



# **ACCENTRO Real Estate AG** **Germany's Market Leader in Residential** **Property Privatisation**

**Company Presentation**  
**Financial Year 2019 and 9 Months 2020**

## Unique

Only listed pure real estate privatization company in Germany

Management with many years of experience in the real estate industry

## Trust

## Access

Offering constant **>1,000** Apartments for sale with approx. 1% market share

Weighted average sales margin between 2015 and 2019 of 32.5%

## Profitability

## Track record

Sold of **>5,000** units in the last 5 years worth EUR 665 million

Scarcity in metropolitan regions leaves unparalleled growth opportunities

## Focus and Demand

## Scale




Germany's leading privatisation platform in EUR 30bn private transaction market

Structural margin due to buying "wholesale" and selling "retail" with vast marketing channels

## Sustainability

<b>Core business activities</b>	<ul style="list-style-type: none"> <li>Privatisation of residential real estate in attractive German metro regions</li> <li>Third-party property sales and backstop services for real estate investors and property developers</li> <li>Joint ventures with strategic equity participation</li> </ul>	<b>Key operational metrics</b>																														
<b>Track record</b>	<ul style="list-style-type: none"> <li>Dynamic built-up of a proprietary privatisation pipeline through portfolio investments of EUR 855.1m (purchase prices) since 2015</li> <li>5,143 condominiums and properties sold with a total sales value of EUR 665m since 2015</li> </ul>																															
<b>USPs and Scale</b>	<ul style="list-style-type: none"> <li>Unique business model with compelling risk-return profile in listed sector</li> <li>Structural and resilient margin from combination of wholesale/retail difference and capex upgrade</li> <li>Unprecedented expertise in major local German residential markets</li> <li>High-powered sales and marketing platform of international reach</li> <li>Exclusive joint ventures with renowned real estate companies and developers</li> </ul>																															
<b>Regional focus and pipeline</b>	<ul style="list-style-type: none"> <li>1,263 units currently available for sale in Berlin</li> <li>Successful expansion launched into growth markets such as the Leipzig, Bavaria, Hamburg, Rhine-Ruhr and Rhine-Main metropolitan regions</li> </ul>																															
<b>Key ratios and financials</b>	<ul style="list-style-type: none"> <li>Inventory properties increased to EUR 460m</li> <li>Placement of a EUR 250m bond to further accelerate growth</li> <li>Consistently high EBIT of more than EUR 30m per year since 2016 with an average gross sales margin of approx. 30%</li> <li>Confirmation of large hidden reserves in inventories by external real estate appraiser as of 31 December 2019. Reconciled to the balance sheet as of 31.12. there are more than EUR 148m hidden reserves.</li> </ul>																															
			<p><b>Apartment sales and sourcing trends:</b></p> <table border="1"> <thead> <tr> <th>Metric</th> <th>FY 2015</th> <th>FY 2016</th> <th>FY 2017</th> <th>FY 2018</th> <th>FY 2019</th> </tr> </thead> <tbody> <tr> <td>Apartment sales (in units)</td> <td>476</td> <td>976</td> <td>992</td> <td>940<sup>(2)</sup></td> <td>830</td> </tr> <tr> <td>Apartment sourcing (in units)</td> <td>1,047</td> <td>1,470</td> <td>1,289</td> <td>866</td> <td>812</td> </tr> <tr> <td>Revenues (in mEUR)</td> <td>39.5</td> <td>125.1</td> <td>147.3</td> <td>163.2<sup>(3)</sup></td> <td>143.3</td> </tr> <tr> <td>EBIT (in mEUR)</td> <td>6.1</td> <td>33.9</td> <td>36.4</td> <td>32.9</td> <td>39.8</td> </tr> </tbody> </table>	Metric	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Apartment sales (in units)	476	976	992	940 <sup>(2)</sup>	830	Apartment sourcing (in units)	1,047	1,470	1,289	866	812	Revenues (in mEUR)	39.5	125.1	147.3	163.2 <sup>(3)</sup>	143.3	EBIT (in mEUR)	6.1	33.9	36.4	32.9
Metric	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019																											
Apartment sales (in units)	476	976	992	940 <sup>(2)</sup>	830																											
Apartment sourcing (in units)	1,047	1,470	1,289	866	812																											
Revenues (in mEUR)	39.5	125.1	147.3	163.2 <sup>(3)</sup>	143.3																											
EBIT (in mEUR)	6.1	33.9	36.4	32.9	39.8																											

Notes: (1) Transactions closed in corresponding year (2) Excluding 675 units of the project development Gehrensee (3) Excluding EUR 42.4m from deconsolidation of the project development Gehrensee

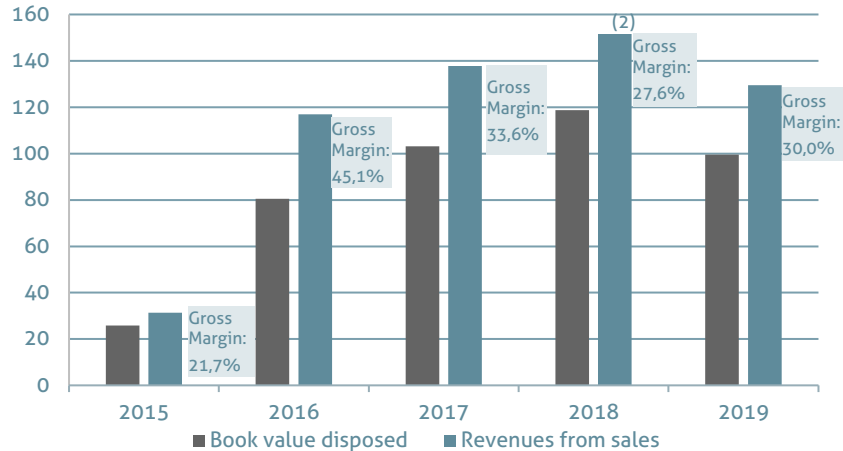
	Privatisations and Investment Properties	Services & Ventures
What we do?	<ul style="list-style-type: none"> <li>▪ <b>Investing in residential real estate</b> in attractive German metro regions with focus on Berlin</li> <li>▪ Active asset management and capex measures</li> <li>▪ <b>Privatisation</b> of single units to individual investors and homeowners</li> <li>▪ <b>Block sales</b> of properties to institutional investors</li> <li>▪ <b>Realizing</b> of new building potential <b>by investment properties</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Sales services</b> to third parties, such as developers and real estate companies</li> <li>▪ <b>Backstop provisions</b> for developers in course of single unit sales</li> <li>▪ <b>Joint ventures</b> (ACCENTRO typically holds a minority equity stake) with developers and real estate companies to market and sell properties on single unit basis and as block sales</li> </ul>
Sources of income	<ul style="list-style-type: none"> <li>▪ Revenues from property letting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenues from services</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Revenues from property sales (single unit sales, block sales)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revenues from equity investments</li> </ul>
Current portfolio	<ul style="list-style-type: none"> <li>▪ 2,407 residential and commercial units (as of 30 Sept. 2020)<sup>(1)</sup></li> <li>▪ Real estate value of EUR 530.7m mostly accounted at cost (as of 30 Sept. 2020)<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Exclusive sales cooperations with renowned partners like:</li> </ul> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>ADLER REAL ESTATE</p> </div> <div style="text-align: center;">  <p>FIRST HOME IMMOBILIEN</p> </div> <div style="text-align: center;">  <p>Deutsche Wohnen</p> </div> </div>

Notes: (1) Including buildings for own use and investment properties

# PROVEN TRACK RECORD OF VALUE CREATION

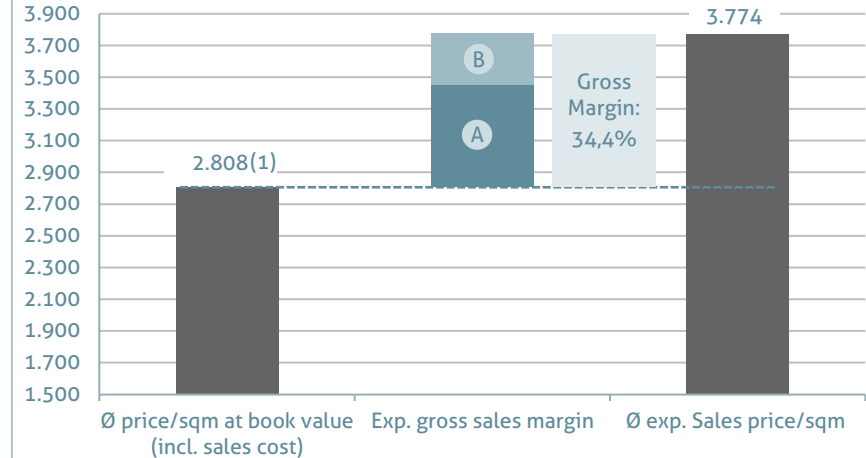
Current margin generation potential proven by historic sales margin

## Historic sales margins (mEUR)



- Weighted average sales margin between 2015 and 2019 of 32.5%

## Expected margin generation of current portfolio (EUR/sqm) at the end of 2019



- A Structural margin compensates for proactive asset management including refurbishment, maintenance and capex and additional legal, marketing and sales expenses as compared to a wholesale price
- B Market margin reflects development of markets between acquisition and sale (typically 3 years) as well as value creation due to improved market positioning

➤ Irrespective of market conditions, ACCENTRO's business model offers an "intrinsic" structural and resilient margin from a combination of wholesale/retail difference and capex upgrade

Notes: (1) Including Capex for projects in sales process and construction commitments (2) Excluding the Gehrensee transaction

### Inventories portfolio as of 30 September 2020

Location	Book value/purchase price (in mEUR)	Units	sqm	Selling prices (EUR/sqm)
Berlin	342.6	1,263	92,000	4,930
Bavaria (Bayreuth, Garmisch-Partenkirchen, etc.)	69.2	448	27,749	3,307
Leipzig and Greater Leipzig	16.6	197	12,868	1,677
NRW (Cologne, Dusseldorf, Ratingen, etc.)	16.6	113	6,698	3,238
Others (Hamburg, Hanover, Potsdam, Rostock, etc.)	15.2	106	6,938	2,860
<b>Total</b>	<b>460.2</b>	<b>2,127</b>	<b>146,253</b>	<b>4,160</b>

# 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	FY 2019
Number of units	1,919	2,422	2,885	2,181	2,296*
Real estate value, in EUR m	155.2	216.1	302.2	343.9	474.6*
Gross margin of sales	21.7%	45.1%	33.6%	27.6%	30.0%
Annual rental income, in EUR m	7.2	7.9	8.7	8.5	10.6*
Interest coverage ratio**	2.8	3.8	4.1	3.7	5.4
LTV***	-	33.1%	32.8%	38.8%	43.1%

## Notes

- Current real estate portfolio generates an annual rental income of around EUR 12m 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-Kreuzberg



Leipzig

\* Including Investment properties and Owner-occupied properties \*\* Adj. EBITDA/ net interest expenses \*\*\* Net financial debt/ adj. total asset value

# FINANCIALS - INCOME STATEMENT – 2019 and 9M 2020

## Income statement shows high profitability of business model

Income statement (in EUR '000)	2018	2019	Δ in %	9M 2019	9M 2020	Δ in %	Sources of Income	Notes
Revenues from sales of inventory property	151,589	129,503	-14.6%	63,840	55,695	-12.8%	Revenue from property sales	<ul style="list-style-type: none"> <li>9M 2020 results extraordinarily burdened by EUR 6.5m one-off effects mainly related to bond issue and change of management board</li> <li>Operating interim result of EUR 16.9m is a little bit lower as in the comparable period due to temporarily lower sales margins</li> <li>Gross margin from sales fell to 21.9% due to higher share of sales via cooperation partners and higher one-time marketing costs</li> <li>Increase of total payroll and benefit costs is driven by staff growth and change of the management board</li> <li>Increase of net interest expenses include one-off effects from the repayment of the old bond in the amount of EUR 4.1m</li> </ul>
Expenses for sales of inventory property	-118,770	-99,661	-16.1%	-49,654	-45,699	-8.0%		
<b>Capital gains from inventory property</b>	<b>32,820</b>	<b>29,841</b>	<b>-8.1%</b>	<b>14,186</b>	<b>9,996</b>	<b>-29.5%</b>		
Net rental income	6,130	6,518	6.3%	5,021	3,867	-23.0%	Net income from property letting	
Net service income	2,282	2,363	3.6%	1,571	623	-60.3%	Net income from services	
Net income from companies accounted for using the equity method	2	1,244	62,111%	1,258	0	-	Return from equity investments	
Other operating income	1,663	1,207	-27.4%	710	449	-36.8%		
Gain or loss on fair value adjustments of investment properties	0	11,399	-	11,399	2,010	-	Reclassification Investment Properties	
<b>Interim result</b>	<b>42,896</b>	<b>52,572</b>	<b>22.6%</b>	<b>34,145</b>	<b>16,945</b>	<b>-50.4%</b>		
Total payroll and benefit costs	-4,613	-5,835	26.5%	-4,031	-6,091	51.1%		
Depreciation and amortisation of intangible assets and property, plant and equipment	-349	-731	109.5%	-537	-618	15.1%		
Impairment of accounts receivable	-205	-123	-40.2%	0	-124	-		
Other operating expenses	-5,131	-6,079	18.5%	-3,619	-4,516	24.8%		
<b>EBIT</b>	<b>32,598</b>	<b>39,804</b>	<b>22.1%</b>	<b>25,958</b>	<b>5,596</b>	<b>-78.4%</b>		
Other income from investments	36	36	0.0%	27	26	0.0%	Return from other equity investments	
Net interest income	-8,924	-7,353	-17.6%	-6,776	-13,638	-		
<b>EBT</b>	<b>23,710</b>	<b>32,488</b>	<b>37.0%</b>	<b>19,209</b>	<b>-8,016</b>	<b>-</b>		
Income taxes	-5,675	-6,189	9.1%	-6,029	-3,796	37.0%		
<b>Consolidated income</b>	<b>18,035</b>	<b>26,299</b>	<b>45.8%</b>	<b>13,180</b>	<b>-11,812</b>	<b>-</b>		
<b>Total gross margin (revenues basis) in %</b>	<b>25.4%</b>	<b>27.9%</b>	<b>9.7%</b>	<b>28.3%</b>	<b>22.2%</b>	<b>-</b>		
<b>Gross margin from sales (cost basis) in %</b>	<b>27.6%</b>	<b>29.9%</b>	<b>8.4%</b>	<b>28.6%</b>	<b>21.9%</b>	<b>-</b>		
<b>Net income margin</b>	<b>11.2%</b>	<b>18.4%</b>	<b>63.7%</b>	<b>18.0%</b>	<b>-18.1%</b>	<b>-</b>		
<b>Earnings per share</b>	<b>0.56</b>	<b>0.81</b>	<b>43.7%</b>	<b>0.41</b>	<b>-0.37</b>	<b>-</b>		



## Financial position with large hidden reserves

Financial position (in EUR '000)	FY 2019	9M 2020	Δ in %
Goodwill	17,776	17,776	0.0%
Owner occupied properties and buildings	24,083	24,171	0.4%
Investment Property	34,452	46,526	35.0%
Non-current trade receivables and other receivables and other assets	24,029	28,004	16.5%
Other non-current assets	2,168	2,972	37.1%
<b>Total non-current assets</b>	<b>102,508</b>	<b>119,449</b>	<b>16.5%</b>
Inventory properties	416,573	460,158	10.5%
Accounts receivable and other assets	37,510	108,274	188.7%
Cash and cash equivalents	24,167	36,450	50.8%
<b>Total current assets</b>	<b>478,250</b>	<b>604,882</b>	<b>26.5%</b>
<b>Total assets</b>	<b>580,757</b>	<b>724,331</b>	<b>24.7%</b>
Subscribed capital	32,438	32,438	0.0%
Additional paid-in capital	78,684	79,606	1.2%
Retained earnings	107,561	95,602	-11.1%
Attributable to non-controlling companies	2,128	2,482	16.7%
<b>Total equity</b>	<b>220,811</b>	<b>210,128</b>	<b>-4.8%</b>
Financial liabilities and bond	213,709	338,177	58.2%
Other non-current liabilities	2,210	5,050	128.5%
<b>Total non-current liabilities</b>	<b>215,919</b>	<b>343,227</b>	<b>59.0%</b>
Financial liabilities and bond	103,931	126,109	21.3%
Other short-term payables	40,097	44,866	11.9%
<b>Total current liabilities</b>	<b>144,028</b>	<b>170,975</b>	<b>18.7%</b>
<b>Total current and non-current liabilities</b>	<b>359,947</b>	<b>514,202</b>	<b>42.9%</b>
<b>Total assets</b>	<b>580,757</b>	<b>724,331</b>	<b>24.7%</b>
LTV	43.1%	51.3%	-
Equity ratio	38.0%	29.0%	-

### Notes

- Successful placement of EUR 250m bond in Q1 2020 to accelerate the ongoing growth
- Real estate assets in inventories further increased by continuous growth
- Property valuation by external appraisers confirms hidden reserves of EUR 124m in the inventory portfolio as of 30 September 2019
- Increase of other current assets by a loan granted in the amount of EUR 55m for cash management reasons
- Increase of the LTV ratio due successful placement of EUR 250m bond and replacement of the EUR 100m old bond

# FINANCING - FUNDING STRUCTURE

Increasing maturity and flexibility at limited costs

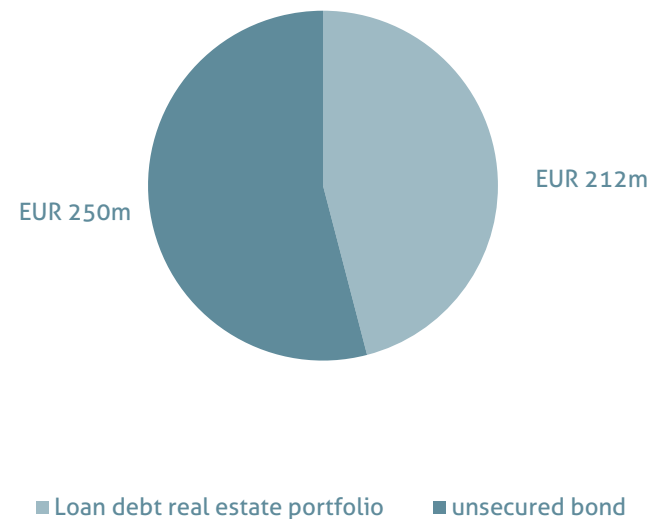
# ACCENTRO

## Funding strategy

- Corporate bond over EUR 250m with a coupon interest of 3.625% successfully placed in Q1 2020 and full replacement of the EUR 100m Bond 2018/2021
- Balanced mix of secured and unsecured financing and manageable financing risk due to low LTV

Financial liabilities	Nominal volume (EUR '000)	Average interest rate (%)	Average loan maturity (years)
Loan debt Real estate portfolio	212,509	2.02	2.70
Bond (2020/2023)	250,000	3.625	2.62
<b>Sum total</b>	<b>457,164</b>	<b>2.89</b>	<b>2.66</b>

## Funding structure as of 30 June 2020



## 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 30bn private transaction market

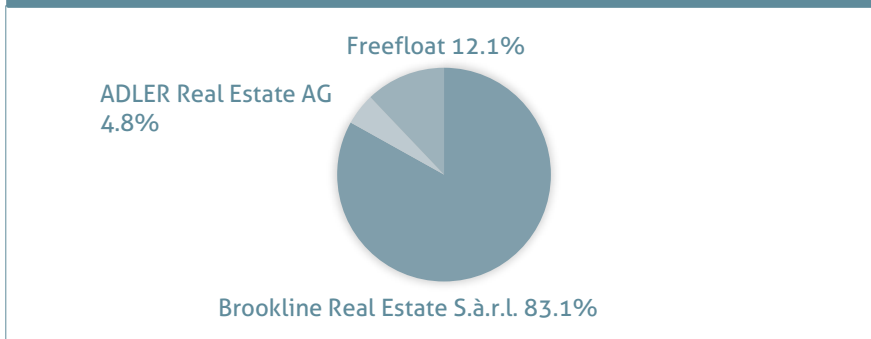
## Positive Outlook

- Confirmed outlook for FY 2020: slight increase in revenues, EBIT at the same level of the previous year
- February 2020: Successful placement of a EUR 250m bond to further accelerate growth
- Expansion of nationwide sales strength through investments and greater diversification in other markets
- The current inventory properties held for sales may allow revenues of almost EUR 700m over the years to come
- Further development of digitalisation in business processes

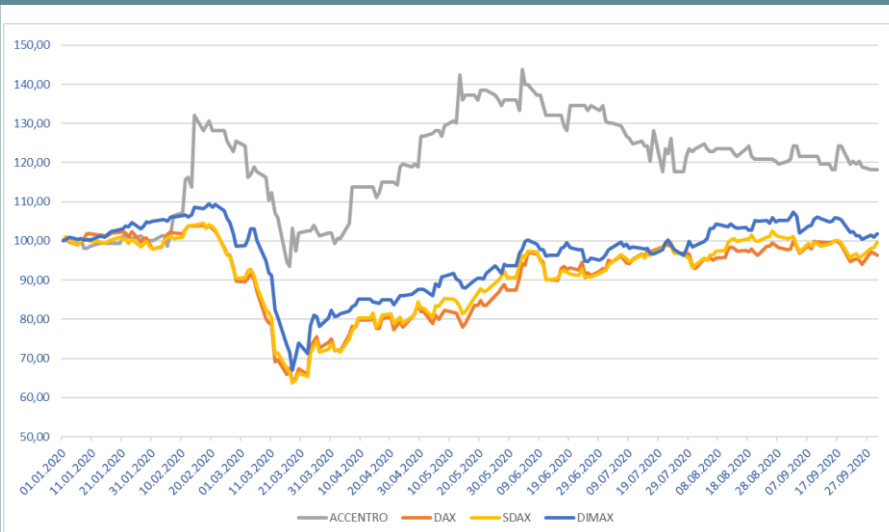
### Key share information

Listing	Frankfurt am Main
Segment	Prime Standard
WKN	AOKFKB
ISIN	DE000AOKFKB3
Shares outstanding	32,437,934
Market capitalisation (as of 30.09.2020)	EUR 294.0m
Share Price (as of 30.09.2020)	EUR 9.05

### Shareholder structure



### Share price performance compared to German indexes



Indexed

Analyst	Institution	Recommendation	Target	Date
Dr. Adam Jakubowski	SMC-Research	Buy	13.30 EUR	19.11.2020
Philipp Kaiser	Warburg Research	Buy	13.00 EUR	04.09.2020
Mariya Lazarova, Robel Tesfeom	FMR Frankfurt Main Research AG	Buy	11.00 EUR	25.08.2020
Klaus Soer, Jannik Lucas	Quirin Privatbank	Buy	12.00 EUR	20.08.2020
Christoph Mehl, Stefan Scharff	SRC Research	Buy	12.00 EUR	13.08.2020
Bérénice Lacroix	Kepler Cheuvreux	Hold	10.00 EUR	01.06.2020
Manuel Martin	ODDO BHF	Hold	8.00 EUR	03.04.2020
Andre Remke	Baader Helvea Equity Research	Buy	10.00 EUR	18.12.2019
<b>Average</b>			<b>11.16 EUR</b>	

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.

This document was prepared exclusively by ACCENTRO Real Estate AG ("ACCENTRO") solely for informational purposes and has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of ACCENTRO. Nothing in this document is, or should be relied upon as, a promise or representation as to the future.

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. Neither ACCENTRO nor any of its respective directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak of the date of this document. Statements contained in this document regarding past trends or events should not be taken as a representation that such trends or events will continue in the future. No obligation is assumed to update any forward-looking statements.

This document contains certain financial measures (including forward-looking measures) that are not calculated in accordance with IFRS and are therefore considered "non-IFRS financial measures". Such non-IFRS financial measures used by ACCENTRO are presented to enhance an understanding of ACCENTRO's results of operations, financial position or cash flows calculated in accordance with IFRS, but not to replace such financial information. A number of these non-IFRS financial measures are also commonly used by securities analysts, credit rating agencies and investors to evaluate and compare the periodic and future operating performance and value of other companies with which ACCENTRO competes. These non-IFRS financial measures should not be considered in isolation as a measure of ACCENTRO's profitability or liquidity, and should be considered in addition to, rather than as a substitute for, net income and the other income or cash flow data prepared in accordance with IFRS. In particular, there are material limitations associated with the use of non-IFRS financial measures, including the limitations inherent in determination of each of the relevant adjustments. The non-IFRS financial measures used by ACCENTRO may differ from, and not be comparable to, similarly-titled measures used by other companies. Certain numerical data, financial information and market data (including percentages) in this document have been rounded according to established commercial standards. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.

Accordingly, neither ACCENTRO nor any of its directors, officers, employees or advisors, nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the document or of the views given or implied. Neither ACCENTRO nor any of its respective directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. It should be noted that certain financial information relating to ACCENTRO contained in this document has not been audited and in some cases is based on management information and estimates.

This document is intended to provide a general overview of ACCENTRO' business and does not purport to include all aspects and details regarding ACCENTRO. This document is furnished solely for your information, should not be treated as giving investment advice and may not be printed or otherwise copied or distributed. Subject to limited exceptions described below, the information contained in this document is not to be viewed from nor for publication or distribution in nor taken or transmitted into the United States of America ("United States"), Australia, Canada or Japan and does not constitute an offer of securities for sale in any of these jurisdictions. Any securities offered by ACCENTRO have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States and such securities may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. This document does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

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.

By receiving this document, you agree to be bound by the foregoing limitations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This document does not constitute investment, legal, accounting, regulatory, taxation or other advice.

# ACCENTRO

ACCENTRO REAL ESTATE AG  
Investor Relations  
Kantstrasse 44/45  
D-10625 Berlin  
Phone: +49 (0)30 887 181 - 272  
Fax: +49 (0)30 887 181 11  
[ir@accentro.ag](mailto:ir@accentro.ag)  
[www.accentro.ag](http://www.accentro.ag)