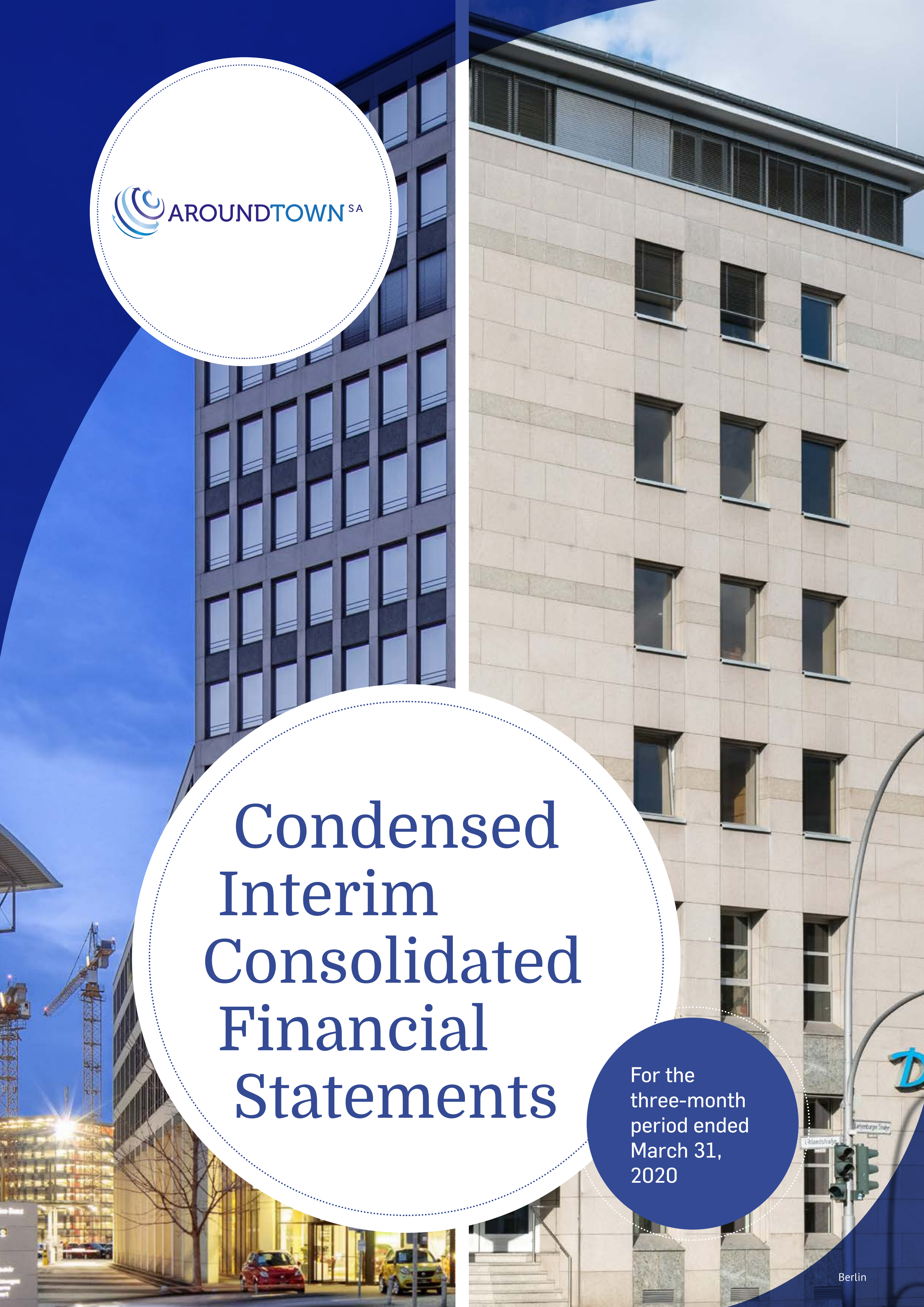
AROUNDTOWN SA

Condensed Interim Consolidated Financial Statements

For the three-month period ended March 31, 2020



Berlin

Frankfurt

Content

Key Financials

Utrecht

Key Financials

in € millions unless otherwise indicated	**1-3/2020 [3]**	change	1-3/2019
Revenue	**277.7**	34%	207.5
Net rental income	**235.7**	33%	177.6
Adjusted EBITDA [1]	**237.2**	32%	179.6
FFO I [1] [2]	**147.4**	25%	118.1
FFO I per share (in €)	**0.114**	9%	0.105
FFO I per share after perpetual notes attribution (in €)	**0.098**	3%	0.095
FFO II	**169.7**	5%	161.1
ICR	**4.7x**	-	4.7x
Profit for the period	**245.7**	(44%)	436.9
EPS (basic) (in €)	**0.14**	(61%)	0.36
EPS (diluted) (in €)	**0.14**	(61%)	0.36

1) including AT's share in companies which AT has significant influence, excluding the contributions from commercial assets held for sale
2) excluding FFO I attributable to minorities
3) consolidated with TLG as of 19/02/2020

in € millions unless otherwise indicated	**Mar 2020 [3]**	Dec 2019	Dec 2018
Total Assets	**32,261.0**	25,444.7	19,040.8
Total Equity	**16,248.0**	13,378.9	9,944.3
Investment property	**23,155.5**	18,127.0	14,174.0
Cash and liquid assets [1]	**3,042.0**	3,043.8	1,600.6
Unencumbered assets ratio [2]	**74%**	81%	72%
Equity Ratio	**50%**	53%	52%
Loan-to-Value	**36%**	34%	35%

1) including cash and liquid assets under held for sale
2) by rent
3) consolidated with TLG as of 19/02/2020

Net Asset Value

in € millions unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Mar 2020	**15,137.3**	**12,137.3**	**15,246.4**	**11,886.5**
Mar 2020 per share (in €)	**11.0**	**8.8**	**11.0**	**8.6**
Per share growth	**+12%**	**+1%**	**+3%**	**+4%**
Number of shares (in millions, Mar 2020) [1]		**1,380.5**		
Dec 2019	11,942.8	10,633.4	13,117.4	10,139.3
Dec 2019 per share (in €)	9.8	8.7	10.7	8.3

1) excluding suspended voting rights and including the conversion impact of mandatory convertible notes, base for share KPI calculations

The Company

Munich

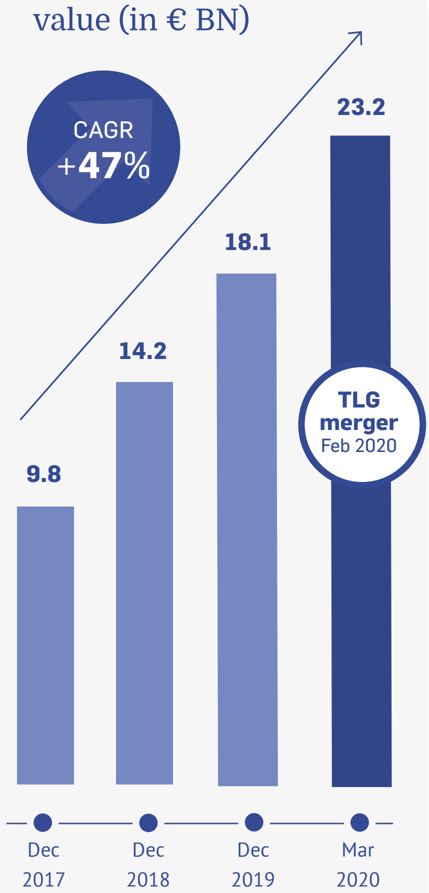
The Board of Directors of Aroundtown SA and its investees (the "Company", "Aroundtown" or "AT"), including associates (the "Group"), hereby submits the interim report as of March 31, 2020. The figures presented are based on the condensed interim consolidated financial statements as of March 31, 2020, unless stated otherwise.

Aroundtown SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities primarily in Germany and the Netherlands. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. The commercial properties are held by Aroundtown and the residential investment is held through a holding in Grand City Properties S.A. ("GCP"). GCP is a publicly traded real estate company that focuses on investing in value-add opportunities predominantly in the German residential real estate market. As of March 2020, the Company's holdings in GCP was 39.4%. In AT's financials, GCP is accounted for as an equity-accounted investee. The Group's unique business model and experienced management team led the Company to grow continuously since 2004.

Merger With TLG Concluded And Incorporated

Reinforcing the **DEFENSIVENESS** of the balance sheet

Investment property value (in € BN)



HIGH LIQUIDITY

€3bn cash and liquid assets, **9%** of total assets (as of March 2020), providing solid financial strength, flexibility and firepower. **€16.6bn** of unencumbered investment properties (**74%** of rent) provide additional flexibility and liquidity potential

DEFENSIVE DEBT PROFILE

Best-in-class debt profile: Long average debt maturity of **6.4** years, low cost of debt of **1.6%**, high hedge ratio of **95%**, high ICR of **4.7x**, large headroom to covenants and financial policies

HEALTHY CAPITAL STRUCTURE

Conservative financial structure maintained: Low LTV of **36%**, high equity ratio of **50%**, liquidity position is **5** times the debt maturing in the next 2 years. Strong BBB+ credit rating by S&P

STRONG PORTFOLIO

Merger enhances the scale and diversification. Focus on strong asset types: office, logistics/wholesale and residential make up **68%** of the portfolio. Focus on stable markets: **87%** of the portfolio is in Germany and the Netherlands with (AAA rated). High tenant diversification with long WALTs, no dependency on a single tenant or industry

Robust Cash Flow Generation Capacity Through:

STRONG OPERATIONAL PERFORMANCE

IN-PLACE RENT L-F-L
+3.2%
Mar 2020

TOTAL LIKE-FOR-LIKE
+3.7%
Mar 2020

OCCUPANCY L-F-L
+0.5%
Mar 2020

8.1 YEAR WALT

Long-term contracts with strong tenants

CAPITAL RECYCLING

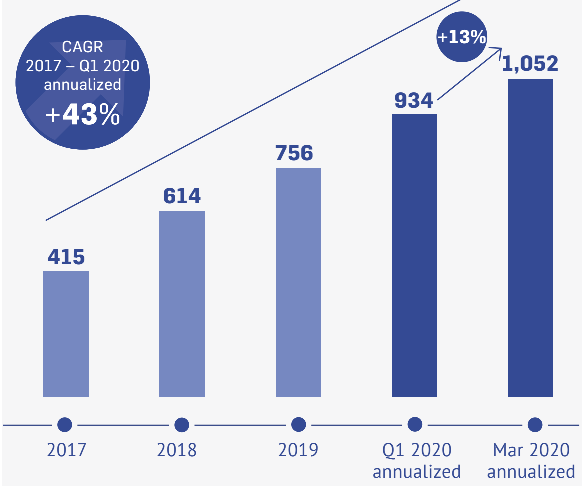
€55 million Q1 **DISPOSALS**

68% margin **OVER TOTAL COSTS**

supporting liquidity and portfolio quality

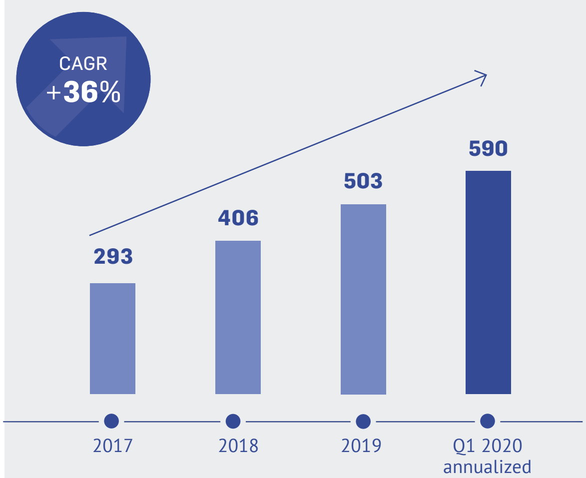
Strong cash flow generation and shareholder value creation

Recurring long-term net rental income (in € millions)

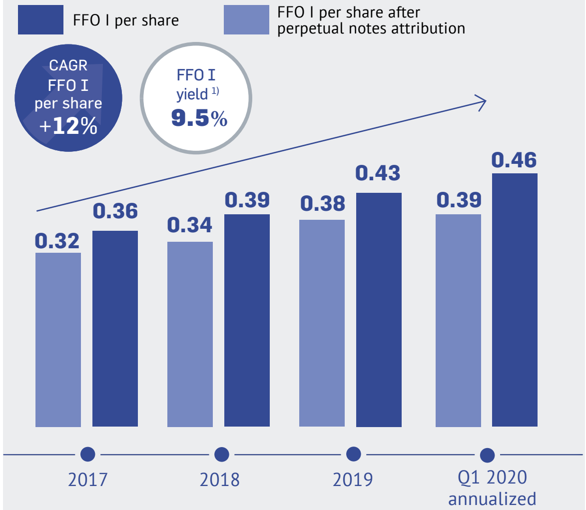


EXTERNAL GROWTH AND INTERNAL GROWTH POTENTIAL EXTRACTED CONTINUOUSLY TO GENERATE STRONG RECURRING CASH FLOWS LEADING TO LONG-TERM SHAREHOLDER VALUE CREATION

FFO I (in € millions)

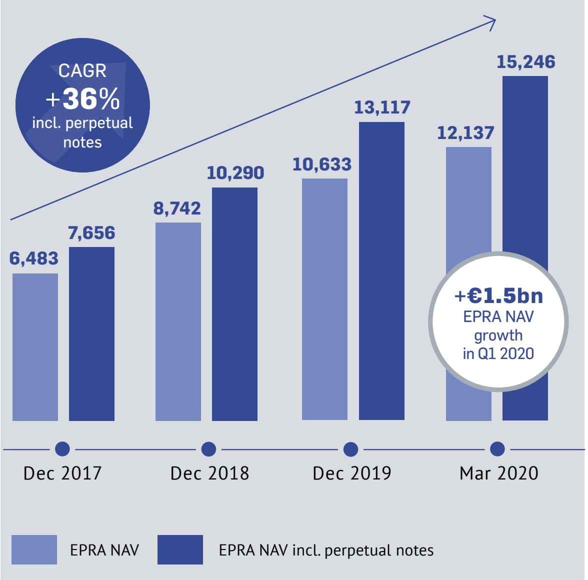


FFO I per share (in €)

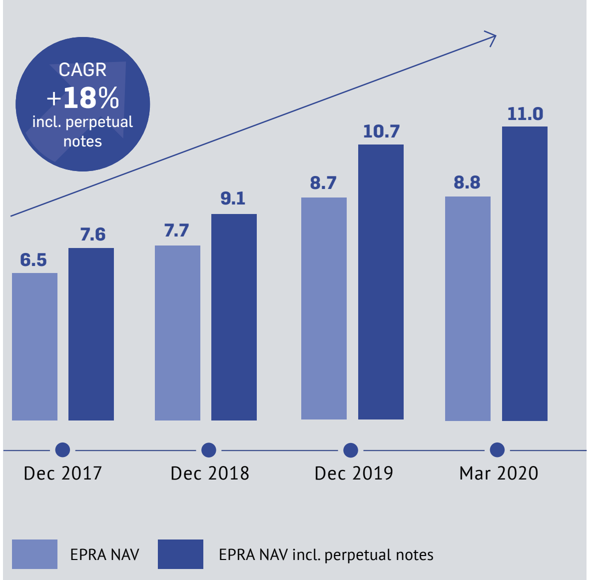


1) based on a share price of €4.84

EPRA NAV (in € millions)



EPRA NAV per share (in €)

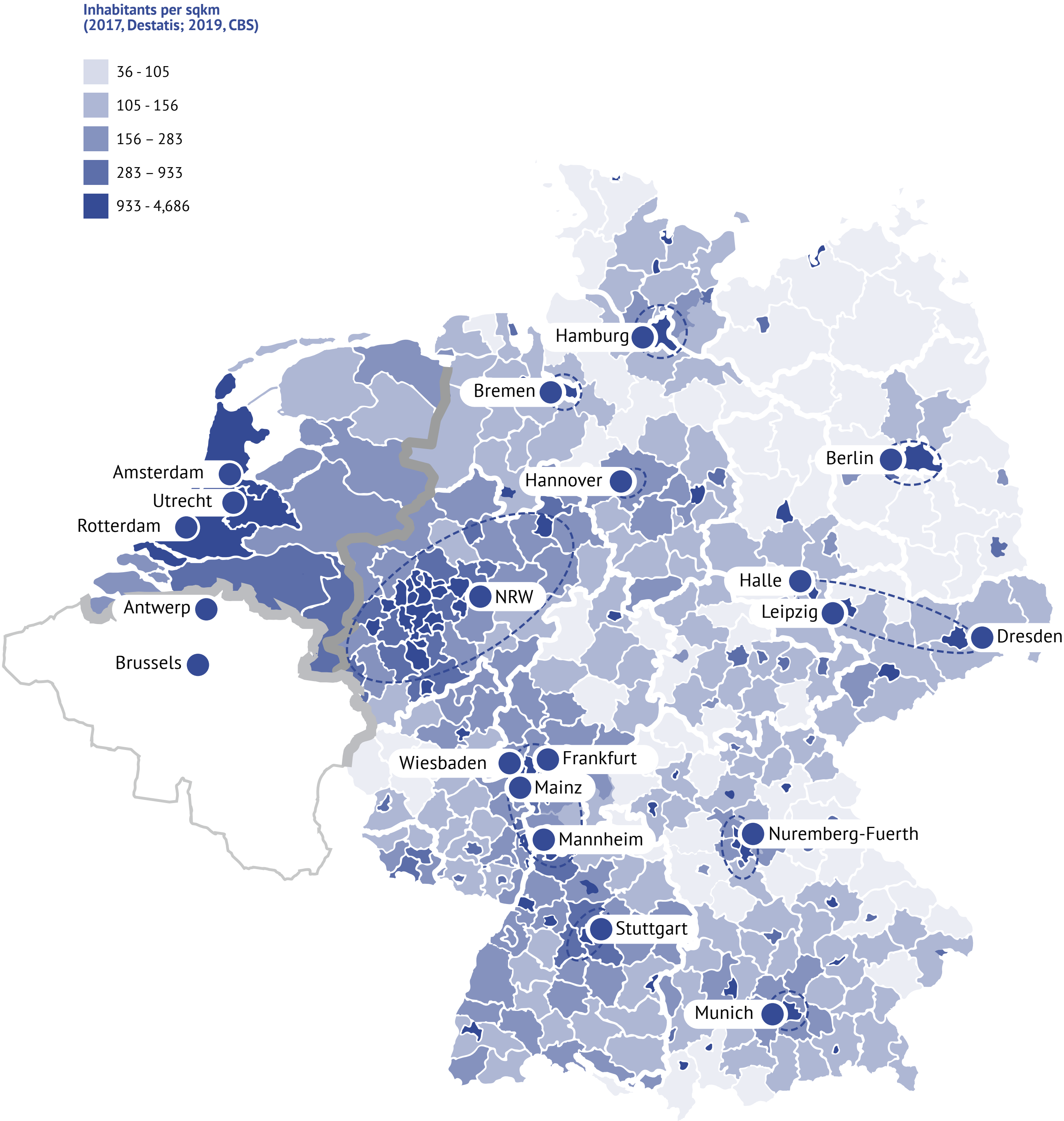


Aroundtown's Quality Portfolio

*representing GCP at 100%

Group Portfolio Overview

Population density in Germany and the Netherlands



Well-Diversified Group Portfolio

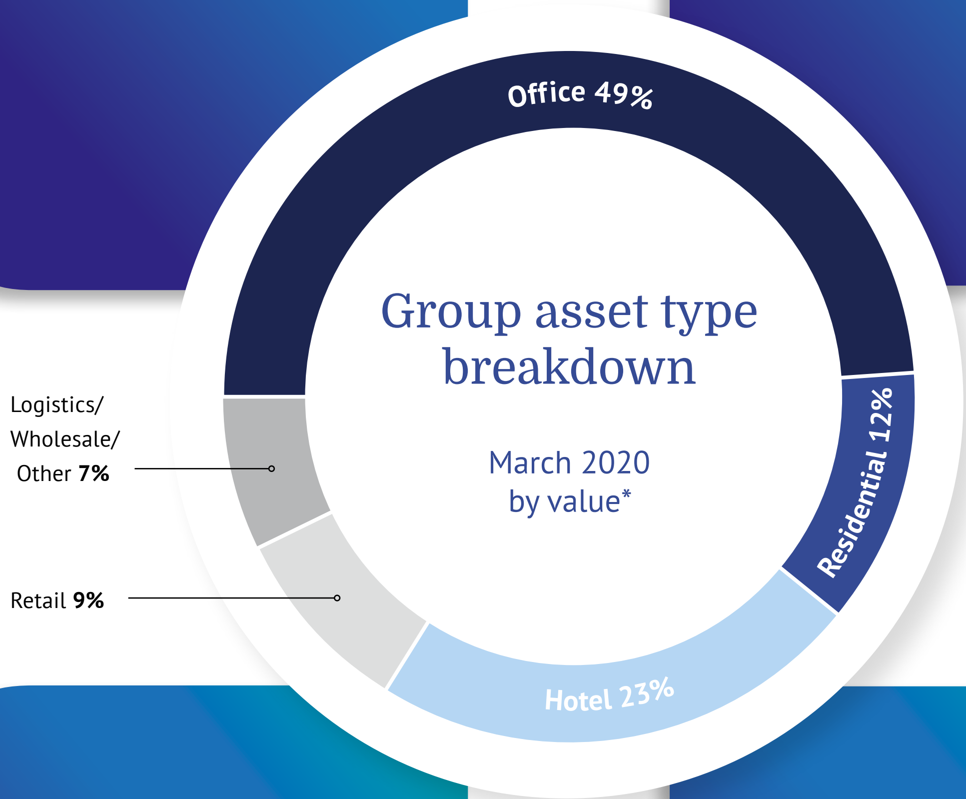
ASSET TYPE

The largest asset type is Office and together with Logistics/Wholesale and Residential, it makes up **68%** of the portfolio.

TENANT

High tenant diversification with no tenant or industry dependency

Commercial portfolio with over 4,000 tenants and residential portfolio with granular tenant base



LOCATION

The portfolio is focused on the strongest economies in Europe: **87%** of the portfolio is in Germany and the Netherlands, both AAA rated countries

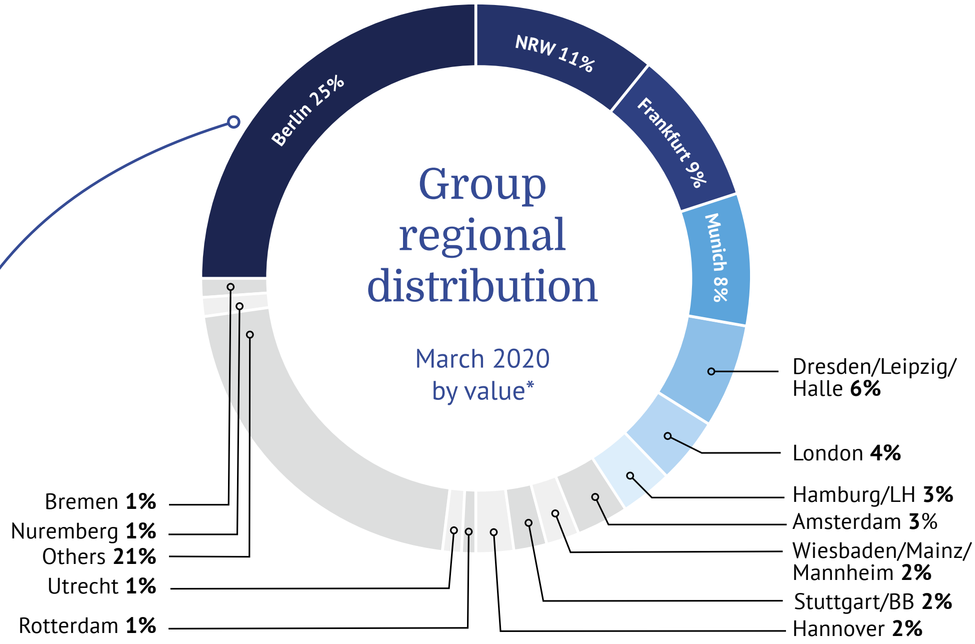
Well-distributed across multiple regions with a large footprint in top tier cities such as Berlin, Munich and Frankfurt

INDUSTRY

Each location has different key industries and fundamentals driving the demand. Therefore, the Group's tenants are diversified into distinct sectors, eliminating the dependency on a single industry

* including proportion in GCP and development rights & invest

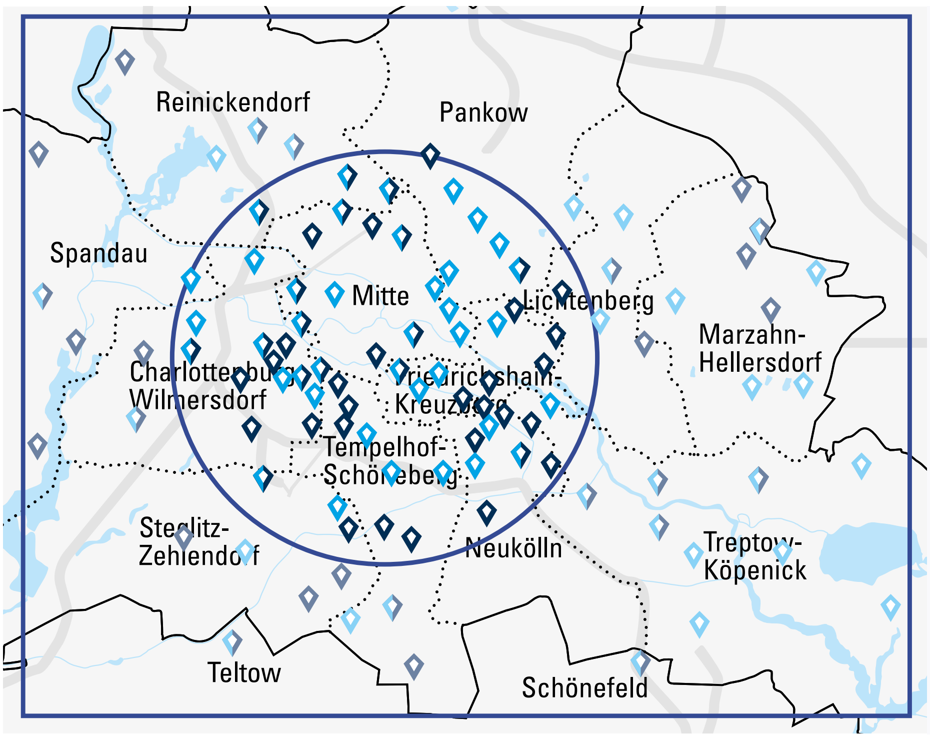
High Geographical Diversification



Central locations within top tier cities: A Berlin example

* including proportion in GCP and development rights & invest

Best-in-class Berlin portfolio



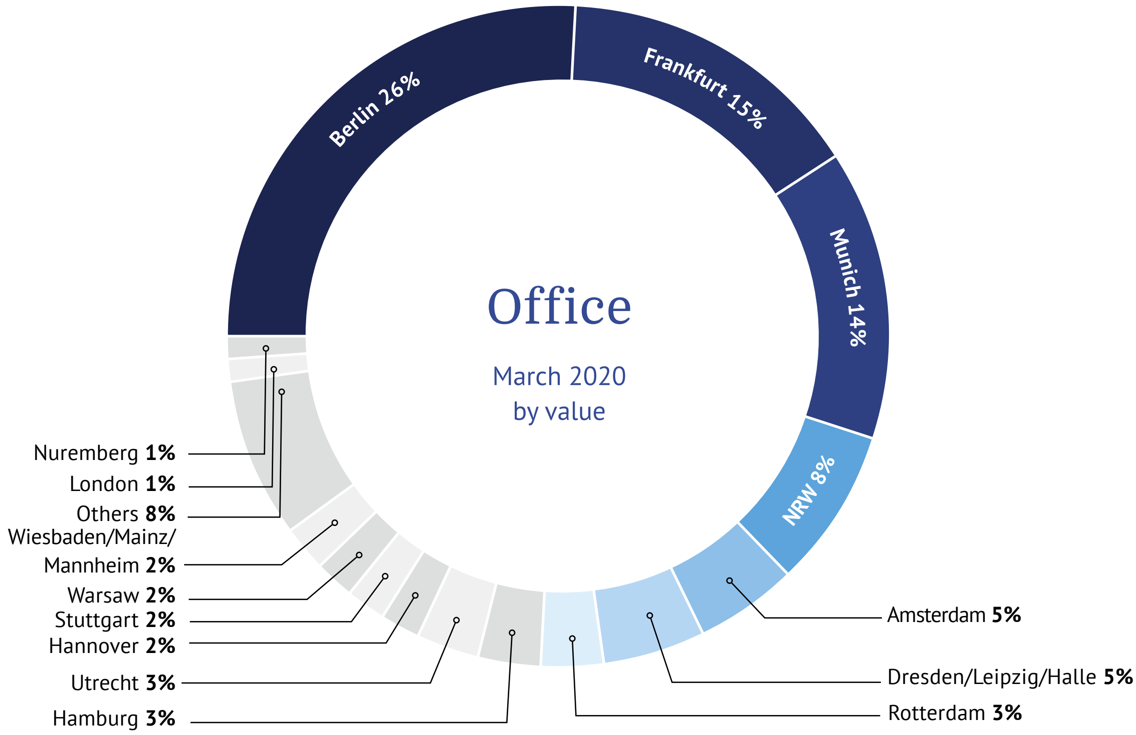
- **88%** of the commercial portfolio is located in top tier neighborhoods including Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **12%** of the commercial portfolio is well located primarily in Reinickendorf, Spandau, Treptow, Köpenick and Marzahn-Hellersdorf

Commercial properties

Residential properties

*Map representing approx. 95% of the portfolio and 98% including central Potsdam

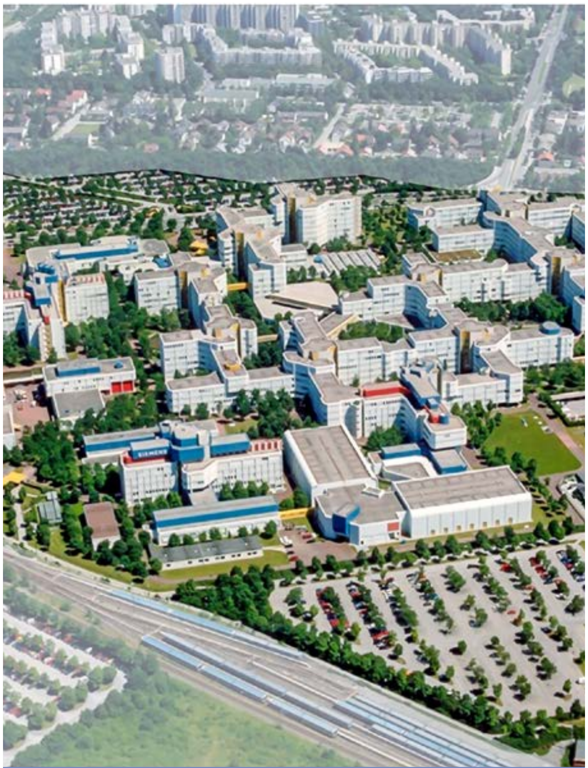
High Quality Offices In Top Tier Cities



Aroundown's office assets are well-diversified and well-located across top tier cities in Europe with a focus on Germany and the Netherlands, two of the strongest and most stable economies in Europe.

Top office locations	Key Industries driving the business demand			
BERLIN	Government	Start-up, Fintech, IT	Healthcare	Biotech
MUNICH	Insurance & Finance	Advanced manufacturing	Info. & Comm. Tech	Media
FRANKFURT	Finance	Chemicals/pharma	Aviation/Transportation	Exhibition & trade fair
AMSTERDAM	Info. & Comm. Tech	Finance & trade	Start-up, Fintech, Agtech	Infrastructure & transportation
HAMBURG	Maritime	Logistics	Aerospace manufacturing	Biotech

On top of geographical diversification, different macroeconomic characteristics of each location provide AT with an additional layer of diversification in terms of industry exposure


Munich


Berlin


Amsterdam


Frankfurt


Hamburg


Stuttgart

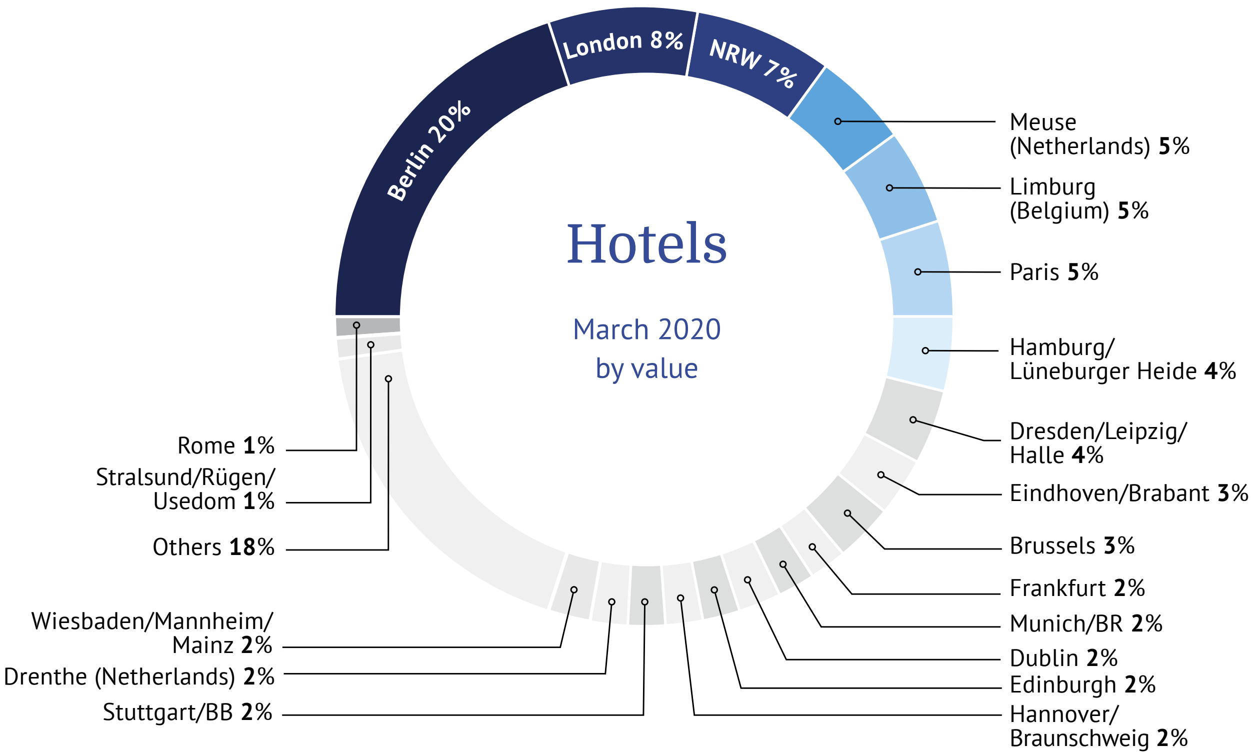

Cologne


Rotterdam

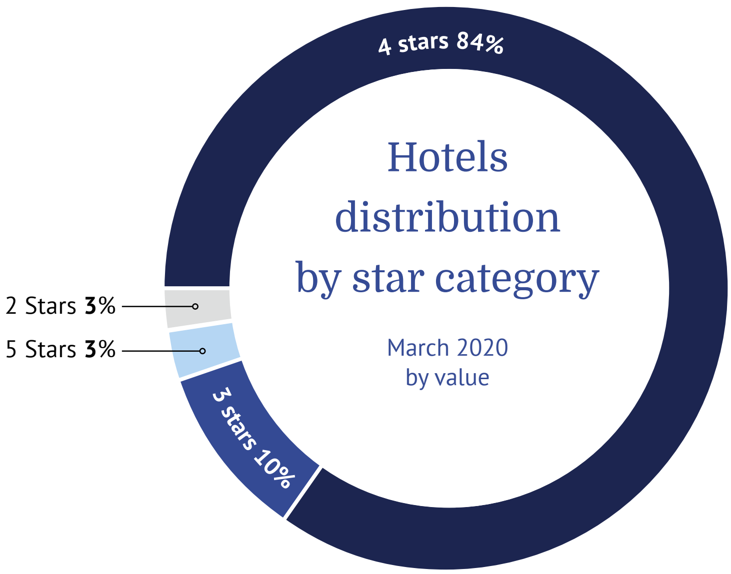

Utrecht

High Quality Hotels in Prime Locations

176 hotels across top locations with fixed long term leases with third party hotel operators



AT's hotel portfolio, valued at €6.1 billion as of March 2020, is well diversified and covers a total of approx. 1.9m sqm. The largest share of the hotel portfolio is 4-star hotels with 84%, catching the largest market share from tourism and business travel. The hotels are branded under a range of globally leading branding partners which offer key advantages such as worldwide reservation systems, global recognition, strong loyalty programs, quality perception and benefits from economies of scale. **Furthermore, Aroundtown has long-term fixed leases with third-party hotel operators, providing stability of cash flows.**



The hotel assets are let to hotel operators which are selected according to their capabilities, track record and experience. AT's management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand. AT maintains close relations with the operators and monitors their performance on an ongoing basis, making use of its tailor-made IT/software system.


Berlin


Frankfurt


Berlin

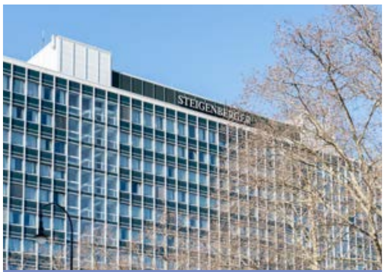

Munich

Large European Footprint

Fixed long term leases with third party hotel operators

Aroundtown's hotel assets are well-diversified and well-located across major European metropolitans, with a focus on Germany. The locations of AT's hotel assets benefit from a strong tourism industry since they are some of Europe's most visited cities as well as top business locations such as Berlin, Frankfurt, Munich, Cologne, Paris, Rome, Brussels, London, Vienna, Edinburgh and Dublin.


Paris


Cologne


Dublin


Edinburgh


London


Berlin

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

Hilton Group

Hilton Hotels & Resorts
DoubleTree by Hilton
Hilton Garden Inn

Marriott Group

Marriott
Sheraton
Moxy

Wyndham Brands

Wyndham Hotels and Resorts
Wyndham Garden
Days Inn
Tryp by Wyndham
Ramada

IHG Brands

InterContinental Hotels & Resorts
Crowne Plaza Hotels & Resorts
Holiday Inn

Accor Group

Mercure Hotels
ibis Hotels
AccorHotels

Radisson Brands

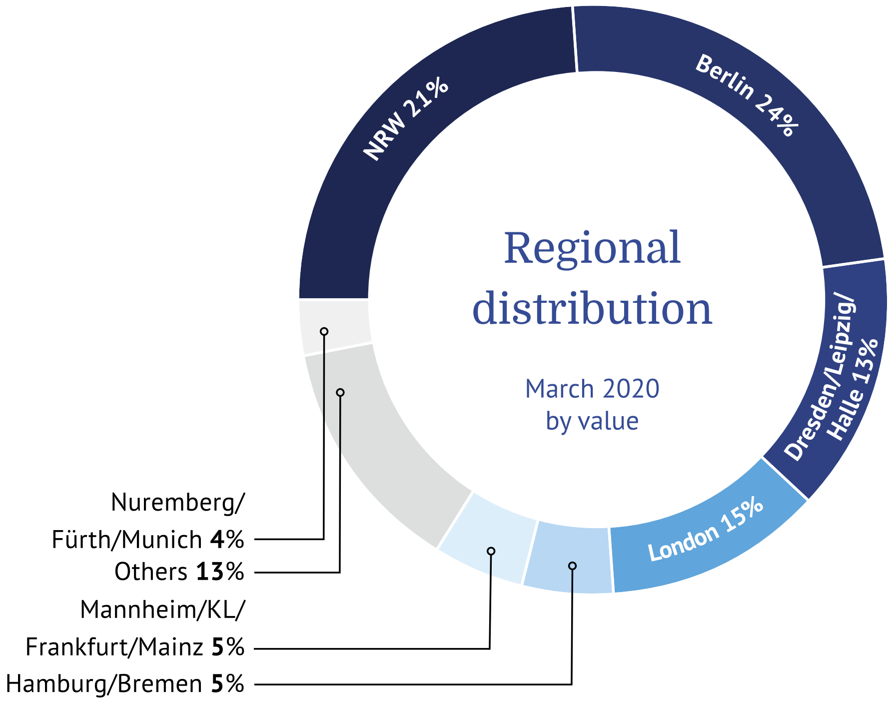
Radisson Blu Hotels & Resorts
Radisson Hotel Group

Steigenberger Hotels and Resorts
Seminaris
Novum Hospitality
Penta Hotels
H-Hotels.com
Center Parcs
Hyatt Regency
Meliá Hotels International
NH Hotels
Dorint Hotel
GCH Hotel Group
Best Western
Motel One
Arabella Hospitality
Precise Hotel Collection
Amaris Hospitality
Place Value
Everland
Zech Hotels

Residential Portfolio

(Grand City Properties)

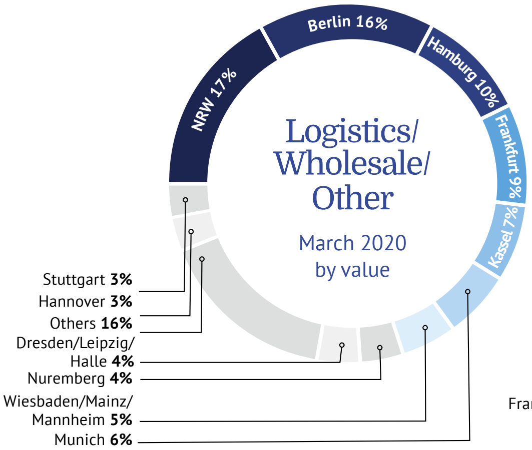
The residential portfolio is mainly held through a 39% stake in Grand City Properties ("GCP"), a leading market player in the German residential market and a specialist in value-add opportunities in densely populated areas predominantly in Germany. AT is the largest shareholder in GCP, with the remaining 61% widely distributed and held mainly by many international leading institutional investors. For an additional increase of AT's position in the residential real estate, AT holds minority positions in several subsidiaries of GCP. As of March 2020, GCP's residential portfolio with a value of €7.8 billion operates at an in-place rent of €6.95/sqm and an EPRA vacancy of 6.5%. The residential portfolio generates an annualized net rental income of €355 million and includes strong value-add potential. GCP holds 72k units in its portfolio with the properties spread across densely populated areas in Germany, with a focus on North Rhine-Westphalia, Berlin and the metropolitan regions of Dresden, Leipzig and Halle as well as London. GCP puts strong emphasis on growing relevant skills in-house to improve responsiveness and generate innovation across processes and departments. Through its 24/7 Service Center and by supporting local community initiatives, GCP established industry-leading service standards and lasting relationships with its tenants. The table below represents GCP at 100%.

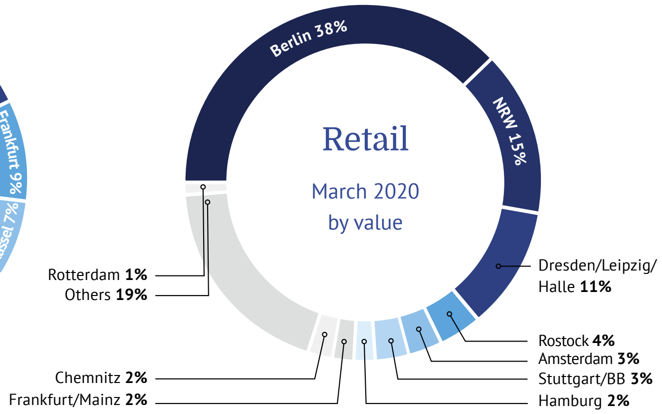


Cologne

Further portfolio diversification through logistics/wholesale/other and retail

Largest focus on resilient grocery-anchored properties catering strong and stable demand from local residential neighborhoods.





Hamburg

Asset type overview - Commercial portfolio

MARCH 2020	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	WALT (in years)
Office	11,751	4,116	9.6%	516	10.9	2,855	4.4%	4.5
Hotel	6,126	1,922	3.6%	321	14.2	3,187	5.2%	15.4
Retail	2,333	1,137	6.9%	137	10.5	2,051	5.9%	5.2
Logistics/Wholesale/Other	1,425	1,530	5.9%	78	4.5	931	5.5%	7.1
Development rights & invest	1,521							
Total	**23,156**	**8,705**	**7.2%**	**1,052**	**10.5**	**2,485**	**4.9%**	**8.1**

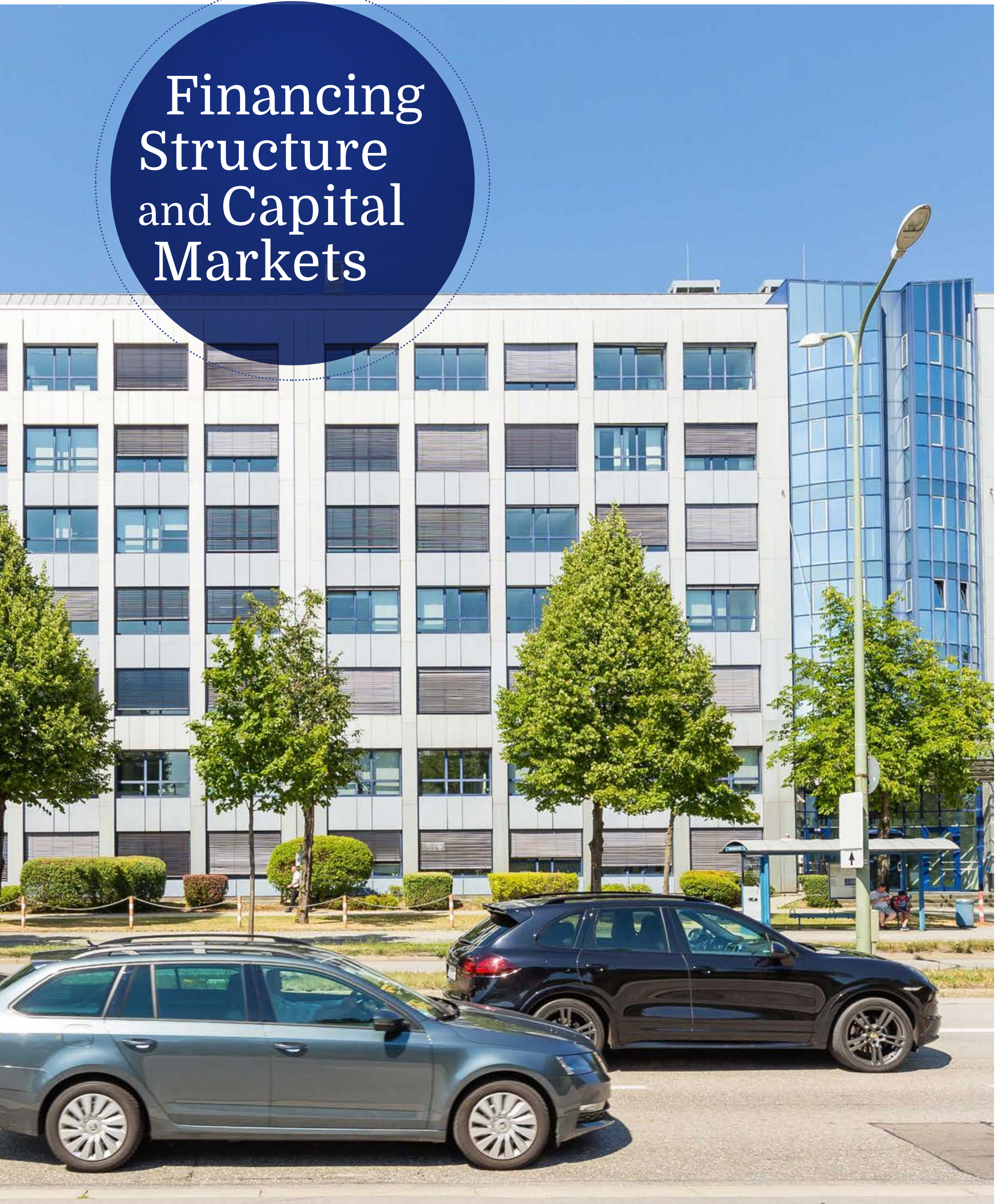
Regional overview - Commercial portfolio

MARCH 2020	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	4,948	1,361	4.4%	187	11.9	3,636	3.8%
NRW	2,160	1,231	8.0%	116	8.0	1,755	5.4%
Frankfurt	1,992	629	14.3%	82	11.9	3,164	4.1%
Munich	1,838	610	11.0%	56	7.8	3,016	3.0%
Dresden/Leipzig/Halle	1,189	625	4.9%	70	9.5	1,902	5.9%
Amsterdam	758	192	4.0%	33	14.1	3,947	4.4%
London	677	105	10.1%	29	25.8	6,443	4.3%
Hamburg/LH	652	309	4.8%	35	9.7	2,111	5.4%
Wiesbaden/Mainz/Mannheim	512	221	5.5%	31	11.6	2,320	6.0%
Stuttgart/BB	428	188	3.0%	25	11.0	2,282	5.8%
Hannover	412	270	8.7%	24	8.1	1,528	5.8%
Utrecht	347	135	13.7%	18	11.4	2,564	5.2%
Rotterdam	326	132	4.4%	23	13.9	2,468	6.9%
Other	5,396	2,697	6.9%	323	10.5	2,000	6.0%
Development rights & invest	1,521						
Total	**23,156**	**8,705**	**7.2%**	**1,052**	**10.5**	**2,485**	**4.9%**

WALT
8.1
YEARS

Berlin

Financing Structure and Capital Markets



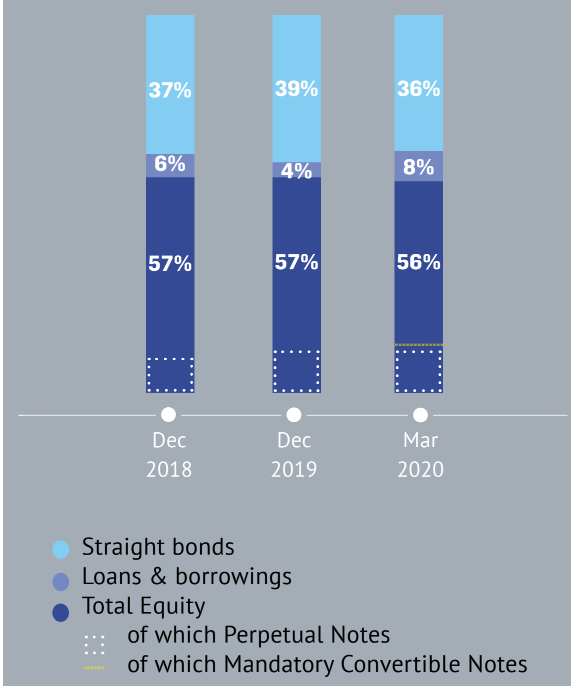
Munich

Financial policy

Aroundtown has set a financial policy to improve its capital structure further:

- **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 a strong ICR
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix of long-term unsecured bonds & non-recourse bank loans
- Dividend distribution of 65% of FFO I per share

Financing sources mix



Investment grade credit rating

AT has a 'BBB+' rating by Standard & Poor's ratings services ("S&P"). S&P acknowledges AT's strong business profile and large portfolio with great scale and diversification, well balanced across multiple asset types and regions with no dependency on a single asset type or region, together with a large and diverse tenant base and long lease structures. Since the initial credit rating of 'BBB-' received from S&P in December 2015, AT's rating was upgraded twice to the 'BBB+' rating. **Aroundtown continues to strive to achieve its long-term target rating of A.**

Trading data

Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
Trading ticker	AT1
Initial placement of capital	13.07.2015 (€3.2 per share)
Key index memberships	DAX 50 ESG MDAX FTSE EPRA/NAREIT: – Global – Developed Europe – Eurozone – Germany MSCI Index Series S&P Europe 350 STOXX Europe 600 GPR 250 GPR ESG DIMAX

As of March 2020

Number of shares	1,536,397,797
Shareholder Structure	Freefloat: 78.4% - of which Blackrock Inc. 5.1% Shares held in treasury*: 12% Avisco Group: 9.6% *held through TLG Immobilien AG, voting rights suspended
Number of shares, excluding suspended voting rights, base for share KPI calculations	1,352,461,660
Market cap	€7.4 bn

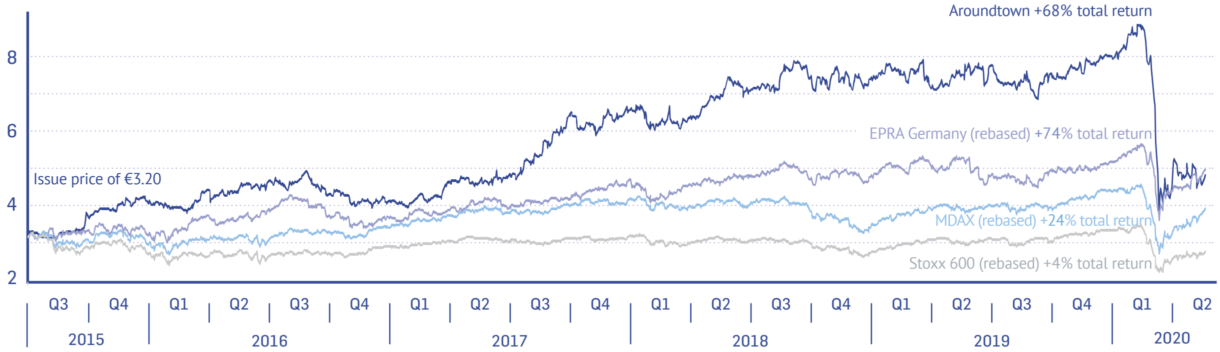
Key index inclusions

Aroundtown's share is a constituent of several major indices such as **MDAX, DAX 50 ESG, FTSE EPRA/NAREIT Index Series, FTSE Eurofirst 300, MSCI Index Series, S&P EUROPE 350, STOXX Europe 600** as well as **GPR 250**, **GPR ESG** and **DIMAX**. These inclusions are the result of Aroundtown's large market cap and high trading volumes on the Prime Standard of the Frankfurt Stock Exchange (XETRA).

Investor relations activities

The Group is proactively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows and one-on-one presentations in order to present a platform for open dialogue. Explaining its unique business strategy in detail and presenting the daily operations allow investors to gain a full overview about the Group's successful business approach. The most recent information is provided on its website and open channels for communication are always provided. Currently, AT is covered by 19 different research analysts on an ongoing basis, with reports updated and published regularly.

Share price performance and total return since initial placement of capital (13.07.2015)



Frankfurt

Notes on Business Performance

Frankfurt

Selected consolidated income statements data

	Three months ended March 31,	
	2020	2019
	in € millions	
Revenue	277.7	207.5
Net rental income	**235.7**	**177.6**
Property revaluations and capital gains	318.4	239.9
Share in profit from investment in equity-accounted investees	24.8	91.0
Property operating expenses	(70.4)	(53.2)
Administrative and other expenses	(14.1)	(6.0)
Operating profit	536.4	479.2
EBITDA	537.4	479.7
Adjusted EBITDA [1]	**237.2**	**179.6**
Finance expenses	(45.5)	(33.7)
Other financial results	(86.1)	48.8
Current tax expenses	(24.4)	(12.5)
Deferred tax expenses	(134.7)	(44.9)
Profit for the period	**245.7**	**436.9**
FFO I [2] [3]	**147.4**	**118.1**
FFO II	**169.7**	**161.1**

1) including AT's share in the adjusted EBITDA of companies in which AT has significant influence, excluding the contributions from commercial assets held for sale. For more details, see pages 42 - 44

2) including AT's share in the FFO I (after perpetual notes attribution if relevant) of companies in which AT has significant influence. For more details, see pages 42 - 44

3) excluding FFO I of minorities and contributions from assets held for sale. For more details, see pages 42 - 44

Revenue

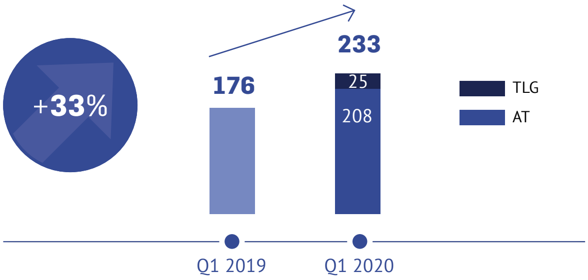
	Three months ended March 31,	
	2020	2019
	in € millions	
Recurring long-term net rental income	**233.4**	**175.5**
Net rental income related to properties marked for disposal	2.3	2.1
Net rental income	**235.7**	**177.6**
Operating and other income	42.0	29.9
Revenue	**277.7**	**207.5**

AT recorded total revenues of €278 million in the first quarter of 2020, up by 34% compared to €208 million recorded in the first quarter of 2019. Net rental income makes up the majority of the revenues which totaled to €236 million in the first quarter of 2020 and grew by 33% from €178 million in the first quarter of 2019. This increase was largely driven by external growth predominantly from the first time full consolidation of TLG since the takeover was finalized in mid-February 2020 but also from acquisitions taken over following the first quarter of 2019. Since the combination with TLG was concluded starting from the 19th of February, the effect was only partial on the first quarter of 2020. The net rent contribution of TLG in the first quarter of 2020 is €25 million. Another contributor to the top-line growth was the internal organic growth. This organic growth is reflected in the total like-for-like net rental income growth of 3.7%, of which 3.2% comes from in-place rent increase and 0.5% from occupancy growth.

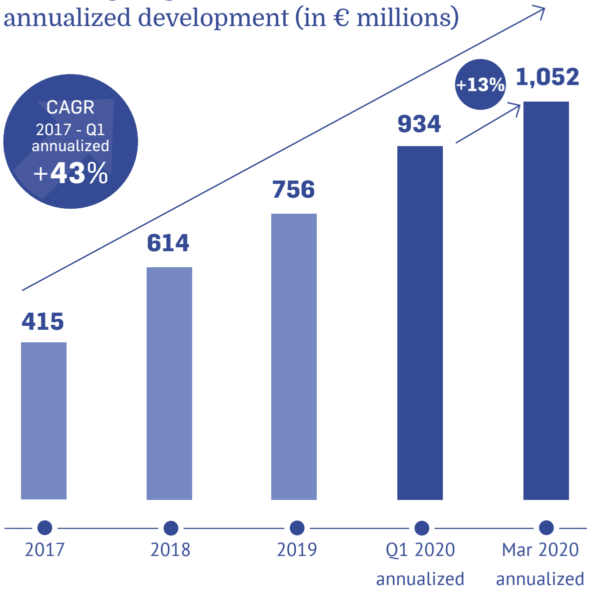
The remaining part of the revenues is the operating and other income which totaled to €42 million in the first quarter of 2020, up by 40% from €30 million in the first quarter of 2019, and growing in-line with the portfolio growth. This income represents payments for the ancillary expenses and is collected with the rent. Ancillary expenses are expenses such as heating, water and other expenses recoverable from the tenants and are recorded under property operating expenses.

AT further breaks down its net rental income into the recurring long-term net rental income which excludes the net rental income generated by properties marked for disposal. Since AT intends to dispose these assets, their contribution is not recurring and thus presented in a separate line item. The net rental income from these properties amounted to €2.3 million in the first quarter of 2020, compared to €2.1 million in the first quarter of 2019. Correspondingly, AT generated a recurring long-term net rental income of €233 million in the first quarter of 2020, up by 33% from €176 million recorded in the first quarter of 2019. The annualized recurring long-term net rental income as of March 2020, including the full year rental impact of TLG combination, totals to €1,052 million, 39% higher than in full year 2019 and 13% higher than Q1 2020 annualized figure.

Recurring long-term net rental income periodic development (in € millions)



Recurring long-term net rental income annualized development (in € millions)



Share in profit from investment in equity-accounted investees

	Three months ended March 31,	
	2020	2019
	in € millions	
Share in profit from investment in equity-accounted investees	**24.8**	**91.0**

Share in profit from investment in equity-accounted investees amounted to €25 million in the first quarter of 2020, compared to €91 million in the first quarter of 2019. This item represents mainly AT's share in the earnings from investments in companies over which AT does not have control and thus are not consolidated in its financial statements. These profits can be largely attributed to the Company's strategic investment in GCP, direct minority positions in residential properties consolidated by GCP, the investment in Globalworth, the leading publicly listed office landlord in the CEE market which as of March 2020 is included as an equity accounted investee, as well as revaluations and other profits from other investments. The decrease in this item is mainly due to comparatively lower net profits recorded by GCP and other investees. Excluding non-recurring expenses such as revaluation gains, the equity-accounted investees contributed to the Group an adjusted EBITDA of €41 million and an FFO I of €28 million in the first quarter of 2020.

Property revaluations and capital gains

	Three months ended March 31,	
	2020	2019
	in € millions	
Property revaluations and capital gains	**318.4**	**239.9**

Property revaluations and capital gains amount to €318 million in the first quarter of 2020 and grew by 33% compared to €240 million recorded in the first quarter of 2019. Adhering to its investment criteria, AT acquires properties below replacement costs or market value, and thus they inherently include a high value upside potential. Operational improvements and repositioning activities upon the acquisition unlocks this potential, contributing towards high revaluation gains. Furthermore, AT focuses on markets with strong fundamentals, characterized by strong demand at limited supply. Therefore, these favorable dynamics provide tailwinds for value appreciation. The increase in this item also stems from the takeover of TLG.

During the first quarter of 2020, AT disposed €55 million of non-core and/or mature properties with a 68% margin over total costs and 5% margin over net book value. The disposal profits are the result of the continuous efforts in optimizing the operational and financial profile of the properties. These disposed properties are either located in non-core locations or are mature properties where most of their potential has been lifted, thereby increasing the portfolio quality through capital recycling and providing a significant cash inflow to be utilized by the Company.

AT's properties are appraised by qualified and independent external valuators at least once a year on an ongoing basis. As of March 2020, the portfolio reflects an average value of €2,485 per sqm and a net rental yield of 4.9%, compared to €2,433 per sqm and 4.9% in December 2019, respectively.

Property operating expenses

	Three months ended March 31,	
	2020	2019
	in € millions	
Property operating expenses	**(70.4)**	**(53.2)**

Property operating expenses amounted to €70 million in the first quarter of 2020, compared to €53 million recorded in the first quarter of 2019. This item grew as a result of a larger portfolio size due to the takeover of TLG while the ratio of the operating expenses over the revenue slightly decreased between the periods from 25.6% to 25.4% demonstrating AT's ability to grow its operating platform efficiently and in a scalable manner. Improvements in the lease structures also contributed to lowering the operating cost margin. The lion's share of these expenses are ancillary expenses which include utility costs such as energy, heating, water, etc. These ancillary expenses are mainly recovered from tenants. Additionally, property operating expenses include cost items such as maintenance and refurbishment expenses, operating personnel expenses, depreciation and other operating costs such as marketing, letting fees, legal, insurance and other expenses.

Administrative and other expenses

	Year ended December 31,	
	2020	2019
	in € millions	
Administrative and other expenses	**(14.1)**	**(6.0)**

Administrative and other expenses amounted to €14 million in the first quarter of 2020, compared to €6 million recorded in the first quarter of 2019. This item mainly consists of administrative personnel expenses and fees relating to audit, accounting, legal and professional services. The main contribution to this increase stems from the initial consolidation of administration expenses in TLG level. In addition to the recurring administrative expenses, this line item includes in the first quarter of 2020 one-time expenses in the amount of €2.8 million which related to the merger process with TLG.

Cologne

Berlin

Finance expenses and other financial results

	Three months ended March 31,	
	2020	2019
	in € millions	
Finance expenses, net	(45.5)	(33.7)
Other financial results	(86.1)	48.8
Finance expenses and other financial results	**(131.6)**	**15.1**

Finance expenses amounted to €46 million in the first quarter of 2020, compared to €34 million in the first quarter of 2019. The growth in finance expenses stems mainly from the issuances of new bonds following the first quarter of 2019, as well as from the takeover of TLG and the respective full consolidation of its accounts. Between two periods, AT issued approx. €2 billion of new bonds. The proceeds were utilized to finance the Company's growth, fuel the Company`s liquidity, as well as to prepay approx. €620 million of shorter-term bonds between the periods. This proactive approach allowed for optimization in the debt profile, providing a low cost of debt and a long average debt maturity. Coupled with high operational performance, this resulted in a high ICR of 4.7x for the first quarter of 2020.

Other financial results amounted to negative amount of €86 million in the first quarter of 2020, compared to a positive amount of €49 million in the first quarter of 2019. The result is composed of items that are primarily non-recurring and non-cash, where values fluctuate frequently and thus, the result varies from one period to another. The expenses recorded in the first quarter of 2020 included expenses relating to the net changes in the fair value of financial derivatives and contingent liabilities relating to TLG takeover, financial assets, expenses related to bond buybacks and bond amortizations. A positive effect of €25 million of the Company's derivatives is presented as part of the comprehensive income report.

Taxation

	Three months ended March 31,	
	2020	2019
	in € millions	
Current tax expenses	(24.4)	(12.5)
Deferred tax expenses	(134.7)	(44.9)
Tax and deferred tax expenses	**(159.1)**	**(57.4)**

Total tax expenses amounted to €159 million in the first quarter of 2020, compared to €57 million recorded in the first quarter of 2019. Current tax expenses, which are comprised of property and corporate income taxes, amounted to €24 million in the first quarter of 2020, growing from €13 million recorded in the first quarter of 2019. This growth is due to the growth in operational profits, further impacted by higher tax rates in jurisdictions where AT invested since the first quarter of 2019. Deferred tax expenses amounted to €135 million in the first quarter of 2020 and grew from €45 million recorded in the first quarter of 2019. Deferred tax expenses include expenses related primarily to changes in fair value of investment properties and derivative instruments. Therefore, deferred tax expenses grew in line with the growth in these two items. In addition, deferred tax expenses were also affected in this quarter by changes in tax rates in jurisdiction where some of the Company`s properties are located. Deferred tax expenses are non-cash expenses and the Company accounts for the theoretical future disposal of properties in the form of asset deals, where in practice, the Company's disposals can be in the form of share deals with minimized effective taxes.

Profit for the period

	Three months ended March 31,	
	2020	2019
	in € millions	
Profit for the period	245.7	**436.9**
Profit attributable to:		
Owners of the company	183.4	411.6
Perpetual notes investors	20.2	10.9
Non-controlling interests	42.1	14.4

Profit for the period amounted to €246 million in the first quarter of 2020, compared to €437 million recorded in the first quarter of 2019. The shareholders' profit was €183 million in the first quarter of 2020, lower compared to €412 million in the first quarter of 2019. The decrease is mainly driven by the negative impact from other financial results in the first quarter of 2020, which was positive in the comparable period, as well as higher deferred tax expenses. The profits contributed to non-controlling interest increased to €42 million in the first three months of 2020 compared to €14 in the comparable period, mainly due to additional minorities created from the merger with TLG. AT owns 78% in TLG since mid-February 2020 from which point the accounts of TLG are fully consolidated in AT's accounts and therefore, the profit related to the 22% in TLG which AT does not own, are reflected in the non-controlling interest. Profit attributable to perpetual notes investors grew from €11 million in the first quarter of 2019 to €20 million in the first quarter of 2020, as a result of approx. €1 billion of perpetual notes issued in 2019 and the impact from the €600 million perpetual notes issued by TLG. Nevertheless, the recurring operational profitability demonstrated a strong growth, reflected in a 25% increase in FFO I.


London

Earnings per share

	Three months ended March 31,	
	2020	2019
Basic earnings per share (in €)	0.14	0.36
Diluted earnings per share (in €)	0.14	0.36
Weighted average basic shares (in millions)	1,291.4	1,128.6
Weighted average diluted shares (in millions)	1,293.0	1,129.8

AT recorded basic and diluted earnings per share of €0.14 in the first quarter of 2020, compared to €0.36 recorded for both in the first quarter of 2019. The development in earnings per share follows the development in shareholders' profit and was further impacted by the growth in the share count. The weighted average basic and diluted shares grew by 14% between the periods, mainly driven by new shares created for the takeover of TLG, as well as by AT's equity capital increase, share issuances for scrip dividends in 2019 and the full future conversion impact of mandatory convertible notes.

Comprehensive income

	Three months ended March 31,	
	2020	2019
	in € millions	
Profit for the period	**245.7**	**436.9**
Total other comprehensive income for the period, net of tax	25.4	17.3
Total comprehensive income for the period	**271.1**	**454.2**

AT recorded a total comprehensive income of €271 million for the first quarter of 2020, compared to €454 million recorded in the first quarter of 2019. The total other comprehensive income of €25 million in the first quarter of 2020 was higher than an income of €17 million in the first quarter of 2019, driven by a positive impact from currency effects and cash flow hedging balance.

Adjusted EBITDA

	Three months ended March 31,	
	2020	2019
	in € millions	
Operating profit	536.4	479.2
Total depreciation and amortization	1.0	0.5
EBITDA	**537.4**	**479.7**
Property revaluations and capital gains	(318.4)	(239.9)
Share in profit from investment in equity-accounted investees	(24.8)	(91.0)
One-off expenses related to TLG merger	2.8	-
Other adjustments	(0.5)	(0.7)
Adjusted EBITDA commercial portfolio, recurring long-term	**196.5**	**148.1**
Adjustment for GCP's and other investments' adjusted EBITDA contribution [1]	40.7	31.5
Adjusted EBITDA	**237.2**	**179.6**

1) the adjustment is to reflect AT's share in the adjusted EBITDA of companies in which AT has significant influence. GCP generated an adjusted EBITDA of €74 million in Q1 2020 and €73 million in Q1 2019

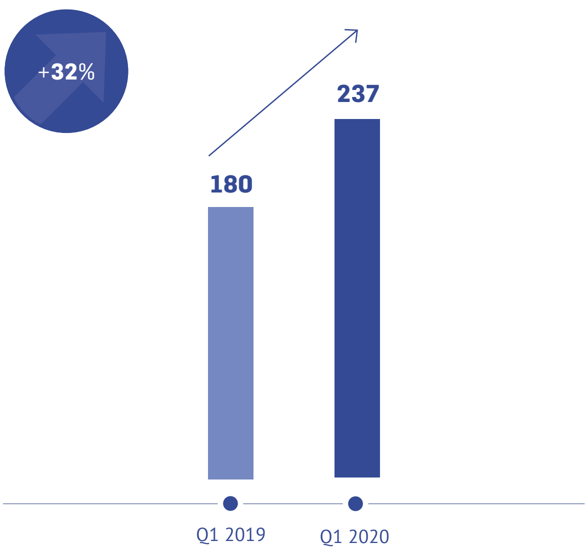
Adjusted EBITDA is a key performance measure used to evaluate the operational result of the Company, derived by deducting from the EBITDA non-operational items such as revaluation and capital gains, result from disposal of properties and other adjustments. Additionally, in order to mirror the recurring operational results of the Group, the share in profit from investment in equity-accounted investees is subtracted as this also includes the Company's share in non-operational profits generated by its equity-accounted investees. Due to the nature of its strategic investment in GCP and in other investments, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period. AT's holding rate in GCP is 39% as at the end of March 2020.

The Group generated an adjusted EBITDA of €237 million in the first quarter of 2020, growing by 32% from €180 million recorded in the first quarter of 2019. This was achieved by a strong top-line growth, improved efficiencies in property cost structure and the increase in the contributions from joint venture investments. The top-line growth was achieved via external growth including the takeover of TLG as well as organic growth.

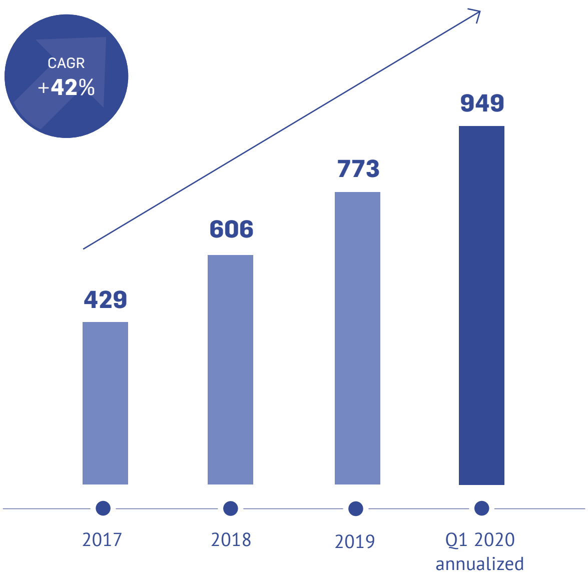
This organic growth is reflected in AT's high like-for-like operational performance which can be observed in the total like-for-like net rental income growth of 3.7%, as well as margin improvements in the property operating cost structure. The adjusted EBITDA additionally includes contributions from GCP, Globalworth and other investments due to the strategic nature of these investments. GCP's highly profitable operational platform recorded a year-over-year adjusted EBITDA growth of 2% for the first quarter of 2020.

The adjusted EBITDA commercial portfolio recurring long-term excluded a one-time expense of € 2.8 million which is related to the merger with TLG. The adjusted EBITDA commercial portfolio recurring long-term additionally accounts for other adjustments of €0.5 million in the first quarter of 2020. These adjustments are implemented mainly to deduct non-recurring items and add back non-cash items. Non-recurring items being mainly the contributions from properties marked for disposal since they are intended to be disposed and therefore not part of the recurring adjusted EBITDA, and non-cash items being mainly expenses for the employees share incentive plan.

Adjusted EBITDA periodic development (in € millions)



Adjusted EBITDA annualized development (in € millions)



Stuttgart

Funds From Operations I (FFO I)

	Three months ended March 31, 2020	2019
	in € millions	
Adjusted EBITDA commercial portfolio, recurring long-term	**196.5**	**148.1**
Finance expenses, net [1]	(45.5)	(33.7)
Current tax expenses	(24.4)	(12.5)
Contribution to minorities [2]	(8.3)	(3.9)
Other adjustments	0.8	1.0
FFO I commercial portfolio, recurring long-term	**119.1**	**99.0**
Adjustment for GCP's and other investments' FFO I contribution [3]	28.3	19.1
FFO I	**147.4**	**118.1**
Weighted average basic shares (in millions)	1,291.4 [4]	1,128.6
FFO I per share (in €)	**0.114**	**0.105**

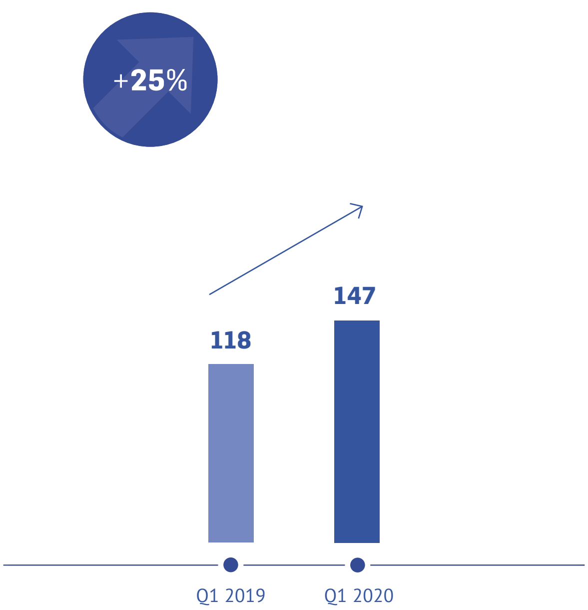
1) including the effects of IFRS 16
2) contribution to minorities and the minority share in TLG's FFO I after perpetual notes attribution and contribution of AT
3) the adjustment is to reflect AT's share in the FFO I of companies in which AT has significant influence. GCP generated an FFO I after perpetual notes attribution of €47 million in Q1 2020 and €45 million in Q1 2019
4) excluding the suspended voting rights, base for share KPI calculations

Funds from Operations I (FFO I) is an industry standard performance indicator, reflective of the recurring operational profits after deducting the finance expenses and current tax expenses from the adjusted EBITDA. The calculation further includes adjustments to consider minorities and the relative share of AT in GCP's reported FFO I (after perpetual notes attribution), and the FFO I of other significant investment positions.

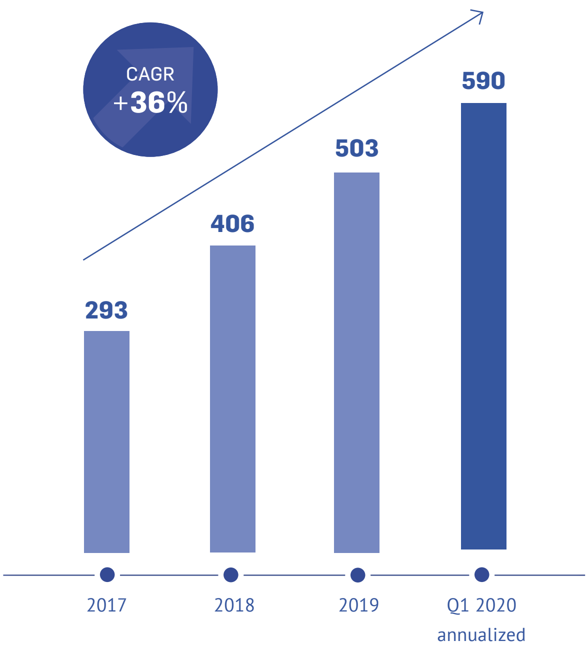
The Group generated an FFO I of €147 million in the first quarter of 2020, which grew by 25% compared to €118 million recorded in the first quarter of 2019. AT continues to deliver high bottom-line profitability, owing to its ability to identify external growth opportunities with upside potential and continuously extracting this potential upon acquisition. Strong top-line growth including the takeover of TLG was further supported by organic growth. This was offset by relatively higher finance and tax expenses. AT proactively manages its debt profile with attractive issuances which not only fund the Company's growth but also allows for debt optimization. As a result, AT is able maintain a low cost of debt of 1.6% and a long average debt maturity of 6.4 years with no significant maturities until 2022.

The FFO I additionally includes allocation to minorities and contributions from GCP and other investments. The contributions to minorities increased due to the minority share in TLG as AT holds 78% in TLG, acquisitions with minority share and changes in ownership interests. It should be noted that since the combination with TLG was in mid-February 2020, TLG's contribution to FFO I, as well as the relevant adjustment for minorities were incorporated only partially. Regarding GCP's contribution, GCP once again demonstrated its high recurring operational profitability with a 5% FFO I growth year-over-year. In addition, the FFO I includes other adjustments in the amount of €0.8 million, mainly related to finance and tax expenses of properties marked for disposal.

FFO I periodic development (in € millions)



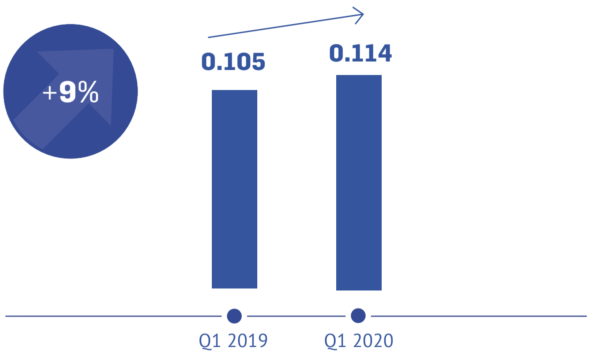
FFO I annualized development (in € millions)



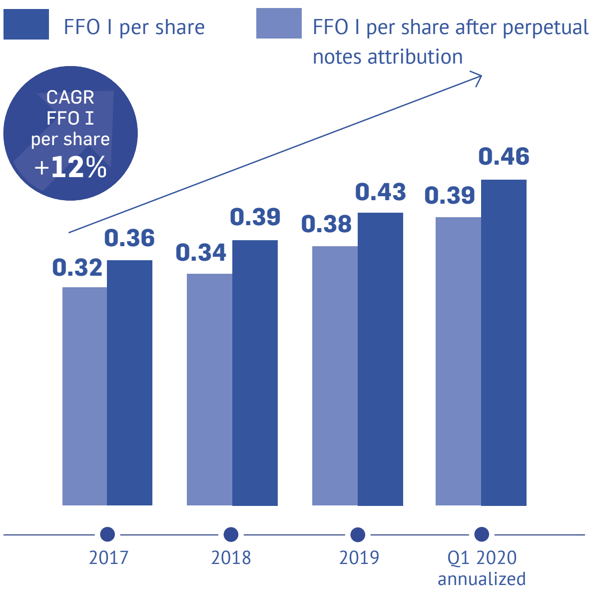
FFO I per share

The FFO I per share amounted to €0.114 in the first quarter of 2020, growing by 9% compared to €0.105 recorded in the first quarter of 2019. The growth was achieved despite the higher share count between the two periods, demonstrating the value creation for shareholders. The weighted average number of basic shares between the two periods grew by 14%, mainly driven by new shares created for the takeover of TLG, as well as by AT's equity capital increase and share issuances for scrip dividends in 2019.

FFO I per share periodic development (in €)



FFO I per share development (in €)



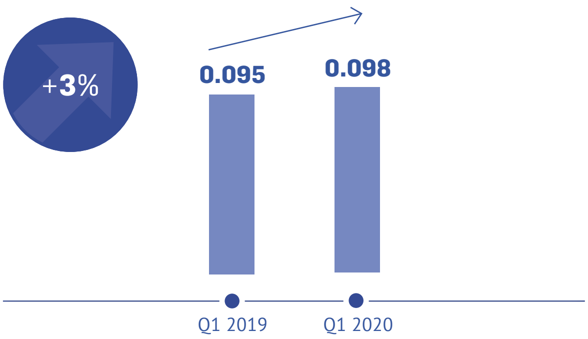
FFO I per share after perpetual notes attribution

	Three months ended March 31, 2020	2019
	in € millions	
FFO I	**147.4**	**118.1**
Adjustment for accrued perpetual notes and MCN attribution 1)	(20.8)	(10.9)
FFO I after perpetual notes attribution	**126.6**	**107.2**
Weighted average basic shares (in millions)	1,291.4 2)	1,128.6
FFO I per share after perpetual notes attribution (in €)	**0.098**	**0.095**

1) including the payments to mandatory convertible notes holders
2) excluding the suspended voting rights, base for share KPI calculations

According to IFRS accounting treatment, contributions to perpetual notes as well as mandatory convertible notes are recorded through changes in equity and not as a financial expense in the income statement. The Company additionally presents an adjusted FFO I per share figure factoring in these attributions. The FFO I after perpetual notes attribution amounted to €127 million and €0.098 per share in the first quarter of 2020, growing by 18% and 3% from €107 million and €0.095 per share recorded in the first quarter of 2019, respectively. The growth in FFO I was partially offset by approx. €1 billion perpetual notes issuances in 2019 and partial impact from the addition of TLG's €600 million perpetual notes.

FFO I per share after perpetual notes and MCN attribution development (in €)



FFO II

	Three months ended March 31, 2020	2019
	in € millions	
FFO I	**147.4**	**118.1**
Result from disposal of properties*	22.3	43.0
FFO II	**169.7**	**161.1**

* the excess amount of the gross sale price to total cost (cost price plus capex of the disposed properties)

FFO II is an additional key performance indicator used in the real estate industry to evaluate the operational recurring profits including the impact from disposal profits during the reporting period. Results from disposal of properties amounted to €22 million in the first quarter of 2020. This was lower than €43 million recorded in the first quarter of 2019 given that AT had a larger disposal activity in the previous period. During the first quarter of 2020, AT disposed €55 million of non-core and/or mature properties with a 68% margin over total costs. By continuously disposing at high economic profits, AT demonstrates the success of its value creation abilities. This capital recycling not only allows for quality enhancement in the portfolio but also provides the Company with a robust cash flow to be utilized in future needs/uses.

Cash flow

	Three months ended March 31,	
	2020	2019
	in € millions	
Net cash provided by operating activities	173.0	122.9
Net cash used in investing activities	(201.6)	(676.4)
Net cash provided by financing activities	48.3	909.3
Net changes in cash and cash equivalents	**19.7**	**355.8**
Net changes in cash and cash equivalents	**19.7**	**355.8**
Cash and cash equivalents as at January 1	2,191.7	1,242.8
Cash and cash equivalents from initial consolidation of TLG	510.5	-
Other changes*	(3.0)	(0.7)
Cash and cash equivalents as at March 31	**2,718.9**	**1,597.9**

* including change in cash balance of assets held for sale and movements in exchange rates on cash held

During the first quarter of 2020, €173 million of net cash was provided by operating activities, up by 41% from €123 million provided in the comparable period of 2019. The growth in this item mirrors the Company's operational performance. Via its profitable operating platform, AT transferred the strong growth in top-line earnings into solid cash flow generation in the bottom-line. The growth is the result of cash flow generating acquisitions, including the takeover of TLG, as well as organic growth reflected in a 3.7% total like-for-like net rental income growth.

€202 million net cash was used in investing activities during the first quarter of 2020, compared to €676 million net cash used in the first quarter of 2019. This represents the Company's net acquisition activities and investment in its own properties.

During the first quarter of 2020, €48 million of net cash was provided by financing activities compared to €909 million provided in the first quarter of 2019. On one hand, AT had relatively less issuances this quarter compared to the comparable quarter with an issuance of a mandatory convertible notes and new bank debt. On the other hand, AT proactively managed its debt profile by repurchasing €260 million straight bonds and repaying €38 million of bank loans.

Due to the non-cash merger with TLG and the cash arrived from TLG as part of the initial full consolidation, an amount of €511 million is added to the cash balance as of March 2020.

Owing to this €530 million of net cash addition, cash and cash equivalents balance totalled to €2.7 billion as at the end of March 2020. Added to other liquid assets, this represents a liquidity position of €3.0 billion which is 9% of the total assets as of March 2020. This demonstrates the high level of financial strength and flexibility that AT's balance sheet possesses which will provide a cushion during the current market disruption, as well as an ability to pursue attractive acquisition opportunities when they arise.

Dortmund

Assets

	Mar 2020	Dec 2019
	in € millions	
Non-current assets	**28,425.9**	**21,701.9**
Investment property	23,155.5	18,127.0
Equity-accounted investees - holding in GCP SA [1)]	1,937.3	1,928.0
Equity-accounted investees, other	1,058.7	577.9
Current assets	**3,835.1**	**3,742.8**
Assets held for sale [2)]	265.7	209.0
Cash and liquid assets [3)]	3,042.0	3,043.8
Total Assets	**32,261.0**	**25,444.7**

1) according to AT's holding rate, the fair market value of GCP SA as of Mar 2020 is €1.3 billion
2) excluding cash in assets held for sale
3) including cash in assets held for sale

AT`s total assets amounted to €32.3 billion as at the end of March 2020, growing by 27% compared to €25.4 billion recorded at year-end 2019. This was achieved by external growth predominantly due to the takeover of TLG but also due to value appreciation and a higher cash balance from operational results and capital market activities.

Non-current assets amounted to €28.4 billion as at the end of March 2020, up by 31% from €21.7 billion at year-end 2019. The lion's share of these are investment properties, which grew by 28% from €18.1 billion at year-end 2019 to €23.2 billion at the end of March 2020. Accretive external growth through the takeover of TLG and value creation in the portfolio are the main drivers of this growth. In February 2020, AT and TLG successfully completed the merger, creating the largest diversified pan-European office/hotel/residential listed real estate company and among the Top 3 listed real estate companies in Europe. The combination reinforces the Group's portfolio's strength and diversification. The portfolio is focused on the strongest economies in Europe, Germany and the Netherlands, both with a AAA credit rating. The focus is on central locations of top tier cities, top 3 cities being Berlin, Frankfurt and Munich. The largest asset type is office and together with the logistics/wholesale and residential, this represents 68% of the Group's portfolio. Within each asset class, the Group focuses on a very high tenant diversification with no tenant dependency, as well as industry diversification of its tenants supported by distinct dynamics of each location. Non-current assets increased by €0.8 billion as a result of goodwill created in the first quarter of 2020 in relation to the business combination with TLG. The lion's share of the goodwill relates to TLG`s deferred taxes position. The business combination was set as an EPRA NAV-to-EPRA NAV exchange ratio, and the difference between the EPRA NAV and the shareholder equity of TLG, primarily related to the deferred tax balance of TLG, is reflected in the goodwill balance . AT additionally acquired approx. €50 million during the first quarter of 2020, excluding the TLG merger.

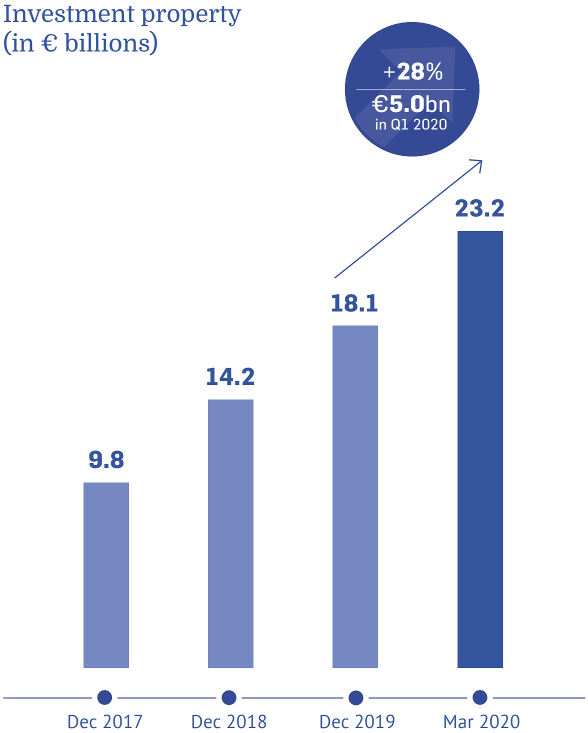
The growth in non-current assets was slightly offset by capital recycling activities. During the first quarter of 2020, AT disposed €55 million properties with an economic profit at 68% margin over total costs. These were mainly non-core and/or mature offices and hotel properties in cities such as Dresden, the Hague, Halle and Hannover. The capital recycling not only enhances the asset quality of the portfolio but also provides a large cash inflow and firepower to the Company.

Investment in equity-accounted investees amounted to €3.0 billion as at the end of March 2020, increasing by 20% compared to €2.5 billion recorded as at year-end 2019. This line item represents AT's long term investments in the companies which AT has significant influence but are not consolidated in its financial accounts and is mainly attributed to the Company's strategic residential portfolio investment via a 39% stake in Grand City Properties as of the end of March 2020, amounting to €1.94 billion compared to €1.93 billion at year-end 2019. The increase in this item is driven by GCP's profit generation. The investment in GCP provides the Group with a well-balanced and healthy portfolio through a strong presence in the resilient and affordable German residential real estate. The balance of other investees totaled to €1.1 billion at the end of March 2020, and grew by 83% from €0.6 billion at year-end 2019. The increase is mainly due to the investment in Globalworth, the leading publicly listed office landlord in the CEE market, which was classified as equity-accounted investee in the first quarter of 2020. In addition, the growth in this balance was complemented by the profit generation and the value appreciation of the Company's investment in joint ventures and direct minority positions in residential properties consolidated by GCP. Non-current assets also include advanced payments for investment properties, long-term derivative financial assets, deferred tax assets and other long-term assets which are mainly comprised of loans that are connected to future real estate transactions.

Current assets amounted to €3.8 billion at the end of March 2020, increasing by 2% from €3.7 billion recorded at year-end 2019. The largest portion of current assets are cash and liquid assets which remained stable at €3.0 billion as at the end of March 2020 compared to year-end 2019. The cash balance grew from €2.2 billion at year-end 2019 to €2.7 billion at the end of March 2020 due to the issuance of a mandatory convertible notes in March 2020, the full consolidation of TLG following the takeover in mid-February, new bank debt, operational results during the first quarter of 2020 as well the cash inflow from capital recycling activities net of acquisitions. As at the end of March 2020, some of the liquidity is parked in traded securities which amounted to €315 million. The decrease in this item is mainly due to reclassification of the investment in Globalworth and changes in fair value. As part of its conservative financial approach, AT maintains a high liquidity balance which provides financial flexibility and strength, especially during potential market downturns. AT's current liquidity level represents a healthy portion of its assets and comfortably covers the Company's obligations for a very long-term. It also represents a significant firepower towards accretive acquisitions when they arise.

The assets held for sale balance consists of non-core assets that are intended to be sold within the next 12 months. The balance (excluding the cash of assets as held for sale) totaled to €266 million at the end of March 2020, compared to €209 million at year-end 2019.

Investment property (in € billions)



Frankfurt


Cologne

Liabilities

	Mar 2020	Dec 2019
	in € millions	
Loans and borrowings [1]	2,137.0	889.4
Straight bonds [2]	10,459.6	9,138.9
Deferred tax liabilities [3]	2,071.4	1,119.5
Other long-term liabilities and derivative financial instruments [4]	696.6	393.8
Current liabilities [5]	648.4	524.2
Total Liabilities	**16,013.0**	**12,065.8**

1) including short-term loans and borrowings and loans and borrowings under held for sale
2) including Schuldscheins and bonds under current liabilities
3) including deferred tax under held for sale
4) including short term derivative financial instruments
5) excluding current liability items that are included in the lines above

Total liabilities amounted to €16.0 billion as at the end of March 2020, compared to €12.1 billion at year-end 2019. The growth is mainly due to the takeover of TLG. TLG's conservative financial structure strongly overlaps with AT's and supports the Group in maintaining a healthy balance sheet with low leverage. The combination added 3 straight bonds with a nominal value of €1.6 billion and bank loans of €1 billion. Approx. €260 million of TLGs 2024 bond was redeemed after the reporting period. AT repurchased €260 million of Series D, E and F during the first quarter of 2020, as well as repaid €38 million of bank loans and drew €250 million of new bank debt. As a result of these optimization activities and TLG's similar debt profile, AT is able to maintain a low cost of debt of 1.6% and a long average debt maturity of 6.4 years.

Total liabilities also include deferred tax liabilities which are non-cash items that are predominantly tied to revaluation profits. Deferred tax liabilities increased to €2.1 billion at the end of March 2020, compared to €1.1 billion at year-end 2019, driven mainly by the takeover of TLG and the revaluation gains recorded during the the reporting period. The deferred taxes are calculated assuming theoretical future property disposals in the form of asset deals and as such the full corporate tax rate is applied. The other long term liabilities grew mainly due to increase in derivatives in relation to the takeover of TLG.

Net financial debt

	Mar 2020	Dec 2019
	in € millions	
Total financial debt [1]	12,596.6	10,028.3
Cash and liquid assets [1]	3,042.0	3,043.8
Net financial debt	**9,554.6**	**6,984.5**

1) including balances held for sale

Net financial debt amounted to €9.6 billion at the end of March 2020, compared to €7.0 billion as at year-end 2019, mainly driven by the takeover of TLG. The balance of cash and liquid assets remained stable at €3.0 billion at the end of March 2020 compared to year-end 2019. AT's strong liquidity position provides high financial flexibility, strength and headroom as well as a strong firepower for swift acquisitions.


Berlin

Loan-to-Value

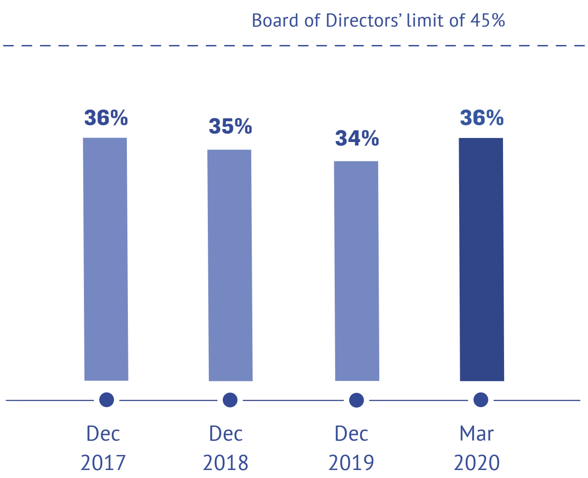
	Mar 2020	Dec 2019
	in € millions	
Investment property 1)	23,192.6	18,113.6
Assets held for sale 2)	258.0	202.4
Investment in equity-accounted investees	2,996.0	2,505.9
Total value	**26,446.6**	**20,821.9**
Net financial debt 3)	**9,554.6**	**6,984.5**
LTV	**36%**	**34%**

1) including advance payments for investment properties and excluding the effects of IFRS 16
2) including properties held for sale
3) including cash and liquid assets held for sale

The Loan-to-Value (LTV) is the ratio of the financial debt, net of cash and liquid assets, to the value of investment property, including advance payments and investments in equity-accounted investees. Maintaining a conservative level of leverage is a key component of Aroundtown's financial policy, with an internal LTV limit of 45% set by the Board of Directors, and results in a strong financial and credit profile.

As the takeover of TLG has been financed through a share to share offer, AT's LTV remained stable at 36% in the end of March 2020, higher than 34% at year-end 2019. The main reason for the slight increase in LTV is due to consolidation with TLG. The LTV is well below the Board of Director's limit which reflects the strong defensiveness of the Company's financial profile and provides the Company with significant comfort against a market downturn or a headroom to initiate further growth.

Loan-to-Value



Unencumbered assets ratio

	Mar 2020	Dec 2019
	in € millions	
Rent generated by unencumbered assets *	892.0	789.7
Rent generated by the total Group *	1,204.5	974.5
Unencumbered assets ratio	**74%**	**81%**

* annualized net rent including the contribution from GCP and other investments and excluding the net rent from assets held for sale

AT's portfolio embeds additional financial flexibility through a high ratio of unencumbered assets. A high ratio of 74% with a total value of €16.6 billion as at the end of March 2020, compared to 81% and €14.2 billion as at year-end 2019, provides the Company with additional flexibility and liquidity potential. The ratio has decreased due to the takeover of TLG which has a lower ratio of unencumbered assets compared to AT prior to the takeover, but still remains significantly above the 50% level set in the Company's financial policy.

ICR

	Three months ended March 31,	
	2020	2019
	in € millions	
Group finance expenses 1)	50.4	38.3
Adjusted EBITDA 2)	238.7	180.8
ICR	**4.7x**	**4.7x**

1) including AT's share in GCP and other investments
2) including the contributions from commercial assets held for sale, GCP and other investments

Solid financial cover ratio with a high ICR of 4.7x for the first quarter of 2020 reflects AT's healthy credit profile. By maintaining its debt metric at such high multiples, AT demonstrates the high level of comfort that its operational results have in covering its finance expenses.

Bonn

Equity

	Mar 2020	Dec 2019
	in € millions	
Total equity	**16,248.0**	**13,378.9**
of which equity attributable to the owners of the Company	11,147.4	9,585.5
of which equity attributable to perpetual notes investors	3,109.1	2,484.0
of which non-controlling interests	1,991.5	1,309.4
Equity ratio	**50%**	**53%**

AT's total equity amounted to €16.2 billion as at the end of March 2020 and increased by 21% compared to €13.4 billion recorded at year-end 2019. The growth can be observed in all three main equity items. Shareholders' equity grew by 16% from €9.6 billion at year-end 2019 to €11.1 billion at the end of March 2020. This is driven by the takeover of TLG which was financed through a share-to-share exchange, shareholders' profit for the period and issuance of mandatory convertible notes. Equity attributable to perpetual notes investors grew from €2.5 billion at year-end 2019 to €3.1 billion at the end of March 2020, due to addition of TLG's perpetual notes. Equity attributable to non-controlling interests grew from €1.3 billion at year-end 2019 to €2.0 billion at the end of March 2020 as a result of the 22% minority share in TLG, consolidation of TLG minorities and €42 million of profits attributed to non-controlling interest. The equity ratio amounted to 50% at the end of March 2020, compared to 53% at year-end 2019.

Following IFRS accounting treatment, perpetual notes are classified as equity as they do not have a repayment date, coupon payments are deferrable at the Company's discretion, they are subordinated to debt and do not have any default rights nor covenants. Following IFRS accounting treatment, mandatory convertible notes are classified as equity attributable to the owners of the Company since these notes are convertible in the discretion of the Company.

Hannover

EPRA NAV and EPRA NNNAV

The EPRA NAV is defined by the European Public Real Estate Association (EPRA) as the net asset value of the Company adjusted to include real estate properties and other investment interests at fair values and exclude certain items that are not expected to materialize in a long-term real estate business model. The purpose of the EPRA NAV is to adjust the IFRS NAV in order to provide stakeholders with the most relevant information on the Group's balance sheet items in the context of a real estate investment company with a long-term oriented investment strategy. As perpetual notes are classified as equity in accordance with IFRS accounting treatment, AT additionally reports an EPRA NAV including perpetual notes. Furthermore, the EPRA NNNAV is derived by adjusting the EPRA NAV by marking to market the spot values of the Company's financial debt, derivative financial instruments and deferred taxes. The purpose of the EPRA NNNAV is to provide stakeholders with the most relevant information on the Company's financial liabilities by reporting them at their spot values as of the end of the reporting period.

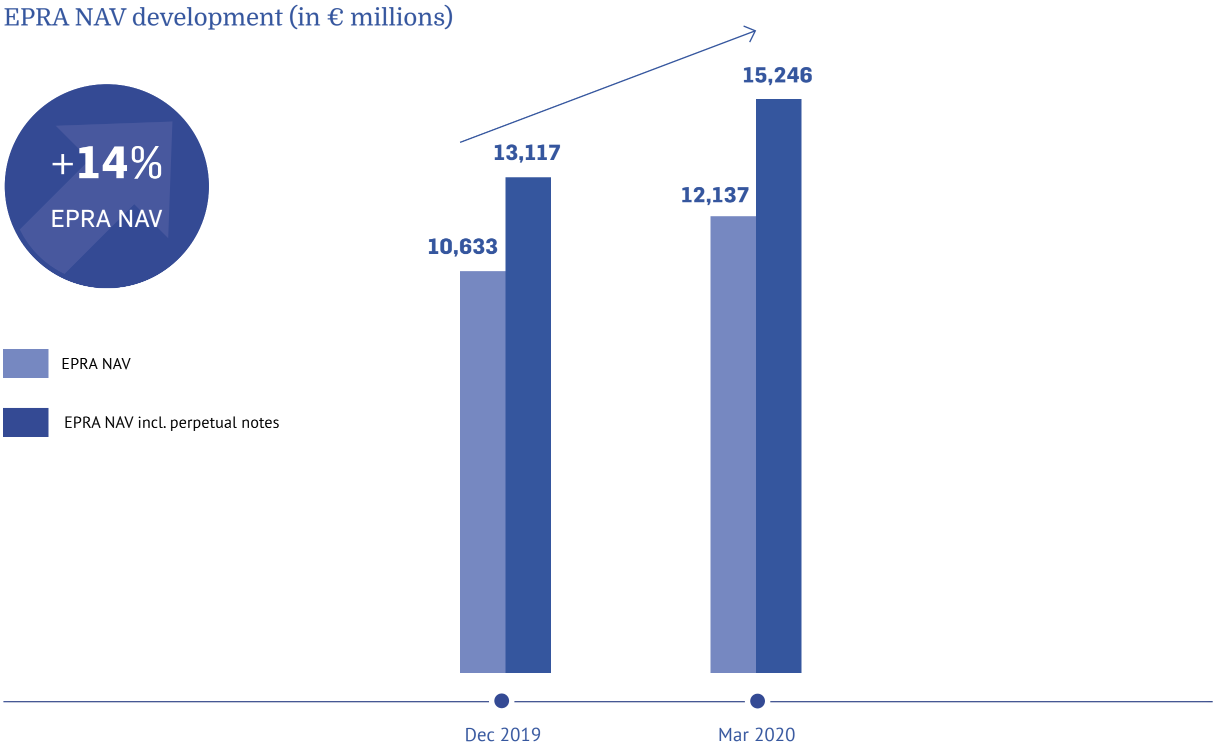
	Mar 2020		Dec 2019	
	in € millions	per share	in € millions	per share
NAV per the financial statements	**16,248.0**		13,378.9	
Equity attributable to perpetual notes investors	(3,109.1)		(2,484.0)	
NAV excluding perpetual notes	**13,138.9**		**10,894.9**	
Fair value measurements of derivative financial instruments [1]	24.6		(71.6)	
Deferred tax liabilities [2]	1,973.8		1,119.5	
NAV	**15,137.3**	**€11.0**	**11,942.8**	**€9.8**
Non-controlling interests	(1,991.5)		(1,309.4)	
Adjustment for TLG [3]	(1,008.5)		-	
EPRA NAV	**12,137.3**	**€8.8**	**10,633.4**	**€8.7**
Equity attributable to perpetual notes investors	3,109.1		2,484.0	
EPRA NAV including perpetual notes	**15,246.4**	**€11.0**	**13,117.4**	**€10.7**
Number of shares (in millions) [4]	1,380.5		1,224.9	
EPRA NAV	**12,137.3**		**10,633.4**	
Fair value measurements of derivative financial instruments	(24.6)		71.6	
Net fair value of debt	(151.5)		(522.7)	
Deferred tax liabilities [5]	(74.7)		(43.0)	
EPRA NNNAV	**11,886.5**	**€8.6**	**10,139.3**	**€8.3**
Number of shares (in millions) [4]	1,380.5		1,224.9	

1) excluding net change in fair value of derivative financial instruments which are related to currency hedging
2) including balances in assets held for sale and excluding deferred taxes that are not related to investment properties
3) deducting goodwill resulting from TLG combination, as well as minority share in TLG's deferred tax liabilities and derivative financial instruments
4) excluding suspended voting rights and including the conversion impact of mandatory convertible notes, base for share KPI calculations
5) assuming disposals through share deals

EPRA NAV amounted at the end of March 2020 to €12.1 billion increasing by 14% from €10.6 billion at year-end 2019, while EPRA NAV per share increased slightly to €8.8 per share. This was driven by the takeover of TLG and net profits recorded during the period, supported further by the mandatory convertible note issuance. The EPRA NAV including perpetual notes amounted to €15.2 billion and €11.0 per share at the end of March 2020, growing by 16% and 3% from €13.1 billion and €10.7 per share respectively, following the growth in EPRA NAV coupled with the addition of TLG's perpetual notes.

AT's EPRA NNNAV amounted to €11.9 billion and €8.6 per share at the end of March 2020, up by 17% and 4% from €10.1 billion and €8.3 per share at year-end 2019, respectively. This growth follows the EPRA NAV growth, partially offset by negative fair value movements in the Company's bonds which were partly recovered after the reporting period.

EPRA NAV development (in € millions)



Wiesbaden

Alternative Performance Measures

Aroundtown follows the real estate reporting criteria and provides alternative performance measures. These measures provide more clarity on the business and enables benchmarking and comparability to market levels. In the following section, Aroundtown presents a detailed reconciliation for the calculations of its Alternative Performance Measures.

Adjusted EBITDA

The adjusted EBITDA is a performance measure used to evaluate the operational results of the Company by deducting from the *EBITDA*, which includes the *Total depreciation and amortization* on top of the *Operating Profit*, non-operational items such as the *Property revaluations and capital gains*, and *Other adjustments,* as well as *One-off expenses related to TLG merger*. *Other adjustments* is calculated by (1) deducting the Adjusted EBITDA related to assets held for sale, a non-recurring item and (2) adding back employee share based payments, a non-cash item. In order to reflect only the recurring operational results, AT deducts the *Share in profit from investment in equity-accounted investees* as this item also includes non-operational profits generated by AT's equity-accounted investees. Due to the nature of its strategic investment in GCP and in other investments, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period, labelled as the *Adjustment for GCP's and other investments' adjusted EBITDA contribution*.

Adjusted EBITDA calculation
Operating Profit
(+) Total depreciation and amortization
(=) EBITDA
(-) Property revaluations, capital gains and other income
(-) Share in profit from investment in equity-accounted investees
(+) One-off expenses related to TLG merger
(-) Other adjustments
(=) Adjusted EBITDA Commercial portfolio, Recurring Long-term
(+) Adjustment for GCP's and other investments' adjusted EBITDA contribution*
(=) Adjusted EBITDA

* the adjustment is to reflect AT's share in the adjusted EBITDA of companies in which AT has significant influence

Funds From Operations I (FFO I)

Funds from Operations I (FFO I) is an industry standard performance indicator for evaluating operational recurring profit of a real estate firm. AT calculates FFO I by deducting from the *Adjusted EBITDA Commercial Portfolio, Recurring Long-term*, the *Finance expenses, net, Current tax expenses* and *Contribution to minorities* and adds back *Other adjustments*. *Other adjustments* refers to finance expenses and current tax expenses related to assets held for sale. *Contribution to minorities* include the minority share in TLG's FFO I after perpetual notes attribution and contribution of AT.

Due to the deduction of the *Share in profit from investment in equity-accounted investees* in the adjusted EBITDA calculation which includes the operational profits from those investments, AT adds back its relative share in GCP's reported FFO I after perpetual notes attribution and the FFO I of other investments, reflecting the recurring operational profit generated by those investments for the period in accordance with the holding rate over the period.

FFO I per share is calculated by dividing the *FFO I* by the *Weighted average basic shares* which excludes the suspended voting rights

FFO I calculation
Adjusted EBITDA Commercial Portfolio, Recurring Long-term
(-) Finance expenses
(-) Current tax expenses
(-) Contribution to minorities
(+) Other adjustments
(=) FFO I Commercial Portfolio, Recurring Long-term
(+) Adjustment for GCP's and other investments' FFO I contribution *
(=) FFO I

* the adjustment is to reflect AT's share in the FFO I of companies in which AT has significant influence

FFO I per share calculation
(a) FFO I
(b) Weighted average basic shares *
(=) (a/b) FFO I per share

* excluding the suspended voting rights, base for share KPI calculations

FFO I after perpetual notes attribution

According to IFRS accounting treatment, AT records perpetual notes and mandatory convertible notes as equity in its balance sheet and contributions to perpetual notes and payments to mandatory convertible noteholders are recognized through changes in equity, not as a financial expense in the income statement. For the purpose of enhanced transparency, AT additionally provides the FFO I after perpetual notes attribution which is derived by deducting the *Adjustment for accrued perpetual notes and MCN attribution* from the *FFO I*.

FFO I after perpetual notes attribution calculation
FFO I
(-) Adjustment for accrued perpetual notes and MCN attribution*
(=) FFO I after perpetual notes attribution

* including the payments to mandatory convertible notes holders

Funds From Operations II (FFO II)

Funds from Operations II (FFO II) is an additional measurement used in the real estate industry to evaluate operational recurring profits including the impact from disposal activities. To derive to the FFO II, the *Results from disposal of properties* are added to the FFO I. These results from disposals reflect the profit driven from the excess amount of the sale price to cost price plus capex of the disposed properties.

FFO II calculation
FFO I
(+) Result from disposal of properties *
(=) FFO II

* the excess amount of the gross sale price to total cost (cost price plus capex of the disposed properties)

EPRA Net Asset Value (EPRA NAV)

The EPRA Net Asset Value (EPRA NAV) is defined by the European Public Real Estate Association (EPRA) as the net asset value of the Company adjusted to include real estate properties and other investment interests at fair values and exclude certain items that are not expected to materialize in a long-term real estate business model. The purpose of the EPRA NAV is to adjust the IFRS NAV in order to provide stakeholders with the most relevant information on the Group's balance sheet items in the context of a true real estate investment company with a long-term oriented investment strategy. As perpetual notes are classified as equity in accordance with IFRS accounting treatment. AT additionally reports the EPRA NAV including the perpetual notes.

AT's EPRA NAV calculation begins with deducting the *Equity attributable to perpetual notes investors* from the *NAV per the financial statements* to arrive at the *NAV excluding perpetual notes*. After adding the *Fair value measurement of derivative financial instruments* and *Deferred tax liabilities* which both include balances in assets held for sale, this results in the *NAV*. These items are added back in line with EPRA's standards as they are not expected to materialize on an ongoing and long-term basis. Equity attributable to the *Non-controlling interests* and *Adjustment for TLG* are deducted from the *NAV* to arrive at the *EPRA NAV*. *Adjustment for TLG* deducts goodwill resulting from TLG combination, as well as minority share in TLG's deferred tax liabilities and derivative financial instruments. *EPRA NAV including the perpetual notes* is calculated by adding back the *Equity attributable to perpetual notes investors* on top of the *EPRA NAV*.

EPRA NAV per share is calculated by dividing the *EPRA NAV* by the *Number of shares, including in-the-money dilution effects* which excludes the suspended voting rights.

EPRA NAV calculation
NAV per the financial statements
(-) Equity attributable to perpetual notes investors
(=) NAV excluding perpetual notes
(+) Fair value measurements of derivative financial instruments 1)
(+) Deferred tax liabilities 2)
(=) NAV
(-) Non-controlling interests
(-) Adjustment for TLG 3)
(=) EPRA NAV
(+) Equity attributable to perpetual investors
(=) EPRA NAV including perpetual notes

1) excluding net change in fair value of derivative financial instruments which are related to currency hedging
2) including balances in assets held for sale and excluding deferred taxes that are not related to investment properties
3) deducting goodwill resulting from TLG combination, as well as minority share in TLG's deferred tax liabilities and derivative financial instruments

EPRA NAV per share calculation
(a) EPRA NAV
(b) Number of shares *
(=) (a/b) EPRA NAV per share

* excluding suspended voting rights and including the conversion impact of mandatory convertible notes, base for share KPI calculations

EPRA Triple Net Asset Value (EPRA NNNAV)

The EPRA Triple Net Asset Value (EPRA NNNAV) is derived by adjusting the EPRA NAV by marking to market the spot values of the Company's financial debt, derivative financial instruments and deferred taxes. The purpose of the EPRA NNNAV is to provide stakeholders with the most relevant information on the Company's financial liabilities by reporting them at their spot values as of the end of the reporting period. Correspondingly, the *EPRA NNNAV* is calculated by deducting first the *Fair value measurements of derivative financial instruments* and the *Net fair value of debt* which is the difference between the market value of debt to the book value of debt, adjusted for taxes. Lastly, *Deferred tax liabilities* are deducted to reach the *EPRA NNNAV* and in compliance with EPRA standards. The adjustment is based on the evidence observed in the market, thus assuming disposal through share deals.

EPRA NNNAV calculation
EPRA NAV
(-) Fair value measurements of derivative financial instruments
(-) Net fair value of debt
(-) Deferred tax liabilities *
(=) EPRA NNNAV

* assuming disposal through share deals

Loan-to-Value (LTV)

The Loan-to-Value (LTV) is a measurement aimed at reflecting the leverage of a Company. The purpose of this metric is to assess the degree to which the total value of the real estate properties are able to cover financial debt and the headroom against a potential market downturn. With regards to AT's internal LTV limit due to its conservative financial policy, the LTV shows as well the extent to which AT can comfortably raise further debt to finance additional growth. *Total value* is calculated by adding together the *Investment property* which includes *Advance payments for real estate transactions* and excludes the effects of IFRS 16, *Assets held for sale* (which is held for sale investment property) and *Investment in equity-accounted investees*. *Net financial debt* is calculated by deducting the *Cash and liquid assets* from the *Total financial debt* which is a sum of *Straight bonds* and *Loans and borrowings*. *Loans and borrowings* includes short-term loans and borrowings and financial debt held for sale. *Cash and liquid assets* is the sum of *Cash and cash equivalents, Short-term deposits* and *Traded securities at fair value through profit or loss*, as well as cash balances of assets held for sale. AT calculates the *LTV* ratio through dividing the *Net financial debt* by the *Total value*.

LOAN-TO-VALUE calculation
(+) Investment property 1)
(+) Assets held for sale 2)
(+) Investment in equity-accounted investees
(=) (a) Total value
(+) Total financial debt 3) 4)
(-) Cash and liquid assets 4)
(=) (b) Net financial debt
(=) (b/a) LTV

1) including advance payments for investment properties and excluding the effects of IFRS 16
2) held for sale investment property
3) total bank loans and bonds
4) including balances held for sale

Equity Ratio

Equity Ratio is the ratio of *Total Equity* divided by *Total Assets*, each as indicated in the consolidated financial statements. AT believes that Equity Ratio is useful for investors primarily to indicate the long-term solvency position of Aroundtown.

Equity Ratio calculation
(a) Total Equity
(b) Total Assets
(=) (a/b) Equity Ratio

Unencumbered assets ratio

The Unencumbered assets ratio is an additional indicator to assess the Company's financial flexibility. As the Company is able to raise secured debt over the unencumbered asset, a high ratio of unencumbered assets provides the Company with additional potential liquidity. Additionally, unencumbered assets provide debt holders of unsecured debt with a headroom. AT derives the *Unencumbered assets ratio* from the division of *Rent generated by unencumbered assets* by *Rent generated by the total Group*. *Rent generated by unencumbered assets* is the net rent on an annualized basis generated by assets which are unencumbered, including the contribution from GCP and other investments but excluding the net rent from assets held for sale. In parallel, *Rent generated by the total Group* is the net rent on annualized basis generated by the total Group including the contribution from GCP and other investments but excluding the net rent from assets held for sale.

Unencumbered Assets Ratio calculation
(a) Rent generated by unencumbered assets *
(b) Rent generated by the total Group *
(=) (a/b) Unencumbered Assets Ratio

* annualized net rent including contribution from GCP and other investments and excluding the net rent from assets held for sale

Interest Cover Ratio (ICR)

The Interest Cover Ratio (ICR) is widely used in the real estate industry to assess the strength of a firm's credit profile. The multiple indicates the degree to which the Company's operational results are able to cover its debt servicing. *ICR* is calculated by dividing the *Adjusted EBITDA* including the contributions from commercial assets held for sale, GCP and other joint ventures by the *Group Finance expenses* which is the sum of AT's finance expenses and AT's share in GCP's and other joint ventures' finance expenses.

ICR calculation
(a) Group Finance expenses 1)
(b) Adjusted EBITDA 2)
(=) (b/a) ICR

1) including AT's share in GCP's and other investments' finance expenses
2) including the contributions from commercial assets held for sale, GCP and other investments

Responsibility statement

To the best of our knowledge, the condensed interim consolidated financial statements of Aroundtown SA, prepared in accordance with the applicable reporting principles for financials statements, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report of the Group includes a fair review of the development of the business, and describes the main opportunities, risks, and uncertainties associates with the Group.

Disclaimer

The financial data and results of the Group are affected by financial and operating results of its subsidiaries. Significance of the information presented in this report is examined from the perspective of the Company including its portfolio with the joint ventures. In several cases, additional information and details are provided in order to present a comprehensive representation of the subject described, which in the Group's view is essential to this report.

By order of the Board of Directors, May 27, 2020

Frank Roseen
Member of the Board of Directors

Oschrie Massatschi
Member of the Board of Directors

Jelena Afxentiou
Member of the Board of Directors

Interim Consolidated Statement Of Profit Or Loss

		Three months ended March 31,	
		2020	2019
		Unaudited	
	Note	in € millions	
Revenue	7	**277.7**	207.5
Property revaluations and capital gains		318.4	239.9
Share in profit from investment in equity-accounted investees		24.8	91.0
Property operating expenses		(70.4)	(53.2)
Administrative and other expenses		(14.1)	(6.0)
Operating profit		**536.4**	**479.2**
Finance expenses		(45.5)	(33.7)
Other financial results		(86.1)	48.8
Profit before tax		**404.8**	**494.3**
Current tax expenses		(24.4)	(12.5)
Deferred tax expenses		(134.7)	(44.9)
Profit for the period		**245.7**	**436.9**
Profit attributable to:			
Owners of the Company		183.4	411.6
Perpetual notes investors		20.2	10.9
Non-controlling interests		42.1	14.4
Profit for the period		**245.7**	**436.9**
Net earnings per share attributable to the owners of the Company (in €)			
Basic earnings per share		0.14	0.36
Diluted earnings per share		0.14	0.36

Interim Consolidated Statement Of Comprehensive Income

	Three months ended March 31,	
	2020	2019
	Unaudited	
	in € millions	
Profit for the period	**245.7**	**436.9**
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations – foreign currency translation difference, net of investment hedges of foreign operations	(8.2)	9.3
Cash flow hedges and cost of hedging	58.0	12.5
Equity-accounted investees – share of OCI	(9.8)	(0.4)
Tax related to the other comprehensive income components	(14.6)	(4.1)
Total other comprehensive income for the period, net of tax	**25.4**	**17.3**
Total comprehensive income for the period	**271.1**	**454.2**
Total comprehensive income attributable to:		
Owners of the Company	208.8	428.9
Perpetual notes investors	20.2	10.9
Non-controlling interests	42.1	14.4
Total comprehensive income for the period	**271.1**	**454.2**

Interim Consolidated Statement Of Financial Position

	Note	March 31, 2020	December 31, 2019
		Unaudited	Audited
		in € millions	
Assets			
Property, equipment and intangible assets	6	881.1	19.8
Investment property	8	23,155.5	18,127.0
Advanced payments for real estate transactions		233.3	181.4
Investment in equity-accounted investees	9	2,996.0	2,505.9
Derivative financial assets		363.3	158.7
Other non-current assets		601.0	628.3
Deferred tax assets		195.7	80.8
Non-current assets		**28,425.9**	**21,701.9**
Cash and cash equivalents		2,718.9	2,191.7
Short-term deposits		4.5	4.7
Financial assets at fair value through profit or loss		314.5	842.2
Trade and other receivables		494.6	453.9
Derivative financial assets		32.8	36.1
Assets held for sale	12	269.8	214.2
Current assets		**3,835.1**	**3,742.8**
Total Assets		**32,261.0**	**25,444.7**

	Note	March 31, 2020	December 31, 2019
		Unaudited	Audited
		in € millions	
Equity			
Share capital	11.1	15.4	12.2
Treasury shares	11.4	(1,620.8)	-
Retained earnings and other capital reserves	11.2, 11.3	12,752.8	9,573.3
Equity attributable to the owners of the Company		**11,147.4**	**9,585.5**
Equity attributable to perpetual notes investors	11.5	3,109.1	2,484.0
Equity attributable to the owners of the Company and perpetual notes investors		**14,256.5**	**12,069.5**
Non-controlling interests		1,991.5	1,309.4
Total Equity		**16,248.0**	**13,378.9**
Liabilities			
Loans and borrowings	10.2	1,840.1	620.6
Straight bonds and schuldscheins	10.1, 10.2	10,041.6	9,138.9
Derivative financial liabilities		405.2	71.7
Other non-current liabilities		255.5	270.6
Deferred tax liabilities		2,054.1	1,107.4
Non-current liabilities		**14,596.5**	**11,209.2**
Current portion of long-term loans and loan redemptions		296.9	245.9
Straight bonds	10.2	418.0	-
Trade and other payables		467.8	342.8
Tax payable		40.5	24.9
Provisions for other liabilities and charges		132.3	149.1
Derivative financial liabilities		35.9	51.5
Liabilities held for sale	12	25.1	42.4
Current liabilities		**1,416.5**	**856.6**
Total Liabilities		**16,013.0**	**12,065.8**
Total Equity and Liabilities		**32,261.0**	**25,444.7**

The Board of Directors of Aroundtown SA authorised these condensed interim consolidated financial statements for issuance on May 27, 2020

Frank Roseen
Member of the Board of Directors

Oschrie Massatschi
Member of the Board of Directors

Jelena Afxentiou
Member of the Board of Directors

Interim Consolidated Statement Of Changes In Equity

For the three-month period ended March 31, 2020

	Attributable to the owners of the Company									
	Share capital	Share premium and other capital reserves	Cash flow hedge and cost of hedge reserves	Treasury shares	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions									
Balance as at December 31, 2019 (Audited)	**12.2**	**3,008.0**	**2.2**	**-**	**6,563.1**	**9,585.5**	**2,484.0**	**12,069.5**	**1,309.4**	**13,378.9**
Profit for the period	-	-	-	-	183.4	183.4	20.2	203.6	42.1	245.7
Other comprehensive income (loss) for the period, net of tax	-	(17.7)	43.1	-	-	25.4	-	25.4	-	25.4
Total comprehensive income (loss) for the period	**-**	**(17.7)**	**43.1**	**-**	**183.4**	**208.8**	**20.2**	**229.0**	**42.1**	**271.1**
Transactions with owners of the Company										
Contributions and distributions										
Issuance of mandatory convertible notes	-	223.1	-	-	-	223.1	-	223.1	-	223.1
Equity settled share-based payment	(*) 0.0	0.3	-	-	-	0.3	-	0.3	-	0.3
Total contributions and distributions	**0.0**	**223.4**	**-**	**-**	**-**	**223.4**	**-**	**223.4**	**-**	**223.4**
Changes in ownership interests										
Transactions with non-controlling interests	-	-	-	-	1.2	1.2	-	1.2	(5.6)	(4.4)
Business combination with TLG	3.2	2,746.1	-	(1,620.8)	-	1,128.5	643.1	1,771.6	645.6	2,417.2
Total changes in ownership interests	**3.2**	**2,746.1**	**-**	**(1,620.8)**	**1.2**	**1,129.7**	**643.1**	**1,772.8**	**640.0**	**2,412.8**
Transactions with perpetual notes investors										
Amount attributed to perpetual notes investors	-	-	-	-	-	-	(38.2)	(38.2)	-	(38.2)
Total transactions with perpetual notes investors	**-**	**-**	**-**	**-**	**-**	**-**	**(38.2)**	**(38.2)**	**-**	**(38.2)**
Balance as at March 31, 2020 (Unaudited)	**15.4**	**5,959.8**	**45.3**	**(1,620.8)**	**6,747.7**	**11,147.4**	**3,109.1**	**14,256.5**	**1,991.5**	**16,248.0**

(*) less than €0.1 million

Interim Consolidated Statement Of Changes In Equity

For the three-month period ended March 31, 2019

	Attributable to the owners of the Company								
	Share capital	Share premium and other capital reserves	Cash flow hedge and cost of hedge reserves	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
					in € millions				
Balance as at December 31, 2018 (Audited)	**11.3**	**2,623.1**	**(13.0)**	**5,208.1**	**7,829.5**	**1,547.7**	**9,377.2**	**567.1**	**9,944.3**
Adjustment on initial application of IFRS 16, net of tax	-	-	-	38.9	38.9	-	38.9	0.7	39.6
Restated balance as at January 1, 2019	**11.3**	**2,623.1**	**(13.0)**	**5,247.0**	**7,868.4**	**1,547.7**	**9,416.1**	**567.8**	**9,983.9**
Profit for the period	-	-	-	411.6	411.6	10.9	422.5	14.4	436.9
Other comprehensive income for the period, net of tax	-	8.9	8.4	-	17.3	-	17.3	-	17.3
Total comprehensive income for the period	**-**	**8.9**	**8.4**	**411.6**	**428.9**	**10.9**	**439.8**	**14.4**	**454.2**
Transactions with owners of the Company									
Contributions and distributions									
Equity settled share-based payment	-	0.5	-	-	0.5	-	0.5	-	0.5
Total contributions and distributions	**-**	**0.5**	**-**	**-**	**0.5**	**-**	**0.5**	**-**	**0.5**
Changes in ownership interests									
Non-controlling interests arising from initially consolidated companies and other transactions	-	-	-	(19.8)	(19.8)	-	(19.8)	1.0	(18.8)
Total changes in ownership interests	**-**	**-**	**-**	**(19.8)**	**(19.8)**	**-**	**(19.8)**	**1.0**	**(18.8)**
Transactions with perpetual notes investors									
Amount attributed to perpetual notes investors	-	-	-	-	-	(31.0)	(31.0)	-	(31.0)
Total transactions with perpetual notes investors	**-**	**-**	**-**	**-**	**-**	**(31.0)**	**(31.0)**	**-**	**(31.0)**
Balance as at March 31, 2019 (Unaudited)	**11.3**	**2,632.5**	**(4.6)**	**5,638.8**	**8,278.0**	**1,527.6**	**9,805.6**	**583.2**	**10,388.8**

Interim Consolidated Statement Of Cash Flows

	Three months ended March 31,	
	2020	2019
	Unaudited	
	in € millions	
Cash flows from operating activities		
Profit for the period	**245.7**	**436.9**
Adjustments for the profit:		
Depreciation and amortization	1.0	0.5
Property revaluations and capital gains	(318.4)	(239.9)
Share in profit from investment in equity-accounted investees	(24.8)	(91.0)
Finance expenses and other financial results	131.6	(15.1)
Current and deferred tax expenses	159.1	57.4
Share-based payment	1.0	0.5
Change in working capital	(13.9)	(15.2)
Dividend received	14.4	-
Tax paid	(22.7)	(11.2)
Net cash provided by operating activities	**173.0**	**122.9**
Cash flows from investing activities		
Acquisitions of equipment and intangible assets, net	(3.5)	(1.2)
Investments in and acquisitions of investment property, capex and advances paid, net	(139.4)	(243.9)
(Acquisitions) / disposals of investees and loans, net of cash acquired / (disposed)	-	(234.7)
Investments in traded securities and other financial assets, net	(58.7)	(196.6)
Net cash used in investing activities	**(201.6)**	**(676.4)**


Davos

	Three months ended March 31,	
	2020	2019
	Unaudited	
	in € millions	
Cash flows from financing activities		
Proceeds from issuance of mandatory convertible notes, net	224.4	-
Proceeds from issuance of straight bonds, net	-	1,152.3
Buy-back of straight bonds	(276.5)	-
Payments to perpetual notes investors	(38.2)	(31.0)
Proceeds (repayments) from/(of) loans from financial institutions and others, net	139.6	(147.7)
Amortizations of loans from financial institutions	(10.2)	(5.3)
Transactions with non-controlling interests	75.3	(1.9)
Interest and other financial expenses paid, net	(66.1)	(57.1)
Net cash provided by financing activities	**48.3**	**909.3**
Net change in cash and cash equivalents	**19.7**	**355.8**
Cash and cash equivalents as at January 1	2,191.7	1,242.8
Assets held for sale – change in cash	(1.2)	(1.2)
Cash and cash equivalents from initial consolidation of TLG (*)	510.5	-
Effect of movements in exchange rates on cash held	(1.8)	0.5
Cash and cash equivalents as at March 31	**2,718.9**	**1,597.9**

(*) The Company acquired TLG for a consideration that did not include cash (see note 6). The presented amount is the cash and cash equivalents acquired and initially consolidated as part of the business combination, net of the transaction costs incurred.

Notes To The Interim Consolidated Financial Statements

For the three-month period ended March 31, 2020

1. General

(A) Incorporation and principal activities

Aroundtown SA ("the Company" or "Aroundtown"), a public limited liability company (Société Anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, Rue du Curé, L-1368, Luxembourg (formerly 1, Avenue du Bois, L-1251 Luxembourg). Aroundtown's shares are listed on the Prime Standard of the Frankfurt Stock Exchange and included in the MDAX index of the Deutsche Börse.

Aroundtown is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities, primarily in Germany and the Netherlands. Aroundtown invests in commercial and indirectly in residential real estate which benefits from strong fundamentals and growth prospects. The commercial properties are held by Aroundtown and the residential investments are held through its holding in Grand City Properties S.A. ("GCP"), a publicly traded real estate company that focuses on investing in value-add opportunities predominantly in the German residential real estate market. As at March 31, 2020, Aroundtown holds 39.42% (December 31, 2019: 39.40%) in GCP and presents it as an equity-accounted investee in these financials.

These condensed interim consolidated financial statements for the three-month period ended March 31, 2020 consist of the financial statements of the Company and its investees ("the Group").

2. Significant changes in the reporting period

The financial position and performance of the Group was affected by the following events and transactions during the reporting period:

- Business combination with TLG Immobilien AG ("TLG") – the Group took over 77.5% of the shares of TLG and initially consolidated it starting February 19, 2020 (see note 6).
- Issuance of $250 million nominal value of Mandatory convertible notes, convertible into the Company's shares (see note 11.3).
- Buy-back of €259.6 million nominal value of the Company's straight bonds (see note 10.1).
- The COVID-19 pandemic had an immaterial effect on the Group results for the first quarter of 2020. The pandemic and the economic implications have a more material effect on the results of starting from the second quarter of 2020, and the Group has implemented measures to minimize the negative effect on its operations. The Group maintains its strong liquidity and conservative financial position, which provide a financial cushion in case of a continuous downside scenario, as well as acquisition firepower for opportunistic purchases.
- For additional information about changes in the Group's financial position and performance, see the "Notes on business performance" section in the Board of Directors' Report.

3. Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim financial reporting as applicable in the European Union ("EU"), and do not include all the information required for a complete set of IFRS financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2019. Selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2019.

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements, including the judgments, estimates and special assumptions that affect the application of those accounting policies, are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new standards, amendments to standards and interpretations as described in note 4.

These condensed interim consolidated financial statements have not been reviewed by an auditor, unless otherwise indicated.

Functional and presentation currency

The condensed interim consolidated financial statements are presented in euro, which is also the functional currency of the Group, and reported in millions of euros rounded to one decimal point, except when otherwise indicated.

For the purpose of presenting the condensed interim consolidated financial statements, the assets and liabilities of the Group's foreign operations in the UK which operate in British Pound (GBP), are expressed in Euro (EUR) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in an equity component under the other capital reserves.

As at March 31, 2020, the Company has financial instruments in British Pound (GBP), US Dollar (USD), Swiss Franc (CHF), Australian Dollar (AUD), Canadian Dollar (CAD), Norwegian Krone (NOK), Hong Kong Dollar (HKD) and Japanese Yen (JPY).

4. Changes in accounting policies

The following amendments were adopted for the first time in these condensed interim consolidated financial statements, with effective date of January 1, 2020:

- **Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform**
  A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of interbank offered rates (IBORs) with alternative nearly risk-free rates ("IBOR reform"). The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement, provide several reliefs, which apply to all hedging relationships that are directly affected by the IBOR reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

  The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition across the jurisdictions that the Group operates in. The Group anticipates that the IBOR reform will impact its risk management and hedge accounting.

  The Group monitors and manages the transition to alternative rates and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as result of IBOR reform and how to manage communication about the IBOR reform with counterparties. The Group expects to negotiate the inclusion of new fallback clauses with its derivative counterparties.

  For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as result of IBOR reform.

  The Group will cease to apply the amendments to its assessment of the economic relationship between the hedged item and the hedging instrument when the uncertainty arising from IBOR reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the amendments when the uncertainty arising from IBOR reform about the timing and amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the condensed interim consolidated financial statements of the Company.

- **Amendments to IAS 1 and IAS 8: Definition of Material**
  The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the condensed interim consolidated financial statements of, nor is there expected to be any future impact to the Company.

- **Amendments to References to the Conceptual Framework in IFRS Standards**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Company.

5. Fair value measurement of financial instrument

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual consolidated financial statements.

5.1 Fair values hierarchy

The following table presents the Group's financial assets and financial liabilities measured and recognized at fair value at March 31, 2020 and December 31, 2019 on a recurring basis:

	March 31, 2020				December 31, 2019			
		Fair value measurement using				Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Carrying amount	Total fair value)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
	in € millions							
Financial assets								
Financial assets at fair value through profit or loss	314.5	314.5	314.5	-	842.2	842.2	842.2	-
Derivative financial assets	396.1	396.1	-	396.1	194.8	194.8	-	194.8
Total financial assets	**710.6**	**710.6**	**314.5**	**396.1**	**1,037.0**	**1,037.0**	**842.2**	**194.8**
Financial liabilities								
Derivative financial liabilities	441.1	441.1	-	441.1	123.2	123.2	-	123.2
Total financial liabilities	**441.1**	**441.1**	**-**	**441.1**	**123.2**	**123.2**	**-**	**123.2**

Level 1: the fair value of financial instruments traded in active markets (such as debt and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: the fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant input required to fair value of financial instrument are observable, the instrument is included in level 2.

The Group's policy is to recognized transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between level 1 and level 2 during the reporting period.

5.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices.
- for derivative financial instruments - forward pricing and swap models using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.
- for hybrid instruments - a combination of a discount cash flows method for the host contract and a call pricing model for the embedded derivative (i.e., the conversion option). The models use observable inputs such as market price of the underlying asset and swap rate curve.

5.3 Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the interim consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant changes were identified for the following instruments as at March 31, 2020:

	March 31, 2020				December 31, 2019			
		Fair value measurement using				Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Carrying amount	Total fair value)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
	in € millions							
Straight bonds and schuldscheins (*)	10,544.7	10,565.0	10,180.3	384.7	9,251.2	9,796.2	9,409.1	387.1

(*) the carrying amount includes accrued interest.

There were no transfers between level 1 and level 2 during the reporting period.

Düsseldorf

6. Business combination with TLG Immobilien AG

On February 19, 2020, the Company completed the takeover on 77.5% of the share capital and voting rights of TLG Immobilien AG ("TLG"), a German publicly listed real estate company, specializing in commercial properties in Germany. The transaction was done by voluntary takeover share to share offer published in December 2019, enabling the shareholders of TLG to tender their holdings in TLG against a consideration of 3.6 Aroundtown shares for each TLG share. On February 13, 2020, the Company announced the final result of the offer according to which the Company received TLG shares representing 77.5% of TLG (86,857,831 shares) against 312,688,188 new ordinary shares of the Company issued to TLG shareholders who tendered their shares. Including immaterial TLG shares previously held, Aroundtown holds 77.8% of the shares in TLG following the settlement, granting to Aroundtown control over TLG and leading it to conduct a business combination. The high acceptance rate underlines the investors' support and confidence in the synergies and value-add potential of the combined companies.

The combination of the Company and TLG created a leading pan-European office/hotel/residential real estate company with a well-diversified portfolio in top tier European cities, primarily in Germany and the Netherlands, focused on the strongest asset classes.

From the date of obtaining control until March 31, 2020, TLG contributed revenue of €30.5 million and net profit of €82.8 million to the Group's results. Had the takeover occurred on January 1, 2020, the consolidated revenue and consolidated net profit for the period would have been increased by €37.6 million and €9.6 million, respectively.

The total consideration amount used for the presentation of the business combination is €2,987.5 million. This amount includes 312,688,188 Aroundtown shares newly issued and delivered to TLG shareholders who tendered their TLG shares to the Company as part of the takeover offer, €223.0 million contingent liability in relation to an indemnification agreement ("Indemnification Agreement") and €9.1 million investment in TLG held by the Company prior to the initial consolidation (reflects 0.3% in TLG). The fair value of the ordinary shares issued against contribution in kind was based on the listed share price of the Company on February 19, 2020 and amounted to €8.812 per share.

As part of the takeover of TLG, the Company and a third party ("the TP") entered into an Indemnification Agreement, in which the TP has agreed to refrain from tendering a number of 11,670,823 shares ("Irrevocable Shares") or otherwise dispose them only upon the Company`s request, but instead to continue to hold them for a period of maximum five years and in certain conditions, up to ten years. As consideration for such obligation, the TP shall receive for the period it holds the Irrevocable Shares an agreed minimum gross return over the EPRA NAV relates to the Irrevocable Shares (with an agreed minimum and maximum ("Capped NAV")) minus any dividend distributed for the Irrevocable Shares in the relevant fiscal year ("Custody Interest"). The TP has the right to dispose of the Irrevocable Shares in a window period of 34 - 60 months from the takeover date. If decided to do so, the Company agreed to indemnify the TP for the difference (if any) between the consideration of such sell and the Capped NAV ("Indemnification"). Under certain conditions, the Company has the right to postpone such disposal for a period of up to 10 years from the takeover date. Upon the takeover date, the Company recognized the fair value of the discounted annual Custody Interest as a non-current liability to be amortized during the agreement. The Indemnification amount is presented as a derivative financial liability measured at fair value through profit or loss.

The Company incurred acquisition-related costs of €1.4 million (excluding costs coming from TLG) on legal fees and due diligence costs. These costs were presented as Administrative expenses in the consolidated statement of profit or loss. Additionally, an amount of €5.9 million incurred as part of the capital increase process and is presented net from the share premium.

Berlin

Amsterdam

The following table summarizes the recognized amounts of identified assets and liabilities acquired as at the date of the takeover at their fair value:

	Note	in € millions
Non-current assets		
Investment property		4,736.2
Property, equipment and intangible assets [(a)]		40.2
Investment in shares of the Company [(b)]	11.4	1,620.8
Derivative financial assets		2.9
Other assets		39.1
Deferred tax assets		111.5
Total identifiable non-current assets		**6,550.7**
Current assets		
Cash and cash equivalents		517.8
Trade and other receivables		81.3
Assets held for sale		3.0
Total identifiable current assets		**602.1**
Non-current liabilities		
Loans and borrowings	10	(969.9)
Straight bonds series 2022 and 2026	10	(1,230.4)
Derivative financial liabilities		(36.2)
Other liabilities		(39.9)
Deferred tax liabilities		(792.9)
Total identifiable non-current liabilities		**(3,069.3)**
Current liabilities		
Current portion of loans and borrowings	10	(75.9)
Straight bond series 2024 [(c)]	10	(418.4)
Trade and other payables		(106.2)
Provisions for other liabilities and charges		(25.3)
Total identifiable current liabilities		**(625.8)**
Net identifiable assets and liabilities acquired		**3,457.7**
Perpetual notes [(d)]		**(643.1)**
Total identifiable assets, liabilities and perpetual notes		**2,814.6**

(a) The property, equipment and intangible assets are primarily attributed to owner-occupied property in an amount of €35.4 million.

(b) The Company's shares acquired as part of the business combination will be accounted for as Treasury shares in the consolidated financial statements of the Company and deducted from the shareholders equity. These shares will have suspended voting rights.

(c) As per TLG's 2024 straight bond terms and conditions, bondholders were eligible to claim for early redemption upon change of control event and as a result, a nominal amount of €258.5 million bonds have been redeemed in May 2020. The remaining €141.5 million nominal amount will be reclassified to non-current liability in Q2 2020.

(d) The perpetual notes of TLG are treated as equity instrument in TLG's consolidated accounts and shall have the same accounting treatment in the Company's consolidated accounts due to its legal and financial characteristics.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired that were not measured at their fair value in the target company's accounts were as follows:

Asset / liability aquired	Significant unobservable inputs / quoted prices
Property and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Investment in the Company's shares	Quoted prices.
Loans and borrowings	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available.
Straight bonds	Quoted prices.
Perpetual notes	Quoted prices.

If new information obtained within one year following the date of the takeover about facts and circumstances that existed at the date of the takeover, the accounting presentation will be revised accordingly.

Goodwill arising from the acquisition has been recognized as follows:

	in € millions
Consideration transferred	2,987.5
Non-controlling interests [a]	645.6
Fair value of identifiable net assets and perpetual notes	(2,814.6)
Goodwill recognized	**818.5**

(a) includes non-controlling interests that existed in TLG prior to the takeover and additional non-controlling interests created as a result of the takeover, based on their proportionate interests in the recognized amounts of the assets and liabilities of TLG.

The goodwill is attributable mainly to deferred tax liabilities coming from TLG consolidated accounts and the operational and financial synergies expected to be achieved following the integration of TLG and the Company.

7. Revenue

	Three months ended March 31,	
	2020	2019
	in € millions	
Net rental income	235.7	177.6
Revenue from contracts with customers	42.0	29.9
	277.7	**207.5**

7.1 Geographical information

The geographical breakdown of revenue is as follows:

	Three months ended March 31,	
	2020	2019
	in € millions	
Germany	190.0	144.4
The Netherlands	44.7	32.6
United Kingdom	23.1	20.2
Belgium	6.0	0.3
Others	13.9	10.0
	277.7	**207.5**

8. Investment property

	Three months ended March 31	Year ended December 31
	2020	2019
	Unaudited	Audited
	in € millions	
Balance as at January 1	**18,127.0**	**14,174.0**
Adjustment for initial application of IFRS 16	-	145.5
Restated balance as at January 1	**18,127.0**	**14,319.5**
Acquisitions of investment property and investment in capex during the period / year – see note 8A	4,874.2	3,260.3
Disposal of investment property during the period / year – see note 8B	(35.4)	(676.2)
Effect of foreign currency exchange differences	(56.5)	72.7
Transfer to Assets held for sale, net	(69.5)	(53.0)
Fair value adjustments	315.7	1,203.7
Balance as at March 31 / December 31	**23,155.5**	**18,127.0**

A. Acquisitions

As part of the business combination with TLG, the Group initially consolidated €4.7 billion of investment property containing commercial portfolios located in top tier cities in Germany (for additional information see note 6). Moreover, the Group obtained control over investment property in the amount of €45.4 million.

B. Disposals

During the reporting period, the Group sold investment property in the amount of €37.2 million (for the year 2019: €690.7 million), resulting a gain of €1.8 million (for the year 2019: €14.5 million).

Additional disposals took place from assets classified as held for sale – see note 12.

Leipzig

9. Investment in equity-accounted investees

During the reporting period, the Group obtained significant influence over its investment in Globalworth Real Estate Investments Limited and as a result reclassified the investment from financial asset at fair value through profit or loss to investment in equity-accounted investee in the interim consolidated statement of financial position.

10. Loans, borrowings and bonds

10.1 Buy-back of straight bonds and repayments of bank loans

During the reporting period, the Company completed the buy-back of €49.0 million nominal amount of its straight bonds series D maturing in 2022, €60.4 million nominal amount of its straight bonds series F maturing in 2023 and €150.2 million nominal amount of its straight bond series E maturing in 2024 (total nominal amount bought back was €259.6 million) for a purchase price of 103.321%, 106.250% and 105.735% of the principal amount, excluding accrued interest, respectively. Following the buy-back, an aggregated principal amount of €210.5 million, €151.0 million and €499.8 million of straight series bond D, straight bond series F and straight bond series E, respectively, remained outstanding.

During the reporting period, the Group repaid several bank loans amounting to €37.8 million.

10.2 TLG straight bonds initially consolidated

As part of the business combination with TLG, the Group initially consolidated 3 straight bonds series with the following characteristics:

1) €600 million nominal amount of "2022 straight bond" maturing in 2022 and carrying 0.375% nominal interest rate p.a. The fair value as at initial consolidation was 100.858%.
2) €400 million nominal amount of "2024 straight bond" maturing in 2024 and carrying 1.375% interest rate p.a. The fair value as at initial consolidation was 104.925%.
   As per the TLG's bond terms and conditions, bondholders were eligible to claim for an early redemption upon a change of control event, hence the carrying amount was presented as a current liability in the Company's consolidated statement of financial position. For the final amount early repaid to the bondholders, see note 14.
3) €600 million nominal amount of "2026 straight bond" maturing in 2026 and carrying 1.5% interest rate p.a. The fair value as at initial consolidation was 105.463%.

Berlin

11. Equity

11.1 Share capital

	Three months ended March 31, 2020 Unaudited		Year ended December 31, 2019 Audited	
	Number of shares	in € millions	Number of shares	in € millions
Authorized				
Ordinary shares of €0.01 each	3,000,000,000	30.0	3,000,000,000	30.0
Issued and fully paid				
Balance as at January 1	1,223,574,261	12.2	1,128,581,866	11.3
Capital increase	312,688,188	3.2	84,000,000	0.8
Issuance of shares as part of the scrip dividend	-	-	10,894,530	0.1
Share-based payment	135,348	(*)0.0	97,865	(*)0.0
Balance at the end of the period / year	1,536,397,797	15.4	1,223,574,261	12.2

(*) less than €0.1 million.

Brussels

11.2 Capital increase

As part of the business combination with TLG, the Company increased its share capital by 312,688,188 new ordinary shares against contribution in kind, that was received in 86,857,831 of TLG shares and lead to obtaining control over TLG. The shares were issued on February 19, 2020.

11.3 Mandatory convertible notes

In March 2020, the Company issued $250 million nominal value of Mandatory convertible note maturing in 2023 and bearing interest of 5% p.a. payable semi-annually. The initial conversion price was fixed at $9.214 (€8.5) per ordinary share. The Mandatory convertible notes are convertible at the discretion of the Company and the noteholders.

11.4 Treasury shares

As part of the business combination with TLG, the Company acquired 183,936,137 of its own shares that were held by TLG. These shares have suspended voting rights but are entitled to dividend.

11.5 Perpetual notes initially consolidated

As part of the business combination with TLG, the Group initially consolidated €600 million nominal amount of TLG perpetual notes with a first reset date in September 2024 (the "First Reset Date"). The fair value as at initial consolidation was 107.178%. The notes carry 3.375% coupon p.a. from and including interest commencement date to but excluding First Reset Date. The bonds will carry the relevant 5-year fix-for-floating EURIBOR swap rate plus a margin of 398 basis points p.a. from the First Reset Date until but excluding December 23, 2029 (the "Step-up Date"). The bonds will carry an interest, from and including the Step-up date to but excluding December 23, 2044 (the "Additional Step-up Date"), at the reference rate for the relevant reset period plus a margin of 423 basis points p.a. and from and including the Additional Step-up Date at the reference rate for the relevant reset period plus a margin of 498 basis points p.a.

12. Assets and liabilities held for sale

During the reporting period, the Company completed the sale transaction of non-core and mature properties in a value of €17.6 million and recognized capital gain of €0.9 million which is presented as part of the property revaluations and capital gains in the interim consolidated statement of profit or loss.

13. Commitments

As at March 31, 2020, the Group had approximately €0.2 billion of commitments for future capital expenditures on its real estate properties.

14. Events after the reporting period

a) After the reporting period, the Group repaid nominal amount of €258.5 million out of the outstanding €400 million of TLG's 2024 straight bond, and the rest €141.5 million nominal amount will be reclassified as non-current liability in following periods.

b) On May 20, 2020, the Company announced on the Aroundtown's Annual General Meeting of shareholders ("AGM") to be convened on June 24, 2020. In light of the current market situation and the uncertainties surrounding future macroeconomic developments as a result of the Coronavirus pandemic and international lockdown, the Company's Board of Directors has determined that proposing a dividend distribution to the AGM is not in the Company's best interest at this point in time. The Board of Directors will continue to monitor the market situation and may, if warranted in light of changed conditions, propose a future dividend distribution for the year 2019 and corresponding shareholders meeting.

c) On May 20, 2020, the Company's Board of Directors announced on its resolution to initiate a share buy-back program. Further details will be published once the final buy-back program is determined.

15. Authorization of condensed interim consolidated financial statements

These condensed interim consolidated financial statements were authorized for issuance by the Company's board of directors on May 27, 2020.

Frankfurt

AROUNDTOWN SA

Rotterdam