



HALF-YEAR FINANCIAL REPORT

as of June 30, 2019



GROUP FINANCIALS

EUR k	H1 2019	H1 2018	Change
Revenues and earnings			
Revenues	93,121	96,244	-3.2 %
Net rental income	80,352	83,251	-3.5 %
Consolidated profit for the period	278,951	62,518	346.2 %
FFO ¹⁾	55,673	58,069	-4.1 %
Earnings per share (EUR)	1.57	0.36	330.7 %
FFO per share (EUR) ¹⁾	0.31	0.33	-4.2 %

¹⁾ Excluding minorities.

EUR k	June 30, 2019	Dec. 31, 2018	Change
Balance sheet			
Investment property	4,134,799	3,938,864	5.0 %
Total assets	4,318,246	4,181,252	3.3 %
Equity	2,872,099	2,684,087	7.0 %
Liabilities	1,446,147	1,497,165	-3.4 %
Net asset value (NAV) per share (EUR)	16.17	15.13	6.9 %
Net LTV (%)	29.0	30.4	-1.4 pp

G-REIT figures	June 30, 2019	Dec. 31, 2018	Change
G-REIT equity ratio (%)	69.2	67.2	2.0 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA-key figures ¹⁾	H1 2019	H1 2018	Change
EPRA earnings per share (EUR)	0.34	0.35	-2.9 %
EPRA cost ratio A (%) ²⁾	26.4	23.5	2.9 pp
EPRA cost ratio B (%) ³⁾	21.6	18.8	2.8 pp

	June 30, 2019	Dec. 31, 2018	Change
EPRA NAV per share (EUR)	16.19	15.14	6.9 %
EPRA NNNNAV per share (EUR)	15.82	14.96	5.7 %
EPRA net initial yield (%)	3.6	4.0	-0.4 pp
EPRA 'topped-up' net initial yield (%)	4.2	4.4	-0.2 pp
EPRA vacancy rate (%)	7.6	9.7	-2.1 pp

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

²⁾ Including vacancy costs.

³⁾ Excluding vacancy costs.

CONTENT

4 – 15 CONSOLIDATED INTERIM MANAGEMENT REPORT

Portfolio overview

Development of earnings position

Financial and asset position

Covenant-report

Risk and opportunity report

Financial targets

Disclaimer

16 – 33 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of financial position

Consolidated statement of cash flow

Consolidated statement of changes in equity

Notes to the condensed interim consolidated financial
statements as of June 30, 2019

34 MANAGEMENT COMPLIANCE STATEMENT

35 REVIEW REPORT

CONSOLIDATED INTERIM MANAGEMENT REPORT

1. PORTFOLIO OVERVIEW

1.1 Key metrics of the portfolio

Key metrics	June 30, 2019	Dec. 31, 2018
Number of properties	116	118
Market value (EUR bn) ¹⁾	4.2	4.0
Annual contractual rent (EUR m)	199.7	197.0
Valuation yield (% , contractual rent/market value)	4.8	4.9
Lettable area (m ²)	1,525,300	1,577,000
EPRA vacancy rate (%)	7.6	9.7
WAULT (years)	4.9	4.8
Average value per m ² (EUR)	2,721	2,525
Average rent/m ² (EUR/month)	12.5	12.3

¹⁾ Including fair value of owner-occupied properties.

1.2 Real estate operations

Letting metrics	H1 2019	H1 2018	Change
New leases (m ²) ¹⁾	81,800	36,500	45,300
Renewals of leases (m ²)	66,700	28,300	38,400
Total	148,500	64,800	83,700

During the first six months of financial year 2019, letting activities amounted to approx. 148,500 m² (as measured by new leases and lease extensions).

The signings 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⁾ (in % of lease length)
Am Seestern 1	Düsseldorf	15,000	16.59	3,338	10.0	1.7
Heerdter Lohweg 35	Düsseldorf	13,500	11.70	1,894	12.0	7.6
Rotebühlstrasse 98–100	Stuttgart	6,300	19.95	1,627	15.0	1.7
Gustav-Nachtigal-Strasse 5	Wiesbaden	5,400	20.00	1,415	1.6	0.0
Kanzlerstrasse 8	Düsseldorf	5,000	13.61	865	10.0	5.2
Platz der Einheit 1	Frankfurt	4,200	21.00	1,100	3.0	8.3
Platz der Einheit 1	Frankfurt	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
Süderstrasse 23	Hamburg	1,600	15.30	294	10.0	2.5

¹⁾ In % of the lease length.

1.3 Portfolio valuation and regions

As of June 30, 2019, an external appraiser (Savills Advisory Services Germany GmbH & Co. KG) valued alstria's portfolio in line with International Financial Reporting Standards (IFRS) 13 requirements at market value. The valuation resulted in a total market value for the investment properties of EUR 4,150 million. Of this total market value, approx. EUR 4,026 million, or 97 %, was located in core markets of the Company. The regional split is shown in the table below:

Total portfolio by region (% of market value)	June 30, 2019	Dec. 31, 2018	Change (pp)
Hamburg	32	31	1
Rhine-Ruhr	28	29	-1
Rhine-Main	18	19	-1
Stuttgart	12	12	0
Berlin	7	6	1
Others	3	3	0

1.4 Tenant

Another main characteristic of alstria's portfolio is its focus on a small number of major tenants:

alstria's main tenants (% of annual rent)	June 30, 2019	Dec. 31, 2018	Change (pp)
Daimler AG	12	12	0
City of Hamburg	12	12	0
GMG Generalmietgesellschaft	9	8	1
HOCHTIEF Aktiengesellschaft	3	5	-2
Commerzbank AG	2	0	2
Residenz am Dom gemeinn. Betriebsgesellschaft mbH	2	2	0
Hamburger Hochbahn AG	2	2	0
ATOS Origin	2	2	0
Württembergische Lebens- versicherung AG	2	1	1
City of Berlin	1	1	0
Others	53	55	-2

Furthermore, the focus is clearly on one asset class: Approx. 90 % of the total lettable area is office space*.

*Office and storage.

1.5 Transactions

The following transactions have an impact on financial year 2019:

Disposals

Asset	City	Disposal price (EUR k)	Gain to book value (EUR k) ¹⁾	Signing SPA	Transfer of benefits and burdens
Frankfurter Strasse 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	27,000	2,800	Feb. 28, 2019	Apr. 30, 2019
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).

Acquisitions

Asset	City	Acquisition price (EUR k) ¹⁾	Signing SPA	Transfer of benefits and 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	Jun. 1, 2019
Total acquisitions		38,160		

¹⁾ Excluding transaction costs.

2. DEVELOPMENT OF EARNINGS POSITION

2.1 Funds from operations (FFO)

Funds from operations amounted to EUR 57,128 k (before minorities) or EUR 55,673 k (after minorities) in the first six months of 2019, compared to EUR 59,638 k (before minorities) or EUR 58,069 k (after minorities) in the first six months of 2018.

The decrease mainly resulted from a decline in revenues due to the disposals of assets and thus the decreased lettable area compared to the same period last year.

EUR k	IFRS P&L	Adjustments	H1 2019	H1 2018
Revenues	93,121	0	93,121	96,244
Revenues from service charge income	22,147	0	22,147	23,662
Real estate operating expenses	-34,916	686	-34,230	-36,240
Net rental income	80,352	686	81,037	83,666
Administrative expenses	-4,586	533	-4,053	-3,868
Personnel expenses	-9,236	1,606	-7,629	-6,961
Other operating income	13,635	-12,149 ²⁾	1,486	1,589
Other operating expenses	-5,701	4,932 ³⁾	-769	-608
Net gain/loss from fair value adjustments on investment property	199,371	-199,371	0	0
Gain/loss on disposal of investment properties	18,063	-18,063	0	0
Net operating result	291,898	-221,826	70,072	73,818
Net financial result	-12,901	0	-12,901	-14,249
Share of the result of joint venture	-169	126	-43	69
Net result from fair value adjustments on financial derivatives	0	0	0	0
Pre-tax income / FFO (before minorities)¹⁾	278,828	-221,700	57,128	59,638
Income tax expenses	123	-123	0	0
Consolidated profit	278,951	-221,823	57,128	59,638
Minority interest	0	-1,454	-1,454	-1,569
Consolidated profit / FFO (after minorities)	278,951	-223,278	55,673	58,069
Maintenance and reletting			-29,655	-30,374
Adjusted funds from operations (AFFO)⁴⁾			26,018	27,695
Number of shares outstanding (k)			177,593	177,416
FFO per share (EUR)			0.31	0.33
AFFO per share (EUR)			0.15	0.16

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.

2.2 Revenues

Revenues amounted to EUR 93,121 k in the first half of 2019 and thus decreased compared to the respective previous-year period by EUR 3,123 k (H1 2018: EUR 96,244 k). The decrease mainly resulted from the disposal of assets during the last twelve months and thus led to lower rental income.

2.3 Real estate operating expenses

Real estate operating expenses consist of recoverable and non-recoverable operating costs and amounted to EUR 34,916 k during the reporting period (H1 2018: EUR 36,655 k). Non-recoverable operating costs decreased in the amount of EUR 363 k from EUR 12,888 k to EUR 12,525 k. This corresponds to an expense ratio in relation to revenues of 13.5 % in H1 2019 (H1 2018: 13.4 %). The net rental income of the Group decreased by EUR 2,899 k to a total of EUR 80,352 k.

2.4 Administrative and personnel expenses

Administrative expenses amounted to EUR 4,586 k (H1 2018: EUR 4,251 k) and therefore approx. remained at previous year's level. Personnel expenses were at EUR 9,236 k, compared to EUR 7,562 k in the first half of 2018. The increase in personnel expenses was mostly a result of an increase in salaries by EUR 714 k to EUR 4,461 k, due to an increased number of employees in the first half of 2019 compared to the first half of 2018. Moreover, the remuneration for virtual shares and stock options increased by EUR 815 k to EUR 1,466 k due to the higher stock price.

2.5 Other operating result

The increase of the other operating income during the first half of 2019 mainly stems from the reversal of accruals for the land transfer tax in the amount of approx. EUR 10,500 k in the first half of 2019. This was partly offset by EUR 2,754 k higher other operating expenses, which were mainly burdened by the valuation of minorities in the current year period. Overall, the other operating result amounted to EUR 7,934 k in the first half of 2019 (H1 2018: EUR 2,394 k).

2.6 Net result from fair value adjustments on investment property

In the first half of fiscal year 2019, the net result from fair value adjustments on investment property was EUR 199,371 k (compared to EUR 1,387 k in 2018). The net result is mainly attributable to the leasing success in the current fiscal year and the increased demand for real estate. In the previous year, the net result was the consequence of a reversal of a provision for land transfer tax.

2.7 Net financial result

The improvement in the net financial result by EUR 2,587 k is the result of reduced interest expenses in the first half of the fiscal year 2019 compared to the same period of the previous year. The main reasons for this are the conversion of the convertible bond in June 2018, a lower drawdown and further refinancing measures.

EUR k	H1 2019	H1 2018
Interest expenses, corporate bonds	-10,509	-10,488
Interest expenses Schuldschein	-1,276	-1,573
Interest expenses, other loans	-1,258	-1,703
Interest expenses, convertible bond	0	-1,783
Other interest expenses	-3	-106
Financial expenses	-13,046	-15,653
Financial income	379	366
Other financial expenses	-234	-201
Net financial result	-12,901	-15,488

2.8 Valuation result of financial derivatives

With the conversion of the convertible bond in the financial year 2018 and the related termination of the embedded derivative, there is no valuation result of the derivative financial instruments in 2019 anymore. During the period from January 1 to June 30, 2018, the valuation of financial derivatives resulted in a net gain from fair value adjustments in an amount of EUR 2,455 k. The valuation gain essentially resulted from the embedded derivative and was based on the declining development of alstria's share price during the first quarter of the financial year 2018, the period when the bond had been converted into shares of the Company.

2.9 Consolidated net result

alstria's consolidated net result amounted to EUR 278,951 k during the period under review, compared to the EUR 62,518 k in the first half of 2018. Main drivers of this high increase are the net result from fair value adjustments on investment properties and the gain on the disposal of investment properties. In addition, net financial income improved by around EUR 2,600 k compared to the same period of the previous year. Undiluted earnings per share amounted to EUR 1.57 in the first six months of 2019 (H1 2018: EUR 0.36 per share).

3. FINANCIAL AND ASSET POSITION

3.1 Investment properties

The total value of investment properties amounted to EUR 4,134,799 k as of June 30, 2019, compared to EUR 3,938,864 k as of December 31, 2018.

	EUR k
Investment properties as of December 31, 2018	3,938,864
Investments	44,741
Acquisitions	38,155
Acquisition costs	3,172
First application of IFRS 16	4,840
Advance payment in previous period	-1,944
Disposals	-92,400
Net result from the adjustment of the fair value of investment property	199,371
Investment portfolio as of June 30, 2019	4,134,799
Advance payments	-
Investment properties as of June 30, 2019	4,134,799
Carrying amount of owner-occupied properties	17,351
Fair value of properties held for sale	-
Interest in joint venture	1,070
Carrying amount of immovable assets	4,153,220

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

3.2 Derivatives

The following derivative financial instruments were in place at the end of the reporting period:

Product	Strike p. a. (%)	Maturity date	June 30, 2019		Dec. 31, 2018	
			Notional (EUR k)	Fair value (EUR k)	Notional (EUR k)	Fair value (EUR k)
Cap	3.0000	Sept. 30, 2019	50,250	0	50,250	0
Financial derivatives – held for trading			50,250	0	50,250	0
Cap	3.0000	Apr. 30, 2021	45,274	0	45,642	0
Financial derivatives – cash flow hedges			45,274	0	45,642	0
Total interest rate derivatives			95,524	0	95,892	0

3.3 Cash position

Cash and cash equivalents decreased in the amount of EUR 25,717 k from EUR 132,899 k to EUR 107,182 k during the reporting period. The reduction is mainly due to the cash outflow from financing activities (EUR –118,950 k), i. a. through the dividend payment of EUR 92,257 k, which was only partially offset by the positive cash flow from investing activities of EUR 42,902 k and operating activities of EUR 50,331 k.

3.4 Equity metrics

	June 30, 2019	Dec. 31, 2018	Change
Equity (EUR k)	2,872,099	2,684,087	7.0 %
NAV per share (EUR)	16.17	15.13	6.9 %
Equity ratio (%)	66.5	64.2	2.3 pp
G-REIT equity ratio (%) ¹⁾	69.2	67.2	2.0 pp

¹⁾ This is defined as total equity divided by the carrying amount for immovable assets. The minimum requirement according to G-REIT regulations is 45 %.

Compared to December 31, 2018, equity increased to EUR 2,872,099 k as of June 30, 2019. On one hand, the period's profit contributed to a higher equity by EUR 278,951 k. On the other hand, dividend payments decreased the equity by EUR 92,257 k (for further information, please refer to the consolidated statement of changes in equity and the corresponding notes).

3.5 Financial liabilities

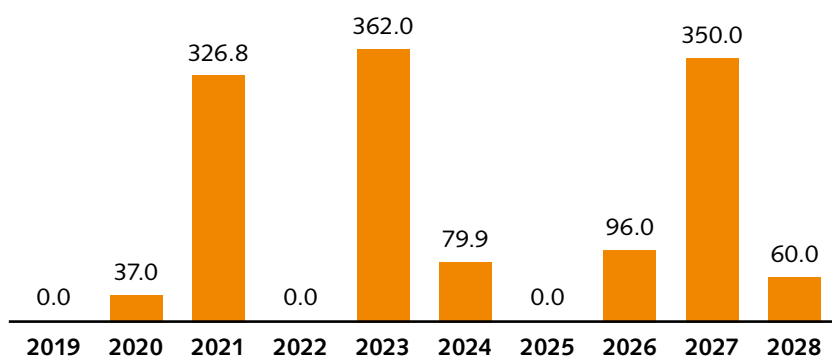
The loan facilities in place as of June 30, 2019, are as follows:

Liabilities	Maturity	Principal amount drawn as of June 30, 2019 (EUR k)	LTV as of June 30, 2019 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 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	31.6	–	1,345,700
Net LTV			29.0		

Cash cost of debt	June 30, 2019			Dec. 31, 2018		
	Nominal amount (EUR k)	Ø cost of debt (%)	Ø maturity (years)	Nominal amount (EUR k)	Ø cost of debt (%)	Ø maturity (years)
Bank debt	195,900	1.1	6.8	228,900	1.1	7.1
Bonds	1,001,800	1.9	4.8	1,001,800	1.9	5.3
Schuldschein	114,000	2.2	4.0	115,000	2.2	4.5
Total	1,311,700	1.8	5.0	1,345,700	1.8	5.5

Maturity profile of financial debt¹⁾

as of June 30, 2019 in EUR million



¹⁾ Excluding regular amortization.

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 half 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	Q3 2018 – Q2 2019 cumulative
Earnings Before Interest and Taxes (EBIT)	771,230
Net gain/loss from fair value adjustments to investment property	-596,938
Net gain/loss from fair value adjustments to financial derivatives	3
Gain/loss from the disposal of investment properties	-32,739
Other adjustments ¹⁾	741
Fair value and other adjustments in the joint venture	126
Consolidated Adjusted EBITDA	142,423
Cash interest and other financing charges	-24,793
One-off financing charges	0
Net Cash Interest	-24,793
Consolidated Coverage Ratio (min. 1.80 to 1.00)	5.74

¹⁾ Depreciation and amortization and nonrecurring or exceptional items.

As of June 30, 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. RISK AND OPPORTUNITY REPORT

The risks and opportunities to which alstria is exposed are described in detail in alstria's Annual Report 2018. There have been no changes to the status presented in that report.

6. FINANCIAL TARGETS

alstria proactively focuses on the following key financial performance indicators: revenues and FFO. Revenues mainly comprise rental income derived from the Company's leasing activities. FFO is the funds from operations and is derived from real estate management. It excludes valuation effects and other adjustments, such as non-cash expenses/income and non-recurring effects.*

The first half 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 million and an FFO of approx. EUR 112 million for financial year 2019.

7. 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.

*Please refer to section 2.1.

Sonninstrasse 2, Hamburg



CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2019

EUR k	Notes	Q2 2019	Q2 2018	H1 2019	H1 2018
Net rental revenues		46,364	47,980	93,121	96,244
Service charge income		7,711	8,500	22,147	23,662
Real estate operating costs		-13,490	-14,873	-34,916	-36,655
Net Rental Income		40,585	41,607	80,352	83,251
Administrative expenses		-2,540	-2,115	-4,586	-4,251
Personnel expenses	6.1	-4,495	-4,056	-9,236	-7,562
Other operating income	6.2	611	1,963	13,635	5,341
Other operating expenses	6.2	-2,689	-1,423	-5,701	-2,947
Net gain from fair value adjustments on investment property	7.1	199,432	1,387	199,371	1,387
Gain on disposal of investment property	6.3	-49	-349	18,063	212
Net Operating Result		230,855	37,014	291,898	75,431
Net financial result	6.4	-6,435	-6,887	-12,901	-15,488
Share of the result of joint venture		-133	8	-169	69
Net result from fair value adjustments on financial derivatives		0	-16	0	2,455
Pre-Tax Income (EBT)		224,287	30,119	278,828	62,467
Income tax expense	6.5	28	48	123	51
Consolidated profit for the period		224,315	30,167	278,951	62,518
Attributable to:					
Owners of the company		224,315	30,167	278,951	62,518
Earnings per share in EUR					
<i>based on the profit attributable to alstria's shareholders</i>					
Basic earnings per share	6.6	1.26	0.17	1.57	0.36
Diluted earnings per share	6.6	1.26	0.17	1.57	0.36

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2019

EUR k	Notes	Q2 2019	Q2 2018	H1 2019	H1 2018
Consolidated profit for the period		224,315	30,167	278,951	62,518
Items that will not be reclassified to the income statement in a future period:					
Additions in the revaluation surplus	8.1	0	0	0	3,485
Other comprehensive result for the period:		0	0	0	3,485
Total comprehensive result for the period:		224,315	30,167	278,951	66,003

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2019

Assets

EUR k	Notes	June 30, 2019	Dec. 31, 2018
Non-Current Assets			
Investment property	7.1	4,134,799	3,938,864
Equity-accounted investments		1,070	8,589
Property, plant and equipment		19,151	18,972
Intangible assets		314	349
Financial assets	7.3	36,737	36,737
Total Non-Current Assets		4,192,071	4,003,511
Current Assets			
Trade receivables		6,292	6,865
Tax receivables		1,231	43
Other receivables		11,470	8,314
Cash and cash equivalents	7.2	107,182	132,899
<i>thereof restricted</i>		0	0
Assets held for sale	7.1	0	29,620
Total Current Assets		126,175	177,741
Total Assets		4,318,246	4,181,252

Equity and liabilities

EUR k	Notes	June 30, 2019	Dec. 31, 2018
Equity	8.1		
Share capital		177,593	177,416
Capital surplus		1,447,523	1,538,632
Retained earnings		1,243,498	964,554
Revaluation surplus		3,485	3,485
Total Equity		2,872,099	2,684,087
Non-Current Liabilities			
Liabilities minority interests		68,945	64,013
Long-term loans, net of current portion	8.2	1,267,120	1,336,090
Other provisions		996	1,275
Other liabilities		9,811	5,010
Total Non-Current Liabilities		1,346,872	1,406,388
Current Liabilities			
Liabilities minority interests		4	47
Short-term loans	8.2	44,279	14,171
Trade payables		4,482	4,400
Profit participation rights		458	530
Liabilities of current tax		5,765	5,945
Other provisions		2,318	5,477
Other current liabilities		41,969	60,207
Total Current Liabilities		99,275	90,777
Total Liabilities		1,446,147	1,497,165
Total Equity and Liabilities		4,318,246	4,181,252

CONSOLIDATED STATEMENT OF CASH FLOW

for the period from January 1 to June 30, 2019

EUR k	Notes	H1 2019	H1 2018
1. Operating activities			
Consolidated profit for the period		278,951	62,518
Interest income	6.4	-379	-366
Interest expense	6.4	13,280	15,854
Result from income taxes	6.5	-123	-51
Unrealized valuation movements		-194,446	-2,202
Other non-cash expenses (+)/income(-)		-4,292	2,503
Gain (-)/Loss (+) on disposal of fixed assets		-18,063	-2,12
Depreciation and impairment of fixed assets (+)		533	384
Decrease (+)/increase (-) in trade receivables and other assets that are not attributed to investing or financing activities		-64	-3,451
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		-6,017	-3,309
Cash generated from operations		69,380	71,668
Interest received		379	366
Interest paid		-18,141	-19,249
Income tax received (+)/paid (-)		-1,287	-2,019
Net cash generated from operating activities		50,331	50,766
2. Investing activities			
Acquisition of investment properties	7.1	-83,847	-119,785
Proceeds from sale of investment properties	7.1	126,937	48,987
Payment of transaction cost in relation to the sale of investment properties		-100	-138
Acquisition of other property, plant and equipment		-88	-1,487
Net cash used in investing activities		42,902	-72,423

EUR k	Notes	H1 2019	H1 2018
3. Financing activities			
Cash received from equity contributions	8.1	0	193,071
Payment of transaction costs of issue of shares		0	-2,581
Payments for the acquisition of limited partnerships of minority shareholders	8.1	-43	-64
Profit distribution of joint venture		7,350	0
Payments of dividends	9	-92,257	-92,170
Payments of the redemption of bonds and borrowings		-34,000	-539
Net cash used in / generated from financing activities		-118,950	97,717
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		-25,717	76,060
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>	7.2	107,182	178,138

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2019

EUR k	Notes	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 H1 2019						
Consolidated profit		0	0	278,951	0	278,951
Other comprehensive income		0	0	0	0	0
Total comprehensive income		0	0	278,951	0	278,951
Payments of dividends	9	0	-92,257	0	0	-92,257
Share-based remuneration	11;12	0	971	0	0	971
Conversion of convertible participation rights	8.1	177	177	0	0	354
As of June 30, 2019	8.1	177,593	1,447,523	1,243,498	3,485	2,872,099

for the period from January 1 to June 30, 2018

EUR k	Notes	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 in H1 2018						
Consolidated profit		0	0	62,518	0	62,518
Other comprehensive income	8.1	0	0	0	3,485	3,485
Total comprehensive income		0	0	62,518	3,485	66,003
Payments of dividends	9	0	-92,170	0	0	-92,170
Proceeds from shares issued against contribution in cash		15,323	175,167	0	0	190,490
Share-based remuneration	12	0	759	0	0	759
Conversion of convertible participation rights	8.1	144	144	0	0	288
Conversion of convertible bond	8.1	7,987	90,575	0	0	98,562
As of June 30, 2018	8.1	177,416	1,537,791	499,658	3,485	2,218,350

NOTES

alstria office REIT-AG, Hamburg

Notes to the condensed interim consolidated financial statements as of June 30, 2019

1. Corporate information

alstria office REIT-AG (hereinafter referred to as 'the Company' or 'alstria office REIT-AG', together with its subsidiaries, referred to as 'alstria' or 'the Group'), is a German stock corporation based in Hamburg. The Group's principal activities are described in detail in Section 1 of the Notes to the consolidated financial statements for the financial year ending on December 31, 2018.

The condensed interim consolidated financial statements for the period from January 1, 2019, to June 30, 2019 (hereinafter referred to as the 'consolidated interim financial statements'), were authorized for publication by a resolution of the Company's Management Board on August 9, 2019.

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 which are required in the annual financial statements; they should therefore be read in conjunction with the consolidated financial statements as of December 31, 2018.

These condensed interim consolidated financial statements were not audited, but they were reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg.

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, 2018.

The following new interpretations and amendments to standards and interpretations are mandatory for the financial reporting period beginning on January 1, 2019.

EU Endorsement	Standard/ Interpretation	Content	Applicable for FY beginning	
			on/after	Effects
Oct. 31, 2017	IFRS 16	New standard 'Leases'	Jan. 1, 2019	No material effects
Mar. 22, 2018	Amendments to IFRS 9	Prepayment features with negative compensation	Jan. 1, 2019	None
Mar. 13, 2019	Amendments to IAS 19	Plan amendment, curtailment or settlement	Jan. 1, 2019	None
Feb. 8, 2019	Amendments to IAS 28	Long-term interests in associates and joint ventures	Jan. 1, 2019	None
Mar. 14, 2019	Annual Improvements to IFRSs	Improvements to IFRSs 2015–2017	Jan. 1, 2019	None
Oct. 23, 2018	IFRIC 23	Uncertainty over income tax treatments	Jan. 1, 2019	Currently no material

IFRS 16 Leases

IFRS 16 provides the accounting practices for leases. IFRS 16 is generally applicable to all leases.

For lessees, the previous distinction between operating leasing and finance leasing is not made. Instead, the lessee has to account for the right of use of a leased asset (so-called 'right-of-use asset' or RoU asset) and a corresponding lease liability for the leasing payment obligations. Exceptions to this are made only for short-term leases and leases for low-value assets. The amount of the RoU asset at the time of acquisition is equal to the amount of the lease liability plus any initial direct costs of the lessee. In subsequent periods, the RoU asset is valued at amortized cost. In the case of an RoU asset that qualifies as investment property, the fair value is measured in accordance with IAS 40. The lease liability is the present value of the lease payments that are paid during the term of the lease. Subsequently, the book value of the lease liability is compounded using the interest rate used for discounting and reduced by the lease payments made. Changes in the lease payments lead to a revaluation of the lease liability.

According to IFRS 16, some payment entitlements from lease agreements represent cost. These include property tax, building insurance and allowances for asset management services. With the application of IFRS 16, these service charges to be paid by the lessee are separated between leasing and non-leasing components as identified in the contract.

IFRS 16	EUR k
Net basic rent	91,976
Share of income concerning passed on ground tax, insurance premiums and management fees	8,103
IFRS 15	
Other service charge income	13,958
Share of income concerning passed on ground tax, insurance premiums and management fees	1,230
Total	115,267

In addition, the first-time application of IFRS 16 is not expected to have a significant impact on the presentation of the net assets, and financial and earnings position of the Company, as the Group has mainly concluded office leases for their investment properties and thus acts as lessor. The scope of the transactions agreed by the company as lessee, however, is of minor scope. The lease obligations were discounted at an average interest rate of 1.8%. The resulting rights of use are amortized, and the lease liabilities repaid. Accordingly, the difference between amortized rights of use and discounted leasing liabilities at the time of initial application led to a first-time application result of IFRS 16 in the amount of EUR 7 thousand.

The Group started applying IFRS 16 using the modified retrospective method. The comparative figures from the previous year were adjusted. The Group utilizes the recognition exemptions provided by IFRS 16.5 and, as such, does not have to apply IFRS 16.22 to IFRS 16.49 to leases with a contractual term of twelve months or less, or to leases (on a case-by-case basis) in which the underlying asset is of low value.

A reconciliation of the lease liabilities as a result of the first-time adoption of IFRS 16 as of January 1, 2019 is shown in the following table:

	EUR k
Other financial obligations from leases as of 31.12.2018	6,251
– Non-inclusion of short-term contracts or contracts of low value	–38
– Discounting the present value of the liability	–878
Lease liability as of 01.01.2019	5,335

The following new standards, interpretations and amendments to the published standards have been issued, but they are not in effect for the 2019 financial year and were not applied by the Group prior to becoming mandatory:

EU Endorsement	Standard/ Interpretation	Content	Applicable for f/y beginning on/after	Effects
Not yet endorsed	IFRS 17	New standard 'Insurance contracts'	Jan. 1, 2021	None
Not yet endorsed	Amendments to IFRS 3	Business combinations: Definition of a business	Jan. 1, 2020	None
Not yet endorsed	Amendments to IAS 1 and IAS 8	Definition of 'material'	Jan. 1, 2020	None

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

4. Consolidated group

There have been no changes to the consolidated Group since the preparation of the consolidated financial statements as of December 31, 2018.

5. Key judgements and estimates

Preparing the consolidated financial statements in accordance with IFRS requires that assumptions and estimates are made for various items. These assumptions and estimates affect the amounts of the 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 ending December 31, 2018.

6. Notes to the consolidated income statement

6.1 Personnel expenses

EUR k	H1 2019 (unaudited)	H1 2018 (unaudited)
Salaries and wages	4,486	3,827
Social insurance contribution	874	724
Bonuses	1,218	1,207
Expenses for share-based compensation	2,351	1,528
<i>thereof relating to virtual shares and stock options</i>	1,466	651
<i>thereof relating to convertible profit participation certificates</i>	885	877
Amounts for retirement provisions and disability insurance for the members of the Management Board	133	134
Other	174	142
Total	9,236	7,562

6.2 Other operating income and expenses

Other operating income includes the reversal of provisions (EUR 10.8 million) and compensation payments made by a neighbour in the course of construction projects (EUR 1.6 million). Other operating expenses for the reporting period mainly consist of the valuation result for the liability for non-controlling interests limited partnership capital (EUR 4.9 million).

6.3 Gain on disposal of investment property

EUR k	H1 2019 (unaudited)	H1 2018 (unaudited)
Proceeds from the disposal of investment property – transferred to buyer	137,057	31,000
Carrying amount of investment property disposed of – transferred to buyer	-118,894	-31,019
Costs in relation to the sale of investment properties – transferred to buyer	-100	0
Gain on disposal of investment property – transferred to buyer	18,063	-19
Agreed selling price of held for sale investment properties	0	9,481
Carrying amount of investment property at the time of reclassification to held for sale	0	-9,250
Costs in relation to the sale of investment properties – held for sale	0	0
Valuation result of held for sale investment properties	0	231
Gain on disposal of investment property	18,063	212

6.4 Financial result

For details on the net financial results and on the loans' development, please refer to the 'Financial and asset position' section in the interim management report.

6.5 Income taxes

As a consequence of its status as a G-REIT, alstria office REIT-AG is exempt from the German corporation tax (Körperschaftsteuer) and trade tax (Gewerbesteuer). With the change of legal form of the alstria office Prime companies, with a tax effect in the 2016 financial year, the alstria office Prime Group was transferred to the tax-exempt REIT structure.

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.

6.6 Earnings per share

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

Basic earnings per share	H1 2019 (unaudited)	H1 2018 (unaudited)
Profit attributable to shareholders (EUR k)	278,951	62,518
Average number of outstanding shares (thousands)	177,454	171,308
Basic earnings per share (EUR)	1.57	0.36

The potential conversion of the shares inherent in the convertible bond that existed in the first half year of the previous financial year has not materially diluted basic earnings per share for that period:

Diluted earnings per share	H1 2019 (unaudited)	H1 2018 (unaudited)
Diluted profit attributable to shareholders (EUR k)	278,951	62,768
Average number of diluted shares (thousands)	177,454	174,682
Diluted earnings per share (EUR)	1.57	0.36

7. Notes to the consolidated balance sheet – Assets

7.1 Investment property

In accordance with IFRS 13, alstria office REIT-AG uses the fair-value model for re-valuation purposes. An external appraisal was obtained to determine the respective values as of June 30, 2019. 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, 2018. A reconciliation of the changes in investment properties since December 31, 2018, can be found on page 10 of the interim consolidated financial statements as of June 30, 2019.

In the first half of the year 2019, alstria office REIT-AG acquired four investment properties with a transaction volume of EUR 38,155 k.

On the disposal side, contracts for three properties with a transaction volume of EUR 107,436 k were signed. The properties were transferred to the buyers by June 30, 2019.

In addition, the three properties which were held for sale at the end of the previous year were transferred to the buyer. The transaction volume for these properties amounts to EUR 29,620 k, so in the first half of 2019 total property sales amounted to EUR 137,056 k.

Property transaction	Acquisition		Disposal	
	Number of properties	Transaction amount (EUR k)	Number of properties	Transaction amount (EUR k)
Contract signed until Dec. 31, 2018, transferred in H1 2019	2	15,820	3	29,620
Contract signed and transferred in H1 2019	2	22,335	3	107,436
Contract signed in H1 2019, transfer expected after June 30, 2019	0	0	0	0
Total	4	38,155	6	137,056

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

	EUR k
Investment properties as of December 31, 2018	3,938,864
Investments in property portfolio	44,741
Acquisitions of investment properties	38,155
Acquisition costs	3,172
Recognition from first time adoption of IFRS 16	4,840
Advance payments made in prior period	-1,944
Disposals	-92,400
Net result from the adjustment of the fair value of investment property	199,371
Investment properties as of June 30, 2019	4,134,799

The external assessors have carried out sensitivity analyses on their fair value assessments, which show the effect of changes in capitalization rates (adjusted yield) on fair market values.

Fair value of investment properties

Capitalization rates	June 30, 2019 (EUR m)	Dec. 31, 2018 (EUR m)
-0.25 %	4,419	4,190
0.00 %	4,135	3,937
0.25 %	3,884	3,700

7.2 Cash and cash equivalents

Cash and cash equivalents, which refer to cash held at banks, are in the amount of EUR 107,182 k. This amount is not subject to any restrictions.

7.3 Financial assets

Financial assets in an amount of EUR 36,567 k refer to long-term bank deposits that mature by the business year 2021.

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.

Share capital

The conversion of profit participation rights (Note 12) in the second quarter of 2019 resulted in the issuance of 176,925 new shares by making use of the conditionally increased capital provided for such purposes.

In total, due to the capital measures stated above, alstria office REIT-AG's share capital increased to EUR 177,593,422 (EUR 176,925,00 higher than on December 31, 2018). As of June 30, 2019, it is represented by 177,593,422 no-par value bearer shares.

The following table shows the reconciliation of the number of issued shares:

Number of shares	H1 2019 (unaudited)	2018 (audited)
Shares outstanding on January 1	177,416,497	153,961,654
Issue of new shares against capital contribution in cash	0	15,323,121
Conversion of convertible bond	0	7,987,972
Conversion of convertible participation rights	176,925	143,750
As of June 30/December 31	177,593,422	177,416,497

The majority of the Company's shares are in free float.

Capital reserve

Dividend payments of EUR 92,257 k reduced the capital reserve. The share premium resulting from the conversion of 176,925 profit-participation rights resulted in an increase in capital reserves of EUR 177 k.

Revaluation Surplus

Following the relocation of the headquarters within Hamburg in the first quarter of the financial year 2018, the office space that had previously been used as owner-occupied property reverted to investment property and was revalued at fair value. The fair value revaluation resulted in an increase in the carrying amount of these areas in the amount of EUR 3,485 k. The increase in value was recognized in other comprehensive income 2018 and allocated to the revaluation surplus.

Treasury shares

As of June 30, 2019, the Company held no treasury shares.

8.2 Financial liabilities

As of June 30, 2019, alstria's total interest-bearing debt, which consists of corporate bonds and loan balances drawn, amounted to EUR 1,311,700 k (as of December 31, 2018, it was EUR 1,345,700 k). The lower carrying amount of EUR 1,311,399 k (non-current: EUR 1,267,120 k; current: EUR 44,279 k) takes into account the interest liabilities and transaction costs that are allocated according to the effective interest rate method at the time when the loans in question were taken out. Financial liabilities with a maturity of up to one year are recognized as current loans. The fair value of non-current and current financial liabilities amounted to EUR 1,210,064 k as at the reporting date.

In addition to the bank loans in the nominal amount of EUR 195,900 k and the promissory note loan (Schuldschein) with a nominal value of EUR 114,000 k, the debt position as at June 2019 mainly consists of corporate bonds in the nominal amount of EUR 1,001,800 k.

For a detailed description of the loans, including their terms and securities, please refer to the 'Financial liabilities' section in the Group's interim management report for the second quarter of 2019 (see page 11) and to Section 7.3 of the consolidated financial statements as of December 31, 2018.

9. Dividends paid

	2019 (unaudited)	2018 (unaudited)
Dividends on ordinary shares ¹⁾ in EUR k (not recognized as a liability as of June 30)	92,257	92,170
Dividend per share (EUR)	0.52	0.52

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

The alstria office REIT-AG Annual General Meeting, held on Mai 22, 2019, resolved to distribute dividends totaling EUR 92,257 k (EUR 0.52 per outstanding share). The dividends were distributed on May 27, 2019.

10. Employees

In the period from January 1 to June 30, 2019, the Company had, on average, 151 employees (average for January 1 to June 30, 2018: 128 employees). The average number of employees was calculated based on the total number of employees at the end of each month. On June 30, 2019, 155 people (December 31, 2018: 149 people) were employed at alstria office REIT-AG, not including the Management Board.

11. Share-based remuneration

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

The development of the virtual shares and stock awards through June 30, 2019, is shown in the following table:

Number of virtual shares and stock awards	H1 2019 (unaudited)		2018 (audited)	
	LTI	STI	LTI	STI
As of January 1	273,730	17,662	295,434	20,166
Granted in the reporting period	62,354	0	63,042	8,313
Terminated in the reporting period	-72,926	-9,349	-84,746	-10,817
As of June 30 / December 31	263,158	8,313	273,730	17,662

In the first half of 2019, the LTI and the STI generated remuneration expenses with a total balance of EUR 1,466 k (expenses in H1 2018: EUR 651 k). In addition, the LTI and STI resulted in provisions amounting to EUR 2,446 k at the end of the reporting period (December 31, 2018: EUR 2,563 k). 72,926 virtual shares from the LTI and 9,349 virtual shares from the STI were exercised in the first quarter of 2019, resulting in payments of EUR 1,489 k. The Group recognizes the obligation arising from vested virtual shares that were issued as cash-settled share-based payments as items within other provisions. The 62,354 stock awards issued under the LTI in the reporting period are equity-settled share-based payments, the change in value of which is taken into account in the capital reserve. Please refer to Section 13.1 of the consolidated financial statements as at December 31, 2018, for a detailed description of the employee profit participation rights program.

12. Convertible profit participation rights program

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

Number of certificates

Granting date of tranche	May 19, 2017	April 27, 2018	May 23, 2019	Total
January 1, 2019	177,675	206,075	0	383,750
Expired due to termination of employment	-750	0	0	-750
Converted	-176,925	0	0	-176,925
Newly granted certificates	0	0	252,375	252,375
June 30, 2019	0	206,075	252,375	458,450

For a detailed description of the employee profit participation rights programme, please refer to Section 13.2 of the consolidated financial statements as at December 31, 2018.

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

On July 25, 2019, the purchase agreement for the acquisition of an office property in Düsseldorf was signed. The transaction volume amounts to EUR 7,750 k. The transfer of benefits and burdens is expected in the third quarter of the financial year.

15. Management board

As at June 30, 2019, 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 at June 30, 2019, are listed below:

Dr. Johannes Conradi (Chairman)
Mr. Richard Mully (Vice-Chairman)
Dr. Bernhard Düttmann
Ms. Stefanie Frensch
Mr. Benoît Hérault
Ms. Marianne Voigt

Hamburg, Germany, August 9, 2019

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, August 9, 2019

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

REVIEW REPORT

To the alstria office REIT-AG, Hamburg

We have reviewed the condensed interim consolidated financial statements of the alstria office REIT-AG, Hamburg – comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity and the notes to the condensed interim consolidated financial statements as at June 30, 2019 – together with the interim group management report of the alstria office REIT-AG, Hamburg, for the period from January 1 to June 30, 2019, that are part of the semi annual financial report according to § 115 WpHG ['Wertpapierhandelsgesetz': 'German Securities Trading Act']. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

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

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

Hamburg, August 9, 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Drotleff
Wirtschaftsprüfer
[German Public Auditor]

BUILDING YOUR FUTURE

alstria office REIT-AG

www.alstria.com

info@alstria.de

Steinstr. 7

20095 **Hamburg**, Germany

+49 (0)40 / 22 63 41-300

Elisabethstr. 11

40217 **Düsseldorf**, Germany

+49 (0)211 / 30 12 16-600

Platz der Einheit 1

60327 **Frankfurt / Main**, Germany

+49 (0)69 / 153 256-740

Danneckerstr. 37

70182 **Stuttgart**, Germany

+49 (0)711 / 33 5001-50

Rankestr. 17

10789 **Berlin**, Germany

+49 (0)30 / 89 67 795-00



alstria