



## **Supplementary disclosures pursuant to Section 289a (1) and Section 315a (1) of the German Commercial Code (HGB)**

### **Composition of subscribed capital**

The fully paid-up capital stock of ADLER Real Estate AG amounted to EUR 73,658,680 as at 31 December 2020 (previous year: EUR 71,063,743) and was divided into 73,658,680 no-par bearer shares (previous year: 71,063,743). All shares confer the same rights. Each share grants one vote and determines the bearer's interest in the company's net profit.

### **Restrictions on voting rights and transfers of shares**

No restrictions have been agreed in respect of voting rights or transfers of shares.

### **Direct or indirect voting rights exceeding 10 percent**

The company is aware of the following direct or indirect equity interests accounting for more than 10 percent of voting rights at the end of 2020:

An equity interest in Adler Group S.A., Luxembourg, Grand Duchy of Luxembourg, comprising 70,759,977 voting rights in total. This equates to a share of 93.86 percent in the capital stock on the balance sheet date.

### **Shares with special rights granting powers of control**

There are no shares in the company with special rights granting powers of control.

### **Type of voting right control for employee shareholdings**

Like other shareholders, employees with an interest in ADLER's capital stock exercise their rights of control in accordance with statutory provisions and the Articles of Association. There is no indirect voting right control.

### **Statutory provisions and provisions of the Articles of Association regarding the appointment and dismissal of members of the Management Board and amendments to the Articles of Association**

The appointment and dismissal of Management Board members is based on Sections 84 and 85 of the German Stock Corporation Act (AktG). Accordingly, Management Board members are generally appointed by the Supervisory Board

for a maximum term of five years and cannot be called from office unless for an important reason. Repeated terms in office, or extensions of terms in office, in each case by five years, are permitted. In addition, Section 7 of the Articles of Association stipulates that the number of Management Board members is determined by the Supervisory Board and that the Management Board consists of one or more persons.

In accordance with Section 179 (2) AktG in connection with Section 22 of the Articles of Association of the company, amendments to the Articles of Association that do not concern a change in the purpose of the company require a resolution of the Annual General Meeting, which requires a simple majority of the capital stock represented in the vote. The Supervisory Board is also authorised, under Section 16 of the Articles of Association, to resolve changes to the Articles of Association that relate solely to the wording.

### **Powers of the Management Board to issue and buy back shares**

#### **Authorisation to acquire treasury shares**

By resolution adopted by the Annual General Meeting of ADLER Real Estate Aktiengesellschaft on 11 June 2019, the Management Board is authorised until 10 June 2024 to acquire and dispose of treasury shares up to a total of 10 percent of the capital stock and to use the treasury shares thereby acquired to the exclusion of shareholders' subscription rights. The treasury shares acquired on the basis of this resolution may also be retired. The full wording of the resolution is stated in the invitation to the Annual General Meeting published in the Federal Gazette (Bundesanzeiger) on 29 April 2019. By 2019, the company acquired 2,583,232 treasury shares through three share buyback programmes on the basis of older share buyback authorisations. In 2019, 980,000 of these treasury shares were used as acquisition currency to acquire a property portfolio. In 2020, a further 1,603,232 treasury shares were transferred to Adler Group S.A. as part of a debt-to-equity swap. As at the balance sheet date of 31 December 2020, there were no remaining treasury shares in the company.

#### **Authorised capital as per Section 4 (2) of the Articles of Association**

At the company's annual general meeting on December 15, 2020, the creation of new authorized capital was resolved. According to the new Section 4 (2) of the Articles of Association, the Management Board is authorized to increase the Company's share capital with the consent of the Supervisory Board up to and including December 14, 2025 on one or more occasions by up to a total of EUR 20,000,000.00 against cash and/or to increase contributions in kind by issuing up to 20,000,000 new no-par value bearer shares with a proportionate amount of the share capital of EUR 1.00 each. The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in the cases specified in the new Section 4 (2) of the Articles of Association. The new authorized capital was entered in the Berlin-Charlottenburg commercial register on March 4, 2021.

#### **Authorised capital as per Section 4 (3) of the Articles of Association**

Pursuant to Section 4 (3) of the Articles of Association, the Management Board is authorised until 10 June 2024, subject to the approval of the Supervisory Board, to increase the company's capital stock on one or several occasions by a total of up to EUR 23,000,000 by issuing up to 23,000,000 new no-par bearer shares in return for cash contributions or contributions in kind. The Management Board is authorised, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights in the cases listed in Section 4 (3) of the Articles of Association.

On 29 September 2020, the Management Board resolved, with the approval of the Supervisory Board on 2 October 2020, to utilise the authorised capital pursuant to Section 4 (2) of the Articles of Association and the authorised capital pursuant to Section 4 (3) of the Articles of Association for an increase in share capital against contributions in kind excluding shareholders' subscription rights as part of a debt-to-equity-swap with Adler Group S.A. In the context of the debt-to-equity-swap, the authorised capital pursuant to Section 4 (2) of the Articles of Association was fully utilised in the amount of EUR 12,500,000.00 and the authorised capital pursuant to Section 4 (3) of the Articles of Association was utilised in the amount of EUR 22,607,487.00. This means there is only EUR 392,513.00 left available of the authorised capital pursuant to Section 4 (3) of the Articles of Association. The utilisation of the authorised capital meant that the company's capital stock entered in the Commercial Register was increased from the current level of

EUR 71,063,743.00 to EUR 106,171,230.00 through the issue of 35,107,487 new shares. This capital measure was entered in the Commercial Register of Berlin-Charlottenburg on 23 February 2021.

#### **Contingent capital as per Section 4 (4) of the Articles of Association**

Pursuant to Section 4 (4) of the Articles of Association, the company's capital stock is contingently increased by up to EUR 22,000,000 by issuing up to 22,000,000 new no-par bearer shares (Contingent Capital 2019).

The contingent capital increase exclusively serves to issue shares to the bearers of warrant or convertible bonds issued until 10 June 2024 on the basis of the authorisation granted by the Annual General Meeting on 11 June 2019.

In accordance with the terms and conditions of the respective warrant and/or convertible bonds, the contingent capital increase also serves to issue shares to bearers of warrant and/or conversion bonds furnished with warrant and/or conversion obligations. The contingent capital increase is only executed to the extent that the bearers of warrant and/or convertible bonds exercise their option and conversion rights, or that the bearers of warrant or convertible bonds obliged to exercise their options or convert their bonds meet such obligations to exercise their options or convert their bonds, to the extent that the option or conversion rights are not satisfied by issuing treasury shares or that other forms of settlement are not drawn on to satisfy the respective claims. The new shares enjoy dividend entitlements from the beginning of the financial year in which they are issued, for all financial years for which the Annual General Meeting has not yet adopted any resolutions in respect of the appropriation of profit.

#### **Contingent capital as per Section 4 (5) of the Articles of Association**

Pursuant to Section 4 (5) of the Articles of Association, the company's capital stock is contingently increased by up to EUR 12,000,000 by issuing up to 12,000,000 new no-par bearer shares (Contingent Capital 2015/I).

The contingent capital increase exclusively serves to issue shares to the bearers of warrant or convertible bonds issued until 21 May 2020 on the basis of the authorisation granted by the Annual General Meeting on 22 May 2015 in the version set out in the authorisation adopted by the Annual General Meeting on 9 June 2016.

In accordance with the terms and conditions of the warrant and convertible bonds, the contingent capital increase also serves to issue shares to the bearers of warrant or convertible bonds furnished with option or conversion obligations. The contingent capital increase is only executed to the extent that the bearers of warrant and/or convertible bonds exercise their option and conversion rights, or that the bearers of warrant or convertible bonds obliged to exercise their options or convert their bonds meet such obligations to exercise their options or convert their bonds, to the extent that the option or conversion rights are not satisfied by issuing treasury shares or that other forms of settlement are not drawn on to satisfy the respective claims. The new shares enjoy dividend entitlements from the beginning of the financial year in which they are issued, for all financial years for which the Annual General Meeting has not yet adopted any resolutions in respect of the appropriation of profit.

Following the exercising of conversion rights in connection with the 2016/2021 convertible bond issued on 19 July 2016 (ISIN DE000A161XW6), Contingent Capital 2015/I still amounted to EUR 8,142,544 on the balance sheet date.

### **Authorisation to issue warrant and/or convertible bonds**

#### **2019 Authorisation**

By resolution adopted by the Annual General Meeting on 11 June 2016, the Management Board is authorised, subject to approval by the Supervisory Board, to issue, on one or more occasions up to and including 10 June 2024, bearer or registered warrant and/or convertible bonds with a total nominal amount of up to EUR 700,000,000 with a maximum term of ten years, and to grant the bearers of warrant and/or convertible bonds warrant or conversion rights to up to 22,000,000 new no-par bearer shares in the company in accordance with the more detailed terms and conditions of the warrant or convertible bonds.

Shareholders are intrinsically entitled to subscription rights to the warrant or convertible bonds. The Management Board is nevertheless authorised, subject to approval by the Supervisory Board, to exclude shareholders' entitlement to subscribe to warrant or convertible bonds in specific cases. The Management Board is also authorised to stipulate all further details relating to the issue and furnishing of warrant and convertible bonds and their specific terms and conditions.

### Significant arrangements subject to a change of control following a takeover bid and their repercussions

Bond conditions of the corporate bonds and convertible bonds issued by ADLER Real Estate AG provide for the fact that the respective bond creditors are entitled to demand premature redemption of their bonds on the conditions set out in the terms of the respective bonds in the event of any potential change of control as a result of a takeover bid. The convertible bonds may also be converted at an adjusted conversion price set out in the terms of the bonds. Agreements subject to a change of control also exist with members of the Management Board and certain employees.

### Compensation agreements with the members of the Management Board or with employees in the event of a takeover bid

Each Management Board member has special termination rights, should a change of control event occur. The respective Management Board member is entitled to receive a settlement payment corresponding to the capitalised basic compensation for the originally agreed remaining term of their employment contract, limited to a maximum of two years, should these special termination rights be exercised.

### Supervisory Board compensation

The Extraordinary General Meeting held by the company on 15 October 2015 adopted a resolution determining that, alongside the reimbursement of their expenses, each member of the Supervisory Board should receive fixed annual compensation, the amount of which should be determined by the Annual General Meeting. The company's Annual General Meeting on 7 June 2017 set the Supervisory Board compensation as follows: for the 2017 financial year and subsequent financial years, alongside the reimbursement of their expenses, each Supervisory Board member shall receive annual compensation of EUR 50,000. The Chairman receives EUR 100,000 and his deputy receives EUR 75,000.

Should this compensation and reimbursement of expenses be subject to VAT, then this is also reimbursed by the company in cases where it can be separately invoiced by the Supervisory Board member. Furthermore, the company pays the insurance premiums for the liability insurance taken out to cover the activities of its Supervisory Board members (D&O insurance).

### Corporate governance declaration pursuant to § 289f HGB and § 315d HGB

The corporate governance declaration is published annually in the Investor Relations/Corporate Governance section of the company's website and can be found at the following URL:  
<http://adler-ag.com/investor-relations/corporate-governance/declaration-of-corporate-governance>

### Closing declaration of the Management Board in the dependency report (section 312 (3) sentence 1 AktG)

In accordance with Section 312 AktG, the Management Board has prepared a report on relationships with affiliated companies and made the following declaration in it: The Management Board declares that, based on the circumstances known to the Management Board at the time the legal transactions were carried out, ADLER Real Estate AG has received appropriate consideration for every legal transaction. Measures in the interest of or at the instigation of the controlling company or its affiliated companies have not been taken and have not been omitted.