Management Presentation

Preliminary Results FY-2020

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All information on FY 2020 is preliminary and not-audited.

Glossary

€ = Euro;

$ = (US)Dollar;

% = percentage;

a = actual;

acc. = according;

adj. = adjusted;

aggr. = aggregated;

approx. = approximately;

c(a) = circa;

e = expected;

(F)Y = (financial) year(s);

H = half year(s);

LTM = last twelve months;

M = month(s);

Q = quarter(s);

k = thousand(s);

m = million(s);

bn = billion(s)

Highlights of FY 2020

Strength and Duration of Second Wave of COVID-19 Changed Risk Perspective

Operations and Valuations massively hampered in crisis

- Partially interruption and shifts in Real Estate transaction market
- Client focus on lower risk-return profiles (Residential, A/B locations)
- Revaluations in subsectors Retail, Office and Serviced Apartments/Hotel
- Reversal of 5 major Micro-Living projects
- Impairment on Atos goodwill (commercial AM business)
- Non-operational one-off effects
- Balance sheet loaded with products for growth through 2020
- EBITDA decline and deployed capital in (co-)investments strains financial leverage

STAM acquisition closed and integration on track

Realignment of governance & management structure

AFS acquisition signed: creating a unique powerhouse of RE debt solutions

- Broadening of client reach and deepening of product range in real estate financing
- Closing expected in Q2 2021

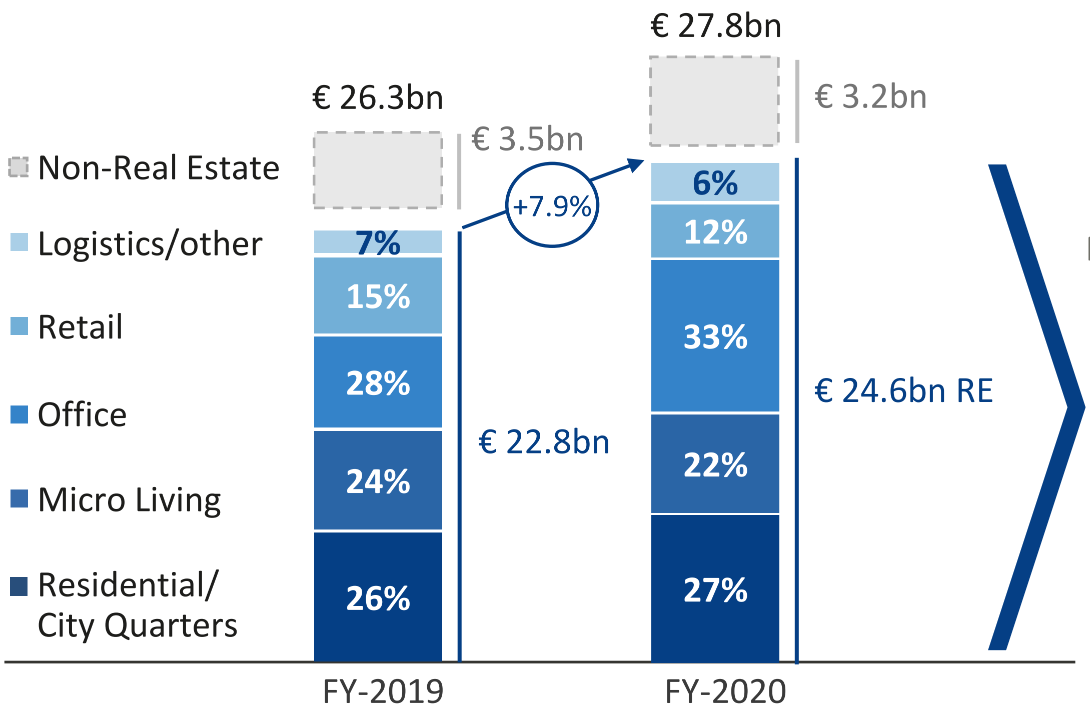
Assets under Management – Relative Stability

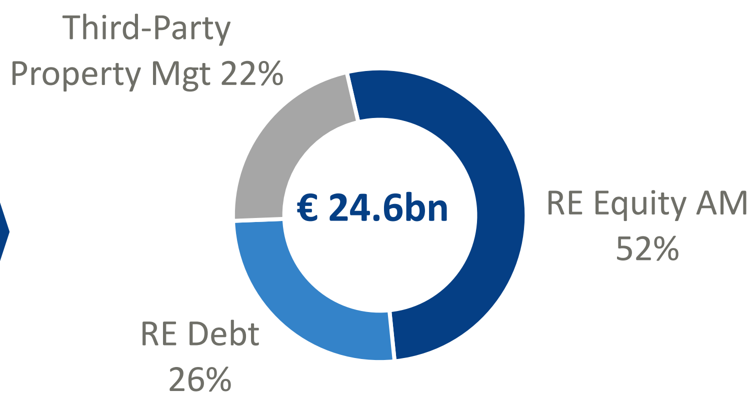
Assets under Management

- **+1.3%** net organic growth in RE AuMs overcompensating revaluation effects
- Planned decrease in non-Real Estate AuMs by c € 300m

Sourcing Pipeline

- RE Debt mezzanine pipeline **c € 400m** (project volume > € 2bn)
- RE Equity sourcing pipeline **c € 3.9bn** → c 23% in advanced status (LoI/DD)





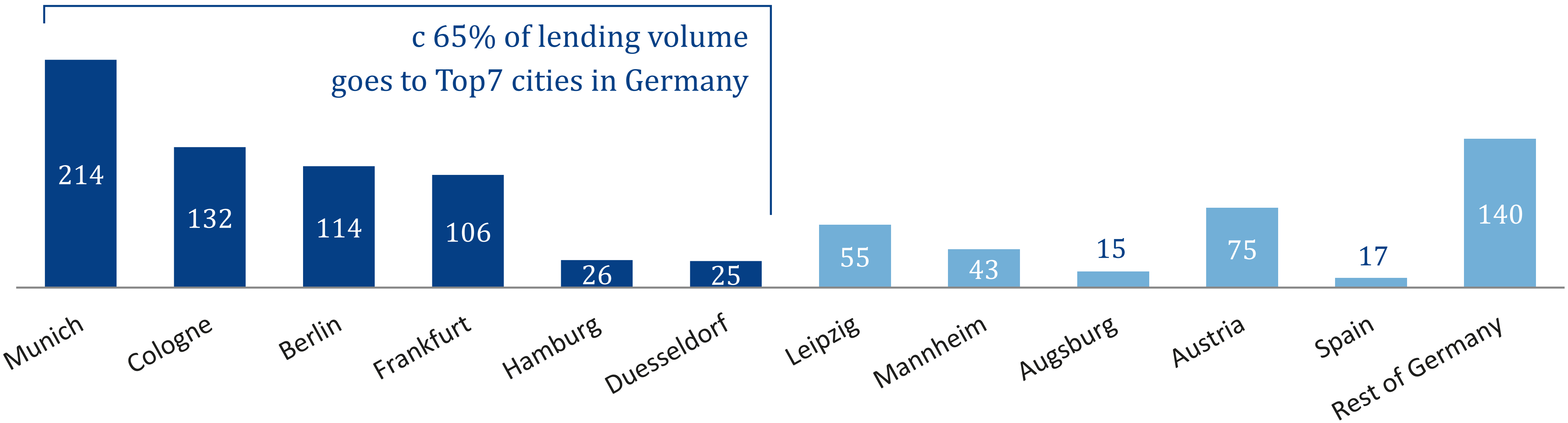
Real Estate Debt – Broadly Robust Despite Crisis

Uses of Mezzanine Funds at the End of FY-2020

- Total committed fund volume: **c € 1.2bn**
- # of financed projects: **53**
- Ø size of mezzanine financing: **c € 22.6m**
- ~ **60%** in residential/city quarter projects
- COVID-19 impact: revaluation in 2 projects and higher risk provisioning

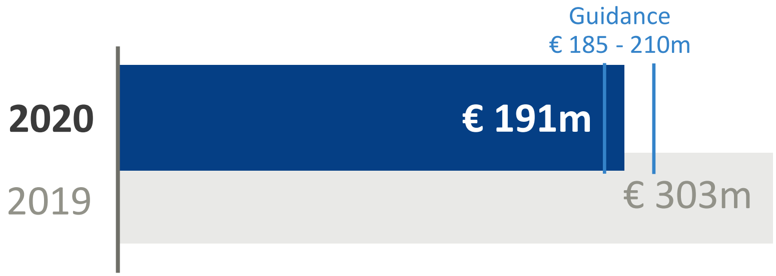
- Fund volume with seasonally typical outflows, but will grow significantly in 2021
- Record financing pipeline due to tightened credit environment and supportive macro drivers
- Complementary AFS business opens synergies in products and clients

Regional Break Down of Outstanding Financings (in m€)

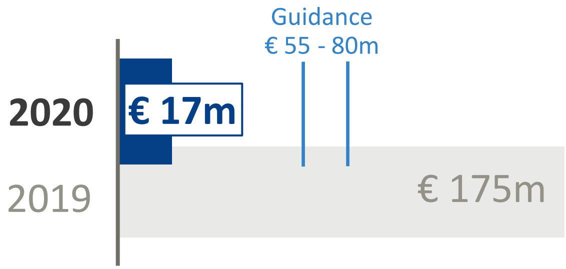


Key Figures FY-2020 – Revenues in line with Guidance, Earnings Substantially Burdened by Extraordinary Effects

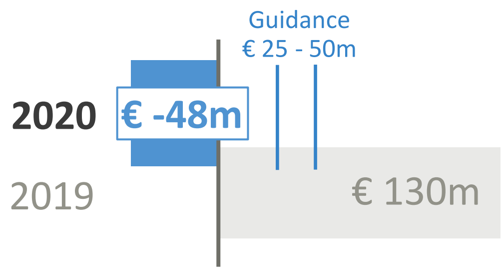
Aggregated Revenues & Gains



EBITDA



Adjusted Net Result



- Acquisition fees and management fees relatively stable
- **Lower CPF** due to valuation effects and higher risk provisioning
- Drop in income from alignment capital and warehousing driven by market conditions and > **€ -16m value adjustments** in commercial & serviced apartment co-investments

- Main extraordinary expense items
  - **c € -20m impairment** from reversal of 5 major micro-living developments and partially fee refunds in 6 other serviced apartment projects
  - **> € -2m** alteration of **aperiodic performance fees**
  - **> € -7m** one-offs for **personnel expenses** (management board changes and efficiency program)
  - **c € -2m transaction costs** (STAM/corp. events)
- Inelasticity of cost base and burdens from focus adoptions to changing clients´ needs

- **c € -22m** goodwill depreciation on **Atos**
- **c € -11m** one-off tax effect
- Reported net result **€ -69m**

Key Balance Sheet Figures Set Back in 2020 with Coherent Route to Recovery

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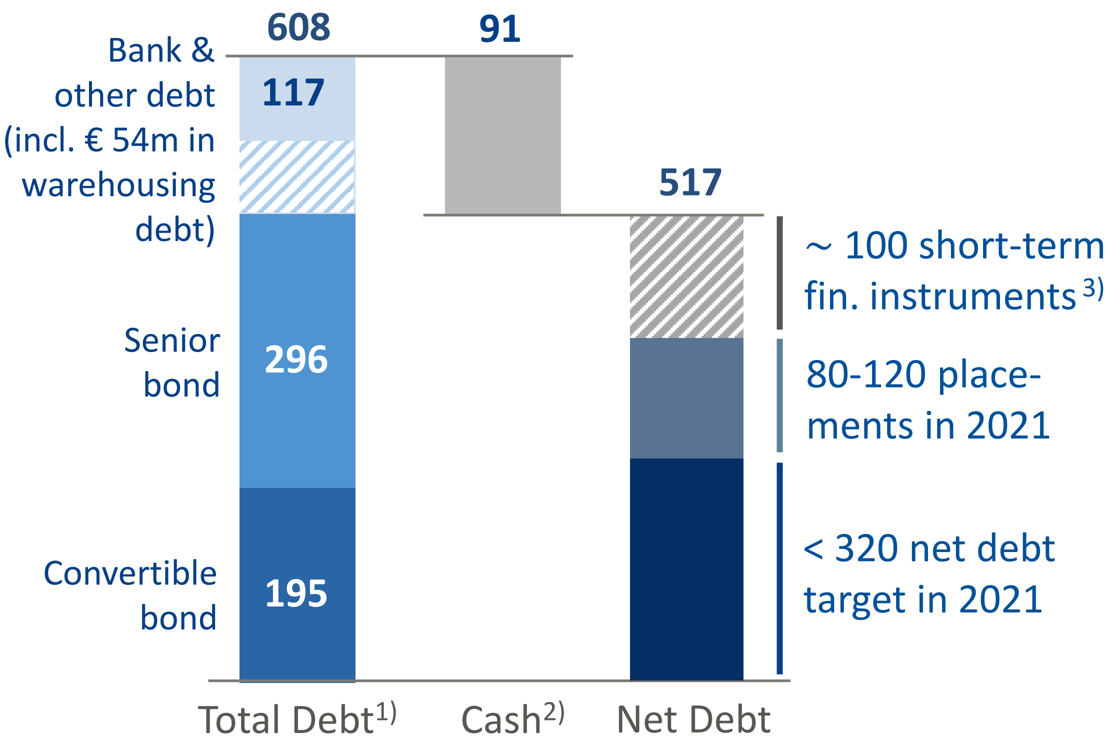
Debt Overview at the End of FY-2020

in m€



- **Net debt** increase to **€ 516m** driven mainly by temporary higher HFS bridge lending
- Reiteration of **net debt reduction plan** with key measures
  - Obligatory redemption of c € 100m short term financial instruments (mezzanine loans) in H1-2021
  - Placements out of inventories, associates/ JVs and financial instruments (€ 80-120m) in H2-2021
  - Further >€ 60m in 2022 from co-investments
- **Financial leverage** FY-2020 at >**30x**; normalized by one-off items[4] at **c 8x** → mid-term target range of between 2.0x and 3.0x confirmed (incl. IFRS 16
- Straight Bond and Convertible Bond not affected by higher leverage (>3.5x limits only issuing of new debt instruments)

1) Total financial debt adjusted for rental and leasing liabilities of € 27m
2) incl. restricted cash
3) € 104m short-term mezzanine lending with contractual repayment in H1-2021
4) Net debt / normalized operational EBITDA of € 64m (adj. by € 16m value corrections in co-investments, € 20m financial corrections on micro living project fees, € 11m on aperiodic, personnel one-off and transaction costs)

Clear Focus on Investors, Reduction of Complexity and Bundeling of Sales Forces as Clear Path for Sustainable Growth

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Key Strategic Tools	Initial Operative Steps (already taken)
Coherent **Product Offer** across entire RE value chain	▪ Bolt-on of full-service **private debt** range (AFS acquisition) ✓ ▪ Focus on **Core/Core+** ✓ ▪ Systematic **product innovation** (i.a. City Quarter, Whole-Loan) ✓
Strengthened **Equity Raising** & strict **Investor Focus**	▪ New **Head of Equity Raising** ✓ ▪ Clear DACH focus ✓ ▪ Fully integrated sales team structure ✓
Leverage **Group Synergies**	▪ Consistent **x-sell** betw. **debt** and **equity** (life cycle coverage) ✓ ▪ Full enhancement of ancillary **RE services** (i.a. Fund Mgt & PM) ▪ Agile business development and selective acquisitions/JVs
Simplifying and **Operational Excellence**	▪ Reduction of **complexity** and **double function** ▪ **Realignment** of senior management team and org structure ✓ ▪ Harmonized and improved **quality standards** (TOM) ✓
Authentic and comprehensive **ESG** orientation	▪ Measuring of **ecological footprint** of all assets ✓ ▪ Converting German portfolio to **green electricity** ✓ ▪ Readiness for **fully fledged ESG-themed** products ✓

Strong Growth Perspective on all Major Income Lines

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Market Assumptions

- COVID-19 impacts will decrease gradually starting in Q2 of 2021
- Stabilization of asset valuations
- Catch-up effects latest in Q3 from positive macro environment, investments pressure and transaction volumes

Revenue Split-up for FY 2021

(in m€)

RE Equity Transaction Fees [1]	20-35	▪ Transaction volume € 2-3bn ▪ Pick-up in investment activities
RE Debt Transaction Fees [2]	30-40	▪ Fostered debt business with € 1-2bn new financing volume (AFS only H2)
RE Equity Asset & Property Mgt. Fees	80-90	▪ Growing AuM base
RE Debt Asset Mgt. Fees & CPF [3]	80-90	▪ Prospering mezzanine business (CPF)
Warehousing / RE Operations [4]	5-15	▪ Placement of inventories ▪ AFS with slight impact
Alignment Capital	0-10	▪ Cautious assumptions on development of co-investments
Aggr. Revenues	**235-260**	

[1] Incl. acquisition related fees, sales and promote fees
[2] Incl. HFS underwriting fees, AFS structuring fees and new issue profits (pro rata temporis from 7-2021)
[3] Incl. HFS asset mgt. fees, Coupon Participation Fees, mezzanine lending
[4] Incl. AFS trading results (pro rata temporis from 7-2021)

Gaining Momentum on Profitability and De-Risking in 2021

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Financial Outlook 2021*

Aggr. Revenues	adj. EBITDA	adj. Net Profit
€ 235-260m	€ 90-115m	€ 50-75m

- AFS considered pro rata (incl. synergies): c € 16m revenues, c € 10m EBITDA and c € 7m net profit
- Cost program with savings of € 10m
- 2021 OpEx ratio c 50% (adj. G&A 20-25m)
- Adjustments in 2021
  - € 5-10m AFS transaction costs
  - c € 15m AM contracts deprecation
- Slightly increasing tax rate 15-17%
- Deleveraging as key financial aim with leverage ratio **<3x** end of 2021

Change of **AGM** date to **28 June 2021** (again as fully virtual event)

* The outlook takes into account the currently foreseeable impact of the COVID-19 pandemic on the business activities and the economic environment of the company

IR Contact and Financial Calendar 2021

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Financial Calendar 2021

24 February	Publication preliminary results for FY 2020
24 March	Annual financial report 2020
19 May	Publication results for Q1
28 June	Annual General Meeting
11 August	Publication results for H1
10 November	Publication results for first nine months

Please note that these dates
may be subject to change

Annex: Management Board Completed and Aligned

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Members of the Management Board

René Parmantier (CEO)
Business Development & Corporate Strategy, M&A,
Corporate Communications, Equity Raising,

Sebastian Ernst (Chief Debt Investment Officer)
Private Debt & DCM

Nils Hübener (CIO)
Investment & Asset Management

Daniel Löhken (Chief Legal & HR Officer)
Legal, HR, Compliance, ESG & Risk Management

Johannes Märklin (Chief Debt Finance Officer)
Private Debt & Structuring

Lars Schnidrig (CFO)
Finance, Accounting, Controlling, IR

* Further information and full CVs on our website