



**Q1 2019
FINANCIAL RESULTS
PRESENTATION**

MAY 2019

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HIGHLIGHTS

Profitability Highlights:

Net rental income +28% at €177.6m. Recurring long-term net rental income at €175.5m

Adjusted EBITDA +34% YoY at €179.6m

FFO I +29% YoY at €118.1m

FFO I per share +12% YoY at €0.105 (representing a yield of 5.7%¹)

FFO I after perpetual notes attribution +14% YoY at €0.095

FFO II +72% YoY at €161.1m, as a result of disposals to the amount of over €170m in the first quarter of 2019

Profit for the period +18% YoY at €436.9m and EPS (diluted) +16% YoY at €0.36

EPRA NAV per share +6% growth to €8.2, up from €7.7 since year-end 2018

Financial Profile Highlights:

Long average Debt Maturity maintained at 7.5 years

Low average Cost of Debt fixed at 1.8%

Solid unencumbered assets reached €11bn in value (76% unencumbered ratio), up from €10bn as of year end 2018

Conservative capital structure demonstrated by the low LTV of 37% as of March 2018.

Portfolio Highlights:

Portfolio size at almost €15bn as of end of March, 2019. Year-to-date signed acquisitions of €1.4bn of high quality assets, primarily office and hotel assets, of which 90% are located in German top tier cities such as Munich, Berlin, Frankfurt, Cologne and Hamburg.

Disposal of over €170m in the first 3 months of 2019 at a gain of 34% over total cost

High L-F-L rent increase of 4.5%, in-place rent contributing 2.3% while occupancy growth contributing 2.2%

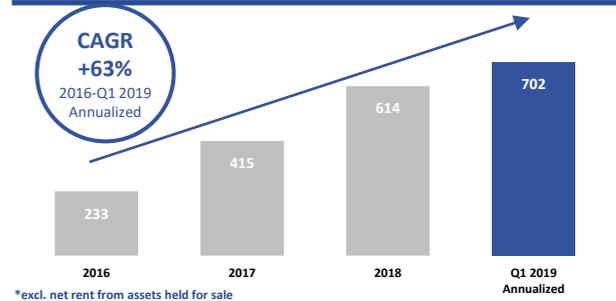
¹Based on a share price of €7.38

FINANCIAL RESULTS

PROFIT AND LOSS

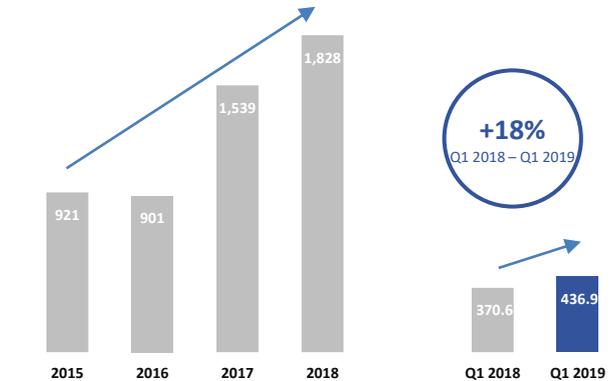
	1-3 / 2019	1-3 / 2018
	in € millions	
REVENUE	207.5	166.3
RECURRING LONG-TERM NET RENTAL INCOME	175.5	130.5
Property revaluations and capital gains	239.9	346.6
Share in profit from investment in equity-accounted investees	91	59.7
Property operating expenses	(53.2)	(48.4)
EBITDA	479.7	520.1
Finance expenses	(33.7)	(24.4)
Current tax expenses	(12.5)	(9.7)
PROFIT FOR THE PERIOD	436.9	370.6
Basic earnings per share (in €)	0.36	0.33
Diluted earnings per share (in €)	0.36	0.31

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

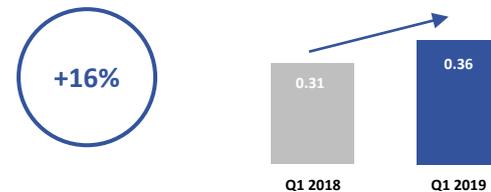


*excl. net rent from assets held for sale

Net Profit (in €m)



Earnings per share, diluted (in €)



ACHIEVING STRONG OPERATIONAL GROWTH FROM BOTH INTERNAL AND EXTERNAL SOURCES

TOTAL LIKE-FOR-LIKE

+4.5%
Mar 2019

IN-PLACE RENT L-F-L
+2.3%
Mar 2019

OCCUPANCY L-F-L
+2.2%
Mar 2019

ADJUSTED EBITDA

	1-3 / 2019	1-3 / 2018
	in € millions	
Operating profit	479.2	519.6
Total depreciation and amortization	0.5	0.5
EBITDA	479.7	520.1
Property revaluations and capital gains	(239.9)	(346.6)
Share in profit from investment in equity-accounted investees	(91)	(59.7)
Other adjustments	(0.7)	(6.0)
ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM	148.1	107.8
Adjustment for GCP and other joint venture positions adjusted EBITDA contribution*	31.5	25.8
ADJUSTED EBITDA	179.6	133.6

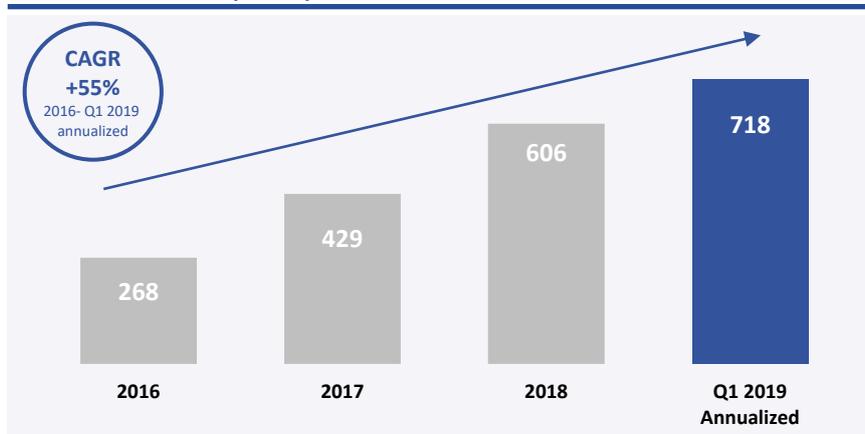
Subtracted as these profits include AT's share in non-operational profits generated by the equity accounted investees

Mainly related to adjusted EBITDA of the properties marked for disposal, thereby reflecting the long-term recurring Adjusted EBITDA of the commercial portfolio

Adding back the contribution from GCP's operations, resulting from Arowntown's strategic investment of 39% as well as from contributions from other joint venture positions

*the adjustment is to reflect AT's share in GCP's and other joint ventures adjusted EBITDA. GCP generated an adjusted EBITDA of €73 million in Q1 2019 and €68 million in Q1 2018

ADJUSTED EBITDA (in €m)

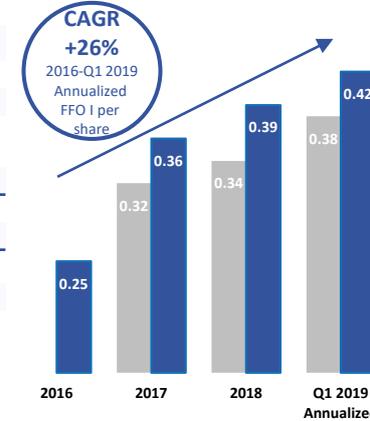


FFO I

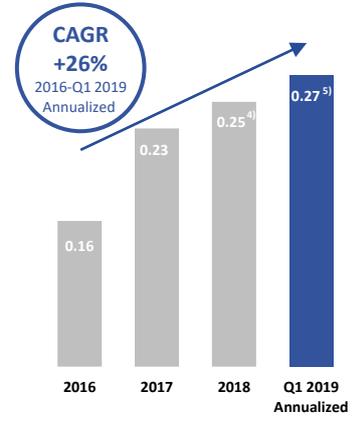
1-3 / 2019 **1-3 / 2018**
in € millions

ADJUSTED EBITDA COMMERCIAL PORTFOLIO, RECURRING LONG TERM	148.1	107.8
Finance expenses ¹⁾	(33.7)	(24.4)
Current tax	(12.5)	(9.7)
Contribution to minorities	(3.9)	(2.1)
Other adjustments	1	3
FFO I COMMERCIAL PORTFOLIO, RECURRING LONG TERM	99	74.6
Adjustment for GCP's and other joint ventures' FFO I contribution ²⁾	19.1	16.6
FFO I	118.1	91.2
FFO I per share (in €)	0.105	0.094
FFO I per share after perpetual notes attribution (in €)	0.095	0.083
Result from disposal of properties ³⁾	43	2.3
FFO II	161.1	93.5

FFO I PER SHARE (in €)



DIVIDEND PER SHARE (in €)

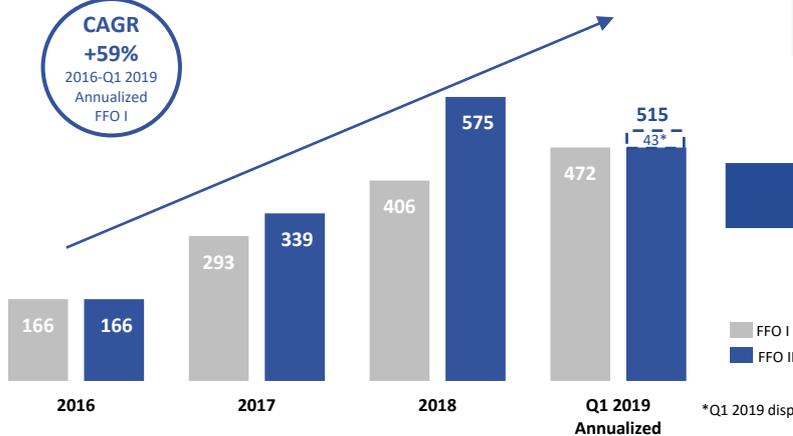


1) including the effects of IFRS 16

2) the adjustment is to reflect AT's share in GCP's and other joint ventures' FFO I. GCP generated an FFO I after perpetual notes attribution of €45 million in Q1 2019 and €43 million in Q1 2018

3) the excess amount of the gross sale price to total cost (cost price plus capex of the disposed properties)

FFO I & FFO II (in €m)



FFO I yield: 5.7%

Dividend yield: 3.7%

Based on a share price of €7.38

4) 2018 dividend is subject to AGM approval.

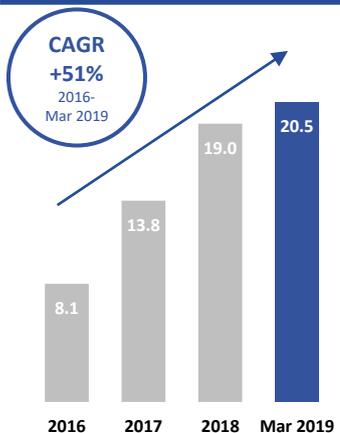
5) Based on a dividend payout ratio of 65% of FFO I per share.

Consistent recurring cash profitability, both from operations (FFO I) as well as successful capital recycling, which resulted in high capital gains (FFO II)

*Q1 2019 disposal gains, not annualized

TOTAL ASSETS

TOTAL ASSETS (in €bn)



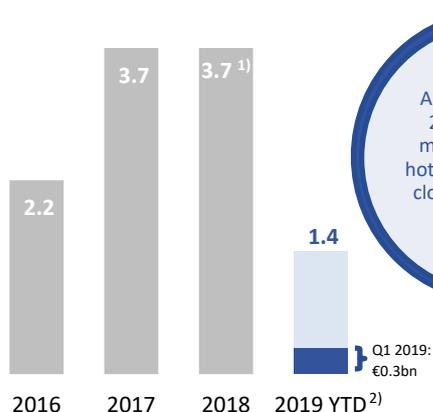
Investment property
 Equity-accounted investees in publicly traded company - holding in GCP SA
 Equity-accounted investees, other
Non-current assets
 Assets held for sale¹⁾
 Cash and liquid assets²⁾
Current assets

	Mar 2019	Dec 2018
	in € millions	
Investment property	14,803.2	14,174
Equity-accounted investees in publicly traded company - holding in GCP SA	1,832.2	1,807.6
Equity-accounted investees, other	461.3	407.2
Non-current assets	17,839	16,938.9
Assets held for sale ¹⁾	215	209.9
Cash and liquid assets ²⁾	2,118.7	1,600.6
Current assets	2,669.6	2,101.9
Total Assets	20,508.6	19,040.8

Total Assets

¹⁾ excluding cash in assets held for sale
²⁾ including cash in assets held for sale

ACQUISITIONS (in €bn)

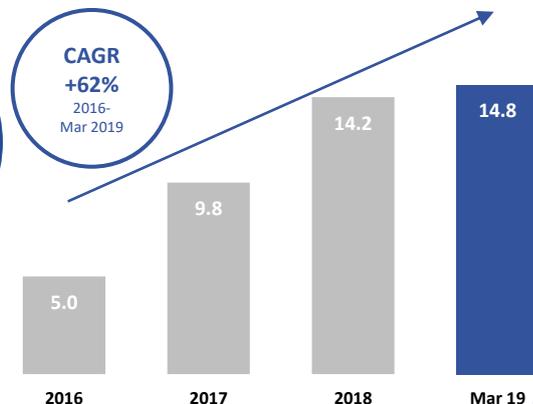


Acquisitions in Q1 2019 have been mainly offices and hotels and amounted close to €300m at a multiple of 21x

90% of the signed deals YTD are located in German top tier cities such as Munich, Berlin, Frankfurt, Cologne and Hamburg.

Year-to-date signed acquisitions of €1.4bn of high quality assets, primarily office and hotel assets in Germany

INVESTMENT PROPERTY (in €bn)

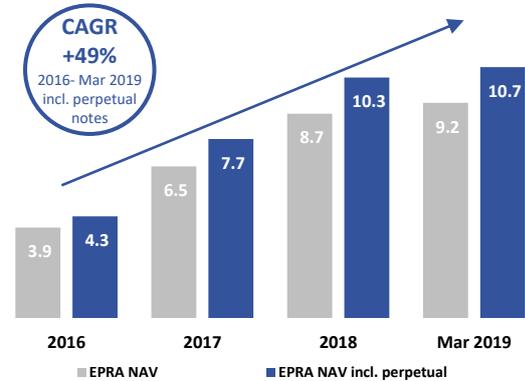


¹⁾ including acquisitions through joint ventures of €0.6bn
²⁾ Including signed deals

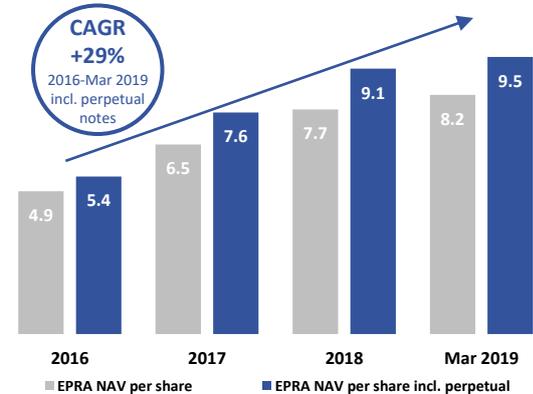
	Mar 2019		Dec 2018	
	€ millions	Per share	€ millions	Per share
NAV per the financial statements	10,393.3		9,944.3	
Equity attributable to perpetual notes investors	(1,527.6)		(1,547.7)	
NAV excluding perpetual notes	8,865.7		8,396.6	
Fair value of derivative financial instruments ¹⁾	(22.4)		25.1	
Deferred tax liabilities ¹⁾	947.8		887.8	
NAV	9,791.1	€8.7	9,309.5	€8.2
Non-controlling interests	(584.2)		(567.1)	
EPRA NAV	9,206.9	€8.2	8,742.4	€7.7
Equity attributable to perpetual notes investors	1,527.6		1,547.7	
EPRA NAV including perpetual notes	10,734.5	€9.5	10,290.1	€9.1
Number of shares incl. in-the-money dilution effects (in millions)	1,129.4		1,129.7	

1)including balances in assets held for sale

EPRA NAV (in €bn)



EPRA NAV per share (in €)

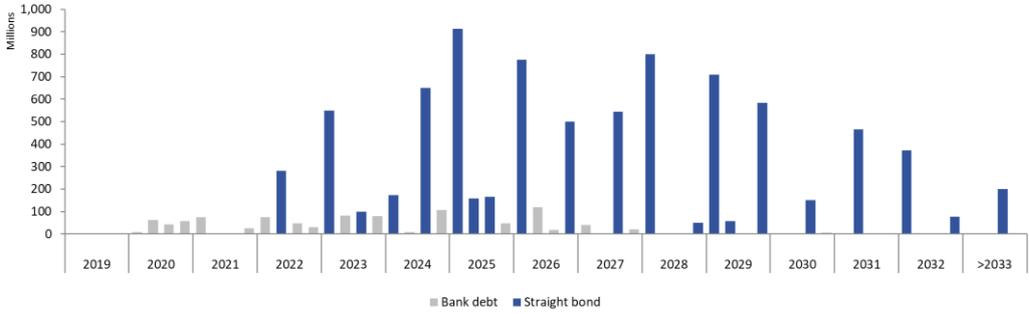


	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNAV
in € millions unless otherwise indicated				
Mar 2019	9,791.1	9,206.9	10,734.5	9,024.0
Mar 2019 per share (in €)	8.7	8.2	9.5	8.0
Per share growth (three months)	+6%	+6%	+4%	+4%
Dec 2018	9,309.5	8,742.4	10,290.1	8,730.7
Dec 2018 per share (in €)	8.2	7.7	9.1	7.7

CONSERVATIVE CAPITAL STRUCTURE



Debt maturity profile

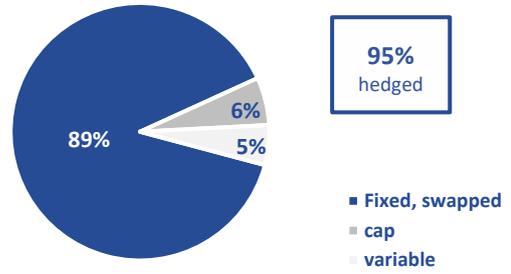


Proactive debt management

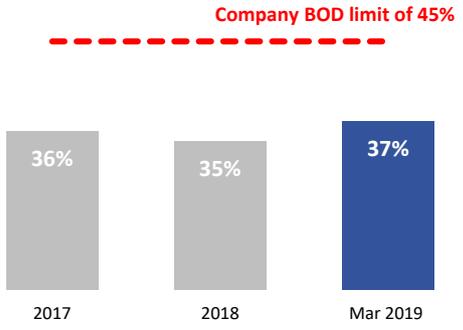
Debt maturity
7.5 years average maturity

Cost of debt
1.8% \emptyset cost of debt

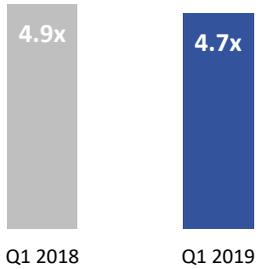
Interest hedging structure Mar 2019



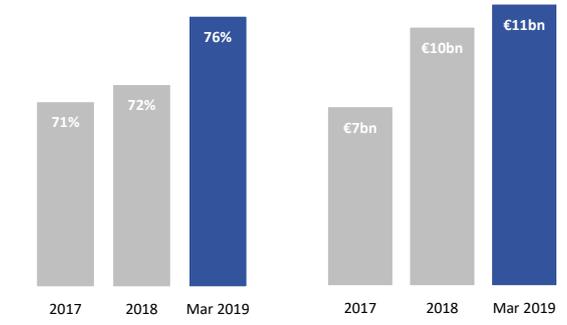
Loan-to-Value



Continuously strong ICR



Unencumbered assets



in % by rent

by value

I. BEST IN CLASS FINANCIAL RATIOS AMONG PEERS

II. HIGHEST RATED IN GERMAN COMMERCIAL REAL ESTATE

Financial risk profile

Business risk profile

	1 Minimal	2 Modest	3 Intermediate	4 Significant	5 Aggressive	6 High Leveraged
1 Excellent	aaa/ aa+	aa	a+/a	a-	bbb	bbb- /bb+
2 Strong	aa/ aa-	a+/a	(DW) (A-) (Gecina) (A-) (Klepierre) (A-) (Arountown) BBB+ (GCP) (Icade) (BBB+) (Covivio) (BBB+)	(Vonovia- BBB+)* BBB	bb+	bb
3 Satisfactory	a/a-	bbb+	(Alstria) BBB/BBB-	bbb-/bb+	bb	b+
4 Fair	bbb/ bbb-	bbb-	bb+	bb	bb-	b
5 Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-	b+	b	b-

*rating anchor of Vonovia is BBB, their final rating, after the effect of modifiers is BBB+

'BBB+' Investment Grade rating from S&P



Financial policy:

Strive to achieve A- global rating in the long term

LTV limit at 45%

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

Maintaining conservative financial ratios with strong ICR

Unencumbered assets above 50% of total assets

Long debt maturity profile

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

Dividend of 65% of FFO I per share

OPERATIONS AND PORTFOLIO

Portfolio breakdown per asset type

MARCH 2019	Investment properties (in €M)	Area (in k sqm)	EPRA Vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Office	7,183	3,006	11.1%	360	10.7	2,390	5.0%
Hotel	4,392	1,365	6.5%	214	13.8	3,217	4.9%
Logistics/Wholesale/Other	1,267	1,401	5.5%	72	4.5	904	5.7%
Retail	962	464	8.3%	57	10.3	2,073	6.0%
Land for development & other rights	999						
Total	14,803	6,236	8.9%	703	9.9	2,214	5.1%

Portfolio breakdown per region

MARCH 2019	Investment properties (in €M)	Area (in k sqm)	EPRA Vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Value per sqm (in €)	Rental yield
Berlin	2,665	855	12.0%	98	10.5	3,117	3.7%
Frankfurt	1,478	471	19.1%	51	10.8	3,140	3.5%
Munich	830	263	7.2%	36	11.3	3,154	4.3%
NRW	1,648	1,115	7.7%	100	7.5	1,478	6.0%
Hamburg	501	270	5.4%	27	8.9	1,854	5.3%
London	652	88	7.3%	28	29.9	7,399	4.3%
Amsterdam	657	192	7.4%	31	13.7	3,430	4.7%
Hannover	415	286	10.3%	24	8.0	1,452	5.8%
Wiesbaden/Mainz/Mannheim	382	179	6.7%	23	10.9	2,135	6.1%
Stuttgart/BB	374	172	2.1%	23	10.9	2,172	6.1%
Dresden/Leipzig/Halle	390	217	4.4%	23	9.2	1,794	5.9%
Rotterdam	311	138	7.3%	22	13.3	2,258	6.9%
Utrecht	300	124	12.0%	16	10.8	2,413	5.2%
Other	3,201	1,866	7.5%	201	9.5	1,716	6.3%
Land for development & other rights	999						
Total	14,803	6,236	8.9%	703	9.9	2,214	5.1%

TOP TIER CITIES (MAR 2019)

Commercial asset type breakdown

Office 53%

Hotel 30%

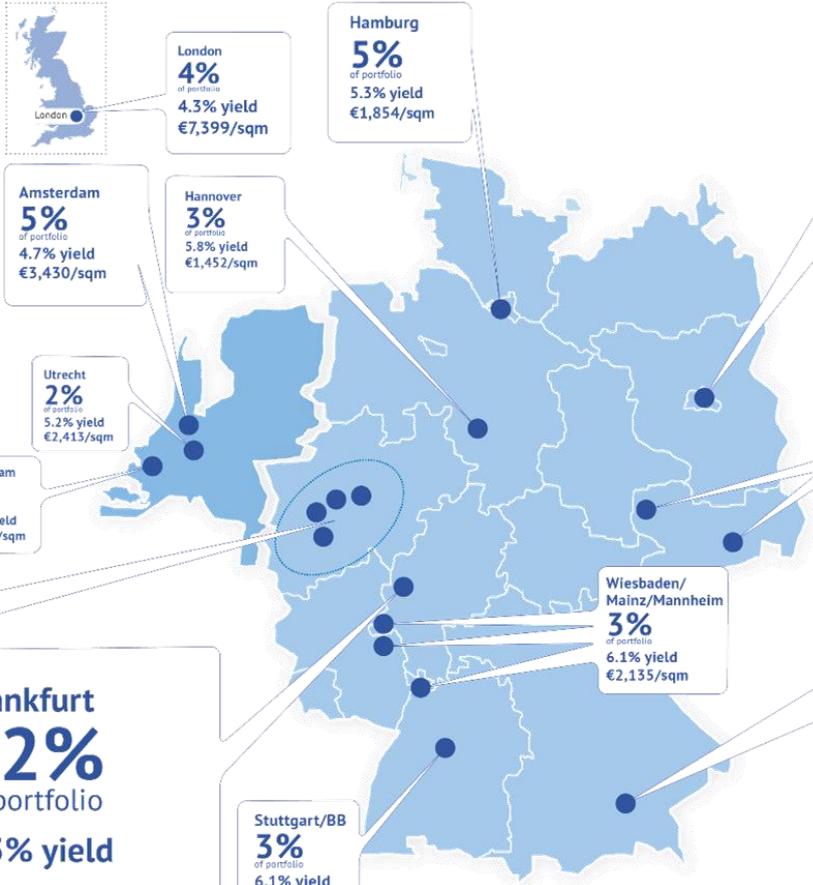


Top 5 office locations

1. Berlin 17%
2. Frankfurt 16%
3. NRW 11%
4. Munich 8%
5. Amsterdam 8%

Top 5 hotel locations

1. Berlin 25%
2. London 11%
3. Munich/BR 9%
4. NRW 8%
5. Frankfurt 6%



Berlin
21%
of portfolio
3.7% yield
€3,117/sqm

NRW
11%
of portfolio
6.0% yield
€1,478/sqm

Frankfurt
12%
of portfolio
3.5% yield
€3,140/sqm

Dresden/Leipzig/Halle
3%
of portfolio
5.9% yield
€1,794/sqm

Munich
7%
of portfolio
4.3% yield
€3,154/sqm

Others*
19%
of portfolio
6.3% yield
€1,716/sqm

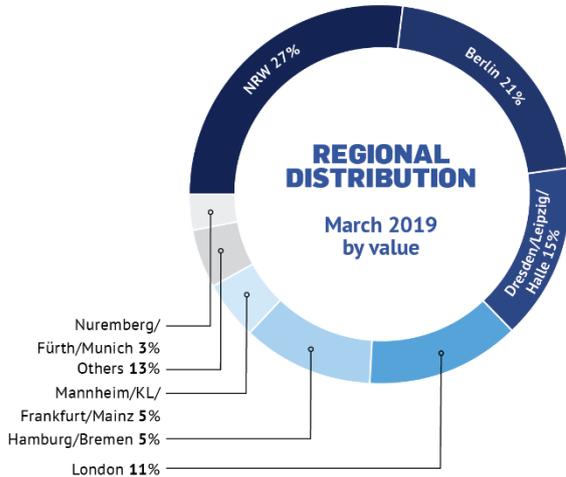
* Others includes, Brussels, Rome, Vienna, Edinburgh, Dublin, Bremen, Nuremberg, Kassel and others

TOP TIER CITIES (MAR 2019)

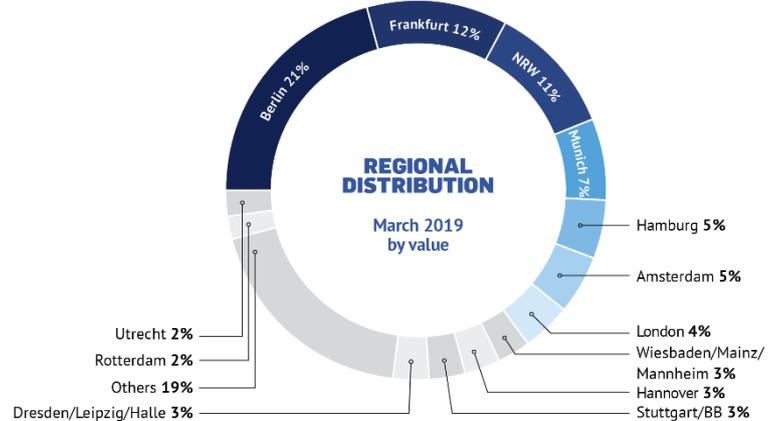


*accounting for 39% holding in GCP

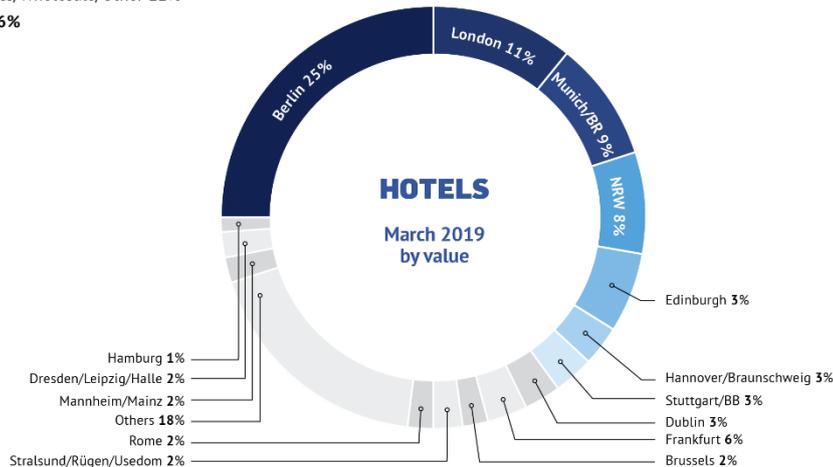
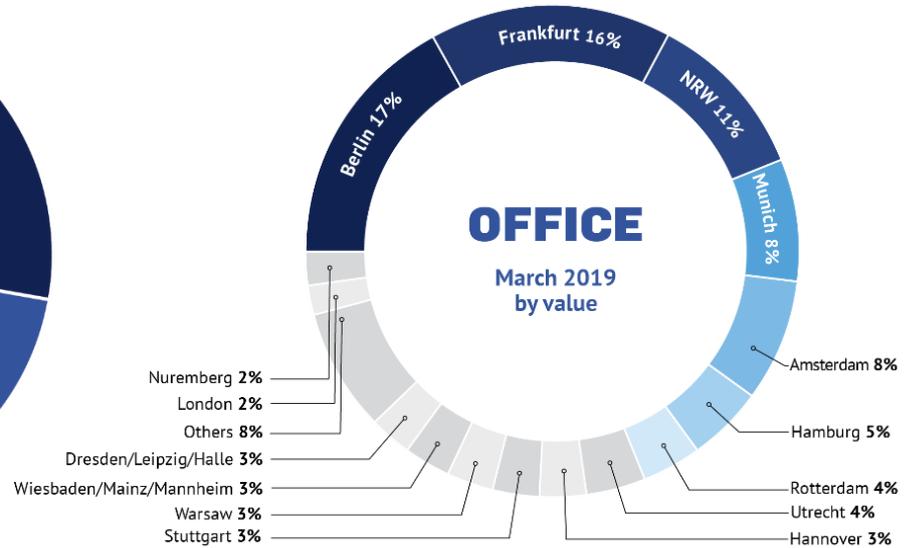
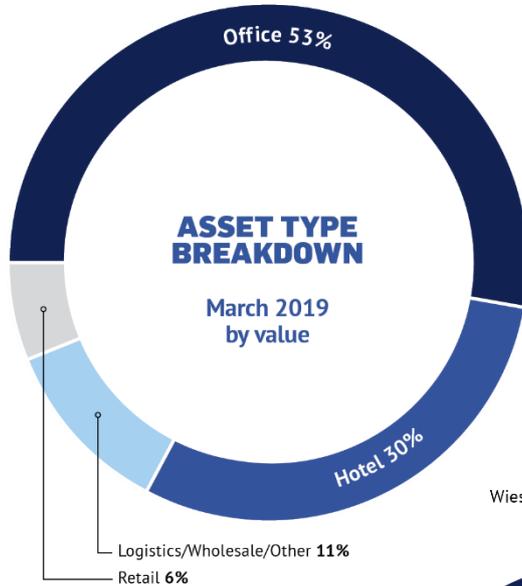
Residential



Commercial



TOP TIER CITIES WITHIN ASSET CLASSES (MAR 2019)



BEST IN CLASS BERLIN PORTFOLIO

90% of the commercial portfolio is located in top tier neighborhoods

- Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- strongly benefiting from the unique dynamics and growth of Berlin's most in demand neighborhoods, business areas and tourist centres

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



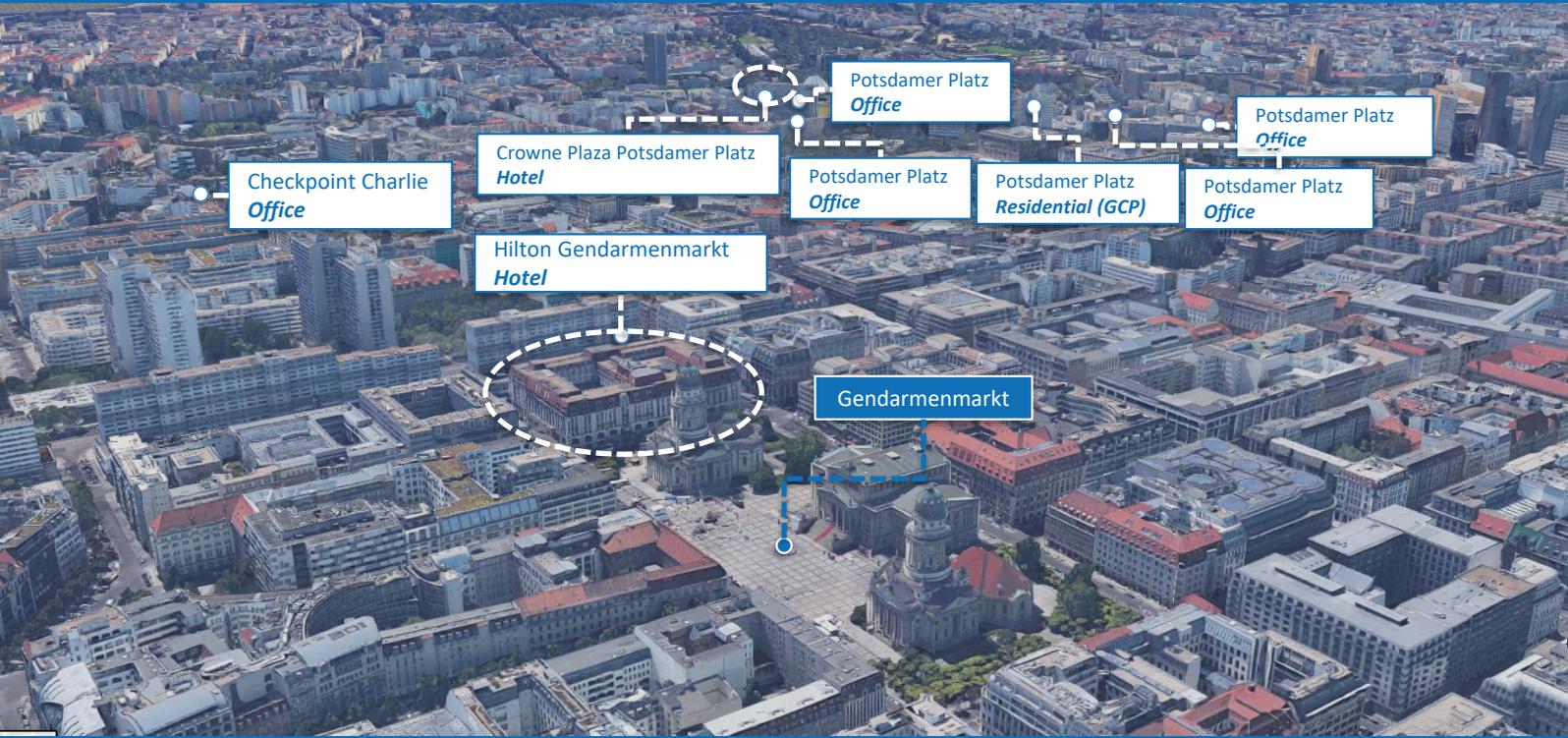
Commercial properties



Residential properties

* map representing approx. 95% of the portfolio and 99% including central Potsdam

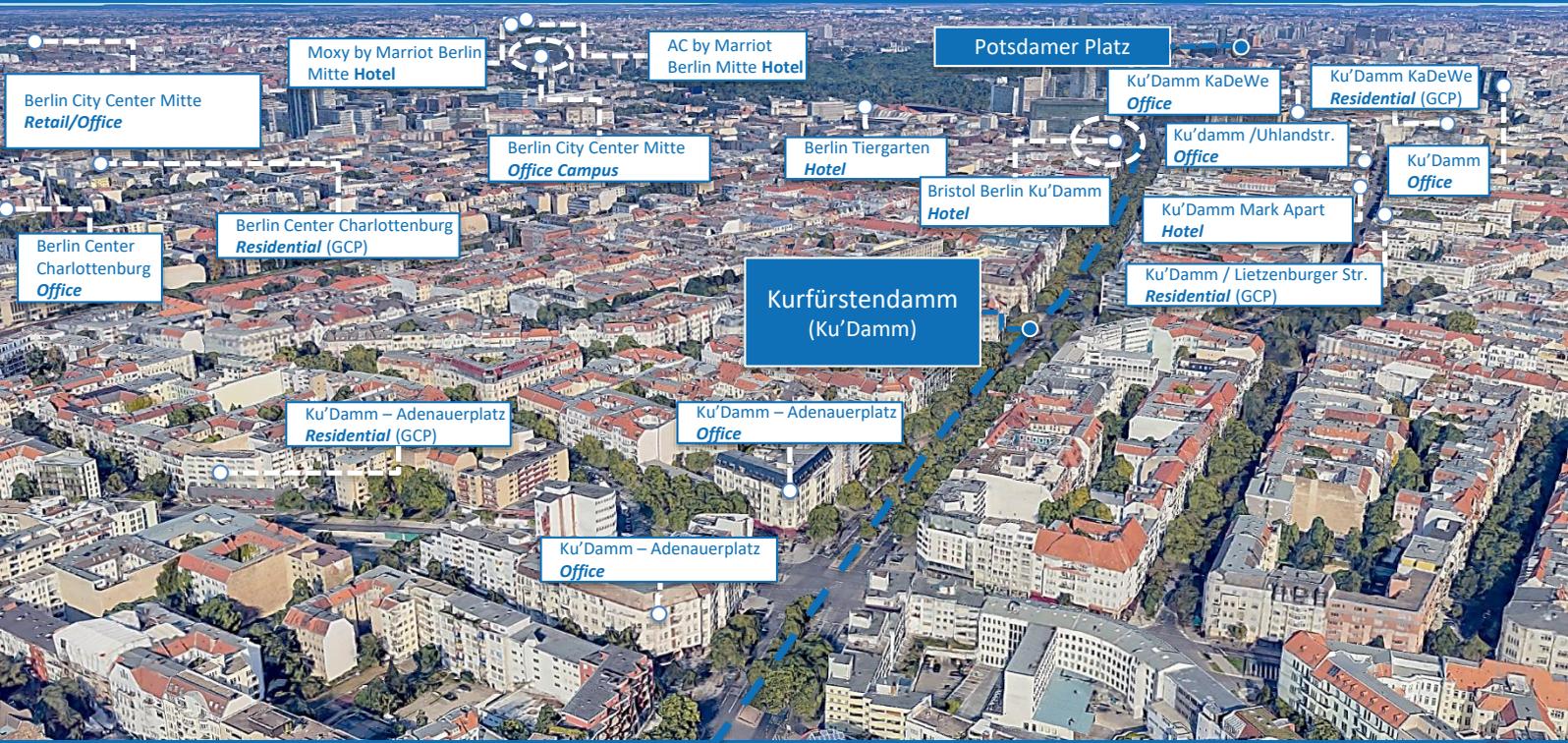
Potsdamer Platz: The prime commercial and tourist center



Berlin

landmark
property

Quality Berlin assets around Kurfürstendamm (Ku'Damm)



Frankfurt

Quality Frankfurt assets in central locations

InterContinental Frankfurt
Hotel

Frankfurt HBF
Offices

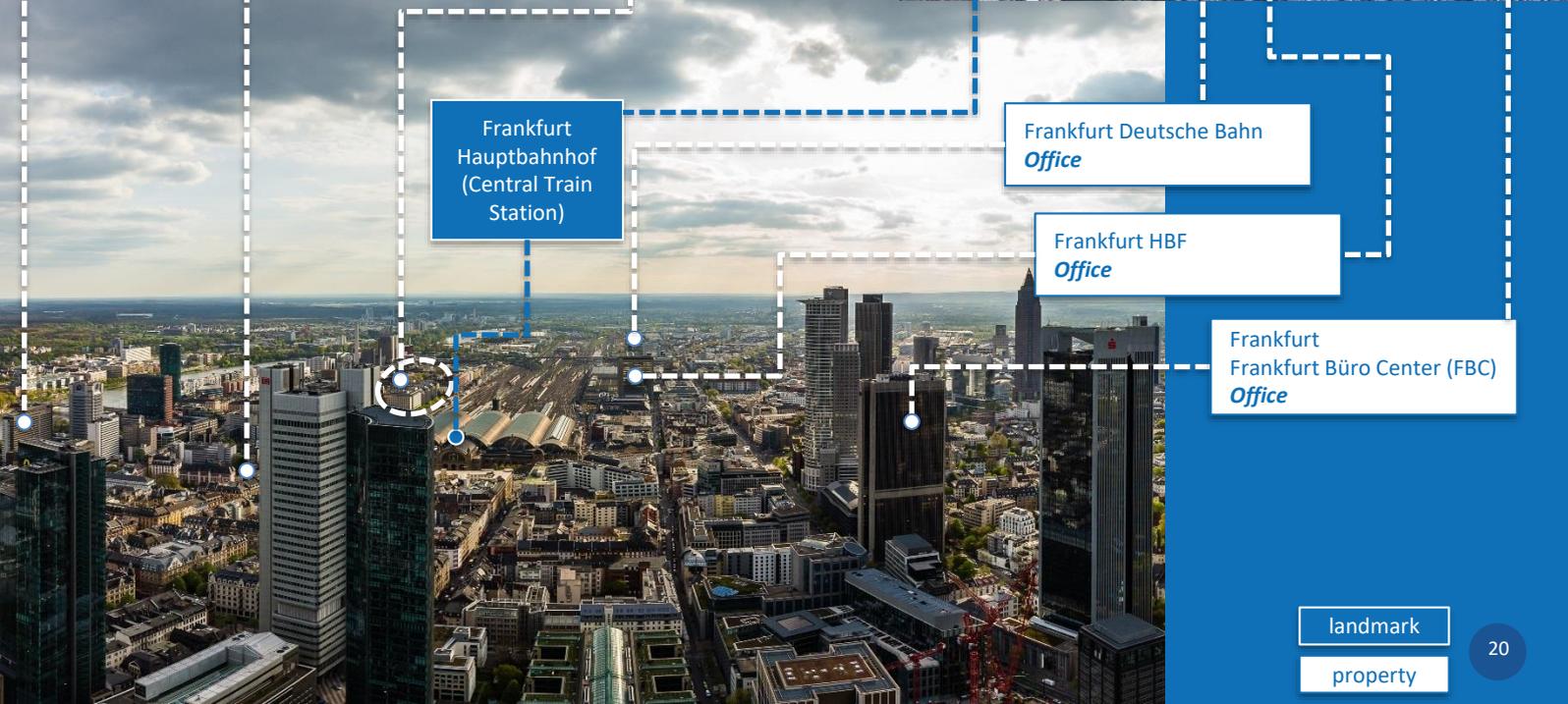
Frankfurt Office Campus
Offices

Frankfurt
Hauptbahnhof
(Central Train
Station)

Frankfurt Deutsche Bahn
Office

Frankfurt HBF
Office

Frankfurt
Frankfurt Büro Center (FBC)
Office



landmark

property

DEFENSIVE PORTFOLIO WITH STRONG TENANT STRUCTURE

- Limited dependency on single tenants due to large tenant base of over 3,000 tenants
- Top 10 tenants represent less than 20% of rent
- Long lease terms
- Portfolio WALT as of March 2019:

Office	Hotel	Logistics/Whole sale/Other	Retail	Total
4.4	15.9	6.5	5.7	8.2

HIGHLY PERFORMING HOTEL LOCATIONS



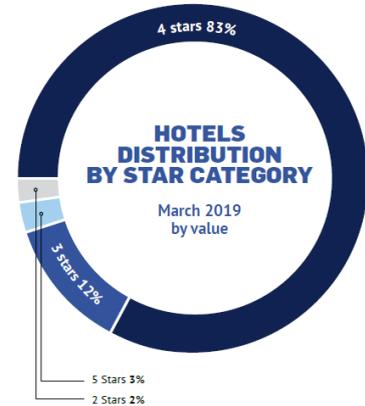
Well diversified portfolio of over 130 hotels totaling €4.4bn and approx. 1.4m sqm as of March 2019



High proportion (83%) in 4 star hotels, meeting the rising market demand from tourism and business travel



Long-term and fixed leases to third party hotel operators



Hotels Franchised with various strong brands and a large scale of categories which provides high flexibility for the branding of its assets



STRATEGIC TOP TIER HOTELS IN STRONG LOCATIONS

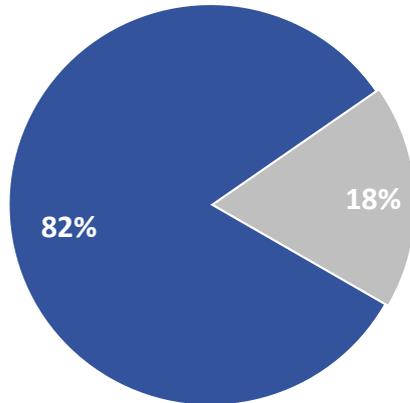


Hotel:	Rooms:	Brand:
Hilton Berlin Gendarmenmarkt Prime Center	601	Hilton
Bristol Berlin Ku'damm Prime Center (ex-Kempinski)	301	HOTEL BRISTOL BERLIN
InterContinental Frankfurt Prime Center	473	INTERCONTINENTAL
Hilton London Hyde Park Prime Center	132	Hilton

Hotel:	Rooms:	Brand:	Hotel	Rooms:	Brand:
Crowne Plaza Berlin Prime Center Potsdamer Platz	256	CROWNE PLAZA	Steigenberger Hotel Cologne Prime Center	305	STEIGENBERGER
AC by Marriott Berlin Mitte	130	Marriott	Holiday Inn Dresden Prime Center	144	Holiday Inn
Moxy by Marriott Berlin Mitte	101	Marriott	Crowne Plaza Frankfurt Congress Hotel	396	CROWNE PLAZA
Ex-Sheraton Brussels Prime Center	533	SHERATON	Mark Apart Berlin Prime Center Ku'damm	120	
Sheraton Rome	640	SHERATON	Schlosshotel Grunewald Charlottenburg Berlin	54	
Hilton London Chelsea	172	Hilton	Radison Blu Prime Center Baden-Baden	162	Radisson BLU
Hilton Edinburgh Royal Mall Prime Center	211	Hilton	Mercure Munich Conference Center Messe	167	Mercure
Hilton Dublin Prime Center	324	Hilton	Ibis Munich Conference Center Messe	137	ibis
Crowne Plaza Düsseldorf/Neuss	246	CROWNE PLAZA	Manchester City Center Hotel	228	
DoubleTree by Hilton London Center Angel/King's-Cross	373	DOUBLETREE Hilton	Seminaris Campus Hotel Berlin	186	SEMINARIS
Hyatt Regency Paris Airport Charles de Gaulle	388	HYATT REGENCY	Wyndham Garden Düsseldorf Prime Center Königsallee	82	WYNDHAM GARDEN
Berlin Holiday Inn City East	473	Holiday Inn	Hotel Im Wasserturm Cologne Prime Center	88	HOTEL IM WASSERTURM
Berlin Holiday Inn City West	336	Holiday Inn	Ibis Berlin Alexanderplatz	61	ibis
Essen Holiday Inn Prime City Center	168	Holiday Inn	Melia Munich Hotel Munich Messe	134	MELIA
Sheraton Hotel Hannover Business District	147	SHERATON	Mercure Liverpool Prime Center Hotel	225	Mercure
NH Hotel Dortmund Prime Center	190	NH	Resorthotel Schwielowsee Berlin- Potsdam	155	
Berlin - Müggelsee	176				

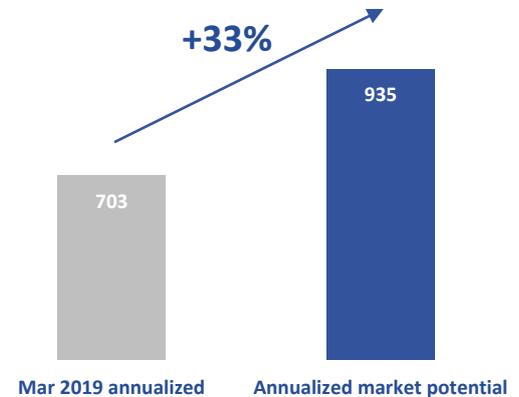
COMMERCIAL PORTFOLIO – POTENTIAL TO COME

Commercial in-place rent compared to market rent prices



■ below market rent ■ at market rent

Commercial June annualized Rental Income vs. Market potential including vacancy reduction (in € millions)



Large upside potential from rent increases to market levels with very limited downside risk



Long lease terms with a WALT of 8.2 years as of March 2019



Upside in value – conservative property valuations with current values at less than half of replacement costs

DEVELOPMENT/BUILDING RIGHTS

Strong market demand and scarcity of land

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

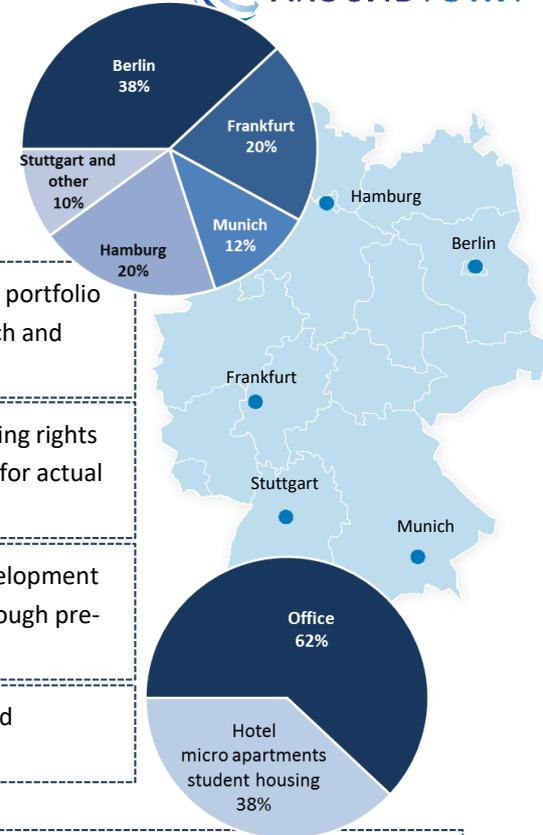
Extracting additional value as part of our value add strategy

Identifying underutilized land, building rights and conversion optionality in our existing portfolio primarily in top tier prime locations, in cities such as Berlin, Hamburg, Frankfurt, Munich and Stuttgart

A dedicated and experienced team analyses the portfolio and identifies potential building rights or conversion of use and materializes these rights into actual sellable permits or ready for actual development

Strategy is to sell the permits and realize the gains or in selected top tier locations development is an option if further upside potential can be lifted and the risk is low, for example through pre-let long term agreements with strong tenants

The capex team is not executing the construction itself but is tendering, supervising and monitoring external parties who execute the plans



Alfred Kandl
Head of Construction Management



35 years experience in the real estate and building industry Mr Kandl worked in Strabag AG, one of Austria's leading building companies, and further worked in controlling positions at large construction sites all over Austria and Central and Eastern Europe. From 2003, Mr Kandl worked as Head of Construction at Raiffeisen Evolution. He holds a degree in engineering.

GUIDANCE

	2019 Guidance ¹⁾	
FFO I (in € million)	460-470	GUIDANCE CONFIRMED
FFO I per share (in €)	0.41-0.42 ²⁾	
Dividend per share (in €)	65% of FFO I per share	
FFO I per share after perpetual (in €)	0.37-0.38 ²⁾	
Like-for-like net rental growth	~4%	
LTV	<45%	

1) Based on current portfolio, signed acquisitions

2) Based on current amount of outstanding shares of 1.13bn

Strong like-for-like rental growth expected driven by the portfolio's high internal growth potential

Strong and conservative capital structure to be maintained, with an LTV well below the board of directors' limit

APPENDIX

DEVELOPMENT/BUILDING RIGHTS

HILTON BERLIN PRIME CENTER GENDARMENMARKT

The 4 star Hilton Hotel is located in the heart of Berlin on Gendarmenmarkt, a prime tourist, residential and commercial center with historical and cultural landmarks and excellent connectivity and transportation options.

Value extraction potential

Only 1/3 of the space produces most of the rent. The huge lobby area, the long entry drive way facing the most expensive location in Berlin and underground parking garage are producing a fraction of the rent

Overground parking garage

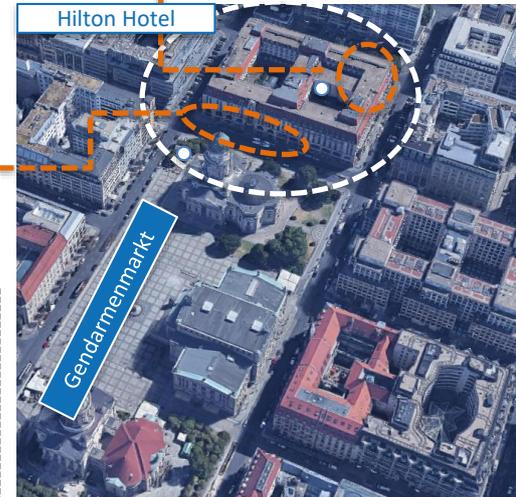
Conversion of 18k sqm parking space into prime office space and high-end mixed use of residential condos which can be integrated into the hotel's operational systems (short-term living)

Driveway & Lobby

The most prestigious side of the hotel facing Gendarmenmarkt is used as a long stretched driveway and huge lobby
Conversion into prime leisure retail/restaurants/services complementing the area's use as a destination for top culture, historic landmarks and prime gastronomy, with millions of visitors in the Gendarmenmarkt square

Additional rooms from conversion

Unused and not producing public spaces to be converted to additional 70 hotel rooms
Potential additional new space on the roof and inner spaces to create additional 50-100 rooms
Total potential of additional rooms:120-170
Due to the top tier location, each converted and added lettable sqm will produce both high rent levels of €30-€50 per sqm and value per sqm of €12k to €15k



DEVELOPMENT/BUILDING RIGHTS

BERLIN KREUZBERG/ALT-TREPTOW

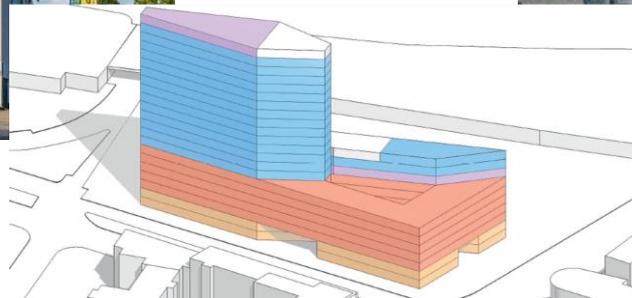
The cinema center holds 7k sqm and is located across the Park Center retail/office center in a mixed use office, residential and touristic area of the district of Treptow/Kreuzberg around the corner of the Treptowers office towers. Strong connectivity is provided through its inner city location with bus, sbahn and highway.

Value extraction potential

Aroundtown acquired this property as part of the acquisition of the Park Center retail/office center across the property

Conversion into an office buildings

Development into a building with 26k lettable sqm with mixed use of office and short-term let micro apartments



DEVELOPMENT/BUILDING RIGHTS

BERLIN TREPTOW-KÖPENICK – THE BREWERY PROJECT

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

Value extraction potential

Conversion and development into mixed use urban quarter

The original use of the buildings have been for offices, residential, warehouse and factory.

Re-development potential of currently 41k sqm into around 70k lettable sqm of office (conversion as well as new built), micro/student apartments and retail while maintaining the special characteristics of the property



DEVELOPMENT/BUILDING RIGHTS

FRANKFURT MAIN CENTRAL TRAIN STATION

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

Value extraction potential

Aroundtown recently acquired the office tower. The asset will be vacated this year to enable complete redevelopment

Capex for repositioning and renting at market rents

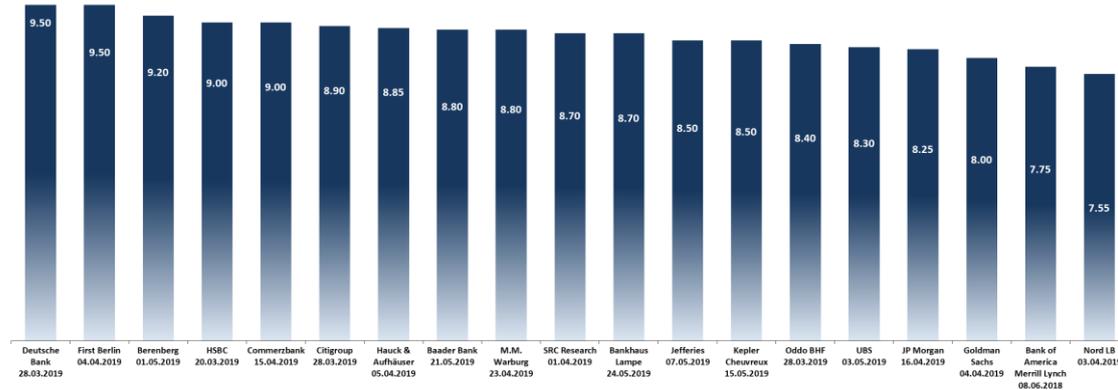
Aroundtown will upgrade the building (façade, technical parameters, fit out etc.) to capture the rent reversion of 400%



EQUITY ANALYST RESEARCH COVERAGE

Covering Analysts

Analyst Research Target Price



Key index inclusions:

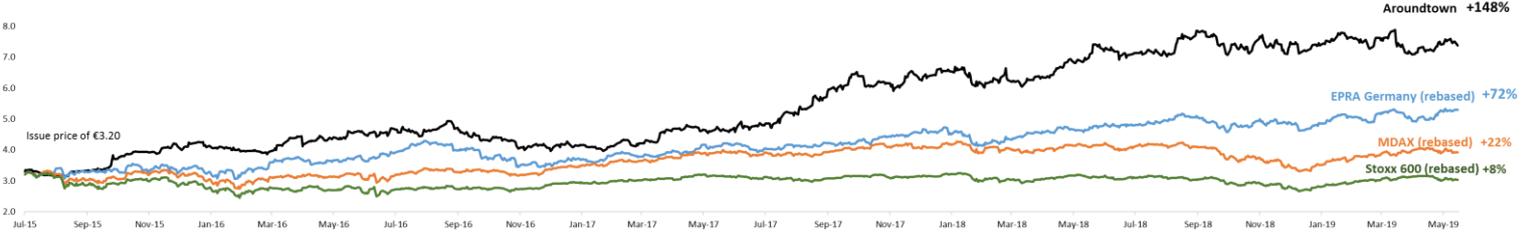
- MDAX
- MSCI Index Series
- FTSE EPRA/NAREIT
- STOXX Europe 600
- GPR 250
- DIMAX
- MSCI ACWI
- MSCI World
- MSCI Germany
- Global Developed
- Europe Developed
- Eurozone
- Germany

MDAX
MSCI
FTSE Russell
EPRA
STOXX
Global property research
Solutions for customized property indices

AROUNDTOWN'S SHARE PRICE PERFORMANCE



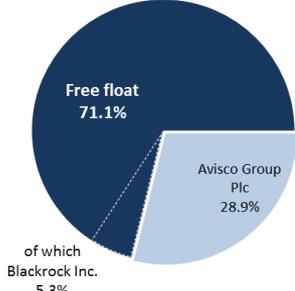
Share performance and total return since initial placement of capital (13.7.2015)
Aroundtown is the best performer in 2017/2018 amongst European real Estate



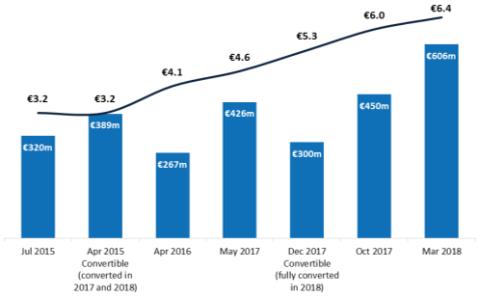
The Share

Placement	Frankfurt Stock Exchange (Prime Standard)
Incorporation	Luxembourg
First equity issuance	13.07.2015 (€3.2 per share)
Number of shares (basic)	1,128,581,866
Free float	71.1%
Symbol (Xetra)	AT1
Market cap 28.05.2019	€8.3 bn (€7.38 share price)

Shareholder structure



Share issue price development

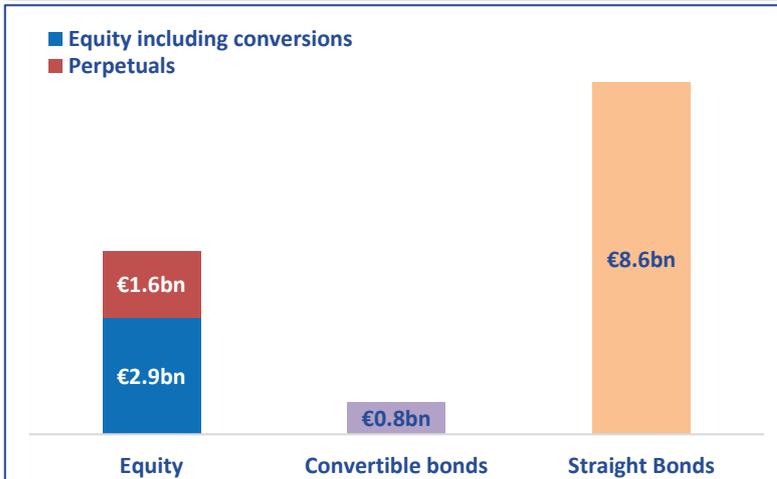


Spread over mid-€-swap for straight bonds D-E-F

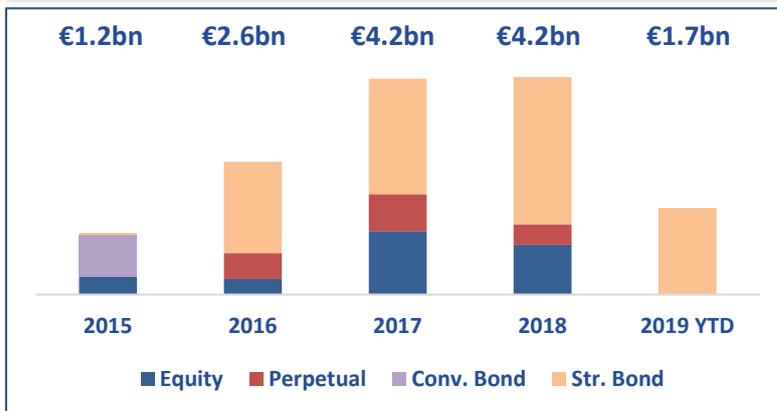


CAPITAL MARKET ACTIVITY

Capital market activity per issuance type 2015-2019 YTD



Capital market activity per year



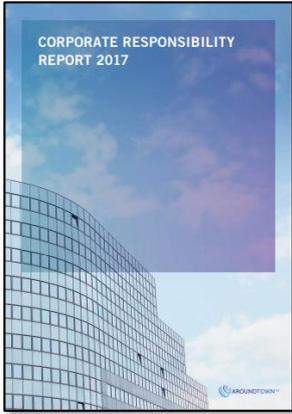
Continuously among the largest issuers of capital market instruments in European Real Estate

Major index inclusions in 2017/2018



Equity and bond bookrunners





In 2018, Aroundtown issued its first annual Corporate Responsibility report, for the year 2017, demonstrating the Company’s commitment to sustainability and can be found on its [website](#). The report is aimed at the Group’s investors, tenants, employees, business partners and other stakeholders. Aroundtown’s annual sustainability report for the year 2018 was published on April 30th, 2019 and is available on the website.



Aroundtown received the **EPRA BPR Gold** award for the second time in September 2018, the highest standard for financial reporting



Furthermore, Aroundtown received the **EPRA sBPR Gold** award in September 2018, as well as the **sBPR most improved award**



Overall score - 93rd Percentile - Outperformer

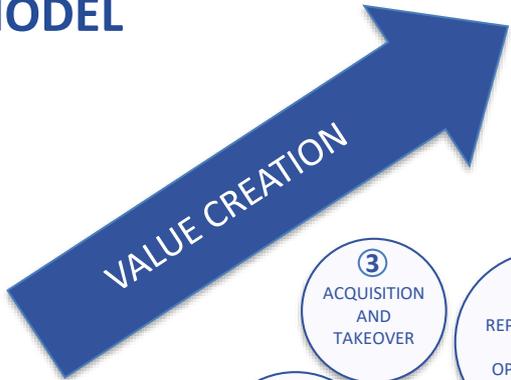
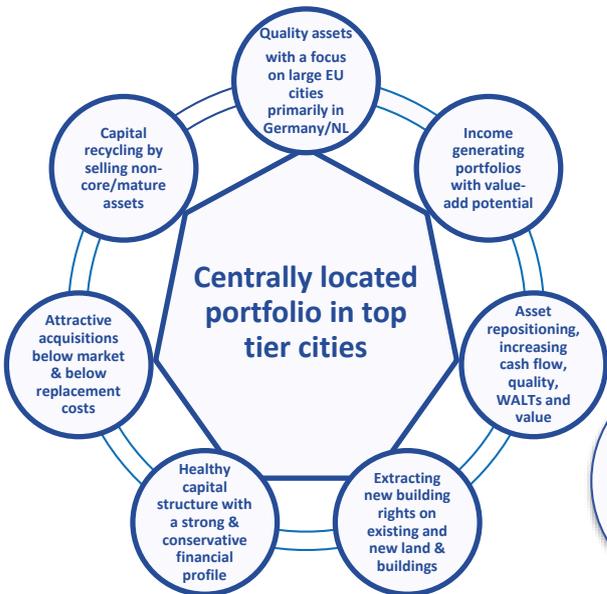
September 2018

AT is ranked **#23** among 319 real estate peers (93rd Percentile)

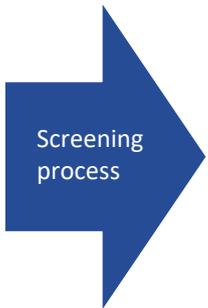
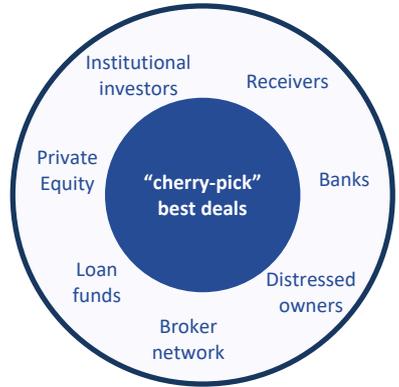
ESG Development - Sustainalytics Score

AT is highly ranked amongst the international real estate sector and was ranked Outperformer in all sub-factors

STRATEGY AND BUSINESS MODEL



Diversified and large base deal sources



Acquisition criteria

- Acquisitions focus in central locations in top tier EU cities
- Value add potential through operational improvements
- Cash flow generating assets
- Rent level per sqm is below market level (under-rented properties)
- Purchase price below replacement costs and below market values
- Potential to reduce the cost per sqm significantly through operational improvements

CEO and CFO

Shmuel Mayo



CEO of Arowntown. Since 2006 in the management of Arowntown and its subsidiaries. Previously, was the CEO of a leading international investment conglomerate. BA in Economics and Accounting, Law and CPA.

Andrew Wallis



Deputy CEO of Arowntown. Since 2014 in the management of Arowntown and its subsidiaries. Former owner and CEO of a large German property management company. Previously he spent 10 years as an investment banker in the city of London for Merrill Lynch and JP Morgan. MBA and a CFA.

Eyal Ben David



CFO of Arowntown. Since 2008 in the management of Arowntown and its subsidiaries. Previously, held a private practice of Certified Public Accountants focused on infrastructure and real estate industries. Since 2008 in the management of Arowntown. Mr. Ben David is a certified public accountant (CPA) and holds an MBA.

Board of Directors

Frank Roseen



Director. Highly experienced with a track record of 30 years. Held various senior management positions, including, CEO of Germany & Central Eastern Europe of GE Capital and Real Estate. MBA.

Oschrie Massatschi



Director. Since 2013 in the management of Arowntown and its subsidiaries. International professional experience in banking, management consultancy and corporate finance in Australia, UK and Germany. BA Honours in International Business.

Jelena Afxentiou



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.

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 Rheinyp AG (Commerzbank) and a Member of the Advisory Board and Investment Committee of Revetas Capital Advisors. Diploma in B.A.

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.

Dr. Axel Froese



Independent Director. Founder and managing partner at Froese Asset Management GmbH. Previous positions were Head of Asset Management at Cordea Savills GmbH, founder and managing partner at IPAM GmbH, Head of European Real Estate Group -Germany- of the Bank of Scotland. He is an MRICS member and holds a PhD.

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. 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. Mr. Gabay holds an MBA, BA in Accounting/Economics, and CPA.

Claudio Jarczyk



Advisory Board Member. Joined the Group's advisory board since 2013. Served as an Executive Director at BerlinHyp Bank specializing in real estate financing with a focus on international clients, as a Chief International Executive at Landesbank Berlin and as an International Division-Department Manager at Bayerische Vereinsbank Munich. Dipl.Kfm. / MBA at Munich University.

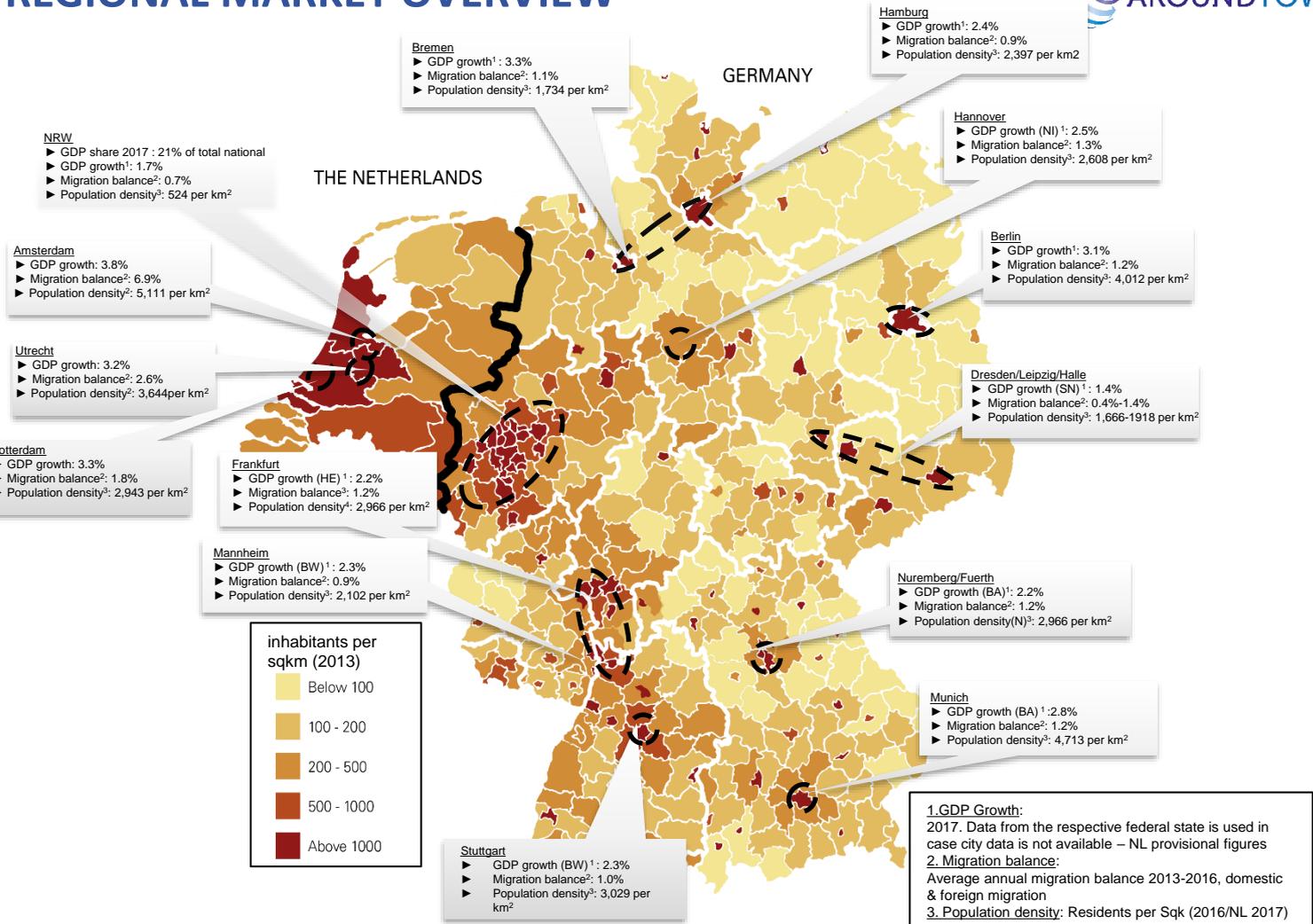
Audit Committee – consists of the three independent directors Markus Leininger, Markus Kreuter and Axel Froese

OPERATIONAL MANAGEMENT TEAM



Markus Neurauter		Head of commercial operations. Before joining the Group he was a board member of Strabag AG and CEO of Raiffeisen evolution, responsible for project development in 11 European countries with a development volume of more than €2bn. Mr. Neurauter holds a masters in economics from the university of Innsbruck and covers more than 30 years of experience in real estate.
Nikolai Walter		Head of Asset & Property Management. 20 years of 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. Prior to that, held positions at Deutsche Bank Group where his last role was Head of Asset Management Germany at Deutsche Asset and Wealth Management. MBA and degree in real estate economics.
Milan Arandelovic		COO of Hotel Division. Mr Arandelovic has 25 years of experience in the international hospitality sector; before joining the Group, he held regional roles within Hilton in Europe. In this role he operated hotels from budget sector to luxury. Mr. Arandelovic holds a Bachelor from the renowned Ecole Hoteliere de Lausanne and an MSc of Strathclyde University.
Brigitte Schmitt		Head of Shopping Mall division. Before joining the group Mrs. Schmitt has been 12 Years with ECE - European market leader for Shopping Centers and with DTZ where her Team was twice awarded the CEE Property Management Team of the Year Award. Degree in Business Management and Administration - from the University of Würzburg.
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. Holds a degree in engineering
Carolin Warner		Director Acquisitions. Mrs. Warner has over 12 years of experience in the real estate industry in different countries with a focus on the investment sector. Before joining Arowntown, she worked for companies such as Engel&Völkers and Zinshusteam&Kenbo. Commercial training in real estate and IREBS graduate
Guido Pütz		Senior Asset Manager. Originally trained at Hochtief AG, Guido has spent the last 15 years steering real estate of all asset types for big players in the market such as Hudson Advisors, Cushman & Wakefield and Catella. MBA
Norman Lindner		Head of Industrial & Logistics Division. Originally trained as a banker, Norman spent two years in risk management before going into controlling, finance and accounting as an asset manager. He gained his experience at Habacker Holding, Dawnay Day Property Investment and IKB Deutsche Industriebank. MBA
Jelena Ebner		Head of Transaction Management. Jelena 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
Christian Hupfer		Chief Compliance Officer. Since 2008 in the management of Arowntown and its subsidiaries. Is specialized in tax structuring, financial statement and cash flow analysis. Mr. Hupfer worked for RöverBröner KG Steuerberatungs und Wirtschaftsprüfungsgesellschaft in the Audit and Tax department. Mr. Hupfer has a Diploma of Economics with a focus on tax and financial auditing
Idan Kaplan		Senior Financial Manager. Before joining Arowntown, Mr. Kaplan served as an auditor in an accounting firm. He holds a BA in Accounting and Business Administration.
Sylvie Lagies		Head of ESG. Held positions as Hotel General Manager, Corporate Project Manager and Head of Training and Development. Former roles were Head of Franchise Development and Training for Domino's Pizza Germany, Director of Business Development for Precise Hotel Collection in Germany.

REGIONAL MARKET OVERVIEW

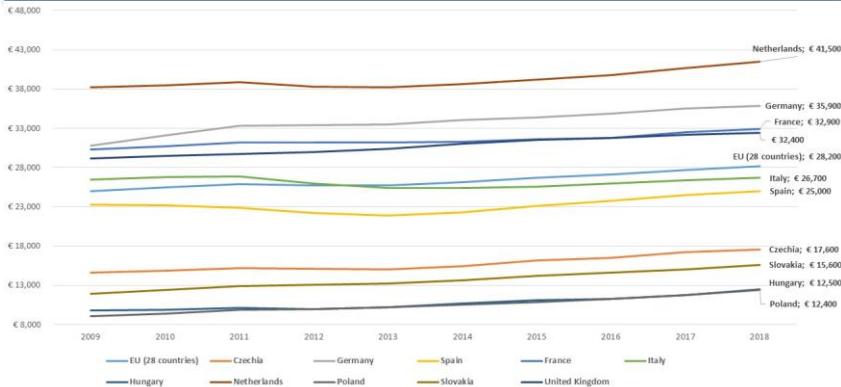


1. GDP Growth:
2017. Data from the respective federal state is used in case city data is not available – NL provisional figures

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

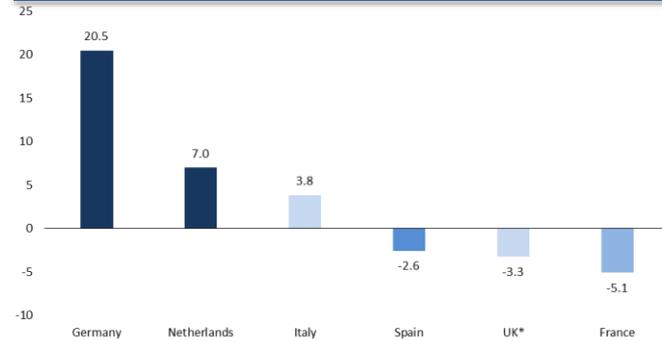
3. Population density: Residents per Sqk (2016/NL 2017)

GDP per capita in 2009 – 2018 (in €)



Source: Eurostat, unadjusted

Strong trade balance for Germany and NL (in €bn)

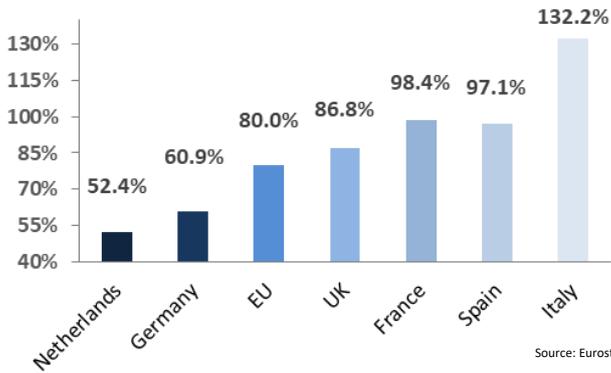


Source: Tradingeconomics.com, data for November 2018

*At an exchange rate of €1.1227/GBP

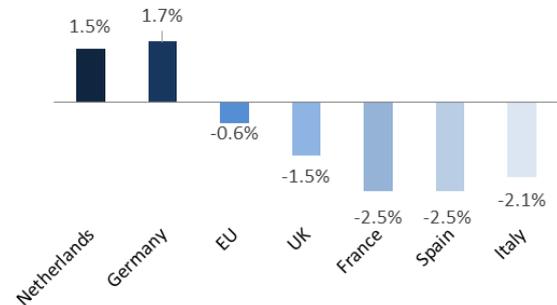
Aroundtown's competitive advantage starts with the regional focus. Aroundtown focuses on Germany and Netherlands, the strongest and most stable economies in Europe

Debt/GDP 2018



Source: Eurostat

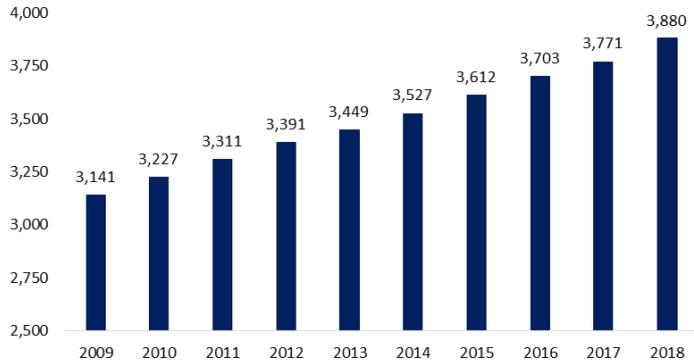
Budget Surplus (Deficit) 2018



Source: Eurostat

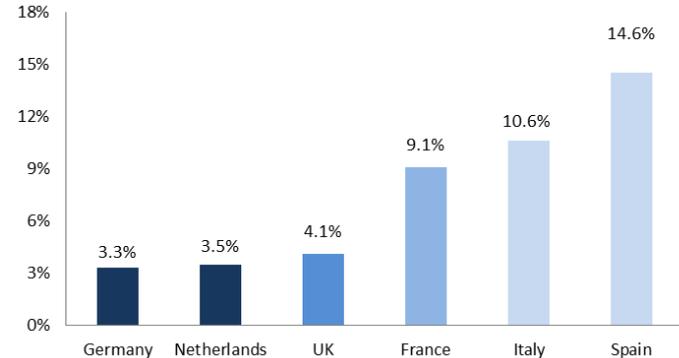
GERMANY/NL – STRONG LABOR MARKET

Development of gross wages Germany (in €)



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

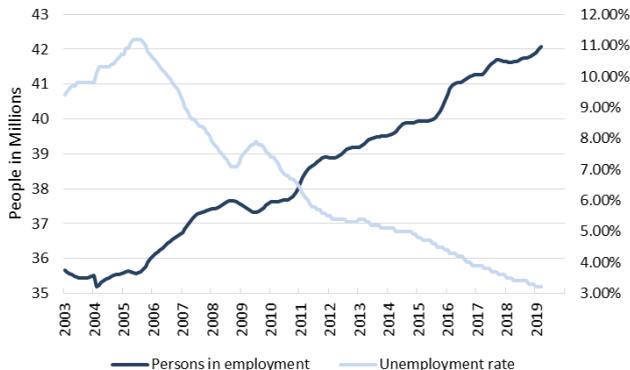
Unemployment rate Sep 2018



Source: Tradingeconomics.com

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

Unemployment rate Germany 2003 – Mar 2019



Source: destatis, monthly

Unemployment rate Netherlands 2003 – Apr 2019



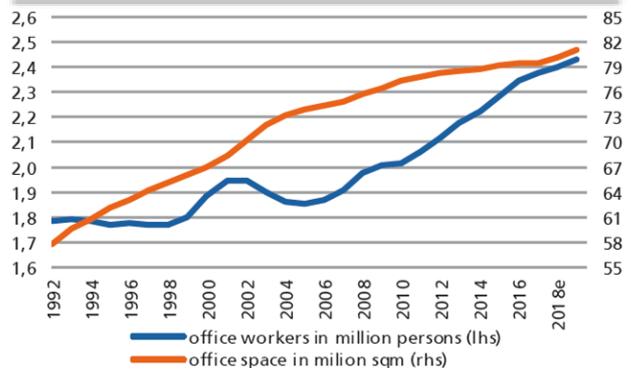
Source: CBS, national statistics office, quarterly

GERMAN OFFICE MARKET

LOW SUPPLY AND STRONG DEMAND...

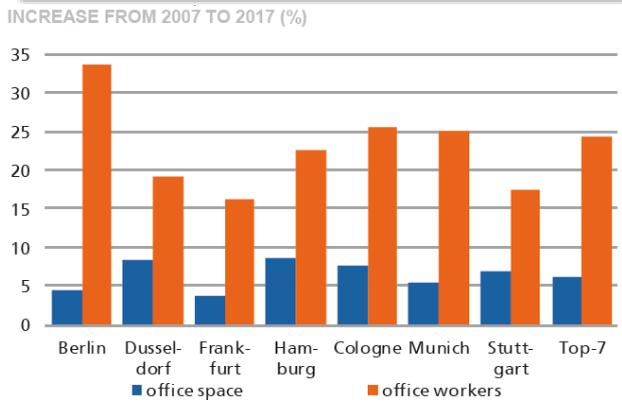


Office employment growth remains strong*



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, Feri, DZ BANK Research forecasts

Continuously strong demand at low supply

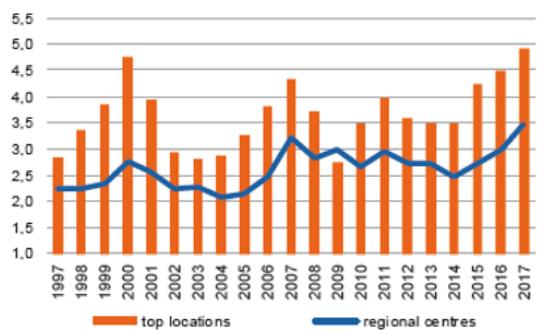


Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, Feri

*In Top 7 locations according to DZ HYP: Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart

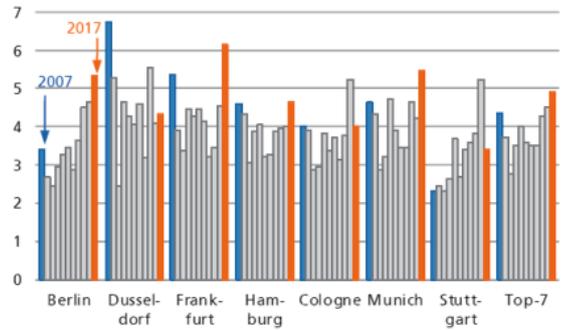
Leading to increased office take-up

OFFICE SPACE TAKE-UP AS % OF STOCK



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

OFFICE SPACE TAKE-UP AS % OF OFFICE STOCK



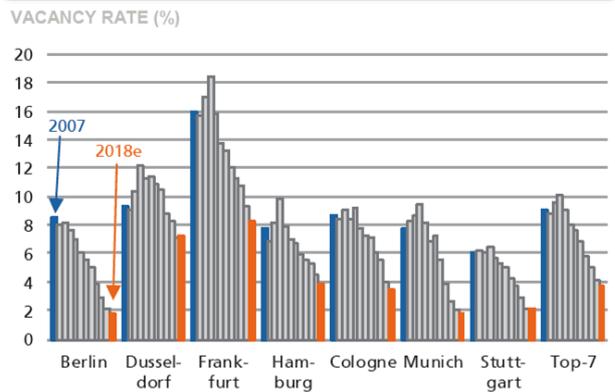
Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa

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

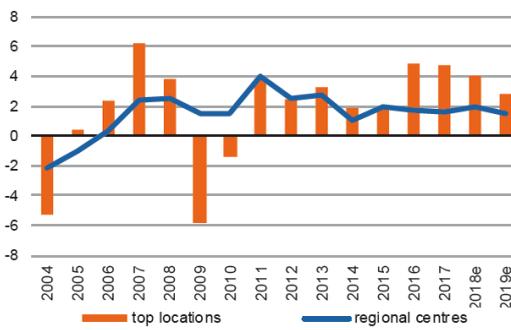
Strong reductions in vacancy in top locations



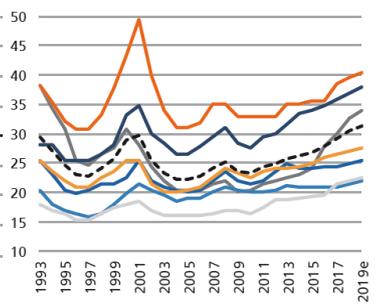
Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

Putting upward pressure on rents

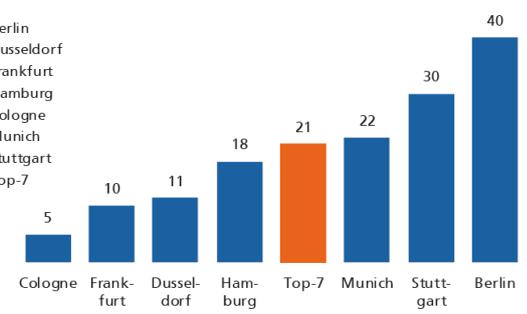
PRIME RENTS VS. PREVIOUS YEAR (%)



OFFICE PRIME RENTS IN EURO PER SQM



INCREASE IN PRIME OFFICE RENTS FROM 2007 TO 2017 (%)



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

GERMAN OFFICE MARKET

MEANWHILE INVESTOR APPETITE REDUCES YIELDS



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

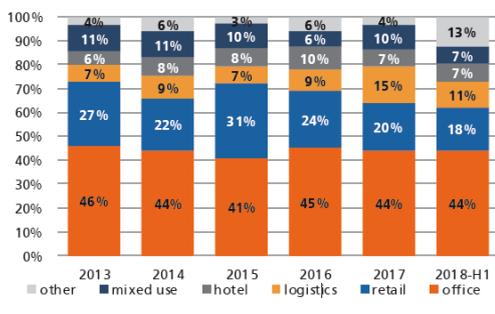
YIELDS OF BONDS AND US GOVERNMENT BONDS IN %



Source: DZ HYP German Real Estate Market report – 2018/2019 – Datastream, OECD



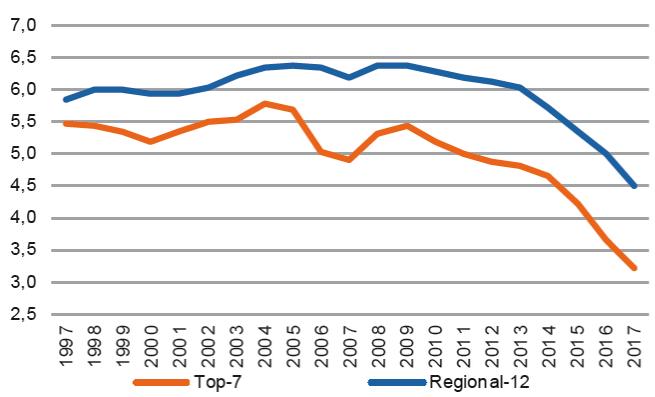
Source: DZ HYP German Real Estate Market report – 2018/2019 – Ernst & Young



Source: DZ HYP German Real Estate Market report – 2018/2019 – JLL, Colliers (Hotels)

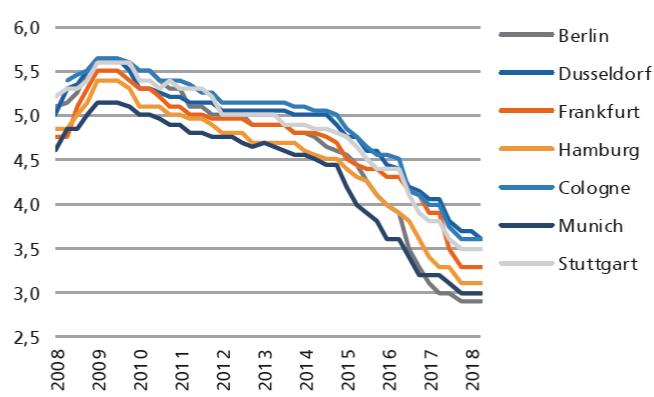
...put considerable pressure on office yields, especially in central Top 7 Locations

NET INITIAL RENTALS IN CENTRAL OFFICE LOCATIONS IN %



Source: DZ HYP German Real Estate Market report – 2018/2019 - BulwienGesa, DZ BANK Research forecasts

NET INITIAL YIELD IN CENTRAL OFFICE LOCATIONS IN %



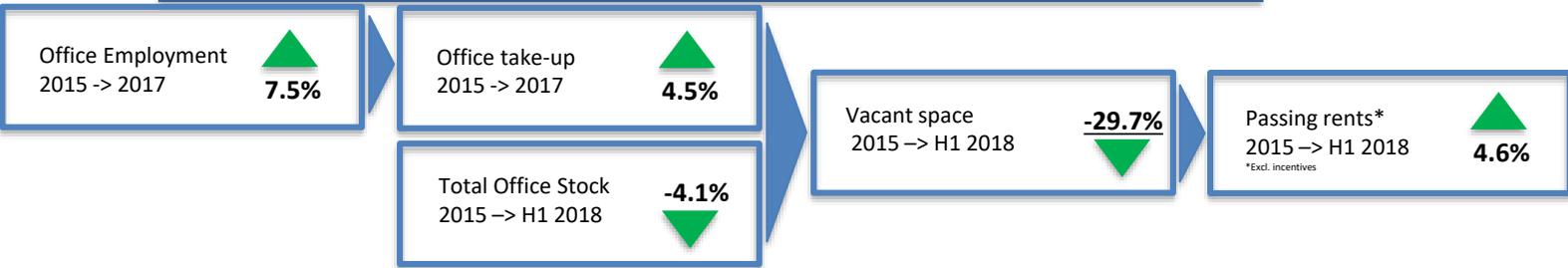
Top 7 locations:
 Berlin, Munich, Frankfurt, Cologne, Hamburg, Düsseldorf, Stuttgart

Regional 12 according to DZ HYP:
 Hannover, Nuremberg, Essen, Leipzig, Dresden, Bremen, Karlsruhe, Münster, Mannheim, Darmstadt, Mainz and Augsburg

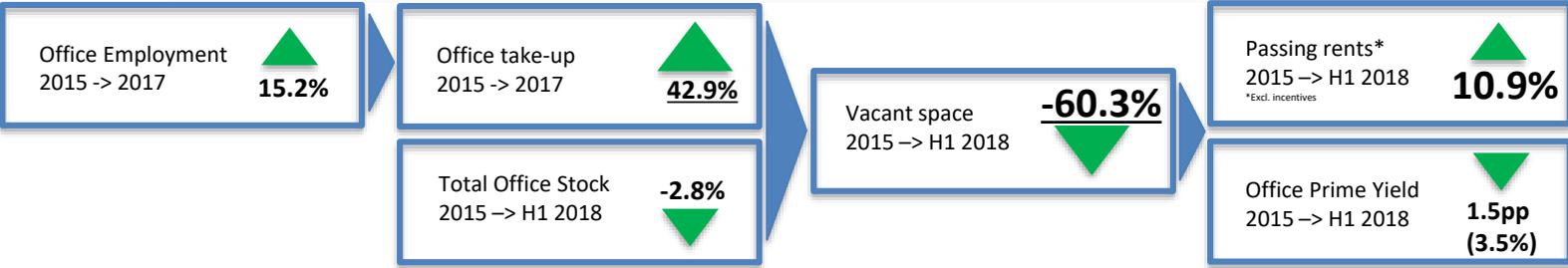
NETHERLANDS OFFICE MARKET

...RESULTING FROM FAVORABLE DEVELOPMENTS

Current trends show very favorable market developments...

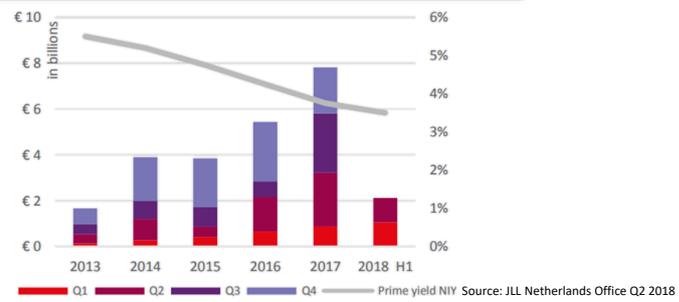


...especially in Amsterdam



Prime office yield and investment volumes

Source: DTZ Zadelhof/Cushman & Wakefield - Nederland Compleet - issues from January 2015-August 2018

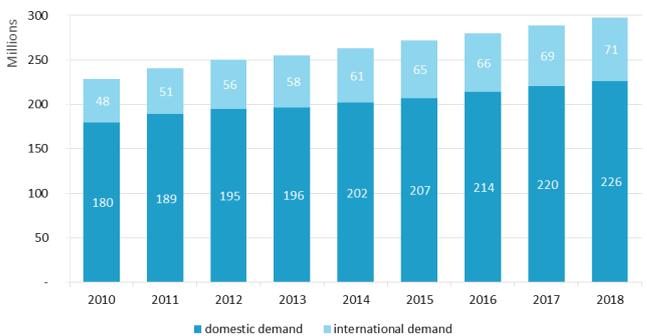


GERMAN HOTEL MARKET OVERVIEW

CONTINUED STRONG DEMAND GROWTH

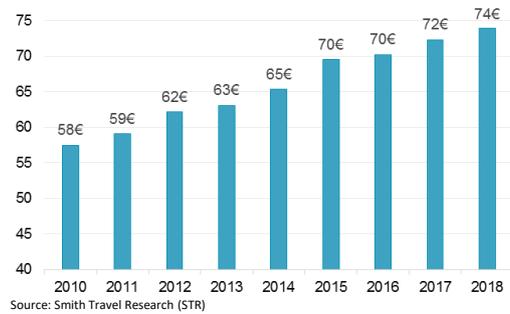


Overnight stays across all hotel accommodation types in Germany



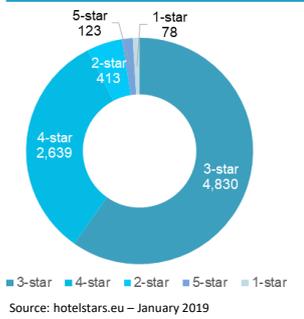
Source: destatis 45412-0012 – extracted May 2019

RevPar development



Source: Smith Travel Research (STR)

Rated hotels by category

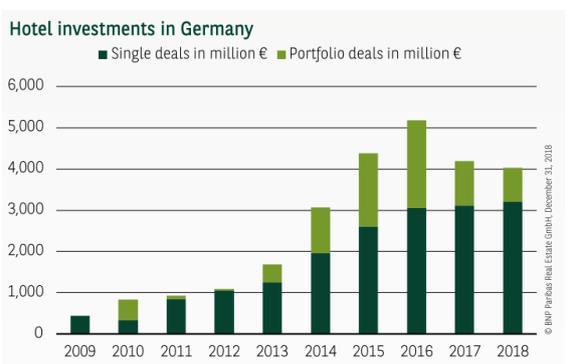


Source: hotelstars.eu – January 2019

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%

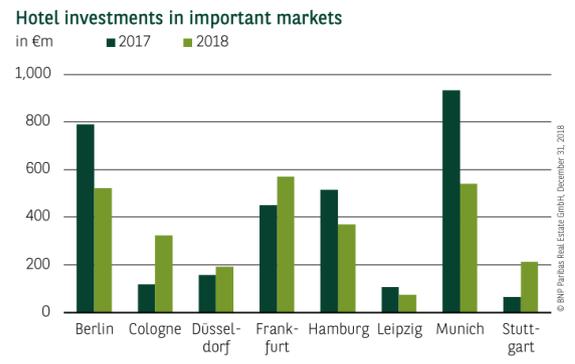
Source: STR – December 2018 data, compared to the same period in 2017

Continued high investor demand



Source: BNP Paribas – Hotel Investment Market Germany at a Glance Q4 2018

Especially in major German cities



Source: BNP Paribas – Hotel Investment Market Germany at a Glance Q4 2018

UK/LONDON HOTEL MARKET POSITIVE DEVELOPMENTS AND FORECASTS

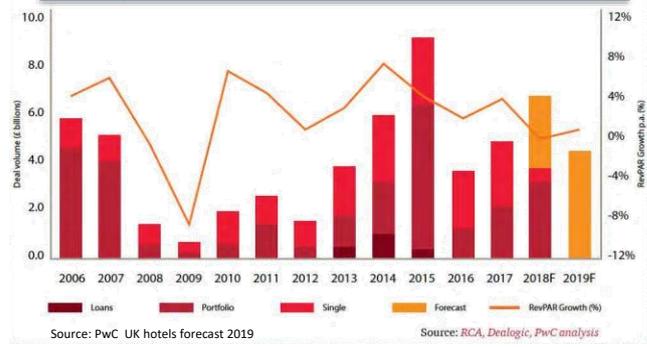


Continued growth in overseas visits to the UK



Source: ONS 2018

Strong investor appetite for Hotel assets



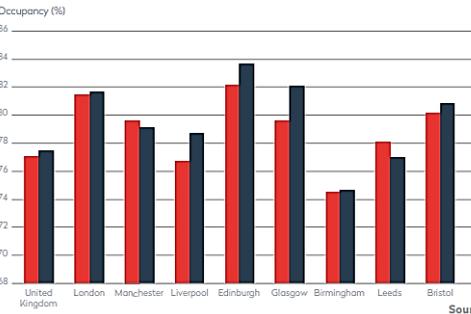
Source: PwC UK hotels forecast 2019

Source: RCA, Dealogic, PwC analysis

Source: PwC UK hotels forecast 2019

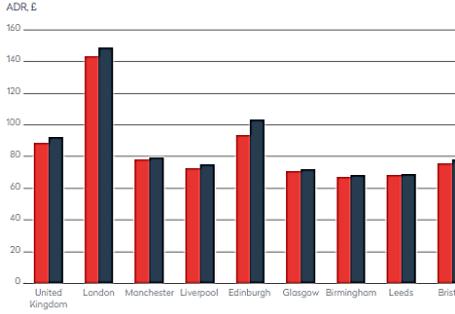
Positive developments in main KPIs across major UK cities from 2016 to 2017

Hotel occupancy across key cities in the UK



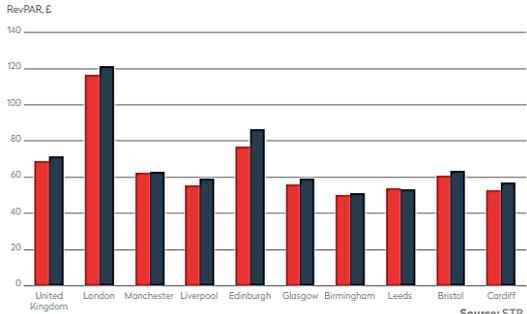
Source: GVA UK hotel market outlook – Spring 2018 - STR

Average Daily Rate (ADR)



Source: STR

Revenue per available room (RevPAR)



Source: STR

According to forecasts from PwC occupancy will remain stable at its current high, 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.

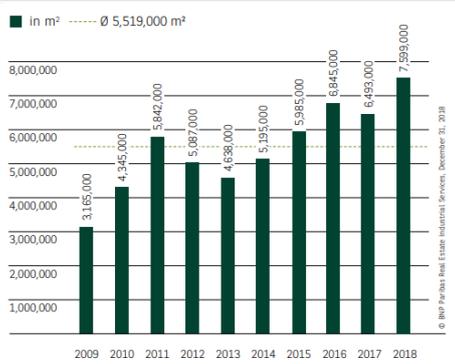
Source: PwC UK hotels forecast 2019

GERMAN WHOLESALE AND LOGISTICS BENEFITING FROM IMPROVED MARKET CONDITIONS

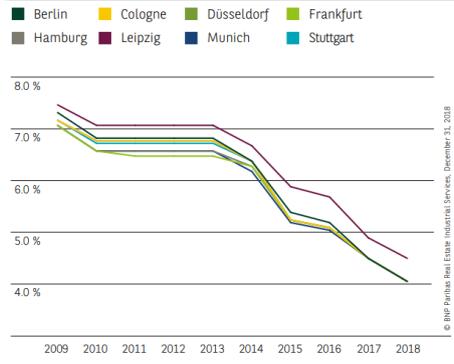


Strong consumer climate provides strong benefits to wholesale and logistics, economic metrics such as Germany's strong export position provide further benefits, increasing take-up sector wide

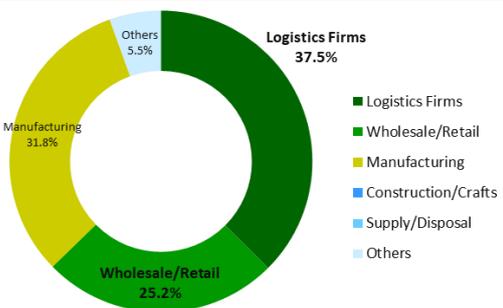
Increasing take-up of space



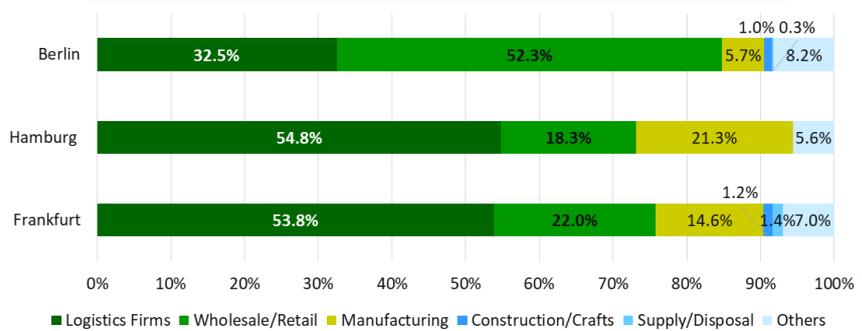
Sharply decreasing net prime yields



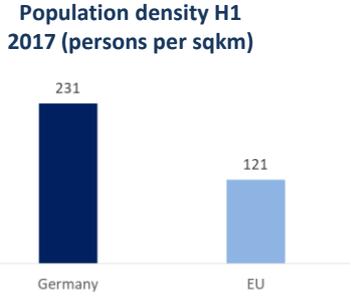
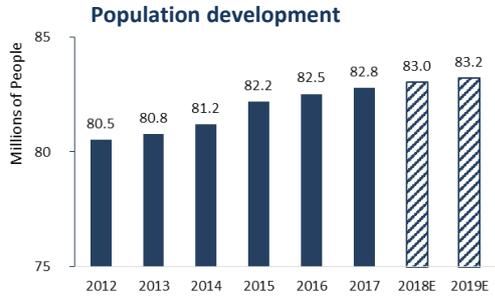
Take-up in 2018 focused on logistics/wholesale...



...Especially in Berlin, Hamburg and Frankfurt



MACRO FUNDAMENTALS SUPPORT GCP

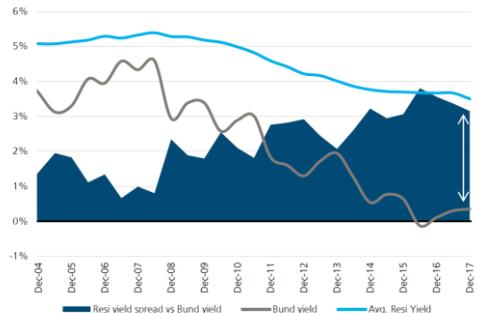


Source: destatis 2012-2017, forecast based European Commission spring 2018 forecasted growth rates

- ➔ 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

* 2012-2017
Source: destatis

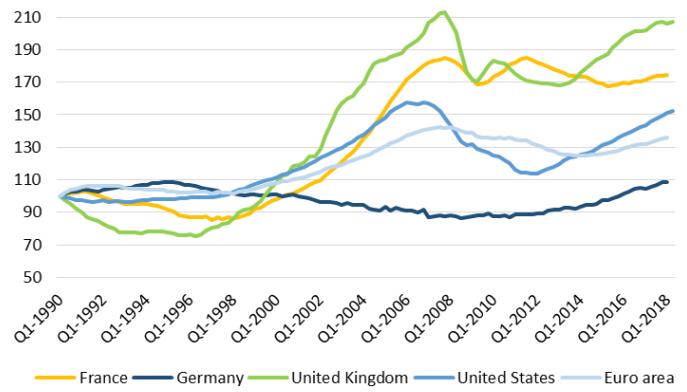
German rental yields vs. German 10 year government bond yields



Source: UBS
Source: Datastream, JLL // Note: resi yield is simple average of Berlin Dusseldorf, Frankfurt Hamburg and Munich

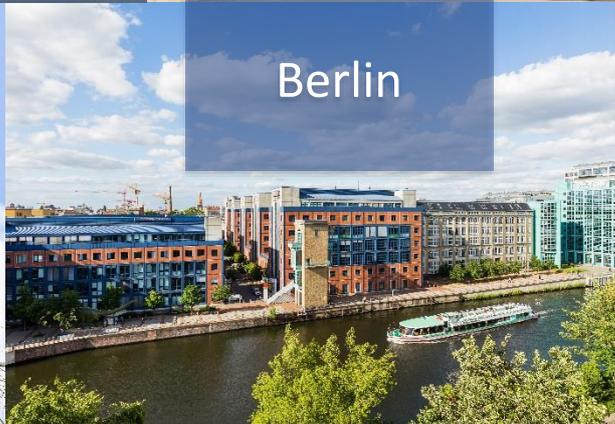
With 10 years German bond yielding below 0.5% the German real estate market represents a unique opportunity to generate attractive adjusted risk return

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



Source: OECD.Stat real house price indices, rebased

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



Berlin





London



Frankfurt





Munich





NRW







Stuttgart
Baden-Baden





Hamburg



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