Not for distribution in the United States of America

ADO Properties S.A.
(incorporated in Luxembourg as a public limited liability company)

€400,000,000 1.500% Fixed Rate Notes due 2024

Issue Price: 99.651%

ADO Properties S.A., a public limited liability company (*société anonyme*) (the "**Issuer**", "**Company**", or "**ADO**", and together with its consolidated subsidiaries, "**we**", "**our**" or the "**Group**"), with its registered office at 1B, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg ("**Luxembourg**") and registered with the Luxembourg Register of commerce and companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B197554, will issue on July 27, 2017 Notes in the aggregate principal amount of €400,000,000 1.500% fixed rate notes in bearer form due 2024 (the "**Notes**") with a denomination of €100,000 each. The Notes, which are governed by the laws of the Federal Republic of Germany ("**Germany**"), will bear interest at a rate of 1.500% per year. The Issuer will pay interest on the Notes annually in arrears on July 26, commencing on July 26, 2018.

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking pari passu among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

On issue the Notes are rated Baa2 (stable outlook) by Moody's Investors Service Ltd ("**Moody's**"). At the date of this Prospectus (as defined below) the Issuer has a long-term issuer rating of Baa2 (stable outlook) assigned by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. At the date of this Prospectus (as defined below) Moody's is established in the European Union ("**EU**"), registered under Regulation (EC) no. 1060/2009 of the European Parliament and of the Council dated September 16, 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (*www.esma.europa.eu*) in accordance with the CRA Regulation.

International Securities Identification Number (ISIN): XS1652965085
German Securities Code (*Wertpapierkennnummer*, WKN): A19L3U
Common Code: 165296508

Investing in the Notes involves risks. See "Risk Factors" beginning on page 1.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any regulatory authority of any state or other jurisdiction in the United States of America ("United States") and are being offered and sold in transactions outside the United States to non-U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) in reliance on Regulation S. The Notes are in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). For a further description of certain restrictions on the offering, sale and transfer of the Notes and on the distribution of this Prospectus (as defined below), see "*Subscription and Sale of the Notes—Selling Restrictions*".

Prospective investors should be aware that an investment in the Notes involves risks and that if certain risks, in particular those described under "Risk Factors", occur, the investors may lose all or a very substantial part of their investment.

This prospectus (the "**Prospectus**"), together with all documents incorporated by reference herein, has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the European

Union's Directive 2003/71/EC, as amended, including by Directive 2010/73/EU (the "**Prospectus Directive**"), from the requirement to produce a prospectus in connection with offers of Notes and is thus, for the purposes of the offering of the Notes (the "**Offering**"), not a prospectus for the offer of securities within the meaning of the Prospectus Directive. Accordingly, any person making or intending to make any offer within the European Economic Area ("**EEA**") of the Notes which are the subject of the Offering contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Issuer or the Joint Bookrunners to produce a prospectus for such offers. None of the Issuer or the Joint Bookrunners has authorized, nor do they authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of the Notes contemplated in this Prospectus.

Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for the Notes to be listed on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) ("**Official List**") and to be admitted to trading on the regulated market (the "**Regulated Market**") of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on Markets in Financial Instruments, as amended. Only for purposes of the admission to trading, this Prospectus constitutes a prospectus within the meaning of the Prospectus Directive, i.e. a listing prospectus according to Article 5.3 of the Prospectus Directive. By approving a prospectus, the Commission de Surveillance du Secteur Financier (the "**CSSF**") shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the issuer pursuant to Article 7 para. 7 *Loi relative aux prospectus pour valeurs mobilières*.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. For a further description of certain restrictions on the offering, sale and transfer of the Notes and on the distribution of this Prospectus, see "*Subscription and Sale of the Notes—Selling Restrictions*" below.

Joint Bookrunners

Barclays	**Morgan Stanley**	**Société Générale** **Corporate & Investment Banking**

The date of this Prospectus is July 24, 2017

RESPONSIBILITY STATEMENT

ADO Properties S.A., the Issuer, with its registered office at 1B, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies (*registre de commerce et des sociétés de Luxembourg*) under the registration number B197554, assumes responsibility for the content of this Prospectus, and declares having taken all reasonable care to ensure that such is the case, that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating the Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the EEA.

The information in this Prospectus will not be updated subsequent to the date hereof except in case of a significant new factor or material mistakeor inaccuracy relating to the information contained in this Prospectus which is capable of affecting an assessment of the securities and which occurs or comes to light following the approval of the Prospectus, but before the admission of the securities to trading.

NOTICE

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference.

No person is authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by or on behalf of the Issuer or the Joint Bookrunners (each a "**Joint Bookrunner**" and together, the "**Joint Bookrunners**", and as further defined in "*Subscription and Sale of the Notes*"). In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Offering, including the merits and risks involved. Any decision to purchase Notes should be based solely on this Prospectus.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer which is material in the context of the issue and sale of the Notes since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently supplemented, or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Joint Bookrunners nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons makes any representation or warranty or accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

The distribution of this Prospectus and the sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. In particular, the Notes have not been and will not be registered under the Securities Act, and are subject to special U.S. tax law requirements when held by U.S. persons (TEFRA D rules). Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see " "*Subscription and Sale of the Notes—Selling Restrictions*".

None of the Issuer or the Joint Bookrunners, or any of their respective representatives, is making any representation to any offeree or purchaser of the Notes regarding the legality of an investment in the Notes by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should

not construe anything in this Prospectus as legal, tax, business or financial advice. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

In this Prospectus, "**euro**" and "**€**" refer to the single European currency adopted by certain participating member states of the European Union (the "**EU Member States**"), including Germany and Luxembourg. All of the financial data presented in the Prospectus are shown in thousands of euro (in € thousand), except as otherwise stated. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. Financial information presented in parentheses denotes the negative of such number presented.

Furthermore, this Prospectus contains industry related data taken or derived from industry and market research reports published by third parties ("**External Data**"). Commercial publications generally state that the information they contain originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on a series of assumptions. The External Data have not been independently verified by the Issuer. The External Data was reproduced accurately by the Issuer in the Prospectus, and as far as the Issuer is aware and is able to ascertain from information published by any third party, no facts have been omitted that would render the reproduced External Data inaccurate or misleading. The Issuer does not have access to the underlying facts and assumptions of numerical and market data and other information contained in publicly available sources. Consequently, such numerical and market data or other information cannot be verified by the Issuer.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Bookrunners to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should purchase any Notes.

IN CONNECTION WITH THE ISSUANCE OF THE NOTES, THE JOINT BOOKRUNNERS (OR PERSONS ACTING ON BEHALF OF THE JOINT BOOKRUNNERS) MAY OVER-ALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE JOINT BOOKRUNNERS (OR PERSONS ACTING ON BEHALF OF THE JOINT BOOKRUNNERS) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE JOINT BOOKRUNNERS (OR PERSON(S) ACTING ON BEHALF OF THE JOINT BOOKRUNNERS) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

This Prospectus may only be used for the purpose for which it has been published.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Joint Bookrunners or any of them that any recipient of the Prospectus should subscribe or purchase any Notes. Each recipient of the Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial and otherwise) of the Issuer.

The legally binding language of this Prospectus is English. Any part of the Prospectus in German language constitutes a translation, except for the terms and conditions of the Notes (the "**Terms and Conditions**") in respect of which German is the legally binding language.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA from the requirement to produce a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer of the Notes within any such EEA member state should only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Bookrunners to produce a prospectus for such offer. Neither the Issuer nor the Joint Bookrunners have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of the Notes contemplated in this Prospectus.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Prospectus and any other material in relation to the Notes described herein is directed at and for distribution in the United Kingdom only to persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("qualified investors") that are also (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") (Financial Promotion) Order 2005 (the "**Order**"), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons being together referred to as "**Relevant Persons**"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom.

Furthermore, the Joint Bookrunners have warranted that they (i) have only invited or will only invite participation in investment activities in connection with the Offering or the sale of the Notes within the meaning of Section 21 of the FSMA, and have only initiated or will only initiate such investment activities to the extent that Section 21(1) of the FSMA does not apply to the Company; and (ii) have complied and will comply with all applicable provisions of FSMA with respect to all activities already undertaken by each of them or will undertake in the future in relation to the Notes in, from, or otherwise involving the United Kingdom.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on our future earnings capacity, plans and expectations regarding its business growth and profitability, and the general economic conditions to which it is exposed. Statements made using words such as "predicts", "forecasts", "plans", "endeavors", "expects", "intends", "will" or words of similar meaning may be an indication of forward-looking statements.

The forward-looking statements in this Prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company's actual results, including the financial condition and profitability of the Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this Prospectus, particularly in the sections entitled "*Risk Factors*", "*Description of the Issuer—Business*" and wherever information is contained in the Prospectus regarding our intentions, beliefs, or current expectations relating to our future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus might not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this Prospectus, see the discussion on External Data under "*—Notice*" above). Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- changes in general economic conditions in Berlin, including changes in the unemployment rate, the level of consumer prices, wage levels, etc.;
- demographic changes, in particular with respect to Berlin;
- changes affecting interest rate levels;
- changes in the competitive environment, that is, changes in the level of construction activity relating to housing;
- political changes; and
- changes in laws and regulations, in particular tenancy and environmental laws and regulations.

Moreover, it should be noted that neither the Company nor any of the Joint Boookrunners assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. Nevertheless, the Company has the obligation to disclose any significant new factor or material mistake or inaccuracy relating to the information contained in this Prospectus which is capable of affecting an assessment of the securities and which occurs or comes to light following the approval of the Prospectus, but before the admission of the securities to trading. These updates must be disclosed in a prospectus supplement in accordance with Article 13(1) of the Luxembourg Prospectus Law.

See "*Risk Factors*" for a further description of some of the factors that could influence the Company's forward-looking statements.

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RISK FACTORS

*An investment in the Notes of ADO Properties S.A. (the "**Issuer**", the "**Company**", "**ADO**", and, together with its consolidated subsidiaries, "**we**", "**our**" or the "**Group**") is subject to risks. Therefore, investors should carefully consider the following risks and the other information contained in this Prospectus when deciding whether to invest in the Notes. The market price of the Notes could fall if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, could materially adversely affect our business, net assets, financial condition, cash flows and results of operations.*

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to our business, net assets, financial condition, cash flows or results of operations. The risks mentioned herein may materialize individually or cumulatively.

RISKS RELATED TO THE MARKET

We are dependent on regional real estate markets, particularly in Berlin. Further, we are dependent on our ability to adapt our business activities to developments in these markets. Negative market developments in Berlin or an inability on our part to adapt our business activities and/or properties could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Substantially all (99.7% as measured by fair value as of March 31, 2017) of the real estate we own is located in Berlin. Accordingly, we are dependent on trends in the Berlin residential real estate market, as well as general economic conditions and developments in Berlin. Our performance and valuation are dependent on various factors including demographic and cyclicality trends in Berlin, purchasing power of the population, the development of the population, attractiveness of the particular locations of our properties, the unemployment rate and employment offers, infrastructure, social structure, and supply and demand for real estate space and assets in the respective locations and markets in Berlin. Furthermore, we are also affected by the German economic conditions as a whole, such as growth in gross domestic product ("**GDP**"), unemployment, interest rates, inflation and financing availability. Because regional markets within Germany do not develop uniformly, our dependence on the Berlin market due to our portfolio concentration in Berlin could create a disadvantage compared to competitors who have a more geographically diversified real estate portfolio.

We may be negatively affected by unforeseen unfavorable demographic and economic developments in Germany and specifically, in Berlin. We may also be exposed to risk over-proportionally and may suffer from concentration risks because substantially all (99.7% as measured by fair value as of March 31, 2017) of our portfolio is located in Berlin.

In the event of a decline in the attractiveness of the Berlin real estate market, or if there is a downturn or illiquidity in the Berlin real estate market, we may be unable to rent or sell properties which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

The continuing uncertainty regarding the development of the global economy, for example due to the ongoing sovereign debt crises and inflation and deflation risks in many parts of the world, particularly in Europe, the uncertainties associated with the outcome of the United Kingdom's vote to leave the European Union and the ongoing quantitative easing announced by the European Central Bank, may result in economic instability, limited access to debt and equity financing and possible defaults by our counterparties.

The severe global economic downturn in the years following the global economic and financial crisis of 2008 and 2009 and its effects, in particular, the scarcity of financing, tensions in the capital markets and weak consumer confidence and declining consumption in many markets, adversely impacted the economic development worldwide. This crisis was followed by sovereign debt crises in many parts of the world, particularly in the Eurozone, which are still ongoing and have resulted in recessions in many of the impacted countries. In addition, the inflation and deflation risks in many parts of the world, particularly in Europe, and the ongoing quantitative easing announced by the European Central Bank, may result in limited

access to debt and equity financing and possible defaults by our counterparties. Also, on June 23, 2016, a majority of the voters in the United Kingdom voted to leave the European Union. There are significant uncertainties in relation to the terms and time frame within which such an exit would be effected, the future terms of the United Kingdom's relationship with the European Union and to how, when and to what extent these developments would impact on the economy in the United Kingdom and the European Union, and on levels of investor activity and confidence, on global market performance and on exchange rates. This macroeconomic environment may give rise to economic or political instability, including the possibility of a breakup of the Eurozone or the weakening of exchange rates for the euro. Such instability and the resulting market volatility may also create contagion risks for economically strong countries like Germany and may spread to the German financial sector and the German residential real estate market.

Furthermore, the creditworthiness of tenants and potential real estate purchasers could deteriorate, for example, if unemployment increased or economic conditions worsen. Tenants may become insolvent or social security laws, pursuant to which some of our tenants receive funds, may change. Additionally, real incomes could stagnate or decline, decreasing the ability and willingness of private households to make expenditures for housing.

The current economic environment is characterized by low interest rates and comparatively high values of residential real estate portfolios in Germany. Any rise in interest rates could have material adverse effects on the asset valuations, the German real estate market and on us.

The global financial and economic crisis has resulted in increased uncertainty regarding future economic developments. This uncertainty regarding the general economic outlook has increased the popularity of investment opportunities that provide stable and largely predictable cash flows, such as investments in German residential real estate, especially in the current low-interest rate environment. The resulting increased popularity of investments in residential real estate has resulted in an increase in property prices and the value of residential real estate companies.

These developments could reverse themselves if, for example interest rates were to rise. A rise in interest rates may result from an improvement in the economic environment, which could increase investor interest in investments with a higher risk profile and decrease their interest in real estate investments. Rising interest rates could adversely impact us in a number of ways. For example, the discount rate used to calculate the value of the Group's properties ("**Fair Value**") recorded on the Company's balance sheet in accordance with International Accounting Standard ("**IAS**") 40 in conjunction with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") 13 tends to increase in an environment of rising interest rates, which in turn could result in our properties having a lower Fair Value. For more information, see the risk factors under "*—Risks Related to the Valuation of Our Properties.*"

Any increase in interest rates could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

It could become more difficult for us to implement our strategy of capturing additional growth opportunities by acquiring residential real estate portfolios on attractive terms, particularly due to the high current and future market prices for real estate portfolios.

As part of our business strategy, the Group seeks to acquire residential real estate portfolios. Such acquisitions are only feasible, however, if attractive real estate portfolios are available for purchase at reasonable prices. Given the current high demand for residential real estate in Germany, such portfolios may be unavailable or available only on unfavorable terms. Any such development could impair the growth of our business and could prevent us from generating additional economies of scale and strategically developing our portfolio through acquisitions and investing into our portfolios with attractive returns. In addition, competitors with asset acquisition objectives similar to ours may possess greater financial resources and lower costs of capital than we do (see risk factor "*Risks Related to the Market—Competition for the acquisition of assets from buyers that have lower costs of capital or lower return expectations than we do could limit our ability to compete for acquisitions and therefore to grow our business effectively.*"). In the future, increased competition could make it more difficult for us to acquire properties on attractive terms.

Any inability to acquire residential real estate portfolios could not only impair our strategy to capture external growth opportunities but could also jeopardize our efforts and strategic goals, including the acquisition of real estate suitable for sales of condominiums (privatizations).

Any inability to acquire suitable properties on attractive terms could limit our growth and could have material adverse effects on our business, net assets, financial conditions, cash flows and results of operations.

Competition for the acquisition of assets from buyers that have lower costs of capital or lower return expectations than we do could limit our ability to compete for acquisitions and therefore to grow our business effectively.

Foreign and domestic competitors have similar asset acquisition objectives as we do, along with greater financial resources and lower costs of capital or lower return expectations than we may be able to obtain. This may increase competition for acquisitions that would be suitable to us, making it more difficult for us to compete and successfully implement our growth strategy. Intensified competition for acquisitions could result in increasing purchase prices. There is significant competition among potential acquirers in the German residential real estate market, and there can be no assurance that we will be able to implement our growth strategy or to successfully complete acquisitions, which could limit our ability to grow our business effectively, which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We may be adversely affected by the illiquidity of real estate investments and we may be unable to sell any portion of our portfolio on favorable terms or may be unable to do so at all.

The Berlin real estate market, in which we invest and operate, may in the future become characterized by further limited liquidity. Our general ability to sell parts of our real estate portfolio depends on the state of investment markets and on market liquidity or declining values. If we were required to sell parts of our real estate portfolio for the purpose of raising cash to support our operations, to repay debt or for other reasons, there is no guarantee that the Group would be able to sell such parts of our portfolio on favorable terms or at all. In addition, existing contractual obligations under loan or purchase agreements restrict our ability to sell certain parts of our portfolio. As of March 31, 2017, approximately 10.7% of the Group's residential units were subject to such restrictions. In the case of a forced sale of all or part of our real estate portfolio, for example if creditors realize collateral, there would likely be a significant shortfall between the price obtained and the carrying amount of the portfolio sold. Any such shortfall could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

RISKS RELATED TO OUR BUSINESS

Increased rent restrictions could adversely affect our results of operations because we rely significantly on earning from rentals.

We rely significantly on earnings from rentals. As a result, our performance depends largely on the amount of rental income generated, vacancies, rent reductions, collection losses and the expenses we incur in generating such rents. As the Group's main source of revenue is rental income, a decrease in rental payments or in the rate of rent collection would have a negative effect on the Group's business, net assets, financial condition, cash flows and results of operations. Our rental income is impacted predominantly by rents charged and vacancy levels. To the extent we generate earnings from the sale of properties, our performance depends on the market value of our real estate properties. Rents and real estate prices, in turn, depend largely on economic and business conditions in Germany in general and in Berlin in particular.

Affordable housing has been and continues to be a political topic in Berlin and in Germany generally. During the last couple of years, there have been various legislative developments that have adversely affected our business. For example, in 2011 the parliament of the State of Berlin passed a Law on Social Housing (*Wohnraumgesetz Berlin*) that provides for, inter alia, stricter rules on rent restrictions for recipients of certain public housing subsidies. Furthermore, this legislation allows tenants of state-subsidized housing (10.7% of our portfolio) to terminate the existing letting contract in certain cases of rent increases, within a period of three months. A cap on rents for new leases, the "*Mietpreisbremse*", is another example of restrictions on increased rent (see "*Description of the Issuer—Regulatory Environment—Current Developments in German Tenancy Law*"). In addition, we are subject to certain restrictions relating to heat contracting (*Nahwärme and Fernwärme*). As of March 31, 2017, approximately 29% of our portfolio received heat through heat contracting. The German Federal Court of Justice (*Bundesgerichtshof*) has ruled that unless otherwise stipulated in the letting contract, a landlord is not allowed to introduce heat contracting without the tenant's consent. One of the consequences of this ruling is that in some local rent

sub-indices in Berlin, the margin by which we can increase the rent for residential units that we let with heat contracting has narrowed. This could restrict our ability to increase rents for the affected residential units, which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

An increase in the vacancy rates or a decrease in achievable market rents of our residential real estate portfolio could have a material adverse effect on rental income and operating profit.

If we experience increased vacancies, poor economic conditions could cause us to be unable to re-let or sell our residential units on favorable terms. As of March 31, 2017, the average vacancy rate (in % of sqm) of the Group's residential real estate portfolio was 2.7% compared to 2.5% at December 31, 2016. The vacancy rate could rise, particularly in residential units with lower quality in our portfolio and in less attractive locations, in areas with weak infrastructure or in properties where investments do not lead to the expected market rents or rental increases or may fall under rental increase restrictions. In addition, it is a significant part of our business plan to renovate and refurbish selected portions of our portfolio that have the highest vacancy rates. If these efforts do not result in substantial decreases in the vacancy rates for such properties after the renovations have been completed, our financial performance relative to our business plan may be adversely affected. The rental income foregone, the additional fixed costs and the auxiliary costs that would arise in the context of the maintenance of vacant residential units would negatively affect our operating profit. In addition, a prolonged period of higher vacancy rates could lower rent levels generally and make it more difficult to increase average rent levels. An inability to generate expected rents, to decrease vacancy levels or to increase rents could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We are exposed to risks related to the structural condition of our properties and their maintenance, repair and modernization.

In order to sustain demand for a rental property and to generate adequate revenue over the long-term, a property's condition must be maintained, repaired and/or improved to a standard that meets market demand and complies with environmental laws (see also the risk factor "*Regulatory and Legal Risks—Our business is subject to the general legal environment in Germany. Any disadvantageous changes in the legal environment, such as mandatory environmental modernization provisions, restrictions regarding modernization measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale, or disadvantageous changes to the Berlin Mietspiegel regulation, may be detrimental to us.*"). Typically, the costs associated with maintaining a rental property at market standards are borne primarily by the property owner. If maintenance, repair and modernization is required to meet changing legal or market requirements (e.g. with regard to energy saving), the property owner may be burdened with substantial expenses. In Germany, rent increases may be introduced to compensate for these expenses only under certain conditions and these rent increases may not exceed a certain percentage of the costs incurred in connection with certain modernization measures. In addition, we may not be able to increase rents to the extent legally permissible as a result of prevailing market conditions or the inability of tenants receiving state aid (as is the case for a part of our tenants) to afford these increased rents or otherwise.

Although we constantly review the condition of our properties and have established a reporting system to monitor and budget the necessary maintenance and modernization measures, numerous factors may generate substantial cost overruns or unexpected increases in costs for maintenance and modernization. These factors may include the material and substances used at the time of construction, currently unknown building code violations and/or the age of the relevant building could result in substantial unbudgeted costs for refurbishment, modernization, decontamination required to remove and dispose of any hazardous materials (e.g. asbestos) which are harmful to the health of the residents, or other maintenance or upgrade work. Approximately 38% of our residential real estate buildings were built between 1949 and 2005 and approximately 62% were built prior to 1949 (calculated on the basis of number of buildings as of March 31, 2017).

We would incur additional and unexpected costs if the actual costs of maintaining or modernizing the Group's properties were to exceed currently foreseen cost levels, if we are not permitted to raise rents in connection with maintenance and modernization due to statutory or contractual constraints, or if hidden defects that are not covered by insurance or contractual warranties are discovered during the maintenance or modernization processes.

The Company's failure to undertake appropriate maintenance and modernization work in response to the factors described above could adversely affect the rental income earned from affected properties. Such a failure could entitle tenants to withhold or reduce rental payments or even to terminate existing letting contracts. Any of the above events could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We bear risks in connection with possible acquisitions and investments. These risks include unexpected liabilities, wrong assessment of value as well as due diligence findings and challenges with respect to integrating acquisitions and achieving anticipated synergies.

As part of our strategy, we evaluate property portfolios in order to identify those that might fit in with both our existing property portfolio and our current management platform.

Direct and indirect investments in property, however, involve considerable risks. We are not always able to obtain from the seller the records and documents that we need in order to fully verify that the buildings we acquire were constructed in accordance, and that their use complies, with planning laws and building code requirements. Accordingly, in the course of acquiring residential real estate, specific risks might not be or might not have been recognized or correctly evaluated, for example, whether and to what extent such real estate companies comply with all planning permissions and conditions, building permits, licenses, fire and health and safety certificates and related regulations. For example, while performing due diligence, we may not have discovered, or the seller may not have disclosed, that the properties that we have acquired have underground oil tanks underneath them or contain certain types of fungus that eat and rot wood, and thereby may weaken the structural foundations of our acquired properties. In addition, we may not have been able or are unable to undertake (or obtain results for) all searches (including title and security searches), inspections and surveys (including intrusive environmental and asbestos investigations and technical surveys) that we might otherwise carry out in relation to comparable acquisitions. The assumptions we rely on when acquiring real estate, particularly with respect to anticipated rents, achievability of vacancy reduction, maintenance expenses, integration costs and expected proceeds from condominium sales (privatizations), could turn out to be incorrect.

It could also subsequently become more difficult to let or sell certain properties; market rents could develop unfavorably; and/or vacancy rates could increase. In addition, the various factors that affect market rents make it difficult to project future rental income, so that the projected rental income in connection with an acquisition of property can develop differently than planned.

Furthermore, we may only be able to conduct limited due diligence on, or the due diligence conducted may not accurately reveal the risks associated with, the properties or entities we plan to acquire. Accordingly, the Group may not be in a position to examine whether the original owners of the properties, and/or the properties themselves, have obtained all required permits for new buildings, satisfied all permit conditions, received all necessary licenses and fire, health and safety certificates, or satisfied all comparable requirements. In addition, the properties may suffer from hidden defects, such as contamination, and may thus require significant modernization investments. Moreover, we may not be in a position to carry out all follow-up investigations, inspections, and appraisals/inventories (or to obtain the results of such inquiries). Accordingly, in the course of the acquisition of residential and other property portfolios, specific risks may not be, or might not have been, recognized or evaluated correctly. Thus, legal and/or economic liabilities may be, or might have been, overlooked or misjudged. These circumstances could lead to additional costs and could have an adverse effect on our proceeds from sales and rental income of the relevant properties. Although sellers typically make various warranties in purchase agreements that the Group enters into in connection with property acquisitions, it is possible that these warranties do not cover all risks or that they fail to cover such risks sufficiently. Additionally, a warranty made by a seller may be unenforceable due to the seller's insolvency or for other reasons. In some cases, a real estate seller makes no representation or warranty as to the sufficiency and correctness of the information that is made available in the context of a due diligence investigation, or as to whether such information remains correct during the period between the conclusion of the due diligence investigation and the closing of the relevant acquisition. Accordingly, such risks can arise despite a thorough due diligence investigation.

If we discover, during the course of a refurbishment or modernization, that a building we acquired is subject to historic preservation laws, the need to comply with the respective historic preservation requirements could lead to significant delays in the refurbishment or modernization process, the inability to carry out particular refurbishment or modernization measures, and significantly higher costs for the particular project. These factors could result in our being unable to perform our contractual obligations to a

tenant, with the consequence that the tenant's obligation to make payments would be excused or deferred. The same would be true if the legal requirements relating to existing and permitted properties and their use become more onerous, particularly with respect to construction and environmental requirements; similarly, requirements might be imposed to increase the availability of handicapped-accessible and adapted housing.

Additionally, the integration of new employees hired to help manage the newly acquired portfolios could fail or take longer than scheduled. Anticipated synergies, economies of scale and cost savings may not be realized in whole or in part or may occur only after some delay. Any of these circumstances could result in higher administrative and management costs.

If any of the aforementioned risks materialize, this could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We bear risks in connection with greater indebtedness and higher interest expenses which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

The Company's acquisition of additional property could be financed by taking on additional debt or by issuing and offering new shares in the capital markets or by a combination thereof. If the Company is unable to obtain the necessary capital on reasonable terms, it may be unable to make further acquisitions, may be able to do so only to a limited extent, or, if debt financing is available, may be able to do so only by taking on additional debt. Any additional debt incurred in connection with future acquisitions could have a significant negative impact on the Group's performance indicators — net asset value ("**EPRA NAV**") and loan-to-value ratio ("**LTV-Ratio**") — and could result in higher interest expenses for the Group. If we are no longer able to obtain the debt or equity financing we need to acquire additional property portfolios, or if we are able to do so only on onerous terms, our further business development and competitiveness could be severely constrained. If any of these risks materialize, it could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Our current portfolios, or portfolios that may be acquired in the future, may not develop as favorably as expected.

Our current portfolios, or portfolios that may be acquired in the future, may not develop as favorably as expected. For example, targeted rent increases may not be implemented as planned due to a lack of tenants who are willing or able to pay increased rents, a negative development of the location or property or increased vacancy rates, for example due to unfavorable demographic or economic developments. If the forecasted EBITDA for a respective period adjusted to generally reflect net cash interest payments, disposal result and current income taxes ("**FFO**") are not achieved or our portfolios otherwise do not develop favorably, this could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We may incur various liabilities arising from past and future acquisitions and the integration of any future portfolio acquisitions may not be successful due to legal and contractual restrictions and obligations or may take longer or lead to higher costs.

Our Group has completed material acquisitions in the past and may complete material acquisitions in the future. Although we have attempted and will continue to attempt to address the relevant issues, including for example tax, legal and operational management issues, arising from acquisitions, we may not have and in the future may not address all relevant issues related thereto and to the successful integration of the acquired portfolios. In particular, the integration risks associated with acquisitions of large portfolios are high due to their significant size. As with the integration of past acquisitions, the integration of any future portfolio acquisitions may not be successful or may be more difficult due to legal and contractual restrictions and obligations in addition to any possible internal inabilities in integrating acquisitions. We may become subject to contractual obligations under each of the acquisition agreements pursuant to which we acquired our real estate portfolio, which limit our ability to fully integrate acquisitions on a legal and operational basis and may result in delays and unforeseen costs. Moreover, laws governing pensions, labor unions and works councils, may also limit our ability to integrate acquisitions and especially to move groups of employees from one legal entity to another. To the extent that we are not able to successfully integrate our current portfolio and any potential future portfolio acquisitions, we may be prevented from increasing revenues or reducing costs by achieving economies of scale in the manner that we anticipate.

Such a failure could cause reduced levels of rental income and operating profit and have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Our strategy to operate our business successfully relies on assumptions and contingencies that may prove to be incorrect.

The success of our business model depends in part on our subsidiaries' ability to achieve an expected level of rental increases through the modernization of the existing real estate portfolio and properties which we may acquire and our ability to estimate and control the costs of modernization. Even if the real estate we have acquired, or will acquire in the future, is suitable for repositioning, modernization and refurbishment, such acquisitions could prove unsuccessful. The assumptions with respect to achievable rental levels, rental increases, vacancy rates, modernization costs, personnel (including in-house facility management personnel) and overhead expenses, and for repairs, maintenance and capital expenditures and similar matters that we have made, or will make, in acquiring a real estate portfolio may prove partly or wholly inaccurate. The properties we have acquired or will acquire might achieve less than the originally calculated profit or income due to inaccurate projections and assumptions or for other reasons. Furthermore, while we have tried to address known contingencies in the refurbishment and modernization contracts we have entered into, or expect to enter into, unexpected problems or unrecognized risks could arise that are outside the parameters of these contracts. The resolution of such unanticipated problems and risks could require that we expend unanticipated amounts of capital; or it may be the case that such problems and risks cannot be addressed in an economically reasonable manner. In addition, there are several environmental matters that are relevant with regard to modernization and refurbishments (see the risk factors "*—Regulatory and Legal Risks—Our business is subject to the general legal environment in Germany. Any disadvantageous changes in the legal environment, such as mandatory environmental modernization provisions, restrictions regarding modernization measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale, or disadvantageous changes to the Berlin Mietspiegel regulation, may be detrimental to us.*" and "*—Regulatory and Legal Risks— We may incur environmental liabilities, for example, from residual pollution including wartime ordnance, soil conditions, asbestos and contaminants in building materials, as well as from possible building code violations.*").

If we made inaccurate assumptions, for example, with respect to the level of rental increases we can achieve, the costs of modernization, and other capital expenditures, or the profitability of operations and the value of our real estate portfolios could be impaired. This could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We plan investments in modernization measures, which may not generate the expected return or may result in cost overruns or delays in implementation, including due to postponements caused by tenants.

We plan to continue to invest a significant amount per year for modernization measures. These modernization measures, which sometimes include energy efficient modernization, of buildings and refurbishments to current market standard in markets where refurbished apartments are expected to deliver an average rental premium.

Although the Group has shown in the past three years that it is able to generate a return on the invested capital, we face the risk that we may not be able to generate these returns in the future. In particular, our projections of the future demand for apartments suitable for modernization may turn out to be inaccurate, inappropriate to achieve a positive return or tenant preferences may change. Further, we may not be in a position to find sufficient investment opportunities to invest the budgeted amount per year. In addition, we may not be able to pass on the costs of these modernization measures to our tenants due to legal constrains or if the tenants are unable to afford rent increases as a result of these modernization measures. Tenants may also cause postponements to our modernization measures by, for example, refusing to vacate the units so that modernizations may take place. Further, the Group may be restricted in our ability to finance the investment program through loans or other debt instruments depending on our current and future debt level and structure.

The materialization of any of the risks described above could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

In connection with certain acquisitions, we have entered into contractual obligations that restrict our ability to freely divest parts of our portfolio or to increase rents for certain units, and thereby potentially prevent the Group from extracting the maximum value from the affected properties.

Residential real estate transactions often include contractual clauses that restrict a buyer's right to divest the acquired portfolio or increase rent on the acquired units. Furthermore, sellers often restrict the buyer's right to terminate existing leases, which reduces the attractiveness of the affected units for prospective purchasers. The aforementioned restrictions are especially common in connection with the privatization of publicly-owned property, where the selling public authorities often intend to mitigate potential social effects of such transactions, or when these portfolios are subsequently sold on to third parties. Usually, most obligations lapse in full or in part after a certain period of time. As of December 31, 2016, approximately 26.7% of the Group's residential units were subject to certain contractual restrictions. As of March 31, 2017, approximately 10.7% of the Group's residential units were subject to certain contractual restrictions, including multiple restrictions or obligations. These limitations include in particular:

- restrictions on sales;
- preferential subscription rights;
- restrictions on the termination of lease agreements;
- restrictions on permitted use; and
- restrictions on rent increases.

In addition to these contractual obligations entered into in connection with acquisitions, we have acquired properties that have received subsidies from public authorities which restrict the level of rents chargeable on a part of our portfolio. For more information, see the risk factor "*Risks Related to Our Business—Some of the properties that we have acquired are currently or have been subsidized by public authorities. As a result, the level of rents chargeable on a part of our portfolio is restricted. We may be required to repay subsidies that some of our properties have already received.*".

Some of the aforementioned restrictions may limit our ability to attractively market parts of our portfolio, which in turn could potentially force the Group to pass up opportunities for streamlining and generating profit. They could thereby lower the overall value of the Group's property portfolio and limit our ability to generate cash flow from selective divestitures. This could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Some of the properties that we have acquired are currently or have been subsidized by public authorities. As a result, the level of rents chargeable on a part of our portfolio is restricted. We may be required to repay subsidies that some of our properties have already received.

Some of the properties that we have acquired are currently or have been subsidized by public authorities, mainly in the form of loans. As a result of such subsidies, restrictions are imposed, *inter alia*, on the maximum rent levels for the properties constructed, acquired or modernized using such subsidies. Such rent levels are significantly below current market rents for a number of rent restricted residential units, and it may be difficult to increase rents to market levels even after the lapse of the period in which subsidy restrictions apply. As of March 31, 2017, approximately 10.7% of our properties were rent-restricted due to subsidies. Rent restrictions are scheduled to expire between 2017 to 2022 for a substantial part of the residential units.

The subsidies are subject to certain conditions. If we become unable to meet those conditions or violate them, we may have to pay a fine (e.g. in the case of not meeting rent restrictions) or subsidies may even be subject to revocation. If we are required to repay subsidies that have been granted for some of our properties, this could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We have an integrated platform for active asset management and privatization, which increases our personnel expenses and other fixed costs and may impose limitations to a more flexible business approach as compared to competitors that outsource these same services.

Since 2007, we have had a fully integrated platform whereby we use our own personnel for key functions from portfolio management to modernization and privatization. In 2013, we added facility management to our platform. For these purposes, we have our own business areas of asset and portfolio management, property and facility management, and construction management. We employed 254 full-time employees as of March 31, 2017. As further acquisitions take place, the Group may further increase the number of personnel over the course of 2017 and in the future. Our ability to manage our operations and growth requires the continuous improvement of operational, financial and management controls, reporting systems and procedures. If, as a result of business or economic conditions, we were to scale down our business operations, it would be substantially more difficult for the Group to reduce our headcount than to reduce the services provided by third-party contractors. Additionally, this could result in higher costs than expected.

Despite the existing quality control procedures, the quality of services rendered by our own employees could fall below the level of services performed by third-party contractors and reduce the attractiveness of our properties. Moreover, if services rendered by our employees are not performed as scheduled or if the quality of work falls below applicable standards, we may face claims from our tenants or may not be in a position to re-let vacant units that require maintenance and modernization before new tenants can move in. Since some of these tasks are performed within the Group, we may not be in a position to claim compensation for damages from third parties from non-performance or improper performance. In addition, in the course of rendering services, our employees, third-party suppliers, tenants or other individuals may be injured.

Materialization of any of the risks described above could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We have limited knowledge of real estate markets outside of Berlin and consequently would face risks of managing properties outside of Berlin if we were to acquire such properties in the future.

Although substantially all (99.7% as measured by fair value as of March 31, 2017) of our properties are currently located in Berlin, in the future we may acquire properties or portfolios in other areas of Germany. If, for example, a minor portion of a portfolio is located outside of Berlin, yet we determine that acquiring the entire portfolio is desirable and would help us to maintain or strengthen our focus on the real estate market in Berlin, acquiring such properties located outside of Berlin as a part of a portfolio, may lead to higher costs. Because we focus on the real estate market in Berlin, we have limited knowledge of other real estate markets and currently do not have the resources to manage real estate in other markets, which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Sales prices of residential real estate could decrease.

Our ability to sell condominiums (privatizations) profitably depends on the sales prices we can achieve, which in turn depend upon supply and demand. An increase in the supply of residential properties could put pressure on sales prices. In addition to increased supply, pressure on sales prices could occur through a decline in demand in general, for example, due to general economic factors such as rising unemployment, the recent financial crisis, a decline in population or a lack of suitable buyers. If real estate becomes less popular as an investment in general or in particular in Berlin, the demand for residential properties could also decrease, depressing the prices at which apartments can be sold. Sales prices can also be affected by changes in interest rates and the availability of financing. Lower sales prices for our apartments could reduce our earnings and available cash and therefore could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

In addition to residential property management, our business includes condominium sales (privatizations) that may leave some units in a property unsold. The unsold units may require greater administrative resources and may lead to additional expenses and other negative consequences for the Group and could potentially not be sold at reasonable prices or at all.

As part of our business strategy, we intend to selectively sell individual residential units to owner-occupants or small investors in condominium sales (privatizations). In general, individual residential units can be sold at a premium compared to bulk sales of residential properties and at prices exceeding their fair value. In executing condominium sales (privatizations), we sell individual units but not necessarily all units within a building. Partial sale of condominiums in an apartment building binds the Company to continue the maintenance of the building and for unsold condominiums as long as there are unsold apartments in the building, in a manner that can incur extra expenses and could negatively affect our ability to sell condominiums at a profit over a period of time.

In addition to the risks from the properties themselves, acquisitions tie up management resources that we then cannot deploy elsewhere in the Company. Management of partially sold properties may require greater administrative resources than the management of units in properties that are entirely owned by us. For example, owners of units in a residential property may decide on measures which concern the property as a whole by majority vote at the unit owners' assembly convened by the facility manager. If we sell only individual units in a property we currently own, we may lose our ability to control decision-making and could be forced to comply with decisions passed by a majority of the owners of other units in the relevant property with respect to property management, such as the performance of maintenance and modernization, which could be economically impractical and might result in the incurrence of additional costs. Since we would have to bear a proportionate share of these costs, this could adversely affect our profitability. As of March 31, 2017, 43 of our residential units were part of properties in which we did not have a majority vote in the unit owner's assembly. The condominium sales (privatizations) are influenced by sales prices (see the risk factor "*Risks Related to Our Business—Sales prices of residential real estate could decrease*.") and may not be sold at reasonable prices or at all.

The occurrence of any of these risks could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Some of our residential properties contain commercial units which are subject to different risks than those associated with our residential units.

Some of our properties contain commercial units and we have three purely commercial properties. In 2016 and 2015, 11% and 12% of our revenues were attributable to commercial units. The commercial portion of our portfolio was 11.6% of our revenues as of March 31, 2017. While many of the risks described in this Prospectus also apply to the commercial units, a range of characteristics may increase or change the risks associated with our commercial units. Managing commercial units and reducing vacancy of commercial units also requires different knowledge and skills.

The nature of the leases for commercial units and the characteristics of the commercial tenants, which are often small businesses in our portfolio, may expose us to certain distinct risks. Commercial units in our properties will compete with other commercial properties in the neighborhood; demand for such units will be site and location specific, which may result in narrower demand relative to residential units and may lead to prolonged or permanent vacancies. In addition, the re-leasing of a commercial unit generally takes longer than the re-leasing of a residential unit. The presence of competitive alternatives may affect our ability to lease space and the level of rents we can obtain. If our commercial tenants experience financial distress, they may fail to comply with their contractual obligations, seek concessions in order to continue operations or cease their operations. Also, in the event of an economic crisis the demand for commercial units is adversely affected quicker than the demand for residential units. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as a landlord and may incur substantial costs in protecting our investment and re-leasing our property such as renovating the unit to a marketable standard or to remove certain structures of previous tenants that have not been removed according to contractual agreements. In terms of rent, the risk is more concentrated as such contracts are for higher amounts than for residential units. Any vacant commercial unit, or a leased commercial unit that conducts an unsavory type of business, in a residential property may in turn negatively impact the Group's ability to retain residential tenants or locate new residential tenants for that property. If we do not effectively manage the aforementioned risks presented by our commercial units, or do not possess the appropriate skills, it

could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We employ and work together with a large number of service providers and are dependent on their performance.

We employ and work together with a large number of service providers, including energy providers, providers of minor repairs and maintenance services, construction companies and, our partner for acquisitions, W&W Real Estate GmbH ("**W&W**"), and therefore are dependent on their performance. Such services may not be rendered in a timely manner or their quality may not comply with the Company's requirements or stipulations in the service contracts. Moreover, certain contractors may experience operational or solvency issues and certain services may become unavailable to us as a result. Any failures by contractors may result in delays and additional expenses for the Group. If the services from third-party providers are not performed as scheduled or if the quality of work falls below applicable standards, we may face claims from our tenants or may not be in a position to re-let vacant units that require maintenance and modernization before new tenants can move in. All of these factors could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Damage to our reputation and any reduced tenant satisfaction may result in reduced demand for our residential units and may make it more difficult for us to raise capital on favorable terms or at all.

If we are unable to maintain our reputation and high level of customer service, tenant satisfaction and demand for our services and properties could suffer. In particular, harm to our reputation could make it more difficult for us to let our residential units and could lead to delays in rental payments or the termination of rental contracts by our tenants. Any reputational damage due to our inability to meet customer service expectations could consequently limit our ability to retain existing and attract new tenants. Furthermore, harm to our reputation could impair our ability to raise capital on favorable terms or at all. Any of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We could sustain substantial losses from damage not covered by, or exceeding the coverage limits of, our insurance policies.

Our properties are all insured against losses due to fire, natural hazards and specified other risks. However, our insurance policies are subject to exclusions and limitations of liability, including with respect to losses resulting from damages from mining, nuclear power or war. We may, therefore, have limited or no coverage for losses that are excluded or that exceed the respective coverage limitations. In addition, our insurance providers could become insolvent. Should an uninsured loss or a loss in excess of our insurance limits occur, we could lose capital invested in the affected property as well as anticipated income and capital appreciation from that property. Moreover, we may incur further costs to repair damage caused by uninsured risks. We could also be held liable for any debt or other financial obligation related to such a property. Thus, we may experience material losses in excess of insurance proceeds, which could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

The departure of one or more of the individuals that lead our business (the "Senior Management") or other employees could adversely affect our business and financial performance.

We have only a small number of Senior Management executives which may limit our ability to manage our business and risks. Our success depends significantly on the performance of our management and qualified employees in key positions and/or with substantial sector expertise. Further, our ability to successfully manage our business operations depends to a certain extent on the industry and management experience of certain persons, in particular, the Senior Management of the Group. Additionally, it is important for us to be able to hire additional qualified employees to the extent that an expansion exceeds our available resources or to replace lost employees. We are dependent on the ability to hire the necessary specialists in Berlin. The loss of one or more Senior Management members or other key employees, and any failure to attract new highly qualified management executives or key employees, could impair our growth and make it difficult for us to manage our business operations effectively. The materialization of one or more of the risks described above could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Our internal control, compliance and risk management systems may not be sufficient to adequately protect us from all kinds of risks.

We have implemented various internal control, compliance and risk management systems to ensure our compliance with various restrictions and obligations and identify risks to our business as early as possible, in order to avoid any penalty becoming payable by us. However, our internal controls and guidelines may not be sufficient to monitor compliance and social charters may be breached inadvertently. Our failure to allocate monetary and other resources to ensure compliance with applicable provisions, or our failure to comply with these provisions at all, would have a material adverse effect on our ability to operate the business and could subject us to significant penalties or force us into liquidation, and could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Our information technology systems could malfunction or become impaired.

Our information technology systems are essential for our business operations and success. Any interruptions in, failures of, or damage to our information technology systems or our voice-over-internet-protocol telephony system could lead to delays or interruptions in the Group's business processes such as the outage of our customer service or rental hotlines. In addition, we outsource some of our information technology services. Any interruptions or failures by the provider of such services could lead to business process delays and negatively affect our information technology system. In particular, our information technology systems may be vulnerable to security breaches and cyber-attacks from unauthorized persons outside and within the Group. Any malfunction or impairment of the Group's computer systems could interrupt our operations, lead to increased costs and may result in lost revenue. We cannot guarantee that anticipated and/or recognized malfunctions can be avoided by appropriate preventive security measures in every case. The integration of newly acquired portfolios into our information technology systems presents further risks.

If our information technology system and/or backups were to fail, we would have to recreate existing databases, which would be time-consuming and expensive. We may also have to expend additional funds and resources to protect against or to remedy potential or existing security breaches and related consequences. If information technology services provided by service providers were interrupted or were to fail, we possibly might not be able to cover the damages suffered due to reasons including liability limitations or insolvency of the service provider.

In addition, due to the constant development of information technology we might decide to outsource further information technology services or replace a current information technology service provider. If we had to engage a new or replace one of our current information technology service providers, a migration of information technology services would tie up resources that cannot be deployed elsewhere. Such a migration would likely incur substantial costs and potential interruptions in our business processes as well as potential losses of data could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

RISKS RELATED TO THE VALUATION OF OUR PROPERTIES

Property valuation is inherently subjective and uncertain and is based on assumptions which may prove to be inaccurate or affected by factors outside of the Company's control.

Property assets are inherently difficult to value due to their lack of homogeneity and liquidity. Valuations are based on assumptions that could subsequently turn out to have been incorrect. The valuation of real estate is based on a multitude of factors that also include the appraiser's subjective judgment. These factors include, for example, the general market environment, interest rates, the creditworthiness of the tenants, conditions in the rental market and the quality and potential development of the locations. The valuation of real estate is therefore subject to numerous uncertainties. The past or future assumptions underlying the property valuations may later be determined to have been erroneous.

In valuing properties, the appraisers are required to make certain key assumptions in respect of matters including, but not limited to, the existence of willing buyers, title to the property, condition of structure and services, deleterious materials, environmental matters, legal matters, statutory and regulatory requirements and planning, estimated market rental values, market yields, expected future rental revenues from the property and other factors. The adoption of different assumptions would be likely to produce

different valuation results and assumptions may prove to be inaccurate and could negatively affect the valuation of the Company's properties.

Property valuations are complex, involve the use of data which is not publicly available and involve a degree of subjective professional judgment by the appraiser.

As a result, any valuation presents the external appraiser's best estimate of the value of the Company's properties. However, there can be no assurance that the valuations accurately reflect the actual sale proceeds that could be achieved upon a sale of the properties valued, even where any such transactions occur shortly after the relevant valuation date, and particularly if, due to unforeseen circumstances, the Company would be forced to sell properties under unfavorable conditions. Likewise, there can be no assurance that the estimated yields and estimated rental values will prove to be achievable.

To the extent that valuations of the Company's properties do not fully reflect the value of the underlying properties, whether due to the above factors or otherwise, this could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

If a downturn occurs in the real estate market, interest rates increase, the market deteriorates or the Group's rent levels or vacancy rates develop unfavorably, the fair value model could require us to revise downward the current fair values of our investment properties (such as in the case of an increase in interest rate levels), which could have adverse effects on our consolidated statement of financial position and our consolidated statement of comprehensive income.

We record investment properties at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The recording of investment properties at the cost of acquisition or production occurs only at the time the property is received. On the balance sheet dates subsequent to the accession of the property, the fair value of the property is used. The best evidence of fair value is normally supplied by the development of the real estate market, including regional market developments and general economic conditions or interest rate levels.

Accordingly, there is a risk that if a downturn occurs in the real estate market or the general economic situation, we may need to revise downward the values of our total portfolio on the consolidated statement of financial position. Any change in fair value must be recognized as a profit or loss under the fair value adjustment. Any significant fair value adjustments we are required to make could have a material adverse effect on our net assets, financial condition and results of operations.

FINANCIAL RISKS

An increase in general interest rate levels may increase our financing costs, while the values of our properties and the prices at which we are able to sell our properties may decrease.

The total amount of our net debt (financial liabilities owed to financial institutions and put options minus bank balances, other deposits and cash on hand) was €822 million as of March 31, 2017. Our business model is also based on leveraging our properties. When concluding financing agreements or extending such agreements, we depend on our ability to agree on terms and conditions pertaining to interest payments that will not impair our targeted profit, and to amortization schedules that do not restrict our ability to pay intended dividends. Currently, the European Central Bank's lead rate is at a historic low, thus favorably impacting interest rates charged by banks. This trend, however, may reverse itself, resulting in an increase in both interest rates and financing costs.

Given our dependence on our ability to access financial markets for the refinancing of our debt liabilities and the access to equity capital to expand our business model, the continued instability or a further deterioration of the economic environment or the capital markets in some Eurozone countries may reduce our ability to refinance our existing and future liabilities. Furthermore, our counterparties, in particular our hedging counterparties, may not be able to fulfill their obligations under the respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons (see the risk factor "*Risks Related to the Valuation of Our Properties—When we attempt to mitigate interest rate risk by entering into hedging agreements, we also become exposed to the risks associated with the valuation of hedging instruments and hedge counterparties and the hedging agreements may not be effective*.").

The occurrence of any of these factors could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

When we attempt to mitigate interest rate risk by entering into hedging agreements, we also become exposed to the risks associated with the valuation of hedging instruments and hedge counterparties and the hedging agreements may not be effective.

We have entered and in the future may enter into financing agreements with variable interest rates. Although we typically hedge our variable interest rate financing agreements using customary market hedging instruments, the hedging instruments that we use may not completely counterbalance a potential change in interest rates or may not match the loan maturity. As of March 31, 2017, almost all of our loans which carried a variable interest rate had been hedged. The valuation of hedging instruments itself depends on the level of interest rates, impacting our equity and, to a lesser extent, our results of operations. A similar decrease in the interest rate would have resulted in the opposite, but even more pronounced, effect, meaning it would have had a negative impact on our equity and a positive effect on our results of operations and our net assets. Further, we may be unable to enter into, or only at significantly higher costs, extensions or renegotiations of hedging instruments that may become necessary given the interest rate terms at the relevant time.

We are exposed to the risk that our hedging counterparties will not perform their obligations as established by the hedging agreements into which we have entered. Hedging counterparties may default on their obligations to us due to lack of liquidity, operational failure, bankruptcy or for other reasons. Following the recent financial crises, the risk of counterparty default has become increasingly relevant. Market conditions have led to the failure or merger of a number of prominent businesses and financial institutions under distressed conditions in recent years.

Further, in case of negative floating interest rates we are obliged under hedging agreements in form of swaps to pay an additional amount to the respective hedge counterparty. Such amount is in addition to our obligation to pay the fixed amount and calculated based on the negative floating interest rates and the relevant nominal amount for the period. Accordingly, in case of material negative floating interest rates these payment obligations will be material as well.

We have a substantial level of debt and are dependent on refinancing significant amounts as they become due. We may not be able to extend our existing credit arrangements, refinance our debt on substantially similar terms when it matures or obtain acquisition financing on financially attractive terms when needed.

We may require additional capital to finance or refinance our debt, capital expenditures, future acquisitions and working capital requirements. In order to undertake our planned programs such as refurbishment, or to acquire further real estate portfolios, we will likewise need to borrow additional funds or to raise additional equity capital. The extent of our future capital requirements will depend on many factors which are beyond our control, and our ability to meet such capital requirements will depend on future operating performance and ability to generate cash flows. Additional sources of financing may include equity, hybrid debt/equity and debt financings or other arrangements. There can be no assurance that we will be able to obtain additional financing on acceptable terms, or at all, when required.

If we do not generate sufficient cash flows or if we are unable to obtain sufficient funds from future equity or debt financings or at acceptable interest rates, we may not be able to pay our debts when due or to fund other liquidity needs. Any or all, or combination, of these factors would severely limit operating flexibility, and could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Our level of debt, the terms of current and future borrowings, and the hedging transactions we have entered into, or will enter into in the future, could significantly constrain our operations and could make it more difficult or expensive to obtain new sources of financing without breaching financial covenants.

In the past, we incurred debt in the form of loans to refinance existing obligations, as well as to finance acquisitions, and we intend to continue to do so in the future. As of March 31, 2017, our LTV-Ratio was 33.8%. Our ability to refinance financial obligations by taking on new debt or extending existing loans could be impeded as a result of our level of debt. Although not currently the case, our level of debt could lead banks to refuse to grant new loans, to make new loans available to us only on less favorable financial

terms, to refuse to extend existing credit lines, to extend them only on less favorable terms or to require additional security.

Our existing debt facilities require compliance with certain financial and maintenance covenants, some of which require us not to exceed a certain maximum loan-to-value ("**LTV**") and/or require us to maintain a minimum debt service coverage ratio. Our failure to comply with such covenants could trigger the respective creditor's right to terminate the relevant financing arrangement or require us to repay part of our debt to cure a breach in the covenants (see "*Business—Material Agreements—Financing Agreements*").

Various loans that the Company's subsidiaries obtain are secured by mortgages on real estate. Although we seek to obtain mortgages securing indebtedness which encumber only the particular real estate to which the indebtedness relates, certain loans may be collateralized by other real estate as well. If recourse on any loan incurred to acquire or refinance any particular property includes other properties, the equity in such other real estate could be reduced or eliminated through foreclosure on the relevant loan. If a loan is secured by a mortgage on a single property, we could lose that property through foreclosure if we default on that loan. If we were to default on a loan, it is possible that we would become involved in litigation related to matters concerning the loan, and such litigation could result in significant costs.

Certain situations or events allow our creditors to terminate certain debt facilities even without a breach of covenant, for example, if our economic situation is adversely affected. Any such event could cause all debt outstanding under the relevant facility to become immediately due and payable, and there could be cross defaults under other financing agreements for example, due to an event of default under another financing agreement or the non-payment of amounts due and payable. If we are forced to repay one or more of our financial obligations early or on short notice, whether due to default, cross default, or otherwise, we might be unable to do so, we might be able to do so only by refinancing on significantly less favorable economic terms or certain companies may be forced to sell some or all of the assets comprising our real estate portfolio. In addition, as of March 31, 2017, all of our assets serve as collateral to our lenders to secure our financial obligations. Creditors might also be able to seize significant amounts of the assets that we have pledged as collateral under certain of these financing agreements.

Approximately 0.2% of all our units owned are built on the basis of hereditary building rights (*Erbbaurechte*). The consent of the legal owners is required for a registration of land charges and mortgages over these units as well as for their sale. Although the owners are legally required to grant such consent if and to the extent a requested encumbrance does not exceed a customary level (and in case of a sale, if the acquirer under the hereditary building is also able and willing to fulfill the obligations under hereditary building rights), it is difficult and time-consuming to actually obtain these consents or to obtain them in the requested amount.

The realization of any of the aforementioned risks could have a material adverse effect on our business, net assets and financial condition and results of operations.

Our cash flows and possible future dividend payments are dependent on the distributable capital and annual profit and profitability of our subsidiaries or must be augmented by borrowed capital.

We are a holding company and do not conduct our operating business ourselves but do so through our subsidiaries. To cover our operating costs, we rely on, among other things, distributions that we receive from our subsidiaries and other investment interests or, as the case may be, scheduled repayments of loans we have granted to our subsidiaries. The distributions by our subsidiaries depend, in-turn, on the subsidiaries' operating results and their ability to make those distributions under applicable law and potential restrictions of existing and future loan contracts, including the consent of banks to the distribution of surplus cash or the repayment of shareholder loans. Such funds, and the ability to source cash from subsidiaries, may not be sufficient in the future to satisfy all of our payment obligations. If the funds are insufficient, we would need to obtain additional funds to be able to pay dividends.

Additionally, we require sufficient distributable results and/or distributable reserves in order to be able to pay out a dividend. The lack of distributable results and/or distributable reserves may hinder the payment of a dividend even if there is sufficient cash to cover a potential dividend payment.

Negative developments in connection with any such factors or at the level of each subsidiary, including any impairment of the ability by such subsidiary to continue making distributions of cash to the Company could force it to sell properties or borrow money on unfavorable terms, which could have a

material adverse effect on its cash flows, financial condition, results of operations and its ability to pay all or part of any planned dividend.

We will most likely refrain from paying dividends if available cash is insufficient for the payment thereof. If we should decide to borrow money to facilitate paying dividends, this could have a material adverse effect on our business, net assets, financial condition and results of operations.

REGULATORY AND LEGAL RISKS

Our business is subject to the general legal environment in Germany. Any disadvantageous changes in the legal environment, such as mandatory environmental modernization provisions, restrictions regarding modernization measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale, or disadvantageous changes to the Berlin Mietspiegel regulation, may be detrimental to us.

Our business is subject to the general legal framework that applies to housing, such as German tenancy law, as well as special provisions in other laws, such as social legislation, building and construction laws and monument protection laws. Any changes to German or European laws, which could include changes that have retroactive effect, or changes in the interpretation or application of existing laws could, therefore, have a negative effect on our business. Changes to tenant protection laws could make it more difficult to evict tenants, increase rents or pass on ancillary costs or modernization investment costs to the tenants. This could have a material adverse effect on the profitability of our investments and results of operations.

More restrictive environmental laws could also result in additional expenses. For example, since 2011, owners of specified centralized heated water supply facilities for use in multi-family residential units are obliged to test the level of potential legionella contamination at least every three years, thereby incurring additional costs for the testing as well as for remediation measures, if contamination is detected. Additional costs would also be incurred if the legal requirements relating to the construction and use of existing properties were to become more onerous. Construction and environmental requirements are of particular significance in this context. For example, the currently applicable version of the Energy Savings Regulation (*Energieeinsparverordnung*) prescribes specified investments into renovation aimed at reducing energy consumption (for instance, with respect to thermal insulation) and requires a landlord to present an energy certificate that discloses the property's energy efficiency to a potential tenant prior to entering into a new lease agreement. The same applies with respect to the sale of properties. Additionally, requirements may be imposed in order to increase the availability of disabled-accessible and adapted housing.

In addition, we could be adversely affected by changes to public building law which could restrict our ability to manage our properties in the way we had previously expected. For instance, on March 3, 2015, the Berlin government passed a regulation (*Umwandlungsverordnung*) according to which in currently around 40 areas of Berlin, located in the districts of Pankow (ten areas), Friedrichshain-Kreuzberg (nine areas), Neukölln (five areas), Tempelhof-Schöneberg (four areas), Mitte (five areas) and Treptow-Köpenick (three areas), defined as milieu protection (*Milieuschutz*) areas where rented apartments may no longer be turned into condominiums and sold (privatized), unless the relevant district has granted permission by means of an exception to this regulation, ensuring that people from all milieus can afford to rent apartments in all parts of the city. The owner of a rented apartment requires an exception permission by the relevant district to sell the apartment. Such exception permission may be granted, for example, in case that the apartment shall be sold to the current tenant. It is allegedly planned by several districts (e.g. Neukölln, Pankow and Charlottenburg-Wilmersdorf) to define further milieu protection (*Milieuschutz*) areas. Therefore an increasing number of milieu protection areas is expected and should be taken into consideration.

If these changes in the legal framework occurred, individually or together, or if other changes occurred in the legal framework, this could have a material adverse effect on our revenue and earnings and, thus, have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

If, in the course of a refurbishment or modernization, it should be discovered that a building undergoing said processes is subject to monument protection laws, the need to comply with monument protection requirements could lead to significant delays in the refurbishment or modernization process, in the inability to carry out particular refurbishment or modernization measures, and also in significantly

higher costs for the particular project. These factors could render us incapable of performing our contractual obligations to a buyer, with the consequence that the buyer's obligation to pay the purchase price would be excused or deferred.

Any of these factors could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

German laws protecting residential tenants and existing restrictions on the rate of rental increases could make it more difficult to increase the rents of residential units we own.

In Germany, the landlord-tenant relationship is subject to a significant level of statutory regulation which, for the most part, provides far-reaching social protection for tenants under residential leases. According to German law, for example, a landlord may not increase residential rents by more than an aggregate of 20% over a three-year period in general and by no more than an aggregate of 15% in Berlin.

If the parties to a tenancy agreement have not agreed on a stepped rent (*Staffelmiete*) or an indexation of rents (*Indexmiete*), which is only permissible within certain limits, and the tenant refuses to amend the tenancy agreement, a rent increase may be effected unilaterally within the statutory and contractual limits set forth in the respective rent index (*Mietspiegel*), or for those units that have been modernized or to compensate for certain necessary construction measures.

Following a rent increase, the tenants may have a special termination right. The Berlin municipality generates a new qualified rent index every two years. The latest update of the rent index for Berlin has been published in May 2017.

In addition to the generally applicable rent increase restrictions as mentioned above, we and our affiliates are subject to additional restraints on rent increases arising from the acquisition agreements through which the respective real estate portfolio were purchased. Such restrictions limit our ability to impose rent increases as the increase may not exceed the average cost of living index for a defined amount. Further mandatory legal provisions impose occupancy restrictions on landlords who have received public subsidies with regard to residential units. As of March 31, 2017, approximately 10.7% of the residential units were subject to rent restrictions that stem from public subsidies. The assumptions in our business plan with respect to the effect of occupancy rights and restrictions on rent increases may prove to be inaccurate. To the extent that the assumptions made are inaccurate, our rental income and operating profit may not grow over time as quickly as we have assumed or may remain static and thus adversely affect our business, net assets, financial condition, cash flows and results of operations.

Moreover, changes to the legal framework may further negatively impact our ability to increase rents. Affordable housing continues to be a political topic that attracts a high level of attention. Given the current political discussions, further restrictions to rent increases or other tenant-friendly regulations might be adopted, which could have a material adverse effect on our cash flows, financial condition and results of operations. The bill on the limitation of rent increase in tense housing markets (*Gesetz zur Dämpfung des Mietanstiegs auf angespannten Wohnungsmärkten und zur Stärkung des Bestellerprinzips bei der Wohnungsvermittlung, kurz Mietrechtsnovellierungsgesetz* ("**MietNovG**")) entered into force on June 1, 2015. A provision of the MietNovG that authorizes the German federal state governments to determine areas with a tight housing market entered into force on April 27, 2015. A decree declaring Berlin as an area with a tight housing market has been issued by the Berlin government on April 28, 2015. One of the main topics of the MietNovG is a cap on rents for new leases, the "*Mietpreisbremse*". Due to the numerous exceptions provided for in the MietNovG, its relevance for our portfolio of residential housing is, however, expected to be somewhat limited. Please also see "*Regulatory Environment—Current Developments in German Tenancy Law*" in this respect.

Tightened rent restrictions will impair our ability to increase rents, which could, in turn, have significant adverse effects on our financial condition and results of operations. Restrictions deriving from the strict German tenant protection regulations could have material adverse effects on our business, net assets, financial condition, cash flows and results of operation.

Further, German law and German courts provide tenants with protection against tenant evictions. Delayed evictions resulting from these protections can lead to substantial losses until the property is actually vacated. However, the Tenancy Law Amendment Act (*Mietrechtsänderungsgesetz*) has introduced provisions that are intended to give the landlord a cost-saving option and to expedite the eviction process,

see also "*Regulatory Environment—Limitations of German Tenancy Law—Statutory Protection of the Tenant Against Termination and Eviction*".

Any of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Adopted regulations may impose restrictions on our ability to convert rented apartments into condominiums.

On March 3, 2015, the Berlin government passed a regulation (*Umwandlungsverordnung*) according to which the conversion of rented apartments into condominiums is prohibited in certain areas of the city unless the relevant district has granted permission by means of an exception to this regulation. Although the conversion and sale of a whole property should not be affected, this regulation could hinder the conversion and sale of single apartments (see "*Regulatory Environment—Limitations of German Tenancy Law*" for more detailed information) and could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

Administrative decisions could affect the Company's ability to conduct its business at its discretion.

The Company could be adversely affected by decisions from public authorities on a municipal level. For instance, some of the Group's real estate is situated in urban redevelopment areas (*Sanierungsgebiete*) which imposes certain restrictions on the use and refurbishment of property. Such restrictions require, for example, obtaining the public authority's permission prior to entering into a lease agreement with a term longer than one year or selling the property. In addition, once the redevelopment has been completed, the municipality levies a compensation charge to reflect the increased value of the land due to the redevelopment. Any of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

The use of standardized contracts could result in claims for damages against us under a number of contracts, or in the loss of certain rights and privileges or of the respective rights to claim damages, if errors or problems arise in connection with the enforcement of such contracts.

As our business involves a large number of individual units and tenants, each with a relatively small individual value, we maintain numerous legal relationships, in particular with tenants, contractors and service providers, any one of which is not financially material to us. As a means of efficiently managing these legal relationships, we often make use of standardized documents and form contracts. These documents and contracts often contain ambiguities or errors, and the fact that any given document or contract is standardized may cause a significant number of contractual terms or even the validity of a large number of contracts to be affected. Due to frequent changes in the law, particularly in case law regarding general terms and conditions (*allgemeine Geschäftsbedingungen*), the use of such standardized contractual terms is not without risk. For example, it is possible that, as a result of changes to statutes or case law, ambiguities or errors in standard contract terms may give rise to claims or cause such subsidiaries to lose certain rights and privileges, or to lose their right to claim damages which could, in turn, adversely affect our rental income and operating profit.

Even in the case of contracts being prepared with legal advice, it is impossible for us to avoid problems of this nature in advance or in the future, because changes could occur in the legal framework, particularly via case law, making it impossible for us to avoid the ensuing legal disadvantages. Any of the aforementioned risks could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

If former property owners displaced between 1933 and 1990 bring property restitution and/or allocation claims, we could incur significant costs in connection with such claims.

From 1933 through 1945, the incumbent fascist regime perpetuated the expropriation (*Enteignung*) of property from Jewish individuals and others. From 1945 through 1990, the Soviet forces occupying the territory of the former German Democratic Republic (*Deutsche Demokratische Republik)* ("**GDR**"), and the government of the GDR, pursued the nationalization of privately owned real estate (*Volkseigentum*). As a result, no system of restoration of real estate to the pre-1933 status existed in the former GDR until 1990.

The German Restitution Act (*Gesetz zur Regelung offener Vermögensfragen*) entitles individuals or entities who suffered expropriation prior to the reunification of Germany in 1990 to bring claims for restitution of lost real estate or compensation for expropriation. While certain restitution claims for real estate were barred after December 31, 1992, the Jewish Claims Conference filed a general claim in 1992 due to the difficulty of specifying individual claims prior to the December 31, 1992 deadline. This general claim lists numerous former owners of real estate and their respective heirs who may be entitled to restitution or compensation under the German Restitution Act. It is not clear, however, how much real estate could be affected by the general claim. If specific claims are brought concerning real estate, the German Restitution Act requires that current owners of such real estate become subject to restrictions on material changes to, and transfer of, the real estate. Since the processing of claims may take up to several years, such restrictions may be in effect for that duration. If specific claims are successful, the owner(s) of the relevant real estate may be forced to transfer the real estate to the claimant.

As a result of the pursuit by the government of the GDR to nationalize privately owned real estate, the state became the owner of virtually all real estate (*Volkseigentum*). Following the reunification of Germany in October 1990, title to residential real estate owned by the government of the GDR was transferred to the municipalities in which such real estate was situated. The re-transfer of such real estate to individuals and non-public entities has been complex and has encountered difficulties. Moreover, housing cooperatives (*Wohnungsgenossenschaften*) may bring claims regarding real estate already transferred. There is no cut-off date by which housing cooperatives must file allocation claims, subject to limited exceptions. Should an allocation claim be successfully brought, we could be forced to transfer real estate to the claimant under certain circumstances**.**

Should any claims such as those mentioned above be brought in connection with real estate owned by us, we would be severely limited in our ability to manage the real estate and may even be forced to transfer real estate to successful claimants. Any such limitations or compulsory transfers of real estate could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We may incur environmental liabilities, for example, from residual pollution including wartime ordnance, soil conditions, asbestos and contaminants in building materials, as well as from possible building code violations.

Properties we own or acquire may contain soil or groundwater contamination, hazardous substances, wartime relics (including potentially unexploded ordnance) and/or other residual pollution and environmental risks. A certain number of the Company's assets are listed in the register of contaminated sites. Buildings and their fixtures might also contain asbestos, dichlorodiphenyltrichloroethane ("**DDT**"), polychlorinated biphenyl ("**PCB**"), pentachlorophenol ("**PCP**") and lindane above the allowable or recommended thresholds, or the buildings could bear other environmental risks, e.g., flooring material containing asbestos (i.e. "Floorflex" flooring). In total, as of March 31, 2017 approximately 16% of our residential buildings contain this flooring material. Refurbishment and removal of this material takes regularly place as part of our maintenance and repair efforts and the costs for these regular removals are reflected in our budgeting. Moreover, we own or may acquire properties that may contain undetected hazardous substances, such as lead from pipes in buildings from the turn of the nineteenth century and legionella (see "*—Regulatory and Legal Risks— Our business is subject to the general legal environment in Germany. Any disadvantageous changes in the legal environment, such as mandatory environmental modernization provisions, restrictions regarding modernization measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale, or disadvantageous changes to the Berlin Mietspiegel regulation, may be detrimental to us.*", "*Regulatory Environment—Limitations of German Tenancy Law—Requirement for Legionella Testing and Potential Remediation Measures*" and "*Regulatory Environment—Liability for Environmental Contamination*"), which are harmful to the health of the residents or contain such other environmental risks or contain substances which are not yet viewed as being harmful to the health of the residents, and are therefore not being categorized as hazardous. These materials may be detected or categorized as hazardous, and we may be obliged to remove and dispose of such materials.

We bear the risk of cost-intensive assessment, remediation or removal of such ground, soil or water contamination, hazardous substances, wartime relics or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the letting or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions, the termination of letting contracts for cause or for damages and other breach of warranty claims against us.

The remediation of any pollution and the related additional measures we would have to undertake could negatively affect us and could involve considerable additional costs that we may have to bear. We are also exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials, wartime relics or other residual pollution can negatively affect the value of a property and our ability to let or sell such a property.

Moreover, environmental laws impose actual and contingent obligations on us to undertake remedial action on contaminated sites and in contaminated buildings. These obligations may relate to sites we currently own or operate, sites we have formerly owned or operated or sites where waste from our operations has been deposited. Furthermore, actions for damages or remediation measures may be brought against us, namely under the German Federal Soil Protection Act (*Bundesbodenschutzgesetz*). According to this Act, not only the polluter but also its legal successor, the owner of the contaminated site and certain previous owners may be held liable for soil and pond water contamination. The costs of any removal, investigation or remediation of any residual pollution on such sites or in such buildings as well as costs related to legal proceedings, including potential damages, regarding such matters may be substantial, and it may be impossible, for a number of reasons, for us to have recourse against a former seller of a contaminated site or building or the party that may otherwise be responsible for the contamination. Laws and regulations, as may be amended over time, may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third parties for personal injury or other damages. In addition, if our employees infringe or have infringed environmental protection laws, we could be exposed to civil or criminal damages. We may be required to provide for additional reserves to sufficiently allocate toward our potential obligations to remove and dispose of any hazardous and toxic substances.

Our business is also exposed to the risk of non-compliance with Berlin building codes or environmental regulations. Even though we usually conduct inspections during the acquisition of individual properties, there is a risk that building codes or environmental regulations have not been complied with. It is also possible that landlord responsibilities could be further expanded with respect to fire protection and environmental protection, which could require additional refurbishment, maintenance and modernization requirements. Furthermore, the projected cost of such measures is based on the assumption that the required permits are issued promptly and that they are consistent with our plans. It is possible, however, that the required building permits will not always be issued in due course. If such permits are not issued promptly, or are issued only subject to conditions, this can lead to substantial delays in correcting the problems and result in higher than projected costs and lower rental income for the relevant properties.

The occurrence of any of the aforementioned risks could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We may not be granted building permits, or may be granted them only subject to onerous conditions, or additional requirements may be imposed on existing building permits.

The construction, alteration and refurbishment or a change of use of buildings will not be possible until a building permit is granted, it may be uncertain whether the relevant authorities will approve a respective construction project and what additional requirements may be imposed in connection with the building permit. In addition, special permissions could be required and must be obtained, particularly for measures taking place in urban redevelopment areas (*Sanierungsgebiete*) or preservation areas (*Erhaltungsgebiete*) and for real estates and buildings which are protected historic monuments. If we are not granted a building permit or another required permit, or a building permit or another required permit is granted only subject to onerous conditions, the rental income that we expect to generate from the relevant real estate could be considerably less than originally calculated. If a renovation project becomes financially unfeasible because a building permit or another required permit is not granted or is granted only subject to onerous conditions, the relevant entity may not be able to carry out the project and any expenditure already incurred may be lost. Moreover, changes in the requirements for construction or modernization of existing real estate could result in unforeseen additional costs. Any increase in operating costs resulting from the above-described events would adversely affect our operating profit. In addition, our remaining project development activities may be substantially impaired if the granting of a building permit is substantially delayed, made subject to additional administrative building constraints (*baurechtliche Auflagen*) or declined altogether. The occurrence of any of these factors could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We could be subject to liability claims for several years after selling properties.

In connection with the sale of properties, we make representations, warranties and negative declarations of knowledge to the purchasers with respect to certain characteristics of the relevant properties. The resulting obligations usually continue to exist after the sale, for a period of several years. In particular, we could be subject to claims for damages from purchasers, who could assert that we failed to meet our obligations, or that the representations we made to them were untrue. We could be required to make payments to the purchasers following legal disputes or litigation. If we do not have cash available to conduct such litigation or make such payments, we may be required to borrow funds, or, if we are unable to borrow funds to make such payments, we may be forced to sell investments to obtain such funds, which would in turn cause reduced levels of rental income and operating profit. If we provide warranties to third parties in connection with maintenance and modernization measures and claims are asserted against us because of defects, it is not always certain that we will have recourse against the companies that performed the work.

As a seller of properties, we are also liable to tenants for any breach of tenancy agreements by the buyer under certain circumstances, even where we no longer have any control over the property. Moreover, we continue to be exposed to liability for breach of contract even if the buyer resells the property and the subsequent buyer breaches any tenancy agreement. If, however, we notify the tenant of the change in ownership and the tenant fails to avail itself of the opportunity to terminate the tenancy at the earliest permitted termination date, we are, in general, released from liability. As a rule, when selling properties, we inform all tenants in writing of the change in landlord either alone or together with the acquirer. Such release from liability does not apply to security deposits (*Mietbürgschaften*) provided by the tenants. If the tenant is unable to receive its security deposit from the buyer of the property, the liability to repay such security deposit remains with the seller.

Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties that we have sold could have a material adverse effect on our business, net assets, financial condition, cash flows and results of operations.

We could be affected by adverse litigation decisions against companies unrelated to us but could affect or impact our business practices.

Any adverse litigation decisions against companies, especially real estate companies, could affect or impact our business practices even if we are unrelated to such companies. In particular, adverse litigation could result in restrictions and limitations on rental prices. Such adverse litigation could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

RISKS RELATED TO TAXATION

Our business is subject to the general tax environment in Germany and Luxembourg and to possible future changes in the taxation of enterprises in Germany, Luxembourg and in the European Union, which may change to our detriment.

Our business is subject to the general tax environment in Germany, Luxembourg and in the European Union. Changes in tax legislation, administrative practice or case law could have adverse tax consequences for us.

In addition, despite the existence of a general principle prohibiting retroactive changes, amendments to applicable laws, orders and regulations may be issued or altered with retroactive effect within certain limits. Additionally, divergent interpretations of tax laws by the tax authorities or the tax courts are possible. These interpretations may change at any time with adverse effects on our taxation burden. Furthermore, court decisions are often overruled by the tax authorities or tax courts which might lead to a higher burden as well as increased legal and tax advisory costs for us. Additionally, if adverse changes in the tax framework should occur, individually or together, this could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Our business includes cross-border financings within the European Union. Changes to the tax treatment of intra-group financing structures within the European Union could have adverse tax consequences for us. In particular, the BEPS Action Plan of the Organisation for Economic Co-Operation and Development (OECD) and its implementation in the European Union may have the consequence that

tax benefits from certain cross-border financings are no longer available to us. If that risk were to materialize, our overall tax burden will increase.

If these risks were to materialize, it could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We could be required to pay additional taxes following tax audits.

We are regularly subject to tax audits. Our most recent tax audit covered the fiscal years 2010 up to and including 2012 and was finalized in 2015. All tax assessment notices issued for the audit periods and for tax periods not yet audited are not yet final and are subject to full review and therefore can be changed by the tax authorities at any time without restrictions.

As a consequence of current or future tax audits or previously completed tax audits for which no final tax assessments have been issued, or as a result of possibly divergent tax law interpretations by the tax authorities or tax courts, any tax loss carry forwards could be reduced, or we could be obliged to pay additional taxes (e.g. resulting from the non-deductibility of intragroup payments for services or loans or interest and/or requalification of intragroup payments for services or loans or the challenging of the tax residency or assumption of a permanent establishment of a Group company (in particular as some of the Group companies are organized in the form of a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid* (B.V.))). Such additional taxes could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

The tax authorities might not accept all tax deductions for our interest payments.

In the course of our business, we have entered into several financing transactions with third parties and affiliates, including financing transactions for the acquisitions of real estate portfolios. There are several rules under the tax laws of the countries where our Group companies are located which restrict the tax deductibility of interest expenses for corporate income and trade tax purposes. Such rules have been changed considerably on several occasions in the recent past. As a result, major uncertainties exist as to the interpretation and application of such rules, which have not yet been clarified.

The tax deductibility of interest expenses depends on the absolute amount of interest expense and on our equity-ratio and any of our particular businesses, the annual tax EBITDA and the tax EBITDA of previous years. If the tax deductibility of interest expenses for corporate income tax and trade tax purposes were restricted, this would result in a higher tax burden and consequently, this could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

Our tax loss carry forwards may have been affected by past restructurings or may not survive future changes of the shareholders.

Some of our companies have significant tax loss carry forwards in an amount above €1 million. The aggregate amount of the companies' tax loss carry forwards as of March 31, 2017 is €86 million ("**Tax Losses**"). Some of these Tax Losses may have been or may be forfeited in whole or in part in the past or future, as a result of past restructurings (in particular the acquisition of 50% in the Company by the current shareholders from a former joint venture partner and the migration of the Company from Cyprus to Luxembourg), the initial public offering ("**IPO**") in July 2015 or future changes of the shareholders. In particular, any past or future corporate reorganization within the Group or relating to the Company's shareholding structure may result in the partial or complete forfeiture of the Tax Losses (to the extent the Tax Losses are not covered by taxable hidden reserves in our assets). With regard to the migration of the Company from Cyprus to Luxembourg, we have received a binding ruling that no German Real Estate Transfer Tax ("**RETT**") (*Grunderwerbsteuer*) has been triggered but did not apply for a ruling regarding impact on the Tax Losses. The tax burden in past or future periods would increase if profits could not be set off against Tax Losses which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

A direct or indirect unification of 95% or more of the shares of property holding corporations or a direct or indirect transfer of 95% or more of the interest in a property holding partnership within a five-year period may trigger German real estate transfer tax.

The Group is functionally divided into service or management companies on the one hand, and property holding companies on the other. The majority of the property holding companies are established as corporations and hold the legal or beneficial title to most parts of the Group's real estate portfolio. RETT is potentially triggered if, directly or indirectly, 95% or more of the shares of such corporations are transferred to or unified in the hand of one acquirer whereas the acquirer would be liable for such RETT. To the extent that the real estate is held by partnerships, RETT is potentially triggered if within any period of five years, 95% or more of interests in the respective real estate owning partnerships are directly or indirectly transferred from the current partners (which would include a sell-down by ADO Group Ltd) to new partners or to other entities. In the event of such transfers, the real estate owning partnerships would have to pay RETT at a rate of up to 6%, or such higher tax rate as may be applicable at the relevant time, of the respective properties' value as determined in accordance with applicable tax laws.

In addition, transaction costs for the acquisition of real estate may increase due to a change in German tax law.

Further, due to a change in law, it became significantly more difficult to purchase real estate portfolios without triggering RETT. Until June 2013, real estate companies were often able to structure real estate transactions in a tax neutral way by means of third-party structures that resulted in an economic participation of the acquirer in the purchased real estate of nearly 100% without triggering RETT. According to the new law, an acquisition can generally only be structured in a RETT neutral way if the direct and indirect holdings of the Company in the newly acquired real estate holding entity, when taken together, do not amount to at least 95%. Accordingly, if we intend to purchase real estate holding entities in a RETT neutral way, we may have to partner with one or more third parties that acquire more than 5% in the entity. This may make the acquisition process significantly more complex, may result in stronger minority rights for the partner and may ultimately increase acquisition costs and future administrative burdens in respect of the newly acquired entity. For more information, see "*—Risks Related to Taxation—A direct or indirect transfer of 95% or more of the shares of property holding corporations or a direct or indirect transfer of 95% or more of the interest in a property holding partnership within a five-year period may trigger German real estate transfer tax.*". In addition, it cannot be excluded that the legislator introduces a threshold lower than 95%. This may make the acquisition process significantly more complex, result in stronger minority rights for the partner and ultimately increase acquisition costs and future administrative burdens in respect of the newly acquired entity. If any of this should occur, this could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

We may lose the tax benefits from the extended trade tax deduction.

Currently the majority of the entities of our Group make use of the extended trade tax deduction pursuant to which the German trade tax basis is reduced by income exclusively derived from a mere letting and leasing of real property. If the requirements for the use of the extended trade tax deduction were not fulfilled or fall away, this could result in a higher trade tax burden, which could have material adverse effects on our business, net assets, financial condition, cash flows and results of operations.

The Group companies may not benefit from value-added tax grouping.

The Group is functionally divided into service or management companies on the one hand, and property holding companies on the other hand. Intra-group services are rendered by the service companies to the property holding companies. Currently, no value-added tax (*Mehrwertsteuer*) ("**VAT**") is charged on such intra-group services as the Group companies rely on the existence of a VAT group between the Company and the majority of the German Group companies. VAT grouping requires the Group companies and the Company being entrepreneurs and the financial, organizational and economic integration of the Group companies into the Company. If the requirements of a VAT grouping were not fulfilled or fall away, this could result in a higher VAT burden for the years not yet audited, which could have material adverse effects on our business, net assets, financial conditions, cash flow and results of operations.

Changes in accounting standards may lead to adjustments in the relevant accounting positions of the Issuer. This may lead to a different perception of the market regarding the Issuer's creditworthiness and thus, the market price of the Notes might decrease.

The Issuer's consolidated financial statements are prepared in accordance with IFRS and the additional requirements pursuant to the Luxembourg law of 10 August 1915 on commercial companies, as amended (*Loi du 10 août 1915 concernant les Sociétés commerciales, telle que modifiée*). New or changed accounting standards may lead to adjustments in the relevant accounting positions of the Issuer. This may lead to a different perception of the market regarding the Issuer's creditworthiness. As a result, there is a risk that the market price of the Notes might decrease.

RISKS RELATED TO THE NOTES

The Notes may not be a suitable investment for all investors.

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to form an independent opinion whether to invest in the Notes.

An investment in the Notes is only suitable for investors who:

(i) possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Notes and the information contained in, or incorporated by reference into, this Prospectus or any supplement hereto;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;

(iii) fully understand the terms of the Notes and are familiar with the behavior of the financial markets;

(iv) are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(v) know that it may not be possible to dispose of the Notes for a substantial period of time, if at all, before maturity; and

(vi) are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect a potential investor's investment and ability to bear the applicable risks.

An investment in the Notes may be subject to inflation risks.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate were to increase and match or exceed the nominal yield, the real yield of the Notes would be zero or even negative.

The Holders are subject to exchange rate risks and exchange controls.

The Notes are denominated in euros. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if financial activities of a Holder are denominated principally in a currency or currency unit other than the euro (the "**Investor's Currency**"). These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's

Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal at all.

The Holders are exposed to risks relating to fixed interest notes.

The Notes bear interest at a fixed rate. A Holder of a fixed interest rate note carries the risk that the price of such note may fall as a result of changes in the current interest rate on the capital market (the "**Market Interest Rate**"). While the nominal interest rate of a note with a fixed interest rate is fixed in advance for the entire duration or during a certain period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of a note with a fixed interest rate also changes – but in the opposite direction. If the Market Interest Rate increases, the price of a note with a fixed interest rate typically falls until the yield of such note approximately equals the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed interest rate note typically increases until the yield of such note is approximately equal to the Market Interest Rate. Potential investors should be aware that movements of the Market Interest Rate can adversely affect the market price of the Notes and can lead to losses for Holders if they sell their Notes.

Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments.

Any person who purchases Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of a loss . A materialization of the credit risk may result in partial or complete failure of the Issuer to make interest and/or redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due, actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of this opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the same industry as the Issuer adversely changes. If any of these risks occur, third parties may only be willing to purchase the Notes for a lower price than before the materialization of said risk, or not at all. The market value of the Notes may therefore decrease and investors could lose some or all of their investment.

The Notes will be structurally subordinated to indebtedness of the subsidiaries of the Issuer.

The Notes will not be guaranteed by any of the subsidiaries of the Issuer. In the event of a liquidation, winding-up or dissolution or a bankruptcy, administration, reorganisation, insolvency, receivership or similar proceeding of any subsidiary of the Issuer, such subsidiary will pay the holders of its own debt (including holders of third-party debt which such subsidiaries have guaranteed) before they would be able to distribute any of their assets to the Issuer. As a result, the Issuer may not have sufficient assets to make payments on the Notes, respectively.

The Notes will be effectively subordinated to the Issuer's debt to the extent such debt is secured by assets that are not also securing the Notes.

Although the Terms and Conditions require the Issuer and its material subsidiaries to secure the Notes equally if they provide security for the benefit of capital market indebtedness, the requirement to provide equal security to the Notes is limited to capital market indebtedness and is subject to a number of significant exceptions and carve-outs as set out in detail in the Terms and Conditions of the Notes. To the extent the Issuer or any of its subsidiaries provides security interest over their assets for the benefit of other debt without also securing the Notes, the Notes will be effectively junior to such debt with respect to such assets.

As a result of the foregoing, holders of (present or future) secured debt of the Issuer may recover disproportionately more on their claims than the Holders in an insolvency, bankruptcy or similar proceeding. The Issuer may not have sufficient assets remaining to make payments under the Notes.

The Terms and Conditions of the Notes restrict, but do not eliminate, the Issuer's ability to incur additional debt, create liens or take other action that could negatively impact the Holders.

The Terms and Conditions of the Notes restrict the Issuer's ability to incur additional indebtedness and to create liens on its assets. However, these restrictions and undertakings may nonetheless allow the Issuer and its subsidiaries to incur significant additional (secured or unsecured) indebtedness, to grant additional security for the benefit of existing and future indebtedness and to enter into transactions, including reorganisations, mergers, acquisitions and other similar corporate transactions that may adversely affect the Holders. As a result of the foregoing, the Issuer may not have sufficient assets to make payments under the Notes.

The Notes may not, or may cease to satisfy the criteria to be recognized as eligible collateral for the central banking system for the euro (the "Eurosystem").

The Notes are issued in new global note form. The new global note form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem upon issue or at any or all times during their existence. However, in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time and the Notes may not, or may cease to qualify as eligible collateral for the Eurosystem. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

If the Notes are redeemed prior to maturity, a Holder of such Notes is exposed to the risk of a lower yield than expected.

The Issuer may redeem all or some of the outstanding Notes prior to maturity under certain circumstances as specified in the Terms and Conditions. If the Notes are redeemed prior to maturity, the Holders are exposed to the risk that due to such early redemption his investment will have a lower than expected yield. In such circumstances, the investor may be unable to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Also, if Holders have purchased the Notes above par, the redemption proceeds may be lower than the price such Holders paid to acquire their Notes.

The Issuer's ability to redeem or repurchase the Notes upon the occurrence of a change of control event may be limited by its access to funds.

Upon the occurrence of a change of control event, the Holders will have the right to require the redemption or, at the option of the Issuer, repurchase (or procure the purchase) in whole or in part of all of their Notes at 101% of the principal amount of such Notes, plus unpaid interest accrued up to (but excluding) the date of redemption. The Issuer's ability to redeem or repurchase the Notes upon such a change of control event will be limited by its access to funds at the time of the redemption or repurchase. Upon a change of control event, the Issuer may be required to repay 101% of the principal amount of such Notes, plus accrued and unpaid interest within a short period of time. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption or repurchases of tendered Notes.

An active public trading market for the Notes may not develop.

Application has been made for the Notes to be initially admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to be listed on the Official List of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). However, no assurance can be given as to whether such admission to trading and/or listing will be obtained and for how long it may be sustained.

Further, there can be no assurance regarding the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as analyst recommendations. The liquidity of, and the trading market for, the Notes may also be adversely affected by a general decline in debt securities markets. Such a decline may affect the

liquidity and trading of the Notes independent of the Issuer's financial performance and prospects. In an illiquid market, Holders may be unable to sell Notes at fair market prices, or at all. The possibility to sell Notes might additionally be restricted by country specific reasons. A potential investor must therefore be prepared to retain the Notes for an unspecified time period.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

The Notes have not been registered under the Securities Act, or any U.S. state securities laws. Consequently the Notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, and Holders who have acquired the Notes may be required to bear the costs of their investment in the Notes until their maturity. It is the Holders' obligation to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

The development of market prices of the Notes depends on various factors.

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including Market Interest Rate levels and rate of return.

The development of market prices of the Notes depends on various interacting factors, including but not limited to, changes of Market Interest Rate levels, the policies of central banks, overall economic developments, political events, inflation rates or the lack of or excess demand for the relevant type of Note. Holders are therefore exposed to the risk of an unfavorable development of market prices of the Notes which could materialize upon a sale of Notes.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a Holder will be able to sell his Notes may be at a discount, which could be substantial, to the issue price, or the purchase price paid by such Holder.

Ratings may not reflect all risks and are subject to change.

Ratings assigned to the Issuer by rating agencies are an indicator of the Issuer's ability to meet its obligations under the Notes in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that the Issuer's obligations will not be met at all or not be met in a timely manner. The market value of the Notes from time to time is likely to be dependent upon the level of credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice. A change, suspension or withdrawal of a rating may affect the price and the market value of the Notes. A Holder may thus incur financial disadvantages as he may not be able to sell the Notes or will only be able to do so at a discount, which could be substantial, to the issue price or the purchase price paid by such Holder.

One or more independent credit rating agencies may assign credit ratings to the Notes. Such ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. In addition, Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be lowered as a consequence thereof, this could have a material adverse effect on the trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Incidental costs related in particular to the purchase and sale of Notes may have a significant impact on the profit potential of the Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions generally charge commissions which are either fixed minimum commissions or pro rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), investors may also incur follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes. These additional costs may significantly reduce or eliminate any profit from holding the Notes.

Because the Global Notes are held by or on behalf of Euroclear and CBL, potential investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Notes will be represented by a temporary global note which is exchangeable for a permanent global note (the "**Global Notes**"). These global notes will be deposited with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A., Luxembourg ("**CBL**", and, together with Euroclear, the "**Clearing System**"). Investors will not be entitled to receive definitive notes. Euroclear and CBL will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will only be able to trade their beneficial interests through Euroclear and CBL and the Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the Clearing System for distribution to their account holders. A holder of a beneficial interest in the Global Notes must rely on the procedures of Euroclear and CBL to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in, the Global Notes.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.

The Terms and Conditions are based on the laws of Germany in effect as of the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality or suitability of its acquisition of the Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, whether its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, a potential investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of its capital invested without taking such or other risks into consideration before investing in the Notes.

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes then outstanding.

The Terms and Conditions may be amended or other measures relating to the Notes may be resolved by majority resolution of the Holders. The voting process under the Terms and Conditions will be governed by the German Act on Issues of Debt Securities ((*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) "**SchVG**"), pursuant to which the required participation of Holder votes (quorum) is principally set at 50% of the aggregate principal amount of the Notes then outstanding. In case there is no sufficient quorum, there is no minimum quorum requirement at a second meeting (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25% of the principal amount of Notes then outstanding must participate in the meeting or voting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of the Notes outstanding, the aggregate principal amount required to vote in favor of an amendment will vary based on the Holders participating in such vote. Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of other Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the

Terms and Conditions or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions and the SchVG.

The insolvency laws of Luxembourg may not be as favorable to Holders as the laws of other jurisdictions. Furthermore, the Issuer may shift its center of main interest to jurisdictions that are less favorable to Holders and thereby preclude or limit the ability of Holders to recover payments due on the Notes.

The Issuer is organized under the laws of Luxembourg and has its registered office in Luxembourg. A court is therefore likely to hold that the center of main interest of the Issuer is in Luxembourg. Consequently, provided that this presumption will not be rebutted and the center of main interest will not be shifted to another jurisdiction by the Issuer, any insolvency proceedings with regard to the Issuer are likely to be initiated in Luxembourg and would most likely be governed by the insolvency laws of Luxembourg. The provisions of Luxembourg insolvency law may differ substantially from the insolvency laws of other jurisdictions, including with respect to preferred satisfaction of secured creditors from enforcement proceedings , the ability to obtain post-petition interest and the duration of the insolvency proceedings, and hence may be less favorable to Holders than comparable provisions of other jurisdictions. The Issuer may shift its center of main interest, and thereby the applicable restructuring or insolvency laws, to another jurisdiction, which could offer less favorable terms to Holders than the laws of Luxembourg. In addition, even without such intentional shift of the center of main interests by the Issuer, it cannot be ruled out that a court or other competent authority of such other jurisdiction, will deem the restructuring or insolvency laws of such jurisdiction to be applicable and opens restructuring or insolvency proceedings under the laws of such jurisdiction with or without the consent of the Issuer.

Thus, the ability of Holders to recover payments due on the Notes may be or may become more limited or precluded than would be the case under the laws of other jurisdictions.

In case of certain events of default, the Notes will only be redeemable if Holders holding at least 15% of the aggregate principal amount of the Notes then outstanding declare the Notes due and payable. Such declaration of acceleration may be rescinded by majority resolution of the Holders.

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when BNP Paribas Securities Services (the "**Paying Agent**") has received such default notices from Holders representing at least 15% of the aggregate principal amount of the Notes then outstanding. In addition, under the SchVG, even if the threshold of 15% for a default notice has been reached, the Holders could rescind such acceleration by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices.

Holders should be aware that, as a result, they may not be able to accelerate the Notes upon the occurrence of certain events of default, unless the required quorum of Holders delivers default notices and such acceleration is not rescinded by majority resolution of the Holders.

Since no Holders' Representative will be appointed as from the Issue Date, it may be difficult for Holders to take collective action with respect to the Notes.

No initial representative for the Holders ("**Holders' Representative**") will be appointed under the Terms and Conditions and as a consequence it will become more difficult for Holders to take collective action with respect to the Notes. Any appointment of a Holders' Representative of the Notes post-issuance of the Notes will, therefore, require a majority resolution of the Holders.

If a Holders' Representative has been appointed by majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' Representative by a majority vote. In such case, the Holders' Representative becomes exclusively responsible to claim and enforce the rights of all of the Holders.

It is possible that a Holder may be deprived in its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed on a Holders' Representative.

If a Holders' Representative will be appointed by majority decision of the Holders it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the holders' representative by majority vote for the Notes who is then exclusively responsible to claim and enforce the rights of all the Holders of the Notes.

The income from the Notes may be reduced by taxes.

Potential investors should be aware that they may be required to pay taxes or other charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors should not rely on the tax discussions contained in this Prospectus, but ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the relevant investor. In addition, potential investors should be aware that tax laws and regulations as well as the interpretation and application thereof by the fiscal courts and the fiscal authorities may change, possibly with retroactive effect, which may result in a higher tax or administrative burden in connection with the taxation and withholding of income from the Notes.

Luxembourg Withholding Tax

Under the Relibi Law (as defined under "*Taxation—Taxation in Luxembourg—(ii) Resident holders of Notes*"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20%.

Under the Relibi Law, Luxembourg resident individuals, acting in the course of their private wealth who are the beneficial owners of interest payments, can opt to self-declare and pay a 20% levy on interest payments made after December 31, 2007 by paying agents located in a EU Member State other than Luxembourg or in a member state of the EEA other than a EU Member State. In such case, the 20% levy is calculated on the same amounts as for the payments made by Luxembourg paying agents. The Luxembourg resident individual who is the beneficial owner of interest is responsible for the declaration and the payment of the 20% final levy. The option for the 20% levy must cover all interest payments made by paying agents to the beneficial owner during the entire civil year.

TERMS AND CONDITIONS OF THE NOTES

ANLEIHEBEDINGUNGEN
(die „**Anleihebedingungen**“)

§ 1
WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Stückelung*. Diese Emission von Schuldverschreibungen (die „**Schuldverschreibungen“**) der ADO Properties S.A. (die „**Emittentin“**) wird am 27. Juli 2017 (der „**Begebungstag“**) im Gesamtnennbetrag von € 400.000.000 (in Worten: vierhundert Millionen Euro) in einer Stückelung von € 100.000 (die „**Festgelegte Stückelung“**) begeben.

(2) *Form*. Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde*.

(a) Die Schuldverschreibungen werden anfänglich durch eine vorläufige Globalurkunde (die „**Vorläufige Globalurkunde**“) ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die „**Dauerglobalurkunde**“ und, zusammen mit der Vorläufigen Globalurkunde, die „**Globalurkunden**“) ohne Zinsscheine verbrieft sind, ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde werden jeweils von einem ordnungsgemäß bevollmächtigten Vertreter der Emittentin unterschrieben und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden für die Schuldverschreibungen und Zinsscheine werden nicht ausgegeben.

Die Schuldverschreibungen werden in Form einer New Global Note (NGN) ausgegeben und von einem von den ICSDs (wie in Absatz (5) definiert) bestellten *common safekeeper* (der „**Common Safekeeper**“)

TERMS AND CONDITIONS
(the “**Terms and Conditions**”)

§ 1
CURRENCY, DENOMINATION, FORM CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This issue of notes (the “**Notes**”) of ADO Properties S.A. (the “**Issuer**”), is being issued in the aggregate principal amount of €400,000,000 (in words: four hundred million Euro) in a denomination of €100,000 each (the “**Specified Denomination**”) on July 27, 2017 (the “**Issue Date**”).

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note – Exchange for Permanent Global Note.*

(a) The Notes are initially represented by a temporary global note (the “**Temporary Global Note**” without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the “**Permanent Global Note**” and, together with the Temporary Global Note, the “**Global Notes**”) without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by an authorised representative of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive certificates representing individual Notes and coupons will not be issued.

The Notes are issued in new global note (NGN) form and are kept in custody on behalf of the ICSDs (as defined in paragraph (5)) by a common safekeeper (the “**Common Safekeeper**”) appointed by

im Namen der ICSDs verwahrt.

(b) Die Vorläufige Globalurkunde wird nach Ablauf von mindestens 40 Tagen nach dem Begebungstag gegen die Dauerglobalurkunde ausgetauscht. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der Schuldverschreibungen keine U.S.-Person(en) ist bzw. sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Solange die Schuldverschreibungen durch eine Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Begebungstag eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem Absatz (b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in Absatz (7) definiert) geliefert werden.

(4) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind abschließender Nachweis des Gesamtnennbetrags der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Gesamtnennbetrag der so verbrieften Schuldverschreibungen ist abschließender Nachweis des Inhalts des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.

the ICSDs.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note not earlier than 40 days after the Issue Date. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is or are, as applicable, not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the Issue Date will be treated as a request to exchange the Temporary Global Note pursuant to this paragraph (b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in paragraph (7)).

(4) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

Bei jeder Rück- oder Zinszahlung auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten der Rückzahlung, der Zinszahlung oder des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment of interest or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

Sofern nur ein Teil der Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, ausgetauscht wird, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.

(5) *Clearingsystem.* Jede Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. „**Clearing-system**“ bezeichnet Clearstream Banking, société anonyme, Luxemburg („**CBL**“) und Euroclear Bank SA/NV, Brüssel („**Euroclear**“) (CBL und Euroclear jeweils ein „**ICSD**“ und zusammen die „**ICSDs“**) sowie jeder Funktionsnachfolger.

(5) *Clearing System.* Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means the following: Clearstream Banking, société anonyme, Luxembourg ("**CBL**") and Euroclear Bank SA/NV, Brussels ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity.

(6) *Gläubiger von Schuldverschreibungen.* „**Gläubiger**“ bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

(6) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

(7) *Vereinigte Staaten.* Für die Zwecke dieser Anleihebedingungen bezeichnet „**Vereinigte Staaten**“ die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und den Northern Mariana Islands).

(7) *United States.* For the purposes of these Terms and Conditions, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2
STATUS

Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit solchen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

§ 2
STATUS

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

§ 3
NEGATIVVERPFLICHTUNG

(1) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Zahlstelle zur Verfügung gestellt wurden, keine dinglichen Sicherheiten an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten zu bestellen oder fortbestehen zu lassen, und zu gewährleisten, dass keine ihrer Wesentlichen Tochtergesellschaften die zuvor genannten Sicherheiten bestellt oder fortbestehen lässt, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden, vorbehaltlich Absatz (3), durch die betreffende Sicherheit gleichrangig und anteilig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

(2) *Beschränkung*. Die Verpflichtungserklärungen nach Absatz (1) gelten jedoch nicht für eine Sicherheit, die (i) über Vermögensgegenstände einer Tochtergesellschaft der Emittentin, die erst nach dem Begebungstag zu einer Tochtergesellschaft der Emittentin wurde, gewährt wurde, vorausgesetzt, dass die Sicherheit nicht im Zusammenhang mit dem Erwerb der Tochtergesellschaft begründet wurde, (ii) nach anwendbarem Recht gesetzlich vorgeschrieben ist, (iii) Voraussetzung für die Gewährung staatlicher Genehmigungen ist, (iv) bereits am Begebungstag

§ 3
NEGATIVE PLEDGE

(1) *Negative Pledge*. The Issuer undertakes, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, not to create or permit to subsist, and to procure that none of its Material Subsidiaries will create or permit to subsist, any security interest *in rem* (*dingliche Sicherheit*) over its assets to secure any Capital Market Indebtedness other than Securitized Capital Market Indebtedness unless, subject to paragraph (3), the Issuer's obligations under the Notes are secured equally and rateably with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

(2) *Limitation.* The undertakings pursuant to paragraph (1) shall not apply to a security which (i) was granted over assets of a subsidiary of the Issuer that becomes a Subsidiary only after the Issue Date provided that the security was not created in anticipation of the acquisition of the Subsidiary, (ii) is mandatory according to applicable laws, (iii) is required as a prerequisite for governmental approvals, (iv) existed on the Issue Date, (v) is granted by a Subsidiary over any existing or future claims of this Subsidiary against the Issuer or any of

bestand, (v) durch eine Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen dieser Tochtergesellschaft gegen die Emittentin oder eine ihrer Tochtergesellschaften aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren gewährt wurde, soweit diese Sicherheit zur Sicherung von Verpflichtungen dieser Tochtergesellschaft aus diesen Wertpapieren dient, (vi) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichert, die infolge der Akquisition eine Verpflichtung der Emittentin wird, (vii) eine Erneuerung, Verlängerung oder Ersetzung einer Sicherheit gemäß vorstehender Ziffern (i) bis (vi) darstellt oder (viii) nicht in den Anwendungsbereich von (i) bis (vii) fällt und Kapitalmarktverbindlichkeiten besichert, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die dingliche Sicherheiten (gewährt durch die Emittentin oder eine Wesentliche Tochtergesellschaft) bestehen, die nicht in den Anwendungsbereich von (i) bis (vii) fallen) € 200.000.000 (bzw. den Gegenwert in anderen Währungen am Tag der Bestellung dieser Sicherheit) nicht überschreitet.

its Subsidiaries as a result of passing on proceeds from the sale of any issuance of any securities, provided that such security serves as security for obligations of this Subsidiary under such securities, (vi) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer as a consequence of such acquisition, (vii) constitutes the renewal, extension or replacement of any security pursuant to the foregoing (i) through (vi), or (viii) does not fall within the scope of application of (i) through (vii) above and which secures Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Market Indebtedness which has the benefit of security (granted by the Issuer or any Material Subsidiary) other than any security falling within the scope of application of (i) through (vii) above) not exceeding € 200,000,000 (or its equivalent in other currencies as of the date of granting this security interest).

Eine nach diesem Absatz (2) zu bestellende Sicherheit kann auch zugunsten einer Person, die als Treuhänder der Gläubiger tätig ist, bestellt werden.

Any security which is to be provided pursuant to this paragraph (2) may also be provided to a person acting as trustee for the Holders.

(3) *Bestellung Sicherheiten.* Entsteht für die Emittentin eine Verpflichtung zur Besicherung der Schuldverschreibungen gemäß diesem § 3 (oder entsteht die Verpflichtung, für deren Besicherung durch eine Wesentliche Tochtergesellschaft Sorge zu tragen), so ist die Emittentin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass sie eine Sicherheit an dem jeweiligen Sicherungsgegenstand zugunsten eines Sicherheitentreuhänders bestellt (bzw. dadurch, dass sie die betreffende Wesentliche Tochtergesellschaft zur Begründung einer solchen Sicherheit veranlasst), und zwar in einer Weise, dass der Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund der Besicherung zur Bestellung dieser Sicherheit an dem

(3) *Provision of Security*. Whenever the Issuer becomes obligated to secure (or procure that a Material Subsidiary secures) the Notes pursuant to this § 3, the Issuer shall be entitled to discharge such obligation by providing (or procuring that the relevant Material Subsidiary provides) a security interest in the relevant collateral to a security trustee, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally, for the benefit of the Holders and the holders of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral, such equal rank to be created *in rem* or, if impossible to create *in rem*, contractually.

betreffenden Sicherungsgegenstand führte.

§ 4
VERZINSUNG

(1) *Zinssatz und Zinszahlungstage*. Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 27. Juli 2017 (der „**Verzinsungsbeginn**“) (einschließlich) mit 1,500 % p.a. bis zum Fälligkeitstag (ausschließlich). Die Zinsen sind jährlich nachträglich am 26. Juli zahlbar (jeweils ein „**Zinszahlungstag**“). Die erste Zinszahlung erfolgt am 26. Juli 2018 und beläuft sich auf € 1.495,89 je Festgelegte Stückelung.

(2) *Zahlungsverzug*. Wenn die Emittentin aus irgendeinem Grund die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem gesetzlichen Verzugszins[1] verzinst. Die Geltendmachung eines weitergehenden Schadens im Falle eines Zahlungsverzugs ist nicht ausgeschlossen.

(3) *Berechnung der Zinsen.* Sind Zinsen für einen Zeitraum zu berechnen, der kürzer ist als die Zinsperiode (wie in diesem Absatz (3) definiert), werden die Zinsen auf Grundlage der tatsächlichen Anzahl der in dem betreffenden Zeitraum abgelaufenen Kalendertage (einschließlich des ersten, aber ausschließlich des letzten Tages dieses Zeitraums), geteilt durch die tatsächliche Anzahl der Kalendertage der Zinsperiode (einschließlich des ersten, aber ausschließlich des letzten Tages der maßgeblichen Zinsperiode), in den der maßgebliche Zeitraum fällt, ermittelt.

„**Zinsperiode**“ bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten

§ 4
INTEREST

(1) *Rate of Interest and Interest Payment Dates*. The Notes shall bear interest on their principal amount at the rate of 1.500% *per annum* from (and including) July 27, 2017 (the “**Interest Commencement Date**”) to (but excluding) the Maturity Date. Interest shall be payable annually in arrear on July 26 (each such date, an “**Interest Payment Date**”). The first payment of interest shall be made on July 26, 2018 and will amount to €1,495.89 per Specified Denomination.

(2) *Late Payment.* If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue on the outstanding amount from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law[2]. Claims for further damages in case of late payment are not excluded.

(3) *Calculation of Interest*. Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined in this paragraph (3)), the interest will be calculated on the basis of the actual number of calendar days elapsed in the relevant period, from (and including) the first date in the relevant period to (but excluding) the last date of the relevant period, divided by the actual number of calendar days in the Interest Period in which the relevant period falls (including the first such day of the relevant Interest Period, but excluding the last day of the relevant Interest Period).

“**Interest Period**” means the period from (and including) the Interest Commencement Date to (but

[1] Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

[2] The default rate of interest established by statutory law is five percentage points above the basis rate of interest published by *Deutsche Bundesbank* from time to time, §§ 288 paragraph 1, 247 paragraph 1 of the German Civil Code.

Zinszahlungstag (ausschließlich) und anschließend den Zeitraum vom jeweiligen Zinszahlungstag (einschließlich) bis zum darauffolgenden Zinszahlungstag (ausschließlich).

excluding) the first Interest Payment Date and thereafter from (and including) each relevant Interest Payment Date to (but excluding) the next following Interest Payment Date.

§ 5
ZAHLUNGEN

§ 5
PAYMENTS

(1) *Zahlung von Kapital und Zinsen*. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich Absatz (2), an die Zahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nur nach ordnungsgemäßer Bestätigung gemäß § 1(3)(c).

(1) *Payment of Principal and Interest.* Payment of principal and interest in respect of the Notes shall be made, subject to paragraph (2) below, to the Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System. Payment of interest on Notes represented by a Temporary Global Note shall be made only upon due certification as provided in § 1(3)(c).

(2) *Zahlungsweise*. Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in Euro geleistet.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in euro.

(3) *Erfüllung.* Die Emittentin wird durch Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Geschäftstag*. Ist der Tag für eine Zahlung in Bezug auf eine Schuldverschreibung kein Geschäftstag, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet „**Geschäftstag**“ einen Tag (außer einem Samstag oder Sonntag), an dem Banken in Luxemburg und Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 („**TARGET2**“) betriebsbereit sind, um Zahlungen vorzunehmen.

(4) *Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in Luxembourg and Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") are operational to effect payments.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital und Zinsen der Schuldverschreibungen

(5) *References to Principal and Interest.* References in these Terms and Conditions to principal or interest in respect of the Notes shall be

schließen, soweit anwendbar, die folgenden Beträge ein: Rückzahlungsbetrag, Wahl-Rückzahlungsbetrag (Call), Wahl-Rückzahlungsbetrag (Put), gegebenenfalls gemäß § 8 zahlbare Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Wenn und soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

§ 6
RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 26. Juli 2024 (dem „**Fälligkeitstag**“) zurückgezahlt. Der „**Rückzahlungsbetrag**“ einer jeden Schuldverschreibung entspricht dabei ihrem Nennbetrag.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gemäß § 15 gegenüber den Gläubigern gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen vorzeitig zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften des Großherzogtums Luxemburg oder der Bundesrepublik Deutschland (oder für den Fall, dass die Emittentin gemäß § 8(4) einer anderen Steuerrechtsordnung unterworfen wird, der Gesetze oder Vorschriften dieser anderen

deemed to include, as applicable: the Final Redemption Amount, the Call Redemption Amount, the Put Redemption Amount, Additional Amounts which may be payable under § 8 and any other premium and any other amounts which may be payable under or in respect of the Notes.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 6
REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on July 26, 2024 (the “**Maturity Date**”). The “**Final Redemption Amount**” in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Grand-Duchy of Luxembourg or the Federal Republic of Germany (or in the event the Issuer becoming subject to another tax jurisdiction pursuant to § 8(4), the laws or regulations of such other tax jurisdiction) affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change becomes effective on or after the date on which the Notes were issued, the Issuer is required to pay Additional Amounts on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of measures available to the Issuer which are, in

Steuerrechtsordnung), die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag der Begebung der Schuldverschreibungen wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von Zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann, die nach Auffassung der Emittentin zumutbar sind (wobei jeweils die Interessen der Gläubiger zu berücksichtigen sind).

the judgement of the Issuer, in each case taking into account the interests of Holders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time upon not less than 45 days' nor more than 60 days' prior notice of redemption given, in accordance with § 15, to the Holders, at the principal amount together with interest accrued to (but excluding) the date fixed for redemption.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Eine solche Kündigung hat gemäß § 15 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Any such notice shall be given in accordance with § 15. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement summarizing the facts constituting the basis for the right of the Issuer so to redeem.

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

(3) *Early Redemption at the Option of the Issuer.*

(a) Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (5) verlangt hat) insgesamt oder teilweise, nach ihrer Wahl durch Erklärung gemäß § 15 gegenüber den Gläubigern vom 26. April 2024 (der „**Erste Rückzahlungstag**“) bis zum Fälligkeitstag zu ihrem Rückzahlungsbetrag zusammen mit allen nicht gezahlten Zinsen, die bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufen sind, zurück-

(a) The Issuer may, upon prior notice of redemption given, in accordance with § 15, to the Holders, redeem, at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of the option to require the redemption of such Note under paragraph (5)) in whole or in part within the period from April 26, 2024 (the "**First Call Date**") to the Maturity Date at their Final Redemption Amount together with any unpaid interest to (but excluding) the date fixed for redemption.

zahlen.

(b) Eine solche Kündigungserklärung ist unwiderruflich und muss die folgenden Angaben beinhalten: (i) die Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen, und (ii) den für die Rückzahlung festgesetzten Tag, der nicht weniger als 30 und nicht mehr als 60 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.

(b) Such notice shall be irrevocable and must specify (i) whether the Notes are to be redeemed in whole or in part and, if in part, the aggregate principal amount of the Notes which are to be redeemed, and (ii) the date fixed for redemption, which shall be not less than 30 nor more than 60 days after the date on which notice is given by the Issuer to the Holders.

(c) Werden die Schuldverschreibungen nur teilweise zurückgezahlt, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den üblichen Verfahren des betreffenden Clearing-systems ausgewählt. Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.

(c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the customary proceedings of the relevant Clearing System. Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the discretion of CBL and Euroclear.

(4) *Vorzeitige Rückzahlung nach Wahl der Emittentin (Make-Whole).* Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (5) verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gemäß § 15 gegenüber den Gläubigern kündigen und an einem von ihr anzugebenden Tag (dem „**Wahl-Rückzahlungstag (Call)**“) zu ihrem Wahl-Rückzahlungsbetrag (Call) zusammen mit allen nicht gezahlten Zinsen zurückzahlen, die bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) (aber ohne aufgelaufene Zinsen, die in dem Wahl-Rückzahlungsbetrag (Call) berücksichtigt sind) aufgelaufen sind. Sie ist unwiderruflich und muss den Wahl-Rückzahlungstag (Call) angeben.

(4) *Early Redemption at the Option of the Issuer (Make-Whole).* The Issuer may, upon not less than 45 days' nor more than 60 days' prior notice of redemption given, in accordance with § 15, to the Holders, redeem on any date specified by it (the "**Call Redemption Date**"), at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under paragraph (5)) in whole but not in part, at their Call Redemption Amount together with any unpaid interest accrued to (but excluding) the Call Redemption Date (but excluding accrued interest accounted for in the Call Redemption Amount). It shall be irrevocable and must specify the Call Redemption Date.

Der „**Wahl-Rückzahlungsbetrag (Call)**“ je Schuldverschreibung entspricht (i) dem Nennbetrag

The "**Call Redemption Amount**" per Note means the higher of (i) the principal amount per Note and

je Schuldverschreibung oder (ii), falls höher, dem Abgezinsten Marktpreis (*Make-Whole Amount*) je Schuldverschreibung. Der „**Abgezinste Marktpreis (Make-Whole Amount)**“ wird von einem von der Emittentin auf eigene Kosten bestellten unabhängigen Sachverständigen (der „**Unabhängige Sachverständige“**) am Rückzahlungs-Berechnungstag berechnet, indem der Nennbetrag und die verbleibenden Zinszahlungen bis zum Ersten Rückzahlungstag auf jährlicher Basis unter Zugrundelegung eines Jahres mit 365 bzw. 366 Tagen und der Zahl der tatsächlich in dem Jahr verstrichenen Tage und mit der Benchmark-Rendite plus 25 Basispunkte abgezinst werden.

(ii) the Make-Whole Amount per Note. The "**Make-Whole Amount**" will be an amount calculated by an independent financial adviser appointed by the Issuer at the Issuer's expense (the „**Independent Financial Adviser“**) on the Redemption Calculation Date by discounting the principal amount and the remaining interest payments to the First Call Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Benchmark Yield plus 25 basis points.

Die „**Benchmark-Rendite**“ ist die am Rückzahlungs-Berechnungstag bestehende Rendite, wie sie etwa um 12.00 Uhr mittags (Ortszeit Frankfurt am Main) auf der Bildschirmseite für die Referenzanleihe, oder, sollte zu diesem Zeitpunkt keine Rendite festgestellt werden können, die vorstehend bestimmte Rendite so wie sie zu einem anderen Zeitpunkt, der von dem Unabhängigen Sachverständigen für angemessen erachtetet wird, am Rückzahlungs-Berechnungstag auf der Bildschirmseite angezeigt wird.

"**Benchmark Yield**" means the yield as at the Redemption Calculation Date as appearing at around noon Frankfurt am Main time on the Screen Page in respect of the Benchmark Security, or if such yield cannot be so determined at such time, the yield determined as aforesaid as appearing on the Screen Page at such other time on the Redemption Calculation Date as may be considered to be appropriate by the Independent Financial Adviser.

„**Bildschirmseite**“ ist Bloomberg HP (Einstellung "Last Yield to Convention" und Verwendung der Preisquelle "FRNK") (oder jede Nachfolgeseite oder Nachfolge-Preisquelle) für die Referenzanleihe, oder, falls diese Bloomberg-Seite oder Preisquelle nicht verfügbar ist, eine andere Seite (falls vorhanden) eines Informationsanbieters, die weitgehend ähnliche Daten anzeigt, wie von dem Unabhängigen Sachverständigen für angemessen erachtet.

"**Screen Page**" means Bloomberg HP (setting "Last Yield To Convention" and using the pricing source "FRNK") (or any successor page or successor pricing source) for the Benchmark Security, or, if such Bloomberg page or pricing source is not available, such other page (if any) from such other information provider displaying substantially similar data as may be considered to be appropriate by the Independent Financial Adviser.

„**Referenzanleihe**“ ist die Euro Referenz-Anleihe der Bundesrepublik Deutschland fällig am 15. Mai 2024 mit ISIN DE0001102358 oder, falls diese Anleihe am Rückzahlungs-Berechnungstag nicht mehr aussteht, eine ersetzende Referenzanleihe, welche der Unabhängige Sachverständige auswählt, jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibungen bis zu deren Fälligkeitstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und in Übereinstimmung mit der üblichen Finanzmarktpraxis zur

"**Benchmark Security**" means the euro denominated benchmark debt security of the Federal Republic of Germany due May 15, 2024, carrying ISIN DE0001102358, or, if such security is no longer outstanding on the Redemption Calculation Date, such substitute benchmark security selected by the Independent Financial Adviser, in each case as having a maturity comparable to the remaining term of the Notes to the Maturity Date, that would be used at the time of selection and in accordance with customary

Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibungen vergleichbaren Laufzeit verwendet würde.

financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date of the Notes.

„**Rückzahlungs-Berechnungstag**" ist der zehnte Geschäftstag vor dem Wahl-Rückzahlungstag (Call).

"**Redemption Calculation Date**" means the tenth Business Day prior to the Call Redemption Date.

(5) *Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Kontrollwechsels*.

(5) *Early Redemption at the Option of the Holders upon a Change of Control*.

(a) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so ist jeder Gläubiger berechtigt, aber nicht verpflichtet, von der Emittentin die vollständige oder teilweise Rückzahlung oder, nach Wahl der Emittentin, den Ankauf (oder die Veranlassung eines Ankaufs) seiner Schuldverschreibungen innerhalb von 30 Tagen nachdem die Gläubigerwahl-Rückzahlungsereignis-Mitteilung gemäß Unterabsatz (b) bekannt gegeben wurde (der „**Ausübungszeitraum"**) zum Wahl-Rückzahlungsbetrag (Put) (das „**Gläubiger-Rückzahlungswahlrecht"**) zu verlangen. Dieses Gläubiger-Rückzahlungswahlrecht ist wie nachstehend unter den Unterabsätzen (b) bis (c) beschrieben, auszuüben.

(a) If a Change of Control occurs after the Issue Date, each Holder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes, within 30 days after a Put Event Notice under subparagraph (b) has been published (the "**Put Period**"), at the Put Redemption Amount (the "**Put Option**"). Such Put Option shall operate as set out below under subparagraphs (b) to (c).

Ein „**Kontrollwechsel**" gilt jedes Mal als eingetreten (unabhängig davon, ob die Geschäftsführung der Emittentin zugestimmt hat), wenn eine oder mehrere Personen, die gemeinsam handeln, (die „**relevante(n) Person(en)"**) oder ein oder mehrere Dritte, die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit unmittelbar oder mittelbar (i) 50 % oder mehr des Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin, auf die 50 % oder mehr der Stimmrechte entfallen, erwirbt bzw. erwerben oder hält bzw. halten.

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the board of directors of the Issuer) that any person or persons acting in concert ("**Relevant Person(s)**") or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) 50% or more of the share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying 50% or more of the voting rights.

Der „**Wahl-Rückzahlungsbetrag (Put)**" bezeichnet für jede Schuldverschreibung 101% des Nennbetrags der Schuldverschreibung zuzüglich nicht gezahlter bis zum Wahl-Rückzahlungstag (Put)

"**Put Redemption Amount**" means for each Note 101% of the principal amount of such Note, plus unpaid interest accrued to (but excluding) the Put Date.

(ausschließlich) aufgelaufener Zinsen.

(b) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so teilt die Emittentin dies unverzüglich, nachdem die Emittentin davon Kenntnis erlangt hat, den Gläubigern gemäß § 15 mit (eine „**Gläubigerwahl-Rückzahlungsereignis-Mitteilung**“) und gibt dabei die Art des Kontrollwechsels und das in diesem Absatz (5) vorgesehene Verfahren zur Ausübung des Gläubiger-Rückzahlungswahlrechts an (einschließlich der Angaben zum Clearingsystem-Konto der Zahlstelle für die Zwecke von Unterabsatz (c)(ii)(x) dieses Absatzes (5)).

(b) If a Change of Control occurs after the Issue Date, then the Issuer shall, without undue delay, after the Issuer becoming aware thereof, give notice of the Change of Control (a "**Put Event Notice**") to the Holders in accordance with § 15 specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this paragraph (5) (including the information on the Clearing System account of the Paying Agent for purposes of subparagraph (c)(ii)(x) of this paragraph (5)).

(c) Zur Ausübung des Gläubiger-Rückzahlungswahlrechts muss der Gläubiger an einem Geschäftstag innerhalb des Ausübungszeitraums, (i) bei der bezeichneten Geschäftsstelle der Zahlstelle eine ordnungsgemäß ausgefüllte Ausübungserklärung in der jeweils bei der Zahlstelle erhältlichen maßgeblichen Form zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) einreichen (die „**Gläubiger-Ausübungserklärung**“) und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Gläubiger-Rückzahlungswahlrecht ausüben möchte, und zwar entweder durch (x) Übertragung dieser Schuldverschreibungen auf das Clearingsystem-Konto der Zahlstelle oder (y) Abgabe einer unwiderruflichen Anweisung an die Zahlstelle, die Schuldverschreibungen aus einem Wertpapierdepot des Gläubigers bei der Zahlstelle auszubuchen. Die Emittentin wird die betreffende(n) Schuldverschreibung(en) sieben Tage nach Ablauf des Ausübungszeitraums (der „**Wahl-Rückzahlungstag (Put)**“) zurückzahlen oder nach ihrer Wahl ankaufen (oder ankaufen lassen), soweit sie nicht bereits vorher zurückgezahlt oder angekauft und entwertet wurde(n). Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das

(c) To exercise the Put Option, the Holder must deliver on any Business Day within the Put Period (i) to the Paying Agent at its specified office a duly completed notice of exercise in the then current form obtainable from the Paying Agent at least in text form (section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) (a "**Put Notice**") and (ii) the aggregate Specified Denomination of Notes for which the Holder wishes to exercise its Put Option by either (x) transferring such Notes to the Clearing System account of the Paying Agent or (y) giving an irrevocable instruction to the Paying Agent to withdraw such Notes from a securities account of the Holder with the Paying Agent. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date seven days after the expiration of the Put Period (the "**Put Date**") unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Put Notice, once given, shall be irrevocable.

Clearingsystem. Eine einmal abgegebene Gläubiger-Ausübungserklärung ist unwiderruflich.

(6) *Vorzeitige Rückzahlung bei Geringem Ausstehenden Gesamtnennbetrag der Schuldverschreibungen.* Wenn 80 % oder mehr des Gesamtnennbetrags der Schuldverschreibungen von der Emittentin oder einer direkten oder indirekten Tochtergesellschaft der Emittentin zurückgezahlt oder angekauft wurden, ist die Emittentin jederzeit berechtigt, nach vorheriger Bekanntmachung gegenüber den Gläubigern gemäß § 15 mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl die ausstehenden Schuldverschreibungen insgesamt, aber nicht teilweise, zum Nennbetrag zuzüglich bis zum tatsächlichen Rückzahlungstag (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zurückzuzahlen.

(6) *Early Redemption in case of Minimal Outstanding Aggregate Principal Amount of the Notes.* If 80% or more of the aggregate principal amount of the Notes have been redeemed or purchased by the Issuer or any direct or indirect Subsidiary of the Issuer, the Issuer may at any time, on not less than 30 or more than 60 days' notice to the Holders given in accordance with § 15, redeem, at its option, the remaining Notes in whole but not in part at the principal amount thereof plus unpaid interest accrued to (but excluding) the date of actual redemption.

§ 7
ZAHLSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Zahlstelle und deren anfänglich bezeichnete Geschäftsstelle ist:

BNP Paribas Securities Services,
Luxembourg Branch
60, avenue J.F. Kennedy
1855 Luxembourg
Großherzogtum Luxemburg

Die Zahlstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle zu ändern oder zu beenden und zusätzliche oder eine oder mehrere andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle unterhalten. Eine Änderung, Beendigung, Bestellung oder ein Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 15 vorab unter Einhaltung einer Frist von mindestens 30 und höchstens 45 Tagen informiert wurden.

§ 7
PAYING AGENT

(1) *Appointment; Specified Office.* The initial Paying Agent and its initial specified offices shall be:

BNP Paribas Securities Services,
Luxembourg Branch
60, avenue J.F. Kennedy
1855 Luxembourg
The Grand Duchy of Luxembourg

The Paying Agent reserves the right at any time to change its specified office to some other office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint another Paying Agent, additional or other paying agents. The Issuer shall at all times maintain a Paying Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 15.

(3) *Erfüllungsgehilfen der Emittentin*. Die Zahlstelle und jede andere nach Absatz (2) bestellte Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(3) *Agents of the Issuer*. The Paying Agent and any other paying agent appointed pursuant to paragraph (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

§ 8
STEUERN

§ 8
TAX

(1) *Zahlungen ohne Einbehalt oder Abzug von Steuern*. Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen des Großherzogtums Luxemburg oder der Bundesrepublik Deutschland (die „**Steuerjurisdiktion**“) oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Landes im Wege des Einbehalts oder Abzugs an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.

(1) *Payments Free of Taxes.* All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Grand-Duchy of Luxembourg or Federal Republic of Germany (the "**Taxing Jurisdiction**") or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

(2) *Zahlung Zusätzlicher Beträge*. Ist ein Einbehalt oder Abzug in Bezug auf zu zahlende Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die „**Zusätzlichen Beträge**“) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug erhalten worden wären; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für Steuern oder Abgaben:

(2) *Payments of Additional Amounts.* If such withholding or deduction with respect to amounts payable in respect of the Notes is required by l aw, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) die anders als durch Einbehalt oder Abzug von Zahlungen, welche die Emittentin an den Gläubiger leistet, zu entrichten sind; oder

(a) are payable otherwise than by withholding or deduction from payments, made by the Issuer to the Holder, or

(b) die von einer als Depotbank oder Inkassobeauftragte im Namen eines Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als

(b) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a

dadurch, dass die Emittentin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder

withholding or deduction by the Issuer from payments of principal or interest made by it, or

(c) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur maßgeblichen Steuerjurisdiktion zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der maßgeblichen Steuerjurisdiktion stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(c) are payable by reason of the Holder having, or having had, some personal or business relation to the relevant Taxing Jurisdiction and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the relevant Taxing Jurisdiction, or

(d) die durch eine Zahlstelle von der Zahlung einzubehalten oder abzuziehen sind, wenn die Zahlung von einer anderen Zahlstelle ohne einen solchen Einbehalt oder Abzug hätte vorgenommen werden können; oder

(d) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction, or

(e) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder Sparguthaben oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung, an denen die maßgebliche Steuerjurisdiktion oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder dieses Abkommen oder diese Vereinbarung umsetzt oder befolgt dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde (einschließlich des luxemburgischen Gesetzes vom 23. Dezember 2005, in seiner jeweils geltenden Fassung (*Relibi Gesetz*), einzubehalten oder abzuziehen sind; oder

(e) are withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income or savings, or (ii) any international treaty or understanding relating to such taxation and to which the relevant Taxing Jurisdiction or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding (including the Luxembourg Law dated 23 December 2005, as amended (*Relibi Law*), or

(f) die nicht erhoben oder einbehalten oder abgezogen worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen

(f) would not have been imposed, withheld or deducted but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer or a Paying Agent addressed to the

erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin, einer Zahlstelle oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in der maßgeblichen Steuerjurisdiktion vorgeschriebenen Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der maßgeblichen Steuerjurisdiktion erhobenen Steuern oder für eine Reduzierung der Höhe des Einbehalts oder Abzugs solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der maßgeblichen Steuerjurisdiktion ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen; oder

Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of the relevant Taxing Jurisdiction, that is a precondition to exemption from, or reduction in the rate of withholding or deduction of, taxes imposed by the relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the relevant Taxing Jurisdiction), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation, or

(g) die Nachlasssteuern, Erbschaftsteuern, Schenkungsteuern, Umsatzsteuern, Verbrauchsteuern, Verkehrsteuern, Vermögenssteuern oder ähnliche Steuern darstellen, oder

(g) are estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or

(h) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung wirksam wird; oder

(h) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or

(i) die aufgrund jeglicher Kombination der Absätze (a) bis (h) zu entrichten sind.

(i) are payable due to any combination of items (a) to (h),

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent

Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer der Zahlung erhält, soweit nach den Gesetzen der maßgeblichen Steuerjurisdiktion eine solche Zahlung steuerlich den Einkünften eines Begünstigten oder Treugebers in Bezug auf einen solchen Treuhänder oder eines Gesellschafters der Personengesellschaft oder eines wirtschaftlich Berechtigten zugerechnet würde, der jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn er selbst Gläubiger der Schuldverschreibungen wäre.

such payment would be required by the laws of the relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Note.

Zur Klarstellung wird festgehalten, dass die in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer zuzüglich des darauf anfallenden Solidaritätszuschlags sowie Kirchensteuer, soweit eine solche im Wege des Steuerabzugs erhoben wird, keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

For the avoidance of doubt, the withholding tax levied in the Federal Republic of Germany at the level of the custodian bank plus the solidarity surcharge imposed thereon as well as church tax, where such tax is levied by way of withholding, pursuant to tax law as in effect as of the Issue Date do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

Falls aufgrund einer Änderung der Rechtslage die in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank erhobene Kapitalertragsteuer und der darauf anfallende Solidaritätszuschlag einschließlich Kirchensteuer, soweit eine solche im Wege des Steuerabzugs erhoben wird, künftig auf Ebene der Emittentin zu erheben sind, stellen auch diese keine Steuern oder Abgaben der vorstehend beschriebenen Art dar, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

In case that due to a change in law the withholding tax levied in the Federal Republic of Germany at the level of the custodian bank and the solidarity surcharge imposed thereon including church tax, where such tax is levied by way of withholding, pursuant to tax law as in effect as of the Issue Date have to be levied at the level of the Issuer in the future, these, too, do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

(3) *FATCA.* Ungeachtet sonstiger hierin enthaltener Bestimmungen darf die Emittentin Beträge, die gemäß einer in Section 1471(b) des U.S. Internal Revenue Code von 1986 (der „**Code**“) beschriebenen Vereinbarung erforderlich sind oder die anderweitig aufgrund der Sections 1471 bis 1474 des Code (oder jeder Änderung oder Nachfolgeregelung), der Vorschriften oder Verträge darunter, der offiziellen Auslegungen davon oder jeglichen Umsetzungsgesetzes und zwischenstaatlichen Konzepts dazu vorgegeben sind, einbehalten oder abziehen („**FATCA Quellensteuer**“). Die Emittentin ist aufgrund einer durch die Emittentin, eine Zahlstelle oder eine

(3) *FATCA.* Notwithstanding any other provisions contained herein, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing and intergovernmental approach thereto ("**FATCA Withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding

andere Partei abgezogenen oder einbehaltenen FATCA Quellensteuer nicht zur Zahlung zusätzlicher Beträge oder anderweitig zur Entschädigung eines Investors verpflichtet.

deducted or withheld by the Issuer, any paying agent or any other party.

(4) *Andere Steuerjurisdiktion.* Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sind die Bezugnahmen in diesem § 8 auf die Jurisdiktion der Emittentin als Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese andere(n) Rechtsordnung(en) zu lesen und auszulegen.

(4) *Other Tax Jurisdiction.* If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer, references in this § 8 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer and/or to such other jurisdiction(s).

§ 9
VORLEGUNGSFRIST, VERJÄHRUNG

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 Bürgerliches Gesetzbuch für die Schuldverschreibungen wird auf zehn Jahre verkürzt. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre vom Ende der betreffenden Vorlegungsfrist an.

§ 9
PRESENTATION PERIOD, PRESCRIPTION

The presentation period provided for in section 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 10
KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe*. Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Gläubiger berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Abgabe einer Kündigungserklärung gemäß Absatz (2) gegenüber der Zahlstelle fällig zu stellen und (vorbehaltlich des nachfolgenden Absatzes (4)) deren unverzügliche Rückzahlung zu ihrem Nennbetrag zuzüglich bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zu verlangen. Jedes der folgenden Ereignisse stellt einen „**Kündigungsgrund**“ dar:

(a) Die Emittentin zahlt auf die Schuldverschreibungen fällige Kapital- oder Zinsbeträge oder sonstige Beträge nicht innerhalb von 30 Tagen nach Fälligkeit;

§ 10
EVENTS OF DEFAULT

(1) *Events of Default.* If an Event of Default occurs and is continuing, each Holder shall be entitled to declare due and payable by submitting a Termination Notice pursuant to paragraph (2) to the Paying Agent its entire claims arising from the Notes and demand (subject to paragraph (4) below) immediate redemption at the principal amount thereof together with unpaid interest accrued to (but excluding) the date of actual redemption. Each of the following is an "**Event of Default**":

(a) The Issuer fails to pay principal, interest or any other amounts due under the Notes within 30 days from the relevant due date; or

oder

(b) die Emittentin erfüllt eine andere wesentliche Verpflichtung aus den Schuldverschreibungen nicht und die Nichterfüllung dauert – sofern sie geheilt werden kann – jeweils länger als 60 Tage fort, nachdem die Zahlstelle eine Aufforderung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) in der in Absatz (2) vorgesehenen Art und Weise von einem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder

(b) the Issuer fails to duly perform any other material obligation arising from the Notes and such failure, if capable of remedy, continues unremedied for more than 60 days after the Paying Agent has received a request at least in text form (section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) thereof in the manner set forth in paragraph (2) from a Holder to perform such obligation; or

(c) eine nicht im Rahmen der Schuldverschreibungen bestehende Finanzverbindlichkeit der Emittentin oder einer Wesentlichen Tochtergesellschaft wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische Fälligstellung oder auf andere Weise), wobei der Gesamtbetrag dieser Finanzverbindlichkeiten mindestens 1 % der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, beträgt. Zur Klarstellung wird festgehalten, dass dieser Absatz (1)(c) keine Anwendung findet, wenn die Emittentin oder die jeweilige Wesentliche Tochtergesellschaft nach Treu und Glauben bestreitet, dass diese Zahlungsverpflichtung besteht, fällig ist oder die Anforderungen für die vorzeitige Fälligstellung erfüllt sind; oder

(c) any Financial Indebtedness of the Issuer or any Material Subsidiary (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), *provided that* the aggregate amount of such Financial Indebtedness amounts to at least 1% of the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published. For the avoidance of doubt, this paragraph (1)(c) shall not apply, where the Issuer or the relevant Material Subsidiary contests in good faith that such payment obligation exists, is due or the requirements for the acceleration are satisfied; or

(d) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen generell ein; oder

(d) the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or

(e) gegen die Emittentin wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt, oder die Emittentin beantragt oder leitet ein solches Verfahren ein, oder

(e) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 days, or the Issuer applies for or institutes such proceedings; or

(f) die Emittentin geht in Liquidation, es sei

(f) The Issuer enters into liquidation unless

denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft und die andere Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen eingegangen ist.

this is done in connection with a merger or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes.

(2) *Kündigungserklärungen.* Eine Erklärung eines Gläubigers (i) gemäß Absatz (1)(b) oder (ii) zur Kündigung seiner Schuldverschreibungen gemäß diesem § 10 (eine „**Kündigungserklärung**“) hat in der Weise zu erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) in deutscher oder englischer Sprache übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 17(4) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung hält.

(2) *Termination Notices.* Any notice by a Holder (i) in accordance with paragraph (1)(b) or (ii) to terminate its Notes in accordance with this § 10 (a "**Termination Notice**") shall be made by means of a declaration made at least in text form (section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) to the Paying Agent in the German or English language delivered together with evidence by means of a certificate of the Holder's Custodian (as defined in § 17(4)) that such Holder, at the time of such Termination Notice, is a holder of the relevant Notes.

(3) *Heilung.* Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 10 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt worden ist; es ist zulässig, den Kündigungsgrund gemäß Absatz (1)(c) durch Rückzahlung der maßgeblichen Finanzverbindlichkeiten in voller Höhe zu heilen.

(3) *Cure.* For the avoidance of doubt, the right to declare Notes due in accordance with this § 10 shall terminate if the situation giving rise to it has been cured before the right is exercised and it shall be permissible to cure the Event of Default pursuant to paragraph (1)(c) by repaying in full the relevant Financial Indebtedness.

(4) *Quorum.* In den Fällen gemäß den Absätzen (1)(b) bis (c) wird eine Kündigungserklärung erst wirksam, wenn bei der Zahlstelle Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 15 % des Gesamtnennbetrages der dann ausstehenden Schuldverschreibungen eingegangen sind.

(4) *Quorum.* In the events specified in paragraph (1)(b) to (c), any notice declaring Notes due shall become effective only when the Paying Agent has received such default notices from the Holders representing at least 15% of the aggregate principal amount of the Notes then outstanding.

§ 11
VERPFLICHTUNGSERKLÄRUNGEN

§ 11
COVENANTS

(1) *Beschränkungen für das Eingehen von Finanzverbindlichkeiten.* Die Emittentin verpflichtet sich, nach dem Begebungstag keine Finanzverbindlichkeiten (mit Ausnahme von Finanzverbindlichkeiten zur Refinanzierung bestehender Finanzverbindlichkeiten mit einem

(1) *Limitations on the Incurrence of Financial Indebtedness.* The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing existing Financial Indebtedness with an

Gesamtnennbetrag, der dem Gesamtnennbetrag der refinanzierten Finanzverbindlichkeiten entspricht oder diesen unterschreitet) einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag keine Finanzverbindlichkeiten eingehen, wenn unmittelbar nach dem Wirksamwerden der Eingehung solcher weiterer Finanzverbindlichkeiten (unter Berücksichtigung der Verwendung der aus einer solchen Eingehung resultierenden Nettozuflüsse):

(a) das Verhältnis der (i) Summe aus (x) den Konsolidierten Nettofinanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) den Neuen Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden, zu der (ii) Summe aus (unter Ausschluss einer Doppelberücksichtigung) (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (y) den Kaufpreisen für Immobilienvermögen (ohne Abzüge für übernommene Finanzverbindlichkeiten), das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) der Zuflüsse aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden (jedoch nur soweit diese Zuflüsse nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurden) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der

aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, immediately after giving effect to the incurrence of such additional Financial Indebtedness (taking into account the application of the net proceeds of such incurrence),

(a) the ratio of (i) the sum of (x) the Consolidated Net Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the New Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the sum of (without duplication) (x) the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase prices of any Real Estate Property (without any deductions for assumed Financial Indebtedness) acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness) (such ratio, with respect to any date, the "**Loan-to-Value Ratio**" as of that date) would exceed 60%; or

„**Verschuldungsgrad (LTV)**“ zu dem entsprechenden Zeitpunkt) 60 % übersteigen würde; oder

(b) das Verhältnis (i) der Summe aus (x) den Besicherten Finanzverbindlichkeiten zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) den Neuen Besicherten Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden, zu (ii) der Summe aus (unter Ausschluss einer Doppelberücksichtigung) (x) der Bilanzsumme zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (y) der Kaufpreise für Immobilienvermögen (ohne Abzüge für übernommene Finanzverbindlichkeiten), das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) der Zuflüsse aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden (jedoch nur soweit diese Zuflüsse nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der „**Verschuldungsgrad (LTV) Besichertes Vermögen**“zu dem entsprechenden Zeitpunkt) 45 % übersteigen würde; oder

(b) the ratio of (i) the sum of (x) the Secured Financial Indebtedness as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the New Secured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase prices of any Real Estate Property (without any deductions for assumed Financial Indebtedness) acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceed were not used to acquire Real Estate Property or to reduce Financial Indebtedness) (such ratio, with respect to any date, the “**Secured Loan-to-Value Ratio**” as of that date) would exceed 45%; or

(c) (i) die Summe aus (x) dem Unbelasteten Vermögen zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin

(c) (i) the sum of (x) the Unencumbered Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have

veröffentlicht worden ist, und (y) dem seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erfassten (hinzuzurechnenden bzw. abzuziehenden) Unbelasteten Nettovermögen geringer wäre als 125 % der (ii) Summe aus (x) den Unbesicherten Finanzverbindlichkeiten (unter Ausschluss von Finanzverbindlichkeiten aus Wandelschuldverschreibungen und vergleichbaren Instrumenten) zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) den Neuen Unbesicherten Finanzverbindlichkeiten (unter Ausschluss von Finanzverbindlichkeiten aus Wandelschuldverschreibungen und vergleichbaren Instrumenten), die seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, eingegangen wurden ((x) und (y) jeweils soweit diese Verbindlichkeiten zum Berechnungszeitpunkt noch ausstehen) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt die „**Unencumbered Asset (Unbelastetes Vermögen) Ratio**“ zu dem entsprechenden Zeitpunkt); oder

been published and (y) the Net Unencumbered Assets recorded (to be added or deducted, as applicable) since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published would be less than 125% of (ii) the sum of (x) the Unsecured Financial Indebtedness (excluding Financial Indebtedness under convertible bonds or equivalent instruments) as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the New Unsecured Financial Indebtedness (excluding Financial Indebtedness under convertible bonds or equivalent instruments) incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (each of (x) and (y) to the extent such indebtedness is still outstanding on the calculation date) (such ratio, with respect to any date, the “**Unencumbered Asset Ratio**” as of that date); or

(d) das Verhältnis (i) des Gesamtbetrags des Konsolidierten EBITDA gesamt in den letzten vier aufeinanderfolgenden Quartalen, die vor dem Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, geendet haben, zu (ii) dem Gesamtbetrag des Zahlungswirksamen Zinsergebnisses in den letzten vier aufeinanderfolgenden Quartalen, die vor dem Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, geendet haben, nicht weniger als 1,80 zu 1,00 betragen würde ((i) und (ii) wie von der Emittentin (nach billigem Ermessen) auf Pro-forma-Basis ermittelt (einschließlich einer Pro-forma-Heranziehung der Nettozuflüsse aus

(d) the ratio of (i) the aggregate amount of Consolidated EBITDA total in the respective most recent four consecutive quarters ending prior to the Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the aggregate amount of Net Cash Interest in the respective most recent four consecutive quarters ending prior to the Reporting Date for which Consolidated Financial Statements of the Issuer have been published would be no less than 1.80 to 1.00 (each of (i) and (ii) determined by the Issuer (in its reasonable judgment) on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Financial

den weiteren Finanzverbindlichkeiten), als ob die weiteren Finanzverbindlichkeiten zu Beginn dieser Vier-Quartale-Periode eingegangen worden wären) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der „**Zinsdeckungsgrad**“ zu dem entsprechenden Zeitpunkt)).

Indebtedness had been incurred at the beginning of such four quarter period) (such ratio, with respect to any date, the "**Interest Coverage Ratio**" as of that date)).

(2) *Berichte*. Solange Schuldverschrei bungen ausstehen, veröffentlicht die Emittentin die folgenden Angaben auf ihrer Internetseite:

(2) *Reports*. For so long as any Notes are outstanding, the Issuer shall post on its website,

(a) Innerhalb von 120 Tagen nach dem Ende jedes Geschäftsjahrs der Emittentin einen Geschäftsbericht mit einem geprüften Konzernabschluss in Übereinstimmung mit den in der Europäischen Union anwendbaren International Financial Reporting Standards (IFRS) und einem Lagebericht in Übereinstimmung mit Artikel 68 des luxemburgischen Gesetzes vom 19. Dezember 2002 über das Handels- und Gesellschaftsregister und die Rechnungslegung und Jahresabschlüsse von Gesellschaften (in der jeweils geltenden Fassung); und

(a) within 120 days after the end of each of the Issuer's fiscal years, annual reports containing the audited consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the management report in accordance with Article 68 of the Luxembourg law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended; and

(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale in jedem Geschäftsjahr der Emittentin einen ungeprüften verkürzten Konzern-Zwischenabschluss in Übereinstimmung mit den in der Europäischen Union anwendbaren International Financial Reporting Standards (IFRS) bzw. eine Quartalsmitteilung in Übereinstimmung mit den Anforderungen der Frankfurter Wertpapierbörse.

(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Issuer, unaudited condensed consolidated quarterly financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union or a quarterly statement in accordance with the requirements of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

§ 12
ERSETZUNG

§ 12
SUBSTITUTION

(1) *Ersetzung*. Die Emittentin ist berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen auf die Schuldverschreibungen vorliegt, jederzeit ohne die Zustimmung der Gläubiger ein mit der Emittentin verbundenes Unternehmen an Stelle der Emittentin als Hauptschuldnerin (die „**Nachfolgeschuldnerin**“) für alle Verpflichtungen

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with these

aus oder im Zusammenhang mit den Schuldverschreibungen einzusetzen, *vorausgesetzt, dass*:

Notes (the "**Substitute Debtor**") *provided that*:

(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;

(a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Notes;

(b) die Nachfolgeschuldnerin und die Emittentin alle für die Ersetzung notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten hat und sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und die Verpflichtungen der Nachfolgeschuldnerin aus den Schuldverschreibungen gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;

(b) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations under the Notes and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Notes are valid and binding in accordance with their respective terms and enforceable by each Holder;

(c) die Nachfolgeschuldnerin alle für die Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der erforderlichen Währung an die Zahlstelle überweisen kann, ohne zum Einbehalt oder Abzug von Steuern oder sonstigen Abgaben gleich welcher Art verpflichtet zu sein, die in dem Land erhoben werden, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz hat oder steuerlich ansässig ist;

(c) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to withhold or deduct any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(d) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben, Festsetzungen oder behördlichen Lasten freizustellen, die einem Gläubiger im Zusammenhang mit der Ersetzung auferlegt werden;

(d) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;

(e) die Emittentin (in derartiger Eigenschaft, die „**Garantin**") unwiderruflich und

(e) the Issuer (in such capacity, the "**Guarantor**") irrevocably and

unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert (die „**Garantie“**), die sicherstellen, dass jeder Gläubiger in der wirtschaftlichen Position ist, die mindestens so vorteilhaft ist wie die Position, in der die Gläubiger wären, wenn die Ersetzung nicht stattgefunden hätte; und

unconditionally guarantees (the "**Guarantee**") in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and

(f) die Emittentin einem zu diesem Zweck bestellten Beauftragten ein Rechtsgutachten bezüglich jeder betroffenen Rechtsordnung von anerkannten Rechtsanwälten vorgelegt hat, das bestätigt, dass die Bestimmungen in den vorstehenden Unterabsätzen (a) bis (d) erfüllt worden sind.

(f) the Issuer shall have delivered to an agent appointed for that purpose one legal opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) to (d) above have been satisfied.

(2) *Bekanntmachung*. Jede Ersetzung der Emittentin gemäß diesem § 12 sowie das Datum, an dem die Ersetzung wirksam wird, ist gemäß § 15 bekanntzugeben.

(2) *Notice*. Any substitution of the Issuer pursuant to this § 12 and the date of effectiveness of such substitution shall be published in accordance with § 15.

(3) *Änderung von Bezugnahmen*. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin (mit Ausnahme der Bezugnahme auf die Emittentin in § 11) ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf das Großherzogtum Luxemburg und die maßgebliche Steuerjurisdiktion im Hinblick auf die Emittentin gilt ab diesem Zeitpunkt als Bezugnahme auf die im Hinblick auf die Nachfolgeschuldnerin maßgebliche Steuerjurisdiktion. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme auf die Emittentin in § 11 ab dann als Bezugnahme auf die Garantin. Zudem gilt eine Bezugnahme auf die Garantin in § 3 und § 10(1)(c) bis (f) als einbezogen (zusätzlich zur Bezugnahme auf die Nachfolgeschuldnerin gemäß dem ersten Satz dieses Absatzes (3)). Darüber hinaus gilt im Falle einer solchen Ersetzung ein weiterer Kündigungsgrund in § 10(1) als vereinbart; ein solcher Kündigungsgrund soll bestehen, falls die Garantie aus irgendeinem Grund unwirksam ist oder wird.

(3) *Change of References.* Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer (other than references to the Issuer in § 11) shall from then on be deemed to refer to the Substitute Debtor and any reference to the Grand-Duchy of Luxembourg and the relevant Taxing Jurisdiction with respect to the Issuer shall from then on be deemed to refer to the relevant taxing jurisdiction with respect to the Substitute Debtor. Upon effectiveness of the substitution any reference to the Issuer in § 11 shall from then on be deemed to refer to the Guarantor. In addition, in § 3 and § 10(1)(c) to (f) a reference to the Guarantor shall be deemed to have been included in addition to the reference according to the first sentence of this paragraph (3) to the Substitute Debtor. Furthermore, in the event of such substitution, a further event of default shall be deemed to be included in § 10(1); such event of default shall exist in the case that the Guarantee is or becomes invalid for any such reason.

(4) *Weitere Ersetzungen.* Die Nachfolgeschuldnerin ist jederzeit nach einer Ersetzung gemäß

(4) *Further Substitution.* At any time after a substitution pursuant to paragraph (1) above, the

vorstehendem Absatz (1) berechtigt, ohne die Zustimmung der Gläubiger eine weitere Ersetzung vorzunehmen, vorausgesetzt, dass alle Bestimmungen der vorstehenden Absätze (1) bis (3) sinngemäß Anwendung finden und, ohne hierauf beschränkt zu sein, Bezugnahmen in diesen Anleihebedingungen auf die Emittentin, sofern der Zusammenhang dies verlangt, (auch) als Bezugnahmen auf jede weitere Nachfolgeschuldnerin gelten, wobei die Ersetzung gemäß diesem § 12 in keinem Fall die Wirkung einer Befreiung der Emittentin von irgendwelchen Verpflichtungen aus ihrer Garantie hat.

Substitute Debtor may, without the consent of the Holders, effect a further substitution *provided that* all the provisions specified in paragraphs (1) to (3) above shall apply, *mutatis mutandis*, and, without limitation, references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor, *provided that* in no event shall any substitution under this § 12 have the effect of releasing the Issuer from any of its obligations under its Guarantee.

§ 13
BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist, vorbehaltlich der Bestimmungen des § 11, berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags, des Verzinsungsbeginns, der ersten Zinszahlung und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

(3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

§ 13
FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues.* Subject to § 11, the Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the relevant issue date, interest commencement date, first interest payment date and/or issue price) so as to form a single series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 14
ÄNDERUNG DER ANLEIHEBEDINDUNGEN DURCH BESCHLÜSSE DER GLÄUBIGER, GEMEINSAMER VERTRETER

(1) *Änderung der Anleihebedingungen*. Die Emittentin kann mit den Gläubigern Änderungen der Anleihebedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen („**SchVG**“) in seiner jeweils geltenden Fassung beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.

(2) *Mehrheit*. Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, oder über sonstige wesentliche Maßnahmen bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine „**Qualifizierte Mehrheit**“).

(3) *Beschlussfassung.* Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und §§ 5 ff. SchVG fassen.

(4) *Gläubigerversammlung.* Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der

§ 14
AMENDMENTS OF THE TERMS AND CONDITIONS BY RESOLUTIONS OF HOLDERS, JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (“**SchVG**”), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under paragraph (2) below. A duly passed majority resolution shall be binding equally upon all Holders.

(2) *Majority*. Except as provided by the following sentence and *provided that* the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75% of the voting rights participating in the vote (a “**Qualified Majority**”).

(3) *Passing of Resolutions.* The Holders may pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with §§ 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and §§ 5 et seqq. of the SchVG.

(4) *Meeting.* Attendance at the meeting (*Gläubigerversammlung*) and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice (*Einberufung*) no later than the

Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 17(4)(i)(a) und (b) dieser Anleihebedingungen und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 17(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(5) *Abstimmung ohne Versammlung*. Sollen Beschlüsse der Gläubiger durch eine Abstimmung ohne Versammlung nach § 18 SchVG gefasst werden, müssen die Gläubiger, zusammen mit der Stimmabgabe, ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 17(4)(i)(a) und (b) dieser Anleihebedingungen und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum Tag, an dem der Abstimmungszeitraum endet (einschließlich), nicht übertragbar sind, nachweisen.

(5) *Vote without a meeting*. If resolutions of the Holders shall be made by means of a vote without a meeting (*Abstimmung ohne Versammlung*) Holders must, together with casting their votes, demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 17(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such votes have been cast to (and including) the day the voting period ends.

(6) *Zweite Gläubigerversammlung.* Wird für die Gläubigerversammlung gemäß Absatz (4) oder die Abstimmung ohne Versammlung gemäß Absatz (5) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine Gläubigerversammlung einberufen, die als zweite Versammlung im Sinne des § 15 Abs. 3 Satz 3 SchVG anzusehen ist. Die Teilnahme an der zweiten Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer Anmeldung der Gläubiger abhängig. Für die Anmeldung der Gläubiger zu einer zweiten Versammlung gilt Absatz (4) Satz 3 entsprechend.

(6) *Second Noteholders' Meeting*. If it is ascertained that no quorum exists for the meeting pursuant to paragraph (4) or the vote without a meeting pursuant to paragraph (5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting, the scrutineer (*Abstimmungsleiter*) may convene a noteholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second noteholders' meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in paragraph (4) sentence 3 shall apply *mutatis mutandis* to the Holders' registration for a second meeting.

(7) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung

(7) *Holders' Representative*. The Holders may by majority resolution provide for the appointment

oder Abberufung eines gemeinsamen Vertreters (der „**Gemeinsame Vertreter**“), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen oder anderen wesentlichen Maßnahmen gemäß § 14(2) dieser Anleihebedingungen zuzustimmen.

(8) *Veröffentlichung*. Bekanntmachungen betreffend diesen § 14 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

§ 15
MITTEILUNGEN

(1) *Mitteilungen.* Alle die Schuldverschreibungen betreffenden Mitteilungen werden auf der Internetseite der Börse Luxemburg unter www.bourse.lu elektronisch veröffentlicht, wenn nicht in § 14(8) anders vorgesehen, sowie, falls gesetzlich vorgeschrieben, in den gesetzlich vorgesehenen zusätzlichen Medien. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichung am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam gegenüber den Gläubigern erfolgt.

(2) *Mitteilungen an das Clearingsystem.* Wenn eine Veröffentlichung von Mitteilungen nach dem vorstehenden Absatz (1) nicht weiterhin rechtlich oder nach den Regeln der Wertpapierbörse, an denen die Schuldverschreibungen notiert sind, erforderlich ist, kann die Emittentin die betreffende Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am fünften Kalendertag nach dem Tag der Mitteilung an das Clearingsystem als wirksam gegenüber den Gläubigern erfolgt.

(3) *Mitteilungen an die Emittentin*. Mitteilungen eines Gläubigers an die Emittentin haben in der Weise zu erfolgen, dass der Gläubiger

or dismissal of a joint representative (the “**Holders’ Representative**”), the duties and responsibilities and the powers of such Holders’ Representative, the transfer of the rights of the Holders to the Holders’ Representative and a limitation of liability of the Holders’ Representative. Appointment of a Holders’ Representative may only be passed by a Qualified Majority if such Holders’ Representative is to be authorized to consent, in accordance with § 14(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

(8) *Publication*. Any notices concerning this § 14 shall be made exclusively pursuant to the provisions of the SchVG.

§ 15
NOTICES

(1) *Notices.* Except as stipulated in § 14(8), all notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) at www.bourse.lu and, if legally required, in the form of media determined by law in addition thereto. Any notice so given will be deemed to have been validly given to the Holders on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).

(2) *Notification to the Clearing System*. If the publication of notices pursuant to paragraph (1) above is no longer required by law or the rules of the stock exchange on which the Notes are listed, the Issuer may deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given to the Holders on the fifth calendar day following the day on which the said notice was given to the Clearing System.

(3) *Notification to the Issuer*. Notices to be given by any Holder to the Issuer shall be made by means of a declaration at least in text form

der Zahlstelle eine entsprechende Erklärung zumindest in Textform (§ 126b Bürgerliches Gesetzbuch) übermittelt. Eine derartige Mitteilung kann von jedem Gläubiger gegenüber der Zahlstelle über das Clearingsystem in der von der Zahlstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen.

(section 126b of the German Civil Code, *Bürgerliches Gesetzbuch*) to be delivered to the Paying Agent. Such notice may be given by any Holder to the Paying Agent through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.

§ 16
DEFINITIONEN

§ 16
DEFINITIONS

„**Abgezinster Marktpreis (Make-Whole Amount)**“ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

“**Make-Whole Amount**” has the meaning assigned to such term in § 6(4).

„**Ausübungszeitraum**“ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

“**Put Period**” has the meaning assigned to such term in § 6(5)(a).

„**Begebungstag**“ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

“**Issue Date**” has the meaning assigned to such term in § 1(1).

„**Benchmark-Rendite**“ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

“**Benchmark Yield**” has the meaning assigned to such term in § 6(4).

„**Berichtsstichtag**“ ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

“**Reporting Date**” means 31 March, 30 June, 30 September and 31 December of each year.

„**Besicherte Finanzverbindlichkeiten**“ bezeichnet den Teil der Konsolidierten Nettofinanzverbindlichkeiten, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Emittentin oder ihrer Tochtergesellschaften besichert ist (jeweils nach IFRS ermittelt).

“**Secured Financial Indebtedness**” means that portion of the Consolidated Net Financial Indebtedness that is secured by a Lien on properties or other assets of the Issuer or any of its Subsidiaries (each as determined in accordance with IFRS).

„**Bilanzsumme**“ bezeichnet den Wert der konsolidierten Bilanzsumme der Emittentin und der Tochtergesellschaften, der in einer nach IFRS erstellten Konzernbilanz der Emittentin erscheint oder erscheinen würde, wobei die „*Bilanzsumme*“ die Zuflüsse aus den Finanzverbindlichkeiten, die eingegangen werden, einschließt.

“**Total Assets**” means the value of the consolidated total assets of the Issuer and the Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with IFRS, provided that „Total Assets” shall include the proceeds of the Financial Indebtedness to be incurred.

„**Bildschirmseite**“ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

“**Screen Page**” has the meaning assigned to such term in § 6(4).

„**CBL**“ hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

“**CBL**” has the meaning assigned to such term in § 1(5).

„**Clearingsystem**“ hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

“**Clearing System**” has the meaning assigned to such term in § 1(5).

„**Code**“ hat die diesem Begriff in § 8(3) zugewiesene Bedeutung.

„**Common Safekeeper**“ hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

„**Dauerglobalurkunde**“ hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

„**Depotbank**“ hat die diesem Begriff in § 17(4) zugewiesene Bedeutung.

„**Eingehen**“ bezeichnet in Bezug auf eine Finanzverbindlichkeit oder eine sonstige Verbindlichkeit einer Person die Begründung oder Übernahme dieser Finanzverbindlichkeit oder dieser sonstigen Verbindlichkeit oder die Abgabe einer Garantie oder Bürgschaft oder anderweitige Übernahme der Haftung für diese Finanzverbindlichkeit oder diese sonstige Verbindlichkeit; das „**Eingehen**“ bzw. „**eingegangen**“ sind entsprechend auszulegen.

„**Emittentin**“ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

„**Erster Rückzahlungstag**“ hat die diesem Begriff in § 6(3)(a) zugewiesene Bedeutung.

„**Euroclear**“ hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

„**Fälligkeitstag**“ hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.

„**FATCA Quellensteuer**“ hat die diesem Begriff in § 8(3) zugewiesene Bedeutung.

„**Festgelegte Stückelung**“ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

„**Finanzverbindlichkeiten**“ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) aus:

(i) aufgenommenen Geldern;

(ii) allen im Rahmen von Akzeptkrediten oder eines dematerialisierten

“**Code**” has the meaning assigned to such term in § 8(3).

“**Common Safekeeper**” has the meaning assigned to such term in § 1(3)(a).

“**Permanent Global Note**” has the meaning assigned to such term in § 1(3)(a).

“**Custodian**” has the meaning assigned to such term in § 17(4).

“**Incur**” means, with respect to any Financial Indebtedness or other obligation of any Person, to create, assume, guarantee or otherwise become liable in respect of such Financial Indebtedness or other obligation, and “**incurrence**” and “**incurred**” have the meanings correlative to the foregoing.

“**Issuer**” has the meaning assigned to such term in § 1(1).

“**First Call Date**” has the meaning assigned to such term in § 6(3)(a).

“**Euroclear**” has the meaning assigned to such term in § 1(5).

“**Maturity Date**” has the meaning assigned to such term in § 6(1).

“**FATCA Withholding**” has the meaning assigned to such term in § 8(3).

“**Specified Denomination**” has the meaning assigned to such term in § 1(1).

“**Financial Indebtedness**” means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

(i) money borrowed;

(ii) any amount raised by acceptance under any acceptance credit facility or

Äquivalents aufgenommenen Beträge;

(iii) allen im Rahmen von Fazilitäten zum Kauf kurzfristiger Schuldtitel oder im Rahmen der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder vergleichbaren Instrumenten aufgenommenen Beträgen;

(iv) veräußerten oder diskontierten Forderungen (außer bei einem Forderungsverkauf ohne Rückgriffsrecht);

(v) der Aufnahme von Beträgen im Rahmen anderer Rechtsgeschäfte (einschließlich Termingeschäften), die die wirtschaftliche Wirkung einer Kreditaufnahme haben, ausgenommen jedoch Bankgarantie-Fazilitäten, die der Emittentin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Emittentin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Emittentin oder einer Tochtergesellschaft verpflichtet hat;

(vi) einem Aufwendungsersatzanspruch in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Standby- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und

(vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den vorstehenden Absätzen (i) bis (vi) genannten Art,

a dematerialized equivalent;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, commercial papers or any similar instrument;

(iv) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(v) any amounts raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities made or to be made available by financial institutions to the Issuer or a Subsidiary under which the Issuer or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who agrees to purchase a Real Estate Property owned by the Issuer or a Subsidiary;

(vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above,

jeweils nur falls und soweit der jeweilige Betrag oder die jeweilige Verpflichtung nach IFRS als „*Verbindlichkeit*“ erfasst wird.

in each such case only if and to the extent the relevant amount or obligation is recorded as „*indebtedness*” in accordance with IFRS.

„**Garantie**“ hat die diesem Begriff in § 12(1)(e) zugewiesene Bedeutung.

“**Guarantee**” has the meaning assigned to such term in § 12(1)(e).

„**Garantin**“ hat die diesem Begriff in § 12(1)(e) zugewiesene Bedeutung.

“**Guarantor**” has the meaning assigned to such term in § 12(1)(e).

„**Gemeinsamer Vertreter**“ hat die diesem Begriff in § 14(7) zugewiesene Bedeutung.

“**Holders' Representative**” has the meaning assigned to such term in § 14(7).

„**Geschäftstag**“ hat die diesem Begriff in § 5(4) zugewiesene Bedeutung.

“**Business Day**” has the meaning assigned to such term in § 5(4).

„**Gläubiger**“ hat die diesem Begriff in § 1(6) zugewiesene Bedeutung.

“**Holder**” has the meaning assigned to such term in § 1(6).

„**Gläubiger-Ausübungserklärung**“ hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.

“**Put Notice**” has the meaning assigned to such term in § 6(5)(c).

„**Gläubiger-Rückzahlungswahlrecht**“ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

“**Put Option**” has the meaning assigned to such term in § 6(5)(a).

„**Gläubigerwahl-Rückzahlungsereignis-Mitteilung**“ hat die diesem Begriff in § 6(5)(b) zugewiesene Bedeutung.

“**Put Event Notice**” has the meaning assigned to such term in § 6(5)(b).

„**Globalurkunden**“ hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

“**Global Notes**” has the meaning assigned to such term in § 1(3)(a).

„**Gruppe**“ bezeichnet die Emittentin und ihre Tochtergesellschaften.

“**Group**” means the Issuer together with its Subsidiaries.

„**ICSDs**“ hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

“**ICSDs**” has the meaning assigned to such term in § 1(5).

„**IFRS**“ bezeichnet die International Financial Reporting Standards des International Accounting Standard Board in der jeweils geltenden Fassung.

“**IFRS**” means the International Financial Reporting Standards as published by the International Accounting Standards Board, as in effect from time to t me.

„**Immobilienvermögen**“ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) das im Konzernabschluss der Emittentin in den Bilanzpositionen „*Anlageimmobilien*“, „*zu Handelszwecken gehaltene Immobilien*“ „*Anzahlungen für Anlageimmobilien*“ und „*Anzahlungen bezüglich der für Handelszwecke*

“**Real Estate Property**” means (without duplication) the real estate property of the Issuer and the Subsidiaries that is recognized as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, or is required to be recognized in accordance with IFRS since the immediately

gehaltenen Immobilien“ zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, angesetzte oder nach IFRS seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, anzusetzende Immobilienvermögen der Emittentin und der Tochtergesellschaften.

preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, in the balance sheet items “*investment properties*”, “*trading properties*”, “*advances in respect of investment properties*” and “*advances in respect of trading properties*” of the Consolidated Financial Statements of the Issuer.

„**Kapitalmarktverbindlichkeit**“ bezeichnet jede gegenwärtige oder künftige Verpflichtung zur Rückzahlung aufgenommener Geldbeträge (einschließlich Verbindlichkeiten aus Garantien oder sonstigen Haftungsvereinbarungen für solche Verbindlichkeiten Dritter), die verbrieft ist in Form von Anleihen, Schuldverschreibungen oder sonstigen Wertpapieren, die an einer Börse, einem außerbörslichen Markt oder an einem anderen anerkannten Wertpapiermarkt notiert, zugelassen oder gehandelt werden können (zur Klarstellung: Schuldscheindarlehen sind keine Kapitalmarktverbindlichkeit).

“**Capital Market Indebtedness**” means any present or future obligation for the payment of borrowed money (including obligations by reason of any guarantee or other liability agreement for such obligations of third parties) which is in the form of, or represented by, bonds, notes or other securities which are capable of being quoted, listed, dealt in or traded on a stock exchange, over-the-counter-market or other recognised securities market (for the avoidance of doubt: *Schuldschein* loans/promissory notes shall be no Capital Market Indebtedness).

„**Konsolidierte Nettofinanzverbindlichkeiten**“ bezeichnet die Nettofinanzverbindlichkeiten der Emittentin und ihrer Tochtergesellschaften auf konsolidierter Basis, die nach IFRS als „*Darlehen und Ausleihungen*“ und „*Sonstige langfristige Verbindlichkeiten*“ abzüglich „*Zahlungsmittel und Zahlungsmitteläquivalente*“ und „*sonstige Geldeinlagen*“ ermittelt werden (jeweils wie im Konzernabschluss der Emittentin ausgewiesen).

“**Consolidated Net Financial Indebtedness**” means the net financial indebtedness of the Issuer and any of its Subsidiaries, on a consolidated basis determined in accordance with IFRS as “*loans and borrowings*” and “*other long-term liabilities*” less „*cash and cash equivalents*” and “*other deposits*” (each shown in the Consolidated Financial Statements of the Issuer).

„**Konsolidiertes EBITDA gesamt**“ bezeichnet den unter der Überschrift „*EBITDA aus Vermietung*“ angegebenen Zahlenwert zuzüglich des „*Nettogewinn aus Privatisierungsgeschäften*“, bereinigt um die Projektkosten mit Einmalcharakter und anderen außerordentlichen sowie periodenfremden Aufwendungen und Erträgen (jeweils vorbehaltlich der Bestimmungen in diesen Anleihebedingungen).

“**Consolidated EBITDA total**” means the number set out in the item “*EBITDA from rental activities*” together with “*net profit from privatizations*”, adjusted for nonrecurring project costs and other extraordinary and prior-period expenses and income (in each case subject to the determination specified in these Terms and Conditions).

„**Kontrollwechsel**“ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

“**Change of Control**” has the meaning assigned to such term in § 6(5)(a).

„**Konzernabschluss**“ bezeichnet in Bezug auf eine Person den nach IFRS erstellten Konzernabschluss

“**Consolidated Financial Statements**” means, with respect to any Person, the consolidated financial

mit Anhang und Lagebericht für diese Person und ihre Tochterunternehmen sowie Konzernzwischenabschlüsse und Quartalsmitteilungen (zum relevanten Zeitpunkt).

statements and notes to those financial statements and the group management report of that Person and its subsidiaries prepared in accordance with IFRS as well as interim consolidated financial statements and quarterly statements (as of the relevant date).

„**Kündigungserklärung**" hat die diesem Begriff in § 10(2) zugewiesene Bedeutung.

"**Termination Notice**" has the meaning assigned to such term in § 10(2).

„**Kündigungsgrund**" hat die diesem Begriff in § 10(1) zugewiesene Bedeutung.

"**Event of Default**" has the meaning assigned to such term in § 10(1).

„**Nachfolgeschuldnerin**" hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

"**Substitute Debtor**" has the meaning assigned to such term in § 12(1).

„**Neue Finanzverbindlichkeiten**" bezeichnet den Betrag der eingegangenen Finanzverbindlichkeiten abzüglich (i) des Betrags der zurückgezahlten Finanzverbindlichkeiten und (ii) „Zahlungsmittel und Zahlungsmitteläquivalente" (jeweils nach IFRS ermittelt).

"**New Financial Indebtedness**" means the amount of Financial Indebtedness incurred minus (i) the amount of Financial Indebtedness repaid and (ii) "*cash and cash equivalents*" (each as determined in accordance with IFRS).

„**Neue Besicherte Finanzverbindlichkeiten**" bezeichnet den Betrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Betrags der zurückgezahlten Besicherten Finanzverbindlichkeiten (jeweils nach IFRS ermittelt).

"**New Secured Financial Indebtedness**" means the amount of Secured Financial Indebtedness incurred minus the amount of Secured Financial Indebtedness repaid (each as determined in accordance with IFRS).

„**Person**" bezeichnet natürliche Personen, Körperschaften, Personengesellschaften, Joint Ventures, Vereinigungen, Aktiengesellschaften, Trusts, nicht rechtsfähige Vereinigungen, Gesellschaften mit beschränkter Haftung, staatliche Stellen (oder Behörden oder Gebietskörperschaften) oder sonstige Rechtsträger.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government (or any agency or political subdivision thereof) or any other entity.

„**Qualifizierte Mehrheit**" hat die diesem Begriff in § 14(2) zugewiesene Bedeutung.

"**Qualified Majority**" has the meaning assigned to such term in § 14(2).

„**Referenzanleihe**" hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

"**Benchmark Security**" has the meaning assigned to such term in § 6(4).

„**Relevante Person(en)**" hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

"**Relevant Person(s)**" has the meaning assigned to such term in § 6(5)(a).

„**Rückzahlungs-Berechnungstag**" hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

"**Redemption Calculation Date**" has the meaning assigned to such term in § 6(4).

„**Rückzahlungsbetrag**“ hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.

“**Final Redemption Amount**” has the meaning assigned to such term in § 6(1).

„**Schuldverschreibungen**“ hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

“**Notes**” has the meaning assigned to such term in § 1(1).

„SchVG“ hat die diesem Begriff in § 14(1) zugewiesene Bedeutung.

“**SchVG**” has the meaning assigned to such term in § 14(1).

„**Verschuldungsgrad (LTV) Besichertes Vermögen**“ hat die diesem Begriff in § 11(1)(b) zugewiesene Bedeutung.

“**Secured Loan-to-Value Ratio**” has the meaning assigned to such term in § 11(1)(b).

„**Sicherungsrecht**“ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte, Sicherung-Treuhandverträge, Sicherungsurkunden, Verpfändungsverträge, Sicherungsabtretungen, Sicherungsübereignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch u. a. einschließlich bedingte Kaufverträge oder Vereinbarungen unter Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstige Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine

“**Lien**” means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest in rem to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding

(i) in Abteilung 2 eines deutschen Grundbuchs eingetragenen Belastungen;

(i) any encumbrance registered in department 2 of the German land register;

(ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, u.a. Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises;

(ii) any lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any lien created in assets subject to a sale agreement for the purposes of financing the purchase price;

(iii) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung übermittelt wurde;

(iii) any lien in respect of which an unconditional deletion consent has been delivered to the relevant member of the Group;

(iv) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen;

(iv) any lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business;

(v) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden;

(v) any cash collateral posted in connection with cross-currency and interest rate hedging transactions;

(vi) Sicherungsrechte an Bankkonten nach Maßgabe von Finanzierungsvereinbarungen oder allgemeinen Geschäftsbedingungen des Anbieters von Bankkonten; und

(vi) any lien on bank accounts under financing agreements or general terms and conditions of any provider of bank accounts; and

(vii) Sicherungsrechte für Finanzverbindlichkeiten, die am Begebungstag ausstehen.

(vii) any lien securing Financial Indebtedness outstanding on the Issue Date.

„**Steuerjurisdiktion**" hat die diesem Begriff in § 8(1) zugewiesene Bedeutung.

"**Taxing Jurisdiction**" has the meaning assigned to such term in § 8(1).

„**Tochtergesellschaft**" bezeichnet jede Gesellschaft, Personengesellschaft und jedes sonstige Unternehmen, oder jede andere Person an der bzw. dem die Emittentin direkt oder indirekt insgesamt mehr als 50 % des Kapitals oder der Stimmrechte hält.

"**Subsidiary**" means any corporation, partnership or other enterprise in which the Issuer directly or indirectly holds in aggregate more than 50% of the capital or the voting rights.

„**Unabhängiger Sachverständiger**" hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

"**Independent Financial Adviser**" has the meaning assigned to such term in § 6(4).

„**Unbelastetes Nettovermögen**" bezeichnet den Wert des erworbenen Immobilienvermögens der Emittentin und ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich des Werts aller sonstigen erworbenen Vermögenswerte der Emittentin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind, abzüglich des Werts solcher Vermögenswerte (die nicht Gegenstand eines Sicherungsrechts waren), die (i) veräußert wurden oder (ii) Gegenstand eines Sicherungsrechts geworden sind (jeweils nach IFRS ermittelt).

"**Net Unencumbered Assets**" means the value of any Real Estate Property of the Issuer and its Subsidiaries not subject to any Lien acquired plus the value of all other assets of the Issuer and its Subsidiaries not subject to any Lien acquired minus the value of such assets (previously not being subject to a Lien) which (i) have been disposed of or (ii) have become subject to a Lien (each as determined in accordance with IFRS).

„**Unbelastetes Vermögen**" bezeichnet (unter Ausschluss einer Doppelberücksichtigung) (i) den Wert des Immobilienvermögens der Emittentin und

"**Unencumbered Assets**" means (without duplication) (i) the value of any Real Estate Property of the Issuer and its Subsidiaries that is not

ihrer Tochtergesellschaften, das nicht Gegenstand eines Sicherungsrechts ist, zuzüglich (ii) des Werts aller sonstigen Vermögenswerte der Emittentin und ihrer Tochtergesellschaften, die nicht Gegenstand eines Sicherungsrechts sind (wobei im Fall von (i) und (ii) der Wert des Immobilienvermögens und der sonstigen Vermögenswerte dem Betrag entspricht, der in einer nach IFRS erstellten Konzernbilanz der Emittentin erscheint oder erscheinen würde).

subject to any Lien, plus (ii) the value of all other assets of the Issuer and its Subsidiaries that is not subject to any Lien (where in case of (i) and (ii) the value of Real Estate Property and other assets shall be equal to such amounts that appear, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with IFRS).

„**Unbesicherte Finanzverbindlichkeiten**" bezeichnet den Teil des Gesamtbetrags aller ausstehenden Finanzverbindlichkeiten der Gruppe, bei dem es sich nicht um Besicherte Finanzverbindlichkeiten handelt (nach IFRS ermittelt).

"**Unsecured Financial Indebtedness**" means that portion of the aggregate amount of all outstanding Financial Indebtedness of the Group that is not Secured Financial Indebtedness (as determined in accordance with IFRS).

„**Neue Unbesicherte Finanzverbindlichkeiten**" bezeichnet den Betrag der eingegangenen Unbesicherten Finanzverbindlichkeiten abzüglich des Betrags der zurückgezahlten Unbesicherten Finanzverbindlichkeiten (jeweils nach IFRS ermittelt).

"**New Unsecured Financial Indebtedness**" means the amount of Unsecured Financial Indebtedness incurred minus the amount of Unsecured Financial Indebtedness repaid (each as determined in accordance with IFRS).

„**Unencumbered Asset (Unbelastetes Vermögen) Ratio**" hat die diesem Begriff in § 11(1)(c) zugewiesene Bedeutung.

"**Unencumbered Asset Ratio**" has the meaning assigned to such term in § 11(1)(c).

„**Verbriefte Kapitalmarktverbindlichkeit**" bezeichnet jede Kapitalmarktverbindlichkeit aus oder im Zusammenhang mit einer Verbriefung oder vergleichbaren Finanzierungsvereinbarung in Bezug auf Vermögenswerte der Emittentin oder ihrer Tochtergesellschaften, bei der die Rückgriffsrechte der Gläubiger der betreffenden Kapitalmarktverbindlichkeit auf die Emittentin ausschließlich auf die betreffenden Vermögenswerte oder die daraus erzielten Erträge beschränkt sind.

"**Securitized Capital Market Indebtedness**" means any Capital Market Indebtedness incurred in respect of or in connection with any securitization or similar financing arrangement relating to assets owned by the Issuer or its Subsidiaries and where the recourse of the holders of such Capital Market Indebtedness against the Issuer is limited solely to such assets or any income generated therefrom.

„**Vereinigte Staaten**" hat die diesem Begriff in § 1(7) zugewiesene Bedeutung.

"**United States**" has the meaning assigned to such term in § 1(7).

„**Verschuldungsgrad (LTV)**" hat die diesem Begriff in § 11(1)(a) zugewiesene Bedeutung.

"**Loan-to-Value Ratio**" has the meaning assigned to such term in § 11(1)(a).

„**Verzinsungsbeginn**" hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

"**Interest Commencement Date**" has the meaning assigned to such term in § 4(1).

„**Vorläufige Globalurkunde**" hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

"**Temporary Global Note**" has the meaning assigned to such term in § 1(3)(a).

„**Wahl-Rückzahlungsbetrag (Call)**“ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“**Call Redemption Amount**” has the meaning assigned to such term in § 6(4).
„**Wahl-Rückzahlungstag (Call)**“ hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.	“**Call Redemption Date**” has the meaning assigned to such term in § 6(4).
„**Wahl-Rückzahlungsbetrag (Put)**“ hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.	“**Put Redemption Amount**” has the meaning assigned to such term in § 6(5)(a).
„**Wahl-Rückzahlungstag (Put)**“ hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.	“**Put Date**” has the meaning assigned to such term in § 6(5)(c).
„**Wesentliche Tochtergesellschaft**“ bezeichnet eine Tochtergesellschaft der Emittentin, die verpflichtet ist, einen geprüften und nicht konsolidierten Jahresabschluss zu erstellen, und deren Bilanzsumme gemäß ihrem geprüften und nicht konsolidierten Jahresabschluss mindestens 3 % der Bilanzsumme ausmacht.	“**Material Subsidiary**” means any Subsidiary of the Issuer that is required to prepare audited non-consolidated annual accounts and whose total assets as shown in its audited non-consolidated annual accounts are at least equal to 3% of the Total Assets.
„**Zahlstelle**“ hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.	“**Paying Agent**” has the meaning assigned to such term in § 7(1).
„**Zahlungswirksames Zinsergebnis**“ bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, aufgelaufenen, bar zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller durch Mitglieder der Gruppe von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden und aufgelaufenen Zinsen und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (u. a. einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).	“**Net Cash Interest**” means all cash interest and other financing charges accrued to persons who are not members of the Group less the amount of any interest and other financing charges accrued to be received by members of the Group from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).
„**Zinsdeckungsgrad**“ hat die diesem Begriff in § 11(1)(d) zugewiesene Bedeutung.	“**Interest Coverage Ratio**” has the meaning assigned to such term in § 11(1)(d).
„**Zinsperiode**“ hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.	“**Interest Period**” has the meaning assigned to such term in § 4(3).
„**Zinszahlungstag**“ hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.	“**Interest Payment Date**” has the meaning assigned to such term in § 4(1).
„**Zusätzliche Beträge**“ hat die diesem Begriff in § 8(2) zugewiesene Bedeutung.	“**Additional Amounts**” has the meaning assigned to such term in § 8(2).

§ 17
ANWENDBARES RECHT, ERFÜLLUNGSORT UND GERICHTSSTAND, GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht unter Ausschluss des internationalen Privatrechts. Zur Klarstellung: Artikel 84 bis 94-8 des luxemburgischen Gesetzes vom 10. August 1915 über Handelsgesellschaften in seiner jeweils geltenden Fassung finden keine Anwendung auf die Schuldverschreibungen.

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(3) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG, ist nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren Frankfurt am Main, Bundesrepublik Deutschland.

(4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu sichern und geltend zu machen: (i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die zu dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) einer Kopie der die betreffenden Schuldverschreibungen verbriefenden Global-

§ 17
GOVERNING LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION; ENFORCEMENT

(1) *Governing Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law without giving effect to the principles of conflict of laws. For the avoidance of doubt, Articles 84 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended shall not apply to the Notes.

(2) *Place of Performance.* Place of performance is Frankfurt am Main, Federal Republic of Germany.

(3) *Place of Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the courts of Frankfurt am Main, Federal Republic of Germany, will have non-exclusive jurisdiction for any actions or other legal proceedings arising out of or in connection with the Notes.

(4) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the relevant Notes certified as being a true copy of the original Global Note by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes.

urkunde, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet „**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes, including the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

§ 18
SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst; eine Übersetzung in die englische Sprache ist beigefügt. Nur die deutsche Fassung ist rechtlich bindend. Die englische Übersetzung ist unverbindlich.

§ 18
LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German version shall be the only legally binding version. The English translation is for convenience only.

DESCRIPTION OF THE ISSUER

GENERAL INFORMATION ON THE COMPANY AND THE GROUP

History and Development of the Company – Important Events

The Company was incorporated as a private limited liability company in Cyprus on November 13, 2007 with the Cyprus Department of Registrar of Companies and Official Receiver. Until June 8, 2015, its legal name was "Swallowbird Trading & Investments Limited" with its registered office at 48 Inomenon Ethnon, Guricon House, Ground floor, Flat/office D, 6042, Larnaca, Cyprus, registered number HE212131.

The Company moved its registered office and central administration to Luxembourg by decision of the General Meeting dated June 8, 2015 and adopted the form of a private limited liability company (*société à responsabilité limitée*) under Luxembourg law. The Company was then converted to a public limited liability company (*société anonyme*) under Luxembourg law by decision of the General Meeting dated June 16, 2015 and changed its legal name to "ADO Properties S.A." The Company's commercial name is "ADO Properties". The Company was registered with the Luxembourg Register of Commerce and Companies (*registre de commerce et des sociétés de Luxembourg)* under number B197554 on June 11, 2015 following the migration from Cyprus. Deletion of the Company's registration in Cyprus was completed on June 8, 2015.

On July 23, 2015, the Company completed its IPO and all of its shares (the "**Shares**") are traded on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the sub-segment thereof with additional post-admission obligations (Prime Standard).

On April 21, 2016, the Company completed a capital increase by successfully placing 3,499,999 of its Shares, without the publication of a securities prospectus pursuant to an exemption under the Luxembourg Prospectus Law and the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

On September 14, 2016, the Company completed a capital increase by successfully placing 5,600,001 of its Shares, without the publication of a securities prospectus pursuant to an exemption under the Luxembourg Prospectus Law and the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

Corporate Purpose, Registered Office, Fiscal Year and Duration of the Company

As a Luxembourg public limited liability company (*société anonyme*), the Company is governed by the laws of the Grand Duchy of Luxembourg and in particular the Luxembourg Commercial Companies Law of August 10, 1915, as amended (*loi du 10 août 1915 sur les sociétés commerciales telle que modifiée*) (the "**1915 Companies Act**").

Pursuant to article 4 of the Articles of Association, the corporate purpose of the Company shall be the long-term creation of value by investment in and development of real estate properties and immovable property as well as the purchase, rental and disposal of such properties. It may also carry out real estate management for its own purposes and any other activity whatsoever in the real estate sector.

The Company may realize that corporate purpose either directly or through the creation of companies, the acquisition, holding or acquisition of interests in any companies or partnerships, membership in any associations, consortia and joint ventures.

The Company may also acquire by purchase, subscription or in any other manner as well as transfer by sale, exchange or in any other manner shares, bonds, debt securities, warrants and other securities and instruments of any kind.

The Company may borrow in any form including by way of public offer of securities. It may issue, shares, notes, bonds and debentures and any kind of debt and/or equity securities. The Company may lend funds including the proceeds of any borrowings and/or issues of debt securities to affiliated and group companies. It may also give guarantees and grant securities in favor of third parties to secure its obligations or the obligations of its affiliated and group companies. The Company may further pledge, transfer, encumber or otherwise create security over all or over some of its assets.

The Company may engage independent attorneys, accountants, consultants, advisors, appraisers, and such other persons as the Company may deem necessary or advisable.

The Company may generally employ any techniques and instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against credit, currency exchange, interest rate risks and other risks.

The Company may carry out any commercial and/or financial transactions with respect to the direct or indirect investments in movable and immovable property, including real estate property and including but not limited to acquiring, owning, hiring, letting, leasing, renting, dividing, draining, reclaiming, developing, improving, cultivating, building on, selling or otherwise alienating, mortgaging, pledging or otherwise encumbering movable or immovable property, and it may otherwise deal in the assets or businesses underlying the Company's direct or indirect investments and engage in all such activities and transactions as the Company may deem necessary, advisable or incidental to the carrying out of any of the foregoing objects and purposes in article 4 of its Articles of Association.

The above description is to be understood in the broadest senses and the above enumeration is not limiting.

The Company's registered office is at 1B Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg (tel. +352 269467760).

The fiscal year of the Company shall begin on January 1st of each year and shall terminate on December 31st of the same year.

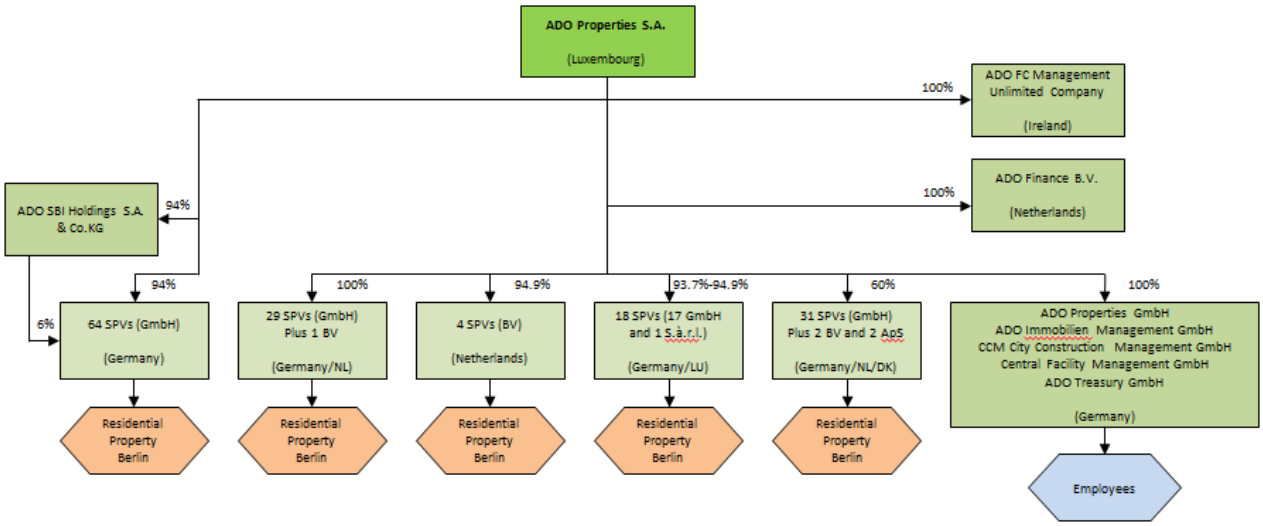
The Company is established for an unlimited period of time.

Group Structure

The Company is the holding company of the Group. The Company's business is primarily conducted by the relevant operating subsidiaries. The Group's consolidated financial statements include all material subsidiaries whose financial and business policy can be controlled, either directly or indirectly, by the Company and the equity interests of the material subsidiaries whose financial and business policy can be influenced by the Group to a significant extent. The group of consolidated companies include 159 subsidiaries as of March 31, 2017.

Following the Company's IPO in July 2015, the Company has concentrated certain Group managerial and administrative functions, such as controlling, legal, tax, treasury, public relations, investor relations and human resources, at the level of the Company. In doing so, the Company has entered into service agreements with all or some of the Group companies.

The following diagram sets forth an overview (in simplified form) of the Company's significant subsidiaries as of March 31, 2017 taking into account the relevant successive interests (*durchgerechneter Beteiligungsanteil*). The shareholdings presented also include shareholdings of affiliated companies pursuant to Sections 15 et seq. German Stock Corporation Act (*Aktiengesetz*). The Group's limited partnerships (*Kommanditgesellschaften*) are held through third-party structures. The shareholdings presented below are rounded to whole numbers.



Significant Subsidiaries

The Company is the holding company of the Group. The following table shows the Company's subsidiaries held directly or indirectly as of March 31, 2017, except as otherwise indicated, with a book value representing at least:

(i) 5% of our consolidated shareholders' equity as of March 31, 2017;

(ii) 5% of our consolidated net income for the period January 1, 2015 – December 31, 2016; or

(iii) which are significant for our business.

The figures are taken from the Company's internal accounting records. The Company's equity holdings correspond to its voting rights in each of the Company's significant subsidiaries. The shareholdings below are rounded to two decimal points.

		Share of equity and voting rights (in %) as of December 31,	
Company name	**Country of incorporation**	**2016**	**2015**
ADO Properties GmbH	Germany	100.00	100.00
ADO Immobilien Management GmbH	Germany	100.00	100.00
Central Facility Management GmbH	Germany	100.00	100.00
CCM City Construction Management GmbH	Germany	100.00	100.00
Ofek 1 Grundstücks GmbH	Germany	100.00	100.00
Ofek 2 Grundstücks GmbH	Germany	100.00	100.00
Ofek 3 Grundstücks GmbH	Germany	100.00	100.00
Ofek 4 Grundstücks GmbH	Germany	100.00	100.00
Ofek 5 Grundstücks GmbH	Germany	100.00	100.00
Galim 1 Grundstücks GmbH	Germany	100.00	100.00
Galim 2 Grundstücks GmbH	Germany	100.00	100.00
Galim 3 Grundstücks GmbH	Germany	100.00	100.00
Jessica Properties B.V.	Netherlands	94.50	94.50
Melet Grundstücks GmbH	Germany	100	100
Trusk Grundstücks GmbH	Germany	99.64	99.64
Sipur Grundstücks GmbH	Germany	100.00	100.00

ADO FC Management Unlimited Company	Ireland	100.00	100.00
ADO Sonnensiedlung S.à.r.l.	Luxembourg	94.90	-
Horef Grundstücks GmbH	Germany	94.93	-

The only material tangible, fixed assets that the Company owns (including leased properties) are residential properties, all of which are pledged against mortgage bank loans.

Approved Statutory Auditor

GAC Auditors Ltd, Certified Public Accountant and Registered Auditor ("**GAC**"), with registered office at 48 Inomenon Ethnon Street, Guricon House, 1st floor, 6042, Larnaka Cyprus, was the statutory auditor of ADO before ADO changed its legal form and name and migrated from Cyprus to Luxembourg. The statutory accounts prepared by GAC were prepared in accordance with IFRS. GAC is a member of the Association of Chartered Certified Accountants of Cyprus (ACCA) and the Institute of Certified Public Accountants of Cyprus (ICPAC).

As from June 8, 2015 and after its migration to Luxembourg, the Company's statutory auditor (*réviseur d'entreprises agréé*) is KPMG Luxembourg, Société cooperative ("**KPMG Luxembourg**"), with registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and registered with the CSSF as a *cabinet de révision agréé* and with the Luxembourg Register of Commerce and Companies under number B149133 and is a member of the *Institut des Réviseurs d'Enterprises* in Luxembourg. Beginning with the financial statements for the fiscal year ending December 31, 2015, KPMG Luxembourg also audits the Company's consolidated financial statements prepared in accordance with IFRS.

Luxembourg Paying Agent

The Luxembourg paying agent for the Notes is BNP Paribas Securities Services. The mailing and registered address of the paying agent is 60, avenue J.F. Kennedy, L-2085 Luxembourg, Grand Duchy of Luxembourg.

SELECTED CONSOLIDATED FINANCIAL DATA AND GROUP DATA

*The financial data contained in the following tables is extracted or derived from the audited consolidated financial statements of the Group as of and for the fiscal year ended December 31, 2016 (the "**Fiscal Year 2016**") and the Company as of and for the fiscal year ended December 31, 2015 (the "**Fiscal Year 2015**") and the unaudited condensed consolidated interim financial statements of the Group as of and for the three-month period ended March 31, 2017 ("**First Quarter 2017**"). These annual and interim consolidated financial statements have been prepared in accordance with IFRS. Additional information included in this Prospectus has been taken from the unconsolidated financial statements of the Company for the fiscal year ended December 31, 2016, which were prepared in accordance with Luxembourg GAAP.*

KPMG Luxembourg has audited and issued an unqualified auditor's report with respect to the consolidated financial statements for the Fiscal Year 2016 and the Fiscal Year 2015. The aforementioned annual and interim consolidated financial statements of the Group and the related auditor's reports are incorporated by reference into this Prospectus.

Where financial data in the following tables is labeled "audited", this means that it has been extracted from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited financial statements mentioned above, but was taken either from the Group's unaudited condensed consolidated interim financial statements or the Group's accounting or controlling records, or is based on calculations of these figures. All of the financial data presented in the text and tables below are shown in thousands of euro (in € thousand), except as otherwise stated. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or in some cases to such number that facilitates the summing up. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. Financial data presented in parentheses denotes the negative of such number presented. In respect of financial data set out in the Prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to zero.

The following selected financial data should be read together with the consolidated financial statements including the related notes contained in this Prospectus and additional financial information contained elsewhere in this Prospectus.

Selected Consolidated Statements of Comprehensive Income Data

	For the three-month period ended March 31,		For the year ended December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand)		(audited) (in € thousand)	
Revenue	30,106	24,965	109,775	75,753
Cost of operations	(9,012)	(7,859)	(33,564)	(19,840)
Gross profit	**21,094**	**17,106**	**76,211**	**55,913**
General and administrative expenses	(2,599)	(2,954)	(12,277)	(6,543)
Changes in fair value of investment properties	(1,437)	(3,019)	444,268	158,579
Other expenses	-	-	-	(430)
Results from operating activities	**17,058**	**11,133**	**508,202**	**207,519**
Finance income	179	-	1,972	1,584
Finance costs	(4,754)	(5,407)	(29,700)	(25,724)
Net finance costs	**(4,575)**	**(5,407)**	**(27,728)**	**(24,140)**
Profit before tax	**12,483**	**5,726**	**480,474**	**183,379**
Income tax expense	(1,208)	(864)	(69,706)	(27,372)
Profit for the period	**11,275**	**4,862**	**410,768**	**156,007**

Selected Consolidated Statements of Financial Position Data

	As of March 31,		As of December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand)		(audited) (in € thousand)	
Certain Assets				
Trading properties	42,926	41,137	39,718	44,728
Advances in respect of trading properties	-	-	6,419	-
Advances in respect of investment properties	86,654	3,750	11,805	2,085
Investment properties	2,300,464	1,517,358	2,278,935	1,456,804
Total assets	**2,568,210**	**1,688,405**	**2,562,394**	**1,670,148**
Certain Liabilities				
Loans and borrowings (current)	26,268	41,986	27,388	38,430
Current liabilities	**60,144**	**70,723**	**61,828**	**67,046**
Loans and borrowings (non-current)	872,253	755,176	877,326	746,839
Non-current liabilities	**1,009,894**	**819,057**	**1,014,062**	**808,673**

Selected Consolidated Cash Flow Statements Data

	For the three-month period ended March 31,		For the year ended December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand)		(audited) (in € thousand)	
Net cash from operating activities	17,599	15,677	76,379	55,715
Net cash used in investing activities	(97,595)	(35,674)	(228,290)	(574,921)
Net cash from (used in) financing activities	(11,708)	(14,339)	265,887	578,989
Change in cash and cash equivalents during the period	(91,704)	(34,336)	113,976	59,783
Cash and cash equivalents at the beginning of the period	183,421	69,445	69,445	9,662
Cash and cash equivalents at the end of the period	91,717	35,109	183,421	69,445

Performance Measures not Defined by IFRS (Non-IFRS Performance Measures)

We believe that the key performance indicators described in this section constitute the most important indicators for measuring the operating and financial performance of the Group's business.

We expect the performance measures EBITDA from rental activities, EBITDA total, EBITDA from rental activities margin, EBITDA total margin, EPRA NAV, FFO 1 (from rental activities), FFO 2 (including disposal results), AFFO (from rental activities) and LTV-Ratio (together, the "**Performance Measures**") to be of use for institutional investors and qualified investors. We believe that the Performance Measures are useful in evaluating the Group's operating performance, the net value of the Group's property portfolio, the level of the Group's indebtedness and of cash flow generated by the Group's business, because a number of companies, in particular companies in the real estate business, also publish these figures as key performance indicators. However, the Performance Measures are not recognized as line items under IFRS and should not be considered as substitutes for figures on net assets, result before taxes, net earnings, cash flow from operating activities or other income statement, cash flow or balance sheet data, as determined in accordance with IFRS, or as indicators of profitability or liquidity. The Performance Measures do not necessarily indicate whether cash flow will be sufficient or available for the Group's cash requirements, nor whether any such measure is indicative of the Group's historical operating results. The Performance Measures are not meant to be indicative of future results. Because not all companies calculate these Performance Measures in the same way, our presentation of the Performance Measures is not necessarily comparable with similarly-titled measures used by other companies.

The following table presents an overview of certain performance indicators for the periods presented.

	As of and for the three-month period ended March 31,		As of and for the year ended December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand, unless otherwise specified)		(unaudited, unless otherwise specified) (in € thousand, unless otherwise specified)	
Key performance measures				
In-place rent (end of period, annualized)	96,456	78,506	95,027	74,727
of which residential units	83,465	68,047	82,481	64,640
of which commercial units	11,203	9,099	10,783	8,824
of which other & parking units	1,788	1,361	1,763	1,263
In-place rent (per month in € per sqm)[(1)]	6.40	6.07	6.32	6.03
residential units	6.17	5.86	6.11	5.82
commercial units	8.84	8.41	8.60	8.30
Like-for-like rental growth (residential)[(2)]	6.1%	5.9%	6.0%	7.3%
EBITDA from rental activities[(3)]	18,015	14,406	63,388	48,492

	As of and for the three-month period ended March 31,		As of and for the year ended December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand, unless otherwise specified)		(unaudited, unless otherwise specified) (in € thousand, unless otherwise specified)	
Key performance measures				
EBITDA from rental activities margin[4]	75.2%	75.0%	74.9%	78.6%
EBITDA total (including disposal results)[5]	18,754	15,097	66,627	49,975
EBITDA total (including disposal results) margin (%)[6]	65.2%	63.4%	63.7%	69.7%
FFO 1 (from rental activities)[7, 8]	13,115	9,392	43,513	30,714
FFO 2 (including disposal results)[7, 8]	13,854	10,083	46,752	32,197
AFFO (from rental activities)[8]	11,339	7,037	34,671	26,652
Financing and financing position				
LTV-Ratio (in %)[9]	33.8%	45.6%	31.4%	43.6%
Total portfolio value[10]	2,343,390	1,558,495	2,318,653	1,501,532
EPRA NAV[11]	1,601,216	849,203	1,591,345	843,621
Adjusted net financial liabilities[12]	822,388	711,809	736,430	654,959*
Average interest rate	2.1%	2.3%	2.1%	2.3%
Average debt maturity (in years)	5.0	5.3	5.3	5.5
Portfolio measures				
Number of units	18,801	16,384	18,700	15,739
residential	17,776	15,493	17,701	14,856
commercial	1,025	891	999	883
Vacancy rate at period end (in % of sqm)[13]	2.7%	4.1%	3.1%	4.3%
residential units	2.7%	3.8%	2.5%	4.0%
commercial units	4.6%	4.8%	3.2%	5.5%
Maintenance and capital expenditures (annualized) (€ per sqm)	25.4	28.8	28.1	20.8
Certain per share information				
FFO 1 (from rental activities) per share[14] (in €)	0.30	0.27	1.11	1.04
FFO 2 (including disposal results) per share[14] (in €)	0.31	0.29	1.20	1.09

*) Audited.

(1) **In-place rent (per month in € per sqm)** is defined as the current gross rental income per month for rented residential and commercial units as agreed in the corresponding rent agreements as of March 31, 2017 and 2016 and December 31, 2016 and 2015, respectively, before deducting non-recoverable operating costs, divided by the lettable area of rented units as of the same dates. Residential in-place rent is often also referred to as "net cold rent".

(2) **Like-for-like rental growth (residential)** for the respective period is the growth in rental income on residential units owned at the end of the respective period compared to the rental income on the same units owned at the end of the corresponding period in the prior year.

(3) **EBITDA from rental activities** is defined as net rental income and income from facility services, minus cost of rental activities and overhead costs. The following table shows the calculation of EBITDA for the periods presented:

	For the three-month period ended March 31,		For the year ended December 31,	
	2017	2016	2016	2015
	(unaudited)		(audited)	
	(in € thousand)		(in € thousand)	
Net rental income	23,959	19,198	84,673	61,732
Income from facility services	1,346	1,165	5,137	4,067
Income from rental activities	**25,305**	**20,363**	**89,810**	**65,799**
Cost of rental activities	(4,950)	(3,948)	(16,838)	(11,369)
Net operating income (NOI)	**20,355**	**16,415**	**72,972**	**54,430**
Overhead costs[(3a)]	(2,340)	(2,009)	(9,584)	(5,938)
EBITDA from rental activities	**18,015**	**14,406**	**63,388**	**48,492**

(3a) Overhead costs represent general and administrative expenses excluding one-off costs and depreciation and amortization.

(4) **EBITDA from rental activities margin** is defined as EBITDA from rental activities divided by net rental income.

(5) **EBITDA total** is defined as EBITDA from rental activities including net profit from privatizations.

(6) **EBITDA total margin** is the EBITDA total divided by net rental income and revenues from selling of condominiums.

(7) **Funds from operations (FFO)** is an indicator of available cash flow from operating activities. FFO 1 (from rental activities) is defined as EBITDA from rental activities for the respective periods adjusted to generally reflect net cash interest and current income taxes. FFO 2 (including disposal results) is defined as FFO 1 (from rental activities) including the net profit from privatizations. For the manner in which FFO 1 and FFO 2 is calculated, see footnote (8) below.

(8) **Capex-adjusted FFO (AFFO (from rental activities))** is FFO 1 (from rental activities) adjusted for maintenance capital expenditure.

The following table shows the calculation of FFO 1 (from rental activities), FFO 2 (from disposal results) and AFFO (from rental activities) for the periods shown:

	For the three-month period ended March 31,		For the year ended December 31,	
	2017	2016	2016	2015
	(unaudited)		(unaudited)	
	(in € thousand)		(in € thousand)	
EBITDA from rental activities[(8a)]	18,015	14,406	63,388	48,492
Net cash interest[(8b)]	(4,760)	(4,845)	(19,197)	(17,658)
Current income taxes[(8c)]	(140)	(169)	(678)	(120)
FFO 1 (from rental activities)	**13,115**	**9,392**	**43,513**	**30,714**
Maintenance capital expenditure[(8d)]	(1,776)	(2,355)	(8,841)	(4,062)
AFFO (from rental activities)	**11,339**	**7,037**	**34,671**	**26,652**
Net profit from privatizations	739	691	3,239	1,483
FFO 2 (including disposal results)	**13,854**	**10,083**	**46,752**	**32,197**

(8a) For a calculation of EBITDA from rental activities, see footnote (3) above.

(8b) Refers to the balance of interest paid to banks, excluding day-1 fair value non-cash adjustment, interest paid to Harel Insurance Investments and Financial Services Ltd. ("**Harel**"), a shareholder of ADO Group Ltd, and interest received from banks.

(8c) Refers to current income taxes relating to rental activities only.

(8d) Refers to public area investments that are designed to preserve the value of the respective properties.

(9) **The LTV-Ratio** (in %) is the ratio of the nominal amount of financial liabilities, less cash and cash equivalents, to the sum of investment properties and advances for investment properties, trading properties and advances for trading properties and assets held for sale. The following table shows the calculation of the LTV-Ratio as of the dates shown:

	As of March 31,		As of December 31,	
	2017	2016	2016	2015
	(unaudited)		(audited, unless otherwise specified)	
	(in € thousand)		(in € thousand)	
Financial liabilities[(9a)]	914,105	801,918	919,851	789,404
Cash and cash equivalents[(9b)]	91,717	90,109	183,421	134,445
Net financial liabilities	822,388	711,809	736,430	654,959
Investment properties[(9c)]	2,387,118	1,521,108	2,290,740	1,458,889
Trading properties[(9c)]	48,536[(9d)]	41,137	53,679(9d)	44,728
Total investment properties, trading properties and assets held for sale	2,435,654	1,562,245	2,344,419	1,503,617
LTV ratio (in %)	**33.8%**	**45.6%**	**31.4%**	**43.6%[(9e)]**

(9a) Financial liabilities include amounts owed to related parties, interest-bearing loans and other long-term liabilities. See Note (12) below.

(9b) "Cash and cash equivalents" includes "other deposits".

(9c) Including advances in respect of investment properties and trading properties respectively which we acquired after the related period end date.

(9d) As of December 31, 2016 and March 31, 2017 trading properties are presented at their fair value for the purpose of the LTV calculation.

(9e) As of December 31, 2015, the respective LTV ratio was before the proceeds from the IPO and included shareholder loans and capital notes from ADO Group Ltd that existed prior to the IPO.

(10) **Total portfolio value** is the sum of investment properties and trading properties.

(11) **EPRA NAV** is used as an indicator of the Group's long-term equity and is calculated based on the total equity attributable to shareholders of the Company increased by the revaluation of trading properties, the fair value of derivative financial instruments and deferred taxes.

The following table shows the calculation of the EPRA NAV as of the dates presented:

	As of March 31,		As of December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand)		(audited, unless otherwise specified) (in € thousand)	
Total equity attributable to shareholders of the Company	1,473,321	789,603	1,461,945	785,516
Revaluation of trading properties[(11a)]	5,610	-	7,542	-
Fair value of derivative financial instruments	3,679	11,016	4,185	9,512
Deferred taxes	118,606	48,584	117,673	48,593
EPRA NAV	**1,601,216**	**849,203**	**1,591,345**	**843,621**

(11a) The difference between trading properties carried in the balance sheet at cost (IAS 2) and the fair value of those trading properties.

(12) **Adjusted net financial liabilities** is net financial liabilities less the amounts owed to ADO Group Ltd

(13) **Vacancy rate at period end (in % of sqm)** is the sqm of vacant units as of the respective period end, divided by the total sqm of units owned on the respective period end date.

(14) **FFO 1 (from rental activities) per share (in €) and FFO 2 (including disposal results) per share (in €)** is calculated using the weighted average of shares for the respective period as on July 23, 2015, April 21, 2016 and September 14, 2016, the Company issued new shares pursuant to capital increases.

BUSINESS

Overview

We believe that we are the only company listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) that is focused on residential real estate, substantially all (99.7% as measured by fair value as of March 31, 2017) of which, is located in Berlin, Germany. We specialize in and focus on the purchase and management of income producing multi-family residential buildings located in Berlin. Our investment and trading portfolio value as of March 31, 2017, and including (i) the Wilhelm II Portfolio and the Nox Portfolio (both as defined and described in "*—Portfolio by District in Berlin—Recent Material Acquisitions*") and (ii) a few immaterial individual deals (with (i) and (ii) signed, but not closed in the First Quarter 2017), was approximately €2.5 billion. As of Mach 31, 2017, our property portfolio consisted of 17,776 residential units with a total residential lettable area of 1,158,976 sqm, 1,025 commercial units (retail, office and other commercial) with a total commercial lettable area of 110,729 sqm, 4,793 parking spaces and spaces for storage, antennas, etc. As of December 31, 2016, our investment property portfolio consisted of 17,701 residential units with a total residential lettable area of 1,153,840 sqm, 999 commercial units (retail, office and other commercial) with a total commercial lettable area of 107,840 sqm, 4,759 parking spaces and spaces for storage, antennas, etc.

Most of our residential units contain one or two rooms and have an average size of approximately 65.2 sqm, which means that we are well positioned to benefit from the growth of one- and two-person households in Germany, which is expected to be particularly strong in Germany's metropolitan areas (*Source: German Federal Center for Political Education (Bundeszentrale für politische Bildung), Population Development and Age Structure (Bevölkerungsentwicklung und Altersstruktur), updated September 2012*). As of March 31, 2017, our vacancy rate was 2.7% and 4.6% for our residential units and commercial units, respectively. The monthly net rent per sqm was €6.17 and €8.84 for our residential units and commercial units, respectively.

Our business activities are influenced by numerous demographic, economic and political factors. Given our involvement in the real estate sector, we are affected by developments in factors affecting and related to the residential property market in Germany, particularly in the geographical region of Berlin where our entire portfolio is located, macro-economic indicators such as population growth, economic growth, employment, purchasing power and the consumer price index. More particularly, we are significantly affected by trends in micro-economic indicators due to the residential property market environment in Berlin, such as the future development of housing prices, rent levels and vacancy rates, as well as home ownership rates. The Berlin residential real estate market is highly fragmented. We compete with a number of privately and communally owned residential real estate companies as well as the Berlin owned municipal real estate companies.

We believe that the residential real estate market in Berlin benefits from positive demographic trends. Berlin is the most populous city in Germany and had 3.52 million inhabitants in 2015 (*Source: German Federal and State Statistical Office (Statistische Ämter des Bundes und der Länder), database, www.statistik-portal.de*). In 2015, Berlin's population grew by approximately 45,000 inhabitants, of which roughly 3,752 were due to birth surplus and 41,085 were due to migration to Berlin (*Source: German Federal and State Statistical Office (Statistische Ämter des Bundes und der Länder), database, www.statistik-portal.de*). It is expected that this growth trend will continue, with the Berlin population expected to increase to 3.66 million by 2020 and to 3.81 million by 2030 (*Source: Oxford Economics, European Cities & Regions Forecasting Service – Germany, December 2015*).

We also believe that we will continue to benefit from Berlin's status as the capital and largest city of Germany, which has one of Europe's strongest economies and is an important business, political and cultural center for continental Europe. In addition to a growing number of governmental employees in the city, Berlin is a growing business center for, among others, the services, pharmaceuticals, media, creative and technology sectors. The strong economic growth is also reflected in the highest purchasing power growth in Berlin compared to all other German states (*Source: Michael Bauer Research GmbH, Kaufkraft 2016 in Deutschland, 2017*). The unemployment rate in Berlin, which in May 2017 was higher than the unemployment rate in Germany as a whole, has been decreasing faster than the German average (*Source: German Employment Agency*). The recovery in employment in Berlin has been stronger than in any other of

the German major cities (Cologne, Frankfurt, Hamburg, Dusseldorf, Munich and Stuttgart) (*Source: Oxford Economics, European Cities & Regions Forecasting Service – Germany, December 2015*).

Our business model focuses on asset and property management, portfolio and facility management and identifying and acquiring residential properties in Berlin that present opportunities for us to create value by increasing rents, decreasing vacancy and privatizing condominiums. Market rents as well as the official rent table ("Mietspiegel") have been constantly increasing in Berlin over the recent years, with the newly published Berlin Mietspiegel in May 2017 posting an increase of the average rent (*Source: JLL, Berliner Senat*). The average growth per annum in market rents has been higher in Berlin than for other major German cities. (*Source: JLL*). Despite the recent increases in rent levels, rents in Berlin are still relatively low compared to the other big cities in Germany thereby presenting opportunities for our business and future growth (*Source: JLL*). Our residential units face strong demand from broad segments of the population: from the growing youth population to individuals with low and medium household income, some of which are being supported by social benefits and transfer payments from public authorities. We believe that our residential units provide tenants with an attractive value proposition and are suitable to market demand, which is further enhanced by our active approach to capital expenditure for refurbishment.

In addition, we target value generation through the use of our efficient, fully integrated in-house management and tenant service platform, without legacy constraints, to manage our portfolios. We believe that due to our history and particularly through our operational efforts since our establishment in 2006, we have achieved significant recognition in the market and as evidenced by our long-standing track record in achieving strong rental growth (see "*—Competitive Strengths*" below).

During the First Quarter 2017, the Group generated **income from rental activities** of €25,305 thousand (First Quarter 2016: €20,363 thousand; Fiscal Year 2016: €89,810 thousand; Fiscal Year 2015: €65,799 thousand) and **EBITDA from rental activities** of €18,015 thousand (First Quarter 2016: €14,406 thousand; Fiscal Year 2016: €63,388 thousand; Fiscal Year 2015: €48,492 thousand). **EBITDA total including disposal results** for the First Quarter 2017 was €18,754 thousand (First Quarter 2016: €15,097 thousand; Fiscal Year 2016: €66,627 thousand; Fiscal Year 2015: €49,975 thousand). During the First Quarter 2017, the Group generated **FFO 1 (from rental activities)** of €13,115 thousand (First Quarter 2016: €9,392 thousand; Fiscal Year 2016: €43,513 thousand; Fiscal Year 2015: €30,714 thousand), **FFO 2 (including disposal results)** of €13,854 thousand (First Quarter 2016: €10,083 thousand; Fiscal Year 2016: €46,752 thousand; Fiscal Year 2015: €32,197 thousand) and **AFFO (from rental activities)** of €11,339 thousand (First Quarter 2016: €7,037 thousand; Fiscal Year 2016: €34,671 thousand; Fiscal Year 2015: €26,652 thousand). As of March 31, 2017, the Group's **EPRA NAV** amounted to €1,601,216 thousand (First Quarter 2016: €849,203 thousand; Fiscal Year 2016: €1,591,345 thousand; Fiscal Year 2015: €843,621 thousand). As of March 31, 2017, the Group's **LTV-Ratio** was 33.8% and no adjustment was necessary.

For a reconciliation of EBITDA from rental activities, EBITDA total, EBITDA total margin, FFO 1 (from rental activities), FFO 2 (including disposal results), AFFO (from rental activities), LTV-Ratio and EPRA NAV to the most nearly comparable IFRS figures, see "*—Selected Consolidated Financial Data and Group Data—Non-IFRS Performance Measures*".

Competitive Strengths

We believe that our business is characterized by the following competitive strengths, which have been a primary driver of our success in the past and will continue to be a source for our future business development:

Substantially all of our approximately €2.5 billion investment and trading portfolio is located in Berlin and predominantly in the districts of Berlin with attractive growth perspectives.

Substantially all (99.7% as measured by fair value as of Mach 31, 2017) of our portfolio of 17,776 residential units and 1,025 commercial units is located in Berlin and predominantly in the districts of Berlin with attractive growth perspectives. The Berlin residential market continuously benefits from a combination of positive net migration, increase in the quality of the work force, decreasing average household size and limited supply of new rental stock, resulting in continued rental growth, which we expect to positively impact our business (for further information, see "*Description of the Issuer—Business—Overview*").

We benefit from in-depth knowledge of the Berlin market from a decade of local presence and a local network with excellent access to information.

We benefit from in-depth knowledge of the Berlin market, especially of the Berlin micro-locations, from a decade of local presence. We have a local network with excellent access to information where we have developed a strong reputation as a reliable business partner and asset manager in Berlin. Our extensive market insights also allow us to identify privatization opportunities while allowing us to build our existing pipeline of assets.

We benefit from an organically grown, efficient, fully integrated, scalable and in-house platform for portfolio management and privatizations, which is led by an experienced management team.

We benefit from an organically grown and scalable platform for portfolio management and privatizations. Our platform, combined with our in-depth knowledge of the Berlin market and a decade of local presence, makes us well suited to identify portfolio assets that can be improved through targeted capital expenditures. Our management team is experienced in in-house asset management, property and facility management and construction management. Our chief financial officer ("**CFO**") has had significant experience in capital markets transactions for real estate companies. Furthermore, we have qualified teams of real estate professionals in all areas of our business operations that have been built without legacy constraints, which allow us to be flexible in adapting to market conditions to sustain further portfolio growth. The concentration of our portfolio in the Berlin market further increases our platform efficiency and allows us to work with a lean and specialized operational setup. Our approach has led to a competitive EBITDA from rental activities margin of 75.2% for the three-month period ending March 31, 2017 (74.9% for the Fiscal Year 2016) and a track record of decreasing vacancy in our portfolio.

We believe we have significant rental growth potential following 6.7% average annual like-for-like rental growth over the past two years (2015-2016).

We believe we have significant rental growth potential (i.e. the margin between in-place rent and actual market rent) following 6.7% average annual like-for-like rental growth over the past two years (2015-2016) and 6.1% average like-for-like rental growth in the twelve-month period ending March 31, 2017. Our management has instituted a clear investment strategy to drive rental growth. Our re-positioning and refurbishing of assets through targeted capital expenditures has led to increased rents, resulting in higher returns, and ultimately to our annual like-for-like growth.

We have a solid balance sheet structure with a conservative target LTV-Ratio and long-term maturity profile at low funding costs.

Throughout our history, we have based our conservative financing strategy on the financing of assets through mortgages and have built strong relationships with a range of key lenders in Germany. We have a conservative balance sheet with, as of March 31, 2017, a current LTV-Ratio of 33.8%, approximately 2.1% cost of debt, an interest coverage ratio of 3.5, long-term financing with no major maturities before 2021 and a weighted average maturity of approximately five years. We target a conservative LTV-Ratio of maximum 45% and we plan to use the proceeds of the Offering to fund selective accretive add-on acquisitions in the Berlin residential market, refinance existing indebtedness and pay related fees and expenses, as well as for general corporate purposes.

We have a straightforward corporate governance structure supported by long-term shareholders.

We have a straightforward corporate governance structure supported by long-term shareholders which has utilized a system of IFRS reporting since 2008, and the internal compliance standards of a listed company. In addition, we are supported by long-term shareholders who have extensive real estate experience in several markets in the world (see "*—Shareholder Structure*") and are committed to our successful development.

Strategy

Our strategy is focused on sustainable and continuous growth to remain the leading pure-play Berlin real estate company which focuses on residential properties with potential to generate value.

Our strategy is focused on sustainable and continuous growth to remain the leading pure-play Berlin real estate company which focuses on residential properties with potential to generate value. Using our local market knowledge of Berlin, which is the most populous city in Germany (*Source: German Federal and State Statistical Office (Statistische Ämter des Bundes und der Länder), database, www.statistik-portal.de*), we focus on the modernization, refurbishment and repositioning of our portfolio assets, while constantly screening and anticipating developments in different Berlin sub-markets and districts. This focus allows us to capture additional growth potential and create positive returns on our portfolio acquisitions.

We plan to continue to focus on increasing rents through active asset management and targeted investments to modernize, refurbish and re-position our properties.

We plan to continue to focus on increasing rents through active asset management and targeted investments to modernize, refurbish and re-position our properties. Our strategy to realize upside potential consists of the following approaches. We pursue regular rent increases up to the market levels (i) within the regulatory and legal limits as well as (ii) through tenant fluctuation without capex investment. In addition, we continuously review rent potentials and pursue growth beyond the rent table through targeted capex investments to modernize, refurbish and/or re-position (by improving the prior asset management) our properties allowing for higher rent levels. Lastly, we reduce portfolio vacancy by active marketing with an approach tailored to the respective micro-location. Our strategy allows and also leads us to choose high quality tenants which continuously improves our tenant structure by maintaining our portfolio assets in the market standard suitable for the current demand.

We have a scalable platform capable of (i) implementing accretive growth through acquisitions based on significant sourcing capabilities and (ii) exploiting economies of scale derived from our pure-play Berlin portfolio and our existing management operations.

We have a scalable platform capable of implementing accretive growth through acquisitions based on significant sourcing capabilities and exploiting economies of scale derived from our pure-play Berlin portfolio and our existing management operations. Our current platform would allow us to add additional units at marginal incremental costs, thereby improving our EBITDA from rental activities margin. We intend to focus on further expanding our pure-play Berlin portfolio where our management's in-depth understanding of the local market provides us with attractive acquisition and re-positioning opportunities, including of undermanaged assets. Before purchasing assets, we measure any potential acquisition for short- to medium-term accretion potential, potential for increasing rents as well as potential for condominium conversion or privatization. We believe that there are sufficient acquisition opportunities in the market to support our business plans for the foreseeable future.

We plan to continue to realize value by converting properties into condominiums and selling them at prices exceeding the current fair value of the properties.

We plan to continue to realize value by converting properties into condominiums and selling them at prices exceeding the current fair value of the properties. As of March 31, 2017, we have approximately 270 units that have been converted or are in the process of being converted into condominiums. We have identified approximately 1,891 additional units in our properties which can be converted into condominiums over the medium term and another 1,955 units which can be converted long term. We expect to sell converted properties at a rate of approximately 100 units per year, which we started from 2016, on a continuous basis, thereby contributing cash flows to our overall business. We will also continue to assess the potential for condominium conversion or sales of existing condominiums in acquired portfolios.

We are committed to tenant satisfaction through our business approach.

We are committed to tenant satisfaction and demonstrate our commitment through our business approach of placing our tenants at the center of our operations. We demonstrate high responsiveness to our tenants' needs and actively manage communications with our tenants through in-house and external call lines. Furthermore, we maintain our properties at the market standard suitable for the current demand

through ongoing investments. Our business approach leads to better tenant satisfaction as shown by our sustainable high rent collection rate and decreasing vacancy in our properties.

We target continuous dividends with a payout ratio of up to 50% of our yearly FFO 1 (from rental activities).

Our portfolio and operational excellence combined with our sustainable financing strategy allows us to target conservative dividends with a payout ratio of up to 50% of our yearly FFO 1 (from rental activities).

Our Portfolio

*Overview*As of March 31, 2017, we held a real estate portfolio comprised of 17,776 residential units, 1,025 commercial units, 4,376 parking spaces and 417 spaces for storage, antennas, etc. Substantially all (99.7% as measured by fair value as of March 31, 2017) of our portfolio is located in Berlin and consists of multi-family properties.

As of March 31, 2017, the aggregate residential area of our portfolio amounted to 1,158,976 sqm, with an average residential unit size of approximately 65.2 sqm. An average unit consists of one or two rooms. The Group had leased approximately 97.3% of our residential units and 95.4% of our commercial units and generated an average monthly net rent of €6.17 per sqm for our residential units and €8.84 per sqm for our commercial units. As of March 31, 2017, vacancy rates for our residential units and commercial units were 2.7% and 4.6%, respectively.

Portfolio Overview

The following table sets forth key data relating to our portfolio:

	As of and for the three-month period ended March 31,		As of and for the year ended December 31,	
	2017	2016	2016	2015
	(unaudited) (in € thousand, unless otherwise specified)		(unaudited, unless otherwise specified) (in € thousand, unless otherwise specified)	
Key performance measures				
In-place rent (end of period, annualized)	96,456	78,506	95,027	74,727
of which residential units	83,465	68,047	82,481	64,640
of which commercial units	11,203	9,099	10,783	8,824
of which other & parking units	1,788	1,361	1,763	1,263
In-place rent (per month in € per sqm)[(1)]	6.40	6.07	6.32	6.03
residential units	6.17	5.86	6.11	5.82
commercial units	8.84	8.41	8.60	8.30
Like-for-like rental growth (residential)[(2)]	6.1%	5.9%	6.0%	7.3%
Total portfolio value[(3)]	2,343,390	1,558,495	2,318,653*	1,501,532*
Portfolio measures				
Number of units	18,801	16,384	18,700	15,739
residential	17,776	15,493	17,701	14,856
commercial	1,025	891	999	883
Vacancy rate at period end (in % of sqm)[(4)]	2.7%	4.1%	3.1%	4.3%
residential units	2.7%	3.8%	2.5%	4.0%
commercial units	4.6%	4.8%	3.2%	5.5%
Maintenance and capital expenditures (annualized) (€ per sqm)	25.4	28.8	28.1	20.8

*) Audited.

(1) **In-place rent (per month in € per sqm)** is defined as the current gross rental income per month for rented residential and commercial units as agreed in the corresponding rent agreements as of March 31, 2017 and 2016 and December 31,

2016 and 2015, respectively, before deducting non-recoverable operating costs, divided by the lettable area of rented units as of the same dates. Residential in-place rent is often also referred to as "net cold rent".

(2) **Like-for-like rental growth (residential)** for the respective period is the growth in rental income on residential units owned at the end of the respective period compared to the rental income on the same units owned at the end of the corresponding period in the prior year.

(3) **Total portfolio value** is the sum of investment properties, trading properties and assets held for sale.

(4) **Vacancy rate at period end (in % of sqm)** is the sqm of vacant units as of the respective period end, divided by the total sqm of units owned on the respective period end date.

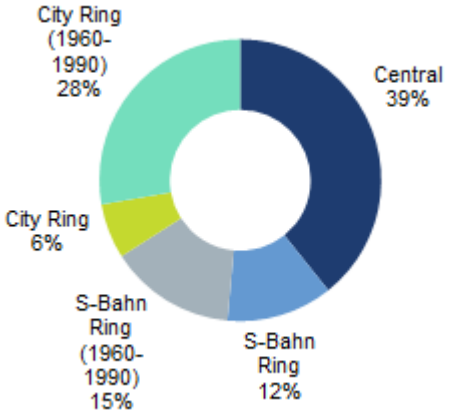
Portfolio by District in Berlin

The following table and diagram provides an overview of the geographical distribution of our total portfolio split by the districts in Berlin according to the number of our residential units as of March 31, 2017:

	Central	S-Bahn Ring	S-Bahn Ring (1960-1990)	City Ring	City Ring (1960-1990)	Total
Fair value of properties (€ million)[(1)]	922	287	340	148	652	**2,349**
Fair value of properties (€/m²)	2,283	2,015	1,810	2,117	1,380	**1,840**
Number of properties	184	59	26	24	42	**335**
Number of residential units	5,514	1,681	2,988	825	6,768	**17,776**
Avg. in-place rent in €/sqm/month (resi)	6.64	6.23	6.58	6.91	5.54	**6.17**
Avg. new letting rent in €/sqm/Q1 2017 (residential)	10.41	9.24	10.00	7.95	6.55	**8.74**
Occupancy (physical, residential)	96.8%	97.3%	97.7%	97.4%	97.5%	**97.3%**
Tenant turnover (LTM)	9.8%	8.0%	7.5%	9.60%	8.3%	**8.7%**

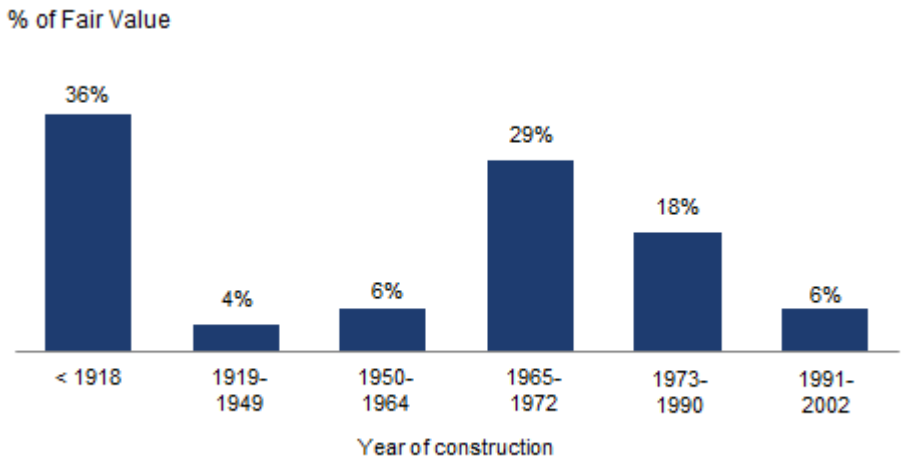
(1) Fair value of properties is including investment properties and condominium units (trading properties) at their fair value.

Split by Property Value



Source: Company

The following diagram shows the diversification of the Group's buildings across construction eras, as split by property value:



Source: Company

Subsidies

Approximately 10.7% of the Group's residential units are under rent restrictions due to subsidies.

Recent Material Acquisitions

In the second quarter of 2017, the Group acquired the Wilhelm II portfolio (the "**Wilhelm II Portfolio**"), with the acquisition of 328 units, of which 298 are residential units and 30 are commercial units, located in the Berlin districts of Charlottenburg und Friedrichshain. The acquisition was structured as a share transaction in which the Company acquired 94.9% of the shares in a German entity. The purchase price for all of the acquired assets amounts to €75.9 million. The acquired residential portfolio has in-place rents of €7.82 per sqm/month, and occupancy rate of approximately 97%. The Company expects new letting rents would be €10.30 per sqm/month, reflecting reversionary potential of 32%. At the time of purchase, the total annual net cold rent from the portfolio amounted to €2.6 million. The Company estimates that at acquisition, the portfolio will contribute to our annual FFO 1 (from rental activities) based on our targeted LTV of 45% in an amount of €1.7 million. The Company acquired the Wilhelm II Portfolio on June 1, 2017.

In the third quarter of 2017, the Group expects to take over the Nox portfolio (the "**Nox Portfolio**") with the acquisition of 374 units, of which 306 are residential units and 68 are commercial units, located throughout Berlin. The acquisition was structured as an asset transaction and as a share transaction in which the Company acquired 94.9% of the shares in a German entity. The purchase price for all of the acquired assets amounts to €70.2 million. The acquired residential portfolio has in-place rents of €5.63 per sqm/month, and an occupancy rate of approximately 90%. The Company expects new letting rents would be €9.58 per sqm/month, reflecting reversionary potential of 70.3%. The Company estimates that at acquisition the portfolio will contribute to our annual FFO 1 (from rental activities) based on our targeted LTV of 45% in an amount of €1.6 million.

Since March 31, 2017, in addition to the foregoing the Company has also acquired, or signed agreements to acquire, in aggregate 1,112 units for an aggregate purchase price of approximately €186.1 million. The Company is regularly exploring the acquisition of additional units, including larger portfolios of units, and, subject to market conditions, expects to acquire additional units.

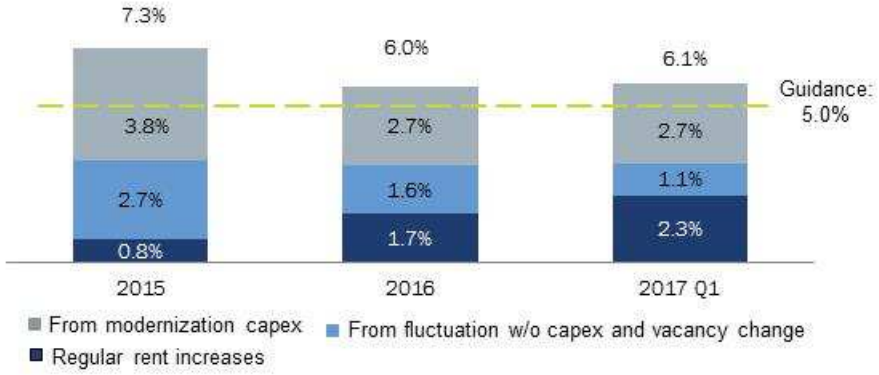
The Company does not expect the acquisitions described above to have an immediate material impact on the net asset value ("**NAV**") per share and due to the characteristics of the acquired assets and their micro-locations, the Company sees good growth potential in the future.

The Group's unencumbered assets as of March 31, 2017 (in the amount of €122 million), and including (i) the Wilhelm II Portfolio and the Nox Portfolio and (ii) several smaller individual transactions (with (i) and (ii) signed, but not closed before March 31, 2017, with an aggregate purchase price of

approximately €280 million), and including the approximately €398.6 million gross proceeds from the Offering, will be approximately €712 million.

Continuously Strong Like-for-Like Rental Growth

The diagram below shows the Group's like-for-like rental growth for the periods presented in this Prospectus:



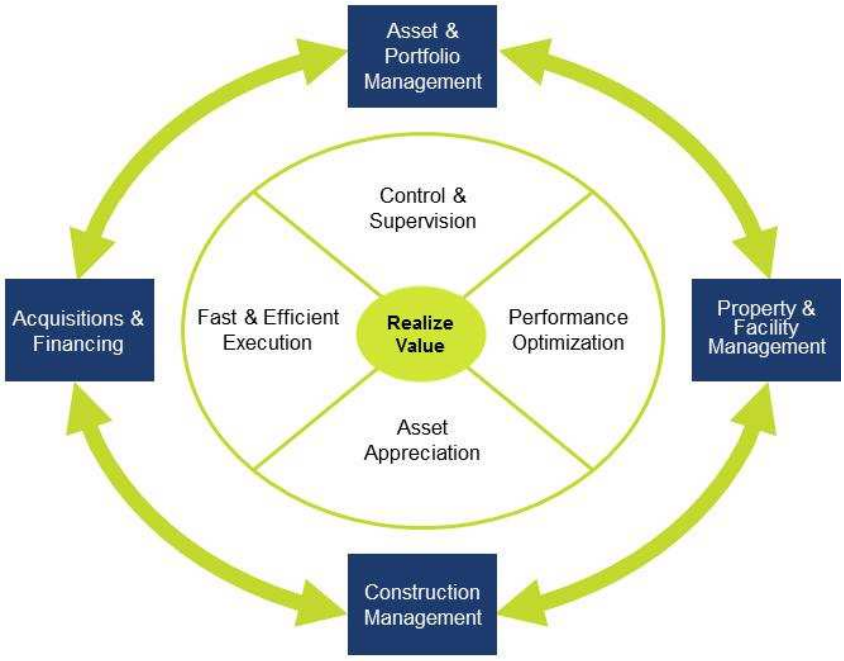
Source: Company

Business Operations

Overview

We consider Berlin residential real estate to be a decisively local business, which requires strong local market intelligence and an in-depth knowledge about our own assets and tenants in order to create value. Our fully integrated, in-house and scalable platform for active asset management and privatizations is led by an experienced management team. Therefore, we manage our operating business in a fashion that enables us to make targeted investments, accretive add-on acquisitions and condominium conversions and privatizations in the various micro-locations in Berlin.

The following chart depicts our operating model:



We have four business functions that are responsible for (i) asset and portfolio management, (ii) property and facility management, (iii) construction management and (iv) acquisition and financing. An

exclusive external partner with whom we have worked closely together since our establishment, has been fully integrated into our acquisition process. The teams within each business function collect and process district-specific knowledge related to the relevant task. The performance of each business function is reflected by the building performance that is monitored on the basis of key performance indicators set for each building.

Our business function responsible for asset and portfolio management is conducted by ADO Properties GmbH. ADO Properties GmbH focuses mainly on the purchase and management of revenue producing real estate in Berlin. It is the coordination and financial arm of our business. Based on their knowledge of the different Berlin micro-markets and the condition of the specific apartments, and taking into account current vacancy rates and refurbishment and modernization requirements, our asset and portfolio management team periodically updates the target rent for new lettings.

Our business function responsible for property and facility management is comprised of ADO Immobilien Management GmbH ("**ADO Immobilien**"), formerly Central Asset Management GmbH, and Central Facility Management GmbH ("**CFM**") provides property management and services to tenants, respectively. ADO Immobilien specializes in value optimization through residential and commercial property management, providing services in property management, letting management, tenant bookkeeping, rent collection and controlling and reporting. CFM has been a distinct in-sourced team and brand since 2013 and provides an immediate response for all kinds of facility management, including cleaning and janitor services and gardening. The creation of our distinct facility management team has led to cost savings and increased tenant satisfaction because we exercise full control over these services.

Our business function responsible for product optimization through construction management is CCM City Construction Management GmbH ("**CCM**"). CCM offers complete and comprehensive construction management services including site survey and evaluation, coordination with local authorities, budget estimate and control, control and approval of supplier invoices, project scheduling, site management and documentation.

Our fourth business function is for the identification and selection of possible *acquisitions and financing* of acquisitions. For certain acquisition services, including acquisition advice, finance consulting, economic, legal and technical due diligence, valuation and market research, we have partnered with W&W, an entity that we work closely with (for further information, see "*—Material Agreements—Agreement for Acquisition Services—W&W Contract*"). Since our establishment, W&W has been fully integrated into our acquisition process. W&W is exclusively partnered with us, offers essential acquisition services and currently utilizes a five-person team that builds our pipeline of potential acquisitions in accordance with our acquisition matrix. Because W&W are Berlin experts, with fifteen years of experience in the residential real estate market in Berlin, that have extensive knowledge of the particulars of the different micro-locations in Berlin, the team speedily analyzes opportunities for acquisitions (see also "*—Acquisitions and Financing*" below).

Asset and Portfolio Management

We take a broad view of asset management, which for us encompasses all areas of improving and increasing the cash flow and value of our business and includes portfolio and transaction management, property management, supply management, organizational management and financial management. Through our asset management activity, we seek to manage our assets to grow FFO 1 (from rental activities) and cash flow resulting in increases of the value of our real estate portfolio. To achieve these goals, we focus on increasing rental income, reducing vacancy, reducing the costs and risks of operating our assets and maintaining a conservative capital structure.

ADO Properties GmbH provides all of our asset management services out of our operational office in Berlin and oversees the development of our portfolio. We consider our portfolio development efforts an important part of our strategy. To this end, we capitalize on major societal trends to guide our portfolio development efforts. The trends that we have identified are demographic trends such as the expected continued increase of one- to two-person households and the increase of population in Berlin over the next ten years. Our acquisition strategy and investments are designed to respond to demand generated by these trends. W&W assists with transaction management within this business function.

Targeted sales of condominiums (privatizations) are part of our strategy to actively manage our portfolio. The prices achieved in our value-oriented privatizations significantly exceed the fair value based

on the assumption of multi-family rental blocks. Before September 2014, we purchased buildings that had already been converted into condominiums but we did not immediately begin selling those condominiums. We began the business practice of converting residential units into condominiums and selling them only in September 2014 as our total portfolio became sizeable enough for privatizations to commence and based on the significant margin potential and attractive conditions.

Our strategy is to identify units and buildings which can be converted into condominiums and sell them at a rate of approximately 100 units per year, which we started from 2016, at higher prices than their carrying value in the Company's books, thereby contributing cash flows to the overall business. As of March 31, 2017, we have approximately 270 units that have been converted or are in the process of being converted into condominiums. We have identified approximately 1,891 additional units in our properties which can be converted into condominiums over the medium term and another 1,955 units which can be converted long term.

Property and Facility Management

Our property and facility management function comprises all owner-related competencies, including tenancy-related administrative functions within the Group. This business function follows the principle that all tasks that can be performed using standardized and scalable procedures and executes the asset-by-asset strategy developed by our asset management. Our goal is to maximize rental revenue by increasing rent, reducing vacancies and managing tenant fluctuation. It is steered by highly integrated interdisciplinary processes. Our property management function manages our letting process, encompassing tenant booking and marketing, rent collection, rent development and technical services. We also manage the commercial units that we own, which are located on the ground floors of our residential buildings.

Letting Services. We have initiated measures to make our letting process more efficient. Our letting department performs virtually all administrative work to support our letting agents, which allows them to focus on closing new letting contracts and letting strategies. Our letting specialists, who have an intimate knowledge of the different districts in Berlin, also have a significant amount of discretion to freely address prospective tenant needs. We support our letting service activities with a wide range of marketing activities (such as signs and illumination of windows and banners) that are focused on an entire property, individual units or individual micro-locations as well as on specific tenant target groups delineated by life cycle or economic situation. In our marketing activities, we conduct a careful tenant screening process that includes tenant credit checks.

Furthermore we perform an ongoing vacancy reduction management. We survey units during the three-month cancellation period and if the technical condition of the unit is good, we immediately begin our marketing efforts to bring vacancy to a minimum by aiming to immediately rent the units with limited or no period of vacancy in between tenants. Our property and facility management works closely with our in-house construction management to receive recommendations on the scope of refurbishment needed in order to fulfill market needs and to rent out the vacant units successfully.

Rent Collection. We strictly monitor overdue rent from our tenants. We established a structured arrears management process, which is managed by eight employees supported by a specialized external law firm, including specified dunning letters, outbound calls, email and on-site visits. Account managers may give tenants the option of a deferred payment or installment payments. To provide this service, we currently employ managers who can give tenants expert advice and who can negotiate individually tailored solutions in order to avoid costly eviction proceedings for all parties involved. We have achieved a sustainable high rent collection rate.

Rent Development. Rent development involves observation of market rents and the ability to increase rents on a regular basis for existing letting contracts. The rent revisions are primarily determined by the Berlin rent table (*Mietspiegel*), the restrictions of the German letting laws, the economic purchasing power of our tenants as well as restrictions due to subsidies. See "*Description of the Issuer—Regulatory Environment—Restrictions Applicable to Subsidized Housing*".

We seek to increase our income from rent through (i) closing the gap to market rents on existing tenancies within the regulatory limits, (ii) moving rents to market levels as rent restrictions fall away and (iii) higher rents for new lease contracts in relation to rents of existing contracts and (iv) continuing growth in the long-term through opportunistic acquisitions of assets with visible operational upside potential. In the First Quarter 2017 we amended approximately 351 residential letting contracts resulting in an additional

annualized net rent of approximately €0.67 million. In the year ended December 31, 2016, we amended approximately 1,483 residential letting contracts resulting in an additional annualized net rent of approximately €2.4 million. In the year ended December 31, 2015, we amended approximately 1,100 residential letting contracts resulting in an additional annualized net rent of approximately €1.87 million. As of December 31, 2016, average residential in-place rent was €6.11 per month and sqm, which was approximately 13% below market rent of €6.99 per month and sqm.

Our tenant turnover rate based on our total portfolio averaged approximately 7.8% per year for the year ended December 31, 2016 and 8.9% for the year ended December 31, 2015, and is a factor in increasing the value of our assets through unit turn refurbishment and modernization and results in rent increase opportunities.

Technical Services. Our property management manages technical services and customer services, including an internal tenant call line and external service call number that can be reached at all times for emergencies. We perform ongoing maintenance in response to tenant requests by hiring external suppliers and work with a strict budget (annual investment program) per building. We provide standard items for residential units such as utilities, cable, etc. Any major technical services needed for vacant units are procured by CCM; property management makes the strategic decisions for investments that are carried out by our construction management.

Management of Commercial Units. Management of the commercial units in our portfolio is handled by a small team in parallel with the management of our residential properties. Apart from the three purely commercial properties that we hold, the commercial units currently held in our property portfolio are integrated into the residential properties that we manage and primarily include small retail businesses within residential buildings.

Construction Management

CCM offers complete and comprehensive in-house construction management services. Through CCM, we continue to invest in our existing real estate portfolio. In 2015, the average capex investment per sqm was €20.8 per sqm and in 2016 it was €28.1 per sqm, which demonstrates that our approach of capex investment is an integral part of our rental growth strategy and properties enhancement.

In the First Quarter/ 2017, we invested €25.4 per sqm in modernizations and refurbishments. We are continuously investing in modernizing properties to bring them up to market expectations.

In addition we conduct periodic modernization of our properties, for example, the planned replacement of roofs or windows, modernizations of facades, refresh of staircases, etc. Such refurbishment is done according to an annual investment program. Through our standardized procedures and work volume we optimize our costs of construction.

We apply strict criteria when selecting investment opportunities and concentrate on investment opportunities that can be integrated into our asset and portfolio management and that will further improve rent out possibilities. In particular, we seek to acquire properties that will allow for increased rents and decreased vacancy in order to generate high value. This is generally achieved by balancing the following three factors:

- Rent perspective: affordability and at the market standard suitable for the current demand;
- Technical perspective: mix of necessary and value-creating measures; and
- Economic perspective: adequate returns.

The entire investment process, from project selection to post-completion, is managed by CCM after ADO Properties GmbH, the business function responsible for asset and portfolio management, has reviewed and approved the capex application. Our construction management consists of 34 full-time employees that are building engineers, architects, technicians and other craft specialists with a vast working experience in the real estate market. Through CCM, we also hire third-party service providers and construction companies that perform the modernizations and refurbishments of buildings and apartments to the market standard suitable for current demand. For all major works we typically execute a bidding process to be able and select the best supplier for the requested work.

Acquisitions and Financing

As part of our growth strategy, we aim to expand our existing property portfolio by purchasing both single properties and portfolios in Berlin. We have a fully integrated scalable platform that allows for profitable growth from acquisitions. Through selective and accretive add-on acquisitions, we have developed a long-standing track-record in the Berlin market. Our acquisitions follow a standardized, integrated process that results in analysis of the property to be acquired three months before the potential takeover.

Our asset and portfolio management works closely with W&W, which is comprised of a small number of experienced professionals with extensive real estate and local knowledge, to identify and acquire properties. After we have, or W&W has, become aware of a property to potentially acquire, W&W conducts the first inspection of the property and prepares the matrix which includes capex estimation, an analysis of the tenants and room/size ratios and the financing conditions. From the result of the first inspection and matrix, W&W forms an opinion on acquiring the property and W&W submits a proposal, including a presentation to the our chief executive officer ("**CEO**"), CFO and chief operating officer ("**COO**" and together with the CEO and CFO, the Senior Management). Potential acquisitions with a cost not exceeding €30,000,000 must be approved by both the CEO and Executive Vice Chairman. Potential acquisitions with a cost not exceeding €100,000,000 are approved by the Investment and Financing Committee. Any potential acquisitions with a cost exceeding €100,000,000 are to be approved by the board of directors (the "**Board**"). Provided the seller accepts the final offer, the closing stage is normally initiated involving confirmatory due diligence. Throughout this process, negotiations on financing are conducted in parallel. We have diversified funding with several mortgage banks to finance our properties and acquisitions. For further information on our material financing please see "*—Material Agreements—Financing Agreements*" below.

Corporate Information

The corporate structure serves as the Group's logistical backbone for our operations and handles the human resources, financial accounting and information technology functions of the Group. Third parties provide legal services and property valuation.

Human Resources and Employees

Our human resources are provided centrally by four employees of the Group, all of whom are based in Berlin, and manage recruitment and employee development and training. We use an integrated human resources software that includes employee time keeping and payroll accounting. Payroll accounting is outsourced to an external tax advisor who has access to our integrated human resources software for this purpose.

Employees

As of the date of this Prospectus, we have a seasoned team of 261 full-time professionals many of whom have degrees in real estate management, accounting, construction engineering and facility management. Apart from the Senior Management, which is based in both Berlin and Luxembourg, the Company's secretary and certain Board members, all of our full-time employees are located in Berlin and are employed in our operating businesses responsible for asset and property management (120 employees), facility management (107 employees) and construction management (34 employees). All of our real estate personnel are experts certified in their respective field of employment. Our CEO has held his position since our establishment in 2006. Our CFO has held his position since July 2016. Our COO has held his position since 2007.

The following table shows the number of Group full-time employees for the periods presented (in each case as of the end of the period):

	As of March 31,	As of December 31,	
	2017	2016	2015
Total	**254**	**247**	**219**

There is currently one employee workers council (*Betriebsrat*) in our facility management subsidiary, Central Facility Management GmbH. There are no employee union agreements (*Tarifvertrag*) currently in place.

Pension and Incentive Plans

We do not provide a private pension plan for our employees. Our employees participate in the German state pension plan (*Deutsche Rentenversicherung*) whereby employees and the Company are obliged to pay in by law.

Some members of the Board and the Senior Management participate in long-term incentive plans and have stock options in ADO Group Ltd.

Financial Management

We conduct financial accounting, all other treasury functions and tenant accounting in-house. Our financial statements are prepared quarterly and annually. In prior periods, our statutory annual accounts have been prepared in accordance with Cypriot generally accepted accounting principles. As of and for the Fiscal Year 2016, our statutory annual accounts have been prepared in accordance with Luxembourg generally accepted accounting principles and our consolidated financial statements in accordance with IFRS. Our treasury department manages the Group cash flow planning, bank loans and day-to-day payments. Tenant accounting, as part of property management, is integrated into our financial accounting and treasury processes to ensure a consistent high quality of bookkeeping.

Information Technology

We are using information technology software supplied by a third-party, and managed internally by our information technology department, that integrates all ERP, accounting and controlling functions into one software to manage all our portfolios.

Intellectual Property, Trademarks and Domains

We do not hold any patents. The following trademarks which are material for the Group's business are currently registered in favor of ADO Properties GmbH:

- word and figurative mark "ADO Properties" registered under number DE 302008045025;
- wordmark "ADO" registered under number DE 302014071419;
- wordmark "Fortica" registered under number DE 302014022378; and
- wordmark "Fortica" registered under number CTM 013031406.
- wordmark "Berlinsider" registered under number DE 302016028439.
- wordmark "Berlinsiders" registered under number DE 302016028259.

The Group's most significant internet domains are: www.ado.properties and www.ado.immo.

Insurance Coverage

We have procured various operating insurance policies, which include, among others: business and environmental liability coverage, electronic data processing equipment insurance, motor vehicle insurance, employee accident insurance, employee fraud insurance, and property damage and third-party liability insurance, that cover fire, lightning and explosions, water damage, storms and hail, natural hazards including, e.g. floods and earthquakes, broken glass and vandalism as well as statutory liability as a property owner.

The Company has provided a directors and officers ("**D&O**") insurance policy covering the Board members and Senior Management. A D&O insurance policy was entered into with XL Insurance Company SE and expires on January 1, 2019. A second D&O insurance policy was entered into with Allianz Global Corporate & Specialty SE and expires on January 1, 2019. A third D&O insurance policy was entered into with QBE Insurance (Europe) Limited and expires on January 1, 2019. A fourth D&O insurance policy was entered into with AIG Europe Limited and expires on January 1, 2019. The D&O insurance policies provide for no deductible and covers defense costs until, respectively for each, the €25 million limit of annual coverage is reached. The D&O insurance policies cover financial losses arising from a breach of duty by the Company's Board members in the course of their duties.

Trend Information and Significant Changes in Financial or Trading Position

Since December 31, 2016, there has been no material adverse change in the prospects of the Issuer.

Since March 31, 2017, there have been no significant changes in the financial or trading position of the Issuer.

Governmental, Legal, Arbitration or Similar Proceedings

During the ordinary course of our business activities, we are regularly involved in legal proceedings, both as a claimant and as a defendant. These proceedings are routine matters of tenancy and other laws, and do not have a significant impact on the Group's business.

The Group companies are not and were not party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings) during the previous 12 months, which may have, or have had, significant effects on the Company or the Group's financial position or profitability.

As of the date of the Prospectus there are no legal and regulatory proceedings and claims pending that we currently believe could have a material adverse effect on our business, net assets, financial condition, cash flows, and results of operations.

Material Agreements

The following section provides an overview of material agreements to which any member of the Group is a party. All of the Group's bank loans are non-recourse loans with the related investment and trading properties as their only security.

Agreement for Investments

Investment Agreement with ADO Group Ltd

On January 26, 2016, we entered into an investment agreement with ADO Group Ltd (the "**Investment Agreement**") to jointly enter into a transaction to purchase the entire share capital of fourteen German property companies (together, the "**Property Companies**"). Upon completion of the transaction, we shall hold 94.9% and ADO Group Ltd shall hold 5.1% of the share capital of each of the Property Companies.

It has been agreed that we shall be vested with management rights for each of the Property Companies, in particular, to determine signatory rights (unless otherwise resolved by the General Meeting) and appoint, remove and replace members of the board of directors. Only certain reserved matters shall require unanimous approval of both ADO Group Ltd and us, e.g., expenditures exceeding the five-year-budget of a Property Company (except for urgent expenditures or expenditures in the ordinary course of business), the realization of any property, asset, securities or other investment (the "**Assets**") below the book value amount of the last signed financial statement (except for assets classified as condominiums) or the creation or issuance of any shares, warrants, options or convertibles of such Property Company. Furthermore, we have undertaken that each Property Company shall, subject to approval of the respective board of directors, distribute an annual dividend to ADO Group Ltd and us amounting to 5% of the total value of the transaction for the first ten years following the completion of the purchase.

Moreover, within ten years from the closing of the transaction, ADO Group Ltd shall have a put option to sell to us its interest in a Property Company for the higher of (i) the value of its holdings in the

respective Property Company (based on the audited financial statements for the preceding calendar year) and (ii) the amount paid by ADO Group Ltd for its interest (less any dividends paid). The sales of ADO Group Ltd's interests in Property Companies to unrelated third parties do not require our approval. If we decide to sell our interests in a Property Company to an unrelated third party, we shall have a drag-along right to demand ADO Group Ltd to sell its respective interest to such third party for the higher of (i) the commercial value of its interest under the terms of the respective sale and (ii) the amount paid by ADO Group Ltd for its interest (less any dividends paid). If such third party purchaser decides to not purchase ADO Group Ltd's interest in a Property Company, ADO Group Ltd shall have the right to demand that we purchase its interest on the drag-along right terms.

In the event that ADO Group Ltd reduces its (direct or indirect) shareholding in the Company to less than 20% of share capital, ADO Group Ltd shall have the right to demand from us, within 12 months, to (i) purchase all of ADO Group Ltd's interests in the Property Companies (on the drag-along right terms), (ii) procure a third party purchase for its interests, or (iii) undertake that the Property Companies continue to pay the annual dividend of 5% to ADO Group Ltd. The Investment Agreement terminates in the event that all the share capital of Property Company becomes owned by either ADO Group Ltd or us or of a sale of all (or substantially all) of the Assets of a Property Company to an unrelated third party.

Agreement for Acquisition Services

W&W Contract

On May 20, 2015, we entered into an agreement with W&W, in which W&W agreed for a term of 48 months to assist and support us in undertaking real estate transactions, including the acquisition and sale of real estate assets or share deals of companies, in Germany (the "**Transactions**"). In connection with any Transaction, W&W has agreed to provide certain services, including, but not limited to, the defining of an adequate investment strategy, the valuation of targets (technical due diligence, market valuation and economic due diligence), the assisting of ADO in the creation of a cash-flow analysis and detailed business plan, the development of financial models, the procurement of senior debt financing, the assisting in the negotiating process with a seller and the representing of ADO during the entirety of each acquisition process.

Pursuant to the agreement, we and W&W agreed that the cooperation is exclusive, meaning that W&W must perform the agreed services for all of our transactions and that W&W must not act on behalf of third party investors without our consent. Mr. Friedemann Weck is specified as the primary consultant from W&W. In return for W&W's services, ADO has agreed to pay W&W a monthly fee, cost coverage and a success fee calculated by multiplying the asset value of assets acquired in the respective Transaction with a provision factor varying according to the volume of the Transactions for the relative twelve-month period starting. Additionally, the agreement contains a total compensation cap as to the maximum amount that can be owed to W&W over a twelve-month period and any surplus amounts are paid carried forward in equal installments for the following two twelve-month periods, as long as the agreement remains in place. Any amounts carried forward also count towards the compensation cap for the respective period.

In the event that W&W is unable to procure the services of Mr. Friedemann Weck or W&W terminates the agreement before the end of its term, we may be entitled to a termination payment from W&W and/or may be empowered to purchase all relevant assets and intellectual property of W&W necessary to provide the services as envisaged in the agreement. If we were to terminate the agreement before the end of its term, we may be obliged to pay a termination fee, with the fee decreasing upon each subsequent twelve-month period, beginning from the date of signing of the agreement. At the termination of the agreement, W&W may be entitled to a bonus payment.

Financing Agreements

All of the Group's bank loans are non-recourse loans with the related assets as the only respective security:

Financing Agreement of ADO Sonnensiedlung S.a.r.l (formerly named Brandenburg properties 5 S.à r.l.) with Berlin-Hannoversche Hypothekenbank AG

On June 26, 2017, ADO Sonnensiedlung S.à.r.l. *(formerly Brandenburg properties 5 S.à r.l.)* a company with limited liability (*société à responsabilité limitée*), incorporated under the laws of the Grand

Duchy of Luxembourg, entered into an amendment and restatement agreement to the German law governed term loan agreement originally dated August 22/23, 2013, and amended on August 28, 2013, as borrower with Berlin-Hannoversche Hypothekenbank AG as lender now in an aggregate amount of €90,000,000 (the "**BerlinHyp1 Agreement**") and with final maturity date of June 30, 2024, for the purpose of refinancing of existing financial indebtedness with Berlin-Hannoversche Hypothekenbank AG, and for other purposes. On January 19, 2017, the company's name was changed from Brandenburg properties 5 S.à r.l. to ADO Sonnensiedlung S.a.r.l.

The BerlinHyp1 Agreement is secured by land charges (together with an assumption of personal liability (*Übernahme der persönlichen Haftung*) and a submission to immediate enforceability (*Unterwerfung unter die sofortige Zwangsvollstreckung*)), security assignments over the rights and claims of ADO Sonnensiedlung S.à.r.l. under rental and lease agreements and insurance agreements, pledges over certain bank accounts of the borrower and the shares in the borrower and by way of a subordination agreement with intra-group or third-party creditors. The interest rate of 1.25% per annum is fixed until and including the final maturity date and due and payable on a monthly basis. Repayments must be made on a monthly basis in an amount of €243,750. There is no additional repayment (including prepayment) required or permitted prior to the maturity date, assuming ADO Sonnensiedlung S.à.r.l. continues to perform its obligations under the BerlinHyp1 Agreement and no mandatory repayment event occurs, and with the exception that a partial prepayment is permitted in order to comply again with the financial covenants. The BerlinHyp1 Agreement includes several market standard representations, undertakings and events of default. Under certain conditions the prior written consent of Berlin-Hannoversche Hypothekenbank AG is required, in particular in case of a change of control, the conclusion of a domination agreement (*Beherrschungsvertrag*) and/or profit absorption agreement (*Ergebnisabführungsvertrag*), the change of the borrower's COMI, the creation or permission to subsist any security or the raising of any financial indebtedness. As financial covenants, the borrower must maintain a minimum debt service coverage ratio of at least 185% and the LTV-Ratio may not exceed until the end of the third year 75% and from the beginning of the fourth year and until maturity 65%.

Financing Agreement with Deutsche Pfandbriefbank AG and Investitionsbank Berlin

On March 6, 2015, eight German limited liability companies of the Group, as borrowers, entered into a term loan agreement with Deutsche Pfandbriefbank AG and Investitionsbank Berlin as lenders in an maximum aggregate amount of €280,000,000 (the "**PBB1 Agreement**") with a seven-year maturity for the purpose of partially financing an acquisition of real estate.

The PBB1 Agreement is secured by land charges, security assignments (over the rights and claims of the borrowers under rental and lease agreements, insurances, sale and purchase contracts, object management agreements and shareholder loans) and pledges of shares and bank accounts of the borrowers. Interest payments are due on a quarterly basis and the final maturity date will be March 31, 2022. The fixed interest rate is at 1.7% per annum. Repayments must be made on a quarterly basis in an amount of 2% of the original credit amount (plus interest saved) starting on June 30, 2015. There is no additional repayment required prior to the final maturity date, assuming the borrowers continue to perform their obligations under this agreement and no mandatory repayment event occurs.

The PBB1 Agreement includes several market standard representations, undertakings and events of default. The borrowers are not entitled to make further redemption payments. The borrowers must not dispose of any lending objects. In case of a sale of real estate, a mandatory unscheduled repayment must be made in an aggregate amount of that partial loan sum associated with a lending value of the respective real estate and an additional extra charge. As financial covenants, the borrowers must maintain a debt service coverage ratio of at least 120%, the LTV-Ratio must not exceed 80% for the first three years and 75% thereafter and the loan to mortgage value ratio shall not exceed 95% for the first three years and 90% thereafter.

Financing Agreement of Yona Investment GmbH & Co. KG and Yanshuf Investment GmbH & Co. KG with Deutsche Genossenschafts- Hypothekenbank AG

On November 27, 2014, Yona Investment GmbH & Co. KG and Yanshuf Investment GmbH & Co. KG, limited partnerships with a limited liability company as general partner being part of the Group, as borrowers entered into a term loan agreement with Deutsche Genossenschafts-Hypothekenbank AG as lender in an aggregate amount of €64,500,000 (the "**DGHyp Agreement**") with a seven-year maturity for the purpose of partially financing the purchase of shares in a real estate companies.

The DGHyp Agreement is secured by land charges relating to the properties being financed, an enforceable abstract promise of debt by the borrowers, security assignments (over the rights and claims of the borrowers under rental and lease agreements, insurances and the purchase of shares in the real estate companies) and pledges of certain bank accounts of the borrowers. Interest payments are due on a monthly basis and the final maturity date will be November 30, 2021. The interest rate is 1.76% and is fixed for a period of seven years. Interest and repayments are due on a monthly basis in an amount of €203,175 starting on January 31, 2015. There is no additional repayment required prior to the final maturity date, assuming the borrowers continue to perform their obligations under this agreement and no mandatory repayment event occurs. Repayment amounts increase but the total monthly payment sum remains stable due to a decrease of interest.

The DGHyp Agreement includes several market standard representations, undertakings and events of default. As financial covenants, the borrowers must maintain a debt service coverage ratio of at least 105% (110% with effect from December 31, 2016) and the LTV-Ratio must not exceed 75%. Furthermore, a change of control of each of the borrowers requires immediate and prompt notification of the borrowers. If the aforementioned event occurs, the borrowers shall be obligated to reach a consensual agreement with the lender regarding a continuation and contractual adjustment of the DGHyp Agreement. The lender is entitled to terminate the agreement if the parties have failed to reach a settlement, unless the lender considers that there are no negative effects on the lender's financing risk.

Financing Agreement of Marbien B.V., Alexandra Properties B.V., Jessica Properties B.V. and Meghan Properties B.V. with Berlin-Hannoversche Hypothekenbank AG

On September 27, 2013, Marbien B.V., Alexandra Properties B.V., Jessica Properties B.V. and Meghan Properties B.V., companies within the Group, as borrowers entered into a term loan agreement with Berlin-Hannoversche Hypothekenbank AG as lender in an aggregate amount of €57,253,500 (the "**BerlinHyp2 Agreement**") with a five-year maturity for the purpose of refinancing existing financial indebtedness under financings provided by Landesbank Berlin AG and Berlin-Hannoversche Hypothekenbank AG, termination of an interest rate swap-agreement and revalidation of equity of the borrowers used for purchase, maintenance and modernization of the respective properties.

The BerlinHyp2 Agreement is secured by land charges relating to the properties being financed, security assignments (over the rights and claims of the borrowers under rental and lease agreements) and pledges of certain bank accounts of the borrowers. Interest payments are due on a monthly basis and the final maturity date will be September 30, 2018. The interest rate is the lender's standard interest rate applicable to the borrower's credit worthiness for the respective interest period. Repayments must be made on a monthly rate initially in an amount of 1.75% of the credit amount starting October 30, 2013. There is no additional repayment required prior to the final maturity date, assuming the borrowers continue to perform their obligations under this agreement and no mandatory repayment event occurs. Repayment amounts increase but the total monthly payment sum remains stable due to a decrease of interest.

The BerlinHyp2 Agreement includes several market standard representations, undertakings and events of default. The borrowers are not entitled to make further redemption payments. The borrowers must not dispose of any parts of mortgaged properties. In case of a sale of real estate, a mandatory unscheduled repayment must be made in an aggregate amount of that partial loan sum associated with a lending value of the respective real estate and an additional extra charge in an amount of 20% of this partial loan sum. As financial covenants, the borrowers must maintain a debt service coverage ratio of at least 125%, the LTV-Ratio must not exceed 66% (63% with effect from October 01, 2015).

Furthermore, a change of control of the borrowers requires the lender's consent which was granted by the lender prior to the IPO. In addition, the conclusion of a control and profit and loss agreement also requires the lender's consent. The lender is obligated to give its formal consent in relation to the aforementioned trigger events if these cause no negative effects on the credit default risk of any borrower, the transferability of a loan and the lender's refinancing opportunities. Moreover, any creation of security interests in any borrower's asset in favor of any third party requires the lender's consent unless the lender receives *pari passu* ranking security interest in the respective assets.

Financing Agreement of 44 Companies with Berlin-Hannoversche Hypothekenbank AG

On June 22, 2016, as amended on June 29, 2016, 44 German limited liability companies of the Group entered into a German governed term loan agreement as borrowers with Berlin-Hannoversche

Hypothekenbank AG as lender in an aggregate amount of €150,000,000 (the "**BerlinHyp3 Agreement**") with a final maturity date on February 2, 2023, for the purpose of refinancing of existing financial indebtedness provided by Berlin-Hannoversche Hypothekenbank AG and the financing of cancellation fees with regard to certain hedge arrangements and any prepayment fees.

The BerlinHyp3 Agreement is secured by land charges, security assignments over the rights and claims of the borrowers under rental agreements, pledges over certain bank accounts of the borrowers and by way of a subordination agreement with intra-group and third-party creditors. The interest rate is in an amount of 1.33% and fixed for a period ending on the final maturity date. The interest payments are due on a monthly basis. There is no additional repayment (including prepayment) required or allowed prior to the final maturity date, assuming the borrowers continue to perform their obligations under this agreement and no mandatory prepayment event occurs. In case of a sale of real estate, a mandatory unscheduled prepayment must be made in an aggregate amount of that partial loan sum associated with a lending value of the respective real estate and an additional extra charge in an amount of 20% of this partial loan sum.

The BerlinHyp3 Agreement includes several market standard representations, undertakings and events of default. As financial covenants, the borrowers must maintain a minimum interest coverage ratio of at least 150% within a period ending on June 30, 2021, and 100% with effect from July 1, 2021, the LTV-Ratio may not exceed 65% and the ratio of junior ranking security interest registered with the land register to the current market value (*Nachrangwertauslauf*) shall not exceed 0%.

Purchase Agreements

Members of the Group acted as purchasers under the following material purchase agreements:

BMB Share Purchase Agreement

A Group company purchased 94.9% of the limited partnership interests (*Kommanditanteile*) in four German limited partnerships (*Kommanditgesellschaften*), Optimum Berlin 1 SP SL & Co. KG, Optimum Berlin 2 SP SL & Co. KG, Optimum Berlin 3 SP SL & Co. KG and Optimum Berlin 4 SP SL & Co. KG, under a share purchase agreement dated October 1, 2015. Thereunder, another Group company joined the aforementioned partnerships as general partner (*Komplementär*) without participating in the partnerships' capital. The acquired real property portfolio comprises 691 residential and 136 commercial units and the transaction closed on November 1, 2015.

Louise Share Purchase Agreement

Pursuant to two share purchase agreements, each dated December 10, 2015, a Group company acquired 94.9% of the shares in two German limited liability companies (*Gesellschaften mit beschränkter Haftung)*, 5. Ostdeutschland Invest GmbH and 8. Ostdeutschland Invest GmbH, as well as certain shareholder loans granted by the sellers to the companies. Each of the aforementioned limited liability companies holds 94% of the limited partnership interests (*Kommanditanteile*) in two German limited partnership companies (*Kommanditgesellschaften*), respectively. The buyer agreed to compensate the limited partners holding the remaining 6% of the limited partnership interests in the two limited partnerships for their departure from these partnerships. The real property portfolio held by the two limited partnerships comprises 531 residential and 6 commercial units. The transaction closed on January 1, 2016.

Wilhelm Share Purchase Agreement

On May 25, 2016, a Group company together with ADO Group Ltd, purchased all of the shares in CITEC Immo Real GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung).* In addition to the purchase price, the buyers agreed to repay certain bank loans (including prepayment penalties) which were granted to CITEC Immo Real GmbH. The acquired portfolio comprises 200 residential and 25 commercial units. The transaction closed on July 1, 2016.

Horizon Share Purchase Agreement

The Company together with ADO Group Ltd acquired the Horizon Portfolio by purchasing all of the shares in ADO Sonnensiedlung S.à.r.l. (formerly named Brandenburg Properties 5 S.à.r.l.), a Luxembourg limited liability company (*Société à responsabilité limitée*), under a share purchase agreement

dated July 20, 2016. The acquired real property portfolio, located in Berlin-Neukölln, comprises 1,680 units, predominantly used for residential purposes. The transaction closed on July 30, 2016.

Wilhelm II Share Purchase Agreement

On March 17, 2017, a Group company, together with ADO Group Ltd, entered into a purchase agreement to acquire the Wilhelm II Portfolio by purchasing all of the shares in CITEC Immo Invest GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*). In addition to the purchase price, the buyers agreed to repay certain bank loans (including prepayment penalties) which were granted to CITEC Immo Invest GmbH. The acquired portfolio comprises 298 residential and 30 commercial units. The transaction closed on June 1, 2017 (for more information, see "*—Business—Our Portfolio—Portfolio by District in Berlin—Recent Material Acquisitions*").

Nox Purchase Agreements

On May 5, 2017, Group companies and ADO Group Ltd entered into two connected purchase agreements to purchase the Nox Portfolio. A Group company, together with ADO Group Ltd, entered into a purchase agreement to acquire all of the shares in five property-owning companies. Another Group company entered into a purchase agreement to acquire several properties by way of an asset deal. The real property portfolio to be acquired with the two purchase agreements is located in different parts of Berlin and comprises 374 units, predominantly used for residential purposes. The transactions are expected to close on September 1, 2017 (for more information, see "*—Business—Our Portfolio—Portfolio by District in Berlin—Recent Material Acquisitions*").

REGULATORY ENVIRONMENT

Our real estate portfolio consists only of real estate located in Berlin. Accordingly our business will be affected by, among others, the regulations affecting the business of owning and managing residential properties in Germany and also specifically in Berlin. This section summarizes certain aspects of German property law, property legislation in Berlin and practices in force as at the date of this Prospectus. It does not purport to be a complete analysis — in particular, it does not take into account contractual requirements and restrictions in connection with the acquisition of certain real estate portfolios by us (in this regard, see "*—Business—Material Agreements—Financing Agreements*") — and should not, therefore, be treated as a substitute for comprehensive professional, legal and tax advice on any issue which may be relevant in the context of this Prospectus.

Limitations of German Tenancy Law

German tenancy law distinguishes between residential and commercial space. The majority of our property portfolio is governed by residential tenancy law, which in large part favors tenants through extensive social safeguards. In particular, it imposes restrictions on the Group with regard to the increase of rent, allocation of ancillary costs including costs for repair and maintenance, the termination of letting contracts and the eviction of tenants which are in breach of contract. Furthermore, the sale of residential space might be restricted.

Statutory Limits on Rent Increases

As set out in more detail below, the landlord is substantially restricted in terminating residential leases and thus may be bound by the leases for a long period of time. Against this background, German law allows the landlord to increase the rent of existing lease agreements under certain circumstances and to a legally defined extent. These are set out in this section, whereas recent statutory regulation to limit the landlord's right to freely determine the rent for new leases ("*Mietpreisbremse*") are set out below under "*—Current Developments in German Tenancy Law*".

Generally, landlords and existing or new tenants can freely enter into bilateral agreements to establish and increase the amount of rent payable. The underlying freedom to contract in accordance with the wishes of the parties is only limited as follows:

- Section 5 of the German Economic Offenses Act (*Wirtschaftsstrafgesetz*) prohibits the willful or reckless letting of space for dwellings at rents or with ancillary costs that are unconscionably high. Such is the case if the rent or ancillary costs substantially exceed the

comparative rent levels (*ortsübliche Vergleichsmiete*) due to an abuse of the limited availability of comparable space (generally, a rent exceeding the comparative rent level by 20% is deemed to infringe this provision).

- Additionally, according to decisions by the German Federal Court of Justice (*Bundesgerichtshof*), rents exceeding the comparative rent levels (*ortsübliche Vergleichsmiete*) by about 50% may constitute usury under Section 291 German Criminal Code (*Strafgesetzbuch*).

With letting contracts that are not subject to public rent control and for which restrictions on rent increases have not been contractually agreed the landlord may assert a right of contractual increase of the rent, subject to statutory and contractual requirements, up to locally prevailing comparative rent levels (*ortsübliche Vergleichsmiete*) if the rent has remained unchanged for the 15 months preceding the intended increase. As a rule, however, the rent cannot increase by more than 20% in three years (capping limit) according to the current legal framework. However, the governments of the German Federal States are empowered to adopt regulations to lower the capping limit to 15%, which has occurred in the federal state of Berlin due to which the capping limit has been lowered to 15% for all of Berlin with effect until May 10, 2018 pursuant to the Berlin regulation on cap limits (*Kappungsgrenzen-Verordnung*). The determination of the comparative rent levels (*ortsübliche Vergleichsmiete*) is to some extent linked to respective local rent indexes (*Mietspiegel*).

In connection with freely financed residential units and letting agreements which are not subject to contractual rent restrictions, the landlord may also increase the annual rent by 11% of the costs incurred in modernizing of the respective rental space, subject to statutory and contractual requirements. However, our ability to increase rents following a modernization may also be restricted in cases the works carried out would be considered maintenance in line with the standards established for government subsidized apartment buildings (*geförderte Wohnungsbaumaßnahmen*), or in case of luxury refurbishments, i.e. modernizations that exceed a level an average owner would undertake as an investment in his property. Regarding current developments in this regard, please refer to the section "*—Regulatory Environment – Current developments in German tenancy law*" below.

Following the rent increases, tenants may have an extraordinary termination right.

Please also see information regarding limitations on our ability to increase rents under "*Risk Factors—Regulatory and Legal Risks—German laws protecting residential tenants and existing restrictions on the rate of rental increases could make it more difficult to increase the rents of residential units we own.*".

Owner's Repair and Maintenance Obligations and Modernizations Measures

Under German law, the landlord must, unless the parties agree otherwise, maintain and repair the property (this obligation extends to the structure, the façade, the roof of the building, but also the interior of the residential units). In general, the landlord is restricted in transferring this maintenance and repair obligation to the tenant in the standard lease agreements used.

Subject to compliance with statutory limitations, the landlord may transfer the obligations to carry out decorative repairs (*Schönheitsreparaturen*) and the costs of minor repairs (*Kleinreparaturen*) for a residential unit's interior to the tenant, however, the latter of which only under the condition that the costs are limited for each single case as well as with regard to the total sum of the minor repairs per year. If the landlord assigns such obligations within standardized contracts, the terms must comply with the strict requirements for standardized business terms. For example, the German Federal Supreme Court of Justice has ruled that standard clauses in letting contracts are invalid if they obligate the tenant to carry out decorative repairs (*Schönheitsreparaturen*) within a fixed schedule or to fully renovate the apartment at the end of the letting term regardless of the premises' condition (*Endrenovierung*). The invalidity of such clauses results in the landlord being responsible for the repair and maintenance and being required to bear all related costs. If the tenant carries out such repair and maintenance works without actually being obliged to do so, the landlord might have to compensate the corresponding costs. This may increase the landlord's maintenance costs for such properties.

In general, tenants have to accept maintenance measures (*Erhaltungsmaßnahmen*) and modernization measures (*Modernisierungsmaßnahmen*), in particular energetic modernization measures that have been announced by the landlord in writing three months prior to the beginning of the planned

measures, unless such measures would constitute an unreasonable hardship for the tenant, family members or members of the household of the tenant. Following the announcement of modernization measures, tenants are entitled to a special termination right (*Sonderkündigungsrecht*). Regarding the possibility to allocate parts of the costs incurred to the tenant by way of a rent increase, please see "*—Statutory Limits on Rent Increases*".

Statutory Protection of the Tenant Against Termination and Eviction

Generally, unless the landlord has good cause (*wichtiger Grund*) justifying an extraordinary termination, the landlord may only terminate a letting contract for residential space with notice (*ordentlich*) and only if he has a legitimate interest (*berechtigtes Interesse*) in ending the tenancy. By law, a legitimate interest in ending the tenancy may only arise if (i) the tenant commits a culpable and substantial contractual breach; (ii) the owner has a claim of personal use in the property (*Eigenbedarf*) for himself, his family members, or members of his household; or (iii) the owner would otherwise be prevented from reasonable economic utilization and would therefore suffer considerable detriment.

"Reasonable economic utilization" as grounds for termination is intended to ensure the free economic disposability of property. Such grounds exist if the owner were to suffer considerable detriment from continuing the tenancy (for example, receiving a significantly lower purchase price; expenses significantly exceed income). However, the possibility of either realizing a higher rent by offering the residential space to another tenant or a landlord's intention of selling the residential space in connection with the conversion of housing into individually owned residential units, for example, would not qualify.

In fact, in case of conversion to individual ownership, the German Civil Code (*Bürgerliches Gesetzbuch*) prohibits personal use and reasonable economic utilization as grounds for termination by the purchaser for three years after transfer of title if the residential space was already rented to a tenant before the conversion to individual ownership. In regions where housing supplies are deemed to be insufficient, the governments of the German Federal States may extend this period against termination to up to ten years by statutory order. Such statutory order has been passed for the Federal State of Berlin.

A residential tenant may object to a termination by the landlord (not in case of a termination for good cause) and demand continuation of the lease, if the termination would mean a hardship to the tenant, his family members or members of his household that is not justifiable even considering the landlord's legitimate interest (*Sozialklausel*). Pursuant to case law, such objection may be justified, for example, in case the tenant is old, pregnant, has a serious illness, or where there is no comparable accommodation available.

Even if the landlord successfully terminates the letting contract on the basis of a legitimate interest, the tenant is protected under German tenancy law against immediate eviction. In consequence, a court may allow for an appropriate deadline (with a maximum delay of one year) for the tenant to vacate the apartment after the effective termination of the letting contract by the landlord. However, as alternative to the classic eviction procedure, the "*Berliner Räumung*", offering the landlord the cost-effective opportunity to limit the eviction procedure to the procurement of possession, was implemented with the Tenancy Law Amendment Act (*Mietrechtsänderungsgesetz*). Furthermore, eviction procedures shall no longer be tediously delayed because of a right of possession of a third person that is not covered by the executory title (*Vollstreckungstitel*). A further title against such third person is now obtainable by way of an injunction (*einstweiliger Rechtsschutz*).

Statutory Restrictions in Selling Residential Space

If rented residential space that has been converted into individual ownership, or is intended for such conversion, is to be sold to third parties (i.e., not to family members or members of the household of the landlord), the German Civil Code (*Bürgerliches Gesetzbuch*) provides for a statutory preferential subscription right (*Vorkaufsrecht*) in favor of the tenant, i.e., the tenant has the right to purchase the space on the same terms as the buyer. However, no preferential subscription rights exist if the unit was already individually owned at the beginning of the term of the letting contract.

Statutory Restrictions on the Change of Use of Residential Properties

On March 4, 2014, the Berlin government passed a regulation (*Zweckentfremdungsverbot-Verordnung*) which entered into force on May 1, 2014, and applies to the whole City of Berlin. Pursuant to

the regulation, any change of use of residential properties requires prior approval of the competent district authority (*Bezirksamt*). This applies in particular to the use of residential properties as holiday flats or for commercial or professional purposes, the vacancy of residential properties for more than six months, constructional changes which impede the use as residential properties and the elimination of residential properties. The authorities will only grant approval if the public interest in the permanent provision of residential property does not prevail or an adequate substitute of residential property is available. Since Berlin has been declared as an area with a tight housing market, it is expected that such approval will only be granted by way of an exception.

Statutory Restrictions on the Conversion of Rental Apartments into Condominiums

On March 3, 2015, the Berlin government passed a regulation (*Umwandlungsverordnung*) which entered into force on March 14, 2015. Pursuant to the regulation, several Berlin districts established currently around 40 areas in total, located in the districts of Pankow (ten areas), Friedrichshain-Kreuzberg (nine areas), Neukölln (five areas), Tempelhof-Schöneberg (four areas), Mitte (five areas) and Treptow-Köpenick (three areas), as milieu protection (*Milieuschutz*) areas, meaning that rented apartments may no longer be turned into condominiums and sold. This shall ensure that people from all social milieus can afford to rent apartments in all parts of the city. The owner of a rented apartment has to receive an exception permission by the relevant district to sell the apartment. Such exception permission may be granted, for example, in case that the apartment shall be sold to the current tenant. The conversion is, however, only applicable to the sale of an apartment, and not to the sale of the whole property, in which case the relevant leases would be transferred to the new owner.

It is allegedly planned by several districts (e.g. Neukölln, Pankow and Charlottenburg-Wilmersdorf) to define further milieu protection (*Milieuschutz*) areas across the city of Berlin. This could, however, take several months to accomplish since in depth investigations regarding the relevant areas' worthiness of protection need to be carried out in advance.

Requirement for Energy Certificates and Energy Conservation Measures

Generally, as part of the construction of a building and, under certain circumstances, in as part of changes, enlargements and expansions of a building, an energy certificate (*Energieausweis*) must be issued. The energy certificate is a document that assesses the building's energy efficiency. It shows the energy state of a building and suggests modernization measures for reduction of energy consumption. The energy certificate is generally valid for ten years. Since May 2014, an energy certificate must also be presented to any potential new tenant or potential buyer. Failure to comply can be penalized as an administrative offense.

The Energy Savings Regulation (*Energieeinsparverordnung*) of July 24, 2007, establishes a legal framework regarding the energy requirements of buildings heated or cooled by using energy. It furthermore sets up requirements regarding energy-saving insulation as well as energy-saving technology. Its overall purpose is to reduce the energy demand (*Verbrauch*) of buildings. In November 2013, the German Federal Government enacted the second regulation amending the Energy Savings Regulation, which came into effect in May 2014. Pursuant to this second regulation, as of January 1, 2016, new buildings have to be built in a more energy efficient way. Compared to the former legal situation, the energy efficiency must increase by 25% with respect to the annual primary energy consumption and by an average of 20% with respect to the thermal insulation of the building shell. As of 2021, European Union law requires that all private buildings must be built satisfying certain low-energy building standards. Already existing buildings (*Bestandsgebäude*) are subject to energy efficiency requirements in the event of certain substantial renovations.

Requirement for Legionella Testing and Potential Remediation Measures

The Drinking Water Ordinance (*Trinkwasserverordnung*), as revised in November 2015, provides *inter alia* that owners of specified centralized heated water supply facilities for use in multi-family houses are required to analyze stored heated water regarding the concentration of legionella at least every three years. The analysis is carried out by accredited laboratories specified and listed by the respective federal state. Any abnormal test results have to be reported to the local health authority. In case of the unfavorable increase of certain parameters, the owner of the centralized heated water supply facility is obliged to determine the cause, file a report to the competent health authority, and conduct appropriate counter-

measures, which may range from chemical filtering or thermal disinfection to a modernization of the entire water supply facility.

We believe that we will be able to allocate the costs for routine analyses of drinking water as provided for under the Drinking Water Ordinance to tenants as part of the operating costs.

Requirement to Install and to Maintain Smoke Detectors

All, the federal states (*Bundesländer*) in Germany have made mandatory the installation and maintenance of smoke detectors in residential units. In almost all federal states where a relevant obligation exists, not only new buildings, but also existing buildings have to be equipped accordingly, usually within a transition period. Ultimately, on June 9, 2016, the State Parliament, the State of Berlin resolved on an obligation to install smoke detectors in residential units which was promulgated on June 28, 2016 and entered into force on January 1, 2017. The fulfillment of these obligations is mandatory for all newly built premises starting January 1, 2017. Existing premises must be equipped with smoke detectors by December 31, 2020 at the latest.

Costs incurred for the initial purchase and installation of smoke detectors in residential buildings may be passed on to the tenant as modernization costs by increasing the annual rent by up to 11% of the costs incurred for the relevant rental unit. Costs for the rent and maintenance of smoke detectors may contractually be allocated to the tenant as part of the operating costs.

Current Developments in German Tenancy Law

The MietNovG entered into force on June 1, 2015. The provision of the MietNovG that authorizes the German federal states to determine which areas have a tight housing market entered into force on April, 27 2015.

One of the main topics of the MietNovG is a cap on rents for new leases, the "*Mietpreisbremse*". Pursuant to the MietNovG, in case of subsequent letting of residential spaces, the rent under the new lease agreement is limited to a maximum amount of 10% above the customary local rent, unless the rent under the previous lease agreement was already above that level. The aforementioned limit may be raised in case modernization measures have been carried out by the landlord within three years prior to the beginning of the new lease. The customary local rent can be found in the rent index (*Mietspiegel*). However in Berlin, the validity of the applicable rent index has come under scrutiny several times in the past. On May 11, 2015, the local court of Berlin-Charlottenburg delivered a judgment, on the invalidity of the 2013 rent index (*Mietspiegel*) for Berlin. According to the court, the index has not been created in accordance with a generally accepted scientific standard since it included a non-scientific exclusion of extreme values. Therefore, the 2013 rent index for Berlin can neither be used as a reference for determining the customary local rent (*ortsübliche Vergleichsmiete*) nor can the index serve as a general rent index (*einfacher Mietspiegel*). With respect to the 2015 rent index for Berlin, the regional court (*Landgericht*) Berlin has delivered a judgment that the index is valid and can serve determining the customary local rent.

In case of an indexation of the rent, the rent caps only apply to the initial rent, whereas in case of a stepped rent (*Staffelmiete*), the limitations apply to every step. Deviations from the above which are to the tenant's disadvantage enable the tenant to claim back any overpaid rent, however only from the time the excessive rent increase has been addressed by the tenant to the landlord in writing.

The above-mentioned rent caps shall only be applicable to leases in areas of tense housing markets (*angespannter Wohnungsmarkt*). Although the MietNovG provides for some indications of what is to be considered a tense housing market, the German state governments (*Landesregierungen*) have to define those areas by means of a legal decree. The Berlin government has issued such decree on April 28, 2015 with effect for the whole City of Berlin.

Further, the rent caps shall not apply to (i) the initial letting (*Erstvermietung*) of residential housings, (ii) letting following extensive modernization measures, and (iii) residential units let and used for the first time after October 1, 2014.

The landlord's right to successively increase the rent under an existing lease within the statutory limitations (generally up to 20% in three years, but only up to 15% in Berlin) remains unaffected by the MietNovG.

Currently, there are two pending initiatives regarding amendments to German tenancy law and the "*Mietpreisbremse*" in particular. One was initiated by the German Ministry of Justice and the other by the State of Berlin in the Federal Council of Germany (*Bundesrat*). Both initiatives aim to amend the frame of reference for determining the customary rent (*ortsübliche Vergleichsmiete*) which currently includes the respective previous four years to the previous eight years (initiative by the German Ministry of Justice, as reported by the press) and to the previous six years (initiative by the State of Berlin). Furthermore, the initiative by the State of Berlin includes an obligation of the landlord to disclose the amount of rent paid by the former tenant at the start of a lease.

The initiative by the German Ministry of Justice also includes an amendment of the possibility for the landlord to increase the annual rent by 11% of the costs incurred in modernizing of the respective rental space, subject to statutory and contractual requirements: In the current draft initiative the annual rent may only be increased by 8% of the costs incurred in modernizing of the respective rental space. In addition, the draft initiative provides for a cap-mechanism pursuant to which, within an eight-year-timeframe, the rent increase due to modernization is capped to a maximum increase of €3 per sqm. However, the increase of the rent shall be excluded, pursuant to the draft initiative, if after the rent increase the respective tenant would need to spend more than 40% of the household income on rent and heating costs.

The initiative by the German Ministry of Justice also amends the reference point for rental increases to the customary rent following modernization for the actual size of the rented space (*tatsächliche Wohnfläche*). This shall also be relevant for the service charges that may be transferred to the tenant.

Since the respective drafts of the German Ministry of Justice and the state of Berlin are still pending, it is unclear when and to which extent the proposed amendments will apply.

Amendments to broker law by the MietNovG that entered into force on June 1, 2015 include that any broker's commission (*Maklerlohn*) shall be owed by the party actually commissioning the broker. If the landlord commissions a broker for the letting of its premises, this amendment, the "*Bestellerprinzip*", would therefore terminate current common practice of regularly allocating the respective costs to the tenant. Any agreement concluded for the purpose of circumventing the "*Bestellerprinzip*" shall be void, and a broker can be fined for charging a commission from a tenant who did not commission the broker by means of an agreement concluded in textual form (*Textform*).

It is currently unclear if and when new legislation to promote the construction of residential premises shall come into force. A draft proposed by the German Federal Government on a new law for the tax deductible promotion of the construction of residential premises has been put on hold because no decision could be reached by the German Parliament (*Deutscher Bundestag*). The draft aims to promote the construction of residential premises by providing for a depreciation allowance (*Abschreibungsmöglichkeit*) for the respective costs of constructions which shall be (i) capped at a maximum amount of €3,000 per sqm and (ii) only apply in areas with a tense market on residential premises (*angespannter Wohnungsmarkt*). Pursuant to an inquiry by Bündnis 90/Die Grünen, the German Federal Government stated that it expected a subsidization of 90,600 newly built residential premises in 2016 (*Source: German Bundestag, (Deutscher Bundestag), Finance Committee (Finanzausschuss), Promotion of Rental Apartments Discontinued (Förderung von Mietwohnungen abgesetzt), Current Information (Aktuelle Informationen), April 27, 2016*). Since the respective draft has not yet been adopted, it is unclear if and to which extent this will apply.

Restrictions Applicable to Subsidized Housing

General Overview

The German federal government, federal states (*Bundesländer*) and municipalities promote and subsidize social housing, i.e., housing available to families and individuals which do not have appropriate access to housing on the general market and hence need public support. Public subsidies on social housing can be granted in different forms, such as loans for costs of construction of housing (*Baudarlehen*), grants or loans for costs of the running expenses (*Aufwendungszuschüsse* and *Aufwendungsdarlehen*) or as loans to cover payments of current interest rates and loan repayment (annuity-aid-loan (*Annuitätshilfedarlehen*)).

Effects of Public Subsidies

Subsidized social housing generally triggers restrictions on the maximum amount of rent and may limit the group of possible tenants to persons in special social situations (e.g., large families, persons with

disabilities) or those holding a housing eligibility certificate (*Wohnberechtigungsschein*) whose issuance mainly depends on the tenant's income. The applicable period of these restrictions (*Bindungszeitraum*) as well as the technical modalities depend on the specific kind of subsidy granted. Further restrictions, for example those relating to the sale and transfer of subsidized property, may apply in individual cases. In particular, these restrictions may result from administrative acts (*Verwaltungsakte*) or public law contracts (*öffentlich-rechtliche Verträge*), and, as the case may be, other agreements, such as loan agreements. In case of breach of obligations applicable to the individual subsidized property, the granting of the subsidy may be terminated and the relevant subsidy claimed back.

Upon the expiry of the restriction period (*Bindungszeitraum*), the properties subsidized are regulated in the same way as unsubsidized properties.

Applicable Laws and Regulations

As of March 31, 2017, approximately 10.7% of the Group's residential units were subject to rent restrictions as a result of subsidies (the "**Subsidized Properties**"). In addition, some of these properties are restricted in terms of possible tenants. Rent restrictions are scheduled to expire between 2017 and 2022 for a substantial part of the residential units.

The Subsidized Properties have been subsidized at different times based on various programs and legal bases. The programs include subsidies for new buildings as well as for the modernization and renovation of existing buildings. Accordingly, and depending on the time of the granting of the public subsidies, the statutory bases for the subsidies granted for the Subsidized Properties vary.

Statutory bases are mainly found in the First Housing Act (*Erstes Wohnungsbaugesetz*), which applied from 1950 to 1956, and the Second Housing Act (*II. Wohnungsbaugesetz*) of 1956, as well as the Controlled Tenancies Act (*Wohnungsbindungsgesetz*), the 1970 Rent Ordinance for New Construction (*Neubaumietenverordnung*) and the Second Calculation Ordinance (*II. Berechnungsverordnung*). These provisions are further specified at the state level. On January 1, 2002, the Housing Assistance Act (*Wohnraumförderungsgesetz*) replaced the Second Housing Act. However, decisions and measures based on the Second Housing Act remained valid, and the Second Housing Act generally continues to apply to subsidies granted before January 1, 2002 (or, in specific cases, before January 1, 2003).

With the enactment of the Housing Assistance Act (*Wohnraumförderungsgesetz*) in 2002, housing subsidies can be granted by way of loans or grants, guarantees or the provision of building ground at preferential conditions. The Housing Assistance Act (*Wohnraumförderungsgesetz*) requires such subsidies to be granted on the basis of a subsidy notification (*Förderzusage*), which can take the form of an administrative act (*Verwaltungsakt*) or a public law contract (*öffentlich-rechtlicher Vertrag*). In the subsidy notification, the authority granting the subsidies must specify the conditions under which the subsidy is granted, in particular the purpose, use and amount of the subsidy, as well as restrictions on eligible tenants and rent restrictions (*Belegungs- und Mietbindungen*) or rights of the authority to assign specific tenants (*Belegungsrechte*). The applicable period for these restrictions (*Bindungszeitraum*) will generally also be specified in the subsidy notification. As a consequence, specific restrictions with regards to individual cases generally follow from the subsidy notification.

The legislative competence to subsidize social housing was transferred from the Federal Republic of Germany to the German federal states (*Länder*) as of September 1, 2006. Based on that change of legislative competence, some federal states have since issued new social housing laws. However, federal legislation (in particular the Housing Assistance Act (*Wohnraumförderungsgesetz*) and the Controlled Tenancies Act (*Wohnungsbindungsgesetz*)) remains applicable to the extent that it is not replaced by legislation of the particular federal state. Berlin has enacted the Law on Social Housing (*Wohnraumgesetz Berlin*) in 2011 (as last amended with effective date of January 1, 2016), which complements federal legislation, but does not substitute it.

Depending on the type of subsidy, and the legal basis on which it was granted, the restrictions on the maximum amount of rent and limitations on the group of possible tenants, as well as the applicable restriction periods, vary. For instance, as the result of subsidies granted before the entering into force of the Housing Assistance Act (*Wohnraumförderungsgesetz*) in 2002, the subsidy recipient may only be able to charge a cost-covering rent (*Kostenmiete*) during the restriction period as a matter of statutory law. The cost-covering rent is the rent necessary to cover all expenses for the property, including a return on equity capital and is adjusted over time.

After public funding has ended, general statutory provisions such as the above-mentioned capping limit which generally limits a rent increase (Section 558 paragraph 3 German Civil Code (*Bürgerliches Gesetzbuch*)) apply.

Forms of Public Subsidies; Subsidy Notification and Loan Agreement

Public subsidies on social housing can be granted in different forms such as loans for costs of construction of housing (*Baudarlehen*), grants for costs of the running expenses (*Aufwendungszuschüsse*) or as loans to cover payments of current interest rates and loan repayment (annuity-aid-loan (*Annuitätshilfedarlehen*)).

Generally, if a property is subsidized with a loan, the competent public authority first issues a subsidy notification. On the basis of this notification, the addressee concludes a loan agreement with either a public authority or a bank. Usually, the subsidy notification refers (either explicitly or indirectly by referring to the subsidized building) to the subsidized loan and vice versa.

The consequence of this legal connection is a strong link between the subsidy notification and the subsidized loan. Generally, the subsidized loan agreements stipulate that any right to terminate or revoke the subsidy notification automatically triggers the right to revoke the loan agreement. In other cases, depending on the provisions in the loan agreement, noncompliance with the provisions of the subsidy notification and a subsequent revocation of the subsidy notification will, for example, lead to a right of the lender to claim back or amend the loan agreement or to terminate the contract. On the other hand, non-compliance with the terms of the loan agreement may also affect the subsidy notification, which might provide that a breach of the loan agreement entitles the authority granting the subsidy to withdraw the subsidy notification.

Additionally, the subsidy notification or the subsidized loan agreement may also set out conditions for commercial loans which the borrower contracts to finance the subsidized property in addition to the subsidized loan. The breach of such conditions might entitle the public authority to withdraw the subsidy notification or the lender to terminate the subsidized loan agreement.

Sale and Transfer of Subsidized Properties

If a subsidized property is sold and transferred, the restrictions arising from legislation and/or the subsidy notification generally also apply to replacements in title of the property. If the restrictions follow directly from legal provisions, they apply to the respective owner of the property. If they follow from the subsidy notification, the notification, while still addressed to the original recipient of the subsidy, may also apply to the new owner of the subsidized property under general principles of German administrative law. The authority may also transfer or re-issue the subsidy notification to the new owner. However, the subsidy notification or the subsidized loan agreement may include deviating provisions regarding the effects of a sale and transfer of the property on the public subsidy.

However, the sale and transfer of the property does not automatically transfer the loan agreement based on the subsidy notification to the replacement in title. Since the loan agreements are governed by civil law only, a transfer of the loan agreement can only be achieved with the agreement of the respective lender. Moreover, should an apartment be converted into a condominium and sold for personal use (*Eigennutzung*), any public subsidies will be claimed back.

Further Restrictions of the Use of Properties Under Private and Public Law

Restrictions Arising Out of Easements in the Land Register

An easement (*Dienstbarkeit*) encumbers a particular property to the benefit of the respective owner of another property (*Grunddienstbarkeit*) or to the benefit of a third party, establishing a personal right unrelated to the ownership of a certain property (*beschränkte persönliche Dienstbarkeit*). It requires the owner of the charged property "*in rem*" to refrain from taking action (e.g., not to build on specific parts of the property) or to accept actions taken by the respective owner of the benefitted property or the benefitted third party (e.g. a right of way or a right to run cables or pipes for third parties). The content of the respective obligation can be enforced by the owner of the benefitted property or the benefitted third party. Since registered easements are "attached" to the property itself, they can be enforced against the current and

any subsequent owner of the charged property as well as against legal successors. For some of the properties in the portfolio, easements are registered in the land register.

Public Easements

A public easement (*Baulast*) requires the owner of the charged property to take action (for example, to create a certain number of parking spaces), refrain from taking action (for example, not to build on specific parts of the property) or to accept actions by third parties (for example, laying pipes or cables by third parties). The content of the obligation can be enforced by means of an administrative order. Such public easements have been established for a number of properties in the portfolio.

Various properties of the portfolio are also subject to unification public easements (*Vereinigungsbaulasten*). These public easements create a single "construction property" (*öffentlich-rechtliches Baugrundstück*) out of the affected properties which continue to be independent properties under civil law. Many provisions of public building law, such as the requirements of minimum distances between buildings, apply to the construction property as if the plot boundaries did not exist.

According to the Berlin building code (*Bauordnung Berlin*), public easements take effect with their registration in the public easement register. Since public easements attach to the property itself, they can be enforced against the owner of the charged property and against third parties. The public easement is also effective against legal successors (that is, buyers of the charged properties) and can only be suspended by a waiver of the competent authority. The restrictions resulting from the public easement may affect the value of the charged property. The public easement lapses through written waiver of the competent authority.

Further restrictions regarding the properties in the Group's portfolio may arise from urban development agreements (*städtebauliche Verträge*) or public law agreements (*öffentlich-rechtliche Verträge*) concluded with public authorities, e.g. for the development of certain urban spaces by us.

General Legal Requirements Under German Planning and Zoning Law

Generally, most projects and measures affecting major buildings as well as their use require a building permit (*Baugenehmigung*). This does not only apply for the erection and substantial modifications of a building, but also for a substantial change of use (*Nutzungsänderung*), even if such change of use does not come along with construction works, as well as for a demolition and removal of buildings or parts thereof.

By way of granting the building permit the competent authority states that the proposed project does comply with the applicable law, both, with regard to federal planning law (*Bauplanungsrecht*), including provisions of applicable local development plans, and the building law (*Bauordnungsrecht*) regulated in the respective State Building Acts (*Landesbauordnungen*). While the planning law rules the purpose for which a property may be used, describing in particular the kind of use and the type and size of buildings permissible, building law determines how buildings may be designed and constructed in order to safeguard safety and the prohibition of dangers.

If not challenged, building permits, generally, become final/ not appealable (*bestandskräftig*) and then safeguard the permitted building for the future, independent of any changes of the relevant planning and zoning law.

Restrictions for Properties Affected by Monument Protection and/or Special Urban Planning Legislation

With regard to restrictions on use and disposal, some of the Group's real estate is situated in urban redevelopment areas (*Sanierungsgebiete*) and preservation areas (*Erhaltungsgebiete*). Additionally, some of the real estate is listed as protected historical monuments. The applicable statutory regime in these cases is that of special preservation statutes based on the Federal Building Code (*Baugesetzbuch*) and the Berlin legislation for the preservation of protected monuments (*Denkmalschutzgesetz Berlin*).

With respect to real estate situated in an urban redevelopment area (*Sanierungsgebiet*), we are required to obtain the permission of the municipality in particular for demolition or alteration of buildings, entering into lease agreements with a fixed term of more than one year, the sale of the property, the granting of encumbrances and the creation, amendment or suspension of an easement. In addition, at the end of the redevelopment measure the relevant municipality will levy a compensation charge (*Ausgleichsbetrag*) that

is aimed to balance the increased land value in consequence of the redevelopment. The owner of the real estate is responsible for the implementation of the necessary measures defined by the public authorities. Only if the owner is unable to realize the measures quickly and expediently, the authorities may take action instead.

A substantial part of the Group's real estate is situated in preservation areas (*Erhaltungsgebiete*), which requires it to obtain the permission (irrespective of the requirement of a building permit) of the relevant public authority for demolition, alteration of buildings or change of use. Also, ordinances may determine that permission is required for the establishment of individual ownership for personal use (condominium and part-ownership) in respect of residential units. Milieu protection (*Milieuschutz*) areas as well as preservation areas (*Erhaltungsgebiete*) are both regulations based on the Federal Building Code (*Baugesetzbuch*). Preservation areas primarily serve the preservation of the urban characteristic of the area and can be stipulated by local development plans and other local statutes. Milieu protection areas (*Milieuschutz*) serve the preservation of the areas as well, focusing on the composition of the resident population in a specific area. In order to preserve the existing composition of the resident population, the Federal Building Code (*Baugesetzbuch*) enables the federal states to enact ordinances that prohibit the transformation of rented apartments into freehold apartments. As mentioned before, a respective ordinance (*Umwandlungsverordnung*) was passed by the Berlin government on March 3, 2015, in force until March 13, 2020.

A small part of the buildings in the Group's total portfolio are listed as protected monuments, which requires that the properties are maintained for historical, artistic, scientific or urban development interests. The owner is under a specific obligation to maintain and repair the real estate listed as historical monuments. Any change to the building itself or its use requires specific permission. The seller must notify any proposed transfer of a listed historical monument to the relevant authority, and the state usually has a statutory pre-emption right.

Liability for Environmental Contamination

Liability for environmental contamination and hazardous soil contamination may arise under public law and civil law provisions. Liability under public law cannot be excluded by contract. Civil law warranty liability, by contrast, can be limited or excluded by contract. See the risk factor "*Regulatory and Legal Risks—We may incur environmental liabilities, for example, from residual pollution including wartime ordnance, soil conditions, asbestos and contaminants in building materials, as well as from possible building code violations.*".

Environmental Liability Under Public Law

Soil Contamination

Pursuant to the Federal Soil Protection Act (*Bundesbodenschutzgesetz*), the parties responsible for environmental contamination include, among others, the party that caused the contamination, its legal successor, the owner of the contaminated property and each previous owner of the contaminated property (if such former owner transferred the property after the entering into force of the Federal Soil Protection Act on March 1, 1999 and knew or should have known about the contamination), as well as the person with actual control over the property. With regard to these potentially liable parties, there is no general ranking as to which of the parties is primarily liable. It is within the discretion of the relevant local authority to decide which party shall be held liable. The party most likely to be held liable is the current owner of the contaminated site, because it is legally entitled to carry out the required remedial measures. Furthermore, the liability of the entities and persons who can be held liable by the authorities for remediation does not require a showing of negligence or intent on the part of the liable parties.

The Federal Soil Protection Act (*Bundesbodenschutzgesetz*) authorizes the local authority to require risk inspections, investigations, remedial measures, and other necessary measures for the protection against hazardous soil changes or residual environmental contamination.

The Federal Soil Protection Act contains a statutory indemnity obligation on the part of the responsible parties that, irrespective of an official order, allocates liability among the parties in accordance with their respective contribution to the cause of the contamination. The indemnity obligation can be transferred by express contractual agreement.

As of March 31, 2017, approximately 14.8% of our properties are registered in the register of contaminated sites (*Altlastenkataster*), mostly as areas of suspected contamination (*Altlasten-Verdachtsfläche*). Where a cause for suspected contamination is provided in the register, it is predominantly due to prior industrial use of the property.

Groundwater Contamination

According to the Federal Water Resources Act (*Wasserhaushaltsgesetz*) and related provisions of the federal and the state environmental protection and water laws the parties responsible for any contamination of water can be held liable for the required remedial measures by the authorities.

If the contamination of water has detrimental effects on the property of third parties, the polluter may be held liable for the resulting damage. Such liability exists independently of any potential action taken by the public authorities.

Asbestos

German law imposes obligations to remediate asbestos contamination under certain circumstances. Under the asbestos guidelines (*Asbest-Richtlinien*) of the German federal states, the standard for determining a remediation obligation is the presence of any health threat. The law distinguishes between friable asbestos, which is capable of releasing asbestos fibers into the air as it ages or is broken, and non-friable asbestos, from which asbestos fibers are not usually released and which therefore poses a limited risk to human health. Except in the event of structural alterations (demolition, renovation, maintenance), there is generally no obligation to remove non-friable asbestos under the asbestos guidelines.

Friable asbestos can typically be found in construction materials that provide fire safety, noise abatement, moisture protection, heat insulation and thermal protection. The asbestos guidelines set out criteria used in assessing the urgency of remedying any contamination, ranging from immediate action (including demolition, removal or coating of the asbestos) to risk assessments at intervals of no more than five years.

In the case of an asbestos contamination, a tenant may also assert a right of rent reduction or even terminate the lease for good cause in certain circumstances. German courts have held that a landlord may be presumed to be in breach of its statutory obligations if the existence of a health threat cannot be excluded. Accordingly, the courts have granted the right to rent reduction even in cases where the asbestos guidelines do not require immediate remediation. Tenants may also claim compensatory damages if the defect was present at the time the contract was concluded and they may claim compensation for personal suffering (*Schmerzensgeld*). Finally, tenants also have the right, subject to certain conditions, to remedy the defect on their own and require that their reasonable expenses be reimbursed.

Pentachlorophenol (PCP), Lindane, Dichlorodiphenyltrichloroethane (DDT), and Polychlorinated Biphenyl (PCB)

Due to negative effects on human health, the use of PCP is prohibited. However, PCP may still exist in buildings, such as in wood preservatives, synthetic materials, insulations, or joints as it was used as a fungicide against mold. DDT and Lindane are synthetic pesticides which were also used in wood preservatives, and which are suspected to have serious negative effects on human health. Their use is not permitted. The use of PCB is generally not permitted. However, it has been widely used as a softener in synthetic materials as well as a fire-retardant component in the past and may also negatively affect human health.

The existence of PCP, Lindane, DDT and PCB in buildings may, under certain circumstances, entitle the tenant to reduce the rent or to claim damages. Moreover, the remediation of rooms or buildings may be required where PCP, Lindane, DDT and PCB concentrations exceed certain thresholds.

In particular with regard to PCB, the owner of a building may be required to remedy PCB sources through the elimination or sealing of construction elements that contain PCB. Remediation measures may become necessary if the PCB concentration in rooms which are designed for human use exceeds 300 nanograms per 1 cubic meter of air.

With regard to PCP, further investigations are required if with regard to rooms permanently used for residential purposes the PCP concentration in dust and wood exceeds defined thresholds. If further investigations then show that the PCP concentration exceeds 0,1 microgram per 1 cubic meter of air, further medical tests are required with regard to the residents. Depending on defined thresholds for a maximum PCP concentration a remediation may then be necessary.

Environmental Liability Under Civil Law

Civil liability for environmental contamination can arise under contractual warranty obligations and under statutory obligations. Warranty claims can generally be waived or limited by contractual provisions. The statutory claims can oblige the party causing contamination of the soil or water to pay damages or to remedy the contamination and its consequences. We could be subject to such liability for damages or remediation if a property owned by it had detrimental effects on the property of third parties. This civil liability exists independent of any official action taken in accordance with the provisions of the Federal Soil Protection Act.

GOVERNING BODIES OF ADO PROPERTIES S.A.

Overview

The governing bodies of the Company are the Board and the General Meeting. The powers of these governing bodies are defined in the 1915 Companies Act and the Articles of Association. The Board together with the Senior Management manages the Company in accordance with applicable laws (see also "*—Corporate Governance*" below).

Board of Directors

The management of the Company is vested in the Board. It is vested with the broadest powers to take any action necessary or useful to fulfill the Company's corporate objective with the exception of the actions reserved, by law or by the Articles of Association, to the General Meeting.

Composition of the Board

The Board is composed of the following seven members all of whom have their business address at the Company's registered office: 1B Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.:

Name	Position	Start of Appointment	End of Appointment
Moshe Lahmani	Chairman	July 22, 2015	The date of the Company's Annual General Meeting held in 2019
Shlomo Zohar	Executive Vice Chairman	July 22, 2015	The date of the Company's Annual General Meeting held in 2019
Rabin Savion	Chief Executive Officer	July 22, 2015	The date of the Company's Annual General Meeting held in 2019
Yaron Karisi	Director	November 18, 2015	The date of the Company's Annual General Meeting held in 2019
Amit Segev	Director	July 22, 2015	The date of the Company's Annual General Meeting held in 2019
Dr. Michael Bütter	Independent Director	July 22, 2015	The date of the Company's Annual General Meeting held in 2019
Jörn Stobbe	Independent Director	September 1, 2016	The date of the Company's Annual General Meeting held in 2019

Directorships Held and Other Principal Activities Performed by Board Members

Except as set forth below, no Board member has held any directorship of any company (other than companies in the Group and companies which are subsidiaries of companies of which the respective Board member is or was a member of its board of directors or other governing body) or partnerships:

Moshe Lahmani (Chairman): Alongside his office as a Board member, Moshe Lahmani currently serves as chairman of the board of Shikun & Binui and ADO Group Ltd and serves as board member of subsidiaries of Shikun & Binui. Additionally he serves as deputy CEO of Arison Investments Ltd., on the board of ADO Group Ltd, on the board of Salt of the Earth Ltd. (Israel) and on the board of Av Ar Capital Investments 1997 Ltd.

Shlomo Zohar (Executive Vice Chairman): Alongside his offices as a Board member, Shlomo Zohar serves as a director in Delek US, Hamlet (Israel – Canada) Ltd, Naaman Group Ltd, Dan Public Transportation Ltd, and Sonol Israel Ltd. He is also the CEO of ADO Group Ltd.

Rabin Savion (Chief Executive Officer): Alongside his office as Board member and CEO, within the last five years Rabin Savion was managing director at Postfuhramt Oranienburgerstrasse GmbH. Postfuhramt Oranienburgerstrasse GmbH underwent an administrative insolvency procedure from 2010 until 2014.

Yaron Karisi: Alongside his office as a Board member, Yaron Karisi currently serves as the CEO of Shikun & Binui and has announced that for personal reasons that do not involve the Company, he wishes to terminate his term in office. The date of such termination has not yet been determined. He also serves as chairman of the board in the subsidiaries of Shikun & Binui Group and as a member of the board of ADO Group Ltd.

Amit Segev: Alongside his office as Board member, Amit Segev serves as the deputy CEO of Shikun & Binui, serves on the board of several Shikun & Binui major subsidiaries, serves as a member of the board of ADO Group Ltd and serves as chairman of Elcon Recycling Ltd.

Dr. Michael Bütter, M. St. (Oxford), MRICS: Alongside his office as Board member, Michael Bütter serves as a member of the executive board of Scout24 AG and its affiliates, such as ImmobilienScout24 GmbH and AutoScout24 GmbH. He also serves as a deputy chairman and member of the supervisory boards of TLG Immobilien AG and ASSMANN BERATEN+PLANEN AG. Additionally, he is a member of the board of RICS Germany and a member of the advisory board of Corestate Capital S.A.

Jörn Stobbe: Alongside his office as Board member, Jörn serves as COO at Union Investment Real Estate GmbH and managing director at Union Investment Properties GmbH and also serves as member of the supervisory board at Geneba Properties N.V., 1. FC Köln KGaA and ZBI Fondsmanaement AG.

Other than the above-mentioned directorships, no Board member performs any other activities outside of the Company which are significant with respect to the Company.

Committees

The Board may create from time to time one or several committees composed of Board members and/or external persons and to which it may delegate powers and roles as appropriate. Currently, the Company has established three committees: the Audit Committee, the Nomination and Compensation Committee and the Investment and Financing Committee.

Senior Management of the Company and its Subsidiaries

The Company's objective is the long-term creation of value by investment in and development of real estate properties as well as real estate management for its own purposes. The Company's real estate is held by operational subsidiaries which are led by the Senior Management, who are currently (Chief Executive Officer), Florian Goldgruber (Chief Financial Officer) and Eyal Horn (Chief Operating Officer). Members of the Senior Management of the Company's subsidiaries are integral to the management of the Company's subsidiaries and are responsible for the day-to-day management of the business of such subsidiaries. With the exception of Rabin Savion, Board members are not members of the Senior

Management of the Company's subsidiaries. Each member is responsible for certain activities and departments of the business, with joint management responsibility for the business as a whole.

Directorships Held and Other Principal Activities Performed by Members of the Senior Management

No member of the Senior Management holds any directorship of any company (other than companies in our Group and companies which are subsidiaries of companies of which the member of the Senior Management is or was a Senior Management member) or partnerships. Furthermore, no member of the Senior Management performs any other activities outside of the Company which are significant with respect to the Company.

Conflicts of Interest

Two Board members are independent. Moshe Lahmani has a potential conflict of interest insofar as he serves as chairman of the board of Shikun & Binui and also serves as chairman of the board of directors of ADO Group Ltd. Amit Segev has a potential conflict of interest insofar as he serves as deputy CEO of Shikun & Binui, as a board member of subsidiaries of Shikun & Binui and on the board of directors of ADO Group Ltd. Yaron Karisi has a potential conflict of interest insofar as he serves as CEO of Shikun & Binui, as a board member of some of Shikun & Binui's subsidiaries and on the board of directors of ADO Group Ltd. Shlomo Zohar has a potential conflict of interest insofar as he serves as CEO of ADO Group Ltd and holds 234,863 shares and 120,000 options in ADO Group Ltd. None of the other Board members have any conflicts of interest between their duties to the Company and their private interests or other duties.

General Meeting

The General Meeting is empowered with the widest powers to order, implement or ratify all acts connected with the Company's operations that are not conferred on the Board.

Corporate Governance

The Company's corporate governance practices are governed by Luxembourg law, particularly the Luxembourg Companies Law and the Company's Article of Association. As a Luxembourg company listed solely on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company is not subject to any specific mandatory corporate governance rules. Nevertheless, the Company makes efforts to comply with, to the extent possible, the German corporate governance rules, as set forth in the German Corporate Governance Code of June 24, 2014, to ensure responsible and transparent corporate management.

SHAREHOLDER STRUCTURE

The largest shareholder of ADO is ADO Group Ltd, registered with the Israeli Security Authority under 520039066, and has its registered office at 1A Hayarden Street, Airport City, Ben Gurion Airport, Tel Aviv, Israel.

ADO Group Ltd is a public Israeli company whose interest in ADO is 38.24%. The largest shareholder in ADO Group Ltd is Shikun & Binui Limited ("**Shikun & Binui**"), a publicly listed company on the Tel Aviv Stock Exchange ("**TASE**"), incorporated in Israel with its registered address at 1A Hayarden Street, P.O. Box 1133, Airport City, Ben Gurion Airport, Tel Aviv, 7010000 Israel, with a 40.15% interest. In addition, Arison Investments Limited ("**Arison Investments**") holds directly or indirectly a 47.12% interest in Shikun & Binui. The primary beneficiary of Arison Investments is Mrs. Shari Arison. Except the major shareholders mentioned above, there are no other persons that have major holdings within the meaning of Article 8 or Article 9 of the Luxembourg law of January 11, 2008 on transparency requirements for issuers, as amended (the "**Luxembourg Transparency Law**").

The following table sets forth the principal indirect shareholders of the Company as of the date of this Prospectus:

Indirect Shareholder	**Indirect Ownership of ADO (in %)[1]**
Shikun & Binui Limited[2][3]…….	15.35%

(1) Refers to the indirect economic interest in the Company. The percentages expressed shall not be construed as an indication that voting rights attached to these shares can be controlled by the respective entities.

(2) Currently holds 38.24% interest in ADO Group Ltd. Mrs. Shari Arison is the prime beneficiary of two trusts, Eternity Four A and Eternity Holdings One, which together hold a 100% interest in Arison Sustainability Limited. Arison Sustainability Limited holds a 100% interest in Arison Investments which directly and indirectly holds a 47.12% interest in Shikun & Binui. Arison Investments owns a diversified portfolio of real estate, finance, salt production, water and philanthropic companies.

(3) None of the other existing investors and holders of ADO Group Ltd's public float traded on TASE hold more than 10% of the outstanding share capital of ADO Group Ltd and hold more than 5% indirect ownership of the Company.

Shikun & Binui is Israel's largest infrastructure and real estate group and is listed on TASE with trading symbol "SKBN.TA" and has been operating since 1924. The major business activities of Shikun & Binui focus on large scale, complex construction projects and residential real estate, with over 100 sites in operation globally. Shikun & Binui is active in twenty countries, including having a strong presence in Africa and the Americas.

RECENT DEVELOPMENTS (KEY MATERIAL ACQUISITIONS)

In the second quarter of 2017, the Group acquired the Wilhelm II Portfolio, with the acquisition of 328 units, of which 298 are residential units and 30 are commercial units, located in the Berlin districts of Charlottenburg und Friedrichshain. The acquisition was structured as a share transaction in which the Company acquired 94.9% of the shares in a German entity. The purchase price for all of the acquired assets amounts to €75.9 million. The acquired residential portfolio has in-place rents of €7.82 per sqm/month, and occupancy rate of approximately 97%. The Company expects new letting rents would be €10.30 per sqm/month, reflecting reversionary potential of 32%. At the time of purchase, the total annual net cold rent from the portfolio amounted to €2.6 million. The Company estimates that at acquisition, the portfolio will contribute to our annual FFO 1 (from rental activities) based on our targeted loan-to-value (LTV) of 45% in an amount of €1.7 million. The Company acquired the Wilhelm II Portfolio on June 1, 2017.

In the third quarter of 2017, the Group expects to take over the Nox Portfolio with the acquisition of 374 units, of which 306 are residential units and 68 are commercial units, located throughout Berlin. The acquisition was structured as an asset transaction and as a share transaction in which the Company acquired 94.9% of the shares in a German entity. The purchase price for all of the acquired assets amounts to €70.2 million. The acquired residential portfolio has in-place rents of €5.63 per sqm/month, and an occupancy rate of approximately 90%. The Company expects new letting rents would be €9.58 per sqm/month, reflecting reversionary potential of 70.3%. The Company estimates that at acquisition the portfolio will contribute to our annual FFO 1 (from rental activities) based on our targeted loan-to-value (LTV) of 45% in an amount of €1.6 million.

Since March 31, 2017, in addition to the foregoing the Company has also acquired, or signed agreements to acquire, in aggregate 1,112 units for an aggregate purchase price of approximately €186.1 million. The Company is regularly exploring the acquisition of additional units, including larger portfolios of units, and, subject to market conditions, expects to acquire additional units.

The Company does not expect the acquisitions described above to have an immediate material impact on the NAV per share and due to the characteristics of the acquired assets and their micro-locations, the Company sees good growth potential in the future.

The Group's unencumbered assets as of March 31, 2017 (in the amount of €122 million), and including (i) the Wilhelm II Portfolio and the Nox Portfolio and (ii) several smaller individual transactions (with (i) and (ii) signed, but not closed before March 31, 2017, with an aggregate purchase price of approximately €280 million), and including the approximately €398.6 million gross proceeds from the Offering, will be approximately €712 million.

TAXATION

The following is a general discussion of certain tax consequences under the tax laws of Germany and Luxembourg of the acquisition, ownership and disposition of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. The following section only provides some very general information on the possible tax treatment of the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of Germany and Luxembourg currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS APPLICABLE IN LUXEMBOURG, GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

TAXATION IN GERMANY

Withholding Tax

For German tax residents (e.g. persons whose residence, habitual abode, statutory seat or place of management is located in Germany), interest payments on the Notes are subject to withholding tax, provided that the Notes are held in custody with a German custodian, who is required to deduct the withholding tax from such interest payments (the "**Disbursing Agent**"). Disbursing Agents are German resident credit institutions or financial services institutions (both including German permanent establishments of foreign institutions, but excluding foreign permanent establishments of German resident institutions) or German resident securities trading companies or securities trading banks. The applicable withholding tax rate is 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax). For individuals subject to church tax the Disbursing Agent has to collect the church tax by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

The withholding tax regime should also apply to any gains from the disposition or redemption of Notes realized by private investors holding the Notes as private (and not as business) assets in custody with a Disbursing Agent. Subject to exceptions, the amount of capital gains on which the withholding tax charge is applied is generally levied on the difference between the proceeds received upon the disposition or redemption of the Notes and (after the deduction of actual expenses directly related thereto) the acquisition costs. The separation of interest strips from the Notes is treated as a disposition of the Notes at their fair market value which has to be apportioned to the capital and the interest strips. If capital and interest strips are disposed of or redeemed separately, the sale or redemption proceeds are subject to income tax. Where custody has changed since the acquisition and the acquisition data is not validly proved to the Disbursing Agent in the form required by law, the tax at a rate of 25% (plus 5.5% solidarity surcharge and, if applicable, church tax) will be imposed on an amount equal to 30% of the proceeds from the sale or redemption of the Notes.

Accrued interest (*Stückzinsen*) received by the Holder upon disposal of the Notes between two interest payment dates is considered as part of the sales proceeds thus increasing a capital gain or reducing a capital loss from the Notes.

According to the German tax authorities, losses of a private investor resulting from a sale where the sale proceeds do not exceed the related transaction costs are treated as non-deductible for German tax purposes. The same applies where, based on an agreement with the depositary institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Further, losses resulting from a bad debt loss (*Forderungsausfall*) in the case of an issuer default or from a waiver of a receivable (*Forderungsverzicht*) in relation to the Notes are not tax-deductible. With respect to a bad debt loss a German lower fiscal court has recently confirmed the view of the German tax authorities in a non-final decision. With respect to a (voluntary) waiver of receivable a German lower fiscal court has recently confirmed the view of the German tax authorities in a final decision.

Investors holding the Notes as private assets are entitled to a tax allowance (*Sparer-Pauschbetrag*) up to an amount of €801 per year (€1,602 for married couples or registered partners filing jointly). In this case, no withholding tax is imposed provided that the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective German Disbursing Agent, but only to the extent the total investment income does not exceed the exemption amount shown on the withholding tax exemption request form. Expenses actually incurred are not deductible. Similarly, no withholding tax is levied if the investor has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office of the investor.

In the case of Notes held as business assets and if (a) the investor qualifies as a German tax resident corporation, association of persons (*Personenvereinigung*) or estate of assets (*Vermögensmasse*) or (b) the Notes are attributed to a domestic business in Germany and the investor notifies this to the Disbursing Agent in the officially required form, capital gains from the disposal, sale or redemption of the Notes should not be subject to withholding tax.

The Issuer of the Notes does not assume any responsibility for the withholding of taxes at the source in relation to proceeds from the investment in the Notes.

Private Investors

For private investors the withholding tax is – without prejudice to certain exceptions – definitive. Private investors can apply to have their income from the investment into the Notes assessed in accordance with the general rules on determining an individual's tax bracket if this resulted in a lower tax burden. Also in this case, expenses actually incurred are not deductible. An assessment is mandatory for income from the investment into the Notes where the Notes are held in custody outside of Germany or if no or not sufficient tax was withheld by the Disbursing Agent. Losses resulting from the sale or redemption of the Notes can only be off-set against other investment income. In the event that a set-off is not possible in the assessment period in which the losses have been realized, such losses can be carried forward into future assessment periods only and can be offset against investment income generated in future assessment periods. Accrued interest paid by the Holder upon an acquisition of the Notes after the issue date qualifies as negative investment income either to be deducted from positive investment income generated in the same assessment period or to be carried forward to future assessment periods.

Business Investors

Interest payments and capital gains from the disposition or redemption of the Notes held as business assets by German tax resident business investors are generally subject to German income tax or corporate income tax (plus 5.5% solidarity surcharge thereon and, if applicable in the case of an individual holding the Notes as business assets, church tax). Any withholding tax deducted is – subject to certain requirements – creditable. To the extent the amount withheld exceeds the (corporate) income tax liability, the withholding tax is – as a rule – refundable. The interest payments and capital gains are also subject to trade tax, if the Notes are attributable to a trade or business in Germany.

Foreign Tax Residents

Investors not resident in Germany should, in essence, not be taxable in Germany with the proceeds from the investment in the Notes, and no German withholding tax should be withheld from such income, even if the Notes are held in custody with a Disbursing Agent. Exceptions apply, e.g., where the Notes are held as business assets in a German permanent establishment of the investor, or secured by German situs real estate.

Substitution of the Issuer

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the Substitute Debtor and subject to similar taxation rules like the Notes. In particular, such a substitution could result in the recognition of a taxable gain or loss for any Holder of a Note. The Substitute Debtor is obligated to indemnify each Holder for any tax incurred by such Holder as a result of a substitution of the Issuer (see "*Terms and Conditions of the Notes – § 12(1)(d) Substitution*").

Other taxes

At present, the purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

Implementation of the EU Rules on the Automatic Exchange of Information

On November 10, 2015, the former EU directive on taxation of savings income – i.a. providing for an exchange of information on certain interest payments – was repealed generally with effect as of January 1, 2016. In order to prevent an overlap with the EU Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by EU Council Directive 2014/107/EU dated December 9, 2014; such amended directive referred to as the Mutual Assistance Directive). As required by the Mutual Assistance Directive, all EU Member States implemented comprehensive measures for an automatic exchange of information on financial accounts, which are applicable with full effect as from January 1, 2017.

In Germany, the Mutual Assistance Directive has been implemented by the act on the exchange of information on financial accounts (*Finanzkonten-Informationsaustauschgesetz*) of December 21, 2015 providing for an extensive exchange of information on financial accounts, but not providing for a tax at source.

Besides, the decree on the taxation of interest income (*Zinsinformationsverordnung*), which was issued to implement the former EU savings tax directive in Germany, continues to be applicable beyond 2016 with an effect limited to interest payments received from or made to certain non-EU states and dependent or associated territories such as Switzerland, the Principality of Liechtenstein, the Principality of Monaco, the Cayman Islands, Aruba and Sint Maarten.

The proposed Financial Transaction Tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate. The Commission's Proposal is currently under review, and a revised proposal is expected to be published in the course of 2017.

The Commission Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to discard the Commission Proposal.

Prospective Holders are advised to seek their own professional advice in relation to the FFT.

TAXATION IN LUXEMBOURG

The following is an overview discussion of certain material Luxembourg tax consequences with respect to the Company and its Notes. This overview does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular holder of Notes, and does not purport to

include tax considerations that arise from rules of general application or that are generally assumed to be known to holders of the Notes. It is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on Luxembourg laws and regulations as they stand on the date of this Prospectus and is subject to any change in law or regulations or changes in interpretation or application thereof that may take effect after such date. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws and regulations, including Luxembourg tax law and regulations, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge (which are collectively referred to as Luxembourg corporation taxes) invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual tax payers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of Investors

This tax disclosure is limited to the tax consequences to investors owning Notes. This discussion therefore is limited to taxation issues in respect of the holding and selling of these Notes.

Withholding Tax

Non-resident Holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by non-resident holders of the Notes.

Luxembourg Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "**Relibi Law**") as described below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes. Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Non-Resident holders of Notes

Holders of Notes will not become residents, or be deemed to be resident in Luxembourg, by reason only of holding Notes.

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or

permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg-resident holders of Notes

Holders of Notes who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg-resident Individuals

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of Notes has opted for the application of a 20% tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the EEA (other than a EU Member State). A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Luxembourg-resident Companies

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of May 11, 2007 on family estate management companies, as amended, or by the law of December 17, 2010 on undertakings for collective investment, or by the law of February 13, 2007 on specialised investment funds, as amended or by the law of July 23, 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of July 23, 2016 applies), is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

Net Wealth Tax

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg net wealth tax on such Notes, except if the holder of Notes is governed by the law of May 11, 2007 on family estate management companies, as amended, or by the law of December 17, 2010 on undertakings for collective investment, or by the law of February 13, 2007 on specialised investment funds, as amended or by the law of July 23, 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of July 23, 2016 applies). If the holder of the Notes is a securitisation company governed by the law of March 22, 2004 on securitisation, as amended, or is a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended or is a reserved alternative investment fund (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of July 23, 2016 applies), it will only be subject to the minimum net wealth tax, the amount of which depends on the composition of the balance sheet and its size.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg net wealth tax on such Notes.

Other Tax Consequences

Stamp Taxes and Transfer Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes. However, an ad valorem registration duty may be due upon the voluntary registration of the Notes in Luxembourg.

Gift Taxes

No estate or inheritance tax is levied on the transfer of Shares upon death of a holder of Shares in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes and no gift tax is levied upon a gift of Shares if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg. Where a holder of Shares is a resident for tax purposes of Luxembourg at the time of his death, the Shares are included in its taxable estate for inheritance tax or estate tax purposes.

Financial Transaction Tax

On February 14, 2013, the Commission's Proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Luxembourg has since stated that it will not participate. The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes of the Company (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt. Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes of the Company where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (i) by transacting with a person established in a participating Member State; or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax and its timing of implementation remains uncertain. Additional EU Member States may decide to participate. Investors are advised to seek their own professional advice in relation to the FTT.

Value-Added Tax

If the activities of the Company do not exceed a mere holding activity, the Company should not be able to register for VAT, purposes in Luxembourg and any VAT suffered by the Company will, in principle, be final and irrecoverable.

In case the Company provides services that are subject to VAT, it would have to register for VAT purposes in Luxembourg and it will be allowed to recover all or only a portion of the VAT incurred on its costs.

SUBSCRIPTION AND SALE OF THE NOTES

SUBSCRIPTION

The Issuer and Barclays Bank PLC, Morgan Stanley & Co. International plc and Société Générale (together, the "**Joint Bookrunners**") will enter into a subscription agreement to be dated on or about July 24, 2017 (the "***Subscription Agreement***"). Under the Subscription Agreement, the Issuer has agreed to issue and sell to the Joint Bookrunners, and the Joint Bookrunners have agreed, subject to certain customary closing conditions, to subscribe and pay for the Notes on July 27, 2017. The Issuer has agreed to pay certain fees to the Joint Bookrunners and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issuance of the Notes. Under certain circumstances, the Joint Bookrunners may terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities it may incur in connection with the offer and sale of the Notes.

The Issuer has agreed to pay certain fees to the Joint Bookrunners and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issuance of the Notes. Proceeds to the Issuer will be net of commissions payable to the Joint Bookrunners.

The Joint Bookrunners or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Bookrunners or their affiliates have received or will receive customary fees and commissions. There are no interests of natural and legal persons involved in the issue, including conflicting ones, which are material to the issuance of the Notes.

SELLING RESTRICTIONS

General

The distribution of this Prospectus and the sale of the Notes may be restricted by law in certain jurisdictions. No action has been or will be taken by the Issuer or the Joint Bookrunners to permit an offer to the public of the Notes, the possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose may be required.

Accordingly, neither this Prospectus nor any advertisement or any other offer material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in these section. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Each of the Joint Bookrunners has represented, warranted and agreed that it will comply in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes. They will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. The Issuer will not have any responsibility for, and the Joint Bookrunners will obtain any consent, approval or permission required by it for, the sale of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. The Joint Bookrunners are not authorized to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, the Prospectus or any amendment or supplement to it.

United States of America

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority or any state or other jurisdiction in the United States, and may not be offered, sold, delivered, pledged or otherwise transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Notes will not be offered or sold in this Offering within the United States and are being offered and sold in this Offering only outside the United States pursuant to Regulation S under the Securities Act. Each of the Joint Bookrunners has

represented, warranted and agreed that they have not offered or sold, and agree that they will not offer or sell, any Notes constituting part of their respective allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither they, their affiliates, nor any third party acting on their behalf, have engaged, or will engage, in any "directed selling efforts" " as defined in Regulation S under the Securities Act with respect to the Notes. The Company has not registered, and does not intend to register, either the Offering or any portion of the Offering in the United States or to conduct an offer to the public of Notes in the United States.

In addition, the Joint Bookrunners have represented, warranted and agreed that, except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (the "***D Rules***"):

(a) they have not offered or sold Notes, and during the 40-day restricted period shall not offer or sell Notes, directly or indirectly to a United States person or to a person who is within the United States or its possessions, and they have not delivered and shall not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;

(b) they have and throughout the restricted period they shall have in effect procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a United States person or to a person who is within the United States or its possessions, except as permitted by the D Rules;

(c) if they are a United States person, they are acquiring the Notes for purposes of resale in connection with their original issuance and not for the purpose of resale directly or indirectly to a United States person or a person within the United States or its possessions and they shall acquire or retain Notes for their own account only in accordance with the requirements of U.S. Treasury Regulations Section 1.163- 5(c)(2)(i)(D)(6);

(d) with respect to each affiliate that acquires Notes from them for the purpose of offering or selling such Notes during the restricted period, they either (i) repeat and confirm the representations contained in clauses (a), (b) and (c) of this paragraph on behalf of such affiliate or (ii) agree that they shall obtain from such affiliate for the benefit of the Issuer the representations contained in Clauses (a), (b) and (c) of this paragraph; and

(e) they shall obtain for the benefit of the Issuer the representations and agreements contained in clauses (a), (b), (c) and (d) of this paragraph from any person other than their affiliate with whom they enter into a written contract, as defined in U.S. Treasury Regulations section Section 1.163-5(c)(2)(i)(D)(4), for the offer or sale of Notes during the restricted period.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and Treasury Regulations thereunder, including the D Rules.

European Economic Area

In relation to each member state of the EEA (the EU plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Joint Bookrunner has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer to the public of any Note in that Relevant Member State, except that it may make an offer to the public in that Relevant Member State of any Note at any time under the following exemptions from the Prospectus Directive, if they have been implemented in that Relevant Member State:

(i) to legal entities which are qualified investors as defined under the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall result in a requirement for the Issuer or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase or subscribe for any Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

United Kingdom

Sales in the United Kingdom are also subject to restrictions. Each of the Joint Bookrunners has represented, warranted and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Application has been made to the CSSF, which is the Luxembourg competent authority for the purposes of obtaining the approval of this Prospectus, which, only for purposes of the admission to trading, constitutes a prospectus within the meaning of the Prospectus Directive, *i.e.* a listing prospectus according to Article 5.3 of the Prospectus Directive. The Prospectus will be published in electronic form on the website (*www.bourse.lu*) of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

AUTHORIZATION AND ISSUE DATE

The issuance of the Notes was approved by a resolution of the Board taken on July 10, 2017 and a confirmation of one member of the Board taken on July 19, 2017. The Issue Date of the Notes is expected to be July 27, 2017.

USE OF PROCEEDS

The net proceeds from the issuance of the Notes, estimated by the Issuer to be approximately €396.3 million, will be used to fund selective accretive add-on acquisitions in the Berlin residential market, refinance existing indebtedness and pay related fees and expenses, as well as for general corporate purposes. The total expenses related to the admission to trading of the Notes will be approximately €6,100.

DELIVERY OF NOTES

Delivery and payment of the Notes will be made on or around the Issue Date, which is expected to be on July 27, 2017. The Notes so purchased will be delivered via book-entries through the Clearing System and their depository banks against payment of the issue price thereof.

COSTS AND EXPENSES RELATING TO THE PURCHASE OF NOTES

The Issuer will not charge any costs, expenses or taxes directly to any investor in connection with the Notes. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

LISTING AND ADMISSION TO TRADING OF THE NOTES

Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The Regulated Market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is a regulated market for the purposes of Directive 2004/39/EC, as amended.

The first day of trading of the Notes on the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is expected to be July 27, 2017.

CLEARING SYSTEM AND SECURITY CODES

The Notes will be accepted for clearance through:

Clearstream Banking, *société anonyme*
42 Avenue JF Kennedy
1855 Luxembourg
The Grand Duchy of Luxembourg

and

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
1210 Brussels
Kingdom of Belgium

The Notes are intended upon issue to be deposited with, or on behalf of, a Common Safekeeper for Euroclear and CBL and therefore are intended to be eligible collateral for the Eurosystem monetary policy. However, this does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

The Notes have the following securities codes:

International Securities Identification Number (ISIN)	XS1652965085
Common Code	165296508
German Securities Identification Number (WKN)	A19L3U

RATINGS OF THE ISSUER AND THE NOTES

Moody's[3] has assigned the long-term issuer rating "Baa2"[4] (stable outlook) to the Issuer. The Notes are rated "Baa2"[4] (stable outlook) by Moody's.

A credit rating assesses the creditworthiness of an entity and informs an investor therefore about the probability of the entity being able to redeem invested capital. It is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. A suspension, reduction or withdrawal of the rating assigned to the Issuer may adversely affect the market price of the Notes.

INDICATION OF YIELD

The yield of the Notes is 1.553% per annum. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method and based on the issue price. The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.

DOCUMENTS AVAILABLE

For the period during which this Prospectus is valid, the following documents will be available for inspection during regular business hours at the Company's offices at 1B, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg (tel. +352 269467760):

- the Articles of Association;
- the unaudited condensed consolidated interim financial statements (IAS 34) of the Group as of and for the three-month period ended March 31, 2017;
- the audited consolidated financial statements (IFRS) of the Company as of and for the fiscal year ended December 31, 2016;
- the audited consolidated financial statements (IFRS) of the Company as of and for the fiscal year ended December 31, 2015;
- a copy of this Prospectus and any document incorporated by reference herein; and

[3] Moody's is established in the European Community and is registered under the CRA Regulation. The European Securities and Markets Authority publishes on its website (www.esma.europa.eu/page/list-registered¬and-certified-CRAs) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

[4] Moody's defines "Baa2" as follows: "Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. […] Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

- any supplement to this Prospectus, which may only be approved by the CSSF before the date of admission to trading of the Notes.

The above mentioned documents are also available on the Company's website. This Prospectus and any supplement to this Prospectus are available on the website (*www.bourse.lu*) of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The Company's future consolidated annual and interim financial statements and its unconsolidated annual accounts will be available from the Company on its website (*www.ado.properties*).

INCORPORATION BY REFERENCE

The following documents are incorporated by reference into this Prospectus:

The English language unaudited condensed consolidated interim financial statements (IAS 34) of the Group as of and for the three-month period ended March 31, 2017 of the Group as contained in the Three-Months Financial Report 2017 for the First Quarter 2017:

- Condensed Consolidated Interim Statement of Financial Position (p. 26),
- Condensed Consolidated Interim Statement of Statement of Profit or Loss (p. 28),
- Condensed Consolidated Interim Statement of Comprehensive Income (p. 29),
- Condensed Consolidated Interim Statement of Cash Flows (p. 30),
- Condensed Consolidated Interim Statement of Changes in Equity (p. 32),
- Notes to the Condensed Consolidated Interim Financial Statement (p. 34), and
- Auditor's Review Report on the Review of Interim Financial Information (p. 44).

The English language audited consolidated financial statements (IFRS) of the Group as of and for the fiscal year ended December 31, 2016 as contained in the Annual Report 2016:

- Consolidated Statement of Financial Position (p. 72),
- Consolidated Statement of Statement of Profit or Loss (p. 74),
- Consolidated Statement of Comprehensive Income (p. 75),
- Consolidated Statement of Cash Flows (p. 76),
- Consolidated Statement of Changes in Equity (p. 78),
- Notes to the Consolidated Financial Statement (p. 80), and
- Independent Auditor's Report on the Consolidated Financial Statements (p. 125).

The English language audited consolidated financial statements (IFRS) of the Group as of and for the fiscal year ended December 31, 2015 as contained in the Annual Report 2015:

- Consolidated Statement of Financial Position (p. 66),
- Consolidated Statement of Statement of Profit or Loss (p. 68),
- Consolidated Statement of Comprehensive Income (p. 69),
- Consolidated Statement of Cash Flows (p. 70),
- Consolidated Statement of Changes in Equity (p. 72),
- Notes to the Consolidated Financial Statement (p. 74), and
- Independent Auditor's Report on the Consolidated Financial Statements (p. 122).

Any information incorporated by reference that is not included in the above cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004 (as amended).

As long as any Notes are listed on the Official List of the Luxembourg Stock Exchange (*Bourse de Luxembourg*), are admitted to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and any applicable laws so require, the documents incorporated by reference herein are available on the Company's website (*www.ado.properties*) and on the website (*www.bourse.lu*) of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and may be inspected and are available free of charge during normal business hours at the office of the Issuer at 1B, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg (tel. +352 269467760).

SELECTED DEFINED TERMS

1915 Companies Act	Luxembourg Commercial Companies Law of August 10, 1915, as amended (*loi du 10 août 1915 sur les sociétés commerciales telle que modifiée*).
€ / euro	The single European currency adopted by certain participating member states of the European Union, including Germany and Luxembourg.
ADO	ADO Properties S.A., a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg.
ADO Immobilien	ADO Immobilien Management GmbH, our property and facility management corporation.
AFFO (from rental activities)	AFFO (also known as capex-adjusted FFO) is FFO 1 (from rental activities) adjusted for maintenance capital expenditures.
Barclays	Barclays Bank PLC, London, United Kingdom
BerlinHyp1 Agreement	BerlinHyp1 Agreement refers to a term loan agreement with Berlin-Hannoversche Hypothekenbank AG which we entered on August 22/23, 2013, and as amended on August 28, 2013.
BerlinHyp2 Agreement	BerlinHyp2 Agreement refers to the term loan agreement with Berlin-Hannoversche Hypothekenbank AG which we entered on September 27, 2013.
BerlinHyp3 Agreement	BerlinHyp3 Agreement refers to the term loan agreement with Berlin-Hannoversche Hypothekenbank AG which we entered on June 22, 2016, amended on June 29, 2016.
CBL	Clearstream Banking S.A., Luxembourg
CCM	CCM City Construction Management GmbH, our business function responsible for product optimization through construction management.
CEO	Chief executive officer.
CFM	Central Facility Management GmbH, which provides property management and services to our tenants.
CFO	Chief financial officer.
Code	U.S. Internal Revenue Code of 1986, as amended.
COO	Chief operating officer.
CRA Regulation	Regulation (EC) no. 1060/2009 of the European Parliament and of the Council dated September 16, 2009 on credit rating agencies, as amended.
CSSF	The Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*).
D&O	Directors and officers.
DDT	Dichlorodiphenyltrichloroethane, an organochlorine insecticide frequently used in agriculture. Common sources of exposure to DDT are foods, including meat, fish, and dairy products. DDT can be absorbed by eating, breathing, or touching products contaminated with the substance.
DGHyp Agreement	DGHyp Agreement refers to the term loan agreement with Deutsche Genossenschafts- Hypothekenbank AG which we entered on November 27, 2014.

EBITDA from rental activities	EBITDA from rental activities refers to net rental income and income from facility services, before income tax expense, depreciation, amortization, rental activities and overhead costs.
EBITDA from rental activities margin	EBITDA from rental activities margin is derived by dividing EBITDA from rental activities by net rental income.
EBITDA total	EBITDA total is defined as EBITDA from rental activities including net profit from privatizations.
EPRA NAV	EPRA NAV is an indicator of the Group's long-term equity and is calculated based on the total equity attributable to shareholders of the Company increased by the revaluation of trading properties, the fair value of derivative financial instruments and deferred taxes.
FATCA Withholding	Amounts the Issuer shall be permitted to withhold or deduct pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed in Sections 1471 through 1474 of the Code.
FFO	Funds from operations (FFO) is an indicator of available cash flow from operating activities. FFO 1 (from rental activities) is defined as EBITDA from rental activities for the respective periods adjusted to generally reflect net cash interest and current income taxes. FFO 2 (including disposal results) is defined as FFO 1 (from rental activities) including the net profit from privatizations.
FSMA	The Financial Services and Markets Act 2000.
FTT	Financial Transaction Tax.
GAC	GAC Auditors Ltd, Certified Public Accountant and Registered Auditor, with registered office at 48 Inomenon Ethnon Street, Guricon House, 1st floor, 6042, Larnaka Cyprus.
GDP	GDP means gross domestic product. The gross domestic product refers to the market value of all final goods and services produced within a country (or region, city, etc.) in a given period.
GDP per capita	GDP per capita is the GDP of a country (or region, city, etc.) divided through the number of persons living in the respective area. GDP per capita is often considered an indicator of a country's (or region's, city's, etc.) standard of living.
GDR	The former German Democratic Republic (*Deutsche Demokratische Republik*).
Horizon Portfolio	Horizon Portfolio refers to the portfolio comprised of 1,680 predominantly residential units acquired by the Group in connection with the purchase of all of the shares of Brandenburg Properties 5 S.à.r.l. (renamed ADO Sonnensiedlung S.a.r.l. on January 19, 2017), a Luxembourg limited liability company (*société à responsabilité limitée*), by the Company together with ADO Group Ltd, on July 30, 2016.
IAS	International Accounting Standards.
IFRS	The International Financial Reporting Standards as adopted by the European Union.
KPMG Luxembourg	KPMG Luxembourg, Société cooperative, the Company's statutory auditor (*réviseur d'entreprises agréé*) after its migration to Luxembourg, registered with the CSSF as a *cabinet de révision agréé* and with the Luxembourg Register of Commerce and Companies under number B149133.
LTV-Ratio	Loan-to-value ratio. The LTV-Ratio is the ratio of the nominal

	amount of loans and borrowings and other long-term liabilities, less cash, cash equivalents and other deposits, to the sum of investment properties and trading properties at their fair value and advances paid in respect of investment properties and trading properties.
MietNovG	The bill on the limitation of rent increase in tense housing markets (*Gesetz zur Dämpfung des Mietanstiegs auf angespannten Wohnungsmärkten und zur Stärkung des Bestellerprinzips bei der Wohnungsvermittlung, kurz Mietrechtsnovellierungsgesetz).*
Morgan Stanley	Morgan Stanley & Co. International plc, London, United Kingdom
Nox Portfolio	Nox Portfolio refers to the portfolio comprised of 374 units, of which 306 are residential units and 68 are commercial units, located throughout Berlin and acquired by the Group as an asset transaction and as a share transaction in which the Company acquired 94.9% of the shares in a German entity. The Group expects to takeover the Nox Portfolio in the third quarter of 2017.
Official List	The official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).
Paying Agent	BNP Paribas Securities Services, Luxembourg, The Grand Duchy of Luxembourg
PBB1 Agreement	The PBB1 Agreement refers to the term loan agreement with Deutsche Pfandbriefbank AG and Investitionsbank Berlin which we entered on March 6, 2015.
PCB	Polychlorinated biphenyl (PCB) was used in numerous industrial and commercial applications, including electrical, heat transfer, and hydraulic equipment and in paints. PCBs have been demonstrated to cause cancer, and have adverse effects on the immune system, reproductive system, nervous system, and endocrine system.
PCP	Pentachlorophenol (PCP) is an organochlorine compound used as a pesticide, wood preservative, and disinfectant. It is extremely toxic to humans from acute (short-term) ingestion and inhalation exposure, and can result in neurological, blood, and liver effects, and eye irritation. Chronic (long-term) exposure by inhalation has resulted in effects on the respiratory tract, blood, kidney, liver, immune system, eyes, nose, and skin.
Regulation S	Regulation S under the Securities Act.
RETT	The German Real Estate Transfer Tax (*Grunderwerbssteuer*).
RICS	Royal Institution of Chartered Surveyors.
SchVG	The German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*).
Securities Act	U.S. Securities Act of 1933.
Société Générale	Société Générale, Paris, France
sqm	Square meters.
TASE	Tel Aviv, Israel Stock Exchange.
VAT	The Value-Added Tax (*Mehrwertsteuer*).
Wilhelm Portfolio	Wilhelm Portfolio refers to the portfolio comprised of 200 residential and 25 commercial units acquired by the Group in connection with the purchase of all of the shares of CITEC Immo Real GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung)*, by a Group company together with ADO Group Ltd, on July 1, 2016.

Wilhelm II Portfolio.....	Wilhelm II Portfolio refers tio the portfolio comprised of 328 units, of which 298 are residential units and 30 are commercial units, in connection with the purchase of all of the shares of in CITEC Immo Invest GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*), by a Group company together with ADO Group Ltd, on June 1, 2017.
W&W.....	W&W Real Estate GmbH.

ADDRESSES

Issuer

ADO Properties S.A.
1B, Heienhaff
L-1736 Senningerberg
The Grand Duchy of Luxembourg

Paying Agent

BNP Paribas Securities Services
60, avenue J.F. Kennedy
1855 Luxembourg
The Grand Duchy of Luxembourg

Joint Bookrunners

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

Legal Advisors to the Issuer:

As to German Law
Freshfields Bruckhaus Deringer LLP
Bockenheimer Anlage 44
60322 Frankfurt am Main
Federal Republic of Germany

As to Luxembourg Law
Bonn Steichen & Partners
2, rue Peternelchen - Immeuble C2
L-2370 Howald
Luxembourg

Legal Advisors to the Joint Bookrunners:

As to German Law
Linklaters LLP
Taunusanlage 8
60329 Frankfurt am Main
Federal Republic of Germany

As to Luxembourg Law
Linklaters LLP
Avenue John F. Kennedy 35
L-1855 Luxembourg
Luxembourg