

ACCENTRO

REAL ESTATE AG

INTERIM REPORT H1 2021

Overview

Key Financial Data

ACCENTRO Real Estate AG	1st half-year 2021 01 Jan. 2021 – 30 June 2021	1st half-year 2020 01 Jan. 2020 – 30 June 2020
Income statement	TEUR	TEUR
Group revenues	73,015	37,354
Gross profit (interim result)	15,144	8,686
EBIT	19,057	1,219
EBT	7,840	-8,749
Consolidated income	4,664	-11,563

ACCENTRO Real Estate AG	30 June 2021	31 Dec. 2020
Balance sheet ratios	TEUR	TEUR
Non-current assets	370,432	311,348
Current assets	610,881	550,640
Shareholders' equity	255,746	247,101
Equity ratio	26.1 %	28.7 %
Total assets	981,313	861,987
Loan to Value (LTV)*	56.1 %	57.1 %

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

ACCENTRO Real Estate AG

Company shares	
Stock market segment	Prime Standard
ISIN	DE000AOKFKB3
German Securities Code Number (WKN)	AOKFKB
Number of shares as of 30 June 2021	32,437,934
Free float	12.12 %
Share price high (1 January – 30 June 2021)*	EUR 9.05
Share price low (1 January – 30 June 2021)*	EUR 7.35
Closing price on 30 June 2021*	EUR 8.15
Market capitalisation on 30 June 2021*	EUR 264,369,162.10

* Closing prices in Xetra trading

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Letter to the Shareholders

**Dear Shareholders,
Ladies and Gentlemen,**

ACCENTRO is growing dynamically and looks back on a very prosperous first half-year. Driven by the yet persistent low-interest policy and the high level of liquidity associated with it, both private and institutional investors were hunting for high-yield investment assets. Lately, growing inflation concerns have further fuelled the already keen demand for investment opportunities in safe asset classes. We, for one, were able to take advantage of the superb competitive situation, and offer attractive property assets to investors.

On the whole, our business developed very handsomely. All of our key ratios experienced significant growth. Compared to the first half-year of 2020, we nearly doubled our revenues. Our EBIT actually multiplied.

The consolidated revenues increased by 95.2% to EUR 73.0 million (previous year: EUR 37.4 million). Even more dynamic, and substantially so, was the performance of consolidated earnings before interest and taxes (EBIT): These climbed to EUR 19.1 million (previous year: EUR 1.2 million). In turn, they pushed the consolidated earnings up to EUR 4.7 million (previous year: EUR -11.6 million) and earnings per share up to EUR 0.14 (previous year: EUR -0.36).

Contributions to operating income from fair value adjustments of investment properties – meaning real estate that ACCENTRO holds in its portfolio for the long-term – had a very positive impact on EBIT with EUR 16.3 million. They clearly demonstrated the quality and the capital appreciation potential of our real estate.

Our total assets increased to EUR 981 million (31 December 2020: EUR 862 million), which is attributable not least to the further expansion of our proprietary stock of rental flats. The latter is also reflected in the rental income, which jumped up by 96.4% to EUR 10.8 million (previous year: EUR 5.5 million).

We also achieved an excellent performance in the privatisation of residential real estate. Here, revenues almost doubled as they increased by 97.4% to EUR 61.0 million (previous year: EUR 30.9 million) during the first six months. We sold 360 units to tenants, owner-occupiers and private investors. This implies an increase by 122.2% over prior-year period (previous year: 162 units). The notarised volume of property sales amounted to EUR 116.3 million and exceeded the prior-year figure by a significant 155.0% (previous year: EUR 45.6 million).

The reassuring business development of the first half year fills us with confidence for the months to come. We therefore uphold our

forecast for the 2021 financial year. It predicts that revenues will grow by around 60% to somewhere between EUR 170 and 200 million (previous year: EUR 125,2 million) and the EBIT by up to around 44% to somewhere between EUR 45 and 50 million (previous year: EUR 34.8 million). Besides further fair value adjustments the earnings performance in the second half of the year will be driven by privatisation revenues – not least because of the robust sales activities during the first half-year – and by proceeds from global sales and rent revenues.

Moreover, the prospects for further growth are as bright as they could be. Demand for housing in Germany – being for ownership or rental – is as strong as ever, and the structurally induced supply shortage will persist in the short and medium term. We have an attractive residential portfolio to serve this strong demand. As recently as July, for instance, we expanded our real estate portfolio in North Rhine-Westphalia by 45%.

Our objective is to enlarge our privatisation and rental portfolios substantially. There are a number of attractive ways to do this. At the same time, our sales pipeline remains well filled. The growing stock of rental apartments simultaneously offers plenty of development potential and steadily growing rent revenues. But it will also serve as foundation for our global sales to institutional investors who are keenly interested in this coveted asset class.



In addition, we will collaborate with renowned companies to develop promising concepts, the idea being to move the sales service for third parties to the next level in a sustainable manner. These strategic steps will deliver another significant increase in revenues and profitability in the medium term.

There is no better motivation to keep pursuing the chosen course than the success we have seen. We will steadily expand the different business divisions – and do so in an optimal combination in order to continue on our income-focused and stable growth trajectory. For now, let me thank you for the faith you put in us. Please stay safe and sound!

A handwritten signature in black ink, appearing to read 'Lars Schriewer', written in a cursive style.

Lars Schriewer
CEO of ACCENTRO Real Estate AG

Interim Management Report

Preliminary Remarks

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

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

1 Basic Structure of the Group

1.1 Group Business Model, Objectives and Strategies

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

1.2 Group Structure and Control System

ACCENTRO AG acts as parent company and an operationally active holding company for a number of member companies in which the housing stock is concentrated, and for one service company focused on the business of housing privatisation. For companies in which it holds a controlling interest, ACCENTRO AG assumes the top-down responsibilities of corporate controlling, funding, and administration. ACCENTRO AG's sphere of ownership includes core divisions such as Legal, Accounting, Controlling, Risk Management, Financing, Investor Relations, Procurement, Project Management, Technical and Commercial Asset Management.

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

ACCENTRO AG uses EBIT as financial performance indicator for corporate controlling purposes. Here, the key control variable is the sales performance of the properties, definitive factors including the number of condominium reservations placed by potential buyers, among others, and the actual selling prices realised. This variable is aggregated both as number of apartments involved and as sales total. The other factors that the control system takes into account include the operating income of each sub-portfolio or of each property. In addition, control variables like the number of new clients as well as viewings and reservations serve as early indicators of the Company's performance.

Factors aggregated on the level of the parent Group include prompt and regular updates on the liquidity position. The liquidity planning for the next 12 months is conducted on a rolling basis. This centrally controlled responsibility helps to monitor the financial stability of the corporate Group. Continuously measuring the liquidity flows on the level of each company and the level of the parent Group is an integral part of this control.

2 Economic Report

2.1 Macroeconomic Development

The macroeconomic situation in Germany points to a gradual recovery. According to figures released by the Federal Statistical Office (Destatis), the country's gross domestic product (GDP) grew by 1.5 % quarter on quarter during Q2 2021 when adjusted for inflation, seasonal variation and calendar effects. The trend was fuelled primarily by increased private and government consumption spending. As recently as the first quarter of 2021, the GDP had suffered a 2.1 % loss over prior quarter.

Year on year, the GDP rose by 9.2 %, again adjusted for inflation and calendar effects.

For 2021 as a whole, the forecast ventured by the ifo Institute for Economic Research in June 2021 predicts a GDP growth of 3.3 %. By the same date, the Institute for the World Economy (IfW) made an even bolder growth prediction of 3.9 %. Both forecasts agree, however, that bottlenecks in the supply of intermediate products are the main factor standing in the way of an even more dynamic upturn.

The economic recovery also caused the situation on the labour market to keep improving. According to the Federal Labour Agency, unemployment continued its gradual decline, registering 5.6 % by the end of July. The outlook for the labour market remains bright.

Meanwhile, the Deutsche Bundesbank estimated in June 2021 that Germany's inflation rate will climb to 2.6% before the end of the year. Even price hikes as high as 4% are conceivable from one month to the next. For instance, Destatis reported a provisional inflation rate of 3.8% for July. The price trend in the ongoing year is paced mainly by higher energy prices and the return to the regular VAT rate after a temporary cut last year.

An important signal was set by the European Central Bank recently when it adjusted the inflation target to 2%. Doing so gives the ECB more leeway to maintain its zero-interest policy. Under the new strategy, it may leave the interest rates unchanged even if inflation is "moderately above target" during a transitory period.

2.2 Development of the German Housing Market

During the first six months of 2021, the German housing market remained unimpressed by the ongoing coronavirus pandemic and demonstrated its crisis-resilience once again. According to the latest "Housing Barometer" released by the ImmoScout 24 real estate portal, prices for existing apartments rose by 9% nationwide since the end of the second half-year of 2020. The price growth for new-build apartments amounted to 7.9%.

Similarly positive was the performance of mid-market asking rents in Germany's "Big Eight" cities, as Jones Lang LaSalle (JLL) reported. These increased by 2.4% over prior year during the first half-year of 2021.

JLL also published stats that document the growing demand for housing, especially in Germany's other urban districts or major cities, of which there are nearly 100. Over the past twelve months, medium asking rents rose by 9% here, and therefore faster than they did in the "Big Eight" cities. During the same period of time, selling prices for ownership apartments (existing and new-build) both in the eight largest and other major cities (urban districts) increased by 15%.

The ZIA German Property Federation believes that the development of housing accommodation will also remain stable because of persistently strong demand. The supply in new-build housing units continues to grow, and there is no reason to fear a slump. This, the hypothesis of long-term growth, is backed by the still attractive parameters for real estate financing arrangements and the favourable terms of interest. However, the fundamentals of the German housing market environment, especially the supply shortage, are here to stay. A survey conducted by Deutsche Bank from March 2021 suggests that the number of completed apartments will be slow to cross the mark of 300,000 units per year, whereas the annual demand is now estimated at more than 350,000 units.

The volume of residential real estate transactions during the first six months of 2021 illustrates the upward market trend. According to an analysis by CBRE, it actually topped the five-year average at far more than 9 billion euros, which is largely attributable to the resurgent willingness to invest among private home buyers.

The principal resolve to buy an apartment has arguably not been shaken by the coronavirus crisis. Rather, high-level liquidity, low-level interest rates and unchecked rent growth combine into a mix that stimulates demand for homeownership. The same goes for institutional investors, who consider residential real estate a sustainably attractive investment format, especially in time of crisis, because of its stable returns and cashflows.

2.3 Business Performance

The business performance of the ACCENTRO Group during the first half-year of 2021 was very positive. Sales revenues significantly increased over prior-year period. Lettings also increased noticeably, as did the earnings before interest and income taxes (EBIT). As expected, the earnings performance was driven by positive contributions to operating income from fair value adjustments of investment properties. The cash flow from operations prior to reinvestment in the real estate assets is positive, and the Company continued to expand its property inventory.

Against the background of the successful business performance during the first half of 2021 and with a view to the anticipated business development in the second half-year, ACCENTRO Real Estate AG upholds the forecasts it made for the trend in revenues and the EBIT in its consolidated financial statements dated 31 December 2020.

The Company's share capital added up to the unchanged amount of EUR 32,437,934.00 as of 30 June 2021.

2.4 Earnings, Financial and Asset Position

Earnings Position

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

	H1 2021	H1 2020
	EUR million	EUR million
Consolidated revenues	73.0	37.4
EBIT	19.1	1.2
Consolidated income	4.7	-11.6

The consolidated revenues of the first half of the 2021 financial year totalled EUR 73.0 million (reference period: EUR 37.4 million) and therefore nearly doubled year on year. This is primarily attributable to the significantly increased revenues in housing privatisation segment and to the much-improved rental revenues. The latter almost doubled due to the expansion of the company's residential portfolio.

The earnings before interest and tax (EBIT) for the reporting period equalled EUR 19.1 million (reference period: EUR 1.2 million) and are within the parameters of our mid-year forecast for 2021. The brisk increase over prior year was largely defined by the result of the fair value adjustments of investment properties in the amount of EUR 16.3 million (reference period: EUR 0.0 million). Moreover, the rapid rise in revenues has a positive impact on the EBIT because the increase was not offset by a comparable increase in operating expenses.

At EUR 5.1 million, the total payroll and benefit costs increased compared to the reference period with its total of EUR 4.2 million. The increase is explained by further hirings to enlarge the human resource pool.

The net interest expense during the first half-year of 2021 (EUR –11.2 million; reference period: EUR –10.0 million) consists mainly of interest expenses for the c. EUR 300 million loan portfolio, as well as for the 2020/2023 bond over EUR 250 million and the 2021/2026 bond over EUR 100 million. Interest expenses in the amount of EUR 12.6 million (reference period: EUR 12.0 million) are offset by interest income in the amount of EUR 1.4 million (reference period: EUR 2.0 million).

The earnings before taxes equal EUR 7.8 million, down from EUR –8.7 million at the end of the reference period. Taking into account income taxes in the amount of EUR –3.2 million (reference period: EUR –2.8 million), this results in a consolidated income of EUR 4.7 million (reference period: EUR –11.6 million). The tax expense largely reflects the deferred tax liabilities on the valuation effects of the portfolio properties.

Financial Position

Key Figures from the Cash Flow Statement	H1 2021	H1 2020
	EUR million	EUR million
Cash flow from operating activities	34.3	–48.8
Cash flow from investment activities	–50.7	–58.2
Cash flow from financing activities	70.9	129.5
Net change in cash and cash equivalents	54.6	22.5
Change in restricted cash and cash equivalents/ adjustment of cash and cash equivalents	0.0	–2.5
Consolidation changes on cash and cash equivalents	1.8	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	113.0	44.2

During the first six months of 2021, the cash flow from current operations amounted to EUR 34.3 million (reference period: EUR –48.8 million). The positive cash flow from operations during the first half of 2021 is definitively explained by the increased number of residential units sold through privatisation. Large volumes of payments received during the first half-year reduced the trade receivables and other assets by EUR 9.0 million. Inversely, the accounts payable, and here specifically advance payments received, increased by EUR 21.1 million. Cash investments in inventory properties added up to the positive figure of EUR 4.0 million by mid-year. This means that the sales of inventory assets outweighed the investments. Due to the classification of the properties as trading assets, investments in inventories are allocated to the current operations.

The cash flow from investment activities amounted to EUR –50.7 million during the reporting period (reference period: EUR –58.2 million). The negative cash flow is essentially attributable to cash outflows for the acquisition of investment properties in the amount of EUR –45.9 million and disbursements of loans granted in the amount of EUR –10.0 million. The sum is offset by interest received in the amount of EUR 5.0 million.

The cash flow from financing activities amounted to EUR 70.9 million during the reporting period (reference period: EUR 129.5 million) and is dominated by the cash inflow of EUR 121.7 million from a bond issue over a nominal amount of EUR 100 million and by other loans taken out. The sum is offset by repayments of loan principals in the amount of EUR 40.7 million. The outflow for interest and financing costs during the half-year under review amounted to EUR 10.0 million (cash outflow during reference period: EUR 12.7 million), which was materially influenced, as was the reference period, by the expenses of the bond issue and the cash-effective interest expenses.

Cash and cash equivalents amounted to EUR 113.0 million as of 30 June 2021, compared to EUR 56.5 million as of 31 December 2020.

Asset Position

Key Figures from the Balance Sheet	30 June 2021	31 Dec. 2020
	EUR million	EUR million
Non-current assets	370.4	311.3
Owner-occupied properties and buildings	24.3	24.4
Investment properties	289.8	215.0
Non-current receivables and other assets	21.8	25.1
Equity investments and equity interests accounted for using the equity method	12.0	11.9
Other non-current assets	22.5	34.9
Current assets	610.9	550.6
Inventory properties	406.1	409.5
Receivables	91.8	84.6
Cash and cash equivalents	113.0	56.5
Non-current liabilities	498.0	402.4
Current liabilities	227.6	212.4
Shareholders' equity	255.7	247.1
Total assets	981.3	862.0

The total assets increased by EUR 119.3 million since the balance sheet date of 31 December 2020, rising to a sum total of EUR 981.3 million (31 December 2020: EUR 862.0 million). This is explained above all by the increase in investment properties by EUR 74.8 million to EUR 289.8 million (31 December 2020: EUR 215.0 million), which breaks down mainly into acquisitions in the amount of EUR 51.6 million, the transfer of rights of use to plots subject to ground leases in the amount of EUR 5.5 million, and net increases in fair value by EUR 16.3 million. In addition, the cash and cash equivalents increased by EUR 56.4 million since year-end 2020, mainly because of the cash inflow collected through the issuance of the 2021/2026 bond.

The increase in non-current liabilities in the amount of EUR 95.6 million is almost exclusively explained by the issue of the new 2021/2016 bond over a nominal amount of EUR 100 million. The sum total of current liabilities rose by EUR 15.2 million since year-end 2020. The amount is essentially explained by the increase in advance payments received by EUR 17.9 million. The decline in current financial liabilities by EUR 6.5 million has a converse effect. The current assets far exceed the current liabilities, just like they did on the reference balance sheet.

During the reporting period, the shareholders' equity of the ACCENTRO Group rose from EUR 247.1 million as of 31 December 2020 to EUR 255.7 million by 30 June 2021. The rise in total assets by 13.8% since year-end 2020 while the total equity increased slightly resulted in a regressive equity ratio of 26.1%, compared to the level of 28.7% as of 31 December 2020.

The balance sheet structure has experienced no material changes since year-end 2020. The loan-to-value ratio (LTV) dropped from 57.1% to 56.1% by 30 June 2021.

General Statement on the Group's Business Situation

The economic situation of the ACCENTRO Group remained unchanged during the first six months of the 2021 financial year despite the restrictions imposed on business life by COVID-19. ACCENTRO Real Estate AG therefore reaffirms its account of the economic situation as stated in the 2020 Annual Report, which was published on 30 April 2021.

3 Forecast Report

In its Annual Report 2020, ACCENTRO AG predicted consolidated revenues in a bandwidth of EUR170 – 200 million (previous year: EUR 125.2 million) and consolidated earnings before interest and taxes (EBIT) in a range of EUR 45–50 million (previous year: EUR 34.8 million) for the 2021 financial year.

Based on the successful business performance during the first six months of 2021 and the anticipated business development during the remainder of the year, the Company upholds its forecast for the 2021 financial year.

Although the strain of the COVID-19 pandemic has eased considerably in recent weeks, a renewed rise in infection rates, which could be driven not least by the spread of new virus variants, cannot be ruled out as the year progresses. Such as development, possibly combined with a renewed tightening of restrictions, could also impact the performance of ACCENTRO's business.

4 Opportunity and Risk Report

The opportunities and risks outlined in the summarising Management Report of the 2020 Annual Report remain essentially the same as of 30 June 2021, the date of these interim financial statements.

ACCENTRO closely monitors the latest market developments and considers it of the essence to be well prepared for shifts in the market at all times. In the course of the ongoing year, the Company has also intensely focused on the further development of risk management processes that will permit a structured and early response to potentially unfavourable trends and events. They enable the Company to seize countermeasures in good time, ideally to avert potential damage before it is caused. With a view to the growth that the Company has seen lately and plans to keep seeking, the internal risk management system attains enormous significance. In order to deflect potential risks, the business model of ACCENTRO is continuously reviewed, adapted to market conditions if needed and expanded in a pinpoint fashion.

Consolidated Balance Sheet

as of 30 June 2021*

ACCENTRO Real Estate AG	30 June 2021	31 Dec. 2020
Assets	TEUR	TEUR
Non-current assets		
Goodwill	17,776	17,776
Owner-occupied properties and buildings	24,339	24,407
Plant and intangible assets	2,625	1,835
Investment properties	289,831	215,001
Advance payments made for investment properties	620	2,757
Advance payments on corporate mergers	0	11,344
Non-current other receivables and other assets	21,783	25,112
Equity investments	5,697	5,697
Equity interests accounted for using the equity method	6,347	6,279
Deferred tax assets	1,413	1,140
Total non-current assets	370,432	311,348
Current assets		
Inventory properties	406,132	409,505
Contract assets	4,598	407
Trade receivables	25,764	51,757
Current other receivables and other assets	59,791	30,696
Current income tax receivables	1,624	1,734
Cash and cash equivalents	112,972	56,541
Total current assets	610,881	550,640
Total assets	981,113	861,987

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

Consolidated Balance Sheet

as of 30 June 2021*

ACCENTRO Real Estate AG	30 June 2021	31 Dec. 2020
Equity	TEUR	TEUR
Subscribed capital	32,438	32,438
Capital reserves	79,737	79,658
Retained earnings	127,560	124,095
Attributable to parent company shareholders	239,736	236,191
Attributable to non-controlling interest	16,010	10,910
Total equity	255,746	247,101
Liabilities	TEUR	TEUR
Non-current liabilities		
Provisions	46	46
Financial liabilities	141,519	148,063
Bonds	345,496	245,265
Deferred income tax liabilities	10,899	9,074
Total non-current liabilities	497,960	402,448
Current liabilities		
Provisions	1,564	1,923
Financial liabilities	162,252	168,760
Bonds	4,576	3,446
Advanced payments received	27,030	9,177
Current income tax liabilities	6,018	5,950
Trade payables	7,640	7,126
Other liabilities	18,529	16,055
Total current liabilities	227,608	212,438
Total equity and liabilities	981,313	861,987

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

Consolidated Income Statement

for the period 1 January through 30 June 2021*

	Q2 2021 01 April– 30 June 2021	Q2 2020 01 April– 30 June 2020	H1 2021 01 Jan.– 30 June 2021	H1 2020 01 Jan.– 30 June 2020
ACCENTRO Real Estate AG	TEUR	TEUR	TEUR	TEUR
Group sales	45,428	22,454	73,015	37,354
Revenues from sales of inventory properties	36,742	19,268	60,978	30,943
Expenses from sales of inventory properties	-31,865	-15,960	-51,050	-25,508
Capital gains from property sales	4,877	3,308	9,928	5,435
Letting revenues	7,845	2,811	10,783	5,537
Letting expenses	-6,225	-2,161	-7,325	-3,090
Net rental income	1,619	650	3,458	2,447
Revenues from services	841	375	1,255	875
Expenses from services	-120	-145	-360	-457
Net service income	721	230	895	417
Net income from companies accounted for using the equity method	62	0	62	0
Other operating income	753	32	802	387
Interim result	8,033	4,220	15,144	8,686
Gain or loss on fair value adjustments of investment properties	16,339	0	16,339	0
Payroll and benefit costs	-2,821	-2,069	-5,144	-4,237
Depreciation and amortisation of intangible assets and property, plant and equipment	-212	-200	-434	-400
Impairments of inventories and accounts receivable	0	-124	0	-124
Other operating expenses	-4,545	-1,030	-6,848	-2,706
EBIT (earnings before interest and income taxes)	16,793	797	19,057	1,219
Income from equity investments	9	9	18	18
Interest income	758	1,068	1,378	1,967
Interest expenses	-8,339	-4,614	-12,613	-11,953
Net interest result	-7,581	-3,546	-11,235	-9,986
EBT (earnings before income taxes)	9,221	-2,740	7,840	-8,749
Income taxes	-1,681	-918	-3,176	-2,814
Consolidated income	7,540	-3,658	4,664	-11,563
thereof attributable to non-controlling interests	1,173	81	1,289	95
thereof attributable to shareholders of the parent company	6,368	-3,739	3,374	-11,657

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

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	Q2 2021 01 April – 30 June 2021	Q2 2020 01 April – 30 June 2020	H1 2021 01 Jan. – 30 June 2021	H1 2020 01 Jan. – 30 June 2020
ACCENTRO Real Estate AG				
Earnings per share (comprehensive income)	EUR	EUR	EUR	EUR
Basic net income per share (32,437,934 shares; prior year: 32,437,934 shares)	0.23	-0.11	0.14	-0.36

Consolidated Cash Flow Statement

for the period 1 January through 30 June 2021*

ACCENTRO Real Estate AG	H1 2021 01 Jan. 2021– 30 June 2021	H1 2020 01 Jan. 2020– 30 June 2020
	TEUR	TEUR
Consolidated income	4,664	-11,563
+ Depreciation/amortisation of non-current assets	434	400
+/- Losses / gains from disposal of financial assets	-499	0
-/+ At-equity earnings / net income from investments	-62	-18
+/- Increase/decrease in provisions	-359	-467
+/- Changes in the fair value of investment property	-16,339	0
+/- Other non-cash expenses/income	14,194	3,782
-/+ Increase/decrease in trade receivables and other assets that are not attributable to investing or financing activities	8,976	-1,471
+/- Increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	21,134	17,419
+ Cash received from distributions / sales of shares consolidated at equity	0	0
+/- Other income tax payments	-1,833	-5,860
= Operating cash flow before de-/reinvestments in inventories	30,310	2,222
-/+ Cash divestments in investment properties (net after assumption of debt, some without cash effect)	4,037	-51,040
= Cash flow from operating activities	34,347	-48,818
+ Interest received	5,039	500
- Cash outflows for investments in property, plant and equipment and in intangible assets	-1,156	-1,006
+ Payments from disposals of financial assets	500	0
- Cash outflows for investments in non-current assets	-655	-1,260
- Cash outflows for the purchase of investment property	-45,880	0
- Disbursements of loans granted	-10,028	-56,390
+ Cash received from distributions / sales of shares consolidated at equity	0	0
+ Repayment of loans granted	1,504	0
= Cash flow from investment activities	-50,675	-58,156

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ACCENTRO Real Estate AG	H1 2021 01 Jan. 2021 – 30 June 2021	H1 2020 01 Jan. 2020 – 30 June 2020
	TEUR	TEUR
– Dividend payments to shareholders	0	0
+ Payments from issuing bonds and raising (financial) loans	121,720	286,813
– Repayment of bonds and (financial) loans	–40,727	–144,682
– Interest paid and financing costs	–10,073	–12,654
= Cash flow from financing activities	70,920	129,477
Net change in cash and cash equivalents	54,592	22,502
+/- Consolidation-related change in financial resources	1,837	0
+/- Change in restricted cash and cash equivalents / adjustment of cash and cash equivalents	0	–2,482
– Decrease in cash and cash equivalents from disposal of fully consolidated companies	0	0
+ Cash and cash equivalents at the beginning of the period	56,541	24,167
= Cash and cash equivalents at the end of the period	112,971	44,187

Consolidated Statement of Changes in Equity

for the period 1 January through 30 June 2021*

	Subscribed capital	Capital reserve	Retained earnings	Attributable to parent company shareholders	Non-controlling interests	Total
ACCENTRO Real Estate AG	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 1 January 2021	32,438	79,658	124,095	236,191	10,910	247,101
Total consolidated income	–	–	3,374	3,374	1,289	4,664
Changes in non-controlling interests	–	–	–	–	3,811	3,811
Dividend payments	–	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–
Equity change from application of IFRS 2	–	79	–	79	–	79
Other effects	–	–	91	91	–	91
As of 30 June 2021	32,438	79,737	127,561	239,736	16,010	255,746

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

Consolidated Statement of Changes in Equity

for the period 1 January through 30 June 2020*

	Sub- scribed capital	Capital reserve	Retained earnings	Attribut- able to parent company share- holders	Non-con- trolling interests	Total
ACCENTRO Real Estate AG	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 1 January 2020	32,438	78,684	107,561	218,683	2,128	220,811
Total consolidated income	–	–	–11,181	–11,181	95	–11,086
Changes in non-controlling interests	–	–	–	–	–	–
Dividend payments	–	–	–	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–
Equity change from application of IFRS 2	–	266	–	266	–	266
Purchase/sale of company shares	–	–	–	–	–	–
As of 30 June 2020	32,438	78,950	96,380	207,768	2,223	209,991

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

Selected Disclosures on Condensed Consolidated Interim Financial Statements

1 Basic Information

ACCENTRO Real Estate AG with its subsidiaries is a listed real estate group with four main business divisions. The latter include the retailing of condominiums to private owner-occupiers and buy-to-let investors, the sale of real estate portfolios to institutional investors, the management of a proprietary real estate portfolio, and finally the provision of marketing and property administration services to third parties.

The core business of ACCENTRO consists of residential property trading within the framework of housing privatisations. In addition to its home market of Berlin, the Company focuses on auspicious metro regions such as Hamburg, Rhine-Ruhr and Leipzig. In its Privatisation & Investment division, ACCENTRO retails condominiums from its proprietary portfolio to owner-occupiers and buy-to-let investors or – bundled into portfolios – to institutional investors. This division is supplemented by the management and development of the Company's proprietary real estate stock. In its Services & Ventures division, ACCENTRO sells apartments on behalf of investors and property developers – including through equity investments within the framework of joint ventures. ACCENTRO Real Estate AG is listed on the Prime Standard segment of the Frankfurt Stock Exchange (German securities code number WKN: AOKFKB, ISIN: DE000AOKFKB3). The stock corporation's registered office is at Kantstrasse 44/45 in 10625 Berlin, Germany.

As at 30 June 2021, ACCENTRO Real Estate AG acts as the operating holding company for a large number of property vehicles.

These condensed consolidated interim financial statements in accordance with IAS 34 were approved for publication by the company's Management Board in August 2021. The condensed consolidated interim financial statements were reviewed by an auditor.

It was decided not to include a statement of comprehensive income because there are no other effects recognised directly in equity that should be posted with the other comprehensive income.

2 Significant Accounting Policies

These condensed consolidated interim financial statements of ACCENTRO Real Estate AG cover the period starting 1 January and ending 30 June 2021. They were compiled in compliance with the requirements of the IAS 34 "Interim Financial Reporting."

The condensed consolidated interim financial statements present, in compliance with the requirements of the IAS 34, an update of the most recent regular consolidated financial statements, and therefore do not include all information and disclosures necessary for consolidated financial statements, but concentrate on the latest developments and events without repeating information already reported. Accordingly, these condensed consolidated interim financial statements of ACCENTRO Real Estate AG as of 30 June 2021 should always be read in combination with the consolidated financial statements compiled as of 31 December 2020.

All of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the IFRS Interpretations Committee (IFRS IC) whose application is mandatory for the 2021 financial year were taken into account.

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

Compared to the consolidated financial statements as of 31 December 2020, there were no material changes in estimates.

The condensed consolidated financial statements were released for publication by the Management Board on 31 August 2021.

3 Consolidation

3.1 Principles of Consolidation

The Company's subsidiaries are included in the consolidated financial statements in accordance with IFRS 10. Subsidiaries are understood to be all companies in which the ACCENTRO Group holds a controlling interest. Control over an equity interest exists if the Group has the direct or indirect power to make decisions about a given Group company based on voting rights or other rights, if it has an interest in

positive or negative variable returns from that Group company, and if it may use its control over the company to influence those returns. These attributes must be fulfilled cumulatively.

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

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

Worth noting in this context are also the disclosures on the consolidation principles in the annual report for the 2020 financial year.

3.2 Changes in the Basis of Consolidation during the Reporting Period

By 30 June 2021, the basis of consolidation was expanded compared to 31 December 2020 (40 subsidiaries and nine joint ventures) to include another two companies in conjunction with the ongoing enlargement of the portfolio assets. The company Wissmannstrasse 15. Grundbesitz GmbH, which was deconsolidated in 2020 and the interest in it subsequently recognised at equity, was fully consolidated again as of 30 June 2021 because ACCENTRO increased its interest in it to 89.9% (31 December 2020: 30%). During the first half of 2021, ACCENTRO acquired a 51% interest in the company KAISER 102 Projektentwicklungs GmbH, which is consolidated at equity. The at-equity interest in the company SHG Basdorfer Gärten BF6 Liegenschaften GmbH was deconsolidated after all shares in it were disposed of. As a result, the basis of consolidation as of 30 June 2021 included 43 subsidiaries that will be fully consolidated, along with eight joint ventures that are consolidated using the at-equity method.

Number of	subsidiaries	joint ventures
As at 1 January 2021	40	9
Acquisitions	2	1
Increase in equity interest	1	-1
Disposals	0	-1
As at 30 June 2021	43	8

In addition, four shelf companies were acquired that were not consolidated as of 30 June 2021 due to immateriality.

Acquisition of Accentro Gera Wohnen 2 GmbH (previously Lekova 18 GmbH)

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

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

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

With the transaction, the Company acquired investment properties in a value of TEUR 32,691 and rights under ground leases in the amount of TEUR 5,497.

The ground lease agreements effective as at balance sheet date for eight plots held in the inventory of Accentro Gera Wohnen 2 GmbH fall into the scope of application of IFRS 16 because the right to use a plot is transferred to the ground lessee via such an agreement against payment of a consideration for a certain period of time. On initial recognition, the lease liability is recognised with the cash value of the ground rent payments. The right of use is recognised in analogy to the liability and over the same amount, because there were no payments for the ground lease over and above the ground rent. This valuation was adopted as fair value at the time of initial consolidation in the amount of TEUR 5,497. As of 30 June 2021, the rights of use arising from the ground lease agreements of Accentro Gera Wohnen 2 GmbH amount to TEUR 5,497, and are reported under "Additions to rights of use" in the item "Investment properties." The associated lease liability amounted to TEUR 5,477 as of 30 June 2021.

Acquisition of Lekova 19 GmbH

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

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

Lekova 19 GmbH was fully consolidated in the consolidated interim financial statements of ACCENTRO Real Estate AG in accordance with the requirements of IFRS 10. The initial consolidation took place when the conditions of the share purchase agreement were fulfilled on and as of 30 April 2021.

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

Rescission of the Acquisition of DIM Holding AG

For the sale-and-purchase agreement concerning shares and shareholder loans of DIM Holding AG, which were recognised in the consolidated financial statements as of 31 December 2020 in the form of advance payments toward the provisional purchase price in the amount of TEUR 11,344 for the acquired shares and another TEUR 3,956 toward the acquisition of shareholder loans, a termination agreement was concluded at the request of ACCENTRO during the first half-year of 2021. The sale-and-purchase agreement granted ACCENTRO the option to back out of the deal if the seller fails to fulfil the contractually defined performance obligations. The receivables from the rescission of this sale-and-purchase agreement are recognised under other "Receivables and other current assets" in the amount of TEUR 15,300. Please take note of the elaborations in section 5.5 herein.

4 Segment Reporting

The internal reporting to the Management Board of ACCENTRO Real Estate AG does not include regional drilldowns or any other segmentation.

5 Selected Explanatory Notes on the Consolidated Interim Financial Statements

5.1. Investment Properties

	2021	2020
	TEUR	TEUR
Carrying amount as of 1 Jan.	215,001	34,452
Additions	1,376	137
Additional acquisitions	51,617	152,045
Additions to rights of use	5,497	0
Fair value increases (+)	17,979	28,367
Fair value decreases (-)	-1,640	0
Carrying amount as of 31 Dec. and 30 June	289,831	215,001

ACCENTRO acquired properties and property portfolios worth TEUR 51,617 during the 2021 financial year (2020 financial year: TEUR152,045). The properties are located in Gera, Königswartha, Duisburg, Hagen and Krefeld, among other cities. In addition, rights of use to the ground lease properties in Gera in the amount of TEUR 5,497 transferred to the company. They were allocated to the investment properties (IAS 40).

Investment properties were appraised in accordance with IAS 40.32A (a) at a fair value of TEUR 289,831 (31 December 2020: TEUR 215,001) while the net value balance of TEUR 16,339 (2020 financial year: TEUR 28,367) determined as of the measurement date of 30 June 2021 by a surveyor on this occasion was recognised as income.

The rental income from the investment properties added up to TEUR 4,321 by mid-year 2021, (first half-year 2020: TEUR 469). The directly attributable operating expenses of the investment properties amounted to TEUR 1,531 (first half-year 2020: TEUR 103).

The advance payments made toward investment properties dropped from TEUR 2,137 down to TEUR 620 as of 30 June 2021 (31 December 2020: TEUR 2,757). At the end of the previous year, this item included down-payments toward properties whose transfer of benefits and burdens did not take place until the first half of 2021.

5.2. Other Long-Term Receivables and Other Assets

	30 June 2021	31 Dec. 2020
	TEUR	TEUR
Other long-term receivables and other assets		
Subordinated loan to the associate Belle Époque Quartier Gehrensee GmbH	12,607	12,117
Receivables from investment companies	3,740	3,674
Loan to the associate Gutshof Dahlewitz 1 GmbH und Gutshof Dahlewitz 2 GmbH	2,375	1,891
Loan to the associate Düne 102 Projektentwicklungs GmbH	1,633	1,969
Loan to the associate Düne 102 Projektentwicklungs GmbH	1,316	0
Loan to the associate SHG Basdorfer Gärten BF6 Liegenschaften GmbH	0	1,504
Loan receivables	0	3,956
Other non-current assets	112	0
Sum total of other long-term receivables and other assets	21,783	25,112

The non-current other receivables and other assets declined by TEUR 3,329 down to TEUR 21,783 during the first half-year of 2021 (31 December 2020: TEUR 25,112). The decrease is attributable, inter alia, to the sale of the loan that had been granted to the associate SHG Basdorfer Gärten BF6 Liegenschaften GmbH in conjunction with the sale of the interest in this company. In addition, loan receivables in the amount of TEUR 3,956 were recognised under current other receivables and other assets as of 30 June 2021 since the termination agreement concerning the acquisition of shares of DIM Holding AG necessitates the repayment of the total consideration that ACCENTRO already paid in 2020 within a year's time as of 30 June 2021.

5.3. Inventory Assets

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

	30 June 2021	31 Dec. 2020
	TEUR	TEUR
Properties	397,117	405,836
Advance payments	9,015	3,669
Sum total	406,132	409,505

Benefits and burdens that were transferred during the reporting period concerned 248 residential units acquired for a price of TEUR 26,925. For another 39 residential units that were acquired for a purchase price of TEUR 14,400, the sale and purchase agreements were signed during the reporting period, yet their benefits and burdens will not be transferred and recognised before the end of the reporting period.

At the same time, 360 units in a notarised property sales volume of TEUR 116,254 were sold. Transfers of benefits and burdens during the first half-year of 2021 concerned 239 units with sales volume of TEUR 60,978.

As at balance sheet date, there are contractual obligations to purchase inventory properties in the amount of TEUR 6,000 that includes TEUR 2,588 in purchase guarantees.

5.4. Trade Receivables

Trade receivables represent purchase price receivables and rent receivables. The development of trade receivables is shown in the following table:

	30 June 2021	31 Dec. 2020
	TEUR	TEUR
Trade receivables (gross)	25,781	51,773
Allowances	-17	-17
Trade receivables (net)	25,764	51,757
thereof non-current	0	0
thereof current	25,764	51,757

Trade receivables declined by TEUR 25,992 over prior year, down to TEUR 25,764 (31 December 2020: TEUR 51,757). The decrease is mainly attributable to received payments of acquisition prices and the corresponding drop in receivables from plot sales.

5.5. Current Other Receivables and Other Assets

	30 June 2021	31 Dec. 2020
	TEUR	TEUR
Receivable from the reversal of acquisitions	15,300	0
Loans from companies still in the acquisition process	14,325	13,975
Receivables from operating costs not yet invoiced	11,370	7,948
Loans against non-controlling interests	7,412	2,235
Deferred interest receivables	27	4,996
Miscellaneous other receivables	11,357	1,542
Sum total of current other receivables and other assets	59,791	30,696

The current other receivables and other assets increased by TEUR 29,095 to TEUR 59,791 by mid-year 2021 (31 December 2020: TEUR 30,696). The reason for this is mainly the reclassification of advance payments toward business combinations (31 December 2020: TEUR 11,344 in other long-term receivables and other assets) and of loan receivables (31 December 2020: TEUR 3,956 in other long-term receivables and other assets). As of 30 June 2021, these are recognised as current receivable representing the reclaimed purchase price for acquisitions in the amount of TEUR 15,300 because the total consideration that ACCENTRO already paid in 2020 is due for repayment within a year's time as of 30 June 2021.

Moreover, accounts receivable from operating costs not yet invoiced went up by TEUR 3,422 to TEUR 11,370 (31 December 2020: TEUR 7,948). The increase is explained mainly by recent acquisitions of investment properties.

The decline in deferred interest receivables in the amount of TEUR 4,969 represents the repayment of the loans granted, including interest, on 9 February 2021.

The loans against non-controlling interests increased because of additional loans taken out in connection with the acquisition of property companies by TEUR 5,177 up to TEUR 7,412 (31 December 2020: TEUR 2,235). The loans against non-controlling interests are short-term, fully unsecured and subordinated.

Other receivables are subject to allowances in the amount of TEUR 155 (31 December 2020: TEUR 155).

5.6. Financial Liabilities and Bonds

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

	30 June 2021	31 Dec. 2020
	TEUR	TEUR
Long-term financial liabilities and bonds		
Payables to banks	135,875	147,871
Bond liabilities	345,496	245,265
Lease liabilities	5,644	192
Total long-term financial liabilities and bonds	487,014	393,328
Current financial liabilities and bonds		
Payables to banks	162,252	168,760
Bond liabilities	4,576	3,446
Total current financial liabilities and bonds	166,828	172,206
Total financial liabilities and bonds	653,842	565,534

Financial liabilities increased by a total amount of TEUR 88,308 up to TEUR 653,842 by 30 June 2021 (31 December 2020: TEUR 565,534). The increase is attributable mainly to the placement of another corporate bond in a nominal value of EUR 100 million on 23 March 2021. The unsecured bond was fully subscribed by a pension fund. It has a five-year maturity until 23 March 2026, and bears 4.125% in annual interest. The net issue proceeds of the new bond are to be used to support the further growth of ACCENTRO, to refinance the acquisitions made last year, and for general corporate purposes. In conjunction with the placement of the corporate bond in March 2021, financing costs in an amount of TEUR 900 were paid that are recognised in the carrying amount of the bond as of 30 June 2021, with the effective interest method applied.

The lease liabilities as of 30 June 2021 add up to TEUR 5,644 and include lease liabilities for ground leases and the Company's car fleet.

5.7. Advance Payments Received

As of 30 June 2021, ACCENTRO recognised advance payments received in the amount of TEUR 27,030 (31 December 2020: TEUR 9,177) in the consolidated balance sheet. The increase by TEUR 17,853 is essentially explained by the down-payments received toward sold properties in the amount of TEUR 17,554 (31 December 2020: TEUR 2,803) whose transfer of benefits and burdens will take place during the second half of 2021.

6 Selected Explanatory Notes on the Consolidated Income Statement

6.1. Revenues

	H1 2021	H1 2020
	TEUR	TEUR
Revenues from sales of inventory properties	60,978	30,943
Rental income from properties held as inventory assets	6,336	5,016
Rental income from investment properties	4,321	469
Revenues from services	1,255	875
Rental income from properties held as property, plant and equipment	126	52
Consolidated revenues	73,015	37,354

The growth in revenue from sales of inventory property was essentially driven by the booming demand for residential real estate. In addition, pandemic-related delays in transfers of benefits and burdens were overcome, and previously notarised deeds were recognised as revenue in the half-year under review.

The trend in revenues varies moreover as a result of differences in the sales and price mix of the Company's projects.

The revenues from services developed in sync with the surging demand for residential real estate.

The growth in rental income from investment property results from the acquisition of several real estate portfolios during the reporting period, and is therefore in line with the strategy of expanding the portfolio real estate.

6.2. Cost of Materials

	H1 2021	H1 2020
	TEUR	TEUR
Expenses for sales of inventory properties	51,050	25,508
Management costs of properties held as inventory assets	5,830	2,844
Management costs of investment property	1,487	103
Expenses from services	360	457
Management costs of properties in property, plant and equipment	8	142
Total cost of materials	58,735	29,055

The increased revenues from sales of inventory properties prompted inversely a rise in expenses for sales of inventory properties.

The massive increase in management costs for the inventory assets is attributable to prior-period expenses related to running cost settlements.

The increase in management costs of investment properties is explained by the expansion of the proprietary portfolio segment.

6.3. Payroll and Benefit Costs

The ACCENTRO Group had 101 employees on the payroll as of 30 June 2021. As at balance sheet date 31 December 2020, it had a total of 74 employees. The plan for the second half-year of 2021 is to keep expanding the workforce at a moderate pace.

Payroll and benefit costs break down as follows:

	H1 2021	H1 2020
	TEUR	TEUR
Salaries and other benefits	4,642	3,920
Employer contributions to statutory social insurance	501	316
Payroll and benefit costs	5,144	4,237

The rise in payroll and benefit costs to TEUR 5,144 (previous year: TEUR 4,237) results essentially from the expansion of the Company's workforce and the temporary enlargement of the Management Board. The employer's contribution to social security institutions saw a proportionate increase, too.

6.4. Other Operating Expenses

The other operating expenses include the following amounts:

	H1 2021	H1 2020
	TEUR	TEUR
Legal and professional fees	1,673	877
Expenses for compiling and auditing the financial statements	767	180
EDP expenses	736	260
Information, advertising and entertaining expenses	681	562
Rental expenses	237	200
Miscellaneous other operating expenses	2,754	627
Other operating expenses	6,848	2,706

Legal and professional fees increased by TEUR 796 to TEUR 1,673 by mid-year 2021 (previous year: TEUR 877). The increase was essentially driven by advisory services that were provided in connection with the expansion of the proprietary portfolio. Expenses for the preparation and auditing of financial statements increased by TEUR 587 to TEUR 767 (previous year: TEUR 180), mainly due to adjustments to meet new reporting requirements. EDP expenses increased by TEUR 476 to TEUR 736 (previous year: TEUR 260). The growth is attributable mainly to the optimisation and expansion of the existing IT landscape. Other operating expenses increased by a total amount of TEUR 2,127 up to TEUR 2,754 (previous year: TEUR 627). These were generated primarily by expenses for the portfolio valuation as of 30 June 2021 and by staff recruiting expenses.

6.5. Earnings per Share

Basic earnings per share are calculated as the quotient of the profit attributable to the shareholders of the parent company and the average number of shares issued during the financial year, excluding treasury shares held by the Company.

	H1 2021	H1 2020
Consolidated income	TEUR	TEUR
Net profit before minority interests – basic	4,664	-11,563
Consolidated income before non-controlling interests – diluted	4,664	-11,563
Number of shares	in thousands	in thousands
Unweighted number of shares outstanding	32,438	32,438
Weighted number of shares outstanding – basic	32,438	32,438
Weighted number of shares – diluted	32,438	32,438
Earnings per share (EPS)	EUR	EUR
unweighted – basic	0.14	-0.36
weighted – basic	0.14	-0.36
weighted – diluted	0.14	-0.36

7 Disclosures on Financial Instruments

The classification of financial instruments has remained unchanged since 31 December 2020.

8 Other Disclosures

8.1. Financial Risks

The financial risks to which the ACCENTRO Group is exposed (interest rate risk, default risk, liquidity risk) remained essentially unchanged during the reporting period when compared to 31 December 2020.

8.2 Related-Party Transactions

There were no related-party transactions during the reporting period.

8.3. Senior Staff Changes

Hans-Peter Kneip, Member of the Board and CFO of ACCENTRO Real Estate AG, left the Company for personal reasons as of 30 June 2021. The Supervisory Board provisionally transferred responsibility for the finance department to the Chairman of the Management Board, Lars Schriewer.

8.4. Other Financial Obligations

Eight plots held by the company Accentro Gera Wohnen 2 GmbH are subject to ground lease agreements that had a remaining term of 183.67 years as of 30 June 2021. This results in the following financial obligations:

Maturity	TEUR
less than 1 year	233
1–5 years	932
over 5 years	41,609
Total	42,773

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

8.5. Events after the Reporting Date

No events of material significance for ACCENTRO Real Estate AG transpired between the balance sheet date of 30 June 2021 and the day on which the financial statements were compiled.

The ACCENTRO Real Estate AG Share

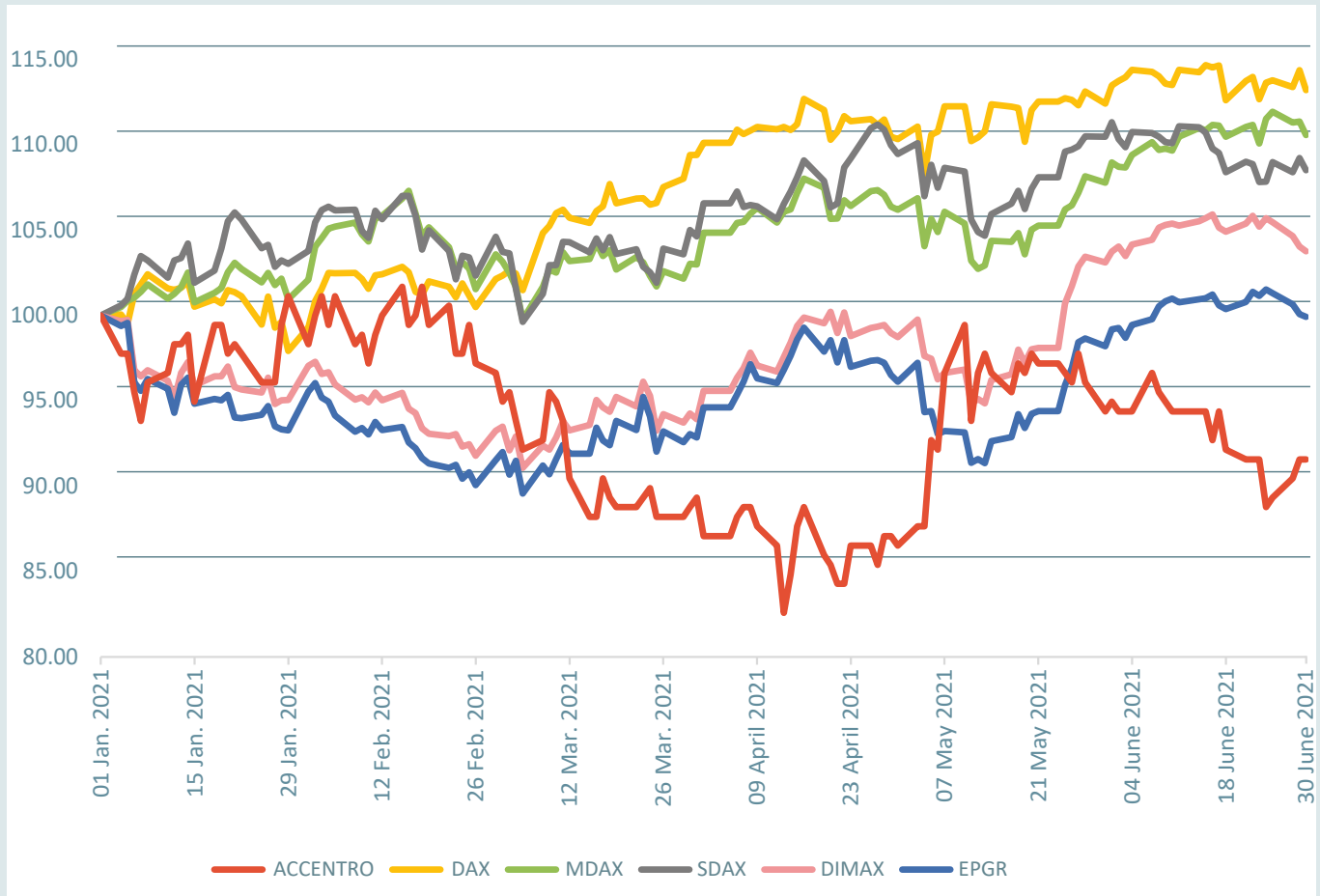
German Equity Market Expands Gains during Second Quarter – Real Estate Indices Making up for Slow Start to the Year

In the wake of a successful opening quarter, Germany's equity market managed to expand its gains further by mid-year. The German Stock Index (DAX) ended the first half-year with a 13.2% increase at 15,531 points and actually reached an all-time high of 15,730 points in mid-June. Analogously, the MDAX rose by 10.6% to 34,050 points and the SDAX by 8.5% to 16,021 points, consolidating their gains during the first six months of the year. Markets were backed by the buoyancy of important sentiment indicators such as the ifo index, as well as by largely positive financials from the business community, and the rapid decline of COVID-19 infection figures. That being said, rising inflation forecasts are raising eyebrows among investors, despite the fact that bond purchases by the ECB and the Fed remain as high as ever.

German real estate equity indices more or less matched the performance of the German stock index during the second quarter. Following losses during the first quarter, the DIMAX German Real Estate Equity Index achieved a 3.8% gain and rose to 172 points, while the EPRA Index Germany regained the score of 1,472 points registered at the start of the year.

The price of the ACCENTRO stock also made modest gains during the second quarter. By 30 June 2021, it stood at EUR 8.15, marking an 8.4% loss since the beginning of the year. The market capitalisation of ACCENTRO as at balance sheet date equalled EUR 264.4 million.

ACCENTRO Share Price Development from 1 January to 30 June 2021



ACCENTRO share price development during the first six months of 2021 (indexed)

ACCENTRO Shares at a Glance

Company shares	
Stock market segment	Prime Standard
ISIN	DE000AOKFKB3
German Securities Code Number (WKN)	AOKFKB
Number of shares as of 30 June 2021	32,437,934
Free float	12.12 %
Share price high (1 January – 30 June 2021)*	EUR 9.05
Share price low (1 January – 30 June 2021)*	EUR 7.35
Closing price on 30 June 2021*	EUR 8.15
Market capitalisation on 30 June 2021*	EUR 264,369,162.10

* Closing prices in Xetra trading

Investor Relations Activities Stepped up

Investor relations play a significant role for ACCENTRO Real Estate AG. Which is why the regular and transparent exchange of information with all capital market players matters a great deal to us. Among these stakeholders are not just our institutional and private shareholders but financial analysts and prospective investors, too. We maintain regular contact with all of these. We do so, on the one hand, within the framework of our periodic reporting on our quarterly and annual financials. On the other hand, we are significantly expanding our activities this year, hosting more roadshows and attending more capital market conferences inside and outside Germany.

For the remaining financial dates this year, please check the financial calendar at the end of this report. You will also find all available information about our Company and about ACCENTRO stock on our homepage at www.accentro.ag.

Analysts See Significant Upside Potential in ACCENTRO Shares

At the moment, eight financial analysts monitor the performance of ACCENTRO Real Estate AG. They maintain regular contact with our Management Board and our Investor Relations department, and publish written comments on the business development and strategic direction of the Company several times a year. At present, seven analysts recommend buying the stock, and one issued a hold rating. The average target price is EUR 11.28, which corresponds to an upside potential of around 43 % relative to the current share price.

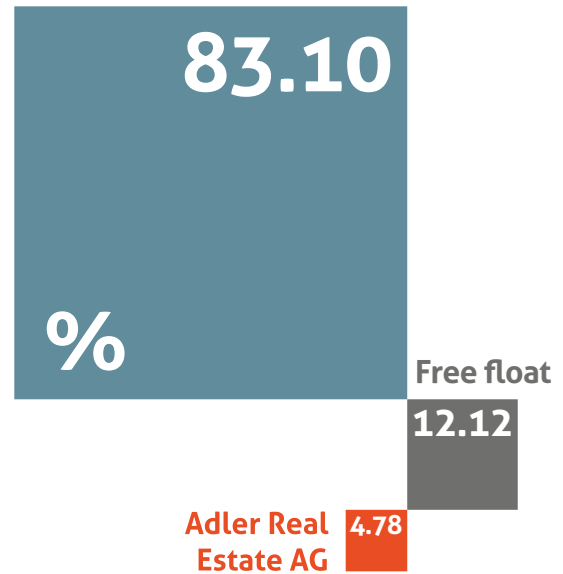
Analyst	Institution	Recommendation	Price Target
Philipp Kaiser	Warburg Research	Buy	EUR 14.00
Dr. Adam Jakubowski	SMC-Research	Buy	EUR 13.20
Klaus Soer	Quirin Privatbank	Buy	EUR 12.55
Stefan Scharff, Christopher Mehl	SRC-Research	Buy	EUR 11.50
Ferran Tort Barniol	Kepler Cheuvreux	Buy	EUR 11.00
Enid Omerovic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

Shareholder Structure

The subscribed capital of ACCENTRO Real Estate AG equalled an unchanged total of EUR 32.44 million as of 30 June 2021. It breaks down into 32,437,934 no-par value bearer shares. As of 30 June 2021, a total of 83.10% of the ACCENTRO AG stock was held by Brookline Real Estate S.à.r.l., while ADLER Real Estate AG owned 4.78% and the free float accounted for 12.12%.

The adjacent chart provides an overview of the shareholder structure.

Brookline Real Estate S.à r.l.



Shareholder structure as of 30 June 2021
(figures based on shareholder disclosures)

Responsibility Statement ---

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

Berlin, 31 August 2021

Lars Schriewer
Management Board

Forward-looking Statements ---

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

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

Financial Calendar

2021

- 07 September 2021 ZKK – Zürcher Kapitalmarkt Konferenz
- 08 September 2021 SRC Forum Financials & Real Estate, Frankfurt/Main
- 09 September 2021 J.P. Morgan European High Yield & Leveraged Financial Conference (virtual)
- 21 October 2021 European Large & MidCap Event, Paris
- 09 November 2021 Release of Interim Report as of 30 September 2021

The ACCENTRO Real Estate AG financial year starts on January 1st and ends on 31 December. All dates are provisional. Please check our website www.accentro.ag/en for confirmation

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

Our financial reports are available as download at www.accentro.ag, or may be requested free of charge by writing to: ACCENTRO Real Estate AG, Kantstr. 44/45, D-10625 Berlin

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Lars Schriewer

Chairman of the Supervisory Board

Axel Harloff, Hamburg

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ACCENTRO

REAL ESTATE AG