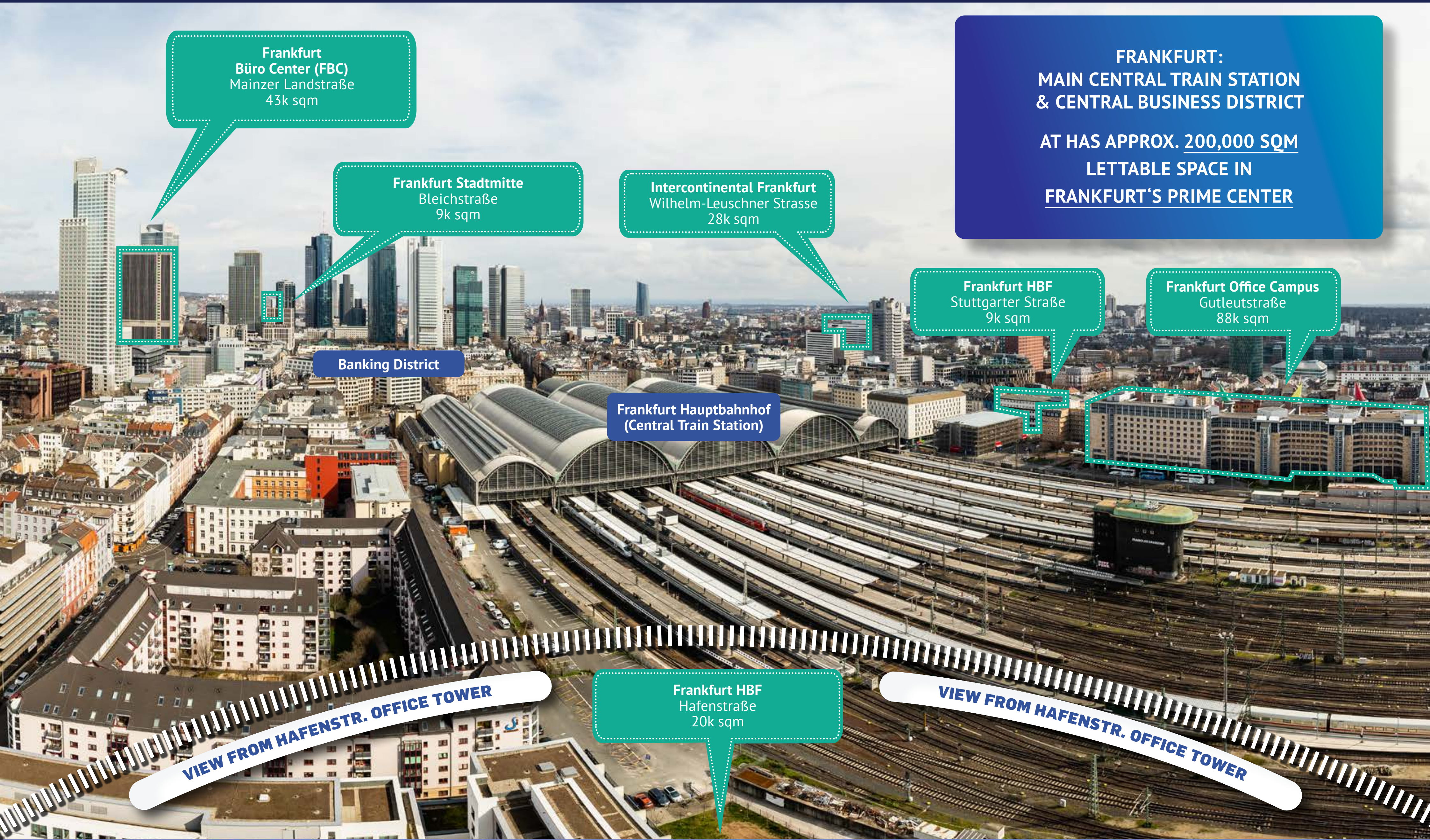
Hamburg

AROUNDTOWN SA

INTERIM CONSOLIDATED REPORT

For the nine-month period ended September 30, 2021


FRANKFURT:
MAIN CENTRAL TRAIN STATION
& CENTRAL BUSINESS DISTRICT
AT HAS APPROX. 200,000 SQM
LETTABLE SPACE IN
FRANKFURT'S PRIME CENTER
Frankfurt Büro Center (FBC) Mainzer Landstraße 43k sqm
Frankfurt Stadtmitte Bleichstraße 9k sqm
Intercontinental Frankfurt Wilhelm-Leuschner Strasse 28k sqm
Frankfurt HBF Stuttgarter Straße 9k sqm
Frankfurt Office Campus Gutleutstraße 88k sqm
Banking District
Frankfurt Hauptbahnhof (Central Train Station)
Frankfurt HBF Hafenstraße 20k sqm
VIEW FROM HAFENSTR. OFFICE TOWER
VIEW FROM HAFENSTR. OFFICE TOWER

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL POSITION HIGHLIGHTS

in € millions unless otherwise indicated	Sep 2021 [1]	Dec 2020	Dec 2019
Total Assets	39,399.5	31,021.6	25,444.7
Total Equity	19,162.0	15,583.0	13,378.9
Investment property	28,975.9	21,172.4	18,127.0
Investment property of assets held for sale	1,594.8	830.2	202.4
Cash and liquid assets [2]	3,272.0	3,262.7	3,043.8
Total financial debt	15,683.7	11,860.9	10,028.3
Unencumbered assets ratio [3]	82%	76%	81%
Equity Ratio	49%	50%	53%
Loan-to-Value	39%	34%	34%

1) GCP is consolidated as of July 1, 2021
2) including cash and liquid assets under held for sale
3) by rent

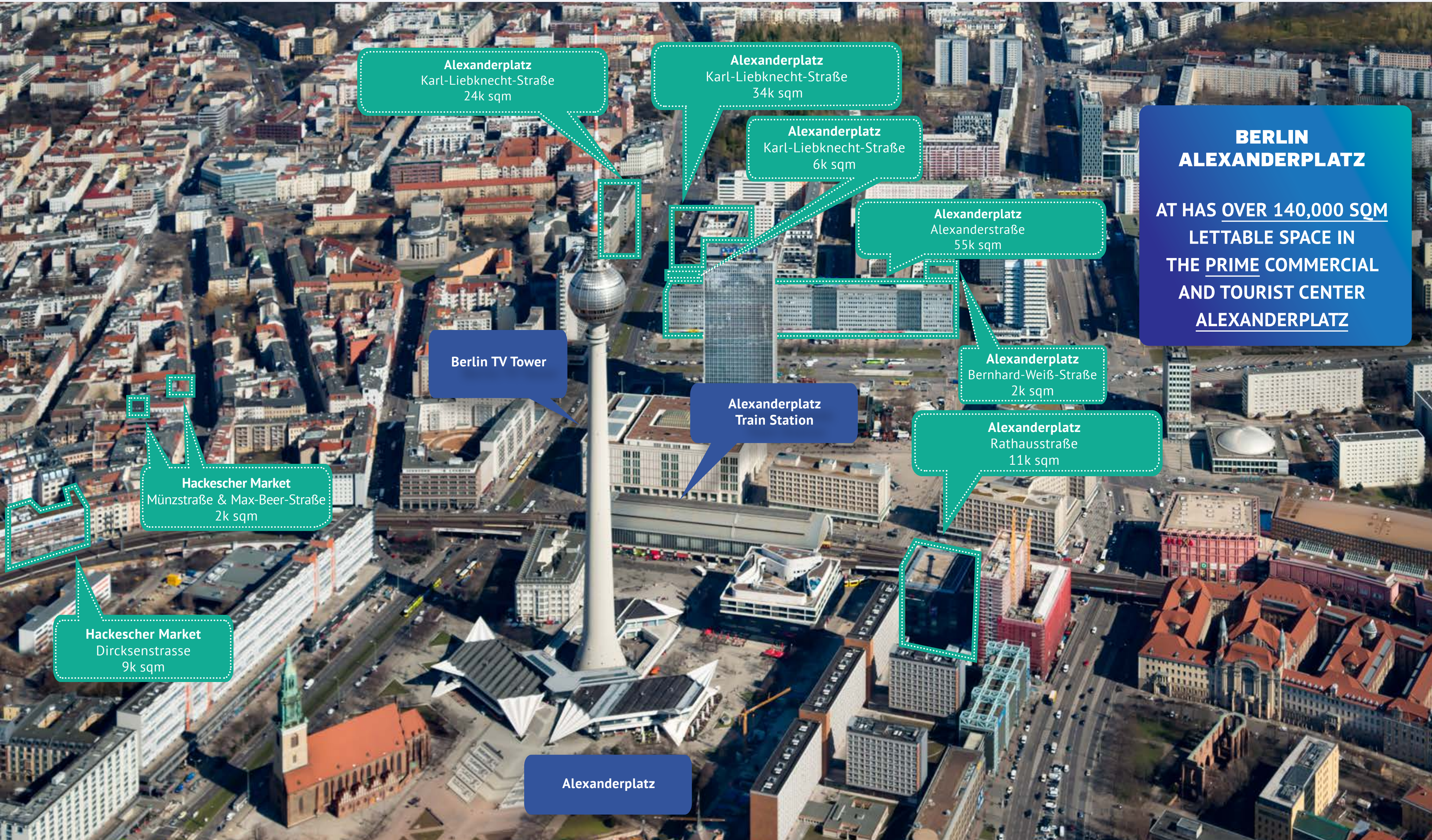
NET ASSET VALUE

in € millions unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
Sep 2021	12,933.7	11,421.0	8,307.4
Sep 2021 per share (in €)	11.2	9.8	7.2
Per share growth (dividend adjusted)	3%	5%	5%
Per share growth	1%	3%	1%
Dec 2020	13,093.9	11,187.4	8,354.9
Dec 2020 per share (in €)	11.1	9.5	7.1

KEY FINANCIALS

in € millions unless otherwise indicated	1–9/2021 [1]	Change	1–9/2020
Revenue	935.8	5%	890.4
Net rental income	773.0	2%	758.4
Adjusted EBITDA [2]	716.2	(1%)	722.5
FFO I before Covid adjustment [2]	366.9	(1%)	371.4
FFO I per share before Covid adjustment [2]	0.31	11%	0.28
FFO I [2] [3] [4]	266.9	(11%)	301.4
FFO I per share (in €) [2] [3] [4]	0.23	5%	0.22
FFO II [3] [5]	650.1	12%	581.4
ICR	5.1x	0.7x	4.4x
Profit for the period	649.6	(20%)	811.8
EPS (basic) (in €)	0.40	(9%)	0.44
EPS (diluted) (in €)	0.39	(11%)	0.44

1) GCP results are consolidated starting from July 1, 2021
2) including AT's share in companies which AT has significant influence, excluding the contributions from assets held for sale
3) including extraordinary expenses for uncollected rent due to the Covid pandemic (€100 million in 9M 2021, €70 million in 9M 2020)
4) previously defined as FFO I (per share) after perpetual, Covid adjusted
5) reclassified in Q4 2020 to be based on FFO I (previously defined as FFO I after perpetual, Covid adjusted)



BERLIN ALEXANDERPLATZ

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

Berlin

THE COMPANY

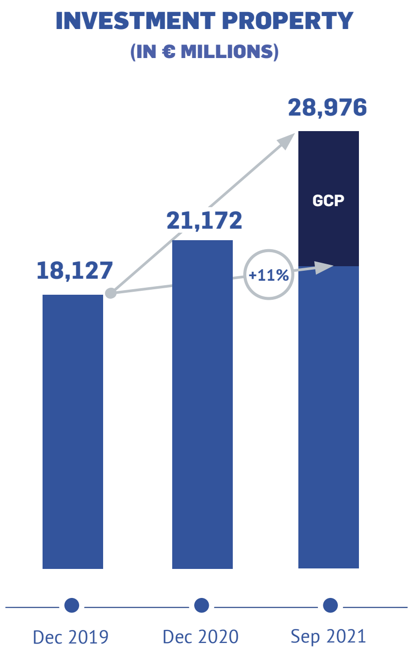
The Board of Directors of Aroundtown SA and its investees (the "Company", "Aroundtown", "AT", or the "Group"), hereby submits the interim report as of September 30, 2021. The figures presented are based on the interim consolidated financial statements as of September 30, 2021, unless stated otherwise.

Aroundtown SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities primarily in Germany and the Netherlands. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects. Aroundtown invests in residential real estate through its subsidiary Grand City Properties S.A. ("GCP"), a publicly traded real estate company that focuses on investing in value-add opportunities predominantly in the German residential real estate market. As of September 30, 2021, the Company's holding in GCP is 47% excluding shares GCP holds in treasury (45% including these shares). GCP is fully consolidated in AT's financials starting from July 1, 2021. The Group's unique business model and experienced management team led the Company to grow continuously since 2004.

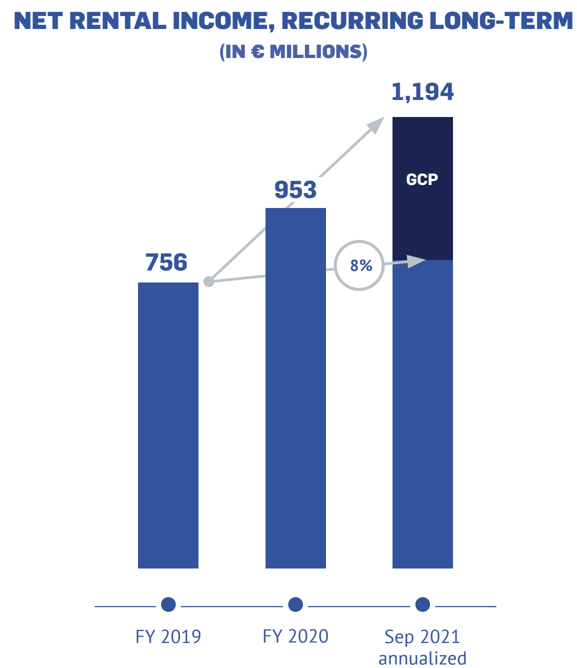
LARGER PORTFOLIO WITH HIGHER QUALITY

- **Through non-core & mature disposals: increasing focus on high quality portfolio**
- **Merger with TLG: increased the scale and positioned AT as the largest listed office landlord in its key markets**
- **Consolidation of GCP: increasing focus on German residential, the strongest real estate asset class in Europe**

+60% GROWTH SINCE 2019



+58% GROWTH SINCE 2019



TOP 3 LARGEST EUROPEAN REAL ESTATE COMPANY

3rd largest listed RE company in Europe with €39bn asset base

Largest office landlord in Berlin, Munich and Frankfurt among listed peers

SOLID DIVERSIFICATION

45% Office, 28% Residential, 18% Hotel, 7% Retail, 2% Logistics

FOCUS ON STRONGEST ECONOMIES IN EUROPE

85% of portfolio in Germany and the Netherlands, 7% in London

SHAREHOLDER VALUE CREATION

Optimizing the portfolio through disposals of non-core and mature properties which increase the quality of the portfolio in terms of asset type, location and tenant structure

OVER

€2.5BN

Disposals signed 2021 YTD, of which €1.1BN closed during 9M 2021 with...

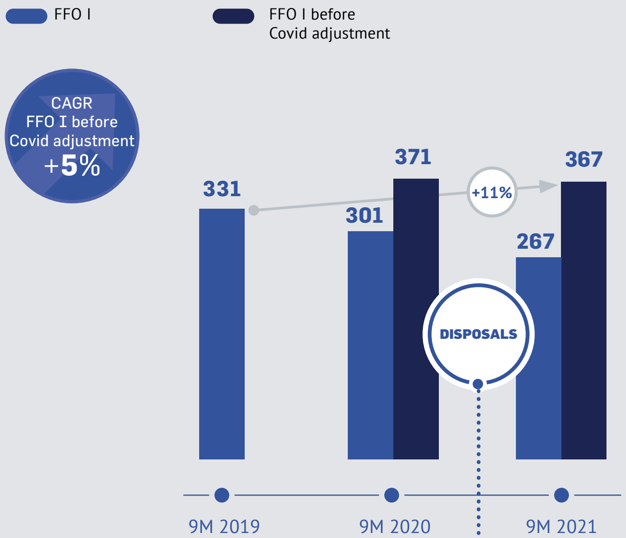
+3%

Margin over book value (9M 2021 closed)

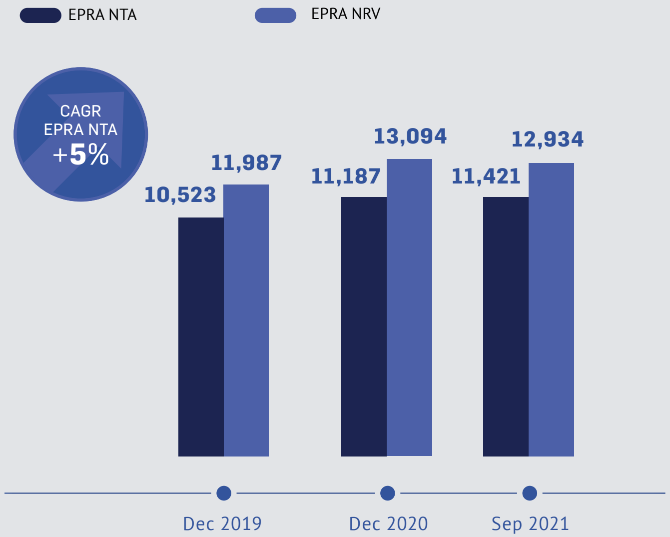
+51%

Margin over cost value (9M 2021 closed)

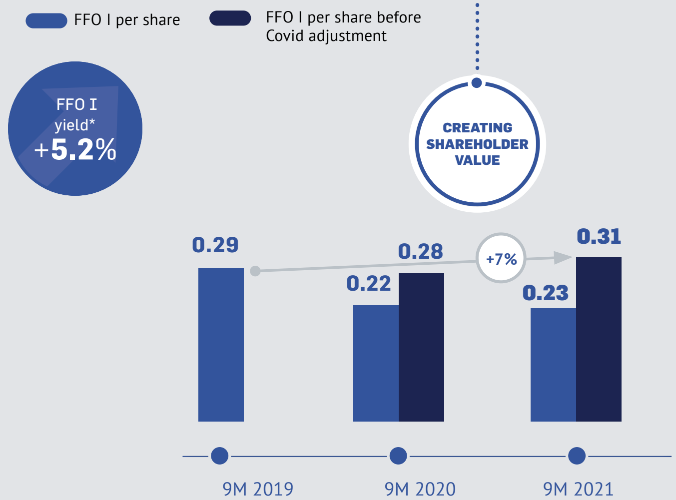
FFO I (IN € MILLIONS)



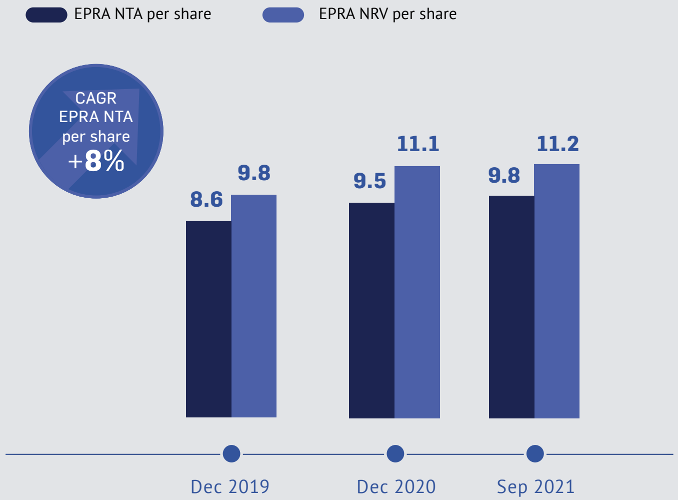
EPRA NTA & NRV (IN € MILLIONS)



FFO I PER SHARE (IN €)



EPRA NTA & NRV PER SHARE (IN €)



*9M 2021 FFO I per share annualized & based on a share price of €5.9

HEALTHY FINANCIAL POSITION AND HIGH FINANCIAL TRANSPARENCY

HIGH LIQUIDITY AND FINANCIAL FLEXIBILITY

€3.3BN
Cash and liquid assets

€23.5BN / 82% OF RENT
Unencumbered assets

39%
Low LTV

BBB+/STABLE
Credit rating by S&P
(reaffirmed in Dec 2020)

CONSERVATIVE DEBT PROFILE

€1.6BN
Debt repayments during 2021 YTD, of which €1.1 billion were bond repayments that had an average coupon rate of 2.2%

1.3%
Low cost of debt

5.8Y
Long average debt maturity

97%
High interest hedge ratio

ESG AWARDS

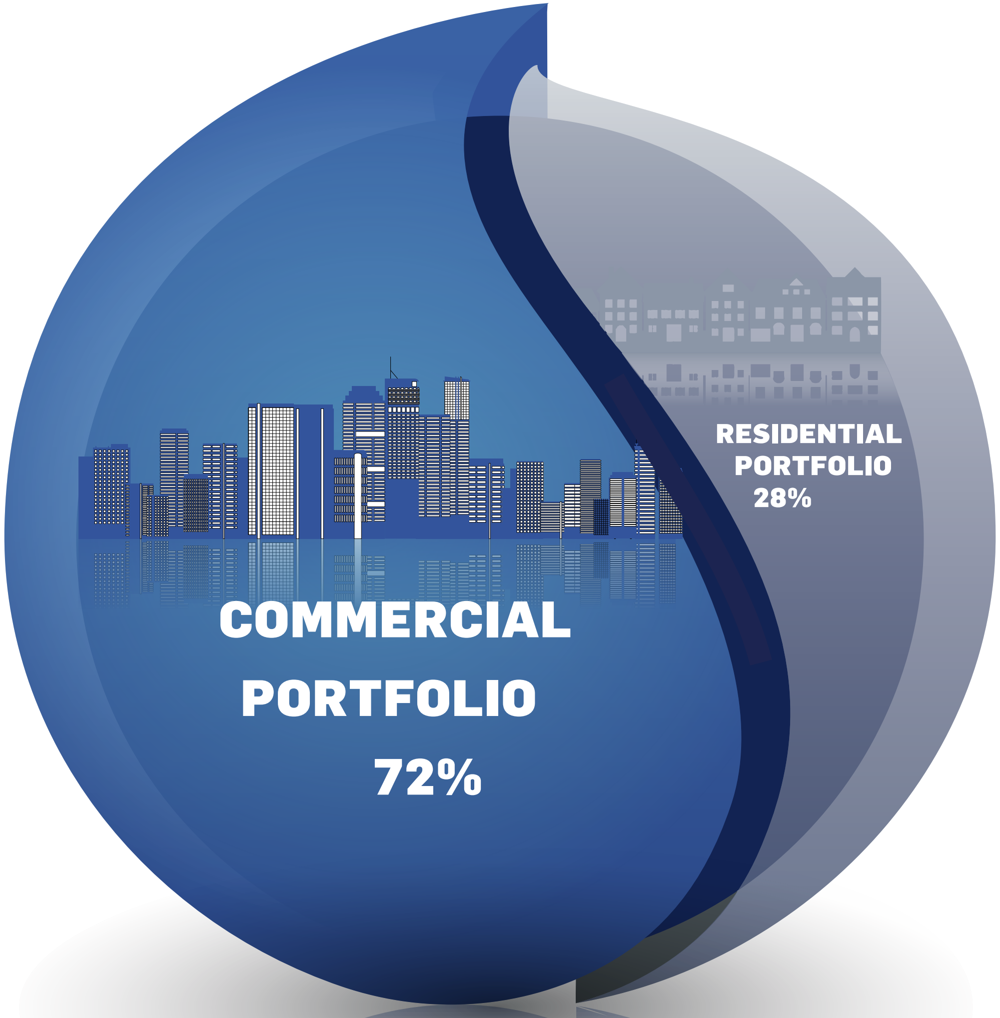
CONSECUTIVE EPRA AWARDS FOR HIGH STANDARDS OF FINANCIAL TRANSPARENCY AND SUSTAINABILITY REPORTING

EPRA BPR GOLD
5th consecutive year

EPRA sBPR GOLD
4th consecutive year

AROUNDTOWN'S QUALITY PORTFOLIO

TOTAL PORTFOLIO: €29BN*



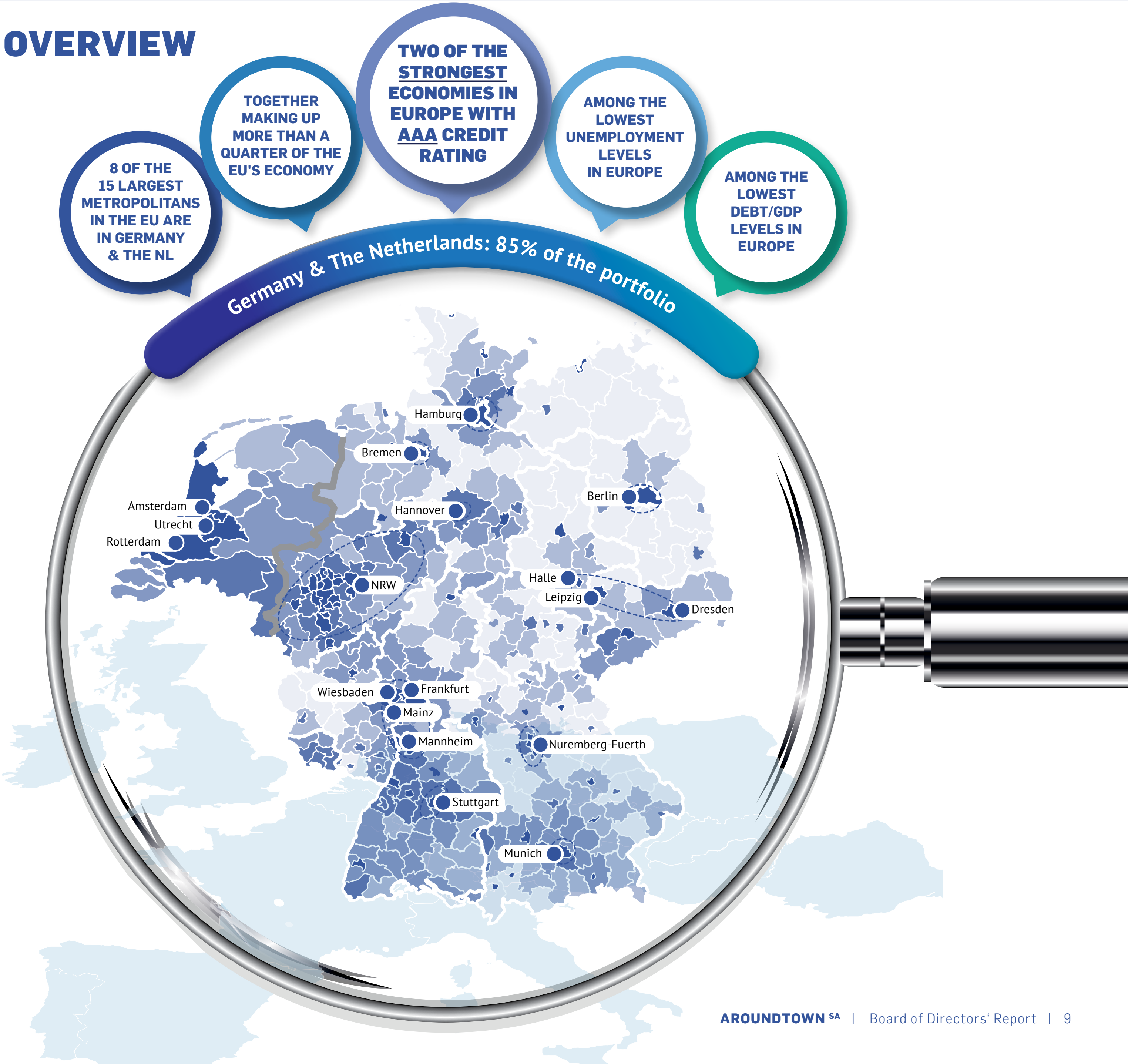
*including development rights & invest and representing GCP at 100%. AT's holding rate in GCP is 47% as of September 30, 2021 excluding the shares GCP holds in treasury

GROUP PORTFOLIO OVERVIEW

POPULATION DENSITY IN GERMANY AND THE NETHERLANDS

- 36 - 105
- 105 - 156
- 156 – 283
- 283 – 933
- 933 - 4,686

Inhabitants per sqkm (2017, Destatis; 2019, CBS)



WELL-DIVERSIFIED GROUP PORTFOLIO WITH FOCUS ON STRONG VALUE DRIVERS

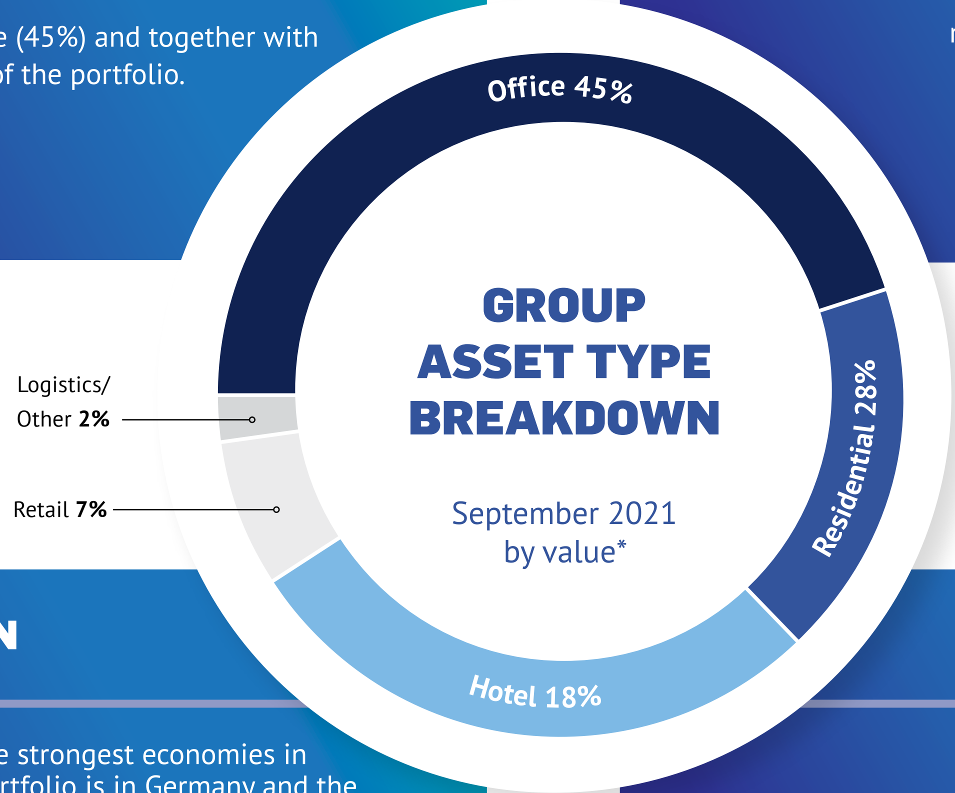
ASSET TYPE

The largest asset type is Office (45%) and together with Residential, it makes up 73% of the portfolio.
Hotels make up 18%

TENANT

High tenant diversification with no material tenant or industry dependency.

Commercial portfolio with approx. 3,500 tenants and residential portfolio with very granular tenant base



LOCATION

The portfolio is focused on the strongest economies in Europe: 85% of the Group's portfolio is in Germany and the Netherlands, both AAA rated countries.
Focus on top tier cities of Germany and the Netherlands and on London

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

INDUSTRY

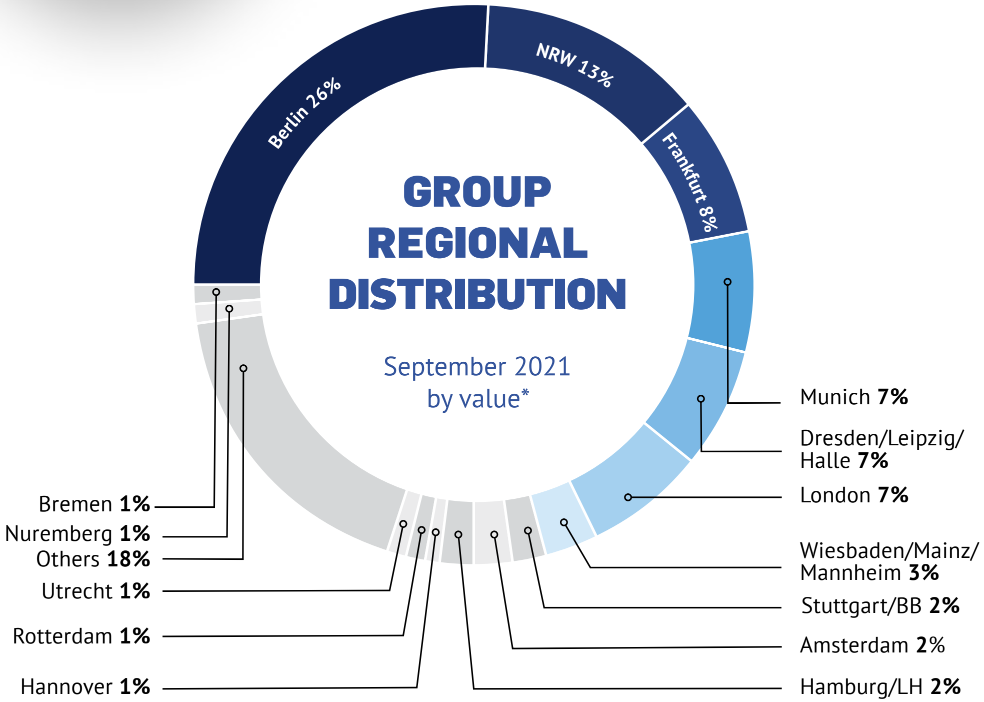
Each location has different key industries and fundamentals driving the demand.
Therefore, the Group's tenants are diversified into distinct sectors, eliminating the dependency on a single industry

*including development rights & invest and representing GCP at 100%

HIGH GEOGRAPHICAL DIVERSIFICATION

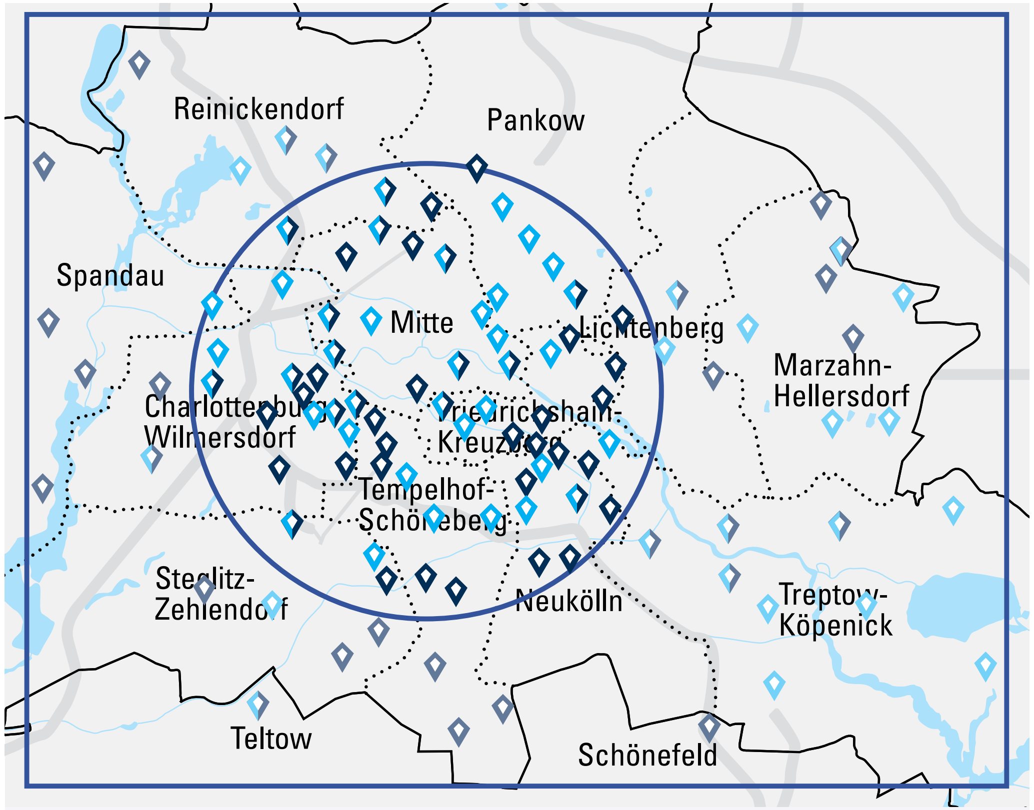
Berlin is the single largest location. AT has the largest Berlin office portfolio among publicly listed peers

Central locations within top tier cities: A Berlin example



*including development rights & invest and representing GCP at 100%

BEST-IN-CLASS BERLIN PORTFOLIO



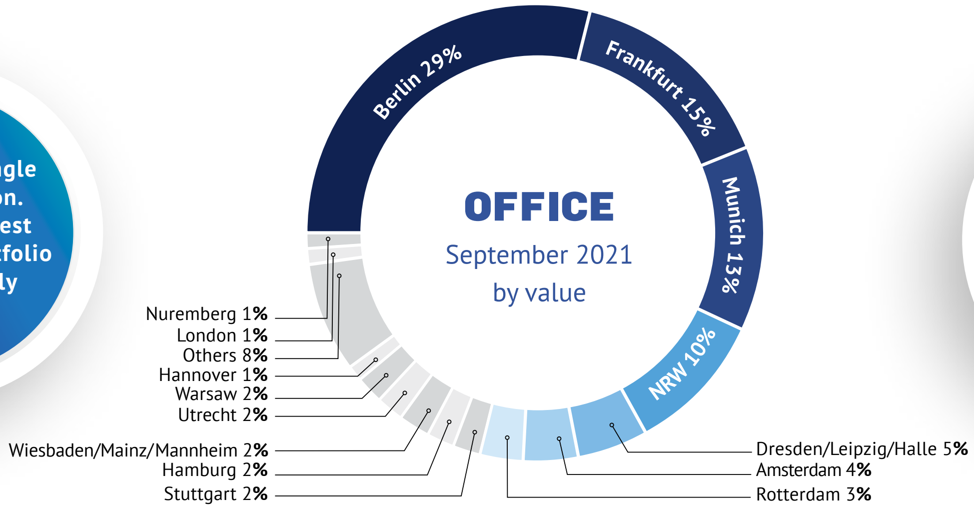
- **85%** of the portfolio is located in top tier neighborhoods including Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam
- **15%** of the portfolio is well located primarily in Reinickendorf, Spandau, Treptow, Köpenick and Marzahn-Hellersdorf

Commercial properties   Residential properties

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

OFFICE: HIGH QUALITY OFFICES IN TOP TIER CITIES

Berlin is the single largest location. AT has the largest Berlin office portfolio among publicly listed peers



Top 4 office cities: Berlin, Munich, Frankfurt and Amsterdam make up 61% of the office portfolio

Aroundtown´s office assets are well-diversified and well-located across top tier cities in Europe with a focus on Germany and the Netherlands, two of the strongest and most stable economies in Europe

TOP OFFICE LOCATIONS	KEY INDUSTRIES DRIVING THE BUSINESS DEMAND			
BERLIN	Government	Start-up, Fintech, IT	Healthcare	Biotech
MUNICH	Insurance & Finance	Advanced manufacturing	Info & Comm. Tech & IT	Media
FRANKFURT	Finance	Chemicals/pharma	Aviation/Transportation	Exhibition & trade fair
AMSTERDAM	Info. & Comm. Tech	Finance & trade	Start-up, Fintech, Agtech	Infrastructure & transportation

On top of geographical diversification, different macroeconomic characteristics of each location provide AT with an additional layer of diversification in terms of industry exposure

Berlin

Frankfurt

Amsterdam

Stuttgart

Munich

Hamburg

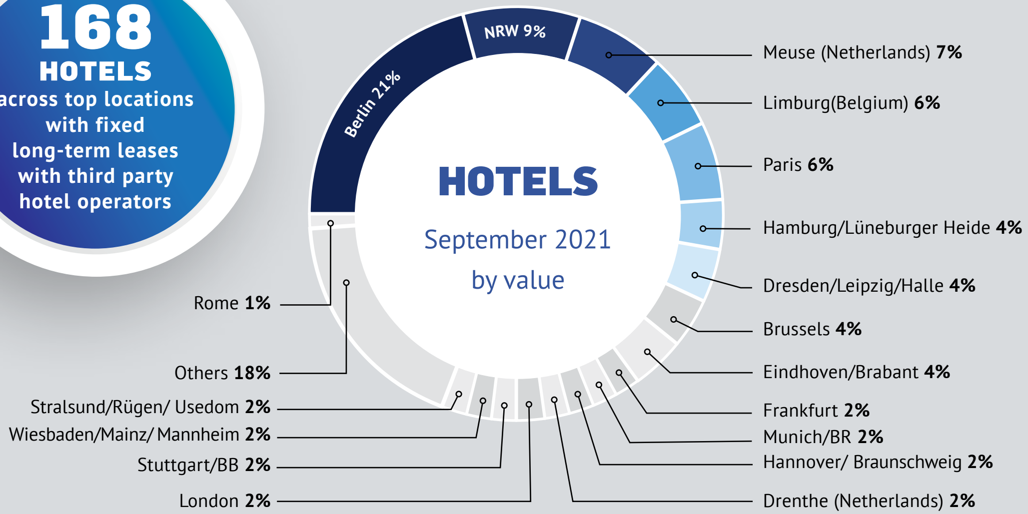
Cologne

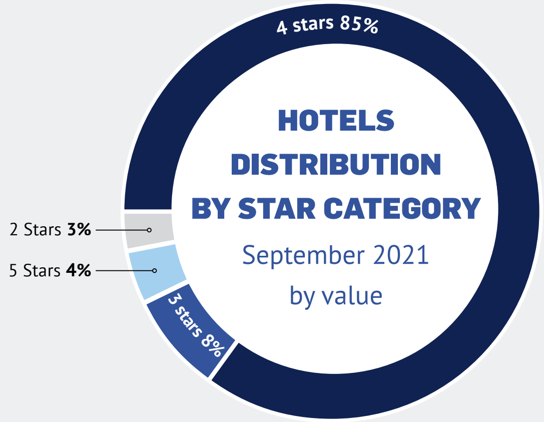
Rotterdam

Leipzig

HOTELS: FOCUS ON CENTRAL LOCATIONS

168 HOTELS across top locations with fixed long-term leases with third party hotel operators





AT's hotel portfolio, valued at €4.8 billion as of September 2021, is well diversified and covers a total of 1.6m sqm. The largest share of the hotel portfolio is 4-star hotels with 85%, catching the largest market share from tourism and business travel. The hotels are branded under a range of globally leading branding partners which offer key advantages such as worldwide reservation systems, global recognition, strong loyalty programs, quality perception and benefits from economies of scale.

The hotel assets are let to hotel operators which are selected according to their capabilities, track record and experience. AT's management participates in the branding decision of the hotel, applying its expertise in selecting the optimal brand. AT maintains close relations with the operators and monitors their performance on an ongoing basis, making use of its tailor-made IT/software system.

HOTELS LEASED TO THIRD PARTY OPERATORS AND FRANCHISED WITH VARIOUS STRONG BRANDS AND A LARGE SCALE OF CATEGORIES WHICH PROVIDES HIGH FLEXIBILITY FOR THE BRANDING OF ITS ASSETS

HIGH GEOGRAPHICAL DIVERSIFICATION

Berlin

Frankfurt

Berlin

Cologne

DIVERSE EUROPEAN METROPOLITAN FOOTPRINT

FIXED LONG TERM LEASES WITH THIRD PARTY HOTEL OPERATORS

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

Hamburg / LH

Brussels

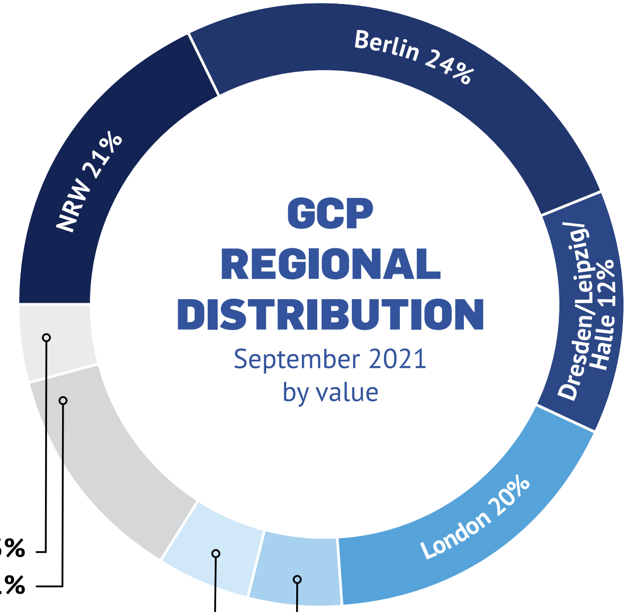
London

Paris

Berlin

Munich

GRAND CITY PROPERTIES (RESIDENTIAL PORTFOLIO)



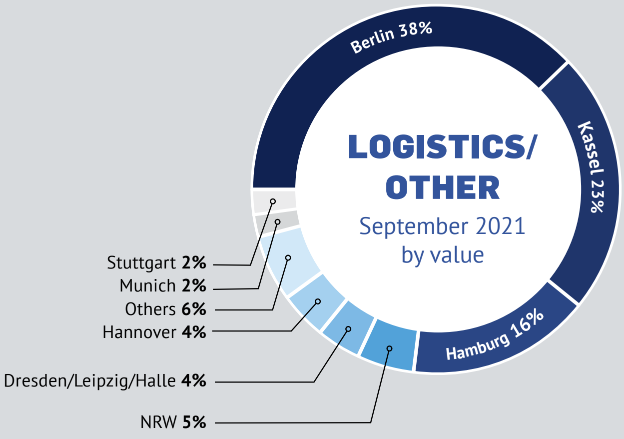
Cologne

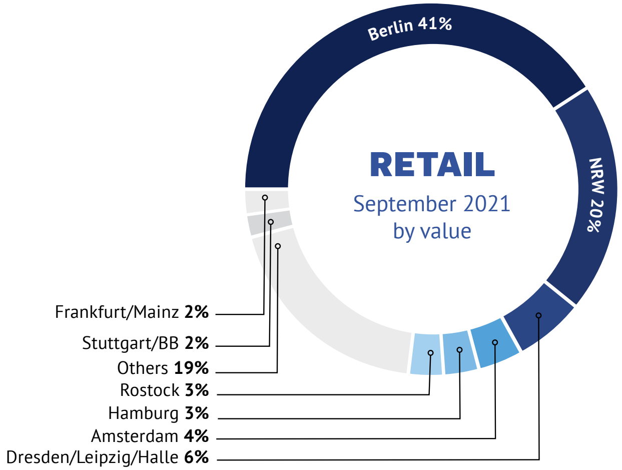
The residential portfolio is primarily held through a 47% stake in Grand City Properties ("GCP") excluding the shares GCP holds in treasury (45% including these shares). GCP is a leading market player in the German residential market and a specialist in value-add opportunities in densely populated areas, predominantly in Germany, as well as in London. Since July 1, 2021, GCP is fully consolidated in AT's financial accounts, providing the Group with a well-balanced portfolio breakdown. GCP's portfolio has a value of €8.9 billion and operates at an in-place rent of €8.0/sqm and an EPRA vacancy of 5.3%. The portfolio generates an annualized net rental income of €380 million and includes a strong value-add potential. GCP holds 65k units in its portfolio with the properties spread across densely populated areas in Germany, with a focus on Berlin, North Rhine-Westphalia and the metropolitan regions of Dresden, Leipzig and Halle, as well as London. GCP's portfolio includes a relatively small share of commercial properties which AT reclassifies into their relevant asset class. GCP puts a strong emphasis on growing relevant skills in-house to improve responsiveness and generate innovation across processes and departments. Through its 24/7 Service Center and by supporting local community initiatives, GCP established industry-leading service standards and lasting relationships with its tenants.

S&P Global
BBB+
STABLE

FURTHER PORTFOLIO DIVERSIFICATION THROUGH LOGISTICS/OTHER AND RETAIL

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





Berlin

Berlin

ASSET TYPE OVERVIEW

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

REGIONAL OVERVIEW

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

GCP Berlin Köpenickerstr. 55

Berlin

AT Berlin Köpenickerstr. 30

Berlin

CAPITAL MARKETS

KEY INDEX INCLUSIONS

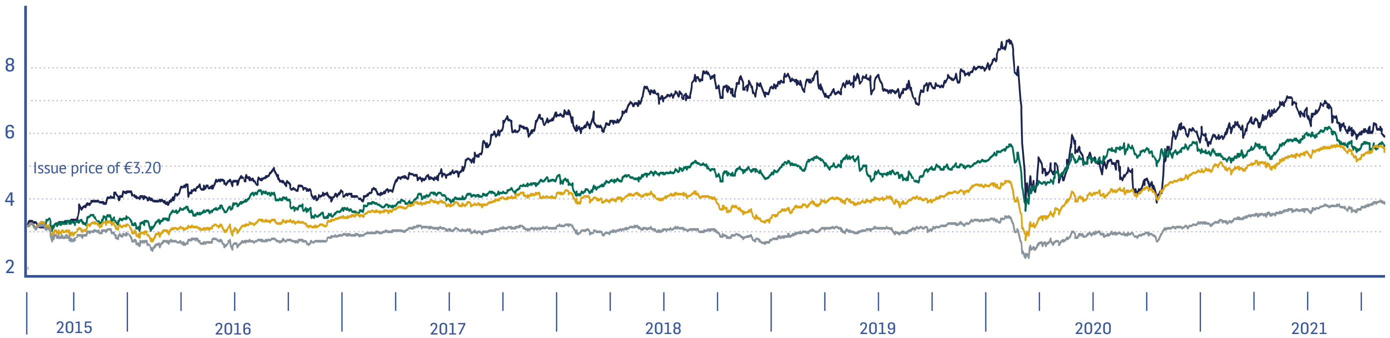
Aroundtown's share is a constituent of several major indices such as **MDAX, DAX 50 ESG, FTSE EPRA/NAREIT Index Series, FTSE Eurofirst 300, MSCI Index Series, S&P EUROPE 350, S&P EUROPE 350 ESG, STOXX Europe 600** as well as **GPR 250**, **GPR ESG** and **DIMAX**. These inclusions are the result of Aroundtown's large market cap and high trading volumes on the Prime Standard of the Frankfurt Stock Exchange (XETRA).

INVESTOR RELATIONS ACTIVITIES

The Group is proactively approaching a large investor audience in order to present its business strategy, provide insight into its progression and create awareness of its overall activities to enhance its perception in the market. AT participates in a vast amount of various national and international conferences, roadshows, one-on-one presentations and in virtual video conferences in order to present a platform for open dialogue. Explaining its unique business strategy in detail and presenting the daily operations allow investors to gain a full overview about the Group's successful business approach. The most recent information is provided on its website and open channels for communication are always provided. Currently, AT is covered by 21 different research analysts on an ongoing basis, with reports updated and published regularly.

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

Aroundtown +118% total return
EPRA Germany (rebased) +109% total return
MDAX (rebased) +70% total return
Stoxx 600 (rebased) +49% total return



TRADING DATA

Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
Trading ticker	AT1
Initial placement of capital	13.07.2015 (€3.2 per share)
Key index memberships	DAX 50 ESG MDAX FTSE EPRA / NAREIT: – Global – Developed Europe – Eurozone – Germany – Green Indexes MSCI Index Series S&P Europe 350 S&P Europe 350 ESG STOXX Europe 600 GPR 250 GPR ESG DIMAX
AS OF SEPTEMBER 30, 2021:	
Number of shares	1,537,025,609
Number of shares, base for share KPI calculations[1]	1,158,688,593
AS OF THE DAY OF THIS REPORT:	
Number of shares, base for share KPI calculations[1]	1,139,349,880 [2]
Shareholder Structure[2]	Freefloat: 62% - of which Blackrock Inc. 5.6% Shares held in treasury*: 28% Avisco Group: 10% * 12% are held held through TLG Immobilien AG, voting rights suspended
Market cap	€9.1 bn

[1] excluding suspended voting rights, including the conversion impact of mandatory convertible notes

[2] as at November 19, 2021

Munich

NOTES ON BUSINESS PERFORMANCE

Leipzig

SELECTED CONSOLIDATED INCOME STATEMENTS DATA

	Nine months ended September 30	
	2021 [1]	2020
	in € millions	
Revenue	935.8	890.4
Net rental income	**773.0**	**758.4**
Property revaluations and capital gains	321.6	735.5
Share in profit from investment in equity-accounted investees	157.8	146.5
Recurring property operating expenses [2]	(269.8)	(233.1)
Extraordinary expenses for uncollected rent [3]	(100.0)	(70.0)
Administrative and other expenses	(43.0)	(39.1)
Operating profit	1,002.4	1,430.2
Adjusted EBITDA [2] [4]	**716.2**	**722.5**
Finance expenses	(130.3)	(151.2)
Current tax expenses	(71.0)	(66.9)
FFO I before Covid adjustment [5]	**366.9**	**371.4**
FFO I [5] [6]	**266.9**	**301.4**
FFO I per share (in €) [5] [6]	**0.23**	**0.22**
FFO II [5] [7]	**650.1**	**581.4**
Other financial results	(88.0)	(133.0)
Deferred tax expenses	(63.5)	(267.3)
Profit for the period	**649.6**	**811.8**

1) GCP's results are consolidated starting from July 1, 2021
2) excluding extraordinary expenses for uncollected rent due to the Covid pandemic
3) extraordinary expenses for uncollected rent due to the Covid pandemic
4) including AT's share in the adjusted EBITDA of companies in which AT has significant influence, excluding the contributions from commercial assets held for sale. For more details regarding the methodology, please see pages 42-45
5) including AT's share in the FFO I (after perpetual notes attribution if relevant) of companies in which AT has significant influence, excluding FFO I relating to minorities and contributions from assets held for sale. For more details regarding the methodology, please see pages 42-45
6) previously defined as FFO I (per share) after perpetual notes attribution
7) reclassified in Q4 2020 to be based on FFO I (previously defined as FFO I after perpetual, Covid adjusted)

OPERATING PROFIT

		Nine months ended September 30	
		2021	2020
	Note	in € millions	
Recurring long-term net rental income		**755.6**	**729.6**
Net rental income related to properties marked for disposal		17.4	28.8
Net rental income		**773.0**	**758.4**
Operating and other income		162.8	132.0
Revenue	*(a)*	**935.8**	**890.4**
Share in profit from investment in equity-accounted investees	*(b)*	157.8	146.5
Property revaluations and capital gains	*(c)*	321.6	735.5
Recurring property operating expenses	*(d)*	(269.8)	(233.1)
Extraordinary expenses for uncollected rent [1]	*(d)*	(100.0)	(70.0)
Administrative and other expenses	*(e)*	(43.0)	(39.1)
Operating profit		**1,002.4**	**1,430.2**

1) extraordinary expenses for uncollected rent due to the Covid pandemic

(a) Revenue

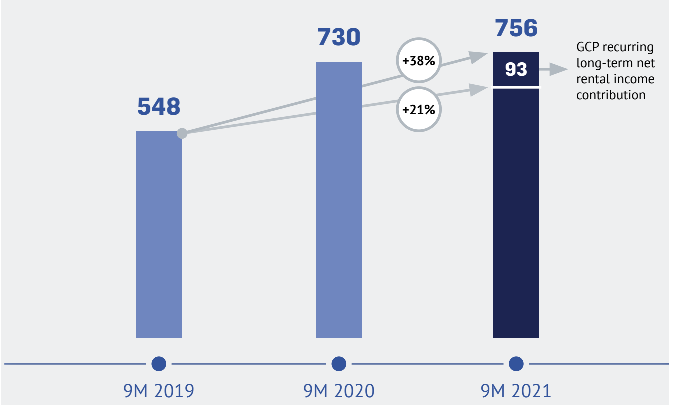
AT generated €936 million of total revenues for the nine-month period ended September 2021 ("9M 2021"), up by 5% compared to €890 million generated for the nine-month period ended September 2020 ("9M 2020"). Net rental income makes up the majority of the revenues which amounted to €773 million for 9M 2021, up by 2% compared to €758 million recorded for 9M 2020. This growth is largely driven by the consolidation of GCP as of July 1, 2021, partially offset mainly by disposals. Excluding GCP's contribution during the third quarter of 2021, net rental income for 9M 2021 amounts to €680 million, 10% lower compared to €758 million recorded for 9M 2020. The decrease in net rental income, excluding GCP's contribution, is mainly due to disposals of approx. €2.7 billion conducted during the last twelve months. Positive like-for-like results slightly offset the decrease in net rent. The current like-for-like calculation is not including the like-for-like performance from GCP which will be included in the like-for-like calculation starting in the next periods. Excluding the hotels, AT recorded total like-for-like net rental income growth of 1.2% in September 2021. Including the hotels, the rent like-for-like amounted to 0.6%, which is comprised of positive in-place rent like-for-like of 0.9% and negative occupancy like-for-like of 0.3%. As the hotel portfolio was significantly impacted from the pandemic, some rents have been reduced temporarily on a selective basis, which resulted in a negative rent like-for-like of 0.9% for the hotel portfolio stand alone.

The operating and other income increased by 23% from €132 million recorded in 9M 2020 to €163 million in 9M 2021, largely driven by GCP's consolidation as of July 1, 2021. This income item is mainly linked to ancillary expenses that are reimbursable by tenants such as utility costs (energy, heating, water, electricity, insurance, etc.) and charges for services provided to tenants (cleaning, security, etc.). Due to the nature of lease structures in residential real estate, there are relatively higher share of costs that are purchased and passed onto the tenants as opposed to commercial real estate where net lease structures are more prevalent and some of these costs are directly incurred by the tenants. As a result, the increase in operating and other income was higher than the increase in net rental income.

AT further breaks down its net rental income into the recurring long-term net rental income and net rental income generated by properties marked for disposal. Since AT intends to dispose these properties, the Company views their contribution as non-recurring and are thus presented in a separate line item. The net rental income from the held-for-sale properties amounted to €17 million in 9M 2021, compared to €29 million in 9M 2020. Although AT signed similar level of disposals during both periods, a large part of the disposals during 9M 2021 were signed near the end of the third quarter, thus, they still contributed to the net rent. Correspondingly, the recurring long-term net rental income totaled to €756 million in 9M 2021, compared to €730 million recorded in 9M 2020, which shows an increase of 4%.

AT signed disposals in the amount of over €2.5 billion year-to-date of which over €1.1 billion were completed during the reporting period. The disposals that were signed during the period and not completed have been classified as held for sale properties. As of September 2021, the monthly annualized net rent, excluding the properties classified as held for sale, amounts to €1.2 billion.

RECURRING LONG-TERM NET RENTAL INCOME (IN € MILLIONS)



(b) Share in profit from investment in equity-accounted investees

Share in profit from investment in equity-accounted investees amounted to €158 million in 9M 2021, compared to €147 million recorded in 9M 2020. This item represents AT's share in the profits from investments which are not consolidated in its financial statements, but over which AT has significant influence. Prior to consolidating GCP as of July 1, 2021, GCP was the main contributor to this line item. This item includes a one-time revaluation gain recorded in the third quarter in the amount of €85 million generated as part of the initial consolidation process of GCP. These gains were recorded as part of a valuation executed on the investment in GCP prior to the consolidation, which was validated by a third-party valuator. In addition, third quarter profits are attributed to other joint venture positions such as AT's profit share in Globalworth ("GWI"), the leading publicly listed office landlord in the CEE market. During the third quarter AT increased its position in GWI to over 30%. Excluding their non-recurring gains, the investees contribution, which does not include GCP's recurring results in the third quarter of 2021, amounted to €92 million to the adjusted EBITDA and €61 million to the FFO I in 9M 2021, compared to €118 million and €77 million in 9M 2020, respectively.

(c) Property revaluations and capital gains

Property revaluations and capital gains amounted to €322 million in 9M 2021, compared to €736 million recorded in 9M 2020. Valuations as at September 2021 reflected a like-for-like value growth, net of capex, of positive 0.8% compared to year-end 2020.

AT completed over €1.1 billion of disposals during 9M 2021 above book value at a margin of 3% which have been accordingly recorded as capital gains. The disposal margin over total costs including capex is 51%. Including the events after the reporting period, AT signed over €2.5 billion of disposals in 2021 year-to-date. 39% of these properties were offices, 30% were hotels, 22% were logistics and retail assets and 9% were disposals of development rights. The properties were located across various core and non-core locations in Germany, UK and the Netherlands. Disposals of various asset types above book value validates the portfolio valuations and highlights the discrepancy between the premium in the transaction markets and the discount of AT's share price to its NAV metrics. AT is utilizing this discrepancy by freeing up funds from disposals at strong valuations to carry out share buybacks with a deep discount to NAV.

As of September 2021, the portfolio reflects an average value of €2,536 per sqm and a net rental yield of 4.5%, compared to €2,665 per sqm and 4.6% net rental yield in December 2020.

(d) Property operating expenses

Recurring property operating expenses amounted to €270 million in 9M 2021, 16% higher compared to €233 million recorded in 9M 2020. The increase is related to the consolidation of GCP during the third quarter of 2021, as also reflected in the growth of operating and other income. Excluding GCP's contribution, recurring property operating expenses decreased as a result of the disposals. The main portion of the property operating expenses are ancillary expenses which are mainly recoverable from tenants such as utility costs, charges for services provided to tenants and other services contracted in relation with the management of properties. Property operating expenses additionally include maintenance and refurbishment costs, operating personnel expenses, depreciation and amortization and various operating costs such as marketing, letting and legal expenses. Parallel to the increase in the operating income, due to the nature of lease structures in residential real estate, there are relatively higher share of costs that are purchased and passed onto the tenants as opposed to commercial real estate where net lease structures are more prevalent where these costs are directly incurred by the tenants.

Property operating expenses include non-recurring extraordinary expenses for uncollected rent, which amounted to €100 million in 9M 2021, compared to €70 million in 9M 2020. AT created extraordinary expenses for uncollected rent in response to the impact of the Coronavirus pandemic especially affecting the hotel industry's ability to pay rent which has been heavily impacted by government-enacted restrictions. The extraordinary expenses increased during 9M 2021 in comparison to 9M 2020 as the collection rates in 2021 were significantly more impacted from a longer lockdown period in 9M 2021 as compared to 9M 2020 as the impact of the pandemic started towards the end of Q1 2020. After the recovery of the hotel industry, the Company will work together with its tenants, on a case-by-case basis, to find a solution for the deferred amounts. Including the extraordinary expenses for uncollected rent, property operating expenses amounted to €370 million in 9M 2021.

(e) Administrative and other expenses

AT recorded €43 million of administrative and other expenses in 9M 2021, higher compared to €39 million recorded during 9M 2020, mainly as a result of the consolidation of GCP from July 1, 2021. These expenses consist mainly of personnel expenses, fees for legal, professional, accounting and audit services, as well as sales, marketing and other administrative expenses. Excluding GCP, these costs are in line with the levels of former periods.

NET PROFIT

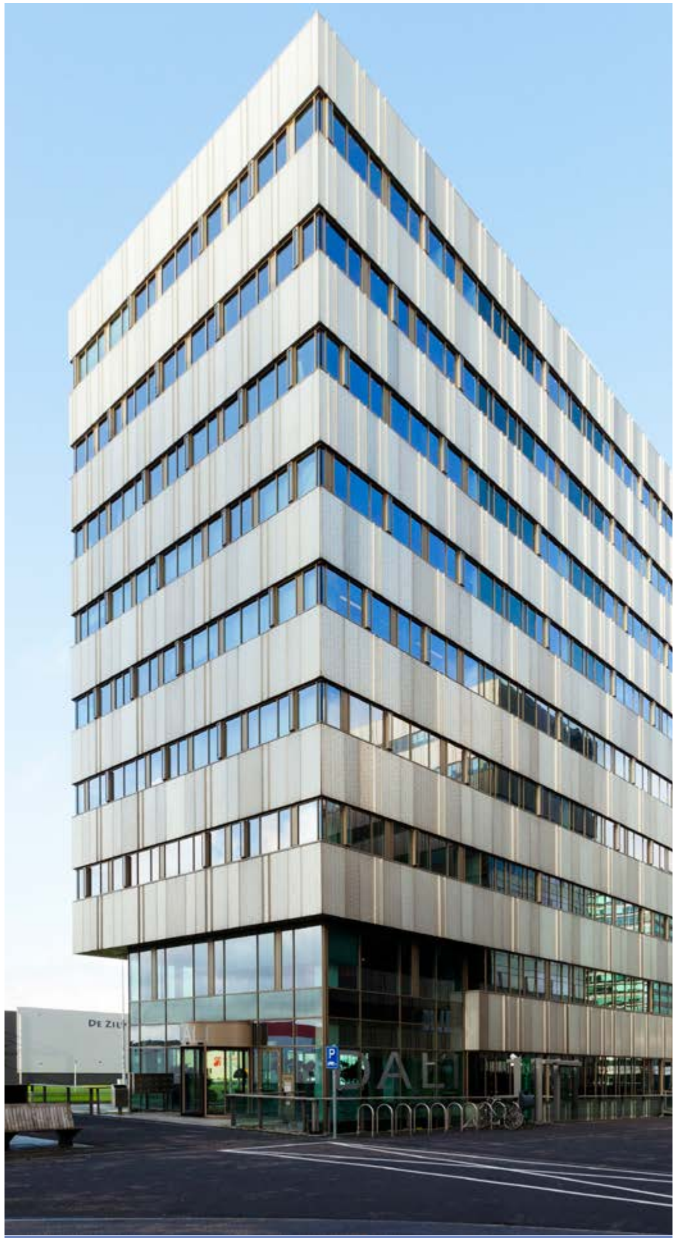
	Note	2021	2020
		Nine months ended September 30	
		in € millions	
Operating profit		**1,002.4**	**1,430.2**
Finance expenses	*(a)*	(130.3)	(151.2)
Other financial results	*(b)*	(88.0)	(133.0)
Current tax expenses	*(c)*	(71.0)	(66.9)
Deferred tax expenses	*(c)*	(63.5)	(267.3)
Profit for the period	*(d)*	**649.6**	**811.8**
Profit attributable to:			
Owners of the Company		464.5	597.2
Perpetual notes investors		76.1	66.4
Non-controlling interests		109.0	148.2
Basic earnings per share (in €)	*(d)*	**0.40**	**0.44**
Diluted earnings per share (in €)	*(d)*	**0.39**	**0.44**
Weighted average basic shares (in millions)		1,175.3	1,342.3
Weighted average diluted shares (in millions)		1,176.5	1,343.6
Profit for the period	*(d)*	**649.6**	**811.8**
Total other comprehensive income (loss) for the period, net of tax	*(e)*	72.8	(57.4)
Total comprehensive income for the period	*(e)*	**722.4**	**754.4**

(a) Finance expenses

AT reduced its finance expenses by 14% from €151 million in 9M 2020 to €130 million in 9M 2021. The decline, despite the consolidation of GCP during the third quarter of 2021, is a result of proactive debt optimization activities. During 2020 and 2021 year-to-date combined, AT repaid over €3 billion of debt, including €2.2 billion of bond repurchases. These repurchased bonds had an average coupon rate of 1.9% and were partially refinanced by the issuance of €1 billion straight bond at 0% coupon at year-end 2020. The debt repayments included TLG's higher interest debt while issuing bonds at lower coupon rates and are part of the realization of synergies as a result of the combination of the two groups. As a result of these liability management activities and the consolidation of GCP's conservative debt profile, AT proactively reduced its cost of debt from 1.6% in September 2020 to 1.3% in September 2021 while maintaining a long average debt maturity period of 5.8 years. The conservative debt profile combined with the operational profitability manifests itself in the high ICR of 5.1x for 9M 2021.

(b) Other financial results

Other financial results amounted to an expense of €88 million in 9M 2021, compared to an expense of €133 million in 9M 2020. Other financial results are composed of items that are primarily non-recurring and/or non-cash where values fluctuate and thus the result varies from one period to another. The result during 9M 2021 was largely driven by costs related to bond buybacks, bank debt repayments, changes in fair value of derivatives, including contingent liabilities relating to the takeover of TLG, and changes in fair value of financial assets. The 9M 2021 results were also impacted from the consolidation of GCP during the third quarter of 2021. The result during 9M 2020 included expenses related to net changes in the fair value of derivatives including contingent liabilities relating to the takeover of



Amsterdam

TLG, changes in the value of financial assets, expenses related to bond buybacks, substitution of TLG's bonds and perpetuals, and loan breakages.

(c) Taxation

Current tax expenses amounted to €71 million in 9M 2021, higher compared to €67 million recorded in 9M 2020 mainly due to the consolidation of GCP in Q3 2021. Current tax expenses are comprised of corporate income taxes and property taxes. The increase is due to consolidation of GCP which offset the lower taxes as a result of disposals and thus lower operational profits. Deferred tax expenses amounted to €64 million in 9M 2021, lower compared to €267 million recorded in 9M 2020. During 9M 2021, there were lower revaluation gains and a positive tax impact relating to changes in the fair value of financial derivatives, offset to a certain degree by GCP's deferred tax expenses.

(d) Profit for the period & Earnings per share

AT generated a net profit of €650 million in 9M 2021, compared to €812 million generated in 9M 2020. The shareholders' profit amounted to €465 million in 9M 2021, compared to €597 million recorded in 9M 2020. The decrease is mainly due to lower revaluation gains and higher extraordinary expenses for uncollected rent due to the Covid pandemic, as well as the impact of disposals. The profit attributable to non-controlling interest decreased from €148 million in 9M 2020 to €109 million in 9M 2021 despite the consolidation of GCP, mainly as a result of an increased stake in TLG, high revaluation gains in 9M 2020 in properties with minorities, and disposal of properties with non-controlling interest. Profit attributable to perpetual notes investors increased from €66 million in 9M 2020 to €76 million in 9M 2021 mainly as a result of the consolidation of GCP and the full period impact of TLG's perpetual notes (net of repurchased notes). The coupon attributable to the new €600 million 1.625% perpetual notes was mostly offset by the coupon attributable to the repurchased ca. €230 million 3.75% perpetual notes.

AT generated basic and diluted earnings per share of €0.40 and €0.39 in 9M 2021, lower compared to €0.44 and €0.44 per share recorded in 9M 2020, respectively, following the development of shareholders' profit. Per share KPIs were positively impacted by the 12% decrease in the average share count between periods driven by the partial impact of the share buyback program, partially offset by the impact of scrip dividends issued in January and July 2021.

(e) Comprehensive income

AT generated total comprehensive income of €722 million in 9M 2021, lower compared to €754 million generated in 9M 2020 due to the decrease in the profit which was partially offset by the comprehensive income of €73 million in 9M 2021. This income was mainly due to the consolidation of GCP and comparatively higher impact of cash flow hedges and currency fluctuation.

Rotterdam

ADJUSTED EBITDA

	Nine months ended September 30	
	2021	2020
	in € millions	
Operating profit	1,002.4	1,430.2
Total depreciation and amortization	5.8	2.9
EBITDA	**1,008.2**	**1,433.1**
Property revaluations and capital gains	(321.6)	(735.5)
Share in profit from investment in equity-accounted investees	(157.8)	(146.5)
Other adjustments incl. one-off expenses related to TLG merger [1]	4.8	6.3
Contribution from assets held for sale	(9.1)	(23.3)
Add back: Extraordinary expenses for uncollected rent [2]	100.0	70.0
Adjusted EBITDA before JV contribution [3]	**624.5**	**604.1**
Contribution of joint ventures' adjusted EBITDA [4]	91.7	118.4
Adjusted EBITDA	**716.2**	**722.5**

1) the other adjustment is expenses related to employees' share incentive plans
2) extraordinary expenses for uncollected rent due to the Covid pandemic
3) previously defined as Adjusted EBITDA commercial portfolio, recurring long-term
4) the adjustment is to reflect AT's share in the adjusted EBITDA of companies in which AT has significant influence and that are not consolidated. GCP contributed to this line item until June 30, 2021. Starting from July 1, 2021, GCP is consolidated

Adjusted EBITDA is a key performance measure used to evaluate the operational result of the Company, derived by deducting from the EBITDA non-operational items such as revaluation gains, capital gains, extraordinary expenses and other adjustments. Additionally, in order to mirror the recurring operational results of the Group, the share in profit from investment in equity-accounted investees is subtracted as this also includes the Company's share in non-operational and non-recurring profits generated by these investees. Instead, to reflect their operational earnings, AT includes in its adjusted EBITDA its share in the adjusted EBITDA generated by investments where the Company has significant influence in accordance with its economic holding rate over the period. Prior to the third quarter of 2021, this line item was mostly attributed to AT's share in GCP's adjusted EBITDA, however, starting from July 1, 2021, GCP is consolidated in AT's financial accounts.

AT generated adjusted EBITDA before JV contribution of €625 million in 9M 2021, up by 3% from €604 million generated in 9M 2020, mainly due to GCP's consolidation starting from July 1, 2021. Excluding the effect of the consolidation of GCP, adjusted EBITDA before JV contribution amounts to €550 million, 9% lower than €604 million in 9M 2020 which is mainly due to the disposal activity in the former periods. Including joint venture positions' adjusted EBITDA contribution, the Group generated an adjusted EBITDA of €716 million in 9M 2021, 1% lower compared to €723 million generated in 9M 2020, mainly due to the disposals offsetting the impact of GCP's full contribution during Q3 as opposed to relative contribution in the previous quarters. Adjusted EBITDA excludes the effect of extraordinary expenses for uncollected rent. Including these effects, the adjusted EBITDA, Covid adjusted amounts to €616 million in 9M 2021, as compared to €653 million in 9M 2020.

The adjusted EBITDA accounts for other adjustments in the amount of €4.8 million in 9M 2021 mainly related to non-cash expenses for employees' share incentive plans and other one-off costs related to the merger process with TLG. Furthermore, the Company conservatively does not include the contributions from properties marked for disposal since they are intended to be sold and therefore their contributions are non-recurring. The adjustment amounted to €9 million in 9M 2021, compared to €23 million in 9M 2020. Although signed disposal volumes were similar in the two periods, the majority of the disposals during 9M 2021 were signed near the end of the period and therefore contributed more to adjusted EBITDA than in 9M 2020.


Sana International Office
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VERKAUF von hochwertigen Eigentumswohnungen
Upper Level

Berlin

FUNDS FROM OPERATIONS (FFO I, FFO II)

	Nine months ended September 30	
	2021	2020
	in € millions	
Adjusted EBITDA before JV contribution	**624.5**	**604.1**
Finance expenses	(130.3)	(151.2)
Current tax expenses	(71.0)	(66.9)
Contribution to minorities [1]	(45.8)	(29.1)
Adjustments related to assets held for sale [2]	4.9	4.1
Perpetual notes attribution	(76.1)	(66.4)
FFO I before JV contribution [3]	**306.2**	**294.6**
Contribution of joint ventures' FFO I [4]	60.7	76.8
FFO I before Covid adjustment	**366.9**	**371.4**
FFO I per share before Covid adjustment (in €)	**0.31**	**0.28**
Extraordinary expenses for uncollected rent [5]	(100.0)	(70.0)
FFO I [6]	**266.9**	**301.4**
FFO I per share (in €) [6]	**0.23**	**0.22**
Weighted average basic shares (in millions) [7]	1,175.3	1,342.3
FFO I [6]	**266.9**	**301.4**
Result from the disposal of properties [8]	383.2	280.0
FFO II [9]	**650.1**	**581.4**

1) contribution to minorities and the minority share in TLG's FFO I (after perpetual notes attribution and contribution of AT) and GCP's FFO I (after perpetual notes attribution)
2) the net contribution which is excluded from the FFO amounts to €4.2 million in 9M 2021 and €19.2 million in 9M 2020
3) previously did not include perpetual notes attribution and defined as FFO I commercial portfolio, recurring long-term
4) the adjustment is to reflect AT's share in the FFO I of companies in which AT has significant influence and that are not consolidated. GCP contributed to this line item until June 30, 2021. Starting from July 1, 2021 GCP is consolidated
5) extraordinary expenses for uncollected rent due to the Covid pandemic
6) previously defined as FFO I (per share) after perpetual, Covid adjusted
7) weighted average number of shares excludes shares held in treasury and includes the conversion impact of mandatory convertible notes; base for share KPI calculations
8) the excess amount of the sale price, net of transaction costs and total costs (cost price and capex of the disposed properties)
9) reclassified in Q4 2020 to be based on FFO I (previously defined as FFO I after perpetual, Covid adjusted)

Funds from Operations I (FFO I) is an industry standard performance indicator, reflecting the recurring operational profitability. FFO I starts by deducting the finance expenses, current tax expenses and the contribution to perpetual notes from the adjusted EBITDA. The calculation further includes the relative share of AT in the FFO I of joint venture positions and excludes the share in minorities' operational profits. Prior to the third quarter of 2021, adjustment for joint venture positions included AT's share in GCP's FFO I. Starting from July 1, 2021, GCP is consolidated in AT's financial accounts and the minority share in GCP's FFO I is deducted instead. Furthermore, AT makes an adjustment related to assets held for sale. Aroundtown has a dividend payout policy of 75% of the FFO I per share.

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

AT generated an FFO I before Covid adjustment of €367 million in 9M 2021, 1% lower compared to €371 million generated in 9M 2020 mainly due to disposals. The decrease due to disposals was partially offset by lower financing expenses as a result of debt optimization activities. However, due to the share buyback program, the FFO I per share before Covid adjustment increased by 11% to €0.31 in 9M 2021 compared to €0.28 per share recorded in 9M 2020. The consolidation of GCP has no material impact on the FFO I as this figure already previously included AT's share in GCP's FFO. The consolidation only impacts the breakdown between the items of the sum.

The contribution from properties marked for disposal, which is excluded from the FFO, amounted to €4 million in 9M 2021 and €19 million in 9M 2020.

Including the extraordinary expenses for uncollected rent due to the Covid pandemic, FFO I amounted to €267 million in 9M 2021, lower compared to €301 million in 9M 2020. However, FFO I per share amounted to €0.23 in 9M 2021, higher compared to €0.22 per share in 9M 2020, supported by the share buyback program.

AT generated an FFO II of €650 million in 9M 2021, 12% higher compared to €581 million generated in 9M 2020. During 9M 2021, AT completed over €1.1 billion of disposals with a 51% margin over their cost values including capex, which reflects the realized value creation since acquisition. In comparison, AT completed over €770 million of disposals during 9M 2020 with a 57% margin over total costs. The high margin over total costs across multiple asset classes highlights AT's ability to deliver significant value creation in its portfolio across multiple segments.

FFO I PER SHARE (IN €)

CASH FLOW

	Nine months ended September 30	
	2021	2020
	in € millions	
Net cash provided by operating activities	411.1	452.8
Net cash provided by investing activities	186.3	23.1
Net cash (used in) financing activities	(1,866.9)	(1,121.1)
Net changes in cash and cash equivalents	**(1,269.5)**	**(645.2)**
Cash and cash equivalents as at the beginning of the year	2,692.1	2,191.7
Cash and cash equivalents from business combinations	1,069.7	509.4
Other changes*	8.8	(6.5)
Cash and cash equivalents as at the end of the period	**2,501.1**	**2,049.4**

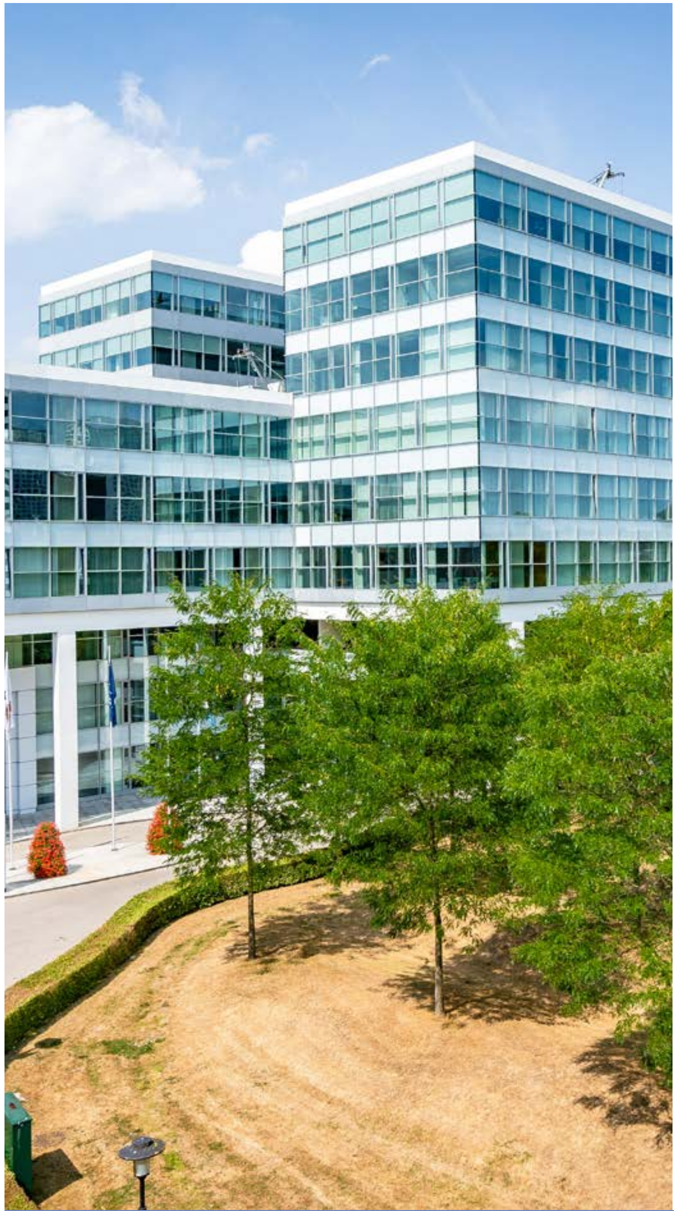
* including change in balance of assets held for sale and movements in exchange rates on cash held

€411 million of net cash was provided by operating activities during 9M 2021, lower compared to €453 million provided during 9M 2020. The decrease is due to disposals, higher amount of extraordinary deferrals due to the Covid pandemic and lower amount of cash dividends from joint venture positions, partially offset by GCP's contribution during the third quarter of 2021.

€186 million of net cash was provided by investing activities during 9M 2021, compared to €23 million provided during 9M 2020. Cash proceeds from the disposals of €1.1 billion during 9M 2021 were partially offset by cash uses in acquisition of properties and prepayments for future transactions, capex investments in the portfolio, investment in investees and traded securities and investment in other non-current assets including loans-to-own assets and other loans to third parties, including GCP's cash uses during the third quarter of 2021.

€1.9 billion of net cash was used in financing activities during 9M 2021, compared to €1.1 billion that was used during 9M 2020. During 9M 2021, AT repaid approx. €1 billion of debt, completed over €490 million of share buybacks including the buybacks in subsidiaries which increased the economic holding rate in these subsidiaries and distributed €252 million of cash dividends to its shareholders. On the other hand, AT issued €600 million of perpetual notes at 1.625% coupon and subsequently bought back approx. €230 million of its first perpetual notes with a 3.75%, resulting in a net inflow.

As a result, AT utilized its large cash balance and used €1.3 billion of net cash during 9M 2021. In addition, €1.1 billion of cash and cash equivalents were added with the consolidation of GCP. Including other liquid assets, AT's liquidity position totalled to €3.3 billion at the end of September 2021. The high liquidity balance combined with the large amount of unencumbered assets not only reflects AT's high financial flexibility and large headroom but also provides a large firepower for potential investment opportunities.



Utrecht

ASSETS

	Sep 2021	Dec 2020
	in € millions	
Non-current assets	**33,382.3**	**26,240.5**
Investment property	28,975.9	21,172.4
Goodwill and intangible assets	1,690.8	840.0
Investment in equity-accounted investees	1,184.4	3,177.4
Current assets	**6,017.2**	**4,781.1**
Assets held for sale [1]	1,662.7	875.4
Cash and liquid assets [2]	3,272.0	3,262.7
Total Assets	**39,399.5**	**31,021.6**

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

AT's total assets amounted to €39.4 billion at the end of September 2021, 27% higher compared to €31.0 billion at year-end 2020, mainly as a result of GCP's consolidation, offsetting the impact from utilizing the large cash balance in share buybacks and debt repayments.

Non-currents assets amounted to €33.4 billion at the end of September 2021, 27% higher compared to €26.2 billion at year-end 2020. The main item under non-current assets are investment properties which increased by nearly €8 billion, reflecting an increase of 37% from €21.2 billion at year-end 2020 to €29.0 billion at the end of September 2021.

Including the investment properties held for sale, which is part of the current assets and amount to €1.6 billion as of September 2021, investment properties amounted to €30.6 billion. The growth in investment property was primarily related to the initial consolidation of GCP in the third quarter of 2021. Excluding the consolidation of GCP, investment property amounted to €20.1 billion, down from €21.2 billion at year-end 2020, due to the classification of properties into held for sale and disposals out of investment property balance, which offset the value creation and capex investment into the portfolio in the reporting period.

Since the takeover of TLG in the first quarter of 2020 with its nearly €5 billion properties, AT optimized the combined portfolio and recycled non-core and mature properties in the amount of approx. €4.9 billion (including signed disposals). The optimization of the portfolio increases the quality of the portfolio, in terms of asset type, location and tenant structure, while maintaining the size and economies of scale of portfolio before the takeover of TLG.

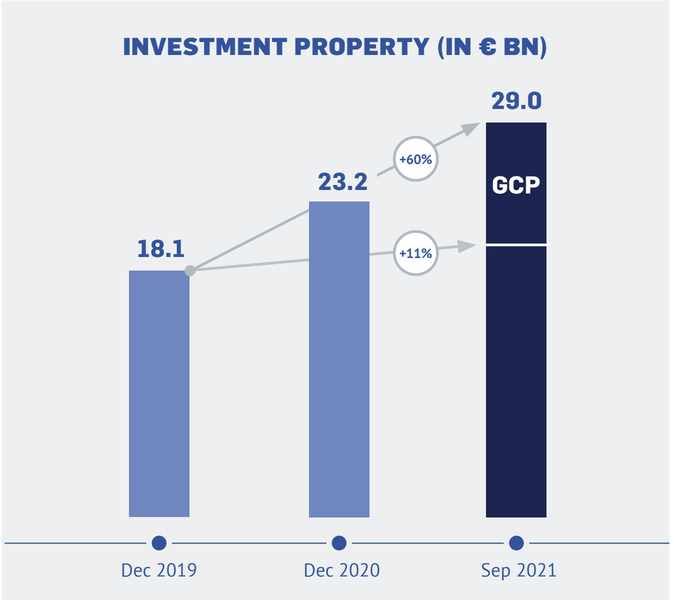
Intangible assets and goodwill amounted to €1.7 billion at the end of September 2021, compared to €0.8 billion at year-end 2020. The €0.9 billion growth in the reporting period is mainly related to the consolidation of GCP and is including ca. €835 million of goodwill recorded as a result of the initial consolidation.

The goodwill on GCP was calculated as the difference between the fair value which was previously held at equity interest in GCP (validated by external independent valuators as of the date of initial consolidation) to GCP's identifiable net assets minus non-controlling interest and perpetual notes. The goodwill balance also includes the goodwill related to the TLG takeover in the amount of €0.8 billion.

Non-current assets also include investment in equity-accounted investees which amounted to €1.2 billion at the end of September 2021, lower compared to €3.2 billion at year-end 2020, mainly due to the consolidation of GCP. This line item represents AT's long-term investments in joint ventures in which the Company has a significant influence but which are not consolidated. The largest investment in this item as of September 2021 is AT's stake in Globalworth, a leading publicly listed office landlord in the CEE market. The holding rate in Globalworth increased during the period to over 30%, indirectly held through a joint venture with CPI Property Group S.A. The balance of equity-accounted investees includes also investments in real estate related funds specialized among others in Proptech, digitalization and technology in the real estate sector as well as loan funds, which may provide future access to attractive deals and additional investments in real estate companies.

Non-current assets additionally include advance payments and deposits, long-term derivative financial assets, deferred tax assets and other long-term assets which are mainly comprised of vendor loans that are related to disposals (making up only part of the total consideration of the disposals), long-term financial investments and loans-to-own assets. The growth in non-current assets is also related to the consolidation of GCP in the third quarter of 2021. Advanced payments and deposits amounted to €230 million as of September 2021 and mainly refer to advanced payments for signed deals, deposit for deals in the due diligence phase and deposits for committed capex programs. Loans-to-own assets are asset-backed and yielding loans where, under certain conditions, the default of the loan will enable the Company to take over the underlying asset at a material discount. Loans-to-own assets are provided to a diverse number of property owners and are sourced through the Company's wide deal sourcing network established over the years. As of September 2021, the loans-to-own balance amounted to over half a billion Euros with maturities primarily within the years 2021 and 2025 with an average LTV of 65%, bearing interest rates of 3%-10%, and fully secured by the underlying property. Although the loans-to-own balance is a minor part of the Company's total assets, it's extending AT's deal sourcing opportunities, which may provide attractive options for alternative acquisition opportunities in the current market environment. Loans-to-own assets and the underlying properties are analysed based on the assessment of acquisition at the loan value, matching AT's portfolio and fulfilling its acquisition criteria. Vendor loans amount to approx. €50 million, with the majority being paid in instalments until 2023. Additionally, in September 2021, non-current assets include long-term financial investments amounting to approx. €200 million which are investments in real estate funds with the expectation for long term yield and co-investments in their attractive deals as well as tenant deposits in the amount of over €50 million which are used as a security for rent payments.

Current assets amounted €6.0 billion at the end of September 2021, higher compared to €4.8 billion at year-end 2020. The increase was mainly due to the consolidation of GCP and reclassification of assets into held for sale. The held for sale balance amounts to €1.7 billion at the end of September 2021 and consists of non-core and/or mature assets that are intended to be sold within the next 12 months. Out of this balance, as of the date of this report, over 80% is already signed to be disposed in the upcoming periods. The cash and liquid assets balance remained stable as a result of the consolidation and amounted to €3.3 billion at the end of September 2021 although significant debt repayments took place in the period. During the year, disposals, operations and perpetual notes issuance (net of the repurchased notes) reinforced AT's cash balance which was utilized for debt repayments, dividend distributions and share buybacks (including the share buybacks of TLG and GCP). The liquidity position includes GCP's cash and liquid assets of €1.3 billion, added after the consolidation. Current assets also include trade and other receivables in the amount of €1 billon. The increase in this item was mainly due to the consolidation of GCP and includes approx. €0.7 billion of operating cost and rent receivables as well as pre-paid expenses and tax assets. Additionally, trade and other receivables also include other short-term financial assets with a maturity of less than 1 year made up of loans-to-own assets, vendor loans and short-term financial investments in an amount of €0.3 billion. Operating receivables are ancillary services to tenants and other charges billed to tenants. These services include utility costs (energy, heating, water, electricity, insurance, etc.) and charges for services provided to tenants (cleaning, security, etc.). This balance is corelated to the prepayments for ancillary services received from tenants under the short-term liabilities.



LIABILITIES

	Sep 2021	Dec 2020
	in € millions	
Short- and long-term Loans and borrowings	1,210.0	1,376.8
Short- and long-term Straight bonds, convertible bond and schuldscheins	14,473.7	10,484.1
Deferred tax liabilities (including those under held for sale)	2,753.9	2,054.4
Short- and long-term Derivative financial instruments and other long-term liabilities	816.6	671.3
Current liabilities [1]	983.3	852.0
Total Liabilities	**20,237.5**	**15,438.6**

1) excluding current liability items that are included in the lines above

AT's total liabilities amounted to €20.2 billion, higher compared to €15.4 billion at year-end 2020 mainly due to the consolidation of GCP's liabilities. Excluding the consolidation, total liabilities decreased as a result of debt repayments. During 9M 2021, AT repaid approx. €1 billion of debt which comprised of the repurchases of €98 million Series D 2022, €65 million Series E 2024, €211 million Series Q 2027 and €30 million Series 35 TLG 2024 straight bonds, redemption of €52 million GCP Series T 2021 straight bond and the repayment of approx. €540 million bank debt. After the reporting period, AT further repurchased over €620 million of Series E, O, Q and X straight bonds, as well as GCP Series E and Series W straight bonds. In total, approx. €1.1 billion of straight bonds were repurchased year-to-date which had an average coupon rate of 2.2%. AT utilized the proceeds from disposals and the issuance of Series 38 bond at 0% coupon at year-end 2020 for these debt repayments. As a result of these proactive debt optimization activities and the consolidation of GCP which has a conservative debt profile, AT reduced its cost of debt further to 1.3% while maintaining a long average debt maturity period of 5.8 years.

Deferred tax liabilities amounted to €2.8 billion at the end of September 2021, higher than €2.1 billion at year-end 2020, mainly as a result of GCP's consolidation. Deferred tax liabilities make up 14% of total liabilities and are non-cash items that are predominantly tied to revaluation gains. The deferred taxes are calculated conservatively by assuming the theoretical future property disposals in the form of asset deals and as such the full corporate tax rate is applied in the relevant jurisdictions.

London

Current liabilities amounted to €983 million at the end of September 2021, lower compared to €852 million at year-end 2020 mainly due to over €100 million of dividend payments in January 2021 which were recorded as payable at year-end 2020 (€161 million was recorded as payable out of which €102 million cash dividend was paid while the remaining was paid in scrip dividends). Current assets cover current liabilities comfortably by several times which is a testament to AT's disciplined working capital management

DEBT METRICS

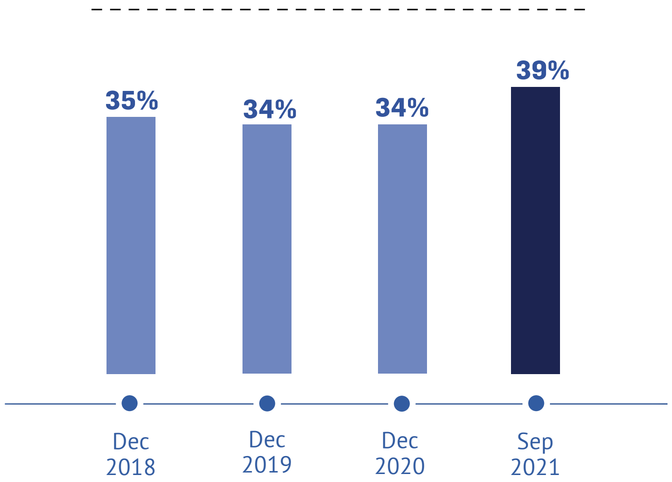
Loan-To-Value (LTV)	Sep 2021	Dec 2020
	in € millions	
Investment property [1]	29,033.1	21,150.0
Investment property of assets held for sale	1,594.8	830.2
Investment in equity-accounted investees	1,184.4	3,177.4
Total value (a)	**31,812.3**	**25,157.6**
Total financial debt	15,683.7	11,860.9
Less: Cash and liquid assets [2]	(3,272.0)	(3,262.7)
Net financial debt (b)	**12,411.7**	**8,598.2**
LTV (b/a)	**39%**	**34%**
Unencumbered Assets		
Rent generated by unencumbered assets [3]	993.0	796.6
Rent generated by the total Group [3]	1,215.4	1,045.9
Unencumbered assets ratio	**82%**	**76%**

	Nine months ended September 30	
Interest Cover Ratio (ICR)	**2021**	2020
	in € millions	
Group finance expenses [4]	143.1	169.4
Adjusted EBITDA [5]	725.3	745.8
ICR	**5.1x**	**4.4x**

1) including advance payments and deposits and excluding the right-of-use assets
2) including cash and cash equivalents under held for sale
3) annualized net rent including the contribution from joint venture positions and excluding the net rent from assets held for sale
4) including AT's share in joint venture positions' finance expenses
5) including the contributions from assets held for sale and joint venture positions, excluding extraordinary expenses for uncollected rent due to the Covid pandemic

AT's disciplined debt management approach, its strong credit profile and its high financial strength are reflected in its solid debt metrics. AT's LTV amounted to 39% at the end of September 2021, higher compared to 34% at year-end 2020. The increase is mainly due to the consolidation of GCP where its debt was consolidated at market values following IFRS accounting treatment, whereas in December 2020 GCP was presented only as an asset under equity-accounted investees. Nevertheless, GCP's conservative debt profile is supportive for the Company and impacts positively the Company's financial matrix. The LTV remains well below the internal limit of 45% set by the Board of Directors. An unencumbered asset ratio of 82% with a total value of €23.5 billion as well as a high ICR of 5.1x are consistently maintained at comfortable levels, highlighting the company's financial flexibility.

LOAN-TO-VALUE
Board of Directors' limit of 45%




Berlin

EQUITY

	Sep 2021	Dec 2020
	in € millions	
Total equity	**19,162.0**	**15,583.0**
of which equity attributable to the owners of the Company	10,505.2	10,424.8
of which equity attributable to perpetual notes investors	4,747.7	3,132.9
of which non-controlling interests	3,909.1	2,025.3
Equity ratio	**49%**	**50%**

AT's total equity amounted to €19.2 billion at the end of September 2021, 23% higher compared to €15.6 billion at year-end 2020 mainly due the impact of GCP's consolidation and net issuance of perpetual notes. Shareholders' equity amounted to €10.5 billion at the end of September 2021, higher compared to €10.4 billion at year-end 2020 mainly due to the profit generation in the reporting period and the scrip dividends issued in 2021. The increase during the period was partially offset by accretive share buybacks of over €280 million and cash dividend in an amount of ca. €150 million which AT paid in July 2021. Out of €161 million dividend reserve created during year-end 2020 and €251 million created during the first half of 2021, €58 million and €101 million were distributed as company shares in the form of scrip dividends, respectively. A high scrip dividend participation rate in both distributions supported the equity base. The consolidation of GCP had an impact on the increase in the non-controlling interest as well as an increase on the shareholder's equity due to the goodwill created from the consolidation process. The non-controlling interests amounted to €3.9 billion at the end of September 2021, increasing compared to €2.0 billion at year-end 2020, mainly due to the consolidation of GCP to account for the minority share in GCP as well as due to the consolidation of GCP's minority interests. Excluding GCP's impact, the non-controlling interest balance decreased mainly due to the relatively higher stake in TLG mainly as a result of TLG's share buyback program.

The perpetual notes balance grew from €3.1 billion at year-end 2020 to €4.7 billion at the end of September 2021 as a result of the consolidation of GCP's perpetual notes and the issuance of €600 million perpetual notes with a coupon of 1.625%, which have been partially used to repurchase approx. €230 million of AT's first perpetual notes which have a coupon of 3.75%. The reduction in the coupon rate between the issuances is reflective of AT's stronger credit rating driven by the improvements in the business profile since the first issuance.

Following IFRS accounting treatment, perpetual notes are classified as equity as they do not have a repayment date, coupon payments are deferrable at the Company's discretion, they are subordinated to debt and do not have any default rights nor covenants. Following IFRS accounting treatment, mandatory convertible notes are classified as equity attributable to the owners of the Company

Dortmund

EPRA NAV KPIs

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

The EPRA NRV's purpose is to reflect the value of net assets required to rebuild a company on a long-term basis assuming entities do not sell assets. Therefore, balance sheet items that are not expected to crystallize in normal circumstances such as the fair value movements of financial derivatives and deferred tax liabilities are added back to the equity. Additionally, gross purchasers' costs are added back since this metric is aiming to reflect what would be needed to recreate a company through the investment markets based on its capital and financing structure.

The EPRA NTA aims to reflect the tangible value of a company's net asses assuming entities buy and sell assets, crystallizing certain levels of unavoidable deferred tax liabilities. Therefore, EPRA NTA excludes intangible assets and goodwill, and adds back the portion of deferred tax liabilities that is not expected to crystallize as a result of long-term hold strategy.

The EPRA NDV provides the shareholders with the value under the scenario that a company's assets are sold or its liabilities are not held until maturity. For this purpose, it assumes that deferred taxes, financial instruments and other adjustments are calculated to the full extent of their liability, net of any resulting tax.

Dresden

	Sep 2021			Dec 2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	in € millions					
Equity attributable to the owners of the Company	**10,505.2**	**10,505.2**	**10,505.2**	**10,424.8**	**10,424.8**	**10,424.8**
Deferred tax liabilities 1)	2,140.3	1,755.9	-	1,853.2	1,494.5	-
Fair value measurement of derivative financial instruments 2)	76.6	76.6	-	55.8	55.8	-
Goodwill in relation to TLG 3)	(822.1)	(822.1)	(822.1)	(822.0)	(822.0)	(822.0)
Goodwill in relation to GCP 4)	(835.4)	(835.4)	(835.4)	-	(620.5)	(620.5)
Intangibles as per the IFRS balance sheet 5)	-	(24.7)	-	-	(18.0)	-
Net fair value of debt	-	-	(540.3)	-	-	(627.4)
Real estate transfer tax 6)	1,869.1	765.5	-	1,582.1	672.8	-
NAV	**12,933.7**	**11,421.0**	**8,307.4**	**13,093.9**	**11,187.4**	**8,354.9**
Number of shares (in millions) 7)	1,159.9			1,176.7		
NAV per share (in €)	**11.2**	**9.8**	**7.2**	**11.1**	**9.5**	**7.1**

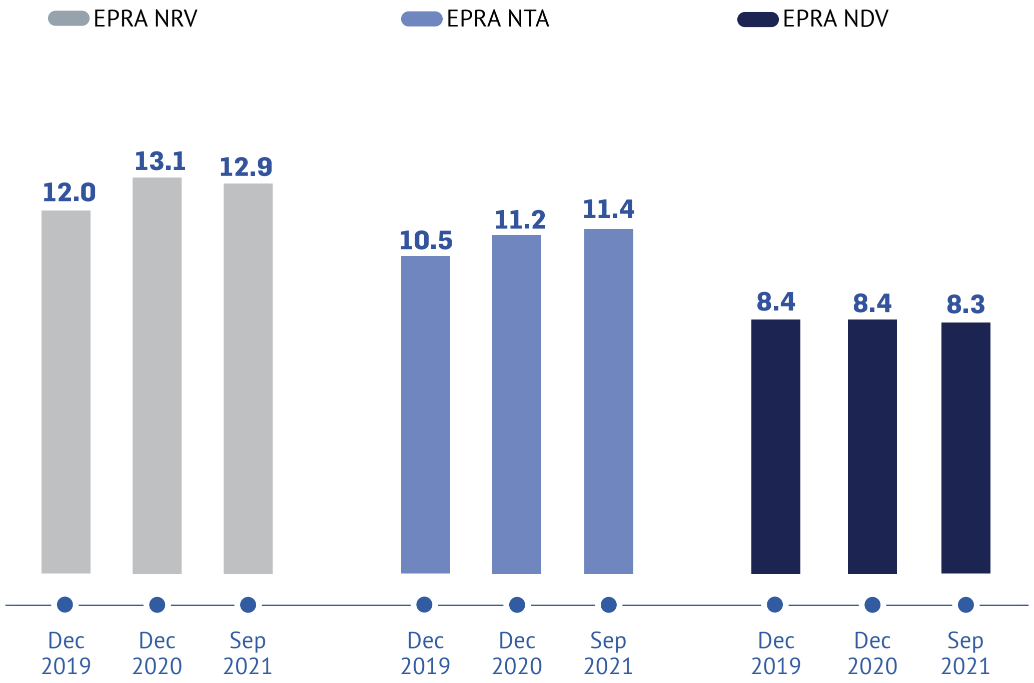
1) excluding significant minority share in deferred tax liabilities (DTL). EPRA NRV additionally includes DTL of assets held for sale
2) excluding significant minority share in derivatives
3) deducting the goodwill resulting from the business combination with TLG
4) deducting the goodwill resulting from the consolidation of GCP
5) excluding significant minority share in intangibles
6) including the gross purchasers' costs of assets held for sale and relative share in GCP's relevant RETT. EPRA NTA includes only the gross purchasers' costs of properties where RETT optimization at disposal can be achieved
7) excluding shares in treasury and including the conversion impact of mandatory convertible notes, base for share KPI calculations

The EPRA NRV amounted to €12.9 billion and €11.2 per share at the end of September 2021, relatively stable compared to €13.1 billion and €11.1 per share at year-end 2020, with a slight growth in the per share amount due to share buybacks.

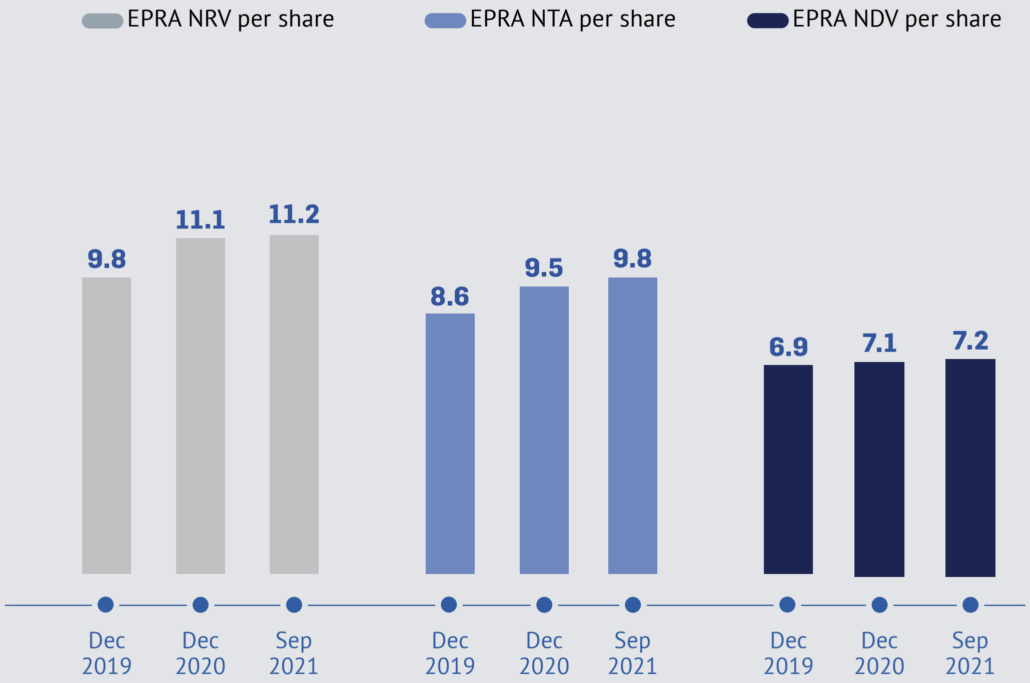
The EPRA NTA amounted to €11.4 billion and €9.8 per share at the end of September 2021, growing by 2% and 3% compared to €11.2 billion and €9.5 per share at year-end 2020, respectively. As of September 2021, the goodwill is fully deducted from the KPI's, therefore the increased goodwill is neutral for the EPRA NTA, NDV and NRV. AT's portion in GCP's deferred tax liabilities and in GCP's real estate transfer taxes are included in September 2021 due to the consolidation of GCP. Adjusted for dividends, EPRA NTA per share grew by 5% since year-end 2020. The per share growth was larger than absolute growth due to the accretive share buyback program which is being executed at a significant discount to the EPRA NTA. AT bought back over €280 million of its shares during 9M 2021 as part of its currently ongoing buyback program with a volume up to €500 million. As of November 19, 2021, approx. €400 million have been bought back. The buyback of shares at a significant discount to NAV creates additional shareholder value. The EPRA NDV amounted to €8.3 billion and €7.2 per share at the end of September 2021, compared to €8.4 billion and €7.1 per share at year-end 2020, respectively.

Leipzig

EPRA NAV KPIs (IN € BN)



EPRA NAV PER SHARE KPIs (IN €)



Hannover

ALTERNATIVE PERFORMANCE MEASURES (APM)

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

ADJUSTED EBITDA

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

AT created extraordinary expenses for uncollected rent due to Covid pandemic in response to the impact of Coronavirus on the hotel industry. Adjusted EBITDA excludes (adds back) these expenses which are called *Extraordinary expenses for uncollected rent.*

Adjusted EBITDA Calculation
Operating Profit
(+) Total depreciation and amortization
(=) EBITDA
(-) Property revaluations and capital gains
(-) Share in profit from investment in equity-accounted investees
(+) Other adjustments incl. one-off expenses related to TLG merger [1]
(-) Contribution from assets held for sale
(+) Add back: Extraordinary expenses for uncollected rent [2]
(=) Adjusted EBITDA before JV contribution [3]
(+) Contribution of joint ventures' adjusted EBITDA [4]
(=) Adjusted EBITDA

1) the other adjustment is expenses related to employees' share incentive plans
2) extraordinary expenses for uncollected rent due to the Covid pandemic
3) previously defined as Adjusted EBITDA commercial portfolio, recurring long-term
4) the adjustment is to reflect AT's share in the adjusted EBITDA of companies in which AT has significant influence and that are not consolidated. GCP contributed to this line item until June 30, 2021. Starting from July 1, 2021, GCP is consolidated

FUNDS FROM OPERATIONS (FFO I)

(PREVIOUSLY DEFINED AS FFO I AFTER PERPETUAL, COVID ADJUSTED)

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

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

AT created extraordinary expenses for uncollected rent due to the Covid pandemic in response to the impact of Coronavirus on the hotel industry. Therefore, AT's *FFO I* (previously defined as FFO I after perpteual, Covid adjusted) includes these expenses.

FFO I per share before Covid adjustment is calculated by dividing the *FFO I before Covid adjustment* by the *Weighted average basic shares* which excludes the shares held in treasury and includes the conversion impact of mandatory convertible notes. *FFO I per share* (previously defined as FFO I per share after perpetual, Covid adjusted) is calculated by dividing the *FFO I* by the *Weighted average basic shares* which excludes the shares held in treasury and includes the conversion impact of mandatory convertible notes.

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

1) previously defined as FFO I commercial portfolio, recurring long-term
2) the adjustment is to reflect AT's share in the FFO I of companies in which AT has significant influence and that are not consolidated. GCP contributed to this line item until June 30, 2021. Starting from July 1, 2021 GCP is consolidated
3) extraordinary expenses for uncollected rent due to the Covid pandemic

FFO I Per Share Calculation
(a) FFO I before Covid adjustment
(-) Weighted average basic shares [1]
(=) (a/b) FFO I per share before Covid adjustment
(c) FFO I
(d) Weighted average basic shares [1]
(=) (c/d) FFO I per share

1) excluding the shares held in treasury and including the conversion impact of mandatory convertible notes base for share KPI calculations

FUNDS FROM OPERATIONS II (FFO II)

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

FFO II Calculation
FFO I
(+) Results from the disposal of properties [1]
(=) FFO II [2]

1) the excess amount of the sale price, net of transaction costs and total costs (cost price and capex of the disposed properties)
2) reclassified to be based on FFO I (previously defined as FFO I after perpetual, Covid adjusted)

EPRA NET REINSTATEMENT VALUE (EPRA NRV)

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

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

1) excluding significant minority share in deferred tax liabilities (DTL), including DTL of assets held for sale
2) excluding significant minority share in derivatives
3) deducting the goodwill resulting from the business combination with TLG
4) deducting the goodwill resulting from the consolidation of GCP
5) including the gross purchasers' costs of assets held for sale and relative share in GCP's relevant RETT
6) excluding shares in treasury and including the conversion impact of mandatory convertible notes, base for share KPI calculations

EPRA NET TANGIBLE ASSETS (EPRA NTA)

The EPRA NTA is defined by the European Public Real Estate Association (EPRA) as a measure to highlight the value of a company's net tangible assets assuming that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred taxes. AT's *EPRA NTA* calculation begins by adding to the *Equity attributable to the owners of the Company* the *Deferred tax liabilities* which excludes the deferred tax liabilities of properties held for sale, retail portfolio, development rights & invest portfolio and significant minority share in deferred tax liabilities. AT also adds/deducts *Fair value measurement of derivative financial instruments* which includes the derivative financial instruments related to interest hedging and excludes significant minority share financial derivative instruments. Furthermore, AT deducts the *Goodwill in relation to TLG, Goodwill in relation to GCP* and *Intangibles as per the IFRS balance sheet* which excludes significant minority share in intangibles. Moreover, AT adds gross purchasers' costs of properties which enable RETT optimization at disposals based on track record. This figure includes AT's share in GCP's relevant RETT. *EPRA NTA per share* is calculated by dividing the *EPRA NTA* by the *Number of shares (in millions)* which excludes the treasury shares and includes the conversion impact of mandatory convertible notes.

EPRA NTA Calculation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities [1]
(+/-) Fair value measurement of derivative financial instruments [2]
(-) Goodwill in relation to TLG [3]
(-) Goodwill in relation to GCP [4]
(-) Intangibles as per the IFRS balance sheet [5]
(+) Gross purchasers' costs [6]
(=) (a) EPRA NTA
(b) Number of shares (in millions) [7]
(=) (a/b) EPRA NTA per share

1) excluding significant minority share in deferred tax liabilities (DTL)
2) excluding significant minority share in derivatives
3) deducting the goodwill resulting from the business combination with TLG
4) deducting the goodwill resulting from the consolidation of GCP
5) excluding significant minority share in intangibles
6) including only the gross purchasers' costs of properties where RETT optimization at disposal can be achieved. Additionally including relative share in GCP's relevant RETT
7) excluding shares in treasury and including the conversion impact of mandatory convertible notes, base for share KPI calculations

EPRA NET DISPOSAL VALUE (EPRA NDV)

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

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

1) deducting the goodwill resulting from the business combination with TLG
2) deducting the goodwill resulting from the consolidation of GCP
3) excluding shares in treasury and including the conversion impact of mandatory convertible notes, base for share KPI calculations

LOAN-TO-VALUE (LTV)

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

LOAN-TO-VALUE Calculation
(+) Investment property [1]
(+) Investment property of assets held for sale
(+) Investment in equity-accounted investees
(=) (a) Total value
(+) Total financial debt [2] [3]
(-) Cash and liquid assets [3]
(=) (b) Net financial debt
(=) (b/a) LTV

1) including advance payments and deposits and excluding the right-of-use assets

2) total bank loans, straight bonds and convertible bond and excluding lease liabilities

3) including balances held for sale

EQUITY RATIO

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

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

UNENCUMBERED ASSETS RATIO

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

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

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

INTEREST COVER RATIO (ICR)

The Interest Cover Ratio (ICR) is widely used in the real estate industry to assess the strength of a firm's credit profile. The multiple indicates the degree to which the Company's operational results are able to cover its debt servicing. *ICR* is calculated by dividing the *Adjusted EBITDA* including the contributions from assets held for sale and joint venture positions by the *Group Finance expenses* which is the sum of AT's finance expenses and AT's share in joint venture positions' finance expenses.

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

1) including AT's share in joint venture positions' finance expenses

2) including the contributions from assets held for sale and joint venture positions, excluding extraordinary expenses for uncollected rent due to the Covid pandemic

Frankfurt

RESPONSIBILITY STATEMENT

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

DISCLAIMER

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

By order of the Board of Directors, November 24, 2021

Frank Roseen
Executive Director

Jelena Afxentiou
Executive Director

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
		Unaudited			
		in € millions			
Revenue	8	935.8	890.4	394.4	302.1
Property revaluations and capital gains		321.6	735.5	212.9	171.5
Share in profit from investment in equity-accounted investees		157.8	146.5	66.2	38.3
Property operating expenses		(369.8)	(303.1)	(151.7)	(117.7)
Administrative and other expenses		(43.0)	(39.1)	(15.6)	(12.2)
Operating profit		**1,002.4**	**1,430.2**	**506.2**	**382.0**
Finance expenses		(130.3)	(151.2)	(49.5)	(52.3)
Other financial results		(88.0)	(133.0)	(86.5)	(33.3)
Profit before tax		**784.1**	**1,146.0**	**370.2**	**296.4**
Current tax expenses		(71.0)	(66.9)	(32.2)	(21.3)
Deferred tax expenses		(63.5)	(267.3)	(50.5)	(89.6)
Profit for the period		**649.6**	**811.8**	**287.5**	**185.5**
Profit attributable to:					
Owners of the Company		464.5	597.2	166.6	111.0
Perpetual notes investors		76.1	66.4	29.8	23.2
Non-controlling interests		109.0	148.2	91.1	51.3
Profit for the period		**649.6**	**811.8**	**287.5**	**185.5**
Net earnings per share attributable to the owners of the Company (in €)					
Basic earnings per share		0.40	0.44	0.14	0.08
Diluted earnings per share		0.39	0.44	0.14	0.08

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,	
	2021	2020	**2021**	2020
	Unaudited			
	in € millions			
Profit for the period	**649.6**	**811.8**	**287.5**	**185.5**
Other comprehensive income (loss):				
Items that are or may be reclassified subsequently to profit or loss, net of tax:				
Foreign operations – foreign currency translation difference, net of investment hedges of foreign operations	12.5	(38.8)	(0.8)	(6.9)
Cash flow hedges and cost of hedging	39.5	(*) 5.0	25.3	(*) (14.2)
Equity-accounted investees – share of OCI	20.8	(23.6)	10.9	(3.6)
Total comprehensive income for the period	**722.4**	**754.4**	**322.9**	**160.8**
Total comprehensive income attributable to:				
Owners of the Company	534.2	539.8	198.9	86.3
Perpetual notes investors	76.1	66.4	29.8	23.2
Non-controlling interests	112.1	148.2	94.2	51.3
Total comprehensive income for the period	**722.4**	**754.4**	**322.9**	**160.8**

(*) reclassified

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at September 30,	As at December 31,
		2021	2020
		Unaudited	Audited
	Note	in € millions	
ASSETS			
Property and equipment		87.1	(*) 37.2
Goodwill and intangible assets	5	1,690.8	(*) 840.0
Investment property	9	28,975.9	21,172.4
Advance payments and deposits		230.1	147.5
Investment in equity-accounted investees	10	1,184.4	3,177.4
Derivative financial assets		159.9	111.5
Other non-current assets		818.4	564.0
Deferred tax assets		235.7	190.5
Non-current assets		**33,382.3**	**26,240.5**
Cash and cash equivalents		2,501.1	2,692.1
Short-term deposits		135.6	140.8
Financial assets at fair value through profit or loss		631.9	427.8
Trade and other receivables		1,058.2	616.6
Derivative financial assets		24.3	26.4
Assets held for sale	9.3	1,666.1	877.4
Current assets		**6,017.2**	**4,781.1**
Total Assets		**39,399.5**	**31,021.6**

(*) reclassified

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

	Note	As at September 30, 2021 Unaudited	As at December 31, 2020 Audited
		in € millions	
EQUITY			
Share capital		15.4	15.4
Treasury shares	11.2	(2,774.5)	(2,621.6)
Retained earnings and other reserves		13,264.3	13,031.0
Equity attributable to the owners of the Company		**10,505.2**	**10,424.8**
Equity attributable to perpetual notes investors	5, 11.3	4,747.7	3,132.9
Equity attributable to the owners of the Company and perpetual notes investors		**15,252.9**	**13,557.7**
Non-controlling interests	5, 11.4	3,909.1	2,025.3
Total Equity		**19,162.0**	**15,583.0**
LIABILITIES			
Loans and borrowings		1,156.5	1,293.6
Straight bonds and schuldscheins	12	13,782.7	10,386.4
Derivative financial liabilities		388.6	409.3
Other non-current liabilities		426.9	249.4
Deferred tax liabilities		2,676.7	2,025.8
Non-current liabilities		**18,431.4**	**14,364.5**
Current portion of long-term loans and loan redemptions		53.5	83.2
Straight and convertible bonds	12	691.0	97.7
Dividend payable		-	160.8
Trade and other payables		651.3	434.8
Tax payable		96.8	67.6
Provisions for other liabilities and accrued expenses		197.5	176.8
Derivative financial liabilities		1.1	12.6
Liabilities held for sale		114.9	40.6
Current liabilities		**1,806.1**	**1,074.1**
Total liabilities		**20,237.5**	**15,438.6**
Total Equity and Liabilities		**39,399.5**	**31,021.6**

The Board of Directors of Aroundtown SA authorized these interim consolidated financial statements for issuance on November 24, 2021

Frank Roseen
Executive Director

Jelena Afxentiou
Executive Director

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 (UNAUDITED)

	Attributable to the owners of the Company									
	Share capital	Share premium and other reserves	Cash flow hedge and cost of hedge reserves	Treasury shares	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions									
Balance as at January 1, 2021	**15.4**	**5,752.4**	**(37.2)**	**(2,621.6)**	**7,315.8**	**10,424.8**	**3,132.9**	**13,557.7**	**2,025.3**	**15,583.0**
Profit for the period	-	-	-	-	464.5	464.5	76.1	540.6	109.0	649.6
Other comprehensive income for the period, net of tax	-	33.1	36.6	-	-	69.7	-	69.7	3.1	72.8
Total comprehensive income for the period	**-**	**33.1**	**36.6**	**-**	**464.5**	**534.2**	**76.1**	**610.3**	**112.1**	**722.4**
Transactions with owners of the Company										
Contributions and distributions										
Share buy-back program	-	-	-	(281.5)	-	(281.5)	-	(281.5)	-	(281.5)
Equity settled share-based payment	-	(1.3)	-	2.0	-	0.7	-	0.7	-	0.7
Dividend distributions	-	(237.6)	-	146.4	-	(91.2)	-	(91.2)	-	(91.2)
Total contributions and distributions	**-**	**(238.9)**	**-**	**(133.1)**	**-**	**(372.0)**	**-**	**(372.0)**	**-**	**(372.0)**
Changes in ownership interests										
Share buy-back in subsidiaries	-	-	-	-	(7.0)	(7.0)	-	(7.0)	(205.8)	(212.8)
Transactions with non-controlling interests	-	-	-	-	(28.0)	(28.0)	-	(28.0)	(130.7)	(158.7)
Business combination with Grand City Properties S.A.	-	-	-	(19.8)	-	(19.8)	1,250.0	1,230.2	2,108.2	3,338.4
Total changes in ownership interests	**-**	**-**	**-**	**(19.8)**	**(35.0)**	**(54.8)**	**1,250.0**	**1,195.2**	**1,771.7**	**2,966.9**
Transactions with perpetual notes investors										
Issuance of perpetual notes, net of perpetual notes buy-back	-	(27.0)	-	-	-	(27.0)	365.5	338.5	-	338.5
Payment to perpetual notes investors	-	-	-	-	-	-	(76.8)	(76.8)	-	(76.8)
Total transactions with perpetual notes investors	**-**	**(27.0)**	**-**	**-**	**-**	**(27.0)**	**288.7**	**261.7**	**-**	**261.7**
Balance as at September 30, 2021	**15.4**	**5,519.6**	**(0.6)**	**(2,774.5)**	**7,745.3**	**10,505.2**	**4,747.7**	**15,252.9**	**3,909.1**	**19,162.0**

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020 (UNAUDITED)

	Attributable to the owners of the Company									
	Share capital	Share premium and other reserves	Cash flow hedge and cost of hedge reserves	Treasury shares	Retained earnings	Total	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
	in € millions									
Balance as at January 1, 2020	**12.2**	**3,008.0**	**2.2**	**-**	**6,563.1**	**9,585.5**	**2,484.0**	**12,069.5**	**1,309.4**	**13,378.9**
Profit for the period	-	-	-	-	597.2	597.2	66.4	663.6	148.2	811.8
Other comprehensive income (loss) for the period, net of tax	-	(62.1)	4.7	-	-	(57.4)	-	(57.4)	-	(57.4)
Total comprehensive income (loss) for the period	**-**	**(62.1)**	**4.7**	**-**	**597.2**	**539.8**	**66.4**	**606.2**	**148.2**	**754.4**
Transactions with owners of the Company										
Contributions and distributions										
Share buy-back program	-	-	-	(289.0)	-	(289.0)	-	(289.0)	-	(289.0)
Issuance of mandatory convertible notes	-	190.6	-	-	-	190.6	-	190.6	-	190.6
Equity settled share-based payment	(*) 0.0	2.0	-	-	-	2.0	-	2.0	-	2.0
Total contributions and distributions	**0.0**	**192.6**	**-**	**(289.0)**	**-**	**(96.4)**	**-**	**(96.4)**	**-**	**(96.4)**
Changes in ownership interests										
Transactions with non-controlling interests	-	-	-	-	95.2	95.2	-	95.2	28.3	123.5
Business combination with TLG Immobilien AG	3.2	2,745.9	-	(1,620.8)	-	1,128.3	643.1	1,771.4	644.6	2,416.0
Total changes in ownership interests	**3.2**	**2,745.9**	**-**	**(1,620.8)**	**95.2**	**1,223.5**	**643.1**	**1,866.6**	**672.9**	**2,539.5**
Transactions with perpetual notes investors										
Payment to perpetual notes investors	-	-	-	-	-	-	(65.0)	(65.0)	-	(65.0)
Total transactions with perpetual notes investors	**-**	**-**	**-**	**-**	**-**	**-**	**(65.0)**	**(65.0)**	**-**	**(65.0)**
Balance as at September 30, 2020	**15.4**	**5,884.4**	**6.9**	**(1,909.8)**	**7,255.5**	**11,252.4**	**3,128.5**	**14,380.9**	**2,130.5**	**16,511.4**

(*) less than €0.1 million

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended September 30,	
	2021	2020
	Unaudited	
	in € millions	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	649.6	811.8
Adjustments for the profit:		
Depreciation and amortization	5.8	2.9
Property revaluations and capital gains	(321.6)	(735.5)
Share in profit from investment in equity-accounted investees	(157.8)	(146.5)
Finance expenses and other financial results	218.3	284.2
Current and deferred tax expenses	134.5	334.2
Share-based payment	3.9	2.3
Change in working capital	(55.8)	(58.9)
Dividend received	9.3	24.6
Tax paid	(75.1)	(66.3)
Net cash provided by operating activities	**411.1**	**452.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of equipment and intangible assets, net	(9.2)	(19.0)
Proceeds from disposals of investment property, property classified as 'property and equipment', and investees	1,091.0	717.5
Acquisitions of investment property and investees, investment in capex and advances paid	(691.1)	(461.6)
Investments in traded securities and other financial assets, net	(204.4)	(213.8)
Net cash provided by investing activities	**186.3**	**23.1**

The accompanying notes on pages 56 to 68 form an integral part of these interim consolidated financial statements

		Nine months ended September 30,	
		2021	2020
		Unaudited	
	Note	in € millions	
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buy-back program	11.2	(281.5)	(289.0)
Share buy-backs in subsidiaries	11.4	(212.8)	-
(Payments) to mandatory convertible notes investors and proceeds from issuance, net		(10.5)	219.0
Proceeds (payments) from (to) perpetual notes investors, net of buy-back		261.7	(65.1)
Buy-back of straight bonds		(486.6)	(699.2)
Proceeds (repayments) from (of) loans from financial institutions and others, net		(556.6)	(332.0)
Amortizations of loans from financial institutions and others		(13.8)	(23.7)
Transactions with non-controlling interests		(116.0)	232.5
Dividends paid to owners of the Company	11.1	(252.0)	-
Dividends paid to non-controlling interests		(44.6)	-
Interest and other financial expenses paid, net		(154.2)	(163.6)
Net cash used in financing activities		**(1,866.9)**	**(1,121.1)**
Net change in cash and cash equivalents		**(1,269.5)**	**(645.2)**
Cash and cash equivalents as at January 1		2,692.1	2,191.7
Assets held for sale – change in cash		(1.4)	(4.9)
Cash and cash equivalents from business combinations	5	1,069.7	509.4
Effect of movements in exchange rates on cash held		10.2	(1.6)
Cash and cash equivalents as at September 30		**2,501.1**	**2,049.4**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

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

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

These interim consolidated financial statements for the nine-month period ended September 30, 2021 consist of the financial statements of the Company and its investees ("the Group").

2. SIGNIFICANT CHANGES IN THE REPORTING PERIOD

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

1. Business combination with Grand City Properties S.A. ("GCP") (see note 5).
2. Disposals of real estate assets in a total value of approximately €1.1 billion (for the investment property sold, see note 9.3)
3. Buy-back of some of the Company's straight bonds (see note 12).
4. Repayment of approximately €540 million of bank loans.
5. Share buy-back of the Company's shares (see note 11.2).
6. Share buy-backs executed by TLG Immobilien AG ("TLG") and GCP (see note 11.4).
7. Issuance of a new series of perpetual notes carrying 1.625% annual coupon and buy-back of outstanding perpetual notes carrying 3.75% annual coupon (see note 11.3).
8. Increase in the UK corporation tax (CT) rate from 19% to 25% on profits over GBP 250 thousand from April 1, 2023.
9. For additional information about changes in the Group's financial position and performance, see the "Notes on business performance" section in the Board of Directors' Report.

3. BASIS OF PREPARATION

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and are in compliance with the International Financial Reporting Standards (IFRSs) as adopted by the European Commission for use within the EU. These interim consolidated financial statements include a condensed version of financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended December 31, 2020. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last consolidated financial statements.

The accounting policies adopted in the preparation of these interim consolidated financial statements, including the judgments, estimates and special assumptions that affect the application of those accounting policies, are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2020, except for the changes in accounting policies and the adoption of new standard, amendments to standards and interpretations as described in note 4.

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

Functional and presentation currency

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

As at September 30, 2021, the Group's main foreign exchange rates versus the euro were as follows:

	EUR/GBP ("British Pound")	EUR/USD ("US Dollar")
As at September 30, 2021	**0.861**	**1.158**
As at September 30, 2020	0.912	1.171
As at December 31, 2020	0.899	1.227
Average rate 01-09/2021	0.864	1.196
Changes (%) during the nine-month period:		
Nine months ended September 30, 2021	(4.3%)	(5.6%)
Nine months ended September 30, 2020	7.2%	4.3%
Year ended December 31, 2020	5.6%	9.3%

4. CHANGES IN ACCOUNTING POLICIES

Except as described below, the accounting policies in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2020.

The changes in accounting policies will also be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2021.

Basis of consolidation

Where the Group has control over an investee, it is classified as a subsidiary. The group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control over an investee.

De facto control exists in situations where the Group has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights in the general meeting of shareholders. In determining whether de facto control exists the Group considers all relevant facts and circumstances, including: the size of the Group's voting rights relative to both the size and dispersion of other parties who hold voting rights, substantial potential voting rights held by the Group and by other parties, other contractual arrangements and historic patterns in voting attendance.

GCP is consolidated despite the Group owning less than 50% of the voting rights in the general meeting of shareholders. This is due to the Group having the practical ability to unilaterally direct relevant activities of GCP. For more information, see note 5.

Operating Segments

During the reporting period, the Group has initially consolidated GCP, a publicly traded residential real estate company, previously presented as an equity-accounted investee in the consolidated financial statements of the Company. As a result, the Group has two reportable operating segments. For more information, see note 7.

The following amendments were adopted for the first time in these interim consolidated financial statements, with effective date of January 1, 2021:

Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

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

The following amendments were adopted by the EU, with effective date of April 1, 2021:

Amendments to IFRS 16 Leases: Covid 19-Related Rent Concessions beyond June 30, 2021 (issued on March 31, 2021)

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

The following amendments were adopted by the EU, with effective date of January 1, 2022:

Amendments to IFRS 3 Business Combinations

Amendments to IAS 16 Property, Plant and Equipment

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Annual Improvements 2018-2020.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

5. BUSINESS COMBINATION WITH GRAND CITY PROPERTIES S.A.

During July, 2021, the Group concluded on obtaining de facto control over Grand City Properties S.A. The Group's holding rate in GCP was 43.8% (excluding shares GCP held in treasury), and the effective holding rate was 44.3%, including shares received from GCP's scrip dividend in July 2021. The de facto control arises despite holding less than 50% of the voting rights and followed a thorough analysis of several cumulative circumstances that indicated on the sustainable ability of the Company to control GCP. These circumstances included, inter alia, the continuous increase in the holding rate by the Company over time, the Group's historical attendance levels in GCP's annual general meeting, and the composition of GCP's shareholding structure that is widely dispersed.

From practicality and materiality level, the initial consolidation of GCP commenced on July 1, 2021. From then until September 30, 2021, GCP contributed revenue in the amount of €129.9 million and net profit of €149.0 million to the consolidated Group's results. Had the takeover occurred on January 1, 2021, the consolidated revenue and consolidated net profit for the period would have been increased by €259.2 million and €157.1 million, respectively.

The fair value of the equity interest in GCP held by the Company prior to the initial consolidation including direct minority interest in subsidiaries of GCP amounted to €2,664.4 million and was validated by an external valuation. The remeasurement to fair value of the equity interest in GCP, previously accounted for as equity-accounted investee, resulted in a gain of €74.2 million on initial consolidation. The amount has been included in share in profit from investment in equity-accounted investees in the interim consolidated statement of profit or loss. The Group did not incur significant acquisition-related costs.

The following table summarizes the recognized amounts of identified assets and liabilities acquired as at the date of the takeover and initial consolidation:

	Note	in € millions
NON-CURRENT ASSETS		
Property and equipment	(a)	34.1
Intangible assets		14.6
Investment property		8,367.5
Advance payments and deposits		29.8
Investment in equity-accounted investees		110.9
Derivative financial assets		21.3
Other non-current assets		349.6
Deferred tax assets		50.0
Total identifiable non-current assets		**8,977.8**
CURRENT ASSETS		
Cash and cash equivalents		1,069.7
Financial assets at fair value through profit or loss	(b)	285.0
Trade and other receivables		482.5
Derivative financial assets		6.0
Assets held for sale		97.3
Total identifiable current assets		**1,940.5**

	Note	in € millions
NON-CURRENT LIABILITIES		
Loans and borrowings		166.0
Straight bonds	12	3,948.2
Derivative financial liabilities		79.9
Other non-current liabilities		147.3
Deferred tax liabilities		658.6
Total identifiable non-current liabilities		**5,000.0**
CURRENT LIABILITIES		
Current portion of loans and borrowings		0.9
Straight bond	12	52.0
Convertible bond	12	290.2
Dividend payable		44.8
Trade and other payables		294.0
Tax Payable		4.2
Provisions for other liabilities and accrued expenses		32.5
Derivative financial liabilities		3.9
Liabilities held for sale		8.6
Total identifiable current liabilities		**731.1**
Net identifiable assets and liabilities acquired		**5,187.2**

(a) includes mainly owner-occupied property in an amount of €21.1 million.
(b) includes €19.8 million investment in the Company's shares, that are classified as shares held in treasury in the interim consolidated statement of financial position.

Measurement of fair values

The valuation techniques used for measuring the fair value of the material identifiable assets acquired and liabilities assumed were as follows:

Investment property, property classified as "Property and Equipment", properties held for sale	• **Discounted cash flows ("DCF") method** - under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate. • **Comparable approach** - under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. • **Residual value approach** - the residual value assesses the various factors associated with a conversion or a new development of a property. The goal of this method is to calculate an objective value for the site, which is either undeveloped or suboptimally utilised.
Financial assets at fair value through profit or loss	• Quoted prices • Discounted cash flow method with observable inputs where possible, but where this was not feasible, a degree of judgement was required in establishing fair values. Judgements include considerations of input such as liquidity risk, credit risk and volatility.
Derivative financial assets and liabilities	Interest rate and foreign exchange swap and forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.
Loans and borrowings	Discounted cash flow method with observable inputs where possible, but where this was not feasible, a degree of judgement was required in establishing fair values. Judgements include considerations of input such as liquidity risk, credit risk and volatility.
Straight and convertible bonds	• Quoted prices • Discounted cash flow method with observable inputs where possible, but where this was not feasible, a degree of judgement was required in establishing fair values. Judgements include considerations of input such as liquidity risk, credit risk and volatility.

Deferred tax liabilities and deferred tax assets were recognized and measured in accordance with IAS 12. The fair value of other identifiable assets acquired and liabilities assumed approximate their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

If new information obtained within one year following the date of the initial consolidation about facts and circumstances that existed at the date of the initial consolidation, the accounting presentation will be revised accordingly.

Goodwill arising from the acquisition has been recognized as follows:

	in € millions
Fair value of previously held equity interest in GCP	**2,664.4**
GCP's identifiable net assets	5,187.2
Non-controlling interests arising from initial consolidation of GCP [(a)]	(2,108.2)
Perpetual notes [(b)]	(1,250.0)
GCP's net assets attributable to the Company	**1,829.0**
Goodwill recognized	**835.4**

(a) includes non-controlling interests that existed in GCP prior to the takeover and non-controlling interests arising as a result of the takeover, based on their proportionate ownership interests in the recognized amounts of the assets and liabilities of GCP upon business combination date.

(b) includes three different euro series of perpetual notes based on their acquisition-date fair value (quoted price) of €1,250.0 million, having an annual coupon rate of between 1.5% and 2.75%

The goodwill is attributable mainly to deferred tax liabilities.

The goodwill recognized is not expected to be deductible for tax purposes.

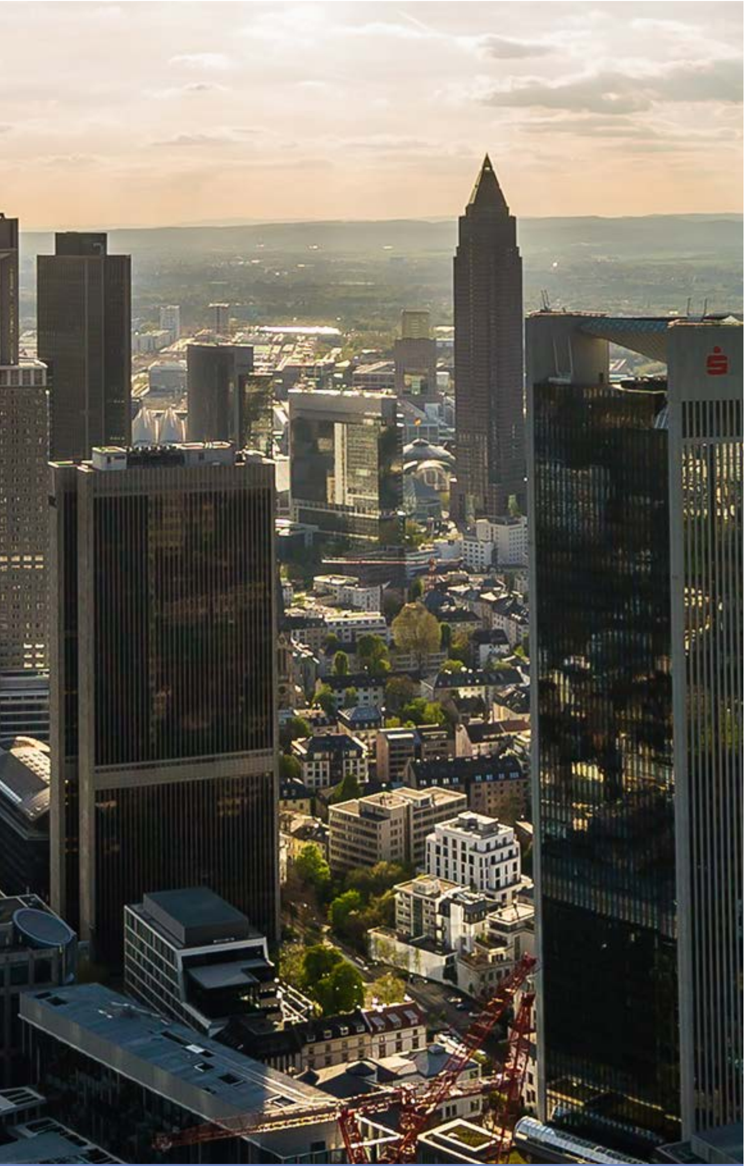
6. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables present the Group's financial assets and liabilities measured and presented at fair value as at September 30, 2021 and December 31, 2020 on a recurring basis under the relevant fair value hierarchy, and for those measured and presented at amortized cost which their carrying amount significantly differs from the fair value:

	As at September 30, 2021				As at December 31, 2020			
		Fair value measurement using				Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
	in € millions							
FINANCIAL ASSETS								
Financial assets at fair value through profit or loss	631.9	631.9	494.7	137.2	427.8	427.8	427.8	-
Derivative financial assets	184.2	184.2	-	184.2	137.9	137.9	-	137.9
Total financial assets	**816.1**	**816.1**	**494.7**	**321.4**	**565.7**	**565.7**	**427.8**	**137.9**
FINANCIAL LIABILITIES								
Straight bonds and schuldscheins	14,187.0	14,884.6	14,323.1	561.5	10,456.8	11,387.7	10,995.0	392.7
Convertible bond	286.7	285.5	285.5	-	-	-	-	-
Derivative financial liabilities	389.7	389.7	-	389.7	421.9	421.9	-	421.9
Total financial liabilities	**14,863.4**	**15,559.8**	**14,608.6**	**951.2**	**10,878.7**	**11.809.6**	**10,995.0**	**814.6**

Frankfurt



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

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

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

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

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

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

Valuation techniques used to determine fair values

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

- The fair values of the quoted bonds are based on price quotations at the reporting date. The fair value of unquoted bonds is measured using the discounted cash flow method with observable inputs
- There's an active market for the Company's listed equity investments and quoted debt instruments
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate and foreign exchange swap and forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.

7. OPERATING SEGMENTS

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

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

Aroundtown portfolio

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

GCP portfolio

GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany and London. GCP's portfolio, excluding assets held for sale and properties under development, as of September 2021, consists of 65 thousand units, located in densely populated areas with a focus on Berlin, Germany's capital North Rhine-Westphalia, Germany's most populous federal state, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

7.2 Segment revenues and net operating income

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

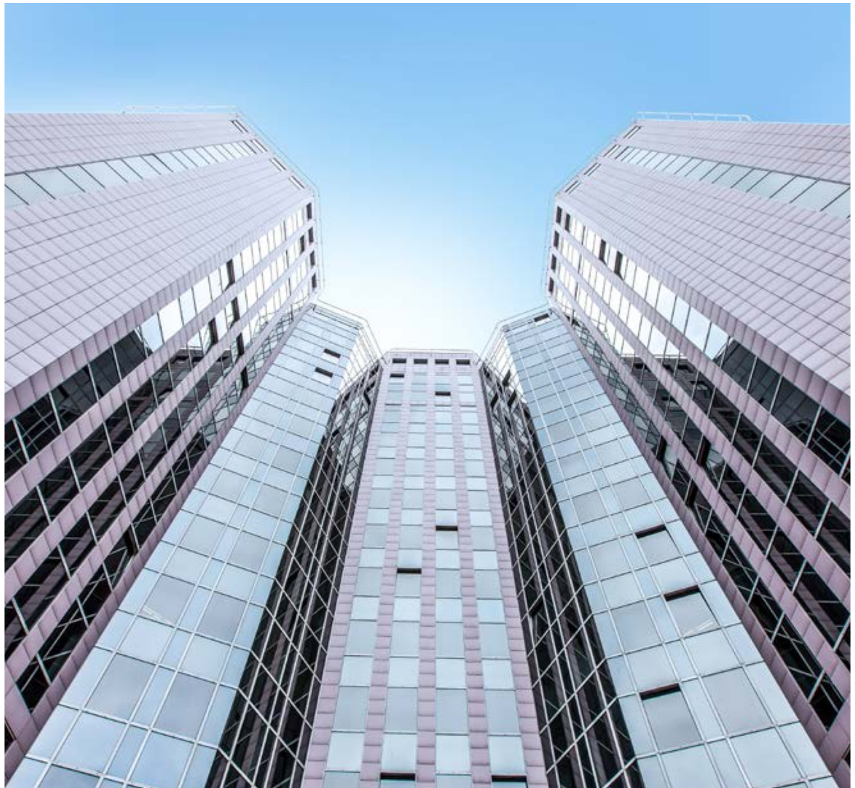
	Nine months ended September 30, 2021				
	Unaudited				
	in € millions				
	Aroundtown portfolio	**GCP portfolio**	**Total segments**	**Adjustments**	**Total**
Segment revenue	**806.3**	**130.0**	**936.3**	**(0.5)**	**935.8**
Net operating income	**496.8**	**76.3**	**572.4**	**(0.5)**	**571.9**
Depreciation and amortization					(5.8)
Administration and other expenses					(43.0)
Property revaluation and capital gains					321.6
Share in profit from equity-accounted investees					157.8
Finance expenses					(130.3)
Other financial results					(88.0)
Profit before tax					**784.1**
Current tax expenses					(71.0)
Deferred tax expenses					(63.5)
Profit for the period					**649.6**

The reportable segments are disclosed for the first time in these interim consolidated financial statements due to the consolidation of GCP.

Amsterdam

8. REVENUE

	Nine months ended September 30, 2021	2020
	Unaudited	
	in € millions	
Net rental income	773.0	758.4
Operating and other income	162.8	132.0
	935.8	**890.4**



Essen

9. INVESTMENT PROPERTY

9.1 Reconciliation of investment property

	2021	2020
	(*) Level 3	(*) Level 3
	Unaudited	Audited
	in € millions	
As at January 1	21,172.4	18,127.0
Plus: investment property classified as held for sale	830.2	202.4
Total investment property	**22,002.6**	**18,329.4**
Initially consolidated from business combinations	8,461.0	4,739.6
Acquisitions	513.2	340.9
Capital expenditures	294.7	286.4
Disposals	(1,049.3)	(2,324.3)
Effect of foreign currency exchange differences	58.7	(81.0)
Fair value adjustments	289.8	711.6
Total investment property	**30,570.7**	**22,002.6**
Less: investment property classified as held for sale	(1,594.8)	(830.2)
As at September 30 / December 31	**28,975.9**	**21,172.4**

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

9.2 Business combination and acquisitions

As part of the business combination with GCP, the Group initially consolidated €8,367.5 million of investment property as well as €93.5 million of investment property presented as assets held for sale. Furthermore, the Group acquired investment property in a total value of approximately €0.5 billion. The transactions were treated as acquisition of a group of assets and liabilities.

9.3 Disposals

During the reporting period, the Group disposed of investment property in the book value of €1,049.3 million (the yearly sales of 2020 amounted to €2,324.3 million). The sales were done above book value and resulted in profit of €31.8 million (the yearly sales of 2020 resulted in profit of €57.8 million) presented as part of the property revaluations and capital gains in the interim consolidated statement of profit or loss.

As at September 30, 2021, an amount of €1,666.1 million is presented as disposal group held for sale, of which €1,594.8 million comprised of investment property (December 31, 2020: €877.4 million and €830.2 million, respectively). After the reporting period, sales of investment property in value of approximately €0.6 billion were completed. The Company expects to complete the plan to sell the outstanding assets within the next twelve months.

10. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

Investment in Grand City Properties S.A.

Until June 30, 2021, the Group maintained significant influence over GCP and accounted it for as equity-accounted investee. From July, the Group initially consolidated GCP as part of the business combination performed due to concluding on obtaining de facto control – for further information see note 5.

Investment in Globalworth Real Estate Investments Limited

In April 2021, the Company together with CPI Property Group SA (together: the “Consortium”), announced their intention to launch a joint cash offer for Globalworth Real Estate Investments Limited (“GWI”) shareholders to acquire their shares at a price of €7.0 in cash for each tendered share. On July 23, 2021, the Consortium published the total valid acceptances of 20,467,759 GWI Shares, representing approximately 9.24% of its issued share capital. Consequently, the Consortium owned in total 134,347,223 GWI shares, representing 60.6% of GWI issued share capital and possessed the power over the investee. The Company holds 50% in the Consortium and indirectly increased its holding in GWI from 22.0% as of December 31, 2020 to 30.3% as of September 30, 2021.

During the reporting period, the Group recognized dividends from equity-accounted investees in the amount of €69.1 million (of which €59.8 million derive from GCP prior to the initial consolidation in a way of scrip dividend).

Berlin

11. EQUITY

11.1 Dividend distributions

Settlement of dividend announced in December 2020

On December 15, 2020, the shareholders' Ordinary General Meeting ("OGM") resolved upon the distribution of the dividend attributed to 2019 financial year in the amount of €0.14 per share from the share premium, in accordance with the proposal of the Company's Board of Directors. The Company provided the shareholders with the option to receive up to 85% of their dividend in the form of the Company's shares ("Scrip Dividend"). In January 2021, the Scrip Dividend was settled by paying €102.4 million in cash and delivering 11,257,157 shares from the Company's treasury shares.

Dividend announcement in June 2021

On June 30, 2021, the shareholders' Annual General Meeting ("AGM") resolved upon the distribution of the dividend attributed to 2020 financial year in the amount of €0.22 per share from the share premium, in accordance with the proposal of the Company's Board of Directors. The Company provided the shareholders with the option of Scrip Dividend. The results and payment took place in July 2021 and concluded in delivering 18,023,600 shares from the Company's treasury shares and cash payment of €149.6 million.

11.2 Treasury shares

Share buy-back program

On March 25, 2021, the Company's Board of Directors resolved on a new share buy-back program ("the Program") with the volume of up to €500 million and a limit of 100 million shares. The Program started on March 26, 2021 and is expected to be finalized by December 31, 2021 at the latest. As part of the Program, by September 30, 2021, the Group acquired 44,046,956 of its own shares for a total amount of €281.5 million.

The shares acquired as part of the buy-back programs and the public purchase offer that are outstanding in the Company's treasury accounts have suspended voting rights and are not entitled to dividend.

11.3 Perpetual notes

On January 15, 2021, the Company issued €600 million nominal value of perpetual notes with a first reset date on July 15, 2026 ("First Reset Date"). The notes carry 1.625% coupon p.a. from and including interest commencement date up to but excluding the First Reset Date. The notes will carry the relevant 6-month fix-for-floating EURIBOR plus a margin of 2.419 per cent from the First Reset Date ending on but excluding July 15, 2031. A margin of 2.669 per cent for each reset period which falls in the period commencing on and including July 15, 2031 and ending on (but excluding) July 15, 2046, and a margin of 3.419 per cent for each reset period which falls on or after July 15, 2046.

In January 2021, the Company launched a buy-back tender offer ("the Offer") for its wholly owned subsidiary's 3.75% €600 million perpetual notes. As a result of the Offer, a nominal value of €231.1 million was bought-back for a total amount of €243.6 million.

11.4 Non-controlling interests

During the reporting period, TLG has conducted two tender offers to buy-back its own shares. Both tender offers that were announced in December 2020 and February 2021, concluded in January 2021 and in March 2021, respectively, and resulted in buying-back 6.4 million of TLG shares for a total amount of €155.3 million. The impact on the Company's interim consolidated financial statements was reduction of non-controlling interests in the amount of €154.2 million.

Since the business combination with GCP, GCP has executed buy-backs of 2.5 million of its own shares for an amount of €57.5 million. The impact on the Company's interim consolidated financial statements was reduction of non-controlling interests in the amount of €51.6 million.

During the reporting period, the Company continuously increased its holding rate in the subsidiaries within the Group, mainly in TLG and GCP, that led to a total decrease of €130.7 million in the non-controlling interests' amount and decrease of €28.0 million in the equity attributable to the owners.

12. STRAIGHT AND CONVERTIBLE BONDS

Straight bonds in Aroundtown

During the reporting period, the Company completed the repurchase of some of its straight bonds. The purpose of the repurchase follows the utilization of the real estate disposal proceeds and is part of the Group's pro-active debt optimization strategy with the aim to extend the average debt maturity and reduce the cost of debt.

Set forth are the amounts bought-back and the rest outstanding nominal values of these straight bonds as at September 30, 2021:

Straight bond	Currency	Original maturity	Nominal value bought-back		Outstanding nominal value as at September 30, 2021
			In millions (original currency)	**In € millions**	**In millions (original currency)**
Series D	EUR	05/2022	98.0	98.0	-
Series E	EUR	07/2024	64.5	64.5	164.2
Series Q	GBP	07/2027	180.7	210.1	219.3
Series 35	EUR	11/2024	30.4	30.4	-
Total € nominal value bought-back				**403.0**	

On September 30, 2021, the Company announced the results of the tender offer to buy back three of its straight bonds. The accepted tendered amounts and outstanding nominal values are as follows:

Straight bond	Currency	Original maturity	Accepted tendered amount	
			In millions (original currency)	**In € millions**
Series E	EUR	07/2024	69.8	69.8
Series O	EUR	11/2026	194.8	194.8
Series Q	GBP	07/2027	126.5	147.0
Total € nominal value to be bought-back				**411.6**

The accepted tendered amounts are presented as current liabilities in the interim consolidated statement of financial position as at September 30, 2021 and were settled on October 4, 2021.

Straight and convertible bonds in GCP initially consolidated

As part of the business combination with GCP, the Company initially consolidated an aggregate euro value of €4,000.2 million of straight bonds series in both euro and other foreign currencies having an aggregated euro nominal value of €3,850.0 million. The bonds' maturities are between 2024 (except one series of €52.0 million nominal value that matured in July 2021) and 2039, and the effective interest rate varies between 0.13% and 2.5% p.a. GCP uses derivative instruments to hedge the foreign currency risk in all of its straight bonds' foreign currency principals.

Additionally, the Company initially consolidated €290.2 million of convertible bond series (having a nominal value of €280.8 million), convertible into shares of GCP, maturing in March 2022 and carrying annual interest rate of 0.25%.

There were no material changes in the GCP bond covenants arising from the de facto control the Company obtained.

On September 29, 2021, GCP sold to Aroundtown €169.2 million nominal value of GCP's convertible bond, previously held in treasury by GCP. The transaction was carried at fair value (based on quoted price). Due to the initial consolidation of GCP in July, the transaction had no impact on these interim consolidated financial statements.

13. COMMITMENTS

As at September 30, 2021, the Group had commitments for future capital expenditures on the real estate properties and others of approximately €0.2 billion. Furthermore, the Group had signed several deals to sell real estate in a volume of approximately €1.3 billion, which were not yet completed and are subject to several conditions precedent. The Company estimates the completion of the transactions to take place within the next twelve months.

14. CONTINGENT ASSETS AND LIBILITIES

The Group had no significant contingent assets or liabilities as at September 30, 2021.

15. SIGNIFICANT SUBSEQUENT EVENTS

1. On October 4, 2021, the Company settled the payment for the €411.3 million (combined) euro nominal value of straight bonds series E, O and Q that were tendered to be bought-back. Furthermore, the buy-back tender of straight bond series X resulted in accepted nominal value of CHF 100 million (€93.5 million) being bought-back on October 8, 2021.
2. On November 5, 2021, the Company announced the delisting tender offer to shareholders of TLG Immobilien AG. Under the offer, the Company will offer a cash consideration of €31.67 for each TLG share tendered. As a public delisting tender offer, it will not be subject to any closing conditions, and will not include a minimum acceptance threshold. The offer is designed to satisfy the criteria for a revocation of the TLG shares' admission to trading on the regulated market of the Frankfurt Stock Exchange.
3. After the reporting period, the Group bought-back an additional amount of 19.3 million of its own shares as part of the running share buy-back program.
4. On November 15, 2021 GCP announced the result of the bond buy-back tender, under which it accepted combined nominal value of €106.9 million of straight bonds series E and W, settlement of which took place on November 17, 2021.
5. After the reporting period, sales of investment property in value of approximately €0.6 billion were completed.

16. AUTHORISATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These interim consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 24, 2021.

Rotterdam

Amsterdam

AROUNDTOWN SA