

FINANCIAL RESULTS Q1 2018



May 16, 2018

OVERVIEW & INVESTMENT HIGHLIGHTS



ADO – THE PURE PLAY BERLIN RESIDENTIAL SPECIALIST

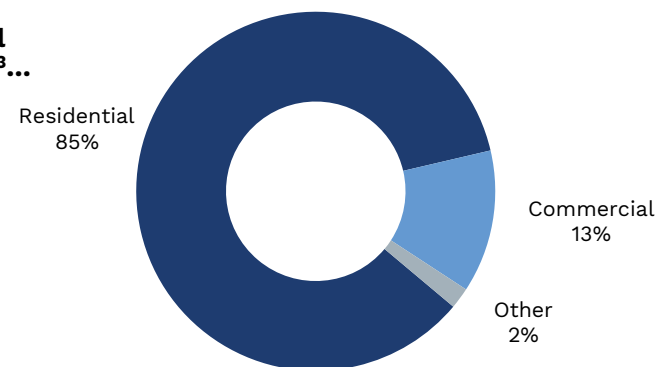
Investment highlights

- 1** Berlin residential pure play with a EUR 3.4bn quality portfolio
- 2** Efficient, fully integrated and scalable platform with clear strategy to create value. This unique platform enables in-depth knowledge of the Berlin market from more than a decade of local presence
- 3** Exceptional rental growth demonstrated over recent years, supported by our quality portfolio, smart targeted CAPEX investments and active management
- 4** Conservative financial strategy with a target LTV of maximum 45%, approx. 5.2 years weighted average maturity and low (1.8%) average cost of debt

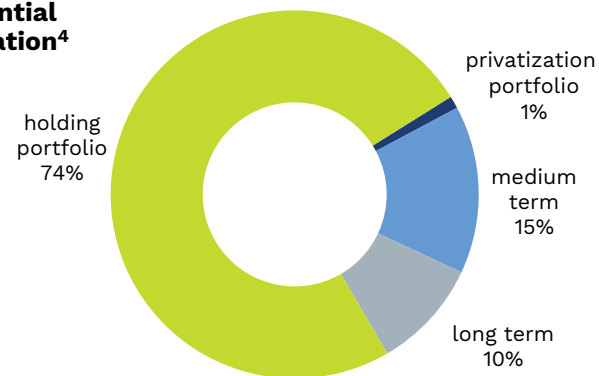
Key metrics (end of Q1 2018)¹

Residential units	20,864
Commercial units	1,334
Total units	22,198
In-place rent	EUR 121m
Lettable area (k m ²)	1,537
Property value	EUR 3,366m
EPRA NAV	EUR 2,001m
Total interest-bearing debts	EUR 1,420m
Average interest rate	1.8%
Current cash position	EUR 65m
Net LTV	40.4%

A focuses residential portfolio^{2,3...}



...with potential for privatization⁴



1 A definition of our alternative performance measures like EPRA NAV or FFO 1 is available in our latest financial report ([ado.properties](#))

2 Based on in-place rent total portfolio

3 Commercial in-place rent mainly as part of residential buildings

4 Based on total units

Totals might not add up due to rounding

HIGHLIGHTS Q1 2018

Financials	Q1 2018	2017
Income from rental activities	31.3m	EUR 109.2m
EBITDA from rental activities	22.5m	EUR 77.1m
EBITDA from rental activities margin	75.6%	74.6%
FFO 1	EUR 15.9m	EUR 54.3m
FFO 1 per share	EUR 0.36	EUR 1.23

Operations & balance sheet	Q1 2018	2017
Rental growth l-f-l (LTM)	4.9%	4.8%
Vacancy rate	3.5%	3.6%
Privatization - avg. sales price/m ²	EUR 3,451	EUR 3,307
Total maintenance & CAPEX/m ²	EUR 30.5	EUR 29.1
EPRA NAV per share	45.37	EUR 45.10
Net LTV	40.5%	39.6%

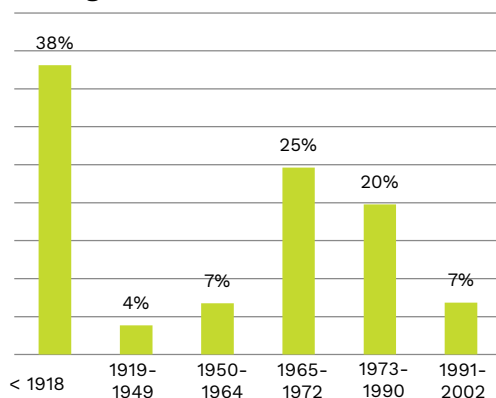
- Strong growth continues with income from rental activities increased by 24% compared to Q1 2017
- 228 units added in Q1 2018 with 232 further units signed since reporting Q4 2017
- Like-for-like rental growth continues at 4.9% or 5.3% excluding vacancy effect despite strong portfolio growth
- Privatization prices remains strong with an avg. selling price of EUR 3,451 per m²
- EPRA NAV per share increased by 25% to EUR 45.37 since Q1 2017 after a dividend of EUR 0.45 per share was paid in May 2017
- Proposed dividend of EUR 26.5 (EUR 0.60 per share), representing a payout ratio of 49% of total FFO 1
- Net LTV at 40.5% at the end of Q1 2018. Taking into account commitments for signed deals, the pro-forma net LTV stands at around 44.7% including all signed acquisitions and the proposed dividend payment in June

ADO PORTFOLIO & STRATEGY

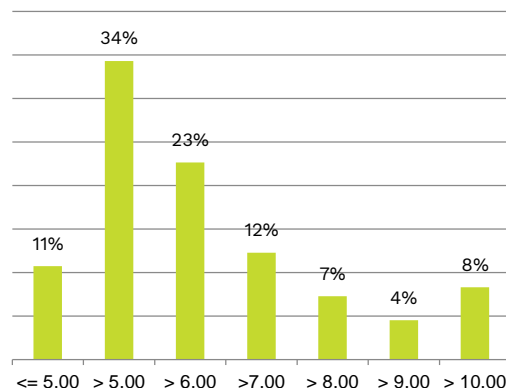


BALANCED, HIGH-QUALITY PORTFOLIO FOCUSED ON BERLIN

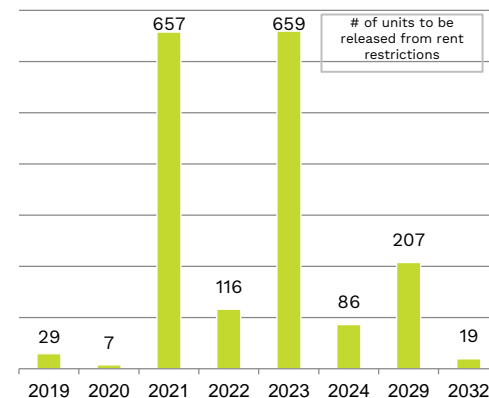
High-quality turn-of-the-century buildings...



...with attractive rents...



...and low number of remaining restrictions



Key metrics residential portfolio (end of Q1 2018)⁽¹⁾

	Central	S-Bahn Ring	S-Bahn Ring (1960-1990)	City Ring	City Ring (1960-1990)	Total
Fair value (in EUR m)	1,321	410	444	248	942	3,366
Fair value (EUR/m²)	2,663	2,313	2,158	2,342	1,696	2,185
Number of residential units	6,541	2,140	3,195	1,370	7,618	20,864
Avg. in-place rent in EUR/m²/month	6.96	6.75	6.90	7.02	5.79	6.49
Avg. new letting rent in EUR/m²/month ⁽²⁾	10.95	9.55	9.42	9.74	6.99	9.35
Reversionary potential	57%	41%	37%	39%	21%	44%
Occupancy (physical)	95.8%	95.4%	97.4%	95.5%	97.3%	96.5%
Tenant turnover (LTM)	9.6%	8.6%	7.9%	11.9%	6.9%	8.4%

1) All values except the fair value are for the residential portfolio only. Including condominium units with a fair market value of EUR 53m which are held at a book value of EUR 46m

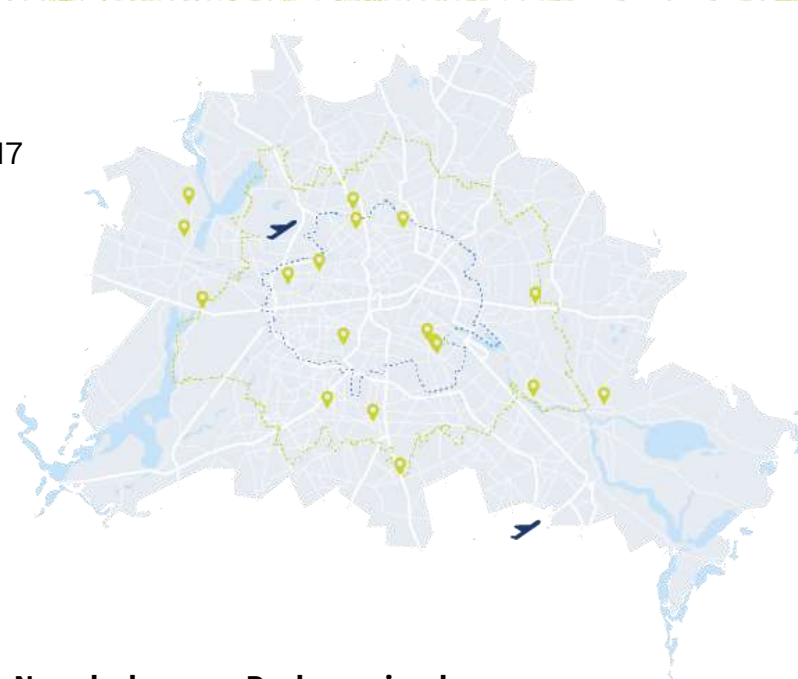
2) Based on the last three months (Q1 2018)

100% exposure within Berlin city borders with approximately 40% in Central Locations

FURTHER UNITS ACQUIRED

232 units acquired in 2 transactions since reporting Q4 2017

- EUR 50m of gross asset value (including transaction costs) acquired in 2 transactions mixing asset and share deals
- 11 buildings in total, of which 1 is in Central Locations, 6 in the S-Bahn Ring and 4 in the City Ring
- Substantial average reversionary potential of 46% supporting our like-for-like rental growth target
- In addition, 1,232 previously signed units were still in the takeover process at the end of Q1
- Prepayments in an amount of EUR 53m are included in the Q1 2018 figures resulting in a remaining funding requirement of EUR 215m

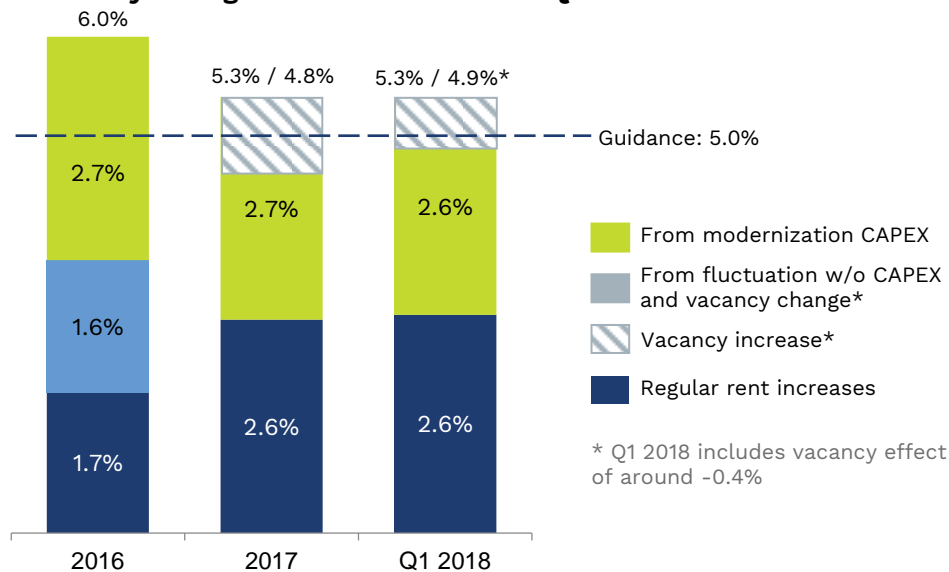


Key metrics	New deals (since Q4 reporting)	Deals previously announced	Total
Acquisition cost	EUR 49.9m EUR 2,302 / m ²	EUR 218.4m EUR 2,433 / m ²	EUR 268.3m EUR 2,408 / m ²
Residential/commercial area m ²	9,627 / 12,043	84,732 / 5,030	94,359 / 17,073
Number of residential/commercial units	151 / 81	1,192 / 40	1,343 / 121
Rental income p.a.	EUR 1.7m	EUR 7.5m	EUR 9.2m
Avg. in-place rent in EUR/m ² /month	EUR 6.44	EUR 6.65	EUR 6.63
Avg. new letting rent in EUR/m ² /month	EUR 9.41	EUR 9.42	EUR 9.42
Vacancy residential/commercial	4.0% / 9.9%	1.6% / 7.5%	1.9% / 9.1%

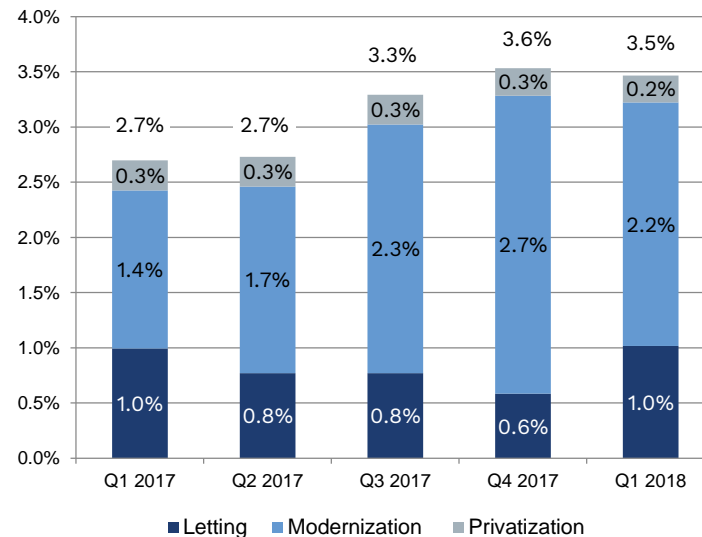
EUR 268.3m of further assets supporting further growth

STRONG LIKE-FOR-LIKE GROWTH AND STABLE VACANCIES

Continuously strong l-f-l results of 4.9% in Q1 2018



Vacancy split



Maintenance & CAPEX	2016	2017	Avg. 2016-2017	Q1 2018
In EUR per m ²				
Repair & Maintenance	6.8	6.5	6.7	6.0
Capitalized maintenance	6.6	6.3	6.5	4.0
Energetic modernization	0.8	1.7	1.3	1.5
Modernization CAPEX	13.8	14.6	14.2	18.9
Total	28.1	29.1	28.6	30.5

Based on physical vacancy, residential only
EPRA Vacancy Rate is 3.4% for Q1 2018

- Vacancy remains elevated in Q1 due to acquired units
- Negative effect of vacancy on like-for-like rental growth is improving
- Speed of units modernization is accelerating

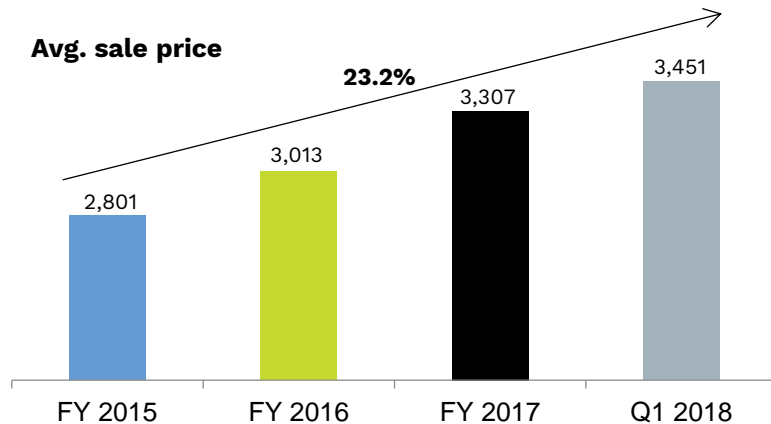
Current vacancy level provides further upside for 2018

PRIVATIZATION ACTIVITIES ON TARGET

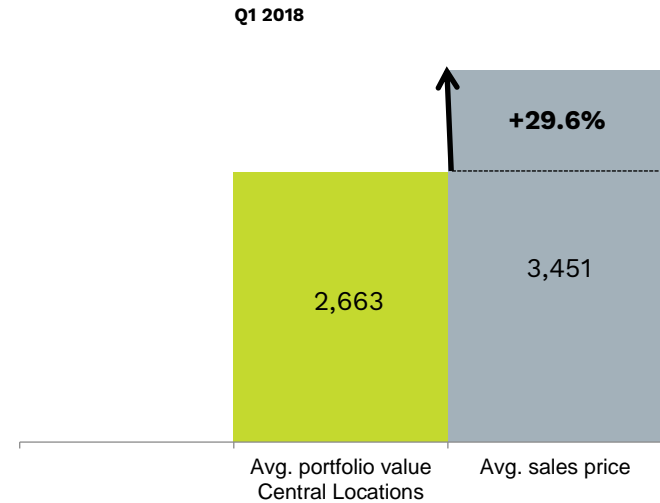
Privatization results and outlook

- 17 units sold in Q1 2018 for gross proceeds of EUR 3.7m, generating 29.6% value uplift compared to average book value of Central Locations
- Our acquisitions allowed us to increase our medium potential by around 140 units
- As we expect further price increases for condominiums especially in inner city locations, we stick to our strategy and continue with a very selective privatization approach to maximize profits, not sales volume

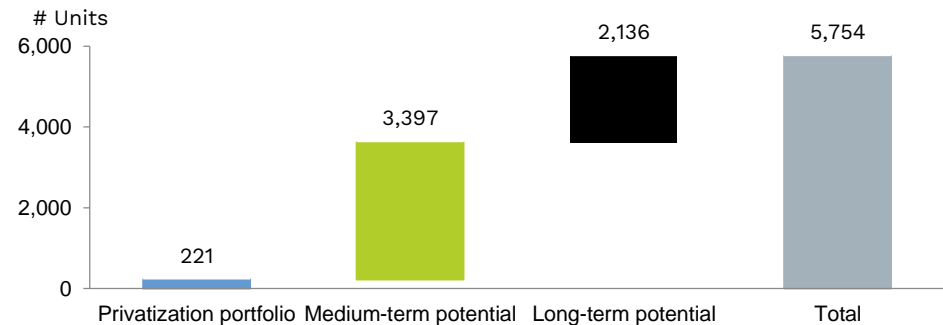
Avg. sale price



Sales profit – avg. sales price vs. portfolio value



Privatization potential



17 units sold in Q1 2018 for an average selling price of EUR 3,451 per m²

FINANCIAL OVERVIEW



OVERVIEW OF BALANCE SHEET

In EUR m	Mar 31, 2018 (Unaudited)	Dec 31, 2017 (Audited)
Investment properties	1 3,366	3,306
Other non-current assets	9	8
Non-current assets	3,375	3,314
Cash and cash equivalents	2 65	122
Other current assets	1 87	83
Current assets	152	204
Total assets	3,527	3,518
Interest-bearing debt	3 1,420	1,423
Other liabilities	79	80
Deferred tax liabilities	183	183
Total liabilities	1,682	1,687
Total equity attributable to shareholders of the Company	1,808	1,795
Non-controlling interests	36	36
Total equity	1,844	1,831
Total shareholder's equity and liabilities	3,527	3,518
EPRA NAV	4 2,001	1,989
No. of shares	44.1	44.1
EPRA NAV per share	4 45.37	45.10

Comments

- 1 Total portfolio value of EUR 3,366m as at March 31, 2018 includes investment properties (EUR 3,313m) and trading properties (EUR 53m fair value/EUR 46 book value - included in other current assets). The balance sheet positions include in addition advances on signed deals in an amount of EUR 53m
- 2 The cash position is committed for new deals
- 3 Interest-bearing debt of EUR 1,420m consists of bank loans, capital market debt and a loan from Harel Insurance in an amount of EUR 22m related to the WayPoint portfolio.
- 4 Our EPRA NAV amounts to EUR 2,001m or EUR 45.37 per share as at March 31, 2018.

SOLID BALANCE SHEET WITH FIXED RATE FINANCING

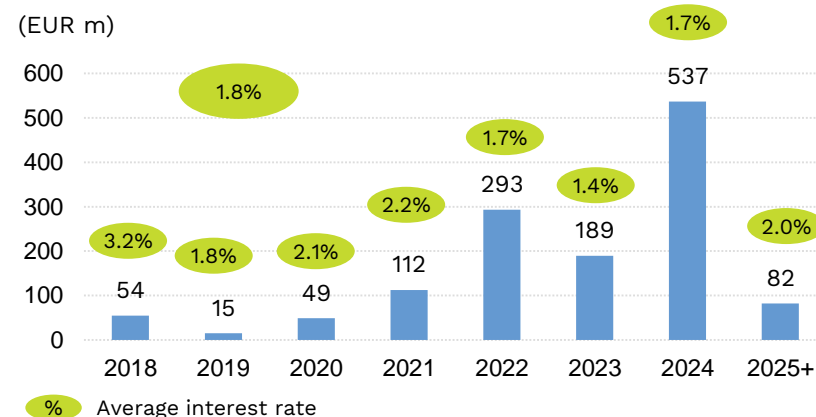
Key financing figures

- Total debt of EUR 1,420m, almost completely fixed or hedged
- Diversified funding sources with flexible access to the bank and bond market
- No material near term maturities with weighted average maturity of approx. 5.2 years and average interest rate of 1.8%
- Net LTV at the end of the quarter at 40.5%. Taking into account commitments for signed deals, the pro-forma net LTV stands at around 44.7%

Financing strategy with diversified funding sources

- We are funding our assets with balanced mix of equity and fixed rate debt provided by banks or capital market instruments
- We have a solid investment grade rating of Baa2 (Moody's) with a stable outlook which we want to maintain
- We target an LTV of maximum 45%
- During Q1 we further diversified our funding sources by setting up a commercial paper program backed up by a EUR 200m revolving credit facility

Diversified funding profile with weighted average debt maturity of approx. 5.2 years



Bond Covenants

	Covenant	Actual*
Loan-to-value ratio (Bond)	≤ 60%	39.2%
Secured loan-to-value ratio	≤ 45%	28.4%
Unencumbered asset ratio	≥ 125%	158.6%
Interest coverage ratio	≥ 1.8	3.7

* As of 31.03.2018

Conservative financing structure supporting our future growth

OVERVIEW OF PROFIT AND LOSS

In EUR m	Q1 2018	Q1 2017	Year 2017
Net rental income	29.8	24.0	103.3
Income from facility services	1.5	1.3	5.9
Income from rental activities	1 31.3	25.3	109.2
Cost of rental activities	(5.7)	(4.7)	(20.4)
Net operating income	25.6	20.6	88.8
NOI from rental activities margin	85.9%	86.0%	85.9%
Overhead costs	(3.1)	(2.6)	(11.7)
EBITDA from rental activities	2 22.5	18.0	77.1
EBITDA from rental activities margin	75.6%	75.2%	74.6%
Net profit from privatizations	0.6	0.7	3.9
EBITDA total	23.1	18.7	81.0
Net cash interest	3 (6.4)	(4.8)	(21.7)
Other net financial costs	(0.3)	0.2	(6.3)
Depreciation & amortization	(0.1)	(0.1)	(0.5)
EBT	16.3	14.0	52.5

Comments

- 1** Income from rental activities increased by 24% driven by l-f-l rental growth of 4.9% and acquisitions. Q1 reflects an annualized income from rental activities of EUR 125m

Strong rental growth supported by our investment strategy

In % (LTM)	Jan 1 – Mar 31, 2018 (*)	Jan 1 – Dec 31, 2017
CAPEX	2.6%	2.7%
Fluctuation & vacancy	(0.4%)	(0.5%)
Regular increases	2.6%	2.6%
Total	4.9%	4.8%

* Last 12 months

- 2** EBITDA from rental activities increased by 25%. Quarter-on-quarter growth was more than 6%
- 3** Financing relies on a mix of bank financing provided by German mortgage banks and capital market instruments. The average interest rate amounts to 1.8%. Compared to Q1 2017, the net cash interest increased by 33% driven by the placement of a EUR 400m bond in Q3 2017

OVERVIEW OF FFO

In EUR m	Q1 2018	Q1 2017	Year 2017
EBITDA from rental activities	1 22.5	18.0	77.1
Net cash interest	(6.4)	(4.8)	(21.7)
Current income taxes	(0.2)	(0.1)	(1.0)
FFO 1 (from rental activities)	2 15.9	13.1	54.3
Maintenance capital expenditure	3 (1.5)	(1.8)	(10.8)
AFFO (from rental activities)	14.4	11.3	43.5
Net profit from privatizations	4 0.6	0.7	3.9
FFO 2 (incl. disposal results)	16.5	13.8	58.3
Avg. number of shares	44,100	44,100	44,100
FFO 1 EUR per share	0.36	0.30	1.23
FFO 2 EUR per share	0.37	0.31	1.32

Comments

- EBITDA from rental activities increased by more than 25% due to our strong 4.9% like-for-like rental growth and successful acquisitions. Quarter-on-quarter growth was more than 6%. Q1 reflects an annualized EBITDA of more than EUR 90m
- FFO 1 has increased by 21% due to acquisitions, our operational performance and the relative improvement of our net cash interest expenses
- Maintenance and CAPEX levels are in line with our long-term averages
- During Q1 2018 we sold 17 units, generating net profit of EUR 0.6m

3 Maintenance and CAPEX

In EUR / per m ²	Jan 1 – Mar 31, 2018(*)	Jan 1 – Dec 31, 2017
Maintenance	6.0	6.5
Capitalized maintenance	4.0	6.3
Energetic modernization	1.5	1.7
Modernization CAPEX	18.9	14.6
Total	30.5	29.1

* Annualized figures based on total lettable area

GUIDANCE 2018

- 1** We anticipate like-for-like rental growth going forward at approximately 5%. This should positively impact portfolio value, EPRA NAV and EPRA NAV per share
- 2** We expect our FFO 1 run rate to be at least EUR 66m after closing all signed transactions based on the long-term financing structure
- 3** Average cost of long-term debt of 1.8% with an LTV target of maximum 45%
- 4** We target a dividend payout ratio of up to 50% of FFO 1



Feurigstraße
Schöneberg



Müllerstraße / Transvaalstraße
Wedding

FINANCIAL CALENDAR



June 18, 2018

Ex-Dividend
Date

June 19, 2018

Annual
General
Meeting

June 19, 2018

Dividend
Record
Date

June 20, 2018

Dividend
Payment
Date

August 15, 2018

Publication
Q2/2018
Financial Report

November 14, 2018

Publication
Q3/2018
Financial Report



Hakenfelder Straße
Spandau



Hermannstraße / Selchower Straße
Neukölln



Kottbusser Damm / Lenastraße
Kreuzberg



Großbeerenstraße / Obentrautstraße
Kreuzberg

IMPRINT



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