This document is a translation for convenience only.
In case of doubt only the German version is valid.

Deutsche Industrie REIT-AG
ISIN: DE000A2G9LL1
WKN: A2G9LL

Annual General Meeting of Deutsche Industrie REIT-AG, Rostock
on Friday, 06 March 2020 at 11.00 a.m.
at the Sofitel Berlin Kurfürstendamm, Room "Louvre", Augsburger Straße 41, 10789 Berlin

The Management Board reports as follows on the exclusion of subscription rights when issuing bonds with warrants and/or convertible bonds pursuant to Sections 221 (4) Sentence 2, 186 (4) Sentence 2 of the German Stock Corporation Act

The proposed new authorization to issue option and/or convertible bonds with a total nominal value of up to EUR 150,000,000.00 and to create Conditional Capital I of up to EUR 14,581,593.00 is intended to expand the Company's options for financing its activities and, with the approval of the Supervisory Board, to enable the Management Board to obtain flexible and timely financing that is in the interests of the Company, particularly when favourable capital market conditions arise.

The issue of bonds with conversion and/or option rights on shares of the Company enables the Company to raise capital at attractive conditions. The conversion or option premiums achieved will benefit the Company. The authorization gives the Company the necessary flexibility to place the bonds itself or via companies in which it holds a majority interest.

The shareholders are generally entitled to the statutory subscription right to the warrants or convertible bonds (Section 221 (4) in conjunction with Section 186 (1) AktG). In order to facilitate processing, use is to be made of the option to issue the warrant and/or convertible bonds to a credit institution or a consortium of credit institutions with the obligation to offer the bonds to the shareholders in accordance with their subscription rights (indirect subscription right within the meaning of Section 186 (5) AktG). The exclusion of the subscription right for fractional amounts enables the utilisation of the requested authorisation by round amounts. This facilitates the handling of shareholders' subscription rights and is therefore in the interest of the Company and its shareholders.

Furthermore, the Management Board shall be given the opportunity, with the approval of the Supervisory Board, to exclude the subscription right of shareholders in order to grant subscription rights to the holders of conversion and/or option rights or convertible bonds with conversion obligations to the extent to which they would be entitled after exercising the conversion or option rights or after fulfilling the conversion obligations. This offers the possibility of preventing the option or conversion price for the holders of already existing option or conversion rights having to be reduced in accordance with the option and conversion conditions in the event that the authorisation is exercised.

In addition, the Management Board shall be authorized, in analogous application of Section 186 (3) sentence 4 AktG, to exclude the subscription right with the consent of the Supervisory Board if the issue price of the bonds with warrants and/or convertible bonds is not significantly lower than their market value. This can be useful in order to quickly take advantage of favourable stock market situations and to place a bond on the market quickly and flexibly at attractive conditions. Achieving the most advantageous outcome of an issue depends to a greater extent on the ability to react to market developments at short notice. Favourable conditions as close to market conditions as possible can generally be set if the Company is not bound to them for too long an offer period.

In the case of rights issues, a not inconsiderable safety margin is usually required to ensure the attractiveness of the conditions and thus the chances of success of the issue for the entire offer period. It is true that Section 186 (2) AktG permits publication of the subscription price (and thus, in the case of bonds with warrants and convertible bonds, the terms and conditions of these bonds) until the third-last day of the subscription period. In view of the volatility of the stock markets, however, even then there is a market risk for several days, which leads to safety margins when determining the bond conditions and thus to conditions that are not close to market. Furthermore, when granting a subscription right, an alternative placement with third parties is more difficult or involves additional expense due to the uncertainty of the exercise. If a subscription right is granted, the Company cannot react to a change in market conditions at short notice due to the length of the subscription period, which may lead to an unfavourable capital procurement for the Company. Option and/or convertible bonds are mainly purchased by specialised investors, which is why the best issue prices can be achieved if these financing instruments are only offered to such investors.

The interests of the shareholders are safeguarded by the fact that the bonds with warrants and/or convertible bonds are not issued at a price significantly below their market value. The market value is to be determined according to recognised principles of financial mathematics. When setting the price, the Management Board will keep the discount from the market value as low as possible, taking into account the respective situation on the capital market. As a result, the calculated value of a subscription right will be practically zero, so that the shareholders will not suffer any significant economic disadvantage as a result of the exclusion of subscription rights. The shareholders also have the option of maintaining their share in the Company's share capital at approximately the same conditions by purchasing on the stock exchange. In this way their asset interests are adequately protected.

The authorisation to exclude subscription rights in accordance with section 221 (4) sentence 2 in conjunction § Section 186 (3) sentence 4 AktG only applies to the option and/or convertible bonds with rights to shares for which a proportionate amount of the share capital totalling no more than 10% of the share capital is accrued, neither at the time of this authorisation coming into effect nor at the time of its exercise. The aforementioned 10% limit shall include the pro rata amount of share capital attributable to shares which have been issued since the granting of this authorisation up to the issue, subject to the exercise of this authorisation in accordance with section 186 (3) sentence 4 AktG, of bonds with option and/or conversion rights and/or obligations with option and/or conversion rights and/or obligations subject to the exclusion of subscription rights either on the basis of an authorisation of the Management Board to exclude subscription rights in direct or analogous application of section 186 (3) sentence 4 AktG or which have been sold as acquired treasury shares in corresponding application of section 186 (3) sentence 4 AktG. This crediting is done in the interest of the shareholders in the smallest possible dilution of their participation.

For the calculation of the conversion or option price, the authorization provides the exact basis for calculation. The starting point in each case is the stock market price of the Company at the time of the placement of the bonds or - in the case of the issue of bonds with an obligation to exercise the conversion right - of the conversion.

Irrespective of Section 9 (1) AktG, the conversion/option price will be adjusted in a value-preserving manner on the basis of an anti-dilution clause in accordance with a more detailed definition of the conditions underlying the bond if, for example, the Company increases the share capital during the conversion/option period and the holders of conversion/option rights are not granted subscription rights to the extent to which they would be entitled after exercising their conversion/option rights.

The issue of bonds with warrants and/or convertible bonds may also be made in return for non-cash contributions, provided this is in the interests of the Company. In this case, the Management Board is authorized, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the value of the non-cash contribution is in reasonable proportion to the theoretical market value of the bonds with warrants and/or convertible bonds, which is to be determined according to recognized principles of financial mathematics. This opens the possibility of repurchasing the issued bond against the issue of an option or convertible bond, if necessary with a mandatory conversion option. In addition, bonds with warrants and/or convertible bonds may be used as acquisition currency in suitable individual cases, for example in connection with the acquisition of companies, equity interests in companies or other assets. In negotiations, for example, it may well be necessary to provide the consideration not in money but in another form. The possibility of being able to offer bonds with warrants and/or convertible bonds as consideration thus creates an advantage in the competition for interesting acquisition targets as well as the necessary leeway to be able to take advantage of opportunities to acquire companies, equity interests in companies or other assets without affecting liquidity. This can also be useful from the point of view of an optimal financing structure. With the approval of the Supervisory Board, the Management Board will carefully examine in each individual case whether it will make use of the authorization to issue bonds with warrants and/or convertible bonds with option or conversion rights against non-cash contributions with exclusion of subscription rights. It will only do so if it is in the interest of the Company and thus its shareholders.

In order to increase flexibility, the bond terms and conditions may provide that the Company does not grant shares in the Company to a conversion or option beneficiary, but instead pays a cash amount which, for the number of shares otherwise to be delivered, corresponds to the volume-weighted average closing price of the Company's shares in XETRA trading (or a functionally comparable successor system replacing the XETRA system) on the Frankfurt Stock Exchange during the last ten trading days prior to the declaration of the conversion or option exercise. Furthermore, a variable conversion ratio and/or a determination of the conversion price within a specified range depending on the development of the price of the Company's shares during the term of the bond may be provided for. Finally, the terms and conditions of the bonds may also provide for a conversion obligation or an option obligation at the end of the term (or at another point in time) or the right of the Company to grant the holders of the bonds shares in the Company or another listed company instead of payment of the due amount of money, in whole or in part, upon final maturity of the bonds associated with a conversion or option right (this also includes maturity due to termination). This serves to better control the company's liquidity risks. The planned conditional capital serves to service the conversion or option rights associated with the bonds with warrants and/or convertible bonds. Instead, treasury shares or existing authorized capital may be used for this purpose, provided that such capital exists and its use for this purpose is permitted.