ADLER GROUP

Q1

QUARTERLY FINANCIAL STATEMENTS 2022

Key Figures Q1

Profit and loss statement

In EUR thousand	For the three months ended 31 March 2022	31 March 2021(*)	For the year ended 31 Dec 2021
Income from rental activities	107,751	112,407	495,092
EBITDA from rental activities	48,637	54,215	227,748
EBITDA from rental activities margin	68.5%	64.3%	65.8%
EBITDA Total	43,209	25,323	208,246
FFO 1 (from rental activities)	29,750	32,327	137,072
FFO 2 (incl. disposal results and development activities)	14,847	(13,222)	60,883

(*) Prior period's revenue (increased by EUR 218.7 million), cost of operations (increased by EUR 253.5 million), income tax expense (decreased by EUR 1.9 million) and profit (decreased by EUR 32.9 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.

Further KPIs

Residential(*)	31 March 2022	31 Dec 2021
Monthly in-place rent (EUR per m^2)	EUR 7.46	EUR 7.45
Total vacancy rate	1.2%	1.1%
Number of units	27,443	27,469
Like-for-like rental growth	2.1%	2.5%

(*) All values include ground floor commercial units and exclude units under renovation and development projects.

Balance sheet

In EUR thousand except per share data	31 March 2022(*)	31 Dec 2021(*)
Fair value of properties	10,080,404	9,965,420
LTV	52.0%	50.9%
EPRA NRV	4,583,899	4,649,372
EPRA NRV per share (EUR)	39.01	39.57
EPRA NTA	4,197,861	4,268,575
EPRA NTA per share (EUR)	35.72	36.33

(*) Adjusted for BCP IFRS 5 illustration which has been disregarded; the corresponding line items have been reversed into respective balance sheet positions.

Content

Welcome to Adler Group

The Adler Group owns and manages approximately 27,500 residential rental units throughout Germany and has a development pipeline of approximately 6,000 new flats in Germany's top cities.

We want to ensure people have the living space they need – today and tomorrow. That is why we provide affordable contemporary housing and realise real estate projects that are fit for the future.

RESIDENTIAL RENTAL PORTFOLIO

27,443
units

DEVELOPMENT PIPELINE

c. 6,000
units

Adler Group Share

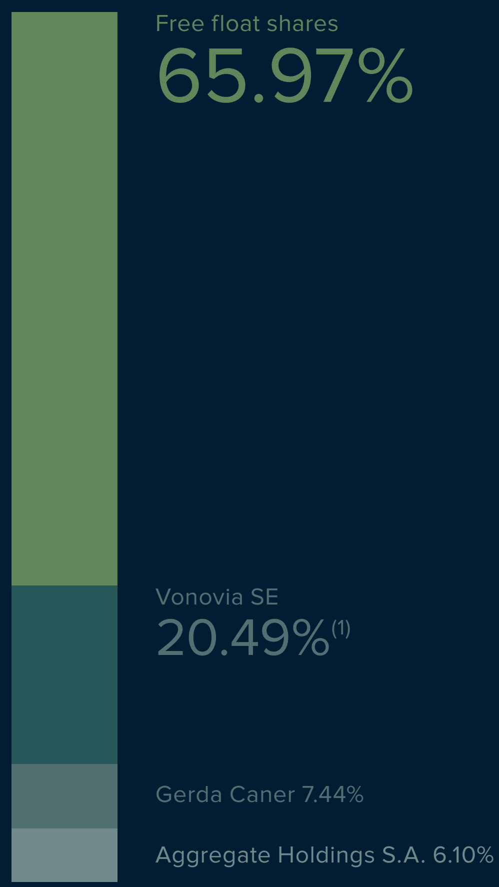
The share

Share information (as at 31 March 2022)

1st day of trading	23 July 2015
Subscription price	EUR 20.00
Price at the end of Q1 2022	EUR 12.03
Highest share price LTM	EUR 26.76
Lowest share price LTM	EUR 8.64
Total number of shares	117.5 million
ISIN	LU1250154413
WKN	A14U78
Symbol	ADJ
Class	Dematerialised shares
Free float	65.97%
Stock exchange	Frankfurt Stock Exchange
Market segment	Prime Standard
Market index	SDAX
ERPA indices	FTSE EPRA / NAREIT Global Index, FTSE EPRA / NAREIT Developed Europe Index, FTSE EPRA / NAREIT Germany Index

Shareholder structure

(as at 31 March 2022)



Key stock market data

Adler Group shares are traded on the Prime Standard of the Frankfurt Stock Exchange. During the 12 months ended 31 March 2022, the shares traded between EUR 8.64 and EUR 26.76. Adler Group shares are included in the SDAX index of Deutsche Börse and the relevant real estate sector indices of the EPRA index family.

Shareholder structure

As at 31 March 2022, the total number of outstanding shares of Adler Group amounts to 117.5 million. On that date, the main shareholder with holdings of over 5% were Vonovia SE (20.49%)[1] , Gerda Caner (7.44%) and Aggregate Holdings S.A. (6.10%)[2]. The remaining 65.97% free float shares were mainly held by institutional investors.

Dividend policy

As a dividend policy, the Company intends to pay dividends in an amount of up to 50% of FFO 1. In accordance with this dividend policy, the amount shall be distributed as annual dividends to the shareholders. The distribution of dividends is subject to a respective resolution of the annual General Meeting (AGM).

For the 2021 dividend, the Board of Directors concluded that it is not advisable for the Company to pay a dividend in the light of the existing disclaimer of opinion by the auditor. Accordingly, the Board will recommend to the coming AGM to not pay a dividend for the financial year 2021.

(1) Shares were held at a custodian until 19 April 2022 due to pending mandatory formal antitrust clearance.

(2) According to the official notifications received from the shareholders.

Interim Management Report

2 Interim Management Report

Fundamentals of the Group

Business model

Adler Group S.A. is a well-diversified residential real estate company with properties in Germany valued at EUR 10.1 billion. We hold and manage approximately 27,500 apartments in our core portfolio, with an additional 6,000 units under development in Germany's top cities.

Our business model focuses on asset and portfolio management, property and facility management and identifying residential properties throughout Germany that present opportunities to create value by increasing rents and decreasing vacancies. With our strategic landbank in the top German cities and our highly experienced development platform, we expect the build-to-hold development projects to be completed over the next 6–8 years. We will deliver new residential units in a strategic effort to address the ongoing housing shortage in Germany. Our 976 operational employees are based in several locations across Luxembourg and Germany bringing us closer to our assets and tenants.

Objectives and strategy

We focus on actively managing our core portfolio to grow earnings and improve EBITDA margins.

We focus on increasing rents through active asset management and targeted investments to modernise, refurbish and re-position our properties, while constantly screening and anticipating developments in different sub-markets. Our strategy to realise upside potential consists of the following approaches: We pursue regular rent increases up to the market levels (i) within the regulatory and legal limits as well as (ii) through tenant fluctuation. In addition, we continuously review rent potentials and pur-

RESIDENTIAL RENTAL PORTFOLIO

27,443
units

OPERATIONAL EMPLOYEES

976
people

sue growth beyond the rent tables through targeted CAPEX investments to modernise, refurbish and/or reposition our properties allowing for higher rent levels. Lastly, we reduce portfolio vacancy through active marketing with an approach tailored to the respective micro-location. Our strategy allows and also leads us to choose high quality tenants, which continuously improves our tenant structure by maintaining our portfolio assets at the market standard suitable for current demand.

We seek to optimise our portfolio and recycle capital through selective investments and disposals.

By disposing of non-core assets, we aim to streamline our rental portfolio by increasing our focus on mid and large-size cities where we can manage a critical mass of assets and simultaneously improve our profitability and portfolio KPIs. By selling selected assets at book value or above, we aim to continuously demonstrate the resilience of the German residential real estate market. Active capital recycling enables us to fund the construction of our development pipeline, which will further improve the quality of our portfolio.

Furthermore, we also expect to benefit from Consus' ongoing forward sales and condominium sales of its development projects to yield NAV accretive growth over the next three to four years.

We are committed to adding value through development and modernisation thereby driving organic growth.

Through the integration of ADLER and Consus, we have grown and diversified our business by securing a clear and profitable organic growth path which rests upon our high quality build-to-hold development pipeline with a current gross asset value (GAV) of EUR 900 million. We aim to develop approximately 500,000 m^2 of additional rental area across 6,000 additional rental units in Germany's top cities over the next ten years. In addition to that, selected CAPEX and modernisation measures in our core portfolio will elevate the quality of our rental portfolio and simultaneously improve the energy efficiency.

We plan to further simplify our capital structure.

We intend to simplify our capital structure. Our financial policy includes a sustainable target of LTV below 50% in the medium-term, without equity raising requirements.

We target continuous dividends with a payout ratio of up to 50% of our annual FFO 1 (from rental activities).

Our portfolio and operational excellence combined with our sustainable financing strategy allows us to distribute stable dividends on an annual basis with a targeted payout ratio of up to 50% of FFO 1 (from rental activities).

For the 2021 dividend, the Board of Directors concluded that it is not advisable for the Company to pay a dividend in the light of the existing disclaimer of opinion by the auditor. Accordingly, the Board will recommend to the coming AGM to not pay a dividend for the financial year 2021.

Corporate Governance

The Company's corporate governance practices are governed by Luxembourg Law (particularly the Luxembourg law of 10 August 1915 on commercial companies, as amended) and the Company Articles. As a Luxembourg company with its shares admitted to trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, the Company is not subject to any specific mandatory corporate governance rules. The corporate governance practices applied by the Company are those applied under general Luxembourg law.

Composition of the Board

As at 31 March 2022, the Board comprised as follows:

Prof. Dr. A. Stefan Kirsten, Chairman
Independent Director

Dr. Peter Maser, Deputy Chairman
Independent Director

Mr Maximilian Rienecker
Director

Mr Thierry Beaudemoulin
Director

Ms Arzu Akkemik
Independent Director

Mr Claus Jørgensen
Independent Director

Mr Thilo Schmid
Independent Director

Mr Thomas Zinnöcker
Independent Director

Note: Due to the disclaimer of opinion by the auditor on the consolidated financial statements and the annual accounts of Adler Group S.A., all members of the Board of Directors who held a mandate in 2021 offered their resignation on 30 April 2022 with immediate effect. For the continuity of the Company, the resignations of Thilo Schmid, Thomas Zinnöcker and Co-CEO Thierry Beaudemoulin were only accepted with effect as of the date of the General Meeting of the Company on 29 June 2022. At the time of publication of this report, the Board of Directors consists of the Chairman of the Board of Directors Prof. Dr. A. Stefan Kirsten, the CEO and Daily Manager Thierry Beaudemoulin, Thilo Schmid and Thomas Zinnöcker. At the General Meeting the board will then stand for reelection.

Portfolio Overview

Business performance highlights

As at 31 March 2022, our residential rental portfolio has a strong focus on Berlin as well as some other larger cities primarily in North Rhine-Westphalia such as Duisburg and Düsseldorf.

The size of the residential rental portfolio has decreased significantly due to a large portfolio disposal completed in 2021 as well as further portfolio disposals in 2022 which have partly been carried out already with corresponding assets being reclassified to assets held-for-sale as at 31 March 2022.

The figures shown in this section show the residential core portfolio and do not comprise any assets classified as held-for-sale (with the exception of maintenance and CAPEX figures which are based on the total residential portfolio in Q1 2022).

Portfolio overview(*)

Location	Fair value EUR m Q1 22	Fair value EUR/m² Q1 22	Units	Lettable area m²	NRI(**) EUR m Q1 22	Rental yield (in-place rent)	Vacancy Q1 22	Vacancy Δ YoY LFL	Q1 22 Avg. Rent EUR/m²/ month	NRI Δ YoY LFL	Rever-sionary potential
Berlin	4,974	3,629	19,804	1,370,442	131.9	2.7%	0.8%	(0.9%)	8.04	2.3%	21.4%
Other	709	1,456	7,639	486,898	33.5	4.7%	2.5%	0.2%	5.88	1.4%	17.1%
Total	**5,683**	**3,060**	**27,443**	**1,857,340**	**165.4**	**2.9%**	**1.2%**	**(0.6%)**	**7.46**	**2.1%**	**20.6%**

(*) All values include ground floor commercial units and exclude units under renovation and development projects.
(**) Annualised net rental income.

In addition to our financial performance indicators, we also use the following non-financial operating performance indicators.

The vacancy rate shows the ratio of m^2 of vacant units in our properties to total m^2. Vacancy rate is used as an indicator of the current letting performance.

The in-place rent per m^2 provides an insight into the average rental income from the rented properties. It serves as an indicator of the current letting performance.

The like-for-like rental growth is the change rate of the net rents generated by the like-for-like residential portfolio over the last 12 months.

All of the above-described non-financial performance indicators are key drivers for the development of rental income.

The total amounts spent on maintenance and CAPEX in relation to the total lettable area of our portfolio are further operational figures to ensure an appropriate level of investment in our real estate portfolio.

Portfolio performance

Residential portfolio(*)

	31 March 2022	31 Dec 2021
Number of units	27,443	27,469
Average rent/m^2/month	EUR 7.46	EUR 7.45
Vacancy	1.2%	1.1%

(*) All values include ground floor commercial units and exclude units under renovation and development projects.

The average rent per m^2 increased to EUR 7.46 in the course of the year, while the vacancy rate marginally increased to 1.2% due to seasonal effects.

AVERAGE RESIDENTIAL IN-PLACE RENT

EUR/M^2/MONTH

7.46

LIKE-FOR-LIKE RENTAL GROWTH

2.1%

Like-for-like rental growth(*)

In %	LTM(**) 31 March 2022	1 Jan - 31 Dec 2021
Like-for-like rental growth	2.1%	2.5%

(*) All values include ground floor commercial units and exclude units under renovation and development projects.
(**) Last 12 months (LTM).

Like-for-like rental growth of our Berlin portfolio amounted to 2.3% while like-for-like rental growth of the remaining portfolio stood at 1.4%.

Our fully integrated active asset management is focused on rental growth and employs dedicated strategies to drive all relevant components. In units that require modernisation, we invest CAPEX to improve quality to meet today's standards and regulations. Applying the relevant regulatory framework accurately and efficiently is key to our success in maximising rental growth for our let units.

Maintenance and CAPEX

In EUR per m^2	1 Jan - 31 March 2022	1 Jan - 31 Dec 2021
Maintenance	0.8	5.2
CAPEX	8.0	21.8
Total	**8.8**	**27.0**

Maintenance and CAPEX

In EUR million	1 Jan - 31 March 2022	1 Jan - 31 Dec 2021
Maintenance	2.8	23.1
CAPEX	26.6	97.1
Total	**29.4**	**120.2**

Total investment in the portfolio amounted to EUR 29.4 million resulting in the maintenance and CAPEX cost per m^2 in the first three months of 2021 amounting to EUR 8.8. Please note that both maintenance and CAPEX figures cover investments in the total yielding asset portfolio (including assets classified as held for sale).

Vacancy split

Our active asset management aims to minimise our vacancy rate while keeping the necessary flexibility for our portfolio optimisation.

Vacancy(*)

	31 March 2022	31 Dec 2021
Total vacancy (units)	337	309
Total vacancy (m^2)	22,715	20,360
Total vacancy rate	1.2%	1.1%

(*) All values include ground floor commercial units and exclude units under renovation and development projects.

VACANCY RATE

TOTAL PORTFOLIO

1.2%

Financial Overview

Financial performance indicators

The European Public Real Estate Association (EPRA) changed its definition of net asset value (NAV) in October 2019 and it was applied for the first time in the 2020 financial year. The key figures NAV and NNNAV have been replaced by three new figures: Net Reinstatement Value (NRV), Net Tangible Asset (NTA) and Net Disposal Value (NDV).

In addition to the new EPRA NAV metrics, we continue to show EPRA NAV based on the previous EPRA Best Practice Recommendations (BPRs).

EPRA NAV represents the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value of financial hedging derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Similarly, trading properties are adjusted to their fair value under the EPRA NAV measure.

EPRA NAV makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.

Adler Group has an outstanding convertible bond, which might be converted into equity at maturity. To take this fact into account, we present all the NAV metrics on a diluted basis as well which includes the fair value of the convertible bond and the fully diluted number of shares at the corresponding reporting date.

Calculation of EPRA NAV

	Total equity attributable to owners of the Company
(+)	Revaluation of inventories[1)]
(–)	Fair value of financial instruments[2)]
(–)	Deferred taxes[3)]
	= **EPRA NAV**

1) Difference between inventories carried in the balance sheet at cost (IAS 2) and the fair value of inventories.

2) Fair value of financial instruments that are used for hedging purposes where the Company has the intention of keeping the hedge position until the end of the contractual duration.

3) For EPRA NAV and EPRA NRV: Deferred taxes as per the IFRS balance sheet in respect of the difference between the fair value and the tax book value of investment property, development property held for investment, intangible assets, or other non-current investments.

For EPRA NTA: Only deferred taxes relating to the proportion of the portfolio that is intended to be held in the long-run and not sold are excluded.

The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis. Assets and liabilities which are not expected to crystallise in normal circumstances, such as the fair value movements on financial hedging derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Since the indicator also aims at reflecting what would be needed to recreate the Company through the investment markets based on its current capital and financing structure, related costs (such as real estate transfer taxes) are included.

Calculation of EPRA NRV

Total equity attributable to owners of the Company	
(+)	Revaluation of inventories[1]
(–)	Fair value of financial instruments[2]
(–)	Deferred taxes[3]
(+)	Real estate transfer tax[4]
= **EPRA NRV**	

4) For EPRA NRV: Real Estate Transfer Tax on investment properties is the gross value as provided in the valuation certificate (i.e., the value prior to any deduction of purchasers' costs).
For EPRA NTA: The Company has a history of successfully completing share deals; and there is a reasonable expectation that the Company can also do so in the future. Therefore, transfer tax optimisation adjustment has been used by applying the implied average transfer tax consistently achieved in the past.

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes that entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

Calculation of EPRA NTA

Total equity attributable to owners of the Company	
(+)	Revaluation of inventories[1]
(–)	Fair value of financial instruments[2]
(–)	Deferred taxes[3]
(–)	Goodwill
(+)	Real estate transfer tax[4]
= **EPRA NTA**	

EPRA Net Disposal Value presents a scenario where deferred tax, financial instruments and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax. This measure should not be viewed as a "liquidation NAV" because, in many cases, fair values do not represent liquidation values.

Calculation of EPRA NDV

Total equity attributable to owners of the Company	
(+)	Revaluation of inventories[1]
(–)	Fair value of fixed interest rate debt[5]
(–)	Goodwill
= **EPRA NDV**	

5) The difference between the fair value of fixed interest rate debt and book value included in the balance sheet as per IFRS.

NOI (net operating income) equals total revenue from the property portfolio less all reasonably necessary operating expenses. Aside from rent, a property might also generate revenue from parking and service fees. NOI is used to track the real estate portfolio's capability of generating income.

EBITDA from rental activities is an indicator of a company's financial performance and is calculated by deducting the overhead costs from NOI. It is used as a proxy to assess the recurring earnings potential of the letting business.

EBITDA Total can be derived by adding the net profit from project development activities, the fair value gain from build-to-hold development and the net profit from privatisations to EBITDA from rental activities.

In addition, we present the NOI margin from rental activities – calculated as NOI divided by net rental income, as well as EBITDA margin from rental activities – calculated as EBITDA from rental activities divided by net rental income. These metrics are useful to analyse the operational efficiency at real estate portfolio level as well as at company level.

Calculation of EBITDA (from rental activities)

	Net rental income
(+)	Income from facility services and recharged utilities costs
=	**Income from rental activities**
(–)	Cost from rental activities[6)]
=	**Net operating income (NOI) from rental activities**
(–)	Overhead costs from rental activities[7)]
=	**EBITDA from rental activities**

6) Cost from rental activities is the aggregate amount of (a) Salaries and other expenses related to rental activities; (b) Net cost of utilities recharged; and (c) Property operations and maintenance, excluding one-off costs. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

7) Overhead costs from rental activities represent the “General and administrative expenses” from the profit or loss statement excluding one-off costs and depreciation and amortisation relating to rental activities. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective like impairment losses on trade receivables.

Calculation of EBITDA Total

	Income from rental activities
(+)	Income from property development
(+)	Income from real estate inventories disposed of
(+)	Income from other services
(+)	Income from selling of trading properties
=	**Revenue**
(–)	Cost from rental activities[6)]
(–)	Other operational costs from development and privatisation sales[8)]
=	**Net operating income (NOI)**
(–)	Overhead costs from rental activities[7)]
(–)	Overhead costs from development and privatisation sales[9)]
(+)	Profit from portfolio sales[10)]
(+)	Fair value gain from build-to-hold development[11)]
=	**EBITDA Total**
(–)	Net cash interest[12)]
(+/–)	Other net financial costs[13)]
(–)	Depreciation and amortisation
(+)	Change in fair value of investment properties
(+/–)	Other expenses/income[14)]
(–)	Net income from at-equity valued investment[15)]
=	**EBT**

8) Other operational costs from development and privatisation sales is the aggregate amount of (a) Costs of real estate inventories disposed of; (b) Costs of property development; and (c) Costs of selling of trading property (condominiums) excluding one-off costs and depreciation and amortisation. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

9) Overhead costs from development and privatisation sales represent the “General and administrative expenses” from the profit or loss statement excluding one-off costs and depreciation and amortisation excluding costs relating to rental activities. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

10) Profit from portfolio sales includes the disposals of IAS 40 properties. This position compares the proceeds generated from the disposal with the last recognised book value and also deducts the related costs of this sale.

11) Our internally developed build-to-hold portfolio allows the Company to generate fair value gain.

12) Net cash interest is equal to “Interest on other loans and borrowings”, excluding day-1 fair value non-cash adjustment and interest capitalised for development projects, plus the nominal interest expense on bonds.

13) Other net financial costs is equal to the total “Net finance costs” from the profit or loss statement less “Net cash interest” as calculated in footnote 12) above.

14) Other expenses/income relates to adjustments for one-off costs which include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

15) Net income from at-equity valued investment from the profit and loss statement.

Starting with EBITDA from rental activities, we calculate the main performance figure in the sector, FFO 1 (from rental activities). This KPI serves as an indicator of the sustained operational earnings power after cash interest expenses and current income taxes of our letting business.

Calculation of FFO 1 (from rental activities)

EBITDA from rental activities

(–)	Net cash interest relating to rental activities[16]
(–)	Current income taxes relating to rental activities[17]
(–)	Interest of minority shareholders[18]

= **FFO 1 (from rental activities)**

16) Net cash interest relating to rental activities is equal to "Interest on other loans and borrowings" relating to rental activities, excluding day-1 fair value non-cash adjustment, plus the nominal interest expense on bonds.

17) Only current income taxes relating to rental activities.

18) Interest of minority shareholders in ADLER's subsidiary Brack Capital Properties N.V. ("BCP") as ADLER's share is only 62.78% as at 31 December 2021.

Starting from EBITDA Total, we calculate FFO 2 (incl. disposal results and development activities). FFO 2 is used to indicate the total operational earnings power.

Calculation of FFO 2 (incl. disposal results and development activities)

EBITDA Total

(–)	Net cash interest[12]
(–)	Current income taxes[19]
(–)	Interest of minority shareholders[18]

= **FFO 2 (incl. disposal results and development activities)**

19) Current income taxes as presented in the financial statements exclude the income tax relating to the disposal of the non-core portfolio.

The loan-to-value ratio (LTV ratio) indicates the degree to which the net financial liabilities, calculated as the book value of the interest-bearing loans and borrowings plus bonds less cash and cash equivalents, are covered by the fair market value of the real estate portfolio. This indicator helps us to ensure a sustainable ratio of borrowings compared to the fair value of our real estate portfolio.

The LTV ratio was adjusted to align with the methodology of ADLER Real Estate AG. The net financial liabilities are adjusted for selected financial assets like purchase price receivables and financial assets, among others. The fair value of the properties includes advances paid in respect of investment properties and is adjusted for property, plant and equipment used for energy management and property management services and for investments in real estate companies.

Calculation of LTV

Bonds, other loans and borrowings

(+)	Convertible bonds
(–)	Cash and cash equivalents
(–)	Selected financial assets[20]
(–)	Contract assets
(–)	Assets and liabilities classified as held for sale
=	**Net financial liabilities**
(+)	Fair value of properties[21]
(+)	Investment in real estate companies[22]
=	**GAV (Gross Asset Value)**

= **Loan-to-value ratio (LTV ratio)**

20) Including financial receivables, trade receivables from the sale of real estate investment and other financial assets.

21) Including investment properties and inventories at their fair value, advances paid in respect of investment properties as well as property, plant and equipment used for energy management and property management services at its book value as at the reporting date.

22) Including investments accounted under the equity method from the consolidated financial statements.

We believe that the alternative performance measures described in this section constitute the most important indicators for measuring the operating and financial performance of the Group's business.

We expect all of the above-described alternative performance measures to be of use for our investors in evaluating the Group's operating performance, the net value of the Group's property portfolio and the level of the Group's indebtedness.

Due to rounding, the figures reported in tables and cross-references may deviate from their exact values as calculated.

Profit situation

EBITDA from rental activities decreased mainly in Q1 2022 compared to 2021 as a result of the disposal of the Northern portfolio to LEG. EBITDA Total has decreased in 2022 compared to 2021 mainly due to lower income from rental activities and property development.

For Q1 2022 the FFO 1 amounts to EUR 29.7 million and translates into a per share basis of EUR 0.25, whereas the FFO 2 accounts for EUR 14.8 million and EUR 0.13 per share.

As at 31 March 2022 the total interest-bearing nominal debt amounted to around EUR 7.6 billion. As at Q1 2022, our average interest rate on all outstanding debt is 2.2%, with a weighted average maturity of 3.7 years and an interest coverage ratio of 2.15(*).

(*) The interest coverage ratio ("ICR") is defined as the EBITDA Total relative to the net cash interest in the most recent four consecutive quarters.

EBITDA

EBITDA from rental activities

	For the three months ended		For the year ended
In EUR thousand	**31 March 2022**	**31 March 2021**	**31 Dec 2021**
Net rental income	71,050	84,348	346,188
Income from facility services and recharged utilities costs	36,701	28,059	148,904
Income from rental activities	**107,751**	**112,407**	**495,092**
Cost from rental activities	(43,674)	(44,628)	(216,775)
Net operating income (NOI) from rental activities	**64,077**	**67,779**	**278,317**
NOI from rental activities margin (%)	**90.2%**	**80.4%**	**80.4%**
Overhead costs from rental activities	(15,441)	(13,565)	(50,569)
EBITDA from rental activities	**48,637**	**54,215**	**227,748**
EBITDA margin from rental activities (%)	**68.5%**	**64.3%**	**65.8%**

EBITDA Total

	For the three months ended		For the year ended
In EUR thousand	**31 March 2022**	**31 March 2021(*)**	**31 Dec 2021**
Income from rental activities	107,751	112,407	495,092
Income from property development	15,517	45,570	122,969
Income from other services	5,493	6,051	18,126
Income from real estate inventory disposed of	-	218,667	502,108
Income from sale of trading properties	365	1,940	5,437
Revenue	**129,126**	**384,635**	**1,143,732**
Cost from rental activities	(43,674)	(44,628)	(216,775)
Other operational costs from development and privatisation sales	(22,123)	(293,998)	(611,416)
Net operating income (NOI)	**63,329**	**46,009**	**315,541**
Overhead costs from rental activities	(15,441)	(13,565)	(50,569)
Overhead costs from development and privatisation sales	(4,679)	(7,121)	(19,674)
Profit from portfolio sales(**)	-	-	45,638
Fair value gain from build-to-hold development(***)	-	-	(82,690)
EBITDA Total	**43,209**	**25,323**	**208,246**
Net cash interest	(22,779)	(31,809)	(97,903)
Other net financial costs	(31,039)	(27,090)	(284,566)
Depreciation and amortisation	(5,986)	(3,841)	(19,688)
Other income/(expenses)	(61,229)	(16,986)	(1,281,721)
Change in valuation	69,318	200,895	452,195
Net income from at-equity valued investments	346	-	758
EBT	**(8,159)**	**146,493**	**(1,022,680)**

(*) Prior period's revenue (increased by EUR 218.7 million), cost of operations (increased by EUR 253.5 million), income tax expense (decreased by EUR 1.9 million) and profit (decreased by EUR 32.9 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.
(**) Contains the profit stemming from the KKR/Velero transaction.
(***) Previous year's figures adjusted for reclassified projects.

FFO

FFO 1 (from rental activities)

In EUR thousand	For the three months ended 31 March 2022	31 March 2021	For the year ended 31 Dec 2021
EBITDA from rental activities	48,637	54,215	227,748
Net cash interest	(14,406)	(18,981)	(75,644)
Current income taxes	(2,040)	(947)	(5,600)
Interest of minority shareholders	(2,441)	(1,960)	(9,433)
FFO 1 (from rental activities)	**29,750**	**32,327**	**137,072**
No. of shares(*)	117,510	117,510	117,510
FFO 1 per share	**0.25**	**0.28**	**1.17**

(*) The number of shares is calculated as weighted average for the related period.

FFO 2 (incl. disposal results and development activities)

In EUR thousand	For the three months ended 31 March 2022	31 March 2021(*)	For the year ended 31 Dec 2021
EBITDA Total	43,209	25,323	208,246
Net cash interest	(22,779)	(31,809)	(97,903)
Current income taxes	(3,143)	(4,776)	(40,027)
Interest of minority shareholders	(2,441)	(1,960)	(9,433)
FFO 2	**14,847**	**(13,222)**	**60,883**
No. of shares(**)	117,510	117,510	117,510
FFO 2 per share	**0.13**	**(0.11)**	**0.52**

(*) Prior period's revenue (increased by EUR 218.7 million), cost of operations (increased by EUR 253.5 million), income tax expense (decreased by EUR 1.9 million) and profit (decreased by EUR 32.9 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.
(**) The number of shares is calculated as weighted average for the related period.

INCOME FROM RENTAL ACTIVITIES

EUR

107.8

million

FFO 1

EUR

29.7

million

Financial and asset position

The Group's total assets decreased slightly from EUR 13.0 billion on 31 December 2021 to EUR 12.8 billion as at 31 March 2022. The Company has updated the fair value of the yielding properties based on a third-party valuation.

Financial position

In EUR thousand	31 March 2022	31 Dec 2021
Investment properties and advances related to investment properties	7,201,721	7,115,862
Other non-current assets	413,081	337,179
Non-current assets	**7,614,802**	**7,453,041**
Cash and cash deposits	760,160	555,700
Inventories	1,111,898	1,093,454
Other current assets	832,810	916,541
Current assets	**2,704,868**	**2,565,695**
Non-current assets held for sale	**2,525,540**	**3,017,588**
Total assets	**12,845,210**	**13,036,324**
Interest-bearing debts	6,682,525	7,003,429
Other liabilities	771,015	730,540
Deferred tax liabilities	679,098	759,828
Liabilities classified as available for sale	**1,033,848**	**849,050**
Total liabilities	**9,166,486**	**9,342,847**
Total equity attributable to owner of the Company	**2,983,780**	**2,990,383**
Non-controlling interests	694,944	703,094
Total equity	**3,678,724**	**3,693,477**
Total equity and liabilities	**12,845,210**	**13,036,324**

In the tables below we present the new EPRA key figures as presented in the new EPRA BPRs and compare them with the previous EPRA NAV definition.

EPRA NAVs

31 March 2022(*)

In EUR thousand	NAV	NRV	NTA	NDV
Total equity attributable to owners of the Company	2,983,779	2,983,779	2,983,779	2,983,779
Revaluation of inventories	8,459	8,459	8,459	8,459
Deferred tax	883,751	883,751	788,873	-
Goodwill	-	-	(91,394)	(91,394)
Fair value of financial instruments	1,128	1,128	1,128	-
Fair value of fixed interest rate debt	-	-	-	446,503
Real estate transfer tax	-	706,781	507,016	-
EPRA NAV	**3,877,118**	**4,583,899**	**4,197,861**	**3,347,348**
No. of shares	117,510	117,510	117,510	117,510
EPRA NAV per share	**32.99**	**39.01**	**35.72**	**28.49**
Convertibles	99,384	99,384	99,384	99,384
EPRA NAV fully diluted	**3,976,502**	**4,683,283**	**4,297,245**	**3,446,731**
No. of shares (diluted)	118,694	118,694	118,694	118,694
EPRA NAV per share fully diluted	**33.50**	**39.46**	**36.20**	**29.04**

(*) Adjusted for BCP IFRS 5 illustration which has been disregarded; the corresponding line items have been reversed into respective balance sheet positions.

EPRA NAVs

31 Dec 2021(*)

In EUR thousand	NAV	NRV	NTA	NDV
Total equity attributable to owners of the Company	2,990,383	2,990,383	2,990,383	2,990,383
Revaluation of inventories	8,167	8,167	8,167	8,167
Deferred tax	947,757	947,757	857,403	-
Goodwill	-	-	(91,400)	(91,400)
Fair value of financial instruments	2,412	2,412	2,412	-
Fair value of fixed interest rate debt	-	-	-	435,476
Real estate transfer tax	-	700,654	501,611	-
EPRA NAV	**3,948,718**	**4,649,372**	**4,268,575**	**3,342,626**
No. of shares	117,510	117,510	117,510	117,510
EPRA NAV per share	**33.60**	**39.57**	**36.33**	**28.45**
Convertibles	99,025	99,025	99,025	99,025
EPRA NAV fully diluted	**4,047,743**	**4,748,397**	**4,367,600**	**3,441,651**
No. of shares (diluted)	118,694	118,694	118,694	118,694
EPRA NAV per share fully diluted	**34.10**	**40.01**	**36.80**	**29.00**

(*) Adjusted for BCP IFRS 5 illustration which has been disregarded; the corresponding line items have been reversed into respective balance sheet positions.

Loan-to-value

We fund our properties based on a conservative financing strategy with a mix of secured mortgage loans and capital market instruments.

In EUR thousand	31 March 2022(*)	31 Dec 2021(*)
Corporate bonds and other loans and borrowings	7,285,891	7,439,732
Convertible bonds	219,056	216,941
Cash and cash equivalents	(939,602)	(580,561)
Selected financial assets(**)	(726,701)	(745,310)
Net contract assets	(47,382)	(46,128)
Assets and liabilities classified as held for sale	(537,988)	(1,193,284)
Net financial liabilities	**5,253,275**	**5,091,390**
Fair value of properties (including advances)	10,080,404	9,965,420
Investment in real estate companies	29,843	32,395
Gross asset value (GAV)	**10,110,247**	**9,997,815**
Net loan-to-value	**52.0%**	**50.9%**
Net loan-to-value excluding convertibles	**49.8%**	**48.8%**

(*) Adjusted for BCP IFRS 5 illustration which has been disregarded; the corresponding line items have been reversed into respective balance sheet positions.
(**) Including financial receivables (EUR 370 million), trade receivables from the sale of real estate investment (EUR 242 million) and other financial assets (EUR 115 million).

For the LTV calculation, the net financial liabilities are adjusted for selected financial assets like purchase price receivables, among others. The fair value of the properties including advances is adjusted for property, plant and equipment used for energy management and property management services and for investments in real estate companies.

As at the reporting date, our net loan-to-value (LTV) was 52.0%.

LTV

52.0%

Material Events in the Reporting Period and Subsequent Events

A. On 13 January 2022, Adler Group announced the signing of an agreement with KKR, a leading global investment firm, on the sale of approximately 14,400 residential and commercial units, predominantly located in medium-sized cities in eastern Germany. The transaction is structured as an asset deal. The agreed purchase price corresponds to a valuation of the portfolio of EUR 1.05 billion and thus a premium on the book value reported as of 30 September 2021 and independently appraised by CBRE. Adler Group expects net cash proceeds from the transaction of around EUR 600 million. This corresponds to the amount stated in previous publications. With this cash inflow, Adler Group will further deliver on its objective of deleveraging its balance sheet and achieve its strategic goal of reducing the loan-to-value ratio (LTV) to below 50%. The signed agreement corresponds to the terms of the letter of intent concluded between Adler Group and KKR/Velero at the end of October 2021. Thus, the sale above book value provides further evidence of the intrinsic value of the Adler Group portfolio. As of the reporting date, investment properties of EUR 654 million have already been transferred to the purchaser with the remaining portion expected to be closed in 2022. Due to the fact that the investment properties were measured at the agreed sales price, the sale did not impact the profit of the reporting period, except costs of sales in the amount of EUR 1.3 million. Cash proceeds received amount to EUR 654 million and were used to repay bank loans and borrowings in the amount of EUR 336 million. In this context, early repayment fees were incurred in the amount of EUR 10.2 million (presented as finance expenses).

B. Following the completion of the acquisition of the Company's shares in Brack Capital Properties N.V. ("BCP") of approximately 7% by LEG on 6 January 2022, the Company estimates that in light of the real estate tax laws applicable in Germany, BCP's subsidiaries may be subject to a tax liability as a result of the acquisition of the shares, for which a provision was set up at EUR 20.4 million during the reporting period. Despite the fact that the amount to be paid may be lower, BCP resolved to provide for the entire amount in the first quarter of 2022.

C. On 28 January 2022, Adler Group was informed by its statutory auditor KPMG Luxembourg that due to the ongoing forensic special investigation on the allegations made by Viceroy Research Report, which should be completed prior to the issuance of an audit opinion, that it is highly unlikely that the audit of the financial statements can be concluded timely enough to allow for a publication of the audited financial statements by 31 March 2022.

D. On 31 January 2022, Dr. Michael Bütter tendered his resignation from the Board of Directors of Adler Group with effective date of 31 January 2022. This resignation is driven by the recent decision of the Supervisory Board of Union Investment Real Estate GmbH to assign Dr. Bütter additional areas of responsibility within the regulated real estate division of Union Investment with the approval of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin). After due consideration by all relevant parties, there is a consensus that these new responsibilities within Union Investment Real Estate GmbH could potentially give rise to conflicts of interest, which must be avoided in the interests of both companies.

E. On 16 February 2022, the members of the Board of Directors of Adler Group appointed Prof. Dr. A. Stefan Kirsten as new member of the Board of Directors and elected him as Chairman of the Board of Directors with immediate effect. The previous Chairman of the Board of Directors, Dr. Peter Maser, was elected as Deputy Chairman.

F. On 11 February 2022, the international rating agency Standard and Poor's (S&P) lowered the long-term issuer credit rating on Adler to "B-" from "B+" and lowered the issue ratings on its senior unsecured debt to "B" from "BB-". The ratings were placed on CreditWatch negative.

G. In May 2020, Consus had sold 7 non-strategic predominantly commercial development projects to Partners Immobilien Capital Management for a purchase price of EUR 313 million. The transfer of the project companies holding these 7 development projects was closed in December 2020. By year-end 2021, Consus had only received part of the purchase price with no assurance regarding timing and amount of the outstanding payments. Therefore, it became clear to Consus that a rescindment was the best way to proceed thereby avoiding any lengthy legal proceedings against the buyer. The rescindment was formally notarised on 31 March 2022 and is subject to certain closing conditions.

H. The loans to various companies of the Taurecon Group, representing the minority shareholder in numerous fully consolidated entities of the Company, have been streamlined and standardised with regard to terms and conditions including collaterals. The loans amount to EUR 121.4 million as of 31 March 2022 and have a uniform maturity date until 30 September 2024. The interest rate amounts to 4.30%. In addition, Taurecon has pledged the shares held by it as minority shareholder as collateral for the loans outstanding. All loans were previously measured at cost except the loan granted to Taurecon Invest IX GmbH (nominal amount as of 31 December 2021 EUR 46.3 million) which was measured at fair value through profit and loss ("FVtPL") due to the borrower's settlement option in shares. This loan was turned into a plain loan agreement (i.e. no settlement option) and includes collateral as well. The amendment resulted in the derecognition of this loan measured at FVtPL which resulted in an income of EUR 12.3 million (presented as finance income). As a result of this amendment, this loan meets the "solely payment of principal and interest criteria" and has been measured at cost subsequently.

I. During March, 2022, BCP completed a private placement of NIS 528,440,367 par value of debentures (Series B) by way of expansion of the registered series. This corresponds to a nominal amount of approximately EUR 149.9 million with an effective interest rate of approximately 1%. The proceeds from the private placement of approximately EUR 163 million were received during the reporting period. This led to cash proceeds of EUR 162.5 million and to an increase of the bonds by EUR 163.5 million. Due to the reclassification as held for sale (IFRS 5), the amount has been included in non-current liabilities held for sale and in the cash flows of the disposal group separately.

J. Current derivatives liabilities include the written call option granted by ADLER to LEG Immobilien SE to tender its remaining shares in BCP at a minimum tender offer price of EUR 157 per share. The option has been initially measured at a transaction price of EUR 7.5 million. As of 31 March 2022, the option has been remeasured at fair value using the option pricing model of Black and Scholes which includes the stock price of BCP, the volatility of the stock price and discount rates as key parameters. As of the reporting date, the fair value of the option amounts to EUR 55.3 million (EUR 38.2 million as of 31 December 2021). The increase in fair value has been presented in finance expenses (EUR 17.1 million).

K. On 4 April 2022, the new federal government decided that from 2023 landlords would also have to contribute to the CO_2 levy on heating costs. A staged model is planned, which sets the share of landlords in inverse relation to the energy efficiency of the building.

L. As announced on 16 March 2022, ADLER Real Estate AG repaid its bond (ISIN XS1843441491) in the full amount of EUR 400 million on 19 April 2022, the maturity date.

M. On 21 April 2022, Adler Group announced that KPMG Forensic had provided the Company with the final report of its comprehensive review of the allegations of Viceroy Research LLC. This report was published on the website of the Company on 22 April 2022. KPMG Forensic did not find evidence that there were systematic fraudulent and looting transactions with allegedly related parties. However, KPMG Forensic identified deficiencies in the documentation and the process handling of those transactions. Prof. Dr. Kirsten, Chairman of the Board of Directors of Adler Group, announced a programme to address the identified weaknesses in structure and process on 22 April 2022. First results of this programme are to be published prior to the Annual General Meeting of the Company on 29 June 2022.

N. Due to the disclaimer of opinion by the auditor on the consolidated financial statements and the annual accounts of Adler Group S.A., all members of the Board of Directors who held a mandate in 2021 offered their resignation on 30 April 2022 with immediate effect. For the continuity of the Company the resignations of Thilo Schmid, Thomas Zinnöcker as well as of Co-CEO Thierry Beaudemoulin were only accepted with effect as of the date of the general meeting of the Company on 29 June 2022. The Board of Directors now consists of the Chairman of the Board of Directors Prof. Dr. A. Stefan Kirsten, the CEO and Daily Manager Thierry Beaudemoulin, Thilo Schmid and Thomas Zinnöcker. At the General Meeting the Board will then stand for reelection.

O. On 3 May 2022, the Company issued a declaration of rescission regarding the sales contract of the development project Offenbach-Kaiserlei. The Company expects to sell this project to another investor in the course of the year.

P. On 5 May 2022, the international rating agency Standard and Poor's (S&P) downgraded the issuer rating of Adler Group S.A. and ADLER Real Estate AG from B- to CCC with outlook negative. The rating of the unsecured bonds was lowered from B to CCC. The ratings were removed from CreditWatch negative.

Q. On 17 May 2022, the Company announced that effective 1 June 2022, Thomas Echelmeyer will join the Senior Management of Adler Group as interim Chief Financial Officer (CFO). He will hold this position temporarily until the CFO position is finally filled. The process to find a permanent CFO is underway.

Also the Company announced that the Board of Directors concluded that it is not advisable for the Company to pay a dividend in the light of the existing disclaimer of opinion by the auditor. Accordingly, the Board will recommend to the coming AGM to not pay a dividend for the financial year 2021.

Furthermore, the Company announced that KPMG Luxembourg Société anonyme ("KPMG") informed the Company that KPMG is not available to audit the 2022 standalone and consolidated financial statements of the Company. The Company has initiated a selection process to appoint a new auditor for the Company.

Forecast Report

Forecast for 2022

Following significant disposals made from the yielding asset portfolio, we expect to generate net rental income for 2022 in the range of EUR 203–212 million and FFO 1 in the range of EUR 73–76 million.

For 2022, we anticipate a dividend payout ratio of 50% of FFO 1, subject to approval of the annual General Meeting. This would equal approximately EUR 0.32 per share given the current number of shares.

Responsibility Statement

I confirm, to the best of my knowledge, that the Condensed Interim Financial Statements of Adler Group S.A. presented in this Q1 2022 Quarterly Financial Statements, prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the net assets, financial and earnings position of the Company, and that the Interim Management Report includes a fair review of the development of the business, and describes the main opportunities, risks and uncertainties associated with the Company for the remaining nine months of the year.

Thierry Beaudemoulin

CEO

Condensed Consolidated Interim Financial Statements

3 Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Financial Position

In EUR thousand	31 Mar 2022	31 Dec 2021
Assets		
Non-current assets		
Investment properties	7,199,119	7,113,859
Investments in financial instruments	20,241	20,228
Investments accounted under the equity method	29,843	32,395
Advances related to investment properties	2,602	2,003
Property, plant and equipment	29,493	30,028
Other financial assets	153,640	73,063
Derivatives	10,034	10,433
Restricted bank deposits	42,784	42,060
Deferred expenses	-	1,602
Right-of-use assets	14,630	14,764
Goodwill	91,394	91,400
Other intangible assets	2,881	3,023
Contract assets	15,728	12,510
Deferred tax assets	2,413	5,673
Total non-current assets	**7,614,802**	**7,453,041**
Current assets		
Inventories	1,111,898	1,093,454
Restricted bank deposits	47,033	29,400
Trade receivables	382,246	379,118
Other receivables and financial assets	322,348	423,412
Contract assets	64,256	69,727
Cash and cash equivalents	760,160	555,700
Advances paid on inventories	16,927	14,884
Total current assets	**2,704,868**	**2,565,695**
Non-current assets held for sale	2,525,540	3,017,588
Total assets	**12,845,210**	**13,036,324**

In EUR thousand	31 Mar 2022	31 Dec 2021
Shareholders' equity		
Share capital	146	146
Share premium	1,844,765	1,844,765
Reserves	212,968	217,788
Retained earnings	925,900	927,684
Total equity attributable to owners of the Company	**2,983,779**	**2,990,383**
Non-controlling interests	**694,944**	**703,094**
Total equity	**3,678,723**	**3,693,477**
Liabilities		
Non-current liabilities		
Corporate bonds	4,216,885	4,211,305
Convertible bonds	99,384	99,025
Other loans and borrowings	1,735,750	2,056,810
Other financial liabilities	26,075	25,253
Derivatives	1,128	2,412
Pension provisions	1,366	1,363
Lease liabilities	10,725	10,186
Other payables	8,815	8,815
Deferred tax liabilities	679,098	759,828
Total non-current liabilities	**6,779,226**	**7,174,997**
Current liabilities		
Corporate bonds	399,847	399,047
Convertible bonds	119,672	117,916
Other loans and borrowings	110,987	119,326
Other financial liabilities	1,915	1,915
Trade payables	67,167	76,383
Other payables	403,545	357,065
Provisions	78,707	73,865
Lease liabilities	6,091	6,815
Prepayments received	77,633	92,132
Contract liabilities	32,602	36,109
Derivatives	55,247	38,227
Total current liabilities	**1,353,413**	**1,318,800**
Non-current liabilities held for sale	1,033,848	849,050
Total shareholders' equity and liabilities	**12,845,210**	**13,036,324**

Thierry Beaudemoulin

CEO

Date of approval: 30 May 2022

Condensed Consolidated Interim Statement of Profit or Loss

	For the three months ended 31 Mar	
In EUR thousand	**2022**	**2021(*)**
Revenue	129,126	384,635
Cost of operations	(84,258)	(346,136)
Gross profit	**44,868**	**38,499**
General and administrative expenses	(31,782)	(33,400)
Other expenses	(43,770)	(4,447)
Other income	6,679	3,844
Changes in fair value of investment properties	69,318	200,895
Results from operating activities	**45,313**	**205,391**
Finance income	21,393	22,403
Finance costs	(75,211)	(81,302)
Net finance income / (costs)	**(53,818)**	**(58,899)**
Net income (losses) from investments in associated companies	346	-
Profit before tax	**(8,159)**	**146,492**
Income tax expense	(1,964)	(39,032)
Profit for the period	**(10,123)**	**107,460**
Profit attributable to:		
Owners of the Company	(1,973)	83,186
Non-controlling interests	(8,150)	24,274
Profit for the period	**(10,123)**	**107,460**
Earnings per share in EUR (undiluted)	**(0.02)**	**0.74**
Earnings per share in EUR (diluted)	**(0.02)**	**0.74**

(*) Prior period's revenue (increased by EUR 218.7 million), cost of operations (increased by EUR 253.5 million), income tax expense (decreased by EUR 1.9 million) and profit (decreased by EUR 32.9 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.

Condensed Consolidated Interim Statement of Comprehensive Income

In EUR thousand	For the three months ended 31 Mar 2022	2021(*)
Profit for the period	**(10,123)**	**107,460**
Items that may be reclassified subsequently to profit or loss		
Hedging reserve classified to profit or loss, net of tax	-	95
Effective portion of changes in fair value of cash flow hedges	420	172
Related tax	98	62
Currency translation reserve	198	1,979
Reserve from financial assets measured at fair value through other comprehensive income	(5,536)	(1,337)
Items that may not be reclassified subsequently to profit or loss		
Reserve from financial assets measured at fair value through other comprehensive income	-	-
Total other comprehensive income / (loss)	**(4,820)**	**971**
Total comprehensive income for the period	**(14,943)**	**108,431**
attributable to:		
Owners of the Company	(6,793)	84,157
Non-controlling interests	(8,150)	24,274
Total comprehensive income for the period	**(14,943)**	**108,431**

(*) Prior period's profit (decreased by EUR 32.9 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.

Condensed Consolidated Interim Statement of Cash Flows

	For the three months ended 31 Mar	
In EUR thousand	**2022**	**2021[*]**
Cash flows from operating activities		
Profit for the period	(10,123)	107,460
Adjustments for:		
Depreciation	5,889	-
Profit from disposal of portfolio	-	3,866
Change in fair value of investment properties	(69,318)	(200,895)
Non-cash other income and expense	34,298	3,748
Change in contract assets	2,253	(11,595)
Change in contract liabilities	(3,507)	(8,652)
Non-cash income from at-equity valued investment associates	(346)	-
Net finance costs / (income)	53,818	58,899
Income tax expense	1,964	39,032
Share-based payments	189	189
Change in short-term restricted bank deposits related to tenants	3,901	1,473
Change in long-term restricted bank deposits from condominium sales	818	1,880
Change in trade receivables	20,862	(106,025)
Change in other receivables	(56,026)	11,226
Change in inventories	(18,444)	254,348
Change in advances received	(14,500)	7,743
Change in trade payables	(15,299)	(90,152)
Change in other payables	10,762	(50,982)
Income tax paid	(18,396)	(2,832)
Net cash from operating activities	**(71,205)**	**18,731**
Cash flows from investing activities		
Purchase of and CAPEX on investment properties	(37,192)	(69,600)
Advances paid for purchase of investment properties	15	-
Grant of long-term loans	-	(3,705)
Proceeds from disposals of investment properties	662,513	141,464
Investments in financial instruments	-	(60,283)
Purchase of and CAPEX on property, plant and equipment	(665)	(708)

	For the three months ended 31 Mar	
In EUR thousand	**2022**	**2021(*)**
Interest received	3,591	1
Proceeds from sale of financial instruments	64,911	-
Proceeds from sale of fixed assets	175	611
Change in short-term restricted bank deposits, net	(17,119)	4,865
Net cash from (used in) investing activities	**676,229**	**12,645**
Cash flows from financing activities		
Acquisition of non-controlling interests	-	(19,161)
Repayment of bonds	-	(329,580)
Long-term loans received	9,971	614,181
Repayment of long-term loans	(336,473)	(1,243,716)
Proceeds from issuance of corporate bonds, net	162,518	1,460,938
Upfront fees paid for credit facilities	(438)	(28)
Repayment of short-term loans	-	(54,765)
Interest paid	(50,609)	(73,342)
Payment of lease liabilities	(1,857)	(2,463)
Transaction costs	(27,850)	(3,734)
Prepaid costs of raising debt	(1,245)	(864)
Tax payments	-	(15,360)
Proceeds from issuance of commercial papers	-	-
Net cash from (used in) financing activities	**(245,983)**	**332,106**
Change in cash and cash equivalents during the period	**359,041**	**363,482**
Changes in cash and cash equivalents in connection with disposal of non-current assets and groups held for sale	**(154,581)**	**-**
Cash and cash equivalents at the beginning of the period	**555,700**	**371,574**
Cash and cash equivalents at the end of the period	**760,160**	**735,056**

(*) Prior period's profit (decreased by EUR 32.9 million), net cash from operating activities (decreased by 4.5 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.

Condensed Consolidated Interim Statement of Changes in Equity

In EUR thousand	Share capital	Share premium	Hedging reserve	Currency translation reserve	Other capital reserves	Reserve financial assets measu-red at FVTOCI	Retained earnings	Total	Non-con-trolling interests	Total equity
Balance as at 1 January 2022(*)	**146**	**1,844,765**	**573**	**24,803**	**315,746**	**(123,334)**	**927,684**	**2,990,383**	**703,094**	**3,693,477**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	(1,973)	(1,973)	(8,150)	(10,123)
Other comprehensive income, net of tax	-	-	518	198	-	(5,536)	-	(4,820)	-	(4,820)
Total comprehensive income (loss) for the period	**-**	**-**	**518**	**198**	**-**	**(5,536)**	**(1,973)**	**(6,793)**	**(8,150)**	**(14,943)**
Transactions with owners, recognised directly in equity										
Transactions with non-controlling interest without a change in control (Note 5D)	-	-	-	-	-	-	-	-	-	-
Change in consolidation scope related to sale	-	-	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	189	189	-	189
Balance as at 31 March 2022	**146**	**1,844,765**	**1,091**	**25,001**	**315,746**	**(128,870)**	**925,900**	**2,983,779**	**694,944**	**3,678,723**

In EUR thousand	Share capital	Share premium	Hedging reserve	Currency translation reserve	Other capital reserves	Reserve financial assets measu-red at FVTOCI	Retained earnings	Total	Non-con-trolling interests	Total equity
Balance as at 1 January 2021[*]	**146**	**1,892,145**	**(372)**	**(3,560)**	**264,903**	**(114,263)**	**2,086,788**	**4,125,787**	**774,192**	**4,899,979**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	83,186	83,186	24,274	107,460
Other comprehensive income, net of tax	-	-	330	1,979	-	(1,338)	-	971	-	971
Total comprehensive income (loss) for the period	**-**	**-**	**330**	**1,979**	**-**	**(1,338)**	**83,186**	**84,157**	**24,274**	**108,431**
Transactions with owners, recognised directly in equity										
Transactions with non-controlling interest without a change in control (Note 5)	-	24,939	-	-	-	-	-	24,939	(44,100)	(19,161)
Change in consolidation scope related to sale	-	-	-	-		-	141	141	(55,643)	(55,502)
Share-based payment	-	-	-	-	-	-	189	189	-	189
Balance as at 31 March 2021[*]	**146**	**1,917,084**	**(42)**	**(1,581)**	**264,903**	**(115,601)**	**2,170,304**	**4,235,213**	**698,723**	**4,933,936**

(*) Prior period's profit (decreased by EUR 32.9 million) retrospectively restated. Refer to Note 4.O of the Annual Report 2021.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Financial Calendar 2022

Adler Group S.A.

29 June 2022	**Annual General Meeting**
31 August 2022	**Publication Q2 2022 Results**
30 November 2022	**Publication Q3 2022 Results**

Online Financial Calendar

www.adler-group.com

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QUARTERLY FINANCIAL
STATEMENTS 2022