Building, which is also responsible for the

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

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

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



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folios for sale across Germany that are suitable for privatisation. The acquisition of privatisation portfolios remains an option even in regions subject to the conversion ban. Under this option, the ACCENTRO Group would also consider buying residential properties already lawfully partitioned into ownership apartments.

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

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

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

will moreover stipulate that share transfers which take place on the basis of a transaction on a recognised stock exchange will not trigger real estate transfer taxation (“stock exchange clause”).

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

### STRATEGIC RISKS (Material Risks)

#### ECONOMIC AND SECTOR RISKS

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

An important factor for the real estate demand, among others, is the trend in interest rate levels in Germany. A sustained increase in interest rates could make the financing of real estate investments more expensive and thus harder to shoulder for some investors. According to the ACCENTRO Group’s own assessment, the still low level of interest rates will keep driving the demand for real estate, be it for owner-occupancy or as buy-to-let

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investment. Moreover, a sustained interest-tightening cycle could raise the cost of debt for the loans taken out by member companies of the ACCENTRO Group and thereby have an adverse effect on earnings in the longer term.

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

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

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

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

### PURCHASE RISKS FROM MARKETING AGREEMENTS

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

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

### OTHER RISKS AND INFLUENCES

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

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

### Risk Concentrations

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

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

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

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

### Assessment of the Overall Risk

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

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

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

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

### Opportunities Presented by the Future Development

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

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

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

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

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

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

### Overall Assessment

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

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

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

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

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

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

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

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

### Governing Body

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

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

### Amendment of the Articles of Association

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

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

### Capital Structure

#### Share Capital

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

#### Authorisation to Issue Bonds

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

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

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

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

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

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

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

Furthermore, the Management Board is authorised, subject to the Supervisory Board's consent, to exclude the shareholders' subscription rights to the extent necessary to grant the bearers of conversion and subscription rights or conversion and subscription obligations granted by the Company or its group companies to shares of the Company the subscription rights on bonds that were issued under this authorisation to the extent they



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would be entitled to after exercising their conversion or subscription rights or after fulfilling any conversion or subscription obligations (protection against dilution).

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

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

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

### Authorisation to Implement a Stock Option Program 2020

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

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

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

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

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

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

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

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

## Conditional Capital

### CONDITIONAL CAPITAL 2020 / I

(SERVICING THE STOCK OPTION PROGRAM 2020)

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

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

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

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

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

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authorisation resolution adopted by the Annual General Meeting of 24 June 2020 up to and including 23 June 2025 exercise their conversion or pre-emptive rights, and that the Company decides to redeem the conversion or pre-emptive rights from this Contingent Capital 2020 / II, or

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

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

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

### Authorised Capital

#### AUTHORISED CAPITAL 2020

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

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

- (i) for capital increases against cash contributions if shares in the Company are traded on a stock market (regulated market or OTC or the successors to these segments), the shares issued do not exceed 10% of the share capital and the issue price of the new shares does not significantly undercut the fair price of shares in the Company of the same class and features already traded on the stock market within the meaning of Art. 203, Sections 1 and 2, and Art. 186, Sec. 3, Sent. 4,

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

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

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

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

### AUTHORISATION TO BUY AND SELL TREASURY SHARES

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

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

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

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

### Transfer and Voting Right Restrictions

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

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

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

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

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

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

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

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

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

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

[HTTPS://INVESTORS.ACCENTRO.DE/EN/CORPORATE-GOVERNANCE-DECLARATION](https://investors.accentro.de/en/corporate-governance-declaration)

## Remuneration Report

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

[HTTPS://INVESTORS.ACCENTRO.DE/EN/REMUNERATION-REPORT-PURSUANT-TO-ART-162-AKTG](https://investors.accentro.de/en/remuneration-report-pursuant-to-art-162-aktg)

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

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

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

Berlin, 30 April 2022

**Lars Schriewer**

Chief Executive Officer (CEO)

## Statements of Financial Positions – Assets

31 December 2021

EUR

	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
<b>A. Fixed assets</b>		
<b>I. Intangible assets</b>		
Software and similar assets	963,126.24	59,664.24
<b>II. Property, plant and equipment</b>		
1. Furniture, fixtures and equipment	1,260,026.00	973,272.00
2. Advance payments	19,635.00	150,062.76
	<b>1,279,661.00</b>	<b>1,123,334.76</b>
<b>III. Financial investments</b>		
1. Interest in associates	103,302,625.57	71,030,380.27
2. Equity investments	6,939,938.88	6,951,397.74
3. Securities held as fixed assets	678,137.07	678,137.07
4. Advance payments made on interests in associates	13,340.95	13,568,138.21
5. Lendings to companies in whom the Group holds equity interests	12,750,000.00	12,117,047.34
6. Other lendings	19,788,998.04	3,671,049.53
	<b>143,473,040.51</b>	<b>108,016,150.16</b>
<b>B. Current assets</b>	145,715,827.75	109,199,149.16
<b>I. Accounts receivable and other assets</b>		
1. Trade receivables	17,945.87	90,768.76
2. Receivables from associates	391,267,984.40	316,272,232.55
3. Receivables from companies in which the Group holds equity interests	10,157,152.38	6,919,595.03
4. Other assets	19,260,365.78	24,870,993.65
<b>II. Securities</b>	285,154.82	285,154.82
<b>III. Credit with financial institutions</b>	24,458,704.29	14,958,111.68
	<b>445,447,307.54</b>	<b>363,396,856.49</b>
<b>C. Accruals and deferrals</b>	262,011.71	442,123.21
<b>Total asstes</b>	<b>591,425,147.00</b>	<b>473,038,128.86</b>

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## Statements of Financial Positions – Equity and Liabilities

31 December 2021

EUR

	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
<b>A. (Shareholders') Equity</b>		
<b>I. Subscribed capital</b>	32,437,934.00	32,437,934.00
(Contingent capital EUR 16,218,967.00; previous year: EUR 14,418,967.00)		
II. Capital reserves	29,631,361.63	29,631,361.63
III. Net retained profit	113,403,010.80	109,939,999.36
	<b>175,472,306.43</b>	<b>172,009,294.99</b>
<b>B. Provisions</b>		
1. Tax provisions	1,169,146.23	3,618,211.50
2. Other provisions	4,782,450.16	5,139,788.63
	<b>5,951,596.39</b>	<b>8,758,000.13</b>
<b>C. Liabilities</b>		
1. Bonds	350,000,000.00	250,000,000.00
2. Trade payables	1,850,251.32	813,485.04
3. Liabilities to associates	48,557,521.38	37,795,167.26
4. Other liabilities	9,593,471.48	3,662,181.44
	<b>410,001,244.18</b>	<b>292,270,833.74</b>
<b>Total equity and liabilities</b>	<b>591,425,147.00</b>	<b>473,038,128.86</b>



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## Income Statement

1 January - 31 December 2021

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	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
1. Revenues	135,987.43	286,271.53
2. Other operating income	13,471,413.30	1,601,139.24
	13,607,400.73	1,887,410.77
3. Cost of materials	140,001.81	576,570.01
4. Payroll and benefit costs		
a) Wages and salaries	6,390,604.21	5,438,677.25
b) Social security contributions and expenditures for pension plans (thereof towards employee retirement: EUR 23,800.64; previous year: EUR 1,726.56)	749,429.67	559,356.87
	7,140,033.88	5,998,034.12
5. Depreciation of intangible assets of the non-current assets and property, plant and equipment	455,751.80	229,338.55
6. Other operating expenses	15,611,398.62	16,484,525.33
7. Income from equity investments	35,300.04	35,300.04
8. Expenses from loss transfer agreements	0,00	305.032,99
9. Earning from profit-sharing contracts	13.993.172,38	6.508.749,42

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EUR

	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
10. Interest income from securities	335.00	455.00
11. Other interest income and similar earnings (thereof from associates: EUR 12,889,968.83; previous year: EUR 7,787,669.28)	17,537,727.71	21,493,154.92
12. Depreciation on intercompany receivables	5,086,129.80	0.00
13. Interest and similar expenses (thereof from associates: EUR 482,158.90; previous year: EUR 420,065.18)	13,165,979.56	12,444,783.52
14. Taxes on income and profit	103,120.60	-2,075,048.13
<b>15. Earnings after income taxes</b>	<b>3,471,519.79</b>	<b>-4,038,166.24</b>
16. Other taxes	8,508.35	7,096.86
<b>17. Net profit (previous year: net loss)</b>	<b>3,463,011.44</b>	<b>-4,045,263.10</b>
18. Profit carried forward from previous year	109,939,999.36	113,985,262.46
19. Dividend	0.00	0.00
<b>20. Net retained profit</b>	<b>113,403,010.80</b>	<b>109,939,999.36</b>

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## General Disclosures

ACCENTRO Real Estate AG is a company with registered office in Berlin, Germany, and listed in the commercial register of the District Court of Charlottenburg under HRB 103691 B.

The annual financial statements of ACCENTRO Real Estate AG were compiled in accordance with the provisions of the German Commercial Code (HGB). Compliance with these regulations was supplemented by the requirement to comply with the provisions of the German Stock Corporation Act (AktG).

For the compilation of the income statement, the nature of expense method was chosen.

Pursuant to Art. 267, Sec. 3, Sent. 2 in conjunction with Art. 264d, HGB ("listed company"), the Company is considered a large stock corporation.

Annexes 1 and 2 to the Notes are structured according to the item structure of the legally mandated classification scheme.

## Recognition and Measurement Policies

The presentation, structure, recognition and measurement of the annual financial statements match the principles used the previous year.

**Intangible assets, property, plant and equipment, as well as financial assets** are carried at cost or fair value as of the reporting date, whichever is lower. If they are subject to wear and tear, the acquisition costs are reduced accordingly, using scheduled straight-line depreciation. Write-ups are carried out as soon as the reasons for any unscheduled impairments cease to apply.

Under **advance payments made on interests in associates**, the balance sheet lists payments advanced toward the majority interest in a corporation whose transfer in rem had not yet been completed by the balance sheet date.

**Accounts receivable and other assets** are recognised at their face value. Known risks are taken into account through one-off allowances.

**Securities held as current assets** are recognised either at historical cost or fair value, whichever is lower.

**Bank credit** is recognised at face value.

**Accruals and deferrals** were formed for expenditures or earnings that precede the balance sheet date but are economically attributable to the period after the balance sheet date. Accruals and deferrals are recognised at their face value. The accruals and deferrals are dissolved in instalments over their respective terms.

**Other provisions** and tax provisions take all identifiable balance-sheet risks that must be reported and uncertain liabilities into account. They are set aside in the amount of their settlement value, as required in accordance with prudent business judgement. Future increases in prices and costs should also be taken into account. Provisions with a remaining term of more than one year, if any, are discounted at the average market interest rate as quoted by the Deutsche Bundesbank for the past seven financial years, depending on their remaining term.

**Liabilities** are recognised at their settlement value.

**Deferred taxes** are mainly recognised for tax loss carryforwards. The option to capitalise existing surplus assets after netting deferred tax assets and liabilities on temporary differences and on tax loss carryforwards, which is provided by Art. 274, Sec. 1, HGB, was not exercised.

## Explanatory Notes on the Statement of Financial Position

### Non-Current Assets

The performance of the fixed assets aggregated in the statement of financial position is presented in Annex 1 to the Notes (Gross Fixed Assets Schedule).

Intangible assets acquired for consideration in the amount of EUR 1,119,593.47 were capitalised during the financial year, representing the third-party development of the new digital presence of ACCENTRO. Designed as an end-to-end customer-oriented sales platform, the new homepage serves as direct contact between seller and buyer, and handles everything from the initial contact, to the purchase procedure, to services for buyers, and all the way to the after-sales management. The platform started operating in June 2021, and is subject to scheduled amortisation over a useful life of three years.

The loan to a company in whom the Group holds an equity interest concerns the company Belle Époque Quartier Gehrensee GmbH. The loan is expected to mature in 2026, although it should be added that its repayment is subordinated to other loans and therefore not due for repayment by any fixed date. While the loan was sold by the end of the 2021 financial year, the transfer of ownership had not yet been completed as at balance sheet date. The purchase price was paid in 2022. Write-downs to the fair value of EUR 343,482.82 were undertaken in 2021.

The other loans that were granted concern a subordinated loan that was granted to a company in which ACCENTRO Real Estate AG holds an equity interest of 5.1%, on the one hand. On the other hand, several longer-term loans were granted to third parties that hold equity investments in various subsidiaries together with ACCENTRO Real Estate AG. In addition, a short-term loan to a third party was extended on a long-term basis in 2021. Accordingly, this loan is reported among other lendings as of the reporting date. It was thus reclassified from other assets. The lendings have maturities of more than one year.

### Receivables from and Payables to Associates

Receivables due from associates consist essentially of loan receivables, receivables on account of profit transfer agreements, and other receivables from intra-group cost allocations. Loan receivables from associates in the total amount of EUR 286,839,602.81 (previous year: EUR 224,868,996.75) principally have more than one year to maturity. That being said, early repayment of these receivable is possible at any time, e. g. whenever a given property is sold, and absent any reinvestment opportunities. The amount includes outstanding interest claims totalling EUR 21,161,297.70 (previous year: EUR 13,235,922.46) with a maturity of less than one year. During the financial year, loan receivables from associates in the amount of EUR 5,082,548.09 were value-adjusted. Receivables from profit transfer agreements in the amount of EUR 102,101,786.71 (previous year: EUR 88,140,603.96) and miscellaneous receivables from cost allocations in the amount of EUR 2,326,594.88 (previous year: EUR 3,262,631.84) principally have a maturity of less than one year.

Accounts receivable from companies in whom the Company is invested include loan receivables from companies in which ACCENTRO Real Estate AG holds equity interests of 44% and 51%, respectively, while having no authority to conduct those companies' business. The majority of the loans have maturities of more than one year. One loan had a maturity of

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less than one year, and was fully (EUR 2,044,020.21) repaid during the first quarter of 2022.

The payables to associates include, on the one hand, loan liabilities amounting to EUR 10,180,442.00 (previous year: EUR 7,275,513.14) and, on the other hand, liabilities from cost allocations and funds that the Company collected on behalf of subsidiaries within the framework of the central management of cash and cash equivalents (EUR 38,377,079.38, previous year: EUR 30,519,654.12). For an overview of the maturities, see Annex 2 to the Notes (Schedule of Liabilities).

### Other Assets

This position includes essentially the accounts receivable connected to the rescinded acquisition of DIM Holding AG in Berlin. By virtue of the termination agreement dated 12 May 2021, ACCENTRO Real Estate AG withdrew from the share purchase agreement concerning DIM Holding AG in Berlin dated 28 December 2020. In this context, payments made in the amount of EUR 15,300,000.00 were deferred at interest for one year. The loan level amounted to EUR 15,797,250.00 as at balance sheet date. Further itemised are loan receivables in the amount of EUR 3,132,916.67 with a maturity of more than one year from DIM Holding AG.

In conjunction with the acquisition of LHC Beteiligungs GmbH, a Berlin-based project company whose shares were transferred to ACCENTRO Real Estate AG on 29 December 2021, the loans acquired the year before were reclassified and reported among receivables from associates.

### Prepayments and Accrued Income

The prepayments and accrued income cover a variety of prepaid expenses that will not be recognised as expenses until the next financial year. A premium of EUR 212,500.00 (previous year: EUR 425,000.00) from the 2020/2023 bond was reported as of 31 December 2021.

### Changes in Capital Reserves/Treasury Shares

No treasury shares were acquired during the 2021 reporting year, and no transfers made to the capital reserve.

### Disclosures and Notes on Provisions

During the 2021 reporting year, ACCENTRO Real Estate AG set aside provisions in a total amount of EUR 5,951,596.39 against the eventualities detailed below.

The sum total includes EUR 1,169,146.23 in tax provisions. The other provisions add up to EUR 4,782,450.16.

EUR

<b>Total provisions</b>	<b>5,951,596.39</b>
Tax provisions	1,169,146.23
thereof provisions for corporate income taxes	861,540.19
thereof provisions for trade taxes	307,606.04
Other provisions	4,782,450.16
thereof provisions for financial statements and audit	904,400.00
thereof provisions for payroll costs	225,780.00
thereof provisions for miscellaneous costs	926,245.14
thereof provisions for outstanding invoices	2,688,601.02
thereof provisions for record-keeping obligations	37,424.00

The provision for outstanding invoices was essentially set aside for anticipated follow-up costs of a property sale transacted during the 2019 financial year.

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### Bonds

On 7 February 2020, ACCENTRO Real Estate AG concluded the placement of its three-year 2020/2023 corporate bond, which is non-subordinated and unsecured. The aggregate par value that was placed totals EUR 250 million. The corporate bond is issued at 99.745% of its nominal value and at a coupon rate of 3.625% p.a. The interest is paid twice a year.

On 23 March 2021, ACCENTRO Real Estate AG concluded the placement of its five-year 2021/2026 corporate bond, which is non-subordinated and unsecured, within the framework of a private placement. The aggregate par value that was placed totals EUR 100 million. The corporate bond was issued at 100% of its nominal value and at a coupon rate of 4.125% p.a. The interest is paid once a year. The net issue proceeds were used for financing the acquisition of new real estate in Germany, and for general corporate purposes.

## Explanatory Notes on the Income Statement

### Revenues

Revenues of EUR 0.1 million (previous year: EUR 0.3 million) break down into fees for project management tasks and technical supervision of joint sales projects in cooperation with third-party project partners.

### Other Operating Income

The other operating income was essentially generated by the disposal of an equity interest in a project company (EUR 10.68 million).

Additional other operating income in the amount of EUR 2,317,505.45 represents earnings from internal cost allocations for purchased services (EUR 2,194,166.39) that third parties provided to various project com-

panies, the idea being that the Company as central settlement entity is able to negotiate more favourable terms of payment. Additional earnings are generated by offsetting benefits in kind (EUR 67,198.21) and by the reversal of provisions (EUR 27,912.57).

The other operating income includes prior-period income in the amount of EUR 4,207.10 (previous year: EUR 46,125.92) that results from the derecognition of liabilities from previous years.

### Other Operating Expenses

The other operating expenses represent essentially costs from general business dealings.

They include prior-period expenses from the disposal of advance payments made toward property, plant and equipment.

### Write-Downs of Receivables from Associates

The item includes write-downs of long-term receivables from two associates to fair value as of the reporting date.

### Interest and Similar Expenses

Included in interest and similar expenses are finance expenditure in the form of negative interest charged by financial institutions in the amount of EUR 103,373.81 (previous year: EUR 129,429.37).

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### Earnings and Expenses from Profit-Transfer Agreements

Income from the following companies with whom profit-transfer agreements were concluded in previous years, breaks down as follows:

ACCENTRO Wohneigentum GmbH in the amount of EUR 791,598.32

ESTAVIS Wohneigentum GmbH in the amount of EUR 99,283.04

ACCENTRO GmbH in the amount of EUR 13,076,301.39

The income from the profit transferred by ACCENTRO Wohneigentum GmbH includes prior-period expenses in the amount of EUR 551,733.92 from a necessary adjustment of the profit transfer for the 2020 financial year.

The companies are exempt from the requirement to disclose their annual financial statements for the 2021 financial year.

### Taxes on Income and Profit

The expenses for income taxes include the taxes directly payable on income and profits. ACCENTRO Real Estate AG has made losses and therefore recognises no tax expenditures for the financial year.

As temporary differences do not exist, no deferred taxes are itemised. No deferred tax assets on losses carried forward were recognised.

### Proposal for the Appropriation of Net Income

The Management Board and Supervisory Board propose that the net profit for the year in the amount of EUR 3,463,011.44 be appropriated as follows:

- › 4% of the share capital to be distributed as dividend, meaning EUR 1,297,517.36
- › the remaining amount to be carried forward to new account

## Other Disclosures and Explanatory Notes

### Contingent Liabilities pursuant to Art. 251, HGB, and Collateral

In addition to the liabilities posted in the balance sheet, the following contingent liabilities should be noted:

### CONTINGENT LIABILITIES PURSUANT TO ART. 251, HGB

EUR	AMOUNT
from sureties and guarantees in favour of associates	45,919,889.71
previous year	31,621,250.00
from letters of comfort in favour of associates	42,992,222.53
previous year	70,300,000.00

Considering these loan proceeds and the economic situation of the respective subsidiary, ACCENTRO Real Estate AG does not expect the guarantees to be used.

ACCENTRO Real Estate AG has moreover issued unrestricted letters of comfort to one commercial bank for loans granted to two subsidiaries. In addition, an unrestricted comfort letter was issued to a financial institution and to an insurance group for two loans that were granted to subsidiaries. In each case, the letter of comfort is unlikely to be used because the companies concerned have so far fully met their obligations, and because the loans are moreover secured by mortgages.

On top of that, the partnership interests that ACCENTRO Real Estate AG holds in two of its subsidiaries were pledged to Deutsche Pfandbriefbank within the framework of a financing arrangement.



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Within the framework of another two financing arrangements, direct company shares that ACCENTRO Real Estate AG holds in three subsidiaries, along with indirect shares in five second-tier subsidiaries held by one of these subsidiaries, were pledged to the lenders.

Moreover, ACCENTRO Real Estate AG vouches under Art. 264, Sec. 3, No. 2, HGB, for liabilities that 23 of its companies entered into.

### Off-Balance-Sheet Transactions pursuant to Art. 285, No. 3, HGB

In addition to the liabilities posted in the balance sheet, the following off-balance sheet transactions in the form of leasing agreements were concluded to avoid immediate outflows of liquidity:

EUR		
	THEREOF 1 YEAR OR LESS	THEREOF MORE THAN 1 YEAR
Leasing agreements	61,225.82	40,198.99
previous year	85,983.97	56,047.15

### Other Off-Balance Sheet Financial Obligations

In addition to the liabilities recognised in the balance sheet, there are other financial obligations amounting to EUR 5,731,009.44.

Specifically, the liabilities break down into the following items:

EUR		
	THEREOF 1 YEAR OR LESS	> 1-5 YEARS
Leases	1,118,497.92	4,473,991.68
previous year	597,141.45	1,971,253.59
Advisory agreements	138,519.84	0.00
previous year	143,625.72	0.00
<b>Total</b>	<b>1,257,017.76</b>	<b>4,473,991.68</b>
previous year	740,767.17	1,971,253.59

There are no liabilities with a maturity of more than 5 years.

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### Members of the Management Board and the Supervisory Board

During the financial year concluded, the **Management Board** was staffed by:

#### Lars Schriewer

- › Practised profession: business economist

#### Hans-Peter Kneip (until 30 June 2021)

- › Practised profession: certified business administrator

The following persons sat on the **Supervisory Board**:

#### Axel Harloff (Chairman)

- › Practised profession: certified business administrator
- › Other positions in comparable domestic and foreign supervisory bodies:
  - › Chairman of the supervisory board of CONSUS Real Estate AG, Berlin
  - › Member of the management board of ERWE Immobilien AG, Frankfurt am Main

#### Carsten Wolff (Deputy Chairman)

- › Practised profession: business administrator
- › Other positions in comparable domestic and foreign supervisory bodies:
  - › Member of the board of directors as CFO of the A.D.O. Group LTD, Yigal Alon 94 B, Tel Aviv, Israel
  - › Member of the supervisory board of ERWE Immobilien AG, Frankfurt am Main
  - › Deputy chairman of the supervisory board of Westgrund AG, Berlin

#### Natig Ganiyev, London

- › Practised profession: managing director of Vestigo Capital Advisors LLP, London
- › Other positions in comparable domestic and foreign supervisory bodies:
  - › Director of Brookline Capital GP Limited, Guernsey
  - › Member of the supervisory board of Malta Montenegro Wind Power JV Ltd, Malta.

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## Remunerations of Management Board and Supervisory Board Members

The remuneration paid to the Management Board amounted to EUR 1,193,905.27 during the reporting year. These break down into EUR 702,129.31 in fixed remuneration (fixed remuneration of EUR 587,499.94 and non-wage labour costs of EUR 114,629.37), the bonus due to the two Management Board members for 2020 in the amount of EUR 176,775.96, the bonus for 2021 in the amount of EUR 275,000.00 and the severance payment of EUR 40,000.00 to the former Management Board member. On the whole, a total expense of EUR 1,017,129.00 was recognised.

The remuneration paid to members of the Management Board in the year under review is shown below in comparison to the remuneration recognised under expenses:

	EXPENSES	DISBURSEMENT
<b>Schriewer</b>		
Fixed salary	400,000	400,000
Non-wage labour costs	63,164	63,164
Bonus 2021*	200,000	200,000
Bonus 2020*	0	157,924
Severance payment	0	0
Benefits in kind	0	0
<b>Total</b>	<b>663,164</b>	<b>821,088</b>

\* In principle, the bonus should be understood as variable, yet the bonus for the first two years is fixed at TEUR 200.

EUR

	EXPENSES	DISBURSEMENT
<b>Kneip</b>		
Fixed salary	187,500	187,500
Non-wage labour costs	51,465	51,465
Bonus 2021	75,000	75,000
Bonus 2020	0	18,852
Severance payment	40,000	40,000
<b>Total</b>	<b>353,965</b>	<b>372,817</b>

The total remuneration paid to the Supervisory Board during the 2021 financial year added up to EUR 135,000.00.

For details, see the remuneration report of the Company.

## Advances and Loans Granted to Members of the Management Board and the Supervisory Board

Neither loans nor advances were granted to any member of the Management Board or of the Supervisory Board during the reporting period.

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## Disclosures on the Equity Interest in Other Companies Where the Equity Interest Serves the Purpose of Establishing a Permanent Relationship

Pursuant to Art. 285, Sent. 1, No. 11, HGB, the reporting covers the companies listed below:

SER. NO.	COMPANY NAME AND REGISTERED OFFICE	VIA	IN-DIRECT %	DIRECT %	SHAREHOLDERS' EQUITY IN EUR	PROFIT/LOSS FOR THE YEAR IN EUR
1	ACCENTRO 11. Wohneigentum GmbH, Berlin			100	-2,944,234.97	-589,894.52
2	ACCENTRO 16. Wohneigentum GmbH, Berlin			100	2,548,209.98	1,234,540.49
3	ACCENTRO 17. Wohneigentum GmbH, Berlin			100	175,684.20	892,340.71
4	ACCENTRO 2. Wohneigentum GmbH, Berlin			100	12,554,338.81	-42,857.58
5	ACCENTRO 20. Wohneigentum GmbH, Berlin			100	-407,915.32	-414,640.40
6	ACCENTRO 21. Wohneigentum GmbH, Berlin			100	562,649.92	-551,140.53
7	ACCENTRO 23. Wohneigentum GmbH			100	-51,172.54	-76,172.54
8	ACCENTRO 24. Wohneigentum GmbH			100	10,938.39	-14,061.61
9	ACCENTRO 25. Wohneigentum GmbH			100	11,959.68	-540.32
10	ACCENTRO 6. Wohneigentum GmbH, Berlin			100	-317,894.74	1,305,993.54
11	ACCENTRO East Holding GmbH			100	46,545,471.27	-883,541.56
12	ACCENTRO GmbH, Berlin			100	220,861.44	0.00
13	ACCENTRO Sachsen GmbH, Berlin			100	2,415,067.81	18,524.48
14	ACCENTRO Verwaltungs GmbH, Berlin			100	30,961.59	762.17
15	ACCENTRO Wohneigentum GmbH, Berlin			100	519,504.10	0.00
16	ESTAVIS 43. Wohnen GmbH & Co. KG, Berlin			100	1,933,524.53	60,131.45
17	Kantstr. 44, 45 Verwaltungsgesellschaft mbH, Berlin			100	-3,604,946.18	-1,070,687.55
18	LHC Beteiligungs GmbH			100	-4,445,660.36	-1,481,050.93
19	Quartier Danziger Straße 143 GmbH, Berlin			100	10,812.95	333,009.48
20	Quartier Dietzgenstraße GmbH, Berlin			100	-40,521.67	28,534.75

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21	Quartier Hasenheide GmbH, Berlin			100	3,182,035.90	2,596,362.70
22	Riehmers Hofgarten Grundbesitz GmbH, Berlin			100	-11,125,760.18	-6,312,541.43
23	Uhlandstr. 79 Immobilien GmbH, Berlin			100	40,173.16	-10,253.52
24	COMMIT Services GmbH			95	-724,964.09	-746,609.48
25	ACCENTRO Binz GmbH, Berlin			94.9	-793,087.97	-128,352.71
26	Düsseldorfer Straße 68–69 Projektgesellschaft mbH, Berlin			94.9	1,047,430.74	924,049.97
27	Wintersteinstraße 7, 9 Liegenschaften 1 GmbH, Berlin			94.9	948,911.98	725,290.85
28	ESTAVIS Beteiligungs GmbH & Co. KG, Berlin			94	5,426,192.19	-64.00
29	ESTAVIS Wohneigentum GmbH, Berlin			94	2,928,269.29	0.00
30	ACCENTRO 2. Sachsen GmbH, Berlin			89.9	478,002.83	34,819.19
31	ACCENTRO NRW GmbH			89.9	-396,708.53	-452,404.55
32	ACCENTRO Rhein Ruhr GmbH, Oberhausen			89.9	374,648.86	352,431.22
33	Lekova 26 GmbH			89.9	45,985.62	20,985.62
34	Werdauer Weg 3 Immobilien Projektentwicklungs GmbH			89.9	-10,722,019.80	-2,956,276.43
35	Wintersteinstraße 7, 9 Liegenschaften 2 GmbH, Berlin			89.9	-310,548.42	-72,865.78
36	Johanniterstr. 3–6 Liegenschaften GmbH, Berlin			89.5	4,498,403.29	220,664.26
37	Wissmannstr. 15 Grundbesitz GmbH			89.5	-465,017.70	-451,610.90
38	Kaiser 102 Projektentwicklungs GmbH			51	146,388.37	133,888.37
39	DEUWA Real GmbH			50	2,276,228.18	-7,652.77
40	Düne 38 Projektentwicklungs GmbH, Berlin <sup>1</sup>			44	611,291.05	600,807.42
41	Gutshof Dahlewitz 2 GmbH, Berlin			44	1,632.73	-2,143.79
42	Gutshof Dahlewitz1 GmbH, Berlin <sup>1</sup>			44	1,789.56	-6,168.08
43	Belle Époque Quartier Gehrensee GmbH, Berlin <sup>2</sup>			25	-219,500.82	651,731.08
44	ACCENTRO Bayern GmbH (formerly ACCENTRO 19. Wohneigentum GmbH), Berlin			10.1	-907,124.66	-319,727.50
45	Riehmers Dachgeschoss Grundbesitz GmbH, Berlin <sup>2</sup>			100	-279,391.42	-127,543.89

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46	DELTA VIVUM Berlin I GmbH, Berlin <sup>1</sup>			5.1	14,294,090.88	1,851,035.76
47	DELTA VIVUM Berlin II GmbH, Berlin <sup>1</sup>			5.1	-2,271,143.99	-740,713.01
48	Estavis 6. Wohnen GmbH, Berlin <sup>2</sup>			5.1	6,484,573.46	0.00
49	Estavis 7. Wohnen GmbH, Berlin <sup>1</sup>			5.1	-73,154.47	0.00
50	Estavis 8. Wohnen GmbH, Berlin <sup>1</sup>			5.1	390,883.24	0.00
51	Estavis 9. Wohnen GmbH, Berlin <sup>1</sup>			5.1	647.99	0.00
52	HRP Hamburg Residential S.à r.l., Luxembourg <sup>2</sup>			5.1	-10,325,491.24	-5,699,356.34
53	Jühnsdorfer Weg Immobilien GmbH (formerly ACCENTRO 5. Wohneigentum GmbH, Berlin) <sup>1</sup>			5.1	-3,779,328.97	-1,978,462.52
54	Phoenix Spree Gottlieb GmbH, Berlin <sup>2</sup>			5.1	123,124.97	0.00
55	Phoenix Spree Mueller GmbH, Berlin <sup>2</sup>			5.1	2,766,430.00	126,168.52
56	RELDA 36. Wohnen GmbH, Berlin <sup>1</sup>			5.1	140,409.35	0.00
57	RELDA 38. Wohnen GmbH, Berlin <sup>2</sup>			5.1	104,083.42	0.00
58	RELDA 39. Wohnen GmbH, Berlin <sup>1</sup>			5.1	379,015.89	33,446.22
59	RELDA 45. Wohnen GmbH, Berlin <sup>2</sup>			5.1	110,714.19	0.00
60	ACCENTRO Dessau Wohnen GmbH	11	89.9		-328,154.76	-274,274.54
61	ACCENTRO Gera Wohnen 2 GmbH	11	89.9		-2,099,451.40	-2,013,629.67
62	ACCENTRO Gera Wohnen GmbH	11	89.9		-132,220.25	-118,509.24
63	ACCENTRO Halle Wohnen GmbH	11	89.9		-418,050.75	-399,666.96
64	Lekova 19 GmbH	11	89.9		2,123.97	-21,781.37
65	GeSoNa Verwaltungs GmbH & Co. KG Hermannstraße KG, Berlin	1	74.25		200,796.77	-411,820.29
66	GeSoNa Verwaltungs GmbH, Berlin	1	66.71		13,932.00	3,680.63
67	Kantstraße 130b/Leibnizstraße 36, 36a GbR, Berlin	68	38.4		138,845.79	-1,123.67
68	Kantstraße 130b/Leibnizstraße 36, 36a Immobilien Gesellschaft mbH, Berlin	29	40.8		-130,962.28	50,817.14
69	Koppenstraße Wohneigentum GmbH, Berlin	15	100		30,308.38	-202,444.85
70	LHC 1 GmbH, Zossen <sup>1</sup>	75	50		-241,434.11	774,158.22

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SER. NO.	COMPANY NAME AND REGISTERED OFFICE	VIA	IN-DIRECT %	DIRECT %	SHAREHOLDERS' EQUITY IN EUR	PROFIT/LOSS FOR THE YEAR IN EUR
71	LHC 2 GmbH, Zossen <sup>1</sup>	75	50		-29,262.45	33,755.00
72	LHC 3 GmbH, Zossen <sup>1</sup>	75	50		546,087.08	426,934.24
73	LHC 5 GmbH, Zossen <sup>1</sup>	75	50		15,564.17	-1,853.22
74	LHC Holding 2 GmbH & Co. KG, Zossen <sup>1</sup>	18	50		-83,821.25	-9,520.45
75	LHC Holding GmbH & Co. KG, Zossen <sup>1</sup>	18	50		12,151,296.58	298,524.64
76	Urbanstraße 5 Projekt GmbH, Berlin <sup>3</sup>	10	44		32,801.37	-7,591.35

<sup>1</sup> Provisional HGB figures from 2021

<sup>2</sup> Figures from 2020

<sup>3</sup> In liquidation

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### Disclosures on the Existence of an Equity Interest in the Company of Which the Company was Notified Pursuant to Art. 21, Sec. 1, 1a, WpHG

According to the voting rights notification dated 3 August 2020, the shareholding ratio of Brookline Real Estate S.à r.l equalled more than 75% of the ACCENTRO Real Estate AG stock. No control agreement was signed between Brookline Real Estate S.à r.l and ACCENTRO Real Estate AG.

### Group Affiliation

ACCENTRO Real Estate AG is the parent company of the companies listed on pages 60–63. The consolidated financial statements of the group of companies was compiled in accordance with IFRS as of 31 December 2021. The consolidated financial statements are published in the Federal Gazette.

### Average Number of Staff Employed during the Financial Year

The employee categories listed below were employed by the Company as of 31 December 2021:

### EMPLOYEE CATEGORIES

	QUANTITY
Employees	66
thereof:	
Full-time employees	61
Part-time employees	5

The total number of staff employed during the financial year is 65 on average.

### Disclosures on the Class of Shares

As of 31 December 2021, the share capital amounted to EUR 32,437,934.00, unchanged since the prior year balance sheet date.

The share capital breaks down as follows: 32,437,934 no-par value shares with a pro-rata amount in the share capital of EUR 1.00 each. The shares are bearer shares.

### Disclosures on the Authorised and Conditional Capital

The subscribed capital (share capital) of ACCENTRO Real Estate AG amounted to EUR 32,437,934.00 as of 31 December 2021. It breaks down into 32,437,934 no-par value bearer shares. The Company does not issue different classes of shares.

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

	AMOUNT EUR	NO-PAR VALUE SHARES	PURPOSE
Authorised Capital 2020	16,218,967	16,218,967	Capital increase against contributions in cash and/or in kind (until 23 June 2025)
Conditional Capital 2020/I	3,243,793	3,243,793	Servicing stock option plan 2020
Conditional Capital 2020/II	12,975,174	12,975,174	Servicing bonds (convertible bonds and/or warrant bonds and/or profit participation rights)

Other than that, see the Group management report for mandatory disclosures pursuant to Art. 315a, Sec. 1, HGB.



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### Declaration on the Corporate Governance Code

The declaration was issued pursuant to Art. 285, No. 16, HGB, in conjunction with Art. 161, AktG, most recently in March 2022, and has been made permanently accessible to the shareholders in the Investor Relations section on the homepage of ACCENTRO Real Estate AG ([www.accentro.de](http://www.accentro.de)).

### Report on Subsequent Events

The accounts receivable from the sale of the equity interest in Belle Époque Quartier Gehrensee GmbH, including the sale of a shareholder loan, were fully settled during the first quarter of 2022.

Meanwhile, it cannot be ruled out that the ongoing coronavirus pandemic will cause further delays in sales and their settlement. That being said, the asset class of residential real estate has clearly demonstrated its crisis resilience and is sure to keep attracting keen interest among buyers and investors.

In the evening of 29 April 2022, the minority shareholder of ACCENTRO Real Estate AG, namely ADLER Real Estate AG, Berlin, along with its parent company, Adler Group S.A., Luxembourg, announced that its auditor will state its intention not to present an audit opinion on the company's 2021 annual financial statements (disclaimer of opinion) on 30 April 2022. From the Management Board's point of view, the announcement will not directly impact ACCENTRO Real Estate AG or its business model because it affects not the Company but a shareholder in the minority shareholder role. While it is impossible at the time of the preparation of these financial statements to assess conclusively to what extent the announcement may yet lead to a change in the shareholder structure in future, not least with regard to the, partially outstanding, residual receivable of ADLER Real Estate AG, Berlin, from the acquisition of ACCENTRO Real Estate AG shares in 2017 vis-à-vis the majority shareholder, Brookline S.à r.l., Luxembourg, it cannot be ruled out either.

### Auditor's Fee

For details on the auditor's fee, please see the notes to the consolidated financial statements in accordance with Art. 285, No. 17, HGB.

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Annex 1 – Statement of Changes in Fixed Assets

Annex 2 – Schedule of Liabilities

Berlin, 30 April 2022

CEO of ACCENTRO Real Estate AG



**Lars Schriewer**

Chairman of the Management Board (CEO)

## Statement of Changes of Fixed Assets

1 January 2021 to 31 December 2021

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ACQUISITION OR MANUFACTURING COSTS

	01/01/2021	ADDITIONS	DISPOSALS	RECLASSI- FICATIONS	31/12/2021
<b>I. Intangible assets</b>					
Concessions acquired for consideration, industrial property rights and similar rights and values, as well as licenses to these rights and values	214,188.83	1,121,204.68	0.00	0.00	1,335,393.51
<b>II. Property, plant and equipment</b>					
Furniture, fixtures and equipment	1,275,255.06	524,763.12	0.00	0.00	1,800,018.18
Advance payments	150,062.76	395,946.57	526,374.33	0.00	19,635.00
	<b>1,425,317.82</b>	<b>920,709.69</b>	<b>526,374.33</b>	<b>0.00</b>	<b>1,819,653.18</b>
<b>III. Financial investments</b>					
Interests in associates	75,532,663.15	32,295,239.04	27,968.74	4,975.00	107,804,908.45
Equity investments	6,956,396.94	6,375.00	12,858.86	-4,975.00	6,944,938.08
Securities held as fixed assets	678,137.07	0.00	0.00	0.00	678,137.07
Advance payments made on interests in associates	13,568,138.21	0.00	13,554,797.26	0.00	13,340.95
Lendings to companies in which the Company holds an equity interest	12,117,047.34	976,435.48	0.00	0.00	13,093,482.82
Other lendings	3,671,049.53	16,652,013.36	2,128,230.00	1,594,165.15	19,788,998.04
	<b>112,523,432.24</b>	<b>49,930,062.88</b>	<b>15,723,854.86</b>	<b>1,594,165.15</b>	<b>148,323,805.41</b>
	114,162,938.89	51,971,977.25	16,250,229.19	1,594,165.15	151,478,852.10

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				WRITE-DOWNS	DEPRECIATED BOOK VALUE	
	01/01/2021	ADDITIONS	DISPOSALS	31/12/2021	31/12/2021	01/01/2021
<b>I. Intangible assets</b>						
Concessions acquired for consideration, industrial property rights and similar rights and values, as well as licenses to these rights and values	154,524.59	217,742.68	0.00	372,267.27	963,126.24	59,664.24
<b>II. Property, plant and equipment</b>						
Furniture, fixtures and equipment	301,983.06	238,009.12	0.00	539,992.18	1,260,026.00	973,272.00
Advance payments	0.00	0.00	0.00	0.00	19,635.00	150,062.76
	<b>301,983.06</b>	<b>238,009.12</b>	<b>0.00</b>	<b>539,992.18</b>	<b>1,279,661.00</b>	<b>1,123,334.76</b>
<b>III. Financial investments</b>						
Interests in associates	4,502,282.88	0.00	0.00	4,502,282.88	103,302,625.57	71,030,380.27
Equity investments	4,999.20	0.00	0.00	4,999.20	6,939,938.88	6,951,397.74
Securities held as fixed assets	0.00	0.00	0.00	0.00	678,137.07	678,137.07
Advance payments made on interests in associates	0.00	0.00	0.00	0.00	13,340.95	13,568,138.21
Lendings to companies in which the Company holds an equity interest	0.00	343,482.82	0.00	343,482.82	12,750,000.00	12,117,047.34
Other lendings	0.00	0.00	0.00	0.00	19,788,998.04	3,671,049.53
	<b>4,507,282.08</b>	<b>343,482.82</b>	<b>0.00</b>	<b>4,507,282.08</b>	<b>143,473,040.51</b>	<b>108,016,150.16</b>
	4,963,789.73	799,234.62	0.00	5,419,541.53	145,715,827.75	109,199,149.16

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		TOTAL	WITH A MATURITY		
			UP TO ONE YEAR	OF MORE THAN ONE YEAR AND UP TO FIVE YEARS	OF MORE THAN FIVE YEARS
1.	Bonds	350,000,000.00	0.00	350,000,000.00	0.00
	prior year	250,000,000.00	0.00	250,000,000.00	0.00
2.	Liabilities to banks	0.00	0.00	0.00	0.00
	prior year	0.00	0.00	0.00	0.00
3.	Trade payables	1,850,251.32	1,850,251.32	0.00	0.00
	prior year	813,485.04	813,485.04	0.00	0.00
4.	Liabilities to associates	48,557,521.38	15,042,659.36	33,514,862.02	0.00
	prior year	37,795,167.26	15,321,596.03	22,473,571.23	0.00
5.	Other liabilities	9,587,096.48	9,587,096.48	0.00	0.00
	prior year	3,662,181.44	3,662,181.44	0.00	0.00
		<b>409,994,869.18</b>	<b>26,480,007.16</b>	<b>383,514,862.02</b>	<b>0.00</b>
	prior year	292,270,833.74	19,797,262.51	272,473,571.23	0.00

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## Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the ACCENTRO Real Estate AG, while the combined management report includes a fair review of the development and performance of the Company's business and state of affairs, together with a description of the principal opportunities and risks associated with the Company's prospective development going forward.

Berlin, 30 April 2022



**Lars Schriewer**  
Chief Executive Officer

## Group Auditor's Report

To ACCENTRO Real Estate AG, Berlin

### Note on the Audit of the Annual Financial Statements and of the Management Report

#### Audit Opinions

We audited the annual financial statements of **ACCENTRO Real Estate AG, Berlin**, comprising the statement of financial position as of 31 December 2021, the income statement for the financial year starting on 1 January and ending on 31 December 2021 and the notes, while also auditing the presentation of the recognition and measurement methods. In addition, we audited the management report which is combined with the Group management report (hereinafter: the "management report") of ACCENTRO Real Estate AG, Berlin, for the financial year beginning on 1 January and ending on 31 December 2021. In line with German legal requirements, we did not audit the contents of the corporate governance statement published on the Company's homepage in accordance with Art. 289f, German Commercial Code (HGB), to which reference is made in the management report.

In our opinion, based on the findings of our audit,

- › we believe that the attached annual financial statements comply in all material respects with German commercial law requirements applicable to corporations, and give a true and fair view of the Company's net assets and financial position as of 31 December 2021 and of its earnings position for the financial year starting on 1 January and ending on 31 December 2021 in accordance with German principles of proper accounting, and
- › the attached management report provides an accurate account of the Company's position. The management report matches the annual financial statements in all material respects, and complies with German legal

provisions and accurately presents the opportunities and risks of the future development. Our audit opinion on the management report does not cover the aforesaid components whose contents were not audited.

In accordance with Art. 322, Sec. 3, Sent. 1, HGB, we declare that our audit has not raised any objections as to the correctness of the annual financial statements and of the management report.

#### Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Art. 317, HGB, and EU Statutory Audit Regulation (No. 537/2014; hereinafter EU-APrVO), and generally accepted standards for the auditing of financial statements in Germany defined by the IDW Institute of Public Auditors. Our responsibility under these rules and principles is described in more detail in the section "Auditor's Responsibility for the Audit of the Annual Financial Statements and of the Management Report" of our audit report. We are independent of the Company in accordance with German and European commercial and professional regulations, and have performed our other duties under the German professional code of practice in accordance with these requirements. Moreover, we declare pursuant to Art. 10, Sec. 2, Lit. f, EU-APrVO, that we provided no prohibited non-audit services pursuant to Art. 5, Sec. 1, EU-APrVO. We believe that the audit evidence we obtained is sufficient and adequate to serve as basis for our audit opinions on the annual financial statements and on the management report.

#### Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our best judgement, were most significant in our audit of the annual financial statements for the financial year beginning on 1 January and ending on 31 December 2021. These matters were considered in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereof; we express no

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separate opinion on these matters. Below, we present the audit matter that we consider to be key audit matters:

The valuation of interests in associates and receivables from associates

a) Risk for the financial statements

As of 31 December 2021, ACCENTRO Real Estate AG reported interests in associates in the amount of TEUR 103,303 (previous year: TEUR 71,030) and receivables from associates in the amount of TEUR 391,268 (previous year: TEUR 316,272). Interests in associates are recognised at amortised cost while receivables from associates are recognised at either the nominal value or the fair value as of the reporting date, whichever is lower.

The Company's disclosures on the measurement of equity interests and receivables are included in the chapters "Recognition and Measurement Policies", "Non-Current Assets" and "Intercompany Receivables and Liabilities" in the notes and in the section "Report on the Separate Financial Statement of ACCENTRO Real Estate AG" of the management report.

To measure the financial assets and the receivables from associates, ACCENTRO Real Estate AG first analyses whether the respective carrying amount of the subsidiary's equity covers the carrying amount of each interest as well as the receivables from the subsidiary. If this is not the case, an analysis is performed to determine whether an impairment risk exists, taking into account any hidden reserves in the respective companies and examining the corporate planning. Against the background of the positive business development of the operating companies and the existence of sufficient hidden reserves in the inventory properties, the Company waives the performance of a net income calculation based on the auditing standard IDW RS HFA 10. In the case of non-operating subsidiaries, the measurement is based on a net asset value calculation.

The risk to the annual financial statements is an inappropriate valuation of financial assets and receivables from associates, in particular an overvaluation. Due to the necessary individual assessment of the recoverability as well as the high carrying amounts of individual interests or receivables in the association area, the risk of material errors is of particular importance from our point of view within the scope of our audit.

b) Audit approach and conclusions

The impairment test for interests in associates and receivables from associates is essentially performed on a case-by-case basis. We verified the measurement performed by the Company. For the impairment test of the exposure to operating subsidiaries, we analysed whether the expected positive contribution margins from the planned future disposals of inventory properties plus the recognised equity will be sufficient to repay the exposure. To this end, we also assessed the property appraisals prepared by various valuation companies for real estate portfolios held by the subsidiaries. For non-operating subsidiaries, we verify the adequacy of the measurement used by the Management Board, which is based on an asset value calculation.

Based on the documents and analyses presented to us, we found no evidence that speaks against the accounts presentation practised by the Company. The measurements performed are in line with our expectations.

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### Miscellaneous Information

The Company's legal representatives and the Supervisory Board are responsible for the miscellaneous information. The miscellaneous information obtained as of the date of this audit report includes

- › the corporate governance declaration published on the homepage of ACCENTRO Real Estate AG and referred to in its management report,
- › the declaration pursuant to Art. 264, Sec. 2, Sent. 3 HGB, concerning the annual financial statements, and the declaration pursuant to Art. 289, Sec. 1 Sent 5, HGB, concerning the management report,
- › the report by the Supervisory Board,
- › the remaining sections of the annual report, but not the annual financial statements, nor the audited disclosures made in the management report, nor our associated audit report.

The Supervisory Board is responsible for the report of the Supervisory Board. The Company's legal representatives and Supervisory Board are responsible for the declaration pursuant to Art. 161, German Stock Corporation Act (AktG), about the German Corporate Governance Code, which is part of the corporate governance declaration referred to in the management report. Other than that, the legal representatives are responsible for the miscellaneous information.

Our audit opinions on the annual financial statements and the management report do not cover the miscellaneous information. Accordingly, we provide no audit opinion or any other form of audit conclusion about them.

In connection with our audit, it is our responsibility to read the miscellaneous information referred to above and, in doing so, to assess whether the miscellaneous information

- › manifests material inconsistencies with the annual financial statements, the contents of the audited disclosures in the management report or our insights gained through the audit, or
- › seems to contain material misrepresentations in other ways.

If, based on the work we performed, we had reason to conclude that the miscellaneous information constitutes a material misrepresentation, we would be obligated to report the fact. We have nothing to report in this context.

### Responsibility of the Legal Representatives and the Supervisory Board for the Annual Financial Statements and the Management Report

The Company's legal representatives are responsible for the preparation of annual financial statements that comply in all material respects with the requirements of German commercial law applicable to corporations, and are further responsible for the presentation of a true and fair view of the Company's asset, financial and earnings position in accordance with German principles of proper accounting in the Company's annual financial statements. Moreover, the legal representatives are responsible for the internal controls that they determined to be necessary in accordance with German principles of proper accounting to facilitate the preparation of the annual financial statements in ways that rule out material misstatements, be due to fraud or error.

When preparing the annual financial statements, the legal representatives are responsible for appraising the Company's ability to continue as a going concern. They are also responsible for disclosing facts and circumstances relevant in the context of the Company's assumed intent to continue as a going concern. On top of that, they are responsible for preparing the accounts presentation on the basis of the accounting principle that assumes the intent to continue as a going concern unless otherwise required by fact or law.



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In addition, the legal representatives are responsible for the preparation of the management report, which provides an accurate overall account of the Company's position and matches the annual financial statements in all material respects while also complying with applicable German legal requirements and accurately represents the opportunities and risks of the future development. In addition, the legal representatives are responsible for setting up the safeguards and measures (systems) they deem necessary to permit the preparation of a management report in compliance with the applicable German legal provisions, and to back the disclosures in that management report with sufficient and suitable evidence.

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

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

Our objective is to obtain reasonable assurance whether the annual financial statements as a whole are free of material misstatements, be they due to fraud or error, and whether the management report on the whole provides an accurate account of the Company's position and that it matches the annual financial statements and the findings of our audit in all material respects, that it complies with German legal requirements and accurately represents the opportunities and risks of the future development, and to provide an audit report that includes our audit opinion on the annual financial statements and on the management report.

While "reasonable assurance" provides a high level of security, it is not a guarantee that an audit conducted pursuant to Art. 317, HGB, and the EU-APrVO regulation, and in accordance with German standards for the proper auditing of financial statements as identified by the Institute of Public Auditors (IDW) will invariably reveal material misstatements. Mis-

statements may result from breaches or inaccuracies, and are considered material if it is reasonable to expect that they will affect, individually or collectively, the economic decisions that recipients of the annual financial statements and the management report make on the basis of them.

During the audit, we dutifully exercise our best judgement and maintain a critical stance. In addition,

- › we identify and assess the risks of material misstatements, be they due to fraud or error, in the annual financial statements and the management report, while also planning and performing audit procedures in response to such risks, and obtaining audit evidence that provides a sufficient and adequate basis for our audit opinions. The risk that material misstatements go unnoticed is greater for legal breaches than for inaccuracies because breaches may involve fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or the overriding of internal controls.
- › we familiarise ourselves with the internal control system that is relevant to the audit of the financial statements as well as with the safeguards and measures relevant for the audit of the management report so as to enable us to plan such audit procedures as are appropriate given the circumstances, albeit not for the purpose of appraising the effectiveness of these systems as used by the Company.
- › we appraise the adequacy of the accounting methods used by the legal representatives and the tenability of the accounting estimates and related disclosures made by the legal representatives.
- › we draw conclusions about the adequacy of the accounting principles applied by the legal representatives which assume the Company's intent to continue as a going concern, while also concluding on the basis of the audit evidence obtained whether there is any material uncertainty related to events or circumstances that could cast significant doubt on the Company's ability to continue as a going concern. If we conclude that such material uncertainty does exist, we are required to point out the relevant

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disclosures in the annual financial statements and in the management report in our audit report or, if the disclosures are inadequate, to revise our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, the Company's ability to continue as a going concern could also be compromised by future events or circumstances.

- › In addition, we appraise the overall presentation, the structure and content of the annual financial statements, including the disclosures, while also checking whether the annual financial statements present the underlying business transactions and events in such a way that the annual financial statements provide a true and fair view of the Company's net assets, financial and earnings position in accordance with accounting principles generally accepted in Germany.
- › we assess the consistency of the management report with the annual financial statements, its compliance with the law and the account of the Company's position it conveys.
- › we perform audit procedures on the forward-looking statements made by the legal representatives in the management report. On the basis of sufficient adequate audit evidence, we reconstruct in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We provide no independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

With those responsible for the Company's supervision, we discuss the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we detect in the course of our audit, among other things.

We will make a declaration vis-à-vis those charged with such supervision, saying that we have complied with the relevant independence requirements, and will discuss with them all relationships and other matters that may reasonably be thought to affect our independence, and the safeguards that have been put in place to address them.

From the matters we discussed with those responsible for the supervision, we determine those matters that were most significant for the audit of the annual financial statements of the current period and which therefore represent the key audit matters. We discuss these matters in our audit report unless applicable laws or regulations preclude public disclosure of a given matter.

### Miscellaneous Statutory and Other Legal Requirements

#### Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and the Management Report Prepared for the Purpose of Disclosure in Accordance with Art. 317, Sec. 3a, HGB

#### Audit Opinion

We performed an audit with reasonable assurance pursuant to Art. 317, HGB, to determine whether the reproductions of the annual financial statements and the management report contained in the "ACCENTRO\_JA.zip" file and prepared for disclosure purposes (hereinafter also referred to as "ESEF Documents") comply in all material respects with the requirements of Art. 328, Sec. 1, HGB, for the electronic reporting format (the "ESEF format"). In accordance with German legal requirements, this audit extends only to the transfer of the information contained in the annual financial statements and the management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforesaid file.

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In our opinion, the reproductions of the annual financial statements and the management report contained in the aforesaid file and prepared for the purpose of disclosure comply in all material respects with the requirements of Art. 328, Sec. 1, HGB, concerning the electronic reporting format. Other than this opinion and our opinions on the accompanying annual financial statements and on the accompanying management report for the financial year beginning on 1 January and ending on 31 December 2021 included in the "Note on the Audit of the Annual Financial Statements and of the Management Report" above, we do not express an opinion on the information contained in these reproductions or on any other information contained in the aforesaid file.

### Basis for the Audit Opinion

We performed our audit of the reproductions of the annual financial statements and the management report contained in the aforementioned file in accordance with Art. 317, Sec. 3a, HGB, while taking account of the IDW Auditing Standard: "Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure in Accordance with §317 (3a) HGB" (IDW PS 410 (10.2021)). Our responsibility thereafter is further detailed in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has applied the quality assurance system requirements of the IDW Quality Assurance Standard: "Requirements for Quality Assurance in Auditing Practice" (IDW QS 1).

### Responsibility of the Legal Representatives and the Supervisory Board for the ESEF Documents

The Company's legal representatives are responsible for the preparation of the ESEF documents, which include electronic reproductions of the annual financial statements and the management report as stipulated by Art. 328, Sec. 1, Sent. 4, No. 1, HGB. Moreover, the Company's legal representatives are responsible for the internal controls they deem necessary to

permit the preparation of the ESEF documents in a way that is free from material non-compliance, be it due to fraud or error, with the electronic reporting format requirements of Art. 328, Sec. 1, HGB.

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

### Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance, be it due to fraud or error, with the requirements of Art. 328, Sec. 1, HGB. During the audit, we dutifully exercise our best judgement and maintain a critical stance. In addition,

- › we identify and assess the risks of violations of the requirements of Art. 328, Sec. 1, HGB, be they due to fraud or error, while also planning and performing audit procedures in response to such risks, and obtaining audit evidence that provides a sufficient and adequate basis for our audit opinion.
- › we familiarise ourselves with the internal control system that is relevant to the audit of the ESEF documents so as to enable us to plan audit procedures that are appropriate given the circumstances, albeit not for the purpose of expressing an audit opinion about the effectiveness of these controls.
- › we assess the technical validity of the ESEF documents, i. e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended by the reporting date, concerning the technical specification for that file.
- › we assess whether the ESEF documents permit a substantively consistent XHTML representation of the audited annual financial statements and the audited management report.

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### **Other Disclosures pursuant to Art. 10 EU-APrVO**

We were elected as auditors by the Annual General Meeting on 22 June 2021. We were appointed by the Supervisory Board on 19 November 2021. We have continuously served as auditor of ACCENTRO Real Estate AG, Berlin, since its 2014 short financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Supervisory Board pursuant to Art. 11, EU-APrVO (audit report).

### **Other Matters – Use of the Audit Report**

Our audit report should always be read in conjunction with the audited annual financial statements and the audited management report as well as the audited ESEF documents. The annual financial statements and the management report converted into the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited annual financial statements and the audited management report, and do not replace them. In particular, the ESEF note and our audit report contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

### **Auditor in Charge**

The auditor responsible for the audit is Glenn Friedrich.

Hamburg, 30 April 2022

Ebner Stolz GmbH & Co. KG  
auditing firm tax services firm

**Julian Breidthardt**  
chartered accountant

**Glenn Friedrich**  
chartered accountant

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Fax: +49 (0)30 887 181-11  
E-Mail: [mail@ACCENTRO.de](mailto:mail@ACCENTRO.de)  
Home: [WWW.ACCENTRO.DE](http://WWW.ACCENTRO.DE)

### Management Board

Lars Schriewer

### Chairman of the Supervisory Board

Axel Harloff, Hamburg

### Contact

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### Concept, Editing, Layout

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Cover: Gregor Hohenberg  
Management Board: Thomas Knieps

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REAL ESTATE AG

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