alstria

FIRST HALF OF 2019

AUGUST 13, 2019

DISCLAIMER

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, general economic conditions, including in particular economic conditions in the alstria's core business and core markets, general competitive factors, the impact of acquisitions, including related integration issues, and reorganization measures. Furthermore, the development of financial markets, interest rate levels, currency exchange rates, as well as national and international changes in laws and regulations, in particular regarding tax matters, can have a corresponding impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information contained herein.

HIGHLIGHTS H1 2019

Uhlandstr. 85, Berlin

- **Operating business**
  - Revenues: EUR 93.1 million
  - FFO: EUR 55.7 million
  - FFO per share: EUR 0.31
- **Leasing**
  - New leases: 81,800 m²
  - Extended leases: 66,700 m²
  - EPRA vacancy rate: 7.6 %
- **Transactions**
  - Acquisition of 3 assets for a total AIC of EUR 30.1 million
  - Disposal of 3 assets for a total consideration of EUR 107.4 million
- **Balance sheet**
  - Net LTV: 29.0 % (30.4 %)
  - Valuation gain of EUR 199.4 million
  - EPRA NAV up by 6.9 % to EUR 16.19 per share

OPERATIONS: PORTFOLIO UPDATE

PORTFOLIO DATA as per June 30, 2019

- **Investment properties:**
  EUR 4.2 billion (EUR 4.0 billion*)
- **H1 revaluation gain:** EUR 199.4 million
- **Avg. size per asset:** 13,150 m²
- **Avg. value per asset:** EUR 35,780
- **Valuation yield:** 4.8 % (4.9 %*)
- **Value per m²:** EUR 2,721 (EUR 2,525*)
- **EPRA vacancy rate:** 7.6 % (9.7 %*)
- **WAULT:** 4.9 years (4.8 years*)
- **Contractual rent:**
  EUR 199.7 million (EUR 197.0 million*)

* as per Dec. 31, 2018.

ALSTRIA'S INVESTMENT MARKETS

as per June 30, 2019

Total portfolio

- Investment volume: EUR 4.2 billion
- Number of assets: 116
- Lettable space: 1.5 million m²

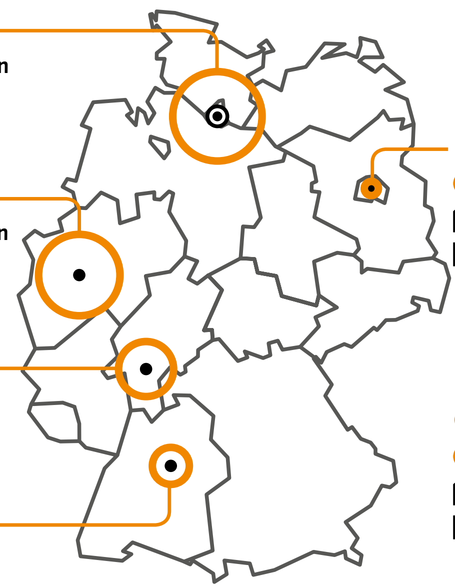
- Headquarters
- Local offices

Hamburg
- EUR 1,307 million
- 36 assets
- 385,947 m²

Rhine-Ruhr
- EUR 1,177 million
- 34 assets
- 476,072 m²

Rhine-Main
- EUR 739 million
- 19 assets
- 282,391 m²

Stuttgart
- EUR 519 million
- 10 assets
- 214,144 m²

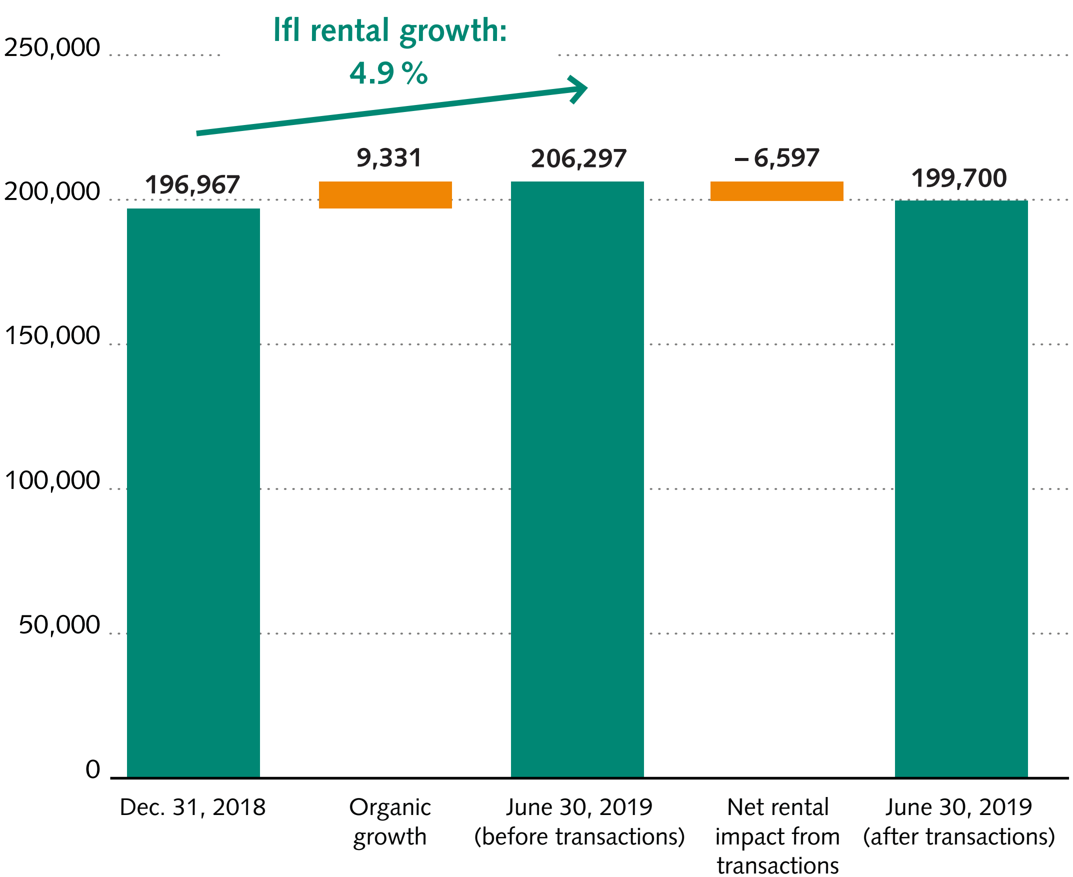


Berlin
- EUR 289 million
- 11 assets
- 86,343 m²

Others
- EUR 119 million
- 6 assets
- 80,422 m²

REVALUATION GAIN DRIVEN BY RENTAL INCREASE

DEVELOPMENT CONTRACTUAL RENT IN H1 2019



- Like-for-like rental growth of 4.9% (EUR 9.3 m)
- Net rental loss from transactions more than compensated by rental increase from real estate operations
- Revaluation gain driven by organic growth and yield compression

EUR 17.0 M RENT REVERSION / EUR 1 PER SHARE NAV POTENTIAL

DEVELOPMENTS

Adress	City	Lettable area (m^2)	OMV at start of development (EUR k)	Total capex (EUR k)	Current rent (EUR k)	ERV on completion (EUR k)	Rent reversion (EUR k)	All-in-cost yield (%)	Expected OMV[1] (EUR k)	Expected development gain (EUR k)	Expected development gain per share (EUR)
Amsinckstr. 28	Hamburg	8,600	13,300	8,700	0	1,532	1,532	7.0	38,300	16,300	0.09
Amsinckstr. 34	Hamburg	6,600	9,700	7,000	220	1,207	987	7.2	30,175	13,475	0.08
Besenbinderhof 41	Hamburg	5,000	6,500	8,400	0	903	903	6.1	22,575	7,675	0.04
Carl-Reiß-Platz 1–5, TG	Mannheim	17,500	17,000	36,100	44	3,100	3,056	5.8	68,820	15,720	0.09
Gustav-Nachtigal-Str. 3–5	Wiesbaden	26,800	28,800	47,000	776	5,604	4,828	7.4	140,100	64,300	0.36
Kanzlerstr. 8	Düsseldorf	9,100	14,500	4,100	601	1,171	570	6.3	25,996	7,396	0.04
Solmsstr. 27–37	Frankfurt / M.	29,800	68,000	12,000	140	5,287	5,147	6.6	132,175	52,175	0.29
Total		**103,400**	**157,800**	**123,300**	**1,781**	**18,804**	**17,023**	**6.7**	**458,141**	**177,041**	**1.00**

[1] Expected OMV at current market yield (4.0 % for assets in Hamburg, Wiesbaden and Frankfurt, 4.5 % for assets in Mannheim and Düsseldorf).

- 6.6 % of the portfolio under development
- Planned capex of EUR 123.3 m
- EUR 17.0 m rent reversion potential
- Expected all-in-cost yield of 6.7 %
- Current market yield of 4.0 – 4.5%
- Expected development gain of EUR 177 m (EUR 1.00 per share)

H1 LEASING SECURES EUR 163.6 MILLION OF FUTURE CASHFLOW

NEW LEASES IN 2019: 81,800 m²

- 78 new leases in H1 2019
- Avg. lettable area: 1,049 m²
- Avg. rent: EUR 14.49 m²/month
- WAULT: 7.9 years
- Future cashflow: EUR 122.0 m

NEW LEASES > 1,500 m² – 2019 YTD

Adress	City	Lettable area	Lease start	Net rent p.a. (EUR k)	Lease length (years)	Rent free (in % of lease length)
Platz der Einheit 1	Frankfurt am Main	2,900	July 01, 2019	850	10.0	5.8
Heerdter Lohweg 35	Düsseldorf	13,500	May 01, 2020	1,894	12.0	7.6
Amsinckstr. 34	Hamburg	2,200	Sep 01, 2019	424	5.0	1.7
Pempelfurtstr. 1	Ratingen	1,700	Apr 01, 2019	179	10.0	0.0
Gustav-Nachtigal-Str. 5	Wiesbaden	5,400	Jun 01, 2019	1,415	1.6	0.0
Süderstr. 23	Hamburg	1,600	Oct 01, 2019	294	10.0	2.5
Kanzlerstr. 8	Düsseldorf	5,000	Mar 01, 2020	865	10.0	5.2
Platz der Einheit 1	Frankfurt am Main	4,200	July 01, 2019	1,100	3.0	8.3
Rotebühlstr. 98–100	Stuttgart	6,300	Oct 01, 2021	1,627	15.0	1.7
Am Seestern 1	Düsseldorf	15,000	Oct 01, 2020	3,338	10.0	1.7

RENEWALS IN 2019: 66,700 m²

- 23 lease extensions in H1 2019
- Avg. lettable area: 2,901 m²
- Avg. rent: EUR 11.06 m²/month
- WAULT: 4.5 years
- Future cashflow: EUR 41.6 million

RENEWALS > 5,000 m² – 2019 YTD

Adress	City	Tenant	Lettable area	Net rent p.a. (EUR k)	Lease length (years)	Rent free (in % of lease length)
Ivo-Beucker-Str. 43	Düsseldorf	SMS Group GmbH	8,000	1,208	5.0	–
Alfredstr. 236[2)]	Essen	Hochtief AG	30,300	4,150	4.0	–
Willstätterstr. 11–15	Düsseldorf	Hach Lange GmbH	7,700	757	9.6	3.5

ZOOM INTO DÜSSELDORF

SUB-PORTFOLIO RHINE-RUHR H1 2019	
Number of assets	34
Lettable area	476,000 m²
Lease-up	41,000 m²
Vacancy reduction	44 %
Lfl increase annual rent	EUR 6.6 m


H1 2019 lease-up: 6,500 m²

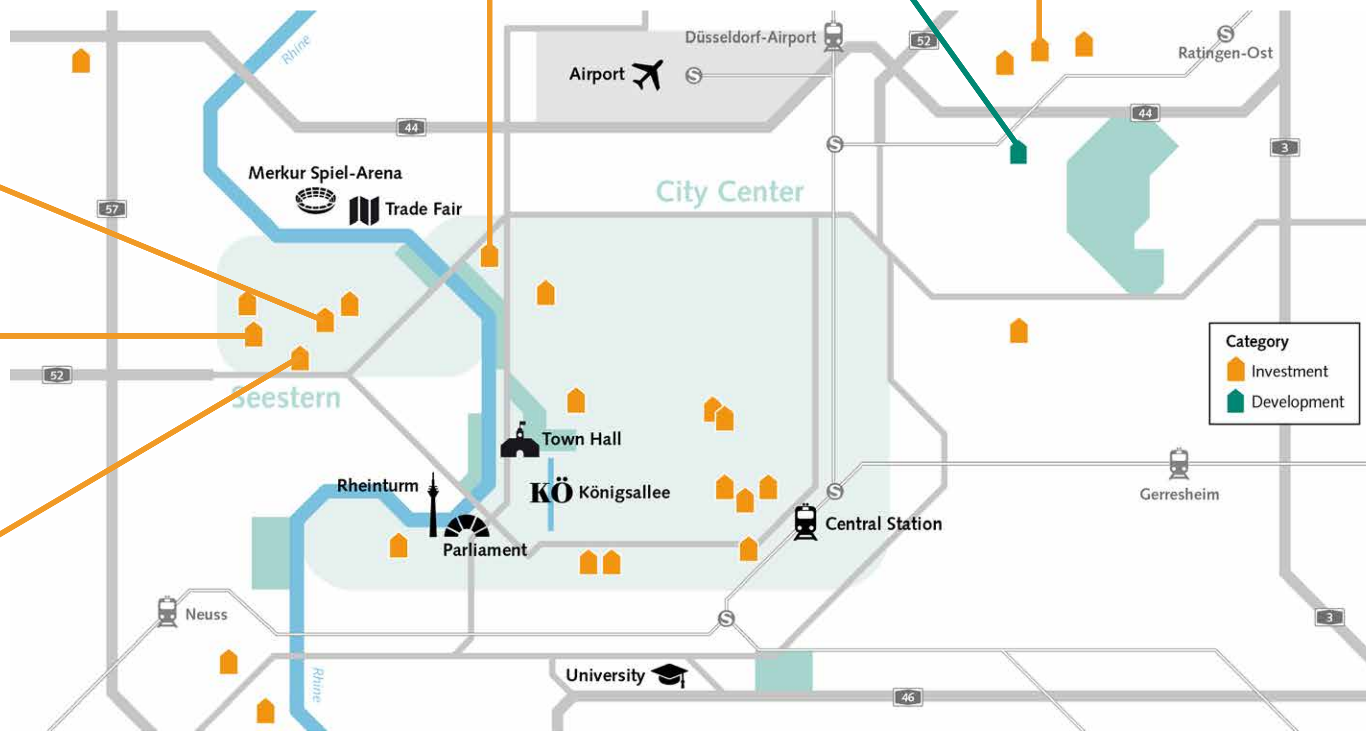

H1 2019 lease-up: 5,000 m²


H1 2019 lease-up: 1,700 m²


H1 2019 lease-up: 13,500 m²


H1 2019 lease-up: 7,700 m²


H1 2019 lease-up: 13,500 m²



BUYING IN THE CENTER

HAUPTSTR. 98–99, BERLIN

MAXSTR. 3 A, BERLIN

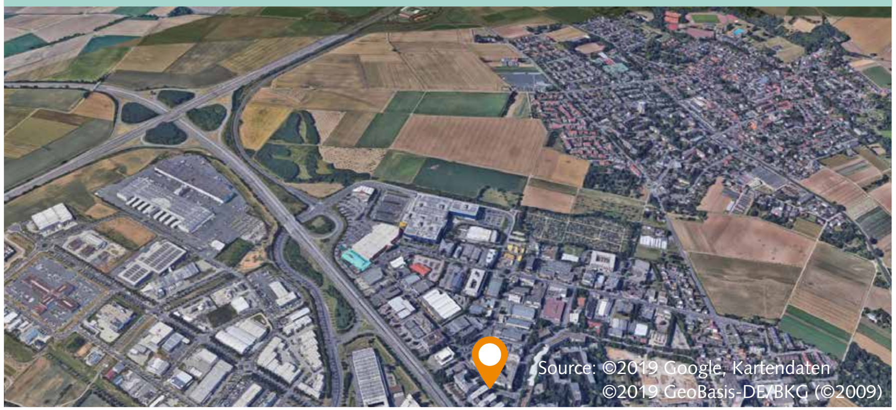
ADLERSTR. 63, DÜSSELDORF

KEY DATA

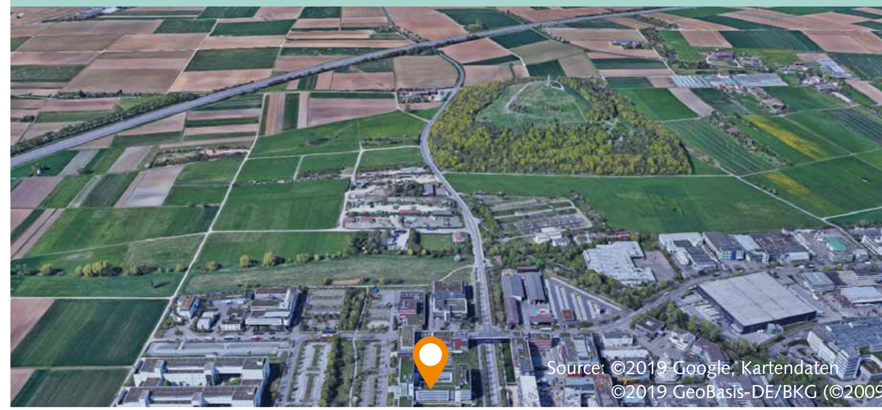
AIC:	EUR 30.090 k
Lettable area:	9,856 m²
AIC / m²:	EUR 3,056
In-place rent:	EUR 1,116 k
In-place rent / m²:	10.00 EUR
ERV / m²	15.20 EUR
Vacancy:	580 m²

SELLING THE PERIPHERY

BERNER STR. 119, FRANKFURT (NIEDER–ESCHBACH)



INGERSHEIMER STR. 20, STUTTGART (WEILIMDORF)



STIFTPLATZ 5, KAISERSLAUTERN

KEY DATA

Disposal proceeds:	EUR 107.4 million
Gain to 31/12/18 appraised value:	EUR 18.1 million
Lettable area:	52,100 m²
In-place rent:	EUR 5,957 k
Vacancy:	7.3 %

ALSTRIA'S SHARE

SHARE	
ISIN	DE000A0LD2U1
Symbol	AOX
Market segment	Financial Services
Industry group	Real Estate
Indizes	FTSE EPRA / NAREIT Global Real Estate Index Series, FTSE EPRA / NAREIT Europe Real Estate Index Series, MDAX, RX REIT Index, GPR 250 Index Series, GPR 250 REIT Index Series
Number of shares	177.5 million
Free float	100 %

Corporate Responsibility Prime

rated by ISS-oekom

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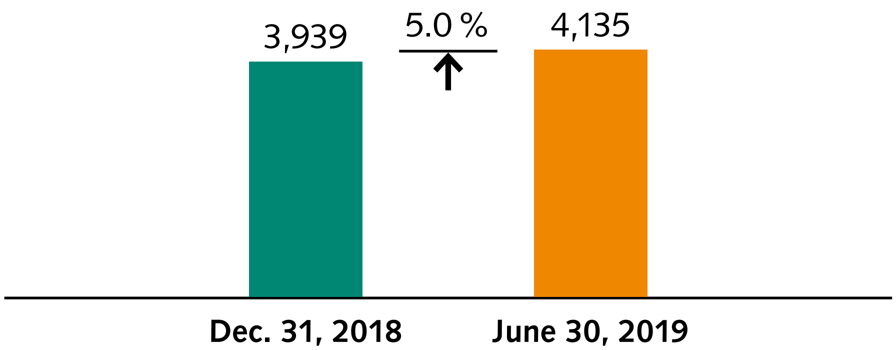
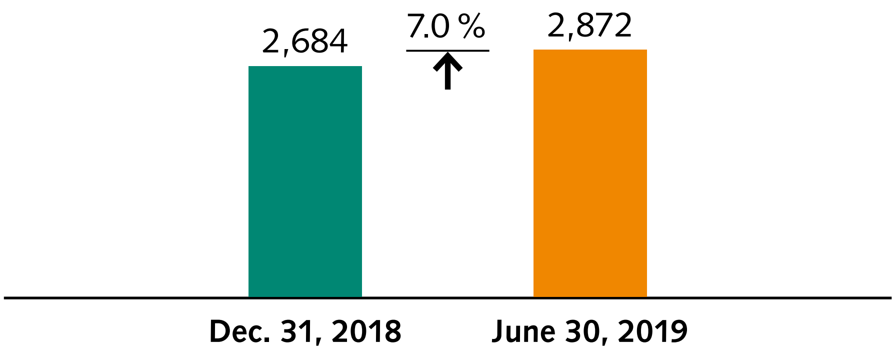
APPENDIX: SELECTED BALANCE SHEET POSITIONS

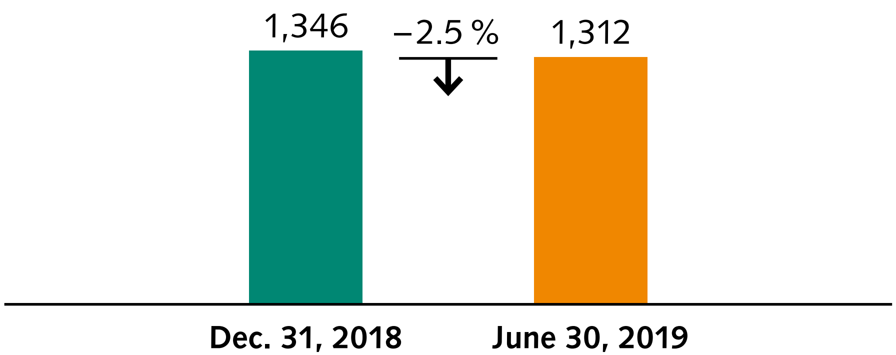
INVESTMENT PROPERTY in EUR million



EQUITY in EUR million



FINANCIAL DEBT in EUR million

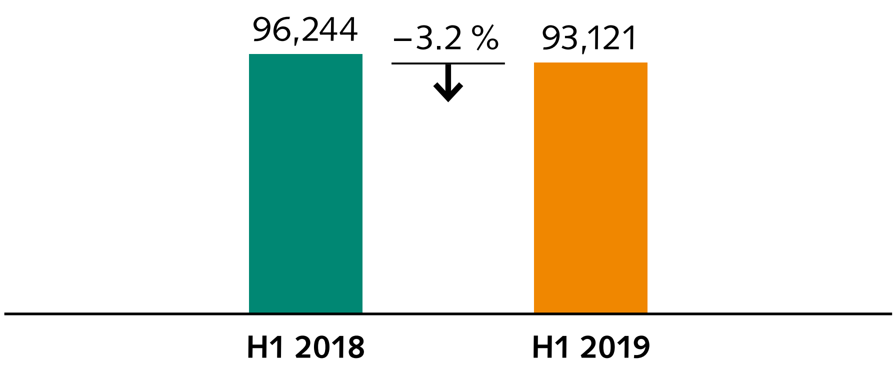


RATIOS (compared to Dec. 31, 2018)

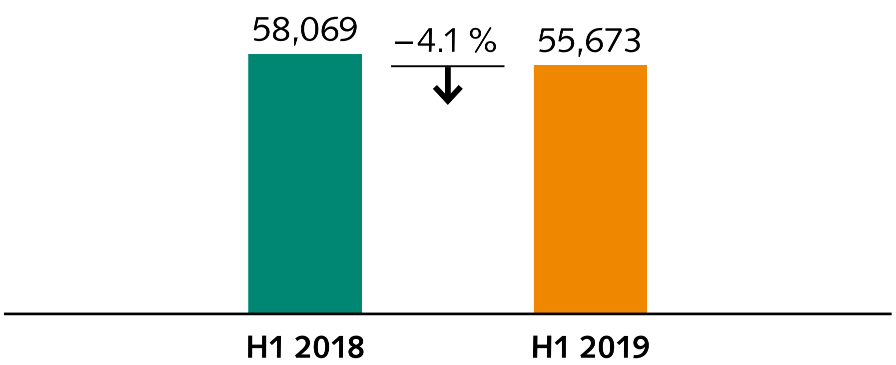
- **G-REIT equity ratio:** 69.2 % (67.2 %)
- **Net LTV:** 29.0 % (30.4 %)
- **EPRA NAV per share:** EUR 16.19 (EUR 15.14)

APPENDIX: SELECTED PROFIT & LOSS POSITIONS

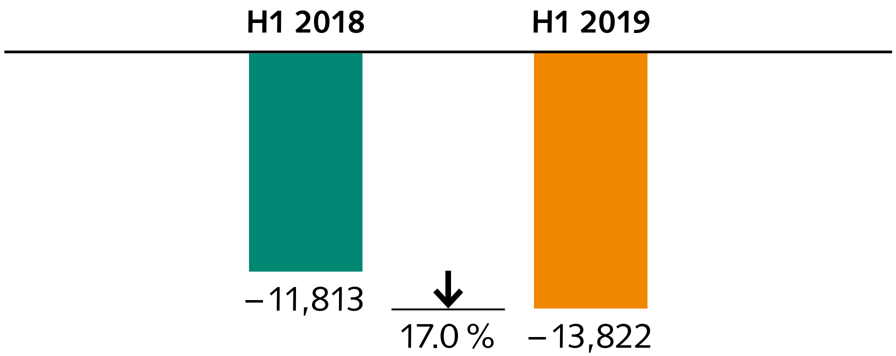
GROSS RENTAL INCOME in EUR k



FUNDS FROM OPERATIONS (FFO) in EUR k



SG&A in EUR k

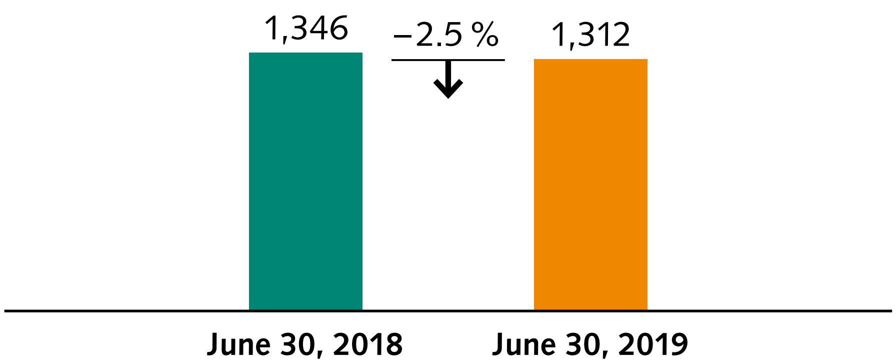


RATIOS (compared to June 30, 2018)

- **FFO per share:** EUR 0.31 (EUR 0.33)
- **FFO margin:** 59.8 % (60.3 %)
- **EPRA cost ratio:** 21.6 % (18.8 %)

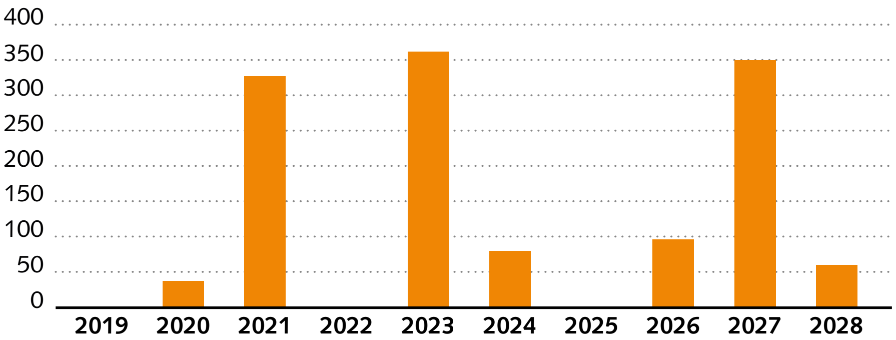
APPENDIX: DE-LEVERING COMPLETED

FINANCIAL DEBT in EUR million



MATURITY PROFILE in EUR million

as of June 30, 2019



COMPOSITION OF DEBT in EUR million

	Nominal amount (in Euro m)	Avg. cost of debt (years)	Avg. Maturity (in years)
Bonds	1,002	1.9	4.8
Schuldschein	114	2.2	4.0
Bank debt	196	1.1	6.8
Total	**1,312**	**1.8**	**5.0**

RATIOS (as per Dec. 31, 2018)

- **Cost of debt:** 1.8 % (1.8 %)
- **Net LTV:** 29.0 % (30.4 %)
- **Net debt / EBITDA:** 8.5 x (8.3 x)
- **Avg. debt maturity:** 5.0 years (5.5 years)
- **Debt per m²:** EUR 860 (EUR 853)

APPENDIX: RECONCILIATION FROM IFRS TO FFO

IFRS P&L AND FFO in EUR million

EUR k (H1 2019)	IFRS	Adjustments	FFO H1 2019	FFO H1 2018
Revenues	**93,121**	**0**	**93,121**	**96,244**
Income less expenses from passed on operating expenses	22,147	0	22,147	23,662
Real estate operating expenses	–34,916	686	–34,230	–36,239
Net rental income	**80,352**	**686**	**81,038**	**83,666**
Adminstrative expenses	–4,586	533	–4,053	–3,868
Personnel expenses	–9,236	1,606	–7,630	–6,961
Other operating income	13,635	–12,149	1,486	1,589
Other operating expenses	–5,701	4,932	–769	–608
Net gain / loss from fair value adjustments on investment property	199,371	–199,371	0	0
Gain on disposal of investment properties	18,063	–18,063	0	0
Net operating result	**291,898**	**–221,826**	**70,072**	**73,818**
Net financial result	–12,901	0	–12,901	–14,249
Share of the result of joint venture	–169	126	–43	69
Net loss from fair value adjustments on financial derivatives	0	0	0	0
Pretax income / FFO	**278,828**	**–221,700**	**57,128**	**59,638**
Income tax	123	–123	0	0
Minorities	0	0	–1,454	–1,569
Net profit / FFO after minorities	**278,951**	**–221,823**	**55,673**	**58,069**

MAIN ADJUSTMENTS

- EUR 199.4 m non-cash valuation impact on investment properties
- EUR 18.1 m non-recurring disposal gains
- **Other operating income**
  - EUR 10.5 m release of accruals
  - EUR 1.6 m one-off compensation payments
- **Other operating income**
  - EUR 4.9 m non-cash increase in minority share of alstria office prime portfolio GmbH & Co. KG
- **Personnel expenses:**
  - EUR 1.6 m non-cash share based compensation