




# 9M 2020 FINANCIAL RESULTS PRESENTATION

NOV 2020



City: Frankfurt  
District: City  
Center  
Type: Office  
Area: 9k sqm  
[Go to Maps](#)

9M 2020

AROUNDTOWN SA

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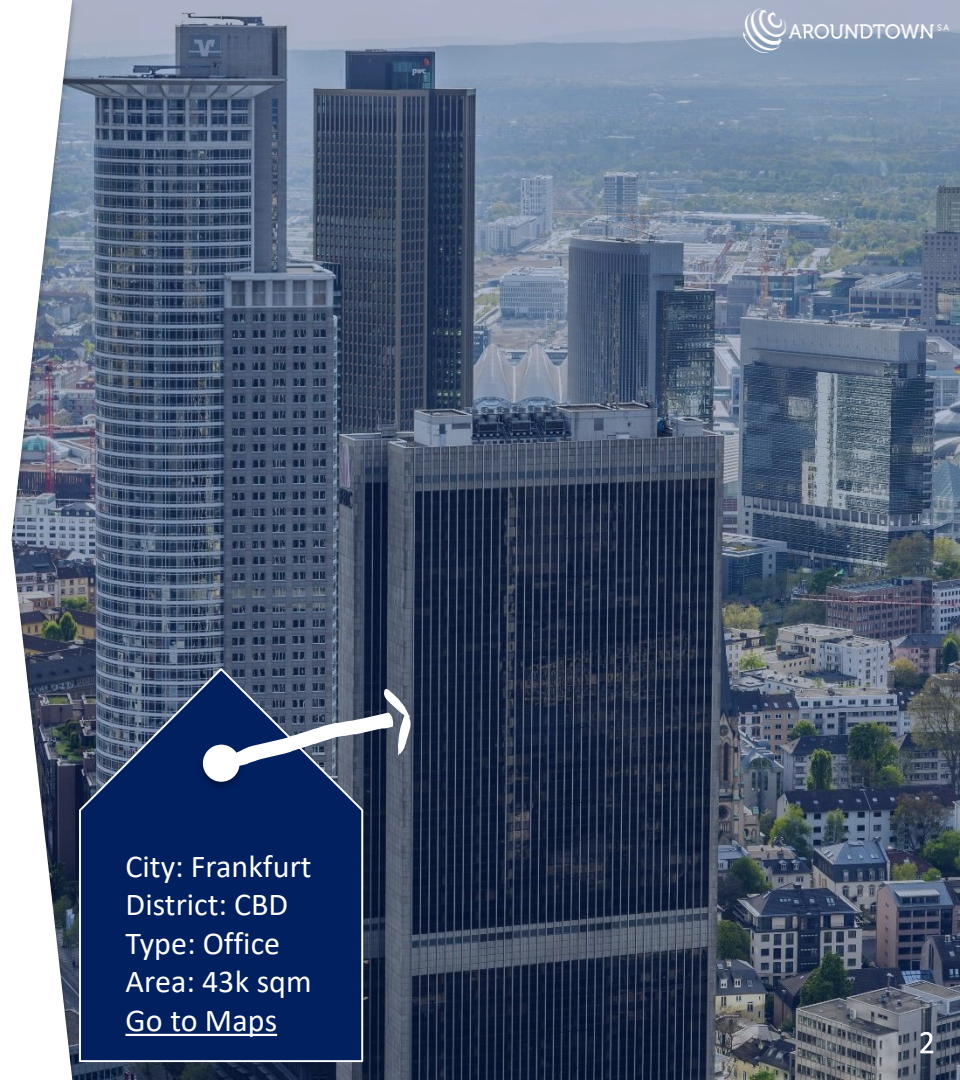
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City: Frankfurt  
District: CBD  
Type: Office  
Area: 43k sqm  
[Go to Maps](#)

UPCOMING DIVIDEND PROPOSAL OF €0.14 PER SHARE <sup>1)</sup>



**€758m**  
Net Rental Income  
+37 YOY

**+1.7%**  
Total LFL net rent growth  
Sep 2020



**€723m**  
Adjusted EBITDA  
+30% YOY  
**€438m / €301m**  
FFO I / FFO I after perpetual, Covid  
adjusted  
+18% / -9% YOY

**€812m**  
Net Profit  
**€0.44**  
EPS (basic)



**€0.28**  
FFO I per share after  
perpetual  
-3% YOY

**€0.22**  
FFO I per share after  
perpetual, Covid adjusted  
-24% YOY



**€736m**  
Revaluation and capital gains  
**+3.6%**  
LFL value gains

**€12.3bn**  
EPRA NAV  
+16% YTD  
**€9.3**  
EPRA NAV per share  
+7%

1) Dividend is proposed for the FY 2019 and subject to OGM approval in December 2020



## QUALITY PORTFOLIO

**€25BN**

Group Portfolio\*

**65% / 24%**

Office & Residential\* / Hotels

**Top 4 Office cities: 59%**

Berlin, Munich, Frankfurt & Amsterdam

**Largest Office Landlord**

in Berlin, Frankfurt and Munich among listed peers



## STRONG FINANCIAL POSITION

**€2.5BN**

Cash and liquid assets

**€15BN / 74% of rent**

Unencumbered investment properties

**34%**

Low LTV

**BBB+ STABLE**

Credit rating by S&P



## CONSERVATIVE DEBT PROFILE

**6.2y**

Long average debt maturity

**1.6%**

Low cost of debt

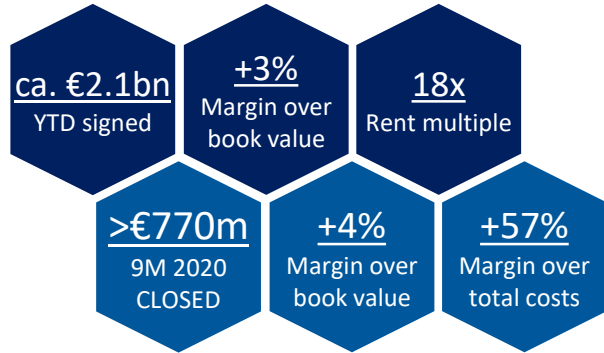
**96%**

High interest hedge ratio

**Large Headroom**

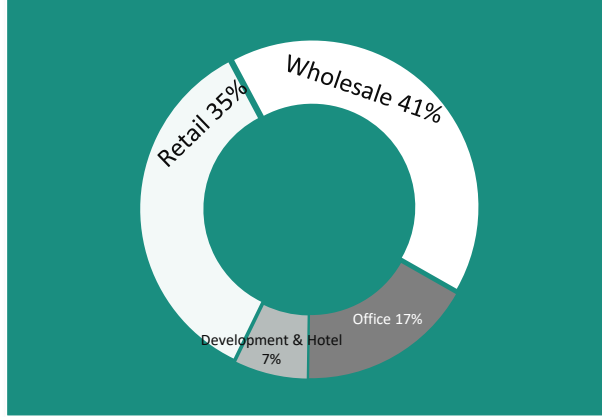
To covenants and financial policies

\*including 40% of GCP (residential portfolio) and excluding assets held for sale

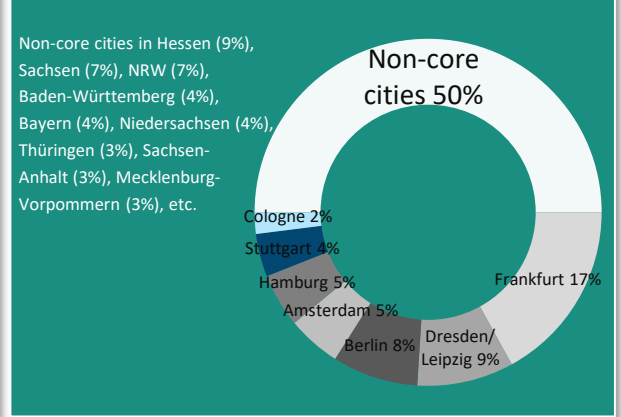


Further half a billion Euro under advanced negotiations

YTD SIGNED DISPOSALS OF MAINLY RETAIL & WHOLESALE



YTD SIGNED DISPOSALS OF MAINLY NON-CORE CITIES



**DISPOSALS ABOVE BOOK VALUE VALIDATES PROPERTY VALUATIONS**



**INCREASING PORTFOLIO QUALITY THROUGH DISPOSAL OF NON-CORE**




**DISPOSAL PROCEEDS:**  
**Strengthen liquidity**  
**Support debt repayments**  
**Fuel share buyback**





# OPERATIONS AND PORTFOLIO



City: Berlin  
District: Mitte -  
Alexanderplatz  
Type: Office  
Area: 24k sqm  
[Go to Maps](#)

## Germany & The NL



86% of the commercial portfolio, well-diversified across top tier cities



AAA credit rating



Among the lowest unemployment rate & Debt/GDP levels in the EU



>25% of EU's GDP & Home of EU's 8/15 largest metropolitans by GDP



AT's Top 4 Office cities: Berlin, Munich, Frankfurt and Amsterdam



Berlin, Munich, Frankfurt & Amsterdam : €0.8 trillion<sup>1)</sup> GDP – from multiple industries





## DIVERSIFICATION

### ASSET TYPE\*

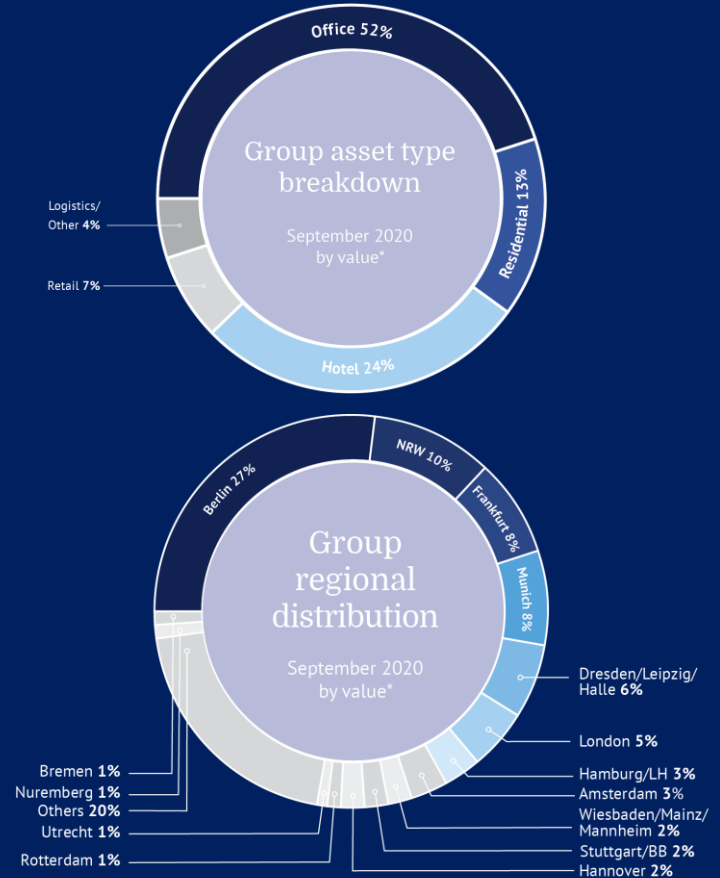
**65% / 24%**  
Office & Residential /  
Hotel

Strong diversification  
among asset types with  
diverse fundamentals

### TENANT & INDUSTRY

High tenant & industry  
diversification with no  
dependency

Each location has distinct  
key demand drivers,  
supporting industry  
diversification of tenants



\* including proportion in GCP and development rights & invest

Large Tenant Base with over 4,000 tenants



✓ Limited dependency on single tenants:  
Top 10 Tenants: <18% of rental income

✓ Large tenants base of over 4,000 tenants (further supported by highly granular German residential)

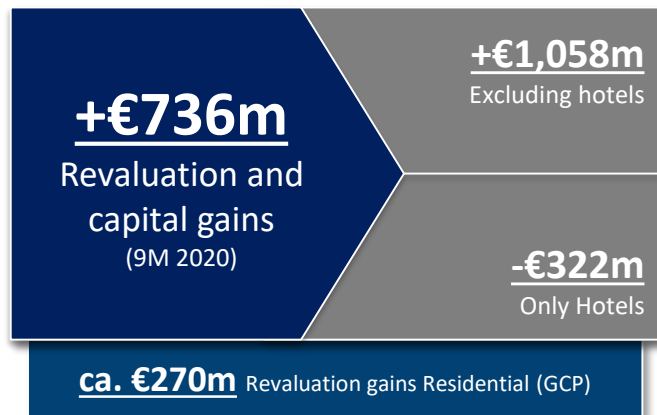
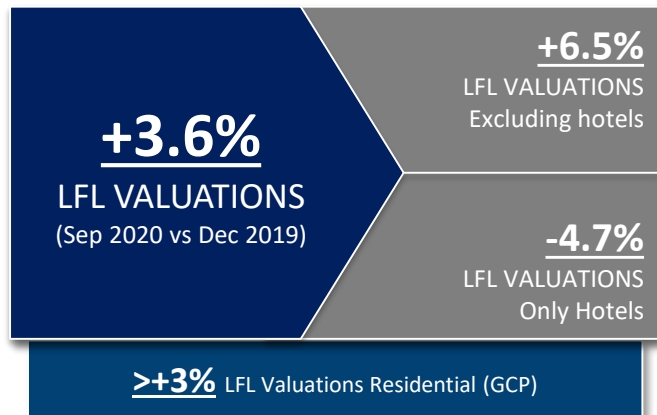
✓ 9M 2020 collection rate: 85%, excl hotels 96%

Long lease terms - WALT	
Total	8.8y
Office	4.6y
Hotel	17.1y
Logistics/Other	5.7y
Retail	5.0y

Portfolio breakdown per asset type\*

SEPTEMBER 2020	Investment property (€m)	Lettable area (k sqm)	EPRA Vacancy	Annualized net rent (€m)	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield
Office	12,175	3,969	10.2%	495	10.9	3,068	4.1%
Hotel	5,571	1,847	4.2%	302	14.0	3,017	5.4%
Retail	1,693	767	10.0%	87	10.1	2,207	5.1%
Logistics/Other	644	862	11.8%	34	3.6	747	5.3%
Development & Invest	1,686						
<b>Total</b>	<b>21,769</b>	<b>7,445</b>	<b>8.3%</b>	<b>918</b>	<b>10.8</b>	<b>2,698</b>	<b>4.6%</b>

\* excluding assets held for sale



## DIVERSIFICATION AS A KEY DRIVER

Through the high degree of diversification (asset type, location, tenants, lease structure), AT benefits from many different value drivers which support the overall portfolio valuations



## SUPPORTIVE VALUATIONS

Valuations remained supportive during the first nine months, driven by operational achievements, strong fundamentals and low yield compression. **Disposals above book value strengthen the valuations.**

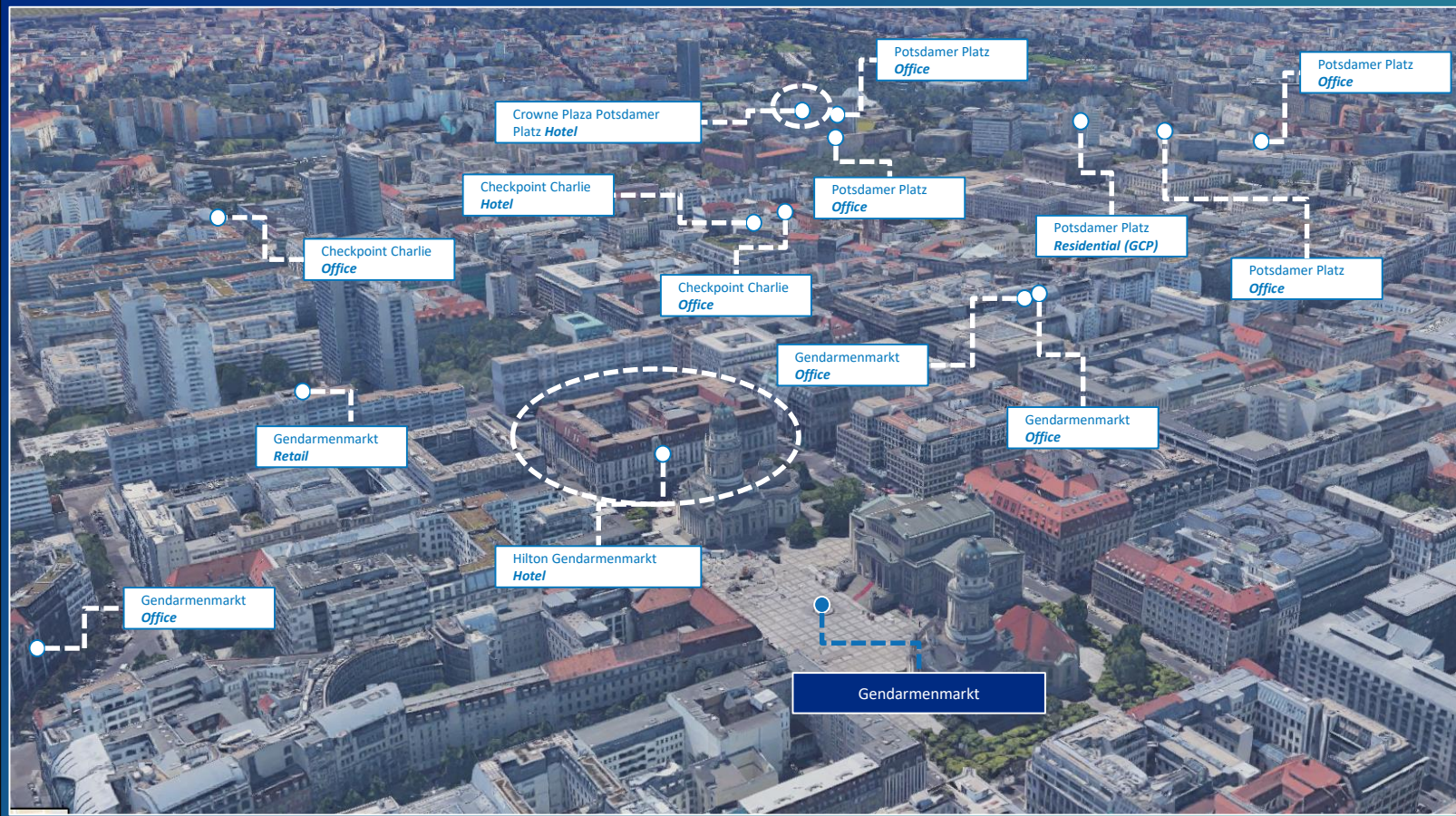


## HIGH DEMAND FOR REAL ESTATE

Demand for real estate remains high, driven by the stimulus packages & expiring government bonds. Recent deals in the transaction markets are reflective of such high demand & valuations



# BERLIN POTSDAMER PLATZ: THE PRIME COMMERCIAL AND TOURIST CENTER



landmark

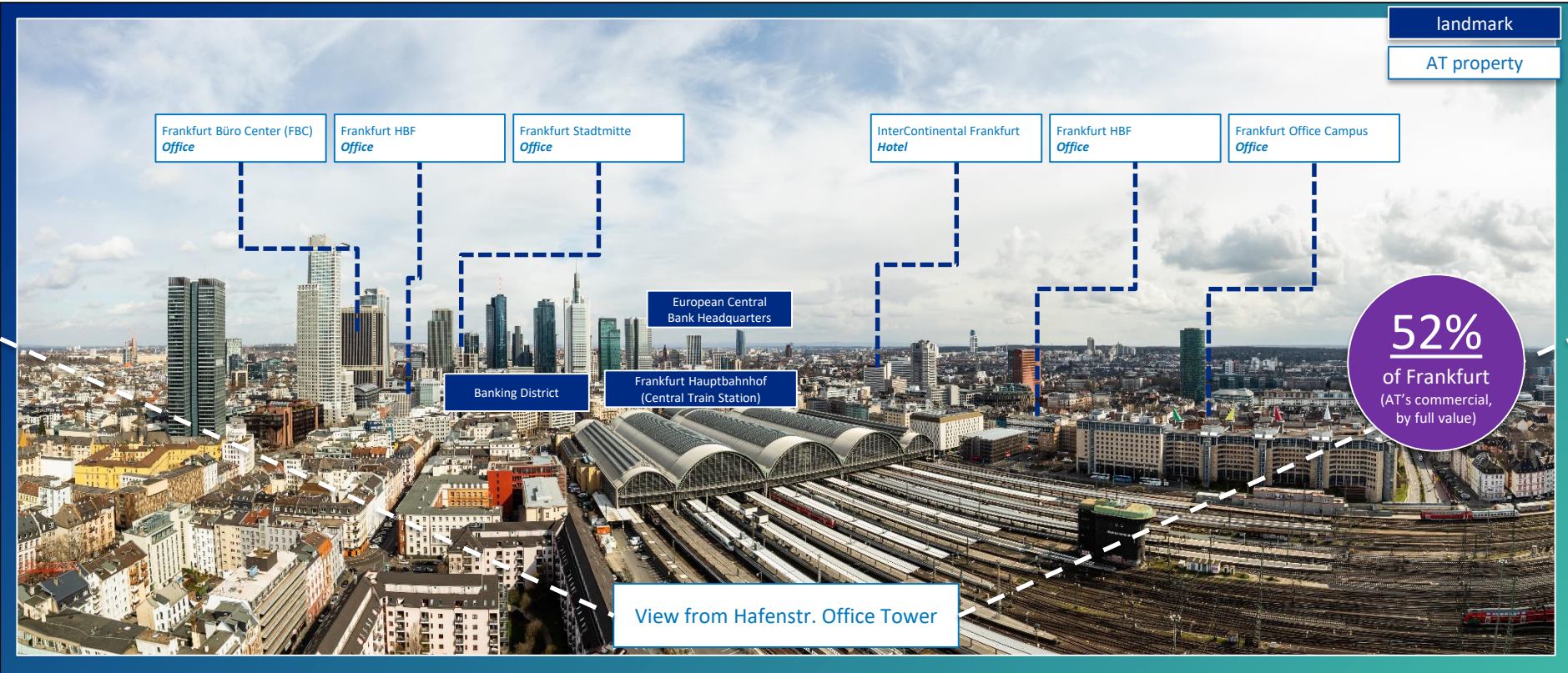
AT property

15%

of Berlin  
(AT's commercial,  
by full value)

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

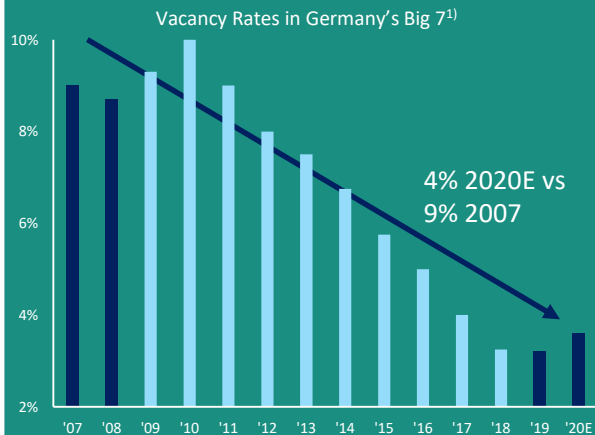




✓  
**GERMAN OFFICE MARKET ENTERED THE COVID-19 LOCKDOWN WITH RECORD LOW VACANCY RATES**

✓  
**PRE-LET RATIOS INCREASED FURTHER DURING THE LOCKDOWN PERIOD**

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

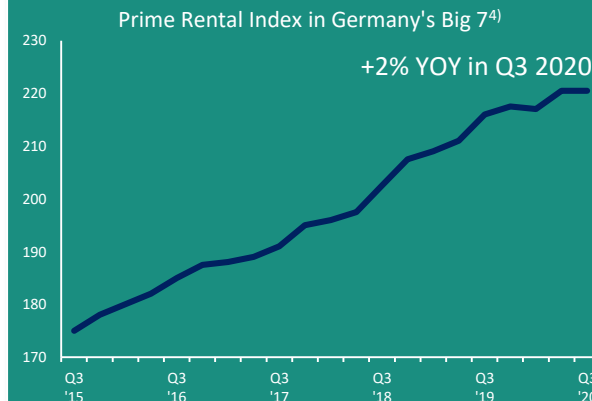


Germany Top 5<sup>2)</sup>

HIGH PRE-LET RATIO <sup>2)</sup>	Q2-Q4 2020	2021	2022	2023
Pre-letting Q3 20	<b>87%</b>	57%	34%	24%
Pre-letting Q2 20	76%	57%	33%	22%
Pre-letting Q1 20	76%	52%	29%	24%

**TAKE-UP<sup>3)</sup>: +16% → Q3 vs Q2 2020**

Germany Big 8



Sources: 1) DZ HYP German Real Estate Market reports – 2018/2019 & 2019/2020– Bulwiengesa, DZ BANK Research forecasts) & JLL, Germany Office Market Overview, October 2020 2) CBRE Research, Germany Sector Outlook, October 2020 3) BNP Paribas Real Estate, German Office Market, Q3 2020 4) JLL, Germany Office Market Overview, October 2020 and July 2020. Own calculations applied based on the data provided. Germany Big 8 is Berlin, Frankfurt, Munich, Cologne, Dusseldorf, Hamburg, Essen and Leipzig. Germany Big 7 is Berlin, Frankfurt, Munich, Cologne, Dusseldorf, Stuttgart, Hamburg. Germany Top 5 is Berlin, Frankfurt, Munich, Hamburg, Dusseldorf

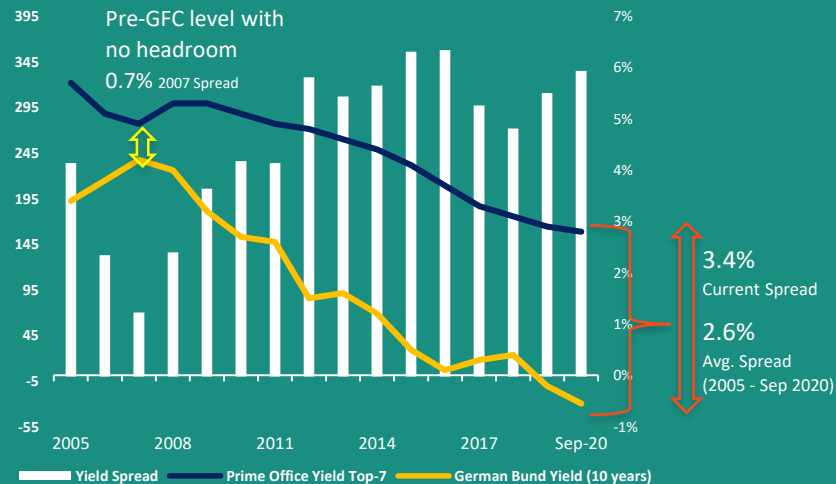
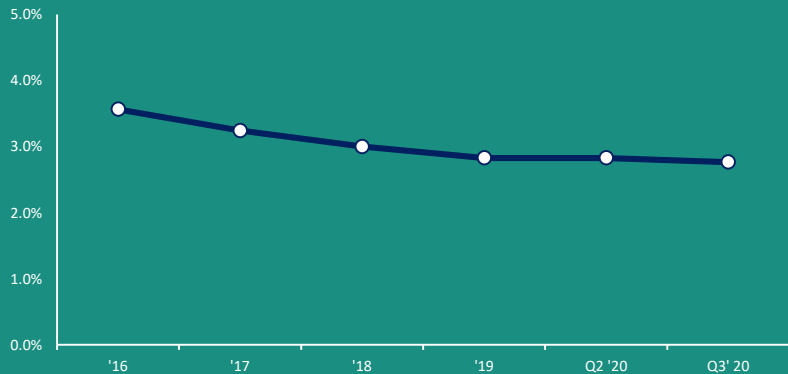


RECENT MARKET DEALS SHOW THE SUSTAINED HIGH DEMAND IN GERMAN OFFICE REAL ESTATE

CONTINUOUS STRONG DEMAND SUPPORTED BY HISTORICALLY LARGE SPREAD OF PRIME OFFICE YIELDS TO GOVERNMENT BOND YIELDS

## PRIME OFFICE YIELDS REMAIN STABLE DURING 2020

Germany Big 7 Office Net Prime Yields



✓

**OFFICE:**  
**52%**  
of the Group portfolio

✓

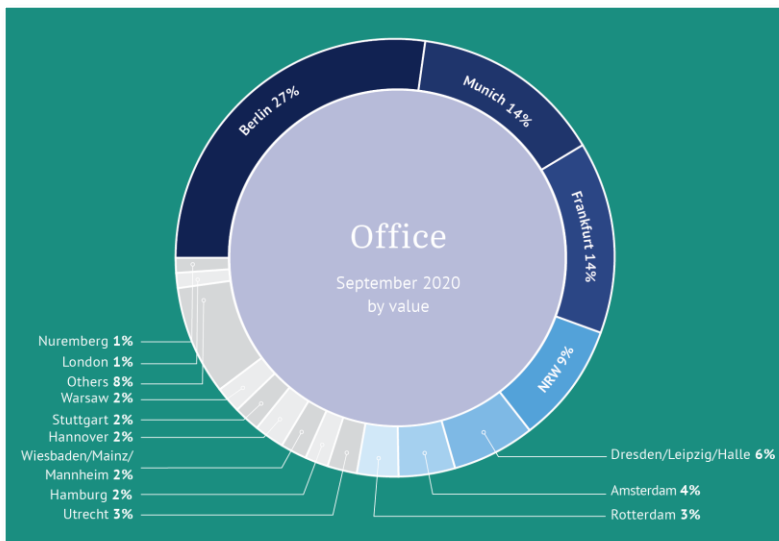
**Largest Landlord**  
AT has the largest office portfolio in Berlin, Munich and Frankfurt among listed real estate firms

✓

**Top 4 locations: 59%**  
Berlin (27%),  
Munich (14%),  
Frankfurt (14%),  
Amsterdam (4%)

✓

**Strong tenant industry base**  
>50% of rents from Governmental, Insurance & Banking, IT, Health Care, Energy, Infrastructure, Telecomm. & Professional services



✓

**Well-diversified**  
with no dependency on a single location

✓

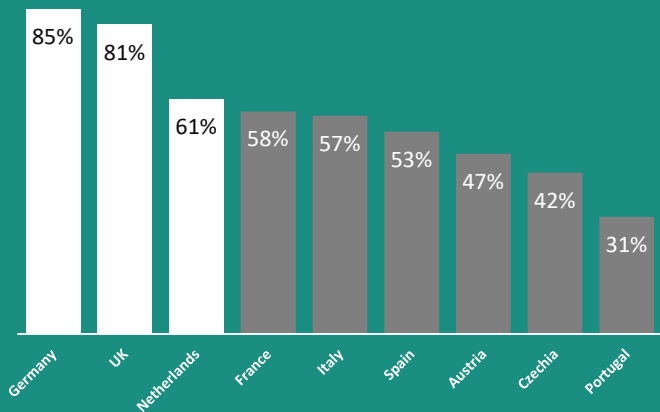
**Long WALT**  
Diversified lease structure with 4.6 years WALT

✓

**Diverse tenant base**  
Largest office tenant segment: public sector (23%)  
Strong top tenants, such as German & Dutch Government, Deutsche Bundesbank, Siemens, Deutsche Bahn, Orange, Allianz etc.

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

Share of domestic travel<sup>1)</sup>



STR Germany Hotel Market Occupancy Forecast<sup>2)</sup>



## HOTEL: 24%

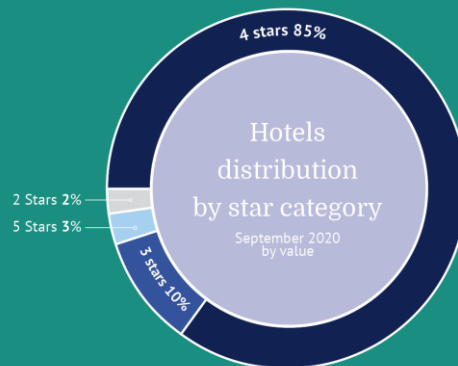
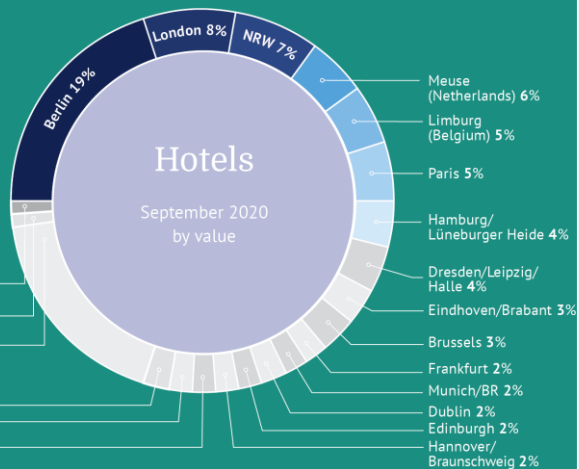
of the Group portfolio  
17.1y WALT

## 176 HOTELS

Mainly in top tier European cities

## WELL-DISTRIBUTED

across Europe with a focus on locations  
with large catchment areas



## 4-star: 85%

Benefitting from the largest diverse  
demand segment, incl. business & leisure

## OPTION TO CONVERT

Into micro apartments and/or elderly  
homes which have been resistant in the  
current environment

## STRENGTH OF LEASE STRUCTURES

✓

**FIXED LONG LEASES TO MORE THAN 30 DIFFERENT THIRD PARTY OPERATORS**

## ✓ NO VARIABLE COMPONENTS

The rental agreements are double or triple net, fixed plus CPI linked, with no variable components. Long lease periods (up to 25 years)

✓

**>70% OF HOTELS\* BY RENT ARE OPEN**

## STRENGTH OF TOP TIER CITIES

✓

**FOCUS ON TOP TIER LOCATIONS IS EXPECTED TO PROVIDE RELATIVELY FASTER RECOVERY**

## ✓ Domestic demand is largest in Germany (>80%), UK (>80%) and Netherlands (>60%)\*\*

STR\*\* indicated that over this summer domestic demand, or “Staycation”, has significantly supported occupancy, particularly in the NL and Germany

## ✓ **GERMANY: 50% OF HOTELS GOVERNMENT SUPPORT**

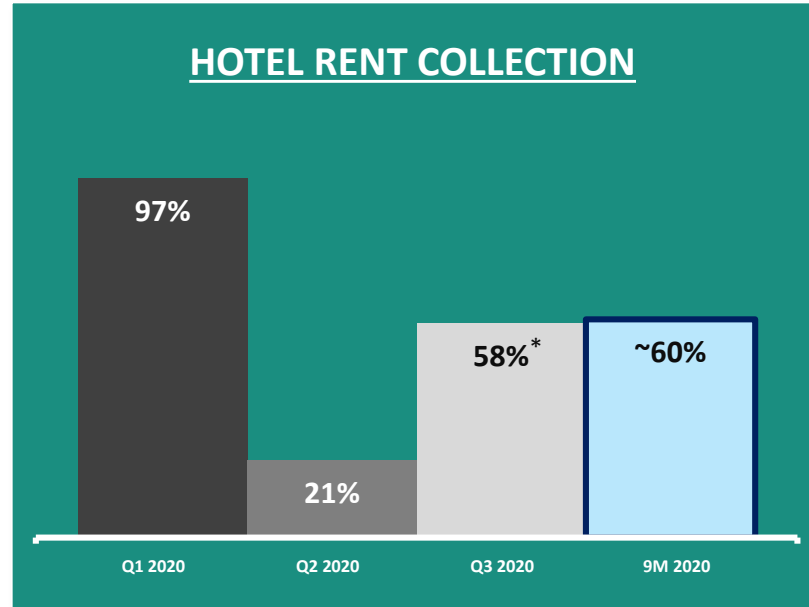
The German government announced financial support for businesses which are impacted from the current restrictions. The impacted companies will receive up to 75% of their revenues from the prior year (i.e. up to 75% of revenues in Nov 2019 will be paid for Nov 2020)

✓ **9M 2020 Collection:**  
~60%

✓ **October Collection:**  
50%\*

✓ **COMPLETED NEGOTIATIONS AT HIGHER RENT AND LONGER WALT**

These leases are extended at higher rent and a rent free period which is cash flow accretive in the long-term and will deliver future operational growth.



✓ **USED OPPORTUNITY TO ACCELERATE REPOSITIOING PROJECTS**

Acceleration of soft refurbishments planned for 2021-2022 with hotels remaining open, and a rent reduction has been agreed for a certain period, leading to low LFL in the hotel segment.

Acceleration of larger projects planned for 2023-2024 have been brought forward and require hotels to close (moved into development).

Higher rents and returns will be collected once the works are completed.

✓ **DEFERRED RENT BEARING INTEREST**

The German government enacted a law giving permission for tenants to delay the rent. Interest on delayed amount is 5% - 8%. AT conservatively made provisions for hotel rents and is aiming to collect or re-negotiate deferred rent. Any collected amount will thus support future results.

\*excluding incentives for lease extension



✓ **FIXED OF 10-25 YEARS (WALT OF 17.1Y)**  
 leases to over 30 different strong third party hotel operators, operating with high profitability for many years

✓ **Diverse branding mix, each brand bringing its own unique strengths and market positioning**

✓ **Center Parcs (CP) is the largest tenant with 6% of the Group's rental income (22% of AT's hotel income)**

✓

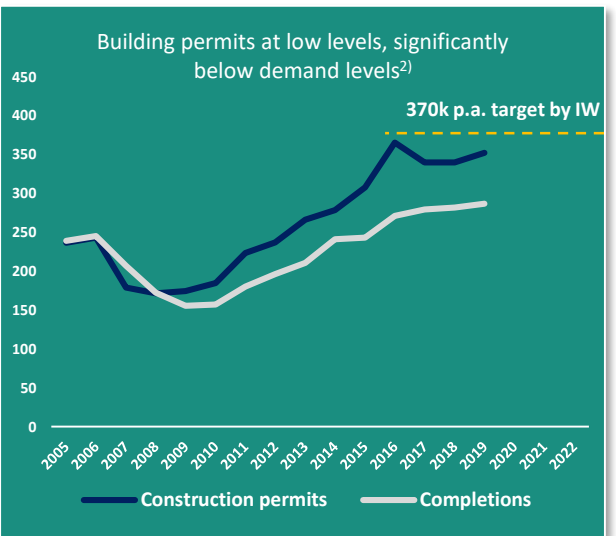
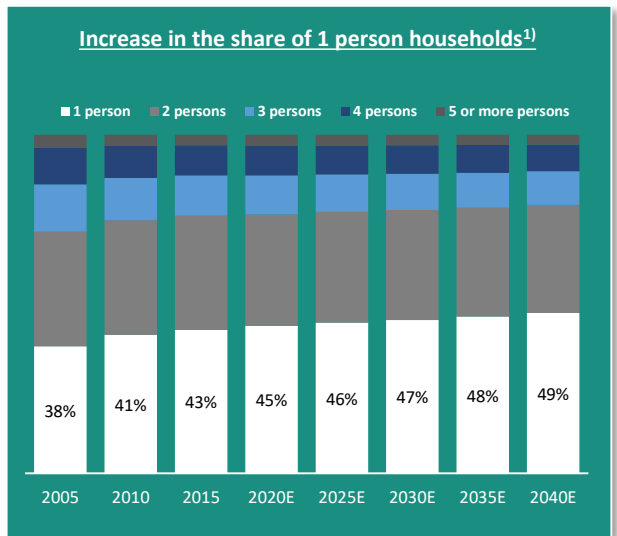
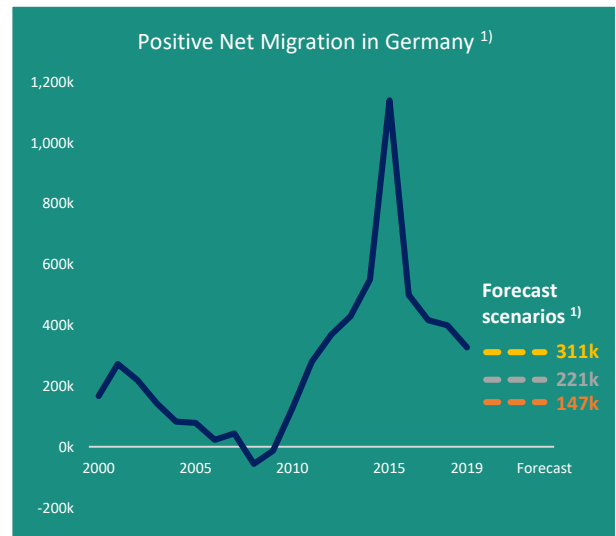
**POSITIVE NET MIGRATION RESULTS IN HIGH DEMAND**

✓

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

✓

**SIGNIFICANT UNDERSUPPLY**



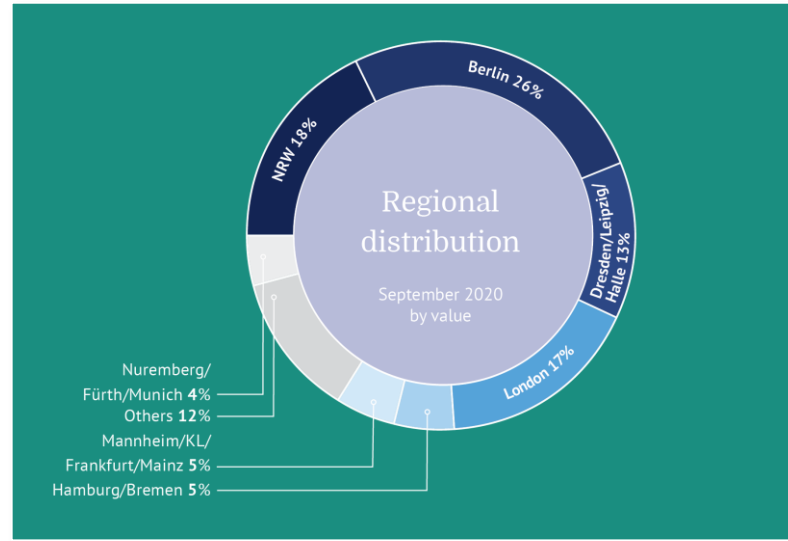
Sources: 1) Destatis. Forecast scenarios are based on high, low or moderate migration balance 2) destatis (actuals), IW Cologne (required construction)



✓  
**RESIDENTIAL:**  
**13%**  
of the Group portfolio  
9y average tenancy length

✓  
**GRANULAR  
TENANT  
BASE**

✓  
**GERMANY: NRW: 18% Berlin: 26%,  
Dresden/Leipzig/Halle: 13%  
London: 17%**

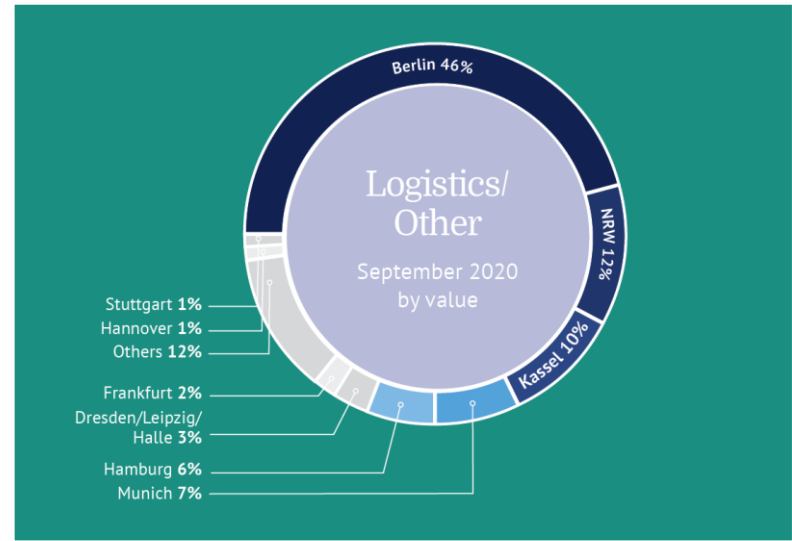


✓  
**Only 1% deferral in 9M due to Covid**

✓  
**German residential: The most resilient real estate  
asset type in Europe**

✓ **LOGISTICS/OTHER: 4%\***  
of the Group portfolio  
5.7y WALT

✓ **TOP 5 locations: 81%:**  
**Berlin: 46%, NRW: 12%, Kassel: 10%, Munich: 7%, Hamburg: 6%**



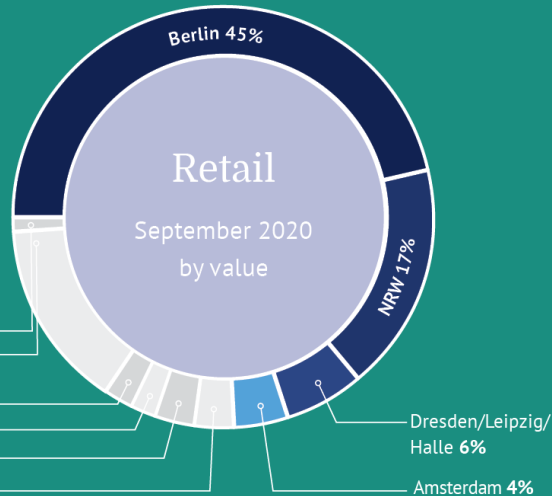
✓ **Resilient during the current disruption**

\* post signed disposals

## RETAIL: 7%

of the Group portfolio  
5y WALT

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



Over 40% of the portfolio is essential goods –  
grocery-anchored, bakeries, pharmacies,  
drugstores, banks, DIY, etc.

Grocery-anchored at mainly long-leased retail  
boxes in locations with limited competition such  
as EDEKA, Netto, Rewe, Penny, Lidl and Kaufland

## EPRA AWARDS – 4 YEARS IN A ROW



In September 2020, AT received the EPRA BPR Gold award for the fourth consecutive year & EPRA sBPR Gold award for the third consecutive year, highest standards for financial and sBPR reporting

## SUSTAINALYTICS

(Top 8<sup>th</sup> percentile – Low Risk Category)



AT is ranked in the **Top 8<sup>th</sup>** percentile globally among 941 real estate peers

**Top 4<sup>th</sup>** percentile globally among 12,704 companies including all industries

March 2020

## DAX 50 ESG & MANY OTHER INDICES

DAX<sup>®</sup> 50 ESG

AT is included in the new DAX 50 ESG Index, launched in March 2020, as 2nd highest ESG ranked Real Estate constituent and 18th among all constituents. AT is also included in GPR ESG indices

## 3<sup>rd</sup> CORPORATE RESPONSIBILITY REPORT

In April 2020, Aroundtown published its third Corporate Responsibility Report, for the year 2019, demonstrating the Company's commitment to sustainability & presenting the developments regarding the ESG related matters, aimed at the Group's investors, tenants, employees, business partners & other stakeholders. It can be found on [AT's website](#)

## ROBECOSAM

### CONTINUED SCORE INCREASE

(75<sup>th</sup> percentile)



Now a Part of **S&P Global**

AT is ranked in the **75<sup>th</sup>** percentile among its peer group


**Decisive for inclusion in leading Dow Jones Sustainability Index (DJSI), with goal to be included in coming years**

November 2020

## STRONG GOVERNANCE

50% of Aroundtown's Board of Directors are independent directors and 2/6 members are female, providing further support to the Company's strong governance and diversity

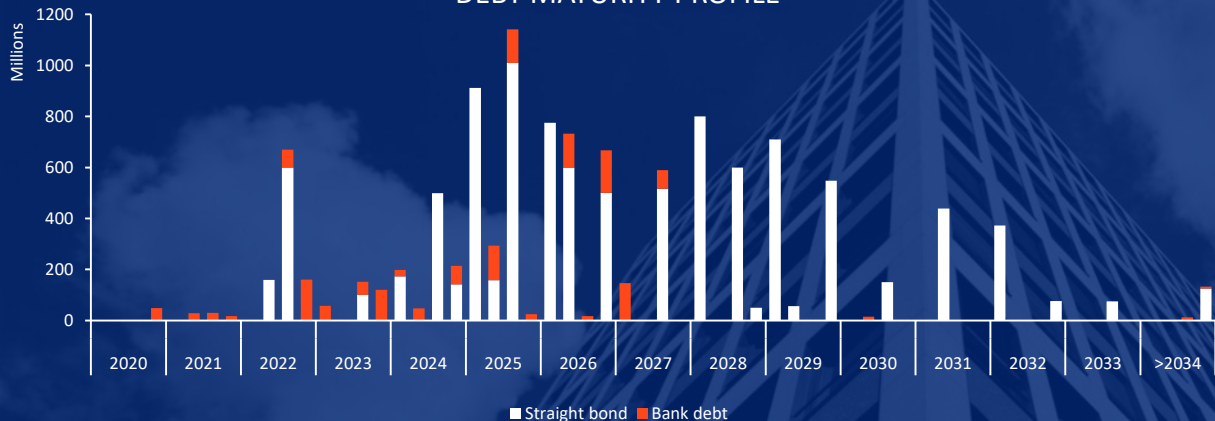
# FINANCIAL RESULTS



City: Berlin  
District:  
Tiergarten  
Type: Office  
Area: 17k sqm  
[Go to Maps](#)

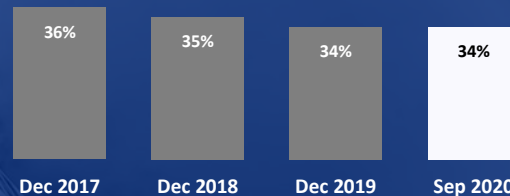
# CONSERVATIVE CAPITAL STRUCTURE

## DEBT MATURITY PROFILE

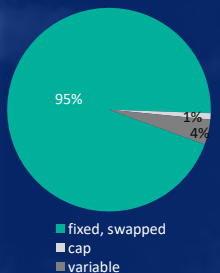


## CONSERVATIVE LEVERAGE (LTV) – CONSISTENTLY MAINTAINED LOW

Company BOB limit of 43%



## STRONG DEBT AND HEDGING PROFILE



96% hedged

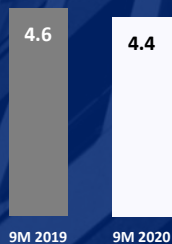
### Debt maturity

6.2 years  
Ø maturity

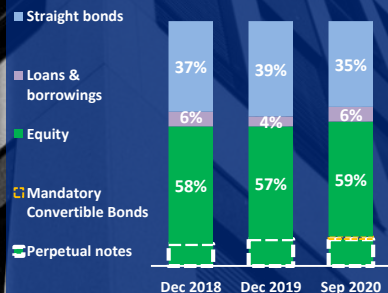
### Cost of debt

1.6%  
Ø cost of debt

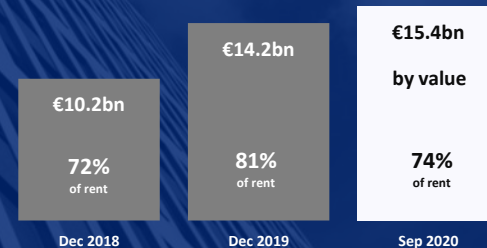
## HIGH ICR



## FINANCING SOURCES MIX



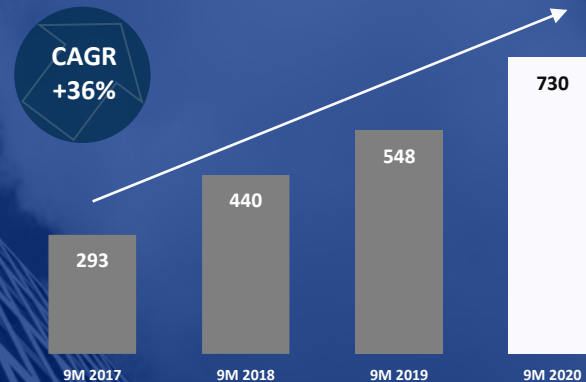
## UNENCUMBERED ASSETS



# PROFIT AND LOSS

	1-9/2020	1-9/2019
	in € millions	
<b>REVENUE</b>	<b>890.4</b>	<b>650.7</b>
<b>RECURRING LONG-TERM NET RENTAL INCOME</b>	<b>729.6</b>	<b>548.3</b>
<b>PROPERTY REVALUATIONS AND CAPITAL GAINS</b>	<b>735.5</b>	<b>1,066.0</b>
Share in profit from investment in equity-accounted investees	146.5	241.6
Property operating expenses	(303.1)	(172.7)
<b>EBITDA</b>	<b>1,433.1</b>	<b>1,767.6</b>
Finance expenses, net	(151.2)	(106.2)
Other financial results	(133.0)	92.4
Current tax expenses	(66.9)	(41.9)
Deferred tax expenses	(267.3)	(233.4)
<b>PROFIT FOR THE PERIOD</b>	<b>811.8</b>	<b>1,477.2</b>
Basic earnings per share (in €)	0.44	0.94
Diluted earnings per share (in €)	0.44	0.93

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

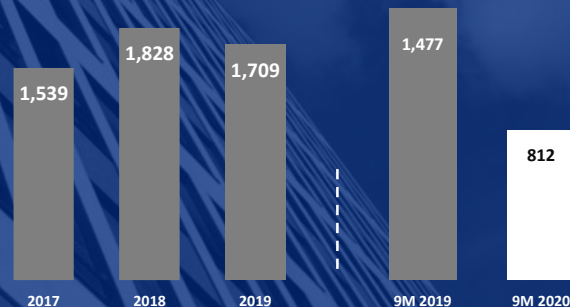


\* Excluding net rent from assets held for sale

## POSITIVE ORGANIC GROWTH FROM INTERNAL SOURCES



## Net profit (in €m)



# ADJUSTED EBITDA

	1-9/2020	1-9/2019
	in € millions	
Operating profit	1,430.2	1,766.3
Total depreciation and amortization	2.9	1.3
<b>EBITDA</b>	<b>1,433.1</b>	<b>1,767.6</b>
Property revaluations and capital gains	(735.5)	(1,066.0)
Share in profit from investment in equity-accounted investees	(146.5)	(241.6)
Other adjustments incl. one-off expenses related to TLG merger	6.3	2.8
Contribution from assets held for sale	(23.3)	(3.4)
Add back: Extraordinary general rental provisions related to deferred rents	70.0	-
<b>ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>	<b>604.1</b>	<b>459.4</b>
Adjustment for GCP's and other investments' adjusted EBITDA contribution	118.4	97.4
<b>ADJUSTED EBITDA</b>	<b>722.5</b>	<b>556.8</b>

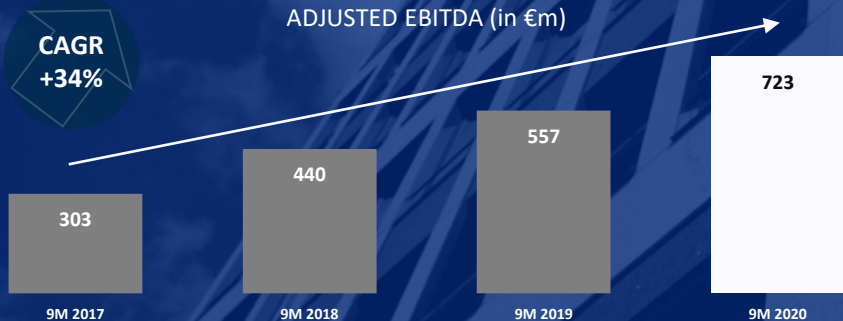
Subtracted as these profits include AT's share in non-operational profits generated by the equity accounted investees

Other adjustments includes expenses related to employees' share incentive plans

Related to adjusted EBITDA of the properties marked for disposal to reflect the long-term recurring Adjusted EBITDA of the commercial portfolio

Due to the nature of its strategic investment in GCP and in other investments, AT includes in its adjusted EBITDA calculation its share in the adjusted EBITDA generated by those investments for the period in accordance with its holding rate over the period

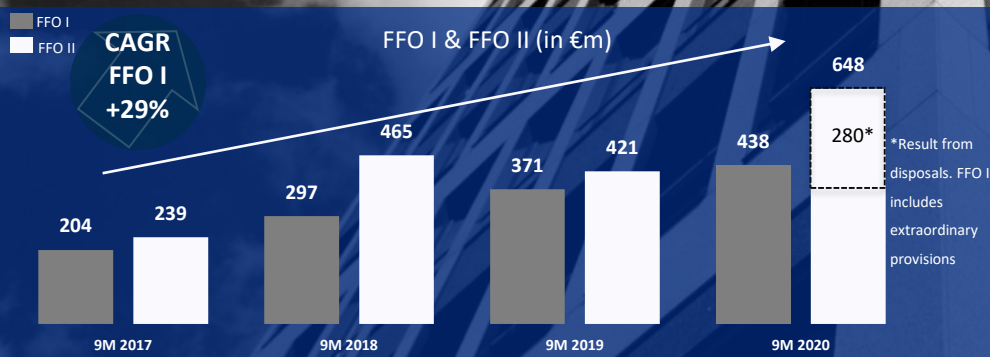
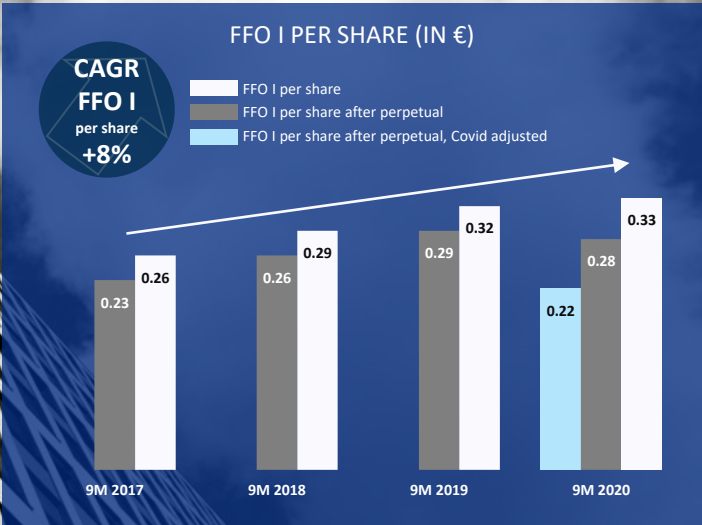
ADJUSTED EBITDA (in €m)





# FFO I & II

	1-9/2020	1-9/2019
	in € millions	
<b>ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>	<b>604.1</b>	<b>459.4</b>
Finance expenses	(151.2)	(106.2)
Current tax expenses	(66.9)	(41.9)
Contribution to minorities	(29.1)	(13.6)
Other adjustments	4.1	2.4
<b>FFO I COMMERCIAL PORTFOLIO, RECURRING LONG TERM</b>	<b>361.0</b>	<b>300.1</b>
Adjustment for GCP's and other investments' FFO I contribution	76.8	71.0
<b>FFO I</b>	<b>437.8</b>	<b>371.1</b>
<b>FFO I AFTER PERPETUAL</b>	<b>371.4</b>	<b>331.4</b>
Extraordinary general rental provisions related to deferred rents	(70.0)	-
<b>FFO I AFTER PERPETUAL, COVID ADJUSTED</b>	<b>301.4</b>	<b>331.4</b>
<b>FFO I PER SHARE (IN €)</b>	<b>0.33</b>	<b>0.32</b>
<b>FFO I PER SHARE AFTER PERPETUAL (IN €)</b>	<b>0.28</b>	<b>0.29</b>
<b>FFO I PER SHARE AFTER PERPETUAL (IN €), COVID ADJUSTED</b>	<b>0.22</b>	<b>0.29</b>
Result from disposal of properties	280.0	50.0
<b>FFO II</b>	<b>647.8</b>	<b>421.1</b>



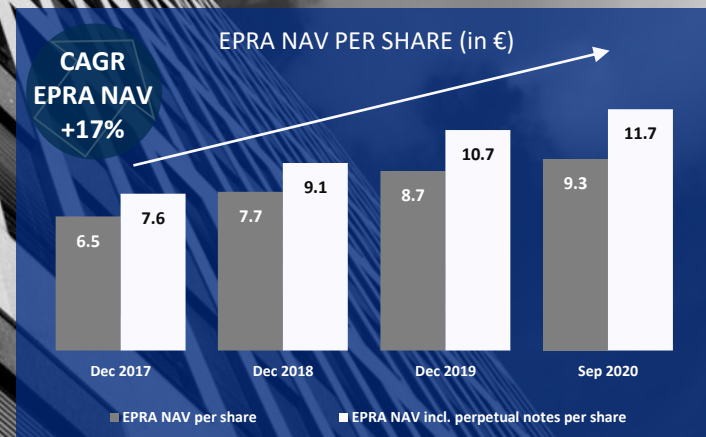
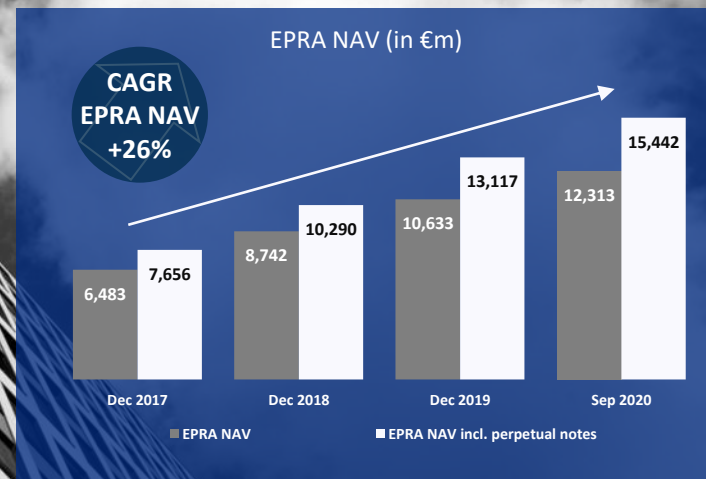
# EPRA NAV

	Sep 2020		Dec 2019	
	in € millions	Per share	in € millions	Per share
<b>NAV PER THE FINANCIAL STATEMENTS</b>	<b>16,511.4</b>		<b>13,378.9</b>	
Equity attributable to perpetual notes investors	(3,128.5)		(2,484.0)	
<b>NAV EXCLUDING PERPETUAL NOTES</b>	<b>13,382.9</b>		<b>10,894.9</b>	
Fair value of derivative financial instruments	16.0		(71.6)	
Deferred tax liabilities	2,057.3		1,119.5	
<b>NAV</b>	<b>15,456.2</b>	<b>€11.7</b>	<b>11,942.8</b>	<b>€9.8</b>
Non-controlling interests	(2,130.5)		(1,309.4)	
Adjustment for TLG (deducting goodwill and others)	(1,012.6)		-	
<b>EPRA NAV</b>	<b>12,313.1</b>	<b>€9.3</b>	<b>10,633.4</b>	<b>€8.7</b>
Equity attributable to perpetual notes investors	3,128.5		2,484.0	
<b>EPRA NAV INCLUDING PERPETUAL NOTES</b>	<b>15,441.6</b>	<b>€11.7</b>	<b>13,117.4</b>	<b>€10.7</b>
Number of shares (in millions) <sup>1)</sup>	1,321.5		1,224.9	

<sup>1)</sup> Excluding shares in treasury and including the conversion impact of mandatory convertible notes, base for share KPI calculations

	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNAV
in € millions unless otherwise indicated				
Sep 2020	15,456.2	12,313.1	15,441.6	11,718.4
Sep 2020 per share (in €)	11.7	9.3	11.7	8.9
Per share growth	19%	7%	9%	7%
Number of shares (in millions, Sep 2020) <sup>1)</sup>	1,321.5			
Dec 2019	11,942.8	10,633.4	13,117.4	10,139.3
Dec 2019 per share (in €)	9.8	8.7	10.7	8.3

<sup>1)</sup> Excluding shares in treasury and including the conversion impact of mandatory convertible notes, base for share KPI calculations



## GUIDANCE


	FY 2020 Guidance	FY 2019
FFO I after perpetual (in € million)	460-485	446
FFO I per share after perpetual (in €)	0.35-0.37	0.38
FFO I per share after perpetual, COVID adjusted (in €)	0.26-0.29	0.38

**GUIDANCE**  
**CONFIRMED**

- FFO I AFTER PERPETUAL EXCLUDING CONTRIBUTION FROM CA. €2.1 BILLION YTD SIGNED DISPOSALS
- SHARE BUYBACK WILL ONLY HAVE A PARTIAL EFFECT IN 2020, FULL EFFECT IN 2021 AS MAJORITY OF BUYBACK WAS EXECUTED DURING Q4 2020
- EXTRAORDINARY & NON-RECURRING ITEM RELATED TO COVID CONSERVATIVELY ASSUMED FOR 2020
- FFO I PER SHARE AFTER PERPETUAL, COVID ADJUSTED YIELDS 4.7% BASED ON CURRENT SHARE PRICE (NOV 24<sup>TH</sup>)



## KEY REMARKS



City: Munich  
District:  
Neuperlach  
Type: Office  
Area: 370k sqm  
[Go to Maps](#)



AT uses the opportunity to recycle capital from non-core disposals into accretive share buybacks

Internal growth continued, evident in high LFL performance, letting achievements and value creation

Small scale & designed to unlock further potential: identify & sell building rights at high gains or develop at low risk & high pre-let ratio

High liquidity, long maturity schedule, focus on strong credit rating (BBB+ while aimed towards A rating), low leverage



✓

**Strong structural fundamentals of the portfolio and management capabilities continue to support the business**

✓

**Diversification provides defensiveness and opportunity to benefit from various value drivers**

✓

**Disposals above book value, positive LFL and recent market deals prove sustained strong demand**

✓

**High liquidity and conservative capital structure to provide high financial strength, flexibility and firepower**



# APPENDIX

City: Amsterdam  
District:  
Southeast  
Type: Office  
Area: 13k sqm  
[Go to Maps](#)

## Portfolio breakdown per asset type\*

SEPTEMBER 2020	Investment property (€m)	Lettable area (k sqm)	EPRA Vacancy	Annualized net rent (€m)	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield
Office	12,175	3,969	10.2%	495	10.9	3,068	4.1%
Hotel	5,571	1,847	4.2%	302	14.0	3,017	5.4%
Retail	1,693	767	10.0%	87	10.1	2,207	5.1%
Logistics/Other	644	862	11.8%	34	3.6	747	5.3%
Development & Invest	1,686						
<b>Total</b>	<b>21,769</b>	<b>7,445</b>	<b>8.3%</b>	<b>918</b>	<b>10.8</b>	<b>2,698</b>	<b>4.6%</b>

## Portfolio breakdown per region\*

SEPTEMBER 2020	Investment property (€m)	Lettable area (k sqm)	EPRA Vacancy	Annualized net rent (€m)	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield
Berlin	5,105	1,287	4.6%	177	11.9	3,968	3.5%
NRW	2,018	1,077	8.7%	102	8.2	1,873	5.1%
Munich	1,932	609	11.6%	57	8.0	3,173	2.9%
Frankfurt	1,833	521	15.2%	70	12.5	3,517	3.8%
Dresden/Leipzig/Halle	1,033	482	5.1%	55	9.7	2,143	5.4%
London	631	105	9.9%	30	27.1	6,004	4.8%
Amsterdam	614	159	9.1%	26	14.1	3,873	4.2%
Hamburg/LH	556	244	5.7%	30	10.9	2,279	5.5%
Wiesbaden/Mainz/Mannheim	403	154	9.0%	21	11.9	2,616	5.2%
Stuttgart/BB	372	149	8.1%	20	11.5	2,487	5.3%
Hannover	364	190	12.9%	16	8.1	1,922	4.3%
Utrecht	349	136	12.8%	18	11.4	2,569	5.3%
Rotterdam	267	104	3.3%	18	13.5	2,561	6.7%
Other	4,606	2,228	8.2%	278	11.1	2,067	6.0%
Development & Invest	1,686						
<b>Total</b>	<b>21,769</b>	<b>7,445</b>	<b>8.3%</b>	<b>918</b>	<b>10.8</b>	<b>2,698</b>	<b>4.6%</b>

\* figures exclude assets held for sale



LOCATED IN THE BEST  
NEIGHBORHOODS OF BERLIN

90%  
Top Tier



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

90% of the commercial portfolio is located in top tier neighborhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam

Strongly benefiting from the unique dynamics & growth of Berlin's most in demand neighborhoods, business areas & tourist centers

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

With €3.5bn Berlin office portfolio, AT is the largest office landlord in Berlin among publicly listed peers

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

Hotel	Rooms	Brand	Hotel	Rooms	Brand	Hotel	Rooms	Brand
Hilton Berlin Gendarmenmarkt Prime Center	601		Crowne Plaza Berlin Prime Center Potsdamer Platz	256		Mark Apart Berlin Prime Center Ku'damm	120	
Bristol Berlin Ku'damm Prime Center (ex-Kempinski)	301		NH Hotel Dortmund Prime Center	190		Motel One Zwinger-Forum Dresden Prime Center	288	
Die Welle H-Hotels Berlin Alexanderplatz	624		Novum Winters Berlin Checkpoint Charlie	170		InterCity Hotel Dresden City Center	162	
InterContinental Frankfurt Prime Center	473		Steigenberger Hotel de Saxe Dresden Prime Center	185		Marriott Hotel Leipzig Prime Center	239	
Hilton London Hyde Park Prime Center	132		AC by Marriott Berlin Mitte	130		Schlosshotel Grunewald Charlottenburg Berlin	54	
Marriott Conference Hotel Paris City Center	757		Moxy by Marriott Berlin Mitte	101		Radisson Blu Prime Center Baden-Baden	162	
Steigenberger Hotel Cologne Prime Center	305		Davos Promenade Hotel	100		Mercure Munich Conference Center Messe	167	
			Ex-Sheraton Brussels Prime Center	533		Ibis Munich Conference Center Messe	137	
			Sheraton Rome	640		Center Parcs (7 locations)	ca.5,000	
			Hilton London Chelsea	172		Berlin Prime Center Mitte Rosa-Luxemburg-Platz	95	
			Hilton Edinburgh Royal Mall Prime Center	211		Seminaris Campus Hotel Berlin	186	
			Hilton Dublin Prime Center	324		Wyndham Garden Düsseldorf Prime Center Königallee	82	
			Resorthotel Schwielowsee Berlin- Potsdam	155		Hotel Im Wasserturm Cologne Prime Center	88	
			DoubleTree by Hilton London Center Angel/King's-Cross	373		Ibis Berlin Alexanderplatz	61	
			Hyatt Regency Paris Airport Charles de Gaulle	388		Melia Munich Hotel Munich Messe	134	
			Berlin Holiday Inn City East	473		Penta Hotels (17 locations)	ca. 2,500	
			Essen Holiday Inn Prime City Center	168		Mercure Liverpool Prime Center Hotel	225	
			Sheraton Hotel Hannover Business District	147		Berlin - Müggelsee	176	
						Manchester City Center Hotel	228	

## Environmental

- ✓ AT implements environment-friendly measures throughout its portfolio, with the goal of reducing its carbon footprint by 40% in 2030
- ✓ Gradually switching to energy sources from 100% renewable energy
- ✓ Reducing energy consumption through tenant education and raising awareness

## Social

- ✓ Tenant satisfaction is a top priority and an essential part of AT's business strategy
- ✓ Partnering with local organizations and initiatives
- ✓ Employee commitment through development programs and offerings

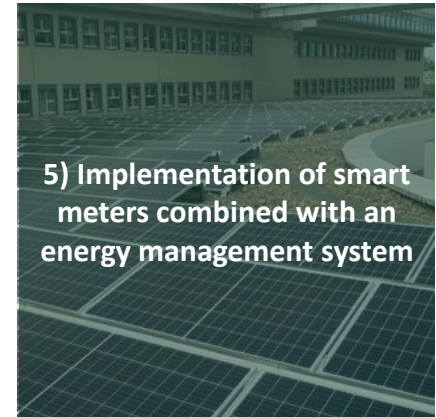
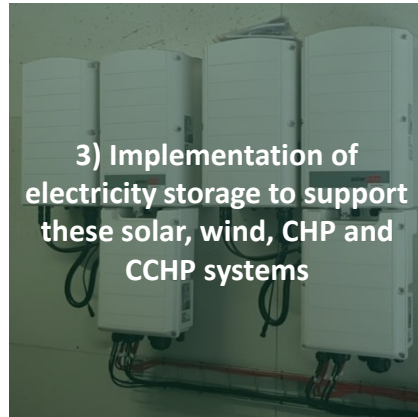
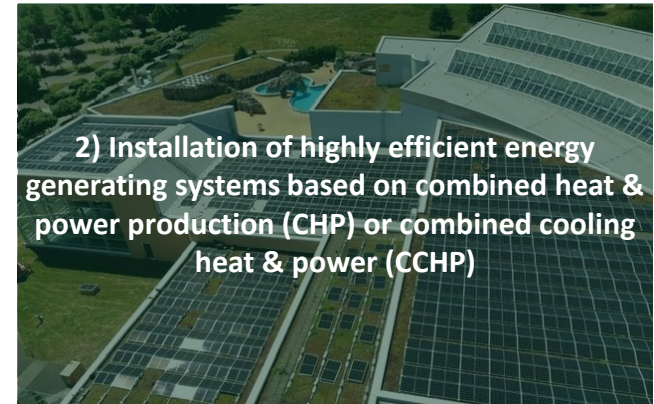
## Corporate Governance

- ✓ Experienced and diverse management board
- ✓ Committees consisting mostly of independent directors: Audit, Risk, Remuneration and Nomination
- ✓ Prudent control mechanisms as well as internal and external risk management systems
- ✓ Incorporating ESG-related risks and considerations in the decision-making process



AT is committed to maintaining a high standard of corporate responsibility towards its stakeholders

**Aroundtown has implemented an Energy Investment Program, supporting the Company's goal of achieving a 40% carbon emissions reduction by 2030. The program is focused around five core components;**



## FOCUS AREAS

## ISSUES



## TARGETS

### Tenants



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



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

### Employees



Occupational health & safety  
Diversity & equal opportunities  
Training & Development

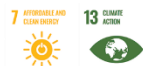


- Be among the top ten most attractive employers in the commercial real estate sector in Germany by 2030
- Become a health & wellbeing certified office by 2025
- Maintain staff turnover at or below the national average
- Maintain zero incidents of discrimination

### Environment



Energy & Emissions  
Climate change adaptation  
Waste & Water



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

### Society



Smart cities  
Community investment



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

### Governance



Compliance  
Data protection  
Fair business  
Labour standards  
Suppliers  
Regulatory framework



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

AT focuses on establishing productive partnerships with local stakeholders to ensure that corporate activities are aligned to tenant and community

## Aroundtown Foundation

AT is working closely with its local partners to support the development of communities



Charitable activities

## Sponsorship

Aroundtown is the main sponsor of FC Union Berlin since the Season 2019/2020 & GCP is main sponsor of FC Union Berlin U13 & U15 girls teams



## S&P Ratings Matrix

## Financial risk profile

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

- 1) Rating anchor of Gecina is BBB+, their final rating after the effect of modifiers is A-
- 2) Rating anchor of Alstria is BBB+, their final rating after the effect of modifiers is BBB
- 3) Rating anchor of Vonovia is A-, their final rating after the effect of modifiers is BBB+

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



## Financial policy:

Strive to achieve A global rating in the long term

LTV limit at 45%

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

Maintaining conservative financial ratios with strong ICR

Unencumbered assets above 50% of total assets

Long debt maturity profile

Good mix of long term unsecured bonds & non-recourse bank loans

Dividend distribution of 65% of FFO I per share

# AROUNDTOWN BOND COVENANTS

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

## Overview of Covenant Package

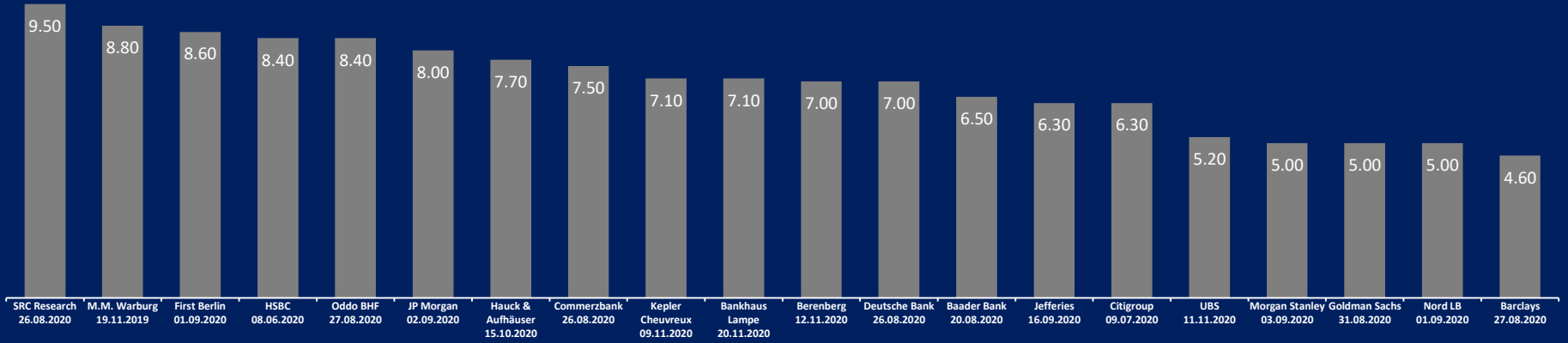
Covenant Type	EMTN programme covenants	Current (Sep 2020)
1 <i>Limitation on Debt</i>	✓	✓
Total Debt / Total Assets	<=60% <sup>(1)</sup>	31%
2 <i>Limitation on Secured Debt</i>	✓	✓
Secured Debt / Total Assets	<=45% <sup>(2)</sup>	-3% (Liquidity is larger than secured debt)
3 <i>Maintenance of Unencumbered Assets</i>	✓	✓
Unencumbered Assets/Unsecured Debt	>= 125% <sup>(3)</sup>	295%
4 <i>Maintenance of Coverage Ratio</i>	✓	✓
Adjusted EBITDA / Net Cash Interest	>=1.8x	4.8x
5 <i>Change of Control Protection</i>	✓	✓

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

\* Excluding the NOK & HKD issuances



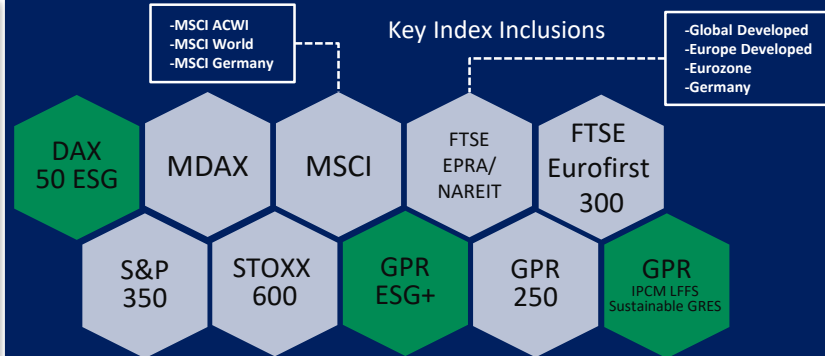
## Analyst Research Target Price



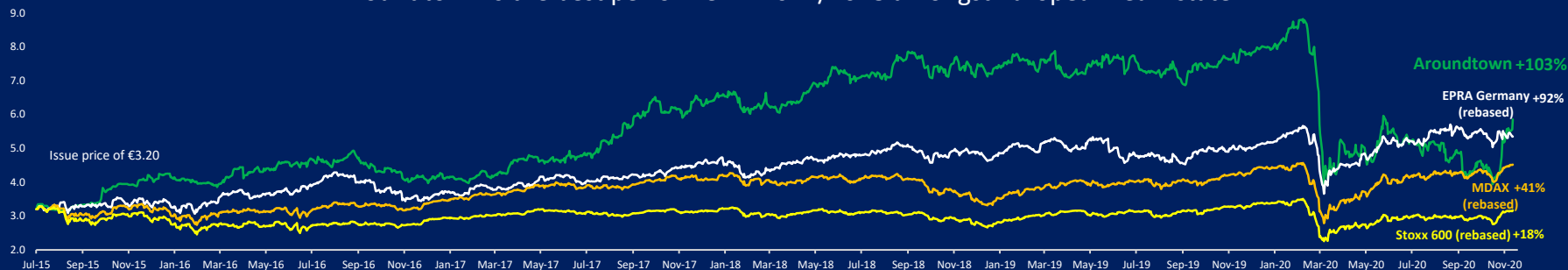
## Analyst Coverage



## Key Index Inclusions



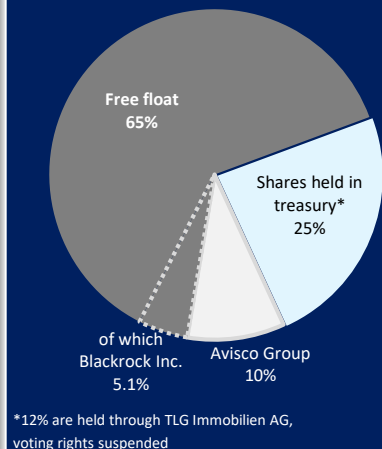
## Share performance and total return since initial placement of capital (13.7.2015) Arowntown is the best performer in 2017/2018 amongst European real Estate



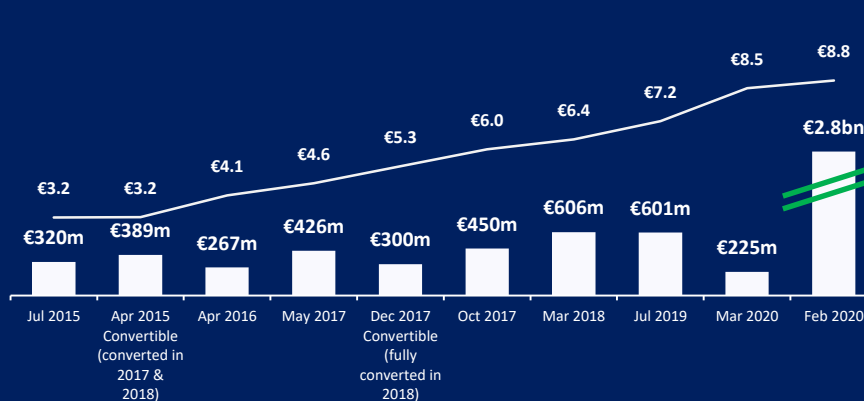
### The Share

Placement	Frankfurt Stock Exchange (Prime Standard)
Incorporation	Luxembourg
First equity issuance	13.07.2015 (€3.2 per share)
Number of shares (basic)	1,537,025,609
Number of shares (basic), excl. suspended voting rights, base for share KPI calculations	1,149,315,592 (As of 24.11.2020)
Free float	65%
Symbol (Xetra)	AT1
Market cap 24.11.2020	€9.0 bn (€5.85 share price)

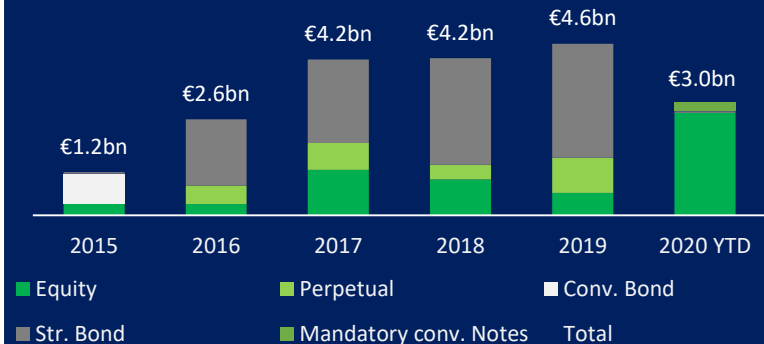
### Shareholder Structure



### Share Issue Price Development



### Capital market activity per year



### Capital market activity per issuance type 2015-2020 YTD



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

### Equity and Bond Bookrunners



## BOARD OF DIRECTORS – 3/6 MEMBERS ARE INDEPENDENT & 2/6 ARE FEMALE



### **FRANK ROSEEN - DIRECTOR**

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



### **JELENA AFXENTIOU – DIRECTOR**

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



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

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



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

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



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

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



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

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

THE AUDIT COMMITTEE CONSISTS OF THE INDEPENDENT DIRECTORS,  
MR. MARKUS KREUTER (CHAIRMAN), MR. MARKUS LEININGER AND MS. SIMONE RUNGE-BRANDNER

## ADVISORY BOARD



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

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



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

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



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

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



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

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

## MANAGEMENT BODY IS FURTHER STRENGTHENED WITH NEW ADDITIONS



### **SHMUEL MAYO – CO-CEO (CO-CHIEF EXECUTIVE OFFICER)**

SINCE 2006 IN THE MANAGEMENT OF AROUWNTOWN AND ITS SUBSIDIARIES.

*BA IN ECONOMICS AND ACCOUNTING, LAW AND CPA*



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

JOINED THE MANAGEMENT OF AROUWNTOWN AND ITS SUBSIDIARIES THIS QUARTER. PREVIOUSLY, HE WAS TLG'S CEO AND CHAIRMAN OF THE MANAGEMENT BOARD. HE HAS EXTENSIVE EXPERIENCE IN EUROPEAN REAL ESTATE AND SERVED AS A CEO OF ELAD EUROPE.

*TEL AVIV UNIVERSITY, LLB AND CERTIFIED ATTORNEY*



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

SINCE 2008 IN THE MANAGEMENT OF AROUWNTOWN AND ITS SUBSIDIARIES.

*MBA AND CPA*



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

SINCE 2013 IN THE MANAGEMENT OF AROUWNTOWN AND ITS SUBSIDIARIES.

*BA HONOURS IN INTERNATIONAL BUSINESS*



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

JOINED THE MANAGEMENT OF AROUWNTOWN AND ITS SUBSIDIARIES THIS QUARTER. PREVIOUSLY, HE WAS A SUPERVISORY BOARD MEMBER IN TLG. HE ALSO SERVED AS THE CEO OF DIM HOLDING AG AND DEUTSCHE REAL ESTATE AG & AS A MANAGING DIRECTOR IN GOLDMAN SACHS AND JLL. *CERTIFIED DEGREE IN REAL ESTATE FROM HANNOVER CHAMBER OF COMMERCE*

## SENIOR MANAGEMENT



### **MARKUS NEURAUTER - HEAD OF COMMERCIAL OPERATIONS**

BEFORE JOINING THE GROUP HE WAS A BOARD MEMBER OF STRABAG AG AND CEO OF RAIFFEISEN EVOLUTION, RESPONSIBLE FOR PROJECT DEVELOPMENT IN 11 EUROPEAN COUNTRIES WITH A DEVELOPMENT VOLUME OF MORE THAN €2BN. MR. NEURAUTER COVERS MORE THAN 30 YEARS OF EXPERIENCE IN REAL ESTATE. *MASTERS DEGREE IN ECONOMICS*



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

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



### **MILAN ARANDELOVIC - COO OF HOTEL DIVISION**

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



### **BRIGITTE SCHMITT - HEAD OF SHOPPING MALL DIVISION**

BEFORE JOINING THE GROUP MRS. SCHMITT HAS BEEN 12 YEARS WITH ECE - EUROPEAN MARKET LEADER FOR SHOPPING CENTERS AND WITH DTZ WHERE HER TEAM WAS TWICE AWARDED THE CEE PROPERTY MANAGEMENT TEAM OF THE YEAR AWARD. *DEGREE IN BUSINESS MANAGEMENT AND ADMINISTRATION - FROM THE UNIVERSITY OF WÜRZBURG.*



### **JELENA EBNER - HEAD OF TRANSACTION MANAGEMENT**

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



### **ALFRED KANDL - HEAD OF CONSTRUCTION MANAGEMENT**

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



### **NORMAN LINDNER - HEAD OF INDUSTRIAL & LOGISTICS DIVISION**

ORIGINALLY TRAINED AS A BANKER, NORMAN SPENT TWO YEARS IN RISK MANAGEMENT BEFORE GOING INTO CONTROLLING, FINANCE AND ACCOUNTING AS AN ASSET MANAGER. HE GAINED HIS EXPERIENCE AT HABACKER HOLDING, DAWNAY DAY PROPERTY INVESTMENT AND IKB DEUTSCHE INDUSTRIEBANK. *MBA*



### **CHRISTIAN HUPFER - CHIEF COMPLIANCE OFFICER**

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



### **IDAN KAPLAN - SENIOR FINANCIAL MANAGER**

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



### **SYLVIE LAGIES - HEAD OF ESG**

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

## STRONG MARKET DEMAND + SCARCITY OF LAND

- Value of building rights increased significantly in central locations in top tier cities

## VALUE EXTRACTION POTENTIAL

- Identifying underutilized land, building rights & conversion optionality in the existing portfolio primarily in top tier prime locations, in cities such as Berlin, Frankfurt, Munich & Stuttgart etc.
- A dedicated and experienced team analyses the portfolio and identifies potential building rights or conversion of use and materializes these rights into actual sellable permits or ready for actual development
- Strategy is to sell the permits and realize the gains or in selected top tier locations development is an option if further upside potential can be lifted & the risk is low, for example through pre-let long term agreements with strong tenants
- The capex team is not executing the construction itself but is tendering, supervising and monitoring external parties who execute the plans



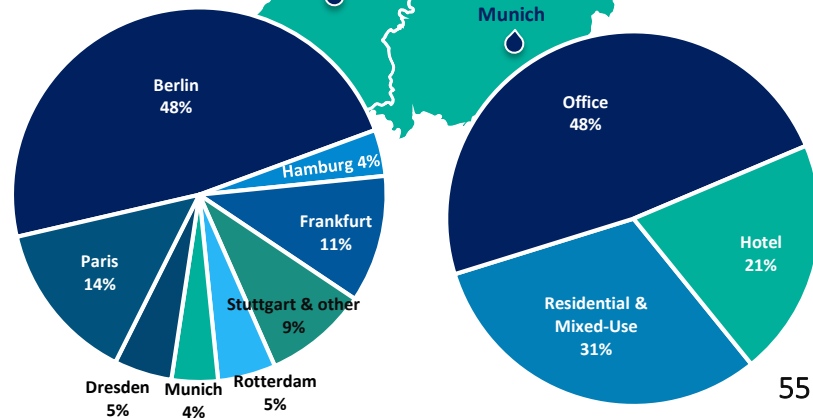
### **KLAUS KRÄGEL – CDO (CHIEF DEVELOPMENT OFFICER)**

SINCE Q4 2020 IN THE MANAGEMENT OF AROWNTOWN AND ITS SUBSIDIARIES. PREVIOUSLY, HE WAS A SUPERVISORY BOARD MEMBER IN TLG. HE ALSO SERVED AS THE CEO OF DIM HOLDING AG AND DEUTSCHE REAL ESTATE AG & AS A MANAGING DIRECTOR IN GOLDMAN SACHS AND JLL. *CERTIFIED DEGREE IN REAL ESTATE FROM HANNOVER CHAMBER OF COMMERCE*



### **ALFRED KANDL - HEAD OF CONSTRUCTION MANAGEMENT**

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



## PROPERTY DESCRIPTION

- ❑ TLG's office building on Berlin's Alexanderplatz covers 55k sqm
- ❑ The primary building is a large office building situated on Alexanderstraße 1,3,5, 10178 Berlin, built in 1969
- ❑ The second building is situated on Karl-Liebknecht-Str. 30, 10179 Berlin and consists of a low-rise
- ❑ The asset is situated at Alexanderplatz, one of Berlin's prime centers
- ❑ The Alexanderplatz station is a main transport hub connected by a wide range of U-bahn, S-bahn, trams and buses



1) Angermann, Office Market Berlin Q4 2019 2) BNP Paribas Real Estate, Office Market Germany, 2020

## MARKET DEMAND

- ❑ The asset's district "Mitte" is Berlin's top office district with the highest rents in the city<sup>1)</sup>. Average office rents in Alexanderplatz reach up to €40/sqm (€27/sqm Berlin Ø)<sup>1)</sup>
- ❑ Demand is the highest for modern office space with virtually zero vacancy in Mitte<sup>2)</sup>. New supply comes with high pre-letting ratio for any new developments, leaving little or no availability after completion<sup>2)</sup>
- ❑ Mitte is the largest hotel cluster of Berlin, more than half of the branded hotels are located there<sup>3)</sup> with Alexanderplatz particularly in great demand<sup>4)</sup>
- ❑ Mitte is also the gravity center of Berlin's residential market with the highest rents and prices in the city<sup>5)</sup>
- ❑ Selling prices can reach up to €13k/sqm for office space while construction costs are around €2k/sqm<sup>6)</sup>



3) Horwath HTL, Hotel Chains Market Germany: Snapshot Berlin, 2018 4) Deloitte, Berlin's Hotel Market, 2018

## VALUE EXTRACTION POTENTIAL

- ❑ Development plans include three new buildings, including two high-rise towers, covering a total gross area of approx. 150k sqm
- ❑ Current plans entail a mixed-use development of most demanded asset types in order to fully extract the potential of the space
- ❑ Aroundtown and TLG have properties which are adjacent to each other. By combining these assets the positioning of the whole can be optimized further through higher amount of letting space, resulting in additional value creation while streamlining the cost structure

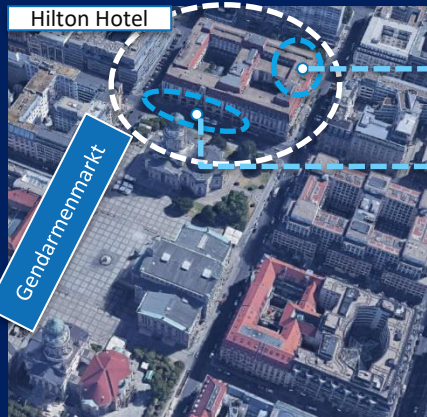


5) Guthmann Estate, Market Report Berlin-Mitte, 2020 6) ZIA Deutschland, 2019; Destatis, 2020



## PROPERTY DESCRIPTION

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



## MARKET DEMAND

- ❑ The asset's district "Mitte" is Berlin's top office district with highest rents in the city<sup>1)</sup>. Average office rents in Gendarmenmarkt range between €26-€36 per sqm<sup>1)</sup>
- ❑ Demand is the highest for modern office space with virtually zero vacancy in Mitte<sup>2)</sup>. New supply comes with high pre-letting ratio for any new developments, leaving little or no availability after completion<sup>2)</sup>
- ❑ Mitte is the largest hotel cluster of Berlin, more than half of the branded hotels are located there<sup>3)</sup> with Alexanderplatz particularly in great demand<sup>4)</sup>
- ❑ Mitte is also the gravity center of Berlin's residential market with the highest rents and prices in the city<sup>5)</sup>



## VALUE EXTRACTION POTENTIAL

- ❑ **Underground parking garage:** Conversion of 18k sqm parking space into prime office space and high-end mixed use of residential condos which can be integrated into the hotel's operational systems (short-term living)
- ❑ **Driveway & Lobby:** The most prestigious side of the hotel facing Gendarmenmarkt is used as a long stretched driveway and huge lobby. Conversion into prime leisure retail/restaurants/services complementing the area's use as a destination for top culture, historic landmarks and prime gastronomy, with millions of visitors in the Gendarmenmarkt square
- ❑ **Additional rooms from conversion:** Unused and not producing public spaces to be converted to additional 70 hotel rooms. Potential additional new space on the roof and inner spaces to create additional 50-100 rooms. Total potential of additional rooms:120-170. Due to the top tier location, each converted and added lettable sqm will produce both high rent levels of €30-€50 per sqm and value per sqm of €12k to €15k

1) Angermann, Office Market Berlin Q4 2019 2) BNP Paribas Real Estate, Office Market Germany, 2020

3) Horwath HTL, Hotel Chains Market Germany: Snapshot Berlin, 2018 4) Deloitte, Berlin's Hotel Market, 2019

5) Guthmann Estate, Market Report Berlin-Mitte, 2020 6) Winters & Hirsch Real Estate Database, 2019

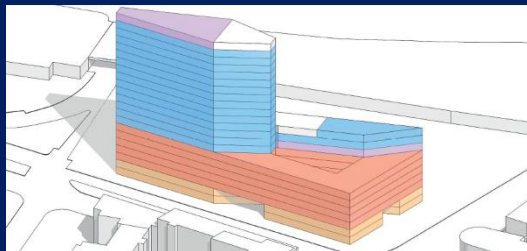
## PROPERTY DESCRIPTION

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



## MARKET DEMAND

- ❑ Located between Mediaspree and Adlershof Science Park, Alt-Treptow office market has a strong demand
- ❑ Average office rents in Alt-Treptow can reach up to €27 per sqm<sup>1)</sup>
- ❑ Achievable purchase/sale prices for office properties in the region can reach up to €7,000 per sqm<sup>2)</sup>
- ❑ New development have a very high pre-letting ratio. More than half of new supply that is expected to be delivered in the next 2 years are already pre-let<sup>3)</sup>



1) Angermann, Office Market Berlin Q4 2019 2) JLL Database, 2020 3) BNP Paribas Real Estate, Office Market Germany, 2020 (data for refers to Mediaspree)

## VALUE EXTRACTION POTENTIAL

- ❑ Conversion into an office building:
- ❑ Development into a building with 26k lettable sqm with mixed use of office and hotel/short-term let micro apartments



## PROPERTY DESCRIPTION

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



## MARKET DEMAND

- ❑ Located between Treptower Park and Adlershof Science Park, Niederschöneeweide has a strong and further growing market environment
- ❑ Average rents for both residential and commercial use in the area are around €15/sqm<sup>1)</sup>
- ❑ Achievable purchase/sale prices for office properties in the region can reach up to €4,000 per sqm<sup>1)</sup>



1) JLL Database, 2020

## VALUE EXTRACTION POTENTIAL

- ❑ Conversion and development into mixed use urban quarter
- ❑ The original use of the buildings have been for offices, residential, warehouse and factory
- ❑ Re-development potential of currently 41k sqm into around 70k lettable sqm of office (conversion as well as new built), micro/student apartments and retail while maintaining the special characteristics of the property



## PROPERTY DESCRIPTION

- The 22 storey office tower covers 21k sqm and is situated adjacent Frankfurt's main central train station and thus is well connected by public transport as well as its location just off Mainzer Landstraße, Frankfurt's main inner city road, providing good access to the surrounding districts and the highway system. The area surrounding the property is a popular office location.

## MARKET DEMAND

- The office tower is located at the corner of Bahnhofsviertel, Europaviertel and Banking District, three of the most exclusive office districts in Frankfurt.
- Achievable average rents for the modern space in this area can reach up to €32/sqm<sup>1)</sup>
- New supply that is expected to be delivered to the market within the next two years have 100% pre-letting ratio<sup>2)</sup>
- Achievable selling prices can range between €10k/sqm to €14k/sqm<sup>1)3)</sup>

## VALUE EXTRACTION POTENTIAL

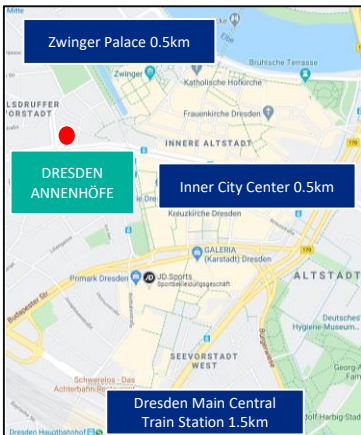
- Arowntown recently acquired the office tower. The asset will be vacated this year to enable complete redevelopment
- **Capex for repositioning and renting at market rents:**
- Arowntown will upgrade the building (façade, technical parameters, fit out etc.) to capture the rent reversion of 400%



1) JLL Database, 2020 3) BNP Paribas Real Estate, Office Market Germany, 2020 (data for refers to Central Station) 3) ZIA Deutschland, 2019

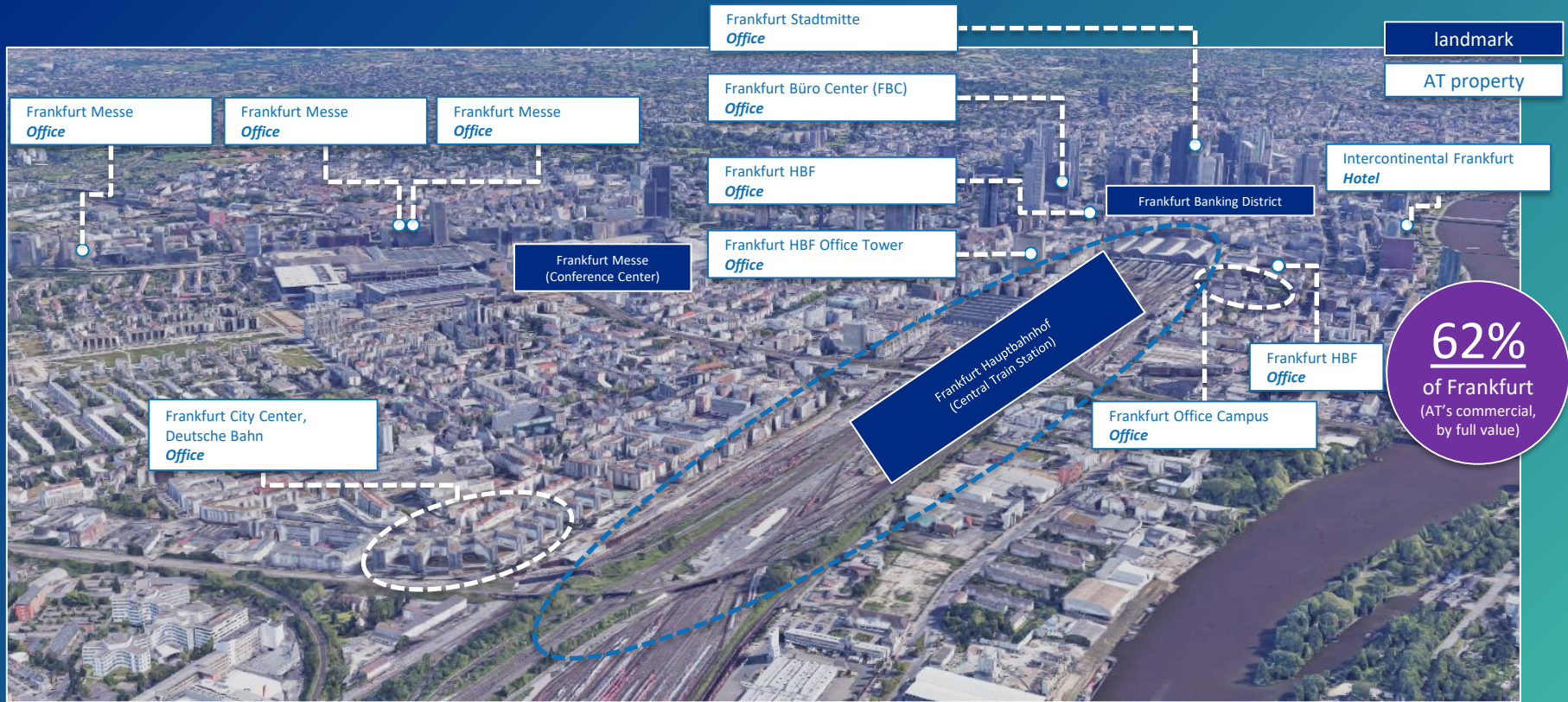


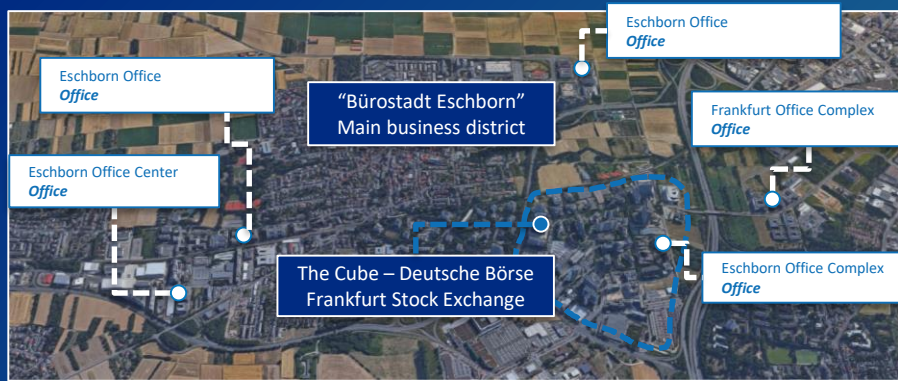
<b>Project</b>	<b>NEO DRESDEN</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>➤ A modern office complex in Dresden’s vibrant and urban Neustadt district</li> <li>➤ With its 15k sqm lettable area, the project will provide high quality office space in this tight supply market</li> <li>➤ The property is within walking distance to Neustadt train station, provides well-connectivity to the rest of the city with Autobahn and S-bahn lines</li> <li>➤ In addition, the asset provides ample parking opportunities</li> </ul>
<b>Status / Timeline</b>	Construction phase / exp. completion in 2020
<b>Pre-let ratio</b>	70% pre-let signed. Main tenants: government & blue chip company at 10y lease



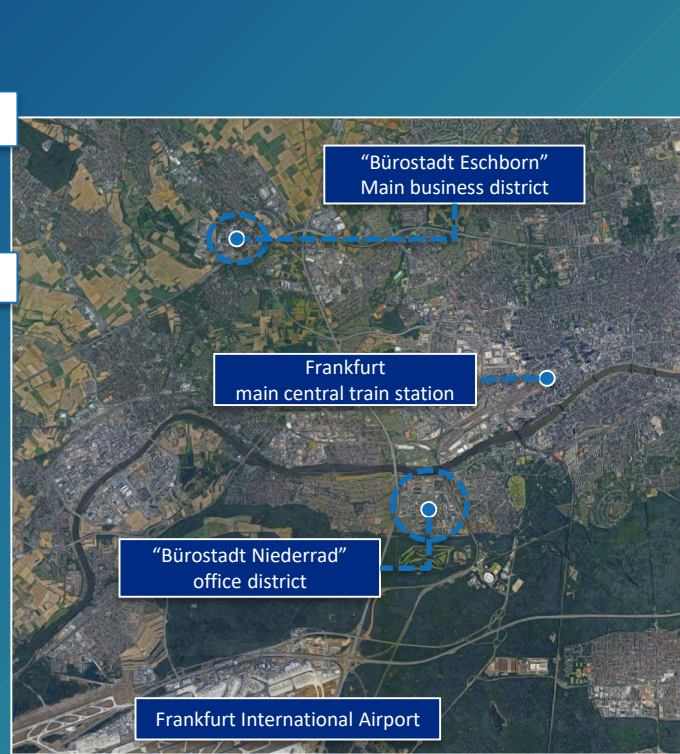
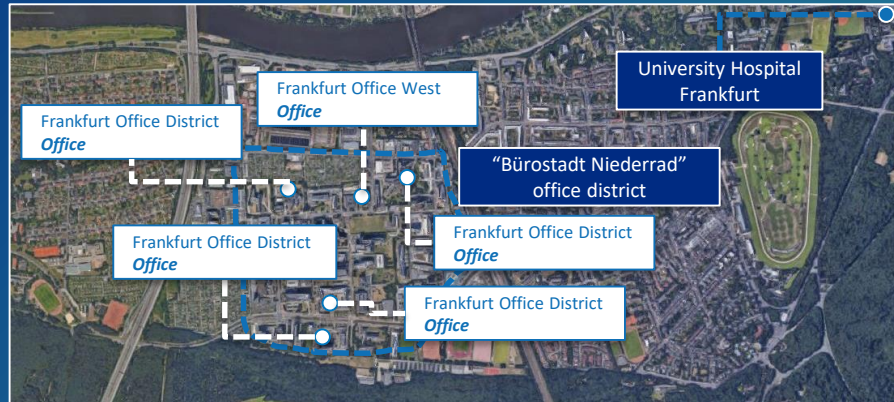
<b>Project</b>	<b>DRESDEN ANNEHÖFE</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>➤ Modern meets historic city center: The project will hold 25k sqm to meet the great demand for modern inner-city office space in Dresden</li> <li>➤ The property is in the heart of Dresden, in close proximity to Zwinger and also provides well-connectivity through train lines and Autobahn</li> <li>➤ It provides ample parking opportunities, multiple facilities and a large courtyard</li> </ul>
<b>Status / Timeline</b>	Construction phase / exp. completion in 2022
<b>Pre-let ratio</b>	30% is pre-let to strong international tenants & 40% is in final negotiations with strong tenants

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





**Frankfurt-Niederrad business district is well located between the airport and the main train station**



landmark

AT property

**31%**  
of Frankfurt  
(AT's commercial, by full value)

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

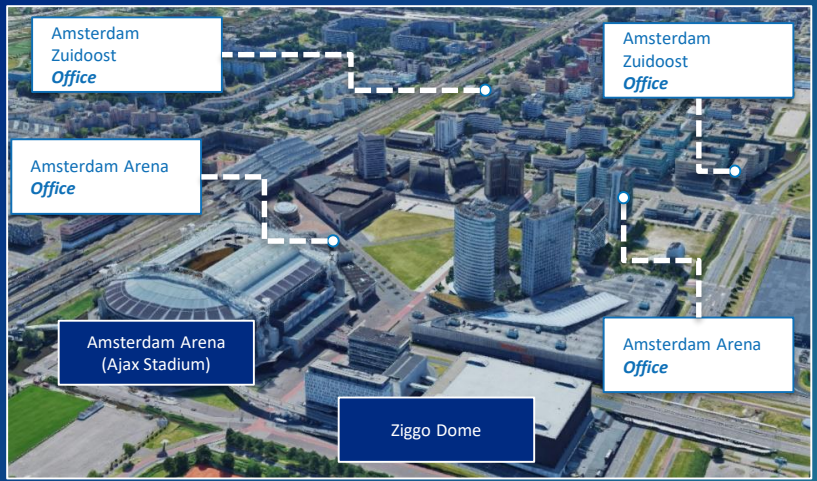


landmark  
AT property

**89%**  
of Munich  
(AT’s commercial, by full value)

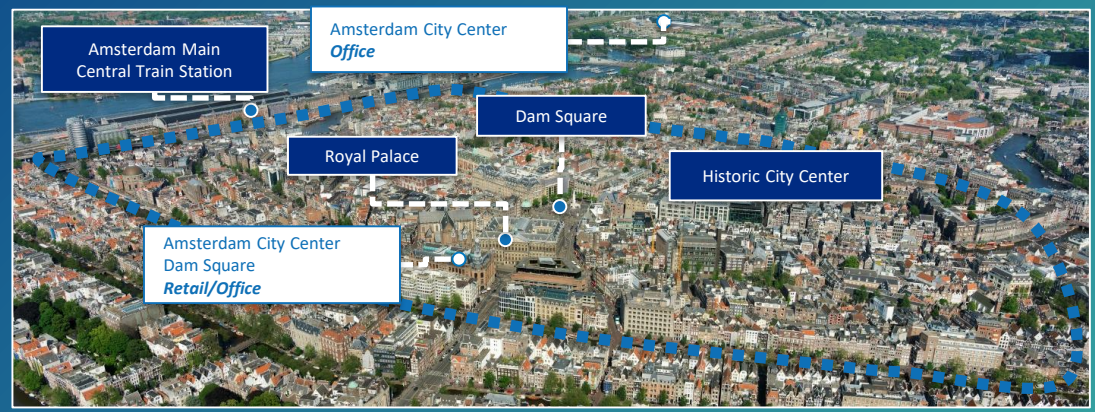


# AMSTERDAM – CENTRALLY LOCATED HIGH QUALITY ASSETS

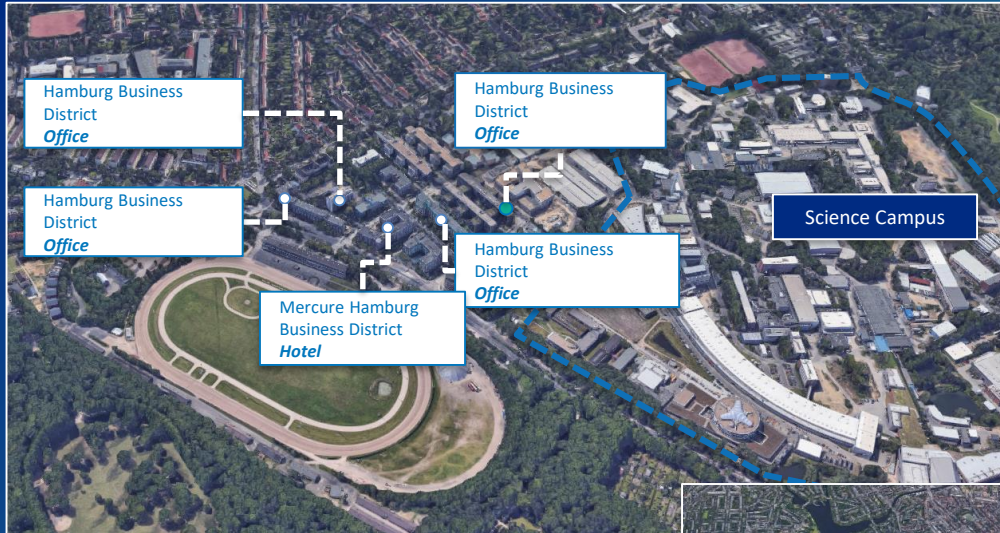


landmark  
AT property

**69%**  
of Amsterdam  
(AT's commercial,  
by full value)



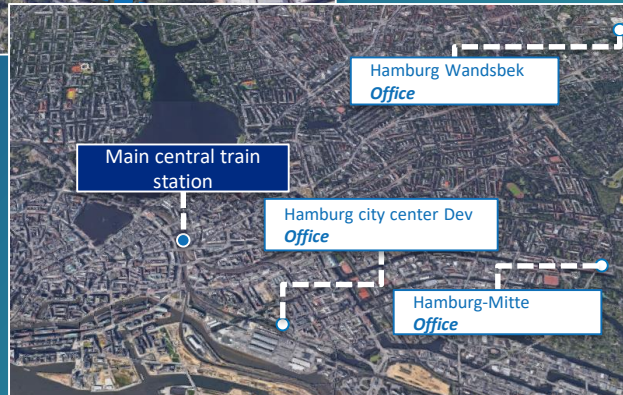
# HAMBURG – WELL PLACED ACROSS GERMANY’S SECOND-LARGEST CITY



landmark

AT property

**52%**  
of Hamburg  
(AT's commercial,  
by full value)



# DRESDEN – PRIME ASSETS IN HISTORIC CITY CENTER



landmark  
AT property

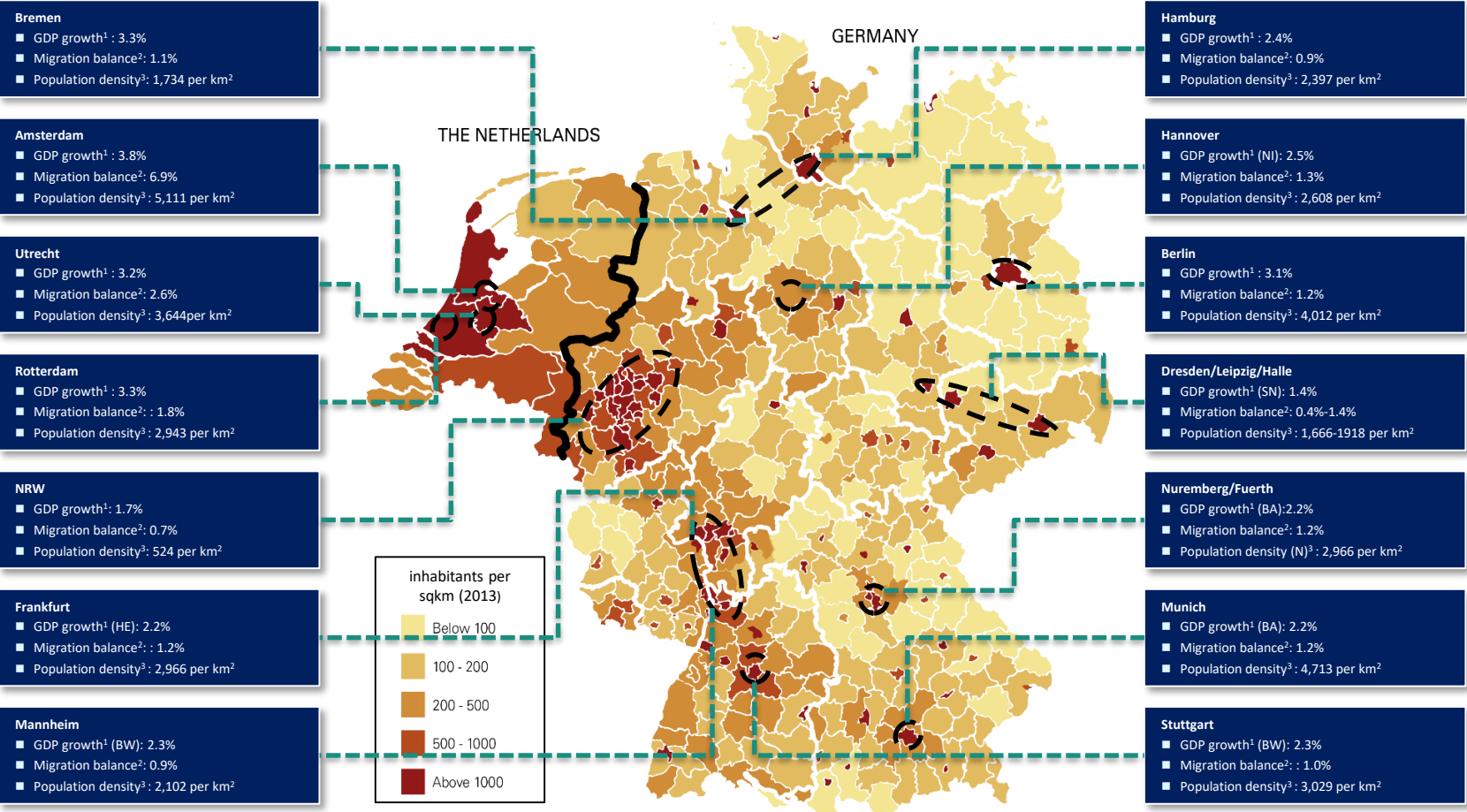
**76%**  
of Dresden  
(AT's commercial,  
by full value)

# LEIPZIG – CENTRALLY LOCATED TOP TIER ASSETS AT HAUPTBAHNHOF



landmark  
AT property

50%  
of Leipzig  
(AT's commercial, by full value)



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

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

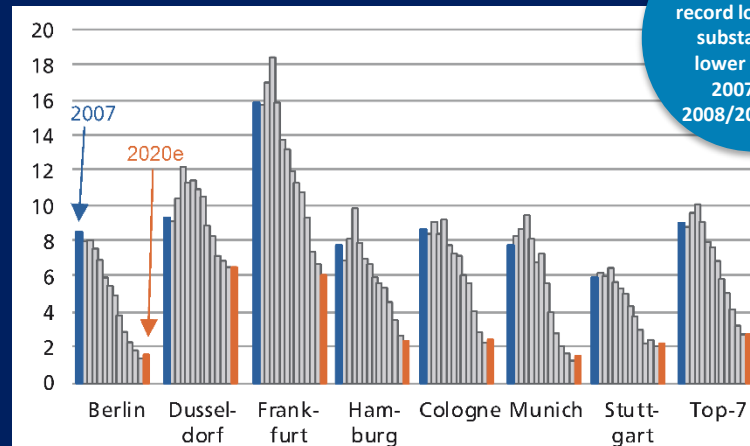
3) Population density: Residents per Sqk (2016/NL 2017)

## HIGH PRE-LET RATIOS, INCREASED DURING PANDEMIC AS A RESULT OF LOW NEW SUPPLY AT STRONG DEMAND



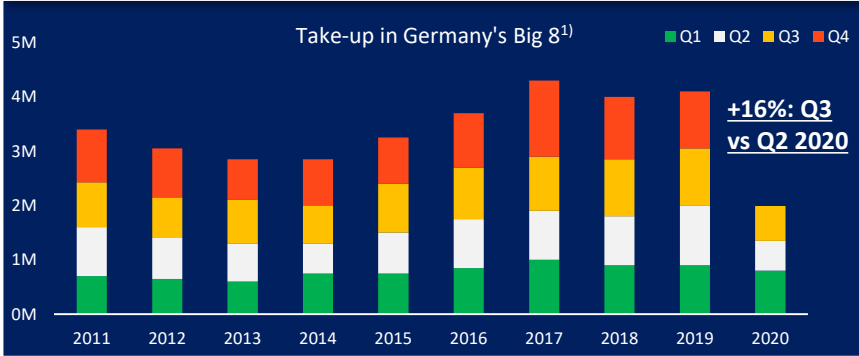
Source: CBRE Research, Germany Sector Outlook, October 2020

## GERMAN OFFICE VACANCY DEVELOPMENT 2007 vs 2020e VERY LOW VACANCIES ENSURE THAT THE MARKET IS CURRENTLY WELL POSITIONED TO SUSTAIN A DOWNTURN



Source: DZ HYP German Real Estate Market reports – 2018/2019 & 2019/2020– Bulwiengesa, DZ BANK Research forecasts

DROP IN TAKE-UP DURING Q2 & Q3 2020 DUE TO COVID, RELATIVELY LOWER THAN PREVIOUS YEARS ALSO DUE TO STELLAR PERFORMANCE IN THE PAST AND VERY LOW AVAILABILITY. NEVERTHELESS, 10Y AVG PERFORMANCE IS EXPECTED FOR 2021



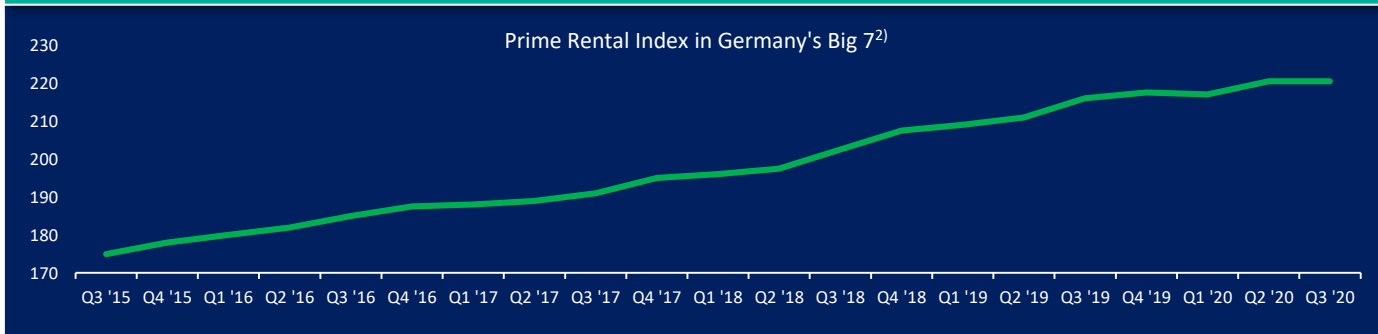
CORRESPONDINGLY, COMPLETIONS ALSO DROPPED AND DELAYED. VACANCY ONLY SLIGHTLY INCREASED TO 3.4% IN Q3 2020. CONSIDERING THAT MAJORITY OF THE COMPLETIONS ARE PRE-LET, ONLY <4% VACANCY IS EXPECTED FOR 2020



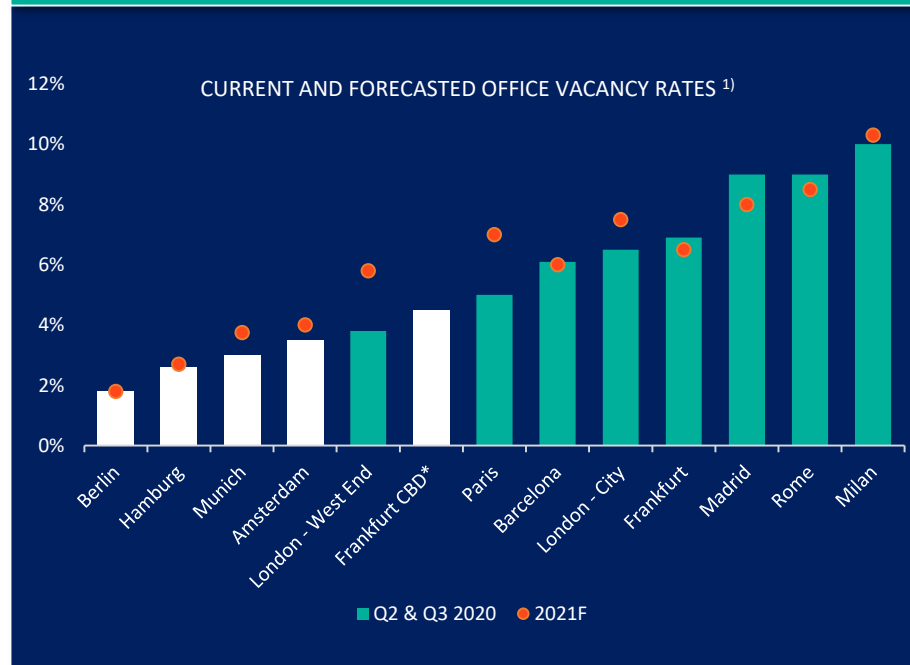
1) Source: BNP Paribas Real Estate, German Office Market, Q1 2020 to Q3 2020. Big 8 are Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig and Munich

2) Source: JLL, Germany Office Market Overview, October 2020. Big 7 are: Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart

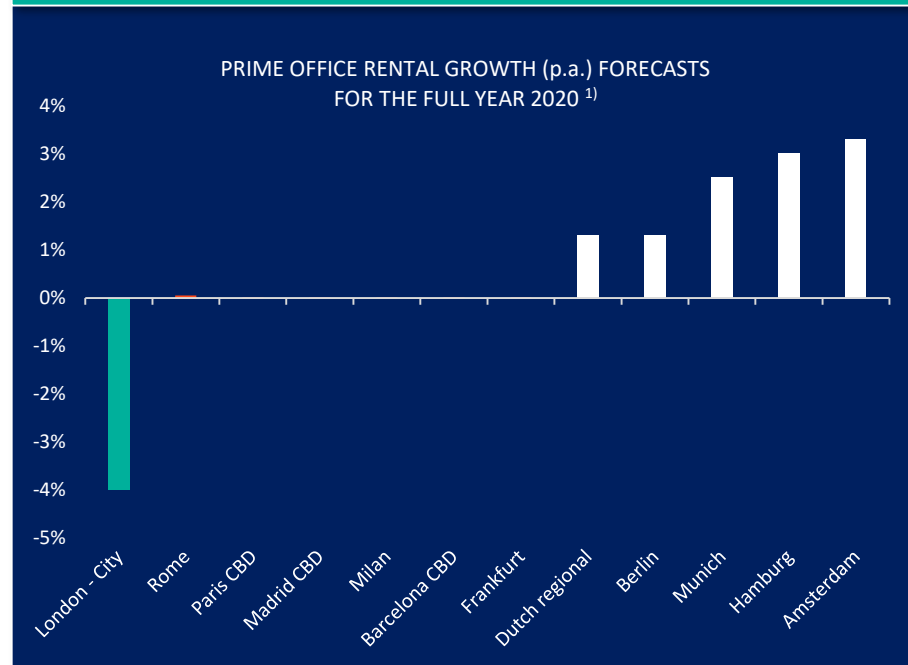
MARKETS REMAIN SIGNIFICANTLY UNDERSUPPLIED AND WILL REMAIN THIS WAY UNTIL VACANCIES REACH TO 5%. GIVEN THAT PIPELINE IS SHRINKING AND ARE MOSTLY PRE-LET, UNAVAILABILITY OF SPACE PUTS PRESSURE ON RENTS: PRIME RENTS GREW 2.2% Y-O-Y IN Q3 2020 DESPITE THE COVID



## AMSTERDAM AND TOP TIER MARKETS OF GERMANY HAVE THE LOWEST OFFICE VACANCY AMONG EUROPE AND PROJECTED TO STAY THAT WAY



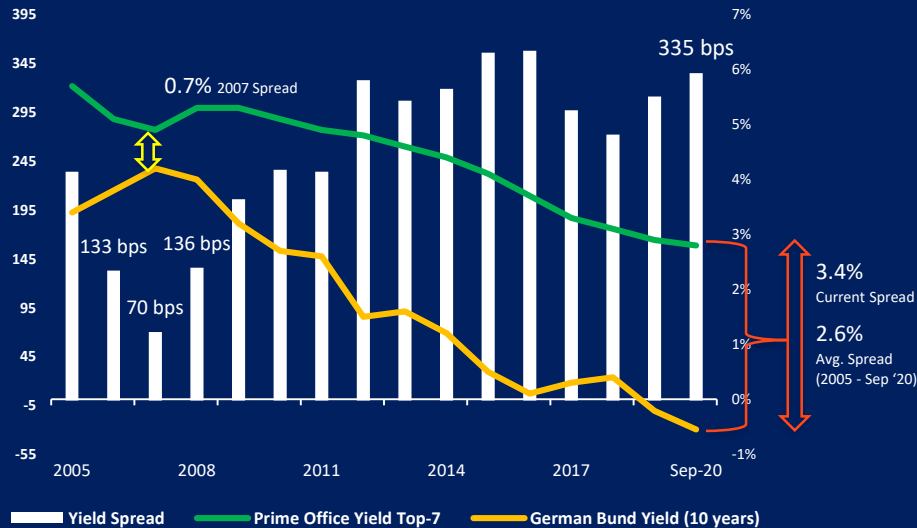
## RENTS ARE EXPECTED TO BE STABLE FOR MOST OF THE MARKETS DURING 2020 WHILE GERMANY AND THE NETHERLANDS CLEARLY OUTPERFORM THE REST OF EUROPE



Source: 1) CBRE Research, EMEA Real Estate, Market Outlook 2020, Midyear Overview & CBRE Research, All Marketviews for Q3 2020  
 \*BNP Paribas Real Estate, Office Market Frankfurt, At a Glance, Q3 2020. Own interpretations applied based on the graphs and data provided



## FAVORABLE DEVELOPMENT OF PRIME OFFICE YIELD VS BUND YIELD



Source: Savills, Outlook for the German real estate market in 2020; Savills, Market in Minutes, Investment Market Germany, Q3 2020; Deutsche Bundesbank, Daily yields of current Federal securities, Nov 2020

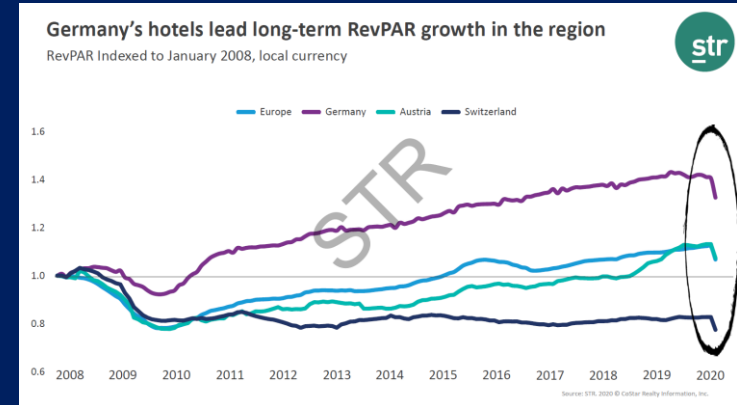
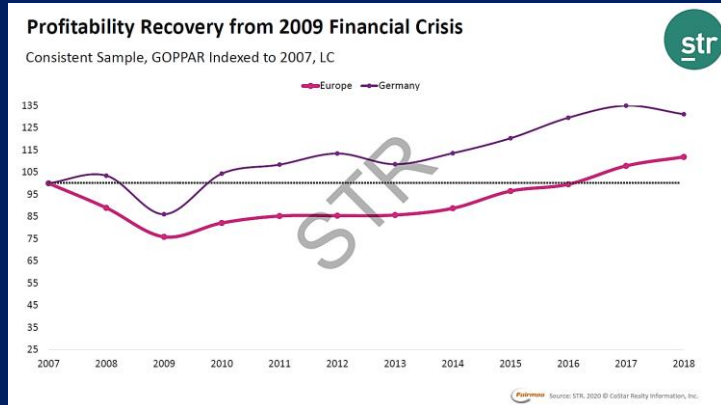
- The spread between German prime office yields and German bund yields expanded widely, with the current spread of 3.4% being significantly above the average spread of 2.6% since 2005
- Entering the GFC in 2008/2009, the spread was around 70 bps. Currently, this spread is significantly higher at 3.4% as German bund yields are negative. Thus, the demand for strong German real estate is expected to remain high in the following periods and no significant devaluations are expected

## GERMAN HOTEL MARKET IS AMONG THE LEAST VOLATILE HOTEL MARKETS IN EUROPE DUE TO: HIGH SHARE OF DOMESTIC TRAVEL & LOW DEPENDENCY ON LONG-HAUL FLIGHTS



Source: OECD, last data available. Tourism Economics, STR

## GERMAN HOTEL MARKET RECOVERED FAST DURING PAST CRISIS, OWING TO HIGH SHARE OF DOMESTIC TRAVEL AND LOW DEPENDENCY ON LONG-HAUL FLIGHTS, MUCH QUICKER THAN THE REST OF EUROPE AND ALSO AT A HIGHER ACCELERATION RATE



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