SUPPLEMENT DATED 21 FEBRUARY 2020 TO THE OFFERING CIRCULAR DATED 4 OCTOBER 2019

Aroundtown SA

(a public limited liability company (société anonyme) established under the laws of the Grand Duchy of Luxembourg, having its registered office at 40, Rue du Curé, L-1368 Luxembourg ,Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés) under number B217868)

€15,000,000,000
Euro Medium Term Note Programme

This Supplement (the **Supplement**) to the Offering Circular dated 4 October 2019, as supplemented on 29 November 2019 (as so supplemented, the **Offering Circular**) which comprises a base prospectus for the purposes of the Prospectus Regulation constitutes a supplement to the prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the €15,000,000,000 Euro Medium Term Note Programme established by Aroundtown SA (the **Issuer**). Terms defined in the Offering Circular have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Notes that are the subject of the Offering Circular and investors should make their own assessment as to the suitability of investing in the Notes.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular and any other supplements to the Offering Circular issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of the Supplement

The purpose of this Supplement is (a) to reflect the acquisition by the Issuer on 19 February 2020 of 77.5% of the shares in TLG Immobilien AG (**TLG**) by (i) amending the risk factors; (ii) amending the section headed, "Recent Developments" on pages 194 to 195 of the Offering Circular; and (iii) incorporating by reference the unaudited interim condensed consolidated financial statements of TLG for the nine months ended 30 September 2019 (the **Q3 2019 TLG Financial Statements**), and the auditor's report and audited consolidated financial statements of TLG for the financial year ended 31 December 2018 (the **2018 TLG Financial Statements** and, together, the **TLG Financial Statements**), as well as (b) to make certain other amendments to the risk factors, the Terms and Conditions of the Subordinated Notes and the Applicable

Final Terms for Subordinated Notes and (c) to include a new "Significant Change in the Financial or Trading Position" statement.

Risk Factors

(a) By virtue of this Supplement, the risk factor entitled, "The withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties." on pages 17 to 18 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following wording:

> "***The withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties.***
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> On 29 March 2017 the United Kingdom invoked Article 50 of the Treaty on the European Union and officially notified the European Union of its decision to withdraw from the European Union. This commenced the formal two-year process (although this has subsequently been extended twice) of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the United Kingdom and the European Union (the **article 50 withdrawal agreement**).
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> Under the terms of the ratified article 50 withdrawal agreement, a transition period has now commenced which will last until 31 December 2020. During this period, most European Union rules and regulations will continue to apply to and in the United Kingdom and negotiations in relation to a free trade agreement will be ongoing. Under the ratified article 50 withdrawal agreement, the transition period may, before 1 July 2020, be extended once by up to two years. However, the United Kingdom legislation ratifying the article 50 withdrawal agreement (the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020 (as so amended, the **EUWA**)) contains a prohibition on a Minister of the Crown agreeing any extension to the transition period. While this does not entirely remove the prospect that the transition period will be extended (as the United Kingdom Parliament could pass legislation that would override the effect of the prohibition in the EUWA), the likelihood of a further extension is reduced. During the transition period, the United Kingdom and the European Union may not reach agreement on the future relationship between them, or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the United Kingdom Government.
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> Due to the on-going political uncertainty as regards the structure of the future relationship between the United Kingdom and the European Union, the precise impact on the business of the Group is difficult to determine.
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> Since the United Kingdom is currently the second largest economy in the European Union, a withdrawal from the European Single Market is expected to have significant negative impacts on the economy of the United Kingdom as well as the remaining Member States of the European Union. If the United Kingdom no longer had access to the European Single Market, the Member States of the European Union would face greater barriers to trade and commerce with the United Kingdom, which may in turn diminish overall economic activity between the European Union and the United Kingdom, resulting in a general economic downturn throughout the United Kingdom, the European Union or both. The Brexit referendum may also give rise to or strengthen tensions in other Member States regarding their membership in the European Union, potentially resulting in additional referendums or other actions in Member States regarding withdrawal from the European Union. The withdrawal of other Member States from the European Union would have unpredictable consequences and may have adverse effects on levels of economic activity in the countries in which the Issuer operates.

The Group relies on access to the financial markets in order to refinance its debt liabilities and gain access to new financing, ongoing political uncertainty and any worsening of the economic environment may reduce its ability to refinance its existing and future liabilities or gain access to new financing, in each case on favourable terms or at all. Furthermore, the Group's counterparties, in particular its hedging counterparties, may not be able to fulfil their obligations under their respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons. In addition, as of 30 September 2019, approximately 8% of Aroundtown's hotel portfolio consisted of hotel properties located in London. This percentage may increase in the future, and this portion of the Group's Portfolio may be particularly exposed to the economic and political impact of Brexit.

The occurrence of any of these risks may have a material adverse effect on the Group's business, net assets, financial condition, cash flow, results of operations, net profits and prospects."

(b) By virtue of this Supplement, the following wording shall be deemed to be inserted at the end of the section of the risk factors entitled, "Risks Relating to the Business of the Group" on page 32 of the Offering Circular:

"***Most of the tenants of Aroundtown's hotel properties are operating the hotels under well-known hotel brands on the basis of franchise agreements they have already entered or will enter into with the respective brand owners. Should tenants be unable to extend or renew their existing franchise agreements with the brand owners when they expire or if tenants violated the terms of the franchise agreements, the Issuer may face unforeseen expenses and potential losses resulting from a potential re branding of the respective hotels.***

Aroundtown has entered into long term lease agreements with the tenants of its hotel properties that operate these hotels under well-known brands and trademarks, such as "Hilton", "Marriott" "Wyndham", "IHG", "Accord" and "Radisson", on the basis of franchise agreements entered into with the respective brand owners. The underlying franchise agreements relating to the brands and trademarks provide for certain standards of the respective hotels and other covenants which the respective franchisees must comply with. In the event of a breach of a franchise agreement, that franchise agreement may be terminated and the respective hotel operator being Aroundtown's tenant might lose the right to operate the hotel under the respective brand. Also, the franchise agreements have a specific term. In the event a franchise agreement was terminated or not extended or renewed beyond its current term, the Issuer may incur unexpected expenses relating to any required re branding of the respective hotel, including the requirement of capital expenditure or refurbishing expenses. If such termination or non-extension of a franchise term related to several of Aroundtown's hotel properties were to occur in the same timeframe, the Issuer may be required to make material investments to resolve these issues. The occurrence of any of the aforementioned risks could have a material adverse effect on Aroundtown's business, net assets, financial condition, cash flow and results of operations.

The Issuer is exposed to risks with respect to its investments in Globalworth Real Estate Investments Limited.

As at 21 February 2020, the Issuer holds an interest in the listed company Globalworth Real Estate Investments Limited, Guernsey (**GWI**), of approximately 22%. of the voting rights of GWI. GWI is a real estate company whose portfolio consists mainly of office properties in Central and Eastern Europe, in particular in Poland and Romania. GWI's shares are listed on the Alternative Investment Market of the London Stock Exchange. As the Issuer is not a majority shareholder of GWI, it cannot be guaranteed that the remaining shareholders of GWI will not take any decisions or actions that are not supported by the Issuer or that are contrary to the strategy or objectives of Aroundtown and that may adversely affect the value of the Issuer's interest in GWI.

Due to the focus on office properties in Central and Eastern Europe, particularly Poland and Romania, GWI is exposed to demographic, legal, economic and political market developments in these countries. The associated risks include, in particular, economic and political developments in these countries, uncertainty in the Eurozone and related currency fluctuations, as well as the potential effects of changes in interest rates. Other risks include the availability of properties for acquisition, GWI's ability to successfully manage its properties, potential changes in the geographical composition and concentration risks in GWI's property portfolio, GWI's ability to find and retain suitable tenants for its properties, the effects of capex, maintenance, new positioning and repair of its properties, the availability of funds and GWI's ability to access the capital markets on favourable conditions. There are also risks relating to legal, regulatory, tax or administrative obligations in connection with GWI's properties. As GWI generates revenues from its portfolio in currencies other than Euros, there are also risks with regard to possible currency fluctuations.

It cannot be guaranteed that GWI will be able to successfully manage these or other risks relevant to its business. Negative developments with respect to GWI's risks or misjudgements, miscalculations, GWI's failure or inability to respond to such developments or to successfully manage or develop its business could have material adverse effects on GWI's business, financial position, results of operations, cash flows, net income and prospects and, in turn, could have material adverse effects on GWI's share price, the value of the Issuer's interest in GWI and GWI's potential future dividend distributions.

Any of the foregoing factors may have a material adverse effect on Aroundtown's business, net assets, financial condition, cash flow and results of operations.

Aroundtown is exposed to risks from possible violation of data protection regulations.

On 25 May 2018, the General Data Protection Regulation (**GDPR**) came into force in all European member states imposing substantial changes to the regulatory landscape of data privacy. The aim of the GDPR is to protect all European Union citizens from privacy and data breaches. The GDPR applies to all businesses processing personal data of data subjects residing in the European Union, regardless of the businesses' location. While Aroundtown primarily deals with data referring to other businesses (i.e. its commercial tenants), in particular GCP with more than 80,000 tenants in its residential units has a high volume of processing of private data. Aroundtown and to the Issuer's knowledge, in particular GCP, have put in place substantial organisational procedures as part of their compliance systems to address the newly introduced privacy and data protection matters under the GDPR when processing data. However, GDPR regulation is complex and the amount of data processed by Aroundtown and GCP is substantial. There is no guarantee that Aroundtown's or GCP's compliance systems are in fact sufficient to manage the risks associated with the GDPR. Should Aroundtown or GCP be in breach of material provisions of the GDPR, substantial fines of up to 4% of annual global turnover or €20 million (whichever is greater) may be imposed. In addition to monetary damages Aroundtown or GCP may incur, breaches of the GDPR could also trigger significant reputational damage that in turn could result in a lack of trust by existing or future tenants adversely impacting future rental income.

Any of the foregoing factors could have a material adverse effect on Aroundtown's business, net assets, financial condition, cash flow and results of operations.

Aroundtown is subject to foreign exchange rate fluctuations.

Besides its properties in Germany, the Netherlands and a limited number of properties in other continental European cities, Aroundtown also owns properties in the United Kingdom and therefore, is exposed to currency exchange rate fluctuations. Aroundtown's accounting currency for its consolidated statements is Euro, while some of its subsidiaries in the United Kingdom draw up their financial statements in Sterling. The exchange rates between Sterling and Euro may fluctuate significantly. The results of operations and financial position of Aroundtown's UK subsidiaries and affiliates are reported in Sterling and are then translated into Euros at the applicable exchange rates for inclusion in Aroundtown's consolidated financial statements, which are stated in Euro. A decline in Sterling relative to the Euro would have an adverse effect on the Euro value of such properties, as reflected in Aroundtown's financial statements. Any decrease in fair value of its properties held in the United Kingdom might be exacerbated through exchange rate fluctuations. Aroundtown seeks to reduce exchange rate fluctuations between the Euro and Sterling by matching commitments, cash flows and debt in the same currency.

In addition, Aroundtown has issued several standalone series of unsubordinated, unsecured senior bonds in currencies other than Euro where Aroundtown has entered into hedging agreements to mitigate currency risks from these foreign currencies exposures. Aroundtown is exposed to the risk that its hedging counterparties will not perform their obligations under these hedging agreements. Hedging counterparties may default on their obligations vis-à-vis Aroundtown due to a lack of liquidity, operational failure, bankruptcy or other reasons.

However, Aroundtown may not be able to hedge its currency risks completely through the aforementioned measures or at acceptable cost which could materially adversely affect Aroundtown's business, net assets, financial condition, cash flow and results of operations."

(c) By virtue of this Supplement, the section of the risk factors entitled, "Risks Relating to the Shareholding Structure of the Issuer" on pages 37 to 38 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following wording:

"***Risks relating to the takeover of TLG shares and the Shareholding Structure of the Issuer***

The integration of TLG into Aroundtown may not be successful or may not proceed as planned or may involve higher or unexpected costs.

Following the successful completion of the Offer (as defined below) on 19 February 2020, TLG Immobilien AG (**TLG**) will be integrated into Aroundtown (the **Integration**) to form the Combined Group (as defined below). The Integration is expected to take several years and to require considerable management attention, personnel utilisation and financial resources. For a successful Integration, it is particularly important to integrate the existing personnel, corporate cultures, IT systems and group structures for the Combined Group, as well as to implement common processes for the Combined Group. The Integration will be time-consuming and expensive, and it may disrupt the businesses of Aroundtown and/or TLG. Aroundtown and TLG may encounter numerous difficulties in the course of the Integration, including:

- managing a larger Combined Group, including a larger portfolio and larger exposure to development activities;

- integrating and unifying the offerings and services available to tenants and coordinating operations;

- coordinating corporate and administrative infrastructures and harmonising insurance coverage for the Combined Group;

- unanticipated issues in coordinating accounting, information technology, communications, administration and other systems;

- difficulties addressing possible differences in corporate cultures and management philosophies;

- creating uniform standards, controls, procedures and policies for the Combined Group;
- litigation relating to the Integration, including shareholder litigation;
- diversion of management's attention from other operations;
- maintaining existing agreements and relationships with tenants, providers and financing banks and avoiding delays in entering into new agreements with prospective tenants, providers and financing banks; and
- identifying and eliminating redundant and underperforming functions and assets.

If the Combined Group is unable to pursue the Integration in an efficient and effective manner due to the difficulties listed above or otherwise, the anticipated benefits and cost savings of the Integration may not be fully realised, or at all, or it may take longer to realise them, which could adversely affect the Combined Group.

In addition, the Integration may result in additional or unforeseen expenses, and the anticipated benefits of the Integration may not be fully realised, or at all. Actual growth and cost savings, if achieved, may be lower than what the Issuer currently expects and may take longer to achieve than currently anticipated. If the Issuer is unable to adequately address integration challenges, the Combined Group may be unable to pursue the Integration or to realise the anticipated benefits of the Integration.

The materialisation of any of these risks could have material adverse effects on the Combined Group's business, net assets, financial condition, results of operations or cash flows.

The expected synergies in connection with the Integration may not be fully realised, or at all, and the actual synergies may be offset by higher than anticipated costs.

The Issuer expects that the Integration will result in various synergies and economies of scale. In particular, it expects that such effects will result from the further development of shared services, in housing of services currently provided by external service providers, a combined management organisation, combined back office functions, optimised local management and a focus on achieving overhead synergies for the Combined Group. In addition, financial synergies are expected in the refinancing of existing financial indebtedness and in the development of properties. However, it cannot be excluded that the expected synergies and economies of scale will not be fully realised, or at all. In addition, the costs required to achieve these synergies may be higher than anticipated. TLG's portfolio could develop differently than the Issuer currently expects.

Furthermore, goodwill may be recognised in connection with the acquisition of TLG. Any goodwill actually accounted for by the Issuer depends on a variety of factors, such as the acceptance rate for the Offer, the actual value of TLG's net assets and the Issuer's share price at completion. Any potential goodwill is subject to regular impairment tests and may, if synergies turn out to be lower than expected, result in significant impairments that would have to be recognised as impairment expenses in the consolidated financial statements of the Issuer. The materialisation of any of these risks could have material adverse effects on the Combined Group's business, net assets, financial condition, results of operations or cash flows.

Bonds issued, and loan and other financing agreements entered into, by TLG contain change-of-control clauses that inter alia provide for termination rights or an interest step-up that may be triggered by the completion, and Aroundtown may be unable to refinance TLG's financial indebtedness when such financial indebtedness becomes due and payable prior to its specified maturity.

The bonds issued, loan and other financing agreements entered into, by TLG contain change of control clauses that provide for early redemption rights, creditor termination rights or an automatic interest step-up that may be triggered directly or indirectly by the completion. Overall, TLG has a refinancing risk of around €1.46 billion due to the outstanding financial liabilities with termination rights in the event of a change of control. Other termination rights in the bond conditions or loan and other financing agreements could be triggered indirectly in connection with the completion (e.g. cross-default provisions which allow a creditor to accelerate TLG’s bonds or loans if other financial indebtedness of TLG becomes due and payable before its scheduled maturity or a creditor accelerates, or is entitled to accelerate its claims in case TLG is then unable to fulfil the resulting repayment obligations when due). The hybrid bond issued by TLG in 2019 provides for a significant interest step-up upon occurrence of a change of control event if a specified rating downgrade occurs within a certain period thereafter.

Furthermore, the hybrid bond issued by TLG in September 2019 with a volume of €600 million provides for a significant interest rate step-up in the event of a change of control if a certain downgrade of TLG's rating occurs within a period of 120 days after a change of control.

If early redemption rights under bonds are exercised or loan or other financing agreements of TLG are accelerated or terminated, Aroundtown may have to obtain, in the interest of the Combined Group, new financings. However, there is no guarantee that Aroundtown will be able to procure such refinancing at all or at favourable conditions. Aroundtown may in this case be unable to refinance its own indebtedness or finance its operations or the refinancing of TLG’s financial indebtedness may adversely affect the conditions for such (re)financings. In addition, the termination of any agreements of TLG may require TLG to pay prepayment penalties or damages. Furthermore, TLG may also lose the benefits of any agreements that are terminated as a consequence of the completion, and it may be forced to renegotiate such agreements on less favourable terms.

The materialisation of any of these risks could have material adverse effects on the Combined Group’s business, net assets, financial condition, results of operations or cash flows.

TLG shareholders that do not accept the Offer may delay or prevent future measures enacted for the benefit of the Integration.

Under German law, remaining minority shareholders of TLG have certain rights which may result in delays or disruptions of planned measures under corporate law with respect to TLG (e.g. a change of the legal form, a squeeze-out, the conclusion of a domination and profit and loss transfer agreement or a merger). Minority shareholders may delay or even prevent such measures. Such delays or a failure to implement important measures as well as any legal disputes associated therewith may limit Aroundtown’s control over TLG, limit the Issuer’s access to TLG’s cash flows and delay or even prevent corporate measures enacted for the benefit of the Integration.

Such delays, disruptions or challenges to the Integration may cause the Combined Group to be unable to realise the anticipated benefits of the Integration in a timely manner or at all. The materialisation of any of these risks could have material adverse effects on the Combined Group’s business, net assets, financial condition, results of operations or cash flows.

The Issuer could not conduct a full due diligence investigation of TLG prior to launching the Offer and therefore may have been unable to correctly identify and assess all risks associated with the Offer or its completion.

Due to timing constraints and given that TLG is a publicly listed company, the Issuer could not conduct a full due diligence investigation of TLG prior to launching the Offer. Therefore, important circumstances material for the evaluation of TLG might not have been sufficiently taken into account in the Issuer’s evaluation of TLG, the determination of the Offer consideration and the attractiveness of the Integration. In particular, the Issuer might have been unable to correctly identify and assess all risks associated with the Offer or its completion. Also, TLG's portfolio may develop differently than originally anticipated by the Issuer.

A failure to correctly identify and assess all risks associated with the Offer or its completion could have material adverse effects on the Combined Group's business, net assets, financial condition, results of operations or cash flows.

TLG is a real estate company that is exposed to a variety of risks that the Issuer believes are comparable to the risks associated with the business activities of Aroundtown. However, it cannot be ruled out that TLG may be exposed to further, previously unrecognised risks, the realisation of which could also have a material adverse effect on the Combined Group's net assets, financial position and results of operations.

The business models of the Issuer and TLG are comparable in many aspects and areas. Therefore, the Issuer has reason to believe that TLG is subject to very similar risks with regard to its business activities and the industry as Aroundtown itself. There is, however, a risk that after the successful completion of the Offer, the corresponding risks could increase and negative consequences could have a greater impact on Aroundtown than Aroundtown currently expects.

In addition, risks that materialise at TLG will also have an indirect negative impact on Aroundtown following the successful completion of the Offer. Furthermore, it cannot be ruled out that TLG may be exposed to further, previously unrecognised risks, the realisation of which could also have material adverse effects on the net assets, financial position and results of operations of Aroundtown and the Combined Group.

The Issuer could be obliged to submit a mandatory takeover offer to the outside shareholders of WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft (WCM AG) if the Issuer is not exempted from the obligation to make a mandatory takeover offer since TLG is now a subsidiary of the Issuer following the completion of the Offer.

As at 21 February 2020, TLG holds 91%. of the share capital of WCM AG, which is also listed on the regulated market. Since the Issuer has acquired an interest of more than 50% of the share capital of TLG following the completion of the offer, TLG is now a subsidiary of the Issuer. As a result, the Issuer has also indirectly acquired control of WCM AG which in principle triggers the obligation to submit a takeover offer to the outside shareholders of WCM AG to acquire their shares in accordance with Section 35 (2) WpÜG. On the basis of Section 9 sentence 2 no. 3 of the WpÜG Offer Ordinance (*WpÜG-Angebotsverordnung*), in the event of indirect acquisition of control, German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungaufsicht*) (**BaFin**) may grant an exemption if the book value of the participation of WCM AG amounts to less than 20% of the book value of TLG's assets on the basis of its relevant individual financial statements in accordance with the German commercial Code (*Handelsgesetzbuch*). As of 30 September 2019, the book value of TLG's interest in WCM AG accounted for approximately 8%. of TLG's book value of assets.

The Issuer has submitted a corresponding application for exemption but not yet received a response. Normally, the BaFin will grant the exemption if the above-mentioned requirements of §9 sentence 2 no. 3 of the WpÜG Offer Ordinance are met. However, the decision of BaFin is a discretionary decision. Should BaFin reject this application for exemption, the Issuer would therefore have to submit a takeover offer to the shareholders of WCM AG to acquire their shares in WCM AG. The minimum consideration must correspond to the weighted average share price of the WCM AG share during the last three months prior to the publication of obtaining control. Finally, the Issuer cannot exclude the possibility that, in addition to payment of the consideration and the transaction costs associated with the mandatory offer, RETT would be payable on the real estate assets of WCM AG as a result of the possible mandatory offer if relevant thresholds were exceeded.

The obligation to make a takeover bid to the shareholders of WCM AG could therefore have a material adverse effect on the net assets, financial position and results of operations of Aroundtown.

Following an integration of TLG, the economic development of Aroundtown would also depend on the economic development, in particular on the value of TLG's property portfolio and the positive continuation of the development projects. Any adverse development or any decline in the fair value of TLG's property portfolio could therefore have a material adverse effect on Aroundtown's business activities and its net assets, financial position and results of operations.

As a result of the subsequent integration of TLG into Aroundtown, Aroundtown will also be dependent on the further development and intrinsic value of TLG's property portfolio. The Issuer cannot rule out that TLG's property portfolio will not develop negatively, particularly with regard to its development and fair value. Such a negative development of TLG's real estate portfolio and a decline in the fair value could therefore have a material adverse effect on Aroundtown's business activities and its net assets, financial position and results of operations.

RETT may be triggered in connection with the completion.

Any transaction providing for the direct or indirect, legal or beneficial, transfer of at least 95%. of the shares in a company with real estate in Germany, or where such transfer is agreed upon, is generally subject to RETT. In addition, where a partnership holds real estate located in Germany, RETT is also triggered if at least 95% of the interests in the partnership are directly or indirectly, legally or beneficially, transferred to new partners within a period of five years. The intended amendment to the Land Acquisition Tax Act (*Grunderwerbsteuergesetz*) initially provided for a lowering of the relevant participation threshold from 95%. to 90% and an extension of the aforementioned 5-year period to 10 years. Recently, however, the political parties currently forming the German Federal Government announced that the planned changes to the Land Acquisition Tax Act would not take effect from 1 January 2020, as originally planned. Instead, it is now expected that a revised draft law will be presented to the Bundestag in the first half of 2020. Whether and to what extent these possible legislative changes will have a retroactive effect is currently open. As TLG owns the majority of its properties located in Germany directly, the completion could generally trigger substantial RETT, depending on the final draft bill.

The Issuer has agreed with Ouram Holding S.à r.l. within the scope of the irrevocable obligation to tender the TLG shares held by the principal shareholder in connection with the Offer, that this principal shareholder will continue to hold at least 5.1% and up to 10.1% of all TLG shares beyond the completion of the Offer (the **Holding Obligation**). While the Issuer currently assumes that the Holding Obligation will be implemented in respect of 5.1% of the TLG shares outstanding at that time, it is also possible to implement the Holding Obligation in respect of 10.1% of the TLG shares outstanding at that time depending on the status of the intended changes to the Land Acquisition Tax Act. In addition, in the Business Combination Agreement, TLG has undertaken to carry out certain restructuring measures of two of its subsidiaries.

If RETT is triggered, the respective liability is generally calculated on the basis of the value of the consideration for the relevant transaction, multiplied by the applicable tax rate. Such RETT rates range from 3.5% to 6.5%, depending on the Federal State where the relevant property is located. If there is no consideration, and in case of transformations, contributions and other acquisitions on the basis of corporate law and in the case of a transfer of at least 95% of the shares in a partnership or corporation, a so-called substitute assessment basis (*Ersatzbemessungsgrundlage*) is used for the calculation of the RETT liability. The substitute assessment basis (*Ersatzbemessungsgrundlage*) generally corresponds to the fair value (*Verkehrswert*) of the relevant property. The fair value

(*Verkehrswert*) of rented properties is calculated by taking into account the contractually agreed rent for a period of twelve months. According to TLG's annual report as of and for the fiscal year ended 31 December 2018, the annual rental income for TLG's total portfolio amounted to €227.2 million during the fiscal year ended 31 December 2018.

The Issuer expects that RETT in amount of less than €1 million will be triggered by the completion of the Offer under the currently applicable legal provisions. However, if the contractual arrangements regarding the Holding Obligation the Issuer has put in place prior fail, the actual RETT triggered by the completion may be substantially higher. Furthermore, the contractually agreed rent of TLG as shown in the TLG's audited consolidated financial statements as of and for the fiscal year ended 31 December 2018 may deviate from the calculation of contractually agreed rent in accordance with Section 186 of the German Valuation Act (*Bewertungsgesetz*), which may further increase any RETT triggered by the completion.

Any RETT triggered in connection with the completion of the Offer could have material adverse effects on the Combined Group's business, net assets, financial condition, results of operations or cash flows.

The TLG financial statements are incorporated by reference for illustrative purposes only and are not an indication of the Combined Group's future business, net assets, financial condition or results of operations. It is to be assumed that the historical financial position and performance of TLG and the Issuer will differ materially from the TLG financial statements and the historical consolidated financial information of the Issuer incorporated by reference into this Offering Circular upon the preparation of the consolidated financial statements of the Combined Group.

The TLG financial statements incorporated by reference into this Offering Circular are provided for illustrative purposes only. The TLG financial statements when read together with the historical consolidated financial information of the Issuer incorporated by reference into this Offering Circular for the corresponding periods (the **TLG and Issuer historical financial information**) should not be considered as an indication of the Combined Group's future business, net assets, financial condition or results of operations following the completion of the Offer and the Integration.

The TLG and Issuer historical financial information will be subject to certain adjustments on the preparation of the consolidated financial statements for the Combined Group. These adjustments will be made based on the relevant information available at the time of the preparation of such consolidated financial statements. As a result, it is to be assumed that the actual Combined Group's future business, net assets, financial condition or results of operations will differ materially from the TLG and Issuer historical financial information. In addition, the current expectations of the Issuer in relation to the preparation of such consolidated financial statements may prove to be inaccurate, and other factors may materially affect the Combined Group's future business, net assets, financial condition or results of operations following the completion.

The completion of the Offer could lead to a loss of tax loss carryforwards of TLG.

As of 31 December 2018, TLG reported corporate and trade tax loss carryforwards and interest carryforwards of approximately €89.4 million. The tax loss carryforwards included in the aforementioned amount may not be available at completion and/or may be forfeited due to the completion.

The completion of the Offer could lead to a full or partial forfeiture of the tax loss carryforwards. According to German tax laws, such tax loss carryforwards are completely forfeited if more than 50% of the shares in an entity are transferred to a new acquirer. One exception to this general rule refers to domestic taxable hidden reserves. To the extent such taxable hidden reserves are allocable to TLG for tax purposes, no forfeiture of tax loss carryforwards should occur, if the difference between the tax equity of TLG at completion compared to the share purchase price includes sufficient hidden reserves. However, only some of the existing tax loss carryforwards may survive the completion.

Furthermore, the German tax law applicable to tax loss carryforwards and their forfeiture is controversial, and at least for the years from 2008 up to and including 2015 and for transfers of up to 50% of the shares of an entity, the German Constitutional Court (*Bundesverfassungsgericht*) has ruled that the applicable laws violate the German constitution and shall be amended with retroactive effect. Accordingly, the legislature has limited the application of section 8c par. 1 KStG with retroactive effect to cases where more than 50% of the shares are transferred to a new acquirer. In addition, there are pending fiscal court cases regarding the loss forfeiture rules applicable in case of a transfer of more than 50% of the shares in an entity. These court proceedings may have an impact on the envisaged completion of the Offer and the amount of tax loss carryforwards forfeited.

Any forfeiture of TLG's tax loss carryforwards triggered in connection with the completion of the Offer could have material adverse effects on the Combined Group's business, net assets, financial condition, results of operations or cash flows.

The Issuer's shareholder structure could change significantly as a result of the Offer; this could lead to adverse changes for the Issuer or its shareholders if individual shareholders pursue interests that differ from those of the Issuer or the other shareholders.

The Issuer's share capital as at 21 February 2020 amounts to €15,362,624.49 and is divided into 1,536,262,449 shares having a nominal value of €0.01 each. Based on the information available to the Issuer, the current largest shareholders of the Issuer are TLG with approximately 11.97% of the share capital (subject as further described below) and Avisco Group with approximately 9.55% of the share capital. Depending on its attendance at the Issuer's general meetings, Avisco Group may be able to exercise significant influence in the Issuer's general meeting. The Issuer's shareholder structure has further changed considerably as a result of the completion of the Offer. As a direct consequence of the completion of the Offer, the Issuer's shareholder base has broadened and the voting rights of the shareholders (holding shares prior to such completion) of the Issuer have been diluted. Since TLG has become a subsidiary of the Issuer following the completion of the Offer, the shares in the Issuer held by TLG are now subject to the restrictions for treasury shares held by the Issuer with the result that TLG following the completion of the Offer is no longer able to exercise any voting rights from these shares. This has increased the proportionate amount of the voting rights of all other shareholders from the shares in the Issuer held by them.

Each shareholder or group of shareholders who controls more than 50% of the voting rights represented at a general meeting is in a position to exert a significant influence on the resolutions of the general meeting. The articles of association of the Issuer provide for a simple majority, i.e. more votes in favour than against, and the requirement of a two-thirds majority of for certain other resolutions, in particular for amendments to the articles of association. With a corresponding majority of the voting rights, such shareholders could also actively prevent certain resolutions of the general meeting which require a simple majority of the voting rights of the shareholders by voting against them. Depending on the attendance at the general meeting, these shareholders may also represent a majority of more than two thirds of the share capital. In this case, such shareholders could also initiate structural change measures. Such conduct could lead to resolutions at the Issuer's general meeting which are not in line with the interests of the Issuer or the interests of the other shareholders of the Issuer."

(d) By virtue of this Supplement, the following wording shall be deemed to be inserted at the end of the section of the risk factors entitled, "Legal and Regulatory Risks" on page 43 of the Offering Circular:

“***The draft law to introduce a so-called rent cap (Gesetzesentwurf zur Einführung eines sog. Mietendeckels) in Berlin could, if it were to come into force, could have a material adverse effect on the net assets, financial position and results of operations of GCP and thus on the value of Aroundtown's investment in GCP.***

On 22 October 2019, the Berlin Senate (*Berliner Senat*) passed a draft of a state law introducing a rent cap applicable to the entire city of Berlin. It is expected that the law will be passed in February 2020, or earlier if necessary, after it has been submitted to the Berlin Senate and passed, and will then come into force immediately. According to the current Senate draft, the rent cap is to be designed as follows: The rent cap is valid throughout Berlin and covers all residential leases. The only exceptions are new buildings (provided they are ready for occupancy from 1 January 2014), publicly subsidised housing and residential homes or apartments of publicly recognised welfare organisations. The rent cap consists of two central instruments: a rent freeze and the introduction of rent ceilings.

Once the law comes into force, all rents in existing contracts will be frozen at the level of 18 June 2019 (or the last preceding rental level). The rent freeze also covers index and graduated rents as well as rent increases to the local comparative rent. Furthermore, the draft law contains an upper rent limit. The upper rent limit is an absolute upper limit and reference point for rent reductions. Upper limits of between €3.92 and €9.80 per square metre apply, which are based on the rent index values of 2013 (adjusted to real wage development). The upper rent limit applicable in individual cases depends on the construction age class and equipment, but not on the location of the apartment. If the upper rent limit is exceeded by more than 20%, the rent is considered excessive (also referred to as "usurious rent" (*Wuchermiete*)). In such cases, tenants may then apply to the Senate Administration for a rent reduction to a rent in the amount of 120% of the upper rent limit (so-called capping) within a period of nine months after the law has come into force. The Berlin Senate assumes that at least approximately 150,000 tenants will be entitled to submit a corresponding application. Landlords would be obliged to provide tenants with unsolicited information on the rent valid for the respective apartment as of 18 June 2019 before concluding a new lease agreement and to provide tenants with information on the criteria relevant for calculating the upper rent limit. This obligation to provide information would also apply to current tenancies during the first two months after the law comes into force. Fines are set to apply in the event of violations. Sanctions include the demand for rents in excess of the permissible rent levels as well as the violation of obligations to inform and cooperate. The fine can amount to up to €500,000 in individual cases.

Should the law on the Berlin rent cap enter into force unchanged or only in an insignificantly weakened form, this would have considerable negative effects on GCP's net assets, financial position and results of operations. With a portfolio of approximately 24% in Berlin as of 30 September 2019, measured by portfolio value of GCP's residential portfolio, GCP's ability to increase rents within the current legal framework for this part of its residential portfolio would thus be considerably restricted in the future. This could have a significant impact on GCP's future profits should it not be possible to make corresponding cost savings. In addition, it cannot be ruled out that federal states other than Berlin will adopt the same or similar regulations, which would further impair GCP's earnings prospects if a substantial number of GCP’s properties were also located in these federal states. A deterioration in GCP's profits may have a negative impact on the value of its residential real estate, and thus a negative impact on GCP's financial position and in the event that fair value adjustments are required on its profits. A deterioration in GCP's net assets, financial position and results of operations would probably have a negative impact on the value of the Issuer's investment in GCP, which in turn could have a material adverse effect on Aroundtown's net assets, financial position and results of operations.

Aroundtown is subject to recent efforts in Germany, in particular in Berlin, to expropriate private owners of residential real estate units, such as GCP, which could adversely affect the value of the shares in GCP held by the Issuer.

Currently, various tenant initiatives in Berlin are trying to enforce a referendum in Berlin ultimately aimed at legislation to expropriate certain residential real estate units owned by large real estate companies that own more than a certain quantity of residential real estate units in Berlin. The compensation that according to such tenant initiatives owners subject to the expropriation should receive shall be set far below market value. GCP would fall within the scope of the intended referendum. While a referendum requires an affirmative vote of one quarter of Berlin's residents entitled to vote, such referendum has no binding effect and would in addition require Berlin's parliament to implement respective legislation, which, if enacted, would probably be challenged in extensive and lengthy court proceedings. Currently, the Issuer does not consider any legislation to implement an expropriation likely. However, given the potential legislation's application to Berlin, GCP with approximately 24% of its portfolio located in Berlin and a corresponding value of approximately €1.6 billion as of 30 September 2019, would be materially adversely affected by such potential legislation. Any compensation below market value would materially increase GCP's leverage position and expropriations generally would jeopardise the continuation of GCP's business model relating to the Berlin residential market. This would likely have a material negative impact of the value of Aroundtown's shares in GCP and thus could negatively impact Aroundtown's business, net assets, financial condition, cash flow and results of operations."

(e) By virtue of this Supplement, the reference to "the First Reset Date" after "*Floating Rate Subordinated Notes,*" shall be replaced with, "the Floating Rate Call Date" in the risk factor entitled, "The Subordinated Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events" on page 51 of the Offering Circular and the following wording shall be inserted immediately after the statement ending with, "….*if at all, is uncertain.*":

"During the 23 October 2019 meeting of the IASB, the potential scope and indicative timetable of the project plan regarding the DP/2018/1 Paper were discussed but no decisions were made."

Recent Developments

By virtue of this Supplement, the following wording shall be deemed to be inserted at the end of the section entitled, "Description of the Issuer - Recent Developments" on page 195 of the Offering Circular:

"On 25 October 2019, the Issuer and TLG entered into a non-binding term sheet thereby determining the essential terms and conditions of a potential merger of the two companies. The term sheet provides for a merger by way of a voluntary public offer by Aroundtown for all shares in TLG against a consideration consisting of new shares issued by Aroundtown. The parties agreed to determine the relevant exchange ratio on the basis of the Issuer's and TLG's EPRA NAV per share, subject to statutory minimum price rules. The parties further agreed to negotiate a definitive business combination agreement and that any formal intention of the Issuer to launch an offer for the shares in TLG is subject to agreeing on a business combination agreement and further conditions.

On 18 November 2019, the Issuer and TLG entered into a business combination agreement and on 19 November 2019, the Issuer announced its formal decision to make to the TLG shareholders a voluntary public takeover offer.

On 26 November 2019, the German Federal Cartel Office (**FCO**) informed the Issuer that the FCO had granted merger clearance for the intended merger.

On 18 December 2019, the Issuer published the offer document regarding the voluntary public takeover offer (the **Offer**) to the shareholders of TLG for the acquisition of all outstanding no-par value bearer shares in TLG against a consideration of 3.6 shares of the Issuer with a par value of €0.01 each. The new shares offered in the Issuer are to be created by means of a capital increase in exchange for contributions in kind.

On 13 February 2020, the Issuer announced the final result of the Offer with an acceptance rate of 77.5% The settlement of the Offer and delivery of the new shares in the Issuer to the TLG shareholders that accepted the Offer was completed on 19 February 2020. Including the TLG shares previously held by the Issuer, the Issuer holds 77.8% of the shares in TLG following settlement of the Offer.

TLG

All information in this Offering Circular relating to TLG has been taken from information made publicly available by TLG.

TLG is a stock corporation (*Aktiengesellschaft*) under German law with registered office at Hausvogteiplatz 12, 10117 Berlin, Germany, registered in the commercial register of the local court (*Amtsgericht*) of Charlottenburg under the docket number HRB 161314 B.

TLG is the parent company of the TLG Group comprising TLG and its consolidated subsidiaries (the **TLG Group**). The consolidated financial statements of TLG include all material subsidiaries whose financial and business policies can be controlled directly or indirectly by TLG, as well as the investments of TLG whose financial and business policies can be significantly influenced by TLG. As at 21 February 2020, the scope of consolidation comprised 45 direct and indirect subsidiaries of TLG. According to TLG, the main subsidiaries are Triangel Frankfurt Immobilien GmbH & Co KG, Germany, in which TLG holds 94.9% of the share capital, and WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft, Germany (**WCM**), in which TLG holds 92.5% of the share capital.

Business activity

TLG sees itself as a leading German commercial real estate company and active portfolio manager, holding and managing office and retail properties as well as seven hotels. In addition, TLG is active in project development and new development on its own properties. TLG is headquartered in Berlin and has five additional offices in Dresden, Erfurt, Frankfurt am Main, Leipzig and Rostock. TLG's business activities include portfolio management, asset and property management, acquisition and sale as well as selective project development: TLG covers all essential elements of the property-related value chain itself. The individual offices are responsible for the decentralised technical and commercial management of the properties, including relations with tenants and development activities within TLG. As of 31 December 2018, TLG had a total of 132 employees.

Portfolio

As of 30 September 2019, TLG's portfolio comprised a total of 389 properties with a total portfolio/real estate value (i.e. the sum of the carrying amounts of properties held as fixed assets, owner-occupied properties, non-current assets/assets held for sale and inventories) of €4,580.1 million. TLG's portfolio is focused on the office, hotel, retail and investment asset classes.

TLG classifies its properties as either “strategic” or “non-strategic” mainly based on the location of the respective property, but with deviating prioritisations between different asset classes. All assets assigned to the office, hotel, retail and invest asset classes form part of TLG’s strategic portfolio. While properties in the strategic portfolio deliver sustainable income and have the potential to generate additional income and value through active asset management or investments in the portfolio, properties in the non-strategic portfolio are to be disposed of over time. As of 30 September 2019, TLG has classified 103 of its properties with an aggregate property value of €369.5 million (i.e. 8.1% of the total portfolio value) as non-strategic and therefore assigned these properties to the “Non-Strategic” asset class. 86.9% of the non-strategic assets are retail assets, 4.4% office assets and 8.7% other assets (based on portfolio value as of 30 September 2019).

TLG's overall portfolio provides for a weighted average lease term (i.e. the remaining average contractual lease term for unexpired leases with a contractually fixed maturity, taking into account special termination rights, WALT) of 5.8 years and an EPRA vacancy rate of 3.1% (both as of 30 September 2019). In relation to the total strategic portfolio value as of 30 September 2019, 46% of the TLG portfolio was located in Berlin, 20% in Dresden, Leipzig, Rostock and 15% in the Rhine-Main region, particularly in Frankfurt am Main.

As of 30 September 2019, TLG's office real estate asset class comprised a total of 55 properties. With a total portfolio value of €1,941.5 million at that time, the office property class represented the largest part of TLG's real estate portfolio (46.1% of TLG's total strategic portfolio). Of this total, properties worth €720.0 million were located in Berlin, properties worth €634.9 million were located in the Rhine-Main region, properties worth €356.4 million were located in Dresden, Leipzig, Rostock and properties worth €229.9 million were located in other regions.

As of 30 September 2019, the retail asset class of TLG comprised 211 properties with a total portfolio value of €1,116.1 million, making it the second largest part of TLG's total portfolio (26.5% of TLG's total portfolio).

TLG's retail properties are located in micro-locations that are particularly attractive to food retailers and other vendors of essential consumer goods, as the tenant is an important and in some cases the only retailer of the relevant consumer goods in the relevant catchment area. TLG considers 60% of its retail properties key commercial hubs with 38% in Berlin and the surrounding area and 22% in Dresden, Leipzig and Rostock.

As of 30 September 2019, the hotel asset class comprised a total of seven properties with a total portfolio value of €338.9 million, which makes up the smallest portion of TLG's real estate holdings (8.0% of TLG's total strategic portfolio).

As of 30 September 2019, the investment asset class comprised a total of 13 properties with a total portfolio value of €814.1 million, which makes up the third largest portion of TLG's real estate holdings (19.3% of TLG's total strategic portfolio). TLG considers these properties to have development potential that may also change their utilisation concept. With regard to their current utilisation type, seven of these properties are predominantly retail assets, three office assets and three are currently unused or land plots only. 95% of the total portfolio value of the asset class investment is located in Berlin (10 properties) and 5% in Dresden/Leipzig/Rostock (3 properties).

Reasons for the Combination of Aroundtown and the TLG Group through the Acquisition by the Issuer of TLG

The objective of the Issuer and TLG in the combination of Aroundtown and the TLG Group to form a combined group (the **Combined Group**) through the acquisition by the Issuer of TLG is to realise synergies resulting from the business combination.

The focus of the Combined Group will lie particularly on attractive and central locations across top tier European cities, primarily in Germany and the Netherlands but also in the United Kingdom and other European cities. The Issuer pursues the strategy of investing in commercial and residential real estate assets which it believes benefit from strong fundamentals and growth prospects. Following the successful completion of the Offer allowing the consolidation of TLG in the consolidated financial statements of the Issuer, the Issuer and TLG will consolidate over €25 billion in combined assets and rank among the three largest listed European real estate companies, with a focus on offices and hotels predominantly in Germany and the Netherlands, and, through the strategic holding of the Issuer in GCP, in residential properties in Germany.

The Issuer's acquisition strategy is focused on assets and portfolios that offer additional growth opportunities from stabilising the operating performance of such assets (value add properties). TLG's current portfolio meets this requirement and is in line with the Issuer's focus on office properties and hotel properties and the Issuer's geographic focus. In Germany, the Issuer has been largely focused on the areas of Berlin, metropolitan areas in NRW, Munich, Frankfurt am Main, Hamburg and in the cities of Dresden, Leipzig and Halle. TLG's portfolio is located primarily in Berlin, Dresden, Leipzig, Rostock and Frankfurt am Main. Thus, there would be significant overlap in cities such as Berlin, Frankfurt am Main, Dresden, Leipzig and Hamburg, which would position the Combined Group as a leading landlord in these local submarkets.

It is expected that the Combined Group's strategy builds on existing and similar value-adding business models. The Issuer's active asset management approach and its experience in managing large-volume value-added potential is complemented by TLG's stable asset base, which includes the development of certain properties in preferred locations. The high number of common locations and asset classes, the joint expertise of the management in accelerating rental income growth (on a like-for-like basis) and an increase in negotiating power with tenants and market participants form the basis for the operational strategy of the Combined Group.

The economic and strategic background of the business combination between the Issuer and TLG is to achieve the competitive advantages, synergies and other business combination advantages described hereinafter.

<u>Operational Synergies</u>

The Issuer expects operational synergies to arise mainly from efficiency gains through joint operations and headquarters, a strong portfolio overlap, an expected cost optimisation in terms of corporate overhead, ancillary cost reduction, benefits from economies of scale and IT systems. In particular, cost savings are expected to arise from the consolidation of overlapping functions, in particular due to the strong and largely comparable geographical focus of the German portfolios of the Issuer and TLG. Operational improvements on the property level of the Combined Group's portfolio through strong overlap of locations of the properties in the same cities and similar asset types are expected to result in less competition for potential tenants, a reduction of related marketing costs, joint operational local offices for regional property management and the pooling of networks of both companies and the envisaged centralised lettings activities. The operational headquarters for the German property functions will be centralised in Berlin. Due to the larger size of the combined portfolio further economies of scale are expected to result in higher operating margins, based on procurement savings, maintenance and other effects of the economies of scale.

<u>Synergies and Acceleration of Financial Savings from Improved Financing Structure and Improved Rating</u>

In addition, the Issuer believes that the business combination is credit rating enhancing, which is expected to be a substantial factor in accelerating refinancing benefits for the Combined Group's existing debt and perpetual notes. The Issuer expects that the combined business profile will through its exposure to a larger and more diversified property portfolio accelerate the Issuer's objective of reaching a rating within the category of "A-" as awarded by S&P (a **Rating Upgrade**). It should be acknowledged that any Rating Upgrade and the timing of such, depends also on factors which are not in the control of the Issuer and any such Rating Upgrade is within the sole decision and discretion of the rating agencies.

A Rating Upgrade for the Combined Group would result in improved financing terms and stronger access to longer debt maturities and is expected to open new capital markets opportunities and a larger international institutional investor base and significantly higher demand coupled with less supply. The Issuer expects significant long-term refinancing synergies across the combined debt balance of both companies as follows:

The Issuer, based on its operational and financial position, has set the "A" rating as a long-term strategic goal. The Issuer believes that the combined business' strength would support the ability to reach a rating in the "A" category faster, which, in case practically received, would enable the Issuer to accelerate the financial savings from a Rating Upgrade and benefit from the current historically attractive financing environment sooner than on a stand-alone basis.

Synergies from improved development of properties

The Issuer assumes further value-add potential within the Combined Group's portfolio. The Issuer expects that its management's know-how and track record in redevelopment of value-add properties would contribute to the acceleration of the extraction of the potential in the Combined Group's redevelopment portfolio's potential and bring forward cash flows from such development projects. The large yielding asset base of the Combined Group would enable an expansion of the organic develop-to-core prime assets while still keeping development activities of the Combined Group below 15% of the total consolidated balance sheet. Stronger pre-letting capabilities of the Combined Group are expected to enable accelerated development without the risk of a speculative construction. Acceleration of pipeline and enhancement of future potential are expected to provide FFO and NAV growth.

Both companies' strong development pipelines are focused on top tier cities with significant embedded value of building rights and rent increase potential. The strong overlap supports planning, negotiation and execution processes and the enlarged combined development team with the substantial scale of the Combined Group's balance sheet will enable an expedited execution and completion of the development portfolio and thus result in earlier cash flow generation. While currently TLG' current development ratio is half of its assets, weighing on the risk perception and rating, the merger would enable the Combined Group to accelerate the organic develop-to-core prime assets while still keeping the development below 15% of the combined balance sheet. The Issuer expects, that additional liquidity and better access to financing will accelerate the current development schedule.

The Business Combination Agreement

On 18 November 2019, the board of directors of the Issuer and the management board of TLG concluded an agreement on the merger of the two companies (Business Combination Agreement) (the **BCA**). The BCA comprises agreements on the future structure, employees and management structure of the Issuer, in each case to the extent that certain thresholds of the Issuer in TLG reached as a result of the completion of the Offer or later. The BCA has a duration of 24 months.

The Issuer and TLG have also specified their intentions with regard to the Offer in concrete and binding terms in the BCA. The relevant intentions and obligations under the BCA are summarised below:

Board of Directors and Management of the Issuer

The Issuer and TLG have agreed in the BCA on a participation in the Issuer's corporate bodies. The BCA provides in the event that the Issuer holds a 50% interest plus one share or more of all shares in TLG following the completion of the Offer (**Holding Threshold**), that, the Issuer shall within twelve weeks upon reaching the Holding Threshold introduce a governance structure consisting of the board of directors and a separate management body (*comité de direction, Geschäftsführungskomitee*, (the **Management Committee**)). To the extent legally permissible, the board of directors of the Issuer will, with the objective of establishing an improved long-term governance structure, delegate powers to manage to the Comité de Direction. Such delegation of powers will, in particular, comprise the authority to (i) lead and comprehensively manage the portfolio and business of the Issuer and its affiliates (in the ordinary course and otherwise), (ii) (re-) finance the Issuer and any of its affiliates, (iii) represent the Issuer vis-à-vis third parties in all matters, (iv) oversee and direct all aspects of the internal organisation of the Issuer and (v) decide on any other matters necessary or helpful for the Issuer's and its affiliates' conduct of business.

The Management Committee shall initially consist of five members who shall act as Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Investment Officer (CIO), Chief Operating Officer (COO) and Chief Development Officer (CDO). The initial CEO will be nominated by the board of directors of the Issuer and the initial CFO will be nominated by TLG. One of the remaining three members of the Management Committee shall be nominated by TLG, in its sole discretion. One of the members nominated by TLG will carry the title Co-CEO.

Subject to the approval of the general meeting of the Issuer, the board of directors of the Issuer shall be composed as follows: The board of directors shall consist of up to eight (8) members. In the event of a tie, its chairman shall have a casting vote. The current three executive directors of the Issuer shall continue to serve on the Issuer's board of directors.

The initial chairman shall be nominated by TLG. Three members (or, in the case of an eight member board of directors, four members) shall be independent within the meaning of the Luxembourg Stock Exchange's Ten Principles of Corporate Governance. The current independent members of the board of directors of the Issuer shall continue to serve on the Issuer's board of directors. At least one member shall be female. On 16 December 2019, Mr. Laufer who is a member of TLG's supervisory board, was appointed as a member of the board of directors by the general meeting of the shareholders of the Issuer.

Subject to the due performance of their duties, any and all members of the Management Committee or the Issuer's board of directors nominated by TLG pursuant to the foregoing principles shall retain their positions for an initial term of no fewer than two years.

Further Provisions in relation to the Combined Group

It was agreed in the BCA that the Combined Group shall carry a new name to be defined mutually by the parties and that the German operational headquarters of the Combined Group shall continue to be located in Berlin, Germany. The central place of administration, registered corporate seat and the board of directors of the Issuer shall remain in Luxembourg.

The Issuer and TLG further agreed in the BCA that the Issuer establishes and convenes a joint integration committee in order to discuss the necessary steps to integrate both businesses. The integration committee shall initially consist of four members, two from the side of the Issuer and two from the side of TLG. Following completion of the Offer and to the extent legally permissible, the Issuer and TLG will initiate an integration project with the objective to combine both businesses and to realise the expected synergy and efficiency potential. With regard to material business processes, individual projects will be defined each of which is to be led by a representative of the Issuer and TLG respectively.

The Issuer and TLG have reached an agreement in the BCA in relation to certain financing agreements of TLG with banks and in relation to outstanding senior notes that include so-called "change-of-control" provisions and thereby stipulate special re-payment obligations on the part of TLG or termination rights for TLG's creditors, as well as certain other termination rights, which could be triggered in case of a successful completion of, or in connection with, the Offer.

According to the BCA the parties will discuss TLG's (re-) financing strategy in good faith and in a cooperative way. Following the settlement of the Offer and to the extent necessary and, if so requested by TLG within three months upon completion of the Offer, and in each case on market terms, the Issuer undertakes to grant shareholder loans to TLG, or, at the discretion of the Issuer, pursue other financing measures, in each case, to provide bridge financing for the re-financing needs of TLG deriving from the re-payment obligations or termination rights as described above up to an amount of €1,460 million and during such period as is required to maintain the existing credit rating of TLG and in no event for a period of fewer than six months or exceeding twelve months.

The Issuer and TLG agreed in the BCA that the advisory board of the Issuer will stay in place. The advisory board of the Issuer is not a statutory body under Luxembourg law and has no corporate authority. Its current members shall continue to serve unless otherwise resolved by the board of directors of the Issuer. TLG may nominate one (1) additional member to the advisory board.

It is the common understanding of the Issuer and TLG that their joint employees form the basis for the current as well as the future success of the Combined Group. The Issuer and TLG intend to retain their respective employees with leadership potential within the Combined Group and to select the Issuer's and the Combined Group's management team and employees based on the best-in-class principles.

The Issuer confirmed in the BCA that it will respect all labour-related provisions in Germany, including under existing employment agreements, existing shop agreements (*Betriebsvereinbarungen*) and collective bargaining agreements (*Tarifverträge*), in each case as applicable.

TLG Financial Information

For further information in relation to TLG, prospective investors should refer to the unaudited interim condensed consolidated financial statements of TLG for the nine months ended 30 September 2019 (the **Q3 2019 TLG Financial Statements**), and the auditor's report and audited consolidated financial statements of TLG for the financial year ended 31 December 2018 (the **2018 TLG Financial Statements** and, together, the **TLG Financial Statements**) incorporated by reference into this Offering Circular.

For the purposes of the consolidation of TLG and the TLG Group in the consolidated financial statements of the Issuer, it is expected that certain adjustments will need to be made to the historical financial information of TLG (including the TLG Financial Statements) based on the methods of presentation of the Issuer, together with any adjustments to be made based on the methods of recognition and measurement of the Issuer, and for such historical financial to be reconciled accordingly.

It is also expected that the net assets of TLG will be netted against the notational acquisition costs of TLG and it is only any positive difference that would be recognised as provisional goodwill.

Any fair value determination of the net assets of TLG would involve a calculation of the fair values of the loans and borrowings and the straight bonds of TLG instead of the carrying amounts of the related liabilities which are carried at amortised costs. This is expected to result in a corresponding increase in the loans and borrowings and the straight bonds of TLG. To the extent that the fair values of any other assets and liabilities are materially different to their carrying amounts this would also result in a corresponding increase or decrease.

The investment of TLG in the shares of Issuer is further expected to be eliminated against the "Retained earnings and other capital reserves" of TLG.

In addition, the loans and borrowings and straight bonds of TLG may have to be reclassified and presented under current liabilities due to the change in control provisions under those loans, borrowings and bonds. However, the actual impact on the financial position of TLG will depend on the extent to which these contractual termination provisions are exercised and any related refinancing arrangements for such loans, borrowings and bonds.

These are some only of the more significant adjustments expected to be made to the historical financial information of TLG as part of any such consolidation. Such adjustments, together with any other adjustments required for the purposes of such consolidation, may be material and no assurance can be given that the historical position and performance of TLG for the purposes of such consolidation will not be materially different from the position and performance of TLG reflected in the TLG Financial Statements. Prospective investors should consider the potential for such adjustments in any assessment of the TLG Financial Statements."

TLG Financial Statements

On 6 November 2019, TLG published its Quarterly Financial Report as at 30 September 2019 (the **TLG Q3 Financial Report 2019**), which includes the unaudited interim condensed consolidated financial statements of TLG for the nine months ended 30 September 2019 (the **Q3 2019 TLG Financial Statements**) and, on 21 March 2019, TLG published its Annual Report 2018 (the **TLG Annual Report 2018**), which includes the auditor's report and audited consolidated financial statements of TLG for the financial year ended 31 December 2018 (the **2018 TLG Financial Statements**). By virtue of this Supplement, the Q3 2019 TLG Financial Statements and the 2018 TLG Financial Statements from the relevant pages of the TLG Q3 Financial Report 2019 and the TLG Annual Report 2018, respectively, that are included in the cross-reference list below shall be incorporated in, and form part of, the Offering Circular:

(a) the relevant pages of the TLG Q3 Financial Report 2019 (which is published on the website of TLG (https://ir.tlg.eu/websites/tlg/English/4000/financial-reports.html) containing the Q3 2019 TLG Financial Statements, including the information set out at the following pages of the TLG Q3 Financial Report 2019 in particular:

(b) the relevant pages of the TLG Annual Report 2018 (which is published on the website of TLG (https://ir.tlg.eu/websites/tlg/English/4200/financial-reports-_-presentations-2018.html) containing the 2018 TLG Financial Statements, including the information set out at the following pages in particular:

Copies of all documents incorporated by reference in the Offering Circular will be available for viewing on the website of the Issuer (https://www.aroundtown.de/investor-relations/publications/financial-reports/), TLG (https://ir.tlg.eu/websites/tlg/English/4000/publika-_br-_tionen.html) or the website of Euronext Dublin (https://www.ise.ie/Market-Data-Announcements/Debt/), as applicable

Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement.

The content of any websites or urls referred to in this Supplement, or in any statement incorporated by reference into the Offering Circular by this Supplement, does not form part of this Supplement or the Offering Circular.

Amendments to the Terms and Conditions of the Subordinated Notes

By virtue of this Supplement, the following changes shall be made to the Terms and Conditions of the Subordinated Notes from pages 150 to 190 of the Offering Circular:

- The definition of "Repurchase Event" in Condition 7.7 (Redemption upon a Repurchase Event) on page 178 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following wording:

  "A **Repurchase Event** has occurred if 75 per cent. or more of the originally issued aggregate principal amount of the Subordinated Notes (including any further issues pursuant to Condition 19) have been redeemed or purchased and cancelled by the Issuer or any Subsidiary pursuant to the provisions of this Condition 7."

- Condition 7.2 (Issuer's Call Option) on page 175 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following wording:

  "**7.2 Issuer's Call Option**

  If Issuer Call is specified as being applicable in the applicable Final Terms, then this Condition 7.2 shall apply.

  The Issuer may, having giving not less than the minimum period not more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Registrar, the Principal Paying Agent and, in accordance with Condition 16, the Subordinated Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Subordinated Notes (a) if Issuer Call Period is specified as being applicable in the applicable Final Terms, at any time during the Issuer Call Period so specified and (b) (i) on the First Reset Date, in the case of Fixed Rate Resettable Subordinated Notes, or at any time thereafter; or (ii) on the Floating Rate Call Date, in the case of Floating Rate Subordinated Notes or any Interest Payment Date thereafter, in each case at their principal amount together with any accrued and unpaid interest to (but excluding) the date of redemption and any remaining Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes."

- The words "if Issuer Call Period is specified as being applicable in the applicable Final Terms, the Issuer Call Period or, if Issuer Call Period is not so specified as being applicable," shall be inserted immediately before the words "the First Reset Date" at the end of the second paragraph in each of Condition 7.3 (Redemption Upon a Taxation Event), Condition 7.4 (Redemption upon an Accounting Event) and Condition 7.5 (Redemption up a Rating Event) on pages 176 to 177 of the Offering Circular so that this wording now provides for the redemption of the Subordinated Notes in the circumstances specified in those Conditions where applicable at 101 per cent. of their principal amount, where such redemption occurs prior to, or at their principal amount, where such redemption occurs on or after, the Issuer Call Period as reflected below:

  "If Issuer Call Period is specified as being applicable in the applicable Final Terms, the Issuer Call Period, or if Issuer Call Period is not specified as being applicable, the First Reset Date, in the case of Fixed Rate Resettable Subordinated Notes, or the Floating Rate Call Date, in the case of Floating Rate Subordinated Notes, and together, in each case, with any accrued and unpaid interest to (but excluding) the date of redemption and any remaining Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes."

- Reference to "First Call Date" in each of Condition 7.3 (Redemption Upon a Taxation Event), Condition 7.4 (Redemption upon an Accounting Event) and Condition 7.5 (Redemption up a Rating Event) on pages 176 to 177 of the Offering Circular shall be deemed to be deleted and replaced with the words, "Floating Rate Call Date".

Amendments to the Applicable Final Terms for Subordinated Notes

(a) Item 17 (*Issuer Call*) of Part A – Contractual Terms on page 83 of the Offering Circular in the section entitled, "Applicable Final Terms for Subordinated Notes" shall be deemed to be deleted in its entirety and replaced with the following:

"

17.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Issuer Call Period:	The period commencing on (and including) [*day falling on applicable anniversary for the minimum period Notes to remain outstanding*] and ending on (and including) [*the Business Day immediately prior to the First Reset Date or the Floating Rate Call Date*]
	(b)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.*)
	(c)	Floating Rate Call Date:	[Interest Payment Date falling in or nearest to [specify month and year]][Not Applicable] (*N.B. Only relevant for Floating Rate Subordinated Notes*)

"

(b) Item 2 (*Ratings*) of Part B – Other Information on pages 85 to 86 of the Offering Circular in the section entitled, "Applicable Final Terms for Subordinated Notes" shall be deemed to be deleted in its entirety and replaced with the following:

"

2. RATINGS

Ratings:

[The Subordinated Notes to be issued [[have been]/[are expected to be]] [have not been] rated]/[The following ratings reflect ratings assigned to Subordinated Notes of this type issued under the Programme generally:]

[*Need to include a brief explanation of the meaning of ratings if this has previously been published by the rating provider*.]

(*The above disclosure should reflect the rating allocated to Subordinated Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

[***The following paragraphs in italics do not form part of the Terms and Conditions of the Subordinated Notes.***

The Issuer intends (without thereby assuming any legal or contractual obligation) that it will only redeem or repurchase the Subordinated Notes to the extent that the equity credit of the Subordinated Notes to be redeemed or repurchased does not exceed the equity credit resulting from the sale or issuance prior to the date of such redemption or repurchase by the Issuer of securities to third party purchasers (other than subsidiaries of the Issuer).

The following exceptions apply as to the Issuer's replacement intention. The Subordinated Notes are not required to be replaced:

(i) if the rating (or such equivalent nomenclature then used by [S&P]) assigned by [S&P] to the Issuer is at least equal to the rating on the date of the last additional hybrid issuance (excluding refinancing) and the Issuer is comfortable that such rating would not fall below this level as a result of such redemption or repurchase; or

(ii) in the case of repurchase of less than (x) 10 per cent. of the aggregate principal amount of the Subordinated Notes originally issued in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Subordinated Notes originally issued in any period of 10 consecutive years is repurchased;

(iii) if the Subordinated Notes are redeemed

pursuant to a Rating Event, an Accounting Event, a Tax Deduction Event, or a Gross-Up Event; or

(iv) in the case of repurchase, such repurchase would cause the Issuer's outstanding hybrid securities which are assigned equity credit by [S&P] to remain below the maximum aggregate principal amount of hybrid securities which S&P, under its then prevailing methodology, would assign equity credit to based on the Issuer's adjusted total capitalisation;

(v) if the Subordinated Notes are not assigned an "equity credit" (or such similar nomenclature then used by [S&P] at the time of such redemption or repurchase); or

(vi) if such redemption or repurchase occurs on or after [ ].]

(*N.B. Only relevant for Undated Subordinated Notes*)

"

General Information

The paragraph under the heading "Significant Change in the Financial or Trading Position" on page 222 of the Offering Circular shall be deemed deleted and replaced with the following paragraph:

> "Except for the developments inserted at the end of the section entitled "Description of the Issuer - Recent Developments" on page 195 of the Offering Circular by virtue of the Supplement dated 21 February 2020, since 30 September 2019, there has been no significant change in the financial performance or position of the Issuer or Aroundtown."

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.