

4. Report of the Supervisory Board



Dear Shareholders,

in the 2022/2023 financial year, the Supervisory Board of Deutsche Konsum REITAG (“DKR”) duly fulfilled the duties mandated 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 regularly exercised its right to information by requesting and following up on close reporting from the Management Board on current developments at the Company. The Supervisory Board was directly involved in decisions of fundamental importance to the Company. The Supervisory Board requested regular and comprehensive reports from the Management Board, both in writing and orally, on corporate planning, the course of business, strategic development of the Company's current net assets, earnings and financial

position, as well as on the measures taken to stabilise these.

The Chairman of the Supervisory Board was also regularly informed by the Management Board about current developments in the business situation and significant business events outside of formal Supervisory Board meetings. In addition, the Chairman of the Supervisory Board kept in regular contact with the Management Board and discussed issues concerning strategy, planning, business development, risk situation and risk management as well as compliance of the Company.

In the reporting year, Mr Hans-Ulrich Sutter was Chairman of the Supervisory Board until his resignation from the Supervisory Board at the end of the Company's Annual General Meeting on 13 July 2023. Mr Rolf Elgeti held this office for the period from 21 July 2023 to 13 November 2023. At the Supervisory Board meeting on 13 November 2023, Mr Sebastian Wasser was then elected Chairman of the Supervisory Board and has held this office ever since. Mr Achim Betz held the position of Deputy Chairman of the Supervisory Board throughout the reporting period and continues to do so.

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 and assessed the plausibility of all significant business transactions for the Company on the basis of written and verbal reports prepared by the Management Board. In several cases, the Supervisory Board delved 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, particularly the profitability of its equity at the balance sheet meeting.

In addition to exercising its information rights on an ongoing basis, the Supervisory Board also performed its supervisory and increasingly, its formative advisory function towards the Management Board intensively in the 2022/2023 financial year.

During the financial year, the Supervisory Board implemented new approval requirements. It also significantly increased the frequency of its meetings.

Conflicts of interest of members of the Management Board and Supervisory Board, which must be transparently disclosed to the Supervisory Board without delay, were made known to the Supervisory Board. Thus, shareholdings of board members and the associated potential conflicts of interest were disclosed to the members of the Management Board and Supervisory Board. The same applies to legal transactions that DKR had concluded with companies of individual Board members. In the case of legal transactions with potential conflicts of interest, the Supervisory Board pointed out to the Management Board that these must be regularly subjected to a third-party comparison.

The Company provides appropriate support to the members of the Supervisory Board in their inauguration 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

In total, the Supervisory Board held more than 22 meetings in the reporting period, the majority of which were held as virtual meetings (online with video and audio transmission) and one as a face-to-face meeting. The members of the Supervisory Board also regularly exchanged information with each other and with the members of the Management Board outside of meetings.

Where necessary, resolutions were also passed by written procedure. Draft resolutions submitted by the Management Board were approved following a review of extensive documentation and in-depth discussions with the Management Board. If necessary, the Supervisory Board also met without the Management Board. The attendance of the members of the Supervisory Board at meetings in the 2022/2023 financial year is shown in the overview in **Appendix A**.

Focus of the Supervisory Board's deliberations

The Supervisory Board increased its monitoring activities in light of the Company's current asset-, earnings and financial planning, as well as the risks already reported in the 2021/2022 Annual Report. In addition to a significant increase in the frequency of its meetings, the Supervisory Board received regular verbal and written reports from the Management Board on all key issues relating to the Company.

Its monitoring activities focused primarily on the current business situation of the Company, the conclusion and value date of new bank loans as well as the prolongation or increase of existing loans, the monitoring of further payments by DKR, the termination of the loans granted to Obotritia Capital KGaA ("Obotritia loans"), the partial repayment of the Obotritia loans received and the taking of further measures with regard to the repayment amounts still outstanding as at 30 September 2023.

The Supervisory Board's discussions at the individual meetings also focused on the following key topics:

At the meeting to adopt the financial statements on 15 December 2022, which was also attended by the auditor, the Supervisory Board unanimously approved the Company's annual financial statements for the 2021/2022 financial year, which were thus adopted. In addition, the variable Management Board compensation for 2021/2022 was determined on the basis of the achievement of the predetermined target achievement criteria. At this meeting, the

Supervisory Board also reviewed the appropriateness of the Management Board's compensation and its effectiveness in promoting the sustainable and long-term development of the Company. In this context, it determined the level of the target achievement criteria applicable 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 developments of the Company. The Management Board also reported to the Supervisory Board on the current situation of DKR's tax privileges under the provisions of the REIT Act.

Against this backdrop, the Supervisory Board resolved further legal transactions and measures as part of its supervisory duties at its meeting on 15 December 2022 and at its meetings on 14 February 2023, 24 February 2023 and 23 March 2023, the conclusion or implementation of which require the approval of the Supervisory Board within the meaning of Section 111 (4) AktG.

For overriding, weighty reasons in the interests of the Company, the Management Board decided, with the approval of the Supervisory Board (at the meetings on 23 February 2023 and 27 February 2023), to postpone the Annual General Meeting of DKR initially convened for 16 March 2023 and then to convene it for 13 July 2023.

At its meeting on 30 May 2023, the Supervisory Board approved the Management Board's resolution on the utilisation of the balance sheet profits in accordance with Section 170 AktG and the draft notice of the Annual General Meeting to be held on 13 July 2023 on the same day. The Supervisory Board also discussed the other items on the agenda with the Management Board, such as the election of the auditor and the election of the Supervisory Board. The Chairman of the Management Board, Mr Rolf Elgeti, informed the Supervisory Board of his wish to resign from the Management Board and move to the Supervisory Board based on Obotritia's election proposal. According to Section 100 para. 2 no. 4 AktG, there is a statutory exception to the otherwise applicable two-year waiting period when changing from the

Management Board to the Supervisory Board if the proposal is made by a shareholder who holds at least 25% of the share capital. The requirements were met so that the corresponding proposed resolution could be included in the invitation to the Annual General Meeting.

At the Supervisory Board meeting on 29 June 2023, the Management Board reported to the Supervisory Board on the countermotion received on 28 June 2023, regarding agenda item 5 and the election proposal of Rocata GmbH regarding Mr Sebastian Wasser as an additional candidate for the Supervisory Board.

The Annual General Meeting on 13 July 2023 elected Mr Rolf Elgeti, Ms Antje Lubitz and Mr Sebastian Wasser as new members of the Supervisory Board. At the same time, following Ms Cathy Bell-Walker (in November 2022) and Mr Nicholas Cournoyer (in May 2023), Mr Kristian Schmidt-Garve and Mr Hans-Ulrich Sutter also stepped down from the Supervisory Board at the end of the Annual General Meeting.

The Supervisory Board was reconstituted at its meeting on 21 July 2023. Due to the departure of Mr Sutter, a new Chairman of the Supervisory Board had to be elected. Mr Rolf Elgeti was elected Chairman of the Supervisory Board. Mr Betz remains the Deputy Chairman of the Supervisory Board.

The Supervisory Board also resolved to form an additional committee (the Conflict Committee), which – in compliance with mandatory limits under stock corporation law, will be given the most extensive and far-reaching powers possible and entrusted with dealing with all issues as conclusively as possible with regard to which individual members currently have conflicts of interest or will have conflicts of interest in the future. The Conflict Committee has a maximum of four members and is quorate as soon as it has three members. The current members are Mr Betz, Mr Wasser and Ms Lubitz, whereby Mr Betz was elected Chairman of the Conflict Committee and Mr Wasser was elected Deputy Chairman of the Conflict Committee. The Supervisory Board also formed an Audit Committee. The Supervisory Board set a target of 20% for the quota of women on the Supervisory Board.

Activities of the Audit Committee in the reporting period

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. In November 2022, Ms Cathy Bell-Walker resigned from the Supervisory Board and the Audit Committee, meaning that the Audit Committee consisted of Mr Achim Betz and Mr Hans-Ulrich Sutter until the Annual General Meeting. Mr Hans-Ulrich Sutter's membership of the Supervisory Board and the Audit Committee ended at the end of the Annual General Meeting on 13 July 2023. At the constituent meeting of the newly composed Supervisory Board on 21 July 2023, the following members of the Supervisory Board were elected to the Audit Committee: Mr Achim Betz (as Chairman of the Audit Committee), Ms Antje Lubitz (as Deputy Chairwoman of the Audit Committee) and Mr Rolf Elgeti (as a member of the Audit Committee). The main task of DKR's Audit Committee 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 internal auditing. 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 the 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 2022/2023 financial year.

The auditor has declared to the Audit Committee that there are no circumstances that would give rise to the assumption that the auditor is biased. The Audit Committee obtained the required declaration of independence from the auditor, 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 Section 100 (5) AktG in the area of auditing. The Deputy Chairmen, Mr Hans-Ulrich Sutter (until 13 July 2023) and Ms Antje Lubitz (since 21 July 2023), meet all the requirements of Section 100 (5) AktG in the area of accounting. Further details can be found in the corporate governance declaration. The CVs of the Audit Committee members are published at <https://www.deutsche-konsum.de> in the "Company" section 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 for the Supervisory Board in the Corporate Governance Statement on the Company's website at <https://www.deutsche-konsum.de/> in the "Investor Relations" section under the menu item "Corporate Governance" and in the 2022/2023 Annual Report.

Annual audit

The annual financial statements of Deutsche Konsum REIT-AG as at 30 September 2023 prepared by the Management Board, together with the Management Report of the Company, were audited by the auditor appointed by the Annual General Meeting on 13 July 2023 and commissioned by the Supervisory Board, DOMUS AG Wirtschaftsprüfungsgesellschaft/Steuerberatungsgesellschaft, Berlin, and issued with an unqualified audit opinion.

The annual financial statements of Deutsche Konsum REIT-AG and the Management Report of the Company as well as the auditor's reports were made available to all members of the Supervisory Board in good time. The auditor attended the Supervisory Board meeting on 18 December 2023 to approve the financial statements and reported on the key findings of its audit. This also included his comments on the internal control system and risk management in relation to the accounting process. He was also

available to the members of the Supervisory Board for additional questions and information. In the run-up to the balance sheet meeting, the members of the Supervisory Board asked the Management Board and the auditor a large number of questions (in particular about the focal points of the audit, the respective audit results and the plausibility check of the audit carried out). These were answered in detail by the Management Board and the auditor. The Supervisory Board approved the results of the audit of the annual financial statements and the Management Report of the Company after detailed discussion on 18 December 2023.

The Supervisory Board carefully examined the annual financial statements and the Management Report of the Company, the proposal on the utilisation of the balance sheet profit (to loss carried forward), and the auditor's reports. No objections were raised. The Supervisory Board then approved the annual financial statements prepared by the Management Board as at 30 September 2023. The annual financial statements are thus adopted. Following its own review and taking into account the earnings performance, the financial position and the requirements of the REIT Act, the Supervisory Board concurred with the Management Board's proposal for the appropriation of profits. Due to the negative annual result, no dividend proposal can be made for the past financial year 2022/2023.

Audit of the report of the Management Board on relationships with affiliated companies (dependent company report)

The Management Board prepared a report on relationships with affiliated companies for the period of control in accordance with Section 312 AktG and submitted it to the Supervisory Board in good time. The Management Board's Report on relationships with affiliated companies was audited by the auditor. The auditor issued the following opinion on the results of its audit:

“Following our mandatory audit and assessment, we confirm that

- 1. the factual information in the report is correct*
- 2. the consideration paid by the Company for the legal transactions listed in the report was not inappropriately high.”*

The audit report was also submitted to the Supervisory Board in good time. The Supervisory Board examined both the dependent company report of the Management Board and the audit report of the auditor, and the auditor attended the Supervisory Board meeting on the dependent company report and reported on the key findings of its audit. Following the final result of the Supervisory Board's review, the Supervisory Board approves the dependent company report of the Management Board and the audit report of the auditor and raises no objections to the final declaration of the Management Board contained in the dependent company report.

Personnel changes in the Management Board and Supervisory Board

The following changes were made to the Management Board and Supervisory Board in the 2022/2023 financial year:

Ms Cathy Bell-Walker, member of the Supervisory Board and the Audit Committee, informed the Management Board and the Supervisory Board of the Company on 11 November 2022 that she would be resigning from office with immediate effect for personal reasons. Mr Nicholas Cournoyer also resigned from the Supervisory Board with effect from 5 May 2023. Mr Hans-Ulrich Sutter and Mr Kristian Schmidt-Garve also stepped down from the Supervisory Board at the end of the Annual General Meeting on 13 July 2023. With the entry of the resolution of the Annual General Meeting on 13 July 2023, the number of Supervisory Board members was reduced from six to five in accordance with the Articles of Association. At the same time, three new members were elected to the Supervisory Board at the Annual General Meeting. Mr Rolf Elgeti, who resigned from his position as Chairman of the Management Board, as well as Ms Antje Lubitz and Mr Sebastian Wasser were elected to the Supervisory Board. Also at the Annual General Meeting, a resolution was passed to adjust the statutory compensation of the Supervisory Board members on the Audit Committee in order to ensure appropriate compensation taking into account the time required in accordance with the German Corporate Governance Code.

With the transfer of Mr Rolf Elgeti from the Management Board to the Supervisory Board, the previous members of the Management Board, Mr Christian Hellmuth and Mr Alexander Kroth, will remain members of the Management Board.

The Supervisory Board would like to thank the Management Board and the employees for their commitment and dedication in the 2022/2023 financial year.

Potsdam, December 2023

For the Supervisory Board



Sebastian Wasser
Chairman of the Supervisory Board

Appendix A:

Meeting	Hans-Ulrich Sutter ⁴⁾	Achim Betz	Kristian Schmidt-Garve ⁴⁾	Johannes C. G. (Hank) Boot	Nicholas Cournoyer ³⁾	Rolf Elgeti ⁵⁾	Sebastian Wasser ⁵⁾	Antje Lubitz ⁵⁾
1/11/2022 ^{VM*}	X	X	X	X	X			
15/12/2022 ^{PM}	X	X	X ¹⁾	X	X			
19/12/2022 ^{VM}	X	X	X	X	X			
22/12/2022 ^{VM}	– ²⁾	X	X	X	X			
12/1/2023 ^{VM}	X	X	X	X	X			
7/2/2023 ^{VM}	X	–	X	X	X			
10/2/2023 ^{VM}	X	X	X	X	X			
14/2/2023 ^{VM}	X	X	X	X	X			
20/2/2023 ^{VM}	X	X	X	X	X			
24/2/2023 ^{VM}	X	X	X	X	X			
27/2/2023 ^{VM}	X	X	X	X	X			
23/3/2023 ^{VM}	X	X	X	X	X			
29/3/2023 ^{VM}	X	X	X	X	X			
5/4/2023 ^{VM}	X	X	X	X	X			
15/4/2023 ^{VM}	X	X	X	X	X			
5/5/2023 ^{Rc}								
8/5/2023 ^{VM}	–	X	X	X				
23/5/2023 ^{VM}	X	X	X	X				
30/5/2023 ^{VM}	X	X	X	X				
22/6/2023 ^{VM}	–	X	X	–				
29/6/2023 ^{VM}	–	X	X	X				
7/7/2023 ^{VM}	X	X	X	X				
21/7/2023 ^{VM}		X		X		X	X	X
4/9/2023 ^{VM CC}		X		–		–	X	X
13/9/2023 ^{VM CC}		X		–		–	X	X
18/9/2023 ^{VM CC}		X		–		–	X	X
25/9/2023 ^{VM CC}		X		X		–	X	X
29/9/2023 ^{VM CC}		X		X		–	X	X

*Cathy Bell-Walker took part in the virtual meeting on 1 November 2022. She resigned from the Supervisory Board with effect from 11 November 2022.

1) Virtual participation (online and by telephone).

2) Excused due to illness.

3) Resignation from the Supervisory Board with effect from 5 May 2023.

4) Members resigning at the end of the Annual General Meeting on 13 July 2023.

5) Supervisory Board members newly elected at the Annual General Meeting on 13 July 2023.

VM Virtual meeting

PM Presence meeting

Rc Resolution by circulation

VM CC Virtual meeting of the Conflict Committee