



DOLPHIN TRUST

A new future for history



Charles Smethurst, Founder and CEO of Dolphin Trust

“Dolphin Trust is a leader in Germany when it comes to the renovation and reconstruction of Listed Buildings and in the development of New Build residential buildings. We have accumulated a wealth of experience and our team of experts ensure conservation and the comforts of modern-living complement with each other. This is the foundation of our strong reputation.”

Dolphin Trust have offices across Germany focusing on the sourcing, construction and sales of German Listed Buildings with the headquarters located in Hannover.

Dolphin Trust also has a global investment presence with offices in the United Kingdom, Ireland and an Asia Pacific headquarters in Singapore.

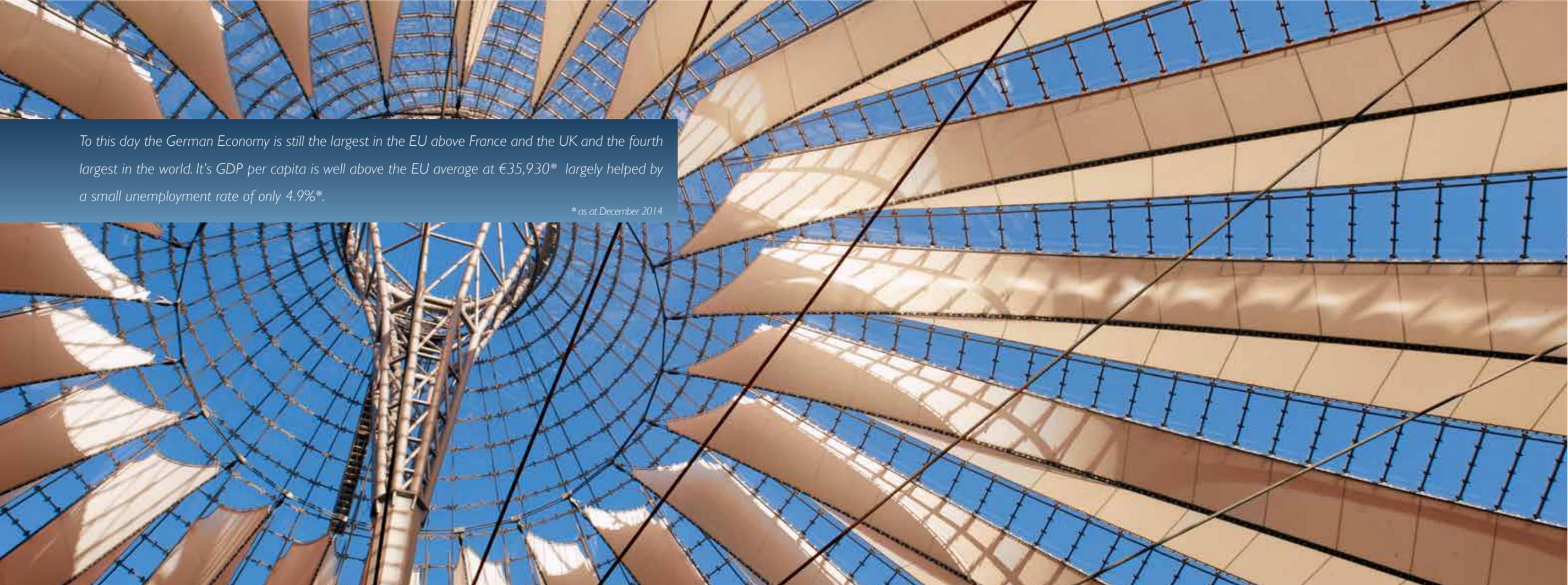


Company History

After more than two decades of working together, a group of companies, architects, engineers, project specialists and financial experts came together in 2008 to form Dolphin Capital. The team have an accumulated experience of more than 25 years in German property development.

Since its inception in 2008 its impeccable track record has earned Dolphin Trust a name as Germany's market leader in redeveloping Listed Buildings. Recently, Dolphin Trust have also branched out into the New Build sector, incorporating refurbished Listed Buildings and new buildings into the one property.

In 2014 the company rebranded to Dolphin Trust to present itself as the growing global company it has become. The trust we have in our team is the foundation for the success we have achieved and throughout our long and distinguished history we have been steadfastly committed to putting our clients' interests first.



To this day the German Economy is still the largest in the EU above France and the UK and the fourth largest in the world. It's GDP per capita is well above the EU average at €35,930* largely helped by a small unemployment rate of only 4.9%*.

* as at December 2014

“Today united Germany is an economic powerhouse which is respected worldwide and is called upon to play its part in the world. It is open, diverse and has confidence in the future.”

Joachim Gauck, President of Germany

In operational terms, Germany is the ideal arena for an investment-led business model. Economic stability isn't a recent occurrence or passing phenomenon, but a characteristic supported by decades of evidence.

The predictability of Germany's economy is unique, and that's what makes it so attractive to businesses and investors alike.

Germany has outperformed its EU neighbours in almost every economic performance indicator over the past decade including key indicators like

employment, growth and real estate value.

The government showed immense fortitude in weathering the European debt crisis, remaining buoyant due to a strong labour market that supports high demand for quality real estate.

Where other countries face years of long recovery, Germany is experiencing an influx of skilled workers, an increasingly educated workforce, low borrowing costs, a healthy balance sheet, flourishing exports and a growing property market.



Real Estate Sector

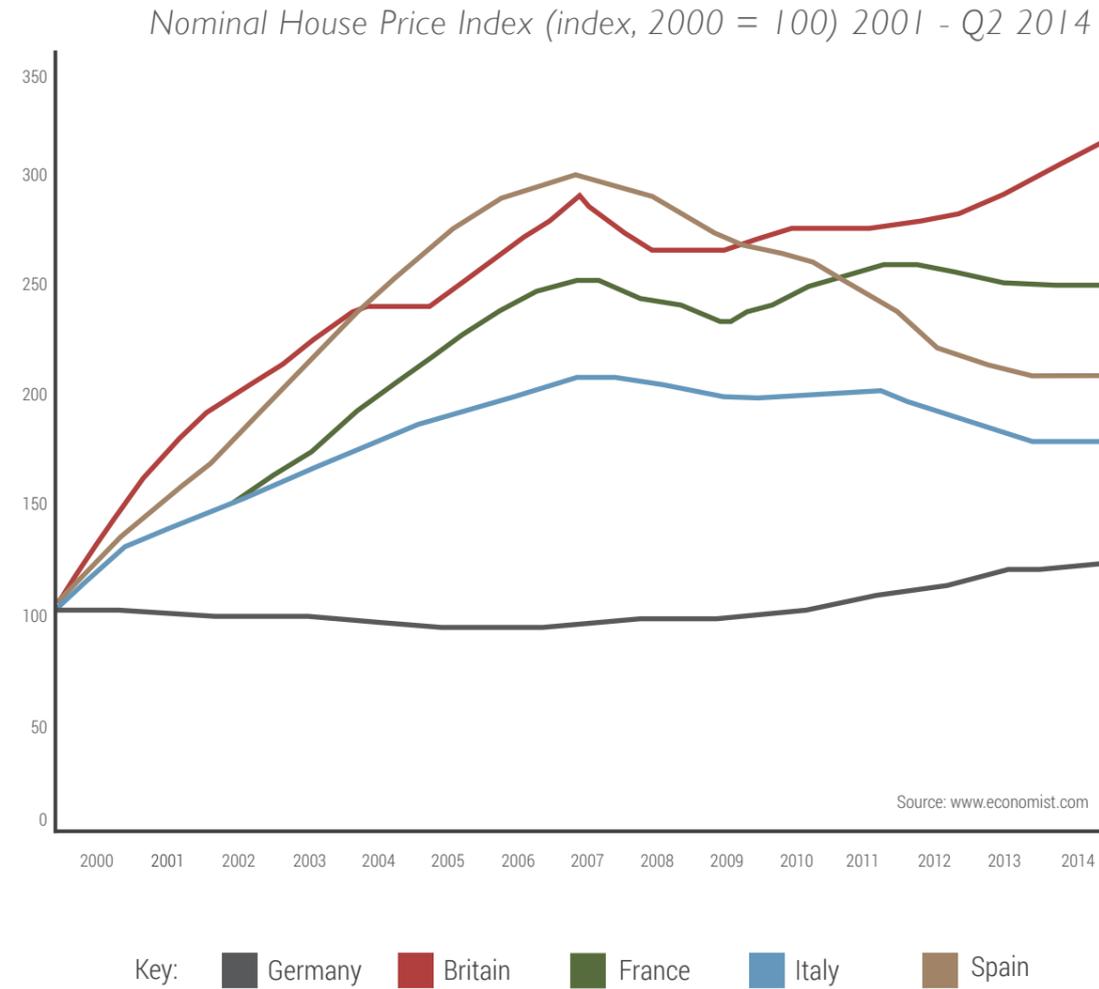
Germany's thriving real estate sector is the definition of a healthy market in action. Broader economic wellbeing and government incentives to purchase property support one of the most resilient property markets in the world.

The housing sector in Germany is reflective of wider economic conditions. Characterised by strength, stability and predictability, the property market enjoys consistently high demand with an exceptional long term outlook.

German Housing Market

A positive attitude towards renting in general has helped keep Germany's housing sector strong, even when the same sectors in other EU countries stumble through.

Low home ownership minimised the effect of the debt crisis on Germany but the stability of the German housing market can be traced even further back than that. House prices have risen slowly but steadily and the sector has been characterised by a complete lack of volatility with trends towards property purchasing increasing.



A Stable Market

There is a lack of available housing within Germany – particularly in urban areas where a shift in lifestyle has seen many German citizens prefer apartment and city living with shorter commutes to work and better facilities and shopping. This has kept demand high in the real estate sector and means that German purchasers of Dolphin Trust apartments not only avail of significant tax benefits when they purchase an apartment within a renovated Listed Building, but because there is high demand for properties to rent, and yields are high, they also benefit from a stable, long-term investment.



Housing Demand

Regionally, Munich and Hamburg tend to have the highest apartment prices per square metre followed closely by Berlin, and a high demand for housing in growing cities such as Leipzig, Frankfurt, Stuttgart and Cologne is helping to create a buoyant market.

An increase in the number of households, largely due to a decrease in the size of households, as well as an influx of new residents to cities will ensure that demand, and therefore house prices, will increase in the coming years.

Even though the number of building permits granted has increased recently to try and alleviate some of the demand within the housing sector, the supply is still not high enough as population numbers and additional demand is increasing even more rapidly.

- 60% of the German population live in rented accommodation
- Rental yields are in the region of 6%
- Tenants who default on rent payments face tough legal consequences
- Tenants staying in the one apartment for 10-20 years is not unusual
- The German property market is considered to be among the most stable in Europe



Rental Market

The culture of home ownership and renting is markedly different in Germany to the UK and much of Europe. The availability of subsidised housing in post-war Germany saw two generations living mainly in rented accommodation.

As a result, rentals account for approximately 60% of the market and the buy-to-let sector is thriving. Property price stability means that German landlords provide security of tenure to tenants in exchange for a long-term guarantee on their investment. These long-term high yields from rental properties make them attractive investments for landlords. Germany's rental market is heavily regulated to encourage high security of tenure.

Preservation

Preservation in Germany is a part of the culture. Historic buildings have both cultural and emotional value and their sacredness and tradition is also preserved in law.

Those who conserve and resurrect these structures give them a new lease on life and make them usable for present day living, producing a new future for their history.

Through the use of modern construction techniques and materials, environmentally conscious use of energy as well as consideration for historic architecture and attention to detail we build a new future of quality, energy efficient, modern spaces.



Restoration

Each restoration is undertaken in partnership with the finest architects, artisans, craftspeople and builders whose attention to detail has helped cement Dolphin Trust's reputation for work of unparalleled quality.

Each project starts a new future for the life of Listed Buildings that were once military barracks, post offices and administration buildings. Currently 3% of property stock in Germany is legally defined as a Listed Building* – and this is growing year on year.

Dolphin Trust believes in creating quality buildings that people will be proud to live in and to own.

*Source: German Federal Ministry of Transport, Building and Housing Development

Listed Buildings Tax Incentive

Tax Incentive

As a way to address the country's housing shortage while also making sure buildings of cultural and historical significance were restored, Germany's post-WWII government introduced a unique tax incentive for high rate tax payers who refurbish a Listed Building. These tax payers are able to claim back up to 100% of the cost of refurbishment as a tax break.

A high rate taxpayer can claim tax relief in the year of refurbishment and in the following seven years for up to 9% of the cost of refurbishment per year, and they can claim tax relief for up to 7% of the same in the following four years respectively.



Case Study*

Client A has an annual tax bill of €100,000. They purchase a Dolphin Trust property for €150,000 with a total renovation cost of €100,000

In each of the first eight years Client A claims back up to 9% of the total renovation costs from their income tax bill

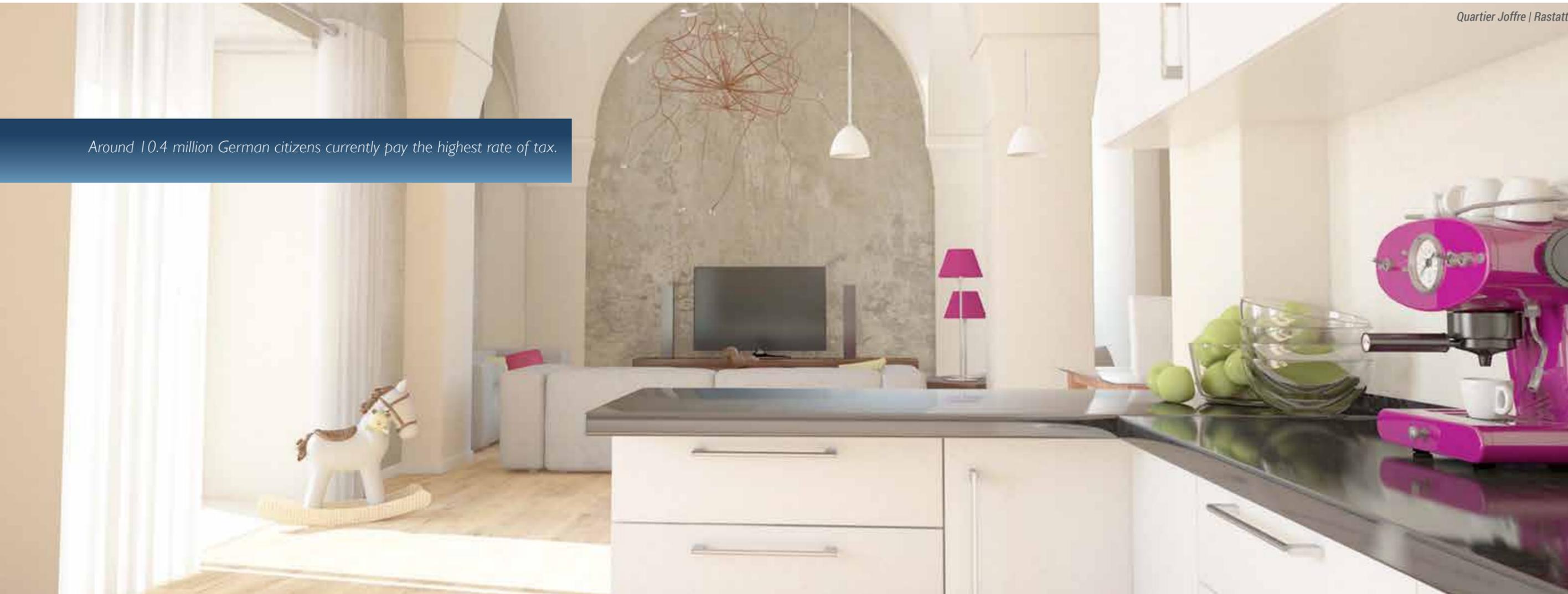
Therefore Client A will pay only €91,000 total annual tax with the write-off of €9,000 being accounted for

The total tax saving over the first eight years of ownership is €72,000

For the following four years, Client A can deduct up to 7% of the total cost of renovation from their income tax bill - saving a further €28,000

The total tax saving for Client A after 12 years is €100,000 in this example

*This is an example only, the tax break is dependant on each individual's circumstances.



Around 10.4 million German citizens currently pay the highest rate of tax.

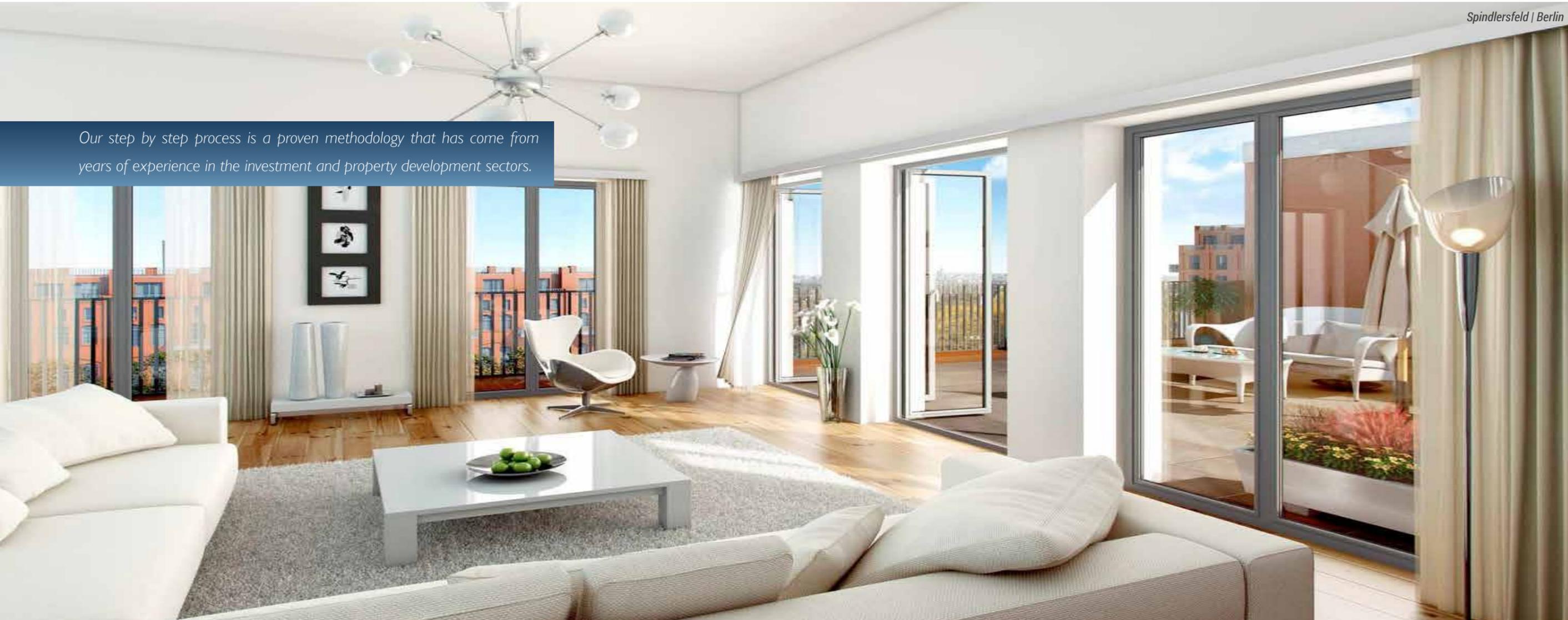
Tax Incentive

The Government has reaffirmed its commitment to this tax break policy until at least December 2018. Around 10.4 million German citizens currently pay the highest rate of tax and for these taxpayers, the Listed Building tax break policy is one of the best strategies in tax reduction planning available.

Demand for qualifying real estate is high amongst this group and Dolphin Trust specifically markets properties as a tax break vehicle to this target market.

Dolphin Trust Business Model

Our step by step process is a proven methodology that has come from years of experience in the investment and property development sectors.



Dolphin Trust Business Model

Sourcing and Due Diligence

Property purchased with Private Equity

Marketing and Sales to German citizens

Construction work begins

Project completion and Handover to new owners

Property Management

Sourcing and Due Diligence

Dolphin Trust's sourcing team identify buildings that meet our extensive criteria and carry out all commercial and technical due diligence followed by rigorous financial due diligence. Buildings such as former Post Offices, Army barracks and Breweries are surveyed and the potential for new development space on the properties, as well as the demand for luxury living in the area, are considered.



2 Property Purchased

If the site meets the sourcing team's strict criteria, on both financial and commercial due diligence, then the property is purchased with private equity.

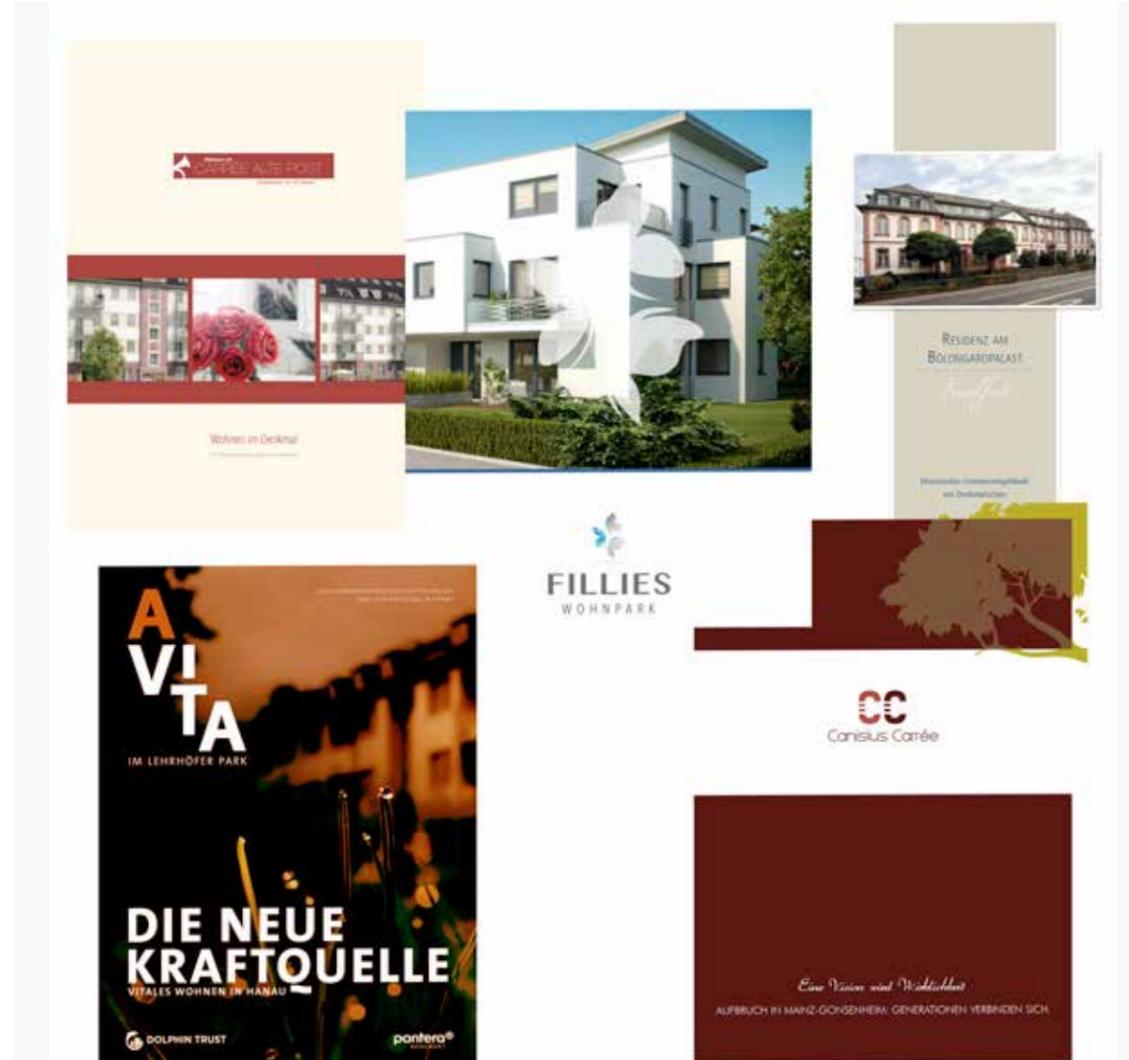
Our unique model gives us an advantage over others in the sector – where others must go through the slow process of bank finance, we have access to levels of finance from the private equity markets not available from traditional lending institutions.

This purchasing power and increased flexibility has given us the edge over our competition, both with the scope and size of the projects we are able to take on and in the speed at which we can do so.

Marketing and Sales

3

Long before any development work begins the marketing process is started and all apartments are sold off-plan before construction goes ahead. Sales agents prepare models, web-sites, brochures and videos as sales tools and apartments are sold off-plan to German citizens wishing to avail of the tax break. Sales are made via a unique network of sales agents throughout Germany.



4

Construction

Dolphin Trust works only with the very best local tradesmen to achieve the highest level of attention to detail and quality. The redevelopment of Listed Buildings demands expert craftsmanship in niche skills in order to produce a finished product that is both sympathetic to the original and desirable as a living space.

Consistent assessments are carried out by local authority officials throughout the construction process and Dolphin Trust employ the services of TÜV SÜD and others to independently assess the quality of the work.



5 Property Management

Dolphin Trust offers new owners the opportunity to have their properties looked after by a team of property management professionals. This service includes maintenance of internal communal areas and external grounds.

Dolphin Trust Projects

Lindenthaler Str. 53 | Leipzig Before renovation



Lindenthaler Str. 53 | Leipzig During renovation



Lindenthaler Str. 53 | Leipzig After renovation



Lindenthalerstrasse, Leipzig

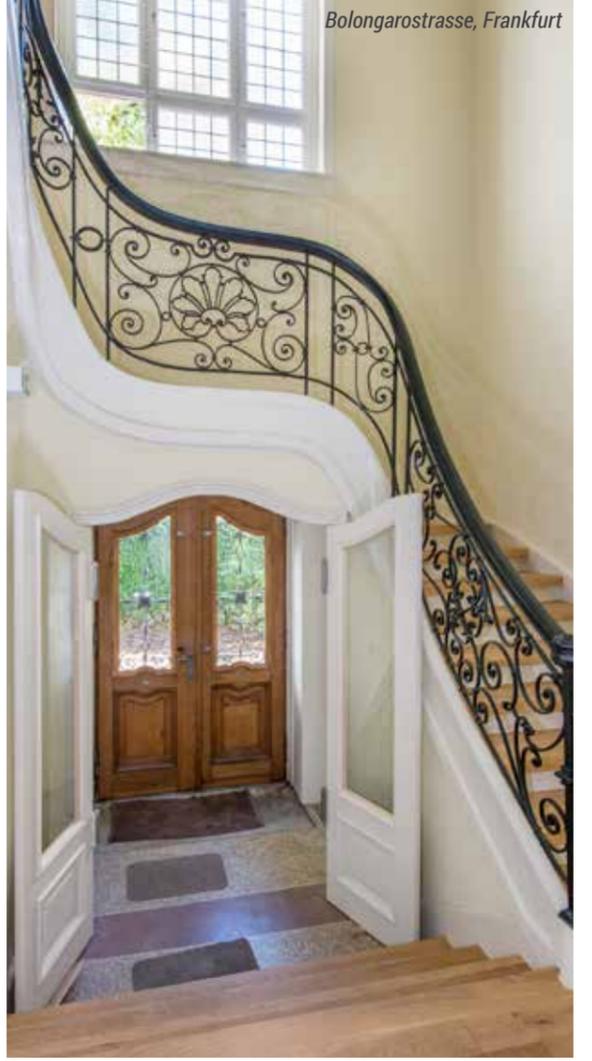
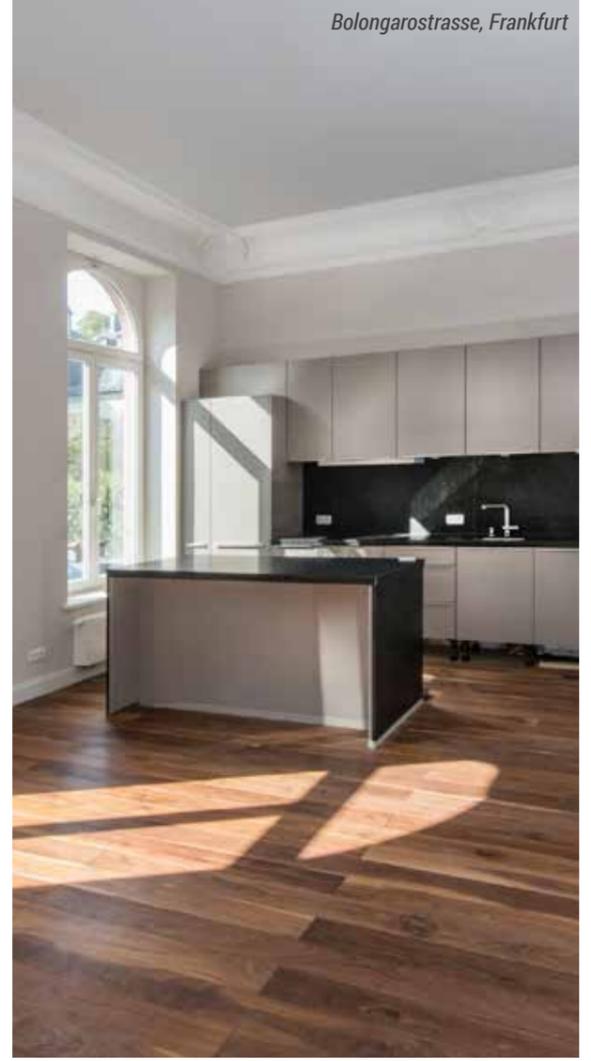
This impressive building was one of Dolphin Trust's first projects and one that we continue to be very proud of. Built in 1886, the building has a 128 year history and in 2008 Dolphin was delighted to offer this building a new future. Lindenthalerstrasse is in the region of Gohlis, an area north west of Leipzig - only 10 minutes by car to the centre of Leipzig city and a popular area for residential accommodation. Following renovation, the building was converted into 12 modern apartments boasting contemporary facilities and comfortable living spaces.

Dolphin Trust Projects

Bolongarostrasse, Frankfurt

This stunning three-winged building was built in 1892 and for 95 years was the main seat of the Main-Taunus-Kreis district where thousands of local people travelled to look after their official business.

With a beautiful exterior, the residence is a close neighbour to the beautiful Bolongaro Palace and is built in the unique Baroque style. The original architecture of the building included detailed ornamentation on the facade which has been intricately restored. The old county administration building was converted by Dolphin Trust into 26 luxury apartments boasting contemporary facilities and comfortable living spaces.





The position of Dolphin Trust as leaders in Listed Building renovation and New Build development gives us responsibilities towards the buildings we refurbish and create as well as to our clients, investors, partners and employees.

Sustainable Development

We work tirelessly to ensure that our approach to business creates value for all within our sustainable corporate strategy. This sustainable development provides an opportunity to improve our business by taking into consideration every dimension of how it operates within the social, cultural, economic and natural environment that it exists within.

We work sustainably through:

- The incorporation of the constraints of historical site protection and the requirements of modern-living comfort
- Premium quality in all endeavours
- Harmony of our projects and properties with nature and society
- Ecological, 'green' construction techniques and materials
- Commitment to the protection of people, the environment and nature
- Planning for the development of the local area our projects are located
- Effective and efficient communication
- Thorough due diligence for every individual project

Social Engagement



Here at Dolphin Trust we believe in giving back to the communities who support us and are pleased to support the following charities globally:

- Make a Wish Foundation
- Singapore Children's Society
- Society for Physically Disabled
- Arc Children's Centre
- Habitat for Humanity Singapore
- Deutsche Stiftung Denkmalschutz
- EAGLES Charity Golf Club e.V
- Kinderhospiz Löwenherz

We encourage our team to seek out local organisations or events which benefit the community in which they live. Some of these that we have supported are:

- A Run for Alisha – in support of a little girl with a brain tumour (AT/RT)
- Run In The Dark - Mark Pollock Trust

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