Report of the Management Board
of CA Immobilien Anlagen AG
(FN 75895 k)
("CA Immo" or "Company")

to exclude the subscription right concerning a potential capital increase from authorised capital pursuant to section 171 para 1 in connection with section 153 para 4 Austrian Stock Corporation Act ("AktG")

and

Information of the Management Board
of the Company
on the implementation of the exclusion of the shareholders' reverse subscription right or repurchase right in the course of the disposal of treasury shares.

1. Introduction

On 22 February 2021, SOF-11 Klimt CAI S.à r.l. ("**Starwood**"), a subsidiary of Starwood Capital Group, published an anticipated mandatory offer pursuant to §§ 22 et seqq. Austrian Takeover Act ("**ÜbG**") and amended this offer on 5 March 2021 ("**Offer**"). This Offer is available on the website of the Austrian Takeover Commission (*Übernahmekommission*) (www.takeover.at) and the Company (www.caimmo.com).

In the Offer, Starwood declared to plan to acquire one hundred additional bearer shares of CA Immo on or around 8 April 2021, which are currently held by an Austrian notary public as trustee and which Starwood does not consider being currently attributable to it. Having acquired these shares, Starwood will hold a controlling interest within the meaning of sections 22 et seqq. ÜbG and a change of control as set forth in the CB Terms (terms and conditions of the Convertible Bond 2017) will occur (see point 3).

As a result of this change of control as defined in the CB Terms, holders of the Convertible Bond 2017 will be entitled to convert their bonds into a number of shares of the Company exceeding the number of shares which may be issued using the existing conditional capital pursuant to § 4 (4) of the Company's Articles of Association. Thus, the use of the authorised capital or the existing treasury shares as settlement shares for the holders of the Convertible Bond 2017 in addition to the existing conditional capital might be required. Notwithstanding the foregoing, the Company expressly reserves its right to make use either in whole or in part of the cash alternative option pursuant to § 10 of the CB Terms.

Having said this, the Management Board submits the following report:

2. Resolutions passed by the General Meeting

2.1 Authorised capital

At the Company's 31st Annual General Meeting held on 9 May 2018, the shareholders passed the following resolution on agenda item 7:

> *(...)*
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> *The Management Board shall be authorised for five years after the registration of this amendment to the Articles of Association with the Commercial Register pursuant to section 169 Austrian Stock Corporation Act, with the consent of the Supervisory Board, to increase the registered capital by up to Euro 359,168,301.36 by issuance of up to 49,404,168 new ordinary bearer shares in return for contributions in cash and/or in kind, also in several tranches and to specify the issue price, which must not be below the notional par value per share in the Company's share capital, the terms of the issuance and further details of the execution of the capital increase in agreement with the Supervisory Board and, as the case may be, to offer the new shares to shareholders for subscription by way of an indirect subscription right pursuant to section 153 para 6 Austrian Stock Corporation Act.*
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> *The Management Board shall be authorised, with the consent of the Supervisory Board, to fully or partially exclude shareholders' subscription rights,*
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>> *(i) in case the capital increase is effected in return for cash contributions and the shares issued with excluded subscription rights in total do not exceed the limit of 10% (ten per cent) of the share capital of the Company at the time of passing the resolution for this authorisation,*
>>
>> *(ii) in case the capital increase is effected in return for contributions in kind,*
>>
>> *(iii) to provide for an overallotment option (Greenshoe) or*
>
> *(iv) to make up for fractional amounts.*
>
> *In total, the shares issued with excluded subscription rights on the basis of this authorisation against contribution in cash and/or in kind shall not exceed the limit of 20% (twenty per cent) of the share capital of the Company at the time of passing the resolution for this authorisation. The number of those shares for which conversion and/or subscription rights are granted by way of convertible bonds issued under exclusion of subscription rights during the term of this authorisation shall be included for the calculation of this limit. The Supervisory Board shall be authorised to resolve upon amendments of the Articles of Association resulting from the issuance of shares based on the authorised capital.*

The amendment to the Company's Articles of Association concerning this authorisation was registered in the Company Register on 19 September 2018.

Before the Annual General Meeting held in 2018, at which the aforementioned resolution was adopted, the Management Board had prepared a report pursuant to section 170 para 2 AktG in connection with section 153 para 4 AktG and published it pursuant to section 108 AktG. In this report, the Management Board stated as follows (extract):

> *(…) This option to exclude the subscription right shall enable the Management Board, with the consent of the supervisory board, to acquire real estate, companies, parts of companies as well as shares, in particular in real estate holding companies or other assets, where appropriate, in return for shares in the Company.*
>
> *Strategic transactions shall be enabled depending on market conditions and the future development of the Company. When acquiring real estate, companies, parts of companies and shares, in particular in real estate holding companies or other assets (including claims of third parties against the Company or its affiliated companies), it may be appropriate or necessary to use or issue shares of the Company as consideration, e.g. where shareholders of the target company need to be compensated or in case the seller prefers to receive shares of the Company instead of cash (…)*

2.2 Treasury Shares

The 32nd Annual General Meeting held on 9 May 2019 (agenda item 8) authorised the Management Board, with the consent of the Supervisory Board, to choose a legally permissible method of disposing of treasury shares other than via the stock exchange or a public offer for a period of five years from the date of the resolution in accordance with section 65 para 1b AktG and to decide on any exclusion of shareholders' repurchase rights (reverse subscription rights) (sub-item 3 of the resolution). Furthermore, sub-item 2 of the resolution reads as follows:

> *The shareholders' repurchase right (subscription right) with respect to the utilisation of treasury shares to service the convertible bonds issued based on the authorisation granted on 7 May 2013 or based on the authorisation granted in the General Meeting on 9 May 2018 are excluded ("Direktausschluss").*

The Convertible Bond 2017 was issued based on the authorisation to issue such convertible bonds granted by the Annual General Meeting as of 7 May 2013, so that the Annual General Meeting directly excluded the shareholders' repurchase right (reverse subscription right) and therefore a further report in advance of the disposal of treasury shares is not legally necessary. Nevertheless, the Management Board has decided, for reasons of transparency and for the purpose of informing the shareholders, to also make statements on this in the context of this report. However, neither the Management Board nor the Supervisory Board will pass a resolution on this matter.

3. Convertible Bond 2017

The Company issued convertible bonds with a total nominal amount of EUR 200 million, which are due for repayment on 4 April 2025. These bear the security identification number (ISIN) AT0000A1YDF1 ("**Convertible Bond 2017**").

Pursuant to § 9 (a) of the terms and conditions of the Convertible Bonds 2017 ("**CB Terms**"), the Company has the option to satisfy the shares to be delivered to the holders of Convertible Bonds 2017 in the course of the conversion at its own discretion either from conditional capital, authorised capital or treasury shares.

Pursuant to § 12 (c) of the CB Terms, the conversion price of the Convertible Bond 2017 is to be adjusted for a certain period of time specified in the CB Terms upon the occurrence of a change of control. A change of control within the meaning of the CB Terms shall be deemed to have occurred, *inter alia*, if "*the Company is informed of the acquisition of an indirect or direct controlling interest pursuant to § 22 [...] Takeover Act pursuant to [§ 130] Stock Exchange Act*" (§ 12 (e) (i) CB Terms).

The adjustment of the conversion price as a result of the change of control leads to a reduction of the conversion price due to the formula set forth in § 12 (c) of the CB Terms, which results in holders of the Convertible Bond 2017 receiving more shares than outside this change of control window. Hence, a conversion upon occurrence of a change of control might be more advantageous for holders of the Convertible Bond 2017. Thus, if the vast majority or even all holders of the Convertible Bond 2017 decide to convert their bonds into, more shares of the Company would be required than are available via the existing conditional capital. As of the date of this report, the Company intends to fulfil, to the greatest extent possible, any conversion notices delivered by the holders of the Convertible Bond 2017 with the existing conditional capital pursuant to § 4 (4) of the Articles of Association, according to which up to 6,542,704 shares of the Company may be issued. Should the Company receive conversion notices for a larger number of shares, the Company is currently considering either creating these additional shares through a capital increase from authorised capital or using existing treasury shares. When finally assessing the way of fulfilling the bondholders' claims, the Management Board will, *inter alia*, take into account accounting and tax aspects, as well as settlement issues with third parties, in particular the respective bondholder or the commercial register court. In addition, the Management Board expressly reserves the right to make use of the cash alternative option pursuant to § 10 CB Terms.

Therefore, the Management Board intends to increase the share capital of the Company from authorised capital pursuant to §§ 169 et seqq. AktG by up to 1,500,000 bearer shares of the Company against contribution in kind, excluding the shareholders' subscription rights. In this case, the contribution in kind consists in the Convertible Bonds 2017 held by the respective bondholders.

The issue price per share is determined by the CB Terms and is therefore determinable (*bestimmbar*). Assuming that the change of control will occur on 8 April 2021, as assumed by Starwood, the conversion price per share and thus also the issue price of this capital increase from authorised capital shall amount to EUR 25.9687. This conversion price or issue price per share has already been specified in the CB Terms. Should the change of control occur earlier or later, there will be marginal, insignificant adjustments to this issue price. Should holders of the Convertible Bond 2017 only submit their conversion notice at a later point in time, at which the temporary adjustment of the conversion price as a result of the change of control no longer applies, the issue amount will correspond to the conversion price as contractually agreed on in the CB Terms. This conversion price currently amounts to EUR 29.7675, but may be subject to adjustments in accordance with the CB Terms.

4. Report of the Management Board – Justification of the exclusion of subscription rights

4.1 Company's interest

Raising capital by the way of issuing convertible bonds enables the Company to address additional groups of investors. Investors in convertible bonds receive interest, generally have a capital repayment claim and at the same time are granted the right to acquire shares in a company in the future at a price already determined at the moment of issuance of the convertible bond, thus enabling them to participate in the Company's development. Thereby, investors also have the opportunity to participate in an increase of the Company's value with a relatively lower risk of default compared to an investment in the Company's shares. With this type of financial instrument, institutional investors specialised in such investments in particular can be addressed and the Company can raise capital at advantageous conditions.

The Management Board of the Company has already explained the main reasons for an exclusion of subscription rights in its report pursuant to section 174 para 4 in connection with section 153 para 4 AktG before the Annual General Meeting held on 7 May 2013, where the shareholders passed the resolution on the authorisation of the Management Board to issue such convertible bonds with a direct exclusion of subscription rights.

This envisaged increase of the share capital from authorised capital is therefore a logical consequence of the issuance of convertible bonds, for which the Annual General Meeting held in 2013 directly excluded the shareholders' subscription right. With the issue of new shares from authorised capital, the company fulfils, *inter alia*, its obligations from the Convertible Bond 2017.

The issuance of new shares by way of a capital increase from authorised capital enables the Company to meet its obligations arising from the Convertible Bond 2017 in a tax-neutral manner.

4.2 The exclusion of the subscription right is appropriate, necessary and proportionate

The exclusion of the subscription right is also appropriate, since only holders of the Convertible Bond 2017 are in a position to make the contribution in kind; the implementation of the capital increase against contributions in kind with the exclusion of the subscription right is therefore also **appropriate** because the holders of the Convertible Bond 2017 can contribute their convertible bonds as "other assets" as a contribution in kind as consideration for the issue of new shares in the Company.

Furthermore, the measure is also **necessary** because, the objectives pursued by the Company (see item 4.1above) cannot be achieved without the exclusion of the subscription right, given the Company intends to fulfil its obligations from the Convertible Bond 2017 by issuing new shares.

Finally, the measure is also **proportionate** because it does not unreasonably interfere with the legal position of the shareholders excluded from their subscription right. The maximum number of shares to be issued from authorised capital in the course of the increase of the share capital shall amount to 1,500,000 shares; this corresponds to only 1.52% of the Company's issued share capital, which results in a negligible dilution. However, even if the 6,542,704 shares issued in the course of the capital increase from conditional capital are added to the number of new shares issued from authorised capital, a maximum of 7,701,754 shares will be issued, which corresponds to 7.79% of the Company's issued share capital, assuming an issue price of EUR 25.9687. Should there be a further change in the conversion price in accordance with the CB Terms, the number of shares to be issued from conditional and authorised capital together would amount to a maximum of 8,042,704 shares or 8.1397%.

In both cases, the impact on the existing shareholders of the Company can be kept within limits and there will be no significant dilution. Notwithstanding this, shareholders are able to compensate for any dilution of their shareholdings through additional purchases on the stock exchange.

In the course of this proportionality test, it should be emphasised once again that the shareholders at the Annual General Meeting held in 2013 resolved, within the framework of the authorisation of the Management Board, a direct exclusion of subscription rights for convertible bonds with which conversion or subscription rights for up to 13,756,000 shares are associated.

4.3 Summary

In summary under consideration of all circumstances, the Management Board considers the exclusion of the subscription right in the context of the issuance of new shares from authorised capital to be appropriate, necessary and proportionate in the interest of the Company.

Pursuant to section 171 para 1 of the AktG, the Management Board's report will be published on the website of the Company as disclosed in the Commercial Register and reference will be made to this publication in the Official Gazette (*Amtsblatt zur Wiener Zeitung*). The Supervisory Board resolution required for the approval of the exclusion of subscription rights will be adopted in accordance with the statutory provisions at the earliest two weeks after the publication of this report.

5. Treasury Shares

As already stated above, the Company may fulfil its obligations from the delivery of shares to the holders of the Convertible Bond 2017 either with new shares issued via authorised capital or conditional capital or with existing treasury shares. To the extent that the existing conditional capital is not sufficient to deliver shares to the holders of the Convertible Bond 2017, the Management Board intends to deliver the additionally required shares either from authorised capital or from existing treasury shares. The Management Board therefore intends to dispose of up to 1,500,000 treasury shares currently held against transfer of the Convertible Bond 2017. Concerning the issue price, reference is made to the explanations in section 3 of this report.

The Annual General Meeting held in 2019 resolved to exclude the shareholders' repurchase right (reverse subscription right) in the event of a disposal of treasury shares, insofar as these were to be issued to fulfil the Company's obligations from the convertible bonds issued on the basis of the authorisation granted on 7 May 2013. Given this direct exclusion, no report is required; nonetheless, the Management Board points out that this report and the information on the authorised capital shall apply *mutatis mutandis* to the disposal of treasury shares.

Vienna, March 2021

The Management Board of CA Immobilien Anlagen AG

Andreas Quint (CEO) Keegan Viscius (CIO) Andreas Schillhofer (CFO)