

H1

2023

Results presentation

29 August 2023



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Strategy Update

Update on Adler Group's Strategy

Continuous progress, albeit at a slower pace, in all Adler Group's strategic pillars

Portfolio Strategy	Berlin-anchored portfolio with limited development exposure	<ul style="list-style-type: none"> ✓ Controlled execution of disposal of yielding assets and development projects ✓ NRW portfolio, consisting of 6,790 residential units, has been re-offered to the market ✓ Adler Group continues its efforts to dispose development projects, despite adverse market conditions ✓ Market-leading brokers mandated for major development projects
Asset Management	Limited CAPEX policy	<ul style="list-style-type: none"> ✓ Non-committed CAPEX investments put on hold ✓ Maintenance & reletting CAPEX continued
Financing Strategy	Continued progress of repayment of debt	<ul style="list-style-type: none"> ✓ Repayment of the €500m ADLER Real Estate 2018/2023 bond ✓ Completion of tender offer and consent solicitation for the €300m ADLER Real Estate 2017/2024 bond with 98.9% of the outstanding notes validly tendered ✓ Refinancing of bank loans at ADLER Real Estate level for an amount of €177m including accrued interest until 2026 ✓ Planned debt placement of up to €191m to refinance the €165m¹ convertible bond and the €25m Schuldscheine loan both at Adler Group level, due in November 2023
Corporate Structure	Group simplification and platform streamlining	<ul style="list-style-type: none"> ✓ ADLER Real Estate's squeeze out process approved during the EGM by 97.9% of all shareholders ✓ Sales process with regards to the 63.03% stake in BCP has been reinitiated and is ongoing ✓ As negative equity at Consus Real Estate AG amounted to c. €2 billion as of end of 2022, none of the analysed measures emerged as feasible ✓ Identification of further appropriate measures are currently being explored; however, going concern prognosis is positive and Adler Group continues to be supportive of Consus' business as a whole
Corporate Governance	Auditor search for Adler Group still ongoing	<ul style="list-style-type: none"> ✓ Rödl & Partner has commenced as auditor for ADLER Real Estate ✓ Search for an auditor for Adler Group S.A. still ongoing ✓ Entering in constructive discussion with a local Luxembourg firm that would be in charge of the overall audit and several local German firms about a so-called component audit

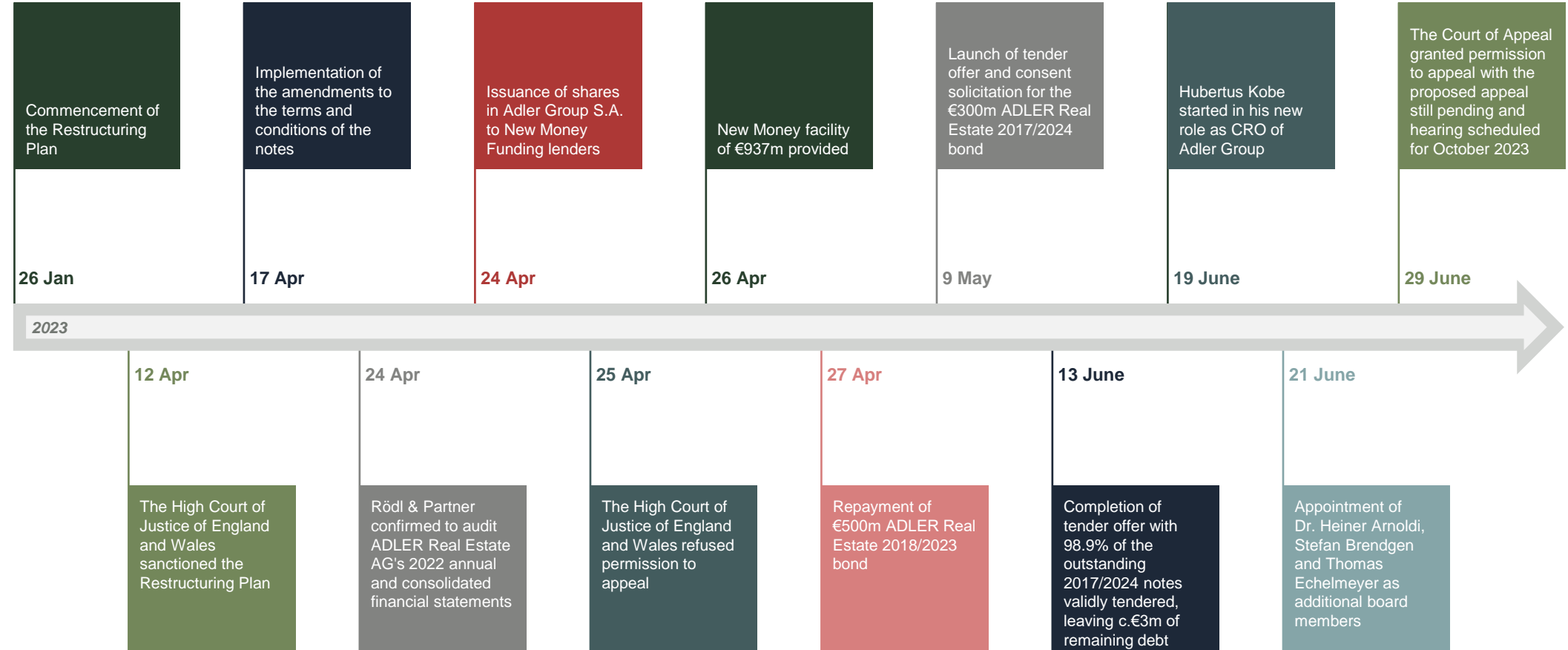
1. Of which €102m externally held.

Update on the Restructuring Plan

Update on the Restructuring Plan

The Group has completed its Restructuring Plan and is now focused on establishing a new foundation

Recent events



H1 2023 Overview

Key Highlights

Strong operational performance combined with continuous focus on the disposal of yielding assets and developments

PORTFOLIO PERFORMANCE



- **3.1%** like-for-like **rental growth**¹
- Avg. residential **rent €7.69**/sqm/month
- **Vacancy** remained at very low levels at **1.4%**
- **8.1%** like-for-like fair **value decrease** in the **yielding portfolio** compared to beginning of the year due to the prevailing high interest rates

FINANCIAL PERFORMANCE



- Lower NRI and FFO 1 on the back of decreased size of the portfolio:
 - NRI: (18%) to **€108m**¹
 - FFO 1: (84%) to **€8m**¹ (€0.06 / share)
- NTA per share stands at **€8.76**
- EPRA LTV stands at **87.7%**
- Average cost of debt at **5.5%**
- Cash position of **€231m**³ at H1 2023

DISPOSALS & DEVELOPMENTS²



- Market-leading brokers have been mandated for major development projects
- Sale of Arthur-Hoffmann-Straße closed and two projects in Offenbach and Berlin signed during Q2 2023 with total gross proceeds amounting to expected €160m
- Development project No.1 Mannheim in exclusivity
- In addition, LOI received for a new built residential portfolio located in Berlin
- NRW portfolio, consisting of 6,790 residential and 108 commercial units, re-offered to the market
- Sales process with regards to the 63.03% stake in BCP has been reinitiated and is ongoing

✓ **Strong rental fundamentals**
3.1% rental growth YoY; 1.4% vacancy rate

✓ **Reiteration of sales processes**
Sale of the 63.03% stake in BCP as well as NRW portfolio reinitiated

✓ **Cash position remains at similar levels as Q1**
€231m cash on balance³

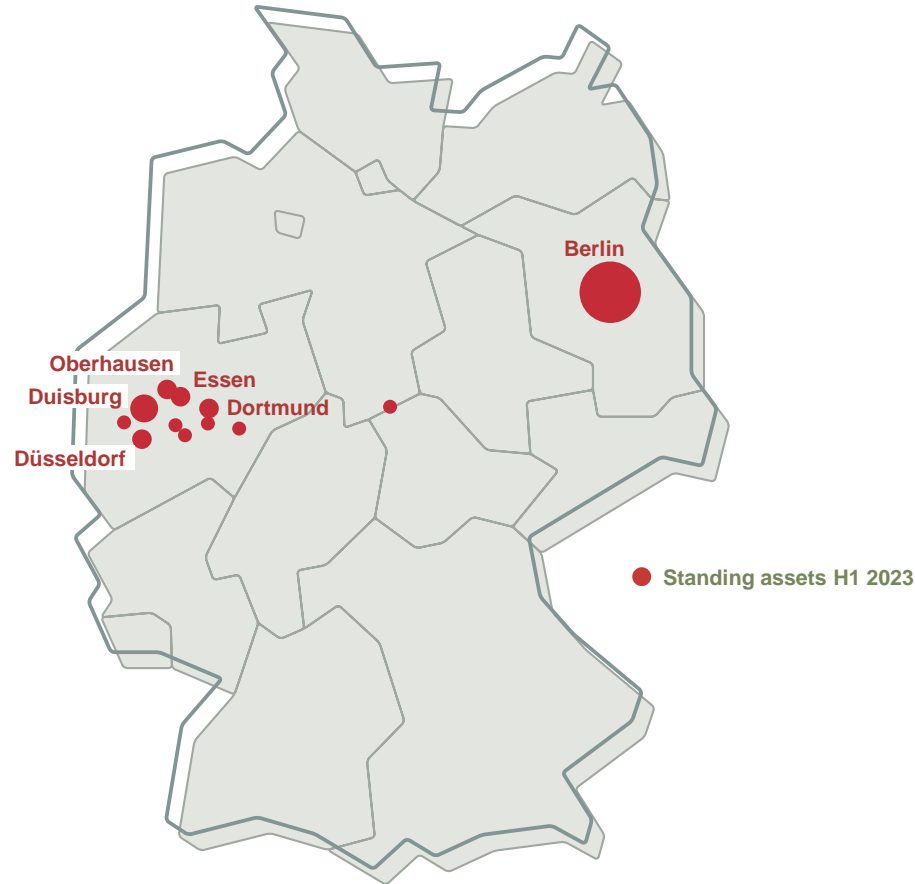
✓ **Sustained progress on disposals**
1 project closed, 2 projects signed and 2 with offer received / exclusivity / LOI

Portfolio & Operational Performance

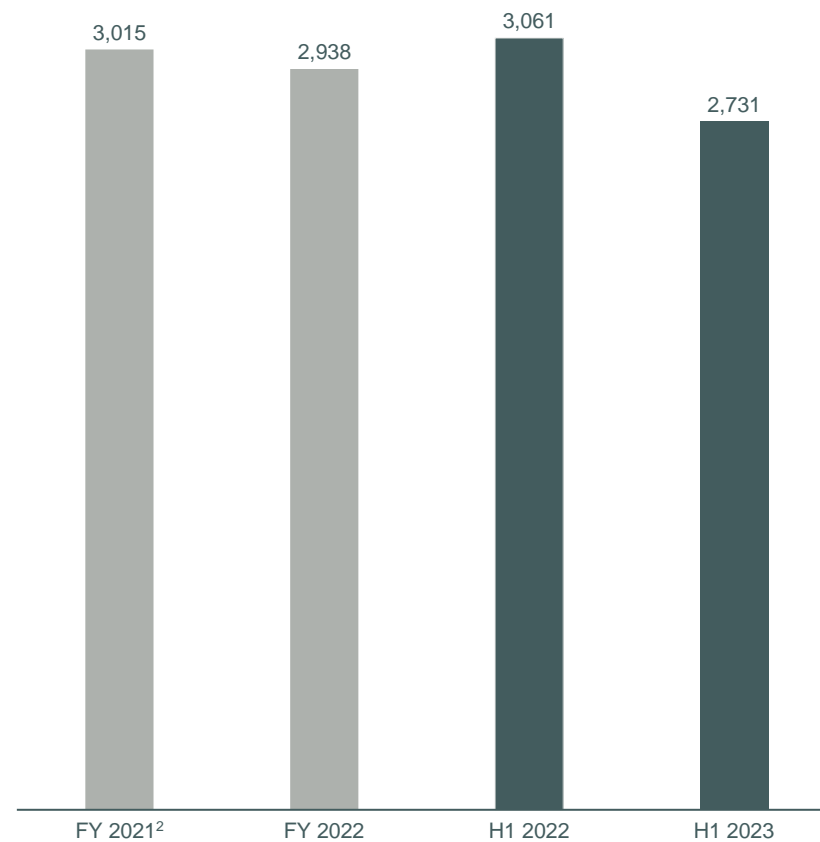
Berlin-anchored Portfolio

Declining valuations due to the prevailing high interest rates

Standing assets as per H1 2023¹



Fair value (€/sqm)



GAV

€4.8bn

standing assets³

LIKE-FOR-LIKE
FAIR VALUE
DECREASE

(8.1%)

YTD (vs FY 2022)

TOTAL NUMBER
OF UNITS

25,784

of which

18,479

in Berlin

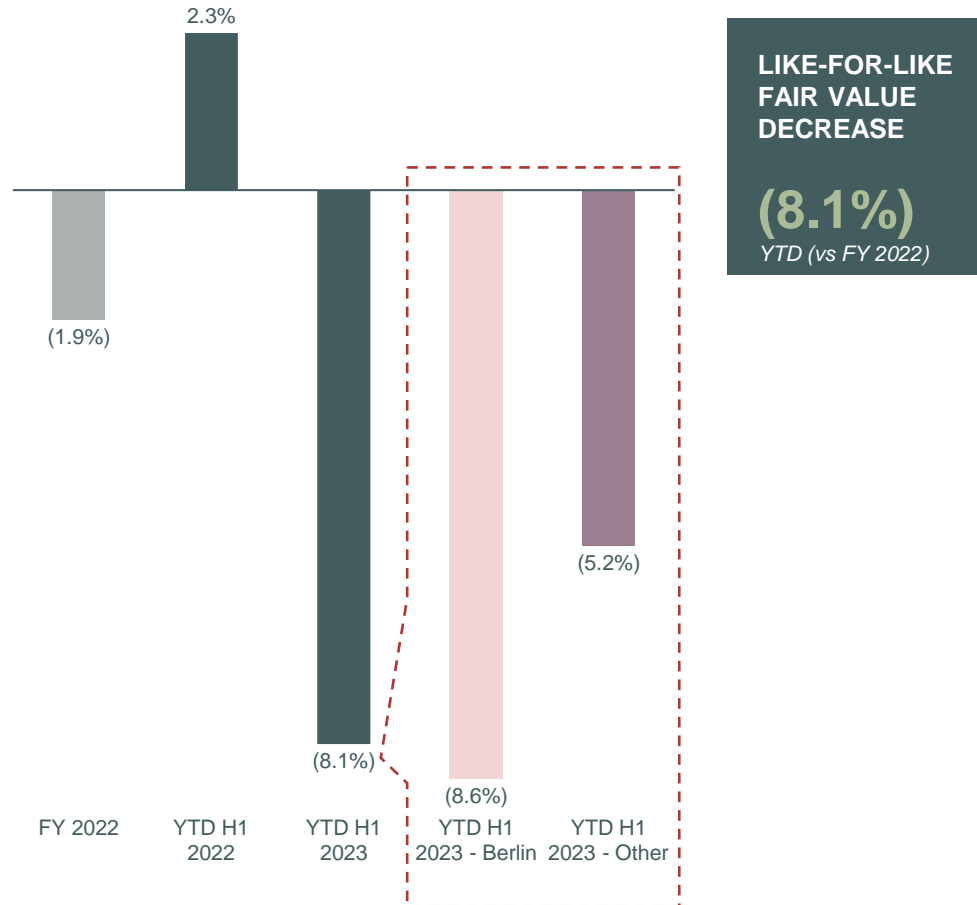
General note: Excluding BCP, as it is classified as asset held for sale.

1. Includes current locations with at least 100 rental units; 2. Following Velero/KKR completion and excluding BCP; 3. The fair value of the assets located in Berlin total €4.1bn.

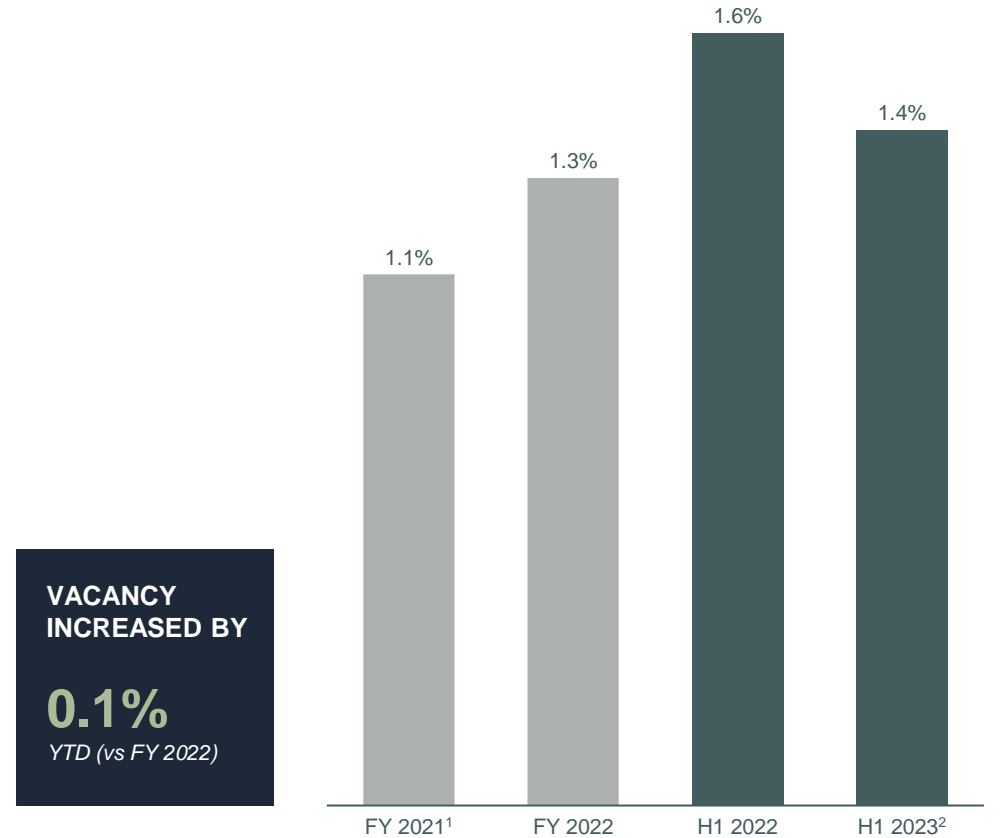
Strong Operational Performance Evidenced in Low Vacancy...

Vacancy remains at a structurally low level

Like-for-like fair value growth (%)



Yielding portfolio operational vacancy rate (%)

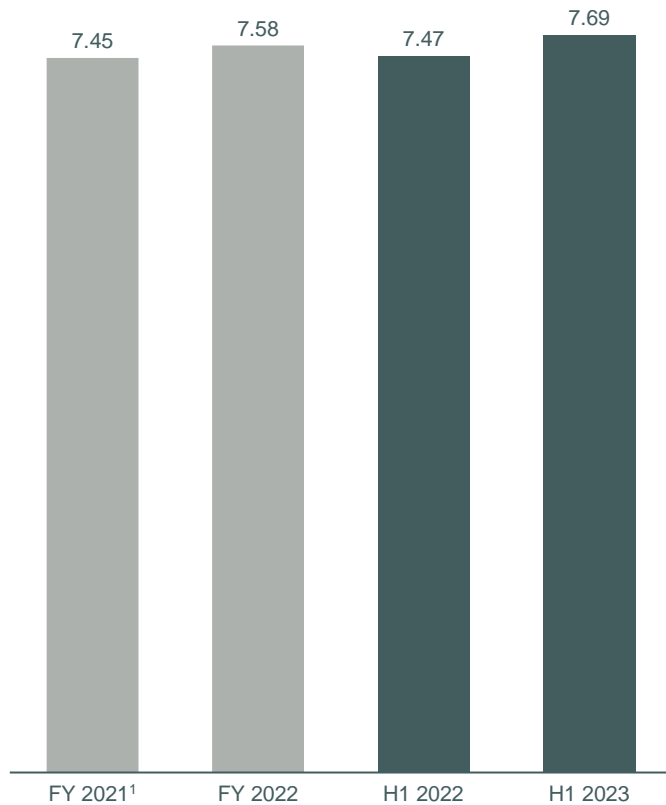


General note: Excluding BCP, as it is classified as asset held for sale.

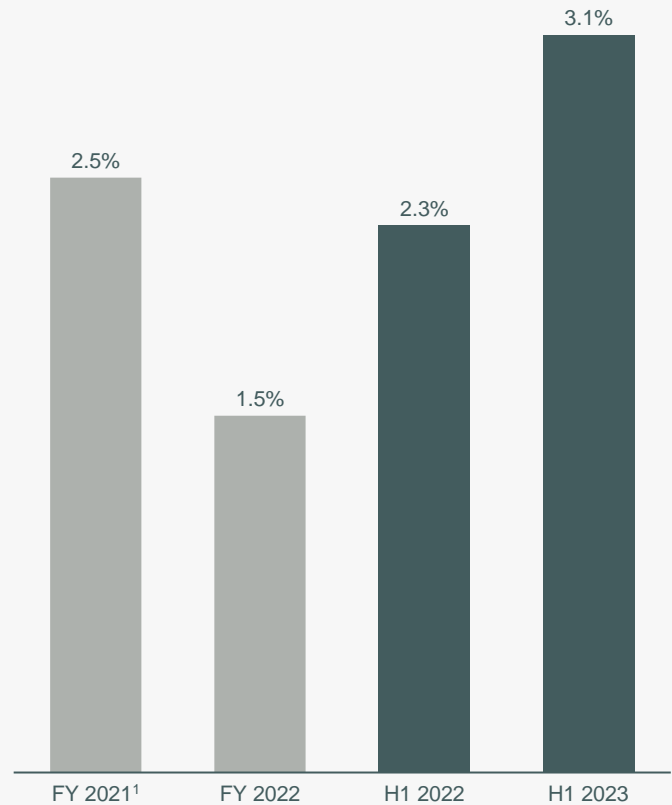
1. Following Velero/KKR completion and excluding BCP; 2. Total vacancy rate amounting to 2.5% as per H1 2023, operational vacancy excludes unavailable units i.e. units under refurbishment and decommissioned units.

...Combined with Increasing Average Monthly In-Place Rent

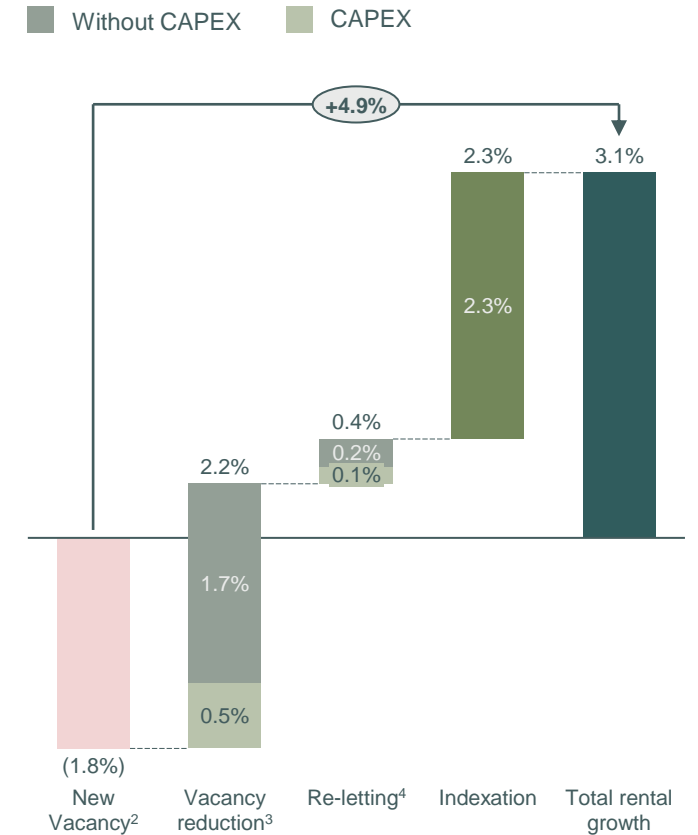
Residential and commercial average rent (€/sqm/m)



Like-for-like residential and commercial rental growth (%)



Detailed breakdown of the like-for-like residential and commercial rental growth (%)



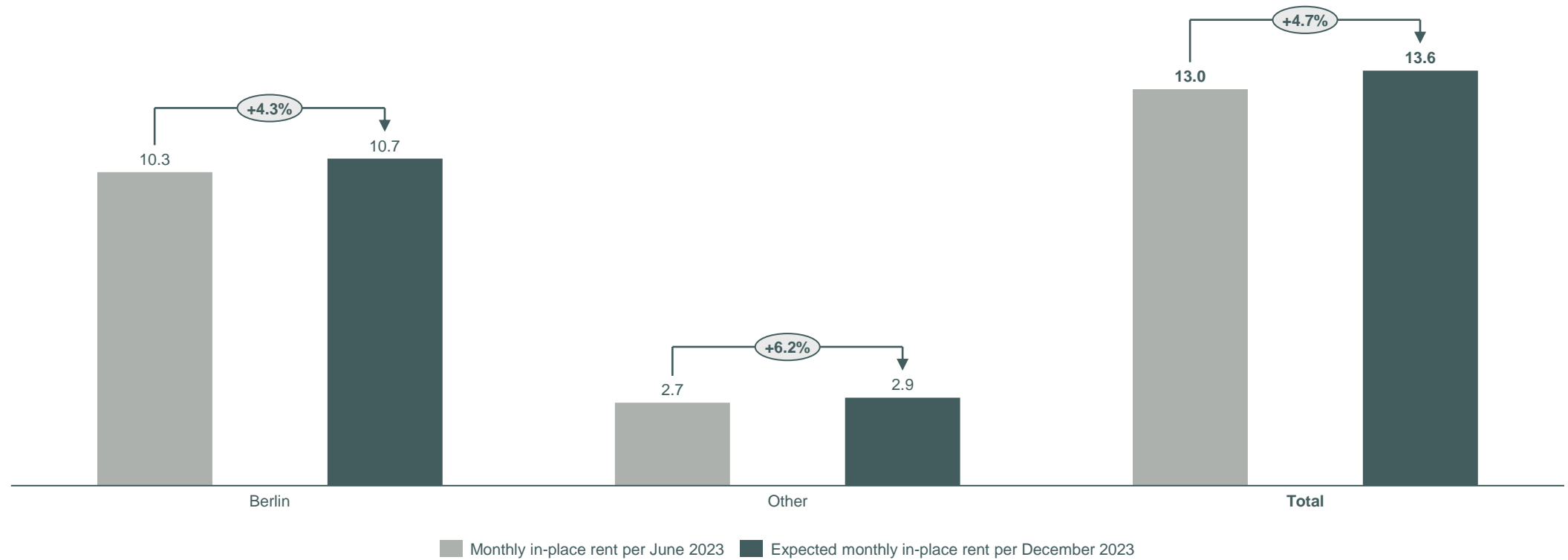
General notes: KPIs presented on this page include ground level commercial units and exclude units under renovation and development projects. Excluding BCP.

1. Following Velero/KKR completion and excluding BCP; 2. Units that are vacant now but were rented out last year; 3. Units that are rented out now but were vacant last year;

4. Units that are rented out now as well as last year, but to a different tenant.

Anticipated Monthly Rent Increase for H2 2023 of 4.5-5.0%

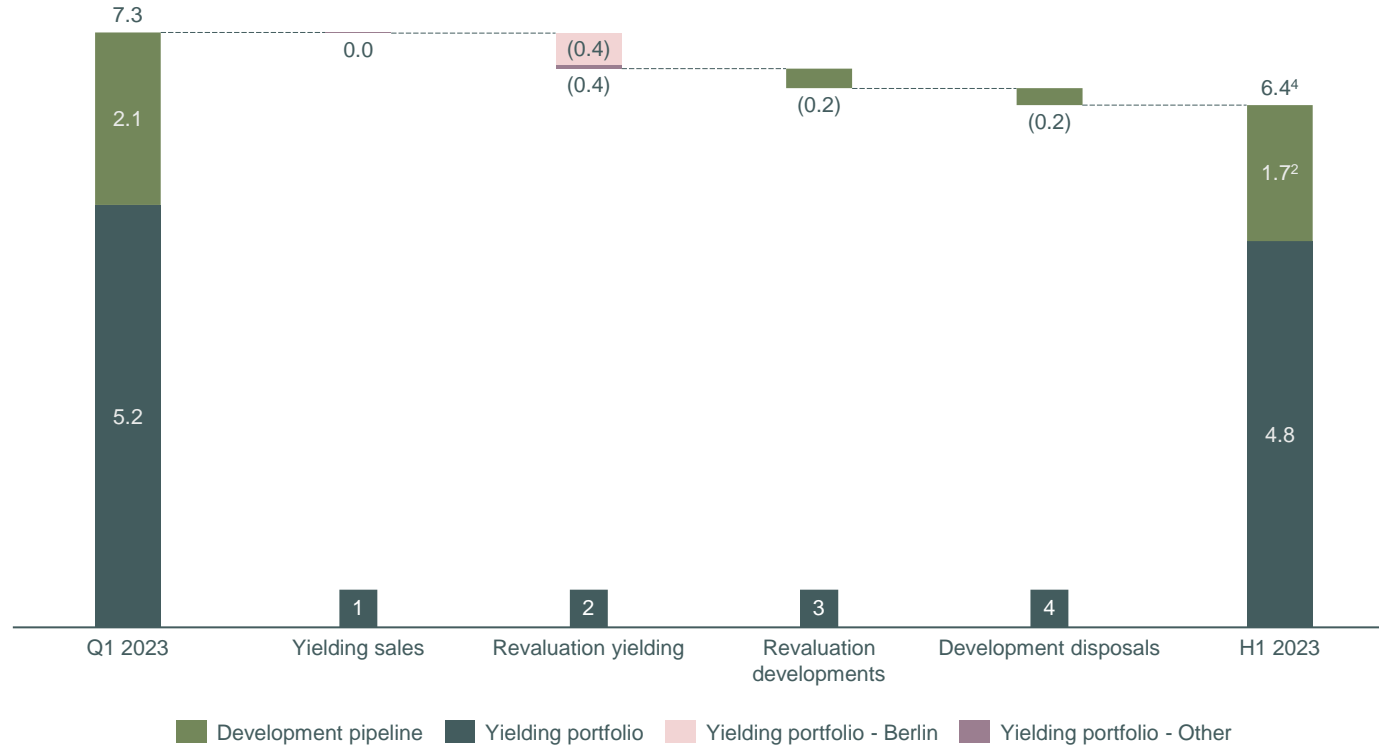
Anticipated monthly rent for H2 2023 per region (€m)



Financial Performance

Portfolio GAV Impacted by Negative Revaluation

GAV excluding BCP (€bn)¹



Comments

- 1 Sale of a single yielding asset located in Duderstadt for c. €8m in GAV
- 2 During the second quarter, a revaluation loss of €437m was realized on the yielding portfolio due to the prevailing high interest rates. In absence of revaluations during Q1 this amounts to a YTD value decrease of 8.1%

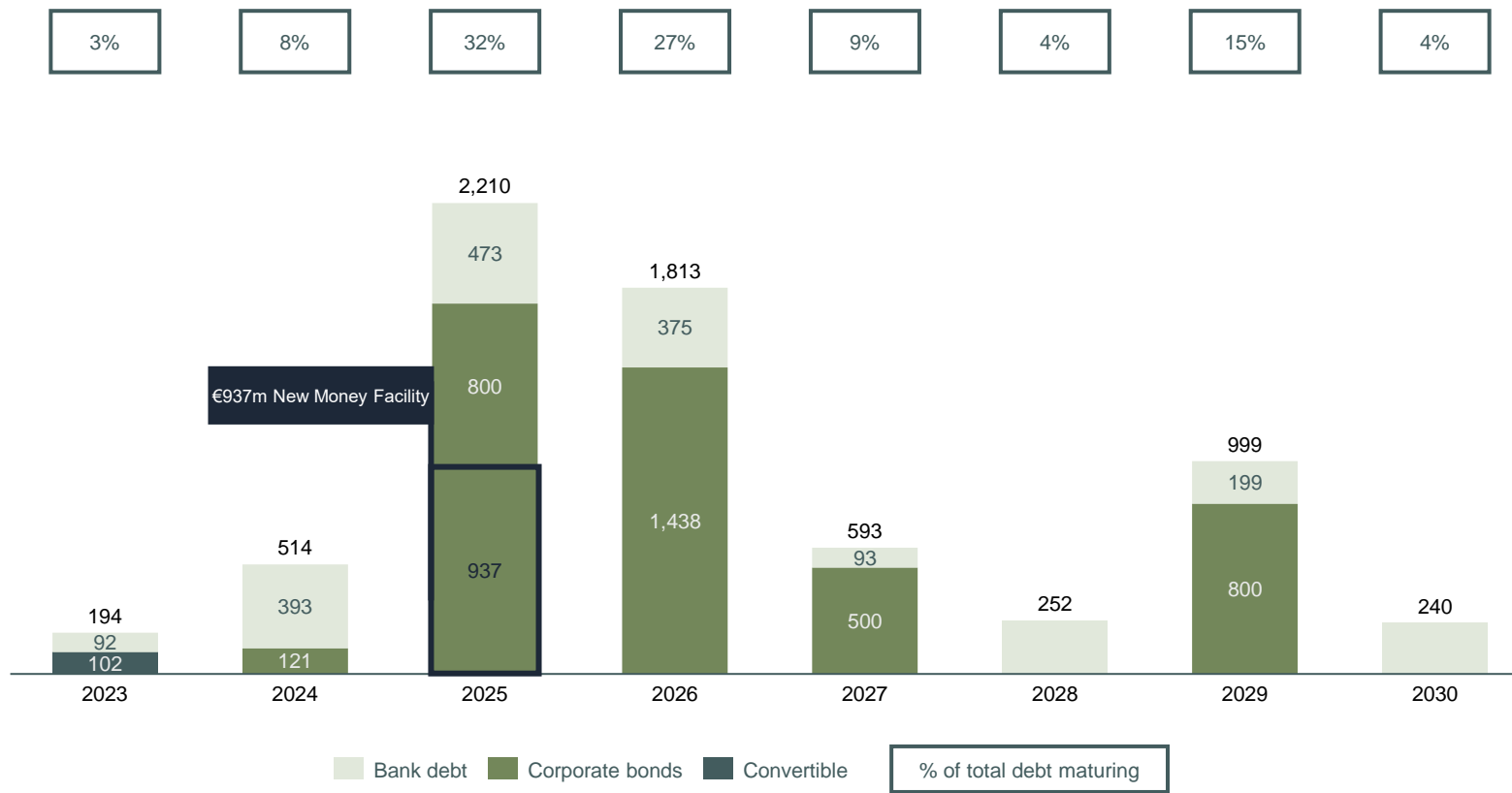
Valuations in Berlin came down with 8.6% like-for-like compared to FY 2022, with values for the remainder of the portfolio decreasing by 5.2% like-for-like
- 3 For the development projects, valuations decreased with €244m³ (12.7% like-for-like decrease) compared to FY 2022 figures
- 4 Sale of Arthur-Hoffmann-Straße closed in April 2023 and two projects located in Offenbach and Berlin signed during Q2 2023

1. Based on appraised values and may result in minor difference vis-à-vis accounting values; 2. Excludes disposals that are either signed or closed as per Q2 2023; 3. Excludes disposals that are either signed or closed as per Q2 2023; 4. Rounded figure.

Debt Maturity Schedule

Upcoming maturities covered by asset disposals, active refinancing and cash at hand

Overview of debt maturities¹ incl. BCP (€m)



Comments

- Repayment of the €500m ADLER Real Estate 2018/2023 bond successfully executed
- Completion of tender offer for the €300m ADLER Real Estate 2017/2024 bond with 98.9% of the outstanding notes validly tendered
- Planned debt placement of up to €191m to refinance the €165m² convertible bond and the €25m Schuldscheine loan both at Adler Group level, due in November 2023
- Other remaining maturities for 2023 encompass €80m Consus bank debt
These maturities are covered by a combination of €231m cash on hand (excluding €213m cash at BCP level) as per Q2 2023, active refinancing and capital measures including portfolio and project disposals
- Refinancing of bank loans at ADLER Real Estate level in Q2 for an amount of €177m including accrued interest until 2026, as well as €94m at BCP level till 2026

1. Figures based on nominal values as per 30 June 2023; 2. Of which €102m externally held.

Planned €191m Placement to Refinance Upcoming Maturities

CURRENT STATUS



- Adler Group S.A.'s €165m convertible bonds mature on November 23, 2023
- A subsidiary of ADLER Real Estate AG holds €63m of these convertible bonds
- Certain promissory notes (Schuldscheine) of a financing subsidiary of Adler Group S.A. can be refinanced on a "1.5 Lien" basis

PLANNED ACTIONS



- Placement of up to €191m of new payment-in-kind senior secured "1.5 Lien" notes by way of private placement
- Tender Offer for any and all outstanding convertible bonds conditioned on new financing being achieved

ANTICIPATED RESULT

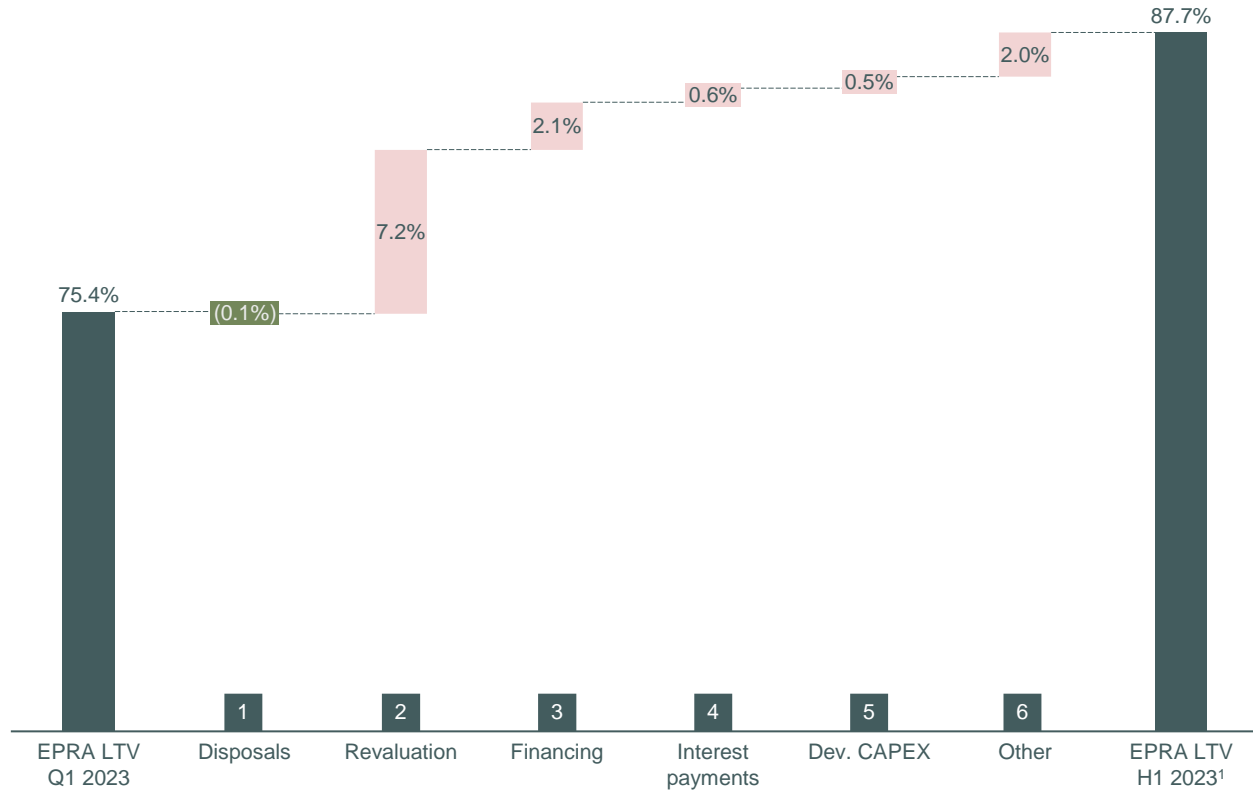


- Payment at maturity of convertible bond and loan notes (plus, in each case, accrued but unpaid interest) fully covered
- Additional liquidity due to tender of €63m by a subsidiary of ADLER Real Estate AG
- Covering near term maturities and providing additional time for asset sales

EPRA LTV bridge

Negative revaluation significantly impacts EPRA LTV position

EPRA LTV evolution¹ (%)



Comments

- 1 Sales of yielding assets, Arthur-Hoffmann-Straße project, as well as condominium units for a total amount of €24m
- 2 Revaluation loss of €716m, including mainly a negative revaluation of €437m within the yielding portfolio against the backdrop of a higher interest rate environment. This value decrease amounts to 8.1% YTD on a like-for-like basis
- 3 Leverage increase due to drawing of the €937m New Money facility, offset by the repayment of debt including the €500m ADLER Real Estate 2018/2023 bond and the completed tender offer for the €300m ADLER Real Estate 2017/2024 bond
- 4 Interest cash payments and accruals for a total amount of €48m
- 5 During Q2 2023, Adler Group spent €36m on development CAPEX, mostly related to forward sales and condominium projects
- 6 Other includes tax and advisory fee payments in relation to the restructuring for a total amount of €71m as well as operating income

1. EPRA LTV differs from the bond covenant LTV which will be tested on 31 December 2024.

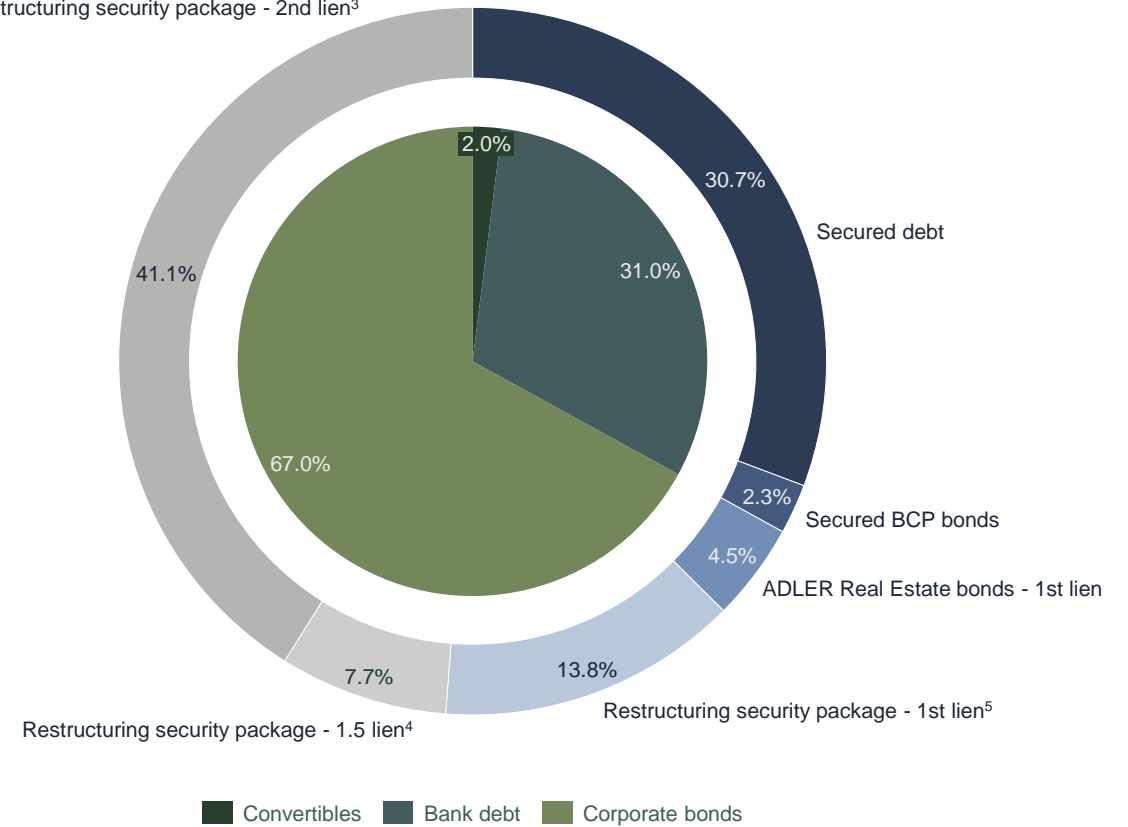
Overview of Debt KPIs as per H1 2023

Debt KPIs for H1 2023

Total nominal interest-bearing debt (€m)	6,815
EPRA LTV¹	87.7%
Fixed / hedged debt	100.0%
Weighted average cost of debt	5.5%
Weighted average maturity (years)	3.2
Corporate rating S&P	CCC+ / Negative
Bond rating S&P	CCC+ / CCC-
New Money rating S&P ²	B

Sources of funding

Restructuring security package - 2nd lien³

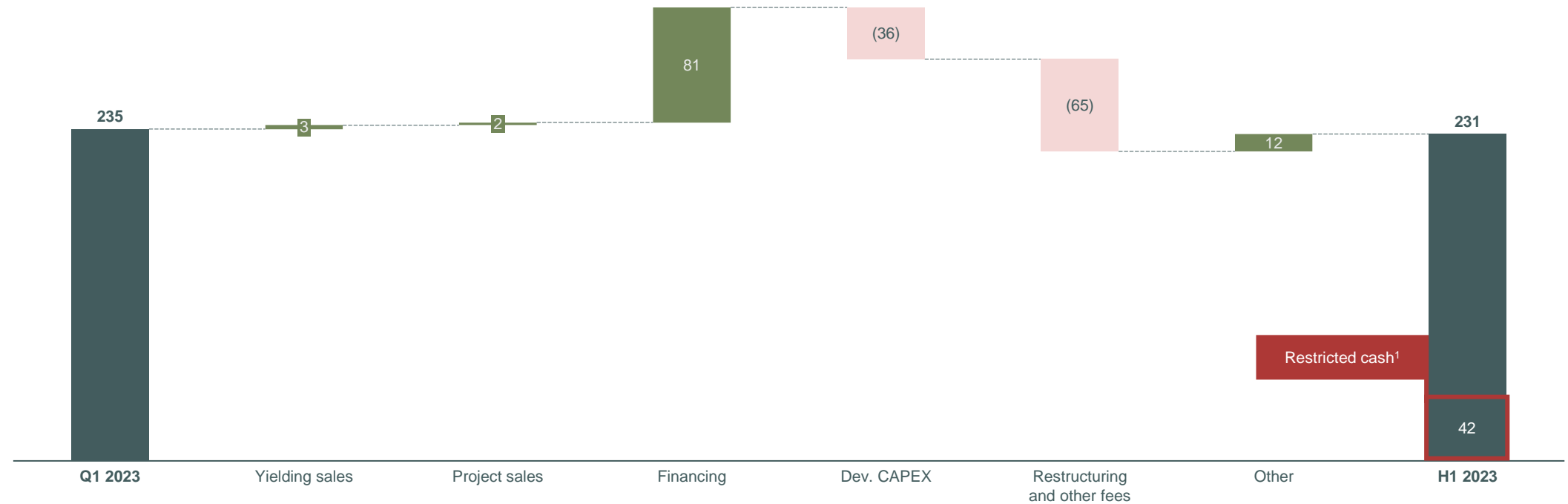


1. EPRA LTV differs from the bond covenant LTV which will be tested on 31 December 2024; 2. Senior secured first lien notes for an amount of €937m; 3. Relates to Adler Group bonds; 4. Relates to ADLER Real Estate convertible, Schuldscheine and the €400m Adler Group 2017/2025 bond; 5. Relates to New Money facility.

Development of Cash Position – Changes during Q2 2023

Cash change driven by financing, CAPEX and advisory fees to restructuring

Cash position, excluding BCP (€m)



1. Restricted mainly includes short-term CAPEX and rolling interest reserves related to underlying financing.

Concluding Remarks

Concluding Remarks

Objectives

Full-year 2023 guidance

Net rental
income (€m)

€207-219m

Following the implementation of the proposed amendments pursuant to the Restructuring Plan of AGPS BondCo PLC, a 100% subsidiary of Adler Group, which was sanctioned on 12 April 2023 by the High Court of Justice of England and Wales, Adler Group is not permitted to declare or pay any dividends to shareholders for the year 2022 and thereafter

Concluding remarks

- ✓ **Restructuring Plan completed**, paving the way to the Group stabilisation
- ✓ Due to the restructuring efforts, the company is facing an **increased interest rate of 5.5%**
- ✓ **Rödl & Partner** has commenced as **ADLER Real Estate's auditor**
- ✓ Adler Group S.A. is in discussions with local auditors
- ✓ Market-leading brokers have been **mandated for major development projects**
- ✓ **1 development project closed**, and **2 projects signed** in Q2 and **3 ongoing sales processes** relating to 2 yielding portfolios and BCP
- ✓ **3.1% like-for-like rental growth** compared to previous year¹
- ✓ **Operational vacancy** of the total portfolio at a structurally low level of **1.4%**
- ✓ Liquidity position including **€231m cash at hand**²
- ✓ **8.1% like-for-like fair value decrease** in the **yielding portfolio**³ and **12.7%** in the **development projects**⁴ compared to beginning of the year valuations due to the prevailing high interest rates



1



2

1 Schnackenburgstraße, Berlin

2 Bizetstraße, Berlin

1. Compared to H1 2022; 2. Excluding BCP; 3. For the Development portfolio: YTD I-f-I negative revaluation of 12.7% excluding projects closed, signed and handed over in H1 2023; 4. Excludes disposals that are either signed or closed as per Q2 2023.

Q&A

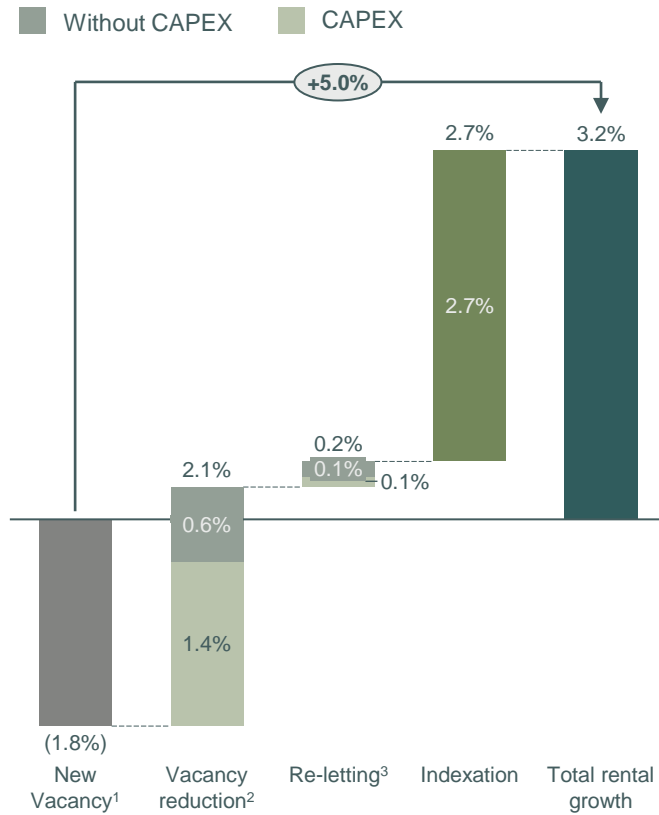


Appendix

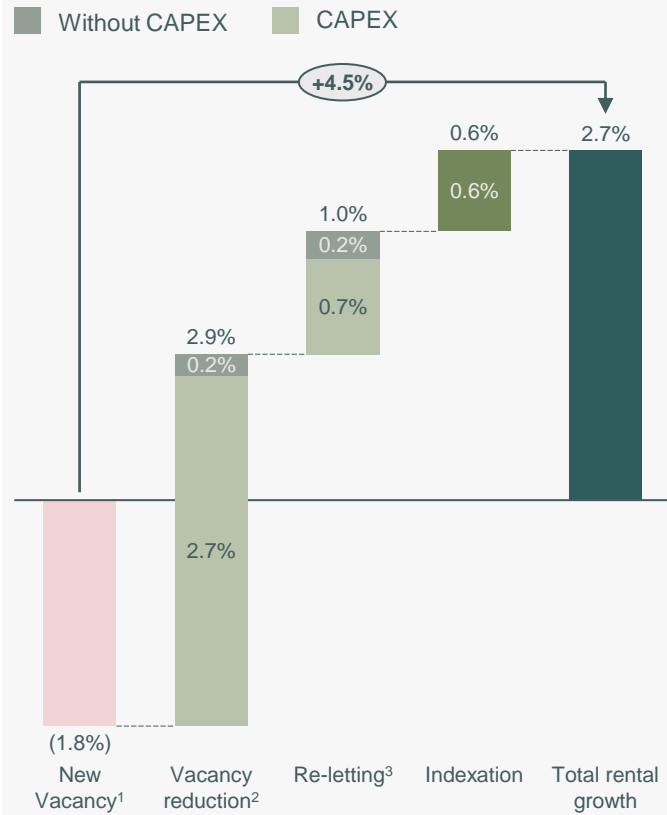
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Detailed Breakdown of the Like-for-like Rental Growth

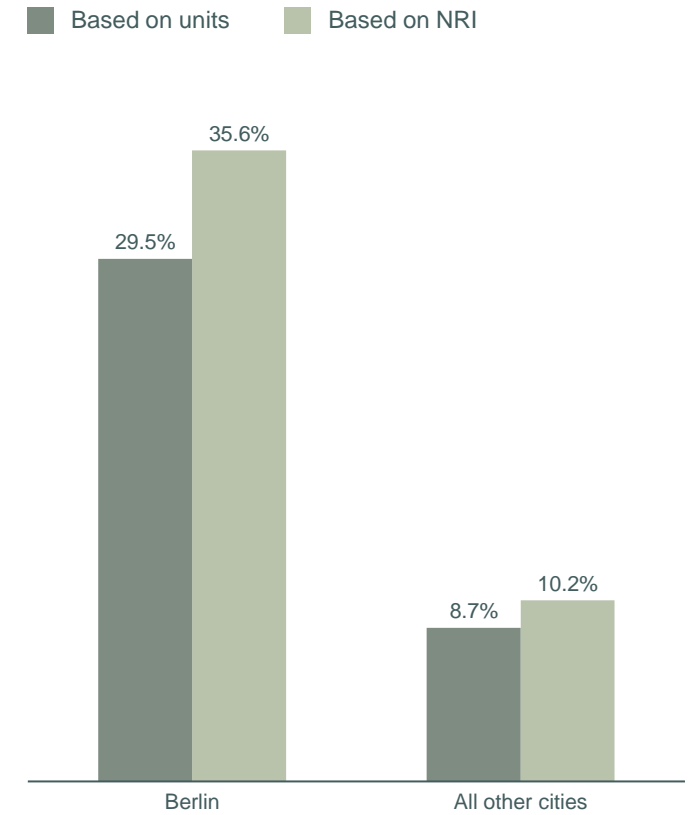
Berlin properties as per H1 2023 (%)



Non-Berlin properties as per H1 2023 (%)



Consumer price index (CPI) linked leases as per H1 2023 (%)

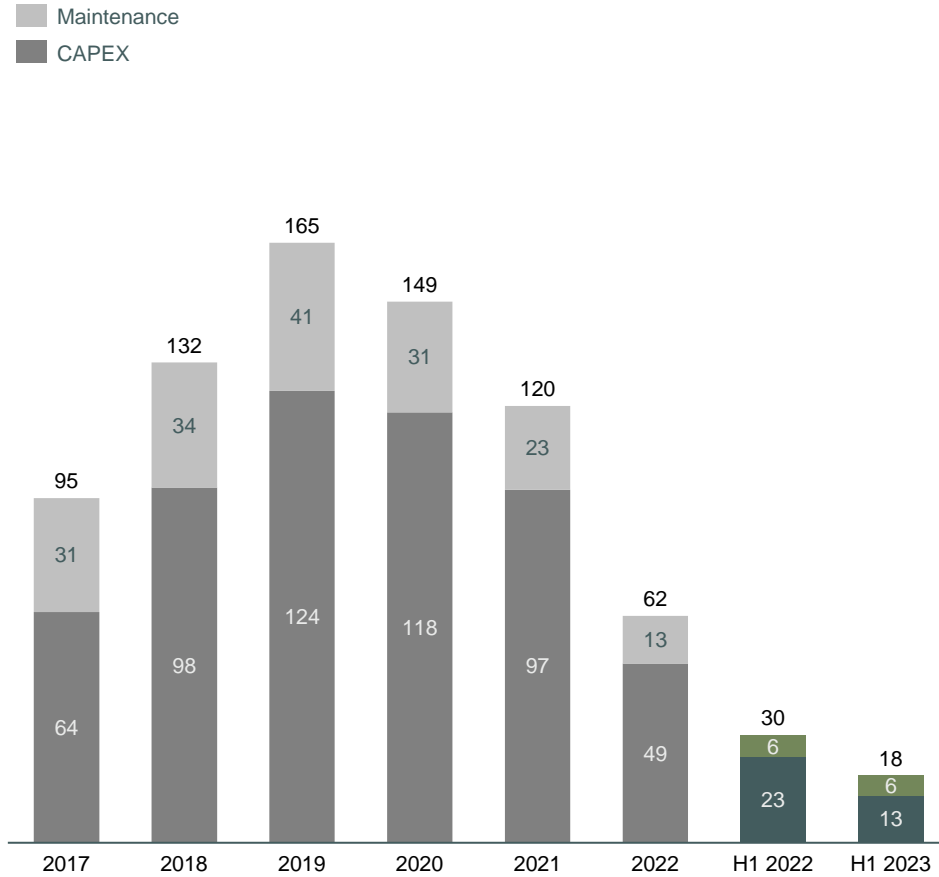


General note: like-for-like rental growth calculated on a YoY basis.

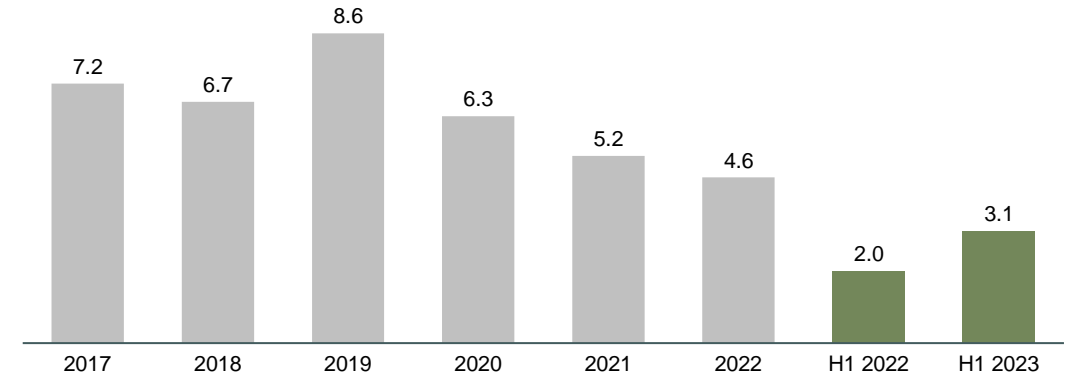
1. Units that are vacant now but were rented out last year; 2. Units that are rented out now but were vacant last year; 3. Units that are rented out now as well as last year, but to a different tenant.

CAPEX and Maintenance in H1 2023

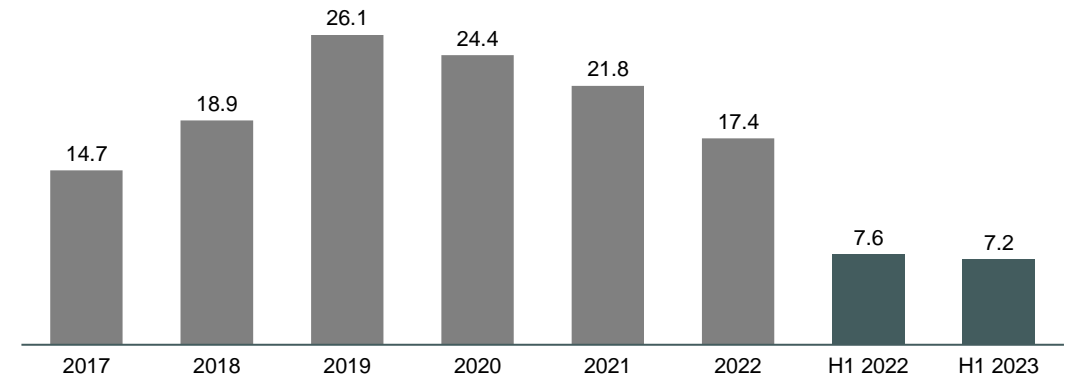
Total CAPEX and maintenance (€m)



Maintenance expense (€/sqm)



CAPEX invested (€/sqm)



Please note that the numbers for the years 2017-2019 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; 2023 figures are excluding BCP, with numbers for the years 2017-2022 including BCP's CAPEX and maintenance.

Portfolio Breakdown of Standing Assets and Developments

Yielding portfolio per city, incl. BCP¹

#	City	Value (€m)	Value (%)
1	Berlin	4,135	71.9
2	Duisburg	442	7.7
3	Düsseldorf	119	2.1
4	Dortmund	113	2.0
5	Kiel	113	2.0
6	Hannover	103	1.8
7	Essen	101	1.8
8	Leipzig	83	1.4
9	Bremen	68	1.2
10	Velbert	63	1.1
Top-10 cities		5,340	92.9%
Other cities		410	7.1%
Total		5,751	100.0%
<i>Thereof Adler Group, excl. BCP</i>		<i>4,787</i>	<i>83.2%</i>
<i>Thereof BCP</i>		<i>964</i>	<i>16.8%</i>

Development projects per city, incl. BCP²

#	City	Value (€m)	Value (%)
1	Berlin	586	28.3
2	Düsseldorf	459	22.2
3	Stuttgart	226	10.9
4	Hamburg	212	10.2
5	Offenbach	129	6.2
6	Frankfurt	97	4.7
7	Dresden	94	4.6
8	Köln	83	4.0
9	Mannheim	80	3.9
10	Leipzig	51	2.4
Top-10 cities		2,017	97.6%
Other cities		50	2.4%
Total		2,066	100.0%
<i>Thereof Adler Group, excl. BCP</i>		<i>1,854</i>	<i>89.7%</i>
<i>Thereof BCP</i>		<i>212</i>	<i>10.3%</i>

1. As appraised by CBRE as per 30 June 2023 and excludes condo units and units that have been sold but not transferred yet; 2. As appraised by NAI Apollo as per 30 June 2023.

Profit and Loss Statement

P&L statement

<i>In € million</i>	H1 2023	H1 2022
Net rental income	108 ¹	131
Income from facility services and recharged utilities costs	50	65
Income from property development	10	10
Other revenue	25	26
Revenue	193	231
Costs of operations	(215)	(219)
Gross profit	(22) ²	12
General and administrative expenses	(71)	(73)
Other expenses	(112) ³	(138)
Other income	24	42
Changes in fair value of investment properties	(742) ⁴	(147)
Results from operating activities	(923)	(303)
Net finance income / (costs)	(283) ⁵	(420)
Net income from investments in associated companies	(1)	1
Income tax expense	167	118
Profit (loss) for the period	(1,040)	(604)

Comments

- 1 Compared to H1 2022, net rental income decreased to €108m mainly due to the disposal of the Eastern portfolio to Velerio/KKR, the Waypoint portfolio and the portfolio disposal by BCP
- 2 The Group's overall revenue and cost of operations have decreased compared to last year mainly due to the decreased size of the portfolio and a loss on development projects
- 3 Other expenses mainly relate to advisor and legal fees as well as other cost directly related to the Restructuring Plan for an amount of €86m
- 4 Changes in the fair value of investment properties for H1 2023 amount to (€742m) due to revaluation of the portfolio on the back of prevailing high interest rates
- 5 Net finance costs for H1 2023 amount to €283m and decreased compared to last year driven by €375m impairments on receivables in H1 2022, offset by losses from remeasurement of bonds of €195m and costs related to the Restructuring Plan, of which €52m are accrued

<i>Finance costs directly related to the Restructuring Plan</i>	<i>In € million</i>
PIK related to New Money	19
PIK including step-up of the coupon for Adler Group bonds	33
Finance costs related to the Restructuring Plan	52

EBITDA from Rental Activities and EBITDA Total

EBITDA from rental activities

<i>In € million</i>	H1 2023	H1 2022
Net rental income	108	131
Income from facility services and recharged utilities costs	50	65
Income from rental activities	158	195
Costs from rental activities	(63)	(80)
Net operating income (NOI) from rental activities	94	115
Overhead costs from rental activities	(34)	(30)
EBITDA from rental activities¹	60	86

1 EBITDA from rental activities decreased mainly on the back of the disposal of the Eastern portfolio to Velerio/KKR, the Waypoint portfolio and the portfolio disposal by BCP

2 Next to the rental activities, EBITDA Total is also impacted by higher operational costs from development and privatisation sales. The reason behind are lower earnings due to construction delays and increased development costs

EBITDA Total

<i>In € million</i>	H1 2023	H1 2022
Income from rental activities	158	195
Income from property development	10	10
Income from other services	5	8
Income from real estate inventory disposed of	19	17
Income from sale of trading properties	0	1
Revenue	193	231
Cost from rental activities	(63)	(80)
Other operational costs from development and privatisation sales	(76)	(54)
Net operating income (NOI)	54	97
Overhead costs from rental activities	(34)	(30)
Overhead costs from development and privatisation sales	(16)	(16)
EBITDA Total	4	52

FFO 1 and FFO 2

FFO 1 calculation

<i>In € million, except per share data</i>	H1 2023	H1 2022
Net rental income	108	131
Income from facility services and recharged utilities costs	50	65
Income from rental activities	158	195
Costs from rental activities	(63)	(80)
Net operating income (NOI) from rental activities	94	115
Overhead costs from rental activities	(34)	(30)
EBITDA from rental activities	60 ¹	86
Net cash interest	(44)	(27)
Current income taxes	(5)	(4)
Interest of minority shareholders	(3)	(5)
FFO 1 (from rental activities)	8 ²	50
No. of shares ¹	130	118
FFO 1 per share	0.06 ²	0.42

FFO 2 calculation

<i>In € million, except per share data</i>	H1 2023	H1 2022
EBITDA total	4 ¹	52
Net cash interest	(104)	(45)
Current income taxes	(8)	(7)
Interest of minority shareholders	(3)	(5)
FFO 2	(111) ²	(5)
No. of shares ¹	130	118
FFO 2 per share	(0.85) ²	(0.04)

¹ EBITDA from rental activities declined mainly on the back of a reduction in net rental income due to the decreased size of the portfolio

² As per 30 June 2023, FFO 1 amounts to €8m and translates into a per share basis of €0.06, whereas FFO 2 accounts for (€111m), which is mainly impacted by nominal accrued interest

Balance Sheet

Balance sheet

<i>In € million</i>	H1 2023		FY 2022 ¹
Investment properties including advances	5,715	1	6,344
Other non-current assets	316		325
Non-current assets	6,031		6,669
Cash and cash equivalents	231		387
Inventories	632		679
Other current assets	368		326
Current assets	1,231	2	1,391
Non-current assets held for sale	1,530	3	1,649
Total assets	8,792		9,710
Interest-bearing debts	6,265	4	5,980
Other liabilities	637		612
Deferred tax liabilities	364		526
Liabilities classified as available for sale	687		679
Total liabilities	7,952		7,796
Total equity attributable to owners of the Company	448		1,417
Non-controlling interests	391		496
Total equity	839	5	1,913
Total equity and liabilities	8,792		9,710

Comments

- 1 Fair value of investment properties decreased following a realised revaluation loss on the yielding portfolio and development projects due to the prevailing high interest rates
- 2 Apart from the cash item, current assets contains inventories relating to the Group's privatisation assets and build-to-sell project developments. The remaining refers to restricted bank deposits, receivables and contract assets, among others
- 3 Assets held for sale decreased on the back of the revaluation of these assets during H1 2023 and relate mainly to BCP
- 4 Interest-bearing debts slightly increased compared to FY 2022 figures on the back of the drawdown of the New Money facilities as well as the repayment of the €500m ADLER Real Estate 2018/2023 bond and the completion of the tender offer for the for the €300m ADLER Real Estate 2017/2024 bond with 98.9% of the outstanding notes validly tendered
- 5 The Group's total equity has decreased by €1,074m compared to FY 2022 figures mainly driven by the negative revaluation of the fair value of the yielding portfolio as well as the development projects

EPRA NAV Metrics

EPRA NAV metrics calculation

<i>In € million, except per share data</i>	H1 2023 ²				FY 2022 ^{1,2}			
	NAV	NRV	NTA	NDV	NAV	NRV	NTA	NDV
EPRA NAV metrics								
Total equity attributable to owners of the Company	448	448	448	448	1,417	1,417	1,417	1,417
Revaluation of inventories	(4)	(4)	(4)	(4)	(2)	(2)	(2)	(2)
Deferred tax	497	497	497	–	598	598	598	–
Goodwill	–	–	–	–	–	–	–	–
Fair value of financial instruments	3	3	3	–	1	1	1	–
Fair value of fixed interest rate debt	–	–	–	1,647	–	–	–	1,698
Real estate transfer tax	–	486	384	–	–	528	427	–
Total	944	1,431	1,328	2,092	2,013	2,541	2,440	3,113
No. of shares	152	152	152	152	118	118	118	118
Total per share	6.23 ¹	9.43 ¹	8.76 ²	13.80 ²	17.13	21.62	20.77	26.49
Convertibles	101	101	101	101	101	101	101	101
Total fully diluted	1,045	1,531	1,429	2,193	2,114	2,641	2,541	3,214
No. of shares (diluted)	153	153	153	153	119	119	119	119
Total per share fully diluted	6.84	10.02	9.35	14.35	17.81	22.25	21.40	27.08

¹ As per 30 June 2023, EPRA NAV amounts to €944m or €6.23 per share and EPRA NRV amounts to €1,431m or €9.43 per share

² The two NAV and NRV KPIs are complemented by EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). EPRA NTA provides a consistent measure of tangible NAV on a going concern basis, whereas EPRA NDV represents the value under a disposal scenario, net of any resulting tax

EPRA LTV - Methodology

EPRA LTV calculation for H1 2023

<i>In € million</i>	Group as reported	Proportionate consolidation			Combined
		Share of joint ventures	Share of material associates	Non-controlling interests ²	
Borrowings from financial institutions	2,537	–	–	–	2,537
Commercial paper	–	–	–	–	–
Hybrid instruments ¹	101	–	–	–	101
Bond loans	3,626	–	–	–	3,626
Foreign currency derivatives	–	–	–	–	–
Net payables	852	–	–	(305)	547 ¹
Owner-occupied property	–	–	–	–	–
Current accounts	–	–	–	–	–
Cash and cash equivalents	(231)	–	–	–	(231)
Net Debt	6,886	–	–	(305)	6,581
Owner-occupied property	6	–	–	–	6
Investment properties at fair value	5,715	–	–	–	5,715
Properties held for sale	2,158	–	–	(538)	1,620
Properties under development	–	–	–	–	–
Intangibles	–	–	–	–	–
Net receivables	–	–	–	–	–
Financial assets	161	–	–	–	161
Total property value	8,041	–	–	(538)	7,503
LTV	85.6%				87.7% ²

Comments

The main objective of EPRA's LTV metric is to provide clarity on and assess the gearing of the shareholder equity within a real estate company

Non-controlling interests has been adjusted for the interest of minority shareholders in the Company's subsidiary BCP²

¹ Net payables to be used when payables are greater than receivables, and net receivables to be used when receivables are greater than payables

² As of 30 June 2023, the Company's combined EPRA LTV amounts to 87.7%

EPRA LTV - Overview

EPRA LTV

<i>In € million</i>	H1 2023		FY 2022 ¹
Borrowings from Financial Institutions	2,537	1	1,646
Commercial paper	–		–
Hybrid instruments ²	101	1	101
Bond loans	3,626	1	4,234
Foreign currency derivatives	–		–
Net payables ³	547		563
Owner-occupied property	–		–
Current accounts	–		–
Cash and cash equivalents	(231)		(387)
Net Debt	6,581		6,157
Owner-occupied property	6		6
Investment properties at fair value	5,715	2	6,344
Properties held for sale	1,620	3	1,745
Properties under development	–		–
Intangibles	–		–
Net receivables ³	–		–
Financial assets	161	4	169
Total Property Value	7,503		8,265
LTV	87.7%	5	74.5%

Comments

- 1 Interest-bearing debts slightly increased compared to FY 2022 figures on the back of the drawdown of the New Money facilities as well as the repayment of the €500m ADLER Real Estate 2018/2023 bond and the completion of the tender offer for the for the €300m ADLER Real Estate 2017/2024 bond with 98.9% of the outstanding notes validly tendered
- 2 Fair value of investment properties has decreased in H1 2023 due to revaluation of the portfolio on the back of prevailing high interest rates
- 3 Properties held for sale considers inventories and non-current assets held for sale and decreased following revaluations during H1 2023
- 4 Financial assets principally relates to loans to non-controlling shareholders as well as investments in debt securities
- 5 As of 30 June 2023, the Company's combined EPRA LTV amounts to 87.7%

Breakdown of Debt Maturities

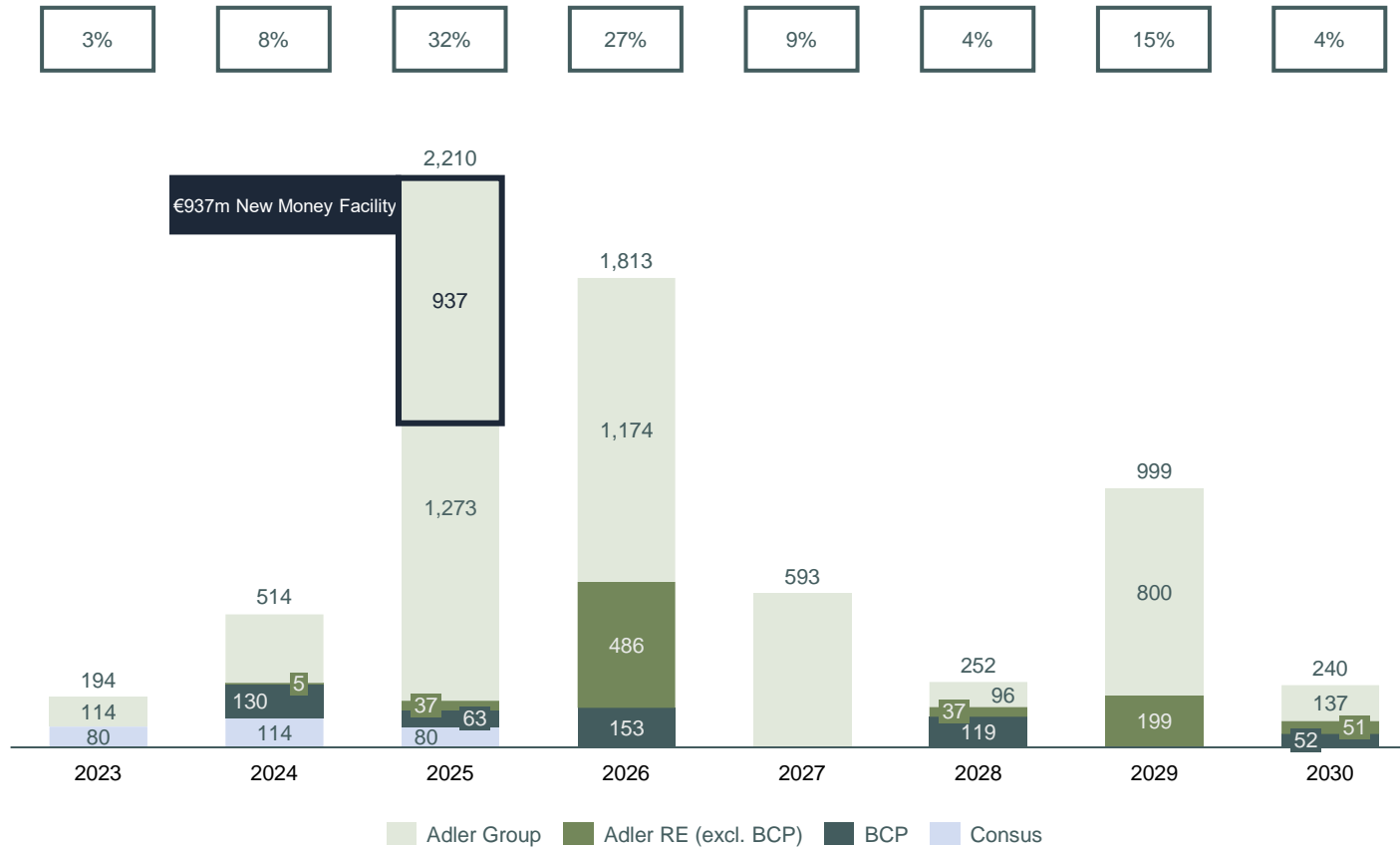
	Volume (€m)	IFRS (€m)	Maturity	Nominal interest rate	Other comments	Premature redemption	Rate, at which premature redemption is possible
ADLER Real Estate Bonds (secured)							
Tender offer completed	2017/24	3	3	6 Feb 24	2.10%	Anytime	Under condition of make whole
	2018/26	300	288	27 Apr 26	3.00%	Anytime	Under condition of make whole
	Total	303	291	2.8 years	2.95%²		
BCP Bonds (secured)							
	Debenture B	118	120	1 Dec 24	4.04%	Permitted	Under condition of make whole
	Debenture C	38	36	1 Jul 26	4.05%	Permitted	Under condition of make whole
	Total	156	156	1.8 years	3.99%²		
Adler Group Bonds (secured)							
	2017/25	400	422	31 Jul 25	4.25%	Permitted	Under condition of make whole
	2020/25	400	418	5 Aug 25	6.00%	Permitted	Under condition of make whole
	2020/26	400	416	13 Nov 26	5.50%	Permitted	Under condition of make whole
	2021/26	700	731	14 Jan 26	4.63%	Permitted	Under condition of make whole
	2021/27	500	521	27 Apr 27	5.00%	Permitted	Under condition of make whole
	2021/29	800	828	14 Jan 29	5.00%	Permitted	Under condition of make whole
	New Money Facility	937	865	30 Jun 25	12.50%	Permitted	Under condition of make whole
	Total	4,137	4,201	3.1 years	7.06%²		
Convertibles¹							
Refinancing planned	Adler Group 2018/23	102	101	23 Nov 23	2.00%	Strike price of €53.16	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
	Total	102	101	0.4 years	1.97%²		
	Bank debt	2,116	1,978	3.6 years	3.23%		
	Total interest-bearing debt	6,815	6,727	3.2 years	5.54%²		

1. Conversions are reflected; 2. Nominal interest rate for totals and subtotals is calculated by using day count convention, based on act/360, and might therefore differ from the nominal interest of the individual debt instruments.

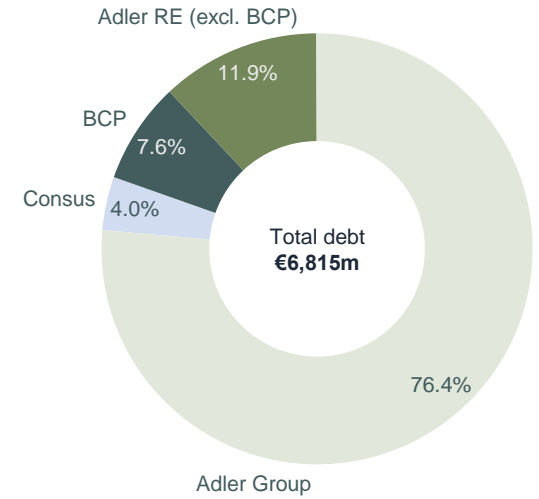
Debt Maturity per Entity

Upcoming maturities covered by active refinancing, cash at hand, and asset disposals

Overview of debt maturity per entity¹ incl. BCP (€m)



Breakdown per entity



1. Figures based on nominal values as per 30 June 2023.

Upfront Sale Projects

Progress in disposals despite difficult market conditions

#	Project name ¹	Entity	City	Zoning	Building permit	Construc. started	Land plot (k sqm)	Area (k sqm)	CAPEX H1 2023 ² (€m)	Remaining CAPEX 2023 ² (€m)	
1	Offenbach project ^{3,4}	Consus	Offenbach	✓	✓	✓	33	88	3	1	PROJECT SOLD €160m GROSS PROCEEDS
2	Berlin project ³	Consus	Berlin	✓	✓	✗	23	39	0	0	
3	Arthur-Hoffmann-Straße ⁵	Consus	Leipzig	✓	✗	✗	1	2	–	–	
4	No.1 Mannheim	Consus	Mannheim	✓	✓	Complete	4	19	1	1	EXCLUSIVITY
5	Holsten Quartier ⁶	Consus	Hamburg	✗	✗	✗	87	149	2 ⁷	1	OTHER €1,299m GAV ¹⁰
6	VAI Campus Stuttgart-Vaihingen (incl. Eiermann) ⁶	Consus	Stuttgart	✗	✗	✗	195	181	0	0	
7	The Wilhelm	Consus	Berlin	✓	✓	✓	4	17	1	2	
8	Schönefeld Nord Residential & Commercial	ADLER RE	Berlin	✗	✗	✗	305	181	0	0	
9	Grand Central DD ⁶	Consus	Düsseldorf	✓	✓	✗	34	76	0	0	
10	Steglitzer Kreisel Parkdeck + Sockel ⁶	Consus	Berlin	✓	✗	✗	13	49	1	1	
11	CologneApart VauVau ⁶	Consus	Cologne	✓	✓	✓	11	23	1	1	
12	UpperNord ^{6,8}	Consus	Düsseldorf	✓	✓	✓	17	54	1	3	
13	Benrather Gärten ⁶	Consus	Düsseldorf	✗	✗	✗	148	131	0	1	
14	Covent Garden	Consus	Munich	✗	✗	✗	8	26	0	0	
15	SLT 107 Schwabenlandtower ⁶	Consus	Stuttgart	✓	✓	✓	8	16	2	1	
16	Eurohaus	ADLER RE	Frankfurt	✓	✓	✗	14	27	–	–	
17	Mensa FLI and FourLiving VauVau	Consus	Leipzig	✓	✓ ⁹	✓ ⁹	15	23	0	0	
18	Wasserstadt Building 7 (Tankstelle) ⁶	ADLER RE	Berlin	✓	✗	✗	3	9	–	0	
19	Wasserstadt Kornversuchsspeicher	ADLER RE	Berlin	✓	✓	✓	2	2	1	–	
20	COL III (Windmühlenquartier)	Consus	Cologne	✗	✗	✗	7	24	0	0	
21	Hufewiesen (Trachau)	ADLER RE	Dresden	✗	✗	✗	108	n.a.	–	0	
Total							1,040	1,136	15	12	

General: status of projects as per the publication date of Q2 2023 results; 1. BCP has been excluded from the data (projects: Gerresheim, Grafental III WA 13 social); 2. Actual CAPEX spent during H1 2023 and company's outstanding CAPEX planning for H2 2023; 3. Signed in Q2 2023; 4. Consists of commercial and residential projects; 5. Closed in April 2023; 6. For accounting purposes, this project is classified as part of investment properties; 7. Relates to demolition work; 8. Consists of UpperNord Tower VauVau, Office and Quarter projects; UpperNord Tower VauVau; 9. Only applicable to FourLiving VauVau; 10. Based on Q2 2023 appraisal valuations.

Forward Sale and Condominium Projects

Majority of projects to be completed and handed over by 2023

#	Project name ¹	Entity	City	Construc. period	Zoning	Building permit	Construc. started	Land plot (k sqm)	Area (k sqm)	GAV ² (€m)	CAPEX H1 2023 ³ (€m)	Remaining CAPEX 2023 ³ (€m)	Total remaining construc. CAPEX ⁴ (€m)	GDV (€m)
Forward sale projects														
1	Quartier Hoym	Consus	Dresden	2018 - 2024	✓	✓	✓	9	28	89	14	19	47	142
2	Quartier Bundesallee und Momente	Consus	Berlin	2016 - 2023	✓	✓	✓	3	7	33	5	7	12	46
3	Ostforum	Consus	Leipzig	2019 - 2024	✓	✓	✓	9	18	21	5	16	45	72
Total forward sale projects								21	53	143	23	41	104	260
Condominium projects														
1	Steglitzer Kreisel Tower	Consus	Berlin	2017 - n.a.	✓	✓	✓	5	24	90	3	3	118 ⁵	236
2	Westend Ensemble - Grand Ouest - LEA A	Consus	Frankfurt	2017 - 2023	✓	✓	✓	14	9	63	10	28	29	92
Total condominium projects								19	34	153	13	32	147	328
Total								40	86	295	36	73	251	588

The Mietspiegel moderates the German housing market by providing a comparative rent benchmark

Mietspiegel in short

- The reform of the German rental index, called Mietspiegel (MSP), came into effect in July 2022 with the goal to **preserve affordability to tenants in a predominantly rental market**
- Mietspiegel legislation is obligatory for all communities with >50k inhabitants and the creation of it falls within the responsibility of the local authorities as well
- In order to determine the local comparative rent, a distinction can be made between the simple and qualified rental index, with a strong preference for the latter given that it carries greater weight in a court of law
- The rent index does not consider rents for subsidized flats with rent control, nor does it include the most recently built flats or flats in detached and semi-detached houses
- Since the Mietspiegel is based on historical market rents, **its growth follows the market rent growth with a delay**

Berlin – an exception to the standard rules

- A qualified rent index was envisaged for 2023 with the latest Mietspiegel dating back to 2021
- However, the process was delayed due to an award review procedure for tendering of the rent index, prohibiting the city of Berlin to provide a full bottom-up MSP in a timely manner
- In order to avoid a rent index gap, it was decided to implement a simple MSP for 2023 to bridge the gap before they return to a **qualified rental index from 2024** onwards
- The simple MSP uses the Berlin Mietspiegel as per 2021 as a starting point and corrects for the development of the local comparable rent since then, allowing **landlords to raise rents in due course**

Detailed vs simple MPS

	MSP sub-method	Cities within Adler portfolio ¹	Expected time for update
Qualified MSP	MSP full bottom-up <ul style="list-style-type: none"> • Based on local market data and calculated using comparable apartment rent levels over the last six years • The data must be representative and based on a scientifically recognized methodology • Must be prepared at least every four years with mandatory review after two years based on CPI-development or via control sample: 	Bochum Cologne Dortmund Wuppertal	Q2 2025 Q2 2025 Q1 2025 Q4 2024
	Two year update MSP “rollover” based on CPI <ul style="list-style-type: none"> • Based on backward-looking CPI no later than two years after data collection on the previous MSP 	Essen	Q3 2024
	MSP based on market sample <ul style="list-style-type: none"> • Update based a smaller control sample 	Wuppertal	Q4 2024
Simple MSP	Less robust and usually considered less reliable by local courts in case the rental level is legally challenged	Berlin Duisburg Düsseldorf Krefeld	Q2 2024 Q4 2023 Q4 2023 Q3 2025

1. Excluding BCP

Source: German Federal Ministry of Justice, City portal of Berlin

Corporate Governance

Current composition of the Board and Senior Management



Prof. Dr. A. Stefan Kirsten

Chairman of the Board
Chairman of the Nomination & Compensation Committee
Member of the Invest Committee
Member of the Finance Committee
Member of the Audit Committee



Thomas Zinnöcker

Member of the Board
Member of the Nomination & Compensation Committee
Member of the Invest Committee
Member of the Finance Committee



Thilo Schmid

Member of the Board
Chairman of the Audit Committee
Member of the Nomination & Compensation Committee



Dr. Heiner Arnoldi

Member of the Board
Chairman of the Finance Committee
Member of the Audit Committee



Stefan Brendgen

Member of the Board
Chairman of the Invest Committee
Member of the Audit Committee

Senior Management



Thierry Beaudemoulin

Chief Executive Officer
Member of the Board



Thomas Echelmeyer

Chief Financial Officer
Member of the Board



Sven-Christian Frank

Chief Legal Officer

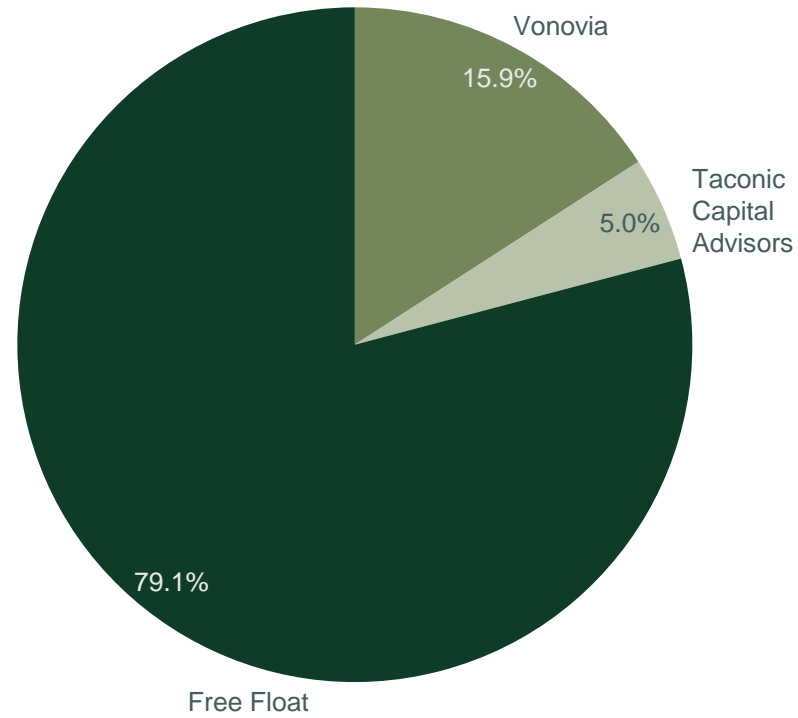


Hubertus Kobe

Chief Restructuring Officer

Shareholder Composition

Adler Group's Shareholder composition¹



1. According to the official notifications received from the shareholders.

Corporate Agenda

Adler Group S.A. financial calendar 2023

28 November 2023

Publication Q3 2023 Results

30 September 2024 (extended deadline)

Publication Annual Report 2022, audited

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