

THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT INTENDED FOR PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, TO, WITHIN OR FROM THE UNITED STATES OF AMERICA OR ANY OTHER COUNTRY WHERE SUCH PUBLICATION OR DISTRIBUTION WOULD BE CONTRARY TO THE LAWS OF THAT COUNTRY

PREOS Real Estate AG: 7.5 % convertible bond 2019/2024 of PREOS Real Estate AG - Publication of an adaptation of the conversion price

Leipzig, 10.08.2020 – PREOS Real Estate AG (“PREOS”, ISIN DE000A2LQ850, m:access) informs the bondholders of the Convertible Bond 2019/2024 (ISIN: DE000A254NA6) in accordance with Article 10(p) in conjunction with Article 15 of the Terms and Conditions of the Convertible Bond (the “**Bond Terms and Conditions**”) that an adjustment of the conversion price has been made.

On 15 July 2020, the Extraordinary Shareholders' Meeting of PREOS approved a capital increase from company funds (Articles 207 et seq. German Stock Corporation Act(AktG)) (by way of an issue of so-called bonus shares) and the corresponding amendment to the Articles of Association of PREOS. Accordingly, the share capital of PREOS was increased by EUR 35,831,844.00 from EUR 71,663,688.00 to EUR 107,495,532.00 by converting a partial amount of EUR 35,831,844.00 of the capital reserve. The 35,831,844 new registered no-par value shares of PREOS with a proportionate amount of the share capital of EUR 1.00 each resulting from the capital increase from company funds are available to the shareholders of PREOS at a ratio of 2:1 so that one new no-par value share is attributable to two existing no-par value shares. The new shares are entitled to dividends from 1 January 2020. The capital increase from company funds was recorded in the commercial register of PREOS on 27 July 2020. Since today, 10 August 2020 (ex-day), the shares of the PREOS ex scrip shares are traded.

Article 10 of the Terms and Conditions of the Convertible Bond 2019/2024 contain provisions that provide for protection against dilution in favour of the bondholders in particular in the event of certain capital measures and dividend distributions by PREOS.

Article 10(a)(i) of the Bond Terms and Conditions provides for an adjustment of the conversion price in the event of a capital increase from the corporate funds of PREOS by way of issuing new shares. Such adjustment will be made in accordance with Article 10(l)(i), (m), (q) of the Bond Terms and Conditions by the Calculation Agent as defined in Article 14 of the Bond Terms and Conditions. The calculations, adjustments and provisions of the Calculation Agent are made in accordance with Article 14(c) of the Bond Terms and Conditions in coordination with PREOS and (unless there is an obvious error) are final and binding for PREOS and all bondholders.

Accordingly, the conversion price has been adjusted from EUR 9.90 to EUR 6.60 in accordance with Article 10(a)(i) of the Bond Terms and Conditions. The adjusted conversion price results in an adjusted conversion ratio of 1 : 151.5152. The adjustment of the conversion price and the adjusted conversion ratio took effect at the beginning of today's 10 August 2020 in accordance with Article 10(l)(i) of the Bond Terms and Conditions.

The conversion right may only be exercised during certain periods specified in the Bond Terms and Conditions.

The Executive Board

Disclaimer

This publication does not constitute an offer. In particular, it does not constitute a public offer to sell or an offer or a solicitation of an offer to purchase, purchase or subscribe for any bonds, shares or other securities.

This publication may contain future-oriented statements. Future-oriented statements are all statements that do not refer to historical facts or events. This applies in particular to statements about the intentions, beliefs or current expectations of the Company with respect to its future financial performance, plans, liquidity, prospects, growth, strategy and profitability as well as the economic environment in which the company operates. The future-oriented statements are based on current estimates and assumptions made by the company to the best of its knowledge. However, such forward-looking statements are subject to risks and uncertainties because they relate to future events and are based on assumptions that may not occur in the future. The company is not obliged to update or modify the future-oriented statements contained in this publication to reflect events or circumstances occurring after the date of this publication, unless they contain insider information subject to publication requirements.