

# Q3

QUARTERLY FINANCIAL  
STATEMENTS 2024

# Key Figures<sup>Q3</sup>

## Profit and loss statement

In EUR thousand	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	31 Dec 2023
Income from rental activities	229,977	237,041	77,365	79,333	314,656
Adj. EBITDA from rental activities	85,771	86,095	25,925	25,906	109,558
Adj. EBITDA from rental activities margin	55.3%	53.8%	50.2%	49.5%	52.3%
Adj. EBITDA Total	52,690	19,721	10,658	16,114	20,629
FFO 1 (from rental activities)	(87,988)	(6,592)	(34,256)	(14,792)	(42,642)
FFO 2 (incl. disposal results and development activities)	(247,230)	(175,213)	(91,522)	(64,249)	(282,612)

## Further KPIs

Residential <sup>(*)</sup>	30 Sep 2024	31 Dec 2023
Monthly in-place rent (EUR per m <sup>2</sup> )	7.71	7.60
Total vacancy rate	1.7%	1.1%
Number of units	24,935	25,043
Like-for-like rental growth (LTM)	4.1%	5.1%

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

## Balance sheet

In %	30 Sep 2024 <sup>(*)</sup>	31 Dec 2023 <sup>(*)</sup>
LTV	62.6%	97.6%

(\*) Adjusted for BCP IFRS 5 illustration which has been disregarded; the corresponding line items have been reversed into respective balance sheet positions.

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# About the Group

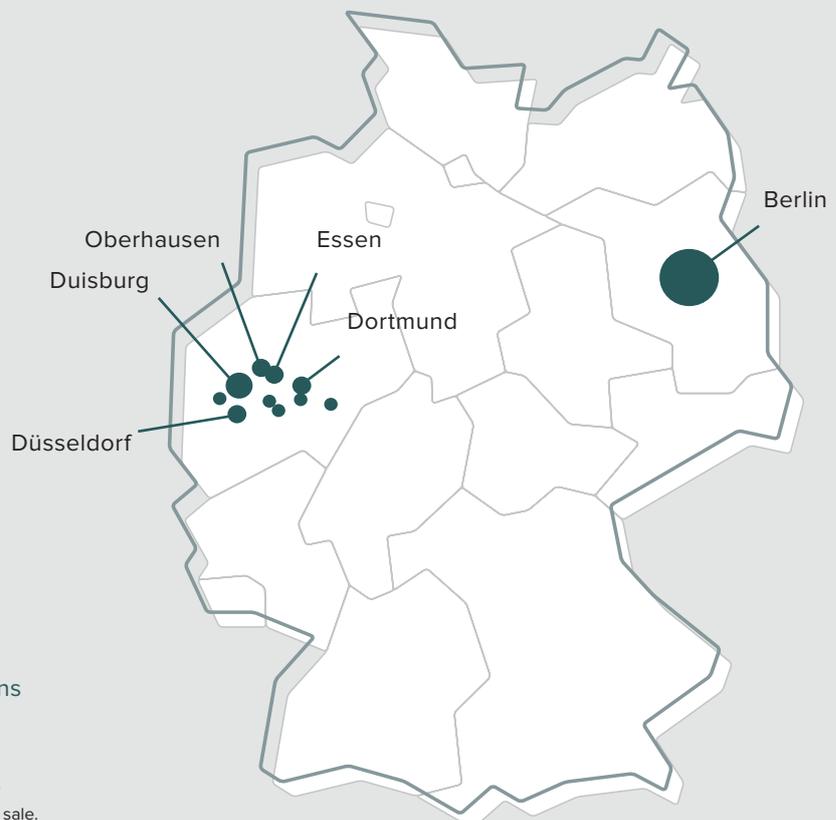
The Adler Group S.A. (the Company) is a Luxembourg-based real estate holding company with more than 500 subsidiaries (Adler Group) mainly operating in Germany. It specialises in the management and development of income-producing, multi-family residential real estate.

Adler Group owns and manages 24,935 residential rental units, largely concentrated in Berlin (around 71% of properties) and North-Rhine-Westphalia. Most of the properties fall into the market segment of affordable housing.

Besides the residential rental portfolio, Adler Group owns a portfolio of development projects located in some of the largest cities of Germany. Adler Group does not intend to hold them but rather to generate cash flow and earnings through either forward sales or upfront sales.

As at 30 September 2024, Adler Group had 510 employees based in Luxembourg and in several locations across Germany.

## Rental portfolio as at 30 September 2024<sup>(\*)</sup>



<sup>(\*)</sup> Residential rental portfolio showing all locations with >100 rental units, not considering any assets classified as held for sale.



# Adler Group Share

## The share

Share information (as at 30 September 2024)

1st day of trading	23 July 2015
Subscription price	EUR 20.00
Price at the end of Q3 2024	EUR 0.221
Highest share price LTM	EUR 0.545
Lowest share price LTM	EUR 0.110
Total number of listed shares outstanding	151.6 million
ISIN	LU1250154413
WKN	A14U78
Symbol	ADJ
Class	Dematerialised shares
Free float	84.12%
Stock exchange	Frankfurt Stock Exchange
Market segment	Prime Standard

## Shareholder structure<sup>(1)</sup>

(as at 30 September 2024)



(1) According to the official notifications received from the shareholders.

(2) Based on the German stock exchange's definition, free float refers to shares that are not owned by major shareholders holding more than 5% of the total shares.

## Key stock market data

Adler Group shares are traded on the Prime Standard of the Frankfurt Stock Exchange. During the 12 months ended 30 September 2024, the shares traded between EUR 0.110 and EUR 0.545.

## Shareholder structure

As at 30 September 2024, the total number of outstanding shares of Adler Group amounted to 151.6 million. At that time, the main shareholder with holdings of over 5% was Vonovia SE (15.88%) according to the official notifications received from the shareholders. The remaining 84.12% free float shares were mainly held by institutional investors.

On 15 October 2024, subsequent to the balance sheet date, approximately 454.9 million voting securities (parts bénéficiaires) were issued to certain bond investors, thereby increasing the number of total voting rights to approximately 606.5 million (including the approximately 151.6m voting rights attached to the share capital). For further information, please refer to the Material Events section of this report.

## Dividend policy

Following the implementation of the proposed amendments pursuant to the Restructuring Plan, the Company is not permitted to declare or pay any dividends to shareholders for the year 2022 and thereafter.

If and as long as any of the subordinated notes issued by the Company's subsidiary AGPS BondCo PLC in the nominal amount by approximately EUR 2.3 billion under a guarantee of the Company as part of its 2024 financial restructuring (the "Subordinated Notes") are still outstanding, and any amounts have been paid in respect of the Subordinated Notes since the issuance thereof (the "Subordinated Notes Payments"), the Board of Directors may, in connection with approving the Annual accounts of any given financial year recommend to the annual General Meeting that a dividend equivalent to one thirty-ninth (1/39) of all Subordinated Notes Payments be declared and paid.

# Interim Management Report



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# Fundamentals of the Group

## Business model

Adler Group S.A. is a residential real estate company which – through its more than 500 subsidiaries – holds and manages 24,935 rental units, primarily based in Berlin and North-Rhine-Westphalia. This rental portfolio is valued at EUR 4.1 billion. Besides the rental portfolio, Adler Group owns a portfolio of development projects in some of the larger cities in Germany valued at EUR 1.4 billion. According to the Company's strategy, these development projects shall be sold – some sales processes have already begun, others are to be initiated.

Hence, Adler Group's business model focuses on asset and portfolio management, property and facility management, aiming at improving operating results by increasing rents and decreasing vacancies in its existing portfolio. The portfolio shall be further optimised depending on opportunities or necessities.

510 operational employees are based in Luxembourg and in several locations across Germany in order to bring Adler Group as close as possible to assets and tenants.

## Objectives and strategy

**Focus on active management of the portfolio to grow earnings and improve EBITDA margins.**

Adler Group focuses on increasing rents through active asset management and targeted investments to modernise, refurbish and re-position properties, while constantly screening and anticipating developments in different sub-markets. In order to realise upside potential, Adler Group pursues regular rent increases up to the market levels within the regulatory and legal limits without CapEx investment. In addition, Adler Group continuously reviews rent potentials and pursues growth beyond the rent tables through targeted CapEx investments to modernise, refurbish and/or re-position properties. Vacancies are kept low through active marketing tailored to the respective micro-location.

As apartments are typically renovated to market standard after a tenant has moved out, Adler Group is in the position to rent vacant apartments to higher quality tenants and thus to continuously improve the tenant structure and average rent.

**Optimise the portfolio and recycle capital through selective investments and disposals.**

By disposing of non-core assets, Adler Group aims to streamline the rental portfolio and to focus on its assets located in Berlin where a critical mass of assets can be managed, thereby improving profitability and portfolio KPIs. When selling selected assets, Adler Group aims to sell at or around book value and has supporting documents proving it has been able to do so in the past, thus demonstrating the resilience of the German residential real estate market. Active capital recycling enables Adler Group to reduce leverage and ultimately to improve its capital structure.

**Committed to adding value through refurbishment and modernisation.**

Investing selected CapEx in refurbishment and modernisation measures in the existing portfolio will elevate the quality of the rental portfolio, improve energy efficiency in line with sustainability targets to reduce greenhouse gas emissions and thus add value overall.

**Corporate Governance**

The Company's corporate governance practices are governed by Luxembourg Law (particularly the Luxembourg law of 10 August 1915 on commercial companies, as amended) and the Company's articles of association. As a Luxembourg company with its shares admitted to trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, the Company is not subject to any specific mandatory corporate governance rules. The corporate governance practices applied by the Company are those applied under general Luxembourg law.

**Composition of the Board**

As at 30 September 2024, the Board comprises the following members:

**Mr Stefan Brendgen, Chairman**

*Independent Director*

**Mr Matthias Moser**

*Independent Director*

**Mr Thilo Schmid**

*Independent Director*

**Mr Thierry Beaudemoulin**

*Director*

**Mr Thomas Echelmeyer\***

*Director*

\* Mr Echelmeyer resigned from the Board of Directors with effect as of 30 September 2024

# Portfolio Overview

## Business performance highlights

As at 30 September 2024, the residential rental portfolio has a strong focus on Berlin as well as some other larger cities primarily in North-Rhine-Westphalia such as Duisburg and Düsseldorf.

The figures presented in this section show the rental portfolio without assets classified as held for sale (i.e., primarily the assets owned by Brack Capital Properties N.V. ("BCP")).

## Portfolio overview<sup>(\*)</sup>

Location	Fair value EURm Q3 24	Fair value EUR/m2 Q3 24	Units	Lettable area m2	NRI(**) EURm Q3 24	Rental yield (in-place rent)	Oper- ational vacancy Q3 24	Vacancy $\Delta$ YoY	Q3 24 Avg. Rent EUR/m2/ month	NRI $\Delta$ YoY LFL	Rever- sionary Potential
Berlin	3,475	2,843	17,673	1,222,174	120	3.5%	1.4%	(0.0%)	8.25	4.4%	22.3%
Other	606	1,312	7,262	462,078	34	5.6%	2.6%	0.8%	6.29	3.1%	17.5%
<b>Total</b>	<b>4,081</b>	<b>2,423</b>	<b>24,935</b>	<b>1,684,252</b>	<b>154</b>	<b>3.8%</b>	<b>1.7%</b>	<b>0.2%</b>	<b>7.71</b>	<b>4.1%</b>	<b>21.2%</b>

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

(\*\*) Annualised net rental income.

In addition to the financial performance indicators, Adler Group also uses the following non-financial operating performance indicators.

The vacancy rate shows the ratio of m<sup>2</sup> of vacant units in the portfolio to total m<sup>2</sup> of the portfolio. Vacancy rate is used as an indicator of the current letting performance.

The in-place rent per m<sup>2</sup> provides an insight into the average rental income from the rented properties. It serves as an indicator of the current letting performance.

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

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

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

## Portfolio performance

### Rental portfolio<sup>(\*)</sup>

	30 Sep 2024	31 Dec 2023
Number of units	24,935	25,043
Average rent/m <sup>2</sup> /month (EUR)	7.71	7.60
Vacancy	1.7%	1.1%

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

The average rent per m<sup>2</sup> amounted to EUR 7.71 as at 30 September 2024, a slight increase in the course of the year. The vacancy rate increased slightly to 1.7% partly due to seasonal effects.

### Like-for-like rental growth<sup>(\*)</sup>

In %	LTM <sup>(**)</sup> 30 Sep 2024	1 Jan - 31 Dec 2023
Like-for-like rental growth	4.1%	5.1%

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

(\*\*) Last 12 months (LTM).

Like-for-like rental growth of the portfolio amounted to 4.1% over the last twelve months. Like-for-like rental growth of our Berlin portfolio amounted to 4.4% while like-for-like rental growth of the remaining portfolio stood at 3.1%.

Adler Group's fully integrated active asset management is focused on rental growth and employs dedicated strategies to drive all relevant components. In units that require modernisation, Adler Group invests CapEx to improve quality to meet today's standards and regulations. Applying the relevant regulatory framework accurately and efficiently is key to successfully maximising rental growth for let units.

**Maintenance and CapEx**

In EUR per m <sup>2</sup>	1 Jan - 30 Sep 2024	1 Jan - 31 Dec 2023
Maintenance	6.2	6.0
CapEx	13.3	16.1
<b>Total</b>	<b>19.6</b>	<b>22.1</b>
In EUR million	1 Jan - 30 Sep 2024	1 Jan - 31 Dec 2023
Maintenance	10.6	10.6
CapEx	22.7	28.6
<b>Total</b>	<b>33.2</b>	<b>39.1</b>

In the first nine months of 2024, total investment in the core portfolio amounted to EUR 33.2 million resulting in maintenance and CapEx expenses per m<sup>2</sup> of EUR 19.6.

**Vacancy split**

Adler Group's active asset management aims to minimise the vacancy rate while keeping the necessary flexibility for portfolio optimisation.

**Vacancy<sup>(\*)</sup>**

	30 Sep 2024	31 Dec 2023
Total vacancy (units)	406	291
Total vacancy (m <sup>2</sup> )	28,754	19,058
Total vacancy rate	1.7%	1.1%

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

# Financial Overview

## Financial performance indicators

As outlined at various places in this report (e.g., refer to the section “Material Events”), Adler Group has been exposed to a challenging situation that was partly self-inflicted and largely caused by external factors since the financial year 2022. The situation itself manifested in liquidity constraints, lack of financing capacities and dried real estate markets that made portfolio sales almost impossible. In order to cope with this situation, management decided to focus on always preserving enough liquidity as well as on net rental income as the main key performance indicators. After the recapitalisation completed in September 2024, the Company decided to no longer report the EPRA NAV & NTA metrics as a result of the IFRS accounting treatment of the newly introduced perpetual notes, which would account these as equity. As such, in management’s view, EPRA NAV & NTA do no longer reflect the intrinsic value of Adler Group correctly. The other financial performance indicators outlined below were not suspended but were followed with a much lower focus than usual. Consequently, we waive the explicit description of the financial performance indicators listed below.

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

Adj. EBITDA from rental activities is an indicator of a company’s financial performance and is calculated by deducting the overhead costs from NOI. It is used as a proxy to assess

the recurring earnings potential of the letting business.

Adj. EBITDA Total can be derived by adding the net profit from project development activities to Adj. EBITDA from rental activities.

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

### Calculation of Adj. EBITDA (from rental activities)

Net rental income

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(+)	Income from facility services and recharged utilities costs
=	<b>Income from rental activities</b>
(–)	Cost from rental activities <sup>1)</sup>
=	<b>Net operating income (NOI) from rental activities</b>
(–)	Overhead costs from rental activities <sup>2)</sup>

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= **Adj. EBITDA from rental activities**

1) Cost from rental activities is the aggregate amount of (a) Salaries and other expenses related to rental activities; (b) Net cost of utilities recharged; and (c) Property operations and maintenance, excluding one-off costs. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

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

### Calculation of Adj. EBITDA Total

Income from rental activities	
<hr/>	
(+)	Income from property development
(+)	Income from real estate inventories disposed of
(+)	Income from other services
(+)	Income from selling of trading properties
=	<b>Revenue</b>
(-)	Cost from rental activities <sup>1)</sup>
(-)	Other operational costs from development and privatisation sales <sup>3)</sup>
=	<b>Net operating income (NOI)</b>
(-)	Overhead costs from rental activities <sup>2)</sup>
(-)	Overhead costs from development and privatisation sales <sup>4)</sup>
=	<b>Adj. EBITDA Total</b>
(-)	FFO 2 net interest expenses <sup>5)</sup>
(+/-)	Other net financial costs <sup>6)</sup>
(-)	Depreciation and amortisation
(+)	Change in fair value of investment properties
(+/-)	Other expenses/income <sup>7)</sup>
(-)	Net income from at-equity valued investments <sup>8)</sup>
<hr/>	
=	<b>EBT</b>

3) Other operational costs from development and privatisation sales is the aggregate amount of (a) Costs of real estate inventories disposed of; (b) Costs of property development; and (c) Costs of selling of trading property (condominiums) excluding one-off costs and depreciation and amortisation. Adjustments for one-off costs include items that are of a non-periodic nature, recur irregularly, are not typical for operations, or are non-cash-effective.

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

5) FFO 2 net interest expenses is equal to "Interest on other loans and borrowings", excluding day-1 fair value non-cash adjustment and interest capitalised for development projects, plus the nominal interest expense on bonds.

6) Other net financial costs is equal to the total "Net finance costs" from the profit and loss statement less "Net cash interest" as calculated in footnote 5) above.

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

8) Net income from at-equity valued investments from the profit and loss statement.

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

### Calculation of FFO 1 (from rental activities)

Adj. EBITDA from rental activities	
<hr/>	
(-)	FFO 1 net interest expenses <sup>9)</sup>
(-)	Current income taxes relating to rental activities <sup>10)</sup>
(-)	Interest of minority shareholders <sup>11)</sup>
<hr/>	
=	<b>FFO 1 (from rental activities)</b>

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

10) Only current income taxes relating to rental activities.

11) Interest of minority shareholders in Adler's subsidiary Brack Capital Properties N.V. ("BCP") as Adler's share is only 62.78% as at 30 September 2024.

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

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

Adj. EBITDA Total	
<hr/>	
(-)	FFO 2 net interest expenses <sup>5)</sup>
(-)	Current income taxes <sup>12)</sup>
(-)	Interest of minority shareholders <sup>11)</sup>
<hr/>	
=	<b>FFO 2 (incl. disposal results and development activities)</b>

12) Current income taxes as presented in the financial statements exclude the income tax relating to the disposal of the non-core portfolio.

The LTV is based on the current EPRA best practice recommendation guidelines, though the Perpetual Notes that were issued in September 2024 as part of the recapitalisation of the Company are not classified as Hybrids, i.e. debt because these instruments are accounted for as equity in the balance sheet according to IFRS. The LTV illustrates the relationship between net debt and total property value of a real estate company and thus evaluates the gearing of shareholder equity.

The LTV calculation as well as the information taken from the Adler Group balance sheet is depicted in the following table:

Calculation of LTV	Group as reported	Share of joint ventures <sup>20)</sup>	Share of material associates <sup>20)</sup>	Non-controlling interests <sup>21)</sup>	Total <sup>22)</sup>
Borrowings from financial institutions <sup>13)</sup>					
(+) Commercial paper					
(+) Hybrids <sup>14)</sup>					
(+) Bond loans <sup>15)</sup>					
(+) Foreign currency derivatives					
(+) Net payables <sup>16)</sup>					
(+) Owner-occupied property (debt)					
(+) Current accounts (equity characteristic)					
(-) Cash and cash equivalents					
= <b>Net debt</b>					
Owner-occupied property					
(+) Investment properties at fair value					
(+) Properties held for sale <sup>17)</sup>					
(+) Properties under development <sup>18)</sup>					
(+) Intangibles					
(+) Net receivables <sup>16)</sup>					
(+) Financial assets <sup>19)</sup>					
= <b>Total property</b>					
= <b>LTV in %</b>					

13) Including current and non-current other loans and borrowings.

14) Not including perpetual notes because these instruments are accounted for as equity in the balance sheet according to IFRS.

15) Containing current and non-current corporate bonds.

16) Net payables are equal to payables less receivables on the IFRS balance sheet if that number is positive. Net receivables are equal to receivables less payables on the IFRS balance sheet if that number is positive. Please refer to the following table on net payables to see what this item includes:

### Calculation of Net payables

#### Investments in financial instruments

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(+)	Advances related to investment properties
(+)	Restricted bank deposits
(+)	Contract assets
(+)	Trade receivables
(+)	Other receivables and financial assets
(+)	Advances paid on inventories
(-)	Other financial liabilities
(-)	Pension provisions
(-)	Other payables
(-)	Contract liabilities
(-)	Trade payables
(-)	Provisions
(-)	Prepayments received
(-)	Non-current liabilities held for sale

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#### = Net amount

17) Incorporating inventories at fair value and non-current assets held for sale.

18) This position is included in investment properties at fair value.

19) Containing other financial assets.

20) Net debt and total property value of joint ventures and associated companies are disregarded due to immateriality reasons.

21) Non-controlling interests are only adjusted for minority shareholders in Adler's subsidiary Brack Capital Properties N.V. for reasons of materiality, thus any other minority shareholders are not considered due to their insignificance.

22) Total column illustrates the combined values of the previous columns.

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

We expect all of the above-described alternative performance measures to be useful for our investors when evaluating the Group's operating performance, the net value of the Group's property portfolio and the level of the Group's indebtedness.

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

## Profit situation

Compared to the prior year, **net rental income** slightly decreased in the first six months of the year due to the disposal of the “Wasserstadt” portfolio in August 2023, and the Hamm portfolio by BCP in December 2023. The decrease was partly compensated by rent increases realised with regard to the remaining assets.

Despite the decrease in net rental income, **Adj. EBITDA from rental activities** remained stable at EUR 86 million due to cost reductions, thereby slightly increasing the Adj. EBITDA from rental activities margin to 55.3%.

**FFO 1 and FFO 2** were both negatively impacted by the significant increase in net interest expenses due to the New Money Facility of EUR 937.5 million with a PIK interest of 12.5% as well as the 2.75% PIK interest step-up on the Adler Group S.A. bonds, all having become effective in April 2023 as part of the 2023 Restructuring Plan.

## EBITDA

### Adj. EBITDA from rental activities

In EUR thousand	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	31 Dec 2023
Net rental income	155,060	159,972	51,660	52,293	209,576
Income from facility services and recharged utilities costs	74,917	77,069	25,705	27,040	105,080
<b>Income from rental activities</b>	<b>229,977</b>	<b>237,041</b>	<b>77,365</b>	<b>79,333</b>	<b>314,656</b>
Cost from rental activities	(98,977)	(101,623)	(36,124)	(38,235)	(133,656)
<b>Net operating income (NOI) from rental activities</b>	<b>131,000</b>	<b>135,418</b>	<b>41,241</b>	<b>41,098</b>	<b>181,000</b>
<b>NOI from rental activities margin (%)</b>	<b>84.5%</b>	<b>84.7%</b>	<b>79.8%</b>	<b>78.6%</b>	<b>86.4%</b>
Overhead costs from rental activities	(45,230)	(49,323)	(15,317)	(15,193)	(71,443)
<b>Adj. EBITDA from rental activities</b>	<b>85,771</b>	<b>86,095</b>	<b>25,925</b>	<b>25,906</b>	<b>109,558</b>
<b>Adj. EBITDA margin from rental activities (%)</b>	<b>55.3%</b>	<b>53.8%</b>	<b>50.2%</b>	<b>49.5%</b>	<b>52.3%</b>

**Adj. EBITDA Total**

In EUR thousand	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	31 Dec 2023
Income from rental activities	229,977	237,041	77,365	79,333	314,656
Income from property development	(10,769)	23,898	4,471	13,461	27,832
Income from other services	2,086	8,216	560	3,340	9,514
Income from real estate inventory disposed of	27,000	19,300	-	-	91,575
Income from sale of trading properties	1,088	890	-	435	1,500
<b>Revenue</b>	<b>249,382</b>	<b>289,345</b>	<b>82,396</b>	<b>96,569</b>	<b>445,077</b>
Cost from rental activities	(98,977)	(101,623)	(36,124)	(38,235)	(133,656)
Other operational costs from development and privatisation sales	(42,801)	(102,922)	(16,390)	(27,208)	(192,841)
<b>Net operating income (NOI)</b>	<b>107,604</b>	<b>84,800</b>	<b>29,882</b>	<b>31,126</b>	<b>118,581</b>
Overhead costs from rental activities	(45,230)	(49,323)	(15,317)	(15,193)	(71,443)
Overhead costs from development and privatisation sales	(9,683)	(15,756)	(3,907)	181	(26,509)
<b>Adj. EBITDA Total</b>	<b>52,690</b>	<b>19,721</b>	<b>10,658</b>	<b>16,114</b>	<b>20,629</b>
FFO 2 net interest expenses	(278,787)	(180,405)	(95,316)	(76,757)	(277,056)
Other net financial costs	2,087,509	(194,697)	2,090,261	(15,362)	(219,802)
Depreciation and amortisation	(21,291)	(12,321)	(1,243)	(6,854)	(16,283)
Other income/(expenses)	(135,585)	(223,201)	(24,963)	(43,570)	(295,601)
Change in valuation	(243,960)	(755,004)	(13,560)	(13,433)	(1,172,738)
Net income from at-equity valued investments	(980)	(2,650)	-	(1,697)	(5,108)
<b>EBT</b>	<b>1,459,596</b>	<b>(1,348,557)</b>	<b>1,965,837</b>	<b>(141,559)</b>	<b>(1,965,959)</b>

## FFO

### FFO 1 (from rental activities)

In EUR thousand	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	31 Dec 2023
Adj. EBITDA from rental activities	85,771	86,095	25,925	25,906	109,558
FFO 1 net interest expenses	(161,394)	(78,852)	(56,948)	(35,297)	(135,446)
Current income taxes	(7,310)	(9,004)	(1,504)	(3,836)	(9,441)
Interest of minority shareholders	(5,055)	(4,831)	(1,729)	(1,565)	(7,313)
<b>FFO 1 (from rental activities)</b>	<b>(87,988)</b>	<b>(6,592)</b>	<b>(34,256)</b>	<b>(14,792)</b>	<b>(42,642)</b>
No. of shares <sup>(*)</sup>	151,626	137,453	151,626	151,626	141,035
<b>FFO 1 per share</b>	<b>(0.58)</b>	<b>(0.05)</b>	<b>(0.23)</b>	<b>(0.10)</b>	<b>(0.30)</b>

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

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

In EUR thousand	For the nine months ended		For the three months ended		For the year ended
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	31 Dec 2023
Adj. EBITDA Total	52,690	19,721	10,658	16,114	20,629
FFO 2 net interest expenses	(278,787)	(180,405)	(95,316)	(76,757)	(277,056)
Current income taxes	(16,078)	(9,698)	(5,135)	(2,040)	(18,872)
Interest of minority shareholders	(5,055)	(4,831)	(1,729)	(1,565)	(7,313)
<b>FFO 2</b>	<b>(247,230)</b>	<b>(175,213)</b>	<b>(91,522)</b>	<b>(64,249)</b>	<b>(282,612)</b>
No. of shares <sup>(*)</sup>	151,626	137,453	151,626	151,626	141,035
<b>FFO 2 per share</b>	<b>(1.63)</b>	<b>(1.27)</b>	<b>(0.60)</b>	<b>(0.42)</b>	<b>(2.00)</b>

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

## Financial and asset position

The decrease in **investment properties** was mainly due to the fair value adjustments of Adler Group's yielding assets and development assets recognised under investment properties, following the external revaluation in as per June 2024.

**Other non-current assets** include other financial assets of EUR 112 million (mainly comprising loans against non-controlling shareholders of subsidiaries), right-of-use assets of EUR 29 million, restricted bank deposits of EUR 16 million as well as investments in financial instruments of EUR 14 million. **Inventories** primarily include upfront sale projects and the land value of forward sale projects. **Other current assets** include other receivables (EUR 87 million), trade receivables (EUR 61 million), contract assets (EUR 41 million) and restricted bank deposits (EUR 35 million). **Non-current assets held for sale** mainly relate to BPC. Following the sale of BCP, the deconsolidation will result in a loss and a decrease in minority interest. Both are expected to be reflected in the consolidated interim financial statements as per 31 March 2025 at latest.

**Interest-bearing debts** include bonds, bank debt and the refinanced facilities as part of the recapitalisation completed in September 2024. This position does not contain debts held at BCP level, as these are shown separately as **liabilities held for sale**. **Other liabilities** include other current payables (EUR 198 million) with the majority referring to income tax payables, provisions (EUR 89 million) and trade payables (EUR 89 million).

Following the completion of the comprehensive recapitalisation in September 2024, the Group's **total equity** was significantly strengthened. The main factor was that an income from the derecognition of financial instruments of EUR 2,088 million was realised, referring to the conversion of the 2L perpetual notes into equity.

As at 30 September 2024, the total interest-bearing nominal debts amounted to around EUR 4,733 million including debts owned by BCP. As at Q3 2024, the average interest rate on all outstanding debt is 7.9%, with a weighted average maturity of 3.8 years.

**Financial position**

In EUR thousand	30 Sep 2024	31 Dec 2023
Investment properties and advances related to investment properties	4,729,861	4,910,925
Other non-current assets	192,722	273,673
<b>Non-current assets</b>	<b>4,922,583</b>	<b>5,184,598</b>
Cash and cash deposits	363,083	377,419
Inventories	468,011	515,467
Other current assets	232,112	251,161
<b>Current assets</b>	<b>1,063,206</b>	<b>1,144,047</b>
<b>Non-current assets held for sale</b>	<b>1,345,839</b>	<b>1,388,142</b>
<b>Total assets</b>	<b>7,331,628</b>	<b>7,716,787</b>
Interest-bearing debts	3,632,686	6,050,626
Other liabilities	470,641	701,845
Deferred tax liabilities	342,691	346,989
<b>Liabilities classified as available for sale</b>	<b>684,387</b>	<b>574,924</b>
<b>Total liabilities</b>	<b>5,130,405</b>	<b>7,674,384</b>
<b>Total equity attributable to owner of the Company</b>	<b>2,008,683</b>	<b>(228,856)</b>
Non-controlling interests	192,539	271,260
<b>Total equity</b>	<b>2,201,222</b>	<b>42,404</b>
<b>Total equity and liabilities</b>	<b>7,331,627</b>	<b>7,716,788</b>

## Loan-to-value

The table below shows the loan-to-value (LTV).

30 Sep 2024

In EUR thousand	Group loan-to-value	Non-controlling interests <sup>(*)</sup>	Total
Borrowings from financial institutions	3,124,136		3,124,136
Commercial paper			
Bond loans	508,550		508,550
Foreign currency derivatives			
Net payables	863,037	(250,943)	612,094
Owner-occupied property (debt)			
Current accounts (equity characteristics)			
Cash and cash equivalents	(363,083)		(363,083)
<b>Net financial liabilities</b>	<b>4,132,640</b>	<b>(250,943)</b>	<b>3,881,697</b>
Owner-occupied property			
Investment properties at fair value	4,729,861		4,729,861
Properties held for sale <sup>(†)</sup>	1,809,943	(446,265)	1,363,678
Properties under development			
Intangibles			
Net receivables			
Financial assets	112,022		112,022
<b>Total property value</b>	<b>6,651,826</b>	<b>(446,265)</b>	<b>6,205,561</b>
<b>Loan-to-value<sup>(**)</sup></b>	<b>62.1%</b>	<b>56.2%</b>	<b>62.6%</b>

(\*) Considers inventories at fair value (EUR 464,104 thousand) as well as non-current assets held for sale.

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

(\*\*\*) The LTV is based on the EPRA guidelines, though the perpetual notes are not classified as Hybrids because these instruments are accounted for equity in the balance sheet according to IFRS.

31 Dec 2023

In EUR thousand	Group loan-to-value	Non-controlling interests <sup>(*)</sup>	Total
Borrowings from financial institutions	2,259,272		2,259,272
Commercial paper			
Bond loans	3,791,353		3,791,353
Foreign currency derivatives			
Net payables	887,121	(241,817)	645,304
Owner-occupied property (debt)			
Current accounts (equity characteristics)			
Cash and cash equivalents	(377,419)		(377,419)
<b>Net financial liabilities</b>	<b>6,560,327</b>	<b>(241,817)</b>	<b>6,318,510</b>
Owner-occupied property			
Investment properties at fair value	4,910,925		4,910,925
Properties held for sale <sup>(†)</sup>	1,908,758	(454,873)	1,453,885
Properties under development			
Intangibles			
Net receivables			
Financial assets	111,920		111,920
<b>Total property value</b>	<b>6,931,603</b>	<b>(454,873)</b>	<b>6,476,730</b>
<b>Loan-to-value</b>	<b>94.6%</b>	<b>53.2%</b>	<b>97.6%</b>

(\*) Considers inventories at fair value (EUR 520,616 thousand) as well as non-current assets held for sale.

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

The table below shows the breakdown of net payables as included in the LTV calculation presented above. For the detailed methodology of the LTV calculation, please also refer to the section 'Fundamentals of the Group'.

### Net payables

In EUR thousand	30 Sep 2024	31 Dec 2023
Investments in financial instruments	14,273	17,395
Restricted bank deposits	50,952	66,942
Contract assets	40,684	66,294
Trade receivables	60,906	79,273
Other receivables and financial assets	87,371	116,322
Advances paid on inventories	7,706	10,007
Deduct:		
Other financial liabilities	(9,472)	(165,882)
Pension provisions	(772)	(773)
Other payables	(198,142)	(266,876)
Contract liabilities	(9,895)	(14,473)
Trade payables	(89,246)	(65,167)
Provisions	(89,326)	(105,188)
Prepayments received	(43,689)	(50,071)
Non-current liabilities held for sale	(684,387)	(574,923)
<b>Net payables</b>	<b>(863,037)</b>	<b>(887,121)</b>

# Material Events

## In the reporting period

**1.** On 23 January 2024, Adler Group S.A. confirmed that it will continue its restructuring path as planned. This followed the same day's decision by the Court of Appeal of England and Wales on 23 January 2024 to set aside the Sanction Order made by the High Court of Justice of England and Wales on 12 April 2023. Pursuant to the Sanction Order, the bonds issued by AGPS BondCo plc, a wholly owned subsidiary of Adler Group, were amended as of 17 April 2023. Since then, the amended bond terms have formed the basis of the Adler Group's ongoing liabilities, and the appellants in April 2023 did not apply for the appeal to have a suspensive effect on the Sanction Order. The implementation of the restructuring in April 2023 was carried out in accordance with German law and therefore the terms and conditions of the bonds remain valid regardless of the decision by the Court of Appeal to set aside the Sanction Order. The Court of Appeal's decision was made following a hearing lasting several days at the end of October 2023. While Adler Group respects the decision of the Court of Appeal to set aside the Sanction Order, the decision has no impact on the Adler Group or the effective amendments to the bond terms.

**2.** Pursuant to a decision of the Tel Aviv Stock Exchange Ltd. ("TASE"), the shares of BCP were transferred to the TASE maintenance list on 31 January 2024.

**3.** On 19 February 2024, Prof. Dr. A. Stefan Kirsten resigned from his office as Chairman of the Board of Directors of Adler Group S.A. with immediate effect for health reasons and left the Board. This was announced by the Company following an extraordinary meeting of the Board of Directors. Stefan Brendgen, member of the Board, assumed the office of Chairman of the Board of Directors.

**4.** On 28 February 2024, BCP completed the issuance of a new listed series of bonds (Series D) with a total scope of approximately ILS 360 million (equivalent to EUR 91.4 million). The bonds are linked to the CPI and are subject to a fixed interest rate (which is also linked to the CPI) of 5.05%.

**5.** On 27 March 2024, Adler Group announced the completion of the sale of the Wasserstadt Tankstelle development project in Berlin. The buyer was the Hilpert Group, headquartered in Würzburg. The property was leased to a petrol station until 2022 and is therefore the last undeveloped part of Wasserstadt Berlin. The transaction, which was signed in December 2023, generated net proceeds in the double-digit millions for the Adler Group. The transaction contributed to the declared goals of further reducing the Group's debt in 2024 and beyond, as well as focusing operationally on the residential rental portfolio.

**6.** On 25 April 2024, Adler Group announced that it is currently in advanced negotiations with a steering committee of bondholders ("SteerCo") to, among other plans, re-finance and extend existing financial indebtedness, partially subordinate existing financial indebtedness and issue instruments representing majority voting control in Adler Group to bondholders. These discussions resulted in a non-binding agreement in principle and the parties were aiming for a lock-up agreement ("Lock-up Agreement") to be signed with the members of the SteerCo and further bondholders of the Group in due course.

**7.** On 30 April 2024, Adler Group announced the sale of the development project FourLiving VauVau & Mensa located in Leipzig. Following the positive council resolution passed by a clear majority on 24 April 2024, the City of Leipzig notarised its acceptance of the offer and acquired the project located on Prager Strasse with a gross floor area of around 37,900 square metres and an area of around 1.5 hectares.

The transaction, which was signed on 26 April 2024, generated net proceeds of around EUR 26 million at a sales price of EUR 27 million. In the challenging market environment, Adler Group sold the project at a discount of around 5% on the gross asset value as at 31 December 2023. The transaction closed in May 2024.

**8.** On 7 May 2024, S&P downgraded Adler Real Estate's EUR 300,000,000 3.000% senior unsecured notes due 27 April 2026, Adler Group's EUR 191,000,000 21.000% senior secured notes due 31 July 2025 and EUR 400,000,000 4.250% senior secured notes due 31 July 2025 to CCC- from CCC+. The issue rating of the Adler Group EUR 937,474,000 12.500% New Money Facilities due 30 June 2025 was also downgraded from B to CCC+. Moreover, the ratings of Adler Group's second lien senior secured notes with a total volume of EUR 2,800,000,000 due between August 2025 to January 2029 were lowered from CCC- to C. The issuer credit rating of Adler Group was also downgraded from CCC+ to CCC-.

**9.** On 24 May 2024, Adler Group announced that Mr Matthias Moser is to be proposed as a new Board member at the upcoming Annual General Meeting (AGM) on 25 June 2024. This proposed appointment followed the resignation of Prof. Stefan A. Kirsten in February 2024. Dr. Heiner Arnoldi and Thomas Zinnöcker also tendered their resignations with effect as of the upcoming AGM.

Matthias Moser is a graduate economist and an expert in real estate and finance with more than 30 years' experience. He has held a number of appointments in executive, non-executive and advisor roles in various companies, including most recently Domicil Real Estate AG, SüdeWo GmbH and GBW Immobilien AG.

Following the AGM's approval of the appointment on 25 June 2024, the Board of Directors consists of five members. The Board is therefore composed as follows: Stefan Brendgen (Chairman), Thierry Beaudemoulin (CEO), Thomas Echelmeyer (CFO), Matthias Moser, and Thilo Schmid.

**10.** On 24 May 2024, Adler Group announced that it had entered into a binding Lock-Up Agreement with the SteerCo supporting a comprehensive recapitalisation of the Group. The Lock-Up Agreement was signed by bondholders representing more than 60% of the 2L Senior Secured Notes ("2L Notes") issued by Adler Group's subsidiary AGPS BondCo plc.

The first component of the agreement is to extend the existing Group debt maturities to December 2028, December 2029, and January 2030. The second component is to strengthen Adler Group's equity by approximately EUR 2.3 billion, which is expected to be achieved through the conversion of most of the existing 2L Notes into subordinated perpetual notes with terms consistent with equity classification under IFRS, thereby stabilising the Group's balance sheet. Together with the remaining reinstated 2L Notes of EUR 700 million, the perpetual notes form new notes, totalling approximately EUR 3 billion. Furthermore, Adler Group will be provided with up to EUR 100 million of fresh money through an increase in the existing 1L New Money Facility provided by a special purpose vehicle at the initiative of the bondholders. Additionally, the finance documents will provide for the ability to hold back disposal proceeds of up to EUR 250 million realised as from April 2024, which would otherwise be applied in mandatory repayment of the existing 1L New Money Facility.

As part of the recapitalisation transaction, bondholders are to receive the majority in Adler Group's voting rights. Following the implementation of the transaction, all outstanding common shares are to represent 25% of Adler Group's total voting rights. The remaining 75% of total voting rights will be represented by the bondholders. All common shares continue to represent 100% of Adler Group's dividend distribution rights.

**11.** Effective on 31 May 2024, Hubertus Kobe, Chief Restructuring Officer (CRO) and member of the Senior Management of Adler Group, decided to leave the Company. The position of the CRO will not be filled again.

**12.** On 18 June 2024, Adler Group announced that its bondholders cleared the way for the Group's comprehensive recapitalisation following a consent solicitation that was conducted after the binding agreement with a steering committee of bondholders had been announced on 24 May 2024. In the consent solicitation, more than 90% of the present and voting bondholders of each series approved the amendment of the terms and conditions of the senior secured notes issued by AGPS BondCo plc, a 100% direct subsidiary of Adler Group S.A. (the "Notes"). The 75% (present and voting) bondholder approval needed to implement the proposed amendments was far surpassed in each series of Notes, which underlined the strong and unified support received to effect certain amendments to the Notes (the "Proposed Amendments").

Adler Group stated that it will procure the implementation of the Proposed Amendments, which are subject to the fulfilment of certain conditions set out in the corresponding consent solicitation statement and will inform the bondholders as soon as the implementation conditions have been fulfilled or waived.

**13.** On 24 June 2024, S&P lowered the long-term issuer credit ratings of Adler Group to 'SD' (selective default) from 'CCC-'. Moreover, the ratings of Adler Group's second lien senior secured notes with a total volume of EUR 2,800,000,000 due between August 2025 to January 2029 were reduced from 'C' to 'D'. S&P has placed the following four notes on CreditWatch: Adler Group EUR 937,474,000 12.500% New Money Facilities due 30 June 2025, Adler Group EUR 191,000,000 21.000% senior secured notes due 31 July 2025, Adler Group EUR 400,000,000 4.250% senior secured notes due 31 July 2025 and Adler Real Estate's EUR 300,000,000 3.000% senior unsecured notes due 27 April 2026. S&P stated that they will reassess their ratings of Adler Group and Adler RE after the restructuring is implemented and expect an upgrade to a 'CCC+' rating.

**14.** In June 2024, a Berlin-based property company of Adler Group entered into an agreement with a German bank, according to which the latter extended a secured loan of ap-

proximately EUR 77 million by more than four years until October 2028. Also in June 2024, a different Berlin-based property company of Adler Group entered into an agreement with another German bank, according to which the latter extended a secured loan of approximately EUR 48 million by more than four years until December 2028.

**15.** On 9 August 2024, the reconvened extraordinary General Meeting (EGM) of Adler Group approved the proposed amendments to the articles of association of Adler Group, including authorising the Board of Directors to issue voting securities representing 75% of the voting rights. With this approval, the EGM voted in favour of the recently announced comprehensive recapitalisation. Bondholders invested in the 2L Notes shall receive 75% of the voting rights of Adler Group. Such voting rights will not participate in the dividends of Adler Group.

**16.** In August 2024, a group of Berlin-based property companies of Adler Group entered into an agreement with a German bank, according to which the latter extended a secured loan of approximately EUR 136 million by more than three years until October 2028.

**17.** On 19 September 2024, Adler Group S.A. declared that the comprehensive recapitalisation (refinancing and restructuring) announced on 24 May 2024 had been completed. The recapitalisation was implemented through the conversion of certain of the existing 2L notes into subordinated perpetual notes which are classified as equity under IFRS, thereby strengthening Adler Group's book equity by approximately EUR 2.3 billion and stabilising its balance sheet. In connection therewith, certain of the Group's existing debt maturities were extended to December 2028, December 2029, and January 2030. Furthermore, Adler Group was provided with additional liquidity in the amount of approximately EUR 87 million through an increase in the existing 1L New Money Facility and also the ability to hold back disposal proceeds of up to EUR 250 million realised as from April 2024.

For further details, please see below:

### Status quo prior to the September 2024 Refinancing and restructuring

Before the refinancing and restructuring, the debt structure of notes issued by Adler Group S.A. and its subsidiaries consisted of the following notes:

Issuer	Ranking	Notes description	ISIN
<b>Adler Group S.A.</b>	1.5L Senior Secured	EUR 191,000,000 due 2025	DE000A3LMVH5
<b>AGPS BondCo PLC</b>	1.5L Senior Secured	EUR 400,000,000 due 2025	XS1652965085
	2L Senior Secured	EUR 400,000,000 due 2025	XS2010029663
	2L Senior Secured	EUR 400,000,000 due 2026	XS2248826294
	2L Senior Secured	EUR 700,000,000 due 2026	XS2283224231
	2L Senior Secured	EUR 500,000,000 due 2027	XS2336188029
	2L Senior Secured	EUR 800,000,000 due 2029	XS2283225477
<b>Adler Real Estate GmbH</b>	Senior Secured	EUR 300,000,000 due 2026	XS1713464524

Additionally, under a facilities agreement between inter alia, Adler Group S.A. and Adler Financing S.à r.l., Adler Group S.A. had received a loan in the amount of EUR 937,474,000. Adler Financing S.à r.l. is an orphan special purpose vehicle which has been set up by an Independent Dutch stichting in the interest of the bondholders of Adler Group S.A. The loan to Adler Group S.A. was funded by Adler Financing S.à r.l. through the issuance of bonds.

#### The September 2024 refinancing and restructuring

As part of the restructuring, new 1.5L loans in the nominal amount of EUR 789,011,000 were made available to Adler Group S.A. by Adler Financing S.à r.l. and the existing 1L loan was increased to EUR 1,030,737,800. The proceeds have, inter alia, been used by Adler Group S.A. and AGPS BondCo PLC respectively for the redemption of Adler Group S.A.'s 1.5L senior secured notes 2025 (ISIN: DE000A3LMVH5) and AGPS BondCo PLC's 1.5L senior secured notes 2025 (ISIN: XS1652965085) and payment of transaction cost.

Further, on 19 September 2024, AGPS BondCo PLC was substituted as issuer of all five series of 2L senior secured notes by Titanium 2L BondCo S.à r.l. Titanium 2L BondCo S.à r.l. is an orphan special purpose vehicle which has also been set up by an Independent Dutch stichting in the interest of the bondholders of Adler Group S.A. The five series were consolidated into one single tranche bond (ISIN: DE000A3L3AG9). As consideration for the issuer substitution, AGPS BondCo PLC issued two series of notes to Titanium 2L BondCo S.à r.l., EUR 700,000,000 6.250% PIK 2L reinstated notes (ISIN: DE000A3L3AH7) and EUR 2,341,900,000 6.250% PIK 3L subordinated notes (ISIN: DE000A3L3AJ3).

**Status quo post to the September 2024 refinancing and restructuring**

After the September 2024 refinancing and restructuring, Adler Group S.A. and its subsidiaries have therefore issued the following notes:

Issuer	Ranking	Notes description	ISIN
<b>AGPS BondCo PLC</b> (bonds are listed but solely held by Titanium 2L BondCo S.à r.l. and not traded)	2L Senior Secured	EUR 700,000,000 due 2030	DE000A3L3AH7
	3L Subordinated	EUR 2,341,900,000 perpetual	DE000A3L3AJ3
<b>Adler Real Estate GmbH</b>	Senior Secured	EUR 300,000,000 due 2026	XS1713464524

**18.** On 30 September 2024, Adler Group published its audited consolidated financial statements and annual accounts for the years ending 2022 and 2023. The audits were completed with unqualified audit opinions for both years. The audits were undertaken by AVEGA Révision for the Luxembourg-based Adler Group S.A. and by three other audit firms for the audit of the sub-areas relevant to the Group, a so-called "component audit": Rödl & Partner for Adler Real Estate AG (now Adler Real Estate GmbH), Morison Köln AG for Consus Real Estate AG, and Domus Steuerberatungs-AG und Wirtschaftsprüfungsgesellschaft for the financial statements of the German Adler Group property companies.

The publication of the audited annual reports followed the announcement from 19 September 2024 regarding the completion of the comprehensive recapitalisation. The recapitalisation allowed the auditors to assess the current situation and capital structure of Adler Group as a basis for the going concern of the company and its business.

Following the successful audit process and the restructuring, CFO Thomas Echelmeyer opened the perspective for a long-term succession for the Group's CFO position and retired from the Board of Directors and Senior Management of Adler Group with immediate effect. He will remain with the Company until the end of the year allowing a smooth transition period over to the new Group CFO Thorsten Arsan, who joined the Senior Management team as of 1 October 2024. Mr Arsan is a finance and real estate expert with more than 20 years' experience in the industry.

## Subsequent events

The Group has evaluated transactions or other events for consideration as subsequent events since the reporting date 30 September 2024 in the annual financial statements through 27 November 2024, the date of finalisation of the financial statements.

**1.** In October 2024, Adler Group settled all litigation in which it was involved in relation to the 2023 Restructuring.

**2.** In October 2024, Adler Group announced the completion of the squeeze-out of the minority shareholders of Consus Real Estate AG. The Extraordinary General Meeting of Consus Real Estate AG on 11 June 2024 had resolved to transfer the no-par value registered shares of the minority shareholders to Adler Group S.A. as the majority shareholder. In accordance with the transfer resolution, the minority shareholders of Consus Real Estate AG received a cash payment of EUR 0.01 per transferred no-par value registered share by Adler Group S.A.

**3.** On 11 October 2024, following the completion of the comprehensive recapitalisation, S&P upgraded the issuer credit rating of Adler Group to 'B-' from 'SD'. S&P assigned a 'B+' issue rating to the 1st lien 12.500% notes issued by Adler Financing S.à r.l. with a total volume of EUR 1,205 million due 31 December 2028, a 'CCC+' issue rating to both the 1.5 lien EUR 555.6 million 14.000% and EUR 116.7 million 4.250% due 31 December 2029 issued by Adler Financing S.à r.l. and a 'CCC' rating to 2nd lien notes EUR

700 million 6.250% due 14 January 2030 held by Titanium 2L BondCo S.à r.l. S&P also raised Adler Real Estate's EUR 300 million 3.000% senior secured notes due 27 April 2026 to 'CCC+'. S&P did not assign a rating to the EUR 2,300 million perpetual notes.

**4.** On 15 October 2024, 454,878,321 voting securities (parts bénéficiaires) were issued to certain investors of the former 2L notes issued originally by AGPS BondCo PLC (the "2L Noteholders") for participating in, and supporting, the implementation of the financial restructuring of Adler Group S.A. and its subsidiaries in order for Adler Group S.A. to continue its operations as a going concern. The voting securities represent an aggregate of 75% of the total voting rights in Adler Group S.A. The voting securities have no nominal value. Each Voting Security grants its holder the right to one vote at all general meetings of Adler Group S.A., except for any decision in relation to any declaration or payment of dividend. The ISIN of the voting securities is LU2900363131.

**5.** On 4 November 2024, Adler Group announced an agreement had been reached regarding the sale of its 62.78% stake in the share capital of Brack Capital Properties N.V. to LEG Immobilien SE for a total cash consideration of EUR 219.3 million.

The transaction will be concluded via a two stage-closing mechanism. The first tranche of 52.68% of the share capital is expected to close in the first week of January 2025 via a direct sale at €45.00 per share. For the second tranche of the remaining 10.10% of the share capital, Adler Group has signed an irrevocable undertaking to tender its shares in a Public Offer under Israeli Law, at a price of EUR 45.00 per share or more, which is expected to close no later than 1 January 2026.

**6.** On 27 November 2024, the Ordinary General Meeting (OGM) of Adler Group passed all proposed resolutions. Following the OGM's approval of the appointment of Thorsten Arsan and Paul Copley as additional Directors, the Board of Directors consists of six members: Stefan Brendgen (Chairman), Thierry Beaudemoulin (CEO), Thorsten Arsan (CFO), Paul Copley, Matthias Moser, and Thilo Schmid. Besides other resolutions, the OGM appointed AVEGA Révision to perform the audit of the 2024 standalone annual accounts and consolidated financial statements of Adler Group.

Additional information can be found on the Adler Group website: <https://www.adler-group.com/en/investors/publications/news>

# Forecast Report

## Forecast for 2024

Adler Group expects to generate net rental income for 2024 in the range of EUR 200–210 million.

Following the sanctioning of the Restructuring Plan in April 2023, the Company refrained from announcing an FFO 1 guidance due to the current situation of the Group which is primarily focused on steering its liquidity situation and de-leveraging through asset and portfolio disposals.

Against the backdrop of the comprehensive recapitalisation that was completed on 19 September 2024, from today's perspective, the Senior Management does not see any financial or financing risks, Company-specific or governance risks that could jeopardise the mid-term continuation of Adler Group as a going concern in terms of its results of operations and/or net assets.

# Responsibility Statement

*We confirm, to the best of our knowledge, that the Condensed Interim Financial Statements of Adler Group S.A. presented in these Q3 2024 Quarterly Financial Statements, prepared in conformity with the International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the net assets, financial and earnings position of the Company, and that the Interim Management Report includes a fair review of the development of the business, and describes the main opportunities, risks and uncertainties associated with the Company for the remaining three months of the year.*



**Thierry Beaudemoulin**  
CEO



**Thorsten Arsan**  
CFO



# Condensed Consolidated Interim Financial Statements

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# Condensed Consolidated Interim Statement of Financial Position

In EUR thousand	30 Sep 2024	31 Dec 2023
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties	4,729,861	4,910,925
Investments in financial instruments	14,273	17,395
Investments accounted under the equity method	658	1,534
Property, plant and equipment	12,840	14,258
Other financial assets	112,023	111,920
Derivatives	7,974	7,726
Restricted bank deposits	16,000	32,657
Right-of-use assets	28,762	32,293
Other intangible assets	49	239
Contract assets	-	55,513
Deferred tax assets	143	138
<b>Total non-current assets</b>	<b>4,922,583</b>	<b>5,184,598</b>
<b>Current assets</b>		
Inventories	468,011	515,467
Restricted bank deposits	34,952	34,285
Trade receivables	60,906	79,273
Other receivables and financial assets	87,371	116,322
Contract assets	40,684	10,781
Derivatives	493	493
Cash and cash equivalents	363,083	377,419
Advances paid on inventories	7,706	10,007
<b>Total current assets</b>	<b>1,063,206</b>	<b>1,144,047</b>
Non-current assets held for sale	1,345,839	1,388,142
<b>Total assets</b>	<b>7,331,627</b>	<b>7,716,787</b>

In EUR thousand	30 Sep 2024	31 Dec 2023
<b>Shareholders' equity</b>		
Share capital	188	188
Share premium	1,873,598	1,873,598
Equity of Group's hybrid investors	716,707	-
Reserves	167,328	175,445
Retained earnings	(749,138)	(2,278,087)
<b>Total equity attributable to owners of the Company</b>	<b>2,008,683</b>	<b>(228,856)</b>
<b>Non-controlling interests</b>	<b>192,539</b>	<b>271,260</b>
<b>Total equity</b>	<b>2,201,222</b>	<b>42,404</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Corporate bonds	508,550	3,787,949
Other loans and borrowings	2,604,095	1,971,049
Other financial liabilities	9,472	164,347
Derivatives	4	323
Pension provisions	772	773
Lease liabilities	25,295	28,648
Other payables	31	53
Deferred tax liabilities	342,691	346,989
<b>Total non-current liabilities</b>	<b>3,490,910</b>	<b>6,300,131</b>
<b>Current liabilities</b>		
Corporate bonds	-	3,404
Other loans and borrowings	520,041	288,224
Other financial liabilities	-	1,535
Trade payables	89,246	65,167
Other payables	198,111	266,823
Provisions	89,326	105,188
Lease liabilities	4,800	4,443
Prepayments received	43,689	50,071
Contract liabilities	9,895	14,473
<b>Total current liabilities</b>	<b>955,108</b>	<b>799,328</b>
Non-current liabilities held for sale	684,387	574,924
<b>Total shareholders' equity and liabilities</b>	<b>7,331,627</b>	<b>7,716,787</b>



Thierry Beaudemoulin

CEO



Thorsten Arsan

CFO

Date of approval: 27 November 2024

# Condensed Consolidated Interim Statement of Profit or Loss

In EUR thousand	For the nine months ended 30 Sep		For the three months ended 30 Sep	
	2024	2023	2024	2023
Revenue	249,382	289,345	82,396	96,569
Cost of operations	(205,876)	(275,375)	(50,198)	(60,282)
<b>Gross profit</b>	<b>43,506</b>	<b>13,970</b>	<b>32,198</b>	<b>36,287</b>
General and administrative expenses	(100,799)	(102,868)	(25,303)	(31,381)
Other expenses	(90,276)	(161,281)	(33,797)	(49,148)
Other income	43,383	34,378	11,354	9,932
Changes in fair value of investment properties	(243,960)	(755,004)	(13,560)	(13,433)
<b>Results from operating activities</b>	<b>(348,146)</b>	<b>(970,805)</b>	<b>(29,108)</b>	<b>(47,743)</b>
Finance income	2,120,515	43,865	2,104,436	13,049
Finance costs	(311,793)	(418,967)	(109,491)	(105,168)
<b>Net finance income / (costs)</b>	<b>1,808,722</b>	<b>(375,102)</b>	<b>1,994,945</b>	<b>(92,119)</b>
Net income (losses) from investments in associated companies	(980)	(2,650)	-	(1,697)
<b>Profit before tax</b>	<b>1,459,596</b>	<b>(1,348,557)</b>	<b>1,965,837</b>	<b>(141,559)</b>
Income tax expense	(8,987)	122,190	(7,802)	(45,108)
<b>Profit for the period</b>	<b>1,450,609</b>	<b>(1,226,367)</b>	<b>1,958,035</b>	<b>(186,667)</b>
Profit attributable to:				
Owners of the Company	1,477,513	(1,149,834)	1,969,747	(215,344)
Non-controlling interests	(26,904)	(76,533)	(11,712)	28,677
<b>Profit for the period</b>	<b>1,450,609</b>	<b>(1,226,367)</b>	<b>1,958,035</b>	<b>(186,667)</b>
<b>Earnings per share in EUR (undiluted)</b>	<b>9.74</b>	<b>(8.36)</b>	<b>12.99</b>	<b>(1.31)</b>
<b>Earnings per share in EUR (diluted)</b>	<b>9.74</b>	<b>(8.36)</b>	<b>12.99</b>	<b>(1.31)</b>

# Condensed Consolidated Interim Statement of Comprehensive Income

In EUR thousand	For the nine months ended 30 Sep		For the three months ended 30 Sep	
	2024	2023	2024	2023
<b>Profit for the year</b>	<b>1,450,609</b>	<b>(1,226,367)</b>	<b>1,958,035</b>	<b>(186,667)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Effective portion of changes in fair value of cash flow hedges	-	(1,222)	-	254
Related tax	-	(127)	-	-
Currency translation reserve	(7,679)	(14,605)	(5,143)	2,988
Reserve from financial assets measured at fair value through other comprehensive income	(180)	(14,046)	-	(3,597)
<b>Items that may not be reclassified subsequently to profit or loss</b>				
<b>Total other comprehensive income / (loss)</b>	<b>(7,859)</b>	<b>(30,000)</b>	<b>(5,143)</b>	<b>(355)</b>
<b>Total comprehensive income for the year</b>	<b>1,442,750</b>	<b>(1,256,367)</b>	<b>1,952,892</b>	<b>(187,022)</b>
<b>attributable to:</b>				
Owners of the Company	1,469,396	(1,179,834)	1,963,497	(215,711)
Non-controlling interests	(26,646)	(76,533)	(10,605)	28,689
<b>Total comprehensive income for the year</b>	<b>1,442,750</b>	<b>(1,256,367)</b>	<b>1,952,892</b>	<b>(187,022)</b>

# Condensed Consolidated Interim Statement of Cash Flows

In EUR thousand	For the nine months ended 30 Sep <sup>1</sup>		For the three months ended 30 Sep <sup>1</sup>	
	2024	2023	2024	2023
<b>Cash flows from operating activities</b>				
Profit for the period	1,450,609	(1,226,367)	1,958,034	(186,667)
<b>Adjustments for:</b>				
Depreciation	10,472	6,792	485	1,315
Change in fair value of investment properties	243,960	755,005	13,560	13,434
Profit from selling portfolio	283	439	283	878
Non-cash other income and expense	23,323	38,075	29,723	46,048
Non-cash income from at-equity valued investment associates	981	2,649	1	1,698
Net finance costs / (income)	(1,808,722)	375,102	(1,994,945)	92,118
Income tax expense	8,987	(122,190)	7,802	45,108
Share-based payments	(550)	(1)	(550)	(458)
Changes in net working capital	60,260	64,994	6,709	(52,746)
Income tax paid	(29,515)	(5,801)	(9,244)	(3,674)
<b>Net cash from operating activities</b>	<b>(39,912)</b>	<b>(111,303)</b>	<b>11,859</b>	<b>(42,945)</b>
<b>Cash flows from investing activities</b>				
Purchase of and CapEx on investment properties	(46,067)	(53,230)	(9,060)	(12,424)
Advances paid for purchase of investment properties	-	-	-	(300)
Repayment of long-term loans granted	-	12,300	-	12,300
Proceeds from Investment property disposal and/or portfolio share deal	43,196	170,111	7,804	132,139
Purchase of and CapEx on property, plant and equipment	(179)	(921)	(96)	(790)
Interest received	6,519	3,972	2,147	1,456
Proceeds from sale of financial instruments	(17,691)	-	(17,691)	-
Proceeds from sale of fixed assets	257	3,695	(148)	3,695
Disposal of shareholder loans in connection with a share deal	-	6,934	-	6,934
Change in short-term restricted bank deposits, net	-	235	986	473
<b>Net cash from (used in) investing activities</b>	<b>(13,965)</b>	<b>143,096</b>	<b>(16,059)</b>	<b>143,482</b>

In EUR thousand	For the nine months ended 30 Sep <sup>1)</sup>		For the three months ended 30 Sep <sup>1)</sup>	
	2024	2023	2024	2023
<b>Cash flows from financing activities</b>				
Acquisition of non-controlling interests	292	(29,727)	292	-
Repayment of bonds	(615,019)	(854,134)	(611,611)	(66,770)
Long-term loans received	773,254	1,039,903	765,632	55,981
Repayment of long-term loans	(11,732)	(149,223)	(5,667)	(21,209)
Proceeds from issuance of corporate bonds, net	130,745	-	39,690	-
Repayment of short-term loans	(19,500)	(264)	(5,998)	(264)
Interest paid	(139,410)	(106,157)	(103,364)	(17,250)
Payment of lease liabilities	(4,349)	(6,247)	(2,292)	(2,923)
Transaction costs	(62,457)	(32,947)	(62,457)	-
Prepaid costs of raising debt	-	-	-	250
Payment from settlement of derivatives	(3,869)	-	(3,869)	-
<b>Net cash from (used in) financing activities</b>	<b>47,955</b>	<b>(138,796)</b>	<b>10,356</b>	<b>(52,185)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>(5,922)</b>	<b>(107,003)</b>	<b>6,156</b>	<b>48,353</b>
<b>Changes in the carrying amount of cash and cash equivalents that are presented among assets held for sale as part of a disposal group</b>	<b>(8,415)</b>	<b>151,745</b>	<b>22,829</b>	<b>152,363</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>377,419</b>	<b>386,985</b>	<b>334,096</b>	<b>231,010</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>363,082</b>	<b>431,727</b>	<b>363,082</b>	<b>431,726</b>

1) Adjusted for prior period.

# Condensed Consolidated Interim Statement of Changes in Equity

In EUR thousand	Share capital	Share premium	Equity of Group's hybrid in-vestors	Hedging reserve	Currency translation reserve	Other capital reserves	Reserve financial assets measured at FVTOCI	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2024	188	1,873,598	-	145	5,305	315,746	(145,751)	(2,278,087)	(228,856)	271,260	42,404
Profit for the year	-	-	-	-	-	-	-	1,477,513	1,477,513	(26,904)	1,450,609
Other comprehensive income, net of tax	-	-	-	0	(7,937)	-	(180)	-	(8,117)	258	(7,859)
<b>Total comprehensive income (loss) for the year</b>	-	-	-	<b>0</b>	<b>(7,937)</b>	-	<b>(180)</b>	<b>1,477,513</b>	<b>1,469,396</b>	<b>(26,646)</b>	<b>1,442,750</b>
<b>Transactions with owners, recognised directly in equity</b>											
Transactions with non-controlling interest without a change in control	-	-	-	-	-	-	-	50,875	50,875	(50,583)	292
Share-based payments	-	-	-	-	-	-	-	550	550	0	550
Other changes	-	-	716,707	-	-	-	-	11	716,718	(1,492)	715,226
Balance as at 30 Sep 2024	188	1,873,598	716,707	145	(2,632)	315,746	(145,931)	(749,138)	2,008,683	192,539	2,201,222

In EUR thousand	Share capital	Share premium	Hedging reserve	Currency translation reserve	Other capital reserves	Reserve financial assets measured at FVTOCI	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance as at 1 January 2023</b>	<b>146</b>	<b>1,844,765</b>	<b>903</b>	<b>10,772</b>	<b>315,746</b>	<b>(133,568)</b>	<b>(621,651)</b>	<b>1,417,113</b>	<b>495,951</b>	<b>1,913,064</b>
Profit for the year	-	-	-	-	-	-	(1,149,834)	(1,149,834)	(76,533)	(1,226,367)
Other comprehensive income, net of tax	-	-	(1,349)	(14,605)	-	(14,046)	-	(30,000)	-	(30,000)
<b>Total comprehensive (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(1,349)</b>	<b>(14,605)</b>	<b>-</b>	<b>(14,046)</b>	<b>(1,149,834)</b>	<b>(1,179,834)</b>	<b>(76,533)</b>	<b>(1,256,367)</b>
<b>Transactions with owners, recognised directly in equity</b>										
Issuance of ordinary shares, net	42	-	-	-	-	-	-	42	-	42
Change in consolidation scope related to sale	-	-	-	-	1	-	16	17	(14,798)	(14,781)
Share-based payments	-	-	-	-	-	-	731	731	-	731
<b>Balance as at 30 Sep 2023</b>	<b>188</b>	<b>1,844,765</b>	<b>(446)</b>	<b>(3,833)</b>	<b>315,747</b>	<b>(147,614)</b>	<b>(1,770,738)</b>	<b>238,069</b>	<b>404,620</b>	<b>642,689</b>



# Financial Calendar 2025

## Adler Group S.A.

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29 April 2025      **Publication Annual Report 2024**

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27 May 2025      **Publication Q1 2025 Results**

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25 June 2025      **Annual General Meeting 2025**

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28 August 2025      **Publication Q2 2025 Results**

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27 November 2025      **Publication Q3 2025 Results**

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**Online Financial  
Calendar**

[www.adler-group.com](http://www.adler-group.com)

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QUARTERLY FINANCIAL  
STATEMENTS 2024