

**Q3**

**2021**

# Results presentation

30 November 2021



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# Strong Q3 2021 results

## FINANCIAL PERFORMANCE



- NRI +28% to €259m
- FFO 1 +36% to €101.9m
- NTA per share up +13% to €42.60/share
- LTV stands at 57.0%
- Average cost of debt at 2.1%

## PORTFOLIO & DEVELOPMENTS



- +3.9% like-for-like rental growth
- Avg. residential rent €6.61/sqm
- +8.7% like-for-like fair value uplift in the yielding portfolio
- Vacancy at 3.3%, down from 3.9%
- Build-to-hold under construction at 36% completion

## ESG ACHIEVEMENTS



- Entering the top 5% of real estate companies globally
- ESG report published
- Sustainalytics rating obtained
- Strong commitment to further enhance ESG rating

## Keep up traction

- ✓ **Strong +8.7% value uplift**  
*CAPEX and strong rental growth driving portfolio valuations*
- ✓ **Upcoming maturities well covered**  
*Given cash on hand, disposal proceeds and liquidity facilities*
- ✓ **Term sheets signed for strategic asset disposals**  
*Two transactions valued at c. €2.4bn proving the quality of our assets*
- ✓ **Guidance confirmed**  
*NRI full-year guidance of €340-345m, FFO 1 of €135-140m*

# Portfolio & Operational Performance

# Strong LFL rental growth of +3.9% driving valuation

## TERM SHEET WITH LEG CONCLUDED

- ✓ **Term sheet signed** with **LEG Immobilien SE** on 11 October regarding the sale of c. **15,500 units** based on a real estate **value of c. €1.4bn** which is above the respective book values
- ✓ With disposed units located in **Wilhelmshaven and other medium-sized cities**, the remaining portfolio will be more focused on Germany's top 7 cities
- ✓ **Closing** of the transaction is **expected** to take place **by the end of 2021**

## ADDITIONAL PORTFOLIO DISPOSAL

- ✓ On 26 October, **term sheet signed** with a leading alternative investment firm in order to sell c. **14,300 units** for the agreed transaction valuation of **c. €1bn** (premium to the book values)
- ✓ The units are mainly located in the **Eastern part of Germany** which will further increase the quality of the remaining portfolio
- ✓ This intended transaction with **expected closing in Q1 2022** concludes the initiated strategic review process

## VALUE UPLIFT AND FURTHER PORTFOLIO IMPROVEMENTS

- ✓ Portfolio **value of yielding assets increased by €626m** resulting in a **+8.7% LFL uplift** in the first nine months of 2021 on the back of a +3.9% LFL rent increase
- ✓ **Residential average rent** increased significantly from €6.20/sqm to **€6.61/sqm**
- ✓ **Vacancy** of the **total portfolio** at a structurally low level of **3.3%**

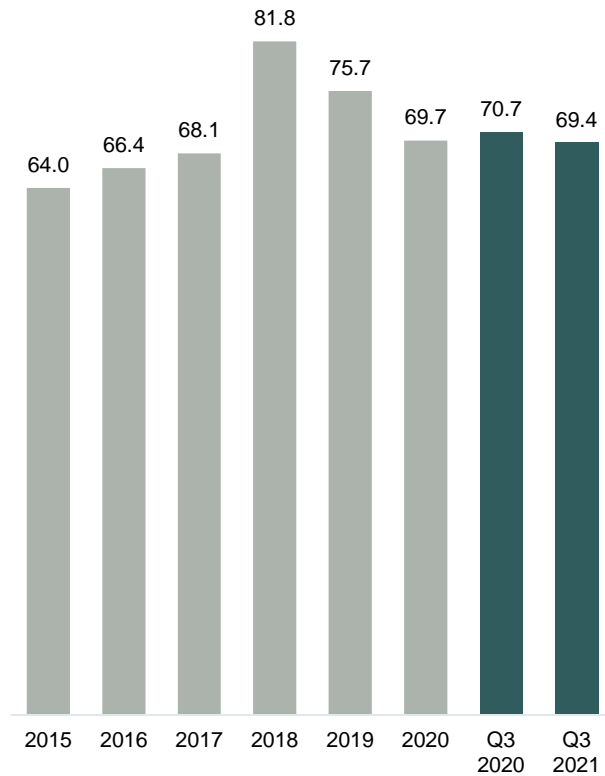
## UPDATE ON DEVELOPMENTS

- ✓ **Gerresheim** added to the build to hold developments
- ✓ **Preparation work at Holsten Quartier** started on-site
- ✓ **3 forward sales** (Residenz Ernst-Reuter-Platz, Franklinhaus, Magnolia) **completed** and (about to be) handed over
- ✓ **Topping-out ceremony** at **Quartier Hoym** in Dresden
- ✓ **Strong investor appetite** for our non-strategic development projects and **active discussions ongoing**

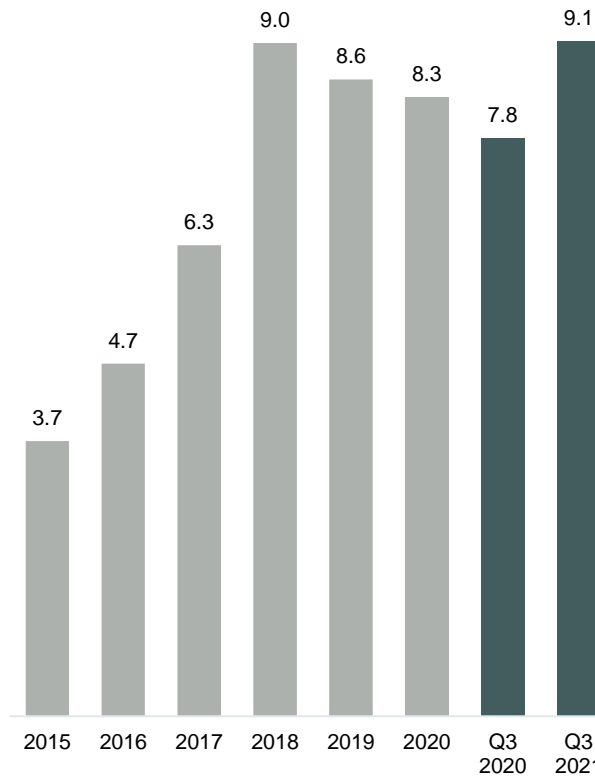
# Enhancing portfolio quality through active capital recycling...

*Consistent high quality of yielding assets with GAV and fair value per sqm at record levels*

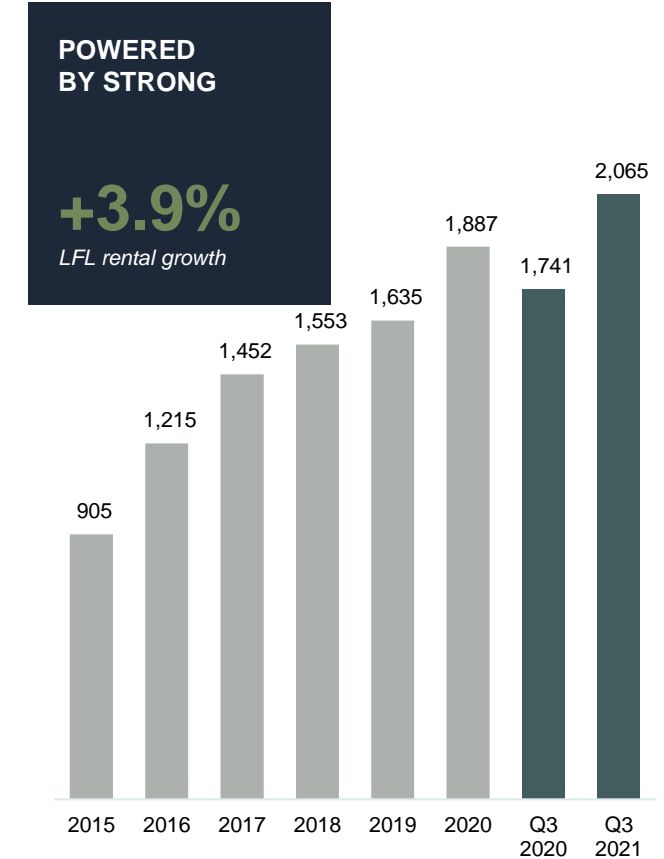
Number of rental units over time (in thousand)



Yielding assets GAV (€bn)



Fair value (€/sqm)

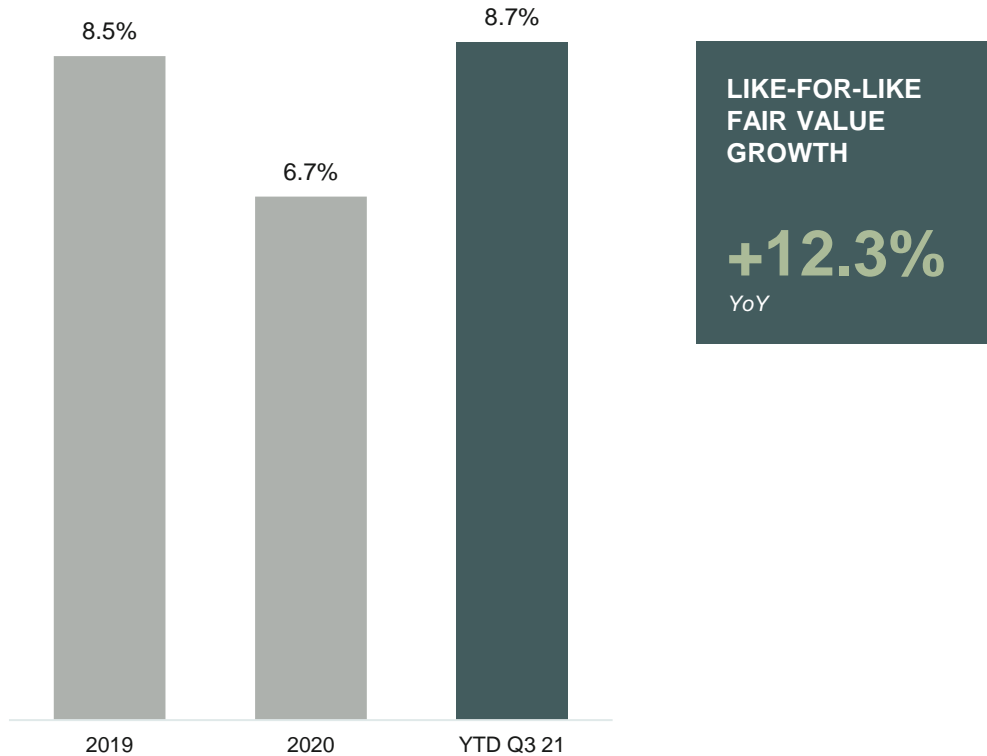


*Please note that the KPIs presented on this page include ground level commercial units and exclude units under renovation and development projects. Please also note that the numbers for the years 2015-2019 are provided for your convenience and serve for illustrative purposes of combining ADO Properties and ADLER Real Estate only. Metrics have been computed by using weighted averages on the back of publicly available information.*

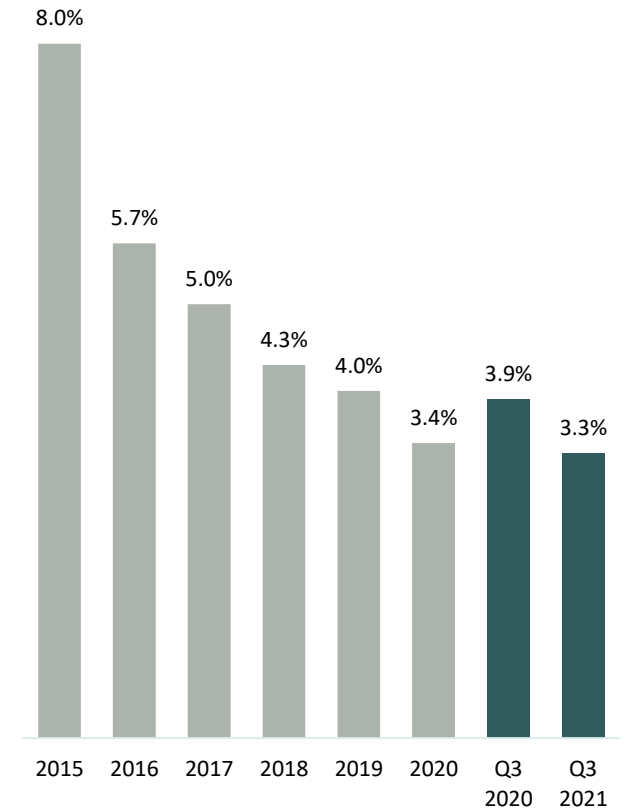
# ... structurally driving value, up +8.7% until Q3 2021

*Fair value increase on the back of strong LFL rental growth and further positive yield development and CAPEX investments across the core yielding portfolio*

Like-for-like fair value growth (%)



Yielding portfolio vacancy rate (%)

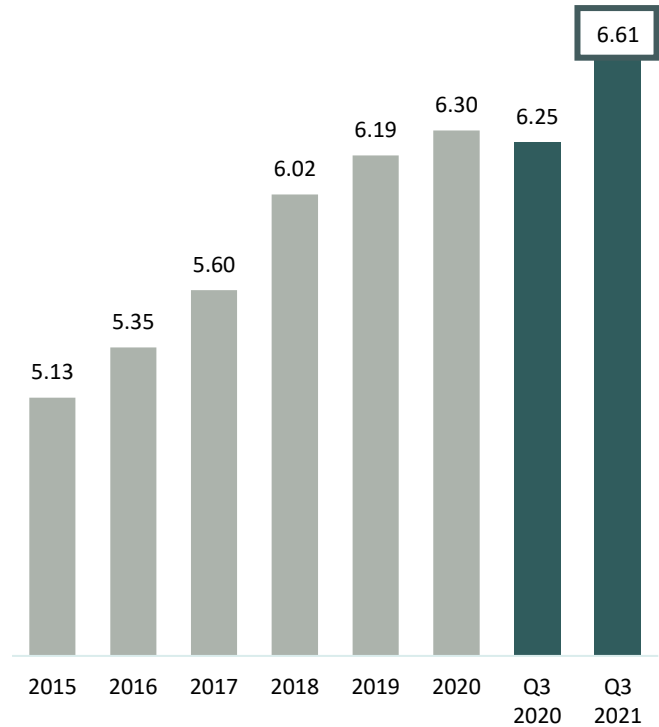


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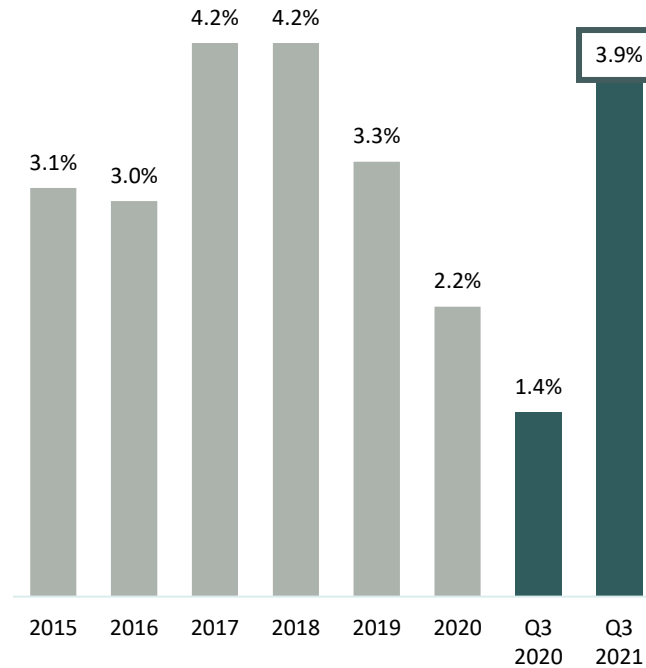
# Accelerated LFL rental growth across the yielding portfolio

*Portfolio continues its trend of delivering sector leading LFL growth across Berlin as well as our other locations, driving consistently superior value uplift profile*

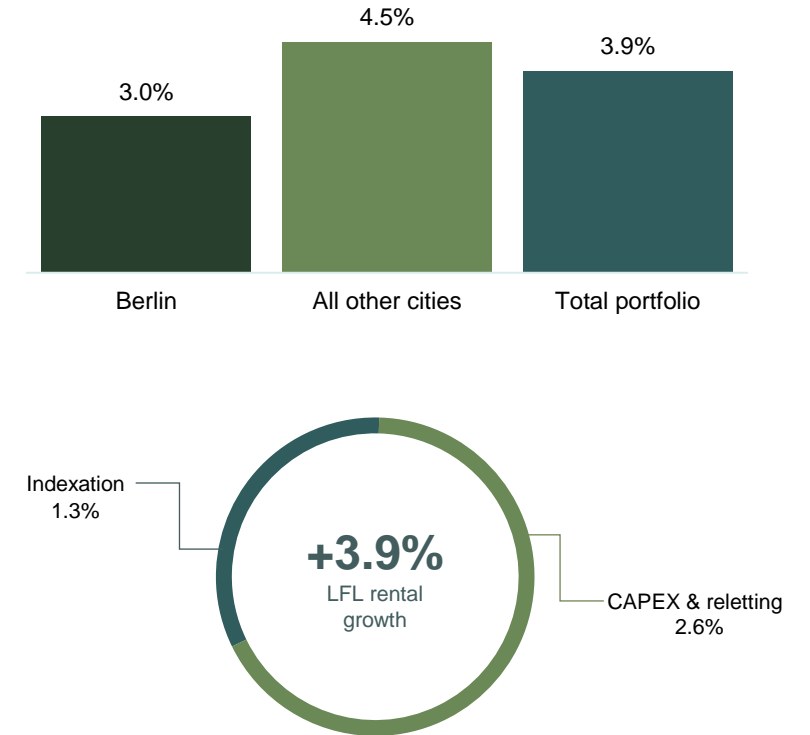
Residential average rent (€/sqm/m)



LFL residential rental growth (%)



LFL rental growth breakdown (%)

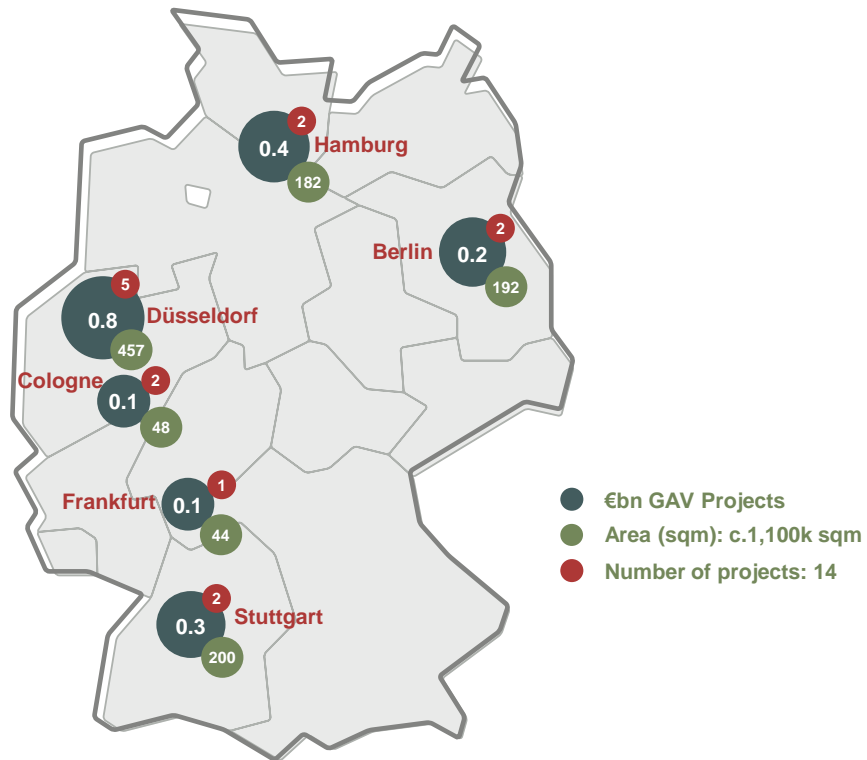


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# Recent activity on the build-to-hold pipeline and divestments

## Build-to-hold portfolio overview



## Recent developments

### Status

- Completion of the build-to-hold pipeline should add c.12,000 units to the rental portfolio at an anticipated gross yield on cost of 4.0%
- Given the central locations of the build-to-hold projects, obtaining construction permits is only a matter of time – no execution risk
- Currently, €705m of GDV is under construction
- The projects under construction are steadily progressing with 36% of construction completed

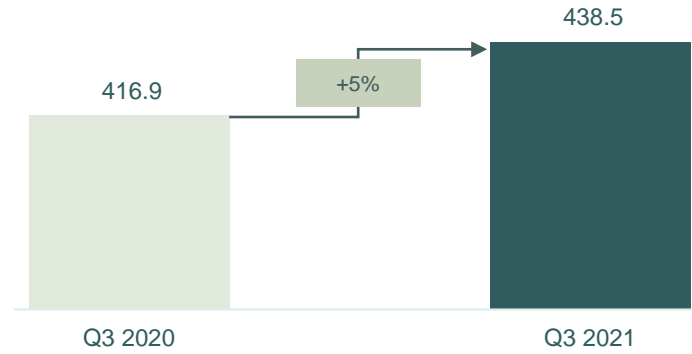
### Project updates

- Gerresheim project retained and added to the build-to-hold development portfolio
- Preparation work at Holsten Quartier started on-site
- 3 forward sales projects (Residenz Ernst-Reuter-Platz, Franklinhaus, Magnolia) completed and (about to be) handed over
- Topping-out ceremony at Quartier Hoym in Dresden

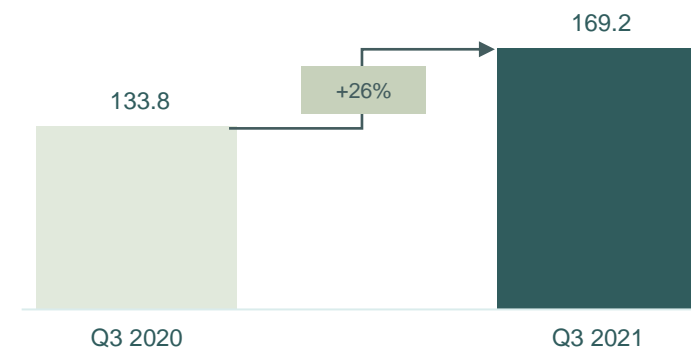
# Financial Performance

# Significant operational improvements driving operational growth

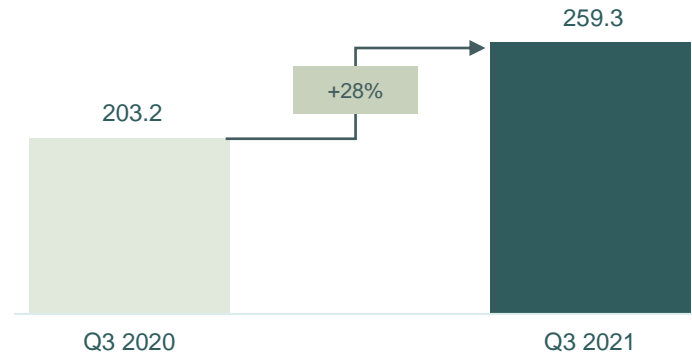
**Total revenue (€m)**



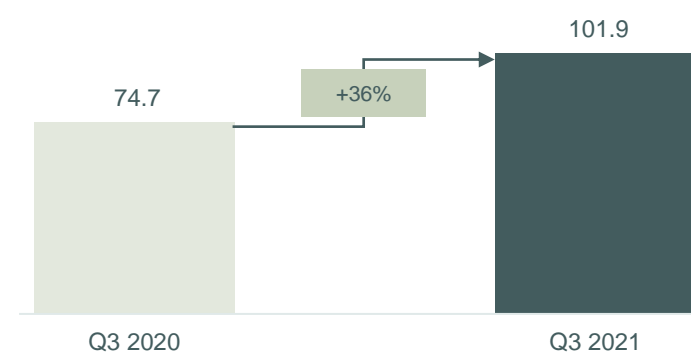
**EBITDA from rental activities (€m)**



**Net rental income (€m)**



**FFO 1 (€m)**



# Further simplification of capital structure through deleveraging

## BOND ISSUANCE AND FURTHER FINANCING

- ✓ **€1.5bn bonds** issued in January to repay **€330m ADLER RE 2021 notes** and refinance mezzanine. April issuance of **€500m 6yr bond** used for **prepayment** of **€450m** 9.625% Consus HY bond
- ✓ Initiated **€500m** commercial paper programme and drawn **€300m** of RCF as a further **liquidity cushion** and to **extend** the Group's **flexibility**
- ✓ Arranged **several secured loans** in an **aggregate volume** of **€677m** with **maturities** ranging from **4 to 10 years** yielding between **0.8%-1.6% p.a.** over 9M 2021

## DELEVERAGING VIA PORTFOLIO OPTIMISATION

- ✓ **Disposal** of c. 15,500 units to **LEG** in a volume of **€1.4bn** generating c. **€800m** in **net cash proceeds** after repayment of around **€379m project debt**, among others
- ✓ Further **transaction** of c. **€1.0bn** for around 14,300 units signed with a **leading alternative investment firm** will lead to liquidity inflow of c. **€600m** after repayment of **€355m** secured loans, among others
- ✓ The cash proceeds of the announced strategic project and yielding asset disposals will be used to **deleverage** the Group and **decrease** the **LTV** to our target range of **45-50%**

## FINANCIAL METRICS OF THE GROUP

- ✓ Average **cost of debt reduced significantly** to **2.1%** as of **Q3 2021** from 3.0% at FY 2020
- ✓ **Average debt maturity of 4.2 years** as of Q3 2021
- ✓ The Group's **Net LTV** incl. convertibles stands at 57.0% as of Q3 2021 (55.4% excl. convertibles)
- ✓ Significant liquidity buffer with **€396m of cash on balance sheet** as of 30 September 2021

## FINANCIAL SUMMARY AND KEY MESSAGES

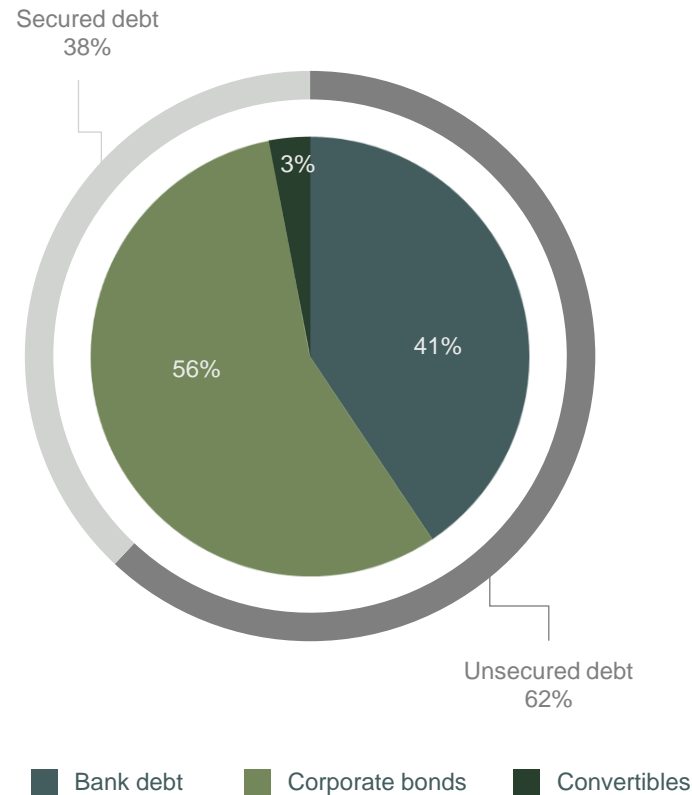
- 1. No refinancing risk** as most of early maturing debt has been refinanced
- 2. Upcoming maturities are well covered** with cash on hand, disposal proceeds and liquidity facilities
- 3. Favourable secured lending market at attractive terms** to further improve debt KPIs
- 4. Further cash inflow expected** from receivables, build-to-sell division and capital recycling measures

# Balanced maturity profile with strengthened financial KPIs

## Debt KPIs for Q3 2021

Total interest-bearing net debt (€m)	8,323
<b>Net LTV</b>	<b>55.4%<sup>1</sup> / 57.0%<sup>2</sup></b>
ICR (x)	3.2
Fixed / hedged debt	95.3%
Unsecured debt	62.4%
<b>Weighted average cost of debt</b>	<b>2.1%</b>
Weighted average maturity	4.2
Corporate rating S&P	B+/Watch Neg/B
Bond rating S&P	BB-

## Sources of funding



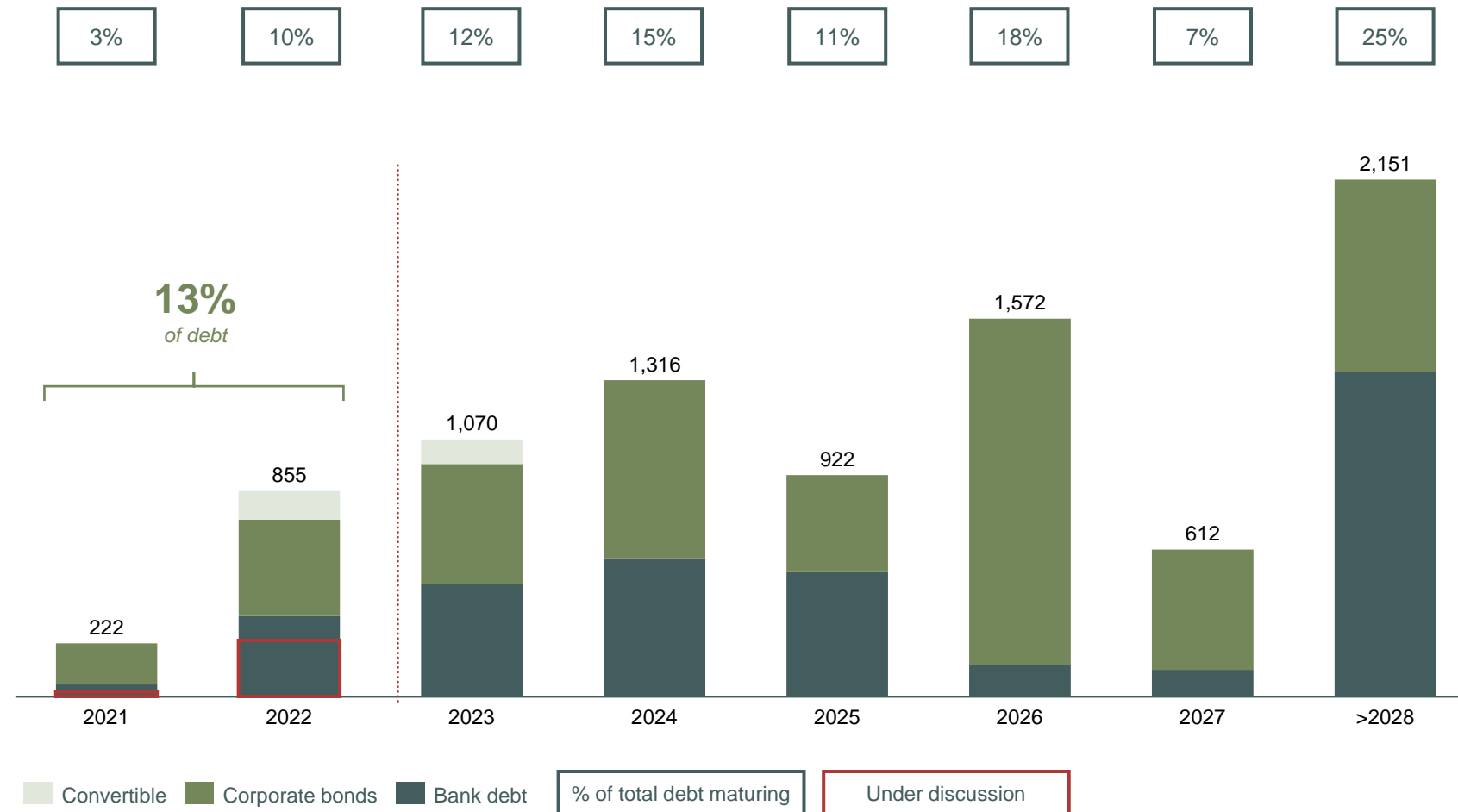
## Bond covenants

Covenants	Required level	Current level (30 Sep 2021)
<b>LTV</b> (Financial indebtedness / total assets)	<60%	53.4%
<b>Secured LTV</b> (Secured debt / total assets)	<45%	21.3%
<b>ICR</b> (LTM Adj. EBITDA / LTM net cash interest)	>1.8x	3.2x
<b>Unencumbered assets</b> (Unencumbered assets / unsecured debt)	>125%	130.0%

1. Excluding convertibles.  
2. Including convertibles.

# Maturity schedule

Overview of debt maturities (€m)

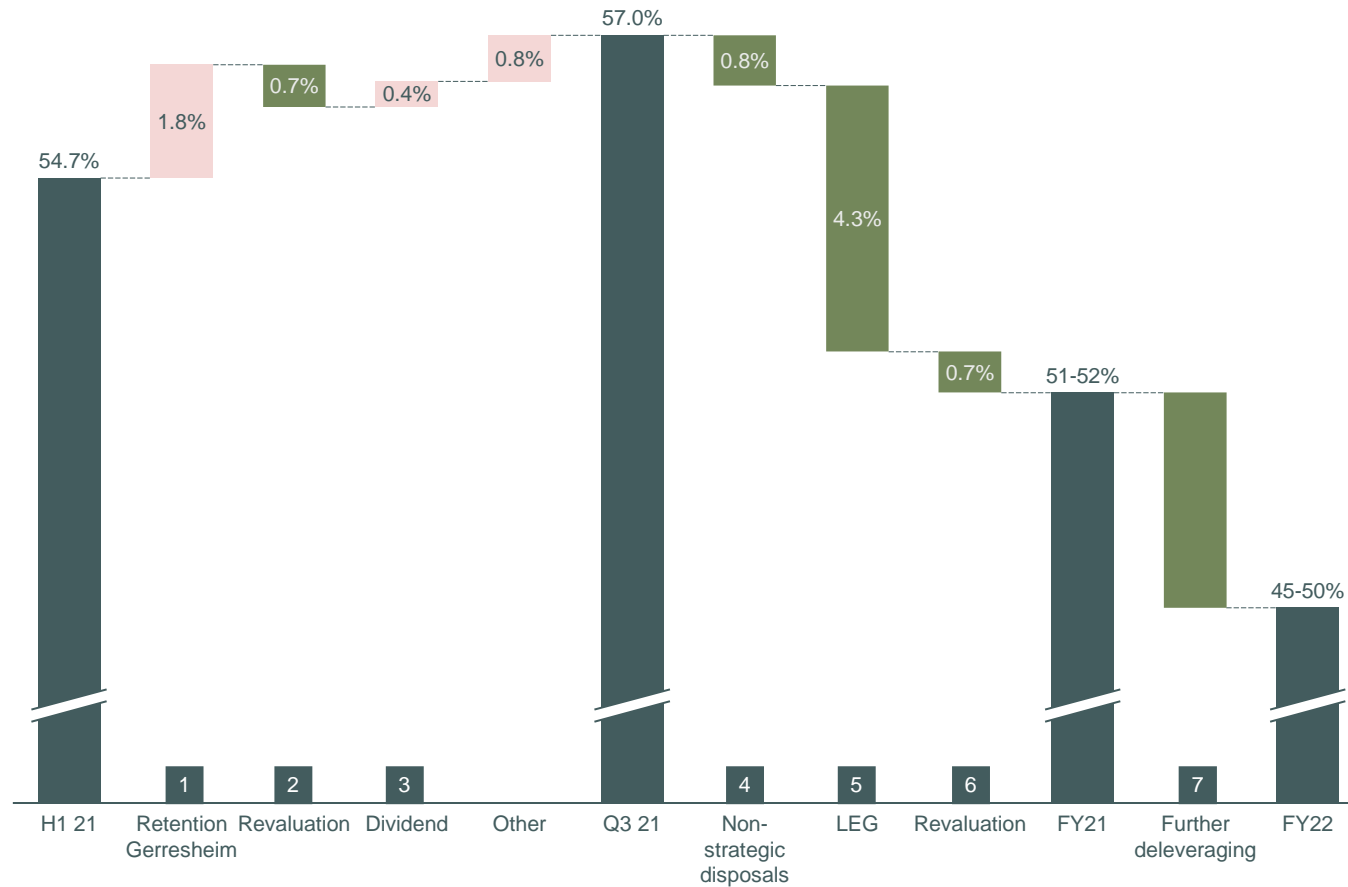


## Comments

- **Upcoming maturities** are covered through a combination of **€396m cash on hand**, expected **receivables** and **active capital recycling measures** including the recently announced transactions
- In particular, the **2021** maturing **ADLER RE 2021 note** of €170m will be repaid by existing liquidity. Furthermore, **minor financing tranches** totalling €30m are in advanced discussions and likely to be rolled over, €5m has been repaid post reporting date and €17m will be also funded by cash on balance sheet.
- **Financing instruments** maturing in **2022** totalling €237m are in advanced extension discussions and €619m are **covered** by the expected **€1.4bn in net cash proceeds** of ongoing disposals

# LTV moving towards <50% on the back of anticipated disposals

Pro-forma LTV evolution (%)



**Key**

- 1 Retention of the Gerresheim project at a book value of €270m, leading to the unwinding of the associated financial asset and investment in real estate companies, whilst adding back the project debt
- 2 During the quarter, a revaluation gain of €158m was realised on the yielding asset portfolio
- 3 In July we have paid out a dividend of €0.46/share, a cash out of c.€54m
- 4 Expected closing of non-strategic disposals during Q4 2021 2stay and Arthur Hoffmann as well as the NewFrankfurt Towers in Offenbach
- 5 Expected closing of the LEG transaction
- 6 Expected revaluation of 2.2% to materialise by year-end 2021, which would bring the total revaluation of our yielding asset portfolio to a solid 10% for the full year
- 7 Throughout 2022 further efforts will be undertaken to bring leverage down – with the envisaged closing of the East Portfolio sale as the first substantial trigger towards the end of Q1 2022

# Guidance 2021



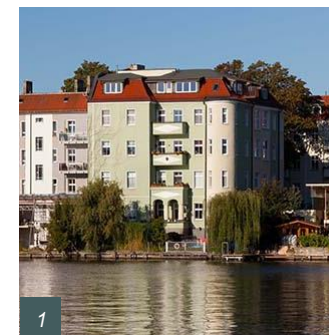
# Guidance FY2021 confirmed

## 2021 guidance

Full-year guidance	
Net rental income (€m)	€340-345m
FFO 1 (€m)	€135-140m
Dividend (€/share) 2021e	€0.57-0.60 implied <sup>1</sup> 50% of FFO 1
Mid-term guidance	
LFL rental growth (%)	c. 3%
Medium-term LTV target (%)	<50%

## Concluding remarks

- ✓ Yielding asset portfolio value increased by €626m resulting in a **+8.7% LFL value uplift** in the first nine months of 2021 on the back of a +3.9% LFL rent increase
- ✓ **Vacancy** of the total portfolio at a structurally low level of **3.3%**
- ✓ **Negotiations on portfolio transactions** with LEG and an institutional buyer **in advanced stages**
- ✓ **No refinancing risk** as most of early maturing debt has been refinanced
- ✓ **Upcoming maturities are well covered** with cash on hand, disposal proceeds and liquidity facilities
- ✓ **Independent report** on allegations of a short seller anticipated **to be completed in early 2022**



1. Implied dividend range on basis of FFO guidance range of €135-40m, and company dividend policy of 50% payout ratio, subject to final Board approval and shareholder approval in the 2022 annual general meeting.

1 Gutenbergstrasse, Berlin

2 Buddestrasse, Berlin

# Subsequent events - Continuous progress

## A Strategic asset disposals – substantial progress

- On 4 October, we announced a strategic review of our portfolio
- The contemplated portfolio transaction with LEG, regarding 15,500 units and a total value of c. €1.4bn is in the final stages of negotiation and could materialize promptly
- Negotiations on the portfolio transaction with a leading alternative investment firm for 14,300 and a total value of c. €1bn are progressing well and should lead to a deal during Q1 2022

## B Chief Development Officer

- Dr. Bernd Schade has been appointed as Chief Development Officer as of 1 November and will be leading our development efforts going forward

## C Specialised forensic accountants of KPMG

- Adler Group has appointed KPMG's specialised forensic accounting division to review amongst others certain historical transactions
- Adler Group will receive a full report from KPMG upon completion of its review
- KPMG will in the meantime immediately notify Adler Group's board of any material findings

# Financial Calendar & Contacts

## Adler Group S.A. results publication dates 2022

31 March 2022	Publication Annual Report 2021
31 May 2022	Publication Q1 2022 Results
31 August 2022	Publication Q2 2022 Results
30 November 2022	Publication Q3 2022 Results

Online Financial  
Calendar  
[www.adler-group.com](http://www.adler-group.com)

## Imprint

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# Appendix

# Q3 2021 – Company KPIs

Assets overview - breakdown (€m)	Q3 2021	Q3 2020	YoY delta (%)
Yielding portfolio value	9,063	7,766	17%
Development pipeline value	4,144	3,634	14%
Build-to-hold	1,950	1,231	58%
Build-to-sell	2,194	2,403	-9%
<b>Total portfolio value<sup>1</sup></b>	<b>13,207</b>	<b>11,400</b>	<b>16%</b>
<b>Total assets</b>	<b>15,831</b>	<b>14,599</b>	<b>8%</b>

Yielding portfolio - KPIs	Q3 2021	Q3 2020	YoY delta (%)
Yielding residential units (#)	69,435	70,741	-2%
Lettable area (k sqm)	4,388	4,461	-2%
LFL rental growth (%)	3.9	1.4	250bps
LFL fair value uplift (%)	8.7	6.6	210bps
Fair value (€/sqm)	2,065	1,741	19%
Average rent (€/sqm/m)	6.61	6.25	6%
Vacancy rate (%)	3.3	3.9	-60bps

Development portfolio – KPIs <sup>2</sup>	Build-to-hold	Build-to-sell
Current # of projects	14	34
thereof completed / sold	-	4
Residential and commercial units (#)	12,000	5,900
Lettable area (k sqm)	1,122	700
GDV (€bn)	6.4	-
GDV (€/sqm)	c.5,700	-
CAPEX (€bn)   excluding land	3.6	-
CAPEX (€/sqm)   excluding land	c.3,200	-

Operating results (€m)	Q3 2021	Q3 2020	YoY delta (%)
Total revenue	438.5	416.9	5%
Net rental income	259.3	203.2	28%
EBITDA from rental activities	169.2	133.8	26%
EBITDA total	238.4	157.7	51%
Weighted avg. shares (#)	117.5	70.6	67%
FFO 1	101.9	74.7	36%
FFO 1 per share (€/share)	0.87	1.06	-18%
FFO 2 per share (€/share)	1.27	1.04	22%

Balance sheet (€m)	Q3 2021	FY 2020	YTD delta (%)
Total assets	15,831	14,599	7%
Net debt	7,443	6,150	21%
Cash and cash equivalents	396	372	6%
Equity	5,192	4,918	6%
LTV incl. convertibles (%)	57.0	53.4	360bps
Average cost of debt %	2.1	3.0	-90bps
EPRA NRV	6,599	6,037	9%
EPRA NRV (€/share)	56.16	51.38	9%
EPRA NTA	5,006	4,443	13%
EPRA NTA (€/share)	42.60	37.81	13%

# Rental portfolio - realising +3.9% LFL rental growth

Strong performance in Q3 2021 with sector-leading LFL rental growth of 3.9%

Location	Fair value €m Q3 21	Fair value €/sqm Q3 21	Units	Lettable area sqm	NRI <sup>1</sup> €m Q3 21	Rental yield (in-place rent)	Vacancy Q3 21	Vacancy Δ YoY	Q3 21 avg. rent €/sqm/month	NRI Δ YoY LFL	Reversionary potential
Berlin	4,855	3,535	19,845	1,373,165	131.7	2.7%	1.1%	-0.3%	7.98	3.0%	21.4%
Leipzig	506	1,988	4,746	254,601	18.2	3.6%	2.8%	-0.2%	6.16	2.3%	20.0%
Wilhelmshaven	439	1,083	6,889	405,137	26.2	6.0%	4.8%	0.5%	5.70	8.8%	14.0%
Duisburg	385	1,262	4,922	305,003	20.6	5.3%	1.5%	-0.4%	5.72	2.6%	11.0%
Wolfsburg	182	2,072	1,301	87,614	6.5	3.6%	2.5%	0.3%	6.58	0.5%	34.3%
Göttingen	163	1,916	1,377	85,238	6.0	3.7%	1.3%	-0.2%	6.11	-2.5%	38.0%
Dortmund	162	1,583	1,770	102,251	7.6	4.7%	0.9%	-0.9%	6.27	5.4%	17.8%
Hanover	142	2,243	1,113	63,298	5.6	3.9%	1.7%	0.5%	7.40	1.9%	22.6%
Kiel	135	2,022	970	66,768	5.8	4.3%	0.3%	-1.0%	7.24	3.8%	17.6%
Düsseldorf	130	3,524	577	36,779	3.7	2.9%	2.1%	0.4%	8.50	3.8%	24.1%
Halle (Saale)	105	992	1,857	105,875	5.8	5.5%	9.0%	-2.2%	5.37	9.0%	23.2%
Essen	105	1,575	1,043	66,341	4.8	4.6%	3.2%	1.1%	6.11	2.4%	21.9%
Cottbus	93	859	1,847	108,773	6.1	6.5%	6.8%	1.1%	5.25	8.1%	17.8%
<b>Top 13 total</b>	<b>7,401</b>	<b>2,418</b>	<b>48,257</b>	<b>3,060,843</b>	<b>248.6</b>	<b>3.4%</b>	<b>2.4%</b>	<b>-0.1%</b>	<b>6.93</b>	<b>3.6%</b>	<b>20.2%</b>
Other	1,662	1,252	21,178	1,327,609	87.3	5.3%	5.4%	-1.3%	5.84	4.1%	17.3%
<b>Total</b>	<b>9,063</b>	<b>2,065</b>	<b>69,435</b>	<b>4,388,452</b>	<b>335.8</b>	<b>3.7%</b>	<b>3.3%</b>	<b>-0.6%</b>	<b>6.61</b>	<b>3.9%</b>	<b>19.5%</b>
Other commercial	562				12.9						
<b>Grand total</b>	<b>9,624</b>				<b>348.8</b>						

## Strong growth

- Annualised residential NRI stands at €336m at the end of Q3 2021
- The portfolio has ample room for future growth with a reversionary potential of 20.2% for the top 13 cities and 19.5% for the entire portfolio
- Through active management, the portfolio generated +3.9% LFL rental growth

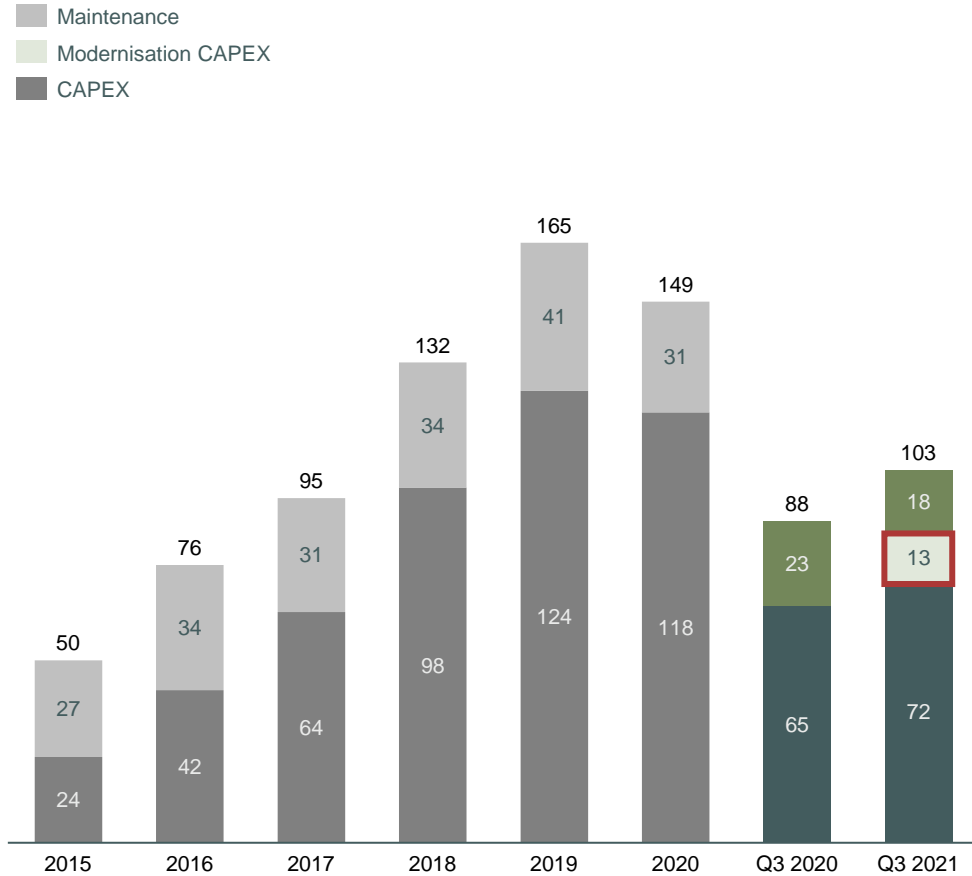
1. Annualised Net Rental Income (in-place-rent).

Please note that the KPIs presented on this page include ground level commercial units and exclude units under renovation and development projects.

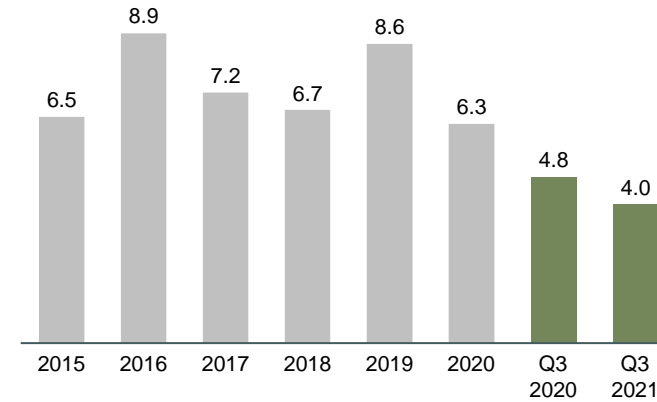
# Rental portfolio - CAPEX and maintenance

*Consistent and effective maintenance spending requires less modernisation CAPEX going forward*

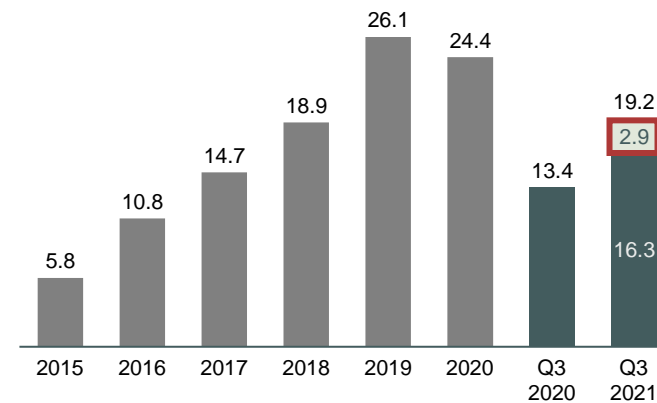
**Total CAPEX and maintenance (€m)**



**Maintenance expense (€/sqm)**



**CAPEX invested (€/sqm)**



**PROCUREMENT  
OPTIMISATION  
AND INCREASED  
SCALE**

**CAPEX DRIVING**

**+2.6%**  
LFL rental growth

Modernisation  
CAPEX

Please note that the numbers for the years 2015-2019 are provided for your convenience and serve for illustrative purposes of combining ADO Properties and ADLER Real Estate only. Metrics have been computed by using weighted averages on the back of publicly available information.

# Build-to-hold portfolio

*Five projects under construction*

#	Project name	City	Construction period	Building permit	Construction started	Area (k sqm)	Total CAPEX (€m)	% of CAPEX spent	GAV (€m)	Yield on cost <sup>1)</sup> (%)
1	SLT 107 Schwabenlandtower	Stuttgart	2019-2022	✓	✓	16	63	30%	69	3.9%
2	CologneApart VauVau	Cologne	2018-2023	✓	✓	23	85	50%	105	3.2%
3	UpperNord Tower VauVau	Düsseldorf	2018-2023	✓	✓	25	137	40%	107	3.0%
4	Grafental II - WA 12 & III WA 13 social	Düsseldorf	2020-2023	✓	✓	28	91	40%	35	3.5%
5	Wasserstadt - Konversuchsspeicher & Building 7	Berlin	2018-2024	✓	✓	11	38	25%	54	4.8%
6	Neues Korallusviertel	Hamburg	2021-2024	✗	✗	34	116	15%	53	3.7%
7	COL III (Windmühlenquartier)	Cologne	2022-2024	✗	✗	24	91	5%	26	4.5%
8	Grand Central DD	Düsseldorf	2022-2026	✓	✗	78	282	5%	208	3.7%
9	Holsten Quartier	Hamburg	2022-2026	✗	✗	148	382	5%	364	4.3%
10	Ostend Quartier	Frankfurt	2023-2027	✗	✗	44	120	10%	107	4.0%
11	VAI Campus Stuttgart-Vaihingen (incl. Eiermann)	Stuttgart	2022-2028	✗	✗	184	562	5%	277	4.5%
12	Gerresheim	Düsseldorf	2022-2030	✗	✗	164	414	5%	270	3.6%
13	Benrather Gärten	Düsseldorf	2023-2029	✗	✗	162	506	0%	149	4.5%
14	Schönefeld Nord Residential & Commercial	Berlin	2024-2030	✗	✗	181	743	0%	128	4.5%
<b>Total   GDV €6.4bn</b>						<b>1,122</b>	<b>3,630</b>	<b>36%<sup>2)</sup></b>	<b>1,952</b>	<b>4.0%</b>

€











**705m**  
GDV

1. Yield on cost has been calculated based on underwriting ERV / expected total cost, including land; 2. Rounded, calculated weighted average on projects where construction has officially started.



# Forward sales

*Fully de-risked and self funded through forward sales to institutional buyers, three projects to be delivered by YE 2021*

#	Project name	City	Buyers	Construction period	Area (k sqm)	GAV (€m)	Stage of completion (%) <sup>1</sup>
1	Residenz am Ernst-Reuter-Platz	Berlin	 württembergische <small>Ihr Fels in der Brandung.</small>	2017-2021	11	54	100%
2	Franklinhaus	Berlin	 BNP PARIBAS REAL ESTATE	2018-2021	12	76	95%
3	Magnolia (Dessauer Str.)	Leipzig	 CORESTATE Capital Group	2019-2021	10	36	95%
4	Quartier Bundesallee und Momente	Berlin	 LKW WALTER	2016-2022	8	42	95%
5	MaryAnn Apartments VauVau	Dresden	 BVK / CORESTATE Capital Group	2017-2022	14	55	85% <sup>1</sup>
6	Königshöfe im Barockviertel	Dresden	 COMMERZ REAL	2019-2022	15	42	65%
7	Quartier Hoym	Dresden	 Aberdeen	2018-2023	28	96	65%
8	Ostforum	Leipzig	 amega. / talanx. <small>TALANX INVESTMENT GROUP Insurance. INVESTMENTS.</small>	2019-2023	18	17	15%
9	Quartier Kreuzstraße	Leipzig	 CORESTATE Capital Group	2021-2023	13	13	10%
10	Cologne I Corpus Sireo	Cologne	 CORPUS SIREO	2019-2024	55	123	35%
<b>Total</b>					<b>184</b>	<b>552</b>	<b>70%</b>

- Ernst-Reuter-Platz, fully leased and handed over to the buyer
- Franklinhaus, first tenants moving in
- Magnolia (Dessauer Str.) handover expected by the end of the year
- MaryAnn apartments leasing ongoing

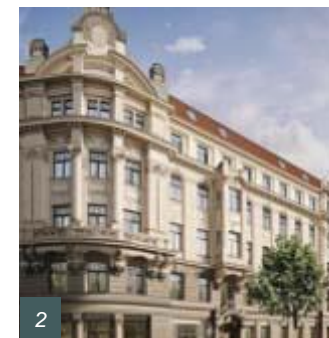


1. Calculated based on total construction costs and costs spent to date.

# Condominium projects

*Palatium, Dreizeit and Westend condo projects expected to be handed over to buyers in the coming months*

#	Project name	City	Construction period	Area (k sqm)	GAV (€m)	#Units	% units sold	Stage of completion (%)
1	Westend Ensemble - Grand Ouest - LEA A	Frankfurt	2017-2021	9	90	164	100%	85%
2	Palatium (Palaisplatz Altbau)	Dresden	2019-2021	5	19	52	100%	95%
3	Dreizeit – Wohnen an der Villa Berg	Stuttgart	2019-2021	4	30	48	100%	95%
4	Steglitzer Kreisel Tower	Berlin	2017-2024	24	124	328	31% <sup>1</sup>	30%
5	The Wilhelm	Berlin	2018-2024	16	226	105	10%	25%
6	Grafental III WA 14	Düsseldorf	2023-2024	15	25	135	To start	-
7	Grafenberg	Düsseldorf	2023-2025	14	47	84	To start	-
8	Covent Garden	Munich	2023-2026	28	130	323	To start	-
<b>Total</b>				<b>116</b>	<b>690</b>	<b>1,485</b>	<b>54%<sup>2</sup></b>	



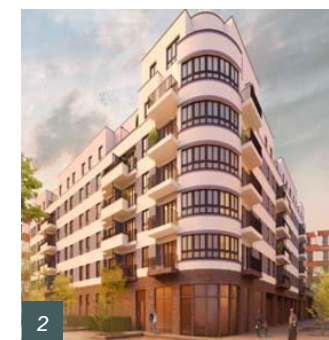
1. Taking into account contract reversals from buyers due to changes in planning.

2. Percentage calculated only on projects of which sales trajectories have been either completed or are currently ongoing.

# Strategic upfront disposals

*Three projects sold in Q3 2021 with closing expected before year end*

#	Project name	City	Area (k sqm)	Remarks
1	2stay Frankfurt	Frankfurt	41	Sold in Q3, expected closing Q4 2021
2	Arthur-Hoffmann-Straße	Leipzig	2	Sold in Q3, expected closing Q4 2021
3	NewFrankfurt Towers	Offenbach	88	Sold in Q3, expected closing Q4 2021
4	FourLiving Vau Vau	Leipzig	20	Advanced discussions
5	No.1 Mannheim	Mannheim	19	Advanced discussions
6	Eurohaus	Frankfurt	19	LOI signed, further negotiations ongoing
7	Westend Ensemble - Upper West - LEA B	Frankfurt	20	Indicative offers received and discussions ongoing
8	UpperNord Quarter	Düsseldorf	23	Negotiations ongoing
9	Staytion - Forum Pankow	Berlin	39	Negotiations ongoing
10	Steglitzer Kreisel Parkdeck + Sockel	Berlin	48	Negotiations ongoing
11	Parkhaus	Hamburg	n/a	Yielding asset
12	Tuchmacherviertel	Aachen	6	Initial discussions started
13	UpperNord Office	Düsseldorf	5	
14	Mensa FLI	Leipzig	2	Initial discussions started
15	Späthstrasse	Berlin	49	
16	Hufewiesen (Trachau)	Dresden	23	
<b>Total</b>			<b>405</b>	



# Composition of debt structure and average cost of debt

	Volume €m	IFRS €m	Maturity	Nominal interest rate	Other comments	Premature redemption	Conditions for premature redemption
<b>ADLER Real Estate bonds (unsecured)</b>							
2017/21	170	170	6 Dec 2021	1.50%		Anytime	Subject to make-whole provision
2017/24	300	292	6 Feb 2024	2.10%		Anytime	Subject to make-whole provision
2018/23	500	493	28 Apr 2023	1.90%		Anytime	Subject to make-whole provision
2018/26	300	286	27 Apr 2026	3.00%		Anytime	Subject to make-whole provision
2019/22	400	398	17 Apr 2022	1.50%		Anytime	Subject to make-whole provision
<b>Total</b>	<b>1,670</b>	<b>1,639</b>	<b>1.9 years</b>	<b>1.97%</b>			
<b>BCP bonds (secured)</b>							
Debenture B	40	39	1 Dec 2024	3.29%		Permitted	Subject to make-whole provision
Debenture C	38	37	1 Jul 2026	3.30%		Permitted	Subject to make-whole provision
<b>Total</b>	<b>78</b>	<b>76</b>	<b>3.9 years</b>	<b>3.25%</b>			
<b>Adler Group bonds (unsecured)</b>							
2019/24	400	398	26 Jul 2024	1.50%		Permitted	Subject to make-whole provision
2020/25	400	393	5 Aug 2025	3.25%		Permitted	Subject to make-whole provision
2020/26	400	390	13 Nov 2026	2.75%		Permitted	Subject to make-whole provision
2021/26	700	686	14 Jan 2026	1.88%		Permitted	Subject to make-whole provision
2021/27	500	490	27 Apr 2027	2.25%		Permitted	Subject to make-whole provision
2021/29	800	778	14 Jan 2029	2.25%		Permitted	Subject to make-whole provision
<b>Total</b>	<b>3,200</b>	<b>3,135</b>	<b>5.1 years</b>	<b>2.23%</b>			
<b>Convertibles<sup>1</sup></b>							
Consus 2018/22	120	117	29 Nov 2022	4.00%	Strike price of €8.791		At face value, if trading at more than 130% of strike price for at least 20 out of 30 trading days
Adler Group 2018/23	102	99	23 Nov 2023	2.00%	Strike price of €53.159	Conversion from 14 Dec 2021	At face value, if trading at more than 130% of strike price for at least 20 out of 30 trading days
<b>Total</b>	<b>222</b>	<b>216</b>	<b>1.6 years</b>	<b>3.04%</b>			
<b>Bank debt</b>	<b>3,549</b>	<b>3,487</b>	<b>4.6 years</b>	<b>1.94%</b>			
<b>Total interest-bearing debt</b>	<b>8,719</b>	<b>8,552</b>	<b>4.2 years</b>	<b>2.09%</b>			

1. Conversions are taken into account.

# Profit & Loss statement

## P&L statement

<i>In € million</i>	9M 2021	9M 2020 <sup>1</sup>
Net rental income	259 <sup>1</sup>	203
Income from facility services and recharged utilities costs	85	63
Income from property development	79	112
Other revenue	15	9
<b>Revenue</b>	<b>438 <sup>2</sup></b>	<b>387</b>
Costs of operations	-210	-194
<b>Gross profit</b>	<b>228</b>	<b>193</b>
General and administrative expenses	-85	-67
Other expenses	-14	-52
Other income	47	91
Changes in fair value of investment properties	571 <sup>3</sup>	189
<b>Results from operating activities</b>	<b>747</b>	<b>354</b>
<b>Net finance income / (costs)</b>	<b>-246</b>	<b>-213</b>
Net income from investments in associated companies	0	-1
Income tax expense	-121	-43
<b>Profit (loss) for the period</b>	<b>380</b>	<b>97</b>

## Comments

- 1 Compared to 9M 2020, net rental income as of Q3 2021 has improved to €259m mainly due to consolidation of ADLER Real Estate into the Group as per April 2020 and ruling that the "Mietendeckel" (Berlin rent freeze) is unconstitutional.
- 2 Apart from the net rental income, the Group's overall revenue has increased compared to Q3 2020 due to various sources of income streams relating to charged costs of utilities and facility services of €85m, property development income of €79m and other revenues of €15m mainly attributable to the sale of privatisation assets and other services.
- 3 Changes in the fair value of investment properties for the first nine months of 2021 amount to €571m mainly relating to the positive revaluation gain of our build-to-hold project developments (€71m) and the yielding asset portfolio (€626m) – partially offset against the loss on the reversal of Gerresheim (€127m).

# EBITDA from rental activities and EBITDA total

## EBITDA from rental activities

<i>In € million</i>	9M 2021	9M 2020
Net rental income	259	203
Income from facility services and recharged utilities costs	85	63
<b>Income from rental activities</b>	<b>344</b>	<b>266</b>
Costs from rental activities	-134	-102
<b>Net operating income (NOI) from rental activities</b>	<b>210</b>	<b>164</b>
Overhead costs from rental activities	-41	-30
<b>EBITDA from rental activities</b>	<b>169</b>	<b>134</b>

<sup>1</sup> EBITDA from rental activities improved mainly on the back of an increased net rental income due to the consolidation of ADLER Real Estate into the Group as per April 2020.

## EBITDA Total

<i>In € million</i>	9M 2021	9M 2020
Income from rental activities	344	266
Income from property development	79	142
Income from other services	10	5
Income from real estate inventory disposed of	-	-
Income from sale of trading properties	5	5
<b>Revenue</b>	<b>438</b>	<b>417</b>
Cost from rental activities	-134	-102
Other operational costs from development and privatisation sales	-74	-112
<b>Net operating income (NOI)</b>	<b>230</b>	<b>203</b>
Overhead costs from rental activities	-41	-30
Overhead costs from development and privatisation sales	-12	-15
Fair value gain from build-to-hold development	61	-
<b>EBITDA Total</b>	<b>238</b>	<b>158</b>

# FFO 1 and FFO 2

## FFO 1 calculation

<i>In € million, except per share data</i>	9M 2021	9M 2020
Net rental income	259	203
Income from facility services and recharged utilities costs	85	63
<b>Income from rental activities</b>	<b>344</b>	<b>266</b>
Costs from rental activities	-134	-102
<b>Net operating income (NOI) from rental activities</b>	<b>210</b>	<b>164</b>
Overhead costs from rental activities	-41	-30
<b>EBITDA from rental activities</b>	<b>169</b> <sup>1</sup>	<b>134</b>
Net cash interest	-56	-50
Current income taxes	-5	-5
Interest of minority shareholders	-6	-4
<b>FFO 1 (from rental activities)</b>	<b>102</b> <sup>2</sup>	<b>75</b>
No. of shares(*)	118	71
<b>FFO 1 per share</b>	<b>0.87</b> <sup>2</sup>	<b>1.06</b>

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

## FFO 2 calculation

<i>In € million, except per share data</i>	9M 2021	9M 2020
EBITDA total	238 <sup>1</sup>	158
Net cash interest	-70	-68
Current income taxes	-14	-12
Interest of minority shareholders	-6	-4
<b>FFO 2</b>	<b>149</b> <sup>2</sup>	<b>74</b>
No. of shares(*)	118	71
<b>FFO 2 per share</b>	<b>1.27</b> <sup>2</sup>	<b>1.04</b>

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

<sup>1</sup> EBITDA from rental activities improved mainly on the back of an increased net rental income due to the consolidation of ADLER Real Estate into the Group as per April 2020.

<sup>2</sup> As of 30 September 2021, the FFO 1 amounts to €102m and translates into a per share basis of €0.87, whereas the FFO 2 accounts for €149m and €1.27 per share.

# Balance sheet

## Balance sheet

<i>In € million</i>	Q3 2021		FY 2020
Investment properties including advances	11,213	1	10,111
Other non-current assets	1,428	2	1,839
<b>Non-current assets</b>	<b>12,641</b>		<b>11,950</b>
Cash and cash equivalents	396	3	372
Inventories	1,711		1,254
Other current assets	1,047		1,122
<b>Current assets</b>	<b>3,154</b>	<b>4</b>	<b>2,748</b>
<b>Non-current assets held for sale</b>	<b>37</b>		<b>139</b>
<b>Total assets</b>	<b>15,831</b>		<b>14,838</b>
Interest-bearing debts	8,552		7,965
Other liabilities	1,014		994
Deferred tax liabilities	1,073		933
Liabilities classified as available for sale	-		27
<b>Total liabilities</b>	<b>10,639</b>		<b>9,920</b>
<b>Total equity attributable to owners of the Company</b>	<b>4,441</b>		<b>4,146</b>
Non-controlling interests	751		772
<b>Total equity</b>	<b>5,192</b>	<b>5</b>	<b>4,918</b>
<b>Total equity and liabilities</b>	<b>15,831</b>		<b>14,838</b>

## Comments

- 1 The fair values of the build-to-hold project developments and the yielding investment properties were assessed by CBRE and NAI Apollo, respectively and show the impact of positive revaluation of the Group apart from project acquisitions.
- 2 Other non-current assets mainly contain the goodwill of €1,175m which stems from the acquisition of Consus.
- 3 The cash and cash equivalents item of €396m has slightly increased compared to FY 2020 figures.
- 4 Apart from the cash item, current assets contain inventories relating to the Group's privatisation assets and build-to-sell project developments which have increased due to some project acquisitions. The remaining refers to restricted bank deposits, receivables and contract assets, among others.
- 5 The Group's total equity has increased to €5,192m mainly on the back of revaluation gains.



# EPRA NAV metrics

## EPRA NAV metrics calculation

<i>In € million, except per share data</i>	Q3 2021				FY 2020			
	NAV	NRV	NTA	NDV	NAV	NRV	NTA	NDV
EPRA Measure								
Total equity attributable to owners of the Company	4,441	4,441	4,441	4,441	4,146	4,146	4,146	4,146
Revaluation of inventories	81	81	81	81	52	52	52	52
Deferred tax	1,177	1,177	1,016	-	1,011	1,011	868	-
Goodwill	-	-	-1,175	-1,175	-	-	-1,205	-1,205
Fair value of financial instruments	3	3	3	-	5	5	5	-
Fair value of fixed interest rate debt	-	-	-	317	-	-	-	-329
Real estate transfer tax	-	897	639	-	-	823	576	-
<b>EPRA NAV</b>	<b>5,703</b>	<b>6,599</b>	<b>5,006</b>	<b>3,665</b>	<b>5,214</b>	<b>6,037</b>	<b>4,443</b>	<b>2,664</b>
No. of shares	118	118	118	118	118	118	118	118
<b>EPRA NAV per share</b>	<b>48.53</b> <sup>1</sup>	<b>56.16</b> <sup>1</sup>	<b>42.60</b> <sup>2</sup>	<b>31.19</b> <sup>2</sup>	<b>44.37</b>	<b>51.38</b>	<b>37.81</b>	<b>22.67</b>
Convertibles	99	99	99	99	98	98	98	98
<b>EPRA NAV fully diluted</b>	<b>5,802</b>	<b>6,698</b>	<b>5,104</b>	<b>3,763</b>	<b>5,311</b>	<b>6,135</b>	<b>4,540</b>	<b>2,762</b>
No. of shares (diluted)	119	119	119	119	119	119	119	119
<b>EPRA NAV per share fully diluted</b>	<b>48.88</b>	<b>56.43</b>	<b>43.01</b>	<b>31.71</b>	<b>44.47</b>	<b>51.37</b>	<b>38.02</b>	<b>23.12</b>

<sup>1</sup> As per 30 September 2021, our EPRA NAV and EPRA NRV amount to €5,702 or €48.53 per share and €6,599 or €56.16 per share, thus providing an increase of 9% since the beginning of the year 2021.

<sup>2</sup> The two well-known NAV and NRV KPIs are complemented by the EPRA Net Tangible Assets (NTA) and the EPRA Net Disposal Value (NDV). The EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability, whereas the EPRA NDV represents the value under a disposal scenario, net of any resulting tax. As of 30 September 2021 the EPRA NTA is €42.60 per share and the EPRA NDV €31.19 per share.

# Net LTV

## LTV calculation

<i>In € million</i>	Q3 2021		FY 2020
Corporate bonds and other loans and borrowings	8,337		7,653
Convertible bonds	215		312
Cash and cash equivalents	-396		-372
Selected financial assets	-563	1	-1,195
Net contract assets	-113	2	-137
Assets and liabilities classified as held for sale	-37		-112
<b>Net financial liabilities</b>	<b>7,443</b>		<b>6,150</b>
Fair value of properties (including advances)	13,018	3	11,431
Investment in real estate companies	33		85
<b>Gross asset value (GAV)</b>	<b>13,051</b>		<b>11,515</b>
<b>Net loan-to-value</b>	<b>57.0%</b>	4	<b>53.4%</b>
<b>Net loan-to-value excluding convertibles</b>	<b>55.4%</b>		<b>50.7%</b>

## Comments

- 1 The selected financial assets have declined to €563m and contain purchase price receivables amongst others. They include 1) netted financial receivables (€28m) which were reduced due to the Gerresheim reversal, 2) trade receivables from the sale of real estate investments (€267m) and 3) other financial assets (€268m).
- 2 In relation to the Group's development activities, an adjustment is made for the net position of contract assets and liabilities, basically representing unbilled receivables.
- 3 In Q3 2021, fair value of properties (including advances) increased to €13,018m, mainly reflecting the project acquisitions including the reversal of Gerresheim as well as the revaluation of project developments and the yielding asset portfolio.
- 4 As of 30 September 2021, our loan-to-value (LTV) excl. convertibles amounts to 55.4% (incl. convertibles 57.0%). Adler Group still pursues a sustainable financing strategy with an LTV target of below 50% in the medium term.

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