ADLER REAL ESTATE

QUARTERLY STATEMENT Q3

AS AT 30 SEPTEMBER 2021

/// KEY FIGURES

In EUR millions Consolidated Statement of Income	9M 2021	9M 2020
Net rental income	168.7	179.1
Earnings from property lettings	150.9	159.4
Earnings from the sale of properties	0.7	14.5
EBIT	250.8	245.6
Consolidated net profit from continuing operations	74.2	136.9
Consolidated net profit	74.2	-362.6
FFO I	57.6	63.6
FFO I per share in EUR (fully diluted)[1]	0.53	0.80
Consolidated Balance Sheet	**30.09.2021**	**31.12.2020**
Investment Properties (including inventories)	5,648.4	5,020.1
EPRA NRV (adjusted and fully diluted)	2,428.6	2,324.2
EPRA NRV per share in EUR (adjusted and fully diluted)[1]	22.20	19.93
LTV in %[2]	56.5	51.2
WACD	2.00	1.94
Cashflow	**9M 2021**	**9M 2020**
Net cash flow from operating activities	80.6	99.4
– of which from continuing operations	80.6	94.3
Net cash flow from investing activities	50.4	-297.5
– of which from continuing operations	50.4	-171.4
Net cash flow from financing activities	-178.5	73.4
– of which from continuing operations	-178.5	-73.7
Employees	**30.09.2021**	**31.12.2020**
Number of employees	786	843
FTEs (Full-time equivalents)	739	778
Portfolio	**9M 2021**	**9M 2020**
Portfolio (units)	51,961	53,135
– of which residential	51,173	52,341
– of which commercial	788	794
Average rent (EUR /month/sqm)	6.16	5.59
Vacancy rate (%)	4.2	4.8
Fair value investment properties incl. inventories (EUR m)	5,648	4,980
Net rental income (EUR m)	219.8	206.7

[1] Based on the number of shares outstanding as at balance sheet date
[2] Excluding convertible bonds

/// CONTENT

/// PORTFOLIO
/// THE ADLER SHARE

/// PORTFOLIO

THE PROPERTY PORTFOLIO

At the end of the third quarter of 2021, ADLER's portfolio comprised 51.961 rental units totalling 3.2 million square metres with an annualised net rent (including parking spaces and other areas) of EUR 219.8 million. The regional focus is on Lower Saxony, North Rhine-Westphalia and Saxony. As a result of further optimisation measures the number of units declined by nearly 9 percent in the course of the last twelve months.

ADLER's residential portfolio also includes a small number of associated commercial units, mainly shops and offices of a type that is often found in city-centre residential properties.

Operating performance – average rent increased, vacancy rate reduced

In the first nine months of 2021, the Group once again improved its operating performance. As of 30 September 2021, the average contractually agreed rent per square metre per month amounted to EUR 6.16, an increase of EUR 0.47 compared to EUR 5.69 at the end of September 2020. The vacancy rate (excl. units under renovation) stood at 4.2 percent, 0.6 percentage points better compared to one year ago.

Fair value gains

The fair value of the total portfolio (investment properties plus inventories) calculated in accordance with IFRS was EUR 5,648.4 million at the end of the third quarter of 2021 as compared to EUR 5,020.1 million at the end of 2020. The increase is attributable to capitalised renovation and modernisation measures and positive market valuations as well as the cancellation of the sale of shares in BCP´s Gerresheim project. In the first nine months of 2021, ADLER invested EUR 81.2 million in maintenance and modernisation measures (9M 2020: EUR 72.2 million), of which EUR 13.2 million related to ongoing maintenance work and EUR 68.0 million to renovation and modernisation measures which can be capitalised.

Key focus on Lower Saxony and North Rhine-Westphalia

ADLER holds properties mainly in Lower Saxony, North Rhine-Westfalia and in the eastern states of Germany. ADLER prefers properties located on the edges of larger conurbations as rental yields are typically higher there than in central city locations. On average apartments have a size of 60 square meters and are well adapted to the needs of the the main target group, tenants with average to below average incomes.

Projects

Besides its letting business, ADLER has also been investing in modernisation projects, such as adding floors to existing residential buildings and in the construction of new facilities. One of the benefits of new construction is that all current requirements relating to energy efficiency and reducing CO_2 are easily met – requirements which can only be achieved with difficulty or at higher costs in existing buildings.

/// THE ADLER SHARE

Shares no longer playing a major role on the stock exchange

ADLER shares are no longer playing a major role on stock exchange price lists following the takeover by Adler Group in 2020. The free float declined further following the debt-to-equity swap, which was resolved in the fourth quarter of 2020 and completed in the first quarter of 2021. Adler Group held 96.7 percent of ADLER's shares as at 30 September 2021. Brokerage houses no longer issue reports on ADLER.

After the integration into Adler Group, ADLER has discontinued its investor relations activities. However, as long as it is listed as an independent public limited company, ADLER will continue to meet its associated obligations, which include quarterly reporting.

/// INTERIM GROUP MANAGEMENT REPORT

/// FUNDAMENTALS OF ADLER REAL ESTATE AG GROUP

/// ECONOMIC REPORT

/// REPORT ON RISKS AND OPPORTUNITIES

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/// RESULTS FROM OPERATIONS, NET ASSETS AND FINANCIAL POSITION

/// GROUP FUNDAMENTALS OF ADLER REAL ESTATE AG

BUSINESS MODEL

ADLER is one of Germany's leading residential property companies with a focus on affordable housing. Its portfolio is primarily located in – or on the outskirts of – large and growing conurbations in northern, eastern and western Germany and has considerable upside potential in terms of revaluation gains, vacancy reduction and rent uplifts. All of the Group's properties and business operations are located in Germany. The Group's residential portfolio has been built up over the past seven years by acquiring individual portfolios or shares in property-holding companies.

ADLER's core business model is the long-term letting of flats and the generation of sustainable cash flows with a selective exposure to project developments with a 'build and hold' strategy, preferably in 'A' cities. To maximise long-term profitability, ADLER's residential real estate management business is complemented with advantageous acquisitions and disposals. All main functions relating to property management are carried out through the staff of Adler Group, of which ADLER has been part of since the middle of 2020. The daily management of the portfolio continues to be in the hands of group companies like ADLER Wohnen Service GmbH, ADLER Gebaeude Service GmbH and ADLER Energie Service GmbH. The BCP portfolio is currently managed by the group company RT Facility Management GmbH.

Residential real estate portfolio

ADLER's portfolio with its regional focus on the German states of Lower Saxony, North Rhine-Westphalia and Saxony is largely composed of small to medium-sized residential units. The apartments have an average size of slightly over 60 square metres and are particularly well suited to the needs of the company's target group, namely tenants with low to medium incomes. The risk of tenants with low incomes defaulting on their rent payments is low as they can obtain support from social security providers if they are unable to settle their obligations from their own income. Furthermore, this category of affordable living space is also increasingly sought-after by municipalities and local councils on the lookout for permanent homes for people with particular needs.

In the framework of an active portfolio management which is centralised in Adler Group, the underlying features of its assets and market data are regularly assessed to determine the amount and proportion of capital to be allocated in terms of capital expenditure, maintenance and renovation expenses. This is to ensure that the quality of the flats is consistent with market standards as well as to optimise the level of occupancy and rental growth. Significant external factors determining the positioning of the assets and capital allocation are socio-demographic trends, expected changes in demand, various infrastructure measures and political decisions. Depending on the outcome of the portfolio analysis, regular discussions are held with regional managers to ensure the operational strategy is implemented – such as increasing marketing activities for properties that are of good quality but located in less favourable areas, or capital investment measures if the area is good but the asset itself is not. Properties of lower quality, as well as properties located in less attractive macroenvironments, are thus earmarked for sale.

Acquisition strategy

Following its integration into Adler Group, ADLER will no longer pursue its former independent acquisition strategy but will instead follow the overall strategy of the new Group. Up to now, ADLER intended to expand its residential portfolio further through acquisitions of shares in companies as well as individual portfolios or assets, and thus focused its investments on residential property portfolios with core market quality. When suitable market opportunities arose, ADLER also supplemented its portfolio by investing in 'core plus locations' in mid-sized cities or cities such as Berlin or Leipzig in order to benefit from diversification and value growth in these markets.

ADLER regularly streamlined its portfolio as part of its portfolio optimisation process and sold properties that had a below-average operating performance or were widely scattered and therefore required a great deal of effort to manage.

ADLER believes acquisitions only make sense when the properties promise to generate positive cash flows from the time of the acquisition onwards. As it has become increasingly challenging to acquire portfolios at attractive yields, and as purchasing prices have come closer to construction costs, ADLER also explored the possibility of expanding its portfolio by way of investing in project developments, portfolio densification or loft conversions of existing portfolios to complement its approach. The number of development projects increased with the acquisition of BCP. However, the exposure to these value-added activities has amounted to a rather small, single-digit percentage of ADLER's balance sheet total only.

Financing strategy

Following its integration into the new Adler Group, ADLER has ceased to pursue an independent financing strategy, but rather is subject to decisions taken by the new Group.

Owing to economic efficiency and risk considerations, ADLER has always believed that the appropriate ratio of equity to debt for financing its group activities is one that produces a loan-to-value (LTV) consistent with an investment grade rating. This objective continues to apply at Adler Group level. However, as part of Adler Group, ADLER no longer pursues its own objectives with regard to the balance sheet structure while it continues to strive for a maturity structure in financing that corresponds to the long-term nature of the financed assets. By repaying existing liabilities or refinancing existing facilities on more favourable terms, ADLER has also successfully reduced its average cost of debt in recent years.

As part of the new Adler Group, ADLER has favourable access to both the market for secured bank debt and the market for unsecured financing. Access to these two markets significantly reduces refinancing risk, which is one of the major risks associated with the industry.

MANAGEMENT SYSTEM

Financial performance indicators

The main financial performance indicators used by ADLER are: EPRA net reinstatement value (EPRA NRV, adjusted for goodwill and fully diluted), funds from operations I (FFO I) to indicate cash-flow-based operating earnings and loan-to-value (LTV) to indicate financial stability calculated as net debt/gross asset value. EPRA NRV has substituted EPRA NAV since 2020 in ADLER´s reporting, following corresponding recommendations by EPRA.

A significant difference between the NRV and the former NAV involves the real estate transfer tax of the properties held which was deducted for the purposes of property valuation and is now to be added again, since a sale is not currently expected.

Non-financial performance indicators

Numerous non-financial performance indicators are regularly monitored within the Group's property management activities. This applies both to the Group's own property management and to the few external service providers with which ADLER still cooperates. These indicators include the occupancy rate, the number of contract termination notices received from tenants, the number of new rental agreements, compliance with time schedules for maintenance measures, the availability of property managers and so forth. Should actual figures significantly deviate from the projected figures, then corrective measures are devised and implemented.

Non-financial key figures also play a major role in the decisions concerning property portfolios. Factors such as changes in local infrastructure, expected demographic developments and potential changes in regional labour markets all influence future growth in the value of properties. An awareness or assessment of these key figures is factored into all decisions around the acquisition or divestment of properties or property portfolios.

Other non-financial performance indicators recorded at ADLER are included in the non-financial reporting. These are not used for active management of the company. From 2020, ADLER is part of Adler Group's non-financial reporting, which is made available on the Adler Group's website.

EMPLOYEES

As the group holding company, ADLER has Management Board members but no employees. Operational tasks relating to central administration and portfolio management are performed within the Group by employees of Adler Group who are employed by other group companies and with whom corresponding service contracts exist. These are mainly, but not exclusively, employees of ADLER Real Estate Service GmbH, ADLER Wohnen Service GmbH, ADLER Gebaeude Service GmbH and ADLER Energie Service GmbH. The BCP portfolio is managed by the group company RT Facility Management GmbH.

RESEARCH AND DEVELOPMENT

As a real estate group, ADLER does not perform any research and development functions in the traditional sense. However, ongoing market analyses are required to assess future developments in housing markets. Here, ADLER draws on assessments compiled by estate agents' associations, federal authorities, specialist research institutes, valuation companies and bank research departments. This information is supplemented by the internal experience gained from letting properties on site. Moreover, various developments in the construction sector and in building technology also have to be monitored and analysed, as do any changes in regulatory requirements. These insights form an important basis for all of the company's and Group's operating activities.

/// ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC SETTINGS

In the third quarter of 2021, the German economy grew by 2.5 percent as compared to the same period of the previous year – after a decline of 3.1 percent in the first quarter, growth of 9.2 percent was recorded in the second quarter. Correspondingly, expectations for full year growth remain cautious. In this environment, the real estate industry has proven resilient. While the inflation rate, as determined by the cost of living index, rose to 4.1 percent in September 2021, rents were only 1.4 percent higher than in the previous year showing the same rate of increase as in 2020.

Legal framework

At the end of June 2021, the federal government passed the rent index reform law. Accordingly, cities with more than 50,000 inhabitants are obliged to draw up a rent index in future. In addition, the new law obliges tenants and landlords to provide information about the amount of the rent they charge or pay. Rent indexes serve as a reference to determine local comparative rents.

In addition, at the end of June 2021, the amendment to the Climate Protection Act, which became necessary after the ruling by the Federal Constitutional Court, was passed. It stipulates that the goal of greenhouse gas neutrality shall be achieved as early as 2045, five years ahead of original plans. Accordingly, greenhouse gas emissions are to be reduced not just by 50 percent, but by 65 percent until 2030. The Climate Protection Act is flanked by an emergency program worth EUR eight billion. With this money many activities are to be promoted, such as the decarbonization of industry, climate-friendly mobility, sustainable forest and agriculture as well as energetic building renovation.

In connection with the amendment to the Climate Protection Act, the question of who should bear the CO_2 taxes on the heating energy used in rental apartments was also discussed in the political arena. Several models were discussed, some of which also provided for partial financing by the landlord. A final decision has been postponed to the next legislative period. Until then, tenants will bear the CO_2 taxes alone.

In the course of the general elections on September 26, 2021, the majority of voters in Berlin decided in favour of a referendum proposing the expropriation of real estate companies owning more than 3,000 rental units. Whether such a proposal will lead to corresponding political decisions in the future is hard to predict.

ECONOMIC DEVELOPMENT OF THE GROUP

On 8 January 2021, Adler Group S.A. placed a EUR 1.5 billion fixed-rate senior unsecured bond with institutional investors throughout Europe. The proceeds have been used in particular to repurchase ADLER bonds worth EUR 330 million that would have matured in December 2021.

The debt-to-equity swap agreed in the fourth quarter of 2020 was completed on 23 February 2021. The resulting capital increase was entered in the commercial register.

Towards the end of the third quarter, the sale of the shares in the BCP development project in Dusseldorf/Gerresheim, which had already taken place in 2019, was cancelled. As a result, investment properties increased by EUR 270 million and financial liabilities to banks by EUR 148 million. Income from fair value adjustments was negatively affected by EUR 126 million, while the liabilities from deferred taxes were reduced by EUR 20 million.

/// REPORT ON RISKS AND OPPORTUNITIES

ADLER reported in detail on the opportunities and risks involved in its business activities in its 2020 Annual Report. Since then, the risk assessment has changed for the better, as the Berlin rent cap has been declared unconstitutional and the rent reductions initially implemented as a result of the rent cap can be reversed. This will have a minor impact on ADLER, however, as only 4.7 percent of its total real estate portfolio is based in Berlin and only a small proportion of the portfolio was affected by rent reductions.

/// REPORT ON EXPECTED DEVELOPMENTS

ADLER provided detailed guidance for the current 2021 financial year in its 2020 Annual Report. The expectations for the current financial year have not changed materially since then. Also, the intended sale of parts of the portfolio does not have an impact on 2021 expectations as the sale will not become effective before year´s end.

ADLER continues to expect a slight decrease in net rental income and FFO I in 2021 due to the portfolio adjustments in the previous year, with net rental income in the range of EUR 225 million to EUR 230 million and FFO I between EUR 70 million and EUR 75 million.

/// REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

On October 4, 2021, ADLER has been notified by its major shareholder ADLER Group S.A. that ADLER Group S.A. decided to initiate a review of strategic options after being approached multiple times by interested institutional parties relating to its yielding assets portfolio. Any actions would serve to reduce leverage.

Subject to the approval of its supervisory board, ADLER Real Estate will itself initiate a review of strategic options. The process may result in the sale of a substantial part of the yielding assets directly and indirectly held by ADLER Real Estate. Potential proceeds could be used to redeem or repurchase bonds as well as for other measures still to be determined.

On October 11, 2021, ADLER Group S.A., the parent company of ADLER Real Estate AG, and LEG Immobilien SE, with the approval of the Management Board and the Supervisory Board of ADLER Real Estate, have signed a term sheet setting out the key points of a transaction regarding the sale of a total of 15,350 residential units and 185 commercial units. The proposed transaction relates to 8,120 residential units and 127 commercial units of ADLER Real Estate and 7,230 residential units and 58 commercial units of WESTGRUND Aktiengesellschaft, in which ADLER Real Estate holds 98.25% of the shares.

The transaction is based on a real estate portfolio valuation in an amount of c. EUR 1.4 billion. This is above the respective book values as of 30 June 2021. The transaction shall be executed by way of share deals and ADLER group shall retain a 10.1% participation in the relevant entities. Therefore, the cash inflow, also due to customary purchase price adjustments, will not correspond to the real estate valuation.

The closing of the transaction is subject to due diligence conducted by LEG, the conclusion of final agreements and the fulfillment of customary market conditions, in particular regulatory approvals, and is expected to take place by the end of 2021.

On October 26, 2021 Adler Group signed a term sheet with a leading alternative investment firm setting out the key points of a transaction regarding a total of 14,368 units. These units are mainly located in the Eastern part of Germany.

According to the term sheet, the agreed real estate value for the portfolio amounts to more than EUR 1 billion. This is a premium compared to the respective book values appraised by CBRE as of 30 June 2021.

The closing of the transaction is subject to due diligence conducted by the buyer, the conclusion of final agreements and the fulfillment of customary market conditions, in particular regulatory approvals, and is expected to take place in Q1 2022.

No further events with the potential to significantly influence the result of operations, net assets or financial position of ADLER occurred between the end of the reporting period and the time this report was published. The company's business performance up to the reporting date confirms the statements made in its report on expected developments.

/// RESULTS FROM OPERATIONS, NET ASSETS AND FINANCIAL POSITION

RESULTS FROM OPERATIONS

ADLER generates its income almost exclusively from the management of its existing properties. This is the main focus of its business model.

In EUR millions	9M 2021	9M 2020
Gross rental income	252.4	268.2
– of which net rental income	168.7	179.1
Expenses from property lettings	-101.5	-108.9
Earnings from property lettings	**150.9**	**159.3**
Income from the sale of properties	128.2	490.3
Expenses from the sale of properties	-127.5	-475.8
Earnings from the sale of properties	**0.7**	**14.5**
Personnel expenses	-29.3	-32.7
Other operating income	4.7	5.8
Other operating expenses	-32.8	-57.6
Income from fair value adjustments of investment properties	160.1	160.3
Depreciation and amortisation	-3.5	-4.1
Earnings before interest and taxes (EBIT)	**250.8**	**245.6**
Financial result	-115.9	-41.2
Net income from at-equity valued investment associates	-0.3	-1.1
Earnings before taxes (EBT)	**134.6**	**203.2**
Income taxes	-60.4	-66.3
Net consolidated result from continuing operation	**74.2**	**136.9**
Earnings after tax from discontinued operation	0.0	-499.5
Net consolidated result	**74.2**	**-362.6**

Earnings from property lettings decreased due to fewer property holdings

In the first nine months of 2021, gross rental income amounted to EUR 252.4 million. This was 5.9 percent lower than in the previous year (9M 2020: EUR 268.7 million). Net rental income was down 5.8 percent year-on-year at EUR 168.7 million (9M 2020: EUR 179.1 million). The decline in gross rental income and net rental income is mainly attributable to the fact that the disposals of non-core sub-portfolios in the second half of last year resulted in a reduction of nearly 9 percent in the overall portfolio.

A positive effect on gross and net rental income resulted from the fact that operating performance continued to improve compared with the same period of the previous year. At the end of the reporting period, the average contractually agreed rent per square metre per month amounted to EUR 6.16, EUR 0.47 higher than the figure for the same period of the previous year (30 September 2020: EUR 5.69). The vacancy rate was 4.2 percent at the end of the first nine months of 2021, down by 0.6 percentage points compared to the figure twelve months ago.

Expenses from property lettings declined too, amounting to EUR 101.5 million and were thus 6.8 percent lower than the comparable expenses of the previous year (9M 2020: EUR 108.9 million). In total, earnings from property lettings decreased slightly in the first nine months of 2021 compared with the same period of the previous year, reaching EUR 150.9 million (9M 2020: EUR 159.3 million).

Low earnings from the sale of properties

In the first nine months of 2021, 1,605 residential units were transferred for which the sales and purchase agreement had already been signed in the previous year. Also, some commercial properties of subsidiary BCP were sold resulting in income from the sale of properties of EUR 0.7 million in total.

Stable income from fair value adjustments of investment properties

Fair value valuations of investment properties resulted in income of EUR 160.1 million in the first nine months of 2021, nearly the same amount as in the same period of the previous year (9M 2020: EUR 160.3 million). Fair value adjustments in the existing portfolio amounted to EUR 285.1 million while the cancellation of the sale of shares in BCP´s Dusseldorf/Gerresheim development project resulted in a negative contribution of EUR 126.0 million. The fair value adjustments reflect the improved operating performance as well as the ongoing positive market developments and the positive impact of the Federal Constitutional Court's ruling on the Berlin rent cap too.

Overall decrease in expenses

Expense items were down overall in the first nine months of 2021. Personnel expenses decreased by 10.4 percent to EUR 29.3 million (9M 2020: EUR 32.7 million). Other operating expenses decreased to EUR 32.8 million (9M 2020: EUR 57.6 million). The decrease can largely be explained by the fact that significant one-off expenses were incurred in the previous year for legal and advisory services during the acquisition of ADO Group and the subsequent takeover offer from Adler Group.

EBIT above previous year

After taking into account all non-financial expenses, earnings before interest and taxes (EBIT) for the first nine months of 2021 came to EUR 250.8 million (9M 2020: EUR 245.6 million).

Financial result and EBT below previous year

At minus EUR 115.9 million, the financial result for the first nine months of 2021 was lower than the figure for the same period of the previous year (9M 2020: minus EUR 41.2 million). This reflects the fact that, in 2021, several expenses had to be borne like prepayment penalties in the course of refinancing measures, value adjustements of financial assets and negative currency effects. In the previous year, however, comparatively high one-off financial income was generated from the subsequent valuation of the remaining shares in the Adler Group and the refinancing of ADO Group loans. Current financial expenses from the handling of bank loans and bonds, on the other hand, continued to decline.

Due to the decline in the financial result, earnings before taxes (EBT) too were lower than in the previous year. EBT came to EUR 134,6 million in the first nine months of 2021, whereas the figure was EUR 245.6 million in the first six months of 2020. Income tax expenses amounted to EUR 60.4 million in the first nine months of 2021 (9M 2020: EUR 66.3 million). The majority of these income tax expenses can be attributed to deferred taxes and are not recognised as cash.

Consolidated net profit from continuing operation totalled EUR 74,2 million in the first six months of 2021 (9M 2020: EUR 136.9 million), of which EUR 68,2 million were attributable to shareholders in the parent company (9M 2020: EUR 105.3 million).

Segment reporting

In its segment reporting, ADLER distinguishes between "Rental" and "Other" segments. The "Rental" segment includes all ADLER's portfolios through the letting of which ADLER aims to generate long-term gross rental income. Gross rental income and the expenses associated with the letting business reflect the activities of the Group's Asset and Property Management, which manages residential units held in the portfolio in technical and commercial terms. This segment also includes the expenses for craftsmen and caretaker services, which are provided by the Group's Facility Management. To a limited extent, the segment also comprises commercial properties of BCP and project developments held for sale that are intended to be sold to third parties and are thus not intended to be transferred to the rental portfolio after completion.

Group activities that do not constitute stand-alone segments are pooled in the "Other" column. These mainly involve historic holdings relating to development projects that are still in the process of being sold off following the Group's realignment.

The following table shows the allocation of income and earnings, operating and financial expenses and results to the segments.

ADLER Group	Rental		Other		Group	
In EUR millions	**9M 2021**	**9M 2020**	**9M 2021**	**9M 2020**	**9M 2021**	**9M 2020**
Gross rental income and income from the sale of properties	380.5	758.4	0.1	0.1	380.6	758.5
– of which gross rental income	252.3	268.1	0.1	0.1	252.4	268.2
– of which income from sales	128.2	490.3	0.0	0.0	128.2	490.3
Change in the value of investment property	160.1	160.3	0.0	0.0	160.1	160.3
Earnings before interest and taxes (EBIT)	**250.9**	**245.5**	**-0.1**	**0.1**	**250.8**	**245.6**
Net income from at-equity-valued investment associates	-0.3	-1.1	0.0	0.0	-0.3	-1.1
Financial result	**-115.9**	**-41.3**	**0.0**	**0.1**	**-115.9**	**-41.2**
Earnings before taxes (EBT)	**134.7**	**203.1**	**-0.1**	**0.1**	**134.6**	**203.2**

Funds from operations (FFO I) stable

As is customary in the real estate sector, ADLER refers to funds from operations (FFO) as its major cash-flow-based performance indicator in order to assess the profitability of its operating business. FFO I represents the performance of the property letting business.

As is documented in the overview provided below, FFO I is determined by first calculating earnings before interest, taxes, depreciation and amortisation, impairment losses and income from fair value adjustments of investment properties (EBITDA IFRS), and then adjusting this figure to exclude non-recurring and extraordinary items (adjusted EBITDA). The adjustments made involve items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective. These relate, in particular, to the optimisation and development of existing and new business fields and business processes, acquisition and integration expenses arising in the context of acquisitions, refinancing expenses and capital-related measures and further one-off items such as settlements and impairments of receivables. Interest expenses directly incurred in connection with the operating business are then deducted from this adjusted EBITDA figure (FFO I interest charges), as are any earnings generated from the sale of properties and current income taxes. Any investments made to maintain the condition of the properties but have not been capitalised are then added.

In EUR millions		9M 2021	9M 2020
Consolidated net profit		**74.2**	**-362.6**
of which from continuing operations		**74.2**	**136.9**
+	Financial result	115.9	62.6
	of which from continuing operations	115.9	41.2
+	Income taxes	60.4	64.6
	of which from continuing operations	60.4	66.3
+	Depreciation and amortisation	3.5	4.4
	of which from continuing operations	3.5	4.1
–	Income from measurement of investment properties	160.1	160.3
	of which from continuing operations	160.1	160.3
–	Net income from at-equity-valued investment associates	-0.3	-1.1
	of which from continuing operations	-0.3	-1.1
EBITDA IFRS (continuing and discontinued operations)		**94.1**	**-390.1**
+/–	Non-recurring and extraordinary items	15.7	535.0
Adjusted EBITDA		**109.8**	**144.9**
–	Interest expense FFO	43.5	42.2
–	Current income taxes	2.6	4.3
+	Preservation capex	0.2	3.1
–	Earnings before interest and taxes from the sale of properties, discontinued operations and minority interests	6.4	38.0
FFO I		**57.6**	**63.6**
Number of shares (basic)[1]		109,416,860	71,024,851
FFO I per share (basic)		0.53	0.89
Number of shares (diluted)[2]		109,416,860	79,879,195
FFO I per share (diluted)		0.53	0.80

[1] 109,416,860 shares as at balance sheet date (previous year: 71,024,851)
[2] Plus 0 shares from assumed conversion of convertible bonds with entitlement to conversion (previous year: 8,854,344)

Non-recurring and extraordinary items are structured as follows:

Non-recurring and extraordinary items In EUR millions	**9M 2021**	**9M 2020**
Non-cash income/expenses and one-off payments	15.2	35.7
Costs of acquisition/integration/sale	0.1	498.8
Optimisation of business model, structuring	0.4	0.5
Total of non-recurring and extraordinary items	**15.7**	**535.0**

The FFO I interest charge is derived as follows:

Interest expense FFO I In EUR millions	**9M 2021**	**9M 2020**
Interest income	12.5	80.3
Interest expenses	-128.4	-142.9
Total interest income (continued and discontinued operations)	**-115.9**	**-62.6**
Adjustments		
Prepayment compensation and provision costs	6.7	10.0
Effects of measurement of primary financial instruments	7.9	24.1
Other adjustments	57.9	-13.7
Interest expenses FFO I	**-43.4**	**-42.2**

Calculated this way, FFO I for the first nine months of 2021 amounted to EUR 57.6 million. FFO I per share was EUR 0.53 as at 30 September 2021, on a diluted basis as well as on an undiluted basis. Due to the substantial increase in capital stock in the interim, this was significantly lower than a year earlier.

NET ASSETS

In EUR millions	30.09.2021	as percentage of total assets	31.12.2020	as percentage of total assets
Non-current assets	**5,937.0**	**92.6**	**5,578.4**	**88.7**
– of which investments properties	5,586.1	87.2	4,951.8	78.7
Current assets	**438.4**	**6.8**	**601.1**	**9.6**
– of which inventories	62.3	1.0	68.3	1.1
– of which cash and cash equivalents investments	102.1	1.6	149.9	2.4
Non-current assets held for sale	**32.7**	**0.5**	**112.8**	**1.7**
Assets	**6,408.1**	**100.0**	**6,292.3**	**100.0**
Equity	**2,141.2**	**33.4**	**1,580.8**	**25.1**
– of which capital stock	109.4	1.7	73.7	1.2
– of which capital reserve	737.4	11.5	280.2	4.5
– of which net retained profit	829.3	12.9	761.1	12.1
– of which non-controlling interests	465.2	7.3	465.8	7.4
Contributions made to carry out geh capital increase decided	**0.0**	**0.0**	**478.2**	**7.6**
Non-current liabilities	**3,280.4**	**51.2**	**3,073.3**	**48.8**
– of which liabilities from bonds	1,156.9	18.1	1,549.0	24.6
– of which financial liabilities to banks	1,429.2	22.3	1,039.2	16.5
Current liabilities	**986.5**	**15.4**	**1,132.8**	**18.0**
– of which liabilities from convertible bonds	0.0	0.0	97.4	1.5
– of which liabilities from bonds	596.8	9.3	530.3	8.4
– of which financial liabilities to banks	318.6	5.0	367.3	5.8
Liabilities held for sale	**0.0**	**0.0**	**27.2**	**0.5**
Equity and liabilities	**6,408.1**	**100.0**	**6,292.3**	**100.0**

As at the reporting date of 30 September 2021, ADLER had net assets totalling EUR 6,408.1 million, 1.8 percent more than at the end of the previous year (EUR 6,292.3 million).

Rise in investment properties

The value of investment properties – the largest single item on the assets side of the balance sheet – was reported to be EUR 5,586.1 million at the end of the first nine months of 2021. At the start of the year, the figure was EUR 4,951.8 million. The increase is attributable to capitalised renovation and modernisation measures and positive market valuations as well as the cancellation of the sale of shares in BCP´s Gerresheim project.

Current assets amounted to EUR 438.4 million as at the balance sheet date. The decrease compared with the start of the year is mainly due to a payments received for other current assets.

Increase in shareholders' equity and equity ratio

Shareholders' equity amounted to EUR 2,141.2 million at the end of September 2021. The increase compared with the end of the previous year (EUR 1,580.8 million) is mainly attributable to the debt-to-equity swap that has now been concluded. As a result, the equity ratio increased by 8.3 percentage points to 33.4 percent.

Slight increase in liabilities

Liabilities increased slightly in the first nine months of 2021 with the term structure of liabilities changing in favour of non-current liabilities. Nearly EUR 200 million were raised for the energy-efficient renovation of the residential complexes in Goettingen and Wolfsburg. At BCP, liabilities were taken over with the cancellation of the sale of shares in the Gerresheim project. EUR 330 million of the outstanding 2011/2021 bond which formerly registered under current liabilities were partly refinanced through a non-current loan by the mother company. In addition, EUR 300 million of current bank liabilities were refinanced through non-current liabilities. Financial liablities to affiliated companies increased.

Loan to value (LTV)

ADLER calculates LTV as the ratio of adjusted net financial liabilities (financial liabilities adjusted for cash and cash equivalents, non-current assets held for sale, selected financial instruments, purchase price receivables and advance payments minus liabilities held for sale) to ADLER's total property assets, as is customary in the industry. LTV was 56.5 percent at the end of the first nine months of 2021

	In EUR millions	30.09.2021	31.12.2020
	Convertible bonds	0.0	97.4
+	Bonds	1,753.7	2,079.3
+	Financial liabilities to banks	1,747.8	1,406.5
+	Financial liabilities to affiliated companies	162.7	22.6
–	Cash and cash equivalents	102.1	149.9
=	**Net financial liabilities**	**3,562.1**	**3,455.9**
–	Non-current assets held for sale and purchase price receivables, financial instruments minus liabilities associated with assets held for sale[1)]	344.4	728.3
=	**Adjusted net financial liabilities**	**3,217.7**	**2,727.6**
	Investment properties	5,586.1	4,951.8
+	Inventories	62.3	68.3
+	Property, plant and equipment for property management	16.6	16.4
+	Shares in real estate companies	35.0	99.7
=	**Gross asset value**	**5,700.0**	**5,136.2**
	LTV including convertible bonds in %	56.5	53.1
	LTV excluding convertible bonds in %	56.5	51.2

1) Purchase price receivables including interest from the sale of ACCENTRO amounted to EUR 61.1 million (previous year: EUR 59.1 million); non-current assets held for sale amounted to EUR 32.7 million (previous year: EUR 112.8 million); equity instruments measured at fair value amounted to EUR 21.7 million (previous year: EUR 21.7 million) and debt instruments amounted to EUR 67.1 million (previous year: EUR 102.1 million); receivables/loans/loans to real estate companies amounted to EUR 161.6 million (previous year: EUR 459.8 million) and liabilities held for sale amounted to EUR 0 million (previous year: EUR 27.3 million)

The average cost of debt for all the ADLER Group's liabilities (WACD = weighted average cost of debt) amounted to 2.0 percent as at 30 September 2021 (31 December 2020: 1.94 percent).

Increase in net reinstatement value (EPRA NRV)

The net reinstatement value (EPRA NRV), adjusted for goodwill and fully diluted, which is calculated in accordance with the guidelines issued by the European Public Real Estate Association (EPRA), reached EUR 2,428.6 million as at 30 September 2021. It thus increased by 4.5 percent compared with the figure at the end of 2020 (EUR 2,324.2 million).

Based on the total number of existing shares in circulation at the balance sheet date less treasury shares, diluted and adjusted EPRA NRV per share amounted to EUR 22.20 as at 30 September 2021 (31 December 2020: EUR 19.93).

In EUR millions	**30.09.2021**	**31.12.2020**
Equity	**2,141.2**	**1,580.8**
Non-controlling interests	-465.2	-465.8
Equity attributable to ADLER shareholders	**1,676.0**	**1,115.0**
Effect resulting from conversion of convertibles	0.0	96.2
Diluted equity of ADLER shareholders	**1,676.0**	**1,211.2**
Deferred tax liabilities on investment properties	601.7	519.2
Diff. between fair values and carrying amounts of inventory properties	0.0	0.2
RETT on investment properties	318.9	282.7
Fair value of derivative financial instruments	1.9	3.1
Deferred taxes for derivative financial instruments	-0.5	-0.9
EPRA NRV (diluted)	**2,598.0**	**2,015.5**
Goodwill - synergies	-169.4	-169.4
Resolved capital increase	0.0	478.2[1]
Adjusted EPRA NRV (diluted)	**2,428.6**	**2,324.2**
Number of shares, diluted [2]	109,416,860	116,589,916
EPRA NRV per share (diluted) in EUR	**23.74**	**24.73**
Adjusted EPRA NRV per share (diluted) in EUR	**22.20**	**19.93**

[1] With the approval of the Supervisory Board, the Executive Board of ADLER had resolved on October 2, 2020 to exercise the authorized capital in the amount of EUR 35,107 thousand within the scope of a debt-equity swap announced by the Company on August 30, 2020 and to increase the Company's share capital entered in the commercial register accordingly. The necessary non-cash capital increase in the amount of EUR 478,163k was entered in the commercial register on February 23, 2021

[2] 109,416,860 shares as at balance sheet date (previous year: 73,658,680) plus assumed conversion of 0 outstanding convertibles entitled to be converted (previous year: 7,823,747) and plus the 0 shares newly created by the capital increase through contributions in kind (previous year: 35,107,489).

FINANCIAL POSITION

In EUR millions	9M 2021	9M 2020
Cash flow from operating activities	80.6	99.4
– of which from continuing operations	80.6	94.3
Cash flow from investing activities	50.4	-297.5
– of which from continuing operations	50.4	-171.4
Cash flow from financing activities	-178.5	73.5
– of which from continuing operations	-178.5	-73.7
Change in cash and cash equivalents due to changes in scope of consolidation	0.0	-413.7
Non-cash effective change in cash and cash equivalents from impairment losses	-0.3	-0.2
Non-cash effective change in cash and cash equivalents from currency translation	0.0	-7.9
Cash and cash equivalents at beginning of period	149.9	624.9
Cash and cash equivalents at end of period	102.1	78.6

Cash flow from operating activities amounted to EUR 80.6 million in the first nine months of 2021 (9M 2020: EUR 99.4 million). In the reporting period, cash flow from operating activities was impacted primarily by construction costs in connection with project developments intended for sale. In the first nine months of the previous year, extensive one-off expenses were incurred for legal and advisory services in connection with Adler Group's takeover offer for ADLER and the merger of the two companies.

Investing activities resulted in a cash inflow of EUR 50.4 million in the first nine months of 2021, which was due primarily to purchase price payments for the disposal of portfolio properties and property companies and to repayments of short-term cash investments. This was partly offset by investments in the real estate portfolio.

Financing activities resulted in a cash outflow of EUR 178.5 million in the first nine months of 2021, which was marked by the redemption of the convertible bond (2016/2021), the partial redemption of the corporate bond (2017/2021), the redemption of loans in the course of refinancing, scheduled interest and principal payments, and the repayment of short-term loans to Adler Group. This was offset by the disbursement of bank loans for refinancing purposes and the raising of a loan from Adler Group.

As at 30 September 2021, the ADLER Group had cash and cash equivalents of EUR 102.1 million (31 December 2020: EUR 149.9 million).

The Group was at all times able to meet its payment obligations.

OVERALL SUMMARY OF BUSINESS PERFORMANCE AND POSITION OF GROUP

Given the successful implementation of the Group's realignment after the business combination with Adler Group, the planned optimisation of the portfolio, the solid financing structure and the financing facilities secured on a long-term basis, the business performance and position of the Group are assessed as positive. The foundations have been laid for strong performance in the future.

/// GROUP INTERIM FINANCIAL STATEMENT AS AT 30 SEPTEMBER 2021

/// CONSOLIDATED BALANCE SHEET

(IFRS) as at 30 September 2021

In EUR ´000	30.09.2021	31.12.2020
Assets	**6,408,114**	**6,292,313**
Non-current assets	**5,936,960**	**5,578,424**
Goodwill	169,439	169,439
Intangible assets	322	485
Property, plant and equipment	22,664	22,276
Investment properties	5,586,115	4,951,790
Receivables from and Loans to associated companies	17,090	103,270
Investments in associated companies	11,580	63,585
Other financial investments	111,483	131,832
Other non-current assets	13,403	135,185
Deferred tax assets	4,863	563
Current assets	**438,418**	**601,097**
Inventories	62,327	68,257
Trade receivables	27,558	23,669
Receivables from affiliated companies	2,278	548
Income tax receivables	4,744	4,165
Other current assets	239,415	354,602
Cash and cash equivalents	102,096	149,857
Non-current assets held for sale	**32,735**	**112,791**

In EUR ´000	30.09.2021	31.12.2020
Equity and liabilities	**6,408,114**	**6,292,313**
Shareholders' equity	**2,141,234**	**1,580,770**
Capital stock	109,417	73,659
Capital reserve	781,094	331,696
Retained earnings	-51,093	-48,383
Currency translation reserve	7,364	-3,077
Net retained profit	829,265	761,112
Equity attributable to owners of the parent company	1,676,047	1,115,007
Non-controlling interests	465,187	465,763
Contributions made to carry out the capital increase decided	**0**	**478,164**
Non-current liabilities	**3,280,416**	**3,073,299**
Pension provisions	1,106	1,131
Deferred tax liabilities	510,193	459,478
Other provisions	3,026	3,026
Liabilities from bonds	1,156,941	1,548,970
Financial liabilities to banks	1,429,217	1,039,179
Financial liabilities to affiliated companies	161,015	0
Other non-current liabilities	18,919	21,514
Current liabilities	**986,463**	**1,132,809**
Other provisions	396	282
Income tax liabilities	21,977	35,013
Liabilities from convertible bonds	0	97,384
Liabilities from bonds	596,813	530,340
Financial liabilities to banks	318,609	367,339
Financial liabilities to affiliated companies	1,680	22,551
Trade payables	24,199	32,246
Other current liabilities	22,788	47,654
Liabilities held for sale	**0**	**27,271**

/// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IFRS) for the period from 1 January to 30 September 2021

In EUR '000	9M 2021	9M 2020	Q3 2021	Q3 2020
Gross rental income	252,400	268,221	84,475	88,536
Expenses from property lettings	-101,517	-108,854	-32,961	-34,456
Earnings from property lettings	**150,882**	**159,367**	**51,514**	**54,080**
Income from the sale of properties	128,183	490,312	6,414	32,876
Expenses from the sale of properties	-127,517	-475,775	-6,480	-27,981
Earnings from the sale of properties	**666**	**14,537**	**-66**	**4,895**
Personnel expenses	-29,337	-32,706	-8,224	-10,081
Other operating income	4,727	5,746	2,097	242
Other operating expenses	-32,807	-57,594	-11,464	-12,738
Income from fair value adjustments of investment properties	160,147	160,276	-44,139	39,778
Depreciation and amortisation	-3,500	-4,051	-1,145	-1,212
Earnings before interest and tax (EBIT)	**250,778**	**245,575**	**-11,428**	**74,965**
Financial income	12,495	78,193	2,257	3,950
Financial costs	-128,402	-119,439	-62,755	-20,617
Net income from at-equity-valued investment associates	-262	-1,102	0	-1,737
Earnings before tax (EBT)	**134,610**	**203,227**	**-71,926**	**56,560**
Income taxes	-60,413	-66,329	-3,471	-9,079
Consolidated net profit from continuing operations	**74,197**	**136,898**	**-75,397**	**47,481**
Earnings after taxes of discontinued operations	0	-499,527	0	0
Consolidated net profit	**74,197**	**-362,629**	**-75,397**	**47,481**
Actuarial gains/losses before taxes	0	0	0	0
Deferred taxes on actuarial gains/losses	0	0	0	0
OCI gains/losses not reclassifiable into profit or loss	**0**	**0**	**0**	**0**
Gains/losses from currency translation	10,441	-5,517	7,057	-7,083
Change in value of financial assets measured at fair value	-2,716	1,335	-2,349	31
OCI gains/losses reclassifiable into profit or loss	**7,725**	**-4,182**	**4,708**	**-7,052**
Total comprehensive income from continuing operations	**81,922**	**132,716**	**-70,689**	**40,429**
Total comprehensive income of discontinued operations	0	-572,347	0	0
Total comprehensive income	**81,922**	**-439,631**	**-70,689**	**40,429**

In EUR '000	9M 2021	9M 2020	Q3 2021	Q3 2020
Carry-over total comprehensive income	**81,922**	**-439,631**	**-70,689**	**40,429**
Net profit from continuing operations:				
Owners of the parent company	68,153	105,342	-52,479	36,977
Non-controlling interests	6,044	31,556	-22,918	10,504
Consolidated net profit attributable to:				
Owners of the parent company	68,153	-392,426	-52,479	36,977
Non-controlling interests	6,044	29,797	-22,918	10,504
Total comprehensive income from continuing operations:				
Owners of the parent company	75,878	101,160	-47,772	29,925
Non-controlling interests	6,044	31,556	-22,918	10,504
Total comprehensive income attributable to:				
Owners of the parent company	75,878	-420,821	-47,772	29,925
Non-controlling interests	6,044	-18,810	-22,918	10,504
Earnings per share, basic in EUR (consolidated net profit from continuing operations)	0.66	1.49	-0.51	0.52
Earnings per share, diluted in EUR (consolidated net profit from continuing operations)	0.69	1.38	-0.51	0.48
Earnings per share, basic in EUR (consolidated net profit)	0.66	-5.57	-0.51	0.52
Earnings per share, diluted in EUR (consolidated net profit)	0.69	-4.89	-0.51	0.48

/// CONSOLIDATED STATEMENT OF CASH FLOWS

(IFRS) for the period from 1 January to 30 September 2021

In EUR '000		9M 2021	9M 2020
Earnings before interest and taxes (EBIT) – continuing and discontinued operations		250,778	-234,252
+	Depreciation and amortisation	3,500	4,426
–/+	Net income from fair value adjustments of investment properties	-160,147	-160,276
–/+	Non-cash income/expenses	-5,215	507,695
–/+	Changes in provisions and accrued liabilities	89	-2,503
–/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investment or financing activities	-44,802	355,484
–/+	Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	41,183	-390,972
+	Interest received	1,324	1,462
+/–	Tax payments	-12,059	-3,624
=	**Operating cash flow before dis-/reinvestment into the trading portfolio**	**74,651**	**77,440**
–/+	Increase/decrease in inventories (commercial properties)	5,930	22,000
=	**Net cash flow from operating activities**	**80,581**	**99,440**
	of which continuing operations	80,581	94,340
	of which discontinued operations	0	5,100
–	Acquisition of subsidiaries, net of cash acquired	1,114	-14,235
–	Purchase of investment properties	-139,128	-166,056
+	Disposal of investment properties	174,301	84,848
–	Purchase of property, plant and equipment and intangible assets	-1,136	-2,664
+	Disposal of property, plant and equipment and intangible assets	319	9
–	Payments into short-term deposits	0	-41,299
+	Proceeds from short-term deposits	37,485	16,913
+	Proceeds from disinvestment of financial assets	0	11,058
–	Investments in financial assets	-6,559	-186,059
–	Tax payments	-15,994	0
=	**Net cash flows from investing activities**	**50,402**	**-297,485**
	of which continuing operations	50,402	-171,379
	of which discontinued operations	0	-126,106
–	Costs of issuing equity	0	-4,065
–	Transactions with non-controlling interests	-18,000	42,926
–	Repayment of bonds	-330,435	-316,935

	In EUR '000	9M 2021	9M 2020
–	Repayment of convertible bonds	-90,264	0
–	Interest payments	-61,004	-66,277
+	Proceeds from bank loans	483,928	450,409
–	Repayment of bank loans	-293,567	-1,100,883
–	Repayment of leasing liabilities	-1,835	-2,288
–	Payment of interest portion of leasing liabilities	-594	-1,104
+	Proceeds from borrowings of loans and advances from affiliated companies	385,816	1,071,696
–	Repayment of borrowing of loans and advances to affiliated companies	-252,537	0
=	**Net cash flows from financing activities**	**-178,492**	**73,479**
	of which from continuing operations	-178,492	-73,691
	of which from discontinued operations	0	147,170
	Reconciliation to Consolidated Balance Sheet		
	Cash and cash equivalents at beginning of periods	**149,857**	**624,973**
	Non-cash changes in cash and cash equivalents from impairment losses	-252	-163
	Non-cash changes in cash and cash equivalents from currency translation	0	-7,886
	Changes in cash and cash equivalents due to changes in the scope of consolidation	0	-413,722
	Net cash flow from operating activities	80,581	99,440
	Net cash flow from investing activities	50,402	-297,485
	Net cash flow from financing activities	-178,492	73,479
=	**Cash and cash equivalents at end of periods**	**102,096**	**78,636**
	of which from continuing operations	102,096	78,636
	of which discontinued operations	0	0

/// CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IFRS) for the period from 1 January to 30 September 2021

In EUR '000	Capital stock	Treasury Shares	Capital reserves
As at 1 January 2020	**71,064**	**-1,603**	**309,337**
Consolidated net profit	0	0	0
Other comprehensive income (OCI) – reclassifiable	0	0	0
Other comprehensive income (OCI) – non-reclassifiable	0	0	0
Increase/decrease in shareholding with no change in status	0	0	-6,419
Change in scope of consolidation	0	0	0
Conversion of convertible bonds	1,564	0	16,568
As at 30 september 2020	**72,628**	**-1,603**	**319,486**
As at 1 January 2021	**73,659**	**0**	**331,696**
Consolidated net profit	0	0	0
Other comprehensive income (OCI) – reclassifiable	0	0	0
Other comprehensive income (OCI) – non-reclassifiable	0	0	0
Capital increase in kind	35,107	0	443,056
Increase/decrease in shareholding with no change in status	0	0	-1,115
Change in scope of consolidation	0	0	0
Transfer to reserves	0	0	0
Conversion of convertible bonds	651	0	7,457
As at 30 September 2021	**109,417**	**0**	**781,094**

Retained earnings	Currency translation reserves	Net retained profit	Equity attributable to the owners of the parent company	Non-controlling inerests	Total equity
-26,438	**0**	**1,093,506**	**1,445,865**	**2,101,992**	**3,547,857**
0	0	-392,426	-392,426	29,797	-362,629
1,335	-5,517	0	-4,182	0	-4,182
-24,213	0	0	-24,213	-48,510	-72,723
0	0	0	-6,419	-1,707,841	-1,714,260
0	0	0	0	0	0
0	0	0	18,132	0	18,132
-49,316	**-5,517**	**701,080**	**1,036,758**	**375,438**	**1,412,196**
-48,383	**-3,077**	**761,112**	**1,115,007**	**465,763**	**1,580,770**
0	0	68,153	68,153	6,044	74,197
-2,716	10,441	0	7,725	0	7,725
0	0	0	0	0	0
0	0	0	478,163	0	478,163
0	0	0	-1,115	-5,699	-6,814
6	0	0	6	-920	-914
0	0	0	0	0	0
0	0	0	8,108	0	8,108
-51,093	**7,364**	**829,264**	**1,676,047**	**465,187**	**2,141,234**

/// AFFIRMATION BY THE LEGAL REPRESENTATIVES

"We hereby affirm to the best of our knowledge, pursuant to the applicable accounting principles for interim financial reporting, that these interim consolidated financial statements convey a true and fair view of the Group's financial, earnings and liquidity position, that the course of business, including the results of operations and the position of the Group, is represented in the interim consolidated management report in such a manner as to convey a true and fair view and that all essential opportunities and risks foreseeable for the Group in the remainder of the financial year are described."

Berlin, 30 November 2021

Maximilian Rienecker
CEO

Thierry Beaudemoulin
COO

Sven-Christian Frank
CLO

/// LEGAL REMARKS

This report contains future-oriented statements that reflect the current management's views of ADLER Real Estate AG regarding future events. Every statement in this report that reflects intentions, assumptions, expectations or predictions, as well as the assumptions on which they are based, constitutes such a future-oriented statement. These statements are based on plans, estimates and forecasts currently available to the management of ADLER Real Estate AG. Therefore, they only apply to the day on which they are made. By their nature, future-oriented statements are subject to risks and uncertainty factors, and the actual developments can deviate considerably from the future-oriented statements or the events implicitly expressed in them. ADLER Real Estate AG is not obligated, nor does it intend, to update such statements in view of new information or future events.

/// AT A GLANCE

Supervisory Board	
Martin Billhardt	Chairman of the Supervisory Board
Thilo Schmid	Vice Chairman of the Supervisory Board
Claus Jorgensen	Member of the Supervisory Board
Management Board	
Maximilian Rienecker	Member of the Management Board (CEO)
Thierry Beaudemoulin	Member of the Management Board (COO) since 1.4.2021
Sven-Christian Frank	Member of the Management Board (until 31.3.2021 COO, since 1.4.2021 CLO)
Company Facts	
Legal domicile	Berlin Charlottenburg, Berlin HRB 180360 B
Address	ADLER Real Estate Aktiengesellschaft Am Karlsbad 11 10789 Berlin Phone: +49 30 39 80 18 – 10 Email: info@adler-ag.com
Website	www.adler-ag.com
Investor Relations	Mario Groß Email: m.gross@adler-group.com
Public Relations	Dr Rolf-Dieter Grass Email: r.grass@adler-group.com
Capital stock	EUR 109,416,860[1]
Classification	109,416,860[1] no-par value shares
Arithmetical value	EUR 1 per share
Voting right	1 vote per share
Identification	WKN 500 800 ISIN DE0005008007 Ticker symbol ADL Reuters ADLG.DE
Designated sponsors	Baader Bank AG
Stock exchanges	Xetra, Frankfurt am Main
Indices	CDAX, GPR General Index, DIMAX
Financial year	Calendar year

[1] As at 30 September 2021

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