



## Company presentation

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November 2021

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## 1. Gateway Real Estate AG - Overview





## I At a glance

A leading German project developer of residential properties / urban districts using a resource-saving wood construction technology

### Overview

Since its **foundation in 2006**, Gateway Real Estate AG, together with its subsidiaries, has had a long track record in the German real estate market. With its lean operational structure covering all steps of the value chain, the company is a leading listed developer of residential real estate in Germany

### Portfolio

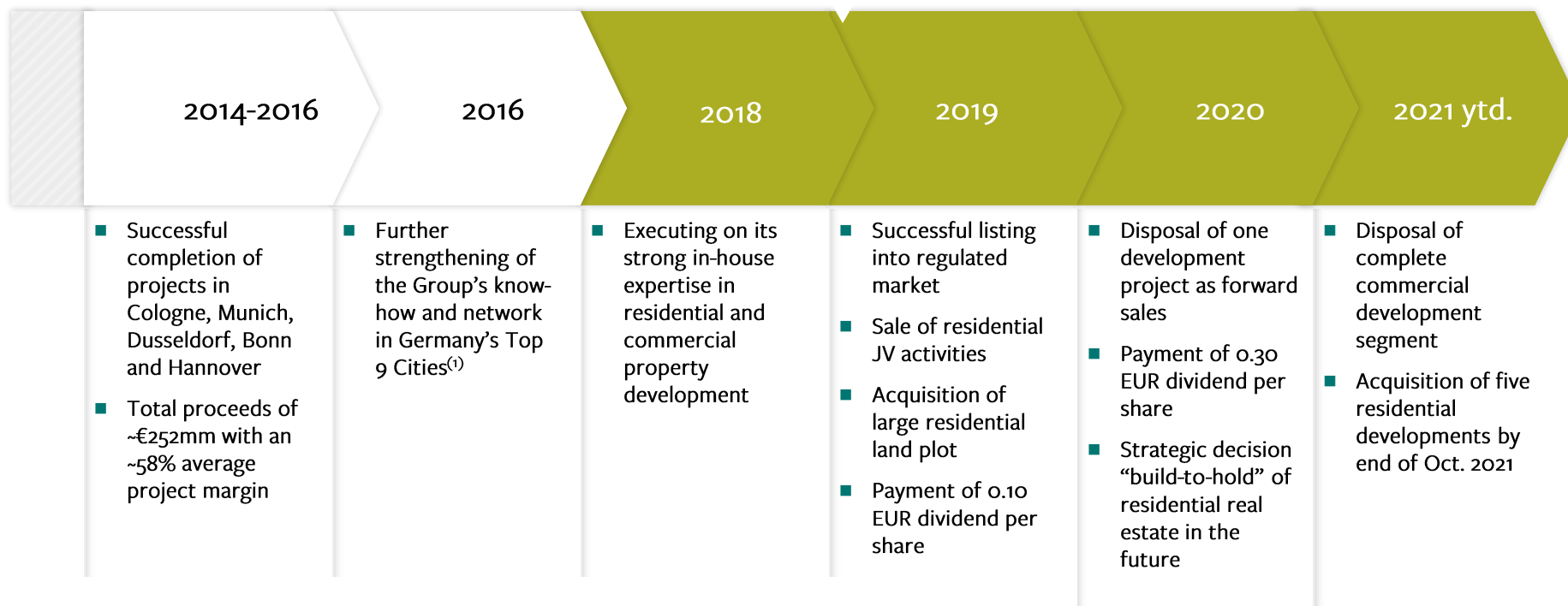
**District developments** in the largest cities and growth regions in Germany. The gross development volume (GDV) including attractive pipeline currently amounts to more than € 6 billion.

### Strategic steps in 2021

Exclusively focusing on urban district developments and the construction of high-quality, modern and sustainable residential properties using the innovative and low-emission wood construction technology, with sales to institutional investors or a possible inclusion in the company's own portfolio

# I At a glance

## Track record



<sup>(1)</sup> Top 9 cities are Berlin, Frankfurt, Cologne, Dusseldorf, Hamburg, Munich, Stuttgart, Leipzig and Dresden.

# I Pioneer with respect to resource-efficient construction

Minimising the environmental impact through forward-looking technology

## Energy concept

The buildings are plus-energy properties that generate more energy than they consume – minimum energy requirements for heating and domestic hot water through cogeneration plants, as well as the regenerative generation of electricity through photovoltaics and geothermal energy

## Environmentally conscious construction

Strong reduction of CO<sub>2</sub> pollution in the atmosphere as well as long-term CO<sub>2</sub> sequestration (1 m<sup>3</sup> of wood sequesters 1 tonne of CO<sub>2</sub>) – Wood stores climate-damaging emissions, requires less energy than conventional building materials and has excellent thermal insulation properties

## Affordable living

Pioneer for sustainability and affordable living in Germany through resource-efficient construction

## II Market strategy

### Focusing on residential development



SoHo, Mannheim



Cologne



Heinersdorf, Berlin

Residential development	
Project focus	Modern <b>new build</b> multi-family and <b>mid-rise</b> buildings
	DisposalBuild-to-Hold
Location	Top-9-cities and attractive urban regions
	Nationwide
Market access	<ul style="list-style-type: none"><li>■ Focus on <b>growth strategy</b> due to strong market access and constant acquisition opportunities</li><li>■ Business expansion by using the <b>local expertise</b> and wide network of selected partners</li><li>■ Access <b>diverse and attractive sources of financing</b> including public capital markets</li></ul>
	<ul style="list-style-type: none"><li>■ Development of residential real estate for long-term holding (rental income, low fix costs, stable cash flows)</li><li>■ Sale of projects with minimal default risk</li><li>■ Forward sale agreements to institutional investors (block sale)</li><li>■ Operational excellence and lean fixed cost base</li></ul>
De-risking	

## II Corporate strategy

Focus on value chain and shareholder value



Leuchtwerk, Augsburg



Dresden



Chemnitz

	Measurements	resulting in
Operating	<ul style="list-style-type: none"> <li>■ Key development functions inhouse</li> <li>■ Minimizing construction risk</li> </ul>	<ul style="list-style-type: none"> <li>■ efficient group control (development and corporate functions related) and risk management</li> <li>■ non-speculative construction</li> </ul>
Sales	<ul style="list-style-type: none"> <li>■ Disposal only to institutional investors</li> </ul>	<ul style="list-style-type: none"> <li>■ lean and repeating sales process</li> <li>■ no risk of default</li> </ul>
Acquisition	<ul style="list-style-type: none"> <li>■ Further acquisition of land plots with incomplete building rights and/or zoning</li> </ul>	<ul style="list-style-type: none"> <li>■ steady acquisition volume of 20% GDV (€ 1bn p.a.) for land plots to keep sustainable GDV volume</li> <li>■ additional value potential by procurement of planning permission</li> </ul>
Financial	<ul style="list-style-type: none"> <li>■ Forward Sales / Forward Funding</li> <li>■ Financial target of net debt / EBITDA &lt;3</li> </ul>	<ul style="list-style-type: none"> <li>■ faster recovery of invested capital for land or financing security and reduction of cash flow risk</li> <li>■ financially solid company</li> </ul>



### III Key achievements FY 2020 and H1 2021

#### Operational achievements FY 2020

- FY 2020 business development fulfilled company forecast
- Closing of three new development projects with a total GDV of c. € 2.3 billion in the top seven German cities and major regions
- Disposal of 2 project developments – one project development in Duesseldorf as a forward sale and one project development in Hamburg

#### Financial performance FY 2020

- Gross profit amounted to € 204.7 million
- EBIT adjusted increased to € 142.4 million
- Total comprehensive income reached € 89.8 million
- EPS amounted to € 0.48

#### H1 2021 update and outlook

- In H1 2021, the company sold completely and discontinued its activities in the Commercial Properties Development segment in view of the current pandemic in order to focus, in future, entirely on the Residential Properties Development segment.
- EBIT adjusted in H1 2021 increased to EUR 51.5 million (H1 2020: EUR 28.4 million)
- Outlook: EBIT adjusted 2021E = EUR 95-110 million and EBT 2021E = EUR 70-80 million



## 2. Portfolio overview



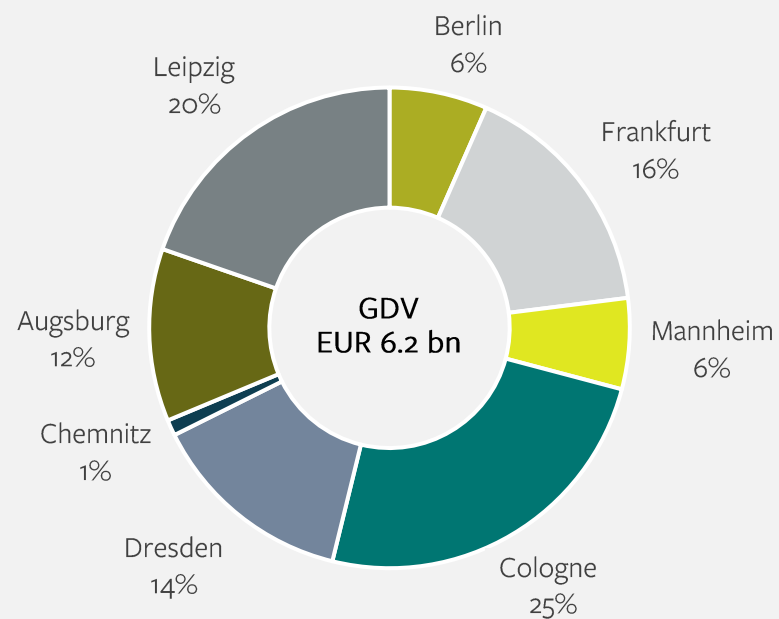
# Urban district developments<sup>1</sup> as of 30 June 2021

8 trophy projects with a GDV of approximately EUR 6.2 billion

## Geographical breakdown of urban district developments



## Breakdown of gross development volume by city



(1) incl. announced acquisition in Leipzig in July 2021



# Urban district developments

## Cologne



### Key figures

rentable area	254,194 m <sup>2</sup>
GDV	EUR >1,500 million
construction start	2022

## Dresden



### Key figures

rentable area	165,441 m <sup>2</sup>
GDV	EUR > 800 million
construction start	2022

# Urban district developments

## Chemnitz



### Key figures

rentable area	13,496 m <sup>2</sup>
GDV	EUR >60 million
construction start	2022

## Mannheim



### Key figures

rentable area	72,365 m <sup>2</sup>
GDV	EUR >350 Mio.
construction start	2022

# Urban district developments

## Augsburg



### Key figures

rentable area	131,978 m <sup>2</sup>
GDV	EUR >700 million
construction start	2023

## Leipzig



### Key figures

rentable area	265,600 m <sup>2</sup>
GDV	EUR >1,200 million
construction start	2023



# Urban district developments

## Berlin



### Key figures

rentable area	101,050 m <sup>2</sup>
GDV	EUR >400 million
construction start	2024

## Frankfurt



### Key figures

rentable area	200,000 m <sup>2</sup>
GDV	EUR >1.000 million
construction start	2025





### 3. Financials





# Income statement H1 2021

in €'ooo	H1 2021	H1 2020
Revenues	1 14,877	35,163
Changes in inventory	2 27,132	67,794
Other operating income	3 43,110	2,629
<b>Gross profit</b>	<b>85,119</b>	<b>105,586</b>
Cost of materials	(24,082)	(79,769)
Personnel costs	(3,916)	(4,923)
Other operating expenses	(3,589)	(7,437)
Fair value adjustment	(1,353)	15,410
D&A	(690)	(387)
<b>Operating profit</b>	<b>51,489</b>	<b>28,480</b>
Profit from investments accounted for using the equity method, net tax	0	(101)
<b>EBIT adj.</b>	<b>51,489</b>	<b>28,379</b>
Financial result	(13,540)	(15,114)
<b>Profit (loss) before income taxes</b>	<b>37,949</b>	<b>13,265</b>
Income taxes	(482)	(5,516)
<b>Consolidated profit (loss)</b>	<b>37,467</b>	<b>7,749</b>
<i>Thereof attributable to shareholders of the parent company</i>	<i>37,723</i>	<i>7,528</i>
<i>Thereof attributable to non-controlling interests</i>	<i>(256)</i>	<i>221</i>

## Comments

- 1 Mainly rental income (€ 5.3 million) and revenues from three forward sales (€ 9.2 million)
- 2 Capitalisation of project and construction costs as well as project financing costs
- 3 Deconsolidation result of disposal of all shares of Development Partner AG as well as three further commercial project companies



# Balance Sheet H1 2021: Assets

in €'ooo		H1 2021	FY 2020
Intangible assets	1	16,144	40,429
Property, plant and equipment		859	3,501
Investment properties		201,035	184,920
Investments accounted for using the equity method		28	7,130
Other non-current financial and non-financial assets	2	71,546	11,379
Deferred tax assets		7,355	10,285
<b>Non-current assets</b>		<b>296,967</b>	<b>257,644</b>
Inventories	1	526,261	666,985
Trade receivables		1,693	1,431
Current income tax receivables		3,502	3,616
Other financial assets	2	195,164	28,525
Other non-financial assets		63,014	54,726
Cash and cash equivalents	1	28,175	50,549
Assets held for sale		38,400	54,150
<b>Current assets</b>		<b>856,209</b>	<b>859,982</b>
<b>Total assets</b>		<b>1,153,176</b>	<b>1,117,626</b>

Comments
1 Reduction mainly due to deconsolidation of Development Partner AG as well as three further commercial project companies
2 Increase due to vendor loans and receivables (purchase price and former IC-loans)

# Balance Sheet H1 2021: Equity and Liabilities

in €'ooo	H1 2021	FY 2020
<b>Equity and liabilities</b>		
Subscribed capital	186,764	186,764
Additional paid-in capital	(389,131)	(389,131)
Accumulated comprehensive income	595,134	557,411
Non-controlling interests	2,545	4,776
<b>Equity</b>	<b>395,312</b>	<b>359,820</b>
Non-current financial liabilities	1 413,452	146,342
Deferred tax liabilities	35,332	47,836
Other non-current financial liabilities	1,346	3,009
<b>Non-current liabilities</b>	<b>450,130</b>	<b>197,187</b>
Other current provisions	0	452
Current financial liabilities	104,699	459,652
Current income tax liabilities	4,229	7,127
Trade payables	2 191,131	68,649
Other financial liabilities	7,180	7,506
Other non-financial liabilities	495	17,233
<b>Current liabilities</b>	<b>307,734</b>	<b>560,619</b>
<b>Total equity and liabilities</b>	<b>1,153,176</b>	<b>1,117,626</b>

## Comments

- 1 Overall decline in current and non-current financial liabilities due to deconsolidation of Development Partner AG as well as three further commercial project companies in Q1 2020. Partly offset by new financial liabilities in the context of acquisition of two large residential development sites in Cologne and Dresden in the first three months 2021
- 2 Increase mainly due to purchase price liabilities

# Income Statement FY 2020

in €'ooo	FY 2020	FY 2019
Revenues	1 55,518	94,442
Changes in inventory	2 144,926	221,499
Other operating income	4,298	97,260
<b>Gross profit</b>	<b>204,742</b>	<b>413,201</b>
Cost of materials	(162,515)	(247,563)
Personnel costs	(9,294)	(9,642)
Other operating expenses	(22,507)	(26,986)
Fair value adjustment	3 129,109	20,548
D&A	(855)	(581)
<b>Operating profit</b>	<b>138,680</b>	<b>148,977</b>
Profit from investments accounted for using the equity method, net tax	4 3,769	9,884
<b>EBIT adj.</b>	<b>142,449</b>	<b>158,861</b>
Financial result	(25,772)	(27,056)
<b>Profit (loss) before income taxes</b>	<b>116,677</b>	<b>131,804</b>
Income taxes	(26,900)	(4,829)
<b>Consolidated profit (loss)</b>	<b>89,777</b>	<b>126,975</b>
<i>Thereof attributable to shareholders of the parent company</i>	<i>90,335</i>	<i>125,976</i>
<i>Thereof attributable to non-controlling interests</i>	<i>(558)</i>	<i>998</i>

## Comments

- 1 Mainly rental income (€ 9 million) and revenues from three forward sales (€ 43 million)
- 2 Capitalisation of acquisition costs of new development projects, project and construction costs as well as project financing costs
- 3 Fair value adjustment from signed portfolio disposal as well as investment properties (mainly build-to-hold properties)
- 4 Positive earnings from disposal of constructed at equity project developments



## Balance Sheet FY 2020: Assets

in €'ooo	FY 2020	FY 2019
Intangible assets	40,429	39,891
Property, plant and equipment	3,501	2,518
Investment properties	1 184,920	8,270
Investments accounted for using the equity method	7,130	8,832
Other non-current financial and non-financial assets	11,379	15,415
Deferred tax assets	10,285	3,615
<b>Non-current assets</b>	<b>257,644</b>	<b>78,541</b>
Inventories	2 666,985	581,602
Trade receivables	1,431	1,832
Current income tax receivables	3,616	2,687
Other financial assets	28,525	70,283
Other non-financial assets	54,726	50,234
Cash and cash equivalents	3 50,549	216,045
Assets held for sale	54,150	38,750
<b>Current assets</b>	<b>859,982</b>	<b>961,424</b>
<b>Total assets</b>	<b>1,117,626</b>	<b>1,039,965</b>

Comments
1 Increase due to two new investment properties (Augsburg)
2 Increase driven by acquisition of new development projects as well as construction activities. Inventories primarily consists of real estate that the Company intends to develop itself and sell after completion
3 Reduction due to repayment of debt and dividend payment

# Balance Sheet FY 2020: Equity and Liabilities

in €'000	FY 2020	FY 2019
<b>Equity and liabilities</b>		
Subscribed capital	186,764	186,764
Additional paid-in capital	(389,131)	(22,804)
Accumulated comprehensive income	557,411	156,778
Non-controlling interests	4,776	5,253
<b>Equity</b>	<b>359,820</b>	<b>325,991</b>
Other non-current provisions	0	629
Non-current financial liabilities	146,342	343,389
Deferred tax liabilities	47,836	15,118
Other non-current financial liabilities	3,009	2,345
<b>Non-current liabilities</b>	<b>197,187</b>	<b>361,481</b>
Other current provisions	452	1,448
Current financial liabilities	459,652	272,620
Current income tax liabilities	7,127	9,220
Trade payables	68,649	60,215
Other financial liabilities	7,506	3,465
Other non-financial liabilities	17,233	5,525
<b>Current liabilities</b>	<b>560,619</b>	<b>352,493</b>
<b>Total equity and liabilities</b>	<b>1,117,626</b>	<b>1,039,965</b>

## Comments

- Although inventories increased strongly due to new acquisitions, current and non-current financial liabilities decreased compared to FY 2019 due to debt repayment



## Appendix



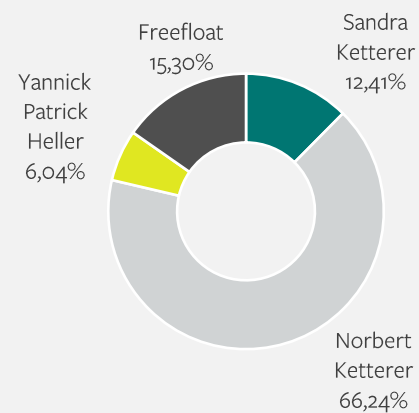


# Gateway Share information

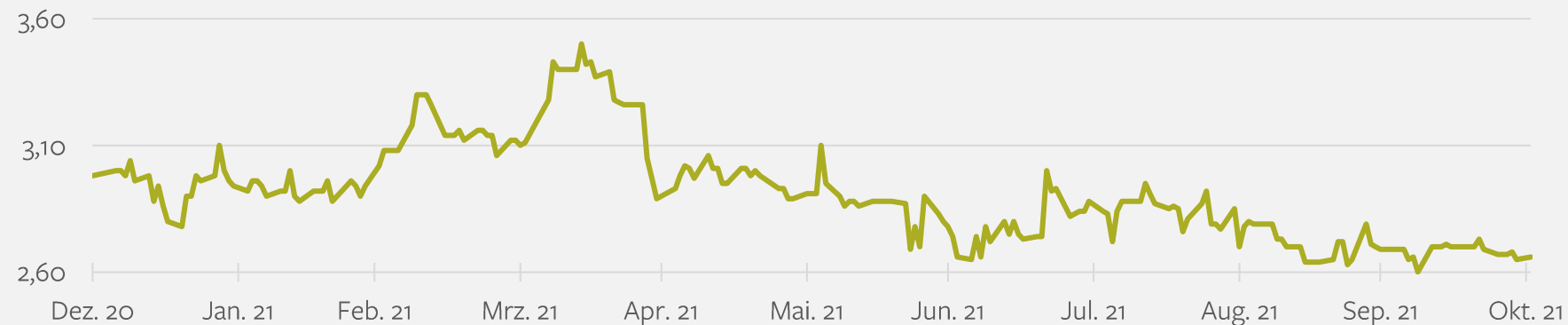
## Basic Share information

Symbol	GTY
Share price (XETRA, 29-Oct-2021)	2,65
ISIN	DE000A0JJTG7
Primary exchange	Frankfurt Stock Exchange / Prime Standard
Shares outstanding 29-Oct-2021 (in m)	186.8
Market capitalization (in EUR m)	495

## Shareholder Structure<sup>1</sup>



## Share performance ytd (XETRA) – in €



(i) as of 31 Oct 2021