



 AROUNDTOWN SA

# Q1 2022 FINANCIAL RESULTS

AROUNDTOWN SA | MAY 2022



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# HIGHLIGHTS

| BERLIN





## TOP & BOTTOM LINE

### NET RENTAL INCOME

€309m

+32% YOY

### RENT LIKE-FOR-LIKE

+1.7% (excl. hotels) / +0.9% (incl. hotels)

MAR 2022 (GCP is not included)

### FFO I

€89m / €119m (before extraordinary Covid adj.)

+3% YOY / -4% YOY

### FFO I ps.

€0.080 / €0.106 (before extraordinary Covid adj.)

+10% YOY / +1% YOY

Guidance confirmed



## FINANCIAL DISCIPLINE

### CASH AND LIQUID ASSETS

€2.2 bn

MAR 2022

### UNENCUMBERED INVESTMENT PROPERTIES

€23.9bn / 85% of rent

MAR 2022

### LTV

40%

MAR 2022

### CREDIT RATING BY S&P

BBB+/STABLE

REAFFIRMED IN DEC 2021



## CONSERVATIVE DEBT PROFILE

### DEBT REPAYMENTS IN 2022 YTD

~€800m

With 1.2% avg. CoD and <2y avg. maturity

### LOW COST OF DEBT

1.2%

MAR 2022

### LONG AVERAGE DEBT MATURITY

5.7y

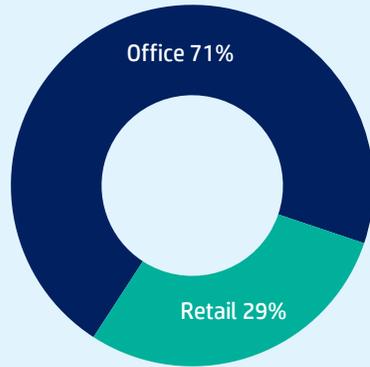
MAR 2022

### INTEREST COVER RATIO

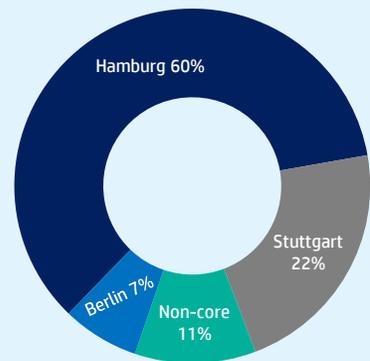
5.3x

Q1 2022 excluding JV contributions

## DISPOSALS OF NON-CORE AND MATURE ASSETS...



Q1 2022 Closed



Q1 2022 Closed

\* of which €0.5bn signed during 2021

## ...ABOVE BOOK VALUE, VALIDATING PORTFOLIO VALUATIONS...

**€1.1BN DISPOSALS SIGNED UNTIL 2022 YTD\***

>€130M DISPOSALS CLOSED IN Q1 2022

**+3%**

Margin over book value  
Q1 2022 Closed

**+66%**

Margin over cost value  
Q1 2022 Closed

**27x**

Average disposal rent multiple

Q1 2022 Closed

**28x**

Office  
Q1 2022 Closed

**25x**

Retail  
Q1 2022 Closed

## ... FUNDING DEBT REPAYMENTS AND SHARE BUYBACKS

- Disposals above book value (€1.1bn in 2022 YTD) are channelled into debt repayments (€0.8bn in 2022 YTD) & share buybacks (€0.2bn in 2022 YTD)
- Shareholder value creation through selling assets above book value & buying back shares significantly below NAV. Effectively reinvesting into its own higher quality portfolio after sale of non-core



# OPERATIONS & PORTFOLIO

| FRANKFURT

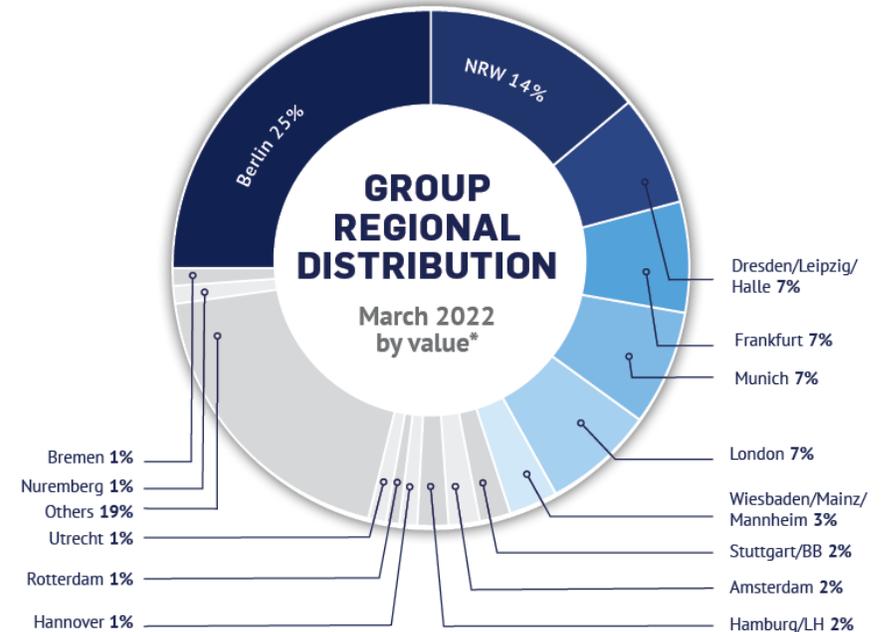
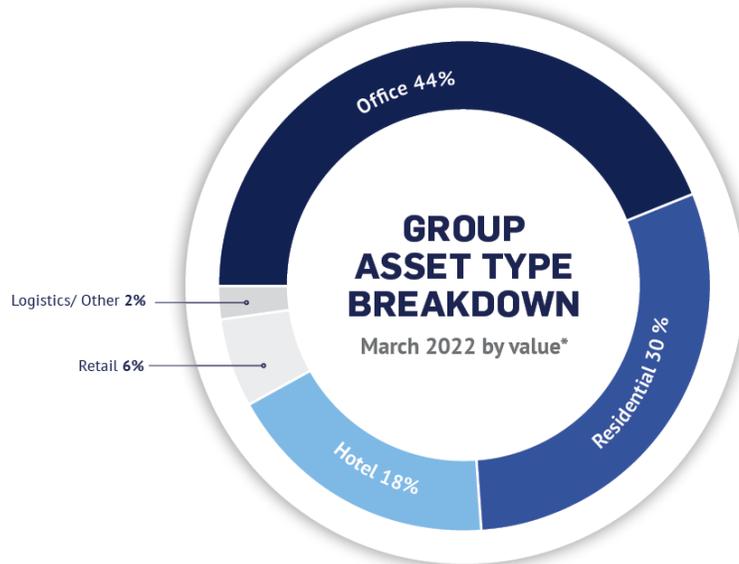




**92% OFFICE/RESIDENTIAL/HOTEL,**  
WELL-BALANCED WITH STRONG DIVERSIFICATION AMONG  
ASSET TYPES WITH DIVERSE FUNDAMENTALS



**92% IN GERMANY, THE NL & LONDON,**  
WELL-DIVERSIFIED ACROSS TOP TIER CITIES WITH A FOCUS  
ON CENTRAL LOCATIONS



# DEFENSIVE PORTFOLIO WITH STRONG TENANT STRUCTURE

| MAR 2022<br>Portfolio by asset type          | Investment<br>property (€m) | Lettable area<br>(k sqm) | EPRA Vacancy | Annualized<br>net rent (€m) | In-place rent/sqm (€) | Value/sqm (€) | Rental Yield | WALT (years) |
|--|-----------------------------|--------------------------|--------------|-----------------------------|-----------------------|---------------|--------------|--------------|
| Office                                       | 11,854                      | 3,753                    | 10.8%        | 479                         | 11.4                  | 3,158         | 4.0%         | 4.5          |
| Residential                                  | 8,135                       | 3,711                    | 5.2%         | 349                         | 8.1                   | 2,192         | 4.3%         | NA           |
| Hotel  | 4,739                       | 1,542                    | 4.2%         | 239                         | 13.3                  | 3,073         | 5.0%         | 15.1         |
| Logistics/Other                              | 438                         | 457                      | 6.0%         | 23                          | 4.3                   | 959           | 5.3%         | 5.2          |
| Retail                                       | 1,689                       | 695                      | 11.9%        | 74                          | 9.9                   | 2,430         | 4.4%         | 4.4          |
| Development rights & Invest                  | 2,047                       |                          |              |                             |                       |               |              |              |
| <b>Total</b>                                 | <b>28,902</b>               | <b>10,158</b>            | <b>7.9%</b>  | <b>1,164</b>                | <b>10.0</b>           | <b>2,644</b>  | <b>4.3%</b>  | <b>7.6</b>   |
| <b>Total (GCP at relative consolidation)</b> | <b>24,488</b>               | <b>8,233</b>             | <b>8.3%</b>  | <b>983</b>                  | <b>10.5</b>           | <b>2,743</b>  | <b>4.4%</b>  | <b>7.7</b>   |

Limited dependency on single tenants: Top 10 Tenants: less than 20% of rental income

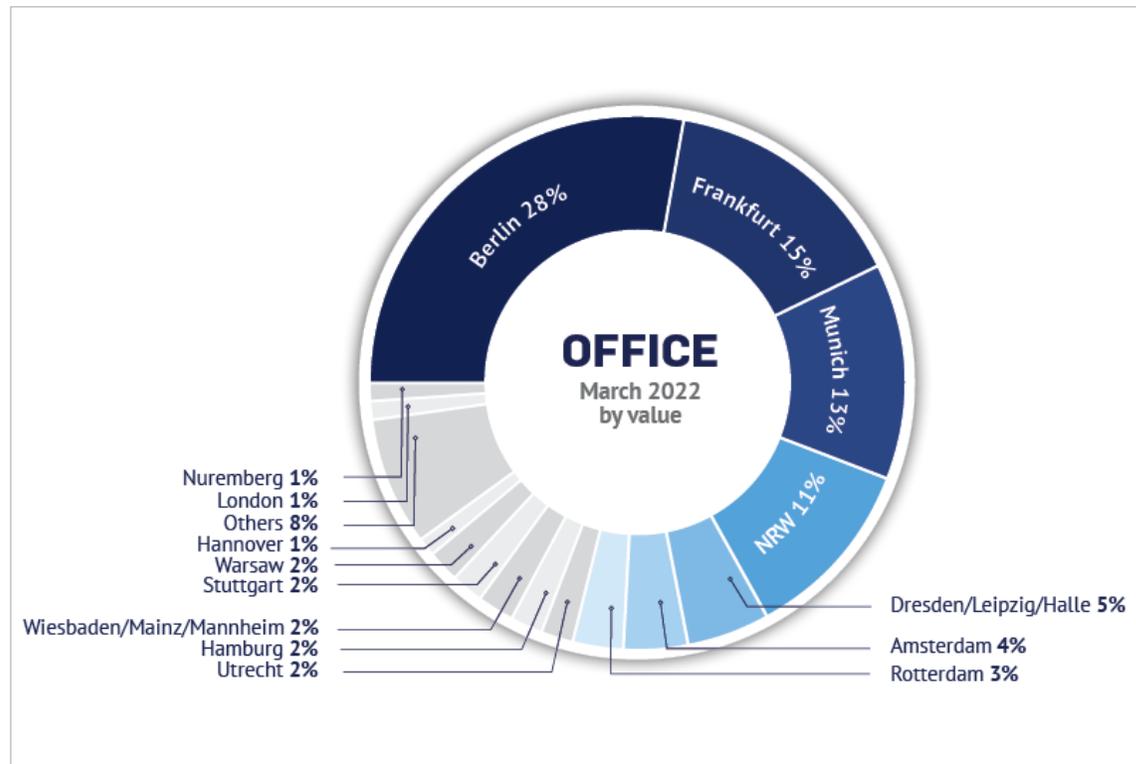
Large tenant base of approx. 3,500 commercial tenants is further supported by highly granular German residential

Tenant base is highly diversified across wide range of industries

**High tenant quality**



**OFFICE: 44% OF THE PORTFOLIO,**  
WITH FOCUS ON CENTRAL LOCATIONS OF TOP TIER CITIES



## ➤ WELL-DIVERSIFIED

➤ No dependency on a single location, single tenant, single asset or single industry. Long lease structure with 4.5y WALT

## ➤ LARGEST LANDLORD

➤ AT is the largest office landlord in its top markets Berlin, Frankfurt and Munich among listed European real estate companies

## ➤ STRONG TENANT INDUSTRY BASE

➤ >45% of rents from Governmental, Insurance & Banking, IT, Health Care, Energy, Infrastructure, Telecomm. & Professional services

## ➤ DIVERSE TENANT BASE

➤ Largest office tenant segment: public sector (~30%). Strong top tenants, such as German & Dutch Government, Deutsche Bundesbank, Siemens, Deutsche Bahn, Orange, Allianz etc.



Current external events (inflation, rising yields, war in Ukraine) so far had no significant impact on the fundamentals of the German and Dutch real estate markets

## ➤ TAKE-UP RECOVERY MOMENTUM CONTINUES

- Strong momentum during H2 2021 continued in Q1 2022, recovering from the lockdown related low performance of 2020

## ➤ MARKET VACANCY AT HISTORICALLY LOW LEVELS

- Market vacancy, albeit slightly increased, remains at historically low level due to solid demand and large undersupply

## ➤ TRANSACTION MARKET REMAINS DYNAMIC

- Transaction volume for office properties in Germany during Q1 2022 is €11 billion, well above Q1 2021, and comprising 46% of total RE transaction volume, at low transactions yields

## ➤ STABLE MARKET RENTS

- Rents are up year-over-year due to inflation and high demand for quality space

## ➤ DISPOSAL ABOVE BOOK VALUES

- Disposals above book value confirms the property valuations

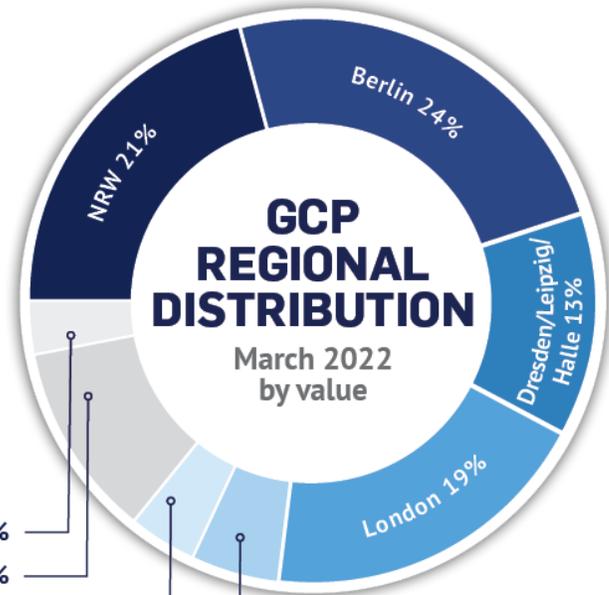
## ➤ STABLE VALUES

- Values are stable due to tenant and investor demand

**Source:** BNP Paribas Real Estate, At a Glance, Office Market Germany 2019-Q1 2022; BNP Paribas Real Estate, At a Glance, Office Investment Market Germany 2019-Q1 2022; JLL, Office Market Germany, Q1 2022 ; JLL, Investment Market Overview Germany, Q1 2022 | JLL EMEA Office Research, Q1 2022 | C&W Marketbeat Netherlands, Q4 2021



## **RESIDENTIAL (GCP): 30% OF THE PORTFOLIO**



Nuremberg/Fürth/Munich 3%  
 Others 11%  
 Hamburg/Bremen 4%  
 Mannheim/KL/ Frankfurt/Mainz 5%

➤ **GCP IS CONSOLIDATED AND THE HOLDING RATE IS 49.5% AS OF MARCH 31, 2022 (53% excluding the shares GCP holds in treasury)**

➤ Residential asset class is the Group's second largest asset type after offices, providing the Group with a well-balanced portfolio breakdown. Holding rate crossed 50% in April. AT currently has an effective holding rate of 54%, excluding the shares GCP holds in treasury

➤ **STABLE CASH FLOWS**

➤ German residential provides stable and resilient cash flows and is a strong addition to the commercial portfolio

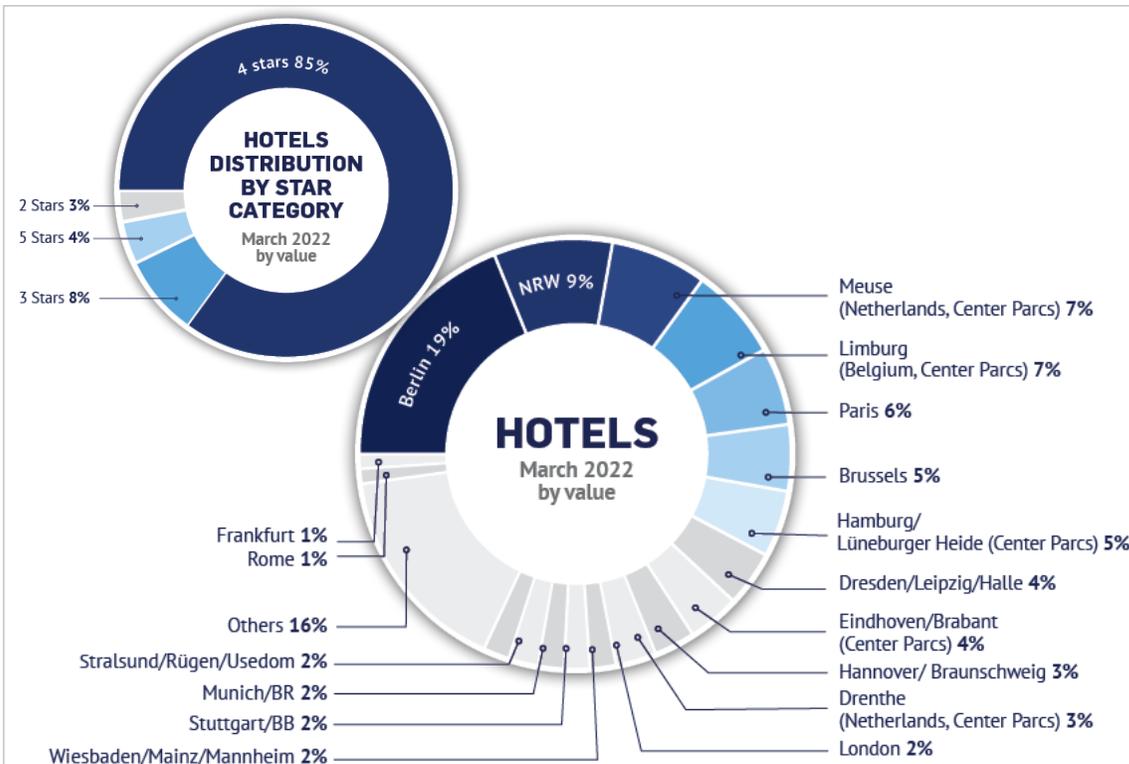
➤ **LONDON RESIDENTIAL PROVIDES ADDITIONAL DIVERSIFICATION**

➤ Further fundamental and regulatory diversification



## HOTEL: 18% OF THE PORTFOLIO

156 HOTELS: Mainly in top tier European cities



### ↗ WELL-DIVERSIFIED

↗ Across Europe with a focus on locations with large catchment areas

### ↗ REDUCED SHARE

↗ Reduced to 18% in March 2022 from 24% in Dec 2020 due to disposals & GCP consolidation

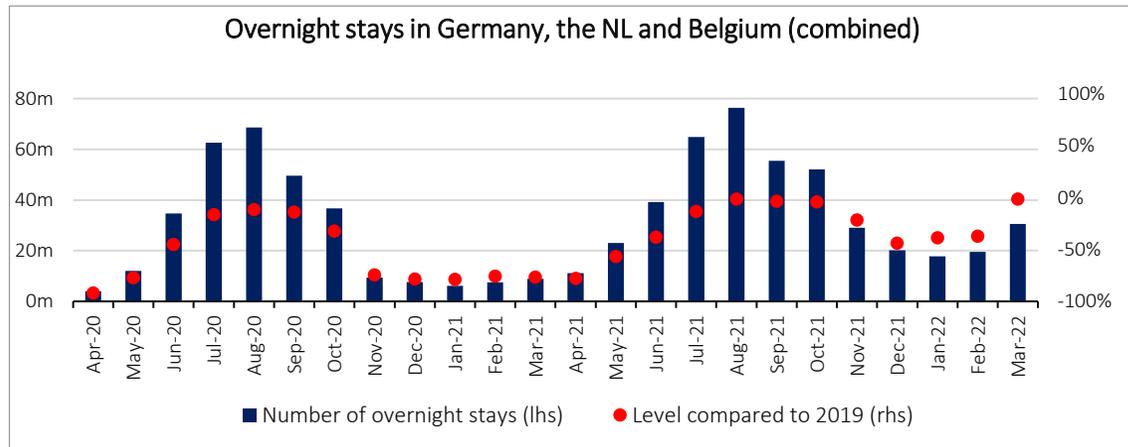
### ↗ 15.1 YEARS WALT

↗ Long fixed contracts with no variable components with over 30 different strong third-party hotel operators, operating with high profitability for many years



## Q1 2022 PERFORMANCE

- Q1 2022 collection rate: 45%
- April 2022 collection rate: 65%
- **Q1:** Performance was highly impacted by restrictions and increasing infection rates due to the Omicron variant
- **Q2:** Showing signs of recovery as restrictions have been lifted but profitability in the hotel industry is being adversely impacted by cost inflation in utilities and staff, as well supply chain disruption and staff shortage



Collection rate excludes incentives for lease extension

## 2022 EXPECTATIONS

- In Germany, most restrictions were lifted in the end of Q1 2022. UK lifted all restrictions. Therefore, 2022 is expected to be better than 2021 with domestic leisure to drive the performance of 2022 higher, assuming no unexpected disruption
- Expected collection rate for Q2-Q4 2022: **70% - 80%**
  - Expected collection rate for 2022: **60% - 70%** including Q1 low collection rate

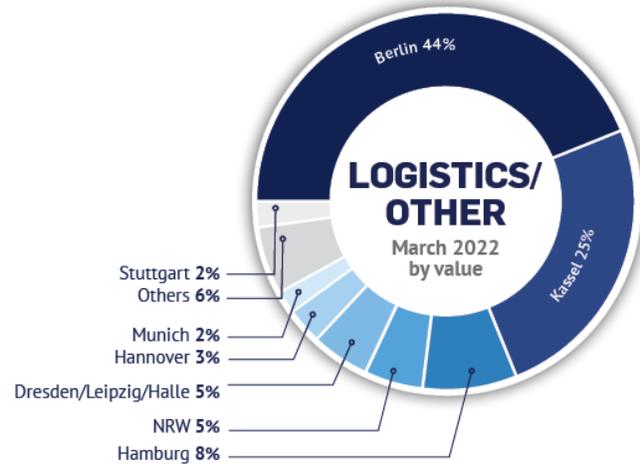
## ASYMMETRIC RECOVERY OF DEMAND DRIVERS

- **Fastest recovery from domestic leisure travel:** due to pent-up demand and international travel restrictions, as seen during strong summer months of 2021 & 2020
- **International and business travels to remain subdued:** due to remaining uncertainties, volatile infection rates and constantly changing travel restrictions
- **Full recovery in Western Europe:** According to market assessment, full recovery to pre-pandemic level is expected by 2022 for domestic demand and 2024 for international demand for the Western European hotel market

Source: European Travel Commission & Tourism Economics, European Tourism – Trend & Prospects, Q4 2021, February 2022



## **LOGISTICS: 2% OF THE PORTFOLIO** 5.2 YEAR WALT



### ➤ **REDUCED SHARE**

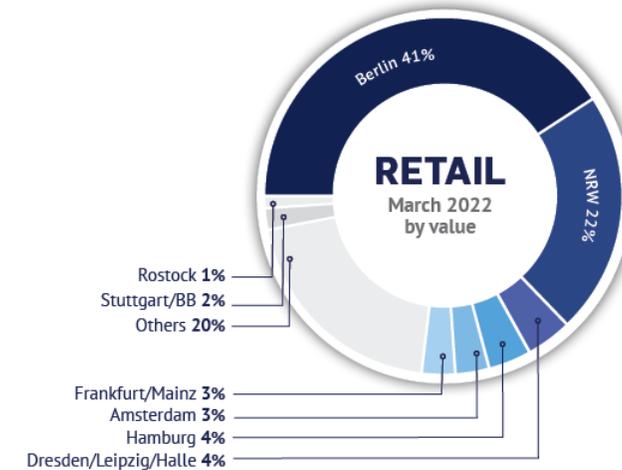
➤ Reduced from 7% in March 2020 due to disposals above book value

### ➤ **RESILIENT TO COVID-19 IMPACTS**

➤ Logistics markets recorded very strong demand during 2020, 2021 & Q1 2022



## **RETAIL: 6% OF THE PORTFOLIO** 4.4 YEAR WALT



### ➤ **REDUCED SHARE**

➤ Reduced from 9% in March 2020 due to disposals above book value

### ➤ **ESSENTIAL GOODS & GROCERY-ANCHORED RESILIENT DURING COVID-19**

➤ >40% of portfolio is essential goods (grocery-anchored, pharmacies, drugstores, etc). Grocery-anchored: mainly long-leased retail boxes such as EDEKA, Netto, Rewe, Penny, Lidl & Kaufland

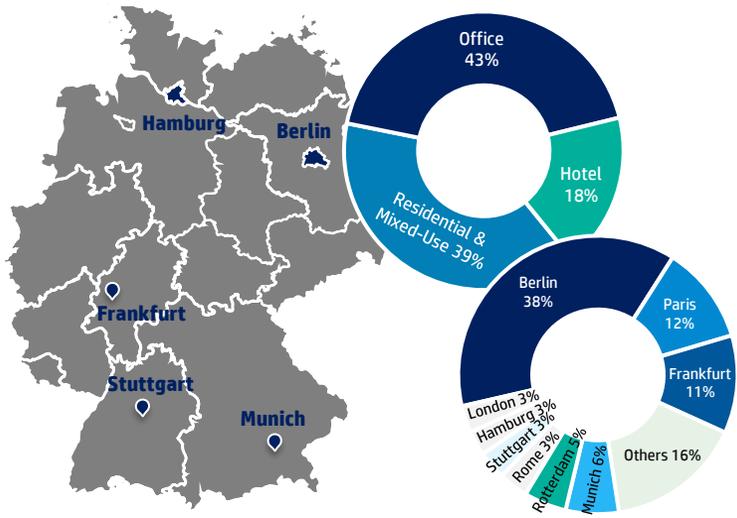


## DEVELOPMENTS: 5% OF TOTAL ASSETS. AT'S DEVELOPMENT STRATEGY IN 3 STEPS:



### 1) IDENTIFYING THE POTENTIAL IN MARKETS WITH STRONG DEMAND & SCARCITY OF LAND

- Identifying underutilized land, building rights & conversion optionality in the existing portfolio primarily in top tier prime locations such as Berlin, Frankfurt, Munich & Stuttgart. Value of building rights increased significantly in these locations.



### 2) CRYSTALLIZING THE GAINS THROUGH SALE OF RIGHTS

- A dedicated and experienced team analyses the portfolio and identifies potential building rights or conversion of use. AT then materializes these rights into actual sellable permits or proceeds into development.
- By selling the permits, AT crystallizes the gains without full development.
- In 2021 & 2022 YTD, AT signed approx. €0.5bn of development rights for disposals above book value, demonstrating the strong track record in value identification and realization.



### 3) SELECTIVE DEVELOPMENTS IN SMALL SCALE AT LOW RISK

- In selective top tier locations at low risk: e.g. through long-term pre-let with strong tenants
- The capex team is not executing the construction itself but is tendering, supervising and monitoring external parties who execute the plans. Cost base is primarily fixed for most of the running projects for the next year
- The restrictions imposed by the lockdowns provided AT the opportunity to accelerate refurbishments, on the back of higher leases, bringing forward large projects initially planned for future years, which will result in higher rents and returns once the works are completed.

## ➤ DISPOSAL OF DEVELOPMENT RIGHTS WITH HIGH GAINS IN 2021 & 2022 YTD

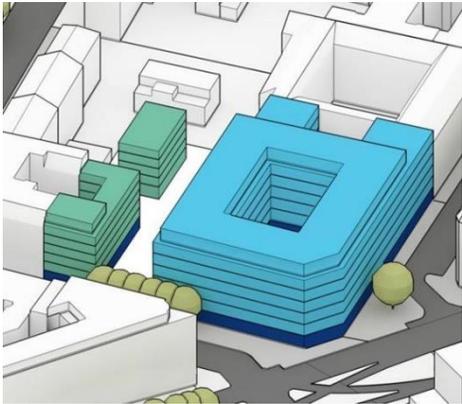
### BERLIN MEDIASPREE OFFICE DEVELOPMENT <sup>1)</sup>



### DRESDEN PRIME CENTER <sup>1)</sup>



### BERLIN WARSCHAUER STRASSE <sup>1)</sup>



### BERLIN REINICKENDORF LOGISTIC CENTER



## ➤ PROJECT DETAILS

➤ Conversion of the underused retail building with large underutilized land plot into a ca. 37k sqm office campus.

➤ Underutilized land in historic prime center of Dresden. Construction of 25k sqm modern inner-city office space

➤ Conversion into mixed-use: Additional office floors on top of ground floor supermarket. Undeveloped land to serviced apartments

➤ Demolition and redevelopment of asset with a logistics use

## ➤ STAGE AT DISPOSAL

➤ Full building permit was received and within a year the project was sold, reflecting the high demand for development rights.

➤ Construction started in 2020. Expected completion in 2022. 40% pre-let

➤ Preliminary building permits obtained

➤ Redevelopment of the main building was completed & fully-let

## ➤ VALUE CREATION

# ➤ SOLD ABOVE BOOK VALUE INCLUDING DEVELOPMENT RIGHTS

<sup>1)</sup> signed disposal, not yet closed as of 31.03.2022

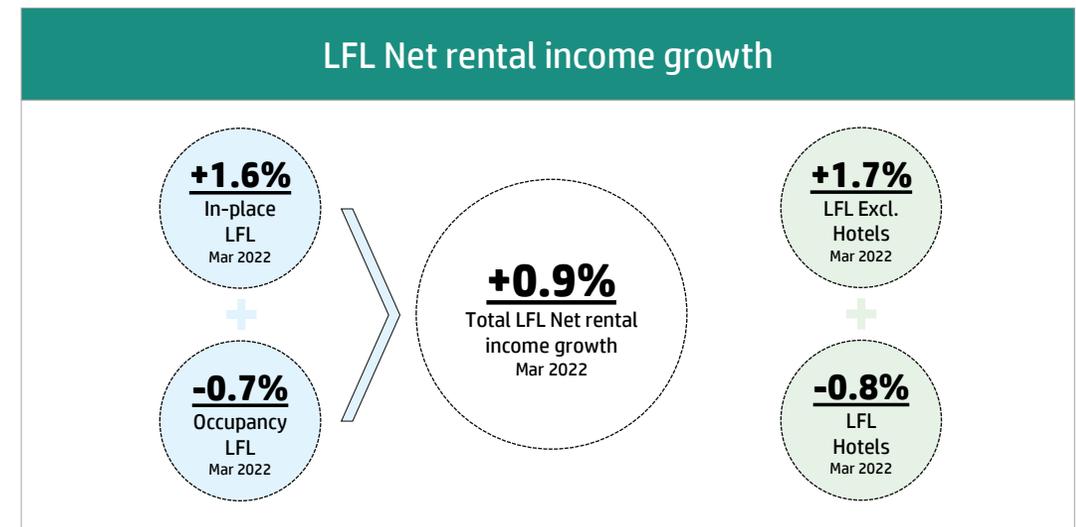
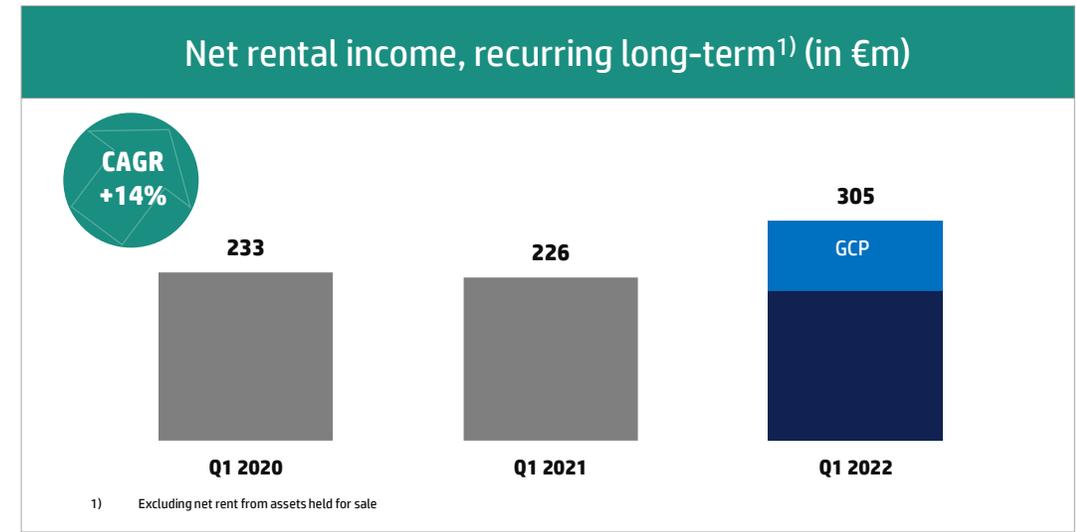


# FINANCIAL RESULTS

| MUNICH

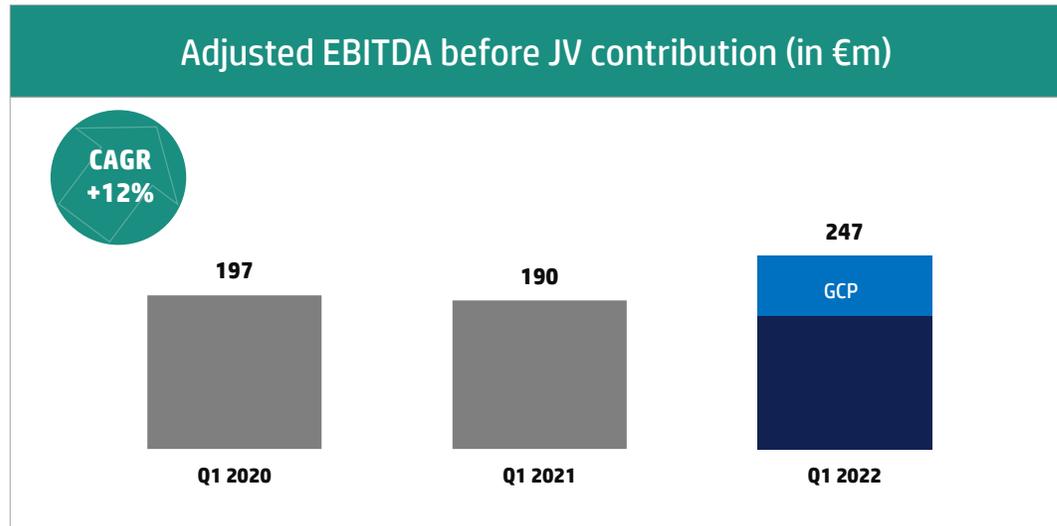


|  | 1-3/2022      | 1-3/2021     |
|--|---------------|--------------|
|  | in € millions |              |
| <b>REVENUE</b>   | <b>393.7</b>  | <b>274.9</b> |
| <b>RECURRING LONG-TERM NET RENTAL INCOME</b>                                       | <b>304.6</b>  | <b>226.1</b> |
| <b>PROPERTY REVALUATIONS AND CAPITAL GAINS</b>                                     | <b>80.7</b>   | <b>56.8</b>  |
| Share of profit from investment in equity-accounted investees                      | 18.6          | 27.9         |
| Property operating expenses, excluding extraordinary expenses for uncollected rent | (136.7)       | (70.5)       |
| Extraordinary expenses for uncollected rent  | (30.0)        | (38.0)       |
| Administrative and other expenses  | (14.4)        | (13.1)       |
| <b>OPERATING PROFIT</b>  | <b>311.9</b>  | <b>238.0</b> |
| Finance expenses   | (47.3)        | (42.4)       |
| Other financial results  | (98.5)        | (26.5)       |
| Current tax expenses   | (29.7)        | (20.8)       |
| Deferred tax expenses  | (11.9)        | (2.0)        |
| <b>PROFIT FOR THE PERIOD</b>   | <b>124.5</b>  | <b>146.3</b> |
| Basic earnings per share (in €)  | 0.06          | 0.09         |
| Diluted earnings per share (in €)  | 0.06          | 0.09         |



|  | 1-3/2022      | 1-3/2021     |
|--|---------------|--------------|
|  | in € millions |              |
| Operating profit   | 311.9         | 238.0        |
| Total depreciation and amortization                            | 5.1           | 1.5          |
| <b>EBITDA</b>  | <b>317.0</b>  | <b>239.5</b> |
| Property revaluations and capital gains                        | (80.7)        | (56.8)       |
| Share of profit from investment in equity-accounted investees  | (18.6)        | (27.9)       |
| Other adjustments incl. one-off expenses related to TLG merger | 2.2           | 1.5          |
| Contribution from assets held for sale                         | (3.4)         | (4.6)        |
| Add back: Extraordinary expenses for uncollected rent          | 30.0          | 38.0         |
| <b>ADJUSTED EBITDA BEFORE JV CONTRIBUTION</b>                  | <b>246.5</b>  | <b>189.7</b> |
| Contribution of joint ventures' adjusted EBITDA                | 11.7          | 40.7         |
| <b>ADJUSTED EBITDA</b>   | <b>258.2</b>  | <b>230.4</b> |

- Subtracted as these profits include AT's share in non-operational profits generated by the equity accounted investees
- Other adjustments also include expenses related to employees' share incentive plans
- Related to adjusted EBITDA of the properties marked for disposal to reflect the long-term recurring Adjusted EBITDA
- Including AT's share in the adjusted EBITDA generated by JV investments for the period in accordance with its holding rate over the period. This figure includes the share in GCP's adjusted EBITDA until June 30, 2021



GROWTH DUE TO THE CONSOLIDATION OF GCP FURTHER INCREASES THE STRONG YIELD GENERATION. DECREASE ON A STANDALONE BASIS DUE TO DISPOSALS WHICH ARE CHanneled INTO DEBT REPAYMENTS AND ACCRETIVE SHAREBUYBACKS, SUPPORTING PER SHARE PROFITABILITY KPI'S

|  | 1-3/2022      | 1-3/2021     |
|--|---------------|--------------|
|  | in € millions |              |
| <b>FFO I BEFORE JV CONTRIBUTION</b>                          | <b>110.4</b>  | <b>97.5</b>  |
| Contribution of joint ventures' FFO I                        | 8.9           | 27.1         |
| <b>FFO I BEFORE EXTRAORDINARY COVID ADJUSTMENT</b>           | <b>119.3</b>  | <b>124.6</b> |
| Extraordinary expenses for uncollected rent                  | (30.0)        | (38.0)       |
| <b>FFO I</b>   | <b>89.3</b>   | <b>86.6</b>  |
| <b>FFO I PER SHARE</b>                                       | <b>0.080</b>  | <b>0.073</b> |
|  |               |              |
| <b>FFO I PER SHARE BEFORE EXTRAORDINARY COVID ADJUSTMENT</b> | <b>0.106</b>  | <b>0.105</b> |

## FFO I & FFO II (in €m)

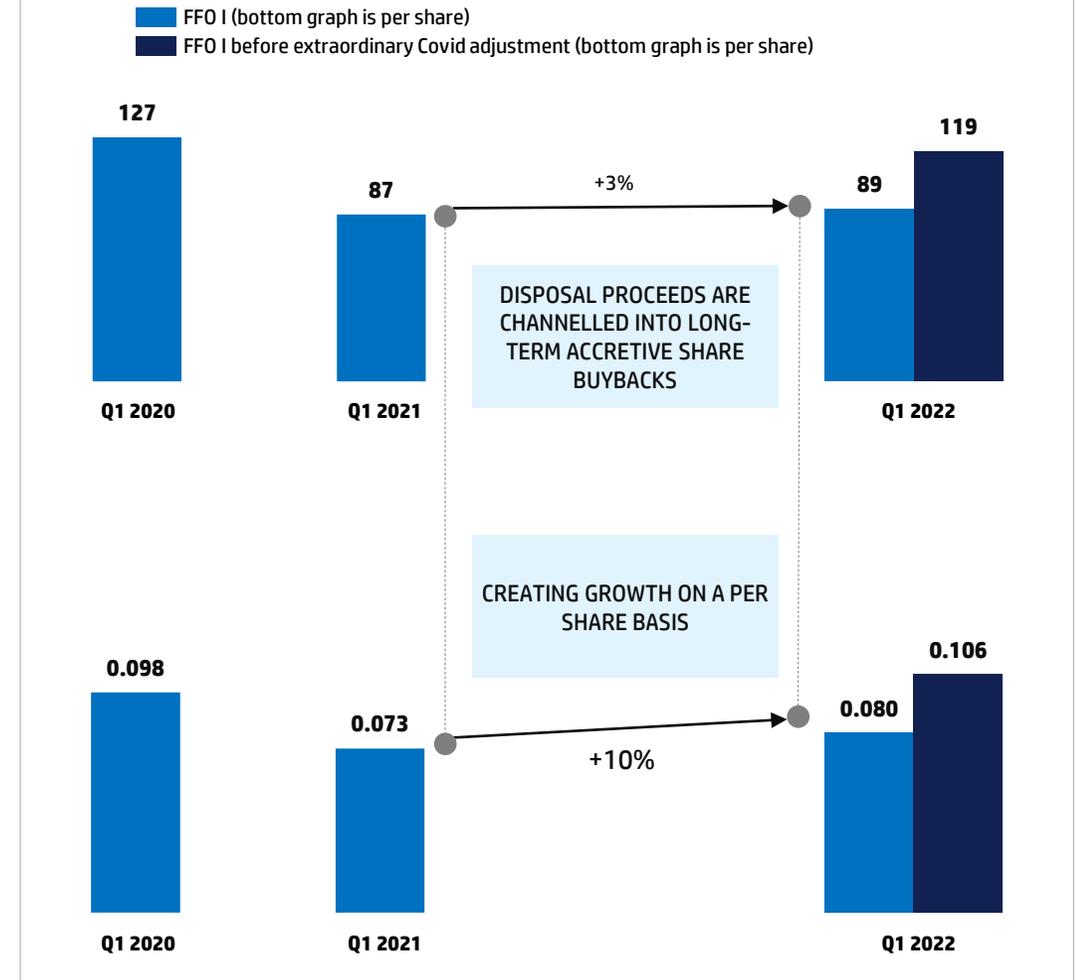
**>€130m**  
Disposals in  
Q1 2022  
(closed)

**+66%**  
Margin above  
total costs

**+€54m**  
FFO II disposal  
profit in  
Q1 2022

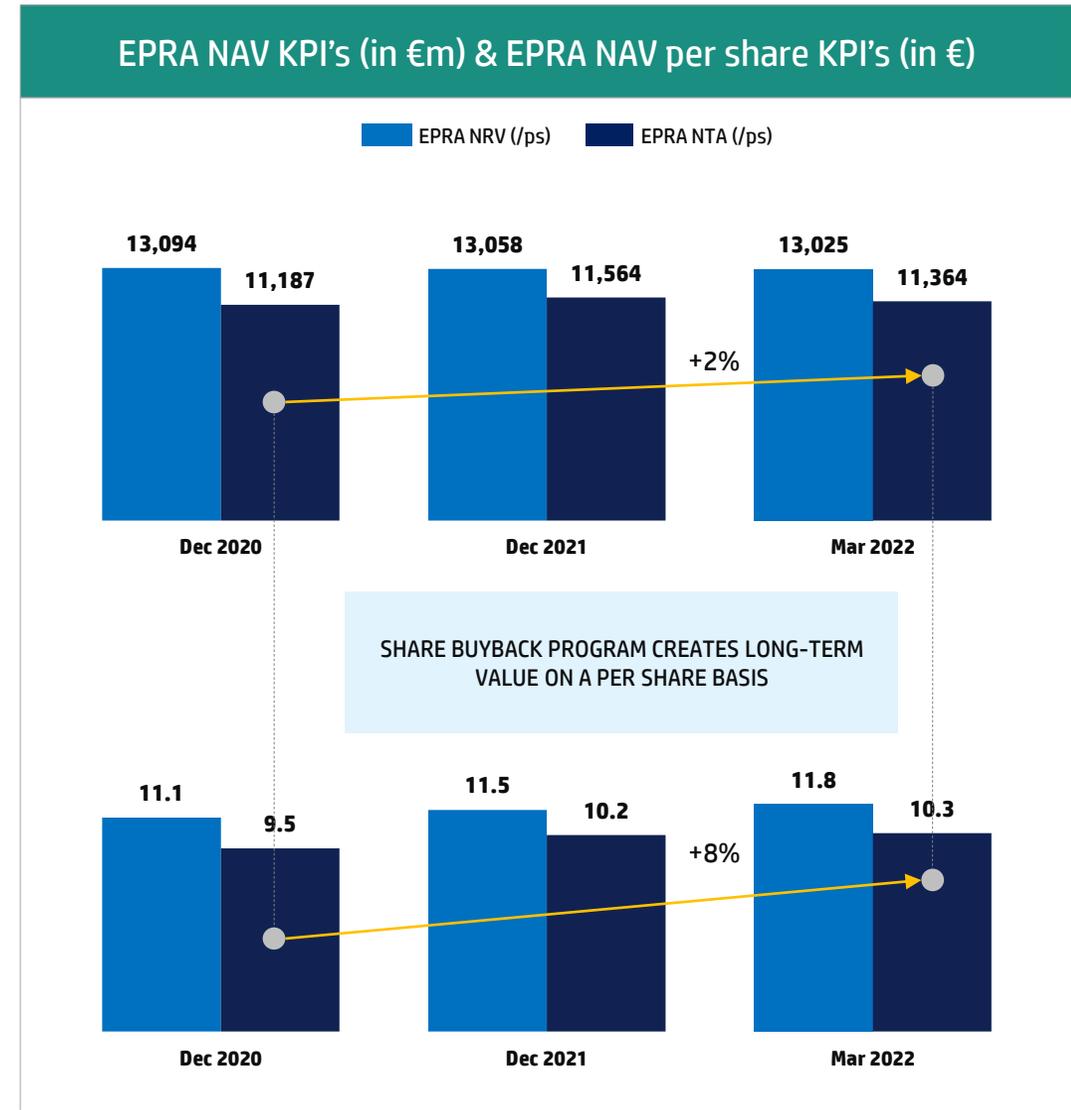
|   | 1-3/2022      | 1-3/2021     |
|---|---------------|--------------|
|   | in € millions |              |
| <b>FFO I</b>                            | <b>89.3</b>   | <b>86.6</b>  |
| Result from the disposals of properties | 53.5          | 146.7        |
| <b>FFO II</b>                           | <b>142.8</b>  | <b>233.3</b> |

## FFO I (in €m) & FFO I per share (in €)

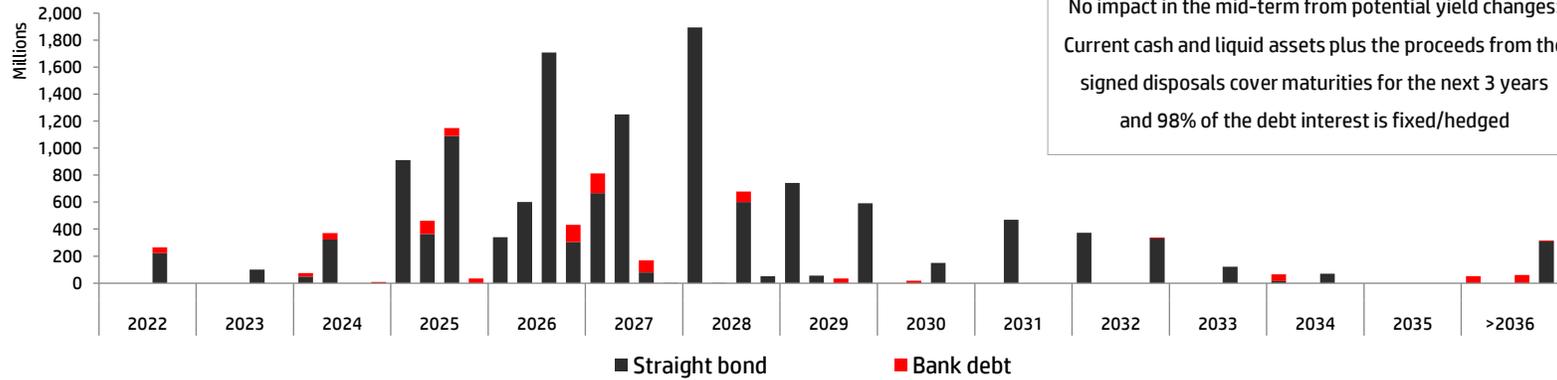


|  | Mar 2022        | Dec 2021        |
|--|-----------------|-----------------|
| in € millions unless otherwise indicated                   | EPRA NTA        | EPRA NTA        |
| <b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>    | <b>10,486.2</b> | <b>10,533.6</b> |
| Deferred tax liabilities                                   | 1,908.2         | 1,870.1         |
| Fair value measurement of derivative financial instruments | 53.4            | 113.8           |
| Goodwill in relation to TLG                                | (822.0)         | (822.0)         |
| Goodwill in relation to GCP                                | (862.9)         | (862.9)         |
| Intangibles as per the IFRS balance sheet                  | (24.2)          | (24.7)          |
| Real estate transfer tax                                   | 625.4           | 756.1           |
| <b>EPRA NTA</b>  | <b>11,364.1</b> | <b>11,564.0</b> |
| Number of shares (in millions)                             | 1,107.4         | 1,132.7         |
| <b>EPRA NTA PER SHARE (IN €)</b>                           | <b>10.3</b>     | <b>10.2</b>     |

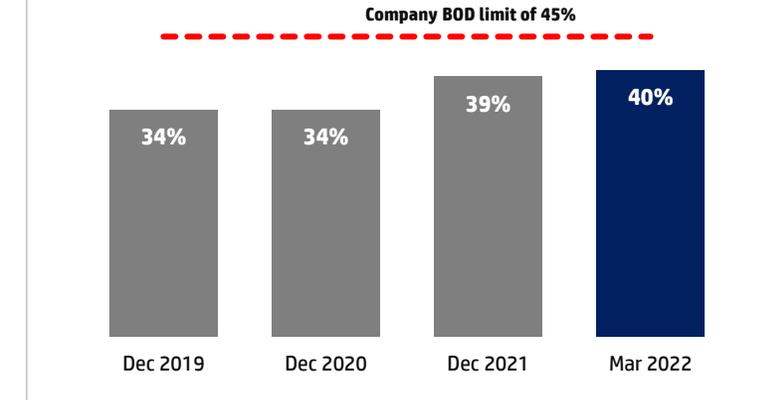
↗ **Any change in the goodwill is neutral for the EPRA NTA:**  
 ↗ For the purposes of EPRA NTA calculation, the goodwill arising from TLG & GCP is deducted from the equity, hence, any change is neutral



## DEBT MATURITY PROFILE



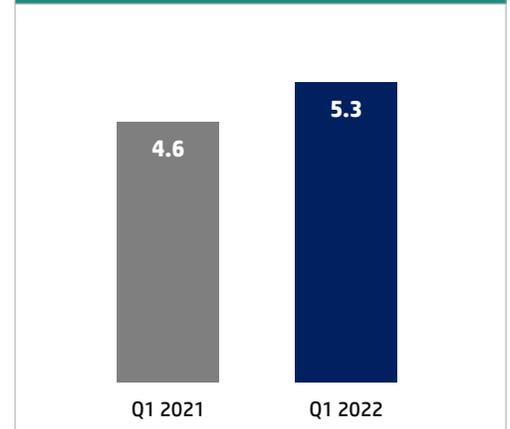
## CONSISTENTLY LOW LEVERAGE (LTV)



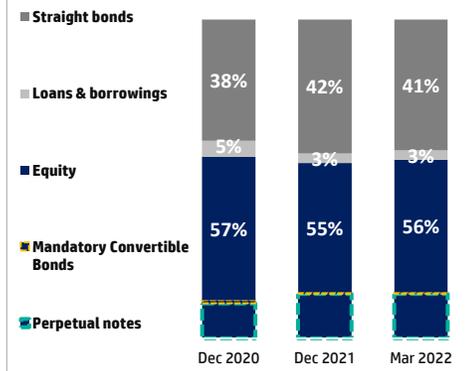
## DEBT KPI'S (as of March 2022)

|                     |                    |
|---------------------|--------------------|
| Avg. Cost of Debt   | Avg. Debt Maturity |
| 1.2%                | 5.7y               |
| Current Hedge Ratio | Cash Coverage      |
| 98%                 | next 3 years       |

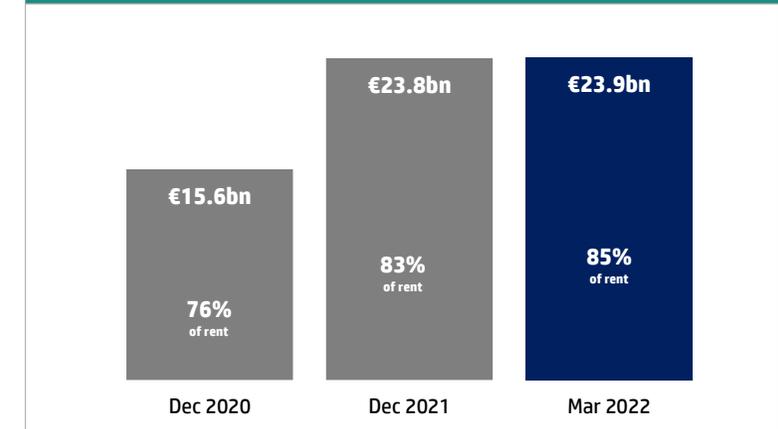
## HIGH ICR



## FINANCING SOURCES MIX



## UNENCUMBERED INVESTMENT PROPERTIES





# GUIDANCE

| AMSTERDAM



|                    | FY 2022 GUIDANCE            |
|--------------------|-----------------------------|
|                    |                             |
| FFO I              | €350 million – €375 million |
| FFO I per share    | €0.31 – €0.34               |
| Dividend per share | €0.23 – €0.25               |

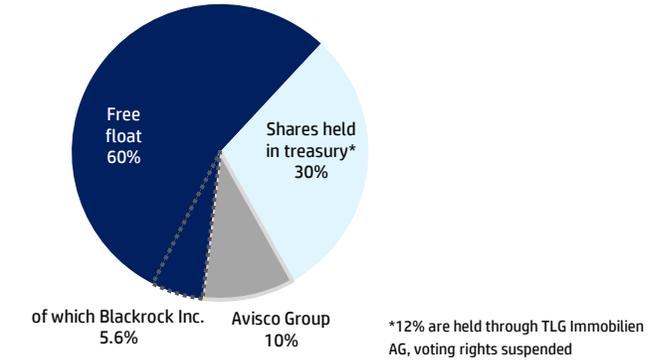
- Total FFO I to be supported by debt optimization measures and higher collection rate of the hotels compared to 2021, offset by the full year impact of 2021 disposals and 2022 disposals.
- FFO I per share to increase due to the accretive effect of the share buyback programs, including the full year impact of 2021 share buyback and the current running program.



## THE SHARE

|  |  |
|--|--|
| Placement  | Frankfurt Stock Exchange (Prime Standard)                    |
| Incorporation  | Luxembourg   |
| First equity issuance  | 13.07.2015 (€3.2 per share)                                  |
| Number of shares (basic)   | 1,537,025,609  |
| Number of shares, base for share KPI calculations (excluding suspended voting rights and including the conversion impact of mandatory convertible notes) | 1,102,627,662 (As of 20.05.2022)                             |
| Symbol (Xetra)   | AT1  |
| Market cap 20.05.2022  | €6.9bn / €4.8 bn (excl. treasury shares) (€4.46 share price) |

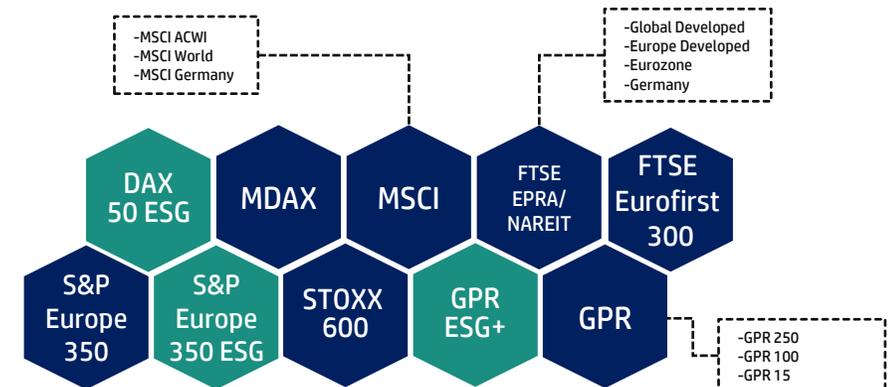
## SHAREHOLDER STRUCTURE



## ANALYST CONSENSUS



## KEY INDEX INCLUSIONS



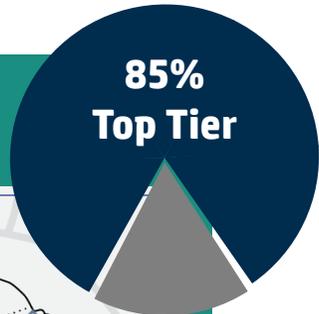
# INVESTMENT PROPERTIES

| MAR 2022 Portfolio by Asset Type*            | Investment property (€m) | Lettable area (k sqm) | EPRA Vacancy | Annualized net rent (€m) | In-place rent/sqm (€) | Value/sqm (€) | Rental Yield | WALT (years) |
|--|--------------------------|-----------------------|--------------|--------------------------|-----------------------|---------------|--------------|--------------|
| Office                                       | 11,854                   | 3,753                 | 10.8%        | 479                      | 11.4                  | 3,158         | 4.0%         | 4.5          |
| Residential                                  | 8,135                    | 3,711                 | 5.2%         | 349                      | 8.1                   | 2,192         | 4.3%         | NA           |
| Hotel  | 4,739                    | 1,542                 | 4.2%         | 239                      | 13.3                  | 3,073         | 5.0%         | 15.1         |
| Logistics/Other                              | 438                      | 457                   | 6.0%         | 23                       | 4.3                   | 959           | 5.3%         | 5.2          |
| Retail                                       | 1,689                    | 695                   | 11.9%        | 74                       | 9.9                   | 2,430         | 4.4%         | 4.4          |
| Development rights & Invest                  | 2,047                    |                       |              |                          |                       |               |              |              |
| <b>Total</b>                                 | <b>28,902</b>            | <b>10,158</b>         | <b>7.9%</b>  | <b>1,164</b>             | <b>10.0</b>           | <b>2,644</b>  | <b>4.3%</b>  | <b>7.6</b>   |
| <b>Total (GCP at relative consolidation)</b> | <b>24,488</b>            | <b>8,233</b>          | <b>8.3%</b>  | <b>983</b>               | <b>10.5</b>           | <b>2,743</b>  | <b>4.4%</b>  | <b>7.7</b>   |

| MAR 2022 Portfolio by Region* | Investment property (€m) | Lettable area (k sqm) | EPRA Vacancy | Annualized net rent (€m) | In-place rent/sqm (€) | Value/sqm (€) | Rental Yield |
|-------------------------------|--------------------------|-----------------------|--------------|--------------------------|-----------------------|---------------|--------------|
| Berlin                        | 6,408                    | 1,506                 | 7.4%         | 200                      | 11.4                  | 4,256         | 3.1%         |
| NRW                           | 3,835                    | 2,004                 | 8.4%         | 178                      | 7.7                   | 1,914         | 4.6%         |
| Dresden/Leipzig/Halle         | 2,069                    | 1,217                 | 4.4%         | 100                      | 7.0                   | 1,700         | 4.8%         |
| London                        | 2,028                    | 283                   | 6.1%         | 92                       | 30.1                  | 7,162         | 4.5%         |
| Frankfurt                     | 1,940                    | 550                   | 12.9%        | 78                       | 13.1                  | 3,526         | 4.0%         |
| Munich                        | 1,876                    | 556                   | 7.3%         | 56                       | 8.4                   | 3,375         | 3.0%         |
| Wiesbaden/Mainz/Mannheim      | 749                      | 274                   | 6.0%         | 35                       | 10.9                  | 2,731         | 4.7%         |
| Amsterdam                     | 625                      | 168                   | 8.9%         | 26                       | 13.5                  | 3,717         | 4.2%         |
| Hamburg/LH                    | 611                      | 223                   | 4.3%         | 32                       | 11.7                  | 2,734         | 5.2%         |
| Stuttgart/BB                  | 333                      | 134                   | 9.2%         | 17                       | 11.8                  | 2,478         | 5.0%         |
| Hannover                      | 286                      | 156                   | 12.4%        | 13                       | 8.3                   | 1,835         | 4.7%         |
| Rotterdam                     | 258                      | 100                   | 5.2%         | 16                       | 13.4                  | 2,598         | 6.4%         |
| Utrecht                       | 223                      | 93                    | 7.4%         | 13                       | 11.9                  | 2,386         | 6.0%         |
| Other                         | 5,614                    | 2,894                 | 8.5%         | 308                      | 9.6                   | 1,940         | 5.5%         |
| Development rights & Invest   | 2,047                    |                       |              |                          |                       |               |              |
| <b>Total</b>                  | <b>28,902</b>            | <b>10,158</b>         | <b>7.9%</b>  | <b>1,164</b>             | <b>10.0</b>           | <b>2,644</b>  | <b>4.3%</b>  |

\* figures exclude assets held for sale

LOCATED IN THE BEST NEIGHBORHOODS OF BERLIN



Map representing approx. 95% of the portfolio and 97% incl. central Potsdam



# STRATEGIC TOP TIER HOTELS IN STRONG LOCATIONS WITH FASTER RECOVERY POTENTIAL

| Hotel  | Rooms | Brand | Hotel  | Rooms | Brand | Hotel  | Rooms     | Brand |
|--|-------|-------|--|-------|-------|--|-----------|-------|
| Hilton Berlin Gendarmenmarkt Prime Center          | 601   |       | NH Hotel Dortmund Prime Center                   | 190   |       | Mark Apart Berlin Prime Center Ku'damm             | 120       |       |
| Bristol Berlin Ku'damm Prime Center (ex-Kempinski) | 301   |       | Steigenberger Hotel de Saxe Dresden Prime Center | 185   |       | InterCity Hotel Dresden City Center                | 162       |       |
| Die Welle H-Hotels Berlin Alexanderplatz           | 624   |       | AC by Marriott Berlin Mitte                      | 130   |       | Marriott Hotel Leipzig Prime Center                | 239       |       |
| InterContinental Frankfurt Prime Center            | 473   |       | Moxy by Marriott Berlin Mitte                    | 101   |       | Radisson Blu Prime Center Baden-Baden              | 162       |       |
| Hilton London Hyde Park Prime Center               | 132   |       | Davos Promenade Hotel                            | 100   |       | Mercure Munich Conference Center Messe             | 167       |       |
| Marriott Conference Hotel Paris City Center        | 757   |       | Ex-Sheraton Brussels Prime Center                | 533   |       | Ibis Munich Conference Center Messe                | 137       |       |
| Steigenberger Hotel Cologne Prime Center           | 305   |       | Sheraton Rome                                    | 640   |       | Center Parcs (7 locations)                         | ca. 5,000 |       |
|  |       |       | Resorthotel Schwielowsee Berlin- Potsdam         | 155   |       | Berlin Prime Center Mitte Rosa-Luxemburg-Platz     | 95        |       |
|  |       |       | Schlosshotel Grunewald Charlottenburg Berlin     | 54    |       | Seminaris Campus Hotel Berlin                      | 186       |       |
|  |       |       | Hyatt Regency Paris Airport Charles de Gaulle    | 388   |       | Wyndham Garden Düsseldorf Prime Center Königsallee | 82        |       |
|  |       |       | Berlin Holiday Inn City East                     | 473   |       | Hotel Im Wasserturm Cologne Prime Center           | 88        |       |
|  |       |       | Essen Holiday Inn Prime City Center              | 168   |       | Greet (Ibis) Berlin Alexanderplatz                 | 61        |       |
|  |       |       | Sheraton Hotel Hannover Business District        | 147   |       | Melia Munich Hotel Munich Messe                    | 134       |       |
|  |       |       | Manchester City Center Hotel                     | 228   |       | Penta Hotels (17 locations)                        | ca. 2,500 |       |
|  |       |       |  |       |       | Mercure Liverpool Prime Center Hotel               | 225       |       |



## GLOBALWORTH OFFER

- Through a JV, AT and CPI hold together 61% of GWI's shares.
- **AT's holding makes up over 30% of GWI which is only ca. 1.5% of AT's total assets, providing complementary diversification to the Group**
- AT and CPI will together explore possibilities for synergies and value creation.



## PRIME ASSETS & STRONG TENANT BASE

- GWI is a leader in the Polish & Romanian office markets with best quality & modern energy efficient buildings, located in prime CBD areas of key cities such as Warsaw and Bucharest.
- Tenant base of mostly blue-chip international tenants, with long-term, euro-denominated triple-net and inflation linked leases.



## RIGHT INVESTMENT VEHICLE IN THE CEE MARKET

- GWI is the right investment vehicle in growing CEE market.
- Poland & Romania: The largest countries in CEE with two of the lowest debt-to-GDP and unemployment levels in Europe. They were the fastest growing countries in Europe between 2017 and 2019.

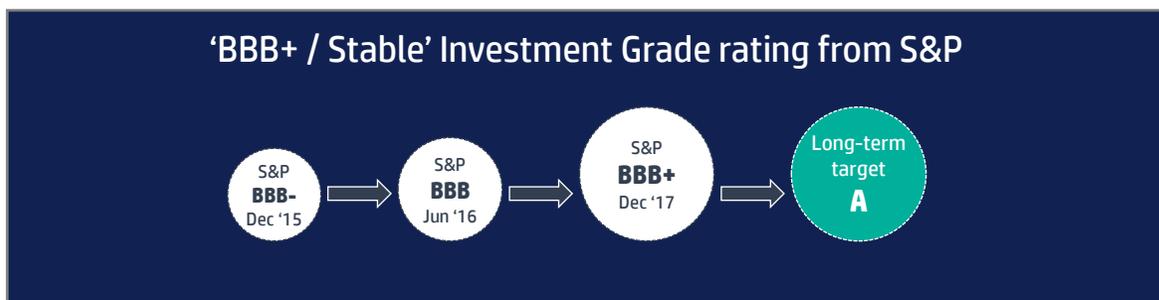


**S&P Ratings Matrix**

**Financial risk profile**

|                       |                | 1 Minimal | 2 Modest | 3 Intermediate   | 4 Significant                       | 5 Aggressive       | 6 High Leveraged |      |
|-----------------------|----------------|-----------|----------|--|-------------------------------------|--------------------|------------------|------|
| Business risk profile | 1 Excellent    | aaa/aa+   | aa       | a+/a   | a- (Vonovia BBB+) <sup>1)</sup>     | bbb                | bbb-/bb+         |      |
|                       | 2 Strong       | aa/aa-    | a+/a     | <b>(Aroundtown) (GCP)</b><br>← <b>A- BBB+</b> (Kle Pierre)<br>(Gecina A-) <sup>2)</sup> (DW) <sup>3)</sup> (Covivio) (Icade) | <b>BBB</b> (URW BBB+) <sup>4)</sup> | bb+                | bb               |      |
|                       | 3 Satisfactory | a/a-      | bbb+     | <b>BBB/BBB-</b>  |                                     | bbb-/bb+ (Alstria) | bb               | b+   |
|                       | 4 Fair         | bbb/bbb-  | bbb-     | bb+  |                                     | bb                 | bb-              | b    |
|                       | 5 Weak         | bb+       | bb+      | bb   |                                     | bb-                | b+               | b/b- |
|                       | 6 Vulnerable   | bb-       | bb-      | bb-  |                                     | b+                 | b                | b-   |

1) Rating anchor of Vonovia is "A-", their final rating after the effect of modifiers is "BBB+"  
 2) Rating anchor of Gecina is "BBB+", their final rating after the effect of modifiers is "A-"  
 3) Standalone rating of Deutsche Wohnen is "a-" but their final rating is "BBB+" to reflect their parent Vonovia's rating  
 4) Rating anchor of URW is "BBB", their final rating after the effect of modifiers is "BBB+"



## ➤ FINANCIAL POLICY

- Strive to achieve A global rating in the long term
- LTV limit at 45%
- Debt to debt-plus-equity ratio at 45% (or lower) on a sustainable basis
- Maintaining conservative financial ratios with strong ICR
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix of long-term unsecured bonds & non-recourse bank loans
- Dividend distribution of 75% of FFO I per share

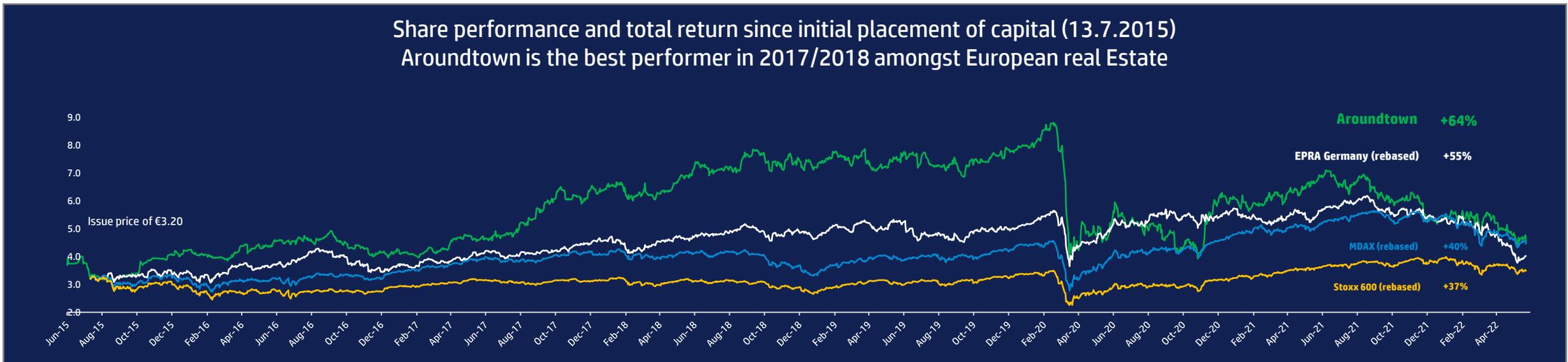
- Each of the bond covenants is met with a significant headroom. Internal financial policy is set at stricter levels
- ECB eligibility: Bonds issued under the EMTN Programme (Listed in the EU)\*
- The bonds are unsecured and have the below covenant package:

## Overview of Covenant Package

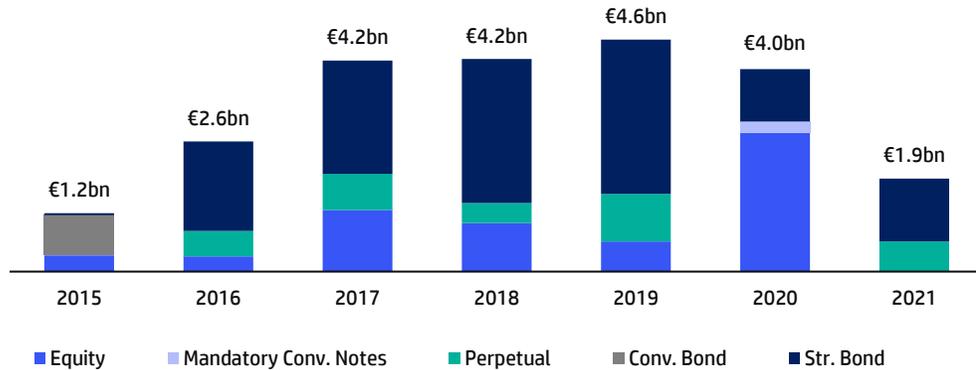
| Covenant Type |                                     | EMTN programme covenants | Current (Mar 2022)                          |
|---------------|-------------------------------------|--------------------------|---|
| 1             | Limitation on Debt                  | ✓                        | ✓   |
|               | Total Debt / Total Assets           | <=60% <sup>(1)</sup>     | 35%   |
| 2             | Limitation on Secured Debt          | ✓                        | ✓   |
|               | Secured Debt / Total Assets         | <=45% <sup>(2)</sup>     | -3% (Liquidity is larger than secured debt) |
| 3             | Maintenance of Unencumbered Assets  | ✓                        | ✓   |
|               | Unencumbered Assets/Unsecured Debt  | >= 125% <sup>(3)</sup>   | 266%  |
| 4             | Maintenance of Coverage Ratio       | ✓                        | ✓   |
|               | Adjusted EBITDA / Net Cash Interest | >=1.8x                   | 5.3x  |
| 5             | Change of Control Protection        | ✓                        | ✓   |

Notes: 1) Total Net Debt / Total Net Assets  
 2) Secured Net Debt / Total Assets  
 3) Net Unencumbered Assets / Net Unsecured Indebtedness

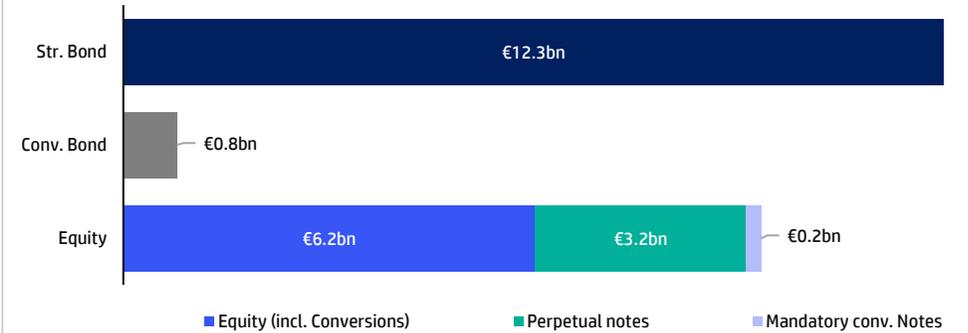
\* Excluding the NOK & HKD issuances



## Capital market activity per year



## Capital market activity per issuance type 2015-2021



## Best-in-class capital market access

- AT has been the largest listed European RE capital market issuer in 2016, 2017, 2019, as well as sharing the top place in 2020.
- Issuances via different instruments and different currencies, with currency hedges to Euro in place, demonstrate AT's broad and diverse investor base as well as strong demand to AT's instruments. These not only provide diversification of the investor base but also eliminate dependency on any single markets, instruments or currencies. Currency risk is hedged through swap agreements to Euro. Majority of the issuances were under EMTN programme which facilitates this diversity and flexibility

## Equity and Bond Bookrunners





# APPENDIX – ESG

| Across the portfolio



|  | <p><b><u>CLEARLY SET TARGETS</u></b></p>  |  | <p><b><u>SOCIALLY RESPONSIBLE</u></b></p>   |  | <p><b><u>HIGH LEVEL OF GOVERNANCE</u></b></p>   |
|--|---|--|---|--|---|
|  | <p>Reduce GHG emission</p>  |  | <p>Strong commitment to maintain high tenant satisfaction</p>                           |  | <p>Management oversight from Board of Directors (BoD)</p>                                       |
|  | <p>Reduce water consumption and maintain high water quality</p>                 |  | <p>Increase employee retention and training opportunities</p>                           |  | <p>67% of BoD is independent/ non executive &amp; 33% members are female</p>                    |
|  | <p>Create waste awareness to reduce waste production and increase recycling</p> |  | <p>Pro-actively engage with &amp; support local communities of portfolio's location</p> |  | <p>BoD is supported by various committees with higher level of oversight for special topics</p> |
| <p>For more details, <a href="#">please click here</a></p> |   | <p>For more details, <a href="#">please click here</a></p> |   | <p>For more details, <a href="#">please click here</a></p> |   |

## FOCUS AREAS

## ISSUES



## TARGETS

**Tenants**

Customer satisfaction  
Customer health & safety  
Future-oriented (work) environment



- Remain an industry leader in the area of tenant-orientated customer service
- Continually increase tenant satisfaction

**Employees**

Occupational health & safety  
Diversity & equal opportunities  
Training & Development



- Be among the top ten most attractive employers in the commercial real estate sector in Germany by 2030
- Maintain staff turnover at or below the national average
- Maintain zero incidents of discrimination

**Environment**

Energy & Emissions  
Climate change adaption  
Waste & Water



- Achieve a 40% reduction in CO<sub>2</sub> emissions by 2030
- Optimise the Group's cost structures via installation of sustainable systems and use of renewable energy; implementation of environmentally friendly refurbishment and building upgrades
- Reduce water consumption to what is strictly necessary; maintain high level of water quality and lower water- and wastewater-related operating costs
- Reduce the total amount of waste produced and the amount of waste not disposed of through recycling

**Society**

Smart cities  
Community investment



- €500,000 p.a. allocated to community investment until 2030
- Build partnerships with local stakeholders to achieve targeted impact with communities around Group assets
- Support measures that aim to achieve the United Nation's Sustainable Development Goals

**Governance**

Compliance  
Data protection  
Fair business  
Labour standards  
Suppliers  
Regulatory framework



- Achieve listing in the Dow Jones Sustainability Index (DJSI)
- Improve liability and transparency
- All construction project processes to be monitored according to a internal "traffic light" system
- Maintain zero tolerance towards compliance violations
- Ensure that all personal data stored and/or processed in the course of the Group's operations is protected from manipulation and misuse
- Increase the number of supplier audits and maintain zero human rights violations in the supply chain

## GREEN BUILDING CERTIFICATIONS

Building upgrades with the goal to receive certifications (DGNB, LEED, BREEAM). Development/major refurbishments aimed to build for certification eligibility



UTRECHT, BREEAM



AMSTERDAM, BREEAM



ROTTERDAM, BREEAM



FRANKFURT, LEED



AMSTERDAM, BREEAM



AMSTERDAM, BREEAM



DRESDEN, LEED



AMSTERDAM, BREEAM



AMSTERDAM, BREEAM

➤ Ca. 30% of the Dutch portfolio already certified with BREEAM standards as part of the ongoing pilot project (2% in 2020). Ca. 5% of the total commercial portfolio is certified (1% in 2020).

➤ Pilot project in the NL where demand from tenants for green buildings exists, higher rents and occupancy can be achieved and capex for upgrades yields positively.

➤ Only minor works are expected to be done to achieve these certifications as the portfolio is already in high quality.

➤ Based on experiences gained through this pilot, the strategy is implemented in other portfolio locations. Accordingly, German portfolio is currently being analyzed

## GHG EMISSIONS REDUCTION



➤ Energy Investment Program: installation of Photovoltaics (PV), Combined Heat and Power (CHP), Combined Cooling, Heat & Power (CCHP), EV charging stations, smart meters, AI



➤ Replacing/upgrading fossil fuel heating systems and switching to climate neutral energy providers



➤ Energy efficient facilities



➤ Tenant incentives through green lease elements

## ENERGY INVESTMENT PROGRAM



➤ Further investments in energy efficient measures such as installation of Photovoltaics, Combined Heat and Power and EV charging stations. Additionally invested in efficient windows, lighting, roofs, façade and heating systems

## WATER CONSUMPTION



➤ Remote water meters create awareness, influence tenant behavior, detect water leaks and unusual water usage

➤ Water-saving sanitary facilities

## WASTE MANAGEMENT



➤ A new initiative to further optimize waste and operational costs through waste management systems (i.e., obtaining and sharing waste data with tenants)

➤ Efficiently incentivized in Germany and other locations of portfolio (no charge for recycling and paper)

## AROUNDTOWN FOUNDATION



## LOCAL PARTNERSHIPS

➤ AT focuses on establishing productive partnerships with local stakeholders to ensure that corporate activities are aligned to the tenants and communities

➤ Numerous charities across portfolio's locations, working in close contact with local partners such as Die Arche e.V., HORIZONT e.V., Off Road Kids, EvE Foundation, Joblinge, etc.

➤ Local projects aimed at improving child and youth education & healthcare, eliminating child poverty, preparing disadvantaged young people for the job market, providing solidarity to the ethnic minorities, etc.

➤ Following the flood disaster, AT foundation donated funds to a local association to help those in need with the clean-up and reconstruction, provided accommodation to some local volunteers in its hotels and several employees of AT volunteered in the region as part of the Social Day 2021

## HOLISTIC TENANT MANAGEMENT APPROACH

### ENGAGEMENT



Tailor-made approach, customized leases, balancing tenants' and the Company's requirements

### AVAILABILITY



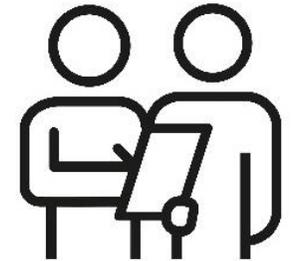
24/7 tenant support

### POLICY



Finalizing new tenant policy which sets standardized goals and ensures commitment of all parties involved

### ENFORCEMENT



Main tool to monitor and enforce tenant satisfaction, Annual tenant surveys

# Goal to become top employer in commercial real estate to attract best new talent



**TRAINING**  
Employee training programs to ensure knowledge sharing and increasing the skill pool



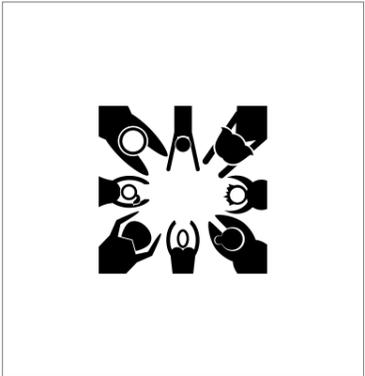
**COLLABORATION**  
Dynamic & open corporate culture, fostering personal development and collaboration



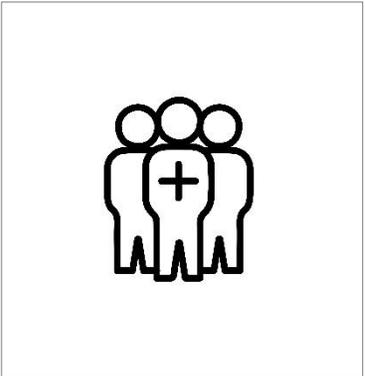
**RETENTION**  
Employee retention program to reduce knowledge drain



**EMPLOYEE SATISFACTION SURVEY**



**DIVERSITY & ANTI-DISCRIMINATION POLICY**



**HEALTH, SAFETY & SECURITY**  
Well-being of employees, fitness center at HQs, cyber security measures

**Target: Attractive employer who maintains a strong employee base at a low turnover rate with an open culture leaving no room for discrimination**



**BOARD OF DIRECTORS – 4/6 MEMBERS ARE INDEPENDENT/NON-EXECUTIVE AND 2/6 ARE FEMALE**



**DIVERSE MIX OF PROFESSIONALS WITH STRONG & LONG EXPERIENCE, FOCUS ON REAL ESTATE INDUSTRY & FINANCING**



### **FRANK ROSEEN – EXECUTIVE DIRECTOR**

HIGHLY EXPERIENCED WITH A TRACK RECORD OF 30 YEARS IN THE REAL ESTATE INDUSTRY. HELD VARIOUS SENIOR MANAGEMENT POSITIONS, INCLUDING, CEO OF GERMANY & CENTRAL EASTERN EUROPE OF GE CAPITAL AND REAL ESTATE. *MBA*



### **MARKUS LEININGER- INDEPENDENT DIRECTOR**

FORMER SENIOR BANKER WITH A FOCUS ON FINANCING, PRIVATE EQUITY AND REAL ESTATE. SERVED AS HEAD OF OPERATIONS WITH EUROHYPO AG AND RHEINHYP AG (COMMERZBANK) AND A MEMBER OF THE ADVISORY BOARD AND INVESTMENT COMMITTEE OF REVETAS CAPITAL ADVISORS. *DIPLOMA IN B.A.*



### **JELENA AFXENTIU – EXECUTIVE DIRECTOR**

SINCE 2011 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES AND HAS 20 YEAR OF EXPERIENCE IN THE REAL ESTATE AND THE HOTEL BUSINESS, SPECIALIZING IN FINANCE AND ACCOUNTING. *MBA*



### **SIMONE RUNGE-BRANDNER - INDEPENDENT DIRECTOR**

HER PAST POSITIONS INCLUDE DEAL MANAGER (DIRECTOR) AT UBS DEUTSCHLAND AG, VICE PRESIDENT REAL ESTATE FINANCE/ INVESTMENT FUNDS, CREDIT MANAGER AT DEKABANK FRANKFURT AND CREDIT MANAGER REAL ESTATE FINANCE AT HELABA FRANKFURT. *DIPLOMA IN INTERNATIONAL BUSINESS ADMINISTRATION*



### **RAN LAUFER - NON-EXECUTIVE DIRECTOR**

FORMER POSITIONS INCLUDE CEO OF ADO PROPERTIES, DEPUTY CEO OF GRAND CITY PROPERTIES S.A. AND CHIEF OFFICER OF MARKETING AND SALES OF AIRPORT CITY LTD. *MBA*



### **MARKUS KREUTER - INDEPENDENT DIRECTOR**

SPECIALIZED IN REAL ESTATE DEBT ADVISORY THROUGH HIS OVER 18 YEARS OF EXPERIENCE IN AMONG OTHERS NATIONAL DIRECTOR DEBT ADVISORY AT JLL, HEAD OF GERMAN COMMERCIAL REAL ESTATE LENDING AT DEUTSCHE BANK, GROUP HEAD OF DEBT FUNDING AT CA IMMO. *DEGREE IN REAL ESTATE ECONOMICS*



## ALL COMMITTEES ARE IN PLACE WITH INDEPENDENT MEMBERS IN PLACE

### **AUDIT** **COMMITTEE**

(MAINTAINING THE INTEGRITY OF THE FINANCIAL STATEMENTS AND INTERNAL SYSTEMS CONTROLLING THE FINANCIAL REPORTING PROCESSES)

### **RISK** **COMMITTEE**

(ASSESSING, MONITORING AND MITIGATING ANY POTENTIAL RISK AND KEEPING ANY POSSIBLE FAILURE TO MINIMUM)

### **NOMINATION** **COMMITTEE**

(IDENTIFYING SUITABLE CANDIDATES FOR DIRECTOR POSITIONS AND EXAMINING THEIR SKILLS AND CHARACTERISTICS)

### **REMUNERATION** **COMMITTEE**

(DETERMINING AND RECOMMENDING REMUNERATION POLICY FOR THE BOARD AND SENIOR MANAGEMENT)

### **ESG** **COMMITTEE**

(REVIEWING SHAREHOLDER PROPOSALS AND RECOMMENDATIONS THAT RELATE TO ESG MATTERS)



## ADDITIONAL OVERSIGHT PROVIDED BY THE ADVISORY BOARD



### **DR. GERHARD CROMME - CHAIRMAN OF THE ADVISORY BOARD**

DR. CROMME HAS A LONG AND IMPRESSIVE TRACK RECORD WITH TOP POSITIONS IN GERMANY'S BLUE CHIP COMPANIES, INCLUDING CHAIRMAN OF THE SUPERVISORY BOARD OF SIEMENS, CHAIRMAN OF THE EXECUTIVE BOARD AND CHAIRMAN OF THE SUPERVISORY BOARD OF THYSSENKRUPP, AS WELL AS MEMBERSHIP ON THE SUPERVISORY BOARDS OF OTHER LEADING COMPANIES SUCH AS VOLKSWAGEN, LUFTHANSA, ALLIANZ, BNP PARIBAS, E.ON AND AXEL SPRINGER AND CURRENTLY CO-CHAIRMAN OF THE SUPERVISORY BOARD OF ODDO BHF GROUP. IN ADDITION, DR. CROMME HOLDS THE GERMAN DISTINCTION COMMANDER'S CROSS OF THE ORDER OF MERIT AND THE FRENCH DISTINCTION GRAND OFFICER OF THE LEGION OF HONOR.



### **YAKIR GABAY - ADVISORY BOARD DEPUTY CHAIRMAN**

DEPUTY CHAIRMAN, FOUNDER OF THE GROUP IN 2004. WAS PREVIOUSLY THE CHAIRMAN & MANAGING PARTNER OF AN INVESTMENT COMPANY WHICH MANAGED OVER \$30 BILLION OF ASSETS, AND BEFORE THAT THE CEO OF THE INVESTMENT BANKING OF BANK LEUMI. *MBA, BA IN ACCOUNTING/ECONOMICS, AND CPA*



### **CLAUDIO JARCZYK- ADVISORY BOARD MEMBER**

JOINED THE GROUP'S ADVISORY BOARD SINCE 2013. SERVED AS AN EXECUTIVE DIRECTOR AT BERLINHYP BANK SPECIALIZING IN REAL ESTATE FINANCING WITH A FOCUS ON INTERNATIONAL CLIENTS, AS A CHIEF INTERNATIONAL EXECUTIVE AT LANDESBANK BERLIN AND AS AN INTERNATIONAL DIVISION-DEPARTMENT MANAGER AT BAYERISCHE VEREINSBANK MUNICH. *DIPL.-KFM. / MBA*



### **DAVID MAIMON- ADVISORY BOARD MEMBER**

MR. MAIMON WAS THE PRESIDENT AND CEO OF EL AL AIRLINES. PRIOR, MR. MAIMON WAS EVP OF CUSTOMER SERVICE, COMMERCE & INDUSTRY AFFAIRS SALES & MARKETING IN EL AL AIRLINES AND SERVED AS A DIRECTOR IN VARIOUS COMMERCIAL COMPANIES SUCH AS LEUMI GEMEL LTD, HEVER AND SUN D'OR INTERNATIONAL AIRLINES. *MBA*



## MANAGEMENT BODY IS SUPERVISED BY THE BOARD OF DIRECTORS



### **BARAK BAR-HEN – CO-CEO & COO (CO-CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER)**

SINCE 2020 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.  
*TEL AVIV UNIVERSITY, LLB AND CERTIFIED ATTORNEY*



### **EYAL BEN DAVID – CFO (CHIEF FINANCIAL OFFICER)**

SINCE 2008 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.  
*MBA AND CPA*



### **OSCHRIE MASSATSCHI – CCMO (CHIEF CAPITAL MARKETS OFFICER)**

SINCE 2013 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.  
*BA HONOURS IN INTERNATIONAL BUSINESS*



### **KLAUS KRÄGEL – CDO (CHIEF DEVELOPMENT OFFICER)**

SINCE 2020 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.  
*CERTIFIED DEGREE IN REAL ESTATE FROM HANNOVER CHAMBER OF COMMERCE*



SENIOR MANAGEMENT



**NIKOLAI WALTER- HEAD OF ASSET & PROPERTY MANAGEMENT**

20 YEARS EXPERIENCE IN THE REAL ESTATE INDUSTRY. BEFORE JOINING THE GROUP, WAS A MANAGING DIRECTOR OF FORTRESS INVESTMENT GROUP, RESPONSIBLE FOR THE ASSET MANAGEMENT OF THE GERMAN COMMERCIAL WITH A MARKET VALUE OF € 5.6 BN. ALSO HELD POSITIONS AT DEUTSCHE BANK GROUP INCLUDING HEAD OF ASSET MANAGEMENT GERMANY AT DEUTSCHE ASSET AND WEALTH MANAGEMENT. *MBA AND DEGREE IN REAL ESTATE ECONOMICS*



**ALFRED KANDL - HEAD OF CONSTRUCTION MANAGEMENT**

MR KANDL HAS 35 YEARS OF EXPERIENCE IN THE REAL ESTATE AND BUILDING INDUSTRY. HE WORKED IN STRABAG AG, ONE OF AUSTRIA'S LEADING BUILDING COMPANIES, AND FURTHER WORKED IN CONTROLLING POSITIONS AT LARGE CONSTRUCTION SITES ALL OVER AUSTRIA AND CENTRAL AND EASTERN EUROPE. FROM 2003 WORKED AS HEAD OF CONSTRUCTION AT RAIFFEISEN EVOLUTION. *DEGREE IN ENGINEERING*



**KAMALDEEP MANAKTALA – CEO OF HOTEL DIVISION**

20+ YEARS OF EXPERIENCE IN REAL ESTATE INVESTMENT MANAGEMENT WITH A FOCUS ON THE LIVING SECTOR (HOTELS & RESIDENTIAL) IN BOTH THE PRIVATE AND PUBLIC MARKETS GLOBALLY. PREVIOUSLY HELD MANAGERIAL ROLES IN DUET PRIVATE EQUITY, GOLDMAN SACHS, JP MORGAN. *MBA IN INTERNATIONAL HOSPITALITY MANAGEMENT FROM IMHI – CORNELL UNIVERSITY-ESSEC BUSINESS SCHOOL AND BA IN ECONOMICS (HONOURS) FROM UNIVERSITY OF DELHI.*



**CHRISTIAN HUPFER - CHIEF COMPLIANCE OFFICER**

SINCE 2008 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES. IS SPECIALIZED IN TAX STRUCTURING, FINANCIAL STATEMENT AND CASH FLOW ANALYSIS. MR. HUPFER WORKED FOR RÖVERBRÖNNER KG STEUERBERATUNGS UND WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT IN THE AUDIT AND TAX DEPARTMENT. *DIPLOMA OF ECONOMICS WITH A FOCUS ON TAX AND FINANCIAL AUDITING*



**MILAN ARANDELOVIC - COO OF HOTEL DIVISION**

MR ARANDELOVIC HAS 25 YEARS OF EXPERIENCE IN THE INTERNATIONAL HOSPITALITY SECTOR; BEFORE JOINING THE GROUP, HE HELD REGIONAL ROLES WITHIN HILTON IN EUROPE. IN THIS ROLE HE OPERATED HOTELS FROM BUDGET SECTOR TO LUXURY. *MR. ARANDELOVIC HOLDS A BACHELOR FROM THE RENOWNED ECOLE HOTELIERE DE LAUSANNE AND AN MSC OF STRATHCLYDE UNIVERSITY.*



**IDAN KAPLAN - SENIOR FINANCIAL MANAGER**

BEFORE JOINING AROUNDTOWN, MR. KAPLAN SERVED AS AN AUDITOR IN AN ACCOUNTING FIRM. *BA IN ACCOUNTING AND BUSINESS ADMINISTRATION*



**ALON LEVY – HEAD OF DUTCH OPERATIONS**

13 YEARS EXPERIENCE IN THE EUROPEAN REAL ESTATE INDUSTRY, PRIMARILY IN THE NETHERLANDS AND GERMANY. MR. LEVY JOINED THE GROUP IN 2017 AND HAS BEEN MANAGING THE DUTCH OPERATIONS SINCE 2020. BEFORE JOINING THE GROUP MR. LEVY WAS A MANAGER AND A BOARD MEMBER OF AN INTERNATIONAL REAL ESTATE GROUP. *MBA AND CPA*



**SYLVIE LAGIES - HEAD OF ESG**

HELD POSITIONS AS HOTEL GENERAL MANAGER, CORPORATE PROJECT MANAGER AND HEAD OF TRAINING AND DEVELOPMENT. FORMER ROLES WERE HEAD OF FRANCHISE DEVELOPMENT AND TRAINING FOR DOMINO'S PIZZA GERMANY, DIRECTOR OF BUSINESS DEVELOPMENT FOR PRECISE HOTEL COLLECTION IN GERMANY



**JELENA EBNER - HEAD OF TRANSACTION MANAGEMENT**

MS. EBNER WORKED FOR HUDSON ADVISORS AND LATER AT DUNDEE INTERNATIONAL AS AN ASSET MANAGER. COMING FROM A PROPERTY MANAGEMENT BACKGROUND, JELENA HAS EXPERIENCE IN ALL ASSET TYPES. *BA AND TRAINING AS REAL ESTATE MANAGER*



**DEAN MABELSON - HEAD OF ENERGY DEPARTMENT**

15 YEARS OF EXPERIENCE IN ENERGY MANAGEMENT. HE WORKED IN JUWI AG, ONE OF EUROPE'S LARGEST RENEWABLE PROJECT DEVELOPERS & HELD ROLES IN TRADING ENERGY AT PARIS, LEIPZIG & VIENNA COMMODITY EXCHANGE. AFTER ROLES AS ENERGY CONSULTANT FOR A LARGE CONSULTING COMPANY, HE WAS HEAD OF ENERGY & SUSTAINABILITY FOR AKELIUS. *MASTERS IN ECONOMICS AND ENGINEERING, DIPL.-ING., EXTERNAL AUDITOR ISO 50001*



## STRONG RANKING WITH SUSTAINALYTICS

- ↗ Top 4% globally across all industries
- ↗ Top 12% across global real estate coverage
- ↗ Low risk category
- ↗ Strong ranking with Sustainalytics supports the inclusion in DAX 50 ESG Index

**S&P Europe  
350 ESG Index**

**DAX<sup>®</sup> 50 ESG**  
Global property research  
Solutions for customized property indices

## SUSTAINABILITY INDICES

- ↗ Included in S&P EUROPE 350 ESG Index since May 2021
- ↗ Adding to strong visibility in ESG indices like DAX 50 ESG and GPR Green indices

↗ 2021:



## CONSECUTIVE EPRA AWARDS

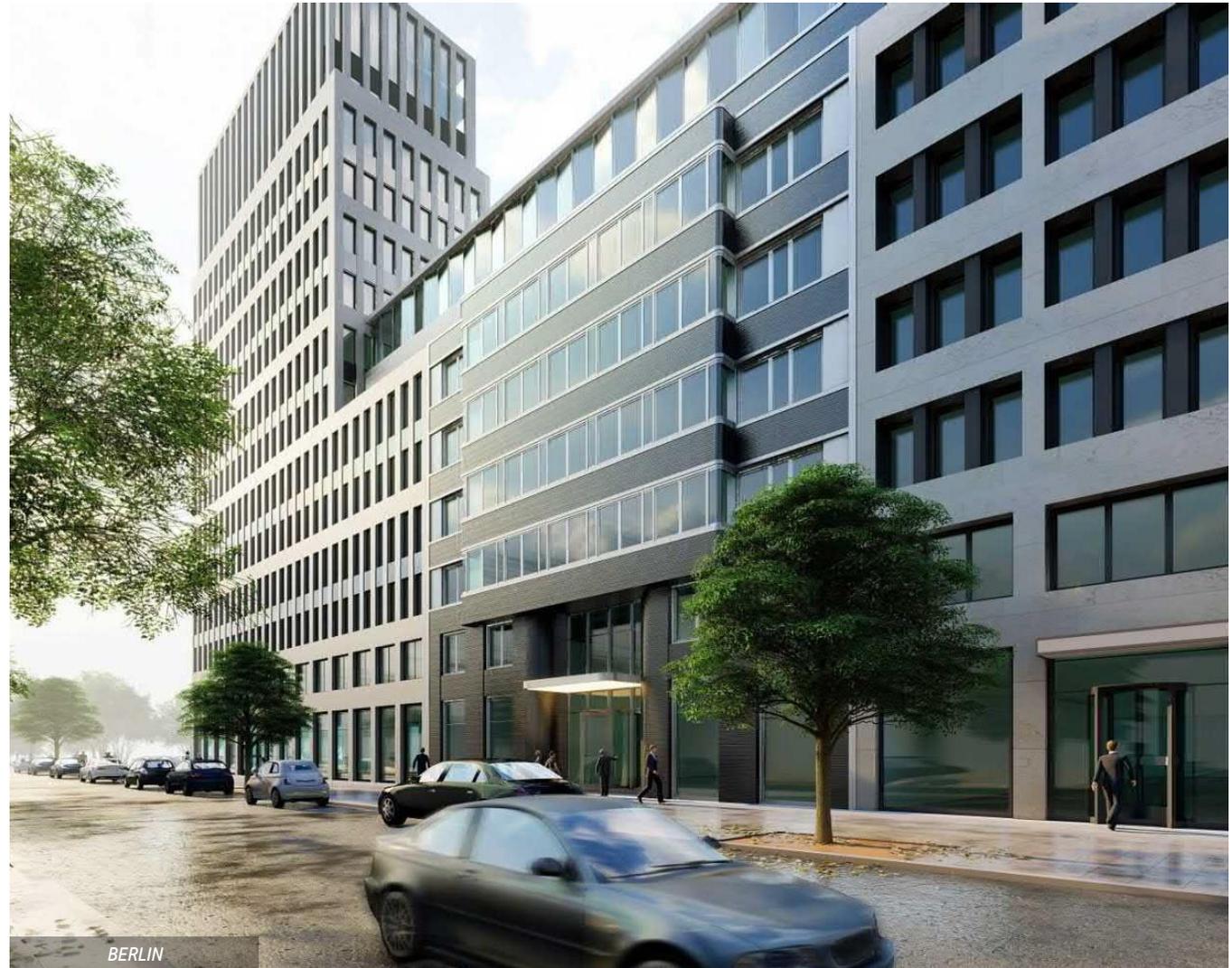
- ↗ AT received EPRA BPR Gold award for the 5th time and EPRA sBPR Gold award for the 4th time consecutively, for high standards of financial transparency and sustainability reporting





# APPENDIX: DEVELOPMENT PROJECTS

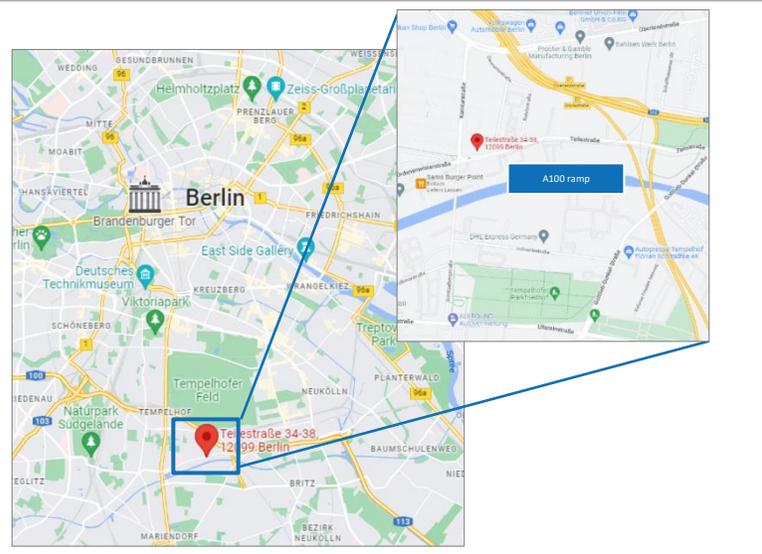
| TOP TIER LOCATIONS





## PROPERTY DESCRIPTION

- The 10k sqm logistics property is situated in proximity to the Tempelhofer Feld at the A100 highway, Berlin's main highway. Several s-bahn and u-bahn stations are nearby the property on Teilestr. 34-38, 12099 Berlin.



## MARKET DEMAND

- Berlin's logistics market continues to experience a shortage of logistics space in areas close to the city center along motorways <sup>1)</sup>.
- Strategically located close to the A100 ramp, which also provides connections to the motorway ring road (A10) in Berlin, the asset is ideal for last-mile logistics and offices to serve the logistics sites.
- Market rent for logistics use in the vicinity is around €7/sqm and for office use is €20/sqm <sup>2)</sup>.

Source: 1) BNP Paribas Real Estate – Logistics Market Berlin Q4 2020 | 2) Savills Database, 2021



## VALUE EXTRACTION POTENTIAL

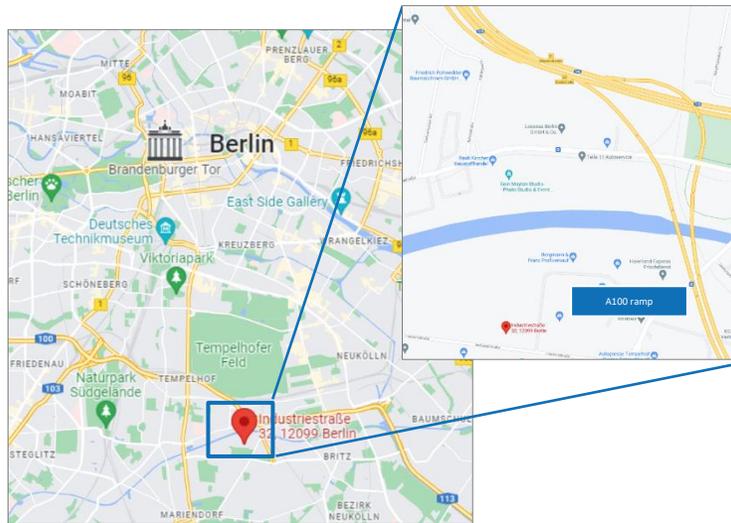
- **Identified underutilized land plot used for parking.**
- Development of parking area into 3k sqm last-mile logistics in addition to existing 10k sqm logistics.
- Pre-permit exists.





## PROPERTY DESCRIPTION

- The 7k sqm property comprises a newly developed logistics and office building and is situated in the Berlin district of Tempelhof, close to the ramp of the inner-city highway A100, on Industriestraße 32-43, 12099 Berlin. There is additionally a large underutilized land plot to the south of the property. The immediate area has a commercial use with companies active mainly in logistics and industrial.



## MARKET DEMAND

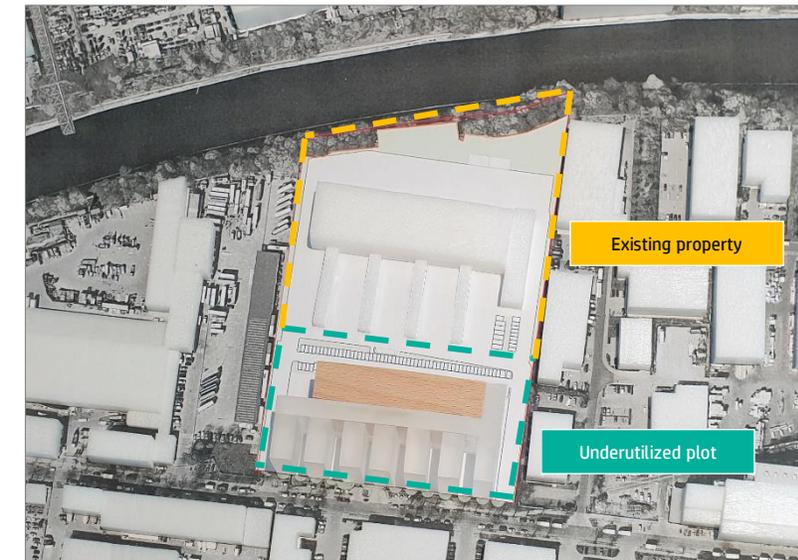
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## VALUE EXTRACTION POTENTIAL

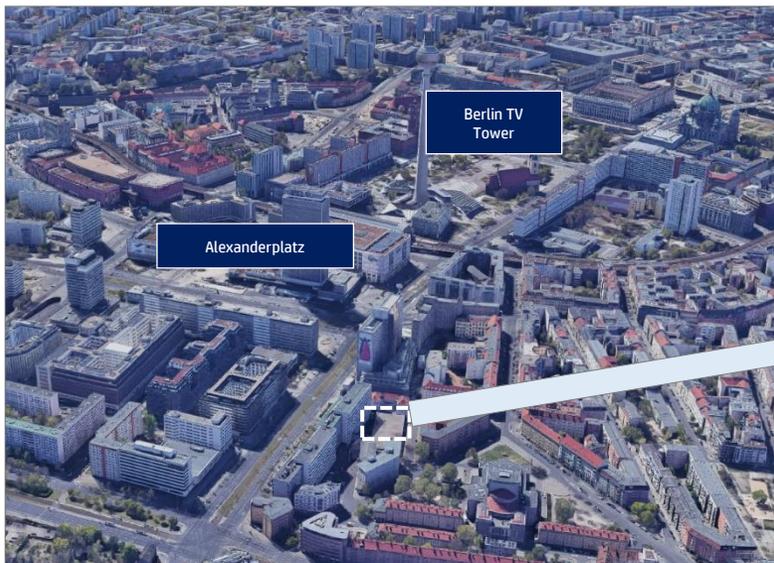
- **Identified underutilized land plot to the south of the property.**
- Development of underutilized plot into 7k sqm last-mile logistics in addition to existing 7k sqm building.
- Pre-permit exists.
- The logistics & office building in the north was fully re-developed which was fully pre-let prior to delivery in 2021.





## PROPERTY DESCRIPTION

- This large office property, covering 24k sqm, is situated in one of Berlin's prime city centers, the central Alexanderplatz. The property is directly located on Karl-Liebknecht-Straße 31,33/Kleine Alexanderstr., 10178 Berlin, one of Berlin's main traffic arteries, which converges with the city's other arteries at Alexanderplatz. Furthermore, Alexanderplatz is one of Berlin's primary public transport hubs, serviced by a wide range of S-bahn, U-bahn, trams and busses, connecting the property to both of Berlin's airports as well as the city's other districts. Due to its central location the property benefits from many nearby amenities, including many restaurants and bars, shopping malls and other retail, as well as hotels and conference venues.



## MARKET DEMAND

- The asset's district "Mitte" is one of Berlin's top office district with the highest rents in the city<sup>1)</sup>. Average office rents in Alexanderplatz reach up to €40/sqm<sup>1)</sup>
- Demand is the highest for modern office space with virtually zero vacancy in Mitte<sup>2)</sup>. New supply comes with high pre-letting ratio, leaving little or no availability after completion<sup>2)</sup>
- New developments can sell for €14k-€15k/sqm<sup>3)</sup>

1) Angermann, Office Market Berlin Q2 2021 | 2) BNP Paribas Real Estate, Office Market Germany, 2020 | 3) Savills database 2021



## DEVELOPMENT POTENTIAL

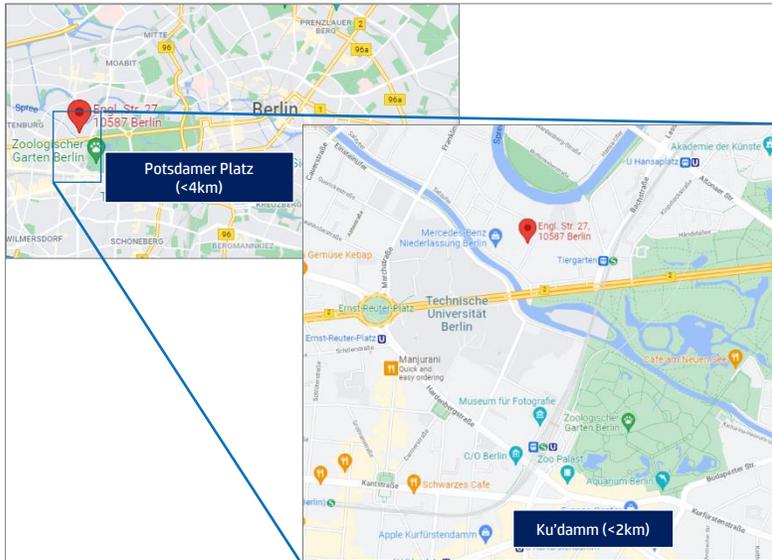
- **Development of low-build portion of existing asset into quality office real estate.**
- The asset in its current state has a low build portion that has significant potential to be optimized through development
- Post completion, lettable area of this low build portion of the asset is expected to increase by approx. 3.5x in sqm
- Preliminary building permit exists.





## PROPERTY DESCRIPTION

- The property is situated in Berlin's western center, walking distance from the Berlin Zoo central train station and adjacent Berlin's Technical University (TU). Due to its central location the property on Englische Straße 29, 10587 Berlin it is well connected, just off the city's main artery Bundesstraße 2. The Berlin Zoo central station is the primary transport hub in Berlin's western city center, serviced by a range of S-bahn, U-bahn, busses as well as interregional trains. The district surrounding the property has a mixed use, with residential, office, retail and leisure, providing many amenities.



## VALUE POTENTIAL & MARKET DEMAND

- This building is surrounded by a new built fully rented office property from the TLG portfolio. By integrating this property into the existing property, a higher amount of lettable sqm can be achieved in comparison to a standalone development, thus raising synergies from combining both portfolios.
- Market rent for office space in the vicinity is €28/sqm <sup>1)</sup>. Modern assets in the vicinity sell for €12k/sqm <sup>2)</sup>.

Source: 1) PwC database 2021, Angermann 2021; 2) Schroders Immobilienwerte Deutschland



## DEVELOPMENT POTENTIAL

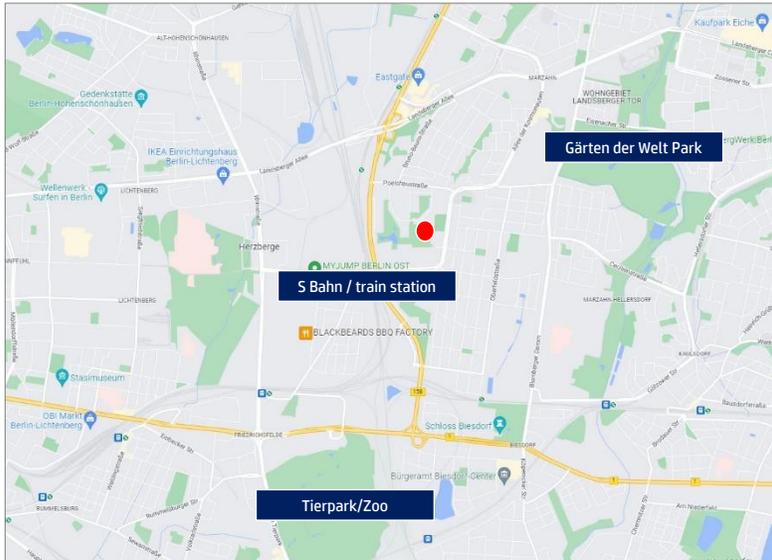
- **Complete demolition and re-development.**
- The property will be fully demolished and re-developed. The property will be integrated into the surrounding asset, allowing optimization and addition of extra space to the combined property, in excess to the potential area of the two buildings as separate buildings, thereby capturing portfolio synergies.
- The surrounding property along with the development property together currently amount to approx. 20k sqm, post-development, the new combined property will have an area of ca. 27k sqm.
- Preliminary building permits on the property exists and demolition expected to start beginning of 2022.





## PROPERTY DESCRIPTION

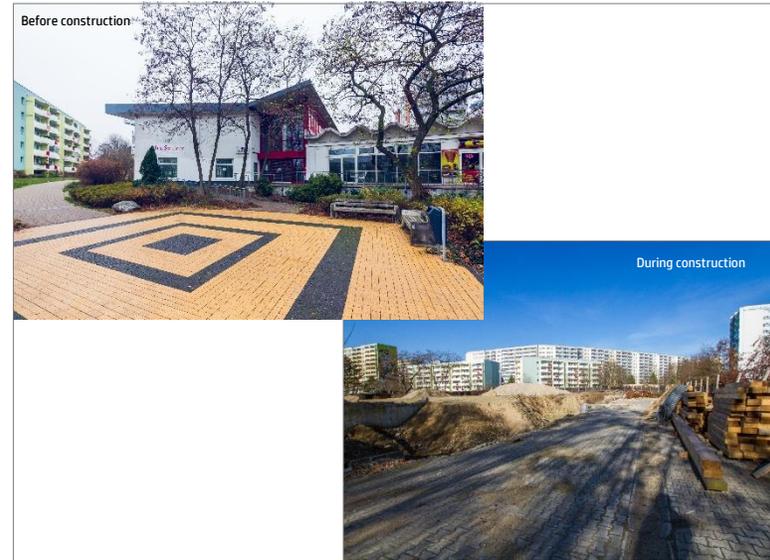
- The property is situated in Berlin's eastern residential district of Marzahn-Hellersdorf. The asset is situated directly next to the large public garden ("Park Akazienwäldchen") and benefits from several supermarkets and retail outlets in the immediate vicinity. The property is located in a residential location at Allee der Kosmonauten 127-147, 12861 Berlin. The property is also well connected to the rest of the Berlin through bus and tram stops as well as an S Bahn train station, as well as main traffic arteries, all situated near the asset.



## MARKET DEMAND

- The housing supply in the district of Marzahn-Hellersdorf remains limited and unable to meet the high demand.<sup>1)</sup>
- Average asking rents in this district can reach up to €14/sqm.<sup>2)</sup>

<sup>1)</sup> Guthmann, Berlin Properties Marzahn-Hellersdorf 2021 <sup>2)</sup> JLL, Residential City Profile Berlin, H1 2021; review of local newly built offering



## DEVELOPMENT POTENTIAL

- **Demolition of existing and re-development of new residential properties expected to be finalized by mid 2024.**
- The existing structure of the former retail park has recently been fully demolished, providing a land plot of around 6k sqm which can be utilized for new development
- The area is well suited for residential, due to its mix of urban center with lots of city parks and strong public transport connections
- The project comprises two multi-family apartment buildings of 8 storeys, totaling ca. 166 apartment units across 11k sqm of lettable area, as well as underground and external parking facilities with over 80 parking spaces
- The building permit is obtained



## ✓ PROPERTY DESCRIPTION

## ✓ MARKET DEMAND

## ✓ VALUE EXTRACTION POTENTIAL

➤ The 4k sqm property is situated in Berlin's upscale residential district Grunewald/Schmargendorf, in Charlottenburg-Wilmersdorf. The property is situated just off the main boulevard, Hohenzollerndamm, in close proximity to the Grunewald forest, one of Berlin's most popular public parks. The district surrounding the property on Teplitzer Str. 26, Karlsbader Str. 16, 14193 Berlin is primarily residential, marked especially by abundant of greenery. Furthermore, there are many shops, restaurants and other public facilities in the immediate area.

➤ Berlin Schmargendorf is a popular residential district, with the second oldest population, on average, of all Berlin districts, with the largest strata (28%) being above 65 years at the end of 2021<sup>1)</sup>.

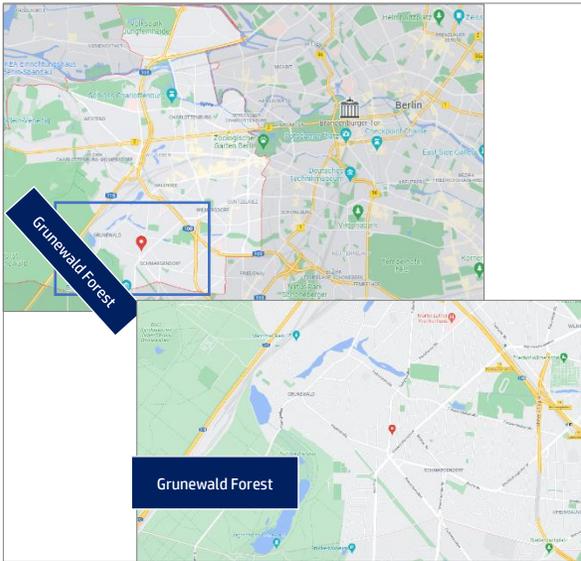
➤ Residential market rent in assisted living facilities in the area of around €35/sqm<sup>2)</sup>.

1) Amt für Statistik Berlin-Brandenburg, AI 5 – hj 2 / 21 | 2) based on market review

➤ **Full re-development into assisted living facility, expected to be finalized in 2022**

➤ Re-developed property will have 68 barrier-free assisted living units with balconies or terrace.

➤ Additionally, property will include a bistro, two doctors offices and a parking garage





## PROPERTY DESCRIPTION

- This 7k sqm property is located at Kurfürstendamm 69, 10707 Berlin, on Adenauerplatz in Berlin's western prime center, Ku'Damm, an area attractive for prime retail and office and prime residential. The building has unique classic architecture and is situated on the street block corner. Various options of public transportation are available, including u-bahn and s-bahn and a large variety of bus lines, and is also near the city highway of Berlin. The surrounding area hosts many prime destinations besides Ku'Damm itself, such as the Berlin Zoo, the Kaiser Wilhelm Memorial Church and KaDeWe.



## MARKET DEMAND

- The area surrounding Ku'damm is highly demanded for all asset types due to its central location and status as a prime promenade.
- Market rents can range between €26-€35/sqm, depending on the type <sup>1)</sup>

1) JLL database 2021



## DEVELOPMENT POTENTIAL

- **Addition of new floors with condominiums expected to be finalized in 2022**
- The property included a large attic that was not utilized. Due to the strong demand for residential condominiums in the area Aroundtown determined that the most optimal use of the space would be to convert and expand the existing attic, adding two new floors
- Condominiums have an expected sales price above €10k/sqm

Original roof



Construction phase



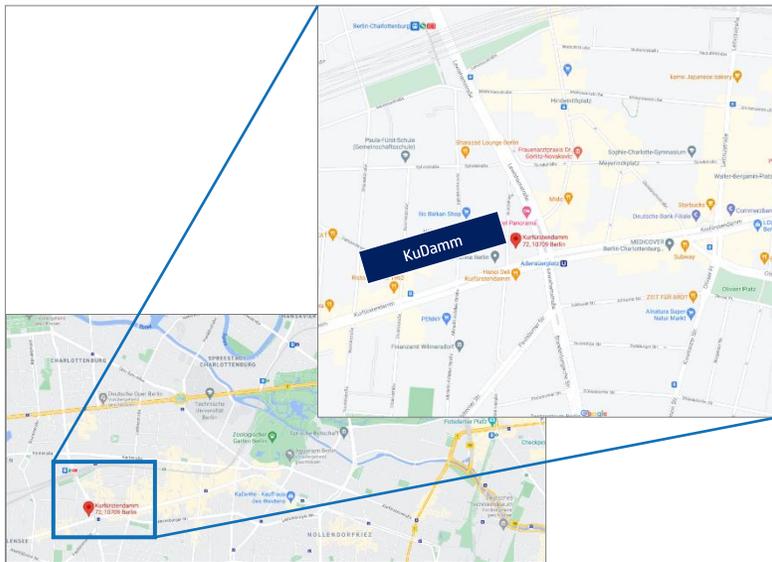
Final stage





## PROPERTY DESCRIPTION

- This 4k sqm property is located on Adenauerplatz in Berlin's western prime center, Ku'Damm, an area attractive for prime office, retail and prime residential. The building located on Kurfürstendamm 72, 10709 / Waitzstrasse 15, 10629 Berlin, has unique classic architecture and is situated on the street block corner. Various options of public transportation are available, including U-bahn and S-bahn and a large variety of bus lines, and is also near the city highway of Berlin.



## MARKET POSITION

- The area surrounding Ku'damm is highly demanded for all asset types due to its central location and status as a prime promenade.
- Market rent for newly built office space can reach up to €35/sqm<sup>1)</sup>
- Office Vacancy in Berlin remains at very low levels, at 4.1% as of Q4 2021<sup>2)</sup>

1) JLL database 2021 | 2) JLL. Office Market Profile Berlin Q4 2021



## DEVELOPMENT POTENTIAL

- **Addition of new floors with office space**
- The property included a large attic which is not utilized. The attic of the office building will be converted and expand into two floors covering approximately 1,000 sqm in order to benefit from the strong office demand of this prime central location
- The building permit has been received, construction has started and is expected to be finalized mid 2023.



## ✓ PROPERTY DESCRIPTION

## ✓ MARKET DEMAND

## ✓ VALUE EXTRACTION POTENTIAL

➤ The 10k sqm property is situated in the prime center of Berlin, between Potsdamer Platz and Anhalter Bahnhof. The property benefits from excellent connectivity due to its close proximity to several U-bahn and S-bahn stations, including Berlin Potsdamer Platz station, a key transport hub which is serviced by a wide range of U-bahn, S-bahn and (inter)regional train services. The area surrounding the property on Stresemannstraße 95/99, 10963 Berlin is a dense mixed-use urban district with a wide variety of uses, including residential, office, hospitality and retail. As a result many prime attractions and amenities are located in close proximity to the property.

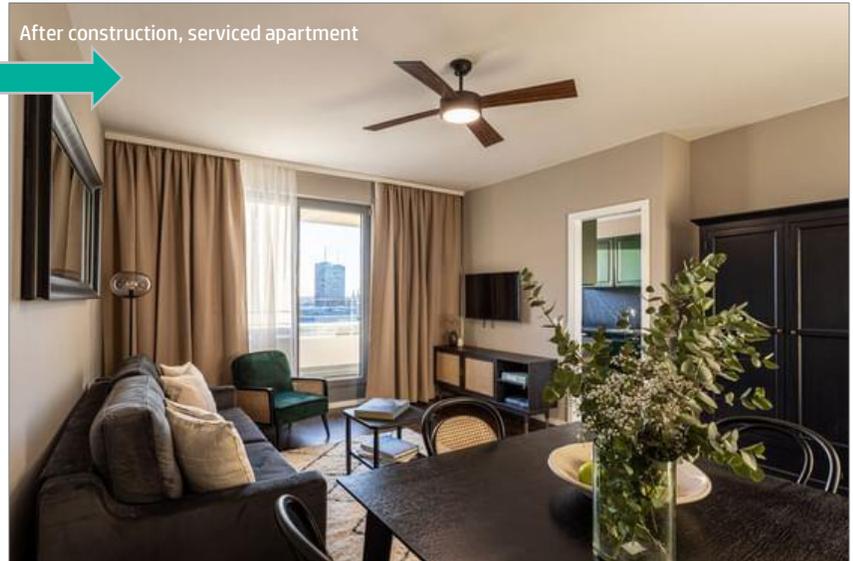
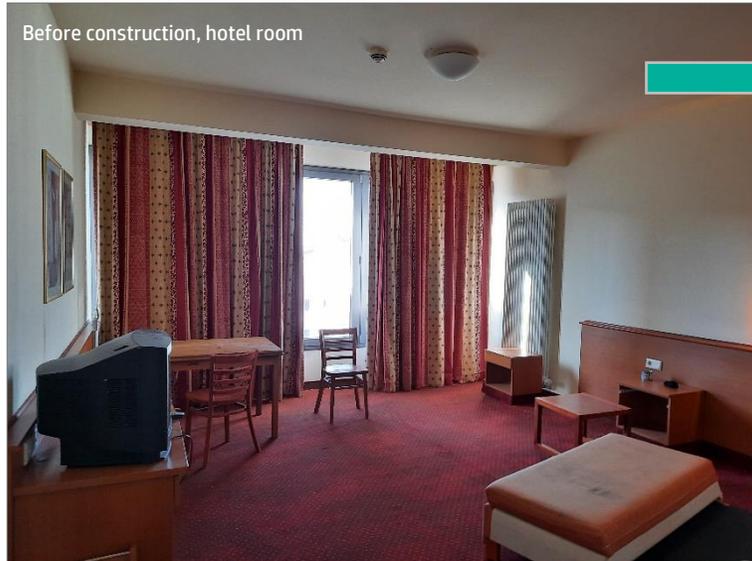
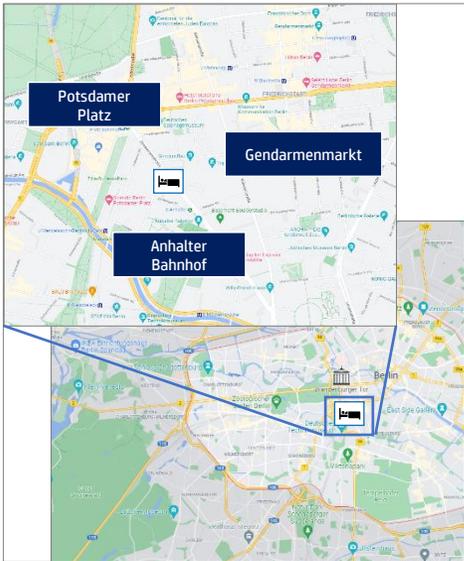
➤ The property is situated in the prime center of Berlin, with a wide range of key demand drivers in close proximity, supporting demand for leisure tourism, business travel and diplomatic/political travel.

➤ **Full property repositioning into hotel and serviced apartments to be finalized in 2022**

➤ The former 16 floor tower on the left has been fully refurbished and repositioned as a mixed hotel and serviced apartment offering, with 61 hotel rooms, 74 serviced apartments and 3 penthouses.

➤ Newly branded Tale by Precise

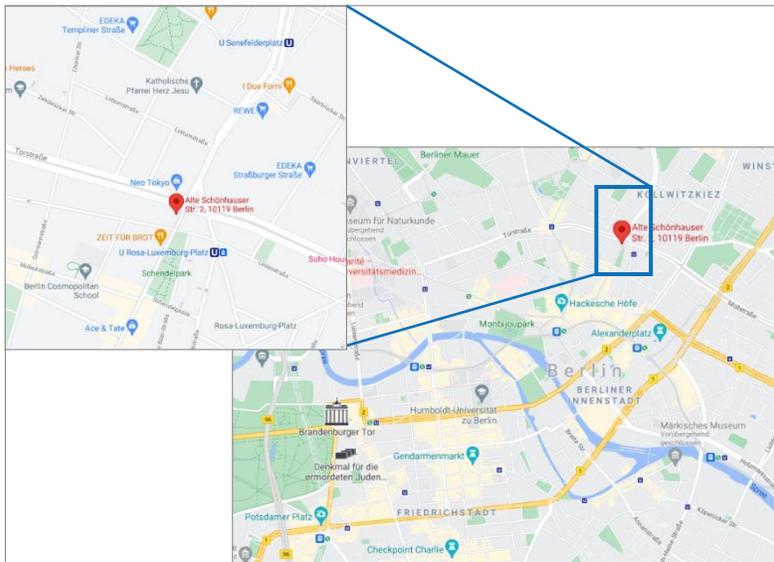
➤ Full refurbishment of ground floor areas, with a new lobby, bar, café/bistro, and restaurant.





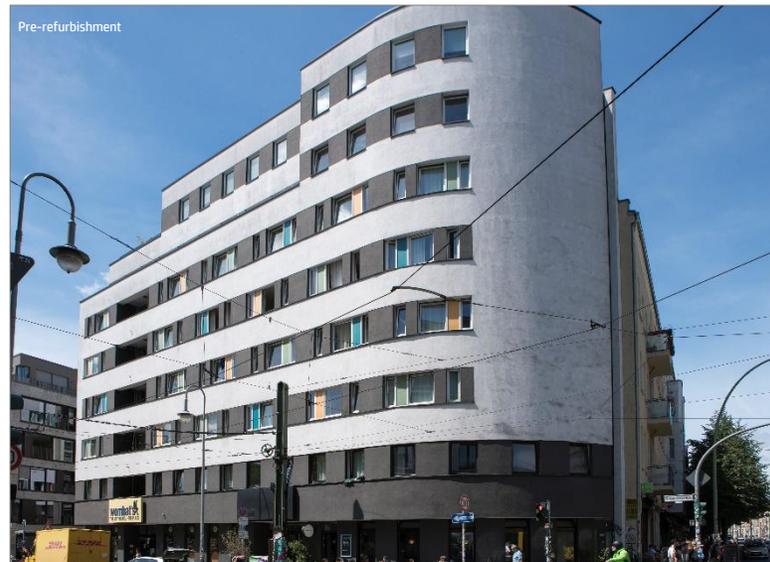
## PROPERTY DESCRIPTION

- The hotel is situated in Berlin's prime central district, Mitte, adjacent Rosa-Luxemburg-Platz, short walking distance from Alexanderplatz. The hotel on Alte Schönhauser Str. 2, 10119 Berlin is well connected with a tram stop and U-bahn station in front of the asset. The area surrounding the property is one of Berlin's most popular districts, with a large variety of restaurants and bars as well as many cultural venues and prime touristic highlights, such as the nearby Museum Island and Hackescher Höfe.



## MARKET POSITION

- The property is located in the heart of the city, within a short walking distance to several tourist attractions.



## REPOSITIONING

- **Complete upgrade, redesign and new branding expected to be finalized in 2022**
- The property will receive a complete facelift including a refurbished façade.
- Entire fit-out to be upgraded with a street art inspired design theme.
- The 80+ room hotel will have a radio station, library, restaurant, kitchen, cinema, rooftop bar as well a co-working space.
- Part of the refurbishment is also adding kitchenette which makes it suitable for long-term stay

### LOOK & FEEL





## PROPERTY DESCRIPTION

- The Brussels Hotel is situated in the center of Brussels on the main inner-city boulevard. The hotel is located at the main shopping street and lies within walking distance from three main train stations. Furthermore, an underground station serving 4 lines is right outside the 31-story hotel. The hotel on Place Charles Rogier 3, 1210 Saint-Josse-ten-Noode, Belgium has its own car park. The property is in a prime location right between Brussels' CBD and the historic city center, as a result many business and tourist destinations are easily accessible by foot or public transport.



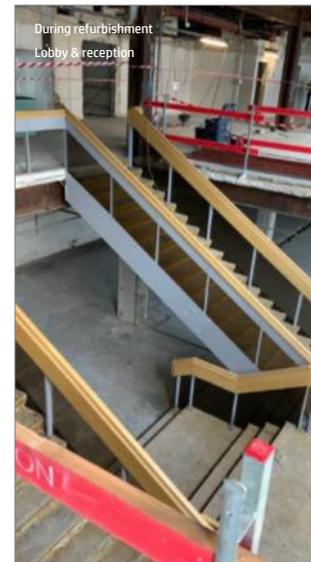
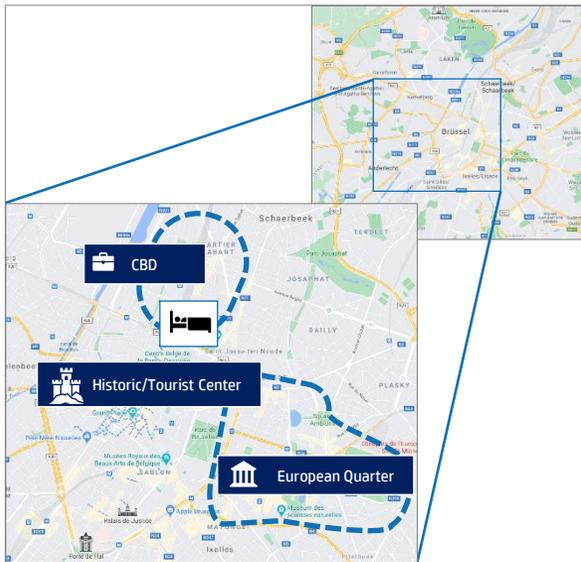
## MARKET POSITION

- The property is centrally located, right in the middle between the historic city and CBD, with excellent transport connections to the institutions of the European Union situated in Brussels' European Quarter



## REPOSITIONING

- **Repositioning and rebranding into Cardo by Autograph Collection (Marriott brand) expected to be finalized in 2022**
- Hotel which offers 522 bedrooms and suites
- 1.6k sqm of conference/meeting space
- Top-floor amenities including a restaurant, spa, and a roof-top bar and terrace, overlooking central Brussels
- Addition of a food court, well suited to the location





## PROPERTY DESCRIPTION

- The large hotel is situated in the center of Frankfurt, right on the bank of the river Main and in close proximity to the main central train station. Due to its prime location the property benefits from strong connectivity by public transport (main train station is walking distance) as well as by car as it is situated just off the inner-city ring road. The area surrounding the 21-floor hotel on Wilhelm-Leuschner Strasse 43, 60329 Frankfurt has many prime touristic and business destinations, such as the Historic City Center, the Banking District and the popular Sachsenhausen district with its many museums, bars and restaurants. The hotel includes a bar/lounge on the 21st floor with a view of the skyline.



## MARKET POSITION

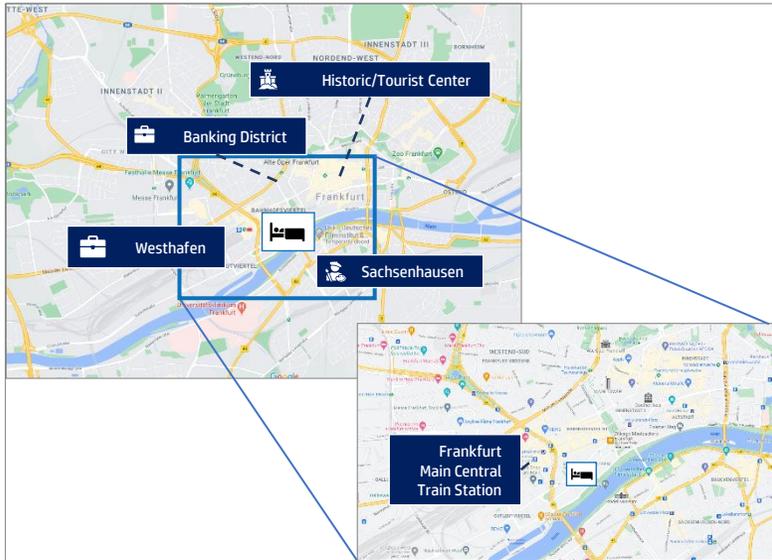
- The property is located between the Banking District and Westhafen. Office rent in Westhafen, reach up to €25.5/sqm, while rent in the nearby Banking District can reach up to €42.5/sqm<sup>1)</sup>
- Prime Residential rent in Frankfurt stands at around €25/sqm, with Condominium prices for Prime Residential of 10.3k/sqm, with the City Center and North Bank of the Main river being the most in demand areas<sup>2)</sup>

1) JLL, Office Market Profile Frankfurt, Q1 2022 2) JLL, Residential City Profile Frankfurt, H2 2020



## DEVELOPMENT POTENTIAL

- **Hotel refurbishment, with floor additions, adding new built office and residential in total ca 19k sqm**
- Currently in the process of getting local zoning plan (b plan).
- Hotel space utilization optimized by adding a service apartment concept, roof top restaurant, spa and fully upgrading the meeting concept with one of the largest ballrooms in town.
- Additional two new buildings, one for residential, the other for office. Construction to start once permit is granted, expected construction time is 2 years





## PROPERTY DESCRIPTION

- The 4-star hotel is centrally located in the 14th arrondissement of Paris. The surrounding area has a large variety of restaurants, bars and shops and the world famous sights of the city are within close proximity. In addition, the hotel on 1-17 Boulevard Saint-Jacques, 75014 Paris, France benefits from the inner city highway connecting it well to both of the city's airports as well as being close to 2 of the cities main train stations. One of the largest conference hotels in Paris with 757 rooms and 55 meeting rooms covering 5k sqm, as well as parking facilities.



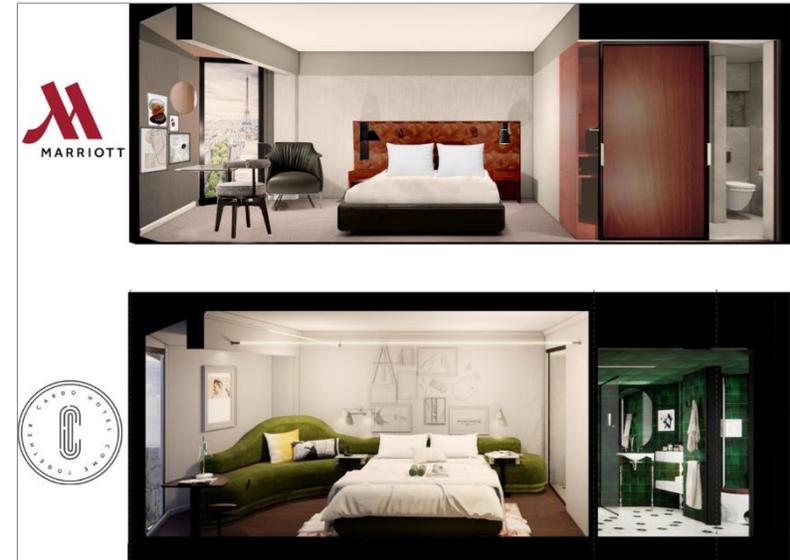
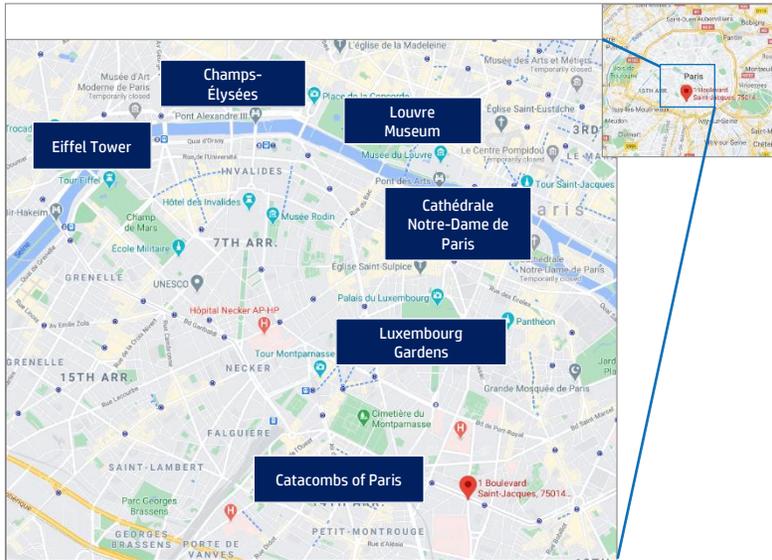
## MARKET POSITION

- The property is located in the heart of Paris and benefits from several iconic tourist attractions located within a short distance from the asset.



## REPOSITIONING

- **Complete renovation and refurbishment, with a dual brand, high-quality hotel operating in the asset expected to be finalized in 2023/2024**
- Over 500 rooms, that are operated by Marriott, to be refurbished with upgraded bathroom and bedroom fittings. The 5,000 sqm conference center will also receive an uplift.
- The other dual brand will be an Autograph Collection by Marriott to attract leisure guests. Full refurbishment of the 249 rooms including a Spa and small meetings concept. Two Lobbies to be built along with a new central restaurant on the ground floor.





## PROPERTY DESCRIPTION

- The 4 star Hilton Hotel is located in the heart of Berlin on Gendarmenmarkt, a prime tourist, residential and commercial center with historical & cultural landmarks and excellent connectivity & transportation options
- Only 1/3 of the space produces most of the rent. The huge lobby area, the long entry drive way facing the most expensive location in Berlin and overground parking garage are producing a fraction of the rent



## MARKET DEMAND

- The asset's district "Mitte" is Berlin's top office district with highest rents in the city<sup>1)</sup>. Average office rents in Gendarmenmarkt range between €32-€36 per sqm<sup>1)</sup>
- Demand is the highest for modern office space with virtually zero vacancy in Mitte<sup>2)</sup>. New supply comes with high pre-letting ratio for any new developments, leaving little or no availability after completion<sup>2)</sup>
- Mitte is the largest hotel cluster of Berlin, more than half of the branded hotels are located there<sup>3)</sup> with Alexanderplatz especially in great demand<sup>4)</sup>
- Mitte is also the gravity center of Berlin's residential market with the highest rents and prices in the city<sup>5)</sup>

1) Angermann, Office Market Berlin Q4 2021 | 2) BNP Paribas Real Estate, Office Market Germany, 2020 | 3) Horwath HTL, Hotel Chains Market Germany: Snapshot Berlin, 2018 | 4) Deloitte, Berlin's Hotel Market, 2016 | 5) Guthmann Estate, Market Report Berlin-Mitte, 2020 | 6) Winters & Hirsch Real Estate Database, 2019



## VALUE EXTRACTION POTENTIAL

- **Overground parking garage:** Conversion of 18k sqm parking space into high-end serviced apartments/hotel rooms can be integrated into the hotel's operational systems (short-term living).
- **Driveway & Lobby:** The most prestigious side of the hotel facing Gendarmenmarkt is used as a long-stretched driveway and huge lobby. Conversion into additional 2k sqm prime leisure retail/restaurants/services, complementing the area's use as a destination for top culture, historic landmarks and prime gastronomy, with millions of visitors in the Gendarmenmarkt square.
- **Additional rooms from conversion:** Unused and not producing public spaces to be converted to additional hotel rooms. Total potential of additional rooms: 160-190. Due to the top tier location, each converted and added lettable sqm will produce both high rent levels of €30-€50 per sqm and value per sqm of €12k to €15k
- Received the pre-permit for overground parking garage conversion and the full permit for additional rooms from conversion.



## PROPERTY DESCRIPTION

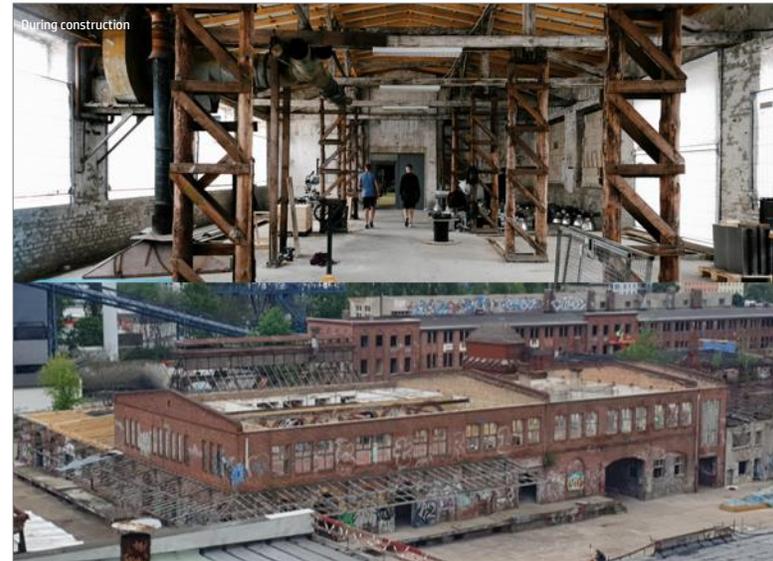
- This office property is located at Schnellerstraße 137, 12439 Berlin, in the Niederschöneide quarter of Berlin's Treptow-Köpenick borough, which is a mix-use area surrounded of commercial as well as a residential space with the Treptower Park to the north and in the south the Berlin Adlershof Technology park, the largest science park in Germany, which is home to over 500 companies and to Berlin Humboldt University's Faculty of Science. Due to its historic use as a former brewery founded in 1882, the property has a special architecture appearance and its locations on the river banks of the river spree give this property unique characteristics



## MARKET DEMAND

- Located between Treptower Park and Adlershof Science Park, Niederschöneide has a strong and further growing market environment
- Market rents for modern space range between €14.5 - €17.5/sqm depending on the type<sup>1)</sup>
- Achievable purchase/sale prices range between €4k-€5k per sqm<sup>1)</sup>

1) JLL Database, 2021



## VALUE EXTRACTION POTENTIAL

- **Conversion and development into mixed use urban quarter. Ca 50% of building permits have been received**
- The original use of the buildings have been for offices, residential, warehouse and factory
- Re-development potential of currently 41k sqm into around 70k lettable sqm of office (conversion as well as new built), micro/student apartments and retail while maintaining the special characteristics of the property
- In advanced negotiations with potential tenants.





## PROPERTY DESCRIPTION

- The 22-storey office tower covers 20k sqm and is situated adjacent to Frankfurt's main central train station and thus is well connected by public transport as well as its location just off Mainzer Landstraße, Frankfurt's main inner-city road, providing good access to the surrounding districts and the highway system. The area surrounding the property is a popular office location.



## MARKET DEMAND

- The office tower is located at the corner of Bahnhofsviertel, Europaviertel and Banking District, three of the most exclusive office districts in Frankfurt
- Achievable average rents for the modern space in this area can reach up to €32.5/sqm<sup>1)</sup>
- Vacancy rate in the central station district is 0%. Space under construction is over 85% pre-let<sup>2)</sup>
- Achievable selling prices can range between €10k/sqm to €14k/sqm<sup>1)3)</sup>

1) JLL Database, 2021 | 2) BNP Paribas Real Estate, Office Market Frankfurt, Q1 2022 | 3) ZIA Deutschland, 2019



## VALUE EXTRACTION POTENTIAL

- **Refurbishment and creating additional sqm:**
- Aroundtown is upgrading the building (façade, technical parameters, fit out etc.). Underutilized space will be converted into additional 2.5k lettable sqm
- Following the completion of the repositioning process, Aroundtown plans to certify the asset according to the LEED Gold certification standard.





## PROPERTY DESCRIPTION

- The cinema center holds 7k sqm & is located across the Park Center retail/office center in a mixed use office, residential & touristic area of the district of Treptow/Kreuzberg around the corner of the Treptowers office towers. Strong connectivity is provided through its inner city location with highway, bus and S-bahn which has a direct line to the new Berlin airport
- Aroundtown acquired this property as part of the acquisition of the Park Center retail/office center across the property



## MARKET DEMAND

- Located between Mediaspree and Adlershof Science Park, Alt-Treptow office market has a strong demand
- Average office rents in Alt-Treptow can reach up to €28 per sqm<sup>1)</sup>
- Achievable purchase/sale prices for office properties in the region can reach up to €9k per sqm<sup>2)</sup>
- New developments have a very high pre-letting ratio in Mediaspree and Adlershof. More than 85% of the space under construction in these districts are pre-let<sup>3)</sup>

1) JLL Database, 2021 | 2) BNP Paribas Real Estate, Office Market Berlin, 2021



## VALUE EXTRACTION POTENTIAL

- **Conversion into an office building:**
- Development into a building with 22k lettable sqm with mixed use of office and hotel
- Currently in B-plan process.





# APPENDIX: FOCUS ON CENTRAL LOCATIONS OF TOP TIER CITIES

| TOP TIER LOCATIONS



DRESDEN



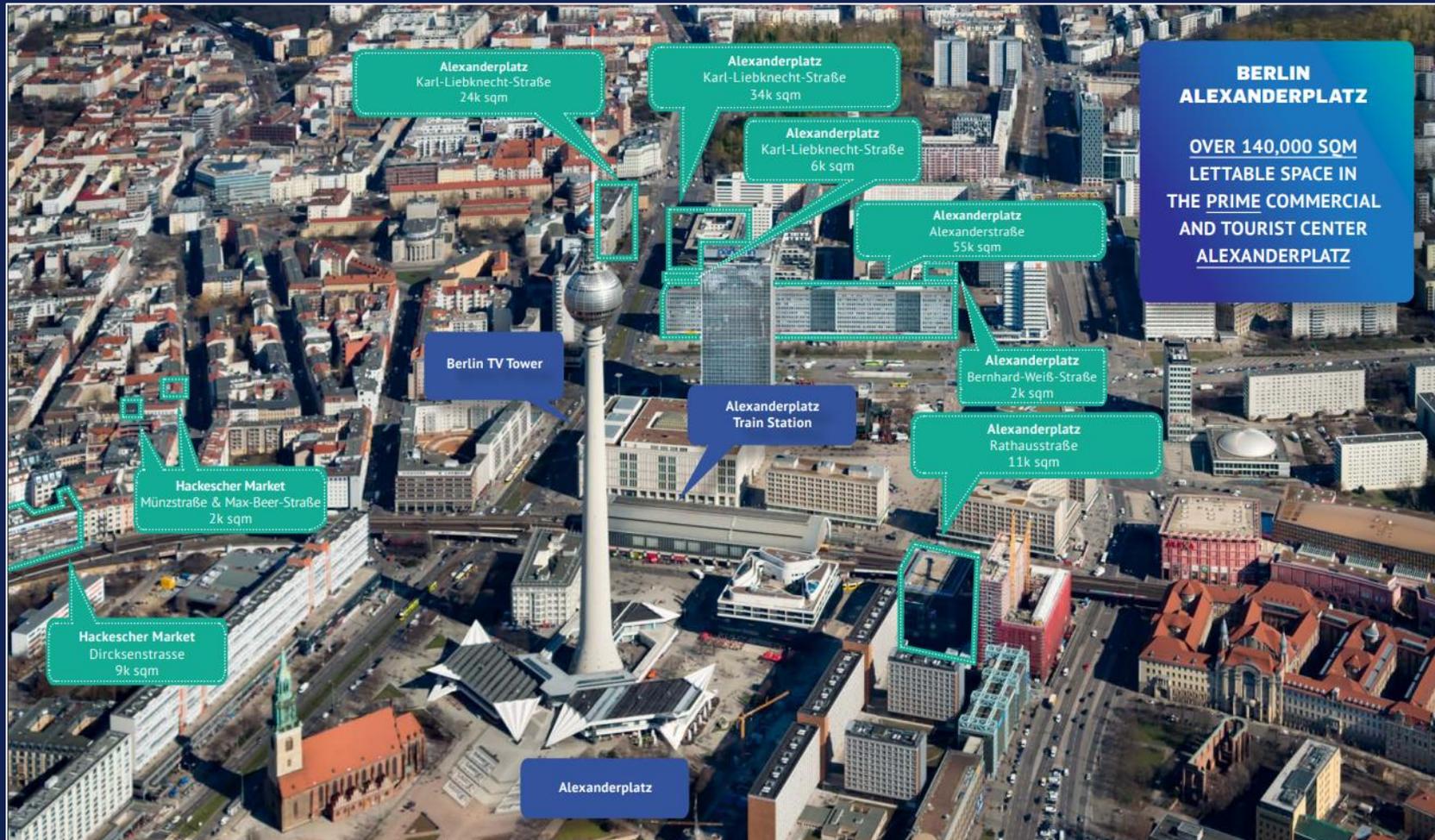
BERLIN



AMSTERDAM



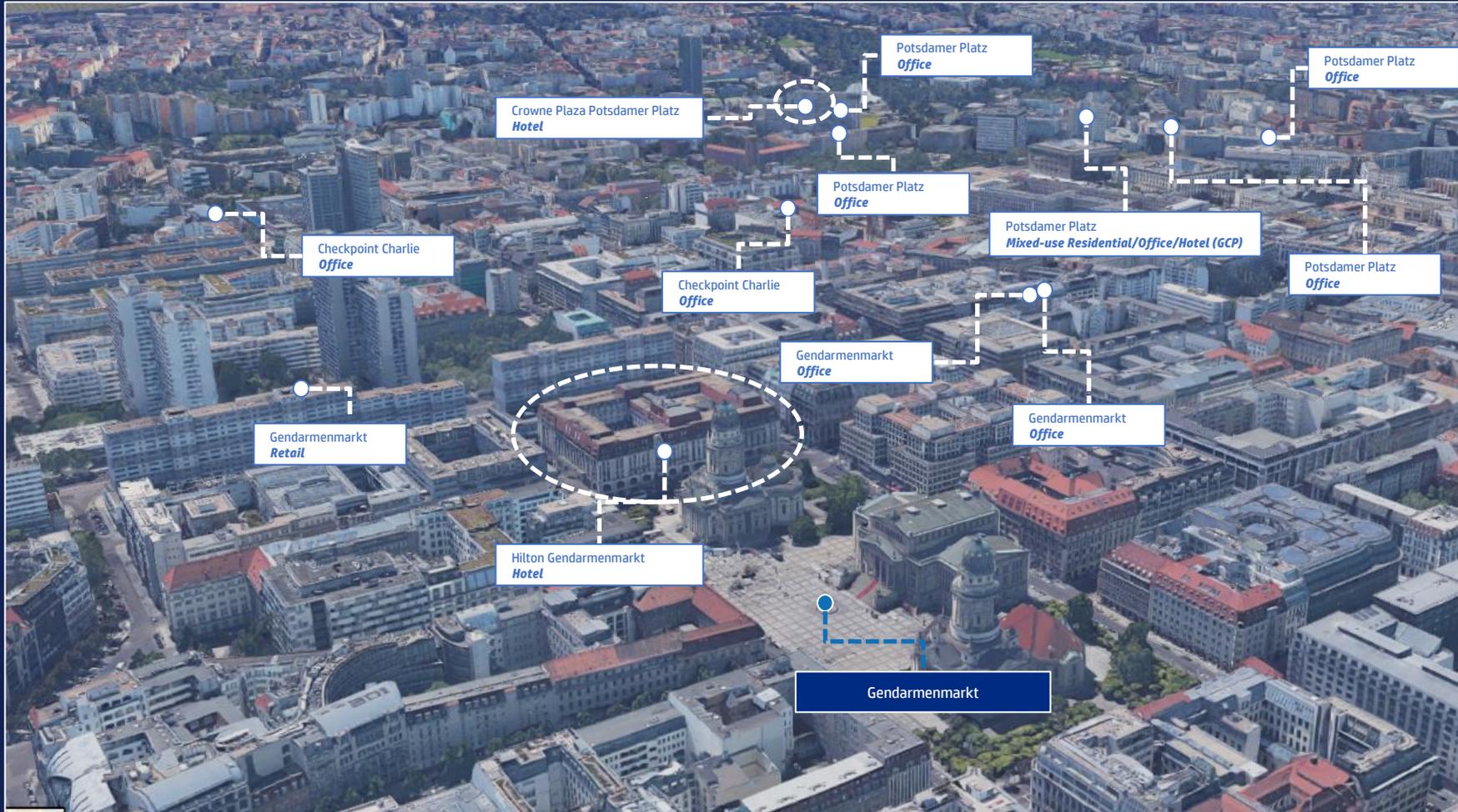
BERLIN



Landmark

AT property

# BERLIN POTSDAMER PLATZ: THE PRIME COMMERCIAL AND TOURIST CENTER

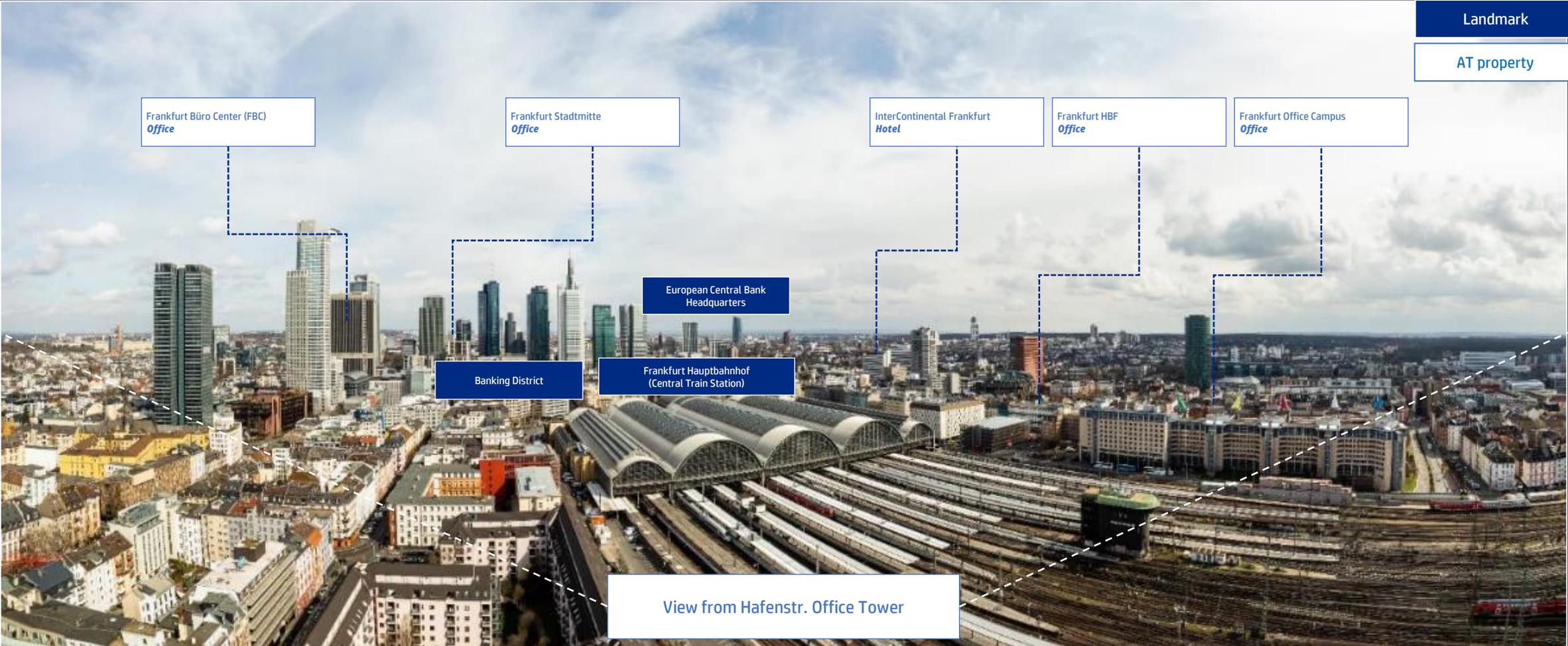


- Landmark
- AT property

# BERLIN KU'DAMM: THE PRIME COMMERCIAL AND TOURIST CENTER



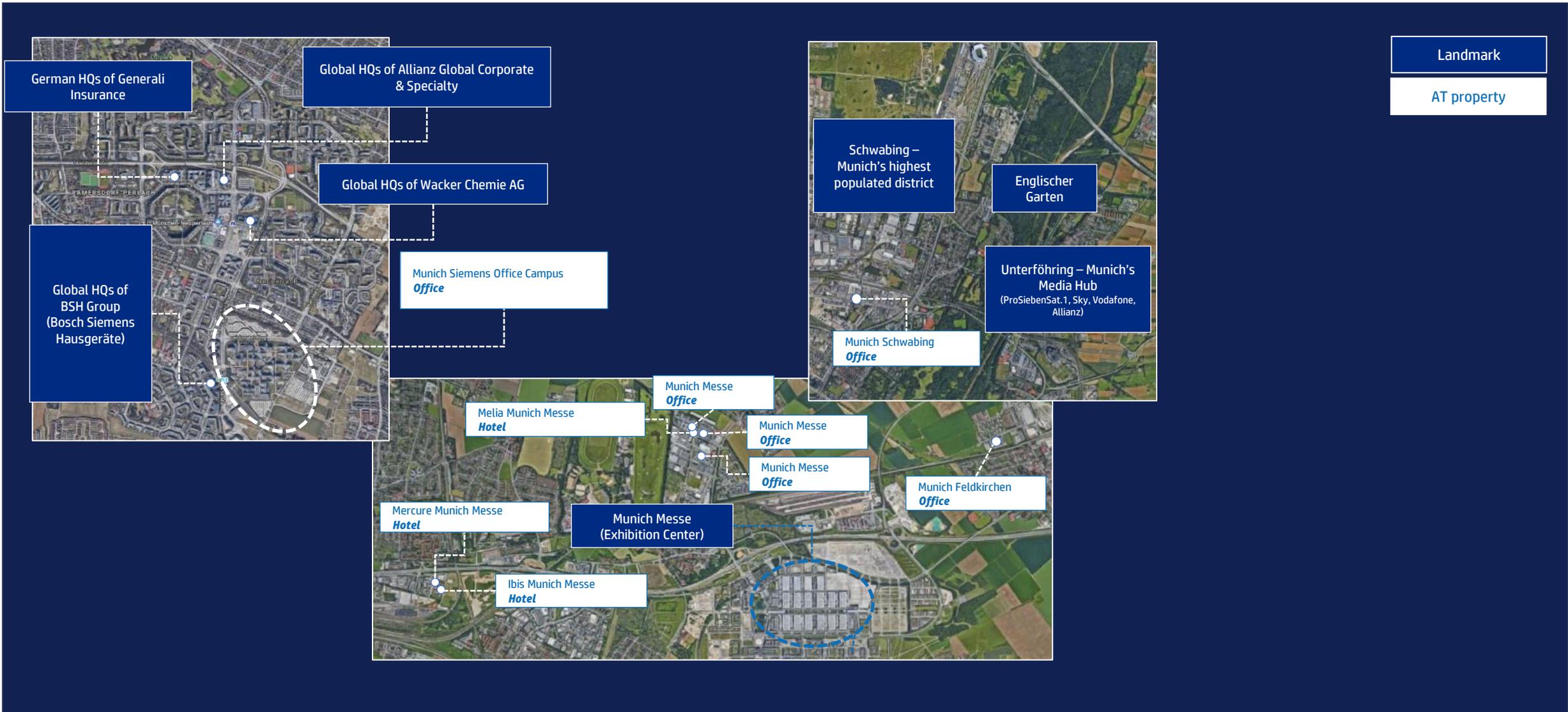
# FRANKFURT: QUALITY ASSETS IN CENTRAL LOCATIONS



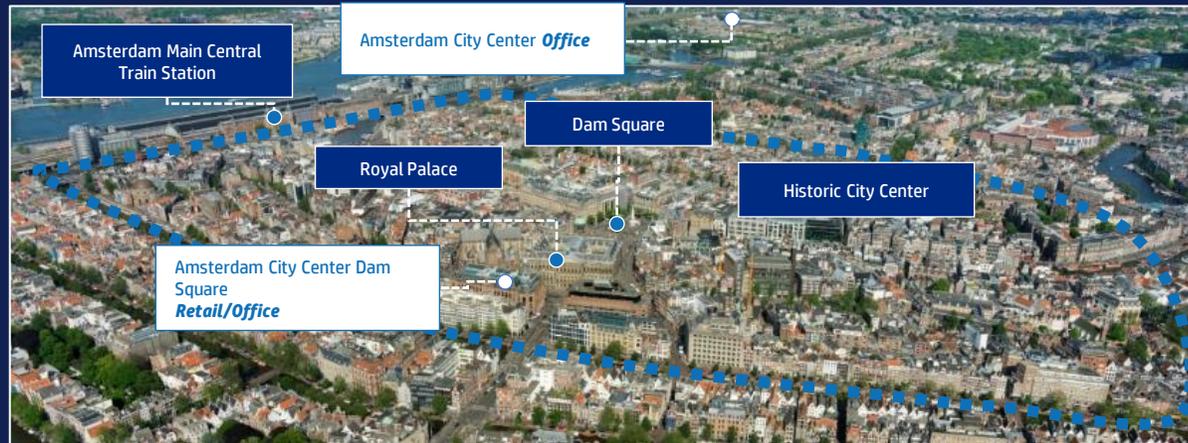
# FRANKFURT: QUALITY ASSETS NEAR MAIN CENTRAL TRAIN STATION AND MESSE



# MUNICH: ASSETS IN CENTRAL LOCATIONS, NEAR EXHIBITION CENTER & COMMERCIAL HUBS



# AMSTERDAM – CENTRALLY LOCATED HIGH QUALITY ASSETS



Landmark

AT property

# HAMBURG – WELL PLACED ACROSS GERMANY’S SECOND-LARGEST CITY

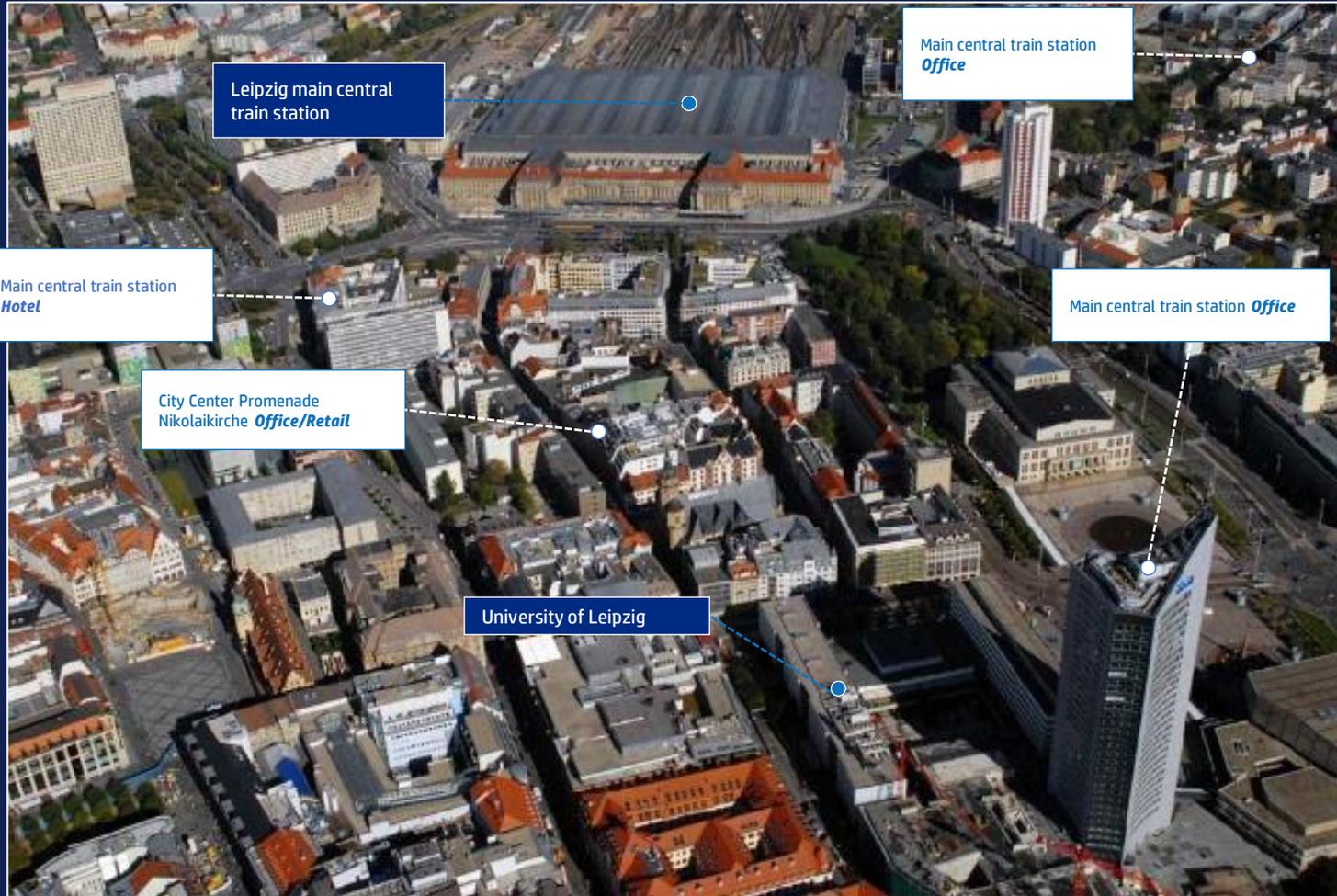


- Landmark
- AT property

# DRESDEN – PRIME ASSETS IN HISTORIC CITY CENTER



- Landmark
- AT property



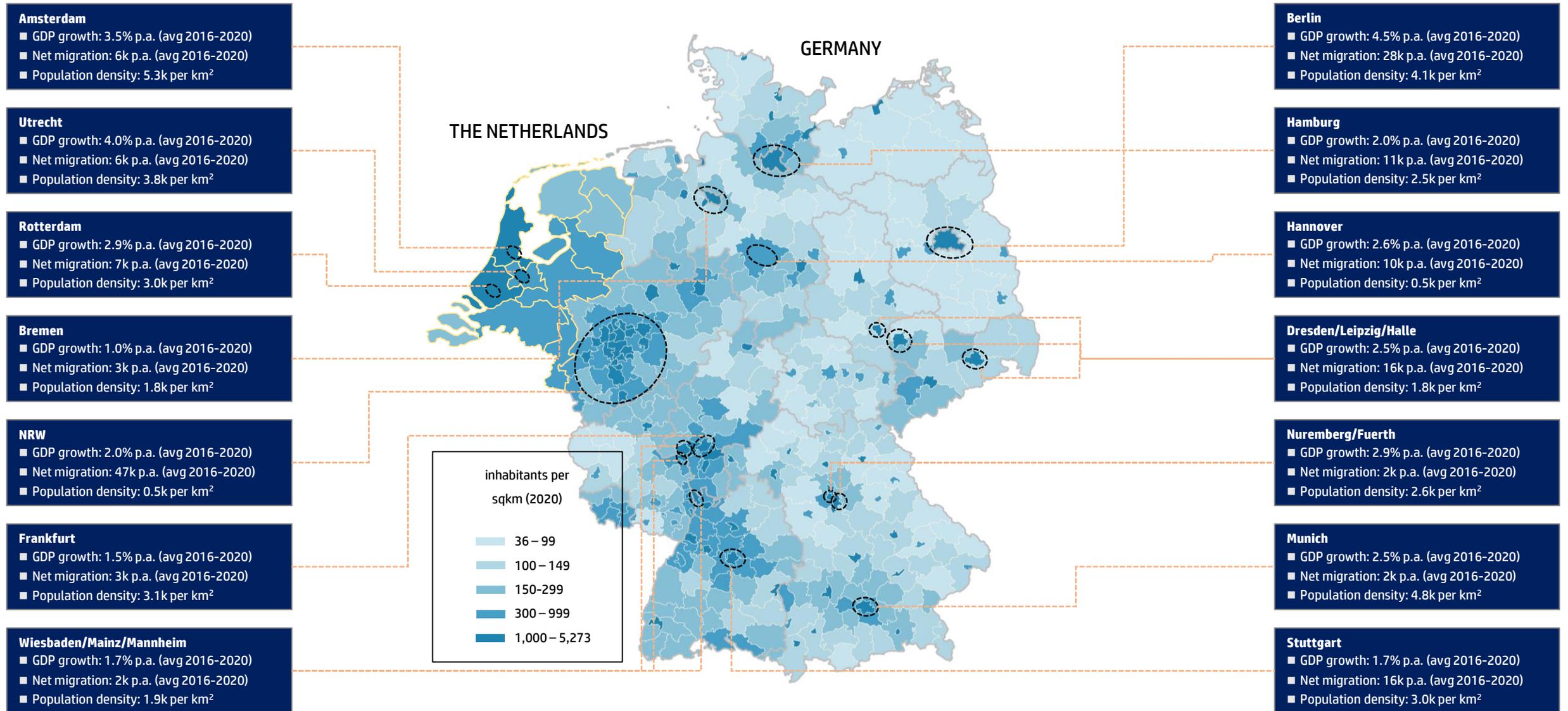
- Landmark
- AT property



# APPENDIX: MARKET DATA

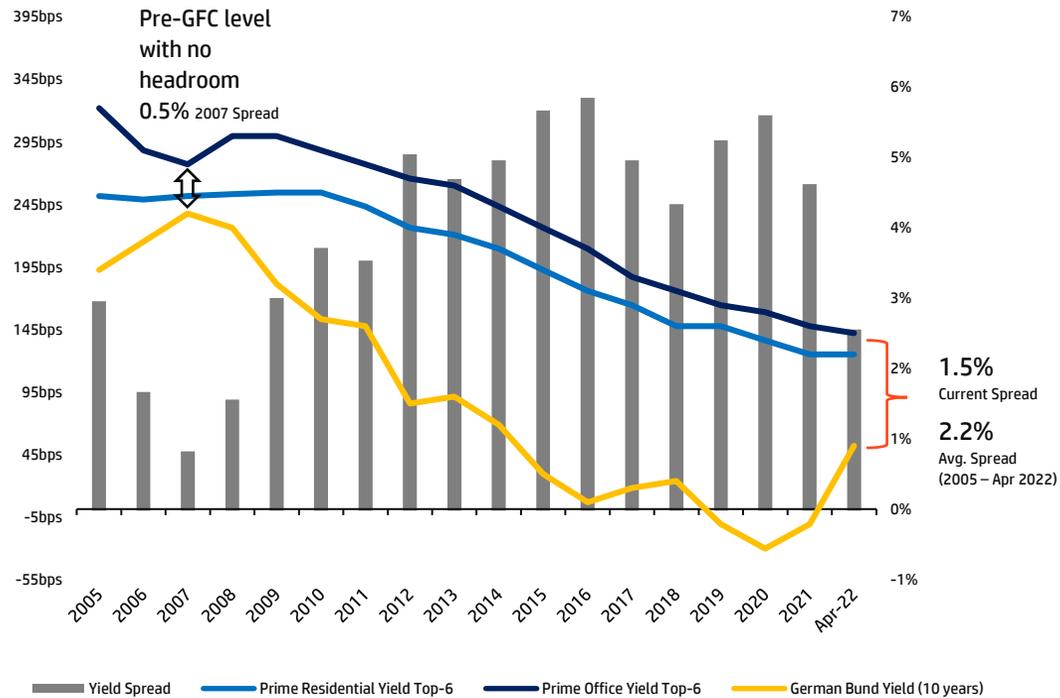
| TOP TIER LOCATIONS





Sources: **GDP Growth:** Eurostat, 2022; Destatis, 2022; CBS, 2022. Where there is no data, growth rate of the federal state is used. For the Netherlands, COROP regions are used | **Net migration:** Statistische Ämter Des Bundes Und Der Länder, 2022; CBS, 2022. For the Netherlands, COROP regions are used | **Population density:** Statistische Ämter Des Bundes Und Der Länder, 2022; CBS, 2022. For the Netherlands, the density of the municipalities are shown rather than the COROP regions

## Large spread between German Bund yields and German prime Office & Residential yields



\*Source: Savills, Outlook for the German real estate market in 2020; Savills, Market in Minutes, Investment Market Germany, February 2022; Deutsche Bundesbank, Daily yields of current Federal securities, February 18, 2022

## ➤ CONTINUOUS STRONG DEMAND SUPPORTED BY LARGE SPREAD

➤ Approx. €1 trillion of German government bonds will mature in the next 4 years<sup>1)</sup>. Considering the large spread and strong fundamentals that real estate offers, it will remain to be an attractive alternative

## ➤ RENTAL PROSPECTS JUSTIFY FURTHER DECLINING YIELDS<sup>1)</sup>

➤ Capital value growth in German real estate is mostly driven by rental impact according to JLL. Given the continued undersupply, rising rents are realistic, thus further value growth is justified<sup>1)</sup>. Increasing construction costs decrease the incentive for new supply unless market rents catch up.

## ➤ LARGE SPREAD TO ABSORB YIELD HIKES

➤ Prime office and residential currently offer a spread over 10y German government bond yields of ~150bps (avg. of both) which provides headroom to absorb potential yield hikes. High occupier and investor demand keeps the values stable.

\*Source: JLL, Investment Market Overview Germany, January 2022



**GERMAN OFFICE MARKET ENTERED THE COVID-19 LOCKDOWN WITH RECORD LOW VACANCY RATES**

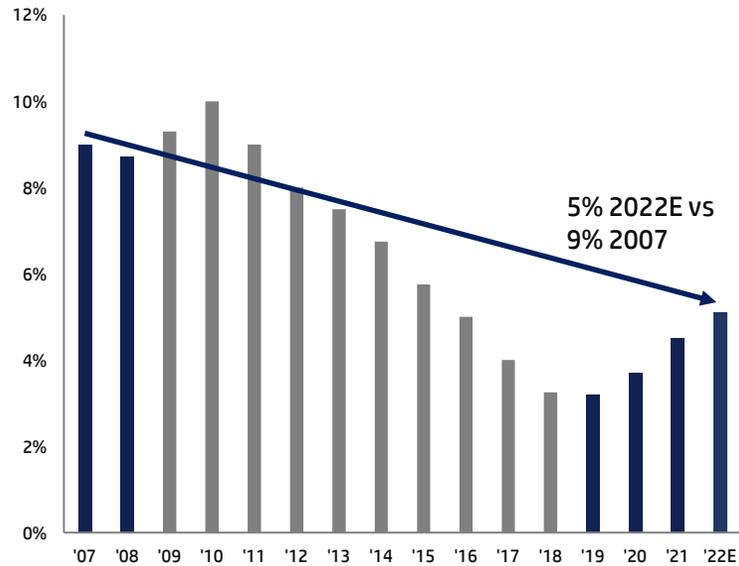


**PRE-LET RATIOS INCREASED FURTHER THROUGHOUT 2021**



**UNDERSUPPLY WITH STRONG DEMAND KEEPS THE OFFICE MARKET RENTS STABLE IN BIG 7**

↗ **Vacancy Rates in Germany's Big 7 <sup>1)</sup>**

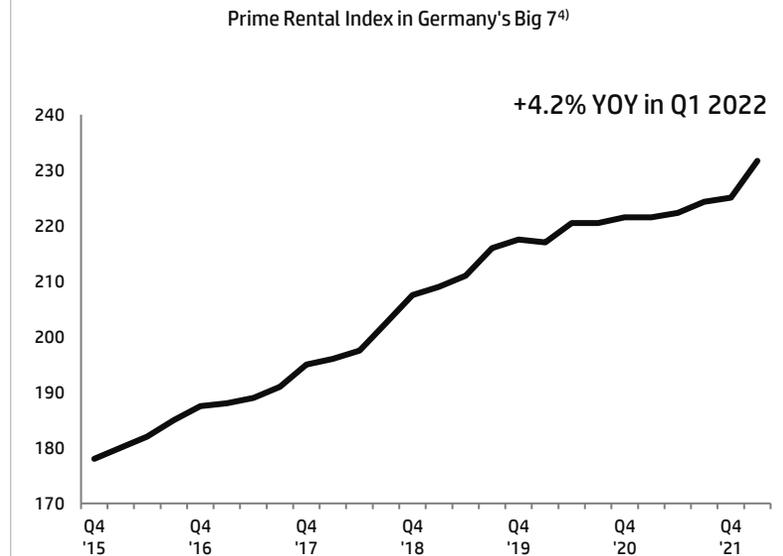


↗ **Pre-let ratios in Germany Top 5 <sup>2)</sup>**

| HIGH PRE-LET RATIO <sup>2)</sup> | 2022 | 2023 |
|----------------------------------|------|------|
| Pre-letting Q4 21                | 55%  | 33%  |
| Pre-letting Q1 21                | 36%  | 21%  |
| Pre-letting Q4 20                | 35%  | 26%  |
| Pre-letting Q3 20                | 34%  | 24%  |
| Pre-letting Q2 20                | 33%  | 22%  |

**Q1 2022 TAKE-UP IN TOP 8 +17% Y-O-Y <sup>3)</sup>**

↗ **Prime Rental Index in Germany's Big 7 <sup>4)</sup>**



Sources: 1) JLL, Germany Office Market Overview, Q1 2022, DZ HYP German Real Estate Market reports – 2018/2019 & 2019/2020 – Bulwiengesa, DZ BANK Research forecasts | 2) CBRE Research, Individual Office Market Q4 2021 Reports for top 5, and historical reports | 3) BNP Paribas Real Estate Office Market Germany Q4 2021 | 4) JLL, Germany Office Market Overview, Q4 2021, January 2022, November 2021, January 2021, October 2020 and July 2020. Own calculations applied based on the data provided. Germany Big 8 is Berlin, Frankfurt, Munich, Cologne, Dusseldorf, Hamburg, Essen and Leipzig. Germany Big 7 is Berlin, Frankfurt, Munich, Cologne, Dusseldorf, Stuttgart, Hamburg. Germany Top 5 is Berlin, Frankfurt, Munich, Hamburg, Dusseldorf



**RECENT MARKET DEALS SHOW THE SUSTAINED HIGH DEMAND IN GERMAN OFFICE REAL ESTATE**

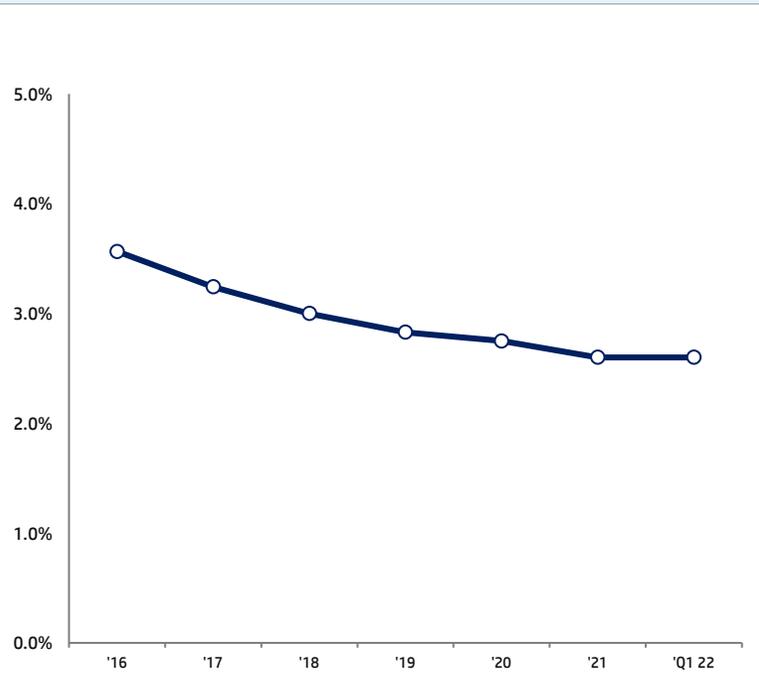


**CONTINUOUS STRONG DEMAND SUPPORTED BY HISTORICALLY LARGE SPREAD OF PRIME OFFICE YIELDS TO GOVT. BOND YIELDS**

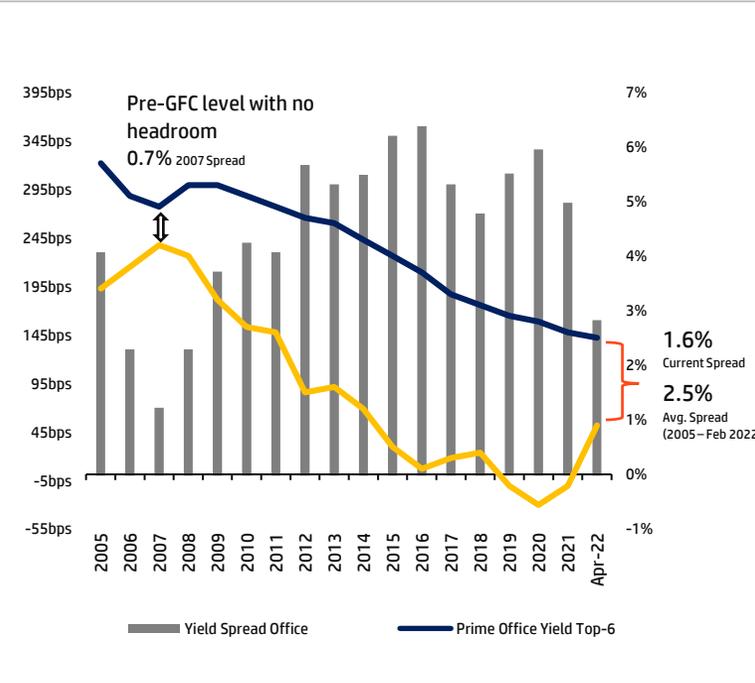


**INVESTMENT VOLUMES REMAIN HIGH, WELL ABOVE GFC LEVELS**

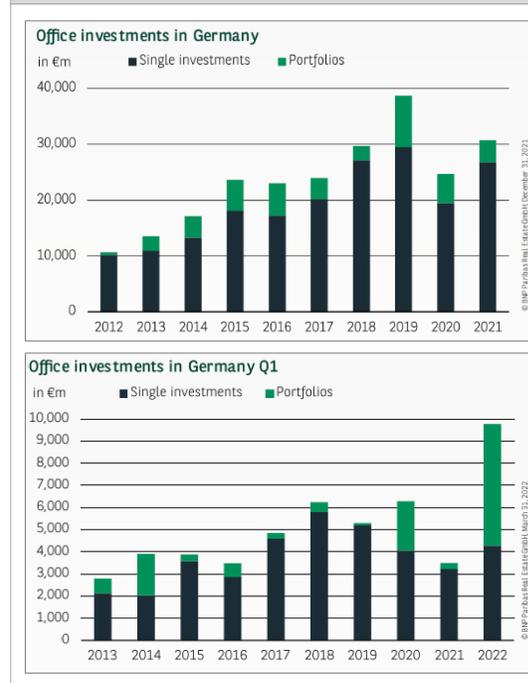
**Germany Big 7 Office Net Prime Yields**



**Large spread remains**



**Investment volumes are high**



**2021: Second best figure ever recorded**

**Q1 2022: Best figure ever recorded**

Sources: Left graph: BNP Paribas Real Estate, Office Investment Market Germany Q4 2021, simple average of Big 7  
 Middle graph: Savills, Outlook for the German real estate market in 2020; Savills, Market in Minutes, Investment Market Germany, February 2022; Deutsche Bundesbank, Daily yields of current Federal securities, February 18, 2022  
 Right graph: BNP Paribas Real Estate, Office Investment Market Germany Q4 2021 & Q1 2022

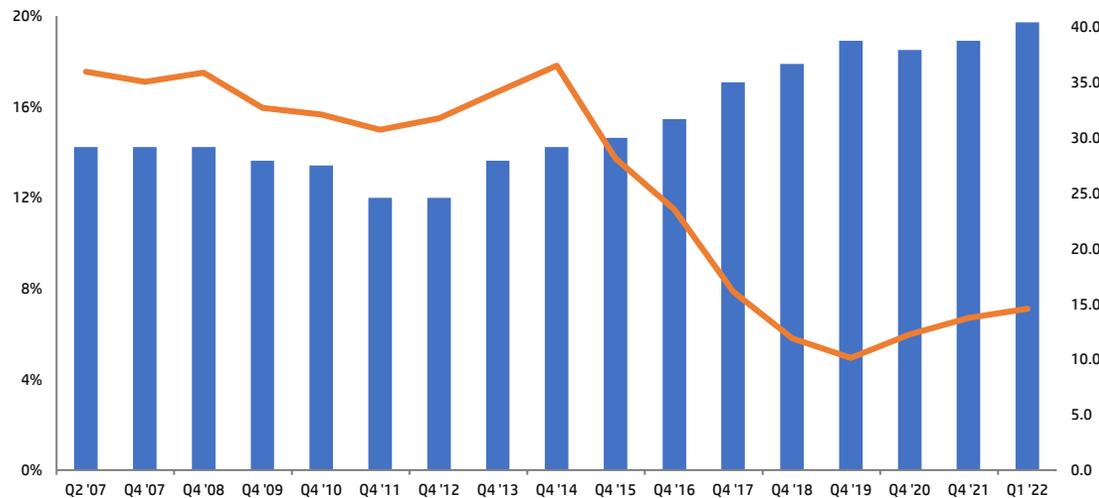


## DUTCH OFFICE MARKET REMAINS STRONG DESPITE PANDEMIC DISRUPTIONS

DEMAND FOR HIGH QUALITY OFFICE SPACE IS HIGH AND VACANCIES REMAIN LOW. RENTS AND VALUES WERE STABLE DURING THE PANDEMIC THANKS TO THE STRONG FUNDAMENTALS

### VACANCIES ARE SIGNIFICANTLY BELOW THE PAST YEARS, ONLY INCREASED SLIGHTLY DURING THE PANDEMIC

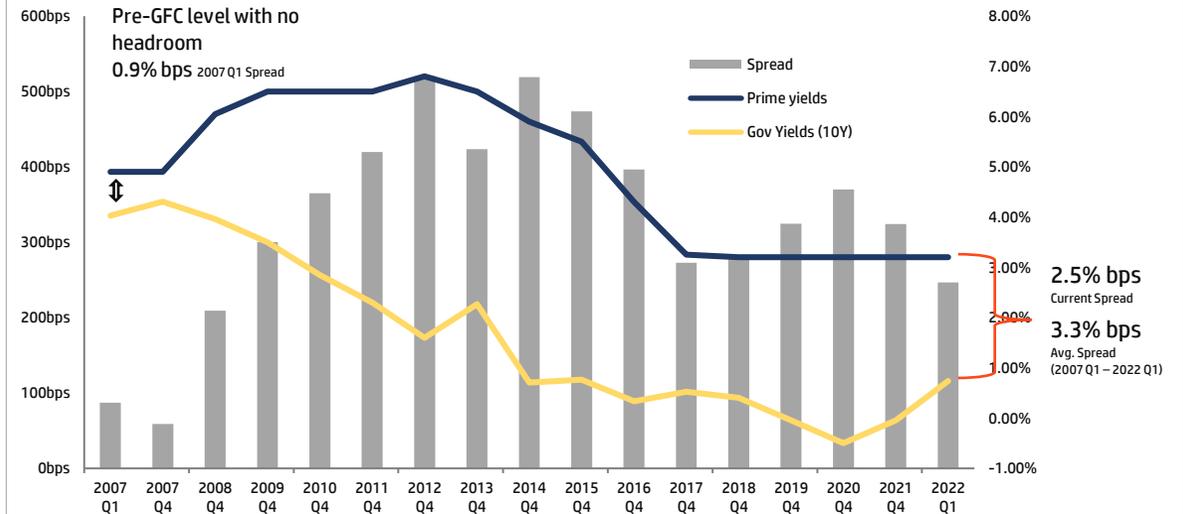
VACANCY RATE AND RENTS IN AMSTERDAM <sup>1)</sup>



Source: 1), Bloomberg and Colliers International 2) Bloomberg for prime yields and Gov Yields from Q1 2022 to Q2 2011 ; Historical Gov Yields from Q2 2011 to Q1 2007 from Statista

### PRIME YIELDS REMAIN STABLE, DRIVEN BY STRONG FUNDAMENTALS, WITH A CONTINUED LARGE SPREAD OVER GOV BOND YIELDS

AMSTERDAM OFFICE PRIME YIELDS <sup>1) 2)</sup>





**POSITIVE NET MIGRATION RESULTS IN HIGH DEMAND**

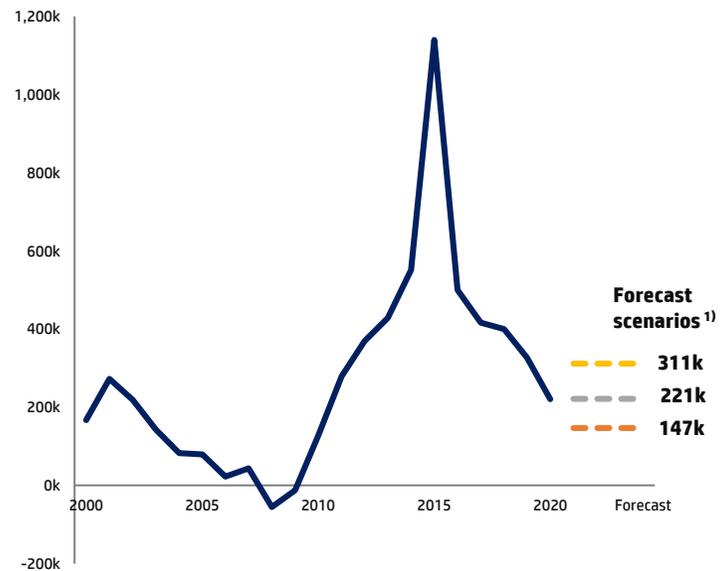


**REDUCTION OF HOUSEHOLD SIZE RESULTS IN HIGH DEMAND**

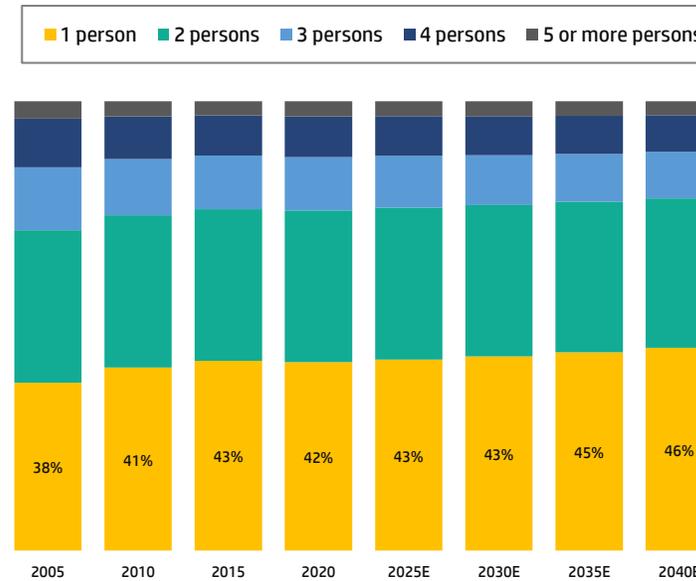


**SIGNIFICANT UNDERSUPPLY**

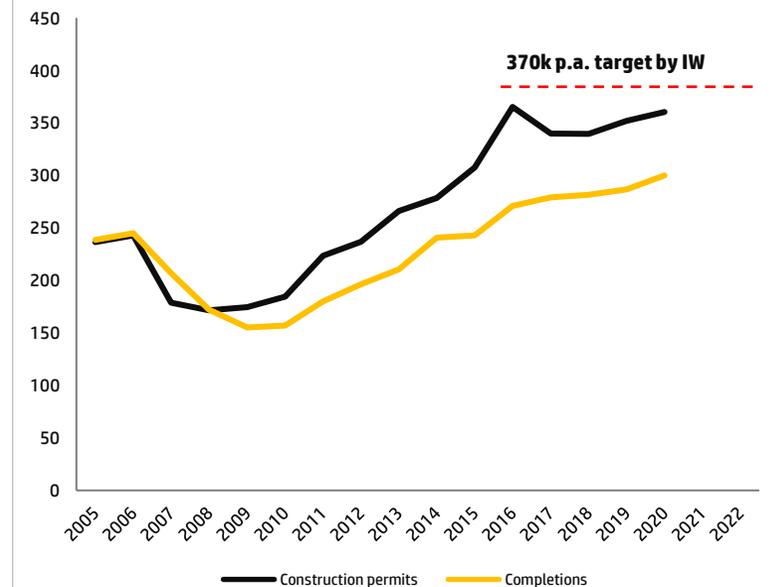
## ➤ Positive Net Migration in Germany <sup>1)</sup>



## ➤ Increase in the share of 1 person households <sup>1)</sup>



## ➤ Building permits at low levels, significantly below demand levels <sup>2)</sup>



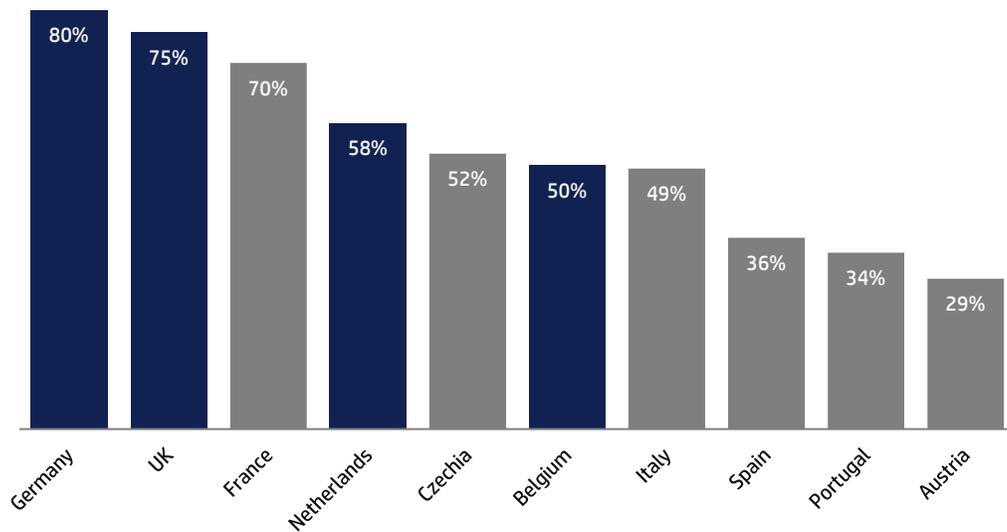
Sources: 1) Destatis. Forecast scenarios are based on high, low or moderate migration balance 2) Destatis (actuals), IW Cologne (required construction)



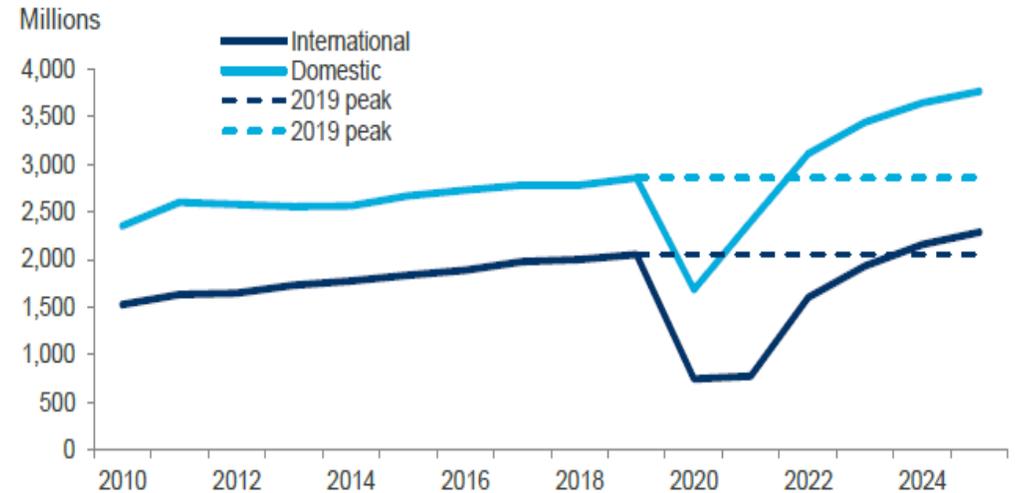
## HIGHEST SHARE OF DOMESTIC TRAVEL SUPPORTS FAST RECOVERY IN GERMANY

DOMESTIC TRAVEL IS EXPECTED TO RECOVER FASTER THAN INTERNATIONAL TRAVEL. THANKS TO ITS HIGH SHARE OF DOMESTIC TRAVEL, THE LAG IN INTERNATIONAL TRAVEL HAS A REDUCED IMPACT ON GERMANY’S, UK’S AND NL’S RECOVERY

➤ Share of domestic travel pre-Covid (2019) <sup>1)</sup>



➤ Expected recovery of domestic and international travel in Western Europe <sup>2)</sup>



Source: 1) Eurostat, Office for National Statistics, Great Britain Tourism Survey, Tourism Northern Ireland – All as of 2019 2) ETC, European Tourism: Trends & Prospects: Quarterly Report Q4 2021

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