

The number '20' is rendered in a large, light blue, semi-transparent font. The interior of the digits is filled with a photograph of a brick building facade, showing windows and architectural details. A thin horizontal line is positioned directly below the number.

CONSOLIDATED INTERIM STATEMENT

as of March 31, 2019

The number '19' is rendered in a large, light blue, semi-transparent font. The interior of the digits is filled with a photograph of a brick building facade, showing windows and architectural details. A thin horizontal line is positioned directly above the number.

GROUP FINANCIALS

EUR k	Q1 2019	Q1 2018	Change
Revenues and earnings			
Revenues	46,757	48,264	-3.1 %
Net rental income	39,766	41,644	-4.5 %
Consolidated profit for the period	54,636	32,352	68.9 %
FFO ¹⁾	28,627	29,765	-3.8 %
Earnings per share (EUR)	0.31	0.20	55.0 %
FFO per share (EUR) ¹⁾	0.16	0.17	-4.0 %

¹⁾ Excluding minorities.

EUR k	31.03.2019	31.12.2018	Change
Balance sheet			
Investment property	3,884,825	3,938,864	-1.4 %
Total assets	4,185,174	4,181,252	0.1 %
Equity	2,739,156	2,684,087	2.1 %
Liabilities	1,446,018	1,497,165	-3.4 %
Net asset value (NAV) per share (EUR)	15.44	15.13	2.0 %
Net loan-to-value (Net LTV, %)	28.5	30.4	-1.9 pp

G-REIT figures	31.03.2019	31.12.2018	Change
G-REIT equity ratio (%)	69.7	67.2	2.5 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA figures ¹⁾	Q1 2019	Q1 2018	Change
EPRA earnings per share (EUR)	0.20	0.21	-4.8 %
EPRA cost ratio A (%) ²⁾	27.3	23.2	4.1 pp
EPRA cost ratio B (%) ³⁾	22.7	18.0	4.7 pp

	31.03.2019	31.12.2018	Change
EPRA NAV per share (EUR)	15.44	15.14	2.0 %
EPRA NNAV per share (EUR)	15.21	14.96	1.7 %
EPRA net initial yield (%)	3.9	4.0	-0.1 pp
EPRA 'topped-up' net initial yield (%)	4.3	4.4	-0.1 pp
EPRA vacancy rate (%)	9.2	9.7	-0.5 pp

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

²⁾ Including vacancy costs.

³⁾ Excluding vacancy costs.

CONSOLIDATED INTERIM STATEMENT

1. PORTFOLIO OVERVIEW AND SIGNIFICANT EVENTS

Key metrics	31.03.2019	31.12.2018
Number of properties	115	118
Market value (EUR bn) ¹⁾	3.9	4.0
Annual contractual rent (EUR m)	194.1	197.0
Valuation yield (% , contractual rent / market value)	5.0	4.9
Lettable area (m ²)	1,532,900	1,577,000
EPRA vacancy rate (%)	9.2	9.7
WAULT (years)	4.9	4.8
Average value per m ² (EUR)	2,551	2,525
Average rent/m ² (EUR / month)	12.30	12.25

¹⁾ Including fair value of owner-occupied properties.

Real Estate Operations

Letting metrics (m ²)	Q1 2019	Q1 2018	Change
New leases	36,500	14,100	22,400
Renewals of leases	52,300	18,500	33,800
Total	88,800	32,600	56,200

In the first three quarters of financial year 2019, letting activities were at a good level (as measured by new leases and lease extensions).

The signing of the following lease contracts had a substantial impact on the development of the new leases:

Asset	City	Lettable area (m ²)	Net rent /m ² (EUR)	Net rent p.a. (EUR k)	Lease length (years)	Rent free (%) ¹⁾
Alfredstrasse 236	Essen	30.300	11.41	4.150	4.0	0.0
Heerdter Lohweg 35	Düsseldorf	13.500	11.70	1.894	12.0	7.6
Ivo-Beucker-Strasse 43	Düsseldorf	8.000	11.50	1.208	5.0	0.0
Willstätterstrasse 11–15	Düsseldorf	7.700	9.25	757	9.6	3.5
Gustav-Nachtigal-Strasse 5	Wiesbaden	5.400	20.00	1.415	1.6	0.0
Platz der Einheit 1	Frankfurt am Main	2.900	24.00	850	10.0	5.8
Amsinckstrasse 34	Hamburg	2.200	14.75	424	5.0	1.7
Pempelfurtstrasse 1	Ratingen	1.700	7.50	179	10.0	0.0

¹⁾ In % of lease length.

Transactions

alstria performed the following transactions in financial year 2019:

Disposals

Asset	City	Disposal price (EUR k)	Gain to book value (EUR k) ¹⁾	Signing SPA	Transfer of benefits & burdens
Frankfurter Str. 71–75	Eschborn	16,200	500	Oct. 09, 2017	Jan. 31, 2019
Gathe 78	Wuppertal	9,120	120	Oct. 10, 2018	Jan. 1, 2019
Brödermannsweg 5–9 ²⁾	Hamburg	4,300	1,800 ³⁾	Nov. 29, 2018	Feb. 28, 2019
Opernplatz 2	Essen	38,900	3,800	Jan. 16, 2019	Jan. 30, 2019
Ingersheimer Strasse 20	Stuttgart	41,500	11,500	Feb. 18, 2019	Mar. 31, 2019
Berner Strasse 119	Frankfurt am Main	27,000	2,800	Feb. 28, 2019	May 31, 2019 ⁴⁾
Total disposals		137,020	20,520		

¹⁾ Different from the position 'Net result from the disposal of investment property' in the income statement.

This position only contains contracts, which have an impact on 2019 financial year and their transaction costs.

²⁾ Partial sale of the residential building.

³⁾ Disposal price less OMV of the residential building (percentage share of residential rents).

⁴⁾ Expected.

Acquisitions

Asset	City	Acquisition price ¹⁾ (EUR k)	Signing SPA	Transfer of benefits & burdens
Lehrter Strasse 17	Berlin	8,470	Dec. 12, 2018	Feb. 1, 2019
Handwerkstrasse 4	Stuttgart	7,350	Dec. 18, 2018	Mar. 1, 2019
Hauptstrasse 98–99	Berlin	12,140	Apr. 4, 2019	Apr. 30, 2019
Maxstrasse 3a	Berlin	10,200	Mar. 6, 2019	June 1, 2019 ²⁾
Total acquisitions		38,160		

¹⁾ Excluding transaction costs.

²⁾ Expected.

2. EARNINGS POSITION

Funds from operations (FFO) amounted to EUR 29,356 k (before minorities) or EUR 28,627 k (after minorities) in the first quarter of 2019, compared to EUR 30,608 k (before minorities) or EUR 29,765 k (after minorities) in the first quarter of 2018.

The decrease mainly resulted from the lower net rental income of approximately EUR 1,500 k driven by the disposals. An opposite effect was the slightly improved net financial result compared to the previous-year period.

EUR k	IFRS P&L	Adjustments	FFO Q1 2019	FFO Q1 2018
Revenues	46,757	0	46,757	48,264
Revenues from service charge income	14,435	0	14,435	15,162
Real estate operating expenses	-21,426	1,129	-20,297	-21,046
Net rental income	39,766	1,129	40,895	42,380
Administrative expenses	-2,046	254	-1,792	-1,958
Personnel expenses	-4,741	1,110	-3,631	-3,460
Other operating income	13,024	-12,149 ²⁾	875	1,501
Other operating expenses	-3,011	2,523 ³⁾	-488	-555
Net gain / loss from fair value adjustments on investment property	-60	60	0	0
Gain / loss on disposal of investment properties	18,112	-18,112	0	0
Net operating result	61,044	-25,185	35,859	37,908
Net financial result	-6,466	0	-6,466	-7,362
Share of the result of joint venture	-37	0	-37	62
Net result from fair value adjustments on financial derivatives	0	0	0	0
Pre-tax income / FFO (before minorities)¹⁾	54,541	-25,185	29,356	30,608
Income tax expenses	95	-95	0	0
Consolidated profit	54,636	-25,280	29,356	30,608
Minority interest	0	-729	-729	-843
Consolidated profit / FFO (after minorities)	54,636	-26,009	28,627	29,765
Maintenance and reletting			-12,018	-16,369
Adjusted funds from operations (AFFO)⁴⁾			16,609	13,396
Number of shares outstanding (k)			177,416	177,142
FFO per share (EUR)			0.16	0.17
AFFO per share (EUR)			0.09	0.08

¹⁾(A)FFO is not a measure of operating performance or liquidity under generally accepted accounting principles, in particular IFRS, and it 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 (A)FFO. Thus, alstria's (A)FFO values and the measures with similar names presented by other companies may not be comparable.

²⁾The adjustment of the other operating income mainly stems from the reversal of accruals for the land transfer tax.

³⁾The other operating expenses are adjusted by the expenses for the valuation of the limited partner capital.

⁴⁾AFFO is equal to FFO after adjustments are made for capital expenditures used to maintain the quality of the underlying investment portfolio and expenses for lease-ups.

Rental revenues amounted to EUR 46,757 k during the first quarter of 2019 and hence decreased by EUR 1,507 k compared to the revenues during the first quarter of the previous year (EUR 48,264 k). The decrease mainly resulted from the disposals of assets and thereby led to lower rental income.

The consolidated net result amounted to EUR 54,636 k in the reporting period and was above the consolidated net result from the first quarter of 2018 (EUR 32,352 k). This mainly stemmed from the disposals of assets and higher other operating income mainly stems from the reversal of accruals for the land transfer tax.

3. FINANCIAL AND ASSET POSITION

Investment properties

The total value of investment properties amounted to EUR 3,884,825 k as of March 31, 2019, compared to EUR 3,938,864 k as of December 31, 2018.

EUR k

Investment property as of December 31, 2018	3,938,864
Investments ¹⁾	22,598
Acquisitions	15,820
Acquisition costs	1,298
In prior-period advance payments	-1,944
Disposals	-68,200
Transfers to assets held for sale	-24,200
Net loss/gain from the fair value adjustment on investment property	-60
Investment portfolio as of March 31, 2019	3,884,176
Advance payments	649
Investment property as of March 31, 2019	3,884,825
Carrying amount of owner-occupied properties	17,455
Fair value of assets held for sale	27,000
Interest in joint venture	1,203
Carrying amount of immovable assets	3,930,483

¹⁾ Including first-time application of IFRS 16 in the amount of EUR 4,587 k.

For a detailed description of the investment properties, please refer to the Group Management Report 2018.

Further key figures of the financial and asset position

As of March 31, 2019, alstria had cash and cash equivalents in the amount of EUR 192,480 k (December 31, 2018: EUR 132,899 k).

The total equity increased by EUR 55,069 k to EUR 2,739,156 k as of March 31, 2019 (December 31, 2018: EUR 2,684,087 k). The period's profit contributed mainly to a higher equity of EUR 54,636 k (for further information, please refer to the consolidated statement of changes in equity).

Loans

The loan facilities in place as of March 31, 2019, are as follows:

Liabilities	Maturity	Principal amount drawn as of March 31, 2019 (EUR k)	LTV as of March 31, 2019 (%)	LTV covenant (%)	Principal amount drawn as of December 31, 2018 (EUR k)
Loan #1	June 28, 2024	34,000	19.0	65.0	67,000
Loan #2	Mar. 28, 2024	45,900	35.3	75.0	45,900
Loan #3	June 30, 2026	56,000	33.6	65.0	56,000
Loan #4	Sept. 29, 2028	60,000	41.1	n/a	60,000
Total secured loans		195,900	31.5	–	228,900
Bond #1	Mar. 24, 2021	326,800	–	–	326,800
Bond #2	Apr. 12, 2023	325,000	–	–	325,000
Bond #3	Nov. 15, 2027	350,000	–	–	350,000
Schuldschein 10 y/fix	May 6, 2026	40,000	–	–	40,000
Schuldschein 7 y/fix	May 8, 2023	37,000	–	–	37,000
Schuldschein 4 y/fix	May 6, 2020	37,000	–	–	38,000
Revolving credit line	June 15, 2020	–	–	–	–
Total unsecured loans		1,115,800	–	–	1,116,800
Total		1,311,700	33.4		1,345,700
Net LTV			28.5		

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 first quarter of 2019, alstria did not incur any Financial Indebtedness.

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

EUR k	Q2 2018 – Q1 2019 cumulative
Earnings Before Interest and Taxes (EBIT)	577,514
Net profit/loss from fair value adjustments to investment property	–398,893
Net profit/loss from fair value adjustments to financial derivatives	19
Profit/loss from the disposal of investment property	–32,439
Other adjustments ¹⁾	–2,066
Fair value and other adjustments in joint venture	0
Consolidated Adjusted EBITDA	144,135
Cash interest and other financing charges	–25,284
One-off financing charges	0
Net Cash Interest	–25,284
Consolidated Coverage Ratio (min. 1.80 to 1.00)	5.7

¹⁾ Depreciation and amortization and nonrecurring or exceptional items.

As of March 31, 2019, no covenants under the loan agreements and/or the terms and conditions of the bonds and Schuldschein have been breached.

* The following section refers to the Terms and Conditions of the Fixed Rate Notes, issued on November 24, 2015, April 12, 2016, and on November 15, 2017, as well as to the Terms and Conditions of the Schuldschein, issued on May 6, 2016 (for further information, please refer to www.alstria.de). Capitalized terms have the meanings defined in the Terms and Conditions.

5. RECENT DEVELOPMENTS AND OUTLOOK

Recent developments

Please refer to the table on page 4 for more details regarding the transactions that have an impact on financial year 2019.

Outlook

The first quarter of financial year 2019 proceeded as expected. The statements and forecasts presented in the Group Management Report 2018 concerning the expected development of the Group for financial year 2019 are still valid. Based on the recent transactions and contractual rents, alstria still expects revenues in the amount of around EUR 190 m and an FFO of EUR 112 m for financial year 2019.

Risk management

The Group is exposed through its business to various risks. For further details, please refer to the Group Management Report 2018. alstria's overall risk situation has not changed.

PRINCIPLES OF THE CONSOLIDATED INTERIM STATEMENT

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

Although no explanatory notes are disclosed, the requirements of IAS 34 (Interim financial reporting) have been considered.

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

DISCLAIMER

The management 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.

CONSOLIDATED INCOME STATEMENT

for the Period from January 1 to March 31, 2019

in TEUR	Q1 2019	Q1 2018
Net rental revenues	46,757	48,264
Service charge income	14,435	15,162
Real estate operating costs	-21,426	-21,782
Net Rental Income	39,766	41,644
Administrative expenses	-2,046	-2,136
Personnel expenses	-4,741	-3,506
Other operating income	13,024	3,378
Other operating expenses	-3,011	-1,524
Net gain from fair value adjustments on investment property	-60	0
Gain on disposal of investment property	18,112	560
Net Operating Result	61,044	38,416
Net financial result	-6,466	-8,600
Share of the result of joint venture	-37	62
Net result from fair value adjustments on financial derivatives	0	2,471
Pre-Tax Income (EBT)	54,541	32,349
Income tax expense	95	3
Consolidated profit for the period	54,636	32,352
Attributable to:		
Owners of the company	54,636	32,352
Earnings per share in EUR		
<i>based on the profit attributable to alstria's shareholders</i>		
Basic earnings per share	0.31	0.20
Diluted earnings per share	0.31	0.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Period from January 1 to March 31, 2019

EUR k	Q1 2019	Q1 2018
Consolidated profit for the period	54,636	32,352
Items that will not be reclassified to the income statement in a future period:		
Additions in the revaluation surplus	0	3,485
Other comprehensive result for the period	0	3,485
Total comprehensive result for the period	54,636	35,837
Total comprehensive profit/loss attributable to:		
Owners of the company	54,636	35,837

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31, 2019

ASSETS

EUR k	March 31, 2019	December 31, 2018
Non-Current Assets		
Investment property	3,884,825	3,938,864
Equity-accounted investments	1,203	8,589
Property, plant and equipment	19,198	18,972
Intangible assets	356	349
Financial assets	36,737	36,737
Total Non-Current Assets	3,942,319	4,003,511
Current Assets		
Trade receivables	12,244	6,865
Tax receivables	43	43
Other financial receivables	11,088	8,314
Cash and cash equivalents	192,480	132,899
<i>thereof restricted</i>	<i>0</i>	<i>0</i>
Assets held for sale	27,000	29,620
Total Current Assets	242,855	177,741
Total Assets	4,185,174	4,181,252

EQUITY AND LIABILITIES

EUR k	March 31, 2019	December 31, 2018
Equity		
Share capital	177,416	177,416
Capital surplus	1,539,072	1,538,632
Retained earnings	1,019,183	964,554
Revaluation surplus	3,485	3,485
Total Equity	2,739,156	2,684,087
Non-Current Liabilities		
Liabilities minority interests	66,536	64,013
Long-term loans, net of current portion	1,303,551	1,336,090
Other provisions	839	1,275
Other financial liabilities	9,152	5,010
Total Non-Current Liabilities	1,380,078	1,406,388
Current Liabilities		
Liabilities minority interests	4	47
Short-term loans	11,317	14,171
Trade payables	5,397	4,400
Profit participation rights	549	530
Liabilities of current tax	5,842	5,945
Other provisions	2,184	5,477
Other current financial liabilities	40,647	60,207
Total Current Liabilities	65,940	90,777
Total Liabilities	1,446,018	1,497,165
Total Equity and Liabilities	4,185,174	4,181,252

CONSOLIDATED STATEMENT OF CASH FLOW

for the Period ended March 31, 2019

EUR k	Q1 2019	Q1 2018
1. Operating activities		
Consolidated profit	54,636	32,352
Interest income	-184	-182
Interest expense	6,649	8,783
Result from income taxes	-95	-3
Unrealized valuation movements	2,576	-1,694
Other non-cash expenses (+) / income (-)	-5,335	244
Gain (-) / Loss (+) on disposal of fixed assets	-18,112	-560
Depreciation and impairment of fixed and intangible assets (+)	254	178
Decrease (+) / Increase (-) in trade receivables and other assets that are not attributed to investing or financing activities	-3,783	-2,918
Decrease (-) / increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities	-6,892	-4,235
Cash generated from operations	29,714	31,965
Interest received	184	182
Interest paid	-8,041	-8,577
Income tax received (+) / paid (-)	-8	13
Net cash generated from operating activities	21,849	23,583
2. Investing activities		
Acquisition of investment properties	-35,317	-92,007
Proceeds from sale of investment properties	99,936	44,000
Payment of transaction cost in relation to the sale of investment properties	-29	-130
Acquisition of other property, plant and equipment	-165	-789
Net cash used in investing activities	64,425	-48,926

EUR k	Q1 2019	Q1 2018
3. Financing activities		
Cash received from equity contributions	0	193,072
Payment of transaction costs of issue of shares	0	-2,582
Payments for the acquisition of limited partnerships of minority shareholders	-43	-9
Profit distribution of joint venture	7,350	0
Payments of the redemption of bonds and borrowings	-34,000	-1,631
Net cash generated from /used in financing activities	-26,693	188,850
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	59,581	163,507
Cash and cash equivalents at the beginning of the period	132,899	102,078
Cash and cash equivalents at the end of the period <i>(thereof restricted: EUR 0; previous year: EUR 0)</i>	192,480	265,585

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to March 31, 2019

EUR k	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of December 31, 2018	177,416	1,538,632	964,554	3,485	2,684,087
First-time adoption from IFRS 16	0	0	-7	0	-7
As of January 1, 2019	177,416	1,538,632	964,547	3,485	2,684,080
Changes Q1 2019					
Consolidated profit	0	0	54,636	0	54,636
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	54,636	0	54,636
Share-based remuneration	0	440	0	0	440
As of March 31, 2019	177,416	1,539,072	1,019,183	3,485	2,739,156

for the period from January 1 to March 31, 2018

EUR k	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of December 31, 2017	153,962	1,363,316	437,382	0	1,954,660
First-time adoption from IFRS 9	0	0	-242	0	-242
As of January 1, 2018	153,962	1,363,316	437,140	0	1,954,418
Changes Q1 2018					
Consolidated profit	0	0	32,352	0	32,352
Other comprehensive income	0	0	0	3,485	3,485
Total comprehensive income	0	0	32,352	3,485	35,837
Proceeds from shares issued against contribution in cash					
	15,323	175,167	0	0	190,490
Share-based remuneration					
	0	321	0	0	321
Conversion of convertible bond					
	7,857	89,064	0	0	96,921
As of March 31, 2018	177,142	1,627,868	469,492	3,485	2,277,987

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