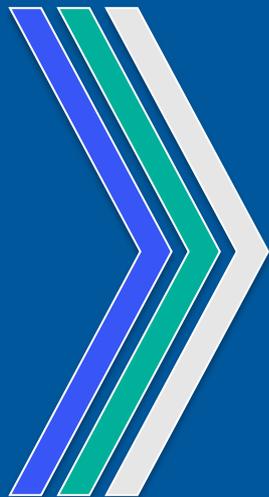


AROWDTOWN SA

# 9M 2021 FINANCIAL RESULTS



NOVEMBER 2021



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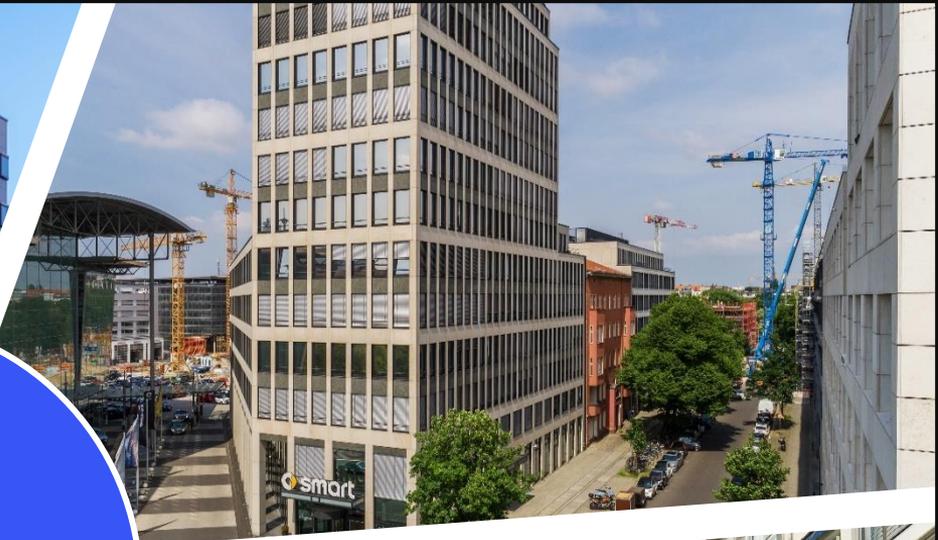
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**BERLIN**



# HIGHLIGHTS

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1	 <b>LARGEST LANDLORD</b>	<ul style="list-style-type: none"> <li>✓ Top 3 largest listed RE company in Europe with €39bn asset base.</li> <li>✓ Largest office landlord in Berlin, Munich and Frankfurt among listed peers.</li> </ul>
2	 <b>SOLID DIVERSIFICATION</b>	<ul style="list-style-type: none"> <li>✓ Strong diversification across several real estate asset classes.</li> <li>✓ 45% Offices, 28% Resi*, 18% Hotels, 2% Logistics, 7% Retail.</li> <li>✓ No dependency on single tenants (Top 10 &lt;20%) or industries.</li> </ul>
3	 <b>TOP TIER LOCATIONS</b>	<ul style="list-style-type: none"> <li>✓ 85% in Germany and the Netherlands, 7% in London.</li> <li>✓ 66% in German and Dutch top tier cities and London.</li> </ul>
4	 <b>STRONGER PLATFORM</b>	<ul style="list-style-type: none"> <li>✓ GCP is fully consolidated from 01.07.2021.</li> <li>✓ Delisting tender offer for TLG with expected delisting in Dec 2021.</li> <li>✓ JV control stake in GWI obtained (over 60% through JV with CPI).</li> </ul>
5	 <b>CAPITAL RECYCLING</b>	<ul style="list-style-type: none"> <li>✓ Disposals of non-core and mature properties above book value improve portfolio quality and proceeds are channeled in a leverage neutral way into share buyback and debt repayments.</li> </ul>
6	 <b>ESG PROGRESS</b>	<ul style="list-style-type: none"> <li>✓ Pilot project in NL portfolio to obtain green building certification. Knowledge supports implementation in other portfolio locations.</li> <li>✓ Pipeline: to equip 1/3 of the total portfolio with energy saving measures.</li> </ul>

\*GCP is fully consolidated. At relative consolidation, the residential portion is 17%.

## TOP & BOTTOM LINE

**€773m**

Net rental income (NRI)  
+2% YOY

**+1.2% LFL excl. hotels**

+0.6% LFL incl. hotels  
Sep 2021 (GCP is not included)

**€267m / €367m**

FFO I / FFO I before Covid adjustment  
-11% YOY / -1% YOY

**€0.23**

FFO I per share  
+5% YOY

Guidance confirmed

## FINANCIAL DISCIPLINE

**€3.3bn**

Cash and liquid assets

**€23.5bn / 82% of rent**

Unencumbered investment properties

**39%**

Low LTV

**BBB+/Stable**

Credit rating by S&P,  
reaffirmed in Dec 2020

## CONSERVATIVE DEBT PROFILE

**€1.6bn**

Debt repayments 2021 YTD, of which €1.1bn  
bond repayments with avg. 2.2% coupon rate

**1.3%**

Lower cost of debt

**5.8y**

Long average debt maturity

**2x**

Liquidity covering debt maturities in the  
next 2 years



**FRANKFURT**



# OPERATIONS & PORTFOLIO

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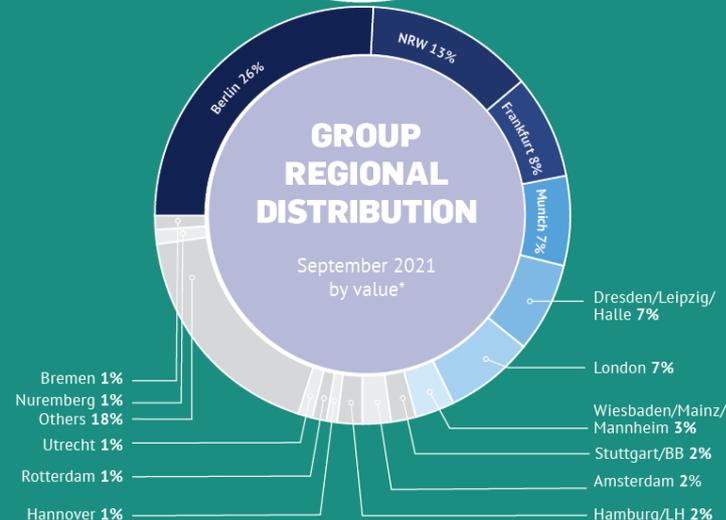
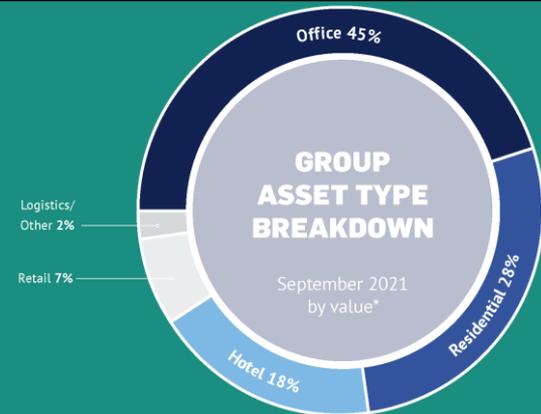


## WELL-BALANCED PORTFOLIO

Due to the GCP consolidation, the portfolio increases by 65k residential units, located mainly in Germany, as well as in London

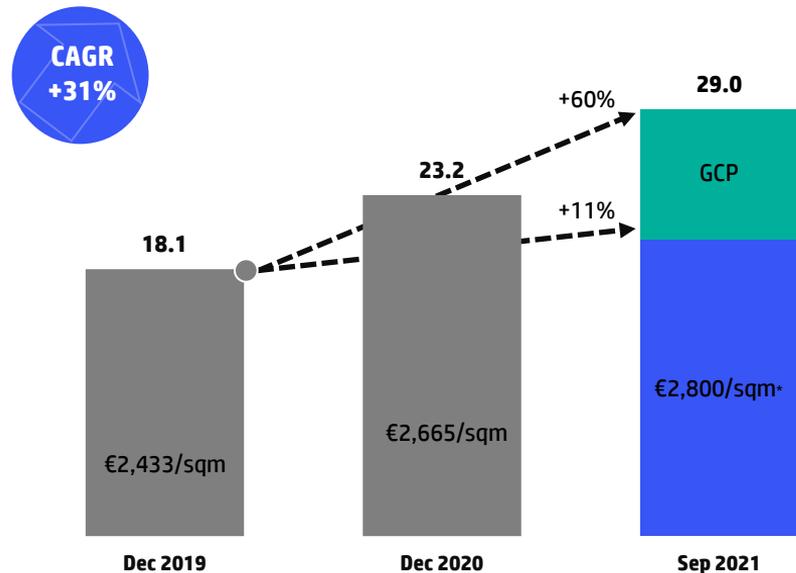
The portion of residential units in the asset type increases to 28%, thus balancing with the other asset types (offices reduce to 45% and hotels to 18%)

Accretive portfolio impact: Total vacancy reduces to 7.7%, annualized rent increases to €1,194m and net rental yield equals to 4.5%



\*including development rights & invest and excluding assets held for sale. GCP is fully consolidated. At relative consolidation, the residential portion is 17%.

## INVESTMENT PROPERTY (IN € BILLIONS)



\* Excluding GCP in Sep 2021

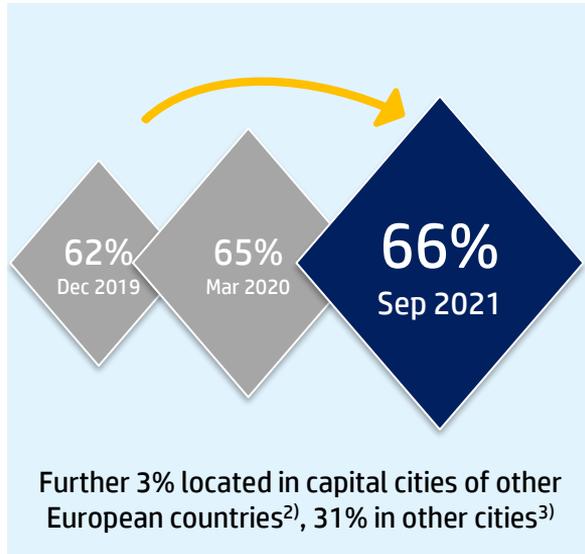
11% growth since Dec 2019 due to net acquisitions.  
This growth is further supported by the GCP consolidation

All valuations are done by professional external valuers at least once a year (including development rights)

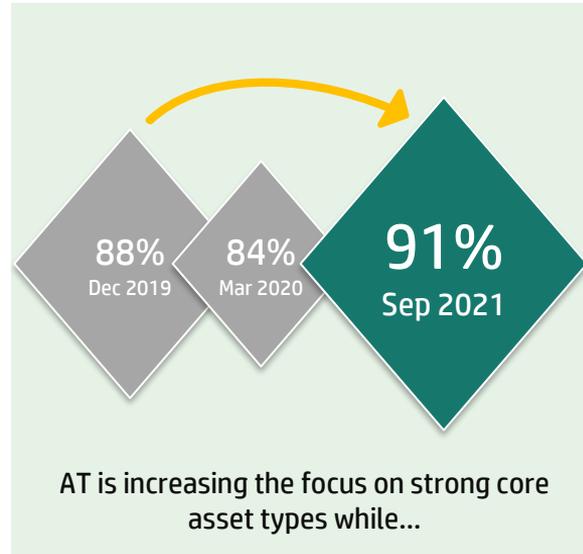
Disposals above book value validate the conservative valuations (including disposal of development rights)

## Non-core disposals, merger with TLG and GCP consolidation result in higher quality portfolio

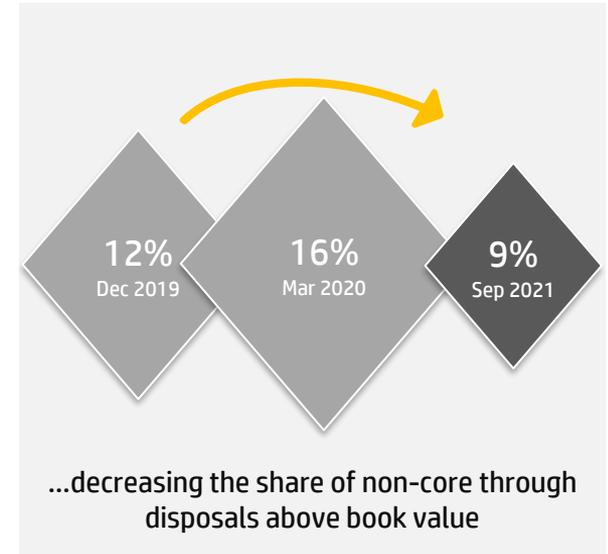
% of portfolio in top cities in Germany and the Netherlands & in London<sup>1)</sup>



Core asset types (Office + Resi + Hotel) in % of the portfolio



Non-core asset types (Retail + Logistics/Wholesale) in % of the portfolio

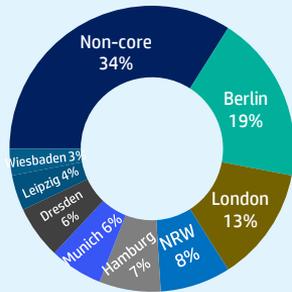
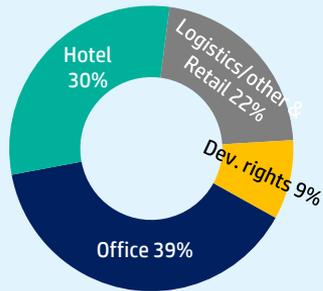


**1) Top cities in Germany and the Netherlands, and London (66%):** Berlin, Frankfurt, Munich, Cologne, Dusseldorf, Hamburg, Stuttgart, Leipzig, Dresden, Amsterdam, Rotterdam, Utrecht, the Hague & London

**2) Further European capital cities (3%):** Paris, Brussels, Rome, Vienna, Prague, Warsaw

**3) Other cities (31%):** Wiesbaden/Mainz/Mannheim, Essen, Hannover, Halle, other cities in NRW, cities across Benelux, etc.

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



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

2021 YTD DISPOSALS OF over €2.5BN, of which over €1.1BN closed in 9M with...

**+3%**

Margin over book value

9M 2021

**+51%**

Margin over cost value

9M 2021

**23x**

Average disposal rent multiple

**28x**

Office

**21x**

Logistics & Retail

**16x**

Hotel

## ... FUNDING SHARE BUYBACKS AT A DISCOUNT AND DEBT REPAYMENTS

**ca. €400m** bought back as of Nov 19th (80% of the €500m program announced in March 2021), at a significant discount to EPRA NTA

Shareholder value creation through selling assets above book value & buying back shares significantly below NAV, effectively reinvesting into its own higher quality portfolio after sale of non-core

**€1.6bn** of debt repayments 2021 YTD, of which **€1.1bn** are bond repayments with an average coupon rate of **2.2%**

\* Including GCP's Q3 disposals

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

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

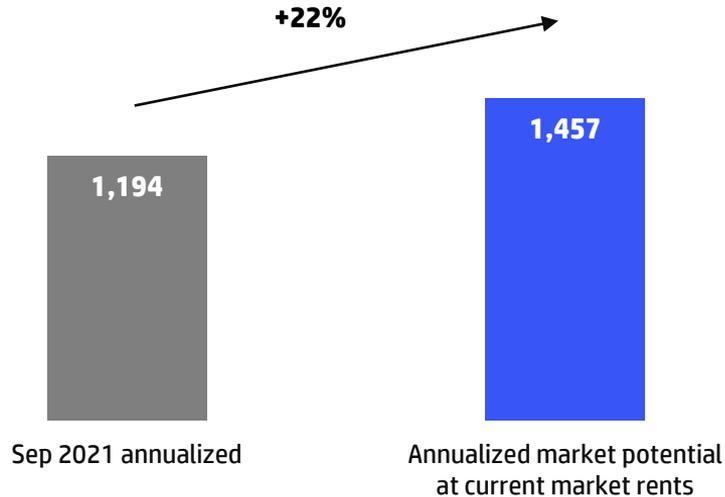
Tenant base is highly diversified across wide range of industries

High tenant quality



SEP 2021 Portfolio by asset type	Investment property (€m)	Lettable area (k sqm)	EPRA Vacancy	Annualized net rent (€m)	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield	WALT (years)
Office	12,057	3,930	10.5%	492	11.1	3,068	4.1%	4.6
Residential	7,670	3,710	5.3%	342	8.0	2,067	4.5%	NA
Hotel	4,758	1,601	4.0%	247	13.3	2,972	5.2%	15.6
Retail	1,854	824	11.0%	90	10.0	2,251	4.8%	4.7
Logistics/Other	449	496	8.2%	23	4.2	904	5.1%	5.0
Development rights & Invest	2,188							
<b>Total</b>	<b>28,976</b>	<b>10,561</b>	<b>7.7%</b>	<b>1,194</b>	<b>9.9</b>	<b>2,536</b>	<b>4.5%</b>	<b>7.8</b>
<b>Total (GCP at relative consolidation)</b>	<b>24,264</b>	<b>8,393</b>	<b>8.2%</b>	<b>993</b>	<b>10.4</b>	<b>2,650</b>	<b>4.5%</b>	<b>7.9</b>

## Sep 2021 annualized rental income of the total portfolio vs. Market potential including vacancy reduction not including development potential (in €m)



Large upside potential from rent increases to market levels will act as a buffer against a downside scenario

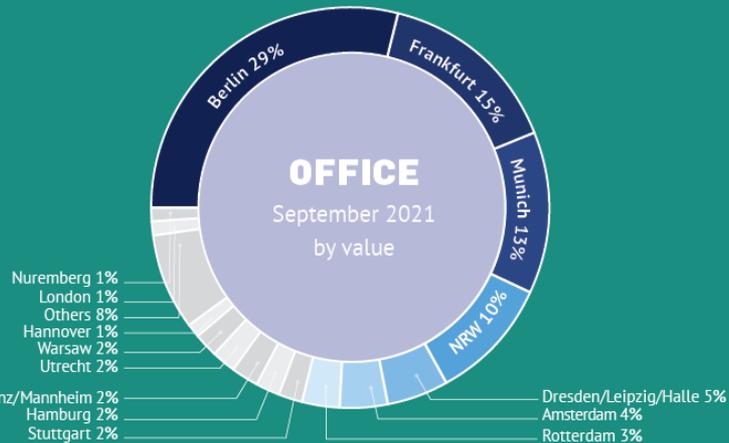
Prime rents remained stable in AT's office markets during 2020 and 2021

Long lease terms with a WALT of 7.8 years

Value upside: conservative valuations with current values at less than half of replacement costs

**OFFICE:** 45% of the portfolio

**FOCUS ON CENTRAL LOCATIONS OF TOP TIER CITIES**



**WELL-DIVERSIFIED**

No dependency on a single location, single tenant, single asset or single industry.  
Long lease structure with 4.6y WALT

**LARGEST LANDLORD**

AT is the largest office landlord in its top markets Berlin, Frankfurt and Munich among listed RE companies

**STRONG TENANT INDUSTRY BASE**

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

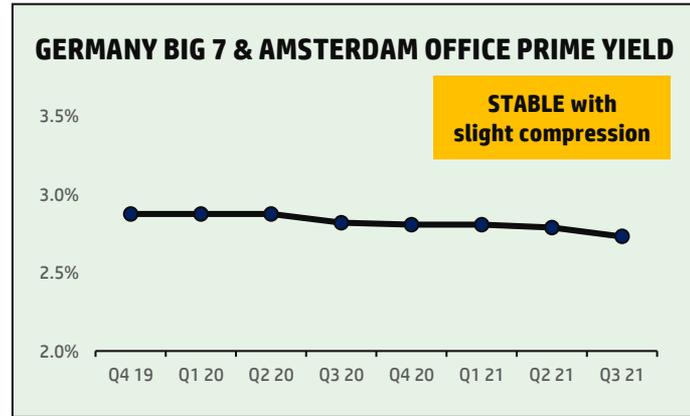
**DIVERSE TENANT BASE**

Largest office tenant segment: public sector (29%). Strong top tenants, such as German & Dutch Government, Deutsche Bundesbank, Siemens, Deutsche Bahn, Orange, Allianz etc.

**Take-up recovered by 54% compared to the dip during the pandemic. Vacancy, albeit slightly increased, is historically low**

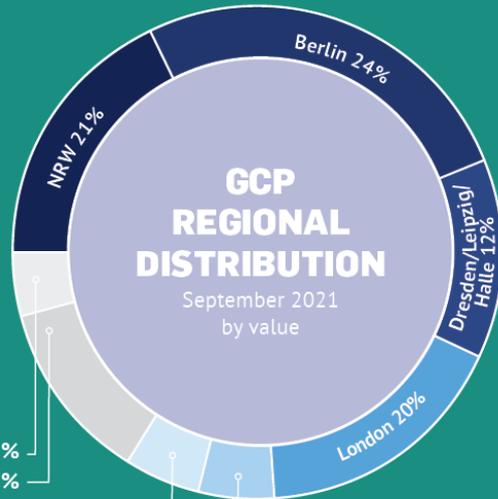


**Rents and values were stable during the pandemic driven by solid demand and large undersupply**



**Source:** BNP Paribas Real Estate, Bloomberg, Colliers International. Germany Top 8 according to BNP Paribas: Berlin, Cologne, Dusseldorf, Essen, Frankfurt, Hamburg, Leipzig and Munich. Germany Big 7 according to BNP Paribas: Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich and Stuttgart. 2007 vacancy does not include Cologne, Essen & Leipzig. 2012 & 2016 vacancy does not include Essen & Leipzig

## RESIDENTIAL (GCP): 28%\* of the portfolio



Nuremberg/Fürth/Munich 3%  
Others 11%

Mannheim/KL/ Frankfurt/Mainz 5%  
Hamburg/Bremen 4%

### CONSOLIDATION IN Q3 STRENGTHENING THE GROUP'S PLATFORM

Residential becomes the Group's second largest asset type after the offices, providing the Group with a well-balanced portfolio breakdown

### MOST RESILIENT REAL ESTATE ASSET CLASS IN EUROPE

German residential is the most stable and resilient real estate asset class in Europe and provides a strong addition to the commercial portfolio

### RESILIENCE AND STRONG PERFORMANCE, RESULTING IN VALUE UPLIFT

LFL rent growth of 2% and LFL value growth of 4% which are not included in AT's LFL figures

\* GCP is fully consolidated. At relative consolidation, the residential portion is 17%.

## HOTEL: 18% of the portfolio



**168 HOTELS**

Mainly in top tier European cities



**WELL-DISTRIBUTED**

Across Europe with a focus on locations with large catchment areas

**15.6 YEARS WALT**

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

**REDUCED SHARE**

Reduced from 24% in June 2021 due to disposals and GCP consolidation



## COLLECTION RATES

**Business & international travel not expected to recover in 2021 and only partially in 2022**

**Q3 2021: 60%**

Lockdowns were lifted, strong leisure demand from vacation period during summer months. However, international demand and business travels have not yet rebounded.

**H1 2021: 34%<sup>1)</sup>**

Impacted by full lockdown until mid-May for UK and June for Germany.

## ASYMMETRIC RECOVERY OF DEMAND DRIVERS

### FASTEST RECOVERY FROM DOMESTIC LEISURE TRAVEL

Domestic leisure saw a strong recovery during the summer months supported by the holiday season and international travel restrictions and uncertainties.

### FULL RECOVERY DEPENDENT ON RECOVERY OF BUSINESS AND INTERNATIONAL TRAVEL

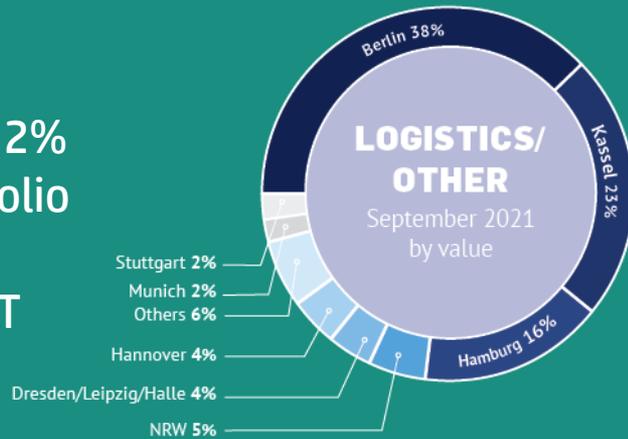
Business travel depends on corporate travel policies and planning is impacted by uncertainties and infection rates. International business and leisure travel is expected to recover last due to uncertainties regarding travel restrictions, infection rates and quarantine obligations.

### TIMING OF FULL RECOVERY DIFFERS BY REGION

According to market assessment, full recovery to pre-pandemic levels expected by 2023 for Germany and 2024 for UK with domestic leisure recovery one year prior.

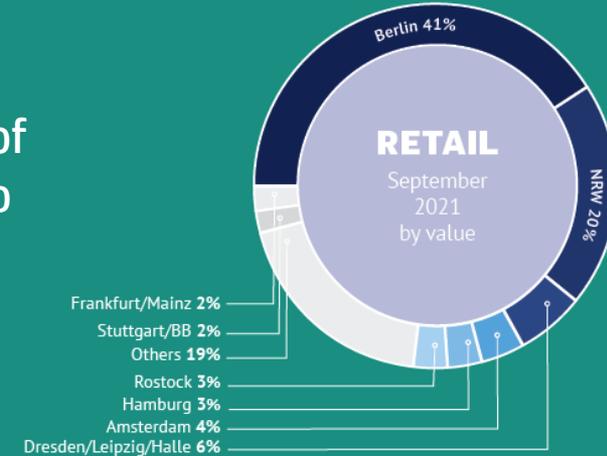
**LOGISTICS: 2%**  
of the portfolio

5.0y WALT



**RETAIL: 7%** of the portfolio

4.7y WALT



**REDUCED SHARE**

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

**RESILIENT TO COVID-19 IMPACTS**

Logistics markets recorded very strong demand during 2020 & 2021

**REDUCED SHARE**

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

**ESSENTIAL GOODS RETAIL & GROCERY-ANCHORED WERE RESILIENT DURING THE PANDEMIC**

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

## VALUE POTENTIAL

### STRONG MARKET DEMAND + SCARCITY OF LAND

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

### IDENTIFYING THE 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.

## VALUE EXTRACTION

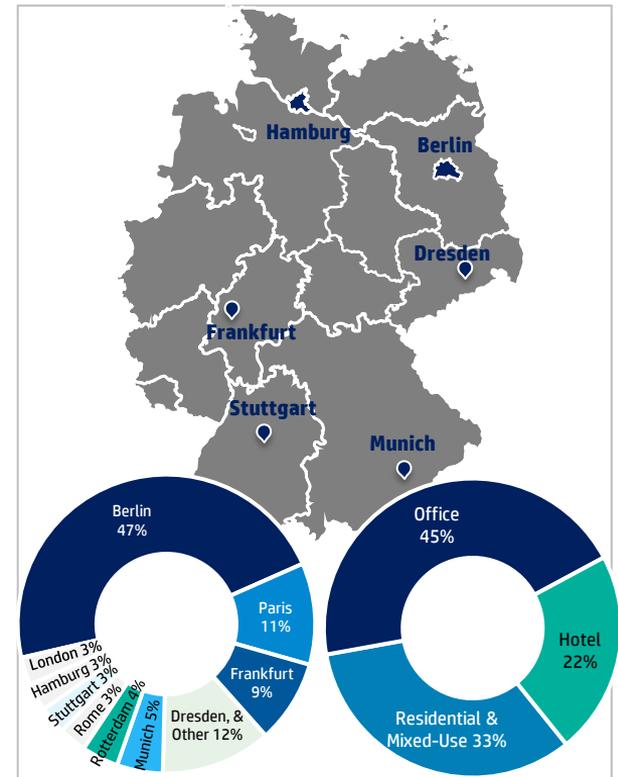
### STRATEGY

- **SELL:** Identify and lift potential, obtain permits, crystalize gains through disposals
- **DEVELOP:** In selective top tier locations at low risk: e.g. through long-term pre-let with strong tenants
- The capex team is not executing the construction itself but is tendering, supervising and monitoring external parties who execute the plans.
- The development portfolio is 6% of the total assets.

### USED OPPORTUNITY TO ACCELERATE REPOSITIONING PROJECTS

- The restrictions imposed by the lockdowns provided AT the opportunity to accelerate refurbishments, on the back of higher leases, bringing forward large projects initially planned for future years, which will result in higher rents and returns once the works are completed.

## STRONG LOCATIONS AND ASSET TYPES



## ENVIRONMENTAL



### Energy Investment Program:

Further investments during 2021 targeted at reducing GHG emissions. The goal is to equip approx. one third of the portfolio.

### Green Building Certification Pilot Program:

Approx. half of the Dutch portfolio was scanned, approx. a quarter of the portfolio is expected to be certified within the next few months, remaining later. Only minor works are expected.

## SOCIAL



### Aroundtown Foundation:

Further involvement with the communities. Following the unfortunate flood disaster, AT foundation donated funds to a local partner to help those in need with the clean-up and reconstruction. AT provided accommodation to some local volunteers in its hotels. Several employees of the AT also volunteered in the region as part of the Social Day 2021.

## GOVERNANCE & AWARDS



### EPRA Awards:

Consecutive awards for high standards of financial transparency and sustainability reporting. AT received EPRA BPR Gold award for the 5th time and EPRA sBPR Gold award for the 4th time consecutively.

### Improved Sustainalytics score:

AT improved its score. AT remains in the low risk category: Among Top 3% globally across all industries and among Top 10% in RE



# FINANCIAL RESULTS

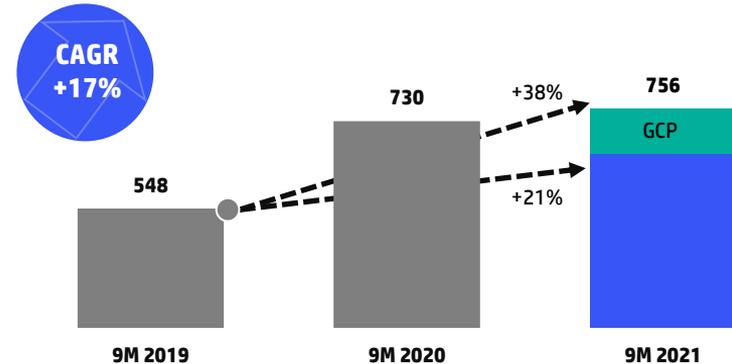
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**MUNICH**

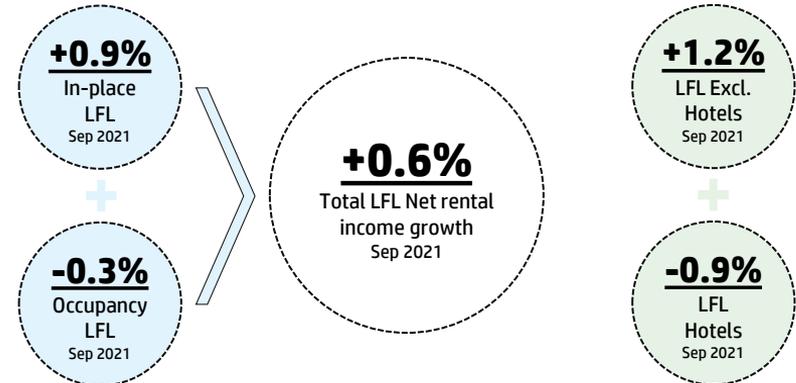


	1-9/2021	1-9/2020
	in € millions	
<b>REVENUE</b>	<b>935.8</b>	<b>890.4</b>
<b>RECURRING LONG-TERM NET RENTAL INCOME</b>	<b>755.6</b>	<b>729.6</b>
<b>PROPERTY REVALUATIONS AND CAPITAL GAINS</b>	<b>321.6</b>	<b>735.5</b>
Share in profit from investment in equity-accounted investees	157.8	146.5
Property operating expenses, excluding extraordinary expenses for uncollected rent	(269.8)	(233.1)
Extraordinary expenses for uncollected rent	(100.0)	(70.0)
Administrative and other expenses	(43.0)	(39.1)
<b>OPERATING PROFIT</b>	<b>1,002.4</b>	<b>1,430.2</b>
Finance expenses	(130.3)	(151.2)
Other financial results	(88.0)	(133.0)
Current tax expenses	(71.0)	(66.9)
Deferred tax expenses	(63.5)	(267.3)
<b>PROFIT FOR THE PERIOD</b>	<b>649.6</b>	<b>811.8</b>
Basic earnings per share (in €)	0.40	0.44
Diluted earnings per share (in €)	0.39	0.44

## Net rental income, recurring long-term<sup>1)</sup> (in €m)

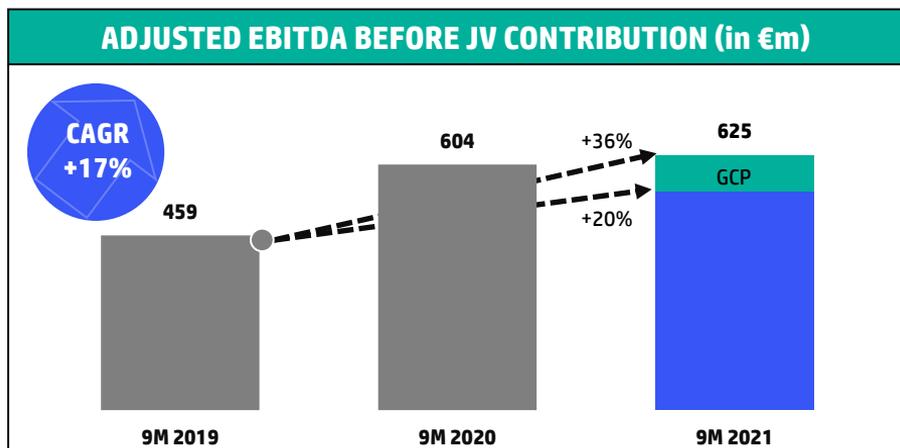


1) Excluding net rent from assets held for sale



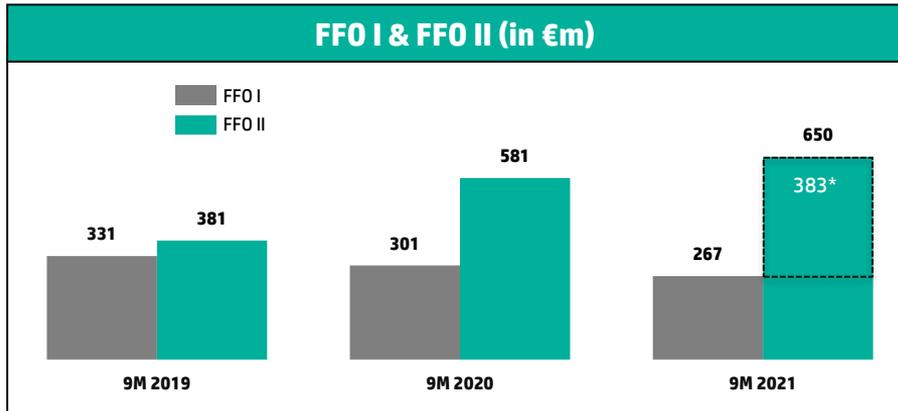
	1-9/2021	1-9/2020
	in € millions	
Operating profit	1,002.4	1,430.2
Total depreciation and amortization	5.8	2.9
<b>EBITDA</b>	<b>1,008.2</b>	<b>1,433.1</b>
Property revaluations and capital gains	(321.6)	(735.5)
Share in profit from investment in equity-accounted investees	(157.8)	(146.5)
Other adjustments incl. one-off expenses related to TLG merger	4.8	6.3
Contribution from assets held for sale	(9.1)	(23.3)
Add back: Extraordinary expenses for uncollected rent	100.0	70.0
<b>ADJUSTED EBITDA BEFORE JV CONTRIBUTION</b>	<b>624.5</b>	<b>604.1</b>
Contribution of joint ventures' adjusted EBITDA	91.7	118.4
<b>ADJUSTED EBITDA</b>	<b>716.2</b>	<b>722.5</b>

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

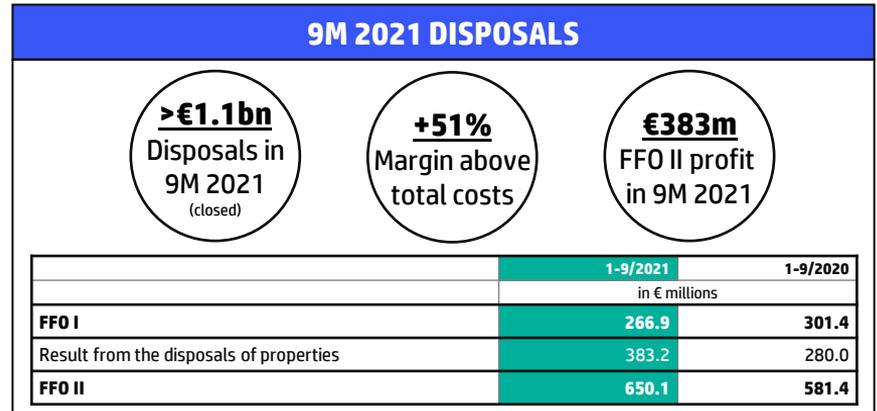
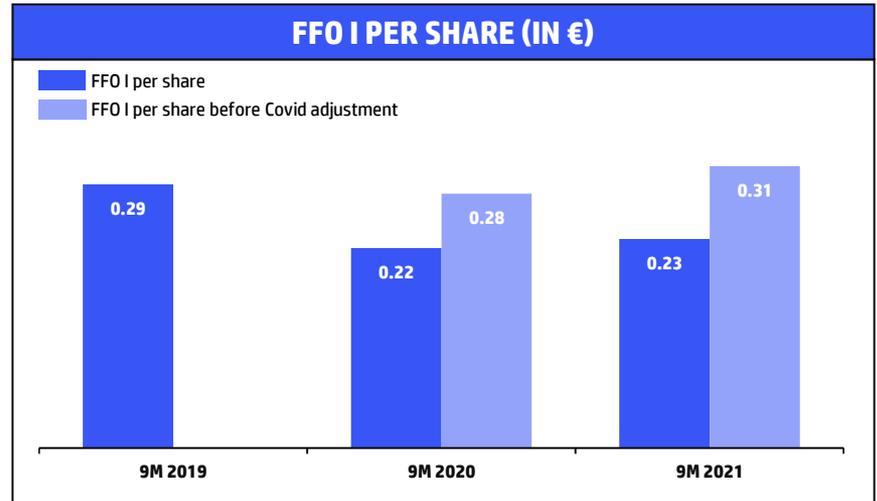


**ACCRETIVE GROWTH IN THE PAST TWO YEARS AS A RESULT OF NET ACQUISITIONS. IN ADDITION, THE CONSOLIDATION OF GCP FURTHER INCREASES THE STRONG YIELD GENERATION**

	1-9/2021	1-9/2020
	in € millions	
<b>FFO I BEFORE JV CONTRIBUTION</b>	<b>306.2</b>	<b>294.6</b>
Contribution of joint ventures' FFO I	60.7	76.8
<b>FFO I BEFORE COVID ADJUSTMENT</b>	<b>366.9</b>	<b>371.4</b>
Extraordinary expenses for uncollected rent	(100.0)	(70.0)
<b>FFO I</b>	<b>266.9</b>	<b>301.4</b>
<b>FFO I PER SHARE</b>	<b>0.23</b>	<b>0.22</b>
<b>FFO I PER SHARE BEFORE COVID ADJUSTMENT</b>	<b>0.31</b>	<b>0.28</b>



\*Result from disposals. FFO II includes extraordinary expenses for uncollected rent and is after perpetual notes attributions

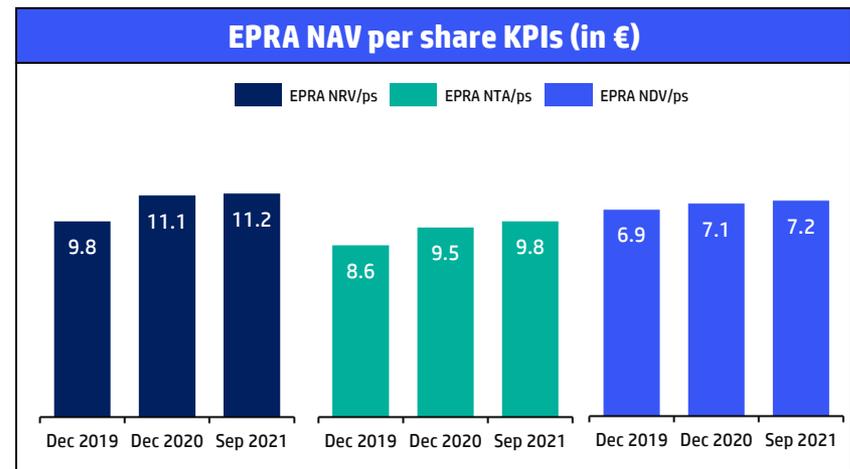
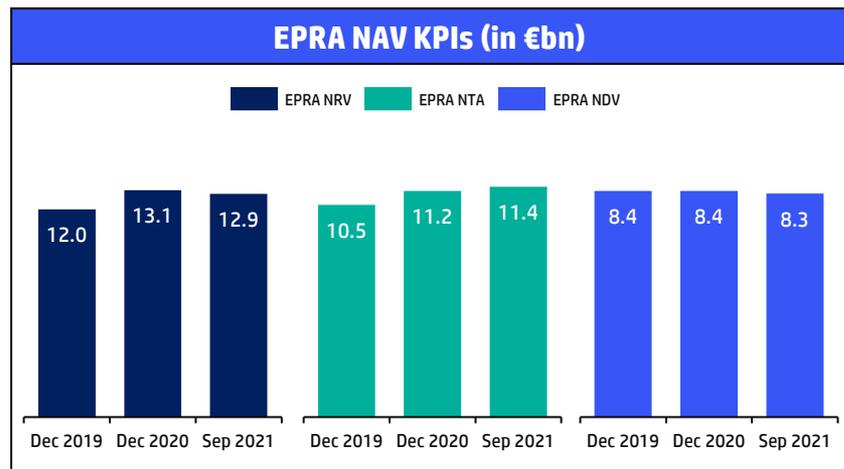


	Sep 2021	Dec 2020
in € millions unless otherwise indicated	EPRA NTA	EPRA NTA
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>	<b>10,505.2</b>	<b>10,424.8</b>
Deferred tax liabilities	1,755.9	1,494.5
Fair value measurement of derivative financial instruments	76.6	55.8
Goodwill in relation to TLG	(822.1)	(822.0)
Goodwill in relation to GCP	(835.4)	(620.5)
Intangibles as per the IFRS balance sheet	(24.7)	(18.0)
Real estate transfer tax	765.5	672.8
<b>EPRA NTA</b>	<b>11,421.0</b>	<b>11,187.4</b>
Number of shares (in millions)	1,159.9	1,176.7
<b>EPRA NTA PER SHARE (IN €)</b>	<b>9.8</b>	<b>9.5</b>

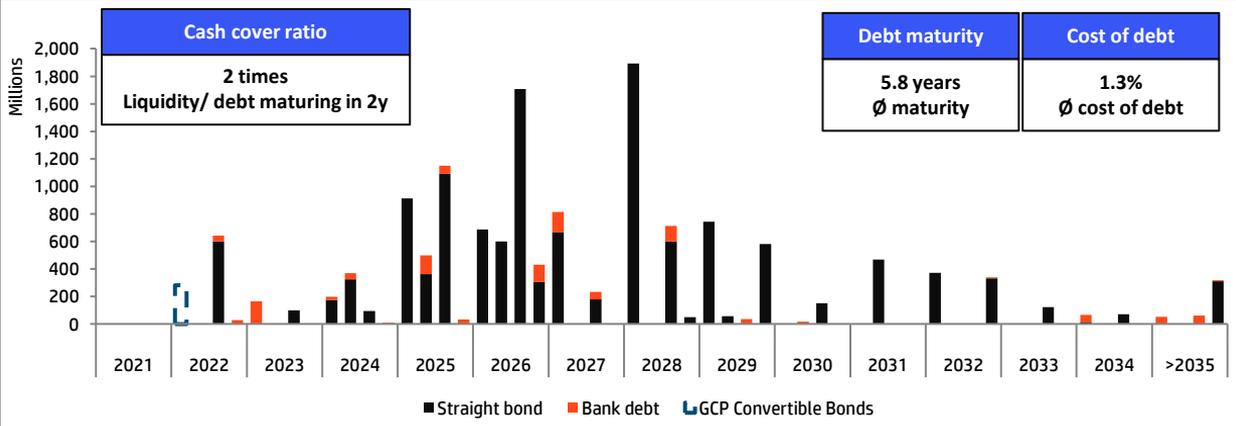
● **Any change in the goodwill is neutral for the EPRA NTA:**

- For the purposes of EPRA NTA calculation, the goodwill arising from TLG & GCP is deducted from the equity, hence, any change is neutral

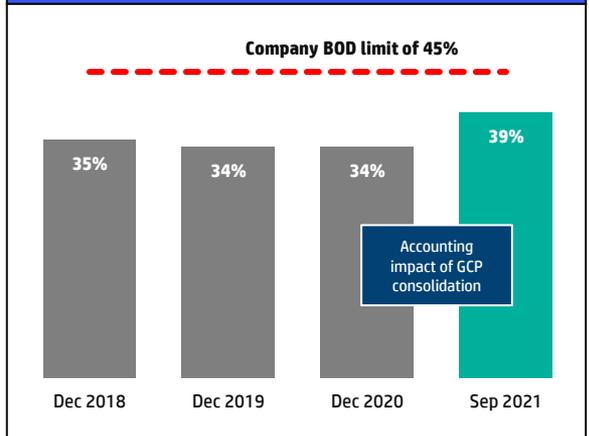
● EPRA NTA per share growth of **5%** during 9M 2021 (div. adjusted)



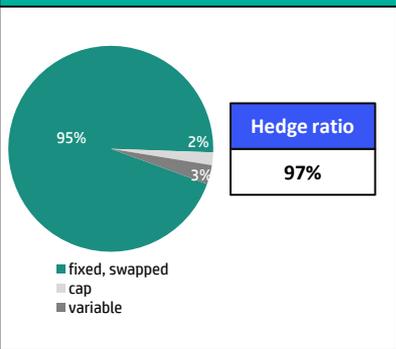
## DEBT MATURITY PROFILE



## Consistently low leverage (LTV)



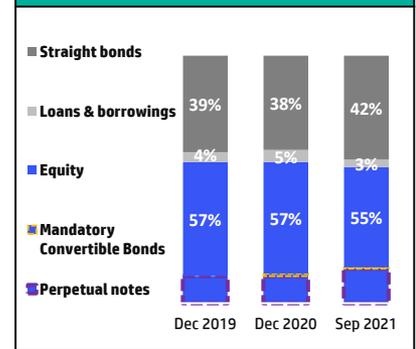
## FIXED INTEREST



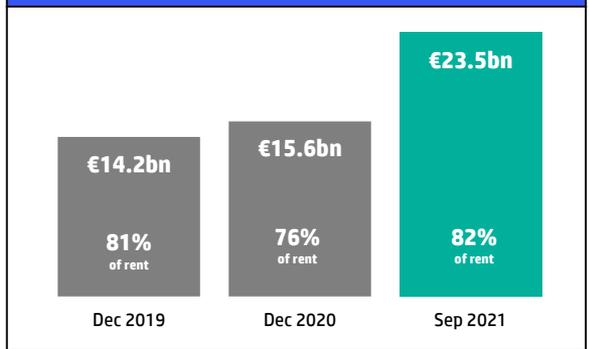
## HIGH ICR



## Financing Sources Mix



## Unencumbered Assets





# GUIDANCE

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**AMSTERDAM**



	FY 2021 GUIDANCE
FFO I (in € million)*	340 - 370
FFO I per share (in €)*	0.29-0.31
Dividend per share (in €)	0.22-0.24

\* previously defined as FFO I after perpetual, Covid adjusted



7  
**HAMBURG/LH**



# APPENDIX

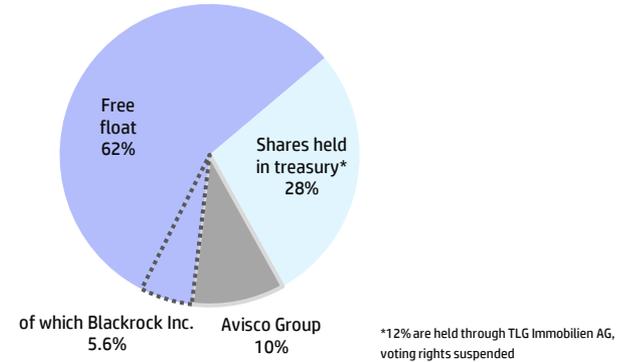
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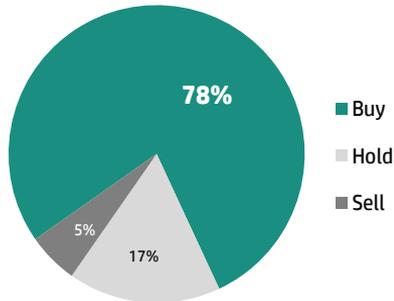
## THE SHARE

Placement	Frankfurt Stock Exchange (Prime Standard)
Incorporation	Luxembourg
First equity issuance	13.07.2015 (€3.2 per share)
Number of shares (basic)	1,537,025,609
Number of shares, base for share KPI calculations (excluding suspended voting rights and including the conversion impact of mandatory convertible notes)	1,139,349,880 (As of 19.11.2021)
Symbol (Xetra)	AT1
Market cap 23.11.2021	€9.1 bn (€5.9 share price)

## SHAREHOLDER STRUCTURE

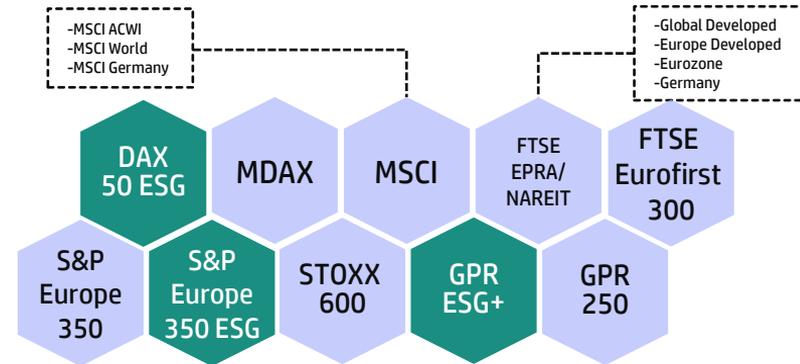


## ANALYST CONSENSUS



**€7.6**  
average  
target price

## KEY INDEX INCLUSIONS



SEP 2021 Portfolio by asset type*	Investment property (€m)	Lettable area (k sqm)	EPRA Vacancy	Annualized net rent (€m)	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield	WALT (years)
Office	12,057	3,930	10.5%	492	11.1	3,068	4.1%	4.6
Residential	7,670	3,710	5.3%	342	8.0	2,067	4.5%	NA
Hotel	4,758	1,601	4.0%	247	13.3	2,972	5.2%	15.6
Retail	1,854	824	11.0%	90	10.0	2,251	4.8%	4.7
Logistics/Other	449	496	8.2%	23	4.2	904	5.1%	5.0
Development rights & Invest	2,188							
<b>Total</b>	<b>28,976</b>	<b>10,561</b>	<b>7.7%</b>	<b>1,194</b>	<b>9.9</b>	<b>2,536</b>	<b>4.5%</b>	<b>7.8</b>
<b>Total (GCP at relative consolidation)</b>	<b>24,264</b>	<b>8,393</b>	<b>8.2%</b>	<b>993</b>	<b>10.4</b>	<b>2,650</b>	<b>4.5%</b>	<b>7.9</b>

SEP 2021 Portfolio by Region*	Investment property (€m)	Lettable area (k sqm)	EPRA Vacancy	Annualized net rent (€m)	In-place rent/sqm (€)	Value/sqm (€)	Rental Yield
Berlin	6,519	1,643	6.9%	213	11.2	3,967	3.3%
NRW	3,798	2,051	7.3%	182	7.6	1,852	4.8%
London	2,038	284	6.0%	91	29.3	7,167	4.5%
Dresden/Leipzig/Halle	2,028	1,270	5.0%	103	7.0	1,597	5.1%
Frankfurt	1,951	565	13.9%	77	13.0	3,454	3.9%
Munich	1,894	574	7.6%	56	8.1	3,301	2.9%
Wiesbaden/Mainz/Mannheim	721	282	6.8%	35	10.7	2,554	4.9%
Amsterdam	638	169	9.3%	27	13.8	3,768	4.3%
Hamburg/LH	615	265	4.5%	33	10.5	2,321	5.4%
Stuttgart/BB	360	142	8.9%	18	11.7	2,544	4.9%
Hannover	280	157	12.0%	13	8.0	1,784	4.7%
Rotterdam	254	100	5.6%	16	13.0	2,552	6.3%
Utrecht	220	93	9.4%	13	11.7	2,354	5.8%
Other	5,472	2,966	8.4%	317	9.6	1,845	5.8%
Development rights & Invest	2,188						
<b>Total</b>	<b>28,976</b>	<b>10,561</b>	<b>7.7%</b>	<b>1,194</b>	<b>9.9</b>	<b>2,536</b>	<b>4.5%</b>

\* figures exclude assets held for sale

**GERMANY & THE NETHERLANDS:  
85% OF THE PORTFOLIO**

Well-diversified across  
top tier cities with a  
focus on central locations

Germany and the  
Netherlands: AAA sovereign  
credit rating

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

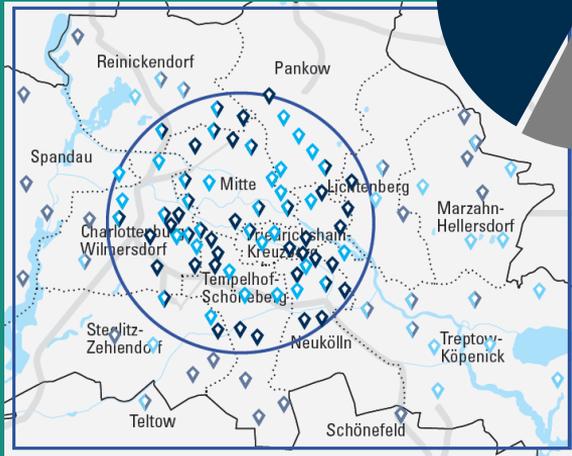
>25% of EU's GDP & Home of  
EU's 8/15 largest  
metropolitans by GDP

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

Berlin, Munich, Frankfurt and  
Amsterdam have a GDP of  
€0.8 trill. <sup>1)</sup> from multiple  
industries



**LOCATED IN THE BEST  
NEIGHBORHOODS OF BERLIN**



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

**85%  
Top Tier**

**85% of the Group portfolio is located in top tier neighborhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshagen, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam**



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



**15% of the Group portfolio is well located primarily in Spandau, Reinickendorf, Hellersdorf/Marzahn & Treptow/Köpenick**



**With €3.7bn 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		InterCity Hotel Dresden City Center	162	
Die Welle H-Hotels Berlin Alexanderplatz	624		Novum Winters Berlin Checkpoint Charlie	170		Marriott Hotel Leipzig Prime Center	239	
InterContinental Frankfurt Prime Center	473		Steigenberger Hotel de Saxe Dresden Prime Center	185		Schlosshotel Grunewald Charlottenburg Berlin	54	
Hilton London Hyde Park Prime Center	132		AC by Marriott Berlin Mitte	130		Radisson Blu Prime Center Baden-Baden	162	
Marriott Conference Hotel Paris City Center	757		Moxy by Marriott Berlin Mitte	101		Mercure Munich Conference Center Messe	167	
Steigenberger Hotel Cologne Prime Center	305		Davos Promenade Hotel	100		Ibis Munich Conference Center Messe	137	
			Ex-Sheraton Brussels Prime Center	533		Center Parcs (7 locations)	ca. 5,000	
			Sheraton Rome	640		Berlin Prime Center Mitte Rosa-Luxemburg-Platz	95	
			Resorthotel Schwielowsee Berlin - Potsdam	155		Seminaris Campus Hotel Berlin	186	
			Hyatt Regency Paris Airport Charles de Gaulle	388		Wyndham Garden Düsseldorf Prime Center Königsallee	82	
			Berlin Holiday Inn City East	473		Hotel Im Wasserturm Cologne Prime Center	88	
			Essen Holiday Inn Prime City Center	168		Ibis Berlin Alexanderplatz	61	
			Sheraton Hotel Hannover Business District	147		Melia Munich Hotel Munich Messe	134	
			Berlin - Müggelsee	176		Penta Hotels (17 locations)	ca. 2,500	
			Manchester City Center Hotel	228		Mercure Liverpool Prime Center Hotel	225	

## GWJ OFFER

- ❑ Through a JV, AT and CPI hold together 61% of GWJ's shares. AT spent approx. €130m for the additional offer.
- ❑ **AT's holding makes up over 30% of GWJ which is only ca. 1.5% of AT's total assets, providing complementary diversification to the Group.**
- ❑ AT and CPI will together explore possibilities for synergies and value creation.

## PRIME ASSETS & STRONG TENANT BASE

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

## RIGHT INVESTMENT VEHICLE IN CEE

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



## S&P Ratings Matrix

## Financial risk profile

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

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

## 'BBB+ / Stable' 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 75% of FFO I per share

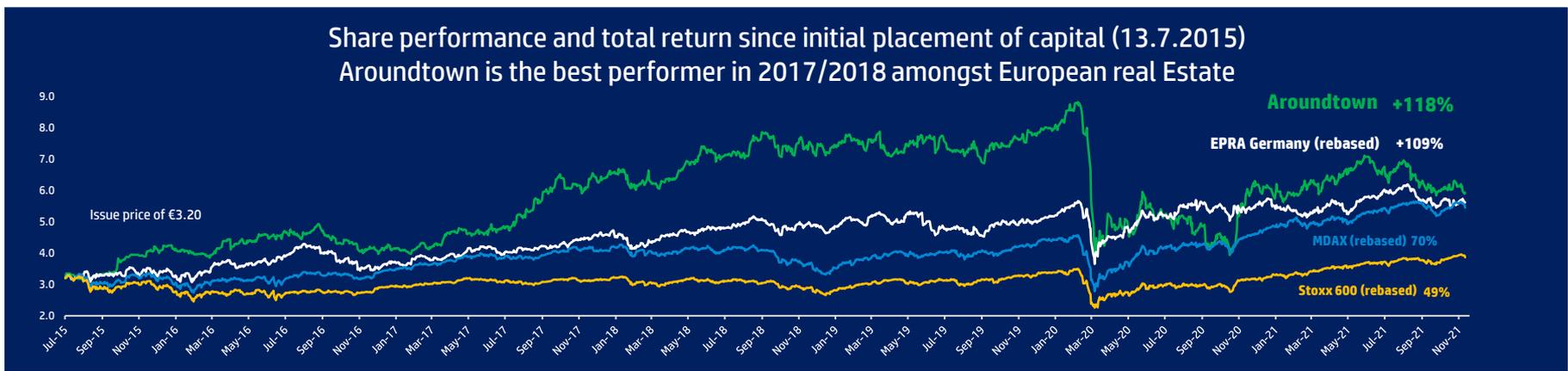
- ✓ Each of the bond covenants is met with a significant headroom. Internal financial policy is set at stricter levels
- ✓ ECB eligibility: Bonds issued under the EMTN Programme (Listed in the EU)\*
- ✓ The bonds are unsecured and have the below covenant package:

## Overview of Covenant Package

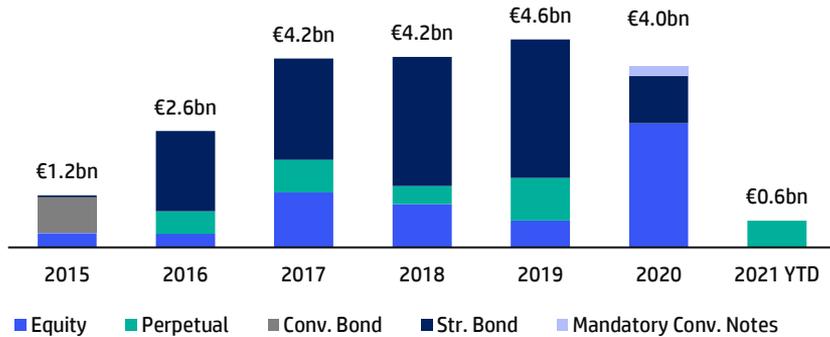
Covenant Type	EMTN programme covenants	Current (Sep 2021)
1 <i>Limitation on Debt</i>	✓	✓
Total Debt / Total Assets	<=60% <sup>(1)</sup>	34%
2 <i>Limitation on Secured Debt</i>	✓	✓
Secured Debt / Total Assets	<=45% <sup>(2)</sup>	-6% (Liquidity is larger than secured debt)
3 <i>Maintenance of Unencumbered Assets</i>	✓	✓
Unencumbered Assets/Unsecured Debt	>= 125% <sup>(3)</sup>	270%
4 <i>Maintenance of Coverage Ratio</i>	✓	✓
Adjusted EBITDA / Net Cash Interest	>=1.8x	5.5x
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

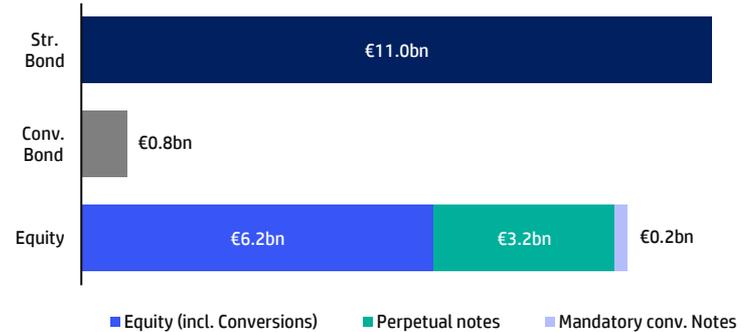
\* Excluding the NOK & HKD issuances



## Capital market activity per year



## Capital market activity per issuance type 2015-2021 YTD



## Best-in-class capital market access

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

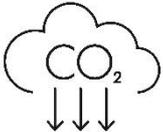
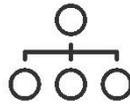
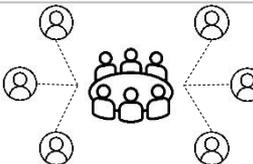
## Equity and Bond Bookrunners





# ESG

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

## FOCUS AREAS

## ISSUES



## TARGETS

### Tenants



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



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

### Employees



Occupational health & safety  
Diversity & equal opportunities  
Training & Development



- Be among the top ten most attractive employers in the commercial real estate sector in Germany by 2030
- 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 adaption  
Waste & Water



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

### Society



Smart cities  
Community investment



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

### Governance



Compliance  
Data protection  
Fair business  
Labour standards  
Suppliers  
Regulatory framework



- Achieve listing in the Dow Jones Sustainability Index (DJSI)
- Improve liability and transparency
- All construction project processes to be monitored according to an 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

## GHG EMISSIONS REDUCTION



Energy Investment Program: installation of PV's, CHP/CCHP, EV charging stations, smart meters, AI



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



Energy efficient facilities



Tenant incentives through green lease elements

## ENERGY INVESTMENT PROGRAM

Several buildings are already equipped with PVs on their roofs.

Current pipeline: The goal is to equip one third of AT's portfolio with PVs, CHPs and boilers which will provide significant energy savings

Close to 1,000 EV charging sockets and ongoing across the portfolio



## GREEN BUILDING CERTIFICATIONS

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

### PILOT PROJECT IN THE DUTCH PORTFOLIO



- The goal is to increase number of green buildings within the portfolio to match AT's integrated sustainable business strategy
- Pilot project in the NL where demand from tenants for green buildings exists, higher rents and occupancy can be achieved and capex for upgrades yields positively immediately. Based on experiences gained through this pilot, the strategy will be implemented in other portfolio locations.
- Only minor works are expected to be done to achieve these certifications as the portfolio is already in high quality.



### SELECTED PORTFOLIO CERTIFICATIONS



BREEAM In-Use "Outstanding"



LEED Gold



LEED Gold



DGNB Gold



LEED Gold Expected

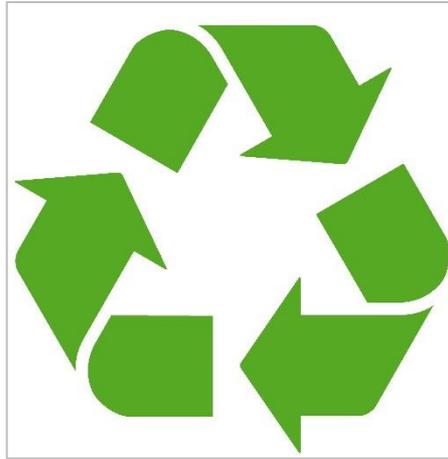
## WATER CONSUMPTION



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

Water-saving sanitary facilities

## WASTE MANAGEMENT



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

Exploring potential to further optimize waste and operational costs through waste management systems

## Aroundtown Foundation

## Local partnerships



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

~A dozen of charities across portfolio's locations, working in close contact with local partners: e.g. SOS Kinderdorf Berlin, Tafel e.V., Die Arche e.V., Kältebus Berlin, Horizont e.V., etc.

Local projects aimed at eliminating child poverty, improving child and youth education & healthcare, providing solidarity to the ethnic minorities, helping the homeless community & socially disadvantaged families, etc.

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

## HOLISTIC TENANT MANAGEMENT APPROACH

### ENGAGEMENT



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

### AVAILABILITY



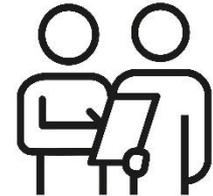
24/7 tenant support

### POLICY



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

### ENFORCEMENT



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

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



**TRAINING**

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



**COLLABORATION**

Dynamic & open corporate culture, fostering personal development and collaboration



**RETENTION**

Employee retention program to reduce knowledge drain



**EMPLOYEE SATISFACTION SURVEY**



**DIVERSITY & ANTI-DISCRIMINATION POLICY**

Among 380 global companies in the Bloomberg Diversity Index



**HEALTH, SAFETY & SECURITY**

Well-being of employees, fitness center at HQs, cyber security measures

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

## BOARD OF DIRECTORS – 4/6 MEMBERS ARE INDEPENDENT/NON-EXECUTIVE & 2/6 ARE FEMALE

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



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

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



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

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



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

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



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

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



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

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



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

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

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

### AUDIT COMMITTEE

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

### RISK COMMITTEE

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

### NOMINATION COMMITTEE

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

### REMUNERATION COMMITTEE

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

### ESG/CSR COMMITTEE

(REVIEWING SHAREHOLDER PROPOSALS AND RECOMMENDATIONS THAT RELATE TO MATTERS OF CORPORATE SOCIAL RESPONSIBILITY)

### IT/ CYBER SECURITY COMMITTEE

(PROTECTING THE CONFIDENTIALITY AND INTEGRITY OF MANAGEMENT INFORMATION AND DATA ACROSS ALL BUSINESS PROCESSES)

## ADDITIONAL OVERSIGHT PROVIDED BY THE ADVISORY BOARD

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

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



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

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



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

JOINED THE GROUP'S ADVISORY BOARD SINCE 2013. SERVED AS AN EXECUTIVE DIRECTOR AT BERLINHP 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. *DIPLO.KFM. / MBA*



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

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



## MANAGEMENT BODY IS SUPERVISED BY THE BOARD OF DIRECTORS



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

SINCE 2020 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.

*TEL AVIV UNIVERSITY, LLB AND CERTIFIED ATTORNEY*



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

SINCE 2008 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.

*MBA AND CPA*



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

SINCE 2013 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.

*BA HONOURS IN INTERNATIONAL BUSINESS*



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

SINCE 2020 IN THE MANAGEMENT OF AROUNDTOWN AND ITS SUBSIDIARIES.

*CERTIFIED DEGREE IN REAL ESTATE FROM HANNOVER CHAMBER OF COMMERCE*

## SENIOR MANAGEMENT



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

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



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

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



### **KAMALDEEP MANAKTALA – CEO OF HOTEL DIVISION**

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



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

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



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

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



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

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



### **ALON LEVY – HEAD OF DUTCH OPERATIONS**

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



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

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



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

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

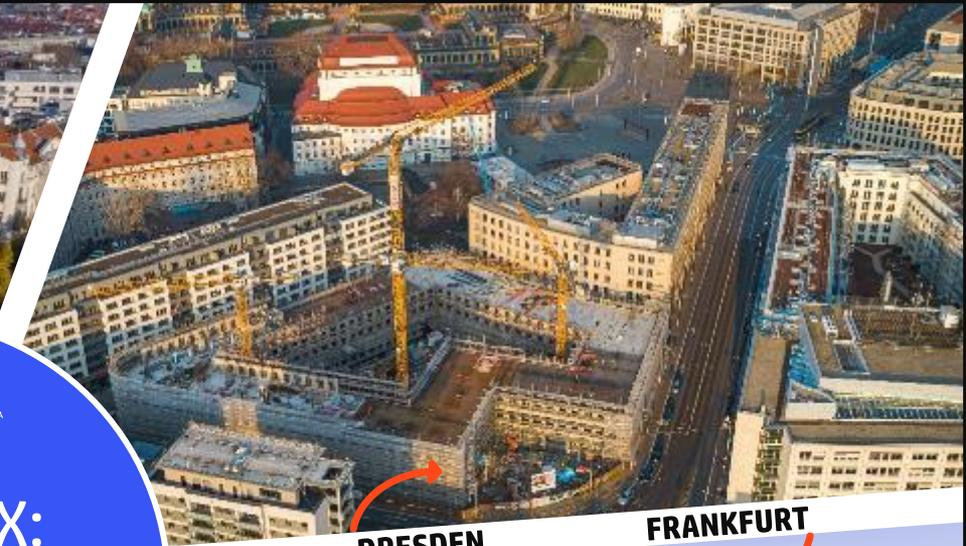


### **DEAN MABELSON - HEAD OF ENERGY DEPARTMENT**

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



**BERLIN**



**DRESDEN**

**FRANKFURT**

 **AROWNTOWN<sup>SA</sup>**

# APPENDIX: DEVELOPMENT PROJECTS

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## PROPERTY DESCRIPTION

- This neighbourhood supermarket covers 4k sqm and is situated in one of Berlin's most popular districts, Friedrichshain, at Warschauer Straße, one of Berlin's main boulevards. The property on Revaler Straße 2, 10243 Berlin is walking distance from several train stations serviced by all nodes of transportation. Furthermore, there is a tram stop right in front of the asset. The surrounding district is a vibrant mixed-use area, with primarily residential and office, as well as a retail, bars, restaurants and cultural venues and includes Mediaspree, which is home to many international corporations such as the HQ of Zalando, Daimler, Universal Music and others.



## MARKET DEMAND

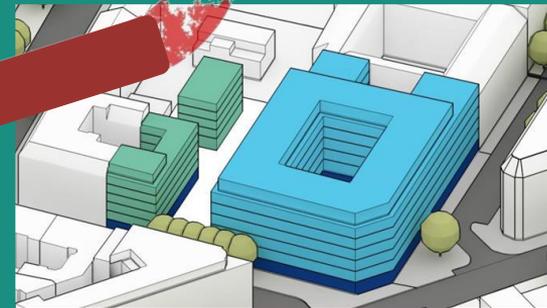
- The area is seeing high demand for all uses due to its strong transportation links and vibrant cultural scene.
- Office Rents range from €26 to €36 per sqm in the adjacent Mediaspree district<sup>1)</sup>
- Average Residential Rents for newly built in the area are above €20/sqm in rent and above €7,000/sqm in condominium sales<sup>2)</sup>
- The area is seeing high demand for all uses due to its strong transportation links and vibrant cultural scene.



1) JLL Office Market Profile Berlin Q1 2021, 2) JLL Residential Profile Berlin – H2 2020

## DEVELOPMENT POTENTIAL

- **Re-Development into mixed-use property**
- The Project comprises a mixed-use development of 25k sqm.
- Project aims to maintain the supermarket as a tenant on the ground floor. Additional floors above are planned for office. Additional land on the plot, which is currently undeveloped to be developed for serviced apartments.
- Preliminary building permits on the property exists.
- The sale of the development rights was concluded above book value



above book value, incl. development rights

## PROPERTY DESCRIPTION

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



## MARKET DEMAND

- The asset's district "Mitte" is one of Berlin's top office district with the highest rents in the city<sup>1)</sup>. Average office rents in Alexanderplatz reach up to €40/sqm (€28/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, leaving little or no availability after completion<sup>2)</sup>
- Selling prices can reach up to €13k/sqm for office space while construction costs are around €2k- €3k/sqm<sup>3)</sup>



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

## DEVELOPMENT POTENTIAL

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



3) ZIA Deutschland, 2019; Destatis, 2020

## PROPERTY DESCRIPTION

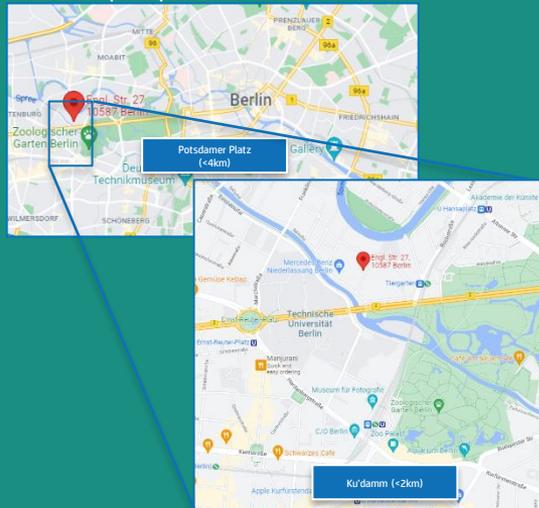
- The property is situated in Berlin's western center, walking distance from the Berlin Zoo central train station and adjacent Berlin's Technical University (TU). Due to its central location the property on Englische Straße 29, 10587 Berlin it is well connected, just off the city's main artery Bundesstraße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

pre-development



## VALUE POTENTIAL & MARKET DEMAND

- This building is surrounded by a new built fully rented office property from the TLG portfolio. By integrating this property into the existing property, a higher amount of lettable sqm can be achieved in comparison to a stand alone development, thus raising synergies from combining both portfolios.
- Market rent for office space in the Charlottenburg district are €30 per sqm.



1) JLL. Office Market Profile Berlin Q3 2021

## DEVELOPMENT POTENTIAL

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



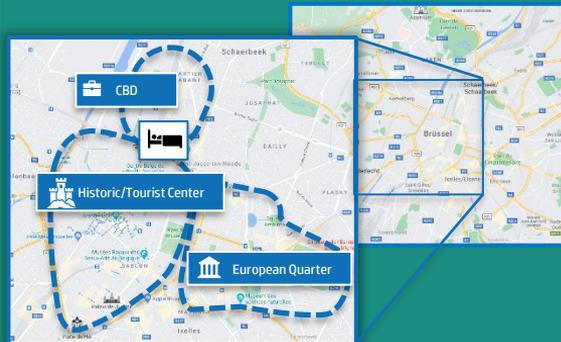
## PROPERTY DESCRIPTION

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



## MARKET POSITION

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



During refurbishment  
Lobby & reception



During refurbishment  
Roof-top bar & restaurants

## REPOSITIONING

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



Rendered image, post-refurbishment

## PROPERTY DESCRIPTION

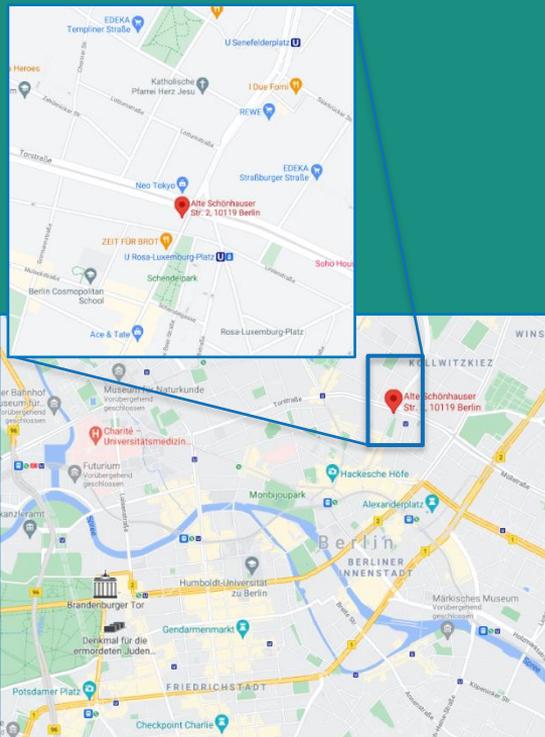
- The hotel is situated in Berlin's prime central district, Mitte, adjacent Rosa-Luxemburg-Platz, short walking distance from Alexanderplatz. The hotel on Alte Schönhauser Str. 2, 10119 Berlin is well connected with a tram stop and U-bahn station in front of the asset. The area surrounding the property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

Pre-refurbishment



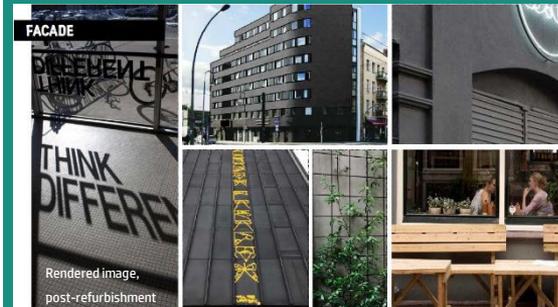
## PROPERTY LOCATION

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



## REPOSITIONING

- **Complete upgrade, redesign and new branding expected to be finalized in 2022**
- The property will receive a complete facelift including a refurbished façade.
- Entire fit-out to be upgraded with a street art inspired design theme.
- The 80+ room hotel will have a radio station, library, restaurant, kitchen, cinema, rooftop bar as well a co-working space.



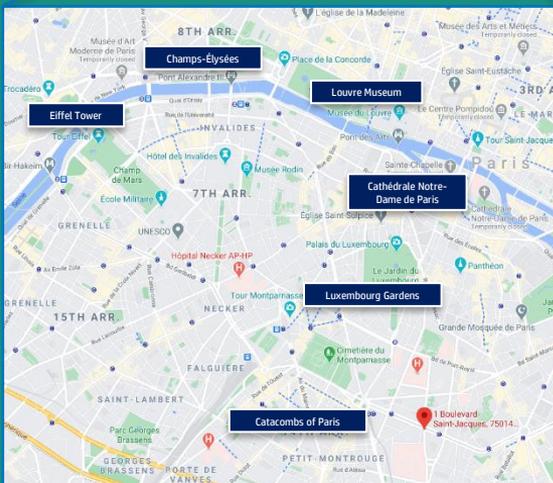
## PROPERTY DESCRIPTION

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



## PROPERTY LOCATION

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



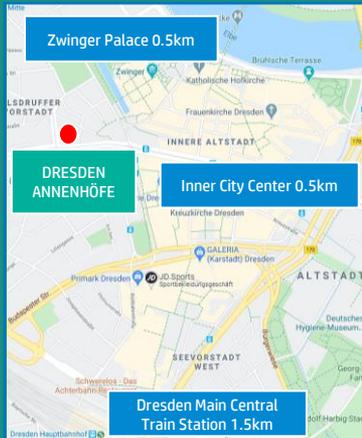
## REPOSITIONING

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



## PROPERTY DESCRIPTION

- ❑ Dresden Annenhöfe Project where modern meets historic city center: Creating 25k modern inner-city office space to meet the great demand
- ❑ The property is in the heart of Dresden, in close proximity to Zwinger and also provides well-connectivity through train lines and Autobahn
- ❑ It provides ample parking opportunities, multiple facilities and a large courtyard



## MARKET DEMAND

- ❑ The property is located in the heart of Dresden where there is a great demand for modern office space but there is virtually no available supply to meet the demand
- ❑ This is reflected in steady rise in prime rents, reduction in vacancies and compression in yields



Source: Catella, DZ HYP

## VALUE EXTRACTION POTENTIAL

- ❑ Currently in the construction phase / expected completion in 2022
- ❑ 40% is pre-let to strong international tenants further 50% is in final negotiations with strong tenants
- ❑ The asset will be certified according to the LEED Gold certification standard



## PROPERTY DESCRIPTION

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



Original roof

## MARKET DEMAND

- The area surrounding Ku'damm is highly demanded for all asset types due to its central location and status as a prime promenade.
- Newly renovated or developed High-End Condominiums are especially in demand, with listings in the area reaching to well over €30k/sqm<sup>1)</sup>



Construction phase

<sup>1)</sup> based on a review of listings in the vicinity of the property

## DEVELOPMENT POTENTIAL

- **Addition of new floors with condominiums expected to be finalized in H2 2021**
- The property included a large attic that was not utilized. Due to the strong demand for residential condominiums in the area Arowntown determined that the most optimal use of the space would be to convert and expand the existing attic, adding two new floors
- Condominiums have an expected sales price above €10k/sqm



Final stage

## PROPERTY DESCRIPTION

- ❑ The property is located in Berlin's popular central district Mediaspree, which is home to many international corporations such as the HQ of Zalando, Daimler, Universal Music and others, in the popular district Friedrichshain. The property lies next to the main train station Berlin Ostbahnhof, a central transportation hub serviced by many trains, including interregional and international, S-bahn, and busses. The property covers a large land plot and logistics hall, which is currently used as an event center covering 3 large halls, a galerie and an outdoor area. The district surrounding the property on Wriezener Karree 15, 10243 Berlin has a mixed use of residential, office, logistics, retail and leisure providing many amenities, and counts as one of Berlin's most popular and modern office districts. There are many prime tourist destinations situated nearby, such as the East Side Gallery, Oberbaumbrücke and Mercedes Benz Arena.

## MARKET DEMAND

- ❑ The Mediaspree district is seeing strong and growing demand and has been one of Berlin's foremost urban renewal projects with some of the most modern office buildings in Berlin.
- ❑ Office Rents range from €26 to €36 per sqm<sup>1)</sup>
- ❑ Office Vacancy in Berlin remains at historic lows, at 3.4% as of Q1 2021<sup>1)</sup>
- ❑ New developments have a very high pre-let ratio. More than half of new supply that is expected to be delivered in the next 2 years is already pre-let<sup>2)</sup>



1) JLL. Office Market Profile Berlin Q1 2021.

2) BNP Paribas Real Estate, Office Market Germany, 2020 (data refers to Mediaspree)

## DEVELOPMENT POTENTIAL

- ❑ **Development of Office Campus**
- ❑ The project comprises an office campus totaling approx. 37k sqm
- ❑ Building permit received and currently in early stages of finding possible tenants. Construction will start after pre-let is achieved
- ❑ **Further development potential:** Adjacent plot is currently leased to a DIY chain. While currently not planned, this plot may contain further potential in the future.



## PROPERTY DESCRIPTION

- This office property is located at Schnellerstraße 137, 12439 Berlin, in the Niederschöneweide 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

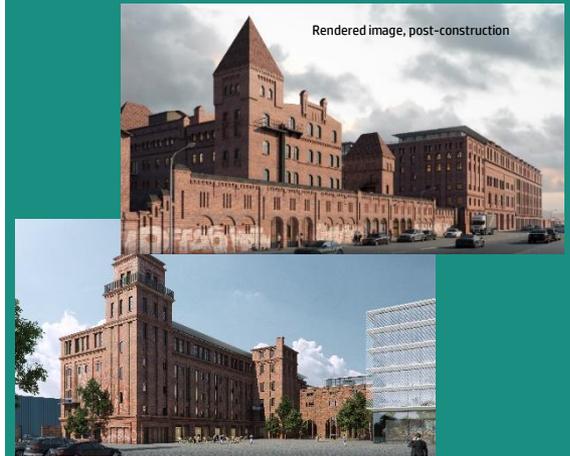
- Located between Treptower Park and Adlershof Science Park, Niederschöneweide has a strong and further growing market environment
- Average rents for both residential and commercial use in the area are around €15/sqm<sup>1)</sup>
- Achievable purchase/sale prices for office properties in the region 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. Ca 50% of building permits have been received**
- The original use of the buildings have been for offices, residential, warehouse and factory
- Re-development potential of currently 41k sqm into around 70k lettable sqm of office (conversion as well as new built), micro/student apartments and retail while maintaining the special characteristics of the property
- In advanced negotiations with potential tenants.



## PROPERTY DESCRIPTION

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

## MARKET DEMAND

- The office tower is located at the corner of Bahnhofsviertel, Europaviertel and Banking District, three of the most exclusive office districts in Frankfurt.
- Achievable average rents for the modern space in this area can reach up to €32/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

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

Pre-refurbishment



Main central train station

Office Tower  
Hafenstraße 51  
60327 Frankfurt

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

## PROPERTY DESCRIPTION

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



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 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>



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

## VALUE EXTRACTION POTENTIAL

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

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 highway, bus and S-bahn which has a direct line to the new Berlin airport
- Arowntown 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 in this submarket. 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 22k lettable sqm with mixed use of office and hotel/short-term let micro apartments
- ❑ Currently in B-plan process.





# APPENDIX: FOCUS ON CENTRAL LOCATIONS OF TOP TIER CITIES

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**BERLIN**

**AMSTERDAM**

**FRANKFURT**

**MUNICH**



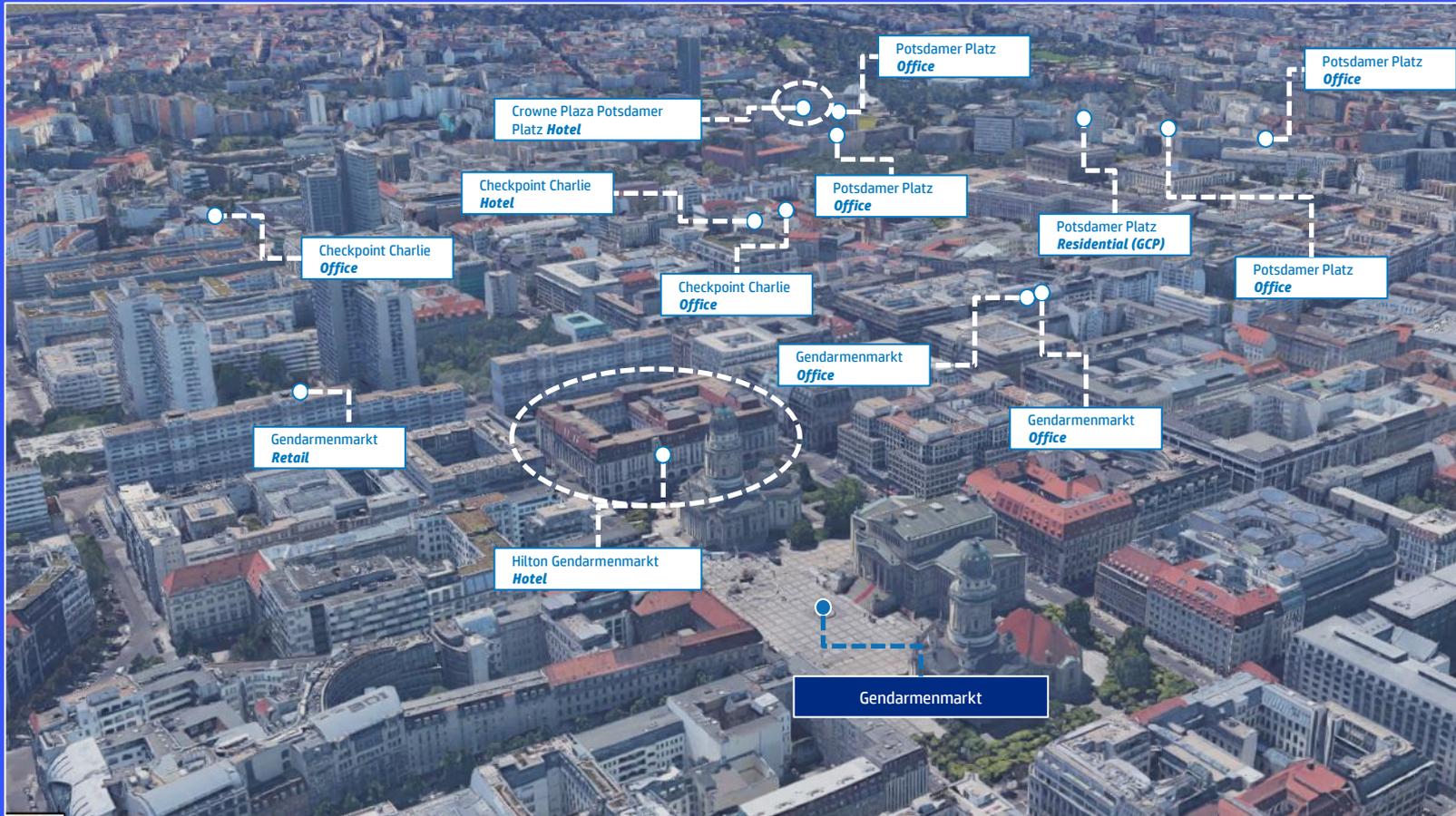
**BERLIN  
ALEXANDERPLATZ**

OVER 140,000 SQM  
LETTABLE SPACE IN  
THE PRIME COMMERCIAL  
AND TOURIST CENTER  
ALEXANDERPLATZ

landmark

AT property

# BERLIN POTSDAMER PLATZ: THE PRIME COMMERCIAL AND TOURIST CENTER

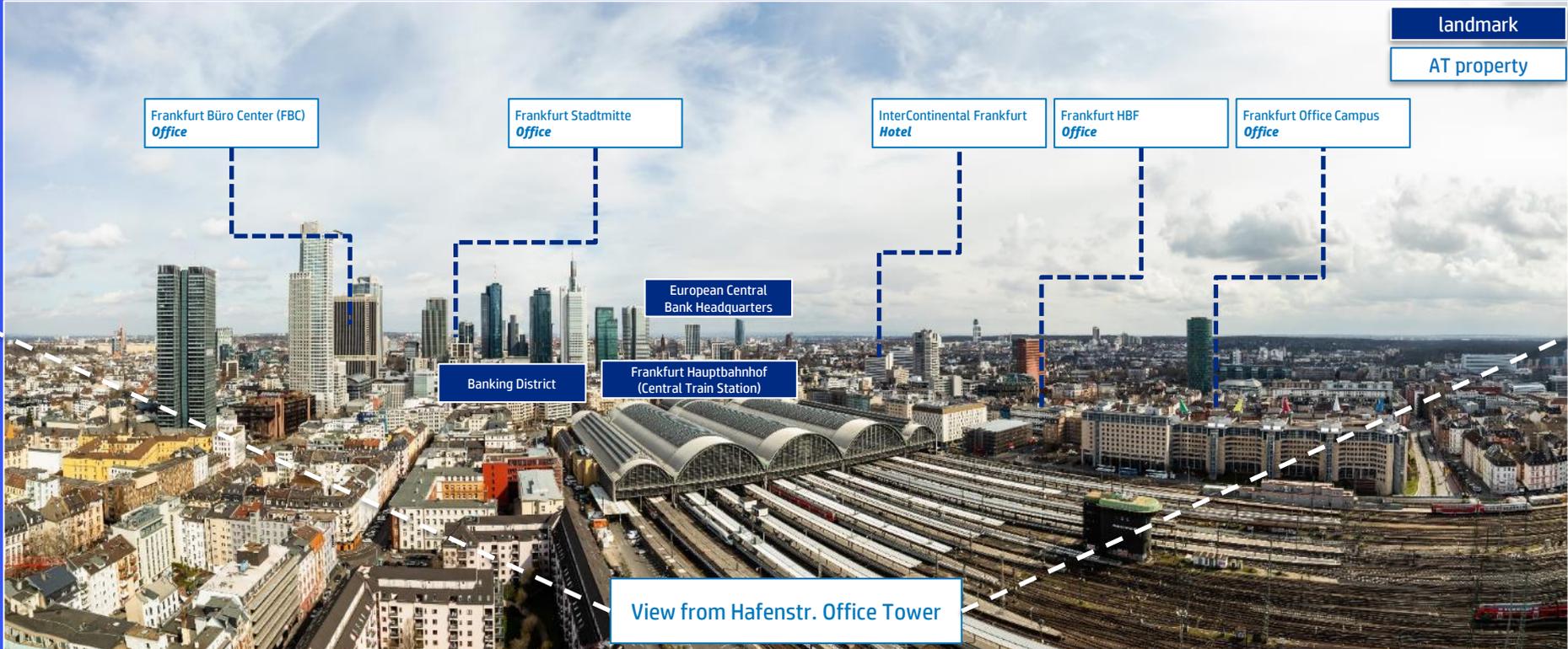


landmark

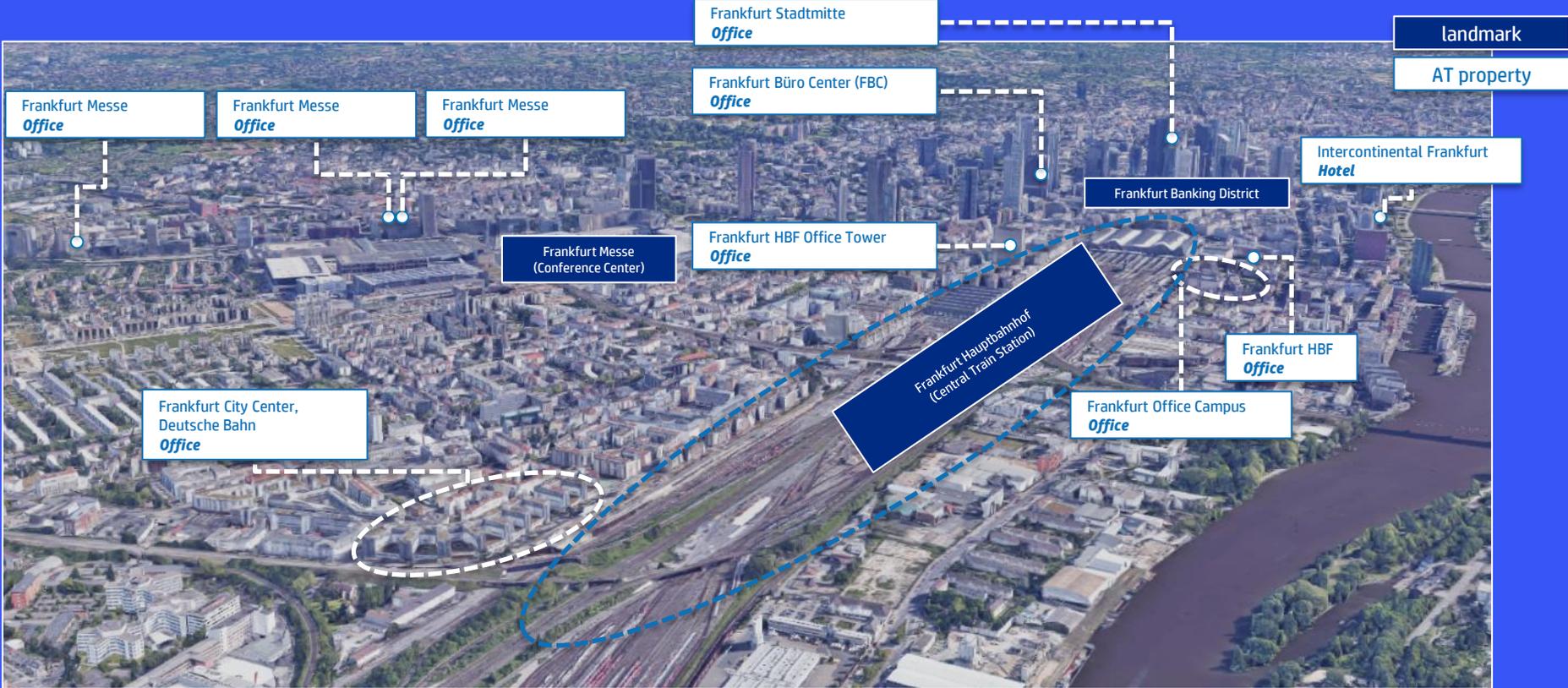
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# BERLIN KU'DAMM: THE PRIME COMMERCIAL AND TOURIST CENTER





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



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



landmark

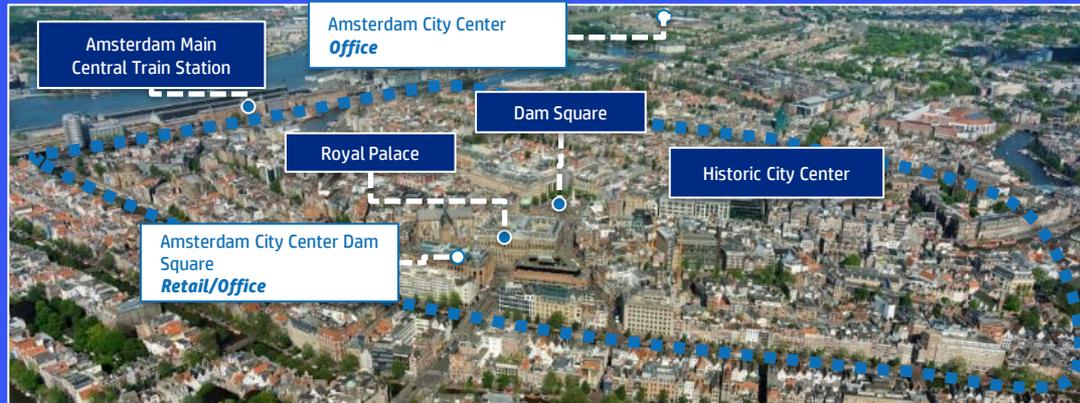
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# AMSTERDAM – CENTRALLY LOCATED HIGH QUALITY ASSETS

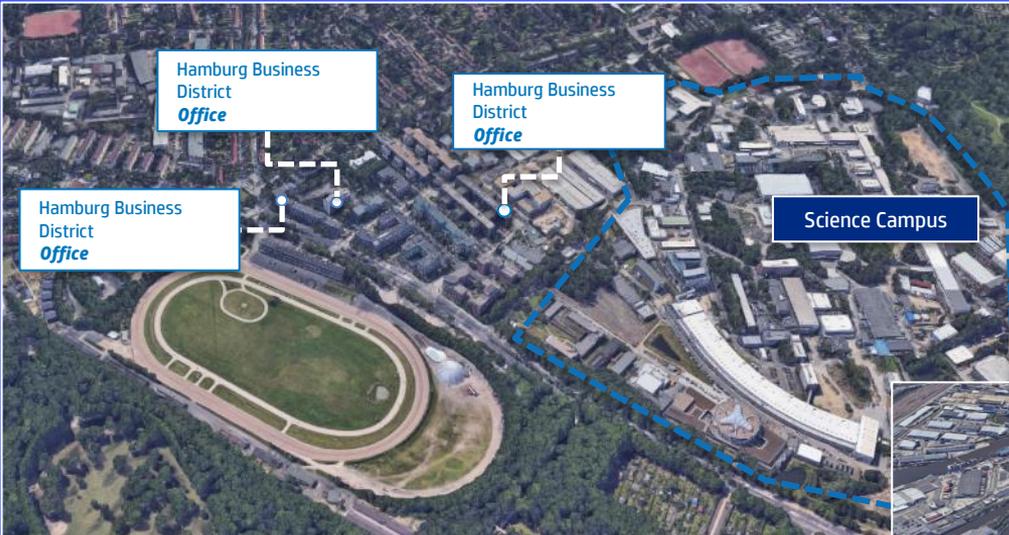


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# HAMBURG – WELL PLACED ACROSS GERMANY'S SECOND-LARGEST CITY



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# DRESDEN – PRIME ASSETS IN HISTORIC CITY CENTER



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# LEIPZIG – CENTRALLY LOCATED TOP TIER ASSETS AT HAUPTBAHNHOF



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# APPENDIX: MARKET DATA

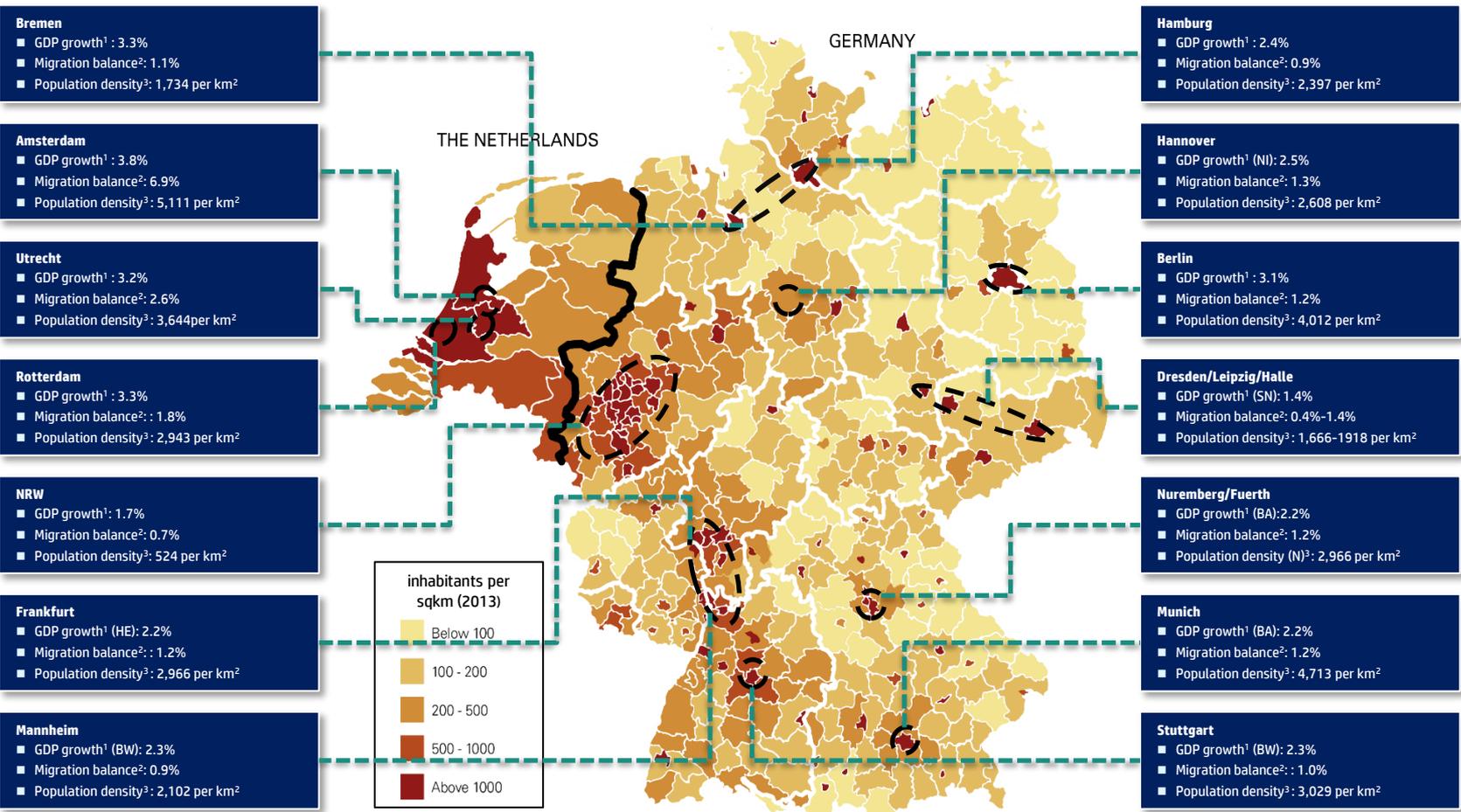
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**ROTTERDAM**

**UTRECHT**

**LEIPZIG**

**DRESDEN**



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

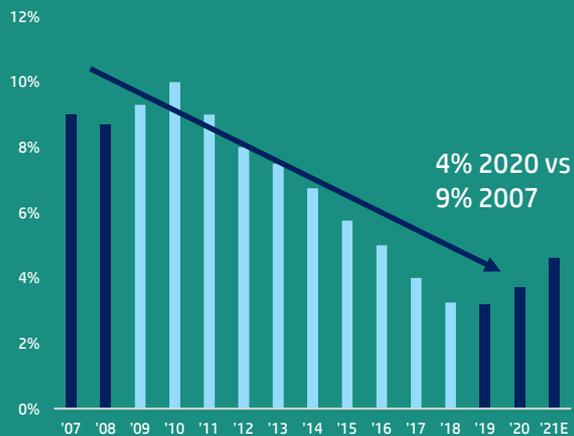
3) Population density: Residents per Sqk (2016/NL 2017)

**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**

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



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

HIGH PRE-LET RATIO <sup>2)</sup>	2021	2022	2023
Pre-letting Q1 21	63%	36%	21%
Pre-letting Q4 20	57%	35%	26%
Pre-letting Q3 20	57%	34%	24%
Pre-letting Q2 20	57%	33%	22%

**TAKE-UP IN TOP 8 DURING Q3 2021 IS 38% ABOVE Q3 2020<sup>3)</sup>**

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



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

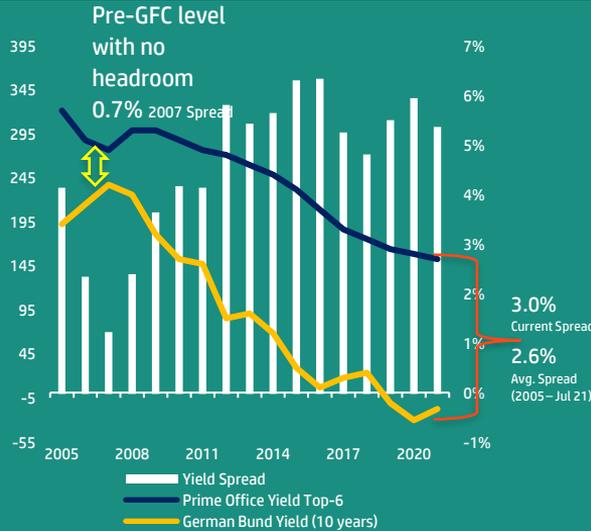
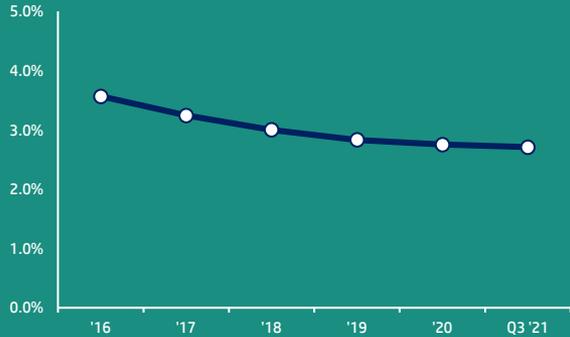
**RECENT MARKET DEALS SHOW THE SUSTAINED HIGH DEMAND IN GERMAN OFFICE REAL ESTATE**

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

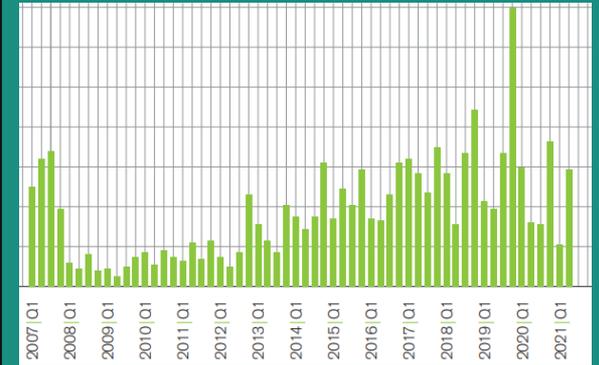
**INVESTMENT VOLUMES REMAIN HIGH, WELL ABOVE GFC LEVELS**

## PRIME OFFICE YIELDS REMAIN STABLE DURING 2020 & 2021

Germany Big 7 Office Net Prime Yields



## INVESTMENT VOLUMES MAINTAINED AT €18BN IN 2020, DEMAND PICKING UP IN Q4

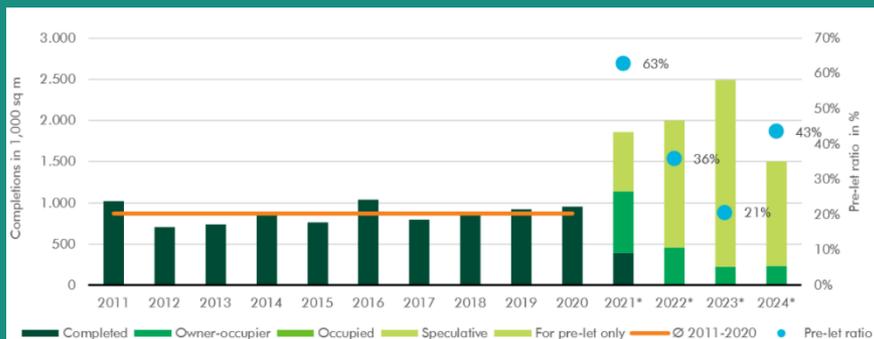


Sources: Left graph: BNP Paribas Real Estate, Office Investment Market Germany Q3 2021, simple average of Big 7

Middle graph: Savills, Outlook for the German real estate market in 2020; Savills, Market in Minutes, Investment Market Germany, November 2021; Deutsche Bundesbank, Daily yields of current Federal securities, November 19, 2021

Right graph: PBB, PBBIX Office Property Market Germany, 2021 Q2

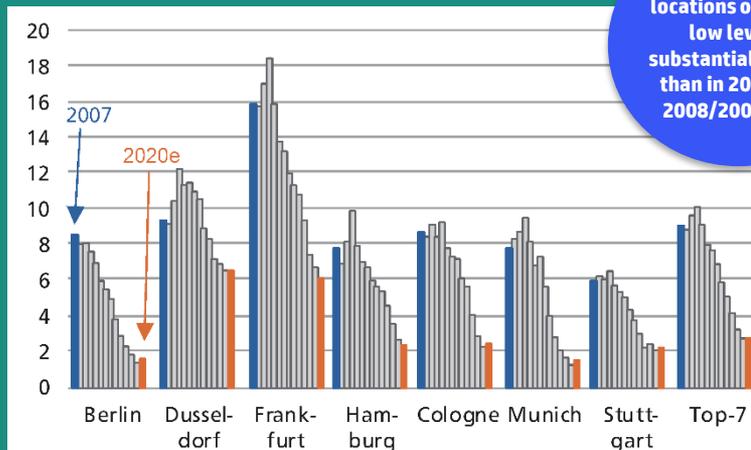
## HIGH PRE-LET RATIOS, INCREASED DURING PANDEMIC AS A RESULT OF LOW NEW SUPPLY AT STRONG DEMAND



HIGH PRE-LET RATIO <sup>2)</sup>	2021	2022	2023
Pre-letting Q1 21	63%	36%	21%
Pre-letting Q4 20	57%	35%	26%
Pre-letting Q3 20	57%	34%	24%
Pre-letting Q2 20	57%	33%	22%

Source: CBRE Research, Germany Sector Outlook, April 2021, Company adjusted

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



Vacancies in the top-7 locations on record low levels, substantially lower than in 2007 pre-2008/2009 crisis

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

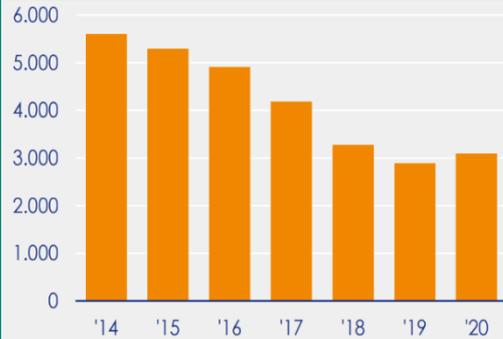
## DUTCH OFFICE MARKET MAINTAINS ITS ATTRACTIVENESS DURING THE PANDEMIC

Demand for high quality office space is high and supply is still scarce. New letting was lower due to delay in relocation decisions.

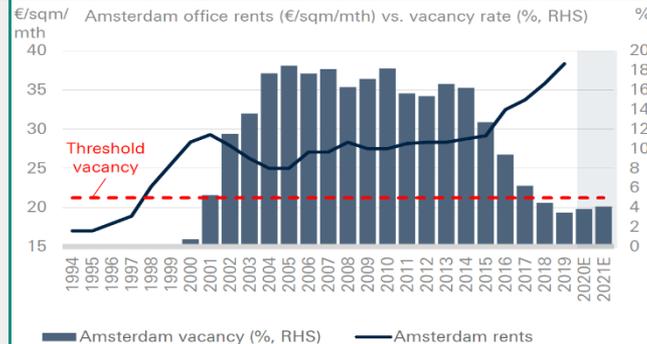
Rents and values were stable during the pandemic thanks to the strong fundamentals

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

**AVAILABLE SUPPLY IN SQM, NETHERLANDS <sup>1)</sup>**

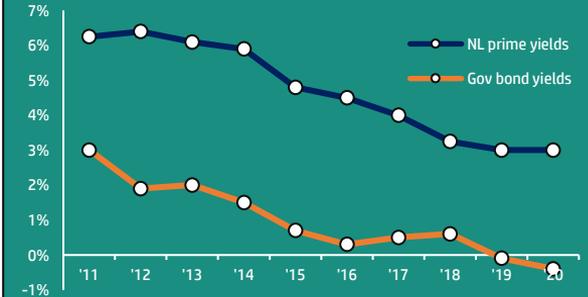


**VACANCY RATE AND RENTS IN AMSTERDAM <sup>2)</sup>**



**PRIME YIELDS WERE STABLE DURING THE PANDEMIC, DRIVEN BY STRONG FUNDAMENTALS, WITH A LARGE SPREAD OVER GOV BOND YIELDS**

**NETHERLANDS OFFICE PRIME YIELDS <sup>3)</sup>**



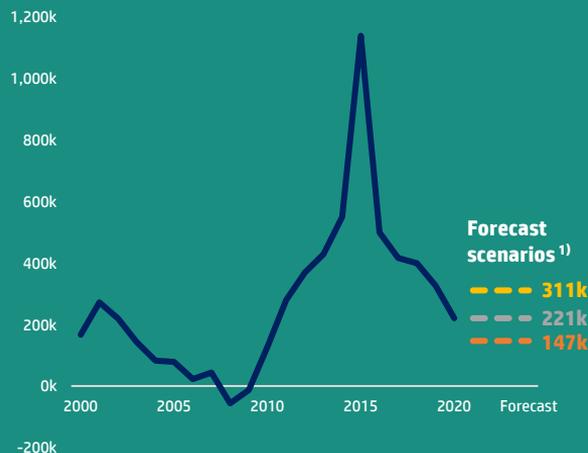
1) Dynamis, Sprekende Cijfers Kantorenmarkten, 2021 2) CBRE, Deutsche Bank Research, July 2020 3) Savills Research, Market in Minutes, Q1 2021

## POSITIVE NET MIGRATION RESULTS IN HIGH DEMAND

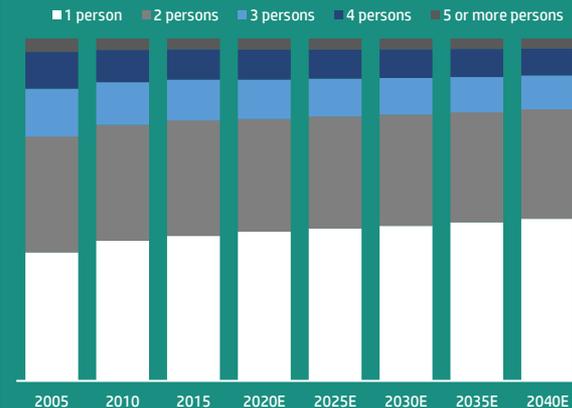
## REDUCTION OF HOUSEHOLD SIZE RESULTS IN HIGH DEMAND

## SIGNIFICANT UNDERSUPPLY

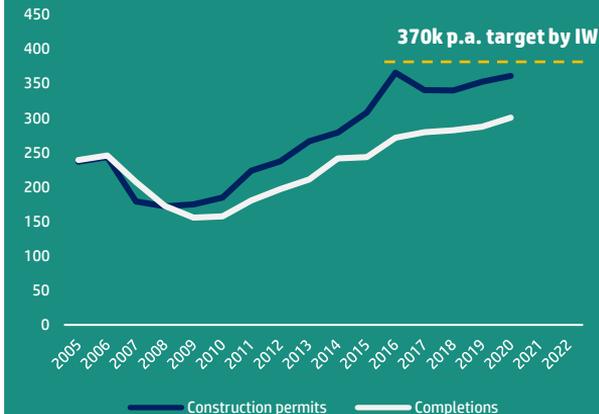
Positive Net Migration in Germany <sup>1)</sup>



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



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

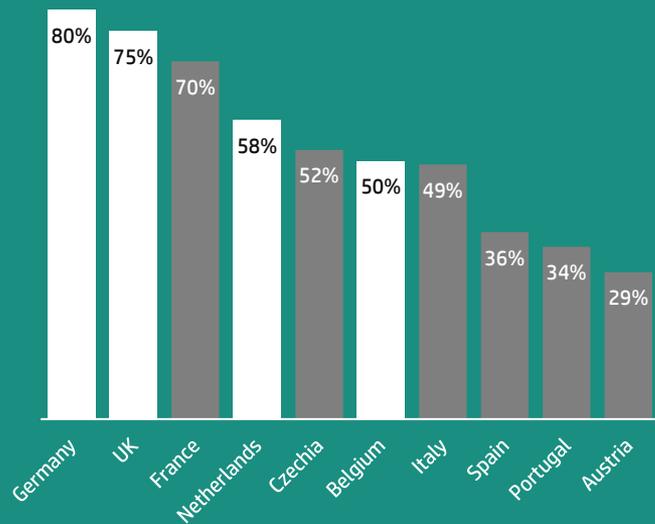


Sources: 1) Destatis. Forecast scenarios are based on high, low or moderate migration balance 2) destatis (actuals), IW Cologne (required construction)

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

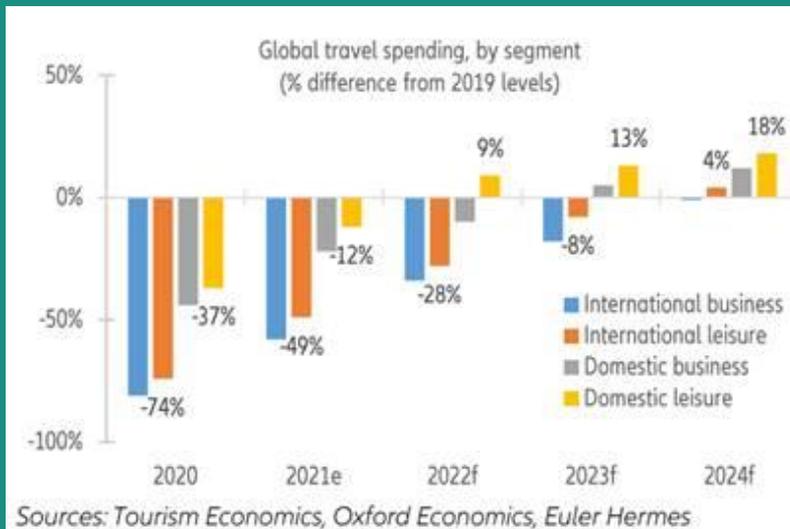
Domestic travel is expected to recover faster while it will take longer for international travel to recover. Thanks to its high share of domestic travel, the lag in international travel has a reduced impact on Germany's, UK's and NL's recovery

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



Source: 1) Eurostat, Office for National Statistics, Great Britain Tourism Survey, Tourism Northern Ireland – All as of 2019 2) Allianz Research, March 2021

Expected global recovery of different sub-sectors compared to 2019<sup>2)</sup>



Sources: Tourism Economics, Oxford Economics, Euler Hermes

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