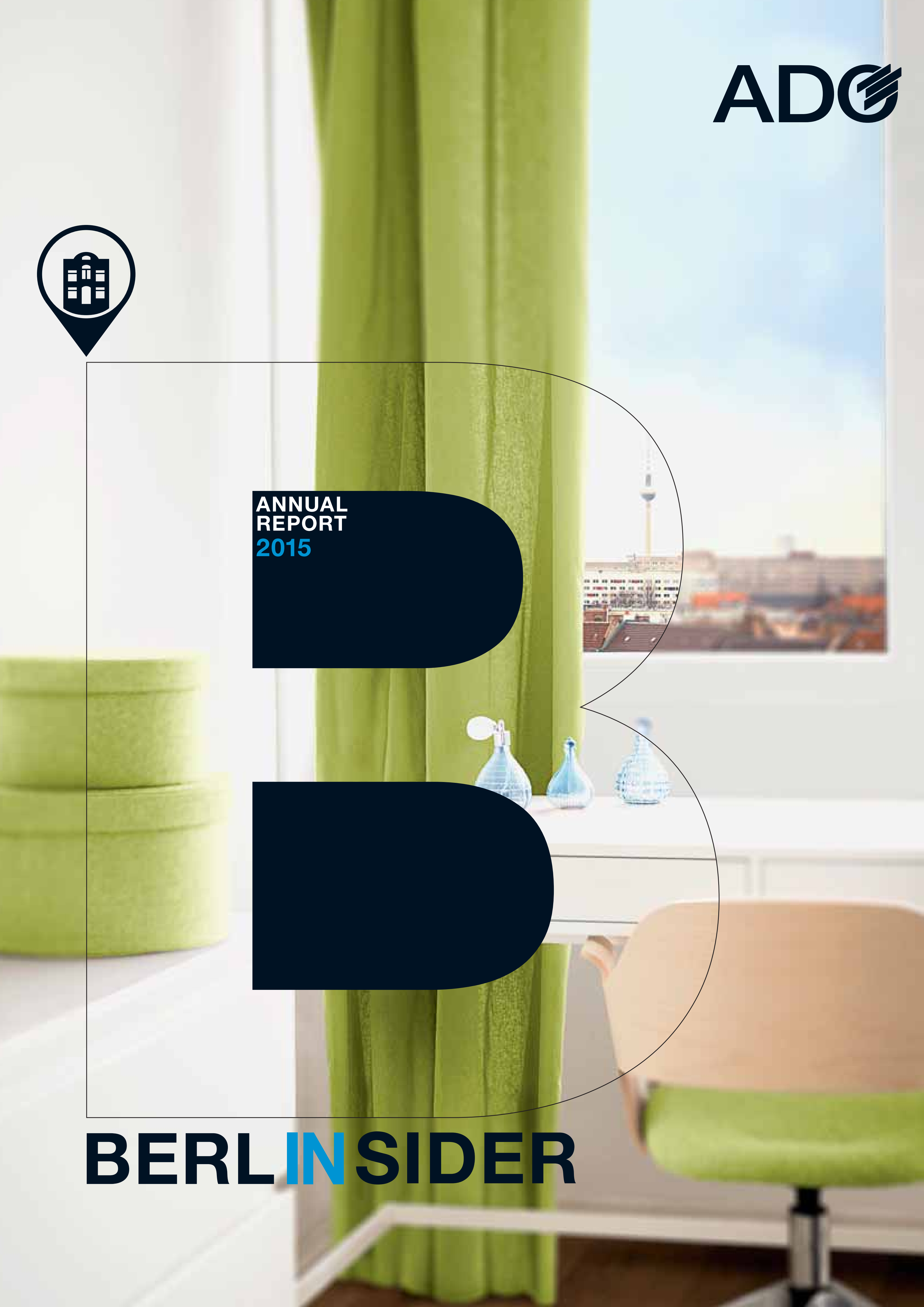


ANNUAL REPORT 2015

BERLINSIDER

KEY FIGURES 2015

PROFIT AND LOSS STATEMENT

In EUR thousand	15 For the year ended Dec 31, 2015	14 For the year ended Dec 31, 2014
Income from rental activities	**65,799**	33,719
EBITDA from rental activities	**48,492**	24,584
EBITDA margin	**78.6%**	76.9%
Total EBITDA	**49,975**	24,682
FFO 1 from rental activities	**30,714**	13,529
AFFO from rental activities	**26,652**	10,080
FFO 2 from rental activities	**32,197**	13,627

7.3%

Annual like-for-like rental growth

BALANCE SHEET

In EUR thousand	15 Dec 31, 2015	14 Dec 31, 2014
Total assets	**1,670,148**	800,795
LTV	**43.6%**	54.4%
EPRA NAV	**843,621**	354,779
EPRA NAV (in EUR per share)	**24.10**	14.19

FURTHER KPIs

Residential	15 Dec 31, 2015	14 Dec 31, 2014
Monthly in-place rent (EUR per sqm)	**5.82**	5.92
Total vacancy rate	**4.0%**	4.8%
Number of units	**14,856**	6,596
Rental growth	**7.3%**	8.0%

ADO PROPERTIES S.A.
is the only Prime Standard-listed residential real estate company that is focused solely on the German capital of Berlin. We believe that concentrating on one city, which we regard as still being in its initial development stage, gives us a clear competitive advantage. By living and breathing Berlin 24/7 we see every development every single day.

Our portfolio includes more than 15,700 units, and we believe that size does matter, but quality matters most. We have shown a 7.3% like-for-like rental growth over the last year and believe we will be able to maintain above-market growth rates in the future. This performance illustrates the efficiency of our scalable integrated management platform and positions us as one of Germany's leading residential real estate companies.

Our fully integrated in-house management platform comprises asset, portfolio, property, construction and facility management, as well as our privatization activity. Our objective is to create shareholder value by continuously improving and efficiently managing our portfolio, pursuing growth opportunities and realizing hidden potential through privatizing residential units. Most importantly, by enhancing the quality standard of our properties we make Berlin a better place to live.

BER LIN SIDER

ADO PROPERTIES S.A.

CONTENT

ADO PROPERTIES

4 Letter from the Management Team
6 LET'S GET INSIDE
34 Letter from the Board of Directors
36 Investor Relations
38 Corporate Governance Report

42

COMBINED MANAGEMENT REPORT

44 Fundamentals of the Group
53 Economic Review
59 Subsequent Events
59 Forecast Report
60 Risk Report
62 Statutory Results
63 Responsibility Statement

64

CONSOLIDATED FINANCIAL STATEMENTS

66 Consolidated Statement of Financial Position
68 Consolidated Statement of Profit or Loss
69 Consolidated Statement of Comprehensive Income
70 Consolidated Statement of Cash Flows
72 Consolidated Statement of Changes in Equity
74 Notes to the Consolidated Financial Statements
122 Independent Auditor's Report

124

ANNUAL ACCOUNTS

126 Balance Sheet
128 Profit and Loss Account
129 Notes to the Annual Accounts
152 Independent Auditor's Report

154 LET'S GO BERLIN
Financial Calendar & Imprint

BERLIN ORIGINALS

16

SPANDAU Famous for its citadel that provides winter shelter for 10,000 bats

24

LICHTENBERG Check out Berlin's second zoo in the grounds of Friedrichsfelde Palace

10

KREUZKÖLLN The best of two worlds rolled into one: Kreuzberg and Neukölln

20

TIERGARTEN The district with the most sightsee-ing attractions in Berlin – from Alex to Zoo

BER LIN SIDER

28

CHARLOTTENBURG Best seen from above – on top of the Funkturm, Teufels-berg or Europa-Center

THE MANAGEMENT TEAM
left to right: Rabin Savion, Eyal Horn, Yaron Zaltsman

DEAR READERS,

Before we briefly review the past 12 months, let us look ahead to a special year. This is because 2016 marks the tenth anniversary of our business, and is another milestone we can be proud of.

Over the past few months we have all witnessed the volatility in the markets. This increased uncertainty prompts investors to seek a safe haven and look for a clearly defined, focused strategy. With the continuously rising demand for affordable housing, spiraling migration and a dynamic environment, the Berlin real estate market meets exactly these requirements. We are in a prime position to exploit the growth opportunities offered by the German capital. We are the BERLINSIDERS: the only pure-play Berlin listed company on the Prime Standard of the Frankfurt Stock Exchange.

As BERLINSIDERS we are able to identify acquisition opportunities and also understand the different dynamics in every district best. We focus entirely on Berlin because we believe that the housing market is far from reaching its peak and anticipate additional growth as well as value increases. Nevertheless, at times like these it takes a specialist and a true BERLINSIDER to realize this added value from an extraordinary fully integrated in-house management platform and not from relying on yield compression. Our targeted capex programs are unique in the industry and so are the returns we have consistently realized over the years, which is why we consider ourselves real estate experts and not financial engineers.

In the 2015 financial year we achieved an exceptional like-for-like rental growth of 7.3%. This growth is driven by the undiminished influx of young people into the fascinating city of Berlin, the quality of our portfolio and the implementation of smart targeted CAPEX investments combined with our active management approach. The recently introduced rental cap legislation only marginally impacts our new letting rents: people want to live in the exciting metropolitan of Berlin and where there is an increase in demand, there is also a rise in rents.

1.5
billion EUR property value

100%
Pure play Berlin

24.10
EPRA NAV EUR per share

In 2015 we increased our total number of units by 125%, recruited additional manpower, floated ADO shares on the Frankfurt Stock Exchange and become a member of the FTSE EPRA/NAREIT Global Real Estate Index family and also of the SDAX index of the German Stock Exchange. We have accelerated our condo activity, decreased our cost of debt and delivered on all our planned targets.

On the strength of these successes, we are looking ahead to our ten year anniversary in 2016 with a very positive outlook. Alongside celebrating ten years of business, we plan to expand our portfolio without compromising quality by way of more targeted acquisitions, focusing on buildings with significant reversionary potential in promising micro-locations all over Berlin. We will generate further revenue with additional rent increases, increasing the FFO yields by refinancing our old loans and, of course, continue to create added value for our investors, customers and employees.

We wish to take this opportunity to thank you for your trust and support. We are looking forward to continuing on this journey with you and together we will scale new heights. Berlin has yet to reach its peak – and so have we.

March 21, 2016

Warm regards,

RABIN SAVION	**YARON ZALTSMAN**	**EYAL HORN**
Chief Executive Officer	*Chief Financial Officer*	*Chief Operating Officer*

5 VERY DISTINCT AREAS

7 tenants, 3 residential apartments,
3 commercial units, 3 foreigners,
4 Germans, 2 dogs and only
1 born-and-bred Berliner.
That’s Berlin.

LET’S GET INSIDE

WE GO BEHIND THE SCENES, KNOCKING ON DOORS TO MEET SOME

of our tenants and hear them tell us in their own words what makes Berlin, and their neighborhoods in particular, so great.

JOIN US
on our trip through
the German capital

YOUR KEY TO BERLIN

FROM SPANDAU IN THE WEST TO LICHTENBERG IN THE EAST,

our exclusive insider stories reveal Berlin's hidden gems, show you where to get a healthy snack in Kreuzkölln (while explaining where that is exactly), point out the city's natural beauty, and suggest where to stop off for a coffee and organic products in Charlottenburg. Plus, after a night enjoying the Berlin nightlife, where to get your clothes cleaned – fast...

READY?
Then let's go!

THE HIPSTER'S HANGOUT

WHERE THE ROUGH AND RAW MEETS THE COOL AND TRENDY

KREUZKÖLLN

166
WESERSTRASSE // NEUKÖLLN

LET'S GET INSIDE

04

03

01

02

05

BERLIN HAS A SPECIAL VIBE

A NATIVE DETROITER FALLS IN LOVE WITH A PLACE OFF THE MAP

H

"HI, I'M SUSIE FROM DETROIT, Michigan, in the United States and I moved to Berlin in 1999. Out of love. I'd met a German guy while I was living in New York and started visiting him here. For a few weeks at first, then months at a time, and then I realized Berlin is a much nicer place than New York, so I settled here and started up my own catering business. This shop is a by-product of my catering company and serves as a showcase for the catering business with lots of healthy snacks to suit everybody's taste. It seems to fill a practical need for convenient food that is good for you and made with care. And it's food that I genuinely love making and eating myself. ADO was really supportive to me and my ideas when I set up my business, drawing up a fair contract for me and helping me with renovating and decorating.

We opened the doors to our customers for the first time a year ago, but I've been living across the street for the past seven years. And I've been a Neuköllner since 2001. Back then, Hermannplatz (the border between Kreuzberg and Neukölln) seemed to be the end of the universe.

When I first came to Neukölln I had no idea where I'd landed. But I fell in love with the apartment and then started to discover the neighborhood. It reminded me of New York, especially areas like Brooklyn, with loads of space, and so I came to love Neukölln, too. I've seen a lot of changes here, mainly gentrification. On the whole, I think this is a normal part of development in a healthy, thriving city. Don't forget: I originally come from Detroit, where the opposite has happened. Then we've seen a lot of artists moving into Neukölln, and new bars opening up, followed by restaurants and shops. My corner of the district has changed nicely over the past few years but it's not changing as fast as further up the street in Kreuzkölln, which is developing at a frenzied pace.

I'm really happy here, lots of my friends also live just a few blocks away and some of my favorite restaurants are on this very street. We share customers with the other local shops. There is a real sense of community here, and I can say that I have real relationships with my neighbors. For instance, last summer the end of our street was blocked off due to construction work, forming a kind of square where no traffic could get through.

One perfect, hot day in July we got together with the owners of a bar on the corner here and held an impromptu open-air party. They supplied turntables and music, I provided food for a barbecue the arts scene, the museums, or the s while other neighbors brought tables and chairs and ping pong, and we had a hose for the kids to play with. That was really something special. I love Berlin very much, although I've seen a lot of changes, it's never lost its special vibe. There's something for everyone here, whether it's mall neighborhood and shops, and of course the city's history. But I wouldn't call myself a Berliner. It's only people born here who can call themselves that and I respect that. If someone asks me where I'm from, I tell them I'm a Detroiter. But I'm very happy to be here and always look forward to coming back. I know this from the special feeling I get when I see the terracotta rooftops from the plane window flying into Tegel."

01 02 SOMETHING FOR EVERYONE

Good, healthy food at an affordable price, freshly prepared to eat in or take out

03 WELL WORTH THE WALK DOWN WESERSTRASSE

Tasty pastries and cookies go well with the freshly brewed coffee

04 05 YOU'RE WELCOME

Susie and her team make you feel at home and the atmosphere encourages you to stay a while

WITH AN AVERAGE AGE AMONG THE POPULATION OF 36.3 YEARS, NEUKÖLLN IS ONE OF THE YOUNGEST DISTRICTS IN BERLIN – AS REFLECTED IN THE SUDDEN EMERGENCE OF CAFÉS, BARS AND RESTAURANTS CATERING TO LOCALS AND TOURISTS ALIKE.

AS EARLY as 2006, we made some of our first acquisitions in Neukölln. This was in the very same year as the Company's foundation and was a prime example of our philosophy of developing a portfolio containing inner-city, Altbau buildings dating back to the start of the last century. As newcomers to Berlin, our team had been warned off the district and heard tales of it being a dangerous area. But upon seeing it for ourselves, we discovered it to be vibrant, dynamic, very colorful and full of life.

We saw a truly unique district, packed with opportunities and future potential due to its proximity to other fashionable areas. So the Company started investing in assets here predominantly in the northern part of the district. This showed particular foresight as this part of Neukölln has since earned the nickname 'Kreuzkölln' because nowadays it is indistinguishable from neighboring Kreuzberg.

KREUZBERG

THIS IS WHERE IT ALL STARTED

HOW A NEWCOMER BECAME A BERLINER

LET'S GET INSIDE

01 LOVE ME, LOVE MY DOG

Julian can take his dog with him to his nearby place of work, where Winnie enjoys the attention of colleagues and clients alike

02 A BACKYARD OASIS

Despite the building being on a busy thoroughfare, the courtyard at the back in Kreuzbergstraße is surprisingly quiet and a meeting place for the residents in summer

03 04 GOOD TASTE NEVER GOES OUT OF FASHION

As an art director, Julian has an eye for good design, and his apartment is tastefully decorated with carefully selected retro furnishings

THE BUILDINGS on the corner of Gneisenaustraße and Zossener Straße were one of the first acquisitions we made. This is where it all started for ADO and that is why this building will always have a special place in our heart.

In fact, we have turned down offers to sell the property for this very reason. From the start, our team knew that Kreuzberg was already hip and cool, but also realized that this trend would continue. The idea was to invest in districts that would be the next big thing and the only way to know this is by living and breathing the city. Especially in districts like Kreuzberg, the value and status of an area can change from one street to the next. It is only by being a true insider that we are able to know this and invest accordingly – in the right objects and in the right way.

AS A RESULT OF HEAVY BOMBING DURING WWII, KREUZBERG CONTAINS AWARD-WINNING BUILDINGS FROM THE 1980S STANDING ALONGSIDE ARCHITECTURE DATING BACK TO THE WILHELMINIAN ERA.

M

"MY NAME IS JULIAN and I've been living in Berlin for four-and-a-half years, first in Neukölln, then in Schöneberg, and here in Kreuzberg for just over a year now. Schöneberg is pretty bourgeois, the opposite of Neukölln, and I find Kreuzberg is somewhere between the two: there are quiet areas here as well as places that are really lively and where there's a lot happening.

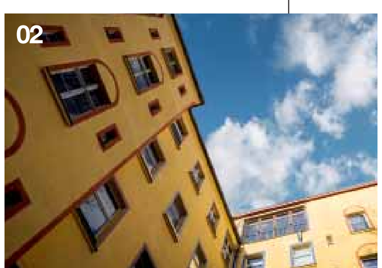
I moved to Berlin from a small town near Bremen as some of my former school friends, my twin brother and my sister were already here and it was first on my list in my search for work as a web developer. As it turned out, I quickly found a job at an agency just around the corner on Mehringdamm and soon managed to settle down in Berlin. Everything worked out exactly as I hoped it would. To begin with I met a great woman, although I didn't think that would happen so quickly. Secondly, when I used to visit Berlin before I lived here, I'd always experienced the city as sprawling and chaotic. But since living here I've got to know the place and now it seems small. This is because it's divided up into the various districts and everyone has their own 'Kiez' or neighborhood.

My 'hood is very quiet but just a few streets away is Bergmannstraße, which is always full as I'm sure it's recommended in every single guidebook nowadays. Although I chose to live here and enjoy life in Kreuzberg, I still go to other areas beyond my 'Kiez' a lot. I think it's good to have three or four districts that you can move among. I tend to go out in Neukölln and Kreuzberg, and sometimes in Tempelhof. So it's no coincidence that I moved to where I am today. I like Neukölln for its completely unsophisticated yet pleasant atmosphere, while Kreuzberg is my starting point and where I go out to concerts or the theater.

I was lucky in getting my apartment in this house. It's extremely quiet even though it's on a major road and I was really surprised when I moved here. This building is something special. I've got great neighbors: in the first week people came to welcome me as the new guy. I've never experienced that before and didn't expect it in a big city like Berlin. People say it's so unfriendly and that neighbors don't know one another. But it's not like that at all here. We all greet one another and we have benches where we can sit in the courtyard in summer. We also hold barbecues there and have a rummage sale once a year.

Although I'll never be considered a real Berliner for someone who was born here, I do feel like I'm a Berliner now. After four years, this is where I feel at home."

03



02

01

04

22

KREUZBERGSTRASSE // KREUZBERG


GO WEST
SPANDAU
HAS ALWAYS BEEN
SOMETHING SPECIAL
SPANDAU

ICH BIN EIN SPANDAUER

HOW A GERMAN-GREEK COUPLE FOUND THEIR NICHE

4

OBSTALLEE // SPANDAU

01

02

“I’M KONSTANTINOS and I came to Germany from Greece in 1965. I intended to stay here for three years, and the three years are obviously not over yet. I met Barbara here and we’ve been married now for 44 years. We have twin daughters, one lives here and the other in Cologne. That’s the main reason why we settled in Berlin. We moved to Greece in 1999 and for 12 years spent eight months a year in the Mediterranean and the rest of the time in Germany. Since 2012 we’ve been doing it the opposite way around. Once we decided to spend more time in Berlin we looked around for an apartment and quickly found this one here. We liked it for its location, and for being on a high floor, with a great view looking south. On a really clear day you can almost see as far as Greece…

We feel at home in Spandau. I rented a furnished apartment in this very house for the few months in the year when I was working in Berlin, in Spandau in fact. Then when we decided to lengthen our stay here, I looked for an apartment for the two of us and heard that there was one available in the same building. We applied and were lucky enough to get it. We feel at home in Berlin because we feel at home in this apartment. It’s affordable, and the right size for just the two of us. Our daughter lives in the south of Berlin, in Nikolassee, with our grandchild.

As Barbara visits her twice a week, we thought about moving down there. But we decided against it as it’d be like living in the country. We’ve got everything we need here – so we’re staying put.”

“I’m Barbara and I come from the Rhineland area originally, where I met Konstantinos. He was studying in Krefeld where I was working as a teacher and when he began his second degree in Berlin we moved here together. We first lived in a house in Buckow as we had the two children, then we moved to Wilmersdorf, to a central part of town. All in all, we’ve spent most of our lives in Berlin and I think it’s a wonderful city. I’ve always said that Berlin is the only German city I would live in – it’s the most beautiful. It has everything. Viewed from Wilmersdorf, Spandau seemed like it didn’t belong to Berlin, and was just a village on its own. Since moving here I think it’s fabulous. There are all the shops I need, my physician’s within walking distance, the bus stops right outside the house, easy access to the airport and even a parking space when we come home of an evening. I’m a Spandauer.

Of course, we’re both Berliners. Berlin is very liberal, with a free lifestyle. More than any other city in Germany. Even with millions of people living here, you end up seeing the same faces in your own ‘Kiez’, or neighborhood. And it still remains an exciting place to be. When the Wall came down, we were in the former East a lot, as this was new and fascinating. We still go there now, to Mitte, and this part of town has a special flair. Our visitors, especially those from Greece, expect to see the new center of Berlin, which we’re happy to show them. But we also feel the need to show them the many green areas Berlin has, twelve times more than in Athens, for example. We’re proud of Berlin – it’s a special city, a wonderful city.”

WHILE IT IS WELL KNOWN THAT BERLIN HAS MORE BRIDGES THAN VENICE, NOT MANY PEOPLE KNOW THAT 11 OF THESE ARE TO BE FOUND IN SPANDAU, SPANNING THE HAVEL RIVER, LIKE THE EISWERDER-BRÜCKE SHOWN HERE.

LET’S GET INSIDE

03

04

AS IT IS predominantly young families who are moving to Berlin, the search for affordable good quality homes in this vibrant world-class city puts districts clustered around the central locations to the fore.

The districts of Reinickendorf and Spandau, where our Carlos portfolio is located, perfectly fit into this strategy. With our commitment to invest a total of EUR 36 million in the coming five years, it shows that we believe in these properties in the outskirts and in the future of Berlin. Moreover, it shows that the Company is here to stay.

01 02 MEETING A NEED

The houses in Obstallee represent affordable accommodation as rents rise in downtown areas

03 ON A CLEAR DAY YOU CAN SEE FOREVER

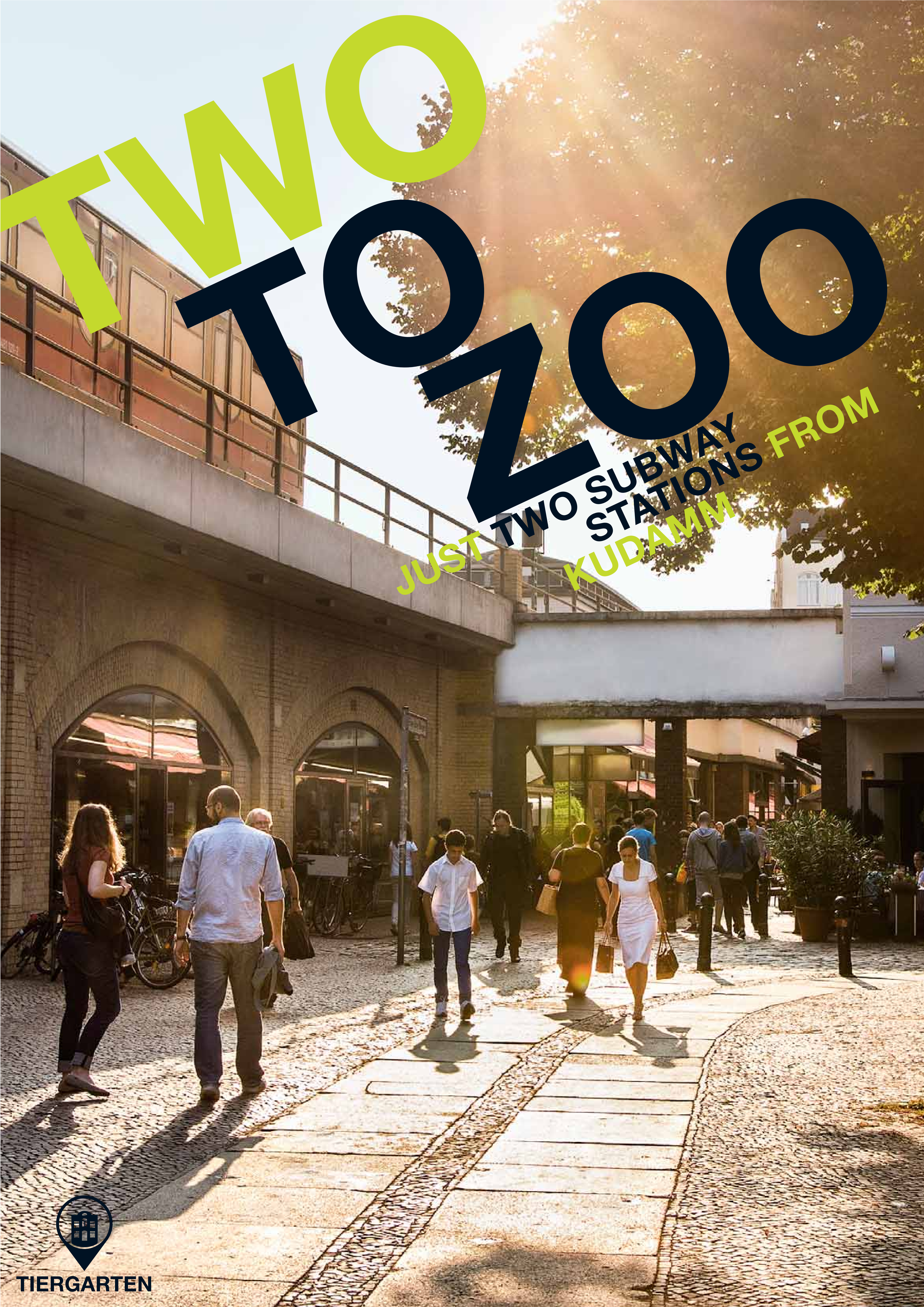
The couple have made Berlin – and Spandau – their main home, but the majestic view from their window constantly reminds them of places further south

04 LAUGHTER AND LOVE

Barbara and Konstantinos have been married for 44 years and she still laughs at his jokes

TWO TO ZOO

JUST TWO SUBWAY STATIONS FROM KUDAMM



TIERGARTEN

BERLIN HAS ALL YOU NEED – AND MORE

A TURKISH ENTREPRENEUR EXPLAINS WHY THERE'S NO NEED TO EVER LEAVE

LET'S GET INSIDE

I

"I'M YASIN, FROM TURKEY. I was born in Bremen, but my father took the family with him when he retired to Turkey in 1982. I met my wife there 20 years ago and came to Berlin with her five years later. She was born here, so for her it was returning home. While I had studied electrical engineering in Turkey, my qualifications were not recognized here, so I've been running my own dry cleaners for the past 12 years. I used to have several stores, but now I have just this one and I'm the oldest tenant in the building.

I chose to take over this dry cleaners due to its central location, with more going on here and more prospective clients. My apartment is also just 800 meters away from the shop, close to the Tiergarten District Court. To be precise, my apartment is in Moabit and we're now standing in Tiergarten. I've been living in this part of town for 13 years now. When I came here, not many people wanted to live here. It was nothing special. There were lots of unemployed people, few tourists, and the area was old and run down. In fact, they only cleaned up the park opposite last year. Ten years ago, the two sides of this street were totally different: the other side of the street was nice, while this side was really bad. Now the two are slowly coming together. I notice this in the type of clients who come into my store. With the result that the rents have risen – but that is true of Berlin in general.

Most people here in the neighborhood know me and my store. There's been a dry cleaners on this site for the past 70 years, so the older generation knows me but maybe I need to advertise to attract the younger generation and newcomers. Hopefully the new shopping mall next door will bring me some new business when it opens. I enjoy the close contact to my neighbors and will happily chat with customers for three hours if I don't have anything better to do. I know practically every other store and its owner on the street and we often exchange news and talk business. This might be in a restaurant or a café or while shopping.

I've been to almost every country in Europe, including Scandinavia, and to Africa, but you don't really need to leave the city. Berlin is truly multicultural: you can find people from all over the world here. And they come to my store and I enjoy having a chat with them. Berlin is also safe and the people are clean and tidy. That's a great advantage. Finally, the city gives me a sense of freedom you won't always find in other places.

Ich bin ein Berliner! Life is fun here and I'm glad to be here. We have a saying that goes something like 'Go to wherever work is to be found – that's your home.' Berlin is my city and my home. And my wife is a Berliner so that makes me a Berliner, too."

EXACTLY 1,800 METERS LONG, TURMSTRASSE CAN BE PROUD OF SUCH ARCHITECTURAL HIGHLIGHTS AS THE TIERGARTEN DISTRICT COURT AND MOABIT HOSPITAL.

01 02 BRISK BUSINESS

With a steady flow of customers, the five-man team has to ensure a quick turnaround, with many garments ready the same day

03 TRADITIONAL VALUES

The store has been a dry cleaners for 70 years and has served an entire generation

04 SERVICE WITH A SMILE

Owner Yasin meets and greets the customers out front and is always happy to chat – for as long as people want

JUST TWO subway stations from the downtown thoroughfare of the Ku'damm, Tiergarten has been completely overlooked for years. But not by us. Back in 2006, when others only saw a district populated by minority groups, our team foresaw the transition that today makes the area popular among artists, for example. In the case of Turmstraße, we knew the area was up and coming as the Company had investigated local building permissions and discovered that a shopping mall was planned. This is now under construction on the neighboring plot.

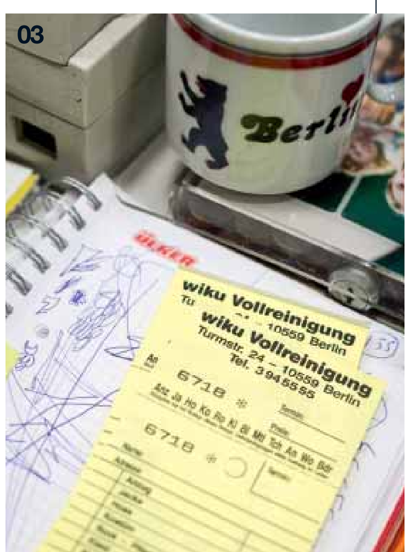
ADO has also created an amount of affordable residential space in Tiergarten by buying up former commercial properties, converting them into apartments and then renting them out to new tenants. The resulting large Altbau apartments with modern facilities have attracted students to the district, who rent them as flat shares.

01

04

02

03



24

TURMSTRASSE // TIERGARTEN


LICHTENBERG
MORE THAN
MEETS
THE EYE
OFTEN UNDERRATED
AND OVERLOOKED,
LICHTENBERG IS WORTH
A SECOND GLANCE

A CRAZY SMALLER VERSION OF BERLIN

A TRUE BERLINER EXPLAINS WHY THIS IS THE ONLY PLACE TO BE

LET'S GET INSIDE

M

"MY NAME IS VANESSA, I'm 21 years old, and was born in Lichtenberg, grew up in Mahlsdorf to the east of Berlin, and am now back in Lichtenberg. I'm currently completing my training as a specialist for office communication at the Federal Ministry of Justice. I decided to move back to this district as, among other things, I can easily get downtown and to work by subway or S-Bahn. I miss the peace and quiet of Mahlsdorf, because it can get quite loud here, but you always have to make some compromises in where you choose to live.

Lichtenberg for me is like a miniature version of Berlin, with all types and classes of people represented. And – judging by the cooking smells along the corridors – there must be someone from almost every single nation living here!

And that's always a positive thing when different cultures come together. In this building there are lots of students but also older people, too. The neighbors are friendly and we greet each other when we meet, people hold the door open for me, that sort of thing. I have one really good friend in the building, who also has a dog, and we look after each other's dogs when the other person has to work late, or whatever.

What I love about Berlin is that it's so varied. And everywhere is easy to reach, not that Berlin is small and everything is close by, but it's easy to get to wherever you want to go. Berlin also has a very special atmosphere; I know people say that about other cities, but I've not found the same type of atmosphere as you have here. Because I grew up here, I also know the hidden gems that make the city so attractive, while others only see a big, dirty city, compared to, say, Stuttgart. The gems for me are the clubs in Friedrichshain, the cultural scene around Hackescher Markt, Monbijou Park in Mitte, in fact walking anywhere along the river in Mitte is great – especially with my dog, Daisy.

Of course I'm a Berliner. I feel at ease here and like the people, even if they're a bit different to others. For example, about three months ago I was on my way home from a party and walking from Lichtenberg S-Bahn station a complete stranger came along and we danced for a bit in the street and then each of us went our own way. Crazy! Or someone might ask me in the morning if I'm on my way to work. And when I reply that I am, they tell me they hope I'll have a fun day in the office. Just like that. That's Berlin. It's my hometown and I don't want to be anywhere else."

DATING BACK TO THE END OF THE 19TH CENTURY, LICHTENBERG TOWN HALL STANDS IN STARK CONTRAST TO MANY OF THE SURROUNDING MODERN BUILDINGS IN MÖLLENDORFFSTRASSE.

01 02 HOME SWEET HOME

The 21-year-old tenant looks forward to returning to the apartment after a day's work at the Justice Ministry

03 A WOMAN'S BEST FRIEND

Vanessa takes Daisy on her riverside walks to her favorite spots within the city center

04 FAR AWAY SO CLOSE

Bordering Friedrichshain, the district is directly linked by public transport to such downtown hotspots as Alexanderplatz with its famous TV tower

05 ONCE NOTORIOUS, NOW NICE

The buildings in Löwenberger Straße have experienced a complete turnaround, with modernization and a new tenant structure

PURCHASED from a former pop singer, at the time of its acquisition in 2013 the complex in Löwenberger Straße had a notorious reputation and was repeatedly in the news for the wrong reasons. We recognized the need for a complete turnaround and invested heavily in the building, modernizing the empty apartments and installing new, in-house facility management, for example.

As a result, the building is now close to fully occupied, as opposed to almost half empty before we took over, with a completely new tenant structure. Once again, the Company identified the potential of an uncut diamond that is in an upcoming district, with good public transport connections, bordering the trendy district of Friedrichshain, and so appeals to students.

2

LÖWENBERGER STRASSE // LICHTENBERG

01

04

03

05

02

THE EVER-CHANGING FACE OF A DISTRICT

WHATEVER YOU THINK OF CHARLOTTENBURG, THINK AGAIN

CHARLOTTENBURG

28

SEELINGSTRASSE
//CHARLOTTENBURG

LET'S GET INSIDE

01

02

03

04

05

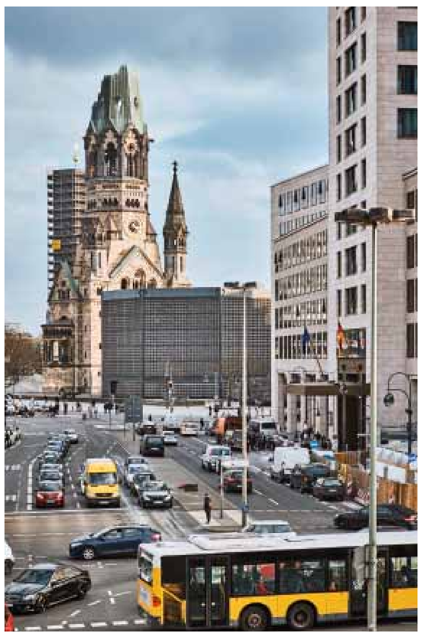
M

"MY NAME IS ANETTE, I've been living in this building since I came to Berlin in 1983 from Frankfurt am Main and started work at the bakery. There has been a bakery here since the place was built in 1890 and Brotgarten took over from 1978 onwards. This is what attracted me to the place after I'd done my apprenticeship in Hesse. I wanted to bake organic bread and there weren't that many places doing it then. A total of three in my home region. Brotgarten was one of ten bakeries offering it in Berlin so I applied and got a job. Nowadays we're an important part of the 'Kiez', a central place for groceries and a meeting place. We're lucky to have the wide sidewalk here and sun the whole day over in summer so we put out tables and chairs. We've even got a customer who moved to the neighborhood to be close to the store, rather than having to travel each time just to get her daily bread.

Obviously I meet most of my neighbors when they come into the store and know everybody in the building. But you can just as easily make friends on the street here if you want. The neighborhood has a strong sense of community and there are local projects like the small farmyard where they keep goats and chickens. So it doesn't feel like living alone in a big city. The various businesses around here also team up on projects, such as our own local newspaper or a traffic working group, and we also organize a flea market and a 'Kiezfest' in the summer. It's peaceful here, which is what I like, but if you do want to go to a movie or club, the Ku'damm, for example, is not far away.

Before I came here I thought I could live in any city, but in the meantime I enjoy living here so much that it has to be Berlin. I've come to appreciate the live-and-let-live approach here; you can be and do whatever you want, even if you have crazy ideas. Because this neighborhood is like a village inside the city, I sometimes don't leave my 'Kiez' for weeks. But when I do go to Mitte, for example, I feel like a tourist and am amazed by the number of galleries or the amount of plays being performed. There are so many cultural events going on and it's so easy to simply dive into all Berlin has to offer. I've lived here longer than anywhere else, so I guess I am a Berliner."

CHARLOTTENBURG HAS SOME OF THE CITY'S MOST FAMOUS SIGHTS, SUCH AS THE KAISER WILHELM MEMORIAL CHURCH AND THE EVER-POPULAR KU'DAMM SHOPPING STREET, NOW JOINED BY BRAND NEW HOTELS, INCLUDING THE WALDORF ASTORIA.



06

THE PROPERTY in Seelingstraße perfectly reflects our feel for the local flair. Taking not only the building itself into consideration, but also the surrounding 'Kiez'. It is located near the Charlottenburg Palace with its large park and also close to Lietzensee lake. Even within a traditional, established and conservative district like Charlottenburg there are differences from one area to the next. It is only thanks to our knowledge at the micro-level that we recognized the building as an opportunity and seized the chance to acquire it. While Charlottenburg has always been and will remain an attractive district, we foresee continued growth in the area, with even a possible demand for condos at some point in future. Finally, this location is important if the Company is to have a balanced portfolio, because – as BERLINSIDERS – we are committed to having assets in every single district.

01 06 HISTORICAL BEAUTY

While Charlottenburg is attracting some of the most modern developments just off the Ku'damm, the district will remain famous for its architecture dating back several centuries

02 04 05 OUR DAILY BREAD

Owner Anette and her team stock the shelves with a whole range of organic produce that attracts locals to the store, which also doubles as a café

03 VILLAGE LIFE

With various neighborhood projects on the go, Seelingstraße is a place to meet, relax and exchange ideas

LIVE AND LET LIVE

ANETTE CAME JUST TO BAKE BREAD, BUT DISCOVERED A WHOLE NEW LIFESTYLE

LET'S GET FINANCIAL

DEAR SHAREHOLDERS,

2015 was a year of groundbreaking steps for ADO Properties, taking our business to the next level with the stock market listing on the Frankfurt Stock Exchange in July. The IPO provides us with strategically important access to the capital market and paves the way for further growth. Our ability to successfully complete our IPO amidst the Greek debt crisis and during the turbulent phase in the capital markets reflects our solid equity story and clearly demonstrates the strength of our business. This performance was confirmed once again by the development of our share price with an increase of 32.5% from the flotation through to the end of the year.

0.35
EUR proposed dividend per share

7.3%
annual like-for-like rental growth

15,700
units

Since the IPO we have continued on our journey of expansion and have been able to acquire 1,250 units since listing, deploying a significant part of the proceeds raised from our new investors. The remaining liquidity allows us to fund our further growth, while maintaining our conservative financing structure.

The German housing market has not become less complex for investors with the new regulations we have seen introduced in 2015. This makes our specialized expertise even more important if we are to realize the opportunities offered by this still very attractive market. Our long-standing history of successful investment in Berlin real estate forms a solid base not only to generate healthy returns for our shareholders, but also to provide an attractive product for our customers and so ensure their continued satisfaction and loyalty.

We have seen positive trends impacting the Berlin property market and ADO over the last few years, such as the increase of migrants, and we expect these trends to continue. We are in the best position to seize the opportunities that we see due to our dedicated management and staff who we wish to thank for their unwavering commitment. After all, only with their support can we deliver returns to our investors as well as the services our customers have come to expect.

March 21, 2016

Sincerely yours,

MOSHE LAHMANI
Chairman

SHLOMO ZOHAR
Executive Vice Chairman

BOARD OF DIRECTORS
left to right:
Moshe Lahmani, Shlomo Zohar

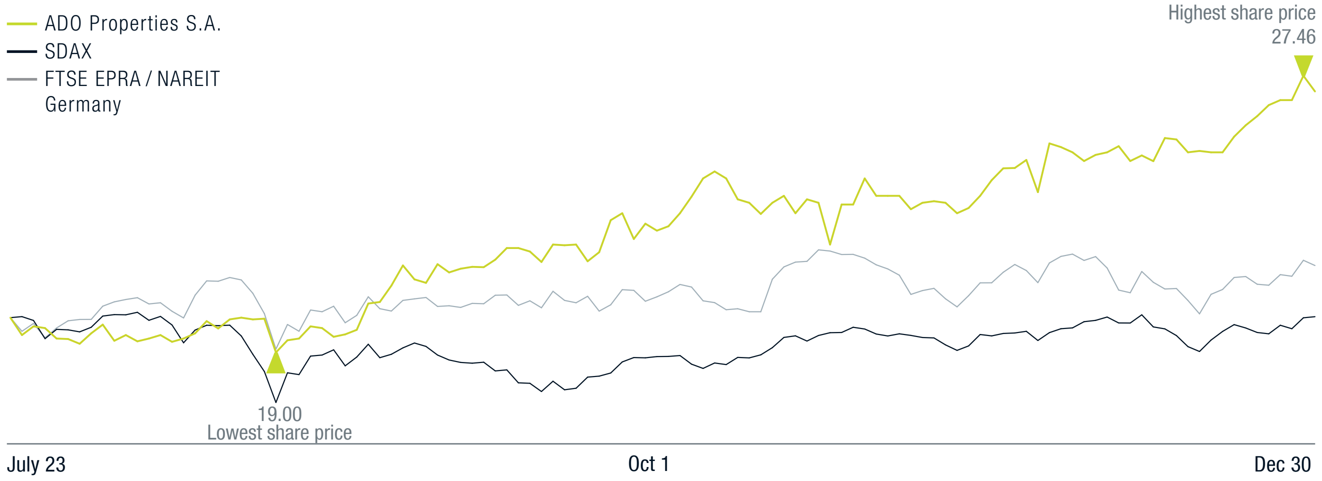
STOCK MARKET AND THE ADO SHARE

ADO Properties S.A. shares have been traded on the Frankfurt Stock Exchange since July 23, 2015. Shareholders now have the opportunity to invest in a company entirely focusing on one of the most inspiring and dynamic property markets in Germany. ADO Properties has achieved positive results for its shareholders not only with the growth of its share price to EUR 26.50 – an increase of 32.5% – from the IPO until the end of 2015, but also with a clear outperformance compared to the SDAX and the FTSE EPRA / NAREIT Germany.

LONG-TERM INVESTMENT OPPORTUNITY WITH STABLE RETURNS

SHARE PRICE DEVELOPMENT

Indexed



THE SHARE: KEY STOCK MARKET DATA

ADO shares are traded on the Prime Standard of the Frankfurt Stock Exchange. In 2015 the shares traded in a range of EUR 18.57 to EUR 27.46. With the inclusion of ADO in the SDAX index of Deutsche Börse on October 13, 2015, it's now included in a well-recognized German selection index and the relevant real estate sector indices of the EPRA index family.

SHAREHOLDER STRUCTURE

Total outstanding shares of ADO Properties after the IPO amount to 35 million. Alongside the main shareholder ADO Group Ltd., which holds a 37.0% stake in ADO Properties S.A., the 63.0% free-float shares are held mainly by institutional investors.

ANALYST COVERAGE

ADO shares are currently being covered by six analysts. The target prices range from EUR 27 to EUR 32 per share with an average target price of EUR 29.5.

INVESTOR RELATIONS ACTIVITIES

ADO maintains active dialogue with its shareholders and analysts. The Senior Management Team participates in relevant capital market conferences and roadshows to provide direct access to all relevant information for investors. The information provided during these events can be found, accessible for all investors, on the company homepage.

DIVIDEND POLICY

ADO Properties aims to distribute an annual dividend of 30% to 40% of FFO 1. In respect of the year 2015 the Board of Directors has recommended to pay total dividends of EUR 12.25 million or EUR 0.35 per share subject to the approval of the Annual General Meeting on May 3, 2016 which represents 40% of the total FFO 1 of the year 2015.

SHARE INFORMATION

1st day of trading	Jul 23, 2015
Subscription price	EUR 20.00
Price at the end of 2015	EUR 26.50
Highest share price in 2015	EUR 27.46
Lowest share price in 2015	EUR 18.57
Total number of shares	35.0 m
ISIN	LU1250154413
WKN	A14U78
Symbol	ADJ
Class	Dematerialized shares
Free float	63.0%
Stock exchange	Frankfurt Stock Exchange
Market segment	Prime Standard
Market index	SDAX
EPRA indices	FTSE EPRA / NAREIT Global Index, FTSE EPRA / NAREIT Developed Europe Index, FTSE EPRA / NAREIT Germany Index

CORPORATE GOVERNANCE REPORT

GENERAL

ADO Properties S.A.'s ("ADO" or the "Company") corporate governance practices are governed by Luxembourg Law (particularly the Luxembourg Companies Law) and the Company's Articles of Association. As a Luxembourg company listed solely on the Frankfurt Stock Exchange, the Company is not subject to any specific mandatory corporate governance rules. Nevertheless, the Company makes efforts to comply, to the extent possible, with the German corporate governance rules to ensure responsible and transparent corporate management. This is the basis and leading principle underlying our activities.

The governing bodies of ADO are the Board of Directors (the "Board") and the General Meeting of the shareholders. The powers of these governing bodies are defined in the Law of August 10, 1915 on commercial companies and the Articles of Association of the Company. ADO's Board together with the Senior Management Team manages the Company in accordance with the provisions of Luxembourg and German company law. The Board's duties, responsibilities and business procedures are laid down in its Rules of Procedure.

The Board consists of seven members elected by the General Meeting as representative of the shareholders. Four Board members (including the Chairman and the Vice Chairman) are representatives of ADO Group Ltd., the largest shareholder in the Company. Two Board members are independent Board members and one Board member is also acting as the CEO of the Company. Their term of office is four years in accordance with statutory provisions and the Articles of Association. The Board develops the strategic direction of the Company together with the Senior Management and ensures its implementation.

The Senior Management of the Company includes the CEO, CFO and COO and is integral to the management of the Company and its subsidiaries and responsible for the day-to-day management of the business of such subsidiaries. Mr. Rabin Savion is acting both as CEO of the Company and as Board member.

COMMITTEES

The Board's work takes place with plenary sessions and committees. Currently, the Company has established three committees: the Audit Committee, the Nomination and Compensation Committee, and the Investment and Financing Committee.

Audit Committee – The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the integrity of the financial statements and the adequacy of internal control systems; it makes recommendations for the appointment, compensation, retention and oversight of, and considers the independence of the external auditors. It also performs other duties imposed by applicable laws and regulations of the regulated market or markets on which the shares of ADO are listed, as well as any other duties entrusted to the committee. The Audit Committee reports periodically to the Board on its activities.

Nomination and Compensation Committee – The purpose of the Nomination and Compensation Committee is to review the compensation policy, make proposals as to the remuneration of Executive Directors and Senior Management, and advise on any benefit or incentive schemes. It further assists the Board with respect to matters relating to the nomination of candidates for the Board and the committees. The Nomination and Compensation Committee decides on the qualifications of potential candidates and recommends candidates to the Board for election as directors by the General Meeting of the shareholders, as required.

Investment and Financing Committee – The Investment and Financing Committee resolves on acquisitions and on the general guidelines and policies for implementing the financial strategy, financial risks and the management of credit risk. The Investment and Financing Committee also considers the encumbrance of any assets and shall assist with the raising of external financing by any member of the Group and with the granting of securities, guarantees and indemnities.

GENERAL MEETING OF THE SHAREHOLDERS

The General Meetings are held at the Company's registered office in Luxembourg or any other place in Luxembourg as may be specified in the respective convening notice of the meeting. The Agenda of the Annual General Meeting, the reports and the documents required for the meeting are published on the Company's website. The Company shall ensure equal treatment for all shareholders who are in the same position with regard to participation in and the exercise of voting rights at the General Meeting of the shareholders. Any duly constituted General Meeting of the shareholders represents all the shareholders of the Company. The General Meeting of the shareholders is empowered with the widest powers to order, implement or ratify all acts connected with the Company's operations that are not conferred to the Board.

General Meetings of the shareholders (other than the Annual General Meeting of the shareholders) may be called as often as the interests of the Company demand and be held at the Company's registered office in Luxembourg or any other place in Luxembourg as may be specified in the respective convening notice of the meeting. The Board is obliged to call a General Meeting of the shareholders when a group of shareholders representing at least one-tenth of the issued and outstanding shares requests the convening of a General Meeting of the shareholders in writing, indicating the agenda of the proposed meeting.

In accordance with Law of May 24, 2011, Luxembourg Shareholder Rights Law, the convening notice is to be published at least thirty days before the day of the meeting in the official gazette of Luxembourg *(Mémoral C. Recueil des Sociétés et Associations)*, and a Luxembourg newspaper and in media which may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which is accessible rapidly and on a non-discriminatory basis. If a General Meeting of the shareholders is adjourned for lack of quorum, provided that the convening requirements of the Luxembourg Shareholder Rights Law have been complied with and no new item has been added to the agenda, the 30 day period is reduced to a 17 day period. These convening notices must *inter alia* contain the precise date and location of the General Meeting of the shareholders and the proposed agenda. They must also set out the conditions for attendance and representation at the meeting.

In accordance with the Luxembourg Shareholder Rights Law, shareholders holding individually or collectively at least 5% of the issued share capital of the Company (a) have the right to put items on the agenda of the General Meeting of the shareholders and (b) have the right to table draft resolutions for items included or to be included on the agenda of the General Meeting of the shareholders. Those rights shall be exercised through requests in writing by the relevant shareholders submitted to the Company by postal services or electronic means. The request must be accompanied by a justification or a draft resolution to be adopted in the General Meeting of the shareholders and shall include the electronic or mailing address at which the Company can acknowledge receipt of the request. Any such request from shareholders must be received by the Company not later than on the 22nd day prior to the date of the General Meeting of the shareholders.

Each shareholder is entitled to attend the General Meeting of the shareholders, in person or by proxy, and to exercise voting rights in accordance with the Company's Articles of Association. Each share (excluding any shares held by the Company) entitles its holder to one vote.

REMUNERATION

Compensation of the Board members is determined by the General Meeting of the shareholders. The two independent Board members are entitled to receive EUR 30 thousand and an additional EUR 1,500 per attendance at a meeting of the Board or any committee. The Vice Chairman is entitled to receive a total compensation of up to EUR 500 thousand assuming 100% payout of the respective short-term and long-term incentives. The other three Board members from ADO Group do not receive payments. Mr. Rabin Savion receives only payment for his Senior Management position as CEO.

All Board members are reimbursed for their reasonable out-of-pocket expenses incurred in connection with attending Board and committee meetings. The respective compensation for Board members shall be paid pro rata for the days served as Board members during each respective year and for committee members *pro rata temporis* on the basis of meetings actually attended. In addition the Company included the Board members and the Senior M-anagement members in a D & O group insurance. The Company has not granted Board members any advances or loans.

The Senior Management and the Vice Chairman Remuneration system provide for a fixed annual salary, a short-term incentive ("STI") and a long-term incentive ("LTI"). The STI is an annual payment dependent on the achievement of certain individual targets (the "STI-Targets") and the relevant weighting of each STI-Target in relation to the other applicable STI-Targets. Unless determined and communicated otherwise to the Senior Management members, the STI-Targets shall be composed of (i) Group AFFO per share (weighting of 30%), (ii) Group NOI per share (weighting of 20%), (iii) net cold rent (weighting of 20%), (iv) additional measurable targets to be determined at or near the beginning of each fiscal year by the Board (weighting of 20%) and (v) the discretionary decision of the Board (weighting of 10%) which, save for targets that do not relate to budgeted figures, shall be measured against the respective budget as determined by the Board for the relevant fiscal year. The compound STI-Target Achievement shall be capped at 125%. Assuming 100% of all targets are achieved, the STI makes up to 23% of the aggregate total compensation. The LTI is measured against two LTI targets, each weighted 50%: (i) the development of the NAV per share as targeted by the Board and (ii) the development of the Company's share price in relation to the EPRA GERMANY index, both measured over four years. LTI payments will be settled in shares of the Company and are capped at a compound target achievement of 120%. The LTI without recognition of any development in the fair market value of shares, if granted, assuming 100% of all targets are achieved, makes up to 36% of the aggregate total compensation.

The service agreements (the "Service Agreements"), including the fixedsalary, STI and LTI, have a fixed term ending on July 23, 2019, the fourth anniversary of the IPO. They may generally be terminated by either party, subject to six months' prior notice. If a Senior Management member's Service Agreement is validly terminated by the Company during the first two years of service, an additional payment shall be paid, except in the instance of a material breach of duties on the part of the Senior Management member. The additional payment may not exceed the amount of the payments that would become due and payable for the remaining term between expiry of the notice period and expiry of the first two years of the relevant Service Agreement (the "Premature Termination Payment"), including the base salary and the STI and LTI due for the respective period.

The members of the Senior Management are bound by non-compete restrictions in their Service Agreements for a period of six months following termination of their Service Agreement.

CONFLICTS OF INTEREST

In most cases, no Board member shall, solely as a result of being a Board member, be prevented from contracting with the Company, either with regard to his tenure of any office or business or as vendor, purchaser or in any other manner whatsoever, nor shall any contract or other transaction between the Company and any other corporation or entity or in which any Board member is in any way interested be affected or invalidated by the fact that any one or more of the Board members or officers of the Company is or are interested in such contract or transaction or is or are a Board member, officer or employee of such other corporation or entity. Any Board member or officer of the Company, officer or employee of any corporation or entity with which the Company shall contract or otherwise engage in business shall not solely by reason of such affiliation with such other corporation or entity be prevented from considering and voting or acting upon any matters with respect to such contract or other business. In the event that any Board member of the Company shall have any conflicting interest *("intérêt opposé à celui de la société")* within the meaning of Article 60bis-18 of the 1915 Companies Act in any transaction involving the Company, such Board member shall make known to the Board such conflicting interest and shall not consider or vote on such transaction, and such transaction and such member's interest therein shall be recorded and reported to the next succeeding General Meeting of the shareholders. These provisions do not apply if the decisions to be taken by the Board concern routine business operations that are to be concluded under arm's length conditions.

Two Board members are independent. The remaining Board members (except Mr. Savion) have a potential conflict of interest insofar as they serve as Board members and as Senior Management in ADO Group Ltd., the largest shareholder in the Company. Additionally, the Senior Management has potentially conflicts of interest as they hold options and a non-material amount of shares in ADO Group Ltd.

ISSUANCE & BUY-BACKS OF SHARES

The Company issued 35,000,000 shares, registered with a single settlement organization in Luxembourg, LuxCSD, and an unissued authorized capital which amounts to EUR 750 million. The General Meeting of shareholders or the Board may from time to time issue shares in accordance with Chapter II, Section 1 of the Luxembourg Law of April 6, 2013 on dematerialized securities. Pursuant to the Articles of Association, authorization is also given to the Board (or delegates duly appointed by the Board) to issue shares from time to time within the limits of the unissued authorized capital at such times and on such terms and conditions, including the issue price, as the Board or its delegates may in its or their discretion resolve. In particular, without limitation, the Board is authorized to issue shares in favor of Board members, executives, employees, consultants of the Company and the Group, directly or under the terms of option, incentive or similar plans approved by the Board. The Company does not currently hold any of its own shares, nor does a third party on behalf of the Company. According to Article 49-2 of the 1915 Companies Act and without prejudice to the Market Abuse Law and the principle of equal treatment of shareholders, the Company and its subsidiaries as referred to in Article 49bis of the 1915 Companies Act may, directly or through a person acting in its own name but on the Company's behalf, acquire its own shares subject to an authorization given by the General Meeting.

COMPLIANCE

Mr. Yaron Zaltsman, the CFO of the Company is also acting as compliance officer to ensure compliance with standards of conduct and norms prescribed by Luxembourg and German law. The compliance officer also manages the Company's insiders list and informs employees and business partners about the relevant legal framework in relation to insider transactions and regulations.

ACCOUNTING

The Company's statutory auditor *(réviseur d'entreprises agréé)* is KPMG Luxembourg, Société cooperative ("KPMG Luxembourg"). In addition, KPMG Luxembourg is also auditing the Company's consolidated financial statements prepared in accordance with IFRS.

CHANGE IN THE BOARD OF DIRECTORS

Mr. Ofer Kotler, who was the Chairman of the Board, resigned from his position with effect from November 18, 2015, as he also resigned from the Board of ADO Group Ltd., the largest shareholder of ADO. Mr. Moshe Lahmani was appointed as Chairman from that date. In addition Mr. Yaron Krisi was appointed as Board member from that date until the next Annual General Meeting.

COMPOSITION OF THE SENIOR MANAGEMENT AND THE BOARD

BOARD

As of March 21, 2016
Moshe Lahmani *Chairman*
Shlomo Zohar *Vice Chairman*
Amit Segev
Yaron Krisi
Jörg Schwagenscheidt
Dr. Michael Bütter
Rabin Savion *CEO*

SENIOR MANAGEMENT

As of March 21, 2016
Rabin Savion *CEO*
Yaron Zaltsman *CFO*
Eyal Horn *COO*

COMBINED MANAGEMENT REPORT

PAGE

44 Fundamentals of the Group

53 Economic Review

59 Subsequent Events

59 Forecast Report

60 Risk Report

62 Statutory Results

63 Responsibility Statement

FUNDAMENTALS OF THE GROUP

BUSINESS MODEL

We are the only Prime Standard-listed, pure-play Berlin residential real estate company, 100% focused on the Berlin market. All our 15,700 units (of which 14,860 residential units) are within the city borders of Berlin. We are a residential real estate specialist with a fully integrated asset management platform. All our 228 operational employees are based in Berlin which ensures that we are close to our assets and continuously touch base with the local market dynamics. This specialization combined with our long-standing local sourcing capabilities are the base to drive FFO and NAV per share, not only by developing our existing portfolio but also through accretive add-on acquisitions. We focus on attractive areas offering good prospects for value and rental growth. As demand first picked up in the central locations of Berlin, approximately 50% of our portfolio is located there. Today, we also see micro-locations in the outskirts starting to catch up. Accordingly we are broadening our business scope into these areas.

In almost a decade of local presence we have established a proven track record of value creation. Our management team with in-depth knowledge of the Berlin market and our efficient, fully integrated and scalable platform lay the ground for future value creation.

50%
in Central Locations

OBJECTIVES AND STRATEGY

Our strategy is focused on sustainable and continuous growth to be the leading pure-play Berlin residential real estate company with potential to generate above average value.

Using our local market knowledge of Berlin, we focus on the modernization, refurbishment and repositioning of our portfolio assets, while constantly screening and anticipating developments in different Berlin sub-markets and districts. This focus allows us to capture additional growth potential and create positive returns on our portfolio acquisitions.

We focus on increasing rents through active asset management and targeted investments to modernize, refurbish and reposition our properties.

Our strategy to realize upside potential consists of the following approaches. We pursue regular rent increases up to the market levels (i) within the regulatory and legal limits as well as (ii) through tenant fluctuation without capex investment. In addition, we continuously review rent potentials and pursue growth beyond the rent table through targeted capex investments to modernize, refurbish and/or reposition our properties allowing for higher rent levels. Lastly, we reduce portfolio vacancy by active marketing with an approach tailored to the respective micro-location. Our strategy allows and also leads us to choose high quality tenants which continuously improves our tenant structure by maintaining our portfolio assets in the market standard suitable for the current demand.

Our scalable platform is capable of (i) implementing accretive growth through acquisitions based on significant sourcing capabilities and (ii) exploiting economies of scale derived from our pure-play Berlin portfolio and our existing management operations.

Our current platform allows us to add additional units at marginal incremental costs, thereby improving our EBITDA margin. We intend to focus on further expanding our pure-play Berlin portfolio where our management's in-depth understanding of the local market provides us with attractive acquisition and repositioning opportunities. Before purchasing assets, we measure any potential acquisition for short- to medium-term accretion potential, potential for increasing rents as well as potential for condominium conversion or privatization. We believe that there are sufficient acquisition opportunities in the market to support our business plans for the foreseeable future.

We are committed to tenant satisfaction through our business approach.

We place our tenants at the center of our operations. We demonstrate high responsiveness to our tenants' needs and actively manage communications with our tenants through in-house and external call lines. Furthermore, we maintain our properties at the market standard suitable for the current demand through ongoing investments. Our business approach leads to better tenant satisfaction as shown by our sustainable high rent collection rate and decreasing vacancy in our properties.

Our sustainable financing strategy targets a conservative LTV-Ratio of 45% to 50%.

45%
to
50%
target LTV

We have adopted a conservative financing structure which also permits us to benefit from attractive financing conditions and allows us to react quickly on opportunities for potential acquisitions. Although today interest rates and the bank demand to finance our assets allows us to increase our LTV ratio to above 50% and to increase our FFO yield on the existing portfolio, we prefer to keep discipline to our conservative approach and do not intend to increase leverage.

We provide stable dividends with a targeted payout ratio of 30% to 40% of FFO 1.

40%
dividend payout of FFO 1

Our portfolio and operational excellence combined with our sustainable financing strategy allows us to distribute stable dividends with a targeted payout ratio of 30% to 40% of FFO 1. The Board of Directors has recommended to pay a total dividend of EUR 12.25 million or EUR 0.35 per share for the year 2015 subject to the approval of the Annual General Meeting on May 3, 2016.

COMPETITIVE STRENGTHS

FOCUS – Our EUR 1.5 billion portfolio is located solely in Berlin and predominantly in the districts of Berlin with attractive growth perspectives.

Our portfolio of 14,860 residential units and 880 commercial units is 100% located in Berlin and predominantly in the districts of Berlin with attractive growth perspectives. As of December 31, 2015, more than half of our portfolio was located in districts with above average Berlin rental growth. The Berlin residential market continuously benefits from a combination of positive net migration, increase in the quality of the work force, decreasing average household size and limited supply of new rental stock, resulting in continued rental growth, which we expect to positively impact our business.

KNOWLEDGE – We benefit from in-depth knowledge of the Berlin market from almost a decade of local presence and a local network with excellent access to information.

We benefit from in-depth knowledge of the Berlin market, especially of the Berlin micro-locations, from almost a decade of local presence. We have a local network with excellent access to information where we have developed a strong reputation as a reliable business partner and asset manager in Berlin. Our extensive market insights also allow us to identify privatization opportunities while allowing us to build our existing pipeline of assets.

EFFICIENCY – We benefit from an organically grown, efficient, fully integrated, scalable and in-house platform for portfolio management and privatizations, which is led by an experienced management team that has worked together since 2007.

Our platform, combined with our in-depth knowledge of the Berlin market and almost a decade of local presence, makes us well suited to identify portfolio assets that can be improved through targeted capital expenditures. Our management team has worked in the same organization and setting since 2007 and is experienced in in-house asset management, property and facility management and construction management. Furthermore, we have qualified teams of real estate professionals in all areas of our business operations that have been built without legacy constraints, which allows us to be flexible in adapting to market conditions to sustain further portfolio growth. The concentration of our portfolio in the Berlin market further increases our platform efficiency and allows us to work with a lean and specialized operational setup. Our approach has led to a competitive EBITDA margin of 78% and a track record of decreasing vacancy in our portfolio.

INVESTMENT APPROACH – We had 6.5% average annual like-for-like rental growth over the past four years (2012–2015) with our targeted investment approach and see significant further rental growth potential.

Our management has instituted a clear investment strategy to drive rental growth. Our repositioning and refurbishing of assets through targeted capital expenditures has led to increased rents, resulting in higher returns, and ultimately to our annual like-for-like rental growth of 7.3% in the last year and 6.5% average between 2012–2015. We also see significant further rent potential for our assets when we look at current in-place rents vs. actual market rents.

SOLID BALANCE SHEET – Our balance sheet has a conservative LTV ratio and long-term maturity profile at low funding costs.

Throughout our history, we have based our conservative financing strategy on the financing of assets through mortgages and have built strong relationships with a range of key lenders in Germany. This financing source has been accessible at attractive terms through the whole cycle we have seen over the last decade. We have a conservative balance sheet with, as of December 31, 2015, LTV ratio of 43.6%, approximately 2.3% cost of debt and long-term financing with a weighted average maturity of approximately 5.5 years. We have repeatedly proven our ability to access the bank financing market at favorable rates, not only with the financing of the Carlos portfolio, which was taken over at the start of Q2 2015, at approximately 1.7%, but also more recent transactions with interest rates at between 1.4% and 1.6%, all of these at a seven year maturity.

The Company is in a process of extending the maturity of its old loans in the next two years. In 2016 we expect to refinance at least EUR 150 million, decreasing the average interest rate on all outstanding loans to below 2%.

15,700
units

BUSINESS PERFORMANCE HIGHLIGHTS

In EUR thousand	15 For the year ended Dec 31, 2015	14 For the year ended Dec 31, 2014
Income from rental activities	**65,799**	33,719
EBITDA from rental activities	**48,492**	24,584
EBITDA margin	**78.6%**	76.9%
Total EBITDA	**49,975**	24,682
FFO 1 from rental activities	**30,714**	13,529
AFFO from rental activities	**26,652**	10,080
FFO 2 from rental activities	**32,197**	13,627
In-place run rent (end of period)	**74,726**	34,255
Monthly in-place rent (EUR / sqm)	**5.82**	5.92
Vacancy rate (%)	**4.0%**	4.8%
Total residential units	**14,856**	6,596
LTV	**43.6%**	54.4%
EPRA NAV	**843,621**	354,779
EPRA NAV / share	**24.10**	14.19

Year 2015 was characterized by a series of significant developments for ADO Properties S.A. The IPO was successfully concluded with the first day of trading on July 23, 2015 on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and ADO Properties S.A. raised gross proceeds of EUR 200 million from the issuance of 10 million new dematerialized shares, setting up the Company for further growth. A key step for the IPO was the relocation of ADO Properties S.A. from Cyprus to Luxembourg, a jurisdiction well established with international investors.

On the portfolio side, the Company has achieved substantial growth in 2015. The acquisition of the 5,750 residential units of the Carlos portfolio which was closed on April 1, 2015 was the largest individual acquisition of the year. In addition, we completed several smaller acquisitions during the year, the most significant one after Carlos, the BMB portfolio, was added in November 2015 . In total we added more than 1,250 units post IPO, all in Berlin, mostly in central locations. As a result of these acquisitions, our portfolio grew to more than 15,700 units.

The acquired buildings and units offer a wide range of opportunities to generate value. To achieve this we employ our fully integrated management platform which we have developed into a powerful tool over the last decade. Following the acquisitions we increased from the beginning of year 2015 the capacity of our platform by 100 new employees to ensure that the spirit, the culture and the commitment which drives ADO will be conveyed into the day-day management of these units.

PORTFOLIO OVERVIEW

100% of our portfolio is within the city borders of Berlin. Our past and future acquisition strategy for building our portfolio has not only considered the various districts in Berlin, but also the micro-locations and the quality of the individual assets. We have seen opportunities mainly in inner-city locations, but also in outskirts within the city boundaries of Berlin.

More than
30%
reversionary potential

The largest part of our portfolio is in central locations of Berlin which include the districts of Charlottenburg-Wilmersdorf, Friedrichshain, Kreuzberg, Mitte, North Neukölln, North Steglitz, Prenzlauer Berg, South Reinickendorf and Schöneberg. This part of our portfolio contributes approximately 50% of the asset value of our total portfolio.

Our portfolio grew substantially in year 2015. The acquisition of the Carlos portfolio, located in the north and west of Berlin in the districts of Spandau and Reinickendorf, is a reflection of the opportunities we see emerging in the outskirts of Berlin. These locations are benefiting from an increasing demand for affordable living space which is driven by the continuous increase of the Berlin population. Average rent growth in these locations is poised to pick up strongly in the years to come. We continue to search for and see further opportunities in the whole of Berlin; in central locations as well as in the outskirts as demonstrated by the acquisitions signed during the year.

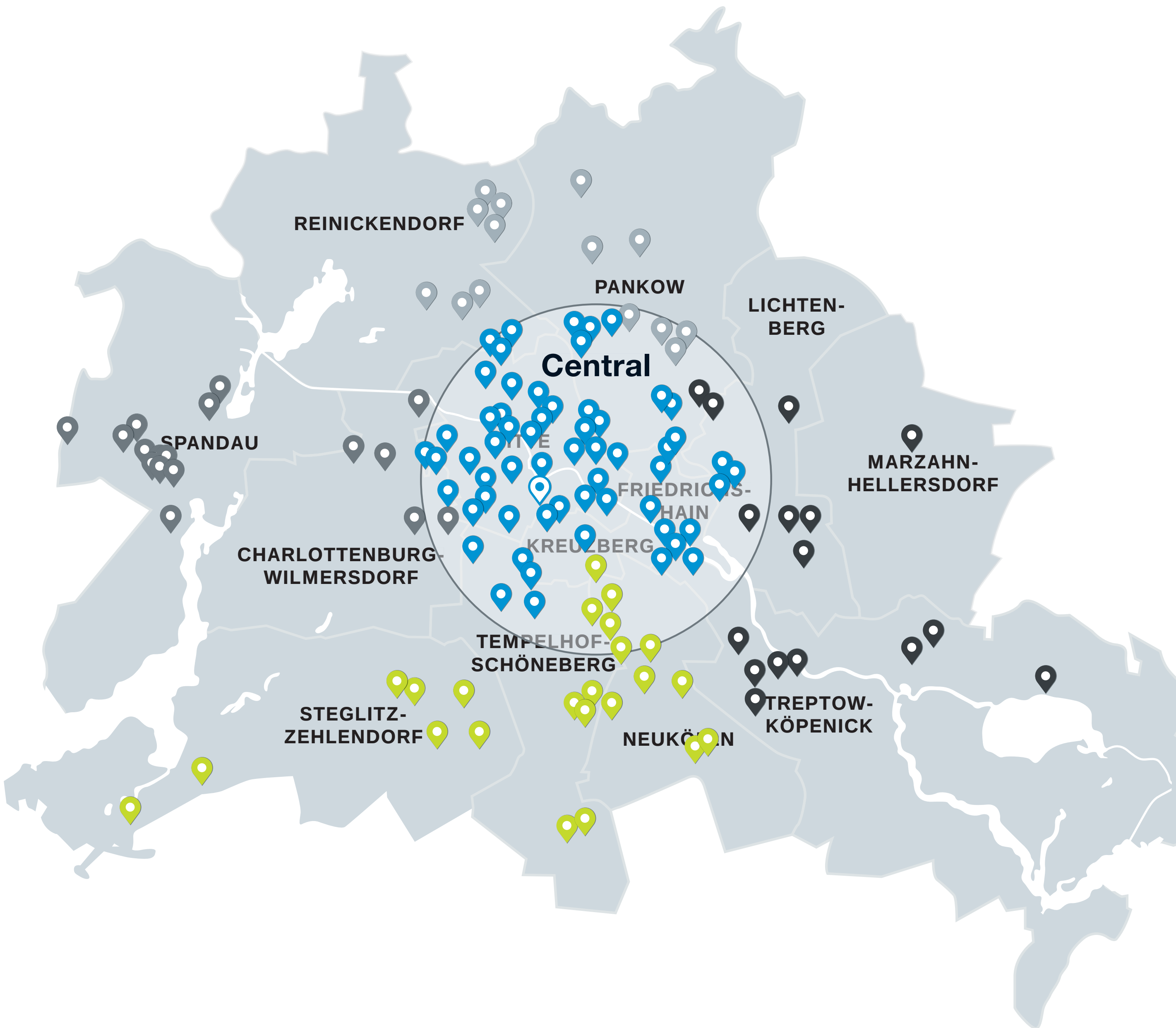
We see significant reversionary potential in our portfolio, mainly in the central locations districts as our current average new letting rent per sqm is between 17%–42% higher than our current existing average rent.

PORTFOLIO OVERVIEW (*)

	Central locations	North	East	South	West	Total
Property value (in EUR m)	748	265	110	106	273	**1,502**
Number of units	6,104	3,068	1,192	811	3,681	**14,856**
Avg. in-place rent (EUR / sqm)	6.22	5.53	6.75	6.01	5.28	**5.82**
Avg. new letting rent (EUR / sqm) (**)	8.81	6.48	10.91 (***)	8.17	6.34	**7.95**
Occupancy (sqm)	96.4%	97.3%	97.0%	97.9%	93.7%	**96.0%**

(*) All values except the property value are for the residential portfolio only.
(**) Based on the last three months.
(***) Positively impacted by the high turnover and high rent level of the Löwenberger Straße project. Normalized for this effect, the average new letting rent East would be 8.06 EUR / sqm.

ADO PORTFOLIO SEGMENTATION (AS AT DEC 31, 2015)



BUILDING LOCATIONS:

Headquarters *Central locations (*)* *North* *East* *South* *West*

(*) Berlin's central locations comprise the districts Charlottenburg-Wilmersdorf, Friedrichshain, Kreuzberg, Mitte, North Neukölln, North Steglitz, Prenzlauer Berg, South Reinickendorf and Schöneberg.

PORTFOLIO VALUATION

The portfolio was independently valued by CBRE. The total portfolio value of EUR 1.5 billion as of December 31, 2015 includes the full property portfolio, both trading and investment properties. The positive development of the Berlin market, both on the rental segment as well as on the investment segment, reflects in the increase of the value of our properties. The increase results not only from the increase in multipliers, but also from our operational performance and our dedicated investment strategy.

It should be noted that our actual residential new letting rents are on average 8% higher than CBRE's market rent assumptions. For year 2016 we expect that further growth in the portfolio value will be mainly a result of active asset management and smart targeted capex investments and not of further yield compression.

The following table shows the key valuation figures related to the properties as at December 31, 2015:

15.6× *valuation multiple on new letting rents*

PORTFOLIO PERFORMANCE

RESIDENTIAL PORTFOLIO

	Dec 31, 2015	Dec 31, 2014
Number of units	**14,856**	6,596
Avg. rent / sqm / month	**EUR 5.82**	EUR 5.92
Vacancy	**4.0%**	4.8%

The reduction in the average rent per sqm compared to the previous year is mostly a result of the integration of the Carlos portfolio given that this sizable portfolio has a lower average rent. However, the average rent has increased from Q3 2015 by EUR 0.07 per sqm. The Carlos portfolio is especially suitable for the growing demand in affordable living space in Berlin and it therefore allows us to strongly benefit from this accretive acquisition. The recently introduced rental cap in Berlin has an, as expected, minor

PORTFOLIO VALUATION

	Central locations	North	East	South	West	Total	Total without condo
Fair value (EUR m)	748	265	110	106	273	**1,502**	**1,457**
Value / sqm (EUR)	1,700	1,180	1,525	1,572	1,063	**1,419**	**1,407**
Share of fair value (%)	50%	18%	7%	7%	18%	**100%**	–
Avg. in-place rent (EUR / sqm)	6.22	5.53	6.75	6.01	5.28	**5.82**	–
CBRE market rent (EUR / sqm)	7.64	6.27	7.55	7.51	5.88	**7.06**	–
Avg. new letting rent (EUR / sqm) (*)	8.81	6.48	8.06	8.17	6.34	**7.63**	–
Multiplier (current rent)	22.05	17.86	19.56	20.34	17.56	**19.99**	**19.76**
Multiplier (CBRE market rent)	18.02	15.89	16.98	17.09	14.84	**16.83**	**16.70**
Multiplier (new letting rent)	15.63	15.38	15.90	15.71	13.77	**15.58**	**15.46**
Discount rate (%)	4.9%	5.3%	5.2%	5.0%	5.4%	**5.1%**	**5.1%**
Capitalization interest rate (%)	3.8%	4.2%	4.1%	4.0%	4.4%	**4.0%**	**4.0%**

(*) Normalized new letting rent for the East is based on assumption that Löwenberger project will contribute to the new letting rent only based on its proportion of sqm.

dampening effect on our new letting rents. Overall vacancy reduced by 0.8%. Excluding the Carlos and the BMB (taken over in November 2015) portfolios, the vacancy rate at the end of the year would have been 3.1%.

COMMERCIAL PORTFOLIO

	Dec 31, 2015	Dec 31, 2014
Number of units	**883**	592
Avg. rent / sqm / month	**EUR 8.30**	EUR 8.29
Vacancy	**5.5%**	3.6%

The commercial part of our portfolio shows higher rents compared to the residential properties. The reduction in the average rent per sqm resulting from new purchases we had seen at the beginning of the year has been compensated. The change in the occupancy rate results from new acquisitions and one larger contract for office space which was terminated at the end of 2015. As a substantial part of the before mentioned office space consists of former residential units, we are currently reviewing the option to convert suitable parts of this space back to residential use for which see strong demand.

In pursuit of our strategy on creating value through strong like-for-like rental growth, we split our rental growth into four components as shown in the table below to provide detailed information about how we can create rental growth.

7.3%
like-for-like rental growth

RENTAL GROWTH (LIKE-FOR-LIKE)

	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014
New lettings after CAPEX	**3.8%**	3.3%
New lettings fluctuation	**2.7%**	1.6%
Cost rent increases	**0.0%**	0.3%
Regular rent increases	**0.8%**	2.8%
Total	**7.3%**	**8.0%**

Our fully integrated active asset management is focused on our rental growth and employs dedicated strategies to drive all relevant components. The first two components (CAPEX and fluctuation) relate to new tenants. In units which require modernization we invest CAPEX to improve quality to meet today's standard. Units which do not require CAPEX are being let at market rent levels. The other two components (cost rent increases and regular rent increases) relate to our existing tenants. An accurate and efficient application of the relevant regulatory framework is key for our success. Despite the decrease of the rental growth compared to 2014 which was in line with our expectations and results mostly from an outstanding growth rate in 2014, the growth rate was still significantly above our average of the last 4 years of 6.5%.

MAINTENANCE AND CAPEX (*)

In EUR per sqm	Jan 1 – Dec 31, 2015	Jan 1 – Dec 31, 2014
Maintenance	**6.3**	6.5
Capitalized maintenance	**4.6**	7.6
Modernization CAPEX	**9.9**	13.2
Total	**20.8**	**27.2**

(*) Based on total lettable area.

Investments in our portfolio is at the core of our strategy. Total investment into the portfolio in the year 2015 amounted to EUR 18.4 million compared to EUR 12.3 million in full year 2014 (corresponding to EUR 20.8 per sqm and EUR 27.2 per sqm respectively). The reduced expenses per sqm in the modernization CAPEX and capitalized maintenance results mainly from the elevated level of investments in 2014 (compares to a 4 year average of EUR 21.3 per sqm).

EUR
20.8
per sqm investment in the portfolio

As part of our active asset management we aim to minimize our vacancy while keeping the necessary flexibility for our additional portfolio optimization activities. The positive development of the overall vacancy rate in year 2015 results from the successful letting activity of our operations.

VACANCY SPLIT

Residential	Dec 31, 2015	Dec 31, 2014
Units for sale	**0.5%**	0.4%
Units under construction	**2.7%**	2.5%
Marketing (available for letting)	**0.8%**	1.9%
Total vacancy (units)	**577**	**363**
Total vacancy rate (sqm)	**4.0%**	**4.8%**

We still see further room for improvement of our vacancies as a significant number of units continues to be in our modernization program, mostly an effect of the Carlos

NEW ACQUISITIONS TAKEN OVER IN YEAR 2015

	Condo	Central locations	North	East	South	West	Total
Property value (year end in EUR m) CBRE report (*)	33	166	223	47	31	237	**737**
Value / sqm (EUR)	1,813	1,713	1,129	1,539	1,698	1,025	**1,244**
Total sqm (k)	18	97	197	31	18	231	**592**
Run rate (year end EUR m)	1.2	7.4	12.7	2.2	1.4	13.7	**38.8**
Number of commercial units	9	127	50	18	10	46	**260**
Number of residential units	262	1,323	2,731	447	204	3,347	**8,314**
Avg. residential in-place rent (EUR / sqm)	6.66	6.20	5.42	6.14	6.45	5.22	**5.55**
CBRE market rent (EUR / sqm)	7.68	7.57	5.86	7.17	7.57	5.73	**6.24**
Avg. new letting rent (EUR / sqm) – actual	–	8.49	6.15	8.29	8.29	6.01	**6.66**
Occupancy (sqm)	79.7%	97.6%	97.4%	97.7%	97.7%	93.5%	**95.3%**

(*) As of December 31, 2015.

acquisition. Our CAPEX investment program is important for generating the rental growth we aim to achieve. For our privatization program it's important to keep a stock of vacant units available for sale as many individual buyers are looking to purchase for self-use where they prefer to purchase vacant units. It is also a fact that the purchase prices for vacant units are higher than for rented ones which compensates for the increased vacancy loss during the sales period.

The Carlos portfolio is a good example for a portfolio in its stabilization phase. It needs active asset management to reduce the vacancy. Out of the current vacancy rate of 4.9% in the Carlos portfolio, 4.0% is related to the initiated improvement work to create a product 100% suitable for today's market. The like-for-like vacancy rate in our portfolio excluding Carlos and the BMB portfolio which was taken over in December 2015 has decreased by 170 bps to 3.1% in year 2015.

1,250
units acquired post IPO

ACQUISITIONS

2015 has been a successful year for the further development of our portfolio with acquisitions which nearly doubled the size of our Company. In January we acquired the Waypoint portfolio which consisted of 37 residential and 6 condo buildings located in Berlin, for a total amount of approximately EUR 130 million. This acquisition added 1,300 residential units and 45 commercial units in central Berlin with a total lettable area of approximately 88 thousand sqm. On April 1, 2015 with the integration of the Carlos portfolio for a purchase price of EUR 375 million the biggest individual step in our growth was taken. This acquisition comprised a portfolio of residential buildings which include 5,749 residential apartments in Berlin and a total area of approximately 400 thousand sqm. The Carlos acquisition represents the majority of assets we acquired in the North and West of Berlin. The takeover of the BMB portfolio on November 1, 2015 was the last larger acquisition of 2015 besides smaller acquisitions executed during the year. This portfolio of 37 residential buildings and 4 condominium buildings located in Berlin has been acquired for a total amount of approximately EUR 64 million. The portfolio includes 691 residential units and 136 commercial units in central Berlin with a total leasable area of approximately 65 thousand sqm.

ECONOMIC REVIEW

GENERAL ECONOMIC AND SECTOR-SPECIFIC CONDITIONS

GENERAL MARKET SITUATION

The German economy continues to follow a moderate, but steady growth trajectory. Adjusted for price, seasonal and calendar effects, gross domestic product saw an increase of 0.3% in the fourth quarter of 2015, while growth for the whole of 2015 amounted to 1.7%. Positive stimuli were not only provided by increasing government consumption expenditures, but also by private consumption expenditures and investment activity. Building investments witnessed an especially strong growth of 2.2% in the fourth quarter, but a significant increase was also recorded in equipment investments in the public sector. The number of people in gainful employment rose to 43.4 million at the end of the year and thus was 1.0% higher than in the previous year *(Source: Federal Statistical Office)*.

This continued encouraging trend on the labor market raises the expectation of further positive effects for private consumption as well as for the residential rental markets in Germany. The European Central Bank (ECB) left its main refinancing rate unchanged at 0.05% in December 2015 and thus held tight to its low interest rate policy, which will further stimulate growth in property prices through favorable real estate loans.

DEMOGRAPHIC TRENDS AND HOUSING DEMAND IN BERLIN

With around 3.6 million residents, Berlin is the most populous city in Germany, accounting for approximately 4.4% of the country's total population *(Source: Berlin-Brandenburg – Statistical Report 2015)*. Recently, Berlin's population has been increasing every year. In 2015, it rose by 48,250 people, corresponding to an increase of around 1.3%. What is striking here is that by far the largest share of the new Berlin residents, 48,000 people, are foreign nationals. The strong influx of refugees from Syria accounted for close to a quarter of Berlin's population growth in 2015 *(Source: Statistical Office Berlin-Brandenburg – Press release from February 11, 2016)*. Population growth in Berlin in the three previous years had also reached more than 40,000 people per year, the vast majority of which could be attributed to migration from abroad. The public administration of Berlin currently expects the city's population to increase to approximately 3.8 million by 2030. The starting point for this forecast was a population of around 3.562 million as of December 31, 2014, a figure that already exceeded the higher-case scenario of the previous forecast from 2012 by around 20,000 people *(Source: Senatsverwaltung für Stadtentwicklung und Umwelt, Bevölkerungsprognose für Berlin und die Bezirke 2015–2030 vom Januar 2016 – Senate Administration for Urban Development and the Environment, Population forecast for Berlin and its districts 2015–2030 from January 2016)*.

Forecasts concerning the development of the number of households in Berlin have previously assumed that this figure will increase by around 3.0% from 2010 to 2025. Based on the estimates of the Cologne Institute for Economic Research (IWK), this would result in an annual need for around 20,000 additional residential units by 2020. In reaching this conclusion, the rising number of one- and two-person households and the increase in the overall population of Berlin were considered as the main drivers of housing demand growth *(Source: IWK; Michael Bauer Research GmbH, Ziegert Wohneigentumsreport (residential property report) Berlin 2015 / 2016)*. In the light of the most recent estimates regarding population development and the heavy influx of new residents, it must be assumed that the forecasts for the annual demand for residential units in Berlin will also have to be revised upward in future.

Although the unemployment rate in Berlin is still significantly higher than the current German average, the Berlin labor market has recently developed perceptible momentum. At 10.7%, the unemployment rate in Berlin in January 2016 was 0.6 percentage points lower than in January 2015 *(Source: Senatsverwaltung für Arbeit, Integration und Frauen – Senate Administration for Labor, Integration and Women)*. The number of people gainfully employed in Berlin in 2015 increased year on year by 2.0% and thus posted growth that was considerably higher than the national average, where growth amounted to only 0.8%. In comparison with the other federal states, Berlin – as it has since 2012 – again led the way. In total, approximately 1.85 million people were gainfully employed in Berlin in 2015. Based on this figure, some 35,800 new jobs were created in comparison with the previous year, making a grand total of approximately 138,000 new jobs created in Berlin over the past four years. Accounting for 35,000 positions, by far the largest share of the new jobs arose in the service sector, although many new jobs were also created in Berlin's industrial and construction sectors *(Source: Senatsverwaltung für Wirtschaft, Technologie und Forschung – Senate Administration for Economic Affairs, Technology and Research)*.

REAL ESTATE STOCK AND HOUSING MARKET TRENDS IN BERLIN

Berlin is the largest residential rental market in Germany and has a stock of almost two million residential units *(Source: Statistical Office for Berlin-Brandenburg)*. The growing population is increasing the pressure on the Berlin housing market, and the shortages in the housing supply are reflected in continuously increasing rents and purchase prices. In the meantime the price level in new rentals has also increased in areas where it was previously difficult to apply price hikes. Examples of this include such districts as Neukölln and Wedding, where average rents nevertheless remain lower than the Berlin average. Rental apartments in the lower price segment are offered predominantly on the city's peripheries, for example in the large housing estates in the districts of Marzahn-Hellersdorf and Spandau. At the same time, it appears that the potential for price increases in particularly popular districts, such as parts of Berlin-Mitte or Prenzlauer Berg, has now been exhausted *(Source: IBB Housing Market Report 2014)*. The average household size in Berlin was 1.73 people per household in 2014, compared with 1.81 people back in 2003 *(Source: Federal Statistical Office)*. With a share of 54%, more than half of all private households in Berlin are single-person households, while their proportion in the national average accounts for just 40% *(Source: Berlin-Brandenburg; Federal Statistical Office, Housing)*. While the latest official forecasts are expecting the demand for living space in multi-family homes in Berlin to increase by 13.3% by 2025, corresponding to around 14,000 residential units in newly constructed multi-family homes each year, the IWK already expects an annual demand for around 20,000 residential units in the period from 2015 to 2020. *(Source: BBSR – Residential Market Prediction 2025, higher-case scenario, IWK, Der künftige Bedarf an Wohnungen 2015 – Future housing demand 2015)*. As with the adjustments needed for the demographic forecasts, it is likely that we will see further upward revisions for the expected demand for residential units in the coming years.

In light of this increased demand, residential construction activity in Berlin has clearly gained momentum. As a result, a total of 6,641 residences were completed in 2013, 23% more than in the previous year *(Source: IBB Housing Market Report 2014)*. In 2014, this figure rose to around 7,300 newly completed residences. In 2015, the number of housing unit completions is likely to be slightly above 10,000 units *(Source: JLL Residential City Profile Berlin 2015)*. There was an even stronger increase in the number of building permits: 2013 saw building permits for 12,518 new residences issued, representing a year-on-year increase of 26%, while in 2014, 17,316 residences had already been approved up to and including November, a figure 53% higher than that for the corresponding period in the previous year. Yet even if this trend is sustained, there will only be a noticeable easing in the Berlin housing market if the additional demand can be compensated for by a corresponding number of new building completions – something that has not been the case to date *(Source: IBB Housing Market Report 2014)*.

Due to the current supply and demand dynamics the average asking rental price per sqm increased by 5.1% in Berlin in 2015. Following increases of 6.9% and 6.6% in the previous two years, rental growth has thus experienced a slight slowdown yet remains on a high level. In the mid-market segment, monthly average rental prices for new tenancy agreements in Berlin ranged between EUR 6.17 and EUR 14.00 per sqm. The median in the lower market segment was EUR 5.61 per sqm and month, which represents a year-on-year increase of 2.0% *(Source: CBRE / Berlin Hyp Housing Market Report Berlin 2016)*. It can be assumed that the increasing shortage of supply in the mid-price segment will also increase the pressure from potential tenants on the lower price segment and also lead to higher rent hikes here. This anticipated stronger momentum and the resulting potential are already becoming apparent in several areas. In Spandau, for example, the average asking rental price per sqm increased by 3.7% and is now EUR 7.00 a month. However, this is still EUR 1.99 lower than the average for the whole of Berlin. The dynamic in districts like Spandau is especially driven by the activity in the lower price segment, where the average rental price for the lowest priced tenth of all units in Spandau increased by 8.4%, rising more sharply than the Berlin average *(Source: CBRE / Berlin Hyp Housing Market Report Berlin 2016)*.

EUR
76
million annualized Q4 rental income

EUR
2,801
average sales price

PROFIT SITUATION

Income from rental activities increased by 95% driven from new acquisitions and 7.3% like-for-like growth. Comparing Q4 2015 to Q3 2015 it grew by 5%, reflecting an annualized income of EUR 76 million. The EBITDA from rental activities increased by 97%. Q4 2015 results represent an annualized EBITDA of EUR 58 million. Our privatization business which we started at the end of 2014 gained speed in 2015 in which we already sold 54 units, thereof 19 were sold in Q4. We see ourselves well on track to achieve our goal to sell at least 100 units in year 2016. The sales margin of 15% results from the fact that all of these units have been acquired as condominiums and have therefore been carried at higher values in our books compared to assets which have been acquired as rental-only properties. The average sales price of EUR 2,801 per sqm compares very positively to our current average portfolio value for Central Locations which are most comparable of EUR 1,700 per sqm.

Our financing costs were significantly impacted by our acquisitions and the effects of the IPO. The Carlos portfolio was financed with equity and a EUR 280 million seven-year loan with fix interest rate of 1.7%. Our quarterly financing cost on interest-bearing loans is EUR 5.1 million, our average interest rate is 2.3%. In Q4 2015 we refinanced a EUR 32.5 million loan replacing a 4.65% with a 1.62% fixed annual interest.

The Company is in a process of extending the maturities of its old loans in the next two years. In 2016 we expect to refinance at least EUR 150 million, decreasing the average interest rate on all outstanding loans to below 2%.

Following the IPO on July 23, 2015, shareholder loans from ADO Group were converted into equity as a non-refundable capital contribution without issuance of new shares. The associated finance cost therefore dropped to zero from that date.

FINANCIAL PERFORMANCE (*)

In EUR thousand	For the year ended Dec 31, 2015	Dec 31, 2014	For the three months ended Dec 31, 2015	Dec 31, 2014
Income from rental activities	**65,799**	33,719	**19,078**	8,882
Cost of rental activities	**(11,369)**	(6,069)	**(3,111)**	(2,382)
Net operating income	**54,430**	27,650	**15,967**	6,500
Overhead costs	**(5,938)**	(3,066)	**(1,871)**	(862)
EBITDA from rental activities	**48,492**	**24,584**	**14,096**	**5,638**
EBITDA from rental activities margin (%)	**78.6%**	76.9%	**78.2%**	66.6%
Profit from privatization sales	**1,483**	98	**492**	61
EBITDA total	**49,975**	24,682	**14,588**	5,699
Financial cost interest bearing loans	**(17,658)**	(11,095)	**(5,082)**	(2,989)
Financial cost shareholder loans / net others	**(6,482)**	(2,653)	**359**	(1,727)
IPO related expenses	**(430)**	–	**(64)**	–
D&A	**(256)**	(96)	**(87)**	(25)
EBT	**25,149**	10,838	**9,714**	958

(*) Excluding effects from the changes in fair value of investment properties and assets held for sale.

FFO

In EUR thousand	For the year ended Dec 31, 2015	Dec 31, 2014	For the three months ended Dec 31, 2015	Dec 31, 2014
EBITDA from rental activities	**48,492**	24,584	**14,096**	5,638
Net cash interest	**(17,658)**	(11,010)	**(5,082)**	(2,912)
Current income taxes	**(120)**	(45)	**(69)**	(12)
FFO 1 (from rental activities)	**30,714**	**13,529**	**8,945**	**2,714**
Maintenance capital expenditures	**(4,062)**	(3,449)	**(1,675)**	(1,259)
AFFO (from rental activities)	**26,652**	10,080	**7,270**	1,455
Net profit from privatizations	**1,483**	98	**492**	61
FFO 2 (incl. disposal results)	**32,197**	**13,627**	**9,437**	**2,775**
No. of shares (**)	**29,423**	25,000	**35,000**	25,000
FFO 1 / share	**1.04**	0.54	**0.26**	0.11
FFO 2 / share	**1.09**	0.55	**0.27**	0.11

(**) On July 23, 2015 the Company issued 10m new shares as part of the IPO. The numbers of shares is calculated as the weighted average shares for the period.

FFO

Our funds from operation (FFO) from rental activities (without disposals) for the full year rose by approximately 127% in comparison to the previous year. Our FFO 1 for Q4 increased by 6% compared to Q3 2015. This represents an annualized FFO from rental activities of EUR 36 million.

The quarterly results reflect an FFO yield of 5.0% on our adjusted EPRA NAV (less cash).

In year 2016 we expect further substantial growth in FFO 1 run rate as a result from the continuous LFL growth in the portfolio and from further acquisitions and refinance of part of our old loans. See forecast report for details.

CASH FLOW

The cash flow of the Group breaks down as follows.

CASH FLOW

In EUR thousand	Jan 1– Dec 31, 2015	Jan 1– Dec 31, 2014
Net cash flow from operating activities	**55,715**	(19,398)
Net cash flow from investing activities	**(509,921)**	(191,326)
Net cash flow from financing activities	**578,989**	215,715
Net change in cash and cash equivalents	**124,783**	**4,991**
Opening balance cash and cash equivalents	**9,662**	4,671
Closing balance cash, cash equivalents and cash deposits	**134,445**	**9,662**

The change in cash flow was mainly driven by the Carlos and further acquisitions, the IPO proceeds and the respective effects on operations, investment and financing.

EUR **36** *million annualized Q4 FFO 1*

FINANCIAL AND ASSET POSITION

The changes in the assets and liabilities are mainly driven from new acquisitions in 2015. It was also influenced by the IPO on July 23, 2015 and the shareholders loans conversion to equity. The fair value of the investment properties is based on valuations for December 31, 2015 performed by CBRE. The current average cap rate, which was calculated based on the net operating income for the last month in the reporting period on an annualized basis, divided by the fair value is 4.4%. The other current assets include mainly existing condominiums which the Company started to sell in the last quarter of year 2014.

FINANCIAL POSITION

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Investment properties	**1,458,889**	730,762
Other non-current assets	**3,537**	1,046
Non-current assets	**1,462,426**	**731,808**
Cash and cash deposits	**134,445**	9,662
Other current assets	**73,277**	59,325
Current assets	**207,722**	**68,987**
Total assets	**1,670,148**	**800,795**
Interest-bearing loans	**785,269**	432,667
Amounts due to related parties	**–**	186,319
Other liabilities	**41,857**	24,354
Deferred tax liabilities	**48,593**	26,384
Total liabilities	**875,719**	**669,724**
Total equity attributable to shareholders of the Company	**785,516**	**129,980**
Non-controlling interests	**8,913**	1,091
Total equity	**794,429**	**131,071**
Total shareholders' equity and liabilities	**1,670,148**	**800,795**
Add back shareholder loans (to be converted upon IPO)	**–**	186,319
Adjusted equity	**785,516**	**316,299**

On December 31, 2015 our EPRA NAV was EUR 24.10 per share.

NAV

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Total equity attributable to shareholders of the Company	785,516	129,980
Add back shareholder loans (to be converted upon IPO)	–	186,319
Derivatives	9,512	12,096
Deferred tax liabilities	48,593	26,384
EPRA NAV (unaudited)	843,621	354,779
No. of shares	35,000	25,000
EPRA NAV (unaudited) per share	24.10	14.19

EUR
24.10
NAV per share

FUNDING

We are funding our properties based on a conservative financing strategy with a mix of secured mortgage loans and equity.

FINANCING

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Interest bearing loans (*)	789,404	432,667
Cash and cash equivalents	134,445	9,662
Net financial liabilities	654,959	423,005
Fair market value of real estate portfolio	1,503,617	777,601
Loan-to-Value ratio	43.6%	54.4%
Avg. interest rate	2.3%	3.1%

(*) Including other long-term liabilities in amount of EUR 4.1 million.

2.3%
average interest rate

As of the reporting date our loan-to-value (LTV) was around 43.6%, with an average interest rate of the loan portfolio of around 2.3%. More than 97% of our loans have a fixed interest rate or are hedged. The average maturity of our loans is approximately 5.5 years. In December 2015, the Company completed the refinancing of loans in an amount of EUR 32.5 million, replacing a 4.65% with a 1.62% fixed interest rate, demonstrating the further improvement potential in the financing cost. The Company is in a process of extending the maturities of its old loans in the next two years. In 2016 we expect to refinance at least EUR 150 million, decreasing the average interest rate on all outstanding loans to below 2%.

The following table shows the loan maturity profile:

LOAN MATURITY PROFILE

	EUR m	Avg. interest rate
2016	0.3	1.7%
2017	27.6	1.3%
2018	170.1	3.5%
2019	12.7	3.0%
2020+	574.5	2.0%
Total	785.3	2.3%

SUBSEQUENT EVENTS

During the first quarter of 2016 the Company took over a total of 537 units in Berlin, of which 531 are residential units and 6 units are commercial units. The acquisitions were structured as share deals in which the Company acquired 94.9% of the shares of several companies. The gross purchase price for 100% of the acquired assets amounted to EUR 45 million. The total annual net cold rent from the new acquisitions at purchase amounted to EUR 2.2 million. As of December 31, 2015 the Company paid for these acquisitions an advance of EUR 1.3 million that was recorded as advances in respect of investment properties.

During the first quarter of 2016 the Company took over assets including a total of 132 residential units in Berlin. The Company acquired 100% with a purchase price of EUR 14.9 million. The total annual net cold rent from the new acquisitions at purchase amounted to EUR 0.7 million. As of December 31, 2015 the Company paid an advance of EUR 0.8 million for this acquisitions that was recorded as advances in respect of investment properties.

On March 21, 2016 the Board proposed to the Annual General Meeting to pay a dividend in an amount of EUR 12.25 million (EUR 0.35 per share), reflecting 39.9% of total 2015 FFO 1. The Annual General Meeting will take place on May 3, 2016.

EUR
0.35
proposed dividend per share

FORECAST REPORT

We are positive that ADO Properties will continue to increase the value of its assets by generating significant like-for-like rental growth in the future. The integration of the Carlos portfolio is in line with our timetable, and we have successfully started to increase rents from new letting in this sub-portfolio.

We expect our 2016 year-end FFO 1 run rate (without new acquisitions but including refinancing of at least EUR 150 million and rental growth) to be at least EUR 45 million.

We anticipate our like-for-like rental growth to be approximately 5% which should have a positive impact on our portfolio value, NAV and NAV per share. Average cost of debt by the end of year 2016 is expected to be reduced to below 2% with a LTV in the range of 45%–50%. In the privatization business we expect to sell around 100 units. For year 2016 we anticipate a dividend payout ratio between 30% to 40% of FFO 1.

RISK REPORT

ADO Properties S.A. continually monitors and controls risk positions in the Group in order to avoid developments which might threaten the existence of the Group and, at the same time, to exploit any opportunities which occur. The risk management system has been designed on the basis of the corporate strategy and the portfolio structure as an appropriate and effective early warning and control instrument. The established risk management system enables the Board of Directors and the Senior Management Team at all times to identify and assess material risks within the Group and in the environment. The Board of Directors and the Senior Management Team of ADO Properties S.A. sees currently no risks which threaten the Company's existence.

RISKS RELATED TO THE MARKET

All of the real estate we own is located in Berlin. Accordingly, we are dependent on trends in the Berlin residential real estate market, as well as general economic conditions and developments in Berlin The continuing uncertainty regarding the development of the global economy, for example due to the ongoing sovereign debt crises and inflation and deflation risks in many parts of the world, particularly in Europe, and the quantitative easing announced by the European Central Bank, may result in economic instability, limited access to debt and equity financing and possible defaults by our counterparties. The current economic environment is characterized by low interest rates and comparatively high valuations of residential real estate portfolios in Germany. Any rise in interest rates could have material adverse effects on the asset valuations, the German real estate market and on us. It could become more difficult for us to implement our strategy of capturing additional growth opportunities by acquiring residential real estate portfolios on attractive terms, particularly due to the high current and future market prices for real estate portfolios.

RISKS RELATED TO OUR BUSINESS

We rely significantly on earnings from rentals. As a result, our performance outcomes depend largely on the amount of rental income generated, vacancies, rent reductions, collection losses and the expenses we incur in generating such rents. Our rental income is impacted predominantly by rents charged and vacancy levels. To the extent we generate earnings from the sale of properties, our performance outcomes depend on the market value of our real estate properties. Rents and real estate prices, in turn, depend largely on economic and business conditions in Germany in general and in our market in particular. Increased rent restrictions could adversely affect our results of operations because we rely significantly on earning from rentals. An increase in the vacancy rates or a decrease in achievable market rents of our residential real estate portfolio could have a material adverse effect on rental income and operating profit.

We are exposed to risks related to the structural condition of our properties and their maintenance, repair and modernization. In order to sustain demand for a rental property and to generate adequate revenue over the long-term, a property's condition must be maintained, repaired and / or improved to a standard that meets market demand and complies with environmental laws. Although we constantly review the condition of our properties and have established a reporting system to monitor and budget the necessary maintenance and modernization measures, numerous factors may generate substantial cost overruns or unexpected increases in costs for maintenance and modernization. These factors may include the material and substances used at the time of construction, currently unknown building code violations and / or the age of the relevant building could result in substantial unbudgeted costs for refurbishment, modernization, decontamination required to remove and dispose of any hazardous materials (e.g. asbestos) which are harmful to the health of the residents, or other maintenance or upgrade work. When we are buying new properties we bear risk in relation to unexpected liabilities, wrong assessment of value as well as due diligence findings and challenges with respect to integrating acquisitions.

FINANCIAL RISKS

A change in general interest rate levels may increase our financing costs, the values of our properties and the prices at which we are able to sell our properties may decrease. We attempt to mitigate interest rate risk by entering into hedging agreements and therefore we exposed to the risks associated with the valuation of hedging instruments and hedge counterparties and the hedging agreement may not be effective.

We have a substantial level of debt and are dependent on refinancing significant amounts as they become due. We may not be able to extend our existing credit arrangements, refinance our debt on substantially similar terms when it matures or obtain acquisition financing on financially attractive terms when needed. Our cash flows and possible future dividend payments are dependent on the distributable capital and annual profit and profitability of our subsidiaries or must be augmented by borrowed capital.

REGULATORY AND LEGAL RISKS

Our business is subject to the general legal environment in Germany. Any disadvantageous changes in the legal environment, such as mandatory environmental modernization provisions, restrictions regarding modernization measures or provisions (including taxes) that result in the incurrence of costs in the event of a property sale may be detrimental to us. German laws protecting residential tenants and existing restrictions on the rate of rental increases could make it more difficult to increase the rents of residential units we own.

Recently adopted regulations may impose restrictions on our ability to convert rented apartments into condominiums. More restrictive environmental laws could also result in additional expenses. For example, since 2011, owners of specified centralized heated water supply facilities for use in multi-family residential units are obliged to test the level of potential legionella contamination at least every three years, thereby incurring additional costs for the testing as well as for remediation measures, if contamination is detected. Additional costs would also be incurred if the legal requirements relating to the construction and use of existing properties were to become more onerous. Construction and environmental requirements are of particular significance in this context. For example, the currently applicable version of the Energy Savings Regulation (Energieeinsparverordnung) prescribes specified investments into renovation aimed at reducing energy consumption (for instance, with respect to thermal insulation) and requires a landlord to present an energy certificate that discloses the property's energy efficiency to a potential tenant prior to entering into a new lease agreement. The same applies with respect to the sale of properties. Additionally, requirements may be imposed in order to increase the availability of disabled-accessible and adapted housing.

In addition, we could be adversely affected by changes to public building law which could restrict our ability to manage our properties in the way we had previously expected. For instance, on March 3, 2015, the Government of Berlin passed a regulation according to which in currently 21 areas of Berlin, located in the districts of Pankow (ten areas), Friedrichshain-Kreuzberg (seven areas), Tempelhof-Schöneberg (three areas) and Mitte (one area), defined as milieu protection (Milieuschutz) areas, rented apartments may no longer be turned into condominiums and sold (privatized), ensuring that people from all social milieus can afford to rent apartments in all parts of the city. The owner of a rented apartment requires an exception permission by the relevant district to sell the apartment. Such exception permission may be granted, for example, in case that the apartment shall be sold to the current tenant.

Moreover, environmental laws impose actual and contingent obligations on us to undertake remedial action on contaminated sites and in contaminated buildings. These obligations may relate to sites we currently own or operate, sites we have formerly owned or operated or sites where waste from our operations has been deposited. Furthermore, actions for damages or remediation measures may be brought against us, namely under the German Federal Soil Protection Act (Bundesbodenschutzgesetz). According to this Act, not only the polluter but also its legal successor, the owner of the contaminated site and certain previous owners may be held liable for soil and pond water contamination. The costs of any removal, investigation or remediation of any residual pollution on such sites or in such buildings as well as costs related to legal proceedings, including potential damages, regarding such matters may be substantial, and it may be impossible, for a number of reasons, for us to have recourse against a former seller of a contaminated site or building or the party that may otherwise be responsible for the contamination. Laws and regulations, as may be amended over time, may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third parties for personal injury or other damages. In addition, if our employees infringe or have infringed environmental protection laws, we could be exposed to civil or criminal damages. We may be required to provide for additional reserves to sufficiently allocate toward our potential obligations to remove and dispose of any hazardous and toxic substances.

CONCLUDING REMARK

This Management Report contains forward-looking statements and information. These forward-looking statements may be identified by words such as "expects," "intends," "will," or words of similar meaning. Such statements are based on our current expectations, assessments and assumptions about future developments and events and, therefore, are naturally subject to certain uncertainties and risks. The actual developments and events may differ significantly both positively and negatively from the forward-looking statements so that the expected, anticipated, intended, believed or estimated developments and events may in retrospect prove to be incorrect.

STATUTORY RESULTS

STATUTORY RESULTS OF OPERATIONS AND FINANCIAL POSITIONS

INCOME

The Company's income for 2015 results from services to the Company's subsidiaries and interest income from loans granted to the Company's subsidiaries.

CHARGES

The charges for 2015 are mainly driven by salaries and related expenses and overhead costs such as accounting, legal and consulting fees.

EQUITY

The main changes in equity during 2015 are driven by the following:

- On July 23, 2015 the Company completed an initial public offering ("IPO") at EUR 20 per share. A total of 20,750,000 shares of the Company were placed, of which 10,000,000 newly issued shares with no par value by capital increase (added to the existing 25,000,000 shares) and 10,750,000 existing shares from ADO Group Ltd.
- On July 23, 2015, parallel with the IPO, the loans and the capital notes from ADO Group Ltd. were converted to equity in the amount of EUR 333 million as a non-refundable capital (surplus) contribution without issuance of new shares.

ASSETS

The fixed assets mainly consist of shares in affiliated undertakings and amounts owed by affiliated undertakings.

Current assets mainly consist of cash and deposits.

LIABILITIES

Liabilities mainly consist of amounts owed to affiliated undertakings.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the Consolidated Financial Statements of ADO Properties S.A. presented in this Annual Financial Report for 2015, prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the net assets, financial and earnings position of the Company and that the Management Report includes a fair review of the development of the business and describes the main opportunities, risks and uncertainties associated with the Company.

RABIN SAVION *Chief Executive Officer*	**YARON ZALTSMAN** *Chief Financial Officer*	**EYAL HORN** *Chief Operating Officer*

CONSOLIDATED FINANCIAL STATEMENTS

PAGE

66 Consolidated Statement of Financial Position

68 Consolidated Statement of Profit or Loss

69 Consolidated Statement of Comprehensive Income

70 Consolidated Statement of Cash Flows

72 Consolidated Statement of Changes in Equity

74 Notes to the Consolidated Financial Statements

122 Independent Auditor's Report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

In EUR thousand	Note	as of Dec 31, 2015	as of Dec 31, 2014
Non-current assets			
Investment properties	5	**1,456,804**	611,568
Advances in respect of investment properties	29	**2,085**	119,194
Property and equipment		**1,720**	378
Other financial assets	24	**1,817**	668
		1,462,426	**731,808**
Current assets			
Trading properties	6	**44,728**	13,750
Advances in respect of trading properties		**–**	31,972
Restricted bank deposits	7	**19,955**	9,863
Trade receivables	8	**6,385**	2,026
Other receivables	9	**2,209**	597
Other deposits	10	**65,000**	–
Cash and cash equivalents	11	**69,445**	9,662
Assets held for sale	12	**–**	1,117
		207,722	**68,987**
Total assets		**1,670,148**	**800,795**

EQUITY AND LIABILITIES

In EUR thousand	Note	as of Dec 31, 2015	as of Dec 31, 2014
Shareholders' equity	13		
Share capital		**–**	2
Share premium		**206,600**	13,569
Other reserves		**332,177**	18,083
Retained earnings		**246,739**	98,326
Total equity attributable to shareholders of the Company		**785,516**	**129,980**
Non-controlling interests		**8,913**	**1,091**
Total equity		**794,429**	**131,071**
Liabilities			
Non-current liabilities			
Loans and borrowings	14	**746,839**	387,044
Amounts due to related parties	27	**–**	186,319
Other long-term liabilities	3	**4,135**	–
Derivatives	24	**9,106**	11,009
Deferred tax liabilities	16	**48,593**	26,384
		808,673	**610,756**
Current liabilities			
Loans and borrowings	14	**38,430**	45,623
Trade payables		**8,091**	2,655
Other payables	15	**20,119**	9,603
Derivatives	24	**406**	1,087
		67,046	**58,968**
Total liabilities and equity		**1,670,148**	**800,795**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In EUR thousand	Note	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
		For the year ended		
Revenue	17	**75,753**	34,329	22,673
Cost of operations	18	**(19,840)**	(6,581)	(3,873)
Gross profit		**55,913**	**27,748**	**18,800**
General and administrative expenses	19	**(6,543)**	(3,162)	(2,686)
Changes in fair value of investment properties and assets held for sale	5	**158,579**	68,838	23,001
Other expenses	20	**(430)**	–	–
Results from operating activities		**207,519**	**93,424**	**39,115**
Finance income		**1,584**	4,669	17
Finance costs		**(25,724)**	(18,417)	(12,523)
Net finance costs	22	**(24,140)**	(13,748)	(12,506)
Profit before tax		**183,379**	**79,676**	**26,609**
Income tax expense	16	**(27,372)**	(10,398)	(3,668)
Profit for the year		**156,007**	**69,278**	**22,941**
Profit attributable to:				
Owners of the Company		**148,192**	68,494	22,854
Non-controlling interest		**7,815**	784	87
Profit for the year		**156,007**	**69,278**	**22,941**
Basic and diluted earnings / share (in EUR)	23	**5.04**	2.74 (*)	0.91 (*)

(*) Restated – see note 13 (A) (1) regarding stock split.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR thousand	Note	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
		For the year ended		
Profit for the year		**156,007**	**69,278**	**22,941**
Items that may be reclassified subsequently to profit or loss				
Effective portion of changes in fair value of cash flow hedges	24	**2,840**	(4,766)	4,108
Related tax		**(666)**	745	(636)
Total other comprehensive income (loss)		**2,174**	**(4,021)**	**3,472**
Total comprehensive income for the year		**158,181**	**65,257**	**26,413**
Total comprehensive income attributable to:				
Owners of the Company		**150,359**	64,488	26,312
Non-controlling interest		**7,822**	769	101
Total comprehensive income for the year		**158,181**	**65,257**	**26,413**

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Cash flows from operating activities			
Profit for the year	**156,007**	69,278	22,941
Adjustments for:			
Depreciation	**256**	96	128
Change in fair value of investment properties and assets held for sale	**(158,579)**	(68,838)	(23,001)
Net finance costs	**24,140**	13,748	12,506
Income tax expense	**27,372**	10,398	3,668
Share-based payment	**349**	139	47
Change in short-term restricted bank deposits related to tenants	**(5,878)**	(1,792)	(1,129)
Change in trade receivables	**(3,477)**	(166)	(844)
Change in other receivables	**(1,563)**	98	215
Change in trading properties	**7,928**	(13,085)	–
Change in advances in respect of trading properties	**–**	(31,972)	–
Change in trade payables	**1,036**	(133)	(1,209)
Change in other payables	**8,207**	2,935	1,864
Income tax (paid) received	**(83)**	(104)	43
Net cash from (used in) operating activities	**55,715**	**(19,398)**	**15,229**
Cash flows from investing activities			
Purchase and capital expenditure of investment properties	**(416,372)**	(68,840)	(57,056)
Advances paid for investment property purchase	**(799)**	(119,194)	(17,596)
Purchase of property and equipment	**(1,564)**	(149)	(152)
Interest received	**35**	5	3
Proceeds from disposal of assets held for sale	**954**	12,312	–
Acquisition of subsidiaries, net of cash of the acquired subsidiaries	**(89,010)**	(13,841)	(4,641)
Investments in bank deposit	**(100,000)**	–	–
Repayment of bank deposit	**35,000**	–	–
Change in long-term restricted bank deposits, net	**–**	–	3,250
Change in short-term restricted bank deposits, net	**(3,165)**	(1,619)	1,472
Net cash used in investing activities	**(574,921)**	**(191,326)**	**(74,720)**

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Cash flows from financing activities			
Long term loans received	**338,248**	133,994	43,893
Repayment of long term loans	**(42,535)**	(10,924)	(3,582)
Short term loans received	**5,980**	31,000	–
Repayment of short term loans	**(13,062)**	(4,956)	–
Interest paid	**(16,791)**	(10,875)	(8,201)
Proceeds from issue of share capital	**29**	–	–
Issuance of ordinary shares, net	**193,000**	–	–
Loans received from related parties	**2,870**	5,970	15,747
Repayment of loans from related parties	**–**	(1,633)	(8,470)
Loans received from related parties (issuance of capital note)	**111,250**	73,139	23,194
Net cash from financing activities	**578,989**	**215,715**	**62,581**
Increase in cash and cash equivalents during the year	**59,783**	**4,991**	**3,090**
Cash and cash equivalents at the beginning of the year	**9,662**	**4,671**	**1,581**
Cash and cash equivalents at the end of the year	**69,445**	**9,662**	**4,671**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR thousand	Share capital	Share premium	Hedging reserves	Capital reserve from transaction with controlling shareholder	Retained earnings	Total	Non-controlling interests	Total equity
2015								
Balance at Jan 1, 2015	**2**	**13,569**	**(9,267)**	**27,350**	**98,326**	**129,980**	**1,091**	**131,071**
Total comprehensive income for the year								
Profit for the year	**–**	**–**	**–**	**–**	**148,192**	**148,192**	**7,815**	**156,007**
Other comprehensive income for the year, net of tax	**–**	**–**	**2,167**	**–**	**–**	**2,167**	**7**	**2,174**
Total comprehensive income for the year	**–**	**–**	**2,167**	**–**	**148,192**	**150,359**	**7,822**	**158,181**
Transactions with owners, recognized directly in equity								
Contribution from shareholders, net of tax	**–**	**–**	**–**	**11,339**	**–**	**11,339**	**–**	**11,339**
Increase of share premium	**–**	**29**	**–**	**–**	**–**	**29**	**–**	**29**
Stock split	**(2)**	**2**	**–**	**–**	**–**	**–**	**–**	**–**
Issuance of ordinary shares, net	**–**	**193,000**	**–**	**–**	**–**	**193,000**	**–**	**193,000**
Conversion of shareholders' loans to equity	**–**	**–**	**–**	**300,460**	**–**	**300,460**	**–**	**300,460**
Share-based payment (see note 21)	**–**	**–**	**–**	**128**	**221**	**349**	**–**	**349**
Balance at Dec 31, 2015	**–**	**206,600**	**(7,100)**	**339,277**	**246,739**	**785,516**	**8,913**	**794,429**

In EUR thousand	Share capital	Share premium	Hedging reserves	Capital reserve from transaction with controlling shareholder	Retained earnings	Total	Non-controlling interests	Total equity
2014								
Balance at Jan 1, 2014	2	13,569	(5,261)	17,286	29,832	55,428	313	55,741
Total comprehensive income (loss) for the year								
Profit for the year	–	–	–	–	68,494	68,494	784	69,278
Other comprehensive loss for the year, net of tax	–	–	(4,006)	–	–	(4,006)	(15)	(4,021)
Total comprehensive income (loss) for the year	**–**	**–**	**(4,006)**	**–**	**68,494**	**64,488**	**769**	**65,257**
Transactions with owners, recognized directly in equity								
Establishment of subsidiaries	–	–	–	–	–	–	9	9
Contribution from shareholders, net of tax	–	–	–	9,925	–	9,925	–	9,925
Share-based payment (see note 21)	–	–	–	139	–	139	–	139
Balance at Dec 31, 2014	**2**	**13,569**	**(9,267)**	**27,350**	**98,326**	**129,980**	**1,091**	**131,071**

In EUR thousand	Share capital	Share premium	Hedging reserves	Capital reserve from transaction with controlling shareholder	Retained earnings	Total	Non-controlling interests	Total equity
2013								
Balance at Jan 1, 2013	2	13,569	(8,719)	7,435	6,978	19,265	33	19,298
Total comprehensive income for the year								
Profit for the year	–	–	–	–	22,854	22,854	87	22,941
Other comprehensive income for the year, net of tax	–	–	3,458	–	–	3,458	14	3,472
Total comprehensive income for the year	**–**	**–**	**3,458**	**–**	**22,854**	**26,312**	**101**	**26,413**
Transactions with owners, recognized directly in equity								
Acquisition of subsidiaries with non-controlling interest	–	–	–	–	–	–	179	179
Contribution from shareholders, net of tax	–	–	–	9,804	–	9,804	–	9,804
Share-based payment	–	–	–	47	–	47	–	47
Balance at Dec 31, 2013	**2**	**13,569**	**(5,261)**	**17,286**	**29,832**	**55,428**	**313**	**55,741**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ADO PROPERTIES S.A.

ADO Properties S.A. (the "Company") was incorporated as a private limited liability company in Cyprus and until June 8, 2015, its legal name was "Swallowbird Trading & Investments Limited". The Company holds and operates mainly residential assets portfolio in Berlin, Germany.

As a part of the Company's listing process (see below), the Company deleted its registration in Cyprus and moved its registered office and central administration to Luxembourg by decision of the General Meeting of shareholders dated June 8, 2015 and adopted the form of a private limited liability company *(société à responsabilité limitée)* under Luxembourg law. The Company was then converted to a public limited liability company *(société anonyme)* under Luxembourg law by decision of the General Meeting of shareholders dated June 16, 2015 and changed its name to "ADO Properties S.A." (B-197554). The address of the Company's registered office is 20 Rue Eugéne Ruppert, L-2453 Luxembourg.

On July 23, 2015 the Company completed an initial public offering ("IPO") and its shares are traded on the regulated market (Prime Standard) of Frankfurt Stock Exchange (see also Note 13).

The Company is a directly held subsidiary of ADO Group Ltd. ("ADO Group"), an Israeli company traded on the Tel Aviv Stock Exchange.

The consolidated financial statements of the Company as at December 31, 2015 and for the year then ended comprise the Company and its subsidiaries (together referred to as the "Group").

NOTE 2 – BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

The consolidated financial statements as at and for the year ended December 31, 2015, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The consolidated financial statements were authorized for issue by the Board of Directors on March 21, 2016.

B. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Euro, which is the Group's functional currency. All financial information presented in Euro ("EUR") has been rounded to the nearest thousand, unless otherwise indicated. Due to rounding, the figures reported in tables and cross-references may deviate from their exact values as calculated.

C. BASIS OF MEASUREMENT

The consolidated financial statements have been prepared under the historical cost convention, except, in particular, investment properties, other financial assets, other long-term liabilities and derivatives which are measured at fair value.

D. OPERATING CYCLE

The Group has two operating cycles:
- Holding and operating residential and commercial units: the operating cycle is one year.
- Selling of residential units as a separate condominium: the operating cycle is up to three years.

As a result, current assets and current liabilities also include items the realization of which is intended and anticipated to take place within the operating cycle of these operations of up to three years.

E. USE OF ESTIMATES, JUDGMENTS AND FAIR VALUE MEASUREMENT

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgments and use of estimates
Information about judgments, assumptions and estimation uncertainties made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 16 – Regarding the utilization of tax losses (judgments)

The Group is subject to income taxes in several jurisdictions. Significant judgment is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- Note 5 – Regarding fair value measurement of investment properties and assets held for sale (estimations)

The fair value of investment properties as at December 31, 2015 was assessed by CBRE, an industry specialist that has appropriate recognized professional qualifications and recent experience in the location and category of the properties that are being valued. The valuation includes assumptions regarding rent, vacancies, maintenance costs and discount rate. These assumptions are subject to uncertainties that may lead to either positive or negative value adjustments in the future.

- Note 24 – Regarding measurement of derivatives at fair value (estimation)

Derivative valuations are calculated by the financing bank and checked by management. The risk that derivatives will not be appropriately valued exists, since the Group needs to make judgments about the estimation of the credit risk used by the lending bank and about whether the bank used the appropriate market observation for the other variables.

Acquisition of property companies
When acquiring the shares of legal entity holding real estate assets ("Property Company"), the Group examines whether to treat it as a purchase of a group of assets and liabilities or as a business combination based on IFRS 3. If the Group does not take over the processes including the asset management activity of the previous management the acquisition is not a business combination and the purchase price is allocated to the assets and liabilities, based on their relative fair values at the date of acquisition without recognition of goodwill and deferred tax.

Measurement of fair values
Preparation of the financial statements requires the Group to determine the fair value of certain assets and liabilities. Further information about the assumptions that were used to determine fair value is included in the following notes:

- Note 5, on investment properties;
- Note 24, on financial instruments; and
- Note 3, on acquisition of subsidiaries, with respect to the fair value of purchased assets and liabilities acquired.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 3 – BASIS OF CONSOLIDATION

A. CONSOLIDATION METHODS

The consolidated financial statements comprise the Company and the subsidiaries it controls. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In addition to the Company, 149 subsidiaries (2014: 104) have been included in these consolidated financial statements.

When buying a company holding real estate assets, the Group exercises judgment to determine whether it is the purchase of a business or a group of assets and liabilities, for the purpose of determining the accounting treatment of the transaction. In determining whether a Property Company is a business, the Group examines, inter alia, the nature of existing processes in the Property Company, including the extent and nature of management, security, cleaning and maintenance services provided to tenants. In transactions in which the acquired company is a business, the transaction is accounted for as a business combination according to IFRS 3.

However, in transactions in which the acquired company is not a business, the acquisition cost, including transaction costs, is allocated in proportion to the identified assets and liabilities acquired, based on their relative fair values at the acquisition date. In this case, no goodwill is recognized and deferred taxes on the temporary difference existing at the date of acquisition are not recognized.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests comprise the equity of a subsidiary that cannot be attributed, directly or indirectly, to the Company. Profit or loss and any part of other comprehensive income are allocated to the owners of the Company and the non-controlling interests.

A put option granted by the Group to non-controlling interests that is settled in cash or another financial instrument is recognized as a liability at the present value of the exercise price. In subsequent periods, changes in the value of the liability and dividends distributed to non-controlling interests in respect of put options are recognized in equity.

The Group's share of a subsidiary's profits includes the share of the non-controlling interests to which the Group granted a put option, also when the non-controlling interests have access to the returns arising from the interests in the investee company.

B. SCOPE OF CONSOLIDATION

(1) In January 2015 the Group together with Harel Insurance Company Ltd ("Harel") completed the acquisition of 100% of the issued shares and 100% of the shareholder loans of several German entities which hold 37 residential and 6 condominium buildings located in Berlin, Germany for a total amount of approximately EUR 130 million ("Waypoint Portfolio"). The German entities were acquired through four of the Company's subsidiaries in which the Company holds 60% and Harel 40% interest. The portfolio includes 1,300 residential units and 45 commercial units in central Berlin with a total leasable area of approximately 88 thousand sqm.

The purchase of the entities was treated as a purchase of group of assets and liabilities and not as a business combination based on IFRS 3, *Business combinations* mainly since the Group's view was to purchase a portfolio of assets and not to acquire activities, processes and previous management. Therefore the total purchase costs were allocated to the assets and liabilities based on their relative fair values at the purchase date without the recognition of goodwill and deferred tax as follows:

15

In EUR thousand	Jan 1, 2015
Cash and cash equivalents	494
Trade and other receivables	168
Trading properties	31,974
Property and equipment	32
Investment properties (*)	97,541
Trade and other liabilities	(557)
Total consideration	**129,652**
Paid consideration in the reporting period (**)	–
Cash acquired	494
Net cash flow from the acquisition of subsidiaries	**494**

(*)The fair value of the investment properties was determined based on valuation at EUR 97,500 thousand, therefore an acquisition cost of approximately EUR 41 thousand was recognized under changes in fair value of investment properties at the consolidated statement of profit or loss with respect to these assets subsequent to the acquisition.

(**) The total purchase price was paid already in the year 2014.

(2) On November 1, 2015 the Group took over 94.9% of the issued shares of several German entities which hold 37 residential buildings and 4 condominium buildings located in Berlin, Germany for a total consideration of EUR 64 million (including 5% transaction costs). The portfolio includes 691 residential units and 136 commercial units in central Berlin with a total leasable area of approximately 65 thousand sqm.

The purchase of the entities was treated as a purchase of group of assets and liabilities and not as a business combination based on IFRS 3, *Business combinations* mainly since the Group's view was to purchase a portfolio of assets and not to acquire activities, processes and previous management. Therefore the total purchase costs were allocated to the assets and liabilities based on their relative fair values at the purchase date without the recognition of goodwill and deferred tax as follows:

15

In EUR thousand	Nov 1, 2015
Cash and cash equivalents	4,248
Restricted bank deposits	754
Trade and other receivables	659
Trading properties	6,934
Investment properties (*)	114,431
Trade and other payables	(984)
Bank loans	(56,940)
Derivatives	(1,598)
Other long-term liabilities (**)	(3,157)
Total consideration	64,347
Paid consideration in the reporting period (***)	(63,828)
Cash acquired	4,248
Net cash flow from the acquisition of subsidiaries	(59,580)

(*) The fair value of the investment properties was determined based on valuation to EUR 111,740 thousand, therefore an acquisition cost of approximately EUR 2,691 thousand was recognized under changes in fair value of investment properties at the consolidated statement of profit or loss with respect to these assets subsequent to the acquisition.

(**) Other long-term liabilities refer to a put option granted to the non-controlling interests.

(***) An amount of EUR 519 thousand out of the total consideration was paid after the reporting period.

(3) On November 1, 2015 the Group took over 94.9% of the issued shares of several German entities which hold residential buildings located in Berlin, Germany for a total consideration of EUR 31 million (including 6% transaction costs). The portfolios include 326 residential units and 5 commercial units in north and east Berlin with a total leasable area of 23 thousand sqm.

The purchase of the entities was treated as a purchase of group of assets and liabilities and not as a business combination based on IFRS 3, *Business combinations* mainly since the Group's view was to purchase a portfolio of assets and not to acquire activities, processes and previous management. Therefore the total purchase costs were allocated to the assets and liabilities based on their relative fair values at the purchase date without the recognition of goodwill and deferred tax as follows:

15

In EUR thousand	Nov 1, 2015
Cash and cash equivalents	371
Restricted bank deposits	295
Trade and other receivables	101
Investment properties (*)	36,634
Trade and other payables	(473)
Bank loans	(4,479)
Other long-term liabilities (**)	(978)
Total consideration	31,471
Paid consideration in the reporting period (***)	(30,295)
Cash acquired	371
Net cash flow from the acquisition of subsidiaries	(29,924)

(*) The fair value of the investment properties was determined based on valuation at EUR 35,800 thousand, therefore an acquisition cost of approximately EUR 834 thousand was recognized under changes in fair value of investment properties at the consolidated statement of profit or loss with respect to these assets subsequent to the acquisition.

(**) Other long-term liabilities refer to a put option granted to the non-controlling interests.

(***) An amount of EUR 1,176 thousand out of the total consideration was paid after the reporting period.

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES

A. INVESTMENT PROPERTIES

Investment property is property held to earn rental income or for capital appreciation or both and are not owner-occupied or held for sale in the ordinary course of business.

Investment property is initially measured at cost, including transaction costs. In subsequent periods, investment property is measured at fair value, and changes in fair value are recognized in the statement of profit and loss.

Profits or losses on the disposal of investment property are determined by comparing the net proceeds from the disposal with the asset's carrying amount (the fair value of the investment property as of the disposal date). The profit or loss on the disposal of investment properties is recognized when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group has no further substantial acts to complete under the contract.

B. TRADING PROPERTIES

Trading properties are measured at the lower of cost and net realizable value. The cost of the trading properties includes the costs incurred in acquiring the trading properties and bringing them to their existing location and condition. The Net Realizable Value (NRV) is the estimated selling price in the ordinary course of business, less selling expenses.

C. RESTRICTED BANK DEPOSITS

Restricted bank deposits consist partly of deposits in banks that the Group has pledged to secure banking facilities for the Group and cannot be used freely for operations and partly of deposits received from tenants.

D. OTHER DEPOSITS

Other deposits comprise deposits in banks with original maturity of more than 3 months.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits in banks and short-term investments (primarily time deposits and certificates of deposit) with an original term of up to three months.

F. ASSETS HELD FOR SALE

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

G. FINANCIAL INSTRUMENTS

(1) Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Group's non-derivative financial assets are loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables, restricted and other bank deposits.

(2) Non-derivative financial liabilities

Non-derivative financial liabilities include loans and borrowings from banks and others, amounts due to related parties and trade and other payables.

The Group initially recognizes financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial liability when its contractual obligations are discharged or canceled or expire.

Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

An exchange of debt instruments having substantially different terms, between an existing borrower and lender is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability at fair value. In such cases the entire difference between the amortized cost of the original financial liability and the fair value of the new financial liability is recognized in profit or loss as financing income or expense.

The terms are substantially different if the discounted present value of the cash flows according to the new terms (including any commissions paid, less any commissions received and discounted using the original effective interest rate) is different by at least 10% from the discounted present value of the remaining cash flows of the original financial liability. In addition to the aforesaid quantitative criterion, the Group also examines qualitative factors, inter alia, whether there have also been changes in various economic parameters inherent in the exchanged debt instruments.

(3) Share capital – Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Incremental costs directly attributable to an expected issuance of an instrument that will be classified as an equity instrument are recognized as an asset in deferred expenses in the statement of financial position. The costs are deducted from the equity upon the initial recognition of the equity instruments, or recognized in profit or loss as finance expense if the issuance is no longer expected to take place.

(4) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments mainly to hedge its interest rate risk exposures from variable interest rate bank loans to a fixed interest rate. On initial designation of the derivative instruments for hedge accounting the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized liability, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity.

The amount recognized in the other comprehensive income is transferred to profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of profit or loss as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. If the forecast transaction is no longer expected to occur, then the amount accumulated in the hedging reserve is reclassified to profit or loss.

Other derivatives

When a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in profit or loss. Other derivatives include other long-term liabilities and other financial assets.

H. IMPAIRMENT

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, trading property and deferred tax assets) and financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Non-derivative financial assets

The Group considers evidence of impairment for financial assets at an individual level. All individually significant financial assets are individually assessed for impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss in respect of a receivable carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

I. TRANSACTIONS WITH CONTROLLING SHAREHOLDER

Transactions with shareholders in their capacity as shareholders are considered as capital transactions and are recognized directly in equity. Loans received from the controlling shareholder bearing interest rate below market rate are considered to be a capital transaction with the shareholder. The difference between the fair value of the loan and the amount received at initial recognition is recognized directly in equity in capital reserve from transaction with controlling shareholder.

When a shareholder forgives a debt while acting in its capacity as a shareholder, the Group considers it to be a capital transaction. The outstanding financial liability is reclassified to equity and no gain or loss is recognized.

J. PROVISIONS

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of a past event, that can be estimated reliably and it is probable that it will require an outflow of resources embodying economic benefits to settle the obligation.

The Group recognizes indemnification as an asset if, and only if, it is virtually certain that the indemnification will be received if the Group will settle the obligation. The amount recognized for the indemnification does not exceed the amount of the provision.

K. EMPLOYEE BENEFITS

Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with market performance vesting conditions, the grant-date fair value of the share-based payment awards is measured to reflect such conditions, and therefore the Group recognizes an expense in respect of the awards whether or not the conditions have been met.

Share-based payment arrangements in which equity instruments are granted by the parent company to employees of the Group are recognized in the reserve from transaction with controlling shareholder. Share-based payment arrangements in which the Company's equity instruments are granted are recognized in the retained earnings.

L. REVENUE RECOGNITION

Rental income from operating leases of investment property is recognized in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. In respect of utilities services, the Group recognizes the income amount net of costs recharged to the tenants.

Revenue from the sale of trading property is measured at the fair value of the consideration. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the trading property, and the amount of the revenue can be measured reliably.

Other revenues, including management services fee and third party's asset management income, are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided, and are measured at the fair value of the consideration received or receivable for services provided in the normal course of business.

M. FINANCE INCOME AND COSTS

Finance income comprises interest income on funds invested including changes in the fair value of financial assets or liabilities at fair value through profit or loss and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets or liabilities at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. All borrowing costs are recognized in profit or loss using the effective interest method.

In the statements of cash flows, interest received is presented as part of cash flows from investing activities. Interest paid and dividends paid are presented as part of cash flows from financing activities.

N. TAXATION

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable (or receivable) on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Current taxes also include taxes in respect of prior years and any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liability is not recognized for the following taxable temporary differences:
- The initial recognition of goodwill,
- The initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,
- Differences relating to investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future, either by way of selling the investment or by way of distributing dividends in respect of the investment.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax benefits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is recognized in other comprehensive income or equity, respectively.

O. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise options granted to employees.

P. NEW IFRS PRONOUNCEMENTS ENDORSED BY THE EUROPEAN UNION

Certain new standards, amendments and interpretations to existing standards have been endorsed by the European Union that are not yet effective for the Group's accounting period ended December 31, 2015, and have not been early adopted in preparing these consolidated financial statements:

The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements:
- Annual Improvements to IFRSs 2010–2012 and 2012–2014 Cycle – amendments to various standards.
- Disclosure Initiative (Amendments to IAS 1). (Effective for annual periods beginning on or after January 1, 2016. Early application is permitted.)
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation. (Effective for annual periods beginning on or after January 1, 2016; to be applied prospectively. Early application is permitted.)

Q. NEW IFRS PRONOUNCEMENTS NOT YET ENDORSED BY THE EUROPEAN UNION

Certain new standards, amendments and interpretations to existing standards have not yet been endorsed by the European Union.

The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements:
- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15
- IFRS 16 Leases

- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7: Disclosure Initiative

NOTE 5 – INVESTMENT PROPERTIES

A. RECONCILIATION OF CARRYING AMOUNT

In EUR thousand	15 Dec 31, 2015	14 Dec 31, 2014
Balance at Jan 1	**611,568**	448,940
Additions by way of acquiring subsidiaries (see note 3B)	**248,606**	14,055
Additions by way of acquiring assets (see 5A (1),(2))	**425,286**	75,621
Capital expenditure	**12,602**	10,122
Disposals	**–**	(5,825)
Fair value adjustments	**158,742**	68,655
Balance at Dec 31	**1,456,804**	**611,568**

As of December 31, 2015, the closing balance of investment properties consisted of 14,534 (2014: 6,480) residential units with a total residential lettable area of 942,000 (2014: 408,600) sqm, 883 (2014: 592) commercial units (retail, office and other commercial) with a total commercial lettable area 95,600 (2014: 61,900) sqm, 3,786 (2014: 1,577) parking spaces and spaces for storage, antennas, etc., all in Berlin. Most of our residential units contain one or two rooms and have an average size of approximately 65 sqm. The buildings are mainly spread in the center and western side of the city.

According to German law, residential rental contracts are unlimited in their duration / period. The tenants have the sole right to terminate the contract with 3 months' notice in writing. According to German law, the owner can terminate the residential contract only if the owner has a "justified cause" such as if the tenant is in default for more than two months' rent. Termination / cancellation of the contract must be in writing. Contracts are denominated in EUR. Tenants are required to make rental deposits generally equal to three months' "cold" rent at the inception of any lease contract, and are paying in advance rent, facility management and utilities and heating prepayments for 1 month period. The right to increase the rent is defined in the contract (e.g. stepped rent) and it is subject to German law. Rent prices are set according to the market prices or upon a given price index ("rent mirror") which exists in Berlin, Germany.

The rent increase is restricted by the law and can only be increased if several parameters are met. The main two are: the existing rent price is below the rent mirror for the specific area where the apartment is located, and that no rent increase over 15% was performed in the last three years. As at December 31, 2015, approximately 20% of the investment properties were subject to rent restrictions ("Cost Rent").

In addition, a rent control law passed by parliament in June 2015 aims to prevent landlords in the German capital from raising rents for new tenants by more than 10% above the local average ("rent mirror"). Furthermore, the last rent paid can also be used for the new contract and therefore the owner can use the higher of the two in practice. In cases of extensive modernization works (similar to new build standards) in the unit prior to new rent out, the landlord is exempt from handling under the new rent control law and can rent the unit for market price without being caped by the new legislation.

Some of the residential buildings include commercial units on the ground floor. These units are leased for retail for a period of 1–5 years. Subsequent renewals are negotiated with the lessee. Tenants are required to make rental deposits generally equal to 3 months' rent at the inception of any lease contract.

(1) On April 1, 2015 the Group took over the Carlos Portfolio. Carlos Portfolio's assets were purchased for the amount of EUR 375 million and it comprises a portfolio of residential buildings which include 5,749 residential apartments (together with commercial areas in an amount insignificant to the transaction as a whole) in the outskirt districts of Berlin over a total area of approximately 400 thousand sqm.

(2) During the reporting period the Group took over additional 5 buildings in Berlin with a total of 16 thousand sqm including 231 residential units and 15 commercial units in the total amount of approximately EUR 20 million.

B. MEASUREMENT OF FAIR VALUE

(1) Fair value hierarchy

The fair value of investment properties was determined by valuation expert CBRE, an industry specialist that has appropriate recognized professional qualifications and recent experience in the location and category of the properties that are being valued. According to the Group's investment properties fair value valuation policies, investment properties generally undergo a detailed valuation twice a year.

The fair value measurement for all of the investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

(2) Valuation technique and significant unobservable inputs

The Group values its portfolio using a method known as the discounted cash flow (DCF). Under the DCF methodology the expected future income and costs of the property are forecasted over a period of 10 years and discounted to the date of valuation as the net present value. The income mainly comprises expected rental income (current in-place rent, market rents as well as their development) taking vacancy losses into account.

The following table gives an overview of the main valuation parameters and valuation results:

15

	Dec 31, 2015		
	Carlos	Other	Total
Fair value (EUR thousand)	413,160	1,043,644	1,456,804
Value / sqm (EUR)	1,039	1,636	1,407
Share of fair value (%)	28%	72%	100%
Avg. residential in-place rent (EUR / sqm)	5.21	6.23	5.82
Market rent (EUR / sqm)	5.71	7.48	7.06
Structural vacancy rate (%)	0.5%	0.5%	0.5%
Multiplier (current rent)	17.04	21.09	19.76
Multiplier (new letting rent)	14.87	17.56	16.70
Discount rate (%)	5.4%	5.0%	5.1%
Capitalization interest rate (%)	4.4%	3.9%	4.0%

14

	Dec 31, 2014		
	Carlos	Other	Total
Fair value (EUR thousand)	–	611,568	611,568
Value / sqm (EUR)	–	1,305	1,305
Share of fair value (%)	–	100%	100%
Avg. in-place rent (EUR / sqm)	–	5.92	5.92
Market rent (EUR / sqm)	–	7.63	7.63
Structural vacancy rate	–	2%	2%
Multiplier (current rent)	–	17.81	17.81
Multiplier (new letting rent)	–	13.74	13.74
Discount rate (%)	–	5.9%	5.9%
Capitalization interest rate (%)	–	4.9%	4.9%

(3) Sensitivity analysis

The main value drivers influenced by the market are the market rents and their movement, rent increases, the vacancy rate and interest rates. The effect of possible fluctuations in these parameters is shown separately for each parameter in the following table. Interactions between the parameters are possible but cannot be quantified owing to the complexity of the interrelationships:

15

	Dec 31, 2015		
		Change in values	
Valuation parameters	Change in parameters	In EUR thousand	%
Avg. new letting rent (EUR / sqm)	+10%	106,082	7.3%
Vacancy rate (%)	+1%	(17,560)	(1.2%)
Discount and Capitalization rate (%)	+5%	(68,273)	(4.7%)

14

	Dec 31, 2014		
		Change in values	
Valuation parameters	Change in parameters	In EUR thousand	%
Avg. new letting rent (EUR / sqm)	+10%	39,323	6.4%
Vacancy rate (%)	+1%	(8,415)	(1.4%)
Discount and Capitalization rate (%)	+5%	(30,937)	(5.1%)

Assuming all other variables remain constant, a negative change in the parameters at the same percentage would have similar impact on the value, although in the opposite direction.

C. AMOUNTS THAT WERE RECOGNIZED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	15	14	13
	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Rental income from investment property	**61,732**	31,972	20,741
Direct operating expenses arising from investment property that generated rental income during the period	**(7,668)**	(4,308)	(2,904)
Total	**54,064**	**27,664**	**17,837**

NOTE 6 – TRADING PROPERTIES

A. RECONCILIATION OF CARRYING AMOUNT

	15	14
In EUR thousand	Dec 31, 2015	Dec 31, 2014
Balance at Jan 1	**13,750**	–
Additions by way of acquiring subsidiaries (see note 3B)	**38,908**	–
Additions by way of acquiring assets	**–**	14,138
Capital expenditure	**239**	95
Disposals	**(8,169)**	(483)
Balance at Dec 31	**44,728**	**13,750**

As of December 31, 2015, the closing balance of trading properties consisted of 12 buildings with a total unit number of 322 (2014: 2 buildings with a total unit number of 89) all in Berlin.

NOTE 7 – RESTRICTED BANK DEPOSITS

As at December 31, 2015 and December 31, 2014, the short-term restricted bank deposits are denominated in Euro and they are carrying no interest.

The balance as at December 31, 2015 includes EUR 12,759 thousand pledged bank deposits received from tenants (December 31, 2014: EUR 6,880 thousand), EUR 4,781 thousand pledged to secure banking facilities (December 31, 2014: EUR 2,983 thousand) and EUR 2,415 thousand proceeds from condo sales (December 31, 2014: EUR 0 thousand).

NOTE 8 – TRADE RECEIVABLES

A. The balances represent amounts receivable from leases of residential and commercial units less any allowance for doubtful debts. The breakdown of trade receivables is as follows:

	15		
	Dec 31, 2015		
	Gross	Impairment	Total
Not past due	**1,820**	**–**	**1,820**
0–30 days past due	**931**	**(81)**	**850**
31–120 days past due	**1,639**	**(373)**	**1,266**
120 days to one year past due	**3,349**	**(900)**	**2,449**
More than one year past due	**1,695**	**(1,695)**	**–**
Total	**9,434**	**(3,049)**	**6,385**

	14		
	Dec 31, 2014		
	Gross	Impairment	Total
Not past due	1,375	–	**1,375**
0–30 days past due	256	–	**256**
31–120 days past due	306	(102)	**204**
120 days to one year past due	382	(191)	**191**
More than one year past due	1,505	(1,505)	**–**
Total	**3,824**	**(1,798)**	**2,026**

Trade accounts receivables are non-interest bearing and are generally on 30 days' terms.

B. Impairment losses on trade receivables changed as follows:

	15	14
In EUR thousand	2015	2014
Balance as at Jan 1	**(1,798)**	(1,589)
Net additions	**(757)**	(143)
Additions by way of acquiring subsidiaries	**(526)**	(270)
Write off of irrecoverable debts	**32**	204
Balance as at Dec 31	**(3,049)**	**(1,798)**

NOTE 9 – OTHER RECEIVABLES

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Advance to suppliers	**558**	225
Prepaid expenses	**474**	143
VAT due by tax authorities	**390**	157
Short term loan granted	**615**	–
Others	**172**	72
Total	**2,209**	**597**

NOTE 10 – OTHER DEPOSITS

As at December 31, 2015 other deposits of EUR 65,000 thousand are proceeds from the IPO invested on deposit for 12 months, carrying an annual interest rate of 0.05%.

NOTE 11 – CASH AND CASH EQUIVALENTS

As at December 31, 2015 and December 31, 2014 cash and cash equivalents include cash on hand and demand deposits denominated in Euro and free from any restrictions.

NOTE 12 – ASSETS HELD-FOR-SALE

During the reporting period, the Group completed the sale of the last residential building designated for sale in the amount of EUR 1 million to third parties.

NOTE 13 – EQUITY

A. SHARE CAPITAL AND SHARE PREMIUM

Shares in thousand	Ordinary shares 2015	Ordinary shares 2014
In issue as at Jan 1	**2**	2
Share split (1)	**24,998**	–
Issued for cash (2)	**10,000**	–
In issue as at Dec 31	**35,000**	**2**

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at the General Meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(1) On June 16, 2015 the Company split its 2,000 shares with EUR 1 par value to 25 million shares with no par value. The split was committed without consideration and as a result an amount of EUR 2 thousand was reclassified from share capital to share premium.

(2) On July 23, 2015 the Company completed the initial public offering ("IPO") at EUR 20 per share. A total of 20,750,000 shares of the Company were placed, thereof 10,000,000 newly issued shares with no par value from capital increase (added to the existing 25,000,000 shares) and 10,750,000 existing shares from ADO Group Ltd.

The total offer volume amounted to EUR 415 million, out of that the Company received gross proceeds of EUR 200 million from the issuance of the new shares. The Company's cost of the IPO was approximately EUR 7 million, therefore the net increase of the share premium following the IPO was EUR 193 million.

(3) On June 8, 2015 the Company received a capital (surplus) contribution from ADO Group Ltd. in the amount of EUR 29 thousand without the issuance of new shares. The contribution is reflected as an increase of share premium.

B. HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

C. CAPITAL RESERVE FROM TRANSACTION WITH CONTROLLING SHAREHOLDER

The capital reserve from transaction with controlling shareholder comprises the differences between the fair value and the consideration received / paid in relation to transactions with controlling shareholder.

(1) On July 23, 2015, together with the IPO, the loans and the capital notes from ADO Group Ltd. were converted to equity in the amount of approximately EUR 300 million as a non-refundable capital (surplus) contribution without issuance of new shares. The contribution is reflected as an increase of the capital reserve from transaction with controlling shareholder.

NOTE 14 – LOANS AND BORROWINGS

	15		14	
	Dec 31, 2015		Dec 31, 2014	
In EUR thousand	Non-current	Current	Non-current	Current
Loans from banks	**727,482**	**38,430**	368,730	45,623
Other creditors	**19,357**	**–**	18,314	–
Total	746,839	38,430	387,044	45,623

A. All the loans were borrowed in order to finance the purchase of the properties in Berlin.

B. All bank loans are non-recourse with the related assets (investment properties and trading properties) as their only security which are valued higher than the related loans on an asset basis. Other creditors relate to one loan from Harel Insurance Company Ltd. to finance its holding in a common transaction with the Company (see note 3B (1)).

C. Re-pricing on the variable interest loans is done on a quarterly basis. As at December 31, 2015 loans and borrowings are carrying average effective interest rate (i.e. considering the swap interest hedge deals from variable to fix) of 2.3% per annum for the total loans (as at December 31, 2014: 3.1%). The average maturity of bank loans is 5.5 years (as at December 31, 2014: 5 years).

D. Loans and borrowings have increased during the reporting period mainly due to a bank loan of EUR 280 million which was used to finance the Carlos Portfolio purchase and which has 7 years maturity and bears an annual fixed interest rate of 1.7%.

E. On December 18, 2015, fully owned subsidiaries of the Company entered into a new bank loan agreement in an amount of EUR 32.5 million for the purpose of refinancing two bank loans from years 2007 and 2011. The old bank loan was in the amount of EUR 31.7 million with average effective interest rate of 4.65% per annum. The new loan is carrying annual fix interest rate of 1.62% per annum, until December 31, 2022.

F. At the end of December 2015, under the existing loan agreements, the Group is fully compliant with its obligations including loan covenants to the financing banks.

NOTE 15 – OTHER PAYABLES

In EUR thousand	15 Dec 31, 2015	14 Dec 31, 2014
Deferred income from buyers of housing units	52	199
Accrued expenses	2,630	887
Accrued interest payable	1,306	268
Tenants' deposits	12,759	6,880
Parent company (ADO Group) (see note 27)	384	–
Deferred income	1,486	632
Corporate tax	213	43
VAT	527	358
Other	762	336
	20,119	9,603

NOTE 16 – TAXES

A. THE MAIN TAX LAWS IMPOSED ON THE GROUP COMPANIES IN THEIR COUNTRIES OF RESIDENCE

(1) Germany

- The standard rate of corporation tax for both residents and non-residents is 15%. A 'solidarity surcharge' is also levied resulting in an effective rate of 15.825% which applies to companies which hold German property regardless of their residence. Dividends received from another company are 95% tax exempt when the investment in the other company is at least 10% at the beginning of the calendar year or the investment was increased by 10% during the year.
- No tax is withheld on rental payments to non-resident companies holding German property.
- Capital gains on the sale of German property are subject to corporation tax at the standard rate for both residents and non-residents. Trade tax is also applicable at the relevant rate, except for non-residents with no permanent establishment in Germany or limited companies that only hold assets for capital investments as long as the sale of the asset classifies as part of that business (detailed regulations apply). Capital gains realized by a company on the sale of shares in a property holding company are 95% exempt.
- German real estate owned at the start of the calendar year is subject to annual property tax at 1.3% to 2.9% (depending on the location of the property) on the specially assessed value of the property (dependent on the rental value and age of the property). The tax payable is deductible expense for profit tax purposes such as trade tax and corporation tax.
- The transfer of German real estate or a share transaction that unifies at least more than 95% of the shares of a company holding a real estate property is subject to a real estate transfer tax (RETT) which is payable by the buyer on the purchase price (on transfer of the property) or a specially assessed value as above (on transfer of shares). The tax rate varies between 3.5% and 6.5%, depending on the municipality where the property is located. In Berlin the tax rate is 6%.
- Limitation on the tax deductibility of interest expenses, and simultaneous repeal of the existing thin-capitalization rules. The "interest barrier rule" allows the deduction of net interest expenses exceeding EUR 3 million p.a. only to the extent that total net interest expenses do not exceed 30% of the EBITDA, unless the total net interest does not exceed EUR 3 million p.a. or other exemption criteria are met. The net interest expenses which are not deductible can be carried forward.
- Accumulated tax losses can be carried forward without time restriction and can be unlimited deducted from future profits and capital gains unless they exceed EUR 1 million. Losses carried forward that exceed EUR 1 million can only be deducted amounting to 60% of the profits / capital gains that exceed EUR 1 million (minimum taxation). Those parts that cannot be deducted on base of the minimum taxation can be carried forward again and are subject to minimum taxation in the following years.

The corporation tax rate used to calculate deferred tax assets and deferred tax liabilities as at December 31, 2015 and as at December 31, 2014 is 15.825% for the companies which hold the investment property real estate assets and 30.18% for the management companies that operate the real estate in Berlin.

(2) Luxembourg

- The Company is liable for Luxembourg corporation taxes. The aggregate maximum applicable rate, including corporate income tax, municipal business tax and a contribution to the employment fund, is 29.22% for the fiscal year ending 2015 for a company established in Luxembourg City.
- The Company is fully subject to the annual net wealth tax charge which amounts to 0.5% of the net asset value of the Company. Certain assets might be excluded from the net asset value for the purposes of the net wealth tax computation, provided that the provisions of paragraph 60 of the valuation law of October 16, 1934, as amended (BewG) are met.

A 15% withholding tax will be due in Luxembourg on dividends paid by the Company to its shareholders unless the domestic withholding tax exemption regime or a withholding tax reduction or exemption under a double tax treaty concluded by Luxembourg applies. Normal interest payments (i.e. not profit-linked interest) and liquidation proceeds are generally not subject to withholding tax, unless the EU Savings Directive applies. Should any withholding taxes be payable on amounts paid by the Company, the Company assumes responsibility for the withholding of Luxembourg taxes at the source.

(3) Ireland

- An Irish tax-resident company is subject to corporation tax on its worldwide income (subject to any relevant exemptions) at either 12.5% or 25% depending on the activities undertaken by the company. Any capital gains recognized by an Irish company (subject to any relevant exemptions) will also be subject to corporation tax. However, such gains are re-grossed for corporation tax purposes to ensure they are taxed at the capital gains tax rate of 33%.
- Dividends received by an Irish resident company from another Irish resident company are exempt from corporation tax. Dividends received from a foreign company in the hands of an Irish resident company are subject to corporation tax, however, a credit should be available for underlying corporate and withholding tax generally for foreign tax paid.
- In general, with respect to non-resident companies, interest and patent royalties which are derived from Ireland are subject to withholding tax in Ireland at the rate of 20%. However, there are a number of domestic exemptions from this withholding tax. In addition, there may be exemptions or reliefs available under a treaty or under the EU directives.

(4) Netherlands

- Corporate Tax Rate – profits up to EUR 200 thousand are subject to a tax rate of 20%; profits above EUR 200 thousand are subject to tax rate of 25%. Tax Losses – losses can be carried forward for nine years and compensated under specific legislative limitations.
- Dutch participation exemption – provides for a full exemption of all benefits (dividends and capital gains) derived from a qualifying shareholding in a subsidiary.
- As a general rule, the participation exemption applies if participation is not held as a passive investment by the tax payer ("Motive Test"). Only if the Motive Test cannot be met, the tax payer should support its position that a qualifying participation is not a low taxed passive subsidiary (LTPS), by meeting the "Asset Test" or "Subject to Tax Test".
- A subsidiary is an LTPS when it cumulatively meets the following two conditions:
  - The directly and indirectly held assets consist for more than 50% of free passive investments (Asset Test);
  - The subsidiary's statutory tax burden does not amount to a tax of at least 10% on its profits and there are no significant differences in tax base (Tax Burden Test).
- Withholding Tax – no withholding tax applies on interest payment from a Dutch resident entity to foreign debtors. Withholding tax on dividend payment to Israel is 5%, based on the tax treaty between Israel and the Netherlands, subject to a minimum holding percentage of 25% in the company. The dividend withholding tax is 15% in any other case.

B. INCOME TAXES

	15	14	13
	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Current year	**(217)**	(45)	(51)
Adjustments for prior years	**(54)**	30	65
Deferred tax expense	**(27,101)**	(10,383)	(3,682)
Total	**(27,372)**	**(10,398)**	**(3,668)**

C. RECONCILIATION OF STATUTORY TO EFFECTIVE TAX RATE

	15	14	13
	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Statutory income tax rate	**29.22%**	12.5%	12.5%
Profit before taxes	**183,379**	79,676	26,609
Tax using the Company's domestic tax rate	**53,583**	**9,960**	**3,326**
Nondeductible expense	**55**	22	6
Utilization of tax losses from prior years for which deferred taxes were not created	**(247)**	(941)	–
Effect of tax rates in foreign jurisdictions	**(25,128)**	2,192	998
Deferred tax assets not recognized for tax losses and other timing differences	**1,704**	208	141
Inter-company loans interest effect	**(2,595)**	(1,026)	(484)
Adjustments for prior years	**54**	(2)	(65)
Other differences, net	**(54)**	(15)	(254)
Income tax expenses	**27,372**	**10,398**	**3,668**

D. RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes recognized are attributable to the following:

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Assets		
Derivatives	**1,142**	1,871
Tax losses carry-forward	**3,902**	3,795
	5,044	**5,666**
Liabilities		
Investment properties	**(53,637)**	(25,254)
Capital Note	**–**	(6,785)
Merger (deferred taxes relate to access of payment over cost upon merger in 2011)	**–**	(11)
	(53,637)	**(32,050)**
Net tax liabilities	**(48,593)**	**(26,384)**

The following are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and prior reporting periods:

In EUR thousand	Investment properties	Merger	Derivatives	Capital Note	Tax losses	Total
Balance at Jan 1, 2014	**(12,945)**	**(12)**	**1,139**	**(4,814)**	**3,194**	**(13,438)**
Changes recognized in profit or loss	(12,309)	1	(12)	1,337	601	**(10,382)**
Changes recognized in equity or other comprehensive income	–	–	744	(3,308)	–	**(2,564)**
Balance at Dec 31, 2014	**(25,254)**	**(11)**	**1,871**	**(6,785)**	**3,795**	**(26,384)**
Changes recognized in profit or loss	**(28,383)**	**11**	**(63)**	**1,227**	**107**	**(27,101)**
Changes recognized in equity or other comprehensive income	**–**	**–**	**(666)**	**5,558**	**–**	**4,892**
Balance at Dec 31, 2015	**(53,637)**	**–**	**1,142**	**–**	**3,902**	**(48,593)**

Losses for tax purposes carried forward to future years, based on the Group's estimation:

Carry forward tax losses amounted to EUR 32,479 thousand at December 31, 2015 (2014: EUR 29,280 thousand). The tax losses can be carried forward indefinitely.

Deferred tax assets are recognized for carry forward tax losses to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred tax assets of EUR 1,238 thousand at December 31, 2015 (2014: EUR 839 thousand) in respect of losses carried forward amounting to EUR 7,822 thousand at December 31, 2015 (2014: EUR 5,299 thousand) that can be carried forward against future taxable income due to its expectation for its utilization.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

NOTE 17 – REVENUE

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Rental income from tenants	**61,732**	31,972	20,741
Selling of housing units	**9,954**	610	–
Income from facility services	**4,067**	1,747	1,932
Total	**75,753**	**34,329**	**22,673**

NOTE 18 – COST OF OPERATIONS

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Salaries and other expenses (*)	**5,504**	2,451	1,784
Cost of utilities recharged, net	**312**	654	315
Selling of housing units – cost	**8,471**	512	–
Property operations and maintenance	**5,553**	2,964	1,774
Total	**19,840**	**6,581**	**3,873**

* See note 19 (A) regarding personal expenses and employees.

NOTE 19 – GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Salaries and related expenses (A)	**1,635**	948	695
Share-based payment	**283**	139	47
Directors fee	**167**	–	–
Rent	**29**	80	75
Professional services	**1,799**	813	782
Traveling	**119**	34	20
Office, communication and IT expenses	**828**	294	242
Advertising and marketing	**386**	219	40
Impairment loss on trade receivables	**646**	143	296
Depreciation	**256**	96	128
Services from parent company (see note 27)	**146**	234	138
Others	**249**	162	223
Total	**6,543**	**3,162**	**2,686**

A. As at December 31, 2015 the Group has 228 full-time employees (2014: 121, 2013: 83). On an annual average 194 people (2014: 103, 2013: 65) were employed.

NOTE 20 – OTHER EXPENSES

For the year ended December 31, 2015 other expenses are one-off expenses related to the IPO that were classified to the profit and loss in the consolidated financial statements.

NOTE 21 – SHARE-BASED PAYMENT

A. In 2014 ADO Group's Board of Directors approved a share-based remuneration program to the Company's management granted a total of 28,000,000 options; each option is exercisable into one of ADO Group's share of NIS 1 par value with an exercise price of NIS 0.357 per share.

The options granted will vest in installments over three years starting from March 31, 2015 exercisable over a period of 3–4 years from the vesting date. During the reporting period, the Company recognized a total expense of EUR 128 thousand (2014: EUR 119 thousand) against reserve from transaction with controlling shareholder.

B. Under the Long Term Incentive plan ("LTI"), the Company's management and the Vice Chairman have the possibility to receive together each year shares equaling to a total volume of EUR 877 thousand in total assuming maximum LTI-Target achievement divided to the average trading price of the Company's share. The LTI shall depend on the achievement of certain individual targets and the relevant weighting of each of such LTI-Targets in relation to the other applicable targets over a four-year period starting at the commencement of each fiscal year (the "LTI-Period"). The LTI-Targets shall be composed of (i) the development of the net asset value ("NAV") per share as being targeted by the Board (weighting of 50%) and (ii) the development of the Company's share price in relation to the EPRA GERMANY index (weighting of 50%), both LTI-Targets measured over the duration of the LTI-Period. The fair value was measured at the grant date for the first year using the Monte-Carlo simulation considering the following: (i) the NAV Target was estimated at 100%, (ii) the expected EPRA Target was estimated at approximately 108%. During the reporting period, the company recognized a total expense of EUR 221 thousand against retained earnings.

NOTE 22 – NET FINANCE COSTS

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Interest received on bank deposits	**35**	5	3
Change in fair value of derivatives	**400**	76	14
Loan waiver	**–**	3,920	–
Change in fair value of other financial assets	**1,149**	668	–
Total finance income	**1,584**	**4,669**	**17**
Interest on loans and borrowings	**(18,058)**	(11,100)	(8,396)
Interest on loans from related parties (see note 27)	**(5,801)**	(6,481)	(3,581)
Other finance expenses	**(1,865)**	(836)	(546)
Total finance costs	**(25,724)**	**(18,417)**	**(12,523)**
Total net finance costs	**(24,140)**	**(13,748)**	**(12,506)**

NOTE 23 – EARNINGS PER SHARE

A. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit attributable to the Company's ordinary shareholders divided by a weighted average number of ordinary shares outstanding, calculated as follows:

(1) Earnings attributable to the owners of the Company

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Profit attributable to the owners of the Company	148,192	68,494	22,854

(2) Weighted average number of ordinary shares

	For the year ended		
Shares in thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Balance as of Jan 1 (*)	**25,000**	25,000	25,000
Effect of issuance of regular shares	**4,423**	–	–
Weighted avg. number of shares	29,423	25,000	25,000

	For the year ended		
In EUR	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Basic and diluted earnings / share (**)	5.04	2.74 (*)	0.91 (*)

(*) Restated due to stock split committed on June 16, 2015 – see note 13 (A) (1).

(**) The Company has no material dilutive potential ordinary shares.

B. STOCK SPLIT

As a result of the stock split on June 16, 2015, earnings per share data has been restated for the years ended December 31, 2014 and December 31, 2013 to reflect the actual number of outstanding shares. The effect of the restatement on the earnings per share:

BASIC AND DILUTED EPS

	For the year ended	
In EUR	Dec 31, 2014	Dec 31, 2013
As calculated in the past	34,247	11,427
Effect of the recalculation	(34,244)	(11,426)
As presented these financial statements	2.74	0.91

NOTE 24 – FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from its use of financial instruments:
1. Credit risk
2. Market risk
3. Liquidity risk

A. CREDIT RISK

The Group is exposed to a default risk resulting from the potential failure of counterparty to fulfill its part of the contract. In order to minimize risks, financial transactions are only executed with creditworthy third parties. The maximum credit risk is the carrying amount of the financial assets as reported in the statement of financial position.

B. MARKET RISK

The Group is exposed to the risk of changes in market interest rates as a result of floating rate debt as well as new and follow-on loans. Loans obtained at variable rates expose the Group to cash flow interest rate risk, which could have adverse effects on the Group's profit or loss or financial position. Changes in interest rates may cause variations in interest expense on interest-bearing assets and liabilities.

The Group's management reviews the need to enter into derivative transactions to manage the interest rate risk arising from the Group's operations and its sources of finance.

The following table sets out the carrying amount of the Group's financial instruments that are exposed to interest rate risk:

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Fixed rate instruments		
Financial assets	**154,400**	19,525
Financial liabilities	**601,066**	430,963
Variable rate instruments		
Financial liabilities	**213,739**	200,281

On the basis of the valuation as at December 31, 2015, the Group performed a sensitivity analysis to determine the change in profit and loss given a parallel shift in the interest rate structure:

	Dec 31, 2015	Dec 31, 2014
Variable rate instruments		
Change in interest (in basis points)	**+50**	+50
Effect on the Profit before tax (in EUR thousand)	**(130)**	(155)

Assuming all other variables remain constant, a negative change in the interest rate at the same amount would have similar impact on the profit and loss, although in the opposite direction.

C. LIQUIDITY RISK

In order to limit the liquidity risk, the Group continuously monitors all financing options available on the capital and banking markets and uses these options in a targeted manner. Moreover, the Group subjects its existing financings to an early review prior to the respective final maturity date in order to ensure refinancing.

Under the conditions of existing loan agreements, the Group is obliged to fulfill certain financial covenants. If financial covenants are violated and all commonly practiced solutions will be unsuccessful, the lenders could call in the loan. As part of risk management, the fulfillment of these financial covenants is continually monitored.

The following table shows the forecast for undiscounted cash flows of the non-derivative financial liabilities and derivative financial instruments:

15

	Dec 31, 2015					
In EUR thousand	Carrying amount	Expected Cash flows	2016	2017	2018	>2019
Loans and borrowings	785,269	874,159	32,514	59,174	190,843	591,628
Other long-term liabilities	4,135	4,135	–	–	–	4,135
Trade payables	8,091	8,091	8,091	–	–	–
Tenants' security deposits	12,759	12,759	12,759	–	–	–
Other payables	4,552	4,552	4,552	–	–	–
Derivatives	9,512	10,590	394	717	2,312	7,167
Total	824,318	914,286	58,310	59,891	193,155	602,930

14

	Dec 31, 2014					
In EUR thousand	Carrying amount	Expected Cash flows	2015	2016	2017	>2018
Loans and borrowings	432,667	490,741	27,570	32,092	67,849	363,230
Loans from related parties	186,319	242,957	–	–	–	242,957
Trade payables	2,655	2,655	2,655	–	–	–
Tenants' security deposits	6,880	6,880	6,880	–	–	–
Other payables	1,619	1,619	1,619	–	–	–
Derivatives	12,096	13,790	804	937	1,981	10,068
Total	642,236	758,642	39,528	33,029	69,830	616,255

D. FAIR VALUE

(1) Financial assets and liabilities measured at fair value for disclosure purposes only

The carrying amounts of certain financial assets and liabilities, including cash and cash equivalents, trade and other receivables, restricted and other bank deposits and trade and other payables are considered to be the same or proximate to their fair value due to their short-term nature. The fair values of the other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	15 Dec 31, 2015		14 Dec 31, 2014	
In EUR thousand	Carrying amount	Fair value (Level 3)	Carrying amount	Fair value (Level 3)
Liabilities				
Loans taken to finance the purchase of investment properties	762,103	778,717	402,270	416,150
Loans taken to finance the purchase of trading properties	23,166	23,551	30,397	31,095
Amount due to related party	–	–	186,319	197,159

Fair value for liabilities is estimated by discounting future cash flows by the market interest rate on the date of measurement. The market interest rates used to determine the fair value are discount rate of Euribor+1.5% for the variable interest bank loans (2014: Euribor+1.4%) and discount rate of 1.6% for the fix interest bank loans (2014: 1.8%). In 2014 discount rate of Euro area central government bonds for 5–10 years + 3% for amount due to related party.

(2) Fair value hierarchy of financial instruments measured at fair value

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	15 Dec 31, 2015		14 Dec 31, 2014	
In EUR thousand	Level 2	Level 3	Level 2	Level 3
Other financial assets (*)	–	1,817	–	668
Derivative financial liabilities	9,512	–	12,096	–

(*) Relates to the Group's option for purchasing the minority in a transaction done at the end of 2013.

Fair value of derivative liabilities is measured by discounting the future cash flows, over the period of the contract and using market interest rates appropriate for similar instruments.

E. CAPITAL MANAGEMENT

The Company's management aims to maximize a long-term increase in value for the investors, taking into account financial risks by maintaining a degree of financial flexibility in order to be able to pursue the Group's growth and portfolio optimization.

The key figure for capital management is Loan-to-Value, which is the ratio of net financial liabilities compared to the value of the investment and trading properties. The Company aims to achieve long-term Loan-to-Value ratio of a minimum 45% and maximum 50%.

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Loans and borrowings	**785,269**	432,667
Other long-term liability	**4,135**	–
Cash and other deposits	**(134,445)**	(9,662)
Net financial liabilities	**654,959**	**423,005**
Investment properties and advances in respect of investment properties	**1,458,889**	730,762
Trading properties and advances in respect of trading properties	**44,728**	45,722
Assets held for sale	**–**	1,117
	1,503,617	**777,601**
Loan-to-Value Ratio	**43.6%**	**54.4%**

NOTE 25 – CONTINGENT LIABILITIES AND COMMITMENTS

A. CONTINGENT LIABILITIES

The Group is involved in few legal actions arising in the ordinary course of business. While the outcome of the total legal actions and their expected timing is currently not determinable, it is management's opinion that these matters will not have a material adverse effect on the Group's consolidated financial position or results of its operations, therefore no provision was recorded.

B. SECURITIES, GUARANTEES AND LIENS UNDER BANK FINANCE AGREEMENTS

In order to secure loans granted for purchasing the assets, the Group has granted banks with regard to certain subsidiaries: first ranking liens on all the investment property assets, including rights on the land and the projects for which the loans were taken; liens on all of their rights, including by way of assignment of rights, pursuant to the agreements to which they are party, including general contractor contracts, long-term tenants' leases and subordination of all shareholders' loans to the financing bank; liens on all of the rights deriving from each material contract the borrower company is a party.

In some cases, payments to the shareholders, including dividend distribution, are subject to financial covenants. Several German Companies undertook not to sell or transfer substantial part of their assets without the prior consent of the financing bank. In certain events the Project Companies undertook not to allow, without the prior consent of the financing bank: (i) any changes in and to the holding structure of the Project Companies nor to allow for any change in their incorporation documents; (ii) execution of any significant activities, including issuance of shares, and significant transactions not in the ordinary course of business; (iii) certain changes to the scope of the project; (iv) the assumption of certain liabilities by the Project Company in favor of third parties.

NOTE 26 – SEGMENTS REPORTING

The Group reports by business segments on the basis of the information provided to the Group's chief operating decision maker (CODM). Segment information is not reported by geographical region of the properties, as all operational activities are located in Berlin.

The following summary describes the operations in each of the Group's operating segments:

- Residential property management – the Group's core business activity is the management of the residential properties that includes the modernization and maintenance of the properties, the management of tenancy agreements and marketing of residential units. The focus of property management is on the optimization of rental income.
- Privatization – this segment includes all aspects of the preparation and execution of the sale of the residential units. In addition this segment is also being subject to modernization and maintenance, is managed and for non-vacant units generates rental income.

A group-wide planning and controlling system ensures that resources for both segments are efficiently allocated and their successful use is monitored. Assets and liabilities are not viewed separately by segment.

The accounting policies of the operating segments are the same as described in note 4 regarding significant accounting policies.

Performance is measured based on segment gross profit before revaluation of investment properties. Segment results reported to the CODM include items directly attributable to a segment on a reasonable basis.

A. INFORMATION ABOUT REPORTABLE SEGMENTS

Information regarding the results of each reportable segment is included below.

15

	For the year ended Dec 31, 2015		
In EUR thousand	Residential property management	Privatization	Total consolidated
External income from residential property management	64,575	1,224	65,799
External income from selling housing units	–	9,954	9,954
Consolidated revenue	**64,575**	**11,178**	**75,753**
Reportable segment gross profit	**53,813**	**2,100**	**55,913**
General and administrative expenses	–	–	(6,543)
Changes in fair value of investment properties and assets held for sale	–	–	158,579
Other expenses	–	–	(430)
Finance income	–	–	1,584
Finance expense	–	–	(25,724)
Consolidated profit before tax	**–**	**–**	**183,379**
Income tax expense	–	–	(27,372)

14

	For the year ended Dec 31, 2014		
In EUR thousand	Residential property management	Privatization	Total consolidated
External income from residential property management	33,434	285	33,719
External income from selling housing units	–	610	610
Consolidated revenue	**33,434**	**895**	**34,329**
Reportable segment gross profit	**27,457**	**291**	**27,748**
General and administrative expenses	–	–	(3,162)
Changes in fair value of investment properties and assets held for sale	–	–	68,838
Finance income	–	–	4,669
Finance expense	–	–	(18,417)
Consolidated profit before tax	**–**	**–**	**79,676**
Income tax expense	–	–	(10,398)

13

	For the year ended Dec 31, 2013		
In EUR thousand	Residential property management	Privatization	Total consolidated
External income from residential property management	22,673	–	22,673
External income from selling housing units	–	–	–
Consolidated revenue	**22,673**	**–**	**22,673**
Reportable segment gross profit	**18,800**	**–**	**18,800**
General and administrative expenses	–	–	(2,686)
Changes in fair value of investment properties and assets held for sale	–	–	23,001
Finance income	–	–	17
Finance expense	–	–	(12,523)
Consolidated profit before tax	**–**	**–**	**26,609**
Income tax expense	–	–	(3,668)

B. ENTITY LEVEL DISCLOSURES

The Group has no major customers, from which 10% or more of the Group's revenue derives.

NOTE 27 – RELATED PARTIES

A. RELATED COMPANIES

The subsidiaries included in the consolidated financial statements and ADO Group Ltd. are considered related parties.

(1) Transactions with related companies
The following balances with related parties are included in the consolidated statement of financial position:

In EUR thousand	Dec 31, 2015	Dec 31, 2014
Current liabilities		
ADO Group (presented under other payables)	**384**	–
Non-current liabilities (*)		
Amounts due to related parties – ADO Group	**–**	24,202
Amounts due to related parties – ADO Group (Capital notes)	**–**	162,117

(*) See note 13 (C) regarding loans and the capital notes from ADO Group Ltd. converted to equity upon IPO.

The following balances with related parties are included in the consolidated statement of profit or loss:

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Consolidated statement of profit or loss			
Services and management fee charges from ADO Group	**146**	234	138
Interest on loans from ADO Group (*)	**891**	1,128	1,137
Interest on Capital note to ADO Group (*)	**4,910**	5,353	2,444

(*) Interest from loans and capital note from ADO Group Ltd. comprise interest until July 23, 2015. See note 13 (C) regarding the conversion of these loans and the capital note into equity.

B. TRANSACTION WITH KEY MANAGEMENT PERSONNEL

Within the Group, the individuals in key positions pursuant to IAS 24 include the Board of Directors of ADO Properties S.A.

Compensation and benefits to key management personnel that are employed by the Group:

	For the year ended		
In EUR thousand	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Short-term employee benefits	**526**	326	77
Share-based payments	**199**	86	27
Total	**725**	**412**	**104**

The Board of Directors and members of their immediate families do not personally have any business relation with the Group other than in their capacity as members of the Board of Directors.

NOTE 28 – AUDITORS' FEES

The following fees have been credited for the services rendered by the Group auditors KPMG in the different jurisdictions:

In EUR thousand	For the year ended Dec 31, 2015	Dec 31, 2014
Audit (*)	**592**	190
Tax consultancy services	**159**	–
Other non-audit related services	**50**	–

(*) Including audit related services in relation to the IPO.

NOTE 29 – SUBSEQUENT EVENTS

A. During the first quarter of 2016 the Group took over a total of 537 units in Berlin, of which 531 are residential units and 6 units are commercial units. The acquisitions were structured as share deals in which the Group acquired 94.9% of the shares of several companies. The gross purchase price for 100% of the acquired assets amounted to EUR 45 million. The total annual net cold rent from the new acquisitions at purchase amounted to EUR 2.2 million. As of December 31, 2015 the Group paid an advance of EUR 1.3 million that was recorded as advances in respect of investment properties.

B. During the first quarter of 2016 the Group took over assets including a total of 132 residential units in Berlin. The Group acquired 100% with a purchase price of EUR 14.9 million. The total annual net cold rent from the new acquisitions as at purchase amounted to EUR 0.7 million. As of December 31, 2015 the Group paid an advance of EUR 0.8 million that was recorded as advances in respect of investment properties.

C. On March 21, 2016 the Company's Board proposed to the Annual General Meeting to pay dividend in the amount of EUR 12.25 million (EUR 0.35 per share). The Annual General Meeting will take place on May 3, 2016.

NOTE 30 – LIST OF THE COMPANY SHAREHOLDINGS

In %	Company	Country	Shareholding and control at Dec 31, 2015	Dec 31, 2014
1	Adest Grundstücks GmbH	Germany	**99.64**	99.64
2	Adoa Grundstücks GmbH	Germany	**99.64**	99.64
3	Adom Grundstücks GmbH	Germany	**99.64**	99.64
4	Adon Grundstücks GmbH	Germany	**99.64**	99.64
5	Ahava Grundstücks GmbH	Germany	**99.64**	99.64
6	Anafa 1 Grundstücks GmbH	Germany	**99.64**	99.64
7	Anafa 2 Grundstücks GmbH	Germany	**99.64**	99.64
8	Gamazi Grundstücks GmbH	Germany	**99.64**	99.64
9	Anafa Grundstücks GmbH	Germany	**99.64**	99.64
10	Badolina Grundstücks GmbH	Germany	**99.64**	99.64
11	Berale Grundstücks GmbH	Germany	**99.64**	99.64
12	Bamba Grundstücks GmbH	Germany	**99.64**	99.64
13	Zman Grundstücks GmbH	Germany	**99.64**	99.64
14	Central Asset Management GmbH	Germany	**100**	100
15	CCM City Construction Management GmbH	Germany	**100**	100
16	Drontheimer STR. 4 Grundstücks GmbH	Germany	**99.64**	99.64
17	Eldalote Grundstücks GmbH	Germany	**99.64**	99.64
18	Nuni Grundstücks GmbH	Germany	**99.64**	99.64
19	Krembo Grundstücks GmbH	Germany	**99.64**	99.64
20	Tussik Grundstücks GmbH	Germany	**99.64**	99.64
21	Geut Grundstücks GmbH	Germany	**99.64**	99.64
22	Gozal Grundstücks GmbH	Germany	**99.64**	99.64
23	Gamad Grundstücks GmbH	Germany	**99.64**	99.64
24	Geshem Grundstücks GmbH	Germany	**99.64**	99.64
25	I.I.C Immobilien, Investitionen & Capital – Erste Immobilienverwaltung GmbH & Co KG	Germany	**99.64**	99.64
26	Lavlav 1 Grundstücks GmbH	Germany	**99.64**	99.64
27	Lavlav 2 Grundstücks GmbH	Germany	**99.64**	99.64
28	Lavlav 3 Grundstücks GmbH	Germany	**99.64**	99.64
29	Lavlav Grundstücks GmbH	Germany	**99.64**	99.64
30	Mastik Grundstücks GmbH	Germany	**99.64**	99.64
31	Maya Grundstücks GmbH	Germany	**99.64**	99.64

In %	Company	Country	Shareholding and control at Dec 31, 2015	Dec 31, 2014
32	Merlingotik Fünfte Immobilien GmbH & Co. KG	Germany	**99.64**	99.64
33	Mezi Grundstücks GmbH	Germany	**99.64**	99.64
34	Muse Grundstücks GmbH	Germany	**99.64**	99.64
35	Papun Grundstücks GmbH	Germany	**99.64**	99.64
36	Nehederet Grundstücks GmbH	Germany	**99.64**	99.64
37	Neshama Grundstücks GmbH	Germany	**99.64**	99.64
38	Osher Grundstücks GmbH	Germany	**99.64**	99.64
39	Pola Grundstücks GmbH	Germany	**99.64**	99.64
40	Q-ADO Dienstleistungs GmbH	Germany	**100**	100
41	Reshet Grundstücks GmbH	Germany	**99.64**	99.64
42	Sababa18 Grundstücks GmbH	Germany	**99.64**	99.64
43	Sababa19 Grundstücks GmbH	Germany	**99.64**	99.64
44	Sababa20 Grundstücks GmbH	Germany	**99.64**	99.64
45	Sababa21 Grundstücks GmbH	Germany	**99.64**	99.64
46	Sababa22 Grundstücks GmbH	Germany	**99.64**	99.64
47	Sababa23 Grundstücks GmbH	Germany	**99.64**	99.64
48	Sababa24 Grundstücks GmbH	Germany	**99.64**	99.64
49	Sababa25 Grundstücks GmbH	Germany	**99.64**	99.64
50	Sababa26 Grundstücks GmbH	Germany	**99.64**	99.64
51	Sababa27 Grundstücks GmbH	Germany	**99.64**	99.64
52	Sababa28 Grundstücks GmbH	Germany	**99.64**	99.64
53	Sababa29 Grundstücks GmbH	Germany	**99.64**	99.64
54	Sababa30 Grundstücks GmbH	Germany	**99.64**	99.64
55	Sababa31 Grundstücks GmbH	Germany	**99.64**	99.64
56	Sababa32 Grundstücks GmbH	Germany	**99.64**	99.64
57	Shemesh Grundstücks GmbH	Germany	**99.64**	99.64
58	Stav Grundstücks GmbH	Germany	**99.64**	99.64
59	Tamuril Grundstücks GmbH	Germany	**99.64**	99.64
60	Tara Grundstücks GmbH	Germany	**99.64**	99.64
61	Tehila1 Grundstücks GmbH	Germany	**99.64**	99.64
62	Tehila2 Grundstücks GmbH	Germany	**99.64**	99.64
63	Tehila Grundstücks GmbH	Germany	**99.64**	99.64
64	Trusk Grundstücks GmbH	Germany	**99.64**	99.64
65	Wernerwerkdamm 25 Grundstücks GmbH	Germany	**99.64**	99.64

In %	Company	Country	Shareholding and control at Dec 31, 2015	Dec 31, 2014
66	Yarok Grundstücks GmbH	Germany	**99.64**	99.64
67	Yahel Grundstücks GmbH	Germany	**99.64**	99.64
68	Yussifun Grundstücks GmbH	Germany	**99.64**	99.64
69	Bombila Grundstücks GmbH	Germany	**99.64**	99.64
70	ADO SBI Holding Ltd. & Co. KG	Germany	**94**	94
71	Central Facility Management GmbH	Germany	**100**	100
72	Sheket Grundstücks GmbH	Germany	**100**	100
73	Seret Grundstücks GmbH	Germany	**100**	100
74	Melet Grundstücks GmbH	Germany	**100**	100
75	Yabeshet Grundstücks GmbH	Germany	**100**	100
76	ADO Finance B.V.	Holland	**100**	100
77	Yadit Grundstücks GmbH	Germany	**100**	100
78	Zamir Grundstücks GmbH	Germany	**100**	100
79	Arafel Grundstücks GmbH	Germany	**100**	100
80	Sharav Grundstücks GmbH	Germany	**100**	100
81	Sipur Grundstücks GmbH	Germany	**100**	100
82	Matok Grundstücks GmbH	Germany	**100**	100
83	Barbur Grundstücks GmbH	Germany	**94.9**	94.9
84	Parpar Grundstücks GmbH	Germany	**100**	100
85	Jessica Properties B.V.	Holland	**94.50**	94.50
86	Alexandra Properties B.V.	Holland	**94.44**	94.44
87	Marbien B.V.	Holland	**94.90**	94.90
88	Meghan Properties B.V.	Holland	**94.44**	94.44
89	Matok Löwenberger Straße Grundstücks GmbH	Germany	**100**	100
90	Songbird 1 ApS	Denmark	**60**	60
91	Songbird 2 ApS	Denmark	**60**	60
92	Joysun 1 B.V.	Holland	**60**	60
93	Joysun 2 B.V.	Holland	**60**	60
94	Yona Investment GmbH & Co. KG	Germany	**60**	60
95	Yanshuf Investment GmbH & Co. KG	Germany	**60**	60
96	Ziporim Investment GmbH	Germany	**60**	60
97	Ofek 1 Grundstücks GmbH	Germany	**100**	100
98	Ofek 2 Grundstücks GmbH	Germany	**100**	100
99	Ofek 3 Grundstücks GmbH	Germany	**100**	100

In %	Company	Country	Shareholding and control at Dec 31, 2015	Shareholding and control at Dec 31, 2014
100	Ofek 4 Grundstücks GmbH	Germany	**100**	100
101	Ofek 5 Grundstücks GmbH	Germany	**100**	100
102	Galim 1 Grundstücks GmbH	Germany	**100**	100
103	Galim 2 Grundstücks GmbH	Germany	**100**	100
104	Galim 3 Grundstücks GmbH	Germany	**100**	100
105	JS Nestorstraße Grundstücks GmbH	Germany	**60**	–
106	JS Florapromenade Grundstücks GmbH	Germany	**60**	–
107	JS Cotheniusstraße Grundstücks GmbH	Germany	**60**	–
108	JS Tauroggener Grundstücks GmbH	Germany	**60**	–
109	JS Kiehlufer Grundstücks GmbH	Germany	**60**	–
110	JS Rubenstraße Grundstücks GmbH	Germany	**60**	–
111	Yona Stettiner Grundstücks GmbH	Germany	**60**	–
112	Yona Schul Grundstücks GmbH	Germany	**60**	–
113	Yona Otawi Grundstücks GmbH	Germany	**60**	–
114	Yona Strom Grundstücks GmbH	Germany	**60**	–
115	Yona Gutenberg Grundstücks GmbH	Germany	**60**	–
116	Yona Kameruner Grundstücks GmbH	Germany	**60**	–
117	Yona Schichauweg Grundstücks GmbH	Germany	**60**	–
118	Yona Alt-Tempelhof Grundstücks GmbH	Germany	**60**	–
119	Yona Gruberzeile Grundstücks GmbH	Germany	**60**	–
120	Yona Schloss Grundstücks GmbH	Germany	**60**	–
121	Yona Lindauer Grundstücks GmbH	Germany	**60**	–
122	Yona Nogat Grundstücks GmbH	Germany	**60**	–
123	Yona Bötzow Grundstücks GmbH	Germany	**60**	–
124	Yona Herbst Grundstücks GmbH	Germany	**60**	–
125	Yona Danziger Grundstücks GmbH	Germany	**60**	–
126	Yona Schön Grundstücks GmbH	Germany	**60**	–
127	Yanshuf Kaiser Grundstücks GmbH	Germany	**60**	–
128	Yanshuf Binz Grundstücks GmbH	Germany	**60**	–
129	Yanshuf Antonien Grundstücks GmbH	Germany	**60**	–
130	Yanshuf See Grundstücks GmbH	Germany	**60**	–
131	Yanshuf Hermann Grundstücks GmbH	Germany	**60**	–
132	Yanshuf Schmidt-Ott Grundstücks GmbH	Germany	**60**	–
133	Hanpaka Holding GmbH	Germany	**100**	–
134	Fünfte D.V.I. Berlin Portfolio GmbH	Germany	**94.90**	–
135	Dvash 1 Holding GmbH	Germany	**100**	–
136	Dvash 2 Holding GmbH	Germany	**100**	–
137	Dvash 3 B.V.	Holland	**100**	–
138	Rimon Holding GmbH	Germany	**100**	–
139	Bosem Grundstücks GmbH	Germany	**100**	–
140	AKG Invest Two GmbH	Germany	**94.90**	–
141	Alpha Optimum Berlin 1 SP SL & Co. KG	Germany	**94.90**	–
142	Alpha Optimum Berlin 2 SP SL & Co. KG	Germany	**94.90**	–
143	Alpha Optimum Berlin 3 SP SL & Co. KG	Germany	**94.90**	–
144	Alpha Optimum Berlin 4 SP SL & Co. KG	Germany	**94.90**	–
145	Optimum Berlin 1 SP SL & Co. KG	Germany	**94.90**	–
146	Optimum Berlin 2 SP SL & Co. KG	Germany	**94.90**	–
147	Optimum Berlin 3 SP SL & Co. KG	Germany	**94.90**	–
148	Optimum Berlin 4 SP SL & Co. KG	Germany	**94.90**	–
149	ADO FC Management Unlimited Company	Ireland	**100**	–

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ADO PROPERTIES S.A. – REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of ADO Properties S.A., which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit or loss, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of ADO Properties S.A. as of December 31, 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the Corporate Governance Statement.

Luxembourg, March 21, 2016

Stephen Nye
Partner

KPMG Luxembourg Société coopérative
Cabinet de révision agréé
39, Avenue John F. Kennedy
L-1855 Luxembourg
Tel.: +352-2251-511
Fax: +352-225-171
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

ANNUAL ACCOUNTS

PAGE

126 Balance Sheet

128 Profit and Loss Account

129 Notes to the Annual Accounts

152 Independent Auditor's Report

BALANCE SHEET

ASSETS

In EUR	Note	Dec 31, 2015	Dec 31, 2014 (*)
Formation expenses	3	**6,944,521**	–
Fixed assets		**1,002,766,810**	19,516,251
Financial fixed assets			
Shares in affiliated undertakings	4.1	**553,079,035**	19,491,251
Amounts owed by affiliated undertakings	4.2	**449,662,775**	–
Shares in undertakings with which the company is linked by virtue of participating interests	4.3	**25,000**	25,000
Current assets		**94,417,946**	146,035
Debtors			
Amounts owed by affiliated undertakings	5.1		
Becoming due and payable within one year		**444,265**	144,265
Other receivables	5.2		
Becoming due and payable within one year		**1,608,299**	–
Becoming due and payable after more than one year		**4,500**	–
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		**92,360,882**	1,770
Prepayments		**–**	655
Total assets		**1,104,129,277**	**19,662,941**

(*) Restated – see Note 2.2.

LIABILITIES

In EUR	Note	Dec 31, 2015	Dec 31, 2014 (*)
Capital and reserves		**568,582,514**	9,768,317
Subscribed capital	6.1	**43,400**	2,000
Share premium and similar premiums	6.2	**546,708,730**	13,569,071
Reserves			
Other reserves	6.4	**437,488**	437,488
Profit or (loss) brought forward	6.4	**(4,240,242)**	(3,297,024)
Profit or (loss) for the financial year	6.4	**25,633,138**	(943,218)
Provisions		**145,000**	9,580
Provisions for taxation	7.1	**20,000**	–
Other provisions		**125,000**	9,580
Non subordinated debts	8	**535,401,763**	9,885,044
Trade creditors	8.1		
Becoming due and payable within one year		**349,849**	12,955
Amounts owed to affiliated undertakings	8.2		
Becoming due and payable within one year		**91,120**	161,040
Becoming due and payable after more than one year		**533,461,784**	9,711,049
Amounts owed to undertakings with which the company is linked by virtue of participating interests	8.3		
Becoming due and payable after more than one year		**116,454**	–
Tax and social security debts	8.4		
Tax debts		**553,012**	–
Other creditors	8.5		
Becoming due and payable within one year		**445,734**	–
Becoming due and payable after more than one year		**383,810**	–
Total liabilities		**1,104,129,277**	**19,662,941**

(*) Restated – see Note 2.2.

PROFIT AND LOSS ACCOUNTS

CHARGES

In EUR	Note	For the year ended Dec 31, 2015	Dec 31, 2014
Other external charges	10	**855,328**	441,267
Staff costs			
Salaries and wages	9	**609,715**	–
Value adjustments			
On formation expenses and on tangible and intangible fixed assets	3	**671,916**	–
Other operating charges		**99,589**	–
Interest and other financial charges			
Concerning affiliated undertakings		**366,402**	501,113
Other interest and similar financial charges		**51,502**	838
Income tax		**20,000**	–
Profit for the financial year		**25,633,138**	–
Total charges		**28,307,590**	**943,218**

INCOME

In EUR	Note	For the year ended Dec 31, 2015	Dec 31, 2014
Net turnover	2.2.8	**400,000**	–
Income from financial fixed assets			
Derived from affiliated undertakings	4.2	**27,340,928**	–
Income from financial current assets			
Other income from financial current assets		**6,842**	–
Extraordinary income		**559,820**	–
Loss for the financial year		–	943,218
Total income		**28,307,590**	**943,218**

NOTES TO THE ANNUAL ACCOUNTS

NOTE 1 – GENERAL INFORMATION

ADO Properties S.A. (hereafter the 'Company') was incorporated in Cyprus as Swallowbird Trading & Investments Limited on November 13, 2007 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office was situated in Larnaca, Cyprus. On June 8, 2015 the Company deleted its registration in Cyprus and moved its registered office and central administration to Luxembourg.

The Company adopted the form of a private limited liability company *(société à responsabilité limitée)* under Luxembourg law. The Company was then converted to a public limited liability company *(Société Anonyme)* for an unlimited duration under the Luxembourg law by decision of the general meeting of shareholders dated June 16, 2015 and changed its name to ADO Properties S.A.

On July 23, 2015 the Company completed an initial public offering ("IPO") and its shares are traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

The registered office of the Company is established in 20, rue Eugène Ruppert, L-2453 Luxembourg. The Company's financial year starts January 1 and ends December 31 of each year. The object of the Company is the acquisition and holding of interests in Luxembourg and / or in foreign undertakings, as well as the administration, development and management of such holdings.

The Company may provide financial assistance to the undertakings forming part of the group of the Company such as the providing of loans and granting of guarantees or securities in any kind or form.

The Company may also utilize its funds to invest in real estate and, provided such investment is ancillary to or related to the acquisition, holding, administration, development and management of the undertaking forming part of the group of the Company, the Company may invest in intellectual property rights or any other movable or immovable assets in any kind or form.

The Company may borrow in any kind or form and may privately issue bonds, notes or similar debt instruments. The financial year runs from January 1, 2015 to December 31, 2015.

The annual accounts of the Company are prepared under the provision of the law applicable for commercial companies in Luxembourg. The Company has taken the option of the Law permissible for small companies to omit certain disclosures.

ADO Properties S.A. also prepares consolidated financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union. The copies of the consolidated financial statements are available at the registered office of the Company or on http://investors.ado.immo.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones lay down by the Law of December 19, 2002, determined and applied by the Board of Directors.

The accounting of the Company has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 for the period from November 13, 2007 to June 8, 2015. No significant differences resulted in this change of applied accounting principles.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that these annual accounts present the financial position and results fairly.

The books and records are maintained in EUR and the annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

2.2. SIGNIFICANT ACCOUNTING POLICIES

Change in layout

Comparative figures have been presented according to Luxembourg laws and regulations following the transfer of the registered office to Luxembourg. Thus, the profit and loss account is presented according to Luxembourg laws and not in the form of a statement of profit or loss and other comprehensive income, as under IFRS. The comparative figures are unaudited.

The main valuation rules applied by the Company are the following:

2.2.1 Currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are valued individually at the lower, respectively the higher of their value at the historical exchange rate or their value determined at the exchange rates prevailing at the balance sheet date. The unrealized exchange losses are recorded in the profit and loss account. Realized exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized losses are recorded in the profit and loss account and the net unrealized exchange gains are not recognized.

2.2.2 Formation expenses

Formation expenses are written off based on a straight line method over a period of 5 years.

2.2.3 Intangible and tangible fixed assets

Intangible and tangible assets are recorded at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The amortizations are calculated on a straight-line basis over the estimated useful economic life.

2.2.4 Financial fixed assets

Shares in affiliated undertakings / participating interests / loans to these undertakings / securities held as fixed assets / other loans are valued at purchase price / nominal value (loans and claims) including expenses incidental thereto.

In case of durable diminution in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed assets, to value them at the lower amount attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.5 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.6 Derivative financial instruments

The Company may enter into derivative financial instruments such as options, swaps and futures. These derivative financial instruments are initially recorded at cost.

At each balance sheet date, unrealized losses are recognized in the profit and loss account whereas gains are accounted for when realized.

In the case of hedging of an asset or a liability that is not recorded at fair value, unrealized gains or losses are deferred until the recognition of the realized gains or losses on the hedged item.

2.2.7 Provisions
Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of balance sheet, are either likely to be incurred or certain to be incurred but uncertain as their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Tax debts". The advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

2.2.8 Net turnover
In 2015, the net turnover comprises the amounts of management fees charged to ADO Properties GmbH, Germany.

NOTE 3 – FORMATION EXPENSES

Formation expenses comprise incorporation expenses, expenses incurred for the capital increase and costs incurred for the IPO.

The movements of the year are as follows:

15

In EUR	2015
Gross book value – opening balance	–
Additions for the year	7,616,437
(Disposals for the year)	–
Gross book value – closing balance	**7,616,437**
(Accumulated value adjustments – opening balance)	–
(Additions for the year)	(671,916)
Reversals for the year	–
(Accumulated value adjustments – closing balance)	**(671,916)**
Net book value – closing balance	**6,944,521**
Net book value – opening balance	**–**

NOTE 4 – FINANCIAL FIXED ASSETS

4.1. SHARES IN AFFILIATED UNDERTAKINGS

In EUR	Gross book value – opening balance	Additions for the year	Gross book value – closing balance
Adest Grundstücks GmbH	23,500	–	23,500
Adoa Grundstücks GmbH	23,500	–	23,500
Adom Grundstücks GmbH	23,500	–	23,500
Adon Grundstücks GmbH	23,500	–	23,500
Ahava Grundstücks GmbH	23,500	–	23,500
Anafa 1 Grundstücks GmbH	23,500	–	23,500
Anafa 2 Grundstücks GmbH	23,500	–	23,500
GAMAZI Grundstücks GmbH	223,500	–	223,500
Anafa Grundstücks GmbH	23,500	–	23,500
Badolina Grundstücks GmbH	23,500	–	23,500
Berale Grundstücks GmbH	23,500	–	23,500
Bamba Grundstücks GmbH	423,500	–	423,500
Zman Grundstücks GmbH	673,500	–	673,500
ADO Immobilien Management GmbH	337,564	–	337,564
City Construction Management GmbH	25,000	–	25,000
Drontheimer Str. 4 GmbH	23,500	–	23,500
Eldalote Grundstücks GmbH	23,500	–	23,500
NUNI Grundstücks GmbH	23,500	–	23,500
KREMBO Grundstücks GmbH	23,500	–	23,500
TUSSIK Grundstücks GmbH	23,500	–	23,500
Geut Grundstücks GmbH	23,500	–	23,500
Gozal Grundstücks GmbH	423,500	–	423,500
Gamad Grundstücks GmbH	23,500	–	23,500
Geshem Grundstücks GmbH	23,500	–	23,500
Lavlav 1 Grundstücks GmbH	523,500	–	523,500
Lavlav 2 Grundstücks GmbH	823,500	–	823,500
Lavlav 3 Grundstücks GmbH	1,023,500	–	1,023,500
Lavlav Grundstücks GmbH	23,500	–	23,500
Mastik Grundstücks GmbH	23,500	–	23,500
Maya Grundstücks GmbH	1,064,653	–	1,064,653
Mezi Grundstücks GmbH	223,500	–	223,500

In EUR	Gross book value – opening balance	Additions for the year	Gross book value – closing balance
Muse Grundstücks GmbH	223,500	–	223,500
Papun Grundstücks GmbH	23,500	–	23,500
Nehederet Grundstücks GmbH	273,500	–	273,500
Neshama Grundstücks GmbH	23,500	–	23,500
Osher Grundstücks GmbH	23,500	–	23,500
Pola Grundstücks GmbH	23,500	–	23,500
ADO Properties GmbH	25,000	–	25,000
Rehset Grundstücks GmbH	523,500	–	523,500
Sababa18 Grundstücks GmbH	323,500	–	323,500
Sababa19 Grundstücks GmbH	123,500	–	123,500
Sababa20 Grundstücks GmbH	23,500	–	23,500
Sababa21 Grundstücks GmbH	123,500	–	123,500
Sababa22 Grundstücks GmbH	323,500	–	323,500
Sababa23 Grundstücks GmbH	23,500	–	23,500
Sababa24 Grundstücks GmbH	23,500	–	23,500
Sababa25 Grundstücks GmbH	23,500	–	23,500
Sababa26 Grundstücks GmbH	523,500	–	523,500
Sababa27 Grundstücks GmbH	23,500	–	23,500
Sababa28 Grundstücks GmbH	1,023,500	–	1,023,500
Sababa29 Grundstücks GmbH	23,500	–	23,500
Sababa30 Grundstücks GmbH	23,500	–	23,500
Sababa31 Grundstücks GmbH	23,500	–	23,500
Sababa32 Grundstücks GmbH	1,323,500	–	1,323,500
Shemesh Grundstücks GmbH	23,500	–	23,500
Stav Grundstücks GmbH	23,500	–	23,500
Tamuril Grundstücks GmbH	23,500	–	23,500
Tara Grundstücks GmbH	1,410,692	–	1,410,692
Tehila1 Grundstücks GmbH	223,500	–	223,500
Tehila2 Grundstücks GmbH	323,500	–	323,500
Tehila Grundstücks GmbH	23,500	–	23,500
Trusk Grundstücks GmbH	323,500	–	323,500
Wernerwerkdamm 25 Grundstücks GmbH	1,195,406	–	1,195,406
Yarok Grundstücks GmbH	1,023,500	–	1,023,500

In EUR	Gross book value – opening balance	Additions for the year	Gross book value – closing balance
Yahel Grundstücks GmbH	423,500	–	423,500
Yussifun Grundstücks GmbH	23,500	–	23,500
Bombila Grundstücks GmbH	23,500	–	23,500
ADO SBI Holding Ltd & KG	1	–	1
Yabeshet Grundstücks GmbH	25,000	–	25,000
Melet Grundstücks GmbH	25,000	–	25,000
Seret Grundstücks GmbH	25,000	–	25,000
Sheket Grundstücks GmbH	25,000	–	25,000
Central Facility Management GmbH	25,000	–	25,000
Arafel Grundstücks GmbH	25,000	–	25,000
Zamir Grundstücks GmbH	25,000	–	25,000
Yadit Grundstücks GmbH	25,000	–	25,000
Sharav Grundstücks GmbH	25,000	–	25,000
Sipur Grundstücks GmbH	25,000	–	25,000
Matok Grundstücks GmbH	25,000	–	25,000
Barbur Grundstücks GmbH	1,580,583	–	1,580,583
Jessica Properties BV	246,953	–	246,953
Alexandra Properties BV	246,953	–	246,953
Marbien Properties BV	246,953	–	246,953
Meghan Properties BV	246,953	–	246,953
Parpar Grundstücks GmbH	25,000	–	25,000
ADO Finance B.V.	18,000	–	18,000
Ofek 1 Grundstücks GmbH	25,000	–	25,000
Ofek 2 Grundstücks GmbH	25,000	–	25,000
Ofek 3 Grundstücks GmbH	25,000	–	25,000
Ofek 4 Grundstücks GmbH	25,000	–	25,000
Ofek 5 Grundstücks GmbH	25,000	–	25,000
Galim 1 Grundstücks GmbH	25,000	–	25,000
Galim 2 Grundstücks GmbH	25,000	–	25,000
Galim 3 Grundstücks GmbH	25,000	–	25,000
Songbird 1 ApS	6,460	–	6,460
Songbird 2 ApS	6,460	–	6,460
Joysun 1 B.V.	60	–	60

In EUR	Gross book value – opening balance	Additions for the year	Gross book value – closing balance
Joysun 2 B.V.	60	–	60
Hanpaka Holding GmbH	–	25,000	25,000
Dvash 1 Holding GmbH	–	25,000	25,000
Dvash 2 Holding GmbH	–	25,000	25,000
Rimon Holding GmbH	–	25,000	25,000
Bosem Grundstücks GmbH	–	25,000	25,000
ADO FC Management Unlimited Company	–	533,462,784	533,462,784
Total	**19,491,251**	**533,587,784**	**553,079,035**

Company's name	Registered country	Ownership %	Last balance sheet	Currency	Net equity at the balance sheet (*)	Profit or (loss) for the last financial year (*)
Adest Grundstücks GmbH	Germany	94	31/12/15	EUR	(6,330,633)	(232,081)
Adoa Grundstücks GmbH	Germany	94	31/12/15	EUR	2,249,448	1,009,156
Adom Grundstücks GmbH	Germany	94	31/12/15	EUR	1,157,989	525,331
Adon Grundstücks GmbH	Germany	94	31/12/15	EUR	1,232,578	702,513
Ahava Grundstücks GmbH	Germany	94	31/12/15	EUR	1,885,478	1,174,657
Anafa 1 Grundstücks GmbH	Germany	94	31/12/15	EUR	1,113,508	671,046
Anafa 2 Grundstücks GmbH	Germany	94	31/12/15	EUR	2,304,369	1,005,233
GAMAZI Grundstücks GmbH	Germany	94	31/12/15	EUR	1,748,120	1,050,121
Anafa Grundstücks GmbH	Germany	94	31/12/15	EUR	708,405	326,272
Badolina Grundstücks GmbH	Germany	94	31/12/15	EUR	1,790,889	1,081,013
Berale Grundstücks GmbH	Germany	94	31/12/15	EUR	1,943,921	860,808
Bamba Grundstücks GmbH	Germany	94	31/12/15	EUR	2,954,443	1,138,020
Zman Grundstücks GmbH	Germany	94	31/12/15	EUR	4,302,183	1,908,277
ADO Immobilien Management GmbH	Germany	100	31/12/15	EUR	(364,660)	(197,262)
City Construction Management GmbH	Germany	100	31/12/15	EUR	(722,953)	17,698
Drontheimer Str. 4 GmbH	Germany	94	31/12/15	EUR	8,199,136	4,566,476
Eldalote Grundstücks GmbH	Germany	94	31/12/15	EUR	(1,850,881)	(129,315)
NUNI Grundstücks GmbH	Germany	94	31/12/15	EUR	7,227,607	4,958,091

(*) 100% profit or (loss) and net equity according to financial information prepared in accordance with IFRS.

Company's name	Registered country	Ownership %	Last balance sheet	Currency	Net equity at the balance sheet (*)	Profit or (loss) for the last financial year (*)
KREMBO Grundstücks GmbH	Germany	94	31/12/15	EUR	4,222,983	2,606,147
TUSSIK Grundstücks GmbH	Germany	94	31/12/15	EUR	6,005,708	3,062,089
Geut Grundstücks GmbH	Germany	94	31/12/15	EUR	198,915	(5,518)
Gozal Grundstücks GmbH	Germany	94	31/12/15	EUR	2,837,631	837,012
Gamad Grundstücks GmbH	Germany	94	31/12/15	EUR	4,573,791	2,739,638
Geshem Grundstücks GmbH	Germany	94	31/12/15	EUR	1,414,327	586,710
Lavlav 1 Grundstücks GmbH	Germany	94	31/12/15	EUR	3,914,229	1,304,260
Lavlav 2 Grundstücks GmbH	Germany	94	31/12/15	EUR	3,633,306	1,450,676
Lavlav 3 Grundstücks GmbH	Germany	94	31/12/15	EUR	6,262,962	2,709,097
Lavlav Grundstücks GmbH	Germany	94	31/12/15	EUR	594,958	(738,601)
Mastik Grundstücks GmbH	Germany	94	31/12/15	EUR	2,280,587	1,056,960
Maya Grundstücks GmbH	Germany	94	31/12/15	EUR	3,226,496	339,662
Mezi Grundstücks GmbH	Germany	94	31/12/15	EUR	1,651,052	1,054,235
Muse Grundstücks GmbH	Germany	94	31/12/15	EUR	2,575,158	801,226
Papun Grundstücks GmbH	Germany	94	31/12/15	EUR	1,784,929	669,453
Nehederet Grundstücks GmbH	Germany	94	31/12/15	EUR	1,294,768	522,120
Neshama Grundstücks GmbH	Germany	94	31/12/15	EUR	1,013,963	333,031
Osher Grundstücks GmbH	Germany	94	31/12/15	EUR	(45,368)	(3,199)
Pola Grundstücks GmbH	Germany	94	31/12/15	EUR	1,792,553	755,072
ADO Properties GmbH	Germany	100	31/12/15	EUR	(4,189,401)	(1,045,129)
Rehset Grundstücks GmbH	Germany	94	31/12/15	EUR	2,307,625	894,004
Sababa18 Grundstücks GmbH	Germany	94	31/12/15	EUR	2,056,530	368,192
Sababa19 Grundstücks GmbH	Germany	94	31/12/15	EUR	3,025,289	1,160,455
Sababa20 Grundstücks GmbH	Germany	94	31/12/15	EUR	884,834	552,288
Sababa21 Grundstücks GmbH	Germany	94	31/12/15	EUR	1,134,158	495,144
Sababa22 Grundstücks GmbH	Germany	94	31/12/15	EUR	541,814	134,635
Sababa23 Grundstücks GmbH	Germany	94	31/12/15	EUR	1,814,116	992,346
Sababa24 Grundstücks GmbH	Germany	94	31/12/15	EUR	5,512,143	4,444,985
Sababa25 Grundstücks GmbH	Germany	94	31/12/15	EUR	4,413,913	2,148,549
Sababa26 Grundstücks GmbH	Germany	94	31/12/15	EUR	3,767,067	1,649,009
Sababa27 Grundstücks GmbH	Germany	94	31/12/15	EUR	3,886,060	2,718,035
Sababa28 Grundstücks GmbH	Germany	94	31/12/15	EUR	5,247,489	1,768,750

(*) 100% profit or (loss) and net equity according to financial information prepared in accordance with IFRS.

Company's name	Registered country	Ownership %	Last balance sheet	Currency	Net equity at the balance sheet (*)	Profit or (loss) for the last financial year (*)
Sababa29 Grundstücks GmbH	Germany	94	31/12/15	EUR	1,631,820	1,015,680
Sababa30 Grundstücks GmbH	Germany	94	31/12/15	EUR	2,625,084	1,128,319
Sababa31 Grundstücks GmbH	Germany	94	31/12/15	EUR	2,609,465	1,699,782
Sababa32 Grundstücks GmbH	Germany	94	31/12/15	EUR	5,268,686	1,573,176
Shemesh Grundstücks GmbH	Germany	94	31/12/15	EUR	3,244,362	2,390,791
Stav Grundstücks GmbH	Germany	94	31/12/15	EUR	1,896,994	1,070,154
Tamuril Grundstücks GmbH	Germany	94	31/12/15	EUR	(115,358)	(185,053)
Tara Grundstücks GmbH	Germany	94	31/12/15	EUR	7,383,138	2,383,542
Tehila1 Grundstücks GmbH	Germany	94	31/12/15	EUR	2,712,132	1,112,511
Tehila2 Grundstücks GmbH	Germany	94	31/12/15	EUR	4,133,536	2,107,276
Tehila Grundstücks GmbH	Germany	94	31/12/15	EUR	438,319	269,834
Trusk Grundstücks GmbH	Germany	94	31/12/15	EUR	9,362,324	6,415,123
Wernerwerkdamm 25 Grundstücks GmbH	Germany	94	31/12/15	EUR	5,499,190	2,197,455
Yarok Grundstücks GmbH	Germany	94	31/12/15	EUR	5,381,584	3,250,379
Yahel Grundstücks GmbH	Germany	94	31/12/15	EUR	1,794,070	618,278
Yussifun Grundstücks GmbH	Germany	94	31/12/15	EUR	6,689,958	2,859,815
Bombila Grundstücks GmbH	Germany	94	31/12/15	EUR	1,577,054	870,724
ADO SBI Holding Ltd & KG	Germany	94	31/12/15	EUR	1	–
Yabeshet Grundstücks GmbH	Germany	100	31/12/15	EUR	1,388,092	779,176
Melet Grundstücks GmbH	Germany	100	31/12/15	EUR	6,648,121	4,351,025
Seret Grundstücks GmbH	Germany	100	31/12/15	EUR	5,610,023	4,364,203
Sheket Grundstücks GmbH	Germany	100	31/12/15	EUR	1,800,113	1,519,554
Central Facility Management GmbH	Germany	100	31/12/15	EUR	174,001	369,394
Arafel Grundstücks GmbH	Germany	100	31/12/15	EUR	3,959,605	2,319,744
Zamir Grundstücks GmbH	Germany	100	31/12/15	EUR	3,064,901	2,648,201
Yadit Grundstücks GmbH	Germany	100	31/12/15	EUR	906,275	1,060,494
Sharav Grundstücks GmbH	Germany	100	31/12/15	EUR	3,474,210	3,319,660
Sipur Grundstücks GmbH	Germany	100	31/12/15	EUR	9,783,421	6,892,553
Matok Grundstücks GmbH	Germany	100	31/12/15	EUR	(2,014,321)	(657,057)
Barbur Grundstücks GmbH	Germany	94.9	31/12/15	EUR	8,270,319	3,418,199
Jessica Properties BV	Netherlands	94.5	31/12/15	EUR	20,823,268	12,439,858

(*) 100% profit or (loss) and net equity according to financial information prepared in accordance with IFRS.

Company's name	Registered country	Ownership %	Last balance sheet	Currency	Net equity at the balance sheet (*)	Profit or (loss) for the last financial year (*)
Alexandra Properties BV	Netherlands	94.44	31/12/15	EUR	175,594	2,739,202
Marbien Properties BV	Netherlands	94.9	31/12/15	EUR	3,279,490	3,854,024
Meghan Properties BV	Netherlands	94.44	31/12/15	EUR	3,625,467	3,817,578
Parpar Grundstücks GmbH	Germany	100	31/12/15	EUR	601,303	648,226
ADO Finance B.V.	Netherlands	100	31/12/15	EUR	1,860	3,833,009
Ofek 1 Grundstücks GmbH	Germany	100	31/12/15	EUR	(957,338)	(975,763)
Ofek 2 Grundstücks GmbH	Germany	100	31/12/15	EUR	(43,170)	(64,120)
Ofek 3 Grundstücks GmbH	Germany	100	31/12/15	EUR	(828,389)	(846,814)
Ofek 4 Grundstücks GmbH	Germany	100	31/12/15	EUR	3,398,798	3,378,953
Ofek 5 Grundstücks GmbH	Germany	100	31/12/15	EUR	3,034,360	3,016,251
Galim 1 Grundstücks GmbH	Germany	100	31/12/15	EUR	1,503,948	1,486,733
Galim 2 Grundstücks GmbH	Germany	100	31/12/15	EUR	1,738,106	1,721,838
Galim 3 Grundstücks GmbH	Germany	100	31/12/15	EUR	2,299,069	2,274,069
Songbird 1 ApS	Denmark	60	31/12/15	EUR	(490,523)	(498,164)
Songbird 2 ApS	Denmark	60	31/12/15	EUR	(489,405)	(497,046)
Joysun 1 B.V.	Netherlands	60	31/12/15	EUR	(1,016,605)	(966,843)
Joysun 2 B.V.	Netherlands	60	31/12/15	EUR	(93,293)	(81,372)
Hanpaka Holding GmbH	Germany	100	31/12/15	EUR	(218,891)	(243,891)
Dvash 1 Holding GmbH	Germany	100	31/12/15	EUR	(432,550)	(457,550)
Dvash 2 Holding GmbH	Germany	100	31/12/15	EUR	(249,007)	(274,007)
Rimon Holding GmbH	Germany	100	31/12/15	EUR	(47,734)	(72,734)
Bosem Grundstücks GmbH	Germany	100	31/12/15	EUR	23,280	(1,720)
ADO FC Management Unlimited Company	Ireland	100	31/12/15	EUR	533,462,784	–
Total					**783,481,071**	**152,190,036**

The Board of Directors deemed no permanent diminution in value to have occurred on the amount of the shares in affiliated undertakings.

(*) 100% profit or (loss) and net equity according to financial information prepared in accordance with IFRS.

4.2 AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

Company's name	Maturity date	Interest rate	Gross book value at Jan 1, 2015 (in EUR)	Additions (in EUR)	Repayments (in EUR)	Accrued interest at Dec 31, 2015 (in EUR)	Gross book value at Dec 31, 2015 (in EUR)
Adest Grundstücks GmbH	23/07/25	4.0%	–	6,232,200	–	110,435	6,342,635
Adest Grundstücks GmbH	31/12/25	4.0%	–	6,000	–	88	6,088
Adom Grundstücks GmbH	23/07/25	4.0%	–	179,894	–	3,188	183,082
Adon Grundstücks GmbH	23/07/25	4.0%	–	801,372	–	14,200	815,572
Adon Grundstücks GmbH	23/07/25	6.0%	–	113,150	–	3,014	116,164
Ahava Grundstücks GmbH	23/07/25	4.0%	–	277,105	–	4,910	282,015
Anafa 1 Grundstücks GmbH	23/07/25	4.0%	–	750,742	–	13,303	764,045
Anafa 2 Grundstücks GmbH	23/07/25	4.0%	–	379,860	–	6,731	386,591
GAMAZI Grundstücks GmbH	23/07/25	4.0%	–	118,849	–	2,106	120,955
Anafa Grundstücks GmbH	23/07/25	4.0%	–	385,992	–	6,840	392,832
Anafa Grundstücks GmbH	31/12/25	4.0%	–	34,500	–	437	34,937
Badolina Grundstücks GmbH	23/07/25	4.0%	–	576,283	–	10,212	586,495
Berale Grundstücks GmbH	23/07/25	4.0%	–	–	(117,004)	(2,073)	(119,077)
Berale Grundstücks GmbH	31/12/15	4.0%	–	3,500	–	38	3,538
Bamba Grundstücks GmbH	23/07/25	4.0%	–	82,141	–	1,456	83,597
Bamba Grundstücks GmbH	31/12/15	4.0%	–	18,000	–	201	18,201
Zman Grundstücks GmbH	23/07/25	4.0%	–	586,942	–	10,401	597,343
ADO Immobilien Management GmbH	23/07/25	4.0%	–	641,706	–	11,371	653,077
ADO Immobilien Management GmbH	31/12/25	4.0%	–	219,000	–	232	219,232
City Construction Management GmbH	23/07/25	4.0%	–	1,070,243	–	18,965	1,089,208
Drontheimer Str. 4 GmbH	23/07/25	4.0%	–	4,832,325	–	85,629	4,917,954
Eldalote Grundstücks GmbH	23/07/25	4.0%	–	3,099,787	–	54,928	3,154,715
NUNI Grundstücks GmbH	23/07/25	4.0%	–	5,158,980	–	91,518	5,250,498
KREMBO Grundstücks GmbH	23/07/25	6.0%	–	3,610,263	–	96,168	3,706,431
KREMBO Grundstücks GmbH	23/07/25	4.0%	–	1,741,298	–	30,856	1,772,154
TUSSIK Grundstücks GmbH	23/07/25	4.0%	–	1,672,895	–	29,644	1,702,539
Geut Grundstücks GmbH	23/07/25	4.0%	–	362,327	–	6,420	368,747
Gozal Grundstücks GmbH	23/07/25	4.0%	–	–	(1,471,129)	(26,069)	(1,497,198)
Gozal Grundstücks GmbH	31/12/25	4.0%	–	–	(11,000)	(127)	(11,127)
Gamad Grundstücks GmbH	23/07/25	4.0%	–	2,012,514	–	35,662	2,048,176
Geshem Grundstücks GmbH	23/07/25	4.0%	–	589,120	–	10,439	599,559
Lavlav 1 Grundstücks GmbH	23/07/25	4.0%	–	–	(30,793)	(546)	(31,339)
Lavlav 2 Grundstücks GmbH	23/07/25	4.0%	–	–	(94,668)	(1,678)	(96,346)
Lavlav 3 Grundstücks GmbH	23/07/25	4.0%	–	174,314	–	3,089	177,403
Lavlav Grundstücks GmbH	23/07/25	4.0%	–	1,925,418	(31,000)	33,769	1,928,187
Mastik Grundstücks GmbH	23/07/25	4.0%	–	716,702	–	12,700	729,402
Maya Grundstücks GmbH	23/07/25	4.0%	–	(13,279)	–	(235)	(13,514)
Mezi Grundstücks GmbH	23/07/25	4.0%	–	537,984	–	9,533	547,517
Muse Grundstücks GmbH	23/07/25	4.0%	–	841,019	–	14,903	855,922
Papun Grundstücks GmbH	23/07/25	4.0%	–	922,025	–	16,338	938,363
Papun Grundstücks GmbH	31/12/25	4.0%	–	15,000	–	218	15,218
Nehederet Grundstücks GmbH	23/07/25	4.0%	–	27,945	–	495	28,440
Neshama Grundstücks GmbH	23/07/25	4.0%	–	119,475	–	2,117	121,592
Osher Grundstücks GmbH	23/07/25	4.0%	–	4,769	–	85	4,854
Pola Grundstücks GmbH	23/07/25	4.0%	–	373,908	–	6,626	380,534
ADO Properties GmbH	23/07/25	4.0%	–	4,323,754	(41,000)	76,608	4,359,362
ADO Properties GmbH	23/07/25	6.0%	–	147,668	–	3,933	151,601
Rehset Grundstücks GmbH	23/07/25	4.0%	–	–	(323,933)	(5,740)	(329,673)
Rehset Grundstücks GmbH	31/12/25	4.0%	–	–	(15,000)	(218)	(15,218)
Sababa18 Grundstücks GmbH	23/07/25	4.0%	–	474,151	–	8,402	482,553
Sababa19 Grundstücks GmbH	23/07/25	4.0%	–	256,924	–	4,553	261,477
Sababa20 Grundstücks GmbH	23/07/25	4.0%	–	422,678	–	7,490	430,168
Sababa21 Grundstücks GmbH	23/07/25	4.0%	–	–	(9,074)	(161)	(9,235)
Sababa22 Grundstücks GmbH	23/07/25	4.0%	–	164,744	–	2,919	167,663
Sababa22 Grundstücks GmbH	31/12/25	4.0%	–	13,500	–	155	13,655
Sababa23 Grundstücks GmbH	23/07/25	4.0%	–	–	(98,641)	(1,748)	(100,389)
Sababa24 Grundstücks GmbH	23/07/25	4.0%	–	4,979,737	–	88,241	5,067,978
Sababa25 Grundstücks GmbH	23/07/25	4.0%	–	144,084	–	2,553	146,637
Sababa26 Grundstücks GmbH	23/07/25	4.0%	–	–	(2,201)	(39)	(2,240)
Sababa27 Grundstücks GmbH	23/07/25	4.0%	–	2,858,704	–	50,656	2,909,360
Sababa28 Grundstücks GmbH	23/07/25	4.0%	–	188,132	(19,500)	3,072	171,704
Sababa29 Grundstücks GmbH	23/07/25	4.0%	–	2,239,917	–	39,691	2,279,608
Sababa30 Grundstücks GmbH	23/07/25	4.0%	–	833,931	–	14,777	848,708

Company's name	Maturity date	Interest rate	Gross book value at Jan 1, 2015 (in EUR)	Additions (in EUR)	Repayments (in EUR)	Accrued interest at Dec 31, 2015 (in EUR)	Gross book value at Dec 31, 2015 (in EUR)
Sababa31 Grundstücks GmbH	23/07/25	4.0%	–	1,125,814	–	19,950	1,145,764
Sababa32 Grundstücks GmbH	23/07/25	4.0%	–	–	(1,439,200)	(25,503)	(1,464,703)
Shemesh Grundstücks GmbH	23/07/25	6.0%	–	3,424,698	–	91,225	3,515,923
Shemesh Grundstücks GmbH	23/07/25	4.0%	–	152,688	(15,000)	2,544	140,232
Stav Grundstücks GmbH	23/07/25	4.0%	–	1,103,797	–	19,559	1,123,356
Tamuril Grundstücks GmbH	23/07/25	4.0%	–	334,002	–	5,919	339,921
Tara Grundstücks GmbH	23/07/25	4.0%	–	–	(213,325)	(3,780)	(217,105)
Tehila1 Grundstücks GmbH	23/07/25	4.0%	–	–	(149,701)	(2,653)	(152,354)
Tehila2 Grundstücks GmbH	23/07/25	4.0%	–	289,814	(8,000)	5,043	286,857
Tehila Grundstücks GmbH	23/07/25	4.0%	–	364,943	–	6,467	371,410
Trusk Grundstücks GmbH	23/07/25	4.0%	–	11,707,862	–	207,464	11,915,326
Wernerwerkdamm 25 Grundstücks GmbH	23/07/25	4.0%	–	–	(242,242)	(4,293)	(246,535)
Yarok Grundstücks GmbH	23/07/25	4.0%	–	1,392,202	–	24,670	1,416,872
Yahel Grundstücks GmbH	23/07/25	4.0%	–	420,131	–	7,445	427,576
Yussifun Grundstücks GmbH	23/07/25	4.0%	–	2,817,851	–	49,933	2,867,784
Yussifun Grundstücks GmbH	23/07/25	6.0%	–	339,449	–	9,042	348,491
Bombila Grundstücks GmbH	23/07/25	6.0%	–	3,245,552	–	86,453	3,332,005
Bombila Grundstücks GmbH	23/07/25	4.0%	–	570,696	(60,000)	9,070	519,766
Yabeshet Grundstücks GmbH	23/07/25	6.0%	–	1,252,175	–	33,355	1,285,530
Melet Grundstücks GmbH	23/07/25	6.0%	–	4,483,806	–	119,436	4,603,242
Seret Grundstücks GmbH	23/07/25	4.0%	–	665,792	–	11,798	677,590
Seret Grundstücks GmbH	23/07/25	6.0%	–	4,236,973	–	112,861	4,349,834
Sheket Grundstücks GmbH	23/07/25	6.0%	–	1,015,465	–	27,049	1,042,514
Sheket Grundstücks GmbH	23/07/25	4.0%	–	631,273	–	11,186	642,459
Central Facility Management GmbH	23/07/25	4.0%	–	24,350	–	431	24,781
Arafel Grundstücks GmbH	23/07/25	4.0%	–	2,458,507	–	43,565	2,502,072
Zamir Grundstücks GmbH	23/07/25	6.0%	–	4,017,383	–	107,012	4,124,395
Zamir Grundstücks GmbH	31/12/25	6.0%	–	150,000	–	370	150,370
Zamir Grundstücks GmbH	23/07/25	4.0%	–	91,754	–	1,626	93,380
Zamir Grundstücks GmbH	31/12/25	4.0%	–	75,000	–	1,204	76,204
Yadit Grundstücks GmbH	23/07/25	6.0%	–	5,170,613	–	137,731	5,308,344
Yadit Grundstücks GmbH	31/12/25	6.0%	–	3,301,500	–	56,096	3,357,596
Yadit Grundstücks GmbH	23/07/25	4.0%	–	86,710	–	1,537	88,247
Sharav Grundstücks GmbH	23/07/25	6.0%	–	3,383,485	–	90,127	3,473,612
Sipur Grundstücks GmbH	23/07/25	4.0%	–	12,782,807	–	226,418	13,009,224
Matok Grundstücks GmbH	23/07/25	6.0%	–	5,599,067	–	149,144	5,748,211
Matok Grundstücks GmbH	23/07/25	4.0%	–	910,742	–	16,138	926,880
Barbur Grundstücks GmbH	23/07/25	7.0%	–	1,067,908	–	33,223	1,101,131
Jessica Properties BV	23/07/25	6.0%	–	10,217	–	272	10,489
Jessica Properties BV	23/07/25	4.0%	–	19,260,582	–	341,299	19,601,881
Alexandra Properties BV	23/07/25	4.0%	–	9,234,260	–	163,632	9,397,892
Marbien Properties BV	23/07/25	4.0%	–	9,121,314	–	161,630	9,282,944
Meghan Properties BV	23/07/25	4.0%	–	8,225,569	–	145,758	8,371,327
Parpar Grundstücks GmbH	23/07/25	4.0%	–	5,328,499	–	94,421	5,422,920
Ofek 1 Grundstücks GmbH	23/07/25	6.0%	–	16,666,992	–	443,963	17,110,955
Ofek 2 Grundstücks GmbH	23/07/25	6.0%	–	10,269,740	–	273,558	10,543,298
Ofek 3 Grundstücks GmbH	23/07/25	6.0%	–	16,656,734	–	443,690	17,100,424
Ofek 4 Grundstücks GmbH	23/07/25	6.0%	–	13,053,791	–	347,718	13,401,509
Ofek 5 Grundstücks GmbH	23/07/25	6.0%	–	17,455,108	–	464,957	17,920,065
Galim 1 Grundstücks GmbH	23/07/25	6.0%	–	19,710,329	–	525,030	20,235,359
Galim 2 Grundstücks GmbH	23/07/25	6.0%	–	22,105,450	–	588,829	22,694,279
Galim 3 Grundstücks GmbH	23/07/25	6.0%	–	17,315,206	–	461,230	17,776,436
Songbird 1 ApS	31/12/25	4.5%	–	11,856,249	–	249,552	12,105,801
Songbird 2 ApS	31/12/25	4.5%	–	10,871,383	–	248,048	11,119,431
Joysun 1 B.V.	31/12/25	4.5%	–	6,268,280	–	143,002	6,411,282
Joysun 2 B.V.	31/12/25	4.5%	–	400,208	–	9,130	409,338
Hanpaka Holding GmbH	31/12/25	6.0%	–	23,354,663	–	239,416	23,594,079
Dvash 1 Holding GmbH	31/12/25	6.0%	–	37,166,876	–	454,452	37,621,328
Dvash 2 Holding GmbH	31/12/25	6.0%	–	26,902,985	–	270,979	27,173,964
Rimon Holding GmbH	31/12/25	6.0%	–	7,033,262	–	59,380	7,092,642
Total			**–**	**445,212,698**	**(4,392,411)**	**8,842,489**	**449,662,775**

The Board of Directors deemed no permanent diminution in value to have occurred in the value of the amounts owed by affiliated undertakings.

4.3 SHARES IN UNDERTAKINGS WITH WHICH THE COMPANY IS LINKED BY VIRTUE OF PARTICIPATING INTERESTS

The movements of the year are as follows:

In EUR	Gross book value – opening balance	Additions for the year	Gross book value – closing balance
I. I.C. Immobilien, Investition & Kapital Vermögens GmbH & Co KG	12,500	–	12,500
MERLINGOTIK Fünfte Immobilien GmbH & Co. KG (Eldalote / Osher)	12,500	–	12,500
Total	25,000	–	25,000

Company's name	Registered country	Ownership %	Last balance sheet	Currency	Net equity at the balance sheet	Profit or (loss) for the last financial year (*)
I. I.C. Immobilien, Investition & Kapital Vermögens GmbH & Co KG	Germany	50	31 / 12 / 15	EUR	2,297,034	705,799
MERLINGOTIK Fünfte Immobilien GmbH & Co. KG (Eldalote / Osher)	Germany	50	31 / 12 / 15	EUR	2,211,766	1,078,467
Total					4,508,800	1,784,266

(*) 100% profit or (loss) and net equity according to financial information prepared in accordance with IFRS.

The Board of Directors deemed no permanent diminution in value to have occurred on the amount of the shares in undertakings with which the company is linked by virtue of participating interests.

NOTE 5 – DEBTORS

5.1 AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

In EUR	15 As of Dec 31, 2015	14 As of Dec 31, 2014
Becoming due and payable within one year		
Management fees due to ADO Properties GmbH	**400,000**	–
Other related parties	**44,265**	144,265
Total	**444,265**	144,265

5.2 OTHER RECEIVABLES

In EUR	15 As of Dec 31, 2015	14 As of Dec 31, 2014
Becoming due and payable within one year		
VAT receivable	**593,107**	–
Short-term loans granted	**614,538**	–
BMB investment deposit	**400,000**	–
Other receivable	**654**	–
Becoming due and payable after more than one year		
Deposit for office rent	**4,500**	–
Total	1,612,799	–

NOTE 6 – CAPITAL

6.1 SUBSCRIBED CAPITAL

The subscribed capital amounts to EUR 43,400 and is divided into 35,000,000 dematerialized shares without a nominal value, all of said shares being fully paid up. The authorized unissued capital of the Company is set at EUR 750,000,000 without nominal value.

The movements during the year are as follows:

In EUR	Ordinary Shares, For the year ended Dec 31, 2015	Dec 31, 2014
Subscribed capital – opening balance	**2,000**	2,000
Subscriptions	**41,400**	–
Subscribed capital – closing balance	**43,400**	**2,000**

6.2 SHARE PREMIUM

The movements during the year are as follows:

In EUR	For the year ended 2015	2014
Share premium – opening balance	**13,569,071**	13,569,071
Movements for the year	**533,139,659**	–
Share premium – closing balance	**546,708,730**	**13,569,071**

The movements for the year 2015 correspond to the following transactions:

(1) On July 23, 2015 the Company completed the initial public offering ("IPO") at EUR 20 per share. A total of 20,750,000 shares of the Company were placed, thereof 10,000,000 newly issued shares with no par value from capital increase (added to the existing 25,000,000 shares) and 10,750,000 existing shares sold by ADO Group Ltd. (the previous sole shareholder of the Company).

The total offer volume amounted to EUR 415 million, out of that the Company received gross proceeds of EUR 200 million from the issuance of the new shares, out of this EUR 12,400 were used to increase the Company's share Capital and EUR 199,987,600 were classified as share premium.

The above was decided by the Board of Directors on July 22, 2015.

(2) On July 23, 2015, together with the IPO, the loans and the capital notes from ADO Group Ltd were converted to equity in the amount of EUR 333,152,059 as a non-refundable capital (surplus) contribution without issuance of new shares. The contribution was reflected as increase of the share premium.

6.3 LEGAL RESERVE

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve after deduction of any losses brought forward, until this reserve equals 10% of the subscribed share capital. This reserve is non-distributable during the life of the Company. The appropriation to legal reserve is effected after approval at the general meeting of shareholders.

6.4 MOVEMENTS FOR THE YEAR ON THE RESERVES AND PROFIT AND LOSS ITEMS

The movements for the year are as follows:

In EUR	Other reserves	Profit or loss brought forward	Profit or loss for the financial year
At the beginning of the year	**437,488**	**(4,240,242)**	**(943,218)**
Movements for the year			
Allocation of prior year's result	–	–	943,218
Result of the year	–	25,633,138	25,633,138
At the end of the year	**437,488**	**21,392,896**	**25,633,138**

NOTE 7 – PROVISIONS

7.1 PROVISIONS FOR TAXATION

Provisions for taxation correspond to the tax liability estimated by the Company for the financial years for which no final assessment notices have been received yet. The advance payments are shown in the assets of the balance sheet in the "Other debtors" item.

NOTE 8 – NON-SUBORDINATED DEBTS

Amounts due and payable for the amounts shown under Non-subordinated debts are as follows:

In EUR	Within one year	After one year and within five years	After more than five years	Total
8.1 Trade creditors	349,849	–	–	**349,849**
8.2 Amounts owed to affiliated undertakings	91,120	533,461,784	–	**533,552,904**
8.3 Amounts owed to undertakings with which the company is linked by virtue of participating interests	–	116,454	–	**116,454**
8.4 Tax and social security debts	–	573,012	–	**573,012**
8.5 Other creditors	445,734	383,810	–	**829,544**
Total	**886,703**	**534,535,060**	**–**	**535,421,763**

8.1 TRADE CREDITORS

In EUR	15 As of Dec 31, 2015	14 As of Dec 31, 2014
Becoming due and payable within one year	**349,849**	12,955
Total	**349,849**	**12,955**

8.2 AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Company's name	Amount (in EUR)	Interest rate	Due date
ADO FC Management Unlimited Company	533,461,784	0%	23/07/25
Other related parties	91,120	0%	current balance
Total	**533,552,904**		

8.3 AMOUNTS OWED TO UNDERTAKINGS WITH WHICH THE COMPANY IS LINKED BY VIRTUE OF PARTICIPATING INTERESTS

Company's name	Maturity date	Interest rate	Gross book value at Jan 1, 2015 (in EUR)	Repayments (in EUR)	Additions (in EUR)	Accrued interest at Dec 31, 2015 (in EUR)	Gross book value at Dec 31, 2015 (in EUR)
I. I.C. Immobilien, Investition & Kapital Vermögens GmbH & Co KG	23/07/25	4.0%	–	–	40,405	716	41,121
MERLINGOTIK Fünfte Immobilien GmbH & Co. KG (Eldalote/Osher)	23/07/25	4.0%	–	–	74,021	1,312	75,333
Total			**–**	**–**	**114,426**	**2,028**	**116,454**

8.4 TAX AND SOCIAL SECURITY DEBTS

In EUR	15 As of Dec 31, 2015	14 As of Dec 31, 2014
Becoming due and payable within one year		
Withholding tax on salaries and wages	**977**	–
VAT payable	**552,035**	–
Total	**553,012**	**–**

8.5 OTHER CREDITORS

In EUR	15 As of Dec 31, 2015	14 As of Dec 31, 2014
Becoming due and payable within one year		
Amount payable to staff	**445,734**	–
Becoming due and payable after more than one year		
Amount payable to ADO Group Ltd.	**383,810**	–
Total	**829,544**	**–**

NOTE 9 – STAFF

As at December 31, 2015 the Company has 3 full-time employees (2014: 0) with an annual average of 2 employees (2014: 0).

NOTE 10 – OTHER EXTERNAL CHARGES

Other external charges are presented as follows:

In EUR	15 For the year ended Dec 31, 2015	14 Dec 31, 2014
Banking fees	**155**	–
Real estate rental building and services	**13,495**	8,381
Data processing	**14,401**	621
Transaction fees	**4,400**	–
Legal fees	**72,978**	27,163
Accounting and audit fees	**238,230**	7,703
Accounting services ADO Group	**42,000**	67,612
Consulting services external	**182,336**	235,175
Consulting services ADO Group	**76,964**	84,000
Travel and entertainment costs – Staff	**39,215**	–
Other fees	**171,154**	10,612
Total	**855,328**	**441,267**

NOTE 11 – SUBSEQUENT EVENTS

A. On March 21, 2016 the Company's Board proposed to the Annual General Meeting to pay a dividend in the amount of EUR 12.25 million (EUR 0.35 per share). The Annual General Meeting will take place on May 3, 2016.

B. During the first quarter of 2016, fully owned subsidiaries of the Company took over 669 units in Berlin. In respect of the purchase price, the Company granted EUR 35,669,242 loans to the related subsidiaries at 6% interest rate with 10 years maturity.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ADO PROPERTIES S.A. – REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

We have audited the accompanying annual accounts of ADO Properties S.A., which comprise the balance sheet as at December 31, 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts
The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé
Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the annual accounts give a true and fair view of the financial position of ADO Properties S.A. as of December 31, 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Other matter
We draw your attention to the fact that we have not audited the restated comparative figures of the Company as at December 31, 2014 and for the period then ended, or any of the related notes, and accordingly, we do not express an audit opinion on them.

Luxembourg, March 21, 2016

Stephen Nye
Partner

KPMG Luxembourg Société coopérative
Cabinet de révision agréé
39, Avenue John F. Kennedy
L-1855 Luxembourg
Tel.: +352-2251-511
Fax: +352-225-171
E-mail: info@kpmg.lu
Internet: www.kpmg.lu


BERLINSIDER
LET'S GO
BERLIN
PRESENTING OUR
BERLIN ORIGINALS
OBSTALLEE 4
BARBARA AND KONSTANTINOS
U7 RATHAUS SPANDAU
TURMSTRASSE 24
YASIN
DRY CLEANING
U9 TURMSTRASSE
LÖWENBERGER STRASSE 2
VANESSA
U5 LICHTENBERG
WESERSTRASSE 166
SUSAN
CATERING
U7 RATHAUS NEUKÖLLN
SEELINGSTRASSE 28
ANETTE
BAKERY
U2 SOPHIE-CHARLOTTE-PLATZ
KREUZBERGSTRASSE 22
JULIAN
U6 PLATZ DER LUFTBRÜCKE


ADC
10
YEARS
BERLINSIDERS
Mon – 5pm
CURRY 36
BIKINI BERLIN
Photoautomat
LAS VEGAS IN BERLIN

SAVE THE DATE!
BIG CELEBRATION
OF OUR 10 YEARS
ANNIVERSARY!
JUNE 09, 2016

CELEBRATING
TEN YEARS
ANNIVERSARY

FINANCIAL CALENDAR

MAY 03, 2016
Annual General Meeting

MAY 04, 2016
Ex-dividend date

MAY 19, 2016
Publication Q1 Financial Report

AUG 17, 2016
Publication Q2 Financial Report

NOV 17, 2016
Publication Q3 Financial Report

IMPRINT

ADO PROPERTIES S.A.
20 rue Eugène Ruppert
L-2453 Luxembourg
Tel.: +352-26-493-412
Fax: +352-27-860-722
www.ado.properties

INVESTOR RELATIONS
E-mail: IR@ado.properties

CONCEPT AND DESIGN
IR-One AG & Co., Hamburg
www.ir-1.com

PHOTOGRAPHY
Marc Beckmann,
Steffen Jänicke (p. 20/21)

VIBE

SPECIAL

B

ADO
PROPERTIES S.A.

20 rue Eugène Ruppert
L-2453 Luxembourg
Tel.: +352-26-493-412
Fax: +352-27-860-722
www.ado.properties

THAT
SPECIAL
BERLIN
VIBE

ADO