

Vordere Strategy Summary Update

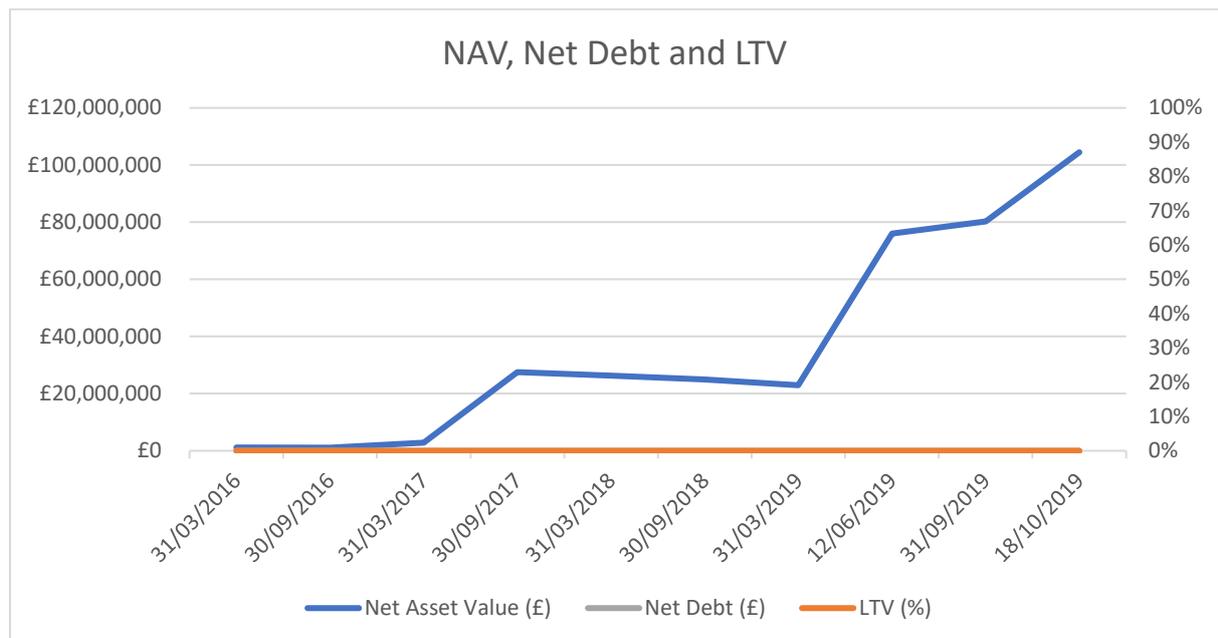
18th October 2019

a. Introduction

The Company is a property investment and development company currently primarily focused on the German residential market. Our business model is to apply private equity techniques to generate medium to long term counter-cyclical gains for shareholders. In addition to the investments in Germany, the Board continues to explore opportunities to grow, in particular, in markets with high growth prospects in order to balance the portfolio and provide greater opportunities for growth. We are in discussions with several vendors to achieve this goal in Europe and the Americas.

Further information may be found at: vordere.com

b. Growth Timeline



History



Goal



On 22 May 2018, Vordere plc entered negotiations for purchases outside of Europe to acquire c.£50m of properties. The negotiations have progressed and c.£25m is expected to complete in October 2019. The further c.£25m is expected to complete in November 2019.

In March 2019 the Company entered into negotiations for a portfolio of approximately €30m of property in Poland with government agency and multi-national corporation tenants. These negotiations are schedule to finalise in November this year and complete in January 2020.

In May 2019, negotiations started with a French group to acquire their property operating business. General terms have been agreed. The Company hopes to complete negotiations in February 2020.

Subject to the continued progress on these transactions, the Company expects to achieve a net asset value of c.£190m in February 2020. The Company's net asset value per share may exceed £0.22 in the 31 March 2020 audit.

c. Existing German Portfolio Strategy – no debt, growing portfolio and cash

V001 Berchtesgaden: We have made the decision to hold the Berchtesgaden property for rental income in the medium term. We continue to assess the market for private apartments in the area and will review our strategy for the property on a regular basis.

V002 Hanau: Currently comprising 13 apartment buildings, this larger development proposes 164 residential apartments. Currently all 13 buildings are in a bad condition and are not suitable for marketing as living spaces. The buildings have to be completely refurbished. The existing planning concept was developed in 2017. In addition, there is the approved building concept of 2010 (for buildings 1 and 2), which forms the basis for the evaluation of all of the other buildings, including their area ratio and amount of living units. The difference between the planning concept of 2010 and 2017 is in the details: the 2017 planning concept includes the requirements of the monument protection authority and also provides for new balconies and terraces with adjusted positions; furthermore, a solution for the accessibility of the living units on the ground floor is included. After an adjustment of the current planning concept (including new balconies and barrier-free access) with the authorities, it will be submitted to the authority directly to get a building permission. We have been held back by the ongoing court case relating to the pre-emption case at the Property, however, we are seeking legal advice regarding starting works on site. We hope

to be able to instruct PORR/PDE¹ and Archis to finalise the planning permission, so that we can start construction as soon as possible on the first blocks at the property. At the same time, we are in discussions with JLL² Residential Investment regarding the forward sale of the completed development. It is the expectation of the board that instruction to PORR/PDE and Archis will be issued in November.

V003 Haag: We have made the decision to focus our attention on the larger projects within the portfolio, so for the time being we will work to maintain the property in good order.

V004 Bamberg: The proposal for this site is the redevelopment of the current building to provide residential buildings plus the development of a brand new block of residential apartments. For the planned renovation of the existing property and its conversion to a residential building, as well as for the construction of a new riverside development, there is a preliminary building application (dated August 2013) and a building permit (dated October 2016). The planning permission includes the erection of a riverside building, the partial demolition of the rear building and a conversion of the front street-side building. According to the building permit, the entire ensemble is classified as a building class 4 (buildings with a height of up to 13m and utilisation of no more than 400 sqm per usable space unit). The listed front and back building will comprise of 8 residential and 2 commercial units after the renovation, with a total of 828 sqm of living space and 248 sqm of commercial space. The new building on the side of the riverbank will accommodate 8 residential units with a total floor space of 707 sqm. The common apartments will have 2 to 3 rooms with 63-114 sqm, and one apartment will accommodate 4 rooms with 199 sqm. We are working with PORR/PDE to bring forward an updated planning application, including the enlarging of the riverside apartments. At the same time, we are in discussions with JLL Residential Investment regarding the forward sale of the completed development. It is the expectation of the board that instruction to PORR/PDE and Archis will be issued in November.

V005 Usedom: The proposals are for 119 housing units with a total saleable floor area of approx. 8,113 m². Additionally, the plans provide for 149 overground parking spaces units. The urban development contract requires 150 parking units therefore the plans do not fully cover the requirements. We had a meeting with the local Bauamt, PORR/PDE and Fortis regarding amendments to the Bplan to provide smaller studio living space which will cater for the numerous hospitality industry employees in the region. The Bauamt confirmed she would look upon this use favourably as the region is becoming busier and busier throughout the year and there is a concern there is insufficient accommodation of this sort. We will be engaging PORR/PDE to work on the revised planning which we anticipate taking 3 months. The local authority will need 4 months to approve the plans and therefore we discussed starting works in Spring 2021. At the same time, we are in discussions with JLL Residential Investment regarding the forward sale of the completed development. It is the expectation of the board that instruction to PORR/PDE and Archis will be issued in November.

V007 Sehnde: The proposals are to develop 136 housing units with a total saleable floor area of 12,748 sq m. The housing units will comprise a mix of apartments (6,352 sq m), semi-detached houses (1,533 sq m) and terraced houses (4,864 sq m). In addition, there will be 204 parking units of which 44 will be underground and 160 over ground units. We have a feasibility study prepared by PORR/PDE which identifies a further potential 4,000 sq m we could achieve on site, although we will look at the merits of such additional space. We have made contact with the town Mayor and are looking for a formal meeting with PORR/PDE, Fortis and Vordere to discuss bringing the project forward. At the same time, we are in discussions with JLL Residential Investment regarding the forward sale of the completed development.

¹ <https://www.pde-porr.com/en/>

² <https://www.jll.de/en>

V008 Jüterbog: A 30 hectare site with potential to convert old barracks to provide 1,500 residential units with a total sellable area of 58,144 sq m. In addition, there are proposals to provide new apartment blocks with sellable area of 41,713 sq m and single-family houses of 9,981 sq m. 2,250 parking spaces will be provided. We have had initial discussions with PORR/PDE regarding planning for the project. Upon completion of the acquisition, we intend to instruct them to design a new concept for the site. Given the scale of this site, we believe there is an opportunity to create a new district within Jüterbog, servicing both residential and commercial needs. We met with the local Bauamt on 17 October 2019 and had very positive discussion regarding our proposal. It should be noted that this is a long-term project and vision. As a result, we plan to engage a specialist master planning team who will work alongside PORR/PDE to drive the concept and strategy prior to formal planning application. We anticipate this phase will take between 18 and 24 months.

V009 Schkeuditz: The proposals are to develop 370 residential units with a total saleable floor area of approx. 34,336 m². Additionally, there will be 5,963 m² commercial space. The residential use is split in 7 single family houses, 22 terraced houses and 341 apartments. 294 parking units will be provided, mostly underground. We have had discussions with PORR/PDE regarding planning advice and services which have included an initial meeting with the local planning authority. We plan to engage PORR/PDE upon completion of the acquisition. Part of the proposals are to amend parts of the B plan to convert the retail into senior living, and to amend the size of some of the residential units to meet the current market requirements. This was well received by the local authority. Due to the potential time to achieve a revision to the BPlan, we propose splitting the title on the site so we can progress works on other parts of the site in the meantime. We are in discussions with PORR regarding the detailed design and construction. At the same time, we are in discussions with JLL Residential Investment regarding the forward sale of the completed development.

V010 Mohriner Allee: The proposals are to develop 9 housing units with a total saleable floor area of 851 m². Of the 9 units, there will be 4 apartments in an existing building and 5 new build apartments. In addition, there will be 9 over ground parking spaces. We have contracted the sale of one portion of the site and plan to sell the other portion of the site.