



# Company Presentation

October 2016

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# At a glance

- ▶ Founded in 1994 | TOP 10 developer for residential projects in Munich and Hamburg
- ▶ Focus on business areas construction of 'new residential developments' and 'revitalization' of existing buildings
- ▶ Long-standing track record: more than 2,900 units realised
- ▶ Attractive investment pipeline in the Munich housing market of multi-year revenues
- ▶ With the new investor Lone Star and a subsequent capital increase of more than 50 million euros on a clear growth path



ISARIA's headquarters Munich



ISARIA's branch office Hamburg



# Management

## Michael Haupt

CEO since Feb. 2012

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Lawyer

Member of the executive board in various real estate companies

Recently Managing Director of Bouwfonds Investment Management Germany

## Jan von Lewinski

COO since Jan. 2014

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Banking background

Member of the executive board in various real estate companies

Previously manager/COO in a multinational family office in Frankfurt



Management: Jan von Lewinski (left) and Michael Haupt (right)

Unparalleled track record with a strong and established brand and secure access to a broad target group

# Realised Residential Projects

Karlsfeld nido | so far 457 units



Vogelweidestr. | 167 apartments



Hirschparkterrassen | 104 units BA 1



Schillerstraße | 203 apartments



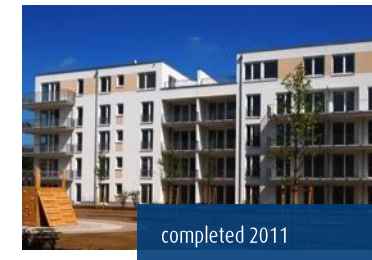
Riem [driem] | 181 units



Hohenwaldeckstraße | 261 units



Hirschparkterrassen | 206 units BA 2



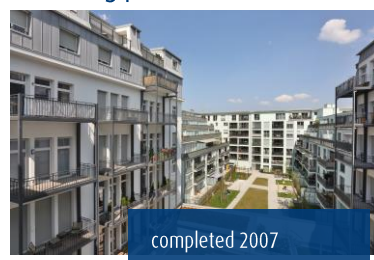
Stahlstraße La Provence | 55 units



IsarStadtPalais | 54 units



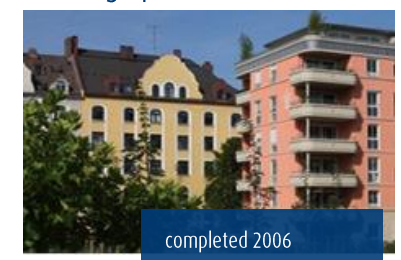
IsarLiving | 144 units



Giesinger Seenhäuser | 48 units



Le Village | 94 units



Lone Star will secure growth  
as a strategic investor

# Strategy



Today:  
TOP-institutional  
developer for residential  
property in Munich and  
Hamburg

In 5 years:  
THE capital market-  
oriented developer for  
residential property in  
Germany

establishment of further  
locations planned through  
organic growth and/or  
takeovers/co-operations



# Business Model

## New Residential Developments



Creation of new housing locations with  
up to 500+ units

## APP.ARTMENTS | Revitalisation



Revitalisation of former office buildings  
by transformation into apartments

# Example for New Developments

## District development nido in Karlsfeld

|                       |                                 |
|-----------------------|---------------------------------|
| Project               | Development of a unique borough |
| Start of Construction | 2009 – 2016                     |
| Size of plot          | 154,000 m <sup>2</sup>          |
| Sections              | 12                              |
| Number of units       | 553 residential units           |
| Sales volume          | € 259 million                   |



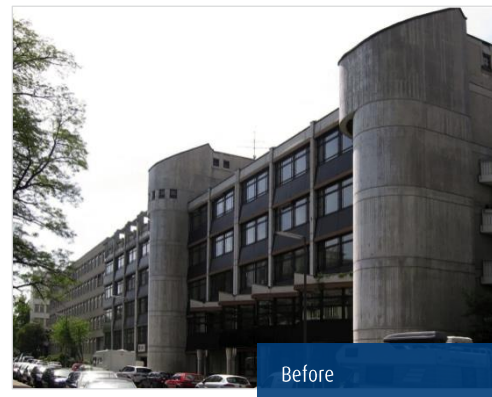
■ completed   ■ In sale and under construction   ■ Project planning



# Example for APP.ARTMENTS | Revitalisation Project

## APP.ARTMENTS Vogelweidestraße 5: furnished residential apartments

|                      |                                   |
|----------------------|-----------------------------------|
| Project              | Revitalisation of office building |
| Number of apartments | 167 apartments, furnished         |
| Completed            | 2014                              |
| Sales volume         | € 50 million                      |



Munich expects up to  
250,000 additional  
inhabitants until 2030

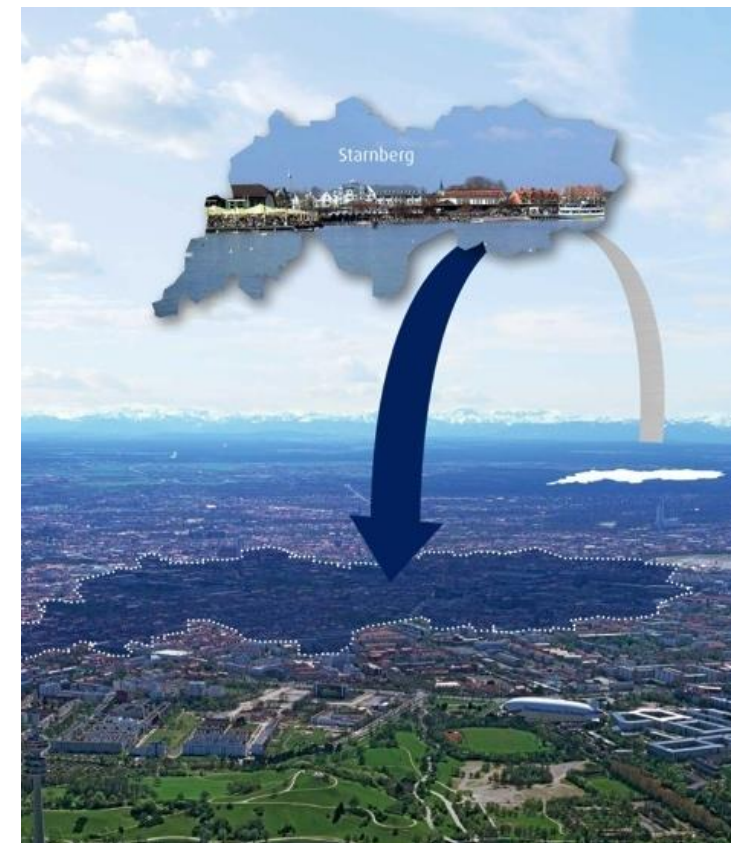
## Germany's metropol regions continue to grow

For example, Munich's population increases by the  
number of people who live in Starnberg on an  
annual basis

Every year, the Munich housing industry has to find  
additional living space for the population of a small  
German town such as Starnberg in the most densely  
populated city in Germany.

Net migration 2015:

- ▶ Munich: 26.795 persons
- ▶ Hamburg: 16.500 persons



Source: Statistisches Amt München, Demografieportal

Annually 6,000 apartments are built in Munich on average – significantly less than required

## Residential Real Estate Market by the example of Munich

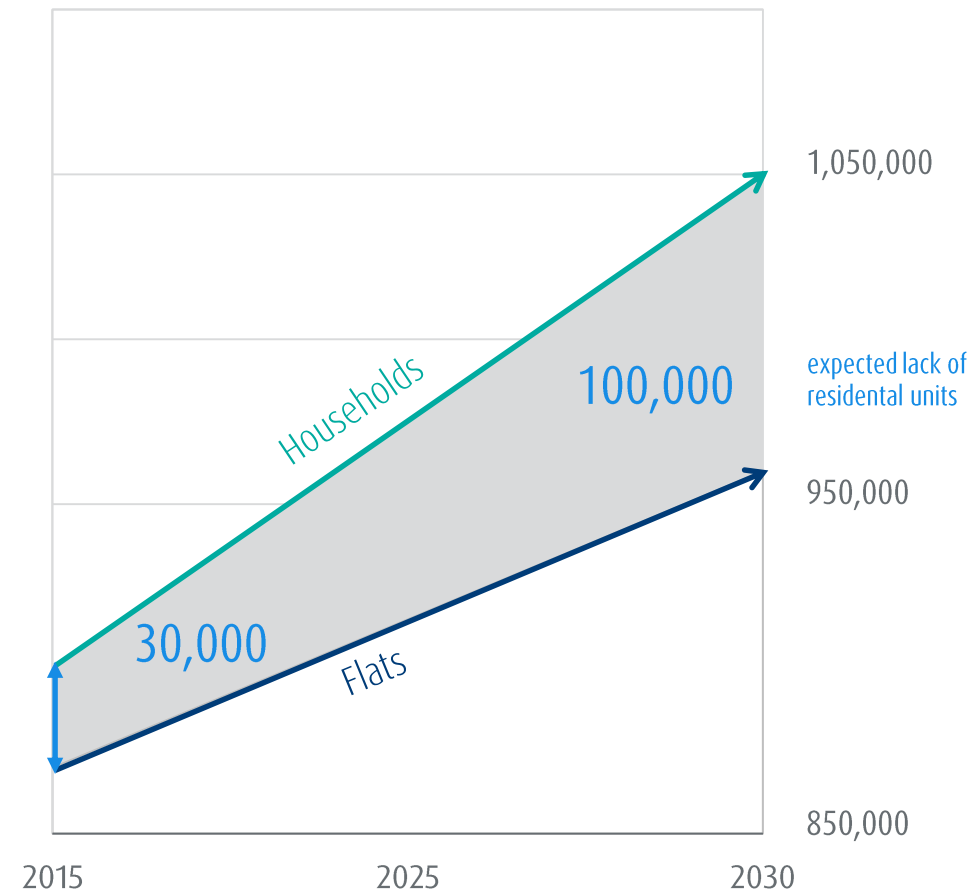
Munich is one of the most attractive cities within Germany as well as in Europe

Population growth nationwide at the top

- ▶ Today, already some 30,000 apartments missing
- ▶ For demographic reasons the number of missing apartments will continue to rise

By 2030, population growth of approx. 250,000 inhabitants predicted for the greater Munich area

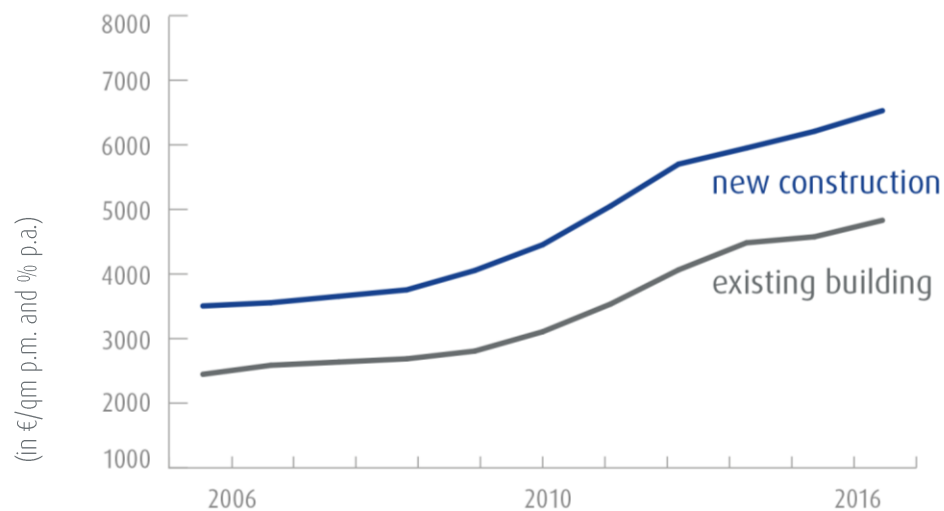
- ▶ By 2030, Munich has additional demand of approx. 100,000 units



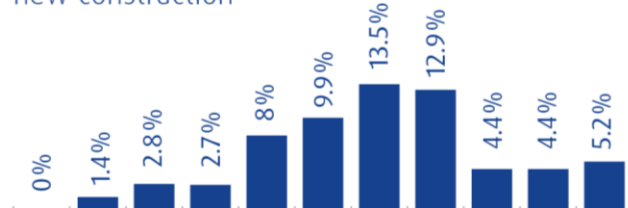


# Development of Rental and Purchasing Prices for Flats

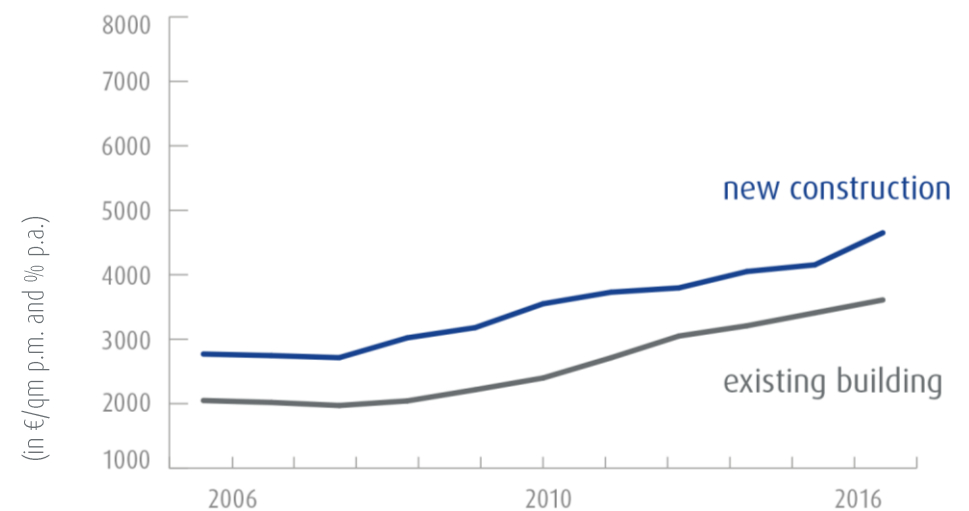
Munich



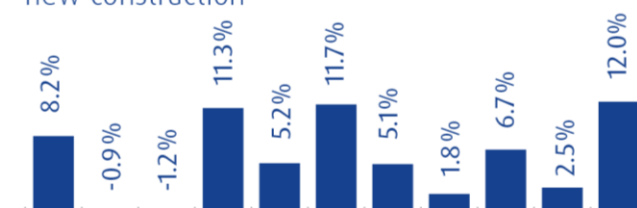
new construction



Hamburg

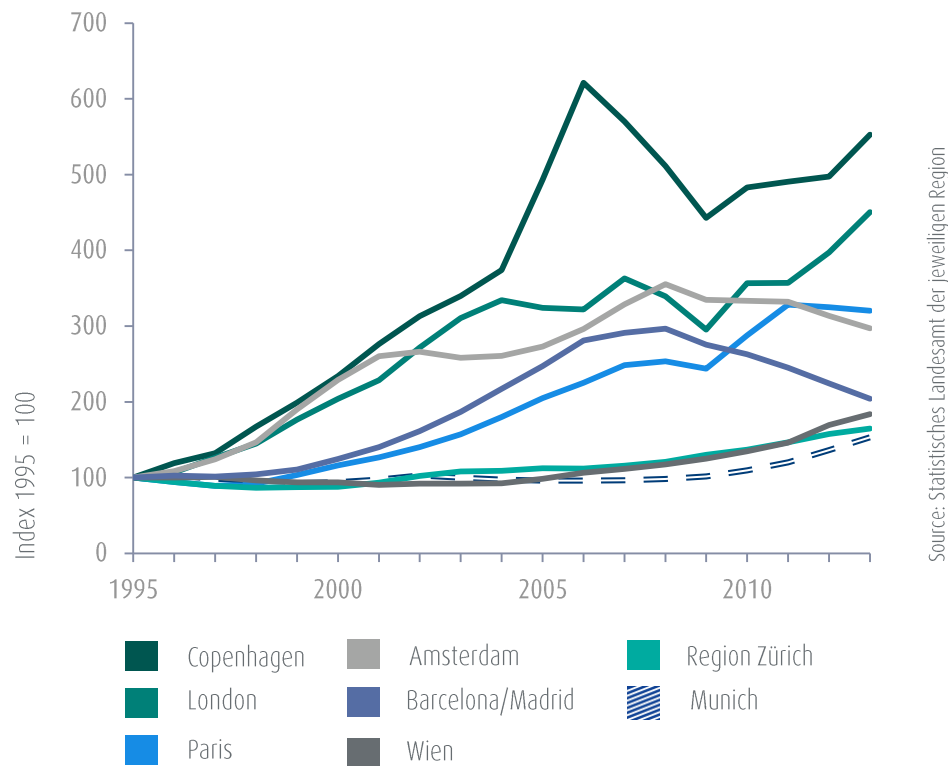


new construction

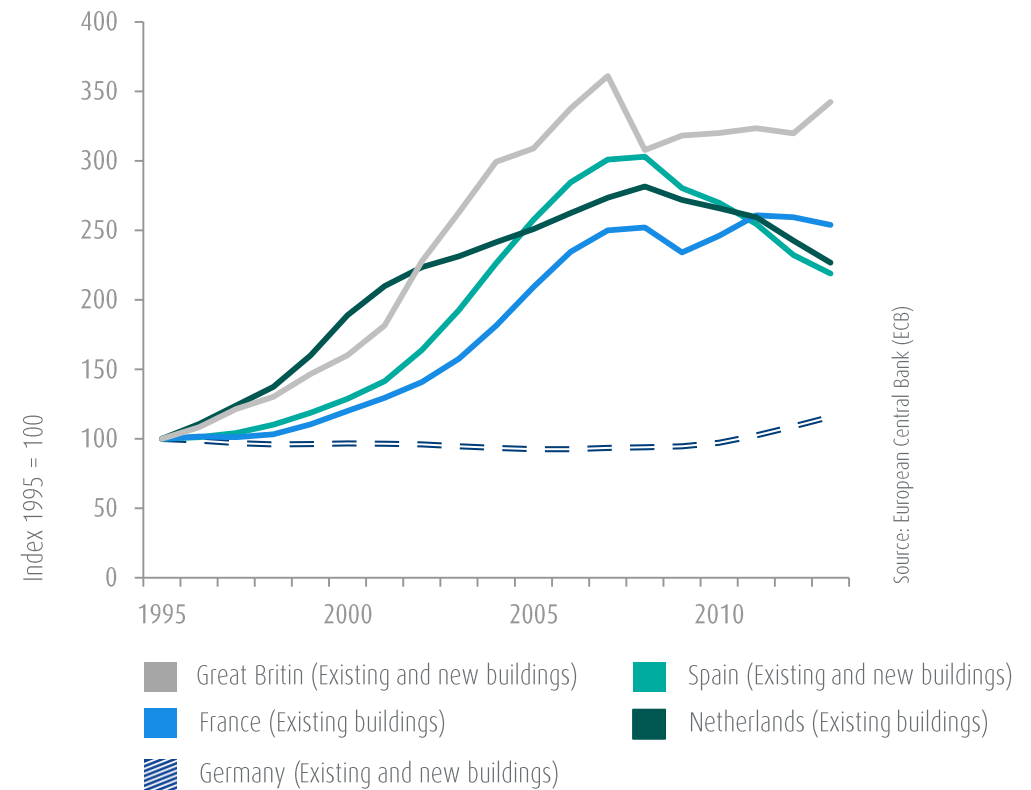


# Development of Real Estate Prices in Europe

## Metropolises



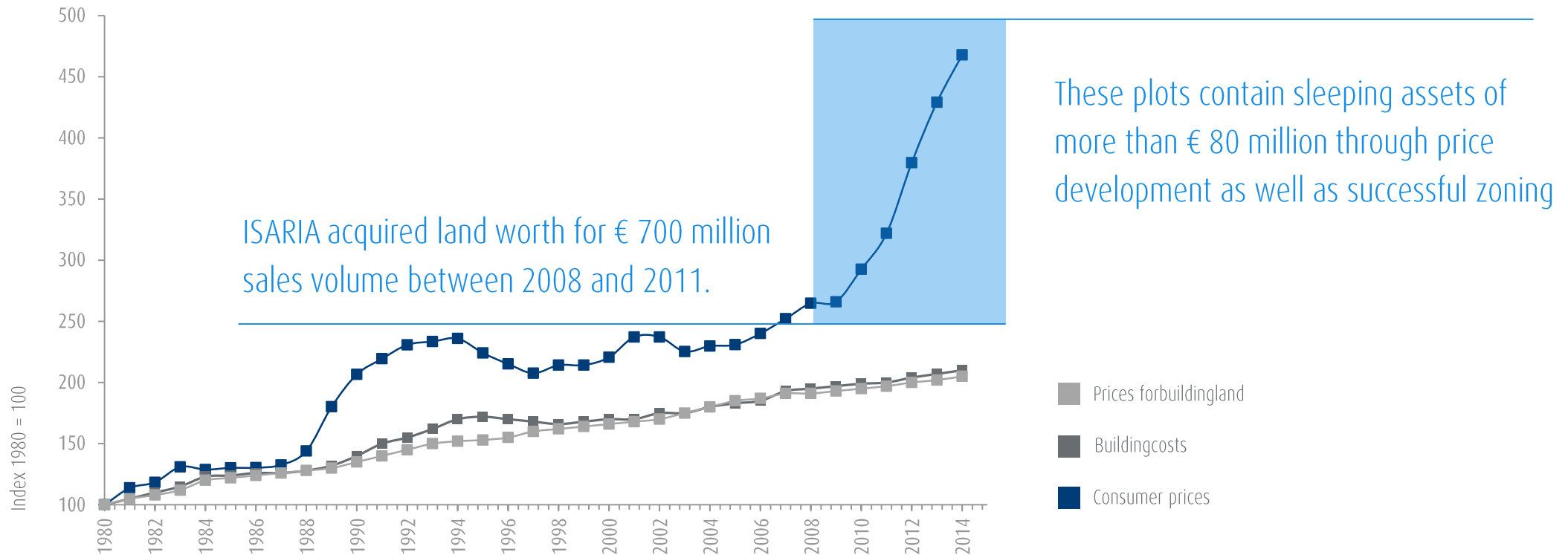
## Countries



Strong increase in value since 2012

↑ housing prices over 40 %    ↑ land prices over 60 %

# Development of Prices for Building Land in Munich



Source: Immobilienmarktbericht 2015 - Gutachterausschuss



# Results of Operations

|  | 06/30/2016 €m | 2015 €m     | 2014 €m     |
|--|---------------|-------------|-------------|
| Revenues   | 8.1           | 92.1        | 160.2       |
| Total output                                       | 49.6          | 122.2       | 170.3       |
| Cost of materials                                  | -46.2         | -89.1       | -127.6      |
| <b>Gross revenue</b>                               | <b>3.4</b>    | <b>33.0</b> | <b>42.6</b> |
| Operating expenses                                 | -6.2          | -14.9       | -18.1       |
| Amortisation                                       | -0.7          | -1.4        | -1.4        |
| Fair-value measurement of<br>investment properties | 0.0           | 11.0        | -1.5        |
| <b>EBIT</b>  | <b>-3.5</b>   | <b>27.8</b> | <b>21.6</b> |
| Financial result                                   | -10.2         | -15.4       | -10.9       |
| Income taxes                                       | 4.5           | -4.3        | -1.5        |
| <b>Comprehensive income</b>                        | <b>-9.2</b>   | <b>8.1</b>  | <b>9.3</b>  |

# Net Assets

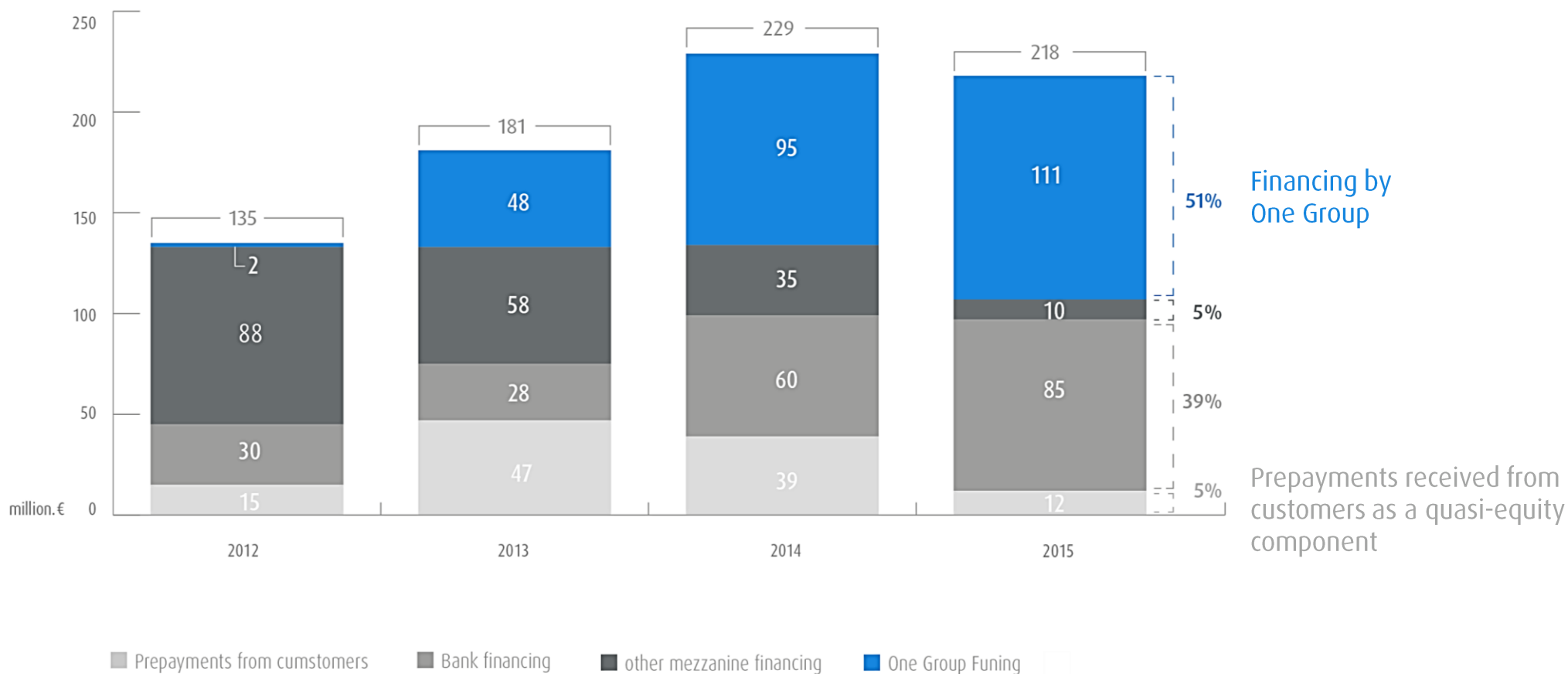
|   | 06/30/2016 €m | 12/31/2015 €m | Change €m |
|---|---------------|---------------|-----------|
| Non-current assets                      | 76.9          | 71.3          | 5.6       |
| Current assets                          | 235.8         | 207.8         | 28.0      |
| <i>thereof properties held for sale</i> | 184.7         | 142.5         | 42.2      |
| Non-current liabilities                 | 121.8         | 131.3         | -9.5      |
| Current liabilities                     | 169.5         | 116.9         | 52.6      |
| Total liabilities                       | 291.2         | 248.2         | 43.0      |
| <i>thereof interest-bearing</i>         | 241.5         | 205.6         | 35.9      |
| Equity                                  | 21.4          | 30.9          | -9.5      |
| Balance sheet total                     | 312.7         | 279.2         | 33.5      |

Ø Interest rate of interest-bearing liabilities

2012 | 14,2%      2014 | 9,5%  
2013 | 10,4%      2015 | 7,9%

# Financial position

One Group replaces the more expensive mezzanine financing





# One Group

group's own financing platform



- Offers access to equity for project developments

## ProReal Deutschlands Fonds 2 + 3

- ▶ fully placed with a volume of € 100 million
- ▶ Fond 2 (€ 25 million) was repaid timely in mid-2016

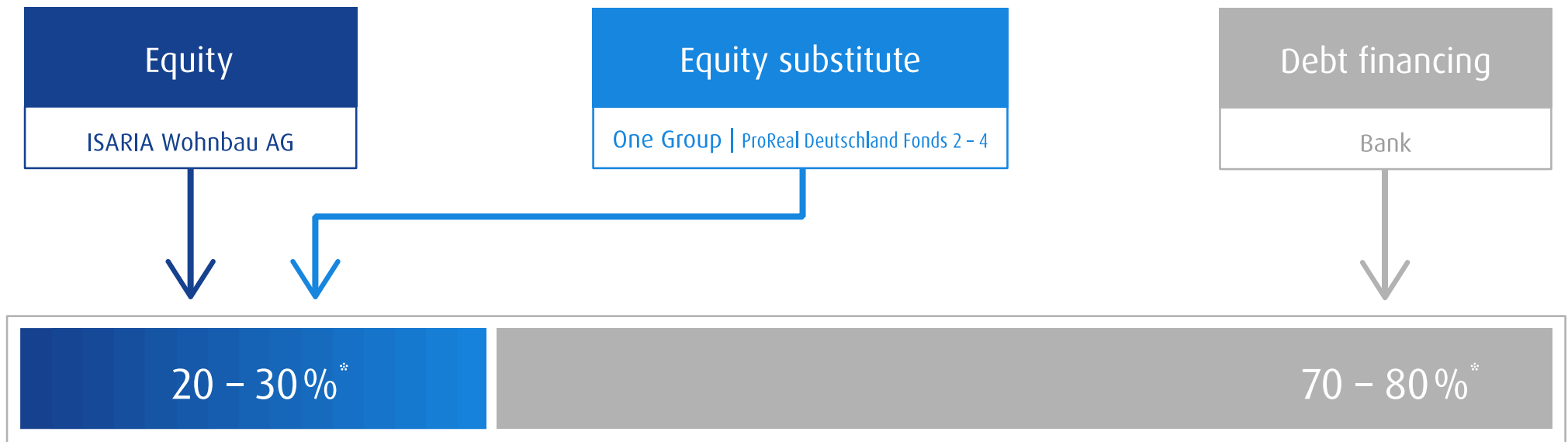
## ProReal Deutschlands Fonds 4

- ▶ planned issuing volume: € 75 million
- ▶ more than € 40 million have already been collected
- ▶ conditions: 6,00 % p.a. in the first year (starting 1.10.2016)  
6,25 % p.a. in the second year  
6,50 % p.a. in the third year

- 'tailor-made' short-term project development funds (approx. 3 years)

# Project financing

## 3-pillar-model

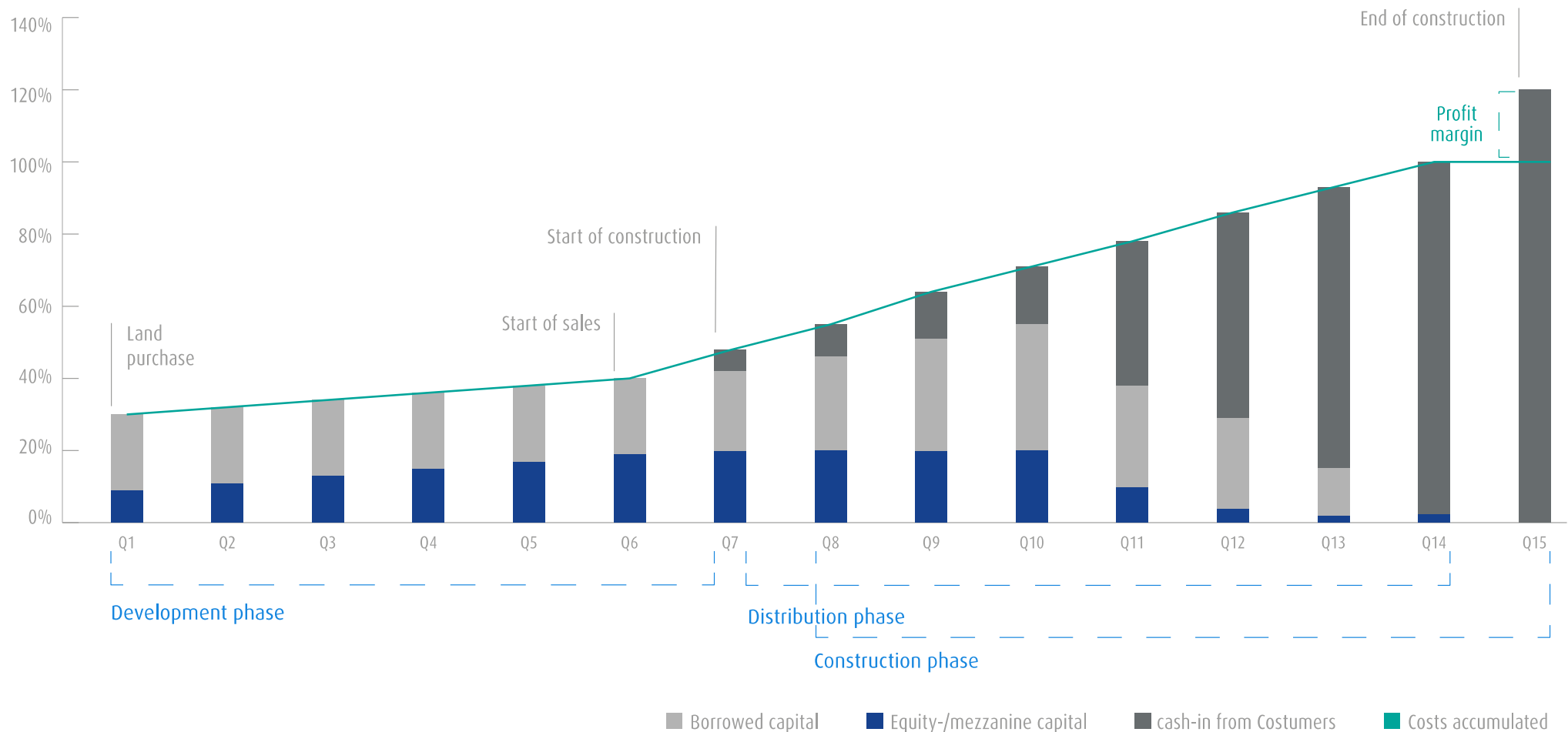


Project

\* idealised quota

# Project financing

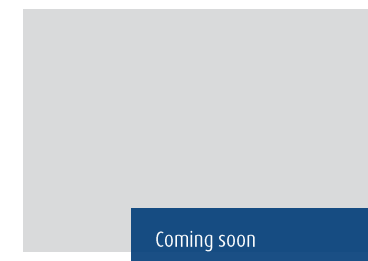
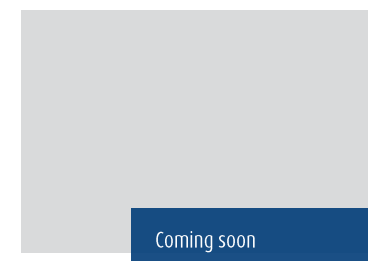
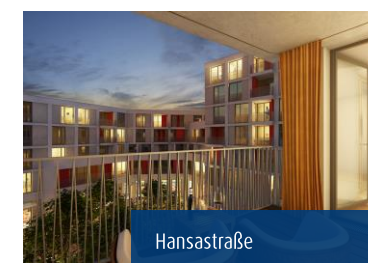
high volume of prefinancing required





# Development Projects 2016 and beyond

| Project                   | Sales Volume<br>in million € |
|---------------------------|------------------------------|
| Karlsfeld                 | 77                           |
| Allach Diamant-Quartier   | 270                          |
| south one (Tower)         | 189                          |
| Tübinger Straße           | 135                          |
| Hansastraße*              | 46                           |
| Kapstadtring 1   Hamburg* | 35                           |
| Graumannsweg   Hamburg    | 8                            |
| <b>Total</b>              | <b>760</b>                   |



\*Development Projects as investment properties

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# Disclaimer

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