

4. Report of the Supervisory Board



Dear Shareholders,

In the 2021/2022 financial year, the Supervisory Board of Deutsche Konsum REIT-AG (“DKR”) 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 five meetings of the Supervisory Board were held during the reporting period, of which four were held as virtual meetings (online with video and audio transmission) due to the special pandemic-related circumstances and one as a presence meeting. If necessary, decisions were also taken by written pro-

cedure. Approvals of draft resolutions of the Management Board were made after examination of extensive documents and intensive discussion with the Management Board. 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 2021/2022:

Name	13/12/2021 Virtual meeting	11/03/2022 Virtual meeting	31/05/2022 Presence meeting	03/08/2022 Virtual meeting	22/09/2022 Virtual meeting
Hans-Ulrich Sutter	X	X	X	X	X
Achim Betz	X	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	X
Nicholas Cournoyer	–*	X	X	X	X

* Mr. Cournoyer had previously given voting message to Mr. Sutter.

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 13 December 2021, which was also attended by the auditor, the Supervisory Board unanimously approved the Company's Annual Financial Statements for the 2020/2021 financial year, which were thus adopted. In addition, the variable Management Board compensation was determined on the basis of the achievement of the predefined target attainment criteria for the year 2020/2021. At this meeting, the Supervisory Board also reviewed the appropriateness of Management Board compensation and its effectiveness in promoting the sustainable and long-term development of the Company. In this context, the Supervisory Board determined the level of the target attainment criteria to be applied in the following financial year, on which the variable compensation of the Management Board is based. The Management

Board and Supervisory Board then discussed the current status of the acquisition pipeline, liquidity planning and the other economic development of the Company. At this meeting, the Supervisory Board also resolved to establish an Audit Committee as of 1 January 2022 in accordance with § 107 (4) German Stock Corporation Act (AktG) (new version) and unanimously elected Mr. Achim Betz (Chairman), Mr. Hans-Ulrich Sutter (Deputy Chairman) and Ms. Cathy Bell-Walker as members. In addition, due to the COVID 19 pandemic situation prevailing at the time, the Supervisory Board also decided to hold the 2022 Annual General Meeting as a virtual event.

At its meeting on 11 March 2022, the Supervisory Board reconstituted itself after all six Supervisory Board members had been re-elected at the Annual General Meeting on 10 March 2022. The previous functional division of functions was maintained, so that Mr. Sutter continues to be Chairman, Mr. Betz First Deputy Chairman and Mr. Schmidt-Garve

Second Deputy Chairman. The functions in the Audit Committee will also remain unchanged, so that Mr. Achim Betz will continue to be the Chairman, Mr. Hans-Ulrich Sutter the Deputy Chairman and Ms. Cathy Bell-Walker a member. In addition, the Supervisory Board established the amended Compensation System for the Management Board approved by the Annual General Meeting in accordance with § 87a (2) of the German Stock Corporation Act (AktG). The Supervisory Board also discussed the current economic development of the Company and the financing pipeline.

The meeting of 31 May 2022 was held as part of a regular visit by the Supervisory Board to various properties of the Company. The Company's main real estate properties in Brandenburg (Erkner, SMC Frankfurt/Oder, Eisenhüttenstadt, Guben) were visited and inspected. The Management Board and Supervisory Board also discussed the current business performance.

At the meeting on 3 August 2022, the Management Board informed the Supervisory Board about the investigation published by BaFin (Federal Financial Supervisory Authority) on 15 July 2022 regarding the accounting of the loans to Obotritia Capital KGaA and the loans purchased via creditshelf AG in the IFRS Annual Financial Statements as at 30 September 2021.

In the meeting of 22 September 2022, the Supervisory Board consulted with the Management Board on the development of business as well as the financing pipeline and discussed the expectations regarding the development of the financial year results. In addition, the Declaration of Compliance 2022 on Corporate Governance was adopted.

Furthermore, throughout the reporting period, the Supervisory Board accompanied the growth of the Company in close coordination with the Management Board and passed further resolutions by way of circulation, including the items on the agenda of the Annual General Meeting of 10 March 2022.

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 was assessed and further developed in individual aspects. In the course of this, the Supervisory Board introduced a formalised self-assessment system in the 2020/2021 financial year by resolution of 15 September 2020, which was applied in the current financial year. In this context, all members of the Supervisory Board were asked, among other things, about the efficiency, quality, timeliness and scope of the provision of information, the quality of the exchange with the Management Board, the composition and expertise of the Supervisory Board, the availability of resources and training opportunities, as well as possible compliance violations and conflicts of interest, with the option of anonymous responses also being available. The feedback from the Supervisory Board members confirmed that they assessed the work of the Supervisory Board as effective and efficient.

Audit Committee

Since 1 January 2022, the Supervisory Board has had an Audit Committee consisting of Mr. Achim Betz, Mr. Hans-Ulrich Sutter and Ms. Cathy Bell-Walker. The main task of the Audit Committee of DKR is to monitor the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the Financial Statements. The Committee reports to the Supervisory Board.

The Audit Committee focused on monitoring the accounting process. The Committee received reports on the further development of the internal control system, the effectiveness of the risk management system and the internal audit. There was a regular exchange of information on the current risk situation

and risk management. In view of the Company's economic focus on the real estate sector, the Audit Committee also dealt with the process and the comprehensibility of the content of property valuations by external appraisers.

The Audit Committee made a recommendation to the Supervisory Board for the appointment of the auditor DOMUS AG Wirtschaftsprüfungsgesellschaft/Steuerberatungsgesellschaft, Berlin, for the financial year 2021/2022.

The auditor has declared to the Audit Committee that there are no circumstances that would give reason to believe that he is biased. The Audit Committee has obtained the required auditor's independence declaration, reviewed the auditor's qualifications and concluded a fee agreement with the auditor.

All members of the Audit Committee have expertise and experience in the application of accounting principles and internal control procedures. The Chairman, Mr. Achim Betz, fulfils all requirements in accordance with § 100 (5) of the German Stock Corporation Act (AktG) in the area of auditing. The Deputy Chairman, Mr. Hans-Ulrich Sutter, fulfils all requirements in accordance with § 100 (5) of the German Stock Corporation Act (AktG) in the area of accounting. Further details can be found in the Corporate Governance Statement. The curricula vitae of the members of the Audit Committee are published at <https://www.deutsche-konsum.de/en/> in the Section "Company" under the menu item "Supervisory Board".

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 Section "Investor Relations" under the menu item "Corporate Governance" as well as in the Annual Report 2021/2022. The Management Board and Supervisory Board have repeatedly discussed the recommendations and suggestions of the GCGC and issued a Declaration of Compliance in accordance with § 161 German Stock Corporation Act (AktG) on

22 September 2022 and a supplement to this Declaration of Compliance on 25 November 2022.

Annual audit

The Annual Financial Statements of Deutsche Konsum REIT-AG as of 30 September 2022, prepared by the Management Board, and the Management Report of the Company were audited by the auditor, appointed by the Annual General Meeting on 10 March 2022 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 15 December 2022 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 by circular resolution on 19 December 2022.

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 2022 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 0.48 per share be distributed for the 2021/2022 financial year. This corresponds



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Konrad-Gaul-Straße 5, 35102 Lohra

to a distribution of 99.4% of the net income of TEUR 16,985 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 and Supervisory Board in the 2021/2022 financial year.

After the end of the reporting period, Ms. Cathy Bell-Walker, a member of the Supervisory Board as well as the Audit Committee, informed the Management Board and the Supervisory Board of the Company on 11 November 2022 that she will resign from her positions for personal reasons with immediate effect. The Supervisory Board will consult internally and intends to make a proposal for the appointment of a new Supervisory Board member to the 2023 Annual General Meeting. The Supervisory Board and Management Board thank Ms. Bell-Walker for her valuable work and wish her all the best.

The Supervisory Board would like to thank the Management Board and employees for their commitment in the 2021/2022 financial year.

Potsdam, December 2022

For the Supervisory Board

Hans-Ulrich Sutter
Chairman of the Supervisory Board