



9M-2020 Results

Presentation – Conference Call for Analysts & Investors, 11 November 2020

Lars Schnidrig, CEO & Dr. Kai Klinger, CMO

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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)

Operations Recovering Based on an Improved Transaction Environment

- Deal appetite focusing on **lower risk/return profiles** – market uncertainty and investment pressure aspiring to new equilibriums
- **Organic growth** in Q3 of **+1.2%** is mainly backed by Core/Core+ transactions
- **€ 300m landmark deal** signed – acquisition of Germany’s largest city quarter development in Nuremberg for BVK
- **Revenues from AM & PM** and mezzanine lending reveal high resilience through the crisis
- **On track** to deliver on **financial guidance**
- **Extension of Management Board** and appointment of a **new CEO**

Capital Increase on 11 September 2020 as One Key Initiative On Deleveraging Path

- Issue of 4,186,382 new shares increases share capital by **19.5%**; placed at **market price** (€ 17,82)
- Gross proceeds of issue **€ 74.6m**
- Use of proceeds: primarily **reduction of net financial debt** in the short term, but also increase of entrepreneurial flexibility for further significant organic growth

Enlargement of Management Board to Four Members



Klaus Schmitt (aged 55) will join the Management Board as new CEO on 1 January 2021 for an initial term of three years

- More than 25 years of experience in real estate industry, 14 years as Member of the Management Board as COO of Patrizia AG
- Lawyer, strong background in real estate structures, processes and client relations



Daniel Loehken (aged 41) became Management Board Member as Chief Legal & HR Officer on 1 November 2020 for an initial term of three years

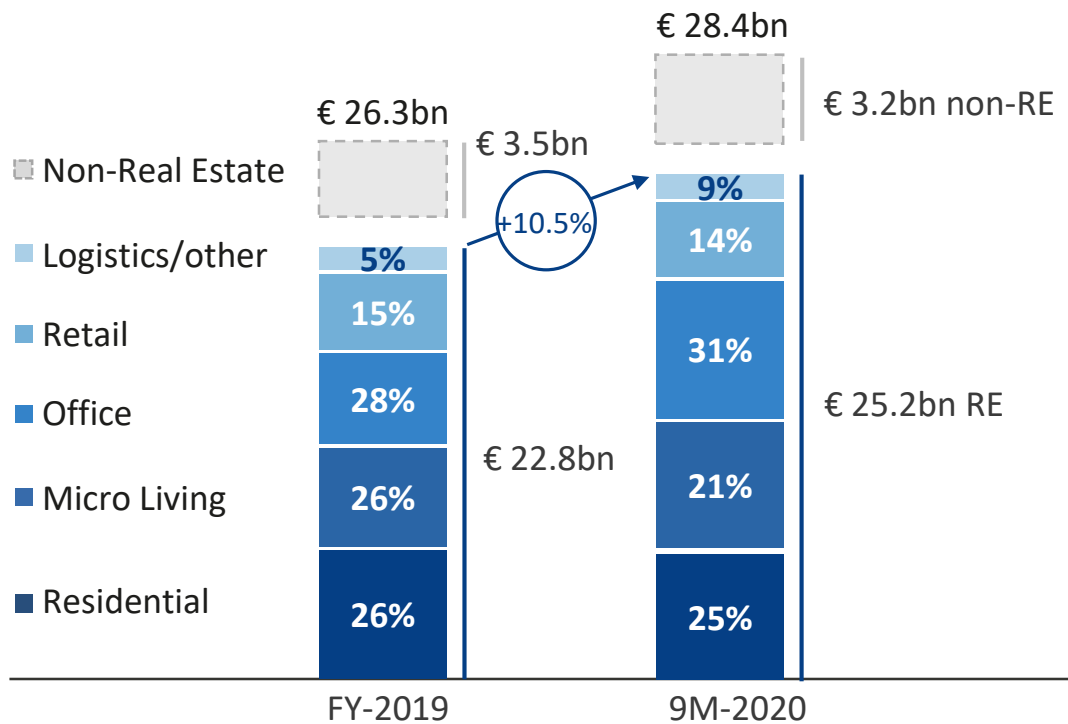
- Responsibilities: HR, Legal, Compliance, Risk-Management, Internal Audit and ESG
- More than 10 years of experience in capital market law, compliance and real estate
- Since 2/2018 Corestate, prior: Vonovia, IKB, Clifford Chance

- A further Management Board Member for **Finance and Capital Markets** will get appointed in the short term
- Clear division of Management Board responsibilities in **operations** (clients/investments) and **corporate functions**
- Lars Schnidrig leaves on 31 December 2020 at his own request and on amicable terms

Assets under Management on Record High

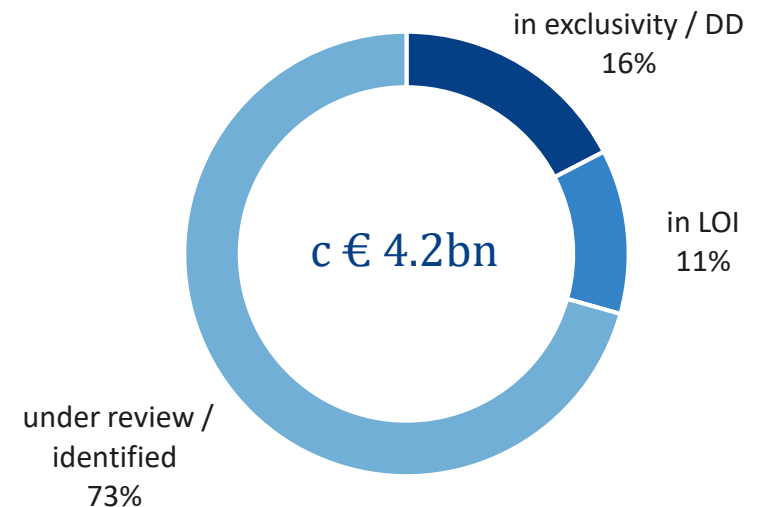
Assets under Management

- **+4.1%** net organic growth in **RE AuM** in 2020 so far
- Planned decrease in non-Real Estate AuM of € 0.3bn since 2019



Sourcing pipeline

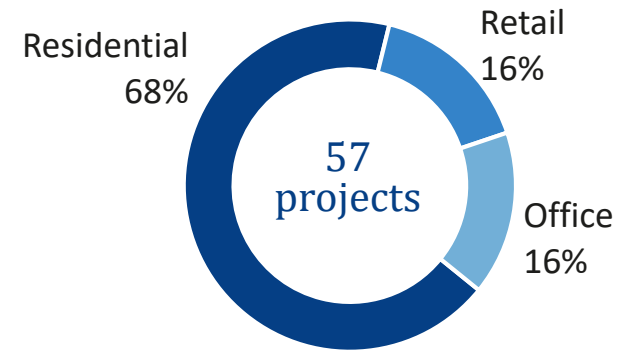
- Deal pipeline impacted by COVID-19
- Typical seasonality in RE with strong focus on Q4 is considerably reduced in 2020



Real Estate Debt with Robust Performance

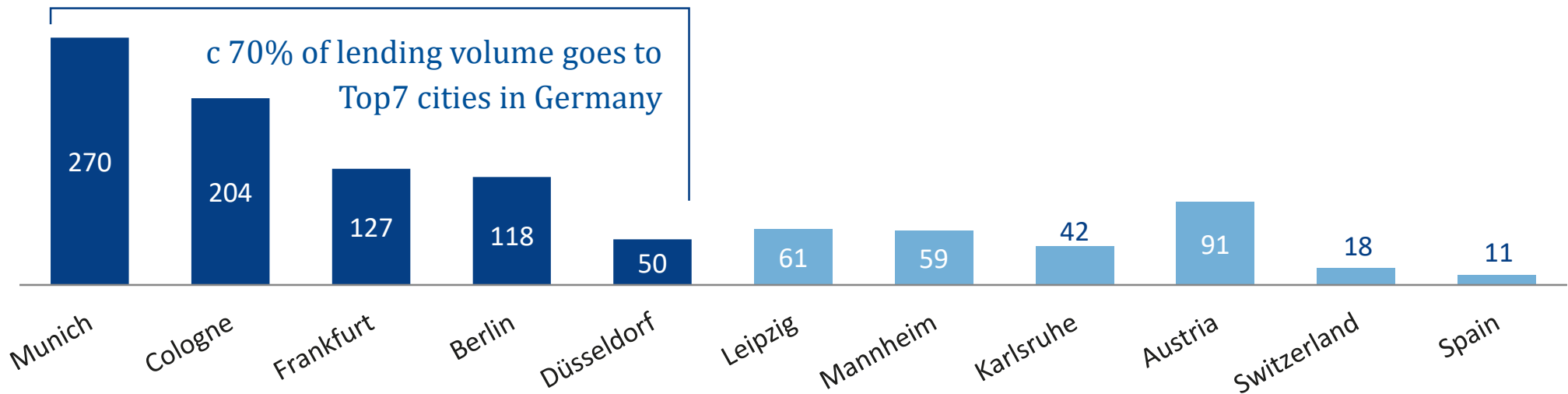
Uses of Mezzanine Funds at the End of Sept 2020

- Total committed fund volume: **c € 1.3bn**
- # of financed projects: 57
- Ø size of mezzanine financing: **c € 23m**
- Pipeline of potential financings on record high



Regional Break Down of Current Outstanding Financings

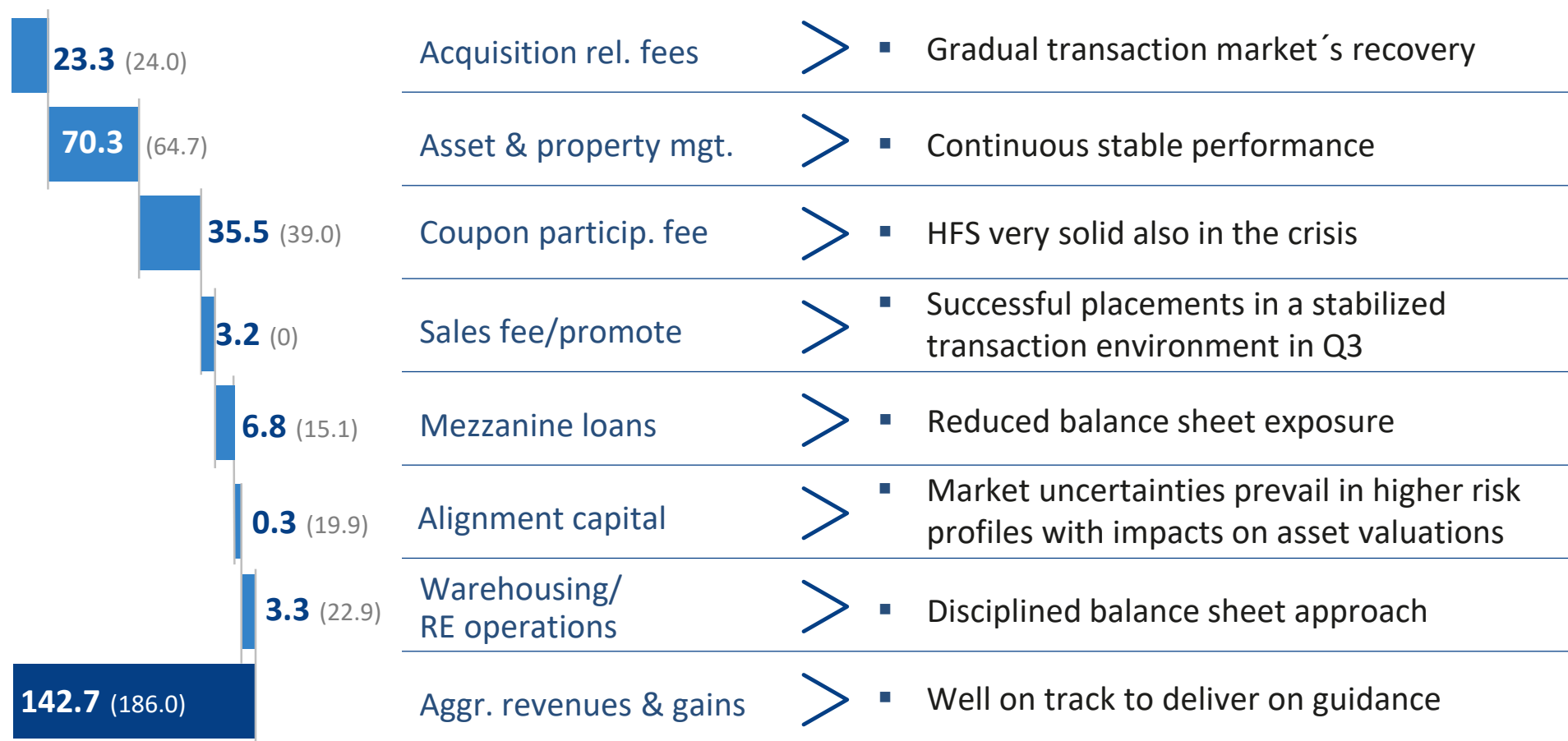
in m€



COVID-19 Leads to Significant Shifts in Fee Pattern

9M-2020 Revenue Split-Up

in m€ (9M-2019)



Changing Market Conditions Burdening Cost Structure

Key P&L Figures 9M-2020

in m€

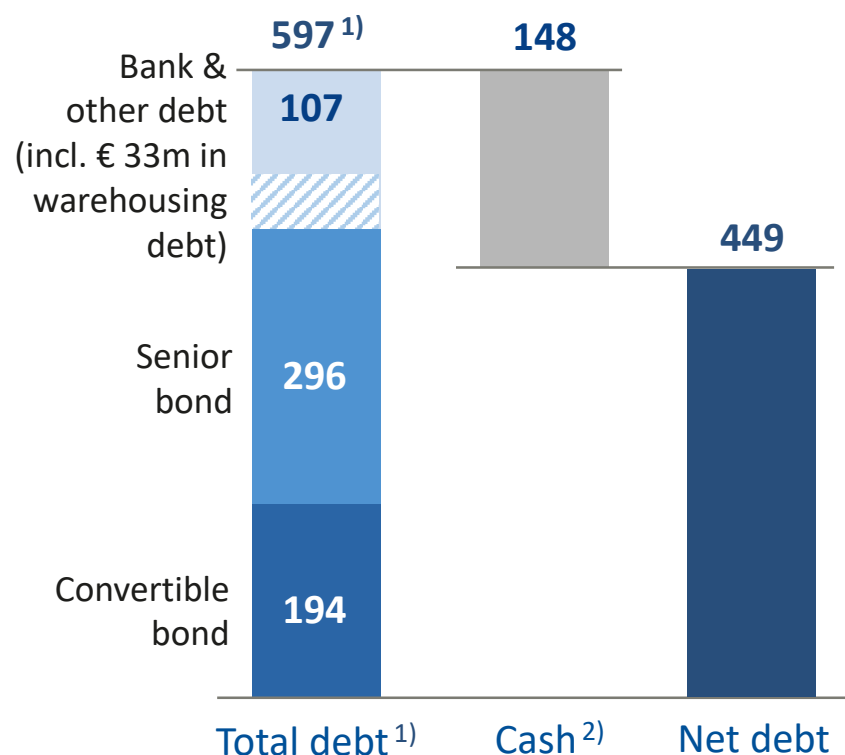
Aggr. revenues & gains	142.7	100%
Expenses from RE investment mgt.	-64.7	45.3%
Alignment capital expenses	-9.2	6.5%
Warehousing expenses	-5.1	3.7%
G&A expenses	-24.4	17.1%
Other income	6.9	4.8%
EBITDA	46.1	32.3%
D&A	-24.8	17.4%
EBIT	21.3	14.9%
Financial result	-16.2	11.4%
Net profit	4.4	3.1%
Adj. net profit	20.8	14.7%

- OpEx ratio (>50%) driven by inelasticity of cost base and declining revenues - especially in segments warehousing and alignment capital
- G&A additionally burdened by HR-related one-off cost items
- D&A includes IFRS 16 effect and consolidation of STAM
- Adjustments on net profit level
 - Asset management contracts € 19m
 - DTA € -2.5m

Key Balance Sheet Figures

Debt Overview at the End of September 2020

in m€



- Proceeds from capital increase and positive operational cash flow in Q3 lowered **net debt** position by € 81m to **€ 449m**
- Reiteration of **net debt reduction plans**
 - Placements out of inventories, associates/JVs and financial instruments (>€ 200m in 18-24M)
 - Cash flow from operations
- **Financial leverage** IFRS 16-adjusted at **3.7x³⁾** mid-term target range of between 2.0x and 3.0x remains in place
- Main financial instruments 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 € 29.3m

2) incl. restricted cash

3) Net debt / EBITDA LTM of € 121m; excl. IFRS 16 adjustments financial leverage would be at **4.0x**

Financial Guidance 2020 Confirmed

Aggr. Revenues	EBITDA	Adj. Net Profit
€ 185-210m	€ 55-80m	€ 25-50m

- Several transactions in advanced status to be signed
- First pickings from cash conversion initiative
- Intensified AM & PM services on properties affected by the pandemic

Assumptions

- **Transaction volume** in 2020 approx. **€ 1.5bn** predominantly in Core/Core+
- EBITDA burdened by **€ 5-10m one-off costs** from **efficiency program** and **€ 10-15m of extraordinary valuation effects** on (co-) investments esp. in commercial/serviced apartment assets

Preview on 2021: Uptick in Market will Lead to Ongoing Operational Recovery

- Real estate markets will **gain momentum through 2021** from more visibility on post-corona scenarios and further increasing investment pressure
- **Well positioned** to benefit from improving surroundings
 - Real estate equity business revenue lines to improve significantly
 - Mezzanine business will show stability in volumes and margins
- **Annual savings** from efficiency program of **c € 10m**
- Outlook FY2021 will be provided on **24 February 2021**

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
- 28 April • Annual General Meeting
- 19 May • Publication results for Q1
- 11 August • Publication results for H1
- 10 November • Publication results for first nine months

Please note that these dates
may be subject to change