ADLER REAL ESTATE

QUARTERLY STATEMENT Q1

AS AT 31 MARCH 2021

/// KEY FIGURES

In EUR millions **Consolidated Statement of Income**	**3M 2021**	**3M 2020**
Net rental income	56.9	60.2
Earnings from property lettings	50.0	49.9
Earnings from the sale of properties	0.0	2.3
EBIT	116.0	8.8
Consolidated net profit from continuing operations	63.8	-24.5
Consolidated net profit	63.8	-26.5
FFO I	19.1	19.1
FFO I per share in EUR (fully diluted)[1]	0.17	0.24
Consolidated Balance Sheet	**31.03.2021**	**31.12.2020**
Investment Properties (including inventories)	5,128.2	5,020.1
EPRA NRV (adjusted and fully diluted)	2,402.4	2,324.2
EPRA NRV per share in EUR (adjusted and fully diluted)[1]	20.61	19.93
LTV in %[2]	50.4	51.2
WACD	1.90	1.94
Cashflow	**3M 2021**	**3M 2020**
Net cash flow from operating activities	20.0	9.1
– of which from continuing operations	20.0	4.0
Net cash flow from investing activities	78.3	-157.6
– of which from continuing operations	78.3	-31.5
Net cash flow from financing activities	85.2	20.4
– of which from continuing operations	85.2	-126.8
Employees	**31.03.2021**	**31.12.2020**
Number of employees	763	927
FTEs (Full-time equivalents)	716	851
Portfolio	**3M 2021**	**3M 2020**
Portfolio (units)	52,177	58,190
– of which residential	51,388	57,252
– of which commercial	789	938
Average rent (EUR /month/sqm)	6.04	5.63
Vacancy rate (%)	4.9	4.9
Fair value investment properties incl. inventories (EUR m)	5,128	5,016
Net rental income (EUR m)	216.0	224.5

[1] Based on the number of shares outstanding as at balance sheet date, previous year plus shares from assumed conversion of mandatory bond which is considered as equity
[2] Excluding convertible bonds

/// CONTENT

/// LETTER FROM THE MANAGEMENT BOARD

MAXIMILIAN RIENECKER
CEO

THIERRY BEAUDEMOULIN
COO

SVEN-CHRISTIAN FRANK
CLO

ADLER Real Estate has now become an integral part of the new Adler Group and is focusing exclusively on running a successful operating business, increasing gross rental income, and improving average rents and occupancy rates. This was once again achieved in the first quarter of 2021, although the assessment of the quarterly financial statements must take into account the fact that the portfolio was reduced as a result of disposals in the course of last year's optimisations.

Integration is now as good as complete. In particular, this means that ADLER Real Estate has integrated its central functions into the Adler Group structure and can now benefit from the resulting synergies. An external sign of the integration, for example, is the fact that the business premises have been relocated to Adler Group's headquarters in Berlin and hence the business address has also changed.

Another sign of integration is the appointment of Thierry Beaudemoulin as a member of the Management Board, which has created full congruence of the management body with Adler Group. As COO, Thierry Beaudemoulin is now responsible for operational tasks at both ADLER Real Estate and Adler Group. Sven-Christian Frank is assuming the role of Chief Legal Officer, a capacity in which he operates at Adler Group as well. Maximilian Rienecker's responsibilities remain unchanged. He is CEO of both companies.

Yours sincerely

Maximilian Rienecker	Thierry Beaudemoulin	Sven-Christian Frank
CEO	*COO*	*CLO*

/// PORTFOLIO

/// THE ADLER SHARE

/// PORTFOLIO

THE PROPERTY PORTFOLIO

At the end of the first quarter 2021, ADLER's portfolio comprised 52,177 rental units totalling 3.2 million square metres with an annualised net rent (including parking spaces and other areas) of EUR 216.0 million. The fair value of the total portfolio (investment properties and inventories) was EUR 5,128,1 million. The regional focus is on Lower Saxony, North Rhine-Westphalia and Saxony. As a result of further optimisation measures the number of units declined by a good 10 percent in the course of 2020.

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

Operating performance – average rent increased, vacancy rate unchanged

In the first quarter of 2021, the Group once again improved its operating performance or kept it at the existing high level. As of 31 March 2021, the average contractually agreed rent per square metre per month amounted to EUR 6.04, an increase of EUR 0.41 compared to EUR 5.63 at the end of March 2020. The vacancy rate (excl. units under renovation) stood at 4.9 percent, unchanged compared to one year ago. Net rental income increased by 6.3 percent on a like-for-like-basis.

Fair value gains

The fair value of the total portfolio (investment properties plus inventories) calculated in accordance with IFRS was EUR 5,128.2 million at the end of the first quarter 2021 as compared to EUR 5,020.1 million at the end of 2020. The increase resulted from modernisation measures, building expenses of development projects and positive market developments in residential properties. In the first quarter 2021, ADLER invested EUR 25.9 million in maintenance and modernisation measures (Q1 2020: EUR 26.3 million), of which EUR 4.2 million related to ongoing maintenance work and EUR 21.7 million to renovation and modernisation measures which can be capitalised.

Key focus on Lower Saxony and North Rhine-Westphalia

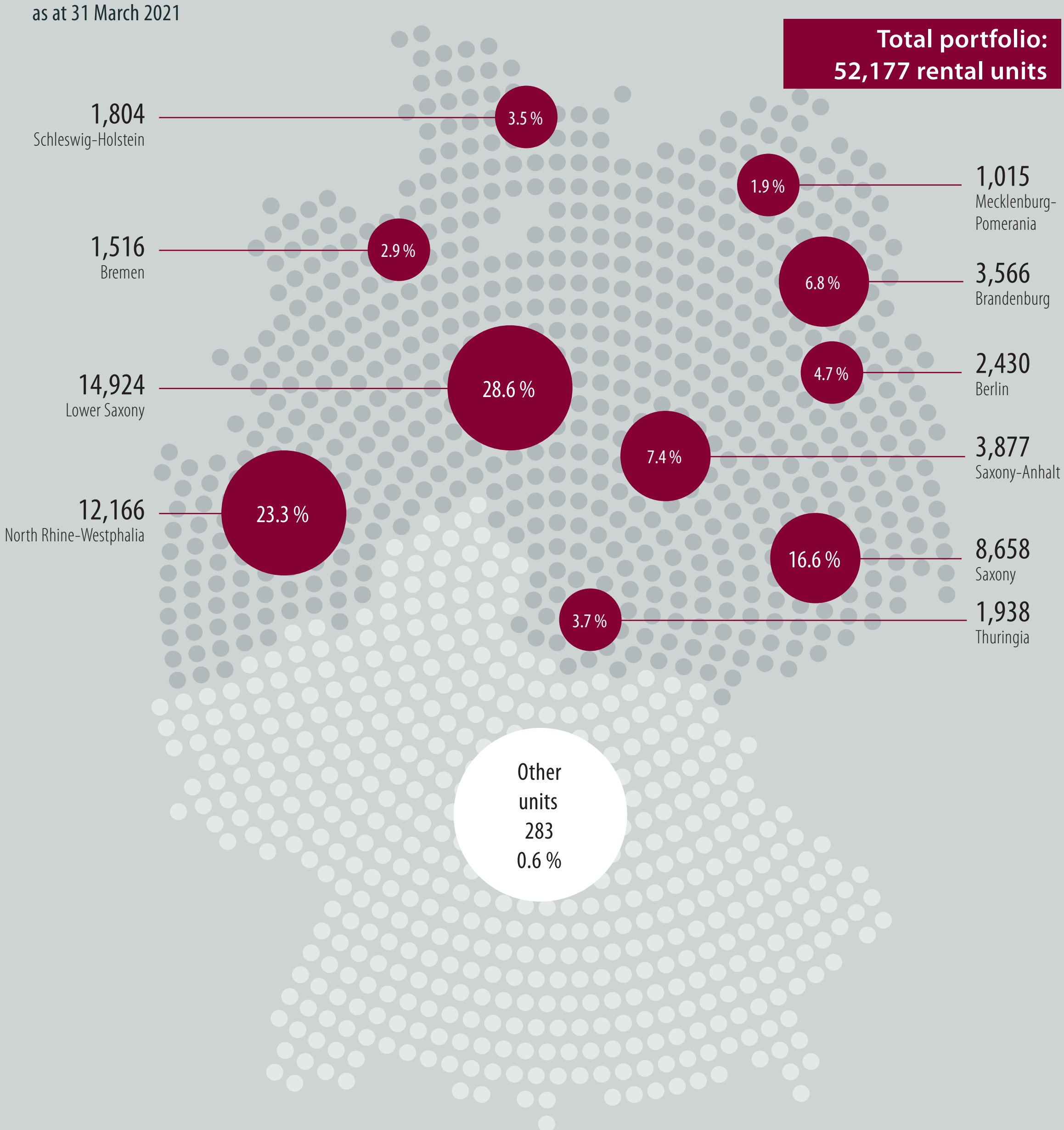
ADLER holds properties mainly in Lower Saxony, North Rhine-Westfalia and in the eastern states of Germany. ADLER prefers properties located on the edges of larger conurbations as rental yields are typically higher there than in central city locations. On average apartments have a size of 60 square meters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

Projects

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

Rental units

as at 31 March 2021



/// THE ADLER SHARE

Shares no longer playing a major role on the stock exchange

ADLER shares are no longer playing a major role on stock exchange price lists following the takeover by Adler Group in 2020. The free float declined further following the debt-to-equity swap, which was resolved in the fourth quarter of 2020 and completed in the first quarter of 2021. Adler Group held 96.59 percent of ADLER's shares as at 31 March 2021. Brokerage houses no longer issue reports on ADLER.

In the tighter market, the ADLER share exhibited a stable performance in the first quarter, losing just 3 percent of its value, but significantly outperforming the Solactive DIMAX sector index, which comprises the major listed real estate companies in Germany. The sector index lost around 6 percent. However, it does not seem very useful any longer to compare the share price performance with indices of companies of a similar size or from the direct competitive environment.

Because the financing required for all Adler Group companies is handled by the Group's headquarters, ADLER has not been actively involved in the capital markets ever since its acquisition by Adler Group.

Following the successful takeover offer, ADLER has limited its investor relations activities. Instead, all efforts are now focused on showcasing the new parent company. However, as long as it is listed as an independent public limited company, ADLER will continue to meet its associated obligations, which include quarterly reporting.

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

/// GROUP FUNDAMENTALS OF ADLER REAL ESTATE AG

BUSINESS MODEL

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

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

Residential real estate portfolio

As at 31 March 2021, ADLER's portfolio comprised 52,177 rental units with a total area of 3.2 million square metres. The regional focus is on the German states of Lower Saxony, North Rhine-Westphalia and Saxony.

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

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

Acquisition strategy

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

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

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

Financing strategy

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

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

As part of the new Adler Group, ADLER has favourable access to both the market for secured bank debt and the market for unsecured financing. Access to these two markets significantly reduces refinancing risk, which is one of the major risks associated with the industry. Since the end of 2016, investors, capital market participants and lending banks have been able to benefit from ADLER's ratings as awarded by Standard & Poor's.

MANAGEMENT SYSTEM

Financial performance indicators

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

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

Non-financial performance indicators

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

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

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

EMPLOYEES

As the group holding company, ADLER has Management Board members but no employees. Operational tasks relating to central administration and portfolio management are performed within the Group by employees of Adler Group who are employed by other group companies and with whom corresponding service contracts exist. These are mainly, but not exclusively, employees of ADLER Real Estate Service GmbH, ADLER Wohnen Service GmbH, ADLER Gebaeude Service GmbH and ADLER Energie Service GmbH. The BCP portfolio is managed by the group company RT Facility Management GmbH. At the end of March 2021, ADLER employed a total of 763 full-time and part-time employees in its group companies, fewer than it did at the same date one year earlier. The majority of employees work in the operating divisions (554 employees). BCP had a total of 127 employees, most of whom focus on operating activities too.

RESEARCH AND DEVELOPMENT

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

/// ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC SETTINGS

The restrictions imposed under the covid 19 pandemic had a noticeable impact on the performance of the German economy in the first quarter of 2021. Compared with the previous year, gross domestic product fell by 3.0 percent (adjusted for calendar and price effects), largely due to a sharp decline in private consumption. The unemployment rate was 6.2 percent at the end of March 2021, more than one percentage point higher than a year earlier. At the same time, prices rose in the first quarter, with the inflation rate reaching 1.7 percent in March – significantly higher than in the previous year when the temporary reduction in VAT had a deflationary effect.

The property sector, and in particular the letting business, has not been affected as much by the decline in economic output in the first quarter of 2021, with average rents showing a continuously stable development. According to the cost-of-living index, rents were 1.3 percent higher in March 2021 than in the previous year – and were thus slightly below the general rate of inflation.

Legal framework

At the beginning of April, shortly after the end of the reporting period, the Federal Constitutional Court in Karlsruhe declared the Berlin rent cap to be unconstitutional and thus the Law on Rent Restrictions in the Housing Sector in Berlin (MietenWoG Bln) to be incompatible with the constitution and therefore null and void.

In the view of the Second Senate of the Federal Constitutional Court, the state of Berlin had no right, due to a lack of legislative power, to curb rent levels by means of a “rent cap” in the German capital, as federal legislators had exhaustively regulated rent law in the German Civil Code (BGB).

In cases where rents have been temporarily lowered because of the rent cap, the rent reduction is invalid and an additional payment may be required. However, ADLER, like the whole Adler Group, will offer its tenants individual solutions for repayment.

ECONOMIC DEVELOPMENT OF THE GROUP

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

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

/// REPORT ON RISKS AND OPPORTUNITIES

ADLER Real Estate AG reported in detail on the opportunities and risks involved in its business activities in its 2020 Annual Report. Since then, the risk assessment has changed for the better, as the Berlin rent cap has been declared unconstitutional and the rent reductions initially implemented as a result of the rent cap can be reversed. This will have a minor impact on ADLER, however, as only 2.9 percent of its total real estate portfolio is based in Berlin and only a small proportion of the portfolio was affected by rent reductions.

/// REPORT ON EXPECTED DEVELOPMENTS

ADLER provided detailed guidance for the current 2021 financial year in its 2020 Annual Report. The expectations for the current financial year have not changed since then.

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

/// REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

With effect from 1 April 2021, Thierry Beaudemoulin was appointed as a member of the Management Board, which has created full congruence of the management body with Adler Group. As COO, Thierry Beaudemoulin is responsible for operational tasks at both ADLER Real Estate and Adler Group. Sven-Christian Frank has assumed the role of Chief Legal Officer. He operates in this capacity at Adler Group as well. Maximilian Rienecker's responsibilities remain unchanged. He is CEO of both companies.

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

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

PRELIMINARY REMARKS

The the first quarter reporting of the previous year, Adler Group had been treated as assets/liabilities held for sale and was deconsolidated again in the second quarter after the dominating influence had been lost.

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 2021	3M 2020
Gross rental income	83.6	90.4
– of which net rental income	56.9	60.2
Expenses from property lettings	-33.6	-40.5
Earnings from property lettings	**50.0**	**49.9**
Income from the sale of properties	28.5	391.8
Expenses from the sale of properties	-28.5	-389.5
Earnings from the sale of properties	**0.0**	**2.3**
Personnel expenses	-11.5	-11.0
Other operating income	1.1	1.5
Other operating expenses	-10.8	-22.0
Income from fair value adjustments of investment properties	88.4	-10.3
Depreciation and amortisation	-1.2	-1.6
Earnings before interest and taxes (EBIT)	**116.0**	**8.8**
Financial result	-26.9	-24.6
Net income from at-equity valued investment associates	0.0	0.3
Earnings before taxes (EBT)	**89.1**	**-15.5**
Income taxes	-25.3	-9.0
Net consolidated result from continuing operation	**63.8**	**-24.5**
Earnings after tax from discontinued operation[1)]	0.0	-2.0
Net consolidated result	**63.8**	**-26.5**

[1)] Consolidated net income from the discontinued operation Adler Group

Earnings from property lettings increased despite fewer property holdings

In the first quarter of 2021, gross rental income amounted to EUR 83.6 million. This was 7.5 percent lower than in the previous year (Q1 2020: EUR 90.4 million). Net rental income was down 5.5 percent year-on-year at EUR 56.9 million (Q1 2020: EUR 60.2 million). The decline in gross rental income and net rental income is mainly attributable to the fact that the disposals of non-core sub-portfolios last year resulted in a reduction of the overall portfolio.

A positive effect on gross and net rental income resulted from the fact that operating performance continued to improve compared with the same quarter of the previous year. At the end of the reporting period, the average contractually agreed rent per square metre per month amounted to EUR 6.04, EUR 0.41 higher than the figure for the same period of the previous year (31 March 2020: EUR 5.63). The vacancy rate was 4.9 percent at the end of the first quarter of 2021, unchanged in a year-on-year comparison.

The decline in income was offset by a decrease in expenses from property lettings. These expenses amounted to EUR 33.6 million and were thus 17.0 percent lower than the comparable expenses of the previous year (Q1 2020: EUR 40.5 million). In total, earnings from property lettings therefore increased slightly in the first quarter of 2021 compared with the same quarter of the previous year, reaching EUR 50.0 million (Q1 2020: EUR 49.9 million).

No earnings from the sale of properties

Only a small amount of properties, mainly commercial properties of subsidiary BCP, were sold in the first quarter. This did not result in any income.

Good income from fair value adjustments of investment properties

Fair value valuations of investment properties resulted in income of EUR 88.4 million in the first quarter of 2021. Again, the covid 19 pandemic did not have any effect on the residential portfolio. A loss in value of EUR 10.3 million was reported in the same period of the previous year which was due to covid 19 related fair value adjustments in teh commercial portfolio of BCP. The fair value adjustments reflect the improved operating performance as well as the ongoing positive market developments and the positive impact of the Federal Constitutional Court's ruling on the Berlin rent cap too.

Overall decrease in expenses

Expense items were down overall in the first quarter of 2021. Personnel expenses did increase slightly to EUR 11.5 million (Q1 2020: EUR 11.0 million), which was due to one-off expenses associated with the reduction in staff following the disposal of the sub-portfolios. Other operating expenses, on the other hand, halved to EUR 10.8 million (Q1 2020: EUR 22.0 million). The decrease can largely be explained by the fact that significant one-off expenses were incurred in the previous year for legal and advisory services during the acquisition of ADO Group and the subsequent takeover offer from Adler Group.

Other operating income amounted to EUR 1.1 million in the first three months of 2021, down slightly on the same period of the previous year (Q1 2020: EUR 1.5 million).

EBIT well above previous year

After taking into account all non-financial expenses, earnings before interest and taxes (EBIT) for the first quarter of 2021 came to EUR 116.0 million. The year-on-year increase (Q1 2020: EUR 0.8 million) is mainly attributable to the significantly higher income from fair value adjustments of investment properties and the decrease in other operating expenses.

Financial result slightly below previous year

At minus EUR 26.9 million, the financial result for the first quarter of 2021 was slightly worse than the figure for the same period of the previous year (Q1 2020: minus EUR 24.6 million). Among other factors, this reflects the fact that, in the first quarter of 2021, prepayment penalties had to be paid in the course of refinancing measures while in the previous year comparatively high one-off financial income was generated from the subsequent valuation of the remaining shares in the Adler Group. Current financial expenses from the handling of bank loans and bonds, on the other hand, continued to decline.

Earnings before taxes (EBT) came to EUR 89.1 million in the first quarter of 2021, whereas the figure was minus EUR 15.5 million in the first three months of 2020. Income tax expenses amounted to EUR 25.3 million in the first quarter of 2021 (Q1 2020: EUR 9.0 million). The majority of these income tax expenses can be attributed to deferred taxes and are not recognised as cash.

Consolidated net profit totalled EUR 63.8 million in the first three months of 2021 (Q1 2020: minus EUR 26.5 million), of which EUR 48.8 million was attributable to shareholders in the parent company (Q1 2020: minus EUR 21.7 million).

Segment reporting

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

Group activities that do not constitute stand-alone segments are pooled in the "Other" column. These mainly involve historic holdings relating to development projects that are still in the process of being sold off following the Group's realignment in 2014.

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

ADLER Group	**Rental**		**Other**		**Group**	
In EUR millions	**3M 2021**	**3M 2020**	**3M 2021**	**3M 2020**	**3M 2021**	**3M 2020**
Gross rental income and income from the sale of properties	112.0	482.1	0.1	0.1	112.1	482.2
– of which gross rental income	83.5	90.4	0.1	0.0	83.6	90.4
– of which income from sales	28.5	391.8	0.0	0.0	28.5	391.8
Change in the value of investment property	88.4	-10.3	0.0	0.0	88.4	-10.3
Earnings before interest and taxes (EBIT)	**116.0**	**8.8**	**0.0**	**0.0**	**116.0**	**8.8**
Net income from at-equity-valued investment associates	0.0	0.3	0.0	0.0	0.0	0.3
Financial result	**-26.9**	**-24.6**	**0.0**	**0.0**	**-26.9**	**-24.6**
Earnings before taxes (EBT)	**89.1**	**-15.5**	**0.0**	**0.0**	**89.1**	**-15.5**

Funds from operations (FFO) stable

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

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

	In EUR millions	3M 2021	3M 2020
Consolidated net profit		**63.8**	**-26.5**
of which from continuing operations		**63.8**	**-24.5**
+	Financial result	26.9	46.0
	of which from continuing operations	26.9	24.6
+	Income taxes	25.3	7.3
	of which from continuing operations	25.3	9.0
+	Depreciation and amortisation	1.2	2.0
	of which from continuing operations	1.2	1.6
–	Income from measurement of investment properties	88.4	-10.3
	of which from continuing operations	88.4	-10.3
–	Net income from at-equity-valued investment associates	0.0	0.3
	of which from continuing operations	0.0	0.3
EBITDA IFRS (continuing and discontinued operations)		**28.8**	**38.8**
+/–	Non-recurring and extraordinary items	6.6	18.9
Adjusted EBITDA		**35.4**	**57.7**
–	Interest expense FFO	14.2	16.1
–	Current income taxes	0.7	1.0
+	Preservation capex	0.5	0.0
–	Earnings before interest and taxes from the sale of properties, discontinued operations and minority interests	1.9	21.5
FFO I		**19.1**	**19.1**
Number of shares (basic)[1]		108,766,167	70,633,253
FFO I per share (basic)		0.18	0.27
Number of shares (diluted)[2]		116,589,914	79,879,195
FFO I per share (diluted)		0.17	0.24

[1] 108,766,167 shares as at balance sheet date (previous year: 70,633,253)
[2] Plus 7,823,747 shares from assumed conversion of convertible bonds with entitlement to conversion (previous year: 9,245,942)

Non-recurring and extraordinary items are structured as follows:

Non-recurring and extraordinary items In EUR millions	3M 2021	3M 2020
Non-cash income/expenses and one-off payments	6.5	17.6
Costs of acquisition/integration/sale	0.0	1.1
Optimisation of business model, structuring	0.1	0.2
Total of non-recurring and extraordinary items	**6.6**	**18.9**

The FFO interest charge is derived as follows:

Interest expense FFO In EUR millions	3M 2021	3M 2020
Interest income	6.6	35.6
Interest expenses	-33.5	-81.6
Total interest income (continued and discontinued operations)	**-26.9**	**-46.0**
Adjustments		
Prepayment compensation and provision costs	6.6	6.7
Effects of measurement of primary financial instruments	3.3	2.0
Other adjustments	2.8	21.2
Interest expenses FFO	**-14.2**	**-16.1**

Calculated this way, FFO for the first quarter of 2021 amounted to EUR 19.1 million, the same amount as in the same quarter of the previous year. Calculated on an undiluted basis, FFO per share was EUR 0.18 as at 31 March 2021. On a diluted basis (shares issued less treasury shares, plus shares from the assumed conversion of outstanding convertible bonds), FFO per share was EUR 0.17. Due to the substantial increase in capital stock in the interim, this was significantly lower than a year earlier.

NET ASSETS

In EUR millions	31.03.2021	as percentage of total assets	31.12.2020	as percentage of total assets
Non-current assets	**5,682.4**	**87.3**	**5,578.4**	**88.7**
– of which investments properties	5,054.5	77.7	4,951.8	78.7
Current assets	**727.6**	**11.2**	**601.1**	**9.6**
– of which inventories	73.7	1.1	68.3	1.1
– of which cash and cash equivalents investments	332.5	5.1	149.9	2.4
Non-current assets held for sale	**97.0**	**1.5**	**112.8**	**1.7**
Assets	**6,507.0**	**100.0**	**6,292.3**	**100.0**
Equity	**2,123.8**	**32.6**	**1,580.8**	**25.1**
– of which capital stock	108.8	1.7	73.7	1.2
– of which capital reserve	724.3	11.1	280.2	4.5
– of which net retained profit	810.0	12.4	761.1	12.1
– of which non-controlling interests	480.7	7.4	465.8	7.4
Contributions made to carry out geh capital increase decided	**0.0**	**0.0**	**478.2**	**7.6**
Non-current liabilities	**3,843.8**	**59.1**	**3,073.3**	**48.8**
– of which liabilities from bonds	1,550.7	23.8	1,549.0	24.6
– of which financial liabilities to banks	1,488.7	22.9	1,039.2	16.5
Current liabilities	**513.7**	**7.9**	**1,132.8**	**18.0**
– of which liabilities from convertible bonds	97.7	1.5	97.4	1.5
– of which liabilities from bonds	204.3	3.1	530.3	8.4
– of which financial liabilities to banks	80.1	1.2	367.3	5.8
Liabilities held for sale	**25.7**	**0.4**	**27.2**	**0.5**
Equity and liabilities	**6,507.0**	**100.0**	**6,292.3**	**100.0**

As at the reporting date of 31 March 2021, ADLER had net assets totalling EUR 6,507.0 million, 3.4 percent more than at the end of the previous year (EUR 6,292.3 million).

Slight rise in investment properties

The value of investment properties – the largest single item on the assets side of the balance sheet – was reported to be EUR 5,045.5 million at the end of the first quarter of 2021. At the start of the year, the figure was EUR 4,951.8 million. The increase is mainly attributable to capitalised renovation and modernisation measures as well as positive market valuations.

Current assets amounted to EUR 727.6 million as at the balance sheet date. The increase compared with the start of the year is due to a higher level of cash and cash equivalents.

At the end of the first quarter of 2021, non-current assets held for sale mainly included the 1,605 rental and commercial units of last year´s portfolio sale and further commercial properties of BCP with notarized sale and purchase agreements.

Sharp increase in shareholders' equity, increase in equity ratio

Shareholders' equity amounted to EUR 2,123.8 million at the end of March 2021. The increase compared with the end of the previous year (EUR 1,580.8 million) is mainly attributable to the debt-to-equity swap that has now been concluded. As a result, the equity ratio increased by 7.5 percentage points to 32.6 percent.

Slight increase in liabilities

Liabilities increased slightly in the first quarter due to the raising of financing in the amount of nearly EUR 200 million for the energy-efficient renovation of the residential complexes in Goettingen and Wolfsburg. Moreover, the maturity structure of the liabilities changed due to several refinancing measures. EUR 330 million of the outstanding 2011/2016 bond which registered under current liabilities were refinanced through a non-current loan by the mother company. In addition, EUR 300 million of current bank liabilities were refinanced through non-current liabilities. As a result, non-current liabilities increased significantly, while current liabilities decreased significantly. In addition, there was an increase in the share of liabilities to affiliated companies under non-current liabilities.

By contrast, adjusted net financial liabilities remained virtually unchanged, amounting to EUR 2,740.2 million after the first three months of 2021, compared with EUR 2,727.6 million at the end of 2020.

Loan to value (LTV) improved

ADLER calculates LTV as the ratio of adjusted net financial liabilities (financial liabilities adjusted for cash and cash equivalents, non-current assets held for sale, selected financial instruments, purchase price receivables and advance payments minus liabilities held for sale) to ADLER's total property assets, as is customary in the industry. Assuming that the convertible bonds outstanding at the reporting date were converted into shares, the LTV was 50.4 percent at the end of the first quarter of 2021, 0.8 percentage points lower than at the end of 2020.

In EUR millions		31.03.2021	31.12.2020
Convertible bonds		97.7	97.4
+	Bonds	1,755.0	2,079.3
+	Financial liabilities to banks	1,568.8	1,406.5
+	Financial liabilities to affiliated companies	301.5	22.6
–	Cash and cash equivalents	332.5	149.9
=	**Net financial liabilities**	**3,390.5**	**3,455.9**
–	Non-current assets held for sale and purchase price receivables, financial instruments minus liabilities associated with assets held for sale[1)]	650.3	728.3
=	**Adjusted net financial liabilities**	**2,740.2**	**2,727.6**
Investment properties		5,054.5	4,951.8
+	Inventories	73.7	68.3
+	Property, plant and equipment for property management	16.5	16.4
+	Shares in real estate companies	99.7	99.7
=	**Gross asset value**	**5,244.3**	**5,136.2**
LTV including convertible bonds in %		52.3	53.1
LTV excluding convertible bonds in %		50.4	51.2

[1)] Purchase price receivables including interest from the sale of ACCENTRO amounted to EUR 59.7 million (previous year: EUR 59.1 million); non-current assets held for sale amounted to EUR 97.1 million (previous year: EUR 112.8 million); equity instruments measured at fair value amounted to EUR 21.7 million (previous year: EUR 21.7 million) and debt instruments amounted to EUR 102.6 million (previous year: EUR 102.1 million); receivables/loans/loans to real estate companies amounted to EUR 394,9 million (previous year: EUR 459.8 million) and liabilities held for sale amounted to EUR 25.7 million (previous year: EUR 27.3 million)

The average cost of debt for all the ADLER Group's liabilities (WACD = weighted average cost of debt) continued to improve in the first quarter of the year, amounting to 1.90 percent as at 31 March 2021 (31 December 2020: 1.94 percent).

Increase in net reinstatement value (EPRA NRV)

The net reinstatement value (EPRA NRV), adjusted for goodwill and fully diluted, which is calculated in accordance with the guidelines issued by the European Public Real Estate Association (EPRA), reached EUR 2,402,4 million as at 31 March 2021. It thus increased by 3.4 percent compared with the figure at the end of 2020 (EUR 2,324.2 million).

Based on the total number of existing shares in circulation at the balance sheet date less treasury shares, diluted and adjusted EPRA NRV per share amounted to EUR 20.61 as at 31 March 2021 (31 December 2020: EUR 19.93).

In EUR millions	31.03.2021	31.12.2020
Equity	**2,123.8**	**1,580.8**
Non-controlling interests	-480.7	-465.8
Equity attributable to ADLER shareholders	**1,643.1**	**1,115.0**
Effect resulting from conversion of convertibles	97.2	96.2
Diluted equity of ADLER shareholders	**1,740.2**	**1,211.2**
Deferred tax liabilities on investment properties	541.0	519.2
Diff. between fair values and carrying amounts of inventory properties	0.2	0.2
RETT on investment properties	288.5	282.7
Fair value of derivative financial instruments	2.7	3.1
Deferred taxes for derivative financial instruments	-0.8	-0.9
EPRA NRV (diluted)	**2,571.8**	**2,015.5**
Goodwill - synergies	-169.4	-169.4
Resolved capital increase	0.0	478.2[1]
Adjusted EPRA NRV (diluted)	**2,402.4**	**2,324.2**
Number of shares, diluted [2]	116,589,914	116,589,916
EPRA NRV per share (diluted) in EUR	**22.06**	**24.73**
Adjusted EPRA NRV per share (diluted) in EUR	**20.61**	**19.93**

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

[2] 108,766,167 shares as at balance sheet date (previous year: 73,658,680) plus assumed conversion of 7,823,747 outstanding convertibles entitled to be converted (previous year: 7,823,747) and plus the 0 shares newly created by the capital increase through contributions in kind (previous year: 35,107,489).

FINANCIAL POSITION

In EUR millions	3M 2021	3M 2020
Cash flow from operating activities	20.0	9.1
– of which from continuing operations	20.0	4.0
Cash flow from investing activities	78.3	-157.6
– of which from continuing operations	78.3	-31.5
Cash flow from financing activities	85.2	20.4
– of which from continuing operations	85.2	-126.8
Non-cash effective change in cash and cash equivalents from impairment losses	-0.9	-0.2
Non-cash effective change in cash and cash equivalents from currency translation	0.0	-7.9
Cash and cash equivalents at beginning of period	149.9	625.0
Cash and cash equivalents at end of period	332.5	488.8

Cash flow from operating activities amounted to EUR 20.0 million in the first quarter of 2021. In the same period of the previous year EUR 4.0 million was achieved from continuing operations. In the reporting period, cash flow from operating activities was impacted primarily by construction costs in connection with project developments intended for sale. In the first quarter of the previous year, extensive one-off expenses were incurred for legal and advisory services in connection with Adler Group's takeover offer for ADLER and the merger of the two companies.

Investing activities resulted in a cash inflow of EUR 78.3 million in the first quarter of 2021, which was due primarily to purchase price payments for the disposal of portfolio properties and property companies. This was mainly offset by investments in the real estate portfolio.

Financing activities resulted in a cash inflow of EUR 85.2 million in the first quarter of 2021, which was marked by the disbursement of bank loans for refinancing purposes and the raising of a loan for Adler Group. This was mainly offset by the partial redemption of the corporate bond (2017/2021), the redemption of loans in the course of refinancing, scheduled interest and principal payments, and the repayment of short-term loans to Adler Group.

As at 31 March 2021, the ADLER Group had cash and cash equivalents of EUR 332.5 million (31 December 2020: EUR 149.9 million).

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

OVERALL SUMMARY OF BUSINESS PERFORMANCE AND POSITION OF GROUP

Given the acquisition-related growth. the further development of existing property portfolios, the successful implementation of the Group's realignment, the ongoing improvement in its financing structure and the financing facilities secured on a long-term basis, the business performance and position of the Group are assessed as positive. The foundations have been laid for strong performance in the future.

/// GROUP INTERIM FINANCIAL STATEMENT AS AT 31 MARCH 2021

/// CONSOLIDATED BALANCE SHEET

(IFRS) as at 31 March 2021

In EUR ´000	31.03.2021	31.12.2020
Assets	**6,507,069**	**6,292,313**
Non-current assets	**5,682,404**	**5,578,424**
Goodwill	169,439	169,439
Intangible assets	428	485
Property, plant and equipment	21,358	22,276
Investment properties	5,054,511	4,951,790
Receivables from and Loans to associated companies	104,802	103,270
Investments in associated companies	63,585	63,585
Other financial investments	131,798	131,832
Other non-current assets	135,897	135,185
Deferred tax assets	587	563
Current assets	**727,619**	**601,097**
Inventories	73,672	68,257
Trade receivables	31,335	23,669
Receivables from affiliated companies	898	548
Income tax receivables	4,441	4,165
Other current assets	284,771	354,602
Cash and cash equivalents	332,502	149,857
Non-current assets held for sale	**97,046**	**112,791**

In EUR ´000	31.03.2021	31.12.2020
Equity and liabilities	**6,507,069**	**6,292,313**
Shareholders' equity	**2,123,789**	**1,580,770**
Capital stock	108,766	73,659
Treasury shares	0	0
	108,766	73,659
Capital reserve	774,752	331,696
Retained earnings	-48,505	-48,383
Currency translation reserve	-1,922	-3,077
Net retained profit	809,958	761,112
Equity attributable to owners of the parent company	1,643,050	1,115,007
Non-controlling interests	480,739	465,763
Contributions made to carry out the capital increase decided	**0**	**478,164**
Non-current liabilities	**3,843,843**	**3,073,299**
Pension provisions	1,131	1,131
Deferred tax liabilities	482,450	459,478
Other provisions	3,026	3,026
Liabilities from bonds	1,550,724	1,548,970
Financial liabilities to banks	1,488,655	1,039,179
Financial liabilities to affiliated companies	299,725	0
Other non-current liabilities	18,132	21,514
Current liabilities	**513,716**	**1,132,809**
Other provisions	501	282
Income tax liabilities	20,470	35,013
Liabilities from convertible bonds	97,737	97,384
Liabilities from bonds	204,286	530,340
Financial liabilities to banks	80,128	367,339
Financial liabilities to affiliated companies	1,775	22,551
Trade payables	29,932	32,246
Other current liabilities	78,889	47,654
Liabilities held for sale	**25,721**	**27,271**

/// CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IFRS) for the period from 1 January to 31 March 2021

In EUR '000	3M 2021	3M 2020
Gross rental income	83,570	90,428
Expenses from property lettings	-33,531	-40,491
Earnings from property lettings	**50,039**	**49,937**
Income from the sale of properties	28,496	391,755
Expenses from the sale of properties	-28,511	-389,511
Earnings from the sale of properties	**-16**	**2,244**
Personnel expenses	-11,488	-11,026
Other operating income	1,103	1,561
Other operating expenses	-10,796	-21,976
Income from fair value adjustments of investment properties	88,356	-10,334
Depreciation and amortisation	-1,227	-1,634
Earnings before interest and tax (EBIT)	**115,972**	**8,772**
Financial income	6,650	33,578
Financial costs	-33,532	-58,144
Net income from at-equity-valued investment associates	0	271
Earnings before tax (EBT)	**89,090**	**-15,523**
Income taxes	-25,268	-9,006
Consolidated net profit from continuing operations	**63,822**	**-24,529**
Earnings after taxes of discontinued operations	0	-2,000
Consolidated net profit	**63,822**	**-26,529**
Gains/losses from currency translation	1,155	1,216
Change in value of financial assets measured at fair value	-122	-3,548
OCI gains/losses reclassifiable into profit or loss	**1,032**	**-2,333**
Total comprehensive income from continuing operations	**64,854**	**-26,862**
Total comprehensive income of discontinued operations	0	-74,676
Total comprehensive income	**64,854**	**-101,538**

In EUR '000	3M 2021	3M 2020
Carry-over total comprehensive income	**64,854**	**-101,538**
Net profit from continuing operations:		
Owners of the parent company	48,846	-21,474
Non-controlling interests	14,976	-3,055
Consolidated net profit attributable to:		
Owners of the parent company	48,846	-21,715
Non-controlling interests	14,976	-4,814
Total comprehensive income from continuing operations:		
Owners of the parent company	49,878	-23,807
Non-controlling interests	14,976	-3,055
Total comprehensive income attributable to:		
Owners of the parent company	49,878	-48,211
Non-controlling interests	14,976	-53,326
Earnings per share, basic in EUR (consolidated net profit from continuing operations)	0.55	-0.31
Earnings per share, diluted in EUR (consolidated net profit from continuing operations)	0.52	-0.26
Earnings per share, basic in EUR (consolidated net profit)	0.55	-0.31
Earnings per share, diluted in EUR (consolidated net profit)	0.52	-0.26

/// CONSOLIDATED STATEMENT OF CASH FLOWS

(IFRS) for the period from 1 January to 31 March 2021

In EUR '000		3M 2021	3M 2020
Earnings before interest and taxes (EBIT) – continuing and discontinued operations		115,972	26,472
+	Depreciation and amortisation	1,227	2,010
–/+	Net income from fair value adjustments of investment properties	-88,356	10,334
–/+	Non-cash income/expenses	1,512	5,497
–/+	Changes in provisions and accrued liabilities	219	357
–/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investment or financing activities	55,613	324,265
–/+	Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	-59,077	-361,219
+	Interest received	0	10
+/–	Tax payments	-1,690	-16
=	**Operating cash flow before dis-/reinvestment into the trading portfolio**	**25,420**	**7,710**
–/+	Increase/decrease in inventories (commercial properties)	-5,415	1,373
=	**Net cash flow from operating activities**	**20,005**	**9,083**
	of which continuing operations	20,005	3,983
	of which discontinued operations	0	5,100
–	Purchase of investment properties	-48,078	-87,222
+	Disposal of investment properties	141,464	46,719
–	Purchase of property, plant and equipment and intangible assets	-370	-991
+	Disposal of property, plant and equipment and intangible assets	317	0
–	Payments into short-term deposits	0	-500
+	Proceeds from short-term deposits	1,473	19,860
–	Investments in financial assets	-1,121	-135,459
–	Tax payments	-15,360	0
=	**Net cash flows from investing activities**	**78,325**	**-157,593**
	of which continuing operations	78,325	-31,487
	of which discontinued operations	0	-126,106
–	Costs of issuing equity	0	-4,065
–	Transactions with non-controlling interests	0	42,926
–	Repayment of bonds	-329,580	-300,516
–	Interest payments	-18,916	-23,714
+	Proceeds from bank loans	400,082	328,387

	In EUR '000	3M 2021	3M 2020
–	Repayment of bank loans	-242,595	-21,447
–	Repayment of leasing liabilities	-639	-876
–	Payment of interest portion of leasing liabilities	-228	-288
+	Proceeds from borrowings of loans and advances from affiliated companies	334,116	0
–	Repayment of borrowing of loans and advances to affiliated companies	-57,067	0
=	**Net cash flows from financing activities**	**85,173**	**20,407**
	of which from continuing operations	85,173	-126,763
	of which from discontinued operations	0	147,170
	Reconciliation to Consolidated Balance Sheet		
	Cash and cash equivalents at beginning of periods	**149,857**	**624,973**
	Non-cash changes in cash and cash equivalents from impairment losses	-858	-167
	Non-cash changes in cash and cash equivalents from currency translation	0	-7,886
	Net cash flow from operating activities	20,005	9,083
	Net cash flow from investing activities	78,325	-157,593
	Net cash flow from financing activities	85,173	20,407
=	**Cash and cash equivalents at end of periods**	**332,502**	**488,817**
	of which from continuing operations	332,502	75,095
	of which discontinued operations	0	413,722

/// CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IFRS) for the period from 1 January to 31 March 2021

In EUR '000	Capital stock	Treasury Shares	Capital reserves
As at 1 January 2020	**71,064**	**-1,603**	**309,337**
Consolidated net profit	0	0	0
Other comprehensive income (OCI) – reclassifiable	0	0	0
Other comprehensive income (OCI) – non-reclassifiable	0	0	0
Increase/decrease in shareholding with no change in status	0	0	-6,419
Conversion of convertible bonds	1,172	0	12,230
As at 31 March 2020	**72,236**	**-1,603**	**315,148**
As at 1 January 2021	**73,659**	**0**	**331,696**
Consolidated net profit	0	0	0
Other comprehensive income (OCI) – reclassifiable	0	0	0
Capital increase in kind	35,107	0	443,056
As at 31 March 2021	**108,766**	**0**	**774,752**

Retained earnings	Currency translation reserves	Net retained profit	Equity attributable to the owners of the parent company	Non-controlling inerests	Total equity
-26,438	**0**	**1,093,506**	**1,445,865**	**2,101,992**	**3,547,857**
0	0	-21,715	-21,715	-4,814	-26,529
-3,500	1,216	0	-2,284	0	-2,284
-24,213	0	0	-24,213	-48,510	-72,723
0	0	0	-6,419	49,345	42,926
0	0	0	13,402	0	13,402
-54,151	**1,216**	**1,071,791**	**1,404,637**	**2,098,013**	**3,502,650**
-48,383	**-3,077**	**761,112**	**1,115,007**	**465,763**	**1,580,770**
0	0	48,846	48,846	14,976	63,822
-122	1,155	0	1,033	0	1,033
0	0	0	478,163	0	478,163
-48,505	**-1,922**	**809,958**	**1,643,050**	**480,739**	**2,123,789**

/// 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, 27 May 2021

Maximilian Rienecker
CEO

Thierry Beaudemoulin
COO

Sven-Christian Frank
CLO

/// LEGAL REMARKS

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

/// AT A GLANCE

Supervisory Board	
Martin Billhardt	Chairman of the Supervisory Board
Thilo Schmid	Vice Chairman of the Supervisory Board
Claus Jorgensen	Member of the Supervisory Board
Management Board	
Maximilian Rienecker	Member of the Management Board (CEO)
Thierry Beaudemoulin	Member of the Management Board (COO) since 1.4.2021
Sven-Christian Frank	Member of the Management Board (until 31.3.2021 COO, since 1.4.2021 CLO)
Company Facts	
Legal domicile	Berlin Charlottenburg, Berlin HRB 180360 B
Address	ADLER Real Estate Aktiengesellschaft Am Karlsbad 11 10789 Berlin Phone: +49 30 39 80 18 – 10 Email: info@adler-ag.com
Website	www.adler-ag.com
Investor Relations	Tina Kladnik Phone: +49 30 398 01 81 23 Email: t.kladnik@adler-group.com
Public Relations	Dr Rolf-Dieter Grass Phone: +49 30 200 09 14 29 Email: r.grass@adler-group.com
Capital stock	EUR 108,766,167[1)]
Classification	108,766,167[1)] no-par value shares
Arithmetical value	EUR 1 per share
Voting right	1 vote per share
Identification	WKN 500 800 ISIN DE0005008007 Ticker symbol ADL Reuters ADLG.DE
Designated sponsors	Baader Bank AG
Stock exchanges	Xetra, Frankfurt am Main
Indices	CDAX, GPR General Index, DIMAX
Financial year	Calendar year

[1)] As at 31 March 2021

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