



**TOGETHER CREATING THE LEADING EUROPEAN
COMMERCIAL REAL ESTATE COMPANY**

18 November 2019

Disclaimer

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The offer will be made exclusively under the laws of the Federal Republic of Germany, especially under the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – WpÜG*), and certain provisions of the securities laws of the United States of America applicable to cross-border tender offers. The offer will not be executed according to the provisions of jurisdictions other than those of the Federal Republic of Germany or the United States of America (to the extent applicable). Thus, no other announcements, registrations, admissions or approvals of the offer outside of the Federal Republic of Germany have been filed, arranged for or granted. Investors in, and holders of, securities in the Company cannot rely on having recourse to provisions for the protection of investors in any jurisdiction other than the provisions of the Federal Republic of Germany or the United States of America (to the extent applicable). Subject to the exceptions described in the offer document as well as any exemptions that may be granted by the relevant regulators, a public takeover offer will not be made, neither directly nor indirectly, in jurisdictions where to do so would constitute a violation of the laws of such jurisdiction.

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Key terms of the recommended all-share tender offer

Financial terms	<ul style="list-style-type: none"> ■ All share voluntary tender offer by Aroundtown for 100% of the share capital of TLG ■ 1 TLG share = 3.6 Aroundtown shares <ul style="list-style-type: none"> ■ The implied exchange ratio of 3.6 is determined on the basis of Aroundtown and TLG reported EPRA NAVs for 30 June 2019
Merger agreement signed	<ul style="list-style-type: none"> ■ Board of Aroundtown and Supervisory Board of TLG signed Business Combination Agreement (BCA) which agrees on the terms of merger
Transaction features	<ul style="list-style-type: none"> ■ Major shareholder support (irrevocable agreement) subject to certain conditions of up to approx. 28% of TLG shares ahead of offer launch ■ No minimum acceptance threshold currently contemplated ■ The offer will include standard conditions to closing ■ New shares to be issued out of Aroundtown's existing authorized capital ■ RETT Blocker and refinancing secured
Governance	<ul style="list-style-type: none"> ■ Commitment from Aroundtown's Management Board and Board of Directors to continue to drive future strong performance ■ New improved governance structure for the combined company to be introduced at >50% acceptance rate: <ul style="list-style-type: none"> ■ Board of Directors: 7-8 members; chairman with casting vote nominated by TLG (at 40% acceptance rate); 3-4 independent members ■ Management Body: 5 members (CEO, CFO, CIO, COO, CDO); Aroundtown nominates CEO; TLG nominates CFO and at >66% acceptance rate an additional management board member, one of them will be Co-CEO ■ Advisory Board with Dr Cromme (chairman) and Mr Gabay (vice chairman) will stay intact with one member to be nominated by TLG ■ Berlin operational headquarters to be combined and the combined entity will be under a new name in due course

Aroundtown's and TLG's board of directors and executive management teams are supportive of the combination on the basis of accretive long-term value creation potential for both shareholder groups

Creating the leading pan-European office/hotel/residential real estate company, with over €25bn asset base



Creating a Pan-European leader in Commercial Real Estate with enhanced free float and liquidity

Well-located & diversified portfolio, top tier cities within Germany & the NL, strongest asset classes

Full value chain: Best-in-class capabilities to maximize value-add of combined portfolio

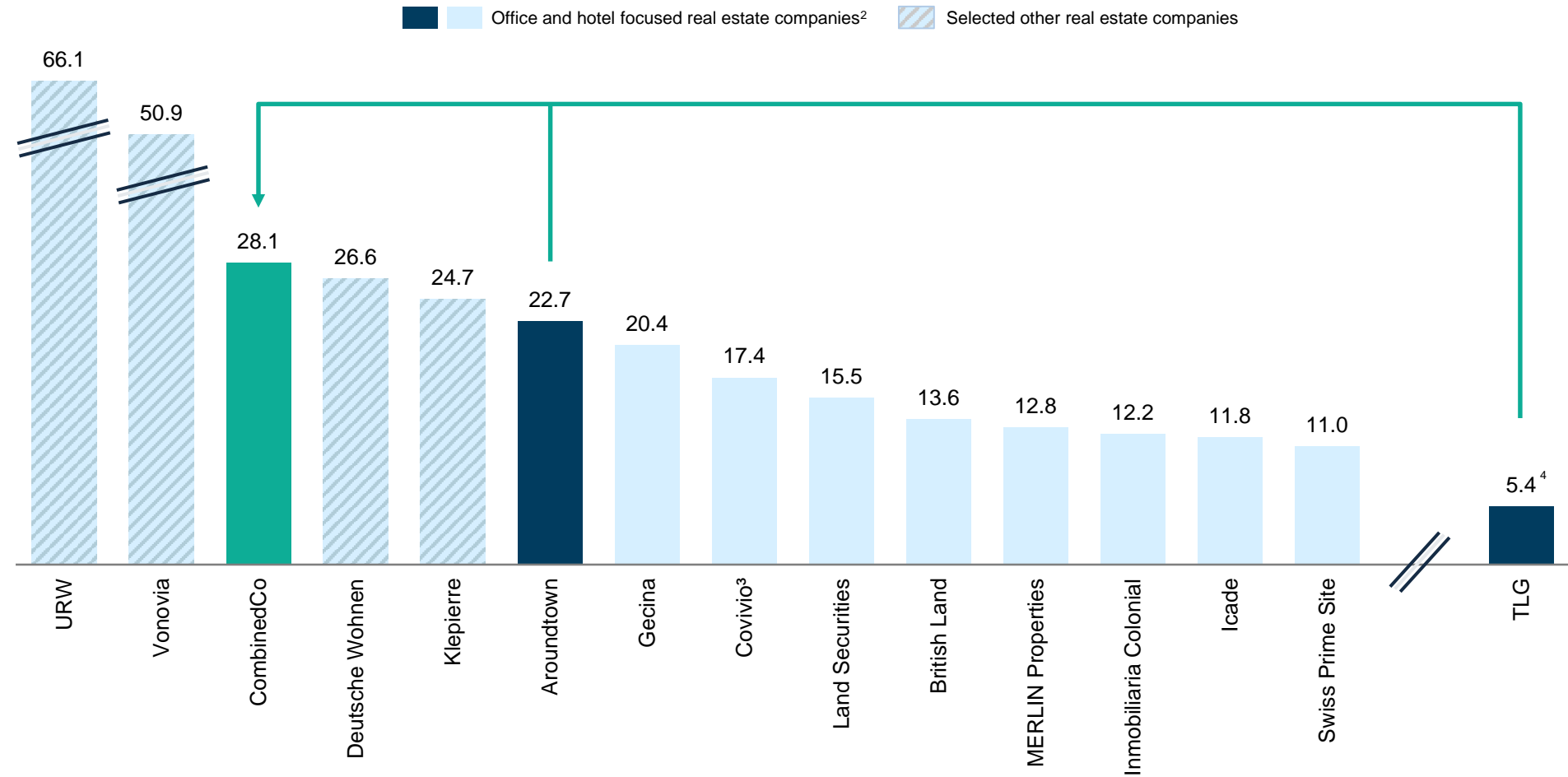
Management expertise and scale to accelerate develop-to-core in prime locations of top tier cities

Estimated synergy potential driving FFO & NAV accretion for shareholders

Further improved governance structure

The combined company will be a top 3 real estate player in Europe

Total assets¹ (EUR bn)



¹ June 2019 total assets (including e.g. cash). Converted to EUR at spot where reporting in non-EUR currency

² Companies with >40% office and hotel exposure based on portfolio value

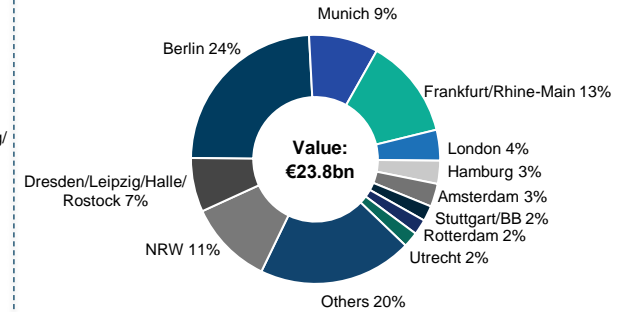
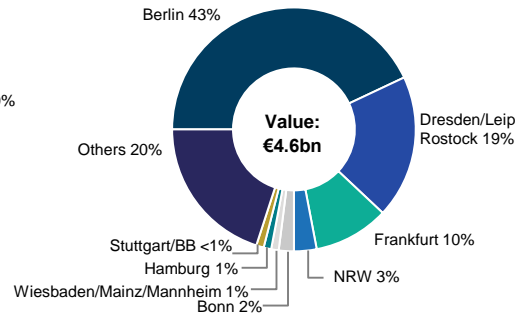
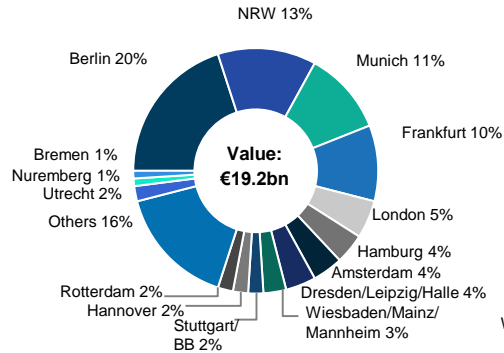
³ Refers to group share

⁴ Excluding 15% stake held in Aroundtown

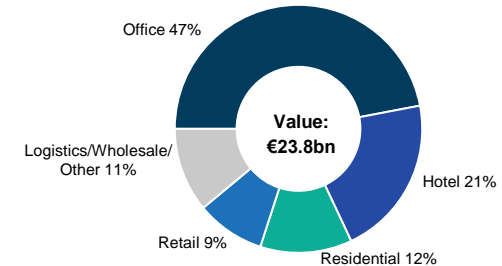
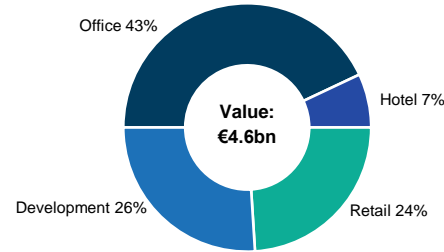
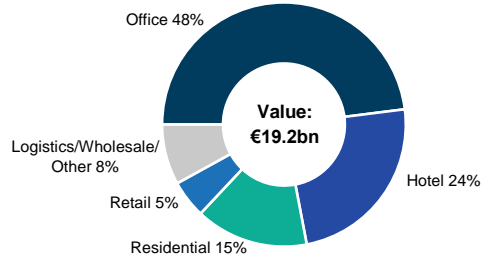
Combined company with over €25bn of assets with focus on the strongest asset classes and regions



**Portfolio by region¹
(by value)**



**Portfolio by sector¹
(by value)**



Lettable area (m sqm) ²	6.6	1.8	8.4
Portfolio value (€bn) ²	16.2	4.6	20.8
of which development	1.1	0.8	1.9
Rent (€bn) ²	0.7	0.2	1.0

Both companies contribute >50% in Berlin, Frankfurt, Hamburg, Munich, Amsterdam and London. Total €1.9 billion development potential, located predominantly in prime locations of Germany's top tier cities, fueling future organic growth, enabling additional value add-creation

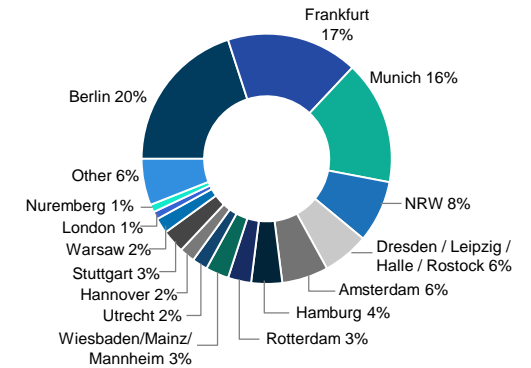
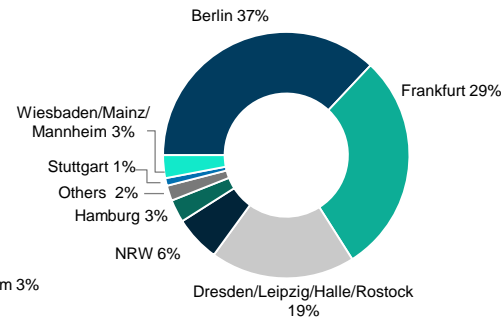
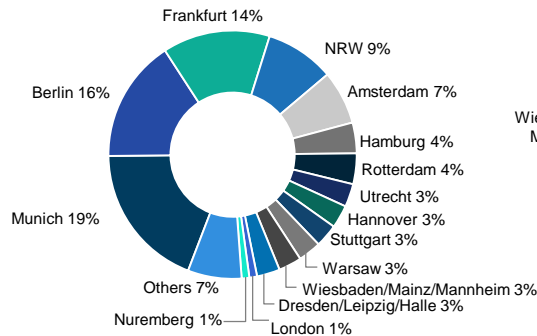
Note: as of June 2019

¹ Including 39% stake in Grand City Properties; ² Commercial portfolio only

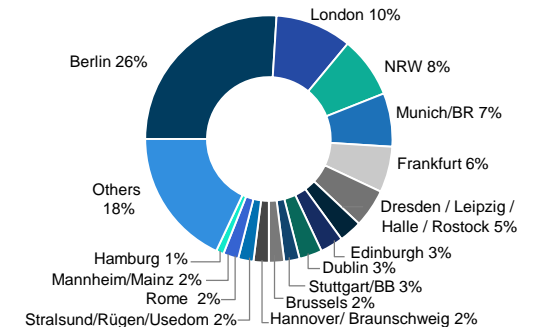
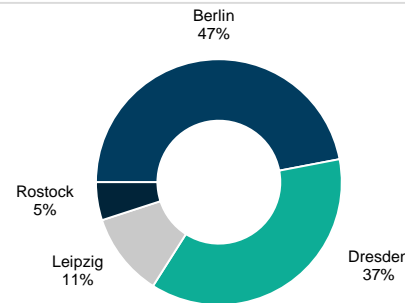
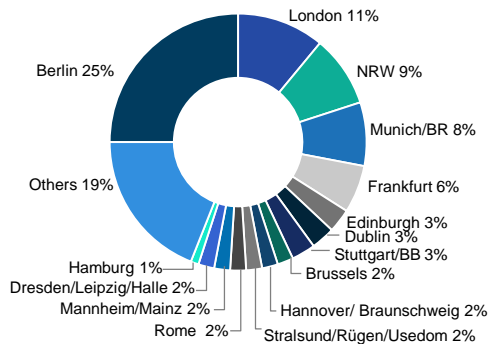
Top tier cities within asset classes...



Office

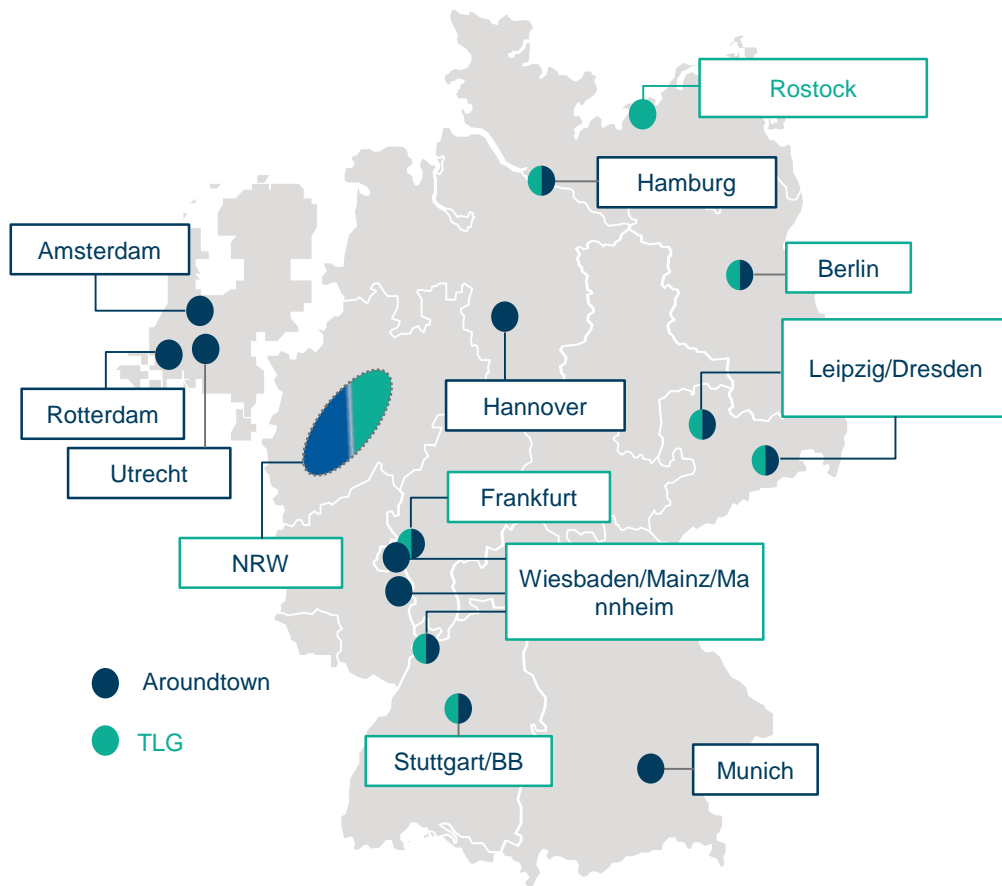


Hotel



- Over half of the combined office portfolio is in Berlin, Munich and Frankfurt
- Half of the combined hotel portfolio is in Berlin, London, Munich and Frankfurt
- Office and hotel portfolio is located in top tier German cities, with also strong footprint in metropolitan cities in Europe

...and enhanced exposure to top cities with strong fundamentals



AROUNDTOWN SA

Siemens Office Campus, Munich	Central Station Office Campus, Frankfurt
Prime Center Office, Frankfurt	Bristol Prime Center, Berlin
Steigenberger Prime Center, Cologne	Hilton Prime Center, Berlin
Prime Center Office, Leipzig	City Center Office, Amsterdam

TLG IMMOBILIEN

Spreestern, Berlin	Die Welle, Berlin
Main Triangel, Frankfurt	Erlenhöfe, Berlin
Forum am Brühl, Leipzig	Alexanderstrasse 1,3,5, Berlin
Hotel de Saxe, Dresden	Kulturbrauerei, Berlin

Higher concentration and stronger local presence will drive like-for-like rental growth and operational synergies

Berlin - Potsdamer Platz: The prime commercial and tourist center

landmark
AT -property
TLG -property

Strong overlap in top tier cities, positioning the combined company as a leading landlord



Berlin - Alexanderplatz City Center

landmark
AT -property
TLG -property

Strong overlap in top tier cities, positioning the combined company as a leading landlord



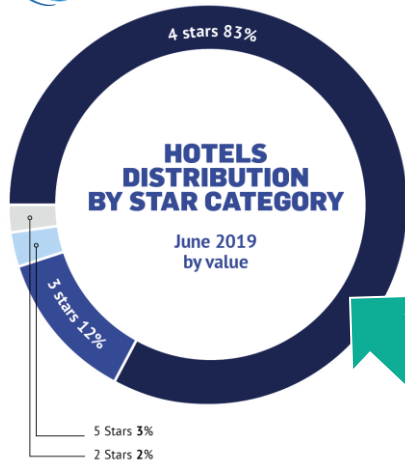
Berlin – Top tier locations around Kurfürstendamm

landmark
AT -property
TLG -property

Strong overlap in top tier cities, positioning the combined company as a leading landlord



Highly performing hotel portfolio



Combined hotel portfolio with approx. 160 hotels valued at €4.8 bn at long-term and fixed leases to third party hotel operators

Largest hotel portfolio among listed European real estate and TLG's hotel portfolio would benefit from an integration due to the strong market presence and economies of scale

7 hotels mostly 4 star category



TLG's brands can benefit from Aaroundtown large network and economies of scale



Aaroundtown has a well established network with leading hotel brands

Hilton Brands	Marriott Brands	Wyndham Brands
IHG Brands	Accor Brands	STEIGENBERGER HOTELS AND RESORTS

Increasing portfolio quality with strong tenant structure at low dependency



- Arountown has a limited dependency on single tenants and industry due to
 - The size of Arountown's portfolio with a large tenant base of over 3,000 tenants
 - The strong focus on diversification of the tenant base
- Top 10 tenants represent less than 20% of rent
- Portfolio WALT is 8 years (as of June 19)



- TLG's 10 largest tenants represent over 30% of their total tenant base
- The integration into Arountown's portfolio will lead to a higher portfolio quality also from a lower tenant dependency
- Portfolio WALT is 5.8 (as of Sep 19)



- Benefit from a stronger diversification with top 10 tenants representing less than 20% of rent on a larger portfolio, while decreasing the dependency
- Combined portfolio WALT is 7.5
- Increased negotiation power with tenants that are in both portfolios
- Combination of both rental teams resulting in efficiencies, faster letting and lower vacancies

Reversionary potential – embedded value-add extraction expertise

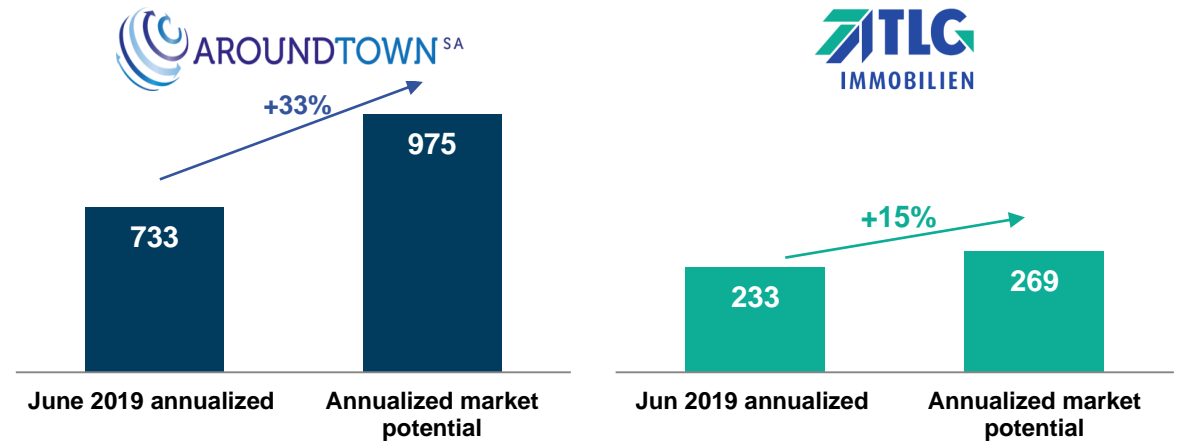
Strong track record of like-for-like rental growth

Strong track record of continuously extracting potential

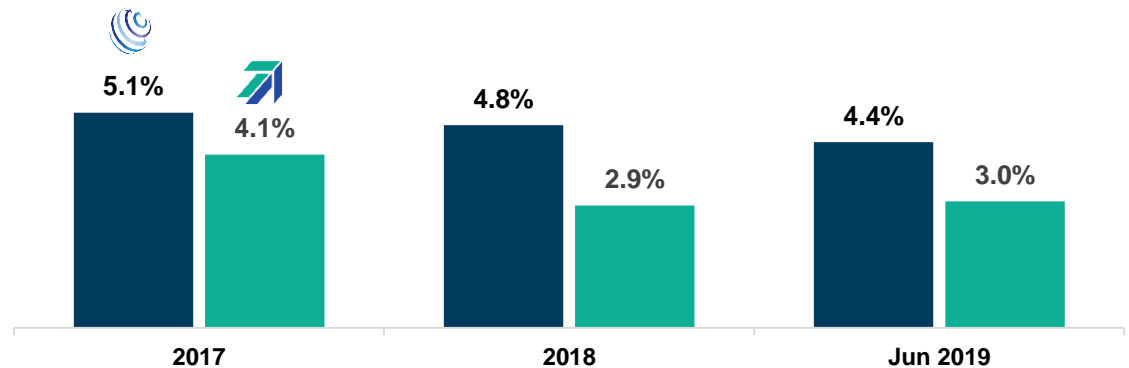
High like-for-like testifies for this ability to transform high potential into high organic growth

Utilizing both companies' expertise to unlock the value-add potential in TLG's portfolio faster

Significant Reversionary potential fueling future internal growth (in € millions)



Strong track record of like-for-like rent increase



Combination of portfolio and higher local concentration can unlock the reversionary potential faster via tenant active rotation and no "internal" competition

Combination will result in acceleration and more profitable development pipeline

High geographical overlap

- Both companies' strong development pipeline is focused on top tier cities with significant embedded value of building rights
- Stronger overlap supports planning, negotiation and execution processes

Acceleration and success of development projects

- Management team's expertise of the market in executing development projects, will accelerate the completion of TLG's development pipeline
- Combined larger development team of 30 employees will form a rich pool of expertise with specialized local market knowledge, led by executives with vast development experience

Large yielding asset base with strong balance sheet

- Enables to accelerate the organic develop-to-core prime assets while still keeping total development below 15% of the balance sheet

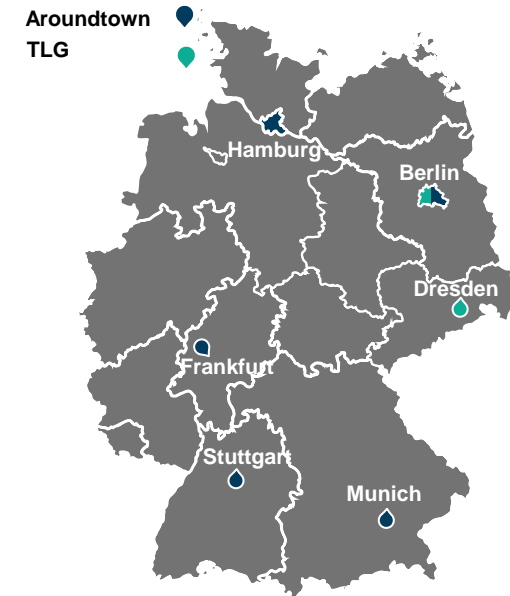
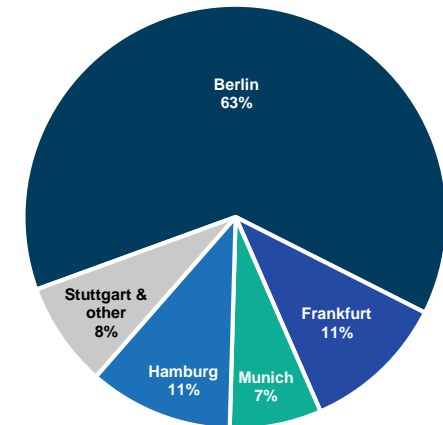
Market leader – letting capabilities

- Stronger pre-letting capability can enable accelerated development without the risk of a speculative construction

Strong embedded potential

- Combined development pipeline embeds significant value creation and rent increase potential

Combined development potential with high geographical overlap in top tier cities¹



¹ excluding €750 million of TLG's currently assessed future value creation potential

Strong synergies identified across the entire value chain

<p>1</p> <h2>Operational synergies</h2>	<ul style="list-style-type: none">■ Efficiency gains through utilization of scalable platform, systems, low cost structure from larger purchasing power■ Synergies through cost reduction on corporate level through centralization, joint functions and lower corporate fees■ IT synergies expected to generate further cost synergies■ Best-in-class management expertise to unlock the high value-add potential embedded in the combined group
<p>2</p> <h2>Financing / credit rating synergies</h2>	<ul style="list-style-type: none">■ Stronger business profile through exposure to a larger and more diversified portfolio will accelerate goal of reaching A category rating, with resulting improved financing terms and consistent access to longer maturities■ Reaching A category rating for the combined company is expected to open new capital markets and investors, introducing a much larger international investor base and significantly higher demand coupled with less supply■ Significant long-term refinancing synergies expected across combined debt balance of both companies
<p>3</p> <h2>Development synergies</h2>	<ul style="list-style-type: none">■ Management know-how and track record in redevelopment of value-add properties contribute to accelerating of extracting the potential in the combined redevelopment portfolio and bring forward cash flows■ Further value-add potential within the combined portfolio which will provide additional long-term value creation■ Large yielding asset base with strong balance sheet enables to accelerate the organic develop-to-core prime assets while still keeping development below 15% of the balance sheet■ Stronger pre-letting capability can enable accelerated development without the risk of a speculative construction■ Acceleration of pipeline and enhancement of future potential to provide FFO and NAV growth

Synergies to fuel and accelerate organic growth and creating operational profitability as well as increasing the value creation upside. The transaction is expected to be FFO and NAV accretive to the shareholders of both companies from year one

Synergy potential overview - increasing the combined FFO

Estimated improvements in FFO ¹	FFO p.a.	
Operational synergies	€24-€34m	Efficiency gains through joint operations, joint HQ, strong portfolio overlap, cost optimization on corporate cost level, ancillary cost reduction, scale benefits, IT systems etc.
Acceleration of financial savings ² : reaching A-rating (on AT in-place debt and perpetual notes)	€64-€80m	Acceleration of reaching long term target of A credit rating
Synergies of financial savings ² : reaching A- rating (on TLG in-place debt and perpetual notes)	€22-€25m	A credit rating unlikely to be achieved on current TLG stand alone
Total improvements, pre-tax	€110-139m p.a.	
Less current tax (16%)	(€18-22m)	
Total FFO potential improvement after 5-years	€92-€117m p.a.	

- In addition €23 - €45m p.a. of FFO increase potential on incremental financing for future growth
- Management team and expertise, and balance sheet capacity to accelerate execution of the redevelopment pipeline and value-add process (not included in the above synergies numbers)
- The above is not including the ordinary course of business growth derived from like-for-like rental growth and further accretive acquisitions

¹ FFO figures in this presentation are based on 100% combined company, and are not including the anticipated ordinary course of business like-for-like rental growth and further accretive acquisitions

² Based primarily on the savings in the spread difference

Increasing operational profitability

Synergy potential from savings and efficiency gains in operational and corporate expenses expected to have partial impact from year 1 after the envisioned merger and are expected to be fully captured within 3-4 years

Increasing profitability margins by 2.5% to 3.5%^{1,2}

- ➔ Operational improvements on the property level of the combined portfolio through strong overlap of location in same cities, similar asset types, less competition for tenants, joint operational local offices, pooling of networks, management knowhow transfer, centralized lettings etc.
- ➔ Due to the larger size of the combined portfolio further economies of scale are expected to result in higher operational margins, based on procurement savings, maintenance and other scale effect
- ➔ Corporate level expenses are expected to be reduced through cost effects from economies of scale, centralization and combination of corporate functions, joint departments and headquarters, lower relative fees for audit, legal, advisory etc.
- ➔ IT synergies are expected to generate cost savings, combining the best of the two systems and scaling them up on the enlarged portfolio

Total operational profitability improvement: €24-€34m FFO³ p.a.

¹ Based on combined EBITDA margins

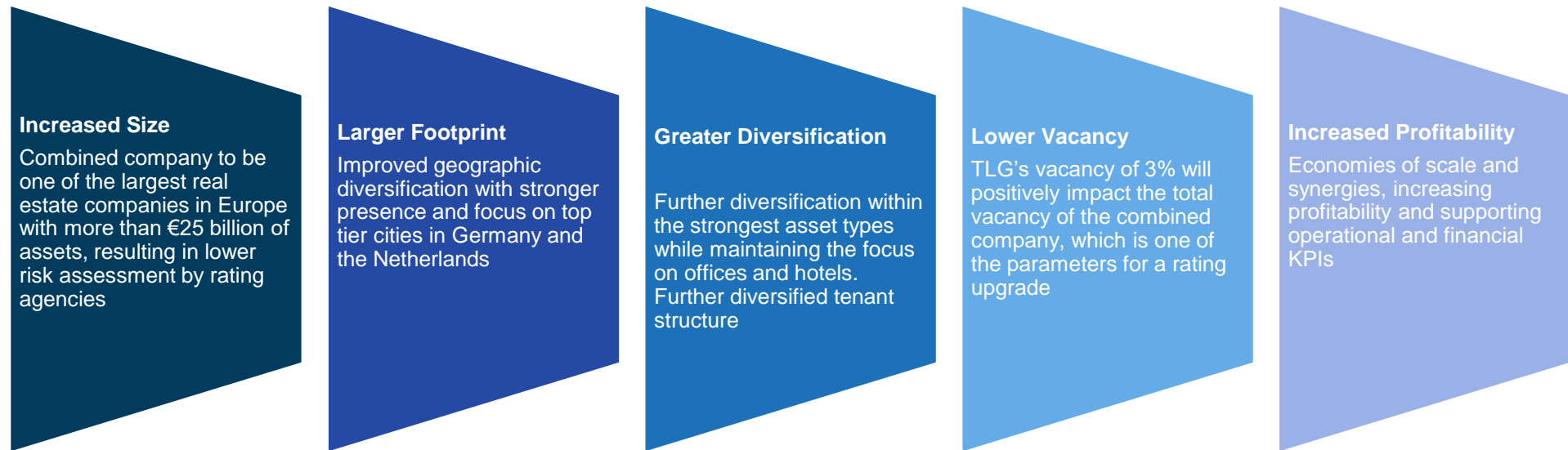
² Estimated one-off expenses of approx €15-20 million in total over 2 years to capture the operational synergies

³ Pre-tax FFO

Envisioned merger will be credit rating enhancing...

... and will provide tailwinds to reach rating target of “A-” and “A” in the long-term

Considerations for rating increase to reach the long-term rating target of A category



European real estate sector BBB category is crowded with many issuers while investable capital is limited, weighing on AT's cost of debt. Therefore, **AT, the largest European real estate issuer in recent years, is currently paying a premium at issuance with its BBB+ rating**



The combined company will become the largest office and hotel real estate company in Europe, benefiting from a strong brand and best-in-class access to international equity and debt and capital markets. **The combined company would be the only Pan-European diversified office/hotel/residential real estate company with an A category rating**

The A rating category will deepen significantly the pool of capital, benefiting from a much larger international investor base with higher demand coupled with less supply

Enhance credit rating which can accelerate refinancing benefits for Aroundtown in-place debt¹



Current bonds of real estate companies rated at A- are yielding below 0.5%, well below AT's current average cost of debt of 1.7%

A potential merger will support reaching faster an A- rating (and A at a later stage), and as a result **enable AT to benefit sooner from the current historically attractive financing environment**. The below savings from reaching an A- rating are expected to be captured within the first 5 years after the envisioned merger

Decreasing financing cost on existing debt of AT²



AT's debt balance, including Q3 2019 issuances, amounts to €10.4 billion with an average cost of debt of 1.7%



75% of the debt balance will mature by 2028 and following AT's strategy to proactively manage maturities is expected to be repaid within 5 years after the merger



Management estimates interest margin reduction on AT's existing debt in the range of **0.6%-0.7%**, as a result of a rating upgrade to A- and as the only diversified Pan-European office/hotel/residential real estate company in the A category rating

Reaching A- credit rating is expected to accelerate financing improvements of €47- €58m within 5 years after the merger

**Sensitivity on incremental interest cost savings p.a. (€m):
% of debt refinanced (Row) / CoD savings p.a. (Column)**

	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
70%	36	44	51	58	66	73
75%	39	47	55	62	70	78
80%	42	50	58	67	75	83
85%	44	53	62	71	80	89
100%	52	62	73	83	94	104

Decreasing coupon payments on existing perpetual notes



Current perpetual balance, including Q3 2019 issuances, amounts to €2.5bn, at an average coupon rate of 2.9%



Potential coupon savings on the existing notes to be in the range of 0.7%-0.9%, reducing the average coupon to 2.0%-2.2%.

Saving to be captured in full within 5 years after the merger, **which will be after the first call date of each perpetual note**

	Avg. Coup. 2.2% (0.7% coupon cost savings)	Avg. Coup. 2.0% (0.9% coupon cost savings)
Current perpetual balance, including Q3 19 issuances	€2,500m	
Current run rate of coupon payments p.a.	€72m	
5 years post merger run rate of coupon payments p.a.	€55m	€50m
Total coupon savings p.a.	€17m	€22m

Acceleration of Aroundtown's financial savings, reaching A- rating: €64-€80m FFO³ p.a.

¹ Assuming A- rating will be reached. Currently AT's credit rating is BBB+ stable

² Prepayments fees are estimated to be in the range of €75-€140m one-time fee

³ Pre-tax FFO all else equal

Merger to create financial synergies reducing the cost of TLG's debt and perpetual notes¹

➔ TLG's existing debt and perpetual balance will benefit from the credit rating of the combined entity. For TLG stand alone, reaching an A- rating is highly unlikely without a merger, and therefore a potential merger includes significant synergetic effects

Decreasing financing cost on existing debt of TLG²

➔ TLG's balance, amounts to €2.7 billion with a shorter maturity schedule than AT. The debt balance will mature by 2028, which is expected to be repaid within 5 years after merger

➔ Management estimates interest margin reduction on TLG's existing debt in the range of **0.6%-0.7%**, as a result of a rating upgrade to A-

**Sensitivity on incremental interest cost savings p.a. (€m):
% of debt refinanced (Row) / CoD savings p.a. (Column)**

	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
80%	11	13	15	17	19	22
90%	12	15	17	19	22	24
100%	14	16	19	22	24	27

Reaching A- credit rating on TLG's existing debt, is expected to generate synergies of €15- €17 million within 5 years after the merger

Decreasing financing cost on existing perpetual notes

➔ TLG's € 600 million perpetual note issued in September 2019, bears a coupon of 3.4%, well above levels of A- rated real estate companies

➔ Potential spread savings on the TLG note of 1.2%-1.4%. First call date in 2024, therefore savings expected to be captured within 5 years after merger

	Avg. Coup. 2.2% (1.2% coupon cost savings)	Avg. Coup. 2.0% (1.4% coupon cost savings)
TLG perpetual note		€600m
Current run rate of coupon payment p.a.		€20m
5 years post merger run rate of coupon payments p.a.	€13m	€12m
Total coupon savings p.a.	€7m	€8m

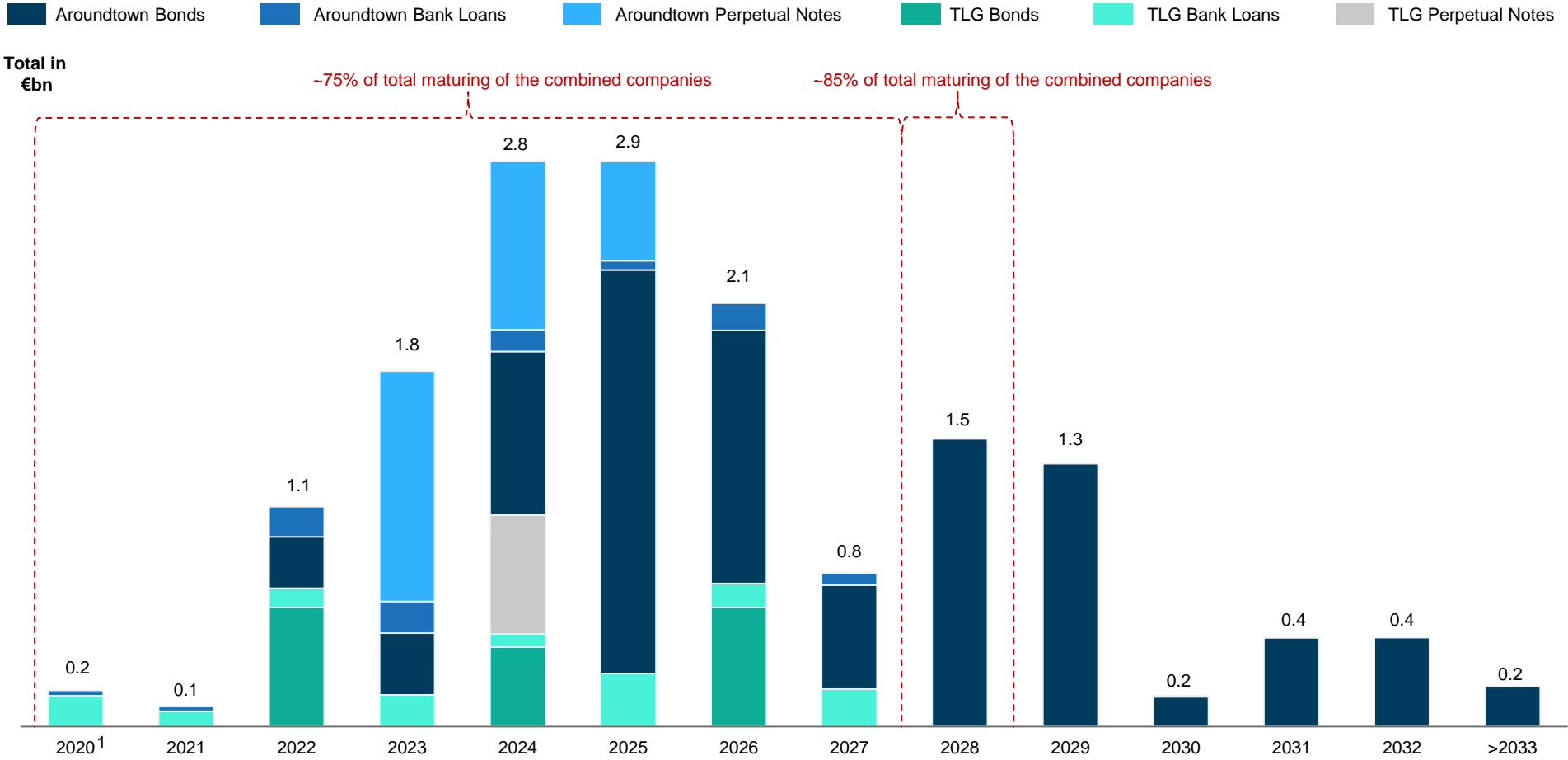
Synergies from financial savings on TLG's debt and perpetual, reaching A- rating: €22-€25m FFO³ p.a.

¹ Assuming A- rating will be reached for the combined company. Currently TLG's rating is BBB/Baa2 positive

² Prepayments fees are estimated to be in the range of €10-15m one-time fee

³ Pre-tax FFO all else equal

Combined debt maturity schedule



Combined maturity schedule with an average term of approx. 7 years, average cost of debt (pre realisation of expected financial synergies) of 1.7% and interest hedging ratio of 97%

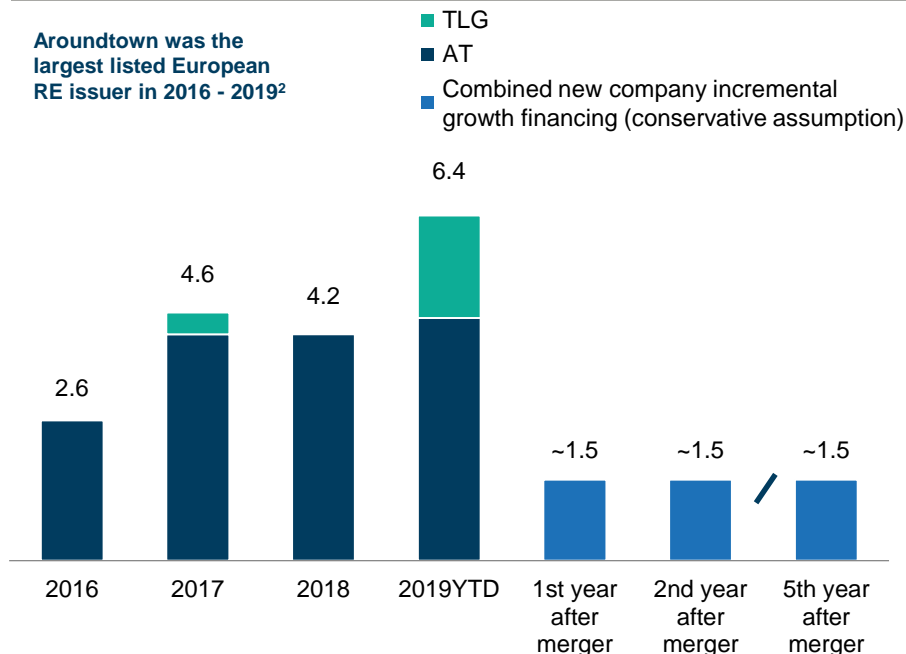
Note: Maturity profile derived through the straight combination of existing maturities for Aroundtown and TLG; Analysis shows maturity of outstanding principal only, Graph includes first call dates of perpetual notes; Both companies as of September 2019

¹ Includes 2019 maturities

Enhanced credit rating decreases financing cost for future growth

The combined company will continue its accretive growth, thus funding through debt and perpetual issuances

Capital Market Activities of AT and TLG



AT and TLG issued on average €4.4 billion per annum of debt and equity capital since 2016.

Assuming conservatively annual issue of €1.5bn will result in €7.5bn of new debt in the next five years.

	Lower range	Upper range
Interest/coupon saving p.a.	0.5%	0.6%
Year 1 (on €1.5bn notional)	€8m	€9m
Year 3 (on €4.5bn notional)	€23m	€27m
Year 5 (on €7.5bn notional)	€38m	€45m

In line with the estimated effect of reaching an A- rating for a combined company, significant synergies from interest cost saving are expected, for issuances of new debt and perpetual notes.

Total financing savings on new debt and perpetual issuances: €23-€45m FFO¹ p.a.

¹ Based on a 3-5 year future growth funding; pre-tax FFO; ² By debt and equity capital issued

Sustaining the conservative financial policy

The combined company remains committed to its conservative financial policy

- ➔ The LTV will remain below 45% after the merger, following the conservative financial policy. Focus remains on conservative financial ratios with a high interest cover ratio
- ➔ Proactively optimize debt profile, maintain a diversified long debt maturities profile, keep a larger pool of unencumbered assets
- ➔ Dividend distribution of 65% - 70% of FFO I per share
- ➔ Strive for A rating with the current financial profile

Additional benefit from management expertise supporting to accelerate the redevelopment pipeline

➔ Experience and knowledge of the market, as well as its track record in improving development rights, building permits, redevelopment construction and value-add will accelerate TLG's redevelopment pipeline

➔ Liquidity and superior access to financing will accelerate the development schedule

➔ Benefit from lower cost of debt for the development, further increasing the combined FFO

➔ TLG's current development ratio is half of its assets, weighing on the risk perception and rating. **The total volume of the development projects will be less than 15% of the combined balance sheet**, accelerating the portfolio redevelopment and not over-weighting with a large development ratio

➔ There is potential to extract faster additional benefits from the combined portfolio, which **will provide additional value creation, that is currently still under assessment**. Currently, TLG estimates €750 million additional value creation. This additional value can be extracted as follows:

➔ Stronger negotiation power with municipalities and long-term relationships and experience will support optimization of building rights and plans

➔ Expected reduction of construction cost estimates through economies of scale and an established large construction team

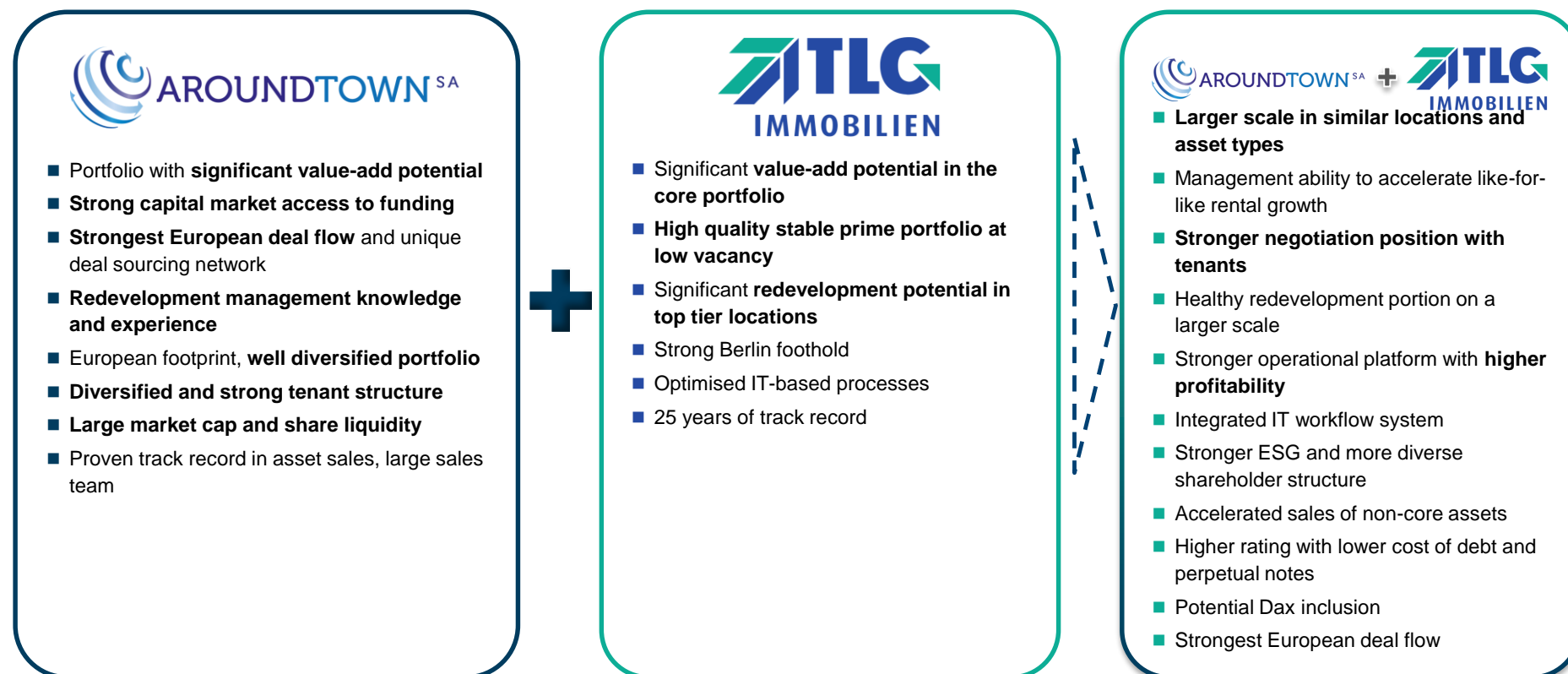
➔ Larger letting team, with direct connection to the largest space seekers in Germany's large cities, is expected to result in a higher pre-letting ratio and at a higher rent per sqm. Stronger pre-letting capability can enable accelerated development without the risk of a speculative development

FFO of TLG's Development projects after completion (not included in the merger synergies calculations)

Total value of projects after completion	€3,330m
Rent multiple (rent per sqm)	27x (27 €/sqm)
Rent of projects after completion	€123m p.a.
Current rent of projects, before development	-€16m p.a.
Additional rent from development	€107m p.a.
Expected NOI margin	88%
NOI on additional rents from development	€94m p.a.
Financing costs on total investments costs (€1,770 million at 0.7% interest p.a)	-€12m p.a.
Total FFO (before tax)	€82m p.a.

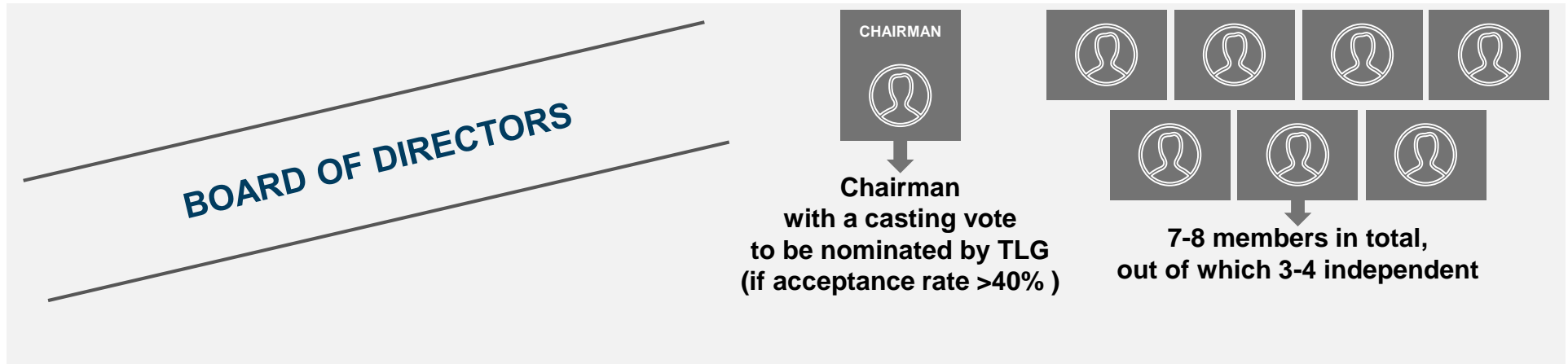
Accelerating and executing TLG's development projects successfully will contribute additional upside potential

The combined business is built on the value-add model



- Positioned as a market leader in the European real estate market, resulting in a lower cost of equity contributing to value creation potential and potential FFO yield compression. This synergy upside is currently not factored in
- The synergies, in combination with the large size of free float, **will support a potential DAX inclusion, opening the investor base for new markets with increased visibility and liquidity**

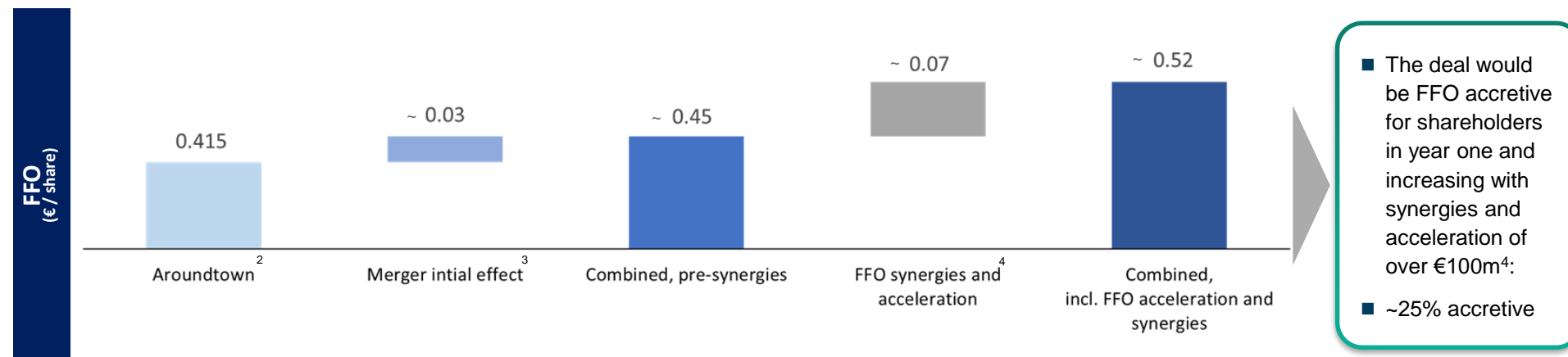
Revised and stronger governance



Advisory Board of Aaroundtown will stay intact with the leadership of Dr Gerhard Cromme(chairman) and Mr Gabay (vice chairman)

The transaction is accretive to both shareholder groups

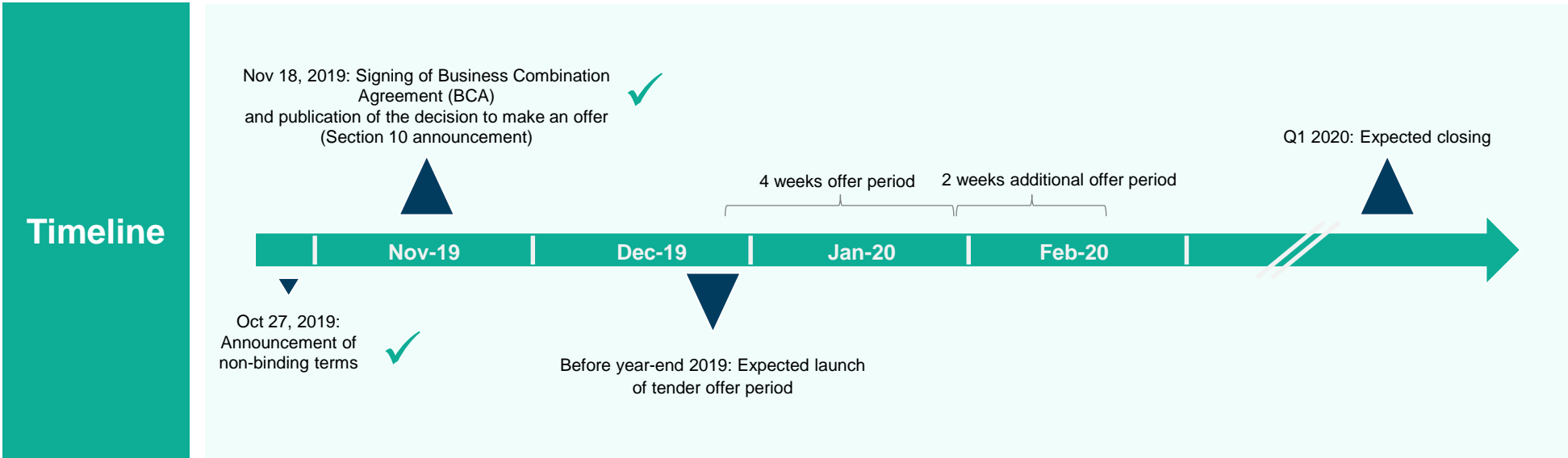
FFO Accretion on a per share basis ¹



- Transaction is accretive to both shareholder groups
- Analysis excludes long-term synergies from acceleration of development & value-add upside as well as potential DAX inclusion
- FFO accretion calculation is based only on the combined merger effects, and does not include any internal and external growth
- Assuming current dividend policy transaction would also be accretive on DPS and also shareholder value accretive per share including synergies

¹ Based on 100% acceptance rate and a 3.6x exchange rate; ² Based on Aroundtown FFO per share 2019E guidance, taken as mid-point of range; ³ Based on TLG FFO per share 2019E guidance, excluding AT shares held by TLG (1,443m shares outstanding), ⁴ Mid-point synergies captured with 5-years post merger

Timeline / next steps





APPENDIX

TLG
IMMOBILIEN

 **AROUNDTOWN SA**

Combined portfolio overview (June 2019)

Breakdown by asset type

	Investment property (€m)	Lettable area (m sqm)	EPRA Vacancy	WALT	Annualized net rent (€m)	Value/sqm (€)	Rental Yield
Office	10,458	4,084	9.3%	4.8	486	2,561	4.6%
Hotels	4,755	1,475	5.1%	15.1	230	3,224	4.8%
Logistics / Wholesale / Other	1,667	1,722	4.5%	6.3	101	968	6.1%
Retail	2,066	1,119	5.3%	5.7	133	1,846	6.5%
Land for development & other rights	1,860						
Total Commercial	20,806	8,400	7.2%	7.5	967¹	2,255	5.0%
Residential ²	2,961	2,005	7.3%		139	1,359	5.1%
Total Group	23,767	10,405	7.2%		1,106	2,083	5.0%

Diversified mix of high quality commercial and residential real estate, with scale across all strategic asset classes

Note: As of June 2019

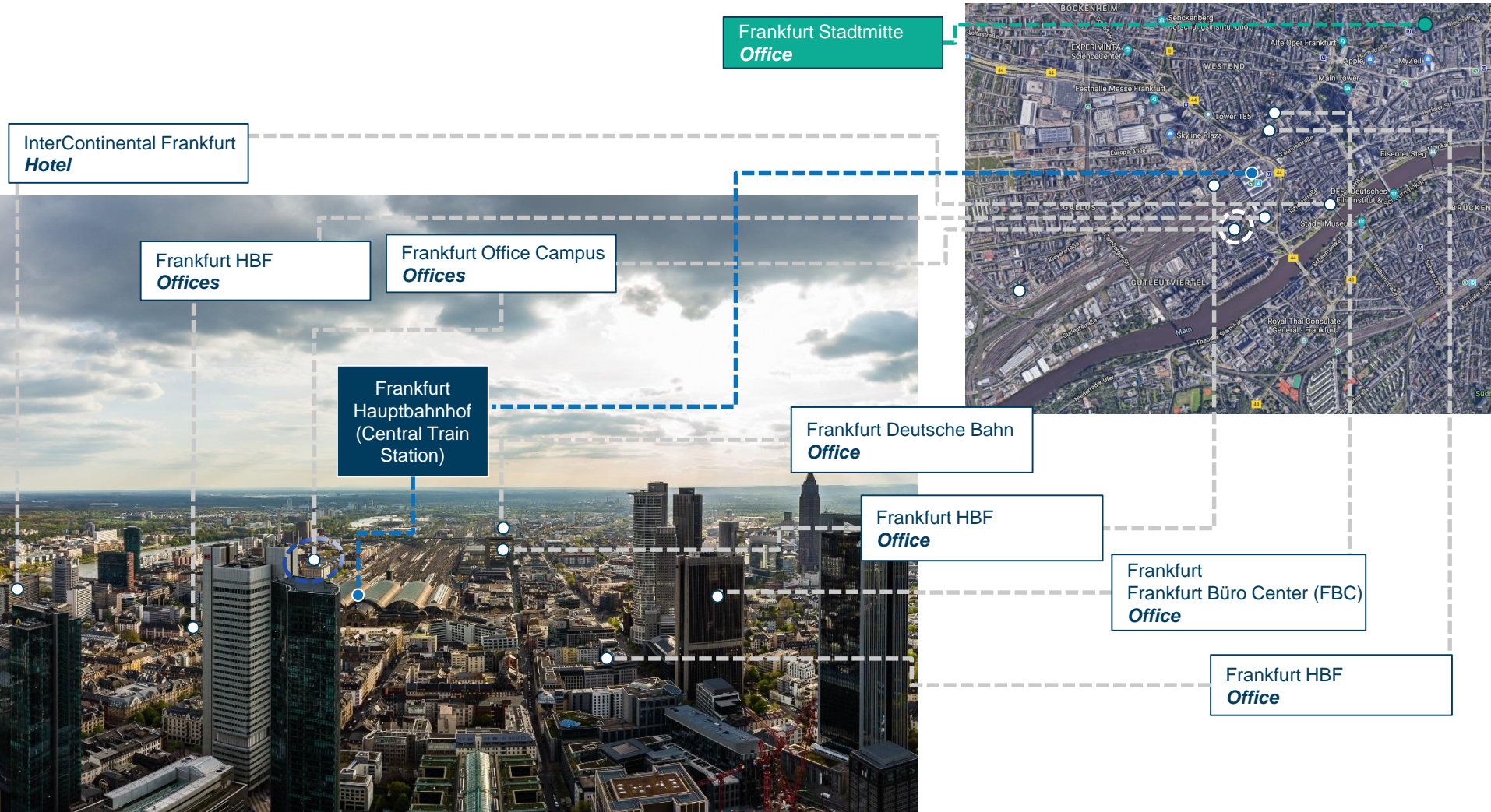
¹ Including annualized rent from TLG's invest portfolio (€16m as of June 2019)

² Reflected by holding of 39% in GCP

Quality Frankfurt assets in central locations

landmark
 AT -property
 TLG -property

Strong overlap in top tier cities, positioning the combined company as a leading landlord

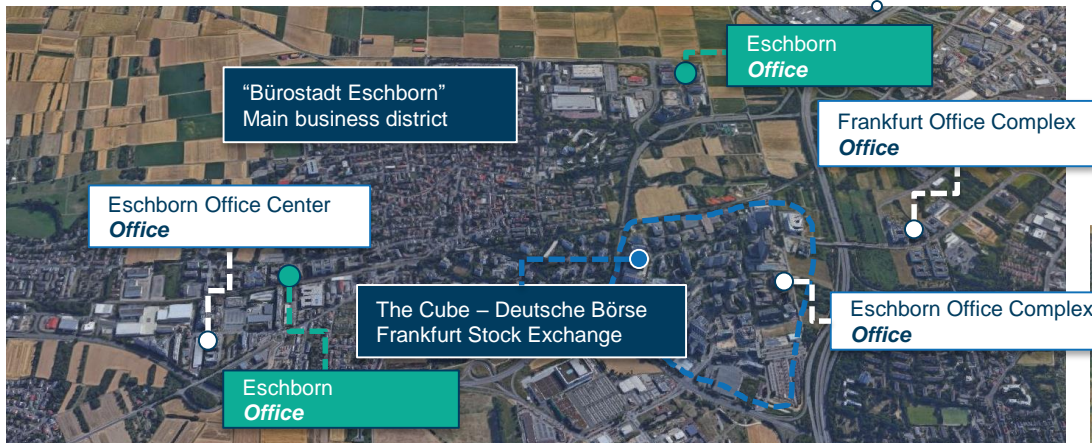


Frankfurt Overview – Eschborn & Niederrad

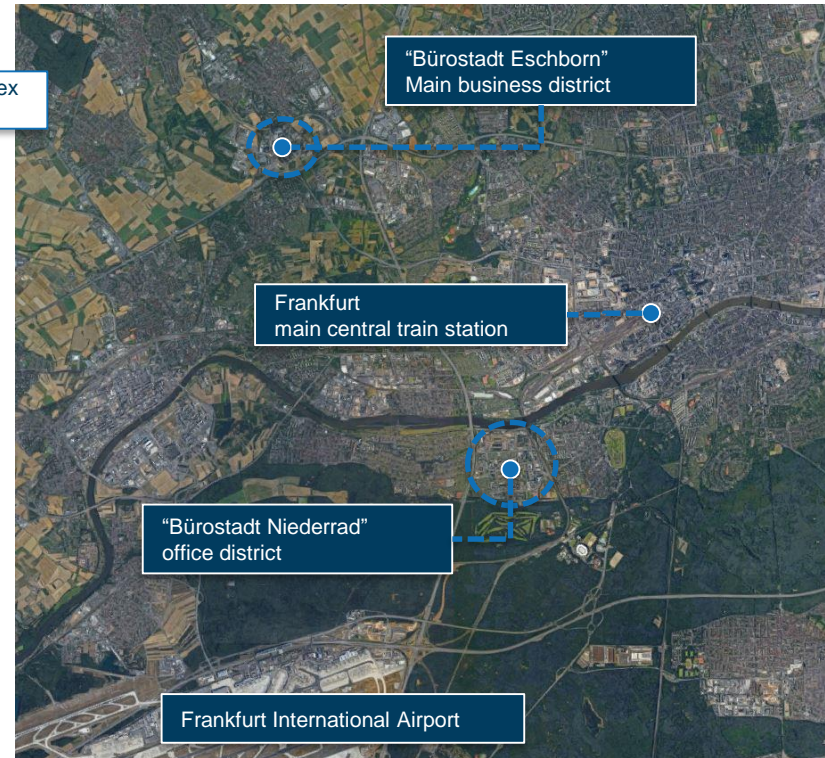
landmark
AT -property
TLG -property

Centrally located office and hotel assets in key business districts

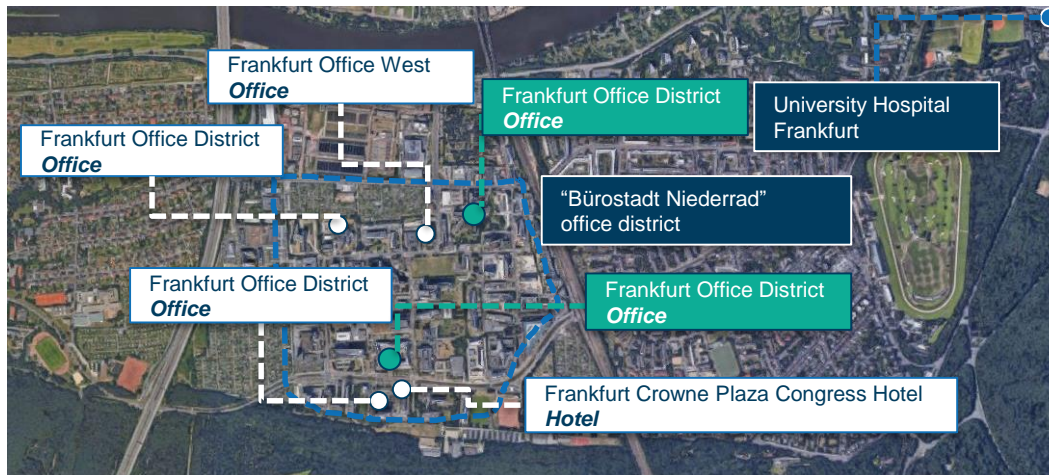
Frankfurt-Eschborn business district is an important FFM business district and easily accessible



Strong overlap in top tier cities, positioning the combined company as a leading landlord



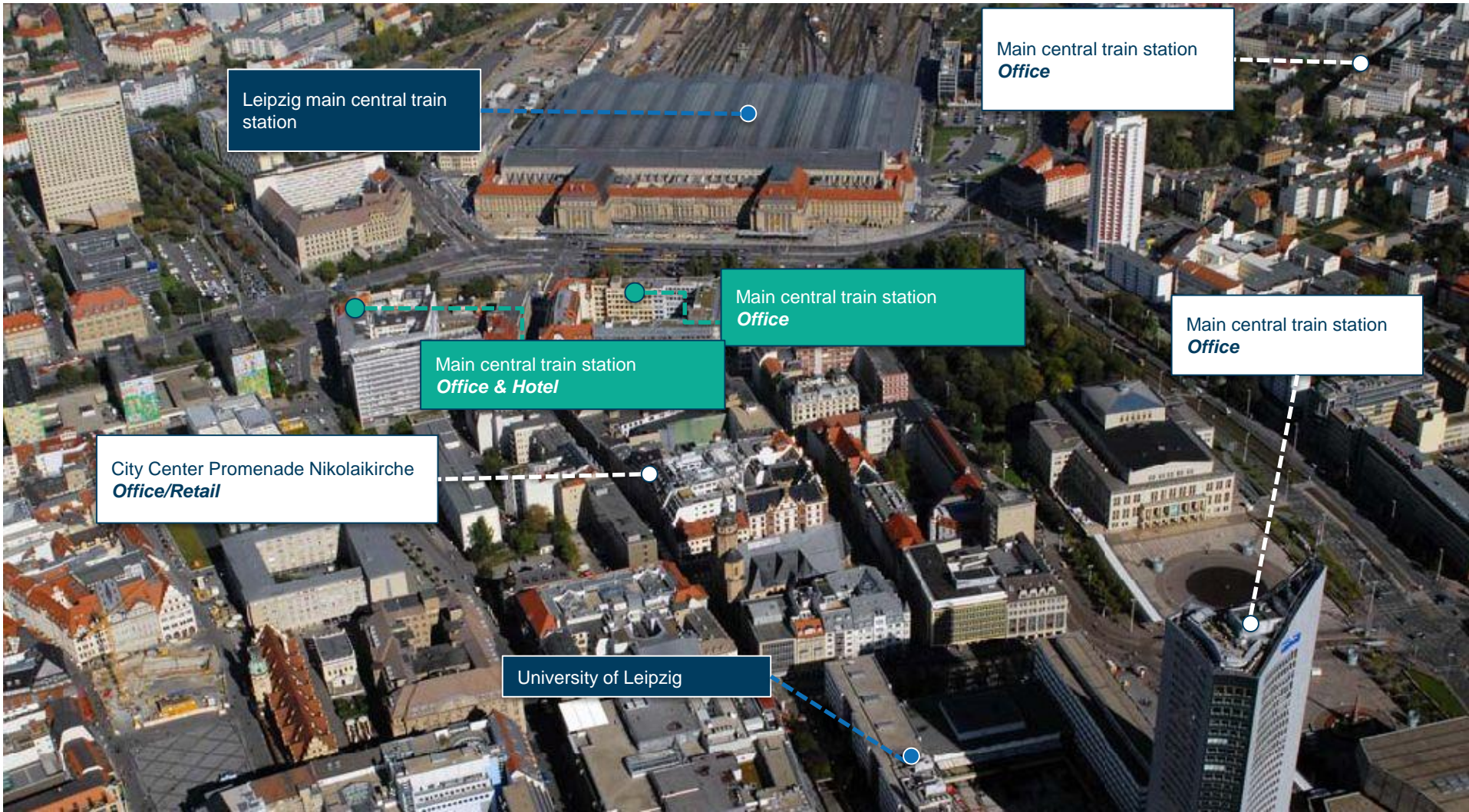
Frankfurt-Niederrad business district is well located between the airport and the main train station



Leipzig - Centrally located top tier assets at Leipzig Hauptbahnhof

landmark
AT -property
TLG -property

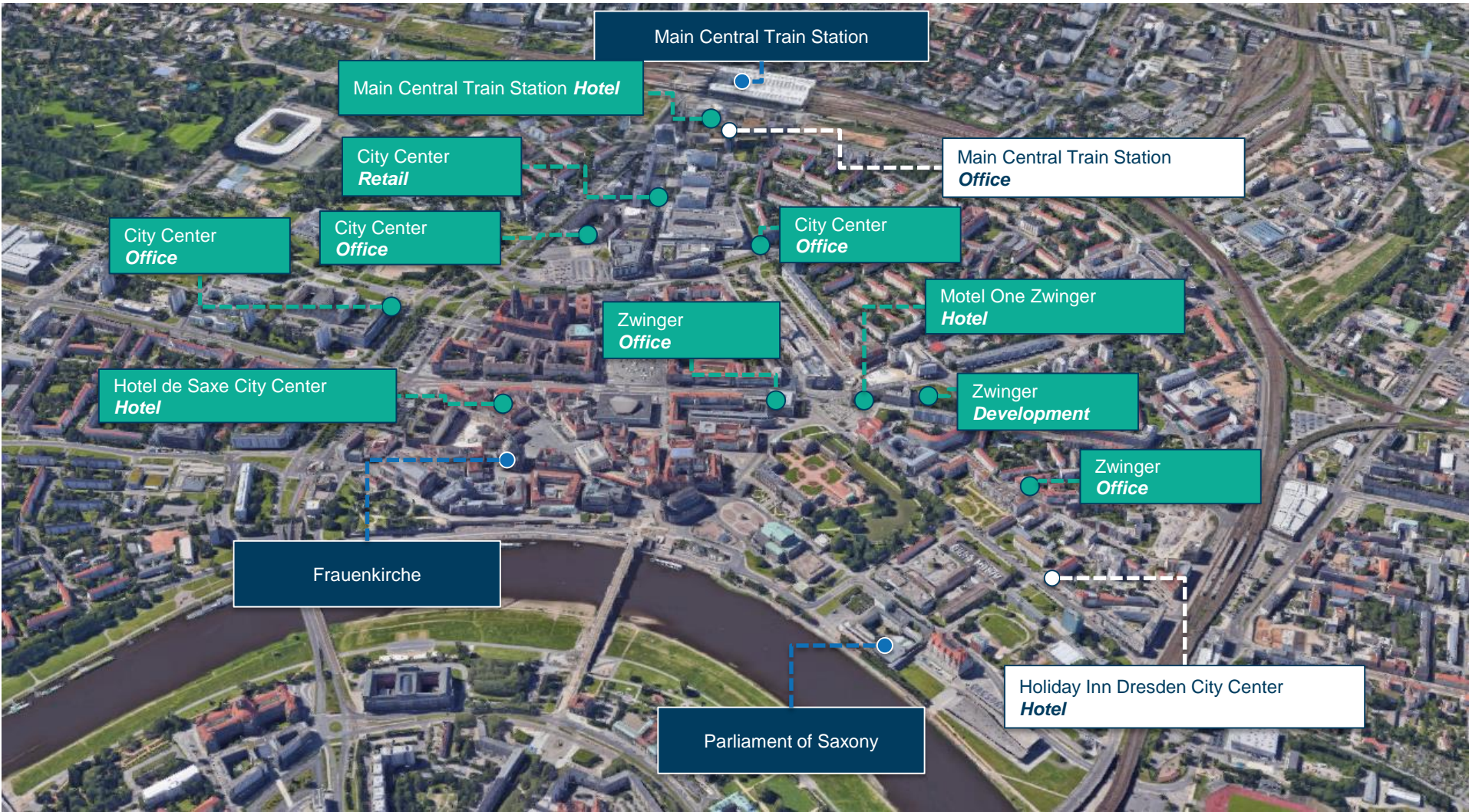
Strong overlap in top tier cities, positioning the combined company as a leading landlord



Dresden - Prime assets in Dresden's historic city center

landmark
AT -property
TLG -property

Strong overlap in top tier cities, positioning the combined company as a leading landlord



Mannheim - Well positioned office and hotels in central Mannheim

landmark
AT -property
TLG -property

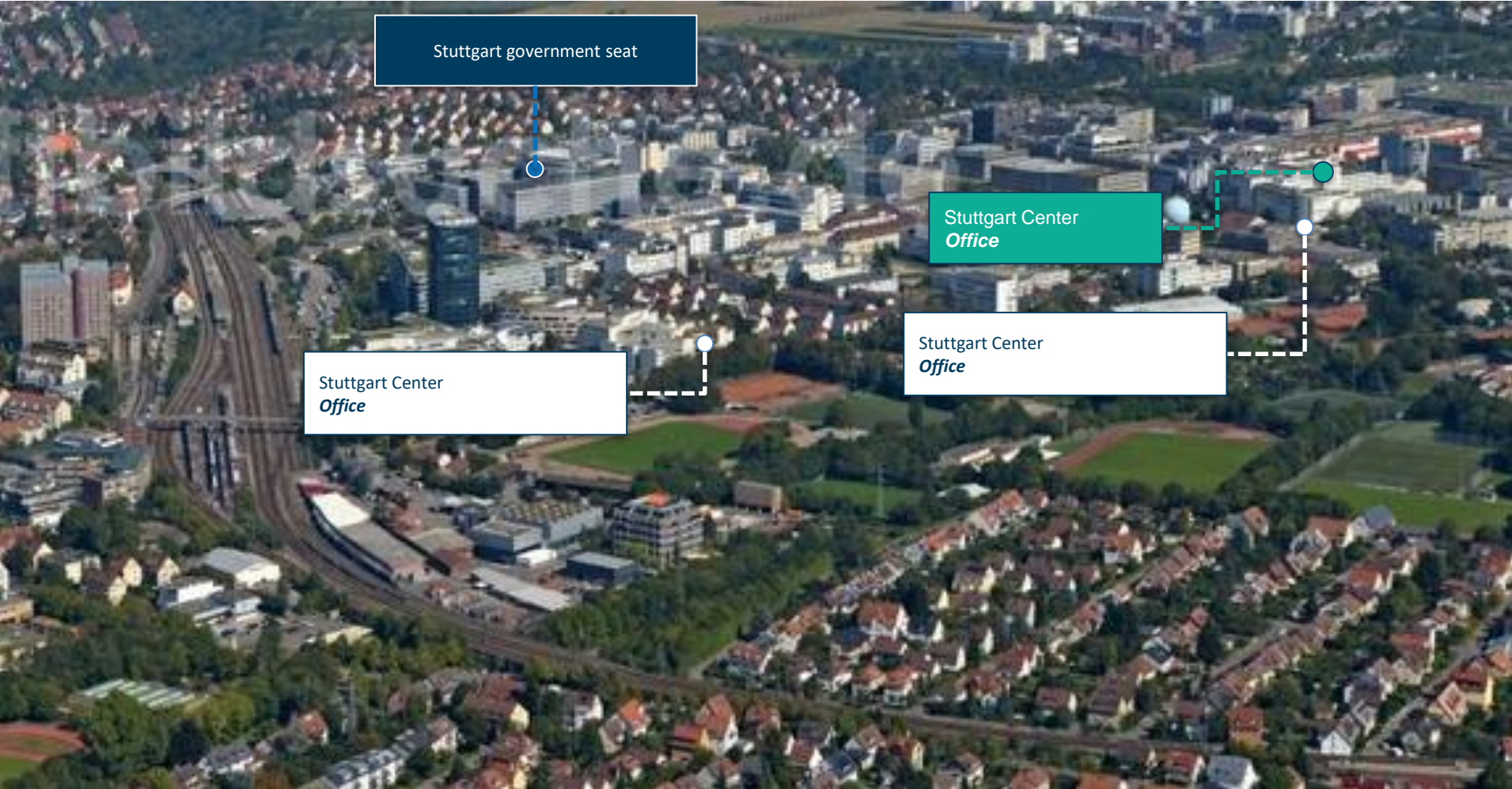
Strong overlap in top tier cities, positioning the combined company as a leading landlord



Stuttgart - Well connected quality assets in Stuttgart's office district

landmark
AT -property
TLG -property

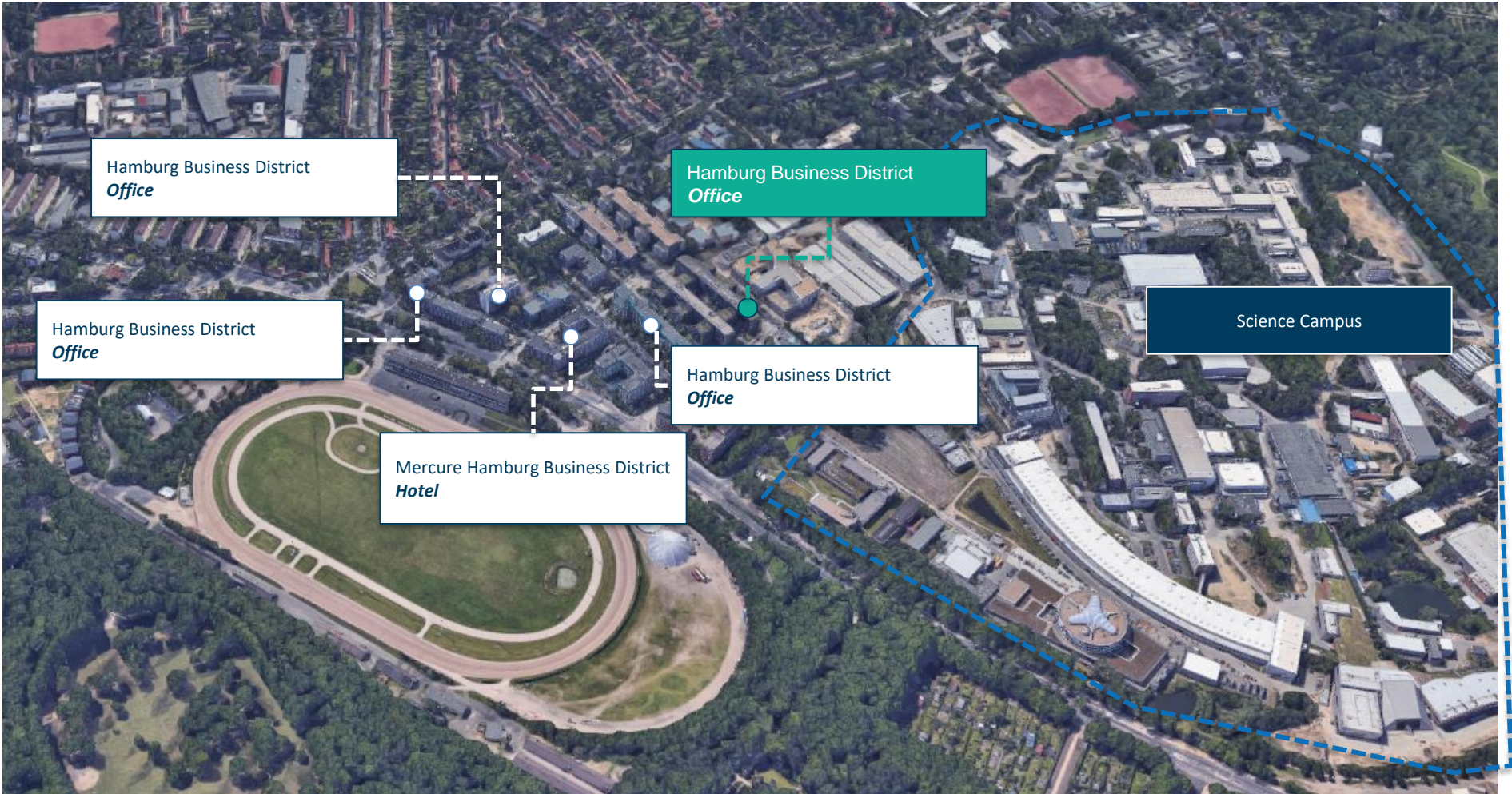
Strong overlap in top tier cities, positioning the combined company as a leading landlord



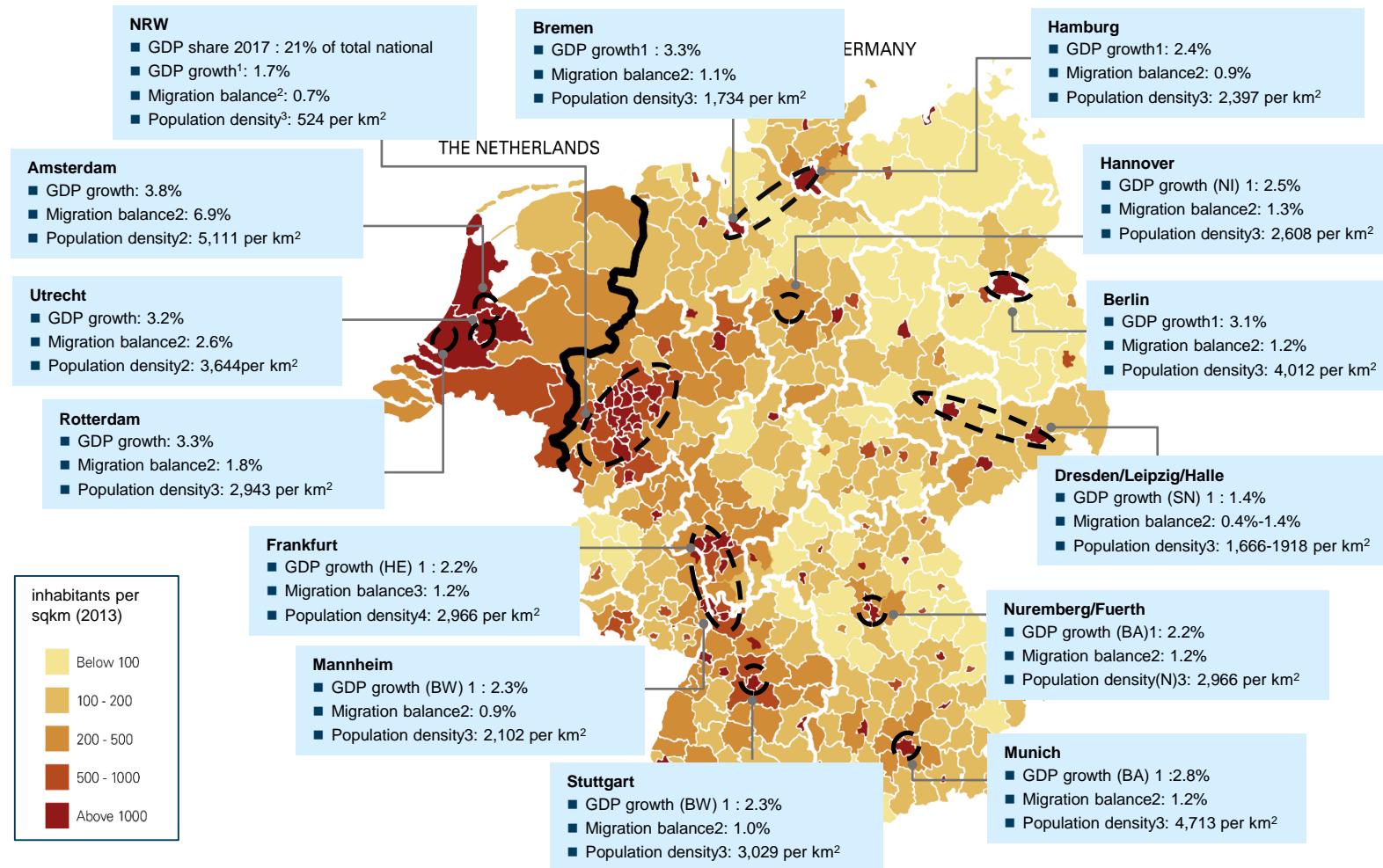
Hamburg

landmark
AT -property
TLG -property

Strong overlap in top tier cities, positioning the combined company as a leading landlord



Regional Market overview



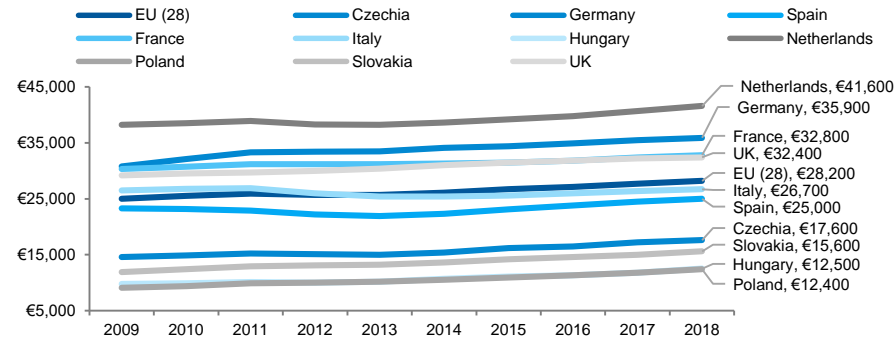
1. GDP Growth:
2017. Data from the respective federal state is used in case city data is not available – NL provisional figures

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

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

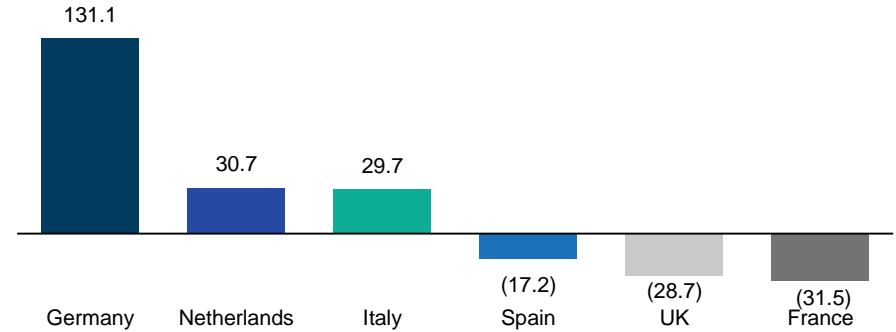
Germany/NL – growing and top tier economies

GDP per capita in 2009 – 2018 (in €)



Source: Eurostat, unadjusted

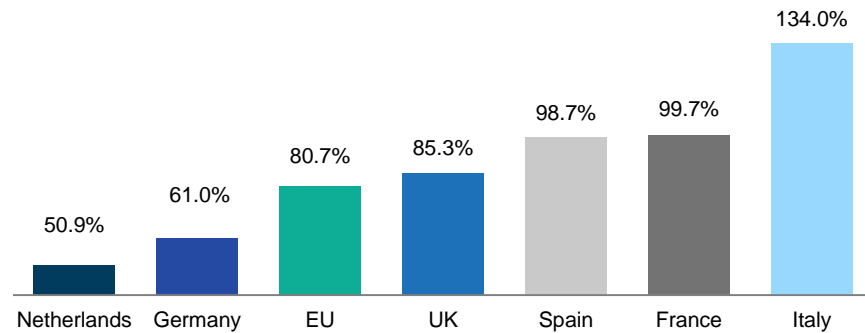
GDP per capita in 2009 – 2018 (in €)



Source: Tradingeconomics.com, data for Jan-Jul 2019

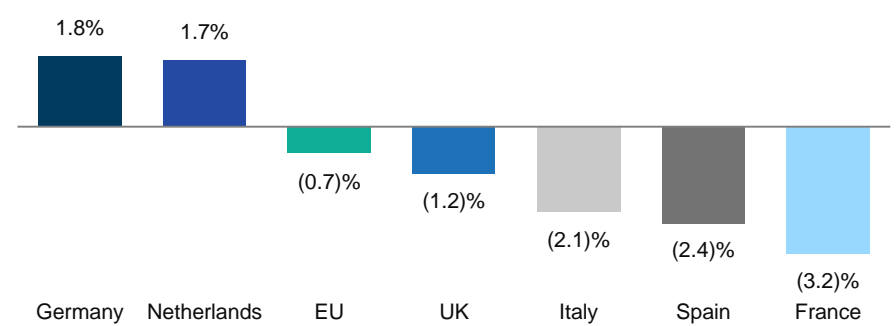
Aroundtown's competitive advantage starts with the regional focus. Aroundtown focuses on Germany and Netherlands, the strongest and most stable economies in Europe

Debt/GDP 2019 Q1



Source: Eurostat

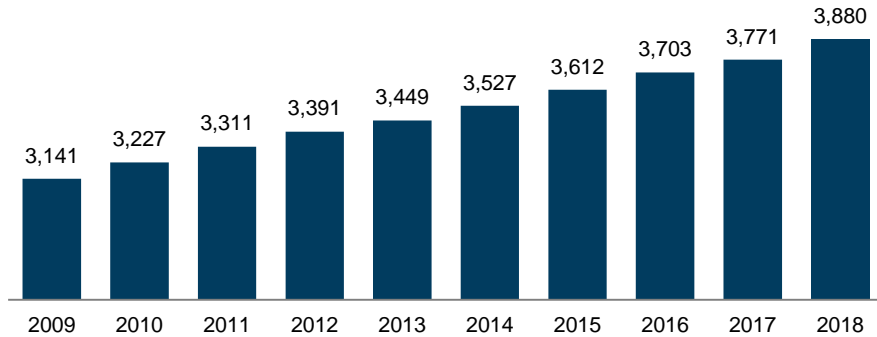
Budget Surplus (Deficit) as % of GDP – 2019 Q1 LTM



Source: Eurostat

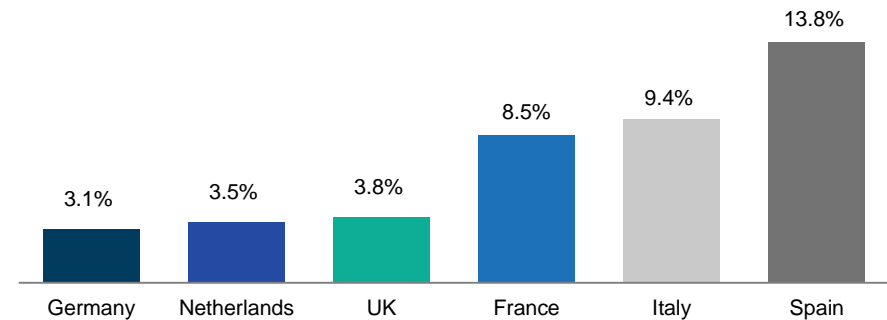
Germany/NL – strong labor market

Development of gross monthly wages Germany (in €)



Source: destatis, industry and service sector, fulltime employment excluding bonuses

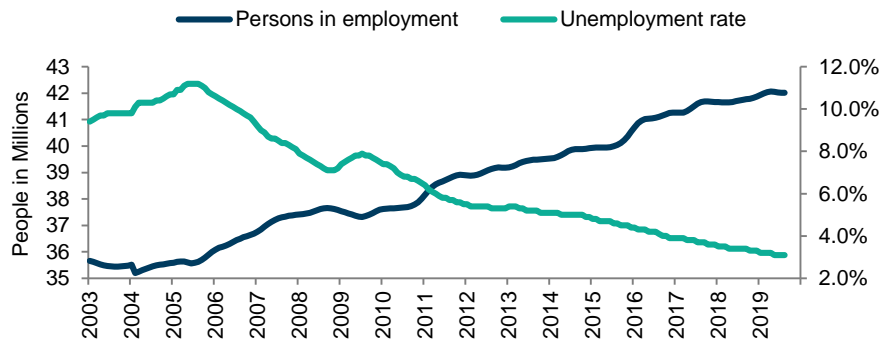
Unemployment rate Aug 2019



Source: Tradingeconomics.com

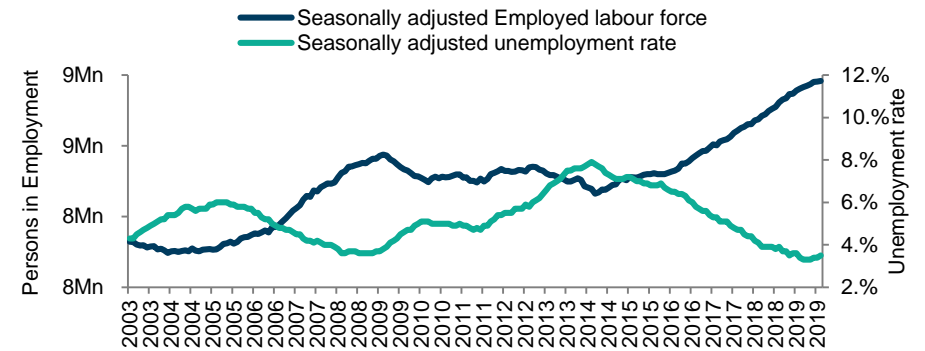
...which is further supported by a strong labor market with increasing wages

Unemployment rate Germany 2003 – Aug 2019



Source: destatis, monthly

Unemployment rate Netherlands 2003 – Aug 2019

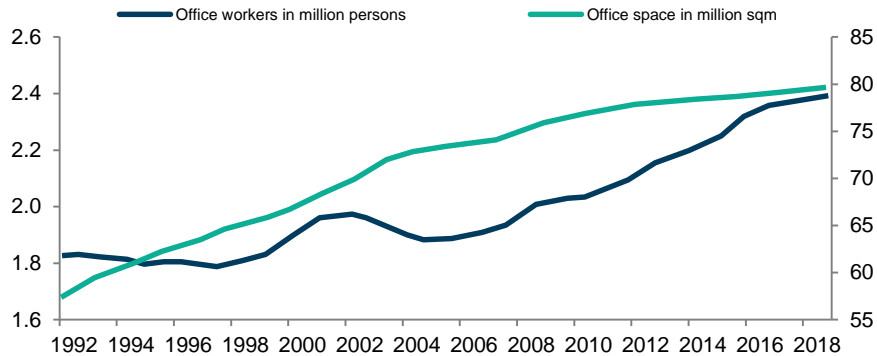


Source: CBS, national statistics office, monthly

German office market low supply and strong demand...

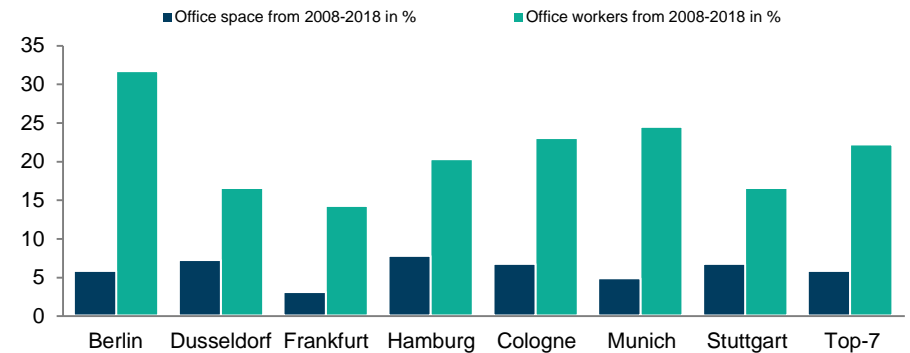
Low supply and strong demand...

Office employment growth remains strong



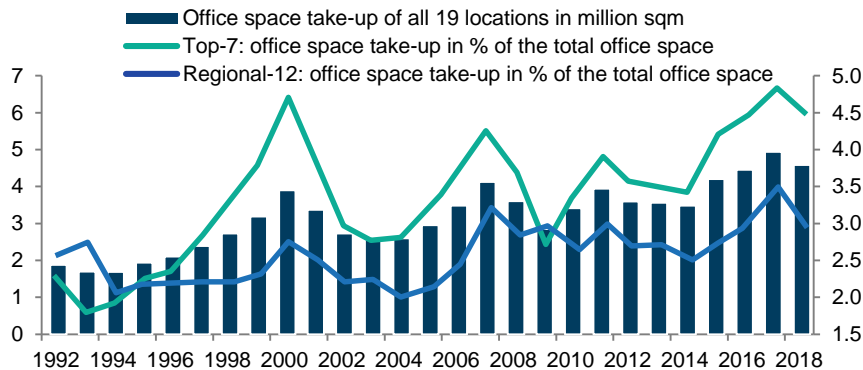
Source: DZ HYP German Real Estate Market report – 2019/2020 - BulwienGesa, Scope, DZ BANK AG

Continuously strong demand at low supply



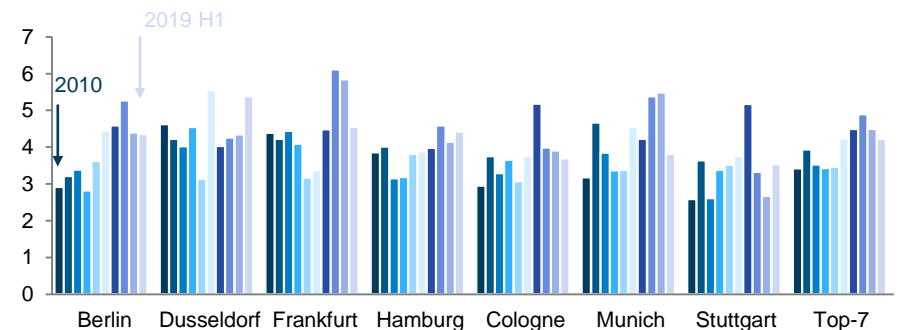
Source: DZ HYP German Real Estate Market report – 2019/2020 - BulwienGesa, Scope

Leading to increased office take-up



Source: DZ HYP Main Regional Real Estate Markets in Germany 2019 - BulwienGesa

Take-up in per cent of the office space inventory



Source: DZ HYP German Real Estate Market report – 2019/2020 - BulwienGesa

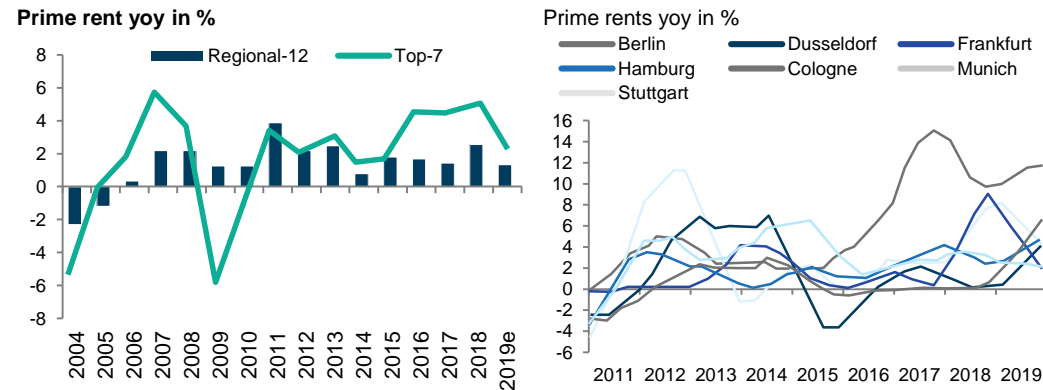
Note: Top 7 locations according to DZ HYP: Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart; Regional 12 according to DZ HYP: Hannover, Nuremberg, Essen, Leipzig, Dresden, Bremen, Karlsruhe, Münster, Mannheim, Darmstadt, Mainz and Augsburg

German Office market

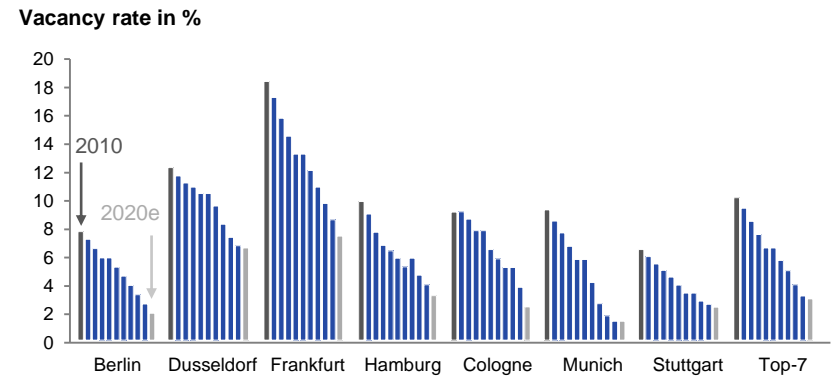
...lead to increasing rents and lower vacancies

Strong economic fundamentals and high office employment drive up demand, whilst supply is lacking, reducing vacancies

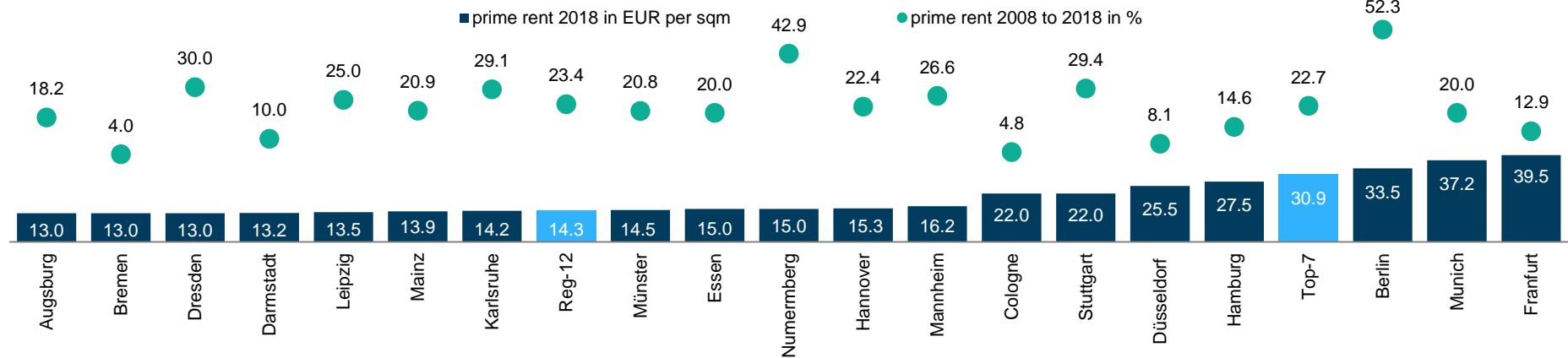
Putting upward pressure on rents



Strong reductions in vacancy in top locations



Source: DZ HYP German Real Estate Market report – 2019/2020 – BulwienGesa., DZ BANK AG



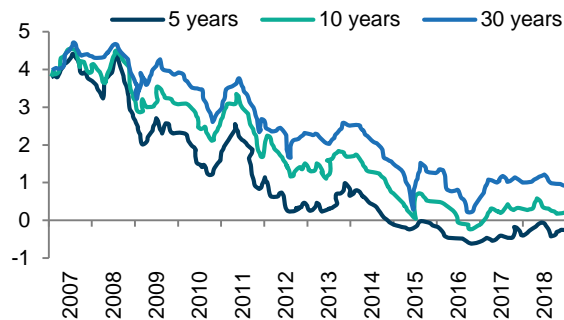
Note: Top 7 locations according to DZ HYP: Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart; Regional 12 according to DZ HYP: Hannover, Nuremberg, Essen, Leipzig, Dresden, Bremen, Karlsruhe, Münster, Mannheim, Darmstadt, Mainz and Augsburg

German Office market

meanwhile investor appetite reduces yields

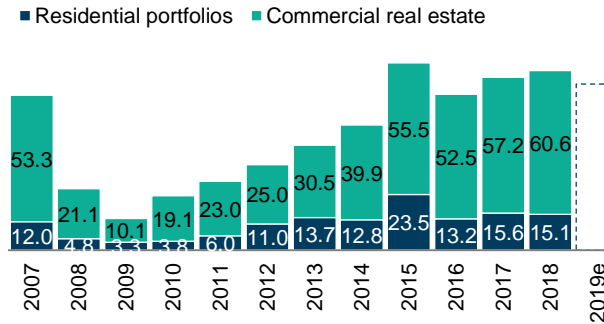
Low treasury yields and continued high demand, especially in office...

Bund yields fall to historic lows



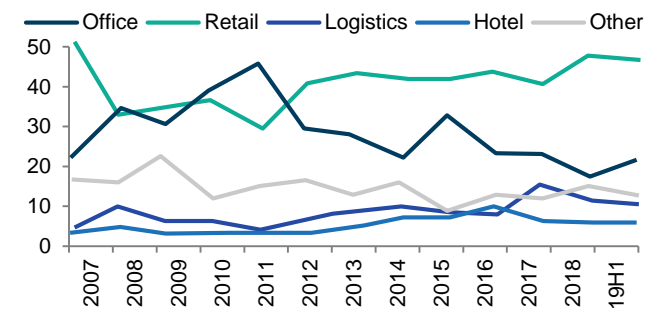
Source: DZ HYP German Real Estate Market report – 2019/2020 – Datastream

Investment volume in property market could also reach a high level in 2019



Source: DZ HYP German Real Estate Market report – 2019/2020 – Ernst & Young, DZ BANK AG

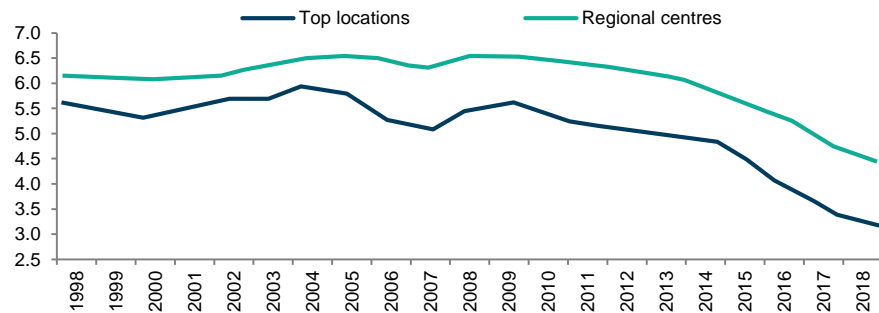
Market share



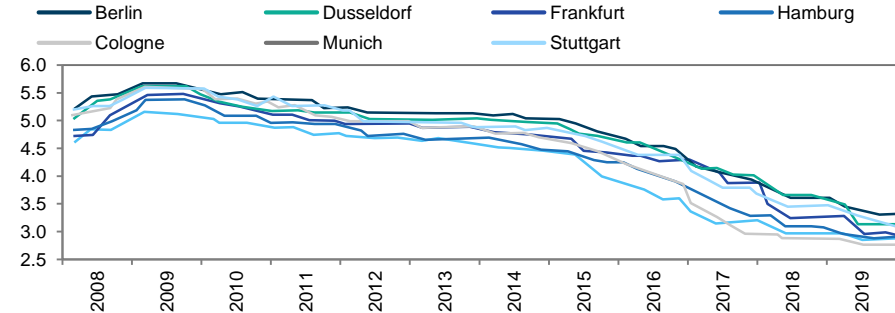
Source: DZ HYP German Real Estate Market report – 2019/2020 – BNP Paribas Real Estate, CBRE

...put considerable pressure on office yields, especially in central Top 7 Locations

Net initial yield in central office locations in %



Net initial yield in central office locations in %

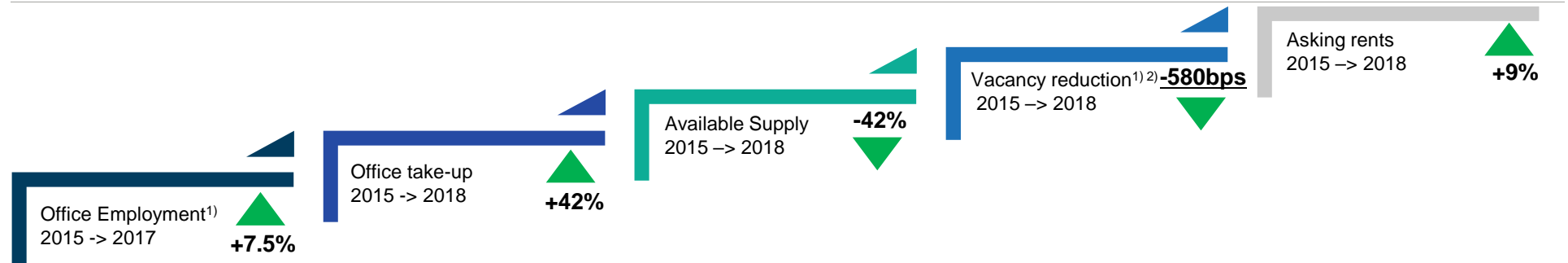


Note: Top 7 locations according to DZ HYP: Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart; Regional 12 according to DZ HYP: Hannover, Nuremberg, Essen, Leipzig, Dresden, Bremen, Karlsruhe, Münster, Mannheim, Darmstadt, Mainz and Augsburg
 Source: DZ HYP German Real Estate Market report – 2019/2020 - BulwienGesa

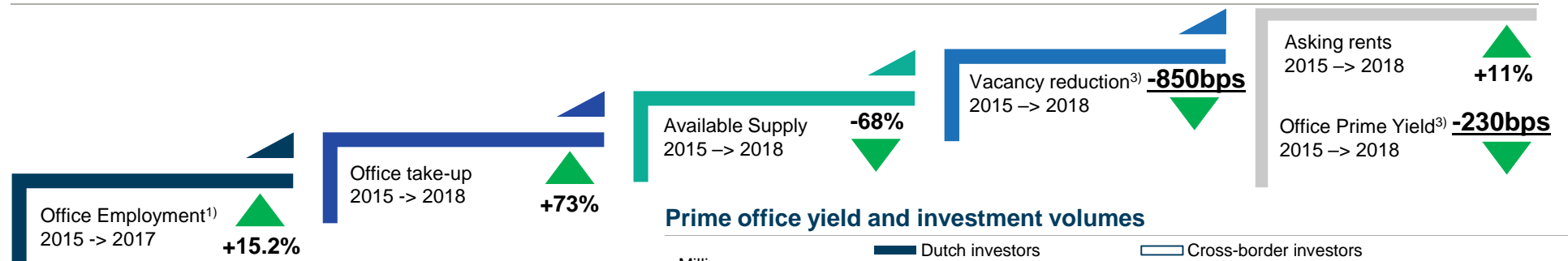
Netherlands office market

...resulting from favorable developments

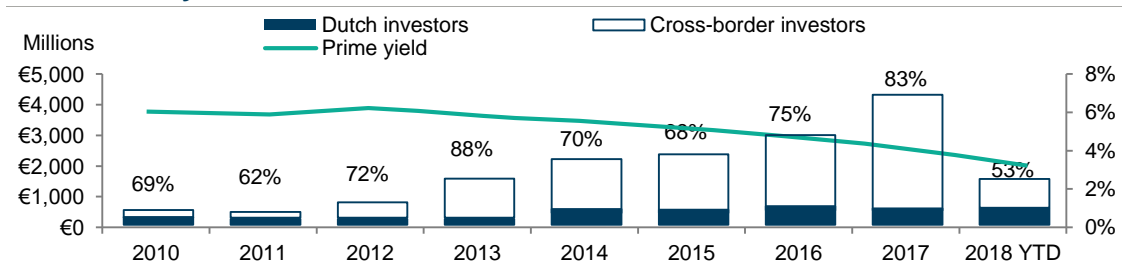
Current trends show very favorable market developments...



...especially in Amsterdam



Prime office yield and investment volumes



Source: Dynamis - Spreekende Cijfers, Kantorenmarkten - 2019

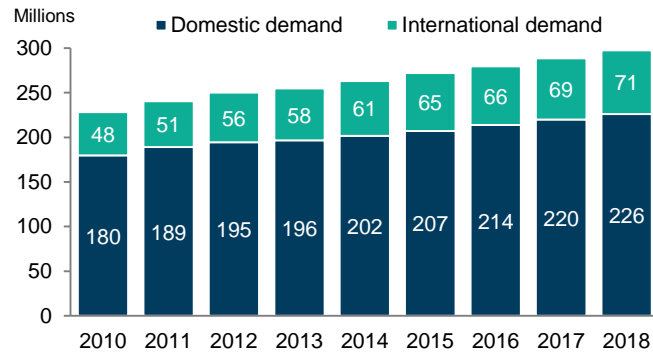
Sources for the missing data:

¹ DTZ Zadelhof/Cushman & Wakefield- Nederland Compleet - issues from January 2015-August 2018; ² Cushman & Wakefield- Netherlands Office Market Snapshot Q4 2018; ³ Colliers, EMEA Office Market Snapshots – issues from Q4 2016 to H1 2019

German hotel market overview

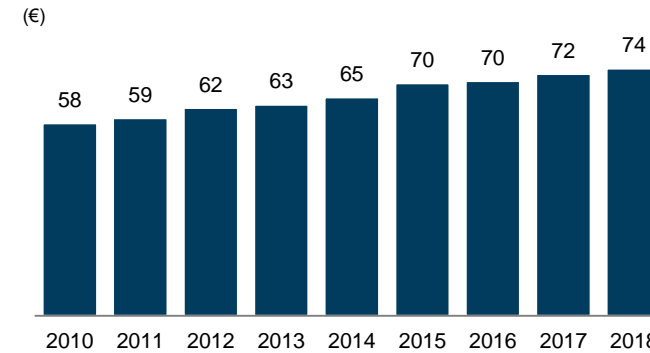
Continued strong demand growth

Overnight stays across all hotel accommodation types in Germany



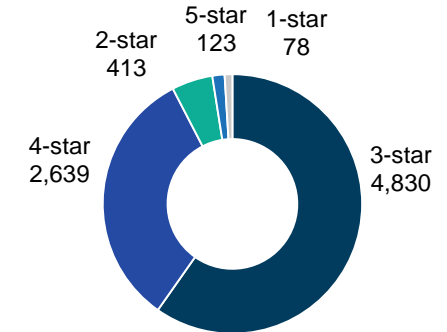
Source: destatis 45412-0012 – extracted May 2019

RevPar development



Source: Smith Travel Research (STR)

Rated hotels by category



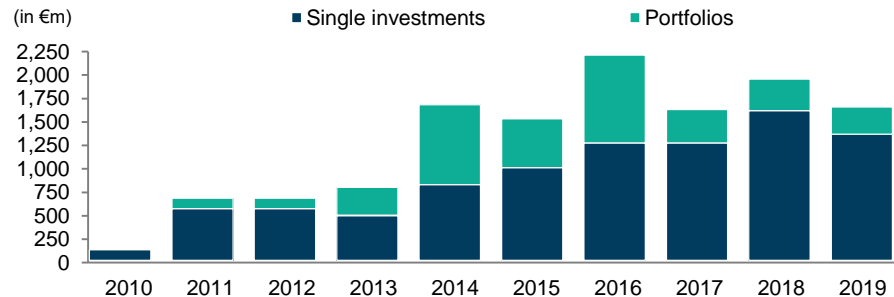
Source: hotelstars.eu – January 2019

Tourism in Germany has been continuously growing over the recent years, driving up main KPIs. According to data from STR this growth is set to continue in 2018, with 2018 occupancy up 0.7%, ADR up 1.8% and RevPAR up 2.4%

Source: STR – December 2018 data, compared to the same period in 2017

Continued high investor demand

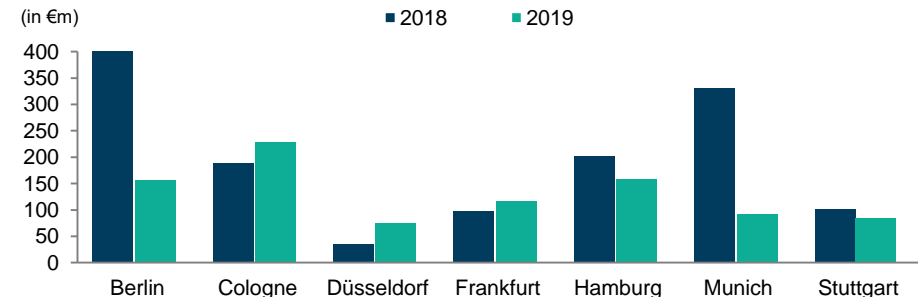
Hotel investments in Germany H1



Source: BNP Paribas – Hotel Investment Market Germany at a Glance Q2 2019

Especially in major German cities

Hotel investments in Germany H1



Source: BNP Paribas – Hotel Investment Market Germany at a Glance Q2 2019

UK/London hotel market

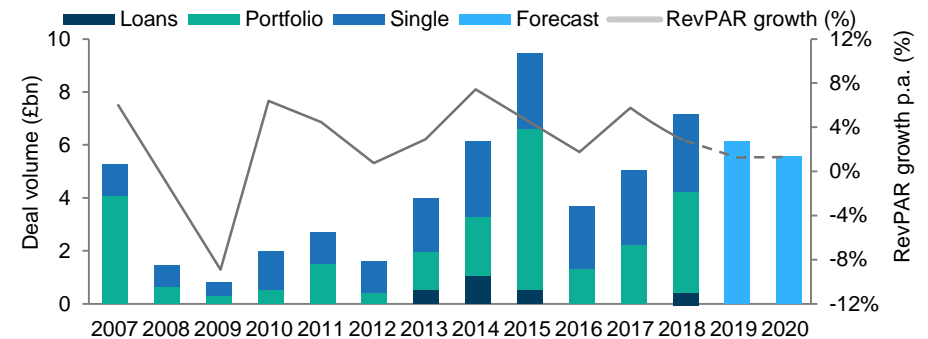
Positive developments and forecasts

Continued growth in main KPIs, forecasted to grow further

A: Actual F: Forecast	London		
	2018A	2019F	2020F
Occupancy %	83.3%	83.3%	83.3%
ADR (£)	£148.8	£150.9	£152.9
RevPAR (£)	£124.0	£126.1	£128.0
% growth on previous year			
Occupancy	1.9%	0.3%	0.1%
ADR	1.0%	1.4%	1.4%
RevPAR	2.9%	1.7%	1.4%

Source: Econometric forecasts; PwC February 2019; Benchmarking data; STR January 2019

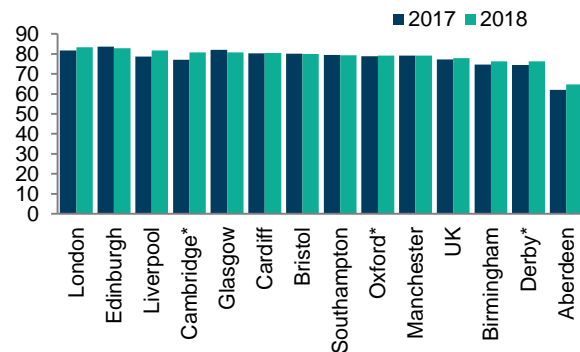
Strong investor appetite for hotel assets



Source: PwC UK hotels forecast update for 2019 and 2020 report – STR, RCA, Dealogic, Mergermarket, PwC Analysis

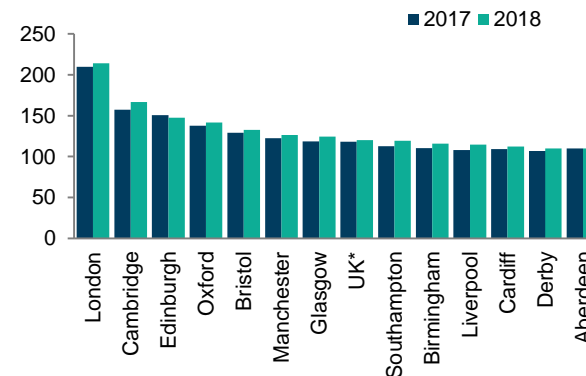
Positive developments in main KPIs across major UK cities from 2017 to 2018

Occupancy in Key UK cities (in %)



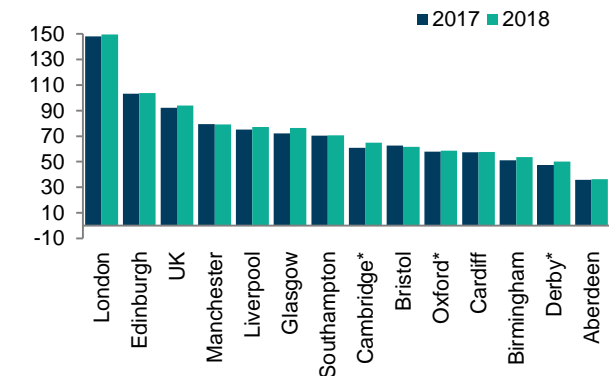
Source: STR UK Hotel Review - December 2018
*Missing data is from BDO Hotel Britain Report 2019

ADR in Key UK cities (in USD)



Source: The Advantage Travel Partnership Hotels Quarterly Market Report - Jan to Dec 2018, TravelClick, WIN
*Missing data is from STR UK Hotel Review - December 2018, converted to USD

RevPar in Key UK cities (in GBP)



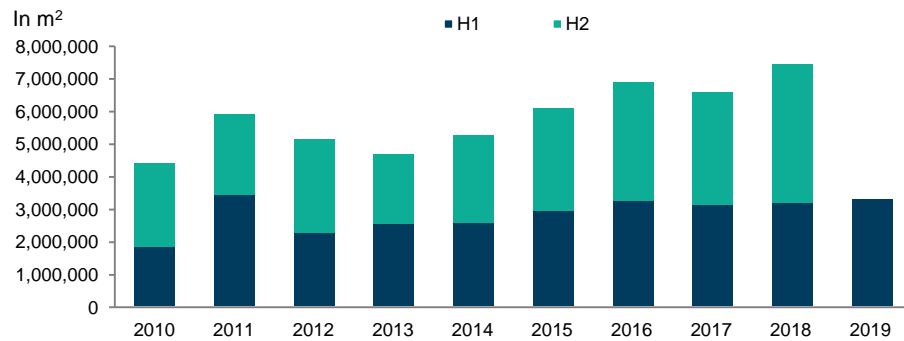
Source: STR UK Hotel Review - December 2018
*Missing data is from BDO Hotel Britain Report 2019 – Room yield

German wholesale and logistics

Benefiting from improved market conditions

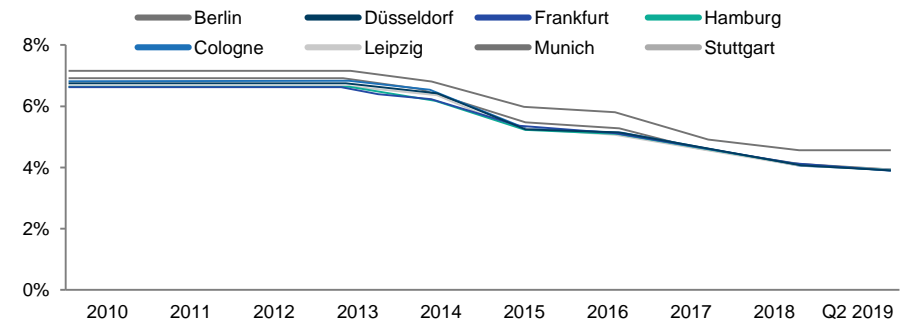
Weaker currency is supporting the pound based hotel industry. According to forecasts from PwC, Occupancy in London hotel market will still grow slightly, despite pressure from new supply.
Furthermore, ADR and RevPAR are expected to show continued, albeit tempered growth, even with uncertainty from Brexit tempering business demand

Increasing take-up of space

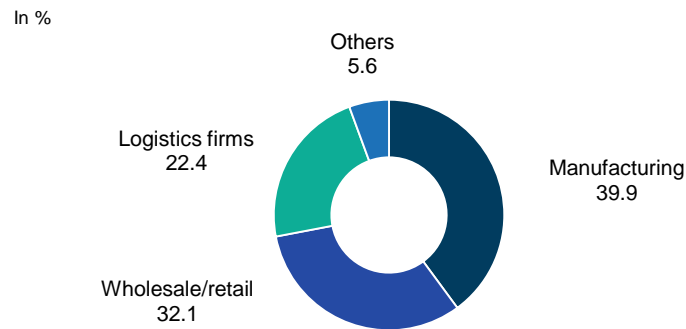


Source: BNP Paribas – Logistics Market Germany At a Glance Q2 2019, BNP Paribas – Logistics Investment Market Germany At a Glance Q2 2019

Sharply decreasing net prime yields

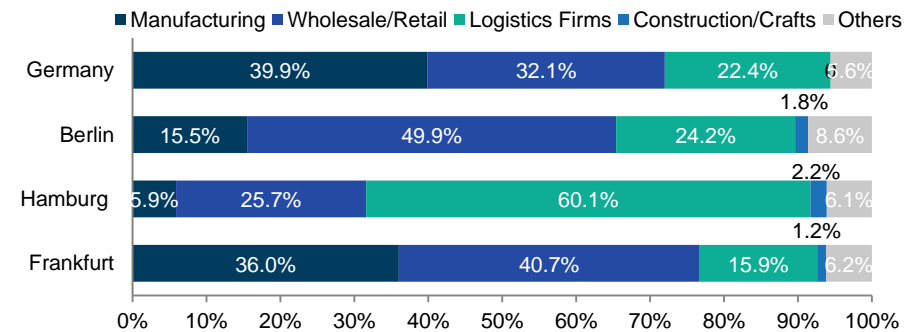


Take-up in H1 2019: A large focus on logistics/wholesale...



Source: BNP Paribas – Logistics Market Germany At a Glance Q2 2019

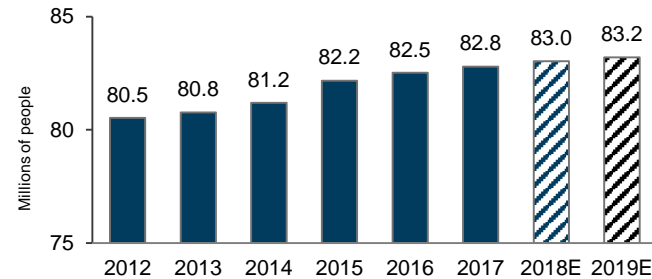
...Especially in Berlin, Hamburg and Frankfurt



Source: BNP Paribas – Logistics Market At a Glance Q2 2019 reports of Berlin, Hamburg, Frankfurt and Germany

Macro fundamentals support GCP

Population Development

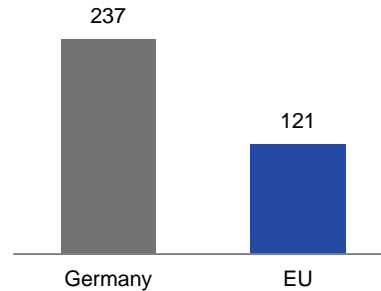


Source: destatis 2012-2017, forecast based European Commission spring 2018 forecasted growth rates

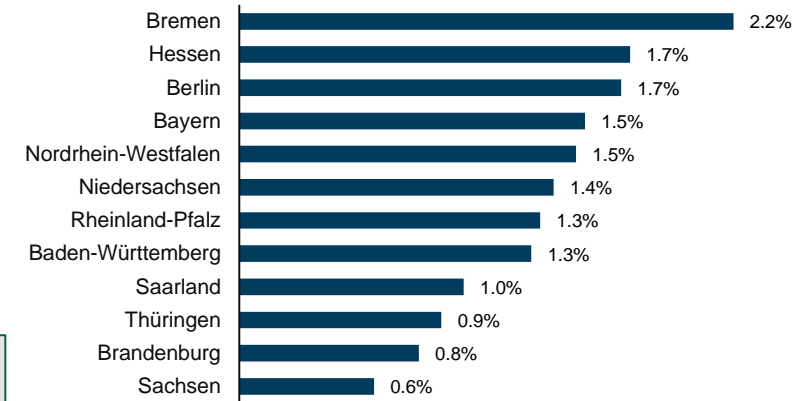
➔ From 1991 to 2016 the amount of households increased by 16.2%

➔ International and domestic immigration trends to cities also support the stronger forecasted increase in the amount of households in cities, reflected in high rent and price increases mainly in German large cities

Population density 2018 (persons per sqkm)

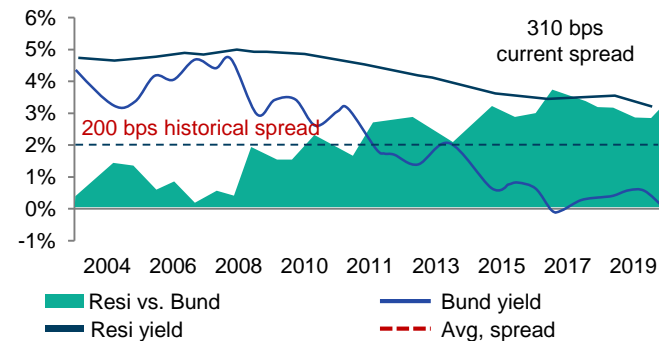


Annualized growth in rent price index (2012-2017)



Source: Destatis

German rental yields vs. German 10 year government bond yields

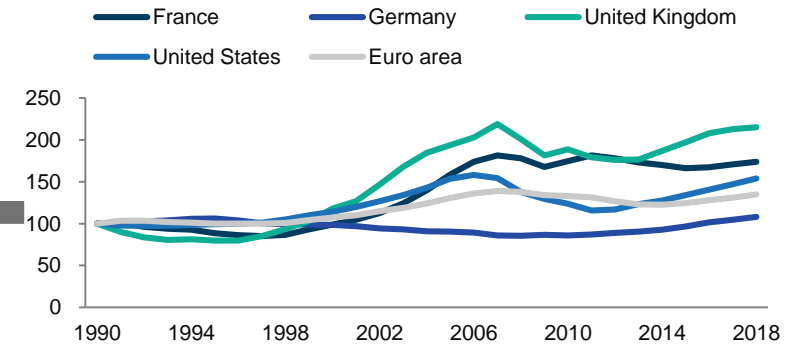


➔ With 10 years German bond yielding below 0% the German real estate market represents a unique opportunity to generate attractive adjusted risk return

➔ Negative bond yields on one hand coupled with the prospect for rising property prices makes the German Residential sector very attractive from a risk&reward perspective

Source: UBS, Datastream, JLL

House price index in real terms for Germany vs. US, UK, and France



Source: OECD.Stat real house price indices, rebased