



ACCENTRO Real Estate AG

Germany's Market Leader in Residential Property

Privatisation

Company Presentation, 3 May 2019

FINANCIAL YEAR 2018 and
Interim Financial Report for the 1st
quarter 2019, 31 March 2019

Unique

Only listed pure
privatization
company in
Germany

Experienced
management with
the CEO having
founded the
company in 1999

Trust

Access

Offering constant
>1000
Apartments for
sale with approx.
1% market share

Weighted
average sales
margin between
2015 and 2018 of
33.3%

Profitability

Track record

Sold of
>4000
units in the last 4
years worth 480
million

Scarcity in
metropolitan
regions leaves
unparalleled
growth
opportunities

Focus and Demand

Scale

Germany's leading
privatisation
platform in Euro
30bln. private
transaction market

Structural margin
due to buying
"whole sale" and
selling "retail"

Sustainability

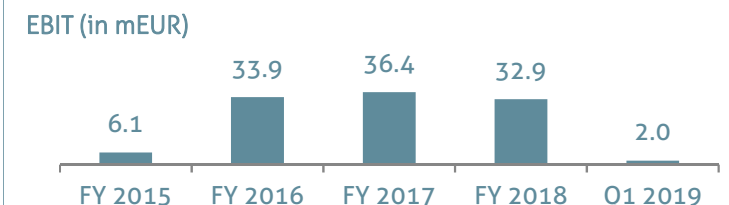
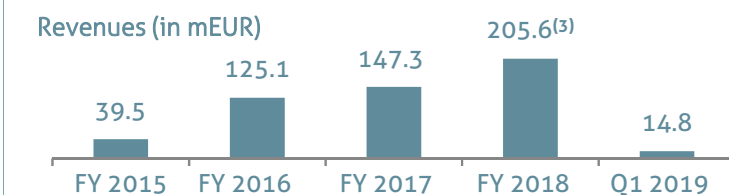
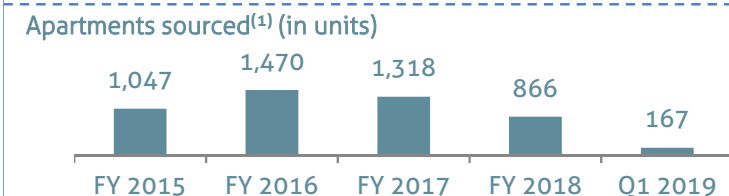
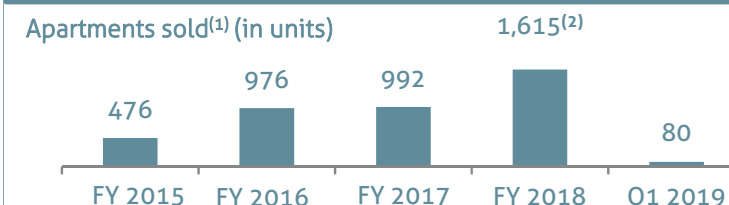
HIGHLIGHTS

Germany's market leader in residential property privatisation and sales

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Core business activities	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Dynamic built-up of a proprietary privatisation pipeline through portfolio investments of EUR 689m (purchase prices) since 2015 4,139 condominiums and properties sold with a total sales value of EUR 492.8m since 2015
USPs	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 1,202 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 145 units in Berlin and Dusseldorf already signed but not closed in Q1 2019
Key ratios and financials	<ul style="list-style-type: none"> Inventories increased to 365 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 a average gross sales margin of more than 30%. In 2019 EUR 30m notarized revenue which has not yet been realized. Confirmation by an external real estate appraiser of the high hidden reserves of EUR 118 million on the inventories as at 31 December 18

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

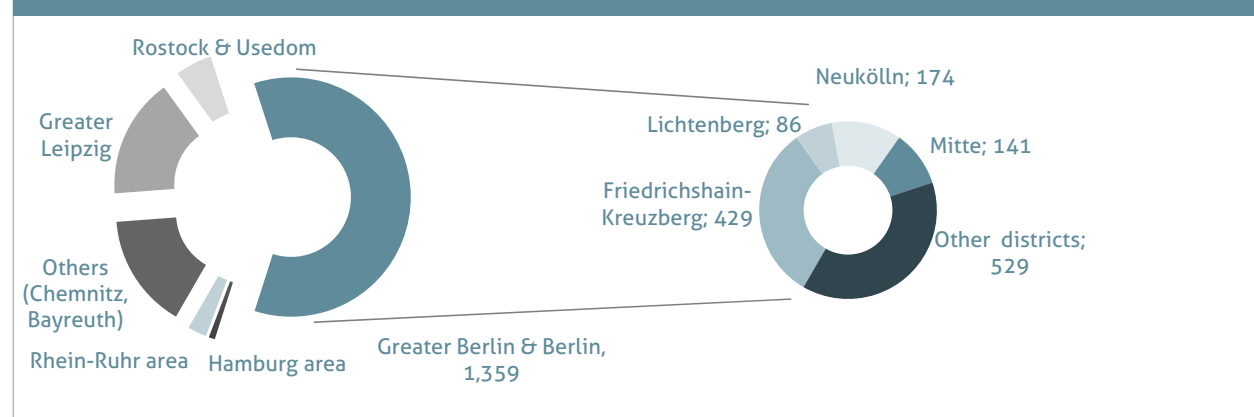
CURRENT BALANCE SHEET PORTFOLIO

Berlin-focused privatisation portfolio of intrinsic value

Privatisation portfolio as of 31 March 2019

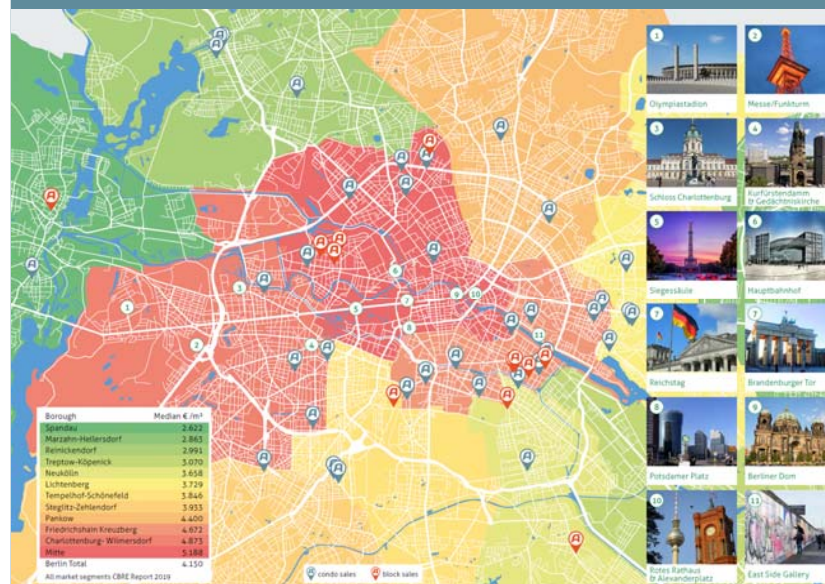
City	Book value/purchase price (in mEUR)	Units	sqm	Selling prices (EUR/sqm)
Berlin	265.7	1,202	85,340	4,241
Greater Berlin	26.2	157	16,394	1,978
Leipzig and Greater Leipzig	23.6	368	22,887	1,309
Rostock and Usedom	15.6	112	7,919	2,761
Rhein-Ruhr area (Cologne, Ratingen)	8.8	58	4,021	2,981
Hamburg area	3.7	19	1,737	2,797
Others (Chemnitz, Bayreuth)	19.1	351	20,232	1,092
Total	362.7	2,267	158,530	3,060

Privatisation portfolio broken down by region



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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

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Key facts of the privatisation portfolio

	FY 2015	FY 2016	FY 2017	FY 2018	Q1 2019
Number of units	1,919	2,422	2,885	2,181	2,267
Book value (purch. price), in mEUR	155.2	216.1	302.2	343.9	362.7
Gross margin of sales, in %	21.7%	45.1%	33.6%	27.6%	29.3
Annual rental income, in mEUR	7.2	7.9	8.7	8.5	8.8
Interest coverage ratio (EBITDA/net interest expense)	2.8	3.8	4.1	3.9	3.6
LTC in %*	69.2%	43.5%	39.4%	50.6%	52.1%
WACD**	4.4%	2.9%	2.6%	2.7%	2.8%

* Net debt / GAV (accounted at cost)

** Weighted average cost of debt

Notes

- Current privatisation portfolio generates an annual rental income of EUR 8.8m 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 Q1 2019

Income statement shows high profitability of business model

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Income statement (in EUR '000)				2017	2018	Δ in %	Q1 2018	Q1 2019	Δ in %	Sources of Income	Notes
Revenues from sales of inventory property	137,859	194,009	40.6%				27,867	12,583	-54,8%	Revenue from property sales	<ul style="list-style-type: none"> Constant high profitability with sales margins of over 29.3% in Q1 2019 Capital gains from inventory property remained at approximately high level as last year for the financial year 2018. Sales of around EUR 30m notarized but not yet closed at end of march and increased number of sales starts in the first half of 2019 expected 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 49% through optimized financing structure and due to increase in interest income
Expenses for sales of inventory property	103,167	-160,924	56.0%				-19,265	-9,730	-49,5%		
Capital gains from inventory property	34,692	33,085	-4.6%				8,602	2,853	-66,8%	Net income from property letting	
Net rental income	5,434	6,130	12.8%				1,529	1,382	-9,6%	Net income from services	
Net service income	947	2,282	140.9%				168	24	-85,5%	Return from equity investments	
Net income from companies accounted for using the equity method	-14	2	114.3%				0	91	-		
Other operating income	3,260	1,663	-49.0%				226	207	-8,5%		
Gross profit or loss	44,319	43,162	-2.6%				10,525	4,558	-56,7%		
Total payroll and benefit costs	-3,339	-4,613	38.2%				-962	-1,324	37,7%		
Depreciation and amortisation of intangible assets and property, plant and equipment	-114	-349	206.2%				-36	-169	370,5%		
Impairment of accounts receivable	0	-205	-				0	0	-		Return from other equity investments
Other operating expenses	-4,465	-5,131	14.9%				-1,122	-1,046	-6,8%		
EBIT	36,401	32,864	-9.7%				8,405	2,018	-76,0%		
Other income from investments	35	36	2,7%				9	9	-1,9%		
Net interest income	-8,803	-8,924	1.4%				-2,686	-1,369	-49,0%		
EBT	27,633	23,976	-13.2%				5,728	658	-88,5%		
Income taxes	-7,316	-5,675	-22.4%				-1,791	-450	-74,9%		
Consolidated income	20,317	18,301	-9.9%				3,937	209	-94,7%		
Total gross margin (revenues basis) ⁽¹⁾	27.9%	25.4%	-8.7%				33,5%	29,4%	-12,2%		
Gross margin from sales (cost basis) in % ⁽¹⁾	33.6%	27.6%	-17.8%				44,7%	29,3%	-34,3%		
Net income margin ⁽¹⁾	13.8%	11.2%	-18.7%				12,8%	1,4%	-89,0%		
Earnings per share	0.82	0.56	-31.3%				0,13	0,01	-95,0%		

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

FINANCIALS - BALANCE SHEET – Q1 2019

Financial position with large hidden reserves

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Financial position (in EUR '000)	FY 2018	Q1 2019	Δ in %
Goodwill	17.776	17.776	0,0%
Owner occupied properties and buildings	23.366	23.282	-0,4%
Non-current trade receivables and other receivables and other assets	38.920	36.535	-6,1%
Other non-current assets	1.047	1.144	9,3%
Total non-current assets	81.109	78.737	-2,9%
Inventory properties	345.241	364.464	5,6%
Accounts receivable and other assets	32.391	23.902	-26,2%
Cash and cash equivalents	15.464	20.089	29,9%
Total current assets	393.096	408.456	3,9%
Total assets	474.205	487.193	2,7%
Subscribed capital	32.431	32.438	0,0%
Additional paid-in capital	78.433	78.553	0,2%
Retained earnings	86.284	86.510	0,3%
Attributable to non-controlling companies	1.956	2.006	2,6%
Total equity	199.104	199.507	0,2%
Financial liabilities and bond	175.334	201.660	15,0%
Other non-current liabilities	1.097	1.054	-4,0%
Total non-current liabilities	176.431	202.713	14,9%
Financial liabilities and bond	55.919	45.609	-18,4%
Other short-term payables	42.750	39.363	-7,9%
Total current liabilities	98.669	84.972	-13,9%
Total current and non-current liabilities	275.101	287.685	4,6%
Total assets	474.205	487.193	2,7%
LTV (at cost)	50,6%	52,1%	3,0%
Equity ratio	42,0%	41,0%	-2,5%

Notes

- More than EUR 75m in other non-current assets to founding of joint venture and other cooperations and also due the acquisition for a new office building
- Real estate assets further increased despite the deconsolidation of the Gehrensee project
- 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 2018
- 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
- Comfortable LTC of 52.1% despite the issue of a bond

FINANCING - FUNDING STRUCTURE

Exploiting the favourable funding environment to reduce the cost of capital

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Funding strategy

- Premature redemption of the outstanding convertible bond successfully completed in March 2018
- 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

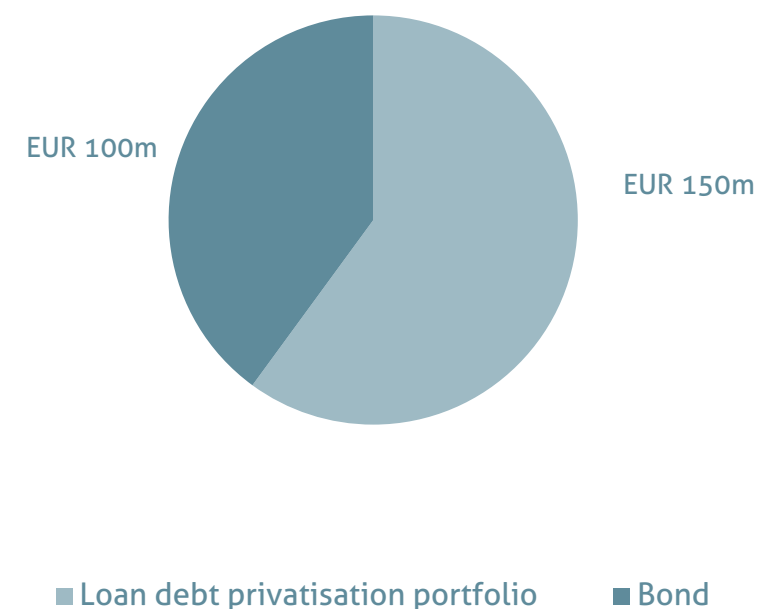
Financial liabilities	Nominal volume (EUR '000)	Average interest rate (%)	Average loan term (years)
Loan debt Privatisation portfolio	150.301	2.12	3.58
Bond (2018/2021)	100,000	3.75	1.83
Sum total	250.301	2.77	2.88

Key financial covenants of outstanding ACCENTRO bond 2018/2021

Covenant	Ratio	Current status ⁽¹⁾
Limitation on net financial indebtedness	< 60%	52.1%
Limitation on capital market indebtedness	> 150%	198,8%
Maintenance of interest coverage ratio	> 2.0	3.57

Notes: (1) Based on 31. March 2019

Funding structure as at 31 March 2019

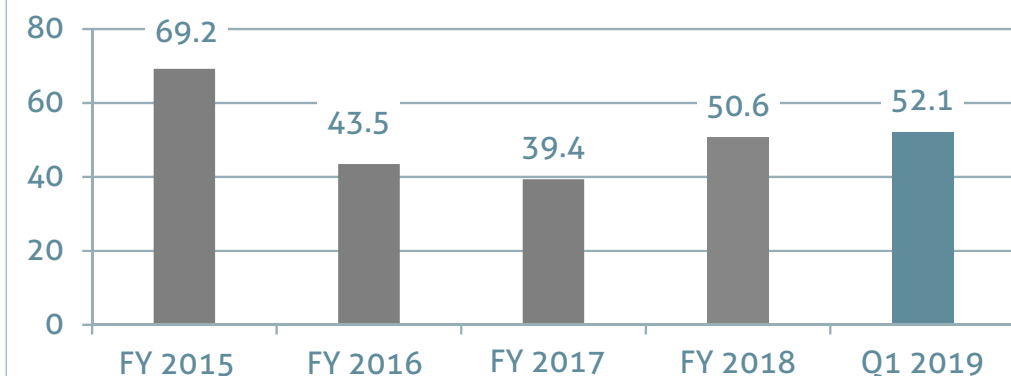


FINANCING—KEY RATIOS

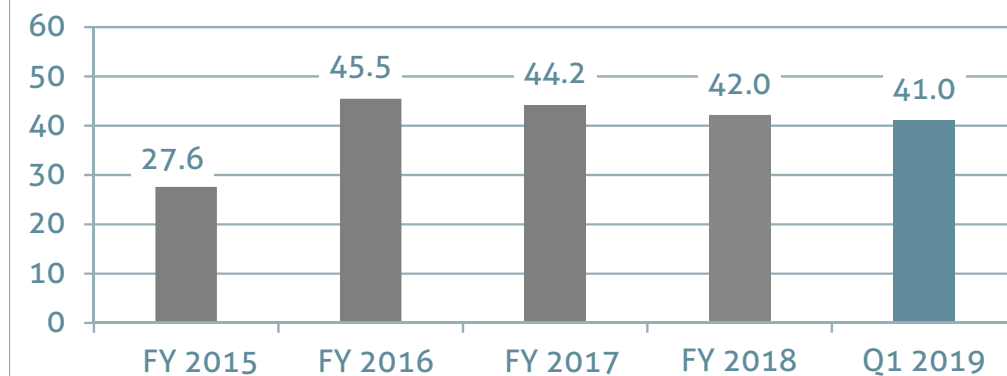
Healthy financing structure, with an equity ratio of 41.0%

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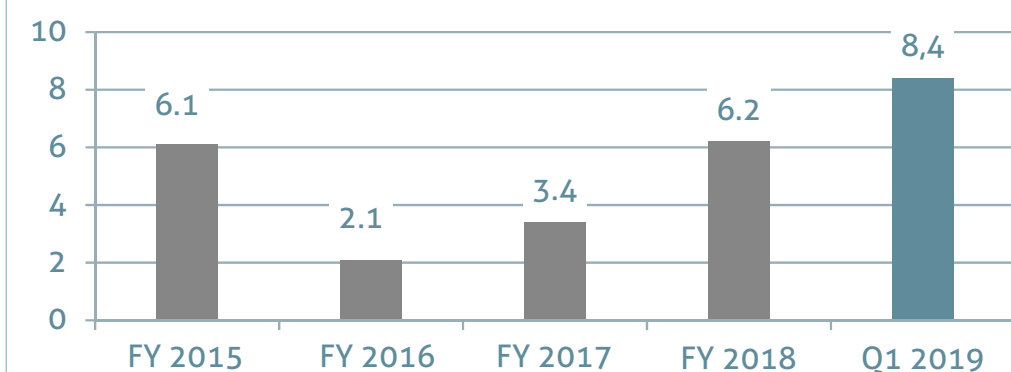
LTC in %⁽¹⁾



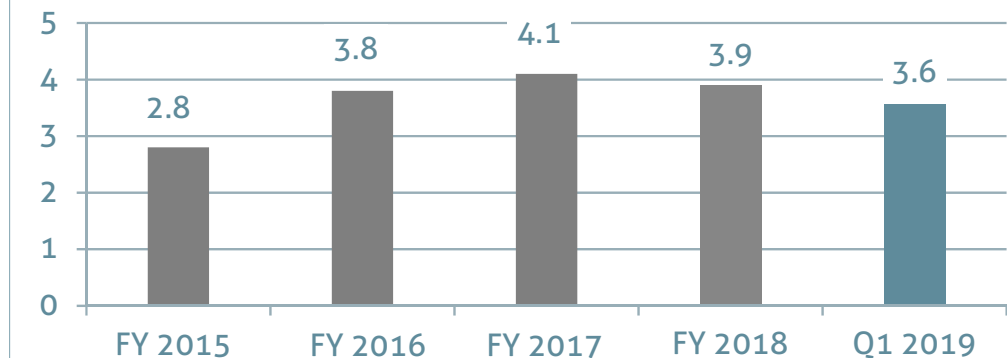
Equity ratio in %



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

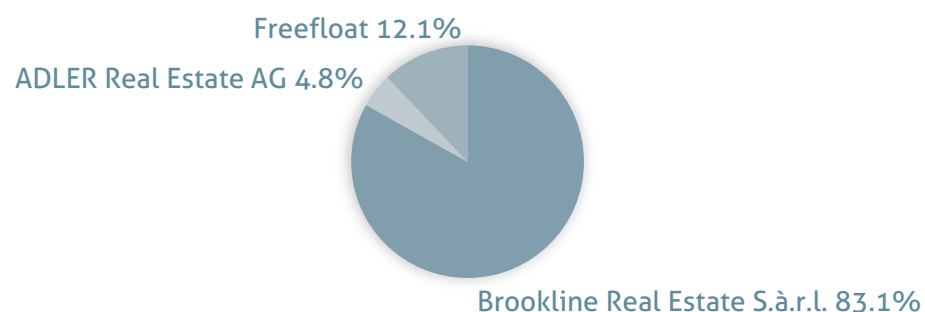
Shareholders and share price performance

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Key share information

Listing	Frankfurt
Segment	Prime Standard
WKN	A0KFKB
ISIN	DE000A0KFKB3
Shares outstanding	32,437,934 shares
Free float	12.1%
Market capitalisation (as of 25.04.2019)	EUR 272.4m

Shareholder structure (as of 31 March 2019)



Share price development LTM (as of 29th April 2019)



OUTLOOK

Successful financial year 2018 and positive outlook

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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 236 units in Berlin, Leipzig 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 400m** 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 (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

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