2021 COMPANY REPORT

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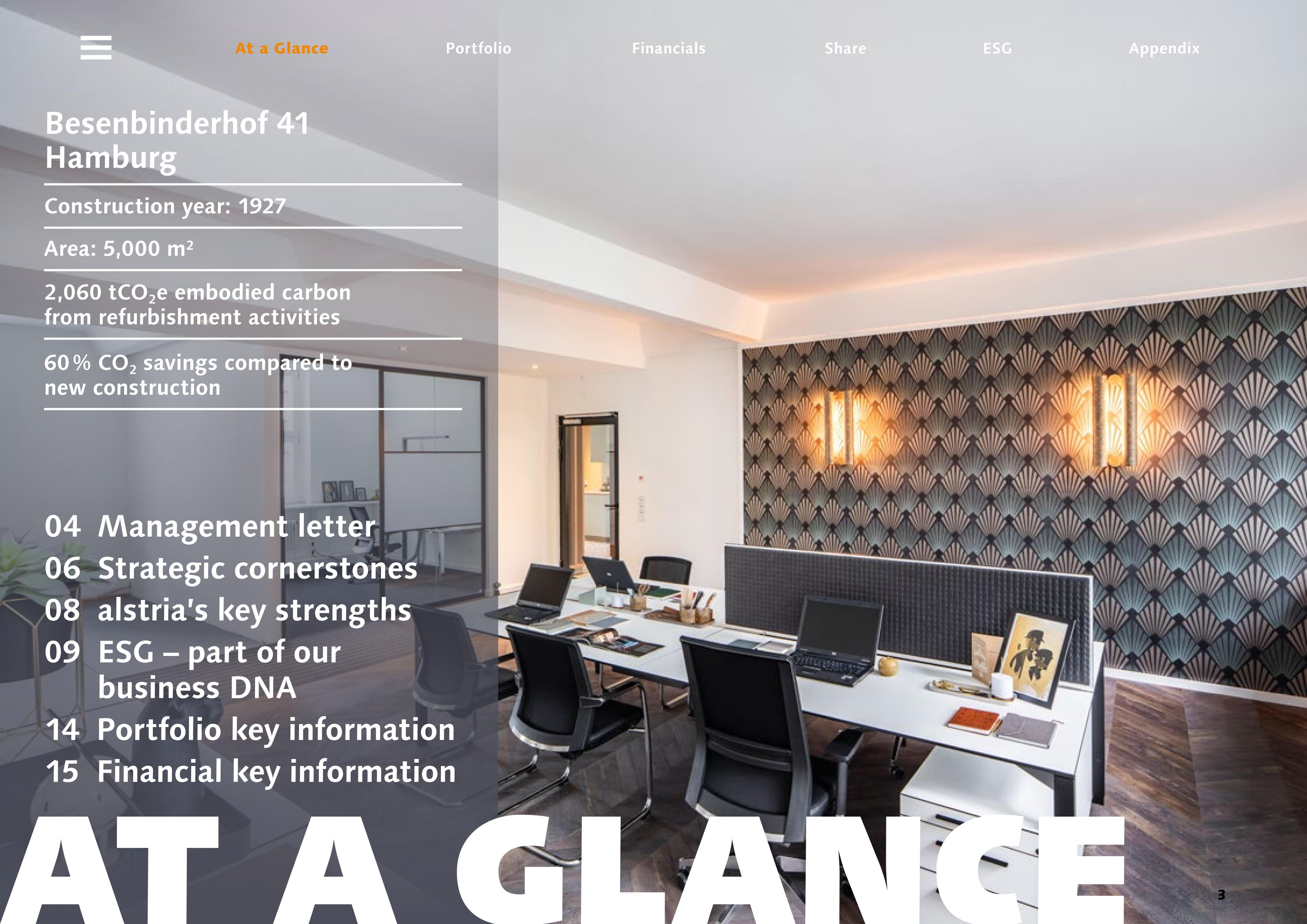


Besenbinderhof 41
Hamburg

Construction year: 1927

Area: 5,000 m²

2,060 tCO_2e embodied carbon from refurbishment activities

60 % CO_2 savings compared to new construction

AT A GLANCE

MANAGEMENT LETTER

Dear readers,

More than two years into the pandemic, it feels like the right time to pause and reflect on what we have learned so far.

We do not need offices. After the start of the pandemic, this became evident rather quickly. Give or take a few weeks of adaptation on the IT side, we were all working from home. Office business as we know it did not end. It turns out there was a substantial amount of work that we could do just as well (and sometimes even better) from home. Working from home was not an enjoyable experience for some, as the size and constriction constrained them, whereas others free of these constraints started picturing a world without offices.

However, as the world progressed even further into the pandemic, we realized that we desperately needed offices as much as we did not need them. After a while, something was missing. Various people will provide different answers if asked to describe it, but there was definitively something in the office experience that we lost when we started working from home and that most of us are keen to get back to as soon as possible.

We are not suggesting that the pandemic led to the discovery of Schrödinger's office, which is needed and not needed at the same time. It made apparent and tangible the added value that offices provide to any corporate organization. Some call it collaborative work, others call it corporate culture. Others call it human connection. The idea that the office space is a commodity where you can easily replace one workspace with another has been eradicated by the pandemic experience. The new office is a unique place that is tailor-made and designed for a specific corporation to provide this added value. Leading corporates that are renting an office understand that it is not paying for four walls and a roof so that it can equip its employees with a desk and computer. It is paying for a place that allows its employees to deliver this added value that was so dearly missed over the last two years.

In contrast to what we have been hearing and reading here and there, we do not believe that the ability to deliver this value to the tenant relies on the quality of the underlying office asset. Most office assets can provide this value. What does and will continue to be the main differentiating factor is the operator of the building. The future of the office will show that, in the hands of some operators, good buildings will morph into bad ones, whereas bad buildings will morph into good ones in the hands of others.

Olivier Elamine
CEO

Alexander Dexne
CFO

It is difficult to mention the changes made during the pandemic without touching on ESG. Almost overnight, ESG has become the alpha and omega of any investment discussion. We can only welcome this new focus. However, as with any fast conversion, some underlying concepts are lost in the race for compliance. One could be mistaken in believing that ESG is a feature that some buildings have and some do not. The only difference between a compliant and a noncompliant ESG building is time and money. Given enough time, any compliant building will become noncompliant, and any noncompliant building will end up being compliant with enough money.

The office investment market still considers ESG and the ability to supply a future office as a building feature. As such, buildings that are perceived as delivering this value are and will be commanding a premium in the investment market. For as long as this misperception exists, there will be a substantial opportunity for an operator who, like alstria, can produce these assets. When the markets want to believe in a golden goose, you should not aim to own one, but you should be breeding gooses.

alstria has had a successful life in public markets. Since the IPO of the company in 2007, we have enjoyed the strong support of public equity investors and real estate specialist investors in good and bad times. The company (and by extension, all of us at alstria) would not be what it is without this support. However, looking at the disruption that both the future of work and ESG is bringing to the office market, we concluded that the public equity market will not be as efficient in the foreseeable future. The coming years require a company like alstria to adopt strong convictions about what it needs to do, which might be perceived as separate from the main market view. We do not want to own brand new 'green buildings' that are ESG compliant; neither do we want to pay top prices for buildings that are 'future proof.' We believe that the opportunity is to acquire and own dirty assets that are not future proof and then work them out so they are compliant on both counts. Also, while most of our public equity investors would agree with the approach in a one-on-one meeting, the overreaching constraints of the public market (increasing focus on 'ESG' rating requirement, Grade A buildings requirement from equity analyst, increased focus on FFO growth rather than total return, etc.) might pressure listed companies to invest in the wrong assets at the wrong price. We felt that it was the right time to anchor the company with a shareholder who shared our views and conviction on the market opportunity and our approach to tackling it. Brookfield has proven to be this partner with whom we are looking forward to writing the next chapter of alstria's life cycle.

The company will remain committed to its purpose. It will aim at transitioning into its next life cycle office buildings reaching the end of their economic life. This is done through the acquisition, management, refurbishment, and resale of office assets. In doing so, alstria actively participates in improving the urban environment in the cities in which it operates.

We hope you enjoy reading this year's annual report as much as we enjoyed writing it.

We are looking forward to our discussions,

Olivier Elamine
Chief Executive Officer (CEO)

Alexander Dexne
Chief Financial Officer (CFO)

STRATEGIC CORNERSTONES

Our purpose

alstria first and foremost offers shareholders a pure exposure to the German office market, which in return is a proxy for the performance of the German economy. This exposure is achieved through alstria's real estate activities, which aim to transition office buildings reaching the end of their economic life into their next life cycle. This is done, among other things, by improving their resilience to structural changes we expect (climate, new work concept etc.). We operate in selected German cities by acquiring, managing, refurbishing and reselling office assets. In doing so, alstria actively participates in improving the urban environment in the cities where it operates.

Our investment strategy

The COVID-19 pandemic has left its mark on the German economy. We are nevertheless convinced that the office markets in Germany's most prosperous cities will prove to be the most resilient and thriving ones. They provide long-term investment value supported by their positive demographic and economic outlook. People find attractive and well-paid jobs in these urban metropolises, an appealing cultural environment and various leisure activities. In a business environment where working from home is becoming an integral part, centrally located, urban offices are beneficial to companies in many ways.

The urban locations provide office users with excellent infrastructure and accessibility and various activities besides work. On top, central metropolitan areas offer a high density of professional clusters and enable companies to network efficiently. The competition among companies for well-trained skilled workers has intensified in recent years, driven by sociodemographic trends. Therefore, the quality of the office and location are of increasing importance to attract qualified employees. Mainly when going to the office becomes more a choice than an obligation. The COVID-19 pandemic has shown that work could also be done at home and the office is more than a place with a desk, chair and computer. Instead, companies understand that an office is about creativity, innovation, team spirit and creating an authentic workplace culture. As employees increasingly work from home, offices will need to offer this added value on fewer days than before. In other words, the future office must become more efficient and of higher quality to deliver the value companies expect. While companies are still in the process of discussing their concrete future office needs, alstria is ready to support them in this process by delivering modern tailor-made offices, as we have been doing for many years. We are firmly convinced that, in this context, centrally located and well-designed office space will continue to be in strong demand by corporate tenants. These offices provide the best basis for the further development of companies.

Capex: Investing in the future

alstria spends a significant amount of CAPEX each year to improve its assets (2021: EUR 122 m). Over the years, we have built extensive knowledge and expertise in-house for structural refurbishments and office fit-outs. We acknowledge that even the most modern building will need extensive refurbishment, as it will undoubtedly age. Offices in Germany are usually delivered to the tenant fully fitted out. Against the backdrop of striving for quality to attract employees to the office, we see substantial value in our capability to create fully functional, high-quality office spaces. We are convinced of the importance of considering appropriate CAPEX in all our investment decisions. Our portfolio offers substantial refurbishment potential, which allows us to close the large gap to market rents. This results in an unlevered IRR that we target around the 6–7 % mark for our CAPEX investments.
In addition, our investments significantly improve the ESG performance of our buildings and support our Science-Based Targets aligned with the Paris climate agreement. Since 2015, we have reduced our CO_2 emissions by 50 %.

alstria's proven business model: Value creation over the life cycle of office real estate

Sourcing

Existing Portfolio

6–7 %
UIRR target

Holding

Repositioning Office Real Estate with a long-term life cycle approach. alstria is optimising returns, not rents.

Exit

Opportunistic Disposals

7.6 %
Achieved UIRR

Capital recycling: Buying in the core – Selling mature assets

As a long-term oriented investor with solid operating and development capacities, we buy assets with upgrade potential in our core regions. Our acquisitions focus on under-rented buildings, often having a CAPEX backlog and poor ESG performance. This enables us to take full advantage of our excellent repositioning track record and capture substantial upside. We aim for internal rates of return (on an unlevered basis) of 6 % to 7 % for each acquisition (UIRR since 2006: 7.6 % on average).
After repositioning an asset into a modern, fully let, ESG compliant building, we review disposal opportunities to capture additional value from capital gains of our investments and recycle capital into the next opportunity. We sell a property when we see the opportunity to invest the capital more effectively elsewhere.

Attractive returns for our shareholders

alstria's business model has a long-term track record of delivering solid returns for our shareholders. Our EPRA Net Asset Value (Net Tangible Assets) grew by an average of 17 % per year over the last ten years (peers: 6 %). Meanwhile, our EPRA Earnings increased on average by 13 % per year (peers: 5 %). alstria's Total Shareholder Return* showed a 10 % compounded annual growth rate since 2011.

*The Total Shareholder Return is calculated based on the share price at year-end and the distributed dividends over the period and hence reflects the return from capital gains and dividends.

ALSTRIA'S KEY STRENGTHS

Pure play German quality offices

Focused on economic centres of Europe's strongest economy

Only German office pure play

Diversified granular tenant structure with 23 % public tenants and 10 largest private tenants accounting for 19 % of total rent

Transitioning offices into their next life cycle

alstria's local teams enable strong asset management over the entire holding period and create tailor-made, fully fitted offices with added-value for tenants

Strong profile of value creation from upgrading dated office buildings into modern, green assets – alstria successfully recycled capital with acquisitions of EUR 924 m, capex of EUR 675 m and disposals of EUR 1.4 bn since 2011

ESG is part of our business DNA

Signed Science-Based Targets Initiative to reduce CO_2-emissions in line with Paris climate agreement

First sustainability report in industry in 2010

CO_2 reduction of 50 % in five years

Energy intensity of 112 kWh/m² below peers (141 kWh/m²)

Achieved equal pay for equal job positions

Experienced management & board

CEO is founding member of the company in 2006

Senior management on average more than 10 years with alstria

Sustainable growth over cycles

Proven track record of value creation over the cycles

Average UIRR of 7.6 % since 2006

NAV CAGR of 17 % and EPRA Earnings CAGR of 13 % since 2011

Total shareholder return: 10 % p.a. since 2011

ESG – PART OF OUR BUSINESS DNA

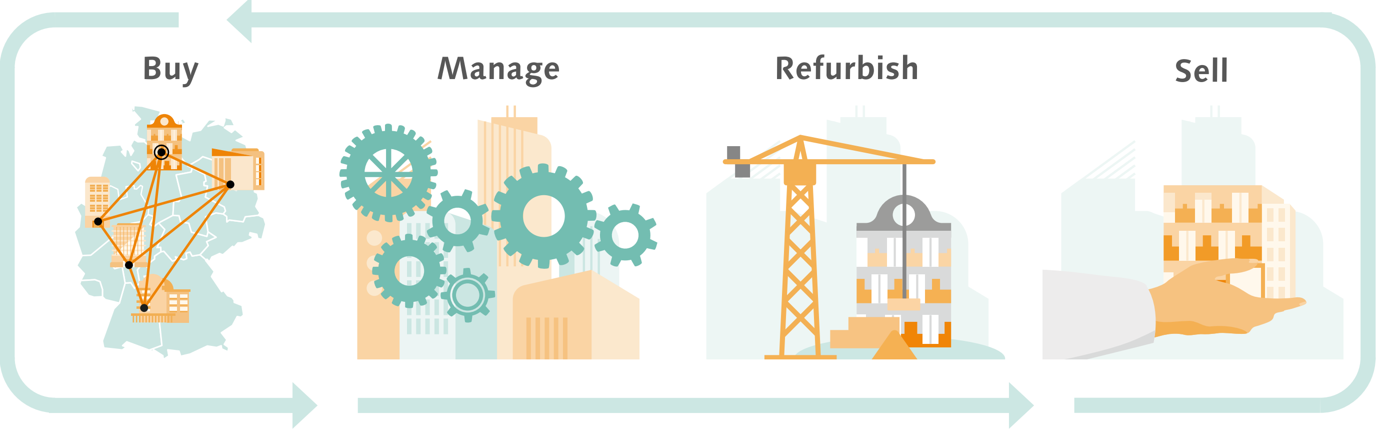
Sustainability report 2020/21

alstria's purpose

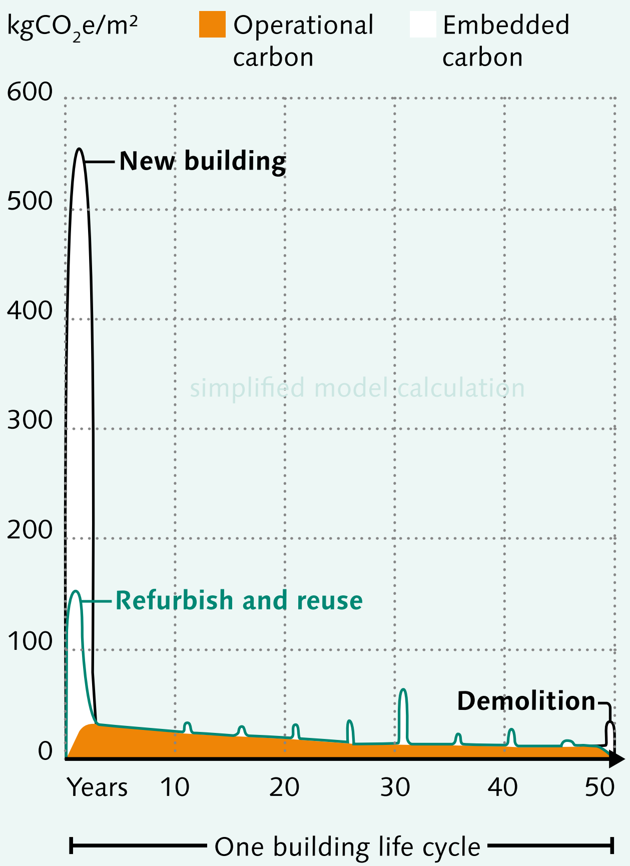
alstria primarily offers shareholders pure exposure to the German office market, which is a proxy for the German economy's performance. This exposure is achieved through alstria's real estate activities. These transfer office buildings that are reaching the end of their economic life for the next life cycle. alstria focuses on selected prosperous German cities through the acquisition, management, refurbishment, and resale of office assets. In doing so, alstria actively contributes to improving the urban environments in the cities in which it operates.

Refurbishments as key ESG driver

One of the cornerstones of our business strategy is the refurbishment of outdated office buildings. We completely refrain from constructing new commercial buildings. This is due to our conviction that the ecological damage that new buildings cause far exceeds the short-term profit the company could generate. In contrast, refurbishment avoids 40–80 % of CO_2 emissions compared with a new building, and it generates a similar financial performance.



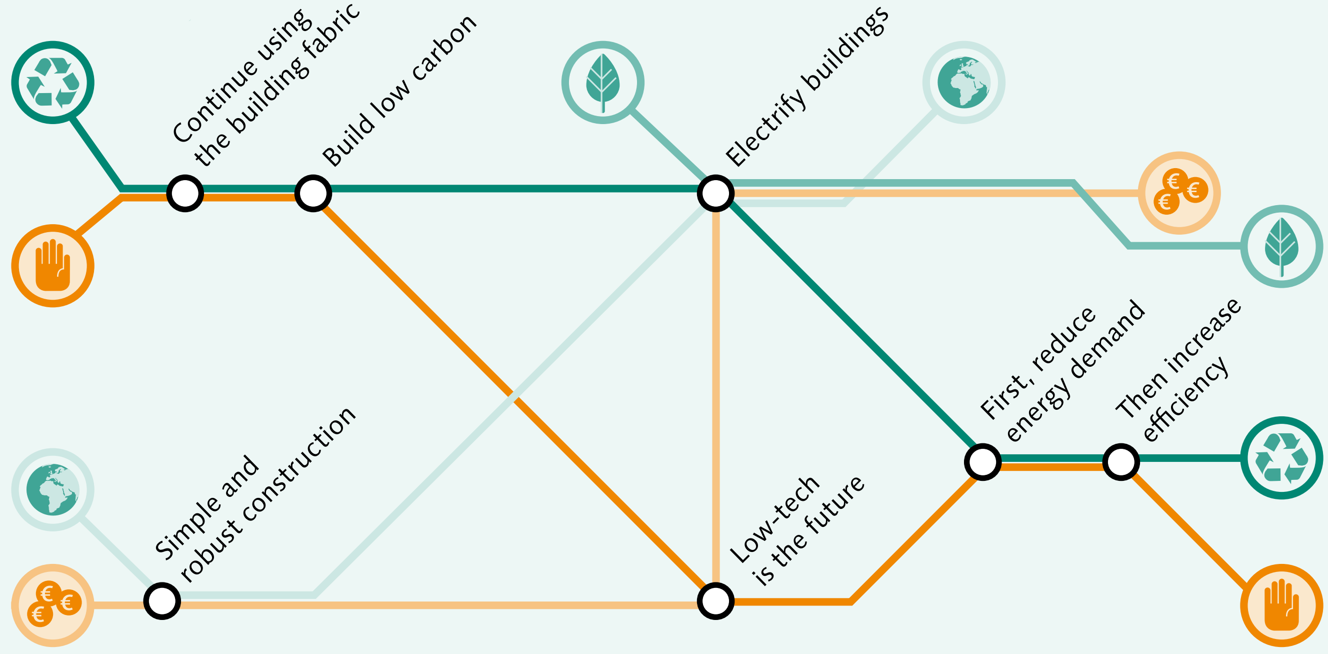
CO_2-Lifecycle of a new vs. refurbished building



Low carbon design principles

Our expertise allows us to create high-quality offices by retrofitting existing assets. Their features and performance are absolutely comparable to those of new build standards. For all our refurbishment activities, we apply alstria's *Low carbon design principles*. These focus on improving buildings' ESG standard while selecting the most efficient solution from an economical point of view. Consequently, through our daily business, we have been able to achieve our environmental targets.

Mapping of low carbon design principles



User attention is required. There is more than one route to the same station.

Low carbon design principles

Core concepts

We do not define climate change policies, but we apply them.

alstria is a for-profit organization.

We need to maximize the use of carbon that has already been spent.

Less construction is the way forward.

Compensation is not the answer.

alstria's business is aligned with the targets of the Paris climate protocol

We have committed to reducing our CO_2 emissions in line with the requirements of the Paris climate protocol, and the Science-based Targets Initiative confirms our pathway *www.sciencebasedtargets.org*. Our target is the reduction of absolute direct company and tenant emissions by 30 % by 2030 compared with 2018. In addition, alstria is committed to sourcing 100 % renewable electricity through 2030. However, these targets ignore one of the company's biggest sources of emissions, which is related to embedded CO_2 of our construction activities.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Measuring our decarbonization pathway

alstria employs the Carbon Risk Real Estate Monitor (CRREM) Tool for each asset of its portfolio to target and monitor CO_2 reduction *www.crrem.eu*. The tool provides real estate companies with Paris-aligned decarbonization and energy reduction pathways defined by country and building type.
On top of this, alstria developed Real Estate Carbon Accounting Principles *www.recap.wiki*. Instead of solely focusing on the short-term view of a carbon flow during a limited period, a far-sighted view makes sense. RECAP measures the long-term costs of CO_2 emissions. In addition, the value attached to the embedded carbon of real estate in a balance sheet is recorded based on the actual carbon price. This allows us to better monitor our long-term progress with carbon reduction. Additionally, it highlights our business's yet unpaid carbon emissions, which we use to define our Green Dividend volume.

RECAP

REAL ESTATE CARBON ACCOUNTING

alstria's energy and GHG performance against the CRREM benchmark (Version 1.7)

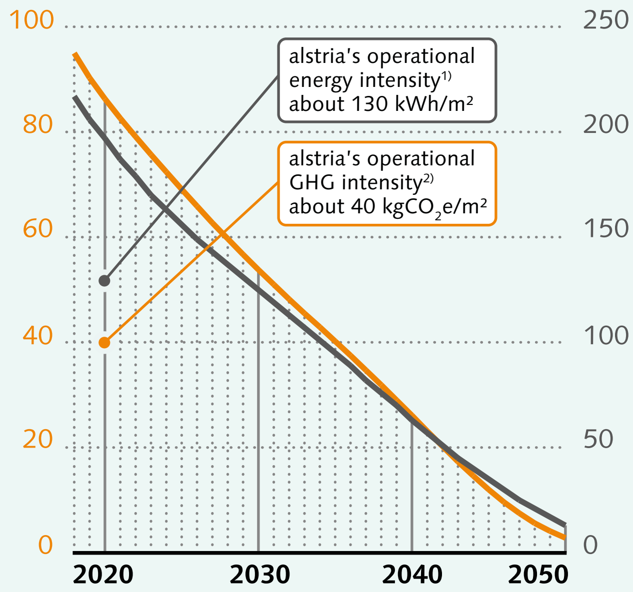
Global warming target: 1.5°C

Country: Germany

Type of use: Office

Decarbonisation pathway — **Energy reduction pathway**

$kgCO_2e/m^2/yr$ — $kWh/m^2/yr$



[1)] Extrapolation for whole portfolio area based on about 60 % of electricity and 85 % of heating consumption data; location-based calculation using emissions factors from CRREM for electricity in Germany, from our local suppliers for district heating, and from the German federal environmental agency for fuel (natural gas).

[2)] Extrapolation for whole portfolio area based on about 60 % of electricity and 85 % of heating consumption data.

Our ESG Ratings in 2020*

CDP Climate Rating: B

GRESB Public Disclosure: A

EPRA sBPR: Gold Award

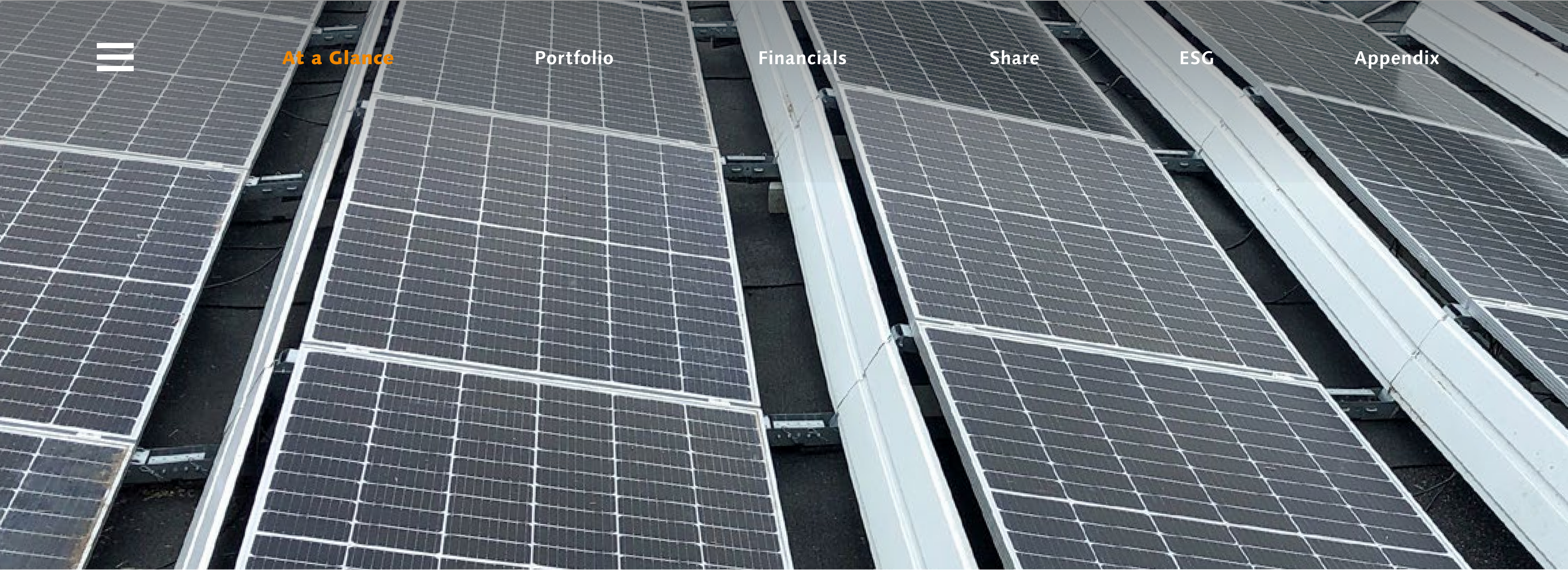
Bloomberg Gender-Equality Index: 63.83 %

Sustainalitics ESG Rating: 11.4 % (low risk)

MSCI ESG Rating: A

S&P Global Corporate Sustainability Assessment: 67 points (Member of DJSI Europe)

*The presented ESG ratings mainly refer to performance data from 2019 and were obtained in 2020. They show the results from the rating agencies with which we interacted. Please note that other rating agencies may analyze our ESG performance without receiving our feedback. For more information, including the latest ratings on our 2020 performance data, please see our website at www.alstria.com/sustainability/. In 2021, we will also receive and comment on ESG ratings from Vigeo Eiris and ISS-oekom.



alstria measures ESG

Real Estate Carbon Accounting (RECAP)

- Measuring value and costs of carbon emissions in a balance sheet based on the actual carbon price
- Monitoring progress on carbon reduction
- Highlighting yet unpaid carbon emissions for green dividend

Green dividend

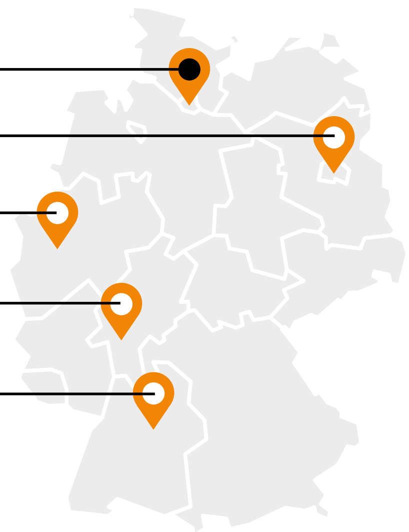
- Used to finance otherwise unfeasible green projects (below our hurdle rate of 6 % UIRR)
- Volume equals the amount of unpaid carbon emissions of the company
- Supports shareholder dialogue

Going the extra mile with the Green Dividend

The Green Dividend (currently EUR 0.01 per share) is used to finance projects that would not yield the company's expected cost of capital but would have a likely positive contribution to the company's long-term carbon footprint. The volume of the Green Dividend is related to the cost of carbon that the company uses but does not pay for as reflected in our carbon accounts.
For example, we install solar panels and support fundamental research for carbon removal with the Green Dividend of 2020. On a broader perspective, the Green Dividend also supports the dialogue with our shareholders on return expectations versus ecologically beneficial yet lower-yielding investments in alstria's portfolio.

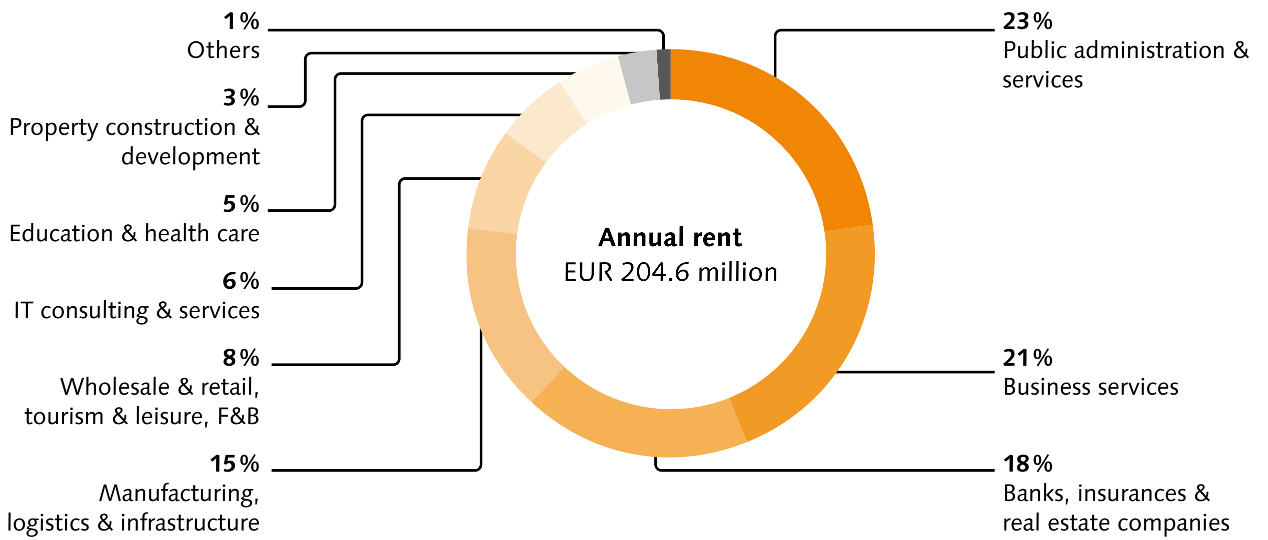
PORTFOLIO KEY INFORMATION

Our local offices



alstria's tenant structure by industry[1)]

Graph 1



[1)] Industry classification by Creditreform.

Portfolio highlights

Table 1

	Dec. 31, 2021	Dec. 31, 2020
Number of properties	**112**	109
Market value (EUR m)	**4,873**	4,576
Contractual rent (EUR m)	**204.6**	199.1
Valuation yield (%)	**4.2**	4.4
Lettable area (m²)	**1,434,000**	1,427,800
EPRA vacancy rate (%)	**6.9**	7.6
Lease length (years)	**5.7**	6.1
Average value per m² (EUR)	**3,398**	3,205
Average rent per m² (EUR per month)	**13.33**	12.93

Focusing on 5 German cities

Table 2

	Number of assets	Lettable area (m²)	Investment volume (EUR m)	Contractual rent (EUR m)	Yield (%)
Hamburg	35	385,600	1,629	55.8	3.4
Düsseldorf	32	431,400	1,223	59.4	4.9
Frankfurt	23	284,100	1,032	41.9	4.1
Stuttgart	9	208,500	506	32.5	6.4
Berlin	12	97,600	440	12.8	2.9
Others	1	26,800	43	2.2	5.2
Total	**112**	**1,434,000**	**4,873**	**204.6**	**4.2**

FINANCIAL KEY INFORMATION

Table 3

EUR k	2021	2020	2019	2018	2017
Revenues and earnings					
Revenues	183,670	177,063	187,467	193,193	193,680
Net rental income	163,271	154,823	162,904	169,068	172,911
Consolidated profit for the period	209,678	168,489	581,221	527,414	296,987
FFO (after minorities)	116,455	108,673	112,579	114,730	113,834
Earnings per share (EUR)	1.18	0.95	3.27	3.02	1.94
FFO per share (EUR)	0.65	0.61	0.63	0.65	0.74

Balance sheet	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Investment property	4,775,801	4,556,181	4,438,597	3,938,864	3,331,858
Total assets	5,234,372	5,090,249	5,029,327	4,181,252	3,584,069
Equity	3,367,083	3,252,442	3,175,555	2,684,087	1,954,660
Liabilities	1,867,290	1,837,807	1,853,773	1,497,165	1,629,409
IFRS NAV per share (EUR)	18.91	18.29	17.88	15.13	12.70
Net LTV (%)	28.8	27.0	27.1	30.4	40.0

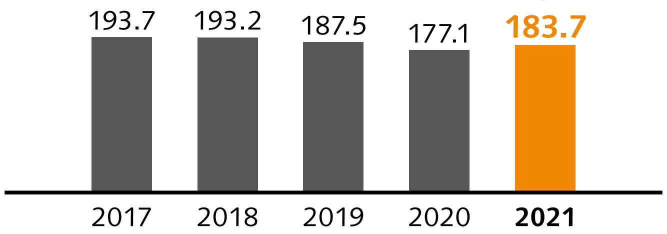
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
G-REIT key figures					
G-REIT ratio (%)	69.1	71.1	70.9	67.2	57.1
Revenues plus other income from investment properties (%)	100	100	100	100	100

EPRA key figures[1]	2021	2020	2019	2018	2017
EPRA earnings per share (EUR)	0.55	0.61	0.61	0.76	0.68
EPRA cost ratio A (%)[2]	25.0	26.6	26.1	23.2	19.6
EPRA cost ratio B (%)[3]	21.1	22.1	21.7	19.2	16.4

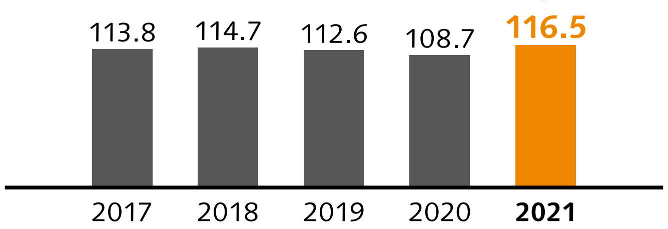
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
EPRA NRV per share (EUR)	20.86	20.13	19.67	–	–
EPRA NTA per share (EUR)	18.97	18.34	17.91	–	–
EPRA NDV per share (EUR)	18.82	17.95	17.61	–	–
EPRA net initial yield (%)	2.9	3.3	3.3	4.0	4.6
EPRA 'topped-up' initial yield (%)	3.4	3.7	3.8	4.3	5.0
EPRA vacancy rate (%)	6.9	7.6	8.1	9.7	9.4

[1] For further information please refer to EPRA Best Practices Recommendations, www.epra.com.
[2] Incl. vacancy costs.
[3] Excl. vacancy costs.

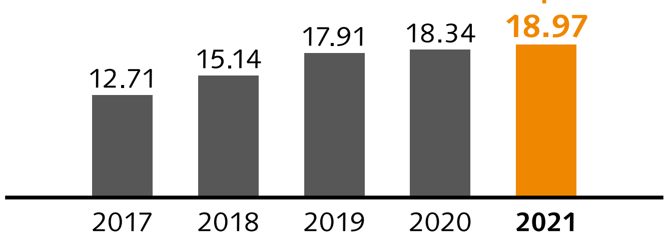
Revenues
183.7
million EUR



FFO
116.5
million EUR



EPRA NTA
18.97
EUR per share



PORTFOLIO

Rotebühlstr. 98–100 Stuttgart

Construction year: 1982

Area: 8,900 m²

3,667 tCO_2e Embodied carbon from refurbishment activities

60 % CO_2 savings compared to new construction

LETTING ACTIVITIES

EUR 120 million of future income secured in 2021

Due to the COVID-19 pandemic in Germany, which continued in 2021, and the resulting uncertainty regarding future economic developments, the commercial leasing market again proved difficult. However, with the final quarter of 2021 seeing some revival in the commercial leasing markets, alstria's letting performance was slightly better than that of the previous year with new leases and lease renewals totalling 155,300 m² (2020: 119,500 m²). Large companies in particular were reluctant to sign new leases. Many tenants' ongoing uncertainty regarding their future office demand is reflected in a higher number of renewals, which were mostly signed toward the end of 2021. Tenants preferred instead to stay in their current premises rather than move to a new office.

New leases in 2021 (>1,500 m²)

Table 4

Address	City	Lettable area (m²)	Lease start	Net rent p.a. (EUR k)	Net rent per m² (EUR)[1]	Lease length (years)	Rent free (in % of lease length)
Maarweg 165	Düsseldorf	2,000	July 01, 2021	350	14.55	4.6	3.6
Kaistr. 16, 16a, 18	Düsseldorf	1,900	Mar. 15, 2022	510	21.48	5.1	6.7
Epplestr. 225	Stuttgart	1,600	Feb. 01, 2022	320	16.00	7.0	6.0
Augustaanlage 60	Frankfurt	2,900	Sept. 01, 2022	570	16.50	10.0	8.3
Essener Bogen 6a–d	Hamburg	5,400	Nov. 01, 2022	890	13.50	15.0	0.0
Epplestr. 225	Stuttgart	7,900	Mar. 01, 2022	1,640	15.84	10.5	4.0
New leases > 1,500 m²		**21,700**		**4,280**	**16.43**	**10.0**	
Others		**30,000**		**5,320**	**14.78**		
Total		**51,700**		**9,600**	**15.47**	**6.9**	

[1] Disregarding parking, storage and other supplementary spaces.

Renewals & Option drawings > 5,000 m²

Table 5

Address	City	Lettable area (m²)	Net rent p.a. (EUR k)	Net rent per m² (EUR)[1]	Lease length (years)	Rent free (in % of lease length)
Karlstr. 123–127	Düsseldorf	5,200	700	11.33	5.0	6.7
Alfredstr. 236	Essen	27,700	3,600	10.80	5.0	0.0
Renewals & Option drawings > 4,500 m²		**32,900**	**4,300**	**10.90**	**5.0**	
Other renewals & Option drawings		70,700	10,000			
Total		**103,600**	**14,300**		**3.9**	

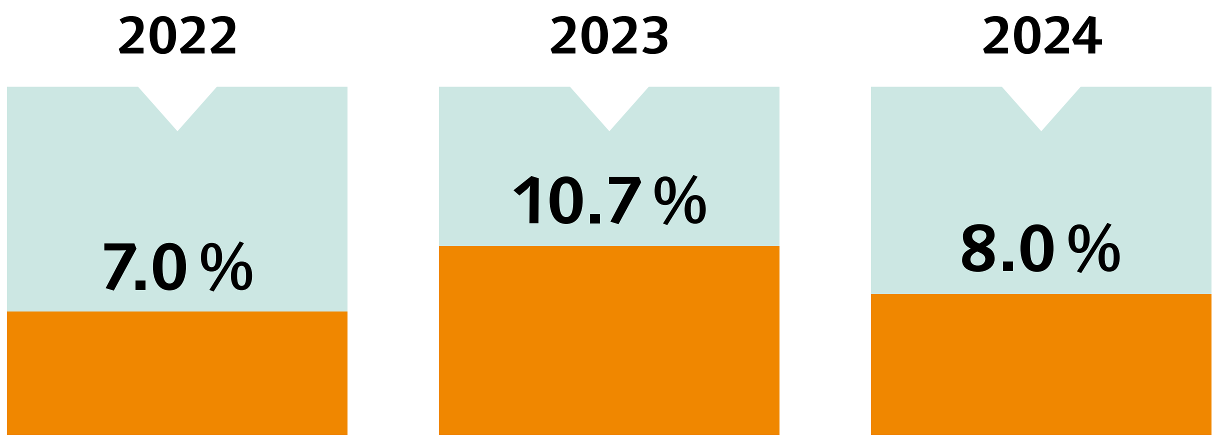
[1] Disregarding parking, storage and other supplementary spaces.

Leasing outlook

The standard office lease in Germany has a term of 5 years (plus a 5-year extension option). In our portfolio, 7.0 % of the leases (measured by the annualized contract rent) will expire in 2022 and 25.7 % over the next three years. Historically, around 60 % of expiring contracts were extended by the current tenants and 40 % were terminated. The latter is our primary good that we will use to enhance our space offering to tenants and realize higher rents for new lettings.

We expect the overall German letting market to remain tense in 2022. This is caused by the economic uncertainties of companies in light of the ongoing pandemic. Furthermore, rising energy prices and continuing supply bottlenecks are inhibiting tenants from signing long-term leases and letting additional space.

Lease expiries (in % of annual rent) Graph 2



Kaistr. 16
Düsseldorf

Rents

Like-for-like rent up by 2.8 %

Rental growth at alstria is driven by the strong difference between in-place rents in our office buildings and market rents. However, this delta can only be closed after investing in refurbishing our properties, upgrading quality and sustainability. Regarding the like-for-like contractual rent in the real estate portfolio (combined investment and refurbishment), we recorded an increase of 2.8 % yoy in 2021. In line with the EPRA BPR, table 6 shows the development of contractual rents over the past 24 months, during which we achieved an EPRA like-for-like rental growth of +2.0 % (excl. transactions). Although rental growth was positive in the investment portfolio, the decrease was mainly attributed to the disposal of assets and lease terminations prior to the start of refurbishments.

Average rent grew to EUR 13.33 per m²

In 2021, continuing its growth trajectory, the average rent per m² in our total portfolio increased by 3.1 %, to EUR 13.33 per m² (graph 3), mainly due to new leases and rent increases. Besides the like-for-like rental growth, the development of the average rent per m² is an important indicator, showing the impact of our active asset management. Over the longer term, we grew our average rent per m² by 2.8 % per year, which is in line with our goal to increase rents by 1–2 % beyond inflation.

Change in rental income[1)]

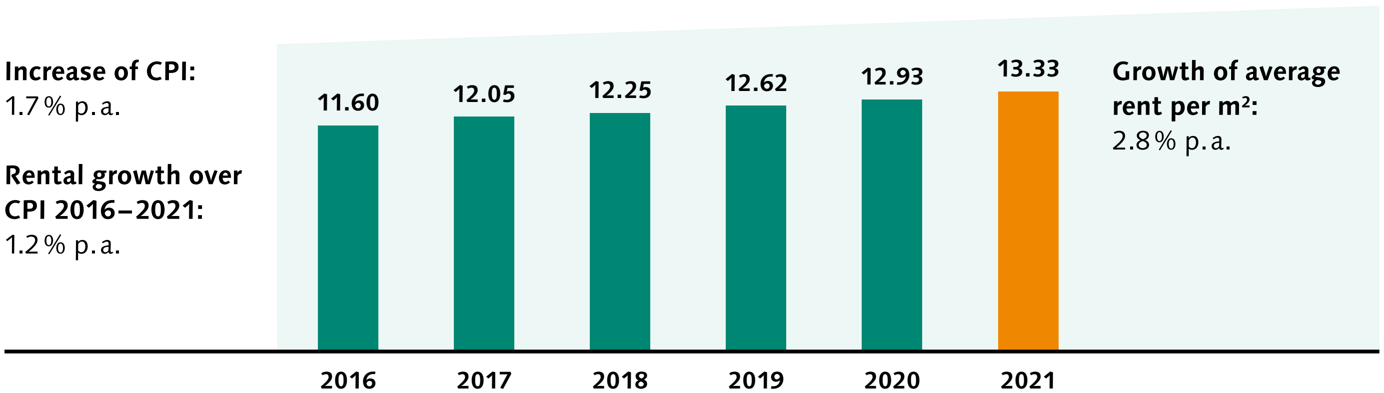
Table 6

	2 year period (Dec. 31, 2019–Dec 31, 2021)		1 year period (Dec. 31, 2020–Dec 31, 2021)	
	EUR k		EUR k	
Contractual rent as of Dec. 31, 2019	**208,332**	**100.0**		
Contractual rent as of Dec. 31, 2020			**199,084**	**100.0**
+/– Change in rent investment portfolio	5,585	2.7	3,723	1.9
o/w New leases/rent increases	7,806	3.7	4,584	2.3
o/w Lease expiries	–2,221	–1.1	–861	–0.4
+/– Change in rent refurbishment portfolio	–1,435	-0.7	1,828	0.9
o/w New leases	3,582	1.7	2,672	1.3
o/w Lease terminations	–5,017	–2.4	–844	–0.4
+/– Change in rent from transactions	–7,913	–3.8	–66	0.0
o/w Rents from acquired assets	1,217	0.6	1,217	0.6
o/w Rents from disposed assets	–9,130	–4.4	–1,283	–0.6
Contractual rent as of Dec. 31, 2021	**204,569**	**98.2**	**204,569**	**102.8**

1) Based on a total portfolio of EUR 4,873 (2021), EUR 4,576 m (2020), EUR 4,476 m (2019).

Development of average rent in EUR per m²

Graph 3



Cost of letting

Effective rent rose to EUR 12.14 per m²

A rental contract does not come free. Before a tenant moves in, the landlord must bear the costs for tenant fit outs and broker fees. When applicable, concessions such as rent-free periods must be considered as well. The base rent of a lease is usually communicated. However, the effective rent is a more useful indicator of a rental agreement's profitability. We calculate our effective rent by accounting for all the costs incurred from a new lease and deducting them from the base rent over the lease's lifetime, as table 7 shows. In 2021, new leases for lettable office space of 84,500 m² started. The weighted average effective rent for these new leases was EUR 12.14 per m² (+5.0% yoy), with a weighted average lease term of 12.9 years. The new leases thus generate a future rental income of EUR 174.5 million (2020: EUR 162.8 million).

Weighted average effective rent

Table 7

per m² in EUR	2021	2020	2019
Base rent	15.07	14.40	13.41
Tenant fit-outs	–2.59	–2.52	–1.65
Broker fees	–0.11	–0.09	–0.56
Rent concessions	–0.23	–0.24	–0.01
Effective rent	**12.14**	**11.56**	**11.20**
Weighted average lease term (in years)	**12.9**	**8.2**	**6.0**

Essener Bogen 6 a–d
Hamburg

Vacancy

EPRA vacancy rate down to 6.9 %

As of December 31, 2021, our EPRA vacancy rate fell by 70 bps, to 6.9 %. Table 8 shows a more detailed analysis of the vacancy, including the vacancy in our refurbishment assets*. As table 8 shows, the total vacancy in our portfolio increased by 50 bps, to 11.3 %, mainly due to further lease terminations in our refurbishment projects. Our transaction activities had only a minor impact on the development of our vacancy. Over a refurbishment cycle, we expect our total vacancy rate to fluctuate between 12 % and 8 %. The exact proportion depends on how much vacancy we buy or create in preparation for our next refurbishment pipeline. How many fully let properties we sell and how many buildings we have under refurbishment is a further factor. Vacant space is the primary good we need if we are to create value in our property portfolio.

Vacancy schedule

Table 8

		m²	Vacancy rate (%)	
Total lettable area – Dec. 31, 2020	**(A)**	**1,427,800**		
Acquired space		21,100		
Disposed space[1)]		–42,900		
Net new built space		–2,400		
Remeasurements		0		
Total lettable area – Dec. 31, 2021	**(C)**	**1,434,000**		
Vacancy – Dec. 31, 2020	**(B)**	**153,600**	**10.8**	**(B/A)**
Acquired vacancy		5,000		
Disposed vacancy		–100		
Expiries and breaks		158,500		
Renewals		–103,500		
New leases		–51,700		
Vacancy – Dec. 31, 2021	**(D)**	**161,400**	**11.3**	**(D/C)**
o/w Refurbishments		85,400		
EPRA vacancy rate[2)]			**6.9**	

[1)] Disposed assets incl. assets held for sale as per Dec. 31, 2021.
[2)] For detailled calculation see table 22, page 36.

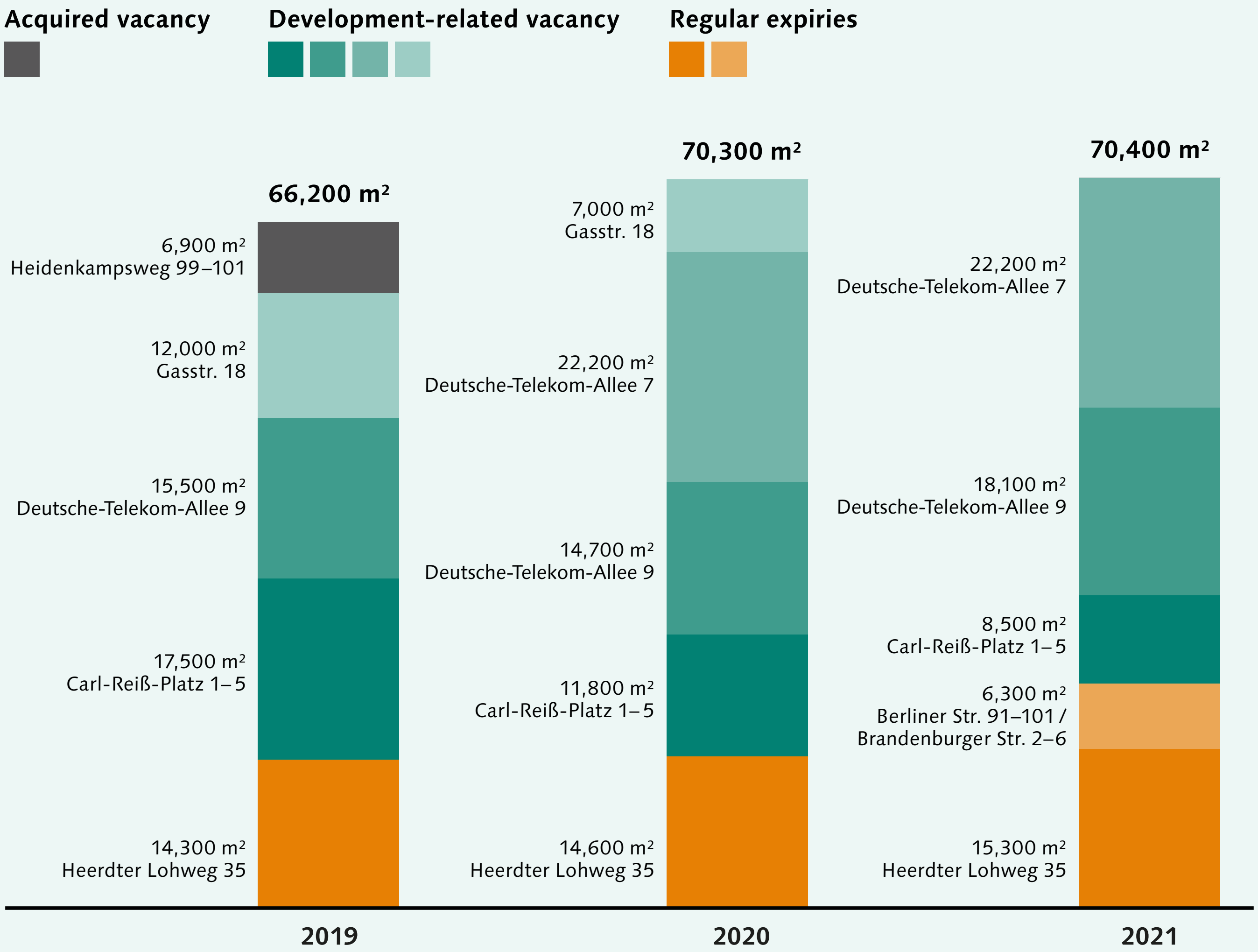
* Vacancy in refurbishment asset is disregarded by the EPRA BPR methodology.

Average down period of 27 months

We believe that the average down period of rental space (which provides a dynamic picture of vacancy in the portfolio) is a more meaningful indicator of leasing performance than the vacancy rate (which, in contrast, provides a static picture of vacancy). As of December 31, 2021, the average down period for our vacant space was 27 months (previous year: 23 months). This means that, on average, we needed 27 months (including refurbishments) to re-let vacant space.

'Top 5' vacant assets 2019–2021

Graph 4



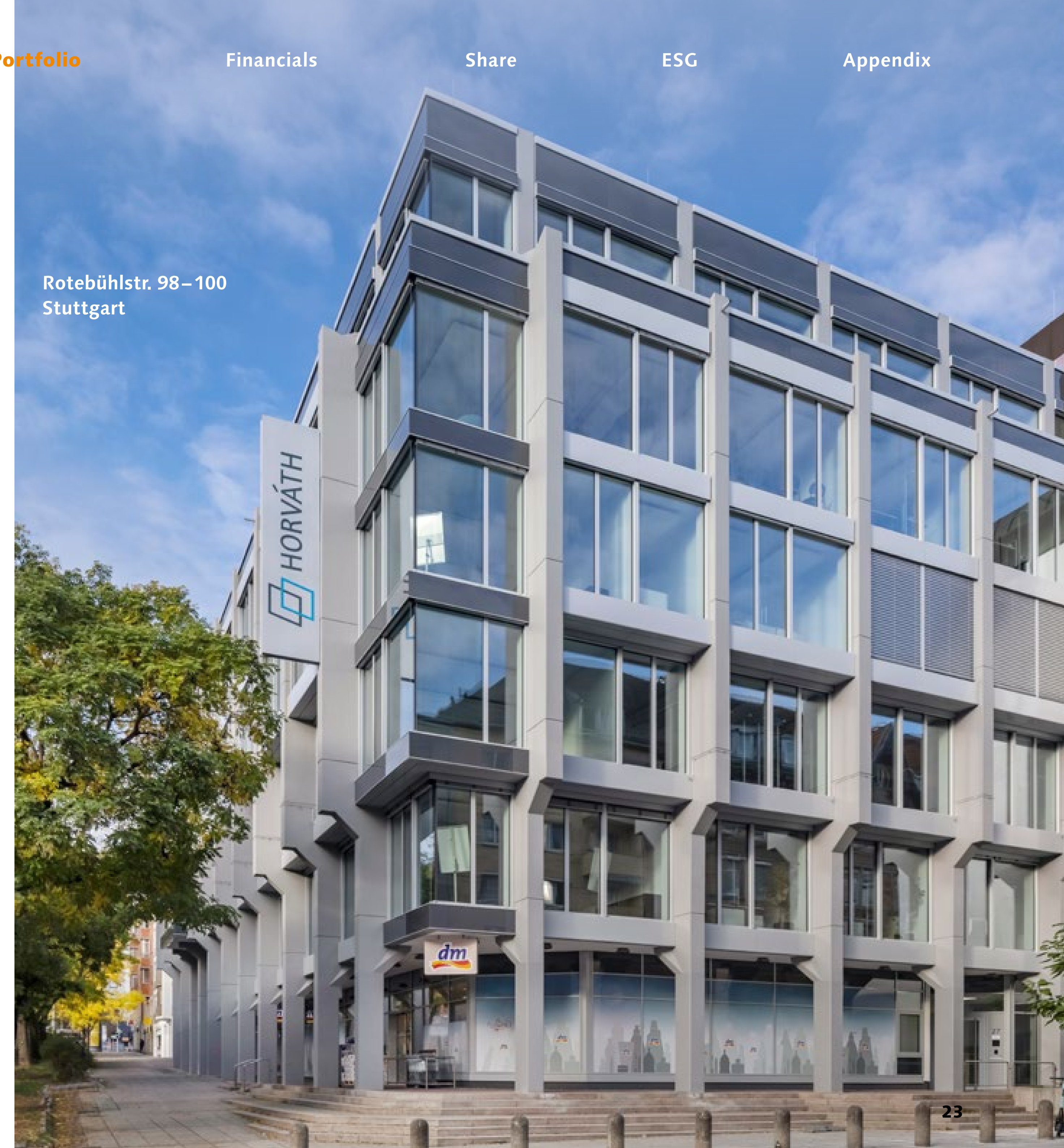
CAPITAL EXPENDITURE

Capex is the key to rental growth

Although we may benefit from market-driven rental growth, we do not rely on it to deliver performance. An office building is less a commodity and increasingly a tailor-made product. The pandemic and an accentuated trend to work from home have proven the added value of an office as a place of communication, creativity and company culture. As such, tenants are willing to pay higher rents for assets that are designed to meet their unique needs and provide them with the added value they need to increase their organizational efficiency.

For the landlord, tailor-made offices mean that there is a constant need to reinvest in the assets. This is also the most sustainable way to increase rents and improve the quality of the building. The amount of incremental rent usually is a function of the amount of capex invested. In this respect, the main challenge is to find the most efficient combination of capex and rent increase to optimize the return (i.e., yield on capex).

To maximize our yield on capex, we combine the local knowledge of our Real Estate Operations Team with the know-how of our refurbishment team. That our portfolio is still let below market levels gives us the headroom to invest in the space, lift the rents and achieve attractive returns of 6–7% on our capex, which is much more than what the direct investment market currently offers.



Rotebühlstr. 98–100
Stuttgart

Capex / Opex of EUR 131.9 million

Capex volume lower admid bottlenecks

To provide transparency around our capex, we split our total capex into categories, in line with the EPRA BPR (table 9). Our development capex relates to the respective sub-portfolio, which undergoes a substantial refurbishment (capex > EUR 1,000 per m²). It increased significantly in 2021, as we terminated and progressed large refurbishments such as Solmsstrasse in Frankfurt and Gustav-Nachtigal-Strasse in Wiesbaden. We intend to maintain a high level of capex, as it provides substantially more attractive opportunities than the direct investment market.
The investment portfolio capex relates to our investment portfolio and characterizes modernization capex and tenant fit outs, which usually amount to below EUR 1,000 per m². The total portfolio capex amount of EUR 121.6 million was capitalized in 2021. In addition to capitalized investments, we were constantly carrying out minor upgrades (EUR 5.4 million) and ongoing repairs (EUR 4.8 million) on our buildings, which were recognized in our income statement and therefore in our operating profit (FFO) as well. Overall, we invested a total of EUR 131.9 million into our properties in 2021. In the context of the total portfolio, this amount corresponds to an average amount of EUR 87 per m², or around 2.6 % of the portfolio value (excluding land value).

Like-for-like growth yield of 1.6 %

Over the past 24 months, we leased up 272,000 m² and generated an additional rent (like-for-like) of EUR 4.1 million. The capex we spent over this period was EUR 266.6 million, leading to a like-for-like growth yield of 1.6 % (table 10).

Property related capex / opex

Table 9

EUR k	2021	2020	2019
Acquisitions	**85,855**	**7,784**	**49,300**
Refurbishment portfolio	90,089	56,109	44,105
Investment portfolio	31,552	88,819	72,037
o/w Incremental lettable space	0	0	0
o/w No incremental lettable space	23,302	74,178	29,114
o/w Tenant incentives	6,929	12,715	27,989
o/w Other material non-allocated types of expenditure	1,320	1,926	14,934
Capitalized interest	0	0	0
Total capital expenditure	**121,640**	**144,928**	**116,142**
Maintenance[1]	5,431	8,429	8,476
Running repairs[1]	4,838	5,547	5,095
Operating expenditure	**10,269**	**13,976**	**13,571**
Total Capex / Opex	**131,909**	**158,904**	**129,713**

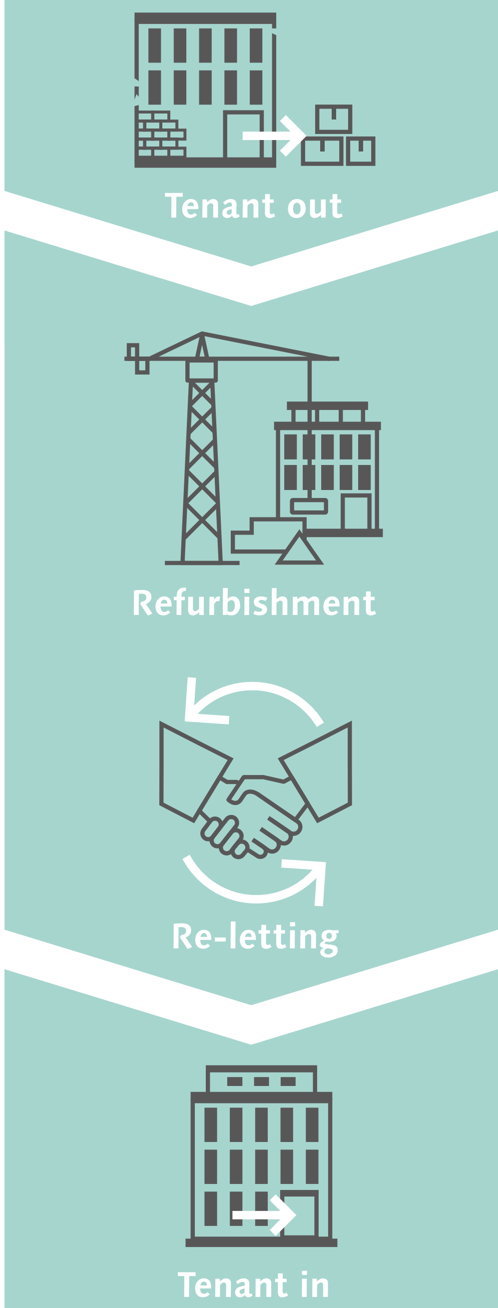
[1] Incl. in P&L and FFO.

Like-for-like growth yield

Table 10

	EUR k
Change rental income 2020 and 2021	**4,149**
o/w Investment portfolio	5,585
o/w Refurbishment portfolio	–1,435
Capex 2020 and 2021[1]	**266,568**
Like-for-like growth yield	**1.6 %**

[1] See table 9, above (EUR 144.9 m for 2020 and EUR 121.6 m for 2021).



Refurbishment portfolio

Doubling new development pipeline

Our current refurbishment pipeline comprises 20 projects, an increase of 11 projects since last year, with a total lettable area of 342,900 m². With 24 % of the total portfolio area, the refurbishment portfolio almost doubled compared to last year. The higher share of refurbishments reflects our increased efforts to lift our standing portfolio's return potential. The refurbishment buildings are sourced either from our investment portfolio or recent acquisitions, and we intend to dipose of them partly after completions. In 2021, we were able to deliver the asset in Solmsstrasse 27–37 (Frankfurt) and Rotebühlstrasse 98–100 (Stuttgart) to our tenants and achieved a refurbishment return of 5.1 %. The project Gustav-Nachtigal-Strasse 3 & 5 (Wiesbaden), one of our main projects, is fully let and will be completed in 2022. We will also deliver another large project, Carl-Reiß-Platz 1–5, in 2022.

Planned refurbishment capex of EUR 418.2 million

For the current refurbishment portfolio, we plan a capex volume of EUR 418.2 million, which is EUR 1,200 per m². Taking into account the current book value, the required capex and the rent that we will achieve after completion, the all-in cost yield of our current refurbishment portfolio will be around 5.5 %.

Key data

Table 11

Address		Lettable area (m²)	Total capex (EUR k)	Cost to complete (EUR k)	Target rent on completion (EUR k)	All-in-cost yield (%)	Secured rent (EUR k)	Status[1]	Expected completion date
Besenbinderhof 41	Hamburg	5,500	11,800	1,700	1,300	7.1	0	C	Q3 2022
Epplestr. 225	Stuttgart	106,000	133,300	107,800	12,800	4.8	4,000	P	n/a
Carl-Reiß-Platz 1–5, TG	Mannheim	8,500	18,900	9,200	1,500	4.2	0	C	Q1 2023
Carl-Reiß-Platz 2, 3, 4	Mannheim	5,300	20,700	16,600	900	3.4	0	C	Q1 2024
Augustaanlage 60	Mannheim	4,400	12,000	4,900	800	5.3	600	C	Q3 2022
Gustav-Nachtigal-Str. 4	Wiesbaden	800	4,600	4,600	400	6.8	0	P	n/a
Gustav-Nachtigal-Str. 3	Wiesbaden	18,400	49,000	10,100	6,100	12.4	6,100	C	Q3 2022
Gustav-Nachtigal-Str. 5	Wiesbaden	7,600	22,300	5,800	2,600	5.2	2,600	C	Q3 2022
Friedrich-Scholl-Platz 1	Karlsruhe	26,800	17,600	13,000	1,000	3.7	0	C	Q3 2024
Gartenstr. 2	Düsseldorf	4,800	3,800	3,500	1,000	5.2	0	P	n/a
Deutsche-Telekom-Allee 7	Darmstadt	22,200	13,400	13,200	3,200	6.0	0	P	n/a
Deutsche-Telekom-Allee 9	Darmstadt	60,700	14,600	7,500	8,400	5.4	6,500	P	n/a
Gasstr. 18	Hamburg	26,800	27,400	5,600	4,700	7.2	3,400	C	Q3 2022
Friedrich-List-Str. 20	Essen	9,000	9,400	9,300	1,700	5.9	0	P	n/a
Uhlandstr. 85	Berlin	9,400	19,800	17,500	3,000	4.5	0	P	n/a
Handwerkstr. 4/ Breitwiesenstr. 27	Stuttgart	6,200	9,000	6,500	1,100	6.7	200	P	n/a
Adlerstr. 63	Düsseldorf	2,700	7,500	7,100	600	3.9	0	P	n/a
Corneliusstr. 36	Düsseldorf	3,100	4,700	4,700	600	5.0	0	P	n/a
Maxstr. 3a	Berlin	4,200	6,800	6,800	800	4.3	0	P	n/a
Hanauer Landstr. 161–173	Frankfurt	10,500	11,600	11,600	2,000	4.8	0	P	n/a
Total		**342,900**	**418,200**	**267,000**	**54,500**	**5.5**	**21,800**		

[1] 'C' = Construction. 'P' = Planning.

TRANSACTIONS

Selling the periphery – buying the core

In 2021, we continued to dispose the weaker assets in peripheral locations of our portfolio. This was done with the intention to reinvest the sale proceeds in the core of our markets, either through our refurbishment program or, if available, through selective acquisitions. Despite ongoing strong demand for office real estate in Germany's top markets, we acquired two assets in our core regions, Berlin and Frankfurt. Both properties are a perfect match for our strategy to acquire assets with a strong upside potential. The reallocation of the capital employed enables us to improve the portfolio's risk-return profile continuously.

Average unlevered return of 7.6 % since 2006

We measure the return on our properties over their entire holding period based on an unlevered internal return (UIRR = unlevered rate of return). Over their holding period, the buildings sold in 2021 generated an unlevered profit of EUR 66.0 million and an UIRR of 15.6 %. This result is above our target return and reflects the ongoing strong demand for office buildings, especially in our core markets. The properties we disposed in 2021 were sold at a gain of 20.4 % compared to the most recent appraised value.

Over the company's lifetime, we have disposed of around EUR 1.7 billion in assets and generated an unlevered profit of EUR 558 million and an average UIRR of 7.6 % (see p. 48–51).

Acquisitions

Table 12

Address	Lettable area (m²)	Vacancy rate (%)	Acquisition price[1] (EUR k)	Annual rent (EUR k)	Transfer of benefits and burden
Mehringdamm 32–34, Berlin	10,600	0.0	53,500	1,220	Aug. 1, 2021
Hanauer Landstr. 161–173, Frankfurt	10,500	55.0	32,600	620	Mar. 1, 2021
Total	**21,100**	**27.4**	**86,100**	**1,840**	

[1] All-in costs.

Disposals / UIRR

Table 13

Address	Lettable area (m²)	Holding period	Historical acquisition price (EUR k)	Annual rent[1] (EUR k)	Gain to book value (EUR k)	Disposal price (EUR k)	Rent collected (EUR k)	Total capex (EUR k)	Unlevered profit (EUR k)	UIRR[2] (%)
Frauenstr. 5–9/ In der Olk 10–16, Trier	16,900	2017–2021	27,700	1,283	–650	24,750	7,989	1,098	5,756	3.9
Heidenkampsweg 44–46, Hamburg	4,545	2017–2022	4,545	475	1,070	9,100	1,943	613	4,769	14.7
Vaihinger Str. 131, Stuttgart	21,411	2017–2022	21,411	3,785	15,730	63,000	24,033	960	55,438	21.5
Total	**42,856**		**53,656**	**5,543**	**16,150**	**96,850**	**33,965**	**2,671**	**65,963**	**15.6**

[1] At the time of the signing of the SPA.
[2] Incl. 6 % transactions costs and 5 % real estate operating expenses.

EXTERNAL VALUATION

Portfolio value uplift of EUR 95 million

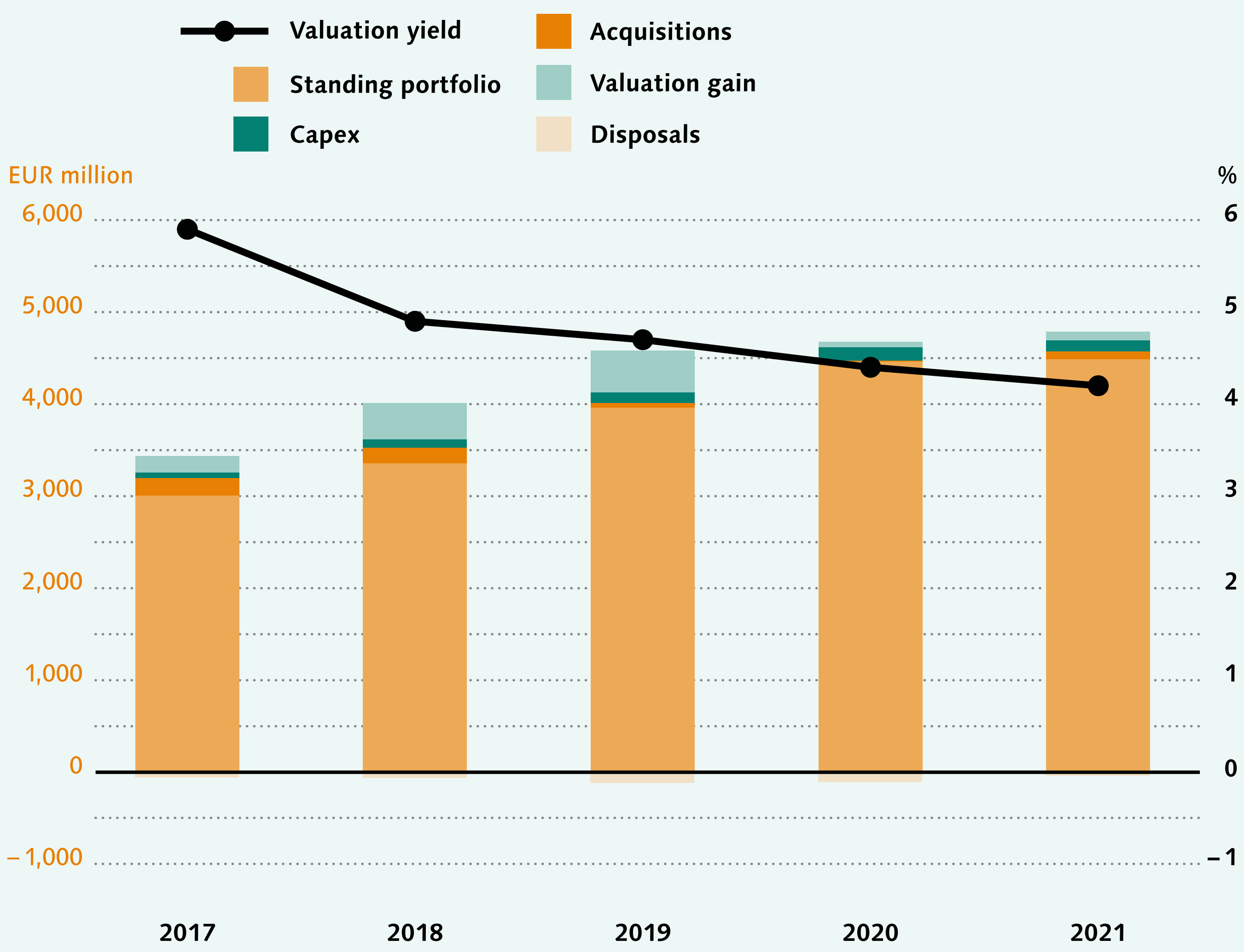
Independent appraisers revalue our entire real estate portfolio at least once a year. Savills Advisory Services Germany conducted last year's valuation. We provide the valuation report in the appendix of this report. For the overall portfolio, the 2021 valuation process resulted in a total uplift of EUR 95 million (net of capex and acquisitions). 66 properties experienced an increase in value amounting to EUR 330.0 million, and 21 buildings were devalued by a total of EUR 110.7 million. The valuation uplift reflects not only the change in the underlying real estate market but also the EUR 121.6 million of value added by our real estate operations.

In particular, the properties Solmsstr. 27 – 37 (Frankfurt), Gustav-Nachtigal-Str. 3 & 5 (Wiesbaden) and Rotebühlstr. 98 – 100 (Stuttgart) achieved significant valuation gains, reflecting the refurbishment progress.

Portfolio value has grown by 49 % since 2017

Since 2017, our investment portfolio has grown by 49 %, to EUR 4.8 billion. During this period, we sold slightly more than we bought and concentrated our portfolio on the core of our markets. Nevertheless, we were net investors, as we spent EUR 528 million in capex to improve the quality of our assets since 2017. In the meantime, the strong price increase in the German office market led to a valuation uplift of EUR 1.2 billion. The strong investment market was reflected by a yield that decreased from 5.9 % in 2017 to 4.2 % in 2021.

Portfolio value 2017 – 2021 Graph 5



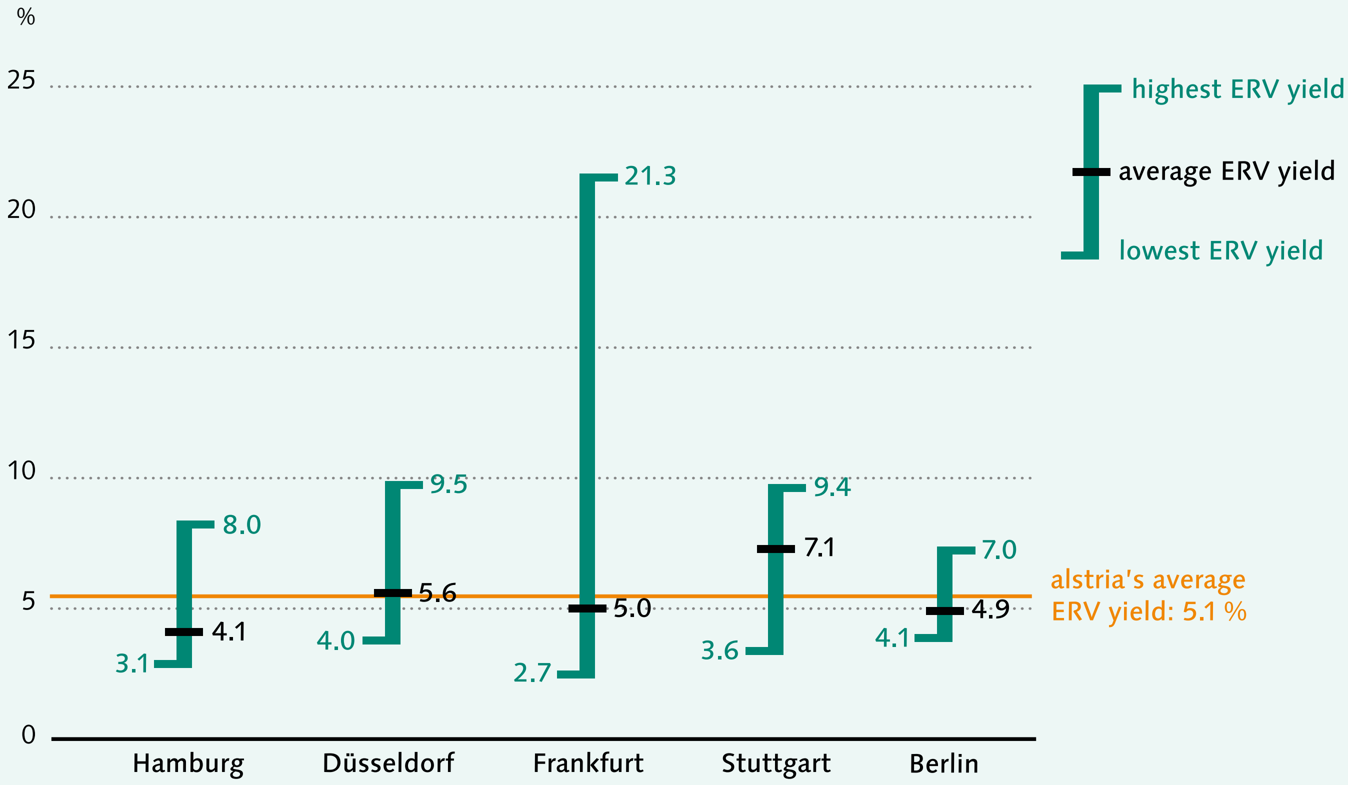
Range of yields

ERV yields between 2.7 % and 21.3 %

The portfolio yield stood at 5.1 % as of December 31, 2021. However, there is a wide range of yields, reflecting the characteristics of each individual property (see graph 6). The range of ERV yields (excluding refurbishment portfolio assets) represents the difference between the building with the lowest ERV yield and the building with the highest ERV yield in the respective region. The value within the range is the average ERV yield in the local portfolio. The lower end of the yield usually represents buildings with longer-term leases, and the higher end of the range represents properties with shorter leases in the respective region.

Range of ERV yields[1] in alstria's portfolio Graph 6

as of December 31, 2021



[1] The ERV yield is the market value of the asset (OMV) in relation to its market rent (ERV). The valuation yield is 4.2 % as of Dec. 31, 2021.

PORTFOLIO MOVEMENT

Total portfolio grew by 6.7 % in 2021

The total portfolio value grew by 6.7 %, to EUR 4,881 million, in 2021, mainly driven by capex and valuation gains. The average building has a lettable area of 12,800 m² and a market value of EUR 43.5 million. To improve the transparency of our reporting, we split the change into the impact from transactions, capital expenditure and valuation. Table 14 shows that the portfolio movement has been driven primarily by our capex measures (EUR 121.6 million) and to a lesser extent by our valuation result (EUR 94.8 million) and transactions (EUR 60.5 million). In addition to being a net buyer in the transaction markets in 2021, we grew our portfolio with a significant amount of capex. On balance, we thus remained a net investor in German office properties in 2021.

Movements property portfolio

Table 14

	EUR k
Investment properties as of Dec. 31, 2020	**4,556,200**
+ Transactions	60,500
o/w Acquisitions[1]	85,900
o/w Disposals (book value)	–25,400
+ Capital expenditure	121,600
o/w Refurbishment portfolio[2]	90,100
o/w Investment portfolio	31,500
+ Valuation result	94,800
o/w Refurbishment portfolio[1]	–75,400
o/w Investment portfolio	170,200
+ Reclassification	–57,200
o/w Assets held for sale	–55,000
o/w Owner occupied properties	–2,200
+ Other adjustments	0
= Investment properties as of Dec. 31, 2021	**4,775,800**
+ Fair value of owner occupied properties	29,395
+ Carrying amount of forest	2,700
+ Fair value of assets held for sale	72,100
– Interest in joint ventures	900
= Total portfolio value as of Dec. 31, 2021	**4,880,900**

[1] Including acquisition costs.
[2] Assets classified as refurbishment assets as of Dec. 31, 2020 and Dec. 31, 2021.

Solmsstr. 27–37
Frankfurt am Main

FINANCIALS

Carl-Reiß-Platz 1–3 Mannheim

Construction year: 1959–1979

Area: 17,500 m²

10,815 tCO_2e embodied carbon from refurbishment activities

40 % CO_2 savings compared to new construction

P&L AND FFO

FFO margin up to 63.4 %

Due to additional rental income from the acquisition of two properties and the signing of new leases, the operating performance was slightly better than expected. Therefore, revenues increased by EUR 6.6 million, from EUR 177.1 to EUR 183.7 million. The consolidated net result rose to EUR 209.7 million in 2021 (EUR 168.5 million in 2020) and was substantially impacted by the increase in the net result from fair value adjustments on our investment property.

The FFO (after minorities) amounted to EUR 116.5 million, slightly above the increased guidance level of EUR 115 million, due to a lower than planned disposal volume. The EUR 7.8 million increase from the prior year is linked on the one hand to additional rental income from the acquisition of two properties and on the other hand linked to the signing of new leases and lower real estate operating costs due to the postponement of investment measures to 2022. The FFO margin improved accordingly to 63.4 % in 2021 (+200 bps yoy).

FFO adjustments 2021

Table 15 provides transparency on the adjustments we made to reconcile our P&L with our FFO. In general, non-cash and non-recurring items are not included in the FFO, as the purpose of this number is to give a clear picture of the company's operating performance. The most significant adjustments are related to non-cash personnel expenses (EUR 2.1 million), non-recurring other operating income (EUR –2.4 million), non-cash other operating expenses (EUR 13.9 million) and expenses not attributable to the operating business in the net financial result (EUR 3.7 million).

Consolidated income statement

Table 15

	2021			2020		
EUR k	**P&L**	**Adjustments**	**FFO**	**P&L**	**Adjustments**	**FFO**
Revenues	183,670	0	183,670	177,063	0	177,063
Service charge income	38,908	0	38,908	38,367	0	38,367
Real estate operating expenses	–59,307	0	–59,307	–60,607	0	–60,607
Net rental income	**163,271**	**0**	**163,271**	**154,823**	**0**	**154,823**
Administrative expenses	–8,325	943	–7,382	–8,460	1,110	–7,350
Personnel expenses	–19,769	2,071	–17,698	–18,568	668	–17,900
Other operating income	5,930	–2,371	3,559	4,629	–2,240	2,389
Other operating expenses	–14,614	13,949	–665	–2,143	337	–1,807
Net result from fair value adjustments on investment property	94,827	–94,827	0	61,522	–61,522	0
Gain on disposal of investment property	15,134	–15,134	0	8,340	–8,340	0
Net operating result	**236,454**	**–95,369**	**141,085**	**200,143**	**–69,987**	**130,156**
Net financial result	–26,019	3,713	–22,306	–31,832	12,228	–19,604
Share of the result of joint ventures	–108	0	–108	–9	0	–9
Pre-tax income (EBT)	**210,327**	**–91,656**	**118,671**	**168,302**	**–57,759**	**110,542**
Income tax expense	–649	649	0	187	–187	0
Consolidated profit/loss for the period	**209,678**	**–91,007**	**118,671**	**168,489**	**–57,946**	**110,542**
Minorities	0	–2,216	–2,216	0	–1,870	–1,870
Consolidated profit after minorities/ Funds from operations (FFO)	**209,678**	**–93,223**	**116,455**	**168,489**	**–59,816**	**108,673**
Maintenance capex			–7,558			–21,739
Adjusted funds from operations (AFFO)			**108,896**			**86,933**
Number of shares outstanding (k)			178,033			177,793
FFO per share (EUR)			**0.65**			**0.61**
AFFO per share (EUR)			**0.61**			**0.49**

CASH FLOW

FFO in line with operating cash flow

A real estate company's FFO should be comparable to its operating cash flow. In 2021, our operating cash flow was EUR 116.4 million, which is close to the FFO generated (EUR 116.5 million). In recent years, both figures have developed similarly to our expectations. Underscoring the conservative character of our FFO calculation, our operating cash flow over the past five years was 103.5 % of our FFO.

Consolidated statement of cash flows

Table 16

EUR k	2021	2020
1. Cash flows from operating activities		
Consolidated profit for the period	209,678	168,489
Interest income	–1,323	–533
Interest expense	27,343	32,365
Result from income taxes	649	–187
Unrealized valuation movements	–91,239	–61,769
Other non-cash expenses (+) / income (–)	5,957	7,181
Gain (–) / loss (+) on disposal of investment properties	–15,134	–8,340
Depreciation and impairment of fixed assets (+)	942	1,110
Decrease (+) / Increase (–) in trade receivables and other assets that are not attributed to investing or financing activities	987	–2,342
Decrease (–) / increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities	–689	–182
Cash generated from operations	**137,172**	**135,792**
Interest received	1,323	649
Interest paid	–24,705	–32,383
Income taxes received (+) / paid (–)	2,644	–827
Net cash generated from operating activities	**116,434**	**103,231**

EUR k	2021	2020
2. Cash flows from investing activities		
Acquisition of investment properties	–206,996	–153,162
Proceeds from sale of investment properties	24,750	126,510
Payment of transaction cost in relation to the sale of investment properties	–1,006	–1,483
Acquisition of other property, plant and equipment	–3,093	–238
Proceeds from the equity release of interests in joint ventures	0	46
Payments for investment in financial assets	–87	–50,000
Proceeds from the repayment of financial assets	0	250,000
Net cash generated from / used in investing activities	**–186,432**	**171,674**
3. Cash flows from financing activities		
Cash received from cash equity contributions	240	400
Acquisition of minority interests	0	–9
Distributions on limited partnerships of minority shareholders	–1,957	–1,949
Proceeds from the issuing of bonds and borrowings	21,210	350,000
Cash received from the issuance of convertible profit participation certificates	287	0
Payments of transaction costs	0	–2,681
Payments of dividends	–94,230	–94,125
Payments of the redemption of bonds and borrowings	–2,323	–363,800
Payments of the redemption share of leasing activities	–505	0
Net cash used in / generated from financing activities	**–77,278**	**–112,164**
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	–147,276	162,741
Cash and cash equivalents at the beginning of the period	460,960	298,219
Cash and cash equivalents at the end of the period	**313,684**	**460,960**

BALANCE SHEET

Value of investment properties up by 4.8 %

Our company's balance sheet is simple and transparent. All real estate and associated land are 100 % owned by the company. These real estate assets are on the asset side of our balance sheet and currently account for 91 % of our balance sheet total (including owner-occupied space). Cash / cash equivalents and financial assets make up 6 %, and other assets account for just 3 % of the balance sheet total.

The EUR 144.1 million increase in the balance sheet total to EUR 5.2 billion as of December 31, 2021, was mainly driven by increases in our investment properties. They grew (on a like-for-like basis) by 3.5 %, to EUR 4.8 billion in 2021, reflecting revaluation gains and capital expenditure. Cash and financial assets were down by EUR 147 million, to EUR 314 million, mainly due to capex investments and the acquisition of two properties.

On the liabilities side, the company's equity is the largest item, representing 64 % of the balance sheet total. Financial liabilities account for 35 % and other liabilities for 1 % of the balance sheet. Total equity increased by 3.5 %, to EUR 3.4 billion, as a result of net profit contribution in 2021. Financial debt was stable at around EUR 1.7 billion.

Consolidated balance sheet

Table 17

Assets

EUR k	Dec. 31, 2021	Dec. 31, 2020
Non-current assets		
Investment property	4,775,801	4,556,181
Equity-accounted investments	923	1,021
Property, plant and equipment	22,936	18,360
Intangible assets	274	55
Financial assets	39,185	39,108
Total non-current assets	**4,839,119**	**4,614,725**
Current assets		
Trade receivables	3,922	4,572
Financial assets	0	0
Tax receivables	1,289	1,230
Other financial receivables	4,258	8,762
Cash and cash equivalents	313,684	460,960
Assets held for sale	72,100	0
Total current assets	**395,253**	**475,524**
Total assets	**5,234,372**	**5,090,249**

Equity and liabilities

EUR k	Dec. 31, 2021	Dec. 31, 2020
Equity		
Share capital	178,033	177,793
Capital surplus	1,261,630	1,356,907
Retained earnings	1,923,935	1,714,257
Revaluation surplus	3,485	3,485
Total equity	**3,367,083**	**3,252,442**
Non-current liabilities		
Liabilities minority interest	69,798	68,275
Long-term loans, net of current portion	1,697,605	1,685,349
Other provisions	2,585	0
Other liabilities	14,369	12,628
Total non-current liabilities	**1,784,357**	**1,766,252**
Current liabilities		
Liabilities minority interest	15	15
Short-term loans	19,594	10,325
Trade payables	3,487	3,943
Profit participation rights	541	514
Liabilities of current tax	4,525	4,780
Other provisions	2,439	2,031
Other current liabilities	52,331	49,948
Total current liabilities	**82,932**	**71,555**
Total liabilities	**1,867,290**	**1,837,808**
Total equity and liabilities	**5,234,372**	**5,090,249**

Balance sheet ratios

Transparent balance sheet
As of December 31, 2021, our G-REIT equity ratio reached 69.1 %, which clearly exceeds the legally required 45 %. At the same time, our net LTV was 28.8 %.

NAV per share +3.4 %
Our IFRS net asset value per share rose to EUR 18.91 as of the reporting date. The revaluation of our properties contributed an increase of EUR 0.53 per share, and the operating profit (FFO) of EUR 0.65 per share covered the dividend payment of EUR 0.53 per share in May 2021.

Balance sheet ratios
Table 18

EUR k		2021	2020
Investment properties		4,775,801	4,556,181
Carrying amount of owner occupied properties		18,832	16,910
Assets held for sale		72,100	0
Carrying amount of forest		2,683	0
Equity value of JV	**(A)**	**923**	**1,021**
Carrying amount of immovable assets	**(B)**	**4,870,339**	**4,574,112**
Adjustments to fair value of owner occupied properties		10,563	7,894
Fair value of immovable assets	**(C)**	**4,880,902**	**4,582,006**
Cash on balance sheet	**(D)**	**313,684**	**460,960**
IFRS equity	**(E)**	**3,367,083**	**3,252,442**
Interest bearing debt	**(F)**	**1,716,788**	**1,697,900**
G-REIT equity ratio (%)	**(E)/(B)**	**69.1**	**71.1**
Corporate LTV (%)	**(F)/(B)**	**35.2**	**37.1**
Corporate Net LTV (%)	**(F-D)/(B-A)**	**28.8**	**27.0**

Movement in net asset value (NAV)
Table 19

	EUR k	EUR per share
IFRS NAV as of Dec. 31, 2020[1]	**3,252,442**	**18.29**
Portfolio revaluation	94,827	0.53
Profit on disposals	15,134	0.09
Adjusted profit for the year	99,717	0.56
Dividend payment	–94,230	–0.53
Other adjustments	–5,334	–0.03
IFRS NAV as of Dec. 31, 2021	**3,367,083**	**18.91**
EPRA NRV as of Dec. 31, 2021[2]	**3,713,768**	**20.86**
EPRA NTA as of Dec. 31, 2021[2]	**3,377,371**	**18.97**
EPRA NDV as at Dec. 31, 2021[2]	**3,351,359**	**18.82**

[1] Fully diluted.
[2] Calculation see table 24, page 37.

FINANCIAL DEBT

Debt structure stable

Over the course of 2021, our debt structure remained largely unchanged. Our average financing costs as of December 31, 2021, were 1.4 %, with an average remaining term of 3.9 years.

Net debt / EBITDA of 9.9 x

Besides the LTV ratio, the net debt / EBITDA is a widely accepted KPI regarding a real estate company's indebtedness. We regard the net debt / EBITDA as an important indicator, as it is not impacted by the volatility in property valuation. Our net debt / EBITDA was 9.9 x as of December 31, 2021. A second debt indicator that is not biased by property valuation and therefore is a sensible indicator of a real estate company's indebtedness is the net debt per m², which stood at EUR 978 as of December 2021.

Cash cost of debt

Table 20

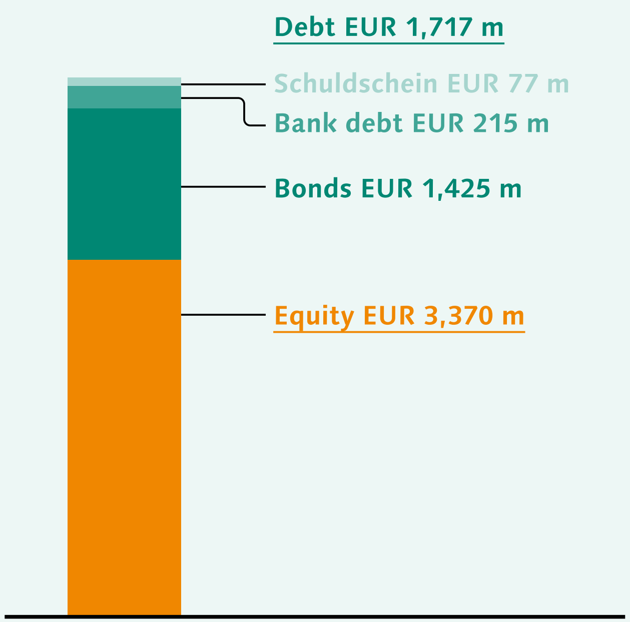
as of Dec. 31, 2021	Nominal amount (EUR k)	Cost of debt (%)	Average maturity (years)
Bonds	1,425,000	1.4	3.9
Bank debt	214,788	0.9	4.1
Schuldschein	77,000	2.5	3.0
Total	**1,716,788**	**1.4**	**3.9**

Net debt / EBITDA

Graph 7

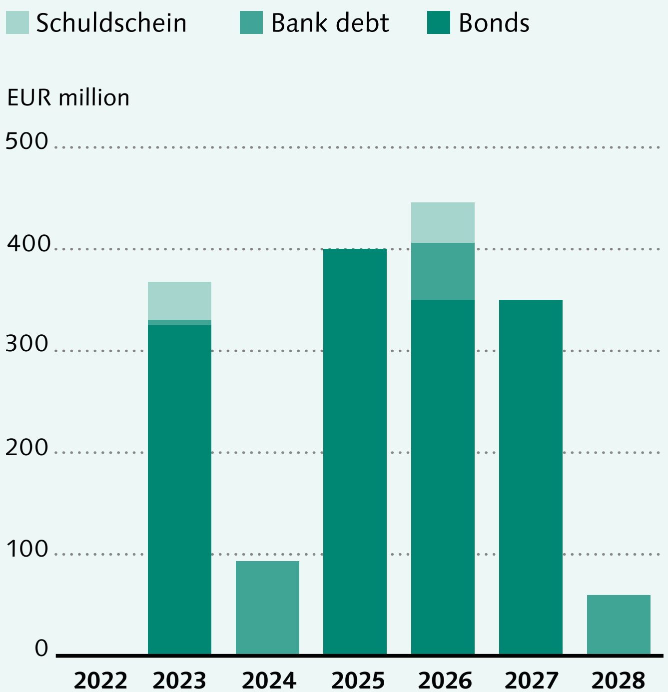
Sources of financing

Graph 8



Debt maturity profile

Graph 9



EPRA KPIs

EPRA earnings
Earnings reported in the income statement as required under IFRS do not provide stakeholders with the most relevant information on the operating performance of real estate companies. For real estate investment companies, the level of income arising from operational activities is a key measure of a company's operational performance and the extent to which its dividend payments to shareholders are underpinned by earnings. Unrealized changes in valuation, gains or losses on disposals of properties and other non-operating items are therefore taken out.

EPRA vacancy
Vacancy disclosures are not consistently defined in the real estate industry. Consistent disclosure of vacancy measures between companies will always be a challenge because property markets around Europe have different characteristics and each measure serves a different purpose. To encourage the provision of comparable and consistent disclosure of vacancy measures, EPRA has identified a single vacancy measure that can be clearly defined, and this measure is shown in table 22.

EPRA cost ratios
EPRA Cost Ratios define a reporting standard to improve the comparability of costs over time and between listed companies. EPRA Cost always includes administrative and operating expenses, service fees and management fees, as well as costs from joint ventures. EPRA Cost also considers direct vacancy costs and therefore differentiates between cost ratios that include and exclude direct vacancy costs.

EPRA earnings & earnings per share
Table 21

EUR k	2021	2020
Earnings per IFRS income statement	**209,678**	**168,489**
(a) Changes in value of investment properties, refurbishment properties held for investment and other interests	–94,827	–61,522
(b) Profits or losses on disposal of investment properties, refurbishment properties held for investment and other interests	–15,134	–8,340
(c) Tax on profits or losses on disposals	0	0
(d) Changes in fair value of financial instruments	3,518	6,674
(e) Acquisition costs on share deals and non controlling JV's	0	0
(f) Deferred tax in respect to EPRA adjustments	0	0
(g) Adjustments (a) to (c) above in respect of joint ventures	0	0
(h) Non-controlling interest on adjustments	–4,602	2,683
EPRA earnings	**98,633**	**107,984**
EPRA earnings per share (EUR)	**0.55**	**0.61**

EPRA vacancy rate
Table 22

EUR k	Dec. 31, 2021	Dec. 31, 2020
Estimated rental value (ERV)	188,971	211,452
ERV of vacant space	13,091	16,008
Vacancy rate (%)	**6.9**	**7.6**

EPRA cost ratio
Table 23

EUR k	2021	2020
Administrative / operating expense line per IFRS income statement	–48,578	–51,462
Service fees / recharges	85	2,194
Management fees	2,888	2,473
Share of joint ventures expenses	0	5
Exclude:		
Investment Property Depreciation	326	321
EPRA Costs (including direct vacancy costs) (A)	**–45,278**	**–46,469**
Direct vacancy costs	7,185	7,803
EPRA Costs (excluding direct vacancy costs) (B)	**–38,093**	**–38,666**
Gross Rental Income less ground rents	183,670	177,063
Less: service fee and service charge costs components of gross rental income	–2,888	–2,473
Gross rental income (C)	**180,782**	**174,590**
EPRA cost ratio (%) (including direct vacancy costs) (A/C)	**25.0**	**26.6**
EPRA cost ratio (%) (excluding direct vacancy costs) (B/C)	**21.1**	**22.1**

EPRA NAV metrics

EPRA NAV reporting standard comprises three different NAV metrics.

The objective of the EPRA Net Reinstatement Value (NRV) measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystalize under normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Since the aim of the metric is also to reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes are included.

The underlying assumption of the EPRA Net Tangible Assets (NTA) measure is that entities buy and sell assets, thereby crystalizing certain levels of deferred tax liability. The NTA is similar to the previous EPRA NAV if goodwill is excluded. Because alstria has no goodwill, the NTA is equal to the previously reported EPRA NAV of EUR 18.97 per share.

Shareholders are interested in understanding the full extent of liabilities and the resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, EPRA Net Disposal Value (NDV) provides the information based on a scenario where deferred tax, financial instruments and certain other adjustments are calculated using the full extent of their liability, including tax exposure not reflected in the balance sheet, the net of any resulting tax. This measure should not be viewed as a 'liquidation NAV' because, in many cases, fair values do not represent liquidation values. NDV follows a similar rational to that of the previously reported EPRA NNNAV and produces an equivalent result in the case of alstria.

New EPRA NAV metrics

Table 24

	EPRA NRV		EPRA NTA		EPRA NDV	
EUR k	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
IFRS equity attributable to shareholders	**3,367,083**	**3,252,442**	**3,367,083**	**3,252,442**	**3,367,083**	**3,252,442**
Include / exclude						
I) Hybrid instruments	0	0	0	0	0	0
Dilluted NAV	**3,367,083**	**3,252,442**	**3,367,083**	**3,252,442**	**3,367,083**	**3,252,442**
Include:						
II. a) Revaluation of IP (if IAS 40 cost option is used)	10,563	7,894	10,563	7,894	10,563	7,894
II. b) Revaluation of IPUC (if IAS 40 cost option is used)	0	0	0	0	0	0
II. c) Revaluation of other non-current investments	0	0	0	0	0	0
III.) Revaluation of tenent leases held as finance leases	0	0	0	0	0	0
IV.) Revaluation of trading properties	0	0	0	0	0	0
Dilluted NAV at fair value	**3,377,645**	**3,260,336**	**3,377,645**	**3,260,336**	**3,377,645**	**3,260,336**
Exclude:						
V) Deferred tax in relation to fair value gains of IP	0	0	0	0	–	–
VI) Fair value of financial instruments	0	33	0	33	–	–
VII) Goodwill as a result of deferred tax	0	0	0	0	0	0
VIII. a) Goodwill as per the IFRS balance sheet	–	–	0	0	0	0
VIII. b) Intangibles as per the IFRS balance sheet	–	–	274	55	–	–
Include:						
IX) Fair value of fixed interest rate debt	–	–	–	–	–26,287	–69,373
X) Revaluation of intangibles to fair value	0	0	–	–	–	–
XI) Real estate transfer tax	336,122	318,574	0	0	–	–
NAV	**3,713,768**	**3,578,877**	**3,377,371**	**3,260,247**	**3,351,359**	**3,190,962**
Fully diluted number of shares	178,033	177,793	178,033	177,793	178,033	177,793
NAV per share (EUR)	**20.86**	**20.13**	**18.97**	**18.34**	**18.82**	**17.95**

EPRA yield

There is variation in the nature and extent of yield disclosures, and the yield measurements used are not consistently defined. Consistent disclosure across companies of yield measurements such as net initial yield, 'topped-up' yields and equivalent yields will always be a challenge because each measure serves a different purpose depending on the user and the local property market. To encourage the provision of comparable and consistent disclosure of yield measures across Europe, EPRA has defined two yield measures, which are shown in table 25.

EPRA NIY is calculated as the annualized rental income, based on the cash rents passing at the balance sheet date minus non-recoverable property operating expenses, divided by the gross market value of the property. The EPRA 'topped-up' NIY is calculated by adjusting the EPRA NIY to account for the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA capex

The amount of capex invested into the portfolio according to EPRA BPR is shown on page 19 (table 9).

EPRA yield

Table 25

EUR k		Dec. 31, 2021	Dec. 31, 2020
Portfolio value			
Investment properties (on balance sheet)		4,775,801	4,556,181
Trading property		72,100	0
Refurbishment properties		–838,840	–560,440
Completed portfolio		**4,009,061**	**3,995,741**
Acquisition cost		260,589	259,723
Gross up completed property portfolio valuation	**(A)**	**4,269,650**	**4,255,464**
Income			
Contractual rent		204,569	199,084
Contactual rent refurbishments		–43,763	–24,142
Contractual rent (excluding refurbishments)		**160,805**	**174,942**
Rent-free periods		–19,875	–17,772
Annualized cash passing rent		**140,931**	**157,170**
Property outgoings		–16,081	–17,494
Annualized net cash rents	**(B)**	**124,850**	**139,676**
Rent free periods		19,875	17,772
'Topped-up' net annulized rent (C)		**144,725**	**157,448**
EPRA Net initial yield (%)	**(B/A)**	**2.9**	**3.3**
EPRA 'topped-up' Net initial yield (%)	**(C/A)**	**3.4**	**3.7**


Holzhauser Str. 175–177
Berlin

Gustav-Nachtigal-Str. 3
Wiesbaden

Construction year: 1984

Area: 16,800 m²

5,191 tCO_2e embodied carbon from refurbishment activities

70 % CO_2 savings compared to new construction

ALSTRIA'S SHARE

SHARE PRICE PERFORMANCE

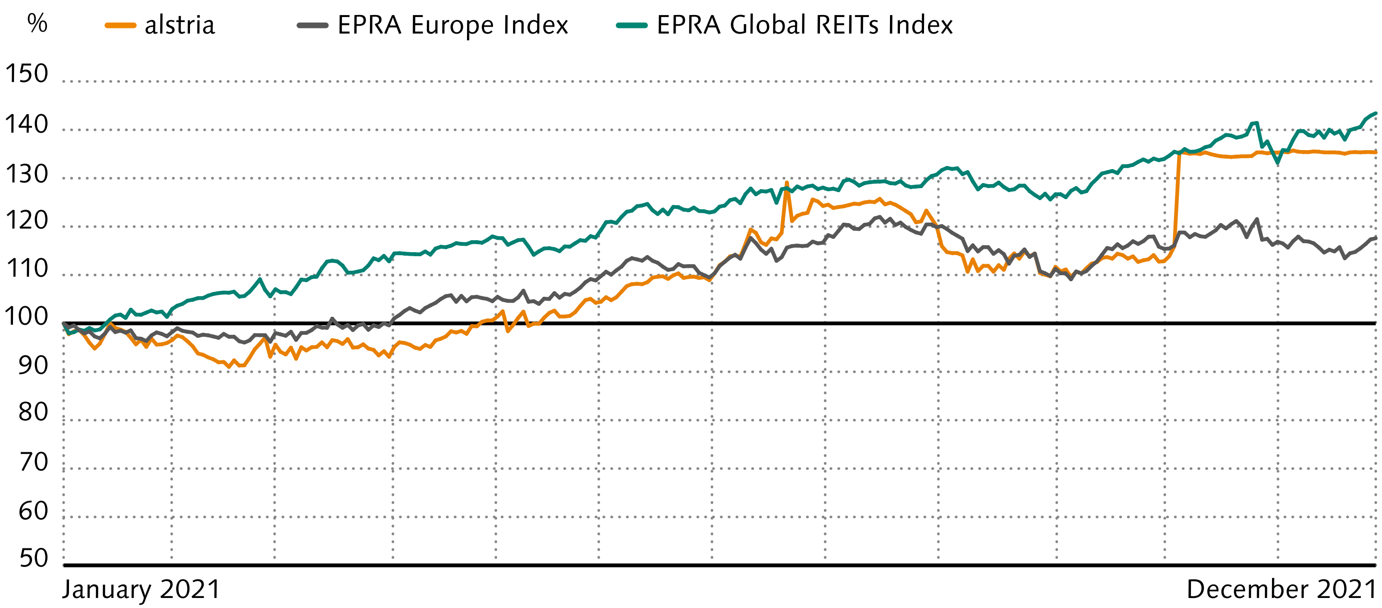
Outperforming main indices in 2021

alstria measures its shares' performance based on the development of total shareholder return (TSR). TSR includes the development of the share price plus the dividend reinvested. For 2021, the TSR for alstria's shares was 35.3 %. That said, alstria clearly outperformed the broad German stock indices in 2021 (DAX: 15.8 %, MDAX: 14.0 %) and the European real estate indices (EPRA Europe: 17.6 %). The relative outperformance was primarily a reflection of the takeover offer from Brookfield given alstria's resilient business model. As the real estate business requires a long-term perspective, multi-year performance is an important indicator of our stock's attractiveness. Over the past five years (2016–2021), the average annual TSR has been 13.2 %, once again demonstrating our business model's strength in the medium term.

Key share data Table 26

ISIN	DE000A0LD2U1
Symbol	AOX
Market segment	Financial Services
Industry group	Real Estate
Prime sector	Prime Standard, Frankfurt
Financial indices	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
ESG indices	S&P Global DJSI Europe, MSCI ESG Rating, Bloomberg Gender-Equality Index, Sustainalitics ESG Risk Rating, CDP Climate Change, ISS-oekom Corporate Rating, Euronext Eurozone ESG Large 80 Index
Designated Sponsor	M. M. Warburg & CO

Share price development Graph 10



SHAREHOLDER STRUCTURE

Brookfield takeover reduced free float

At the end of 2021, alstria's shares had a free float of 43.4%, as defined by Deutsche Börse. The free float had decreased significantly since the takeover bid of Brookfield was announced on December 13, 2021.

Coverage by analysts

Interest from analysts and financial journalists in the development of alstria office REIT-AG remained high in 2021. A total of 17 investment banks and brokers regularly reported on the company's development. alstria therefore continues to be one of the most covered companies in the German MDAX.

Key share data Table 27

		Dec. 31, 2021	Dec. 31, 2020
Number of shares	thousand	178,033	177,793
thereof outstanding	*thousand*	*178,033*	*177,793*
Closing price[1]	EUR	19.50	14.80
Market capitalization	EUR k	3,471,643	2,631,333
Free float	%	43.4	100.0
		2021	**2020**
Average daily trading volume (all exchanges)	EUR k	9,048	11,217
thereof XETRA	EUR k	8,337	8,002
Share price: high[1]	EUR	19.56	19.01
Share price: low[1]	EUR	13.47	10.57

[1] Xetra closing share price.

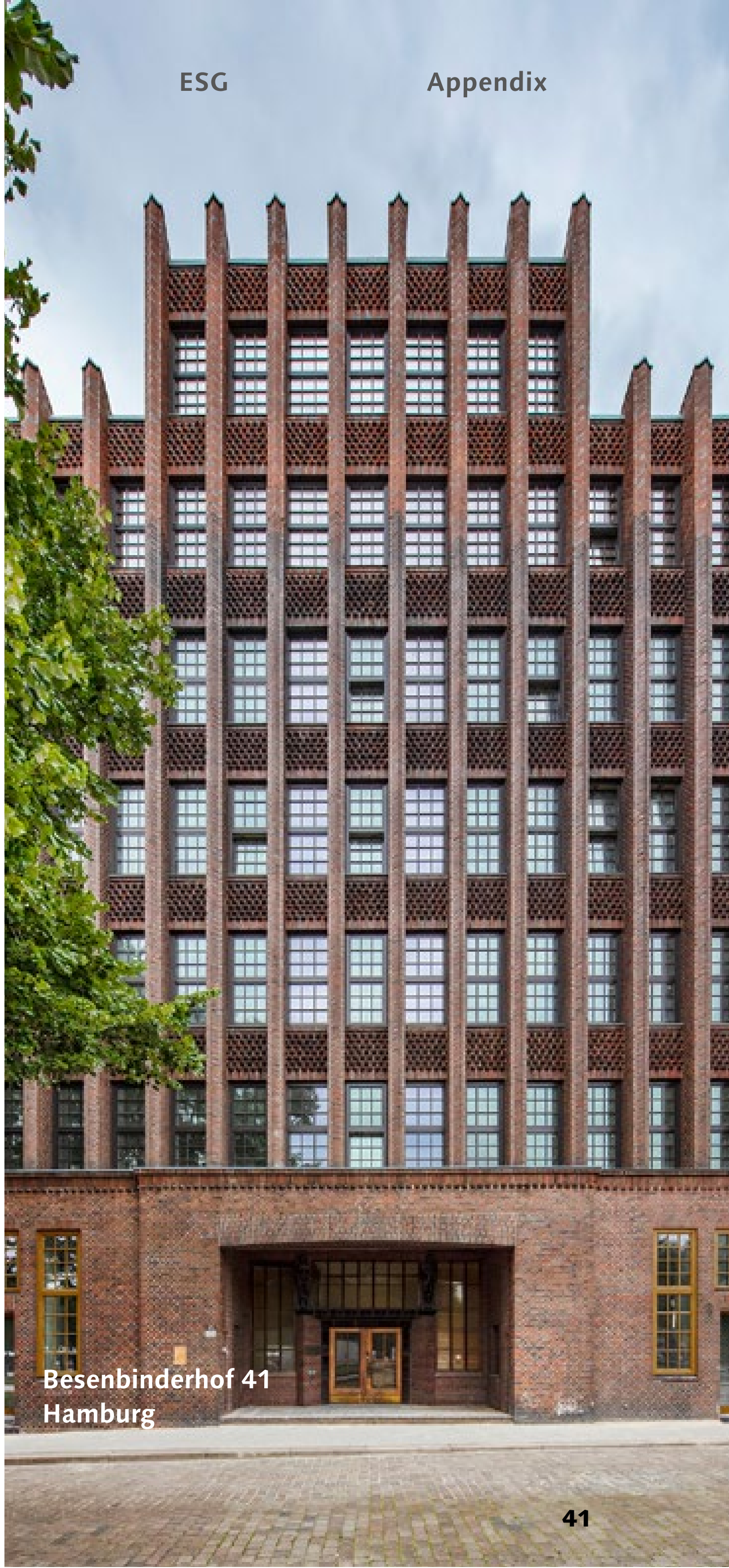
IR ACTIVITIES

High IR activity amid ongoing COVID-19 restrictions

In 2021, alstria's investor relations activities remained focused on informing investors, financial analysts and the business press about the company's performance and the market environment. The COVID-19 pandemic has caused travel restrictions and a halt to physical meetings since 2020. alstria quickly adapted to the new environment and switched to virtual meetings, management roadshows and investment conferences across the globe to ensure a continuous dialogue with shareholders. Over the year, we held more than 280 meetings with investors and analysts in Germany and abroad. As capital market bonds, with a volume of EUR 1.4 billion, are the main source of our debt financing, the special information requirements of our investors in the bond market are also an integral part of our investor relations work.

Digital communication with investors has always played an important role for alstria. All interested parties are invited to participate in the presentation of our annual and quarterly results via livestream on alstria's website. All relevant information is available on our website.

www.alstria.com/investor/



Besenbinderhof 41
Hamburg

Gustav-Nachtigal-Str. 5 Wiesbaden

Construction year: 1992

Area: 7,600 m²

3,131 tCO_2e embodied carbon from refurbishment activities

60 % CO_2 savings compared to new construction

ESG PERFORMANCE

ESG – AN INTEGRAL PART OF OUR BUSINESS

Sustainability is at the core of what we do

Sustainability is an integral part of our business strategy, governance and operations. The integration of sustainability into the design, construction and operation of our properties helps us ensure that our buildings continue to meet the needs of their tenants and surrounding communities while also minimizing our impact on the environment. Toward decarbonizing our portfolio, we managed to procure 100 % renewable energy for the electricity that we control and achieved our RE100 target in 2018. Our business activities also emitted 35 % less carbon per lettable area than in 2016. Finally, our comprehensive sustainability strategy was recognized with numerous ESG ratings, including MSCI, CDP and ISS-oekom.

For further information, please visit the sustainability section of our website and our sustainability report 2020/21.

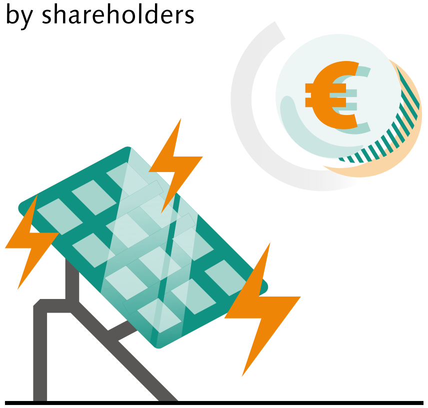
www.alstria.com/sustainability/

ESG KPIs

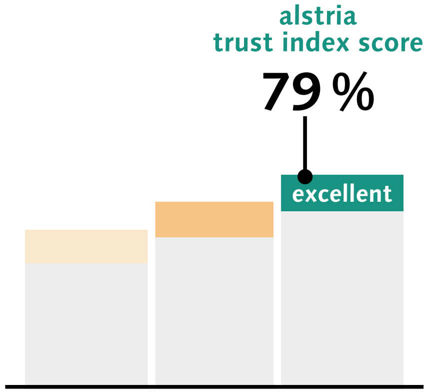
Table 28

			2016	2017	2018	2019	2020
Environment	Carbon emissions per lettable area – portfolio	$kgCO_2e/m^2$	29	24	24	22	19
	Energy consumption per lettable area – portfolio	kWh/m^2	110	122	123	111	112
	Share of electricity from renewable sources – portfolio	%	24	33	33	35	49
	Share of portfolio with good access to public transport (< 500 m)	%	82	85	85	88	92
Social	Training hours per employee	h/empl.	28	47	36	34	19
	Gender pay gap total compensation (women to men)	%	3	1	6	1	9
	Employee turnover rate	%	14	13	5	9	7
Governance	Total expenditure for corporate citizenship	EUR m	0.73	0.53	0.52	0.60	0.20
	Representation of women at alstria	%	58	63	58	59	58
	Representation of women in first level management	%	42	42	42	46	36

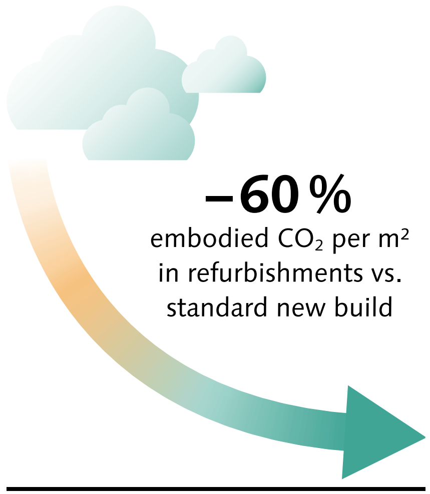
1 Eurocent per share
Green Dividend approved by shareholders



Employee survey:
highest possible rating*



*By Great Place to Work – Trust Model.



CARBON ACCOUNTING

This year, alstria's carbon accounts show three valuable insights: First, our carbon balance sheet more than doubled from EUR 35 million to EUR 87 million. This substantial uplift mainly reflects the increase in the market price of carbon, which rose from EUR 32.6 to EUR 80.7 per ton CO_2 equivalent in the course of 2021. The size of the carbon balance sheet remains relatively small compared to the company overall IFRS balance sheet (EUR 5.2 billion). However, the pace of growth of the carbon balance sheet (+148 %) by far outstrips the growth of the IFRS balance sheet (+2.8 %). This is an indication of the increasing importance of carbon consideration and its potential financial impact.

Second, despite the increase in the carbon price, the overall carbon P&L impact for FY2021 is a net income of EUR 18.7 million. This net income is mainly driven by the fact that the value increase in the Embedded Carbon Assets of the company (i.e., the carbon which would be needed to reinstate the portfolio) outstrips the liability increase linked to the future operational carbon (i.e., the increase future cost that the company would bear if it had to pay for all its carbon emissions). This reflects the relative carbon efficiency of alstria's current portfolio and the company's resilience to changes in the carbon price. It also strongly illustrates and supports the idea that the current carbon challenge for real estate companies is rather to manage construction and embedded carbon emissions than operational carbon.

Finally, improvements in the company's carbon efficiency contributed EUR 4.3 million to the company's carbon net income. Out of this EUR 4.3 million, EUR 0.3 million were generated directly by company action and efficiency improvement in the energy management of the assets. The remaining EUR 4.0 million were the result of third parties in the energy chain (essentially decarbonization of the grid and of district heating networks). This result highlights the strong interdependency of the different players in the value chain when it comes to carbon emissions. Furthermore, it shows the strong dependency on suppliers and partners for a company like alstria to achieve a smaller carbon footprint.

Carbon balance sheet[1)]

Table 29

Carbon assets

EUR k	Dec. 31, 2021	Dec. 31, 2020
Embedded carbon asset at fair value	115,548	46,641
Embedded carbon deduction as increase / decrease of life of standing asset	–28,887	–11,660
Total carbon assets	**86,661**	**34,980**

Carbon equity & liabilities

EUR k	Dec. 31, 2021	Dec. 31, 2020
Carbon retained earnings	–11,710	–30,394
Green dividend	1,780	–
Total carbon equity	–9,930	–30,394
Unpaid carbon acquired by alstria	36,265	35,117
Unpaid carbon used by alstria	2,995	2,278
Liability linked to future operational carbon	57,331	27,980
Total carbon liability	**96,591**	**65,375**
Total carbon equity & liabilities	**86,661**	**34,980**

1) Unaudited.

Carbon profit and loss statement[1)]

Table 30

Carbon Revenues

EUR k	Dec. 31, 2021	Dec. 31, 2020
Transaction		
Gain / Loss as a result of acquisition / sale of operational carbon	–432	729
Gain / Loss as a result of acquisition / sale of embedded carbon	–287	446
Transaction result	**–720**	**1,175**
Carbon efficiency		
Gain / Loss as a result of change in construction technology	–	–
Gain / Loss as a result of change in operational carbon efficiency	4,272	3,637
Gain / Loss as a result of change in reusability of embedded carbon	–	–
Efficiency result	**4,272**	**3,637**
Carbon market price		
Gain / Loss as a result of change in carbon price	17,629	1,879
Carbon revenues	**21,181**	**6,691**
P&L – expenses		
Carbon expenses as a result of operations of the assets	–719	–540
Carbon expenses as a result of write off construction carbon	–1,778	–1,738
Carbon expenses	**–2,497**	**–2,278**
Carbon Net Income	**18,684**	**4,413**

1) Unaudited.

The full carbon report with its notes (unaudited) is available at www.alstria.com/investor/.

The RECAP framework is available at www.recap.wiki.

Solmstr. 27–37 Frankfurt

Construction year: 2001

Area: 30,900 m²

9,548 tCO_2e embodied carbon from refurbishment activities

70 % CO_2 savings compared to new construction

APPENDIX

RECONCILIATION OF YIELDS

Different yields – But all are based on the same portfolio value

The calculation of portfolio yields is sometimes confusing, as the same portfolio can yield different outcomes. In tables 31–33, we summarized the calculation schemes of the different yields that we use to indicate the valuation of our portfolio. It is important to note that while the calculations are different, they all start on the same basis, the portfolio value, which is determined by our external appraisers.

Our own portfolio yield of 4.2% is the contractual rent in relation to the portfolio value on our balance sheet (table 31).

alstria's calculation

Table 31

EUR k		Dec. 31, 2021	Dec. 31, 2020
Portfolio value			
Investment properties (on balance sheet)		4,775,801	4,556,181
Value of own used property		29,394	24,804
Assets held for sale		72,100	0
Adjustments IFRS 16		–4,700	–4,895
Total portfolio value	**(A)**	**4,872,595**	**4,576,090**
Income			
Contractual rent	**(B)**	**204,569**	**199,084**
Real estate operating expenses (5%)		–10,228	–9,954
Contractual net rent	**(C)**	**194,340**	**189,130**
Yield (%)	**(B/A)**	**4.2**	**4.4**
Net yield (%)	**(C/A)**	**4.0**	**4.1**

The EPRA calculation (table 32) starts at the same basis but corrects the portfolio value for refurbishment assets and trading properties. On the income side, the EPRA concept also adjusts for the impact of rent-free periods and property costs ('property outgoings').

EPRA calculation

Table 32

EUR k		Dec. 31, 2021	Dec. 31, 2020
Portfolio value			
Investment properties (on balance sheet)		4,775,801	4,556,181
Trading property		72,100	0
Refurbishment properties		–838,840	–560,440
Completed portfolio		**4,009,061**	**3,995,741**
Acquisition cost		260,589	259,723
Gross up completed property portfolio valuation	**(A)**	**4,269,650**	**4,255,464**
Income			
Contractual rent		204,569	199,084
Contractual rent refurbishments		–43,763	–24,142
Contractual rent (excluding refurbishments)		**160,805**	**174,942**
Rent-free periods		–19,875	–17,772
Annualized cash passing rent		**140,931**	**157,170**
Property outgoings		–16,081	–17,494
Annualized net cash rents	**(B)**	**124,850**	**139,676**
Rent free periods		19,875	17,772
'Topped-up' net annulized rent	**(C)**	**144,725**	**157,448**
EPRA Net initial yield (%)	**(B/A)**	**2.9**	**3.3**
EPRA 'topped-up' Net initial yield (%)	**(C/A)**	**3.4**	**3.7**

Our appraiser uses a different methodology (table 33), again starting with the portfolio value he calculated, which is reflected on our balance sheet. Adjustments are made for the value of our own used properties, estimated acquisition costs and capital costs (required capex), as the appraiser calculates the market yield from the perspective of the buyer. On the income side, adjustments are made for property expenses and estimated rent reversion.

Savills' calculation

Table 33

EUR k		Dec. 31, 2021	Dec. 31, 2020
Portfolio value			
Investment properties (on balance sheet)		4,775,801	4,556,181
Value of own used property		29,394	24,804
Assets held for sale		72,100	0
Other adjustments		–4,700	–4,895
Total portfolio	**(A)**	**4,872,595**	**4,576,090**
Acquisition cost	(B)	336,122	318,574
Capital cost	(C)	385,940	453,320
Gross value	**(D)**	**5,594,657**	**5,347,984**
Income			
Initial passing gross rents	**(E)**	**192,538**	**180,753**
Non-recoverable expenses		21,407	21,026
Initial net rents	**(F)**	**171,130**	**159,727**
Reversions		51,443	63,716
Estimated net rents	**(G)**	**228,854**	**226,867**
Savills Net initial yield	**(F/A+B)**	**3.3%**	**3.3%**
Savills Reversionary yield	**(G/A+B)**	**4.4%**	**4.6%**

ACHIEVED UIRR 2006–2021

Average UIRR of 7.6 % from 2006–2021

The company's history over the past 15 years impressively demonstrates our ability to achieve an unlevered IRR of 7–8 % per year over the cycle. This result is based on a portfolio consisting of 89 individual properties, with a volume of EUR 1.7 billion, that we bought, managed and sold on the market between 2006 and 2021 (table 34). We achieved this result, on the one hand, through our asset management skills and, on the other hand, by applying strict acquisition discipline. Low interest rates have never tempted us to enter into risky transactions, and pure speculation on future market-driven rental growth has never motivated us to buy properties. Instead, we have always taken a realistic view of the rental market and increased rents through quality-enhancing investments.

Unlevered returns (UIRR) 2006–2021

Table 34

Asset	City	Region	Ownership start	Disposal date	Total lettable area (m²)	Gross purchase price[1] (EUR k)	Rent Collected[2] (EUR k)	Capex (EUR k)	Disposal proceeds (EUR k)	Unlevered profit[3] (EUR k)	UIRR (%)
Vaihinger Str. 131	Stuttgart	Stuttgart	01.11.2015	31.03.2022	21,411	29,896	24,033	960	63,000	55,438	21.5
Heidenkampsweg 44–46	Hamburg	Hamburg	01.07.2017	31.03.2022	4,545	5,638	1,943	613	9,100	4,769	14.7
Frauenstr. 5–9/In der Olk 10–16	Trier	Others	03.03.2017	31.10.2021	16,856	26,818	7,989	1,098	24,750	5,756	3.9
Arndtstr. 1	Hannover	Others	01.01.2007	30.11.2020	10,899	14,138	11,524	10,608	33,325	19,768	6.9
Essener Str. 97	Hamburg	Hamburg	01.07.2017	31.10.2020	1,358	1,939	468	38	2,700	1,176	16.3
Kurze Str. 40	Filderstadt	Stuttgart	01.11.2015	30.09.2020	5,888	6,598	2,289	1,532	8,300	2,297	6.7
Earl-Bakken-Platz 1	Meerbusch	Düsseldorf	01.11.2015	30.04.2020	8,038	15,733	5,139	1,564	20,700	8,331	10.9
D2 Park 5	Ratingen	Düsseldorf	01.07.2017	31.03.2020	5,670	10,449	1,851	584	9,400	11	0.0
Josef-Wulf-Str. 75	Recklinghausen	Düsseldorf	01.11.2015	15.03.2020	19,855	31,465	8,336	1,123	32,500	8,038	5.8
Balgebrückstr. 13	Bremen	Others	01.11.2015	29.02.2020	4,153	3,798	910	118	2,900	–136	–0.9
Werner-von-Siemens-Platz 1	Laatzen	Others	01.04.2007	29.02.2020	21,027	27,693	22,208	3,912	16,675	6,708	2.4
Stiftplatz 5	Kaiserslautern	Others	01.11.2015	31.10.2019	8,942	12,079	2,805	1,306	12,750	2,151	4.4
Berner Str. 119	Frankfurt	Frankfurt	01.11.2015	30.04.2019	14,852	20,199	3,982	1,133	27,000	9,620	10.7
Ingersheimer Str. 20	Stuttgart	Stuttgart	01.11.2015	31.03.2019	12,895	23,142	5,168	911	41,500	22,585	19.8
Frankfurter Str. 71–75	Eschborn	Frankfurt	01.11.2015	01.03.2019	6,700	15,700	2,500	206	16,200	2,794	5.9
Brödermannsweg 5–9	Hamburg	Hamburg	01.11.2015	28.02.2019	1,374	2,260	430	48	4,300	2,403	21.0

[1] Incl. 6 % transaction costs.
[2] Incl. 5 % real estate operating expenses.
[3] Unleverred profit and UIRR also include transction costs, which are not separately shown in table 34.

Disclaimer: The data shown in table 34 can differ from the IFRS accounting numbers.

Unlevered returns (UIRR) 2006–2021

Table 34

Asset	City	Region	Ownership start	Disposal date	Total lettable area (m²)	Gross purchase price[1] (EUR k)	Rent Collected[2] (EUR k)	Capex (EUR k)	Disposal proceeds (EUR k)	Unlevered profit[3] (EUR k)	UIRR (%)
Opernplatz 2	Essen	Düsseldorf	01.11.2015	30.01.2019	24,271	36,743	8,486	3,394	40,000	8,309	5.7
Gathe 78	Wuppertal	Düsseldorf	01.10.2007	01.01.2019	8,400	11,331	10,827	1,535	9,120	6,883	5.9
Washingtonstr. 16	Dresden	Others	01.10.2007	31.12.2018	20,500	16,801	12,715	3,535	28,080	20,066	8.7
Jagenbergstr. 1	Neuss	Düsseldorf	01.10.2007	31.12.2018	20,400	49,660	30,644	3,804	23,400	145	0.0
Harburger Ring 17	Hamburg	Hamburg	01.10.2007	31.08.2018	3,600	3,392	2,260	4,352	10,000	4,486	8.3
Lötzener Str. 3	Bremen	Others	01.11.2015	30.06.2018	5,000	3,445	803	98	3,600	749	7.4
Eschersheimer Landstr. 55	Frankfurt/Main	Frankfurt	01.11.2015	01.04.2018	8,700	27,300	3,018	606	44,000	19,112	20.1
Doktorweg 2–4	Detmold	Düsseldorf	01.04.2008	31.12.2017	9,800	8,569	4,889	699	11,300	6,921	7.5
Grosse Bleichen 1 (JV, 49 %)	Hamburg	Hamburg	01.01.2010	31.08.2017	18,300	31,164	11,912	5,774	83,300	58,274	17.3
Carl Benz Str. 15	Ludwigsburg	Stuttgart	01.11.2015	30.08.2017	32,500	19,300	2,764	294	19,600	2,770	6.3
Vichystr. 7–9	Bruchsal	Stuttgart	01.11.2015	30.08.2017	20,200	12,600	1,668	347	13,400	2,121	8.4
Zellescher Weg 18–25 a	Dresden	Others	01.04.2006	31.01.2017	6,539	8,576	7,977	183	10,500	9,718	11.1
Gutenbergstr. 1	Ismaning	Munich	01.11.2015	31.12.2016	12,200	12,800	917	465	14,100	1,752	13.9
Oskar-Messter-Str. 22 a–24 a	Ismaning	Munich	01.11.2015	31.12.2016	12,400	16,700	1,445	8	18,400	3,137	19.0
Feldstr. 16 / Gutenbergstr.	Weiterstadt	Frankfurt	01.11.2015	31.12.2016	14,200	6,700	385	33	7,350	1,002	15.1
Nägelsbachstr. 26 / Nürnberger Str. 41	Erlangen	Others	01.11.2015	31.12.2016	11,600	18,500	1,526	949	11,200	–6,722	–36.8
Lina-Ammon-Str. 19	Nürnberg	Others	01.11.2015	31.12.2016	11,200	15,100	1,191	0	15,100	1,191	8.0
Richard-Wagner-Platz 1	Nürnberg	Others	01.11.2015	31.12.2016	6,800	14,400	1,106	221	17,000	3,485	24.5
Max-Eyth-Str. 2	Dortmund	Düsseldorf	01.10.2007	31.12.2016	7,042	7,791	434	73	4,625	–2,805	–5.1
Bahnhofstr. 1–5	Heilbronn	Stuttgart	01.11.2015	30.11.2016	14,700	28,400	2,224	654	33,650	6,820	24.3
An den Treptowers 3	Berlin	Berlin	01.11.2015	30.09.2016	85,400	209,300	12,188	965	228,431	30,354	14.7
Ludwig-Erhard-Str. 49	Leipzig	Others	01.04.2006	30.09.2016	6,290	10,307	7,746	267	9,450	6,622	6.9
Taunusstr. 34–36	München	Munich	01.11.2015	31.08.2016	11,200	26,400	1,404	28	26,830	1,806	6.9
Wandsbeker Chaussee 220	Hamburg	Hamburg	01.10.2007	30.06.2016	3,156	5,671	3,026	226	5,920	3,049	6.4
Landshuter Allee 174	München	Munich	05.06.2007	30.06.2016	7,151	11,342	3,071	1,849	14,000	3,881	4.3
Hofmannstr. 51	München	Munich	01.04.2007	30.06.2016	22,151	41,764	21,009	782	44,987	23,450	6.2
Dieselstr. 18	Ditzingen	Stuttgart	01.04.2007	25.06.2016	9,639	3,100	0	8,986	13,395	1,309	34.1
Emil-von-Behring-Str. 2	Frankfurt	Frankfurt	01.04.2007	31.12.2015	9,308	15,370	9,254	3,696	12,800	2,988	2.9

[1] Incl. 6 % transaction costs.
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Unlevered returns (UIRR) 2006–2021

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Arnulfstr. 150	München	Munich	01.04.2006	31.12.2015	5,871	16,258	8,074	138	16,500	8,177	6.6
Halberstädter Str. 17	Magdeburg	Others	01.04.2006	30.11.2015	7,527	10,417	5,089	304	6,200	568	0.8
Siemensstr. 31–33	Ditzingen	Stuttgart	01.04.2007	01.11.2015	15,051	28,620	12,097	900	22,300	4,878	2.5
Englische Planke 2	Hamburg	Hamburg	01.04.2011	31.12.2014	4,623	12,065	2,804	431	15,530	5,838	15.2
Hamburger Str. 43–49	Hamburg	Hamburg	28.12.2006	30.11.2014	21,777	36,010	18,227	401	41,662	23,478	9.1
Spitzweidenweg 107	Jena	Others	03.03.2008	31.10.2014	2,880	1,993	1,064	106	1,415	380	3.7
Ernsthaldenstr. 17	Stuttgart	Stuttgart	03.03.2008	31.05.2014	2,472	2,714	1,663	662	3,300	1,587	10.0
Max-Brauer-Allee 41–43	Hamburg	Hamburg	01.06.2008	31.03.2014	3,226	4,569	1,665	852	6,150	2,395	7.2
Joliot-Curie-Platz 29–30	Halle	Others	02.05.2008	31.12.2013	1,080	1,325	475	19	610	–259	–5.3
Bornbarch 2–12	Norderstedt	Hamburg	01.05.2012	31.12.2013	12,351	6,466	1,357	660	10,320	4,552	68.8
Johannesstr. 164–165 / J.-Gagarin-Ring 133–135	Erfurt	Others	01.04.2006	31.10.2013	5,846	8,127	3,791	187	5,850	1,328	2.7
Am Roten Berg 5	Erfurt	Others	03.03.2008	31.07.2013	5,284	2,756	791	35	1,060	–940	–9.7
Schweinfurter Str. 4	Würzburg	Others	01.01.2007	30.06.2013	5,076	7,950	2,875	161	4,530	–706	–1.9
Helene-Lange-Str. 6 / 7	Potsdam	Others	01.04.2006	30.06.2013	3,292	6,866	2,705	232	5,700	1,307	3.0
Kanalstr. 44	Hamburg	Hamburg	03.03.2008	31.05.2013	8,094	10,854	4,624	488	15,000	8,281	14.3
Lothar-Streit-Str. 10 b	Zwickau	Others	01.04.2006	23.05.2013	1,034	1,583	599	30	350	–665	–11.6
Benrather Schlossallee 29–33 / Ludolfstr. 3	Düsseldorf	Düsseldorf	01.04.2008	01.02.2013	4,941	8,684	2,614	510	7,620	1,040	2.7
Zwinglistr. 11 / 13	Dresden	Others	03.03.2008	31.12.2012	2,924	1,982	725	31	2,640	1,352	15.4
Schopenstehl 24 / Kleine Reichenstr. 2	Hamburg	Hamburg	01.08.2009	30.06.2012	2,122	3,509	498	999	5,040	1,031	8.0
Am Gräslein 12	Nürnberg	Others	01.04.2006	31.03.2012	2,708	3,769	1,344	71	3,400	904	4.3
Poststr. 11	Hamburg	Hamburg	01.06.2006	30.03.2012	7,356	36,302	5,211	30,100	120,839	59,648	17.0
Bertha-von-Suttner-Platz 17	Bonn	Düsseldorf	01.04.2006	30.09.2011	1,388	1,624	990	50	2,100	1,416	16.7
Kümmellstr. 5–7	Hamburg	Hamburg	01.06.2006	09.11.2010	15,666	26,325	6,094	305	25,279	4,744	4.6
Lenhartzstr. 28	Hamburg	Hamburg	01.06.2006	09.11.2010	1,131	1,788	466	23	4,221	2,875	28.8
Schloßstr. 60	Hamburg	Hamburg	01.06.2006	22.09.2010	11,945	15,141	4,009	200	17,001	5,669	9.1
Steckelhörn 12	Hamburg	Hamburg	01.06.2006	22.09.2010	14,720	36,616	7,797	390	35,200	5,992	4.2

[1] Incl. 6 % transaction costs.
[2] Incl. 5 % real estate operating expenses.
[3] Unleverred profit and UIRR also include transction costs, which are not separately shown in table 34.

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Unlevered returns (UIRR) 2006–2021

Table 34

Asset	City	Region	Ownership start	Disposal date	Total lettable area (m²)	Gross purchase price[1] (EUR k)	Rent Collected[2] (EUR k)	Capex (EUR k)	Disposal proceeds (EUR k)	Unlevered profit[3] (EUR k)	UIRR (%)
Gänsemarkt 36	Hamburg	Hamburg	01.06.2006	31.03.2010	20,900	66,341	12,889	644	68,700	14,603	5.5
Gorch-Fock-Wall 15, 17	Hamburg	Hamburg	01.06.2006	31.03.2010	7,700	16,013	3,368	168	15,500	2,686	4.3
Eserwallstr. 1–3	Augsburg	Others	01.04.2006	31.12.2009	5,564	10,583	2,510	126	10,556	2,358	7.7
Rheinstr. 23	Darmstadt	Frankfurt	01.04.2006	31.12.2009	2,696	5,060	1,132	57	4,197	212	1.5
Mecumstr. 10	Düsseldorf	Düsseldorf	01.04.2006	31.12.2009	8,638	21,452	4,377	219	18,128	834	1.4
Vahrenwalder Str. 133	Hannover	Others	01.04.2006	31.12.2009	7,142	16,869	3,529	176	18,587	5,071	10.2
Bonner Str. 351/351 a	Köln	Düsseldorf	01.04.2006	31.12.2009	10,907	23,192	5,259	263	21,736	3,541	5.4
Steubenstr. 72–74	Mannheim	Frankfurt	01.04.2006	31.12.2009	4,070	7,898	1,896	95	7,844	1,748	7.6
Regensburger Str. 223–231	Nürnberg	Others	01.04.2006	31.12.2009	8,938	15,489	3,582	179	14,877	2,791	6.3
Poststr. 51	Hamburg	Hamburg	01.06.2006	07.10.2009	1,681	7,347	1,283	64	6,500	372	1.8
Eppendorfer Landstr. 59	Hamburg	Hamburg	01.06.2006	30.09.2009	3,293	7,423	1,228	61	6,622	365	1.7
Ottenser Marktplatz 10/12	Hamburg	Hamburg	01.06.2006	30.09.2009	934	2,687	470	24	2,375	134	1.8
Marburger Str. 10	Berlin	Berlin	01.04.2008	29.09.2009	6,219	13,155	747	37	12,950	504	3.9
Schellenbecker Str. 15–21	Wuppertal	Düsseldorf	01.04.2006	05.07.2009	1,854	1,944	177	9	2,155	379	20.5
Richard-Strauß-Allee 10–14 a	Wuppertal	Düsseldorf	01.04.2006	04.07.2009	1,258	1,394	139	7	1,545	284	21.3
Osterbekstr. 96	Hamburg	Hamburg	01.06.2006	03.07.2009	7,393	10,067	1,126	56	11,000	2,003	9.9
Düsternstr. 10	Hamburg	Hamburg	01.06.2006	02.07.2009	2,156	4,463	583	29	4,950	1,040	11.6
Nikolaistr. 16	Leipzig	Others	01.01.2007	01.07.2009	1,191	2,438	363	18	2,000	–93	–2.0
Gorch-Fock-Wall 11	Hamburg	Hamburg	01.06.2006	30.06.2009	8,693	20,405	2,886	144	19,600	1,936	3.3
Total					**868,724**	**1,468,600**	**411,659**	**110,235**	**1,728,276**	**558,222**	**7.6**

[1] Incl. 6% transaction costs.
[2] Incl. 5% real estate operating expenses.
[3] Unleverred profit and UIRR also include transction costs, which are not separately shown in table 34.

Disclaimer: The data shown in table 34 can differ from the IFRS accounting numbers.

VALUATION CERTIFICATE

Project 'Portfolio of alstria office REIT-AG'

Opinion of Market Value
as at 31 December 2021

on behalf of

alstria office REIT-AG
Steinstraße 7
20095 Hamburg
Germany

Commercial Portfolio of alstria office REIT-AG
Valuation date: 31 December 2021

Client	**Prepared by**
alstria office REIT-AG	Savills Advisory Services Germany GmbH & Co. KG
Steinstraße 7	Taunusanlage 19
20095 Hamburg	60325 Frankfurt am Main
Germany	Germany

A. Executive Summary

Portfolio Overview
Subject to this report are 111 commercial properties with a total lettable area of approx. 1,413,378 sqm. The properties are located mainly in the north, west and southwest of Germany as well as in the capital Berlin.

Tenure
All properties are held on the German equivalents of freehold title.

Location Analysis
Approx. 59 % of the total gross rental income are generated by the top three locations Hamburg, Düsseldorf and Stuttgart.

Top 10 municipalities by current rental income

#	Municipality	Lettable area sqm	Lettable units number	Current rental income EUR p.a.	Average remaining lease term years	Current rental income with fixed-term lease
1	Hamburg	381,261	3,009	53,431,501	6.59	96.8 %
2	Düsseldorf	230,949	3,857	34,438,739	5.86	97.6 %
3	Stuttgart	172,390	3,459	26,118,186	2.90	97.9 %
4	Frankfurt am Main	130,354	1,302	21,804,885	8.22	97.0 %
5	Berlin	97,629	903	12,658,032	3.97	94.9 %
6	Essen	72,492	1,390	9,705,390	2.31	99.1 %
7	Darmstadt	91,223	1,804	7,506,382	4.32	99.0 %
8	Köln	59,423	745	6,752,968	4.65	98.8 %
9	Wiesbaden	26,768	560	6,082,170	15.67	100.0 %
10	Ratingen	52,495	1,025	5,229,971	5.36	99.0 %
>10	Remaining	98,394	1,802	8,809,431	4.50	96.9 %

B. Valuation Results

I. Total Rental Income ('Current Rent')

According to the provided tenancy schedule, the current rental income as at 31 December 2021 amounts to:

EUR 192,537,656 p.a.
(ONE HUNDRED NINETY TWO MILLION FIVE HUNDRED THIRTY SEVEN THOUSEND SIX HUNDRED AND FIFTY SIX EURO)

II. Opinion of Net Estimated Rental Value (ERV)

The estimated rental value as at 31 December 2021 amounts to:

EUR 243,980,687 p.a.
(TWO HUNDRED FORTY THREE MILLION NINETY EIGHT THOUSAND SIX HUNDRED AND EIGHTY SEVEN EURO)

III. Opinion of Market Value

We are of the opinion that the Market Value of the freehold interests in the subject properties as at 31 December 2021 is:

4,800,500,000 EUR
(FOUR BILLION EIGHT HUNDRED MILLION AND FIVE HUNDRED THOUSAND EURO)

Market Value in EUR per sqm	3,396
Gross Multiplier on Current Rent	24.93
Gross Multiplier on Market Rent	19.68
Net Initial Yield (NIY) on Current Rent in %	3.33
Net Yield (NY) on Market Rent in %	4.39

IV. Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases 'lockdowns' have been applied to varying degrees in response to further 'waves' of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

C. Instructions and Sources of Information

I. Scope of Instruction

Report Date
12 January 2022

Instruction
In accordance with the Instruction Letter dated 01 August 2017, the 1. Amendment dated 06 December 2017, the 2. Amendment dated 19 March 2019, the 3. Amendment dated 19 November 2019, the 4. Amendment dated 18 November 2020 and the 5. Amendment dated 29 November 2021 we carried out a valuation of all 111 commercial properties of the respective portfolio.

Please note that since the last valuation (31 December 2020) the following 3 properties were sold:

› VU2155: Frauenstraße 5–9/In der Olk 10–16, 54290 Trier
› VU2164: Vaihinger Straße 131, 70567 Stuttgart
› VU2184: Heidenkampsweg 44–46, 20097 Hamburg

Furthermore, please note that since the last valuation the following properties were aquired:

› VU2200 – Hanauer Landstraße 161–173, 60314 Frankfurt am Main
› VU2201 – Mehringdamm 32–34, 10961 Berlin

We have also made a (fictitious) division of the following objects into separate valuation units:

› VU2096: Friedrich-Scholl-Platz 1, 76137 Karlsruhe
  - VU2096: Friedrich-Scholl-Platz 1, 76137 Karlsruhe
  - VU2096A: Friedrich-Scholl-Platz 1, 76137 Karlsruhe
› VU2079: Carl-Reiß-Platz 1-5, 68165 Mannheim
  - VU2079: Carl-Reiß-Platz 1-5, 68165 Mannheim
  - VU2202: Augustaanlage 60, 68165 Mannheim
  - VU2198: Carl-Reiß-Platz 2, 3, 4, 68165 Mannheim

Therefore, the valuation portfolio comprises 111 commercial properties at the valuation date of 31 December 2021.

Instructing Party
This valuation statement is addressed to and may be relied upon by:

alstria office REIT-AG
Steinstraße 7
20095 Hamburg
Germany
Hereinafter referred to as 'Client'

Conflict of Interest
We hereby confirm that we have no existing potential conflict of interest in providing the valuation report, either with the Principal or with the properties.

Furthermore, we confirm that we will not benefit (other than from receipt of the valuation fee) from this valuation instruction.

Currency
The relevant currency for this valuation is EUR.

Portfolio Assumption
Each property will be valued individually, and no discount or addition is made in the aggregate value to reflect the fact that it may form part of a portfolio.

Tenure
All properties are held on the German equivalent of freehold title.

Purpose of Valuation
The Instructing Party requires this valuation for accounting purposes.

Disclosure of Excerpts of Savills' Reports in the Company Reports
Savills agrees to the disclosure of an excerpt of Savills' reports (which include the Valuation Certificate and Annex 1 thereto but exclude any other Annexes or information) in the Company Reports of the Instructing Party ('Company Report') with the proviso, and under the condition, that Savills is liable to the Instructing Party only, and no third party (in particular no recipients of the Company Reports) may raise any claims against Savills in connection with Savills' report or the disclosure of parts thereof in the Company Report. The Instructing Party shall procure that the Company Reports contain (i) a statement that the disclosure in the Company Reports is made on a non-reliance basis, and no third party (other than the Instructing Party) will be entitled to raise claims against Savills, and (ii) the information that the knowledge of the excerpts of Savills' report disclosed in the Company Reports do not constitute a sufficient basis for business decisions of the recipients of the Company Reports.

Reliance
Our valuation is for the use of the party to whom it is addressed only and for the specific purpose referred to above. No responsibility is accepted to any other party than the instructing party.

Liability
Section 6 of the General Terms and Conditions governs Savills' liability under or in connection with this Instruction Letter.

The Parties hereby exercise the option to limit Savills' liability as provided for in Section 6.3 of the General Terms and Conditions. The 'Maximum Liability Amount' as defined in Section 6.3 of the General Terms and Conditions shall be EUR 50m (in words: Euro fifty Million).

For the avoidance of doubt, the provisions governing the liability of Savills (including Section 6.1 of the General Terms and Conditions) remain unaffected.

Nature and Source of Information relied on
The valuation has been substantially and mainly based upon the information supplied to us by the Instructing Party and / or entitled advisors. For details please refer to the chapter 'Sources of Information and Inspection'.

Basis of Valuation
Our valuation has been carried out in accordance with the RICS Valuation – Global Standards 2020 incorporating the IVSC International Valuation Standards issued 31st July 2019 and effective from 31st January 2020 (the 'Red Book'), published by the Royal Institution of Chartered Surveyors (RICS), London. The Market Value is defined as follows:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion.'

Furthermore, we confirm that the determined Market Value corresponds with the German 'Verkehrswert' (§194 BauGB) and is also conform to the International Valuation Standards (IVS).

Date of Valuation
31 December 2021

Savills' Team
The responsible project managers for this valuation were Klaus Trautner MRICS, CIS HypZert (F) and Christian Quandt CIS HypZert (F) who are well experienced in the valuation of office properties.

Besides the project manager the following Savills team was involved in the valuation of the subject properties:

› Drazenko Grahovac MRICS
› Christian Glock MRICS
› Sebastian Arndt
› Tanja Künne MRICS
› Desiree von Holt MRICS
› Cornelius Werth
› Frederic Köllner
› Konstantinos Yfantidis

Verification, Liability
This report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us.

We recommend that the addressee of this report satisfies itself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

Should any of the information or assumption on which Savills' valuation is based be subsequently found incorrect or incomplete our value conclusion may be incorrect so that our valuation may need to be amended. Savills therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

General Terms and Conditions
The 'General Terms and Conditions' (Appendix III) of Savills Advisory Services Germany GmbH & Co. KG apply to this agreement. We specifically draw your attention to these.

II. Sources of Information and Inspection

Information Sources
For the purpose of this update valuation we have relied on our initial valuation certificates as at 29 January 2018, 14 January 2019, 30 July 2019, 19 November 2019, 31 July 2020, 13 January 2021 and the following new information, provided to us by the client:

› Rent roll per 31 December 2021 for the properties including future leases information received by email on 03 November 2021
› Updated information regarding rent roll per 31 December 2021 and several information regarding new / future lease agreements for individual properties via email on:
  — 17 November 2021 (signed lease agreements by the end of year 2021 and information regarding VU2063, VU2161, VU2187, VU2192, VU2201)
  — 26 November 2021 (VU2142)
  — 30 November 2021 (VU2098, VU2019, VU2185, VU2196)
  — 06 December 2021 (VU2026, VU2116, VU2136, VU2175)
  — 13 December 2021(VU2124, VU2143, VU2146, VU2150; VU2171)
  — 14 December 2021(VU2119, VU2171, VU2174)
  — 16 December 2021(VU2109, VU2118)
  — 20 December 2021(VU2174, VU2182)
  — 22 December 2021(VU2029, VU2074, VU2102, VU2124)
  — 03 January 2022 (VU2063)
  — 04 January 2022 (VU2104, VU2151)

- Overview of future indexation received via email on 04 November 2021
- Capex list as at 31 December 2021 received by email on 09 November 2021 and further additional information for single properties received by email on 11 November 2021 and 25 November 2021
- Property related information concerning the purchased properties VU2200 and VU2201
- Information regarding external offers of purchase for individual properties received by email on 26 November 2021
- Additional specific documents in course of the Q&A process

Unless otherwise stated in the Report, Savills based its valuations on the aforementioned documents and information received in the course of the initial and update valuations as at 31 December 2017, 31 December 2018, 30 June 2019, 31 December 2019, 30 June 2020 and 31 December 2020.

We have also included the following sources into our valuation report:

- Savills Research
- Local Land Valuation Boards and other local authorities
- Empirica
- RIWIS online database

Extent of Inspections

We have been carried out inspections for 72 properties between September and October 2021 and for 41 subject properties between October and November 2020. This listing also includes the properties that have been sold in the meantime. We have assumed that there were no material changes on the properties that could have an impact on the valuation during the time of the inspection and the valuation date.

All conclusions made by Savills with regard to the condition and the actual characteristics of the land and buildings have been based on our inspection of the subject properties and on the documents and information provided (please see above).

In the event that only partial internal inspections were possible, it will be assumed that the parts that were inspected are typical of the remainder.

For the avoidance of doubt, Savills did not carry out any building or structural surveys of the subject properties nor tested any of the electrical, heating or other services. The properties were not measured as part of Savills' inspection, nor were the services or other installations tested. All Savills' conclusions resulting from the inspections are based purely on visual investigations without any assertion as to their completeness.

Furthermore, investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided (or on assumptions, respectively).

D. Valuation Methods

I. H&T (Hardcore & Top Slice)

In determining the market value for commercial properties we therefore have applied the Hardcore and Top Slice Method (H&T). Using the H&T method, the cash flows from the property are divided into two blocks with the cash flow of each block being calculated individually and being summed up subsequently.

The H&T method is a static calculation approach which makes no explicit refection of rental growth: the effects of rental growth and potential changes in other market and financial factors are implicit in the yield, which is normally obtained from the analysis of comparable transactions. Hardcore considers the cash flow as at the date of valuation until the expiry of the existing lease and therefore considers the contractual rents. Management and maintenance costs as well as other unrecoverable costs of the owner are deducted from the current achievable gross annual yield (Gross Income). The remaining Net Income is capitalized by the annuity factor.

Top slice marks the second phase from the beginning of reletting, if required under consideration of an appropriate vacancy period. The calculation of cash flows is based on the estimated market rent. The costs of any outstanding repairs ('deferred maintenance') or other capital costs that would be immediately incurred are deducted from the total capital value. Future capital costs (e.g. renovation or refurbishment before renewed letting) are estimated and discounted for an appropriate period before being deducted.

After the deduction of the purchaser's costs (real property transfer tax, notary and agent costs) and immediately required capital expenditure, the result is the Net Value.

E. Valuation Considerations

In this chapter we comment on our individual considerations in order to arrive with our opinion of value.

Please note that our opinion of value is carried out on the basis of a number of assumptions. In the absence of any information to the contrary in the Report, our indication of value is based on our General Assumptions and Conditions enclosed in Appendix IV to this Report.

Our General Assumptions and Conditions will be amended by our individual considerations, including underlying individual valuation assumptions, as described in the following sections. Our individual considerations are based on these additional assumptions which were adopted specifically with respect to our opinion of value of the assets which are subject to this Report.

In case of any discrepancies with our General Assumptions and Conditions, our individual valuation assumptions as described in the following do prevail. If any of the aforementioned assumptions (General or individual valuation assumptions or other) are subsequently found to be incorrect or invalid, our opinion of value may need to be reconsidered.

I. Portfolio Considerations

1. Legal Aspects

Land Register
According to the provided land register excerpts, all properties are held on freehold title.

There are several encumbrances regarding the subject properties like pipeline way leaves, cable rights, right of ways and restricted personal easement.

For the subject property VU2107 – Hamburg, there is a superstructure payment in an amount of EUR 76,604.52 p. a. (Überbaurente) in favour of the respective owner of land register Uhlenhorst folio 3403. We have considered these costs in our valuation approach.

The subject property VU2201 – Berlin is part of a development area. The possibility of compensation payments is not excluded. We have considered possible costs by determining the equivalent yield in our valuation approach.

Except for the subject properties VU2107 – Hamburg and VU2201 – Berlin, we are of the opinion that the encumbrances and restrictions registered under Section II do not affect the use of the subject properties. They are therefore assumed to have no impact on value.

Further legal Aspects
We were provided with some information regarding legal issues. This legal information partially include information regarding:

› Public encumbrances
› Planning law, zoning specification
› Historical listings
› Soil and building contamination

According to this information, we are of the opinion that the further legal aspects do not significantly affect the use of the subject properties, therefore we have assumed no impact of value.

2. Technical Aspects

Maintenance Backlog and Capital Expenditure
Based upon the inspection as well as the documents and information provided by the client we have assumed that the continuing repair and maintenance of the properties have been carried out accordingly.

We were provided with a Capital expenditures overview for the years 2022 – 2024 with estimations for 'Major Refurbishment costs' and for 'Re-letting costs' for vacant units. This represents our basis for our CapEx assumptions. In addition, we were provided with further information concerning VU2029 and VU2063 via email on 26 November 2021. We have taken these information into account accordingly. Furthermore, we have not taken into account the originally submitted Re-letting costs of VU2098, since the tenant will take its option. Thus, the rental area is accordingly not available for re-letting in the next upcoming years.

Therefore, we can apply the following amounts:

The total Capital expenditures for major refurbishments amount to approx. EUR 285.94 m and for re-letting to EUR 99.99 m.

This leads to total Capital expenditures of ca. EUR 385.94 m for all subject properties (ca. 8.0 % of the portfolio value). We have considered the costs for Capital expenditures in our valuation approach.

Please refer to Appendix II ('Detailed Valuation Overview') for more details of individual aspects.

3. Tenancy Aspects

Our valuation is based on the rent roll for the subject properties received from client via email on 03 November 2021, as well as on update information received via email until 04 January 2022 for relevant properties. We assume that the provided rent roll in combination with individual updates reflect the status quo of all tenancies as at valuation date 31 December 2021 to a true and comprehensive extent. Please note that we cannot accept any reliance on the correctness nor the completeness of the provided information of tenancies.

II. Basic Cash Flow Considerations

In the following section, we like to comment on all input parameters in our valuation model. Besides a general description of each parameter, the applied ranges of those parameters will be stated, too. For more detailed information on a property level please refer to Appendix II 'Detailed Valuation Overview'.

The Estimated Rental Value (ERV)
Estimated rental values ('market rents') indicated in this report are those which have been adopted by us as appropriate in assessing the capital value or the letting potential of the property, being subject to market conditions that are either current or are expected in the short term. They are based on our experience of the markets and our knowledge of actual comparable market activity.

For the purpose of comparison, we considered market evidence by assessment of actual lettings of units with the same or the closest comparable use, where applicable and available. In few cases we also considered asking rents. Applied ERVs range as follows in the subject portfolio:

Market rent

	Minimum EUR per sqm p.m.	Maximum EUR per sqm p.m.	Average* EUR per sqm p.m.
Office	7.50	28.50	14.42
Restaurant	1.51	25.00	9.11
Fitness	5.50	9.50	6.73
Theatre	3.00	3.00	3.00
Cinema	9.50	9.50	9.50
Storage	1.00	9.50	5.22
Nursing home	13.00	13.00	13.00
Retail	–	75.00	17.77
Other Area	–	23.00	8.40
Hotel	10.00	11.00	10.41
Surgery	9.25	22.50	14.75
Residential	5.00	16.50	13.30
Gastronomy	4.75	4.75	4.75
External Parking	25.00	180.00	50.50
Internal Parking	–	180.00	74.61
Antenna	–	2,350.00	653.28
Advertisement	–	2,000.00	254.84
Other Unit	–	2,500.00	134.40

*weighted by sqm/units

Our individually-applied rental values are included for each unit in the 'Detailed Valuation Overview' enclosed in Appendix II to this report.

Non-Recoverable Costs
Ancillary costs of a property are generally costs of

› ongoing maintenance,
› management and
› other non-recoverable costs.

These costs can generally be allocated to the responsibility of tenants in commercial leases – at least to a very high degree of total costs - whereas there are much stricter regulations for residential leases. Residential tenants may only be obliged to bear services charges as defined in the Ordinance of Services Charges *(Betriebskostenverordnung)* but must never – by law – be made responsible for costs of maintenance or management.

For the purpose of valuing the subject properties, we did not receive details of the amount of non-recoverable costs which remains to be borne by the owner. Therefore, we applied common appropriate assumptions in our valuation.

For costs of ongoing maintenance we have assumed the following for the respective types of use:

Maintenance

	Minimum EUR per sqm p.a.	Maximum EUR per sqm p.a.	Average* EUR per sqm p.a.
Office	7.50	10.50	8.44
Restaurant	8.00	10.50	8.52
Fitness	8.00	9.50	8.46
Theatre	9.00	9.00	9.00
Cinema	9.50	9.50	9.50
Storage	3.50	10.50	8.59
Nursing home	4.50	4.50	4.50
Retail	6.50	10.50	8.50
Other Area	–	10.50	8.66
Hotel	8.00	8.00	8.00
Surgery	8.00	9.50	8.11
Residential	8.00	11.50	8.58
Gastronomy	7.50	7.50	7.50
External Parking	–	80.00	29.93
Internal Parking	–	80.00	76.26
Antenna	–	–	–
Advertisement	–	–	–
Other Unit	–	10.00	0.36

*weighted by sqm/units

Our approach considers both, that commercial tenants bear a considerable portion of maintenance costs, i.e. in their units and of all fixtures and fittings, but that it is also likely that the owner shall bear costs of maintaining the roof and structure ('Dach und Fach'). We assume the applied cost estimation to be sufficient to at least maintain the respective property in the current condition.

The portfolio contains one elderly home (VU2133 which is leased on a triple-net-basis. For this property we applied only maintenance costs of EUR 4.50 per sqm and partially 0.5 % for other non-recoverable costs.

For the subject properties we have allowed management costs as a percentage of the annual market rent:

Management costs

	Minimum % of Market Rent	Maximum % of Markt Rent	Average % of Market Rent
Office	–	3.00 %	1.96 %
Restaurant	1.00 %	3.00 %	2.86 %
Fitness	2.00 %	3.00 %	2.43 %
Theatre	2.50 %	2.50 %	2.50 %
Cinema	3.00 %	3.00 %	3.00 %
Storage	–	3.00 %	1.81 %
Nursing home	1.00 %	1.00 %	1.00 %
Retail	1.00 %	3.00 %	2.70 %
Other Area	1.00 %	3.00 %	2.32 %
Hotel	1.00 %	3.00 %	2.14 %
Surgery	2.00 %	7.60 %	2.58 %
Residential	0.79 %	1.00 %	2.22 %
Gastronomy	1.00 %	3.00 %	1.00 %
External Parking	–	3.00 %	1.85 %
Internal Parking	–	3.00 %	1.97 %
Antenna	1.00 %	3.00 %	2.54 %
Advertisement	1.00 %	3.00 %	2.97 %
Other Unit	–	3.00 %	1.05 %

* weighted by sqm / units

Our approach is to reflect a common level of management costs under consideration of the type and complexity of the asset and relevant utilisation(s). We generally assumed the subject asset to require a normal management effort.

Other non-recoverable costs such as:

› leasing commissions (for rental agents)

are taken into account by the applied yields as in our initial valuation.

Reletting Costs (tenant improvement costs for unit fit-out)
These costs were taken into account in accordance with the provided Reletting Capital expenditures by the client which amount to ca. EUR 99.99 m. Please see section I.2. Technical Aspects for detailed numbers.

Non-Recoverable Costs on Vacancy
These are generally non-recoverable service charges, for example any operational costs, which may need to be borne by the landlord should a tenant become unable to pay for any reason (e.g. insolvency) or in the general case of vacancy. These costs are incurred in addition to the regular non-recoverable ancillary costs as explained above.

In the absence of more detailed information of actual non-recoverable costs in the case of vacancy, we considered non-recoverable ancillary costs per sq m p.m. for vacant area as follows:

Vacancy costs

	Minimum EUR per sqm p.m.	Maximum EUR per sqm p.m.	Average* EUR per sqm p.m.
Office	–	1.50	1.45
Restaurant	1.00	1.50	1.41
Fitness	1.00	1.50	1.35
Theatre	1.00	1.00	1.00
Cinema	0.50	0.50	0.50
Storage	–	1.50	0.68
Nursing home	1.00	1.00	1.00
Retail	0.25	1.50	1.14
Other Area	–	1.50	0.94
Hotel	1.50	1.50	1.50
Surgery	1.50	1.50	1.50
Residential	0.25	1.50	0.78
Gastronomy	1.50	1.50	1.50

* weighted by sqm / units

Please note that these costs will only be applied to vacant space and only for the assumed duration of vacancy.

Void Periods for Currently Vacant Space & Future Void Periods on Renewed Letting
Voids generally represent the time period between the expiry of a lease and the start date of a new lease.

Depending on the quality of situation and the respective property, the current rental situation and the local vacancy rate we have assumed an initial void period for current vacancy and future void periods until re-letting after the expiry of leases of rental units.

There is currently some initial vacancy in the subject properties. For these units, we have estimated 'Void Periods of Current Vacancy' which are starting at the beginning of the next full month following the reference date of this valuation (the 'projection date').

We have assumed the following void periods for current vacancy:

Void period of current vacancy

	Minimum month	Maximum month	Average * month
Office	8.00	30.00	18.82
Restaurant	15.00	15.00	15.00
Storage	2.00	30.00	16.11
Retail	9.00	24.00	16.47
Other Area	6.00	25.00	19.06
Surgery	18.00	18.00	18.00
Residential	3.00	24.00	17.50
Gastronomy	24.00	24.00	24.00
External Parking	3.00	30.00	15.07
Internal Parking	2.00	25.00	17.39
Antenna	12.00	20.00	20.00
Advertisement	14.00	15.00	15.00
Other Unit	12.00	15.00	12.00

*weighted by market rent

We have not set void periods of current vacancies for hotel, nursing home, restaurant, gastronomy, fitness, theatre and cinema because these types of use are currently fully let Those units which are currently let and which become vacant in the future will be subject to the 'Void Periods after Expiry of Leases'.

For all units where leases expire in the future, we considered the following void periods:

Void Period after expiry of leases

	Minimum month	Maximum month	Average * month
Office	3.00	32.00	13.52
Restaurant	6.00	20.00	11.66
Fitness	12.00	18.00	15.39
Theatre	12.00	12.00	12.00
Cinema	12.00	15.00	15.00
Storage	3.00	32.00	12.83
Nursing home	12.00	12.00	12.00
Retail	6.00	30.00	13.54
Other Area	4.00	30.00	14.21
Hotel	12.00	24.00	18.82
Surgery	12.00	30.00	17.94
Residential	1.00	30.00	7.90
External Parking	3.00	30.00	13.21
Internal Parking	3.00	32.00	12.89
Antenna	2.00	30.00	11.99
Advertisement	2.00	18.00	9.77
Other Unit	–	24.00	7.05

*weighted by market rent

The above discussed considerations are shown as the number of months for each existing unit within the rent roll in the 'Detailed Valuation Overview' enclosed in Appendix II to this report.

Remaining lease time until lease expiry

For current lease contracts without fixed lease expiry date we applied half of the previous rental period as remaining lease term (e.g. a lease contract is running for 6 years as at valuation date, than we applied 3 years as remaining lease term).

Moreover, we have adjusted lease terms for secondary areas and parking areas in line with the term of the main lease. We have also adjusted the unexpired lease terms in some cases where individual rental spaces of the same tenant have fixed lease terms on the one hand and unexpired lease terms on the other.

Leased rental units by alstria office REIT-AG

Alstria office REIT-AG currently occupies rental areas and parking units in the following properties:

- VU2053: Steinstraße 5–7, Hamburg
- VU2054: Friedrichstraße 19, Düsseldorf
- VU2063: Epplestraße 225, 70567 Stuttgart
- VU2105: Rotebühlstraße 98–100, Stuttgart
- VU2118: Elisabethstraße 5–11, Düsseldorf
- VU2150: Platz der Einheit 1, Frankfurt am Main
- VU2176: Rankestraße 17, Berlin

For each of these properties we have agreed to make a Special Assumption that alstria office REIT-AG occupies the accommodation on a typical commercial Dach und Fach lease term for a duration of 5 years commencing on the valuation date, and is paying the applied Market rent. This Special Assumption is made on the basis that alstria office REIT-AG undertakes to enter into such a lease either of these properties be sold.

Furthermore a Photovoltaic system is rented out by ALSTRIA PORTFOLIO 3 GP GMBH in VU2134, Maarweg 165, Köln. In VU2143, Hauptstraße 45, Dreieich internal parkings are leased by the same tenant. We also used the described Special Assumptions above for rented space by alstria office REIT AG regarding Market rent and duration of lease.

Permanent Void Allowance / Structural Vacancy
At the date of valuation the portfolio of alstria office REIT-AG has a total vacant area of 206,247 sqm. We have appointed 3,870 sqm of this area as structurally vacant. The Portfolio thus has a cumulative vacancy rate (on area) of approximately 14.9 %.

Structural Vacancy

Subject Property	Property Address	Municipality	Lettable Area sqm	Structurally Vacant Area sqm	%
VU2026	Amsinckstr. 34/ Högerdamm 43	Hamburg	6,666	115	1.73
VU2032	Ernst-Merck-Str. 9	Hamburg	17,535	41	0.23
VU2039	Johanniswall 4	Hamburg	14,113	38	0.27
VU2044	Ludwig-Rosenberg-Ring 41	Hamburg	4,895	88	1.79
VU2063	Epplestraße 225	Stuttgart	106,142	316	0.30
VU2106	Hamburger Str. 1–15 (MOT)	Hamburg	9,469	228	2.41
VU2107	Hamburger Str. 1–15 (MUC)	Hamburg	12,739	54	0.42
VU2118	Elisabethstr. 5–11	Düsseldorf	10,016	301	3.01
VU2125	Heidenkampsweg 51–57	Hamburg	10,194	58	0.57
VU2137	Berliner Str. 91–101/ Brandenburger Str. 2–6	Ratingen	33,930	766	2.26
VU2138	Pempelfurtstr. 1	Ratingen	18,564	925	4.98
VU2145	Mergenthalerallee 45–47	Eschborn	5,061	534	10.55
VU2180	Am Wehrhahn 28–30	Düsseldorf	2,610	161	6.17
VU2182	Essener Bogen 6a–d	Hamburg	5,367	255	4.19
VU2197	Adlerstr. 63	Düsseldorf	2,686	19	0.72

Applied calculations Yields
We applied the following range of yields for the subject portfolio considering the individual cash-flows, locations, as well as use types and building qualities.

Internal yields and rates

	Minimum	Maximum	Average *
Equivalent Yield	2.50	8.85 %	3.84 %

* Equivalent Yield weighted by Gross Present Value

Costs of Transaction
For our opinion of value, we applied costs of transaction as follows:

- Real Estate Transfer Tax: 4.50 %–6.50 % (depending on federal state relevant to an asset)
- Notary fees: 0.25 %–0,50 %
- Agency fees: 0.50 %–1.00 %

These costs are chosen as they are common in ordinary course of business, i.e. in an asset deal, and for the subject type of properties. Costs of transaction may, however, differ in the actual individual case – depending on the type of transaction.

Closure
Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

For and on behalf of
Savills Advisory Services Germany GmbH & Co. KG

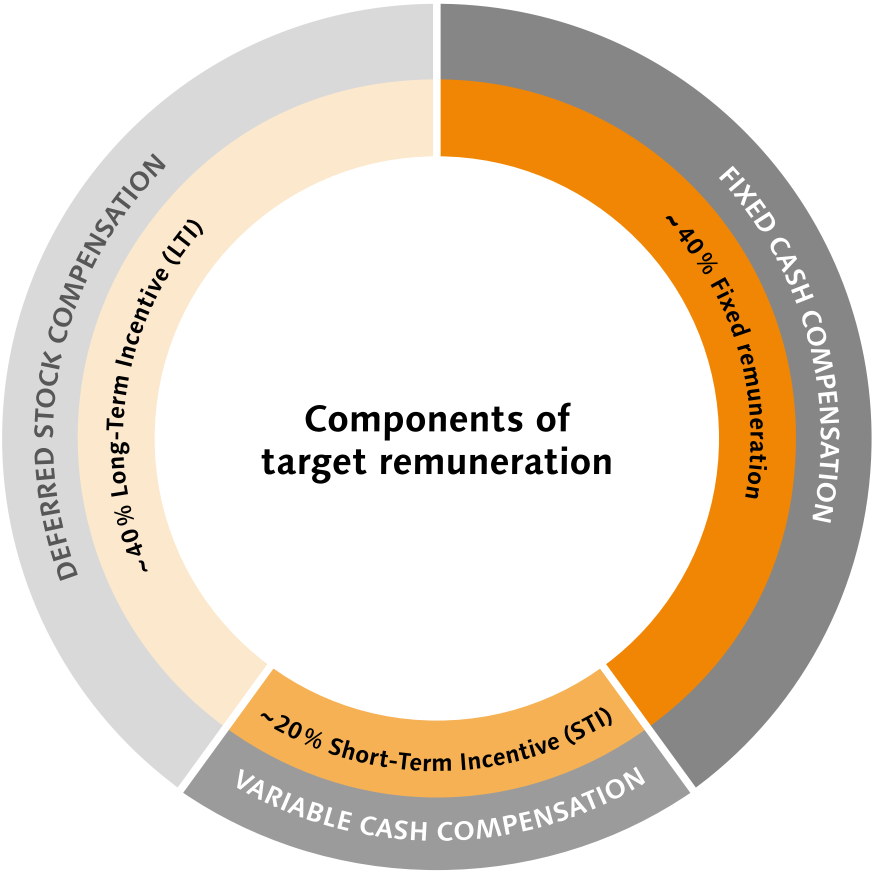
Klaus Trautner MRICS
RICS Registered Valuer,
CIS HypZert(F)

Christian Quandt
CIS HypZert(F)

MANAGEMENT COMPENSATION*

Transparent and in-line with shareholders interest

› More detailed information on management compensation can be found in the Annual Report 2021 – IFRS Financial Report.



~40% Fixed remuneration › All cash	**Basic salary**
~20% Short-Term Incentive (STI) **Variable remuneration** › All cash	**PERFORMANCE MEASURE**
FFO per share (80%)	Like-for-like budgeted FFO per share, adjusted by impact of material acquisitions and disposals/changes in share capital
ESG (20%)	ESG targets 2021 include among others Climate Change and Energy Management targets
~40% Long-Term Incentive (LTI) **Variable remuneration** Stock awards (holding period of 4 years)	**PERFORMANCE MEASURE**
75% Relative Total Shareholder Return (TSR)	Total shareholder return relative to FTSE EPRA/ NAREIT Developed Europe Index
25% Absolute Total Shareholder Return (TSR)	Absolute total shareholder return

Share ownership guidelines:
Investment of three times annual fixed remuneration in company shares.

* Management compensation system has been approved by the Annual General Meeting 2021 with 85.93% of the votes cast.

GLOSSARY

A

AFFO
The adjusted funds from operations (AFFO) is equal to the FFO (funds from operations) with adjustments made for capital expenditures used to maintain the quality of the underlying investment portfolio.

Annual financial statements
The annual financial statements include the balance sheet and the profit and loss account of a company. In respect of a joint stock company, these are prepared by the Management Board, audited by a chartered accountant for compliance and checked by the Supervisory Board.

Asset management
Value-driven management and/or optimization of real estate investments through letting management, refurbishment, repositioning and tenant management.

Average cost of debt
The cost of finance expressed as a percentage of the weighted average of borrowings during the period.

B

Broker fees
Fees paid to an intermediary in connection with the brokerage of rental space or a real estate transaction.

C

Cash flow
The cash flow statement shows how the cash and cash equivalents of the Group changed in the course of the financial year as a result of cash received and paid. In accordance with IAS 7, a distinction is made between cash flows from operating activities and cash flows from investing and financing activities.

CO_2
Carbon dioxide, a gas produced primarily through the combustion of fossil fuels, is believed to be the main cause of climate change.

Contractual rent
At a given date, the contractual rent reflects the total annualised rent taking into consideration all signed rental contracts.

Coverage
Information provided on a listed public company by banks and financial analysts in the form of studies and research reports.

D

Development capex
Investments related to the substantial modernization/renovation of a building.

Dividend
The share of the distributed net profit of a company to which a shareholder is entitled in line with the number of shares he holds.

E

EPRA
The European Public Real Estate Association is an organization that represents the interests of the major European property management companies and supports the development and market presence of European public property companies.

EPRA Net Disposal Value (NDV)
Shareholders are interested in understanding the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. For this purpose, EPRA Net Disposal Value provides the reader with a scenario where deferred tax, financial instruments and certain other adjustments are calculated based on the full extent of their liability, including tax exposure not reflected in the balance sheet, the net of any resulting tax. This measure should not be viewed as a ‘liquidation NAV’ because, in many cases, fair values do not represent liquidation values.

EPRA Net Reinstatement Value (NRV)
The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystalize under normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Since the aim of the metric is also to reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.

EPRA Net Tangible Assets (NTA)
The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystalizing certain levels of deferred tax liability. This reflects a 'going concern' view.

ERV
The estimated market rental value of the total lettable space in a property, after deducting head and equity rents, calculated by the Group's external valuers.

ESG
Stands for Environmental Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company.

F

Fair value (or open market value [OMV])
The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value for alstria's investment properties is reviewed regularly by external appraisers.

FFO
alstria calculates Funds From Operations as EBT, decreased/increased by the net gain/loss from fair value adjustment on investment property, decreased/increased by the net gain/loss from fair value adjustment on financial derivatives, increased/reduced by the profit/loss on disposal of investment property, decreased/increased by the net gain/loss from fair value adjustments on investment property of joint ventures, decreased/increased by non-recurring items, plus non-cash-expenses and less cash taxes paid.

G

G-REIT
Real Estate Investment Trusts are public listed companies, fully tax-transparent, which solely invest in properties.

I

IFRS
The international financial reporting standards (IFRS) are adopted by the International Accounting Standards Board (IASB). The objective is to achieve uniformity and transparency in the accounting principles that are used by companies and other organisations worldwide for financial reporting. IFRS have applied to listed companies since January 1, 2005.

Investment property
Property, land and buildings, which are held as financial investments to earn rents or for growth and not used for the Company's own purpose. The value of the investment property is determined according to IAS 40.

L

LTV and Net LTV
alstria calculates loan to value (LTV) by dividing the total loans outstanding to finance investment properties by the value of all mortgaged investment properties. The calculation of alstria's Net LTV also deducts the available non-restricted cash on the respective balance sheet date, which is deducted from the gross debt amount.

M

MDAX
Mid Cap Index; it contains, with variable weighting, the prices of the 50 most important, in terms of market capitalization and turnover, German joint stock companies which are not included in DAX30. In addition to dividend payments, subscription right proceeds are also included when calculating the index.

N

NAV (net asset value)
Reflects the economic equity of the Company. It is calculated from the value of assets less debt.

Net absorption
Reduction of vacant space in a real estate portfolio, which remains unchanged over two reporting periods.

Net debt / EBITDA
The Net debt / EBITDA ratio gives an indication as to how long a company would need to operate at its current level to pay off all its debt.

O

Office building
Property where at least 75 % of the lettable area is destined for office use (disregarding potential ground-floor retail).

Opex (Operating expenditure)
Maintenance costs of buildings that are not capitalized but are immediately recognized in the income statement.

P

Passing rent
Annual gross rental income as per a certain date, excluding the net effects of straight-lining for lease incentives.

Performance
The term performance describes the percentage appreciation of an investment or a securites portfolio during a given period.

Pre-let
A lease signed with a tenant prior to completion of a development.

Property management
Property management is the management of real estate assets including the processes, systems and manpower required to manage the life cycle of a building.

R

Refurbishment portfolio
Part of the real estate portfolio on which modernization / renovation work took place during the reporting period.

Rent concession
Granting of rent-free periods in connection with a lease.

Roadshows
Corporate presentations to institutional investors.

S

Share
The term 'share' describes both the membership rights (holding in the joint stock company) and the security that embodies these rights. The holder of a share (shareholder) is a 'sharer' in the assets of the joint stock company. Their rights are protected by the regulations contained in the Companies Act.

Share capital
The capital stipulated in a corporation's articles of association. The articles also specify the number of shares into which the share capital is divided. The Company issues shares in the amount of its share capital.

Supervisory Board
The Supervisory Board is one of the three executive bodies of a joint stock company: Annual General Meeting, Management Board and Supervisory Board. The Supervisory Board appoints the Management Board and provides supervision and advice regarding management of the company's business.

Sustainability
Alignment of an organisation's products and services with stakeholder expectations, thereby adding economic, environmental and social value.

T

Tenant fit outs
Costs related to the fit out of rental space due to special tenant requirements.

Tenant incentives
Any incentive offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs.

TSR (Total shareholder return)
Dividends and capital growth in the share price, expressed as a percentage of the share price at the beginning of the year.

Transparency
A principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably.

U

UIRR
The Unlevered internal rate of return (UIRR) is a key indicator to assess the attractiveness of an investment. It is the rate needed to discount the unlevered sum of the future cash flow to equal the initial investment.

V

Vacant space
Vacant space refers to the sum of all lettable space that at the end of a calendar year is unoccupied or offered for lease.

W

WAULT
Weighted average unexpired lease term. Remaining lease length of a rent contract.

X

XETRA
An electronic stock exchange trading system that uses the open order book and thus increases transparency.

Y

Yield
Key performance indicator, which is determined at a given date by the contractual rent in relation to the fair value of the property.

alstria

alstria office REIT-AG is a member of DIRK (Deutscher Investor Relations Verband, the German Investor Relations Association).

Other reports issued by alstria office REIT-AG are posted on the Company's website www.alstria.com

Forward-looking statements
This annual report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based not occur, or if risks should arise the actual results could differ materially from the results currently expected.

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