ADLER GROUP

Q1

QUARTERLY FINANCIAL STATEMENTS 2021

Key Figures Q1

Profit and Loss statement

	For the three months ended		For the year ended
In EUR thousand	**31 March 2021**	**31 March 2020**	**31 Dec 2020**
Income from rental activities	112,407	29,434	383,906
EBITDA from rental activities	54,215	17,706	187,014
EBITDA from rental activities margin	64.3%	63.5%	63.7%
EBITDA total	60,153	18,419	247,349
FFO 1 (from rental activities)	32,327	11,457	107,128
FFO 2 (incl. disposal results and development activities)	21,608	12,170	126,654

Further KPIs

Residential(*)	**31 March 2021**	**31 Dec 2020**
Monthly in-place rent (EUR per m²)	EUR 6.34	EUR 6.30
Total vacancy rate	3.8%	3.4%
Number of units	69,712	69,722
Like-for-like rental growth	1.3%	2.2%

Balance sheet

In EUR thousand except per share data	**31 March 2021**	**31 Dec 2020**
Fair value of properties	11,698,245	11,430,611
LTV	53.0%	53.4%
EPRA NAV	5,401,552	5,213,874
EPRA NAV per share (EUR)	45.97	44.37
EPRA NRV	6,238,072	6,037,159
EPRA NRV per share (EUR)	53.09	51.38

(*) Including ground floor commercial units and excluding units under renovation and development projects.

More future per m²

We want to ensure people have the living space they need – today and tomorrow. We provide affordable contemporary housing and create new visionary real estate projects that are fit for the future.

adler-group.com

ADLER GROUP

Content

1 | TO OUR SHAREHOLDERS
About the Company

Welcome to Adler Group

Adler Group is one of Germany's leading housing companies. With a portfolio comprising about 70,000 residential units spread out across the republic and a development pipeline boasting in excess of 10,000 flats in the country's top 7 cities, we are actively shaping the future of the German real estate market.

Adler can look back on a long and distinguished history. As a manufacturer of bicycles, cars and typewriters the Company has been a household name since 1880 and has become a synonym for reliability and pioneering spirit. Adler Group aspires to nurture this spirit and as a housing company create living spaces where people feel comfortable and will wish to live for years to come.

We excel through our role as a pioneer in the field of technology and our pursuit of perfection. We are a modern company which goes about doing what it does best with true passion: the creation of holistic, visionary and sustainable living spaces.

As a brand that can fall back on a long tradition in Germany, we see ourselves as being an integral part of the society we live in. And we are here to stay.

RESIDENTIAL RENTAL PORTFOLIO

69,712
units

DEVELOPMENT PIPELINE

10,000
units

1 | TO OUR SHAREHOLDERS
Key Facts & Figures

What the Numbers say

Key facts & figures

FAIR VALUE INVESTMENT PROPERTY

11.7

billion EUR

More future per m²

ADLER GROUP

EPRA NRV

6,238

million EUR

RESIDENTIAL RENTAL PORTFOLIO

69,712

units

DEVELOPMENT PIPELINE

10,000

units

AVERAGE RESIDENTIAL RENT

TOP 13 CITIES

6.58

EUR/m²/month

AVERAGE RESIDENTIAL RENT

TOTAL

6.34

EUR/m²/month

RESIDENTIAL RENTAL PORTFOLIO

4.4

million m²

DEVELOPMENT PIPELINE

+900,000

m²

1 | TO OUR SHAREHOLDERS
2021 Milestones

2021 Milestones

An overview

1 | TO OUR SHAREHOLDERS
2021 Milestones

2021 Milestones

Significant achievements since January

JANUARY

FEBRUARY

MARCH

APRIL

CAPITAL MEASURES

Successful placement of a EUR 1.5bn 5- and 8-year dual tranche bond

On 8 January 2021, the Group successfully placed a EUR 1.5 billion dual tranche bond comprising a EUR 700 million 5-year maturity with a 1.875% fixed coupon and a EUR 800 million 8-year maturity with a 2.25% fixed coupon. The Notes were placed with institutional investors across Europe with a total order book of EUR 4.0 billion. Together with existing liquidity, all upcoming debt maturities in 2021 are covered.

JANUARY

EUR
1.5bn
dual tranche bond

CORPORATE ACTIVITIES

Berlin rent freeze overturned by Germany's Constitutional Court

On 15 April 2021, the Federal Constitutional Court declared the Berlin rent freeze unconstitutional and ineffective. As 19,853 out of 69,712 of our flats are located in Berlin, which represents 54% of total gross asset value and 37% of net rental income, the court ruling has a material impact on the business. Adler Group welcomes the unambiguous ruling as it restores legal certainty and confidence in the Berlin housing market, which is in the interest of tenants, housing providers and investors alike.

CORPORATE ACTIVITIES

Corporate structure further simplified

On 20 April 2021, WESTGRUND, a subsidiary of Adler Group, announced a squeeze-out of the remaining minority shareholders in order to further simplify the corporate structure. The shareholders will receive a cash compensation of EUR 13.24 per WESTGRUND share. The resolution of the transfer shall be passed at the extraordinary general meeting of WESTGRUND, which is scheduled for 9 June 2021.

APRIL

EUR
13.24
cash compensation

1 | TO OUR SHAREHOLDERS
2021 Milestones

CAPITAL MEASURES

Successful refinancing through a placement of a EUR 500m 6-year bond

On 21 April 2021, the Group successfully placed a EUR 500 million single tranche bond with a 6-year maturity and a 2.25% fixed coupon under its newly established EMTN programme. The Notes were placed with institutional investors across Europe with a total order book of EUR 1.1 billion. The proceeds will be used to call and repay the EUR 450 million 9.625% high-yield bond issued by Consus Real Estate AG which will enable EUR 33 million annualised financial synergies to be realised.

APRIL

EUR
500m
single tranche bond

CORPORATE ACTIVITIES

Riverside fully leased

Adler Group's development project Riverside which was completed at the end of 2019 and is located in the centre of Berlin, has been fully let. In addition to the 498 apartments that had already been fully occupied by the end of 2020, the remaining 213 co-living apartments have now been leased.

MAY

All
711
residential units let

CORPORATE ACTIVITIES

First ESG report - measurable goals set for future climate protection

On 4 May 2021, Adler Group published its first ESG report which outlines a detailed ESG strategy for the entire Group. Three sustainability priorities were defined: sustainability in construction, sustainable relationships with tenants and employees, and sustainable management through digitalisation. The Company's goal is to reduce CO_2 emissions throughout the whole portfolio by 50% until 2030.

MAY

reduce CO_2 emissions by
50%
until 2030

1 | TO OUR SHAREHOLDERS
Adler Group Share

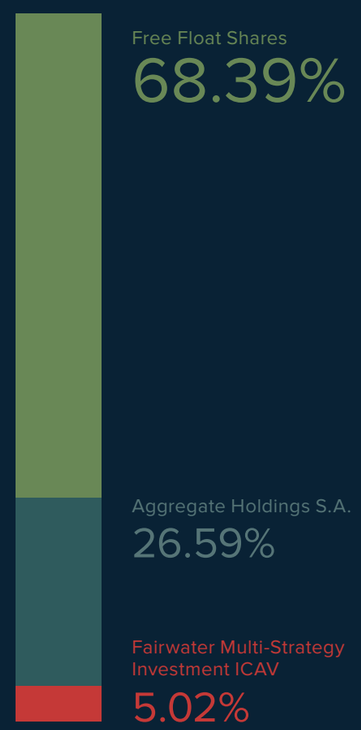
Adler Group Share

The share

Share information

1st day of trading	23 July 2015
Subscription price	EUR 20.00
Price as of 31 March 2021	EUR 23.36
Highest share price LTM	EUR 29.00
Lowest share price LTM	EUR 15.95
Total number of shares	117.5 million
ISIN	LU1250154413
WKN	A14U78
Symbol	ADJ
Class	Dematerialised shares
Free float	68.39%
Stock exchange	Frankfurt Stock Exchange
Market segment	Prime Standard
Market index	SDAX
ERPA indices	FTSE EPRA / NAREIT Global Index, FTSE EPRA / NAREIT Developed Europe Index, FTSE EPRA / NAREIT Germany Index

Shareholder structure



Key stock market data

Adler Group shares are traded on the Prime Standard of the Frankfurt Stock Exchange. During the 12 months ended 31 March 2021, the shares traded between EUR 15.95 and EUR 29.00. Adler Group shares are included in the SDAX index of Deutsche Börse and the relevant real estate sector indices of the EPRA index family.

Shareholder structure

As at 31 March 2021, the total number of outstanding shares of Adler Group amounts to 117.5 million. Currently, the main shareholders with holdings of over 5% are(*): Aggregate Holdings S.A. (26.59%) and Fairwater Multi-Strategy Investment ICAV (5.02%). The remaining 68.39% free float shares are mainly held by institutional investors.

Dividend policy

As a dividend policy, the Company intends to pay dividends in an amount of approximately 50% of FFO 1. In accordance with this dividend policy, the amount shall be distributed as annual dividends to the shareholders. The distribution of dividends is subject to a respective resolution of the annual General Meeting (AGM).

(*) According to the most recent official notifications received from the shareholders.

Interim Management Report

2 Interim Management Report

2 | INTERIM MANAGEMENT REPORT
Fundamentals of the Group

Fundamentals of the Group

Business model

Adler Group S.A. is a well-diversified pan German residential real estate company with properties valued at EUR 11.7 billion. We hold and manage approximately 70,000 apartments across Germany, with an additional 10,000 units under development in Germany's top 7 cities.

Our business model focuses on asset and portfolio management, property and facility management and identifying residential properties throughout Germany that present opportunities to create value by increasing rents and decreasing vacancy. With our strategic landbank in the top 7 German cities and our highly experienced development platform, we expect the build-to-hold development projects to be completed over the next 6-8 years. We will deliver approximately 10,000 new residential units in a strategic effort to address the ongoing housing shortage in Germany. Our 1,427 operational employees are based in our office in Berlin as well as in several locations across Germany bringing us closer to our assets and tenants.

Objectives and strategy

We focus on actively managing our core portfolio to grow earnings and improve EBITDA margins.

We focus on increasing rents through active asset management and targeted investments to modernise, refurbish and re-position our properties, while constantly screening and anticipating developments in different sub-markets. Our strategy to realise upside potential consists of the following approaches: We pursue regular rent increases up to the market levels (i) within the regulatory and legal limits as well as (ii) through tenant fluctuation without CAPEX investment. In addition, we continuously review rent potentials and pursue growth beyond the rent tables through targeted CAPEX investments to modernise, refurbish and/or re-position our properties allowing for higher rent levels. Lastly, we reduce the portfolio vacancy through active marketing with an approach tailored to the respective micro-location.

We seek to optimise our portfolio and recycle capital through selective investments and disposals.

By disposing of non-core assets, we aim at streamlining our rental portfolio by increasing our focus on medium-sized and large cities where we can manage a critical mass of assets and simultaneously improve our profitability and portfolio KPIs. By selling selected assets at book value or above, we aim to continuously demonstrate the resilience of the German residential real estate market. Active capital recycling enables us to fund the construction of our development pipeline, which will further improve the quality of our portfolio. Furthermore, we also expect to benefit from Consus' ongoing forward sales and condominium sales of its development projects to yield NAV accretive growth over the next three to four years.

We are committed to adding value through development and modernisation thereby driving organic growth.

In 2020, we combined our business with ADLER Real Estate AG ("ADLER") and Consus Real Estate AG ("Consus") in order to create one of the largest listed residential real estate companies in Germany. Through the integration of the assets held by ADLER, we have grown and diversified our business and by integrating Consus, we have secured a clear and profitable organic growth path, which rests upon our high quality build-to-hold development pipeline with a gross asset value (GAV) of more than EUR 1.3 billion. We aim to develop approximately 900,000 m^2 of additional rental area across more than 10,000 additional rental units in Germany's top 7 cities over the next 6-8 years. In addition to that, selected CAPEX and modernisation measures in our core portfolio will elevate the quality of our rental portfolio and simultaneously improve the energy efficiency.

We plan to further simplify our capital structure.

We intend to simplify capital structure and further reduce the Group's weighted average cost of debt by refinancing expensive debt with more attractive secured or unsecured debt instruments.

Our financial policy includes a target of LTV below 50% in the medium-term, without equity raising requirements. This is to be achieved via the following measures: (1) the sale of identified non-core assets in line with the strategic focus of the Group, (2) projects being forward sold to institutional purchasers prior to the start of construction, thereby minimising development risks and pre funding the developments, and further development profits from condo sales, (3) German residential properties continue to be considered a safe haven, and we expect positive valuation effects at least in line with like-for-like rental growth and (4) operational performance of the newly formed combined Group. Ultimately, it is our focus to obtain an investment grade credit rating.

We will leverage operational and financial synergies to be realised from streamlining our operations and financial discipline.

By integrating ADLER and Consus into Adler Group, it allows us to capitalise on significant run-rate synergies with reduced debt and simplified capital structure.

We target continuous dividends with a payout ratio of up to 50% of our annual FFO 1 (from rental activities).

Our portfolio and operational excellence combined with our sustainable financing strategy allows us to distribute stable dividends on an annual basis with a targeted payout ratio of up to 50% of FFO 1 (from rental activities).

RESIDENTIAL RENTAL PORTFOLIO

69,712

units

OPERATIONAL EMPLOYEES

1,427

people

Corporate Governance

The Company's corporate governance practices are governed by Luxembourg Law (particularly the Luxembourg Companies Law) and the Company's present articles of association. As a Luxembourg company listed solely on the Frankfurt Stock Exchange, the Company is not subject to any specific mandatory corporate governance rules and has not opted to voluntarily apply provisions of any corporate governance code. The only corporate governance practices applied by the Company are those applied under general Luxembourg law, which are considered sufficient and appropriate given the nature and size of the Company.

Composition of the Board

As at 31 March 2021, the Board comprised as follows:

Dr. Peter Maser, Chairman
Independent Director

Mr Maximilian Rienecker
Director

Mr Thierry Beaudemoulin
Director

Ms Arzu Akkemik
Independent Director

Dr. Michael Bütter
Independent Director

Mr Claus Jørgensen
Independent Director

Mr Thilo Schmid
Independent Director

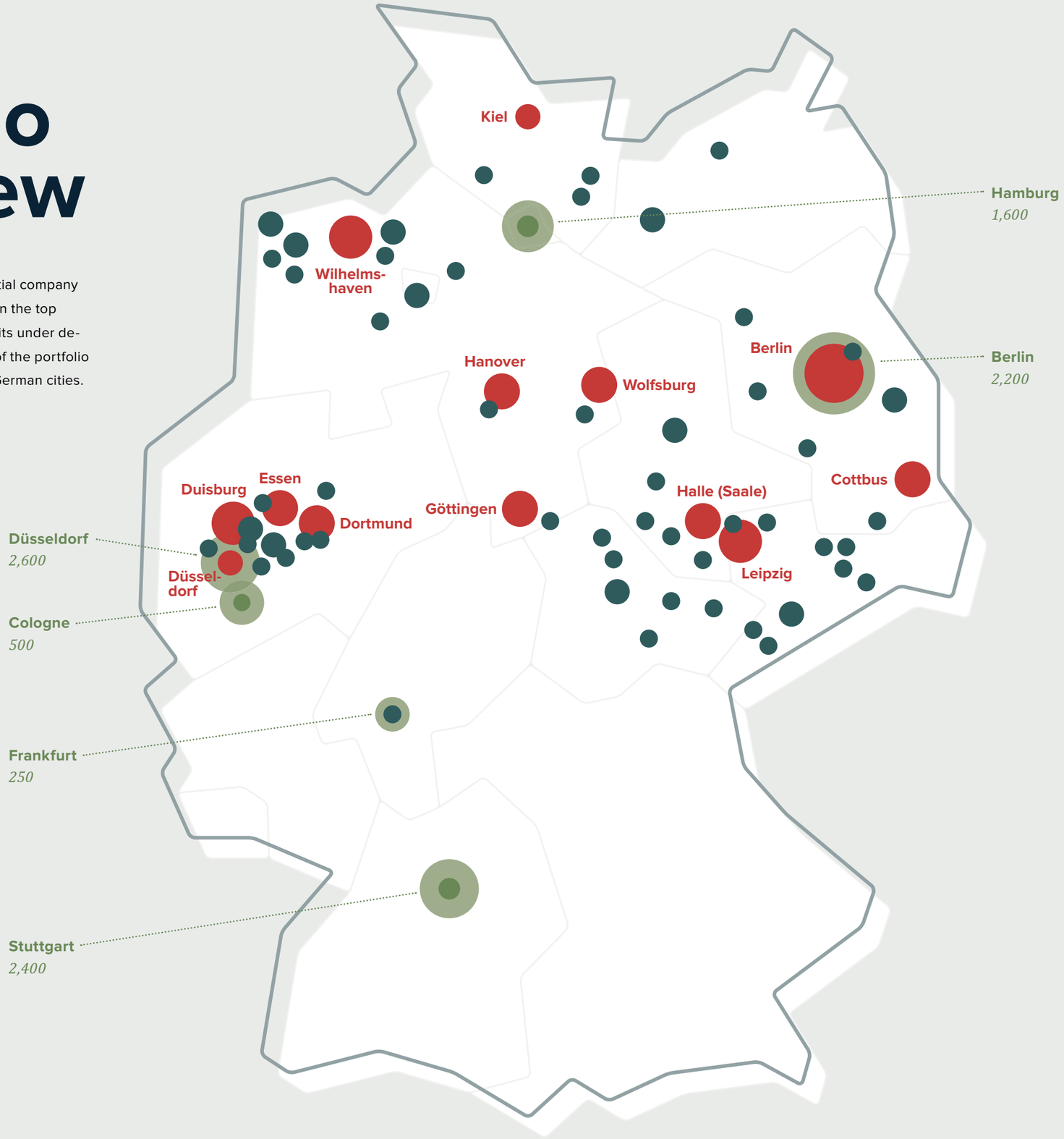
Mr Thomas Zinnöcker
Independent Director

Note: the composition of the Board remains unchanged as at the time of publication of this report.

2 | INTERIM MANAGEMENT REPORT
Portfolio Overview

Portfolio Overview

Adler Group is a pure play German residential company with a well-diversified portfolio focussing on the top German metropolitan areas. The 10,000 units under development will further improve the quality of the portfolio by strengthening our position in the top 7 German cities.



Residential rental portfolio

- > 10,000 units
- > 2,500 units
- > 1,000 units
- > 500 units
- > 100 units

Top 13 cities

Development pipeline

RESIDENTIAL RENTAL PORTFOLIO

TOTAL PORTFOLIO

69,712

units

RESIDENTIAL RENTAL PORTFOLIO

TOP 13 CITIES

48,265

units

DEVELOPMENT PIPELINE

10,000

units

Portfolio Overview(*)

Location	Fair value EUR m Q1 21	Fair value EUR/m² Q1 21	Units	Lettable area m²	NRI(**) EUR m Q1 21	Rental yield (in-place rent)	Vacancy Q1 21	Vacancy Δ YoY	Q1 21 Avg. rent EUR/m²/ month	NRI Δ YoY LFL	Rever-sionary potential
Berlin	4,591	3,344	19,853	1,372,770	117.1	2.6%	1.7%	-2.0%	7.31	-2.7%	23.8%
Leipzig	480	1,887	4,746	254,601	17.8	3.7%	2.7%	-0.7%	6.09	2.4%	21.5%
Wilhelmshaven	426	1,051	6,890	405,194	25.7	6.0%	5.5%	0.9%	5.63	9.2%	10.8%
Duisburg	356	1,167	4,923	305,003	20.2	5.7%	1.6%	-0.9%	5.69	2.2%	9.1%
Wolfsburg	159	1,814	1,301	87,614	6.4	4.0%	2.7%	1.5%	6.48	-2.5%	37.2%
Göttingen	149	1,745	1,377	85,238	6.1	4.1%	1.2%	0.2%	6.12	0.3%	34.5%
Dortmund	148	1,450	1,770	102,251	7.4	5.0%	2.4%	0.4%	6.21	5.2%	16.3%
Hanover	133	2,108	1,110	63,157	5.4	4.1%	1.7%	0.4%	7.33	2.3%	24.0%
Kiel	127	1,899	970	66,699	5.7	4.5%	0.7%	0.3%	7.16	5.1%	18.4%
Düsseldorf	123	3,342	577	36,779	3.6	2.9%	2.1%	-0.4%	8.43	2.9%	22.3%
Halle (Saale)	96	909	1,858	105,892	5.8	6.0%	11.8%	1.3%	5.25	3.9%	20.6%
Essen	97	1,463	1,043	66,341	4.7	4.8%	1.2%	-1.7%	6.08	5.5%	18.7%
Cottbus	89	821	1,847	108,773	6.3	7.0%	7.7%	2.9%	5.21	7.2%	11.7%
Top 13 total	**6,974**	**2,279**	**48,265**	**3,060,312**	**232.2**	**3.3%**	**2.9%**	**-0.7%**	**6.58**	**0.6%**	**20.8%**
Other	1,564	1,164	21,447	1,344,234	85.1	5.4%	6.1%	1.4%	5.76	3.3%	17.3%
Total(*)	**8,539**	**1,939**	**69,712**	**4,404,546**	**317.2**	**3.7%**	**3.8%**	**-0.1%**	**6.34**	**1.3%**	**19.8%**

(*) All values include ground floor commercial units and exclude units under renovation and development projects. Note that the comparative values for 2020 are for illustrative purposes only and relate to the combination of ADO and ADLER Real Estate. Metrics have been computed by using weighted averages on the back of publicly available information.

(**) Annualised net rental income.

AVERAGE RESIDENTIAL IN-PLACE RENT

EUR/M²/MONTH

6.34

LIKE-FOR-LIKE RENTAL GROWTH

1.3%

In addition to our financial performance indicators, we also use the following non-financial operating performance indicators.

The vacancy rate shows the ratio of m² of vacant units in our properties to total m². Vacancy rate is used as an indicator of the current letting performance.

The in-place rent per m² provides an insight into the average rental income from the rented properties. It serves as an indicator of the current letting performance.

The like-for-like rental growth is the change rate of the net rents generated by the like-for-like residential portfolio over the last 12 months.

All of the above-described non-financial performance indicators are key drivers for the development of rental income.

The total amounts spent on maintenance and CAPEX in relation to the total lettable area of our portfolio are further operational figures to ensure an appropriate level of investment in our real estate portfolio.

Portfolio performance

Residential portfolio(*)

	31 March 2021	31 Dec 2020
Number of units	69,712	69,722
Average rent /m²/ month	EUR 6.34	EUR 6.30
Vacancy	3.8%	3.4%

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

The average rent per m² increased to EUR 6.34 in the course of the year, while the vacancy rate marginally increased to 3.8% mainly driven by seasonal effects.

Like-for-like rental growth(*)

In %	LTM(**) 31 March 2021	1 Jan – 31 Dec 2020
Like-for-like rental growth	1.3%	2.2%

(*) All values include ground floor commercial units and exclude units under renovation and development projects.
(**) Last 12 months (LTM).

The portfolio outside Berlin continues to generate a solid 3.8% like-for-like rental growth. As the Berlin rent freeze regulation has still been in effect in Q1 2021, realised like-for-like rental growth for assets in Berlin amounted to -2.7% leading to a like-for-like rental growth for the entire portfolio of 1.3%. Since the reporting date, the Federal Constitutional Court has ruled the Berlin rent freeze law unconstitutional and therefore we expect like-for-like rental growth to improve significantly for the rest of the year.

Our fully integrated active asset management is focused on rental growth and employs dedicated strategies to drive all relevant components. In units that require modernisation, we invest CAPEX to improve quality to meet today's standards and regulations. Applying the relevant regulatory framework accurately and efficiently is key to our success in maximising rental growth for our let units.

Maintenance and CAPEX

In EUR per m²	1 Jan – 31 March 2021	1 Jan – 31 Dec 2020
Maintenance	1.3	6.3
CAPEX	6.1	24.4
Total	**7.4**	**30.7**

Maintenance and CAPEX

In EUR million	1 Jan – 31 March 2021	1 Jan – 31 Dec 2020
Maintenance	6.0	30.5
CAPEX	27.4	118.4
Total	**33.5**	**148.9**

Total investment in the portfolio amounted to EUR 33.5 million resulting in the maintenance and CAPEX cost per m² in the first three months of 2021 of EUR 7.4.

Vacancy split

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

Vacancy(*)

	31 March 2021	31 Dec 2020
Total vacancy (units)	2,860	2,523
Total vacancy (m²)	169,550	149,369
Vacancy rate (top 13)	2.9%	2.3%
Total vacancy rate	3.8%	3.4%

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

VACANCY RATE

TOP 13 CITIES

2.9%

VACANCY RATE

TOTAL PORTFOLIO

3.8%

Financial Overview

Financial performance indicators

The European Public Real Estate Association (EPRA) changed its definition of net asset value (NAV) in October 2019 and it was applied for the first time in the 2020 financial year. The key figures NAV and NNNAV have been replaced by three new figures: Net Reinstatement Value (NRV), Net Tangible Asset (NTA) and Net Disposal Value (NDV).

In addition to the new EPRA NAV metrics, we continue to show EPRA NAV based on the previous EPRA Best Practice Recommendations (BPRs).

EPRA NAV represents the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value of financial derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Similarly, trading properties are adjusted to their fair value under the EPRA NAV measure.

EPRA NAV makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.

Calculation of EPRA NAV

Total equity attributable to owners of the Company

(+) Revaluation of trading properties[1)]
(–) Fair value of financial instruments[2)]
(–) Deferred taxes[3)]

= EPRA NAV

1) Difference between trading properties carried in the balance sheet at cost (IAS 2) and the fair value of those trading properties.

2) Fair value of financial instruments that are used for hedging purposes where the Company has the intention of keeping the hedge position until the end of the contractual duration.

3) For EPRA NAV and EPRA NRV: Deferred tax as per the IFRS balance sheet in respect of the difference between the fair value and the tax book value of investment property, development property held for investment, intangible assets, or other non-current investments.

For EPRA NTA: Only deferred taxes relating to the proportion of the portfolio that is intended to be held in the long-run and not sold are excluded.

The objective of the EPRA NRV measure is to highlight the value of net assets on a long-term basis. Assets and liabilities which are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Since the indicator also aims at reflecting what would be needed to recreate the Company through the investment markets based on its current capital and financing structure, related costs (such as real estate transfer taxes) are included.

Calculation of EPRA NRV

Total equity attributable to owners of the Company

(+) Revaluation of inventories[1)]
(–) Fair value of financial instruments[2)]
(–) Deferred taxes[3)]
(+) Real estate transfer tax[4)]

= EPRA NRV

4) For EPRA NRV: Real Estate Transfer Tax on investment properties is the gross value as provided in the valuation certificate (i.e. the value prior to any deduction of purchasers' costs).

For EPRA NTA: The Company has a history of successfully completing share deals; and there is a reasonable expectation that the Company can also do so in the future. Therefore, transfer tax optimisation adjustment has been used by applying the implied average transfer tax consistently achieved in the past.

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

Calculation of EPRA NTA

Total equity attributable to owners of the Company

(+) Revaluation of inventories[1)]
(–) Fair value of financial instruments[2)]
(–) Deferred taxes[3)]
(–) Goodwill
(+) Real estate transfer tax[4)]

= EPRA NTA

EPRA Net Disposal Value presents a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax. This measure should not be viewed as a "liquidation NAV" because, in many cases, fair values do not represent liquidation values.

Calculation of EPRA NDV

Total equity attributable to owners of the Company

(+) Revaluation of inventories[1)]
(–) Fair value of fixed interest rate debt[5)]
(–) Goodwill

= EPRA NDV

5) The difference between the fair value of fixed interest rate debt and book value included in the balance sheet as per IFRS.

NOI equals total revenue from the property portfolio less all reasonably necessary operating expenses. Aside from rent, a property might also generate revenue from parking and service fees. NOI is used to track the real estate portfolio's capability of generating income.

EBITDA from rental activities is an indicator of a company's financial performance and is calculated by deducting the overhead costs from NOI. It is used as a proxy to assess the recurring earning potential of the letting business.

EBITDA Total can be derived by adding the net profit from privatisations to EBITDA from rental activities. It is used to assess the recurring earning potential of the business as a whole.

In addition, we present the NOI margin from rental activities – calculated as NOI divided by net rental income, as well as EBITDA margin from rental activities – calculated as EBITDA from rental activities divided by net rental income. These metrics are useful to analyse the operational efficiency at real estate portfolio level as well as at company level.

Calculation of EBITDA (from rental activities)

Net rental income

(+)	Income from facility services and recharged utilities costs
=	**Income from rental activities**
(–)	Cost from rental activities[6)]
=	**Net operating income (NOI) from rental activities**
(–)	Overhead costs from rental activities[7)]

= EBITDA from rental activities

6) Cost from rental activities is the aggregate amount of (a) Salaries and other expenses related to rental activities; (b) Net cost of utilities recharged; and (c) Property operations and maintenance, excluding one-off costs.

7) Overhead costs from rental activities represent the "General and administrative expenses" from the profit or loss statement excluding one-off costs and depreciation and amortisation relating to rental activities. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective like impairment losses on trade receivables.

Calculation of EBITDA Total

Income from rental activities

(+)	Income from property development
(+)	Income from real estate inventories disposed of
(+)	Income from other services
(+)	Income from selling of trading properties
=	**Revenue**
(–)	Cost from rental activities[6)]
(–)	Other operational costs from development and privatisation sales[8)]
=	**Net operating income (NOI)**
(–)	Overhead costs from rental activities[7)]
(–)	Overhead costs from development and privatisation sales[9)]
(+)	Fair value gain from build-to-hold development[10)]
=	**EBITDA Total**
(–)	Net cash interest[11)]
(+/–)	Other net financial costs[12)]
(–)	Depreciation and amortisation
(+)	Change in fair value of investment properties
(+/–)	Other expenses/income[13)]
(–)	Net income from at-equity valued investment[14)]

= EBT

8) Other operational costs from development and privatisation sales is the aggregate amount of (a) Costs of real estate inventories disposed of; (b) Costs of property development; and (c) Costs of selling of trading property (condominiums).

9) Overhead costs from development and privatisation sales represent the "General and administrative expenses" from the profit or loss statement excluding one-off costs and depreciation and amortisation excluding costs relating to rental activities. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

10) Our internally developed build-to-hold portfolio allows the Company to generate fair value gain.

11) Net cash interest is equal to "Interest on other loans and borrowings", excluding day-1 fair value non-cash adjustment and interest capitalised for development projects, plus the nominal interest expense on bonds.

12) Other net financial costs is equal to the total "Net finance costs" from the profit or loss statement less "Net cash interest" as calculated in footnote 11) above.

13) Other expenses/income relates to adjustments for one-off costs which include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

14) Net income from at-equity valued investment from the profit and loss statement.

Starting with EBITDA from rental activities, we calculate the main performance figure in the sector, the FFO 1 (from rental activities). This KPI serves as an indicator of the sustained operational earnings power after cash interest expenses and current income taxes of our letting business.

Calculation of FFO 1 (from rental activities)

EBITDA from rental activities

(–)	Net cash interest relating to rental activities[15)]
(–)	Current income taxes relating to rental activities[16)]
(–)	Interest of minority shareholders[17)]

= FFO 1 (from rental activities)

15) Net cash interest relating to rental activities is equal to "Interest on other loans and borrowings" relating to rental activities, excluding day-1 fair value non-cash adjustment, plus the nominal interest expense on bonds.

16) Only current income taxes relating to rental activities.

17) Interest of minority shareholders in ADLER's subsidiary Brack Capital Properties N.V. ("BCP") as ADLER's share is only 68.8%.

Starting from EBITDA Total, we calculate FFO 2 (incl. disposal results and development activities). FFO 2 is used to indicate the total operational earnings power.

Calculation of FFO 2 (incl. disposal results and development activities)

EBITDA Total

(–)	Net cash interest[11)]
(–)	Current income taxes[18)]
(–)	Interest of minority shareholders[17)]

= FFO 2 (incl. disposal results and development activities)

18) Current income taxes as presented in the financial statements exclude the deferred taxes and current taxes relating to the disposal of the non-core portfolio.

The loan-to-value ratio (LTV ratio) indicates the degree to which the net financial liabilities, calculated as the book value of the interest-bearing loans, bonds and other financial liabilities less cash and cash equivalents, are covered by the fair market value of the real estate portfolio. This indicator helps us to ensure a sustainable ratio of borrowings compared to the fair value of our real estate portfolio.

The LTV ratio was adjusted to align with the methodology of ADLER Real Estate AG and in this regard the comparative figures for the previous period were also adjusted. The net financial liabilities are adjusted for selected financial assets like purchase price receivables, granted loans and bonds held. The fair value of the properties is adjusted for property, plant and equipment used for energy management services and for investments in real estate companies.

Calculation of LTV

Bonds, other loans and borrowings and other financial liabilities

(+)	Convertible bonds
(–)	Cash and cash equivalents
(–)	Selected financial assets[19)]
(–)	Contract assets
(–)	Assets and liabilities classified as held for sale
=	**Net financial liabilities**
(+)	Fair value of properties[20)]
(+)	Investment in real estate companies[21)]
=	**GAV (Gross Asset Value)**

= Loan-to-value ratio (LTV ratio)

19) Including financial receivables, trade receivables from the sale of real estate investment and other financial assets.

20) Including investment properties and inventories at their fair value, advances paid in respect of investment properties and trading properties as well as property, plant and equipment used for energy management services at its book value as at the reporting date.

21) Including investment in financial instruments and investments in associated companies from the consolidated financial statements.

We believe that the alternative performance measures described in this section constitute the most important indicators for measuring the operating and financial performance of the Group's business.

We expect all of the above-described alternative performance measures to be of use for our investors in evaluating the Group's operating performance, the net value of the Group's property portfolio, the level of the Group's indebtedness and of cash flow generated by the Group's business.

Due to rounding, the figures reported in tables and cross-references may deviate from their exact values as calculated.

Profit situation

At the beginning of the second quarter of 2020, the Adler Group gained control of ADLER and its subsidiaries and consolidated the company and its subsidiaries for the first time. At the beginning of the third quarter of 2020, the Adler Group gained control of Consus and its subsidiaries and consolidated the company and its subsidiaries for the first time. A comparison with the previous year's figures is therefore only possible to a limited extent.

Following the consolidation of ADLER at the beginning of the second quarter 2020 and the consolidation of Consus at the beginning of the third quarter 2020, revenue for the first quarter 2021 has increased significantly compared to the same period last year. Disposals of non-core assets and the "Mietendeckel" (Berlin rent freeze) had an offsetting effect.

Income from rental activities and EBITDA from rental activities increased significantly year-on-year due to the first-time consolidation of ADLER.

At 31 March 2021 the net interest-bearing debt amounted to around EUR 7.6 billion. As at Q1 2021, our average interest rate on all outstanding debt is 2.58%, with a weighted average maturity of 4.3 years. The weighted average cost of debt on Consus side is around 6.18% with an average maturity of 2.2 years.

The increase in "Other net financial costs" relates to the first-time consolidation of Consus into the Group's financial statements.

INCOME FROM RENTAL ACTIVITIES

EUR

112.4

million

EBITDA

EBITDA from rental activities

	For the three months ended		For the year ended
In EUR thousand	**31 March 2021**	**31 March 2020**	**31 Dec 2020**
Net rental income	84,348	27,904	293,387
Income from facility services and recharged utilities costs	28,059	1,530	90,519
Income from rental activities	**112,407**	**29,434**	**383,906**
Cost from rental activities	(44,628)	(6,389)	(153,274)
Net operating income (NOI) from rental activities	**67,779**	**23,045**	**230,633**
NOI from rental activities margin (%)	**80.4%**	**82.6%**	**78.6%**
Overhead costs from rental activities	(13,565)	(5,339)	(43,619)
EBITDA from rental activities	**54,215**	**17,706**	**187,014**
EBITDA margin from rental activities (%)	**64.3%**	**63.5%**	**63.7%**

EBITDA Total

	For the three months ended		For the year ended
In EUR thousand	**31 March 2021**	**31 March 2020**	**31 Dec 2020**
Income from rental activities	112,407	29,434	383,906
Income from property development	45,570	-	134,634
Income from other services	6,051	-	14,893
Income from real estate inventory disposed of	-	-	218,667
Income from sale of trading properties	1,940	2,188	6,637
Revenue	**165,968**	**31,622**	**758,737**
Cost from rental activities	(44,628)	(6,389)	(153,274)
Other operational costs from development and privatisation sales	(40,502)	(1,401)	(330,162)
Net operating income (NOI)	**80,838**	**23,832**	**275,302**
Overhead costs from rental activities	(13,565)	(5,339)	(43,619)
Overhead costs from development and privatisation sales	(7,121)	(74)	(24,114)
Fair value gain from build-to-hold development	-	-	39,780
EBITDA Total	**60,153**	**18,419**	**247,349**
Net cash interest	(31,809)	(5,705)	(101,954)
Other net financial costs	(27,090)	17,923	(88,112)
Depreciation and amortisation	(3,841)	(365)	(11,304)
Other income/expenses	(16,986)	-	(65,667)
Change in valuation	200,895	-	373,895
Net income from at-equity valued investments	-	-	(5,666)
EBT	**181,322**	**30,272**	**348,542**

FFO

FFO 1 (from rental activities)

In EUR thousand	For the three months ended 31 March 2021	For the three months ended 31 March 2020	For the year ended 31 Dec 2020
EBITDA from rental activities	54,215	17,706	187,014
Net cash interest	(18,981)	(5,705)	(70,157)
Current income taxes	(947)	(544)	(3,648)
Interest of minority shareholders	(1,960)	-	(6,080)
FFO 1 (from rental activities)	**32,327**	**11,457**	**107,128**
No. of shares(*)	117,510	44,195	79,771
FFO 1 per share	**0.28**	**0.26**	**1.34**

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

FFO 2

In EUR thousand	For the three months ended 31 March 2021	For the three months ended 31 March 2020	For the year ended 31 Dec 2020
EBITDA total	60,153	18,419	247,349
Net cash interest	(31,809)	(5,705)	(101,954)
Current income taxes	(4,776)	(544)	(12,660)
Interest of minority shareholders	(1,960)	-	(6,080)
FFO 2	**21,608**	**12,170**	**126,654**
No. of shares(*)	117,510	44,195	79,771
FFO 2 per share	**0.18**	**0.28**	**1.59**

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

FFO 1

EUR

32.3

million

Financial and asset position

The Group's total assets increased by EUR 458 million compared to 31 December 2020, rising from EUR 14.8 billion to EUR 15.3 billion as of 31 March 2021. The Company will update the fair value of the investment properties based on a third-party valuation in the next quarterly report.

Financial position

In EUR thousand	31 March 2021	31 Dec 2020
Investment properties and advances related to investment properties	10,338,757	10,110,842
Other non-current assets	1,750,481	1,839,086
Non-current assets	**12,089,238**	**11,949,928**
Cash and cash deposits	739,508	371,574
Inventories	1,285,379	1,254,460
Other current assets	1,079,795	1,122,316
Current assets	**3,104,682**	**2,748,350**
Non-current assets held for sale	**102,561**	**139,361**
Total assets	**15,296,481**	**14,837,639**
Interest-bearing debts	8,348,181	7,965,429
Other liabilities	903,647	994,171
Deferred tax liabilities	979,057	933,226
Liabilities classified as available for sale	**25,721**	**27,271**
Total liabilities	**10,256,606**	**9,920,097**
Total equity attibutable to owner of the company	**4,286,014**	**4,145,531**
Non-controlling interests	753,861	772,011
Total equity	**5,039,875**	**4,917,542**
Total equity and liabilities	**15,296,481**	**14,837,639**

In the tables below we present the new EPRA key figures as presented in the new EPRA BPRs and compare them with the previous EPRA NAV definition.

EPRA NAVs

31 March 2021

In EUR thousand	NAV	NRV	NTA	NDV
Total equity attributable to owners of the Company	4,286,014	4,286,014	4,286,014	4,286,014
Revaluation of inventories	60,992	60,992	60,992	60,992
Deferred tax	1,050,034	1,050,034	917,212	-
Goodwill	-	-	(1,135,049)	(1,135,049)
Fair value of financial instruments	4,511	4,511	4,511	-
Fair value of fixed interest rate debt	-	-	-	(237,846)
Real estate transfer tax	-	836,520	589,194	-
EPRA NAV	**5,401,552**	**6,238,072**	**4,722,874**	**2,974,111**
No. of shares	117,510	117,510	117,510	117,510
EPRA NAV per share	**45.97**	**53.09**	**40.19**	**25.31**
Convertibles	97,963	97,963	97,963	97,963
EPRA NAV fully diluted	**5,499,515**	**6,336,035**	**4,820,838**	**3,072,074**
No. of shares (diluted)	119,427	119,427	119,427	119,427
EPRA NAV per share fully diluted	**46.05**	**53.05**	**40.37**	**25.72**

EPRA NAVs

31 Dec 2020

In EUR thousand	NAV	NRV	NTA	NDV
Total equity attributable to owners of the Company	4,145,531	4,145,531	4,145,531	4,145,531
Revaluation of inventories	52,160	52,160	52,160	52,160
Deferred tax	1,010,868	1,010,868	868,304	-
Goodwill	-	-	(1,204,934)	(1,204,934)
Fair value of financial instruments	5,315	5,315	5,315	-
Fair value of fixed interest rate debt	-	-	-	(328,791)
Real estate transfer tax	-	823,284	576,483	-
EPRA NAV	**5,213,874**	**6,037,159**	**4,442,583**	**2,663,966**
No. of shares	117,510	117,510	117,510	117,510
EPRA NAV per share	**44.37**	**51.38**	**37.81**	**22.67**
Convertibles	97,623	97,623	97,623	97,623
EPRA NAV fully diluted	**5,311,497**	**6,134,782**	**4,540,205**	**2,761,588**
No. of shares (diluted)	119,427	119,427	119,427	119,427
EPRA NAV per share fully diluted	**44.47**	**51.37**	**38.02**	**23.12**

Loan-to-Value

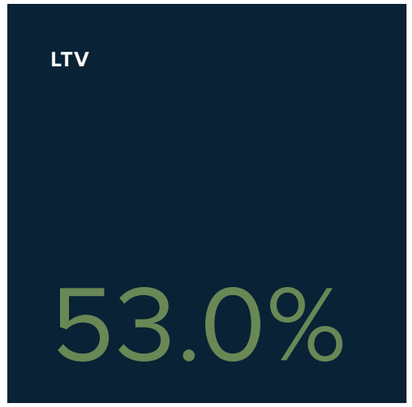
We fund our properties based on a conservative financing strategy with a mix of secured mortgage loans and capital market instruments.

In EUR thousand	31 March 2021	31 Dec 2020
Corporate bonds, other loans and borrowings and other financial liabilities	8,035,940	7,653,457
Convertible bonds	312,241	311,972
Cash and cash equivalents	(739,508)	(371,574)
Selected financial assets(*)	(1,123,961)	(1,194,587)
Net contract assets	(157,110)	(136,606)
Assets and liabilities classified as held for sale	(76,840)	(112,090)
Net financial liabilities	**6,250,762**	**6,150,293**
Fair value of properties (including advances)	11,698,245	11,430,611
Investment in real estate companies	84,816	84,816
Gross asset value (GAV)	**11,783,061**	**11,515,427**
Net Loan-to-Value	**53.0%**	**53.4%**
Net Loan-to-Value excluding convertibles	**50.4%**	**50.7%**

(*) Including financial receivables (EUR 578 million), trade receivables from the sale of real estate investment (EUR 259 million) and other financial assets (EUR 287 million).

For the LTV calculation, the net financial liabilities are adjusted for selected financial assets like purchase price receivables, among others. The fair value of the properties is adjusted for property, plant and equipment used for energy management services and for investments in real estate companies.

As at the reporting date, our net loan-to-value (LTV) was 53.0%.



2 | INTERIM MANAGEMENT REPORT
Material Events in the Reporting Period and Subsequent Events

Material Events in the Reporting Period and Subsequent Events

A. On 30 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of the coronavirus. Since 11 March 2020, the WHO has classified the spread of the coronavirus as a pandemic.

As at 25 March 2020, the Federal Government issued a legislative package to mitigate the consequences of the coronavirus which also affects rental and lease agreements. The landlord was not entitled to terminate a contract solely on account of a default of payment by the tenant in the period between 1 April to 30 June 2020 if the default was due to the effects of the pandemic and the tenant could provide credible evidence of the connection between the pandemic and the delay in payment. The Federal Government did not extend these regulations from 1 July 2020 onwards.

Adler Group is continuously assessing the impact of Covid-19. The valuation of the investment properties, financial assets and financial liabilities as at 31 March 2021 as disclosed in these consolidated interim financial statements reflects the economic conditions in existence at that date. The Company does not expect the crisis to have any material impact on the rental income. In Germany, the rents are still continuing to rise and the demand for living space is increasing as well. This leads to a very low risk of losing tenants and a high occupancy rate due to a change in the general condition of the residential markets. In addition, in case the Company will have to deal with deferral of rental income, the Company has sufficient sources to fund its operating continuity.

B. On 7 January 2021 Consus, a 94% subsidiary of the Group, successfully completed the disposal of 24 non-strategic projects. Together with proceeds received from the successful closing of the disposal of approximately 5,000 residential units as announced in September 2020, the Group generated total proceeds in the amount of EUR 850 million. These proceeds were used by Consus to repay existing debt to further smoothen the maturity profile and to reduce the average cost of debt.

C. On 8 January 2021, the Group successfully placed EUR 1.5 billion fixed rate senior unsecured notes comprising two tranches, a EUR 700 million 5-year maturity with a 1.875% fixed coupon and a EUR 800 million 8-year maturity with a 2.25% fixed coupon. The proceeds of the issue were used to repay existing indebtedness, to further smoothen and extend the Group's debt maturity profile and to take a next step towards achieving the targeted financial synergies. The Notes are rated BB+ with S&P. Subsequent to the placement, the Group redeemed approximately EUR 329 million of ADLER Real Estate AG's EUR 500 million bond due in December 2021.

D. In January 2021, BCP, a subsidiary of the Group signed a refinancing agreement with a German banking corporation for a loan of approximately EUR 100.5 million. The loan bears an average annual interest rate of approximately 1.41% with maturity date in June 2023.

E. In January 2021, the outstanding amount under the bridge loan facility agreement (outstanding volume as at 31 December 2020: EUR 371 million) has been repaid. At the same time the bridge loan facility agreement was cancelled.

F. Upon entry into the commercial register on 23 February 2021, the debt-to-equity swap agreement concluded in 2020 became legally effective. As a result, the Group's share in ADLER Real Estate Aktiengesellschaft increased from approximately 95.0% to 96.6%. In the course of this transaction, Adler Group S.A. acquired 35,107,487 additional ADLER shares against contribution in kind of EUR 478 million. Due to the consolidation of ADLER, the step up did not have an impact on the Group's assets and liabilities. However, the Group adjusted the carrying amounts of the controlling and non-controlling interests to reflect the changes in the relative interests in the subsidiary accordingly, which resulted in a gain of EUR 24.9 million, recognised directly in equity (share premium).

G. On 4 March 2021, Adler Group S.A. announced the launch of a tender for the mandate to audit its stand-alone and consolidated financial statements for the financial year 2021.

H. On 15 March 2021, the Company signed a EUR 300 million syndicated revolving credit facility with JP Morgan, Deutsche Bank and Barclays as lenders for a 3-year term with two extension options, each for one year. At the same time the 3 bilateral RCFs with the same lenders were terminated. At the time of the approval of these consolidated interim financial statements, no amounts were borrowed under the RCF.

I. In March 2021, Westgrund, a subsidiary of the Group, raised a secured loan of EUR 400 million with a 7-year term and a fixed interest rate of 1.6%, replacing the current outstanding loan of EUR 191 million due in December 2021.

J. In March 2021, the Group raised a secured banking loan of EUR 100 million through an existing credit facility. The loan has an interest rate of 1.25% p.a. and a maturity term to 2028.

K. On 16 April 2021, The Federal Constitutional Court in Karlsruhe has ruled that Berlin's rent freeze is unconstitutional, thus declaring the highly controversial Act on Rent Restrictions in the Housing Sector in Berlin (MietenWoG Bln) to be incompatible with Basic Law and therefore null and void. In the opinion of the Second Senate of the Federal Constitutional Court, the state of Berlin had no right to limit rent levels by means of a so-called "rent freeze" in the German capital due to a lack of legislative competence, as the federal legislation had exhaustively regulated rent law in the German Civil Code (BGB). The Adler Group will offer its tenants individual solutions for repayments.

L. The Board of Directors continues proceedings to potentially conclude a domination agreement between Adler Group, as the controlling entity, and its subsidiaries, Consus and ADLER, as the controlled entities, (the "Domination Agreement") in order to facilitate the integration of the acquirees into the Group.

M. On 21 April 2021, Adler Group S.A. successfully placed a EUR 500 million fixed rate senior unsecured notes with a 6-year maturity and a 2.25% fixed coupon under its newly established EMTN programme. The notes were placed with institutional investors across Europe with a total order book of EUR 1.1 billion. The proceeds of the is-

sue of the notes were used to redeem the EUR 450 million 9.625% high-yield bond issued by Consus Real Estate AG. In addition to the announced EUR 93.8 million run-rate financial synergies which were realised as at 31 March 2021, this refinancing will enable Adler Group to realise a further EUR 33 million of annualised financial synergies. It will have a positive impact on all debt KPIs, including average cost of debt, which is expected to come down to 2.2% as well as on extending the debt maturity profile to 4.5 years. The notes are rated BB+ with S&P, driven by the strong recovery rating of the bonds and influenced by the ADLER Group's valuable asset base.

N. The squeeze out of minority sharehlders of WESTGRUND Aktiengesellschaft has been initiated and is expected to be completed in the second half of 2021. The squeeze out marks an important milestone on the way to further simplifying and harmonising the Group structure.

Forecast Report

Forecast for 2021

For 2021, we are expecting to generate NRI in the range of EUR 325-339 million and FFO 1 in the range of EUR 127-133 million as 2021 will also be the first year that includes both ADLER Real Estate and Consus Real Estate on a full year basis.

For 2021, we anticipate a dividend payout ratio of up to 50% of FFO 1.

Responsibility Statement

We confirm, to the best of our knowledge, that the Condensed Interim Financial Statements of Adler Group S.A. presented in these Q1 Quarterly Financial Statements 2021, prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the net assets, financial and earnings position of the Company, and that the Interim Management Report includes a fair review of the development of the business, and describes the main opportunities, risks and uncertainties associated with the Company for the remaining nine months of the year.

Maximilian Rienecker
CO-CHIEF EXECUTIVE OFFICER

Thierry Beaudemoulin
CO-CHIEF EXECUTIVE OFFICER

Condensed Consolidated Interim Financial Statements

3 Condensed Consolidated Interim Financial Statements

Condensed Consolidated Interim Statement of Financial Position

In EUR thousand	31 March 2021	31 Dec 2020
Assets		
Non current assets		
Investment properties	10,336,739	10,108,888
Investments in financial instruments	23,222	23,219
Investments accounted under the equity method	84,816	84,816
Advances related to investment properties	2,018	1,954
Property, plant and equipment	36,847	36,663
Other financial assets	408,762	416,207
Restricted bank deposits	25,012	34,587
Deferred expenses	491	342
Right-of-use assets	17,078	17,858
Goodwill	1,135,049	1,204,934
Other intangible assets	4,207	4,538
Contract assets	8,597	8,044
Deferred tax assets	6,400	7,878
Total non-current assets	**12,089,238**	**11,949,928**
Current assets		
Inventories	1,285,379	1,254,460
Restricted bank deposits	48,034	62,633
Trade receivables	372,481	424,998
Other receivables	491,941	477,248
Contract assets	165,731	154,432
Cash and cash equivalents	739,508	371,574
Advances paid on inventories	1,608	3,005
Total current assets	**3,104,682**	**2,748,350**
Non-current assets held for sale	102,561	139,361
Total assets	**15,296,481**	**14,837,639**

In EUR thousand	31 March 2021	31 Dec 2020
Shareholders' equity		
Share capital	146	146
Share premium	1,917,083	1,892,145
Treasury shares	-	-
Reserves	198,522	197,551
Retained earnings	2,170,263	2,055,689
Total equity attributable to owners of the Company	**4,286,014**	**4,145,531**
Non-controlling interests	**753,861**	**772,011**
Total equity	**5,039,875**	**4,917,542**
Liabilities		
Non-current liabilities		
Corporate bonds	4,665,915	3,216,058
Convertible bonds	212,185	212,485
Other loans and borrowings	2,792,729	2,658,653
Other financial liabilities	23,965	38,878
Derivatives	9,158	20,848
Pension provisions	1,831	1,817
Lease liabilities	21,774	25,714
Other payables	11,945	11,905
Contract liabilities	-	-
Deferred tax liabilities	979,057	933,226
Total non-current liabilities	**8,718,559**	**7,119,584**
Current liabilities		
Corporate bonds	196,076	512,904
Convertible bonds	100,056	99,487
Other loans and borrowings	381,220	1,265,842
Other financial liabilities	1,797	1,915
Trade payables	86,015	118,610
Other payables	413,343	440,842
Lease liabilities	7,753	8,019
Prepayments received	308,510	299,361
Contract liabilities	17,218	25,870
Derivatives	338	392
Total current liabilities	**1,512,326**	**2,773,242**
Non-current liabilities held for sale	25,721	27,271
Total shareholders' equity and liabilities	**15,296,481**	**14,837,639**

Maximilian Rienecker
CO-CHIEF EXECUTIVE OFFICER

Thierry Beaudemoulin
CO-CHIEF EXECUTIVE OFFICER

Date of approval: 27 May 2021

Condensed Consolidated Interim Statement of Profit or Loss

	For the three months ended 31 March	
In EUR thousand	**2021**	**2020**
Revenue	165,968	31,622
Cost of operations	(92,639)	(7,790)
Gross profit	**73,329**	**23,832**
General and administrative expenses	(33,400)	(6,236)
Other expenses	(4,447)	(6,052)
Other income	3,844	6,800
Changes in fair value of investment properties	200,895	-
Results from operating activities	**240,221**	**18,344**
Finance income	22,403	2,010
Finance costs	(81,302)	(25,354)
Net finance income / (costs)	**(58,899)**	**(23,344)**
Net income (losses) from investments in associated companies	-	-
Profit / (loss) before tax	**181,322**	**(5,000)**
Income tax benefit (expense)	(40,986)	2,023
Profit / (loss) for the period	**140,336**	**(2,977)**
Profit / (loss) attributable to:		
Owners of the Company	114,385	(1,630)
Non-controlling interests	25,951	(1,347)
Profit / (loss) for the period	**140,336**	**(2,977)**
Earnings per share in EUR (undiluted)	**0.97**	**(0.04)**
Earnings per share in EUR (diluted)	**0.97**	**(0.04)**

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Condensed Consolidated Interim Statement of Comprehensive Income

	For the three months ended 31 March	
In EUR thousand	**2021**	**2020**
Profit / (loss) for the period	**140,336**	**(2,977)**
Items that may be reclassified subsequently to profit or loss		
Hedging reserve classified to profit or loss, net of tax	95	-
Effective portion of changes in fair value of cash flow hedges	172	54
Related tax	62	(7)
Currency translation reserve	1,979	-
Reserve from financial assets measured at fair value through other comprehensive income	(1,337)	-
Items that may not be reclassified subsequently to profit or loss		
Reserve from financial assets measured at fair value through other comprehensive income	-	(72,701)
Total other comprehensive income / (loss)	**971**	**(72,654)**
Total comprehensive income / (loss) for the period	**141,307**	**(75,631)**
attributable to:		
Owners of the Company	115,356	(74,284)
Non-controlling interests	25,951	(1,347)
Total comprehensive income/(loss) for the period	**141,307**	**(75,631)**

3 | CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Condensed Consolidated Interim Statement of Cash Flows

Condensed Consolidated Interim Statement of Cash Flows

	For the three months ended 31 March	
In EUR thousand	**2021**	**2020**
Cash flows from operating activities		
Profit / (loss) for the period	140,336	(2,977)
Adjustments for:		
Depreciation	3,866	375
Change in fair value of investment properties	(200,895)	-
Non-cash other income and expense	3,748	-
Change in contract assets	(11,852)	-
Change in contract liabilities	(8,652)	-
Net finance costs / (income)	58,899	23,344
Income tax expense	40,986	(2,023)
Share-based payments	189	63
Change in short-term restricted bank deposits related to tenants	1,473	(245)
Change in long-term restricted bank deposits from condominium sales	1,880	(4,892)
Change in trade receivables	114,853	(814)
Change in other receivables	9,603	(2,135)
Change in inventories	(30,919)	756
Change in advances received	9,149	-
Change in trade payables	(87,239)	1,774
Change in other payables	(19,410)	(8,341)
Income tax paid	(2,832)	21
Net cash from operating activities	**23,183**	**4,906**
Cash flows from investing activities		
Purchase of and CAPEX on investment properties	(69,600)	(2,540)
Advances paid for purchase of investment properties	-	6,300
Grant of long-term loans	(3,705)	(43,542)
Proceeds from disposals of investment properties	141,464	-
Investments in financial instruments	(60,283)	(40,159)
Purchase of and CAPEX on property, plant and equipment	(708)	(66)

	For the three months ended 31 March	
In EUR thousand	**2021**	**2020**
Interest received	1	18
Proceeds from sale of fixed assets	611	-
Acquisition of other investments	-	(50,000)
Change in short-term restricted bank deposits, net	4,865	4,076
Net cash from (used in) investing activities	**12,645**	**(125,913)**
Cash flows from financing activities		
Acquisition of non-controlling interests	(19,161)	-
Repayment of bonds	(329,580)	-
Long-term loans received	614,181	-
Repayment of long-term loans	(1,243,716)	(2,703)
Proceeds from issuance of corporate bonds, net	1,460,938	-
Short-term loans received	-	175,000
Upfront fees paid for credit facilities	(28)	(168)
Repayment of short-term loans	(54,765)	-
Interest paid	(73,342)	(3,266)
Payment of lease liabilities	(2,463)	(209)
Tax payments	(15,360)	-
Issuance costs	-	(4,065)
Transaction costs	(3,734)	-
Prepaid costs of raising debt	(864)	(17,418)
Net cash from (used in) financing activities	**332,106**	**147,171**
Change in cash and cash equivalents during the period	**367,934**	**26,164**
Cash and cash equivalents at the beginning of the period	**371,574**	**387,558**
Cash and cash equivalents at the end of the period	**739,508**	**413,722**

Condensed Consolidated Interim Statement of Changes in Equity

In EUR thousand	Share capital	Share premium	Hedging Reserve	Reserve for currency translation	Capital reserve from transaction with controlling shareholder	Reserve financial asset measured at fair value through other comprehensive income	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2021	**146**	**1,892,144**	**(372)**	**(3,560)**	**315,746**	**(114,263)**	**2,055,689**	**4,145,530**	**772,010**	**4,917,540**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	114,385	114,385	25,951	140,336
Other comprehensive income / (loss), net of tax	-	-	330	1,979	-	(1,338)	-	971	-	971
Total comprehensive income / (loss) for the period	**-**	**-**	**330**	**1,979**	**-**	**(1,338)**	**114,385**	**115,355**	**25,951**	**141,307**
Transactions with owners, recognised directly in equity										
Change relating to business combination ADLER	-	-	-	-	-	-	-	-	-	-
Change relating to business combination Consus	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares, net	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest without a change of control	-	24,939	-	-	-	-	-	24,939	(44,100)	(19,161)
Change in consolidation scope related to sale	-	-	-	-	-	-	-	-	-	-
Changes in put option	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	189	189	-	189
Balance as at 31 March 2021	**146**	**1,917,083**	**(42)**	**(1,581)**	**315,746**	**(115,601)**	**2,170,263**	**4,286,014**	**753,861**	**5,039,875**

In EUR thousand	Share capital	Share premium	Hedging Reserve	Capital reserve from transaction with controlling shareholder	Reserve financial asset measured at fair value through other comprehensive income	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2020	**55**	**500,608**	**(850)**	**319,044**	**(67,510)**	**1,895,445**	**2,646,792**	**51,653**	**2,698,445**
Total comprehensive income for the period									
Loss for the period	-	-	-	-	-	(1,630)	(1,630)	(1,347)	(2,977)
Other comprehensive income / (loss), net of tax	-	-	47	-	(72,701)	-	(72,654)	-	(72,654)
Total comprehensive income / (loss) for the period	**-**	**-**	**47**	**-**	**(72,701)**	**(1,630)**	**(74,284)**	**(1,347)**	**(75,631)**
Transactions with owners, recognised directly in equity									
Issuance of ordinary shares, net	-	-	-	-	-	-	-	-	-
Changes in put option	-	-	-	(3,298)	-	-	(3,298)	48,715	45,417
Dividend distributed	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	63	63	-	63
Balance as at 31 March 2020	**55**	**500,608**	**(803)**	**315,746**	**(140,211)**	**1,893,877**	**2,569,273**	**99,021**	**2,668,294**

Financial Calendar 2021

For Financial Calendar dates 2021 please visit

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QUARTERLY FINANCIAL STATEMENTS 2021