

2022

CONSOLIDATED INTERIM STATEMENT

as of June 30, 2022

GROUP FINANCIALS

Revenues and earnings	January 1 – June 30, 2022	January 1 – June 30, 2021	Change
Revenues (EUR k)	91,552	90,003	1.7%
Net rental income (EUR k)	80,841	80,017	1.0%
Consolidated profit for the period (EUR k)	47,334	53,636	-11.7%
FFO (EUR k) ¹⁾	59,483	58,453	1.8%
Earnings per share (EUR)	0.27	0.30	-10.0%
FFO per share (EUR) ¹⁾	0.33	0.33	0.0%

¹⁾ Excluding minorities.

Balance sheet	June 30, 2022	December 31, 2021	Change
Investment property (EUR k)	4,789,192	4,775,801	0.3%
Total assets (EUR k)	5,262,279	5,234,372	0.5%
Equity (EUR k)	3,408,630	3,367,083	1.2%
Liabilities (EUR k)	1,853,649	1,867,290	-0.7%
Net asset value (NAV) per share (EUR)	19.15	18.91	1.3%
Net loan-to-value (Net LTV, %)	27.6	28.8	-1.1 pp

G-REIT figures	June 30, 2022	December 31, 2021	Change
G-REIT equity ratio (%)	70.9	69.1	1.8 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA figures ¹⁾	January 1 – June 30, 2022	January 1 – June 30, 2021	Change
EPRA earnings per share (EUR)	0.27	0.32	-15.6%
EPRA cost ratio A (%) ²⁾	31.1	25.5	5.6 pp
EPRA cost ratio B (%) ³⁾	26.0	21.3	4.7 pp

	June 30, 2022	December 31, 2021	Change
EPRA NRV per share (EUR)	21.09	20.86	1.1%
EPRA NTA per share (EUR)	19.20	18.97	1.2%
EPRA NDV per share (EUR)	24.54	18.82	30.4%
EPRA net initial yield (%)	3.1	2.9	0.2 pp
EPRA 'topped-up' net initial yield (%)	3.4	3.4	0.0 pp
EPRA vacancy rate (%)	7.9	6.9	1.0 pp

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

²⁾ Including vacancy costs.

³⁾ Excluding vacancy costs.

1 PORTFOLIO OVERVIEW

Key metrics	June 30, 2022	December 31, 2021
Number of properties	109	112
Market value (EUR bn) ¹⁾	4.8	4.9
Annual contractual rent (EUR m)	199.0	204.6
Valuation yield (% , contractual rent/market value)	4.2	4.2
Lettable area (m ²)	1,401,900	1,434,000
EPRA vacancy rate (%)	7.9	6.9
WAULT (weighted average unexpired lease term in years)	5.9	5.7
Average value per m ² (EUR)	3,410	3,398
Average rent/m ² (EUR/month) ²⁾	13.90	13.33

¹⁾ Including fair value of owner-occupied properties.

²⁾ Average rent of office space.

Real estate operations

Letting metrics (m ²)	January 1 – June 30, 2022	January 1 – June 30, 2021	Change (m ²)
New leases	25,000	13,300	11,700
Renewals of leases ¹⁾	30,400	24,100	6,300
Total	55,400	37,400	18,000

¹⁾ Option drawings of existing tenants are included.

Transactions

Disposals	City	Disposal price (EUR k)	Gain/loss to book value (EUR k) ^{1), 2)}	Signing SPA	Transfer of benefits and burdens
Heidenkampsweg 44–46	Hamburg	9,100	1,070	Dec. 9, 2021	March 31, 2022
Vaihinger Str.131	Stuttgart	63,000	15,730	Dec. 23, 2021	March 31, 2022
Kanzlerstr. 8	Düsseldorf	24,970	-15	Feb. 16, 2022	April 30, 2022
Total Disposals		97,070	16,785		

¹⁾ Different from the position 'Net result from the disposal of investment property' in the income statement. This position only contains contracts that impact the financial year 2022 and their transaction costs.

²⁾ Rounded to the nearest five thousand Euros.

2 EARNINGS POSITION

alstria's revenues and earnings developed as planned in the reporting period. Rental income increased by 1.7% to EUR 91,552 k (previous year: EUR 90,003 k), mainly due to revenues from new leases, indexations as well as revenues from leases of the properties acquired in the fiscal year 2021. The increase was slightly offset by the scheduled expiry of leases and transaction-related changes in sales.

The consolidated net income for the reporting period amounted to EUR 47,334 k (H1 2021: EUR 53,636 k). The decrease is primarily due to higher personnel expenses, reflecting an increase in the compensation for virtual shares and stock options due to the restructuring of compensation components as a result of the takeover by Brookfield by EUR 1,644 k and an increase in salaries by EUR 1,830 k. Other operating expenses also went up by EUR 3,453 k compared to the prior-year period and mainly caused by higher expenses for the valuation of minority interests. Other operating income includes EUR 5,068 k due to compensation payments resulting from the delayed move-in of tenants. In addition, the net financial result decreased by EUR 2,331 k year-on-year to EUR -15,154 k, mainly due to the commitment fee for the bridge facility.

To provide a clear picture of the Group's operating performance, alstria also publishes the operating result (FFO after minorities), which amounted to EUR 59,483 k in the reporting period (H1 2021: EUR 58,453 k). Net rental income was up by EUR 1,025 k and other operating income up by EUR 5,690 k which was partly offset by higher personnel expenses (EUR 1,709 k) and a lower net financial result (EUR 1,412 k).

The reconciliation of consolidated net income to FFO is based on eliminating non-cash income items, items that are not expected to recur annually, non-periodic items and items that do not serve the operating business. The adjustments between the income figures in the income statement and FFO are shown in the table on the next page. The most significant adjustments (> EUR 1,000 k) in the current reporting period related to non-cash personnel expenses (EUR 3,910 k), non-cash other operating expenses (EUR 4,604 k) and expenses not attributable to the operating business in the financial result (EUR 3,272 k). Adjustments shown in the table are related primarily to the costs associated with the bridge facility. The adjustments in the operating expenses mainly relate to the valuation of the limited partner capital.

EUR k ¹⁾	IFRS P&L	Adjustments	FFO Jan. 1 – June 30, 2022	FFO Jan. 1 – June 30, 2021
Revenues	91,552	0	91,552	90,003
Revenues from service charge income	23,527	0	23,527	20,476
Real estate operating expenses	-34,238	811	-33,427	-29,852
Net rental income	80,841	811	81,652	80,627
Administrative expenses	-4,070	479	-3,591	-3,050
Personnel expenses	-14,603	3,910	-10,693	-8,984
Other operating income	7,752	-312	7,440	1,750
Other operating expenses	-4,994	4,604	-390	-260
Net result from fair value adjustments to investment property	-1,216	1,216	0	0
Net result from the disposal of investment property	-300	300	0	0
Net operating result	63,410	11,008	74,418	70,083
Net financial result ²⁾	-15,154	3,272	-11,882	-10,470
Share of the result of joint ventures and equity accounted investments	-797	0	-797	-89
Pretax income/Pretax FFO³⁾	47,459	14,280	61,739	59,524
Income tax expenses	-125	125	0	0
Consolidated profit/FFO (before minorities)	47,334	14,405	61,739	59,524
Minority interests	0	-2,256	-2,256	-1,071
Consolidated profit/FFO (after minorities)	47,334	12,149	59,483	58,453
Number of outstanding shares (k)			178,033	178,033
FFO per share (EUR)			0.33	0.33

¹⁾ Numbers may not sum up due to rounding.

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

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

3 FINANCIAL AND ASSET POSITION

Investment property

The fair value of investment property amounted to EUR 4,789,192 k as of June 30, 2022, which was slightly over the December 31, 2021, level (EUR 4,775,801 k). The increase resulted from investments made in the existing portfolio during the first half of 2022 (EUR 39,607 k). The increase was partly compensated by the disposal of a property in Düsseldorf (EUR 25,000 k).

EUR k	
Investment property as of December 31, 2021	4,775,801
Investments	39,607
Acquisitions	0
Acquisition costs	0
Disposals	-25,000
Transfers to assets held for sale	0
Transfers to property, plant, and equipment (owner-occupied properties)	0
Net loss/gain from the fair value adjustment on investment property	-1,216
Investment property as of June 30, 2022	4,789,192
Carrying amount of property used by the owner	18,659
Carrying amount of the forest	2,683
Interests in joint ventures	103
Carrying amount of immovable assets	4,810,637

For a detailed description of the investment properties, please refer to the Group Management Report 2021.

Further key figures of the financial and asset position

As of June 30, 2022, alstria's cash and cash equivalents amounted to EUR 331,329 k (December 31, 2021: EUR 313,684 k).

Total equity increased by EUR 41,547 k to EUR 3,408,630 k as of June 30, 2022 (December 31, 2021: EUR 3,367,083 k). At EUR 47,334 k, the consolidated profit for the period made a significant contribution to the increase in equity, while equity was reduced by the dividend payment of EUR 7,121 k.

Loans

The loan facilities in place as of June 30, 2022 are as follows:

Liabilities	Maturity	Principal amount drawn as of June 30, 2022 (EUR k)	LTV ¹⁾ as of June 30, 2022 (%)	LTV covenant (%)	Principal amount drawn as of December 31, 2020 (EUR k)
Loan #1	June 28, 2024	34,000	13.4	65.0	34,000
Loan #2 ²⁾	March 28, 2024	0	-	75.0	45,900
Loan #3	June 30, 2026	56,000	35.0	65.0	56,000
Loan #4	Sept. 29, 2028	60,000	30.2	n/a	60,000
Loan #5 ³⁾	March 30, 2024	8,003	n/a	n/a	13,338
Loan #6	Dec. 30, 2022	3,330	n/a	n/a	5,550
Total secured loans		161,333	23.3	-	214,788
Bond #2	Apr. 12, 2023	325,000	-	-	325,000
Bond #3	Nov. 15, 2027	350,000	-	-	350,000
Bond #4	Sept. 26, 2025	400,000	-	-	400,000
Bond #5	June 23, 2026	350,000	-	-	350,000
Schuldschein 10y/fix	May 6, 2026	40,000	-	-	40,000
Schuldschein 7y/fix	May 6, 2023	37,000	-	-	37,000
Revolving credit line ⁴⁾	April 29, 2025	0	-	-	0
Revolving credit line ⁵⁾	Feb. 16, 2022	0	-	-	0
Bridge Facility ⁶⁾	Apr. 29, 2025	0	-	-	0
Total unsecured loans		1,502,000	-	-	1,502,000
Total		1,663,333	34.5	-	1,716,788
Net LTV			27.6		

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

²⁾ Loan agreement terminated, refinancing occurred on April 14, 2022.

³⁾ Deviation from the corresponding balance sheet item, as a repayment grant of EUR 2.9 million was taken into account.

⁴⁾ Agreement of a revolving credit line of EUR 200 million on April 29, 2022.

⁵⁾ Termination of revolving credit facility of EUR 100 million as of February 2, 2022.

⁶⁾ Termination of the undrawn bridge financing facility of EUR 1,535 million as of May 25, 2022.

4 COVENANT REPORT

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

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

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

In the reporting period, alstria did not incur any new financial liabilities, but secured loans totaling EUR 53,455 k were repaid during the reporting period. After the reporting date, a secured loan of EUR 500,000 k with a term of five years and another loan of EUR 37,000 k with a term of six years have been concluded. For the effects of the financings concluded after the balance sheet date, see covenant report H1 2022 (unaudited).

EUR k	June 30, 2022
Consolidated Net Financial Indebtedness as of the reporting date	1,332,364
Total Assets as of the reporting date (less cash)	4,930,950
Ratio of the Consolidated Net Financial Indebtedness over Total Assets (max. 60 %)	27 %

EUR k	June 30, 2022
Secured Consolidated Net Financial Indebtedness as of the reporting date	130,351
Total Assets as of the reporting date (less cash attributable to secured debt)	5,229,863
Ratio of the Secured Consolidated Net Financial Indebtedness over Total Assets (max. 45 %)	2 %

EUR k	June 30, 2022
Value of Unencumbered Real Estate Property	4,117,502
Value of all other assets	158,739
Unencumbered Assets as of the reporting date	4,276,242
Unsecured Consolidated Net Financial Indebtedness as of the reporting date	1,202,013
Ratio of Unencumbered Assets over Unsecured Consolidated Net Financial Indebtedness (min. 150%)	356 %

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

Furthermore, alstria needs to maintain a ratio of the Consolidated Adjusted EBITDA over Net Cash Interest of no less than 1.80 to 1.00. The ratio should be calculated and published at every reporting date following the issuance of the bond or the Schuldschein.

EUR k	Q3 2021 -Q2 2022 cumulative
Earnings Before Interest and Taxes (EBIT)	232,119
Net profit / loss from fair value adjustments to investment property	-94,711
Net profit / loss from fair value adjustments to financial derivatives	-
Profit / loss from the disposal of investment property	-14,838
Other adjustments ¹⁾	22,037
Fair value and other adjustments in joint venture	-
Consolidated Adjusted EBITDA	144,607
Cash interest and other financing charges	-27,139
One-off financing charges	978
Net Cash Interest	-26,161
Consolidated Coverage Ratio (min. 1.80 to 1.00)	5.5

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

On June 30, 2022 no covenants under the loan agreements and / or the terms and conditions of the bonds and Schuldschein have been breached. The breach of a covenant would lead to liquidity outflow.

5 EXPECTED DEVELOPMENTS

Operationally, the first half of the financial year 2022 developed as expected. Against this backdrop, alstria confirms the forecast for the expected revenues for the financial year 2022 in the amount of approximately EUR 183 million. The new capital structure announced with the acquisition by Brookfield and the associated increase in the leverage ratio will increase the financing expenses and thus burden the FFO. However, the increased financing expenses in the current year will be offset by lower than planned real estate operating expenses and higher other operating income. In total, this results in an unchanged FFO forecast of EUR 106 million for 2022. The conclusion of a new lease agreement for a property in Darmstadt does not yet have any impact on the forecast, as the lease agreement does not start until mid-2023.

6 RISK AND OPPORTUNITIES

alstria is exposed to various risks through its business activities. Please refer to the detailed descriptions in the Annual Report 2021. The economic environment was decisively impacted in the first half of the year by the Ukraine war and the subsequent intensification of energy and supply chain issues. The immediate consequences are high inflation rates and rapidly rising interest rates. This has had an impact on the risk assessment of financing costs, on which now is monitored even closer than before. Beyond this, there have been no significant changes to the risk situation described in the 2021 consolidated financial statements.

DISCLAIMER

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

alstria office REIT-AG, Hamburg

Consolidated Statement of Financial Position as of June 30, 2022

ASSETS	Notes	June 30, 2022 EUR k	December 31, 2021 EUR k
Non-Current Assets			
Investment property	7.1	4,789,192	4,775,801
Equity-accounted investments		102	923
Property, plant and equipment		22,652	22,936
Intangible assets		328	274
Financial assets	7.3	94,777	39,185
Total Non-Current Assets		4,907,051	4,839,119
Current Assets			
Trade receivables		14,210	3,922
Tax receivables		1,343	1,289
Other financial receivables		8,346	4,258
Cash and cash equivalents	7.2	331,329	313,684
Assets held for sale	7.1	0	72,100
Total Current Assets		355,228	395,253
Total Assets		5,262,279	5,234,372
EQUITY AND LIABILITIES			
		June 30, 2022 EUR k	December 31, 2021 EUR k
Equity			
	8.1		
Share capital		178,033	178,033
Capital surplus		1,255,843	1,261,630
Retained earnings		1,971,269	1,923,935
Revaluation surplus		3,485	3,485
Total Equity		3,408,630	3,367,083
Non-Current Liabilities			
Liabilities minority interests		129,120	69,798
Long-term loans, net of current portion	8.2	1,287,290	1,697,605
Other provisions		901	2,585
Other financial liabilities		12,913	14,369
Total Non-Current Liabilities		1,430,224	1,784,357
Current Liabilities			
Liabilities minority interests		21	15
Short-term loans	8.2	376,404	19,594
Trade payables		3,125	3,487
Profit participation rights		538	541
Liabilities of current tax		2,198	4,525
Other provisions		528	2,439
Other current financial liabilities		40,611	52,331
Total Current Liabilities		423,425	82,932
Total Liabilities		1,853,649	1,867,289
Total Equity and Liabilities		5,262,279	5,234,372

alstria office REIT-AG, Hamburg
Consolidated Statement of Financial Position as of June 30, 2022

	Notes	H1 2022 EUR k	H1 2021 EUR k
Net rental revenues		91,552	90,003
Service charge income		23,527	20,476
Real estate operating costs		-34,238	-30,462
Net Rental Income		80,841	80,017
Administrative expenses		-4,070	-3,505
Personnel expenses	6.1	-14,603	-10,257
Other operating income	6.2	7,752	3,320
Other operating expenses	6.2	-4,994	-1,541
Net result from fair value adjustments on investment property	7.1	-1,216	-1,100
Gain on disposal of investment property	6.3	-300	-4
Net Operating Result		63,410	66,930
Net financial result		-15,154	-12,823
Share of the result of joint ventures and equity-accounted investments		-797	-89
Net result from fair value adjustments on financial derivatives		0	0
Pre-Tax Income (EBT)		47,459	54,018
Income tax result	6.4	-125	-382
Consolidated profit for the period		47,334	53,636
Attributable to:			
Owners of the company		47,334	53,636
Noncontrolling interest			
Earnings per share in EUR			
Basic earnings per share	6.5	0.27	0.30
Diluted earnings per share	6.5	0.27	0.30

Consolidated Statement of Comprehensive Income for the Period from
January 1 to June 30, 2022

	H1 2022 EUR k	H1 2021 EUR k
Consolidated profit for the period	47,334	53,636
Other comprehensive result for the period:	0	0
Total comprehensive result for the period:	47,334	53,636
Total comprehensive profit/loss attributable to:		
Owners of the company	47,334	53,636

alstria office REIT-AG, Hamburg

Consolidated Statement of Financial Position as of June 30, 2022

	Notes	H1 2022 EUR k	H1 2021 EUR k
1. Operating activities			
Consolidated profit		47,334	53,636
Interest income		-1,483	-548
Interest expense		16,638	13,371
Result from income taxes	6.4	125	382
Unrealized valuation movements		5,858	2,214
Other non-cash expenses (+)/income(-)		3,770	4,014
Gain (-)/Loss (+) on disposal of fixed assets		0	4
Depreciation and impairment of fixed assets (+)		479	455
Decrease (+)/Increase (-) in trade receivables and other assets that are not attributed to investing or financing activities		-10,174	-305
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		-23,030	-8,297
Cash generated from operations		39,517	64,926
Interest received		-72	548
Interest paid		-18,679	-15,541
Income tax received (+)/paid (-)		-2,452	-30
Net cash generated from operating activities		18,314	49,903
2. Investing activities			
Acquisition of investment properties	7.1	-39,402	-96,005
Proceeds from sale of investment properties	7.1	97,070	0
Payment of transaction cost in relation to the sale of investment properties		-289	-4
Acquisition of other property, plant and equipment and intangible assets		-248	-191
Payments for investment in financial assets		-50	0
Net cash generated from/used in investing activities		57,081	-96,200
3. Financing activities			
Cash received from equity contributions		0	240
Payments for the acquisition of limited partnerships of minority shareholders		-1	0
Proceeds from the issue of bonds and borrowings		0	21,210
Proceeds from the issue of convertible participation rights		0	287
Payments for the redemption portion of the lease liability		-251	-237
Payments of dividends	9	-7,121	-94,230
Payments of the redemption of bonds and borrowings		-50,377	0
Net cash used in/generated from financing activities		-57,750	-72,730
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		17,645	-119,027
Cash and cash equivalents at the beginning of the period		313,684	460,960
Cash and cash equivalents at the end of the period <i>(thereof restricted: EUR 11,300 k; previous year: EUR 0 k)</i>	7.2	331,329	341,933

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Consolidated Statement of Changes in Equity for the period from January 1 to June 30, 2022

(in EUR k)	Share capital	Capital surplus	Retained earnings	Share capital	Total Equity
As of December 31, 2021	178,033	1,261,630	1,923,935	3,485	3,367,083
<i>Changes H1 2022</i>					
Consolidated profit	0	0	47,334	0	47,334
Total comprehensive income	0	0	47,334	0	47,334
Payments of dividends	0	-7,121	0	0	-7,121
Share-based remuneration	0	1,334	0	0	1,334
As of June 30, 2022	178,033	1,255,843	1,971,269	3,485	3,408,630

alstria office REIT-AG, Hamburg

Consolidated Statement of Changes in Equity for the period from January 1 to June 30, 2021

(in EUR k)	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of December 31, 2020	177,793	1,356,907	1,714,257	3,485	3,252,442
<i>Changes H1 2021</i>					
Consolidated profit	0	0	53,636	0	53,636
Total comprehensive income	0	0	53,636	0	53,636
Payments of dividends	0	-94,230	0	0	-94,230
Share-based remuneration	0	1,560	0	0	1,560
Conversion of convertible participation rights	240	240	0	0	480
As of June 30, 2021	178,033	1,264,477	1,767,893	3,485	3,213,888

NOTES

alstria office REIT-AG, Hamburg

Notes to the condensed interim consolidated financial statements

as of June 30, 2022

1 CORPORATE INFORMATION

alstria office REIT-AG (hereinafter referred to as ‘the Company’ or ‘alstria office REIT-AG’, together with its subsidiaries, referred to as ‘alstria’ or ‘the Group’), is a German stock corporation based in Hamburg.

Alexandrite Lake Lux Holdings S.à r.l., a holding company controlled by one of the private real estate funds of Brookfield Asset Management Inc. (“Brookfield”), had made a voluntary public takeover offer to the shareholders of the Company on December 13, 2021 to acquire all of the no-par value shares of alstria against payment of a cash consideration per alstria share. The total number of alstria shares to be considered for the minimum acceptance threshold was reached for the first time on January 11, 2022 (“Brookfield Takeover”). This corresponded to a share of 50.50% of the share capital. The company was thus to be included in the consolidated financial statements of Alexandrite’s ultimate parent company, Brookfield Asset Management Inc., Toronto, Canada (hereinafter “Brookfield”), for the first time on January 11, 2022.

The Group’s principal activities are described in detail in Section 1 of the Notes to the consolidated financial statements for the financial year ending on December 31, 2021.

The condensed interim consolidated financial statements for the period from January 1, 2022, to June 30, 2022 (hereinafter referred to as the ‘consolidated interim financial statements’), were authorized for publication by a resolution of the Company’s Management Board on July 28, 2022.

2 BASIS OF PREPARATION

These consolidated interim financial statements were prepared in accordance with IAS 34, ‘Interim Financial Reporting’. They do not contain all the disclosures and explanations required in the annual financial statements; they should therefore be read in conjunction with the consolidated financial statements as of December 31, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

The applied accounting policies are consistent with the policies applied and outlined in the Group’s annual financial statements for the year ending on December 31, 2021.

The following new interpretations and amendments to standards and interpretations are mandatory for the financial reporting period beginning on January 1, 2022 and will be applied where relevant:

EU Endorsement	Standard/interpretation	Content
June 28, 2021	Amendments to IFRS 3	Business Combinations: Update of an outdated reference in IFRS 3 without significantly changing its requirements.
June 28, 2021	Annual Improvement	„Improvements to IFRSs 2018-2020 Cycle“
May 01, 2021	Amendments to IFRS 16	„Covid-19-Related Rent Concessions beyond 30 June 2021“
Jan. 01, 2022	Amendments to IFRS 37	„Onerous Contracts - Costs of Fulfilling a contract“
Jan. 01, 2022	Amendments to IFRS 16	PP&E: Proceeds before Intended Use

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

The following new standards, interpretations and amendments to the published standards have been issued, but they are not in effect for the 2022 financial year and were not applied by the Group prior to becoming mandatory:

EU Endorsement	Standard/interpretation	Content	Applicable for FY beginning on/after	Expected impact
Nov. 19, 2021	IFRS 17	New standard „Insurance contracts“	Jan. 1, 2023	None
Not yet endorsed	Amendments to IFRS 17	Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Jan. 1, 2023	None
Not yet endorsed	Amendments to IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent	Jan. 1, 2023	None
March 02, 2022	Amendments to IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	Jan. 1, 2023	None
March 02, 2022	Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	None
Not yet endorsed	Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	None

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

4 CONSOLIDATED GROUP

At the beginning of the reporting period, three Group companies were terminated by accretion as a result of the departure of their sole general partner. There have been no further changes to the consolidated Group since the preparation of the consolidated financial statements as of December 31, 2021.

5 KEY JUDGEMENTS AND ESTIMATES

Preparing the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for various items. These assumptions and estimates affect the amounts of disclosures concerning assets, liabilities, income and expenses. Actual amounts may vary from these

estimates. There were no changes compared to the key judgments and estimates described in the consolidated financial statements for the year ended December 31, 2021.

6 NOTES ON THE CONSOLIDATED INCOME STATEMENT

6.1 PERSONNEL EXPENSES

EUR k	Jan. 1 to June 30, 2022	Jan. 1 to June 30, 2021
Salaries and wages	7,584	5,597
Social insurance contribution	1,052	1,023
Bonuses	1,229	1,177
Expenses for long-term remuneration	4,349	2,123
<i>thereof relating to stock options and other long-term remuneration</i>	2,317	673
<i>thereof relating to convertible profit participation certificates and other long-term remuneration</i>	2,032	1,450
Amounts for retirement provisions and disability insurance for the members of the Management Board	85	81
Other	304	256
	14,603	10,257

Personnel expenses increased by EUR 4,346 k or 42.4 %. This increase is mainly due to one-off effects from the restructuring of compensation components as a result of the takeover by Brookfield and severance payments for employees who have left the company.

See also Sections 11 and 12 for information on expenses for long-term remuneration.

6.2 OTHER OPERATING INCOME AND EXPENSES

Other operating income includes, in particular gains from damages for late move-in by tenants (EUR 5.1 m), compensation for warranties (EUR 1.0 m) and government grants (EUR 0.9 million). In the first half of the previous year, other operating income includes compensation payments from tenants (EUR 1.6 m) and the reversal of allowance for doubtful accounts (EUR 0.7 m). The other operating expenses in the reporting period mainly include the result from the valuation of the liability for non-controlling interests limited partnership (EUR 3.8 m) and expenses in relation to the Brookfield takeover (EUR 1.3 m).

6.3 GAIN ON DISPOSAL OF INVESTMENT PROPERTY

EUR k	Jan. 1 to June 30, 2022	Jan. 1 to June 30, 2021
Proceeds from the disposal of investment property - transferred to buyer	24,970	0
Carrying amount of investment property disposed of	-24,982	0
Costs in relation to the sale of investment properties	-288	-4
Gain on disposal of investment property - transferred to buyer	-300	-4
Agreed selling price of held for sale investment properties	0	0
Carrying amount of investment property at the time of reclassification to held for sale	0	0
Costs in relation to the sale of investment properties - held for sale	0	0
Valuation result of held for sale investment properties	0	0
Gain on disposal of investment property	-300	-4

6.4 INCOME TAX

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

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

6.5 EARNINGS PER SHARE

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

Basic earnings per share	Jan. 1 - June 30, 2022	Jan. 1 - June 30, 2021
Profit attributable to shareholders (EUR k)	47,334	53,636
Average number of outstanding shares (thousands)	178,033	177,864
Basic earnings per share (EUR) ¹	0.27	0.30

¹ The amount is equal to the diluted earnings per share

7 NOTES ON THE CONSOLIDATED BALANCE SHEET - ASSETS

7.1 INVESTMENT PROPERTY

Pursuant to IFRS 13, alstria office REIT-AG uses the fair-value model for revaluation purposes. External appraisals were obtained to determine the respective values as of December 31, 2021. For a detailed description of the process for determining the asset value, please refer to Section 2.4 of the consolidated financial statements as of December 31, 2021. The development of market prices and the cash flows based on the tenant lists were analyzed as of June 30, 2022. The market price development and the cash flows based on the tenant lists were analyzed as of June 30, 2022. On this basis, no significant changes in value were identified, so that an external expert opinion was not obtained as of June 30, 2022.

Reporting Period:

Property transaction	Acquisition		Disposal	
	Number of properties	Transaction amount in EUR k	Number of properties	Transaction amount in EUR k
Contract signed before Dec. 31.2021, transferred in H1 2022	0	0	2	72,100
Contract signed and transfer in H1 2022	0	0	1	24,970
Total	0	0	3	97,070

Comparison period:

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

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

EUR k	Jan. 1, - June 30, 2022	Jan. 1,- Dec. 31, 2021
Investment property as of the beginning of period	4,775,801	4,556,181
Investments	39,607	121,590
Acquisitions	0	80,559
Acquisition costs	0	5,296
Disposals	-25,000	-25,400
Transfer to assets held for sale	0	-55,010
Transfer to property, plant, and equipment (owner-occupied properties)	0	-2,242
Net loss / gain from fair value adjustments to investment property	-1,216	94,827
Investment property as of the end of period	4,789,192	4,775,801

7.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to EUR 331,329 k (Dec. 31, 2021: EUR 313,684 k). As of the balance sheet date, EUR 11,300 k (Dec. 31, 2021: EUR 0 k) of cash and cash equivalents were subject to restrictions on disposal. They were deposited as collateral for two loans. Of this, EUR 8,000 k was released by July 19, 2022 and EUR 3,300 k is expected to be restricted until the end of the period.

7.3 FINANCIAL ASSETS

Financial assets of EUR 94,777 k (Dec. 31, 2021: EUR 39,185 k) are related to long-term deposits in the amount of EUR 94,432 k (Dec. 31, 2021: EUR 38,864) and a term up to the end of the 2032 financial year. A further amount of EUR 345 k is attributable to below 3 %-shares in two companies on which alstria cannot exert any significant influence.

At EUR 55,568 k, the increase in financial assets is based on an increase in loans. In addition, there were write-ups of EUR 24 k.

8 NOTES TO THE CONSOLIDATED BALANCE SHEET - EQUITY AND LIABILITIES

8.1 EQUITY

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

Treasury shares

As of June 30, 2022, the Company held no treasury shares.

8.2 FINANCIAL LIABILITIES

As of June 30, 2022, alstria's total interest-bearing debt, which consists of corporate bonds and loan balances drawn, amounted to EUR 1,663,333 k (Dec. 31, 2021: EUR 1,716,788 k). The differing carrying amount of EUR 1,663,694 k (non-current: EUR 1,287,290 k; current: EUR 376,404 k) takes into account the interest liabilities and transaction costs allocated according to the effective interest rate method at the time when the loans in question were taken out, as well as the distribution of repayment grants from the public sector over the maturity of the respective loans.

Financial liabilities with a maturity of up to one year are recognized as current loans. The fair value of non-current and current financial liabilities amounted to EUR 1,630,035 k as at the reporting date.

In the reporting period, the company repaid loan with a total nominal amount of EUR 45,900 k.

As a result, financial Liabilities include bank loans in the nominal amount of EUR 150,000 k, the KfW-Loans in the nominal amount of EUR 13,366 k, a promissory note loan with a nominal value of EUR 77,000 k and corporate bonds in the nominal amount of EUR 1,425,000 k, as of June 30, 2022. In addition, there is a revolving credit line with a volume of EUR 200,000 k, from which no loan amounts had been utilized as of the balance sheet date.

For a detailed description of the loans, including their terms and securities, please refer to Section 7.3 of the consolidated financial statements as of December 31, 2021.

9 DIVIDENDS PAID

	Jan. 1 - June 30, 2022	Jan. 1 - June 30, 2021
Dividends on ordinary shares ¹⁾ in EUR k	7,121	94,230
Dividends per share (EUR)	0.04	0.53

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

At the Annual General Meeting held on June 10, 2022, alstria office REIT-AG resolved to distribute dividends totaling EUR 7,121 k (EUR 0.04 per outstanding share). The dividends were distributed on June 15, 2022. By comparison, the dividends paid out in 2021 totaled EUR 94,230 k (EUR 0.53 per outstanding share).

10 EMPLOYEES

From January 1 to June 30, 2022, the Company had 174 employees on average (average for January 1 to June 30, 2021: 168 employees). The average number of employees was calculated based on the total number of employees at the end of each month. On June 30, 2022, 181 people (December 31, 2021: 171 people) were employed at alstria office REIT-AG, not including the Management Board.

11 SHARE-BASED REMUNERATION

A share-based remuneration system was implemented for members of the Management Board as part of alstria's success-based remuneration. This share-based remuneration is made up of a long-term component, the Long-Term Incentive Plan (LTI), and a short-term component, the Short-Term Incentive Plan (STI). The LTI (so-called stock awards) was originally granted as an equity-settled share-based remuneration. At the end of the previous financial year, the conversion conditions were changed so that the outstanding stock awards had to be settled in cash

The development of the virtual shares and stock awards through June 30, 2022, is shown in the following table:

	Jan. 1 - June 30, 2022	Jan. 1 - Dec. 31, 2021
	LTI	LTI
Number of stock awards		
As of Jan. 1	234,620	240,817
Granted in the reporting period	0	63,247
Terminated in the reporting period	-234,620	-69,444
As of June 30/Dec. 31	0	234,620

In the first half of 2022, the LTI generated remuneration expenses with a total balance of EUR 2,095 k (expenses in H1 2021: EUR 673 k). The increase in LTI expenses is due to the termination of all outstanding stock awards. The reason for this is the low market capitalization of freely tradable alstria shares that remained after the Brookfield takeover. As a result, alstria's share price performance is no longer conclusive and therefore the calculation of the LTI based on the share price performance under the Management Board Remuneration System 2021 has lost its function. Against this background, the performance periods of any outstanding LTI tranches granted to members of the management board for previous years up to and including financial year 2021 (i.e. LTI 2019/2023, LTI 2020/2024, LTI 2021/2025), were be ended early with effect as of February 3, 2022 and paid out in cash without undue delay afterwards. The LTI 2022/2026 granted to the members of the management board in accordance with the terms and conditions of the Management Board Remuneration System 2021 was converted to the Management Board Remuneration System 2022.

The exercise of all 234,620 stock awards in the first half of 2022 resulted in payments of EUR 6,591 k. Please refer to Section 13.1 of the consolidated financial statements as at December 31, 2021, for a detailed description of the employee profit participation rights program.

As part of the new remuneration system 2022, the members of the Management Board receive certificates with a term of two years, the performance of which is linked to certain budget-based performance indicators. At the end of the term, a payment is made in cash, whereby the performance and the amount of the payment can be between 0% and 115% depending on the development of the based performance indicators. In the reporting period, the members of the Management Board were granted 900,000 certificates with a nominal value of EUR 1.00 each, retrospectively as of January 1, 2022. As of June 30, 2022, assuming 100% target achievement, EUR 222 k was accrued on a pro rata basis.

12 CONVERTIBLE PROFIT PARTICIPATION RIGHTS PROGRAM

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

Number of certificates			
Granting date of tranche	Sept. 30, 2020	May 7, 2021	Total
Jan. 1, 2022	260,025	281,050	541,075
Expired due to termination of employment	-1,750	1,500	-3,250
Converted	0	0	0
Newly granted certificates	0	0	0
June 30, 2022	258,275	279,550	537,825

For a detailed description of the employee profit participation rights program, please refer to Section 13.2 of the consolidated financial statements as of December 31, 2021.

Beginning in the 2022 financial year, new variable remuneration components were also set up for employees. The employees also receive certificates (so-called ACES) as part of the “alstria Collective Employee Scheme”. The ACES have a term of two years and their performance is linked to certain budget-based indicators. At the end of the term, a payment is made in cash, whereby the performance and the amount of the payment can be between 0% and 115% depending on the development of the based key figures. In the reporting period, the employees were granted 2,752,583 certificates with a nominal value of EUR 1.00 each, retrospectively as of January 1, 2022. As of June 30, 2022, assuming 100% target achievement, EUR 680 k was accrued on a pro rata basis.

13 RELATED PARTIES

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

14 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

As of July 5, 2022, alstria entered into three forward hedges in the form of interest rate swaps:

Derivative financial instrument					
Product	Notional in EUR k	Counterparty	Effective date	Fixed rate in %	Maturity
Forward-Swap	500.000	Societe Generale	30.09.2022	1,750	30.09.2027
Forward-Swap	60.000	UniCredit Bank AG	30.09.2022	1,924	30.09.2028
Forward-Swap	22.450	UniCredit Bank AG	30.09.2022	1,924	30.09.2028
Total	582.450				

The 3-month EURIBOR applies as the reference interest rate for all swaps.

On July 15, 2022, a loan liability of EUR 500,000 k and a term until September 30, 2027 was entered into. The loan bears variable interest based on the 3-month EURIBOR with a spread of 1.500 %. Payment is expected to be made in August of this year.

With effect from June 19, 2022, a KfW loan of EUR 8,003 k was repaid before the end of the regular term.

The company intends to sign another loan liability of EUR 37,000 k and a term until September 2028 in the beginning of August. The loan bears variable interest based on 3-month EURIBOR with a spread of 1.450 %. Payment is expected to be made in August of this year too.

The management board has convened an extraordinary general meeting at August 31, 2022 and proposed, in agreement with the supervisory board, to distribute from the retained earnings of alstria office REIT-AG in addition to already approved at the Annual General Meeting and distributed dividend of EUR 0.04 per outstanding share, a further dividend of EUR 2.81 per dividend-entitled share for the 2021 financial year. The payment of this dividend is subject to the approval of the Extraordinary General Meeting scheduled for August 31, 2022. The proposed additional dividend of EUR 2.81 per share for the 2021 financial year corresponds to a distribution of around EUR 500.3 million, based on the number of shares entitled to a dividend for the past half year as of the balance sheet date.

15 MANAGEMENT BOARD

As of June 30, 2022, the members of the Company's Management Board are Mr. Olivier Elamine (Chief Executive Officer) and Mr. Alexander Dexne (Chief Financial Officer).

16 SUPERVISORY BOARD

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

The members of the Supervisory Board, as of June 30, 2022, are listed below:

Mr. Brad Hyler (chairman); member since March 1, 2022

Mr. Jan Sucharda (vice chairman); member since March 1, 2022

Dr. Frank Pörschke

Ms. Elisabeth Stheeman

Mr. Karl Wambach; member since March 1, 2022

Ms. Rebecca Worthington; member since March 1, 2022

In the course of the reporting period, the following persons were also members of the company's Supervisory Board

Dr. Johannes Conradi (chairman); member until February 28, 2022

Mr. Richard Mully (vice chairman); member until February 28, 2022

Mr. Benoît Hérault; member until February 28, 2022

Ms. Marianne Voigt; member until February 28, 2022

Hamburg, Germany, July 28, 2022

Olivier Elamine

Chief Executive Officer

Alexander Dexne

Chief Financial Officer

MANAGEMENT COMPLIANCE STATEMENT

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

Hamburg, Germany, July 28, 2022

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

BUILDING *YOUR* FUTURE

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