

Q4

2020

Results presentation

31 March 2021

Welcome to the Adler Group

Adler Group in short

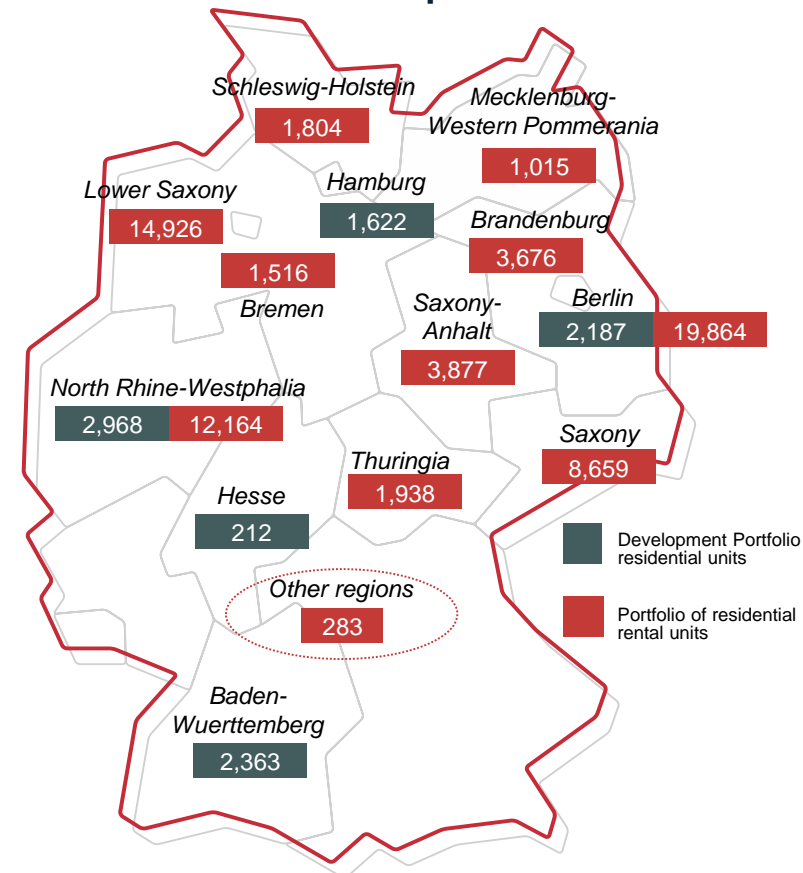
Rental units ¹ 69,722 <i>In operation</i>	EPRA NRV 51.38 <i>€ per share</i>
Average rent in top 13 ¹ 6.54 <i>€/m²/month</i>	Net LTV 50.7% <i>Excluding convertibles</i>
Vacancy in top 13 ¹ 2.3%	FFO 1 1.34 <i>€ per share</i>

Driving future growth

Adler Group is a pure play German residential company with a unique development pipeline, striving to deliver sustainable shareholder value by:

- Managing the core portfolio to grow earnings and improve EBITDA margins
 - Like for like rental growth
 - Reduction in vacancies
- Optimising the portfolio and recycling capital through selective acquisitions and sales
- Adding value through development and modernisation – driving organic growth
 - Elevating quality of portfolio
 - Improving energy efficiency
- Simplifying capital structure

Well diversified €11.4bn pan German residential real estate portfolio



¹ Calculated based on rental units in operation, hence excluding units under renovation and development projects

Highlights – Fully integrated platform

Operational KPIs

- **€293m of NRI** realized over 2020, up from **€134m** in 2019 mainly on the back of the consolidation of ADLER Real Estate as per 9 April 2020
- **€6.30/sqm/month average residential rent**, up from **€6.19/sqm/month** in 2019
- **2.2% like-for-like rental growth at 2020**, down from **3.3%** in 2019 mainly due to the effects of the Berlin rent freeze
- **3.4% vacancy rate**, down from **4.0%** in 2019
- **€107m FFO 1**, up from **€63m** in 2019, mainly as a result of the consolidation of ADLER Real Estate
- We managed to further optimise the portfolio by selling c.5,000 units at a premium to book value

Portfolio specifics

- **Rent deferrals** relating to COVID-19 as of today stand at **1.3% of the monthly rent**, mainly coming from our commercial units
- In December we announced a €75.7m asset disposal of 1,605 residential and commercial units at a slight premium to book value as of Q3 2020. The assets were generating NRI of €4.8m, with an average rent of €5.21 /sqm/month and a vacancy rate of 17.45%
- Investments in the portfolio continue and we have spent **€6.3/sqm on maintenance** (2019: €8.6) and **€24.4/sqm on CAPEX** (2019: €26.1/sqm) during 2020 as most of the CAPEX programs in Berlin have been put on hold as a consequence of the Berlin rent freeze

Valuation

- **€11.4bn FV of properties** as of 2020, up from €8.6bn at FY 2019, mainly on the back of the consolidation of ADLER Real Estate and Consus
- +6.7% value uplift like-for-like realized in 2020
- **EPRA NAV stood at €5.2bn (NRV: €6.0n)** as of year-end 2020 equating EPRA NAV per share of €44.37 (NRV: €51.38 per share)

Highlights – Proposing dividend of €0.46 per share

Financing and LTV

- **3.04% weighted average cost of debt** as per the end of 2020 on the back of consolidation of Consus
- **As per today**, the weighted average cost of debt has been **decreased further to 2.57%** and which is expected to decrease going forward
- Successful placement of a €1.5bn dual tranche 5 and 8-year bond with a weighted average coupon of 2.075% on 8 January 2021 to refinance existing facilities. The issue was more than 2.7x oversubscribed with a high-quality book of pan European institutional investors
- **50.7% net LTV** excluding convertibles and a **net LTV of 53.4%** including convertibles

Dividend

- Based on last year's performance Adler Group is **proposing a dividend** equal to 50% of FFO 1 realised in full year 2020
- This equals to **€0.46 per share** (2019: €0.0) or a **total amount of €54m**
- **The dividend payment is** subject to approval at the AGM to be held in 2021



01. Integration update
02. Operational performance
03. Financing structure
04. Developments
05. ESG targets
06. Guidance 2021
07. Appendix

A photograph of a person wearing a bright yellow jumpsuit, walking away from the camera on a light-colored wooden floor in a hallway. The person's legs are spread apart, and they are barefoot. The hallway has white walls and a white baseboard. In the background, the legs of a table and chairs are visible.

Integration update

Integration project roadmap

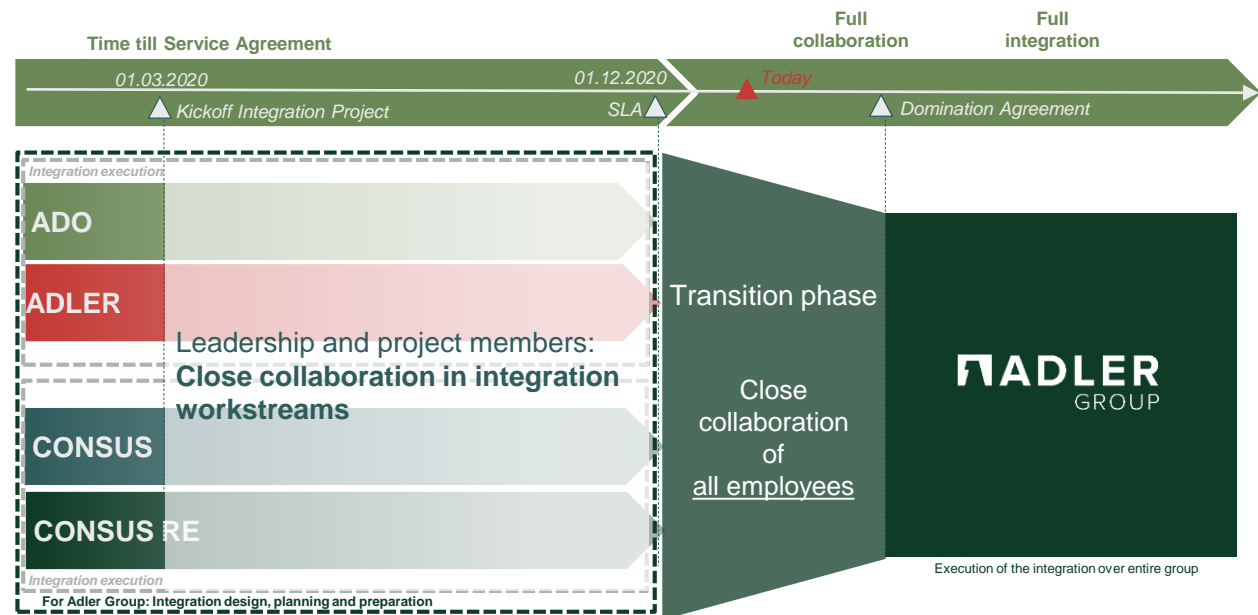
The dedicated integration project is well on track to execute a thorough integration

Dedicated integration project



- ✓ Dedicated integration project across all organisations and functions
- ✓ Dedicated in-house Integration Management Lead and team
- ✓ External support for key functions
- ✓ 12+ workstreams, 50+ functional leaders and subject matter experts
- ✓ Bi-weekly Steering Committee with all Board members
- ✓ Templated documentation

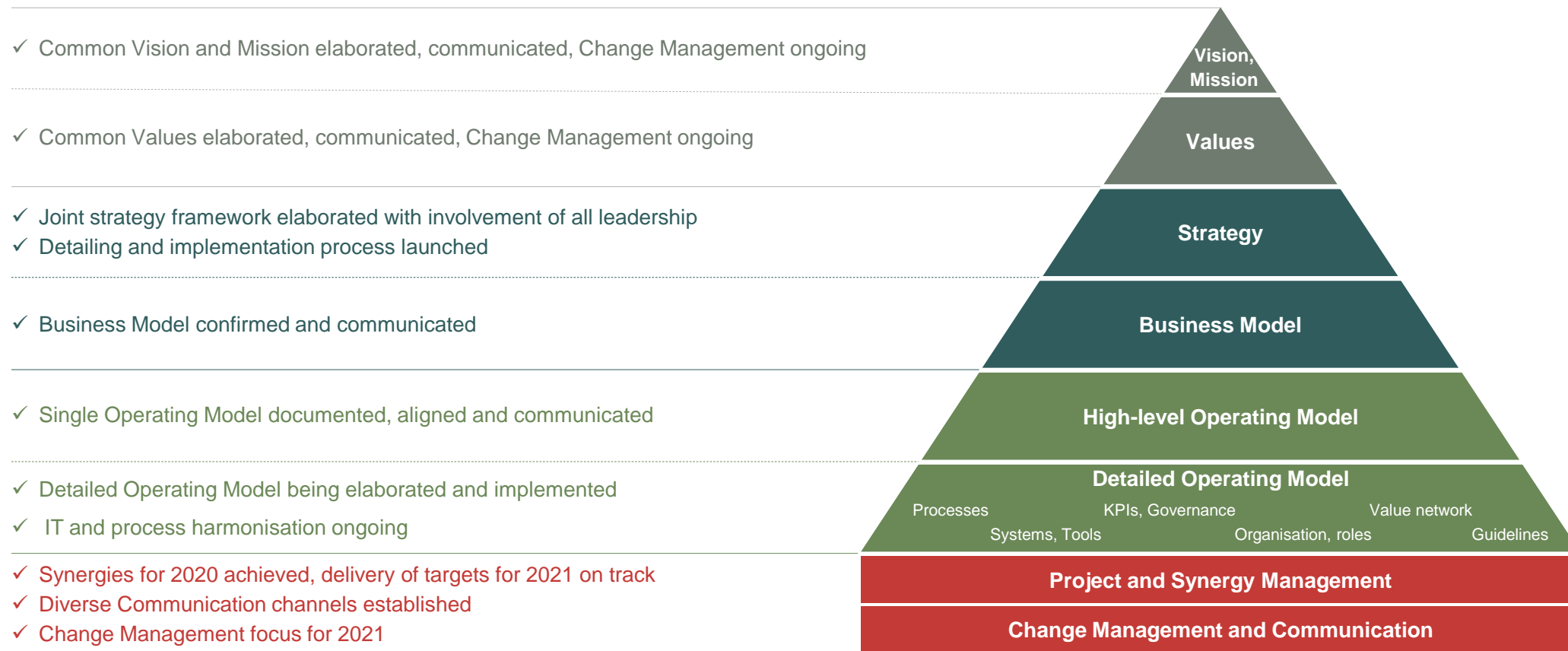
Phased roadmap



- * One real estate value chain from housing ideas to happy tenants
- * Business continuity
- * Deliver all synergies
- * Grow together as teams
- * Comply with competition law
- * Support the people
- * No double leadership roles
- * Homogeneous IT landscape
- * Share insights and progress broadly

Integration scope and rationale

Delivery of the integrated organisation follows a clear logic – progress is significant



Synergy realization beats guidance: €113m realized

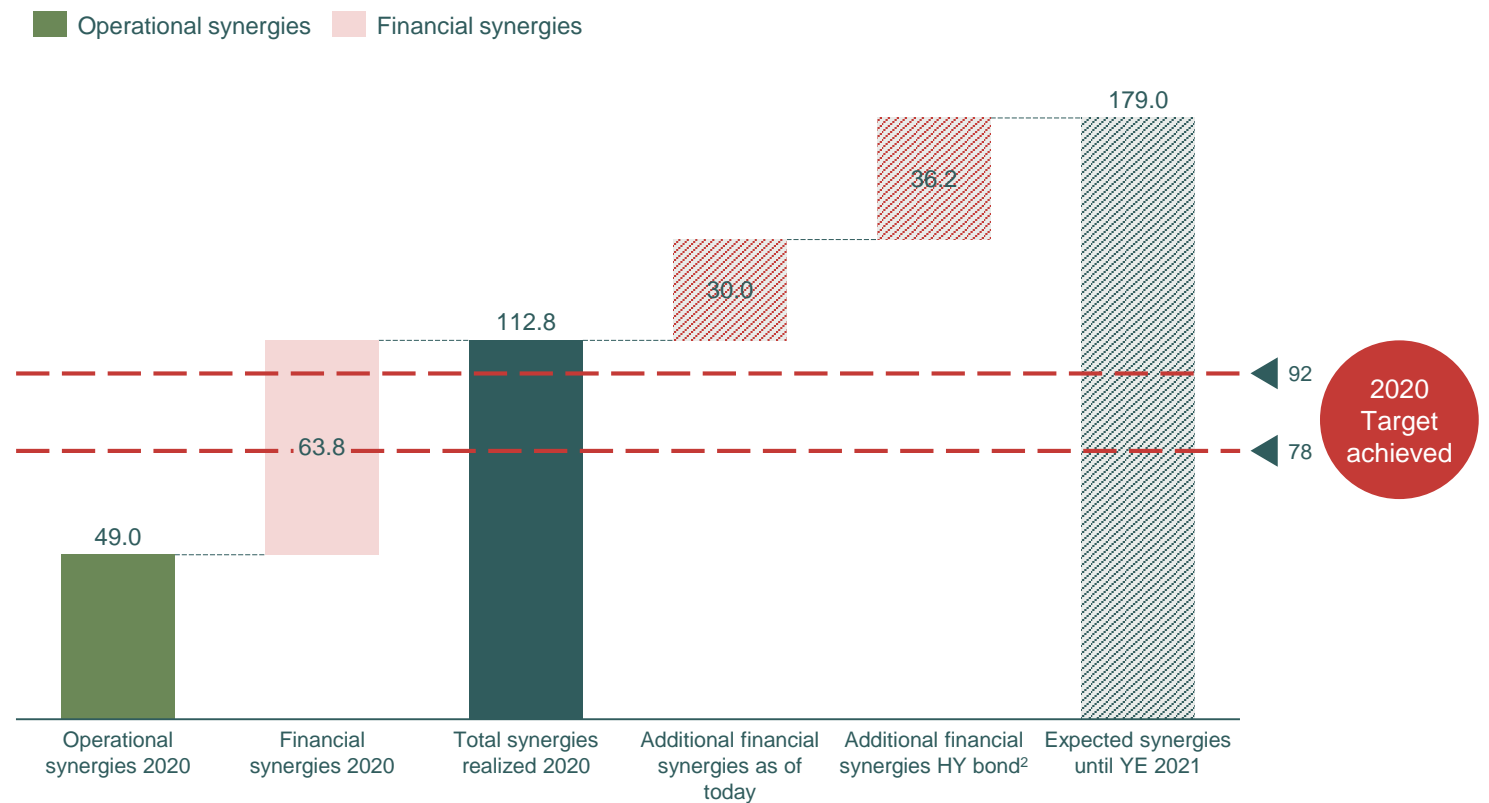
Achievements

During 2020 we have met and significantly outperformed on all synergy targets on the back of higher financing volume at lower financing costs and will continue to work on the realization of the 2021 targets.

2020 synergy targets (run-rate)¹:

- ✓ **Total financing synergies: €63.8m**
Target: €50-54m
- ✓ **Total operational synergies: €49.0m**
Target: €28-38m
- ✓ **Total synergies: €112.8m**
Target: €78-92m

Run-rate synergies (€m)



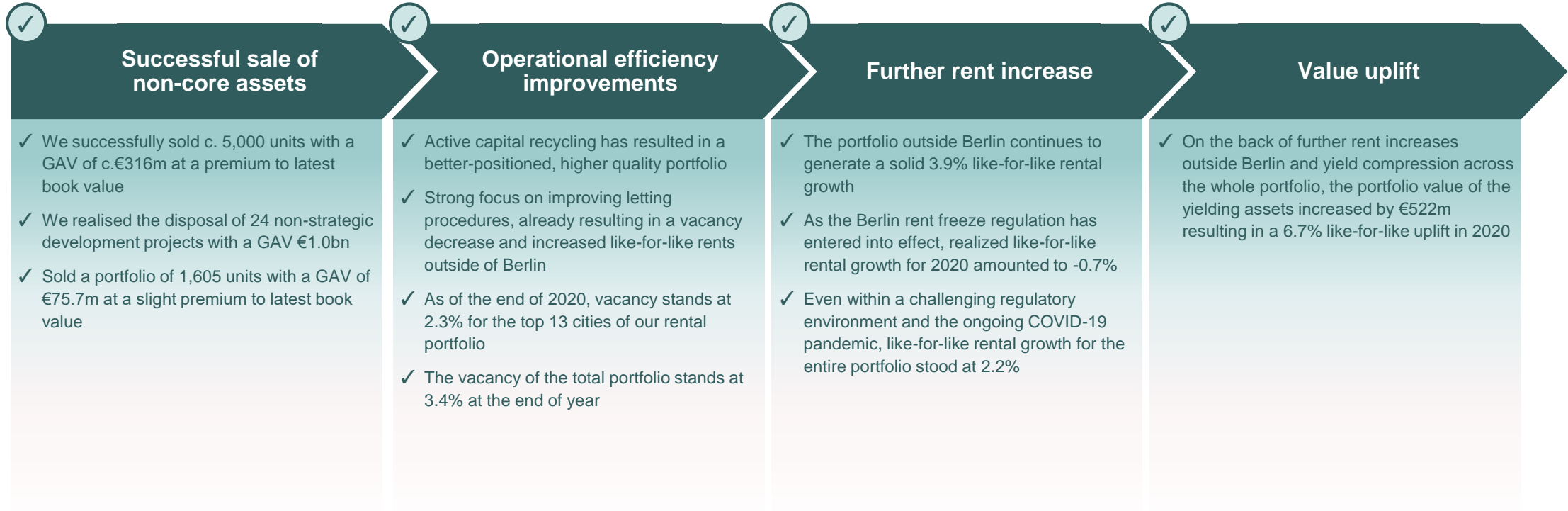
¹ Considering both the ADLER Real Estate and ADO combination, and the combination with Consus

² Additional financial synergies from refinancing of Consus high-yield bond and other loans



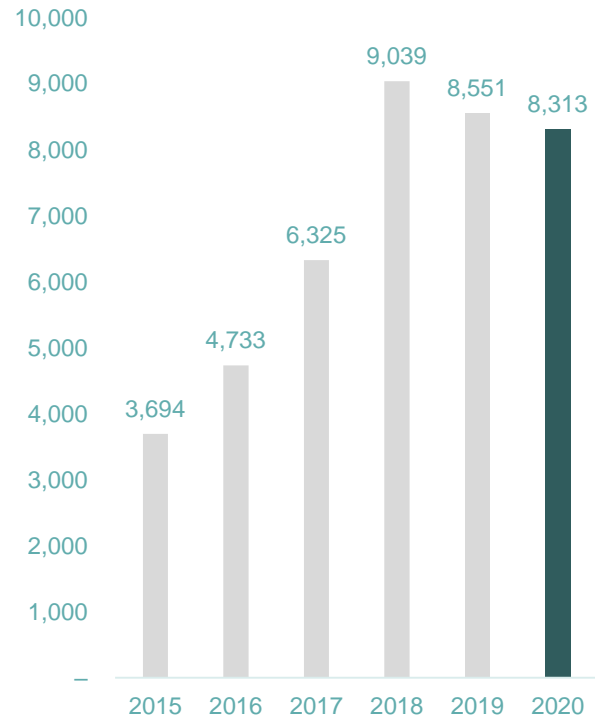
Operational performance

Operational highlights, portfolio optimization ongoing

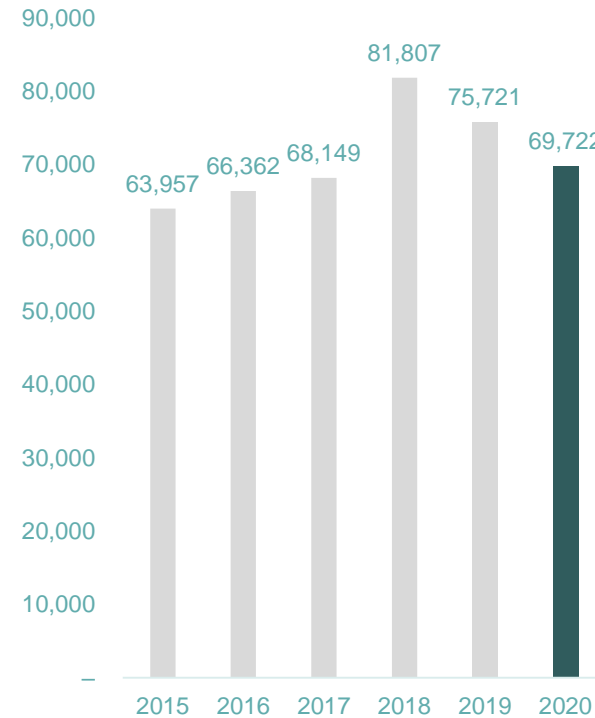


Fair value and quality continues to increase

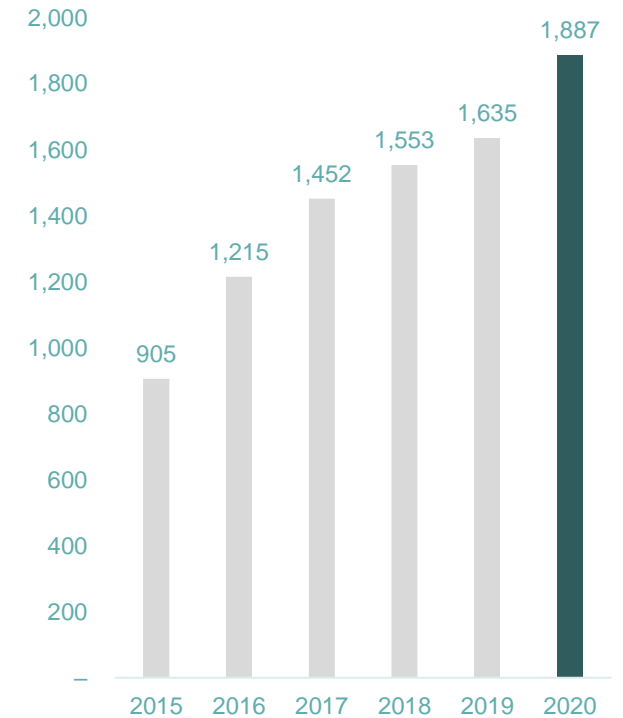
Development of GAV (€m)



Development of number of units



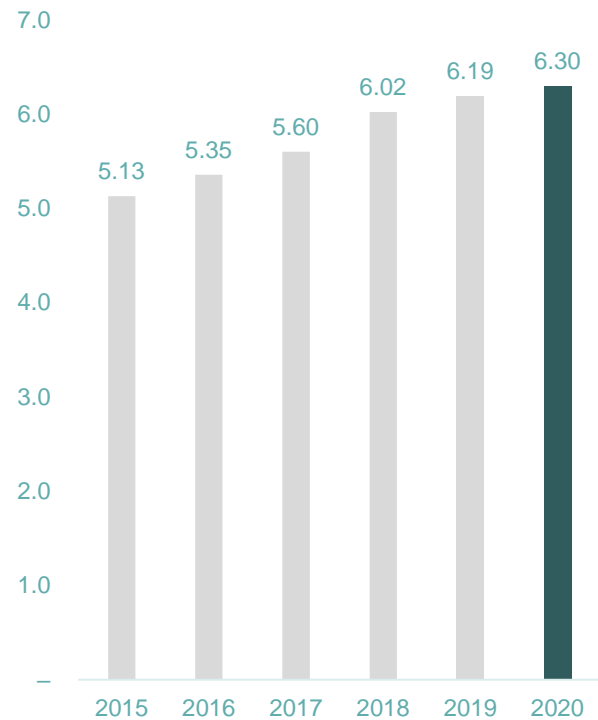
Development of fair value (€/sqm)



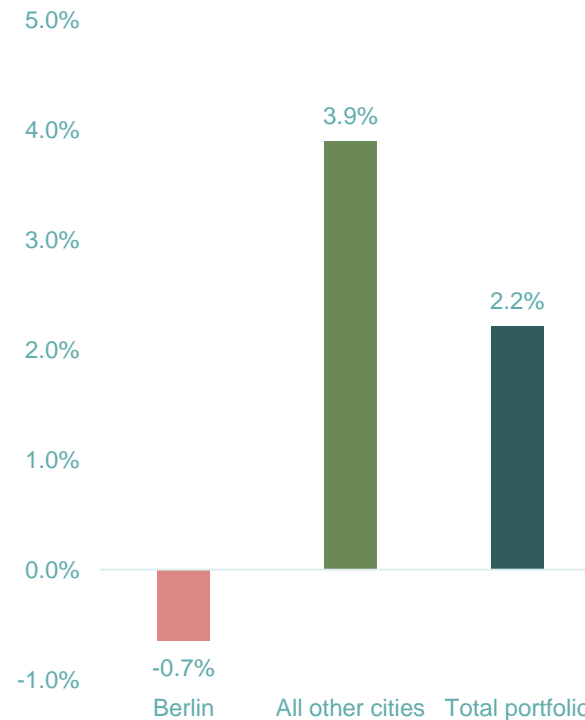
Please note that the KPIs presented on this page include ground level commercial units, and exclude units under renovation and development projects and note that the numbers for the years 2015-2019 are provided for your convenience and serve for illustrative purposes of combining ADO Properties and ADLER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

Positive trend in average monthly rents

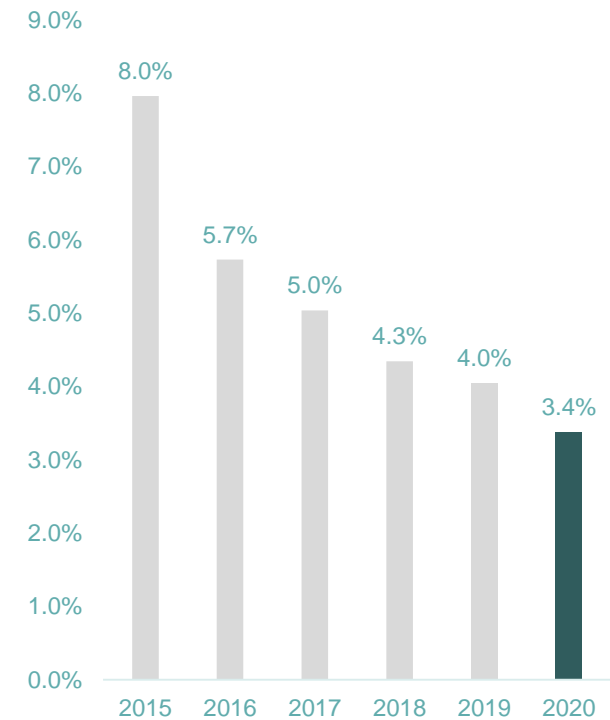
Residential average rent (€/sqm/m)



LfL residential rental growth FY 2020



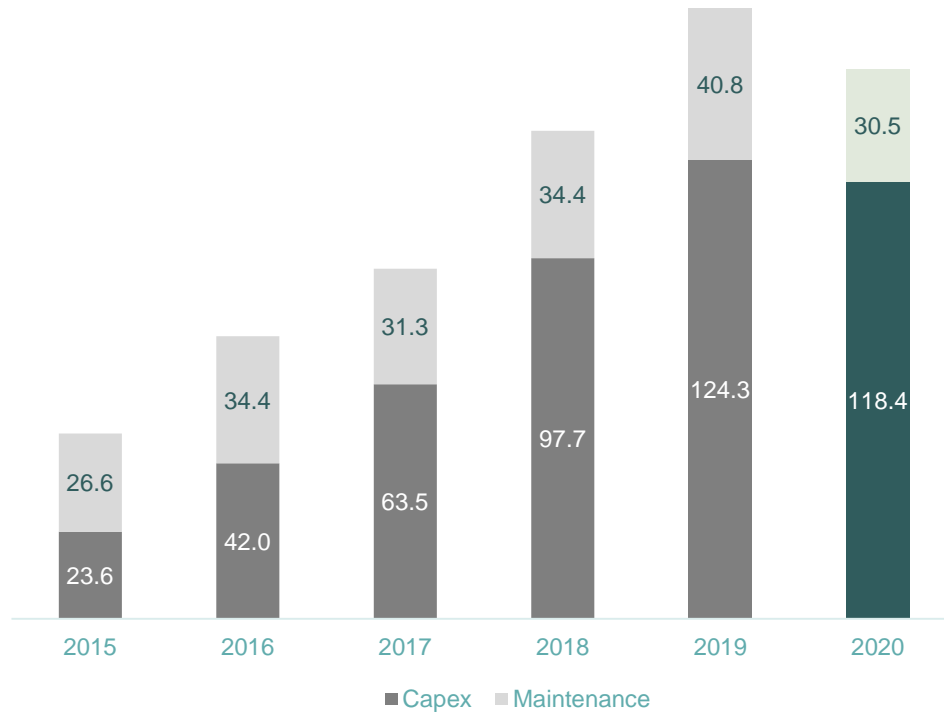
Residential portfolio vacancy rate



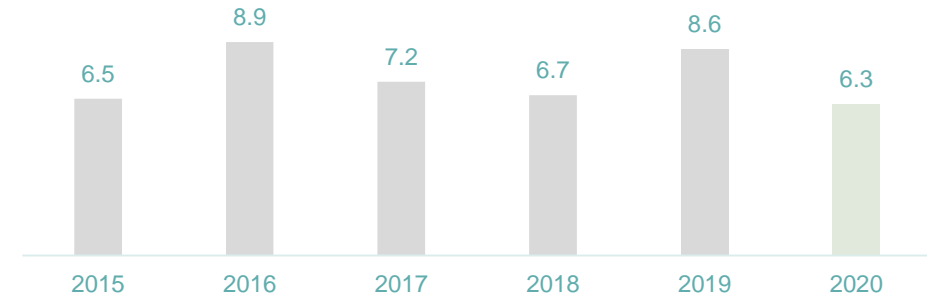
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Investments in the rental portfolio continue

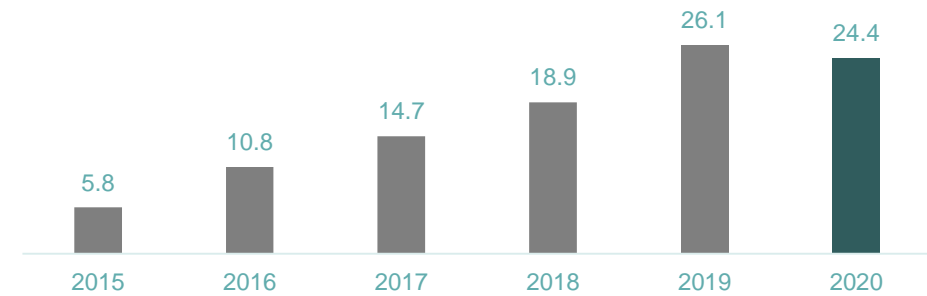
Total CAPEX and Maintenance (€m)



Maintenance expense (€/sqm)



CAPEX invested (€/sqm)



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

Vacancy reduction and rent increase ongoing

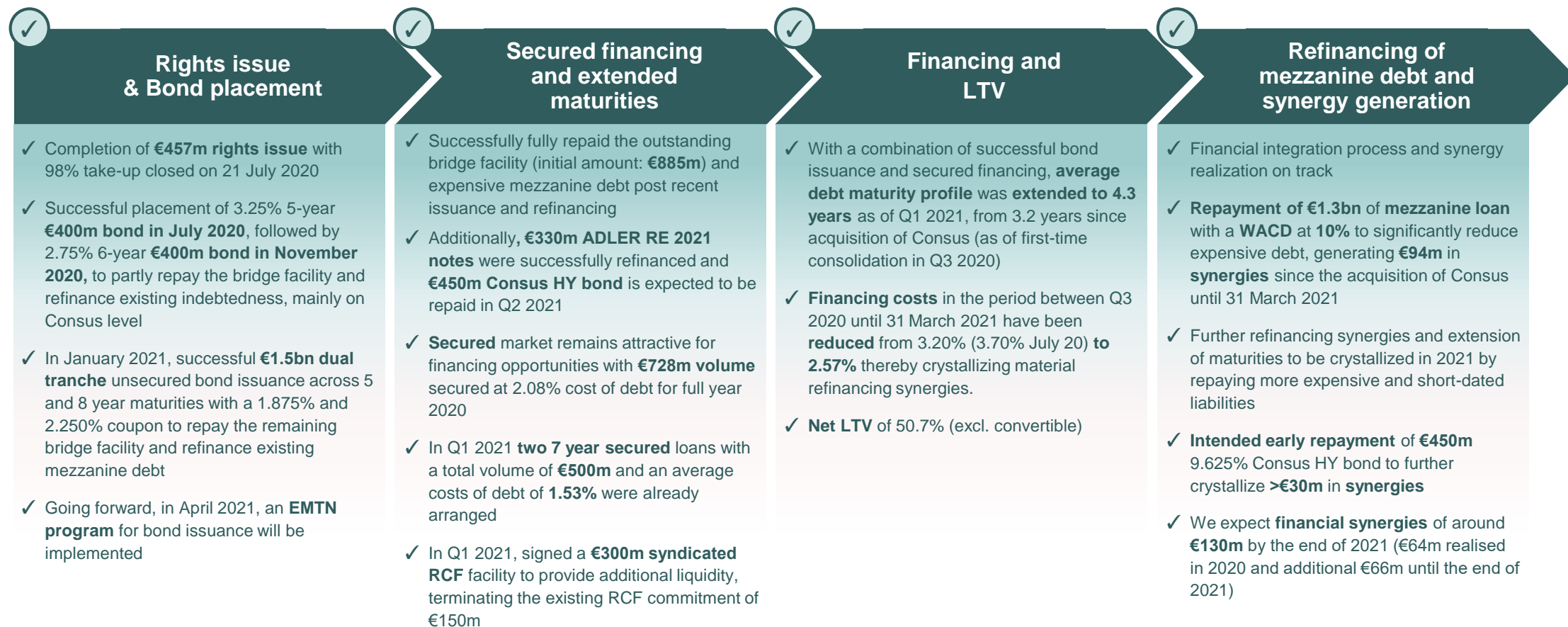
Location	Fair Value €m 2020	Fair Value €/sqm 2020	Units	Lettable area sqm	NRI €m 2020	Rental yield (in-place rent)	Vacancy 2020	Vacancy Δ YoY	2020 Avg. Rent €/sqm/month	NRI Δ YoY LFL	Reversionary potential
Berlin	4,461	3,248	19,864	1,373,475	117.2	2.6%	1.6%	0.3%	7.29	-0.7%	-0.3%
Leipzig	456	1,792	4,746	254,629	18.0	3.9%	2.0%	-1.4%	6.07	3.4%	20.6%
Wilhelmshaven	413	1,020	6,890	405,194	25.7	6.2%	3.4%	-2.0%	5.53	8.9%	12.5%
Duisburg	348	1,141	4,922	304,939	20.3	5.8%	1.3%	-0.7%	5.67	2.2%	9.2%
Wolfsburg	157	1,787	1,301	87,614	6.6	4.2%	1.9%	0.8%	6.47	0.9%	34.2%
Göttingen	146	1,716	1,377	85,238	6.2	4.2%	1.1%	-0.5%	6.12	1.5%	33.3%
Dortmund	144	1,405	1,769	102,251	7.5	5.2%	1.0%	-0.3%	6.20	6.1%	16.0%
Hanover	131	2,068	1,112	63,253	5.5	4.2%	0.7%	-0.8%	7.33	3.7%	22.5%
Kiel	124	1,864	970	66,699	5.7	4.6%	0.6%	0.0%	7.14	4.8%	19.7%
Düsseldorf	119	3,236	577	36,719	3.6	3.0%	1.7%	-0.4%	8.35	2.3%	23.0%
Halle (Saale)	94	892	1,858	105,892	5.7	6.1%	12.3%	1.4%	5.22	3.8%	22.6%
Essen	94	1,414	1,043	66,341	4.6	4.9%	1.1%	-1.6%	5.93	4.3%	20.9%
Cottbus	88	812	1,847	108,773	6.2	7.0%	6.7%	0.4%	5.13	7.1%	13.8%
Top 13 total	6,776	2,214	48,276	3,061,018	232.8	3.4%	2.3%	-0.3%	6.54	1.9%	8.6%
Other	1,537	1,144	21,446	1,344,247	85.3	5.5%	5.7%	-0.6%	5.72	3.0%	18.1%
Total	8,313	1,887	69,722	4,405,265	318.1	3.8%	3.4%	-0.6%	6.30	2.2%	11.3%

17%
without Berlin rent
freeze

Please note that, for all KPIs in the table ground level commercial units are included, and units under renovation and development projects are excluded

Financing structure

Successfully refinanced more than €3.5bn crystallizing extensive financial synergies until 31 March 2021



Significant improvement of the debt profile

WACD reduction from 3.7% (July 20) to 2.6% (March 21) and increased WAM from ~3.0 yrs to 4.3 yrs at the same time

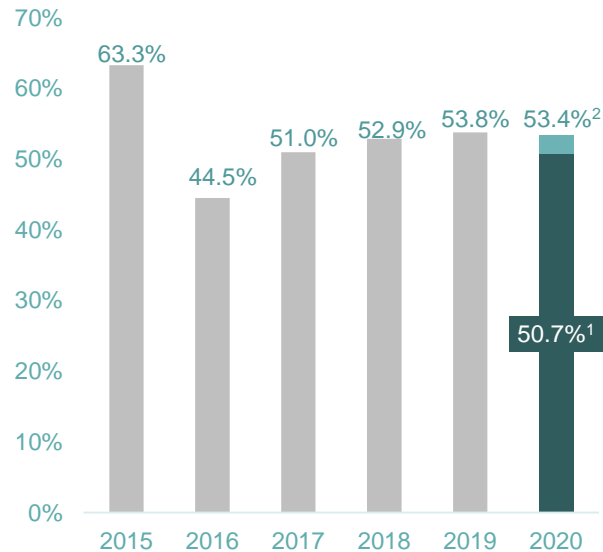
Debt raised in 2020	Amount	Blended interest rate (%)	Blended debt maturity (yrs)	Debt repayments in 2020	Amount	Blended interest rate (%)	Blended debt maturity (yrs)
Rights issue	457	n.a.	n.a.	(Secured) debt repayments	-607	2.8%	0.8
Bond	400	3.3%	4.6	Bridge repayment	-515	1.9%	2.0
Bond	400	2.8%	5.9	Mezzanine debt	-437	15.6%	0.0
Secured instruments	728	2.1%	6.3	Unsecured debt repayments	-121	2.5%	1.9
Total	1,985	2.6%	5.7	Total	-1,680	5.8%	1.0
Net debt 2020FY	7,594	3.0	3.3				
Debt raised in 2021	Amount	Blended interest rate (%)	Blended debt maturity (yrs)	Debt repayments in 2021	Amount	Blended interest rate (%)	Blended debt maturity (yrs)
Bond issue	1,500	2.0%	6.6	(Secured) debt repayments	-372	3.9%	1.0
New loans	309	1.5%	7.0	Bridge repayment	-371	2.8%	2.0
				Tender offer (Dec-21 Bond)	-330	1.5%	0.9
				Consus repayments	-311	9.9%	0.5
Total	1,809	1.9%	6.7	Total	-1,384	4.4%	1.1
Pro-forma net debt¹	7,806	2.6	4.3				

¹ Including estimated preliminary cash position of around €640m as of March 31, 2021

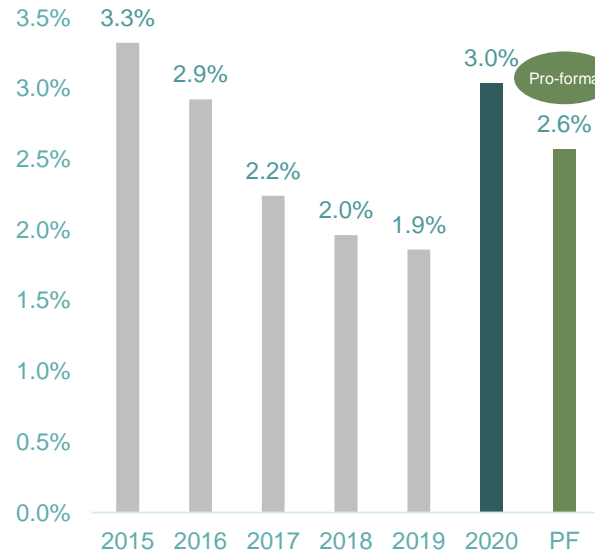
Potential to further improve financial KPIs

The group anticipates a further strengthening of the capital structure as well as improvements of the average cost of debt and the average maturity

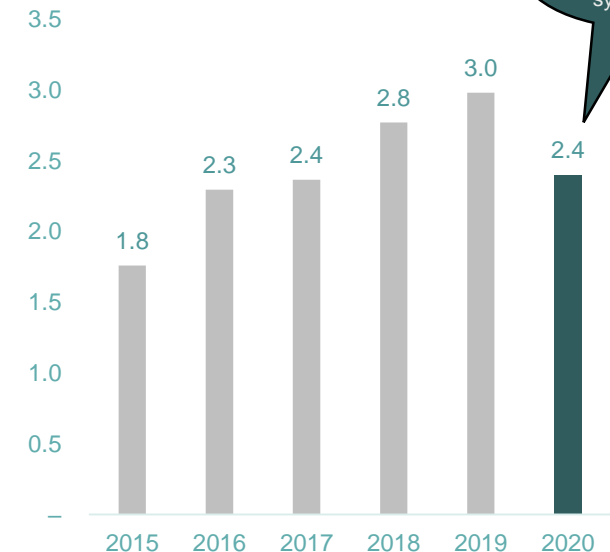
Net loan to value



Weighted average cost of debt



Interest coverage ratio

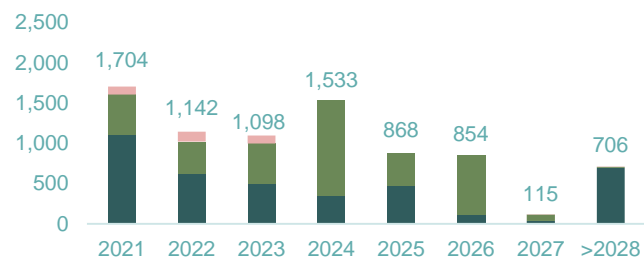


General note: PF is Pro-forma as per March 31, 2021
 1 Excluding convertibles
 2 Including convertibles

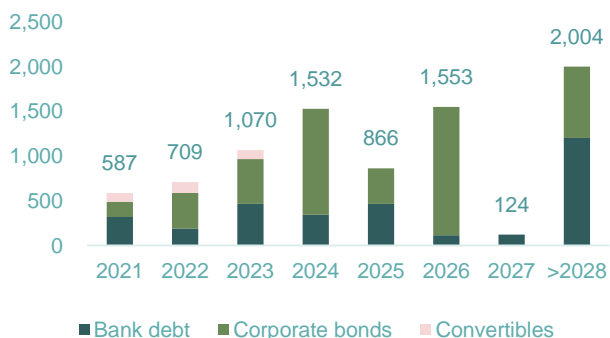
Further optimisation of the capital structure

Debt maturity schedule (€m)

FY 2020



Pro-forma



Debt KPIs

Total interest-bearing net debt (FY20, €m)	7,594
Undrawn facilities (€m)	100
Total interest-bearing net debt (PF21, €m)	7,806
Undrawn facilities (€m)	300

Net LTV 50.7%¹ / 53.4%²

ICR (x) 2.4

Pro-forma fixed / hedged debt 98.3%

Pro-forma unsecured debt 54.5%

Pro-forma weighted avg. cost of debt 2.57%

Pro-forma weighted average maturity 4.3 years

Corporate rating S&P BB

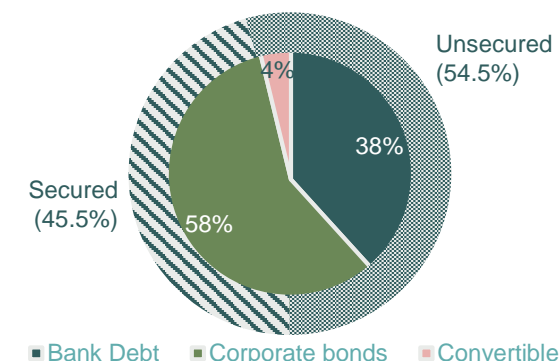
Outlook S&P Stable

Corporate rating Moody's Ba2

Outlook Moody's Stable

Bond rating S&P BB+

Sources of funding (Pro-forma)



Bond covenants

Covenants	Required level	Current level (31 Dec 2020)
LTV (Financial indebtedness / total assets)	<60%	51.2% ✓
Secured LTV (Secured debt / total assets)	<45%	27.7% ✓
ICR (LTM Adj. EBITDA / LTM net cash interest)	>1.8x	2.4x ✓
Unencumbered Assets (Unencumbered assets / unsecured debt)	>125%	164.5% ✓

General note: PF is Pro-forma as per 31 March 2021

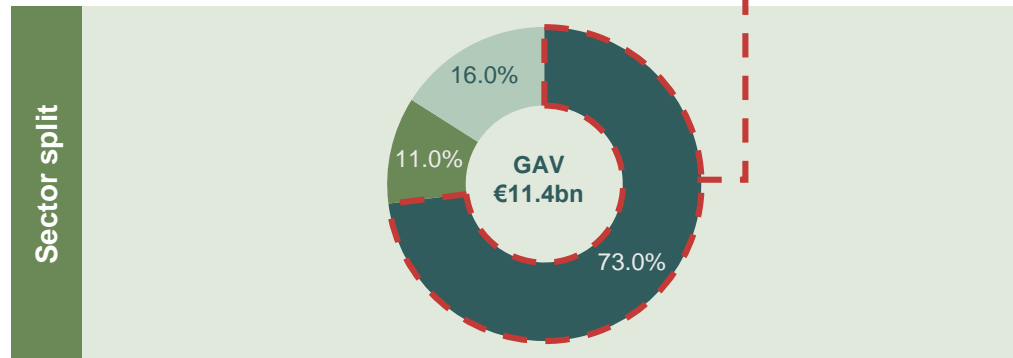
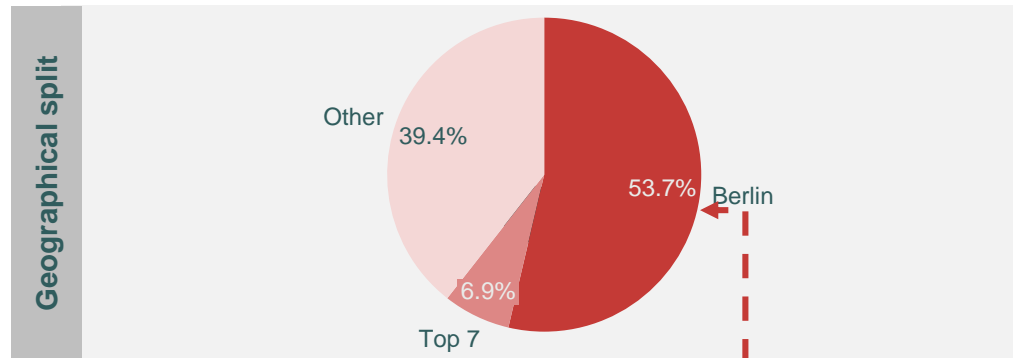
1 Excluding convertibles

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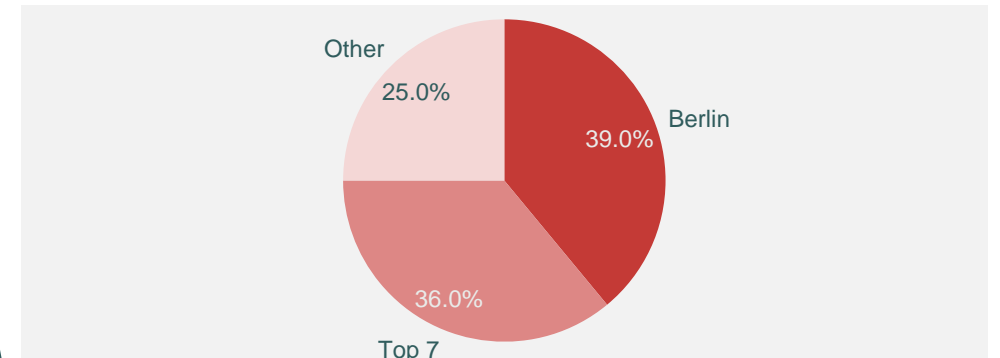
Developments

Enhanced focus on top 7 cities and newly built flats

The portfolio today – Berlin anchored



The portfolio in the future¹



■ Residential rental portfolio
 ■ Build-to-hold
 ■ Build-to-sell

¹ Assumes that the full €4.7bn of GDV has been completed, therewith transferring the current 11.0% of build-to-hold GAV to the residential rental portfolio. Does not assume any acquisitions or disposals

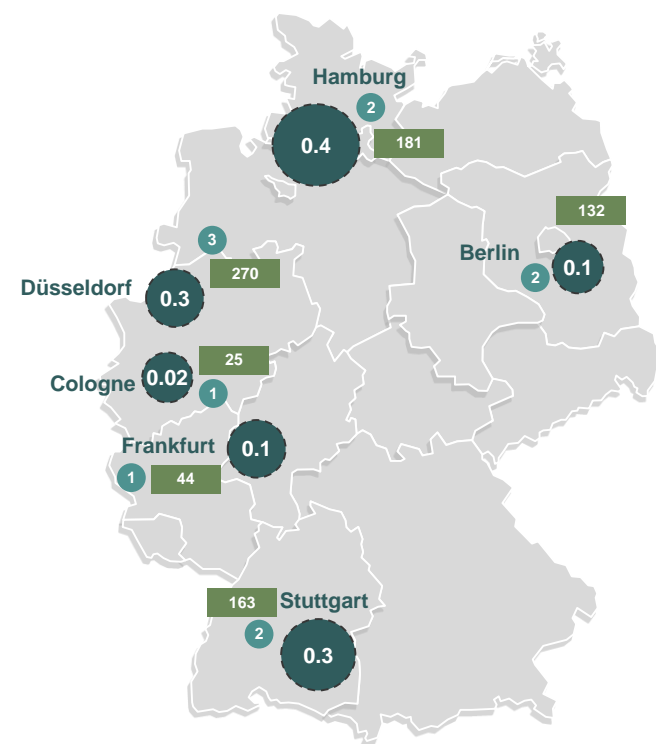
Pipeline with €4.7bn worth of future rental product

Projects under build to hold strategy

Total GDV = €4.7bn

#	Project Name	City	Construction Period	Area (k sqm)	GAV (€m)	Yield on cost ² (%)
1	Schwabenlandtower (Residential) ¹	Stuttgart	2019 - 2022	11.5	46.1	3.9%
2	Grafental II	Düsseldorf	2020 - 2024	29.2	17.9	3.5%
3	COL III (Windmühlenquartier)	Köln	2022 - 2024	24.5	23.7	4.5%
4	Neues Korallusviertel	Hamburg	2021 - 2024	34.4	45.9	3.7%
5	Wasserstadt - Konversuchsspeicher & Building 7	Berlin	2018 - 2024	11.1	51.3	4.8%
6	Grand Central DD	Düsseldorf	2022 - 2026	78.5	180.1	3.7%
7	Holsten Quartier ³	Hamburg	2022 - 2026	146.3	356.7	4.3%
8	Ostend Quartier	Frankfurt	2023 - 2027	43.6	103.1	4.0%
9	VAI Campus Stuttgart-Vaihingen	Stuttgart	2022 - 2028	151.8	248.6	4.5%
10	Benrather Gärten	Düsseldorf	2023 - 2029	162.5	137.8	4.5%
11	Schönefeld Nord	Berlin	2024 - 2030	121.2	85.5	4.5%
Total				814.4	1,296.7	4.3%

Portfolio overview



- €bn GAV Projects
- Area (sqm): ~814 k sqm
- Number of projects: 11

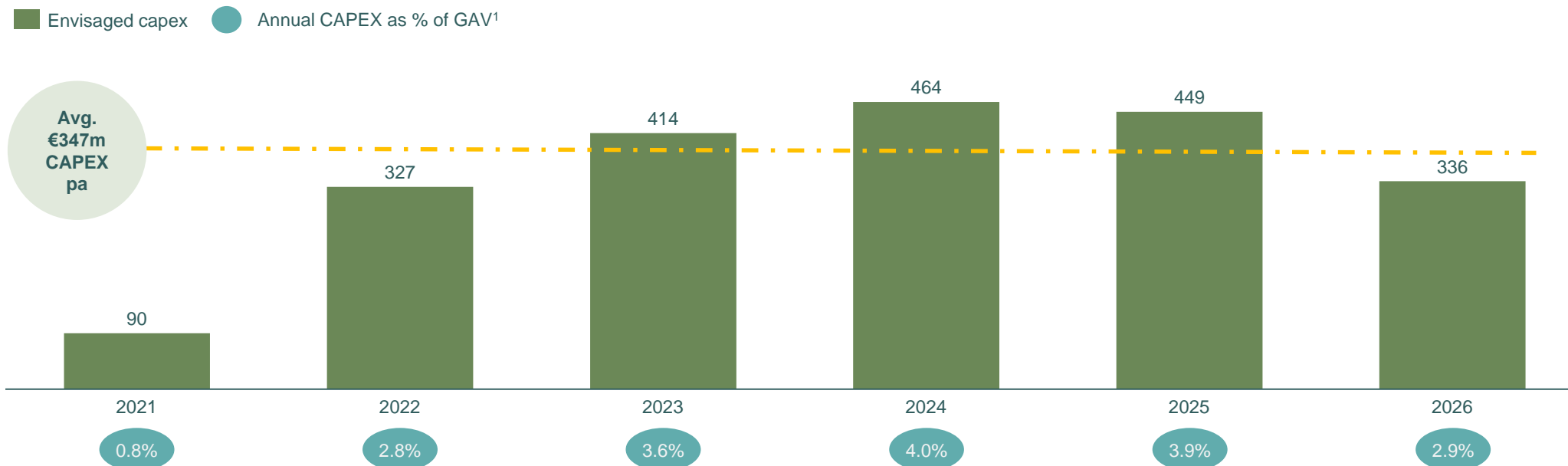
¹ GDV and GAV split based on corresponding area

² Yield on cost has been calculated based on underwriting ERV / expected total cost, including land

³ Average delivery date 31 December.2024

Expected completions for build to hold projects

Annual overview of envisaged CAPEX for the build to hold development projects (€m)



CAPEX is expected to be funded on project level with a 65-70% Loan-to-Cost and active capital recycling

¹ GAV calculated as FY20A investment properties including inventories €11.4bn

Build to hold project overview (I)

BENRATHER GÄRTEN - DÜSSELDORF

Address: Hildener Street 80, 40597 Dusseldorf



KEY FACTS

Main use: Residential and commercial

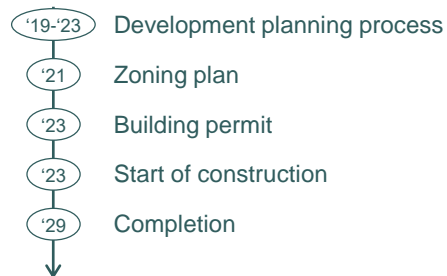
Strategy: Build to hold

Status: Working on zoning plan

Area: 162.5k sqm

Yield on cost: 4.5%

TIMELINE



MACRO LOCATION

The property is located in the district of Benrath, southeast of the city center of the North Rhine-Westphalian state capital Düsseldorf. The city is part of the Rhine-Ruhr metropolitan region with approximately 10 million inhabitants and the Rhineland metropolitan region with 8.6 million inhabitants.

GRAND CENTRAL - DÜSSELDORF

Address: Erkrather Street 33, 40233 Dusseldorf



KEY FACTS

Main use: Residential

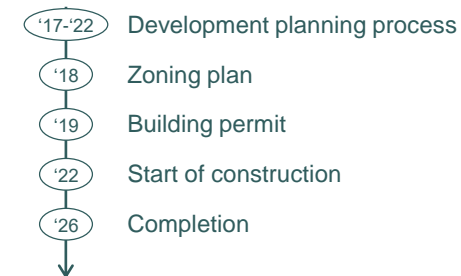
Strategy: Build to hold

Status: Building permit exists

Area: 78.5k sqm

Yield on cost: 3.7%

TIMELINE



MACRO LOCATION

The property is located in the Oberbilk district east of the city center (Innenstadt) of Düsseldorf, the capital of North Rhine-Westphalia. The city is part of the Rhine-Ruhr metropolitan region with around ten million inhabitants and the Rhineland metropolitan region with 8.6 million inhabitants.

Build to hold project overview (II)

VAI CAMPUS - STUTTGART

Address: Pascalstrasse 100, 70569 Stuttgart



KEY FACTS

- Main use:** Residential
- Strategy:** Build to hold
- Status:** Working on zoning plan
- Area:** 151.8k sqm
- Yield on cost:** 4.5%

TIMELINE



MACRO LOCATION

The city of Stuttgart is the capital of the state of Baden-Württemberg and is its largest city. It is the center of the Stuttgart metropolitan region with about 5.3 million inhabitants.

HOLSTEN QUARTIERE – HAMBURG

Address: Haubachstrasse 91, 22765 Hamburg



KEY FACTS

- Main use:** Residential and commercial
- Strategy:** Build to hold
- Status:** Working on building permit
- Area:** 146.3k sqm
- Yield on cost:** 4.3%

TIMELINE



MACRO LOCATION

With approximately 1.8 million inhabitants, Hamburg is the second largest city in the Federal Republic of Germany. The city has the largest cargo port in Germany and the third largest in Europe. In addition to the maritime industry and logistics, Hamburg is also an important location for the aviation and food industries.

Build to hold project overview (III)

OSTEND QUARTIER - FRANKFURT

Address: Danziger Platz 12, 60314 Frankfurt am Main



KEY FACTS

Main use: Residential and commercial

Strategy: Build to hold

Status: Working on zoning plan

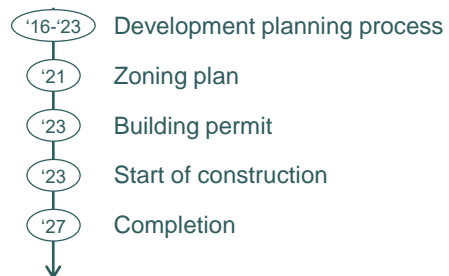
Area: 43.6k sqm

Yield on cost: 4.0%

MACRO LOCATION

The property is located in the city of Frankfurt am Main in the federal state of Hesse and is classified as a regional center. Frankfurt is the largest city in Hesse and the 5th largest in Germany. Furthermore, it forms the center of the Frankfurt/Rhine-Main conurbation.

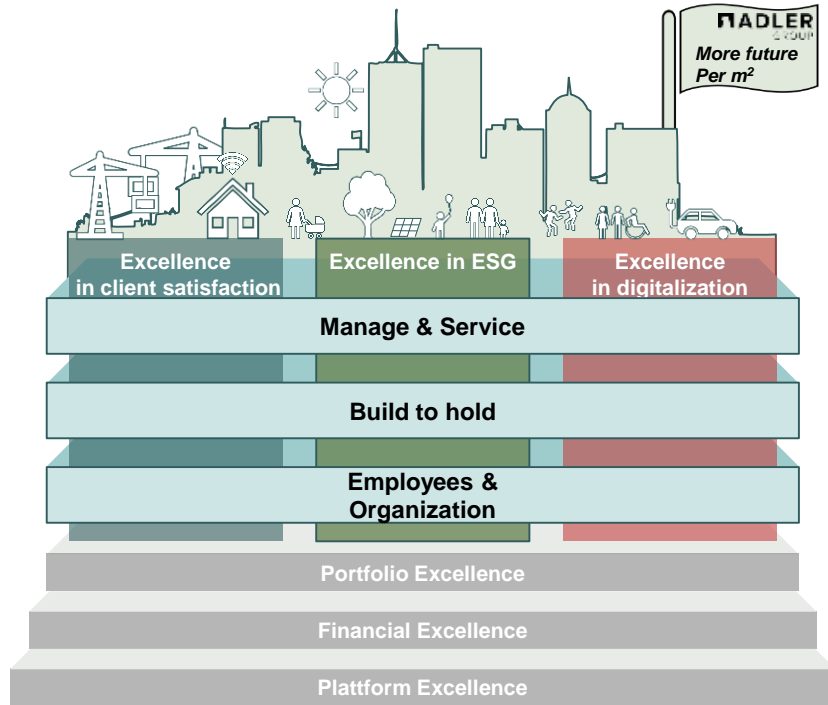
TIMELINE



ESG targets

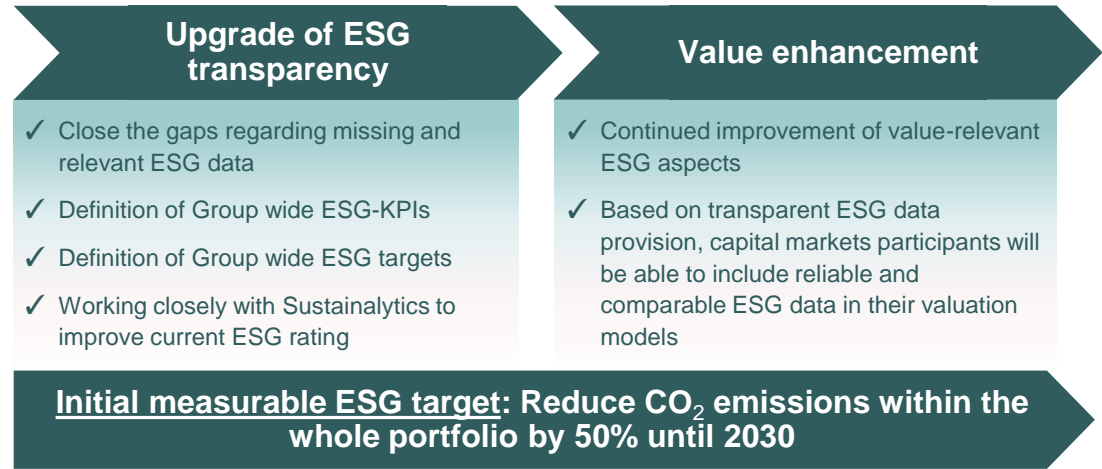
ESG has a high priority for Adler

ESG excellence is a key strategic pillar



Adler Group will publish its first ESG report at the end of April 2021

ESG ambitions in the context of new group setup



Specific goals related Adler's main fields of work

Property Management & Services	<ul style="list-style-type: none"> • Optimization of the inventory for climate neutrality: energetic refurbishment and renovation, replacement of heating systems
Build to hold	<ul style="list-style-type: none"> • Development of climate-neutral neighborhoods for several generations • Provision of ecological, group-internal energy supply • Increasing use of sustainable materials • CO₂ management optimization
Employees & Organization	<ul style="list-style-type: none"> • Highest standards in corporate governance & business ethics • Creation of a healthy, attractive and modern working environment • Establishing an active dialogue with institutions, cities and municipalities • Social responsibility; engagement in projects

Impact on Sustainable Development Goals

Eight of the UN Sustainable Development Goals were selected

 <p>3 GOOD HEALTH AND WELL-BEING</p> <p><i>Our impact:</i></p> <p>Preserve and promote no health endangering substances in buildings, compliance with all property security obligations, accessibility, occupational safety, health, performance and motivation of employees</p>	 <p>5 GENDER EQUALITY</p> <p><i>Our impact:</i></p> <p>Equal treatment of women and men, equal pay for equal work, promotion of diversity in the company, non-discrimination in any form</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p><i>Our impact:</i></p> <p>Renewal of heating systems, switching from gray to green energy, gas instead of oil, CO₂-neutral heating systems in development projects</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p><i>Our impact:</i></p> <p>Predominantly open-ended employment contracts, market conform wages, freedom to form associations, occupational health and safety, contractual obligation for suppliers</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p><i>Our impact:</i></p> <p>Development projects with high demands on environmental standards, CO₂ neutrality, involvement of all interest groups in projects of district development</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p><i>Our impact:</i></p> <p>Development of needs-based urban quarters, involvement of all interest groups in urban district development projects</p>	 <p>13 CLIMATE ACTION</p> <p><i>Our impact:</i></p> <p>ISO 50001 strengthening of e-mobility, renewal of heating, conversion from gray to green energy, gas instead of oil, CO₂-neutral heating systems in development projects</p>	 <p>15 LIFE ON LAND</p> <p><i>Our impact:</i></p> <p>Reduce space consumption by increasing existing buildings, green areas instead of sealing.</p>

Strong commitment from Adler Group's management team to continuously improve ESG aspects towards ESG excellence; publication of first Adler Group sustainability report planned in April 2021

Guidance 2021

Setting the goals for 2021 – Guidance

Objectives 2021

	2021 Guidance
Net rental income (€m)	€325-339m
FFO 1 (€m)	€127-133m
Dividend (€/share)	50% of FFO 1

Key Takeaways

- The acquisition of ADLER Real Estate has been successfully completed and Consus has been consolidated
- Synergies realized at the end of the year have beaten the guidance by c€21m and ended up at €113m
- We placed a double tranche €1,500m bond to refinance existing facilities, extending maturities whilst lowering WACD



Ahornstraße Steglitz



Allerstr. 46 Neukölln

Guidance - Net rental income for FY21E of €325-339m

NRI in the range of €325-339m for existing portfolio for 2021E

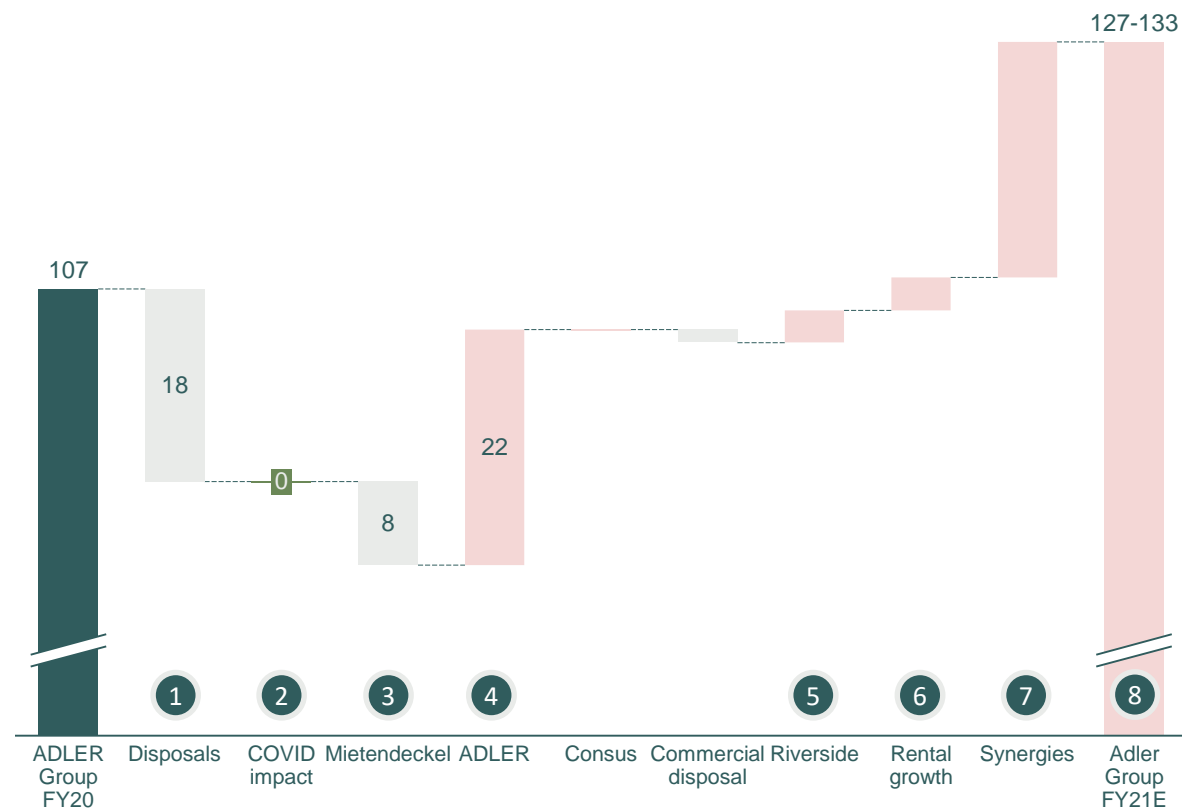


Legend

- 1 First full year effect from the various disposals throughout 2020
- 2 The COVID pandemic does not impact NRI in 21E
- 3 The Mietendeckel became fully effective as of November, the full year impact for 2021 NRI is estimated at c€8m
- 4 Given the accounting treatment of the merger, effective per 9 April 2020, first quarter ADLER RE results have to be accounted for in FY21E NRI
- 5 With Riverside being fully let, the additional full year impact to FY21E NRI is expected to account for an additional €4m of NRI
- 6 General rental growth outside of Berlin should amount to c2.0% throughout FY21E
- 7 The expected FY21E NRI for Adler Group is €325-339m

Guidance – FFO 1 for FY21E of €127-133m

FFO 1 in the range of €127-133m for existing portfolio for 2021E



Legend

- 1 First full year effect from the various disposals throughout 2020
- 2 The COVID pandemic does not impact FFO 1 in 21E
- 3 The Mietendeckel became fully effective as of November, the full year impact for 2021 FFO 1 is estimated at c€8m
- 4 Given the accounting treatment of the merger, effective per April 9, 2020, first quarter ADLER RE results have to be accounted for in FY21E FFO 1
- 5 With Riverside being fully let, the additional full year impact to FY21E FFO 1 is expected to account for an additional €3m of FFO 1
- 6 General rental growth outside of Berlin should amount to c2.0% throughout FY21E
- 7 Further realization of synergies is expected to yield another €22m to FY21E FFO 1
- 8 The expected FY21E FFO 1 for Adler Group is €127-133m

Appendix

FFO 1 and FFO 2

FFO 1 calculation

<i>In € thousand, except per share data</i>	FY 2020	FY 2019
Net rental income	293	134
Income from facility services and recharged utilities costs	91	7
Income from rental activities	384	141
Costs from rental activities	-153	-33
Net operating income (NOI) from rental activities	231	108
Overhead costs from rental activities	-44	-16
EBITDA from rental activities	187	92
Net cash interest	-70	-27
Current income taxes	-4	-2
Interest of minority shareholders	-6	-
FFO 1 (from rental activities)	107	63
No. of shares(*)	80	44
FFO 1 per share	1.34	1.43

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

FFO 2 calculation

<i>In € thousand, except per share data</i>	FY 2020	FY 2019
EBITDA total	247	96
Net cash interest	-102	-27
Current income taxes	-13	-4
Interest of minority shareholders	-6	-
FFO 2	127	65
No. of shares(*)	80	44
FFO 2 per share	1.59	1.47

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

- EBITDA from rental activities increased on the back of the consolidation of ADLER RE into the group as per April 2020. The disposal to Gewobag, the Berlin Rent freeze and the recent disposal of 5,000 units reduced this positive impact, however the disposals generally increased quality of the portfolio.
- As a result of the consolidation of Consus since the beginning of the third quarter, EBITDA total also reflects the income from property development generated by Consus.
- Net cash interest in FFO 2 also reflects the additional interest from financing related to the landbank and ongoing development projects of Consus.

Balance sheet

Balance sheet

In € thousand

	FY 2020		FY 2019
Investment properties including advances	10,109	1	3,631
Other non-current assets	1,841	2	301
Non-current assets	11,950		3,932
Cash and cash deposits	372		388
Inventories	1,254	3	26
Other current assets	1,122	4	51
Current assets	2,748		464
Non-current assets held for sale	139		-
Total assets	14,838		4,396
Interest-bearing debts	7,965	5	1,332
Other liabilities	994	6	127
Deferred tax liabilities	933		239
Liabilities classified as available for sale	27		-
Total liabilities	9,920		1,698
Total equity attributable to owners of the Company	4,146		2,647
Non-controlling interests	772		52
Total equity	4,918		2,698
Total equity and liabilities	14,838		4,396

Comments

- 1 The fair value of the portfolio was assessed by CBRE & NAI Apollo and shows the impact of positive revaluation of the combined group for 2020.
- 2 Goodwill of €1,205m is arising from the acquisition of Consus on the back of the assessment of preliminary purchase price allocation.
- 3 The increase in inventories is mainly due to the first-time consolidation of Consus given that project developments, which are to be sold, are administered as inventories and contract assets, rather than investment properties.
- 4 Other current assets include among others restricted bank deposits, and receivables. The increase is mainly due to the consolidation of ADLER RE and Consus.
- 5 The rise in interest bearing debt is attributable to the consolidation of ADLER RE and Consus.
- 6 Other liabilities contain prepayments received, payables and derivatives, amongst others. The increase is mainly due to the consolidation of ADLER RE and Consus.

EPRA NAV metrics

EPRA NAV metrics calculation

In € thousand, except per share data

EPRA Measure	FY 2020				FY 2019			
	NAV	NRV	NTA	NDV	NAV	NRV	NTA	NDV
Total equity attributable to owners of the Company	4,146	4,146	4,146	4,146	2,647	2,647	2,647	2,647
Revaluation of inventories	52	52	52	52	13	13	13	13
Deferred tax	1,011	1,011	868	-	257	257	257	-
Goodwill	-	-	-1,205	-1,205	-	-	-	-
Fair value of financial instruments	5	5	5	-	6	6	6	-
Fair value of fixed interest rate debt	-	-	-	-329	-	-	-	-31
Real estate transfer tax	-	824	576	-	-	324	181	-
EPRA NAV	5,214	6,037	4,443	2,664	2,924	3,248	3,105	2,630
No. of shares	118	118	118	118	44	44	44	44
EPRA NAV per share	44.37	51.38	37.81	22.67	66.15	73.49	70.25	59.51
Convertibles	98	98	98	98	156	156	156	156
EPRA NAV fully diluted	5,311	6,135	4,540	2,762	3,080	3,404	3,261	2,786
No. of shares (diluted)	119	119	119	119	47	47	47	47
EPRA NAV per share fully diluted	44.47	51.37	38.02	23.12	65.63	72.54	69.49	59.37

- 1 The changes in equity versus FY19 are the combined effects of both the acquisition of ADLER RE and Consus as well as the successfully completed rights issue in July 2020.
- 2 The EPRA NAV stood at €44.37 per share on December 31, 2020 whereas the EPRA NRV amounted to €51.38 on a per share basis. The only difference between these two metrics is, that the latter includes the real estate transfer tax.
- 3 Going forward, the two well-known NAV and NRV KPIs will be complemented by the EPRA Net Tangible Assets (NTA) and the EPRA Net Disposal Value (NDV). The EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability, whereas the EPRA NDV represents the value under a disposal scenario, net of any resulting tax. As of December 31, 2020 the EPRA NTA was €37.81 per share and the EPRA NDV € 22.67 per share.

Net LTV

LTV calculation

In € thousand

Corporate bonds, other loans and borrowings and other financial liabilities		
Convertible bonds		
Cash and cash equivalents		
Selected financial assets		
Net contract assets		
Assets and liabilities classified as held for sale		
Net financial liabilities		
Fair value of properties (including advances)		
Investment in real estate companies		
Gross asset value (GAV)		
Net Loan-to-Value		
Net Loan-to-Value excluding convertibles		

	FY 2020		FY 2019
	7,653	1	1,223
	312		156
	-372		-388
	-1,195	2	-99
	-137	3	-
	-112	4	-
	6,150		893
	11,431		3,670
	85		186
	11,515		3,856
	53.4%	5	23.2%
	50.7%		19.1%

Comments

- 1 On the back of the combined consolidation of both ADLER RE and Consus into the group, the associated debt has increased in line with the increased size of the portfolio.
- 2 The net financial liabilities are adjusted for selected financial assets like purchase price receivables amongst others, they include 1) financial receivables (€627m) 2) trade receivables from the sale of real estate investments (€325m) and 3) other financial assets (€243m).
- 3 In relation to the Group's development activities, an adjustment is made for the net position of contract assets and liabilities, basically reflecting unbilled receivables
- 4 The assets and liabilities classified as held for sale mainly relates to the disposal of c.1,605 units
- 5 As of the reporting date, our Loan-to-Value (LTV) excl. convertible is 50.7% (incl. convertible 53.4%). Our goal is to deleverage the company and improve our financial KPIs further. Our sustainable financing strategy targets an LTV ratio of 50% in the mid-term.

Composition of the Board of Directors



Dr. Peter Maser

Chairman

German, born in 1961
Partner Deloitte



Maximilian Rienecker

Executive Director

German, born in 1985
Co-CEO Adler Group



Thierry Beaudemoulin

Executive Director

French, born in 1971
Co-CEO Adler Group



Arzu Akkemik

Director

Turkish, born in 1968
Fund manager and founder
Cornucopia Advisors Limited



Claus Jorgensen

Director

Danish, born in 1965
Head of EMEA Credit Trading
Mizuho



Thilo Schmid

Director

German, born in 1965
Investment Manager Care4



Thomas Zinnöcker

Director

German, born in 1961
CEO ISTA International and
Chairman ICG (Corp. Governance)



Dr. Michael Bütter

Director

German, born in 1970
CEO Union Investment Real
Estate

Experienced management team with a real estate track record



Maximilian Rienecker
Co-Chief Executive Officer



Thierry Beaudemoulin
Co-Chief Executive Officer



Sven-Christian Frank
Chief Legal Officer



Jürgen Kutz
Group Development



Theodorus Gorens
Group Integration



Carsten Wolff
Group Accounting

17 years
real estate experience



Thorsten Arsan
Group Financing

19 years
real estate experience



Michael Grupczynski
Innovation & New Services

3 years
real estate experience



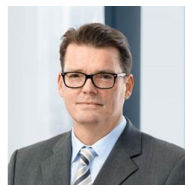
Gerrit Sperling
Portfolio Management & Transactions

23 years
real estate experience



Dennis Heffter
Letting

20 years
real estate experience



Andreas Mier
Property Management East

23 years
real estate experience



Hans-Ulrich Mies
Property Management West

36 years
real estate experience



Markus Rübekamp
Architecture

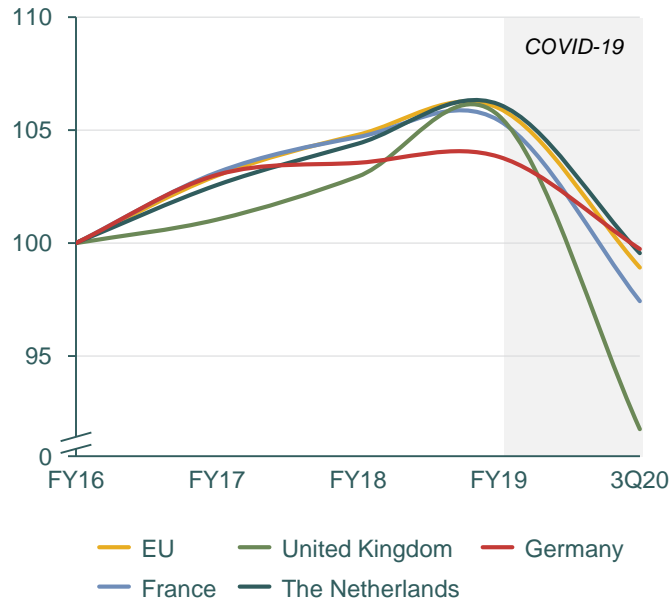
32 years
real estate experience



Market outlook

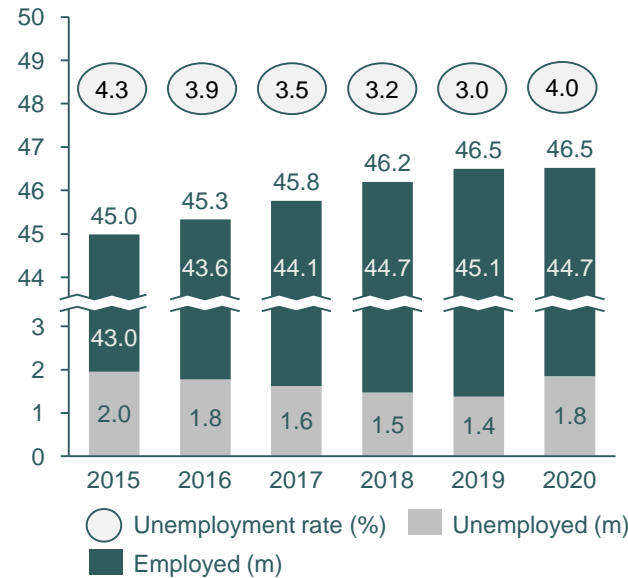
Economic trends

GDP of Germany vs. European peers



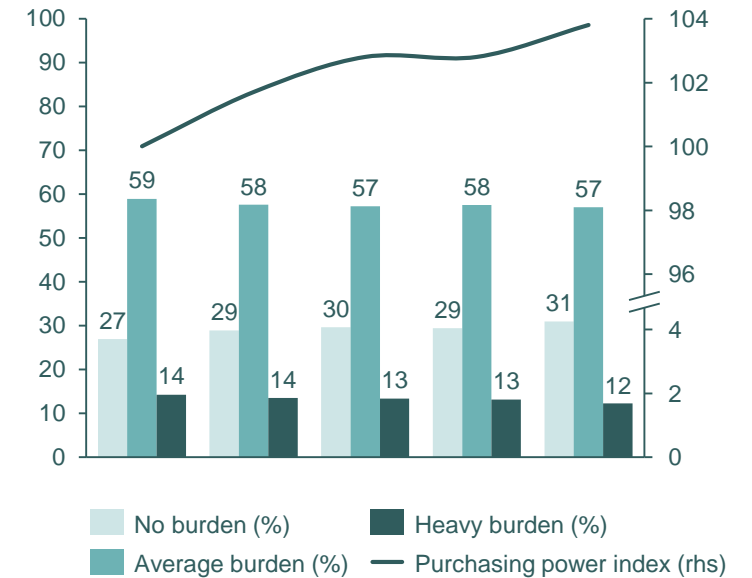
Due to its economic strength the German GDP (-3.9%)¹ proved to be more resilient to the pandemic than the European average (-6.6%)¹

Unemployment rate



Despite the pandemic, unemployment rates experienced a relatively limited increase, highlighting the strength of the German labour market

Perceived burden of total housing costs²

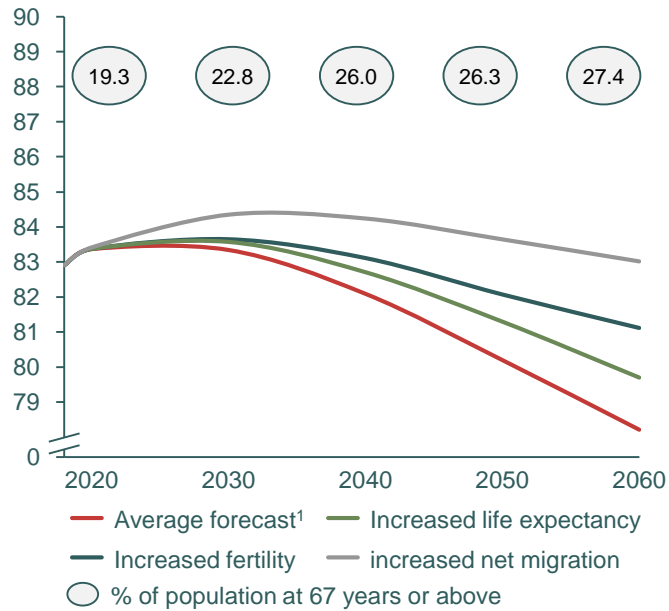


Total housing costs have become a smaller burden to German residents resulting from increased purchasing power and persistently low interest rates

¹ GDP change as per end of year 2019
² Perceived burden of total housing costs and including mortgage payments by percentage of the total population
 Source: Eurostat, Destatis

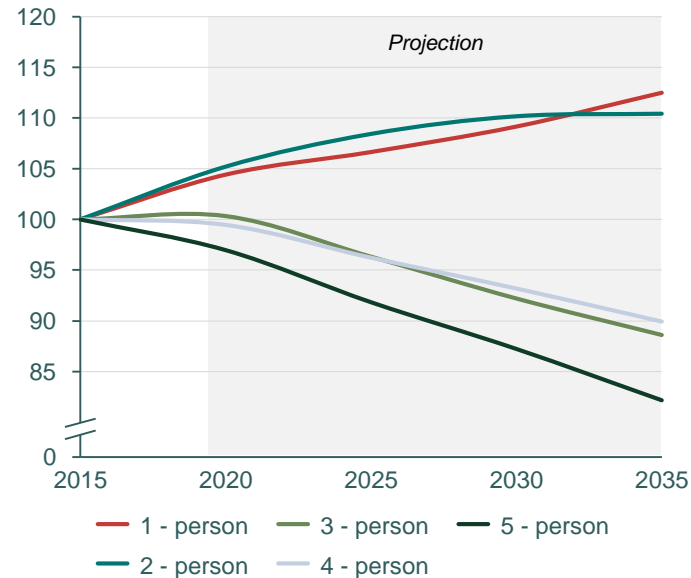
Demographic trends

Population growth forecasts (m)



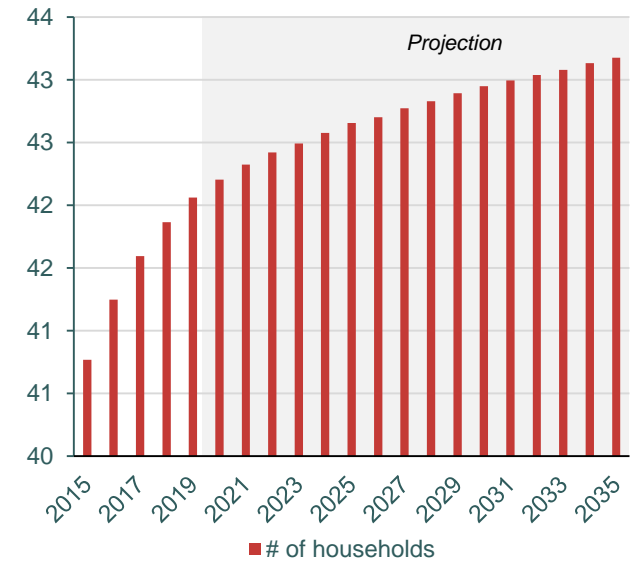
- The German population is expected to decrease due to low fertility rates and low net migration while higher life expectancy results in ageing of the population

Household size index development



- Due to the ageing population, one and two-person households are on the rise, driving demand for small apartments

Development of households (m)

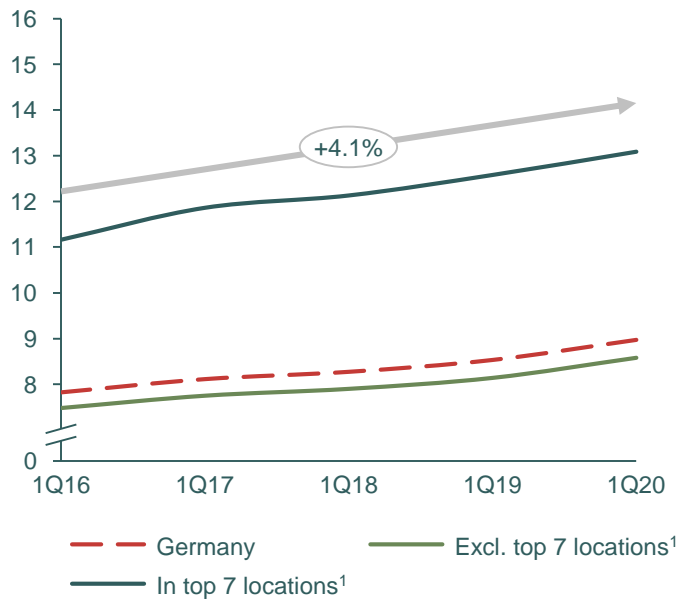


- As a result of the decreasing household size and despite the expected decrease in population the number of households is expected to grow by c.1.1 million until 2035

Please note that the projections presented on this page are forecasted per 2019
¹ Assumes a moderate development in fertility, life expectancy and net migration per 2019
 Source: Destatis

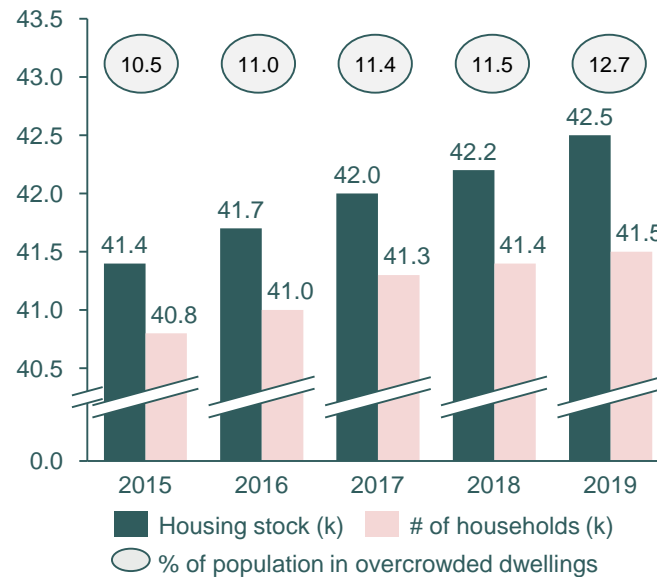
Demographic trends

Average rental prices (€/sqm)



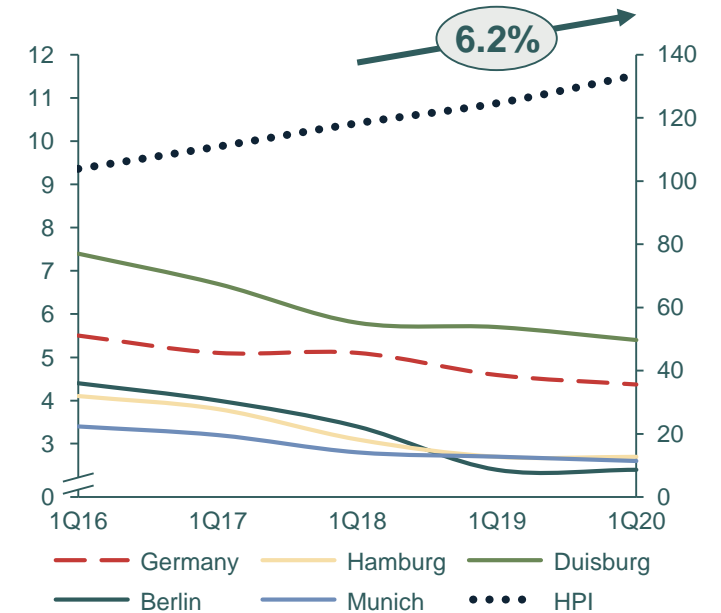
- Average rental prices experienced substantial annual growth both inside (+4.1%) and outside (+3.5%) the top 7 locations

Housing stock



- Despite excess housing stock, 12.7% of the German population in cities was living in overcrowded dwellings in 2019, providing ample opportunity for developments

Average GIY (lhs) versus HPI (rhs)



- Although average rents increased, rapidly growing property values have resulted in a squeeze of GIY, underlining the strong housing demand in Germany

¹ The locations consist of Berlin, Munich, Hamburg, Stuttgart, Düsseldorf, Frankfurt and Cologne
Source: Destatis, Catella

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