

FIRST HALF OF 2020 & BUSINESS UPDATE ON COVID-19

AUGUST 11, 2020



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.

The current COVID-19 outbreak is creating substantial uncertainty in the marketplace. Although alstria has diligently reviewed the information contained in this release it is based on its own analysis and estimate, as well as available public sources and not on active discussion with tenants. As such the current liquidity risk of the tenants can materially differ from alstria's own estimate, and the actual impact of the COVID 19 outbreak may differ substantially from the current provisions.

No duty to update

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

H1 2020 BUSINESS IN LINE WITH PLAN



Steinstr. 7, Hamburg

› Operating business in line with plan

- Revenues: EUR 87.2 million
- FFO: EUR 54.4 million
- FFO per share: EUR 0.31
- Rent collection rate in July back to 99.7 %

› Dividend proposal

- EUR 0.52 plus EUR 0.01 'green dividend'

› Guidance unchanged

- Revenues: EUR 179 million
- FFO: EUR 108 million

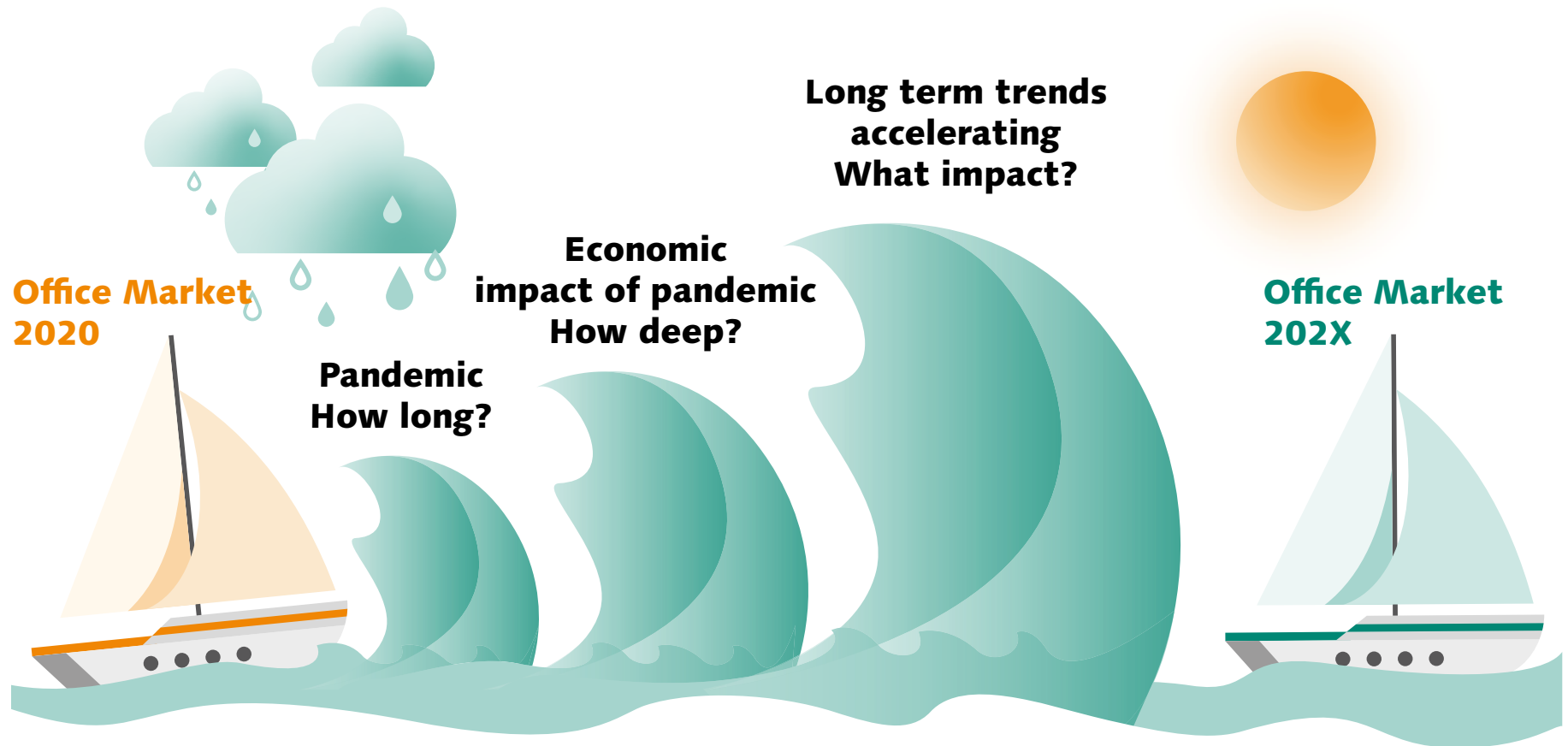
› Solid balance sheet

- EPRA NTA: 17.73 per share (EUR 17.21 ex dividend)
- Net LTV: 26.3 % (–0.8 pp) (28.4 % post dividend payment)

› Enhanced liquidity position

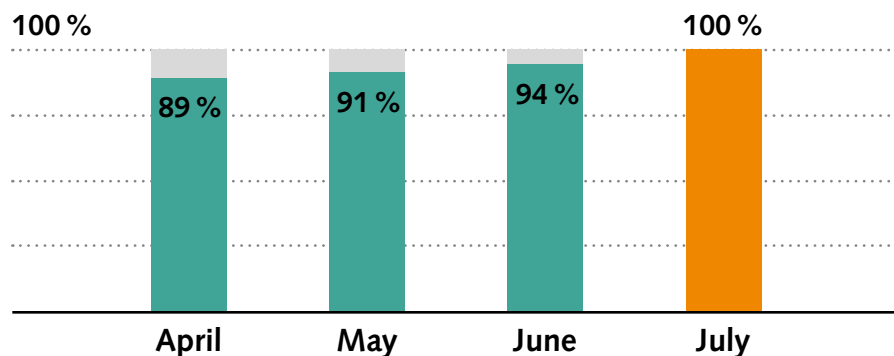
- Placement of EUR 350 m bond
- Maturity: 6 years, Coupon: 1.5 %

THE BIG PICTURE

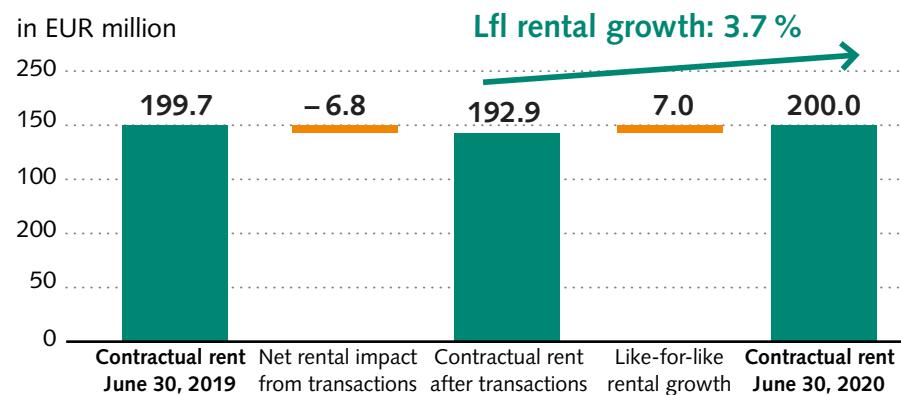


PANDEMIC. HOW LONG?

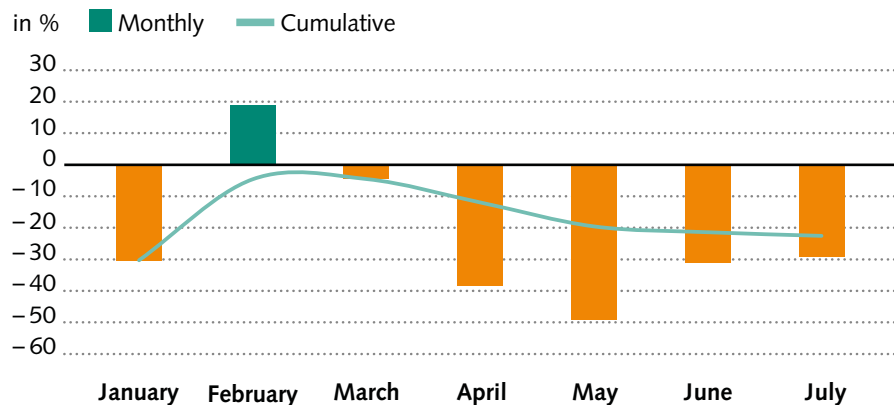
RENT COLLECTION RESULT



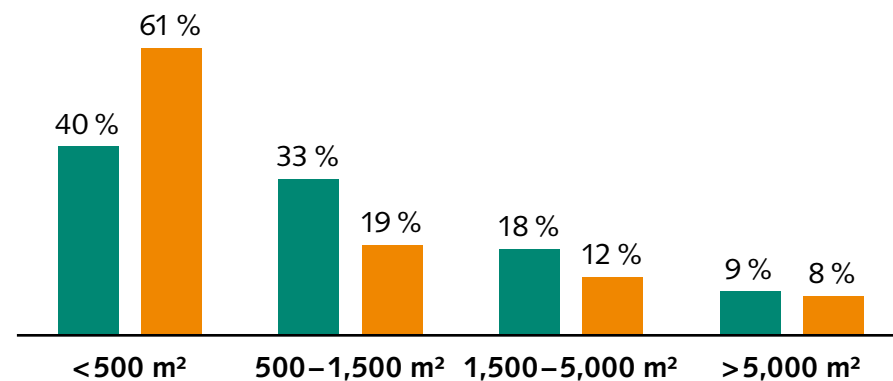
CONTRACTUAL RENT



CHANGE INBOUND TENANT ENQUIRIES 2020 VS. AVERAGE 2017–2019



SPLIT OF INBOUND INQUIRY BY SIZE



RECESSION: HOW DEEP?

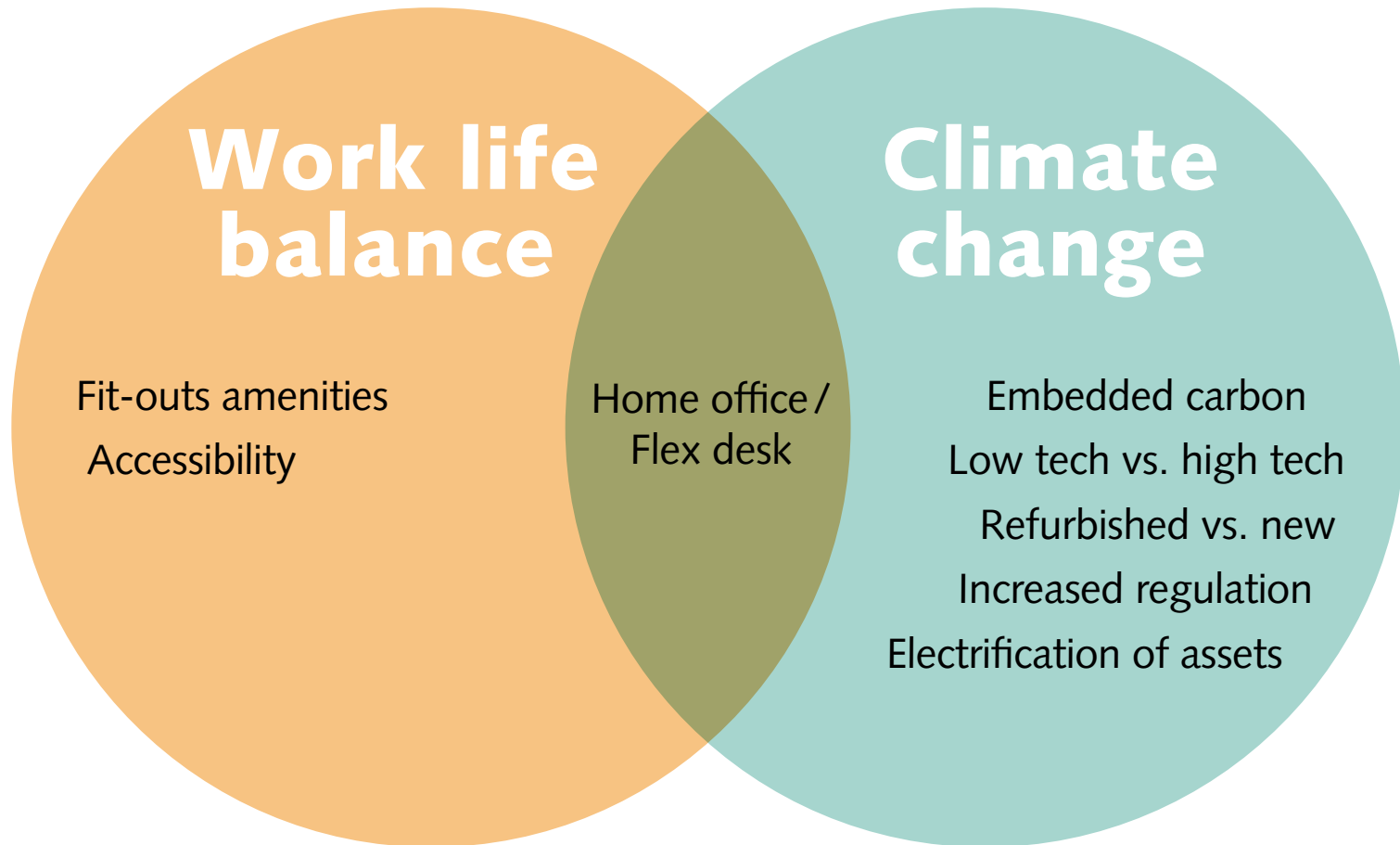
VALUATION MOVEMENT BY ASSET CLASS

Asset class / city	Market value (EUR m)	Valuation movement (EUR m)	Valuation movement (%)
Office	4,115	-66	-1.6
Hamburg	1,394	-8	-0.5
Düsseldorf	1,003	-20	-2.0
Frankfurt	803	-26	-3.2
Stuttgart	488	-25	-5.1
Berlin	320	11	3.5
Others cities	108	0	0.5
Hotel / mixed used	84	-10	-12.0
Retail / mixed used	66	-10	-14.7
Nursing homes	117	-3	-2.3
Total¹⁾	4,382	-88	-2.0

¹⁾Rounding differences may occur in the total line.

- › Office remains a cyclical business
- › Depth of the recession and shape of the recovery is still uncertain
- › Monetary policy and fiscal response impact on real estate vs. weakening of the letting market

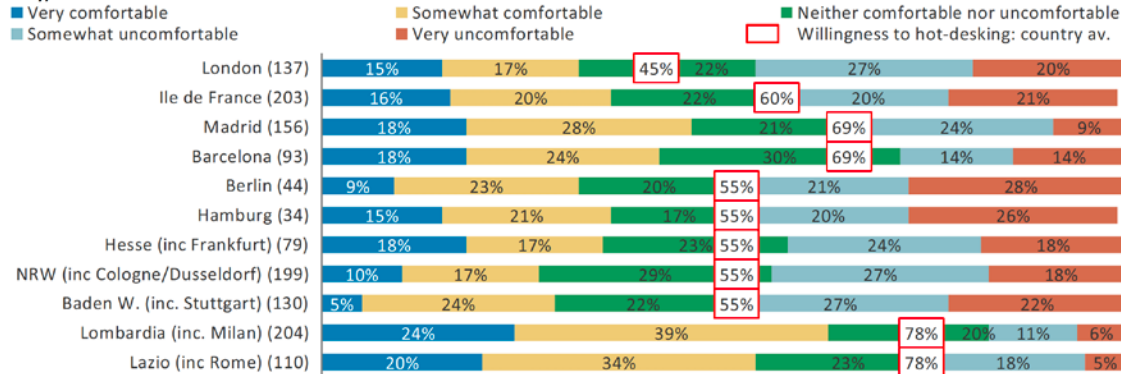
ACCELERATING TRENDS



DEATH OF THE OFFICE

HOME OFFICE DOES NOT IMPACT DEMAND. DESK SHARING DOES.

Once Covid concerns have died down, if your employer were to introduce 'hot-desking', how comfortable would you be with this? (office workers only)



Source: AlphaWise, Morgan Stanley Research. Figures in brackets denote number of respondents

The relevant question:
What is the value of offering a desk ?

› Home office is here to stay

- alstria flexible work policy: 60 annual days of flexible work per year (equivalent of two day per week)
- Not more than 3 days in a row
- Main benefit is to allow employee, who wishes so, to limit commuting to the office

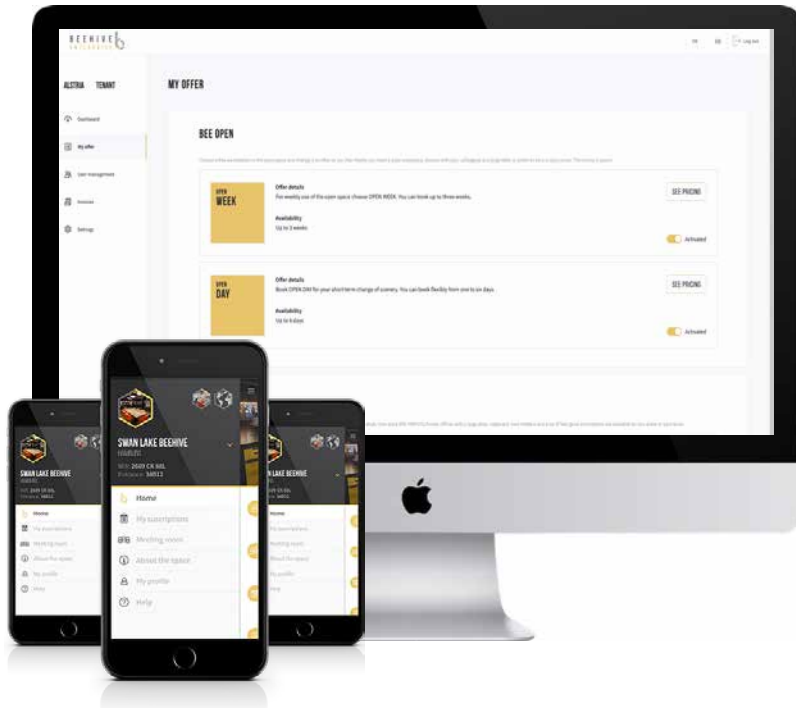
› Challenges

- Legal framework unclear
- Clarification of the legal framework is likely to increase complexity as 'home office' flexibility will compete with workers rights in the workplace

› Main potential impact

- Reduce overall tenant demand
- Unqualified tenant demand
- Change in tenant layouts (fit-out)

BEEHIVE ENTERPRISE: FLEX DESK SOLUTION



- › Empower alstria's tenant employees to book additional desks and meeting room in a seamless way through online and mobile tools
- › Offer HR departments with centralized solution to manage Flex desk policy, with integrated cost controls and invoicing / cost allocation
- › Agile development approach provide constant flow of upgrades and new functionalities based on client feedback
- › Full proprietary front and back-end technology allow for strong differentiation with (potential) competitors
- › Build on alstria's co-working infrastructure
- › Official launch Q3–Q4 2020; every new alstria tenant will be onboarded in Beehive Enterprise

INCREASED FOCUS ON CLIMATE CHANGE

CLIMATE CHANGE REMAINS THE LARGEST SINGLE LONG-TERM CHALLENGE WE NEED TO ADDRESS

- › alstria could claim to be a Net Zero Company today (100 % of our operating emissions are compensated)
- › We however believe that it is not about what we claim but about what we do, and how efficiently we do it
- › In addition to everything we already do in our approach to carbon we will:

WE'VE HAD OUR
SCIENCE-BASED TARGET APPROVED



1 Introduce Carbon Design Principles for all construction projects within alstria

2 Increase focus on understanding embedded carbon

3 Increase dialog with our shareholder through the introduction of a Green Dividend

THINGS ARE CHANGING?

Being an operator is the only way forward



CLIENT DEMANDS

- › More flexibility
- › New work concepts
- › Less space

ASSET REQUIRES

- › More adaptability
- › More capex

IMPACT ON REAL ESTATE

- › Increased complexity in leasing
- › Increased revenue pressures as client flexibility increases
- › Increase effort in keeping the asset up-to-date
- › Similar needs in terms of financing skills

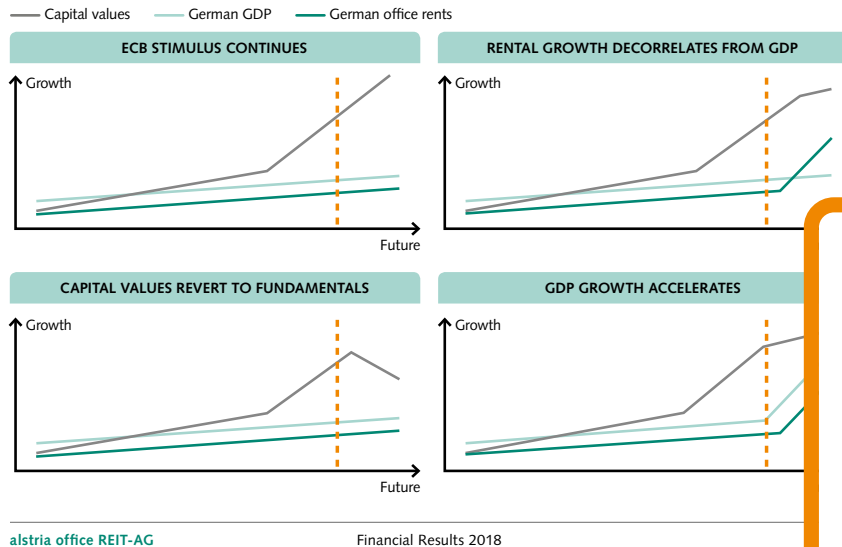


- › Nature and amount of tenant demand changes overtime
- › Assets require more capex going forward
- › Product and services need to be constantly reviewed
- › Cost / benefit analysis becomes the norm

**Change is an integral part of our business;
We should not fear it but embrace it.**

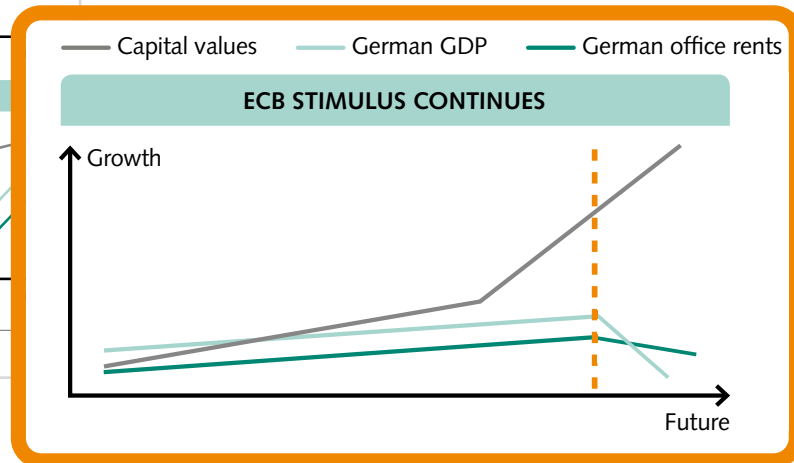
CAPITAL VALUES: NEW NORMAL, OR OLD-TIMER?

POSSIBLE OUTCOMES



- Property values and cash flow might diverge even further as recession and expansive monetary policies have opposite effect

WE MIGHT AS WELL BE HERE



- Cash-flow and liquidity will remain the primary focus for the foreseeable future
- Potential for arbitrage between public and private market if disconnect continues

DIVIDEND

- › We have built a resilient balance sheet over the last few years to prepare for a potential downturn
- › It was necessary when faced with the unknown of the pandemic to step back
- › Uncertainty is still there, but we now know better what we are facing, and what it could require to go through it
- › We therefore confirm the dividend of 52 cents per share with an additional 1 cent of Green Dividend

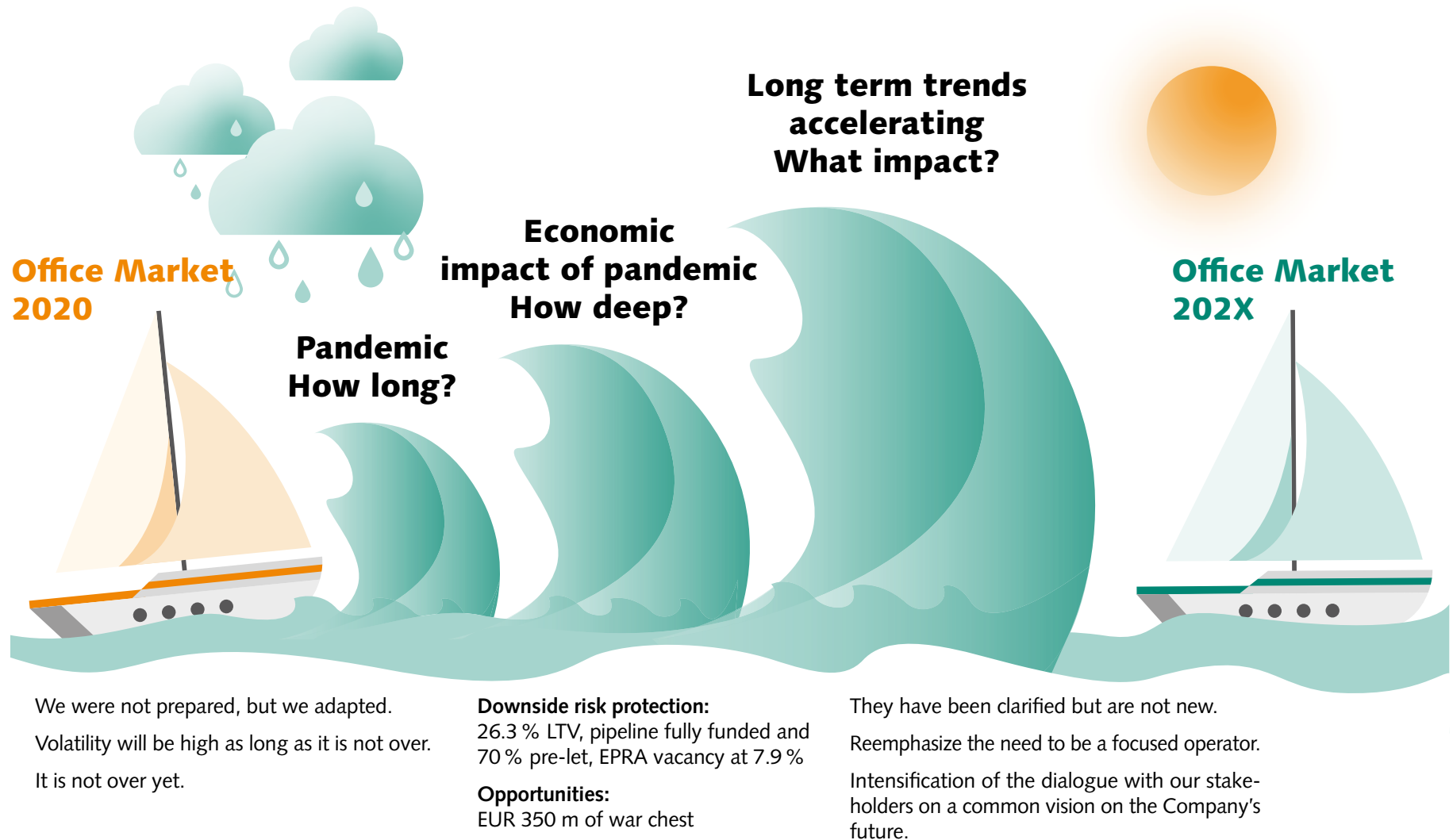
A NEW DIALOGUE WITH OUR SHAREHOLDERS

- › **The main aim of the Green Dividend is to:**
 - Identify and make apparent the marginal cost of doing more than justified by a financial view
 - Understand how this marginal cost compares with other opportunities we do not have access to

- › **We are therefore using the Green Dividend helping us fill the information gap; we are asking our shareholders:**
 - Should we do more?
 - Are we best positioned to do more?

- › **And providing them with the information they need to benchmark our proposal against other investment opportunities they see elsewhere in their investment universe**

ADRESSING THE BIG PICTURE

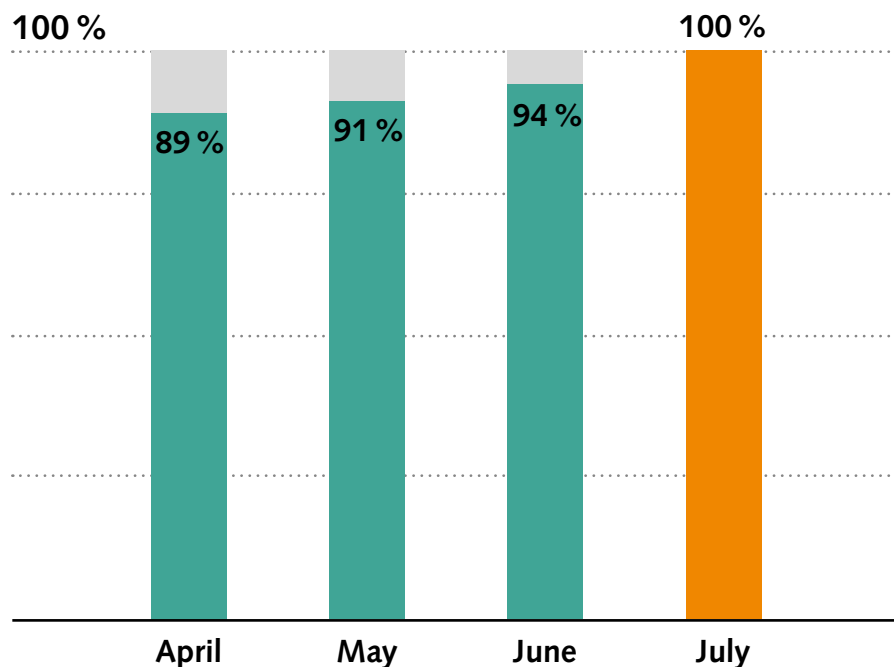


APPENDIX

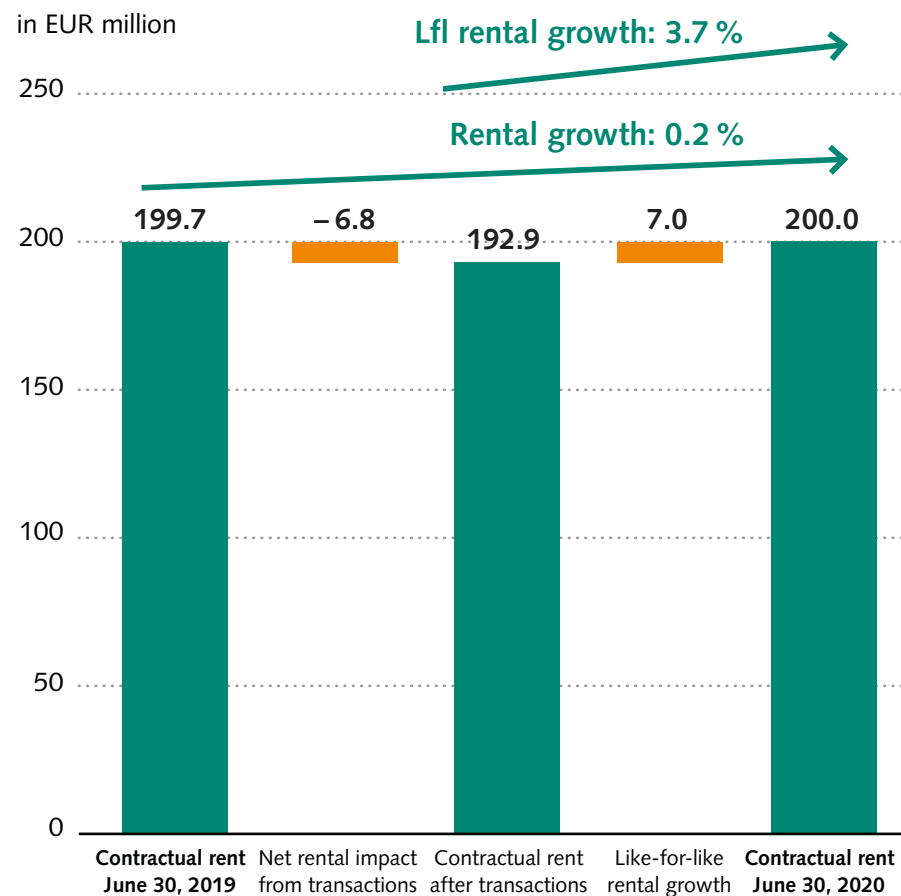


DEVELOPMENT OF RENTAL INCOME

RENT COLLECTION RATE 2020

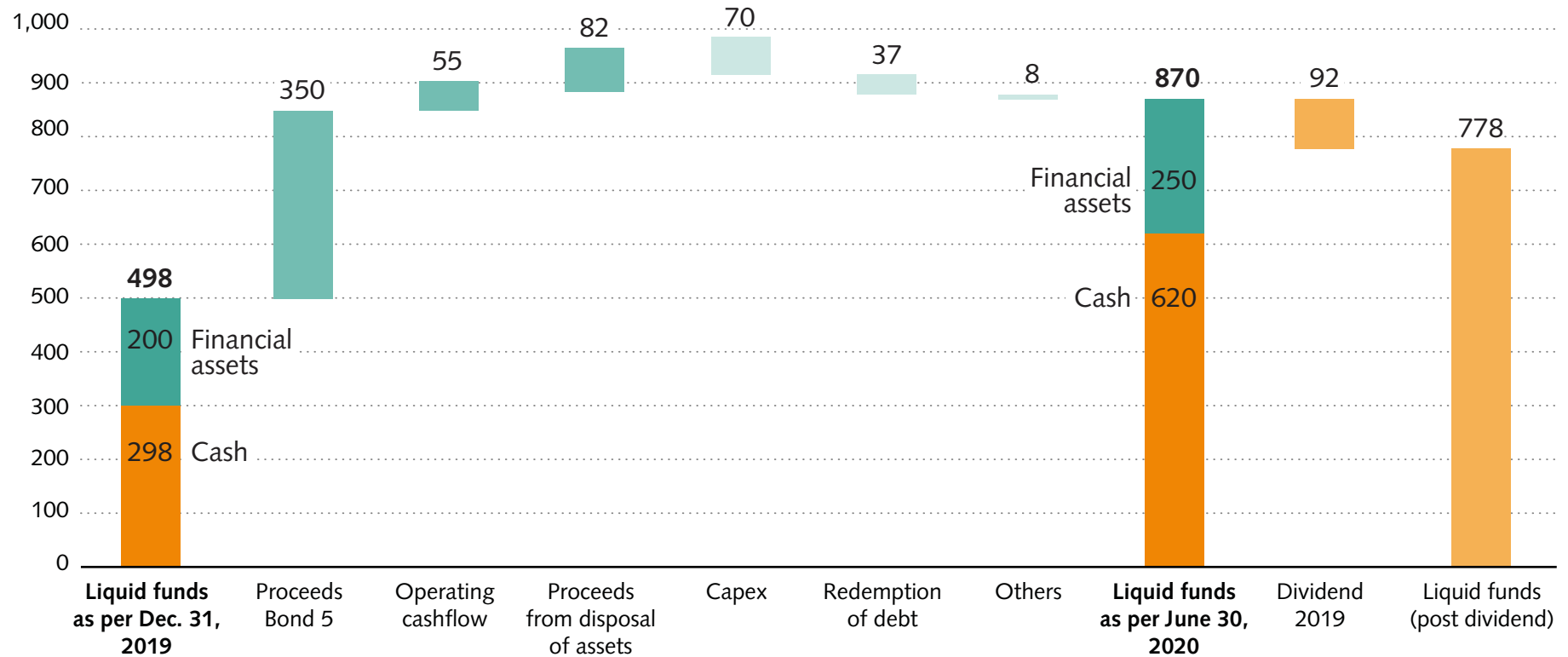


CONTRACTUAL RENT



ENHANCED LIQUIDITY POSITION TO SEIZE OPPORTUNITIES

in EUR million



PORTFOLIO REVALUATION

VALUATION MOVEMENT BY ASSET CLASS

Asset class / city	Market value (EUR m)	Valuation movement (EUR m)	Valuation movement (%)
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DEVALUATION REFLECTS IMPACT OF COVID-19

- › Lfl portfolio value down by 0.4 % ytd
- › Portfolio devaluation of EUR 88.4 m (2.0 %)
 - Hotels and retail: Devaluation of 10–15 % due to lower cashflow
 - Large single tenant assets: Devaluation of 5–10 % due to more cautious reletting assumptions
 - Assets in secondary locations: Devaluation of ca. 5 % due to expected price decline in the transaction market
- › Capex of EUR 70.4 m led to valuation uplift
- › Still strong demand and yield compression for long-term leased assets in prime locations

VALUATION RESULT H1 2020

TOP 10 MARKDOWNS (net of capex)

Asset	OMV as per June 30, 2020 (EUR k)	Markdown (EUR k)	Value per m ² (EUR)	Yield (%)
Deutsche-Telekom-Allee 9, Darmstadt	123,500	20,019	2.036	5.2
Epplerstr. 225, Stuttgart	247,300	18,474	2.332	6.6
Berliner Str. 91–101, Ratingen	56,600	7,257	1.668	6.9
Hamburger Str. 1–15, Hamburg	35,700	6,520	2.803	6.3
Vaihinger Str. 131, Stuttgart	49,000	5,300	2.289	7.7
Bamlerstr. 1–5, Essen	57,800	5,139	1.741	6.9
Heerdter Lohweg 35, Düsseldorf	74,000	4,468	1.976	4.3
Deutsche-Telekom-Allee 7, Darmstadt	35,300	4,396	1.591	0.0
Alfredstr. 236, Essen	79,900	3,800	2.636	5.2
Eichwiesenring 1, Stuttgart	27,500	2,813	2.237	5.7
Subtotal	786,600	78,186		
Others		37,245		
Total		115,431		

TOP 10 UPLIFTS (net of capex)

Asset	OMV as per June 30, 2020 (EUR k)	Uplift (EUR k)	Value per m ² (EUR)	Yield (%)
Georg-Glock-Str. 18, Düsseldorf	53,800	7,110	4,996	5.1
Am Borsigturm 44–46, 52–54, Berlin	27,400	4,941	2,529	3.7
Am Borsigturm 13-17, 19, 27-29, 31-33, Berlin	41,800	4,930	2,729	4.1
Solmsstr. 27–37, Frankfurt	115,900	2,107	3,755	5.2
Rotebühlstr. 98–100, Stuttgart	33,000	1,541	3,720	5.9
Hauptstr. 98–99, Berlin	14,700	1,500	4,258	3.2
Gustav-Nachtigal-Str. 3, Wiesbaden	68,100	949	3,696	8.9
Rankestr. 17, Berlin	26,400	915	5,125	2.6
Immermannstr. 40, Düsseldorf	28,100	827	3,408	4.7
Carl-Reiß-Platz 1-5, Mannheim	26,100	702	1,490	0.0
Subtotal	435,300	25,522		
Others		1,477		
Total		26,999		

PORTFOLIO UPDATE

PORTFOLIO DATA (June 30, 2020)

- › Number of properties: 111
- › Market value: EUR 4.4 billion
- › Value per m²: EUR 3,027
- › Annual Contractual rent: EUR 200.0 million
- › Valuation yield: 4.6 %
- › Lettable area: 1.4 million m²
- › EPRA vacancy rate: 7.9 %
- › WAULT: 6.4 years
- › Average rent per m²: EUR 12.81 per month

ALSTRIA'S INVESTMENT MARKETS

as of June 30, 2020

Total portfolio

- Investment volume: EUR 4.4 billion
- 🏠 Number of assets: 111
- ☒ Lettable area: 1.4 million m²
- 📍 Headquarters
- Local offices

Hamburg

- EUR 1,429 million
- 🏠 36 assets
- ☒ 386,600 m²

Düsseldorf

- EUR 1,176 million
- 🏠 33 assets
- ☒ 445,000 m²

Frankfurt

- EUR 822 million
- 🏠 18 assets
- ☒ 260,800 m²

Stuttgart

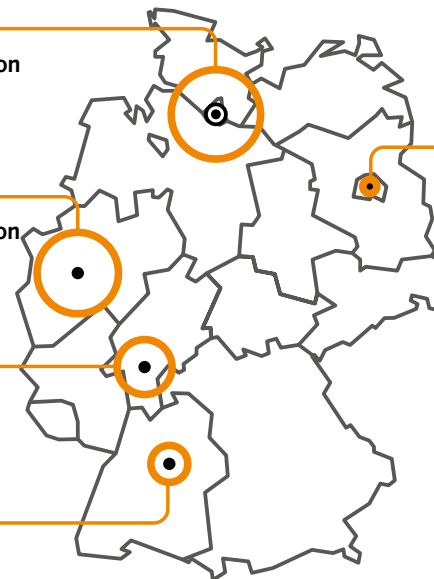
- EUR 515 million
- 🏠 10 assets
- ☒ 213,900 m²

Berlin

- EUR 330 million
- 🏠 11 assets
- ☒ 86,800 m²

Others

- EUR 108 million
- 🏠 3 assets
- ☒ 55,400 m²



LETTING OVERVIEW

LETTING VOLUME Q1 2020: 80,100 m²

New leases



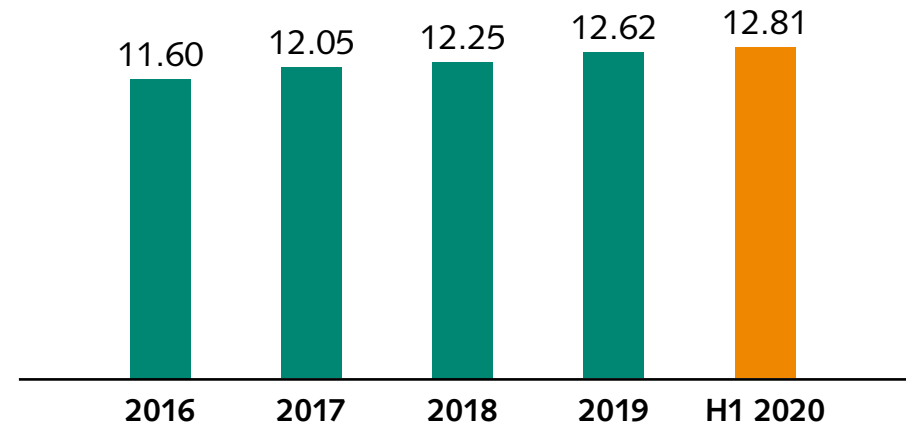
Lease extensions



KPI'S

- › EPRA vacancy rate: 7.9 %
- › Average rent per m² / WAULT:
 - Total portfolio: EUR 12.81 / 6.4 years
 - New leases: EUR 11.92 / 6.9 years
 - Extended leases: EUR 12.20 / 3.8 years

AVERAGE RENT per m² in EUR

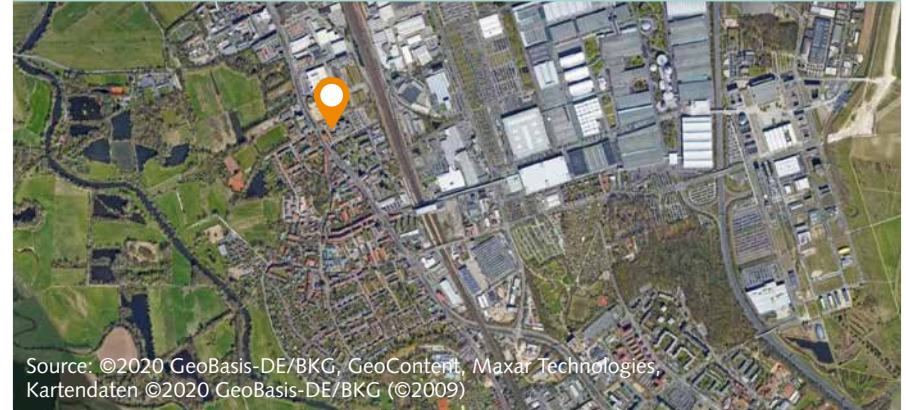


SELLING THE PERIPHERY

JOSEF-WULFF-STR. 75, RECKLINGHAUSEN



WERNER-VON-SIEMENS-PLATZ 1, LAATZEN



EARL-BAKKEN-PLATZ 1, MEERBUSCH

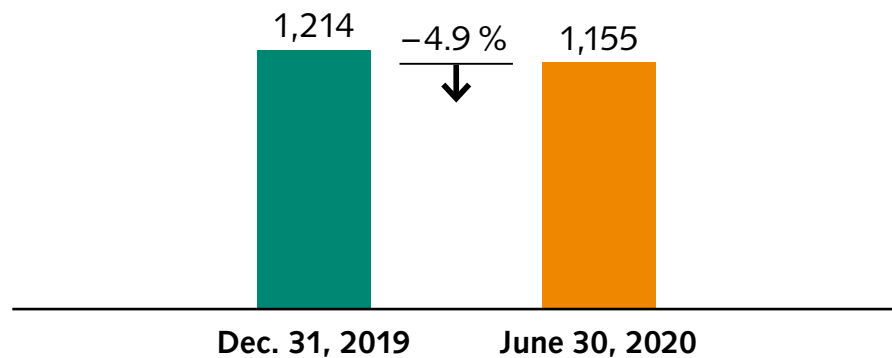


KEY DATA

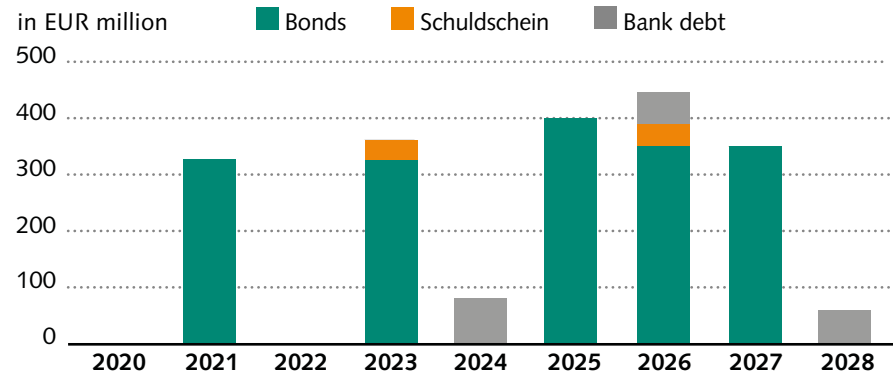
- › **Disposed assets:** 5
- › **Disposal proceeds:** EUR 82.2 m
- › **Gain to Dec. 31, 2019 appraised value:** EUR 4.0 m (4.9 %)
- › **Lettable area:** 58,700 m²
- › **In-place rent:** EUR 6,048 k
- › **Vacancy:** 2.4 %

FINANCIAL DEBT

FINANCIAL DEBT in EUR million



MATURITY PROFILE (as of June 30, 2020)



COMPOSITION OF DEBT in EUR million

	Nominal amount (Euro m)	Cost of debt (%)	Avg. Maturity (years)
Bonds	1,752	1.5	4.5
Bank debt	196	1.0	5.8
Schuldschein	77	2.5	4.5
Total	2,025	1.4	5.4
Cash	869		
Net debt	1,155		

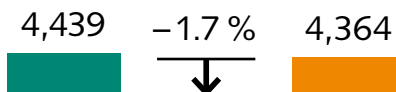
RATIOS

- › **Cost of debt:** 1.4 % (1.3 %*)
- › **Net LTV:** 26.3 % (27.1 %*)
- › **Net debt / EBITDA:** 8.1 x (8.5 x*)
- › **Avg. debt maturity:** 5.4 years (5.8 years*)

* as per Dec. 31, 2019.

SELECTED BALANCE SHEET POSITIONS

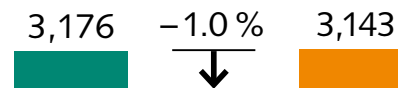
INVESTMENT PROPERTY in EUR million



Dec. 31, 2019

June 30, 2020

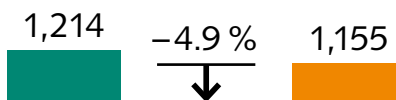
EQUITY in EUR million



Dec. 31, 2019

June 30, 2020

NET FINANCIAL DEBT in EUR million



Dec. 31, 2019

June 30, 2020

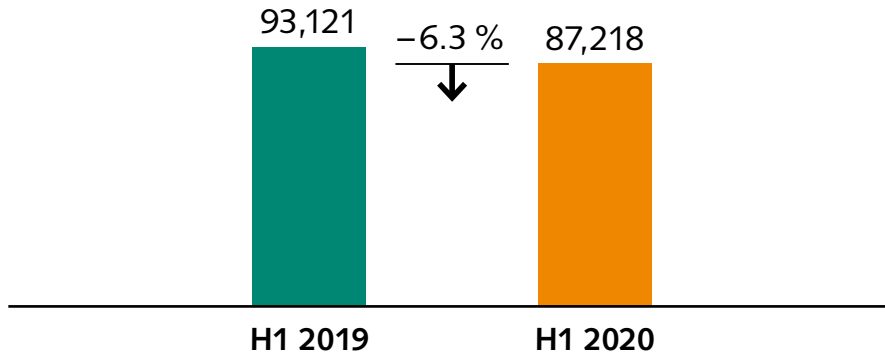
RATIOS

- › G-REIT equity ratio: 71.7 % (70.9 %*)
- › Net LTV: 26.3 % (27.1 %*)
- › EPRA NRV per share: EUR 19.49 (EUR 19.67*)
- › EPRA NTA per share: EUR 17.73 (EUR 17.91*)
- › EPRA NDV per share: EUR 17.71 (EUR 17.61*)

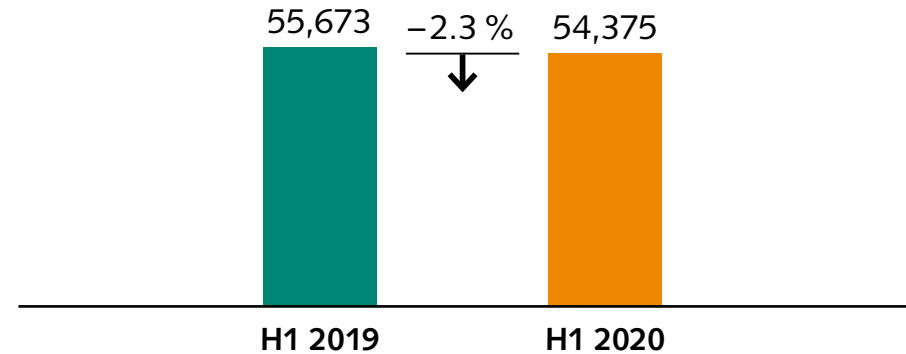
* as per Dec. 31, 2019.

SELECTED PROFIT & LOSS POSITIONS

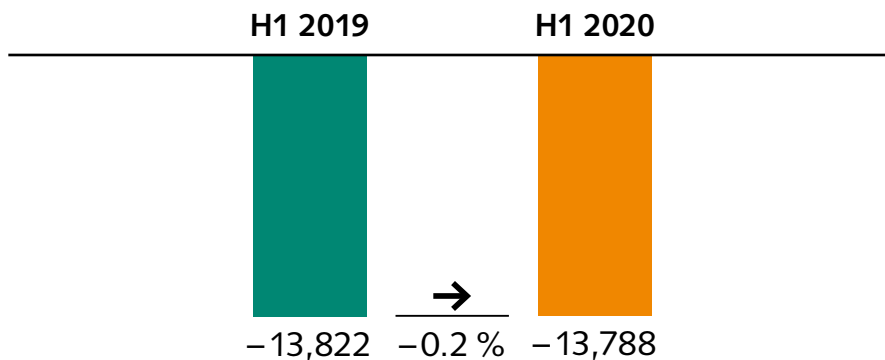
GROSS RENTAL INCOME in EUR million



FUNDS FROM OPERATIONS (FFO) in EUR million



SG&A in EUR k



RATIOS

- › FFO per share: EUR 0.31 (EUR 0.31*)
- › FFO margin: 62.3 % (59.8 %*)
- › EPRA cost ratio: 23.0 % (21.6 %*)

* as per June 30, 2019.

RECONCILIATION FROM IFRS TO FFO

IFRS P&L AND FFO

EUR k	IFRS P&L	Adjust-ments	FFO H1 2020	FFO H1 2019
Revenues	87,218	0	87,218	93,121
Revenues from service charge income	22,072	0	22,072	22,147
Real estate operating expenses	-33,253	779	-32,475	-34,230
Net rental income	76,037	779	76,816	81,038
Administrative expenses	-4,008	586	-3,422	-4,052
Personnel expenses	-9,780	697	-9,083	-7,629
Other operating income	5,042	-2,689	2,353	1,486
Other operating expenses	-1,842	336	-1,506	-769
Net gain/loss from fair value adjustments of investment property	-88,432	88,432	0	0
Gain/loss on disposal of investment properties	4,402	-4,402	0	0
Net operating result	-18,582	83,739	65,157	70,073
Net financial result	-14,507	4,620	-9,887	-12,901
Share of the result of joint venture	-7	0	-7	-43
Net result from fair value adjustments on financial derivatives	0	0	0	0
Pretax income / FFO	-33,095	88,359	55,264	57,128
Income tax	-159	159	0	0
Consolidated profit	-33,254	88,517	55,264	57,128
Minority interest	0	-889	-889	-1,454
Consolidated profit / FFO (after minorities)	-33,254	87,629	54,375	55,673
Number of outstanding shares (k)			177,593	177,416
FFO per share (EUR)			0.31	0.31

MAIN ADJUSTMENTS

- › EUR 88.4 m revaluation loss
- › EUR 4.4 m non-recurring disposal gains
- › Financial expenses:
 - EUR 4.6 m non-recurring interest bond 1
- › Other operating income:
 - EUR 2.7 m devaluation of minority shares

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, EURO STOXX 600
Number of shares	177.6 million
Free float	100 %

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