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Report of the Executive Board

**Virtual Extraordinary General Meeting
Accentro Real Estate AG
9 April 2025**

*- Report of the Executive Board published in advance on 1 April 2025A.
The speech given during the General Meeting may differ from this preliminary
manuscript, in particular due to current developments.
The spoken word prevails. -*

Dear shareholders,
Dear shareholder representatives,
Ladies and gentlemen,

When I was appointed to the Accentro Executive Board at short notice in the summer of 2023, I had prepared myself for a challenging time. However, I had not expected that my first General Meeting as the new CEO would be an Extraordinary General Meeting in 2025. Nevertheless, I look to the future of Accentro with a certain degree of confidence, even though painful cutbacks will unfortunately be unavoidable.

High losses have prompted us to invite you to this Extraordinary General Meeting. On a more positive note, I am pleased to be able to report to you at this General Meeting not only on the background to the high losses, but also on what the Executive Board considers to be a very painful but also viable way out of the crisis. In light of the agreement in principle that has just been reached on a comprehensive restructuring solution, which we reported on in the night of 28 to 29 March 2025, my Executive Board colleague and I are confident that, together with the majority of our bondholders, we will realign Accentro and move forward, even if this will unfortunately involve painful cutbacks for you. Unfortunately, these are unavoidable. More details on this in a moment.

First of all, please note that we are holding this General Meeting virtually in order to make it easier for you to participate in this Extraordinary General Meeting, to save costs and, of course, to be able to hold the General Meeting as soon as possible after the losses have been determined.

The way out of the crisis

Since I took office, Accentro has been in a phase of profound change and in need of restructuring. The agreement in principle recently reached with the Company's key stakeholders is correspondingly positive from the perspective of the Executive Board. The proposal for restructuring the Company's debt and equity, which was drawn up by a group of major bondholders, which we refer to in our communication as the "Ad Hoc Group", and ADLER Real Estate GmbH and which we assessed last week after extensive examination as the only available and therefore best option, is suitable from the Executive Board's perspective for stabilizing the Company's financial position and thus ensuring its continuation as a going concern. In this respect, the Executive Board expressly welcomes the fact that the members of the Ad Hoc Group have once again committed themselves to Accentro and, like the Executive Board, believe in the future of the Company following the necessary financial restructuring.

As already published in the ad hoc announcement dated 29 March 2025, the agreement in principle reached includes a comprehensive restructuring of equity and debt. To cover the Company's future liquidity requirements - including the refinancing of the bridge bonds - the envisaged restructuring solution provides for the issue of new senior secured bonds. The amount of these so-called New Super Senior Bonds is expected to be in the mid double-digit million range. The exact amount of these bonds will be the subject of the restructuring opinion currently being finalized. In addition to the extension and amendment of the terms and conditions of the two bonds 2020/2026 and 2021/2029 described below, the provision of this fresh capital is crucial for the Company's continued existence. In addition to the members of the Ad Hoc Group, the other bondholders of Accentro can also participate in the New Super Senior Bonds, which are issued in denominations of EUR 100,000, subject to certain conditions. However, the bonds will not be open to other investors.

The 2020/2026 and 2021/2029 bonds require comprehensive restructuring: the two bond liabilities totaling EUR 325 million were already extended in the 2022 financial year. Since then, the bondholders have repeatedly agreed to a deferral of mandatory special redemptions and interest payments falling due, most recently until 30 June 2025. In recent months, the Ad Hoc Group has also granted the Accentro Group two bridge financing totaling approximately EUR 35 million, which were used to repay liabilities and build up a liquidity buffer until a restructuring solution has been fully developed and implemented. At the same time, the Ad Hoc Group negotiated a long-term restructuring solution with relevant stakeholders. This commitment

clearly shows that the key stakeholders believe in the future of our Company after its financial restructuring. With this in mind, the restructuring solution again provides for an adjustment and partial extension of the existing terms and conditions of the 2020/2026 and 2021/2029 bonds, capitalizing all interest accrued up to the time the restructuring takes effect. The interest accrued and deferred to date will therefore effectively increase the nominal amount of the bonds. In addition, the nominal amount of the 2020/2026 bond and the 2021/2029 bond is to be divided proportionately into senior secured principal and unsecured, deeply subordinated principal. This means that only a portion of the currently secured bonds will remain secured. The interest rate is to be adjusted to the new circumstances, so that it is expected to be 7% per year for the senior secured principal amount and 15% per year for the unsecured, deeply subordinated principal.

In return for their financial commitment, the subscribers to the New Super Senior Bonds are to be given the opportunity to participate in the Company's share capital. This opportunity is to be provided as part of a capital increase following a previous capital reduction. Unlike other publicly known restructurings in recent months, however, no capital reduction to zero is planned, which would result in all shareholders losing their shares. Rather, capital measures are planned to achieve a target structure in which the existing shareholder Adler holds 10.1%. This is intended to ensure two things: Firstly, no real estate transfer tax is to be triggered by the equity restructuring, which is intended precisely to enable the Company to be maintained and continue as a going concern. Secondly, the subscribers of the New Super Senior Bond are to be given the opportunity to participate in the equity as part of their financial commitment and thus obtain shareholder rights. For a successful and efficient implementation of the target structure regarding the equity side, the implementation of a restructuring project in accordance with the German Corporate Stabilization and Restructuring Act (StaRUG) is planned.

Please be assured that our main objective in the restructuring is to secure the continued existence of Accentro. According to their express statement, alternative restructuring measures would not have the support of the members of the Ad Hoc Group. However, in the view of the Executive Board, it is not possible to restructure the Company without this, in particular due to the further liquidity requirements and the necessary restructuring of the bonds, as refinancing on the market cannot be achieved in the current situation. All capacities are therefore focused on implementing this future-proof solution now, which not only overcomes short-term financial bottlenecks but also ensures the long-term economic stability and competitiveness of the Company. We are aware that this restructuring concept will lead to substantial dilution of the shares of existing shareholders, which in some cases will result in the complete loss of their shares. However, as any solution that ensures the survival of the Company requires the full support of the Ad Hoc Group, after careful consideration, we consider the restructuring concept as the best and only available option for the Company, compared to the only current other alternative in the form of insolvency proceedings.

Both the members of the Ad Hoc Group and we believe that Accentro's existing portfolios and positioning offer considerable potential to regain strength in a market that is slowly recovering in the privatization business following a financial restructuring.

At the same time, however, we must remain realistic. The external conditions for the German real estate market will remain difficult for the time being. High interest rates and inflation as well as regulatory requirements have put the entire sector in a difficult situation, which Accentro in particular will have to contend with in the short to medium term. The German residential real estate market is characterized by a high level of resilience and a decentralized structure, which makes it attractive for domestic and foreign investors. Residential real estate in particular, which is at the heart of Accentro, remains one of the safest investments due to continued high demand. Despite short to medium-term uncertainties, the fundamental strengths of the market remain intact. This strengthens our confidence that Accentro will be able to operate successfully in the long term, even in a fundamentally difficult market environment. Even if the market environment continues to be challenging, Accentro has again been presented with opportunities in recent months to utilize and expand the existing strengths of its current business. It should be noted, for example, that there is still considerable demand for residential property. We also see good opportunities to expand our business in the area of our secondary services and to generate sales in a market environment in which relevant competitors can no longer compete with Accentro.

In the past, the Company's business model was already focused on trading and, in particular, the privatization of real estate, with this sector accounting for around 90% of consolidated revenues in the 2022 financial year. Global and block sales in particular were the main pillar of the Company in the past. In future, the Company will therefore concentrate on its core business and focus entirely on the privatization business. As a result of the planned exit from the development and management of our own property portfolio and from the sale and disposal of privatization assets, we expect to generate further proceeds in the next two years, which will be used to repay liabilities under the bonds and partly to rebuild the sustainable privatization portfolio.

Losses of the Company

The implementation of the restructuring concept is only part of the realignment of the Company at all levels, parts of which have already begun. Over the past 1.5 years, we have been able to gradually address and rectify the shortcomings of previous years. Throughout this period, the Executive Board has closely monitored the Company's financial development and recently established that the Company's balance sheet losses significantly exceed half of the share capital. This is due to the following causes:

As early as August 2023, the newly formed Executive Board recognized that the originally communicated business figures would not be achievable. Business performance in the first half of the year and the persistently weak market trend also made it impossible for us to provide a sound and reliable forecast. As a result, we had to suspend the forecast for the 2023 financial year. In addition, the auditors were unable to conclusively assess the Company's ability to continue as a going concern until the agreement in principle was reached against the background of the ongoing restructuring negotiations. Accordingly, the audit for the 2023 financial year could not yet be completed. The direct consequence of this was that, in addition to the publication of the 2023 annual and consolidated financial statements and the financial reporting during the year, the 2023 Annual General Meeting was also unable to take place. As a result, the financial statements for the 2024 financial year have also not yet been finalized and audited.

As part of the ongoing audit of the 2023 financial statements, the Company has recognized significant write-downs on current assets and financial assets in the context of the upcoming restructuring measures and against the background of the poor situation on the real estate market, which will continue and in some cases manifest itself in the 2023 and 2024 financial years. Together with our auditors, we have decided to pursue a conservative valuation approach in the context of the forthcoming comprehensive restructuring and against the background of the still considerably gloomy situation on the real estate market.

The background to this is as follows: in recent years, the German real estate market has seen significant changes that have affected both the residential and commercial real estate sectors and must generally be described as a phase of correction. In 2022, there was an unprecedented turnaround in the previously flourishing real estate market, caused by the change in interest rate policy, Russia's war of aggression against Ukraine, rising inflation and prevailing fears of recession. In particular, prices and expected proceeds for properties for sale fell massively and the transaction and project development market came to a virtual standstill due to the rise in interest rates. From now on, the German real estate market will be characterized by economic stagnation, a decline in demand and more difficult access to capital. In addition to project postponements, there was and still is an increase in company insolvencies. Added to this were high energy prices, staff shortages and a significant rise in construction and financing costs. The slump in operating business inevitably had an impact on the Company's business figures.

Based on current information, the Company has already recorded an accumulated loss of around EUR 61 million in the 2023 financial year due to a net loss of around EUR 159 million. Based on current information, the net loss of around EUR 159 million results from sales and other operating income of around EUR 12 million, which is offset by depreciation and amortization of around EUR 120 million, other operating expenses of around EUR 26 million,

personnel expenses of around EUR 7 million and a financial result of around EUR – 19 million. Taking into account the profit carried forward from 2022 in the amount of EUR 98 million, this results in a balance sheet loss of around EUR 61 million as at 31 December 2023.

Based on current information, the net loss for the 2024 financial year will be in the double-digit millions, around EUR 20 million to EUR 40 million, meaning that the accumulated deficit as at 31 December 2024 will increase further.

The amount of the balance sheet losses is mainly due to the following events and developments: In the 2023 financial year, write-downs totaling around EUR 120 million were recorded. Of this, EUR 117 million – compared to EUR 9 million as at 31 December 2022 – was attributable to current assets and around EUR 3 million – compared to EUR 1 million as at 31 December 2022 – to extraordinary write-downs on intangible assets and depreciation of property, plant and equipment. In addition, write-downs on financial assets amounting to around EUR 17 million were recognized – compared to EUR 17 million as at 31 December 2022. The write-downs on current assets primarily include loan receivables from affiliated companies, which were written down to the lower fair value on the reporting date to a considerable extent. The write-downs amounted to around EUR 81 million and were mainly due to lower market values of the portfolio and inventory properties held by the affiliated companies as well as ongoing losses, in particular due to high financing expenses and, as result, negative equity of the affiliated companies. To assess the recoverability of the loans granted to the affiliated companies, the equity and the hidden reserves of the subsidiaries existing on the balance sheet date were utilised, which in turn were significantly influenced by the development of the market values of the properties held.

In addition, other receivables were written down to the lower fair value of around EUR 29.3 million as at the reporting date in the 2023 financial year. Around EUR 14.6 million of this write-down related to the receivable from the reversal of the acquisition of shares in DIM Holding AG. The recognition of this write-down in the balance sheet had become necessary as no repayment had been recorded to date through the successful realization of the collateral granted and the Executive Board assumed that proper repayment of the total receivable was no longer to be expected. As a precautionary measure, the Executive Board still assumed that the agreed collateral could be realized in the amount of EUR 3.2 million. The write-downs of other receivables also related to a loan of EUR 14.7 million granted to Green Living GmbH to finance a real estate project development. However, for the purposes of the 2023 annual financial statements, the collateral granted as part of the loan was only recognized at a value of EUR 3 million due to a lack of further reliable evidence. Accentro is currently taking legal action against the guarantor and believes it has a good chance of success, both legally and in fact.

In addition, receivables from companies in which an equity investment is held were written down to the lower fair value in the amount of around EUR 6 million as at 31 December 2023. These write-downs were mainly due to lower sales prices and longer project terms.

The write-downs on financial assets, which are included in the financial result, resulted primarily from a permanent impairment of an investment in an affiliated company and from permanent impairments of loans to companies that act as so-called RETT-blockers for various subsidiaries. The write-down of the investment in affiliated companies to the lower fair value as at the reporting date amounted to EUR 11.7 million. The permanent impairment of the loans was calculated at EUR 2.2 million. The write-downs also resulted from lower market values of the portfolio and inventory properties held by the affiliated companies as well as ongoing losses, in particular due to high financing expenses and, as result, negative equity of the affiliated companies.

For the 2024 financial year, the continued decline or stagnation in the market values of the portfolio and inventory properties of the affiliated companies and the further losses due to the high financing expenses in some cases will again be reflected in the write-downs on current assets and on financial assets. According to the currently available property valuations, there were write-downs of around EUR 19 million in the 2024 financial year on the portfolio properties of the subsidiaries.

In view of the fact that the Company's separate financial statements for the 2024 financial year have not yet been finalized and the audit of the financial statements is ongoing, the net loss for the year and the balance sheet loss for the 2024 financial year cannot yet be conclusively determined. In particular, it cannot be ruled out that the expected balance sheet loss for the 2024 financial year will further increase.

We also currently expect a loss for the first quarter of 2025. This will further increase the Company's balance sheet loss. The expected loss is mainly due to additional legal and consulting costs in connection with the ongoing restructuring negotiations.

In view of the measures and developments described above and the losses expected as a result, the Company's equity will fall significantly short of half of the share capital. We assume that equity will be negative.

Conclusion

Dear shareholders, ladies and gentlemen,

It cannot be denied that the financial challenges cannot be overcome without comprehensive restructuring. Accentro's situation is serious and requires close and constructive cooperation with all key stakeholders in order to implement what the Executive Board considers to be a viable and sustainable restructuring concept. We hope that we have given you a clear and comprehensible picture of the Company's current situation. We will continue to work hard to implement the restructuring concept and successfully complete the restructuring of the Company so that Accentro can once again pursue its core business and demonstrate its usual strength on the market.

Finally, as the Executive Board, we would like to express our gratitude to all Accentro colleagues for their dedication and commitment in these challenging times.