Report on Item 8 of the
Agenda

29th Ordinary Shareholders' Meeting
of
IMMOFINANZ AG
on 12 July 2022

Report by the Executive Board of IMMOFINANZ AG on the authorisation of the Executive Board to exclude the shareholders' right to sell in the case of repurchase of treasury shares (reverse exclusion of subscription rights) and to exclude the purchase right (exclusion of subscription right) in the case of sale of treasury shares (section 65 para 1b in conjunction with section 153 para 4 of the Austrian Stock Corporation Act)

1. Authorisations

At the 29th ordinary shareholders' meeting of IMMOFINANZ AG (the "**Company**") the following motion in connection with item 8 of the agenda shall be proposed:

1.1 Buyback of treasury shares

The authorisation of the Executive Board granted in the 27th ordinary shareholders' meeting on 01 October 2020 to purchase treasury shares shall be withdrawn and the Executive Board shall be authorised in accordance with section 65 para 1 no 8 Austrian Stock Corporation Act as well as para 1a and para 1b Austrian Stock Corporation Act for a period of 30 months from the date of the adopted resolution, with the consent of the Supervisory Board, to repurchase treasury shares in the Company for a total of up to 10 per cent of the share capital of the Company, also under repeated use of the 10 per cent threshold, both over the stock exchange or public offer as well as by other means, also with the exclusion of the shareholders' right to sell their shares, that may accompany such an acquisition. The authorisation may be exercised in full or in part or in multiple partial amounts by the Company, companies affiliated with it or by third parties for their account, and in pursuit of one or more purposes. The repeated use of the authorisation is permissible. The authorisation shall be exercised by the Executive Board in such a way that the portion of the share capital associated with the shares acquired by the Company on the basis of this authorisation or otherwise may not exceed 10% of the share capital at any time. The equivalent price per share must not fall below the level of EUR 1.00. The highest equivalent price per share paid in the buy-back shall not be more than 15 per cent above the average of the volume weighted daily closing price of the previous ten trading days of the shares on the Vienna Stock Exchange prior to the agreement of the respective acquisition. In the case of a public offer, the cut-off date for the end of the calculation period shall be the day on which the intention to make a public offer is announced (section 5 para 2 and 3 of the Austrian Takeover Act). If treasury shares are sold and repurchased by the Company in the course of financing transactions (e.g. repo transactions or swap transactions) or in transactions involving securities lending or loans, the sales price shall be the highest equivalent price for the buy-back in addition to appropriate interest.

1.2 Sale of treasury shares

The authorisation of the Executive Board granted in the 27th ordinary shareholders' meeting on 1 October 2020 to sell treasury shares shall be withdrawn to the extent not utilised and the Executive

Board shall be authorised in accordance with section 65 para 1b Austrian Stock Corporation Act for a period of 5 years from the date of the adopted resolution, subject to the approval of the Supervisory Board, to sell and use treasury shares in another way than over the stock exchange or through a public offering, and also to hereby exclude the proportional purchase right of shareholders (exclusion of subscription right). The authorisation may be exercised once or several times, in full or in part or in multiple partial amounts and in pursuit of one or more purposes by the Company, by a subsidiary (section 189a no 7 of the Austrian Business Code) or by third parties for the account of the Company.

For the authorisation to exclude the shareholders' proportional right to sell shares in the case of a repurchase of treasury shares according to section 65 para 1 item 8 Austrian Stock Corporation Act and for the authorisation to exclude the shareholder's purchase right (exclusion of subscription right) in the case the Company sells its treasury shares, the Executive Board hereby reports in writing in accordance with section 65 para 1b in conjunction with section 170 para 2 and section 153 para 4 sentence 2 Austrian Stock Corporation Act on the reasons for the partial or full exclusion of the shareholders' purchase right (exclusion of subscription right) and, mutatis mutandis in regard to the mentioned reporting obligations, also on the reasons for the authorisation to partially or fully exclude the shareholders' right to sell shares in the case of a repurchase of treasury shares by the Company.

2. Exclusion of the shareholders' purchase right (subscription right) in the course of a sale of treasury shares

2.1 Interest of the Company

The exclusion of the shareholders' purchase right (exclusion of subscription right) when the Company sells or uses treasury shares is, in terms of the resolution proposed under 1.2, in the interest of the Company for the following reasons:

- In the case of the acquisition of companies, parts in companies, equity investments in companies, business operations or parts of business operations as well as the acquisition of certain assets (in particular real estate) it may be advantageous to the Company to offer its treasury shares in part or in full as the consideration in return, for instance, to compensate shareholders of target companies or in case the seller prefers to receive, in part or in full, shares of the Company instead of cash. Furthermore, it may also be appropriate for the Company on account of strategic or corporate-organisational reasons to include the seller as shareholder in the Company. By use of treasury shares the liquidity requirements of the Company for investments/acquisitions are reduced and the completion of an investment/acquisition is accelerated if existing shares can be used and no new shares have to be created. The possibility of being able to offer treasury shares as acquisition currency gives the Company an advantage in the competition of acquisition objects. One advantage of using treasury shares can also be that the typical dilution effect is avoided if the acquisition is made in exchange for newly created shares (e.g. from authorised capital).

- By placing treasury shares with an exclusion of the shareholders' purchase right the shareholder structure of the Company may also be broadened or stabilised. First, this concerns an appropriate anchoring of the shareholders' base of the Company in regard to institutional investors (in particular financial investors and strategic investors). Furthermore it can be appropriate based on strategic reasons with respect to the business activities of the Company, to include investors as new shareholders, in particular investors who can, due to know-how, business connections and/or investment capital, broaden the business activities for the Company and/or stabilise the market position of the Company.

- Through the sale or use of treasury shares, the Company may quickly achieve a strengthening of the Company´s capital structure, for example to take advantage of potential growth opportunities. In addition, the sale or use of treasury shares enables the Company to cover a particular financing requirement in an individual case at more favourable terms than by way of debt financing. In particular in connection with the financing of a Company acquisition or real estate acquisition, but also when meeting a refinancing requirement of the Company or a group company, e.g. in case of a bond, a convertible bond or loan or other financing, it may be the case, due to the amount of the necessary financing requirement and/or the given time limit in which the financing requirement has to be met and in consideration of the general market and share prices development, the trading volumes available on the stock exchange and the statutory restrictions on trading volumes for share sale programmes over the stock exchange, that the necessary financing requirement cannot be met or not be met within the time limit required through a (exclusive) sale of treasury shares over the stock exchange or through a public offering.

  The exclusive sale of treasury shares over the stock exchange or through a public offering is not consistent with a capital strengthening or funding of means required to cover a specific financing need, in particular when it is not possible, due to usual trading volumes on the stock exchange, to sell the treasury shares in time or for the appropriate average market price on the market.

- The authorisation proposed to the Executive Board to resolve on another type of sale, also excluding the purchase right, enables the Executive Board to swiftly and flexibly take advantage of upcoming opportunities for the off-exchange block sale of treasury shares at appropriate prices. This is of particular importance to the Company in order to be able to take advantage of market opportunities in a swift and flexible way.

  Potential disadvantages for the Company can also be avoided. In particular, this applies to negative changes in the share price due to selling pressure on the stock exchange and in the course of a selling programme with negative impacts on the success and the profits of the capital measure (notably in volatile markets), avoidance of short selling during the selling programme, as well as securing of certain proceeds from the sale, in particular in a difficult stock market environment (exclusion of the placement risk). Especially in an uncertain and volatile market environment due to macro-economic factors the Company can be subject to market-driven disadvantageous price risks.

- Excluding the shareholders’ purchase right allows the Company to take advantage of an accelerated bookbuilding which reduces the placement risk. In the course of an accelerated bookbuilding the Company is able to assess the market’s perception of the price more quickly and precisely during a short offer period, which in this form would not be possible in the course of a public offer of the shares. International practice has also shown that an accelerated bookbuilding can usually achieve better conditions than would be the case otherwise since market risk factors, among others, cease to apply in the case of immediate placement, which would otherwise be priced in by institutional investors to the disadvantage of the Company. Furthermore, the procedure can also achieve a higher degree of transaction security, since institutional investors with a placement with subscription rights are faced with uncertainty about the exercise of subscription rights (subscription behaviour) (claw-back risk), which is a disadvantage when placing with institutional investors. A (partial) exclusion of subscription rights in a placement reduces this claw-back risk since not the (entire) allocation depends on the exercise of subscription rights (subscription behaviour), so that price discounts for investors can be reduced.

A public offering also requires a significantly longer time period for preparation and approval of a capital market prospectus pursuant to Article 3 para 1 of Regulation (EU) 2017/1129 (Prospectus Regulation). A placement of the shares with exclusion of the shareholders' purchase right as well as executing a private placement under a prospectus exemption avoids such downsides. Further, a placement within the scope of a prospectus exemption reduces the liability risks of the Company compared to a public offering requiring the publication of a prospectus.

- The exclusion of the shareholders' purchase right can also be useful in the course of a capital increase and placement of new shares of the Company in order to fulfil overallotment options (Greenshoe) with treasury shares. Overallotment options (Greenshoe) serve to react quickly to rising and falling demand in a placement and/or to stabilise the share price. For overallotment options additional shares are issued under the same conditions that applied to the new shares issued in the course of the capital increase. Overallotment options (Greenshoe) are standard international practice with the purpose to keep the placement volume flexible and to stabilize the share price after the placement of shares and are therefore in the interest of the Company.

- The Company's use of its treasury shares in financing transactions (e.g. repo transactions or swap transactions) increases the ways in which the Company may conduct financing and is therefore an option to swiftly and flexibly achieve financing to optimal conditions. It is also in the interest of the Company to use its treasury shares (e.g. in securities lending or loans) as a source of income. Furthermore, treasury shares can be used in securities lending as (price) stabilisation measures in connection with issuances of securities (e.g. convertible bonds of the Company with conversion and/or subscription rights into shares of the Company). For the purpose of the sale of treasury shares it might be appropriate to conclude options with the right of the Company to sell shares (put-options) or the obligation of the Company to sell shares if the option is exercised (call-options).

- Existing treasury shares may be used as an alternative or in addition to new shares (e.g. conditional capital) to cover or fulfil conversion and/or subscription rights or obligations of the Company´s convertible bonds. This increases the Company´s flexibility when issuing and fulfilling convertible bonds.

- In the course of employee participation programmes, existing shares can be alloted or offered for purchase to members of the Executive Board and employees of the Company or an affiliated company (perhaps also by way of an employee foundation). This is already considered sufficient grounds for excluding subscription rights according to the express provision of section 153 para 5 Austrian Stock Corporation Act.

2.2 The exclusion of the right to purchase shares is suitable, required and proportionate

The authorisation of the Executive Board to sell treasury shares in another way than over the stock exchange or through a public offering with the exclusion of the shareholders' purchase right (exclusion of subscription right) is suitable and required for the outlined purposes and in the interest of the Company.

To the extent of usual trading volumes the shareholders are free to purchase shares over the stock exchange. Consequently, when the Company sells or uses treasury shares with exclusion of the shareholders' purchase right, the shareholders have the opportunity to avoid a dilution of their shareholding quota by way of share purchase over the stock exchange.

Provided that the sale price is adequate (see point 2.3) there is usually no dilution risk for shareholders, which is comparable to capital increases. The percentage of the shareholder may change in the case of sale of treasury shares, but the sale will only restore the ratio of participation existing prior to the Company's repurchase of treasury shares, which has changed temporarily due to the limitations on the rights arising from treasury shares for the Company in accordance with section 65 para 5 Austrian Stock Corporation Act.

The use of treasury shares as consideration for acquisition purposes requires the exclusion of the shareholders' purchase right because individual assets are acquired (e.g. companies, parts of companies and shareholdings or other assets) which in general cannot be provided by the shareholders.

Financing transactions (e.g. repo transactions or swap transactions) using treasury shares, security lending transactions or security loan transactions or concluding put- or call-options may only be executed with professional market participants, for appropriate and practical reasons, in particular to react in a quick and flexible way to the market situation. Therefore, the exclusion is necessary to execute these transactions.

In the case that treasury shares are used as underlying for conversion and/or subscription rights or obligations of convertible bonds or to fulfil conversion and/or subscription rights or obligations of convertible bonds, the above mentioned justifications apply mutatis mutandis: In general a dilution of existing shareholders can be avoided by means of an adequate pricing at the issuance of the convertible bonds.

In any case the exclusion of the purchase right is suitable, required and proportionate, if a block of shares cannot be sold over the stock exchange within the required time frame or for adequate prices due to the usual trading volumes on the stock exchange.

Even if disadvantages occur for shareholders by the exclusion from the opportunity to purchase shares, such disadvantages will remain within tight limits due to the statutory threshold of 10% of the share capital for treasury shares held by the Company.

Considering the Company's interests in the use and sale of treasury shares and/or financing of the Company and the interests of the shareholders to preserve their proportional investment the authorisation to sell treasury shares with the exclusion of the shareholders' subscription right is not disproportionate.

The sale or use of treasury shares with the exclusion of the shareholder's purchase right and the specification of the conditions for the sale or use may only be exercised with the consent of Supervisory Board.

2.3 Justification of the sales price

In the case of the use of treasury shares as consideration for acquisition purposes (acquisition currency), the sales price for the treasury shares compared to the value of the acquired asset must fall in an appropriate ratio.

If treasury shares are used to fulfil overallotment options (Greenshoe), the sales price for the treasury shares mostly corresponds to the issue amount of the shares issued in the course of the capital increase (issuance).

In the case of a sale or use of treasury shares under exclusion of the shareholder's purchase right, the sales prices shall be determined depending on market conditions with regard to (average) share prices and the price level of the shares; where appropriate also with regard to calculated market values based on market standard calculation methods of options, taking into account in particular the strike price and paid and/or received option premiums. In most cases, with such pricing based on market standard calculation and pricing methods no disadvantage occurs to the shareholders; in any case, however, no disproportionate disadvantage occurs as a result of a percentage dilution.

When treasury shares are used for financing transactions (e.g. repo transactions or swap transactions) or securities lending or securities loan, the sales price may deviate from the afore mentioned limits, whereas a balance will be achieved due to a respective deviation of the repurchase price.

3. Exclusion of the shareholders' right to sell shares in case of a repurchase of treasury shares

3.1 Interest of the Company

The exclusion of the shareholders' right to sell when the Company buys back its treasury shares is in the interest of the Company, if the Company intends to use its treasury shares for the purposes described above under point 2.1 in the interest of the Company or also, if the Company purchases its treasury shares for "investment purposes", for a "management" of the capital structure of the Company (as the case may be), particularly with regard to the relationship between equity and debt or, in the case of a buy-back, for the redemption of its own shares.

The purchase of blocks of treasury shares from one or more shareholders with the exclusion of the other shareholders' right to sell is in the interest of the Company if, for example due to the available time frame, consideration of general and special market developments and share price performance, the trading volume on an exchange or the statutory volume restrictions for stock buy-back programs over an exchange, it can be assumed that the required Company shares cannot be purchased by the Company within the required period of time or cannot be purchased at reasonable prices over an exchange or through a public offering.

The purchase of blocks of treasury shares from one or more shareholders with the exclusion of the other shareholders' right to sell is also in the interest of the Company if, as a result, the shareholder structure of the Company can be stabilised, in particular with regard to strategic investors.

In the case of sale of companies, parts in companies, equity investments in companies, business operations or parts of business operations as well as sale of certain assets (in particular real estate) it may be advantageous to the Company to accept treasury shares in part or in full as the consideration in return. Thus, it will be possible to combine a deinvestment (sale) of assets of the Company with the repurchase of treasury shares or blocks of treasury shares. The possibility of being able to accept treasury shares as acquisition currency gives the Company an advantage in the course of sale transactions.

It is also in the interest of the Company in connection with its own shares being able to conclude put-options which oblige the Company upon exercise of the option to purchase shares of the Company or to agree on call-options which grant rights to the Company upon exercise of the option to purchase shares of the Company. Put-options in the context with the repurchase of shares can be appropriate, if the Company intends to repurchase treasury shares at low share price level. By using call-options the Company can also hedge the share price. Concluding options may also create liquidity advantages because liquidity is only required upon exercise of the option. Those transactions can – for practical and appropriate reasons – only be executed with professional market participants. Therefore those transactions can only be executed by excluding the shareholders' right to sell the required shares.

The authorisation of the Executive Board enables the Company to swiftly acquire the required treasury shares for the purposes pursued by the Company and at optimised terms.

Through the off-exchange purchase of blocks of shares as well as agreements on put- or call-options, which require a corresponding exclusion of the shareholders' right to sell shares, also potential disadvantages to the Company in the course of a share repurchase programme can be avoided. This applies specifically to share price changes during the term of the repurchase programme with negative impacts on the success or the costs of the capital measure (particularly in volatile markets), hedging of a certain investment volume for the repurchase programme as well as the avoidance of peak share prices because of increased demand driven by the share repurchases by the Company.

As already described under point 2.1, it may be in the interest of the Company to use treasury shares in the course of financing transactions (e.g. repo transactions or swap transactions) or securities lending or securities loan. The repurchase of treasury shares upon the termination of a financing transaction requires – as part of the whole transaction – the exclusion of the shareholders from their right to sell treasury shares, which is – as the financing transactions itself – in the interest of the Company. The same applies mutatis mutandis to securities lending or securities loan.

3.2 The exclusion of the right to dispose of shares is suitable, required and proportionate

The authorisation of the Executive Board for the repurchase of treasury shares as well as off-exchange with the exclusion of the shareholders' right to sell are suitable and required for the purchasing of the Company's own shares for the described purposes and in the interest of the Company.

The exclusion of the shareholders' rights to sell in case of an off-exchange repurchase of treasury shares by the Company will not have a negative dilutive effect for the shareholders and there is no risk of a decrease of the shareholding ratio. As the purchase price is determined depending on market conditions with regard to (average) share prices and the price level of the shares (also where appropriate with regard to calculated market values based on market standard calculation methods of options, taking into account in particular the strike price and paid and/or received option premiums) in most cases no disadvantage of shareholders will arise and in the (fewer) remaining cases no disproportionate disadvantage will occur as the shareholders are free to sell shares over the stock exchange within the limits of usual trading volumes.

The exclusion from the right to sell in the case of a repurchase of treasury shares upon the termination of financing transactions, transactions involving securities lending or securities loan, transaction does not result in any (disproportionate) disadvantages for the shareholders. On the one hand, only the previous status – prior to the sale of treasury shares – is restored. On the other hand, the shareholdings are not diluted: The consideration per share paid by the Company is limited with the initial sale price and – in accordance with the financing purpose – an appropriate interest rate may be taken into account.

Taking into account the described interests of the Company for the repurchase of treasury shares and the interest of the shareholders of the Company to sell shares to the Company over the stock exchange in the course of a share buyback programme or to tender the shares to the Company on the other hand, the authorisation to repurchase treasury shares off-exchange under exclusion of the shareholders' right to sell shares is not disproportionate and based on the reasons described above is required and suitable in order to achieve the objectives in the interest of the Company and the shareholders.

The repurchases of treasury shares under exclusion of the shareholders' right to sell and the determination of the terms for the repurchase requires the consent of the Supervisory Board.

Vienna, June 2022

The Executive Board