



ADLER Real Estate Aktiengesellschaft

Berlin

WKN: 500 800

ISIN: DE0005008007

Invitation to the 2018 Annual General Meeting

Dear Shareholders,

You are hereby cordially invited to the Annual General Meeting of ADLER Real Estate Aktiengesellschaft to be held on 30 May 2018 at 10:00 a.m. (CET) at Sofitel Berlin Kurfürstendamm, Augsburgstr. 41, 10789 Berlin, Germany.

Agenda

- 1. Presentation of the adopted annual financial statements and approved consolidated financial statements as of 31 December 2017, the management reports of ADLER Real Estate Aktiengesellschaft and the Group for the financial year as of 31 December 2017, the Supervisory Board report and the Management Board report with explanatory comments on the disclosures made pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (HGB) in each case for the financial year as of 31 December 2017**

Consistent with statutory requirements (§ 172 and § 173 of the German Stock Corporation Act – AktG), no resolution is required to be adopted for Agenda Item 1, as the Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Management Board. The annual financial statements are thus adopted. The conditions under which the Annual General Meeting would be required to pass resolutions on adopting the annual financial statements and approving the consolidated financial statements do not apply.

Information about receipt of the aforementioned documents can be found under "DOCUMENTS FOR SHAREHOLDERS".

- 2. Resolution approving the actions of the Management Board for the 2017 financial year**

The Management and Supervisory Boards propose the adoption of the following resolution:

- a) The members of the Management Board
 - Tomas de Vargas Machuca
 - Maximilian Rienecker
 - Sven-Christian Frankare approved for the financial year 2017.
- b) Approval of the member of the Management Board Mr Arndt Krienen for the 2017 financial year has been postponed.

3. Resolution approving the actions of the Supervisory Board for the 2017 financial year

The Management and Supervisory Boards propose the adoption of the following resolution:

The actions of the members of the Supervisory Board in office in the financial year as of 31 December 2017 are approved for this financial year.

4. Election of auditor and group auditor for the 2018 financial year and of auditor for any audit review required for the half-year financial report in the 2018 financial year

The Supervisory Board proposes the adoption of the following resolution:

The audit company Ebner Stolz GmbH & Co. KG, Hamburg, is hereby elected as auditor and group auditor for the 2018 financial year and as auditor for any audit review required for the condensed financial statements and interim management report included in the half-year financial report pursuant to § 37w (5) and § 37y No. 2 of the German Securities Trading Act (WpHG).

The company does not have an Audit Committee on whose recommendation this draft resolution might be based.

5. New elections to the Supervisory Board

Pursuant to § 96 (1) and § 101 of the AktG as well as § 10 (1) of the Articles of Association, the company's Supervisory Board is composed of three members who are elected at the Annual General Meeting.

Member of the Supervisory Board Thilo Schmid was elected at the Annual General Meeting on 9 May 2014 to be a member of the Supervisory Board for a term ending at the conclusion of the Annual General Meeting at which the actions of the Management Board during the 2017 financial year are formally approved.

Member of the Supervisory Board Thomas Katzuba von Urbisch resigned for personal reasons in a letter dated 17 April 2018 with effect from the conclusion of the Annual General Meeting on 30 May 2018.

Due to the expiration of Mr Schmid's term of office and Mr Katzuba von Urbisch's resignation, the Supervisory Board proposes the adoption of the following resolution:

The persons specified below under a) and b) are hereby elected as members of the Supervisory Board with effect from the conclusion of the Annual General Meeting on 30 May 2018:

- a) **Mr Thilo Schmid**, 53 years old, German citizen, residing in Blotzheim, France, Investment Manager.

As of the convening of the Annual General Meeting Mr Schmid is a member of the following Supervisory Boards or comparable domestic or foreign controlling bodies:

Jedox AG, Freiburg (Chairman of the Supervisory Board)
DTH S.A. Luxembourg (non-executive Member of the Board of Directors)
Mindlab Solutions GmbH, Stuttgart (Advisory Board)
Cynora GmbH, Bruchsal (Advisory Board)

He is not a member of any other legally mandated supervisory boards or comparable controlling bodies of German or non-German companies within the meaning of § 125 (1) sentence 5 AktG.

Mr Schmid is an employee of Care4 AG, Basel, Switzerland. Care4AG is a wholly-owned subsidiary of Wecken & Cie, Basel, Switzerland. Mr Klaus Wecken is the Chairman of the Board of Directors of Care4 AG. Together, Mr Wecken and Wecken & Cie hold a 17.80% interest in ADLER Real Estate Aktiengesellschaft.

a) **Mr Claus Jorgensen**, 52 years old, Danish citizen, residing in London, England, Investment Manager.

Mr Jorgensen is not a member of any other legally mandated supervisory boards or comparable controlling bodies of German or non-German companies within the meaning of § 125 (1) sentence 5 AktG.

After earning an MBA in Finance & Marketing, Mr Jorgensen gained extensive credit trading experience through his many years of employment with major international banks in the areas of banking and capital market transactions and acquisitions. As the Head of High Yield and Strategy, Mr Jorgensen currently develops real estate investment strategies for Fairwater Capital LLP, London.

The intention of Mr Jorgensen's election to the Supervisory Board is for him to take the role of finance expert.

Election to the Supervisory Board shall always be for a term ending at the conclusion of the Annual General Meeting at which the actions of the Management Board during the financial year ending on 31 December 2022 are formally approved.

The intention is to hold individual elections to the Supervisory Board in accordance with the German Corporate Governance Code.

Further information about the knowledge, experience and skills of the proposed candidates as well as their activities in addition to their position on the Supervisory Board can be found in the curricula vitae published in the Investor Relations / Annual General Meeting section of the ADLER Real Estate Aktiengesellschaft website (<http://www.adler-ag.com>).

6. Resolution on an amendment to the Articles of Association on convening the Annual General Meeting

Following an amendment to the German Securities Trading Act (WpHG) that will enter into force on 2 January 2018, the Management and Supervisory Boards propose to amend § 19 (2) of the Articles of Association (Publication of notifications and transmissions by way of remote data transfer) and to reword this paragraph as follows:

"2. The transmission of notifications pursuant to § 125 (1) AktG by financial institutions shall be restricted to electronic communication. The same rule shall apply, insofar as the requirements of § 49 (3) WpHG are met, to the transmission of notifications by the company pursuant to § 125 (2) AktG. The Management Board is authorised to also send notifications on paper; however, there is no entitlement to this."

7. Resolution on adjustments to the amounts of contingent capital pursuant to § 4 (4), (5) and (6) of the Articles of Association

Pursuant to § 4 (4) of the Articles of Association and as a result of the resolution adopted by the Annual General Meeting on 28 June 2012, supplemented by the resolution adopted by the Extraordinary General Meeting on 15 October 2013 and amended as a result of the resolution adopted by the Annual General Meeting on 7 June 2017 to increase the capital stock from company resources, the company has contingent capital of EUR 9,075,000.00 ("Contingent Capital II"). This serves to secure the conversion rights for the 2013/2017 convertible bond (EUR 10 million; 6.0%; divided into 5.0 million convertible bonds in exchange for one new ADLER share) as well as the 2013/2018 convertible bond of (EUR 11.25 million; 6.0%; divided into 3.0 million convertible bonds in exchange for one new ADLER share).

As the 2013/2017 convertible bond (EUR 10 million; 6.0%) expired at the end of June 2017, EUR 5.5 million of Contingent Capital II became obsolete. In addition, as of December 31, 2017, only 1,103,831 bonds with conversion rights to 1,214,104 new shares remained from the 2013/2018 convertible bond (EUR 11.25 million; 6.0%). The Annual General Meeting should therefore adopt a resolution approving a corresponding reduction of the Contingent Capital II to EUR 1,500,000.00.

At the same time, pursuant to § 4 (5) of the Articles of Association and as a result of the resolution adopted by the Annual General Meeting on 22 May 2015, amended by resolutions adopted by the Annual General Meetings on 15 October 2015 and 9 June 2016 and amended as a result of the resolution adopted by the Annual General Meeting on 7 June 2017 to increase the capital stock from company resources, the company has contingent capital of EUR 5,335,000.00 ("Contingent Capital 2015/1"). This serves to secure the conversion rights for the 2016/2021 convertible bond (EUR 137.9 million; 2.5%; divided into 10.0 million bonds in exchange for one new ADLER share). As the existing Contingent Capital 2015/I is insufficient to satisfy all conversion rights from the 2016/2021 convertible bond (EUR 137.9 million; 2.5%), it should be increased to EUR 12,000,000.00.

Finally, pursuant to § 4 (6) of the Articles of Association and as a result of the resolution adopted by the Annual General Meeting on 15 October 2015 and amended as a result of the resolution adopted by the Annual General Meeting on 7 June 2017 to increase the capital stock from company resources, the company has conditional capital of EUR 11,666,666.00 ("**Contingent Capital 2015/2**"). This serves to secure the conversion rights for the 2015/2018 mandatory convertible bond (EUR 175 million; 0.5%; divided into 1,750 convertible bonds in exchange for one new ADLER share). With regard to any adjustments in the conversion price, the amount of existing Contingent Capital 2015/2 is to be increased to EUR 13,000,000.00.

Overall, the company thus has contingent capital totalling EUR 26,500,000, corresponding to just under 50% of the company's capital stock of EUR 57,547,740.00 pursuant to § 4 (4), (5) and (6) of the Articles of Association as of the convening of the Annual General Meeting.

The Management and Supervisory Boards therefore propose the adoption of the following resolution:

7.1 § 4 (4) sentence 1 of the Articles of Association shall be amended and reworded as follows:

"The company's capital stock is conditionally increased by up to EUR 1,500,000.00 by issuing up to 1,500,000 new individual bearer shares (Contingent Capital 2012)."

7.2 § 4 (5) sentence 1 of the Articles of Association shall be amended and reworded as follows:

"The company's capital stock is conditionally increased by up to EUR 12,000,000.00 by issuing up to 12,000,000 new individual bearer shares (Contingent Capital 2015/1)."

7.3 § 4 (6) sentence 1 of the Articles of Association shall be amended and reworded as follows:

"The company's capital stock is conditionally increased by up to EUR 13,000,000.00 by

issuing up to 13,000,000 new individual bearer shares (Contingent Capital 2015/2)."

ENTITLEMENT TO PARTICIPATE

To be entitled to participate in the Annual General Meeting and exercise their voting rights at the Annual General Meeting, shareholders must register at the following address by **midnight (24:00 CEST) on 23 May 2018**:

ADLER Real Estate Aktiengesellschaft
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 89 210 27 289
E-mail: inhaberaktien@linkmarketservices.de

Furthermore, they must provide the company with documentary evidence that they were shareholders in the company at **midnight (0:00 CEST) on Wednesday, 9 May 2018** (record date) by forwarding corresponding certification from their depository financial institution to the company at the above address by **midnight (24:00 CEST) on 23 May 2018** (record date). Registration and proof of shareholding must be submitted in writing (§ 126b of the German Civil Code – BGB) and must be formulated in German or English. Compliance with the registration deadline is based on the date on which registration is received at the company.

SIGNIFICANCE OF THE RECORD DATE

The record date determines the shareholder's eligibility to attend and exercise voting rights at the Annual General Meeting. From the company's perspective, only those persons or institutions who have presented proof of shareholding as of the record date are deemed shareholders entitled to attend the Annual General Meeting and exercise voting rights. Entitlement to attend the Annual General Meeting and the scope of voting rights are measured in terms of the shareholding held by the shareholder on the record date. The shares are not blocked on the record date or upon registration for the Annual General Meeting. Shareholders remain free to dispose over their shares after the record date and following registration. Even when such shareholding is disposed of completely or in part after the record date, shareholders' right to attend and the scope of their voting rights are solely based on their shareholding on the record date. Providing they have registered within the respective deadline and submitted documentary evidence of their shareholding, shareholders who dispose of their shareholdings either completely or in part after the record date are equally entitled to attend the Annual General Meeting and exercise their voting rights. Accordingly, disposals of shares after the record date do not have any implications for entitlement to attend or for the scope of voting rights. The same applies for acquisitions of additional shares after the record date. Persons or institutions who do not own any shares on the record date and who only acquire their shareholdings following the record date are not entitled to attend the Annual General Meeting and are also not entitled to exercise voting rights unless they have been authorised or empowered to exercise such rights. The record date has no implications for potential dividend entitlement.

DOCUMENTS FOR SHAREHOLDERS

The documents referred to in Agenda Item 1 can be viewed at the company premises of ADLER Real Estate Aktiengesellschaft at Joachimsthaler Strasse 34, 10719 Berlin, and in the Investor Relations / Annual General Meeting section of the company's website (<http://www.adler-ag.com>). The provision of this information on the company's website suffices to meet the respective legal obligation. Upon request and submission of proof of shareholding, each shareholder is entitled to be sent a copy of the documents by standard post without delay, on a one-off basis and free of charge. The documents referred to will also be displayed at the Annual General Meeting.

PROXY VOTING PROCEDURES

Each shareholder is entitled to have his or her voting rights exercised at the Annual General Meeting by an authorised party, e.g. a financial institution, a shareholders' association, another person of their choice or the voting proxy appointed by the company. The granting of the power of attorney, any revocation of such, and the proof of such authorisation submitted to the company must be made in writing (§ 126b BGB). Shareholders will be provided with corresponding templates and further information following correct registration.

Financial institutions, shareholders' associations and other equivalent persons, institutions or companies pursuant to § 135 (8) AktG or § 135 (10) AktG in conjunction with § 125 (5) AktG may stipulate different requirements for the form of power of attorney used to authorise them. If they intend to authorise a financial institution, shareholders' association or other equivalent person, institution or company pursuant to § 135 (8) AktG or § 135 (10) AktG in conjunction with § 125 (5) AktG, shareholders are therefore requested to approve the respective form of authorisation with those organisations.

Should the shareholder authorise more than one person, the company may reject one or several such persons. Registration and submission of proof of shareholding pursuant to the aforementioned requirements is also required in cases in which shareholders intend to be represented by other parties.

Authorisations previously granted may also be revoked by the person who granted such authorisation attending the Annual General Meeting in person. To grant powers of attorney, shareholders may use the relevant section on the reverse side of the admission ticket forwarded to them following registration. Such authorisations may nevertheless also be granted in any other correct form. A universally applicable form for granting powers of attorney is also available for downloading from the Investor Relations / Annual General Meeting section of the company's website (<http://www.adler-ag.com>). This form may also be forwarded to shareholders free of charge upon request.

Any powers of attorney, documentary evidence of such and any revocation of such may be communicated to the company at the following address:

ADLER Real Estate Aktiengesellschaft
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 89 210 27 289
E-mail: inhaberaktien@linkmarketservices.de

REPRESENTATION BY VOTING PROXIES APPOINTED BY COMPANY

As an additional service, we provide our shareholders with the option of being represented and having their voting rights exercised in accordance with their instructions by voting proxies appointed by the company. The authorisation must be granted in writing (§ 126b German Civil Code (BGB)) and include instructions for the exercising of voting rights. The form forwarded to shareholders together with the admission ticket can be used for this purpose.

Should no instructions be issued for individual agenda items, the voting proxies will abstain on those items. Shareholders will find further instructions concerning the authorisation of company voting proxies in the documents forwarded to them following registration.

Powers of attorney with voting instructions should be forwarded to the following address by **29 May 2018 (receipt by 18:00 CEST)**:

ADLER Real Estate Aktiengesellschaft
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 89 210 27 289
E-mail: inhaberaktien@linkmarketservices.de

On the day of the Annual General Meeting itself, powers of attorney and instructions issued to voting proxies may be issued, amended or revoked, in all cases in writing, and also at the entrance/exit gate, through to the end of the general debate. Shareholders entitled to attend the meeting and their representatives will be provided with a corresponding form on the day of the Annual General Meeting at the admissions control desk.

The attendance of a shareholder or a suitably authorised third party automatically counts as the revocation of any powers of attorney and instructions previously granted to voting proxies.

Should an individualised rather than collective vote be held for a given agenda item, the instruction issued to the voting proxy for this agenda item is taken to apply to each item of the individualised vote.

TOTAL NUMBER OF SHARES AND VOTING RIGHTS

Upon the convening of the Annual General Meeting, the company's capital stock (capital stock pursuant to Articles of Association and shares issued due to the exercising of conversion rights in connection with convertible bonds issued by the company and not yet entered in the Commercial Register) of 57,549,017 were divided into no-par ordinary bearer shares. The total number of shares corresponds to the total number of voting rights.

SHAREHOLDERS' RIGHTS AND REFERENCES TO EXPLANATORY COMMENTS ON COMPANY WEBSITE

Supplementary motions

Pursuant to § 122 (2) AktG, shareholders whose combined shareholdings are equivalent to one twentieth of the company's capital stock or a prorated amount of EUR 500,000.00 are entitled to request the company to add items to the agenda and announce such. Each new item must be accompanied by a substantiation or a draft resolution. Such requests must be received by the company in writing (§ 126b BGB) at the latest by **midnight (24:00 CEST) on 29 April 2018**. Further information about the 90-day prior ownership requirement and the documentation of such can be found on the internet (see "Publications on Website" below). Please address any such requests in writing to the following address:

ADLER Real Estate Aktiengesellschaft
- Management Board -
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany

The company will publish any additions to the agenda requiring announcement immediately upon receipt in the Federal Gazette (*Bundesanzeiger*) and forward these to media channels expected to circulate the information throughout the European Union. This information will also be published in the Investors Relations/Annual General Meeting section of the company's website (<http://www.adler-ag.com>).

Countermotions and election proposals

Pursuant to § 126 and § 127 AktG, shareholders are entitled to submit countermotions to proposals made by the Management Board and/or Supervisory Board and to nominate candidates for election. This also applies for candidates proposed for election as Supervisory Board members. Any countermotions, including substantiations and shareholders' election proposals, should be exclusively addressed to the following address:

ADLER Real Estate Aktiengesellschaft
c/o Link Market Services GmbH
Landshuter Allee 10
80637 Munich
Germany
Fax: +49 89 210 27 298
E-mail: antraege@linkmarketservices.de

Correct countermotions and election proposals received by the company by **midnight (24:00 CEST) on 15 May 2018** will be published, including the name of the shareholder, the substantiation and any statement by the company's management, in the Investor Relations / Annual General Meeting section of the company's website (<http://www.adler-ag.com>).

Shareholders' rights to information

Pursuant to § 131 AktG, each shareholder is entitled upon request to receive information from the Management Board at the Annual General Meeting on matters relating to the company, including its legal and business dealings with affiliated companies, as well as the situation of the Group and the companies included in the consolidated financial statements provided that such information is necessary for the appropriate assessment of the respective agenda item and the Management Board is not entitled to refuse to provide such information.

Publications on website

Further information about shareholders' rights pursuant to § 122 (2) AktG (minority requests), § 126 (1) AktG (countermotions), § 127 AktG (election proposals) and § 131 (1) AktG (information rights) and the information and documents pursuant to § 124a AktG can be found in the Investor Relations / Annual General Meeting section of the company's website (<http://www.adler-ag.com>).

The voting results will be published at the same internet address following the Annual General Meeting.

Berlin, April 2018

ADLER Real Estate Aktiengesellschaft
The Management Board