ADLER GROUP

Q3

QUARTERLY FINANCIAL STATEMENTS 2022

Key Figures Q3

Profit and loss statement

In EUR thousand	For the nine months ended 30 Sep 2022	30 Sep 2021(*)	For the three months ended 30 Sep 2022	30 Sep 2021	For the year ended 31 Dec 2021
Income from rental activities	281,317	344,350	85,888	113,843	495,092
EBITDA from rental activities	118,237	169,180	32,359	56,636	227,748
EBITDA from rental activities margin	63.1%	65.2%	57.1%	66.4%	65.8%
EBITDA Total	17,445	181,512	27,594	71,199	208,246
FFO 1 (from rental activities)	67,968	101,900	18,062	35,098	137,072
FFO 2 (incl. disposal results and development activities)	(63,126)	92,086	3,880	59,657	60,883

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.

Further KPIs

Residential(*)	30 Sep 2022	31 Dec 2021
Monthly in-place rent (EUR per m²)	7.56	7.45
Total vacancy rate	1.7%	1.1%
Number of units	26,219	27,469
Like-for-like rental growth	2.0%	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	30 Sep 2022(*)	31 Dec 2021(*)
Fair value of properties	9,148,431	9,965,420
LTV	59.9%	50.9%
EPRA NRV	3,505,465	4,649,372
EPRA NRV per share (EUR)	29.83	39.57
EPRA NTA	3,282,073	4,268,575
EPRA NTA per share (EUR)	27.93	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 26,000 residential rental units throughout Germany and has a development pipeline of approximately 3,200 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

26,219
units

DEVELOPMENT PIPELINE

c. 3,200
units

Adler Group Share

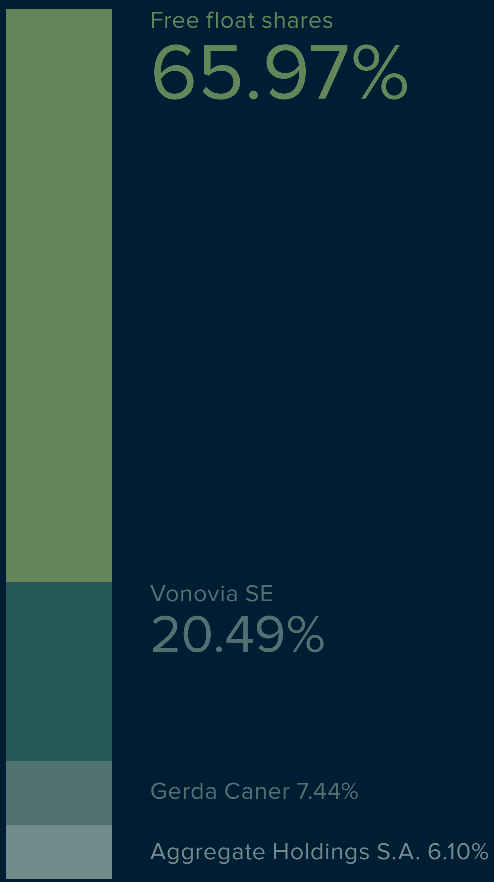
The share

Share information (as at 30 September 2022)

1st day of trading	23 July 2015
Subscription price	EUR 20.00
Price at the end of Q3 2022	EUR 1.88
Highest share price LTM	EUR 15.23
Lowest share price LTM	EUR 1.87
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
ERPA indices	FTSE EPRA / NAREIT Global Index, FTSE EPRA / NAREIT Developed Europe Index, FTSE EPRA / NAREIT Germany Index

Shareholder structure

(as at 30 September 2022)



Key stock market data

Adler Group shares are traded on the Prime Standard of the Frankfurt Stock Exchange. During the 12 months ended 30 September 2022, the shares traded between EUR 1.87 and EUR 15.23. Adler Group shares are included in the relevant real estate sector indices of the EPRA index family.

Shareholder structure

As at 30 September 2022, the total number of outstanding shares of Adler Group amounts to 117.5 million. Currently, the main shareholders with holdings of over 5% are: Vonovia SE (20.49%) , Gerda Caner (7.44%) and Aggregate Holdings S.A. (6.10%)[1]. The remaining 65.97% free float shares are mainly held by institutional investors.

Dividend

As part of the agreement with bondholders on 25 November 2022, Adler Group has agreed not to submit a dividend proposal to its shareholders.

1) 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 9.1 billion. We hold and manage approximately 26,000 apartments in our core portfolio, with an additional 3,200 units under development in Germany's top cities.

Our business model focuses on asset and portfolio management, property and facility management and on 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 738 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

26,219
units

OPERATIONAL EMPLOYEES

738
people

sue growth beyond the rent tables through targeted CAPEX investments to modernise, refurbish and/or re-position 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 medium 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 660 million. We aim to develop approximately 350,000 m^2 of additional rental area across 3,200 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.

Dividend

As part of the agreement with bondholders on 25 November 2022, Adler Group has agreed not to submit a dividend proposal to its shareholders.

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 30 September 2022, the Board comprised as follows:

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

Mr Thierry Beaudemoulin
Director

Mr Thilo Schmid
Independent Director

Mr Thomas Zinnöcker
Independent Director

Portfolio Overview

Business performance highlights

As at 30 September 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 30 September 2022.

The figures shown in this section show the residential core portfolio and do not comprise any assets classified as held for sale (i.e. assets owned by BCP).

Portfolio overview(*)

Location	Fair value EUR m Q3 22	Fair value EUR/m² Q3 22	Units	Lettable area m²	NRI(**) EUR m Q3 22	Rental yield (in-place rent)	Vacancy Q3 22	Vacancy Δ YoY LFL	Q3 22 Avg. rent EUR/m²/ month	NRI Δ YoY LFL	Rever-sionary potential
Berlin	4,608	3,571	18,580	1,290,199	126.0	2.7%	1.6%	0.5%	8.18	2.1%	20.4%
Other	711	1,459	7,639	486,898	33.8	4.8%	1.9%	(0.4%)	5.92	1.9%	14.9%
Total	**5,318**	**2,993**	**26,219**	**1,777,097**	**159.9**	**3.0%**	**1.7%**	**0.3%**	**7.56**	**2.0%**	**19.3%**

(*) 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(*)

	30 Sep 2022	31 Dec 2021
Number of units	26,219	27,469
Average rent/m^2/month (EUR)	7.56	7.45
Vacancy	1.7%	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 7.56 in the course of the year, while the vacancy rate marginally increased to 1.7%.

AVERAGE RESIDENTIAL IN-PLACE RENT

EUR/M²/MONTH

7.56

LIKE-FOR-LIKE RENTAL GROWTH

2.0%

Like-for-like rental growth(*)

In %	LTM(**) 30 Sep 2022	1 Jan - 31 Dec 2021
Like-for-like rental growth	2.0%	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 2.1% while like-for-like rental growth of the remaining portfolio stood at 1.9%.

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 - 30 Sep 2022	1 Jan - 31 Dec 2021
Maintenance	3.2	5.2
CAPEX	8.5	21.8
Total	**11.8**	**27.0**

Maintenance and CAPEX

In EUR million	1 Jan - 30 Sep 2022	1 Jan - 31 Dec 2021
Maintenance	6.8	23.1
CAPEX	18.2	97.1
Total	**25.1**	**120.2**

Total investment in the core portfolio amounted to EUR 25.1 million resulting in maintenance and CAPEX cost per m^2 in the first nine months of 2022 amounting to EUR 11.8. Please note that, in contrast to 2021, both maintenance and CAPEX figures for 2022 do not include assets that were classified as held for sale (i.e. assets owned by BCP). Including BCP, total CAPEX amounted to EUR 27.9 million and maintenance expenses amounted to EUR 9.3 million resulting in the CAPEX and maintenance cost per m^2 in the first nine months of 2022 of EUR 13.0.

Vacancy split

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

Vacancy(*)

	30 Sep 2022	31 Dec 2021
Total vacancy (units)	424	309
Total vacancy (m^2)	30,239	20,360
Total vacancy rate	1.7%	1.1%

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

VACANCY RATE

TOTAL PORTFOLIO

1.7%

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 and EBT

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 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 earning 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 in Q3 2022 compared to 2021 mainly as a result of the Northern portfolio disposal to LEG, the Eastern Portfolio disposal to KKR/Velero and the Waypoint portfolio disposal, respectively. EBITDA Total has decreased in 2022 compared to 2021 mainly due to lower income from rental activities as well as a fair value loss from the build-to-hold developments.

For the first nine months of 2022 the FFO 1 amounts to EUR 68.0 million and translates into a per share basis of EUR 0.58, whereas the FFO 2 accounts for EUR -63.1 million and EUR -0.54 per share.

As at 30 September 2022 the total interest-bearing nominal debt amounted to around EUR 6.9 billion. As at Q3 2022, our average interest rate on all outstanding debt is 2.2%, with a weighted average maturity of 3.5 years and an interest coverage ratio of 0.4(*).

(*) 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 nine months ended		For the three months ended		For the year ended
In EUR thousand	**30 Sep 2022**	**30 Sep 2021**	**30 Sep 2022**	**30 Sep 2021**	**31 Dec 2021**
Net rental income	187,477	259,329	56,690	85,312	346,188
Income from facility services and recharged utilities costs	93,840	85,021	29,198	28,531	148,904
Income from rental activities	**281,317**	**344,350**	**85,888**	**113,843**	**495,092**
Cost from rental activities	(118,793)	(133,746)	(38,775)	(43,826)	(216,775)
Net operating income (NOI) from rental activities	**162,524**	**210,604**	**47,113**	**70,017**	**278,317**
NOI from rental activities margin (%)	**86.7%**	**81.2%**	**83.1%**	**82.1%**	**80.4%**
Overhead costs from rental activities	(44,288)	(41,424)	(14,755)	(13,382)	(50,569)
EBITDA from rental activities	**118,237**	**169,180**	**32,359**	**56,636**	**227,748**
EBITDA margin from rental activities (%)	**63.1%**	**65.2%**	**57.1%**	**66.4%**	**65.8%**

EBITDA Total

In EUR thousand	For the nine months ended 30 Sep 2022	For the nine months ended 30 Sep 2021(*)	For the three months ended 30 Sep 2022	For the three months ended 30 Sep 2021	For the year ended 31 Dec 2021
Income from rental activities	281,317	344,350	85,888	113,843	495,092
Income from property development	97,940	78,544	88,382	19,636	122,969
Income from other services	13,944	10,446	6,177	5,568	18,126
Income from real estate inventory disposed of	228,750	218,667	211,750	-	502,108
Income from sale of trading properties	1,994	5,122	699	205	5,437
Revenue	**623,945**	**657,129**	**392,896**	**139,252**	**1,143,732**
Cost from rental activities	(118,793)	(133,746)	(38,775)	(43,826)	(216,775)
Other operational costs from development and privatisation sales	(357,918)	(328,171)	(303,798)	(9,119)	(611,416)
Net operating income (NOI)	**147,234**	**195,212**	**50,323**	**86,307**	**315,541**
Overhead costs from rental activities	(44,288)	(41,424)	(14,755)	(13,382)	(50,569)
Overhead costs from development and privatisation sales	(23,613)	(11,612)	(7,974)	(1,726)	(19,674)
Profit from portfolio sales(**)	-	-	-	-	45,638
Fair value gain from build-to-hold development(***)	(61,889)	39,337	-	-	(82,690)
EBITDA Total	**17,445**	**181,512**	**27,594**	**71,199**	**208,246**
Net cash interest	(63,600)	(69,560)	(18,144)	(14,691)	(97,903)
Other net financial costs	(383,313)	(176,120)	(8,481)	(73,582)	(284,566)
Depreciation and amortisation	(17,415)	(11,397)	(5,101)	(3,813)	(19,688)
Other income/(expenses)	(170,912)	10,220	23,885	(9,517)	(1,281,721)
Change in valuation	(307,815)	531,444	(222,256)	30,829	452,195
Net income from at-equity valued investments	443	(47)	(95)	53	758
EBT	**(925,167)**	**466,052**	**(202,597)**	**478**	**(1,022,680)**

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.
(**) Contains the profit stemming from the KKR/Velero transaction.
(***) Previous year's figures adjusted for reclassified projects.

INCOME FROM RENTAL ACTIVITIES

EUR

281.3

million

FFO

FFO 1 (from rental activities)

In EUR thousand	For the nine months ended 30 Sep 2022	For the nine months ended 30 Sep 2021	For the three months ended 30 Sep 2022	For the three months ended 30 Sep 2021	For the year ended 31 Dec 2021
EBITDA from rental activities	118,237	169,180	32,359	56,636	227,748
Net cash interest	(36,996)	(56,468)	(10,039)	(18,749)	(75,644)
Current income taxes	(5,978)	(5,013)	(1,840)	(833)	(5,600)
Interest of minority shareholders	(7,295)	(5,799)	(2,418)	(1,956)	(9,433)
FFO 1 (from rental activities)	**67,968**	**101,900**	**18,062**	**35,098**	**137,072**
No. of shares(*)	117,510	117,510	117,510	117,510	117,510
FFO 1 per share	**0.58**	**0.87**	**0.15**	**0.30**	**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 nine months ended 30 Sep 2022	For the nine months ended 30 Sep 2021(*)	For the three months ended 30 Sep 2022	For the three months ended 30 Sep 2021	For the year ended 31 Dec 2021
EBITDA Total	17,445	181,512	27,594	71,199	208,246
Net cash interest	(63,600)	(69,560)	(18,144)	(14,691)	(97,903)
Current income taxes	(9,676)	(14,067)	(3,152)	5,105	(40,027)
Interest of minority shareholders	(7,295)	(5,799)	(2,418)	(1,956)	(9,433)
FFO 2	**(63,126)**	**92,086**	**3,880**	**59,657**	**60,883**
No. of shares(**)	117,510	117,510	117,510	117,510	117,510
FFO 2 per share	**(0.54)**	**0.78**	**0.03**	**0.51**	**0.52**

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.
(**) The number of shares is calculated as weighted average for the related period.

FFO 1

EUR

68.0

million

Financial and asset position

The Group's total assets decreased from EUR 13.0 billion on 31 December 2021 to EUR 11.0 billion as at 30 September 2022 mainly due to disposals of both yielding and development real estate assets. The Company has updated the fair value of the yielding investment properties based on a third-party valuation as at 30 September 2022.

Financial position

In EUR thousand	30 Sep 2022	31 Dec 2021
Investment properties and advances related to investment properties	6,644,514	7,115,862
Other non-current assets	341,478	337,179
Non-current assets	**6,985,992**	**7,453,041**
Cash and cash deposits	615,075	555,700
Inventories	999,938	1,093,454
Other current assets	427,648	916,541
Current assets	**2,042,661**	**2,565,695**
Non-current assets held for sale	**1,927,828**	**3,017,588**
Total assets	**10,956,481**	**13,036,324**
Interest-bearing debts	6,120,597	7,003,429
Other liabilities	602,241	730,540
Deferred tax liabilities	515,662	759,828
Liabilities classified as available for sale	**861,109**	**849,050**
Total liabilities	**8,099,609**	**9,342,847**
Total equity attributable to owner of the Company	**2,233,693**	**2,990,383**
Non-controlling interests	623,179	703,094
Total equity	**2,856,872**	**3,693,477**
Total equity and liabilities	**10,956,481**	**13,036,324**

In the following tables 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

In EUR thousand	NAV	NRV	NTA	NDV
	30 Sep 2022(*)			
Total equity attributable to owners of the Company	2,233,693	2,233,693	2,233,693	2,233,693
Revaluation of inventories	(102,416)	(102,416)	(102,416)	(102,416)
Deferred tax	747,839	747,839	703,143	-
Goodwill	-	-	-	-
Fair value of financial instruments	671	671	671	-
Fair value of fixed interest rate debt	-	-	-	1,851,619
Real estate transfer tax	-	625,678	446,982	-
EPRA NAV	**2,879,787**	**3,505,465**	**3,282,073**	**3,982,896**
No. of shares	117,510	117,510	117,510	117,510
EPRA NAV per share	**24.51**	**29.83**	**27.93**	**33.89**
Convertibles	100,122	100,122	100,122	100,122
EPRA NAV fully diluted	**2,979,909**	**3,605,587**	**3,382,195**	**4,083,018**
No. of shares (diluted)	118,694	118,694	118,694	118,694
EPRA NAV per share fully diluted	**25.11**	**30.38**	**28.50**	**34.40**

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

EPRA NAVs

In EUR thousand	NAV	NRV	NTA	NDV
	31 Dec 2021(*)			
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	30 Sep 2022(*)	31 Dec 2021(*)
Corporate bonds and other loans and borrowings	6,579,232	7,439,732
Convertible bonds	220,950	216,941
Cash and cash equivalents	(792,152)	(580,561)
Selected financial assets(**)	(367,610)	(745,310)
Net contract assets	(60,040)	(46,128)
Assets and liabilities classified as held for sale	(85,562)	(1,193,284)
Net financial liabilities	**5,494,818**	**5,091,390**
Fair value of properties (including advances)	9,148,431	9,965,420
Investment in real estate companies	26,172	32,395
Gross asset value (GAV)	**9,174,603**	**9,997,815**
Net loan-to-value	**59.9%**	**50.9%**
Net loan-to-value excluding convertibles	**57.5%**	**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 263 million), trade receivables from the sale of real estate investment (EUR 32 million) and other financial assets (EUR 72 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 59.9%.

LTV

59.9%

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 at 30 September 2021 and independently appraised by CBRE. With this cash inflow, Adler Group delivered on its objective of deleveraging its balance sheet and reducing the loan-to-value ratio (LTV) . 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 at the reporting date, the majority of the investment properties have already been transferred to the purchaser with the remaining portion shown in non-current assets held for sale (EUR 18.9 million). This portion is 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. Cash proceeds received were used to repay bank loans and borrowings in the amount of EUR 319 million. In this context, early repayment fees were incurred in the amount of EUR 10.7 million (presented as finance expenses).

B. Following the completion of the acquisition of the shares in Brack Capital Properties N.V. (“BCP”) 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 the short seller report, which should be completed prior to the issuance of an audit opinion, 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 was 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 a 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 sold seven 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 seven development projects was closed in December 2020. By year-end 2021, Consus had only received part of the purchase price. Based on the reassessment of the receivable as at the reporting date, in particular the timing and the credit risk involved, the entire receivable in an amount of EUR 197.8 million has been impaired. This amount comprises the trade receivables from disposal in an amount of EUR 165.3 million and other receivables in an amount of EUR 32.5 million.

H. In first half year of 2022, Adler Group agreed on a debt restructuring with two major non-controlling shareholders in its subsidiaries (Taurecon and Amelicaster). All receivables and loans against these shareholders have been combined under two loan agreements at market interest rates. The loans mature on 30 September 2024 and are secured by share liens. As at 31 December 2021, one loan granted to Taurecon Invest IX GmbH (nominal amount as at 31 December 2021 EUR 46.3 million) was measured at fair value through profit and loss ("FVtPL") due to the borrower's settlement option in shares. In the reporting period, 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 150 million with an effective interest rate of approximately 1%. The gross proceeds from the private placement of approximately EUR 163.5 million were received during the reporting period. This led to an increase in the cash proceeds of EUR 162.5 million and to an increase in 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 included 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 (EUR 38.2 million as at 31 December 2021). After the expiration date, the liability has been derecognised, resulting in a financial income in the same amount.

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 processes handling 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 were 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 annual 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 then stood for re-election.

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. On 29 August 2022, the Board of Directors appointed Mr Thomas Echelmeyer as its Chief Financial Officer, effective 1 September 2022. The Board of Directors will propose to the next annual General Meeting or extraordinary General Meeting to appoint Mr Echelmeyer as an additional member to the Board of Directors.

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 recommended to the 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.

R. On 29 June 2022, the annual General Meeting (AGM) was held. All proposed resolutions were adopted with a majority ranging from 89.20% to 99.998% and all Board members were confirmed for a period of three years until the AGM in 2025.

Furthermore, the Company launched a tender for the mandate to audit its stand-alone and consolidated financial statements for the financial year 2022. The tender ended on 13 July 2022. In that time, no applications had been received. Thereafter the Company started a process to invite auditing firms individually. This process is still ongoing.

S. In August 2022, ADLER Real Estate AG appealed against the decision of the German Federal Financial Supervisory Authority ("BaFin") relating to the finding of an error in ADLER Real Estate AG's consolidated financial statements as 31 December 2019. In essence, BaFin's derivation of the error finding is based on what BaFin considers to be an overvaluation of the "Glasmacherviertel" real estate project. Adler Group and ADLER Real Estate AG repeatedly pointed out publicly that the property valuations were carried out by a professional, independent expert. In addition, the valuations included in the consolidated financial statements of the Adler Group have been audited and certified on several occasions.

T. On 3 August 2022, LEG Immobilien SE announced it will refrain from the acquisition of further shares in ADLER Real Estate AG's subsidiary Brack Capital Properties N.V. ("BCP"). The Senior Management of the Group together with ADLER Real Estate AG are evaluating further options for the value of the investment in BCP, taking into account the interests of all stakeholders. In view of the high quality of the portfolio, Adler Group is confident of finding a solution within a reasonable period of time. Real estate brokers have been appointed to engage with potential investors regarding an acquisition of BCP. BCP and its business activities are therefore still considered as disposal groups and consequently accounted for under IFRS 5.

U. On 11 August 2022, Adler Group announced the completed sale of the development projects Ostend Quartier and Westend Ensemble – Upper West – Lea B, both located in Frankfurt am Main. Both projects were formerly owned by Adler Group's subsidiary Consus Real Estate AG. The two projects were sold in separate transactions to institutional investors. Both transactions closed in August and the combined cash proceeds of c. EUR 166 million have been received. The project debt including interest in the amount of EUR 65 million related to one transaction was fully repaid.

V. On 14 August 2022, the Board of ADLER Real Estate AG decided to extend the loan agreement for the granting of a loan in the amount of EUR 200 million to its subsidiary BCP. The amendment agreement postpones the due date for repayment of the loan from 23 May 2023 to 29 December 2023. At the same time, the period within which the loan commitments that have not yet been called can be called has been extended. The extension of the loan agreement provides BCP with additional flexibility in its financing. To date EUR 100 million of the EUR 200 million have been drawn.

W. For reasons of prudence, the Board of Directors has previously decided not to submit a dividend proposal to the shareholders of the Adler Group until an unqualified audit opinion has been issued and will therefore not make any forward-looking statement on the dividend until further notice, as agreed by the Board of Directors on 29 August 2022.

X. On 3 October 2022, Adler Group announced that, as expected, the option period for the irrevocable tender commitment for 63% of the shares in BCP granted to LEG Immobilien SE expired on 30 September 2022, without a public tender offer.

Y. On 17 November 2022, Adler Group announced that it is appealing against a further partial decision by the German Federal Financial Supervisory Authority ("BaFin"). Adler Group does not share BaFin's view related to the further finding of partial error in ADLER Real Estate AG's consolidated financial statements as of 31 December 2019. Adler continues to maintain the full accuracy and correctness of the audited consolidated financial statements for the 2019 financial year. Adler will pursue legal remedies to move resolution of this issue forward. However, good and constructive dialogue with BaFin is continued despite differences of opinion**.**

Z. On 18 November 2022, Adler Group announced that it is currently in advanced negotiations with its bondholders on the conclusion of an agreement to effect certain amendments of the terms and conditions of bonds issued by Adler Group S.A. as well as a provision of secured debt financing for the Adler group of companies. Whether an agreement with bondholders will be concluded is currently uncertain and being further assessed. In particular, the parties have not yet reached a final agreement on the content of the agreement. The conclusion of the agreement is also subject to the approval of the governing bodies of all parties.

On 25 November 2022, following extensive negotiations with a group of bondholders and their legal and financial advisors, Adler Group S.A. as well as its subsidiaries, ADLER Real Estate AG and Consus Real Estate AG (together "Adler group of companies") entered into an agreement with the members of the Steering Committee of an ad-hoc group of holders of its Notes supporting the stabilization of the Adler group of companies to effect an amendment of the terms and conditions of the Notes.

Concurrently with the conclusion of the Lock-Up Agreement, the Adler Group has also entered into a commitment letter with the members of the Steering Committee, in which they commit to provide the Adler group of companies with up to EUR 937.5 million of new funding to stabilize the Adler group of companies. The provision of the New Funding is subject to a positive restructuring opinion, an amendment of the bond terms and conditions, the provision of the agreed collateral and other customary conditions.

Adler Group will shortly launch a consent solicitation process to effect certain amendments to the terms and conditions of the Notes. Related announcements will be provided to bondholders in due course. Adler Group intends that the changes to the terms and conditions of Adler Group's senior unsecured notes take effect during the first quarter of 2023, subject to bondholder consent. Additional information can be found on the Adler Group website: https://www.adler-group.com/en/investors/publications.

Forecast Report

Forecast for 2022

For the 2022 financial year, Adler Group expects to generate net rental income in the range of EUR 233-242 million and FFO 1 in the range of EUR 84-88 million.[*]

As part of the agreement with bondholders on 25 November 2022, Adler Group has agreed not to submit a dividend proposal to its shareholders.

(*) Please note that the guidance for both net rental income and FFO 1 was increased in August 2022 relating to the inclusion of BCP in H2 2022.

Responsibility Statement

I confirm, to the best of my knowledge, that the Condensed Interim Financial Statements of Adler Group S.A. presented in this Q3 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 three 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	30 Sep 2022	31 Dec 2021
Assets		
Non-current assets		
Investment properties	6,640,978	7,113,859
Investments in financial instruments	20,312	20,228
Investments accounted under the equity method	26,172	32,395
Advances related to investment properties	3,536	2,003
Property, plant and equipment	25,852	30,028
Other financial assets	179,302	73,063
Derivatives	8,742	10,433
Restricted bank deposits	41,677	42,060
Deferred expenses	-	1,602
Right-of-use assets	13,526	14,764
Goodwill	-	91,400
Other intangible assets	1,263	3,023
Contract assets	22,068	12,510
Deferred tax assets	2,564	5,673
Total non-current assets	**6,985,992**	**7,453,041**
Current assets		
Inventories	999,938	1,093,454
Restricted bank deposits	50,424	29,400
Trade receivables	143,405	379,118
Other receivables and financial assets	159,456	423,412
Contract assets	54,471	69,727
Cash and cash equivalents	615,075	555,700
Advances paid on inventories	19,892	14,884
Total current assets	**2,042,661**	**2,565,695**
Non-current assets held for sale	1,927,828	3,017,588
Total assets	**10,956,481**	**13,036,324**

In EUR thousand	30 Sep 2022	31 Dec 2021
Shareholders' equity		
Share capital	146	146
Share premium	1,844,765	1,844,765
Reserves	211,493	217,788
Retained earnings	177,289	927,684
Total equity attributable to owners of the Company	**2,233,693**	**2,990,383**
Non-controlling interests	**623,179**	**703,094**
Total equity	**2,856,872**	**3,693,477**
Liabilities		
Non-current liabilities		
Corporate bonds	3,730,881	4,211,305
Convertible bonds	100,122	99,025
Other loans and borrowings	1,413,178	2,056,810
Other financial liabilities	17,329	25,253
Derivatives	671	2,412
Pension provisions	1,413	1,363
Lease liabilities	10,892	10,186
Other payables	7,655	8,815
Deferred tax liabilities	515,662	759,828
Total non-current liabilities	**5,797,803**	**7,174,997**
Current liabilities		
Corporate bonds	497,342	399,047
Convertible bonds	120,828	117,916
Other loans and borrowings	258,246	119,326
Other financial liabilities	1,915	1,915
Trade payables	62,984	76,383
Other payables	312,128	357,065
Provisions	89,188	73,865
Lease liabilities	4,622	6,815
Prepayments received	76,945	92,132
Contract liabilities	16,499	36,109
Derivatives	-	38,227
Total current liabilities	**1,440,697**	**1,318,800**
Non-current liabilities held for sale	861,109	849,050
Total shareholders' equity and liabilities	**10,956,481**	**13,036,324**

Thierry Beaudemoulin

CHIEF EXECUTIVE OFFICER

Date of approval: 29 November 2022

Condensed Consolidated Interim Statement of Profit or Loss

	For the nine months ended 30 Sep		For the three months ended 30 Sep	
In EUR thousand	**2022**	**2021(*)**	**2022**	**2021**
Revenue	623,945	657,129	392,896	139,252
Cost of operations	(552,787)	(463,436)	(333,995)	(63,084)
Gross profit	**71,158**	**193,693**	**58,901**	**76,168**
General and administrative expenses	(109,688)	(85,347)	(37,179)	(23,910)
Other expenses	(150,766)	(13,984)	(13,194)	(1,886)
Other income	80,303	46,636	37,850	7,497
Changes in fair value of investment properties	(369,704)	570,781	(222,256)	30,829
Results from operating activities	**(478,697)**	**711,779**	**(175,878)**	**88,698**
Finance income	81,339	117,459	13,410	(7,483)
Finance costs	(156,983)	(360,131)	(40,035)	(80,790)
Impairments on trade and other receivables	(371,269)	(3,008)	-	-
Net finance income / (costs)	**(446,913)**	**(245,680)**	**(26,625)**	**(88,273)**
Net income (losses) from investments in associated companies	443	(47)	(95)	53
Profit before tax	**(925,167)**	**466,052**	**(202,598)**	**478**
Income tax expense	135,817	(119,407)	17,633	(9,179)
Profit for the period	**(789,350)**	**346,645**	**(184,965)**	**(8,701)**
Profit attributable to:				
Owners of the Company	(747,261)	303,570	(166,224)	8,967
Non-controlling interests	(42,089)	43,075	(18,741)	(17,668)
Profit for the period	**(789,350)**	**346,645**	**(184,965)**	**(8,701)**
Earnings per share in EUR (undiluted)	**(6.36)**	**2.62**	**(4.55)**	**0.08**
Earnings per share in EUR (diluted)	**(6.36)**	**2.55**	**(4.55)**	**0.08**

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.

Condensed Consolidated Interim Statement of Comprehensive Income

	For the nine months ended 30 Sep		For the three months ended 30 Sep	
In EUR thousand	**2022**	**2021 (*)**	**2022**	**2021**
Profit for the period	**(789,350)**	**346,645**	**(184,965)**	**(8,701)**
Items that may be reclassified subsequently to profit or loss				
Hedging reserve classified to profit or loss, net of tax	-	317	-	256
Effective portion of changes in fair value of cash flow hedges	293	254	(436)	(106)
Related tax	68	159	(101)	61
Currency translation reserve	3,828	10,526	10,510	7,364
Reserve from financial assets measured at fair value through other comprehensive income	(10,484)	(2,734)	1,027	(2,350)
Total other comprehensive income / (loss)	**(6,295)**	**8,522**	**11,000**	**5,225**
Total comprehensive income for the period	**(795,645)**	**355,167**	**(173,965)**	**(3,476)**
attributable to:				
Owners of the Company	(753,556)	312,092	(155,224)	14,191
Non-controlling interests	(42,089)	43,075	(18,741)	(17,667)
Total comprehensive income for the period	**(795,645)**	**355,167**	**(173,965)**	**(3,476)**

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.

Condensed Consolidated Interim Statement of Cash Flows

	For the nine months ended 30 Sep		For the three months ended 30 Sep	
In EUR thousand	**2022**	**2021 (*)**	**2022**	**2021**
Cash flows from operating activities				
Profit for the period	(789,350)	346,645	(184,965)	(8,701)
Adjustments for:				
Depreciation	17,201	11,098	4,994	3,694
Change in fair value of investment properties	369,704	(570,781)	222,256	(30,829)
Profit from selling portfolio	(28,891)	-	(9,995)	-
Non-cash other income and expense	141,535	(3,683)	68,307	(6,455)
Change in contract assets	5,698	24,676	(5,612)	17,731
Change in contract liabilities	(19,610)	(24,817)	(20,906)	2,169
Non-cash income from at-equity valued investment associates	(443)	47	95	(53)
Net finance costs / (income)	446,913	245,680	26,625	88,273
Income tax expense	(135,817)	119,407	(17,633)	9,179
Share-based payments	252	567	250	189
Change in short-term restricted bank deposits related to tenants	3,074	488	1,663	935
Change in long-term restricted bank deposits from condominium sales	818	2,171	-	646
Change in trade receivables	42,093	(189,743)	(152,376)	(6,478)
Change in other receivables	(28,684)	65,054	(32,166)	(16,191)
Change in inventories	85,812	27,481	62,135	3,084
Change in advances received	(15,187)	(65,616)	1,337	2,314
Change in trade payables	(87,539)	127	33,190	4,506
Change in other payables	(66,360)	28,894	(39,282)	(9,431)
Income tax paid	(28,643)	(19,646)	(2,677)	(12,442)
Net cash from operating activities	**(87,424)**	**(1,951)**	**(44,760)**	**42,140**
Cash flows from investing activities				
Purchase of and CAPEX on investment properties	(120,973)	(221,765)	(27,307)	(81,609)
Advances paid for purchase of investment properties	-	(188)	-	(188)
Grant of long-term loans	-	(3,704)	-	-
Repayment of long-term loans	952	-	952	-
Proceeds from disposals of investment properties	1,203,057	189,638	139,109	24,108

	For the nine months ended 30 Sep		For the three months ended 30 Sep	
In EUR thousand	**2022**	**2021 (*)**	**2022**	**2021**
Proceeds from selling portfolio	244,878	-	1,680	-
Investments in financial instruments	-	(171,590)	-	(68,075)
Purchase of and CAPEX on property, plant and equipment	(1,366)	(2,765)	(211)	(1,174)
Interest received	7,833	5,680	4,458	2,845
Proceeds from sale of financial instruments	64,950	53,835	-	14,849
Proceeds from sale of fixed assets	(656)	698	(60)	-
Acquisition of subsidiaries, net of acquired cash	-	1,114	-	1,114
Change in short-term restricted bank deposits, net	(21,499)	4,666	(625)	(284)
Net cash from (used in) investing activities	**1,377,176**	**(144,381)**	**117,996**	**(108,414)**
Cash flows from financing activities				
Acquisition of non-controlling interests	(40,587)	(78,461)	(3,549)	(18,000)
Repayment of bonds	(400,991)	(870,699)	(991)	(91,119)
Long-term loans received	11,744	832,611	375	258,634
Repayment of long-term loans	(645,904)	(1,618,045)	(149,440)	(262,503)
Proceeds from issuance of corporate bonds, net	162,518	1,951,053	-	-
Upfront fees paid for credit facilities	(560)	(1,361)	-	(322)
Short-term loans received	-	314,999	-	314,999
Repayment of short-term loans	-	(55,387)	-	(619)
Dividend distributed	-	(54,054)	-	(54,054)
Interest paid	(136,982)	(216,609)	(32,799)	(49,332)
Payment of lease liabilities	(2,938)	(7,072)	752	(2,324)
Transaction costs	(28,070)	(13,496)	(92)	(2,011)
Prepaid costs of raising debt	(973)	(1,235)	(232)	(371)
Tax payments	-	(15,994)	-	(634)
Net cash from (used in) financing activities	**(1,082,743)**	**166,250**	**(185,976)**	**92,344**
Change in cash and cash equivalents during the period	**207,009**	**19,918**	**(112,740)**	**26,070**
Changes in the carrying amount of cash and cash equivalents that are presented among assets held for sale as part of a disposal group	**(147,634)**	**-**	**(42,906)**	**-**
Cash and cash equivalents at the beginning of the period	**555,700**	**371,574**	**770,721**	**369,874**
Cash and cash equivalents at the end of the period	**615,075**	**395,944**	**615,075**	**395,944**

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.

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 measured at FVTOCI	Retained earnings	Total	Non-controlling 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	-	-	-	-	-	-	(747,261)	(747,261)	(42,089)	(789,350)
Other comprehensive income, net of tax	-	-	361	3,828	-	(10,484)	-	(6,295)	-	(6,295)
Total comprehensive income (loss) for the period	**-**	**-**	**361**	**3,828**	**-**	**(10,484)**	**(747,261)**	**(753,556)**	**(42,089)**	**(795,645)**
Transactions with owners, recognised directly in equity										
Transactions with non-controlling interest without a change in control	-	-	-	-	-	-	-	-	(4,177)	(4,177)
Change in the scope of consolidation	-	-	-	-	-	-	(3,386)	(3,386)	(33,649)	(37,035)
Share-based payment	-	-	-	-	-	-	252	252	-	252
Balance as at 30 Sep 2022	**146**	**1,844,765**	**934**	**28,631**	**315,746**	**(133,818)**	**177,289**	**2,233,693**	**623,179**	**2,856,872**

In EUR thousand	Share capital	Share premium	Hedging reserve	Currency translation reserve	Other capital reserves	Reserve financial assets measured at FVTOCI	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2021	**146**	**1,892,144**	**(372)**	**(3,560)**	**315,746**	**(114,263)**	**2,055,689**	**4,145,530**	**772,010**	**4,917,540**
Adjustment according to IAS 8					(50,843)		31,099	(19,744)	2,182	(17,562)
Balance as at 1 January 2021 (*)	**146**	**1,892,144**	**(372)**	**(3,560)**	**264,903**	**(114,263)**	**2,086,788**	**4,125,786**	**774,192**	**4,899,978**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	303,570	303,570	43,075	346,645
Other comprehensive income, net of tax	-	-	730	10,526	-	(2,734)	-	8,522	-	8,522
Total comprehensive income (loss) for the period	**-**	**-**	**730**	**10,526**	**-**	**(2,734)**	**303,570**	**312,092**	**43,075**	**355,167**
Transactions with owners, recognised directly in equity										
Transactions with non-controlling interest without a change in control	-	6,074	-	-	-	-	-	6,074	(65,242)	(59,168)
Change in consolidation scope related to sale	-	-	-	-	-	-	17	17	(920)	(903)
Share-based payment	-	-	-	-	-	-	567	567	-	567
Balance as at 30 Sep 2021 (*)	**146**	**1,844,164**	**358**	**6,966**	**264,903**	**(116,997)**	**2,390,942**	**4,390,482**	**751,105**	**5,141,587**

(*) Previous year's figures adjusted according to IAS 8, please refer to Note 4, Subchapter O in 2021 Annual Report.

Financial Calendar 2023

Adler Group S.A.

25 April 2023	**Publication Annual Report 2022, unaudited**
25 May 2023	**Publication Q1 2023 Results**
29 August 2023	**Publication Q2 2023 Results**
28 November 2023	**Publication Q3 2023 Results**
31 December 2023 (preliminary date)	**Publication Annual Report 2022, audited**

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QUARTERLY FINANCIAL STATEMENTS 2022