ACCENTRO Real Estate AG

Germany's Market Leader in Residential Property Privatisation

Company Presentation, 8 August 2019

FINANCIAL YEAR 2018 and
HALF-YEAR FINANCIAL REPORT 2019, 30 June 2019

HIGHLIGHTS

Germany's market leader in residential property privatisation and sales

ACCENTRO

Core business activities

- Privatisation of residential real estate in attractive German metro regions
- Third-party property sales and backstop services for real estate investors and property developers
- Joint ventures with strategic equity participation

Track record

- Dynamic built-up of a proprietary privatisation pipeline through portfolio investments of EUR 721m (purchase prices) since 2015
- 4,218 condominiums and properties sold with a total sales value of EUR 509.9m since 2015

USPs

- Unique business model with compelling risk-return profile in listed sector
- Unprecedented expertise in major local German residential markets
- High-powered sales and marketing platform of international reach
- Exclusive joint ventures with renowned real estate companies and developers

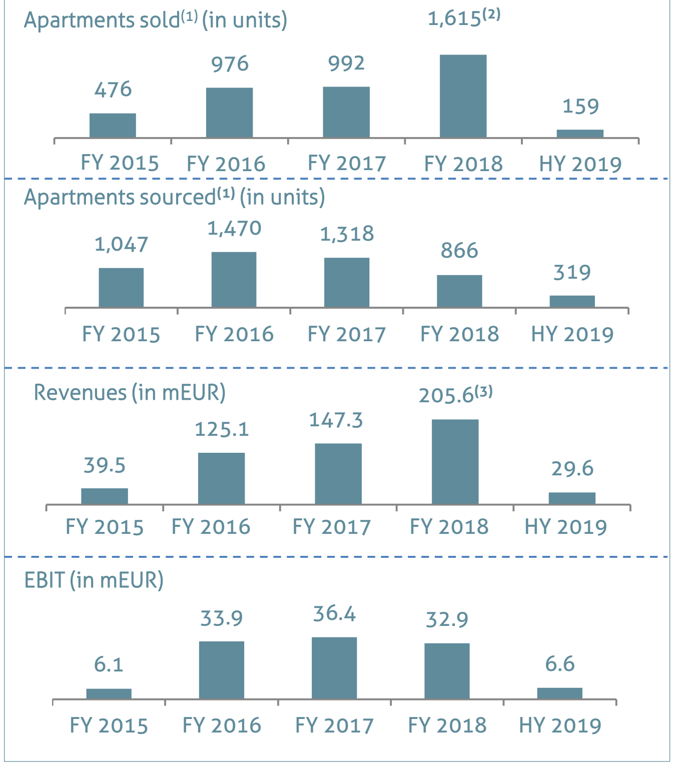
Regional focus and pipeline

- 1,295 units currently available for sale in Berlin – home market of ACCENTRO
- Successful expansion launched into growth markets such as the Leipzig, Hamburg, Hanover, Cologne/Bonn and Rhine-Main metro regions. Additional acquisitions of 238 units in Berlin, Rostock and Dusseldorf already signed but not closed in HY 2019

Key ratios and financials

- Inventories increased to 389 million primarily through the issue of a bond and a capital increase in 2018
- Consistently high EBIT of more than EUR 30 million per year since 2016 with an average gross sales margin of more than 30%
- Confirmation by an external real estate appraiser of the high hidden reserves of EUR 118 million on the inventories as at 31 December 2018

Key operational metrics



Notes: (1) Transaction closed in corresponding year (2) including 675 units of the project development Gehrensee (3) Including EUR 42.4m of the project development Gehrensee

CURRENT BALANCE SHEET PORTFOLIO

Berlin-focused privatisation portfolio of intrinsic value

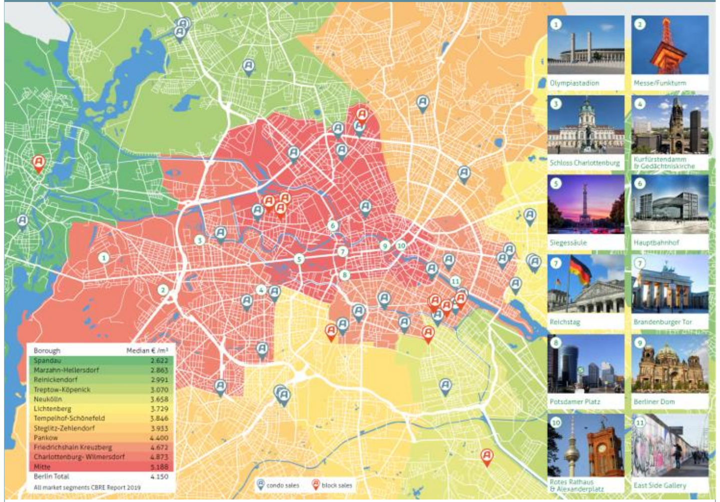
ACCENTRO

Privatisation portfolio as of 30 June 2019

City	Book value/purchase price (in mEUR)	Units	sqm	Selling prices (EUR/sqm)
Berlin	288.7	1,287	92,532	4,180
Greater Berlin	26.8	157	16,402	2,477
Leipzig and Greater Leipzig	23.5	366	22,666	1,313
Rostock and Usedom	15.7	112	7,919	2,771
Rhein-Ruhr area (Cologne, Ratingen)	8.6	56	3,922	3,015
Hamburg area	3.5	17	1,579	2,826
Others (Chemnitz, Bayreuth)	19.5	351	20,236	1,078
Total	386.3	2,346	165,257	3,130

Privatisation portfolio broken down by region

Attractive growth upside in the Berlin core region



1. Continued demographic growth
2. Rising income and purchase power
3. Housing shortage driving price growth
4. Slow construction failing to close gap
5. Construction costs exceeding current valuations of existing stock

OPERATING AND PRIVATISATION TRACK RECORD

Development of a profitable portfolio of high-quality assets

ACCENTRO

Key facts of the privatisation portfolio

	FY 2015	FY 2016	FY 2017	FY 2018	HY 2019
Number of units	1,919	2,422	2,885	2,181	2,346
Book value, in mEUR	155.2	216.1	302.2	343.9	386.3
Gross margin of sales	21.7%	45.1%	33.6%	27.6%	33.2%
Annual rental income, in mEUR	7.2	7.9	8.7	8.5	9.9
Interest coverage ratio (EBITDA/net interest expense)	2.8	3.8	4.1	3.9	4.2
LTC*	69.2%	43.5%	39.4%	50.6%	55.2%
WACD**	4.4%	2.9%	2.6%	2.7%	2.7%

* Net debt / GAV (accounted at cost)
** Weighted average cost of debt

Notes

- Current privatisation portfolio generates an annual rental income of EUR 9.9m and contain high hidden reserves in the context of new letting
- Sustainable improvement of the interest coverage ratio through optimisation of the funding structure
- Economies of scales through consistent expansion of the inventory assets

Berlin-Charlottenburg

Berlin-Tegel

FINANCIALS - INCOME STATEMENT – 2018 and HY 2019

Income statement shows high profitability of business model

ACCENTRO

Income statement (in EUR '000)	2017	2018	Δ in %	HY 2018	HY 2019	Δ in %	Sources of Income
Revenues from sales of inventory property	137,859	194,009	40.6%	91,137	29,633	-67.5%	Revenue from property sales
Expenses for sales of inventory property	-103,167	-160,924	56.0%	-77,612	-22,247	-71.3%	
Capital gains from inventory property	**34,692**	**33,085**	-4.6%	**13,525**	**7,386**	-45.4%	
Net rental income	5,434	6,130	12.8%	3,173	3,096	-2.4%	Net income from property letting
Net service income	947	2,282	140.9%	1,546	154	-90.1%	Net income from services
Net income from companies accounted for using the equity method	-14	2	114.3%	60	461	668.4%	Return from equity investments
Other operating income	3,260	1,663	-49.0%	889	710	-20.1%	
Gross profit or loss	**44,319**	**43,162**	**-2.6%**	**19,192**	**11,808**	-38.5%	
Total payroll and benefit costs	-3,339	-4,613	38.2%	-1,939	-2,638	36.1%	
Depreciation and amortisation of intangible assets and property, plant and equipment	-114	-349	206.2%	-80	-350	337.6%	
Impairment of accounts receivable	0	-205	-	0	0	-	
Other operating expenses	-4,465	-5,131	14.9%	-2,765	-2,231	-19.3%	
EBIT	**36,401**	**32,864**	-9.7%	**14,409**	**6,588**	-54.3%	
Other income from investments	35	36	2,7%	18	18	1.7%	Return from other equity investments
Net interest income	-8,803	-8,924	1.4%	-5,769	-3,094	-46.4%	
EBT	**27,633**	**23,976**	-13.2%	**8,658**	**3,513**	-59.4%	
Income taxes	-7,316	-5,675	-22.4%	-2,913	-572	-80.4%	
Consolidated income	**20,317**	**18,301**	-9.9%	**5,746**	**2,941**	-48.8%	
Total gross margin (revenues basis) (1)	**27.9%**	**25.4%**	**-8.7%**	**32,4%**	**30,8%**	**-4.9%**	
Gross margin from sales (cost basis) in % (1)	**33.6%**	**27.6%**	**-17.8%**	**37,4%**	**33,2%**	**-11.2%**	
Net income margin (1)	**13.8%**	**11.2%**	**-18.7%**	**10,4%**	**8,5%**	**-17.8%**	
Earnings per share	**0.82**	**0.56**	**-31.3%**	**0,19**	**0,09**	**-52.3%**	

Notes

- Constant high profitability with sales margins of over 33.2% in HY 2019
- Capital gains from inventory property remained at approximately high level as last year for the financial year 2018.
- Sales of around EUR 42m notarized but not yet closed at end of June and increased number of sales starts in the first half of 2019 realized to contribute guidance achievement in 2019
- Earnings per share at EUR 0.56 in 2018
- Total payroll and benefit costs and other operating expenses on a low level compared to revenues
- Negative net interest result decreased by 46% through optimized financing structure and due to increase in interest income in 2019

Notes: (1) KPI’s without effects from sale of the Gehrensee project

FINANCIALS - BALANCE SHEET – HY 2019

Financial position with large hidden reserves

ACCENTRO

Financial position (in EUR '000)	FY 2018	HY 2019	Δ in %
Goodwill	17,776	17,776	0.0%
Owner occupied properties and buildings	23,366	23,283	-0.4%
Non-current trade receivables and other receivables and other assets	38,920	24,538	-37.0%
Other non-current assets	1,047	1,245	18.9%
Total non-current assets	**81,109**	**66,840**	-17.6%
Inventory properties	345,241	388,641	12.6%
Accounts receivable and other assets	32,391	32,505	0.4%
Cash and cash equivalents	15,464	11,080	-28.4%
Total current assets	**393,096**	**432,226**	10.0%
Total assets	**474,205**	**499,067**	5.2%
Subscribed capital	32,431	32,438	0.0%
Additional paid-in capital	78,433	78,568	0.2%
Retained earnings	86,284	84,046	-2.6%
Attributable to non-controlling companies	1,956	2,451	25.3%
Total equity	**199,104**	**197,503**	-0.8%
Financial liabilities and bond	175,334	168,719	-3.8%
Other non-current liabilities	1,097	987	-10.1%
Total non-current liabilities	**176,431**	**169,706**	-3.8%
Financial liabilities and bond	55,919	93,556	67.3%
Other short-term payables	42,750	38,302	-10.4%
Total current liabilities	**98,669**	**131,858**	33.6%
Total current and non-current liabilities	**275,101**	**301,564**	9.6%
Total assets	**474,205**	**499,067**	5.2%
LTV (at cost)	**50.6%**	**55.2%**	**9.2%**
Equity ratio	**42.0%**	**39.6%**	**-5.7%**

Notes

- Reduction in non-current assets due to reclassification of cooperation projects to current assets
- Real estate assets further increased by continuous growth
- Property valuation by external appraisers confirms hidden reserves of more than 100 million
- Granted capital to provide self funding services for further growth potential
- Equity ratio remains high despite a dividend payment in May 2019
- Corporate bond over EUR 100m issued in 2018 to boost the ongoing growth
- Capital increase of EUR 20m in october 2018 to accelerate further growth
- reclassification of long-term financial liabilities to short-term due to stronger sales planning in the second half of the year
- Comfortable LTC of 55.2% despite the issue of a bond

FINANCING - FUNDING STRUCTURE

Exploiting the favourable funding environment to reduce the cost of capital

ACCENTRO

Funding strategy

- Corporate bond over EUR 100m with a coupon interest of 3.75% successfully placed in 2018
- Balanced mix of secured and unsecured financing and manageable financing risk due to low LTC

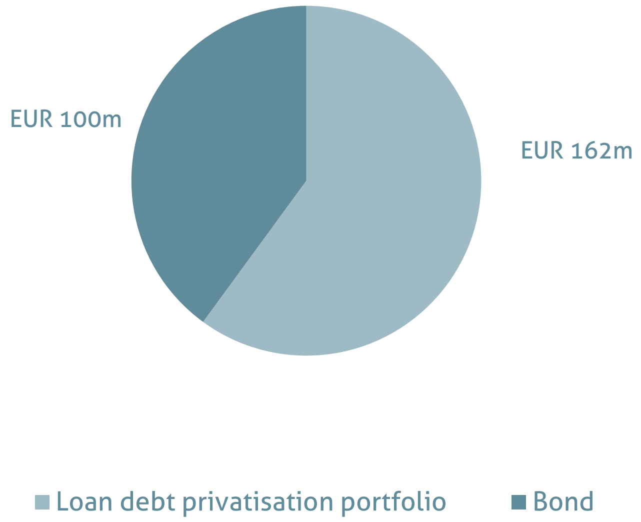
Financial liabilities	Nominal volume (EUR '000)	Average interest rate (%)	Average loan term (years)
Loan debt Privatisation portfolio	162,070	2.11	3.09
Bond (2018/2021)	100,000	3.75	1.58
Sum total	**262,070**	**2.74**	**2.52**

Key financial covenants of outstanding ACCENTRO bond 2018/2021

Covenant	Ratio	Current status[1]
Limitation on net financial indebtedness	< 60%	55.2%
Limitation on capital market indebtedness	> 150%	194.2%
Maintenance of interest coverage ratio	> 2.0	4.16

Notes: (1) Based on 30 June 2019

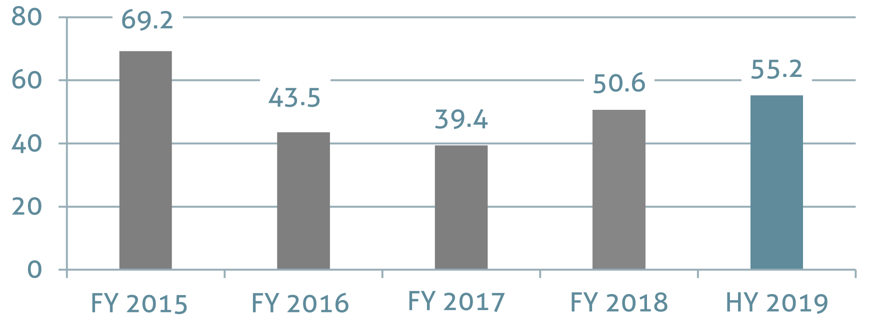
Funding structure as at 30 June 2019



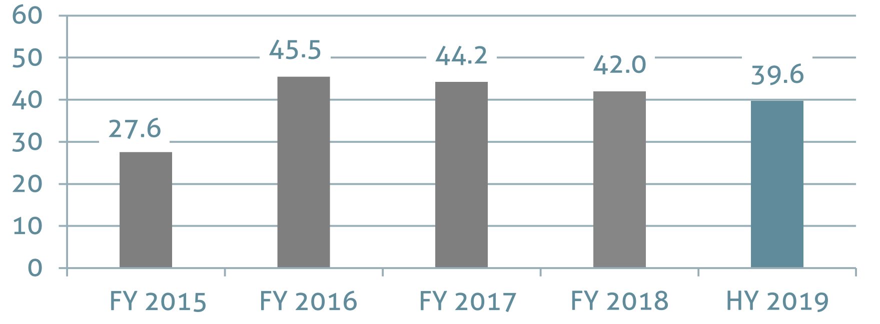
FINANCING KEY RATIOS

Healthy financing structure, with an equity ratio of 40%

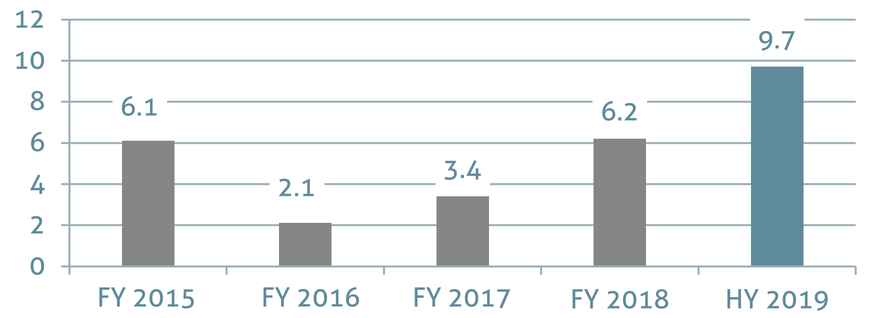
LTC in %[1]



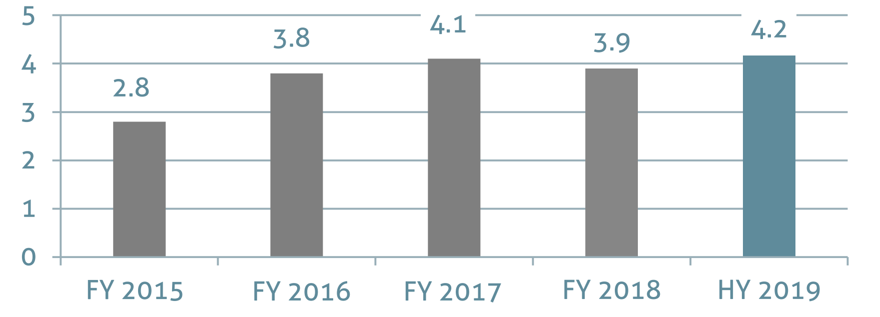
Equity ratio in %



Net debt /EBITDA adj.



Interest coverage ratio[2] (EBITDA/net interest expense)



Notes: (1) LTC: Net debt / GAV (accounted at cost); (2) Interest coverage ratio: EBITDA adj. and interest coverage ratio based on the past 12 months

ACCENTRO SHARE INFORMATION

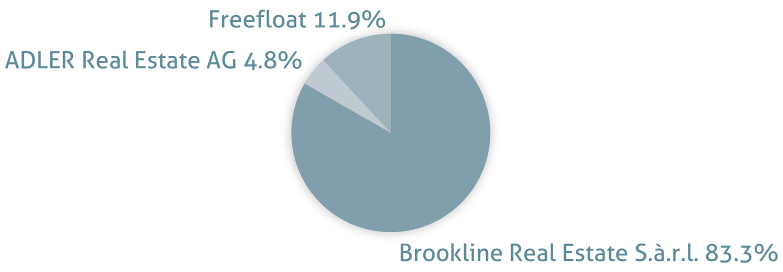
Shareholders and share price performance

ACCENTRO

Key share information

Listing	Frankfurt
Segment	Prime Standard
WKN	A0KFKB
ISIN	DE000A0KFKB3
Shares outstanding	32,437,934 shares
Free float	11.9%
Market capitalisation (as of 05.08.2019)	EUR 275.7m

Shareholder structure (as of 5 August 2019)



Share price development LTM (as of 2nd August 2019)

OUTLOOK

Successful financial year 2018 and positive outlook

ACCENTRO

Market environment offers opportunities

- The short supply and scarcity in the housing sector is reflected in **growing demand for residential real estate**
- Significant housing shortage and structural demand is causing **rising rent and price levels in the target** markets
- The **low homeownership rate of 45%** in Germany, among the lowest in Europe, offers a humongous revenue potential for ACCENTRO given **the EUR 30bln. private transaction market** with Accentro being the market leader at EUR 200m revenues

Dynamic operating activities

- 2019 will see a steady expansion of the privatisation portfolio (the deeds for the next 238 units in Berlin, Rostock and Dusseldorf have already been notarised)
- **A property development joint venture was set up** by selling a 75% interest in the subsidiary ACCENTRO Gehrensee GmbH in 2018
- The business model is being expanded to include attractive metro regions elsewhere in Germany by **widening the sales network**
- **The current inventory properties held for sales suggests sales more than EUR 500m** over the years to come

Compelling financial performance

2018

- Revenue growth to approximately EUR 205.6m
- EBIT amounted to EUR 32.9m with a consolidated income of EUR 18.3m
- Dividend growth to be up to 30% net income

2019

- Modest increase in revenues (basis EUR 163.2m) and low double-digit percentage growth in EBIT (PY: EUR 32.9m)
- Asset turnover between 2 and 2.5 years
- Dividend growth in the line of to be up to 30% net income

ACCENTRO

ACCENTRO REAL ESTATE AG
Jacopo Mingazzini
Uhlandstraße 165
D-10719 Berlin
Phone: +49 (0)30 887 181 - 0
Fax: +49 (0)30 887 181 11
mail@accentro.ag
www.accentro.ag

ACCENTRO

ACCENTRO Real Estate AG ("ACCENTRO")

This document is not a securities prospectus, and the information contained therein does not constitute an offer to sell, or a solicitation of an offer to buy, securities of ACCENTRO in the Federal Republic of Germany or in any other country, specifically not if such an offer or solicitation is prohibited or not approved.

The information contained in this document may not be distributed outside the Federal Republic of Germany, specifically not in the United States of America, to US persons (as defined in Regulation S under the United States Securities Act of 1933) or to publications with a general circulation in the United States, unless such distribution outside the Federal Republic of Germany is prescribed by mandatory provisions of applicable law. Any violation of these restrictions may constitute a breach of the securities laws of certain countries, in particular those of the United States of America. Securities of ACCENTRO are not publicly offered for sale outside the Federal Republic of Germany.

This document contains forward-looking statements based on current estimates and assumptions made by the senior management of ACCENTRO. Forward-looking statements are characterised by the use of words such as "expect," "intend," "plan," "predict," "assume," "believe," "estimate," "anticipate" and similar forward-looking phrases. Such statements are not to be understood as guarantee that predictions of this sort will prove to be correct. In particular, any statements on acquisitions presuppose the actual signing of the necessary contracts or the successful procurement of the necessary equity and debt capital. The future development and actual results achieved by ACCENTRO and its affiliates are subject to a number of risks and uncertainties, and may therefore differ materially from these forward-looking statements. Many of these factors are beyond ACCENTRO's control and cannot be accurately appraised in advance, including the future economic environment or the actions of competitors and other market players. ACCENTRO does not intend to update its forward-looking statements.