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STATEMENT FROM THE MANAGEMENT BOARD

of

CA Immobilien Anlagen AG

on the Anticipatory Mandatory Takeover Offer submitted by

SOF-11 Klimt CAI S.à r.l., Luxembourg

pursuant to sections 22 et seqq. of the Austrian Takeover Act (*Übernahmegesetz, ÜbG*)

1. Introduction

SOF-11 Klimt CAI S.à r.l., a limited liability company incorporated under the laws of Luxembourg (*société à responsabilité limitée*), registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés de Luxembourg*) under registration number B 220972, and with its business address at 2-4, rue Eugène Ruppert, L-2453, Luxembourg, (the "**Bidder**"), an indirect subsidiary of SOF-11 International, SCSp, and a member company of the Starwood Capital Group ("**Starwood**"), announced its intention on 8 January 2021 of launching an anticipatory mandatory takeover offer in accordance with sections 22 et seqq. of the Austrian Takeover Act ("**ÜbG**") to the shareholders and to the holders of the convertible bond of CA Immobilien Anlagen AG ("**CA Immo**" or the "**Target Company**" or the "**Company**") with its corporate seat in Vienna and registered with the company register of the Commercial Court (*Handelsgericht*) in Vienna under FN 75895 k for the acquisition of all outstanding no-par value ordinary bearer shares of CA Immo (ISIN AT0000641352) as well as the convertible bonds maturing on 4 April 2025 (ISIN AT0000A1YDF1) (the "**Offer**"). The Offer was published on 22 February 2021. On 26 February 2021, the Bidder publicly announced to increase the offer price from EUR 34.44 to EUR 36.00. This amendment to the Offer was published on 5 March 2021. The present statement of the Management Board considers exclusively this amended offer with the increased offer price.

In accordance with section 14 para 1 ÜbG, the management board of a target company is required to draft a substantiated statement as soon as an offer document has been published and to publish such statement within ten trading days of the publication of the offer document but no later than five trading days before the expiry of the acceptance period. In particular, the statement has to contain an assessment of whether the consideration offered and the other terms of the offer adequately take the interests of all shareholders into account and of the impact that the offer is expected to have on the target company and on its employees in particular (with respect to jobs, employment terms and the future prospects of business locations), creditors and the public.

Should the Management Board conclude that it is not in a position to issue a definitive recommendation, it should in any event set out the arguments for and against the acceptance of an offer and in doing so underscore key considerations.

If such statement refers to the offer price or the future development of the target company in the event that an offer is successful, it depends to a substantial degree on future trends and forecasts that inherently involve estimates of an uncertain nature. With regard to legal issues, it should be noted that the Austrian Takeover Commission (*Übernahmekommission*) and other decision-making bodies may arrive at different assessments.

Furthermore, the Management Board explicitly points out that it is unable to comprehensively review the accuracy of the information unrelated to the Target Company that has been provided by the Bidder in the Offer and that it has not performed any such review as well.

Having familiarised himself with the statement and recommendation issued by the Management Board as well as the underlying considerations, the chairman of CA Immo's supervisory board announced that the Supervisory Board had resolved to issue a statement declaring that it concurred with the statement issued by the Management Board concerning the Offer.

On such basis, the Management Board of the Target Company states the following about the Offer:

2. Current Situation

2.1 Information Regarding the Bidder

In the Offer, the Bidder declares being a controlled affiliate of Starwood Capital Group. Starwood is a private investment firm with a core focus on global real estate, energy infrastructure and oil and gas. The firm and its affiliates maintain 16 offices in seven countries around the world, and currently have approximately 4,100 employees. Since its inception in 1991, Starwood has raised more than \$55 billion of equity capital, and currently has in excess of \$70 billion of assets under management. The firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset

classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Over the past 29 years, Starwood and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. The Bidder states in the Offer that additional information can be found at starwoodcapital.com.

The Bidder was established as a special purpose vehicle and is represented by its managers (*gérants*) Rachelle Clitese and Olivier Marbaise.

The business purpose of the Bidder includes the holding of participations, in particular the acquisition, establishment, holding and managing of undertakings, shareholdings and financial instruments.

According to the Offer, the Bidder expects to remain a long-term shareholder in the Target Company. Starwood has a long track record of growing publicly listed platforms, and through its representation on the supervisory board, the Bidder announced to continue to support the management team of the Target Company. Further, the Bidder announced that it is one of its objectives in connection with the Offer to maintain an investment grade credit rating for the Target Company (cf section 4.2 of this statement). According to the Offer, the Bidder does not expect a successful Offer to affect the Target Company's headquarters, other offices or employment conditions.

In section 2.2.2 of the Offer, the Bidder highlighted that the Offer was financed by various debt and equity sources. Certain providers of equity finance have been granted rights concerning their investment. In particular, after settlement of the Offer following the Acceptance Period certain controlled affiliates of funds managed by Pacific Investment Management Company LLC (*PIMCO*) as an equity investor shall be entitled to designate a single member to the CA Immo supervisory board for a limited period of time. In the view of the Management Board, this implies some degree of uncertainty concerning the future composition of the Supervisory Board.

In addition, according to the Offer, the Bidder has not yet decided whether to effect a squeeze-out under the Austrian Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz*) if the

Offer results in the Bidder holding over 90% of the Share Capital and of the shares in the Target with voting rights, either upon completion or at a later date.

Finally, the Bidder refers to its intention to remain the CA Immo Shares listed; however, the Bidder pointed out that in the event of a high acceptance rate the minimum free float requirements for admittance of the shares to the Official Market (*Amtlicher Handel*) or for a continued listing in the "Prime Market" segment of the Vienna Stock Exchange may no longer be met.

2.2 Information Regarding the Target Company

CA Immobilien Anlagen AG is a stock corporation incorporated under Austrian law with its corporate seat in Vienna and its business address at Mechelgasse 1, 1030 Vienna, Austria, entered in the company register of the Commercial Court (*Handelsgericht*) in Vienna under registration number FN 75895 k. The registered share capital (*Grundkapital*) of the Target Company amounts to EUR 718,336,602.72 and is divided into 98,808,336 ordinary shares (four registered shares and 98,808,332 bearer shares) (the "**CA Immo Shares**"), each of which represents the same proportion of the registered share capital of the Target Company and confers the same voting rights. The four registered shares are currently held by the Bidder. The bearer shares are admitted to trading on the Official Market (*Amtlicher Handel*) (Prime Market) of the Vienna Stock Exchange (*Wiener Börse*) under ISIN AT0000641352. There are no different share classes.

Further, CA Immo has issued a convertible bond in the amount of EUR 200 million maturing on 4 April 2025 (ISIN AT0000A1YDF1) (the "**Convertible Bond**") as well as several other corporate bonds without conversion rights and which are not subject to the Offer. For further information on the Convertible Bond, please refer to sections 2.4 and 5.4.

The Target Company is the parent company of the CA Immo Group. As such, it performs central administrative tasks for the entire CA Immo Group on the one hand and, on the other hand, holds and also directly manages properties located in Austria. The Target Company holds numerous equity interests in companies that hold real estate or perform administrative activities.

The CA Immo Group is a real estate group that is active internationally and invests in commercial property in Germany, Austria and CEE with a particular focus on office space. The group's core competence is concentrated in two business segments: Portfolio management with an emphasis on optimizing yields for portfolio properties as well as project development.

Regionally, the Group is active in Austria through the parent company CA Immobilien Anlagen AG or its subsidiaries and in Germany, through the subsidiary CA Immo Deutschland GmbH and its subsidiaries. In Central- and Eastern Europe, the CA Immo Group is represented by numerous direct and indirect subsidiaries.

2.3 Current Shareholder Structure

Taking into account the disclosures made pursuant to section 135 of the Austrian Stock Exchange Act (*Börsengesetz*) as well as the Bidder's disclosure in the Offer, the shareholder structure of the Company as at 5 March 2021 is as follows:

Shareholder	Shares Held	Share of Voting Rights	Share of entire Issued Capital
Bidder	27,908,386 bearer shares plus four registered shares	29.999893%	28.244975%
CEE Immobilien GmbH (a subsidiary of S IMMO AG)	4,960,823 bearer shares ¹	5.332596%	5.020652%
BlackRock, Inc.	3,879,903 bearer shares, (5,184 + 5,851 other instruments)	4.170670% (0.0.011862%)	3.926696% (0.011168%)
Free float	56,279,183 bearer shares	60.496842%	56.957930%
Treasury Shares	5,780,037 bearer shares	---	5.849746%

Apart from the shares held by the Bidder as disclosed before, the Bidder entered into a trust agreement with an Austrian notary and deposited 100 CA Immo Shares into a securities trust account ("**Trust Shares**"). The Austrian notary has sole signatory power over the securities trust account and, as a result of the deposit of the Trust Shares into the securities trust account, the Bidder is no longer able to exercise the voting rights and control rights

¹ Please note that at the AGM 2020, this shareholder registered 6.293.078 shares, which corresponds to approx. 6.37% of Target Company's issued share capital and approx. 6.76% of the voting rights.

associated with these CA Immo Shares. Once the Bidder has obtained merger control clearance from the competent authorities, the Austrian notary will transfer the Trust Shares to the Bidder. With the transfer of the Trust Shares to the Bidder, the Bidder will hold 27,908,486 bearer shares and 4 registered shares, corresponding to approximately 28.25% of the total share capital of the Target Company and 30.0000003% of the total outstanding voting rights, thereby obtaining a controlling interest in the Target Company pursuant to Sec 22 et seqq. ÜbG. Having obtained such controlling interest, the Bidder may not withdraw from the Offer anymore (see section 2.5).

2.4 Information on Convertible Bond issued by the Target Company

The Convertible Bond (ISIN AT0000A1YDF1) was issued by the Target Company in October 2017 and will mature in April 2025. The nominal amount of the Convertible Bond is EUR 200m.

The current conversion price of the Convertible Bond amounts to EUR 29.7675 per share meaning that an investor may acquire 3,359 shares in the Target Company and a cash compensation of EUR 11.3034 when converting one Convertible Bond with a nominal amount of EUR 100,000.00 in accordance with the terms of the Convertible Bond ("**CB Terms**").

Holders of the Convertible Bond should note that pursuant to section 12 of the CB Terms the conversion price will be adjusted for a certain period of time starting on the day where a change of control (pursuant to section 12 CB Terms) occurs until the control record date (being the day set and published by the Target Company which will be not less than 40 nor more than 60 days after the change of control has been published in accordance with section 15 CB Terms) (this period being the "**CoC Conversion Period**"). Thus, during this CoC Conversion Period, the holders of the Convertible Bond may benefit from a lower conversion price enabling them to acquire more shares for the same amount of bonds held by them. The Bidder announced that following the regulatory clearance, which the Bidder expects to occur in early April 2021, the Trust Shares will be transferred to the Bidder. Therefore, the Bidder assumes to be able to notify the Target Company of a change of control on 8 April 2021.

As far as the Management Board is aware of, the Bidder reflected this premium for holders of a Convertible Bond in the offer price for the Convertible Bond payable during the Acceptance Period ending on 9 April 2021. On the contrary, the offer price for Convertible Bonds during the sell-out period (see section 3.3) is lower since the Bidder will not be able to convert the Convertible Bonds acquired via the Offer during the sell-out period at those favourable conditions.

Reference is made to the list of non-exhaustive options and sample-calculations for holders of the Convertible Bond how to accept the Offer on pages 23 et seqq of the Offer, section 3.2.3, as well as section 3.3 of the amended offer published on 5 March 2021.

Apart from accepting the Offer, the holders of the Convertible Bond may also give notice upon the occurrence and publication of a change of control in accordance with section 12(b) CB Terms, whereby in that case the Target Company will redeem the Convertible Bonds on the control record date at the principal amount plus accrued interest until the control record date, or remain holders of the Convertible Bond.

With respect to any conversion notices received from holders of Convertible Bonds, the Target Company will decide on a case-by-case basis in accordance with its duties and the CB Terms, how to settle such conversion notices. According to the CB Terms, the Target Company may

- either deliver shares at the respective conversion price according to the CB Terms at the time of delivering the conversion notice or
- make use of the cash alternative election set out in section 10 of the CB Terms.

As of today, the Management Board intends to settle conversion notices by delivering new shares from conditional capital and, in case the available conditional capital does not suffice for the purpose of the settlement, from authorised capital and/or by using existing Treasury Shares. To this end, the Management Board will issue a separate report on the exclusion of (reverse) subscription rights in accordance with the respective provisions for the authorised capital and the use of Treasury Shares. Such report will be published on the

Target Company's website and a reference to the reports will be published in the Official Gazette (*Amtsblatt zur Wiener Zeitung*).

2.5 Recent developments with regard to the Shareholder Structure of the Target Company – Competing Offer to be potentially launched by Aggregate-Group

On 20 January 2021, Aggregate Holdings S.A. ("**Aggregate**") confirmed that it may be considering a potential acquisition of a stake in the Target Company, which may also include launching a partial takeover offer for shares in the Target Company in accordance with the provisions of the Austrian Takeover Act (ÜbG).

The Bidder points out in the Offer that holders of CA Immo Shares or the Convertible Bond will have full certainty as to whether a competing offer pursuant to section 17 ÜbG was announced and an offer document was filed with the Austrian Takeover Commission on 22 March 2021 at the latest. Holders of CA Immo Shares and the Convertible Bond should bear in mind that the Bidder has expressly reserved its right to withdraw from the Offer if another bidder makes a public offer for CA Immo Shares and/or Convertible Bonds of the Target Company. However, such withdrawal from the Offer would only be permissible until the Bidder acquires the Trust Shares and thus control within the meaning of section 22 ÜbG.

Against this background it should be noted that the content of this statement only reflects the knowledge of the members of the Management Board as of today and only refers to the offer document published by the Bidder on 22 February 2021 as amended on 5 March 2021.

3. Assessment of the Offer

3.1 Subject of the Offer

The Offer relates to the acquisition of

- all outstanding no-par value ordinary bearer shares of the Target Company (ISIN AT0000641352) admitted to official trading (*Amtlicher Handel*) in the Prime Market segment of the Vienna Stock Exchange, and

- all outstanding Convertible Bonds in the nominal amount of EUR 200m issued by the Target Company and maturing on 4 April 2025 (ISIN AT0000A1YDF1), admitted to trading on a non-regulated market (multilateral trading facility; *Dritter Markt*), segment *Corporate Standards*, on the Vienna Stock Exchange

each to the extent that they are not held by the Bidder nor by the Target Company.

The Target Company currently holds 5,780,037 of its own shares ("**Treasury Shares**"). This corresponds to approximately 5.85% of the entire registered share capital of the Target Company. Those Treasury Shares are excluded from the Offer (see section 3.1. of the Offer).

However, settlement shares (i.e., bearer shares that are to be issued to the holders of the convertible bonds upon the exercise of conversion rights) are the subject of the Offer and can therefore be tendered during the acceptance period if they are issued sufficiently in advance before the end of the acceptance period (see section 2.4).

3.2 Offer Price with respect to CA Immo Shares

The Bidder initially offered to buy the shares held by the shareholders of CA Immo from them at a price of EUR 34.44 *cum* dividend for each no-par value ordinary bearer share, which has been recently increased from EUR 34.44 to EUR 36.00 *cum* dividend. *Cum* dividend means that the offer price per share will be reduced by the amount of any dividend declared per share between the announcement of the Offer and settlement, provided that settlement of the Offer occurs after the relevant record date for such dividend. Since the Offer is expected to be settled in April 2021 and the ordinary general meeting of the Target Company is scheduled to take place only on 6 May 2021 and the dividend record date is planned to be on 11 May 2021, those shareholders accepting the Offer in the Acceptance Period might not be affected by this adjustment of the offer price. On the contrary, those shareholders accepting the offer during the sell-out period might be affected by such adjustment.

As the offer is an anticipatory mandatory takeover offer within the meaning of sections 22 et seqq. ÜbG, the Bidder needs to comply with the minimum pricing rules pursuant to section 26 ÜbG, which is the higher of

- the historical volume-weighted average exchange price over the last 6 months from the day prior to the Bidder's public announcement of the intention to launch the Offer (7 January 2021), or
- the highest consideration the Bidder or a person acting in concert with the Bidder paid for a share or another equity instrument (*Beteiligungspapier*) over the last 12 months before filing the Offer with the Austrian Takeover Commission (2 February 2021).

(a) *Offer Price in Relation to Historical Share Price*

On the last trading day prior to the announcement of the intention to launch the Offer (7 January 2021), the bearer shares were listed at a closing price of EUR 31.55 on the Vienna Stock Exchange. The offer price therefore exceeds the closing price by EUR 4.45, which corresponds to a premium of 14.1%.

The following table shows the volume-weighted average exchange price ("VWAP") per CA Immo Share for the past 3, 6, 12, 24 and 60 calendar months as well as the spot price at the time of the announcement of the intention to launch an offer*:

	Spot Price 7 Jan 2021 (closing price)	3 months (8 Oct 2020 to 7 Jan 2021)	6 months (8 July 2020 to 7 Jan 2021)	12 months (8 Jan 2020 to 7 Jan 2021)	24 months (8 Jan 2019 to 7 Jan 2021)	60 months (8 Jan 2016 to 7 Jan 2021)
VWAP	31.55	27.74	27.21	29.51	30.83	25.11
Premium (offer price minus VWAP)	EUR 4.45 / 14.10%	EUR 8.26 / 29.75%	EUR 8.79 / 32.32%	EUR 6.49 / 21.99%	EUR 5.17 / 16.77%	EUR 10.89 / 43.38%

*Source: FactSet; Based on an offer price of EUR 36.00 (without factoring in a dividend)

The 2020 (this including the first days of 2021 until 7 January 2021) high closing price before the announcement of the intention to launch an offer was EUR 41.85, the low closing price was EUR 22.45. The corresponding figures for 2019 were EUR 37.5 (high closing price) and EUR 27.62 (low closing price).

(b) *Offer Price in Relation to Equity Analysts' Estimates*

The latest analyses prepared by investment banks and financial institutions about the share after the Bidder's announcement of the intention to launch an offer indicated the target prices shown in the table below:

Institution	Date	Target Price (EUR)	Period	Recommendation
Wood & Company	02 March 2021	41.00	12 months	Hold
Deutsche Bank	11 February 2021	46.00	12 months	Buy
Kepler Cheuvreux	11 February 2021	35.50	12 months	Hold
Jefferies	4 February 2021	43.00	12 months	Buy
HSBC	4 February 2021	42.00	12 months	Buy
SRC Research	29 January 2021	39.00	12 months	Buy
Erste Group	11 January 2021	35.50	12 months	Buy
Baader-Helvea	11 January 2021	34.00	12 months	Reduce
Raiffeisen Centrobank	7 December 2020	37.00	12 months	Buy
Average		39.22		

Source: Analyst reports

The analyses prepared by investment banks and financial institutions about the share before the Bidder's announcement of the intention to launch an offer indicated the target prices shown in the table below:

Institution	Date	Target Price (EUR)	Period	Recommendation
Raiffeisen Centrobank	7 December 2020	37.00	12 months	Buy
Deutsche Bank	30 November 2020	43.00	12 months	Buy
Wood & Company	27 November 2020	30.50	12 months	Buy
SRC Research	26 November 2020	37.00	12 months	Buy
Erste Group	26 November 2020	35.50	12 months	Buy
Kepler Cheuvreux	18 November 2020	32.00	12 months	Buy
Baader Helvea	26 March 2020	34.00	12 months	Reduce
HSBC	26 February 2020	49.00	12 months	Buy
Average		37.25		

Source: Analyst reports

In terms of averages, the offer price of EUR 36.00 is about 3.4% below the average indicated in the analyses prepared by the investment banks and financial institutions before the Bidder's announcement of the intention to launch an offer and about 8.2% after this announcement.

(c) *Offer Price in Relation to Purchases made by the Bidder*

Pursuant to the publicly available information disclosed in accordance with section 19 para 1 MAR (*Directors' Dealings*), the Bidder acquired CA Immo Shares in the volume and for a consideration as set out as follows:

Date of transaction	No of shares	Highest price paid per share	Lowest price paid per share	Average price per share
March 30, 2020	28,138	€ 30.000	€ 28.000	€ 28.5340
April 1, 2020	25,848	€ 30.000	€ 29.500	€ 29.8320
April 2, 2020	3,217	€ 30.000	€ 29.850	€ 29.9920
April 3, 2020	28,035	€ 30.000	€ 28.700	€ 29.3540
April 6, 2020	27,814	€ 30.000	€ 28.850	€ 29.5710
April 7, 2020	46,246	€ 30.000	€ 29.300	€ 29.3730
April 8, 2020	54,116	€ 29.800	€ 28.550	€ 29.2170
April 9, 2020	19,259	€ 30.000	€ 29.500	€ 29.8780
April 14, 2020	37,592	€ 30.000	€ 29.100	€ 29.7850
April 15, 2020	82,071	€ 30.000	€ 28.750	€ 29.3750
April 16, 2020	23,350	€ 30.000	€ 29.150	€ 29.8690
April 17, 2020	43,754	€ 30.000	€ 29.250	€ 29.8240
April 20, 2020	33,709	€ 30.000	€ 28.650	€ 29.2520
April 21, 2020	27,783	€ 29.550	€ 28.900	€ 29.2290
April 22, 2020	26,156	€ 29.875	€ 28.900	€ 29.3980
April 23, 2020	25,721	€ 29.800	€ 29.025	€ 29.2490
April 24, 2020	75,638	€ 29.500	€ 28.400	€ 28.5330
April 30, 2020	26,325	€ 29.550	€ 29.000	€ 29.1020
May 4, 2020	31,773	€ 29.700	€ 28.250	€ 28.6910
May 5, 2020	19,289	€ 29.350	€ 28.650	€ 28.9760
May 6, 2020	19,057	€ 29.400	€ 28.650	€ 28.8380
May 7, 2020	40,772	€ 29.350	€ 28.700	€ 29.1900
May 8, 2020	31,474	€ 30.000	€ 29.300	€ 29.8000
May 11, 2020	27,969	€ 30.000	€ 29.350	€ 29.8240
May 12, 2020	29,839	€ 30.000	€ 28.600	€ 28.9690
May 13, 2020	41,969	€ 29.300	€ 28.250	€ 28.6020
May 14, 2020	39,416	€ 28.500	€ 27.950	€ 28.0870
May 15, 2020	27,072	€ 28.800	€ 28.050	€ 28.3130
May 18, 2020	39,363	€ 29.050	€ 28.150	€ 28.3010
May 19, 2020	65,021	€ 28.650	€ 27.800	€ 28.2400
May 20, 2020	45,535	€ 29.400	€ 28.450	€ 28.9070
May 21, 2020	12,011	€ 29.400	€ 28.350	€ 28.7510
May 22, 2020	42,561	€ 29.400	€ 28.250	€ 29.1200

May 25, 2020	20,169	€ 30.000	€ 29.400	€ 29.7480
May 26, 2020	35,803	€ 30.000	€ 29.300	€ 29.8260
May 27, 2020	80,172	€ 30.000	€ 28.650	€ 29.0360
May 28, 2020	57,115	€ 30.000	€ 28.900	€ 29.5840
May 29, 2020	13,241	€ 30.000	€ 29.250	€ 29.6600
June 2, 2020	6,363	€ 30.000	€ 29.950	€ 29.9970
June 3, 2020	55,455	€ 30.900	€ 29.900	€ 30.3990
June 4, 2020	52,644	€ 31.000	€ 30.350	€ 30.7880
June 5, 2020	9,635	€ 31.000	€ 30.800	€ 30.9300
June 9, 2020	66,315	€ 31.000	€ 30.325	€ 30.7400
June 10, 2020	16,587	€ 31.000	€ 30.400	€ 30.7630
June 11, 2020	38,500	€ 29.900	€ 28.950	€ 29.3360
Dec 18, 2020	105,000	€ 30.000	€ 29.650	€ 29.8190
Dec 21, 2020	124,941	€ 29.525	€ 28.800	€ 29.1950
Dec 22, 2020	66,764	€ 30.000	€ 29.725	€ 29.9130
Dec 29, 2020	16,303	€ 31.500	€ 31.150	€ 31.4080
Dec 30, 2020	15,849	€ 31.500	€ 31.350	€ 31.4110
Jan 04, 2021	96,084	€ 31.625	€ 31.150	€ 31.4590
Jan 05, 2021	40,000	€ 31.750	€ 31.300	€ 31.6110
Jan 08, 2021	1	€ 31.100	€ 31.100	€ 31.1000

The Bidder declared in its Offer that the consideration paid for CA Immo Shares over the 12 months before the filing of the Offer did not exceed EUR 31.75 per CA Immo Share.

(d) *Company Valuation*

To assess the offer price, the Management Board of the Target Company engaged J.P. Morgan AG ("**JPMorgan**") to provide its view as to the range of values of the Target Company. To this end, JPMorgan reviewed the multi-year business plan prepared by the Target Company (which assumes certain future expectations and trends that naturally involve elements of uncertainty) and performed such other financial studies and analyses and considered such other information as it deemed appropriate. JPMorgan provided its view on the range of values of the Target Company to the Management Board of the Target Company, based on certain factors, assumptions and procedures specified therein. The Management Board of the Target Company can confirm that the offer price is below the range of values provided by JPMorgan.

(e) *Target Company Performance Indicators*

The following table shows selected financial indicators in EUR for the Target Company for the past three years that have been taken from the consolidated annual financial statements prepared in accordance with IFRS.

Indicator	2017	2018	2019	Q1-3/2019	Q1-3/2020	Q3/2020 (ADJ.)
IFRS NAV per Share	25.95	28.37	31.90	31.90	31.83	34.03
EPRA NAV per Share	30.09	33.30	38.37	38.36	38.36	40.56
EPRA NNNAV per Share	27.29	30.08	33.69	33.69	34.44	36.64
FFO I per Share	1.14	1.27	1.43	1.09	1.13	n/a
Dividend per Share	0.80	0.90	1.00	-	-	n/a
Rental income in EURm	163.40	192.4	220.7	164.8	177.6	n/a
EBITDA in EURm	172.80	145.1	171.7	132.1	136.1	n/a
EBIT in EURm	344.40	442.3	633.7	325.2	110.7	n/a
EBT in EURm	302.90	396.2	539.3	247.8	120.4	n/a
Consolidated net income in EURm	238.10	305.3	393.3	177.9	88.0	n/a
EPS	2.55	3.28	4.23	1.91	0.95	n/a
EPS (diluted)	2.55	3.21	4.23	1.91	0.49	n/a

In addition to Q3 reported figures, reference is made to the Target Company's adhoc publication dated 10 February 2021 (<https://www.caimmo.com/en/press-corner/news/news-detail/ca-immobilien-anlagen-ag-ca-immo-expects-positive-revaluation-result-of-around-eur-180-m-for-the-2020-business-year/>) in which the Target Company announced a positive revaluation result of around EUR 180m for the financial year 2020 leading to a real estate portfolio of around EUR 5.6bn as of 31 December 2020. On the basis of this announced revaluation gain, the above table also indicates adjusted IFRS NAV, EPRA NAV and EPRA NNNAV figures per share.

The objective of the EPRA NAV measure is to highlight the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property

valuation surpluses are therefore excluded. Similarly, trading properties are adjusted to their fair value under EPRA's NAV measure². The latter comprise part of CA Immo's land reserves, which are recognized at cost on the balance sheet.

While EPRA's NAV is designed to provide a consistent measure of the fair value of a company's net assets on a going concern basis, some investors and users of annual reports like to use a 'spot' measure of NAV, which shows all assets and liabilities at their fair value (EPRA NNAV)².

Further, the FY 2020 target of recurring earnings (FFO I) of >EUR 126m is expected to be significantly outperformed while reaching prior year's level of around EUR 133m.

The final full-year results will be published on 24 March 2021. Holders of CA Immo Shares and Convertible Bonds as addressees of the Offer may make their final decision to accept or not to accept the Offer being aware of the final full-year results. Pursuant section 3.6 of the amended offer published on 5 March 2021, the holders of CA Immo Shares and Convertible Bonds having already accepted the Offer before the publication of the final full-year results shall have the right to withdraw their acceptance of the Offer within four trading days, at the latest on 30 March 2021.

3.3 Offer Price of Convertible Bonds

The offer price for Convertible Bonds amounts to EUR 138,628.43 *cum dividend* if a holder of such Convertible Bond decides to tender the Convertible Bond into the Offer during the Acceptance Period having started on 22 February 2021 and ending on 9 April 2021. This offer price corresponds to the nominal value of the Convertible Bond divided by the adjusted conversion price of EUR 25.9687 as per the expected change of control date of 8 April 2021, multiplied by the offer price for the CA Immo Shares amounting to EUR 36.00. In case the change of control occurs at an earlier or later point in time, the adjusted conversion price changes in accordance with the CB Terms, thereby leading to a change in the offer price as set out in section 3.2.3 of the Offer. A delay of the change of

² Source: *EPRA Best Practices Recommendation Guidelines as of November 2016*.

control date reduces the offer price for the Convertible Bond during the Acceptance Period *ceteris paribus* by up to EUR 12 per day (rounded).

The offer price for Convertible Bonds amounts to EUR 120,947.42 *cum dividend* if a holder of such Convertible Bond decides to tender the Convertible Bond into the Offer during the sell-out period following the Acceptance Period. Thus, the offer price for Convertible Bonds tendered during the sell-out period is lower than the offer price during the Acceptance Period. This reduced offer price corresponds to the nominal value of Convertible Bond divided by the unadjusted conversion price of EUR 29.7675 pursuant to the CB Terms, multiplied by the offer price for the CA Immo Shares amounting to EUR 36.00.

Apart from that, the offer price may be subject to further adjustments resulting from dividend payments, if the record date of such dividend is before the respective settlement of either the Acceptance Period or the sell-out period (see above the remarks on the offer price being *cum dividend*).

Finally, the Bidder points out that the offer price of EUR 120,947.42 applies not only to the sell-out period but also to the Acceptance Period if both (i) the Acceptance Period is extended beyond 9 April 2021 as a result of a competing offer, and (ii) settlement of the Acceptance Period takes place after the expiry of the CoC Conversion Period.

(a) *Offer Price in Relation to Historical Market Price*

Although being traded on Vienna Stock Exchange's *multilateral trading facility (Dritter Markt)*, the Target Company is not aware of any transactions of Convertible Bonds until 7 January 2021. Hence, there is no relevant figure serving as minimum threshold pursuant to section 26 para 1 ÜbG with respect to Convertible Bonds.

(b) *Offer Price in Relation to Purchases made by the Bidder*

According to the Bidder's statement, neither the Bidder nor parties acting in concert have acquired Convertible Bonds during the 12 months before the filing of the Offer.

(c) *Proportion between Offer Price for CA Immo Shares and for Convertible Bonds*

Section 26 para 2 stipulates that the offer price for CA Immo Shares, on the one hand, and for Convertible Bonds, on the other, shall be proportionate. As far as the Target Company is aware of, the Bidder took the proportion between these two forms of equities (*Beteiligungspapiere*) duly into consideration by granting the premium offered to the holders of CA Immo Shares to Convertible Bond holders as well. This has been procured by determining the offer price for the Convertible Bond as it corresponds to the nominal value of the Convertible Bond divided by the (adjusted) conversion price pursuant to the CB Terms multiplied by the offer price for the CA Immo Shares.

During the Acceptance Period, the offer price for the Convertible Bond exceeds the offer price paid during the sell-out period. By this structure, the Bidder intends to anticipate the adjustment of the conversion price resulting from a change of control pursuant to the CB Terms. Please see section 2.4 for further detail. In section 3.3 of the Offer, the Bidder mentions some options a holder of Convertible Bonds has. Further, section 3.2.3 of the Offer and section 3.3 of the amended offer published on 5 March 2021 contains sample calculations. Holders of Convertible Bonds may use this information as an orientation how to react to the Bidder's offer.

3.4 Offer Conditions

The Offer submitted by the Bidder is subject to the following condition precedent (the "**Condition Precedent**"):

Merger Control Clearance

The transaction has received clearance from the competent competition authorities in Germany, Austria and Poland no later than ninety calendar days following the end of the Acceptance Period (the "**Long Stop Date**"), or all relevant statutory waiting periods (in Germany one month from filing; in Austria four weeks from filing and in Poland one month from filing) have expired, with the result that the transaction is deemed to be approved, or the respective competition authorities have declared that they are not competent for conducting a review of the transaction.

The Bidder will provide notice of the fulfilment or non-fulfilment of the Condition Precedent without delay in the media to be used for the publication of notices referred to in this offer document.

Apart from the Condition Precedent, it should be noted that the Bidder expressly reserved its right to withdraw from the Offer if another bidder makes a public offer for CA Immo Shares and/or Convertible Bonds of the Target Company. However, the Bidder may only exercise this right to withdraw the Offer until obtaining a controlling interest within the meaning of section 22 ÜbG.

3.5 Acceptance Period and Settlement of the Offer

(a) Acceptance Period

The period for the acceptance of the Offer initially amounts to 7 weeks. Thus, the Offer can be accepted from 22 February 2021 up to and including 9 April 2021, 17:00 Vienna time (“**Acceptance Period**”). Please note that the Bidder has explicitly reserved the right to extend the Acceptance Period. In the event that a competing offer is launched during the Acceptance Period, the Acceptance Period will be automatically extended for all offers already made until the end of the acceptance period for the competing offer in accordance with section 19 para 1c ÜbG, unless the Bidder withdraws the Offer.

(b) Sell-out Period

As the Offer is structured as an anticipatory mandatory offer pursuant to sections 22 et seq. ÜbG, a sell-out period pursuant to section 19 para 3 ÜbG will mandatorily take place. The sell-out period will start on the day of the publication of the results (section 3.6) and will last for a period of three months.

Insofar as holders of CA Immo Shares or holders of the Convertible Bond want to accept the Offer, they can either accept the Offer during the Acceptance Period or during the sell-out period. With respect to the Convertible Bond, it shall be noted that the consideration paid by the Bidder during the Acceptance Period exceeds the one paid during the sell-out period (for details, see section 2.4). Please note that the Bidder has expressly reserved its right to withdraw from the Offer if another bidder makes a public offer for CA Immo Shares and/or Convertible Bonds.

(c) *Settlement*

Regarding details concerning the settlement of the Offer, reference is made to section 5 of the offer document.

3.6 Announcements and Publication of the Result

The result of the Offer will be published without undue delay after expiry of the acceptance period in the form of an announcement in the Official Gazette (*Amtsblatt*) published in the newspaper *Wiener Zeitung* as well as on the websites of the Target Company www.caimmo.com, the Bidder www.starwoodklimt.com and the Austrian Takeover Commission (*Österreichische Übernahmekommission*) www.takeover.at. The same shall apply to all other declarations and notices of the Bidder relating to the Offer.

3.7 Equal Treatment

The Bidder confirms in its offer that

- the offer price of EUR 36.00 is the same for all holders of CA Immo Shares and
- the offer price of EUR 138,628.43 is the same for all holders of Convertible Bonds during the Acceptance Period and EUR 120,947.42 during the sell-out period (subject to adjustments; please see section 3.3).

The Bidder and the parties acting in concert with it must not make any legal declarations directed to the acquisition of securities under conditions that are more favourable than those contained in the Offer until the end of the Acceptance Period and the sell-out period, unless the Bidder improves the Offer or the Austrian Takeover Commission grants an exemption for good cause.

If the Bidder or, if applicable, any party acting in concert with it nevertheless declares that it will acquire shares or Convertible Bonds on terms that are more favourable than those contained in the Offer, then those more favourable terms will also apply to all other shareholders and holders of Convertible Bonds of the Target Company even if they have already accepted this Offer.

Any improvement in the Offer shall also apply to all those shareholders and holders of Convertible Bonds who have already accepted the Offer at the time of the improvement, unless they object to such improvement.

If the Bidder or any party acting in concert with the Bidder acquires shares within a period of nine months after the expiry of the sell-out period, and higher consideration than provided in the Offer is paid or agreed for such acquisition, the Bidder shall be obliged to pay the difference to all shareholders who have accepted the Offer pursuant to section 16 para 7 ÜbG. The foregoing shall not apply if the Bidder or any party acting in concert with it acquires shares of the Target Company in the event of a capital increase in connection with the exercise of statutory subscription rights or higher consideration is rendered in the course of a procedure pursuant to the Austrian Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz*, **GesAusG**).

If the Bidder resells a controlling interest in the Target Company within a period of nine months after the expiry of a sell-out period, a *pro rata* portion of the capital gain must be paid to all the shareholders that have accepted an offer pursuant to section 16 para 7 ÜbG.

Should such event giving rise to an additional payment occur, the Bidder is required to provide immediate notification thereof. The Bidder shall settle the additional payment via the tender and payment agent at its own costs within ten trading days of the above publication. If the event giving rise to an additional payment does not occur within the nine-month period, the Bidder is to submit an appropriate declaration to the Takeover Commission. The Bidder's expert will review and confirm the declaration.

4. Future Business Policy

4.1 Business Policy Objectives and Intentions

In the offer document, the Bidder expressed the following intentions on the part of the Bidder and of Starwood with regard to investing in and supporting the Target Company:

The Bidder expects to remain a long-term shareholder of CA Immo complying with the Austrian Corporate Governance Code and will continue to work collaboratively with management and other stakeholders for the benefit of the Target Company. Starwood has

a long track record of growing publicly listed platforms, and, through its representation on the supervisory board, the Bidder will continue to support the management team of the Target Company.

The Bidder does not expect a successful Offer to affect the Target Company's headquarters, other offices or employment conditions.

4.2 Effects on financing strategy, access to capital and cost of funding

Depending on the outcome of the Offer and ultimate acceptance reached, based on the rating agency Moody's current methodology to evaluate a company's credit profile, there is a risk that CA Immo could lose its current Baa2 investment grade rating. Hence, following the announcement of Bidder's intention to launch this Offer, Moody's has placed CA Immo on review for downgrade. As described in the offer document, it is one of the Bidder's objectives in connection with the Offer to maintain an investment grade credit rating for the Target Company. However, no commitment or explicit confirmation has been communicated to maintain the existing Baa2 investment grade rating thereby implying the bidder might potentially be solving for capital structure that could result in a one notch downgrade of the rated debt. We understand that a significant or majority ownership by the Bidder in CA Immo could imply that credit agencies might include the debt of the Bidder as well as of CA Immo for assessing the rating of the entire group, which potentially reduces leverage capacity and thereby strategic flexibility. Based on preliminary analysis under significant or majority ownership of the Bidder in CA Immo, it is possible that the company's investment grade rating could be one or even two notches lower than its current rating. This could translate into a material negative impact on cost of debt of Company and thereby also increase the Company's cost of equity. The reduced financial flexibility could also result in reduced capacity to execute developments potentially negatively impacting the future growth profile of company. In this context, it is also not made explicit whether the Bidder intends to change the financial policy of the Company. Any significant change in governance, ownership or financial policy triggered by Bidder acquiring more than 50% of voting rights in CA Immo, may result in a deterioration of the Target Company's rating and credit profile. In case the Company's current Baa2 investment grade rating by Moody's is downgraded, the Company might be required to finance itself at higher financing costs

going forward, which would impact the future profitability of the Target Company. CA Immo considers the retention of its investment grade rating as an integral part of its corporate strategy, providing basis for CA Immo to successfully raise funds in the unsecured debt market as seen recently with the Company's Benchmark and Green bond issuances in 2020. In addition to higher financing costs, a weaker credit rating also enhances the risk of capital markets access, which could affect speed and ease of raising funding in the debt and equity markets. Lastly, a more levered Company may not be able to execute its current business plan (including the execution of a long-term value-enhancing development pipeline) as envisaged, which would impact profitability and the Company's growth trajectory.

4.3 Regulatory Framework and Listing

Legally, a delisting from the Official Market of the Vienna Stock Exchange would be required if the statutory listing requirements set out in section 40 para 1 of the 2018 Austrian Stock Exchange Act (*Börsegesetz*, "**BörseG**") (in particular, the minimum statutory free float) were no longer fulfilled.

As the Offer is structured as an anticipatory mandatory takeover offer, the Bidder might acquire all shares (and Convertible Bonds) of the Target Company comprised by the Offer. Thus, a full acceptance of the Offer could result in the Target Company missing its minimum listing requirements for the Vienna Stock Exchange's Official Market, segment Prime Market.

Further, such delisting by missing the listing requirements could be triggered by the Bidder demanding a squeeze out pursuant to the Austrian Squeeze Out Act (*Gesellschafterausschlussgesetz*, *GesAusG*), if the Bidder holds more than 90% of the Target Company's issued share capital.

So far, the Bidder has not yet decided whether to effect a squeeze-out under the Austrian Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz*) if the Offer results in the Bidder holding over 90% of the share capital and of the CA Immo Shares with voting rights, either upon completion or at a later date.

It is the current intention of the Bidder that CA Immo Shares should remain listed on the Official Market (Prime Market) of the Vienna Stock Exchange.

The Bidder declared that the Offer does not constitute a “delisting offer” pursuant to section 27e ÜbG.

4.4 Effects on Employment, Creditors, Taxes and Public Interest

(a) Employees

The considerations outlined by the Bidder in the offer document do not indicate any direct impact on personnel policy and employment terms at this point in time. There is also no intention at the present time to move the location of the Target Company or the locations of direct subsidiaries immediately after the completion of the Offer.

(b) Creditors and Public Interest

As per section 4.2, while management acknowledges the Bidder’s stated intention to retain CA Immo’s investment grade rating, any significant change in ownership, governance or financial policy may result in a deterioration of the Company’s credit profile and a rating downgrade (or even loss of investment grade rating profile) can therefore not be ruled out definitively.

There is nothing to suggest that the completion of the Offer could result in changes that would affect the public interest.

(c) Taxes

There could also be tax consequences triggered for CA Immo Group, if the Bidder acquires additional shares in CA Immo:

Certain countries (among that Germany) have tax law in place stipulating that a change of shareholders triggers real estate transaction tax (RETT), if a certain percentage of shares in companies or partnerships owning real estate is (directly or indirectly) transferred or accumulated. RETT would then be due for the real estate located in that country. With respect to Germany, RETT could be triggered in case the Bidder accumulates 95% or more of the shares in the Target Company. Any RETT related to real estate held by German

partnerships would be payable by these partnerships. Therefore, the discussed transaction could lead to significant RETT payments for CA Immo Group.

Furthermore, some countries have implemented change of control clauses with respect to tax loss carry forwards (TLCF). This means that some or all of the TLCF ceases to exist if a certain percentage of shares in local companies is (directly or indirectly) transferred. These TLCF would not be available for offsetting future profits, which would result in higher tax payments. Existing German TLCF's would – with some exemptions – forfeit if the Bidder accumulates (directly or indirectly) at least 50% of the shares in German companies. However, a potential impact from this topic is not estimated as material for the time being.

4.5 Interests of Target Company Board Members

(a) Management Board

Keegan Viscius was Senior Vice President of Starwood Capital Group for many years prior to his appointment as a member of the Management Board and Chief Investment Officer (CIO) of the Target Company. Upon his appointment to the Management Board of the Target Company on 1 November 2018, he resigned from all positions at Starwood Capital. Keegan Viscius holds 9,358 CA Immo Shares and his wife holds 3,759 CA Immo Shares.

In the event of a change of control, the Management Board members are entitled to resign from their position as a member of the Management Board, thereby observing a notice period of six months to the end of a calendar month and rescinding their employment contract. However, this right is expressly excluded in relation to any change of control within the Starwood Group.

(b) Supervisory Board

The Bidder outlines in section 6.4 of the Offer that the following members of the supervisory board of the Target Company hold a position within Starwood Capital Group and will therefore not participate in any required supervisory board resolution of the Target Company relating to the Offer:

- Jeffrey Dishner, who is Senior Managing Director and Global Head of Acquisitions with Starwood Capital Group
- Laura Rubin, who is Managing Director and Head of Portfolio Management with Starwood Capital Group; and
- Sarah Broughton, who is Managing Director and Chief Financial Officer Europe with Starwood Capital Group.

5. Management Board Position on the Offer

5.1 Fundamental Considerations

In general, Starwood's intention to further increase its shareholding in CA Immobilien Anlagen AG, by the way of the Offer, underpins the intention to further support CA Immo's business and Management Team. Additionally, it reflects the Bidder's intention to serve as long-term investor, which underscores the Target Company's positive development. Starwood enjoys a good reputation as a financial investor focusing on real estate investments worldwide. Yet, the Target Company has proven by its performance in recent history to be able to pursue its successful business strategy without a shareholder holding a controlling stake.

In the opinion of the Management Board, other than the potential negative effects on the investment grade rating there are no indications that the Offer will result in any material change in current positions or have any other negative impact for the employees (jobs, employment terms and business locations), and customers of CA Immo. If and insofar the Bidder holds a participation of more than 90% of the total share capital after completion of the Offer, the Bidder declared not yet having decided whether or not to effect a squeeze-out.

The Management Board expressly advises that an assessment of whether the Offer is advantageous or not for shareholders at the individual level is something that can only be decided by each shareholder on the basis of the shareholder's personal position (purchase price and date, long-term or short-term investment, etc.), with the future development of the capital market anticipated by the shareholder being of great importance.

5.2 Reasons for Accepting the Offer

In the view of the Management Board, the following considerations can be deemed reasons for accepting the Offer (whereas the order does not necessarily reflect the weight of the individual arguments):

- a) The offer price for the CA Immo Shares is 14.1% higher than the CA Immo closing price on 7 January 2021 (EUR 31.55), the last trading day before the Bidder announced its intention of launching a takeover offer. Compared to the volume weighted average prices before the announcement of the Offer, this gives premia of 29.75% (3 months), 32.32% (6 months), 21.99% (12 months), 16.77% (24 months) and 43.38% (60 months), respectively.
- b) While low interest rates and comparatively high valuations of property portfolios continue to shape the current economic environment, a possibility that cannot be ruled out is a rise in interest rates that would negatively impact the property market and, in turn, valuations and the Target Company's divestment plans. This could impede the access to equity or debt capital, which might consequently result in some projects not being implemented.
- c) The profitability of future growth by means of developing reserve real estate is dependent on numerous factors, including and not limited to, the successful obtaining of planning permissions, construction of properties in compliance with defined cost and time parameters as well as the long-term rental of such properties. Any negative trend in above factors could diminish the pace of growth and hence impact the Company's share price.
- d) As a consequence of the Covid-19 pandemic, the demand for commercial real estate in the Company's core locations may be subjected to a period of uncertainty and volatility and might undergo a long-term structural shift. In particular, office demand is correlated with the business cycle and the Target Company is dependent on corporates returning to their physical offices and wider positive economic growth. As demand for office space is primarily dependent on macroeconomic developments, it remains to be seen how the office space turnover will develop in

the future. The overall macroeconomic landscape as a whole has weakened and become much more challenging, which has recently become apparent in the form of negative economic growth and declining employment in Europe. It is also unclear how the crisis-related expansion of digital work processes and the establishment of work-from-home will affect the demand for office real estate in the medium term. It cannot be excluded that the trends towards flexible office space rentals and co-working could have an even stronger impact on the office market in the future. Further, aside from the office segment, the Target Company also has (albeit limited) exposure to non-office sectors such as hotels and retail, which have been hit by Covid-19. More short-term oriented investors may consider these factors as an argument in favour of accepting the Offer.

- e) Upon completion and settlement of the Offer, the Bidder might have increased its stake in CA Immo and is likely to hold a larger block of shares than as of today. This could cause a decrease of the liquidity of the CA Immo share and decreased free float.
- f) All of the above reasons also apply to the Convertible Bonds, as their value derives from the value of the shares of the Target Company. In particular, the market for Convertible Bonds lacks in liquidity, which might entail the Convertible Bond holder's inability to dispose of their Convertible Bonds outside the Offer (see also section 5.4).

5.3 Reasons for Rejecting the Offer

In the view of the Management Board, the following considerations can be deemed reasons for rejecting the Offer (the order does not necessarily reflect the weight of the individual arguments):

- a) For real estate companies the EPRA NAV is one important indicator for the adequacy of an offer price. The offer price falls short of the last reported EPRA NAV of EUR 38.36 per share as at 30 September 2020 by 6.2%. Taking into account the EUR 205m revaluation result announced for the fourth quarter 2020, the discount on the adjusted EPRA NAV of EUR 40.56 per share widens to 11.2%.

Compared to the adjusted NAV (IFRS) of EUR 34.03 per share, the offer price translates into a premium of only 5.8%.

- b) The share price of the CA Immo Shares has been rising continuously since the lows seen during the peak of the Covid-19 outbreak. Nonetheless, the share price continues to trade below the 52-week high closing price of EUR 41.85 prior to the Covid-19 outbreak, with the offer price representing a 14.0% discount to this price. Additionally, the offer price is 6.7% below the 3-month VWAP pre-Covid-19 and 0.1% below the 6-month VWAP pre-Covid-19, respectively. Further gains in CA Immo's share price are very possible, reflecting the positive trend in reported figures, successful lettings and portfolio optimisation, and the future expected organic growth driven by the Target Company's development pipeline.
- c) The offer price falls short of the latest expectations of equity analysts, who forecast a 12-month target price of EUR 39.22 (average), as well as the expectations of equity analysts before the Bidder's intention to launch the Offer was publicly announced (average target price: EUR 37.25) (see section 0).
- d) In the estimation of the Management Board, which is based on the multi-year business plan prepared by the Target Company, the offer price is below the fundamental "stand-alone" value of the CA Immo share. This is further supported by the valuation analysis JPMorgan performed as laid out above. CA Immo's active development projects under construction with a total investment volume of around EUR 700m are expected to generate an additional positive contribution to net asset value upon successful completion in the near term. In addition, the CA Immo Group holds extensive land reserves primarily in prime locations of the German cities Munich, Frankfurt and Berlin with a book value of more than EUR 300m, which offer significant organic growth potential and a corresponding net asset value uplift potential in the longer term.
- e) It should be noted that the fair value adjustment reflected in the EPRA NAV for the properties included under inventories still represents a substantial valuation reserve. The Company owns extensive land reserves in central inner-city locations of its

German strategic core cities, which are partly recognized at cost on the balance sheet and will possibly continue to contribute to significant NAV growth over the foreseeable future.

- f) A continuation of positive economic trends and strong underlying fundamentals in CA Immo's core markets combined with robust economic growth and lower rates of unemployment could lead to a continued positive business development. The very positive market development in Germany in recent years, and in particular in Munich and Berlin, the two largest individual market segments of CA Immo, has led to a partly strong increase in market rent levels, which in some cases are significantly above the contractual actual rents of the Target Company's existing portfolio. A realization of this reserve could mean additional growth and thus upward impulses for the CA Immo share. However, due to the longer average rental contracts in the German portfolio (which accounts for around 33% of total rental income), this potential might only be realized in the longer term.
- g) Based on extensive reserves of high quality plots of land in inner city locations (mainly in the German metropolitan centres of Munich, Frankfurt and Berlin) and profound property development competences with a strong track record, CA Immo has significant potential for achieving organic growth over the coming years. The capitalisation of this potential by obtaining planning permission, the development, acquisition of strategic properties and the sale of non-strategic properties offers significant long-term earnings prospects to the company's shareholders. This growth potential is not reflected in the offer price.
- h) It should be noted that the offer price of a potential competing offer (see section 2.5) might exceed the offer price of the Bidder's Offer. However, as the potential competing offer is reported to be a partial offer only, holders of CA Immo Shares might not be able to sell their entire stake.
- i) All of the above reasons also apply to the Convertible Bonds, as their value derives from the value of the shares of the Target Company (see also section 5.4).

5.4 Additional specific Considerations for holders of Convertible Bonds

In general, the considerations made under sections 5.2 and 5.3 for the shareholders also apply to the Convertible Bond as the value of the Convertible Bond is derived from the CA Immo Shares as its underlying. However, there are some aspects, which contain particular issues to be taken into consideration for the holders of Convertible Bonds:

- a) In the event of a future change of control pursuant to the CB Terms, the conversion premium pursuant to section 12 (c) of the CB Terms, which initially amounted to 27.5%, will be lower than in the CoC Conversion Period potentially triggered by the change of control following the Bidder's acquisition of the 100 shares currently held by the trustee. For the avoidance of doubt, this conversion premium is only one factor of the consideration to be paid following a potential change of control in future.
- b) Further, the conversion price pursuant to the CB Terms may be subject to further adjustments in future.
- c) Holders of Convertible Bonds should be aware of the dividend payment date: If holders of Convertible Bonds do not tender their Convertible Bonds into the Offer during the Acceptance Period which ends on 9 April 2021 but intend to convert their CBs into shares and tender them into the sell-out period should consider converting their Convertible Bonds into CA Immo Shares in a timely manner so that the shares resulting from conversion will be entitled to receive any potential dividend for the financial year 2020.

5.5 Additional Considerations from the Perspective of the Company

Irrespective of the final actual number of CA Immo Shares that will be tendered into the Offer, after settlement of the Offer the Bidder will be able to exercise the voting rights of its entire shareholding (as per section 26a paragraph 1 ÜbG, the Bidder's ability to exercise its voting rights is currently capped at 26% of the total voting rights).

In accordance with section 19 para 1c ÜbG, the Bidder withheld its right to withdraw the Offer in the event of a competing offer for either CA Immo Shares or the Convertible Bond or both. Therefore, holders of CA Immo Shares and Convertible Bonds solely bear the full

risk of (stock) market losses until the earlier of (i) the acquisition of control by transferring the 100 shares deposited with a trustee or (ii) the exercise of the withdrawal right by the bidder in the event of a competing offer.

The conversion of the Convertible Bond into CA Immo Shares based on the adjusted conversion terms might lead to a dilution of relevant key figures per share. This might result in the current market performance being muted after the settlement of the Offer and the conversion rights of the holders of Convertible Bonds.

5.6 Assessment in Summary Form

The offer price exceeds the historical average share price, weighted by the relevant trading volumes, of the last 3 months (+ 29.75%), 6 months (+32.32%), 12 months (+21.99%) and 24 months (+16.77%) (each calculated as of 7 January 2021 being the trading day before the publication of the Bidder's intention to launch an offer).

At the present time the share trades above the offer price of EUR 36.00 per share *cum dividend*. The closing price of the CA Immo Share on 5 March 2021 was EUR 36,50. Also, some transactions at Vienna Stock Exchange were made at a price exceeding the increased offer price of EUR 36.00. Yet, this excess of the market price vis-à-vis the offer price might also derive from market speculations of a competing offer at a higher price.

In addition, the offer price falls short of the last reported EPRA NAV of EUR 38.36 per share as at 30 September 2020 by 6.2% and widens to 11.2% when compared to the adjusted EPRA NAV of EUR 40.56 taking into account the EUR 205m revaluation result announced for the fourth quarter 2020. In addition, the share price continues to trade well below the 52-week high of EUR 41.85 before the Covid-19 outbreak, which translates into a 14.0% discount to the offer price.

Further increases in the CA Immo share price might be considered realistic, particularly in the event of a continued positive development of the reported figures, letting successes and a value-accretive capital rotation, as well as the expected future organic value contribution from the Target Company's development pipeline. The latter is based on the extensive land reserves in central, inner-city locations in the German metropolises of Munich, Frankfurt

and Berlin, which, in conjunction with CA Immo's property development expertise, can offer significant net asset value growth potential in the longer term.

In the event that the Bidder acquires a significant or majority shareholding in CA Immo it is possible that the Target Company's investment grade rating could deteriorate or even be lost, thereby possibly leading to a reduced financial flexibility, higher financing costs as well as lower future profitability. This uncertainty is reflected in the fact that Moody's, following the announcement by the Bidder of its intention to make this Offer, has placed the Target Company under review for a possible downgrade (see section 4.2). Moreover, a significant change in ownership of CA Immo could lead to the triggering of real estate transfer tax (RETT) as well as to the loss of tax loss carry forwards not being available to the Company for offsetting future profits (see section 4.4(c)).

6. Further Information

6.1 Additional Information

Contact person for additional information concerning the Offer

Ms Claudia Höbart

CA Immobilien Anlagen AG

Phone: +43 1 532 59 07-502

Fax: +43 1 532 59 07-595

E-mail: *claudia.hoebart@caimmo.com*

Further information can be downloaded from the Company website (www.caimmo.com).

6.2 Advisors to the Target Company

J.P. Morgan AG was retained as financial advisor to the Target Company.

DSC Doralt Seist Csoklich Rechtsanwälte GmbH, Währinger Straße 2-4, 1090 Vienna, Austria was retained as legal advisor to the Target Company.

6.3 Expert Pursuant to Section 13 ÜbG

The Target Company appointed BDO Austria Holding Wirtschaftsprüfung GmbH as expert pursuant to sections 13 et seq. ÜbG.

Vienna, 5 March 2021

The Management Board of CA Immobilien Anlagen AG

Andreas Quint (CEO)

Keegan Viscius (CIO)

Andreas Schillhofer (CFO)