



First half 2020 results presentation

Berlin – 31 August 2020



Agenda

1. Successful first half 2020
2. Well diversified German residential portfolio
3. Enhanced focus on developments
4. First half 2020 results
5. Guidance
6. Appendices

1. Successful first half 2020

1. Highlights of H1 2020

Operational performance	▪ **€114.8m of NRI** realized over the first half of 2020, up from **€67.5m** in H1 19 as a result of the consolidation of Adler per April 2020 ▪ **€6.2/sqm/month average residential rent**, up from **€6.1** in H1 19 ▪ **1.9% like-for-like rental growth at H1 20**, down from **3.8%** in H1 19 due to the effects of the Berlin rent freeze ▪ **5.6% vacancy rate**, up marginally from **5.4%** in H1 19 ▪ **€44.3m FFO I**, up from **€33.4m** in H1 19, mainly as a result of the consolidation of Adler per April 2020
COVID-19	▪ **Rent deferrals** relating to COVID-19 as of today stand at **1.3% of the monthly rent**, mainly coming from our commercial units, put in perspective, the rent deferrals amount **to c.€374k per month** and constitutes 0.1% of our residential and 11.5% of our commercial rents
Portfolio	▪ The letting process at Riverside is in progress, current occupancy stands at 74% (ordinary apartments c.84%, micro flats c.10%) where we are facing lower demand for micro flats on the back of COVID-19 ▪ ADO continues to materialize on condo sales, generating a **27.3% profit to latest book value** in H1 20 (H1 19: 30.7%) ▪ Investments in the portfolio continue and we have spent **€3.4/sqm on maintenance** (H1 19: €3.1) and **€8.1/sqm on capex** (H1 19: €11.5/sqm) during the first half of 2020 as most of the capex programs in Berlin have been put on hold as a consequence of the Berlin rent freeze
Valuation	▪ **€8.8bn fair value of investment properties**, an increase of €0.2bn vs **€8.6bn** in Q1 20, mainly on the back of the revaluation of the portfolio ▪ **The portfolio revaluation** amounted to +2.3% in total, Berlin remained stable and the remainder of the portfolio outside Berlin was up +4.7% ▪ **EPRA NRV stood at €4.3bn** as of H1 20, €5.5bn pro-forma post rights issue and Consus equating to pro-forma EPRA NRV per share of €45.96
Financing and LTV	▪ **1.84% weighted average cost of debt** remained stable vs **1.82%** in Q1 20 ▪ Successfully issued €400m 5-year 3.25% fixed coupon bond bringing the average cost of debt to 1.95% as of today ▪ **52.2% net LTV** (excluding convertibles) and **53.5% net LTV** (including convertibles)

1. Series of transactions successfully completed

Combination of ADO & ADLER

- Business combination of ADO and ADLER announced on 15 December 2019, to create a leading listed residential real estate company in Europe and acquisition of a strategic minority stake in Consus with an option to acquire control
- €3.5bn of ADLER debt secured by change of control waivers

Offer for ADLER completed

- Closing on 9 April 2020
- Consolidation of accounts since 9 April 2020
- ~95% of ADLER shares controlled after the final acceptance period
- As of July 2020, ADO's weight in the FTSE EPRA Nareit Developed Europe index increased to 0.7% from 0.3%

Integration ongoing

- Appointment of Maximilian Rienecker as Co-CEO of ADO
- Integration process and synergy realization started
- Operational synergies partially realized ahead of schedule, and after thorough analysis now €9.0m expected for 2020

Exercise of call option

- On 8 & 20 May 2020, Consus announced the sale of 25 non-strategic projects to decrease net debt by €1.1bn upon closing
- On 29 June 2020, ADO exercised the call option to acquire control in Consus and following settlement on 6 July 2020 now holds c.65%

Rights issue & Bond placement

- Completion of €457m rights issue with 98% take-up closed on 21 July 2020
- Proposed one time suspension of dividend in context of €450m rights issue
- Successful bond placement of €400m with a 5-year maturity and a 3.25% fixed coupon on 29 July 2020

Next steps

- Launch of voluntary exchange offer for all remaining outstanding shares of Consus anticipated in Q4 2020
- Ongoing integration and synergy mapping
- Dividend policy from 2021, 50% payout of FFO
- Targeting Investment Grade rating in the medium term
- Inclusion in MDAX index targeted

1. Firming up development capabilities by acquiring Consus

ADO ADLER REAL ESTATE + CONSUS REAL ESTATE

✓ Fourth largest listed European residential player with significant footprint in Top 7 German cities, providing a strong platform for growth	€11.7bn[1] GAV and ~€2.7bn[2] market cap
✓ Integrated German residential platform with unique build-to-hold organic growth pipeline, secured at attractive values and incorporation of an experienced development platform for future growth	~€1bn landbank with 10k+ new planned rental units totalling ~800k sqm
✓ Concentrated in Top 7 German cities, by addition of €4.7-5.3bn high quality new-built residential assets once developed	~2/3 of portfolio in Top 7 German cities
✓ Approximately €1.2-1.8bn embedded value uplift from developments at 4.5% yield on cost (vs ~3.7% for our existing top 13 portfolio)	€1.0-1.6bn embedded build-to-hold value uplift and ~€0.2bn profits from build-to-sell
✓ Strong cash flow contribution from build-to-hold expected, given attractive yield and lean development cost management, resulting in 85-90% EBITDA margins and higher cash conversion once completed	Rent/sqm of €17-19[3] and Value/sqm of ~€5,700-6,600
✓ €90-104m synergies for Consus alone, of which the vast majority will be realized in the near-term at low implementation cost	€90m-104m synergies
✓ Committed to prudent financing structure with investment grade-like credit profile and IG target rating in the mid-term	~53.5% LTV expected to further reduce over medium term

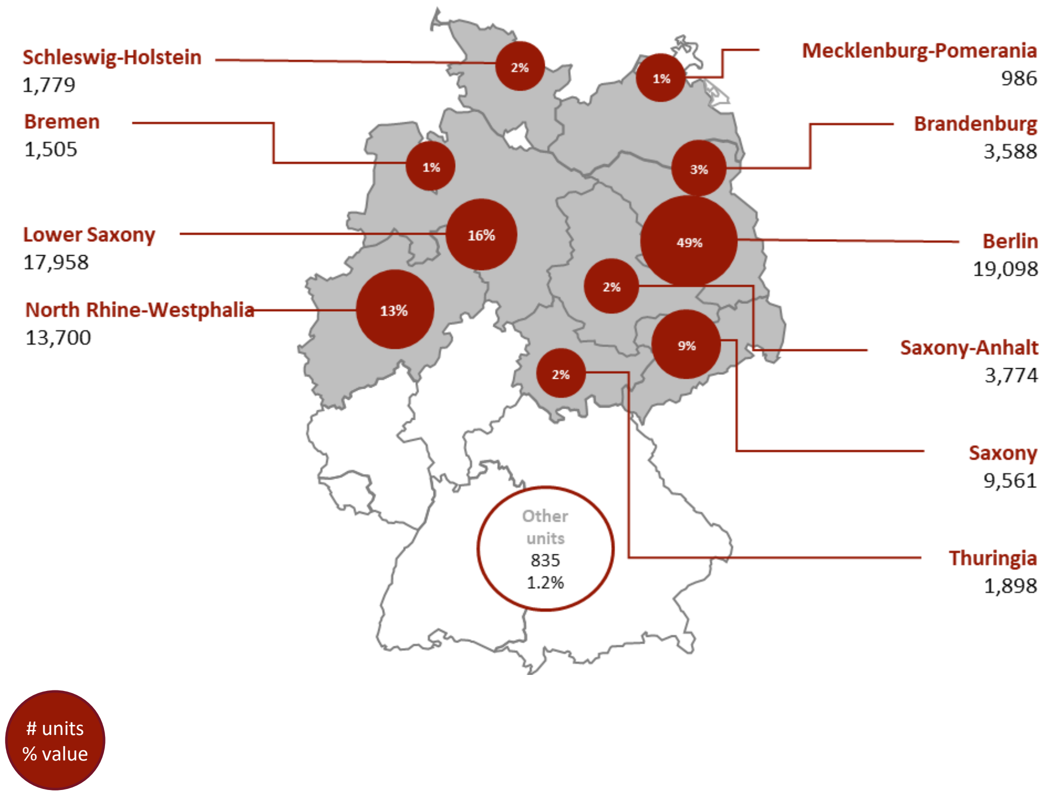
The acquisition of Consus is a strategic move in the consolidation of the Group as a leading player in Germany's key residential markets, is accretive to long term NAV and FFO upon completion of the build-to-hold pipeline, and positions the Group to benefit from long-term growth opportunities

Source: Market data as of 30 June 2020; Last reported company information; management estimates
1 ADO GAV of €8.8bn and €2.9bn of Pro Forma GAV of Consus based on management estimates
2 Thomson Reuters Eikon ADO as of 27 August 2020
3 Based on a Run-Rate Build-to-Hold Portfolio

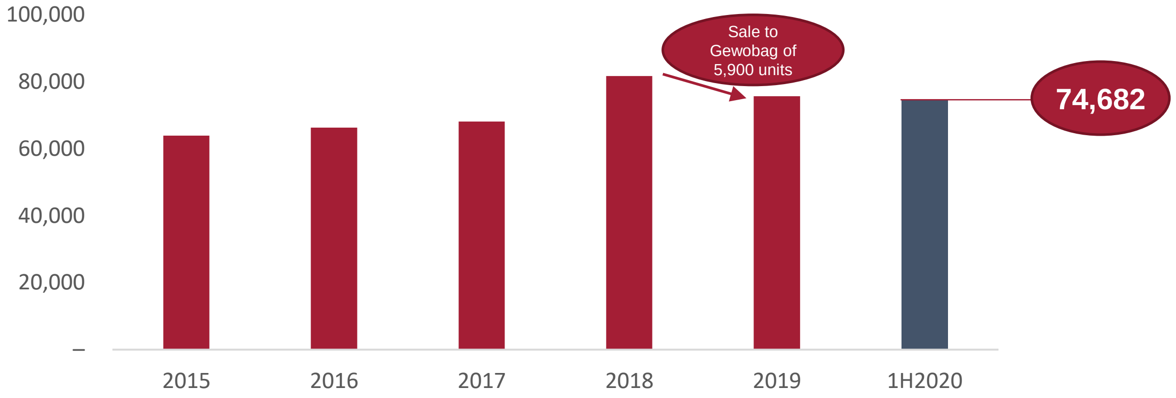
2. Well diversified German residential portfolio

2. Well diversified German residential rental portfolio

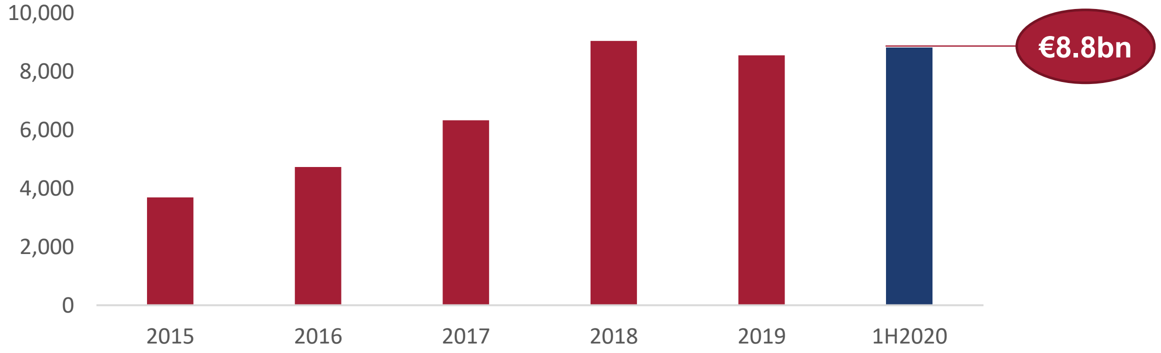
Creating a geographically well balanced rental portfolio



Development of number of units over time[1]



Development of fair value of investment property over time (€m)



1 Includes ground level commercial units, excluding developments, Riverside, BCP Commercial, inventories and units pending refurbishment

2. Top 13 cities account for 77% of the residential value

Key portfolio metrics

Key cities in a well diversified portfolio

Location	Fair Value €m H1 20	Fair Value €/sqm 1H20	Units	Lettable area sqm	*NRI €m H1 20	Rental yield (in-place rent)	Vacancy H1 20	Vacancy Δ YoY	H1 20 Avg. Rent €/sqm/month	NRI Δ YoY LFL
Berlin	3,921	2,963	19,098	1,323,066	116.5	3.0%	2.6%	-0.3%	7.54	1.9%
Leipzig	436	1,711	4,747	254,629	17.3	4.0%	5.3%	-0.8%	5.98	4.6%
Wilhelmshaven	388	980	6,737	396,416	23.0	5.9%	6.5%	-1.0%	5.18	2.5%
Duisburg	330	1,088	4,897	303,350	19.6	5.9%	3.3%	-0.4%	5.57	1.4%
Wolfsburg	146	1,661	1,301	87,614	6.6	4.5%	2.3%	-0.9%	6.40	3.3%
Göttingen	142	1,671	1,377	85,238	6.2	4.3%	1.7%	-1.8%	6.12	4.5%
Dortmund	133	1,316	1,754	101,194	6.8	5.1%	4.8%	1.5%	5.93	0.7%
Hanover	124	1,974	1,109	63,044	5.4	4.3%	2.2%	-0.4%	7.29	2.3%
Kiel	115	1,727	969	66,720	5.4	4.7%	1.7%	0.8%	6.85	1.2%
Düsseldorf	111	3,000	578	36,869	3.5	3.2%	2.3%	-0.4%	8.18	0.7%
Halle (Saale)	94	928	1,777	101,238	5.2	5.6%	12.8%	0.1%	4.95	2.7%
Essen	90	1,378	1,024	65,100	4.4	4.9%	3.4%	0.5%	5.86	1.5%
Cottbus	85	821	1,763	103,314	5.5	6.5%	7.0%	-0.3%	4.79	1.5%
Top 13 total	**6,114**	**2,046**	**47,131**	**2,987,792**	**225.6**	**3.7%**	**4.0%**	**-0.2%**	**6.55**	**2.2%**
Other	1,874	1,089	27,551	1,721,727	104.1	5.6%	8.5%	0.7%	5.55	1.4%
Total*	**7,989**	**1,696**	**74,682**	**4,709,519**	**329.7**	**4.1%**	**5.6%**	**0.2%**	**6.20**	**1.9%**

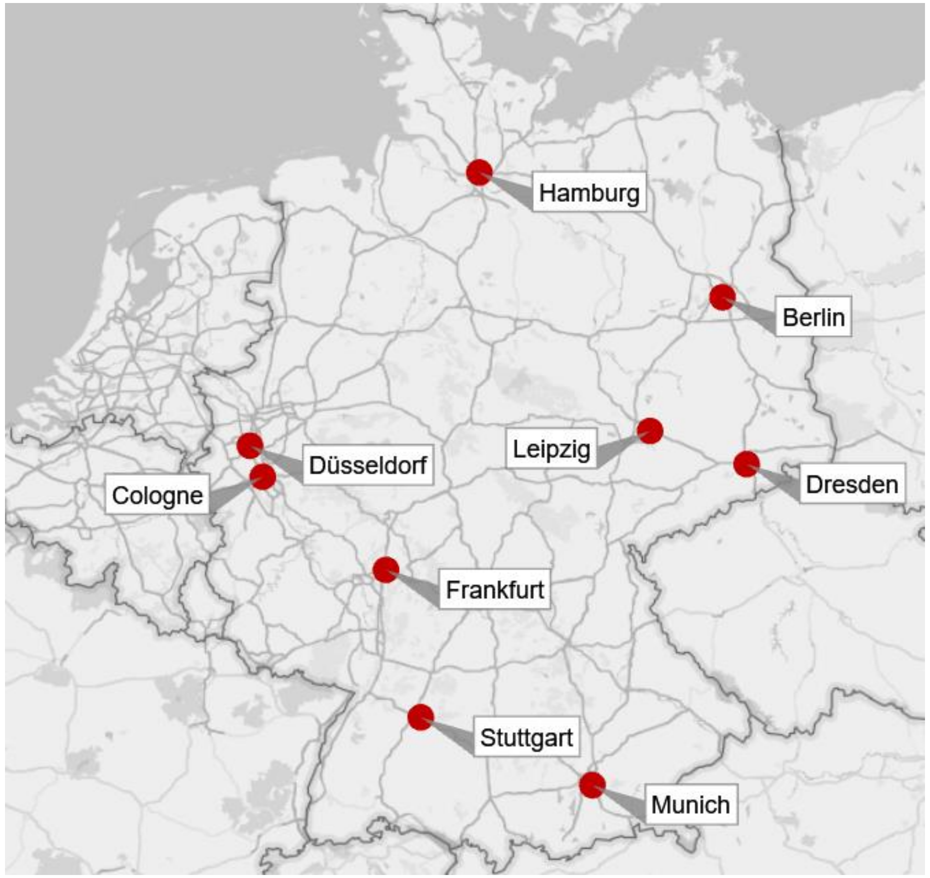
Vacancy in the top 13 cities improved marginally YoY by -0.2% to 4.0% at the end of H1 20

* Annualized NRI | Includes ground level commercial units, excluding developments, Riverside, BCP Commercial, inventories and units pending refurbishment

3. Enhanced focus on developments

3. Developments driving growth in the top 9 German cities

Map of top 9 cities



Comments

Focus on top 9 German cities

- Housing shortage is the highest in the larger cities
- Rental prices and values will continue to rise in the largest cities
  - Above average population growth in largest cities to continue
  - Decreasing household sizes
  - Increasing scarcity of land positions available for residential developments

Benefits of newbuilt

- The only opportunity to increase our portfolio in top cities, where large investment opportunities are scarce and expensive
- Development costs are well below market values, resulting in secured NAV growth when developing to hold
- Rental growth is not capped under Berlin rent freeze regulation
- Maintenance and capex are significantly lower for newbuilt compared to existing stock in Germany
- Contributing to an improved sustainability profile as the total carbon footprint vs existing buildings is substantially lower

Continued focus on residential developments

- Continued focus on residential real estate
- Larger residential projects might include commercial assets, which potentially could be held on to when situated in mixed schemes

3. Increased focus on developments in top 9 German cities

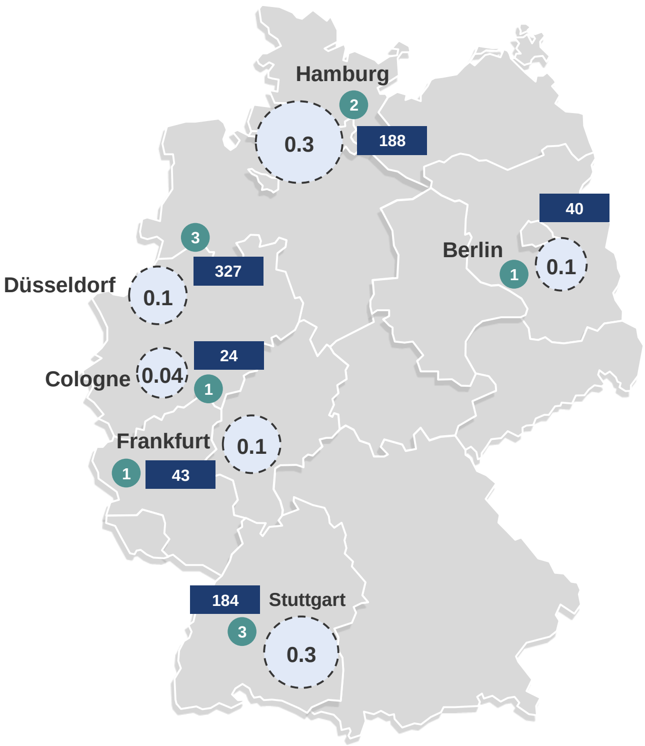
Extensions / modernisations	■ Adding housing stock in cities with high housing shortage (Wolfsburg and Göttingen, construction started) ■ Development of new apartments in combination with significant tenant improvements increasing occupancy ■ **€280m investments** over the next three years ■ Expected **IRRs of 13%**
Existing development projects	■ Adding housing stock in cities with high housing shortage (Berlin, Düsseldorf and Potsdam) ■ **€0.4bn GAV of develop-to-hold remaining** ■ Develop to sell and condo sales (Düsseldorf) ■ **Supporting growth of rental income and NAV**
Strategic land positions	■ Adding housing stock in cities with high housing shortage (Berlin and Dresden) ■ Discussions with municipalities to obtain building permits ■ Large **development potential of c.2,600 apartments** with a GDV of €1.2bn
Consus developments	■ **Majority stake in Consus of c.65% post exercise of call option** ■ GAV of €1.0.bn of build-to-hold and €0.2bn of forward sales and condo sales ■ The Grand Central project in Düsseldorf has recently closed with construction of the approximately 1,000 residential units potentially starting in early 2021 as building permits have been obtained and the planning process has commenced

3. Attractive landbank paving the way for future organic growth

Projects under Build-to-Hold portfolio

#	Project Name	City	GAV (€m)	GDV (€bn)	Area (k sqm)	Yield on cost (%)
1	Benrather Gärten	Düsseldorf	106	1.1-1.3	216	5.3%
2	VAI Campus (without Eiermann)	Stuttgart	181	0.9-1.1	163	4.5%
3	Holsten Quartiere	Hamburg	312	0.9-1.1	150	4.4%
4	Grand Central[1]	Düsseldorf	-	0.6-0.7	86	3.7%
5	Ostend	Frankfurt	109	0.3	43	3.7%
6	Forum Pankow	Berlin	64	0.2	40	5.8%
7	Neues Korallusviertel	Hamburg	33	0.2	38	3.7%
8	COL III (Windmühlenquartier)	Cologne	36	0.1-0.2	24	5.0%
9	UpperNord Quartier	Düsseldorf	36	0.1	26	3.8%
10	Schwabenland Tower (Resi)	Stuttgart	49	0.1	12	4.2%
11	Böblingen	Stuttgart	22	0.1	9	3.6%
Total			**~1bn**	**4.7-5.3**	**806**	**~4.5%**

Portfolio overview

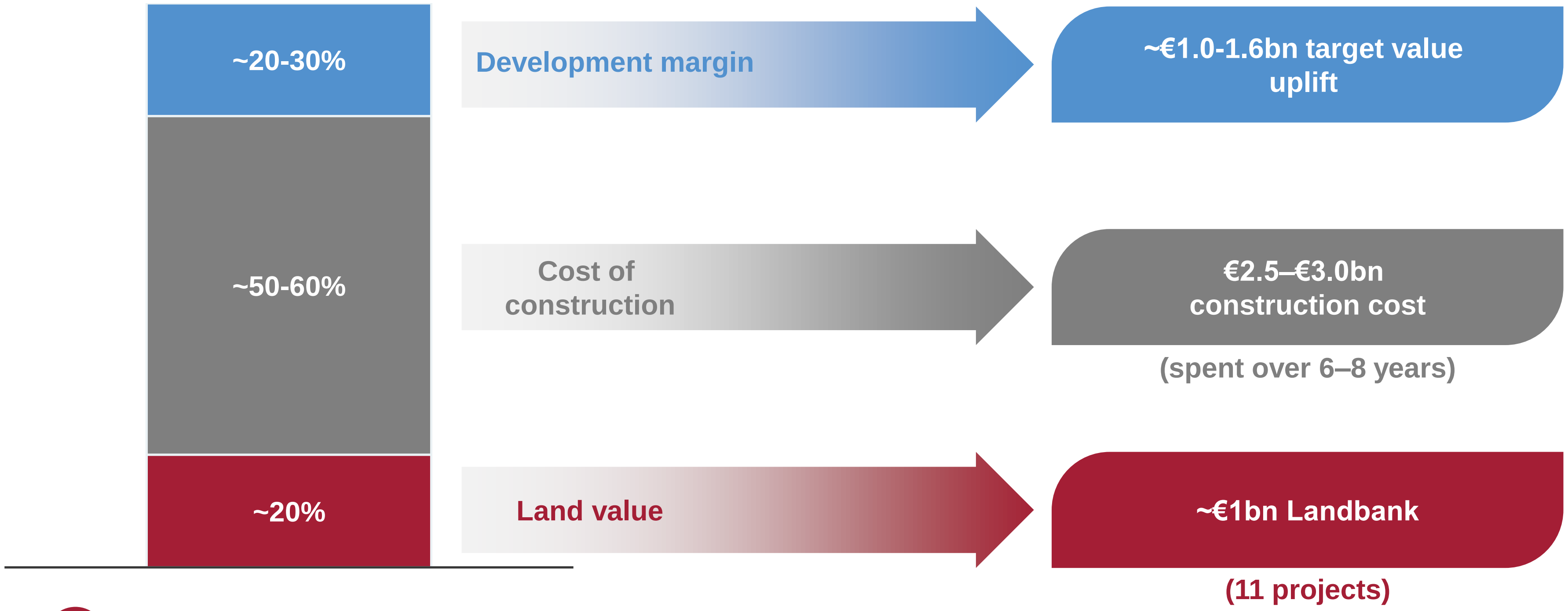


€bn GAV Consus
Area (sqm): ~806k sqm
Number of projects: 11

Source: Company information, latest reporting and management estimates
Note: Build-to-Hold GDV ignores potential value growth
1 Project “Grand Central” closed in July 2020, no previous appraisal available hence no GAV available

3. Value uplift potential at Consus could drive future NAV growth

Illustrative cost and profitability composition

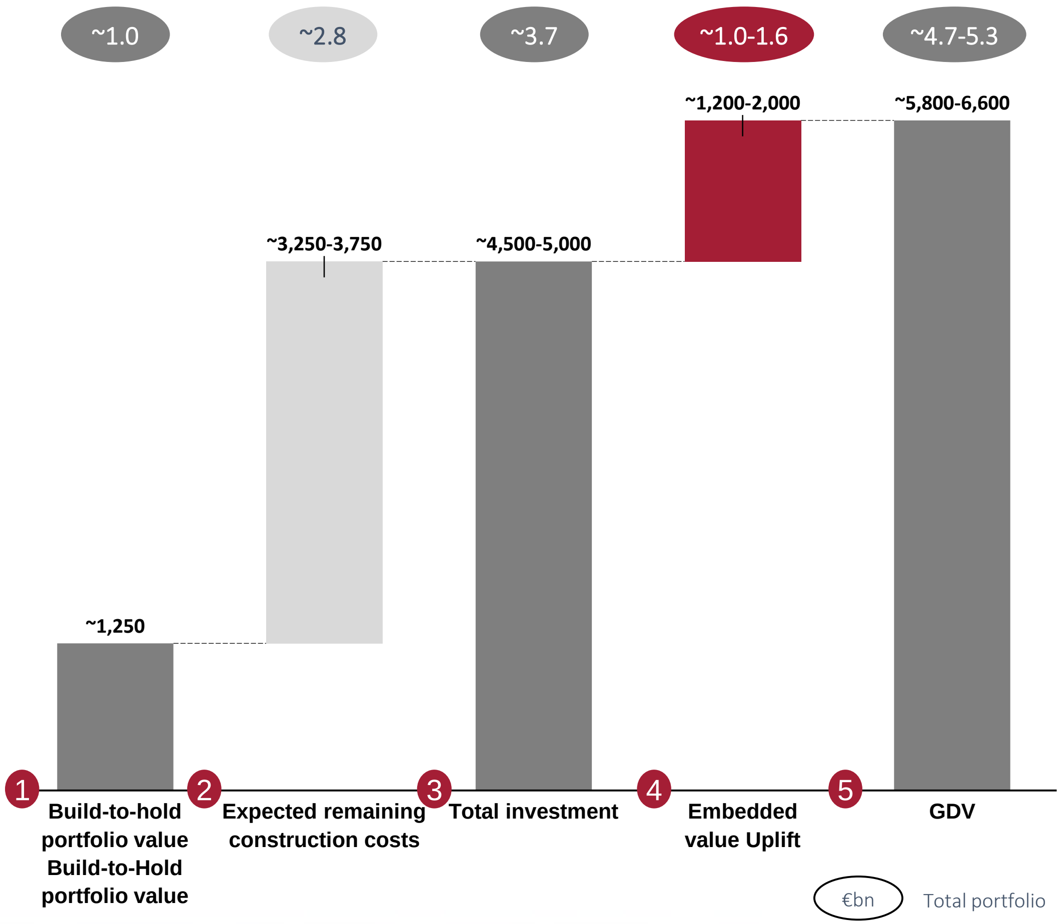


- ✓ **Development profit to drive value creation**
- ✓ **Expected rent of €160-180m post construction of full landbank (at today's market rent)**
- ✓ **GDV ignores further potential for future value creation based on incremental rental growth of the new build-to-hold portfolio and asset value appreciations**

Source: Company information, management estimates
Note: Values have been rounded for illustrative purposes

3. Unlocking embedded value through selected developments

Consus Build-to-Hold portfolio | Estimated value (€/sqm)



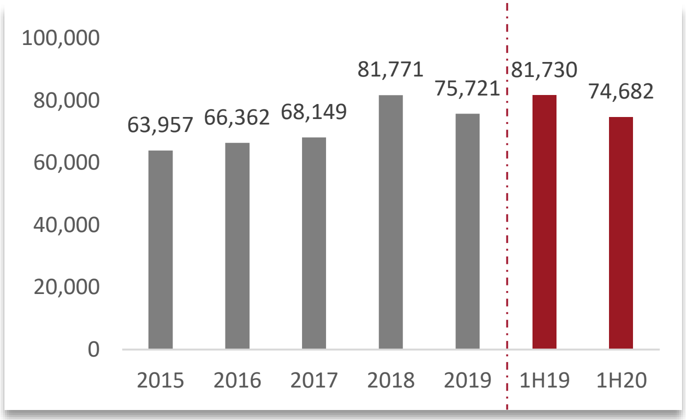
Comments

1. Based on current value, Consus' 11 projects with a total floor area of ~0.8m in its build-to-hold portfolio have an estimated value of ~€1,250/sqm
2. Remaining construction costs are estimated at ~€3,250-3,750/sqm, bringing total investment in the build-to-hold portfolio to ~€4,500-5,000/sqm
3. Total estimated cost of ~€4,500-5,000/sqm, and an average estimated market rent of ~€18/sqm/m implies a ~4.5% expected yield on cost
4. Total floor area of the rental portfolio is ~0.8m sqm, implying a total embedded value of ~€1.0-1.6bn
5. GDV is estimated at ~€5,800-6,600/sqm, implying an embedded value uplift of ~€1,200-2,000/ sqm in the rental portfolio, which reflects a yield on value of ~3.2-3.6%

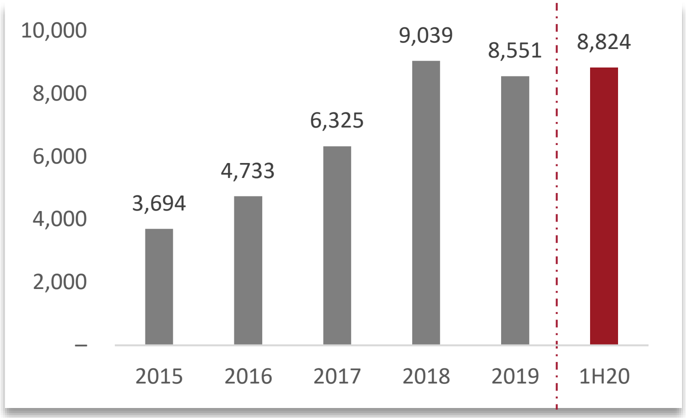
4. First half 2020 results

4. Resilient operational performance

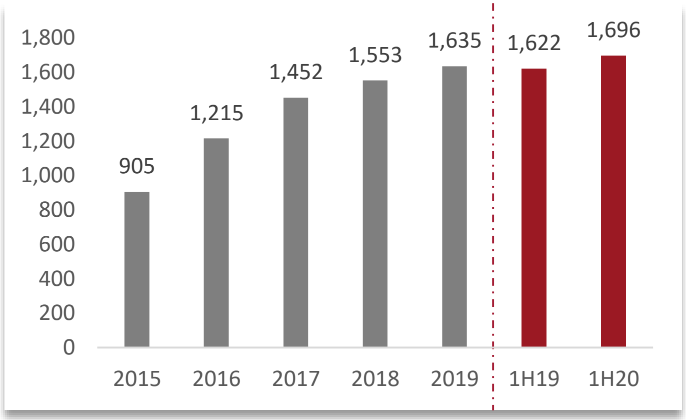
Total number of units



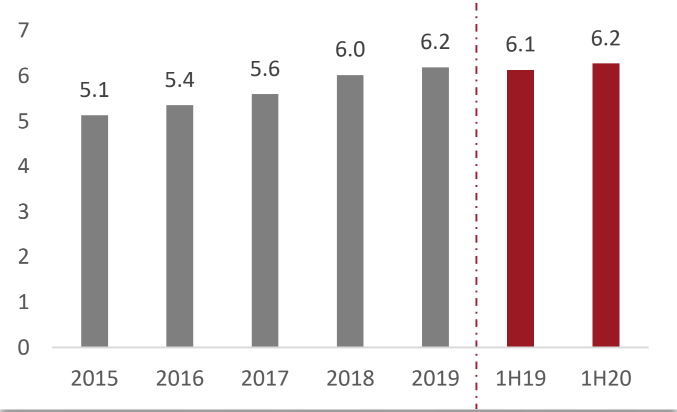
Investment properties (€m)



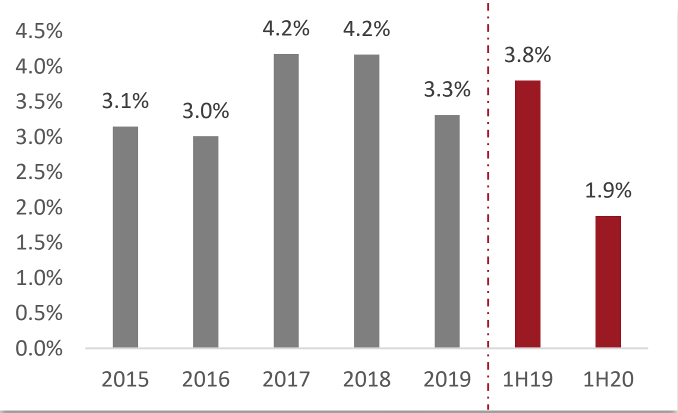
Residential portfolio FV/sqm (€)



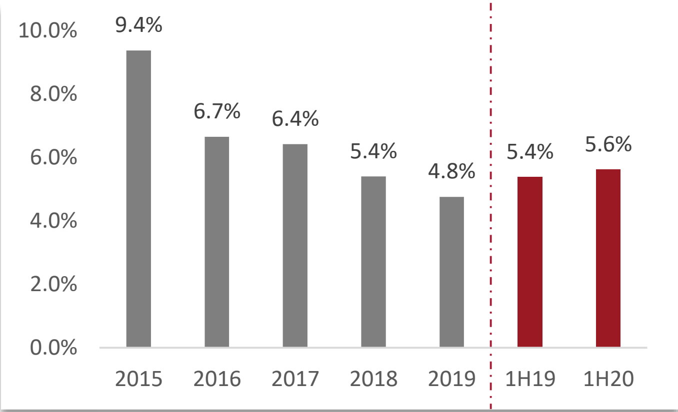
Residential avg. rent (€/sqm/m)



LfL residential rental growth



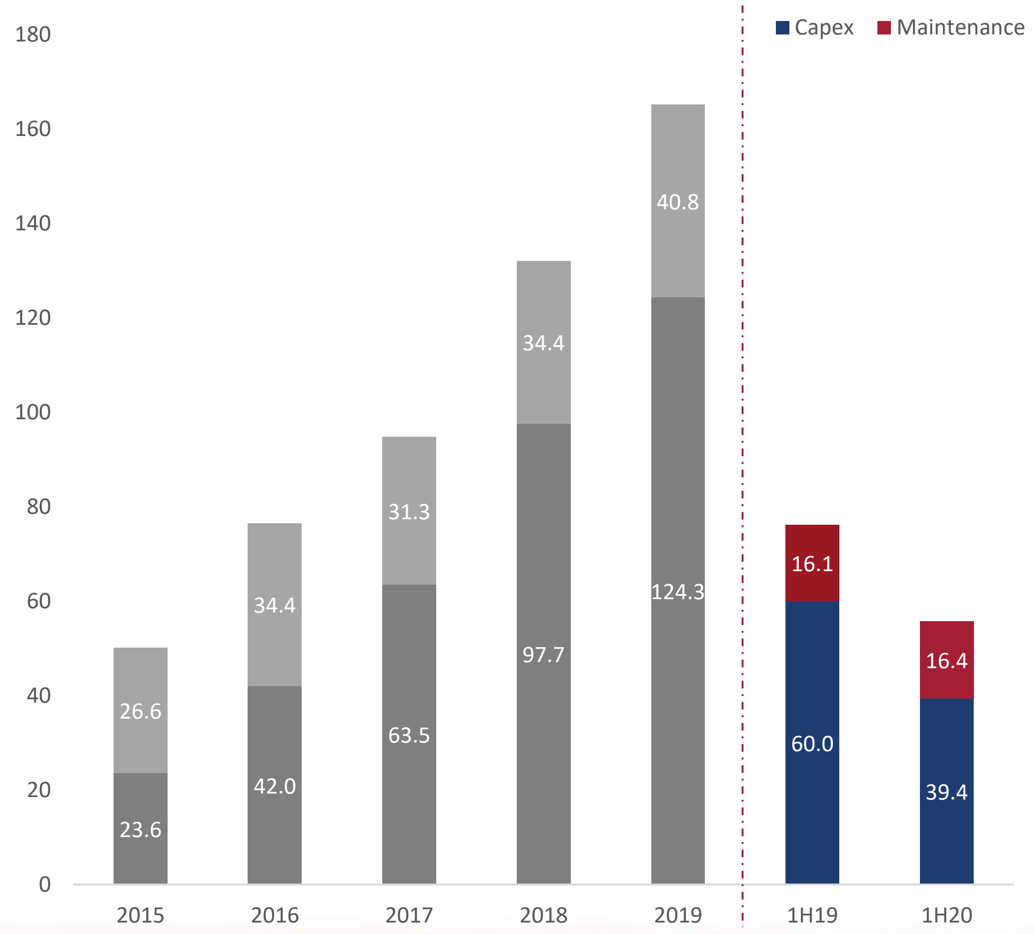
Residential portfolio vacancy rate



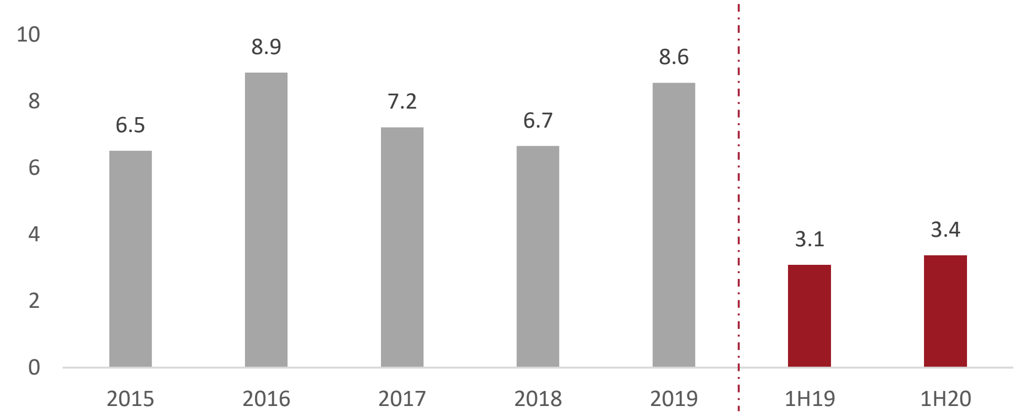
Please note that the numbers for the years 2015-2019 are provided for your convenience and serve for illustrative purposes of combining ADO Properties and ADLER Real Estate only. Metrics have been computed by using weighted averages on the back of publicly available information.

4. Investments in the portfolio continue

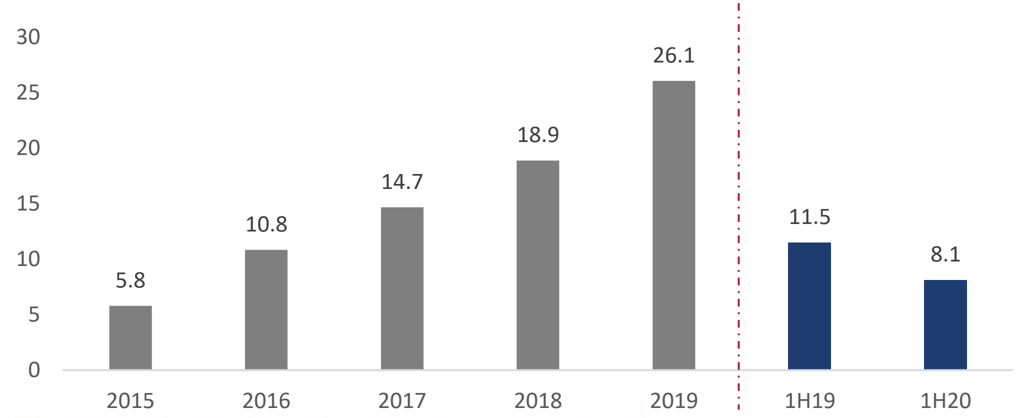
Total Capex and Maintenance (€m)



Maintenance expense (€/sqm)



Capex invested (€/sqm)



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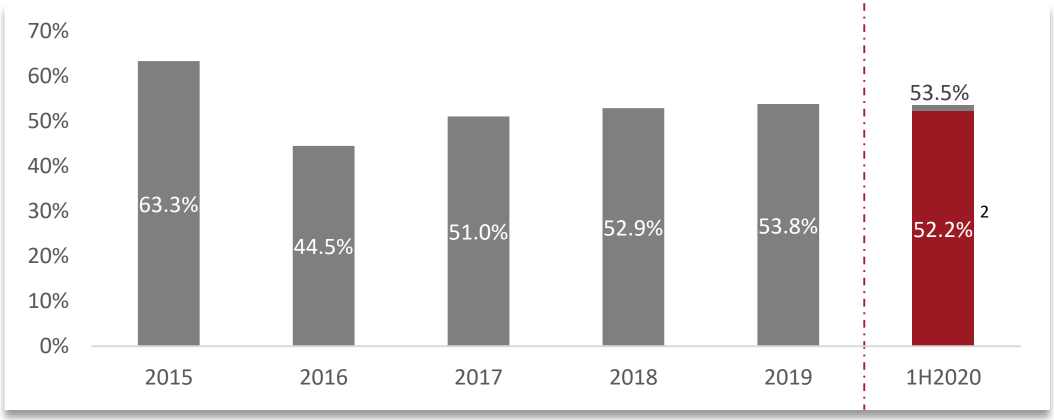
4. Maintaining average cost of debt at attractive levels

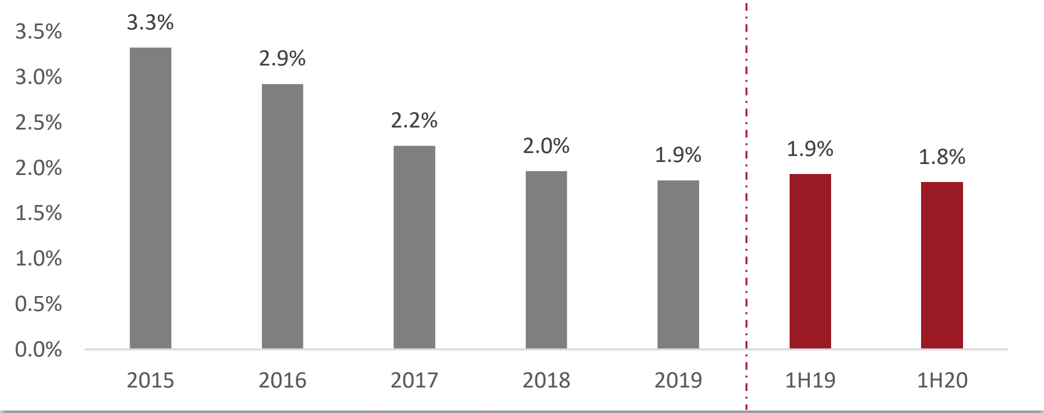
Net loan to value[1]



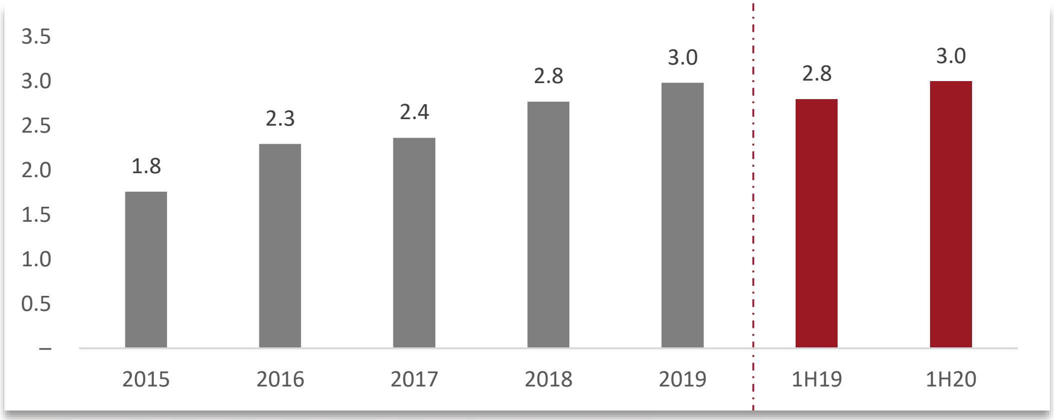
Recent developments

- In February 2020, c.€300m of non-euro bonds of ADO Group were fully repaid. The repayment was funded through cash and a €175m increase in the existing ADLER bridge, increasing the amount to only €885m of the initial €3.5bn bridge which moved to ADO level and was lowered to €2.4bn in Q2
- Management remains committed to bringing the LTV down towards 50% in the mid-term

Weighted average cost of debt



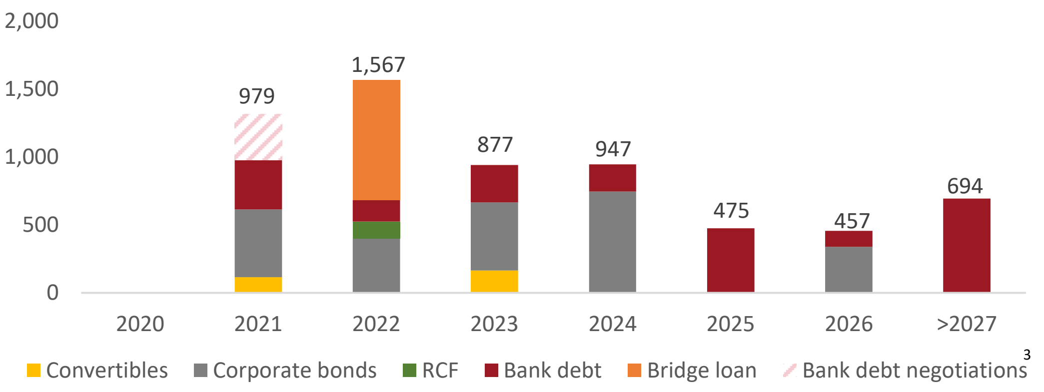
Interest cover ratio



1 Including convertibles 2 Excluding convertibles
Please note that the numbers for the years 2015-2019 are provided for your convenience and serve for illustrative purposes of combining ADO Properties and ADLER Real Estate only. Metrics have been computed by using weighted averages on the back of publicly available information.

4. Actively extending maturities with €339m under discussion

Debt maturity schedule (€m)



Recent developments

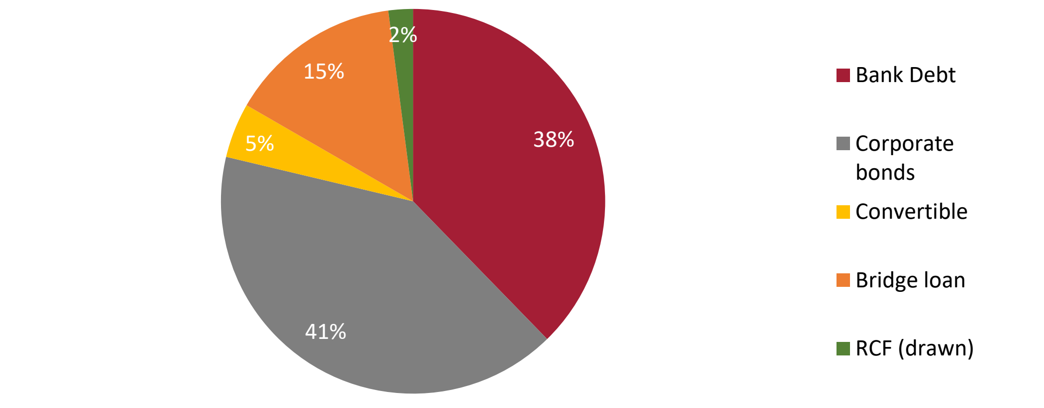
- Post the H1 20 balance sheet date, on 29 July 2020 we successfully placed a €400m single tranche bond with a 5-year maturity and a 3.25% fixed coupon in order to refinance existing debt
- Management is committed to a financial policy aimed at preserving a solid capital structure and our focus remains to achieve an investment grade rating in due course

Debt KPIs

Total interest-bearing debt (€m)	5,996
Net LTV	52.2%[2] 53.5%[1]
ICR (x)	3.0
Fixed / hedged debt	81.3%
Unsecured debt	62.3%
Weighted average cost of debt	1.84%
Weighted average maturity	3.7 years

Corporate rating S&P	BB
Outlook S&P	Stable
Corporate rating Moody's	Ba2
Outlook Moody's	Stable
Bond rating S&P	BB+
Bond rating Moody's	Ba2

Sources of funding

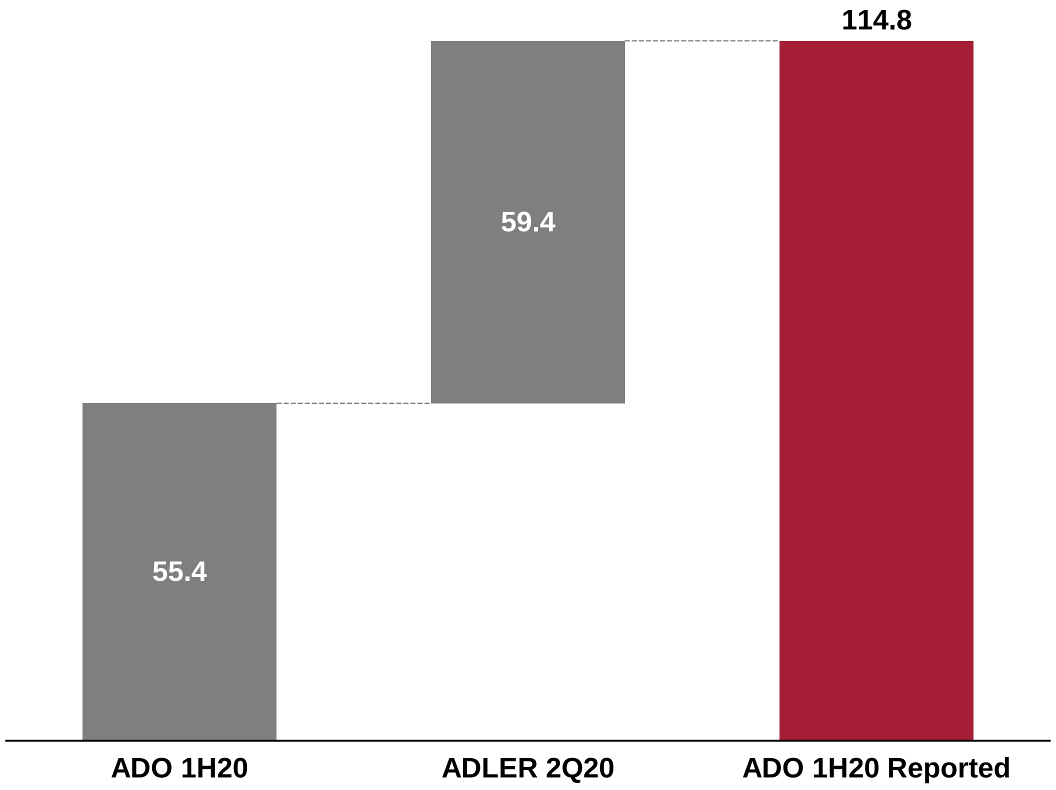


1 Including convertibles, 2 Excluding convertibles, 3 relates to €339m in 2021 which are already in advanced stages of refinancing discussions or already committed refinancing

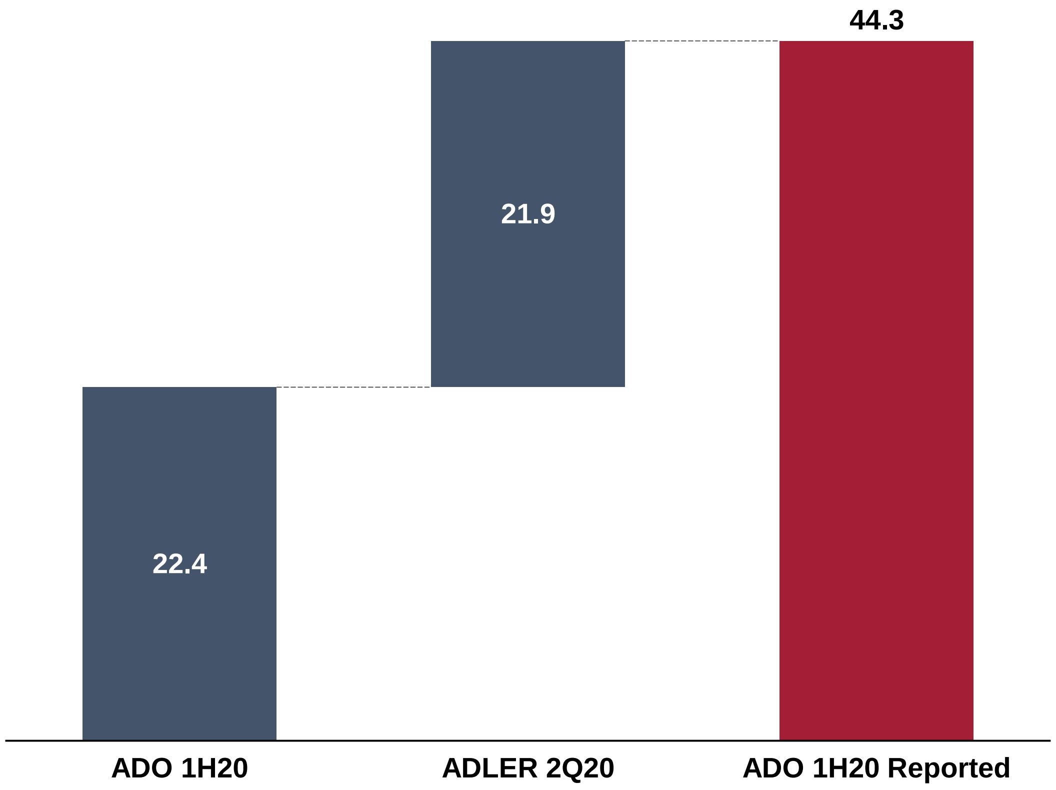
5. Guidance

5. Breakdown of H1 2020 reporting

Net Rental Income (€m)



FFO I (€m)



5. 2020 guidance reiterated despite COVID-19

Objectives 2020

	2020 Guidance *(i.e. combining the companies as of the effectuation in April 2020)*	**2020 Pro-forma Guidance** *(i.e. combining the companies for the whole year 2020)*
Net rental income (€m)	**€280-300m**	**€340-360m**
FFO I (€m)	**€105-125m**	**€120-140m**
Dividend (€/share)	**50% of FFO I**	**-**

Ahornstraße Steglitz

Allerstr. 46 Neukölln

Key takeaways

- **Acquisition of ADLER successfully completed**
- **Integration between ADO and ADLER ongoing**
- **Fair value uplift of +2.3% despite Berlin rent freeze**
- **Successfully completed €457m rights issue with c.98% take up**
- **Successfully placement of €400m 5 year bond**
- **Post exercising of call option owning c.65% of Consus**
- **Limited impact of COVID-19 on FFO**
- **Outlook for 2020 reiterated**

Note: the difference between 2020 Guidance and 2020 Pro-Forma Guidance is an accounting treatment that only allows ADO to incorporate net rental income and FFO from ADLER post-closing of the transaction on 9 April 2020. The 2020 Pro-forma guidance shows the net rental income and FFO of both companies combined for the whole year 2020 and does not include any contribution from Consus.

An experienced management with operational expertise

**Maximilian Rienecker
(Co-CEO & Director)**

- Corporate Strategy
- M&A
- Financing
- Accounting, Treasury
- Tax
- Communications, Investor Relations
- Audit

**Thierry Beaudemoulin
(Co-CEO & Director)**

- Asset Management
- Transaction/ Acquisition
- Property Management/ Letting
- Technical Management
- IT
- Digital
- Facility Management
- Procurement
- Innovation & Product Development

Sven-Christian Frank

- Legal
- GDRC (Governance, Data Protection, Risk Management, Compliance)
- Public Affairs
- CSR/ESG/HSE[1]
- Human Resources

Jürgen Kutz

- Development
- Architecture
- Construction

1 Corporate Social Responsibility, Environment, Social, Governance, Health, Safety and Environment

Contact

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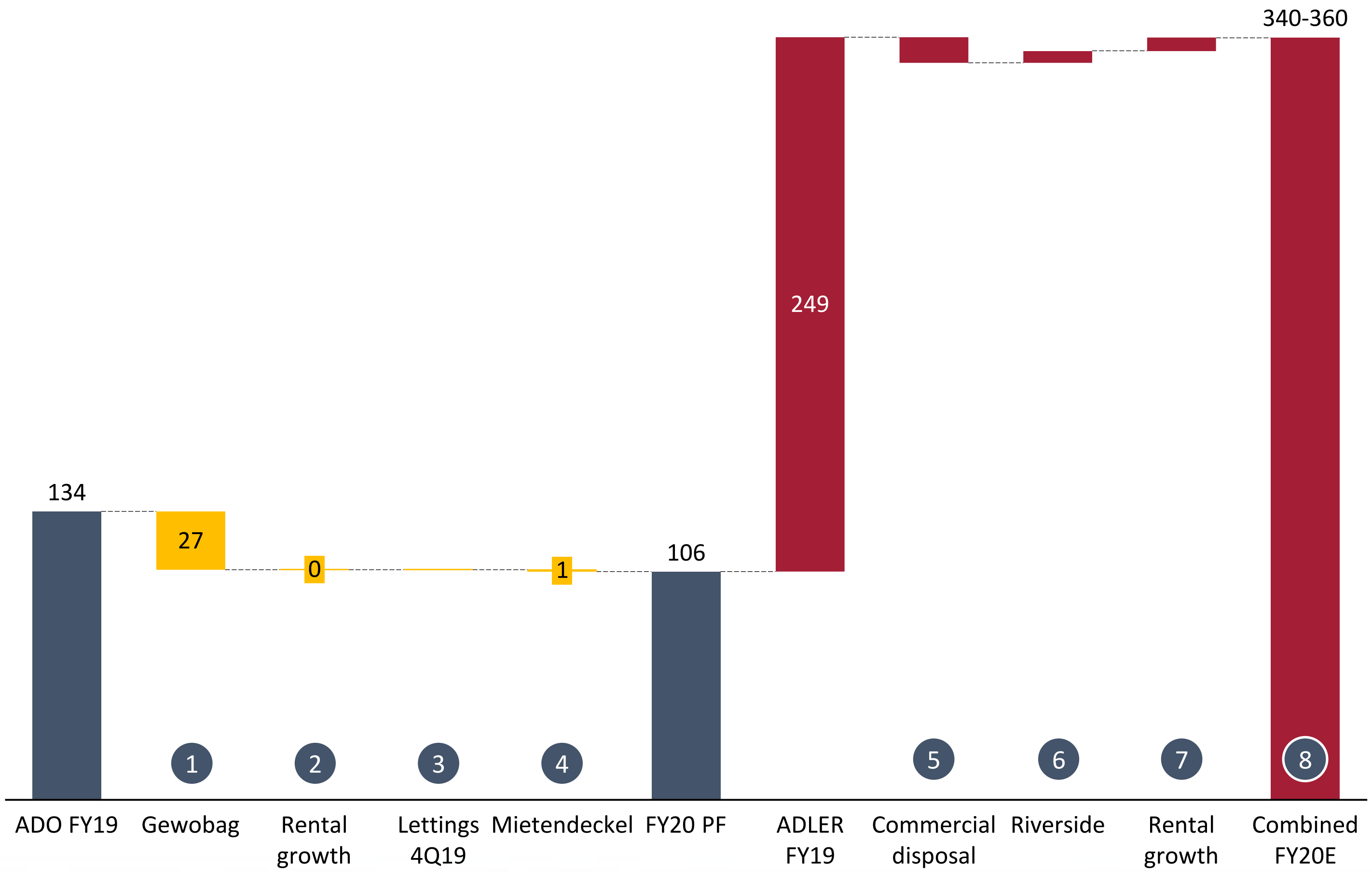
6. Appendices

Detailed overview on Guidance

Proforma NRI and FFO I for 2020E

Annualized pro forma net rental income of €340-360m for 2020E

Annualized pro forma NRI in the range of €340-360m for existing portfolio for 2020E



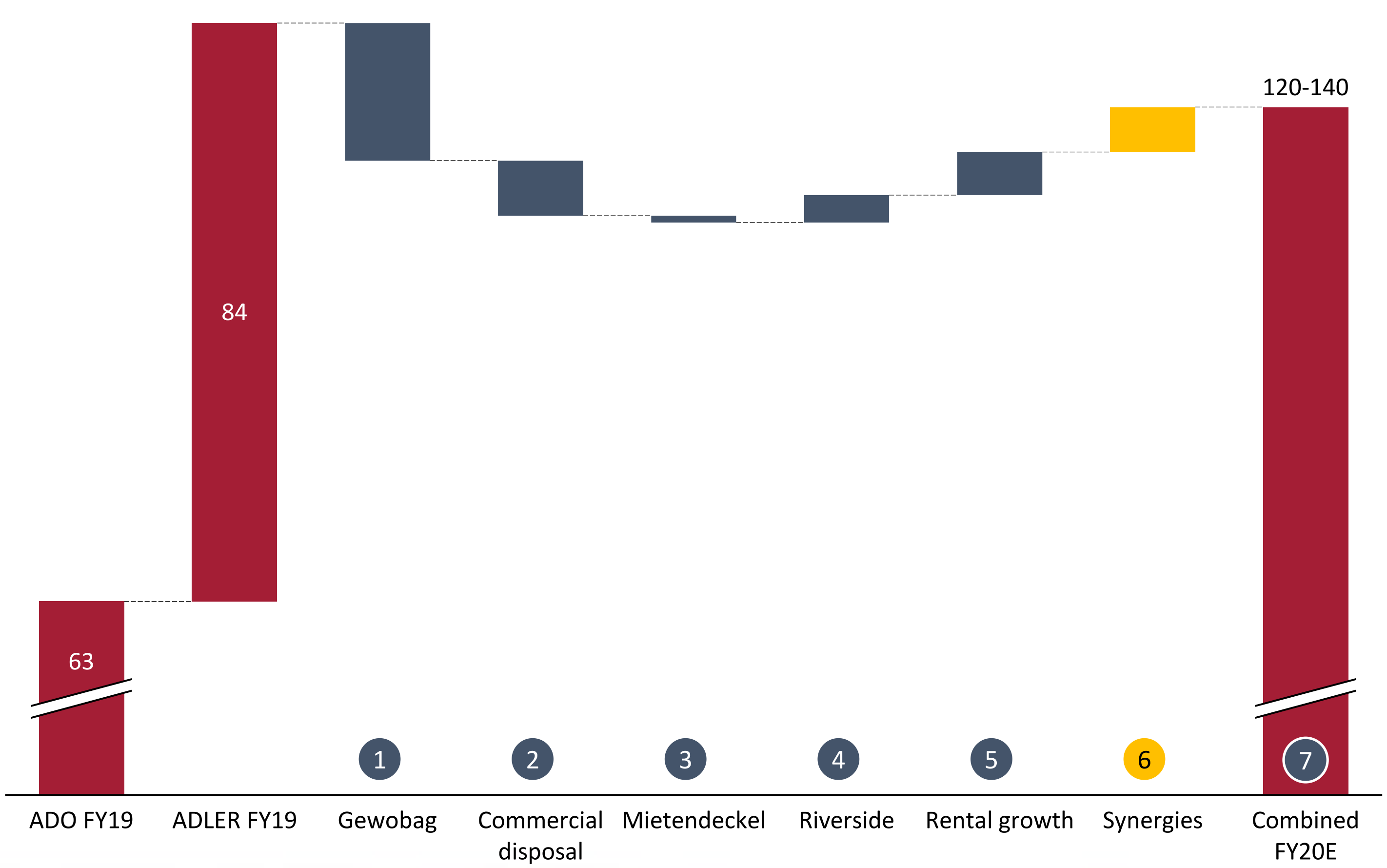
Legend

1. First full year effect from the €920m disposal of 5,900 units to Gewobag effective 1 December 2019
2. Berlin rental growth at zero under new legislation
3. Letting activity in 4Q19 lowering vacancy whilst adding to NRI
4. Downward adjustment of rents to caps under new legislation initially at -€1.2m in 2020E and -€9.4m in 2021E
5. First full year effect from €345m 2019 and anticipated closings in 2020 of BCP commercial asset disposals
6. Lease-up phase of Riverside development in Berlin scheduled for completion
7. Organic rental growth for 2020
8. The combined expected NRI for ADO and ADLER is €340-360m. Note that ADO can only consolidate ADLER post-closing, which means consolidated NRI is lower at an expected €280-300m

The numbers reflected concern the 2020E full-year run-rate. Please note that as a result of the accounting treatment of the merger, the accounts will only be consolidated from April 2020 onwards and as such will reflect a lower reported number and the ADLER Q1 20 result will be reflected directly in equity.

Annualized pro forma FFO I to grow to €120-140m for 2020E

Annualized pro forma FFO I of €120-140m generated by existing portfolio* for 2020E



Legend

1. First full year effect from the €920m disposal to Gewobag, corrected for impact of lower overhead and lower financing costs
2. First full year effect from €345m 2019 BCP retail asset disposals, corrected for impact of lower overhead and financing costs
3. Downward adjustment of rents to caps under new legislation
4. Lease-up phase of Riverside development in Berlin
5. Berlin indexation at zero under new legislation, but indexation and reversionary in the rest of Germany to continue at a rate of c. 2% LFL
6. First operational synergies expected to be visible in 2020
7. The combined expected FFO I for ADO and ADLER is €120-140m. Note that ADO can only consolidate ADLER post-closing, which means consolidated FFO I is lower at an expected €105-125m

*Illustrating the run rate impact of synergies to be realized in 2020E, excluding one off expenditures related to the integration.
The numbers reflected concern the 2020E full-year run-rate excluding Consus. Please note that as a result of the accounting treatment of the merger, the accounts will only be consolidated from April 2020 onwards and as such will reflect a lower reported number and the ADLER Q1 20 result will be reflected directly in equity.

Overview of debt instruments

Overview of debt instruments

Instruments at 30 June 2020

	Book value €m	Volume €m	Maturity	Nominal interest rate	Other comments	Premature redemption	Rate, at which premature redemption is possible
Adler Bonds							
2017/21	495	500	06 Dec 2021	1.50%		Anytime	Under condition of make whole
2017/24	288	300	06 Feb 2024	2.10%		Anytime	Under condition of make whole
2018/23	487	500	27 Apr 2023	1.90%		Anytime	Under condition of make whole
2018/26	283	300	27 Apr 2026	3.00%		Anytime	Under condition of make whole
2019/22	394	400	17 Apr 2022	1.50%		Anytime	Under condition of make whole
Total	**1,947**	**2,000**	**2.8 years**	**1.91%**			
BCP Bonds							
Debenture B	47	47	01 Dec 2024	3.29%		Permitted	Under condition of make whole
Debenture C	37	37	01 Jul 2026	3.31%		Permitted	Under condition of make whole
Total	**84**	**84**	**5.1 years**	**3.30%**			
ADO Bonds							
2019/24	398	400	26 Jul 2024	1.50%		Permitted	Under condition of make whole
Total	**398**	**400**	**4.1 years**	**1.50%**			
Convertibles[1]							
Adler 2016/21	115	115	19 Jul 2021	2.50%	Strike price of €12.5039, no. of potential ADLER shares from conversion: 9.3m	Conversion from 19 Jul 2019	At face value, if trading at more than 130% of strike price for at least 20 out of 30 trading days
ADO 2018/23[2]	97	102	23 Nov 2023	1.25%	Strike price of €60.60	Conversion from 14 Dec 2021	At face value, if trading at more than 130% of strike price for at least 20 out of 30 trading days
Total	**212**	**217**	**2.2 years**	**1.91%**			
Bank debt	**2,205**	**2,285**	**5.1 years**	**1.81%**			
Bridge loan	**886**	**885**	**2.5 years**	**1.90%**			
RCF	**125**	**125**	**1.7 years**	**1.35%**			
Total interest bearing debt	**5,855**	**5,996**	**3.7 years**	**1.84%**			

1 Conversions are reflected 2 With the acquisition of ADLER on 9 April 2020, ADO Properties effectively repurchased 38.24% of its outstanding convertible bond which is then netted from Group's perspective

ADO Properties

First half 2020 financials

ADO - Profit and loss statement

Profit and loss statement per 30 June 2020

In €m, except per share data	H1 2020		H1 2019
Net rental income	115		68
Selling of condominiums	27		8
Income from facility services / charged utility costs	33		4
Revenue	**175**	1	**80**
Cost of operations	-74	2	-22
Gross profit	**101**		**58**
General and administrative expenses	-27		-9
Other expenses	-25	3	-
Other income	79	4	-
Changes investment properties fair value	141	5	259
Results from operating activities	**269**		**308**
Finance income	4		7
Finance costs	-158		-16
Net finance costs	**-154**	6	**-9**
Income tax expense	-29		-45
Profit for the year	**86**		**254**
Profit attributable to:			
Owners of the Company	57		250
Non-controlling interest	29		4

Comments

1. Revenue increased due to the consolidation of ADLER since the beginning of Q2 2020. The selling of 20% of the portfolio in 2019 and the Berlin rent freeze had an offsetting effect. ADLER contributed to the net rental income €59m, selling of condominiums €24m and income from facility services / charged utility costs in the amount of €30m.
2. Cost of operations mainly relates to salaries and other expenses, costs of apportionable utilities, costs relating to the selling of condominiums and costs for property operations and maintenance. In total, ADLER’s business contributed €60m since beginning of Q2 2020.
3. Other expenses are mainly due to the business combinations of ADO Properties and ADLER and ADO Properties and Conus Real Estate AG as well as the related legal and consulting fees.
4. The preliminary purchase price allocation of ADLER resulted in a gain of €75m which was recognized in other income. The remaining other income relates mainly to the reduction of existing liabilities.
5. The fair value adjustment for the residential portfolio of ADO Properties without ADLER was positive at €10m despite the impact of the rental freeze in Berlin. A positive fair value adjustment of €131m was recognized for the residential portfolio of ADLER (including development projects). COVID-19 had no significant effect.
6. The increase in net finance costs is mainly due to consolidation of ADLER with €29m and revaluation of the call option for Consus resulting in financial expenses of €92m (when the call option was granted at the end of 2019, financial income of €92m was recognized). Further increase is mainly due to refinancing costs, interest of new bridge loan (€885m) and valuation effects.

ADO - Statement of other comprehensive income

Other comprehensive income per 30 June 2020

In €m, except per share data	H1 2020		H1 2019
Profit for the year	**86**		**254**
Hedging reserve classified to profit or loss, net of tax	-		-
Effective portion changes fair value cash flow hedges	1		-1
Related tax	0		0
Reserve financial asset at fair value, net of tax	-47	1	-
Total other comprehensive income	**-46**		**-1**
Total comprehensive income for the period	**39**		**253**
Total comprehensive income attributable to:			
Owners of the Company	10		249
Non-controlling interests	29		4
Total comprehensive income for the period	**39**		**253**

Comments

1. Reserve financial asset measures mainly the difference in value of the strategic stake in Consus between end of 2019 and the reporting date and is directly reflected in equity

ADO - Balance sheet

Balance sheet per 30 June 2020

In €m	H1 2020		FY 2019
Investment properties including advances	8,825	1	3,631
Investment in Consus	201	2	186
Call Option for Consus shares	0	2	92
Other non-current assets	495	3	23
Non-current assets	**9,521**		**3,932**
Cash and cash equivalents	396		388
Other current assets	468	4	76
Current assets	**864**		**464**
Total assets	**10,385**		**4,396**
Interest-bearing debt	5,879	5	1,332
Other liabilities	244		127
Deferred tax liabilities	797	6	239
Total liabilities	**6,920**		**1,698**
Total equity attributable to owners of the Company	2,936		2,647
Non-controlling interests	529		52
Total equity	**3,465**	7	**2,698**
Total equity and liabilities	**10,385**		**4,396**

Comments

1. Investment properties increased by €4,930m due to consolidation of ADLER; increase in fair value of €141m in Q2 2020 including ADLER.
2. Since end of 2019, the Group holds 25.78% of Consus. On June 29, 2020, the call option was exercised, settlement was on July 2, 2020 because it was subject to the successful launch of rights issue (€450m), which had to be approved by the CSSF. As of June 30, 2020 the Group did not have control over Consus.
3. Other non-current assets increased mainly due to investment in associated companies (€76m) as well as purchase price receivables and other financial assets (333m).
4. Other current assets increased mainly due to the consolidation of ADLER. Trading properties increased by €86m due to consolidation of ADLER to €107m. Fair value of trading properties amounts to €122m at the end of Q2.
5. Interest-bearing debt consists of bank loans and capital market debt and reflects consolidation of ADLER. On April 9, 2020, the Company refinanced the €885m bridge loan of ADLER with a €885m bridge loan utilizing the bridge facility agreement with syndicate of banks.

   Deferred tax liabilities increased due to consolidation of ADLER and increase in fair value of investment properties.
6. Equity attributable to shareholders of the company increased due to issuance of shares in connection with the business combination with ADLER (€600m) and then decreased due to treasury shares (€320m – shares in ADO Properties held by ADLER).
7. Non-Controlling Interest increased mainly due to the consolidation of ADLER in Q2 2020.

ADO - FFO and EPRA NRV bridge

FFO calculation

In €m, except per share data	H1 2020	H1 2019	
EBITDA from rental activities	77	47	1
Net cash interest	-28	-14	
Current income taxes	-3	-1	
Non-controlling interest[1]	-2	-	
FFO I (from rental activities)	**44**	**33**	2
Maintenance capital expenditures	-9	-4	
AFFO (from rental activities)	**35**	**29**	
Net profit from privatizations	5	1	
FFO II (incl. disposal results)	**49**	**34**	
No. of shares (basic)	50	44	
FFO I per share	**0.88**	**0.76**	
FFO II per share	**0.99**	**0.78**	

1 EBITDA from rental activities increased due to the consolidation of ADLER. Q2 reflects an annualized EBITDA from rental activities of 196m for the year 2020. The sale of 20% of the portfolio to Gewobag in 2019 and the “Mietendeckel/ Mietpreisbremse” in Berlin had a counteracting effect.

2 ADLER has contributed to the FFO 1 in H1 2020 in an amount of €22m.

EPRA NRV calculation

In €m, except per share data	H1 2020		FY 2019
Total equity attributable to owners of the Company	2,935		2,647
Fair value of derivative financial instruments	13		6
Deferred tax liabilities	792		239
Revaluation of trading properties	15		14
EPRA NAV	**3,755**		**2,906**
Real estate transfer tax on investment properties	563		231
EPRA NRV	**4,318**	1	**3,137**
No. of shares (basic)	57.3		44.2
EPRA NRV per share	**75.32**		**70.98**
Convertibles	99		160
EPRA NRV (fully diluted)	**4,417**		**3,297**
No. of shares (diluted)	59.0		46.9
EPRA NRV per share (fully diluted)	**74.84**		**70.24**

Pro-forma EPRA NRV calculation

In €m, except per share data	H1 2020
Pro-forma EPRA NRV (post rights issue)	4,775
Pro-forma EPRA NRV per share[2] (post rights issue)	54.17
Pro-forma EPRA NRV (post rights issue and Consus)	5,527
Pro-forma EPRA NRV per share[3] (post rights issue and Consus)	45.96

1 EPRA NRV amounts to €4,318m or €75.32 per share as of 30 June 2020. EPRA NRV has replaced EPRA NAV. Difference between NRV and NAV involves the real estate transfer tax of the properties held, which was deducted for the purposes of property valuation and is being added again, since a sale is currently not expected.

1 Non-controlling interest (30.2%) in FFO 1 from Brack Capital Properties N.V. (BCP)
2 Calculation is based on adjusted number of shares post rights issue of 88.1m of shares
3 Calculation is based on adjusted number of shares post rights issue and Consus of 120.2m of shares assuming 100% ownership of Consus post VTO

CONSUS

Recent disposals

Disposing non-strategic projects streamlines Consus portfolio

- On May 8, 2020, Consus sold **17 development projects** with a **GAV of €0.6bn, reducing** project **debt** by **~€475m post closing; net cash proceeds of €215m**
- On May 20, 2020, Consus **further sold 8 projects** with a **GAV of €0.4bn, to reduce** project **debt** by further **€0.4bn post closing**
- Post transactions, Consus total GAV is €2.8bn with a Net Debt of €1.7bn, and an estimated GDV of €8.0bn
  - **Of which ~€1bn GAV landbank is expected for build-to-hold with a GDV of ~€4.7-5.3bn**

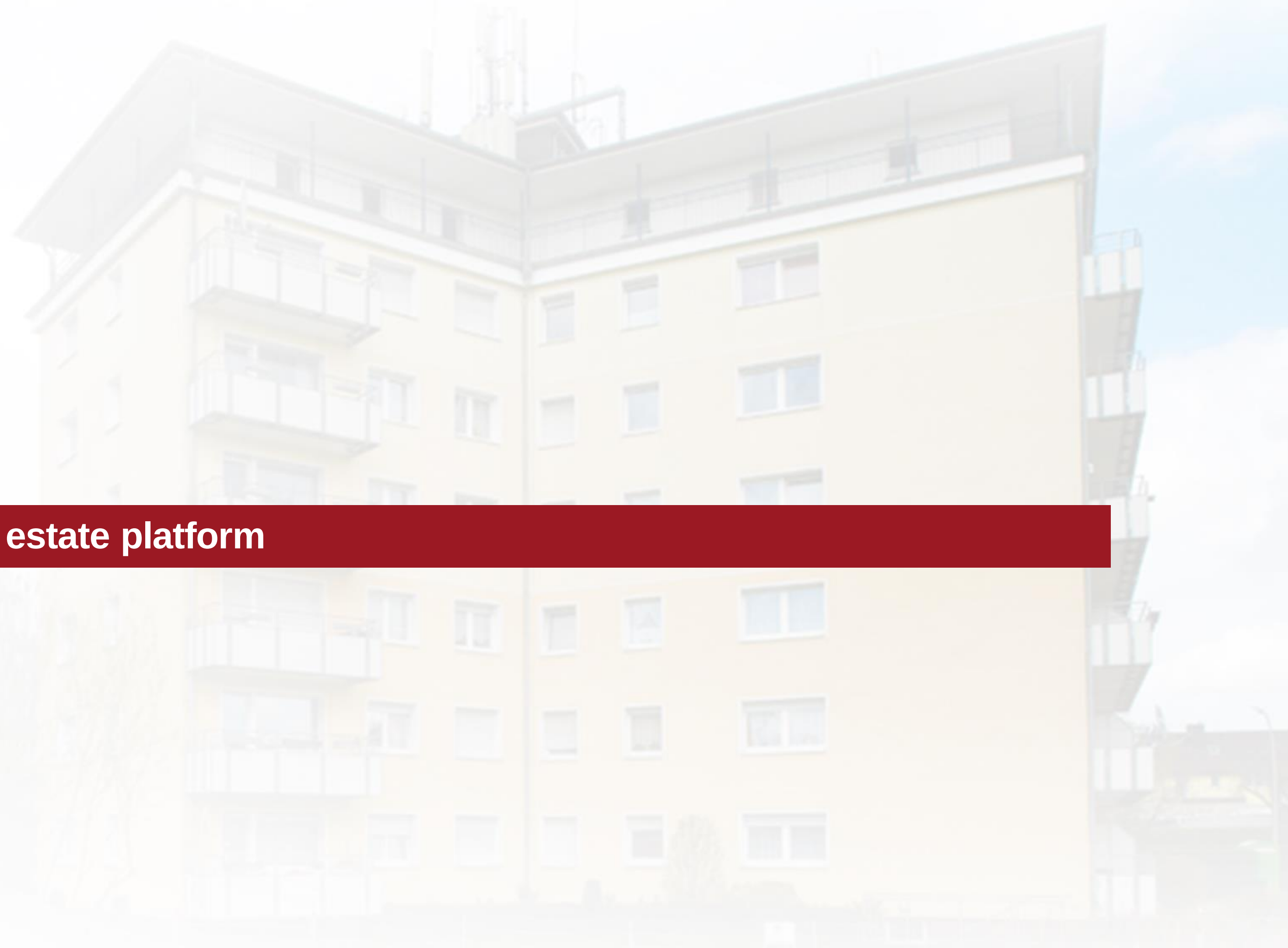
	As of Q1-2020		Sale of 17 projects on May 08, 2020		Pro-Forma		Sale of 8 projects on May 20, 2020		Pro-Forma
Number of projects	65	–	17	=	48	–	8	=	40[2]
GAV	€3.8bn	–	€0.6bn	=	€3.2bn	–	€0.4bn	=	€2.8bn
Total Debt	€3.0bn 7.8%	–	€0.5bn	=	€2.5bn	–	€0.4bn	=	€2.1bn 7.4%
Secured Debt	€2.3bn	–	€0.5bn	=	€1.9bn	–	€0.4bn	=	€1.5bn
Cash	€0.2bn	+	€0.2bn	=	€0.4bn	+	n/m	=	€0.4bn[1]
Net debt	€2.8bn	–	€0.7bn	=	€2.1bn	–	€0.4bn	=	€1.7bn

x% Cost of debt

Source: Company information; publicly available information, management estimates
1 Adjusted for €27.5m cash payment for the 25% minority stake acquisition in Consus RE; Excludes Transaction costs
2 Includes Grand Central project, yet to be closed

Transaction overview

Creation of a fully integrated residential real estate platform



The creation of a Germany wide residential real estate platform

ADLER REAL ESTATE

- **In December 2019, ADO launched an all share voluntary exchange offer for ADLER and acquired a strategic minority stake in Consus**
  - **following successful public offer, ADO owns ~95%1 of ADLER**
- **The Group owns ~26%[2] in Consus as of mid-December and has an option to acquire ~69m Consus shares from Aggregate Holdings**

ADO → *~95%[1]* → ADLER

ADO → *~26%[2]* → Consus

ADO

- **Rights issue: €450m[3] fully underwritten rights issue successfully completed on 21 July 2020**
- **Dividend: proposing one-time suspension of dividend, reverting to dividend payout of 50% of FFO I thereafter**

CONSUS REAL ESTATE

- **In May 2020, Consus sold 25 non-strategic developments to decrease net debt by €1.1bn post closing**
- **Consus call option: exercise of the call option to acquire control in Consus**
  - **Post execution of the call option, ADO now owns c.65% in Consus**
- **Voluntary exchange offer: anticipated to be launched in Q4 for all remaining shares in Consus**

ADO → *~65%* → Consus

- *Voluntary exchange offer for minorities*
- *Intention to implement domination agreement*
- *Refinancing synergy generation targeted*

Source: Company information
1 Includes market purchased shares
2 Including existing stake of 3.6% owned by ADLER, prior to dilution on the back of Consus' announced share deals
3 Initially announced "up to €500m" rights issue to be sized to €450m subject to proposed one-time cancellation of dividend
4 Based on 0.2390x exchange ratio adjusted for a TERP factor of 1.14

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