

SUPPLEMENT DATED 08 JUNE 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, 21 February 2020 and 31 March 2020 (as so supplemented, the **Offering Circular**) which together 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 Issuer or 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 to (i) incorporate by reference the unaudited interim consolidated financial statements of the Issuer as at and for the three month period ended 31 March 2020; (ii) include new “Significant Change in the Financial or Trading Position” and “Trend Information” statements; (iii) make certain amendments to the risk factors; and (iv) amend the section headed, “Recent Developments” on pages 194 to 195 of the Offering Circular.

Interim Consolidated Financial Statements as at and for the three month period ended 31 March 2020

On 27 May 2020, the Issuer published its unaudited interim consolidated financial statements as at and for the three month period ended 31 March 2020 (the **Q1 2020 Financial Statements**). By virtue of this Supplement, the Q1 2020 Financial Statements are incorporated in, and form part of, the Offering Circular including the information set out at the following pages in particular:

Board of Directors' Report	Pages 2 to 45
Interim Consolidated Statement of Profit or Loss	Page 46
Interim Consolidated Statement of Comprehensive Income	Page 47
Interim Consolidated Statement of Financial Position	Pages 48 to 49
Interim Consolidated Statement of Changes in Equity	Pages 50 to 51
Interim Consolidated Statement of Cash Flows	Pages 52 to 53
Notes to the Interim Consolidated Financial Statements	Pages 54 to 64

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Commission Delegated Regulation (EU) No 2019/980.

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/>) 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.

Alternative Performance Measures

For the purposes of the paragraph “Alternative Performance Measures” on pages 58 to 59 of the Offering Circular and the reconciliation of certain of the APMs referred to therein, their components as well as their basis of calculation see the following pages of the Q1 2020 Financial Statements: Page 30 (Adjusted EBITDA), Page 32 (FFO I), Page 38 (LTV) and Page 40 (EPRA NAV).

Risk Factors

(a) By virtue of this Supplement, the following wording shall be deemed to be inserted immediately before the words “and other factors may all impact the level of demand for commercial real estate” and after the words “... consumer confidence” in the final paragraph on page 16 of the Offering Circular in the risk factor entitled “*The Group's performance is dependent on demographic, economic, political and market developments primarily in Germany, as well as in the Netherlands and the other areas where the properties in the Group Portfolio are located.*”:

“, public health crises (see “—Risks Related to the Business of the Group—Covid-19 and potential future outbreaks.”)”,

so that this paragraph now reads as follows:

“The market for commercial real estate, and the performance of the Issuer’s commercial real estate consisting primarily of office, hotel, logistics/wholesale, retail and other types of commercial real estate (the **Commercial Portfolio**), depends on economic and demographic developments in Germany, the Netherlands, the United Kingdom and the other Portfolio Regions. Factors such as changes in disposable income or industrial activity, the availability of credit financing, interest rates, taxation policies, economic growth, population growth, unemployment rates, consumer confidence, public health crises (see “—*Risks Related to the Business of the Group—Covid-19 and potential future outbreaks*”) and other factors may all impact the level of demand for commercial real estate. A decline in population levels, particularly among younger segments of the working population, or a decline in purchasing power or higher unemployment rates could reduce the demand for office, hotel, retail and other commercial properties. Declines in economic and population growth rates in the Portfolio Regions could lead to lower demand for residential real estate as well as to lower demand for commercial property, and, as a result, may adversely affect the Group's ability to achieve or maintain its desired occupancy rates, rent levels and weighted average lease terms (**WALTs**). Local economic developments, such as employment conditions or significant income or liquidity problems for tenants in these areas, may also lead to reduced rental income and increased vacancy or turnover rates. In such circumstances, the Group may not be able to let or re-let properties on attractive terms or at all, or may only be able to do so after making significant additional investments.”

(b) By virtue of this Supplement, the following wording shall be deemed to be inserted immediately after the words “... Eurozone commercial and residential real estate markets” at the end of the second paragraph on page 19 of the Offering Circular in the risk factor entitled “*Continuing uncertainty regarding the development of the global economy may result in economic instability, limited access to debt and equity financing and possible defaults by the Group's counterparties.*”:

“Additionally, the coronavirus pandemic (**Covid-19**) which emerged in early 2020 has impacted the global economy and contributed to further market uncertainty (see “—*Risks Related to the Business of the Group—Covid-19 and potential future outbreaks.*”).”,

so that this paragraph now reads as follows:

“The troubled macroeconomic environment also gave rise to ongoing economic and political instability, including the possibility of a breakup of the Eurozone. The European and global economies may also be impacted by the outcome of the referendum in the United Kingdom in favour of a withdrawal from the European Union (see “*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.*”), the current severe geopolitical crises in the Middle East as well as in the Ukraine, the uncertain economic prospects in China and other parts of the world, the results of the recent and future elections in a number of Eurozone countries (including in Germany and the Netherlands), the possibility of increased barriers to trade or “trade wars” in or with other countries or regions, and other factors, such as the fluctuation of raw material prices and currency fluctuations. Such instability and the resulting market volatility may also create contagion risks for economically strong countries such as Germany and may spread to the German or other Eurozone financial sectors and the German, Dutch, British and other Eurozone commercial and residential real estate markets. Additionally, the coronavirus pandemic (**Covid-19**) which emerged in early 2020 has impacted the global economy and contributed to further market uncertainty (see “—*Risks Related to the Business of the Group—Covid-19 and potential future outbreaks*”).”

(c) By virtue of this Supplement, the risk factor entitled “Emergence of coronavirus” on page 21 of the Offering Circular (included as part of the Supplement dated 31 March 2020) shall be deemed to be deleted in its entirety and replaced with the following wording:

“***Covid-19 and potential future outbreaks.***”

Covid-19 continues to pose risks to the Group and has affected investment sentiment on a global scale, resulting in a significant increase in volatility in the global capital markets. In addition, the outbreak has resulted in restrictions on travel and public transport, restrictions on trade and transportation of goods and prolonged closures of workplaces.

While the Group's daily operations are not materially dependent on a supply chain or production chain that may be disrupted due to Covid-19, the pandemic has had an adverse impact on the Group's hotel and non-essential goods retail asset classes. Covid-19's impact on the tourism sector has lowered revenues for hotel operators. The Group's rent collection rate in April and May 2020 significantly fell below the level of previous periods due to hotel tenants using rent deferral options. Further quarantines and lockdowns due to potential future waves of Covid-19 might have a material impact on the Group's collection rate as more tenants will defer rent payments. In addition, there might be a higher probability of tenant insolvencies if tenants cannot recover to pre-Covid-19 operating revenue levels, leading to material rent loss for the Group. These factors might lead valuers to reassess the hotel asset class risk, which could result in downward valuations. Such valuations would have an impact on the Group's ability to leverage key performance indicators, which could in turn adversely impact the Group's credit rating.

Covid-19 has resulted in travel restrictions, mandatory quarantines, lower consumer demand, lay-offs and the disruption of businesses across markets, essentially upending the global economy. If the impact of Covid-19 on the real estate market is prolonged, the Group's ability to attract new tenants, extend leases, increase rents and decrease vacancies may be negatively affected. Covid-19 may also have an adverse impact on the Group's employees and its post-TLG takeover integration efforts.

This economic downturn has contributed to increased capital market volatility, which could impact the Group's credit rating and also its ability to secure funds at attractive rates. The Group may also be affected by the continued uncertainty in the financial markets, leading to limited credit and liquidity supply and increased costs for the issuance of equity and debt.

The extent of the risk posed by Covid-19 in the future is unclear and the occurrence of any of the foregoing factors may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group."

(d) By virtue of this Supplement, the following wording shall be deemed to be inserted immediately before the words "the Group will need to revise downward" and after the words "... the general economic situation," in the second paragraph on page 33 of the Offering Circular in the risk factor entitled "*In the event of a downturn or other developments in the real estate markets in Germany, the Netherlands, the United Kingdom or the other Portfolio Regions, or in the interest rate environment, the fair values of the properties in the Group Portfolio may decline, which may have adverse effects on the valuation of the Group Portfolio.*":

"such as may result from Covid-19 (see "*—Risks Related to the Business of the Group—Covid-19 and potential future outbreaks*"),",

so that this paragraph now reads as follows:

"The fair value thus reflects not only the circumstances directly connected with the property but also the general conditions of the real estate markets, such as regional market developments and general economic conditions or interest rate levels. Accordingly, there is a risk that in the event of a downturn in the real estate market or the general economic situation, such as may result from Covid-19 (see "*—Risks Related to the Business of the Group—Covid-19 and potential future outbreaks*"), the Group will need to revise downward the value of the Group Portfolio. In addition, rising interest rates generally may have a negative influence on the fair value of property portfolios, and may impact the value of the Group Portfolio."

(e) By virtue of this Supplement, the following wording shall be deemed to be inserted immediately after the words "... other historical financial data of the Issuer and the Group are not necessarily predictive of future earnings or other financial results for the Issuer or the Group" in the penultimate paragraph of the risk factor entitled "*The Group has grown rapidly since 2012, and there is no guarantee that the Issuer and the Group will be able to manage future growth successfully. The Issuer's and the Group's historical earnings and other historical financial results are not necessarily predictive of future earnings or other financial results of the Issuer or the Group.*" on page 37 of the Offering Circular:

"Following the completion of the exchange offer for the shares of TLG in mid-February 2020, the financial results of TLG have been fully consolidated in the Group's consolidated financial statements beginning with the consolidated financial statements for the three months ended 31 March 2020. This consolidation had a material impact on the Group's consolidated financial statements and, as a result, the Group's consolidated financial statements for the three months ended 31 March 2020 and its future consolidated financial statements might not be comparable to its historical consolidated financial information."

and the final two sentences of this paragraph shall be included as a new paragraph, so that this paragraph now reads as follows:

"In addition, because of the rapid growth of the Issuer and the Group, the historical earnings, historical dividends and other historical financial data of the Issuer and the Group are not necessarily predictive of future earnings or other financial results for the Issuer or the Group. Following the completion of the exchange offer for the shares of TLG in mid-February 2020, the financial results of TLG have been fully consolidated in the Group's consolidated financial statements beginning with the consolidated financial statements for the 3-month period ended 31 March 2020. This consolidation had a material impact on the Group's consolidated financial statements and, as a result, the Group's consolidated financial statements as of 31 March 2020 and its future consolidated financial statements might not be comparable to its historical consolidated financial information.

The information presented in this Offering Circular often involves forward-looking statements based on estimates and assumptions of the Group. There can be no assurance that these estimates and assumptions will be accurate, reasonable or correct in every market condition, and the Group may fail to accurately predict future developments."

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 2 June 2020, the Issuer announced a share buy-back programme for its own shares with a volume of up to 120 million shares (this equals 8.9% of total shares carrying voting rights) for a total purchase price of up to €500 million. The buy-back programme will begin on 3 June 2020 and continue until 31 December 2020."

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:

"Other than as described in (i) paragraphs (b) and (c) of Note 14 (Events after the reporting period) on page 64 of the Issuer's unaudited interim consolidated financial statements as at and for the three month period ended 31 March 2020 (the **Q1 2020 Financial Statements**), (ii) the risk factor entitled "*Covid-19 and potential future outbreaks.*" inserted on page 21 of the Offering Circular by virtue of the Supplement dated 8 June 2020 and (iii) the developments inserted in the section entitled "*Description of the Issuer - Recent Developments*" on page 195 of the Offering Circular by virtue of the Supplement dated 8 June 2020, since

31 March 2020, there has been no significant change in the financial performance or position of the Issuer or Aroundtown.”

The paragraph under the heading “Trend Information” on page 223 of the Offering Circular shall be deemed deleted and replaced with the following paragraph:

“Other than as described in (i) paragraphs (b) and (c) of Note 14 (Events after the reporting period) on page 64 of the Q1 2020 Financial Statements, (ii) the risk factor entitled “*Covid-19 and potential future outbreaks.*” inserted on page 21 of the Offering Circular by virtue of the Supplement dated 8 June 2020 and (iii) the developments inserted in the section entitled “*Description of the Issuer - Recent Developments*” on page 195 of the Offering Circular by virtue of the Supplement dated 8 June 2020, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.”

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.