

Check against delivery! The spoken word prevails.

**Speech by Prof. Dr. A. Stefan Kirsten,
Chairman of the Board of Directors of Adler Group S.A.,
at the Annual General Meeting, June 21st, 2023, in Luxemburg:**

“Adler is back on track to a New Normal”

Dear shareholders,

on behalf of the Board of Directors, I welcome you to the 2023 Annual General Meeting (AGM) of Adler Group S.A. – the first in-person general meeting since June 2019. It is a great pleasure for us on the Board to meet you today.

Similar to last year, we meet in truly exceptional times – for the Society in general, the Economy and our Industry in particular as well as for our Company: Since our general meeting last year, markets have gone down, interest rates are up and the real estate cycle has shifted!

Nevertheless, we have been able to announce solid news over the course of the last weeks and months. I would like to summarize the news in one clear statement:

“Adler is back on track to a New Normal”.

We are implementing our plan to restructure the Company, we have modernized our Corporate Governance, tightened our Compliance System and we have engaged a statutory auditor – for the time being only for our German affiliate. We are hopeful that we will retain an auditor for the Group in due course, to comply with Luxembourg law and the requirements of our stakeholders.

Of course, the “track” will not be the old path taken prior to our implemented restructuring plan, but rather directly to a “new normal”: Adler Group has already taken steps to downsize, to restructure its organization and to be more focused on its business model – not the least due to the changed cycle and the subsequent re-valuation of our sector!

Except on a few occasions in the last 15 months, **Adler has a future in its own right. We can decide independently, which way to pursue – together with our stakeholders with legitimate “stakes” in the Adler Group;** you as our shareholders, our bondholders, our customers and our employees.

Of course, you as shareholders have suffered significant book losses with your stakes in Adler, but we have managed to avoid insolvency three times and, by this, leave the investment decision with you. Like you, we regret the decrease of our market capitalization, but it reflects our current public position on the stock markets.

The other stakeholder group with significant financial stakes in Adler are our bondholders. Most of them have been supporting our restructuring plan and, by doing so, have helped the Company avoid insolvency! We received fresh money of approximately 937 Mill. EUR and thus we can avoid any obligations to make “fire sales”.

Therefore – and before I take you through our agenda for the AGM – I would like to take the opportunity on behalf of the entire Board of Directors to express my sincere gratitude to you as our shareholders. We have been granted trust in our strategy and by this an opportunity to regain an initial market reputation.

And I wish to stress the point that the Board will continue to do *whatever it takes* to meet and to balance all legitimate obligations we have with our stakeholders and applying priority to meeting financial obligations. We will continue, if needed, to reject and, if necessary, to fight against all illegitimate requests against your Company.

Last year, I called the AGM a very important **milestone** on our journey of recovery from the most difficult period of Adler Group`s existence. Today, I would like to shift the connotation slightly by calling the AGM the final **cornerstone** on our journey of immediate recovery.

With the AGM we intend to close the first phase of our journey of recovery and **open the next phase of our journey of restructuring the Adler Group**. It will not be easy; it will be a “rough ride” on the road to a new Adler Group and there will be numerous new milestones which shall come to pass.

To be precise, we have already initiated this next phase of restructuring by repaying a 500-Mill-Euro-Bond for Adler Real Estate AG at the end of April and by successfully executing a tender offer for the 300-Mill-Euro-Bond of ADLER Real Estate, originally due in 2024, for both we have drawn down 800 Mill. Euro from

our fresh money facility and by this, the Bondholder Group became 22.5% Adler-Shareholders.

Thus, we are already back on track! And I am not at all dissatisfied with the achieved results over the last 15 months.

After these initial comments, let me talk you through the AGM agenda, what we have achieved and where we need your approval. We need to talk about in particular:

- Some aspects in the presentation of the Combined Management Report (item 2 of today`s agenda);
- The Approval of the unaudited standalone accounts and consolidated financial statements as well as the statutory financial results – all for the financial year ending 31 December 2022 (items 3 and 4 and 5);
- The Approval of the granting of discharge (quitus) to all Directors for the financial year ending 31 December 2021 (item 6);
- The Approval of the appointments of CFO Thomas Echelmeyer and Dr. Heiner Arnoldi and Mr. Stefan Brendgen as additional Directors of the Company until the AGM in 2026 (items 7, 8 and 9);
- The Approval of a new remuneration policy and the remuneration report for the financial year ending 31 December 2022 (items 11 and 12).

Let me start with some aspects in **the Combined Management Report**:

As you know, at the end of April 2022 and only hours before the deadline, the Company issued its **audited** standalone and consolidated financial statements **for the year ending 31 December 2021** as audited by KPMG Luxembourg. It was then the firm understanding of Adler Group that KPMG would continue its audit mandate.

This – as you also know – was not the case and which has finally led to today`s situation, that the standalone and consolidated financial statements **for the year ending 31 December 2022 are unaudited**. In the documentation for the AGM,

you will find all the information, regarding the steps that the Company has undertaken to try to avoid the current situation.

Today`s AGM is presented with **unaudited versions** of the respective financial statements for 2022 and asks for your approval. As soon as the Company`s efforts to engage an auditor pay off and the auditing is completed, we will **resubmit the audited version for 2022 to the AGM for approval.**

This is, of course, an almost **unprecedented situation** and – even though it was in our view not our fault – we take the responsibility for it and sincerely apologise to you as our shareholders. We will continue to do everything in our power to engage an auditor for Adler Group as soon as possible.

You have most certainly seen that we were successful to engage Rödl & Partner as the auditor for our German affiliate company, ADLER Real Estate AG. We consider this a major step into a **fully audited situation** and we are undertaking the greatest efforts to find an auditor for the Luxembourg Group.

So, let us now continue with the **Approval of the unaudited statutory annual accounts, the unaudited consolidated financial statements and the allocation of the statutory financial results for 2022:**

From my comments above it is evident that we can only provide you with unaudited versions of the standalone annual accounts, the consolidated financial statements as well as the statutory financial results for the financial year ending 31 December 2022.

After having reviewed the management report of the Board of Directors, we ask the AGM to approve the unaudited versions (Resolution I and II) and by Resolution III, as proposed by the Board of Directors, on the allocation of the statutory financial results to carry forward a loss of 1,131,100,744 EUR to the next financial year.

Following my comments on the approvals for 2022, **I would like to point you now to the requested discharges for 2021:**

For 2021, the Company had issued an audited version of the financial statements and the financial results, although with a “disclaimer of opinion”. Against this background and the statements made then by KPMG in the Forensic Report, we had not requested discharge for all Directors holding office during the financial year ending 31 December 2021 in last year’s AGM in June 2022. The main reason was a civil law investigation against potential breaches by the Board which we initiated directly on May 18th, 2022.

In the meantime, and following further investigations by several law firms, we cannot see any breach of duty by the then Board members. Therefore, and based on the results of the investigation, **we recommend to today’s AGM the Approval of Granting Discharge for all Board members on duty in the financial year ending 31 December 2021** (Resolution IV).

However, the Board of Directors has decided **not to request that discharge should be granted at this AGM to the Directors holding office in the financial year ending 31 December 2022**. This decision has been taken for the sake of prudence.

The Board considers it more appropriate to request discharge only after we can provide you, the shareholders, with audited versions for 2022 even though **we strongly believe that the unaudited standalone accounts and the consolidated financial statements give a true and fair view of the Company**.

The Board has opted to wait to request discharge for financial year 2022 notwithstanding **its many achievements during the challenging year of 2022**.
Notably:

- We met all legal and contractual obligations for 2021 and avoided a potential insolvency for the first time on April 30st, 2022;
- We reached an agreement with the vast majority of our bondholders to restructure the Company on November 25th, 2022, and avoided a potential insolvency for the second time;

- We reached a decision for our restructuring plan by the High Court in London on April 12th, 2023 against the minority of bondholders and avoided a potential insolvency for the third time;
- We streamlined the Company's Corporate Governance with the help of external experts – including the initiation of a squeeze out at ADLER Real Estate AG and the delisting of Consus Real Estate AG.

The Board considers all these major points as positive arguments for the future of Adler Group.

Another set of positive arguments are the **appointments of three new Members for the Board of Directors**, which I wish to comment on now:

We ask you for the Approval of the appointment of **Thomas Echelmeyer** as Director of the Board for the period until the AGM in 2026 (Resolution V).

Mr. Echelmeyer, an experienced auditor, serves as Chief Financial Officer (CFO) of Adler Group – initially on an interim basis starting June 1st, 2022 and then on a permanent basis since September 1st, 2022. Mr. Echelmeyer's comprehensive expertise in our industry and in financial management will provide a meaningful contribution to the Board of Directors. Here we have a person, who deliberately decided to opt for Adler after spending time with us. This is a clear indication of positive change in the company.

Furthermore, we ask you for the Approval of the appointment of **Dr. Heiner Arnoldi** and **Stefan Brendgen** as Directors of the Board for the period until the AGM in 2026 (Resolution VI and VII). Both appointments are in accordance with the Restructuring Plan as well as the Facility Agreement for the fresh money.

The plan and the agreement asked that the Company should use its best efforts to appoint at least one independent board member with corporate finance expertise to oversee the asset disposal process and become a member of the audit and finance committee of Adler Group. For this position, the Board proposes the appointment of **Dr. Arnoldi** with his expertise in banking and finance.

Dr. Arnoldi holds a bank requirement registration with BaFin, the German Financial Supervisory Authority, and has extensive experience in financial

transactions as well as real estate restructurings. His appointment will be a valuable addition to the Board. If appointed, we anticipate appointing Dr. Arnoldi as chairman of the Finance committee.

Following the plan and agreement, we also propose the appointment of **Mr. Brendgen** to the Board, who will provide extensive professional background in particular in the real estate development and investment companies along with his experience as a seasoned chairman and/or supervisory board member of stock-listed real estate companies. If appointed, we anticipate appointing Mr. Brendgen as chairman the Investment committee.

If this AGM approves the appointments of the proposed candidates to the Board of Directors of Adler Group S.A., the Board will be significantly improved in terms of experience and independence. Next to me as the Chairman, **the enlarged Board of Directors of seven persons** will be composed of Mr. Thilo Schmid, who leads the Audit Committee, Mr. Thomas Zinnöcker, the new members Dr. Heiner Arnoldi and Mr. Stefan Brendgen as well as Mr. Thierry Beaudemoulin, the CEO and daily manager of the Group, and also new, Mr. Thomas Echelmeyer, the CFO of Adler Group.

On a separate point, we also remind you that the daily management of Adler Group is run by the **Senior Management Team (SMT)**, which is led by the recently re-appointed Thierry Beaudemoulin as CEO and consists of Thomas Echelmeyer as CFO, Sven-Christian Frank as Chief Legal Officer (CLO) and newly appointed Mr. Hubertus Kobe as Chief Restructuring Officer (CRO), who is since the day before yesterday responsible for the daily management of the restructuring process.

All these proposed new appointments are an expression of a strong Corporate Governance and underline the willingness of the Board to decide for itself the future of the Adler Group – with, as previously said, experience and independence as trustees of the shareholders- and all other stakeholders and jointly with an enlarged and experienced SMT.

One final point of good Corporate Governance, we present today a **new remuneration policy** (Resolution IX) and a **remuneration report** (Resolution X) for approval. While Luxembourg law requires that the vote of the AGM on the policy and report need only be of an advisory, non-binding nature, we hope and recommend that the shareholders will approve both noting that the **new**

remuneration policy more accurately reflects the current strategy of the Company compared to its predecessor and with the **remuneration report**, we have gone to great lengths to be as transparent as possible, thus with both documents giving our shareholders with all the information needed to have a very real “say-on-pay”.

Dear Shareholders,

Today`s agenda, in compliance with legal requirements, gives the AGM the opportunity to look backwards, but also in many respects, forward into the future of Adler Group S.A. We are back on track to a “new normal” after some exceptionally “ab-normal years”.

Let me summarize my comments:

- Subject to your approval, the Board will have a balanced expertise to guide Adler through the next phase of its restructuring;
- The Company has now a modern Corporate Governance and updated its structures and processes;
- With this, Adler will avoid “irritations” that were revealed in the forensic report carried out by KPMG;
- We have established stable and reliable relationships to our equity and debt investors for the next phase of our restructuring;
- We will continue to find a statutory auditor for the Luxembourg entity and inform you as soon as we have something to announce.
- And finally, in a difficult market environment, we have extended our runway to manage our own destiny.

Therefore, today`s AGM is a last cornerstone for the recovery and the first milestone for our restructuring – downsized, with a more concise structure and more focused on our general strategy and operating business.

Before I close my remarks, I want to take this opportunity to thank the senior management, my colleagues on the Board, our employees and last but not least all our stakeholders who accompanied us on this journey.

Dear shareholders, it has been my pleasure, thank you very much for your time.