

## REPORT OF THE SUPERVISORY BOARD

**Dear shareholders,**

In this report, we explain the Supervisory Board's monitoring of and consultation with the Management Board, the key issues discussed by the full Supervisory Board and its committees and the audit of the annual and consolidated financial statements for the reviewed year 2021.

### I. FOCUS OF THE DISCUSSION

The main topics discussed by the Supervisory Board and its committees in the 2021 financial year were business and financial situation and the Company's strategy, each in the light of the COVID-19-pandemic, the adjustment of the Management Board's remuneration system to a new legal framework and the voluntary public takeover offer by Alexandrite Lake Lux Holdings S.à r.l. (Bidder), a company indirectly controlled by Brookfield, to alstria's shareholders regarding the acquisition of all Company shares against a cash consideration, as published on December 13, 2021 (Takeover Offer).

### II. MONITORING AND ADVISING THE COMPANY'S MANAGEMENT

In the 2021 reporting year, we performed the duties incumbent on us under the law and under the articles of association, we advised the Company's Management Board, and we monitored its management. Based on the Management Board's reports, we thoroughly discussed business development as well as decisions and events of importance to the group. The Supervisory Board was intensively involved in the Company's fundamental decisions. The Management and Supervisory Boards discussed in detail all measures that required approval. To the extent provided by law, by the articles of association, or by the rules of procedure, the Supervisory Board voted based on thorough examination and consultation.

At Supervisory Board and committee meetings, the Management Board regularly informed the Supervisory Board, in a timely and comprehensive manner, about the Company's business development, financial situation, planning, important business transactions, risk situations, risk management and compliance. The Supervisory Board also met regularly without the Management Board. The Management Board was also not present at the auditor's report on the 2021 half-year financial report.

The Management Board informed the Supervisory Board between meetings about the development of the real estate portfolio, rental activities and important events, generally by means of monthly reports. The chairmen of the Supervisory and Management Boards held informative and advisory meetings on a fortnightly basis.

### III. BOARD MEMBERS

With the end of the annual general meeting on May 6, 2021, the Supervisory Board members Dr. Bernhard Düttmann and Stefanie Frensch resigned from the Supervisory Board. As their successors, the annual general meeting elected Dr. Frank Pörschke and Elisabeth Stheeman to the Supervisory Board, each for a term of three years. Dr. Pörschke has been elected by the Supervisory Board to the Audit Committee and the Finance and Investment Committee, Ms. Stheeman to the Nomination and Remuneration Committee and the Finance and Investment Committee.

In the year under review, the Supervisory Board and its committees comprised the following members:

Supervisory Board member	Audit Committee	Nomination & Remuneration Committee	Finance & Investment Committee	ESG Committee
Dr. Johannes Conradi (chair)	–	Chair	–	Chair
Richard Mully (deputy chair)	–	–	Chair	Member
Dr. Bernhard Düttmann <sup>1)</sup>	Member	–	Member	–
Stefanie Frensch <sup>1)</sup>	–	Member	Member	–
Benoît Herault	Member	Member	–	–
Dr. Frank Pörschke <sup>2)</sup>	Member	–	Member	–
Elisabeth Stheeman <sup>2)</sup>	–	Member	Member	–
Marianne Voigt	Chair	–	–	Member

<sup>1)</sup> Until the annual general meeting 2021

<sup>2)</sup> Since the annual general meeting 2021

The Supervisory Board reviewed the implementation status of the profile for the Supervisory Board with concrete objectives regarding the composition of the board, including the competencies represented on the board and its diversity, as presented in the Company's Corporate Governance Statement on pages Fehler! Textmarke nicht definiert. to Fehler! Textmarke nicht definiert. of the annual report. As of December 31, 2021, the composition of the Supervisory Board meets these objectives. The profile for the Supervisory Board is complete.

Structured appointment procedures for the Supervisory Board, the regular 3-year terms of office and the annual Supervisory Board elections, are described in the Corporate Governance Statement. The Company has set up an onboarding process and supports new Supervisory Board members' inauguration by familiarizing them with the people involved, the rules and the regulations of the Company and the Supervisory Board's working methods. In addition, the Company supports Supervisory Board members' training measures with regular internal training courses. No conflicts of interest occurred in the past financial year for members of the Supervisory or Management Boards.

After the change of control occurred in the course of the Takeover Offer in January 2022, the members of the Supervisory Board Dr. Johannes Conradi (chair), Richard Mully (deputy chair), Benoît Héroult and Marianne Voigt resigned from their offices effective end of February 28, 2022. The resignations were made in order to allow a representation of the Bidder in the Supervisory Board according to their participation in the Company.

#### IV. MEETINGS OF THE SUPERVISORY BOARD

The full Supervisory Board held four ordinary and six extraordinary meetings in the 2021 financial year. Based on detailed documents, we also made seven decisions via circular resolution. In the 2022 financial year, one additional meeting of the full Supervisory Board and one circular resolution have taken place before this report's completion. In the reporting year, nearly all meetings of the Supervisory Board and its committees have been held via video conference due to the COVID-19-pandemic.

At the regular Supervisory Board meetings, the Company's situation, development, course of business and market situation were discussed with the Management Board, and the Company's financial results (the interim quarterly and half-year financial reports and the annual and consolidated financial statements) were discussed. Committee chairs reported on the committees' work.

In February 2021, the Supervisory Board, via written circulation, decided on the revision of the rules of procedures for the Management Board and the Supervisory Board of alstria office REIT-AG and its committees, on the profiles for the Supervisory and Management Boards and the status of their implementation as of December 31, 2020, as well as on the Corporate Governance Statement which is submitted jointly with the Management Board.

At the meeting in February 2021, the Supervisory Board addressed the annual and consolidated financial statements as of December 31, 2020, and the consolidated management report and discussed these reports with the auditor. The Supervisory Board approved the annual financial statements for alstria office REIT-AG and its consolidated financial statements as of December 31, 2020 and agreed with the Management Board's proposal to appropriate the annual net profit for the 2020 financial year. The Supervisory Board intensively discussed with the Management Board on its proposal to the shareholders to withhold a so-called "Green Dividend" and to invest it to "Green Projects". The Management Board presented the newly established carbon accounting for financial year 2020 to the Supervisory Board, by which alstria reports on the Company's carbon emissions as per December 31, 2020. The Supervisory Board passed a resolution on its report to the annual general meeting for the 2020 financial year, dealt with the agenda items and proposed resolutions for the annual general meeting and approved calling a so-called virtual annual general meeting without physical presence of the shareholders and their representatives. The Supervisory Board further dealt with the annual structured succession planning process for the Management Board as well as with the succession planning for the Supervisory Board in the course of the preparation of the recommendations to the annual general meeting for supervisory board elections. In the course of the adjustment of the Management Board's remuneration system to a new legal framework the Supervisory Board resolved on the new Management Board remuneration system and the new Management Board service agreements. The Supervisory Board also discussed the variable remuneration for the Management Board's members:

We deliberated on the results of the long-term variable remuneration element for financial year 2017 and on the short-term variable remuneration for financial year 2020 – in each case considering individual performance – and on the parameters of the long-term variable remuneration of the Management Board’s members for financial year 2021 applying the new Management Board’s remuneration system. The deliberations were each done after a vertical remuneration comparison and in the light of the recommendation from its Nomination and Remuneration Committee. Finally, the Supervisory Board discussed with the Management Board on the market situation and real estate transactions and decided on the approval of investments into the Company’s existing portfolio.

In March 2021, the Supervisory Board resolved by way of written circular resolution on the recommendation for resolution to the annual general meeting 2021 and on a corporate governance declaration pursuant to section 161 German Stock Corporation Act (AktG).

In May 2021, the Supervisory Board resolved on further investments into the Company’s real estate portfolio as well as on the composition of the Supervisory Board’s committees. In June 2021, the Supervisory Board dealt with the results of the corporate governance roadshow by the Supervisory Board’s chair and deputy chair, with the new regulatory requirements for the Supervisory Board’s composition as well as with the succession planning for the Management and Supervisory Boards. In July 2021, the Supervisory Board in two meetings deliberated on a potential takeover offer by Brookfield. By way of written circular resolution, the Supervisory Board approved mandating an investment bank for the potential takeover offer and set up a Special Committee Offer, which was staffed with four Supervisory Board members.

At the ordinary meeting in September 2021, the Management and Supervisory Boards discussed the Company’s strategy. They discussed the Company’s largest properties and related development projects as well as capital management. The Supervisory Board discussed with the Management Board the market situation as well as potential real estate transactions and dealt with the positive results from the review of its composition and effectiveness of work. Using the written circular resolution procedure, the Supervisory Board resolved on the adjustment of the profile for the Supervisory Board and made editorial amendments to the Company’s articles of association to reflect a capital increase from conditional capital: A total of 140,250 new shares were issued to Company employees under the Company’s employee participation plan. In two meetings held in November 2021, the Supervisory Board dealt with the planned takeover offer by Brookfield and approved the deliberation and signing of an investment agreement with the Bidder. The Supervisory Board continued its strategy deliberations in the light of the intended takeover offer, discussed the possibility of a share buyback program for the purpose of settlement of Management Board remuneration elements and thoroughly dealt with investments into the Company’s real estate portfolio.

The two meetings in December 2021 concerned corporate and budget planning for the 2022 financial year. The Supervisory Board further deal with the Takeover Offer by Brookfield, the support of the Takeover Offer by Management and Supervisory Boards and the issuance of a joint reasoned statement by Management and Supervisory Boards on the Takeover Offer to the Company's shareholders as published on December 13, 2021. Management and Supervisory Boards further deliberated on alstria's current and planned future financing as well as on potential consequences of the Takeover Offer on the group structure. The Supervisory Board dealt with the impact of the Takeover Offer on the share ownership guidelines for Management and Supervisory Boards and resolved to suspend the Supervisory Board members' self-commitment. The Supervisory Board also discussed with the Management Board the current market environment, the planned real estate transactions, and the activities of the Company's Real Estate Operations team during these meetings. Furthermore, the Supervisory Board dealt with the performance targets for the Management Board members' variable remuneration elements for financial year 2022. Via written circular resolution, the Supervisory Board approved the joint reasoned statement by Management and Supervisory Board on the Takeover Offer.

In February 2022, the Supervisory Board passed a resolution via written circulation procedure on the corporate governance statement and on the remuneration report for the 2021 financial year. At the balance sheet meeting in February 2022, the Supervisory Board dealt with the annual and consolidated financial statements as of December 31, 2021, with the Management Board's proposal for appropriating profits and passed a resolution on the report to the annual general meeting for the 2021 financial year.

## Attendance of Supervisory Board members at meetings

Supervisory Board member attendance at meetings of the Supervisory Board in plenary session averaged 99.2% in the 2021 financial year.

	Attendance at meetings*		Participation in %
	regular meetings	extraordinary meetings	total
<b>Full Supervisory Board</b>			
Dr. Johannes Conradi (Chair)	4/4	6/6	100
Richard Mully (Deputy Chair)	4/4	6/6	100
Dr. Bernhard Düttmann	1/1	0/0	100
Stefanie Frensch	1/1	0/0	100
Benoît Hérault	4/4	6/6	100
Dr. Frank Pörschke	3/3	5/6	90
Elisabeth Stheeman	3/3	6/6	100
Marianne Voigt	4/4	5/6	90
<b>Audit Committee</b>			
Marianne Voigt (Chair)		5/5	100
Dr. Bernhard Düttmann		5/5	100
Benoît Hérault		5/5	100
Dr. Frank Pörschke		5/5	100
<b>Nomination and Remuneration Committee</b>			
Dr. Johannes Conradi (Chair)		7/7	100
Stefanie Frensch		2/2	100
Benoît Hérault		7/7	100
Elisabeth Stheeman		5/5	100
<b>Finance and Investment Committee</b>			
Richard Mully (Chair)		3/3	100
Dr. Bernhard Düttmann		0/0	100
Stefanie Frensch		0/0	100
Dr. Frank Pörschke		3/3	100
Elisabeth Stheeman		3/3	100
<b>ESG Committee</b>			
Dr. Johannes Conradi (Chair)		2/2	100
Richard Mully		2/2	100
Marianne Voigt		2/2	100
<b>Total</b>			<b>99.2</b>

<sup>1</sup> Participation in a meeting can also be via telephone or video conference

## V. COMMITTEES OF THE SUPERVISORY BOARD

The six-member Supervisory Board established four standing committees to support its work, each with at least three members. The committees prepared some of the Supervisory Board's resolution via resolution recommendations; in some cases, decision-making powers were delegated to the committees to the extent permitted by law. In the 2021 financial year, the Supervisory Board's committees primarily dealt with the following topics:

### 1. AUDIT COMMITTEE

The Audit Committee held five meetings in the 2021 financial year, each attended by the Chief Financial Officer. At the beginning of the reporting year, the Audit Committee thoroughly dealt with property valuation as of December 31, 2020, and with the key audit matters selected by the auditors for the audit of the financial statements for the 2020 financial year. In February 2021, the Audit Committee discussed the annual financial statements and consolidated financial statements as of December 31, 2020, and the consolidated management report as part of the audit of the financial statements. They discussed the documents with the auditors, conducted a preliminary review of the annual and consolidated financial statements and of the Management Board's proposal for the appropriation of profits and submitted corresponding resolution proposals to the full Supervisory Board. The Audit Committee dealt with the auditor's report in accordance with Section 1 para. 4 of the REIT Act and handled the non-auditing services provided by the auditors in the 2020 financial year. In the summer, the Audit Committee dealt with the half-year financial report issued as of June 30, 2021 prior to publication and discussed this with the Management Board and thereafter, in the absence of the Management Board, with the auditor. The Company's risk situation was discussed regularly. Other topics included the audit of the auditor's independence, the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, as auditor and discussions of accounting, the accounting process, the risk management system, the material risks identified, the effectiveness of the internal control and audit system and an extensive deliberation of alstria's revised compliance system. The Audit Committee also discussed the internal audit's results for the 2021 financial year and the financial audit's quality, and it approved certain non-auditing services provided by the auditors for the 2022 financial year. The division heads of Reporting and Finance as well as the Compliance Officer participated in some of the Audit Committee's meetings.

### 2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met seven times during the 2021 financial year. Against the background of regulatory changes regarding Management Board remuneration, the updated recommendations of the German Corporate Governance Code and the expectations of investors, the Nomination and Remuneration Committee dealt with the corresponding adjustment of the Management Board remuneration system and the preparation of a proposal to the annual general meeting in the 2021 financial year for the approval of the updated Management Board remuneration system as well as the preparation of new Management Board service agreements.

The Nomination and Remuneration Committee dealt with the regular issues of Management Board remuneration and, in particular, deliberated on the amount of variable remuneration for the Management Board's members, taking into account their individual performance in each case. They also submitted corresponding resolution proposals to the full Supervisory Board. The Nomination and Remuneration Committee gave its approval to the sideline activities of the Management Board members and decided in each case against a possible offsetting of the remuneration earned for these activities against the Management Board remuneration at alstria. The Nomination and Remuneration Committee also assessed the implementation status of the share ownership obligation for members of the Management and Supervisory Boards. They also reviewed the Management Board's composition and continued the development of a structured process for long-term succession planning. The Nomination and Remuneration Committee also reviewed the composition and succession planning for the Supervisory Board based on results from the review of the Supervisory Board's composition and effectiveness of work in the context of the expiration of two members' terms of office in each of the 2021 and 2022 financial years. The profiles for the Management and the Supervisory Boards with the criteria for the composition of both bodies were further developed by the Nomination and Remuneration Committee in the reporting year and the committee recommended their adaptation to the Supervisory Board.

### **3. FINANCE AND INVESTMENT COMMITTEE**

The Finance and Investment Committee held three meetings in the 2021 financial year and took one decision on the disposal of a building by way of written circular procedure. During meetings with the Management Board, the committee discussed the financing strategy of alstria office REIT-AG and approved real estate transactions. The head of the Transactions team also participated in some of the committee's meetings.

### **4. ESG COMMITTEE**

The ESG Committee held two meetings in fiscal year 2021. With the Management Board, the committee discussed corporate social responsibility issues, like the concept of the "Green Dividend" and the "Green Projects" in which the Company will invest the Green Dividend, the renewal of the ISO 50.001 certification of the Company's energy management, alstria's purchase of a forest plot. Further, the ESG Committee discussed with the Management Board alstria's sustainability report and the report on alstria's carbon emissions as of December 31, 2020 (carbon accounting). Finally, the committee discussed the ESG targets for the variable Management Board remuneration for the financial year 2021.

### **5. SPECIAL COMMITTEE OFFER**

In the summer of the reporting year, the Supervisory Board established the Special Committee Offer on the occasion of the possible takeover bid by Brookfield, which consisted of the four Supervisory Board members Dr. Johannes Conradi, Richard Mully, Dr. Frank Pörschke and Elisabeth Stheeman.



The Special Committee Offer held six meetings in the reporting year, each of which was also open to the other members of the Supervisory Board. The Special Committee Offer dealt intensively with all aspects of the Takeover Offer, advised the Management Board and prepared the decisions of the Supervisory Board on the investment agreement with the Bidder and on the submission of the joint reasoned statement of the Management Board and the Supervisory Board on the Takeover Offer of December 13, 2021.

## **VI. AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS**

KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, audited the annual financial statements and the management report of alstria office REIT-AG prepared by the Management Board as well as the consolidated financial statements - including the group management report for the fiscal year from January 1 to December 31, 2021 - and issued an unqualified audit opinion.

The annual financial statements of alstria office REIT-AG, the consolidated financial statements and the combined management report, the Management Board's proposal for the appropriation of the net income, as well as the auditor's reports, were made available to all Supervisory Board members immediately after their preparation.

The Supervisory Board comprehensively reviewed documents prepared by the Management Board in the Audit Committee and in the plenary session. At the Audit Committee meeting, the auditor reported on his audit's scope, focal points and main results (including the audit of the internal control and risk management system). The auditor addressed the particularly important audit issues (key audit matters) and the audit procedures and was available to answer questions. The Audit Committee prepared the audit by the Supervisory Board and dealt, in particular, with the key audit matters described in the auditor's report, including the audit procedures performed. The full Supervisory Board examined the annual financial statements and consolidated financial statements prepared by the Management Board, along with the combined management report and discussed the results of the audit with the auditor. No objections were raised following the final result of the Supervisory Board's examination. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The annual financial statements are thus deemed adopted. The Supervisory Board concurred with the Management Board's proposal for appropriating net profit.

The Supervisory Board thanks the Management Board and all employees for their extra-ordinary performance, which made it possible for alstria - despite the impacts of the COVID-19-pandemic - to look back on a successful financial year 2021.

Hamburg, February 2022

For the Supervisory Board

**Dr Johannes Conradi**

Chairman of the Supervisory Board