ROTTERDAM

Interim Consolidated Report

BREEAM
CERTIFIED
in 2022

AROUNDTOWN SA

For the three-month period ended March 31, 2023

BERLIN ALEXANDERPLATZ

AT has over

140,000 SQM

lettable space in the prime commercial and tourist center Alexanderplatz

BOARD OF DIRECTORS´REPORT

THE BUSINESS & OPERATIONS

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

content


AMSTERDAM

01

Board Of Directors´Report

FINANCIAL POSITION HIGHLIGHTS

in € millions unless otherwise indicated	Mar 2023	Dec 2022
Total Assets	**37,300.0**	37,347.1
Total Equity	**17,750.2**	17,823.4
Investment property	**27,864.9**	27,981.0
Investment property of assets held for sale	**638.6**	909.1
Cash and liquid assets (including those under held for sale)	**3,035.0**	2,718.7
Total financial debt (including those under held for sale)	**14,863.3**	14,805.8
Unencumbered assets ratio (by rent)	**81%**	82%
Equity Ratio	**48%**	48%
Loan-to-Value	**40%**	40%

KEY FINANCIALS

in € millions unless otherwise indicated	1-3/2023	Change	1-3/2022
Revenue	**402.6**	2%	393.7
Net rental income	**297.2**	(4%)	308.8
Adjusted EBITDA [1]	**246.0**	(5%)	258.2
FFO I [1]	**84.6**	(5%)	89.3
FFO I per share (in €) [1]	**0.077**	(4%)	0.080
FFO II	**113.2**	(21%)	142.8
ICR	**4.8x**	(0.5x)	5.3x
(Loss) profit for the period	**(21.6)**	(117%)	124.5
Basic (loss) earnings per share (in €)	**(0.04)**	(167%)	0.06

1)) including AT's share in companies which AT has significant influence, excluding the contributions from assets held for sale

NET ASSET VALUE

In € millions unless otherwise indicated	EPRA NRV	EPRA NTA[1]	EPRA NDV
Mar 2023	**12,278.3**	**10,186.3**	**10,431.3**
Mar 2023 per share (in €)	**11.2**	**9.3**	**9.5**
Per share growth (decline)	**0%**	**0%**	**(1%)**
Dec 2022	12,289.1	10,135.2	10,515.2
Dec 2022 per share (in €)	11.2	9.3	9.6

1) EPRA NTA was reclassified in Dec 2022 to exclude RETT

FRANKFURT HBF & CBD

Approx.

200,000 SQM

lettable space in Frankfurt prime centers, main central train station and banking district

View from Hafenstr. Office Tower

Aroundtown

The Group

The Board of Directors of Aroundtown SA and its investees (the "Company", "Aroundtown", "AT", or the "Group"), hereby submits the interim report as of March 31, 2023. The figures presented are based on the interim consolidated financial statements as of March 31, 2023, unless stated otherwise.

Aroundtown SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities primarily in Germany, the Netherlands and London. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. Aroundtown invests in residential real estate through its subsidiary Grand City Properties S.A. ("GCP"), a publicly traded real estate company that focuses predominantly on the German residential real estate market, as well as on the London residential market. As of March 31, 2023, the Group's holding in GCP is 61% excluding shares GCP holds in treasury (59% including these shares).

The Group's unique business model and experienced management team led the Group to grow since 2004, navigating successfully through all economic cycles.


mdr

Financial flexibility increased, without the need to go to the capital markets in near-term

1
€3BN CASH & LIQUID ASSETS

▶ 20% of debt

2
LIQUIDITY COVERS DEBT UNTIL THE END OF 2025

▶ Cash and liquid assets, expected proceeds of signed disposals (not closed) and vendor loans cover debt maturities until the end of 2025

3
ABILITY TO DISPOSE DURING DIFFICULT MARKET CONDITIONS

▶ €320m signed in 2023 year-to-date. €2bn sold since the beginning of 2022

4
DEBT REPAYMENTS AT DISCOUNT REDUCE LEVERAGE

▶ ca. €710m of 2024-2026 bonds were repurchased in 2023 year-to-date at a 17% discount, reducing leverage and extending the time to refinance further

5
ca. €1BN UNDRAWN RCF

▶ No MAC & maturities mostly in 2025

6
NEW BANK DEBT: ca. €450M in 2023 YTD (ca. €930M incl. 2022)

▶ Utilizing the strong banking relationship supported by high amount of unencumbered properties of €22bn

7
LARGE HEADROOM TO ALL BOND COVENANTS

▶ Covenants are based on IFRS reported figures, considering the perpetual notes as 100% equity.

Continuous progress in ESG

ENVIRONMENT

Gradual progress in green building certifications and energy investments

- First German office properties have been certified. As of May 2023, 17% of Aroundtown's office portfolio is certified (up from 8% in 2021).
- Continued investments in energy efficient measures.

SOCIAL

Continued commitment to well-being of communities and high-quality tenant service

- Funded ca. 30 social projects in 2023 YTD that support the well-being of communities, more projects ongoing (ca. 90 during 2022).
- 24/7 available & TÜV-certified tenant service center for the entire Group

GOVERNANCE, AWARDS & INDICES

New sustainability reports published, maintaining high standards of transparency

- Published the Non-Financial Report, Sustainability Insights and EPRA sBPR report for 2022, which are available on AT's website
- Continue to be part of indices such as Dow Jones Sustainability Index, Bloomberg Gender Equity Index and DAX 50 ESG Index and rankings such as Sustainalytics, S&P Global CSA and ISS ESG.

Aroundtown's Quality Portfolio

TOTAL PORTFOLIO: €28BN*

42%
Office

19%
Hotel

7%
Logistics/Other & Retail

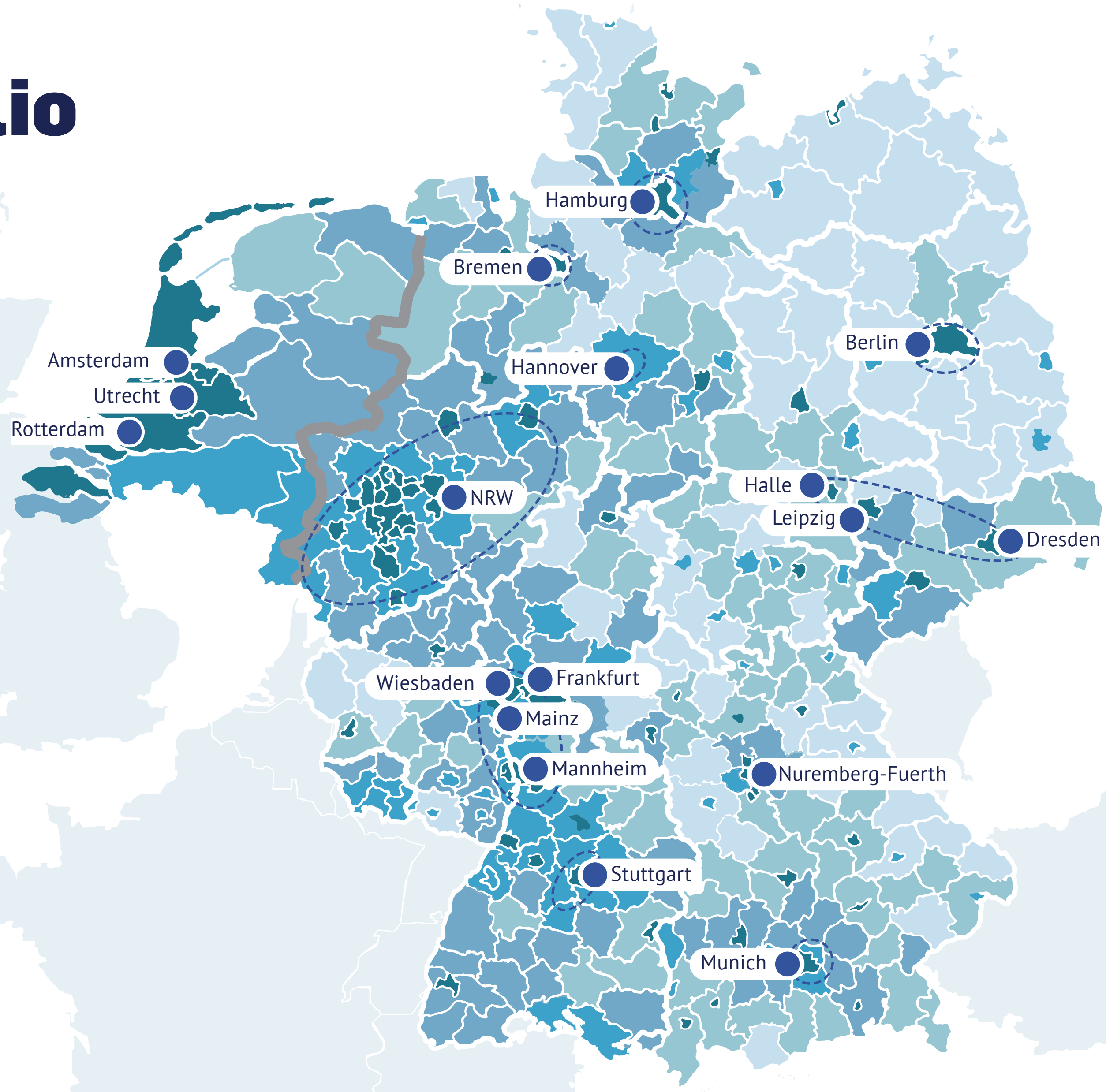
68%
Commercial portfolio

32%
Residential portfolio

*including development rights & invest and excluding properties held for sale

Group Portfolio Overview

Germany & The Netherlands: 84% of the portfolio



POPULATION DENSITY IN GERMANY AND THE NETHERLANDS

- 36 - 100
- 100 - 150
- 150 - 300
- 300 - 1,000
- 1,000 - 4,790

inhabitants per sqkm (Destatis & CBS, 2020)

Two of the strongest economies in Europe with AAA credit rating

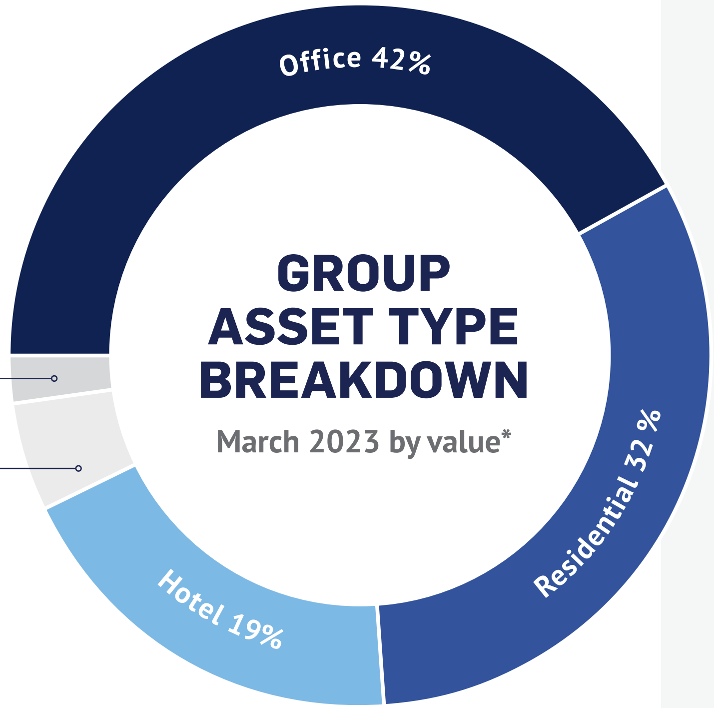
Among the lowest unemployment levels in Europe

Among the lowest debt/GDP levels in Europe

8 of the 15 largest metropolitans in the EU are in Germany & The NL

Together making up more than a quarter of the EU's economy

Well-Diversified Group Portfolio with Focus on Strong Value Drivers



*including development rights & invest
and excluding properties held for sale

ASSET TYPE

The largest asset type is Office (42%) and together with Residential and Hotels, they make up 93% of the portfolio.

TENANT

High tenant diversification with no material tenant or industry dependency.

Commercial portfolio with over 3,000 tenants and residential portfolio with very granular tenant base.

LOCATION

The portfolio is focused on the strongest economies in Europe: 84% of the Group's portfolio is in Germany and the Netherlands, both AAA rated countries.

Focus on top tier cities of Germany and the Netherlands and on London.

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

INDUSTRY

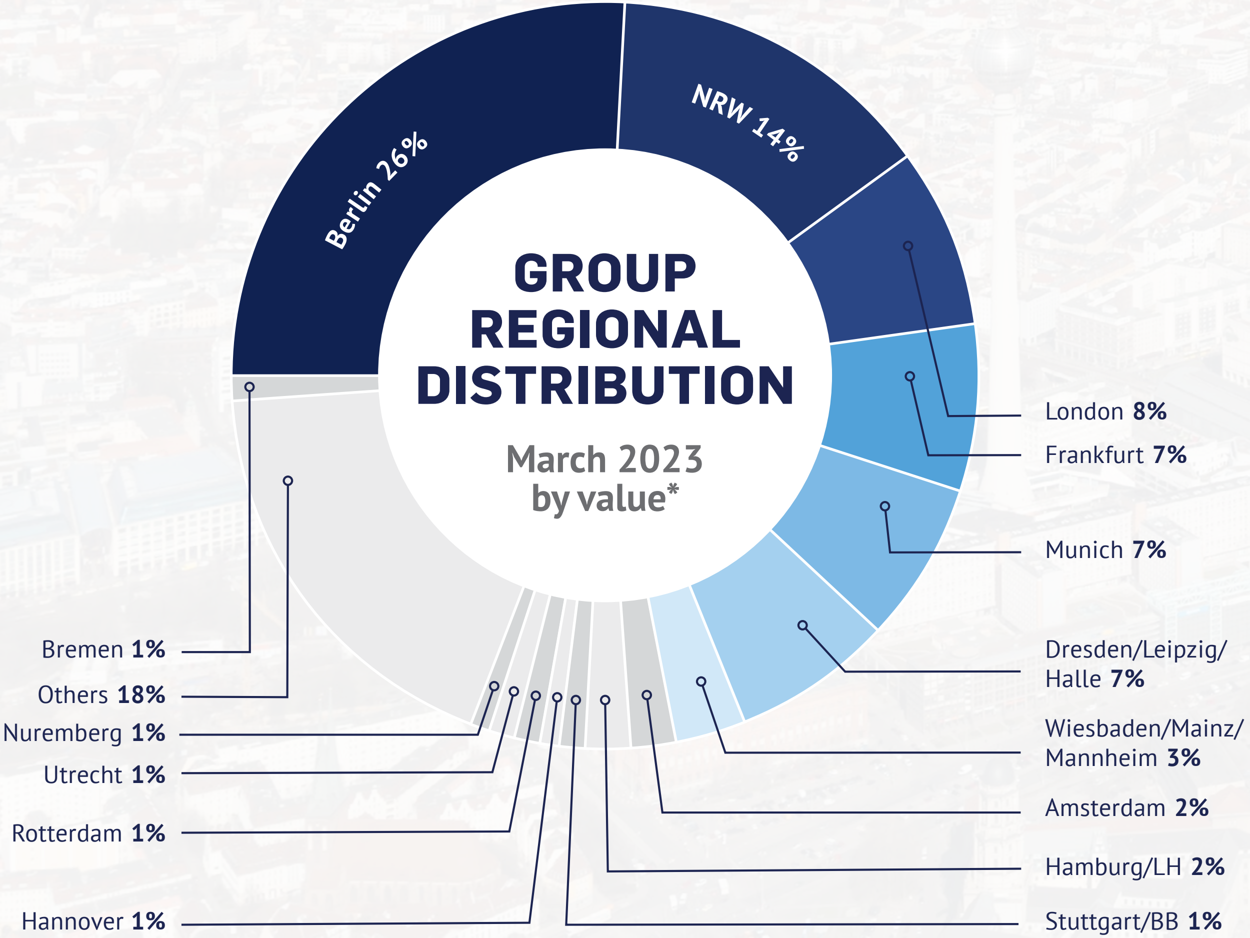
Each location has different key industries and fundamentals driving the demand.

Therefore, the Group's tenants are diversified into distinct sectors, eliminating the dependency on a single industry.


BERLIN

High Geographical Diversification

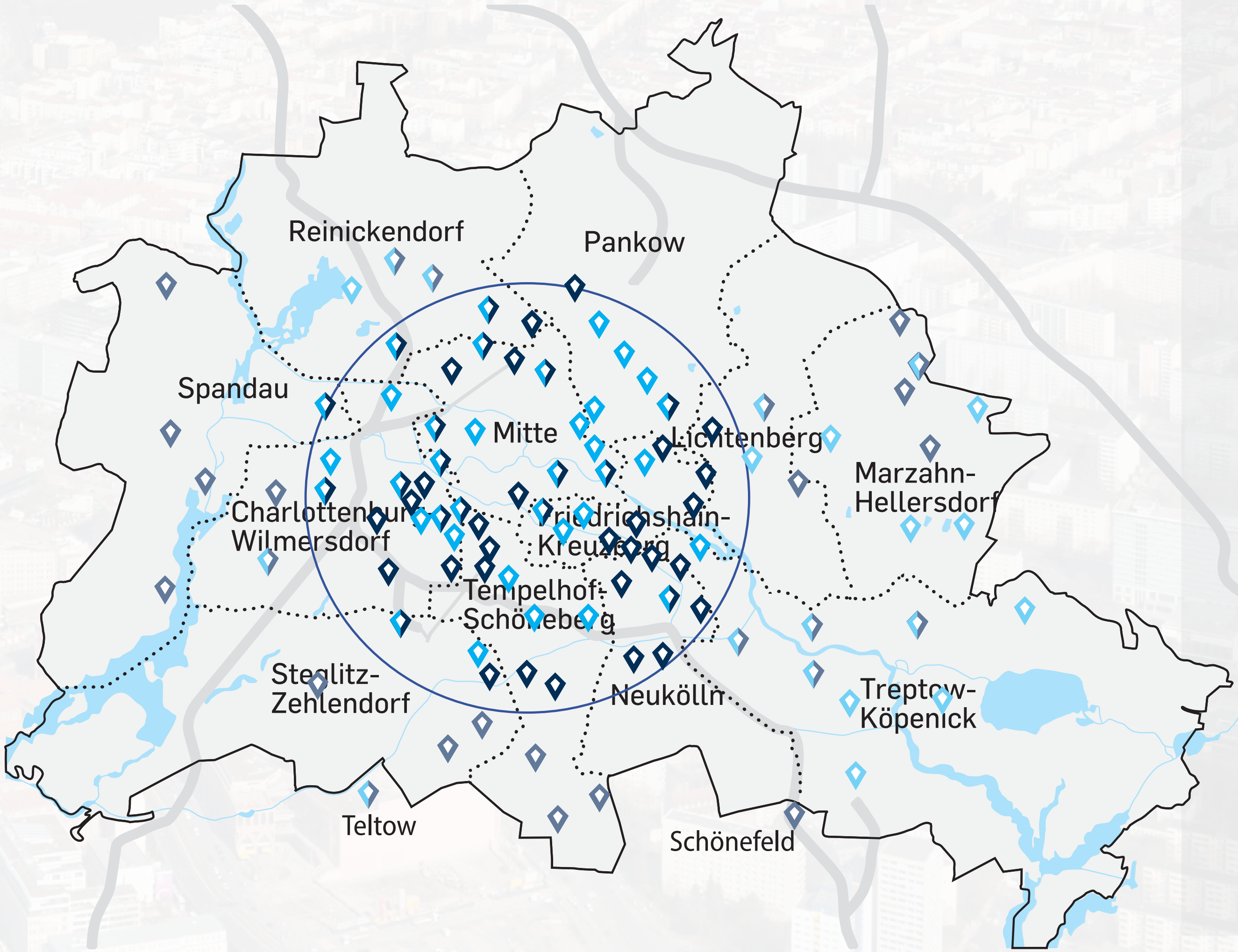
Berlin is the single largest location. AT is a leading landlord in Berlin across multiple asset types.



*including development rights & invest and excluding properties held for sale

BEST-IN-CLASS BERLIN PORTFOLIO

Central locations within top tier cities:
A Berlin example



Commercial properties

Residential properties

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

84%

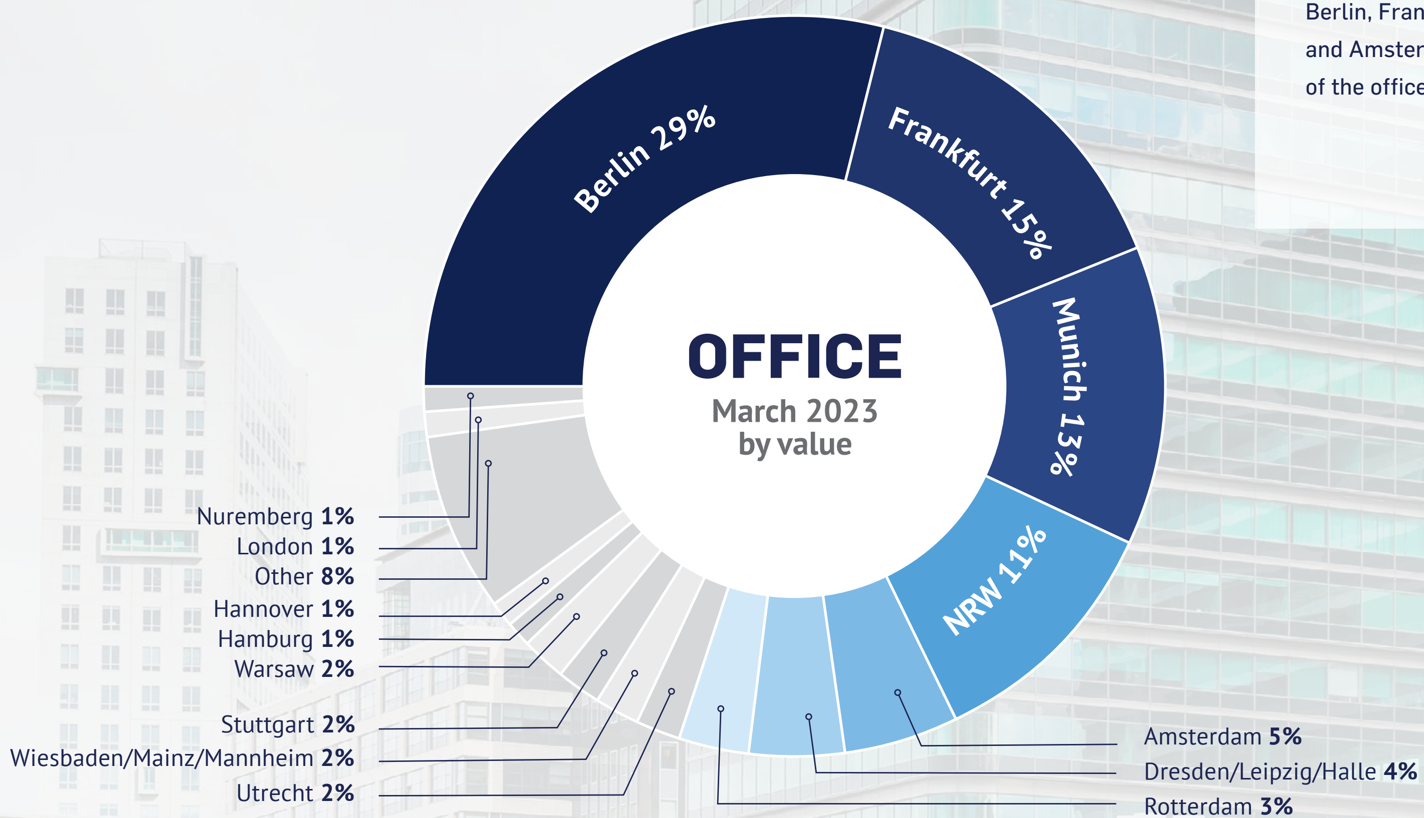
of the portfolio is located in top tier neighborhoods including Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam

16%

of the portfolio is well located primarily in Reinickendorf, Spandau, Treptow, Köpenick and Marzahn-Hellersdorf

OFFICE: High Quality Offices in Top Tier Cities

AT is the largest office landlord in Berlin, Frankfurt and Munich among publicly listed peers



TOP 4 OFFICE CITIES:

Berlin, Frankfurt, Munich and Amsterdam make up **62%** of the office portfolio.


BERLIN


LEIPZIG


MUNICH
SIEMENS


FRANKFURT


DRESDEN


ROTTERDAM
de Maas


STUTTGART


AMSTERDAM

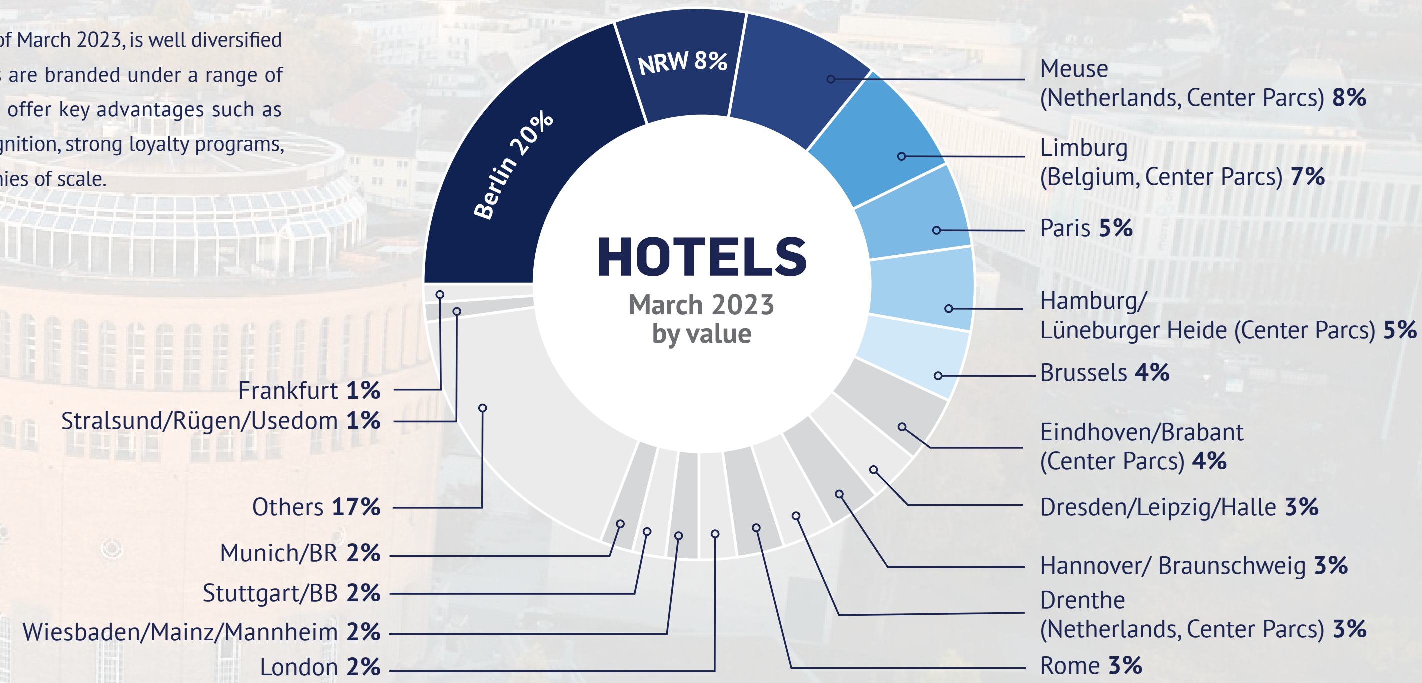

BERLIN


COLOGNE

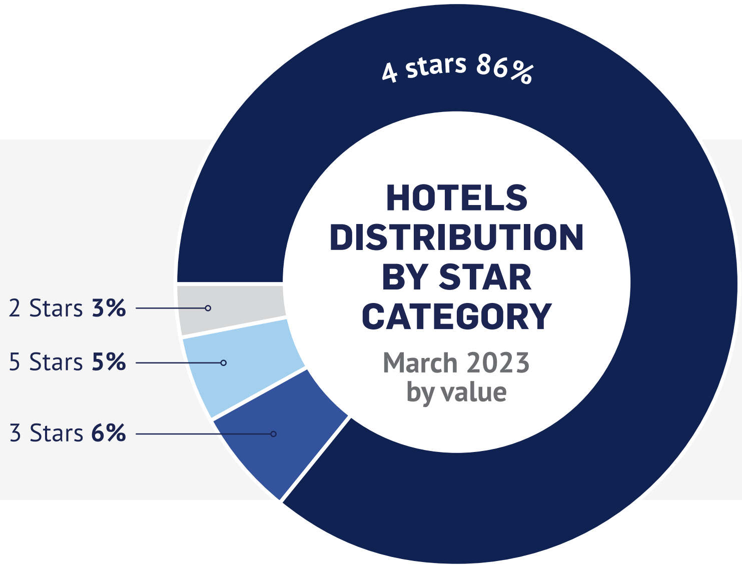
HOTELS: Focus on Central Locations

Over 150 hotels across top locations with fixed long-term leases with third party hotel operators

AT's hotel portfolio, valued at €4.8 billion as of March 2023, is well diversified and covers a total of 1.6m sqm. The hotels are branded under a range of globally leading branding partners which offer key advantages such as worldwide reservation systems, global recognition, strong loyalty programs, quality perception and benefits from economies of scale.



Focus on Quality and Operators with Brand Recognition



The largest share of the hotel portfolio is 4-star hotels with 86%, catching the largest market share from tourism and business travel. The hotel assets are let to hotel operators which are selected according to their capabilities, track record and experience. AT's management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand.

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

High Geographical Diversification

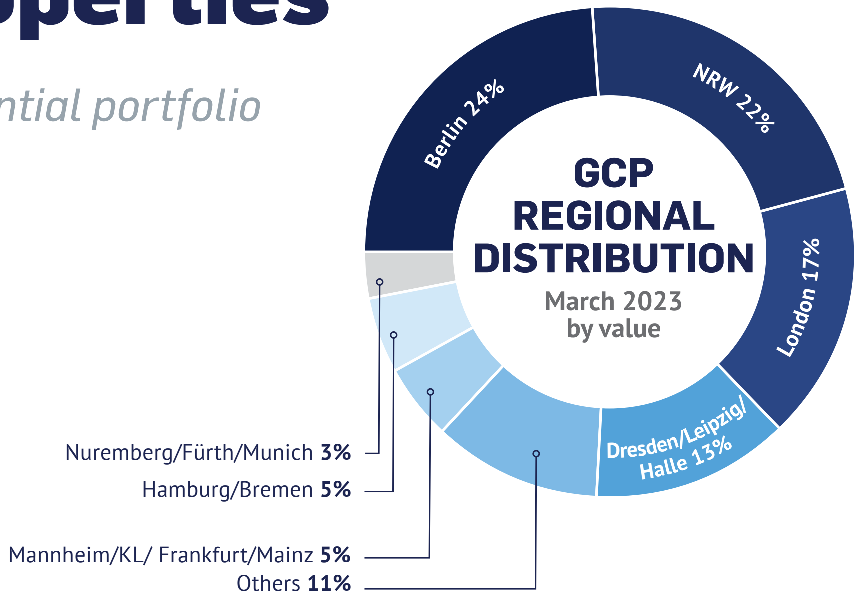
DIVERSE EUROPEAN METROPOLITAN FOOTPRINT

Fixed long term leases with third party hotel operators

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

Grand City Properties

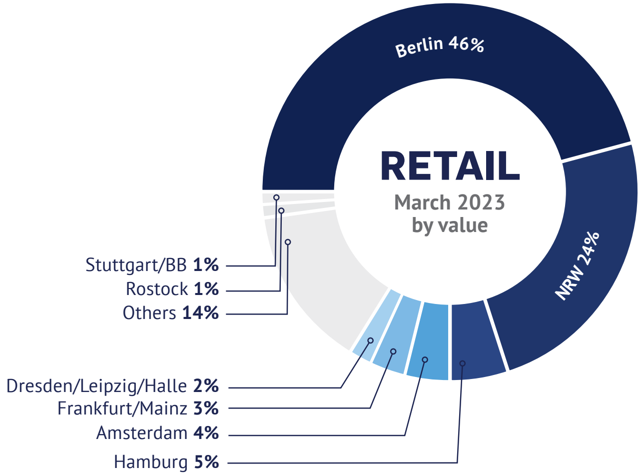
Residential portfolio

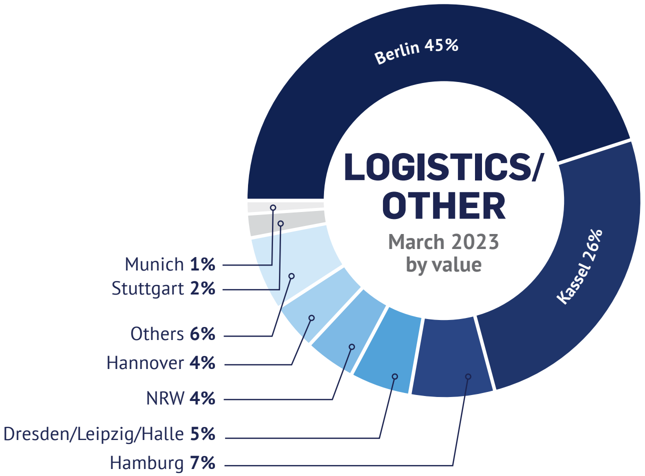


The residential portfolio is primarily held through a 61% stake in Grand City Properties ("GCP") excluding the shares GCP holds in treasury (59% including these shares) as of March 31, 2023. GCP is a leading market player in the German residential market and a specialist in value-add opportunities in densely populated areas, predominantly in Germany, as well as in London. GCP is a publicly listed real estate company traded on the Frankfurt Stock Exchange. Since July 1, 2021, GCP is consolidated in AT's financial accounts, providing the Group with a well-balanced portfolio breakdown. GCP's portfolio has a value of €9.5 billion and operates at an in-place rent of €8.3/sqm and an EPRA vacancy of 4.2%. The portfolio generates an annualized net rental income of €393 million and includes a strong value-add potential. GCP holds 64k units in its portfolio with the properties spread across densely populated areas in Germany, with a focus on Berlin, North Rhine-Westphalia and the metropolitan regions of Dresden, Leipzig and Halle, as well as London. GCP's portfolio includes a relatively small share of commercial properties which AT reclassifies into their relevant asset class. GCP puts a strong emphasis on growing relevant skills in-house to improve responsiveness and generate innovation across processes and departments. Through its 24/7 Service Center and by supporting local community initiatives, GCP established industry-leading service standards and lasting relationships with its tenants. For more information, please visit GCP's website.

Further Portfolio Diversification through Logistics/Other and Retail

Retail: Largest focus is on resilient essential goods tenants and grocery-anchored properties catering strong and stable demand from local residential neighborhoods





ASSET TYPE OVERVIEW

MARCH 2023	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield	WALT (in years)
Office	10,683	3,435	11.5%	468	12.3	3,110	4.4%	4.2
Residential	8,298	3,683	4.0%	357	8.3	2,253	4.3%	NA
Hotel	4,760	1,571	3.9%	240	13.1	3,029	5.1%	14.4
Logistics/Other	423	449	9.1%	24	4.9	942	5.8%	5.2
Retail	1,467	612	11.1%	69	10.3	2,396	4.7%	4.6
Development rights & Invest	2,234							
Total	**27,865**	**9,750**	**7.7%**	**1,158**	**10.4**	**2,629**	**4.5%**	**7.3**
Total (GCP at relative consolidation)	**24,155**	**8,155**	**8.2%**	**1,004**	**10.8**	**2,699**	**4.6%**	**7.4**

REGIONAL OVERVIEW

MARCH 2023	Investment properties (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	6,257	1,491	6.0%	214	12.2	4,196	3.4%
NRW	3,810	1,965	7.9%	187	8.2	1,939	4.9%
London	1,883	254	4.7%	88	31.4	7,411	4.7%
Dresden/Leipzig/Halle	1,854	1,121	4.4%	89	6.8	1,654	4.8%
Frankfurt	1,777	517	12.6%	79	14.0	3,436	4.4%
Munich	1,756	522	11.2%	53	8.8	3,363	3.0%
Wiesbaden/Mainz/Mannheim	716	262	5.3%	35	11.4	2,729	5.0%
Amsterdam	606	159	12.8%	26	14.9	3,812	4.3%
Hamburg/LH	490	179	4.3%	26	12.1	2,738	5.3%
Hannover	280	156	16.7%	13	8.6	1,794	4.7%
Stuttgart/BB	280	121	15.1%	13	10.7	2,314	4.6%
Rotterdam	262	99	2.1%	18	14.3	2,637	7.0%
Utrecht	219	84	4.4%	14	13.0	2,604	6.3%
Other	5,441	2,820	8.3%	303	9.6	1,930	5.6%
Development rights & Invest	2,234						
Total	**27,865**	**9,750**	**7.7%**	**1,158**	**10.4**	**2,629**	**4.5%**

Capital Markets

KEY INDEX INCLUSIONS

Aroundtown's share is a constituent of several major indices such as **MDAX, DAX 50 ESG, FTSE EPRA/NAREIT Index Series, Dow Jones Sustainability Index, STOXX Europe 600** as well as **GPR 250, GPR Global Top 100 ESG** and **DIMAX**.

INVESTOR RELATIONS ACTIVITIES

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

TRADING DATA	
Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
Trading ticker	AT1
Initial placement of capital	13.07.2015
Key index memberships	DAX 50 ESG MDAX FTSE EPRA / NAREIT: – Global – Developed Europe – Eurozone – Germany – Green Indexes Dow Jones Sustainability Index STOXX Europe 600 GPR 250 GPR Global Top 100 ESG DIMAX
AS OF MARCH 31, 2023	
Number of shares	1,537,025,609
Number of shares, base for share KPI calculations[1)]	1,092,989,781 [1)] excluding suspended voting rights
AS AT MAY 29, 2023	
Shareholder Structure	Freefloat: 56% Shares held in treasury [i)]: 29% Avisco Group/Vergepoint [ii)]: 15% [i)] 12% are held held through TLG Immobilien AG, voting rights suspended [ii)] controlled by Yakir Gabay
Market cap	€1.4 bn / €1.0 bn (excl. treasury shares)

SHARE PRICE PERFORMANCE AND TOTAL RETURN SINCE INITIAL PLACEMENT OF CAPITAL (13.07.2015)

Notes on Business Performance

BERLIN

SELECTED CONSOLIDATED INCOME STATEMENTS DATA

	Three months ended March 31,	
	2023	2022
	in € millions	
Revenue	402.6	393.7
Net rental income	**297.2**	**308.8**
Property revaluations and capital gains	(133.4)	80.7
Share of profit from investment in equity-accounted investees	5.2	18.6
Property operating expenses	(172.4)	(166.7)
of which Extraordinary expenses for uncollected hotel rents	*(15.0)*	*(30.0)*
Administrative and other expenses	(15.6)	(14.4)
Operating profit	86.4	311.9
Adjusted EBITDA 1) 2)	**246.0**	**258.2**
Finance expenses	(49.1)	(47.3)
Current tax expenses	(30.5)	(29.7)
FFO I 3)	**84.6**	**89.3**
FFO I per share (in €) 3)	**0.077**	**0.080**
FFO II 3)	**113.2**	**142.8**
Other financial results	(42.0)	(98.5)
Deferred tax income (expenses)	13.6	(11.9)
(Loss) profit for the period	**(21.6)**	**124.5**

1) excluding extraordinary expenses for uncollected hotel rents
2) including AT's share in the adjusted EBITDA of companies in which AT has significant influence, excluding the contributions from commercial assets held for sale. For more details regarding the methodology, please see pages 44-49
3) including AT's share in the FFO I of companies in which AT has significant influence, excluding FFO I relating to minorities and contributions from commercial assets held for sale. For more details regarding the methodology, please see pages 44-49

OPERATING PROFIT

	Note	Three months ended March 31, 2023	2022
		in € millions	
Recurring long-term net rental income		**292.9**	**304.6**
Net rental income related to properties marked for disposal		4.3	4.2
Net rental income		**297.2**	**308.8**
Operating and other income		105.4	84.9
Revenue	(a)	**402.6**	**393.7**
Property revaluations and capital gains	(b)	(133.4)	80.7
Share of profit from investment in equity-accounted investees	(c)	5.2	18.6
Property operating expenses	(d)	(172.4)	(166.7)
of which Extraordinary expenses for uncollected hotel rents	(d)	*(15.0)*	*(30.0)*
Administrative and other expenses	(e)	(15.6)	(14.4)
Operating profit		**86.4**	**311.9**

a) Revenue

AT recorded €403 million of revenues in the first quarter of 2023 ("Q1 2023"), 2% higher compared to €394 million recorded in the first quarter of 2022 ("Q1 2022"), of which net rental income amounted to €297 million in Q1 2023, 4% lower compared to €309 million in Q1 2022. This decrease is mainly due to over €2 billion of disposals closed in 2022 and Q1 2023, partially offset by 3.5% like-for-like rental income growth as of March 2023. The like-for-like rent growth is comprised of positive 3.8% in-place rent like-for-like and negative 0.3% occupancy like-for-like. The office portfolio had a like-for-like rental income growth of 5.4%, predominantly supported by CPI indexation adjustments and contractual step-ups. The hotel portfolio's like-for-like rent was 0.5% also as a result of indexation. Regarding the residential portfolio, GCP reported a like-for-like rental growth of 2.6% as the tailwinds from the persistent supply-demand imbalance supported its stable operations.

AT recorded €105 million of operating and other income in Q1 2023, up by 24% compared to €85 million recorded in Q1 2022, mainly due to cost inflation, offsetting the disposal impact. Operating income is mainly linked to ancillary expenses that are reimbursed by tenants such as utility costs (heating, energy, water, insurance, etc.) and charges for services provided to tenants (cleaning, security, etc.) which were impacted by the general price increase. The increase in operating and other income is correlated with the increase in purchased services as explained below in property operating expenses.

AT further breaks down its net rental income into the recurring long-term net rental income and net rental income generated by properties marked for disposal. Since AT intends to dispose the held-for-sale properties, AT views their contribution as non-recurring and therefore presents this in a separate line item. The net rental income from held-for-sale properties and disposed properties amounted to €4.3 million in Q1 2023, similar to €4.2 million in Q1 2022. Correspondingly, the recurring net rental income amounted to €293 million in Q1 2023, lower by 4% compared to €305 million in Q1 2022. The recurring net rental income also includes immaterial rental income from properties classified as development rights & invest which is excluded in the run rate.

(b) Property revaluations and capital gains

Property revaluations and capital gains amounted to a loss of €133 million in Q1 2023, compared to a gain of €81 million in Q1 2022. Aroundtown engages with independent and certified valuers to determine the valuation of each of its investment properties at least once a year and has valued the portfolio in Q4 2022. No external valuations were done in the first quarter of 2023. Aroundtown will carry an external valuation of most of the portfolio as part of the H1 2023 report. The loss is mainly due to capex investments in the quarter and a small amount of spot valuation indications received.

Capital gains and losses represent the aggregate premium or discount of disposals as compared to the book value. AT completed approx. €460 million of disposals in Q1 2023 at a slight average discount of 1% to book value. The disposal margin over total costs including capex was 7%. Aroundtown has disposed across multiple asset types. 30% of the disposals were offices, 32% were residential, 23% were retail, 8% were hotels, 6% were development rights and 1% were logistics/other. 31% of the disposals were located in non-core cities while the remaining were mainly located in London and Hamburg.

As of March 2023, the portfolio reflects an average value of €2,629 per sqm and a net rental yield of 4.5%, similar to December 2022.

(c) Share of profit from investment in equity-accounted investees

Share of profit from investment in equity-accounted investees amounted to €5 million in Q1 2023, lower compared to €19 million in Q1 2022, mainly due to lower non-recurring results of these investees. This item represents AT's share of profits from investments which are not consolidated in AT's financial statements, but over which AT has significant influence. The main equity-accounted investee as of March 2023 is the investment in Globalworth Real Estate Investments Limited ("Globalworth" or "GWI"), a leading publicly listed office landlord in Central and Eastern European markets, mainly in Warsaw and Bucharest.

The results include AT's share in non-recurring and non-operational results generated by the investees. The recurring contribution of the investees to the adjusted EBITDA and FFO I were €15 million and €12 million in Q1 2023, compared to €12 million and €9 million in Q1 2022, respectively.

(d) Property operating expenses

Property operating expenses amounted to €172 million in Q1 2023, 3% higher compared to €167 million in Q1 2022, mainly driven by cost inflation, mirroring the growth of the operating income, partially offset by a lower amount of extraordinary expenses for uncollected hotel rents. The main portion of property operating expenses are ancillary expenses and purchased services which are mainly recoverable from tenants such as utility costs (heating, energy, water, insurance, etc.), charges for services provided to tenants (cleaning, security, etc.) and other services contracted in relation to operations of properties. These expenses grew as a result of general price increases as explained above in operating and other income. Property operating expenses additionally include maintenance and refurbishment costs, operating personnel expenses, depreciation and amortization and various operating costs such as marketing, letting and legal fees, transportation, travel, communications, insurance, IT and VAT. In sum, these expenses increased year-over-year mainly due to cost inflation and supply constraints. AT has seen cost inflation across most items, mainly in costs for personnel, external services and IT.

Property operating expenses further include non-recurring extraordinary expenses for uncollected hotel rents, which amounted to €15 million in Q1 2023 due to cost inflation in utilities and staff, as well as staff shortages and supply chain disruptions, which are delaying the full recovery in the hotel portfolio. In Q1 2022, the provision amounted to €30 million. Aroundtown expects this extraordinary expense to reduce in the coming periods.

(e) Administrative expenses

AT recorded €15.6 million of administrative expenses in Q1 2023, 8% higher compared to €14.4 million in Q1 2022 due to general cost inflation, offsetting the impact of higher efficiency. These expenses consist mainly of administrative personnel expenses, fees for legal, professional, consultancy, accounting and auditing services and sales, marketing, IT and other administrative expenses.

NET (LOSS) PROFIT & (LOSS) EARNINGS PER SHARE

		Three months ended March 31,	
		2023	2022
	Note	in € millions	
Operating profit		**86.4**	**311.9**
Finance expenses	(a)	(49.1)	(47.3)
Other financial results	(b)	(42.0)	(98.5)
Current tax expenses	(c)	(30.5)	(29.7)
Deferred tax income (expenses)	(c)	13.6	(11.9)
(Loss) profit for the period	**(d)**	**(21.6)**	**124.5**
(Loss) profit attributable to:			
Owners of the Company		(43.5)	64.0
Perpetual notes investors		32.8	29.1
Non-controlling interests		(10.9)	31.4
Basic (loss) earnings per share (in €)	**(d)**	**(0.04)**	**0.06**
Diluted (loss) earnings per share (in €)	**(d)**	**(0.04)**	**0.06**
Weighted average basic shares (in millions)		1,092.9	1,120.4
Weighted average diluted shares (in millions)		1,094.4	1,121.8
(Loss) profit for the period		**(21.6)**	**124.5**
Total other comprehensive income for the period, net of tax	(d)	7.0	16.9
Total comprehensive (loss) income for the period	**(d)**	**(14.6)**	**141.4**

(a) Finance expenses

Finance expenses amounted to €49 million in Q1 2023, 4% higher compared to €47 million in Q1 2022, mainly due to the increase in interest rates, offsetting the decrease due to debt reduction and income on cash deposits. From the beginning of 2022 until the end of Q1 2023, AT has repaid approx. €1.2 billion of debt and raised approx. €700 million of new debt. The repayments included repayments of bank loans, bonds and schuldscheins and redemption of straight and convertible bond, with an average maturity of 1 year, enabling AT to extend the average maturity. As of March 2023, AT has a cost of debt of 1.7% with an average debt maturity of 4.8 years, compared to 1.2% and 5.7 years as of March 2022. The cost of debt increased compared to last year due to higher interest rates seen in new financing, increasing of the rates under the hedging caps and in the variable portion of the existing debt, repayment of low interest rate but near-term debt and maturity of interest rate hedges which brings AT's hedging ratio to 90% as of March 2023. Some further interest hedging instruments mature in 2023 resulting in an expected hedging ratio of 83% in 2023 if not re-hedged. AT continues to maintain a high ratio of unencumbered assets at 81% representing an amount of €22 billion of investment property as of March 2023 which provides good access to the secured debt market.

(b) Other financial results

Other financial results amounted to an expense of €42 million in Q1 2023, lower compared to €99 million in Q1 2022. Other financial results are composed mainly of items that are non-recurring and/or non-cash with fluctuating values and thus the result varies from one period to another. Other financial results in Q1 2023 were mostly attributable to changes in fair value of financial assets and liabilities including traded securities and derivative financial instruments which were negatively impacted by the volatility in financial markets and changes in yields and foreign exchange rates, partially offset from positive results from repurchasing debt at a discount. The increase in yields and volatility negatively impacted the net fair value of hedging instruments while the hedged debt is booked at amortized costs. If AT's bonds would be booked at mark-to-market, the income effect on other financial results would more than offset these expenses. Furthermore, derivatives were impacted by inflation indexation hedging instruments on two of AT's bonds. As the inflation increased in Q1 2023 more than the pre-determined hedged level, an expense was recorded in other financial results line, partially offset by an increase on the revenues line coming from inflation-indexed leases. In addition, the results include changes in contingent liabilities relating to the takeover of TLG, costs incurred as a result of debt repayments and expenses related to new financing, currency hedging and others.

(c) Taxation

Current taxes amounted to €30.5 million in Q1 2023, higher compared to €29.7 million in Q1 2022, and are comprised of corporate income taxes and property taxes. Deferred taxes amounted to an income of €14 million in Q1 2023, compared to an expense of €12 million in Q1 2022. The income in Q1 2023 was mainly due to positive tax impact relating to negative revaluations and changes in the fair value of financial derivatives.

(d) Net (loss) income & (Loss) earnings per share

AT recorded a net loss of €22 million in Q1 2023, compared to an income of €125 million in Q1 2022, mainly due to non-cash negative fair value changes in the portfolio and in financial assets and liabilities. Correspondingly, a net loss of €44 million was attributed to shareholders in Q1 2023, compared to a net profit of €64 million in Q1 2022. The profit attributable to non-controlling interests amounted to a €11 million loss in Q1 2023 in comparison to a €31 million profit in the comparable period, mainly due to net loss in companies with minority stake, such as GCP which reported a net loss due to non-cash and non-recurring expenses. Profit attributable to perpetual notes investors increased from €29 million in Q1 2022 to €33 million in Q1 2023. As the Boards of Aroundtown and GCP decided not to use their voluntary options to call the two perpetual notes with call dates in January 2023, the reset coupons of these perpetual notes were adjusted at their respective call dates to 7.08% for AT's perpetual note and 6.33% for GCP's perpetual note. The adjustment had a partial impact in Q1 2023 as the attribution until the call date was based on the coupon rate at issuance. As for the cash flow, the reset had no impact since the January 2023 coupons were paid according to coupon rate at issuance. Therefore, the cash flow impact will be seen with January 2024 payments.

Q1 2023 presented basic and diluted loss per share of €0.04, compared to earnings per share of €0.06 recorded in Q1 2022. The average share count decreased by 2% between the periods, driven by the share buyback program that ran until year-end 2022, partially offset by the impact of scrip dividends.

AT recorded a total comprehensive loss of €15 million in Q1 2023, compared to an income of €141 million in Q1 2022, also impacted by the decrease in total other comprehensive income from €17 million in Q1 2022 to €7 million in Q1 2023 as a result of lower impact of cash flow hedges.

ADJUSTED EBITDA

	Three months ended March 31,	
	2023	2022
	in € millions	
Operating profit	86.4	311.9
Total depreciation and amortization	4.0	5.1
EBITDA	**90.4**	**317.0**
Property revaluations and capital gains	133.4	(80.7)
Share of profit from investment in equity-accounted investees	(5.2)	(18.6)
Other adjustments[1)]	1.4	2.2
Contribution of assets held for sale	(3.8)	(3.4)
Add back: Extraordinary expenses for uncollected hotel rents	15.0	30.0
Adjusted EBITDA before JV contribution	**231.2**	**246.5**
Contribution of joint ventures' adjusted EBITDA[2)]	14.8	11.7
Adjusted EBITDA	**246.0**	**258.2**

1) including expenses related to employees' share incentive plans
2) the adjustment is to reflect AT's share in the adjusted EBITDA of companies in which AT has significant influence and that are not consolidated

Adjusted EBITDA is a key performance measure used to evaluate the operational results of the Group, derived by deducting from the EBITDA non-operational and/or non-recurring items such as revaluation and capital gains, extraordinary expenses and other adjustments. Additionally, in order to mirror the recurring operational results of the Group, the results from investments in equity-accounted investees is subtracted as this also include the Group's share in non-operational and non-recurring results generated by these investees. Instead, to reflect their operational earnings, the Group includes in its adjusted EBITDA its share in the adjusted EBITDA generated by investments where the Group has a significant influence in accordance with its effective holding rate over the period.

AT generated an adjusted EBITDA before JV contribution of €231 million in Q1 2023, lower by 6% compared to €247 million in Q1 2022, mainly due to disposals, as well as from cost inflation partially offset by the like-for-like net rental income growth of 3.5%. Including joint ventures' adjusted EBITDA, the Group generated an adjusted EBITDA of €246 million in Q1 2023, lower by 5% compared to €258 million in Q1 2022.

Adjusted EBITDA excludes the effect of extraordinary expenses for uncollected hotel rents. Including this effect, adjusted EBITDA, Covid adjusted amounted to €231 million in Q1 2023, higher by 1% compared to €228 million in Q1 2022.

Adjusted EBITDA accounts for other adjustments in the amount of €1.4 million in Q1 2023, related mainly to non-cash expenses for employees' share incentive plans. Furthermore, AT conservatively does not include the contributions from commercial properties marked for disposal since they are intended to be sold and therefore, their contributions are non-recurring. The adjustment amounted to €3.8 million in Q1 2023, similar to €3.4 million in Q1 2022.

FUNDS FROM OPERATIONS (FFO I, FFO II)

	Three months ended March 31,	
	2023	2022
	in € millions	
Adjusted EBITDA before JV contribution	**231.2**	**246.5**
Finance expenses	(49.1)	(47.3)
Current tax expenses	(30.5)	(29.7)
Contribution to minorities [1]	(32.1)	(31.2)
Adjustments related to assets held for sale [2]	1.3	1.2
Perpetual notes attribution	(32.8)	(29.1)
FFO I before JV contribution	**88.0**	**110.4**
Contribution of joint ventures' FFO I [3]	11.6	8.9
Extraordinary expenses for uncollected hotel rents	(15.0)	(30.0)
FFO I	**84.6**	**89.3**
FFO I per share (in €)	**0.077**	**0.080**
Weighted average basic shares (in millions) [4]	1,092.9	1,120.4
FFO I	**84.6**	**89.3**
Result from the disposal of properties [5]	28.6	53.5
FFO II	**113.2**	**142.8**

1) including the minority share in TLG's and GCP's FFO
2) the net contribution which is excluded from the FFO amounts to €2.5 million in Q1 2023 and €2.2 million in Q1 2022
3) the adjustment is to reflect AT's share in the FFO I of companies in which AT has significant influence and that are not consolidated
4) weighted average number of shares excludes shares held in treasury; base for share KPI calculations
5) the excess amount of the sale price, net of transaction costs and total costs (cost price and capex of the disposed properties)

Funds from Operations I (FFO I) is an industry standard performance indicator, reflecting the recurring operational profitability. FFO I starts by deducting the finance expenses, current tax expenses and perpetual notes attribution from the adjusted EBITDA. The calculation further includes the relative share in the FFO I of joint venture positions and excludes the share in minorities' operational profits. Furthermore, AT makes an adjustment related to assets held for sale.

In addition, AT provides the FFO II, which is an additional key performance indicator used in the real estate industry to evaluate the recurring operational profits including the disposal gains during the relevant period.

FFO I amounted to €85 million in Q1 2023, 5% lower compared to €89 million in Q1 2022. The impact of disposals, cost inflation and higher finance expenses and perpetual notes attribution offset the impact of like-for-like net rental income growth and increased stake in GCP from 53% as of March 2022 to 61% as of March 2023. The contribution from commercial properties held for sale, which is excluded from the FFO I, amounted to €2.5 million in Q1 2023, similar to €2.2 million in Q1 2022. FFO I per share amounted to €0.077 in Q1 2023, 4% lower compared to €0.080 in Q1 2022. The per share decline was slightly lower due to the 2% decrease in average share count driven by the share buyback program that ran until year-end 2022, partially offset by the impact of scrip dividends.

AT recorded an FFO II of €113 million in Q1 2023, 21% lower compared to €143 million in Q1 2022. AT completed approx. €460 million of disposals in Q1 2023 with a 7% margin over their cost values in comparison to over €130 million of disposals in Q1 2022 with a 66% margin over their cost values.

CASH FLOW

	Three months ended March 31,	
	2023	2022
	in € millions	
Net cash from operating activities	189.4	184.7
Net cash from (used in) investing activities	201.6	(64.2)
Net cash used in financing activities	(45.9)	(1,233.3)
Net changes in cash and cash equivalents	**345.1**	**(1,112.8)**
Cash and cash equivalents as at the beginning of the year	2,305.4	2,873.0
Other changes*	9.1	1.2
Cash and cash equivalents as at the end of the period	**2,659.6**	**1,761.4**

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

€189 million of net cash was provided by operating activities in Q1 2023, 3% higher than €185 million in Q1 2022, mainly due to higher rent collection in hotel properties and like-for-like rent growth, partially offset by disposal impact and cost inflation.

€202 million of net cash was received from investing activities in Q1 2023, compared to €64 million that was used in Q1 2022. In Q1 2023, ca. €290 million was received from disposals, net of vendor loans granted. The cash uses were mainly for capex, net of repayments from loans-to-own.

€46 million of net cash was used in financing activities in Q1 2023, compared to €1.2 billion that was used in Q1 2022. The main cash inflow in Q1 2023 was from proactive refinancing activities. AT raised €209 million of new bank debt, net of repayment, and repurchased an amount of approx. €100 million of straight bonds (€115 million in nominal value). This was offset by an increase in finance expenses, payments with regard to derivative hedging positions and a small acquisition amount of GCP shares. €42 million were paid to the perpetual notes holders and €73 million were paid as net cash interest and other financial expenses.

As a result, €345 million of net cash was received during Q1 2023, strengthening the balance sheet. Including other liquid assets, AT's liquidity position is over €3 billion at the end of March 2023, which represents 20% of the total debt position.

ASSETS

	Mar 2023	Dec 2022
	in € millions	
Total Assets	**37,300.0**	**37,347.1**
Non-current assets	**32,422.0**	**32,491.5**
Investment property	27,864.9	27,981.0
Goodwill and intangible assets	1,305.6	1,308.1
Investment in equity-accounted investees	1,338.6	1,291.9
Other non-current assets	1,432.7	1,303.8

(a) Total assets

Total assets amounted to €37.3 billion at the end of March 2023, remaining stable compared to year-end 2022, while there were movements in between the asset balance sheet items, mainly due to disposals of properties held for sale, slight negative revaluations and utilizing cash for debt repurchases, net of cash inflow from disposal proceeds, FFO and new bank debt raised in Q1 2023. Non-current assets amounted to €32.4 billion at the end of March 2023, remaining stable compared to €32.5 billion at year-end 2022.

(b) Investment property

Investment property is the largest item under non-current assets and amounted to €27.9 billion at the end of March 2023, slightly lower compared to €28.0 billion at year-end 2022, due to reclassification of properties as held for sale and slight negative revaluations in Q1 2023. During Q1 2023, AT completed approx. €460 million of disposals, of which nearly all were sold from the held for sale balance at the beginning of the year and thus had no material impact on the investment property balance. On the other hand, AT reclassified approx. €230 million into held for sale balance, of which the majority are signed, resulting in a lower investment property balance, partially offset by a small amount of acquisition of properties which were paid for in previous periods and were completed in the current period. Since the beginning of 2022 and until 2023 year-to-date, the Group sold €2 billion, of which approx. €320 million were signed in 2023 year-to-date, showing AT's ability to sell during challenging market conditions. In Q1 2023, AT recorded property revaluations and capital gains of negative €133 million, mainly due to capex investments during the quarter and a small amount of spot valuations indications received.

(c) Goodwill and intangible assets

Goodwill and intangible assets amounted to €1.3 billion at the end of March 2023, remaining stable compared to year-end 2022. €600 million of goodwill is related to the consolidation of GCP and €681 million is related to the TLG takeover.

(d) Investment in equity-accounted investees

Investment in equity-accounted investees amounted to €1.3 billion at the end of March 2023, slightly higher compared to year-end 2022. This line item represents the Group's long-term investment in joint ventures in which the Group has a significant influence, but which are not consolidated. The largest investment in this line item as of March 2023, which represents approx. 40% of the total balance, is AT's stake in Globalworth, a leading publicly listed office landlord in Central and Eastern European markets, mainly in Warsaw and Bucharest. The holding rate in Globalworth remained slightly above 30% as of March 2023, indirectly held through a joint venture with CPI Property Group S.A. The remaining balance of equity-accounted investees mainly include several positions in real estate properties and investment in real estate related funds specialized among others in Proptech, digitalization and technology in the real estate sector, as well as yielding real estate loan funds, which work in a similar profile to the Group's loans-to-own investments and may provide future access to attractive deals, and additional investments in co-working and renewable energy projects.

(e) Other non-current assets

Other non-current assets are mainly comprised of vendor loans that are related to disposals, long-term financial investments and loans-to-own assets.

Vendor loans support the facilitation of the transaction and were given to several selected buyers of assets that were sold. The loans generally have a maturity of 1-3 years and are expected to be paid in installments from 2023-2026. The loans are secured against the property sold at an LTV in the range of 50%-60% and in case of default gives AT the ability to get the asset back with a significant penalty to the defaulted buyer (through a process involving a receiver). The balance as of March 2023 is approx. €0.66 billion, compared to €0.5 billion at year-end 2022. The change results from granting new vendor loans in connection with disposals closed in Q1 2023. As of March 2023, the average interest rate of the vendor loans is ca. 4% due to the low risk. The average interest rate is higher compared to year-end 2022 as some are variable as well as extensions at higher rates.

The future liquidity coming from the repayments of the vendor loans will reduce the Group's leverage.

Loans-to-own assets are asset-backed and yielding loans where, under certain conditions, the default of the loan will enable the Group to take over the underlying asset at a material discount. Loans-to-own assets are provided to a diverse number of property owners and sourced through the Group's wide deal sourcing network established over the years. As of March 2023, the loans-to-own balance amounted to approx. €520 million, down from €550 million at year-end 2022 due to net repayment of loans during the period. Of the loans-to-own balance, approx. 50% is presented under the non-current assets and the remaining is presented under current assets. This item comprises of approx. 20 loans given to a variety of property owners, with maturities primarily within the years 2023-2025, with an average LTV of 65%, bearing interest rates of 3%-10% and secured by the underlying asset.

The loans-to-own assets are expected to be repaid or converted into properties and will reduce the Group's leverage. Although the loans-to-own balance is a relatively small part of the Group's balance sheet, it is extending the Group's deal sourcing opportunities, which under certain circumstances may provide attractive options for alternative acquisition opportunities.

The financial investments amounted to €330 million which comprise about 20 investments mainly in real estate funds and secured financial assets with the expectation for long-term yield and potentially co-investments in their attractive deals.

The other non-current assets also include long-term deposits of €60 million, ca. €60 million of tenant deposits which are used as a security for rent payments, ca. €50 million of receivables due to revenue straight-lining effect arising from rent-free periods granted to tenants and long-term minority positions in real estate properties and other receivables.

Furthermore, non-current assets include long-term derivative financial assets, deferred tax assets and advance payments and deposits which mainly refer to advance payments for signed deals, deposits for deals in the due diligence phase and deposits for committed capex programs.

	Mar 2023	Dec 2022
	in € millions	
Current assets	**4,878.0**	**4,855.6**
Assets held for sale [1)]	652.2	922.0
Cash and liquid assets [2)]	3,035.0	2,718.7
Trade and other receivables	1,177.1	1,168.1

1) excluding cash in assets held for sale
2) including cash in assets held for sale, short term deposits and financial assets at fair value through profit or loss

Current assets amounted to €4.9 billion at the end of March 2023, remaining stable as compared to year-end 2022.

Assets held for sale balance decreased from €922 million at year-end 2022 to €652 million at the end of March 2023, due to completion of disposals, partially offset by additional reclassification of properties into held for sale. This balance consists of non-core and/or mature assets that are intended to be sold within the next 12 months, of which more than half are already signed as of the date of this report. The cash and liquid assets balance amounted to over €3 billion at the end of March 2023, up from €2.7 billion as of year-end 2022. The cash inflow from operations, disposals and new bank debt reinforced the high cash balance from year-end 2022 which was utilized mostly for debt repurchases at discount, strengthening the balance sheet. Current assets also include €1.2 billion of trade and other receivables at the end of March 2023, slightly higher compared to €1.2 billion at year-end 2022. This item includes approx. €740 million of operating costs and operational rent receivables, pre-paid expenses and tax assets. Operating cost receivables relate to ancillary services and other charges billed to tenants. These services include utility and service costs such as heating, water, insurance, cleaning, waste, etc. These operating cost receivables are mainly settled once per year against the advance payments received from the tenants and, thus, is correlated to pre-payments for ancillary services received from tenants presented under short-term liabilities. In addition, current assets include other short-term financial assets with a maturity of less than 1 year, made up of loans-to-own assets, vendor loans and other receivables in the amount of approx. €350 million, lower compared to year-end 2022, which is explained above as part of the non-current assets.

LIABILITIES

	Mar 2023	Dec 2022
	in € millions	
Short- and long-term loans and borrowings [1]	1,604.7	1,398.4
Short- and long-term straight bonds and schuldscheins	13,258.6	13,407.4
Deferred tax liabilities (including those under held for sale)	2,676.2	2,693.7
Short- and long-term derivative financial instruments and other long-term liabilities	1,030.6	1,011.8
Other current liabilities [2]	979.7	1,012.4
Total Liabilities	**19,549.8**	**19,523.7**

1) including loans and borrowings under held for sale
2) excluding current liability items that are included in the lines above

Total liabilities amounted to €19.5 billion at the end of March 2023, remaining stable compared to €19.5 billion at year-end 2022. Total debt from bank loans, bonds and schuldscheins amounted to €14.9 billion at the end of March 2023, slightly higher compared to €14.8 billion at year-end 2022, mainly due to new financing, net of debt repurchases. During Q1 2023, AT raised over €220 million of new bank debt at an average margin of 1.5% plus Euribor and an average maturity of 6 years. AT raised further ca. €230 million after the reporting period until the date of this report. On the other hand, AT repurchased €115 million of 2025 straight bonds at a 13% discount during Q1 2023. AT repurchased further approx. €595 million of 2024-2026 straight bonds at a 18% discount after the reporting period until the date of this report, which is reducing leverage. In addition, AT has additional liquidity potential from undrawn credit facilities with maturities mostly in 2025 and unencumbered investment properties of €21.8 billion. Given the fact that in the current environment bank financing is more attractive than the unsecured bond market, a high balance of unencumbered assets provides AT with additional financial flexibility. Capitalizing on this and on its long-standing bank relationships, AT is able to successfully raise secured financing at attractive terms.

Deferred tax liabilities amounted to €2.7 billion at the end of March 2023, slightly lower compared to €2.7 billion at year-end 2022, mainly due to negative revaluations. Deferred tax liabilities make up 14% of total liabilities and are non-cash items that are predominantly tied to revaluation gains, calculated conservatively by assuming theoretical future property disposals in the form of asset deals and such the full corporate tax rate is applied in relevant jurisdictions.

Short- and long-term derivative financial instruments and other long-term liabilities were slightly higher compared to year-end 2022 mainly due to negative fair value movement in derivatives. Other long-term liabilities include tenancy deposits, lease liabilities mainly in relation to right-of-use assets and non-current payables to third parties. The derivative financial instruments include a contingent liability created as part of the takeover of TLG.

Other current liabilities amounted to €980 million at the end of March 2023, lower compared to €1,012 million at year-end 2022, mainly due to payment of accrued interest and disposal of held-for-sale. The largest item in other current liabilities is trade and other payables, which mainly comprise pre-payments for ancillary services received from tenants that are correlated with the operating costs receivables under the current assets. Other current liabilities also include tax payables, provisions for other liabilities and accrued expenses and other liabilities in properties held for sale which are not included above. Current assets cover current liabilities comfortably by 4 times which is a testament to AT's disciplined working capital management.

DEBT METRICS

LOAN-TO-VALUE (LTV)	**Mar 2023**	Dec 2022
	in € millions	
Investment property (incl. advance payments and deposits and excl. right-of-use assets)	27,752.9	27,934.1
Investment property of assets held for sale	638.6	909.1
Investment in equity-accounted investees [1]	1,096.5	1,053.8
Total value (a)	**29,488.0**	**29,897.0**
Total financial debt [2]	14,863.3	14,805.8
Less: Cash and liquid assets [2]	(3,035.0)	(2,718.7)
Net financial debt (b)	**11,828.3**	**12,087.1**
LTV (b/a)	**40%**	**40%**

UNENCUMBERED ASSETS	**Mar 2023**	Dec 2022
	in € millions	
Rent generated by unencumbered assets [3]	945.8	959.0
Rent generated by the total Group [3]	1,174.1	1,166.9
Unencumbered assets ratio	**81%**	**82%**

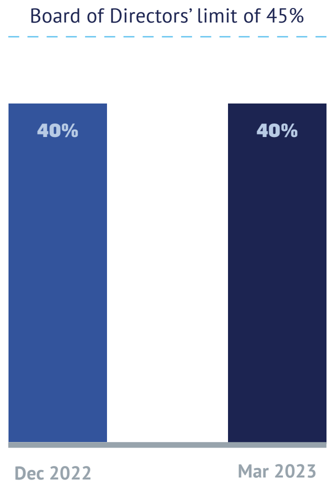
INTEREST COVER RATIO (ICR)	Three months ended March 31, **2023**	2022
	in € millions	
Finance expenses	49.1	47.3
Adjusted EBITDA [4]	235.0	249.9
ICR [5]	**4.8x**	**5.3x**

1) including property related JV's
2) including balances under held for sale
3) annualized net rent including the contribution from joint venture positions and excluding the net rent from assets held for sale
4) including the contributions from assets held for sale, excluding extraordinary expenses for uncollected hotel rents
5) including the extraordinary expenses for uncollected hotel rents, the ICR, Covid adjusted amounted to 4.5x in Q1 2023 and 4.6x in Q1 2022

AT's disciplined debt management approach, strong credit profile and high financial strength are reflected in the solid debt metrics. The LTV amounted to 40% at the end of March 2023, remaining stable compared to year-end 2022, mainly due to disposals and debt repurchases at discount, offset by negative revaluations and partially granting disposal proceeds as vendor loans which will be collected in the next periods and are not included in the LTV calculation. The LTV remains well-below the internal limit of 45% set by the Board of Directors and has a significant headroom to bond covenants.

The Group's high operational profitability and financial discipline resulted in a high ICR of 4.8x in Q1 2023. An unencumbered investment property ratio of 81% (by rent) with a total value of €21.8 billion (excluding held for sale assets) at the end of March 2023 highlights the Group's financial flexibility and provides additional liquidity potential, along with undrawn revolving credit facilities of €1 billion (no MAC clause).

CONSERVATIVE LEVERAGE (LTV)



EQUITY

	Mar 2023	Dec 2022
	in € millions	
Total equity	**17,750.2**	**17,823.4**
of which equity attributable to the owners of the Company	9,567.0	9,585.3
of which equity attributable to perpetual notes investors	4,738.4	4,747.7
of which non-controlling interests	3,444.8	3,490.4
Equity ratio	**48%**	**48%**

Total equity amounted to €17.8 billion at the end of March 2023, remaining stable compared to €17.8 billion at year-end 2022, as operating profit was offset by non-cash negative revaluations and other financial results. Correspondingly, shareholders' equity remained stable at €9.6 billion as of March 2023. The mandatory convertible notes were converted into 27.7 million shares in March 2023. The conversion did not impact the share count used in share KPI's since the notes were considered as shareholders' equity under IFRS accounting treatment and their impact had been included in the respective share counts since the issuance of the notes. In March 2023, the Board of Directors of Aroundtown and GCP have decided not to recommend a dividend payment for 2022 at the annual general meeting of both companies in June 2023, following the increase in macro-economic uncertainty and volatility, with currently limited visibility on the full impact of the current market environment on valuations, increasing financing costs and limited access to capital markets.

The perpetual notes balance remained stable at €4.7 billion as of March 2023. Following IFRS accounting treatment, perpetual notes are classified as equity as they do not have a repayment date, are subordinated to debt, do not have default rights nor covenants and coupon payments are deferrable at the Company's discretion. The perpetual notes are 100% equity under IFRS regardless whether being called or not and therefore have no impact on the bond covenants. The Board of Directors of Aroundtown and GCP have decided not to use the voluntary option to call the perpetual notes with a call date in January 2023. The decision came after taking into consideration all relevant options and was made mainly since the rates of a potential new issuance were significantly above the reset rates of the notes. The reset coupons were adjusted at the respective call date to 7.08% for AT's perpetual note and 6.33% for GCP's perpetual note which will result in approx. €20 million higher coupon for these two series on an annualized basis. These perpetuals can be called at every interest payment date and the Company will continue to assess all the options for its perpetual notes. Perpetual notes remain to be an important part of the capital structure especially as they provide a security cushion in volatile times.

EPRA NAV KPI'S

The European Public Real Estate Association (EPRA) provides three key Net Asset Value (NAV) metrics designed to provide stakeholders with the most relevant information on the fair value of the Group's assets and liabilities. With the evolving nature of their business models, real estate companies progressed into actively managed entities, engaging in non-property operating activities, actively recycling capital and accessing capital markets for balance sheet financing. In line with these developments, EPRA has provided the market with the following three NAV KPI's: EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA) and EPRA Net Disposal Value (EPRA NDV).

	Mar 2023			Dec 2022		
	in € millions			in € millions		
	EPRA NRV	EPRA NTA 1)	EPRA NDV	EPRA NRV	EPRA NTA 1)	EPRA NDV
Equity attributable to the owners of the Company	**9,567.0**	**9,567.0**	**9,567.0**	**9,585.3**	**9,585.3**	**9,585.3**
Deferred tax liabilities 2)	2,266.2	1,906.9	-	2,281.2	1,882.6	-
Fair value measurement of derivative financial instruments 3)	14.1	14.1	-	(29.0)	(29.0)	-
Goodwill in relation to TLG 4)	(680.6)	(680.6)	(680.6)	(680.6)	(680.6)	(680.6)
Goodwill in relation to GCP 5)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)
Intangibles as per the IFRS balance sheet 6)	-	(21.1)	-	-	(23.1)	-
Net fair value of debt	-	-	2,144.9	-	-	2,210.5
Real estate transfer tax 7)	1,711.6	-	-	1,732.2	-	-
NAV	**12,278.3**	**10,186.3**	**10,431.3**	**12,289.1**	**10,135.2**	**10,515.2**
Number of shares (in millions) 8)	1,094.5			1,094.2		
NAV per share (in €)	**11.2**	**9.3**	**9.5**	**11.2**	**9.3**	**9.6**

1) EPRA NTA was reclassified in Dec 2022 to exclude RETT
2) excluding significant minority share in deferred tax liabilities (DTL), as well as deferred tax assets on certain financial instruments in line with EPRA recommendations. EPRA NRV additionally includes DTL of assets held for sale
3) excluding significant minority share in derivatives
4) deducting the goodwill resulting from the business combination with TLG
5) deducting the goodwill resulting from the consolidation of GCP
6) excluding significant minority share in intangibles
7) including the gross purchasers' costs of assets held for sale and relative share in GCP's relevant RETT. EPRA NTA with RETT includes only the gross purchasers' costs of properties where RETT optimization at disposal can be achieved
8) excluding shares in treasury, base for share KPI calculations

The EPRA NRV amounted to €12.3 billion and €11.2 per share at the end of March 2023, remaining stable compared to €12.3 billion and €11.2 per share at year-end 2022, as a result of stable shareholders' equity. Accordingly, the EPRA NTA amounted to €10.2 billion and €9.3 per share at the end of March 2023, remaining stable compared to €10.1 billion and €9.3 per share at year-end 2022. The EPRA NTA was reclassified at year-end 2022 to exclude RETT in order to align with market standards. The EPRA NDV amounted to €10.4 billion and €9.5 per share at the end of March 2023, 1% lower than €10.5 billion and €9.6 per share at year-end 2022, due to higher net fair value of debt as a result of the small decrease in market volatility during Q1 2023.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Alternative Performance Measures

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

ADJUSTED EBITDA

The adjusted EBITDA is a performance measure used to evaluate the operational results of the Group by deducting from the *EBITDA*, which includes the *Total depreciation and amortization* on top of the *Operating profit*, non-operational items such as the *Property revaluations and capital gains* and *Share of profit from investment in equity-accounted investees*, as well as *Contributions of assets held for sale*. Aroundtown adds to its adjusted EBITDA a non-recurring and/or non-cash item called *Other adjustments* which is mainly the expenses for employees' share incentive plans. In order to reflect only the recurring operational profits, Aroundtown deducts the *Share of profit from investment in equity-accounted investees* as this item also includes non-operational profits generated by Aroundtown's equity accounted investees. Instead, Aroundtown includes in its adjusted EBITDA its share in the adjusted EBITDA generated by investments where Aroundtown has significant influence in accordance with its economic holding rate over the period. This line item is labelled as *Contribution of joint ventures' adjusted EBITDA*. Prior to the third quarter of 2021, this line item was mostly attributed to Aroundtown's share in GCP's adjusted EBITDA, however, starting from July 1, 2021, GCP is consolidated in Aroundtown's financial accounts.

Aroundtown created extraordinary expenses for uncollected hotel rents. Adjusted EBITDA excludes (adds back) these expenses which are called *Extraordinary expenses for uncollected hotel rents.*

Adjusted EBITDA Calculation
Operating Profit
(+) Total depreciation and amortization
(=) EBITDA
(-) Property revaluations and capital gains [1]
(-) Share of profit from investment in equity-accounted investees [2]
(+) Other adjustments [3]
(-) Contribution of assets held for sale [4]
(+) Add back: Extraordinary expenses for uncollected hotel rents [5]
(=) Adjusted EBITDA before JV contribution [6]
(+) Contribution of joint ventures' adjusted EBITDA [7]
(=) Adjusted EBITDA

1) Named as „Fair value adjustments, capital gains and other income" in FY 2017
2) Named as „Share in profit from investment in equity-accounted investees" in FY 2017, 2018, 2019 and 2020
3) Including expenses related to employees' share incentives plans and one-off expenses related to TLG merger. Named as „Other adjustments incl. one-off expenses related to TLG merger" since the takeover of TLG in FY 2020, 2021 and 2022. Prior to the takover of TLG, it was named as „Other adjustments" in FY 2017 and only related to share incentive plans. In FY 2018 and 2019, it was shown together with contribution of assets held for sale under an item called „Other adjustments"
4) Named as „Adjusted EBITDA relating to properties marked for disposal" in FY 2017. In FY 2018 and 2019, it was shown together with expenses related to employees' share incentive plans under an item called „Other adjustments". Named as „Contribution from assets held for sale" in FY 2020
5) Named as „Extraordinary expenses for uncollected rent" in FY 2020, 2021 and 2022. The adjustment started in 2020 after the Covid pandemic in order to reflect the recurring adjusted EBITDA excluding these extraordinary expenses
6) Named as „Adjusted EBITDA commercial, recurring long-term" in FY 2017 and „Adjusted EBITDA commercial portfolio, recurring long-term" in FY 2018, 2019 and 2020
7) The adjustment is to reflect AT's share in the adjusted EBITDA of companies in which AT has significant influence and that are not consolidated. GCP contributed to this line item until June 30, 2021. Starting from July 1, 2021, GCP is consolidated. Named as „Adjustment for GCP adjusted EBITDA contribution" in FY 2017, „Adjustment for GCP and other joint venture positions adjusted EBITDA contribution" in FY 2018 and 2019, „Adjustment for GCP's and other investments' adjusted EBITDA contribution" in FY 2020

FUNDS FROM OPERATIONS I (FFO I)

Funds from Operations I (FFO I) is an industry standard performance indicator for evaluating operational recurring profits of a real estate firm. Aroundtown calculates *FFO I* by deducting from the *Adjusted EBITDA before JV contribution*, the *Finance expenses, Current tax expenses, Contribution to minorities* and adds back *Adjustments related to assets held for sale. Adjustments related to assets held for sale* refers to finance expenses and current tax expenses related to assets held for sale. *Contribution to minorities* additionally include the minority share in GCP's FFO I (starting from July 1, 2021) and the minority share in TLG's FFO I excluding the contribution from assets held for sale. Aroundtown additionally deducts the *Perpetual notes attribution* to reach at *FFO I before JV contribution*. Prior to 2021, this figure did not deduct the perpetual notes attribution.

Due to the deduction of the *Share of profit from investment in equity-accounted investees* in the adjusted EBITDA calculation which includes the operational profits from those investments, Aroundtown adds back its relative share in the FFO I of joint venture positions in accordance with the holding rate over the period to reflect the recurring operational profits generated by those investments. This item is labelled as *Contribution of joint ventures' FFO I*. Prior to the third quarter of 2021, this item was mostly attributed to Aroundtown's share in GCP's FFO I, however, starting from July 1, 2021, GCP is consolidated in Aroundtown's financial accounts. Aroundtown created *Extraordinary expenses for uncollected hotel rents*. Therefore, Aroundtown's *FFO I* includes these expenses.

FFO I per share is calculated by dividing the *FFO I* by the *Weighted average basic shares* which excludes the shares held in treasury.

In FY 2020 and FY 2021, Aroundtown additionally showed *FFO I before extraordinary Covid adjustment* and *FFO I per share before extraordinary Covid adjustment* (named as *FFO I before Covid* and *FFO I per share before Covid* in FY 2020), which excluded the *Extraordinary expenses for uncollected rent*. Starting from FY 2022, this line item is not shown in the table to maintain the focus on the main FFO I KPI.

Funds From Operations (FFO I) Calculation
Adjusted EBITDA before JV contribution
(-) Finance expenses
(-) Current tax expenses
(-) Contribution to minorities [1]
(+) Adjustments related to assets held for sale [2]
(-) Perpetual notes attribution [3]
(=) FFO I before JV contribution [4]
(+) Contribution of joint ventures' FFO I [5]
(-) Extraordinary expenses for uncollected hotel rents [6]
(=) FFO I [7]

1) Including minority share in GCP's FFO I (since the consolidation in Q3 2021) and TLG's FFO (since the takeover in Q1 2020). Named as „Contribution from minorities" in FY 2017
2) Named as „FFO relating to properties marked for disposal" in FY 2017, „Other adjustments" in FY 2018 and 2019.
3) Named as „Adjustment for accrued perpetual notes attribution" in FY 2017, 2018 and 2019
4) Named as „FFO I commercial portfolio, recurring long-term" in FY 2017, 2018, 2019 and 2020. In order to align FFO I better with the market standards, Aroundtown started deducting perpetual notes attribution from its main FFO I KPI in 2020 and from this line item in 2021
5) The adjustment is to reflect AT's share in the FFO I of companies in which AT has significant influence and that are not consolidated. GCP contributed to this line item until June 30, 2021. Starting from July 1, 2021 GCP is consolidated. Named as „Adjustment for GCP FFO I contribution" in FY 2017, „Adjustment for GCP's and other joint ventures' FFO I contribution" in FY 2018 and 2019, „Adjustment for GCP's and other investments' FFO I contribution" in FY 2020
6) Named as „Extraordinary expenses for uncollected rent" in FY 2020, 2021 and 2022
7) In order to align this KPI better with market standards, in 2020, Aroundtown started deducting the perpetual notes attribution from this KPI. Named as „FFO I after perpetual notes attribution" in FY 2017, 2018 and 2019

FFO I Per Share Calculation
(c) FFO I
(b) Weighted average basic shares [1]
(=) (c/b) FFO I per share [2]

1) Weighted average number of shares excludes shares held in treasury, base for share KPI calculations. Prior to their conversion, it included the conversion impact of mandatory convertible notes.
2) In order to align this KPI better with market standards, in 2020, Aroundtown started deducting the perpetual notes attribution from FFO I. Named as „FFO I per share after perpetual notes attribution" in FY 2017, 2018 and 2019

FUNDS FROM OPERATIONS II (FFO II)

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

Funds From Operations II (FFO II) Calculation
FFO I
(+) Result from the disposal of properties [1]
(=) FFO II [2]

1) The excess amount of the sale price, net of transaction costs and total costs (cost price and capex of the disposed properties)
2) Prior to 2020, since the main FFO I KPI did not deduct perpetual notes attribution, FFO II included these attributions. In order to align FFO I better with market standards, in 2020, Aroundtown started deducting the perpetual notes attribution

LOAN-TO-VALUE (LTV)

The Loan-to-Value (LTV) is a measurement aimed at reflecting the leverage of a company. The purpose of this metric is to assess the degree to which the total value of the real estate properties can cover financial debt and the headroom against a potential market downturn. With regards to Aroundtown's internal LTV limit due to its conservative financial policy, the LTV shows as well the extent to which Aroundtown can comfortably raise further debt to finance additional growth. *Total value* is calculated by adding together the *Investment property* which includes *Advance payments and deposit* but excludes the right-of-use assets, *Investment property of assets held for sale* and *Investment in equity-accounted investees* which starting from Dec 2022 include only property related JV's. *Net financial debt* is calculated by deducting the *Cash and liquid assets* from the *Total financial debt* which is a sum of *Short- and long-term loans and borrowings* and *Short- and long-term straight bonds and schuldscheins. Cash and liquid assets* are the sum of *Cash and cash equivalents, Short-term deposits* and *Financial assets at fair value through profit or loss,* as well as cash balances of assets held for sale. Aroundtown calculates the LTV ratio through dividing the *Net financial debt* by the *Total value.*

LTV Calculation
(+) Investment property (incl. advance payments and deposits and excl. right-of-use assets) [1]
(+) Investment property of assets held for sale [2]
(+) Investment in equity-accounted investees [3]
(=) (a) Total value
(+) Total financial debt [4] [5]
(-) Cash and liquid assets [5]
(=) (b) Net financial debt
(=) (b/a) LTV

1) It included inventories - trading property before the item was disposed
2) Named as „Assets held for sale" in FY 2019 and FY 2018 and „Investment properties classified as held for sale" in FY 2017
3) Including property related JV's starting from Dec 2022
4) Total of bank loans, straight bonds, schuldscheins and exluding lease liabilities. It included convertible bonds prior to their repayment.
5) Including balances under held for sale

EQUITY RATIO

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

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

UNENCUMBERED ASSETS RATIO

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

Unencumbered Assets Ratio Calculation
(a) Rent generated by unencumbered assets [1]
(b) Rent generated by the total Group [1]
(=) (a/b) Unencumbered Assets Ratio

1) Annualized net rent including the contribution from joint venture positions and excluding the net rent from assets held for sale

INTEREST COVER RATIO (ICR) AND DEBT SERVICE COVER RATIO (DSCR)

The Interest Cover Ratio (ICR) is widely used in the real estate industry to assess the strength of a firm's credit profile. The multiple indicates the degree to which Aroundtown's operational results are able to cover its debt servicing. *ICR* is calculated by dividing the *Adjusted EBITDA* including the contributions from assets held for sale by the *Finance expenses*. ICR previously included the contribution from joint venture positions in both the finance expenses and adjusted EBITDA but it was reclassified during 2021 to exclude these contributions in order to reflect the interest cover ratio of the Group's standalone operations excluding its joint venture investments, as well as to simplify this KPI. Aroundtown additionally provides the *ICR, Covid adjusted* which is calculated by dividing the *Adjusted EBITDA* including extraordinary expenses for uncollected hotel rents and the contributions from assets held for sale by the *Finance expenses*.

Aroundtown discontinued presenting DSCR as it is not part of its bond covenants. The DSCR is calculated by dividing the *Adjusted EBITDA* including the contributions from assets held for sale by the sum of *Finance expenses* and *Amortizations of loans from financial institutions and others*. When it was reported in FY 2018 and FY 2019, DSCR included the contribution from joint venture positions but following the reclassification of ICR, these contributions are excluded.

ICR Calculation
(a) Finance expenses [1]
(b) Adjusted EBITDA [2]
(=) (b/a) ICR

1) Previously included contributions from joint venture positions and named as „Group finance expenses" in FY 2018, 2019 and 2020
2) Including the contributions from assets held for sale and previously included contributions from joint venture positions

ICR, Covid Adjusted Calculation
(a) Finance expenses
(c) Adjusted EBITDA [2] [3]
(=) (c/a) ICR, Covid adjusted

DSCR Calculation
(a) Finance expenses [1]
(d) Amortization of loans from financial institutions and others [4]
(=) (e=a+d) Total finance expenses and amortizations of loans [5]
(b) Adjusted EBITDA [2]
(=) (b/e) DSCR

1) Previously included contributions from joint venture positions and named as „Group finance expenses" in FY 2018, 2019 and 2020
2) Including the contributions from assets held for sale and previously included contributions from joint venture positions
3) Including extraordinary expenses for uncollected hotel rents
4) Previously included contributions from joint venture positions and named as „Group amortization of loans from financial institutions" in FY 2018 and 2019. Named as „Amortizations of loans from financial institutions" in FY 2017
5) Named as „Total Group finance expenses and amortizations of loans" in FY 2018 and 2019

NET DEBT-TO-EBITDA AND NET DEBT-TO-EBITDA INCLUDING PERPETUAL NOTES

The *Net debt-to-EBITDA* is used in the real estate industry to measure the leverage position of a company. This KPI highlights the ratio of financial liabilities to the Company's recurring operational profits and thereby indicates how much of the recurring operational profits are available to debt holders. Aroundtown calculates its *Net debt-to-EBITDA* ratio by dividing the *Net financial debt* as at the balance sheet date by the *adjusted EBITDA (annualized)*. The *Net financial debt* is defined above under *Loan- to-Value* ratio. The *adjusted EBITDA (annualized)* includes contributions from assets held for sale and joint venture positions and excludes extraordinary expenses for uncollected hotel rents. The *adjusted EBITDA (annualized)* is calculated by adjusting the adjusted EBITDA to reflect a theoretical full year figure. This is done by multiplying the adjusted EBITDA of the period by 4 if it is the three-month period result, by 2 if it is the six-month period result and by 4/3 if it is the nine-month period result. For the full year, there is no adjustment made.

Aroundtown additionally provides the *Net debt-to-EBITDA including perpetual notes* ratio by adding its *Equity attributable to perpetual notes investors* as at the balance sheet date to the *Net financial debt*. Although AT's perpetual notes are 100% equity instruments under IFRS, credit rating agencies, including S&P, can apply an adjustment to such instruments and consider AT's perpetuals as 50% equity and 50% debt. Additionally, some equity investors may find an adjustment that adds the full balance of perpetual notes to the net debt as relevant. For enhanced transparency, AT additionally provides this KPI including the full balance sheet amount of *Equity attributable to perpetual notes investors*.

Net Debt-to-EBITDA Calculation
(a) Net financial debt [1]
(b) Adjusted EBITDA (annualized) [2]
(=) (a/b) Net debt-to-EBITDA

Net Debt-to-EBITDA Including Perpetual Notes Calculation
(a) Net financial debt [1]
(b) Equity attributable to perpetual notes investors
(c) Adjusted EBITDA (annualized) [2]
(=) [(a+b)/c] Net debt-to-EBITDA including perpetual notes

1) See LTV calculation for the breakdown
2) Including the contributions from assets held for sale and joint venture positions, excluding extraordinary expenses for uncollected hotel rents. See the explanation above for the annualization adjustment

EPRA NAV KPI'S

EPRA NET REINSTATEMENT VALUE (EPRA NRV)

The EPRA NRV is defined by the European Public Real Estate Association (EPRA) as a measure to highlight the value of a company's net assets on a long-term basis, assuming entities never sell assets. This KPI aims to represent the value required to rebuild the company. Aroundtown's *EPRA NRV* calculation begins by adding to the *Equity attributable to the owners of the Company* the *Deferred tax liabilities* which includes balances in assets held for sale and excludes significant minority share in deferred tax liabilities, as well as excluding deferred tax assets on certain financial instruments in line with EPRA recommendations. Aroundtown also adds/deducts *Fair value measurement of derivative financial instruments* which includes the derivative financial instruments related to interest hedging and excludes significant minority share in derivative financial instruments. These items are added back in line with EPRA's standards as they are not expected to materialize on an ongoing and long-term basis. Aroundtown then deducts the *Goodwill in relation to TLG, Goodwill in relation to GCP* and adds *Real estate transfer tax* which is the gross purchasers' costs in line with EPRA's standards which includes Aroundtown's share in TLG's and GCP's relevant real estate transfer taxes (RETT). Following the consolidation of GCP, the goodwill recognized in relation to GCP became relevant for EPRA NRV calculations. *EPRA NRV per share* is calculated by dividing the *EPRA NRV* by the *Number of shares* which excludes the treasury shares.

The EPRA NAV was discontinued by EPRA starting from FY 2020. Following EPRA guidelines, Aroundtown provided the bridge between the former EPRA NAV and the new EPRA NRV in its FY 2020 report and discontinued reporting EPRA NAV thereafter. The main difference between the former EPRA NAV and the EPRA NRV is the addition of real estate transfer taxes in the EPRA NRV.

EPRA NRV and EPRA NRV Per Share Calculation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities [1]
(+/-) Fair value measurement of derivative financial instruments [2]
(-) Goodwill in relation to TLG [3]
(-) Goodwill in relation to GCP [4]
(+) Real estate transfer tax [5]
(=) (a) EPRA NRV
(b) Number of shares (in millions) [6]
(=) (a/b) EPRA NRV per share

1) Excluding significant minority share in deferred tax liabilities (DTL), as well as deferred tax assets on certain financial instruments in line with EPRA recommendations, including DTL of assets held for sale
2) Excluding significant minority share in derivatives
3) Deducting the goodwill resulting from the business combination with TLG
4) Deducting the goodwill resulting from the consolidation of GCP
5) Including the gross purchasers' costs of assets held for sale and relative share in TLG's and GCP's relevant RETT
6) Excluding shares in treasury, base for share KPI calculations. Prior to their conversion, it included the conversion impact of mandatory convertible notes.

EPRA NET TANGIBLE ASSETS (EPRA NTA) AND EPRA NTA with RETT

The EPRA NTA is defined by the European Public Real Estate Association (EPRA) as a measure to highlight the value of a company's net tangible assets assuming entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred taxes. Aroundtown's *EPRA NTA* calculation begins by adding to the *Equity attributable* to *the owners of the Company* the *Deferred tax liabilities* which excludes the deferred tax liabilities of properties held for sale, retail portfolio, development rights & invest portfolio, GCP's portfolio cities classified as "Others" and significant minority share in deferred tax liabilities, as well as excluding deferred tax assets on certain financial instruments in line with EPRA recommendations. Aroundtown also adds/deducts *Fair value measurement of derivative financial instruments* which includes the derivative financial instruments related to interest hedging and excludes significant minority share in derivative financial instruments. Furthermore, Aroundtown deducts the *Goodwill in relation to TLG, Goodwill in relation to GCP* and *Intangibles as per the IFRS balance sheet* which excludes significant minority share in intangibles. The *EPRA NTA* was reclassified in Dec 2022 to exclude *RETT* in order to align better with market standards. The *EPRA NTA per share* is calculated by dividing the *EPRA NTA* by the *Number of shares* which excludes the treasury shares. The *EPRA NTA with RETT* adds gross purchasers' cost of properties which enable RETT optimization at disposal based on track record, including the relative share in GCP's relevant RETT. The *EPRA NTA with RETT per share* is calculated by dividing the *EPRA NTA with RETT* by *Number of shares.*

EPRA NTA (& per share) and EPRA NTA with RETT (& per share) Calculation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities [1]
(+/-) Fair value measurement of derivative financial instruments [2]
(-) Goodwill in relation to TLG [3]
(-) Goodwill in relation to GCP [4]
(-) Intangibles as per the IFRS balance sheet [5]
(=) (a) EPRA NTA [6]
(+) (b) Real estate transfer tax [7]
(=) (c=a+b) EPRA NTA with RETT [8]
(a) EPRA NTA [6]
(d) Number of shares (in millions) [9]
(=) (a/d) EPRA NTA per share [6]
(c) EPRA NTA with RETT [8]
(d) Number of shares (in millions) [9]
(=) (c/d) EPRA NTA with RETT per share [8]

1) Excluding significant minority share in deferred tax liabilities (DTL), as well as deferred tax assets on certain financial instruments in line with EPRA recommendations
2) Excluding significant minority share in derivatives
3) Deducting the goodwill resulting from the business combination with TLG
4) Deducting the goodwill resulting from the consolidation of GCP. Prior to the consolidation of GCP as of July 1, 2021, there was an adjustment related to surplus on investment in GCP, named as „Goodwill as per the IFRS balance sheet (related to GCP surplus)"
5) Excluding significant minority share in intangibles
6) Newly defined in Dec 2022 to exclude RETT
7) Including only the gross purchasers' costs of properties where RETT optimization at disposal can be achieved. Additionally including relative share in GCP's relevant RETT
8) Previously defined as „EPRA NTA" or „EPRA NTA per share" in FY 2020 and FY 2021
9) Excluding shares in treasury, base for share KPI calculations. Prior to their conversion, it included the conversion impact of mandatory convertible notes.

EPRA NET DISPOSAL VALUE (EPRA NDV)

The EPRA NDV is defined by the European Public Real Estate Association (EPRA) as a measure that represents the shareholders' value under a disposal scenario, where deferred taxes, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. Aroundtown calculates its *EPRA NDV* by deducting from the *Equity attributable to the owners of the Company*, the *Goodwill in relation to TLG* and *Goodwill in relation to GCP* and deducting/adding the *Net fair value of debt* which is the difference between the market value of debt and the book value of debt, adjusted for taxes. The *EPRA NDV per share* is calculated by dividing the *EPRA NDV* by the *Number of shares* which excludes the treasury shares.

The EPRA NNNAV was discontinued by EPRA starting from FY 2020. Following EPRA guidelines, Aroundtown provided the bridge between the former EPRA NNNAV and the new EPRA NDV in its FY 2020 report and discontinued reporting EPRA NNNAV thereafter. The main difference between the former EPRA NNNAV and the EPRA NDV is the exclusion of deferred tax liabilities in the EPRA NDV and goodwill related to GCP surplus prior to the consolidation of GCP as of July 1, 2021.

EPRA NDV and EPRA NDV Per Share Calculation
Equity attributable to the owners of the Company
(-) Goodwill in relation to TLG [1]
(-) Goodwill in relation to GCP [2]
(+/-) Net fair value of debt
(=) (a) EPRA NDV
(b) Number of shares [3]
(=) (a/b) EPRA NDV per share

1) Deducting the goodwill resulting from the business combination with TLG
2) Deducting the goodwill resulting from the consolidation of GCP. Prior to the consolidation of GCP as of July 1, 2021, there was an adjustment related to surplus on investment in GCP, named as „Goodwill as per the IFRS balance sheet (related to GCP surplus)"
3) Excluding shares in treasury, base for share KPI calculations. Prior to their conversion, it included the conversion impact of mandatory convertible notes.

EPRA LOAN-TO-VALUE (EPRA LTV)

The EPRA LTV is a metric that aims to assess the leverage of shareholder equity within a real estate company. The main difference between EPRA LTV and the Company's calculated LTV is the wider categorization of liabilities and assets with the largest impact coming from the inclusion of perpetual notes as debt, inclusion of financial assets in the net assets and proportionate consolidation adjustments. *EPRA LTV* is calculated by dividing the *EPRA Net debt* by *EPRA Total property value. EPRA Net debt* is derived by deducting *Cash and liquid assets* from *EPRA Gross debt. Cash and liquid assets* are defined under LTV section above. *EPRA Gross debt* is the sum of *Total financial debt* described under LTV section above, an adjustment related to *Foreign currency derivatives*, *Equity attributable to perpetual notes investors* and *Net payables. EPRA Total property value* is the sum of *Investment property* described under the LTV section, *Investment property of assets held for sale*, *Owner-occupied property*, *Intangibles as per the IFRS balance sheet*, *Net receivables* and *Financial assets. Net payables* or *Net receivables* is the sum of *Trade and other receivables* and *Other non-current assets* (both of which excluding loans-to-own assets and vendor loans), net of *Trade and other payables, Other non-current liabilities* (excluding lease liabilities), *Tax payable* and *Provisions for other liabilities and accrued expenses*, including balances in held for sale. If *Net receivables* are larger than *Net payables* in absolute values, the netted sum is shown in *EPRA Total property value*, otherwise in *EPRA Net debt. Financial assets* are the sum of loans-to-own assets and vendor loans. The calculation above reaches at *EPRA LTV – Consolidated (as reported)*. Following EPRA guideline, Aroundtown adds its *Share of joint ventures* and deducts *Material non-controlling interests* relating to GCP and TLG for all respective items where relevant which results in *EPRA LTV – Proportionate consolidation* also named as *EPRA LTV*.

EPRA LTV Calculation
(+) Total financial debt [1]
(+/-) Foreign currency derivatives
(+) Equity attributable to perpetual notes investors
(+) Net payables [2]
(=) EPRA Gross debt
(-) Cash and liquid assets [1]
(=) (a) EPRA Net debt
(+) Investment property [1]
(+) Investment property of assets held for sale
(+) Owner-occupied property
(+) Intangibles as per the IFRS balance sheet
(+) Net receivables [2]
(+) Financial assets
(=) (b) EPRA Total property value
(=) (a/b) EPRA LTV [3]

1) The components are described under the LTV section
2) If Net receivables are larger than Net payables in absolute values, the netted sum is shown in EPRA Total property value, otherwise in EPRA Net debt
3) Following EPRA guidelines, Aroundtown adds its share of joint ventures and deducts material non-controlling interests relating to GCP and TLG for all items where relevant


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Responsibility statement

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

Disclaimer

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

By order of the Board of Directors, May 30, 2023

Frank Roseen
Executive Director

Jelena Afxentiou
Executive Director


HILTON
Markgrafenstraße
LÖWENBRÄU

02

interim consolidated financial statements

Interim consolidated statement of profit or loss

	Note	2023	2022
		Three months ended March 31,	
		Unaudited	
		in € millions	
Revenue	7	402.6	393.7
Property revaluations and capital gains		(133.4)	80.7
Share of profit from investment in equity-accounted investees		5.2	18.6
Property operating expenses		(172.4)	(166.7)
Administrative and other expenses		(15.6)	(14.4)
Operating profit		**86.4**	**311.9**
Finance expenses		(49.1)	(47.3)
Other financial results		(42.0)	(98.5)
(Loss) profit before tax		**(4.7)**	**166.1**
Current tax expenses		(30.5)	(29.7)
Deferred tax income (expenses)		13.6	(11.9)
(Loss) profit for the period		**(21.6)**	**124.5**
(Loss) Profit attributable to:			
Owners of the Company		(43.5)	64.0
Perpetual notes investors		32.8	29.1
Non-controlling interests		(10.9)	31.4
(Loss) profit for the period		**(21.6)**	**124.5**
Net (loss) earnings per share attributable to the owners of the Company (in €)			
Basic (loss) earnings per share		(0.04)	0.06
Diluted (loss) earnings per share		(0.04)	0.06

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of other comprehensive income

	Three months ended March 31,	
	2023	2022
	Unaudited	
	in € millions	
(Loss) profit for the period	**(21.6)**	**124.5**
Other comprehensive income (loss):		
Items that are or may be reclassified subsequently to profit or loss, net of tax:		
Foreign operations – foreign currency translation difference, net of investment hedges of foreign operations	3.9	(9.3)
Cash flow hedges and cost of hedging	2.8	26.2
Items that will not be reclassified to profit or loss, net of tax:		
Revaluation of property, plant and equipment	0.3	-
Total comprehensive (loss) income for the period	**(14.6)**	**141.4**
Total comprehensive (loss) income attributable to:		
Owners of the Company	(36.2)	74.9
Perpetual notes investors	32.8	29.1
Non-controlling interests	(11.2)	37.4
Total comprehensive (loss) income for the period	**(14.6)**	**141.4**

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of financial position

	Note	As at March 31, 2023	As at December 31, 2022
		Unaudited	Audited
		in € millions	
ASSETS			
Property and equipment		197.7	199.7
Goodwill and intangible assets		1,305.6	1,308.1
Investment property	8	27,864.9	27,981.0
Advance payments and deposits		71.8	136.1
Investment in equity-accounted investees		1,338.6	1,291.9
Derivative financial assets		142.9	205.8
Other non-current assets		1,432.7	1,303.8
Deferred tax assets		67.8	65.1
Non-current assets		**32,422.0**	**32,491.5**
Cash and cash equivalents		2,659.6	2,305.4
Short-term deposits		115.9	137.5
Financial assets at fair value through profit or loss		258.8	266.5
Trade and other receivables		1,177.1	1,168.1
Derivative financial assets		13.7	46.8
Assets held for sale	8.2	652.9	931.3
Current assets		**4,878.0**	**4,855.6**
Total assets		**37,300.0**	**37,347.1**

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of financial position (continued)

	Note	As at March 31, 2023 Unaudited	As at December 31, 2022 Audited
		in € millions	
EQUITY			
Share capital		15.4	15.4
Treasury shares	9.1	(2,893.9)	(3,033.7)
Retained earnings and other reserves		12,445.5	12,603.6
Equity attributable to the owners of the Company		**9,567.0**	**9,585.3**
Equity attributable to perpetual notes investors		4,738.4	4,747.7
Equity attributable to the owners of the Company and perpetual notes investors		**14,305.4**	**14,333.0**
Non-controlling interests		3,444.8	3,490.4
Total equity		**17,750.2**	**17,823.4**
LIABILITIES			
Loans and borrowings		1,544.5	1,266.0
Bonds and schuldscheins		13,108.3	13,307.4
Derivative financial liabilities		437.6	431.7
Other non-current liabilities		574.4	567.2
Deferred tax liabilities		2,666.7	2,662.3
Non current liabilities		**18,331.5**	**18,234.6**
Current portion of long-term loans and loan redemptions		17.7	22.9
Bonds and schuldscheins		150.3	100.0
Trade and other payables		706.3	666.0
Tax payable		94.6	93.6
Provisions for other liabilities and accrued expenses		161.2	201.0
Derivative financial liabilities		18.6	12.9
Liabilities associated with assets classified as held for sale		69.6	192.7
Current liabilities		**1,218.3**	**1,289.1**
Total liabilities		**19,549.8**	**19,523.7**
Total equity and liabilities		**37,300.0**	**37,347.1**

The Board of Directors of Aroundtown SA authorized these interim consolidated financial statements for issuance on May 30, 2023

Frank Roseen
Executive Director

Jelena Afxentiou
Executive Director

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of changes in equity

For the three-month period ended March 31, 2023 (Unaudited)

		Attributable to the owners of the Company									
		Share capital	Share premium and capital reserves	Cash flow hedge and cost of hedge reserves	Treasury shares	Retained earnings	Equity attributable to the owners of the Company	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
	Note					in € millions					
Balance as at January 1, 2023 (audited)		**15.4**	**5,186.0**	**59.6**	**(3,033.7)**	**7,358.0**	**9,585.3**	**4,747.7**	**14,333.0**	**3,490.4**	**17,823.4**
(Loss) profit for the period		-	-	-	-	(43.5)	(43.5)	32.8	(10.7)	(10.9)	(21.6)
Other comprehensive income (loss) for the period, net of tax		-	4.8	2.5	-	-	7.3	-	7.3	(0.3)	7.0
Total comprehensive (loss) income for the period		**-**	**4.8**	**2.5**	**-**	**(43.5)**	**(36.2)**	**32.8**	**(3.4)**	**(11.2)**	**(14.6)**
Transactions with owners of the Company											
Contributions and distributions											
Settlement of mandatory convertible notes	9.2	-	(138.5)	-	138.5	-	-	-	-	-	-
Equity settled share-based payment		-	(0.2)	-	1.3	-	1.1	-	1.1	-	1.1
Total contributions and distributions		**-**	**(138.7)**	**-**	**139.8**	**-**	**1.1**	**-**	**1.1**	**-**	**1.1**
Changes in ownership interests											
Initial consolidations and deconsolidations		-	-	-	-	-	-	-	-	(0.5)	(0.5)
Transactions with non-controlling interests (NCI) and dividends distributed to NCI		-	-	-	-	16.8	16.8	-	16.8	(33.9)	(17.1)
Total changes in ownership interests		**-**	**-**	**-**	**-**	**16.8**	**16.8**	**-**	**16.8**	**(34.4)**	**(17.6)**
Transactions with perpetual notes investors											
Payment to perpetual notes investors		-	-	-	-	-	-	(42.1)	(42.1)	-	(42.1)
Total transactions with perpetual notes investors		**-**	**-**	**-**	**-**	**-**	**-**	**(42.1)**	**(42.1)**	**-**	**(42.1)**
Balance as at March 31, 2023		**15.4**	**5,052.1**	**62.1**	**(2,893.9)**	**7,331.3**	**9,567.0**	**4,738.4**	**14,305.4**	**3,444.8**	**17,750.2**

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of changes in equity (continued)

For the three-month period ended March 31, 2022 (Unaudited)

	Attributable to the owners of the Company									
	Share capital	Share premium and capital reserves	Cash flow hedge and cost of hedge reserves	Treasury shares	Retained earnings	Equity attributable to the owners of the Company	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions									
Balance as at January 1, 2022 (audited)	**15.4**	**5,529.8**	**24.2**	**(2,937.3)**	**7,901.5**	**10,533.6**	**4,747.7**	**15,281.3**	**3,875.1**	**19,156.4**
Profit for the period	-	-	-	-	64.0	64.0	29.1	93.1	31.4	124.5
Other comprehensive income for the period, net of tax	-	(12.3)	23.2	-	-	10.9	-	10.9	6.0	16.9
Total comprehensive income for the period	**-**	**(12.3)**	**23.2**	**-**	**64.0**	**74.9**	**29.1**	**104.0**	**37.4**	**141.4**
Transactions with owners of the Company										
Contributions and distributions										
Share buy-back program	-	-	-	(136.5)	-	(136.5)	-	(136.5)	-	(136.5)
Equity settled share-based payment	-	(0.6)	-	0.9	-	0.3	-	0.3	-	0.3
Total contributions and distributions	**-**	**(0.6)**	**-**	**(135.6)**	**-**	**(136.2)**	**-**	**(136.2)**	**-**	**(136.2)**
Changes in ownership interests										
Transactions with non-controlling interests (NCI) and dividends to NCI	-	-	-	-	13.9	13.9	-	13.9	(139.2)	(125.3)
Total changes in ownership interests	**-**	**-**	**-**	**-**	**13.9**	**13.9**	**-**	**13.9**	**(139.2)**	**(125.3)**
Transactions with perpetual notes investors										
Payment to perpetual notes investors	-	-	-	-	-	-	(40.4)	(40.4)	-	(40.4)
Total transactions with perpetual notes investors	**-**	**-**	**-**	**-**	**-**	**-**	**(40.4)**	**(40.4)**	**-**	**(40.4)**
Balance as at March 31, 2022	**15.4**	**5,516.9**	**47.4**	**(3,072.9)**	**7,979.4**	**10,486.2**	**4,736.4**	**15,222.6**	**3,773.3**	**18,995.9**

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of cash flows

	Three months ended March 31,	
	2023	2022
	Unaudited	
	in € millions	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit for the period	(21.6)	124.5
Adjustments for the profit:		
Depreciation and amortization	4.0	5.1
Property revaluations and capital gains	133.4	(80.7)
Share of profit from investment in equity-accounted investees	(5.2)	(18.6)
Finance expenses and other financial results	91.1	145.8
Current and deferred tax expenses	16.9	41.6
Share-based payment	1.4	1.1
Change in working capital	(12.1)	(16.5)
Dividend received	2.8	5.0
Tax paid	(21.3)	(22.6)
Net cash from operating activities	**189.4**	**184.7**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisitions of property, equipment and intangible assets	(3.3)	(4.5)
Proceeds from disposals of investment property and proceeds from investees	288.3	251.0
Acquisitions of investment property and associates, investment in capex and advances paid	(102.2)	(163.0)
Proceeds from (investments in) traded securities and other financial assets, net	18.8	(147.7)
Net cash from (used in) investing activities	**201.6**	**(64.2)**

The accompanying notes form an integral part of these interim consolidated financial statements

Interim consolidated statement of cash flows (continued)

	Note	Three months ended March 31, 2023	2022
		Unaudited	
		in € millions	
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buy-back program		-	(136.5)
Payments to mandatory convertible notes investors		(5.9)	(5.6)
Payments to perpetual notes investors		(42.1)	(40.4)
Buy-back and redeem of bonds	10.1	(99.2)	(594.0)
Proceeds from (repayments of) loans from financial institutions and others, net	10.2	209.0	(189.1)
Amortizations of loans from financial institutions and others		(3.7)	(3.3)
Transactions with non-controlling interests		(11.5)	(183.2)
Dividend paid to non-controlling interests		(4.7)	(10.6)
Payments related to hedge relations and others		(14.4)	-
Interest and other financial expenses paid, net		(73.4)	(70.6)
Net cash used in financing activities		**(45.9)**	**(1,233.3)**
Net change in cash and cash equivalents		**345.1**	**(1,112.8)**
Cash and cash equivalents as at January 1		2,305.4	2,873.0
Assets held for sale – change in cash		8.6	(1.1)
Effect of movements in exchange rates on cash held		0.5	2.3
Cash and cash equivalents as at March 31		**2,659.6**	**1,761.4**

The accompanying notes form an integral part of these interim consolidated financial statements

Notes to the interim consolidated financial statements

1. GENERAL

1.1 Incorporation and principal activities

Aroundtown SA (the "Company" or "Aroundtown"), a public limited liability company (Société Anonyme), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 37, Boulevard Joseph II, L-1840 Luxembourg (formerly: 40, rue du Curé, L-1368, Luxembourg). Aroundtown's shares are listed on the Prime Standard of the Frankfurt Stock Exchange and included in the MDAX index of the Deutsche Börse (symbol: AT1).

Aroundtown is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities, primarily in Germany, Netherlands and London. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects.

These interim consolidated financial statements for the three-month period ended March 31, 2023 consist of the financial statements of the Company and its investees (the "Group").

1.2 Group rating

Aroundtown's credit rating is 'BBB+' with a stable outlook given by Standard and Poor's (S&P). The rating of 'BBB+' also applies to the Company's unsecured debt. The Group`s subordinated perpetual notes' rating is 'BBB-'.

Grand City Properties S.A.'s (a subsidiary of the Company, "GCP") corporate credit rating is 'BBB+' with a stable outlook given by S&P, and 'Baa1' given by Moody's Investors Service (Moody's). The 'BBB+' and 'Baa1' ratings also apply to the GCP's unsecured debt, and the GCP`s subordinated perpetual notes are rated 'BBB-' and 'Baa3', by S&P and Moody's, respectively.

Aroundtown's and GCP's credit ratings were reaffirmed by the rating agencies in December 2022.

1.3 Definitions

Throughout the notes to the interim consolidated financial statements following definitions apply:

The Company	Aroundtown SA
The Group	The Company and its investees
Subsidiaries	Companies that are controlled by the Company (as defined in IFRS 10) and whose financial statements are consolidated with those of the Company
Associates	Companies over which the Company has significant influence (as defined in IAS 28) and that are not subsidiaries. The Company's investment therein is included in the consolidated financial statements of the Company using equity method of accounting
Investees	Subsidiaries, jointly controlled entities and associates
GCP	Grand City Properties S.A. (a subsidiary of the Company; listed for trade in the Prime Standard of the Frankfurt Stock Exchange)
TLG	TLG Immobilien AG (a subsidiary of the Company)
Related parties	As defined in IAS 24
The reporting period	The three-month period ended on March 31, 2023

2. SIGNIFICANT CHANGES IN THE REPORTING PERIOD

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

1. Disposals of investment property in a total value of over €460 million (see note 8.2).
2. Net drawdown of secured and unsecured bank loans of €209 million (see note 10.2).
3. Early redemption of bonds of €114.5 million (see note 10.1).
4. For additional information about changes in the Group's financial position and performance, see the "Notes on business performance" section in the Board of Directors' Report.

3. BASIS OF PREPARATION

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and are in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

These interim consolidated financial statements do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and December 31, 2022. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31,2022.

The accounting policies adopted in the preparation of these interim consolidated financial statements, including the judgments, estimates and special assumptions that affect the application of those accounting policies, are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022, except for the changes in accounting policies and the adoption of new standard, amendments to standards and interpretations as described in note 4.

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

Functional and presentation currency

The Group's interim consolidated financial statements are presented in euro, which is also the Group's functional currency, and reported in millions of euros rounded to one decimal point, unless stated otherwise.

As at March 31, 2023, the Group's main foreign exchange rates versus the euro were as follows:

	EUR/GBP ("British Pound")	EUR/USD ("US Dollar")
March 31, 2023	**0.879**	**1.088**
March 31, 2022	0.846	1.110
December 31, 2022	0.887	1.067
Average rate 01-03/2023	0.883	1.073
Changes (%) during the period:		
Three months ended March 31, 2023	(0.9%)	2.0%
Three months ended March 31, 2022	0.7%	(2.0%)
Year ended December 31, 2022	5.6%	(5.8%)

4. CHANGES IN ACCOUNTING POLICIES

The following amendments were adopted for the first time in these interim consolidated financial statements, with effective date of January 1, 2023:

- **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

  The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

  Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

  Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

  The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

  The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

  » A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:

    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset

  » The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates**

  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

  The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

  » A change in accounting estimate that results from new information or new developments is not the correction of an error

  » The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

  The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies**

  The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

- **Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information**

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

These amendments had no material impact on the interim consolidated financial statements of the Group.

5. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured and presented at fair value as at March 31, 2023, and December 31, 2022, on a recurring basis under the relevant fair value hierarchy. Also presented are the Group's financial assets and liabilities measured at amortized cost for which the carrying amount materially differs from the fair value.

	As at March 31, 2023					As at December 31, 2022				
		Fair value measurement using					Fair value measurement using			
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	in € millions					in € millions				
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss (1)	464.4	464.4	227.1	200.4	36.9	466.4	466.4	196.7	231.7	38.0
Derivative financial assets	156.6	156.6	-	156.6	-	252.6	252.6	-	252.6	-
Total financial assets	**621.0**	**621.0**	**227.1**	**357.0**	**36.9**	**719.0**	**719.0**	**196.7**	**484.3**	**38.0**
FINANCIAL LIABILITIES										
Bonds and schuldscheins (2)	13,258.6	10,027.0	9,736.6	290.4	-	13,407.4	10,110.6	9,820.1	290.5	-
Derivative financial liabilities	456.2	456.2	-	456.2	-	444.6	444.6	-	444.6	-
Total financial liabilities	**13,714.8**	**10,483.2**	**9,736.6**	**746.6**	**-**	**13,852.0**	**10,555.2**	**9,820.1**	**735.1**	**-**

(1) includes also the non-current financial assets at fair value through profit or loss that are presented as part of the other non-current assets

(2) the carrying amount excludes accrued interest

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

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

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

There were no transfers between level 1, level 2 and level 3 during the reporting period.

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of input such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments and is discussed further below.

Valuation techniques used to determine fair values

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted bonds are based on price quotations at the reporting date. The fair value of unquoted bonds is measured using the discounted cash flow method with observable inputs.
- There is an active market for the Company's listed equity investments and quoted debt instruments.
- For the fair value measurement of investments in unlisted funds, the net asset value is used as a valuation input and an adjustment is applied for lack of marketability and restrictions on redemptions as necessary. This adjustment is based on management judgment after considering the period of restrictions and the nature of the underlying investments.
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate and foreign exchange swap and forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.

6. OPERATING SEGMENTS

6.1 Reportable segments

Products and services from which reportable segments derive their revenues and net operating income

Information reported to the Group's Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance is based on Aroundtown's commercial portfolio and GCP's portfolio, and contains the segments' revenue, net operating income and property revaluation and capital gains. The Group's reportable segments under IFRS 8 are therefore as follows:

Commercial portfolio

The portfolio includes mainly office and hotel properties. The Group's assets are well-diversified and well-located across top tier cities in Europe with a focus on Germany and the Netherlands.

GCP portfolio

GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany and London. GCP's portfolio, excluding assets held for sale and properties under development, as of March 31, 2023, consists of 64 thousand units, located in densely populated areas with a focus on Berlin, North Rhine-Westphalia (Germany's most populous federal state), the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

6.2 Segment revenues and net operating income

The following is an analysis of the Group's revenue and results by reportable segment:

	Three months ended March 31, 2023				
	in € millions				
	Commercial portfolio	GCP portfolio	Total segments	Adjust-ments	Total
Segment revenue	253.3	150.1	**403.4**	(0.8)	**402.6**
Net operating income	152.8	82.2	**235.0**	(0.8)	**234.2**
Property revaluations and capital gains	(80.3)	(53.1)	**(133.4)**	-	**(133.4)**
Share of profit from equity-accounted investees					5.2
Administrative and other expenses					(15.6)
Depreciation and amortization					(4.0)
Finance expenses					(49.1)
Other financial results					(42.0)
Loss before tax					**(4.7)**
Current tax expenses					(30.5)
Deferred tax income					13.6
Loss for the period					**(21.6)**

	Three months ended March 31, 2022				
	in € millions				
	Commercial portfolio	GCP portfolio	Total segments	Adjust-ments	Total
Segment revenue	260.7	133.4	**394.1**	(0.4)	**393.7**
Net operating income	157.3	75.2	**232.5**	(0.4)	**232.1**
Property revaluations and capital gains	35.4	45.3	**80.7**	-	**80.7**
Share of profit from equity-accounted investees					18.6
Administrative and other expenses					(14.4)
Depreciation and amortization					(5.1)
Finance expenses					(47.3)
Other financial results					(98.5)
Profit before tax					**166.1**
Current tax expenses					(29.7)
Deferred tax expenses					(11.9)
Profit for the period					**124.5**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in the Group's consolidated financial statements as at and for the year ended December 31, 2022. Segment revenue, net operating income, revaluation and capital gains represent the results earned by each segment without allocation of the depreciation and amortization, administration expenses, share of profits from equity-accounted investees, finance expenses, and tax expenses. These are the measures reported to the Group's CODM for the purpose of resource allocation and assessment of segment performance. The geographical disaggregation is not considered by the Group's CODM on how the operating results are monitored.

7. REVENUE

	Three months ended March 31,	
	2023	2022
	in € millions	
Net rental income	297.2	308.8
Operating and other income	105.4	84.9
	402.6	**393.7**

Geographical distribution of revenue

	Three months ended March 31,	
	2023	2022
	in € millions	
Germany	298.1	291.3
The Netherlands	45.0	40.1
United Kingdom	39.1	43.7
Belgium	6.4	7.0
Others	14.0	11.6
	402.6	**393.7**

The Group is not exposed to significant revenue derived from an individual customer.

8. INVESTMENT PROPERTY

8.1 Reconciliation of investment property

	2023	2022
	(*) Level 3	(*) Level 3
	Unaudited	Audited
	in € millions	
Balance as at January 1	**27,981.0**	**29,115.9**
Plus: investment property classified as held for sale	909.1	1,009.3
Total investment property	**28,890.1**	**30,125.2**
Acquisitions	99.2	469.2
Modernization, pre letting modification and capital expenditures	85.6	407.5
Disposals (see note 8.2)	(467.8)	(1,431.3)
Effect of foreign currency exchange differences	24.1	(140.6)
Fair value adjustments	(127.7)	(539.9)
Total investment property	**28,503.5**	**28,890.1**
Less: investment property classified as held for sale	(638.6)	(909.1)
Balance as at March 31 / December 31	**27,864.9**	**27,981.0**

(*) classified in accordance with the fair vale hierarchy. Since one or more of the significant inputs is not based on observable market data, the fair value measurement is included in level 3

8.2 Disposals

During the reporting period, the Group disposed of investment property in the book value of €467.8 million (the total sales executed in the financial year 2022 amounted to €1,431.3 million). The sales were done around book value and resulted in a loss of €5.7 million (the total sales executed in the financial year 2022 resulted in a profit over book value of €42.6 million) presented as part of the property revaluations and capital gains in the interim consolidated statement of profit or loss.

The consideration received for the sales included vendor loans granted by the Group in a volume of €150.5 million. The vendor loans granted by the Group carry interest in the average of 4.0% p.a. and are presented as part of other non-current assets or trade and other receivables (for the current portion thereof) in the interim consolidated statement of financial position.

As at March 31, 2023, an amount of €652.9 million is presented as disposal group held for sale, of which €638.6 million comprised of investment property (As at December 31, 2022: €931.3 million and €909.1 million, respectively). The Company expects to complete the planned disposal of the remaining outstanding assets held for sale within the next twelve months.

9. EQUITY

9.1 Treasury shares

As at March 31, 2023, 444.0 million of own shares were held in treasury, forming 28.9% of the Company's share capital (as at December 31, 2022: 472.0 million shares, forming 30.7% of the Company's share capital). The treasury shares were acquired by the Group via tender offers and buy-back programs and have been serving the Company in settling of scrip dividend and other share-based transactions.

The shares bought back and which are held in treasury by the Company and the Company's wholly owned affiliates are suspended from voting and dividend rights. In other cases, shares held in treasury are also suspended from voting rights but entitled to dividends.

9.2 Mandatory convertible notes

In March 2023, the Company delivered to the mandatory convertible notes investors 27.7 million of its own shares from the Company's treasury shares to settle the mandatory convertible notes originally issued in March 2020, according to which the notes shall be mandatorily converted into shares of the Company in the following three years after issuance, using a preset conversion price (dividend adjusted). As presented in the interim consolidated statement of changes in equity, the delivered treasury shares amounted to €138.5 million which was the historical cost upon their buyback.

9.3 Perpetual notes

Decision not to exercise redeem options

In November 2022, following a decision made by the board of directors of the Company and of GCP, the companies announced on their decision not to exercise their option to voluntarily redeem their perpetual notes with first call date in January 2023 ("the Perpetuals"). The decision was an economic one and reflected the prevailing market conditions. The increased financing rates of new perpetual notes to be potentially used as a replacement of the Perpetuals, are significantly higher than the step-up rate provided for in the terms and conditions of the Perpetuals, making a redemption at this point uneconomical. The Company and GCP have the option to call the Perpetuals at every future coupon payment date. As stipulated in the terms and conditions of the Perpetuals, the coupon for the period starting from January 2023 will be the 5-year Mid-Swap rate plus a margin of 4.375% per annum (for the notes issued by ATF Netherlands B.V.) – 7.078% p.a., and 5-year Mid-Swap rate plus a margin of 3.637% per annum (for the notes issued by GCP) – 6.332% p.a.

10. LOANS, BORROWINGS, BONDS AND SCHULDSCHEINS

10.1 Buy-back and redemption of bonds

During the reporting period, the Group bought back some of its bonds. The purpose of the early repayments follows the utilization of the real estate disposal proceeds and is part of the Group's pro-active debt optimization strategy with the aim to reduce the leverage and extend the time to refinance further.

Set forth are the amounts early redeemed and the outstanding nominal values of these bonds as at March 31, 2023:

Bond	Currency	Original maturity	Nominal value bought-back		Outstanding nominal value as at March 31, 2023
			in millions (original currency)	in € millions	in millions (original currency)
Series K	EUR	01/2025	84.7	84.7	605.4
Series 32	EUR	07/2025	29.8	29.8	754.2
Total nominal value bought-back				**114.5**	

The bonds were bought-back for a total average price of 87% of their nominal value.

During 1-3/2022, bond buybacks and redemptions were in a total nominal value of €585.6 million.

10.2 Bank loans

During the reporting period, the Group drew down secured and unsecured bank loans in a net amount of €209 million (during 1-3/2022: approximately €185 million of net amount has been repaid) to maintain its debt profile. As at March 31, 2023, the fair value of the encumbered investment property amounted to €6.0 billion (December 31, 2022: €5.8 billion).

11. COMMITMENTS

As at March 31, 2023, the Group had commitments for future capital expenditures on the real estate properties and other financial obligations of approximately €0.4 billion. Furthermore, the Group had signed several deals to sell real estate in a volume of approximately €0.2 billion, which were not yet completed and are subject to several conditions precedent. The Company estimates the completion of the transactions to take place within the next twelve months.

12. CONTINGENT ASSETS AND LIBILITIES

The Group had no significant contingent assets and liabilities as at March 31, 2023.

13. SIGNIFICANT SUBSEQUENT EVENTS

1. After the reporting period, the Group bought back approximately €595 million nominal value of its outstanding bonds with original maturities during 2024 - 2026 for a total average price of 82% of their nominal value.
2. After the reporting period, the Group signed new bank loans of €228 million.
3. After the reporting period, the Group signed new deals to sell investment property in value of above €160 million that are expected to be closed in the next few months subject to conditions precedent.

14. AUTHORIZATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements were authorized for issuance by the Company's board of directors on May 30, 2023.

AMSTERDAM