



**FULL YEAR 2018  
FINANCIAL RESULTS  
PRESENTATION**

**MARCH 2019**

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# HIGHLIGHTS

## Profitability Highlights:

Recurring long-term Net Rental Income of the commercial portfolio at €614m +48% YoY

Adjusted EBITDA at €606m +41% YoY

FFO I at €406m +38% YoY, resulting in a FFO I per share of €0.39 +8% YoY and at €0.34 after perpetual notes attribution is 6% higher YoY

Dividend per share of €0.25 +9% YoY<sup>1</sup>, resulting in a dividend yield<sup>2</sup> of 3.2%

FFO II at €575m +69% YoY, as a result of disposals to the amount of over €740m in 2018

Profit for the period of €1.8bn +19% YoY and EPS (diluted) of €1.49 +10% YoY

EPRA NAV of €7.7 per share, compared to €6.5 per share year end 2017, reflecting a +22% growth adjusted for dividends

## Financial Profile Highlights:

Long average Debt Maturity maintained at 7.4 years

Low average Cost of Debt fixed at 1.8%

Solid unencumbered assets reached €10.2bn in value (72% unencumbered ratio), up from €7.1bn as of year end 2017

Conservative capital structure demonstrated by the low LTV of 35% as of December 2018.

## Portfolio Highlights:

Disposal of over €740m in 2018 at 12% over net book value (profit of €77m) resulted in total disposal gains over cost of approx. 30% (€169m)

Continued strong growth of the commercial portfolio, reaching €14.2bn as of December 2018, an increase of 45% compared to year end 2017

High L-F-L rent increase of 4.8%, in-place rent contributing 2.6% while occupancy growth contributing 2.2%

<sup>1</sup>Subject to the next AGM approval and based on a payout ratio of 65% of FFO I per share

<sup>2</sup>Based on a share price of €7.87

# AROUNDTOWN'S HIGH QUALITY ACQUISITIONS



Hilton Hotel London  
Hyde Park

**London**



Amsterdam Arena Office

**Amsterdam**



Berlin Prime Center  
Potsdamer Platz office

**Berlin**  
22% of the total portfolio  
90% in top tier neighborhoods



Bristol Hotel Berlin Prime Center  
Ku'Damm

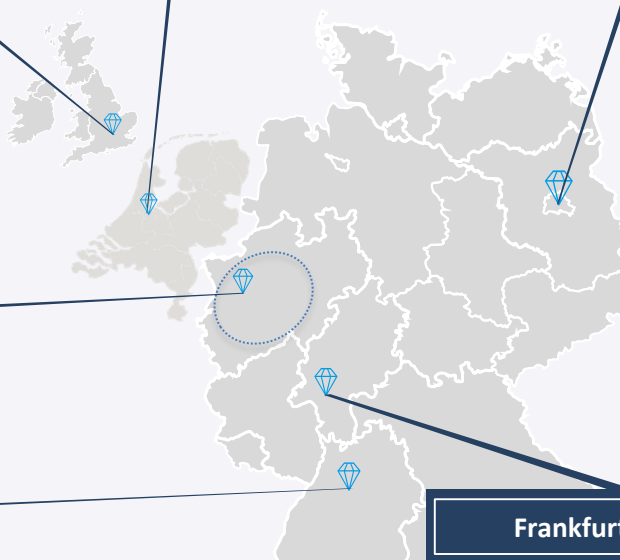
**NRW**



Essen (NRW) Prime Center  
Main Central Train Station Office



Hotel Im  
Wasserturm  
Cologne Prime  
Center



Hilton Hotel Berlin Prime Center  
Gendarmenmarkt



Ibis Hotel Berlin Alexanderplatz  
Prime Center



Berlin Prime Center  
Ku'Damm office



Berlin Prime Center  
Potsdamer Platz office

**Stuttgart**



Stuttgart North Office

**Frankfurt**



Frankfurt Main Central Train  
Office Campus



Intercontinental Hotel  
Frankfurt Prime Center



Frankfurt Office Main Central  
Train Station

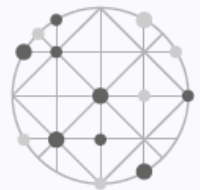


Frankfurt Office  
Main Central Train Station



Berlin Prime Center  
Potsdamer Platz office

# MSCI



Inclusion into the **MSCI Index series** such as the MSCI ACWI Index, MSCI World Index as well as the MSCI Germany Index and others, which becomes effective as of December 3, 2018. Aroundtown is already a constituent of key benchmark indexes such as the **MDAX**, **STOXX 600** and **FTSE EPRA Index Series**.



## OUTPERFORMER IN THE 93<sup>RD</sup> PERCENTILE GLOBALLY

Aroundtown is ranked **Outperformer** in the **93<sup>rd</sup>** percentile globally among 319 real estate peers, received in September 2018. This demonstrates a strong development over the last year ranking, in which Aroundtown was ranked in the 88<sup>th</sup> percentile.



# SUSTAINALYTICS

**EPRA BPR Gold** award received for the second consecutive year in September 2018, the highest standard for financial reporting

Further received the **EPRA sBPR Gold** award in September 2018, as well as the **sBPR most improved award**



Appointment of Dr. Gerhard Cromme as Chairman of the Advisory Board in 2018, further bolstering AT's strategic leadership.

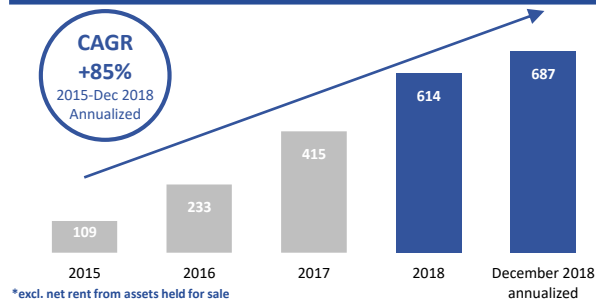


# FINANCIAL RESULTS

# PROFIT AND LOSS

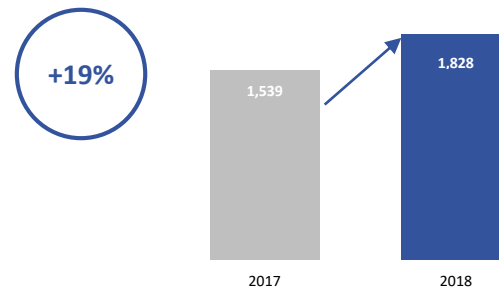
	2018	2017
	in € millions	
REVENUE	747.1	527.1
RECURRING LONG-TERM NET RENTAL INCOME	613.8	415.2
Property revaluations and capital gains	1,536.4	1,326.6
Share in profit from investment in equity-accounted investees	251.6	228.4
Property operating expenses	(219.1)	(147.1)
EBITDA	2,295.1	1,922.3
Finance expenses	(114.6)	(69.7)
Current tax expenses	(44.4)	(33.5)
<b>NET PROFIT FOR THE YEAR</b>	<b>1,827.8</b>	<b>1,539.0</b>
Basic earnings per share (in €)	1.54	1.56
Diluted earnings per share (in €)	1.49	1.35

## Net rental income, recurring long-term\* (in €m)

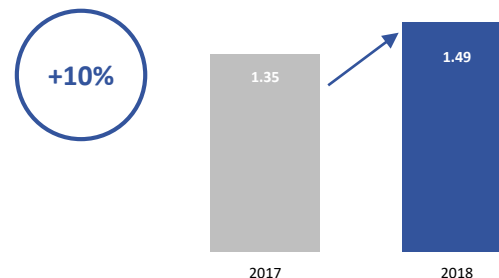


\*excl. net rent from assets held for sale

## Net Profit (in €m)



## Earnings per share, diluted (in €)



ACHIEVING STRONG OPERATIONAL GROWTH FROM BOTH INTERNAL AND EXTERNAL SOURCES

**TOTAL LIKE-FOR-LIKE**

**+4.8%**  
2018

IN-PLACE RENT L-F-L  
**+2.6%**  
2018

OCCUPANCY L-F-L  
**+2.2%**  
2018

# ADJUSTED EBITDA

	2018	2017
	in € millions	
Operating profit	2,293.5	1,920.3
Total depreciation and amortization	1.6	2.0
<b>EBITDA</b>	<b>2,295.1</b>	<b>1,922.3</b>
Property revaluations and capital gains	(1,536.4)	(1,326.6)
Share in profit from investment in equity-accounted investees	(251.6)	(228.4)
Other adjustments	(10.4)	(28.3)
<b>ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>	<b>496.7</b>	<b>339.0</b>
Adjustment for GCP and other joint venture positions adjusted EBITDA contribution*	109.3	90.3
<b>ADJUSTED EBITDA</b>	<b>606.0</b>	<b>429.3</b>

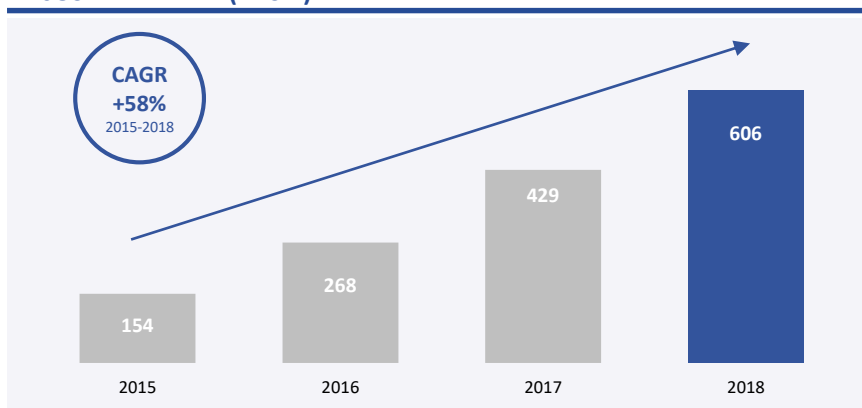
Subtracted as these profits include AT's share in non-operational profits generated by the equity accounted investees

Mainly related to adjusted EBITDA of the properties marked for disposal, thereby reflecting the long-term recurring Adjusted EBITDA of the commercial portfolio

Adding back the contribution from GCP's operations, resulting from Aaroundtown's strategic investment of 39% as well as from contributions from other joint venture positions

\*the adjustment is to reflect AT's share in GCP's and other joint ventures adjusted EBITDA. GCP generated an adjusted EBITDA of €276 million in 2018 and €248 million in 2017

## ADJUSTED EBITDA (in €m)

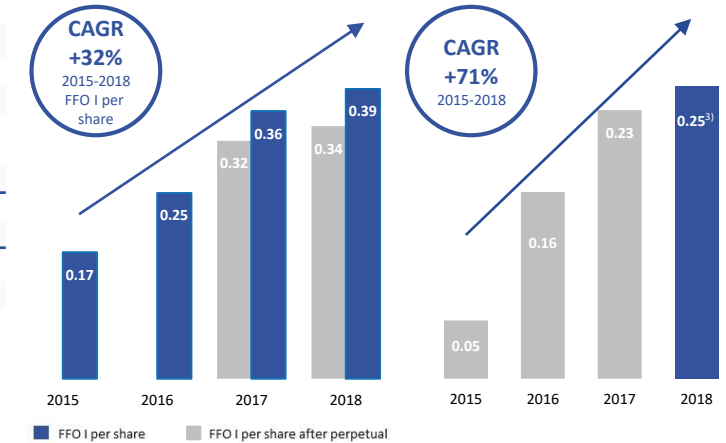




# FFO I

	2018	2017
	in € millions	
<b>ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>	<b>496.7</b>	<b>339.0</b>
Finance expenses	(114.6)	(69.7)
Current tax	(44.4)	(33.5)
Contribution to minorities	(6.7)	(8.9)
Other adjustments	7.9	10.1
<b>FFO I COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>	<b>338.9</b>	<b>237.0</b>
Adjustment for GCP's and other joint ventures' FFO I contribution <sup>1)</sup>	66.8	56.0
<b>FFO I</b>	<b>405.7</b>	<b>293.0</b>
<b>FFO I per share (in €)</b>	<b>0.39</b>	<b>0.36</b>
FFO I per share after perpetual notes attribution (in €)	0.34	0.32
Result from disposal of properties <sup>2)</sup>	168.9	46.2
<b>FFO II</b>	<b>574.6</b>	<b>339.2</b>

## FFO I PER SHARE (in €)



## DIVIDEND PER SHARE (in €)

FFO I yield: 5.0%

Dividend yield: 3.2%

Based on a share price of €7.87

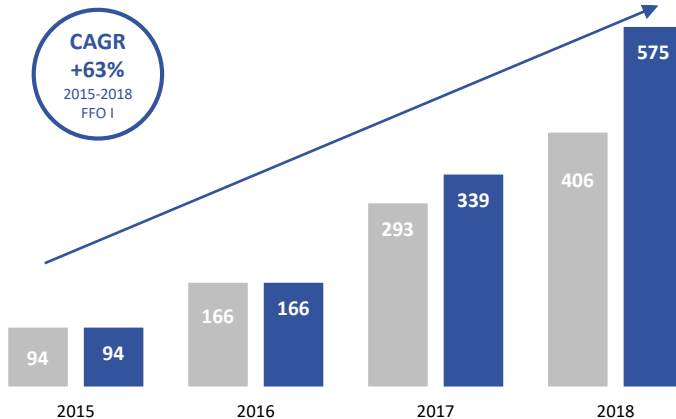
<sup>3)</sup> Based on a dividend payout ratio of 65% of FFO I per share and subject to the next AGM approval

**Consistent recurring cash profitability, both from operations (FFO I) as well as successful capital recycling, which resulted in high capital gains (FFO II)**

<sup>1)</sup> the adjustment is to reflect AT's share in GCP's and other joined ventures' FFO I. GCP generated an FFO I after perpetual notes attribution of €168 million in 2018 and €154 million in 2017

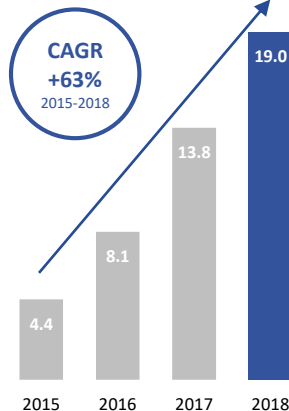
<sup>2)</sup> the excess amount of the gross sale price to total cost (cost price plus capex of the disposed properties)

## FFO I & FFO II (in €m)



# TOTAL ASSETS

## TOTAL ASSETS (in €bn)

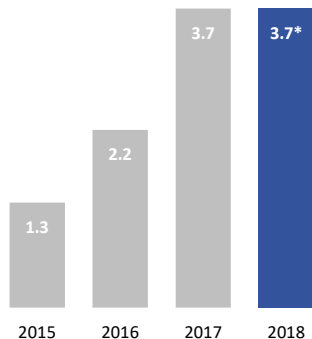


Investment property  
 Equity-accounted investees in publicly traded company - holding in GCP SA  
 Equity-accounted investees, other  
**Non-current assets**  
 Assets held as held for sale<sup>1)</sup>  
 Cash and liquid assets<sup>2)</sup>  
**Current assets**  
**Total Assets**

	Dec 2018	Dec 2017
	in € millions	
Investment property	14,174.0	9,804.1
Equity-accounted investees in publicly traded company - holding in GCP SA	1,807.6	1,609.7
Equity-accounted investees, other	407.2	295.9
<b>Non-current assets</b>	<b>16,938.9</b>	<b>12,247.3</b>
Assets held as held for sale <sup>1)</sup>	209.9	500.6
Cash and liquid assets <sup>2)</sup>	1,600.6	848.7
<b>Current assets</b>	<b>2,101.9</b>	<b>1,523.1</b>
<b>Total Assets</b>	<b>19,040.8</b>	<b>13,770.4</b>

1) excluding cash in assets held for sale  
 2) including cash in assets held for sale

## ACQUISITIONS (in €bn)

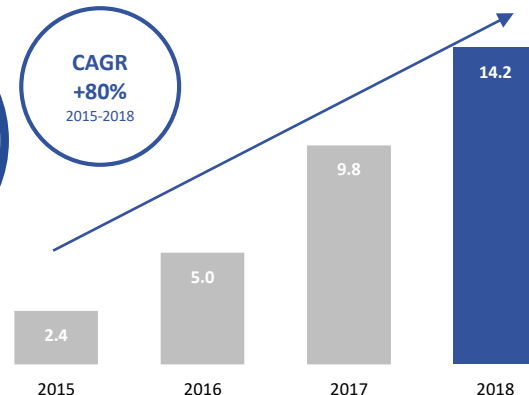


Acquisitions in 2018 have been mainly offices and hotels. Consolidated acquisitions amounted to €3.1bn at a multiple of 20x

Additions in attractive central locations such as:

- Berlin
- London
- Frankfurt
- NRW
- Munich
- Amsterdam
- Stuttgart
- Utrecht

## INVESTMENT PROPERTY (in €bn)



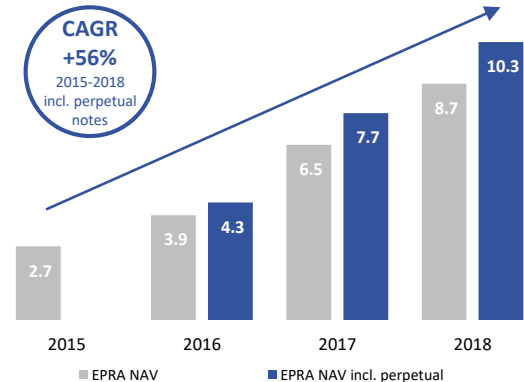
\*including acquisitions through joint ventures of €0.6bn

	Dec 2018		Dec 2017	
	€ millions	Per share	€ millions	Per share
<b>NAV per the financial statements</b>	<b>9,944.3</b>		<b>7,249.9</b>	
Equity attributable to perpetual notes investors	(1,547.7)		(1,173.3)	
<b>NAV excluding perpetual notes</b>	<b>8,396.6</b>		<b>6,076.6</b>	
Effect of conversion of in-the-money convertible bonds	-		293.8	
Fair value of derivative financial instruments <sup>1)</sup>	25.1		10.4	
Deferred tax liabilities <sup>1)</sup>	887.8		776.5	
<b>NAV</b>	<b>9,309.5</b>	<b>€8.2</b>	<b>7,157.3</b>	<b>€7.1</b>
Non-controlling interests	(567.1)		(674.3)	
<b>EPRA NAV</b>	<b>8,742.4</b>	<b>€7.7</b>	<b>6,483.0</b>	<b>€6.5</b>
Equity attributable to perpetual notes investors	1,547.7		1,173.3	
<b>EPRA NAV including perpetual notes</b>	<b>10,290.1</b>	<b>€9.1</b>	<b>7,656.3</b>	<b>€7.6</b>
Number of shares incl. in-the-money dilution effects (in millions)	1,129.7		1,004.5	

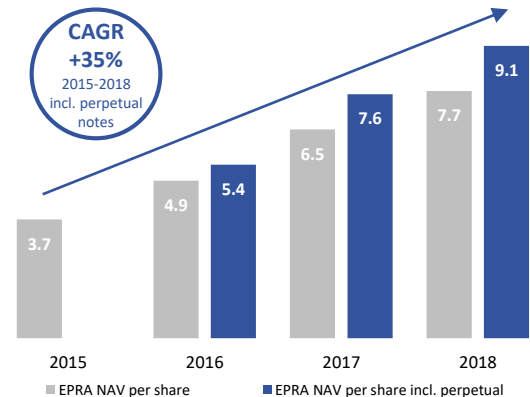
1) Including balances in assets held for sale

	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNNAV
in € millions unless otherwise indicated				
Dec 2018	9,309.5	8,742.4	10,290.1	8,730.7
Dec 2018 per share (in €)	8.2	7.7	9.1	7.7
<b>Per share growth (dividend adjusted)</b>	<b>+19%</b>	<b>+22%</b>	<b>+23%</b>	<b>+28%</b>
<b>Per share growth (excluding dividend adjustment)</b>	<b>+15%</b>	<b>+18%</b>	<b>+20%</b>	<b>+24%</b>
Dec 2017	7,157.3	6,483.0	7,656.3	6,243.1
Dec 2017 per share (in €)	7.1	6.5	7.6	6.2

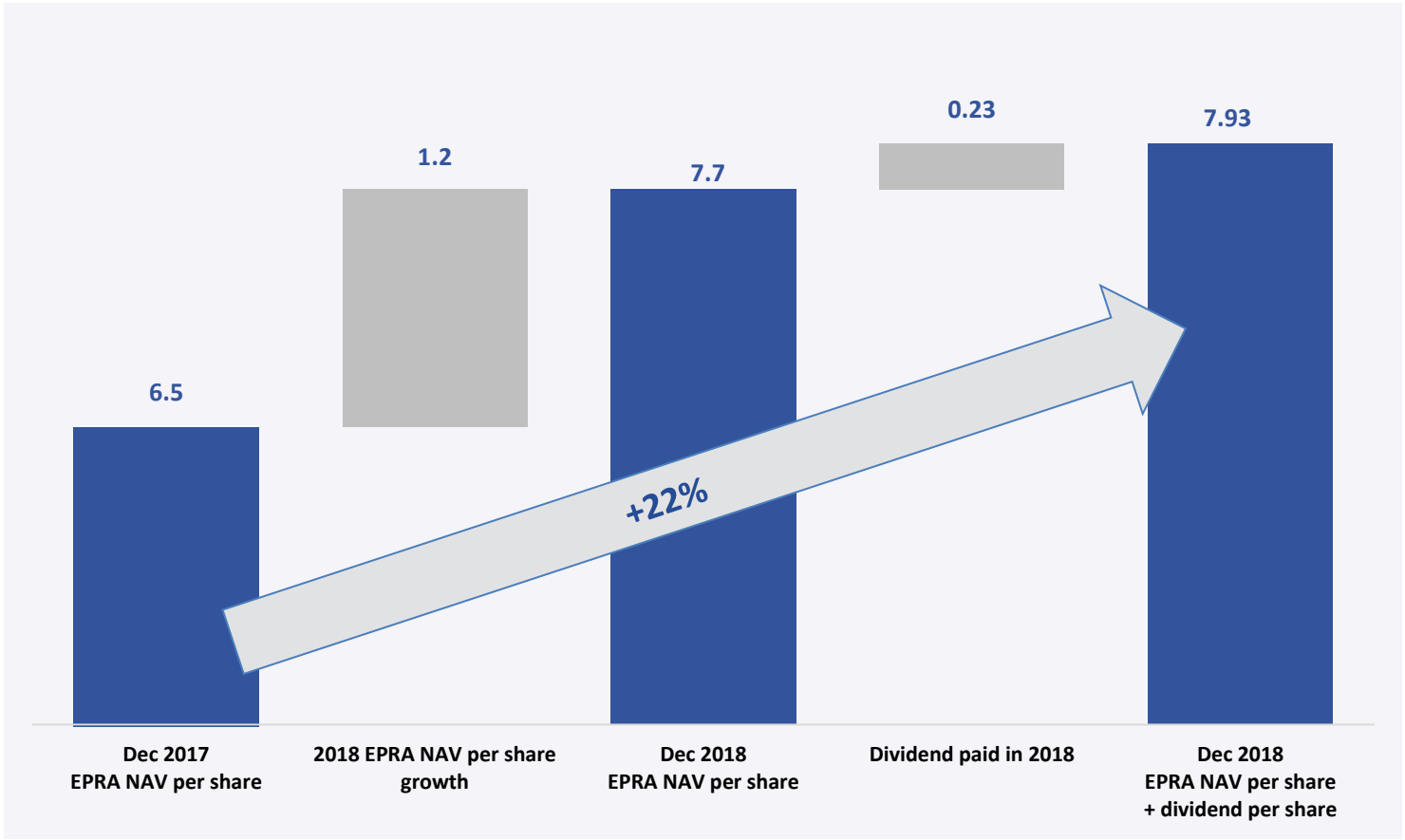
## EPRA NAV (in €bn)



## EPRA NAV per share (in €)

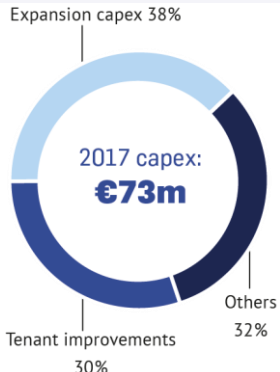


# TOTAL SHAREHOLDER RETURN 2018



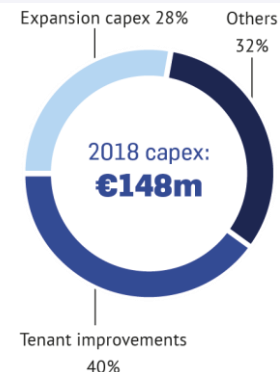
# MAINTENANCE, CAPEX AND AFFO

Ratio of Capex over Investment Property: **0.7%**



Enhanced tenant improvements leading to high tenant quality through **retentions** as well as **high quality new tenants** and maintaining long average lease terms.

Ratio of Capex over Investment Property: **1.0%**



## Expansion Capex

Investments targeted at creating additional income drivers and value generation potential

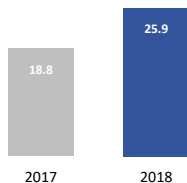
## Tenant Improvement

Investments supporting leasing efforts targeted at sustaining a high tenant quality by attracting new and retaining existing tenants

## Others

Ongoing expenditures to sustain the high quality of the portfolio

## Maintenance in €m

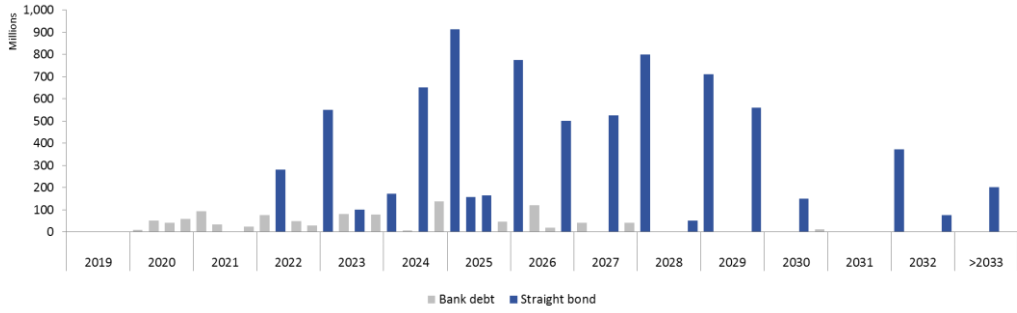


Maintenance ratio of investment property was **0.2%** in both years

	2018	2017
	in € million	
FFO I	405.7	293.0
Capex	(47.4)	(23.5)
AFFO	358.3	269.5

# CONSERVATIVE CAPITAL STRUCTURE

## Debt maturity profile



## Proactive debt management

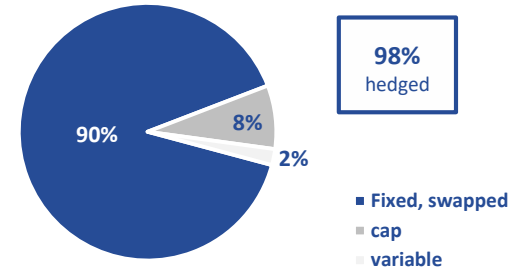
**Debt maturity**

7.4 years average maturity

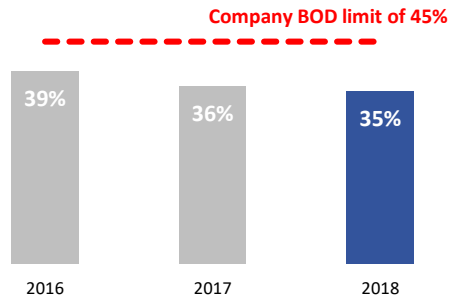
**Cost of debt**

1.8%  $\emptyset$  cost of debt

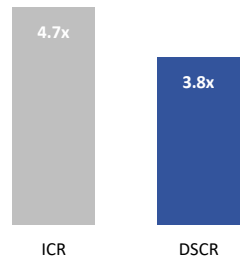
## Interest hedging structure



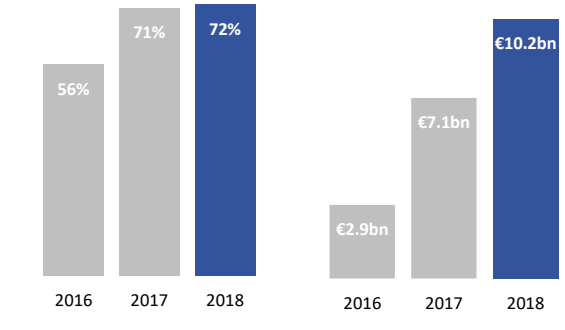
## Loan-to-Value



## Strong cover ratios 2018



## Unencumbered assets



# I. BEST IN CLASS FINANCIAL RATIOS AMONG PEERS

# II. HIGHEST RATED IN GERMAN COMMERCIAL REAL ESTATE

## Financial 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) <b>A</b> (Gecina) <b>BBB+</b> (Klepierre) <b>BBB+</b> <b>(Aroundtown) BBB+</b> <b>(GCP) (Icade)</b>	(Vonovia- <b>BBB+</b> *) <b>BBB</b> (Covivio)	bb+	bb
3 Satisfactory	a/a-	bbb+	(Alstria) <b>BBB/BBB-</b>	bbb-/bb+	bb	b+
4 Fair	bbb/ bbb-	bbb-	bb+	bb	bb-	b
5 Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-	b+	b	b-

\*rating anchor of Vonovia is BBB, their final rating, after the effect of modifiers is BBB+

## 'BBB+' Investment Grade rating from S&P



## Financial policy:

Strive to achieve A- global rating in the long term

LTV limit at 45%

Debt to debt-plus-equity ratio at 45% (or lower) on a sustainable basis

Maintaining conservative financial ratios with strong ICR

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

# OPERATIONS AND PORTFOLIO



## Portfolio breakdown per asset type

DECEMBER 2018	Investment properties (in €M)	Area (in k sqm)	EPRA Vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Office	7,128	2,998	10.9%	359	10.7	2,377	5.0%
Hotel	3,925	1,255	6.0%	201	13.9	3,127	5.1%
Logistics/Wholesale/Other	1,226	1,411	6.1%	71	4.5	869	5.8%
Retail	917	448	7.5%	56	10.4	2,046	6.1%
Land for development & other rights	978						
<b>Total</b>	<b>14,174</b>	<b>6,112</b>	<b>8.8%</b>	<b>687</b>	<b>9.9</b>	<b>2,159</b>	<b>5.2%</b>

## Portfolio breakdown per region

DECEMBER 2018	Investment properties (in €M)	Area (in k sqm)	EPRA Vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	2,753	880	10.2%	102	10.5	3,130	3.7%
Frankfurt	1,434	459	19.0%	50	10.8	3,120	3.4%
Munich	811	263	7.7%	36	11.4	3,081	4.4%
NRW	1,601	1,090	9.2%	97	7.5	1,469	6.0%
Hamburg	459	259	6.0%	25	8.8	1,772	5.4%
London	585	81	7.8%	25	29.7	7,177	4.4%
Amsterdam	610	192	7.9%	30	13.8	3,185	5.0%
Hannover	406	286	9.6%	24	8.0	1,422	6.0%
Wiesbaden/Mainz/Mannheim	375	178	6.3%	23	10.7	2,100	6.1%
Stuttgart/BB	347	160	2.3%	21	11.0	2,170	6.1%
Dresden/Leipzig/Halle	380	213	4.8%	22	9.0	1,788	5.8%
Rotterdam	310	138	7.3%	22	13.3	2,246	6.9%
Utrecht	275	124	7.7%	16	10.7	2,219	6.0%
Other	2,850	1,789	7.1%	194	9.5	1,593	6.8%
Land for development & other rights	978						
<b>Total</b>	<b>14,174</b>	<b>6,112</b>	<b>8.8%</b>	<b>687</b>	<b>9.9</b>	<b>2,159</b>	<b>5.2%</b>

# TOP TIER CITIES (DEC 2018)

## Commercial asset type breakdown

Office 55%

Hotel 28%



### Top 5 office locations

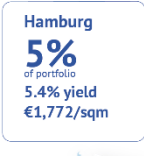
1. Berlin 19%
2. Frankfurt 15%
3. NRW 11%
4. Munich 8%
5. Amsterdam 7%

### Top 5 hotel locations

1. Berlin 26%
2. London 11%
3. Munich/BR 9%
4. NRW 9%
5. Frankfurt 6%



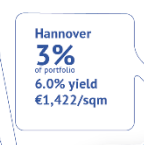
**London**  
4% of portfolio  
4.4% yield  
€7,177/sqm



**Hamburg**  
5% of portfolio  
5.4% yield  
€1,772/sqm



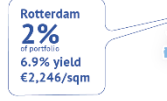
**Amsterdam**  
5% of portfolio  
5.0% yield  
€3,185/sqm



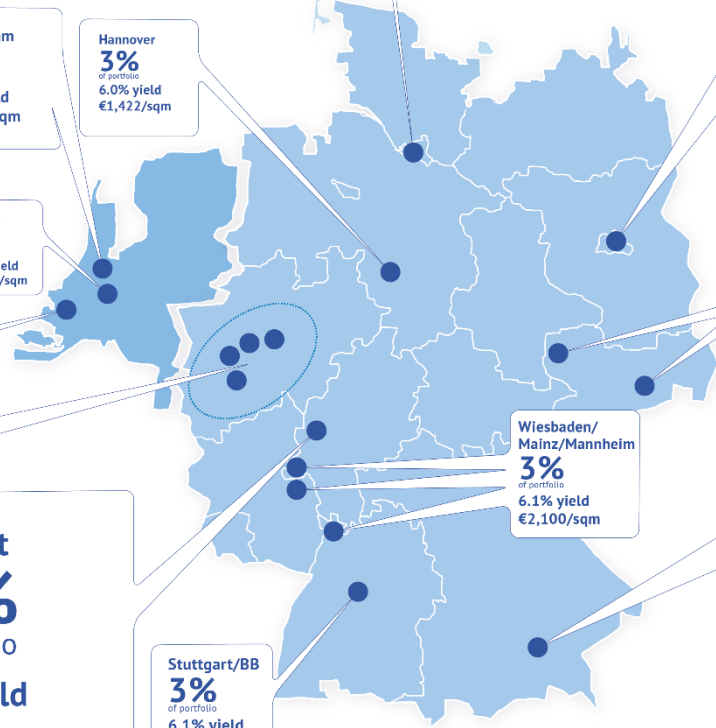
**Hannover**  
3% of portfolio  
6.0% yield  
€1,422/sqm



**Utrecht**  
2% of portfolio  
6.0% yield  
€2,219/sqm



**Rotterdam**  
2% of portfolio  
6.9% yield  
€2,246/sqm



**Berlin**  
22% of portfolio  
3.7% yield  
€3,130/sqm

**Dresden/Leipzig/Halle**  
3% of portfolio  
5.8% yield  
€1,788/sqm

**Munich**  
7% of portfolio  
4.4% yield  
€3,081/sqm

**Others\***  
18% of portfolio  
6.8% yield  
€1,593/sqm

**NRW**  
11% of portfolio  
6.0% yield  
€1,469/sqm

**Frankfurt**  
12% of portfolio  
3.4% yield  
€3,120/sqm

**Stuttgart/BB**  
3% of portfolio  
6.1% yield  
€2,170/sqm

**Wiesbaden/Mainz/Mannheim**  
3% of portfolio  
6.1% yield  
€2,100/sqm

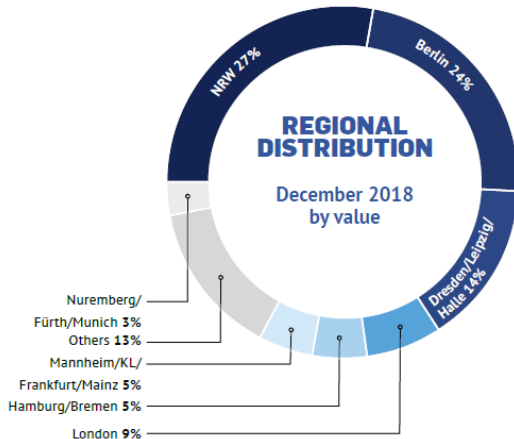
\* Others includes, Brussels, Rome, Vienna, Edinburgh, Dublin, Bremen, Nuremberg, Kassel and others

# TOP TIER CITIES (DEC 2018)\*

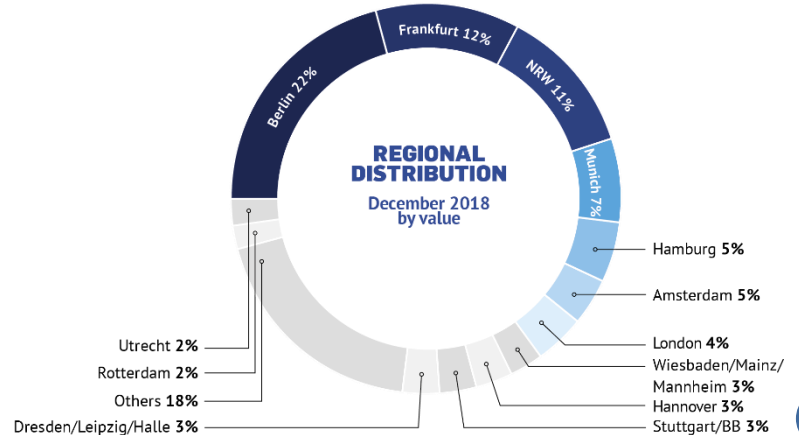


\*accounting for 39% holding in GCP

## Residential

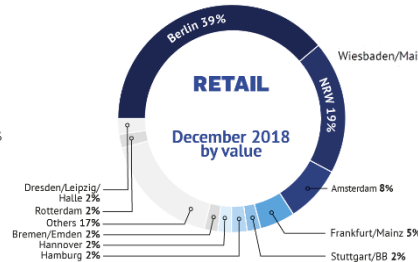
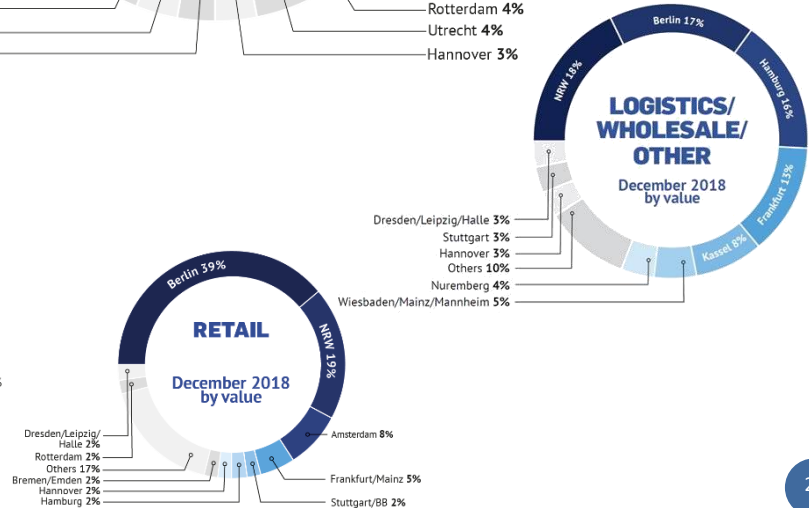
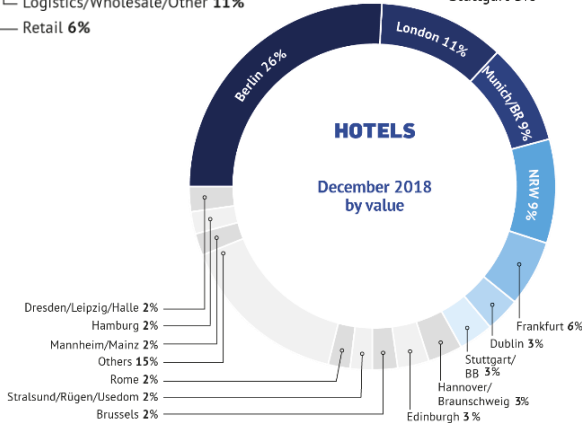
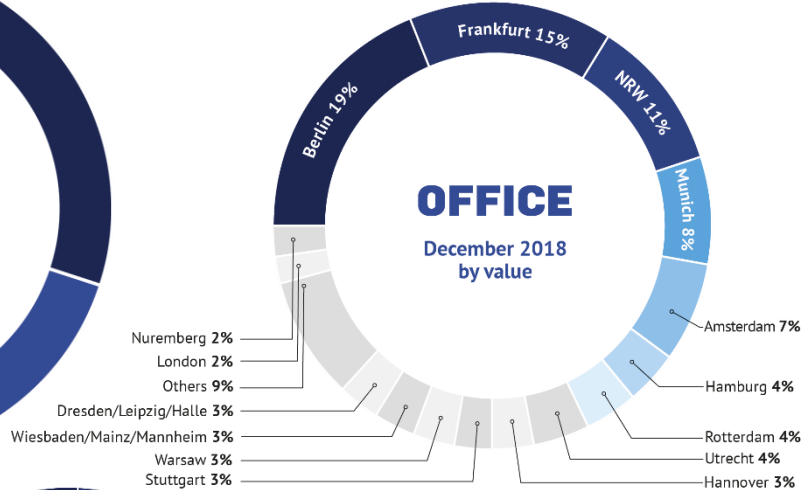
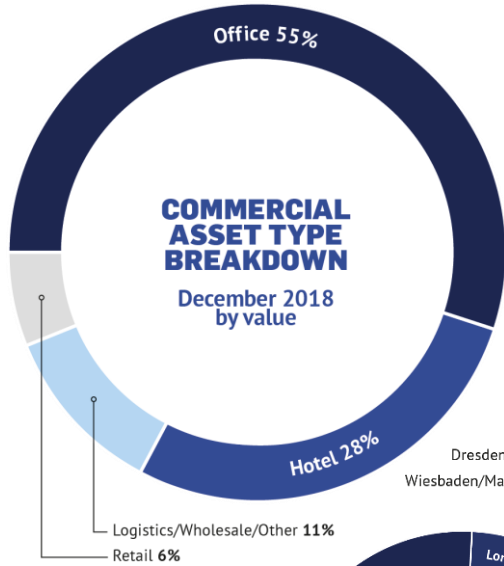


## Commercial



\* all breakdowns are by value

# TOP TIER CITIES WITHIN ASSET CLASSES (DEC 2018)\*



\* all breakdowns are by value

## 90% of the commercial portfolio is located in top tier neighborhoods

- Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- strongly benefiting from the unique dynamics and growth of Berlin's most in demand neighborhoods, business areas and tourist centres

10% of the commercial portfolio is well located primarily in Spandau, Reinickendorf, Hellersdorf/Marzahn and Treptow/Köpenick



◆◆ Commercial properties

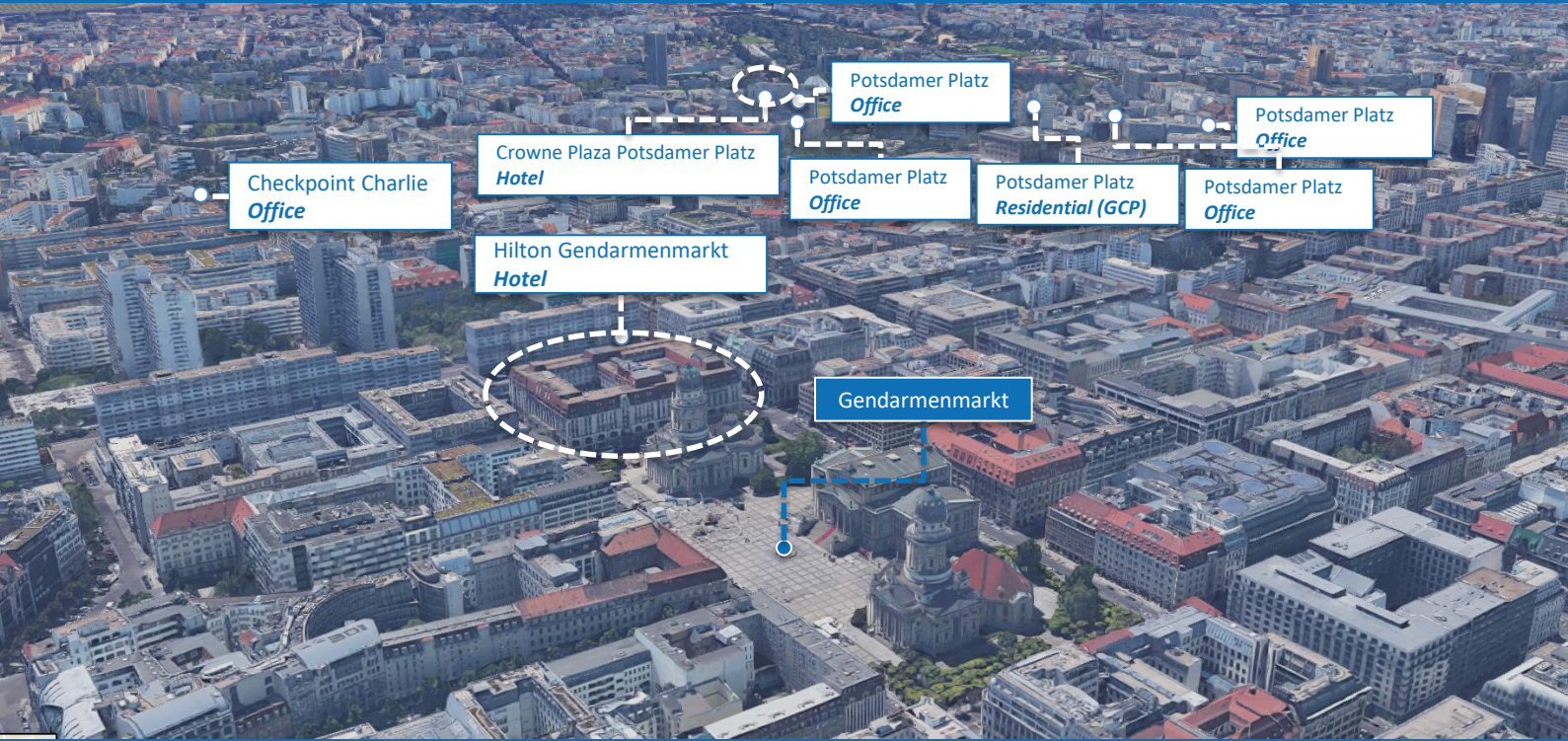
◆◆ Residential properties

\* map representing approx. 95% of the portfolio and 99% including central Potsdam

# Berlin

landmark  
property

## Potsdamer Platz: The prime commercial and tourist center



Checkpoint Charlie  
*Office*

Crowne Plaza Potsdamer Platz  
*Hotel*

Hilton Gendarmenmarkt  
*Hotel*

Potsdamer Platz  
*Office*

Potsdamer Platz  
*Office*

Potsdamer Platz  
*Residential (GCP)*

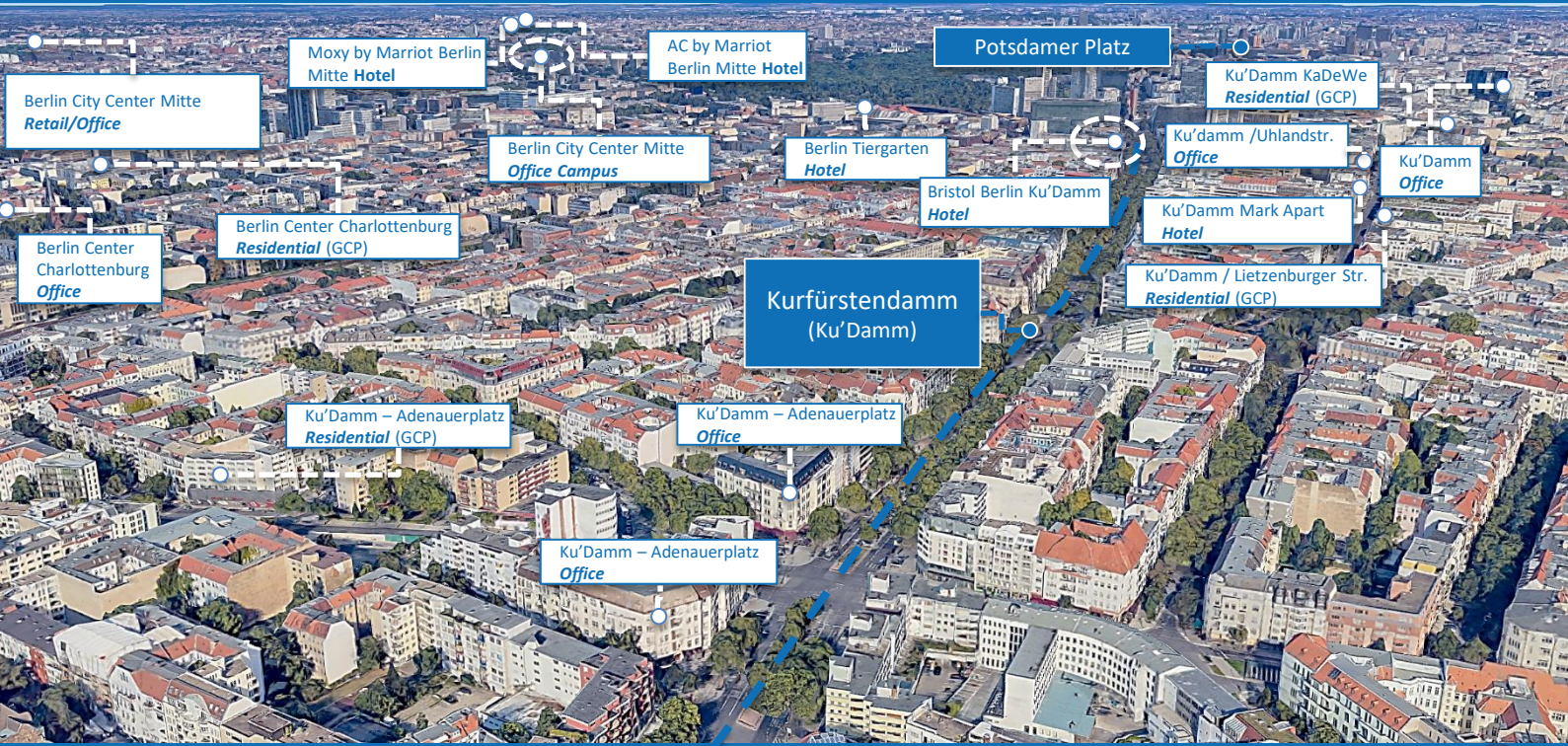
Potsdamer Platz  
*Office*

Gendarmenmarkt

# Berlin

landmark  
property

## Quality Berlin assets around Kurfürstendamm (Ku'Damm)



# Frankfurt

## Quality Frankfurt assets in central locations

InterContinental Frankfurt  
*Hotel*

Frankfurt HBF  
*Offices*

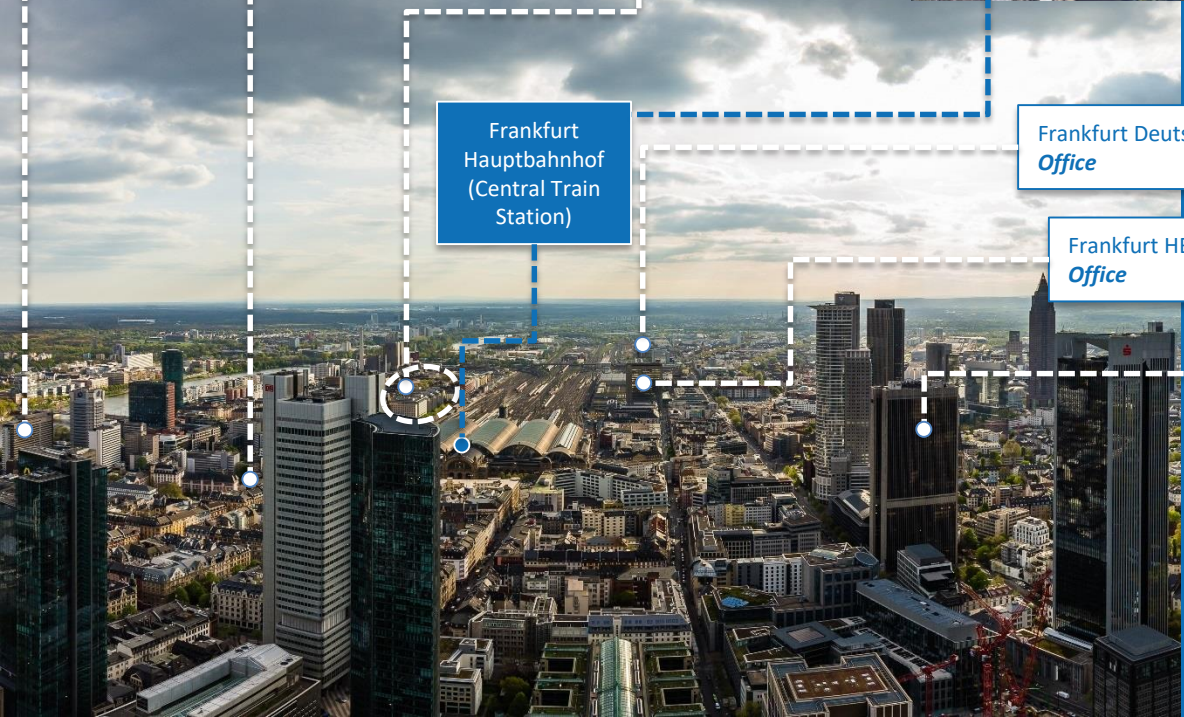
Frankfurt Office Campus  
*Offices*

Frankfurt  
Hauptbahnhof  
(Central Train  
Station)

Frankfurt Deutsche Bahn  
*Office*

Frankfurt HBF  
*Office*

Frankfurt  
Frankfurt Büro Center (FBC)  
*Office*



landmark  
property



# DEFENSIVE PORTFOLIO WITH STRONG TENANT STRUCTURE

- Limited dependency on single tenants due to large tenant base of over 3,000 tenants
- Top 10 tenants represent less than 20% of rent
- Long lease terms
- Portfolio WALT as of December 2018:

Office	Hotel	Logistics/Whole sale/Other	Retail	Total
4.6	15.9	6.7	5.7	8.2



# HIGHLY PERFORMING HOTEL LOCATIONS



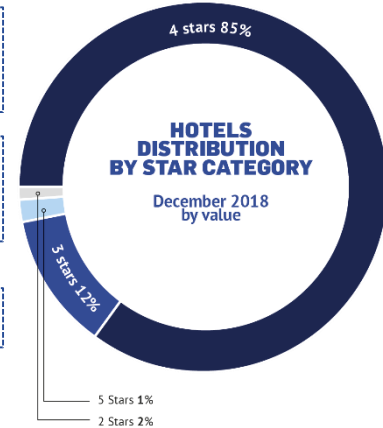
Well diversified portfolio of over 120 hotels totaling €3.9bn and over 1.3m sqm as of December 2018



High proportion (85%) in 4 star hotels, meeting the rising market demand from tourism and business travel



Long-term and fixed leases to third party hotel operators



Hotels Franchised with various strong brands and a large scale of categories which provides high flexibility for the branding of its assets



# STRATEGIC TOP TIER HOTELS IN STRONG LOCATIONS



Hotel:	Rooms:	Brand:
Hilton Berlin Gendarmenmarkt Prime Center	601	Hilton
Bristol Berlin Ku'damm Prime Center (ex-Kempinski)	301	HOTEL BRISTOL BERLIN
InterContinental Frankfurt Prime Center	473	INTERCONTINENTAL
Hilton London Hyde Park Prime Center	132	Hilton

Hotel:	Rooms:	Brand:	Hotel:	Rooms:	Brand:
Crowne Plaza Berlin Prime Center Potsdamer Platz	256	CROWNE PLAZA	Holiday Inn Dresden Prime Center	144	Holiday Inn
AC by Marriott Berlin Mitte	130	Marriott	Crowne Plaza Frankfurt Congress Hotel	396	CROWNE PLAZA
Moxy by Marriott Berlin Mitte	101	Marriott	Mark Apart Berlin Prime Center Ku'damm	120	
Ex-Sheraton Brussels Prime Center	533		Schlosshotel Grunewald Charlottenburg Berlin	54	
Sheraton Rome	640	Sheraton	Radison Blu Prime Center Baden-Baden	162	Radisson BLU
Hilton London Chelsea	172		Mercure Munich Conference Center Messe	167	Mercure
Hilton Edinburgh Royal Mall Prime Center	211	Hilton	Ibis Munich Conference Center Messe	137	ibis
Hilton Dublin Prime Center	324		Manchester City Center Hotel	228	
Crowne Plaza Düsseldorf/Neuss	246	CROWNE PLAZA	Seminaris Campus Hotel Berlin	186	SEMINARIS
DoubleTree by Hilton London Center Angel/King's-Cross	373	DOUBLETREE Hilton	Wyndham Garden Düsseldorf Prime Center Königsallee	82	WYNDHAM GARDEN
Berlin Holiday Inn City East	473		Hotel Im Wasserturm Cologne Prime Center	88	HOTEL IM WASSERTURM
Berlin Holiday Inn City West	336	Holiday Inn	Ibis Berlin Alexanderplatz	61	ibis
Essen Holiday Inn Prime City Center	168		Melia Munich Hotel Munich Messe	134	MELIA
Sheraton Hotel Hannover Business District	147	Sheraton	Mercure Liverpool Prime Center Hotel	225	Mercure
NH Hotel Dortmund Prime Center	190	NH	Resorthotel Schwielowsee Berlin- Potsdam	155	
Berlin - Müggelsee	176				

# GUIDANCE

	2018 Actual	2019 Guidance <sup>1)</sup>
FFO I (in € million)	405.7	460-470
FFO I per share (in €)	0.39	0.41-0.42 <sup>2)</sup>
Dividend per share (in €)	0.25	65% of FFO I per share
FFO I per share after perpetual (in €)	0.34	0.37-0.38 <sup>2)</sup>
Like-for-like net rental growth	4.8%	~4%
LTV	35%	<45%

1) Based on current portfolio, signed acquisitions

2) Based on current amount of outstanding shares of 1.13bn



Strong like-for-like rental growth expected driven by the portfolio's high internal growth potential

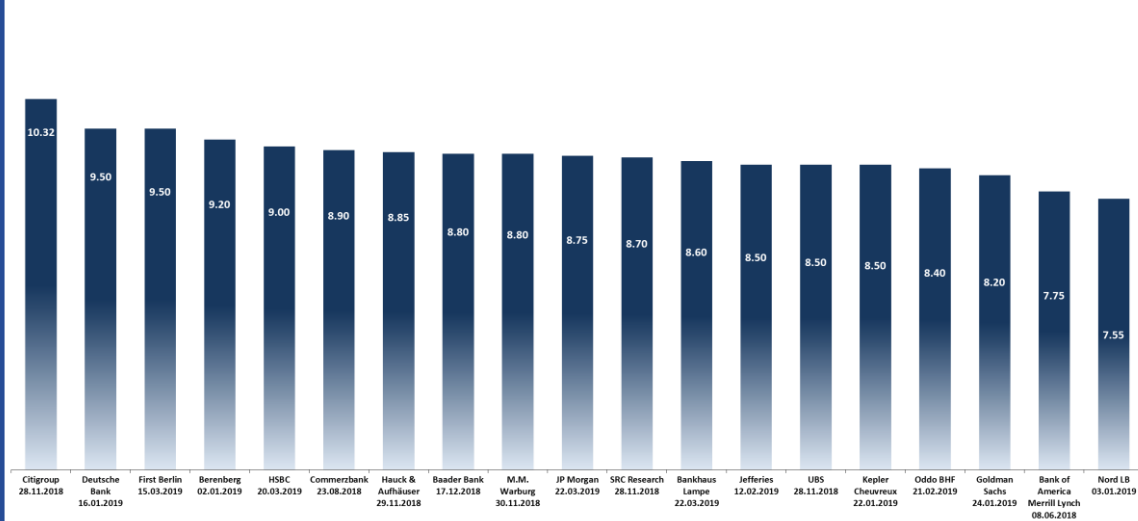
Strong and conservative capital structure to be maintained, with an LTV well below the board of directors' limit

# APPENDIX

# EQUITY ANALYST RESEARCH COVERAGE

## Covering Analysts

## Analyst Research Target Price



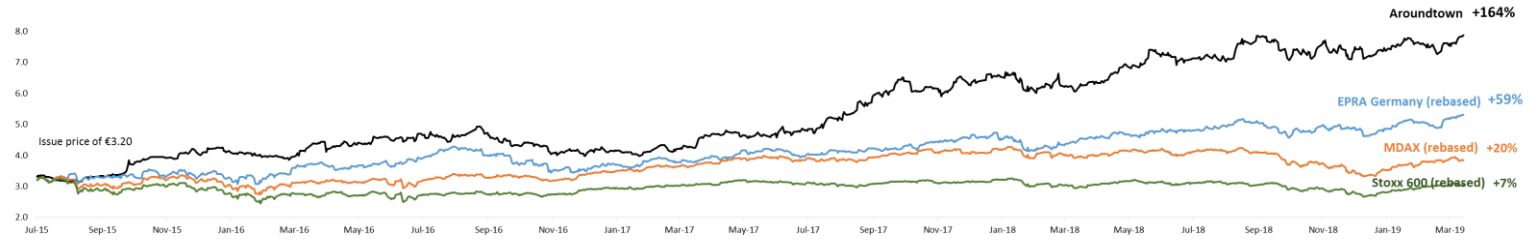
### Key index inclusions:

- MDAX
- MSCI Index Series
- FTSE EPRA/NAREIT
- STOXX Europe 600
- GPR 250
- DIMAX
- MSCI ACWI
- MSCI World
- MSCI Germany
- Global Developed
- Europe Developed
- Eurozone
- Germany

# AROWNTOWN'S SHARE PRICE PERFORMANCE



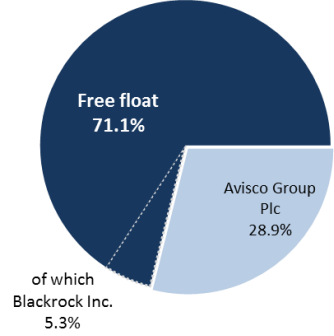
Share performance and total return since initial placement of capital (13.7.2015)  
**Aroundtown is the best performer in 2017/2018 amongst European real Estate**



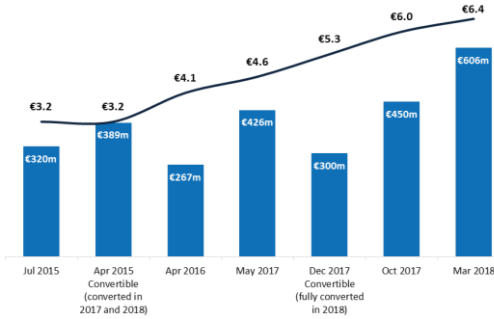
## The Share

Placement	Frankfurt Stock Exchange (Prime Standard)
Incorporation	Luxembourg
First equity issuance	13.07.2015 (€3.2 per share)
Number of shares (basic)	1,128,581,866
Free float	71.1%
Symbol (Xetra)	AT1
Market cap 27.03.2019	€8.9 bn (€7.87 share price)

## Shareholder structure



## Share issue price development

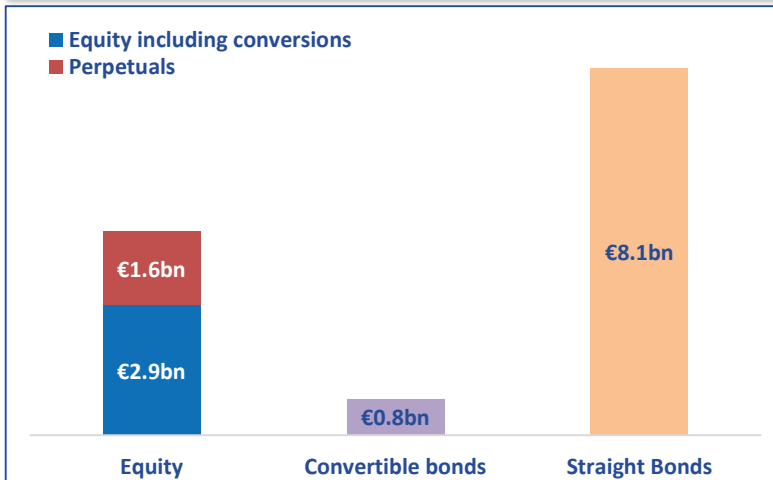


## Spread over mid-€-swap for straight bonds A and D, remaining 3 years

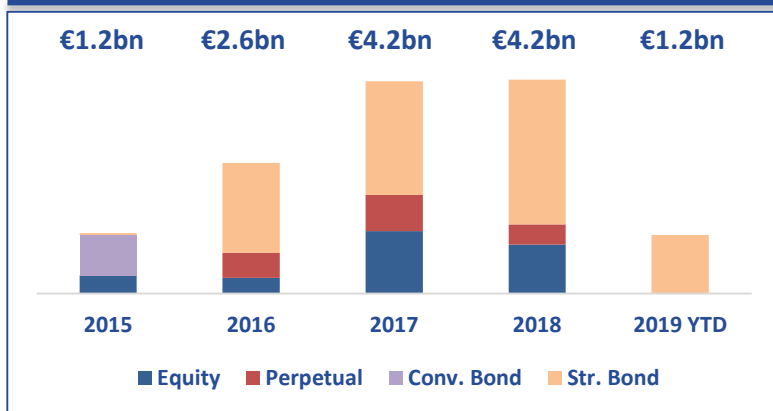


# CAPITAL MARKET ACTIVITY

## Capital market activity per issuance type 2015-2019 YTD



## Capital market activity per year



Largest European real estate issuer in 2016 and 2017, strong momentum continues

## Major index inclusions in 2017/2018



## Equity and bond bookrunners







In 2018, Aroundtown issued its first annual Corporate Responsibility report, for the year 2017, demonstrating the Company’s commitment to sustainability and can be found on its [website](#). The report is aimed at the Group’s investors, tenants, employees, business partners and other stakeholders. Aroundtown’s annual sustainability report for the year 2018 will be published on April 30<sup>th</sup>, 2019 and will be available on the website.



Aroundtown received the **EPRA BPR Gold** award for the second time in September 2018, the highest standard for financial reporting



Furthermore, Aroundtown received the **EPRA sBPR Gold** award in September 2018, as well as the **sBPR most improved award**



**Overall score - 93<sup>rd</sup> Percentile - Outperformer**

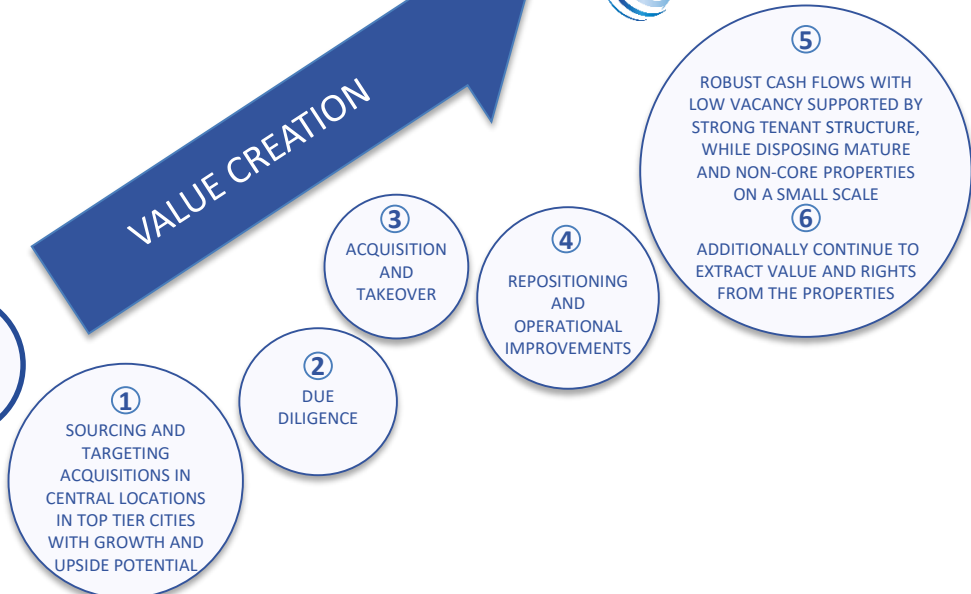
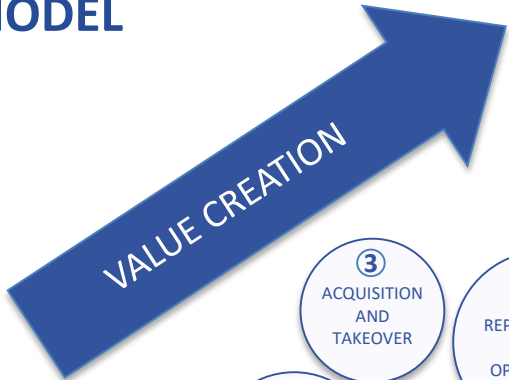
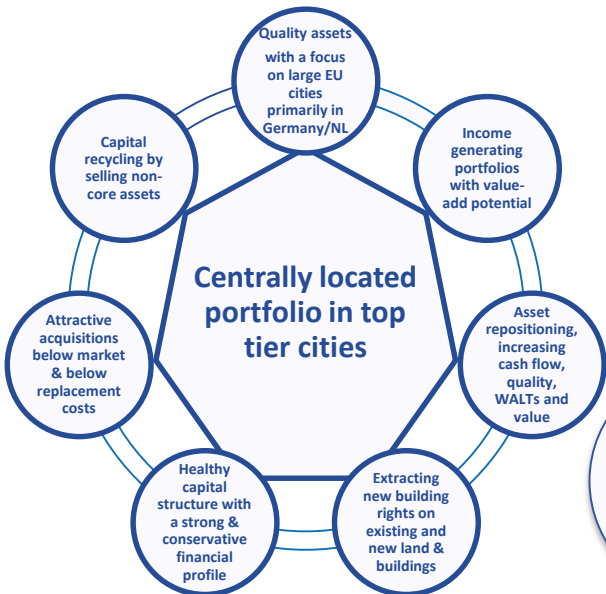
**September 2018**

AT is ranked **#23** among 319 real estate peers (93<sup>rd</sup> Percentile)

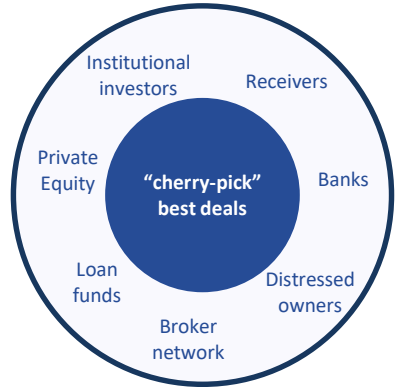
**ESG Development - Sustainalytics Score**

AT is highly ranked amongst the international real estate sector and was ranked Outperformer in all sub-factors

# STRATEGY AND BUSINESS MODEL



## Diversified and large base deal sources



## Acquisition criteria

- Acquisitions focus in central locations in top tier EU cities
- Value add potential through operational improvements
- Cash flow generating assets
- Rent level per sqm is below market level (under-rented properties)
- Purchase price below replacement costs and below market values
- Potential to reduce the cost per sqm significantly through operational improvements

## CEO and CFO

**Shmuel Mayo**



**CEO** of Arowntown. Since 2006 in the management of Arowntown and its subsidiaries. Previously, was the CEO of a leading international investment conglomerate. BA in Economics and Accounting, Law and CPA.

**Andrew Wallis**



**Deputy CEO** of Arowntown. Since 2014 in the management of Arowntown and its subsidiaries. Former 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. MBA and a CFA.

**Eyal Ben David**



**CFO** of Arowntown. Since 2008 in the management of Arowntown and its subsidiaries. Previously, held a private practice of Certified Public Accountants focused on infrastructure and real estate industries. Since 2008 in the management of Arowntown. Mr. Ben David is a certified public accountant (CPA) and holds an MBA.

## Board of Directors

**Frank Roseen**



**Director.** Highly experienced with a track record of 30 years. Held various senior management positions, including, CEO of Germany & Central Eastern Europe of GE Capital and Real Estate. MBA.

**Oschrie Massatschi**



**Director.** Since 2013 in the management of Arowntown and its subsidiaries. International professional experience in banking, management consultancy and corporate finance in Australia, UK and Germany. BA Honours in International Business.

**Jelena Afxentiou**



**Director.** Since 2011 in the management of Arowntown and its subsidiaries and has 20 year of experience in the real estate and the hotel business, specializing in finance and accounting.

**Markus Leininger**



**Independent Director.** Former senior banker with a focus on financing, private equity and real estate. Served as Head of Operations with Eurohypo AG and Rheinhyp AG (Commerzbank) and a Member of the Advisory Board and Investment Committee of Revetas Capital Advisors. Diploma in B.A.

**Markus Kreuter**



**Independent Director.** Specialized in real estate debt advisory through his over 18 years of experience in among others National Director Debt Advisory at JLL, Head of German commercial real estate lending at Deutsche Bank, Group Head of Debt Funding at CA Immo. Degree in real estate economics.

**Dr. Axel Froese**



**Independent Director.** 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 -Germany- of the Bank of Scotland. He is an MRICS member and holds a PhD.

## Advisory Board

**Dr. Gerhard Cromme**



**Chairman of the Advisory Board.** Dr. Cromme has a long and impressive track record with top positions in Germany's blue chip companies, including Chairman of the Supervisory Board of Siemens, Chairman of the Executive Board and Chairman of the Supervisory Board of ThyssenKrupp, as well as membership on the supervisory boards of other leading companies such as Volkswagen, Lufthansa, Allianz, BNP Paribas, E.ON and Axel Springer and currently Co-Chairman of the Supervisory Board of ODDO BHF Group. In addition, Dr. Cromme holds the German distinction Commander's Cross of the Order of Merit and the French distinction Grand Officer of the Legion of Honor.

**Yakir Gabay**



**Advisory Board Deputy Chairman.** Founder of the Group in 2004. 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.

**Claudio Jarczyk**




**Advisory Board Member.** Joined the Group's advisory board since 2013. Served as an Executive Director at BerlinHyp Bank specializing in real estate financing with a focus on international clients, as a Chief International Executive at Landesbank Berlin and as an International Division-Department Manager at Bayerische Vereinsbank Munich. Dipl.Kfm. / MBA at Munich University.


**Audit Committee – consists of the three independent directors Markus Leininger, Markus Kreuter and Axel Froese**


# OPERATIONAL MANAGEMENT TEAM





**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 in 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 30 years of experience in real estate.


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


**Milan Arandelovic**  COO of Hotel Division. Mr Arandelovic has 25 years of experience in the international hospitality sector; before joining the Group, he held regional roles within Hilton in Europe. In this role he operated hotels from budget sector to luxury. Mr. Arandelovic holds a Bachelor from the renowned Ecole Hoteliere de Lausanne and an MSc of Strathclyde University.


**Brigitte Schmitt**  Head of Shopping Mall division. 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. Degree in Business Management and Administration - from the University of Würzburg.


**Alfred Kandl**  Head of Construction Management. Mr Kandl has 35 years' experience in the real estate and building industry. He worked in Strabag AG, one of Austria's leading building companies, and further worked in controlling positions at large construction sites all over Austria and Central and Eastern Europe. From 2003 worked as Head of Construction at Raiffeisen Evolution. Degree in engineering


**Carolin Warner**  Director Acquisitions. Mrs. Warner has over 12 years' experience in the real estate industry in different countries with a focus on the investment sector. Before joining Arowntown, she worked for companies such as Engel&Völkers and Zinshusteam&Kenbo. Commercial training in real estate and IREBS graduate


**Guido Pütz**  Senior Asset Manager. 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. MBA

**Norman Lindner**  Head of Industrial & Logistics Division. Originally trained as a banker, Norman spent two years in risk management before going into controlling, finance and accounting as an asset manager. He gained his experience at Habacker Holding, Dawnay Day Property Investment and IKB Deutsche Industriebank. MBA

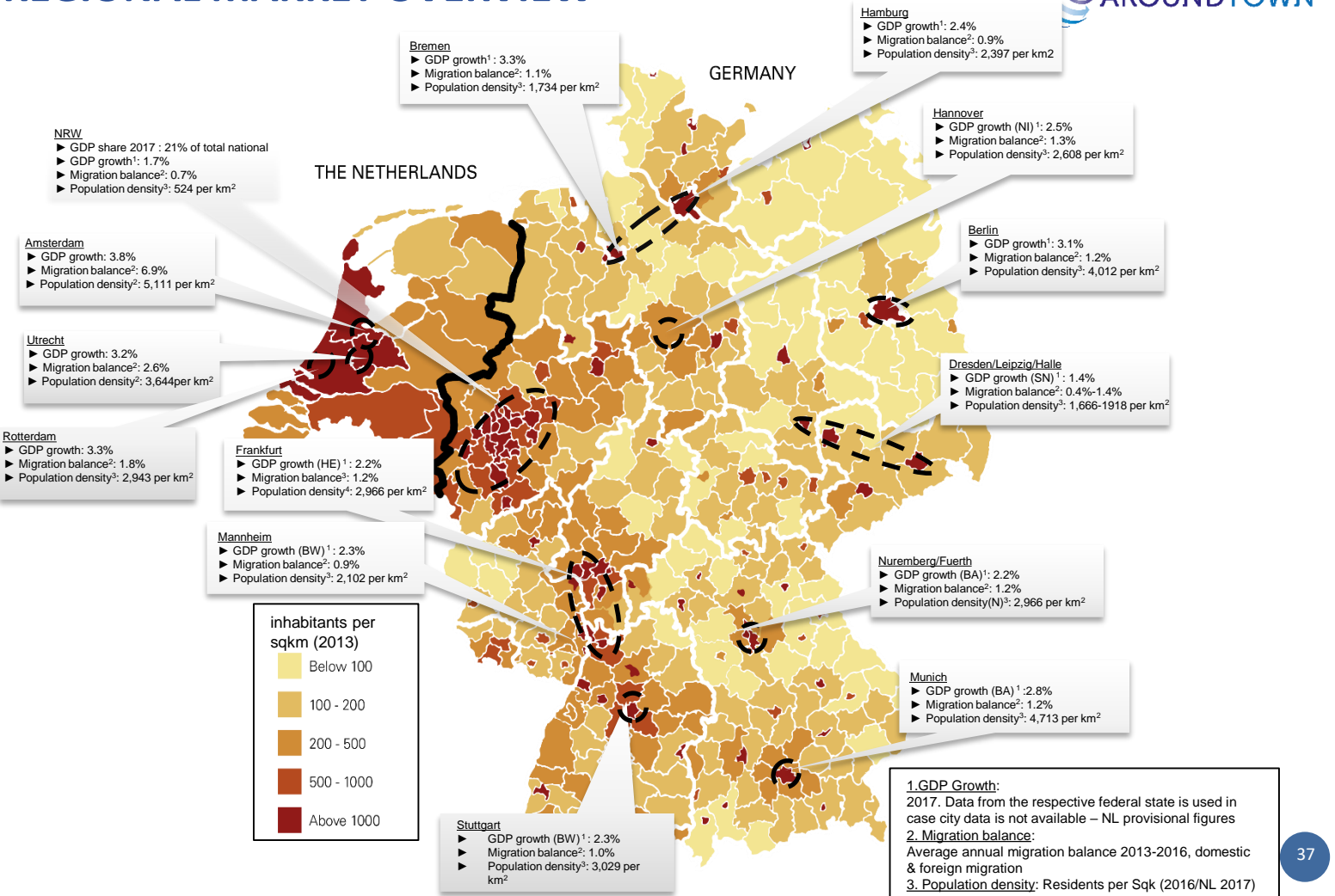
**Jelena Ebner**  Head of Transaction Management. Jelena worked for Hudson Advisors and later at Dundee International as an Asset Manager. Coming from a property management background, Jelena has experience in all asset types. BA and training as Real Estate Manager

**Christian Hupfer**  Chief Compliance Officer. Since 2008 in the management of Arowntown and its subsidiaries. Is specialized in tax structuring, financial statement and cash flow analysis. Mr. Hupfer worked for RöverBröner 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**  Senior Financial Manager. Before joining Arowntown, Mr. Kaplan served as an auditor in an accounting firm. He holds a BA in Accounting and Business Administration.

**Sylvie Lagies**  Head of ESG. Held positions as Hotel General Manager, 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.

# REGIONAL MARKET OVERVIEW

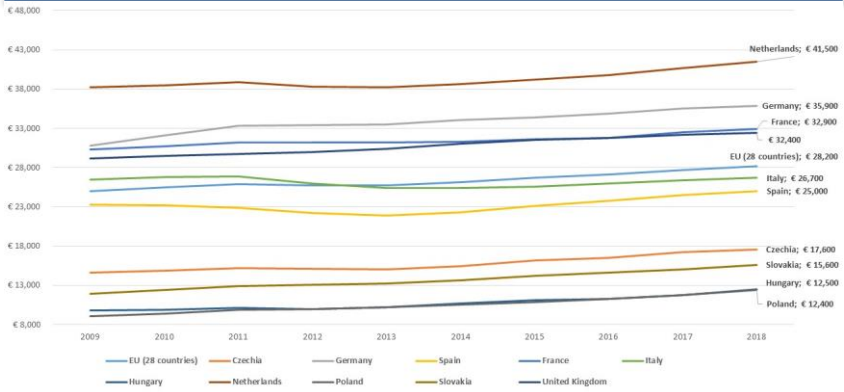


1. **GDP Growth:**  
2017. Data from the respective federal state is used in case city data is not available – NL provisional figures

2. **Migration balance:**  
Average annual migration balance 2013-2016, domestic & foreign migration

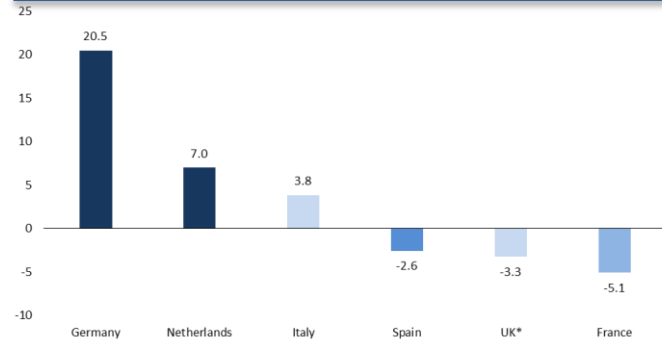
3. **Population density:** Residents per Sqk (2016/NL 2017)

### GDP per capita in 2009 –2018 (in €)



Source: Eurostat, unadjusted

### Strong trade balance for Germany and NL (in €bn)

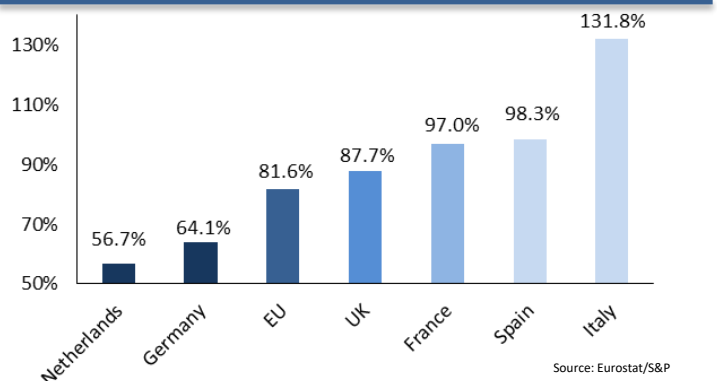


Source: Tradingeconomics.com, data for November 2018

\*At an exchange rate of €1.1227/GBP

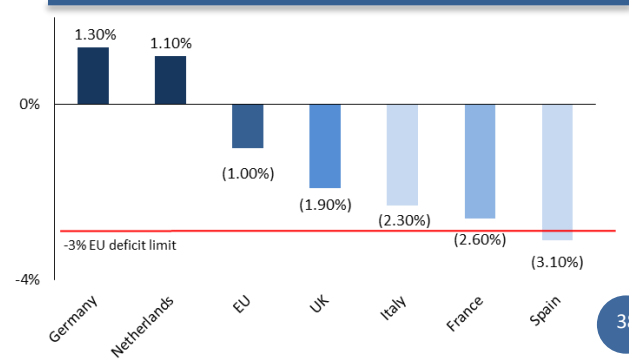
**Aroundtown’s competitive advantage starts with the regional focus. Aroundtown focuses on Germany and Netherlands, the strongest and most stable economies in Europe**

### Debt/GDP 2017



Source: Eurostat/S&P

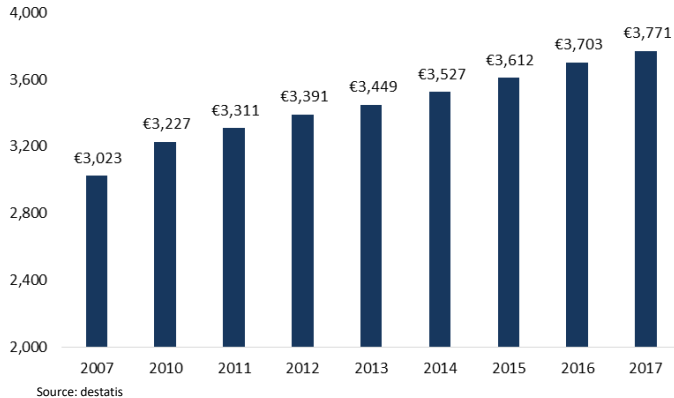
### Budget Surplus (Deficit) 2017



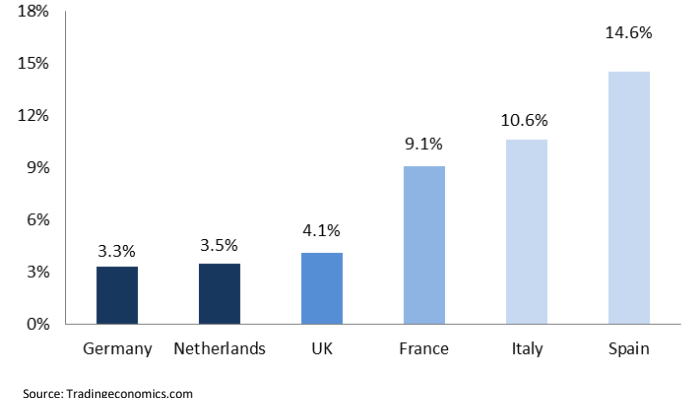
Source: Eurostat

# GERMANY/NL – STRONG LABOR MARKET

## Development of gross wages Germany (in €)

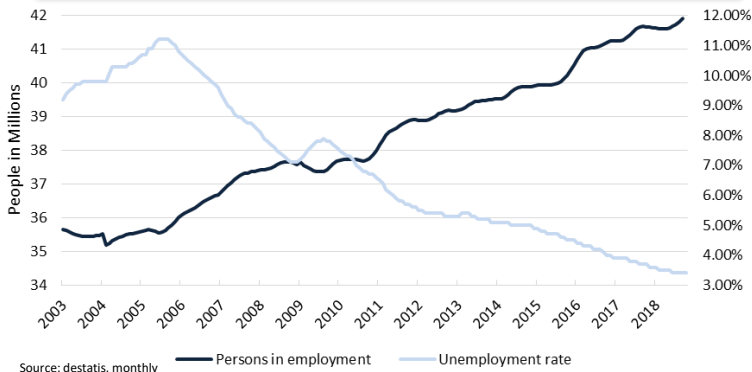


## Unemployment rate Sep 2018

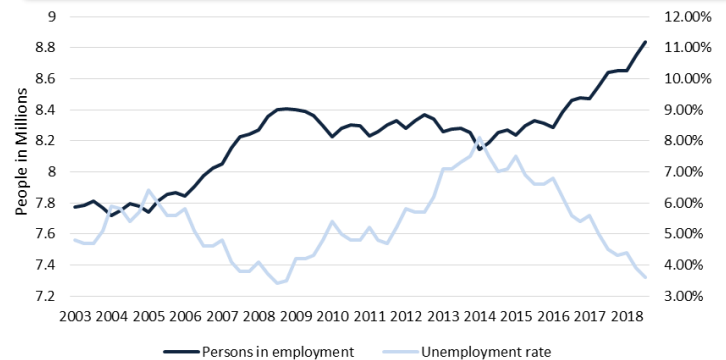


...which is further supported by a strong labor market with increasing purchasing power

## Unemployment rate Germany 2003 - Sep 2018



## Unemployment rate Netherlands 2003 – Sep 2018

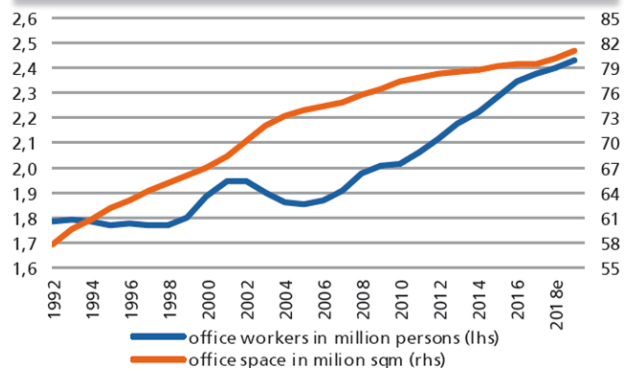


# GERMAN OFFICE MARKET

## LOW SUPPLY AND STRONG DEMAND...

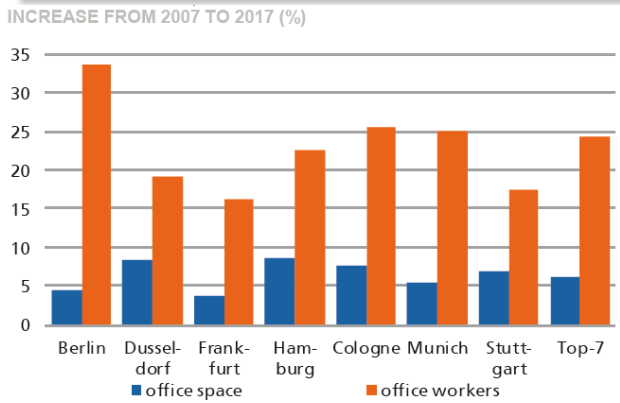


### Office employment growth remains strong\*



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, Feri, DZ BANK Research forecasts

### Continuously strong demand at low supply

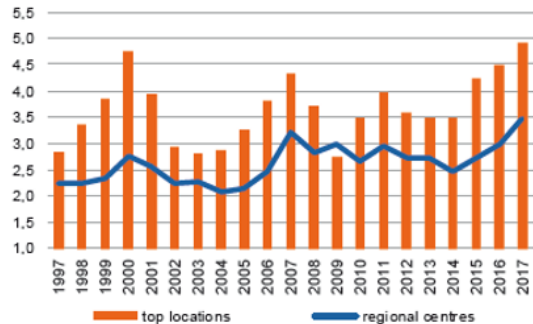


Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, Feri

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

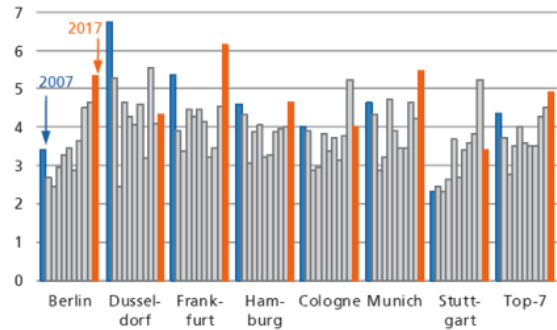
### Leading to increased office take-up

OFFICE SPACE TAKE-UP AS % OF STOCK



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

OFFICE SPACE TAKE-UP AS % OF OFFICE STOCK



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa

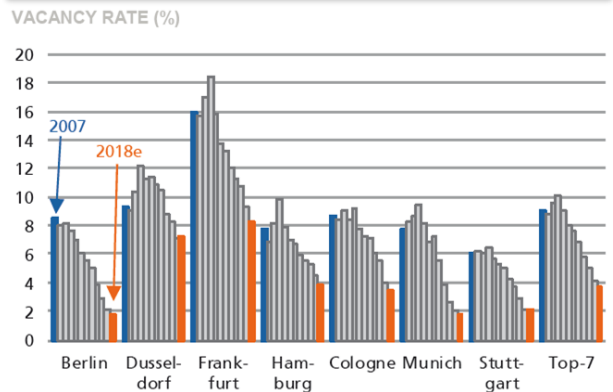


# GERMAN OFFICE MARKET

## ...LEAD TO INCREASING RENTS AND LOWER VACANCIES

Strong economic fundamentals and high office employment drive up demand, whilst supply is lacking, reducing vacancies

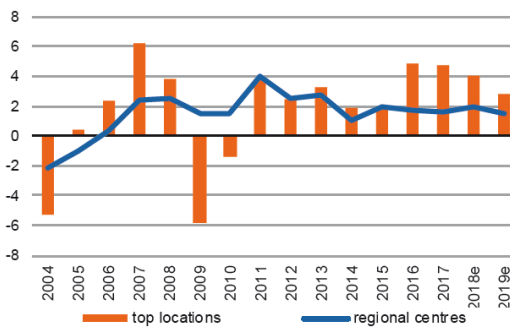
### Strong reductions in vacancy in top locations



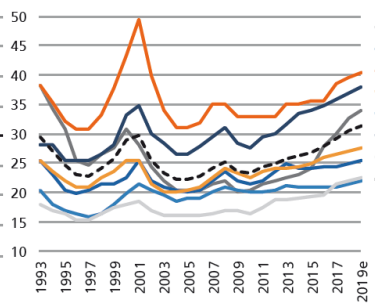
Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

### Putting upward pressure on rents

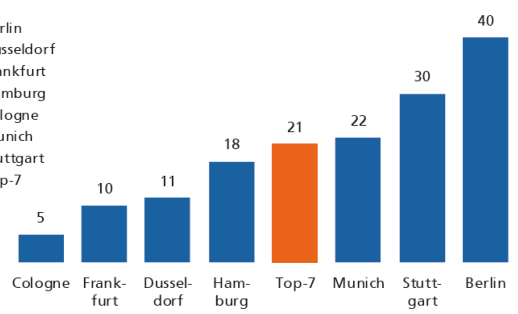
PRIME RENTS VS. PREVIOUS YEAR (%)



OFFICE PRIME RENTS IN EURO PER SQM



INCREASE IN PRIME OFFICE RENTS FROM 2007 TO 2017 (%)

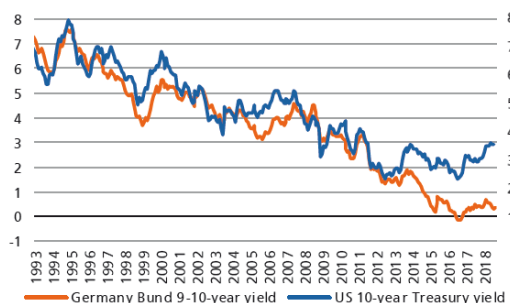


Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

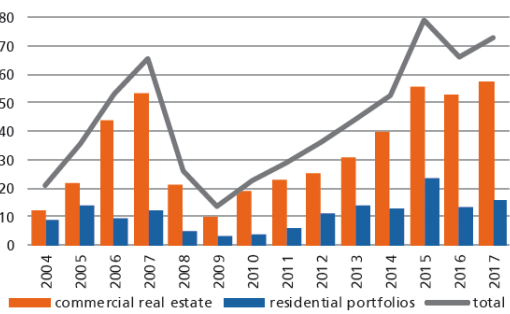
# GERMAN OFFICE MARKET MEANWHILE INVESTOR APPETITE REDUCES YIELDS

Low treasury yields and continued high demand, especially in office...

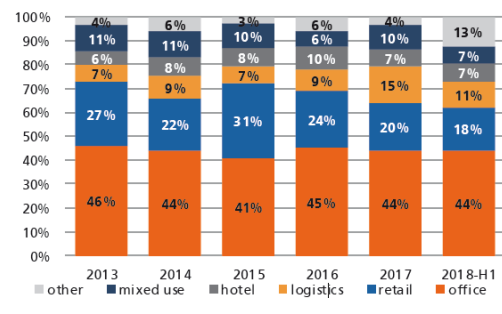
YIELDS OF BUNDS AND US GOVERNMENT BONDS IN %



Source: DZ HYP German Real Estate Market report – 2018/2019 – Datastream, OECD



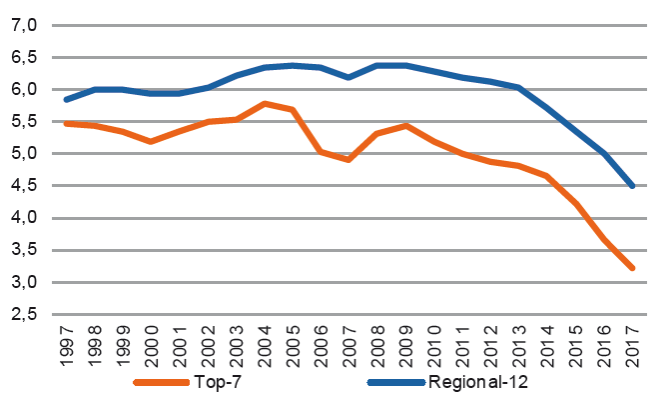
Source: DZ HYP German Real Estate Market report – 2018/2019 – Ernst & Young



Source: DZ HYP German Real Estate Market report – 2018/2019 – JLL, Colliers (Hotels)

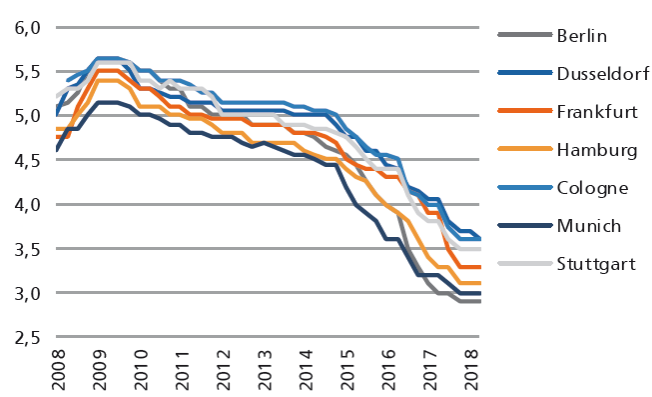
## ...put considerable pressure on office yields, especially in central Top 7 Locations

NET INITIAL RENTALS IN CENTRAL OFFICE LOCATIONS IN %



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

NET INITIAL YIELD IN CENTRAL OFFICE LOCATIONS IN %



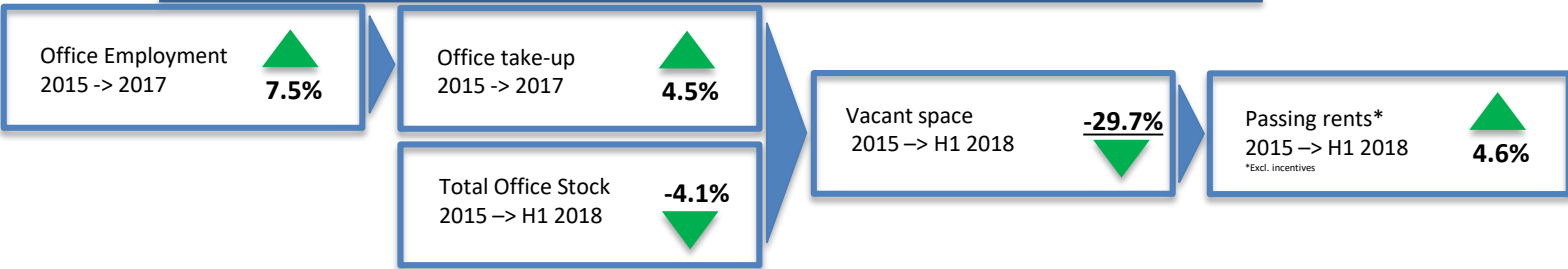
Top 7 locations:  
Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart

Regional 12 according to DZ HYP:  
Hannover, Nuremberg, Essen, Leipzig, Dresden, Bremen, Karlsruhe, Münster, Mannheim, Darmstadt, Mainz and Augsburg

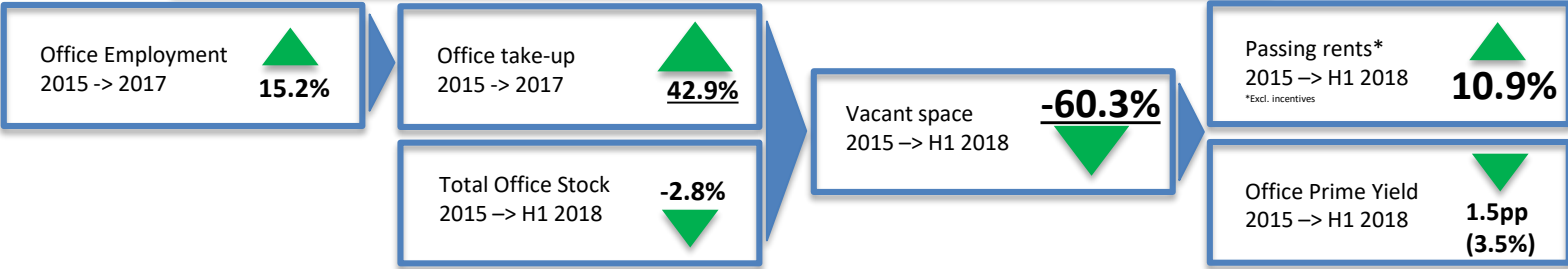
# NETHERLANDS OFFICE MARKET

## ...RESULTING FROM FAVORABLE DEVELOPMENTS

Current trends show very favorable market developments...

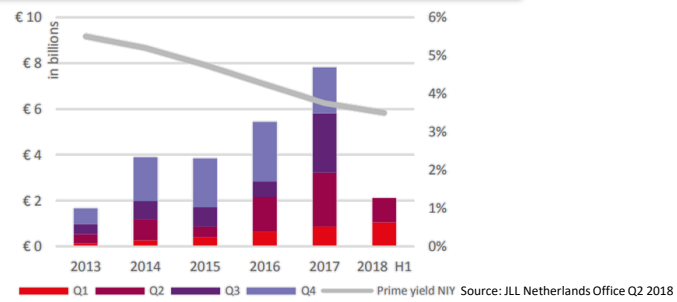


...especially in Amsterdam



### Prime office yield and investment volumes

Source: DTZ Zadelhof/Cushman & Wakefield - Nederland Compleet - issues from January 2015-August 2018

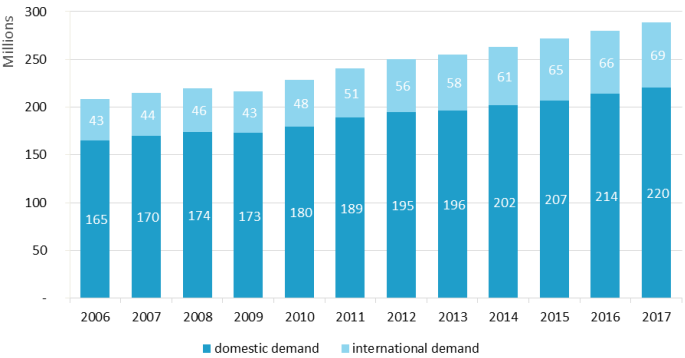


# GERMAN HOTEL MARKET OVERVIEW

## CONTINUED STRONG DEMAND GROWTH

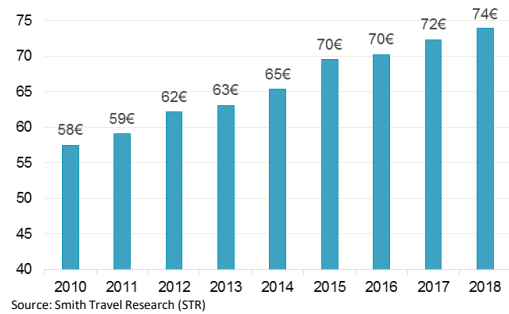


### Overnight stays across all hotel accommodation types in Germany



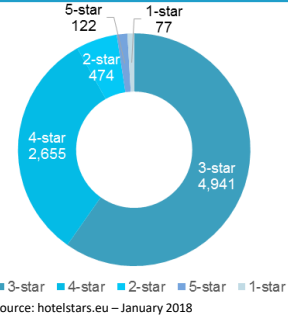
Source: destatis 45412-0012 – extracted October 2018

### RevPar development



Source: Smith Travel Research (STR)

### Rated hotels by category

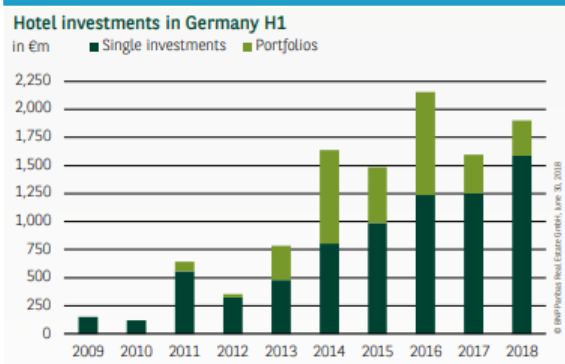


Source: hotelstars.eu – January 2018

**Tourism in Germany has been continuously growing over the recent years, driving up main KPIs. According to data from STR this growth is set to continue in 2018, with November 2018 YTD occupancy up 0.6%, ADR up 1.8% and RevPAR up 2.4%**

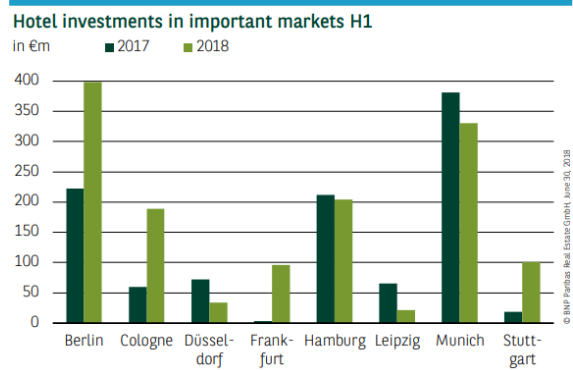
Source: STR – November 2018 data, compared to the same period in 2017

### Continued high investor demand



Source: BNP Paribas – Hotel Investment Market Germany at a Glance Q2 2018

### Especially in major German cities

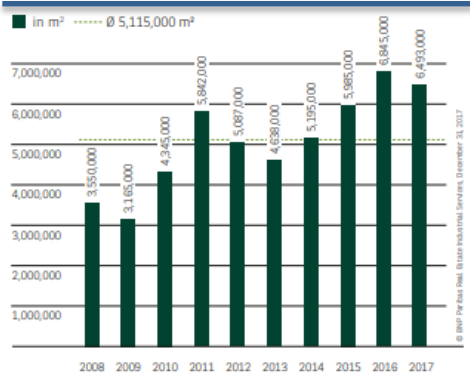


Source: BNP Paribas – Hotel Investment Market Germany at a Glance Q2 2018

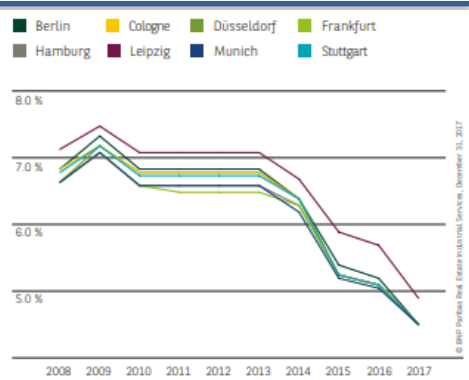
# GERMAN WHOLESALE AND LOGISTICS BENEFITING FROM IMPROVED MARKET CONDITIONS

Strong consumer climate provides strong benefits to wholesale and logistics, economic metrics such as Germany's strong export position provide further benefits, increasing take-up sector wide

## Increasing take-up of space



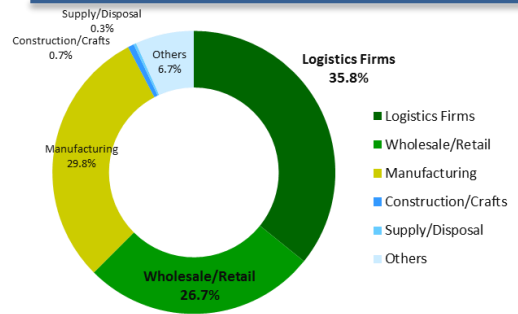
## Sharply decreasing net prime yields



Source: BNP Paribas – Logistics Market Germany Property Report 2018

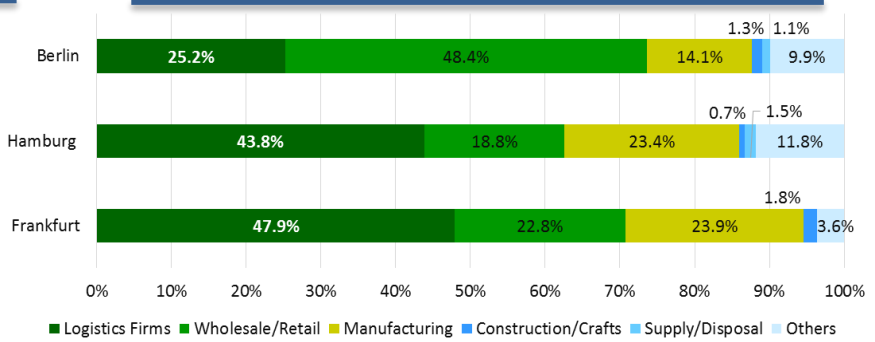
Source: BNP Paribas – Logistics Market Germany Property Report 2018

## Take-up in 2017 focused on logistics/wholesale...

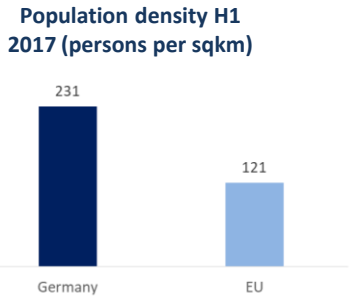
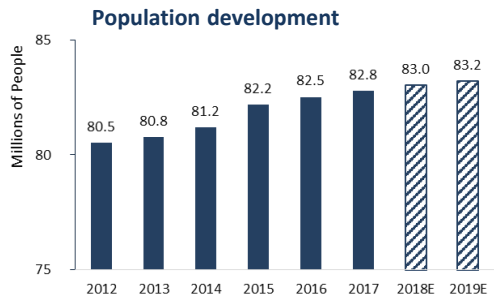


Source: BNP Paribas – Logistics Market Germany Property Report 2018

## ...Especially in Berlin, Hamburg and Frankfurt



# MACRO FUNDAMENTALS SUPPORT GCP



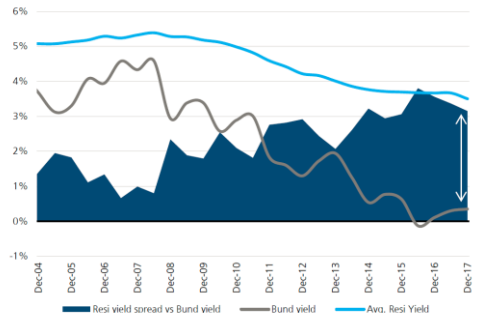
Source: destatis 2012-2017, forecast based European Commission spring 2018 forecasted growth rates

\* 2012-2017  
Source: destatis

➔ From 1991 to 2016 the amount of households increased by 16.2%

➔ 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

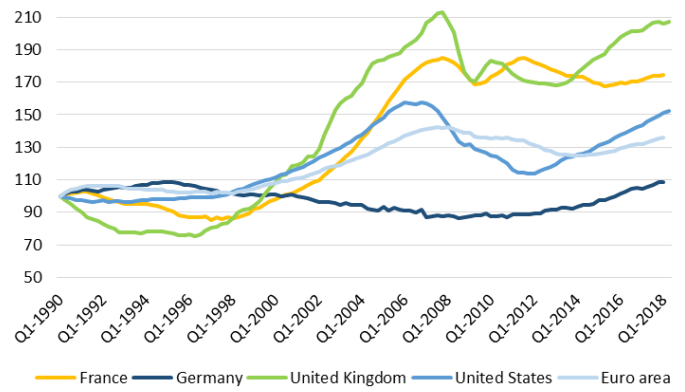
## German rental yields vs. German 10 year government bond yields



Source: UBS  
Source: Datastream, JLL // Note: resi yield is simple average of Berlin Dusseldorf, Frankfurt Hamburg and Munich

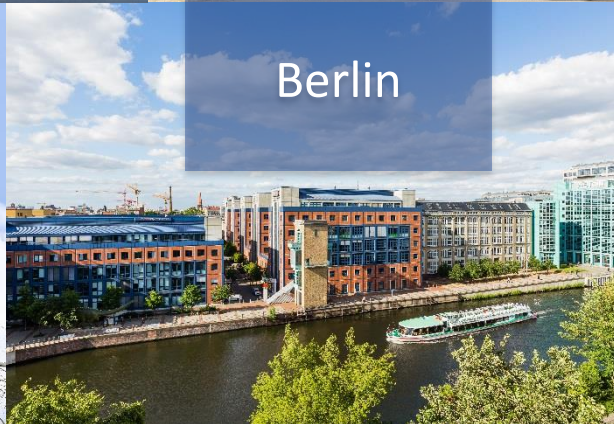
With 10 years German bond yielding below 0.5% the German real estate market represents a unique opportunity to generate attractive adjusted risk return

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



Source: OECD.Stat real house price indices, rebased

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



Berlin





London







# Frankfurt





Munich



Cologne



Cologne



Düsseldorf



Düsseldorf



Düsseldorf



Düsseldorf



Düsseldorf



Dortmund



Duisburg



Dortmund



Essen



Essen







Stuttgart  
Baden-Baden





Hamburg



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