



**H1 2018**  
**FINANCIAL RESULTS**  
**PRESENTATION**  
AUGUST 2018

# TABLE OF CONTENTS

A small version of the AROUNDTOWN SA icon, consisting of concentric, curved lines in shades of blue and grey.

HIGHLIGHTS

A small version of the AROUNDTOWN SA icon, consisting of concentric, curved lines in shades of blue and grey.

FINANCIAL RESULTS

A small version of the AROUNDTOWN SA icon, consisting of concentric, curved lines in shades of blue and grey.

OPERATIONS AND PORTFOLIO

A small version of the AROUNDTOWN SA icon, consisting of concentric, curved lines in shades of blue and grey.

APPENDIX

## Profitability Highlights:

Net Rental Income recurring long-term at €278m +51% YoY

Adjusted EBITDA at €280m +44% YoY

FFO I at €189m +46% YoY, resulting in a FFO I per share of €0.19 +6% YoY

FFO II at €300m +93% YoY, as a result of disposal gains to the amount of €111m in the first half of 2018

Profit for the period of €970m +25% YoY and EPS (diluted) of €0.82 +11% YoY

EPRA NAV of €7.2 per share, compared to €6.5 per share year end 2017, reflecting a +14% growth year-to-date adjusted for dividends

## Financial Profile Highlights:

Long average Debt Maturity maintained at 7.4 years

Low average Cost of Debt maintained at 1.7%

Solid unencumbered ratio maintained at 71%, or €8.5bn in value, up from €7.1bn as of year end 2017

## Portfolio Highlights:

Disposal of over €700 million in 2018 year-to-date of which over €500 million have been completed in H1

Continued strong growth of the portfolio, reaching €11.9bn as of June 2018

High L-F-L rent increase of 4.6%

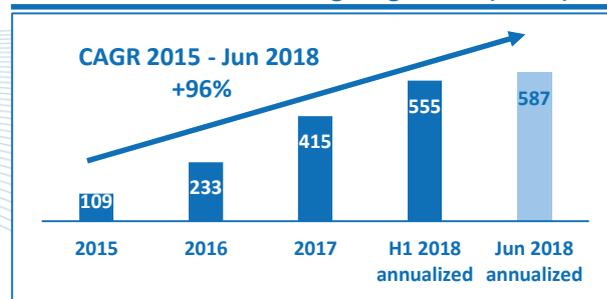
A large, abstract graphic composed of numerous thin, light blue lines that curve and flow across the page, creating a sense of motion and depth. The lines are more densely packed in some areas, creating a gradient effect from light to slightly darker blue.

# FINANCIAL RESULTS

# PROFIT AND LOSS

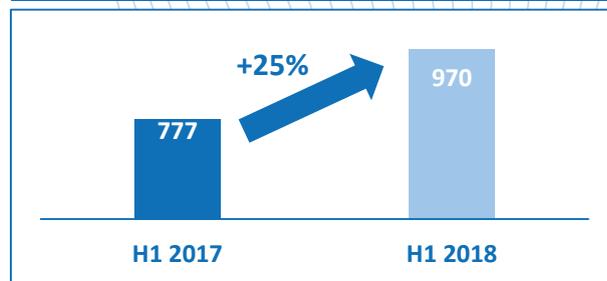
|   | 1-6/2018       | 1-6/2017     |
|---|----------------|--------------|
|   | € millions     |              |
| NET RENTAL INCOME, RECURRING LONG-TERM                        | 277.7          | 184.3        |
| NET RENTAL INCOME   | 290.9          | 203.5        |
| REVENUE   | 347.6          | 237.2        |
| <b>Property revaluations, capital gains, and other income</b> | <b>899.6</b>   | <b>747.7</b> |
| Share in profit from investment in equity-accounted investees | 113.3          | 76.7         |
| Property operating expenses                                   | (102.8)        | (63.6)       |
| Administrative and other expenses                             | (9)            | (7.1)        |
| <b>EBITDA</b>   | <b>1,249.5</b> | <b>991.9</b> |
| Finance expenses  | (52.3)         | (29.8)       |
| Other financial results                                       | (51.5)         | (18.3)       |
| Current tax expenses  | (20.2)         | (18.5)       |
| Deferred tax expenses   | (154.4)        | (146.9)      |
| <b>PROFIT FOR THE PERIOD</b>                                  | <b>970.3</b>   | <b>777.4</b> |
| Earnings per share in € (basic)                               | 0.87           | 0.88         |
| Earnings per share in € (diluted)                             | 0.82           | 0.74         |

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

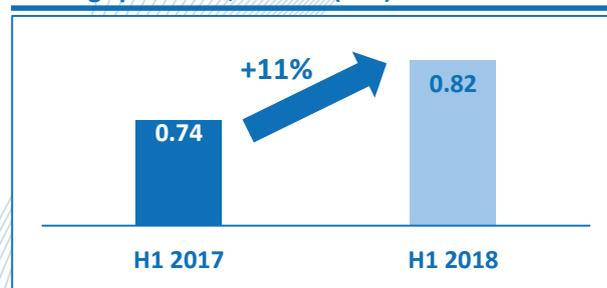


## Profit for the period (in €m)

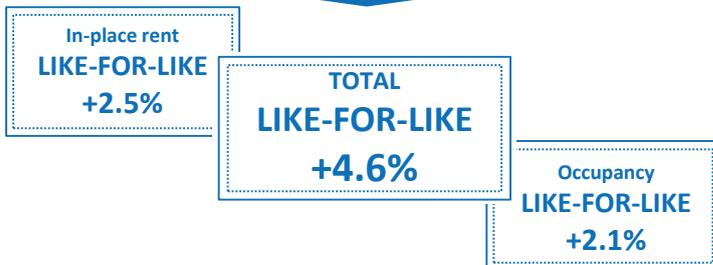
\*excl. net rent from assets held for sale



## Earnings per share, diluted (in €)



ACHIEVING STRONG OPERATIONAL GROWTH FROM BOTH INTERNAL AND EXTERNAL SOURCES



# ADJUSTED EBITDA

|  | 1-6/2018       | 1-6/2017     |
|--|----------------|--------------|
|  | € millions     |              |
| Operating profit   | 1,248.7        | 990.9        |
| Total depreciation and amortization                              | 0.8            | 1            |
| <b>EBITDA</b>  | <b>1,249.5</b> | <b>991.9</b> |
| Property revaluations, capital gains, and other income           | (899.6)        | (747.7)      |
| Share in profit from investment in equity-accounted investees    | (113.3)        | (76.7)       |
| Other adjustments  | (9.3)          | (16.5)       |
| <b>ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b> | <b>227.3</b>   | <b>151</b>   |
| Adjustment for GCP operational contribution*                     | 52.2           | 43.5         |
| <b>ADJUSTED EBITDA</b>   | <b>279.5</b>   | <b>194.5</b> |

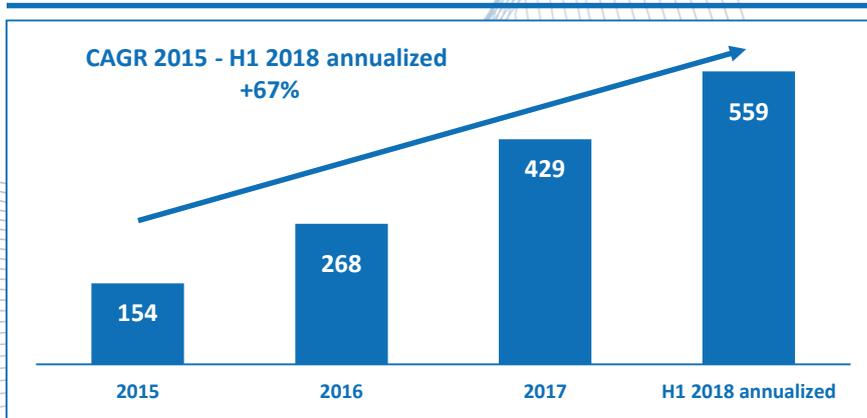
Subtracted as these profits include AT's share in non-operational profits generated by the equity accounted investees

mainly related to adjusted EBITDA of the properties marked for disposal, showing 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 38%

\*The adjustment is to reflect AT's share in GCP's adjusted EBITDA. GCP generated an adjusted EBITDA of €137 million in H1 2018 and €121 million in H1 2017

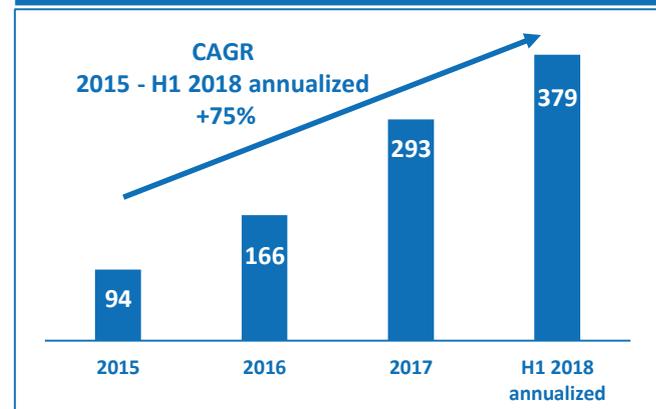
## ADJUSTED EBITDA (in €m)



# FFO I

|  | 1-6/2018     | 1-6/2017     |
|--|--------------|--------------|
|  | € millions   |              |
| <b>ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b> | <b>227.3</b> | <b>151</b>   |
| Finance expenses   | (52.3)       | (29.8)       |
| Current tax  | (20.2)       | (18.5)       |
| Contribution to minorities                                       | (3.2)        | (4.4)        |
| Other adjustments  | 5.1          | 5.2          |
| <b>FFO I COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>           | <b>156.7</b> | <b>103.5</b> |
| Adjustment for GCP FFO I contribution <sup>1)</sup>              | 32.6         | 26.3         |
| <b>FFO I</b>   | <b>189.3</b> | <b>129.8</b> |
| <b>FFO I per share in €</b>                                      | <b>0.19</b>  | <b>0.18</b>  |
| FFO I per share after perpetual attribution in €                 | 0.17         | 0.16         |
| Result from disposal of properties <sup>2)</sup>                 | 111.1        | 26.1         |
| <b>FFO II</b>  | <b>300.4</b> | <b>155.9</b> |

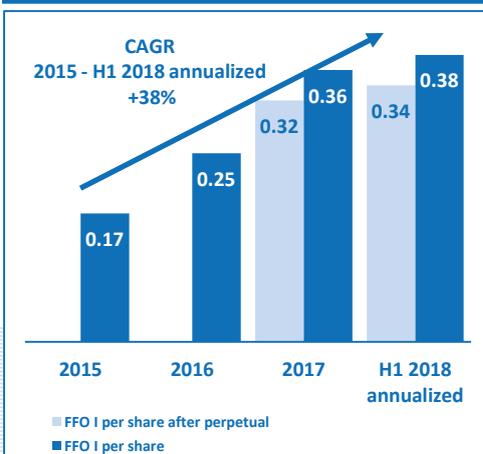
## FFO I (in €m)



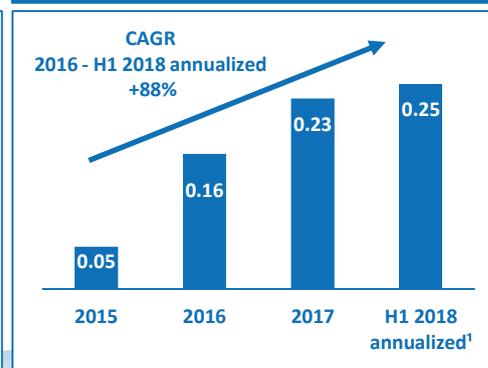
1) The adjustment is to reflect AT's share in GCP's FFO I. GCP generated an FFO I after perpetual of €85 million in H1 2018 and €73 million in H1 2017

2) The excess amount of the sale price to cost price plus capex of the disposed properties, in H1 18 AT disposed of €500 million of non-core assets at a profit margin of 28%. After the reporting period, AT additionally disposed of €235m of non-core assets above their net book value

## FFO I PER SHARE (in €)

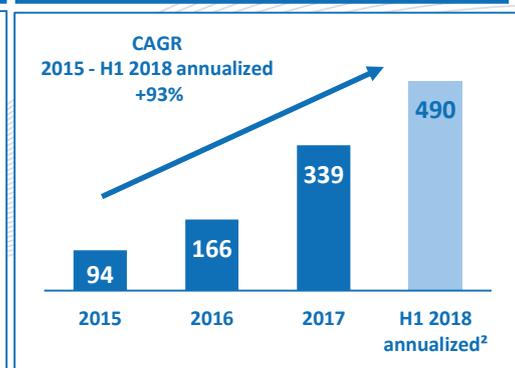


## DIVIDEND PER SHARE (in €)



FFO I yield: 5%  
Dividend yield: 3.3%  
Based on a share price of €7.6

## FFO II (in €m)



1) Based on a payout ratio of 65% of FFO I per share

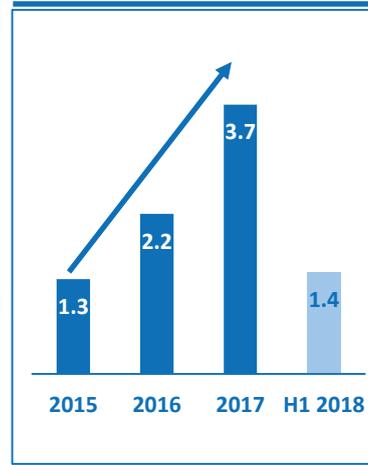
2) Based on H1 2018 FFO I annualized plus result from disposal of properties in H1 2018

# TOTAL ASSETS

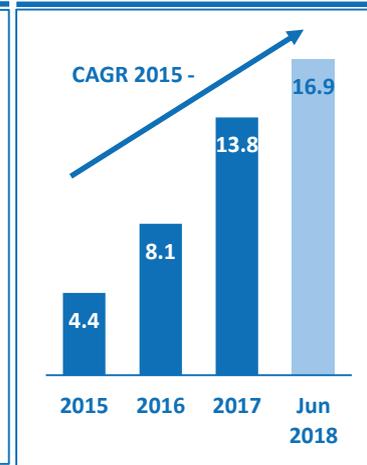
|   | Jun 2018        | Dec 2017        |
|---|-----------------|-----------------|
|   | € millions      |                 |
| Investment property   | 11,884.2        | 9,804.1         |
| Equity accounted-investees in publicly traded company - holding in GCP SA <sup>1)</sup> | 1,690.4         | 1,609.7         |
| Equity accounted-investees, other   | 300.2           | 295.9           |
| <b>Non-current assets</b>   | <b>14,830.6</b> | <b>12,247.3</b> |
| Assets held as held for sale <sup>2)</sup>  | 379.3           | 500.6           |
| Cash and liquid assets <sup>3)</sup>  | 1,244.2         | 848.7           |
| <b>Current assets</b>   | <b>2,083.9</b>  | <b>1,523.1</b>  |
| <b>Total Assets</b>   | <b>16,914.5</b> | <b>13,770.4</b> |

1) The fair market value of GCP SA as of June 2018 is €1.43 billion and €1.54 billion as of the date of this report  
 2) excluding cash in assets held for sale  
 3) including cash in assets held for sale

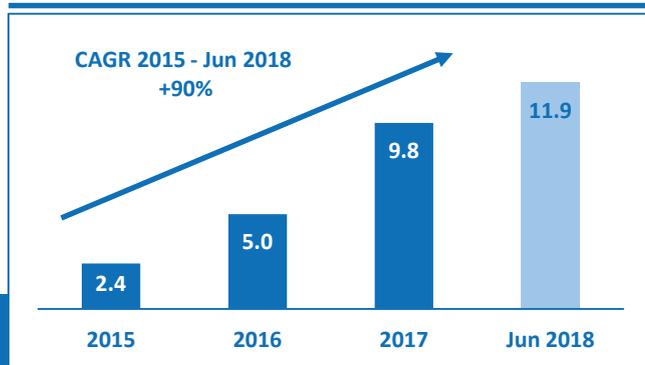
## ACQUISITIONS (in €bn)



## TOTAL ASSETS (in €bn)



## INVESTMENT PROPERTY (in €bn)



Additions in key strategic locations

Solid like-for-like gains

Extensive deal sourcing

Accretive growth through acquisitions

Internal value creation

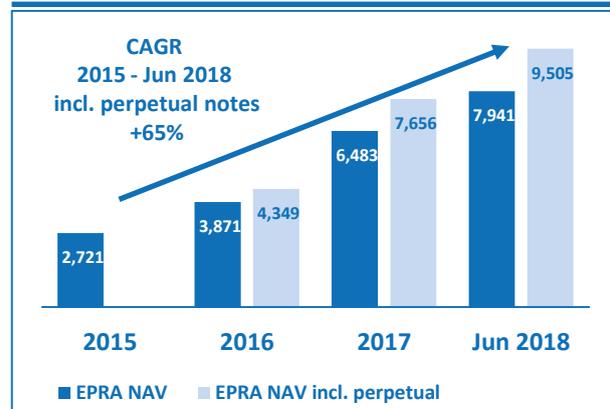
The acquisitions in H1 2018 have been mainly offices and hotels which have been acquired at a multiple of 20x

Additions in attractive central locations such as:

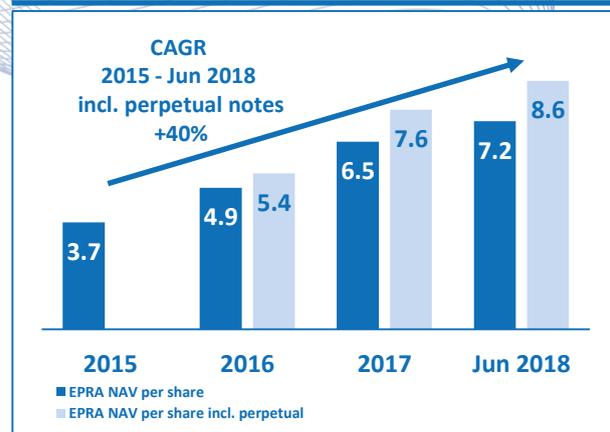
- Berlin
- Frankfurt
- Munich
- Stuttgart
- London
- Utrecht
- Rotterdam

|   | Jun 2018       |             | Dec 2017       |             |
|---|----------------|-------------|----------------|-------------|
|   | € millions     | Per share   | € millions     | Per share   |
| <b>NAV per the financial statements</b>                                       | <b>8,548.2</b> |             | <b>7,249.9</b> |             |
| Equity attributable to perpetual notes investors                              | (1,563.9)      |             | (1,173.3)      |             |
| <b>NAV excluding perpetual notes</b>  | <b>6,984.3</b> |             | <b>6,076.6</b> |             |
| Effect of in-the-money convertible bonds                                      | 253.3          |             | 293.8          |             |
| Fair value of derivative financial instruments <sup>1)</sup>                  | 74.8           |             | 10.4           |             |
| Deferred tax liabilities <sup>2)</sup>  | 915.8          |             | 776.5          |             |
| <b>NAV</b>  | <b>8,228.2</b> | <b>€7.4</b> | <b>7,157.3</b> | <b>€7.1</b> |
| Non-controlling interests   | (287.2)        |             | (674.3)        |             |
| <b>EPRA NAV</b>   | <b>7,941</b>   | <b>€7.2</b> | <b>6,483.0</b> | <b>€6.5</b> |
| Equity attributable to perpetual notes investors                              | 1,563.9        |             | 1,173.3        |             |
| <b>EPRA NAV including perpetual notes</b>                                     | <b>9,504.9</b> | <b>€8.6</b> | <b>7,656.3</b> | <b>€7.6</b> |
| Basic amount of shares, including in-the-money dilution effects (in millions) | 1,109.5        |             | 1,004.5        |             |

## EPRA NAV (in €bn)



## EPRA NAV per share (in €)



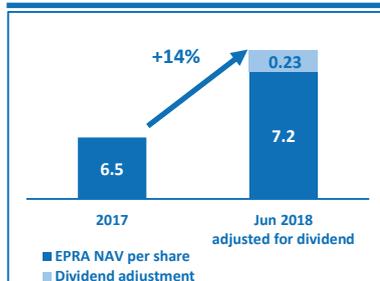
1) Including hedge reserves and balances in assets held for sale

2) Including balances in assets held for sale

| in € millions unless otherwise indicated | NAV            | EPRA NAV     | EPRA NAV including perpetual notes | EPRA NNAV      |
|--|----------------|--------------|------------------------------------|----------------|
| <b>Jun 2018</b>                          | <b>8,228.2</b> | <b>7,941</b> | <b>9,504.9</b>                     | <b>7,754.8</b> |
| <b>Jun 2018 per share (in €)</b>         | <b>€7.4</b>    | <b>€7.2</b>  | <b>€8.6</b>                        | <b>€7.0</b>    |
| <b>Per share growth</b>                  | <b>+4%</b>     | <b>+14%*</b> | <b>+13%</b>                        | <b>+13%</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            |

\*dividend adjusted, (11% net of dividend paid)

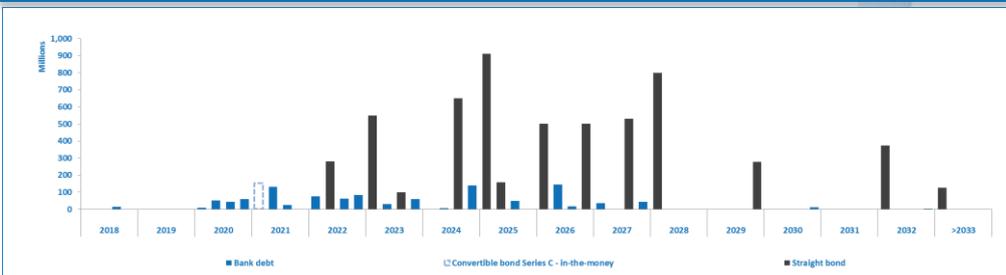
## EPRA NAV per share, dividend adjusted (in €)



# CONSERVATIVE CAPITAL STRUCTURE



## Debt maturity profile

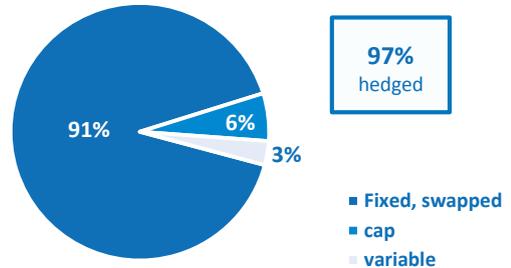


## Proactive debt management

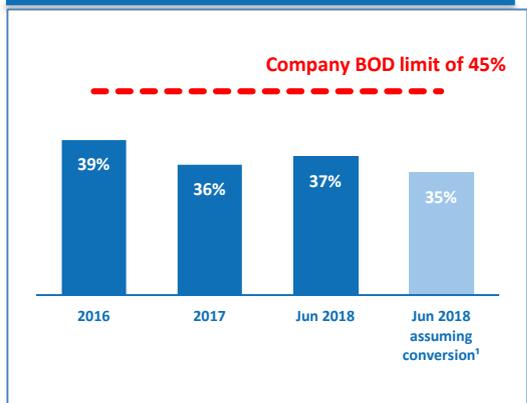
**Debt maturity**  
7.4 years average maturity

**Cost of debt**  
1.7%  $\emptyset$  cost of debt

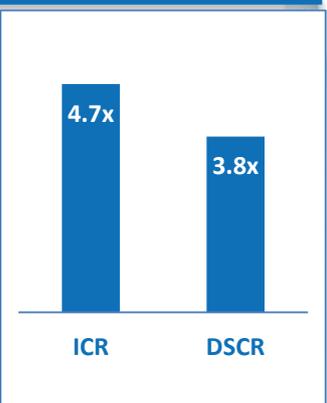
## Hedging structure



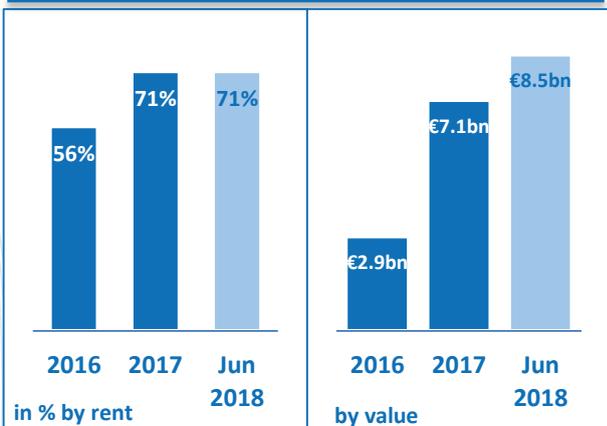
## Loan-to-Value



## Strong cover ratios 1-6/2018



## Unencumbered assets



<sup>1</sup> assuming conversion of convertible bonds which are deep in the money. After the reporting date another €105 million of convertible bonds have been submitted for conversion

# I. BEST IN CLASS FINANCIAL RATIOS AMONG PEERS

# II. HIGHEST RATED IN GERMAN COMMERCIAL REAL ESTATE

Financial risk profile

|                   | 1<br>Minimal | 2<br>Modest | 3<br>Intermediate   | 4<br>Significant                        | 5<br>Aggressive | 6<br>High Leveraged |
|-------------------|--------------|-------------|---|---|-----------------|---------------------|
| 1<br>Excellent    | aaa/<br>aa+  | aa          | a+/a  | a-                                      | bbb             | bbb-<br>/bb+        |
| 2<br>Strong       | aa/<br>aa-   | a+/a        | (DW) <b>A</b> (Klepierre)<br><b>← A- (Aaroundtown)</b><br><b>BBB+ (GCP)</b><br>(Icade) (Gecina) | (Vonovia- BBB+)*<br><b>BBB</b><br>(FDR) | bb+             | bb                  |
| 3<br>Satisfactory | a/a-         | bbb+        | (Alstria) <b>BBB/BBB-</b>   | bbb-/bb+                                | bb              | b+                  |
| 4<br>Fair         | bbb/<br>bbb- | bbb-        | bb+   | bb                                      | bb-             | b                   |
| 5<br>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

A large, abstract graphic made of many thin, light blue lines that flow and curve across the page, creating a sense of motion and depth. The lines are more densely packed in some areas, creating a gradient effect.

# OPERATIONS AND PORTFOLIO

## Portfolio breakdown per asset type

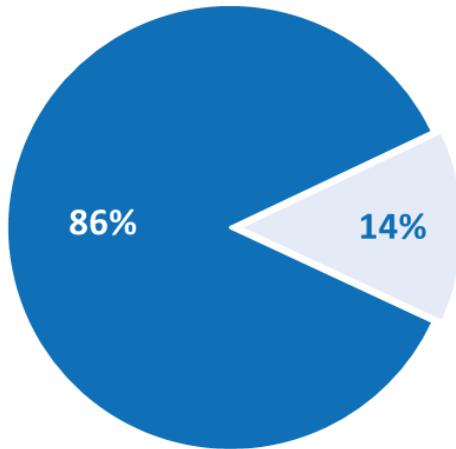
|                                     | Investment properties (in €M) | Area (in 000' sqm) | EPRA vacancy | Annualized net rent (in €M) | In-place rent per sqm (in €) | Value per sqm (in €) | Rental yield |
|-------------------------------------|-------------------------------|--------------------|--------------|-----------------------------|------------------------------|----------------------|--------------|
| Office                              | 6,371                         | 2,726              | 11.0%        | 324                         | 10.8                         | 2,338                | 5.1%         |
| Hotel                               | 2,796                         | 969                | 5.4%         | 136                         | 13.3                         | 2,885                | 4.9%         |
| Retail                              | 877                           | 448                | 9.2%         | 56                          | 10.6                         | 1,957                | 6.4%         |
| Logistics/Wholesale/Other           | 1,177                         | 1,377              | 5.3%         | 71                          | 4.5                          | 855                  | 6.0%         |
| Land for development & other rights | 663                           |                    |              |                             |                              |                      |              |
| <b>Total June 2018</b>              | <b>11,884</b>                 | <b>5,520</b>       | <b>8.9%</b>  | <b>587</b>                  | <b>9.5</b>                   | <b>2,033</b>         | <b>5.2%</b>  |

## Portfolio breakdown per region

|                                     | Investment properties (in €M) | Area (in 000' sqm) | EPRA vacancy | Annualized net rent (in €M) | In-place rent per sqm (in €) | Value per sqm (in €) | Rental yield |
|-------------------------------------|-------------------------------|--------------------|--------------|-----------------------------|------------------------------|----------------------|--------------|
| Berlin                              | 2,330                         | 805                | 6.9%         | 92                          | 10.2                         | 2,894                | 3.9%         |
| Frankfurt                           | 1,428                         | 508                | 16.1%        | 57                          | 11.3                         | 2,810                | 4.0%         |
| Munich                              | 766                           | 262                | 7.6%         | 34                          | 10.8                         | 2,926                | 4.4%         |
| NRW                                 | 1,309                         | 952                | 9.5%         | 82                          | 7.3                          | 1,376                | 6.3%         |
| Hamburg                             | 447                           | 258                | 5.4%         | 25                          | 8.6                          | 1,732                | 5.5%         |
| London                              | 459                           | 68                 | 13.0%        | 19                          | 29.9                         | 6,777                | 4.2%         |
| Amsterdam                           | 437                           | 137                | 6.6%         | 23                          | 14.0                         | 3,179                | 5.2%         |
| Hannover                            | 372                           | 258                | 6.0%         | 22                          | 7.5                          | 1,439                | 5.9%         |
| Wiesbaden/Mainz/Mannheim            | 357                           | 168                | 5.6%         | 22                          | 10.9                         | 2,131                | 6.2%         |
| Stuttgart/BB                        | 380                           | 199                | 11.9%        | 21                          | 10.8                         | 1,912                | 5.5%         |
| Dresden/Leipzig                     | 243                           | 131                | 4.6%         | 13                          | 8.9                          | 1,856                | 5.6%         |
| Rotterdam                           | 276                           | 138                | 6.9%         | 22                          | 13.3                         | 2,003                | 7.8%         |
| Utrecht                             | 286                           | 135                | 8.4%         | 18                          | 11.1                         | 2,117                | 6.5%         |
| Other                               | 2,131                         | 1,501              | 8.5%         | 137                         | 8.4                          | 1,420                | 6.4%         |
| Land for development & other rights | 663                           |                    |              |                             |                              |                      |              |
| <b>Total June 2018</b>              | <b>11,884</b>                 | <b>5,520</b>       | <b>8.9%</b>  | <b>587</b>                  | <b>9.5</b>                   | <b>2,033</b>         | <b>5.2%</b>  |

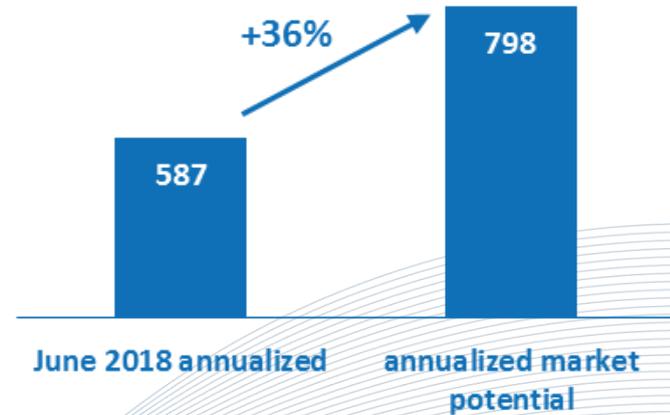
# COMMERCIAL PORTFOLIO – POTENTIAL TO COME

Commercial in-place rent  
compared to market rent prices



■ below market rent   ■ at market rent

Commercial June annualized Rental Income vs.  
Market potential including vacancy reduction



Large upside potential from rent increases to market levels with very limited downside risk



Long lease terms with a WALT of 7.4 years as of June 2018



Upside in value – conservative property valuations with current values at less than half of replacement costs

# TOP TIER GERMAN/NL CITIES (JUN 2018)

## Commercial asset type breakdown

Office 57%

Hotel 24%



### Top 5 office locations

1. Berlin 18%
2. Frankfurt 17%
3. Munich 12%
4. NRW 9%
5. Amsterdam 6%

### Top 5 hotel locations

1. Berlin 27%
2. NRW 11%
3. London 10%
4. Frankfurt 8%
5. Stuttgart/BB 4%



London

**4%**  
of portfolio  
4.2% yield  
€6,777/sqm

Amsterdam  
**4%**  
of portfolio  
5.2% yield  
€3,179/sqm

Utrecht  
**2%**  
of portfolio  
6.5% yield  
€2,117/sqm

Rotterdam  
**2%**  
of portfolio  
7.8% yield  
€2,003/sqm

Hannover  
**3%**  
of portfolio  
5.9% yield  
€1,439/sqm

Wiesbaden/  
Mainz/  
Mannheim  
**3%**  
of portfolio  
6.2% yield  
€2,131/sqm

Stuttgart  
**3%**  
of portfolio  
5.5% yield  
€1,912/sqm

Hamburg  
**6%**  
of portfolio  
5.5% yield  
€1,732/sqm

**Berlin**  
**22%**  
of portfolio  
**3.9% yield**  
**€2,894/sqm**

Dresden/  
Leipzig  
**2%**  
of portfolio  
5.8% yield  
€1,856/sqm

**Munich**  
of portfolio  
**8%**  
4.4% yield  
€2,926/sqm

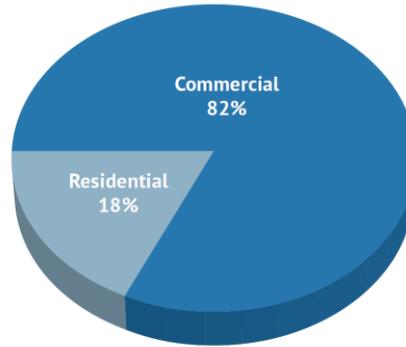
Others\*  
of portfolio  
**17%**  
6.4% yield  
€1,420/sqm

**NRW**  
**11%**  
of portfolio  
6.3% yield  
€1,376/sqm

**Frankfurt**  
of portfolio  
**13%**  
4.0% yield  
€2,810/sqm

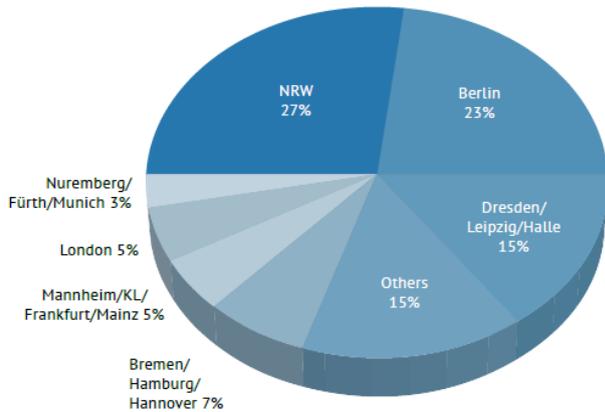
\* Others includes, Brussels, Rome, Vienna, Bremen, Nuremberg, Kassel and others

## Asset Type Breakdown

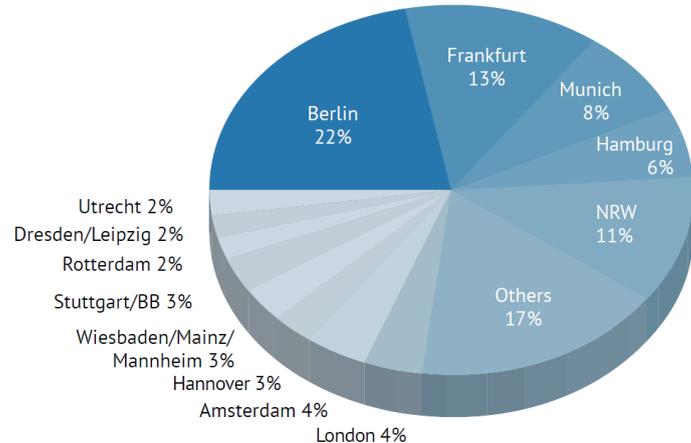


accounting for 38% holding in GCP

## Residential geographical breakdown



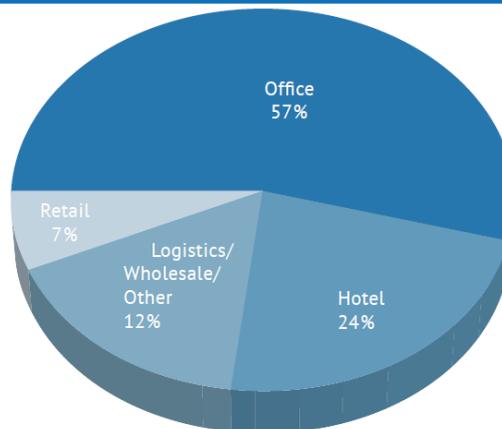
## Commercial geographical breakdown



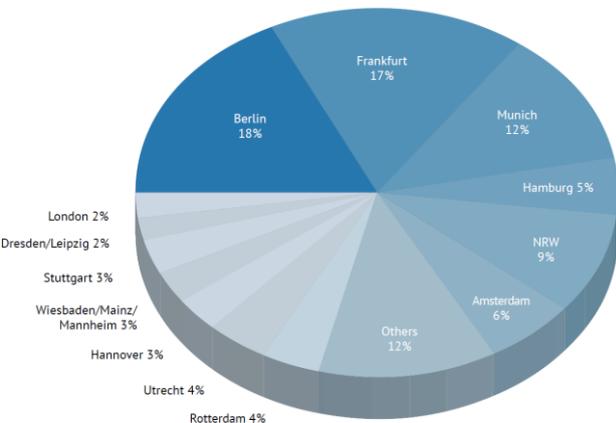
\* all breakdowns are by value

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

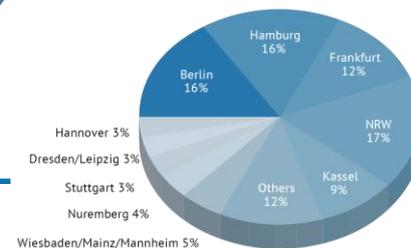
## Commercial asset type breakdown



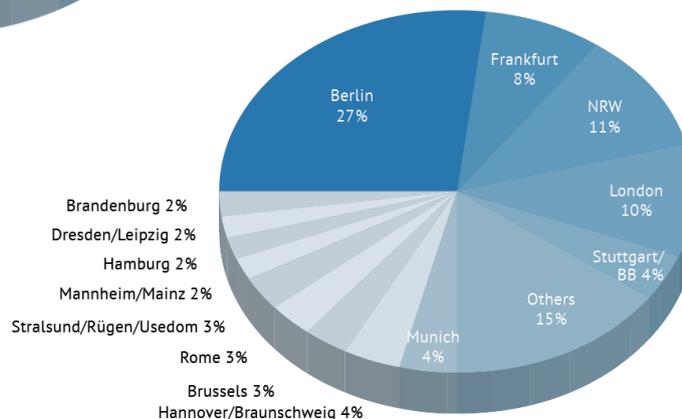
## Office geographical breakdown - €6.4bn



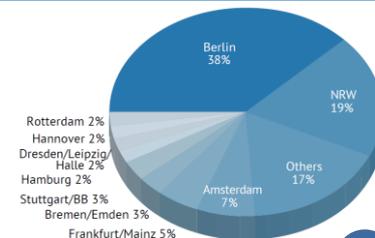
## Logistic/Wholesale/Other geographical breakdown - €1.2bn



## Hotel geographical breakdown - €2.8bn



## Retail geographical breakdown - €0.9bn



\* all breakdowns are by value

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

- Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, 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



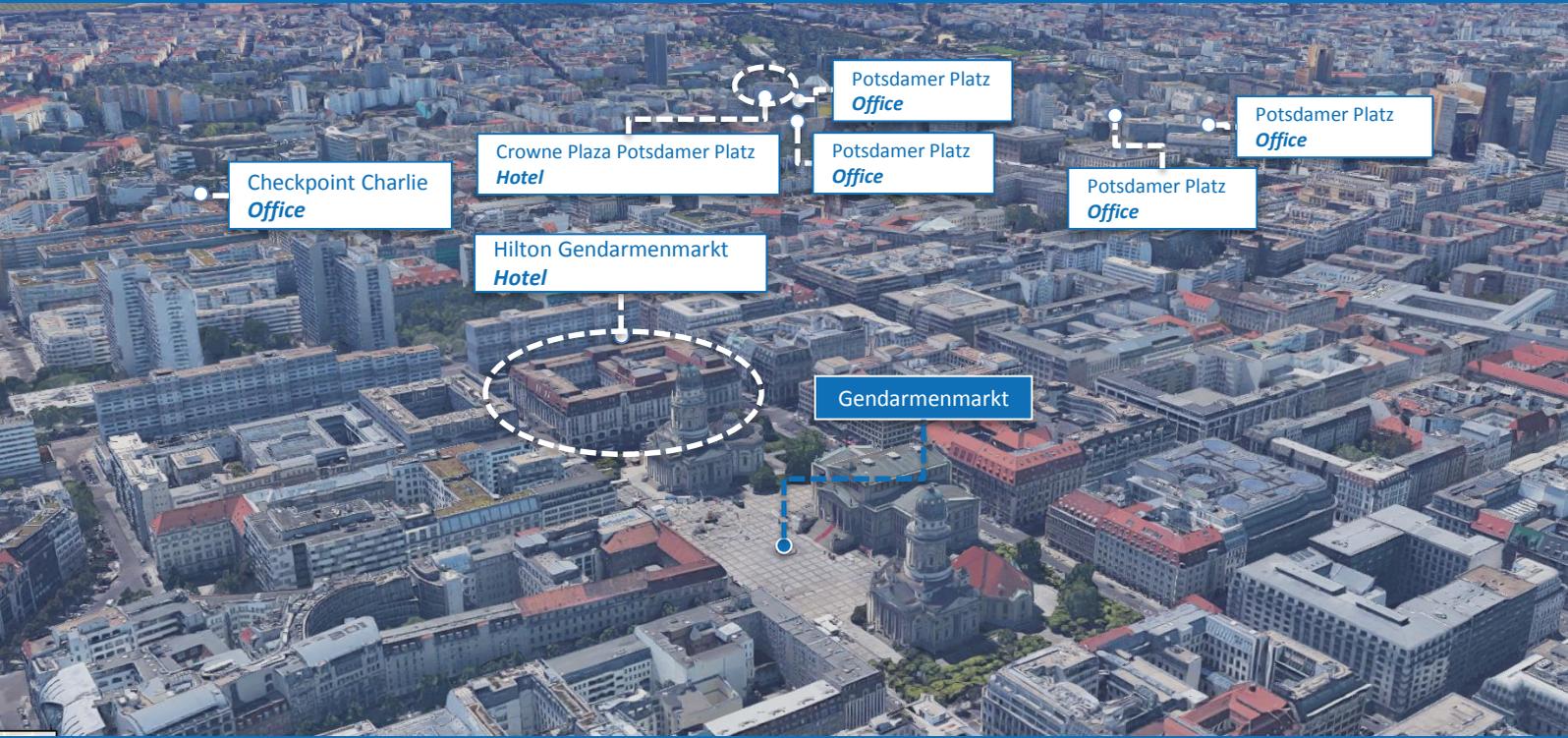
◆◆ Commercial properties

◆◆ Residential properties

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

# Berlin

## Potsdamer Platz: The prime commercial and tourist center



# Berlin

landmark

property

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



Berlin City Center Mitte  
*Retail/Office*

Moxy by Marriot Berlin Mitte  
(Gesundbrunnen)  
*Hotel*

AC Hotel by Marriot Berlin Mitte  
(Gesundbrunnen)  
*Hotel*

Potsdamer Platz

Berlin Center  
Charlottenburg  
*Office*

Berlin City Center Mitte  
*Office Campus*

Berlin Tiergarten  
*Hotel*

KuDamm  
*Office*

Berlin Center Charlottenburg  
*Residential (GCP)*

Kurfürstendamm  
(Ku'Damm)

KuDamm KaDeWe  
*Residential (GCP)*

Ku'damm - Adenauerplatz  
*Residential (GCP)*

Ku'Damm Mark  
Apart  
*Hotel*

Ku'damm /Uhlandstr.  
*Office*

Ku'damm - Adenauerplatz  
*Office*

Ku'damm / Lietzenburger Str.  
*Residential (GCP)*

# 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  
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 2,800 tenants

-Top 10 tenants represent less than 20% of rent

-Long lease terms

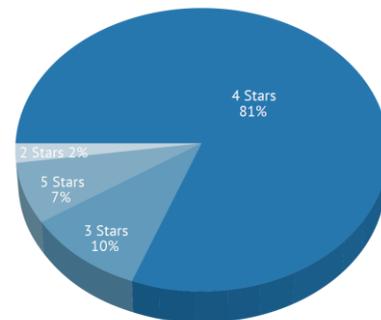
-Portfolio WALT as of June 2018:

| Office    | Hotel      | Retail    | Logistics/Whole sale/Other | Total     |
|-----------|------------|-----------|----------------------------|-----------|
| 4.5 years | 15.9 years | 4.7 years | 7 years                    | 7.4 years |



# HIGHLY PERFORMING HOTEL LOCATIONS

Hotels by category (by value)



- ➔ Well diversified portfolio of approx. 100 hotels totaling €2.8bn and 969k sqm as of June 2018
- ➔ High proportion (81%) 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

- Hilton Berlin Gendarmenmarkt Prime Center (601 rooms)



- InterContinental Frankfurt Prime Center (473 Rooms)



- Hilton London Hyde Park Prime Center (132 rooms)



- Crowne Plaza Berlin Prime Center Potsdamer Platz (256 Rooms)



- Marriott/Moxy Berlin Mitte (231 Rooms)



- ex-Sheraton Brussels Prime Center (533 Rooms)

- Sheraton Rome (640 Rooms)



- Hilton London Chelsea (172 rooms)



- Hilton Edinburgh Royal Mall Prime Center (211 rooms)



- Hilton Dublin Liffey Quays (324 rooms)



- Crowne Plaza Düsseldorf/Neuss (246 Rooms)

- DoubleTree by Hilton London Center Angel/King's-Cross (373 Rooms)



- Holiday Inn Dresden Prime Center (144 Rooms)



- Crowne Plaza Frankfurt Congress Hotel (396 rooms)



- Wyndham Garden Düsseldorf Prime Center Königsallee (82 Rooms)



- Mark Apart Berlin Prime Center Ku'damm (120 Rooms)

- Schlosshotel Grunewald Charlottenburg Berlin (54 Rooms)

- Radisson Blu Prime Center Baden-Baden (162 Rooms)



- Mercure/Ibis Munich Conference Center Messe (304 Rooms)

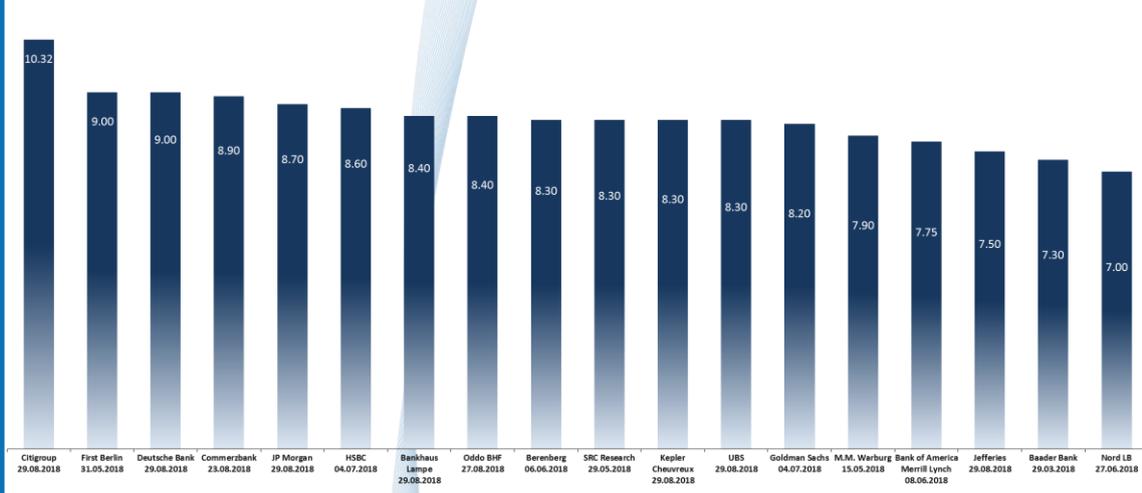


# APPENDIX

# EQUITY ANALYST RESEARCH COVERAGE

## Covering Analysts

## Analyst Research Target Price



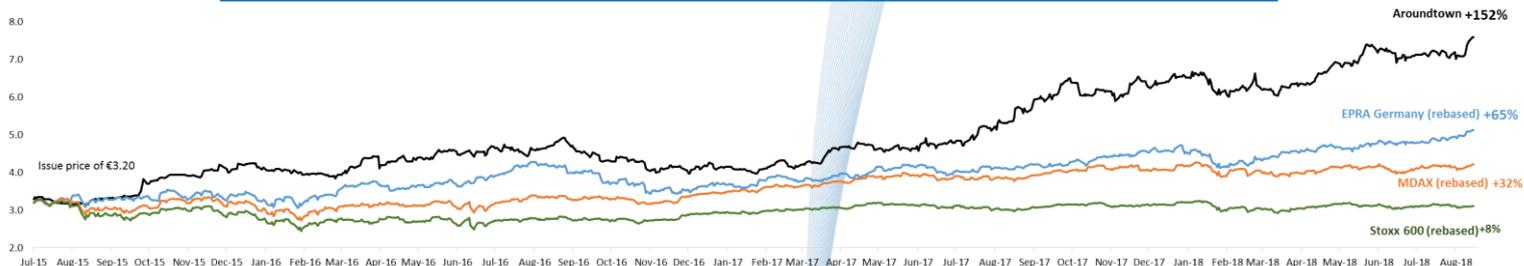
### Key index inclusions:

- MDAX
- FTSE EPRA/NAREIT
- STOXX Europe 600
- GPR 250
- DIMAX

- Global Developed
- Europe Developed
- Eurozone
- Germany

# AROWNTOWN'S SHARE

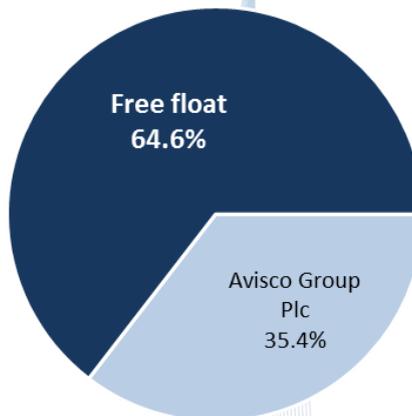
## Share performance and total return since initial placement of capital (13.7.2015)



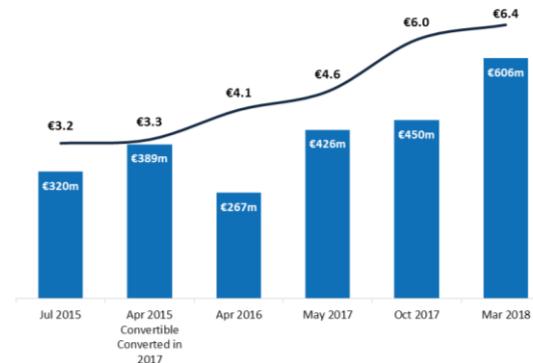
### The share

|  |   |
|--|---|
| Placement  | Frankfurt Stock Exchange (Prime Standard) |
| First equity issuance  | 13.07.2015 (€3.2 per share)               |
| Number of shares (basic)   | 1,077,355,754                             |
| Number of shares incl. dilution effect of Series B (conversion price of €3.17) | 1,086,449,247                             |
| Number of shares fully diluted (Series C conversion price €5.33)               | 1,122,328,138                             |
| Free float   | 64.6%                                     |
| Free float including conversion of Series B                                    | 64.9%                                     |
| Fully diluted free float   | 66%                                       |
| Symbol (Xetra)   | AT1                                       |
| Market cap (28/08/2018)  | €8.2 bn (€7.6 share price)                |

### Shareholder structure



### Share issue price/volume development



# AROWNTOWN'S BOND PERFORMANCE

## Convertible bond Series C performance since placement (15.12.2015)

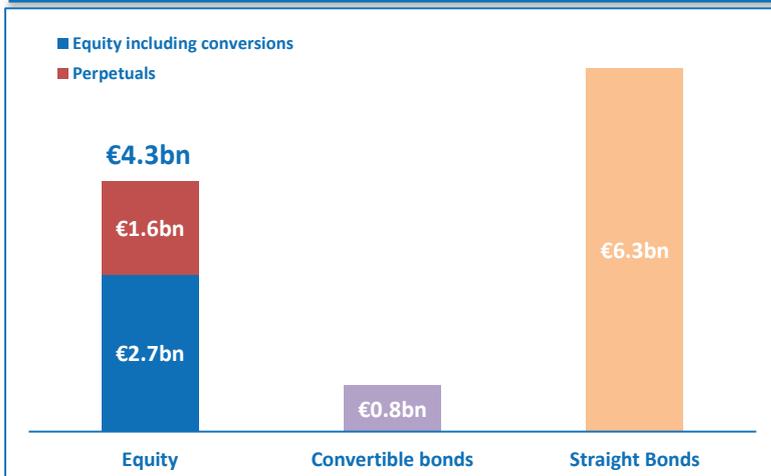


## Spread over mid-€-swap for straight bonds A and D, remaining 4 years

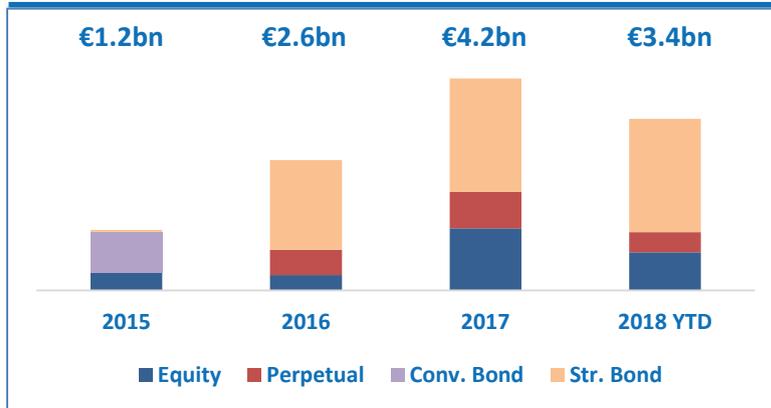


# CAPITAL MARKET ACTIVITY

## Capital market activity per issuance type 2015-2018 YTD



## Capital market activity per year



Largest European real estate issuer in 2016 and 2017

## Major index inclusions in 2017/2018



## Equity and bond bookrunners





In 2018, Arowntown issued its first annual sustainability report, for the year 2017, demonstrating the Company’s commitment to sustainability and can be found on its website [aroundtown.de/sustainability](http://aroundtown.de/sustainability). The report is aimed at the Group’s investors, tenants, employees, business partners and other stakeholders.

## ESG Development - Sustainability Score

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

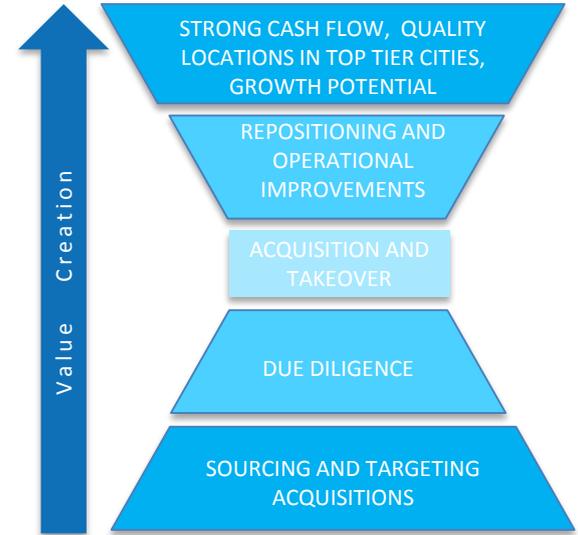
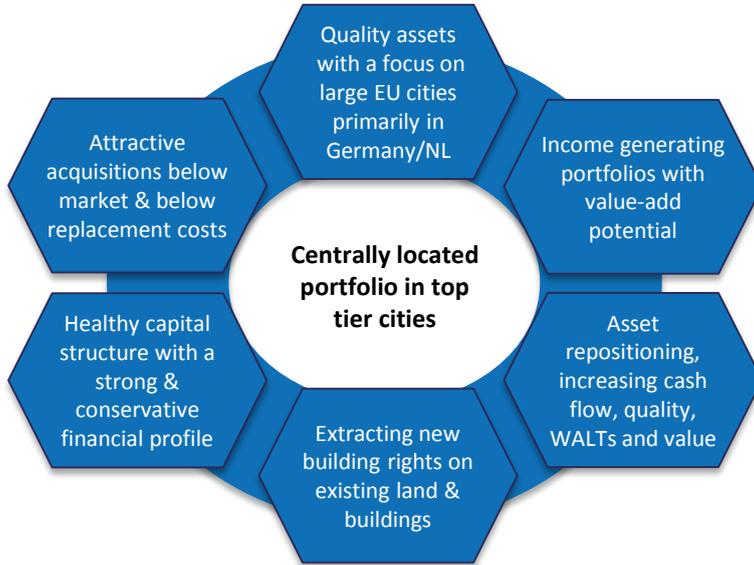


Arowntown received the **EPRA BPR Gold** award in September 2017, the highest standard for financial reporting

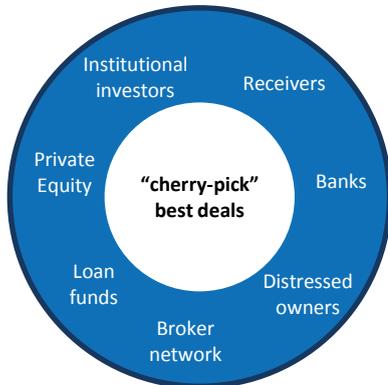


|  |                             |              |
|--|-----------------------------|--------------|
| Overall score  |                             |              |
| August 2017  |                             |              |
| 88 <sup>th</sup> Percentile<br>AT is ranked <b>#35</b> among 280 real estate peers |                             |              |
| Environment  | 83 <sup>rd</sup> percentile | Outperformer |
| Social   | 93 <sup>rd</sup> percentile | Outperformer |
| Governance   | 79 <sup>th</sup> percentile | Outperformer |

# STRATEGY AND BUSINESS MODEL



## Diversified and large base deal sources



## Acquisition criteria

- Acquisitions focus in central locations in top tier German/NL 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

## 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.

## 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 Rosen**



**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.

**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 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 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.

**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, Dawney Day Property Investment and IKB Deutsche Industriebank. MBA

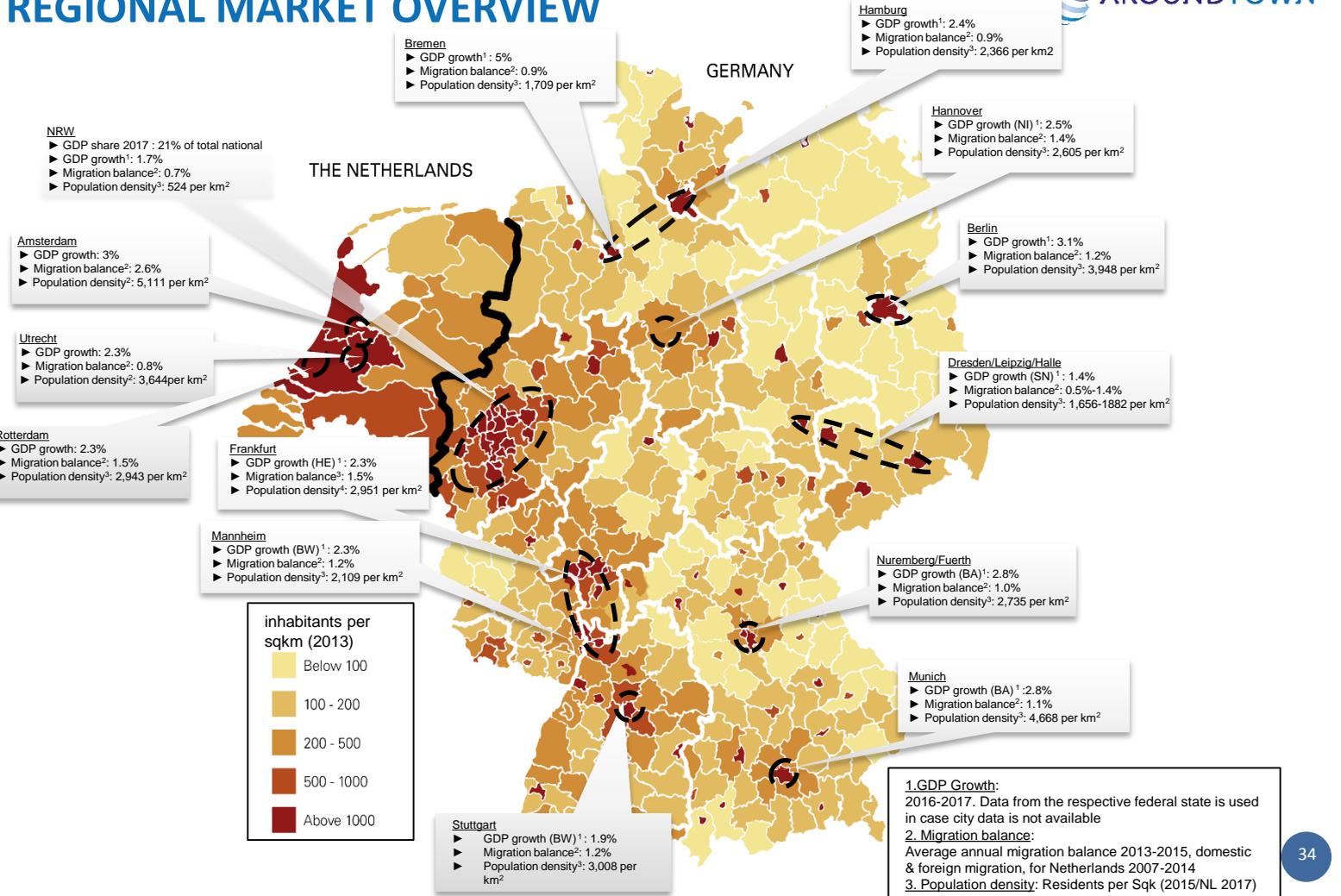
**Jelena Ebner**  Head of Transaction Management. Jelena worked for Hudson Advisors and later at Dundee International as an Asset Manager. Coming from a property management background, Jelena has experience in all asset types. BA and training as Real Estate Manager

**Christian Hupfer**  Financial 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 RöverBrönner 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.

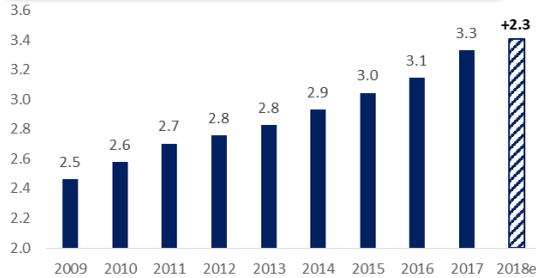
**Sylvie Lagies**  Head of ESG. Held positions as Hotel General Manager, Corporate Project Manager and Head of Training and Development. Former roles were Head of Franchise Development and Training for Domino's Pizza Germany, Director of Business Development for Precise Hotel Collection in Germany.

# REGIONAL MARKET OVERVIEW



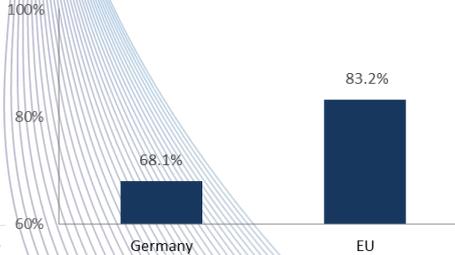
# GERMANY – GROWING AND STRONG ECONOMY

## German GDP Development (€ trillion)



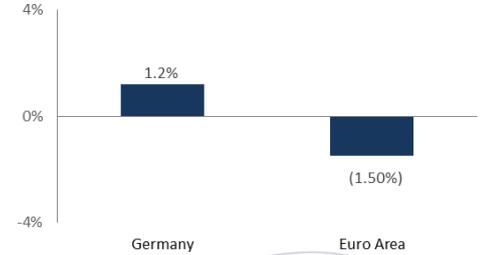
Source: eurostat, forecast based on the European Commission, Winter 2018 forecast

## Debt/GDP 2016



Source: Eurostat

## Budget Surplus/Deficit 2017



Source: eurostat

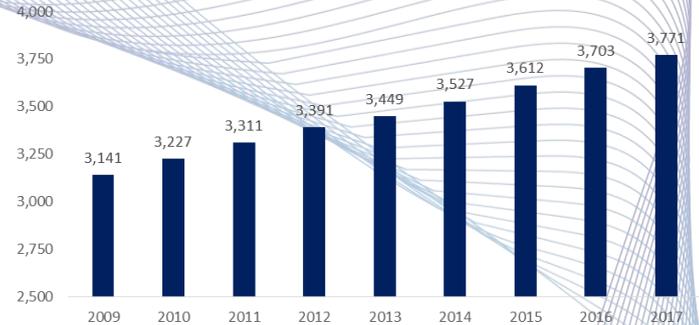
**Germany has a growing GDP paired with a strong budget discipline...**

## People in employment and unemployment rate



Source: destatis

## Development of real wages (in €)

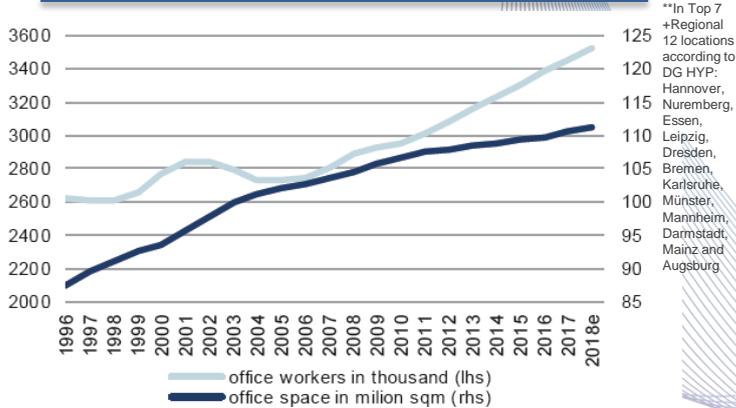


Source: destatis, industry and service sector excluding bonuses

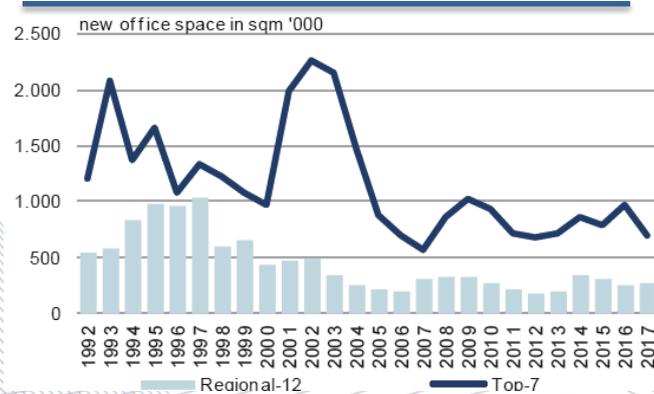
**... and a strong labour market, especially compared to the rest of the EU**

# GERMAN OFFICE MARKET LOW SUPPLY AND STRONG DEMAND...

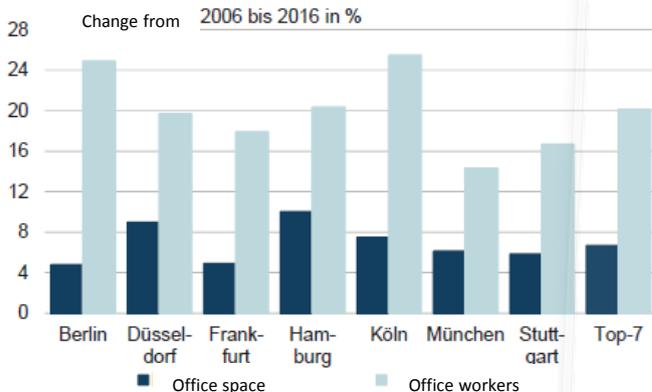
## Office employment outpaces office space\*\*



## Low addition of new office space\*\*

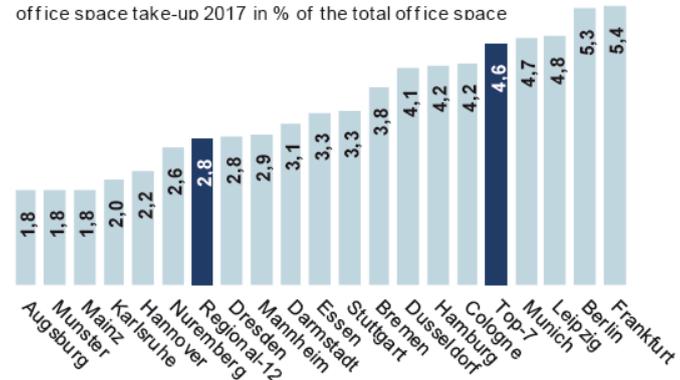


## Continuously strong demand at low supply...



## ...resulting in high office take-up rate although low vacancy...

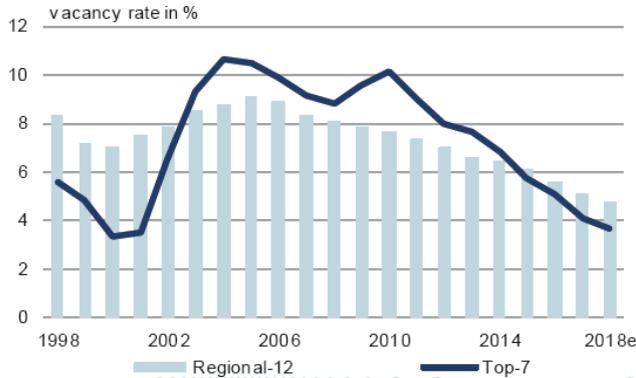
office space take-up 2017 in % of the total office space



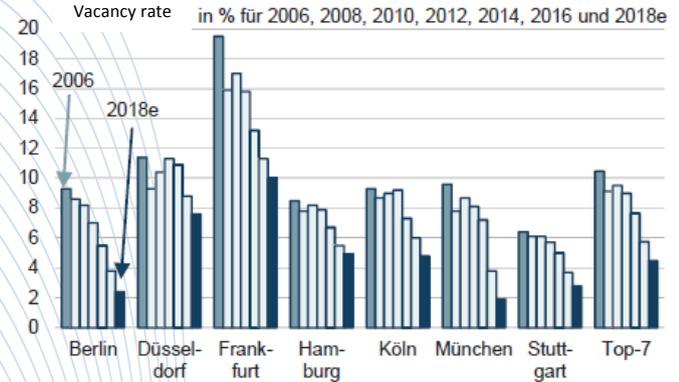
# GERMAN OFFICE MARKET

## ...LEAD TO INCREASING RENTS AND OCCUPANCY

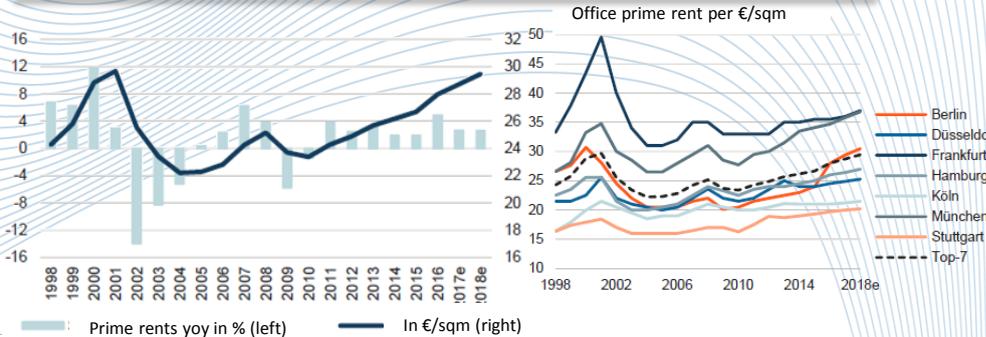
...reducing vacancy...



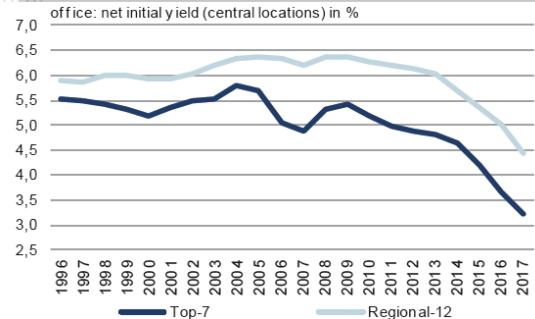
...across Germany...



...putting upward pressure on rents...



...driving office net initial yields down...



# NETHERLANDS OFFICE MARKET

## ...RESULTING FROM FAVOURABLE DEVELOPMENTS

Current trends show very favourable market developments...

Office Employment  
2015 -> 2016



Office take-up  
2016 -> 2017



Total Office Space  
2016 - 2017



Available Vacant space  
2016 - 2017



Passing rents\*  
2016 - 2017



\*Excl. incentives

The Netherlands' office market provides further diversification opportunities. Furthermore, there is benefit from exposure to varied property markets that are less correlated and are at different stages of the cycle.

...especially in Amsterdam

Office Employment  
2015 -> 2016



Office take-up  
2016 -> 2017



Total Office Space  
2016 - 2017



Available Vacant space  
2016 - 2017



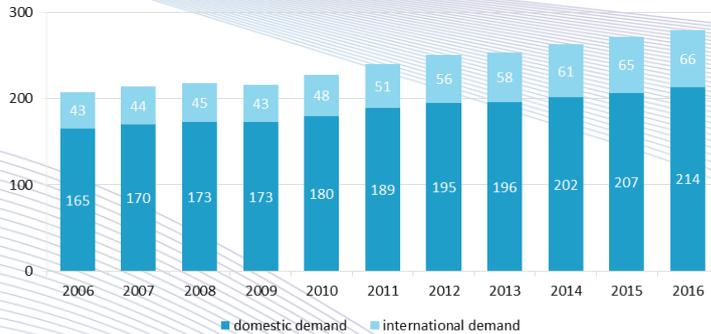
Passing rents\*  
2016 - 2017



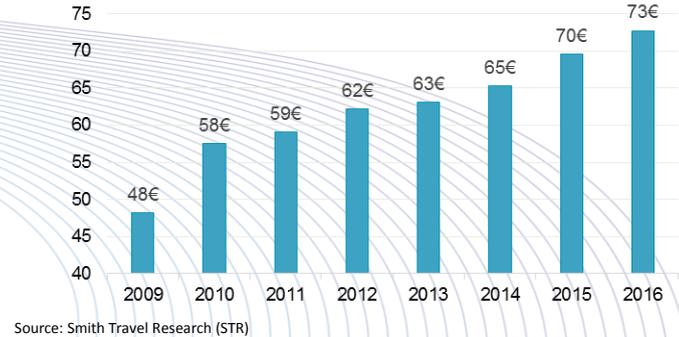
\*Excl. incentives

# HOTEL MARKET OVERVIEW

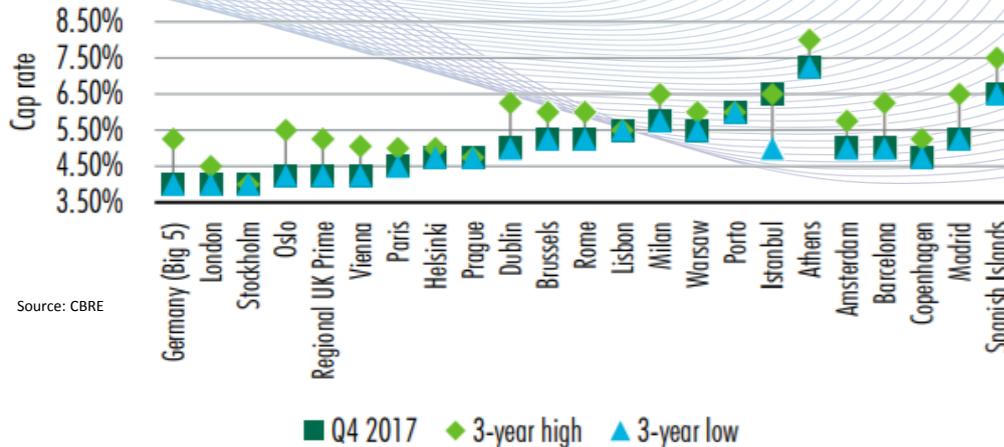
## Overnight stays across all hotel accommodation types in Germany



## RevPar development in Germany

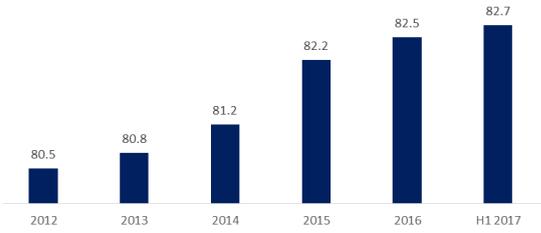


## Hotel operational leases yields across Europe

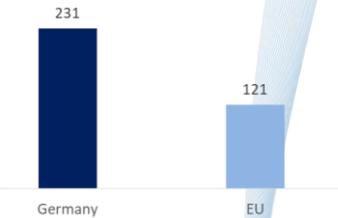


# MACRO FUNDAMENTALS SUPPORT GCP

## Population development



## Population density H1 2017 (persons per sqkm)

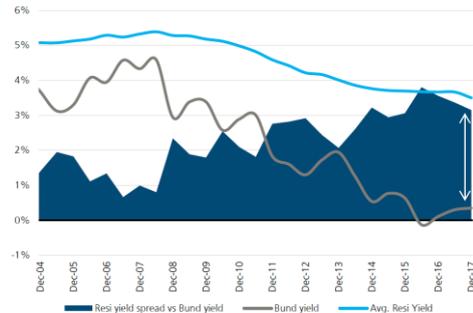


Source: destatis

➔ 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

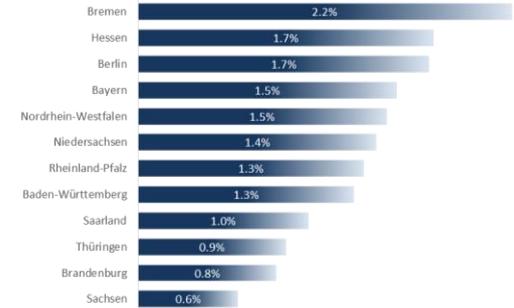


Source: UBS

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

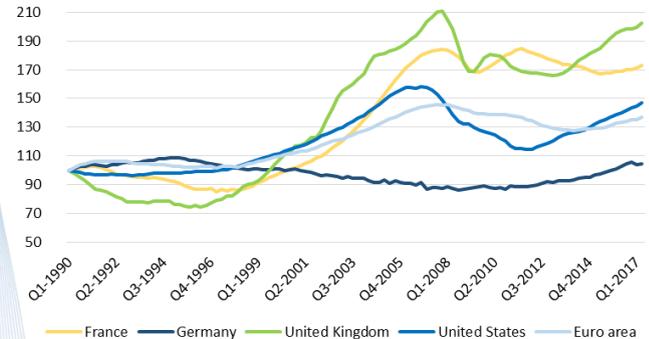
## Annualized growth in rent price index\*



\* 2012-2017

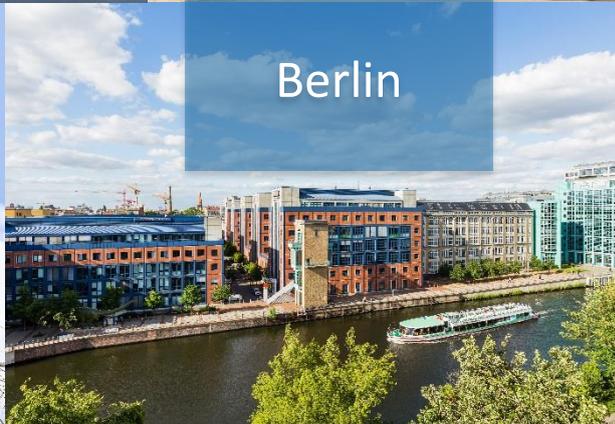
Source: destatis

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



Source: OECD

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





Frankfurt





Munich



Cologne



Cologne



Düsseldorf



Düsseldorf



Düsseldorf



Düsseldorf



Düsseldorf



Dortmund



Duisburg



Dortmund



Essen



Essen







Stuttgart  
Baden-Baden





Hamburg



# DISCLAIMER

## **IMPORTANT:**

This presentation has been provided for information purposes only and is being circulated on a confidential basis. This presentation shall be used only in accordance with applicable law, e.g. regarding national and international insider dealing rules, and must not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipient to any other person. Receipt of this presentation constitutes an express agreement to be bound by such confidentiality and the other terms set out herein. This presentation includes statements, estimates, opinions and projections with respect to anticipated future performance of the Group ("forward-looking statements"). All forward-looking statements contained in this document and all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of Aroundtown SA or any corporation affiliated with Aroundtown SA (the "Group") only represent the own assessments and interpretation by Grand City Properties S.A. of information available to it as of the date of this document. They have not been independently verified or assessed and may or may not prove to be correct. Any forward-looking statements may involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that they will be achieved as described. Tables and diagrams may include rounding effects. This presentation is intended to provide a general overview of the Group's business and does not purport to deal with all aspects and details regarding the Group. Accordingly, neither the Group nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither the Group nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. Aroundtown SA does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.