

QUARTERLY STATEMENT Q1

AS AT 31 MARCH 2023

/// KEY FIGURES

In EUR millions		
Consolidated Statement of Income	3M 2023	3M 2022
Net rental income	28.1	41.1
Earnings from property lettings	27.7	31.7
Earnings from the sale of properties	-0.0	-1.3
EBIT	3.7	-0.8
Consolidated net profit	5.2	-44.7
FFO I	11.0	11.0
FFO I per share in EUR (fully diluted) ¹⁾	0.10	0.10
Consolidated Balance Sheet	31.03.2023²⁾	31.12.2022²⁾
Investment Properties (including inventories)	3,046.1	3,162.5
EPRA NRV (adjusted and fully diluted)	1,757.5	1,977.2
EPRA NRV per share in EUR (adjusted and fully diluted) ¹⁾	14.41	18.07
EPRA Loan-to-value in %	50.3	50.2
WACD	2.3	2.2
Cashflow	3M 2023	3M 2022
Net cash flow from operating activities	1.7	-23.3
Net cash flow from investing activities	6.7	646.5
Net cash flow from financing activities	-22.9	-194.1
Employees	31.03.2023	31.12.2022
Number of employees	280	285
FTEs (Full-time equivalents)	266	269
Portfolio³⁾	31.03.2023	31.03.2022
Portfolio (units)	11,496	10,010
– of which residential	11,220	9,833
– of which commercial	276	177
Average rent (EUR /month/sqm)	7.09	6.97
Vacancy rate (%)	2.0	2.3
Fair value investment properties incl. inventories (EUR m)	1,869	1,681
Net rental income (EUR m)	61.8	52.0

¹⁾ Based on the number of shares outstanding as at balance sheet date

²⁾ Pro forma calculation on assumption that subgroup Brack Capital Properties (BCP) was not treated as held for sale

³⁾ Not including those rental units which have been regrouped to the balance sheet position „Non-current assets held for sale“

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/// PORTFOLIO

THE PROPERTY PORTFOLIO

At the end of the first quarter of 2023, ADLER Real Estate AG (hereinafter ADLER) held a total of 11,496 rental units that are intended to be held permanently and are therefore recognised in the balance sheet as investment properties. They are mainly located in North Rhine-Westphalia and Berlin and comprise a total area of 746,200 square metres. The 12,000 units of the subsidiary Brack Capital Properties NV ((hereinafter BCP) continue to be contained in the balance sheet item "Non-current assets held for sale" due to the ongoing efforts to sell the portfolio.

The operational performance data for the portfolio consisting of the investment properties was as follows in the first quarter of 2023: The contracted rent/square metre/month averaged EUR 7.09 at the end of the reporting period, and the vacancy rate (excluding units under renovation) reached 2.0 percent.

The fair value of the total portfolio, calculated according to IFRS, amounted to EUR 1,847.3 million at the end of the first quarter of 2023.

/// 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 as Adler Group S.A. (hereinafter ADLER Group) holds around 97.0 percent of ADLER's shares. Brokerage houses no longer issue reports on ADLER. Nevertheless, after an initial sharp drop, the share gained around 3 per cent in value in the course of the first three months of 2023 and thus performed much better than the Solactive DIMAX sector index, which comprises the major listed real estate companies in Germany and lost around 16 per cent of its value in this period. The share outperformed the sector mainly due to the announcement by ADLER Group to offer the remaining minority shareholders a cash settlement of EUR 8.76 per share as part of the intended squeeze-out.

Because the financing required for all Adler Group companies is handled centrally, ADLER has not been actively involved in the capital markets ever since its acquisition by Adler Group. Investor relations activities have been reduced correspondingly. However, ADLER continues to meet its obligations as a listed company, which include quarterly reporting.

/// INTERIM GROUP MANAGEMENT REPORT
/// FUNDAMENTALS OF ADLER REAL ESTATE AG GROUP
/// ECONOMIC REPORT
/// REPORT ON RISKS AND OPPORTUNITIES
/// REPORT ON EXPECTED DEVELOPMENTS
/// REPORT ON EVENTS AFTER THE BALANCE SHEET DATE
/// RESULTS FROM OPERATIONS, NET ASSETS
AND FINANCIAL POSITION

/// GROUP FUNDAMENTALS

BUSINESS MODEL

ADLER Real Estate (hereinafter ADLER) is a German residential property companies with a focus on affordable housing. Its portfolio is primarily located in – or on the outskirts of – large and growing conurbations. All of the Group's properties and business operations are located in Germany.

The business model is the long-term letting of flats and the generation of sustainable cash flows. To secure long-term profitability, ADLER opportunistically adjusts its residential portfolio through acquisitions and disposals.

All main functions relating to property management are carried out through the staff of Adler Group, of which ADLER is part of since the middle of 2020. The daily management of the portfolio lies in the hands of group companies like ADLER Wohnen Service GmbH, ADLER Gebaeude Service GmbH and ADLER Energie Service GmbH. The portfolio of Brack Capital Properties N.V. (hereinafter BCP) is managed by RT Facility Management GmbH, a company belonging to BCP.

Residential real estate portfolio

The portfolio of ADLER is largely composed of small to medium-sized residential units. The flats 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. In order to maintain and improve the quality of its residential units, ADLER regularly invests accordingly.

Acquisition strategy

Following its integration into the Adler Group, ADLER no longer pursues its former independent acquisition strategy but instead follows the overall strategy of the new Group. The portfolio is reviewed regularly as part of the portfolio optimization process.

Financing strategy

Following its integration into the Adler Group, ADLER has ceased to pursue an independent financing strategy, but rather is subject to decisions taken by the new Group. The same is true for the accompanying risk management.

MANAGEMENT SYSTEM

Financial performance indicators

The main financial performance indicators used by ADLER are the net rental income and the funds from operations I (FFO I). EPRA net reinstatement value (EPRA NRV) and EPRA loan-to-value (EPRA-LTV) play a secondary role due - amongst others - to the integration into the Adler Group.

Non-financial performance indicators

Numerous non-financial performance indicators are regularly monitored within the Group's property management activities, some of which 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 Real Estate AG 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.

RESEARCH AND DEVELOPMENT

As a real estate group, ADLER does not perform any research and development functions in the traditional sense. However, insights from regular market analyses form an important basis for all of the company's and Group's operating activities.

/// ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC SETTINGS

In the first quarter of 2023, the German economy stagnated. Compared to the corresponding quarter of the previous year, the gross domestic product decreased by 0.1 percent, adjusted for price and calendar effects. The unemployment rate reached 5.7 percent in March 2023, about 0.6 percentage point higher than a year earlier. At the same time, the inflation rate stayed high reaching 7.4 percent – mainly due to higher prices for food, products and services. The real estate sector proved to be a stabilising factor, as rents only increased by 2.1 percent in the first three months of 2023 according to the cost of living index.

Legal framework

All homeowners in Germany are addressed by the amendment to the Building Energy Act, which was presented by the federal government in April 2023 and has been the subject of intense debate both in the political arena and among the general public. In its original version, it stipulates that from 2024, new heating systems should be powered by renewable energies to at least 65 percent. From 2045 onwards, heating systems may no longer be operated with fossil fuels. However, there are indications that the governing parties of the current coalition have not yet agreed on all the contents, nor on state subsidies for the conversion, possible transition periods or the cushioning of social hardship. Therefore, it is not yet clear whether the amendment will actually come into force in 2024.

ECONOMIC DEVELOPMENT OF ADLER REAL ESTATE

On January 9, 2023 the Local Court (Amtsgericht) Berlin Charlottenburg appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as auditor for the audit of ADLER Real Estate Aktiengesellschaft's stand-alone and consolidated financial statements for the financial year 2022.

On January 11, 2023, KPMG AG Wirtschaftsprüfungsgesellschaft rejected the judicial appointment as auditor for the audit of the stand-alone and consolidated financial statements for the financial year 2022 of ADLER Real Estate AG.

On January 12, 2023, the Adler Group agreed with the majority of the bondholders to initiate a restructuring proceedings under English law. For this purpose, ADLER Group founded a wholly owned subsidiary (AGPS BondCo PLC, London) and appointed it as the new issuer and principal debtor of all liabilities arising from the bonds issued by ADLER Group. As stipulated in the bond terms and conditions for this case, ADLER Group irrevocably and unconditionally guarantees to the bondholders that all liabilities transferred to AGPS BondCo PLC will be fulfilled. AGPS BondCo PLC has subsequently initiated court proceedings for the approval of a restructuring plan, according to which amendments to the bond terms are to be made.

On March 17, 2023 Adler Group S.A. confirmed its formal request of 23 June 2022 regarding the transfer of the shares of the minority shareholders of ADLER Real Estate Aktiengesellschaft to Adler Group and specified the cash settlement at EUR 8.76 per ADLER Real Estate Aktiengesellschaft share. The resolution on the transfer is on the agenda of ADLER Real Estate Aktiengesellschaft's general meeting on April 28, 2023.

/// REPORT ON RISKS AND OPPORTUNITIES

With regard to the current opportunity and risk situation, the company refers to the detailed report on risks and opportunities in the annual report 2022 and the events after the balance sheet date mentioned in this report. Otherwise, there have been no significant changes to the opportunities and risks since the last report.

/// REPORT ON EXPECTED DEVELOPMENTS

Since the 2022 reporting, expectations for the current financial year have not changed. ADLER Real Estate expects net rental income for 2023 to fall into the range of EUR 108 to 115 million.

/// REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

On April 12, 2023, the High Court of Justice of England and Wales approved the restructuring plan under Part 26A of the Companies Act 2006 of AGPS BondCo PLC. With the approval, essential requirements for the implementation of the amendment of the bond terms of AGPS BondCo PLC and the granting of the debt financing by part of the bondholders have been met.

On April 14, 2023, the term of the existing Dalehen of ADLER Real Estate AG to Adler Group S. A. in the amount of EUR 265.0 million was extended until 30 April 2023 by way of an amendment agreement.

On April 24, 2023, the auditing firm Rödl & Partner agreed to accept an appointment as auditor for both the financial statements and the consolidated financial statements of ADLER Real Estate for the 2022 financial year.

On April 27, 2023, Adler Real Estate AG repaid the corporate bond 2018/2023 in the amount of EUR 500.0 million on schedule after Adler Group repaid the loan of EUR 265.0 million early and granted an interest-free loan for the remaining amount.

On April 28, 2023, the Annual General Meeting of Adler Real Estate resolved to squeeze out the minority shareholders in ADLER Real Estate AG in return for cash compensation.

On May 9, ADLER Real Estate announced a repurchase offer and a consent solicitation for EUR 300.0 million of notes due in fiscal year 2024. The repurchase offer for the notes amounts to EUR 940 per EUR 1,000 principal amount plus a EUR 10 acceptance fee and an additional fee of EUR 20 for holders tendering their notes at an early stage.

On 24 May 2023, Brack Capital Properties engaged with a German bank in an agreement, according to which it will extend a loan of approximately EUR 95 million by another three years.

No further events with the potential to significantly influence the earnings, assets and financial position of ADLER occurred between the end of the period under report and the editorial deadline for this report. 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	3M 2023	3M 2022
Gross rental income	47.0	68.5
– of which net rental income	28.1	41.1
Expenses from property lettings	-19.2	-36.8
Earnings from property lettings	27.7	31.7
Income from the sale of properties	23.0	656.9
Expenses from the sale of properties	-23.0	-658.2
Earnings from the sale of properties	-0.0	-1.3
Personnel expenses	-5.9	-7.8
Other operating income	0.4	1.9
Other operating expenses	-13.6	-33.3
Income from fair value adjustments of investment properties	-3.2	11.9
Depreciation and amortisation	-1.6	-3.8
Earnings before interest and taxes (EBIT)	3.7	-0.8
Financial result	7.1	-37.8
Net income from at-equity valued investment associates	-0.2	0.2
Earnings before taxes (EBT)	10.6	-38.3
Income taxes	-5.4	-6.3
Net consolidated result	5.2	-44.7

Earnings from property lettings

In the first quarter of 2023, both gross rental income (EUR 47.0 million) and net rental income (EUR 28.1 million) declined significantly compared to the same period of the previous year, because around 14,000 units had been sold in the course of the previous year. A positive effect resulted from the acquisition of a portfolio of 1,400 units from ADLER Group at the half-year stage of 2022 and from an improved operational performance with average contracted rent/square metre/month increasing slightly to EUR 7.09 and the vacancy rate decreasing to 2.0 percent at the end of Q1 2023.

Along with the income, earnings from property lettings were also lower than in the comparable period of the previous year, reaching EUR 27.7 million.

Earnings from the sale of properties

The result from the disposal of real estate was generated by property sales from ADLER's portfolio and BCP's portfolio reported under assets held for sale.

Income from fair value adjustments of investment properties

The result from the market valuation of investment properties, which was performed exclusively for contractual sales properties, was negative at EUR 3.2 million in Q1 2023.

Expenses

Personnel expenses were reported at EUR 5.9 million for the first three months of 2023. This is significantly less than in the previous year, because the number of employees declined in line with the portfolio sales. Other operating expenses decreased compared with the prior-year figure, which was mainly due to real estate transfer tax obligations of EUR 20.4 million incurred in connection with LEG's acquisitions of shares in BCP. of shares in BCP.

Earnings

After taking into account all non-financial expenses, earnings before interest and taxes (EBIT) for Q1 2023 came to EUR 3.7 million. The financial result reached a plus of EUR 7.1 million . The financial result reached a plus of EUR 7.1 million and was thus better than in the comparable prior-year period. This reflects, among other things, the interest on the loan to the Adler Group.

Earnings before taxes (EBT) came to EUR 10.6 million and, after consideration of income tax expenses, consolidated net profit totalled EUR 5.2 million. and, after consideration of income tax expenses, consolidated net profit totalled EUR 5.2 million.

Funds from Operations (FFO)

The funds from operations (FFO) are calculated according to the scheme of the following table.

In EUR millions	3M 2023	3M 2022
Consolidated net profit	5.2	-44.7
of which from continuing operations	5.2	-44.7
+ Financial result	-7.1	37.8
+ Income taxes	5.4	6.3
+ Depreciation and amortisation	1.6	3.8
- Income from measurement of investment properties	-3.2	11.9
- Net income from at-equity-valued investment associates	-0.2	0.2
EBITDA IFRS (continuing and discontinued operations)	8.6	-8.8
+/- Non-recurring and extraordinary items	10.1	30.8
Adjusted EBITA¹⁾	18.6	22.0
- Interest expense FFO	3.4	8.5
- Current income taxes	2.6	1.4
- Earnings before interest and taxes from the sale of properties, discontinued operations and minority interests	1.6	1.1
FFO I	11.0	11.0
Number of shares (basic)	109,416,860	109,416,860
FFO I per share (basic)	0.10	0.10
Number of shares (diluted)	109,416,860	109,416,860
FFO I per share (diluted)	0.10	0.10

¹⁾ Substantial investments are shown in the non-recurring and extraordinary items; the previous year was adjusted.

Non-recurring and extraordinary items are structured as follows:

Non-recurring and extraordinary items In EUR millions	3M 2023	3M 2022
Non-cash income/expenses and one-off payments	9.6	25.6
Costs of acquisition/integration/sale	0.2	0.0
Preservation capex	0.0	5.0
Optimisation of business model, structuring	0.1	0.2
Total of non-recurring and extraordinary items	10.1	30.8

The FFO interest charge is derived as follows:

Interest expense FFO I In EUR millions	3M 2023	3M 2022
Interest income	19.8	8.4
Interest expenses	-13.3	-46.2
Impairments on trade and other receivables	0.6	0.0
Total interest income (continued and discontinued operations)	7.1	-37.8
Adjustments		
Prepayment compensation and provision costs	0.0	10.8
Effects of measurement of primary financial instruments	3.0	2.4
Other adjustments	-13.5	16.1
Interest expenses FFO I	-3.4	-8.5

Calculated this way, FFO for the first three months of 2023 amounted to EUR 11.0 million or EUR 0.10 per share on a diluted as well as on an undiluted basis as no convertibles are outstanding.

NET ASSETS

In EUR millions	31.03.2023	as percent- age of total assets	31.03.2023 adjusted ¹⁾	as percent- age of total assets angepasst ¹⁾	31.12.2022	as percent- age of total assets	31.12.2022 adjusted ¹⁾	as percent- age of total assets angepasst ¹⁾
Non-current assets	1,939.6	47.3	3,096.8	75.5	1,958.6	47.5	3,110.4	75.4
– of which investments properties	1,847.3	45.0	2,998.8	73.1	1,864.4	45.2	3,010.5	72.8
Current assets	530.6	12.9	822.3	20.0	536.0	13.0	823.4	19.9
– of which inventories	21.9	0.5	47.4	1.2	21.9	0.5	47.4	1.1
– of which cash and cash equivalents investments	104.9	2.6	314.8	7.7	119.1	2.9	329.6	8.0
Non-current assets held for sale	1,633.9	39.8	185.0	4.5	1,630.2	39.5	191.0	4.6
Assets	4,104.1	100.0	4,104.1	100.0	4,124.8	100.0	4,124.8	100.0
Equity	1,636.8	39.9	1,636.8	39.9	1,643.5	39.8	1,643.5	40.1
– of which capital stock	109.4	2.7	109.4	2.7	109.4	2.7	109.4	2.6
– of which capital reserve	738.3	18.0	738.3	18.0	750.2	18.2	750.2	18.1
– of which net retained profit	481.1	11.7	481.1	11.7	478.8	11.6	478.8	11.8
– of which non-controlling interests	307.9	7.5	307.9	7.5	305.1	7.4	305.1	7.5
Non-current liabilities	749.6	18.3	1,114.5	27.2	1,050.2	25.5	1,475.9	35.6
– of which liabilities from bonds	296.3	7.2	393.3	9.6	594.6	14.4	695.8	16.8
– of which financial liabilities to banks	334.4	8.1	494.4	12.0	337.4	8.2	549.8	13.3
Current liabilities	1,029.8	25.1	1,293.3	31.5	735.6	17.8	938.5	22.6
– of which liabilities from bonds	816.8	19.9	879.4	21.4	517.4	12.5	582.4	14.0
– of which financial liabilities to banks	70.5	1.7	222.7	5.4	68.6	1.7	549.8	4.1
Liabilities held for sale	687.9	16.8	59.5	1.4	695.6	16.9	66.8	1.6
Equity and liabilities	4,104.1	100.0	4,104.1	100.0	4,124.8	100.0	4,124.8	100.0

¹⁾ Pro forma consolidated balance sheet in which the BCP subgroup is not considered a disposal group according to IFRS 5

The balance sheet position of non-current assets held for sale comprises all assets which are intended to be sold in foreseeable time. Assets of group company BCP are contained herein. At the same time, a pro-forma balance sheet shows how the individual balance sheet items will appear if BCP is not considered a disposal group according to IFRS.

As at the reporting date of 31 March 2023, ADLER had net assets totalling EUR 4,104.1 million, 0.50.5 percent less than at the end of the previous year (EUR 4,124.8 million).

Assets

The value of investment properties was reported to be EUR 1,847.3 million (EUR 2,998.8 million in adjusted calculation) at end of March 2023 and thus stayed practically unchanged since the beginning of the year.

Current assets amounted to EUR 530.6 million (EUR 822.2 million adjusted) as at the balance sheet date and likewise showed only minor changes as compared to the beginning of the year.

Non-current assets held for sale amounted to EUR 1,633.9 million and mainly include the properties of BCP and other assets for which sale and purchase agreements have already been notarized.

Shareholders' equity/liabilities

Shareholders' equity amounted to EUR 1,636.8 million at the end of March 2023 resulting in an equity ratio of 39.9 percent.

Non-current liabilities decreased considerably in the course of the first quarter 2023 to EUR 749.6 million as bonds amounting to EUR 300,0 million were reclassified to current liabilities.

Correspondingly, current liabilities increased considerably to EUR 1,029.8 million.

Liabilities held for sale amounted to EUR 687.9 million as at 31 March 2023.

EPRA Loan to Value (EPRA-LTV)

EPRA has introduced a new key figure in 2022, the EPRA loan-to-value ratio. This EPRA LTV replaces the LTV previously used by ADLER Real Estate and is reported for the first time in this 2022 Annual Report. The EPRA LTV shows the relationship between the net debt and the total property value of a real estate company as shown in the following tables. EPRA LTV was 50.3 percent at the end of March 2023 after 50.2 percent at the end of last year.

In EUR millions	Group loan-to-value	Non-controlling interests ²⁾	Total 31.03.2023
Borrowings from financial institutions	405	0	405
Commercial paper	0	0	0
Hybrids	0	0	0
Bond loans	1,113	0	1,113
Foreign currency derivatives	0	0	0
Net payables	377	-310	67
Owner-occupied property (debt)	0	0	0
Current accounts (equity characteristics)	0	0	0
Cash and cash equivalents	-105	0	-105
Net financial liabilities	1,790	-310	1,480
Owner-occupied property	0	0	0
Investment properties at fair value	1,847	0	1,847
Properties held for sale ¹⁾	1,656	-584	1,073
Properties under development	0	0	0
Intangibles	0	0	0
Net receivables	0	0	0
Financial assets	23	0	23
Total property value	3,526	-584	2,942
EPRA loan-to-value	50.8%	53.1%	50.3%

¹⁾ Considers inventories at fair value amounted to EUR 22 million as well as non-current assets held for sale.

²⁾ Considers the interest of minority shareholders in ADLER's subsidiary Brack Capital Properties N.V. ("BCP").

In EUR millions	Group loan-to-value	Non-controlling interests ²⁾	Total 31.12.2022
Borrowings from financial institutions	406	0	406
Commercial paper	0	0	0
Hybrids	0	0	0
Bond loans	1,112	0	1,112
Foreign currency derivatives	0	0	0
Net payables	400	-313	67
Owner-occupied property (debt)	0	0	0
Current accounts (equity characteristics)	0	0	0
Cash and cash equivalents	-119	0	-119
Net financial liabilities	1,799	-313	1,486
Owner-occupied property	0	0	0
Investment properties at fair value	1,864	0	1,864
Properties held for sale ¹⁾	1,655	-584	1,070
Properties under development	0	0	0
Intangibles	0	0	0
Net receivables	0	0	0
Financial assets	23	0	23
Total property value	3,543	-585	2,957
EPRA loan-to-value	50.8%	53.5%	50.2%

¹⁾ Considers inventories at fair value amounted to EUR 22 million as well as non-current assets held for sale.

²⁾ Considers the interest of minority shareholders in ADLER's subsidiary Brack Capital Properties N.V. ("BCP").

In EUR millions	31.03.2023	31.12.2022
Investments in associated companies	-2	-3
Other non-current assets	-50	-49
Trade receivables	-45	-34
Short term loans given IC	-278	-282
Income tax claims	-7	-7
Other current assets	-74	-72
(excl. Derivatives)	1	1
Pension reserves	1	1
Other provisions	0	0
Other non-current liabilities	5	5
(excl. Leasing)	-3	-4
(excl. Derivatives)	0	0
Income tax liabilities	94	95
Trade payables	37	34
Other current liabilities	11	21
(excl. Leasing)	-1	-1
Liabilities held for sale	688	696
Net amount	377	400

The average cost of debt for all the ADLER Group's liabilities (WACD = weighted average cost of debt) stood at 2.3 percent as at 31 March 2023 (31 December 2022: 2.2 percent).

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 1,576.6 (EUR 1,757.5 million in adjusted calculation) as at 31 March 2023. It thus slightly decreased compared with the figure at the end of 2022 (EUR 1,590.2 million or EUR 1,776.2 million adjusted).

Based on the total number of existing shares in circulation at the balance sheet date, diluted and adjusted EPRA NRV per share amounted to EUR 14.41 adjusted) as at 31 March 2023 (31 December 2022: EUR 14.53 or EUR 16.23 adjusted).

In EUR millions	31.03.2023	31.03.2023 adjusted ¹⁾	31.12.2022	31.12.2022 adjusted ¹⁾
Equity	1,636.8	1,636.8	1,643.5	1,643.5
Non-controlling interests	-307.9	-307.9	-305.1	-305.1
Equity attributable to ADLER shareholders	1,328.9	1,328.9	1,338.4	1,338.4
Deferred tax liabilities on investment properties	142.1	249.2	145.4	255.9
Diff. between fair values and carrying amounts of inventory properties	0.0	0.4	0.0	2.7
RETT on investment properties	105.4	178.8	106.8	179.5
Fair value of derivative financial instruments	0.2	0.2	-0.7	-0.5
Deferred taxes for derivative financial instruments	-0.1	-0.1	0.2	0.1
EPRA NRV (diluted)	1,576.6	1,757.5	1,590.2	1,776.2
Adjusted EPRA NRV (diluted)	1,576.6	1,757.5	1,590.2	1,776.2
Number of shares, diluted	109,416,860	109,416,860	109,416,860	109,416,860
EPRA NRV per share (diluted) in EUR	14.41	16.06	14.53	16.23
Adjusted EPRA NRV per share (diluted) in EUR	14.41	16.06	14.53	16.23

¹⁾ Based on a pro forma consolidated balance sheet in which the BCP subgroup is not considered a disposal group in accordance with IFRS 5

FINANCIAL POSITION

In EUR millions	3M 2023	3M 2022
Cash flow from operating activities	1.7	-23.3
Cash flow from investing activities	6.7	646.5
Cash flow from financing activities	-22.9	-194.1
Non-cash effective change in cash and cash equivalents from impairment losses	-0.3	-1.5
Changes in cash and cash equivalents in connection with non-current assets and disposal groups held for sale	0.5	-154.6
Cash and cash equivalents at beginning of period	119.1	296.8
Cash and cash equivalents at end of period	104.9	569.8

In the first quarter of 2023, operating activities resulted in a cash inflow amounting to EUR 1.7 million.

Investing activities resulted in a cash inflow of EUR 6.7 million in the reporting period.

The cash outflow from financing activities amounted to EUR 22.9 million in Q1 2023.

As at 31 March 2023, the ADLER Group had cash and cash equivalents of EUR 104.9 million (31 December 2021: EUR 569.8 million).

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

OVERALL SUMMARY OF BUSINESS PERFORMANCE AND POSITION OF GROUP

The Group's business performance and situation are assessed positively: The demand for housing remains high. The losses of the past year are mainly due to non-cash revaluation effects or value adjustments. The balance sheet structure is solid and financing is secured for the long term after the restructuring plan of Adler Group was approved.

/// GROUP INTERIM FINANCIAL STATEMENT
AS AT 31 MARCH 2023

/// CONSOLIDATED BALANCE SHEET

(IFRS) as at 31 March 2023

In EUR '000	31.03.2023	31.12.2022
Assets	4,104,083	4,124,816
Non-current assets	1,939,551	1,958,637
Goodwill	0	0
Intangible assets	78	101
Property, plant and equipment	12,818	13,070
Investment properties	1,847,250	1,864,442
Investments in associated companies	2,287	3,465
Other financial investments	22,528	23,402
Other non-current assets	49,561	49,128
Deferred tax assets	5,028	5,028
Current assets	530,603	535,991
Inventories	21,870	21,870
Trade receivables	44,969	34,349
Receivables from affiliated companies	277,593	281,863
Income tax receivables	7,371	7,109
Other current assets	73,937	71,718
Cash and cash equivalents	104,863	119,082
Non-current assets held for sale	1,633,929	1,630,188

In EUR '000	31.03.2023	31.12.2022
Equity and liabilities	4,104,083	4,124,816
Shareholders' equity	1,636,814	1,643,482
Capital stock	109,417	109,417
Treasury shares	0	0
	109,417	109,417
Capital reserve	783,332	783,332
Retained earnings	-445	-445
Other reserves	-44,551	-32,640
Net retained profit	481,132	478,734
Equity attributable to owners of the parent company	1,328,885	1,338,397
Non-controlling interests	307,929	305,085
Non-current liabilities	749,586	1,050,152
Pension provisions	640	641
Deferred tax liabilities	112,867	112,050
Other provisions	46	46
Liabilities from bonds	296,320	594,624
Financial liabilities to banks	334,388	337,355
Other non-current liabilities	5,325	5,436
Current liabilities	1,029,765	735,550
Other provisions	0	0
Income tax liabilities	93,766	94,965
Liabilities from bonds	816,764	517,353
Financial liabilities to banks	70,527	68,598
Trade payables	37,444	34,032
Other current liabilities	11,263	20,601
Liabilities held for sale	687,918	695,632

/// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IFRS) for the period from 1 January to 31 March 2023

In EUR '000	3M 2023	3M 2022
Gross rental income	46,963	68,532
Expenses from property lettings	-19,221	-36,787
Earnings from property lettings	27,742	31,745
Income from the sale of properties	23,000	656,935
Expenses from the sale of properties	-23,015	-658,228
Earnings from the sale of properties	-16	-1,293
Personnel expenses	-5,893	-7,827
Other operating income	366	1,863
Other operating expenses	-13,626	-33,291
Income from fair value adjustments of investment properties	-3,208	11,857
Depreciation and amortisation	-1,642	-3,805
Earnings before interest and tax (EBIT)	3,724	-751
Financial income	19,816	8,361
Financial costs	-13,256	-46,138
Impairments on trade and other receivables	580	0.0
Net income from at-equity-valued investment associates	-229	186
Earnings before tax (EBT)	10,635	-38,341
Income taxes	-5,393	-6,314
Consolidated net profit	5,242	-44,656
Actuarial gains/losses before taxes	0	0
Deferred taxes on actuarial gains/losses	0	0
OCI gains/losses not reclassifiable into profit or loss	0	0
Gains/losses from currency translation	-11,039	-206
Change in value of financial assets measured at fair value	-872	-1,999
OCI gains/losses reclassifiable into profit or loss	-11,911	-2,205
Other comprehensive income	-11,911	-2,205
Total comprehensive income	-6,669	-46,861

In EUR '000	3M 2023	3M 2022
Consolidated net profit attributable to:		
Owners of the parent company	2,399	-38,787
Non-controlling interests	2,843	-5,868
Total comprehensive income attributable to:		
Owners of the parent company	-9,512	-40,992
Non-controlling interests	2,843	-5,868
Earnings per share, basic in EUR (consolidated net profit)	0.02	-0.35
Earnings per share, diluted in EUR (consolidated net profit)	0.02	-0.35

/// CONSOLIDATED STATEMENT OF CASH FLOWS

(IFRS) for the period from 1 January to 31 March 2023

In EUR '000	3M 2023	3M 2022
Earnings before interest and taxes (EBIT) – continuing and discontinued operations	3,724	-751
+ Depreciation and amortisation	1,642	3,805
-/+ Net income from at-equity valued investment associates	0	1
-/+ Net income from fair value adjustments of investment properties	3,208	-11,857
-/+ Non-cash income/expenses	4,600	35,352
-/+ Changes in provisions and accrued liabilities	-1	-149
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investment or financing activities	15,285	-29,299
-/+ Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	-22,077	-10,796
+/- Tax payments	-4,649	-10,294
= Operating cash flow before dis-/reinvestment into the trading portfolio	1,732	-23,988
-/+ Increase/decrease in inventories (commercial properties)	-1	658
= Net cash flow from operating activities	1,731	-23,330
- Acquisition of subsidiaries, net of cash acquired	0	0
+ Disposal of subsidiaries, net of cash disposed	0	0
+ Advance payments received for land held for sale from non-current assets	300	0
- Purchase of investment properties	-5,880	-12,962
+ Disposal of investment properties	12,810	655,560
- Purchase of property, plant and equipment and intangible assets	-167	-416
+ Disposal of property, plant and equipment and intangible assets	0	175
- Payments into short-term deposits	-361	0
+ Proceeds from short-term deposits	0	4,103
+ Proceeds from disinvestment of financial assets	0	0
- Investments in financial assets	0	0
- Tax payments	0	0
- Payments from issuance of loans to associated companies	0	0
= Net cash flows from investing activities	6,702	646,460

In EUR '000	3M 2023	3M 2022
Non-cash changes in equity	0	0
+/- Transactions with non-controlling interests	0	0
+ Proceeds from issue of bonds	0	162,518
- Repayment of bonds	0	0
- Interest payments	-11,592	-11,940
+ Proceeds from bank loans	0	9,971
- Repayment of bank loans	-11,029	-354,212
- Repayment of leasing liabilities	-250	-403
- Payment of interest portion of leasing liabilities	-36	-45
+ Proceeds from borrowings of loans and advances from affiliated companies	0	0
- Repayment of borrowing of loans and advances to affiliated companies	0	0
= Net cash flows from financing activities	-22,907	-194,111
Reconciliation to Consolidated Balance Sheet		
Cash and cash equivalents at beginning of periods	119,082	296,807
Non-cash changes in cash and cash equivalents from impairment losses	-253	-1,464
Changes in cash and cash equivalents due to changes in the scope of consolidation	0	0
Changes in cash and cash equivalents in connection with non-current assets and disposal groups held for sale	508	-154,579
Net cash flow from operating activities	1,731	-23,330
Net cash flow from investing activities	6,702	646,460
Net cash flow from financing activities	-22,907	-194,111
= Cash and cash equivalents at end of periods	104,863	569,783

/// CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IFRS) for the period from 1 January to 31 March 2023

In EUR '000	Capital stock	Capital reserves
As at 1 January 2022	109,417	783,332
Consolidated net profit	0	0
Other comprehensive income (OCI) – reclassifiable	0	0
Other comprehensive income (OCI) – non-reclassifiable	0	0
Sum of Other comprehensive income (OCI)	0	0
Increase/decrease in shareholding with no change in status	0	0
Change in scope of consolidation	0	0
Capital increase in kind	0	0
As at 31 March 2022	109,417	783,333
As at 1 January 2023	109,417	783,332
Consolidated net profit	0	0
Other comprehensive income (OCI) – reclassifiable	0	0
Other comprehensive income (OCI) – non-reclassifiable	0	0
Sum of Other comprehensive income (OCI)	0	0
Increase/decrease in shareholding with no change in status	0	0
Change in scope of consolidation	0	0
Capital increase in kind	0	0
As at 30 December 2022	109,417	783,332

Retained earnings	Other Reserves	Net retained profit	Equity attributable to the owners of the parent company	Non-controlling interests	Total equity
-875	-9,860	830,263	1,712,277	431,741	2,144,018
0	0	-38,788	-38,788	-5,868	-44,656
0	-2,205	0	-2,205	0	-2,205
0	0	0	0	0	0
0	-2,005	0	-2,205	0	-2,205
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
-875	-12,065	791,475	1,671,284	425,873	2,097,157
-446	-32,640	478,734	1,338,397	305,085	1,643,483
0	0	2,399	2,399	2,844	5,242
0	-11,911	0	-11,911	0	-11,911
	0	0	0	0	0
0	-11,911	0	-11,911	0	-11,911
0		0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
-446	-44,551	481,132	1,328,885	307,929	1,636,814

/// 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, 25 May 2023



Thierry Beaudemoulin
CEO/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
Thomas Zinnöcker	Member of the Supervisory Board
Management Board	
Thierry Beaudemoulin	Member of the Management Board (CEO and COO)
Sven-Christian Frank	Member of the Management Board (CLO)
Company Facts	
Legal domicile	Berlin Charlottenburg, Berlin HRB 180360 B
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Public Relations	Dr Rolf-Dieter Grass Email: r.grass@adler-group.com
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



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