

## 4. Report of the Supervisory Board



### Dear Shareholders,

In the 2020/2021 financial year, the Supervisory Board of Deutsche Konsum REIT-AG duly fulfilled the duties incumbent on it by law, the Articles of Association and the rules of procedure.

### Cooperation between the Supervisory Board and the Management Board

The Supervisory Board continuously monitored and advised the Management Board on the management of the Company. The Supervisory Board was directly involved in all decisions of fundamental importance to the Company. The Management Board complied with its duties to provide information and regularly, promptly and comprehensively informed the Supervisory Board both in writing and orally about corporate planning, the course of business, the strategic development and the current situation of the Company and the current leases.

In addition, the Chairman of the Supervisory Board was regularly informed by the Management Board about current developments in the business situation

and significant business events outside of Supervisory Board meetings. In addition, the Chairman of the Supervisory Board kept in regular contact with the Management Board and discussed issues of strategy, planning, business development, risk situation and risk management as well as compliance of the Company.

The members of the Supervisory Board always had ample opportunity to critically examine the resolutions proposed by the Management Board and to make their own suggestions. In particular, the members of the Supervisory Board discussed all significant business transactions for the Company on the basis of written and verbal reports prepared by the Management Board and checked them for plausibility. In several cases, the Supervisory Board dealt in detail with the risk situation of the Company, liquidity planning and the equity situation. In addition, the Management Board also reported to the Supervisory Board on the profitability of the Company, and in particular the profitability of its equity, at the balance sheet meeting. The Supervisory Board has given its approval for individual business transactions insofar as this was required by law, the Articles of Association or the rules of procedure for the Management Board.

The Company provides appropriate support to the members of the Supervisory Board in their inauguration and in the training and further training measures. All members of the Supervisory Board are given access to specialist literature and are reimbursed for the costs of attending seminars and webinars whose topics are relevant to the work of the Supervisory Board.

### Session attendance of the Supervisory Board

A total of four meetings of the Supervisory Board were held during the reporting period, all of which were held as virtual meetings (online with video and audio transmission) due to the special pandemic-related circumstances. If necessary, decisions were also taken by written procedure. Approvals of draft

resolutions of the Management Board were made after examination of extensive documents and intensive discussion with the Management Board. Committees of the Supervisory Board did not exist during the reporting period. If necessary, the Supervisory Board meets without the Management Board.

Conflicts of interest of members of the Management and Supervisory Boards that must be disclosed to the Supervisory Board without delay did not arise.

The following overview shows the attendance of the members of the Supervisory Board in the financial year 2020/2021:

Name	16/12/2020 Virtual meeting	23/03/2021 Virtual meeting	18/05/2021 Virtual meeting	17/08/2021 Virtual meeting
Hans-Ulrich Sutter	x	x	x	x
Achim Betz	x	x	x	x
Kristian Schmidt-Garve	x	x	x	x
Cathy Bell-Walker	x	x	x	x
Johannes C. G. (Hank) Boot	x	x	x	x
Nicholas Cournoyer	x	x	x	x

### Focus of deliberations in the Supervisory Board

The deliberations of the Supervisory Board in the individual meetings focused on the following topics:

At the meeting to adopt the financial statements on 16 December 2020, which was also attended by the auditor, the Supervisory Board unanimously approved the Company's annual financial statements for the 2019/2020 financial year, which were thus adopted. In addition, the variable Management Board compensation for the year 2019/2020 was determined and a resolution was passed to revise the Management Board compensation system in accordance with § 87a of the German Stock Corporation Act (AktG). Following the resolution of the Supervisory Board, the new compensation system had been submitted to the Annual General Meeting of 11 March 2021 for resolution. The other items on the agenda of the 2021 Annual General Meeting were also discussed at this meeting. The Management Board and Super-

visory Board also discussed the current status of the purchase pipeline, liquidity planning and the other economic development of the Company.

In its meeting on 23 March 2021, the Supervisory Board resolved to set the compensation system for the Management Board approved by the Annual General Meeting in accordance with § 87a (2) of the German Stock Corporation Act (AktG). In the course of this, the Declaration of Compliance in accordance with § 161 of the German Stock Corporation Act (AktG) on Corporate Governance was also updated. The Supervisory Board also discussed the current economic development of the Company and unanimously approved the purchase of the „Spitzkrug Multi Center“ property in Frankfurt/Oder.

At the meeting on 18 May 2021, the Chairman of the Supervisory Board explained in particular the need to introduce a self-assessment system for the Supervisory

Board in order to comply with the requirements of the German Corporate Governance Code (GCGC), and the Supervisory Board discussed the most suitable form for this. In addition, the Management Board and the Supervisory Board discussed the current course of business.

At the meeting on 17 August 2021, the Supervisory Board discussed the formation of an Audit Committee as of 1 January 2022. In addition, the current purchase pipeline, further refinancing topics and expectations regarding the development of the financial year results were discussed.

Furthermore, throughout the reporting period, the Supervisory Board accompanied the growth of the Company in close consultation with the Management Board and passed further resolutions by way of circulation, which concerned, among other things, the decision to hold a virtual Annual General Meeting in 2021 due to the pandemic situation, the items on the agenda of the Annual General Meeting on 11 March 2021 and the adoption of the Declaration of Compliance on Corporate Governance 2021.

All members of the Supervisory Board have expertise and experience in the field of auditing and in the application of accounting principles. They are also familiar with the real estate sector. The First Deputy Chairman of the Supervisory Board, Mr Achim Betz, fulfils all requirements in accordance with § 100 (5) German Stock Corporation Act (AktG) in the field of auditing. The Chairman of the Supervisory Board, Mr Hans-Ulrich Sutter, fulfils all requirements in accordance with § 100 (5) German Stock Corporation Act (AktG) in the area of accounting.

#### **Corporate Governance and Declaration of Compliance**

The Management Board also reports on corporate governance at Deutsche Konsum REIT-AG and at the same time on behalf of the Supervisory Board in the Corporate Governance Statement on the Company's website at <https://www.deutsche-konsum.de/en/> in the Investor Relations/Corporate Governance section as well as in the Annual Report 2020/2021.

The Management Board and Supervisory Board have repeatedly discussed the recommendations and sug-

gestions of the GCGC and issued a Declaration of Compliance in accordance with § 161 German Stock Corporation Act (AktG) on 13 September 2021. In addition, the Declaration of Compliance of 15 September 2020 was updated in advance on 23 March 2021.

#### **Annual audit**

The annual financial statements of Deutsche Konsum REIT-AG as of 30 September 2021, prepared by the Management Board, and the Management Report of the Company were audited by the auditor, appointed by the Annual General Meeting on 11 March 2021 and assigned by the Supervisory Board, DOMUS AG Wirtschaftsprüfungsgesellschaft/Steuerberatungsgesellschaft, Berlin, and provided with an unqualified audit certificate.

The Annual Financial Statements of Deutsche Konsum REIT-AG and the Management Report of the Company as well as the Auditors' Reports were made available to all members of the Supervisory Board in good time. The auditor attended the meeting of the Supervisory Board on 13 December 2021 and reported on the key findings of his audit. This included his comments on the internal control system and risk management in relation to the accounting process. In addition, he was available to the members of the Supervisory Board for additional questions and information. The Supervisory Board approved the result of the audit of the Annual Financial Statements and the Management Report of the Company after detailed discussion.

The Supervisory Board carefully examined the Annual Financial Statements and the Management Report of the Company, the proposal for the appropriation of profits and the Auditors' Reports. There were no objections. The Supervisory Board then approved the Annual Financial Statements as of 30 September 2021 prepared by the Management Board. The Annual Financial Statements are, thus, established. The Supervisory Board approved the Management Board's proposal for the appropriation of profits after its own review and taking into account the development of earnings, the financial position and the requirements of the REIT Act. Together with the Management Board, the Supervisory Board

proposes to the Annual General Meeting that a dividend of EUR 0.40 per share be distributed for the 2020/2021 financial year. This corresponds to a distribution of 100% of the net income of TEUR 14,060 under commercial law.

#### **Examination of the report of the Management Board on relationships with affiliated companies (Dependency Report)**

In accordance with § 312 German Stock Corporation Act (AktG), the Management Board prepared a report for the period of control on relations with affiliated companies and submitted it to the Supervisory Board in good time. The report of the Management Board on relations with affiliated companies was subject of the audit by the auditor. He has issued the following audit opinion on the result of his audit:

*“After our dutiful examination and assessment, we confirm that*

- 1. the actual details of the report are correct,*
- 2. in the transactions listed in the report, the Company’s performance was not unduly high.”*

The Auditors’ Report was also available to the Supervisory Board in good time. The Supervisory Board examined both the Dependency Report of the Management Board and the Auditors’ Report of the auditor, and the auditor participated in the Supervisory Board’s hearing on the Dependency Report and reported on the key findings of his audit. Following the final result of the Supervisory Board’s review, the Supervisory Board agrees with the Dependency Report of the Management Board and the Auditors’ Report and raises no objections to the final declaration of the Management Board contained in the Dependency Report.

#### **Personnel changes in the Management Board and Supervisory Board**

There were no personnel changes on the Management Board or the Supervisory Board during the reporting period.

The Supervisory Board would like to thank the Management Board and employees for their commitment in the 2020/2021 financial year.

Potsdam, December 2021

For the Supervisory Board



Hans-Ulrich Sutter  
Chairman of the Supervisory Board