

FY

2022 / 2023

Publication of audited reports

30 September 2024

Audit process – background and milestones

The publication of the Adler Group 2022 and 2023 audited annual report follows a lengthy process of appointing new audit firms after the resignation of the former auditor

Background

- ❑ **17 May 2022:** Following the completion of the 2021 financial statement audit, KPMG Luxembourg notified the company of their resignation from the auditing mandate
- ❑ **11 Jan 2023:** KPMG AG Wirtschaftsprüfungsgesellschaft rejected the judicial appointment as auditor for the audit of the stand-alone and consolidated financial statements for the financial year 2022 of ADLER Real Estate
- ❑ **Since May 2022:** Adler Group took intensive efforts to engage an auditor. Adler Group also informed relevant authorities to prevent penalties and published unaudited versions for 2022 and 2023

Milestones

The timeline consists of a horizontal line with four circular markers. The first three markers are white with a green checkmark inside, and the fourth is a solid green circle. Below each marker is a vertical bar containing text. The bars for the first three milestones are light grey, while the bar for the final milestone is dark grey.

- April 2023**
Rödl & Partner to audit Adler RE
 Rödl & Partner agreed to accept an appointment as auditor for the audit of the standalone and the consolidated financial statements of ADLER RE for the financial year 2022
- October 2023**
Appointment of two other auditors
 Morison Köln AG commissioned to audit Consus Real Estate AG
 DOMUS Steuerberatungs-AG WPG to audit the individual financial statements of the German property companies of Adler Group
- November 2023**
Appointment of AVEGA Revision
 The general meeting of Adler Group approved the appointment of AVEGA Revision S.à r.l. as auditor for the standalone and the consolidated financial statements of the Company for the financial years 2022 and 2023
- September 2024**
Publication of audited annual reports for Adler Group 2022 and 2023 and Adler RE 2022

Publication of the audited annual reports 2022 & 2023

Following the completion of the audit on 27 September 2024, both the Adler Group annual reports 2022 and 2023 received unqualified audit opinions from AVEGA Revision S.à r.l.

Unaudited annual reports 2022 & 2023

2022

- Published on 25 April 2023

2023

- Published on 25 April 2024

Both unaudited annual reports are superseded and replaced by the audited annual reports



Audited annual reports 2022 & 2023

- ☑ Both reports published on 30 September 2024
- ☑ The audit was finalised on 27 September 2024; the subsequent event sections cover the period from the balance sheet date until the date of finalisation of the report
- ☑ No restatements and no changes of numbers in the financial statements¹
- ☑ Going concern assumption based on the current situation of the company, i.e. considering the comprehensive recapitalisation completed on 19 September 2024
- ☑ Smaller amendments (primarily editorial and consistency related) in the Notes of the consolidated financial statements and annual accounts
- ☑ **Unqualified audit opinions obtained on the consolidated financial statements and the annual accounts for both years 2022 and 2023**

¹ Except for a revised presentation and classification within the cash flow statement

Overview of the completed recapitalisation

On 19 September 2024, the comprehensive recapitalisation was completed

EXTENSION OF DEBT MATURITIES ✓

- Extension and reprofiling of bond maturities provide ample runway for the orderly disposal of assets:
 - 1L New Money due Dec-28¹
 - 1.5L Notes due Dec-29
 - Reinstated 2L Notes due Jan-30

RIGHT-SIZING OF CAPITAL STRUCTURE ✓

- Equity position significantly strengthened by reinstating €700m of the existing 2L Notes and by converting the remainder of €2,345m² into Perpetual Notes with terms consistent with equity classification under IFRS
- Reinstated 2L Notes and Perpetual Notes repackaged into Investor Notes issued by a new SPV³

ADDITIONAL LIQUIDITY ✓

- Provides up to €337m of liquidity by
 - increasing the 1L New Money by approx. €93m (thereof effective liquidity €87m); and
 - retention of up to €250m disposal proceeds

➤ **Adler Group and its bondholders have jointly stabilised the platform for the years to come, therewith weathering current adverse market conditions**

General notes: For further and detailed information, Adler Group refers to its Ad-hoc announcement from 24 May 2024 and the Investor Update document published on the Group's website
 1. Subject to the redemption of €400m 2028 New Money Notes by Dec-27; 2. Estimated as of 30 Sep 2024 inclusive of accrued PIK; 3. As part of the transaction, holders of the Investor Notes will receive new voting securities that represent 75% of the voting rights in Adler Group S.A. (but 0% of the distribution rights). Common shares to represent 25% of the voting rights in Adler Group S.A. and 100% of the distribution rights.

Change in Senior Management of Adler Group

Update on the Board and Senior Management

- ✓ Following the successful completion of both the 2022/2023 audit process and the recapitalization, Adler Group CFO **Thomas Echelmeyer** will open the perspective for a long-term succession for the Group's CFO position
- ✓ Thomas Echelmeyer will resign from the Board of Directors and Senior Management of Adler Group with immediate effect
- ✓ **Thorsten Arsan** will follow as new Adler Group CFO and member of the Senior Management team, starting on 1 October 2024
- ✓ Thorsten Arsan is a finance and real estate expert with more than 20 years' experience in the industry and various senior positions, most recently the CFO position at Peach Property Group
- ✓ Thomas Echelmeyer will remain with the company until the end of the year allowing a smooth transition period over to the new CFO Thorsten Arsan

Composition of the Board and Senior Management¹



Stefan Brendgen

*Chairman of the Board
Chairman of the Nomination & Compensation Committee
Member of the Audit Committee*



Matthias Moser

*Member of the Board
Member of the Audit Committee
Member of the Nomination & Compensation Committee*



Thilo Schmid

*Member of the Board
Chairman of the Audit Committee
Member of the Nomination & Compensation Committee*

Senior Management



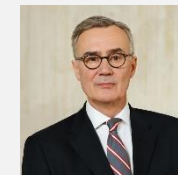
Thierry Beaudemoulin

*Chief Executive Officer
Member of the Board
Chairman of the Ad Hoc Committee*



Thorsten Arsan

Chief Financial Officer



Sven-Christian Frank

*Chief Legal Officer
Member of the Ad Hoc Committee*

Adler Group heading in the right direction

The Company is now in a position to execute its strategy in the interest of all of its stakeholders

**Comprehensive
Recapitalisation
completed** ✓

**Audited financial
statements 2022
and 2023** ✓

**Overall market sentiment
is improving, and asset
valuations are stabilising**

Corporate Agenda

Adler Group S.A. financial calendar 2024

28 November 2024

Publication Q3 2024 Results

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