CONSOLIDATED INTERIM FINANCIAL REPORT 2021

FCR Immobilien AG, Pullach im Isartal

FCR Immobilien

FCR in figures

Important key performance indicators of FCR Immobilien AG (Group) as of June 30, 2021

in € million	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Revenue	14.5	18.9
EBITDA	10.2	8.0
EBIT	10.0	7.9
EBT	6.7	4.4
Net profit for the year	5.5	3.8
Funds from Operations (FFO)	3.7	2.2
EPRA-Net Asset Value (NAV)	116.5	101.0

Important portfolio key performance indicators of FCR Immobilien AG (Group) as of June 30, 2021

Total portfolio	June 30, 2021	December 31, 2020
Number of properties	95	83
Leasable floor space (in thousand m²)	414	342

Asset portfolio	June 30, 2021	December 31, 2020
Number of properties	90	78
Leasable floor space (in thousand m²)	390	341
Portfolio actual net rent (annualized, in million euros)	22.8	19.5
Occupancy rate (in %)	91.6	90.3
WAULT (in years)	5.3	5.1

The total portfolio with 95 properties consists of an asset portfolio with 90 properties (incl. notarized properties in H1/2021) as well as a trading and development portfolio with 5 properties.

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Letter from the CEO

Dear Shareholders and Business Partners,

We can look back on a very gratifying first half of 2021. We were able to achieve a significant increase in earnings compared to the same period of the previous year. Our operating business as an active portfolio holder is flourishing, with funds from operations (FFO) growing by 67% from €2.2 million to €3.7 million. The fact that we are growing steadily and profitably is also reflected in our pre-tax earnings: EBT improved by 53% from €4.4 million to €6.7 million.

The continuous quantitative and qualitative expansion of our real estate portfolio—we already managed to acquire 12 properties in H1/2021—is also reflected in the net asset value (NAV). Within one year, we were able to increase the NAV, which we calculate according to the specifications of the European Public Real Estate Association (EPRA), by 15% from €101 million to €116.5 million. Taking into account the capital increase carried out at the beginning of the year, this figure is €11.93 per share. A year ago, this figure was €11.05. Moreover, we paid a dividend of €0.30 per share to our shareholders in Q2/2021 for the successful financial year 2020.

Driven by our ongoing claim to be one of the most innovative real estate companies in Germany, we have been successfully using our proprietary software solution for efficient and effective real estate portfolio management at FCR for quite some time now. Interested parties have witnessed the benefits of our system. After seeing firsthand how the extensive range of services can be adapted according to customer requirements, we were able to win them over as new business partners.

In this spirit, I would like to express my sincere gratitude to our employees. After all, their passionate commitment enabled us to develop FCR so quickly, successfully and sustainably.

Considering our robust strategic set-up as a portfolio holder for German retail real estate, the positive half-year figures and our ongoing, promising business activities, we are perfectly positioned and also very optimistic regarding the coming months. As part of the continuous development of FCR, we plan to achieve FFO of €8 million and EBT of €14 million for the full year 2021. We were able to confirm this forecast again with the communication of the 2021 half-year figures. Dear shareholders, this means that FCR continues to be on a strong, value-driven growth course, and we hope that we will continue to have you by our side. Thank you very much for your confidence in our work. We greatly appreciate it.

Sincerely yours,

Falk Raudies
CEO

Interim Group Management Report

Business and fundamental conditions

According to calculations by the German Federal Statistical Office (Destatis), the gross domestic product (GDP), which indicates the total value of all goods, merchandise and services for a given period and is the measure of economic growth, increased by 1.5% in Germany in Q2/2021 compared to Q1/2021, adjusted for inflation, seasonal and calendar effects. Adjusted for inflation, the GDP in Q2/2021 was 9.6% higher than in Q2/2020. Due to the pandemic, the GDP in 2020 was 4.9% lower than in 2019. Despite the existing uncertainties, economic indicators have thus turned positive.

According to the German Council of Economic Experts, the economic output is expected to return to pre-pandemic levels at the turn of 2021/2022. The Council of Experts expects the GDP to grow by 3.1% in the current year 2021 and by 4% in 2022.

Since the beginning of 2021, the inflation rate in Germany has increased every month compared to the previous month. In June 2021, the inflation rate recorded an increase of 2.3% compared to the previous month of May 2021. According to the forecast of the German Council of Experts, consumer prices are expected to rise by an average of 2.1% in 2021 compared to the previous year 2020. In 2020, consumer prices increased by an annual average of 0.5% compared to 2019.

JLL, a leading consultancy and investment management company in the real estate segment, states in its investment market overview for Q2/2021 that economic activities have picked up again. According to JLL, the transaction volume in Germany in Q2/2021 was €17.53 billion, while in Q2/2020 this figure was €14.52 billion. The transaction volume of the past quarter is also leaning towards the average transaction volume of €19.43 billion measured in the period from Q1/2016 to Q1/2021. However, it is also important to note that an above-average transaction volume was achieved in Q3/2019 (€25.10 billion), Q4/2019 (€34.17 billion) and Q1/2020 (€27.90 billion) in each case.

For H1/2021, the transaction volume was €34.1 billion. Of this amount, €3.1 billion was invested in retail properties, with the “Living” segment leading the way with €11.9 billion, followed by office properties with €10 billion. The Big 7 (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart) accounted for a transaction volume of €17.4 billion in H1/2021 (previous year: €17.9 billion).

Prime yields in prime locations amounted to 3.75% in Q2/2021 in the retail sector, for example in retail parks, which are currently very much the focus of investors (previous year: 4.2%). Among other things, the increase in prices is causing the widening yield gap to B-products.

Business development

As a portfolio holder for German retail real estate, FCR also recorded an extremely positive business development in the first half of 2021. In H1/2021, FCR signed 12 purchase contracts (previous year: 10 properties) before a Notary Public. For 3 properties, the transfer of benefits and encumbrances has already taken place in H1/2021, and for 9 properties it will take place in H2/2021. For one property sold/notarized in 2020 (retail park in Magdeburg, Saxony-Anhalt), the transfer of benefits and encumbrances took place in H1/2021.

Including the notarized properties, FCR has a portfolio of 95 properties with a market value of €352 million as of June 30, 2021. Ninety (90) properties belong to the core business, the portfolio maintenance. Five (5) properties, which will be sold successively, belong to the trading and development portfolio. The 90 properties from the existing portfolio have a total leasable area of 390,000 m² (December 31, 2020: 341,000 m²). The annualized actual net rent in this area increased to €22.8 million (December 31, 2020: €19.5 million). Due to active asset management, the occupancy rate also increased to 91.6% (December 31, 2020: 90.3%). The weighted average unexpired lease term (WAULT) improved to 5.3 years (December 31, 2020: 5.1 years).

The focus of portfolio management remains on retail properties. This segment accounted for 83.5% of rental income in the first half of the year. Opportunistic segments are office (8.3%), logistics (6.2%), residential (1.6%) and hotel (0.5%). In the core retail property segment, FCR may continue to acquire properties in secondary locations with initial yields between 8% and 12%. Combined with low costs of an efficient corporate structure through the use of a comprehensive proprietary AI software solution, FCR can achieve above-average returns.

The software provides extensive comparison options for offers and services in real estate management, so that significant savings potential can be leveraged based on optimal cost control. The software also opens up additional marketing opportunities for rental space. The FCR software has already been successfully licensed to external third parties. FCR will continue to invest in expansion of this technology in order to be able to capture additional earnings potentials in the future.

In the first six months of 2021, FCR was able to increase all key earnings indicators compared to the same period last year. EBITDA increased from €8.0 million to €10.2 million, EBIT from €7.9 million to €10.0 million, and EBT by 53% from €4.4 million to €6.7 million. Net income increased from €3.8 million to €5.5 million, and earnings per share improved from €0.41 to €0.57. EBITDA to interest expenses increased from 2.22 to 2.82.

	June 30, 2021	**June 30, 2020**
EBITDA on interest expenses	**2.82**	**2.22**
EBITDA	10,225,022	8,032,122
Interest expenses	3,621,993	3,622,192

Funds from operations (FFO) increased by 67% from €2.2 million to €3.7 million.

As a result of the positive development of the real estate portfolio, the EPRA NAV also increased further. It amounted to €116.5 million at the end of H1/2021 (previous year: €101.0 million).

The Executive Board considers the overall economic development of the company in H1/2021 to be very satisfactory.

Income, asset and financial position

The income, asset and financial position continues to be positive.

In H1/2021, FCR Immobilien AG generated revenues from rental and sale of real estate in the amount of €14.5 million (previous year: €18.9 million). The sales revenues from rentals amounting to €11.7 million could be slightly increased given the fact that for three of the total of 12 purchased properties the transfer of benefits and encumbrances had already taken place by the end of H1/2021. For the 9 other properties, the economic transfer will not take place until the second half of the year, which will then be reflected positively in the earnings for H2/2021. As part of the transformation process into a portfolio holder, the economic transfer of four sold properties (Hof, Oer-Erkenschwick, Pössneck, Magdeburg) took place in the period from December 2020 to February 2021, which generated additional rental income up to that point.

Due to the company's positioning as a portfolio holder for German retail properties, revenue from the sale of investment properties dropped from €5.1 million to €2.3 million, which is in line with the strategy. This revenue resulted from the sale of the property in Magdeburg (Saxony-Anhalt), which was notarized in 2020, with the transfer of possession, benefits and burdens (BNL) taking place as of February 1, 2021. There were no property sales in H1/2021.

The cost of materials was reduced to €3.4 million (previous year: €3.6 million). As a result of effective, systemic measures, particularly in the area of automation and digitalization, personnel expenses decreased to €1.7 million (previous year: €2.3 million).

Due to properties acquired below market value in H1/2021, among other things, the change in value of investment properties amounted to €2.8 million (previous year: €0.9 million).

Other operating expenses in the reporting period amounted to €1.9 million (previous year: €2.1 million).

FCR generated total earnings before taxes of €6.7 million (previous year: €4.4 million). After deduction of taxes, FCR generated a total net profit for the year of €5.5 million (previous year: €3.8 million).

Noncurrent assets increased to €354.5 million (December 31, 2020: €322.8 million), while current assets increased to €28.0 million (December 31, 2020: €25.8 million). The total assets of FCR Immobilien AG thus amount to €382.5 million as of June 30, 2021, which is €33.8 million higher than at the end of the past financial year (December 31, 2020: €348.7 million).

Equity improved by €8.7 million to €101.1 million (December 31, 2020: €92.4 million). This corresponds to an equity ratio of 26.4% (December 31, 2020: 26.5%).

Noncurrent liabilities increased to €249.6 million (December 31, 2020: €226.7 million) as a result of the increased business activities, while current liabilities rose to €31.7 million (December 31, 2020: €29.5 million).

Employees

In the reporting period, the average number of employees in the FCR Group was 64 (previous year: 110). The employees are broken down into the following groups: Management Board 1 (previous year: 1), Administration 25 (previous year: 28), Service 8 (previous year: 13), Hotel 30 (previous year: 68). There were no changes in the Executive Board of FCR Immobilien AG during the reporting period. Mr. Falk Raudies has been representing the company as CEO since its formation.

Report on opportunities and risks

As part of the Group Management Report for financial year 2020, FCR Immobilien AG described all opportunities and risks very comprehensively, including with regard to the current COVID-19 pandemic, which may determine the business development of FCR. These explanations as well as a detailed description of our risk management system can be found in the 2020 Annual Report on pages 115 et seq. The estimations made here remain unchanged. The 2020 Annual Report of FCR Immobilien AG is available at https://fcr-immobilien.de/investor-relations/finanzberichte.

Outlook

FCR has a well-established, robust business model with strong focus on portfolio management of shopping and specialist stores, local suppliers and drugstores in Germany. As in previous years, FCR continued its profitable growth path in H1/2021 and further strengthened its market position. Based on positive endogenous and exogenous factors, FCR has issued a forecast for the full year 2021, which projects an increase in key corporate indicators. For example, funds from operations (FFO) are expected to increase to €8 million, while EBT is expected to rise to €14 million. We hereby confirm this forecast once again, also taking into account that in H2/2021 the economic transition will still take place for 9 properties purchased in H1/2021.

2021 IFRS Consolidated Financial Statements

Consolidated Statement of Financial Position

as of the balance sheet date June 30, 2021

ASSETS **in €**	**June 30, 2021**	**Dec. 31, 2020**
A. Non-current assets		
Intangible assets	3,182,053.73	1,499,538.49
Properties held as financial investments	344,302,076.78	314,538,108.00
Property, plant and equipment	1,055,013.89	845,712.00
Investments	5,762,500.00	5,762,500.00
Long-term and other lendings	188,104.00	188,104.00
Total non-current assets	**354,489,748.40**	**322,833,962.49**
B. Current assets		
Inventories	2,929,461.46	4,220,765.17
Financial instruments available for sale on short notice	6,194,421.42	3,116,056.64
Trade receivables	3,076,137.07	5,152,194.81
Receivables from affiliated companies	5,000.00	517,152.14
Other current assets	6,600,809.60	7,101,580.10
Tax claims with short maturities	62,766.10	103,846.76
Cash and cash equivalents	9,124,139.67	5,605,315.92
Total current assets	**27,992,735.32**	**25,816,911.54**
Total assets	**382,482,483.72**	**348,650,874.03**

LIABILITIES AND EQUITY

in €	June 30, 2021	Dec. 31, 2020
A. Equity		
Subscribed capital	9,762,997.00	9,146,404.00
Capital reserve	11,497,869.37	5,763,920.41
Other reserves	278,915.16	278,915.16
Retained earnings	79,598,787.19	77,243,138.93
Total equity	**101,138,568.72**	**92,432,378.50**
B. Liabilities		
NON-CURRENT LIABILITIES		
Non-current deferred tax liabilities	16,359,241.75	15,588,604.21
Non-current bonds	65,502,157.08	55,021,354.62
Non-current bank loans	167,762,076.42	156,098,717.79
Total non-current liabilities	**249,623,475.25**	**226,708,676.62**
CURRENT LIABILITIES		
Current provisions	361,138.32	731,525.71
Ongoing income tax liabilities	685,165.11	700,766.31
Current bonds	14,988,240.11	14,960,751.74
Current bank loans	11,065,617.00	9,568,092.84
Prepayments received	389,646.52	81,217.03
Trade liabilities	2,123,521.99	1,491,290.74
Other current liabilities	2,107,110.70	1,976,174.54
Total current liabilities	**31,720,439.75**	**29,509,818.91**
Total equity and liabilities	**382,482,483.72**	**348,650,874.03**

Consolidates Statement of Comprehensive Income

for the period from January 01 to June 30, 2021

€	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Revenues	12,243,859	13,784,775
Revenues from the sale of properties held as financial investments	2,250,000	5,145,000
Portfolio movements	647,548	408,342
Other capitalized personal contributions	396,065	0
Other operational income	1,564,327	95,512
Total turnover and operating income	**17,101,799**	**19,433,629**
Cost of materials	-3,438,719	-3,619,488
Expenses for purchased services	-37,468	-89,675
Expenses from the disposal of properties held as financial investments	-2,250,000	-4,291,000
Personnel expenses	-1,744,493	-2,323,980
Change in the value of properties held as financial investments	2,787,124	884,213
Other operational expenses	-1,852,076	-2,051,109
Impairment of trade receivables and contractual assets	-341,144	-18
Earnings from shareholdings measured at equity	0	89,550
EBITDA	**10,225,022**	**8,032,122**
Amortization and impairment of other intangible assets and property, plant and equipment	-210,440	-163,640
Earnings before interest and tax (EBIT)	**10,014,582**	**7,868,482**
Earnings from financial activities	278,995	107,933
Expenses from financial activities	-3,621,993	-3,622,192
Earnings before tax (EBT)	**6,671,585**	**4,354,224**
Taxes on income and earnings	-1,198,252	-583,738
Consolidated earnings after taxes	**5,473,333**	**3,770,485**
Total earnings in the reporting period	**5,473,333**	**3,770,485**
Of which attributable to:		
Quota attributable to the shareholders of FCR Immobilien AG	**5,473,333**	**3,770,485**
Earnings per share (undiluted) based on	**5,473,333**	**3,770,485**
Shares issued (weighted for changes in capital)	9,660,232	9,146,404
Earnings per share (undiluted)	**0.57**	**0.41**

Consolidated Cash Flow Statement

for the period from January 01 to June 30, 2021

in € thousand	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Consolidated earnings after taxes	**5,473**	**3,770**
Adjustments to the net profit/loss for the period for reconciliation with the operating cash flow:		
Taxes on income and earnings recognized through profit or loss	1,198	584
Financial expenses recognized through profit or loss	3,622	3,622
Financial income recognized through profit or loss	-279	-108
Earnings recognized through profit or loss	0	-90
Proceeds from the sale of properties held as financial investments recognized through profit or loss	0	-854
Amortization and impairment of other intangible assets and property, plant and equipment	210	164
Change in the value of properties held as financial investments	-2,787	-884
Change in inventories, receivables and other assets not attributable to investment activities	-1,356	-2,369
Change in liabilities not attributable to financing activities	701	3,006
Payments of taxes on profits and earnings	-347	-55
Cash flow from operating activities	**6,436**	**6,787**
Investments in other intangible assets, software and property, plant and equipment	-593	-543
Cash inflows from the sale of properties held as financial investments	5,750	13,288
Cash outflows for properties held as financial investments	-27,093	-20,201
Cash outflow for the acquisition of securities and current assets	-5,400	-2,582
Cash inflows from the disposal of securities and current assets	822	0
Payments for investments in associates accounted for using the equity method	0	-2,000
Cash inflows from the repayment of lendings to companies	512	195
Interest received	279	108
Cash outflow from investment/divestment activities	**-25,722**	**-11,735**
Cash inflow from the issue of new shares	6,659	0
Issue of bonds	10,500	2,949
New loans assumed	20,227	10,270
Loan principal repayments	-8,404	-6,705
Cash outflow for dividends paid to shareholders	-2,929	-2,744
Interest paid	-3,248	-3,076
Cash inflow from financing activities	**22,805**	**694**
Net change in cash and cash equivalents	**3,519**	**-4,254**
Cash and cash equivalents as of January 1	**5,605**	**9,143**
Cash and cash equivalents as of December 31	**9,124**	**4,888**
Financial instruments available for sale on short notice	**6,194**	**3,441**
Cash and cash equivalents including financial instruments available for current disposal	**15,319**	**8,329**

The company had unlimited power to dispose over the cash and cash equivalents.

Consolidated Statement of Changes in Equity

for the period from January 01 to June 30, 2021

	Equity attributable to the shareholders of FCR Immobilien AG					
€, except for the number of shares	**Number of shares in circulation**	**Subscribed capital**	**Capital reserve**	**Other reserves**	**Retained earnings**	**Equity**
As of December 31, 2019	**9,146,404**	**9,146,404**	**5,763,920**	**278,915**	**70,244,012**	**85,433,252**
Result for the period					9,560,724	9,560,724
Change in scope of consolidation					-6,462	-6,462
Dividend payment					-2,743,921	-2,743,921
As of December 31, 2020	**9,146,404**	**9,146,404**	**5,763,920**	**278,915**	**77,054,353**	**92,243,593**
Result for the period					5,473,333	5,473,333
Capital increase	616,593	616,593	6,042,611			6,659,204
Costs related to the capital increase			-308,662			-308,662
Dividend payment					-2,928,899	-2,928,899
As of June 30, 2021	**9,762,997**	**9,762,997**	**11,497,869**	**278,915**	**79,598,787**	**101,138,569**

Notes to the Consolidated Financial Statements

Selected explanatory disclosures in the Notes to the Interim Financial Report for the period from January 1 to June 30, 2021:

General disclosures

FCR Immobilien AG (referred to as FCR AG, FCR of the Group hereafter) is a listed corporation limited by shares under German law. The registered office of the company is in 82049 Pullach im Isartal, Germany (Munich Local Court, HRB 210430). After a segment upgrade, the shares of FCR Immobilien

AG have been listed on the regulated market, General Standard, of the Frankfurt Stock Exchange since October 30, 2020. As of the interim balance sheet date, the company is listed in the regulated market, General Standard, of the Frankfurt Stock Exchange under identification number ISIN DE000A1YC913 and securities identification number A1YC91.

1 Principles and methods applied in the preparation of the Interim Consolidated Financial Statements

FCR Immobilien AG prepares the interim consolidated financial statements for the largest and smallest group of companies.

The present Interim Financial Report was created by FCR Immobilien AG as the parent company as of June 30, 2021. It was prepared on a voluntary basis in compliance with the International Financial Reporting Standards (IFRS hereafter) as applicable in the EU, the supplementary commercial law provisions applicable pursuant to Section 315e (1) German Commercial Code as well the IAS 34 rules pertaining to interim reporting. The requirements resulting from the German accounting standard 16 (DRS 16 - interim reporting) have also been observed.

The reporting period is comprised of the first six months of financial year 2021 ("H1"). Comparative figures can be found in the Statement of Financial Position as of December 31, 2020, and the Statement of Comprehensive Income for the period from January 1 to June 30, 2020.

The accounts and values as well as the explanations and disclosures contained in the Interim Consolidated Financial Statements are based on the same accounting and measurement methods used for the Consolidated Financial Statements as of December 31, 2020.

These condensed Interim Consolidated Financial Statements do not contain all the information that is required for annual financial statements and must therefore be read in conjunction with the Consolidated Financial Statements as of December 31, 2020. The Interim Consolidated Financial Statements were prepared under the assumption of a continuation of the company ("going concern").

1.1 Auditor's review

The condensed Interim Consolidated Financial Statements as of June 30, 2021, and the Interim Group Management Report have neither been audited in accordance with Section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

1.2 New accounting standards to be applied in future financial years

The accounting policies applied in the preparation of the interim report are consistent with the accounting policies applied in the preparation of the Consolidated Financial Statements for financial year 2020. An exception is the application of new standards effective from January 1, 2021. FCR has not prematurely adopted any standard, interpretation or amendment. The amendments and interpretations to be applied from financial year 2021 onward have no impact on the interim reporting.

2 Selected explanations to the Consolidated Statement of Financial Position—assets

2.1 Properties held as financial investments

The value of the property holdings as of December 31 are usually measured on an annual basis by an external and independent expert. The measurement of the attributable fair value is carried out with the help of internationally recognized measurement methods and is based on information made available by the company, such as current rents, maintenance and administrative expenses or currently vacant space, as well as assumptions made by the expert on the basis of market data and evaluated on the basis of the valuer's professional qualifications, e.g. future market rents, typical maintenance and administration expenses, structural vacancy rates or discount and capitalization interest rates (level 3 of the fair value hierarchy). The measurement as of June 30, 2021, was based on the same principles as the measurement as of December 31, 2020. The measurement of the initial recognition amount is based on the acquisition or production costs together with the transaction costs.

The Executive Board analyzes the information made available to the expert, the assumptions and the results of the property valuation.

In the period from January 1 to June 30, 2021, purchases of three properties with a volume of €21,663,000 (H1/2020: €10,788,000) settled and title transferred to the company.

The following overview shows the development of the investment properties:

€ THOUSAND	**June 30, 2021**	Dec. 31, 2020
Holdings as of January 1	**314,538**	**298,986**
Addition	21,663	34,430
Deposits paid on additions in the next period	847	151
Changes due to changes in the scope of consolidation	0	-86
Carrying amount reduction from property sales	0	-17,489
Reclassifications to inventories	0	-2,250
Subsequent acquisition and production costs	4,467	0
Valuation result for properties sold	0	8,653
Unrealized valuation result from fair value measurement (change in market value)	2,787	-7,857
Total	**344,302**	**314,538**

The item “investment property” includes retail units and rental apartments amounting to €293,709,000 (previous year: €268.332,000) and hotels amounting to €27,118,000 (previous year: €27,118,000), as well as properties still under development amounting to €22,628,000 (previous year: €19,088,000); it also includes deposits paid on properties, whose ownership will not be transferred until after the balance sheet date but will be reported as investment property in the future, amounting to €847,000 (previous year: €151,000).

As was the case in the previous year, expenses for the maintenance of properties under development were of subordinate significance.

2.2 Financial instruments available for sale on short notice

For the purpose of an active liquidity management, liquid funds were invested in short-term near-money market financial investments. This resulted in the investment of €6,194,000 (previous year: €3,116,000) in short-term near-money market financial investments. They are reported in a separate item in the Statement of Financial Position.

2.3 Cash and cash equivalents

The item cash and cash equivalents is on all reporting dates comprised of credit balances with bank with maturities of not more than three months and cash at hand. The carrying amount of these assets corresponds to their attributable fair value.

The value composed of the cash funds and the financial instruments available for sale on short notice amounts to €15,319,000 as of the reporting date (as of June 30, 2020: €8,721,000).

The item financial instruments available for sale on short notice recognizes short-term near-money market financial investments.

2.4 Equity

The development of the company's equity is presented in the Statement of Changes in Equity.

In the period from January 28 to February 11, 2021, a capital increase took place, whereby the share capital increased from €9,146,404 to €9,762,997 and the capital reserve rose from €5,764,000 to €11,498,000. Costs related to the capital increase were deducted from the capital reserve.

Furthermore, a dividend payment of €0.30 per share totaling €2,929 thousand (previous year: €2,744 thousand) was made from retained earnings in the first half of the year.

2.5 Bonds

Bonds include subscribed bonds.

All bonds are fully collateralized. Analogous to the bank loans, the bonds are secured by the properties held as financial assets reported in the Statement of Financial Position.

The assets pledged as collateral may be liquidated by lenders if the Group fails to satisfy its obligations from interest and principal repayments for the financial liabilities.

3 Selected explanations to the Consolidated Statement of Comprehensive Income

3.1 Revenues

In accordance with the business model, revenues are generated from the sale of real estate, its management and administration and the performance of all associated transactions. In addition, the hotels generate revenues from hotel operations, such as revenues from overnight stays, food & beverage and the associated hotel & golf resort in Italy.

The revenues are comprised as follows:

€ THOUSAND	**H1/2021**	H1/2020
Rental income from investment properties	11,665	11,643
Income from the sale of properties held as financial investments	2,250	5,145
Revenue from hotel operations	568	840
Other sales revenues	11	1,302
Total	**14,494**	**18,930**

As part of the transformation process into a portfolio holder, the economic transfer of four sold properties (Hof, Oer-Erkenschwick, Pössneck, Magdeburg) took place in the period from December 2020 to February 2021, which generated additional rental income up to that point. For three of the total of 12 properties purchased in H1/2021, the transfer of benefits and encumbrances took place at the end of the reporting period.

The other revenues are essentially attributable to merchandise sales.

4 Other disclosures

4.1 Business transactions with related companies and persons

Business relations between fully consolidated group companies and non-consolidated group companies are conducted at arm’s length.

4.2 Related parties in key positions

The related parties in key positions are the members of the Executive Board and Supervisory Board presented below for the financial year.

Members of the Executive Board of the parent company

There were no changes with effect on the Executive Board of FCR Immobilien AG during the reporting period. Mr. Falk Raudies has been representing the company as CEO since its formation.

Members of the Supervisory Board of the parent company

The members of the Supervisory Board are:

- Dr. Franz-Joseph Busse (Chairman), University Professor
- Hanjo Schneider, (Vice Chairman), business owner
- Ludwig A. Fuchs, Managing Director

4.3 Contingent liabilities and contingent receivables

There were no material contingent liabilities or contingent receivables as of the closing date.

4.4 Material events after the balance sheet date

The following event of material significance that may result in a different assessment of the company occurred after the end of the H1/2021:

Agreement with the Jawoll discounter, which operates more than 85 stores across Germany. At 12 Jawoll locations, FCR has been the owner and lessor of the retail property since 2018. The signed agreement provides for an early lease extension for all 12 locations until mid-2032.

Declaration of responsibility from the

legal representatives of FCR Immobilien AG (Group)

I hereby warrant that, in accordance with the applicable accounting principles for half-yearly financial reporting, the Consolidated Interim Financial Statements for the half-year ending on June 30, 2021, portrays, to the best of my knowledge, a true and accurate picture of the Group’s net asset, financial and earnings position; I further warrant that the Interim Group Management Commentary presents the course of business including the Group’s business performance and position in a way that conveys an accurate and true picture of the actual circumstances and that it describes the essential opportunities and risks inherent in the Group’s expected development.

Pullach im Isartal, August 20, 2021
FCR Immobilien AG

Falk Raudies, CEO

Financial calendar

Baader Investment Conference
Munich
September 24, 2021

Interim statement for Q3/2021
November 2021

German Equity Forum
Online
November 22–24, 2021

Contact

FCR Immobilien AG
Kirchplatz 1
82049 Pullach im Isartal, Germany
www.fcr-immobilien.de

Phone	+49 89 413 2496 00
Fax	+49 89 413 2496 99
Email	info@fcr-immobilien.de

Legal notice

FCR Immobilien AG
Kirchplatz 1
82049 Pullach im Isartal, Germany