

**Q1**

**2022**

# Results presentation

31 May 2022



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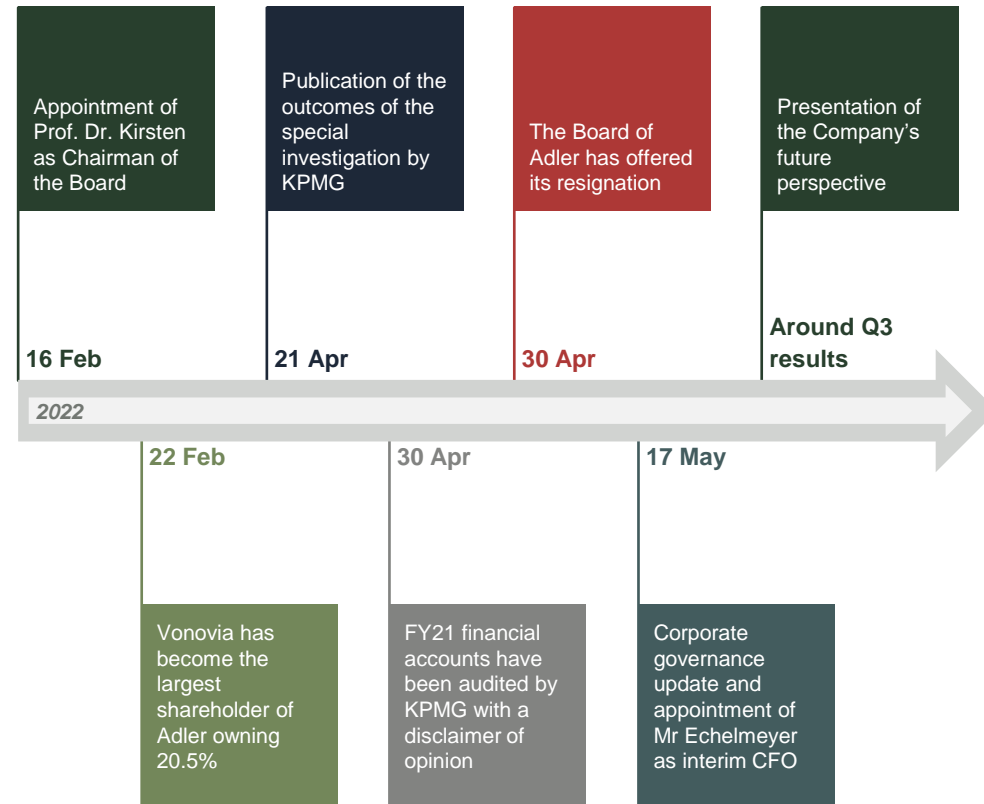


# Q1 2022 Overview

# Corporate Governance Update

*Implementation of solutions on track*

## Recent events



## Most recent progress

- **Management:**
  - Appointment of Mr Echelmeyer as interim CFO, starting as per 1 June, and ongoing search for permanent CFO.
- **Structures & Processes:**
  - Continuous reorganisation and improvement of the Group.
  - PwC appointed to set up a compliance framework.
  - Recommendation of the Board to not distribute the dividend for 2021 due to disclaimer of opinion.
- **Auditor:**
  - In process of appointing new auditor after KPMG is no longer available to audit the 2022 stand-alone and consolidated financial statements of the Company.
  - Aim to obtain an unqualified audit opinion for 2022.
- **Legal:**
  - No criminal relevance revealed by special investigation.
  - External examination of other legal claims against the Company and its bodies ongoing.
- **Regulatory Situation:**
  - Full co-operation and transparency offered to regulatory supervisors and finance committee of Bundestag.

# Key Highlights

*Robust operational performance, sufficient liquidity position*

## PORTFOLIO PERFORMANCE



- **+2.1% like-for-like rental growth<sup>1</sup>**
- Avg. residential **rent €7.46/sqm/month**
- **+1.4% like-for-like fair value uplift** in the yielding portfolio<sup>1</sup> compared to FY 2021
- **Vacancy** decreased to **1.2%**, from 3.8% last year<sup>1</sup>

## FINANCIAL PERFORMANCE



- Lower NRI and FFO 1 on the back of the disposal of non-strategic assets:
  - NRI: -16% to **€71m<sup>1</sup>**
  - FFO 1: -8% to **€30m<sup>1</sup>**
- NTA per share stands at **€35.72**
- LTV stands at **52.0%**
- Average cost of debt at **2.2%**
- Cash position of **€760m** at Q1 2022<sup>2</sup>

## DEVELOPMENT PROGRESS



- **€71m GAV** condominium and forward sales projects successfully handed over to the buyers in Q1: Magnolia (Dessauer Str.) and Dreizeit – Wohnen an der Villa Berg
- Sale of Späthstraße development project is signed in Q1
- Sale of Westend Ensemble – Upper West – LEA B is signed in April 2022
- Exclusivity or LOI granted for Covent Garden, Eurohaus, UpperNord Tower VauVau and UpperNord Office
- Plan approvals for Holsten Quartier and VAI Campus are under discussion, alternatives are being explored

✓ **Strong rental growth drives valuation uplift**  
*2.1% LFL rent increase during the first quarter.*

✓ **Strong cash position**  
*Cash reserve amounting to c. €600m by end of May 2022<sup>2</sup>.*

✓ **Upcoming debt maturities well covered**  
*€400m bond repaid in April, sufficient liquidity to service debt obligations.*

✓ **Execution of portfolio disposals well on track**  
*97% of assets closed and transferred to KKR by the end of May 2022.*

*1. Compared to Q1 2021; 2. Excludes cash BCP which is classified as assets held for sale.*



# Portfolio & Operational Performance

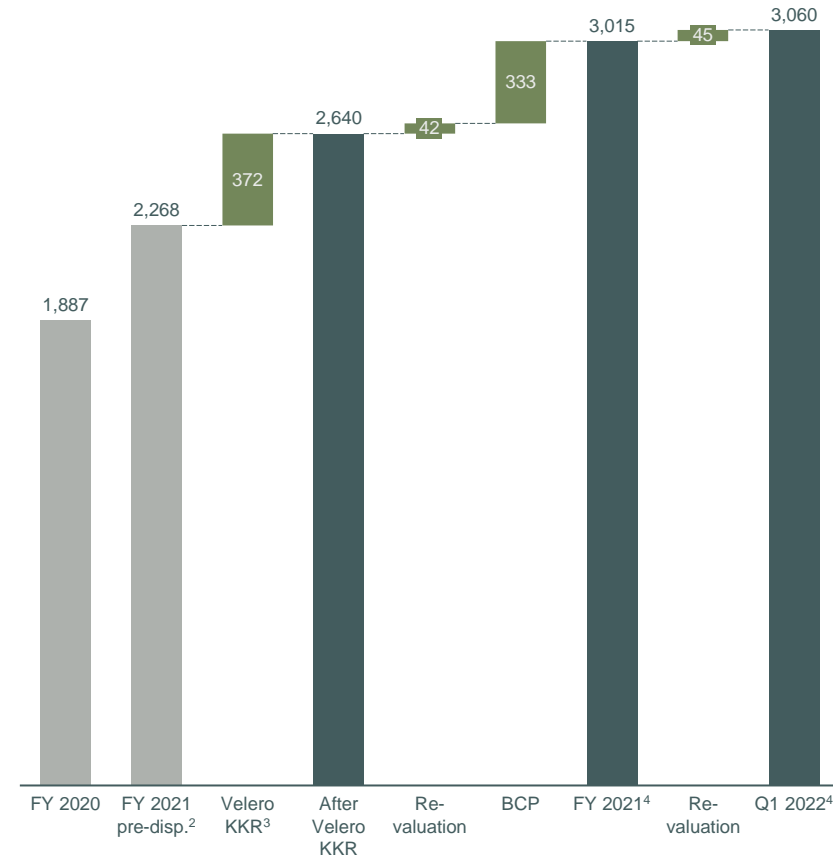
# Continuous Increase in Portfolio Quality

*Post non-strategic disposals, a high-quality portfolio remains anchored in Berlin*

Standing assets as per Q1 2022<sup>1</sup>



Fair value (€/sqm)



GAV

**€5.7bn**

standing assets<sup>4</sup>

LFL fair value growth

**1.4%**

to FY 2021<sup>4</sup>

Total number of units<sup>4</sup>

**27,443**

of which

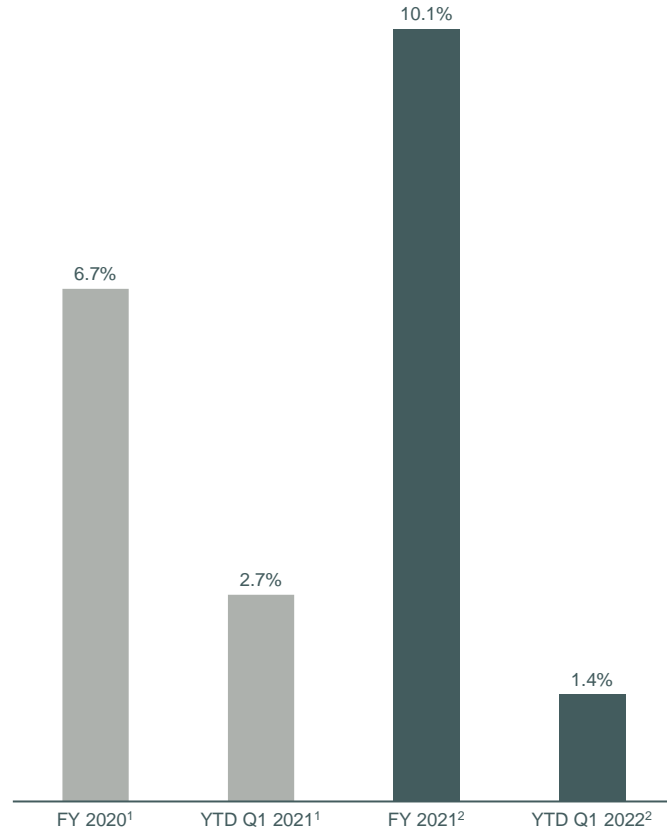
**19,804**

in Berlin

1. Includes current locations with at least 100 rental units; 2. Post completion of the LEG transaction; 3. Transaction signed as per 12 January 2022, corresponding assets excluded from yielding asset portfolio and allocated to assets held for sale (97% closed as per end of May); 4. Following Velero/KKR completion and assuming BCP completion.

# Reshaping the Portfolio Pushes Vacancy to All-time Lows...

Like-for-like fair value growth (%)

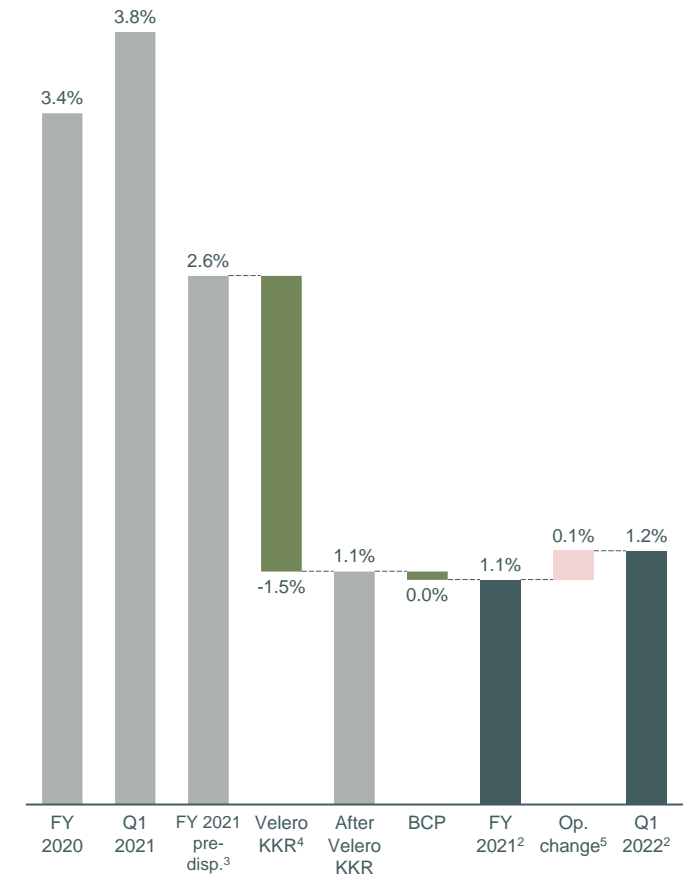


LIKE-FOR-LIKE  
FAIR VALUE  
GROWTH

**8.6%**

YoY (vs Q1 2021)

Yielding portfolio operational vacancy rate<sup>6</sup> (%)



VACANCY  
DECREASED BY

**2.6%**

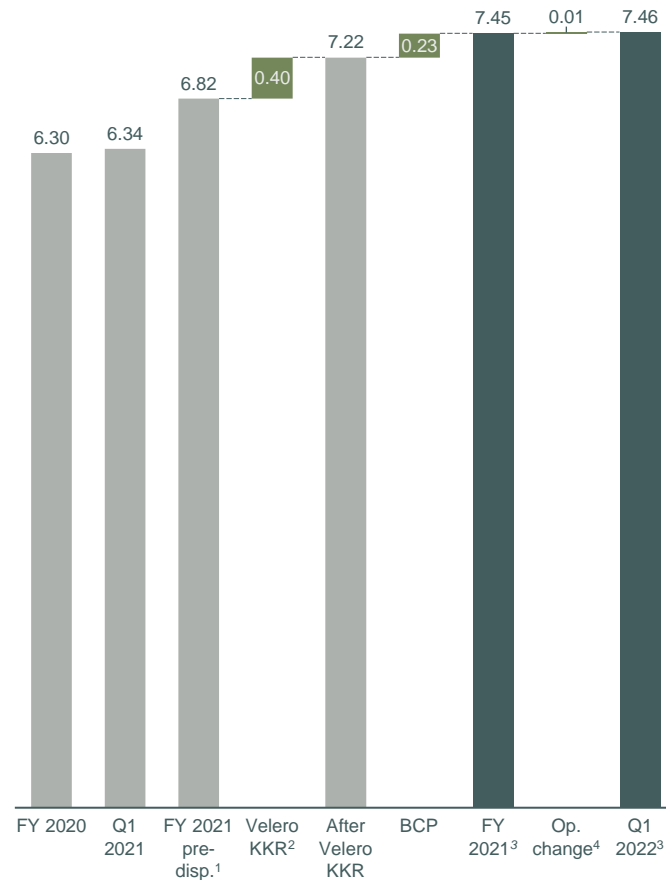
YoY (vs Q1 2021)

1. Unadjusted for disposals; 2. Following Velero/KKR completion and assuming BCP completion; 3. Post completion of the LEG transaction; 4. Transaction signed as per 12 January 2022, corresponding assets excluded from yielding asset portfolio and allocated to assets held for sale (97% closed as per end of May); 5. Operational change relates to the like-for-like change in yielding portfolio vacancy rate; 6. Total vacancy rate amounting to 2.5%, operational vacancy excludes unavailable units i.e. units under refurbishment and decommissioned units.

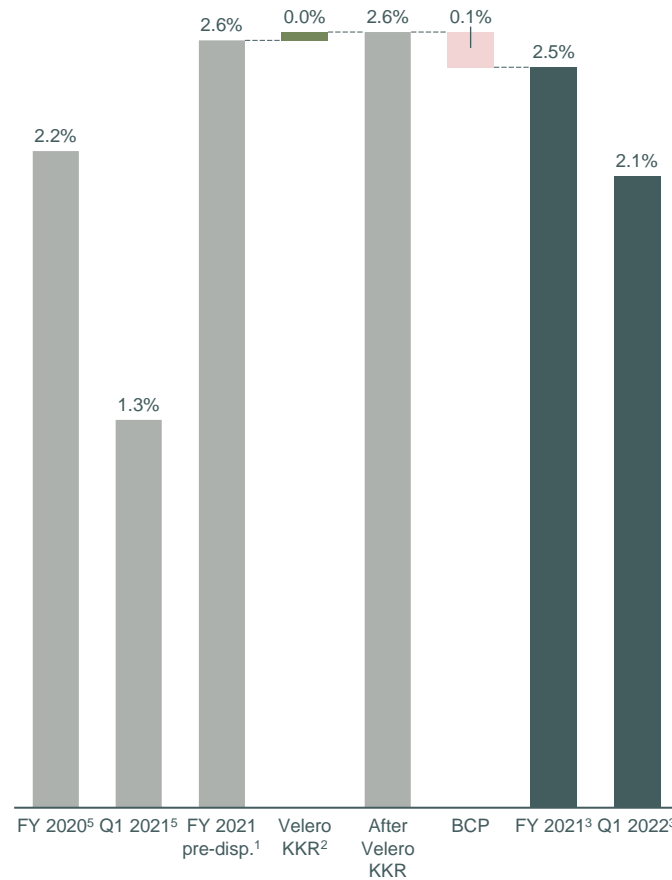


# ... and Significantly Increases the Average Monthly In-Place Rent

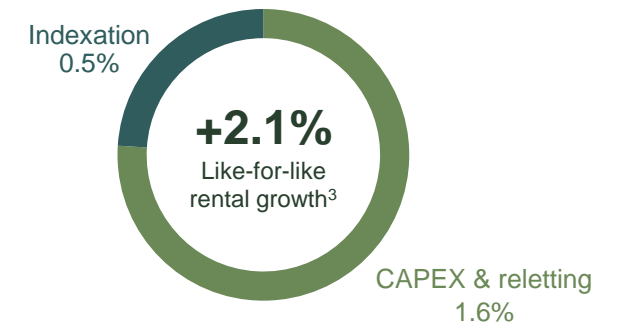
Residential and commercial average rent (€/sqm/m)



Like-for-like residential rental growth (%)



Like-for-like rental growth breakdown<sup>3</sup> (%)



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

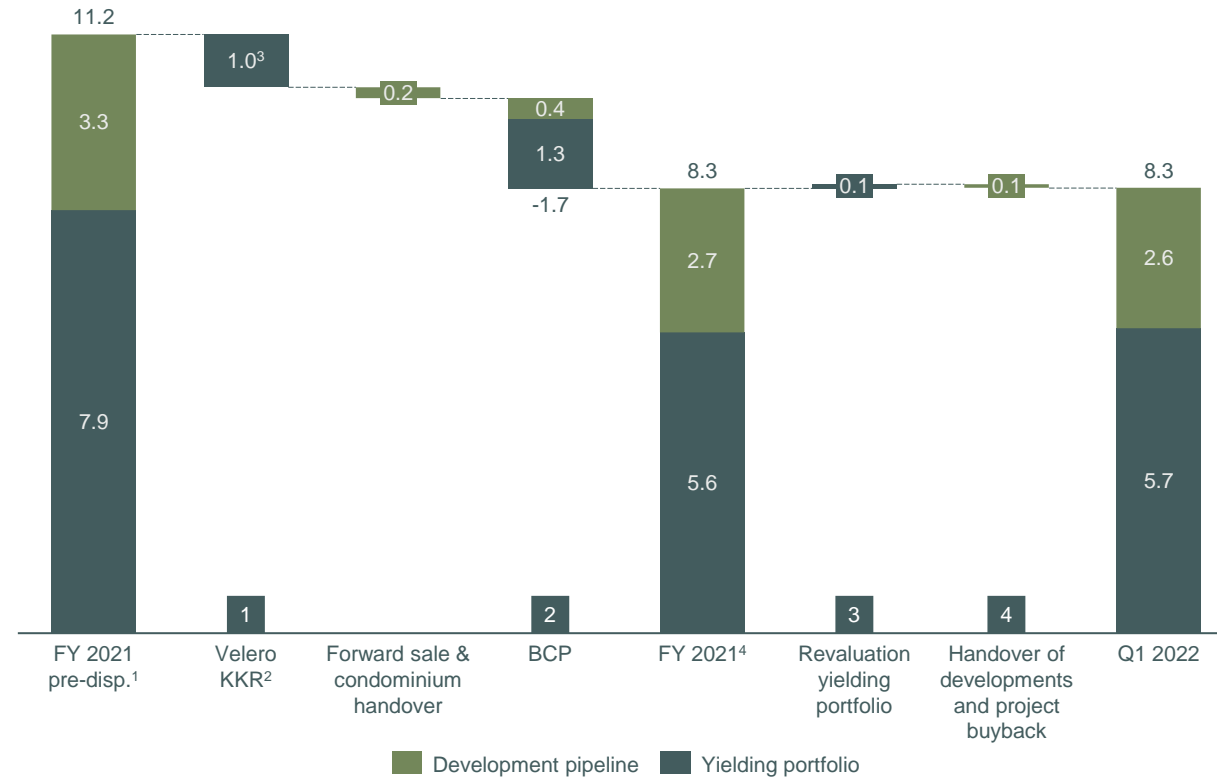
1. Post completion of the LEG transaction; 2. Transaction signed as per 12 January 2022, corresponding assets excluded from yielding asset portfolio and allocated to assets held for sale (97% closed as per end of May); 3. Following Velero/KKR completion and assuming BCP completion; 4. Operational change relates to the like-for-like change in the respective KPIs; 5. Unadjusted for disposals.

# Financial Performance

# GAV Stable with Revaluations Offsetting Sales in Q1 2022

*Further sales of developments and yielding assets to further strengthen the balance sheet*

GAV (€bn)



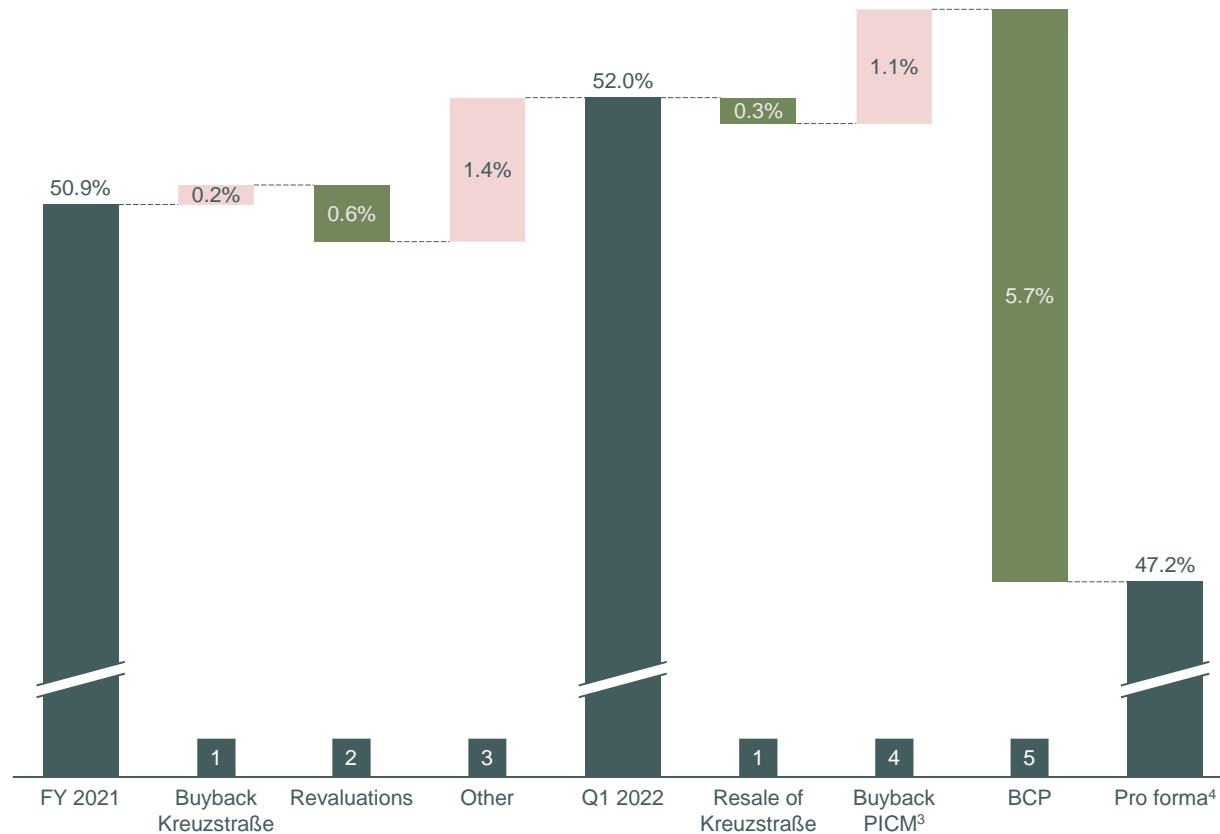
## Comments

- 1 Sale of c. 14,400 units in eastern regions to Velero/KKR for €1.0bn.  
  
97% of the assets have been transferred to Velero/KKR as per the end of May, with full closure expected by YE 2022.
- 2 In anticipation of the potential public takeover by LEG, BCP will be deconsolidated throughout 2022. As such, the assets of BCP were classified as assets held for sale.
- 3 During the first quarter, a revaluation gain of €79m was realised on the yielding asset portfolio (1.4% I-F-I value growth).
- 4 During Q1 2022, Magnolia (Dessauer Str.) and Dreizeit – Wohnen an der Villa Berg, have been successfully handed over to the buyers amounting to €71m GAV, and the Kreuzstraße development project has been bought back with a €17m GAV.

1. Post completion of the LEG transaction; 2. Transaction signed as per 12 January 2022, corresponding assets excluded from yielding asset portfolio and allocated to assets held for sale (97% closed as per end of May); 3. The illustrated GAV for the Velero/KKR transaction is the contracted sale price (€1,049m) and differs from the fair value of the assets (€989m); 4. Following Velero/KKR completion and assuming BCP completion.

# Stable LTV in Q1, Moving Towards our <50% Target

Pro forma LTV evolution<sup>1,2</sup> (% , incl. convertibles)



## Comments

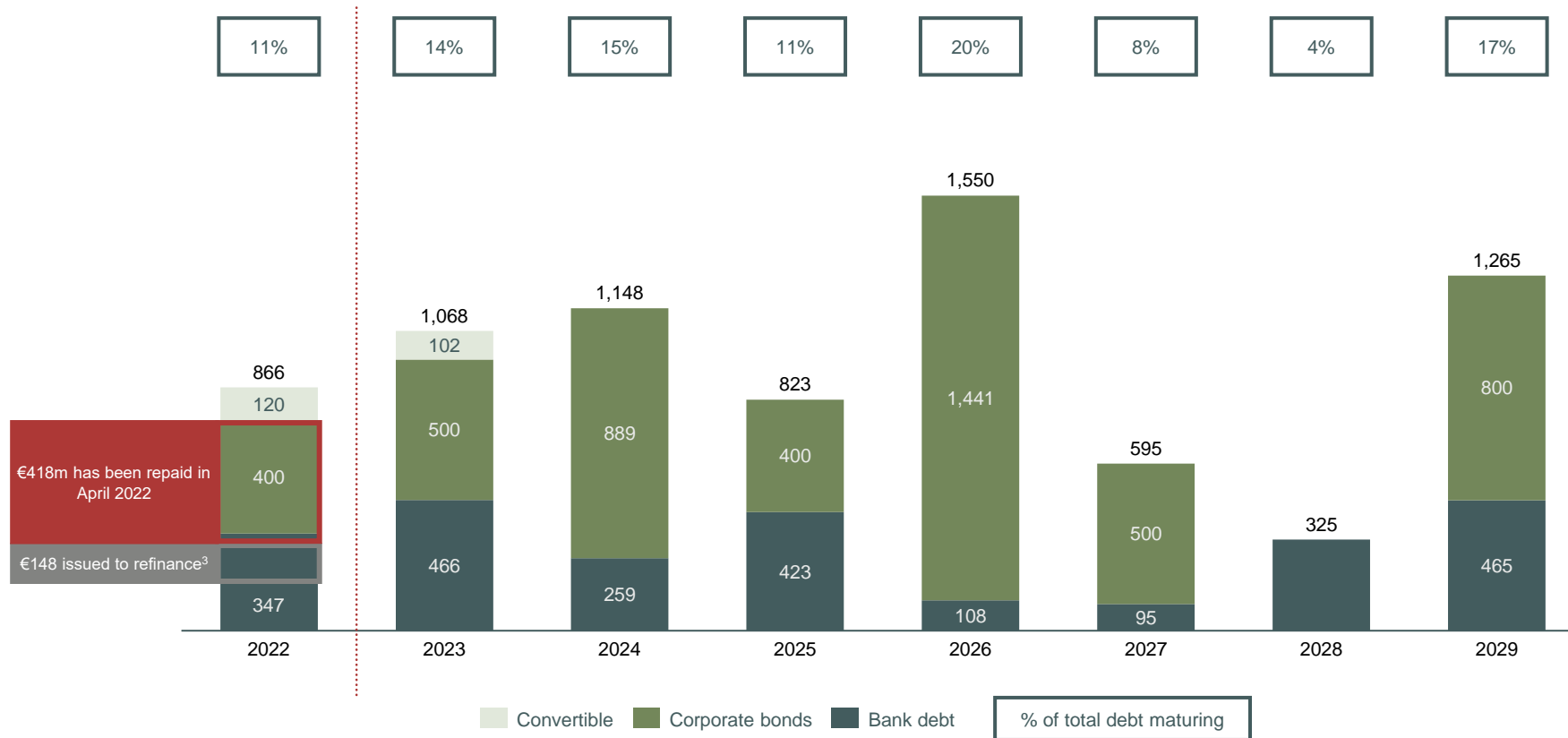
- 1 Buyback of the Kreuzstraße development project in Q1 2022, which has been resold in April 2022 generating a cash inflow of c. €17m.
- 2 Positive value changes on the back of revaluation of yielding portfolio and CAPEX activation.
- 3 Other refers to remaining part of KKR/Velero, interest payments of c. €46m, CAPEX payments of c. €30m, among others.
- 4 Reversal of the sale to Partners Immobilien Capital Management leading to an increase in LTV of 1.1%.
- 5 Anticipated sales price of €765m for BCP portfolio following a possible tender offer at €157.00 per share on the back of the expected execution of the call option by LEG for the remaining stake of 63% in BCP. The corresponding nominal debt reduction amounts to €822m while net cash increase is €586m, resulting in a decrease in LTV of 5.7%.

1. BCP IFRS 5 adjustment to assets/liabilities held for sale and corresponding line items reversed into respective balance sheet positions for reporting purposes; 2. GAV for LTV purposes includes investment properties and inventories at their fair value, advance paid, property plant and equipment used for energy and property management services at its book value at reporting date; 3. Partners Immobilien Capital Management; 4. Pro forma, following Velero/KKR completion and assuming BCP completion.



# More Than Half of the Debt Expirations in 2022 Extended or Repaid

Overview of debt maturities<sup>1</sup> (€m)



## Comments

Upcoming maturities are covered through a combination of **€940m<sup>2</sup> cash on hand** as per Q1 2022, expected **receivables** and **active capital recycling measures** including the recently announced transactions.

The **€400m** 2022 maturing bond and a loan of **€18m** at Adler level were **repaid in April 2022**.

Remaining maturities for 2022 total **€449m** and consist of a **€120m** convertible bond at Consus level maturing in November, as well as **€329m** bank loans mostly related to BCP and Consus projects.

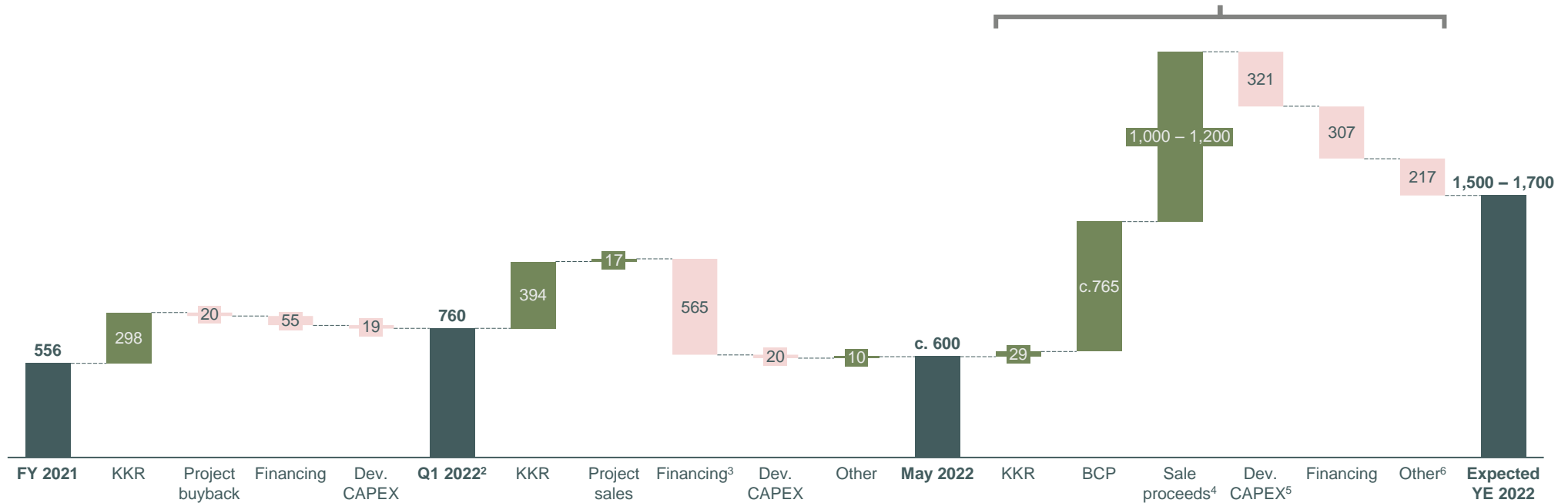
1. Figures based on nominal values as per 31 March 2022; 2. Includes cash held at BCP level which is classified as Assets held for sale at Group level; 3. At BCP level, €148m will be refinanced by a recently issued ILS bond.

# Development of Cash Position

*Sufficient liquidity to fund CAPEX needs and service debt obligations*

Cash position excluding BCP cash (€m)<sup>1</sup>

Expected cash in and outflows for the remainder of 2022



1. Pro forma gross cash position development based on anticipated transactions, expected CAPEX and repayment of bond maturities; 2. Excludes cash held at BCP level which is classified as Assets held for sale at Group level; 3. Includes €400m ADLER Real Estate Bond 2019/2022 bond, €100m intercompany loan to BCP and other maturities, amortisations and interest; 4. Includes disposal of Harel (Waypoint) as well as multiple project sales; 5. Committed development capex amounts to €136m; 6. Includes receivables recovery, project buybacks, cash guarantees, and receivables.

# Guidance

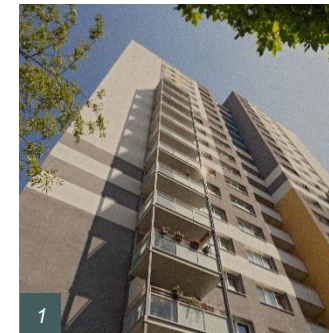
# Guidance for 2022 Confirmed

## Objectives

Full-year 2022 guidance	
Net rental income (€m)	€203-212m
FFO 1 (€m)	€73-76m
Dividend (€/share) 2022E	€0.32 implied <sup>1</sup> 50% of FFO 1

## Concluding remarks

- ✓ Yielding asset portfolio value increased by €79m resulting in a **+1.4% LFL value uplift** in the first three months of 2022 on the back of a +2.1% LFL rent increase.
- ✓ **Operational vacancy** of the total portfolio at a structurally low level of **1.2%**<sup>2</sup>.
- ✓ **Solid financial position**: c. €600m<sup>3</sup> cash balance as per end of May 2022 and upcoming maturities well covered.
- ✓ In process of **appointing new auditor**.
- ✓ Continued determination to improve corporate governance: reshaping and improvement of the Group, aiming for an unqualified audit opinion for 2022.
- ✓ **Strategy update** on the Company's future perspective expected around **Q3 2022 results**.



1 Arendsweg, Berlin

2 Alte Schönhauser Straße, Berlin

1. Implied dividend range on the basis of FFO guidance range of €73-76m, and Company dividend policy of 50% payout ratio, subject to final Board approval and shareholder approval in the 2022 annual General Meeting; 2. Following Velero/KKR completion and assuming BCP completion; 3. Excludes cash at BCP level.



# Q&A

# Appendix

# Profit and Loss Statement

## P&L statement

<i>In € million</i>	Q1 2022	Q1 2021 <sup>1</sup>
Net rental income	71 <sup>1</sup>	84
Income from facility services and recharged utilities costs	37	28
Income from property development	16	46
Other revenue	6 <sup>2</sup>	227
<b>Revenue</b>	<b>129</b>	<b>385</b>
Costs of operations	(84) <sup>2</sup>	(346)
<b>Gross profit</b>	<b>45</b>	<b>38</b>
General and administrative expenses	(32)	(33)
Other expenses	(44) <sup>3</sup>	(4)
Other income	7	4
Changes in fair value of investment properties	69 <sup>4</sup>	201
<b>Results from operating activities</b>	<b>45</b>	<b>205</b>
<b>Net finance income / (costs)</b>	<b>(54)</b>	<b>(59)</b>
Net income from investments in associated companies	0	–
Income tax expense	(2)	(39)
<b>Profit (loss) for the period</b>	<b>(10)</b>	<b>107</b>

## Comments

- 1** Compared to Q1 2021, net rental income in Q1 2022 decreased to €71m mainly due to the reshaping of the yielding assets following the disposal of the Northern portfolio to LEG.
- 2** The Group's overall revenue and cost of operations have decreased compared to last year mainly due to the fact that Q1 2021 included the sale of several development projects to Partners Immobilien Capital Management.
- 3** Other expenses consist of a number of one-off items for an amount of c. €35m including a c. €20m RETT provision conservatively accounted due to the anticipated sale of BCP.
- 4** Changes in the fair value of investment properties for Q1 2022 amount to €69m and relate to the yielding asset portfolio<sup>2</sup>.

1. Prior period's revenue (increased by €219m), cost of operations (increased by €254m), income tax expense (decreased by €2m) and profit (decreased by €33m) retrospectively restated; please refer to Note 4.0 of the Annual Report 2021; 2. Delta with the revaluation gains of the yielding portfolio (€79m) results from minor differences between appraisal and accounting values.

# EBITDA from Rental Activities and EBITDA Total

## EBITDA from rental activities

<i>In € million</i>	Q1 2022	Q1 2021 <sup>1</sup>
Net rental income	71	84
Income from facility services and recharged utilities costs	37	28
<b>Income from rental activities</b>	<b>108</b>	<b>112</b>
Costs from rental activities	(44)	(45)
<b>Net operating income (NOI) from rental activities</b>	<b>64</b>	<b>68</b>
Overhead costs from rental activities	(15)	(14)
<b>EBITDA from rental activities</b>	<b>49</b>	<b>54</b>

<sup>1</sup> EBITDA from rental activities decreased mainly on the back of the disposal of the Northern portfolio to LEG as well as due to the effect of rising energy prices and increases in price levels of non-rechargeable expenses.

## EBITDA Total

<i>In € million</i>	Q1 2022	Q1 2021 <sup>1</sup>
Income from rental activities	108	112
Income from property development	16	46
Income from other services	5	6
Income from real estate inventory disposed of	–	219
Income from sale of trading properties	0	2
<b>Revenue</b>	<b>129</b>	<b>385</b>
Cost from rental activities	(44)	(45)
Other operational costs from development and privatisation sales	(22)	(294)
<b>Net operating income (NOI)</b>	<b>63</b>	<b>46</b>
Overhead costs from rental activities	(15)	(14)
Overhead costs from development and privatisation sales	(5)	(7)
Profit from portfolio sales <sup>2</sup>	–	–
Fair value gain from build-to-hold development <sup>3</sup>	–	–
<b>EBITDA Total</b>	<b>43</b>	<b>25</b>



# FFO 1 and FFO 2

## FFO 1 calculation

<i>In € million, except per share data</i>	Q1 2022	Q1 2021 <sup>1</sup>
Net rental income	71	84
Income from facility services and recharged utilities costs	37	28
<b>Income from rental activities</b>	<b>108</b>	<b>112</b>
Costs from rental activities	(44)	(45)
<b>Net operating income (NOI) from rental activities</b>	<b>64</b>	<b>68</b>
Overhead costs from rental activities	(15)	(14)
<b>EBITDA from rental activities</b>	<b>49</b> <b>1</b>	<b>54</b>
Net cash interest	(14)	(19)
Current income taxes	(2)	(1)
Interest of minority shareholders	(2)	(2)
<b>FFO 1 (from rental activities)</b>	<b>30</b> <b>2</b>	<b>32</b>
No. of shares*	118	118
<b>FFO 1 per share</b>	<b>0.25</b> <b>2</b>	<b>0.28</b>

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

## FFO 2 calculation

<i>In € million, except per share data</i>	Q1 2022	Q1 2021 <sup>1</sup>
EBITDA total	43 <b>1</b>	25
Net cash interest	(23)	(32)
Current income taxes	(3)	(5)
Interest of minority shareholders	(2)	(2)
<b>FFO 2</b>	<b>15</b> <b>2</b>	<b>(13)</b>
No. of shares*	118	118
<b>FFO 2 per share</b>	<b>0.13</b> <b>2</b>	<b>(0.11)</b>

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

- 1** EBITDA from rental activities declined mainly on the back of a reduction in net rental income due to the decreased size of the portfolio.
- 2** As per 31 March 2022, the FFO 1 amounts to €30m and translates into a per share basis of €0.25, whereas the FFO 2 accounts for €15m and €0.13 per share.

# Balance Sheet

## Balance sheet

<i>In € million</i>	Q1 2022	FY 2021
Investment properties including advances	7,202 <sup>1</sup>	7,116
Goodwill	91	91
Other non-current assets	322	246
<b>Non-current assets</b>	<b>7,615</b>	<b>7,453</b>
Cash and cash equivalents <sup>1</sup>	760 <sup>2</sup>	556
Inventories	1,112	1,093
Other current assets	833	917
<b>Current assets</b>	<b>2,705</b> <sup>3</sup>	<b>2,566</b>
<b>Non-current assets held for sale</b>	<b>2,526</b> <sup>4</sup>	<b>3,018</b>
<b>Total assets</b>	<b>12,845</b>	<b>13,036</b>
Interest-bearing debts	6,683	7,003
Other liabilities	771	731
Deferred tax liabilities	679	760
Liabilities classified as available for sale	1,034	849
<b>Total liabilities</b>	<b>9,166</b>	<b>9,343</b>
<b>Total equity attributable to owners of the Company</b>	<b>2,984</b>	<b>2,990</b>
Non-controlling interests	695	703
<b>Total equity</b>	<b>3,679</b> <sup>5</sup>	<b>3,693</b>
<b>Total equity and liabilities</b>	<b>12,845</b>	<b>13,036</b>

## Comments

- 1** The fair values of the build-to-hold project developments and the yielding investment properties show the impact of the positive revaluations.
- 2** The cash and cash equivalents item has increased by €204m compared to FY 2021 figures.
- 3** Apart from the cash item, current assets contains inventories relating to the Group's privatisation assets and build-to-sell project developments. The remaining refers to restricted bank deposits, receivables and contract assets, among others.
- 4** Non-current assets held for sale has decreased following the partial completion of the Velero/KKR transaction and currently comprises the assets in the BCP transaction as well as a number of non-strategic assets.
- 5** The Group's total equity has slightly decreased by €14m compared to FY 2021 figures.

# EPRA Metrics

## EPRA metrics calculation

*In € million, except per share data*

EPRA metrics	Q1 2022 <sup>1</sup>				FY 2021 <sup>1</sup>			
	NAV	NRV	NTA	NDV	NAV	NRV	NTA	NDV
Total equity attributable to owners of the Company	2,984	2,984	2,984	2,984	2,990	2,990	2,990	2,990
Revaluation of inventories	8	8	8	8	8	8	8	8
Deferred tax	884	884	789	–	948	948	857	–
Goodwill	–	–	(91)	(91)	–	–	(91)	(91)
Fair value of financial instruments	1	1	1	–	2	2	2	–
Fair value of fixed interest rate debt	–	–	–	447	–	–	–	435
Real estate transfer tax	–	707	507	–	–	701	502	–
<b>Total</b>	<b>3,877</b>	<b>4,584</b>	<b>4,198</b>	<b>3,347</b>	<b>3,949</b>	<b>4,649</b>	<b>4,269</b>	<b>3,343</b>
No. of shares	118	118	118	118	118	118	118	118
<b>Total per share</b>	<b>32.99</b> <sup>1</sup>	<b>39.01</b> <sup>1</sup>	<b>35.72</b> <sup>2</sup>	<b>28.49</b> <sup>2</sup>	<b>33.60</b>	<b>39.57</b>	<b>36.33</b>	<b>28.45</b>
Convertibles	99	99	99	99	99	99	99	99
<b>Total fully diluted</b>	<b>3,977</b>	<b>4,683</b>	<b>4,297</b>	<b>3,447</b>	<b>4,048</b>	<b>4,748</b>	<b>4,368</b>	<b>3,442</b>
No. of shares (diluted)	119	119	119	119	119	119	119	119
<b>Total per share fully diluted</b>	<b>33.50</b>	<b>39.46</b>	<b>36.20</b>	<b>29.04</b>	<b>34.10</b>	<b>40.01</b>	<b>36.80</b>	<b>29.00</b>

<sup>1</sup> As per 31 March 2022, EPRA NAV amounts to €3,877m or €32.99 per share and EPRA NRV amounts to €4,584m or €39.01 per share, in line with the metrics at the beginning of the year 2022.

<sup>2</sup> The two NAV and NRV KPIs are complemented by EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). The EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability, whereas EPRA NDV represents the value under a disposal scenario, net of any resulting tax. As per 31 March 2022, EPRA NTA is €35.72 per share and the EPRA NDV €28.49 per share.

# Net LTV

## LTV calculation

<i>In € million</i>	Q1 2022 <sup>1</sup>		FY 2021 <sup>1</sup>
Corporate bonds and other loans and borrowings	7,286		7,440
Convertible bonds	219		217
Cash and cash equivalents <sup>2</sup>	(940)		(581)
Selected financial assets	(727)	1	(745)
Net contract assets	(47)	2	(46)
Assets and liabilities classified as held for sale	(538)		(1,193)
<b>Net financial liabilities</b>	<b>5,253</b>		<b>5,091</b>
Fair value of properties (including advances)	10,080	3	9,965
Investment in real estate companies	30		32
<b>Gross asset value (GAV)</b>	<b>10,110</b>		<b>9,998</b>
<b>Net loan-to-value</b>	<b>52.0%</b>	<b>4</b>	<b>50.9%</b>
<b>Net loan-to-value excluding convertibles</b>	<b>49.8%</b>		<b>48.8%</b>

## Comments

- 1 The selected financial assets have declined to €727m and contain purchase price receivables amongst others. They include 1) netted financial receivables (€370m), 2) trade receivables from the sale of real estate investments (€242m) and 3) other financial assets (€115m).
- 2 In relation to the Group's development activities, an adjustment is made for the net position of contract assets and liabilities, basically representing unbilled receivables.
- 3 In Q1 2022, fair value of properties (including advances) increased to €10,080m, mainly reflecting the revaluation of the yielding asset portfolio and CAPEX activation.
- 4 As of 31 March 2022, our loan-to-value (LTV) incl. convertibles amounts to 52.0%. Adler Group pursues a sustainable financing strategy with an LTV target of below 50.0% in the short to medium term.

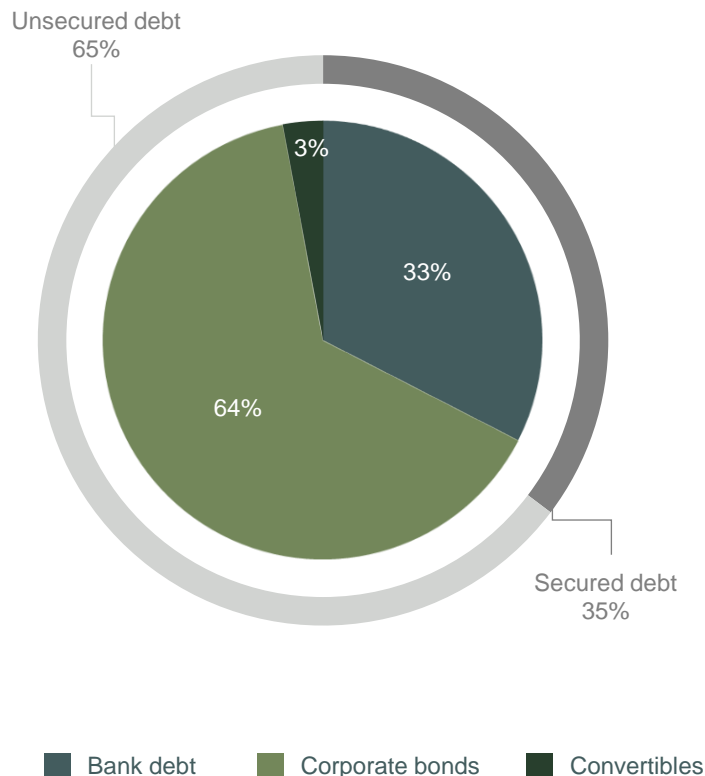


# Overview of Debt KPIs as per Q1 2022

## Debt KPIs for Q1 2022

Total nominal interest-bearing debt (€m)	7,640
<b>Net LTV</b>	<b>52.0%<sup>1,2</sup></b>
ICR (x)	2.2 <sup>2</sup>
Fixed / hedged debt	98.6%
Unsecured debt	64.7%
<b>Weighted average cost of debt</b>	<b>2.2%</b>
Weighted average maturity	3.7
Corporate rating S&P <sup>4</sup>	CCC/Negative
Bond rating S&P <sup>4</sup>	CCC

## Sources of funding



## Bond covenants

Covenants	Required level	Q1 2022	FY 2021	
<b>LTV</b> (Financial indebtedness / total assets)	<60%	51.3% <sup>2</sup>	54.5% <sup>2</sup>	✓
<b>Secured LTV</b> (Secured debt / total assets)	<45%	19.9% <sup>2</sup>	21.3% <sup>2</sup>	✓
<b>ICR</b> (LTM Adj. EBITDA / LTM net cash interest)	>1.8x	2.2x	2.1x	✓
<b>Unencumbered assets<sup>3</sup></b> (Unencumbered assets / unsecured debt)	>125%	124.7%	114.5%	⚠

1. Includes convertibles; 2. BCP IFRS 5 adjustment to assets/liabilities held for sale and corresponding line items reversed into respective balance sheet positions for reporting purposes; 3. Applies only to the following instruments: Adler Group S.A. bond (€400m, 1.5% coupon, maturity 26 July 2024) and Adler Group S.A. promissory note tranches (total volume €24.5m, maturity 2023–2028, WACD 2.22%); 4. Updated as per 5 May 2022 following disclaimer of opinion issued by former auditor KPMG.

# Covenants Overview: Adler Group

All Adler Group covenants are incurrence-based covenants

## 1 LTV: defined as net debt / total assets (<60%)

In € million	Q1 2022	Pro forma <sup>3</sup>
Consolidated net financial indebtedness	6,593	9,378
Total assets	12,845	15,630
<b>LTV</b>	<b>51.3%</b>	<b>60.0%</b>
<b>Covenant threshold</b>	<b>60.0%</b>	<b>60.0%</b>
<b>Implied Headroom</b>		<b>2,784</b>

**1** Implied Headroom: Additional debt that Adler Group could incur on the balance sheet with proceeds fully deployed for investments<sup>2</sup>.

## 2 Secured LTV: defined as secured debt / total assets (<45%)

In € million	Q1 2022	Pro forma <sup>3</sup>	Secured debt Pro forma <sup>3,4</sup>
Secured loans and borrowings	2,555	8,419	5,780
Total assets	12,845	18,709	12,845
<b>Secured LTV</b>	<b>19.9%</b>	<b>45.0%</b>	<b>45.0%</b>
<b>Covenant threshold</b>	<b>45.0%</b>	<b>45.0%</b>	<b>45.0%</b>
<b>Implied Headroom</b>		<b>5,864</b>	<b>3,225</b>

**2** Implied Headroom: Additional debt that Adler Group could incur on the balance sheet with proceeds fully deployed for investments<sup>2</sup>.

## 3 Unencumbered asset ratio: defined as unencumbered assets / unsecured financial debt (>125%)<sup>1</sup>

In € million	Q1 2022	Pro forma <sup>3</sup>
Unencumbered assets	5,824	5,840
Unsecured financial debt	4,672	4,672
<b>Unencumbered asset ratio</b>	<b>124.7%</b>	<b>125.0%</b>
<b>Covenant threshold</b>	<b>125.0%</b>	<b>125.0%</b>
<b>Implied Headroom</b>		<b>16</b>

**3** Implied Headroom: unencumbered assets needs to increase by €16m in order to increase the Unencumbered Asset Ratio covenant to 125%.

## 4 Interest coverage ratio (ICR): defined as consolidated EBITDA / net cash interest (>1.8x)<sup>1</sup>

In € million	Q1 2022	Pro forma <sup>3</sup>
Consolidated EBITDA	191	160
Net cash interest	89	89
<b>ICR</b>	<b>2.2x</b>	<b>1.8x</b>
<b>Covenant threshold</b>	<b>1.8x</b>	<b>1.8x</b>
<b>Implied Headroom</b>		<b>31</b>

**4** Implied Headroom: Assumed loss of EBITDA due to disposals, with no repayment of debt. €1.4bn of disposals required to reduce EBITDA by €31m (assumed at 3.4% yield and 65% EBITDA margin).

1. Applies only to the following instruments: Adler Group S.A. bond (€400m, 1.5% coupon, maturity 26 July 2024) and Adler Group S.A. promissory note tranches (total volume €24.5m, maturity 2023–2028, WACD 2.22%); 2. Excludes a scenario where new debt raised is used to e.g. pay dividends, and thereby increase net debt whilst keeping the same asset base; 3. Pro forma figures illustrate the financial position necessary to reach the covenant threshold and, thus, the corresponding implied headroom; 4. Assumes that Total assets remain constant.

# Covenants Overview: ADLER Real Estate

All ADLER RE covenants are incurrence-based covenants except the ICR which is a maintenance-based covenant

## 1 LTV: defined as net debt / total assets (<60%)

In € million	Q1 2022	Pro forma <sup>2</sup>
Consolidated net financial indebtedness	1,529	5,831
Total assets	5,416	9,718
<b>LTV</b>	<b>28.2%</b>	<b>60.0%</b>
<b>Covenant threshold</b>	<b>60.0%</b>	<b>60.0%</b>
<b>Implied Headroom</b>		<b>4,302</b>

**1** Implied Headroom: Additional debt that Adler Group could incur on the balance sheet with proceeds fully deployed for investments<sup>1</sup>.

## 2 Secured LTV: defined as secured debt / total assets (<40%)

In € million	Q1 2022	Pro forma <sup>2</sup>	Secured debt Pro forma <sup>2,3</sup>
Secured loans and borrowings	1,262	2,769	2,166
Total assets	5,416	6,923	5,416
<b>Secured LTV</b>	<b>23.3%</b>	<b>40.0%</b>	<b>40.0%</b>
<b>Covenant threshold</b>	<b>40.0%</b>	<b>40.0%</b>	<b>40.0%</b>
<b>Implied Headroom</b>		<b>1,508</b>	<b>905</b>

**2** Implied Headroom: Additional debt that Adler Group could incur on the balance sheet with proceeds fully deployed for investments<sup>1</sup>.

## 3 Interest coverage ratio (ICR): defined as consolidated EBITDA / net cash interest (>1.8x)

In € million	Q1 2022	Pro forma <sup>2</sup>
Consolidated EBITDA	174	102
Net cash interest	57	57
<b>ICR</b>	<b>3.1x</b>	<b>1.8x</b>
<b>Covenant threshold</b>	<b>1.8x</b>	<b>1.8x</b>
<b>Implied Headroom</b>		<b>72</b>

**3** Implied Headroom: Assumed loss of EBITDA due to disposals, with no repayment of debt. €3.2bn of disposals required to reduce EBITDA by €72m (assumed at 3.4% yield and 65% EBITDA margin).

1. Excludes a scenario where new debt raised is used to e.g. pay dividends, and thereby increase net debt whilst keeping the same asset base; 2. Pro forma figures illustrate the financial position necessary to reach the covenant threshold and, thus, the corresponding implied headroom; 3. Assuming Total assets is held constant.

# €400m ADLER Real Estate 2019/22 Bond has been Repaid in April

	Volume (€m)	IFRS (€m)	Maturity	Nominal interest rate	Other comments	Premature redemption	Rate, at which premature redemption is possible
<b>ADLER Real Estate Bonds (unsecured)</b>							
2017/24	300	293	6 Feb 24	2.10%		Anytime	Under condition of make whole
2018/23	500	495	28 Apr 23	1.90%		Anytime	Under condition of make whole
2018/26	300	288	27 Apr 26	3.00%		Anytime	Under condition of make whole
2019/22	400	400	17 Apr 22	1.50%		Anytime	Under condition of make whole <b>Repaid</b>
<b>Total</b>	<b>1,500</b>	<b>1,476</b>	<b>1.6 years</b>	<b>2.02%</b>			
<b>BCP Bonds (secured)</b>							
Debenture B	189	194	1 Dec 24	3.29%		Permitted	Under condition of make whole
Debenture C	41	39	1 Jul 26	3.30%		Permitted	Under condition of make whole
<b>Total</b>	<b>231</b>	<b>233</b>	<b>3.0 years</b>	<b>3.25%</b>			
<b>Adler Group Bonds (unsecured)</b>							
2017/24	400	399	26 Jul 24	1.50%		Permitted	Under condition of make whole
2020/25	400	393	5 Aug 25	3.25%		Permitted	Under condition of make whole
2020/26	400	391	13 Nov 26	2.75%		Permitted	Under condition of make whole
2021/26	700	687	14 Jan 26	1.88%		Permitted	Under condition of make whole
2021/27	500	491	27 Apr 27	2.25%		Permitted	Under condition of make whole
2021/29	800	779	14 Jan 29	2.25%		Permitted	Under condition of make whole
<b>Total</b>	<b>3,200</b>	<b>3,140</b>	<b>4.6 years</b>	<b>2.23%</b>			
<b>Convertibles<sup>1</sup></b>							
Consus 2018/22	120	120	29 Nov 22	4.00%	Strike price of €8.79		At face value, if trading at more than 130% of strike price for at least 20 out of 30 trading days
Adler Group 2018/23	102	99	23 Nov 23	2.00%	Strike price of €53.16	Conversion from 14 Dec 2021	At face value, if trading at more than 130% of strike price for at least 20 out of 30 trading days
<b>Total</b>	<b>222</b>	<b>219</b>	<b>1.1 years</b>	<b>3.04%</b>			
<b>Bank debt</b>	<b>2,488</b>	<b>2,436</b>	<b>4.0 years</b>	<b>2.09%</b>			
<b>Total interest-bearing debt</b>	<b>7,640</b>	<b>7,504</b>	<b>3.7 years</b>	<b>2.20%</b>			

1. Conversions are reflected.



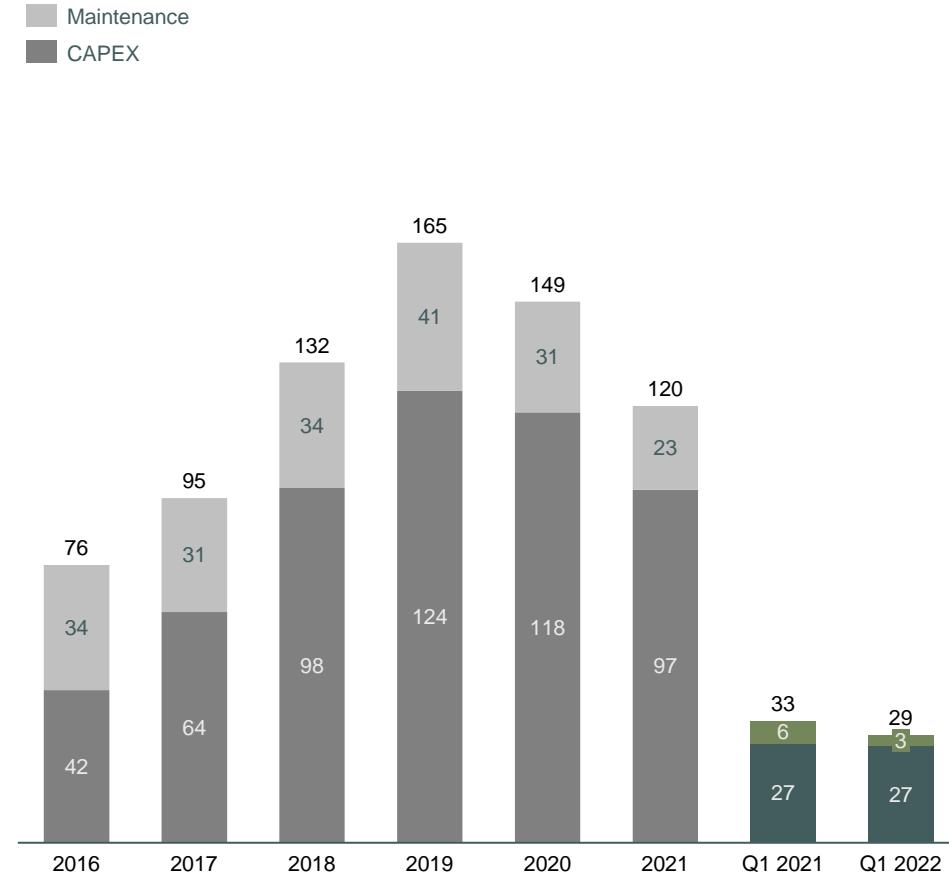
# Receivables Backed by Underlying Assets and on Track

## Overview of financial receivables

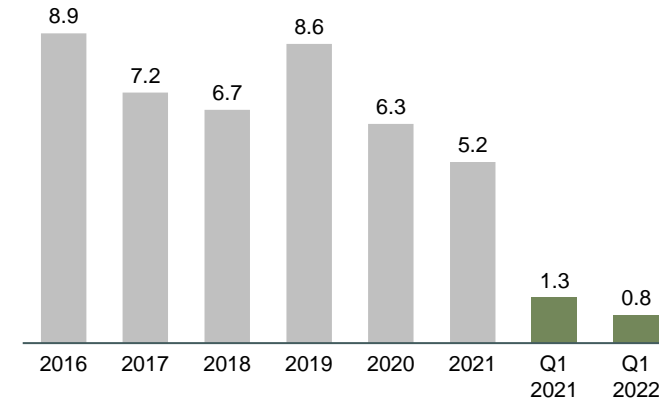
#	Description	Type	Receivables (€m)	Right of withdrawal / Security
Selected financial assets per Q1 2022			726	
1	<b>Partners Immobilien Capital Management</b> bought non-strategic development projects in December 2020. Reversal of the sale is currently ongoing, subject to closing conditions	Disposals	(165)	✓
Remaining selected financial assets post PICM			561	
2	Certain minority shareholders hold 10.1% of the shares in Adler Group companies, partly financed by vendor loans granted by Adler Group and/or its affiliated companies and minority stake in SPVs sold to third parties	RETT Blocker	245	✓
3	<b>Gröner Group</b> bought 17 non-strategic development projects with a GAV of €0.6bn in December 2020. Adler Group is in continuous dialogue with Gröner to find a solution	Disposals	76	✓
4	Legacy receivables and call options	Other	60	✓
5	ADLER Real Estate AG sold shares in <b>Accentro</b> in 2017, which has been extended	Disposals	59	✓
6	Other structured finance basket to avoid negative interest rates	Deposit	44	✓
7	Mainly other disposals (like <b>Germany III</b> , among others) with minor residual receivables outstanding	Disposals	33	✓
8	In 2018, ADLER Real Estate AG sold c.1,400 rental units at c.€65m to <b>Caesar JV Immobilienbesitz und Verwaltungs GmbH</b> , in which Adler holds a 25% interest. Maturity of the remaining purchase price follows further sales of the properties	Disposals	28	✓
9	In 2018, ADLER Real Estate AG sold c.2,300 rental units to <b>AB Immobilien</b> , a joint venture with Benson Elliot Capital Management, in which Adler holds a 25% stake. Maturity of the remaining purchase price follows the further sales of the properties	Disposals	16	✓

# CAPEX and Maintenance in Q1 2022

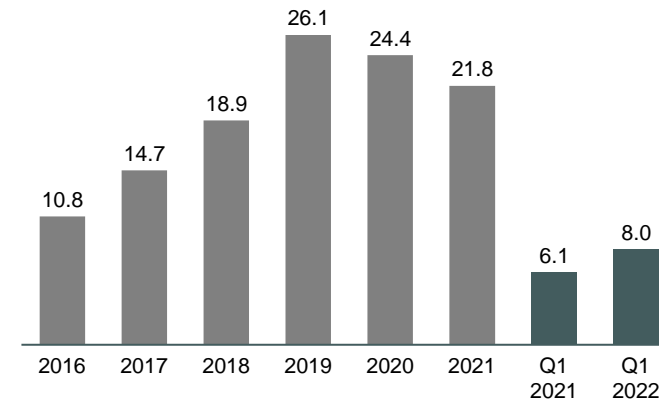
Total CAPEX and maintenance (€m)



Maintenance expense (€/sqm)



CAPEX invested (€/sqm)



PROCUREMENT  
OPTIMISATION  
AND INCREASED  
SCALE

CAPEX &  
RELETTING  
DRIVING

**+1.6%**  
LFL rental growth

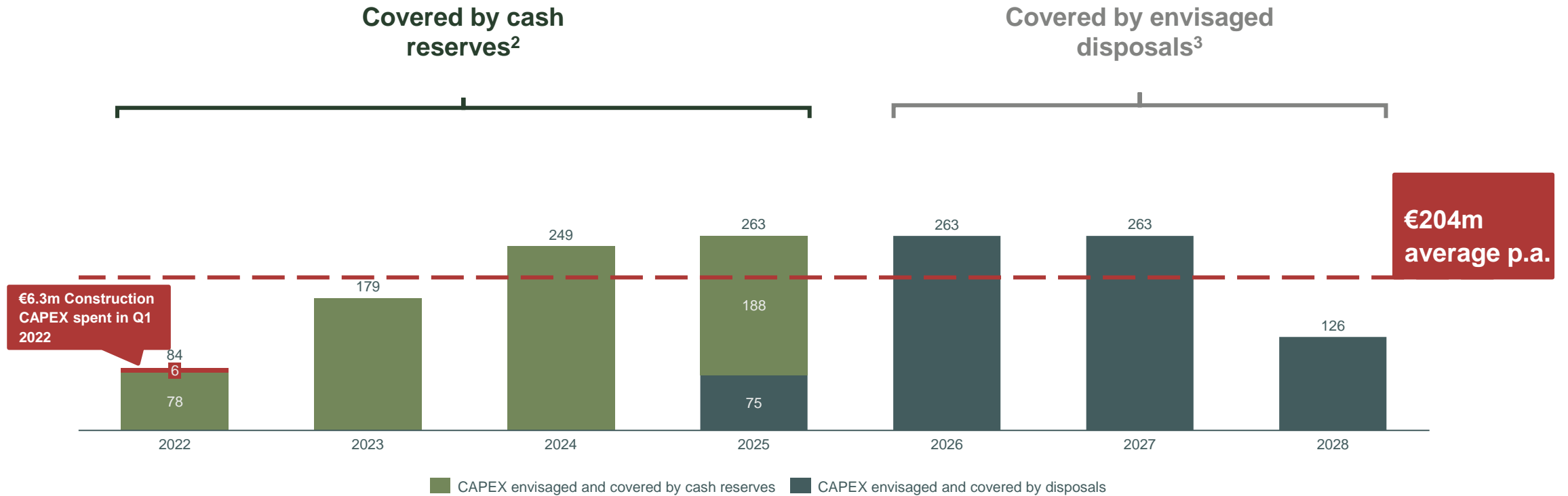
■ Maintenance  
■ CAPEX

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

# CAPEX 2022-2028E Covered by Cash Reserves and Envisaged Disposals

*With a more balanced build-to-hold portfolio, the anticipated cash requirements diminish to healthy levels*

Annual overview of envisaged construction CAPEX for the build-to-hold development projects (€m)<sup>1</sup>



1. Total envisaged construction CAPEX amounts to €1,421m until 2028, remaining €6m is planned in 2029; 2. Cash reserves amounting to c. €760m as per Q1 2022, this excludes cash held at BCP level which is classified as assets held for sale at Group level; 3. Resulting from the planned sale of upfront sale projects.

# Build-to-Hold Projects

*Two projects under construction*

#	Project name <sup>1,2</sup>	City	Construc. period	Zoning	Building permit	Construc. started	Land plot (k sqm)	Area (k sqm)	Land value (€m)	Construc. CAPEX spent (€m)	GAV <sup>3</sup> (€m)	Total remaining construc. CAPEX (€m)	GDV (€m)	YoC (%)
1	Wasserstadt Kornversuchsspeicher	Berlin	2018 - 2022	✓	✓	✓	2	2	7	14	23	2	28	3.8%
2	SLT 107 Schwabenlandtower	Stuttgart	2019 - 2023	✓	✓	✓	8	16	32	15	55	50	119	3.8%
3	Neues Korallusviertel	Hamburg	2022 - 2024	✓	✓	*	21	34	13	24	44	110	182	3.5%
4	Holsten Quartier	Hamburg	2022 - 2027	*	*	*	87	149	167	21	328	405	932	3.7%
5	VAI Campus Stuttgart-Vaihingen (incl. Eiermann)	Stuttgart	2023 - 2028	*	*	*	195	184	48	15	275	566	1,081	4.0%
6	Grand Central DD	Düsseldorf	2024 - 2029	✓	✓	*	34	76	165	3	166	293	573	3.1%
<b>Total</b>							<b>346</b>	<b>461</b>	<b>433</b>	<b>92</b>	<b>891</b>	<b>1,427</b>	<b>2,915</b>	<b>3.7%</b>

1. BCP has been excluded from the data (projects: Gerresheim, Grafental II WA 12, III WA 13 social); 2. Classification is based on the build-to-hold strategy, therefore the balance sheet figures differ due to the accounting-based definition of investment properties; 3. Based on FY 2021 appraisal valuations.



# Upfront Sale Projects

Twelve projects under construction

#	Project name <sup>1</sup>	City	Construc. period	Zoning	Building permit	Construc. started	Land plot (k sqm)	Area (k sqm)	
1	Ostend Quartier <sup>2</sup>	Frankfurt	2023 - 2027	*	*	*	12	44	<b>PROJECTS SOLD</b>  <b>€117m<sup>3</sup></b>
2	Arthur-Hoffmann-Straße <sup>2</sup>	Leipzig	2023 - 2024	✓	*	*	1	2	
3	Späthstraße <sup>2</sup>	Berlin	n.a.	*	*	*	49	n.a.	
4	NewFrankfurt Towers VauVau <sup>2</sup>	Offenbach	2018 - 2023	✓	✓	✓	12	38	
5	Vitopia-Kampus Kaiserlei Residential <sup>2</sup>	Offenbach	2018 - 2022	✓	✓	✓	7	14	
6	Vitopia-Kampus Kaiserlei Commercial <sup>2</sup>	Offenbach	2019 - 2024	✓	✓	✓	14	36	
7	Quartier Kreuzstraße <sup>4</sup>	Leipzig	2021 - 2023	✓	✓	✓	7	13	<b>SOLD SINCE Q1</b>
8	Westend Ensemble - Upper West - LEA B <sup>5</sup>	Frankfurt	2019 - 2023	✓	* <sup>6</sup>	✓	14	20	
9	Eurohaus	Frankfurt	2022 - 2024	✓	✓	✓	14	19	<b>EXCLUSIVITY / LOI</b>
10	Covent Garden	Munich	2023 - 2026	*	*	*	11	26	
11	UpperNord Tower VauVau	Düsseldorf	2018 - 2024	✓	✓	✓	3	25	
12	UpperNord Office	Düsseldorf	2018 - 2024	✓	✓	✓	2	5	
13	Parkhaus, Weg beim Jäger 206	Hamburg	Complete	✓	✓	Complete	7	n.a.	<b>EXPECTED SALE IN 2022</b>
14	No.1 Mannheim	Mannheim	Complete	✓	✓	Complete	–	19	
15	CologneApart VauVau	Cologne	2018 - 2023	✓	✓	✓	11	23	
16	Staytion - Forum Pankow	Berlin	2022 - 2025	✓	✓	*	23	39	
17	Schönefeld Nord Residential & Commercial	Berlin	2024 - 2030	*	*	*	305	181	
18	Hufewiesen (Trachau)	Dresden	n.a.	*	*	*	108	n.a.	<b>TOTAL GAV</b>  <b>€1,373m<sup>8</sup></b>
19	FourLiving VauVau	Leipzig	2018 - 2024	✓	✓	✓	11	20	
20	Mensa FLI	Leipzig	2023 - 2024	✓	*	*	4	2	
21	The Wilhelm	Berlin	2018 - 2025	✓	✓	✓	4	16	
22	Cologneo I Corpus Sireo	Cologne	2019 - 2025	✓	✓	✓	28	55	
23	Wasserstadt Building 7 <sup>7</sup> (Tankstelle)	Berlin	2023 - 2025	✓	*	*	3	9	
24	Steglitzer Kreisel Parkdeck + Sockel	Berlin	2023 - 2025	✓	*	*	13	49	
25	COL III (Windmühlenquartier)	Cologne	2023 - 2025	*	*	*	7	24	
26	UpperNord Quarter	Düsseldorf	2024 - 2026	*	*	*	11	23	
27	Benrather Gärten	Düsseldorf	2023 - 2029	*	*	*	148	162	
<b>Total</b>							<b>830</b>	<b>865</b>	

1. BCP has been excluded from the data (project: Tuchmacherviertel); 2. Classified as trade receivable in the balance sheet, NewFrankfurt Towers VauVau and Vitopia-Kampus Kaiserlei Residential and Commercial were reversed in May and expected to be sold to a different investor in 2023; 3. Ostend Quartier, Arthur-Hoffmann-Straße and Späthstraße are sold as per Q1 2022 at a sales price of €117m, excluding NewFrankfurt Towers VauVau and Vitopia-Kampus Kaiserlei Residential and Commercial; 4. Transaction closed on 22 April 2022; 5. Project signed on 25 April 2022; 6. A building permit for the construction of a new residential project has expired, while another building application has not yet been approved, therefore no ongoing construction activities; 7. For accounting purposes, this project is classified as part of investment properties; 8. Excludes projects sold as per Q1 2022 and based on FY 2021 appraisal valuations.

# Forward Sale Projects

*Five projects under construction*

#	Project name	City	Construc. period	Zoning	Building permit	Construc. started	Land plot (k sqm)	Area (k sqm)	GAV (€m)	Total remaining construc. CAPEX (€m)	GDV (€m)
1	Magnolia (Dessauer Str.)	Leipzig	2019 - 2022	✓	✓	✓	5	10	38	0	39
2	Quartier Bundesallee und Momente	Berlin	2016 - 2022	✓	✓	✓	3	8	35	9	46
3	Königshöfe im Barockviertel	Dresden	2019 - 2022	✓	✓	✓	7	15	46	21	71
4	Quartier Hoym	Dresden	2018 - 2023	✓	✓	✓	9	28	78	52	142
5	Ostforum	Leipzig	2019 - 2023	✓	✓	✓	9	18	17	47	72
<b>Total</b>							<b>33</b>	<b>79</b>	<b>214</b>	<b>131</b>	<b>370</b>

**HANDED OVER**

# Condominium Projects

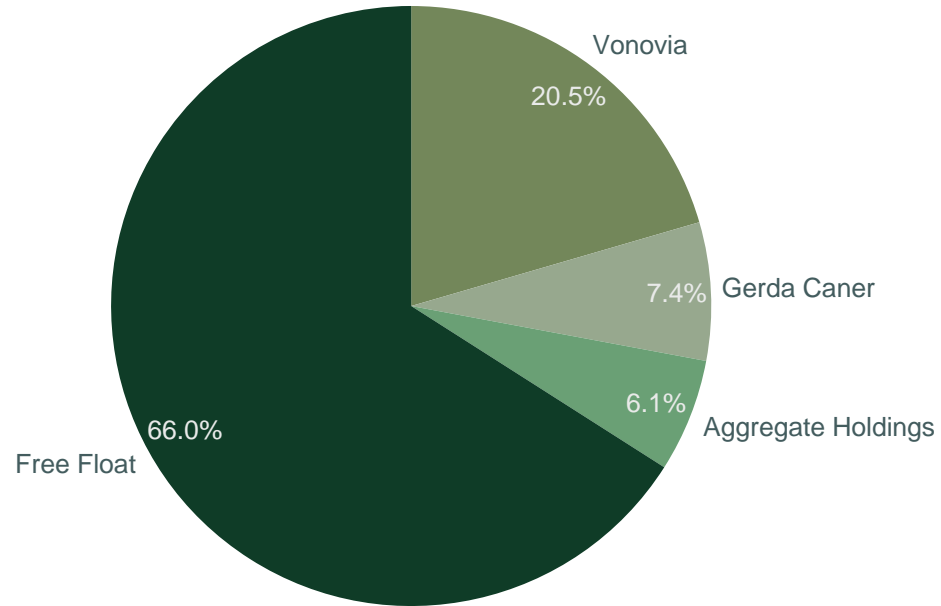
*Three projects under construction*

#	Project name <sup>1</sup>	City	Construc. period	Zoning	Building permit	Construc. started	Land plot (k sqm)	Area (k sqm)	GAV (€m)	Total remaining construc. CAPEX (€m)	GDV (€m)	
1	Dreizeit – Wohnen an der Villa Berg	Stuttgart	2019 - 2021	✓	✓	✓	4	4	34	–	34	<b>HANDED OVER</b>
2	Westend Ensemble - Grand Ouest - LEA A	Frankfurt	2017 - 2022	✓	✓	✓	14	9	74	13	92	
3	Steglitzer Kreisel Tower	Berlin	2017 - 2024	✓	✓	✓	5	24	114	101	240	
<b>Total</b>							<b>23</b>	<b>37</b>	<b>222</b>	<b>114</b>	<b>366</b>	

1. BCP has been excluded from the data (projects: Grafental III WA 14, Grafenberg).

# Shareholder Structure

Largest shareholders<sup>1</sup>



1. Notification of Vonovia as at 26 April 2022, notification of Gerda Caner as at 18 January 2022, notification of Aggregate Holdings as at 22 February 2022.



# Overview of the Composition of the Board

## Current composition of the Board



**Prof. Dr. A. Stefan Kirsten**  
*Chairman of the Board*  
*Chairman of the Nomin. & Compen. Committee*  
 Co-founder and CFO of Monarch



**Thierry Beudemoulin**  
*Chief Executive Officer*  
*Member of the Executive Board*  
*Chairman of the Ad Hoc Committee*



**Thilo Schmid**  
*Director*  
*Chairman of the Audit Committee*

Investment Manager Care4 AG



**Thomas Zinnöcker**  
*Director*  
*Chairman of the Invest. & Finan. Committee*

Ex-CEO ISTA International

## Remarks

- ✓ New division of **responsibilities** among Board members
  
- ✓ Individual **vote of confidence** on each Board member at the AGM on 29 June
  
- ✓ Ongoing search for permanent CFO, who will also be appointed as **additional Board member**

# Current Corporate Governance Status

Process	Special investigation on the allegations concluded	✓
Transparency	Result: No fraud, just weak governance	✓
Implications	Results of special investigation reflected in disclaimer of opinion for Financial Statements 2021. To be resolved by FY 2022	✓
Governance	Under review for Annual General Meeting in 29 June 2022	✓
Strategy Update	Presentation of the Company's future perspective around Q3 2022	

# Corporate Agenda

## Adler Group S.A. financial calendar 2022

29 June 2022	<b>Annual General Meeting</b>
31 August 2022	<b>Publication Q2 2022 Results</b>
30 November 2022	<b>Publication Q3 2022 Results</b>

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

## Imprint

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**Q1**

**2022**

# Clarification update

2 June 2022

# Clarification on promissory notes and cross guarantees

## Company's statement

At our (Adler Group S.A.'s) Q1 2022 presentation, we have been asked about outstanding promissory notes (*Schuldscheindarlehen*) and to clarify whether any promissory notes are not reflected in our financial accounts. Additionally, we have been asked to clarify whether there are any cross guarantees between the various sub-groups within our corporate structure. As a follow-up we would like to clarify these questions in order to provide maximum transparency for all capital market participants.

- **On the subject of promissory notes:** Some of our financial liabilities are in the form of promissory notes. We differentiate between unsecured promissory notes that rank pari passu with our bonds and secured promissory notes that are either secured by yielding assets or by projects. All of our promissory notes are part of our financial liabilities as shown in our published financial statements. The aggregate amount of unsecured promissory notes and secured promissory notes was approximately €24.5 million and €165 million, respectively, as of 31 March 2022.
- **On the subject of cross guarantees:** Cross guarantees (other than from a comfort letter from Adler Group S.A. regarding Consus Real Estate AG's project related debt for one specific project) do not exist. The underlying loan related to this project currently amounts to €10 million. For the sake of full transparency, we also have loan agreements amounting to approximately €110 million as of 31 March 2022 where borrowing entities from Adler Group S.A. and Adler Real Estate AG have a joint liability in the context of collective land charges. Allocated loan amounts generally reflect the value of the assets serving as collateral.



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