

Corporate Governance Report

Principles of Corporate Governance

Adler Group places the highest value on good corporate governance in compliance with all applicable laws while also upholding the principles of ethical business conduct in our daily operations. In order to meet the requirements of good corporate governance at all times, Adler Group adapts its organisation continuously. This relates not only to structures, but also to reporting lines and management processes, taking into account the changing format of the Adler Group.

Effective compliance management is a key pillar of good corporate governance. Based on the general corporate objectives, the Adler Group's management has defined appropriate principles and guidelines to ensure that both the legal representatives and employees of the Adler Group and third parties comply with the applicable rules and laws. Through these principles and guidelines, the Adler Group intends to prevent serious violations of applicable laws and voluntary commitments.

At Adler Group, our compliance management is ingrained within our corporate culture, emphasising adherence to rules and ethical standards. This entails our management's commitment to exemplary compliance behaviour, serving as a guiding example for all. The integrity and responsible conduct of managers across all levels are pivotal in fostering a culture of compliance. With a primary goal of minimising reputational and financial risks, Adler Group has effectively implemented robust corporate governance practices thus far.

General

The Company's corporate governance practices are governed by Luxembourg law (particularly the Luxembourg

Law of 10 August 1915 on commercial companies, as amended (the "Luxembourg Companies Law") and the Company's articles of association (the "Company Articles")). 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.

The governing bodies of the Company are the board of directors (the "**Board**", and each member of the Board individually, a "**Director**") and the general meeting of the shareholders (the "**General Meeting**"). The powers of these governing bodies are defined in the Luxembourg Companies Law and the Company Articles. Together with the senior management (the "**Senior Management**") which is currently composed of a chief executive officer (the "**CEO**") who has also been appointed as daily manager of the Company (the "**Daily Manager**"), the chief financial officer (the "**CFO**"), the chief legal officer (the "**CLO**"), and the chief restructuring officer (the "**CRO**") the Company's Board manages the Company in accordance with the provisions of Luxembourg law. The Board's duties, responsibilities and business procedures are laid down in specific rules of procedure, the latest version of which was approved by the Board on 28 August 2023.

Board

As a general rule, the Directors are elected by the General Meeting. However, in the event of a vacancy in the office of a Director, the remaining members of the Board may fill such vacancy and appoint a successor to act until the next General Meeting which shall resolve on the per-

manent appointment in compliance with the applicable legal provisions. Five out of seven Directors are independent directors. The only non-independent Directors are the CEO (appointed also as a Daily Manager) and the CFO of the Company.

The Board develops the strategic direction of the Company together with the Senior Management and ensures its implementation. The Board is vested with the broadest powers to take any actions necessary or useful to fulfil the corporate objectives of the Company save for actions reserved by law for the General Meeting.

Changes at Board level

During the year of 2023, the Company further improved its Corporate Governance by enlarging its Board of Directors as the main governing body with the addition of two independent Board members and one non-independent Board member, also in compliance with its established Restructuring Plan. The annual General Meeting (AGM) on 21 June 2023 approved with an overwhelming majority the appointment of Thomas Echelmeyer as non-independent member of the Board of Directors in addition to his current role as CFO of Adler Group. Dr. Heiner Arnoldi and Stefan Brendgen were appointed as additional independent Board members.

Since the end of the financial year 2023, Prof. Dr. A. Stefan Kirsten resigned as a Director (and as Chairman of the Board of Directors of the Company) and Stefan Brendgen was appointed as a new Chairman of the Board with effect as of 19 February 2024.

Composition of the Board

as at 31 December 2023:

Prof. Dr. A. Stefan Kirsten

Independent Director

Dr. Heiner Arnoldi

Independent Director

Mr Thierry Beaudemoulin

Director

Mr Stefan Brendgen

Independent Director

Mr Thilo Schmid

Independent Director

Mr Thomas Echelmeyer

Director

Mr Thomas Zinnöcker

Independent Director

Note: Prof. Dr. A. Stefan Kirsten resigned as Chairman of the Board of Directors as of 19 February 2024, and Stefan Brendgen was elected as new Chairman of the Board with immediate effect as of 19 February 2024.

Prof. Dr. A. Stefan Kirsten

Chairman of the Board of Directors

Prof. Dr. A. Stefan Kirsten studied business in Germany and the USA. He holds a doctorate degree in economics and is teaching at various German universities. From 1986 to 2000, he held positions in auditing and at corporate level with Arthur Andersen, Rheinmetall, WMF, and EMI



Music. In 2000, he became the group chief financial officer of Metro AG, in 2002, the group CFO at ThyssenKrupp AG. From 2007 to 2010, he was chief financial officer and later chief executive officer of Majid al Futtaim Group in Dubai. In 2011, he joined Deutsche Annington as chief financial officer and helped to refinance the company, go public and grow into Vonovia SE. After stepping down from Vonovia SE in 2018, he concentrated on non-executive directorships, i.e., Jeronimo Martins SGPS SA, Footprint International Inc. or Planted AG. He is also an active investor as well as co-founder and chief financial officer of Monarch, a start-up in security-related consulting.



Dr. Heiner Arnoldi

Dr. Heiner Arnoldi studied at the University of Hamburg and received his doctorate from the University of Frankfurt am Main. He worked for Deutsche Bank AG for almost 14 years, most recently as a director of the Global Corporate Finance division. From 2004 to 2006, he was the head of mergers & acquisitions and corporate investments, later as divisional board member at WestLB. From 2007 to 2019, Mr Arnoldi was head of real estate investment banking at Sal. Oppenheim jr. & Cie. AG & Co. KGaA, and since 2017 as a member of the Management Board. From 2019 to 2022, he was a member of the management

board of Deutsche Oppenheim Family Offices. Mr Arnoldi has been a member of the Board of Directors of Adler Group S.A. since June 2023.



Mr Thierry Beaudemoulin

Mr Thierry Beaudemoulin graduated from the Institut d'Etudes Politiques de Paris, France in 1993 and obtained a master's degree in real estate and urban planning from the same institution in 1995. From 1996 to 1998, Mr Beaudemoulin was a special advisor to the chief executive officer of Batigère. Between 1998 and 2000, he was head of property management at Foncia and held positions as asset manager and managing director France at ING REIM (Europe) between 2000 and 2004. From 2004 to 2006, Mr Beaudemoulin was managing director for the Paris region at Batigère. Between 2006 and October 2019, he was chief executive officer at Covivio Germany and a member of the executive board at Covivio.



Mr Stefan Brendgen

Mr Stefan Brendgen studied business administration at Bayreuth University and the University of Cologne. During his career, he held various management positions in the real estate industry, including at DTZ Zadelhoff, Tishman Speyer Properties, and Allianz Real Estate. From 2015 to 2017, he was a board member at IVG Immobilien AG and, among others, chairman of the supervisory board of Triuva Kapitalverwaltungsgesellschaft mbH. He has been chairman of the supervisory board of Instone Real Estate Group SE since 2018 and of HAHN-Immobilien- Beteiligungs AG since 2021. Mr Brendgen has been a member of the Board of Directors of Adler Group S.A. since June 2023.



Mr Thomas Echelmeyer

Mr Thomas Echelmeyer studied business administration at Westfälische Wilhelms-Universität Münster and earned a degree of Diplom-Kaufmann in 1985. He is a certified public accountant and tax advisor. From 1986 to 2007, he worked in the audit and consulting business as an audit partner at Arthur Andersen and since 2002 at Ernst & Young. He has over 36 years of professional experience in finance and accounting, of which he spent ten years (2007 to 2017) as CFO for GWH Immobilien Holding GmbH. From 2017 to 2019, he was chief financial officer in a PE-owned hostel and hotel company. Prior to joining the Company as CFO in June 2022, Mr Echelmeyer had been working on several interim CFO assignments in Germany.



Mr Thilo Schmid

Mr Thilo Schmid held several positions in the software industry including at KHK-Software, in Frankfurt and Basel and was chief technology officer at Aparis Software GmbH. After working as a real estate project controller at the Tivona Group, Basel, he joined Wecken & Cie., a Swiss family office, as an investment manager in 2008, where he is responsible for venture capital and real estate investments.

Mr Schmid has been a member of the Board of Directors of Adler Group S.A. since October 2020. Other current directorships include Adler Real Estate Aktiengesellschaft (Deputy Chairman of the Supervisory Board), DTH S.à r.l. (member of the board of managers), Cynora GmbH (member of the advisory board), and Yeditepe Marina Yatirim Turizm Insaat A.S. (member of the board of directors).



Mr Thomas Zinnöcker

Mr Thomas Zinnöcker studied business administration and earned the degree of a Diplom-Kaufmann at the University of Cologne in 1985. He held various managing positions at Krantz TKT GmbH, Deutsche Telekom Immobilien und Service GmbH, GSW Immobilien AG, Gagfah S.A., Vonovia SE and ista International GmbH. From 2014 to 2020, he was chairman of the board of the Institute for Corporate Governance in the German Real Estate Industry.

From 2006 to 2021, Mr Zinnöcker was a member of the board of the ZIA German Property Federation (Immobilienverband ZIA) and since 2013, Mr Zinnöcker has been a member of the board of trustees of Familienstiftung Becker & Kries and chairman of the board as of 2019. Mr Zinnöcker has been a member of the Board of Directors of Adler Group S.A. since October 2020.

Committees established by the Board

The Board's work takes place through plenary sessions and committees, which exercise their activities under the responsibility of the Board. In 2023 the Company has five committees:

- *the Audit Committee,*
- *the Nomination and Compensation Committee,*
- *the Financing Committee,*
- *the Investment Committee, and*
- *the Ad hoc Committee.*

Following Prof. Dr. A. Stefan Kirsten's resignation as Chairman of the Board of Directors and Stefan Brendgen's subsequent appointment as new Chairman of the Board, the Financing and Investment Committees merged to the Investment Financing Committee with effect as of 28 February 2024. The Committees are expressly governed by the Committees' rules of procedure, the last version of which was adopted by the Board on 28 August 2023 (the "**Committees' Rules of Procedure**"). In accordance with these rules the Committees convene whenever required by the Company's affairs.

Audit Committee

as at 31 December 2023:

Mr Thilo Schmid

Chairman

Dr. Heiner Arnoldi

Mr Stefan Brendgen

Prof. Dr. A. Stefan Kirsten

Note: Following the resignation of Prof. Dr. A. Stefan Kirsten with effect as of 19 February, the Audit Committee comprises of three Board members, Mr Thilo Schmid (Chairman), Dr. Heiner Arnoldi and Mr Stefan Brendgen.

The purpose of the Audit Committee is

- (i) to assist the Board in fulfilling its oversight responsibilities relating to the integrity of the financial statements and the adequacy of internal control systems over financial reporting,
- (ii) to monitor the effectiveness of the Company's internal quality control and risk management systems,
- (iii) to make recommendations for the appointment, compensation, retention, and oversight of the external auditors and consider their independence, and
- (iv) to evaluate whether any transaction between the Company and a related party is a material transaction that would require the approval of the Board and publication

It is not required to submit to the Audit Committee transactions entered into between the Company and its subsidiaries, provided:

- (i) that they are wholly owned; or
- (ii) if not wholly owned, that no other related party of the Company has any interest in that subsidiary.

The Audit Committee also performs other duties imposed by applicable laws and regulations of the markets on which the Company's shares are listed, as well as any other duties entrusted to it. The Audit Committee only has an internal function and reports periodically to the Board on its activities. None other than the above-mentioned decision-making powers or powers of representation were delegated to the Audit Committee. The Chairman of the Audit Committee must be independent of the Company. The Committees' Rules of Procedure do not provide for a fixed membership term.

Nomination and Compensation Committee

as at 31 December 2023:

Prof. Dr. A. Stefan Kirsten
Chairman

Mr Thilo Schmid

Mr Thomas Zinnöcker

Note: Following the resignation of Prof. Dr. A. Stefan Kirsten with effect as of 19 February, Mr Stefan Brendgen was appointed as the Chairman of the Nomination and Compensation Committee (with effect as of 28 February 2024).

The purpose of the Nomination and Compensation Committee is to determine, revise, and assist with the implementation of the remuneration policy, make proposals as to the remuneration of the Senior Management, and advise on any benefit or incentive schemes. It further assists the Board with respect to matters relating to the nomination of candidates for the Board and the Committees, and advises on any benefit or incentive schemes. The Nomination and Compensation Committee decides on behalf of the Board regarding the engagement of executive recruiters and advisors to fill open positions within Senior Management or on the Board and to set the job specifications for such open positions. No other decision-making powers of the Board have been delegated to the Nomination and Compensation Committee. The Nomination and Compensation Committee shall furthermore assist with the preparation of any remuneration report of the Company, to the extent that such a report is legally required. The Committees' Rules of Procedure do not provide for a fixed membership term.

Financing Committee

as at 31 December 2023:

Dr. Heiner Arnoldi
Chairman

Prof. Dr. A. Stefan Kirsten

Mr Thomas Zinnöcker

Note: Following the resignation of Prof. Dr. A. Stefan Kirsten with effect as of 19 February, the Financing Committee was merged with the Investment Committee. The newly formed Investment Financing Committee comprises of three Board members: Dr. Heiner Arnoldi (Chairman), Mr Stefan Brendgen and Mr Zinnöcker (with effect as of 28 February 2024).

The purpose of the Financing Committee is to monitor the Company's financial position (including its assets, liabilities, and cash-flow) and to evaluate the Company's options in terms of funding sources (e.g. debt financing/refinancing, secured/unsecured financing, equity funding, asset sales). It assesses the viability of the existing financing arrangements and seeks to identify any financial challenges or limitations that need to be addressed. In all activities, it particularly relies on information provided by members of Senior Management. In the context of the Restructuring Plan, the Financing Committee shall closely monitor the Company's financial performance and progress, as well as the terms of any potential funding options, for compliance with the business plan. Furthermore, the Financing Committee shall also consider any encumbrance over any assets and shall assist with the arranging and the raising of external financing by any subsidiary of the Group and with the granting of securities, guarantees, and indemnities.

The Board has delegated to the Financing Committee the power to enter into financing transactions with a value ranging between EUR 50,000,000 and EUR 100,000,000 on behalf of the Company or one of its subsidiaries, if permitted by applicable law. No other decision-making powers have been delegated to the Financing Committee. The Committees' Rules of Procedure do not provide for a fixed membership term.

Investment Committee

as at 31 December 2023:

Mr Stefan Brendgen

Chairman

Prof. Dr. A. Stefan Kirsten

Mr Thomas Zinnöcker

Note: Following the resignation of Prof. Dr. A. Stefan Kirsten with effect as of 19 February, the Investment Committee was merged with the Financing Committee. The newly formed Investment Financing Committee comprises of three Board members: Dr. Heiner Arnoldi (Chairman), Mr Stefan Brendgen and Mr Zinnöcker (with effect as of 28 February 2024).

The purpose of the Investment Committee is to consider potential investment or divestment opportunities by the Company, including the evaluation of the viability, profitability, and possible risk factors associated with each opportunity presented to it, in order to make informed decisions and recommendations to the Board. In the context of the Restructuring Plan, the Investment Committee shall closely monitor the Company's investment and divestment performance and progress, as well as the terms of any potential investment/divestment transactions, for compliance with the business plan. The Board has delegated to the Investment Committee the power to enter into a real estate transaction with a value ranging between EUR 50,000,000 and EUR 100,000,000, and into a real estate development property transaction with a value ranging between EUR 25,000,000 and EUR 50,000,000. All transactions need to be consistent with the current strategy of the Company. The decisions may be taken on behalf of the Company or one of its subsidiaries, if permitted by applicable law. No other decision-making powers of the Board have been delegated to the Investment Committee.

The Committees' Rules of Procedure do not provide for a fixed membership term.

Ad Hoc Committee

as at 31 December 2023:

Mr Thierry Beaudemoulin

CEO

Chairman

Mr Thomas Echelmeyer

CFO

Mr Sven-Christian Frank

CLO

Mr Hubertus Kobe

CRO

Note: The Composition of the Ad Hoc Committee remains unchanged as at the time of the report.

The purpose of the Ad Hoc Committee is to resolve the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation. The Ad Hoc Committee shall review, identify and resolve if information is to be considered inside information and if it should be subject to disclosure or whether the prerequisites for a delay in the disclosure of such inside information are applicable. It is a key requirement of the Ad Hoc Committee that its members be available at short notice. The Board has delegated decision-making powers and power of representation in respect of the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation to the Ad-hoc-Committee. The Committees' Rules of Procedure do not provide for a fixed membership term.

The performance of the Board of Directors

The Company is not legally obliged to comply with the German Corporate Governance Code ("GCGC"). As, however, the majority of its business activities are conducted in Germany, the Board has decided to commit to its recommendations. Therefore, the activities of the Board comply with the GCGC in its key respects (see ta-

ble below). All members of the Board have professional skills and qualifications to properly and expertly perform their respective functions. With the exception of the CEO and the CFO, all members of the Board are considered independent.

Unlike the German two-tier supervisory board/management board structure, Adler Group S.A. consists of a one-tier Board structure. Accordingly, any reference to the su-

perisory board below, insofar as it refers to Adler Group S.A., should be understood as a reference to the Board of Adler Group S.A. Similarly, Adler Group S.A. does not have a management board but Senior Management. Accordingly, any reference below to the management board, insofar as it relates to Adler Group S.A., should be understood as a reference to the Senior Management of Adler Group S.A.

Assessment criteria

Ability, diversity, and organisation

Overall, the members of the Supervisory Board have the knowledge, skills and professional experience required to properly perform their duties.

The statutory gender quota is complied with (≥ 30%).

The Supervisory Board specifies concrete objectives for its composition and sets itself a competence profile.

An age limit is set for members of the Supervisory Board.

The term of Supervisory Board membership shall be disclosed.

Diligence

Each Supervisory Board member has sufficient time available to perform his or her duties.

Members of the Management Board of a listed company shall not hold more than a total of two (GCGC)/five (investors) supervisory board mandates in non-Group listed companies or comparable functions.

Independence

The Supervisory Board shall include what it considers to be an appropriate number of independent members from the group of shareholder representatives, thereby taking into account the shareholder structure. A Supervisory Board member is considered independent if they are independent from the company and its Management Board, and independent from any controlling shareholder.

A Supervisory Board member is considered independent if they have no personal or business relationship with the company that may cause a substantial – and not merely temporary – conflict of interest.

A Supervisory Board member is considered independent if they do not act as a representative of a major shareholder.

A Supervisory Board member is considered independent if the company for which the member works does not supply goods and services worth more than EUR 10,000 to the company for which the Supervisory Board member works.

A Supervisory Board member is considered independent if the company for which the Supervisory Board member works has no material business relationship with Adler Group S.A. (material = more than 1% of revenue).

A Supervisory Board member is considered independent if they have not been a member of the Supervisory Board for more than twelve years.

The independent proportion of shareholder representatives is > 50%, i.e., there is no personal or business relationship with the company that may cause a substantial – and not merely temporary – conflict of interest.

In accordance with the German Corporate Governance Code



Criterion fulfilled Criterion not fulfilled

Assessment criteria

Conflicts of interest

The Supervisory Board members are obliged to act in the best interests of the company. In all their decisions, they must neither pursue personal interests nor exploit for themselves business opportunities to which the company is entitled.

Each Supervisory Board member shall inform the Chair of the Supervisory Board of any conflicts of interest without undue delay.

Each Management Board member shall disclose conflicts of interest to the Chair of the Supervisor Board and to the Chair or Spokesperson of the Management Board without undue delay and shall inform the other members of the Management Board.

Management Board members shall only assume sideline activities, especially Supervisory Board mandates outside the company, with the approval of the Supervisory Board.

Supervisory Board members shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company, and shall not hold any personal relationships with a significant competitor.

Committees

The Supervisory Board shall establish an Audit Committee that addresses the topics of reviewing and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, and compliance.

The Chair of the Audit Committee shall have specific knowledge and experience in applying accounting principles and internal control procedures, shall be familiar with audits, and shall be independent. The Chair of the Supervisory Board shall not chair the Audit Committee.

The Chair of the Supervisory Board and the Chair of the Audit Committee shall be independent from the company. The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting.

In accordance with
the German Corporate
Governance Code



Criterion fulfilled Criterion not fulfilled

The independence of the Board of Directors in 2023

Member

Prof. Dr. Stefan Kirsten



Dr. Heiner Arnoldi



Mr Thierry Beaudemoulin
Senior Management



Mr Stefan Brendgen



Mr Thomas Echelmeyer
Senior Management



Mr Thilo Schmid



Mr Thomas Zinnöcker



In accordance with
German Corporate Gov-
ernance Code Criteria

Not Independent Independent

Senior Management and Daily Manager

The Senior Management of the Company is integral to the management of the Company and its subsidiaries. Currently, the Senior Management of the Company consists of Mr Thierry Beaudemoulin (CEO), Mr Thomas Echelmeyer (CFO), Mr Sven-Christian Frank (CLO), and Mr Hubertus Kobe (CRO).

In accordance with article 8 of the Company Articles and in addition to being part of the Senior Management, Mr Beaudemoulin has been appointed by the Board as the daily manager of Adler Group (délégué à la gestion journalière) and is thus responsible for the day-to-day management of the Company (Daily Manager). Mr Thomas Echelmeyer, Mr Frank and Mr Kobe have not been appointed as Daily Managers but have been granted certain specific delegations by the Board with respect to daily management and the possibility of acting as a proxyholder for the Company.

Changes in the Senior and Daily Management

During the year 2023, Mr Hubertus Kobe was appointed as CRO of the Company. Hubertus Kobe has worked in the real estate sector for several decades. His previous positions include roles at, among others, ECE Projektentwicklung, Signa Real Estate Capital Partners, and DTZ Zadelhoff Tie Leung / Donaldsons Germany, where he held the position of Partner and CEO Germany. In his career, he has successfully managed the transformation and realignment of companies and organised dialogue with various stakeholders.

Composition of the Senior Management

as at 31 December 2023:

.....
Mr Thierry Beaudemoulin

CEO and Daily Manager
.....

Mr Thomas Echelmeyer

CFO
.....

Mr Sven-Christian Frank

CLO
.....

Mr Hubertus Kobe

CRO

General meetings

General Meetings are held at the Company's registered office in Luxembourg or any other place in Luxembourg as may be specified in the respective convening notice of the meeting.

The Company shall ensure equal treatment of all shareholders so that they are in the same position with regard to participating in and exercising voting rights at the General Meeting. Any duly constituted General Meeting shall represent all the shareholders of the Company. It shall have the widest powers to order, implement or ratify all acts connected to the Company's operations that are not conferred on the Board.

General Meetings (other than the annual General Meeting of the shareholders) may be called as often as the interests of the Company require. The Board is obliged to call a General Meeting of the shareholders when a group of shareholders representing at least one-tenth of the issued and outstanding shares requests the convening of a General Meeting of the shareholders in writing, indicating the agenda of the proposed meeting.

In accordance with the Luxembourg Law of 24 May 2011 (the “Luxembourg Shareholder Rights Law”), the convening notice to a General Meeting is to be published at least thirty days before the day of the meeting in the official gazette of Luxembourg (Recueil Electronique des Sociétés et Associations), and a Luxembourg newspaper, as well as in media that may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which is accessible rapidly and on a non-discriminatory basis. If a General Meeting of the shareholders is adjourned for lack of quorum, provided that the convening requirements of the Luxembourg Shareholder Rights Law have been complied with and no new item has been added to the agenda, the 30-day period is reduced to at least a 17-day period. A convening notice must, inter alia, contain the precise date and location of the General Meeting and the proposed agenda. It must also set out the conditions for attendance and representation at the meeting.

The convening notice and the documents required to be submitted to the shareholders in connection with a General Meeting shall be posted on the Company’s website from the date of the first publication of the General Meeting convening notice, as set out above.

In accordance with the Luxembourg Shareholder Rights Law, shareholders who hold, individually or collectively, at least 5% of the issued share capital of the Company have the right to put items on the agenda of the General Meeting of the shareholders and also to place draft resolutions for items included or to be included on the agenda of the General Meeting of the shareholders. These rights shall be exercised through requests in writing by the relevant shareholders submitted to the Company by postal services or electronic means. The request must be accompanied by a justification or a draft resolution to be adopted in the General Meeting of the shareholders and shall include the electronic or mailing address at which the Company can acknowledge receipt of the request. Any such request from shareholders must be received by the Company no later than on the 22nd day prior to the date of the General Meeting of the shareholders.

Under normal circumstances, each shareholder is entitled to attend the General Meeting, in person or by proxy, and to exercise voting rights in accordance with the Company Articles. Each share (excluding any shares held by the Company) shall entitle the holder to one vote at all General Meetings subject to the provisions of applicable law.

Conflicts of interest and related parties transactions

Any Director having a direct or indirect financial interest conflicting with that of the Company (intérêt de nature patrimoniale opposé à celui de la société) in a transaction which has to be considered by the Board, must advise the Board thereof and cause a record of their statement to be included in the minutes of the meeting of the Board. The Director may not take part in the deliberations related to, and shall not vote on, such transaction.

At the next subsequent General Meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the Directors may have had an interest conflicting with that of the Company. Where, because of conflicts of interest, the quorum or majority requirements for a vote on an agenda item are not met, the Board may decide to refer the decision on the agenda item in question to the General Meeting for decision. These provisions shall not apply where the decisions of the Board concern ordinary business entered into under normal conditions.

These provisions shall apply by analogy to any Daily Managers. In case there is only one sole Daily Manager and that Daily Manager is faced with a conflict of interest as described in this Article, the relevant decision shall be referred to the Board.

Any material transaction between the Company and a related party shall be subject to the prior approval of the Board and the Company shall publicly announce material transactions with related parties on its website latest at the time of conclusion of the transaction. For the purposes of the preceding sentence:

“**material transaction**” shall mean any transaction between the Company and a related party whose publication or disclosure would be likely to have a significant impact on the economic decisions of shareholders of the Company and which could create a risk for the Company and its shareholders who are not related parties, including minority shareholders. The nature of the transaction and the position of the related party shall be taken into consideration;

“**related party**” has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Issuance & buy-backs of shares

The Company has issued shares, registered with a single settlement organisation in Luxembourg, LuxCSD, and has authorised capital which is set at one million euros (EUR 1,000,000). The General Meeting of shareholders or the Board may, from time to time, issue shares in accordance with Chapter II, Section 1 of the Luxembourg Law of 6 April 2013 on dematerialised securities. Pursuant to the Company Articles, authorisation is also given to the Board (or delegates duly appointed by the Board) to issue shares from time to time within the limits of the authorised capital at such times and on such terms and conditions, including the issue price, as the Board or its delegates may in its or their discretion resolve. The Board is furthermore authorised to suppress, limit or waive any pre-emptive subscription rights of shareholders to the extent it deems advisable for any issues of shares within the authorised capital. The Company does not currently hold any of its own shares, nor does a third party hold any of the Company's shares on behalf of the Company. Without prejudice to the Market Abuse Law and the principle of equal treatment of shareholders, the Company and its subsidiaries, as referred to in Article 430-23 (1) of the Luxembourg Companies Law, may, directly or through a person acting in its own name but on the Company's behalf, acquire its own shares subject to an authorisation given by the Gen-

eral Meeting in accordance with the provisions of Article 430-15 (the “**Buy-Back Authorisation**”).

A Buy-Back Authorisation has been granted by the General Meeting in 2020. Pursuant to this Buy-Back Authorisation, the General Meeting has granted all powers to the Board, with option to delegate, to buy-back, either directly or through a subsidiary of the Company, shares of the Company for a period of 5 years following the date of the 29 September 2020 General Meeting. The aggregate amount of the shares of the Company, which may be acquired pursuant to the Buy-Back Authorisation, may not exceed 10% of the aggregate amount of the issued share capital of the Company at the date of exercise of the authorisation.

Compliance

Good corporate governance ensures that legal requirements and the company's internal regulations are complied with and that the company remains transparent for its shareholders and other stakeholders. However, these goals can only be achieved if managers and employees are aware of how important it is to comply with laws and regulations. Ensuring this is the task of the Adler Group's compliance management.

Compliance management

The Company attaches great importance to a compliance culture that is practised throughout the Group and is convinced that a business policy which is consistently guided by laws and reasonable rules serves the long-term interests of the Company. Compliance with these rules is therefore a top priority: towards third parties in order to be a reliable partner, and towards employees in order to create a working environment characterised by integrity, respect and fairness.

In this context, the culture is decisively shaped by the “tone from the top”, the behaviour of the Adler Group's management at all levels, their integrity and responsible behaviour. After all, the compliance climate prevailing in the Company depends on the role model of the superiors. Adler Group has successfully implemented this to date.

Adler Group has installed a comprehensive compliance management system (CMS) in order to cope with the associated challenges. The Group's key compliance topics include anti-corruption, supplier management, prevention of money laundering and data protection. They all are essential prerequisites for good corporate governance. Adler Group's CMS is based on valid standards and is constantly being further developed. A certification in accordance with a recognised standard is intended.

In order to prevent bribery and corruption, the Senior Management and the managing directors of the Group companies are keen to promote fair and respectful interaction among employees across all hierarchical levels. This is supported by the belief that employees who feel heard and respected are less inclined to take improper advantage for themselves at the expense of the Company or to damage the Company through illegal or non-compliant behaviour.

Compliance organisation

One of the central pillars of the compliance management system is the compliance organisation, which helps to ensure that the Company is compliant at all times, both in its capacity as a listed company and in its operations, project development and portfolio management. The compliance organisation consists of the Chief Compliance Officer (a position held by the Chief Restructuring Officer of the Company), the Head of Compliance and Risk Management, and a team of compliance, risk and data protection managers.

The compliance organisation is a central function, embedded in the Group-wide Compliance & Risk Management. It relies on the company's managers as role models and the first point of contact for their employees for any questions or suggestions on the topic of compliance. They constitute the interface between the relevant departments and the Compliance department while also ensuring that the Compliance department's "messages" are disseminated within the company. The compliance organisation therefore has decentralised structures as well as a central one.

Collaboration with other departments (e.g. Legal) is close when required. Furthermore, the Adler Group is advised by external service providers on specific compliance issues. They provide assistance with the creation of documents and guidelines and serve as a sparring partner in discussions of relevant compliance matters. Ad hoc and routine audits are performed by an external service provider as necessary. The reporting and escalation channel for compliance issues leads firstly to the Chief Compliance Officer and, depending on the issue, to Senior Management and/or the Board of Directors. A cross-divisional Compliance Committee has been set up, which regularly discusses relevant issues and makes further decisions where necessary.

Whistleblower system and protection of whistleblowers

Even before the Whistleblower Protection Act ('HinSchG') came into force in July 2023, the Adler Group had a whistleblower system in place that offered employees various communication channels through which anonymous or anonymised reports could be submitted. The Adler Group provides an electronic system for this purpose, which is hosted externally, and also offers the option of contacting an independent confidential lawyer. The internal reporting office required by HinSchG, which is responsible for operating the reporting channels, is located in the Adler Group's Compliance department. The Compliance department also ensures low-threshold accessibility for whistleblowers. Whistleblower protection is a matter of course for the Adler Group. It has therefore issued a detailed guideline on the whistleblower system and how to deal with reports.

Compliance risks

A functioning compliance management system is inconceivable without a thorough and regular analysis of compliance risks. In the course of the integration of the Adler Group, a comprehensive risk assessment was carried out to identify the compliance risks in the extremely different fields of activity of the Adler Group and to evaluate them accordingly on both a gross and net basis. The relevance of the risks is regularly reviewed together with the risk owners and adjustments are made if necessary. To mini-

mitigate risks as much as possible, risk management measures were then determined in cooperation with the risk owners. The implementation of these measures is reviewed in regular audits by Internal Audit. Information is passed on to the Adler Group's management in the form of regular risk reports or, if necessary, ad-hoc reports. These reports are first supplied to Senior Management and then passed on to the Board of Directors.

Compliance system in practice

New employees are informed about the Code of Conduct of the Adler Group and the pertinent guidelines on relevant issues during onboarding. All information is available on the intranet as well and employees are educated via interactive online learning and classroom trainings. Being reachable and accessible is always a top priority for the Compliance department.

In the course of 2023, there were several and various indications of compliance violations in the Group for which measures have been taken. The system thus repeatedly proved its efficiency, and at the same time major damage to the Company was averted.

Compliance regulations

Adler Group makes codes, policies and guidelines available to employees in written form and also publishes them on the publicly accessible website. This documentation provides clarity on the Company's views and ideas about good corporate governance. The documents are regularly reviewed to ensure they are up-to-date. Key documents, including topic-related reports, are:

- Vision, mission, values
- Code of Conduct
- Code of Conduct for freelancer
- Code of Conduct for business partners
- The Articles of Association of the companies
- Anti-Discrimination Policy
- Anti-Corruption Policy
- Data Protection Policy

- Money Laundering Prevention Policy
- Human Rights Policy
- Policy on Political and Social Engagement
- Guideline on the environment
- Whistleblowing Policy
- Risk Management Manual
- Explanation of ESG Risk Assessment
- General Terms and Conditions (GTC)
- General Terms and Conditions for Construction (AGB Bau)
- General Contractual Provisions for Contracts for Architectural and Engineering Services
- Remuneration Policy for the Board of Directors and Senior Management

Data protection

Data protection and data security are key components of the compliance culture of the Adler Group. In an increasingly digitalised environment, extensive and precise rules provide a framework for safe working in terms of data protection. As a real estate company, the Adler Group mainly collects and stores data on prospective and existing tenants, for which it uses special software. The Adler Group also stores data on job applicants and employees in conjunction with the initiation and completion of the hiring process. In addition, it stores personal data on capital market participants who wish to be informed by the Adler Group about major business events.

Legal requirements - such as the provisions of the General Data Protection Regulation (GDPR) - are, of course, complied with throughout the Adler Group. Adler Group's data protection organisation includes both its own employees and external data protection officers. Current data protection issues are recorded and dealt with in regular meetings between the parties involved. In addition, there is an exchange with the specialist departments concerned in this context. The Board and Senior Management of Adler Group are regularly informed about ongoing processes and developments. The designated data protection officer evaluates planned protective measures and proposes changes where necessary.

The Company has formulated a data protection guideline that applies to the entire group with all locations. The guideline specifies objectives, principles, organisational structures and levels of responsibility for data protection within the Company. To supplement the policy, Adler Group provides additional guidelines on, for example, the rights of data subjects, the private use of hardware and software or the handling of data and IT systems.

The Adler Group also provides its employees with a data protection card. This card contains everything they need to know about data protection in condensed form. In addition to practical definitions for data protection and personal data, it also lists basic rules and employees' key duties in conjunction with data protection. Finally, the information also includes points of contact for employees' questions and channels for anonymous whistleblowing. When employment contracts are signed, employees must agree to comply with the provisions of the GDPR.

IT security

Without an efficient and secure environment for the use of information technology (IT), companies are exposed to the risk of unauthorised access from outside and, as a result, data protection can no longer be reliably guaranteed.

Against this backdrop, Adler Group has standardised IT security for networks and computer systems throughout the Group at a high level in order to make unauthorised access as unlikely as possible ("cyber security"). In the course of harmonising the Group's organisational structures, business processes in the operating business were simultaneously digitalised in order to provide central protection and control.

The reorganisation of the corresponding management and control functions led to a significant improvement in IT security. As part of the new cyber security programme, the Board of Directors has assumed overall responsibility for the protection of IT systems. The management level directly below the Board of Directors has been expanded to include the Cyber Security Officer (CSO) as a central coordination point.

The CSO is responsible for two departments with different specialisations: intensive monitoring on the one hand and the further development of IT security on the other. As in previous years, the systems in use are also subjected to external performance tests ("penetration testing") and audits. Further developments are also checked by external third parties for their IT security properties. The Company's Board of Directors is regularly informed about current topics in the area of cyber security.

Numerous targeted and accidental attacks on Adler Group's IT systems were also recorded in 2023. However, there was no data leakage or other damage. The reasons for this successful defence included a detailed initial threat analysis, powerful firewalls and anti-virus software, regular in-house test attacks and multi-factor identification when employees log into the systems.

Risk management and monitoring of the Company's financial reporting

The Company believes that integrated risk management ("IRM") is an essential component of efficient business management activities and internal control systems. The Company seeks to preserve the Company's assets and proactively advance the Company's strategic and compliance objectives through effective integrated risk management and financial governance.

The Board of Directors periodically discusses the operational and financial results and the associated risks. A description of the risk management system, the monitoring of financial reporting and the significant individual risks can be found in the Opportunities and Risk Report of this Integrated Report.

Audit

On 27 November 2023, the general meeting of the Company appointed AVEGA Revision S.à r.l. as the approved statutory auditor/approved audit firm to perform the statutory audit of the standalone annual accounts and consolidated financial statements of the Company for the finan-

cial year ended 31 December 2022 and the financial year ended 31 December 2023.

Diversity policy

The vast majority of the Group's employees are employed at the level of subsidiaries of the Company. Overall, and throughout the Group, there is significant diversity among employees and management.

The understanding that all people should be treated equally and that their individuality should be respected to the greatest possible extent is fundamental to the Company and the entire Group. Therefore, Adler Group supports its employees, Directors and Senior Management equally regardless of their gender, age, sexual orientation and identity, race, nationality, ethnic origin, religion or world views. Internally and when interacting with customers, Adler Group benefits daily from a wealth of perspectives, backgrounds, ways of thinking and approaches which are the result of the social, cultural and linguistic backgrounds of all of its different stakeholders.

The idea of diversity is embedded in many publicly available guidelines concerning mission, vision and values, human rights, anti-discrimination and a general code of conduct. As a result, Adler Group has successfully achieved a high level of diversity at every level of the Group and within all companies belonging to the Group.

Disclosures pursuant to Article 11 of the Luxembourg Law on Takeovers of 19 May 2006

a) With reference to article 11(1)(a) of the abovementioned Luxembourg Law on Takeovers: The Company has issued a single category of shares. Each share entitles the holder to one vote. For further information regarding the structure of capital, reference is made to Note 8 of the Annual Accounts.

b) The Company Articles do not contain any restrictions on the transfer of shares of the Company except that the Board may impose transfer restrictions for shares that

are registered, listed, quoted, dealt in or have been placed in certain jurisdiction in compliance with the requirements applicable therein.

c) According to the notifications of major holdings received with respect to the 2023 financial year, the following shareholders held more than 5% of total voting rights attached to Company shares, as at 31 December 2023:

- Vonovia SE;
- Taconic Capital Advisors.

d) No securities have been issued with special control rights.

e) The control rights of any shares issued in connection with employee share schemes (if any) are exercised directly by the respective employees.

f) The Company Articles do not contain any restrictions on voting rights.

g) There are no agreements with shareholders which are known to the Company and may result in restrictions on the transfer of securities or voting rights within the meaning of Directive 2004/109 / EC (Transparency Directive).

h) Rules governing the appointment and replacement of Directors:

- Given that the Company has more than one shareholder, the Board shall be composed of at least three Directors. The Board shall be appointed by the General Meeting which determines the number, the duration of the mandate and the remuneration of the Directors.
- The Directors are appointed for a term which, pursuant to the Luxembourg Companies Law, may not exceed six years. They can be removed at any time without justification by the General Meeting by a simple majority vote, irrespective of the number of shares represented at such General Meeting.
- In the event of a vacancy in the office of a Director because of death, retirement, resignation, dismissal, removal or otherwise, the remaining Directors may fill such va-

cancy and appoint a successor to act until the next meeting of the General Meeting at which such appointment shall be confirmed by the General Meeting or at which the General Meeting may appoint another Director.

- According to the Company Articles, the Board shall elect from among its ranks a chairman of the Board and may also elect from among its ranks one or more deputy chairmen.

Rules governing the amendment of the Company Articles:

- At any extraordinary General Meeting for the purpose of amending the Company Articles or voting on resolutions, the adoption of which is subject to the quorum and majority requirements for the amendment of the Company Articles, the quorum shall be at least one half of all the shares issued and outstanding. If the said quorum is not present, a second meeting may be convened at which there shall be no quorum requirement. In order for the proposed resolutions to be adopted at a meeting, and unless otherwise provided by law, a two thirds (2/3) majority of the votes of the shareholders present or represented is required at any such General Meeting without counting the abstentions.

i) Powers of the Board:

- The management of the Company is incumbent on the Board; for this, it has the most extensive powers. Its competence extends to all legal acts that are not, expressly by law or the Company Articles, reserved for the General Meeting. The Board may, in particular, purchase real estate directly or through intervening companies, issue bonds and other debt obligations, provide mortgages or other security, reduce or forgive debts and conclude settlements on behalf of the Company.
- The Company shall be bound against third parties in all circumstances by the joint signature of any two Directors. The Company shall also be bound against third parties by (i) the sole or joint signature(s) of any person or persons to whom such signatory power shall be delegated by the Board or, (iii) with respect to matters of daily management, by the sole signature of a Daily Manager.

- The Board (or delegates duly appointed by the Board) may from time to time issue shares with the limits of the authorised capital which is currently set at one million euros (EUR 1,000,000), at such times and on such terms and conditions, including the issue price, as the Board (or its delegates) resolves and the Board is further authorised to arrange for a requisite change in the Company Articles to reflect such capital increase. The Board is authorised to suppress, limit or waive any pre-emptive subscription rights to the extent that it deems advisable for any issue of shares within the authorised capital. The Board is authorised to attribute existing shares or issue new shares, to the following persons free of charge:
 - employees or a certain category of employees of the Company;
 - employees of companies in which the Company holds directly or indirectly at least 10% of capital or voting rights;
 - corporate officers of the Company or of any of the companies mentioned above or certain categories of such corporate officers.

The Board is authorised to determine the conditions and modalities of any attribution or issue of shares free of charge (including any required minimum holding period).

- The Company may proceed with the purchase of its own shares within the limits laid down by law.
- Interim dividends may be declared by the Board subject to observing the conditions laid down in the Luxembourg Companies Law.

j) There are no significant agreements to which the Company is party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid.

k) As of the date of this report, the Company is a party to service agreements with its current CEO, CFO, CLO, and CRO pursuant to which the CEO, CFO, CLO, and CRO are entitled to compensation in case of a change of control that materially affects the position of the CEO, CFO, CLO, and/or CRO.