

ACCENTRO Real Estate AG

Germany's Market Leader in Residential Property Privatisation

Update

Company Presentation, May 2018

Quarterly Financial Report, 31 March 2018



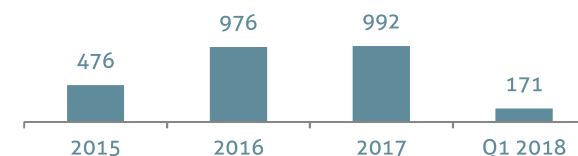
ACCENTRO AT A GLANCE

Germany's market leader in residential property privatisation

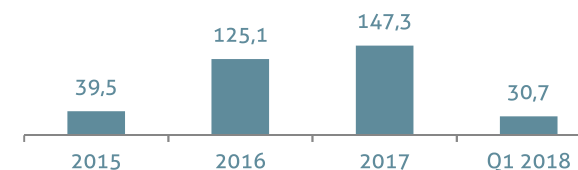
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Core Business	<ul style="list-style-type: none"> Privatisation of residential real estate in attractive German metro regions Third-party marketing and sales for real estate investors and property developers
Track record	<ul style="list-style-type: none"> Dynamic expansion of the privatisation portfolio since 2014 2,615 condominiums in a total value of EUR 314.1 million sold since 2015 Prospering partnerships with property developers in the sales area (e.g. T&T)
USPs	<ul style="list-style-type: none"> High-powered sales and marketing platform of international reach Exclusive sales collaborations with real estate companies
Regional focus	<ul style="list-style-type: none"> 1,838 residential units currently available for sale on the company's home market of Berlin Successful expansion into growth markets such as the Leipzig, Hamburg, Hanover, Cologne/Bonn and Rhine-Main metro regions
Attractive pipeline	<ul style="list-style-type: none"> 2,931 residential units in the inventory portfolio, with the privatisation portfolio to be further expanded in 2018 by another 378 units whose deeds have already been notarised Sales collaborations with investors/property developers offer additional potential
Key ratios and financials	<ul style="list-style-type: none"> Highly profitable core business shows a gross margin of over 44.7% Placement of a EUR 100 million bond to speed up the expansion EBIT forecast predicts EUR 36 to 40 million for 2018

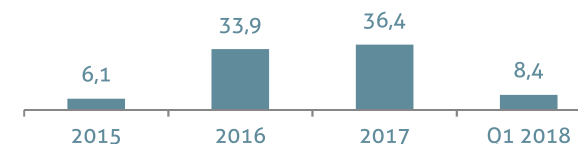
Apartments sold (in units)



Revenues (in mEUR)



EBIT (in mEUR)



ACCENTRO AT A GLANCE

Excellent sales and marketing network across Germany

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Regional footprint in attractive housing markets



Nationwide expansion from the home market of Berlin

- By having its **home base in Berlin**, ACCENTRO is superbly positioned to participate in the attractive development of Berlin's real estate market.
- ACCENTRO is in the process of expanding its **network of sales offices** to include Hamburg, Hanover, Leipzig and Cologne (2018) so as to be better positioned to exploit emerging market opportunities.
- ACCENTRO owns an **attractive privatisation portfolio** of 2,931 flats with a book value of EUR 318.1 million that is clearly focused on the city of Berlin (1,838 units with a combined book value of EUR 233.0 million).
- ACCENTRO's **sales network** with its demonstrable **long-term track record both inside and outside Germany** harbours potential for portfolio expansions.
- ACCENTRO has entered into **sales partnerships** with **prestigious investors** and developers for the purpose of marketing and selling real estate across Germany.

HIGHLIGHTS 2018

Substantial growth in revenues and earnings in 2018

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Consistently profitable and dynamic performance

- Strong market position reaffirmed: 171 residential units sold during the first quarter of 2018
- Q1 2018: Consolidated revenues increase by 47.7% to EUR 30.7 million, EBIT increased by 72.3% year on year to EUR 8.4 million
- Gross profit margin from sales remains on a high level at 44.7%

Positive market development continues

- Demand for residential accommodation exceeds supply in the target markets due to the low level of construction
- Interest in condominiums is keen on the buyer side because of the relatively low interest rates when compared to rents
- Persistent demographic growth in Germany's major cities

Successful expansion of business model

- Successful introduction of the business model by opening new offices in Hamburg, Hanover, Leipzig and Cologne (2018)
- Current activities in Berlin and Leipzig exceed expectations
- Virtually all units at the first collaborative project with a property developer (Flughafenstr, Berlin) sold in less than six months

Steady build-up of privatisation portfolio

- The acquisition of 203 residential units has raised the value of the privatisation portfolio by 5%, up to EUR 318.1 million
- EUR 19.7 million in capital expenditures for the property portfolio to boost appreciation over the next twelve months
- A corporate bond over EUR 100 million will serve as basis for future growth

Bright outlook and dividend increased

- Disbursement of a dividend in the amount of EUR 0.17 per share is scheduled for May 2018
- Bright outlook: top line sales growth in the double-digit percentage range and EBIT between EUR 37 million and EUR 40 million
- Company remains on course for further growth. Deeds for another 378 units, acquired for a price of EUR 100.0 million, have already been notarised

PRIVATISATION PORTFOLIO

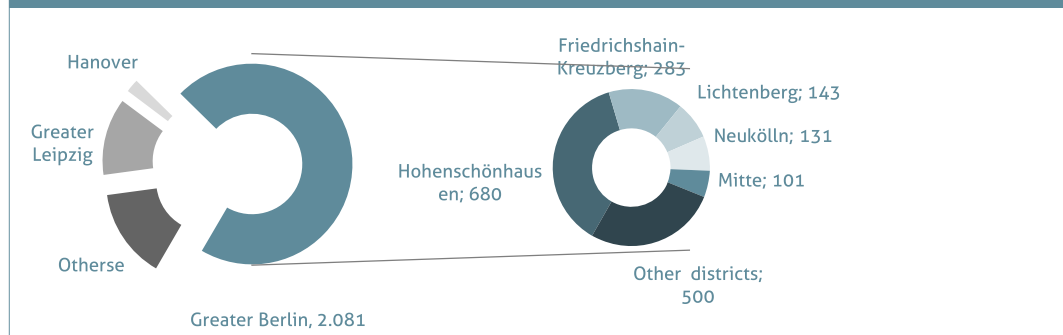
Berlin-focused privatisation portfolio of intrinsic value

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Privatisation portfolio as of 31 March 2018

City	Book value/purchase price (in mEUR)	Units	sqm (‘000)	Selling prices (EUR/sqm)
Berlin	233.0	1,838	117,437	2,595
Greater Berlin	32.6	243	21,754	1,759
Leipzig metro region	15.2	364	21,210	981
Hanover	10.5	62	5,610	2,328
Others	26.8	424	24,850	1,335
Total	318.1	2,931	190,861	2,149

Privatisation portfolio broken down by region



Attractive growth upside in the Berlin core region



1. Continued demographic growth
2. Rising income and purchasing power
3. Housing shortage drives price growth
4. Slow construction failing to close gap
5. Construction costs exceed current valuations

GROWTH STRATEGY

Scaling the business model to exploit market opportunities

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Strategic Priorities

Opening up new markets

- Expanding into attractive residential property markets by setting up sales offices and local networks
- Target regions: The metro regions of Hamburg, Leipzig, Cologne/Bonn, Düsseldorf as well as the Rhine-Main and Rhine-Neckar regions
- Seizing the opportunities of micro-markets in different stages of development

Enlargement of inventory portfolio

- Active portfolio management to raise hidden potential in terms of rental level, vacancy rates or state of repair
- Enhancing the asset value through structural improvements, e.g. by enlarging blocks of flats
- Acquiring residential properties in markets with high margins

Relying on a professional network

- Expansion of the marketing and sales collaborations with property developers and residential property investors
- Sales partnership with property developers, where ACCENTRO buys up and sells all residential units completed
- Third-party sales of residential units on behalf of real estate investors

ATTRACTIVE PRIVATISATION PORTFOLIO

Development of a profitable portfolio of high-quality assets

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Key facts of the privatisation portfolio				
	2015	2016	2017	Q1 2018
Number of units	1,919	2,422	2,885	2,931
Book value (purch. price), in mEUR	155.2	216.1	302.2	318.1
Gross margin of sales, in %	21.5%	45.1%	33.6%	44.7%
Annual rental income, in mEUR	7.2	7.9	8.7	9.1
Interest coverage ratio (EBITDA/net interest expense)	2.8	3.8	4.1	4.2
LtV (ND / GAV), in %*	69.2%	43.5%	39.4%	47.4%
WACD	4.4%	2.9%	2.6%	3.2%
* LtV and interest coverage ratio as defined in conjunction with the 2018/2021 bond				

Notes

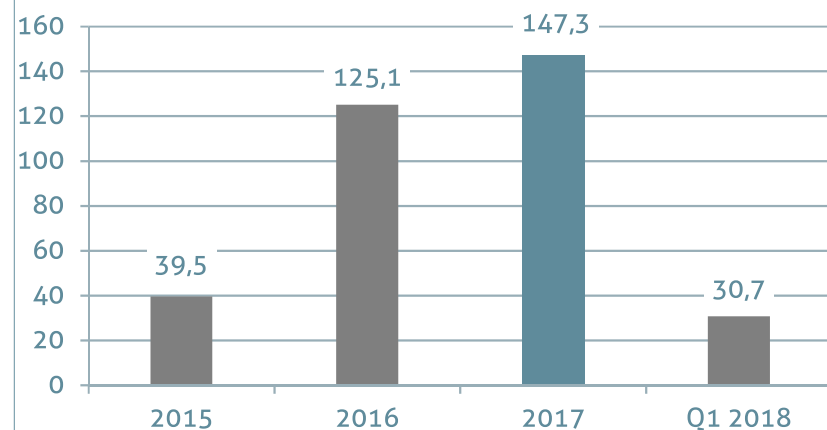
- Annual rental income increased to EUR 9.1 million
- Sustainable improvement of the interest coverage ratio through optimisation of the funding structure
- Economies of scales through consistent expansion of the inventory assets

FINANCIALS—REVENUE AND GROSS PROFIT

Dynamic top line sales growth combined with brisk growth in gross profits

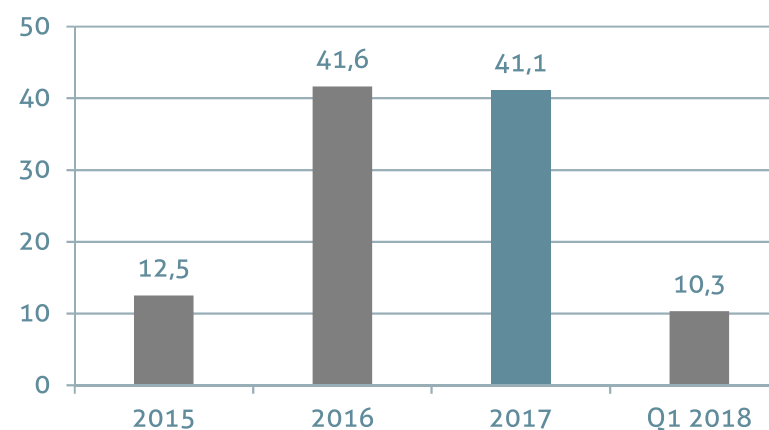
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Total revenues (in mEUR)



- 2018 financial year off to a successful start with EUR 30.7 million in total revenues during the first 3 months
- Successful property sales as main growth driver, boasting a sales revenue share of over 91% during the first quarter of 2018

Gross profit (in mEUR)



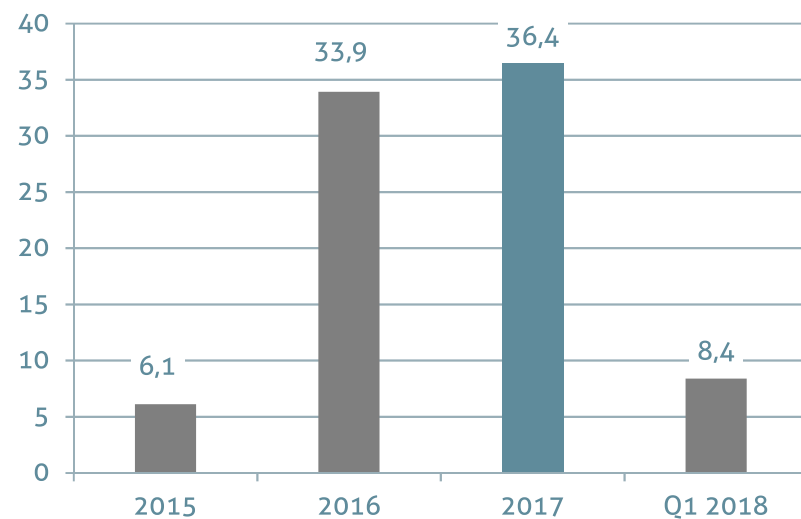
- Successful property sales are the main drivers of the growth in earnings, accounting for a 84% share in Q1 2018.
- The gross profit at the end of the first 3 months equalled EUR 10.3 million, implying a 71.9% increase over prior-year period

FINANCIALS—PROFITS

High profitability due to high margins in the privatisation business

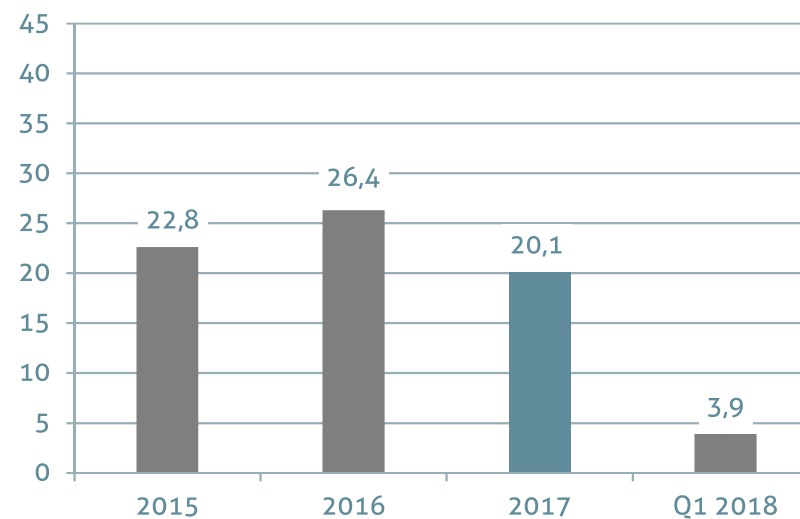
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EBIT (in mEUR)



- Fast EBIT growth in recent years
- EBIT grew by 72.3% over prior-year period during Q1 2018, totalling EUR 8.4 million.

Net income (in mEUR)



- High net income in recent years and prosperous first quarter of 2018
- Bright outlook because of the persistently strong demand for condominiums

FINANCES—FUNDING STRUCTURE

Exploiting the favourable funding environment to reduce the cost of capital

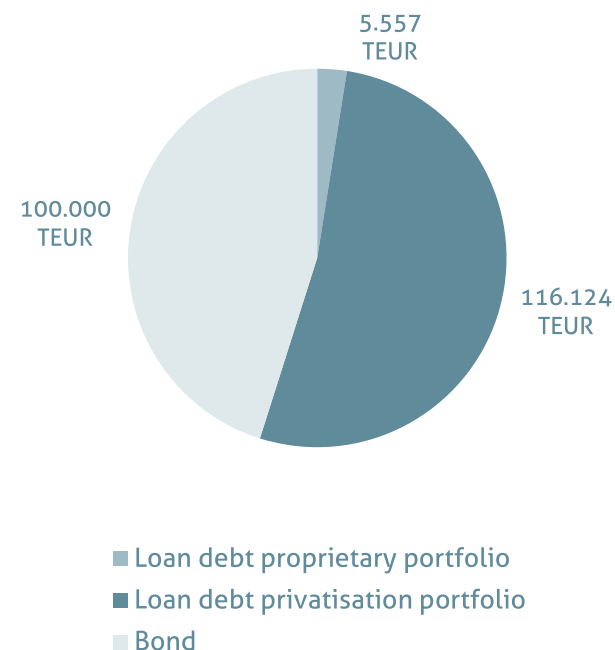
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Funding strategy

- Selling off the former proprietary property portfolio in the medium term in order to focus on the core business
- Premature redemption of the outstanding convertible bond successfully completed in March
- Corporate bond over EUR 100 million with a coupon interest of 3.75% successfully placed

Financial liabilities	Nominal volume (EUR '000)	Average interest rate (%)	Average loan term (years)
Loan debt former proprietary portfolio	5,557	2.21	21.6
Loan debt Privatisation portfolio	116,124	2.70	2.27
Bond (2018/2021)	100,000	3.75	2.84
Sum total	221,681	3.16	3.01

Funding structure as at 31 March 2018

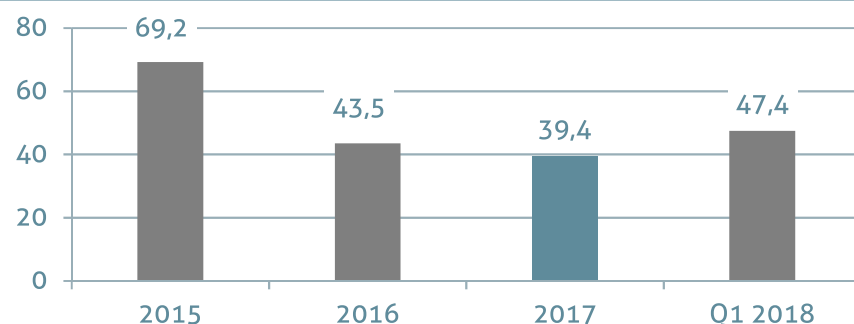


FINANCIALS—KEY FINANCIAL RATIOS

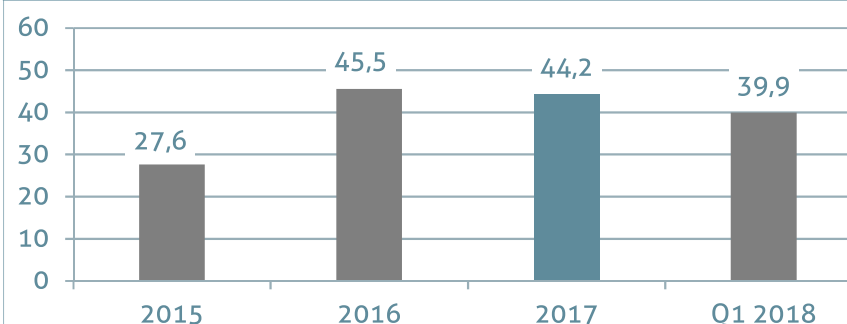
Stable balance sheet structure, with an equity ratio of 40%

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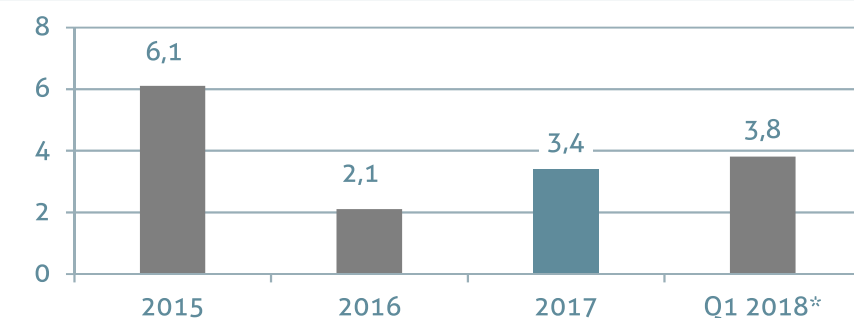
LTV in %



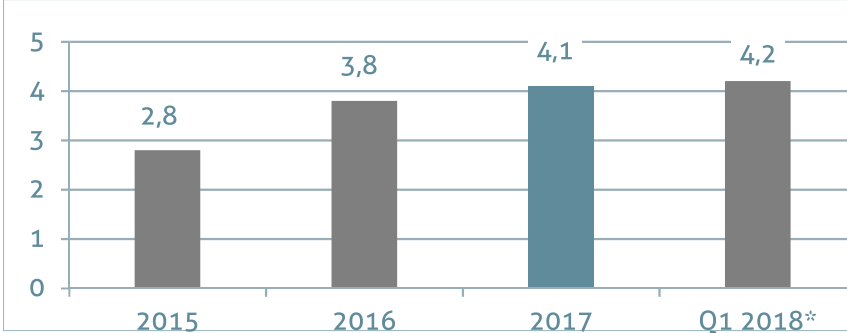
Equity ratio in %



Net debt /EBITDA adj.



Interest coverage ratio (EBITDA/net interest expense)



* EBITDA adj. and interest coverage ratio based on the past 12 months

FORECAST

Successful start into the 2018 financial year and bright outlook

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Market environment offers opportunities

- The short supply in the housing sector is reflected in a **growing demand for residential real estate**.
- Keen demand is causing **rising rent and price levels in the target markets**.
- The **low homeownership rate** in Germany offers a considerable revenue potential for ACCENTRO.

Robust operating activities

- 2018 will see a steady expansion of the privatisation portfolio (the deeds for the next 378 units in Berlin and greater Leipzig have already been notarised).
- A **bond over EUR 100 million** with a coupon interest of 3.75 % was placed in January 2018.
- A **property development joint venture was set up** by selling a 75% interest in the subsidiary ACCENTRO Gehrensee GmbH.
- The business model is being expanded to include attractive metro regions elsewhere in Germany by **widening the sales network**.

Compelling financial ratios

Q1 2018

- Top line sales growth by 47.7% over prior-year period up to EUR 30.7 million
- At EUR 8.4 million, EBIT exceed the prior-year period by 72.3%

2018 FC

- Top line sales growth in the double-digit percentage range
- EBIT between EUR 36 and 40 million

INVESTMENT HIGHLIGHTS

Profitable business model—attractive market environment—large growth upside

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1

Germany's market leader for the privatisation of residential real estate, with a strong focus on Berlin and other highly attractive residential markets

2

Highly profitable business model, based on a strong marketing and sales platform

3

Attractive privatisation portfolio of over 2,931 units and large hidden reserves of EUR 92.0 million

4

Excellent growth opportunities through the expansion of the portfolio of inventory properties and partnerships with real estate investors and developers

5

Attractive conditions on Germany's residential real estate market: Demand exceeding supply, low interest rates, sluggish housing construction

6

2018 financial year off to a compelling start with double-digit top line sales growth, an EBIT margin of >2.5% and an equity ratio of about 40%



ACCENTRO Project Kopenstrasse/Langestrasse, Berlin

FINANCIALS—INCOME STATEMENT—March 2018

Income statement shows high profitability of business model

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Income statement (in EUR '000)	3M-2017	3M-2018	Δ in %
Revenues from sales of inventory property	18,495	27,867	50.7%
Expenses for sales of inventory property	-14,129	-19,265	36.4%
Capital gains from inventory property	4,366	8,603	97.0%
Net rental income	1,492	1,529	2.5%
Net service income	135	168	24.4%
Other operating income	599	226	-62.3%
Gross profit or loss	6,593	10,525	59.6%
Total payroll and benefit costs	-682	-962	41.1%
Depreciation and amortisation of intangible assets and property, plant and equipment	-27	-36	33.3%
Other operating expenses	-1,006	-1,122	11.5%
EBIT	4,878	8,404	72.3%
Other income from investments	0	9	-
Net interest income	-1,882	-2,686	42.7%
EBT	2,996	5,727	91.2%
Income taxes	-35	-1,791	5017.1%
Consolidated income	2,961	3,937	33.0%
Total gross margin	44.5%	51.6%	16.0%
Gross margin from sales (cost basis) in %	30.9%	44.7%	44.7%
Net income margin	14.2%	12.8%	-10.0%
Earnings per share	0.13	0.13	0%

Notes

- High profitability through sales margins of over 40%
- Growth in sales by 50.7% over prior-year period
- Earnings per share at EUR 0.13 during Q1 2018
- Total payroll and benefit costs and other operating expenses on a low level compared to revenues
- Negative net interest result increased by 42.7% through the successful bond placement

FINANCIALS—BALANCE SHEET—31 March 2018

Financial position with large hidden reserves

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Financial position (in EUR '000)	31 Dec 2017	31 March 2018	Δ in %
Goodwill	17,776	17,776	0.0%
Other non-current assets	4,404	12,945	193.9%
Total non-current assets	22,179	30,721	38.5%
Inventory properties	304,027	322,165	6.0%
Accounts receivable and other assets	13,704	16,516	20.5%
Cash and cash equivalents	7,875	64,695	721.5%
Total current assets	325,605	403,376	23.9%
Total assets	347,785	434,097	24.8%
Subscribed capital	24,925	30,318	21.6%
Additional paid-in capital	53,462	60,837	13.8%
Retained earnings	73,576	77,586	5.5%
Attributable to non-controlling companies	1,734	4,349	150.8%
Total equity	153,697	173,089	12.6%
Financial liabilities and bond	42,439	158,259	272.9%
Other non-current liabilities	986	1,342	36.1%
Total non-current liabilities	43,425	159,601	267.5%
Financial liabilities and bond	98,946	64,941	-34.4%
Other short-term payables	51,715	36,464	-29.5%
Total current liabilities	150,662	101,406	-32.7%
Total current and non-current liabilities	194,088	261,007	34.5%
Total assets	347,785	434,097	24.8%
LTV	39.4%	47.4%	20.3%
Equity ratio	44.2%	39.9%	-9.7%

Notes

- Minority interest acquired in a Hamburg-based portfolio, and marketing agreement secured
- Real estate assets further increased
- Reassuring equity ratio of about 40%
- Corporate bond over EUR 100 million issued to boost the ongoing growth
- Premature redemption of the convertible bond successfully completed in March

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