



Munich



Hannover



Berlin

AROUNDTOWN

PROPERTY HOLDINGS PLC

2016
FINANCIAL
RESULTS
PRESENTATION

MARCH
2017



Berlin



Hamburg

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HIGHLIGHTS

P&L Highlights

Market cap¹⁾
€2.9bn

Rental and operating income €274 million +119%

Profit €901 million -2% **EPS €1.11**

Adjusted EBITDA €268 million +75%

FFO I €166 million +76%

FFO I per share €0.25 +47% **2016 FFO yield¹⁾ 6%
RR FFO yield¹⁾ 8%**

Dividend per share €0.163²⁾ +220%

**2016 Div yield¹⁾ 3.8%
RR Div yield¹⁾ 5.2%**

Dividend per share Run Rate €0.22

**Updated
Dividend Policy
to 65% of FFO I
per share**

Balance Sheet Highlights

Total assets €8.1 billion +82%

EPRA NAV €3.9 billion +42% **€4.9
per share**

EPRA NAV incl. perpetual notes €4.3 billion +60% **€5.4
per share**

LTV 39% **Equity ratio 49%** **34%
assuming conversion**

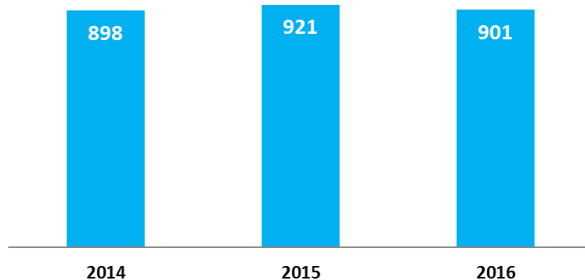
1) Based on €4.25 share price
2) Subject to AGM approval

FINANCIAL RESULTS

PROFIT AND LOSS

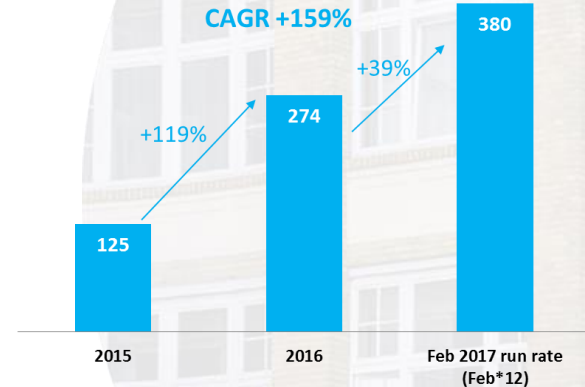
| | 2016 | 2015 |
|---|--------------|--------------|
| | In € million | |
| Rental and operating income | 274 | 125 |
| Capital gains, revaluations and other income | 720 | 815 |
| Share in profit from investment in equity-accounted investees | 197 | 134 |
| Property operating expenses | (75) | (29) |
| Administrative and other expenses | (8) | (4) |
| Operating profit | 1,107 | 1,041 |
| Finance expenses | (47) | (20) |
| Other financial results | (36) | 8 |
| Current tax expenses | (20) | (9) |
| Deferred tax expenses | (103) | (98) |
| Profit for the period | 901 | 921 |

Profit for the period (in € M)



consistently high profit generation of almost €1 bn in last three years

Rental and Operating income (in € M)



Strong LFL improvements in 2016
4.4% in-place rent, 3.2% occupancy

Acquisitions during 2016 and full year impact of 2015 acquisitions

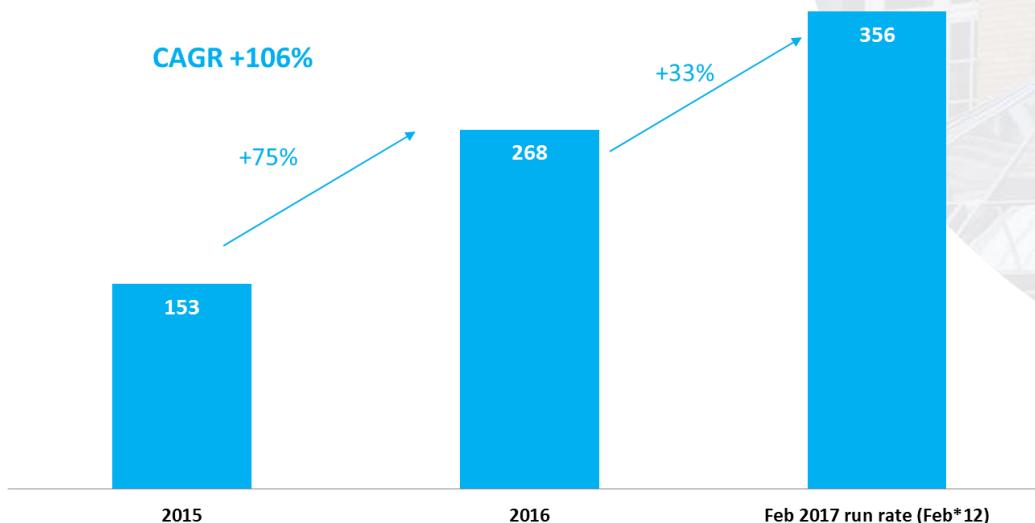
ADJUSTED EBITDA

| € million | Feb 2017 RR | 2016 | 2015 |
|---|-------------|------------|------------|
| Operating profit | | 1,107 | 1,041 |
| Depreciation and amortization | | 2 | ~0 |
| EBITDA | | 1,109 | 1,041 |
| Capital gains, revaluations and other income | | (720) | (815) |
| Share in profit from investment in equity-accounted investees | | (197) | (134) |
| Management long term share incentive plan | | 2 | - |
| Adjusted EBITDA commercial portfolio | 277 | 194 | 93 |
| Adjustment for GCP operational contribution | | 74 | 61 |
| Adjusted EBITDA | 356 | 268 | 154 |

subtracted as these profits include AT's share in non-operational profits generated by the equity-accounted investees

GCP is AT's strategic investment with a holding rate of currently 36%

Adjusted EBITDA (in € M)



FFO I

| € million | Feb 2017 RR | 2016 | 2015 |
|--|-------------|------------|-----------|
| Adjusted EBITDA commercial portfolio | 277 | 194 | 93 |
| Finance expenses | | (47) | (20) |
| Current tax | | (20) | (9) |
| Contribution to minorities | | (7) | (8) |
| FFO I commercial portfolio | | 120 | 55 |
| FFO I adjustment for AT holding rate in GCP | | 46 | 39 |
| FFO I | 230 | 166 | 94 |
| FFO I per share in € | 0.34 | 0.25 | 0.17 |
| FFO I per share after perpetual notes attribution in € | 0.31 | 0.25 | 0.17 |
| Dividend per share in € | 0.221 | 0.163* | 0.051 |

Minorities in PCI and on SPV level

AT's share in GCP's FFO I

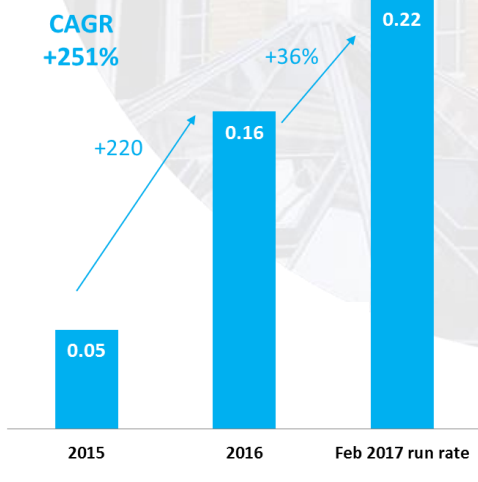
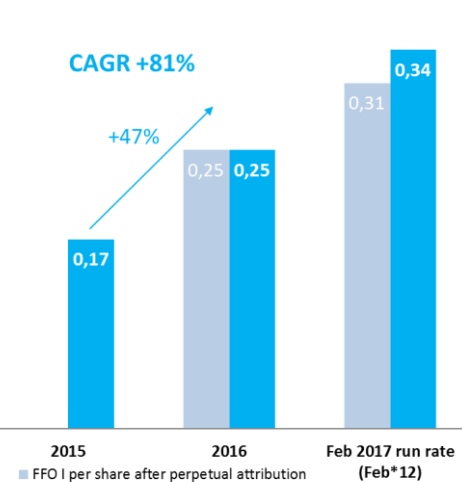
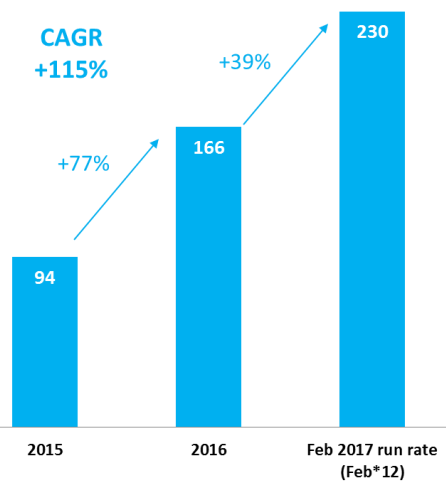
+220% based on payout ratio of 65%

* Subject to AGM approval

FFO I (in € M)

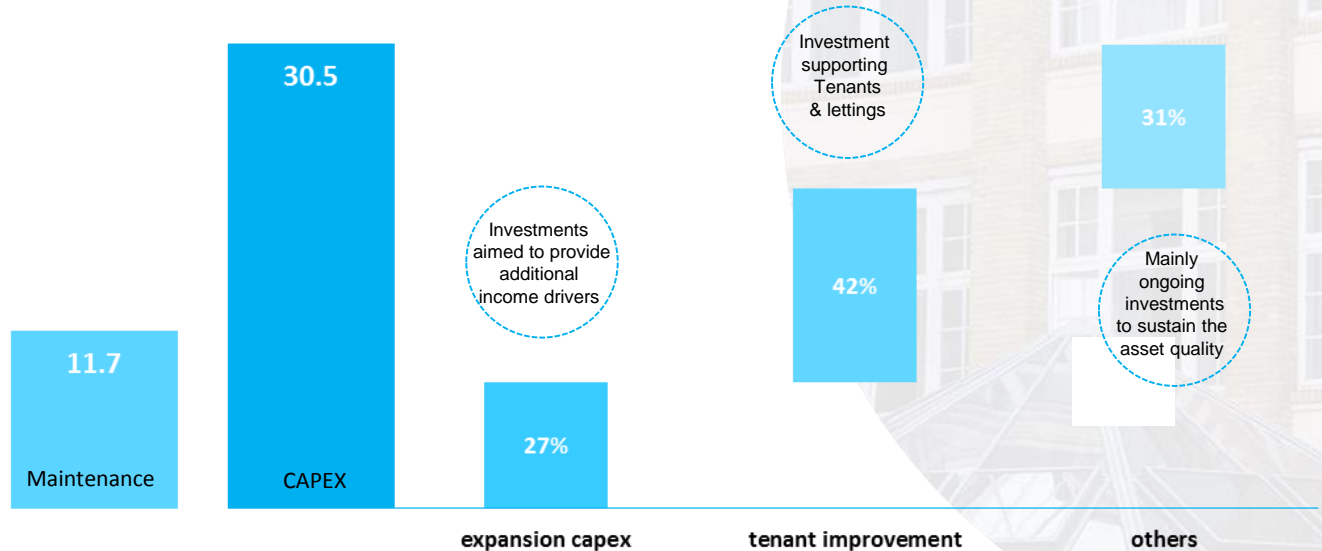
FFO I per share (in €)

Dividend per share (in €)



■ FFO I per share after perpetual attribution
■ FFO I per share

Maintenance and Capex (in € M)

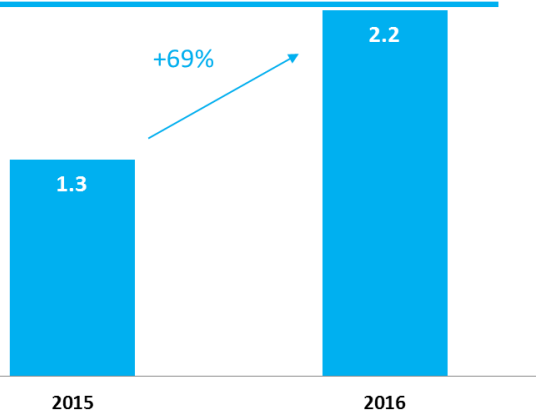


| € million | 2016 | 2015 |
|-----------|-------|------|
| FFO I | 165.6 | 94.0 |
| Capex | 9.5 | 4.6 |
| AFFO | 156.1 | 89.4 |

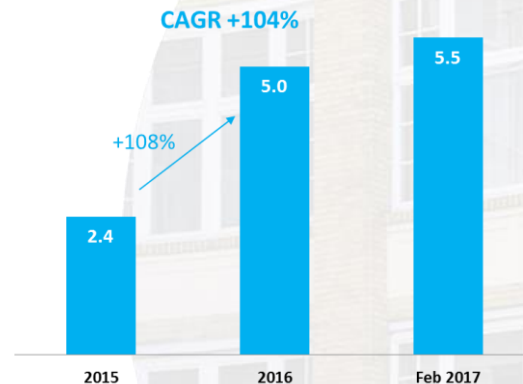
TOTAL ASSETS

| In € million | 2016 | 2015 |
|--|--------------|--------------|
| Investment property | 5,016 | 2,431 |
| Equity accounted investee, holding in GCP SA | 1,317 | 1,060 |
| Equity accounted investee, other | 240 | 123 |
| Non-current assets | 6,989 | 4,008 |
| Assets held as held for sale | 153 | - |
| Cash and liquid assets | 836 | 387 |
| Current assets | 1,100 | 433 |
| Total Assets | 8,089 | 4,440 |

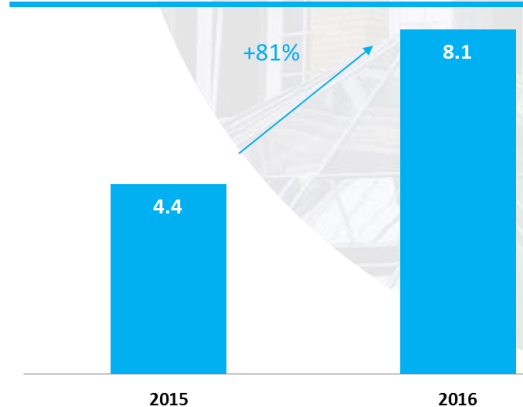
Annual investments in Properties (in € bn)



Investment Property (€ bn)



Total Assets (€ bn)

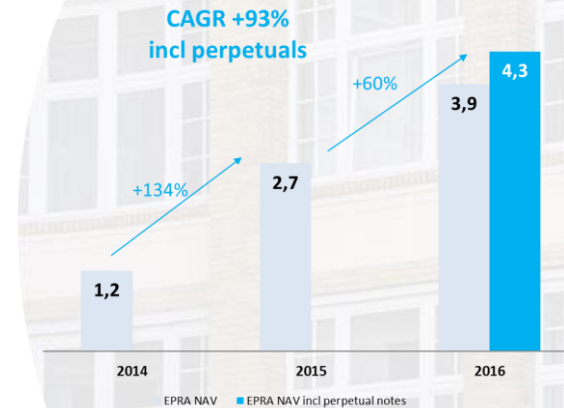


High cash and liquid assets balances enable Arowntown to pursue attractive acquisitions and/or repay expensive debt

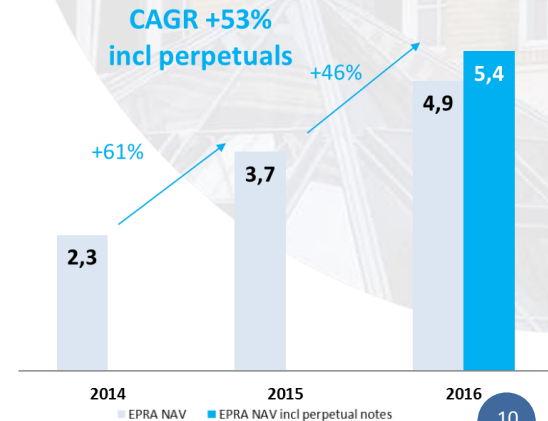
EPRA NAV

| | 2016 | | 2015 | |
|--|--------------|-------------|--------------|-------------|
| | € million | Per share | € million | Per share |
| Equity per the financial statements | 3,941 | | 2,426 | |
| Equity attributable to perpetual notes investors | (478) | | - | |
| Equity excluding perpetual notes | 3,463 | | 2,426 | |
| Effect in-the-money convertible bond | 394 | | 426 | |
| Effect of derivative financial instruments | 7 | | 4 | |
| Deferred tax liabilities | 379 | | 186 | |
| NAV | 4,243 | €5.3 | 3,041 | €4.2 |
| Non-controlling interests | (373) | | (320) | |
| EPRA NAV | 3,871 | €4.9 | 2,721 | €3.7 |
| Equity attributable to perpetual notes investors | 478 | | - | |
| EPRA NAV including perpetual notes | 4,349 | €5.4 | 2,721 | €3.7 |
| Basic amount of shares, including in-the-money dilution effects in thousands | 798,089 | | 730,829 | |

EPRA NAV (€ bn)

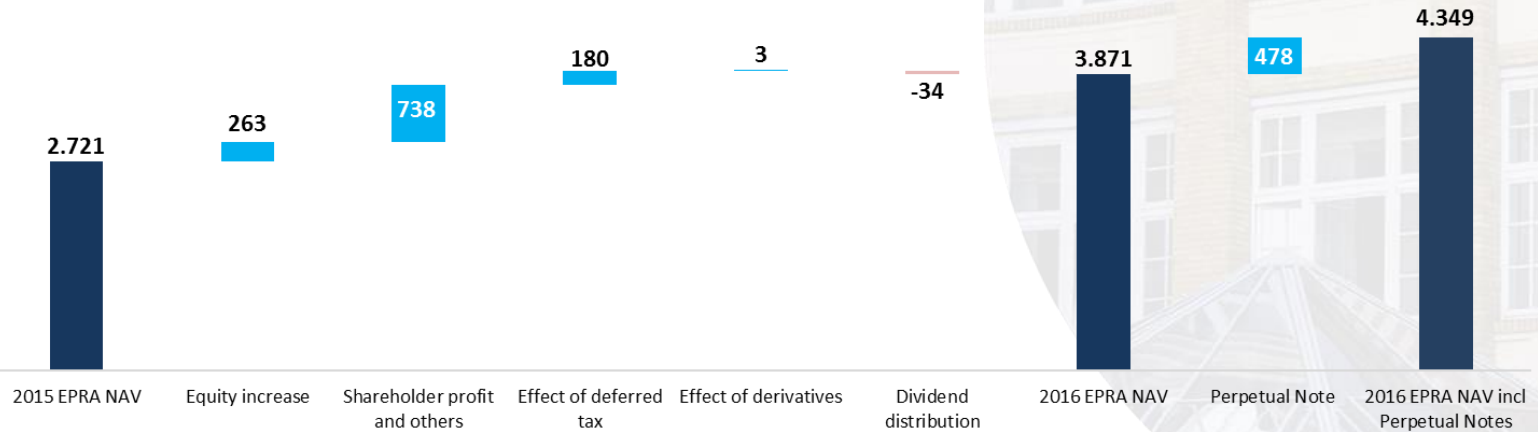


EPRA NAV per share (€)



| | NAV | EPRA NAV | EPRA NAV including perpetual notes | EPRA NNNNAV |
|---------------------------|-------|----------|------------------------------------|-------------|
| € million | | | | |
| Dec 16 | 4,243 | 3,871 | 4,349 | 3,776 |
| Dec 16 per share € | 5.3 | 4.9 | 5.4 | 4.7 |
| Per share growth | +26% | +32% | +46% | +31% |
| Dec 15 | 3,041 | 2,721 | 2,721 | 2,663 |
| Dec 15 per share € | 4.2 | 3.7 | 3.7 | 3.6 |

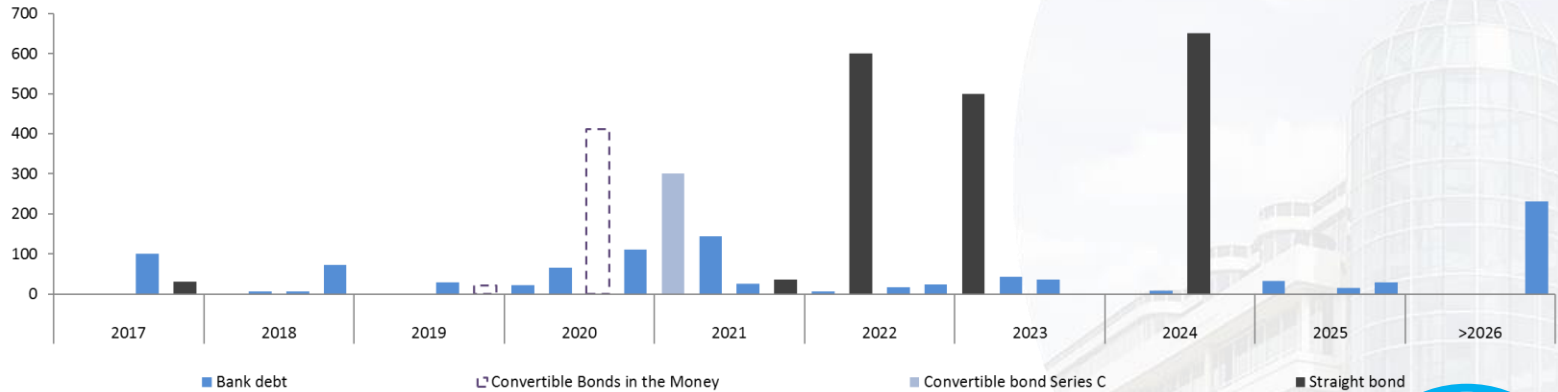
EPRA NAV BRIDGE (€ M)



EPRA NAV increase of 42%
including perpetual notes EPRA NAV increased by 60%

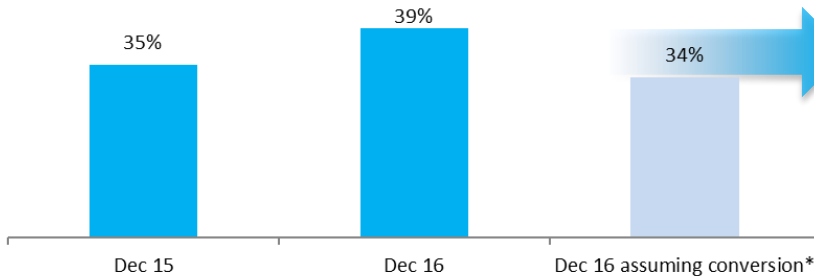
CONSERVATIVE CAPITAL STRUCTURE

Debt maturity profile (Dec 2016)



Loan-to-Value

Company BOD limit of 45%



5.5 years
average maturity
2% cost of debt

Series B is in the money at a premium of 26% **

Full redemption option at par value from May 2017
at share price of €4.73

* assuming conversion of the convertible bonds which are in the money
** at a share price of €4.25

Aroundtown financial policy

Strive to achieve A- global rating in the long term

LTV limit at 45%

Debt-to-cap ratio at 45% (or lower) on a sustainable basis

Maintaining conservative financial ratios

Unencumbered assets above 50% of total assets

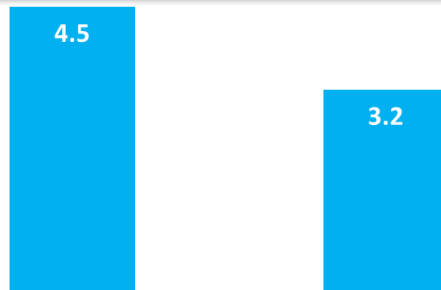
Long debt maturity profile

Good mix of long term unsecured bonds & non-recourse bank loans

Support convertible bond holders to convert into equity

Dividend of 65% of FFO I per share

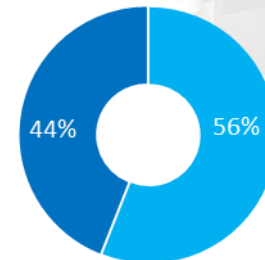
Strong Cover Ratios – 2016



ICR

DSCR

Unencumbered assets



■ Unencumbered ■ Encumbered

INVESTMENT GRADE RATING AND S&P ANCHOR RATING MATRIX

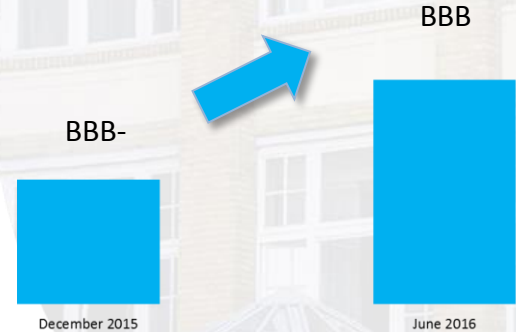
Financial risk profile

Business risk profile

| | 1 Minimal | 2 Modest | 3 Intermediate | 4 Significant | 5 Aggressive | 6 High Leveraged |
|-------------------|--------------|-------------|-------------------------------|-------------------------------|-----------------|---------------------|
| 1 Excellent | aaa/ aa+ | aa | a+/a | a- | bbb | bbb- /bb+ |
| 2 Strong | aa/ aa- | a+/a | (DW) A- (GCP) BBB+ | (Vonovia- BBB+)* (FDR) BBB | bb+ | bb |
| 3 Satisfactory | a/a- | bbb+ | (A-) BBB/BBB- (Alstria) | BBB-/bb+ | bb | b+ |
| 4 Fair | bbb/ bbb- | bbb- | bb+ | bb | bb- | b |
| 5 Weak | bb+ | bb+ | bb | bb- | b+ | b/b- |
| 6 Vulnerable | bb- | bb- | bb- | b+ | b | b- |

*Vonovia's rating anchor is BBB. Vonovia's final rating, after the effect of modifiers is BBB+.

'BBB' Investment Grade from S&P

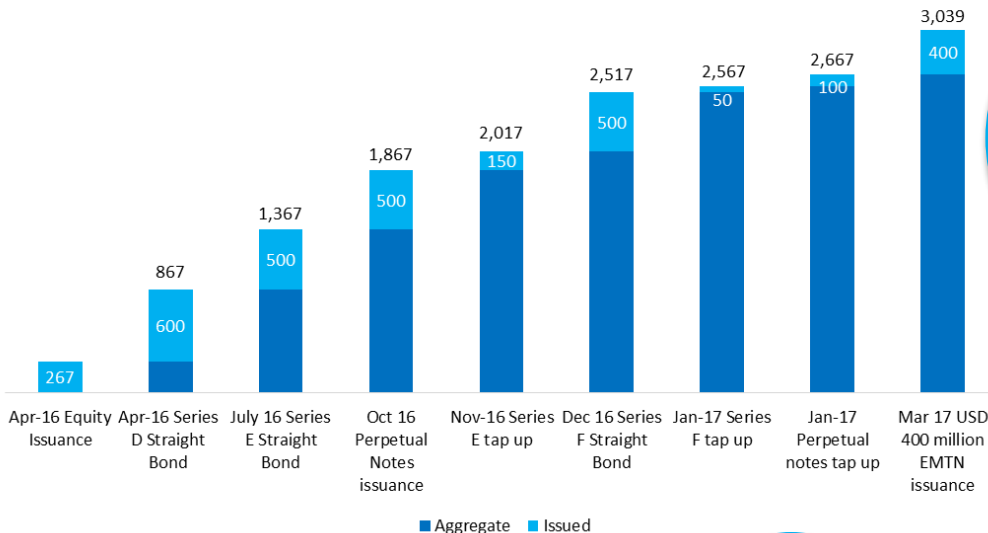


Strong position within the investment grade scaling with a long term rating of BBB (A-2 short term rating)

The Board of Directors decided to strategically aim for an A- rating and will continue to implement measures to achieve this target

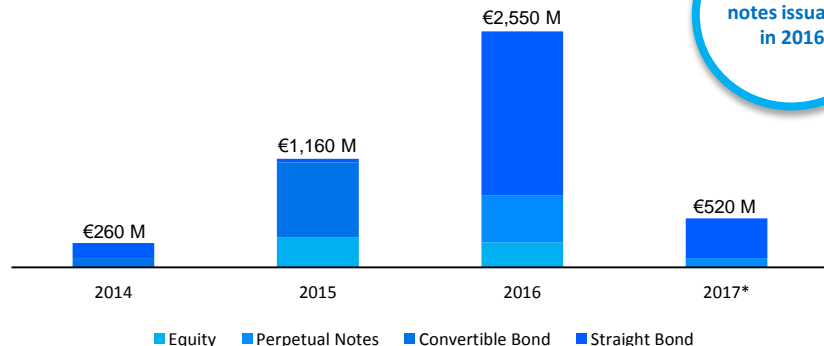
CAPITAL MARKET ACHIEVEMENTS

CAPITAL MARKET ACHIEVEMENTS



Largest European real estate issuer in 2016

Issued over €2.5 bn in 2016 alone, continued issuances in 2017 to over €3 bn



First perpetual notes issuance in 2016

Established EMTN program of €1.5 bn in March 2017

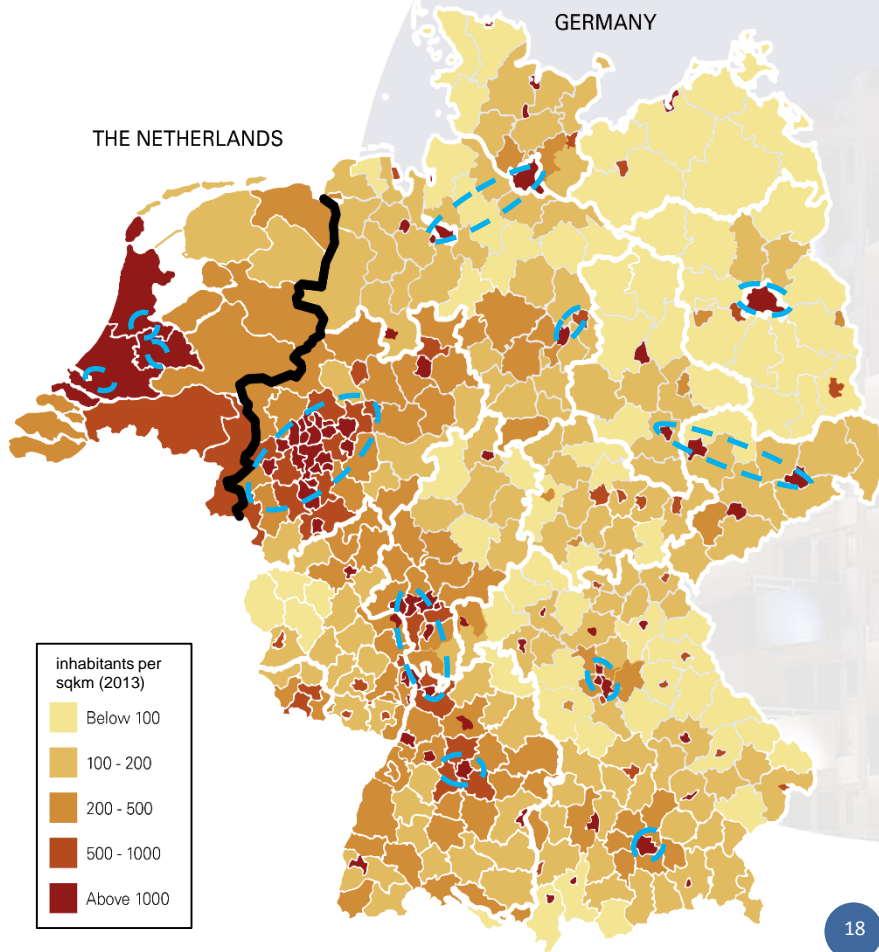
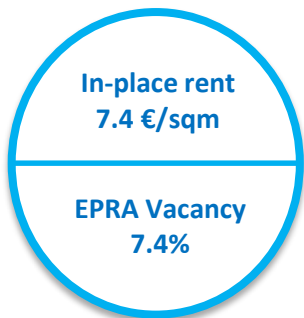
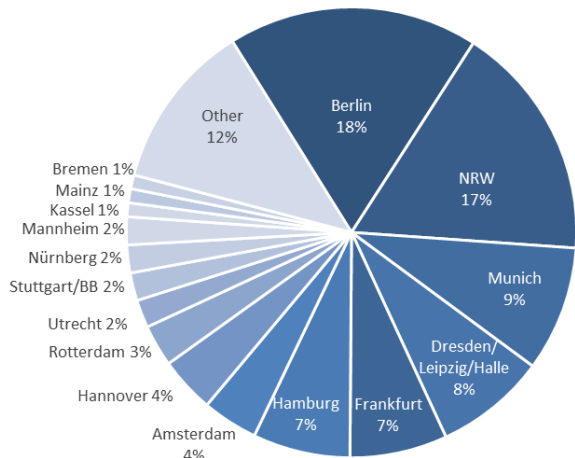
Further diversified investor base: Access to Asian capital markets issuances of USD 450 million with anchor investors

Equity and bond bookrunners

OPERATIONS AND PORTFOLIO

TOP TIER GERMAN/NL CITIES

Group Regional distribution*
(by Value)



*Accounting for 36% in GCP portfolio

COMMERCIAL INVESTMENT PROPERTIES (FEBRUARY 2017)

Portfolio breakdown per asset type

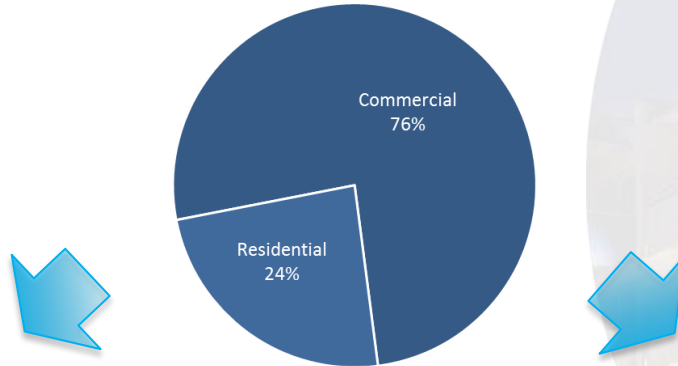
| | Investment properties (in €M) | Rentable area (in 000' sqm) | EPRA vacancy | Annualized net rent (in €M) | In-place rent per sqm (in €) | Value per sqm (in €) | Rental yield |
|-------------------|-------------------------------|-----------------------------|--------------|-----------------------------|------------------------------|----------------------|--------------|
| Office | 2.962 | 1.428 | 9,9% | 173 | 10,6 | 2.075 | 5,8% |
| Retail | 1.122 | 784 | 6,5% | 78 | 8,4 | 1.431 | 7,0% |
| Hotel | 1.014 | 542 | 0,0% | 64 | 9,9 | 1.873 | 6,3% |
| Industrial/Others | 441 | 655 | 8,0% | 25 | 3,2 | 673 | 5,7% |
| Total | 5.539 | 3.408 | 7,3% | 341 | 8,6 | 1.625 | 6,2% |

Portfolio breakdown per region

| | Investment properties (in €M) | Rentable area (in 000' sqm) | EPRA vacancy | Annualized net rent (in €M) | In-place rent per sqm (in €) | Value per sqm (in €) | Rental yield |
|-----------------------|-------------------------------|-----------------------------|--------------|-----------------------------|------------------------------|----------------------|--------------|
| Berlin | 1.045 | 534 | 7,6% | 57 | 9,4 | 1.956 | 5,5% |
| NRW | 657 | 657 | 6,3% | 47 | 5,9 | 1.001 | 7,1% |
| Frankfurt | 519 | 230 | 10,3% | 29 | 11,5 | 2.259 | 5,6% |
| Munich | 605 | 191 | 9,1% | 27 | 11,8 | 3.166 | 4,4% |
| Hamburg | 438 | 229 | 2,7% | 21 | 7,9 | 1.916 | 4,9% |
| Amsterdam | 319 | 124 | 9,8% | 20 | 14,7 | 2.561 | 6,4% |
| Hannover | 255 | 184 | 5,9% | 17 | 7,9 | 1.386 | 6,5% |
| Dresden/Leipzig/Halle | 244 | 165 | 9,8% | 15 | 8,1 | 1.485 | 6,1% |
| Rotterdam | 185 | 99 | 9,6% | 15 | 13,1 | 1.870 | 7,9% |
| Utrecht | 177 | 85 | 5,0% | 13 | 11,7 | 2.086 | 7,3% |
| Stuttgart/BB | 161 | 97 | 12,9% | 10 | 9,5 | 1.659 | 6,1% |
| Nuremberg | 110 | 79 | 2,9% | 7 | 7,5 | 1.384 | 6,7% |
| Other | 823 | 734 | 5,1% | 63 | 7,4 | 1.121 | 7,7% |
| Total | 5.539 | 3.408 | 7,3% | 341 | 8,6 | 1.625 | 6,2% |

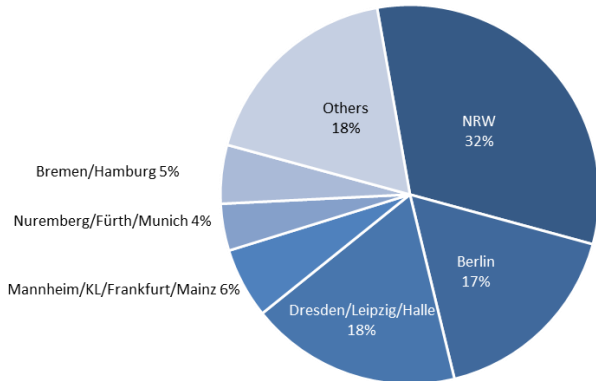
*figures include investment properties, excluding assets held for sale

Asset Type Breakdown*

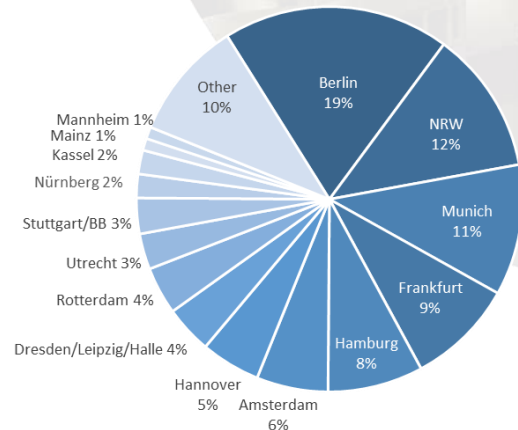


*Accounting for 36% in GCP portfolio

Residential geographical breakdown



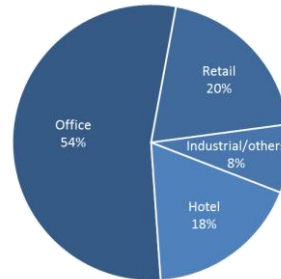
Commercial geographical breakdown



All breakdowns are by value

TOP TIER CITIES IN THE ASSET CLASSES- FEB 2017

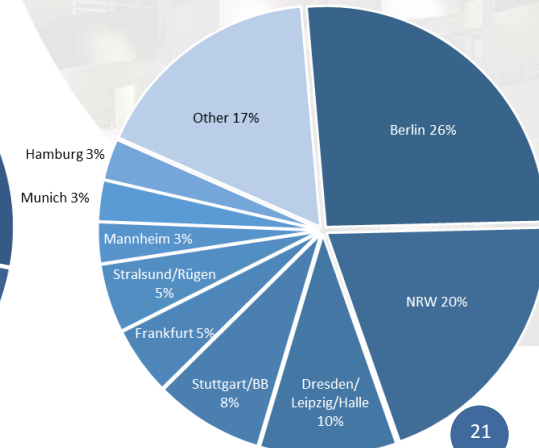
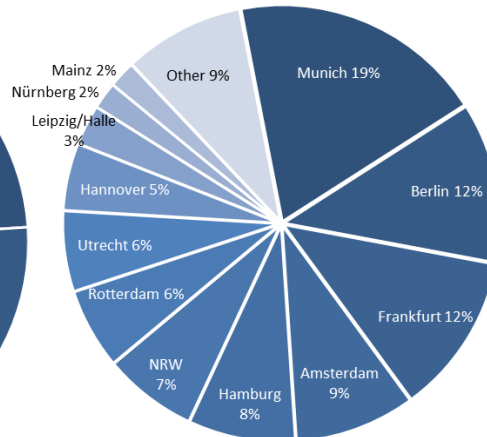
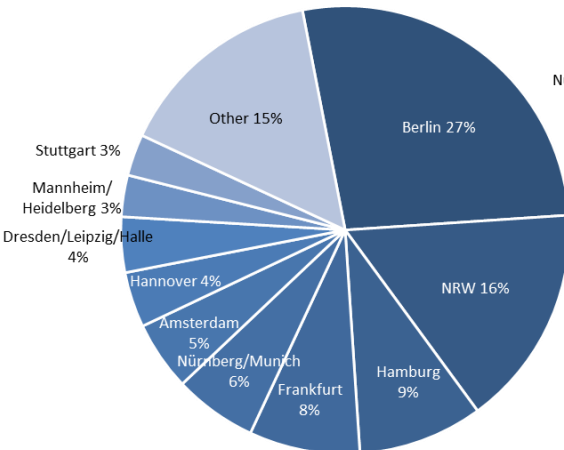
Commercial Asset Type Breakdown*



Retail geographical breakdown

Office geographical breakdown

Hotel geographical breakdown



All breakdowns are by value

QUALITY LOCATIONS IN BERLIN INNER CITY

62% of the Berlin portfolio is located within inner-city

16% are well located in strong and growing areas outside the inner circle, such as West Charlottenburg/Wilmersdorf, Lichtenberg, South Schöneberg, Potsdam, Schönefeld, Steglitz and others

78% in top neighborhoods including the inner city, strongly benefiting from the unique dynamics and growth of Berlin's most in demand neighborhoods, business areas and tourist centres

22% are well located primarily in Spandau, Reinickendorf, Hellersdorf/Marzahn and Treptow/Köpenick



◆◆ Commercial properties

◆◆ Residential properties

*Map representing approx. 93% of the portfolio and 99% including central Potsdam

DEFENSIVE PORTFOLIO WITH STRONG TENANT STRUCTURE

AROUNDTOWN
PROPERTY HOLDINGS PLC

Limited dependency on single tenants due to large tenant base of approx. 2,500 tenants

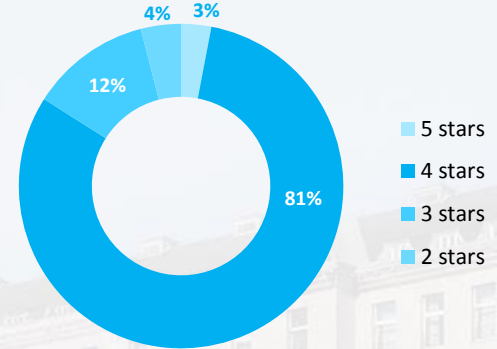
DAIMLER



HIGHLY PERFORMING HOTEL LOCATIONS

- ➔ Most of the hotel assets are held through a 98% stake in Prime City Investment
- ➔ As of February 2017 €1 bn and 540k sqm of well diversified portfolio of branded hotels
- ➔ High portion of 81% in 4 star hotels, meeting the market demand rising from tourism and business travel
- ➔ Long term and fixed lease to third party hotel operators

Portfolio composition by category (by value)

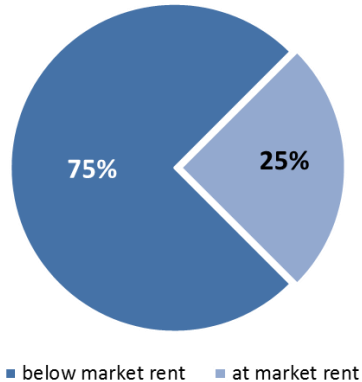


Globally leading branding partners offer key advantages

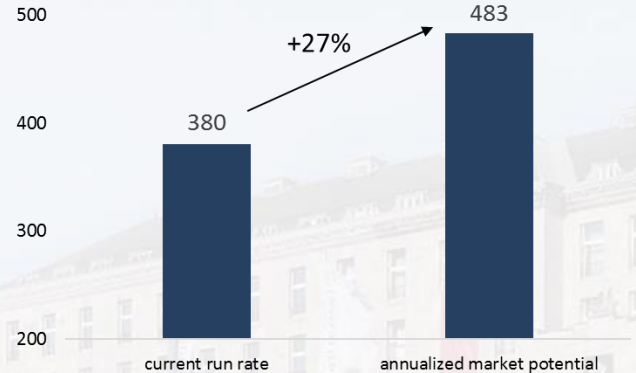
- Worldwide reservation systems
- Global recognition
- Strong loyalty programs
- Quality perception
- Economy of scale benefits

COMMERCIAL PORTFOLIO – POTENTIAL TO COME

Commercial in-place rent compared to market rent prices



Commercial current annualized Rental Income vs. Market Potential including vacancy reduction





Large upside potential for rent increase to market levels with very limited downside risk.






Long lease terms with a WALT of 7.7 years and an average residential tenancy length of 14 years.



CEO and CFO

- | | | |
|----------------|---|---|
| Shmuel Mayo |  | CEO of Arowntown. Previously, Mr. Mayo was the CEO of the Dankner Group, which under his management was a leading international investment conglomerate with over \$8 billion of assets. Mr. Mayo is since 2006 in the management of Arowntown and its subsidiaries and holds a BA in Economics and Accounting, Law and CPA. |
| Eyal Ben David |  | CFO of Arowntown. Previously, Mr. Ben David held a private practice of Certified Public Accountants focused on infrastructure and real estate industries and is since 2007 in the management of Arowntown. Mr. Ben David is a certified public accountant (CPA) and holds an MBA. |

Board of Directors

- | | | |
|--------------------|---|---|
| Andrew Wallis |  | Director. Mr. Wallis was owner and CEO of a large German property management company. Previously he spent 10 years as an investment banker in the city of London for Merrill Lynch and JP Morgan. Mr. Wallis holds an MBA and a CFA. |
| Oschrie Massatschi |  | Director. Mr. Massatschi has 10 years professional experience in banking, management consultancy and corporate finance which he gained in Australia, the UK and Germany. Mr. Massatschi holds a BA Honours in International Business. |
| Reshef Ish-Gur |  | Director. Previous roles of Mr. Ish-Gur included controller and business development manager in the environmental engineering industry as well as a member of the audit department at KPMG. Mr. Ish-Gur holds a CPA and a BA in audit and finance. |
| Jelena Afxentiou |  | Director. Ms Afxentiou is in the Arowntown Group since 2011 and has 20 year of experience in the real estate and the hotel business, specializing in finance and accounting. |
| Elena Koushos |  | Independent Director. Ms. Koushos is a partner at Koushos & Korfiotis Advocates & Legal Consultants LLC, holds a LLM from Queen Mary University of London and a LLB from University of Leicester. |
| Markus Leininger |  | Independent Director. Mr. Leininger is a former senior banker with a focus on financing, private equity and real estate. His past positions include Head of Operations with Eurohypo AG and Rheinhyp AG (Commerzbank) and a Member of the Advisory Board and Investment Committee of Revetas Capital Advisors. Mr. Leininger holds a diploma in business administration. |

Advisory Board

- | | | |
|-----------------|---|---|
| Yakir Gabay |  | Chairman of the Advisory Board. Mr. Gabay was previously the chairman & managing partner of an investment company which managed over \$30 billion of assets, and before that the CEO of the investment banking of Bank Leumi. Mr. Gabay holds an MBA , BA in Accounting/Economics, and CPA. |
| Frank Roseen |  | Advisory Board Member. Mr. Roseen is highly experienced with a track record of 30 years. Mr. Roseen has held various senior management positions over the last 18 years, including, amongst others, CEO of Germany & Central Eastern Europe of GE Capital and Real Estate. Mr. Roseen holds an MBA in Business Administration. |
| Dr. Axel Froese |  | Advisory Board Member. Mr. Froese is the founder and managing partner at Froese Asset Management GmbH. Previous positions were Head of Asset Management at Cordea Savills GmbH, founder and managing partner at IPAM GmbH, Head of European Real Estate Group of the Bank of Scotland. |

Audit Committee – consists of the two independent directors Elena Koushos and Markus Leininger

OFFICE, RETAIL AND HOTEL MANAGEMENT TEAM

AROUNDTOWN
PROPERTY HOLDINGS PLC

**Markus
Neurauter**



Head of commercial operations. Before joining the Group he was a board member of Strabag AG and CEO of Raiffeisen evolution, responsible for project development on 11 European countries with a development volume of more than €2bn. Mr. Neurauter holds a masters in economics from the university of Innsbruck and covers more than 25 years of experience in real estate.

**Philipp von
Bodman**



Hotel operations Director. Mr. von Bodman moved from GCH Hotel Group where he was Director of Operations. Former roles include: hotel asset manager with Mountain Capital Ltd. in London, consultant for hotel valuations and hotel feasibility studies with HVS in London, consultant for hotel quality performance in Asia and numerous international hotel operational positions. Mr. von Bodman holds a MBA in "International Hospitality Management" from Cornell University & ESSEC Business School

**Nikolai
Walter**



Mr. Walter is Head of Asset & Property Management and has over 20 years' experience in the real estate industry. Before joining the Group, Mr. Walter was a Managing Director of Fortress Investment Group, where he has been responsible for the asset and portfolio management of the German commercial portfolio with a market value of € 5.6 bn. Prior to that, Mr. Walter held different positions at Deutsche Bank Group where his last role was Head of Asset Management Germany at Deutsche Asset and Wealth Management.

**Brigitte
Schmitt**



Ms. Schmitt is a Shopping Center Management expert. Before joining the group Mrs. Schmitt has been 12 Years with ECE - European market leader for Shopping Centers and with DTZ where her Team was twice awarded the CEE Property Management Team of the Year Award. Ms. Schmitt holds a degree in Business Management and Administration - from the University of Würzburg.

**Alfred
Kandl**



Mr. Kandl is the Head of Construction Management. He has 35 years' experience in the real estate and building industry. He started in one of Austria's leading building companies and soon worked in controlling positions at large construction sites all over Austria and Central and Eastern Europe. In 2003, Mr. Kandl switched from the operational business to the Project Development and worked as Head of Construction at Raiffeisen Evolution.

**Guido
Pütz**



Originally trained at Hochtief AG, Guido has spent the last 15 years steering real estate of all asset types for big players in the market such as Hudson Advisors, Cushman & Wakefield and Catella. When Hudson Advisors sold the portfolios under his supervision, Guido decided to join the team and has been an invaluable asset with his experience, strong negotiation skills and dynamic thinking.

**Norman
Lindner**



Originally trained as a banker, Norman spent two years in risk management before going into controlling, finance and accounting as an asset manager. Norman's greatest strengths are the setting-in-place and monitoring of processes and strict supervision of accountants and property managers that target figures are met. He gained his experience at Habacker Holding, Dawnay Day Property Investment and IKB Deutsche Industriebank

**Jelena
Ebner**



Trained as a Real Estate Manager and gained her knowledge also in retail & distribution and insurance during her study of business administration, Jelena worked for Hudson Advisors and later at Dundee International as an Asset Manager, Corporate in Luxembourg. Coming from a property management background, Jelena has experience in all asset types and combines this with an uncanny ability to think out-of-the-box.

**Christian
Hupfer**



Financial officer. Mr. Hupfer is specialized in tax structuring, financial statement and cash flow analysis and bank negotiations. Mr. Hupfer worked for RöverBrönrner KG Steuerberatungs und Wirtschaftsprüfungsgesellschaft in the Audit and Tax department. Mr. Hupfer has a Diploma of Economics with a focus on tax and financial auditing

**Idan
Kaplan**



Mr. Kaplan is a Senior Financial Manager. Before joining Aroundtown, Mr. Kaplan served as an auditor in an accounting firm. He holds a BA in Accounting and Business Administration.

**Paul
Smyth**



Manager Financial Audit and Financial Projects. Prior to joining the company he has held Financial and Managerial positions with GCH, IHG, Westin as well as recreational enterprises such as Penn Racquet Sports and Tropical Islands. As an entrepreneur he has supported enterprises in Ireland and Germany and is a lodging & hospitality specialist.

**Sylvie
Lagies**



Head of corporate communications. Ms Lagies moved from the hotel group where she held positions as Hotel General Manager and Interim Manager. Within GCP she held positions as Corporate Project Manager and Head of Training and Development. Former roles were Head of Franchise Development and Training for Domino's Pizza Germany, Director of Business Development for Precise Hotel Collection in Germany.

OUTLOOK

Regulated market

- **Upgrade the listing to an EU-regulated market**
- **Enhance visibility and tradability**
- **Inclusion into various stock indices**
- **Planned within the course of 2017**

Migration of company seat

- **Incorporation in Luxembourg from currently Cyprus**
- **Continue as a Luxembourg corporation from currently PLC**
- **Support uplisting to regulated market**
- **EGM in April 2017 to confirm proposed transfer**

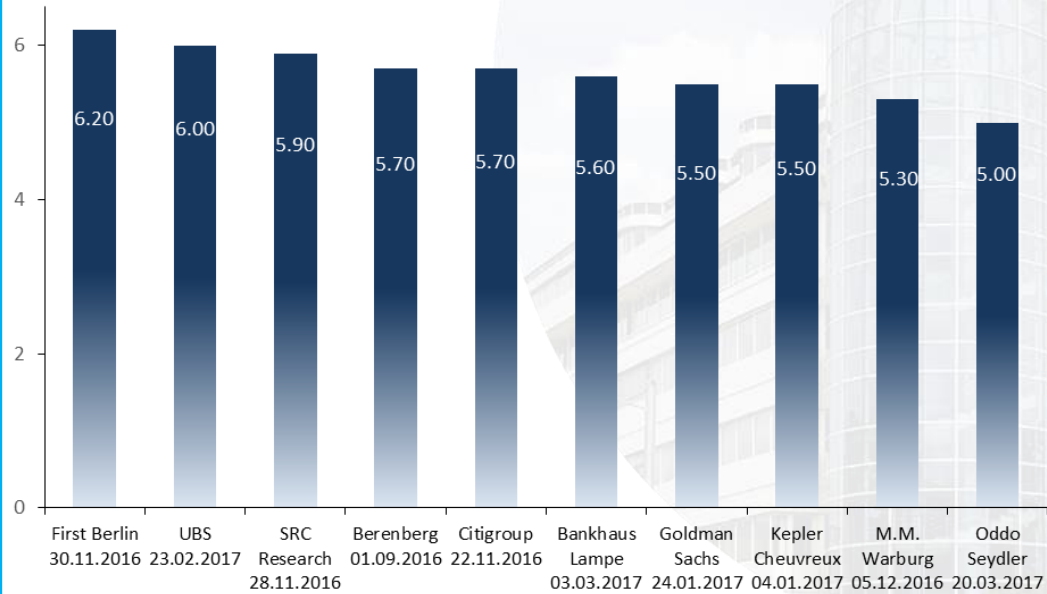
APPENDIX

EQUITY ANALYST RESEARCH COVERAGE

Covering Analysts

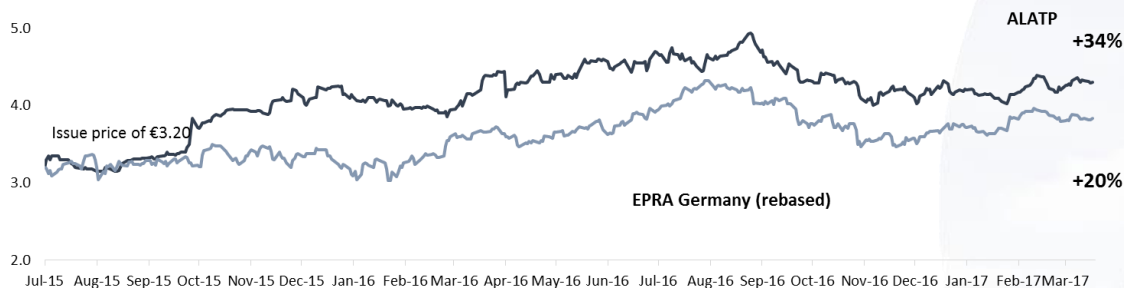


Analyst Research Target Price



Recommendations are set with buy and above the current share price

Share performance since initial placement of capital (13.7.2015)



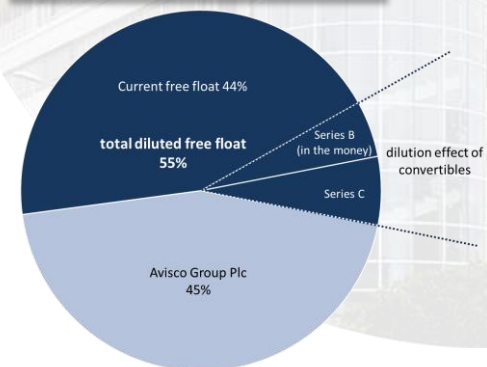
The share

| | |
|--|-----------------------|
| Placement | Frankfurt SE Euronext |
| First equity issuance | 13.07.2015 |
| Number of shares (basic) | 677,453,201 |
| Number of shares incl. dilution effect of Series B (in the money, conversion price of €3.38) | 798,088,217 |
| Number of shares fully diluted incl. all convertibles Series B and Series C | 850,847,529 |
| Free float | 44% |
| Free float including conversion of CBs in the money | 52% |
| Fully diluted free float | 55% |
| Symbol (Xetra) | AT1 |
| Symbol (Euronext) | ALATP |

Shareholder structure basic

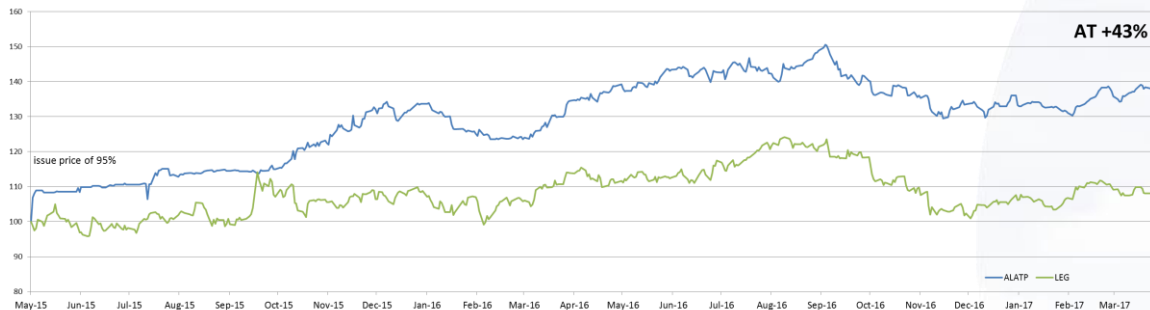


Shareholder structure fully diluted



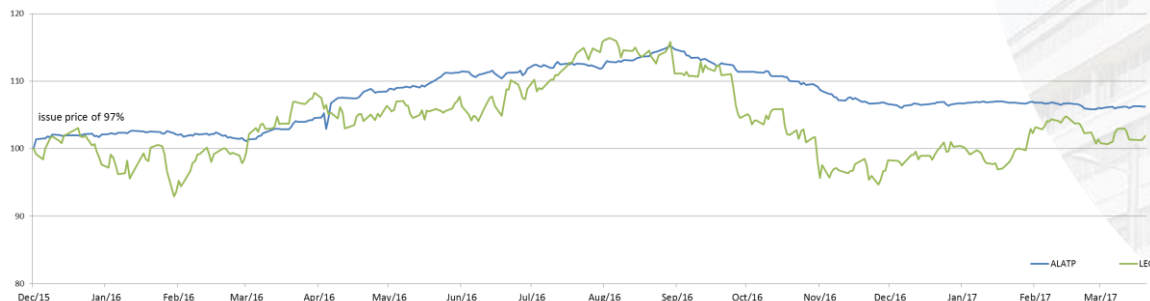
AROUNDTOWN'S BOND PERFORMANCE

Convertible bond Series B performance since placement (27.4.2015)

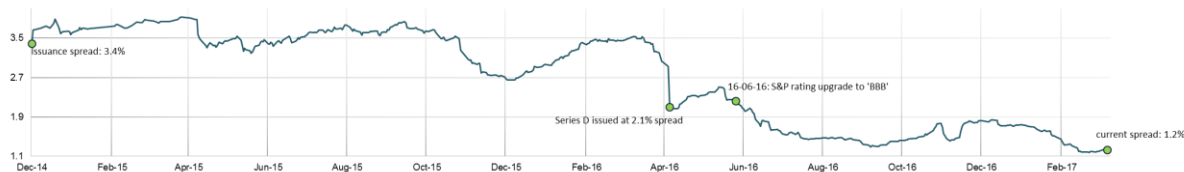


Series B
is in the money
at a premium
of 26% *

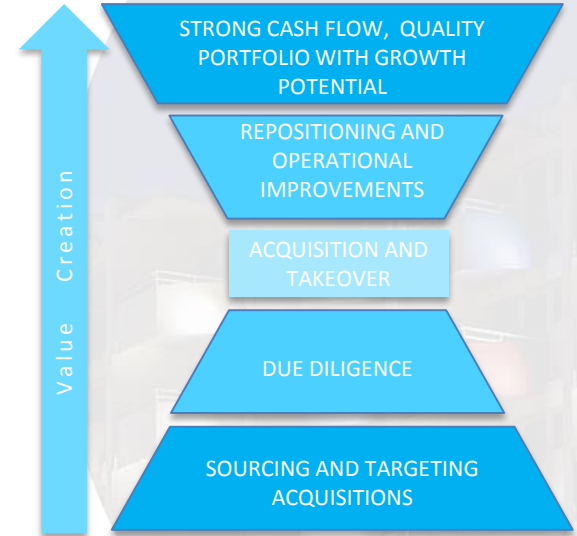
Convertible bond Series C performance since placement (15.12.2015)



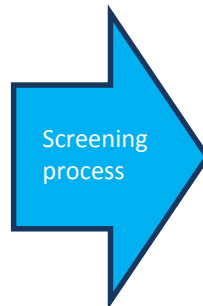
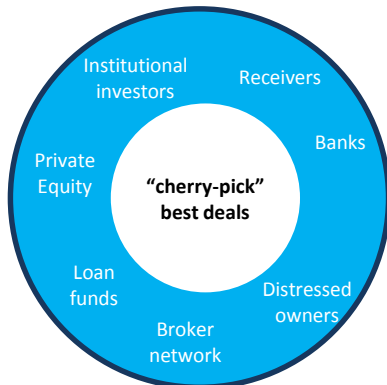
Spread over mid-€-swap for straight bonds A and D, remaining 5 years



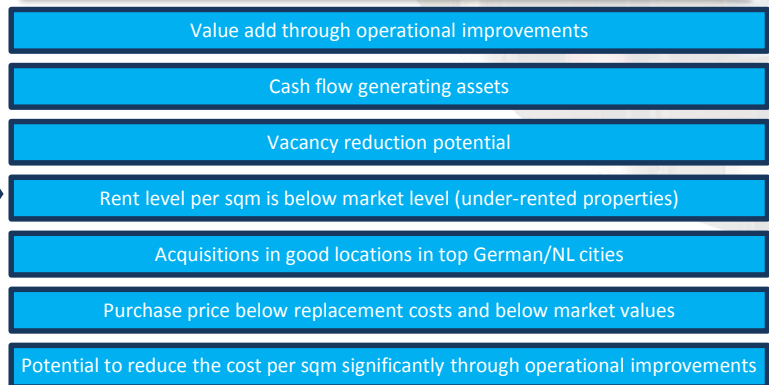
STRATEGY AND BUSINESS MODEL



Diversified and large base deal sources



Acquisition criteria



1 Proven business model and successful track-record

- ✓ **Well allocated assets** in the top cities of Germany and NL
- ✓ **Highly cash generative portfolio** resulting from **successful repositioning**
- ✓ Proven ability to drive operational performance, increase rents and occupancy and extend leases
- ✓ Significant **upside potential** in the portfolio with limited downside risk as properties possess under-utilized rent and occupancy
- ✓ Synergies and economies of scale enable to increase profit margins and reduce operational costs

2 Low financial risk

- ✓ **Conservative financial profile in the real estate sector**
- ✓ Low LTV and high interest coverage ratio
- ✓ Highest ratio of unencumbered assets (over 50%)
- ✓ Investment grade BBB (A-2 Short Term) with long term target of A-

3 Strong pipeline

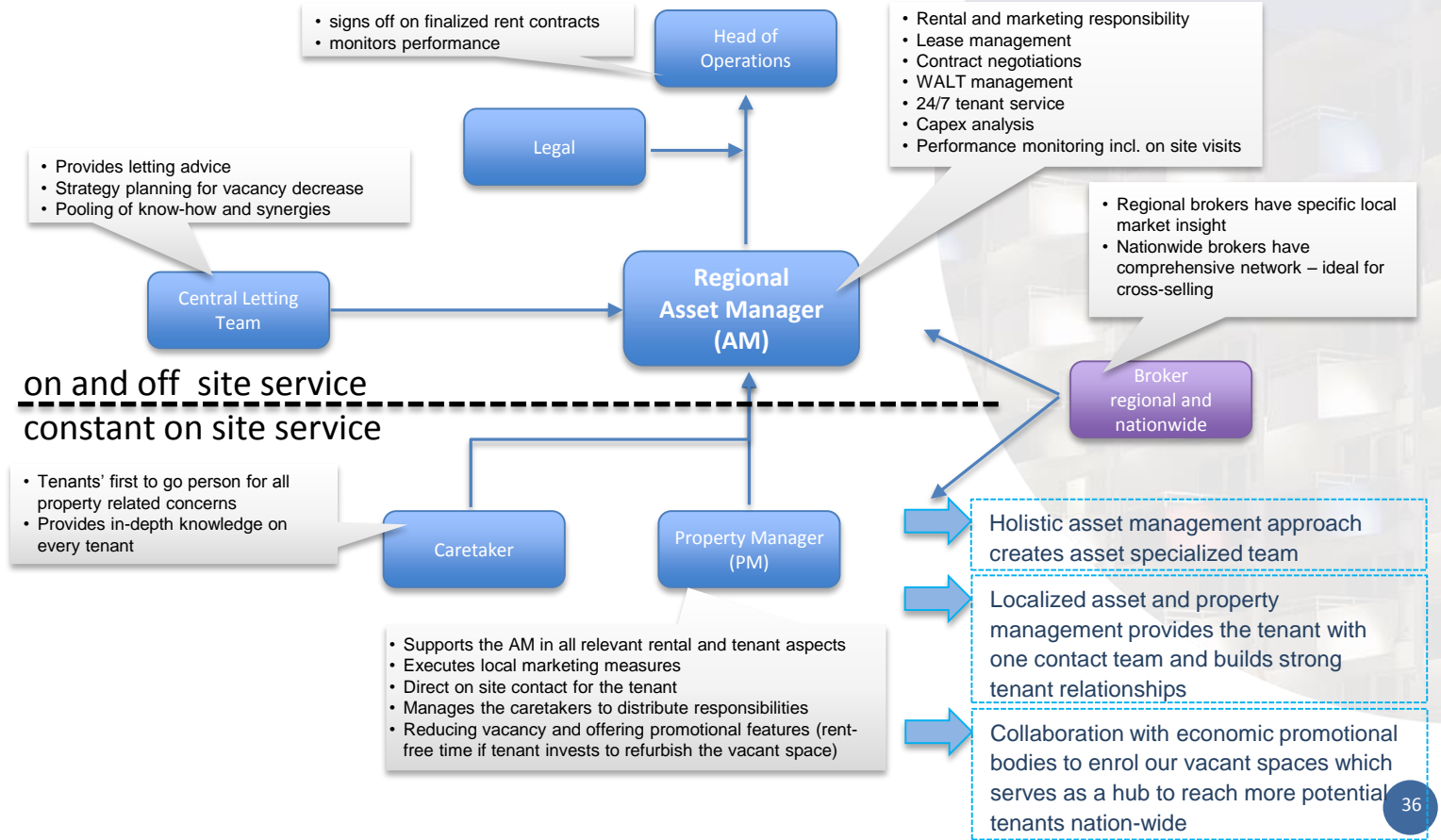
- ✓ **Substantial acquisition pipeline** in advanced stage of discussion, market leader in German/Netherlands acquisitions
- ✓ Capital appreciation opportunities through **appropriate asset selection** and **acquisitions at attractive valuations**
- ✓ **Incumbent preferred buyer status** gives access to off-market transactions away from auction pressures

4 Structurally strong position with high barriers to entry

- ✓ Focused on investing in and managing value-add opportunities in densely populated and commercially attractive areas of the German/NL real estate market
- ✓ Proprietary **in-house IT software systems** tailor-made for the German real estate market, fitted especially to the needs of property value creation cycle

Aroundtown is a conservative investment opportunity with well located, strong cash flow generating, quality real estate assets in Germany/NL

FULL CONTROL OVER THE ENTIRE OPERATIONAL VALUE CHAIN



LEASE MANAGEMENT AS DRIVERS FOR GROWTH – ACHIEVING LONG-TERM GROWING CASH FLOWS

- ✓ Localized one team touchpoint approach – building strong and long-term relationships with tenants. Teams become specialized with the individual asset, the tenants and the regional markets – proactively meeting tenants on a regular basis
- ✓ Establishing and maintaining an open line of communication at all times – short reaction times to tenants' concerns ensure short business interruption (24/7 availability)
- ✓ Analysing tenant satisfaction levels and understanding their needs vs ongoing analysis of the teams performance
- ✓ Ongoing WALT analysis and forming a strategy on a tenants basis – either sign an extension in advance or letting the contracts expire depending on factors such as demand factors, gap to market rent, tenant structure etc.
- ✓ Hands on collection management – monthly collection reports on an asset level and a tenant basis solving problems before they develop
- ✓ Smart Capex and conversion planning maximizing the potential of the asset with scrutiny on execution
- ✓ Centralized in-house legal team support the AM with flexibility and fast reaction ability

Establishing and maintaining an open line of communication at all times















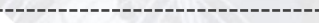





RENTAL AND MARKETING AS DRIVERS FOR ADDITIONAL GROWTH

- ✓ Tailor made rental and marketing strategy on an asset basis
- ✓ Comprehensive vacancy analysis – conducting usability studies/letting concepts of vacant spaces in order to attract a large pool of diverse tenants
- ✓ Optimizing the usage of each asset and fitting to the demand and supply in the market
- ✓ Market and benchmark analysis – enabling the management to execute optimal decision making and to closely track macro and micro developments
- ✓ Combination of various channels to cover the broadest market
 - Negotiations with existing tenants: business plans/perspective and development expectations
 - Online data bases
 - Advertising billboards
 - Regional and nationwide brokerage
 - Governmental database (local economic promotion)
 - E-commerce
- ✓ Prospective tenant screening
 - Credit worthiness: credit rating, business plan plausibility check, online screening
 - Tenant structure adaptability: competition protection, tenant type mix
- ✓ Contract negotiations: promotion incentives, adaptation to tenants' future plans etc.

Reducing vacancy by tapping assets' potential

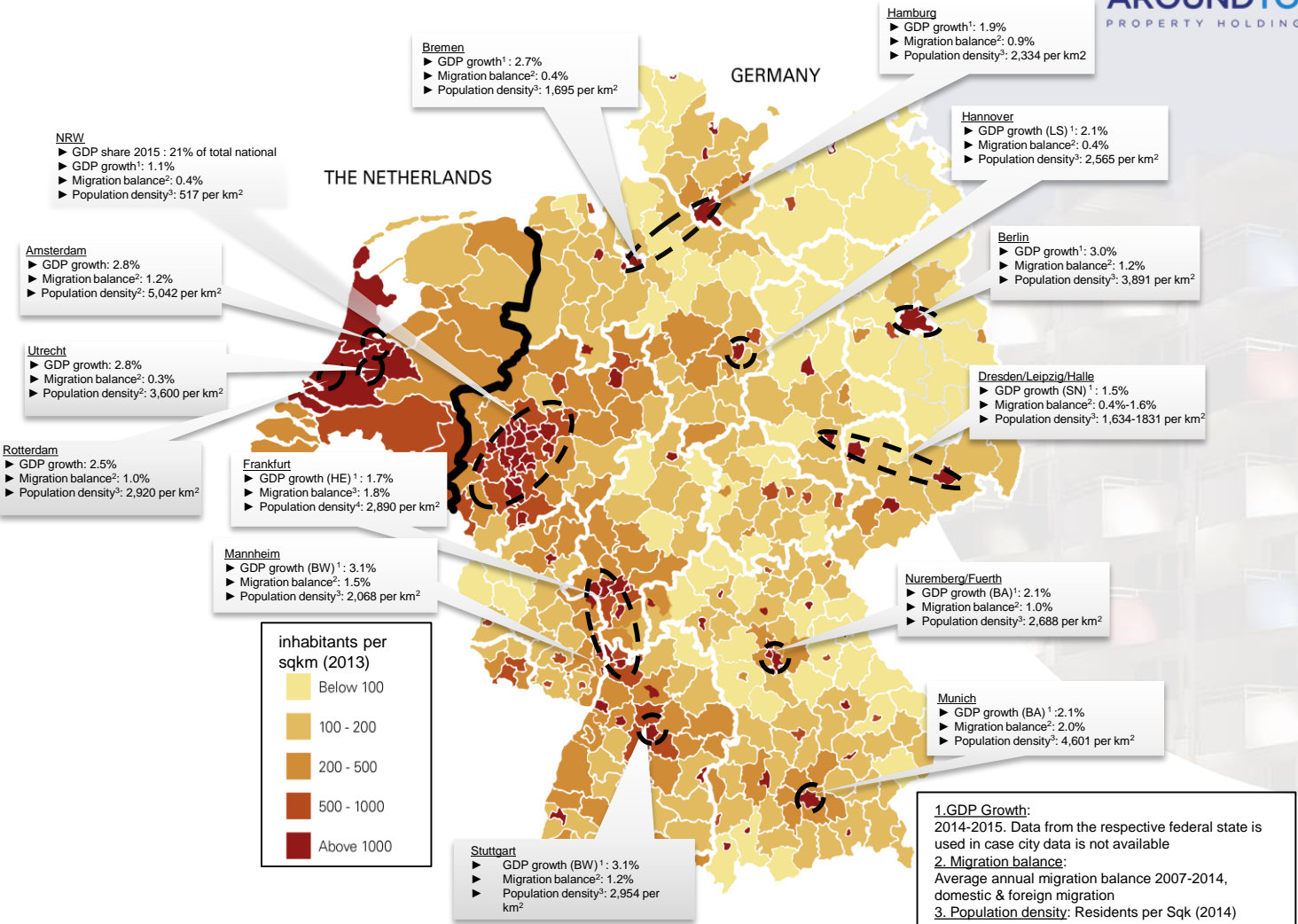
COMMERCIAL PORTFOLIO MANAGEMENT

STRONG TRACK RECORD IN PROPERTY VALUE CREATION

| Portfolio | Year of acquisition | Total sqm | Vacancy reduction | | net rental increase since acquisition |
|--------------|---------------------|-----------|-------------------|--------------------|--|
| | | | at acquisition | currently /at exit | |
| Bremen 1 | 2006 | 4,700 | 0% | 0% |  118% |
| Dortmund | 2006 | 4,000 | 0% | 0% |  110% |
| Düsseldorf 1 | 2006 | 5,200 | 0% | 0% |  137% |
| Bonn | 2006 | 6,300 | 0% | 0% |  74% |
| Leipzig 1 | 2006 | 5,000 | 0% | 0% |  81% |
| Berlin 1 | 2008 | 4,000 | 58% | 2% |  101% |
| Frankfurt | 2008 | 7,000 | 100% | 0% |  370% |
| Kassel | 2008 | 7,400 | 100% | 0% |  221% |
| Cologne | 2008 | 4,000 | 0% | 0% |  18% |
| Leipzig 2 | 2008 | 17,300 | 57% | 9% |  80% |
| Weimar | 2008 | 8,900 | 51% | 7% |  55% |
| Berlin 2 | 2009 | 1,700 | 80% | 0% |  466% |
| Duisburg | 2009 | 11,600 | 100% | 0% |  263% |
| Berlin 3 | 2012 | 6,900 | 50% | 2% |  110% |
| Mannheim | 2012 | 26,200 | 100% | 0% |  100% |
| Essen | 2013 | 10,900 | 36% | 13% |  48% |
| Potsdam | 2015 | 9,000 | 28% | 0% |  49% |
| Amsterdam 1 | 2016 | 6,800 | 26% | 0% |  31% |
| Amsterdam 2 | 2016 | 11,900 | 45% | 15% |  52% |
| Bremen 2 | 2015 | 5,000 | 28% | 0% |  49% |

*where an asset was 100% vacant at takeover, rent increase comparison to rent of last former tenant was used

REGIONAL MARKET OVERVIEW

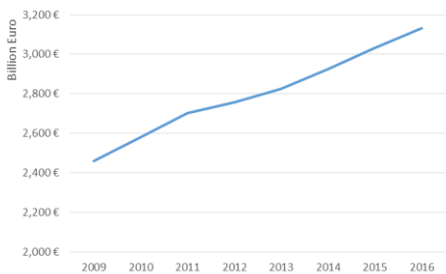


1. GDP Growth:
2014-2015. Data from the respective federal state is used in case city data is not available

2. Migration balance:
Average annual migration balance 2007-2014, domestic & foreign migration

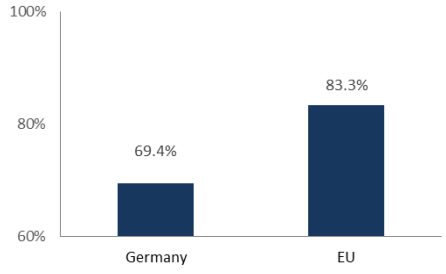
3. Population density: Residents per Sqk (2014)

GDP growth



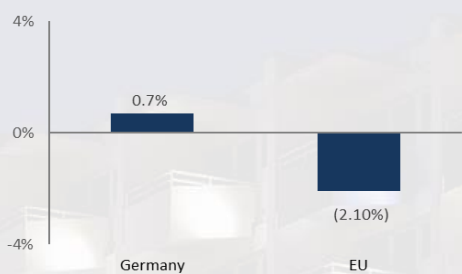
Source: Eurostat

Debt/GDP 2016



Source: Eurostat, data as of Q3 2016

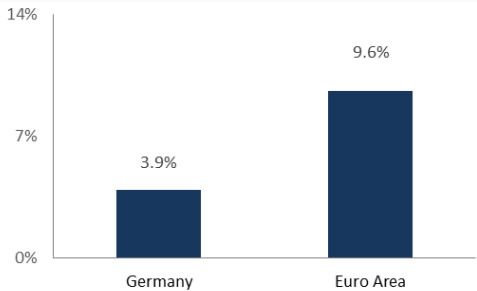
Budget Surplus/Deficit 2015



Source: destatis

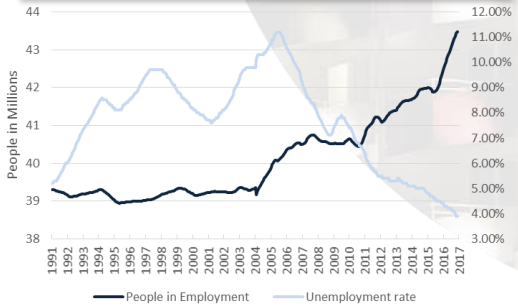
Germany has a growing GDP paired with a strong budget discipline...

Unemployment rate 2016



Source: Eurostat

Unemployment rate 1991-2016



Source: destatis

... and a strong labour market, especially compared to the rest of the EU

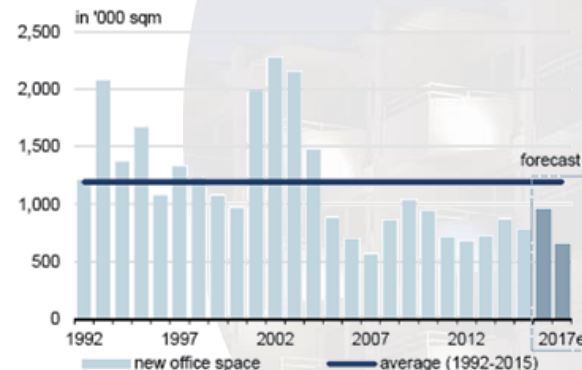
GERMAN OFFICE MARKET LOW SUPPLY AND STRONG DEMAND...

*In Top 7 locations according to DG HYP: Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart

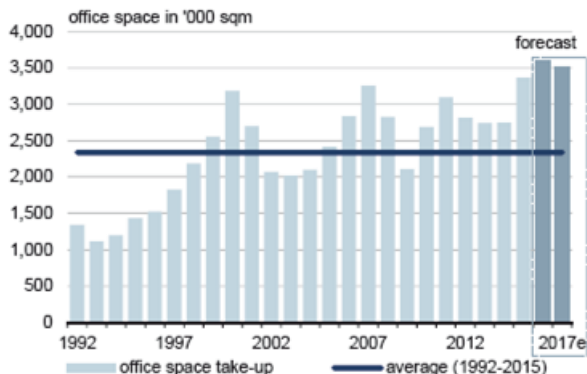
Construction of new commercial buildings in Germany



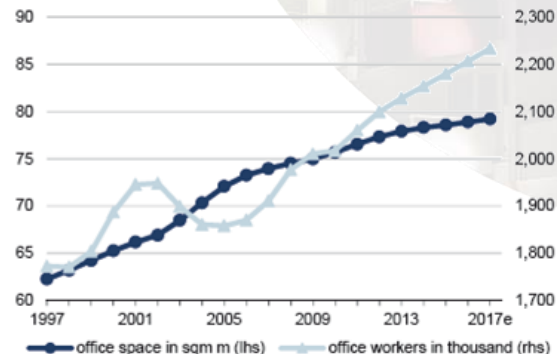
Low addition of new office space*



Increasing and above average office space take-up*



Office workers increase more than available office space

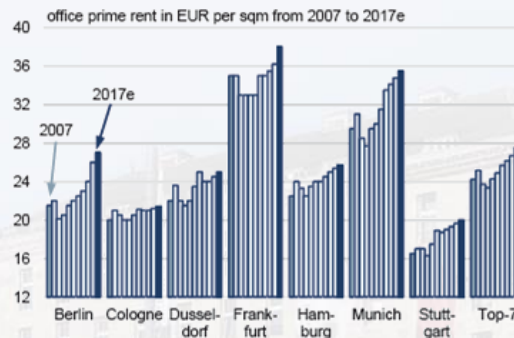


GERMAN OFFICE MARKET

...LEAD TO INCREASING RENTS AND OCCUPANCY

Top 7 locations:
Berlin, Munich,
Frankfurt, Cologne,
Hamburg,
Düsseldorf, Stuttgart

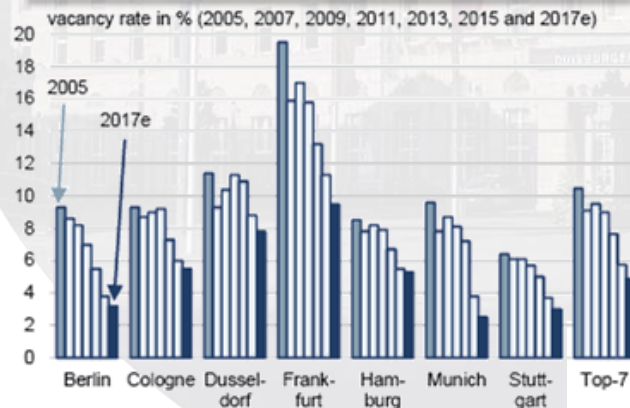
Office rents are increasing



Decreasing vacancy...



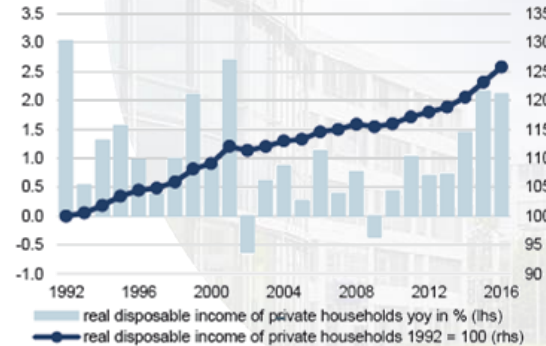
...across Germany...



Development of wages and consumer prices



Increase in real disposable income



Disposable income is increasing as real wages are increasing while inflation is decreasing,...

Consumer climate

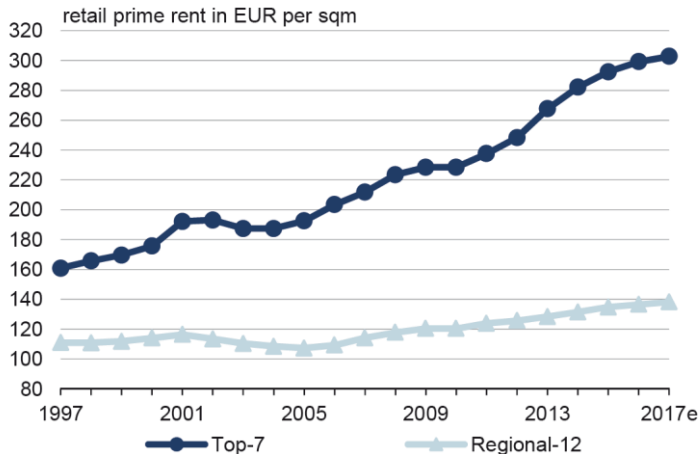


Strong increase in retail sales



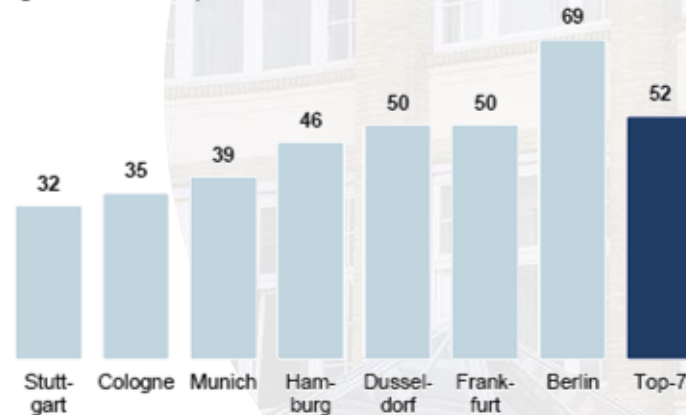
...which leads to a higher consumer climate and higher retail sales

Retail rents are increasing



Especially in the Top 7 cities

growth of the retail prime rent from 2005 to 2015 in %

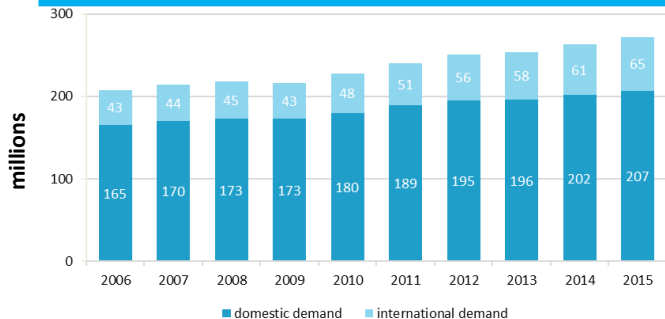


Source: DG HYP German Real Estate Market report

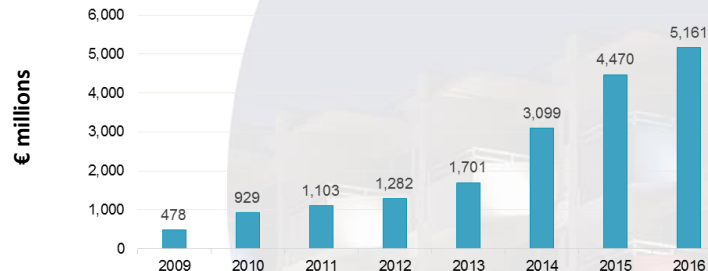
Strong consumer spending from strong employment market supports increasing rents

GERMAN HOTEL MARKET OVERVIEW

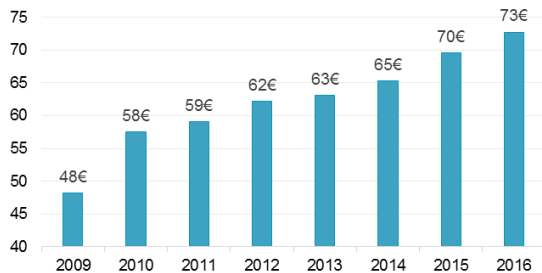
Overnight stays across all accommodation types



Transaction volume of hotel properties

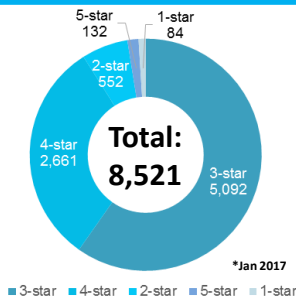


RevPar development

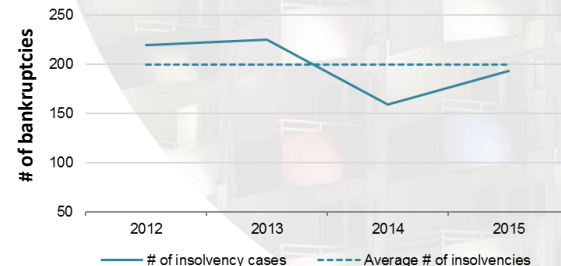


Source: Smith Travel Research (STR)

Rated hotels by category



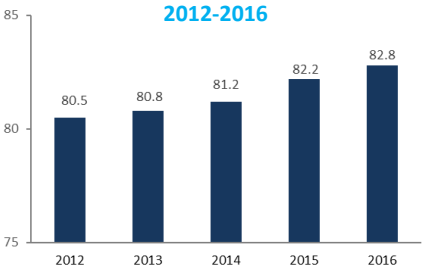
Insolvencies in the accommodation services sector



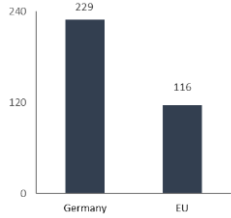
The German hotel market remains highly fragmented despite growing investor interest

MACRO FUNDAMENTALS SUPPORT GCP

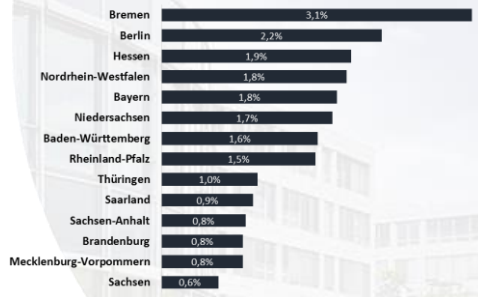
Population in Germany 2012-2016



Population Density (residents per km²)



Annualized growth in rent price index*

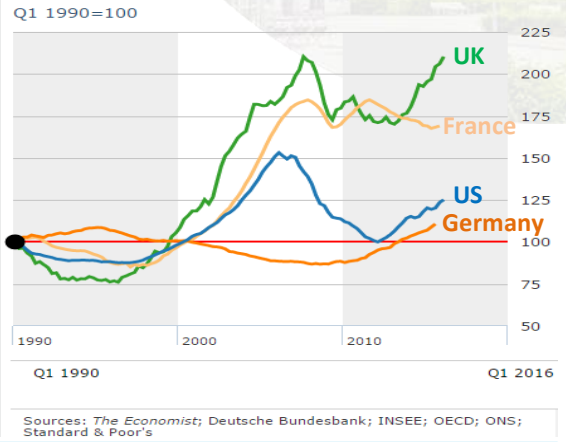


* 2010-2015

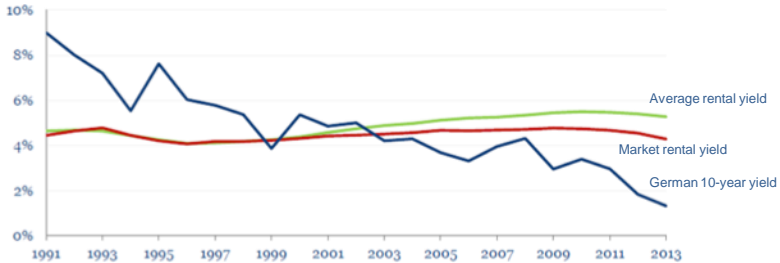
➔ From 1991 to 2015 the amount of households increased by 15.7%

➔ International and domestic immigration trends to cities also support the stronger forecasted increase in the amount of households in cities, reflected in high rent and price increases mainly in German large cities

House price index in real terms for Germany vs. US, UK, and France



German rental yields vs. German 10 year government bond yields (1990 – date)



With 10 years German bond yielding below 0.5% the German real estate market represents a unique opportunity to generate attractive adjusted risk return

Negative bond yields on one hand coupled with the prospect for rising property prices makes the German Residential sector very attractive from a risk reward perspective

Sources: Federal Statistical Office, Wiesbaden 2014, www.destatis.de; Federal Statistical Office and the statistical Offices of the Länder, Germany 2014, www.regionalstatistik.de; Federal Statistical Office, Statistisches Jahrbuch 2014; IMF World Economic Outlook Database October 2014, Unemployment statistics of the European Commission; Landeshauptstadt Dresden, Mietspiegel 2015, www.dresden.de, Deutsche Bank



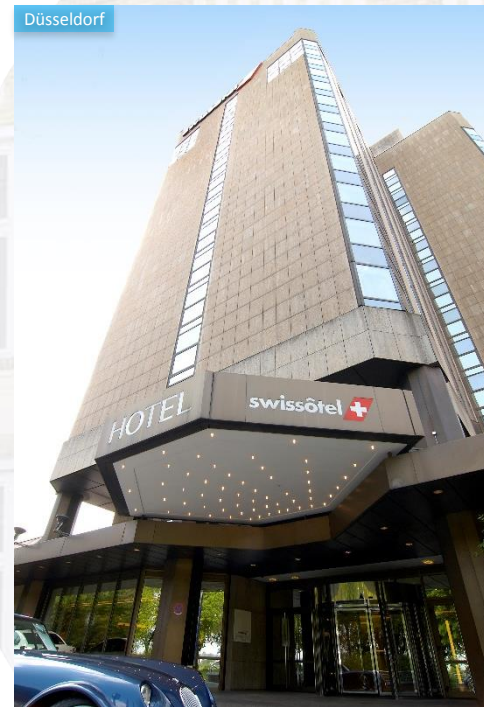
Frankfurt



Mainz



Düsseldorf



Rotterdam



Nuremberg



Stuttgart





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