



TRUSTIS THE BASIS FOR PARTNERSHIP

A high level of financial strength, sound analyses, individual and personal advice as well as comprehensive service and comprehensible decisions – these are the prerequisites for us to earn the trust of investors. As a competent partner, we accompany our clients from the very beginning and step by step. From the identification of safe investments with attractive returns and good prospects through the purchase and management of the assets to the sale. Active, responsible, and impeccable.



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'Investing successfully even in challenging times – that is our aspiration.'



Dear business partners, dear friends of Montano!

This year, we are celebrating our tenth anniversary and look back with pride on what we have achieved during this time. Launched in 2013 as a start-up with a real estate portfolio of less than € 80 million, we quickly gained the trust – especially of global – real estate investors, growing it to €1 billion within four years. With the aim of being close to properties and tenants throughout Germany, the Munich office was joined by a second office in Berlin and a third in Frankfurt in 2019.

Two important milestones for us in 2020 were the acquisition of the first institutional mandate from a German institutional investor and the entry of TTL Beteiligungs- und Grundbesitz AG as a shareholder. This has given us a completely new scope and established the company as a provider of open-ended special real estate AIFs in the market.

In 2021, we added the logistics segment to the office, food retail and infrastructure asset classes. For this purpose, we were able to enter into an investment partnership with the Carlyle Group in the area of last mile logistics. In the past year, we have launched our first own multi-investor special real estate fund, the 'Montano Public Sector Fund'.

Today, Montano is one of the leading independent real estate investment and management companies in the German commercial real estate market. We have made a name for ourselves as the number one contact when it comes to active asset manage-

FOREWORD

ment, identifying and implementing the best strategies. Our focus is on the asset classes office, retail, logistics, and public infrastructure.

In the past year, we again successfully completed transactions in all asset classes relevant to us and, despite all economic adversities, once again achieved a positive result. With a cumulative transaction volume of around € 3.25 billion over the last ten years, the value of our assets under management has now reached €1.8 billion. We present several highlight transactions in the form of case studies in this report starting on page 10.

We also have a lot planned for the coming years. We want to continue to find and realise the best opportunities in the market for our investors, expand our product business and the area of public sector investments, and provide international investors access to the German real estate market.

> Our goals remain unchanged: to achieve excess returns for risk-adjusted investors through active, value-creating asset management and simultaneously contribute more than ever to greater sustainability in the German real estate market through the refurbishment and modernisation of existing properties.

Yours sincerely

Ramin Rabeian MANAGING PARTNER · FOUNDER

Sebastian Schöberl MANAGING PARTNER · FOUNDER

INVESTIN REAL ESTATE

Montano is the leading independent investment specialist in the German commercial real estate market. Institutional investors find with us safe and particularly high-yield investment products that match their risk profile: Single source, individually upgraded and managed hand in hand. Making complex investments simple.

offices: Munich Frankfurt Berlin

bn€ assets under management

1.8

🕅 BERLIN 📉 FRANKFURT 🛯 мимісн

50 m€

transaction volume 2022

bn€ investment offer 2022

ΜΟΝΤΑΝΟ 🖾 4



10% other

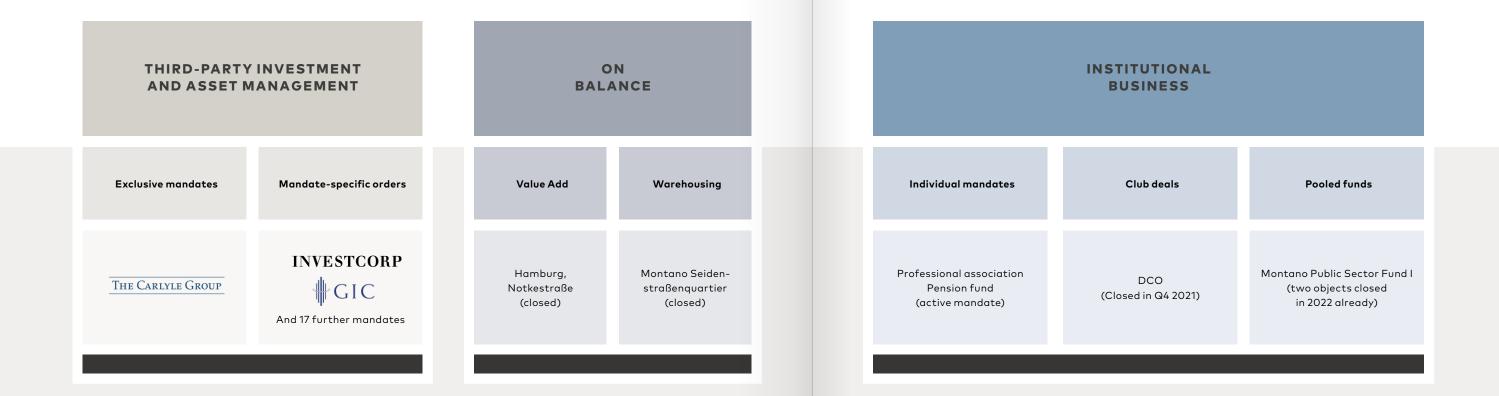
19% retail

>90% / equity ratio

800K transactions

sqm managed leasable space

OUR BUSINESS **MODEL** Structure and strategy



THE THREE PILLARS **OF OUR SUCCESS**

As an investment and asset manager, we advise clients on planned investments and manage their properties from purchase to resale – exclusively or as an individual mandate. As part of our warehousing strategy, we temporarily buy Core Plus or Value Add properties for our own balance sheet. We make non-ESG-compliant and stranded properties fit again and thus significantly increase their sales value. In our business with institutional investors, we offer the acquisition of individual mandates as well as attractive investment forms for investor groups through club deals and pooled funds.

SKY'S THE LIMIT

Steady increase, measurable success

2015 2014 $\int_{\text{E}} 420 \text{ m}$ $\int_{\text{Plus } \notin 114 \text{ m}} 128 \text{ m}$ 2014 $\int_{\text{Plus } \# 114 \text{ m}} 2015$

2018 **€ 1.408 bn**

€ 882 m plus € 139 m

> Our track record confirms it: We have the right strategies for ambitious goals. Here is the most important key data.

MONTANO 8

2022 2021 € 3.25 bn



2019 **€ 1.65 bn**

- 66 transactions to date, have moved a volume of € 3.25 billion.
- A quarter of our transactions took place off-market, i.e. within our strong network.
- The transactions took place in the Core, Core Plus, and Value Add segments.
- Montano investors are institutional investors, national and international family offices, corporates and sovereign wealth funds.

Recognising and developing the potential of B-locations

> Montano acquired the Duisburg Central Office (DCO) in Quartier 1 as a forward deal from Aurelis Real Estate at the beginning of March 2022 – the first property under the warehousing strategy on its own balance sheet. Reasons for the investment included:

• Attractive economic and real estate market indicators.

The Rhine-Ruhr metropolitan region forms the largest conurbation in Germany and, with a population of around 11 million, is the second largest of its kind in the European Union after Paris. The GDP of the economically strong region accounts for around 15% of the GDP of the whole of Germany and is ranked 12th in the world. The economic area, which is connected to 14 motorways, is also located on one of the densest road networks in Europe and close to three international airports. Duisburg in particular has developed into an attractive



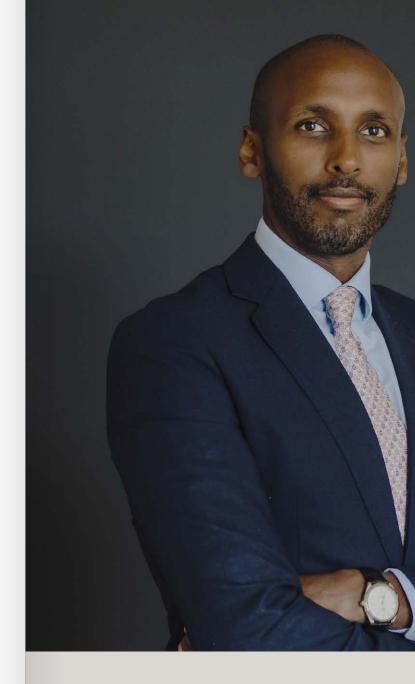
ASSET CLASS OFFICE

INVESTMENT OPPORTUNITY IN DUISBURG

B-location in recent years. The fact that there has been no speculative new construction for several years has led to a comparatively very low vacancy rate for high-quality office properties. At the same time, the micro market is benefitting from the upgrading through the modernisation of the main railway station and the establishment of Quartier 1 as a new location for public authorities and companies.

Multi-tenant and ESG-compliant core property ideal for long-term investment.

The A-shaped DCO is divided into a western and an eastern part, which are connected by a glass-scaled access core. The entrance area is characterised by a generous glass construction, while the two parts of the building are distinguished by floor-to-ceiling windows and a complete clinker facade. The office spaces are predominantly designed as open-plan offices and, in addition to cavity floors, offer an efficient ventilation system and heated-cooling ceiling sails. The property has received sustainability certification in accordance with the DGNB Gold Standard. Due to the interesting risk-return profile, the property was placed with a club of institutional investors within a few months.



ABOUT THE PROPERTY

The DCO is a five-storey core office building with a lettable area of around 11,400 sqm and around 50 underground parking spaces. It is located in the immediate vicinity of Duisburg's main railway station and the city centre and has good connections to public transport and motorways. The property is leased in full and on a long-term basis to the financial services provider Consors Finanz, a subsidiary of BNP Paribas Bank. It was handed over on completion in October 2022.

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'Through the capital increase in Montano, we can now react flexibly and actively to market opportunities and either secure attractive opportunities quickly or develop them further with our experience, and then make them available to third-party investors. We have demonstrated this impressively with the example of DCO, while creating an exciting investment opportunity for our investors at the same time.'

Samson Weldemariam Head of Investment

GROWTH ACROSS THE BOARD



Since its founding in 2013, Montano has become the leading independent real estate investment and management company in the German commercial real estate market, with a steadily growing portfolio of projects and existing properties, partners, and clients.

2021

- Establishment as provider of
- Relaunch as Montano Real Estate GmbH and expansion of the range of services range of services with own investment products
- Munich landmark property

2013

- Opening of the Munich office
- Entry into the German real estate market with acquisition of two office properties for an international family office
- Management takeover for JSX listed institutional investor

2018

- Management buy-out from the McCafferty Group
- Foundation of Montano Asset Management GmbH

2012

 Foundation of the German platform of the European group of companies McCafferty Asset Management



2014-2017

- Transaction volume exceeds €500 million
- Assets under management exceed €1 billion
- First co-investment
- Opening of Berlin office
- Market entry for institutional investor from the Middle East

- Management takeover for Asian sovereign wealth fund
- Mandate by US fund
- Market entry retail with acquisition of a retail portfolio for an international family office

2020

2019

first time

TTL AG becomes shareholder

Opening of the Frankfurt office

• First German institutional mandate

Transaction volume exceeds €1 billion for the

Capitalisation of Montano





- open-ended real estate special AIFs
- Montano advises on the sale of the
- 'Uptown Munich', the city's tallest office building at 146 metres, whose management Montano took over in 2017
- Partnership with the globally active investment manager Carlyle in the field of logistics real estate

2022

- Launch of Montano Public Sector Fund I and successful acquisition of the first two properties
- Doubling of the logistics portfolio to 25 properties
- Acquisition of DCO Duisburg: first own property as part of the warehousing strategy for the Montano Balance Sheet
- Sale of the Oyster portfolio: The most expensive food retail transaction in the German market of all time
- Montano publishes first annual report and establishes sustainability strategy
- Transaction volume exceeds € 3.25 billion

Value-Added Investments: Distribution properties in urban areas

ASSET CLASS LOGISTICS **A SUSTAINABLY** ATTRACTIVE PORTFOLIO

Online retail is booming and trends like same-day delivery or free shipping and returns are fuelling demand for logistics properties close to cities - also in Germany.

Therefore, in September 2021, Montano Real Estate and the global investment manager THE CARLYLE GROUP founded a joint venture. Since then, the two companies have been jointly investing in logistics properties properties, focussing on distribution on distribution properties in German conurbations with attractive demographic and economic fundamentals (core plus to value-added investments). The aim is to increase the value of the portfolio and create a sustainably attractive portfolio through active and sustainable property management i.e. active administration, a tailored leasing strategy, major renovations and selective repositioning as well as ESG measures. For Carlyle,



active and sustainable asset management is at the core of its investment strategy in Europe and especially in the highly attractive German logistics market. In its search for a competent partner in this area, Carlyle chose Montano. Montano is responsible for the investment and asset management of the logistics properties in Germany within the framework of the joint venture. The portfolio is to be expanded step by step through acquisitions in the coming years and increased to a total value of around €500 million.

In 2022 alone, Carlyle and Montano acquired seven value-added investments, some of which have significant upside potential: two multitenant logistics properties with a combined area of 7,391 sqm in Garbsen and Langenhagen near Hanover, another in Greven near Münster (4,094 sqm), a single tenant logistics property (6,149 sqm) in Stelle near Hamburg, and a fully let multi-tenant logistics property (13,900 sqm) in Obertshausen near Frankfurt. Most recently, the purchase of two multi-tenant properties in Schkeuditz near Leipzig was completed. The two independent logistics buildings with a combined area of 18,177 sqm are conveniently located near the airport in Leipzig/Halle. The volume of the joint portfolio of Carlyle and Montano has thus grown to more than €300 million, and the number of properties under management has more than doubled to 25.

'Investments in logistics properties remain exciting, especially as the market is growing significantly.'

Lisa Krusche

As an active asset manager, Montano has already succeeded in achieving significant rent increases and repositioning them on the market. In some cases, rent increases of 80% could be realised within a period of twelve months.



ABOUT CARLYLE

Carlyle, named after the New York hotel 'The Carlyle', was founded in 1987 by William E. Conway Jr, Daniel A. D'Aniello, David Rubenstein and Stephen L. Norris. Today, Carlyle is one of the largest private equity firms in the world. As of 30 September 2022, the company managed \$369 billion in 531 funds and funds of funds and employs around 2,100 people worldwide.

INVESTMENT OPPORTUNITIES

Asset classes

43% 28% 19% OFFICE LOGISTICS RETAIL

Review

SELECTIVE INVESTMENTS

Result

ΜΟΊΝΤΑΝΟ 🖾 16

DEAL FLOW

As an established and reputable player in the German commercial real estate market, we receive a large number of investment offers each year. In 2022, a good 90% of the properties offered came from the asset classes we address: office, logistics, and retail. In order to identify worthwhile investment opportunities, our experienced market research team examines the offers and also continuously scans the market itself. Only those properties that meet our strict selection criteria and offer sufficient value-creation potential are finally considered for an investment recommendation.

Ø€50 billion

in 2022

1,338 properties

in 2022

- Comprehensive market analysis
- Identification of value creation potentials
- CF analysis

Ø 9.5

Transactions p. a. in the last 5 years



Transaction volume p. a.

ASSET CLASS RETAIL

FOOD ANCHORED **RETAIL PORTFOLIO** WITH TOP YIELDS

In May 2022, Montano was able to sell the so-called Oyster portfolio to the investment company HIH Invest Real Estate in the most expensive retail transaction on the German market to date. The sales factor achieved marks a new top yield in the retail park segment.

The Oyster portfolio consists of three retail properties: the LudwigArkaden retail park in Ludwigsfelde near Berlin, the Kaufland hypermarket in Goslar in Lower Saxony and the Anna-Park retail park in Rödental near Coburg in Upper Franconia, which Montano acquired from the Dutch Ten Brinke Group for the investor Gold Tree Group after completion in 2016 and 2019.

Perfect preparation leads to perfect results

Together, the three fully let properties have a good 27,000 sqm of space. Tenants include retail giants Edeka, Rewe, Kaufland and Aldi. The average weighted lease term (WALT) of these anchor tenants is around twelve years.

During the holding period, an institutional product was created for the sale. The focus was on rectifying written form deficiencies through more than 25 amendments to lease contracts, ESG pre-assessment, as well as comprehensive preparatory technical and legal due diligence, which in the end led to the realisation of the transaction in approx. 5 weeks after signing the LOI in a structured bidding process.



Anna-Park in Rödental near Coburg



LudwigArkaden in Ludwigsfelde near Berlin



ABOUT THE PROPERTY

The Oyster portfolio is a unique composition of retail parks in Germany. The three well-balanced, diversified centres are located in premium locations and of new-build quality. The prospects of the portfolio are excellent: the tenants are the respective top dogs at the location and 56% of the rental income comes from market leaders in German food retailing. The WALT of the main tenants is around 12 years.

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'With active, value-creating asset management and perfect preparation of every investment, we increase transaction security and ensure disproportionate increases in the value of investments.'

Katharina Weigl

ESG OBJECTIVES AND MEASURES

Just like our investors, we believe we have a duty to the environment and society to implement sustainability goals with regard to ecological, social and ethical aspects. In doing so, we are guided by the established ESG criteria of the United Nations for the areas of environment (ENVIRONMENTAL), society (SOCIAL) and responsible corporate management (GOVERNANCE).



The German government's climate protection plan envisages a virtually CO₂-neutral real estate stock by 2050:

- By 2030, carbon dioxide emissions in Germany are to be reduced by 65%. By 2040, emissions are to be reduced by 88%.
- The Paris climate protection agreement aims to limit global warming of our planet to below two degrees celcius, at best even to 1.5 °C. Otherwise, an accumulation of extreme weather events can be expected.

SUSTAINABILITY STRATEGY

The implementation of the German government's climate protection plan is an enormous task for the real estate industry. With a targeted ESG roadmap, we are rising to this challenge:



CONCRETE CO₂

ANALYTICS/INVENTORY MANAGEMENT

The digital recording of consumption values enables the shortest possible measurement intervals. This allows optimisation potential to be identified more quickly.

We set specific annual CO₂ savings targets each year for our existing properties and each (new) investment, taking into account their economic viability.

ΜΟΝΤΑΝΟ 🖾 20



SAVINGS TARGETS

BUY SUSTAINABLY

Discounts in rents and sales prices are conseguences of unsustainable real estate. We therefore take ESG transformation risks into account comprehensively.



CLIMATE DIALOGUE WITH RENTERS

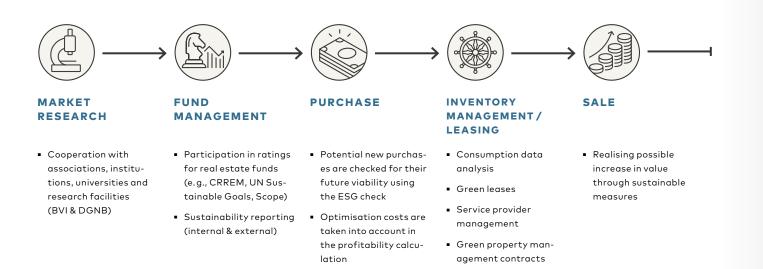
Our ESG roadmap aims to increase tenant awareness of sustainable behaviour and to create the basis for improvement measures by means of green tenancy agreements.

ESG ROADMAP

VALUE CHAIN DRIVERS

We define sustainability as a company-wide strategy and pursue this approach along the entire value chain - from acquisition to exit.

Annual ESG checks



THE PURCHASING PROCESS

In the acquisition process, an ESG DD is conducted in addition to a standard technical due diligence, which together serve as a starting point for determining investment costs during the holding period.

The ESG DD identifies concrete measures for optimising the property in terms of economic, ecological and social aspects, thereby encompassing more than a purely energyrelated consideration. Propertyspecific measures to reduce energy and operating costs, improve user comfort or increase the value of the

property are identified and analysed by means of economic feasibility studies in combination with emission and environmental analyses.

Subsequently, ESG criteria are quantified on the basis of objective property characteristics and mapped in a point system (ESG check) for evaluating the sustainability of a property.

Each property must achieve an overall minimum score of 3.0 across certain criteria as part of a scorecard evaluation in order to be considered

as a potential acquisition for Montano. The derived property strategy based on our ESG roadmap is jointly approved by Investment and Asset Management during the acquisition. During the holding period, the impact of the implemented measures is tracked to measure the achievement of goals in the portfolio and to adjust as needed.

INVENTORY MANAGEMENT AND LEASING

Low-cost and effective measures are implemented immediately, cost-intensive measures are checked for profitability.

The property strategy developed and approved for the acquisition includes a standard ESG toolkit that can be implemented in the short term and provides immediate benefits in terms of the energy efficiency and CO_2 emissions of a building at low cost. In addition, a property-specific ESG

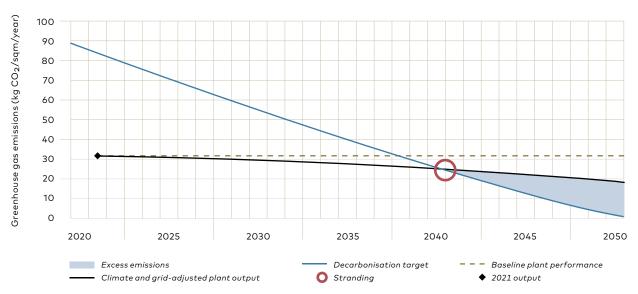
toolkit is developed as part of the ESG DD in order to examine further measures in coordination with our investors and in terms of cost-effectiveness, depending on the nature of the building. If necessary, follow-up is carried out as part of the annual property planning process.

FUND MANAGEMENT

Information from portfolio management is continuously incorporated into the overall fund reporting system. For example, the stranded asset analysis determines the greenhouse gas emissions (kg CO₂e/sqm/a) of

ANALYSIS OF STRANDED ASSETS

Based on the global warming target of 1.5°C



The regulations help both parties to conserve resources and thus sustainably increase the profitability of a property. For this purpose, we use the ZIA's guidelines for green leases.

The green lease is one of the most important instruments for tenants and landlords to enter into a dialogue on the subject of sustainability.

properties along a target path. This target path is defined on a countryand sector-specific basis (e.g., office buildings). The effects of changing heating and cooling demand as well as decarbonisation of electricity

generation are already considered. A 'stranding risk' is quantified by means of expected costs to comply with the target path (refurbishment costs).



As an employer, we offer appreciation and perspective. Our employees are the basis for our entrepreneurial success. The working environment at Montano is characterised by mutual respect and equal opportunities.

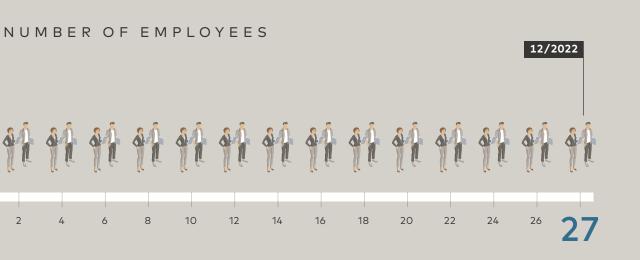
The company values and promotes inclusion and diversity. The percentage of women in our company is currently 44%. The average tenure of the senior management team is just under seven years in our company, which was only founded in 2013.

As a member of the industry association for institutional real estate asset managers (BVI), we offer all employees the opportunity to participate in bi-monthly training sessions on sustainability, compliance, fund management and accounting. We also organise two off-site events a year for our employees as team-building measures, such as joint hiking trips or e-bike tours.

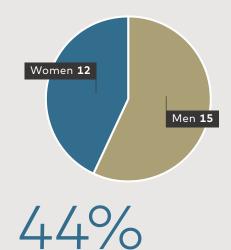


'We are a young, determined team with ambitious goals and good prospects. The basis of our success to date is the high level of competence of each and every individual, appreciative interaction with each other and a flat hierarchy with short decision-making paths. The result is innovative ideas and creative solutions.'

Daniela Reindl MANAGER



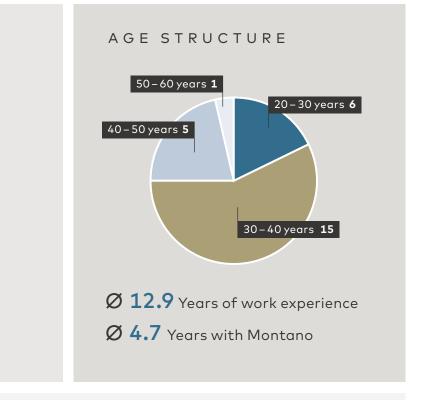
WOMEN'S QUOTA



as at 31/12/2022



85%



EMPLOYEES WITH INTERNATIONAL EXPERIENCE IN STUDY AND WORK



TRANSPARENCY AND SUSTAINABILITY

We disclose our ESG goals as well as our strategies and their implementation to investors, stakeholders, authorities, and industry associations. We follow reporting frameworks such as the Global Real Estate Sustainability Benchmark (GRESB) and the UN Principles for Responsible Investment (UNPRI). As part of our annual business plans and sustainability audits, we prepare ESG scorecards at property level.

COMPLIANCE

Compliance with legal regulations is ensured at Montano through internal control mechanisms, such as risk management and compliance. In particular, an external data protection officer monitors compliance with the specific data protection obligations arising from the outsourcing agreement in accordance with Section 36 of the German Investment Code (KAGB).

RISK MANAGEMENT

Our business strategy forms the basis for the formulation of our risk strategy. Risk management is derived from this and is responsible for the ongoing monitoring as well as analysis of all risks and for forwarding action recommendations to management. At Montano, risk identification is carried out once a year at company level on the basis of a risk inventory. For this purpose, the risk manager gradually surveys all departments with regard to the risks they deem as existing. Examples of risks at the corporate level are liquidity or earnings risks, but also reputation or fluctuation risks.

RULES AND REGULATIONS

Our Compliance Guideline applies to all employees of the Company who are involved in processing orders under outsourcing agreements pursuant to Section 36 KAGB. Among other things, it covers the topics of corruption and money laundering. Montano has a separate guideline for dealing with conflicts of interest.



On the basis of the so-called scorecard, concretely defined ESG criteria are quantified subject to objective property characteristics and converted into a point system for evaluating the sustainability of the property. As part of the scorecard assessment, each property must achieve an overall minimum score of 3.0 (or be able to achieve it within 18 months) to be considered as a potential acquisition.

The most important evaluation level of the scorecard is the area of energy and climate protection (weighting: 50%). Here, we check properties for compliance with the following criteria and rate them accordingly:

- Heat energy efficiency class (weighting: 15%)
- Electricity energy efficiency class (15%)
- Primary energy source (15%)
- Ventilation (10%)

Certifications, partner and Memberships

As proof of our sustainable management, we have our investments certified and voluntarily comply with the following national and international regulations:



☑ 26

'For us, the responsible use of resources is an integral factor in every investment decision and also part of the investment guidelines of our Public Sector Fund L'

- Insulation of the building envelope (10%)
- Insulation of windows (10%)
- Certifications: BREEAM, DGNB, and LEED (15%)
- Green roof: extensive and intensive (10%)

The other half of the overall rating results from the degree of fulfillment of the other assessment levels:

- Daily water consumption per employee (15%)
- Waste separation & recycling (10%)
- Land sealing (10%)
- Location quality: distance to public transport, bicycle parking spaces, shared-economy offerings (10%)
- Health and well-being: Outdoor facilities and air quality (5%)





FIRST FULL modernisation **OCCUPANCY** THEN EXIT

Comprehensive portfolio ASSET CLASS OFFICE

In July 2018, Montano acquired the Core Plus 'Kö-Campus' office ensemble in Eschborn near Frankfurt for Investcorp Bank, as part of its Germany-wide acquisition strategy.

At the beginning of 2022, Montano had the three buildings extensively modernised again. The underground and outdoor parking spaces were electrified and the side entrances modernised. Various





ESG measures, such as the installation of energy-efficient LED lighting and motion detectors, the implementation of CO₂ measuring devices in the offices and the retrofitting of bicycle stands, brought the buildings up to an ecological and contemporary standard. In order to attract new tenants and at the same time meet the requirements of modern working environments, Montano set up a marketing suite on the sixth floor of the KÖ12 building to demonstrate the 'New Work Concept' at the Kö Campus: glass elements, open and flexibly designable office spaces with an industrial look, state-of-the-art phone boxes, community areas and a moss wall in the entrance area. Wellbeing offers such as a coffee car or an in-house yoga studio rounded off the concept.

In the future, the heating and cooling of the building will be converted to a combination of heat pump and photovoltaics, which will also bring the complex up to date in terms of energy.

By the end of 2022, Montano had won eight new office tenants for the Kö-Campus, including Media Broadcast, Germany's largest service provider in the broadcasting and media industry and part of freenet AG, which will move into the premises in the first half of 2023. Montano was able to conclude long-term leases for an average of eight years.



Three existing tenants renewed their contracts. Overall, the vacancy rate of 18% was completely eliminated. The buildings now have a well-known, well-diversified tenant structure. Rents were increased by 25% within one year. In August 2022, Montano sold the almost fully let building KÖ3 in an off-market transaction to the real estate investor CONREN Land.

'The sale of the KÖ3 is wonderful proof that our active asset management sustainably increases the value of a property.'

Julius Falcinelli

ABOUT THE PROPERTY

The Kö-Campus consists of three buildings at Kölner Straße 3, 10 and 12 with a combined rental area of around 40,000 sqm. Built in 1992 and extensively refurbished and modernised by the seller during the 2018-2019 acquisition process, the complex already had modern facilities and an intelligent space concept, but significant vacancies. The task for Montano: reduce the vacancy rate of the buildings and increase the rental income through active asset management.

Open-ended special AIF for German institutional investors PUBLIC SECTOR FUND

SAFETY AND CREDIT-WORTHINESS, THE STATE AS THE IDEAL TENANT

With the 'Montano Public Sector Fund I', Montano, together with INTREAL International Real Estate Kapitalverwaltungsgesellschaft mbH, launched its first own multiinvestor real estate special fund specifically for German institutional investors at the beginning of 2022.

The fund focusses on core real estate with government or government-related users. This asset class is particularly attractive because government or government-related users are always tenants with very good credit ratings who are interested in longterm leases. The risk of rent default is close to zero, and indexed leases also offer protection against the current high inflation. More than five million people are employed in the public sector in Germany. In the competition for well-trained profession-

als, the public service has an interest in offering these people attractive jobs. At the same time, the need for suitable rental properties is increasing in this sector. Montano already has many years of experience and a very good network in the area of properties leased to the public sector. Montano acquired two attractive properties for its Public Sector Fund I last year: The first transaction at the end of May 2022 was the acquisition of a core office building in Frankfurt am Main. More than 80% of the rental income comes from public sector tenants and government-related companies; the main tenant with a new ten-year lease is the City of Frankfurt. At the end of August 2022, the two connected 'Chess House' office buildings in Stuttgart were also acquired for the fund. Since April 2021, the entire complex has been leased long-term to the state of Baden-Württemberg on a long-term lease. The Montano Public Sector Fund I is classified by BaFin in accordance with Article 8 of the EU Disclosure Regulation and targets office properties with public users. In accordance with the investment of the fund, only properties are included that pass our environmental rating or are upgraded accordingly within 18 months. The decisive factors here are energy consumption and CO₂ emissions.

SOCIAL INFRASTRUCTURE

In its investments in the public sector, Montano will also become more involved in the real estate segment of social infrastructure in the future. Social infrastructure is generally understood to mean assets for the provision of social services, but not the services themselves. Social infrastructure includes, for example, schools, universities and hospitals. This niche product continues to enjoy high demand among investors and is particularly suitable for club deals – i.e. financing of large projects in particular by several investors or lenders, also in the form of public-private partnership



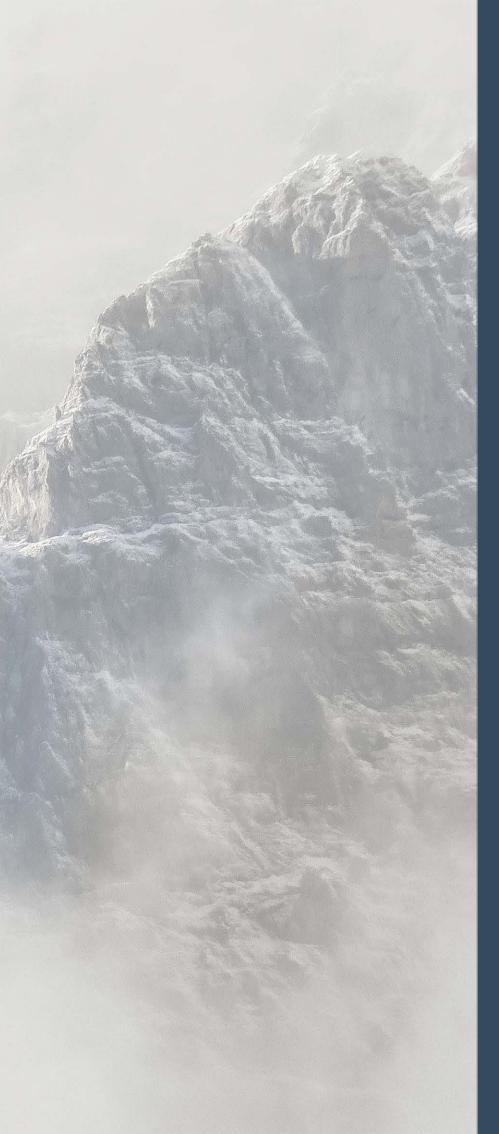
(PPP) - or segregated accounts (investments in the name and sole ownership of the investor). Here, investors benefit from an extremely secure investment and the generally positive promotion of the common good, while the public sector in turn benefits from a lower capital investment.

OUTLOOK

2023 will be a challenging year full of opportunities. Right from the start, interesting investment perspectives and options for action will open up within the framework of our focussed strategy:

- We will expand the Montano Public Sector portfolio and the Social Infrastructure investment line, launch interesting theme funds, and expand existing individual mandates.
- On the basis of our solid capitalisation with an equity ratio of over 90% and a comfortable liquidity cushion – we are planning additional purchases of Core Plus or Value Add properties in the food retail segment.
- Within the framework of the Montano ESG roadmap, we are realising our goals by investing in non-ESG-compliant and stranded office properties to achieve both environmental and economic goals. We will also use even more equity in this business segment.

Would you like to fine-tune or redefine your investment strategy? Does your portfolio have sufficient growth potential? Are your goals realisable in the long term? We develop perspectives for your real estate, realise significant value enhancement potential and increase your return on investment. We offer the right products for you: reliable, independent, with strong growth.



DISCLAIMER

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Status: February 2023



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