



2021

HALF-YEAR FINANCIAL REPORT

as of June 30, 2021

GROUP FINANCIALS

	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020	Change
Revenues and earnings			
Revenues (EUR k)	90,003	87,218	3.2 %
Net rental income (EUR k)	80,017	76,037	5.2 %
Consolidated profit for the period (EUR k)	53,636	-33,254	n/a
FFO (EUR k) ¹⁾	58,453	54,375	7.5 %
Earnings per share (EUR)	0.30	-0.19	n/a
FFO per share (EUR) ¹⁾	0.33	0.31	6.5 %

¹⁾ Excluding minorities.

	June 30, 2021	Dec. 31, 2020	Change
Balance sheet			
Investment property (EUR k)	4,649,845	4,556,181	2.1 %
Total assets (EUR k)	5,069,843	5,090,249	-0.4 %
Equity (EUR k)	3,213,888	3,252,442	-1.2 %
Liabilities (EUR k)	1,855,955	1,837,807	1.0 %
Net asset value (NAV) per share (EUR)	18.05	18.29	-1.3 %
Net loan-to-value (Net LTV, %)	29.5	27.0	2.5 pp

	June 30, 2021	June 30, 2020	Change
G-REIT figures			
G-REIT equity ratio (%)	68.8	71.1	-2.3 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020	Change
EPRA figures¹⁾			
EPRA earnings per share (EUR)	0.32	0.31	3.2 %
EPRA cost ratio A (%) ²⁾	25.5	27.6	-2.1 pp
EPRA cost ratio B (%) ³⁾	21.3	23.0	-1.7 pp

	June 30, 2021	Dec. 31, 2020	Change
EPRA NRV per share (EUR)	19.89	20.13	-1.2 %
EPRA NTA per share (EUR)	18.10	18.34	-1.3 %
EPRA NDV per share (EUR)	17.70	17.95	-1.4 %
EPRA net initial yield (%)	3.4	3.3	0.1 pp
EPRA 'topped-up' net initial yield (%)	3.6	3.7	-0.1 pp
EPRA vacancy rate (%)	8.7	7.6	1.1 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	June 30, 2021	Dec. 31, 2020
Number of properties	110	109
Market value (EUR bn) ¹⁾	4.6	4.6
Annual contractual rent (EUR m)	200.0	199.1
Valuation yield (% , contractual rent/market value)	4.3	4.4
Lettable area (m ²)	1,440,000	1,427,800
EPRA vacancy rate (%)	8.7	7.6
WAULT (weighted average unexpired lease term in years)	5.7	6.1
Average value per m ² (EUR)	3,200	3,205
Average rent/m ² (EUR/month) ²⁾	13.16	12.93

¹⁾ Including fair value of owner-occupied properties.

²⁾ Average rent of office space.

Real Estate Operations

Letting metrics (m ²)	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020	Change
New leases	13,300	42,000	-28,700
Renewals of leases ¹⁾	24,100	38,100	-14,000
Total	37,400	80,100	-42,700

¹⁾ Option drawings of existing tenants are included.

As expected, the letting volume (measured in terms of new lettings and lease extensions) was lower in the first six months of 2021 than in the corresponding reporting period of the previous year. The reason for this is the reluctance that continues to be observed, especially in the leasing of larger spaces.

Transactions

alstria performed the following transactions in the financial year 2021:

Acquisitions

Asset	City	Acquisition price (EUR k) ¹⁾	Signing SPA	Transfer of benefits and burdens
Hanauer Landstr. 161 – 173	Frankfurt	30,300	Dec. 17, 2020	March 1, 2021
Mehringdamm 32 – 34	Berlin	50,250	April 30, 2021	Aug. 1, 2021
Total acquisitions		80,550		

¹⁾ Excluding transaction costs.

EARNINGS POSITION

alstria's revenues and earnings developed according to plan in the reporting period. Rental income increased by 3.2% to EUR 90,003 k (previous year: EUR 87,218 k), mainly due to revenues from new leases. The scheduled expiry of leases and transaction-related changes in revenues did not have a significant impact in the reporting period.

The consolidated net income for the reporting period amounted to EUR 53,636 k (H1 2020: EUR –33,254 k). The significant improvement in earnings resulted from an improved valuation result, which amounted to EUR –88,432 k in the previous year. The market price development and cash flows based on the tenant lists were analyzed as of June 30, 2021. On this basis, no significant changes in value were identified, so that an external expert opinion was not obtained as of June 30, 2021.

In order to provide a clear picture of the Group's operating performance, alstria also publishes the operating result (FFO after minorities). At EUR 58,453 k, the FFO was 7.5% higher in the current reporting period than in the same period of the previous year (H1 2020: EUR 54,375 k). The growth in operating income in the current year was driven on the one hand by higher rental income and on the other hand by lower real estate operating expenses. The FFO margin improved accordingly to 64.9% (H1 2020: 62.3%). Reconciliation of consolidated net income to FFO is based on the elimination of non-cash income items, items that are not expected to recur annually, non-periodic items and items that do not serve the operating business. 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 (> EUR 1,000 k) in the current reporting period related to non-cash personnel expenses (EUR 1,273 k), non-recurring other operating income (EUR –1,570 k), non-cash other operating expenses (EUR 1,281 k) and expenses not attributable to the operating business in the net financial result (EUR 2,353 k). Adjustments shown in the table are primarily related to Bond #5, which was issued at the end of the second quarter of 2020. The share of the interest expense for Bond #5 that is not attributable to the operating business was essentially deducted, and the proceeds of the Bond #5 have already been partially invested in the portfolio and are also serving to finance future investments. The adjustments in the other operating income relate to the compensation payments by tenants and the adjustments in the other operating expenses relate mainly to the valuation of the limited partner capital.

EUR k ¹⁾	IFRS P&L	Adjustments	FFO Jan. 1 – June 30, 2021	FFO Jan. 1 – June 30, 2020
Revenues	90,003	0	90,003	87,218
Revenues from service charge income	20,476	0	20,476	22,072
Real estate operating expenses	–30,462	610	–29,852	–32,474
Net rental income	80,017	610	80,627	76,816
Administrative expenses	–3,505	455	–3,050	–3,422
Personnel expenses	–10,257	1,273	–8,984	–9,083
Other operating income	3,320	–1,570	1,750	2,353
Other operating expenses	–1,541	1,281	–260	–1,506
Net result from fair value adjustments to investment property	–1,100	1,100	0	0
Net result from the disposal of investment property	–4	4	0	0
Net operating result	66,930	3,153	70,083	65,158
Net financial result ²⁾	–12,823	2,353	–10,470	–9,887
Share of the result of companies accounted for at equity	–89	0	–89	–7
Pretax income / Pretax FFO³⁾	54,018	5,506	59,524	55,264
Income tax expenses	–382	382	0	0
Consolidated profit / FFO (before minorities)	53,636	5,888	59,524	55,264
Minority interests	0	–1,071	–1,071	–889
Consolidated profit / FFO (after minorities)	53,636	4,817	58,453	54,375
Number of outstanding shares (k)			178,033	177,593
FFO per share (EUR)			0.33	0.31

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 property

The fair value of investment property amounted to EUR 4,649,845 k as of June 30, 2021, which was slightly above the December 31, 2020, level (EUR 4,556,181 k). The increase resulted from the purchase of a property in Frankfurt and investments made in the existing portfolio during the first half of 2021. In addition, a pre-payment of EUR 6,190 k was made for the purchase of a building in Berlin. The transfer of benefits and burdens of this building took place after the reporting date.

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 property as of December 31, 2020	4,556,181
Investments	58,413
Acquisitions	30,309
Acquisition costs	2,094
Disposals	0
Transfers to assets held for sale	0
Transfers to property, plant, and equipment (owner-occupied properties)	-2,242
Net loss/gain from the fair value adjustment on investment property	-1,100
Investment portfolio as of June 30, 2021	4,643,655
Advance payments	6,190
Investment property as of June 30, 2021	4,649,845
Carrying amount of owner-occupied properties	18,999
Interest in joint venture	941
Carrying amount of immovable assets	4,669,785

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 June 30, 2021, alstria had cash and cash equivalents of EUR 341,933 k (December 31, 2020: EUR 460,960 k). The slight decrease reflects the payment of the dividend of EUR 94,230 k for the financial year 2020 and investments in the real estate portfolio. However, the positive operating cash flow and loans for the energy-efficient refurbishment of two development projects had a positive effect on liquidity.

As a result of the dividend payment, for which alstria's positive consolidated net income for the first six months of 2021 partially compensated, the Group's equity as of June 30, 2021 decreased by EUR 38,554 k to EUR 3,213,888 k (December 31, 2020: EUR 3,252,442 k). The company's balance sheet strength is also reflected in a REIT equity ratio of 68.8% (December 31, 2020: 71.1%) and a net LTV of 29.5% (December 31, 2020: 27.0%).

Loans

The loan facilities in place as of June 30, 2021 are as follows:

Liabilities	Maturity	Principal amount drawn as of June 30, 2021 (EUR k)	LTV ¹⁾ as of June 30, 2021 (%)	covenant LTV (%)	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 31, 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/fix	May 6, 2026	40,000	-	-	40,000
Schuldschein 7y/fix	May 6, 2023	37,000	-	-	37,000
Revolving credit line	Sept. 15, 2022	0	-	-	0
Total unsecured loans		1,502,000	-	-	1,502,000
Total		1,719,110	36.8		1,697,900
Net LTV			29.5		

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 incurrance 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 to 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 half of 2021, alstria did not incur any Financial Indebtedness.

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.

* 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.

EUR k	Q3 2020 – Q2 2021 cumulative
Earnings before interest and taxes (EBIT)	285,564
Net profit/loss from fair value adjustments to investment property	- 148,854
Net profit/loss from fair value adjustments to financial derivatives	0
Profit/loss from the disposal of investment property	- 3,935
Other adjustments ¹⁾	2,213
Fair value and other adjustments in joint venture	0
Consolidated adjusted EBITDA	134,988
Cash interest and other financing charges	- 29,324
One-off financing charges	0
Net cash interest	- 29,324
Consolidated coverage ratio (min. 1.80 to 1.00)	4.6

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

As of June 30, 2021, no covenant under the loan agreements and/or the terms and conditions of the bonds and Schuldschein had been breached.

EXPECTED DEVELOPMENTS

Progressive vaccination of the population against the SARS-CoV2 virus in Germany is leading to continuous relaxation of the restrictions on public life that have been in place up to now. Corresponding recovery tendencies in economic activity are expected lead to a growth of 3.5% in gross domestic product for the current year, according to estimates from the German federal government.

In light of the fact that there are currently no significant lease losses related to the COVID-19 pandemic, alstria confirms its forecast for the full year 2021 with expected revenues of around EUR 177 million and an operating result (FFO) of EUR 108 million. alstria also expects the leasing market to remain difficult in the current year and expects major lease transactions to be concluded towards the end of the current year, at the earliest.

RISKS AND OPPORTUNITIES

alstria is exposed to various risks through its business activities. Please refer to the detailed descriptions in the Annual Report 2020. There were no changes in the risk situation compared to the status described in the 2020 consolidated financial statements.

DISCLAIMER

The half-year financial report 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 June 30, 2021

EUR k	Note	Q2 2021	Q2 2020	H1 2021	H1 2020
Net rental revenues		45,336	42,893	90,003	87,218
Service charge income		6,466	6,765	20,476	22,072
Real estate operating costs		-10,508	-11,386	-30,462	-33,253
Net Rental Income		41,294	38,272	80,017	76,037
Administrative expenses		-1,707	-1,970	-3,505	-4,008
Personnel expenses	6.1	-5,480	-4,411	-10,257	-9,780
Other operating income	6.2	2,110	3,060	3,320	5,042
Other operating expenses	6.2	-892	-760	-1,541	-1,842
Net result from fair value adjustments on investment property	7.1	-1,050	-88,384	-1,100	-88,432
Gain on disposal of investment property	6.3	0	-23	-4	4,402
Net Operating Result		34,275	-54,216	66,930	-18,581
Net financial result		-6,512	-7,380	-12,823	-14,507
Share of the result of joint venture		-5	3	-89	-7
Pre-Tax Income (EBT)		27,758	-61,593	54,018	-33,095
Income tax result	6.4	-355	91	-382	-159
Consolidated profit for the period		27,403	-61,502	53,636	-33,254
Attributable to:					
Owners of the company		27,403	-61,502	53,636	-33,254
Earnings per share in EUR					
<i>based on the profit attributable to alstria's shareholders</i>					
Basic earnings per share	6.5	0.15	-0.35	0.30	-0.19
Diluted earnings per share	6.5	0.15	-0.35	0.30	-0.19

Consolidated statement of comprehensive income

for the period from January 1 to June 30, 2021

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020
Consolidated profit for the period	27,403	-61,502	53,636	-33,254
Other comprehensive result for the period	0	0	0	0
Total comprehensive result for the period	27,403	-61,502	53,636	-33,254
Total comprehensive profit / loss attributable to:				
Owners of the company	27,403	-61,502	53,636	-33,254

Consolidated statement of financial position

as of June 30, 2021

Assets

EUR k	Notes	June 30, 2021	Dec. 31, 2020
Non-Current Assets			
Investment property	7.1	4,649,845	4,556,181
Equity-accounted investments		941	1,021
Property, plant and equipment		20,384	18,360
Intangible assets		171	55
Financial assets	7.3	39,098	39,108
Total Non-Current Assets		4,710,439	4,614,725
Current Assets			
Trade receivables		6,265	4,572
Tax receivables		1,228	1,230
Other financial receivables		9,978	8,762
Cash and cash equivalents	7.2	341,933	460,960
Total Current Assets		359,404	475,524
Total Assets		5,069,843	5,090,249

Equity and Liabilities

EUR k	Notes	June 30, 2021	Dec. 31, 2020
Equity			
	8.1		
Share capital		178,033	177,793
Capital surplus		1,264,477	1,356,907
Retained earnings		1,767,893	1,714,257
Revaluation surplus		3,485	3,485
Total Equity		3,213,888	3,252,442
Non-Current Liabilities			
Liabilities minority interests		69,300	68,275
Long-term loans, net of current portion	8.2	1,700,933	1,685,349
Other financial liabilities		13,753	12,628
Total Non-Current Liabilities		1,783,986	1,766,252
Current Liabilities			
Liabilities minority interests		15	15
Short-term loans	8.2	13,781	10,325
Trade payables		8,306	3,943
Profit participation rights		560	514
Liabilities of current tax		5,132	4,780
Other provisions		704	2,030
Other current financial liabilities		43,471	49,948
Total Current Liabilities		71,969	71,555
Total Liabilities		1,855,955	1,837,807
Total Equity and Liabilities		5,069,843	5,090,249

Consolidated statement of cash flow

for the period from January 1 to June 30, 2021

EUR k	Notes	H1 2021	H1 2020
1. Operating activities			
Consolidated profit		53,636	-33,254
Interest income	6.4	-548	-469
Interest expense	6.4	13,371	14,976
Result from income taxes	6.5	382	159
Unrealized valuation movements		2,214	85,789
Other non-cash expenses (+)/income(-)		4,014	5,430
Gain (-)/Loss (+) on disposal of fixed assets		4	-4,402
Depreciation and impairment of fixed assets (+)		455	586
Decrease (+)/Increase (-) in trade receivables and other assets that are not attributed to investing or financing activities		-305	-2,675
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		-8,297	2,165
Cash generated from operations		64,926	68,305
Interest received		548	469
Interest paid		-15,541	-18,364
Income tax received (+)/paid (-)		-30	32
Net cash generated from operating activities		49,903	50,442

EUR k	Notes	H1 2021	H1 2020
2. Investing activities			
Acquisition of investment properties	7.1	-96,005	-70,770
Proceeds from sale of investment properties	7.1	0	82,180
Payment of transaction cost in relation to the sale of investment properties		-4	-911
Acquisition of other property, plant and equipment		-191	-203
Proceeds from the equity release of interests in joint ventures		0	46
Payments for investment in financial assets		0	-50,000
Net cash used in investing activities		-96,200	-39,658
3. Financing activities			
Cash received from equity contributions	12	240	0
Distributions on limited partnerships of minority shareholders		0	-3
Proceeds from the issue of bonds and borrowings	8.2	21,210	0
Proceeds from the issue of a company bond	8.2	0	350,000
Payments from the issue of convertible participation rights	12	287	0
Payments for the redemption portion of the lease liability		-237	-240
Payments of transaction costs		0	-2,205
Payments of dividends	9	-94,230	0
Payments of the redemption of bonds and borrowings		0	-37,000
Net cash used in/generated from financing activities		-72,730	310,552
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		-119,027	321,336
Cash and cash equivalents at the beginning of the period		460,960	298,219
Cash and cash equivalents at the end of the period (thereof restricted: EUR 0; previous year: EUR 0)	7.2	341,933	619,555

Consolidated statement of changes in equity

for the period from January 1 to June 30, 2021

EUR k	Notes	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 H1 2020						
Consolidated profit		0	0	53,636	0	53,636
Other comprehensive income		0	0	0	0	0
Total comprehensive income		0	0	53,636	0	53,636
Payments of dividends	9	0	-94,230	0	0	-94,230
Share-based remuneration	11; 12	0	1,560	0	0	1,560
Conversion of convertible participation rights	12	240	240	0	0	480
As of June 30, 2021		178,033	1,264,477	1,767,893	3,485	3,213,888

for the period from January 1 to June 30, 2020

EUR k	Notes	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 H1 2020						
Consolidated profit		0	0	-33,254	0	-33,254
Other comprehensive income		0	0	0	0	0
Total comprehensive income		0	0	-33,254	0	-33,254
Share-based remuneration	11; 12	0	1,059	0	0	1,059
As of June 30, 2020		177,593	1,449,768	1,512,514	3,485	3,143,360

NOTES

alstria office REIT-AG, Hamburg
Notes to the condensed interim consolidated financial statements
as of June 30, 2021

1. Corporate information

alstria office REIT-AG (hereinafter referred to as 'the Company' or 'alstria office REIT-AG', together with its subsidiaries, referred to as 'alstria' or 'the Group'), is a German stock corporation based in Hamburg. The Group's principal activities are described in detail in Section 1 of the Notes to the consolidated financial statements for the financial year ending on December 31, 2020.

The condensed interim consolidated financial statements for the period from January 1, 2021, to June 30, 2021 (hereinafter referred to as the 'consolidated interim financial statements'), were authorized for publication by a resolution of the Company's Management Board on August 6, 2021.

2. Basis of preparation

These consolidated interim financial statements were prepared in accordance with IAS 34, 'Interim Financial Reporting'. They do not contain all the disclosures and explanations required in the annual financial statements; they should therefore be read in conjunction with the consolidated financial statements as of December 31, 2020.

3. Significant accounting policies

The applied accounting policies are consistent with the policies applied and outlined in the Group's annual financial statements for the year ending on December 31, 2020.

The following new interpretations and amendments to standards and interpretations are mandatory for the financial reporting period beginning on January 1, 2021:

EU Endorsement	Standard/ interpretation	Content	Applicable for FY beginning on/after	Effects
Dec. 15, 2020	Amendments to IFRS 4	The effective date of IFRS 17, which will replace IFRS 4, is now Jan. 1, 2023; the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 has been deferred to Jan. 1, 2023	Jan. 1, 2021	None
January 13, 2021	Amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16	Interest Rate Benchmark Reform – Phase 2	Jan. 1, 2021	None

The following new standards, interpretations and amendments to the published standards have been issued, but they are not in effect for the 2021 financial year and were not applied by the Group prior to becoming mandatory:

EU Endorsement	Standard/ interpretation	Content	Applicable for FY beginning on/after	Effects
Not yet endorsed	IFRS 17	New standard 'Insurance contracts'	Jan. 1, 2023	None
June 28, 2021	Amendments to IFRS 3	Business Combinations: Update of an outdated reference in IFRS 3 without significantly changing its requirements.	Jan. 1, 2022	None
June 28, 2021	Annual Improvement Project	Annual Improvement IFRS 2018–2020	Jan. 1, 2022	None
Not yet endorsed	Amendments to IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent	Jan. 1, 2023	None
Not yet endorsed	Amendments to IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	Jan. 1, 2023	None
Not yet endorsed	Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	None
Not yet endorsed	Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	Apr. 1, 2021	None
Not yet endorsed	Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	None
Not yet endorsed	Amendments to IFRS 10 and IAS 28	Selling or depositing assets in associates or joint ventures	tbd	None
June 28, 2021	Amendments to IAS 16	Property, plant, and equipment	Jan.1, 2022	None
June 28, 2021	Amendments to IAS 37	Provisions, Contingent Liabilities, and Contingent Assets	Jan.1, 2022	None

No significant impact on financial reporting is expected from new standards and amendments to the existing standards listed above.

4. Consolidated group

One Group Company, First Pine GmbH & Co. KG., was incorporated during the reporting period. The effect of this change on the consolidated group was immaterial. There have been no further changes to the consolidated Group since the preparation of the consolidated financial statements as of December 31, 2020.

5. Key judgements and estimates

Preparing the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for various items. These assumptions and estimates affect the amounts of disclosures concerning assets, liabilities, income and expenses. Actual amounts may vary from these estimates. There were no changes compared to the key judgments and estimates described in the consolidated financial statements for the year ended December 31, 2020.

6. Notes on the consolidated income statement

6.1 Personnel expenses

EUR k	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Salaries and wages	5,597	5,273
Social insurance contribution	1,023	938
Bonuses	1,177	1,303
Expenses for share-based compensation	2,123	1,928
<i>thereof relating to virtual shares and stock options</i>	673	1,064
<i>thereof relating to convertible profit participation certificates</i>	1,450	864
Amounts for retirement provisions and disability insurance for the members of the Management Board	81	169
Other	256	169
Total	10,257	9,780

6.2 Other operating income and expenses

Other operating income includes compensation payments from tenants (EUR 1.6 m) and the reversal of allowance for doubtful accounts (EUR 0.7 m). The other operating expenses in the reporting period mainly include the result from the valuation of the liability for non-controlling interests limited partnership (EUR 1.0 m).

6.3 Gain on disposal of investment property

EUR k	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Proceeds from the disposal of investment property – transferred to buyer	0	82,180
Carrying amount of investment property disposed of – transferred to buyer	0	-76,867
Costs in relation to the sale of investment properties – transferred to buyer	-4	-911
Gain on disposal of investment property – transferred to buyer	-4	4,402
Agreed selling price of held for sale investment properties	0	0
Carrying amount of investment property at the time of reclassification to held for sale	0	0
Costs in relation to the sale of investment properties – held for sale	0	0
Valuation result of held for sale investment properties	0	0
Gain on disposal of investment property	-4	4,402

6.4 Income taxes

As a consequence of its status as a G-REIT, alstria office REIT-AG is exempt from the German corporation tax (Körperschaftsteuer) and trade tax (Gewerbesteuer).

Tax payment obligations may arise for affiliates serving as general partners in a partnership or for REIT service companies and based on tax field audits for fiscal periods before inclusion in the REIT structure.

6.5 Earnings per share

The tables below show the income and share data used in the earnings per share computations:

	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Basic earnings per share		
Profit attributable to shareholders (EUR k)	53,636	-33,254
Average number of outstanding shares (thousands)	177,864	177,593
Basic earnings per share (EUR) ¹⁾	0.30	-0.19

¹⁾The amount is equal to the diluted earnings per share.

7. Notes to the consolidated balance sheet – Assets

7.1 Investment property

Pursuant to IFRS 13, alstria office REIT-AG uses the fair-value model for revaluation purposes. External appraisals were obtained to determine the respective values as of December 31, 2020. For a detailed description of the process for determining the asset value, please refer to Section 2.4 of the consolidated financial statements as of December 31, 2020. The development of market prices and the cash flows based on the tenant lists were analyzed as of June 30, 2021. The market price development and the cash flows based on the tenant lists were analyzed as of June 30, 2021. On this basis, no significant changes in value were identified, so that an external expert opinion was not obtained as of June 30, 2021.

In the first half of the year, the benefits and burdens of an asset in Frankfurt/Main, acquired in the previous period were transferred to alstria office REIT-AG. Another asset in Berlin was acquired in the reporting Period. The transfer of benefits and burdens concerning the property in Berlin took place at August 1, 2021. The transactions had a volume of EUR 80,550 k in total.

Reporting period:

	Acquisition		Disposal	
	Number of properties	Transaction amount (EUR k)	Number of properties	Transaction amount (EUR k)
Property transaction				
Contract signed before Dec. 31.2020, transferred in H1 2021	1	30,300	0	0
Contract signed in H1 2021, transfer expected after June 30, 2021	1	50,250	0	0
Total	2	80,550	0	0

Comparison period:

	Acquisition		Disposal	
	Number of properties	Transaction amount (EUR k)	Number of properties	Transaction amount (EUR k)
Property transaction				
Contract signed before Dec. 31.2019, transferred in H1 2020	0	0	2	19,580
Contract signed and transferred in H1 2020	0	0	3	62,600
Total	0	0	5	82,180

A reconciliation of the investment properties for the reporting period is shown in the following table:

EUR k	Jan. 1 – June 30, 2021	Jan. 1 – Dec. 31, 2020
Investment properties at the beginning of period	4,556,181	4,438,597
Investments	58,413	144,928
Acquisitions	32,403	7,784
Disposals	0	-96,650
Transfers to property, plant, and equipment (owner-occupied properties)	-2,242	0
Net result from the adjustment of the fair value of investment property	-1,100	61,522
Advance payments	6,190	0
Investment properties at the end of period	4,649,845	4,556,181

7.2 Cash and cash equivalents

Cash and cash equivalents, which refer to cash held at banks, are in the amount of EUR 341,933 k (Dec. 31, 2020: EUR 460,960 k). A portion EUR 126,933 k is available on daily basis whereas an amount of EUR 215,000 k has a total term of more than one month.

7.3 Financial assets

Financial assets of EUR 39,098 k (Dec. 31, 2020: EUR 39.108 k) are related to long-term deposits in the amount of EUR 38,864 k and a term up to the end of the 2032 financial year. A further amount of EUR 234 k is attributable to a below 3 %-share in a stock corporation on which alstria cannot exert any significant influence.

As of balance sheet date there were impairments on noncurrent financial assets in an amount of EUR 10 k.

8. Notes to the consolidated balance sheet – Equity and liabilities

8.1 Equity

Please refer to the consolidated statement of changes in equity for details.

Treasury shares

As of June 30, 2021, the Company held no treasury shares.

8.2 Financial liabilities

As of June 30, 2021, alstria's total interest-bearing debt, which consists of corporate bonds and loan balances drawn, amounted to EUR 1,719,110 k (as of December 31, 2020, it was EUR 1,697,900 k). The lower carrying amount of EUR 1,714,714 k (non-current: EUR 1,700,933 k; current: EUR 13,781 k) takes into account the interest liabilities and transaction costs allocated according to the effective interest rate method at the time when the loans in question were taken out. Financial liabilities with a maturity of up to one year are recognized as current loans. The fair value of non-current and current financial liabilities amounted to EUR 1,776,308 k as at the reporting date.

In the reporting period, the company took out two loans with a total nominal amount of EUR 21.210 k. One loan with a nominal value of EUR 14,550 k has an interest rate

of 1.0% and a term up to September 30, 2024, the other has a nominal value of EUR 6,660 k, an interest rate of 1.0% and a term up to March 30, 2023. Both loans were issued by the 'Kreditanstalt für Wiederaufbau' (KfW).

As a result, financial Liabilities include bank loans in the nominal amount of EUR 195,900 k, the KfW-Loans in the nominal amount of EUR 21,210 k, a promissory note loan with a nominal value of EUR 77,000 k and corporate bonds in the nominal amount of EUR 1,425,000 k, as of June 30, 2021.

For a detailed description of the loans, including their terms and securities, please refer to Section 7.3 of the consolidated financial statements as of December 31, 2020.

9. Dividends paid

	Jan. 1 – June 30, 2021	Jan. 1 – June 30, 2020
Dividends on ordinary shares ¹⁾ in EUR k (not recognized as a liability as of June 30)	94,230	n/a
Dividends per share (EUR)	0,53	n/a

¹⁾ Refers to all shares at the dividend payment date.

At the Annual General Meeting held on May 6, 2021, alstria office REIT-AG resolved to distribute dividends totaling EUR 94,230 k (EUR 0.53 per outstanding share). The dividends were distributed on May 11, 2021. By comparison, the dividends paid out in 2020 totaled EUR 94,125 k (EUR 0.53 per outstanding share). Due to the COVID-19 pandemic, the 2020 Annual General Meeting did not take place until September. The dividend was therefore distributed in the second half of the year.

10. Employees

From January 1 to June 30, 2021, the Company had 168 employees on average (average for January 1 to June 30, 2020: 166 employees). The average number of employees was calculated based on the total number of employees at the end of each month. On June 30, 2021, 174 people (December 31, 2020: 168 people) were employed at alstria office REIT-AG, not including the Management Board.

11. Share-based remuneration

A share-based remuneration system was implemented for members of the Management Board as part of alstria's success-based remuneration. This share-based remuneration is made up of a long-term component, the Long-Term Incentive Plan (LTI), and a short-term component, the Short-Term Incentive Plan (STI). For the variable compensation components granted until the end of the 2017 financial year, the remuneration was granted in each case as a cash-settled share-based remuneration (issuance of so-called virtual shares) From the financial year 2018 on, an equity-settled share-based remuneration was provided. The latter are referred to as 'stock awards'.

The development of the virtual shares and stock awards through June 30, 2021, is shown in the following table:

Number of virtual shares and stock awards	Jan. 1–June 30, 2021		Jan. 1–Dec. 31, 2020	
	LTI	STI	LTI	STI
As of Jan. 1	240,817	0	263,158	8,313
Granted in the reporting period	63,247	0	45,977	0
Terminated in the reporting period	-69,444	0	-68,318	-8,313
As of June 30/Dec. 31	234,620	0	240,817	0

In the first half of 2021, the LTI generated remuneration expenses with a total balance of EUR 673 k (expenses in H1 2020 incl. STI: EUR 1,064 k). The LTI did not result in provisions at the end of the reporting period (December 31, 2020: EUR 1,343 k). In the first quarter of 2021, 69,444 virtual shares from the LTI were exercised, resulting in payments of EUR 1,701 k. All 234,620 stock awards issued under the LTI are equity-settled share-based payments, the change in value of which is taken into account in the capital reserve. Virtual shares in the form of STI no longer exist. Please refer to Section 13.1 of the consolidated financial statements as at December 31, 2020, for a detailed description of the employee profit participation rights program.

12. Convertible profit participation rights program

During the reporting period, the following share-based payment agreements (certificates) were in place with respect to the convertible profit participation rights scheme that the Supervisory Board of alstria office REIT-AG established:

Number of certificates

Granting date of tranche	May 23, 2019	Sept. 30, 2020	May 7, 2021	Total
Jan. 1, 2021	240,250	273,975	0	514,225
Expired due to termination of employment	0	-1,500	0	-1,500
Converted	-240,250	0	0	-240,250
Newly granted certificates	0	0	287,100	287,100
June 30, 2021	0	272,475	287,100	559,575

For a detailed description of the employee profit participation rights program, please refer to Section 13.2 of the consolidated financial statements as of December 31, 2020.

13. Related parties

No significant legal transactions were executed with respect to related parties during the reporting period, except for virtual shares being granted to the members of the Company's Management Board, as laid out in detail in note 11.

14. Impact of COVID-19

Progressive vaccination of the population against the SARS-CoV2 virus in Germany is leading to continuous relaxation of the restrictions on public life that have been in place up to now. Corresponding recovery tendencies in economic activity are expected lead to a growth of 3.5% in gross domestic product for the current year, according to estimates from the German federal government.

In light of the fact that there are currently no significant lease losses related to the COVID-19 pandemic, alstria confirms its forecast for the full year 2021 with expected revenues of around EUR 177 million and an operating result (FFO) of EUR 108 million. alstria also expects the leasing market to remain difficult in the current year and expects major lease transactions to be concluded towards the end of the current year, at the earliest.

15. Significant events after the end of the reporting period

A contract for the sale of a property in Trier was signed on July 16, 2021. The transfer of benefits and burdens is planned for the second half of the year. The benefits and burdens concerning the asset in Berlin were transferred at August 1, 2021.

16. Management board

As of June 30, 2021, the members of the Company's Management Board are Mr. Olivier Elamine (Chief Executive Officer) and Mr. Alexander Dexne (Chief Financial Officer).

17. Supervisory board

In accordance with Section 9 of the Company's Articles of Association, the Supervisory Board consists of six members, all of whom are elected by the shareholders at the Annual General Meeting.

The members of the Supervisory Board, as of June 30, 2021, are listed below:

Dr. Johannes Conradi (Chairman)
 Mr. Richard Mully (Vice-Chairman)
 Mr. Benoît Hérault
 Mr. Dr. Frank Pörschke (since May 6, 2021)
 Ms. Frau Elisabeth Stheeman (since May 6, 2021)
 Ms. Marianne Voigt

Hamburg, Germany, August 6, 2021

Olivier Elamine Alexander Dexne
 Chief Executive Officer Chief Financial Officer

MANAGEMENT COMPLIANCE STATEMENT

'To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.'

Hamburg, Germany, August 6, 2021

Olivier Elamine Alexander Dexne
 Chief Executive Officer Chief Financial Officer

REVIEW REPORT

To alstria office REIT-AG, Hamburg

We have reviewed the condensed interim consolidated financial statements of the alstria office REIT-AG, Hamburg – comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flow, the consolidated statement of changes in equity and the notes to the condensed interim consolidated financial statements as at June 30, 2021 – together with the interim group management report of the alstria office REIT-AG, Hamburg, for the period from January 1 to June 30, 2021, that are part of the semi annual financial report according to § 115 WpHG ['Wertpapierhandelsgesetz': 'German Securities Trading Act']. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, August 6, 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Drotleff
Wirtschaftsprüfer
[German Public Auditor]

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