

Q1



2021

**CONSOLIDATED
INTERIM STATEMENT**

as of March 31, 2021

GROUP FINANCIALS

	Jan. 1– March 31, 2021	Jan. 1– March 31, 2020	Change
Revenues and earnings			
Revenues (EUR k)	44,666	44,325	0.8 %
Net rental income (EUR k)	38,722	37,765	2.5 %
Consolidated profit for the period (EUR k)	26,232	28,248	–7.1 %
FFO ¹⁾ (EUR k)	29,350	29,404	–0.2 %
Earnings per share (EUR)	0.15	0.16	–6.3 %
FFO per share (EUR) ¹⁾	0.17	0.17	0.0 %

¹⁾ Excluding minorities.

Balance sheet	March 31, 2021	Dec. 31, 2020	Change
Investment property (EUR k)	4,613,843	4,556,181	1.3 %
Total assets (EUR k)	5,145,176	5,090,249	1.1 %
Equity (EUR k)	3,279,344	3,252,442	0.8 %
Liabilities (EUR k)	1,865,832	1,837,807	1.5 %
Net asset value (NAV) per share (EUR)	18.44	18.29	0.8 %
Net loan-to-value (Net LTV, %)	27.3	27.0	0.3 pp

G-REIT figures	March 31, 2021	Dec. 31, 2020	Change
G-REIT equity ratio (%)	70.8	71.1	–0.3 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA figures¹⁾	Jan. 1– March 31, 2021	Jan. 1– March 31, 2020	Change
EPRA earnings per share (EUR)	0.15	0.15	0.0 %
EPRA cost ratio A (%) ²⁾	27.2	31.5	–4.3 pp
EPRA cost ratio B (%) ³⁾	22.5	27.0	–4.5 pp

	March 31, 2021	Dec. 31, 2020	Change
EPRA NRV per share (EUR)	20.28	20.13	0.7 %
EPRA NTA per share (EUR)	18.49	18.34	0.8 %
EPRA NDV per share (EUR)	18.06	17.95	0.6 %
EPRA net initial yield (%)	3.6	3.3	0.3 pp
EPRA 'topped-up' net initial yield (%)	3.7	3.7	0.0 pp
EPRA vacancy rate (%)	8.2	7.6	0.6 pp

¹⁾ For further information, please refer to EPRA Best Practices Recommendations, www.epra.com.

²⁾ Including vacancy costs.

³⁾ Excluding vacancy costs.

PORTFOLIO OVERVIEW

Key metrics	March 31, 2021	Dec. 31, 2020
Number of properties	110	109
Market value (EUR bn) ¹⁾	4.6	4.6
Annual contractual rent (EUR m)	199.8	199.1
Valuation yield (% , contractual rent/market value)	4.3	4.4
Lettable area (m ²)	1,439,700	1,427,800
EPRA vacancy rate (%)	8.2	7.6
WAULT (weighted average unexpired lease term in years)	5.9	6.1
Average value per m ² (EUR)	3,200	3,205
Average rent/m ² (EUR/month) ²⁾	13.09	12.93

¹⁾Including fair value of owner-occupied properties.

²⁾Average rent of office space.

Real Estate Operations

Letting metrics (m ²)	January 1 – March 31, 2021	January 1 – March 31, 2020	Change
New leases	4,300	29,000	-24,700
Renewals of leases ¹⁾	12,600	23,400	-10,800
Total	16,900	52,400	-35,500

¹⁾Option drawings of existing tenants are included.

As expected, the letting volume (measured in terms of new lettings and lease renewals) was lower in the first three months of 2021 compared to the same period last year due to the ongoing COVID-19 pandemic.

Transactions

alstria performed the following transaction in the financial year 2021:

Acquisitions

Asset	City	Acquisition price (EUR k) ¹⁾	Signing SPA	Transfer of benefits & burdens
Hanauer Landstr. 161–173	Frankfurt	30,300	Dec. 17, 2020	March 1, 2021

¹⁾Excluding transaction costs.

EARNINGS POSITION

Due to the ongoing COVID-19 pandemic and the further disruption to public life, the German economy was still in an uncertain situation in the first three months of 2021. Whereas the revenue and earning situation of alstria had developed once more to be very resilient. Rental income amounted to EUR 44,666 k in the reporting period, compared to EUR 44,325 k in the same period of the previous year. The slight increase is mainly due to the start of new leases which overcompensate the loss of rental income due to the sale of properties in 2020.

The operating result (FFO after minorities) amounted to EUR 29,350 k in the reporting period and remained at the previous year's level (3M 2020: EUR 29,404 k). Lower real estate operating expenses were compensated by less other operating income in the reporting period. The FFO margin remained at a high level with 65.7 % (3M 2020: 66.3 %). Consolidated net income for the period under review amounted to EUR 26,232 k (3M 2020: EUR 28,248 k). The decrease is mainly due to lower disposal gains since alstria did not sell any assets in the reporting period but was partly offset by lower real estate operating expenses and lower financial costs. The difference between the achieved consolidated net income for the period under review and the operating result (FFO), which gives a clear picture of the company's operating performance, results from eliminating noncash, nonrecurring, nonperiodic and nonoperating earnings items. The adjustments between the income figures in the income statement and FFO are shown in the table on the right side. The most significant adjustments were real estate operating costs relating to a different accounting period (EUR 986 k) and adjustments in the net financial result (EUR 1,560 k). Mainly the interest expense for bond #5, which was issued at the end of the second quarter of 2020, was adjusted in the net financial result, as the liquidity inflow is intended for future investments in the portfolio and not for the funding of the current portfolio.

EUR k ¹⁾	IFRS P&L	Adjust-ments	FFO Jan. 1 – Mar. 31, 2021	FFO Jan. 1 – Mar. 31, 2020
Revenues	44,666	0	44,666	44,325
Revenues from service charge income	14,009	0	14,009	15,307
Real estate operating costs	-19,953	986	-18,967	-20,762
Net rental income	38,722	986	39,708	38,870
Administrative expenses	-1,797	228	-1,569	-1,746
Personnel expenses	-4,777	644	-4,133	-4,379
Other operating income	1,211	-348	863	1,982
Other operating expenses	-650	495	-155	-72
Net result from fair value adjustments to investment property	-50	50	0	0
Net result from the disposal of investment property	-4	4	0	0
Net operating result	32,655	2,059	34,714	34,655
Net financial result ²⁾	-6,310	1,560	-4,750	-4,778
Share of the result of companies accounted for at equity	-85	0	-85	-10
Pretax income	26,260	3,619	29,879	29,867
Income tax expenses	-28	28	0	0
Consolidated profit	26,232	3,647	29,879	29,867
Minority interest	0	-529	-529	-463
Consolidated profit / FFO (after minorities)³⁾	26,232	3,118	29,350	29,404
Number of outstanding shares (k)			177,793	177,593
FFO per share (EUR)			0.17	0.17

¹⁾ Numbers may not sum up due to rounding.

²⁾ The operating financial result contains interest expenses for financial liabilities, which are used for the financing of the existing portfolio. The nonoperating financial result contains interest expenses for financial liabilities, which are not used for the financing of the existing portfolio. This concerns the interest expenses for already refinanced financial liabilities and financial liabilities intended for future property investments.

³⁾ FFO is not a measure of operating performance or liquidity under generally accepted accounting principles – in particular, IFRS – and should not be considered an alternative to the Company's income or cash flow measures as determined in accordance with IFRS. Furthermore, there is no standard definition for FFO. Thus, alstria's FFO values and the measures with similar names presented by other companies may not be comparable.

FINANCIAL AND ASSET POSITION

Investment properties

The fair value of investment property amounted to EUR 4,613,843 k as of March 31, 2021, compared to EUR 4,556,181 k as of December 31, 2020. The slight increase resulted from the acquisition of one asset in Frankfurt and the investments in the portfolio within the first quarter of 2021.

The next external property valuation is scheduled to take place as part of the consolidated financial statement as of December 31, 2021.

EUR k	
Investment properties as of December 31, 2020	4,556,181
Investments	25,354
Acquisitions	30,309
Acquisition costs	2,049
Disposals	0
Transfers to assets held for sale	0
Net loss/gain from the fair value adjustment on investment property	-50
Investment property as of March 31, 2021	4,613,843
Carrying amount of owner-occupied properties	16,830
Interest in joint venture	943
Carrying amount of immovable assets	4,631,616

For a detailed description of the investment properties, please refer to the Group Management Report 2020.

Further key figures of the financial and asset position

As of March 31, 2021, alstria's cash and cash equivalents amounted to EUR 452,814 k (December 31, 2020: EUR 460,960 k). The slight decrease resulted from the investments in the portfolio, which were almost compensated by a positive cash flow generated from operating activities and the issuing of loans for the energetic refurbishment of two development assets.

Compared to December 31, 2020, alstria's equity increased by EUR 26,902 to EUR 3,279,344 k as of March 31, 2021 due to the positive consolidated net income for the period under review (December 31, 2020: EUR 3,252,442 k). The Company's balance sheet strength is also reflected in a G-REIT equity ratio of 70.8% and a net loan to value (Net LTV) of 27.3%.

Loans

The loan facilities in place as of March 31, 2021, are as follows:

Liabilities	Maturity	Principal amount drawn as of March 31, 2021 (EUR k)	LTV ¹⁾ as of March 31, 2021 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 31, 2020 (EUR k)
Loan #1	June 28, 2024	34,000	13.5	65.0	34,000
Loan #2	Mar. 28, 2024	45,900	29.0	75.0	45,900
Loan #3	June 30, 2026	56,000	26.7	65.0	56,000
Loan #4	Sept. 29, 2028	60,000	31.9	n/a	60,000
Loan #5	Sept. 30, 2024	14,550	10.4	n/a	0
Loan #6	March 30, 2023	6,660	n/a	n/a	0
Total secured loans		217,110	22.9	-	195,900
Bond #2	Apr. 12, 2023	325,000	-	-	325,000
Bond #3	Nov. 15, 2027	350,000	-	-	350,000
Bond #4	Sept. 26, 2025	400,000	-	-	400,000
Bond #5	June 23, 2026	350,000	-	-	350,000
Schuldschein 10y/fixed	May 6, 2026	40,000	-	-	40,000
Schuldschein 7y/fixed	May 6, 2023	37,000	-	-	37,000
Revolving credit line	Sept. 15, 2022	-	-	-	0
Total unsecured loans		1,502,000	-	-	1,502,000
Total		2,719,110	37.1		1,697,900
Net LTV			27.3		

¹⁾ Calculation based on the market values of the properties serving as collateral in relation to the loan amount drawn down.

COVENANT REPORT

Compliance with and calculation of the Covenants referring to §11 of the Terms and Conditions*

In case of the incurrence of new Financial Indebtedness that is not drawn for the purpose of refinancing existing liabilities, alstria needs to comply with the following covenants:

- › The ratio of the Consolidated Net Financial Indebtedness over Total Assets will not exceed 60%
- › The ratio of the Secured Consolidated Net Financial Indebtedness over Total Assets will not exceed 45%
- › The ratio of Unencumbered Assets over Unsecured Consolidated Net Financial Indebtedness will be more than 150%

In the first quarter of 2021, alstria did not incur any Financial Indebtedness. The nominal amount of the new loans concluded in the fourth quarter of 2020 was paid out in the first quarter of 2021.

Furthermore, alstria needs to maintain a ratio of the Consolidated Adjusted EBITDA over Net Cash Interest of no less than 1.80 to 1.00. The calculation and publication of the ratio should be done at every reporting date following the issuance of the bond, starting after the fifth reporting date.

EUR k	Q2 2020 – Q1 2021 cumulative
Earnings before interest and taxes (EBIT)	197,081
Net profit/loss from fair value adjustments to investment property	-61,521
Net profit/loss from fair value adjustments to financial derivatives	0
Profit/loss from the disposal of investment property	-3,912
Other adjustments ¹⁾	-1,518
Fair value and other adjustments in joint venture	0
Consolidated adjusted EBITDA	130,131
Cash interest and other financing charges	-24,458
One-off financing charges	0
Net cash interest	-24,458
Consolidated coverage ratio (min. 1.80 to 1.00)	5.3

¹⁾ Depreciation, amortization, and nonrecurring or exceptional items.

As of March 31, 2021, no covenant under the loan agreements and/or the terms and conditions of the bonds and Schuldschein had been breached.

*The following section refers to the Terms and Conditions of the Fixed Rate Notes as well as to the Terms and Conditions of the Schuldschein (for further information, please refer to www.alstria.com). Capitalized terms have the meanings defined in the Terms and Conditions.

OUTLOOK

The global COVID-19 pandemic and resulting restrictions on public life are still having a clearly negative impact on the German economy. After a decrease of the gross domestic product by 5.0% in 2020, the German government expects a partial economic catch-up in the current year. The current discussions on another lockdown depending on the future development of the pandemic are causing a high degree of uncertainty.

In the first quarter of 2021, 40 tenants in alstria's portfolio with a monthly rental volume of around EUR 515 k asked for economic support, which alstria in the interest of a long-term tenant loyalty fulfilled in the amount of EUR 113 k. The impact of the COVID-19 pandemic on alstria's revenues is limited from today's view.

Against this background, alstria confirms its guidance for the full year 2021 with expected revenues of around EUR 177 million and an operating profit (FFO) of EUR 108 million.

Risk management

alstria is exposed to various risks through its business activities. Please refer to the detailed descriptions in the Annual Report 2020.

PRINCIPLES OF THE CONSOLIDATED INTERIM STATEMENT

The consolidated interim statement of alstria office REIT-AG was prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB), which the European Union adopted as European law.

Although no explanatory notes are disclosed, the requirements of IAS 34 (interim financial reporting) have been considered. The accounting principles applied correspond to the principles described and applied in the consolidated financial statement as of December 31, 2020.

The consolidated interim statement contains the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flow, and the consolidated statement of changes in equity.

DISCLAIMER

The consolidated interim statement contains statements relating to anticipated future developments. These statements are based on current assessments and are, by their very nature, exposed to risks and uncertainty. Actual developments may differ from those predicted in these statements.

GROUP NUMBERS

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to March 31, 2021

EUR k	Q1 2021	Q1 2020
Revenues	44,666	44,325
Revenues from service charge income	14,009	15,307
Real estate operating costs	-19,953	-21,867
Net rental income	38,722	37,765
Administrative expenses	-1,797	-2,038
Personnel expenses	-4,777	-5,369
Other operating income	1,211	1,982
Other operating expenses	-650	-1,082
Net result from fair value adjustments to investment property	-50	-48
Net result from the disposal of investment property	-4	4,425
Net operating result	32,655	35,635
Net financial result	-6,310	-7,127
Share of the result of companies accounted for at equity	-85	-10
Pretax income	26,260	28,498
Income tax expenses	-28	-250
Consolidated profit for the period	26,232	28,248
Attributable to:		
Owners of the company	26,232	28,248
Earnings per share in EUR		
<i>based on the profit attributable to alstria's shareholders</i>		
Basic earnings per share	0.15	0.16
Diluted earnings per share	0.15	0.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2021

EUR k	Q1 2021	Q1 2020
Consolidated profit for the period	26,232	28,248
Other comprehensive result for the period	0	0
Total comprehensive result for the period	26,232	28,248
Total comprehensive income		
Owners of the company	26,232	28,248

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of March 31, 2021

ASSETS

EUR k	March 31, 2021	Dec. 31, 2020
Non-current assets		
Investment property	4,613,843	4,556,181
Equity-accounted investments	943	1,021
Property, plant and equipment	18,214	18,360
Intangible assets	79	55
Financial assets	39,101	39,108
Total non-current assets	4,672,180	4,614,725
Current assets		
Trade receivables	8,697	4,572
Tax receivables	1,228	1,230
Other financial receivables	10,257	8,762
Cash and cash equivalents	452,814	460,960
Total current assets	472,996	475,524
Total assets	5,145,176	5,090,249

EQUITY AND LIABILITIES

EUR k	March 31, 2021	Dec. 31, 2020
Equity		
Share capital	177,793	177,793
Capital surplus	1,357,577	1,356,907
Retained earnings	1,740,489	1,714,257
Revaluation surplus	3,485	3,485
Total equity	3,279,344	3,252,442
Non-current liabilities		
Liabilities minority interests	68,770	68,275
Long-term loans, net of current portion	1,707,232	1,685,349
Other financial liabilities	13,076	12,628
Total non-current liabilities	1,789,078	1,766,252
Current liabilities		
Liabilities minority interests	15	15
Short-term loans	15,587	10,325
Trade payables	6,087	3,943
Profit participation rights	514	514
Liabilities of current tax	4,824	4,780
Other provisions	2,405	2,030
Other current financial liabilities	47,322	49,948
Total current liabilities	76,754	71,555
Total liabilities	1,865,832	1,837,807
Total equity and liabilities	5,145,176	5,090,249

CONSOLIDATED STATEMENT OF CASH FLOW

for the period ended March 31, 2021

EUR k	Q1 2021	Q1 2020
1. Operating activities		
Consolidated profit	26,232	28,248
Interest income	-310	-290
Interest expense	6,620	7,417
Result from income taxes	28	250
Unrealized valuation movements	134	740
Other non-cash expenses (+)/income (-)	1,168	316
Gain (-)/Loss (+) on disposal of fixed assets	4	-4,425
Depreciation and impairment of fixed assets (+)	228	292
Decrease (+)/increase (-) in trade receivables and other assets that are not attributed to investing or financing activities	-781	-2,779
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities	-4,385	3,836
Cash generated from operations	28,938	33,605
Interest received	310	290
Interest paid	-686	-8,058
Income tax received (+)/paid (-)	16	-249
Net cash generated from operating activities	28,578	25,588

EUR k	Q1 2021	Q1 2020
2. Investing activities		
Acquisition of investment properties	-57,711	-34,621
Proceeds from sale of investment properties	0	61,480
Payment of transaction cost in relation to the sale of investment properties	-4	-887
Acquisition of other property, plant and equipment and intangible assets	-105	-129
Proceeds from the equity release of interests in joint ventures	0	46
Net cash generated from/used in investing activities	-57,820	25,889
3. Financing activities		
Payments for the acquisition of limited partnerships of minority shareholders	0	-3
Proceeds from the issue of bonds and borrowings	21,210	0
Payments for the redemption portion of the lease liability	-114	0
Payments of transaction costs	0	-26
Net cash used in financing activities/generated from	21,096	-29
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	-8,146	51,448
Cash and cash equivalents at the beginning of the period	460,960	298,219
Cash and cash equivalents at the beginning of the period <i>(thereof restricted: EUR 0; previous year: EUR 0)</i>	452,814	349,667

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to March 31, 2021

EUR k	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of December 31, 2020	177,793	1,356,907	1,714,257	3,485	3,252,442
Changes Q1 2021					
Consolidated profit	0	0	26,232	0	26,232
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	26,232	0	26,232
Share-based remuneration	0	670	0	0	670
As of March 31, 2021	177,793	1,357,577	1,740,489	3,485	3,279,344

for the period from January 1 to March 31, 2020

EUR k	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of December 31, 2019	177,593	1,448,709	1,545,768	3,485	3,175,555
Changes Q1 2020					
Consolidated profit	0	0	28,248	0	28,248
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	28,248	0	28,248
Share-based remuneration	0	580	0	0	580
As of March 31, 2020	177,593	1,449,289	1,574,016	3,485	3,204,383

BUILDING YOUR FUTURE

Steinstr. 7
20095 **Hamburg**, Germany
+49 (0)40/22 63 41-300

Elisabethstr. 11
40217 **Düsseldorf**, Germany
+49 (0)211/30 12 16-600

Platz der Einheit 1
60327 **Frankfurt/Main**, Germany
+49 (0)69/153 256-740

Reuchlinstr. 27
70176 **Stuttgart**, Germany
+49 (0)711/33 50 01-50

Rankestr. 17
10789 **Berlin**, Germany
+49 (0)30/89 67 795-00

alstria office REIT-AG
www.alstria.com
info@alstria.de

