

# PROSPECTUS

NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA

## IMMOFINANZ

IMMOFINANZ AG

(incorporated as joint stock company under the laws of Austria, registered number FN 114425y)

EUR 500 million 2.625% Notes due 2023

ISIN: XS1935128956, Common Code: 193512895, WKN: A2RWEN

This document constitutes a prospectus (the “**Prospectus**”) of IMMOFINANZ AG (the “**Issuer**”, and, together with its consolidated subsidiaries at the relevant times, “**IMMOFINANZ**”, the “**IMMOFINANZ Group**” or the “**Group**”) for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 (as amended, *inter alia*, by Directive 2010/73/EU) (the “**Prospectus Directive**”) in respect of non-equity securities within the meaning of Article 22 no. 6 (4) of Commission Regulation 2004/809/EC of April 29, 2004 as amended.

The issue price of the EUR 500,000,000 2.625% Notes due 2023 (the “**Notes**”) of the Issuer is 99.161% of their principal amount. The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law. The Notes bear interest from January 28, 2019 at the rate of 2.625% per annum payable annually in arrears on January 27 in each year commencing on January 27, 2020 (short first coupon). The Notes, which are governed by the laws of the Federal Republic of Germany (“**Germany**”), will be issued in a denomination of EUR 100,000 each. Payments on the Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Austria (“**Austria**”) to the extent described in the terms and conditions of the Notes (the “**Terms and Conditions**”). Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on January 27, 2023. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in Austria or if 80% or more in principal amount of the Notes originally issued have been redeemed or purchased by the Issuer or any subsidiary of the Issuer. The Issuer may further call the Notes for redemption at their principal amount within the last 90 days prior to maturity or, upon notice given in accordance with the Terms and Conditions, at any time at the Call Redemption Amount (as defined and further described in the Terms and Conditions). In addition, the holder of a Note may, upon the occurrence of a Put Event, by the exercise of the relevant option, require the Issuer to redeem such Note at the Put Amount on a Put Date (all as defined and further described in the Terms and Conditions).

The Notes will initially be represented by a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be delivered on or around January 28, 2019 (the “**Closing Date**”) with a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”, and, together with Euroclear, the “**Clearing Systems**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**” and, together with the Temporary Global Note, the “**Global Notes**”), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Global Notes are intended to be eligible collateral for the central banking system for the Euro (the “**Eurosystem**”) monetary police. Whether Notes are recognizable as eligible collateral for Eurosystem monetary police and intra-day credit operations will depend upon satisfaction of the Eurosystem eligibility criteria.

**An investment in the Notes carries a high degree of risk. Prospective investors should be aware that, if certain risks, in particular those described in the chapter “Risk Factors” beginning on page 5 materialize, the investors may lose all or a very substantial part of their investment and of their interest claims. The Notes should be bought and traded only by persons knowledgeable in investment matters. Each investor should consult its own professional investment, legal, tax and other relevant advisors in connection with the subscription of Notes.**

The Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) of the Grand Duchy of Luxembourg (“**Luxembourg**”) which is the Luxembourg competent authority for the purposes of the approval of the Prospectus under the Luxembourg law on prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated July 10, 2005 (the “**Luxembourg Prospectus Law**”) as amended, implementing the Prospectus Directive into Luxembourg law. Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (the “**Regulated Market of the Luxembourg Stock Exchange**”), which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU (as amended, “**MiFID II**”). **By approving a prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or the solvency of the Issuer pursuant to Article 7(7) of the Luxembourg Prospectus Law.** The Issuer will prepare and make available a supplement to this Prospectus if at any time the Issuer will be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Prospectus Law. This Prospectus will be published in electronic form together with all documents incorporated by reference therein and any supplements to the Prospectus on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Notes may be subject to certain requirements under U.S. tax law. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) and the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

### Joint Bookrunners and Joint Lead Managers

Deutsche Bank

J.P. Morgan

Société Générale Corporate &  
Investment Banking

UniCredit

The date of this Prospectus is January 23, 2019

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus and relating to the Notes. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

## NOTICE

This Prospectus is to be read and construed with any supplement thereto and with any other documents which are deemed to be incorporated herein by reference (see “*Presentation of financial and other Information-Financial statements – documents incorporated by reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

The information contained in this Prospectus has been provided by the Issuer and the other sources identified herein. The Managers have not independently verified any such information. To the extent permitted by the laws of any relevant jurisdiction, no representation or warranty is made or implied by Deutsche Bank AG, London Branch (“**Deutsche Bank**”), J.P. Morgan Securities plc (“**J.P. Morgan**”), Société Générale or UniCredit Bank Austria AG (“**UniCredit**” and, together with Deutsche Bank, J.P. Morgan and Société Générale, the “**Joint Bookrunners and Joint Lead Managers**” or the “**Managers**”), or any of their respective affiliates, and neither the Managers nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in this Prospectus or any other documents incorporated by reference or for any statement purported to be made by or on behalf of the Managers.

No person is or was authorized to give any information or make any representation concerning the Issuer or the Notes which is not contained in or not consistent with this Prospectus or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or the Managers. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes including the merits and risks involved. Any decision to purchase Notes should solely be based on this Prospectus.

The Issuer has confirmed to the Managers that the information contained in this Prospectus with respect to the Issuer and the Notes is true and accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; and that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; that all reasonable enquiries have been made to verify the foregoing.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions.

This Prospectus as well as any supplement hereto reflect the status as of their respective dates of issue. The delivery of this Prospectus and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer since such date or that any other information supplied in connection with the Prospectus is accurate at any time subsequent to the date on which it is supplied.

This document may only be communicated or caused to be communicated in circumstances in which section 21(1) of the United Kingdom Financial Services and Markets Act 2000 (“**FSMA**”) does not apply.

**The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may be subject to certain requirements under U.S. tax law. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S and the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).**

Neither this Prospectus nor any supplement(s) thereto constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or any manager that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

**This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized by the Issuer or to any person to whom it is unlawful to make such an offer or solicitation.**

**In connection with the issue of the Notes, Deutsche Bank (or persons acting on its behalf) may over-allot the Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin at any time after the adequate public disclosure of the terms of the offer of the Notes and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the stabilizing managers (or person(s) acting on its behalf) in accordance with all applicable laws and rules.**

This Prospectus contains statements regarding the market position of IMMOFINANZ. Unless specified otherwise, such statements regarding IMMOFINANZ's market or competitive position are based on the Group's internal market research and IMMOFINANZ's management's estimates.

The legally binding language of this Prospectus is the English language, except for the Terms and Conditions. The German text of the Terms and Conditions shall be binding and controlling; the English-language text of the Terms and Conditions shall constitute a convenience translation. The documents incorporated by reference into this Prospectus listed in the section "*Presentation of financial and other Information Financial statements – documents incorporated by reference*" have been published on the Issuer's website and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The English-language version of these documents, which are also published on the Issuer's website, are translations of the respective German-language versions; these German-language versions are not incorporated by reference in, and do not form part of, this Prospectus.

In this Prospectus, all references to "€", "Euro" or "EUR" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of the Council Regulation (EC) No. 974/98 of May 3, 1998, on the introduction of the Euro, as amended. All references to "\$" or "USD" are to U.S. dollar, the official currency of the United States of America (the "U.S."), and references to "RUB" are to Russian roubles, the lawful currency of the Russian Federation.

## **MIFID II PRODUCT GOVERNANCE**

**Professional investors and Eligible counterparties only target market:** Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The targeted investors are expected to have at least (1) advanced knowledge and/or experience with financial products, (2) the ability to bear losses resulting from interest rate changes and no capital loss bearing capacity if held to maturity, (3) a medium risk profile, (4) a return profile preservation, growth and/or income as investment objective and (5) a medium term investment horizon.

**Prohibition of sales to EEA retail investors:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPS Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements relating to the Group’s business, financial condition, results of operations and strategies, and the industry in which it operates. Forward-looking statements concern future circumstances and results and include other statements that are not historical facts, sometimes identified by the words “might”, “will”, “should”, “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, “seeks”, “pursues”, “goal” and similar expressions. Such statements reflect the Group’s current views with respect to future events and are subject to risks and uncertainties. In this Prospectus, forward-looking statements include, *inter alia*, statements relating to the Group’s implementation of its strategic initiatives, the development of aspects of the Group’s results of operations, the Group’s competitive position, certain financial targets the Group has set for itself, the Group’s expectations relating to the impact of risks that affect its business, including those set forth below under “*Risk Factors*”, future developments in the building materials industry (including demand and prices), the Group’s future business development, financial condition and economic performance, and general economic trends and developments.

The Group bases these forward-looking statements on its current plans, estimates, projections and expectations. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. Investors should not place undue reliance on these forward-looking statements. Many factors could cause the Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, *inter alia*, changes in general economic and business conditions, levels of demand and pricing, changes and volatility in currency exchange rates and interest rates, changes in raw material and product prices and inability to pass price increases on to customers, changes in governmental policy, laws and regulations and political and social conditions, changes in the competitive environment, the success of the Group’s recent acquisitions and divestitures, other factors that are discussed in more detail under “*Risk Factors*” below; and factors that are not known to the Group at this time.

Should one or more of these factors or uncertainties materialize, or should the assumptions underlying the forward looking statements included in this Prospectus prove incorrect, events described in this Prospectus might not occur or actual results may deviate materially from those described in this Prospectus as anticipated, believed, estimated or expected, and the Group may not be able to achieve its financial targets and strategic objectives. Other than as required by law, the Issuer does not intend, and does not assume any obligation, to update the forward-looking statements set forth in this Prospectus.

## MARKET AND INDUSTRY DATA

This Prospectus includes information regarding market share, market position and industry data for the Group’s lines of business, which consists of estimates based on data and reports compiled by third parties and on the Group’s knowledge of its sales and markets. In many cases there is no readily

available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. The Issuer believes that such data are useful in helping investors understand the industry in which the Group operates and the Group's position within the industry.

The Issuer confirms that any information provided by third parties was accurately reproduced. So far as the Issuer is aware and was able to ascertain from information published by such third parties, no facts were omitted which would render the reproduced information inaccurate or misleading. However, the Issuer has not independently verified such data. Therefore, neither the Issuer nor any Manager assume any responsibility for the correctness of any market share, market position, industry or other third party data included in this Prospectus. In addition, while the Issuer believes its internal research to be reliable, such research was not verified by any independent sources.

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## OVERVIEW

*Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meanings in this overview.*

<b>Issuer:</b>	IMMOFINANZ AG under the laws of Austria.
<b>Managers:</b>	Deutsche Bank AG, London Branch (“ <b>Deutsche Bank</b> ”), J.P. Morgan Securities plc (“ <b>J.P. Morgan</b> ”), Société Générale and UniCredit Bank Austria AG (“ <b>UniCredit</b> ” and, together with Deutsche Bank, J.P. Morgan and Société Générale, the “ <b>Joint Bookrunners and Joint Lead Managers</b> ” or the “ <b>Managers</b> ”).
<b>The Notes:</b>	EUR 500 million 2.625% Notes due 2023.
<b>Issue Price:</b>	99.161% of the principal amount of the Notes.
<b>Issue Date and Closing Date:</b>	January 28, 2019.
<b>Use of Proceeds:</b>	The net proceeds of the issue of the Notes will be used for the refinancing of existing debt and for general corporate purposes.
<b>Interest:</b>	<p>The Notes bear interest from January 28, 2019 at the rate of 2.625% per annum payable annually in arrears on January 27 in each year commencing on January 27, 2020 (short first coupon).</p> <p>The Notes provide for an Interest-Step-Up-Event and for an Interest-Step-Down-Event (each as defined in the Terms and Conditions) in case of certain rating changes.</p>
<b>Status:</b>	The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
<b>Form and Denomination:</b>	<p>The Notes will be issued in a denomination of EUR 100,000 each. Payments on the Notes will be made in Euro.</p> <p>The Notes are initially represented by a temporary global note (the “<b>Temporary Global Note</b>”) without coupons, which will be delivered on or around January 28, 2019 (the “<b>Closing Date</b>”) to a common safekeeper for Euroclear Bank SA/NV (“<b>Euroclear</b>”) and Clearstream Banking, S.A. (“<b>Clearstream, Luxembourg</b>”, and, together with Euroclear, the “<b>Clearing Systems</b>”). The Temporary Global Note will be exchanged, in whole or in part, for Notes in the specified denomination represented by a permanent global note (the “<b>Permanent Global Note</b>” and, together with the Temporary Global Note, the “<b>Global Notes</b>”), without coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The holders of Notes (“<b>Holders</b>”) are entitled to co-ownership interests or other comparable rights in the Global Notes which are transferable in accordance with applicable law and the rules and regulations of the</p>

Clearing System.

The Global Notes are intended to be eligible collateral for the central banking system for the Euro (the “**Eurosystem**”) monetary police. Whether Notes are recognizable as eligible collateral for Eurosystem monetary police and intra-day credit operations will depend upon satisfaction of the Eurosystem eligibility criteria.

The Global Notes will be issued in new global note form and are kept in custody by a common safekeeper on behalf of both ICSDs as defined in the Terms and Conditions.

**Maturity Date:** January 27, 2023

**Change of Control Put:** The holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at the Put Amount (as defined in the Terms and Conditions) in case of a Change of Control (as defined in the Terms and Conditions).

**Call Redemption:** The Issuer may, upon notice given in accordance with the Terms and Conditions redeem all of the Notes at its option, at the Call Redemption Amount (as defined and further described in the Terms and Conditions).

**Three months Par Call:** The Issuer may call and redeem all of the Notes at its option, at any date during the period from and including 90 days prior to the Maturity Date to and excluding the Maturity Date at their principal amount plus accrued interest until the redemption date.

**Tax Call:** The Issuer may, upon notice given in accordance with the Terms and Conditions redeem all of the Notes at its option, at their principal amount plus accrued interest until the redemption date in case of a Gross-up Event (as defined in the Terms and Conditions).

**Clean-up Call:** The Issuer may, upon notice given in accordance with the Terms and Conditions redeem all of the Notes at its option, at their principal amount plus accrued interest until the redemption date if 80% or more in principal amount of the Notes originally issued have been redeemed or purchased by the Issuer or any subsidiary of the Issuer.

**Negative Pledge:** The Notes will have the benefit of a negative pledge as described in the Terms and Conditions.

**Financial Covenants:** So long as any Note remains outstanding:

a) The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing existing Financial Indebtedness with an aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, after such further Financial Indebtedness and the use of the net proceeds generated therewith has come into effect

(i) the Debt Value Ratio (LTV) would exceed 0.6, or



(ii) the Secured Debt Ratio would exceed 0.45.

b) The Issuer further undertakes to ensure that on each Reporting Date the Consolidated Coverage Ratio will be at least 1.50 to 1.00.

**Cross-Acceleration:** The Notes will have the benefit of a cross-acceleration subject to a threshold of EUR 100 million as described in more detail in the Terms and Conditions.

**Rating:** The Notes are rated BBB- by S&P Global Ratings Europe Limited (“**S&P**”). S&P is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended (the “**CRA Regulation**”).

S&P is established in the EU and is registered under the CRA Regulation.

**Taxes:** All payments of principal and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Austria or any political subdivision or any authority of or in the Republic of Austria that has power to tax, unless the Issuer is compelled by a law to make such withholding or deduction. In that event, the Issuer will pay, subject to detailed provisions in the Terms and Conditions, additional amounts as will result in receipt by the Holders of the same amounts as they would have received had no such withholding or deduction been required, with customary exceptions as described in the Terms and Conditions.

**Governing Law:** The Notes are governed by German law.

**Listing and Trading:** Application has been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market.

**Clearing Systems:** Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Kingdom of Belgium.

Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

**Selling Restrictions:** See “*Subscription and Sale*”.

**Target Market** Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.

The targeted investors are expected to have at least (1) advanced knowledge and/or experience with financial products, (2) the ability to bear losses resulting from interest rate changes and no capital loss bearing capacity if held to maturity, (3) a medium risk profile, (4) a return profile preservation, growth and/or income as investment objective and (5) a medium term investment horizon.

<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes. These are set out under “ <i>Risk Factors</i> ” above and include various risks relating to the Issuer’s business. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes. These are set out under “ <i>Risk Factors</i> ” and include the fact that the Notes may not be a suitable investment for all investors and certain market risks.
<b>Financial Information:</b>	See “ <i>Overview of Financial Information</i> ” and “ <i>Documents Incorporated by Reference</i> ”.
<b>International Securities Identification Number (ISIN):</b>	XS1935128956
<b>Common Code:</b>	193512895
<b>German Securities Code (WKN):</b>	A2RWEN
<b>Legal Entity Identifier (LEI):</b>	5299000DUMZ99SBBX121

## RISK FACTORS

Below is a description of risk factors that are material for the assessment of the market risk associated with the Notes and risk factors that may affect each of the Issuer's ability to fulfil its obligations under the Notes. Any of these risks could have a material adverse effect on the financial condition and results of operations of the Issuer or the Group. The market price of the Notes could decline due to any of these risks, and investors could lose all or part of their investments. Should one or more of the risks described below individually or together with other circumstances materialize, this may have a material adverse effect on the business, prospects assets, financial position and results of operations (*Vermögens-, Finanz- und Ertragslage*) or general affairs of the Issuer or the Group. Moreover, if any of these risks occur, the market price of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes ("**Holders**") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Prospectus and consult with their own professional advisors should they deem it necessary before deciding upon the purchase of Notes. In addition, investors should bear in mind that several of the described risks can occur simultaneously and thus have, possibly together with other circumstances, a stronger impact. The order in which the risks are described neither indicates the probability of their occurrence nor the gravity or significance of the individual risks nor the scope of their financial consequences. Additional risks of which the Issuer is not presently aware could also affect the business operations of the Issuer and have a material adverse effect on the Issuer's business activities and financial condition and results of operations.

Words and terms that are defined in the Terms and Conditions or elsewhere in this Prospectus have the same meaning in this section "*Risk Factors*".

### **Risks specific to the Issuer and the Group**

#### **Macroeconomic and geographical risks of markets in which the Group operates**

*The real estate market where the Group is active depends on the macroeconomic development and on the demand for real estate. Any negative developments such as, inter alia, EU member states' inability to reduce their public debt, the outcome of the Brexit-negotiations between the United Kingdom and the European Union, or the imposition of further trade barriers may result in economic instability, limited access to debt and equity financing and potential defaults of the Group's business partners.*

The Group is exposed to all risks typically associated with the acquisition, development, management and disposal of real estate, including in particular the following risks:

- cyclical fluctuations (depending on economic trends) of the real estate market in general as well as of national and local markets in which real estate assets are held may affect the availability of attractive real estate portfolios and the ability to rent or sell the properties on advantageous terms;
- financing and interest rate risk;
- delays and budget overruns in connection with real estate development, construction and renovation;
- environmental pollution and liability (e.g. for contamination or soil pollution) in connection with construction sites and other properties;
- (quality) defects and shortcomings affecting properties;
- natural disasters and their impact on real estate;
- the investment activities of other real estate companies;

- the purchasing power and ability of the general public to rent;
- the availability of appropriate tenants;
- strong dependence on the development of a certain location in case of insufficient diversification and related cluster formation;
- default of a counterparty; and
- fluctuations in maintenance and energy costs.

Generally, financial markets are partly characterized by high volatility (price and currency fluctuations), enhanced by liquidity shortages. Such developments can have a material adverse effect on the availability and performance of financial instruments, which are used to hedge financial risks also in the real estate industry. Any reduced availability of bank financing combined with a decline in consumer spending and corporate and commercial investments can have a material adverse effect on corporate financing and the ability of tenants to expand their business activities and production volumes.

In September 2018, the Italian coalition government set its 2019 budget deficit at 2.4% of GDP in order to finance, inter alia, infrastructure spending, the introduction of a flat tax regime and a pension reform. While the target is within the 3% EU debt limit, it overruns the deficit agreed between the EU and Italy's predecessor government, has been rejected by the EU Commission and is subject to ongoing debates, with Italy most recently having proposed a lower deficit of almost 2.0%. The move will increase Italy's debt, which currently stands at around 131% of GDP, the second highest in the eurozone after Greece, and could bring the heavily indebted country into conflict with the EU. The Italian problems could spread to other EU countries, including, amongst others, France, Spain and Portugal. Such instability and the resulting market volatility may also create contagion risks for economically strong countries like Austria and Germany and may spread to the Austrian and German financial sector and real estate markets. Economically challenging times can especially lead to deterioration in the creditworthiness of tenants, increased rent arrears, rising vacancy rates and loss of rent.

Moreover, following the United Kingdom's ("UK") 2016 vote to leave the EU ("**Brexit**") and the formal notice of the European Council by the UK government in March 2017, the UK is expected to exit the EU in March 2019. As no major member of the European Union has previously left the EU, the legal and political process for doing so is untried and uncertain. The outcome of the negotiations regarding the withdrawal of the UK from the EU is unpredictable. Among other consequences, departure from the EU may result in the UK no longer having access to the European Single Market, leading to greater barriers to trade and commerce between the EU and the UK, resulting in a general economic downturn throughout the UK, the EU or both. The uncertainty around the timing of Brexit, its economic and other terms is likely to cause in the future volatility in the financial markets. The Brexit referendum may also give rise to or strengthen tensions in other EEA member states regarding their membership in the EU, potentially resulting in additional referenda or other actions in EEA member states regarding withdrawal from the EU. The withdrawal of other member states from the EU would have unpredictable consequences and may have adverse effects on levels of economic activity in the countries in which the Issuer operates.

Furthermore, increased trade barriers can also be a consequence of governmental decisions: In June 2018, the U.S. introduced new trade tariffs. In response to the U.S.' imposition of an increase in tariffs on certain steel and aluminium products (in addition to imposing punitive tariffs on trade partners such as China, Canada or Mexico), the EU introduced retaliatory tariffs on a list of American signature products. Any further escalation of trade tariffs could lead to uncertainties, also along with ever strengthening populist movements in several EU member states, with the risk of further destabilization of the EU.

Each of the above factors, individually or collectively, may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The current economic environment is characterized by low interest rates and comparatively high valuations of real estate portfolios. Any rise in interest rates could have material adverse effects on the real estate markets in which the Group operates.***

Currently, investment opportunities that provide stable and largely predictable cash flows, such as investments in Austrian and German real estate, are popular among investors. This trend has been exacerbated by historically low interest rates in Europe. As a result, property prices and the valuations of real estate companies have increased.

These developments could reverse if interest rates rise again. As a consequence, investor interest in investments with another risk profile would rise and investments in real estate would decrease. Furthermore, rising interest rates could adversely impact the Group in a number of ways, including a decrease in demand for real estate which could make it more difficult to dispose of non-strategic assets and an increase in the discount rate used to calculate the value of the Group's properties, which would lead to a lower fair value. In addition, financing costs may increase and impair the targeted profit.

Each of these factors, individually or collectively, may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The Group is exposed to risks relating to the property office markets and the retail markets.***

The Group's focus on office properties exposes it to the office market cycles on its core markets, which are affected by economic indicators such as economic growth, industrial activity, unemployment, consumer confidence, digitalisation and other factors relevant to the overall economic development. With regard to its investments in property office markets but also in retail shopping centres which operate under the brand "VIVO!" and retail parks which operate under the brand "STOP SHOP", the Group is exposed to rental risks, such as, in particular, the development of consumer spending, growth of ecommerce, security and terrorism concerns and the general attractiveness of retail parks and shopping centres. Furthermore, both property office markets and retail markets share the risks of loss of income due to vacancies, defaults on rental payments due to deterioration in economic environment or tenant bankruptcies, a decline in rental income due to the intense competition involving also rental price reductions or costly incentives to retain tenants, and reductions in income through limitations on use.

As a consequence, these factors may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***In the countries in which the Group has investments, it is exposed to various political, economic and legal environments. In particular in connection with the degree of development of the legal systems in the Central Eastern Europe ("CEE") region, legal uncertainties and risks exist; this can include uncertainties with respect to title to land where shopping centres and office buildings are located.***

The Issuer is an entity established and administered under Austrian law. The subsidiaries of the Issuer are established under the laws of the countries where the Group is active (in particular Germany and CEE countries). The Group structure is based on the current political, economic and legal framework conditions. Following reforms of their legal systems in the recent past, some of the legal systems of CEE countries continue to find themselves in a state of transition and therefore carry risks such as inconsistencies between the constitution, laws, regulations, decisions, and other administrative acts. Furthermore, unforeseeable changes in the political and economic system as well as in the legislation, jurisdiction or administration practice in particular in the CEE region and at times with retroactive effect may lead to the necessity of reorganization.

In the field of real estate law, it may prove difficult to establish with absolute certainty whether or not unencumbered ownership of a property has been acquired due to the lack of reliability of public registers and the ambiguity of the applicable rules of law and legislative norms. Legal uncertainty could arise in connection with land ownership; this applies, in particular to the VIVO! shopping centre in

Cluj, where a series of claims for restitution of land underlying the shopping centre is pending before various courts. Some legal systems may recognise unregistered encumbrances as valid. Furthermore, some legal systems do not provide for temporal limits on the application for registration of encumbrances eligible for registration. Therefore, it may well be that third parties successfully argue the existence of encumbrances relating to property owned by the Group of which the Group has no knowledge, or third parties are able to have such encumbrances registered. The existence or substantiation of encumbrances in favour of third parties as well as the delayed registration of security interests by financing partners may constitute a breach of conditions imposed under financing agreements.

The realization of any one or more of these risks may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***Crime, corruption and money laundering may have a material adverse effect on the business of the Group.***

Organized crime, in particular fraud and extortion, is a general risk to which commercial activities are exposed. Many countries continue to suffer from considerable shortcomings in the fight against corruption and organized crime. While the Group has withdrawn from business activities in Russia, it still has numerous operations in the CEE region. The business, net assets, financial condition, cash flow and results of operations of the Group may be significantly affected by illegal activities, corruption or third party claims that are based on accusations regarding the alleged involvement of the Group in such activities and this may have a negative impact on the ability of the Issuer to meet its obligations under the Notes.

**Market and property-specific rental risks**

***The Group is subject to the rental risk and risk of rental loss as well as risks relating to the extension of lease agreements regarding buildings on third party land.***

Real estate markets are usually subject to fluctuations, whereas real estate prices and rents in particular reflect positive and negative economic developments and other developments of the markets in general and of the respective real estate markets in particular. Many of these factors which could lead to negative developments are not within the Group's sphere of influence. Factors such as changes in disposable income, economic performance, interest rate levels or tax policies, economic growth, unemployment rates or consumer confidence influence directly or indirectly the local supply and demand for real estate. Changes in supply and demand can lead to fluctuations in market prices, rents and occupancy rates. Such fluctuations may have material adverse effects on the value of properties and revenue generated therefrom. Furthermore, the political and economic development in countries in which the Group is active can significantly affect occupancy rates and rental loss.

If the Group is no longer able to extend expiring rental agreements at favourable terms and conditions and to find creditworthy tenants willing to enter into long-term rental agreements, the market value of the affected property will be impaired. Furthermore, tenants of the Group's properties can have extraordinary termination rights and it is possible that rental agreements entered into by the Group are invalid in whole or in part due to the lack of essential mandatory components or ambiguous or inconsistent wording in the contract, which could lead to early termination rights by the tenant and prevent the Group from exercising its rights and claims from the rental agreements.

The creditworthiness of a tenant can decline in the short or medium term, especially during an economic slowdown, and the risk of a tenant becoming insolvent or being in any other way unable to meet its obligations from the rental agreement may occur. If the credit assessment of a key tenant turns out to be incorrect, the rental income from a property with unchanged operating costs can turn out to be significantly below expectations. Especially during a severe economic slowdown or in politically unstable countries, in which the Group is active, the Group may decide to accept rent reductions in order to maintain a reasonable occupancy rate.

If one or more of the aforementioned risks materialise, it may have a material adverse effect on the Issuer's business, net assets, financial condition, cash flow and results of operation and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The Issuer's assessment of a property's appeal to suitable tenants might be wrong and the planned rental revenues may not realize.***

The Issuer estimates the rental revenues that it plans to realize from the real estate that it acquires to a large extent based on location, actual or intended use, technical condition, floor layout, and on expected macroeconomic and microeconomic developments. If the management of the Issuer misjudges the attractiveness or future attractiveness of a property or its location, characteristics, general and local trend in rental space requirement, or the demand for such premises, it may be difficult to find suitable tenants that are willing to rent at the rent levels anticipated by the Issuer. If the Issuer is required to reduce the rent of a property to attract suitable tenants, or if the property remains wholly or partially vacant for an extended period of time or requires significant incentives (e.g. lease free periods) due to the inability to find a tenant, the market value of the property could significantly decline and the Issuer's revenues and assets could be adversely affected. If estimated or expected rental revenues fail to materialize as planned, due, for example, to changes in the tenant structure or lack of demand in the market for property in a particular location or of a particular use, this may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Notes.

***The Issuer is exposed to rental risks and may not be able to find and retain solvent tenants or renew leases on favourable terms.***

The Issuer's business depends on its ability to generate sufficient and sustainable revenues from leases, which can be influenced by several factors, including the solvency of current and future tenants as well as the ability to find or retain suitable tenants that are willing to enter into lease agreements on terms favourable to the Issuer. The Issuer's ability to lease property on favourable terms is also subject to the market environment, i.e., supply and demand in the respective real estate market, the quality, layout and characteristics of the properties, the development of the infrastructure and local conditions as well as energy efficiency of the property. If the Issuer is unable to continue current or renew expiring leases on favourable terms, respectively, and to find and retain suitable solvent tenants willing to enter into long-term lease agreements at expected rent levels and without significant periods with vacant properties, the Issuer's business could be materially adversely affected. Further, the creditworthiness of a tenant can decline and entail a risk that the tenant will become insolvent or otherwise unable to meet its obligations under the lease. These factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Notes.

***Shopping centres and retail parks, which are also contained in the Group's portfolio, have and need a high visitor frequency, which results in particular risks.***

A part of the Group's portfolio consists of shopping centres operating under the brand "VIVO!" and retail parks operating under the brand "STOP SHOP", which are associated with particular risks. Construction defects may lead to property and personal damage, bomb threats can stop business operations temporarily, declining visitor numbers may substantially impede the tenants business or a low quality of the centre management may have material adverse effects. There is strong competition in this business area, which has recently even been on the rise. Declining visitor numbers as a consequence of rising e-commerce and strong competition may lead to decreasing rents and to a total loss of important tenants. Losing key tenants, such as do-it-yourself markets, leads to substantial reductions in revenue. Such areas are often adapted to the individual needs of the tenant and therefore it can be difficult to find appropriate new tenants at reasonable conditions or to find a new tenant at all. Finally, important retail tenants may become insolvent.

All of these factors may result in material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operation and may impair the ability of the Issuer to fulfil its

obligations under the Notes.

***The ability of the Group to adjust rents to reflect fluctuations in the market may be heavily restricted.***

Rents and the market value of properties are influenced by general economic conditions, such as for example gross domestic product (“GDP”), developments in the labour markets, inflation, interest rate levels and the availability of financing. Both, rental income and property values are also influenced by other factors specifically relating to the property market, in particular whether (i) lease agreements can be concluded at the originally expected rental prices, (ii) rent payable by key tenants is dependent on turnover (and thus rental payments fall in line with the tenant’s turnover), and (iii) the vast majority of lease agreements with the Group provide for indexation on the basis of consumer price indices. The income from such lease agreements is therefore dependent on the general economic development, market conditions and future levels of inflation. Furthermore, the ability of the Group to increase rents during the agreed term of the lease may be subject to prohibitions or restrictions in some jurisdictions. Increasing competition, pressure on rental prices and a deterioration of the economic situation of tenants may result in the Group being unable to pass on cost increases to its tenants in full. Ultimately, it may prove necessary for the Group to defer or reduce rents due to the economic pressure on its tenants. Each of these factors may negatively impact the ability of the Group to increase rents in line with market requirements, which may have a material adverse effect on the Group’s business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group is subject to the risk of value retention.***

Many lease agreements concluded by the Group include indexation clauses, mostly with reference to the Euro consumer price index. The amount of income generated from such lease agreements is therefore not only dependent on general economic development but to a much greater extent on the development of the rate of inflation. Where such lease agreements come to an end after a long period of time, the fact that the rental payment is index-linked may give rise to a considerable deviation from achievable rents in the case of new tenants if normal market rents have not kept pace with the rate of inflation. If a lease agreement does not contain an indexation clause (index clause), the rent may remain at the same level for a long period of time, whereas the costs incurred by the Group for maintaining the property increase in line with inflation. These factors may have a material adverse effect on the Group’s business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Notes.

***Indexing clauses in most of the Issuer’s lease agreements may adversely affect leasing revenues.***

Most of the Issuer’s leases include a clause providing for partial or full indexation of the applicable rent in line with a reference, typically a consumer price index. Lease adjustments under the Issuer’s lease agreements can be triggered if certain thresholds are crossed. In accordance with the applicable law, these clauses provide not only for upward adjustments but also for downward adjustments tied to changes in the relevant index. Consequently, an increase in rental proceeds from such leases during their term is tied to future rates of inflation and the crossing of the relevant indexing thresholds. Rental proceeds may decrease if consumer prices decline. If the relevant index rises slowly over a longer period of time so that the relevant threshold for a lease adjustment is only exceeded after such a longer period in time, the respective rent will remain constant for such term of the lease, while the Issuer’s costs of maintaining the property may increase due to a variety of possible factors. The same may apply if a lease contains no indexation or equivalent adjustment clause, so that the applicable rent will remain constant for the term of the lease, while Issuer’s costs of maintaining the property may increase.

Any of the factors described above may lead to a decrease in actual yields of the Group’s business and may have a material adverse effect on the Group’s business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Notes.



***The Group is subject to risks related to maintenance, modernization and renovation of properties. The Issuer may incur higher-than-expected maintenance costs for properties.***

The demand for rental properties not only depends on their location, but also on their condition and technical characteristics. In order for a property to remain attractive to tenants so that long-term appropriate income can be achieved, it is necessary to maintain and occasionally modernize or improve its condition to satisfy the demand of the market. Failure to maintain a building in such condition may also pose a risk to the health and safety of the Group's tenants and employees.

The maintenance of the market standard of rental properties can require substantial costs, which according to the respective jurisdiction have, in general, to be paid by the landlord. In doing so, the landlord is burdened with high expenses which are not reimbursed by the tenant, especially for necessary repairs or required improvements in order to comply with amendments to the legal framework (e.g. with regard to energy efficiency or health and safety requirements). Moreover, maintenance work and improvements may be required in order to be able to compete with offers from other real estate investors. Unexpected additional expenses can be incurred by the Group if the expenses for maintenance work and for making improvements to a property exceed the estimates of the Group or in the case of latent defects arising during such work not covered by insurance or contractual provisions, or if the Group is unable to increase the rent in accordance with legal provisions. If similar competing properties are built or renovated in the neighbourhood of a property held by the Group, the value and net income from this property can decrease. If the actual costs of maintenance exceed the Issuer's estimates or if the Issuer is not permitted to raise its rents due to legal or contractual constraints, profit generated from an affected property could decline, which may have a negative impact on the Issuer's results of operations.

A failure to undertake appropriate maintenance and refurbishment work could entitle tenants to withhold or reduce rental payments or even to terminate existing lease agreements and could adversely affect the rental income earned from affected properties, in particular upon the conclusion of future lease agreements. The materialization of any of these risks may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may have a negative effect on the ability of the Issuer to meet its obligations under the Notes.

### **Market and property-specific development risks**

***It may become more difficult for the Group to acquire properties and land at favourable terms particularly due to the extraordinary increase in market prices for real estate and the increasing consolidation in the real estate market.***

The Issuer's core expertise lies in the development and management of office and retail properties. Accordingly, the Group needs to be able to find and purchase land suitable for development of office and retail units and properties. This strategy, however, may only be implemented if the Group can purchase attractive properties and land at reasonable prices. If demand for real estate increases further and market prices for office or retail real estate properties and land become unfavorably high, the Group may not be able to acquire further properties or land at reasonable terms which could negatively impact its strategy.

Several of the Group's competitors may have objectives for acquiring properties similar to the Group's focus and may possess greater financial resources and lower costs of capital than the Group is able to obtain. Competition and the gap between the demand and supply would make it more costly to compete for properties and more difficult to successfully implement the Issuer's growth strategy.

Any prospective inability to acquire suitable properties on attractive terms in the future could impair the Issuer's perspectives.

Each of the above factors, individually or collectively, may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Notes.

***In markets in which it operates, the Group is significantly competing with other owners, operators and developers of commercial properties and this may intensify in the future and therefore have a material effect on its net assets, financial position and results of operations.***

The business model of the Group is based on the ability to develop and administer its real estate portfolio sustainably and at financially favourable conditions. In connection with the renting of property, the Group is in competition with local and international investors in all the markets in which it operates. The Group competes with other real estate companies, real estate developers and owners of property in acquiring and contracting with suitable tenants at conditions favourable to the Group. It also competes with other investors including European listed real estate companies in the development of properties, which competitors have more resources at their disposal.

Rents are under pressure in many of the markets where the Group is active. Competition between real estate investors for renowned tenants is huge, might even intensify and impairs the ability of the Group to acquire and contract with tenants. Moreover, the Group could be forced to accept rental conditions lower than those predicted in order to remain attractive to tenants.

Properties which are in competition with those of the Group can have a lower occupancy rate than those of the Group. This can increase the willingness of their owners to offer floor space at rental conditions lower than what the Group is willing to offer. Nevertheless, the Group is forced to offer the lower condition in order to remain competitive. Therefore, it is uncertain whether the Group will be able to successfully compete in the future. Should the Group no longer be able to develop real estate portfolios successfully or rent space at favourable conditions, the ability of the Issuer to implement its strategy will be negatively affected. This may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The delay of commencement or completion of construction projects could jeopardise usage rights and building permits of the Group, trigger rights to repurchase and hamper or impede construction work.***

The Group may stop construction projects for a certain time, for example due to unfavourable economic development or to a shortage of liquidity. Local and regional authorities may refuse to extend limited or expired land use contracts of the Group or building permits regarding properties of the Group, may claim repurchase rights or annul existing land use contracts or construction permits on the grounds that the construction work was not completed at a fixed date or that other essential conditions or provisions of land use contracts, building permits or purchase contracts were infringed. Each such termination or refusal to extend expired use contracts or permits and each claim of repurchase rights may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operation and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The Group is dependent on partners regarding important development projects and a range of portfolio properties and is thus exposed to counterparty risks.***

The Group is involved in development projects with partners. It cannot be ruled out that the Group has not or will not have exclusive control of the identification, acquisition or the development, financing, leasing, management or other aspects of current or future development projects, nor is it able to exert any influence over the way in which joint venture partners conduct themselves, nor is there any certainty that joint real estate properties can be optimally realized. Important decisions among joint venture partners usually require unanimous votes. Furthermore, the interests or objectives of its partners may conflict with or pose an obstacle to those of the Group. In the case of these investments, the Group is often dependent on the resources of its partners, in particular their staff resources. Differences of opinion between the partners may lead to significant disruptions regarding these projects and to court proceedings, even if the Group is able to retain control over the project.

Furthermore, the Group is exposed to the credit and performance risk of its counterparties in such a partnership and their ability to meet and comply with the conditions of these agreements. Depending on

the respective agreement, the Group may also be joint and severally liable with its partners for costs, taxes and other third party claims and it may have to bear the credit risk of its partners in the event of their default. In the event of a default of partners, the Group may also be obliged to bear their proportion of the costs, taxes or other liabilities, without being able to seek recourse against them (for instance, due to their insolvency or a limitation period). The Group may be exposed to significant delays in the event of a liquidation of an investment, may incur significant losses during the period in which it asserts its rights, including impairment losses on investments, costs and fees, or it may find that it is not in a position to realise profits. Even if the Group has a steering role under the respective contractual arrangements concluded with its partners, there is still the risk that this role is not exercised efficiently and in a timely manner. Where it has compensation claims against a partner, there is the risk that such claims may be irrecoverable, in particular in the event of the insolvency of the partner. All of these factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus, on the ability of the Issuer to meet its obligations under the Notes.

***The Group is exposed to risks relating to investments in property development projects.***

The Group typically incurs costs during the early stages of real estate development projects, whereas income is only generated during the later stages of the project. Development projects are often associated with cost overruns, non-performance of counterparties such as for example construction companies or suffer from delays in completion frequently caused by factors that are beyond the control of the Group. In the event the Group is unable to address such risks relating to real estate development adequately by carefully selecting, planning and executing the projects, and if it fails to provide for contractual penalties and other rights in the event of delays or cost overruns, this may have a negative impact on the economic success of development projects. If the Group enters into lease agreements for properties during the development phase, and if completion is delayed, the Group may be exposed to contractual penalties or claims for damages. Where on the other hand the Group fails to find suitable tenants or to enter into lease agreements during the construction phase for other reasons or only leases parts of the property, this may result in the property standing empty following its completion. Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

**Property valuation risks**

***The valuation of properties is based on assumptions and considerations which are not only subject to adjustments, but are also subjective and uncertain. It is possible that appraisal reports do not correctly reflect the actual value of a property to which the reports relate. If the market conditions deteriorate, the Issuer may be required to adjust the fair values of its properties and recognize significant losses.***

Due to the illiquid nature and particular characteristics of properties, their valuation is subjective and therefore subject to uncertainties. The valuation of a property depends on the factors considered when determining the valuation and the chosen valuation method. Fluctuations in value can occur due to modified macroeconomic conditions or real estate-specific factors. If the market situation deteriorates, for example, because interest rates rise or rent levels decrease or vacancy rates increase, the Group will have to revise the values of the total portfolio on the consolidated balance sheet downwards. A real estate expert may take other factors into consideration over and above the expected rental income of a specific property, its condition and previous occupancy rate, such as property taxes, operating costs, claims of third parties due to environmental risks or risks relating to construction materials. Appraisal reports are based on assumptions, which can prove to be incorrect. An adverse change in connection with an assumption on which a valuation was based, or in a factor considered when determining the valuation, can affect the estimated value of a property. Furthermore, the consideration of different factors can lead to significant deviations in property valuations. There is no certainty that the valuation of properties which are held by the Group reflect the actual sales or market value (even if such a sale is supposed to take place shortly after the respective valuation date), or that the estimated rate of return or

annual income will actually be achieved. Moreover, the Group usually has the market value of its properties determined twice a year by external experts. Any change in the value of properties can negatively affect retained profit or loss of the Group as well as the gearing ratio and subsequently the market price and creditworthiness of the Issuer. Depending on the amount of the purchase price, the sale of properties can also result in a loss.

The aforementioned factors, amongst others, can lead to the valuation of properties held by the Group, determined in appraisal reports prepared by external experts, being higher than the amounts achievable by the sale of individual properties or the entire portfolio. Appraisal reports are particularly based on numerous substantial assumptions which partly rely on information provided to the expert by the Group. The Group cannot guarantee that the assumptions made on the basis of such information turn out to be correct. An adverse change of essential assumptions or factors considered when determining the valuation could significantly reduce the estimated value of the properties.

Particularly in the countries of the CEE region there are considerable political risks that may potentially lead to severe negative effects on the valuation of properties. Currently, the political situation in Hungary and Russia (the Issuer has disposed of its Moscow-located retail portfolio on December 6, 2017), which has already affected the real estate market, should be highlighted. Several investors are withdrawing from the market, big corporations are merging their locations and the demand for office space is decreasing.

There is no certainty that the value of properties held by the Group remains constant as time goes by or that the fundamental assumptions for the valuation do not change. Each of these cases may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The Group is subject to location risk.***

The properties of the Group are located in different regions. Its geographical focus is on Austria, Germany and CEE (in particular Romania, Poland and Hungary, the Czech Republic and Slovakia). In the office sector, the Group mainly focuses on the capital cities in CEE and additionally in Germany on the major commercial locations. The Group's biggest retail markets are Romania, Poland and Slovakia.

The value of a property mostly depends on its location and intended use. To the extent the Group incorrectly estimates the attractiveness or possible use of a location, it may prove difficult to rent the entire property or achieve the estimated rental conditions. If the Group is forced to reduce the rent level of a property in order to gain tenants or in the case of the property being mostly empty for a longer period of time, the market value can substantially decrease and the income and profitability of the Group can be negatively affected.

If the rental income of a property turns out to be lower than estimated (i.e. due to changes in the tenant structure) or if its location is not accepted by the market, its profitability will be subject to long-term effects. Estimations or assumptions in connection with location advantages and disadvantages can prove to be incorrect (for example due to changes of economic conditions). Such misjudgements or miscalculations can lead to a material adverse effect on the business, net assets, financial condition, cash flow and results of operation of the Group and the ability of the Issuer to meet its obligations under the Notes.

**Market and property-specific transaction risks**

***The Group acquires and disposes of real estate portfolios and companies to optimise its portfolio quality and is therefore exposed to risks relating to property acquisitions and sales.***

In the past the Group has acquired and disposed of entire companies, stakes in joint ventures, property portfolios or completed buildings, plots of land and other properties in various stages of development. The Group will continue to undertake acquisitions and disposals. Value-enhancing acquisitions may only be implemented if attractive real estate portfolios or companies are available for purchase at

reasonable prices. Such portfolios or companies may be unavailable or available only on unfavourable terms. In addition, competitors with asset acquisition objectives similar to those of the Group may have greater financial resources and lower costs of capital than the Group. Furthermore, it cannot be guaranteed that the Group will be able to generate sufficient funds to finance envisaged acquisitions in the future. Moreover, real estate markets are characterized by limited liquidity and the ability of the Group to sell properties depends on the state of investment markets and on market liquidity. All these circumstances could jeopardise the Group's efforts to improve portfolio quality.

Generally, each acquisition is subject to uncertainties and involves risks, including the risk that an acquisition is not completed after the Group has made significant investments in assessing the project from a legal perspective and in accordance with economic, technical and environmental criteria. Completed acquisitions of property and participations in companies or funds entail additional risks. Within the context of the due diligence normally undertaken by the Group during the course of an acquisition, the Group or its advisors and experts may incorrectly assess or have incorrectly assessed the risks relating to the acquisition of property or those relating to the acquisition of the participation. Warranty and liability claims for defects of a material nature relating to the property or participation may be limited by contractual provisions to an inadequate amount, and such claims may not be enforceable against the seller or external advisers and experts. Each sales transaction is also subject to uncertainties and involves risks, including the risk that a sale is not completed after the Group has made significant investments in conducting due diligence which is normally undertaken in the run-up to the sale. If property or participations are sold, the Group may be exposed to claims of the purchaser, in particular warranty claims, claims for compensation, or other claims relating to representations and warranties (rental guarantees), which may subsequently cause the agreed purchase price to be significantly reduced. Furthermore, where purchase contracts are successfully contested by the purchaser, this may result in the unwinding of profitable real estate transactions. Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***In the case of insufficient liquidity in the property market, the Group is exposed to the risk of not being able to sell properties at all or only at unacceptable conditions.***

Real estate investments are characterized by limited liquidity and, under certain conditions, may also be subject to significant volatility in fair values. The Group's property sales depend on the condition of investment markets and on market liquidity. Investors might hesitate to or refrain from investing in real estate. The reasons could be the general assumption of decreasing real estate prices, the unavailability of appropriate financing, or the market assessment of a declining demand for living, office and retail space or hotels, causing a decrease in rental revenue and liquidity.

Investments of the Group are (direct or indirect) investments in real estate. A depressed market, applicable law and contractual regulations may have an impact on the Group to sell certain properties to strategically adjust the geographical and sectorial alignment of the portfolio or to sell parts of the portfolio at acceptable conditions in a timely manner.

Furthermore, certain circumstances may arise (e.g. due to unfavourable market conditions, default of counterparties or liquidity shortages within the Group) that make it appear necessary or advisable to sell the Group's real estate portfolio or parts of it promptly. Such being the case, there would likely be a significant shortfall between the fair value and the sale price of such property, in particular if the current market conditions do not improve substantially. Any such inability for timely sales of real estate assets at acceptable conditions may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

## Strategic business risks

***As the Group's parent company, the Issuer's ability to satisfy its debt obligations significantly depends on the profitability of and its receipt of funds from its subsidiaries.***

The Issuer is the parent company of the Group. The Issuer's main activity is the strategic and operational management of its domestic and foreign subsidiaries. Therefore, the Issuer's ability to satisfy its debt obligations significantly depends on distributions and/or management fees that it receives from its subsidiaries and other investment interests, fees for management services provided or, as the case may be, scheduled repayments of loans it has granted to its subsidiaries. The extent of such cash flows to the Issuer will depend on the business, financial condition and results of operations of its subsidiaries. In addition, payments and transfers of funds may be restricted by the terms of any indebtedness that may be incurred by subsidiaries and by applicable law. Furthermore, the Holders' ability to receive payments of interest and/or principal under the Notes in case of the Issuer's insolvency will depend on the value of the Issuer's subsidiaries which will have to be disposed of in such default scenario. As senior unsecured creditors of the Issuer, the Holders' claims not only will be discharged following secured creditors of the Issuer, but are also structurally subordinated to creditors of the Issuer's subsidiaries, which enjoy privileged access to assets of such subsidiaries, because in case of the insolvency of a subsidiary, the Issuer may distribute only eventual liquidation proceeds (following satisfaction of all secured and unsecured creditors of the subsidiary) to its Holders.

Some countries may impose regulations restricting upstream payments such as dividends to foreign shareholders through exchange control regulations. To the Issuer's knowledge, there are currently no countries in which it has operative subsidiaries that directly restrict the payment of dividends. However, there can be no assurance that such restrictions will not arise in the future. The above factors could cause any or all subsidiaries to be unable to pay dividends or make other distributions directly or indirectly to the Issuer which may have a material adverse effect on the Group's business, net assets, financial condition cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***On September 21, 2018, the Issuer acquired 19,499,437 shares in S IMMO AG. The Issuer is exposed to the risk of fluctuations in the value of strategic financial investments including the S Immo investment, in particular a devaluation or write-off of this strategic financial investment, the receipt of smaller dividends or no dividends at all, or a negative impact on the long term issuer rating.***

The Issuer holds significant investments, in particular 19,499,437 shares (corresponding to a participation of 29.14%) of the outstanding share capital in the publicly listed company S IMMO AG ("S Immo") acquired on September 21, 2018. As of September 30, 2018, the Issuer's S Immo investment amounted to approximately 6.4% of the Group's total assets. The strategic financial investments held by the Group may generate yields lower than expected or could stop dividend payments entirely. If its strategic financial investments suffer a decline, or even a total write-off in value resulting from, inter alia, adverse economic conditions affecting such financial investment or the materialization of risks applicable to its strategic financial investments, IMMOFINANZ could be forced to devalue or even write-off such financial investments. Importantly, IMMOFINANZ has no control over the daily management of S Immo in which it holds a minority stake and therefore is unable to influence the daily business of this company. In addition, IMMOFINANZ could be forced to write-off of the investment accounted for at equity or incur losses due to impairment requirements related to companies of the Group. The materialization of such devaluation, write-off or decline in performance could have a material adverse effect on the business prospects, results of operations and financial condition of the Group.

## **Financial business risks**

***The Group is exposed to the risk of loss and counterparty risk when investing liquid assets as well as during hedging transactions.***

The Group has fluctuating levels of liquid assets that are invested in accordance with the respective operational and strategic requirements and objectives. On a case by case basis, such investments can also be made in listed securities or funds that are subject to an increased risk of loss. Furthermore, the Group enters into hedging transactions on an ongoing basis, in particular to hedge against changes in interest rates and the related fluctuations in its financing costs. Such hedging transactions may prove to be inefficient or unsuitable for attaining the objectives sought, and may result in losses recognized in profit and loss. Further, the assessment of the value of derivatives may have a negative impact on the result and/or on the equity of the Issuer. Furthermore, the Group is exposed to the risk that its contract partners are unable to meet their obligations as agreed under hedging or investment transactions, for instance to effect payment of amounts under swap transactions, make repayments, pay interest or effect other payments in the agreed amount or on the agreed due date (counterparty risk). This may have material adverse effects on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group may be insufficiently protected against changes in interest rates.***

Interest rate fluctuations caused by market factors have an effect on both the rate of financing and the market value of the interest rate hedging transactions concluded. Depending on its investment strategy, the Group opts for a mixture of long-term fixed interest rates and floating interest rate loans regarding the financing it takes out. The latter are not entirely hedged by derivative financial instruments. The extent to which the needs of the Group are serviced by derivative instruments depends on the assumptions and market expectations of the management and the responsible employees of the Group in relation to the future interest rate level. Should these assumptions prove incorrect, this may result in a significant increase in expenditure on interest and have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group has a substantial level of debt and IMMOFINANZ's ability to repay existing and future debt could be limited. It may be unable to obtain new sources of financing at attractive terms, or at all.***

IMMOFINANZ uses debt financing to fund its existing portfolio ongoing operations and future acquisitions and therefore depends on the availability of such financing. General conditions for real estate financing are subject to constant change and the attractiveness of different financing options depends on a variety of factors beyond IMMOFINANZ's control (e.g., the overall monetary policy, interest rates, general tax conditions and the value of commercial real estate to be used as collateral). In the past, financial difficulties in the capital markets in general and the European Union in particular have adversely impacted the availability of debt financing. Furthermore, regulatory changes could restrict the lending activities of banks.

The Group's ability to repay existing debt could be limited if it were unable to obtain new debt financing or extend existing credit facilities and its level of debt could lead banks to not make new loans available to IMMOFINANZ, or to only make them available on less favourable terms, or to refuse to extend existing credit lines or to grant an extension of existing credit lines only on less favourable terms (e.g. demanding additional collateral or increasing interest rates). Furthermore, some loans depend on the participation structure and provide for termination rights of the respective lender if the control over the Issuer changes. In case of the exercise of such termination rights, a refinancing under changed conditions is required. Rising interest rates could increase the Group's financing costs and prevent it from achieving an adequate spread between cash flows from rental income and disposals on the one hand and interest payments on the other hand, or any cash inflow at all. While IMMOFINANZ may try to substitute debt financing through equity financing, it may be unable to raise capital at attractive terms, or at all; IMMOFINANZ's acquisition of additional properties and portfolios may be

financed by taking on additional debt or by issuing and offering new shares or equity-linked instruments, or a combination thereof. If IMMOFINANZ is unable to obtain the necessary financing on reasonable terms, it may be unable to make acquisitions, or may only be able to do so to a limited extent. This could adversely affect its future business development and competitiveness. Even if debt financing is available, any additional debt could leave a significant negative impact on IMMOFINANZ's key performance indicators and could result in higher interest expenses.

To facilitate the issuance of unsecured bonds and notes, the Group sought and obtained a long-term issuer credit rating of "BBB-" with a stable outlook from S&P on January 22, 2019.

In addition, macro-economic developments such as the development of the economy in the markets where the Group operates and changes in interest rate levels may have an impact on the Group's performance and, accordingly, on its rating. S&P reviews the factors that influence the Group's rating on a regular basis. IMMOFINANZ cannot rule out that its rating may be downgraded in the future. Any downgrade or negative outlook could negatively impact the Group's reputation, its share price and may prevent IMMOFINANZ from raising funds at attractive terms or at all.

Subject to future market conditions, IMMOFINANZ may decide to take further measures to optimize its financing structure, including by potentially drawing on the debt capital markets through the issuance of additional bonds. However, there is no guarantee that IMMOFINANZ will be able to place such bonds at acceptable terms or at all.

IMMOFINANZ has hedged the majority of financial debt with floating interest rates and plans to continue to hedge against interest rate changes. When extending existing debt or taking on new debt, IMMOFINANZ may, however, be unable to enter into hedging instruments or may only be able to do so at significant costs when trying to limit its exposure to such developments.

If any of the risks described above were to materialize, it would be more difficult for the Group to pursue its current financing strategy, which could have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group has a substantial need of financing and refinancing and is exposed to the risk of not being able to obtain debt financing to the extent necessary or at the time required. In the case of refinancing, the conditions may deteriorate substantially, for example in the form of higher interest rates or additional collateralisation requirements.***

Financing (or refinancing) on the financial and capital markets represents one of the most important measures available to real estate companies. IMMOFINANZ has a substantial level of debt; the book value of the Group's outstanding financial indebtedness was EUR 2.374 billion as of September 30, 2018 (consisting of bank debt of EUR 2.09 billion, and a convertible bond of EUR 282.0 million). The Group may rely on outside capital in particular to refinance existing loans and bonds and to finance the current and future development of the Group. Approximately 10.4% of the Company's debt will be maturing (excluding regular scheduled repayments) until end of 2019. IMMOFINANZ is to issue the Notes to refinance a mix of debt and to provide a more flexible and cheaper financing base for the group going forward, with an extended debt maturity profile.

However, in times of extremely volatile real estate markets, it may well be that the providers of outside capital are unwilling to extend maturing loans at all or at conditions which are acceptable to the Group. This may in particular lead to higher margins, make it necessary to provide further collateral and generally result in a lack of refinancing opportunities. To the extent the Group is unable to generate liquidity or outside capital to the extent necessary and at the time required and/or raise such liquidity or outside capital at acceptable conditions, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***Conditions imposed in financing agreements concluded by the Group may limit its financial and***



***commercial flexibility. Violations may impair the financial position of the Group.***

The financing agreements concluded by the Group contain conditions, in particular restrictions regarding the permissible debt-equity ratio, equity capital clauses (minimum difference between assets and liabilities), and debt and/or interest service coverage ratios (DSCR, ISCR). These conditions may restrict or otherwise constrain the flexibility of the Group to obtain financing for future business activities and to meet its financing needs in the case of special business opportunities. The assessment of such covenants may also be negatively influenced by changes to regulatory and financial reporting standards and/or amended estimates. This restrictions in form of violation of any covenants may have a negative impact on the business, net assets, financial condition, ability of subsidiaries to distribute dividends to the Issuer cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

The Group may find it is in breach of conditions or representations and warranties stipulated in financing agreements if not waived by the respective financing partner. Such a breach or violation may be deemed to constitute an event of default under the respective financing agreement and furthermore as a cross default under other financing agreements. This may entitle the respective lender(s) to demand its immediate repayment. If the Group does not have sufficient liquidity to finance such repayments, it may be compelled to sell properties from its real estate portfolio or to take out refinancing, if at all available, at unfavourable conditions. As the debt financing of the Group is largely secured by security interests in real estate, financing partners may also be entitled to sell such properties during enforcement proceedings regarding these securities. Such a forced sale may be made at conditions which are much more unfavourable than those assessed by the Group, and the proceeds from the sale may not entirely cover the claims of the lender(s) together with enforcement costs.

Should one or more of these risks materialise, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group's business may be significantly impaired due to the lack of availability of equity financing.***

The Group does not exclude the possibility of financing its business activities in future through the issuance of further shares. Where no investors who typically invest in the shares of real estate companies can be found, for example due to the market assessment that the risks relating to the shares of issuers outside of the real estate sector or real estate companies other than the Issuer are lower for economic reasons or for other reasons or the expected return on such shares is higher, it may prove difficult for the Group to raise or obtain further outside capital at adequate conditions, or even at all. This may make it necessary to raise capital at more unfavourable conditions or even to change the strategy of the Group. Should the Group be unable to obtain sufficient capital resources at adequate conditions for a planned acquisition for instance due to unfavourable market conditions, this may mean that it is not possible for the transaction to be performed or that the level of leverage has to be increased. All of this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group may find itself unable to borrow sufficient capital to continue current development projects or to finance acquisitions.***

The Group finances project developments and acquisitions partially with debt financing. As a result, it is therefore dependent on the willingness and ability of banks to provide additional debt or to extend existing financing arrangements at all or at reasonable conditions, also with regard to collateralisation requirements. The market conditions for real estate financing change on an ongoing basis and in particular have deteriorated considerably during the course of the economic and financial crisis. The attractiveness of various forms of financing depends on a range of factors, some of which cannot be influenced by the Group. These factors include in particular market interest rates, the amount of financing required, issues relating to taxation, and the appraisal of the value – and the ability to realise the value – of properties provided as collateral, and the assessment of the general economic situation by

the financing partner.

Should the Group not manage to obtain suitable and adequate debt financing for project developments and acquisitions or to obtain refinancing for expiring debt financing arrangements, or is unable to do so on time, this may have a material adverse effect on the ability of the Group to increase the degree of completion of its development portfolio or to invest in suitable acquisition projects. All of these consequences, or the inability of the Issuer to meet its obligations under existing financing agreements possibly as a result of the lack of available debt financing, may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

## **Legal and tax risks**

### ***The Group is subject to risks resulting from legal disputes related to its operating business.***

The Group may be involved in legal disputes as plaintiff or defendant within the scope of its ordinary business. The Group may be involved in disputes and litigation in different jurisdictions where legal systems and procedures deviate significantly from Austrian or German standards. The respective applicable procedural law, different levels of efficiency of the competent courts and the complex nature of the legal disputes may prolong proceedings and also give rise to the risk that even with regard to disputes with positive expectations no timely payment will be received or there is no obligation to effect payment. In general, the Group has established balance-sheet provisions for legal disputes, but it did not make value adjustments or provisions for all legal disputes. It cannot be ruled out that these forecasts will change in the future and that adjustments will need to be made to the valuation of balance sheet items for this reason. If insufficient value adjustments or provisions are made, the result of such legal disputes may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

### ***The Group is generally exposed to the risk of change in legislation or in the application or interpretation of laws, especially in regulatory, commercial-financial and tax law.***

The structure of the Group is based on the current tax framework regulation. Due to changes in legislation, jurisdiction or administrative practice, the conclusion or implementation of double taxation agreements, the tax environment in general or certain reasons of the Group for the maintenance of its structure, the Group may be subject to a higher tax burden than expected. Some countries of the CEE region have a higher risk of change in the tax framework than e.g. in Germany or Austria. The saving and consolidation measures undertaken to react to the sovereign debt crisis may cause significant changes in tax provisions in certain European countries. This causes considerable uncertainty with regard to the continuity of the tax framework regulation, in respect of which no predictions can be made at this stage.

The companies of the Group are subject to a wide range of tax regulations, partly not being in force for long and being enforced by different regional authorities. There are hardly any precedents for the enforcement and administrative practice can be unpredictable. Taxpayers often have to take legal action to defend themselves against the tax authorities. The risk of unpredictable and burdensome taxation persists therefore for companies of the Group. At the same time, the tax risk is significantly higher in the countries of the CEE region than in other countries whose tax systems look back on a longer history of development.

The Group's investment and financing policy can be significantly impaired by changed cash flows due to a changed tax burden. Changes in tax regulations may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The development and exploitation (renting, operating) of properties of the Group is subject to numerous permits and administrative authorizations and risks related to their revocation, expiration, suspension and similar associated risks.***

In order to undertake a development project, the property in question has to be zoned for building offices, apartments and other undertakings intended by the Group. If the current zoning is not suitable or the property is not yet zoned, the Group has to apply for appropriate zoning. This process may be subject to delays, particularly in countries with inefficient bureaucracy, and there is no certainty that the required zoning takes place within the timeframe necessary to complete the planned development of offices, stores or apartments prior to possible projects of competing companies, or that the project can be completed at all.

Resistance from neighbours against proposed reclassifications or building permits may as well cause significant delay and additional costs. Moreover, arbitrary changes in the zoning by the competent authorities may jeopardise projects already initiated. If the Group is not able to obtain the required zoning or the corresponding procedure is delayed, it can lead to an increase in costs.

The maintenance of real estate projects requires approvals and authorizations. If the Group does not comply with legal provisions and constraints, the approvals and authorizations may be revoked or suspended and the Group may be unable to maintain the operation and the renting of the properties. In case of an infringement of legal provisions or constraints, local authorities may impose sanctions and measures and in the worst case place a demolition order for buildings already constructed.

All this may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***Changes of use of real estate of the Group are limited by dedication, construction and regional planning regulations.***

If decreased profitability due to competition, age, decreasing demand, changes in supervisory law or other factors requires a change in use of the Group's properties, such change might be impossible or be possible only to a certain extent. Generally, the change in use of the development projects and of commercial real estate requires considerable capital investments and may in addition be subject to regulatory approvals, especially from the perspective of construction and zoning laws. If the current use of the property becomes unprofitable, its market value might decrease. Applications for a change in use or a new development of a property may be declined by the competent authority or delayed because of objections raised by third parties. This might interfere with the Group's ability to develop the property suitable to its change in use and to find new tenants. This may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The Group is subject to the general tax environment and uncertainties of tax systems in the markets in which it operates. The Group's tax burden may increase as a consequence of future tax treatment of dividend or interest payments, current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.***

The Group is subject to the general tax environment in the markets in which it operates. The Group's tax burden depends on various aspects of tax laws as well as their application and interpretation. Amendments to tax laws, for example an increase of statutory taxes or the introduction of further taxes due to excessive public debt and budget restrictions may have a retroactive effect and their application or interpretation by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities by way of non-application decrees. This may also increase the Group's tax burden.

In numerous countries tax regulations exist both at the central level and at the level of local administrations. In less developed national economies and legal systems, these regulations have been in

force for a short period of time, which in many cases is reflected in unclear or non-existent implementing provisions. Furthermore, such tax regulations are frequently subject to changes and amendments, which may result in significant complexity and related costs for the Group. In many cases, there are differences of opinion regarding the interpretation of tax regulations between, but also within, public authorities, including the tax authorities, which may lead to legal uncertainties and conflicts. Decreasing tax payments as well as other regulatory concerns are being investigated and assessed by numerous authorities, which are often authorized to impose significant fines and interest on tax underpayments.

As a result of the OECD-action plan against abusive international tax planning structures, the EU member states are in the process of adopting measures to avoid so-called “base erosion and profit shifts” (BEPS) in national tax legislations. One element thereof is the adoption of rules which limit the deductibility of interests, i.e. the so-called “interest barrier rules”. Such rules might limit the deduction of interests on these Notes in the subscriber’s jurisdiction as well.

Any of these circumstances could have an impact on the tax position of the Issuer which may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group can be exposed to losses and liabilities (including tax burdens) in relation to its properties, as a result of acts or omissions of sellers or previous owners, or which refer to a former owner.***

The Group may be subject to losses and liabilities, including tax, regulatory, environmental or compliance risks, with regard to acquired real estate. Actions and omissions of previous owners or possessors of the real estate, changes in legal provisions and numerous other factors may lead to such losses and liabilities. There is thus a risk that some of the properties have hidden defects that once detected are the responsibility of the Group, and for that risk the Group possibly has insufficient insurance coverage.

In the course of acquiring a real estate portfolio, the Group either by itself or through consulted advisers and external experts, may have conducted only limited due diligence on the properties in question. Consequently, it might not have sufficiently ascertained that the previous owner of the properties obtained all governmental approvals and authorizations and acted in compliance with applicable law or that the properties were kept in accordance with applicable provisions. In certain cases investigations, inquiries and appraisals (e.g. environmental legal investigations, testing for asbestos contamination and technical assessment) normally conducted when acquiring real estate and carried out by the Group may turn out to have been not sufficient. Contracts relating to the purchase of real estate may contain only limited liability and warranty of the seller and no further contractual protection for the benefit of the Group. Finally, the respective seller may not be able to satisfy possible claims of the Group. All of this may have material adverse effects on the Group’s business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

### **Organizational business risks**

***The group structure is complex, comprises different jurisdictions, a variety of properties and related financings, which gives rise to a considerable risk of management and controlling errors.***

The Group comprises numerous companies and owns a significant number of properties in various jurisdictions. Furthermore, the Group makes use of a wide range of financing instruments, , both at the level of the Issuer and at the level of project companies of the Group. Should the Group find itself in a position where it is no longer able to efficiently monitor its management and internal administration as well as external real estate management (including efficient cost controlling and accounting) in order to uncover management and administration errors in a timely manner and in their entirety, this may have a material adverse effect on the business, net assets, financial condition, cash flow and results of operations of the Group and thus on the ability of the Issuer to meet its obligations under the Notes.

***The Group is dependent on the uninterrupted operation and security of its computer and data processing systems.***

The Group depends on the efficient and uninterrupted operation of its computer and data processing systems. Computer and data processing systems are generally vulnerable, susceptible and prone to disruptions, damage, power failures, computer viruses, fires and similar events and may be exposed to unlawful or other harmful acts such as unauthorized access, data misuse and theft (hacking). For this reason, it cannot be ruled out that these systems may be subject to operational disruptions or interruptions or that they are compromised by third parties. Due to the fact that the Group's structure is decentralized and because a significant portion of the Group's business activities are abroad, the Group relies on the smooth operation of Group-wide corporate reporting. Disruptions or interruptions in the operations of the computer and data processing systems used by the Group may impede effective management of the Group. Where the confidentiality of sensitive data, for instance that of business secrets, the valuations of individual properties, or other internal information regarding projects or properties, is breached by data misuse or theft, this may significantly impair and cause great damage to the operational and strategic business of the Group and its business model in general. This may have material adverse effects on the business, net assets, financial condition, cash flow and results of operations of the Group and/or the Issuer and thus on the ability of the Issuer to meet its obligations under the Notes.

***The control and prevention mechanisms of the Group's compliance structure may not have been, or may not be, sufficient to adequately protect the Group from all legal or financial risks. Cases of irregularities could lead to official investigations or third-party claims against the Group, which, in turn, could have a material adverse effect on its business, net assets, financial condition, cash flow, results of operations and reputation.***

The proper functioning of the risk management system is since December 31, 2017, evaluated annually by the Group auditor in line with the requirements of C Rule 83 of the Austrian Code of Corporate Governance. Nevertheless, the Group's techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that the Group fails to identify or anticipate. Some of the Group's qualitative tools and metrics for managing risk are based upon its use of observed historical market behaviour. The Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. These tools and metrics may fail to predict future risk exposures. These risk exposures could, for example, arise from factors the Group did not anticipate or correctly evaluate in its statistical models. In addition, the Group's quantified modelling does not take all risks into account. Its more qualitative approach to managing those risks could prove insufficient, exposing it to material unanticipated losses. If the Group's risk management turns out to be inadequate, losses greater than anticipated could harm the Group's revenues and profits as well as its reputation.

To protect the Group against legal risks and other potential harm, a Group-wide compliance management system has been implemented. Binding policies apply to all employees and the members of the Management Board and Supervisory Board and address conduct, corruption prevention, conflicts of interest, information and data protection, discrimination, environmental protection and protection of company property. In signing a 'compliance declaration for third parties', all business partners commit to observing, to the best of their knowledge, applicable legislation and complying with the Group's ethical and moral principles in their business dealings with the Group. As part of the CMS all compliance competencies are assumed by the Group's compliance officer who reports to the Management Board. Legal and compliance risks are addressed by the Group's risk management and the compliance steering committee. However, there can be no assurance that the aforementioned compliance arrangements will be sufficient to completely prevent all unauthorized practices, legal infringements or corruption within the Group. Any failure in compliance could have material adverse effects on its net assets, financial condition, cash flow, results of operations and reputation.

***The insurance coverage of the Group may prove to be insufficient.***

Where insurance coverage is incorrectly evaluated, this may result in risks such as liability or natural catastrophes only being covered to a limited extent or not being covered by insurance policies at all. Therefore, the Group is exposed to the risk of having insufficient or no insurance coverage for risks such as inflation, changes in the legal provisions for building and regional planning, legal deficiencies such as lack of ownership, construction defects, floods, fire or similar natural catastrophes as well as terrorism and other damage events with regard to the real estate. If a loss is incurred which exceeds the sum insured or in respect of which no cover is provided, the Group may lose the capital invested in the real estate and expected revenues or appreciation may not occur. Moreover, additional costs may arise for the Group from repairing damage caused by uninsured risks. The Group would continue to be liable for debt and other financial obligations regarding the affected real estate. Substantial losses exceeding the insurance coverage may be incurred which may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***The Group could be exposed to risks from residual pollution including wartime ordnance, soil conditions and contaminants in building materials, as well as possible building regulation violations. The Group is exposed to risk of catastrophes caused by nature as well as humans.***

Environmental and safety regulations set out effective and latent obligations in the markets in which the Group is active to refurbish contaminated properties. These obligations can apply to properties currently owned by the Group or which were owned by the Group in the past or which are or were managed or developed by it, or in which operational waste of the Group was deposited. In particular, it may be that buildings of the Group contain harmful materials that have been undiscovered, or that properties of the Group are contaminated with petrol or chemical or other pollutants or war material or are subject to other environmental risks or liabilities such as soil contamination or pollution to an unforeseen extent. The existence or even suspected existence of wartime ordnance, hazardous materials, other residual pollution or soil contamination can negatively affect the value of a property and the Group's ability to lease or sell such property. Obligations for remediation due to environmental or safety regulations and the resulting consequences may have material adverse effects on the Group's business, net assets, financial condition, cash flow and results of operations. These negative effects can result in civil and criminal liabilities and consequences in the case of the violation of environmental regulations by the Group, its employees or those responsible. Some regulations and provisions which are constantly subject to possible changes impose sanctions where emissions are discharged into the air, or leak into the soil or water, including asbestos which can lead to liabilities towards third parties for personal or other damages. The presence of such contamination or the failure to remove such substances can impair the ability of the Group to sell or rent the affected property or to use it as collateral. After all, the tenants can refuse to pay the agreed rent in whole or in part until such contamination is removed or terminate the rental agreement prematurely and/or claim damages including those for interruption of business. This may lead to a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Notes.

More strict environmental, health and safety laws and implementation measures may result in significant expenses and liabilities and require a more thorough investigation of the properties held by the Group compared to current practice. The compliance with these provisions may lead to substantial investment and other costs and therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Notes.

Natural catastrophes and extreme weather conditions such as earthquakes, flooding, storms and hail can cause severe damage to properties under construction or those already completed. Such damage can also occur due to man-made catastrophes such as nuclear incidents. If such damage is not sufficiently covered by insurance policies, the Group's business, net assets, financial condition, cash flow and results of operations and the ability of the Issuer to meet its obligations under the Notes could be materially adversely affected.

***The success of the Group is dependent on the quality of its executives, other key personnel, and highly-qualified employees.***

The success of the project development, asset management and investment activities of the Group is, among other factors, fundamentally based on the ability of the Issuer's management board (the "Management Board") and other executives and key employees to identify and exploit suitable business opportunities for the Group. If one or more members of the Management Board or key employees leave the Issuer, it is possible that the Group will not succeed in recruiting management staff or key employees with the same level of qualifications within a reasonable timeframe and on terms in line with the market. Such departures would mean the loss of valuable knowledge and experience and may have a considerable impact on the operational management and activities of the Issuer until suitable replacements are found. The departure of such personnel may impair the ability of the Group to complete development projects on time or to manage existing properties competently. The Group may find it is unable to fill management positions as they become vacant with suitably qualified candidates and to retain the managers and employees it needs to conduct its business efficiently. Furthermore, the necessary use of resources to attract and retain qualified employees may adversely affect the Group's operating margin. These factors may therefore have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and thus on the ability of the Issuer to meet its obligations under the Notes.

### **Key risks specific to the Notes**

***The Notes may not be a suitable investment for all investors.***

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to get their own idea about the investment. An investment in the Notes is only suitable for investors who

- possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Notes and the information contained or incorporated by reference into the Prospectus or any supplement thereto;
- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the Terms and Conditions of the Notes and are familiar with the behaviour of the financial markets;
- are capable of bearing the economic risk of an investment in the Notes until the maturity of the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all before maturity; and
- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and ability to bear the applicable risks.

***Risks exist due to the structural subordination of Notes towards other financing obtained by the Issuer or its subsidiaries based on the financial structure of the Group as well as the Terms and Conditions.***

Holder are unsecured creditors of the Issuer. Hence Holders are subordinated to secured creditors of the Issuer and its subsidiaries, since they have preferential access to the financial assets on which they hold security interests.

Structural subordination exists with regard to unsecured creditors of subsidiaries, because in the event of the insolvency of the subsidiary they have access to the financial assets of the respective subsidiary, whereas the Issuer has potential proceeds from the liquidation of the respective subsidiary at his disposal only after all creditor's claims. The Issuer holds large investments domestically and abroad and hence exercises a holding function. As a holding company the Issuer has a weaker position than creditors of the subsidiaries.

Numerous financings of the Group do not take place at the Group level, but as project financing at the level of the project companies. Creditors of project financings are typically secured by all assets of the project company and therefore they in any case have access to the assets of the project company prior to the Holders. Moreover, claims of the Issuer against the subsidiary may under applicable law be treated subordinatedly in case of insolvency of the subsidiary.

As a consequence, creditors of project financing of the Group have an advantageous creditor position in comparison to Holders through possible access to securities including a pledge of the share in the project company and because of direct claims against several project companies that have financial assets at their disposal. Those aspects as well as the financing structure of the Issuer in general may infringe the ability of Holders to enforce their claims against the Issuer and may have a material adverse effect on the Group's business, net assets, financial condition, cash flow and results of operations and may impair the ability of the Issuer to fulfil its obligations under the Notes.

***Holders are subject to credit risk with regard to the Issuer and the insolvency of the Issuer may lead to a total loss of the investment of Holders.***

In case of insolvency, the Issuer is usually not able to meet its obligations resulting from the issuance of the Notes. Therefore, the insolvency of the Issuer may lead to interest and capital payment default and in the worst case to a total loss of the invested capital. The claims under the Notes are neither guaranteed or secured by any assets of the Issuer or the Group and are not subject to any legal deposit protection or other protection schemes. In case of a insolvency of the Issuer, Holders may lose all or a very substantial part of their investment and of their interest claims.

***The solvency of the Issuer can change during the term of the Notes (solvency risk).***

The solvency of the Issuer significantly influences the price development of the Notes. In addition to the factors surrounding the Issuer's business development (described under "*Risks specific to the Issuer and the Group*" above), other circumstances, such as a policy of paying excessive dividends (which cannot be influenced by the Holders) may have adverse effects on the Issuer's solvency. Possible redemptions of treasury shares may have adverse effects on key figures of the Issuer, in particular with regard to debt financed acquisitions of treasury shares. A deterioration of the Issuer's solvency may lead to a negative price development and selling the Notes before maturity may lead to losses.

***The market price of interest-paying notes can decrease due to changes of the market interest rate (price risk).***

While the nominal interest rate of a Note with a fixed interest rate is fixed for the entire tenor of such Notes, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the market price of a Note with a fixed interest rate also changes – but in the opposite direction. The longer the remaining term of a note, the bigger the change of the price is when a change of the interest level occurs. If the market interest rate increases, the price of fixed rate notes typically falls until the yield of such notes approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate notes typically increases until the yield of such Note is approximately equal to the market interest rate. Potential investors should be aware that fluctuations of the market interest rate can have adverse material effects on the price of the Notes and that the selling of the Notes before maturity can lead to losses.



***Holders are exposed to the risk that a liquid market for the Notes does not develop or that trading of the Notes is suspended. Revocation of the listing or suspension of trading with Notes can lead to distorted pricing or to the sale of the Notes becoming impossible.***

The liquidity (tradability) of the Notes is influenced by different factors such as issue volume, facilities and market situation. There is currently no secondary market for the Notes.

Application has been made for the Notes to be listed on the Luxembourg Stock Exchange's Regulated Market. Regardless of the listing, it cannot be guaranteed that a secondary market for the Notes will develop and/or persist. In an illiquid market it may happen that Holders are not able to sell their Notes at any time or at a market price in line with their expectations.

The admission of the Notes to be traded on a regulated market may be revoked for numerous reasons (e.g. due to a decision of the exchange operating company or the supervisory authority or upon application of the Issuer) and/or the Notes may be suspended from trading by the exchange operating company or the competent financial market authority (e.g. if certain price limits are exceeded, legal provisions are infringed, in case of operational problems of the stock exchange, in case of publication of information relevant to stock prices or in general, if it is necessary to guarantee a functioning market or the protection of Holders). The suspension of trading typically means that orders already placed expire. The Issuer is not able to influence the revocation or suspension from the trade (except where it is based on an action taken by the Issuer) and Holders are exposed to this risk.

Finally Holders have to consider that neither revocation nor suspension from the trade is necessarily a sufficient or proper instrument to avoid market or price disturbances or to protect the Holders' interests. If, for instance, trading is suspended because information relevant to stock prices is published, it is possible that the price of the Notes was already influenced prior to the suspension. All of this may lead to the market price not corresponding to the value of the Notes so that the Notes cannot be sold or can only be sold for a price that is lower than the value of the capital employed by the Holder to purchase the Note or lower than the value of the Note at the time of sale. Holders must in particular not rely on the possibility to sell the Notes at a certain time at a certain price.

***The Notes are subject to early termination rights by the Issuer.***

In accordance with § 5 of the Terms and Conditions, the Issuer is under certain circumstances entitled to early redeem the Notes at their principal amount in the event of changed tax law provisions if 80% or more in principal amount of the Notes originally issued have been redeemed or purchased by the Issuer or any subsidiary of the Issuer. The Issuer may further, upon notice given in accordance with the Terms and Conditions, redeem all of the Notes at the Call Redemption Amount or at any date during the period from and including 90 days prior to the Maturity Date to and excluding the Maturity Date at their principal amount. In case of such an early redemption and premature repayment, Holders bear the risk that the yield on their investment is lower than expected. In case of an early termination of the Notes, Holders may not be able to reinvest their capital under at least equivalent conditions.

***Holders are dependent on the operation of the Clearing Systems.***

The Global Note, which will document the Notes, will be kept in custody by the Clearing Systems. Hence, purchases and sales of securities do not take place through delivery of physical certificates but are settled through the Clearing Systems. With respect to the transfer of the Notes and the receipt of payments out of the Notes, the Holders are reliant on the operation of the relevant process. The Issuer assumes no responsibility or liability for the actual booking of the securities to the securities account of the Holder in case of an acquisition or for derecognition when Notes are sold. Due to the use of clearing systems, there is the risk that bookings are not made, not made within the time expected by the Holder or only made with a delay and therefore the Holder suffers economic disadvantages.

***The Issuer or the Managers can effect transactions which are not in the Holders' interest, or other reasons may lead to conflicts of interest arising between the Issuer and the Holders.***

The interests of the Issuer are not congruent with the interests of the Holders. Future businesses and

transactions of the Issuer or the Group may have an adverse effect on the Holders' position. In particular with regard to the issuance of Notes, the Issuer's right to enter into unsubordinated obligations with the same ranking as the obligations of the Notes is not restricted. Any further obligation of the Issuer may have adverse effects on the Notes' market price, increases the probability of a delayed coupon payment and/or may reduce the recoverable amount of the Holders in case of insolvency of the Issuer.

***Future inflation could lead to a reduction in the return on investment in the Notes.***

The inflation risk indicates the possibility that financial assets such as Notes or their interest depreciate if the purchasing power of a currency falls due to inflation. The actual yield from an investment is reduced by inflation. If the inflation rate is higher than the interests of the Notes, the actual yield is negative.

***Transaction costs and charges may significantly reduce the return on investment in the Notes.***

Purchasing, depositing and selling Notes may trigger commissions, transaction and other fees causing significant costs, which can be especially high with regard to small order values. These additional costs may significantly reduce any profit gained by holding the Notes. Hence, prior to the purchase or sale of the Notes potential investors should inform themselves of the specific costs they would incur.

***Careful consideration should be given to the tax consequences of investing in the Notes.***

For interest payments from the Notes and disposal proceeds of the Holder realized by sale or repayment of the Notes it may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Potential investors who are uncertain of the tax implications of an investment in the Notes are advised to ask their own tax advisor for advice on their individual taxation. Furthermore, applicable tax law provisions may change in the future to the disadvantage of Holders, e.g. with regard to the taxation treatment of the ownership of the Notes, interest payments and realized disposal proceeds. In this context the increase of the uniform special income tax rate for interest payments and disposal proceeds of individuals subject to income tax liability in Austria from 25% to 27.5% as of January 1, 2016 should be mentioned.

***Where the acquisition of the Notes is financed with debt this may significantly increase any possible loss.***

Holders which finance the acquisition of any Notes with debt should bear in mind that current interest payments of the Notes may be lower than the interest rate of any loan taken out. Holders cannot rely on the ability to cover the credit liabilities (including interests) with yields or realized disposal proceeds of the Notes. If the purchase of the Notes was financed by a loan and later on a payment delay or default of the Issuer occurs, or the rate of the Notes decreases, the Holder has to bear its own loss as well as pay the credit interest and repay the loan. In general, it is not recommended to finance the purchase of Notes by a loan.

***Changes to applicable law, regulations or administrative practice can lead to negative consequences for the Issuer, the Notes and the Holders.***

The Terms and Conditions are subject to German and Austrian law as in force at the date of the Prospectus. No assurances can be given with regard to the impacts of possible court decisions or changes in German or Austrian law provisions (or the law applicable in Germany or Austria) or the administrative practice, that takes place after the date of this Prospectus. Holders are exposed to the risk that those decisions and/or changes negatively affect the Issuer, the Notes and the Holders.

***The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the outstanding Notes.***

The Terms and Conditions may be amended or other measures relating to the Notes may be taken by majority resolution of the Holders. The voting process under the Terms and Conditions will be governed in accordance with the German Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – "SchVG"*), pursuant to which the required participation of Holders votes (quorum) is principally set at 50% of the aggregate principal amount of outstanding Notes in a vote without a meeting. In case there is no sufficient quorum in the vote without a meeting, there is no minimum quorum requirement in a second meeting or voting on the same resolution (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25% of the outstanding Notes by principal amount must participate in the meeting or voting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of Notes outstanding, the aggregate principal amount such Notes required to vote in favour of an amendment will vary based on the Holders' votes participating. Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of such Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions of the Notes or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions and the SchVG. Any such majority resolution will even be binding on Holders, who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default, but who have not received payment from the Issuer prior to the amendment taking effect. Furthermore, despite the Terms and Conditions being governed by German law, it cannot be ruled out that investors seek remedies under the Austrian Bond Trustee Act (*Kuratorengesetz*) Gazette RGBI 1874/49, as amended and as supplemented by the Austrian Bond Trustee Supplementation Act (*Kuratorenergänzungsgesetz*) Gazette RGBI 111/1877, leading to the appointment of a bondholder trustee (*Kurator*) by an Austrian court, if it accepts jurisdiction, to represent the joint interests of the Holders. Once appointed, such trustee will exercise the rights and represent the interests of the Holders and is entitled to make statements on their behalf which shall be binding on all Holders. This can conflict with decisions passed by a Holder majority under the SchVG as described above or otherwise adversely affect the interests of individual or all Holders.

***Since no Holders' representative will be appointed as from the issue date of Notes, it will be more difficult for Holders to take collective action with respect to the Notes.***

No initial Holders' representative will be appointed under the Terms and Conditions of the Notes. Any appointment of a Holders' representative for the Notes post issuance of the Notes will, therefore, require a majority resolution of the Holders.

If a Holders' representative has been appointed by majority resolution of the Holders, it is possible that a Holders may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' representative by majority vote who is then exclusively responsible to claim and enforce the rights of all Holders.

***Claims towards the Issuer in respect of repayment become time-barred if not asserted within thirty years and in respect of interest within three years.***

Claims towards the Issuer for repayment relating to the Notes become time-barred and terminate, if not asserted within thirty years (in respect of repayment) and three years (in respect of interest). There is a risk that holders of Notes will not be able to assert their payment claims against the Issuer after expiration of the limitation periods.

***Holdings are exposed to the risk of a lack of influence on the Issuer.***

The Notes exclusively represent and securitise the rights of the Holder (creditors' rights). However, these rights do not constitute shareholders' rights, in particular they do not entitle Holders to participate in or vote at the shareholders' meeting of the Issuer. The Holders are not able to impact the business

policy or the entrepreneurial decisions of the Issuer. The Issuer may operate against the will of Holders and make decisions in future that deviate from the information provided in this Prospectus. This may impede the ability of the Issuer to meet its obligations under the Notes and hence have material adverse effects on Holders.

***Credit ratings may not reflect all risks and are subject to change.***

Ratings assigned to the Issuer by rating agencies are an indicator of the Issuer's ability to meet its obligations under the Notes in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. The market price of the Notes from time to time is likely to be dependent upon the level of credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice. A rating's change, suspension or withdrawal may affect the price and the market price of the outstanding Notes. An investor may thus incur financial disadvantages, as he may not be able to sell the Notes at a fair price. The ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.***

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of his capital invested without taking such or other risks into consideration before investing in the Notes.

***Although the occurrence of a change of control will permit Holders to require redemption of the Notes, the Issuer may not be able to redeem such Notes.***

Upon the occurrence of a change of control, Holders will have the right to require the redemption of the Notes at the Put Amount (as defined in the Terms and Conditions). The Issuer's ability to redeem Notes upon such a change of control will be limited by its access to funds at the time of the redemption. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control to make these repayments and any required redemption of tendered Notes.

***Exchange rate risks and exchange controls.***

Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency of the Notes. These include the risk that exchange rates may change significantly (including changes due to devaluation of the specified currency of the Notes or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency of the

Notes would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal.

***Payments on the Notes may be subject to U.S. withholding under the Foreign Account Tax Compliance Act.***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or "**FATCA**") imposed a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. While the Notes are in global form and held within Euroclear Bank SA/NV. or Clearstream Banking, *société anonyme* (together the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries. Prospective investors should refer with respect to FATCA to the section "*Taxation—U.S. Foreign Account Tax Compliance Withholding*".

***The Financial Transactions Tax could apply to certain dealings in the Notes.***

On February 14, 2013, the European Commission published a proposal for a directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). The FTT as proposed by the European Commission could, if introduced, apply to certain dealings in the Notes in certain circumstances, in particular where at least one party is a financial institution. The FTT, if introduced, could apply to persons both within and outside of the participating Member States. As a result, Holders may be burdened with additional costs for the execution of transactions with the Notes. Prospective investors should refer with respect to the FTT to the section "*Taxation—Proposed Financial Transaction Tax*".

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Financial statements - documents incorporated by reference

The audited consolidated financial statements of the Issuer as of, and for the fiscal year ended December 31, 2017, the abbreviated financial year ended December 31, 2016 and the fiscal year 2015/16 ended April 30, 2016 in the English language (including the notes thereto, the “**Audited Consolidated Financial Statements**”) extracted from the IMMOFINANZ Annual Report 2017, the IMMOFINANZ Annual Report of the 2016 abbreviated financial year May 1, 2016 – December 31, 2016, and the IMMOFINANZ Annual Report 2015/16, respectively, as set out below, and the reviewed consolidated financial statements of the Issuer as of, and for the nine-months period ended, September 30, 2018 in the English language extracted from the Company’s Financial Report on the first three quarters of the 2018 financial year (including the notes thereto, the “**Reviewed Interim Consolidated Financial Statements**” and together with the Audited Consolidated Financial Statements, the “**Consolidated Financial Statements**”), are incorporated by reference into this Prospectus and are defined herein as the “**Documents Incorporated by Reference**”. This Prospectus should be read and construed in conjunction with the Documents Incorporated by Reference which have been previously published and which have been filed with the CSSF and shall form part of this Prospectus.

The Issuer has prepared the German language Consolidated Financial Statements in accordance with IFRS. The Audited Annual Consolidated Financial Statements 2017, as defined below, the Audited Annual Consolidated Financial Statements 2016 as defined below, and the Audited Annual Consolidated Financial Statements 2015/16, as defined below, all in the German language, were audited, and the Reviewed Interim Consolidated Financial Statements for the first three quarters 2018, as defined below, in the German language were reviewed by Deloitte Audit Wirtschaftsprüfungs GmbH, Renngasse 1, A-1010 Vienna, Austria (“**Deloitte**”), certified public accountant and member of the Austrian Chamber of Tax Advisors and Auditors (*Kammer der Steuerberater und Wirtschaftsprüfer*). Deloitte issued audit reports with unqualified audit opinions on the Audited Consolidated Financial Statements and a review report with an unqualified conclusion on the Reviewed Interim Consolidated Financial Statements. The Consolidated Financial Statements are translations of the original German language documents.

### *Cross reference list*

The Documents Incorporated by Reference may be inspected on IMMOFINANZ’s website ([www.immofinanz.com](http://www.immofinanz.com)) under the icons “Investors” and “Financial Statements”. The following sections of the IMMOFINANZ Financial Report on the first three quarters of the Financial Year 2018, the IMMOFINANZ Annual Report 2017, the IMMOFINANZ Annual Report for the Abbreviated Financial Year 2016 and the IMMOFINANZ Annual Report 2015/16 are incorporated by reference into this Prospectus:

- IMMOFINANZ Financial Report on the first three quarters of the Financial Year 2018: the reviewed consolidated financial statements as of, and for the three-quarters period ended, September 30, 2018 (the “**Reviewed Interim Consolidated Financial Statements for the first three quarters 2018**”) together with an English translation of the review report: consolidated balance sheet for the first three quarters 2018, page 28, consolidated income statement for the first three quarters 2018, page 29, consolidated statement of comprehensive income for the first three quarters 2018, page 30, consolidated cash flow statement for the first three quarters 2018, page 31, consolidated statement of changes in equity for the first three quarters 2018, pages 32-33, selected explanatory notes to the consolidated financial statements for the first three quarters 2018, pages 34-62; auditor’s review report, page 64; the first three quarters report may also be inspected on IMMOFINANZ’s website;
- IMMOFINANZ Annual Report 2017: the audited annual consolidated financial statements as of, and for the fiscal year ended, December 31, 2017 (the “**Audited Annual Consolidated Financial Statements 2017**”) together with an English translation of the auditor’s report: consolidated balance sheet, page 120, consolidated income statement, page 121, consolidated

statement of comprehensive income, page 122, consolidated cash flow statement, page 123, consolidated statement of changes in equity, pages 124-125, notes to the consolidated financial statements, pages 126-221; unqualified auditor's report, pages 222-227, and "Pro-forma financial information (unaudited)", pages 102-117, which assumes, fictitiously, that the comparable prior year also covered the period from January 1 to December 31, 2016 and allows a comparison between the data for the 2017 financial year and the respective previous period, but does not constitute pro-forma financial information within the meaning of Recital 9 to the Prospectus Regulation (which would require disclosure in accordance with Annex II thereto); the IMMOFINANZ Annual Report 2017 may also be inspected on IMMOFINANZ's website;

- IMMOFINANZ Annual Report for the Abbreviated Financial Year 2016: the audited annual consolidated financial statements as of, and for the fiscal year ended, December 31, 2016 (the "**Audited Annual Consolidated Financial Statements 2016**") together with an English translation of the auditor's report: consolidated balance sheet, page 104, consolidated income statement, page 105, Consolidated statement of comprehensive income, page 106, consolidated cash flow statement, page 107, consolidated statement of changes in equity, pages 108-109, notes to the consolidated financial statements, pages 110-207; unqualified auditor's report, pages 208-212; the IMMOFINANZ Annual Report for the Abbreviated Financial Year 2016 may also be inspected on IMMOFINANZ's website;
- IMMOFINANZ Annual Report 2015/16: the audited annual consolidated financial statements as of, and for the year ended, April 30, 2016 (the "**Audited Annual Consolidated Financial Statements 2015/16**") : consolidated balance sheet, page 86, consolidated income statement, page 87, Consolidated statement of comprehensive income, page 88, consolidated cash flow statement, page 89, consolidated statement of changes in equity, pages 90-91, notes to the consolidated financial statements, pages 92-192; unqualified auditor's report, page 193; the IMMOFINANZ Annual Report 2015/16 may also be inspected on IMMOFINANZ's website.

Information included in the Documents Incorporated by Reference that is not included in the cross reference list above is neither part of this Prospectus nor incorporated by reference in the Prospectus. Such information not incorporated by reference in the Prospectus is either not relevant for investors or already included elsewhere in the Prospectus.

### ***Rounding adjustments***

As is customary in commercial accounting, some numerical figures (including percentages) in this Prospectus were rounded, primarily to the nearest whole number or tenth of a million (euro). As a result, figures shown as totals in some tables may not be the exact arithmetic aggregation of the rounded figures that precede them. Percentages cited in the text, however, were calculated using the actual values rather than the rounded values. Accordingly, in certain cases it is possible that the percentages in the text differ from percentages based on the rounded values.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

This Prospectus, any supplement thereto, if any, and any Documents Incorporated by Reference into this Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange, *Bourse de Luxembourg* ([www.bourse.lu](http://www.bourse.lu)). Copies of the following documents will be available free of charge at the Company's registered office during usual business hours for as long as any Notes shall be outstanding:

- the Company's Articles of Association;
- the Consolidated Financial Statements; and
- the Prospectus, any supplement thereto, and any Document Incorporated by Reference therein.

In addition, the following documents may be inspected on the Company's website ([www.immofinanz.com](http://www.immofinanz.com)) under the icon "Investor Relations":

- the Company's Articles of Association;
- the Consolidated Financial Statements (at "[www.immofinanz.com/en/downloadcenter](http://www.immofinanz.com/en/downloadcenter)"); and
- the Prospectus and any supplement thereto.

These documents and any other information displayed on the Company's website do not form a part of this Prospectus nor are they incorporated by reference in this Prospectus, unless explicitly otherwise stated in this Prospectus.



## OVERVIEW OF THE CONSOLIDATED FINANCIAL DATA

The following overview of the consolidated financial data of the Group have been derived from the Consolidated Financial Statements, which are incorporated into this Prospectus, or have been calculated based on the data in the Consolidated Financial Statements and certain other information of the Group. For more detailed information on the Group's financial information, please refer to these Consolidated Financial Statements.

	Nine months ended September 30, 2018		Year ended December 31, 2017	Eight months ended December 31, 2016	Year ended April 30, 2016 <sup>(A)</sup>	Year ended April 30, 2016 <sup>(B)</sup>
	(in EUR million, except as otherwise noted)					
	(reviewed, except as otherwise noted )		(audited, except as otherwise noted)			
<b>Earnings Data</b>						
Rental income .....	175.7	174.1	234.5	156.7	232.3	314.5
Results of asset management.....	134.5	122.6	150.8	91.0	142.3	188.5
Results of property sales.....	28.1	2.7	26.0	-2.8	0.8	0.8
Results of property development.....	23.7	-26.1	-28.8	-18.1	-14.5	-15.0
Results of operations .....	149.7	66.2	107.6	50.9	75.8	118.2
Other revaluation results .....	0.4	-0.8	4.1	-13.2	-96.1	-169.8
EBIT .....	150.1	65.4	111.6	37.7	-20.3	-51.6
Financial results .....	32.3	88.6	88.8	-45.2	-58.0	-319.1
EBT.....	182.4	154.0	200.4	-7.5	-78.4	-370.7
Net profit for the period .....	135.0	-59.1	-537.1	-182.0	-113.6	-390.4
FFO 1 <sup>(1)</sup> (unreviewed, unaudited).....	63.0	16.7	36.9	19.2	-	-
Adjusted FFO 1 <sup>(1)</sup> (unreviewed, unaudited).....	83.5	48.2	54.1	21.8	-	-

<sup>(A)</sup> As adjusted in the Consolidated Financial Statements as of and for the abbreviated financial year ended December 31, 2016 to show figures without taking into account discontinued operations (Russian portfolio).

<sup>(B)</sup> As originally reported in the Consolidated Financial Statements as of and for the financial year ended April 30, 2016.

	As of September 30, 2018	As of December 31, 2017	As of April 30, 2016	As of April 30, 2016
	(in EUR million, except as otherwise noted)			
	(reviewed, except as otherwise noted)	(audited, except as otherwise noted)		
<b>Asset Data</b>				
Balance Sheet Total.....	5,731.6	6,062.7	7,003.4	7,246.8
Equity as % of the balance sheet total <sup>(2)</sup> (unaudited) .....	48.2%	46.3%	37.8%	39.8%
Net financial liabilities <sup>(3)</sup> (unaudited) .....	1,688.9	2,140.4	3,316.9	3,088.9
Cash and cash equivalents.....	685.4	477.9	189.3	371.6
Loan to value ratio (net) <sup>(3)</sup> (unaudited) .....	35.9%	40.8%	52.2%	49.4%
Gearing <sup>(4)</sup> (unaudited).....	61.1%	76.3%	92.6%	101.3%
Average interest rate on financial liabilities, including hedging (unreviewed as of September 30, 2018)	2.2%	2.3%	4.0%	3.9%
Average term of financial liabilities <sup>(5)</sup> (unaudited) .....	3.5	3.5	3.3	3.8

- <sup>(1)</sup> Funds from operations 1 ("FFO 1") means sustainable funds from operations from asset management and are calculated before tax and excluding results of property sales & property development. The Issuer has changed the calculation of FFO 1 in 2018. The below presentation of the calculation of FFO 1 is in line with the Issuer's currently used FFO 1 calculation. For the purpose of comparability the calculation of FFO 1 for the year ended December 31, 2017 and for the eight months ended December 31, 2016 has been adapted to reflect this change in calculation. Therefore FFO 1 as set out herein deviates from the Audited Consolidated Financial Statements 2017 and the Audited Consolidated Financial Statements 2016. The Issuer's economic interest in BUWOG AG ("BUWOG"), S Immo and CA Immobilien Anlagen AG ("CA Immo") group is no longer included in FFO 1 as calculated below. Adjusted FFO 1 includes dividends received from CA Immo and BUWOG.

### FFO 1 Calculation

for the nine months ended September 30, 2018

	Earnings data as reported	Adjustments	FFO 1
	(in EUR million)		
	(reviewed)	(unaudited)	
Results of asset management <sup>(A)</sup> .....	134.5	0.4	134.9
Results of property sales .....	28.1	-28.1	0
Results of property development.....	23.7	-23.7	0
Other operating income <sup>(B)</sup> .....	4.3	-0.9	3.4
Other operating expenses <sup>(C)</sup> .....	-41.0	10.3	-30.7

**FFO 1 Calculation**  
for the nine months ended September 30, 2018

	Earnings data as reported	Adjustments	FFO 1
	(in EUR million)		
	(reviewed)	(unaudited)	
Results of operations .....	149.7	-42.1	107.6
Other revaluation results .....	0.4	-0.4	0
<b>Operating profit (EBIT) .....</b>	<b>150.1</b>	<b>-42.5</b>	<b>107.6</b>
Financing costs <sup>(D)</sup> .....	-51.3	2.4	-48.9
Financing income <sup>(E)</sup> .....	6.7	-6.0	0.8
Foreign exchange differences .....	0.1	-0.1	0
Other financial results <sup>(F)</sup> .....	4.3	-4.3	0
Net profit or loss from equity-accounted investments <sup>(G)</sup> ..	72.6	-69.0	3.5
<b>Financial results .....</b>	<b>32.3</b>	<b>-77.0</b>	<b>-44.7</b>
<b>Earnings before tax (EBT)/FFO 1.....</b>	<b>182.4</b>	<b>-119.5</b>	<b>63.0</b>
Dividends received from CA Immo .....	-	20.6	20.6
<b>Adjusted FFO 1 .....</b>	<b>-</b>	<b>-</b>	<b>83.5</b>

(A) The adjustment relates to the (negative) contribution of non-core group entities to result of asset management in the amount of EUR 0.4 million.

(B) The adjustment relates to the (positive) contribution of non-core group entities to other operating income in the amount of EUR 0.9 million.

(C) The adjustment relates to the (negative) contribution to other operating expenses from non-core group entities in the amount of EUR 0.3 million, EUR 4.1 million of bonus payments for the executive board members, EUR 2.8 million for corporate projects as well as expenses relating to a specific project in Germany (project Float) in the amount of EUR 3.1 million (thereof EUR 1.4 million real estate transfer tax and EUR 1.7 million of penalty expenses)

(D) The adjustment relates to the difference (EUR 1.3 million) between financing costs as reported (EUR 51.3 million) on the one side and actually paid interest (EUR 41.7 million) and payments made in connection with derivatives (EUR 8.3 million) on the other side, as well as an adjustment relating to the sale of underlying assets or refinancing of the underlying loan in the amount of EUR 1.1 million.

(E) The adjustment reflects the difference between financing income (as reported in the profit and loss statement) and actual payments received from interests and dividends from financial instruments in the amount of EUR 0.8 million (as reported in the Group cash flow statement).

(F) The adjustment relates to dividend income from financial instruments (EUR 0.5 million), the release of a write-off of receivables (EUR 1.1 million), positive contribution from fair value option for financial instruments (EUR 0.4 million), positive contribution from derivatives measured at fair value (EUR 2.2 million), as well as the (positive) contribution of Aviso Zeta AG to other financial results (EUR 0.1 million).

(G) The adjustment reflects the difference between net profit or loss from equity-accounted investments (EUR 72.6 million as reported in the profit and loss statement) on the one side and dividends received from equity-accounted investments (as reported in the Group cash flow statement) in the amount of EUR 24.1 million other than CA Immo (EUR 20.6 million) on the other side. The position net profit or loss from equity accounted-investments includes, among others, the profit from the sale of the CA Immo shares (EUR 66.2 million), impairment loss related to the S Immo shares (EUR 25.1 million) and the proportional share of earnings from equity-accounted investments (EUR 31.5 million).

**FFO 1 Calculation**  
for the nine months ended September 30, 2017

	Earnings data as reported	Adjustments	FFO 1
	(in EUR million)		
	(reviewed)	(unaudited)	
Results of asset management <sup>(A)</sup> .....	122.6	0.4	123.0
Results of property sales .....	2.7	-2.7	0
Results of property development.....	-26.1	26.1	0
Other operating income <sup>(B)</sup> .....	7.0	-3.2	3.8
Other operating expenses <sup>(C)</sup> .....	-39.9	4.2	-35.7
<b>Results of operations .....</b>	<b>66.2</b>	<b>25.0</b>	<b>91.1</b>
Other revaluation results .....	-0.8	0.8	0
<b>Operating profit (EBIT) .....</b>	<b>65.4</b>	<b>25.8</b>	<b>91.1</b>
Financing costs <sup>(D)</sup> .....	-75.0	11.1	-63.8
Financing income <sup>(E)</sup> .....	4.0	-2.0	2.0
Foreign exchange differences .....	-5.4	5.4	0
Other financial results <sup>(F)</sup> .....	-10.1	10.7	0.6
Net profit or loss from equity-accounted investments <sup>(G)</sup> ..	175.1	-173.4	1.7
<b>Financial results .....</b>	<b>88.6</b>	<b>-148.3</b>	<b>-59.6</b>
<b>Earnings before tax (EBT)/FFO 1.....</b>	<b>154.0</b>	<b>-122.5</b>	<b>31.5</b>
Dividends received from CA Immo .....	-	16.7	16.7
<b>Adjusted FFO 1 .....</b>	<b>-</b>	<b>-</b>	<b>48.2</b>

(A) The adjustment relates to the (negative) contribution to result of asset management from non-core group entities in the amount of EUR 0.4 million.

(B) The adjustment relates to recognized income from the settlement of legal proceedings with former management and supervisory board members in the amount of EUR 3.0 million, partly offset by the elimination of the (positive)

contribution of non-core group entities to other operating income in the amount of EUR 0.1 million.

- (C) The adjustment relates to the (negative) contribution to other operating expenses from non-core group entities in the amount of EUR 2.2 million and corporate project expenses in the amount of EUR 2.0 million.
- (D) The adjustment relates to the difference (EUR 31.8 million) between financing costs as reported (EUR 75.0 million) on the one side and actually paid interest (EUR 96.3 million) and payments made in connection with derivatives (EUR 10.5 million) on the other side, more than offset by the elimination of discontinued operations (Russian retail portfolio) amounting to EUR 40.7 million and an adjustment relating to the sale of underlying assets or refinancing of the underlying loan in the amount of EUR 2.3 million.
- (E) The adjustment reflects the difference between financing income (as reported in the profit and loss statement) and actual payments received from interests and dividends from financial instruments in the amount of EUR 2.0 million (as reported in the Group cash flow statement).
- (F) The adjustment relates to dividend income from financial instruments (EUR 1.3 million), expenses in connection with the incentivized conversion of IMMOFINANZ' convertible bond due 2018 (EUR 12.6 million), the write-off of receivables (EUR 2.3 million), positive contribution from fair value option for financial instruments (EUR 12.9 million), negative contribution from derivatives measured at fair value (EUR 10.3 million), as well as the positive contribution from financial instruments available for sale (EUR 0.3 million).
- (G) The adjustment reflects the difference between net profit or loss from equity-accounted investments (EUR 175.1 million as reported in the profit and loss statement) on the one side and dividends received from equity-accounted investments (as reported in the Group cash flow statement) in the amount of EUR 18.4 million other than CA Immo (EUR 16.7 million) on the other side. The position net profit or loss from equity accounted-investments includes, among others, the reversals of impairment losses on CA Immo shares (EUR 91.9 million), gain on sale of BUWOG shares (EUR 18.0 million), change in valuation to fair value measurement of BUWOG (EUR 25.8 million) and the proportional share of earnings from equity-accounted investments (EUR 39.4 million).

FFO 1 Calculation for the year ended December 31, 2017	Earnings data as reported	Adjustments	FFO 1
(in EUR million)			
	(audited)	(unaudited)	
Results of asset management <sup>(A)</sup> .....	150.8	0.4	151.3
Results of property sales .....	26.0	-26.0	0
Results of property development.....	-28.8	28.8	0
Other operating income <sup>(B)</sup> .....	8.7	-3.3	5.4
Other operating expenses <sup>(C)</sup> .....	-49.2	5.3	-43.9
<b>Results of operations .....</b>	<b>107.6</b>	<b>5.2</b>	<b>112.7</b>
Other revaluation results .....	4.1	-4.1	0
<b>Operating profit (EBIT) .....</b>	<b>111.6</b>	<b>1.1</b>	<b>112.7</b>
Financing costs <sup>(D)</sup> .....	-94.9	15.3	-79.6
Financing income <sup>(E)</sup> .....	4.2	-2.6	1.6
Foreign exchange differences .....	-8.5	8.5	0
Other financial results <sup>(F)</sup> .....	-12.1	12.7	0.4
Net profit or loss from equity-accounted investments <sup>(G)</sup> ..	200.0	-198.4	1.7
<b>Financial results .....</b>	<b>88.8</b>	<b>-164.6</b>	<b>-75.9</b>
<b>Earnings before tax (EBT)/FFO 1.....</b>	<b>200.4</b>	<b>-163.5</b>	<b>36.9</b>
Dividends received from CA Immo .....	-	16.7	16.7
Dividends received from BUWOG .....	-	0.5	0.5
<b>Adjusted FFO 1 .....</b>	<b>-</b>	<b>-</b>	<b>54.0</b>

- (A) The adjustment relates to the (negative) contribution of non-core group entities to result of asset management in the amount of EUR 0.4 million.
- (B) The adjustment relates to recognized income from the settlement of legal proceedings with former management and supervisory board members in the amount of EUR 3.0 million as well as the elimination of the (positive) contribution of non-core group entities to other operating income in the amount of EUR 0.3 million.
- (C) The adjustment relates to the (negative) contribution to other operating expenses from non-core group entities in the amount of EUR 2.8 million and corporate project expenses in the amount of EUR 2.5 million.
- (D) The adjustment relates to the difference (EUR 40.1 million) between financing costs as reported (EUR 94.9 million) on the one side and actually paid interest (EUR 120.6 million) and payments made in connection with derivatives (EUR 14.4 million) on the other side, more than offset by the elimination of discontinued operations (Russian retail portfolio) amounting to EUR 51.5 million and an adjustment relating to the sale of underlying assets or refinancing of the underlying loan in the amount of EUR 4.0 million.
- (E) The adjustment reflects the difference between financing income (as reported in the profit and loss statement) and actual payments received from interests and dividends from financial instruments in the amount of EUR 2.1 million excluding dividends received from BUWOG in the amount of EUR 0.5 million.
- (F) The adjustment relates to dividend income from financial instruments (EUR 1.5 million), expenses in connection with the incentivized conversion of IMMOFINANZ' convertible bond due 2018 (EUR 37.6 million), the write-off of receivables (EUR 0.3 million), positive contribution from fair value option for financial instruments (EUR 14.2 million), positive contribution from derivatives measured at fair value (EUR 8.3 million), the (positive) contribution of Aviso Zeta AG to other financial results (EUR 0.9 million) and the positive contribution from financial instruments available for sale (EUR 0.5 million).

- (G) The adjustment reflects the difference between net profit or loss from equity-accounted investments (EUR 200.0 million, as reported in the profit and loss statement) on the one side and dividends received from equity-accounted investments (as reported in the Group cash flow statement) in the amount of EUR 18.4 million other than CA Immo (EUR 16.7 million) on the other side. The position net profit or loss from equity accounted-investments includes, among others, the reversals of impairment losses on CA Immo shares (EUR 91.9 million), gain on sale of BUWOG shares (EUR 18.0 million), change in valuation to fair value measurement of BUWOG (EUR 25.9 million) and the proportional share of earnings from equity-accounted investments (EUR 62.4 million).

FFO 1 Calculation for the eight months ended December 31, 2016	Earnings data as reported	Adjustments	FFO 1
	(in EUR million)		
	(audited)	(unaudited)	
Results of asset management <sup>(A)</sup> .....	91.0	-0.3	90.7
Results of property sales .....	-2.8	2.8	0
Results of property development.....	-18.1	18.1	0
Other operating income <sup>(B)</sup> .....	13.0	-9.8	3.2
Other operating expenses <sup>(C)</sup> .....	-32.1	1.7	-30.4
<b>Results of operations</b> .....	<b>50.9</b>	<b>12.5</b>	<b>63.5</b>
Other revaluation results .....	-13.2	13.2	0
<b>Operating profit (EBIT)</b> .....	<b>37.7</b>	<b>25.7</b>	<b>63.5</b>
Financing costs <sup>(D)</sup> .....	-70.8	16.9	-53.8
Financing income <sup>(E)</sup> .....	5.8	-1.5	4.3
Foreign exchange differences .....	9.7	-9.7	0
Other financial results <sup>(F)</sup> .....	7.5	-6.8	0.7
Net profit or loss from equity-accounted investments <sup>(G)</sup> ..	2.5	-2.3	0.3
<b>Financial results</b> .....	<b>-45.2</b>	<b>-3.3</b>	<b>-48.6</b>
<b>Earnings before tax (EBT)/FFO 1</b> .....	<b>-7.5</b>	<b>22.4</b>	<b>14.9</b>
Dividends received from BUWOG .....	-	6.9	6.9
<b>Adjusted FFO 1</b> .....	<b>-</b>	<b>-</b>	<b>21.8</b>

- (A) The adjustment relates to the (positive) contribution of non-core group entities to result of asset management in the amount of EUR 0.3 million.
- (B) The adjustment relates to recognized income from the settlement of legal proceedings with former management and supervisory board members in the amount of EUR 3.4 million, the elimination of the (positive) contribution of non-core group entities to other operating income in the amount of EUR 3.9 million and proceeds relating to the early termination of a lease agreement relating to a Polish Asset in the amount of EUR 2.4 million.
- (C) The adjustment relates to the (negative) contribution to other operating expenses from non-core group entities in the amount of EUR 1.5 million and corporate project expenses in the amount of EUR 0.3 million.
- (D) The adjustment relates to the difference (EUR 30.1 million) between financing costs as reported (EUR 70.8 million) on the one side and actually paid interest (EUR 86.5 million) and payments made in connection with derivatives (EUR 14.4 million) on the other side, more than offset by the elimination of discontinued operations (Russian retail portfolio and logistic portfolio) amounting to EUR 39.2 million and an adjustment relating to the sale of underlying assets or refinancing of the underlying loan in the amount of EUR 8.0 million.
- (E) The adjustment reflects the difference between financing income (as reported in the profit and loss statement) and actual payments received from interests and dividends from financial instruments in the amount of EUR 4.3 million (as reported in the Group cash flow statement).
- (F) The adjustment relates to dividend income from financial instruments (EUR 1.2 million), the write-off of receivables (EUR 3.2 million), negative contribution from fair value option for financial instruments (EUR 2.6 million), positive contribution from derivatives measured at fair value (EUR 11.6 million) and the negative contribution from financial instruments available for sale (EUR 0.1 million).
- (G) The adjustment reflects the difference between net profit or loss from equity-accounted investments (EUR 2.5 million as reported in the profit and loss statement) on the one side and dividends received from equity-accounted investments (as reported in the Group cash flow statement) in the amount of EUR 7.2 million other than BUWOG (EUR 6.9 million) on the other side. The position net profit or loss from equity accounted-investments includes, among others, the impairment losses on CA Immo shares (EUR 91.9 million), gain on sale of BUWOG shares (EUR 34.2 million) and the proportional share of earnings from equity-accounted investments (EUR 59.1 million).

- (2) Equity as % of the balance sheet total corresponds to the total equity in the company, divided by the total assets, multiplied by 100:

	As of September 30, 2018	As of December 31, 2017	As of December 31, 2016	As of April 30, 2016
	(in EUR million, except as otherwise noted)			
	(reviewed)	(audited, except as otherwise noted)		
Total equity .....	2,763.5	2,808.0	2,650.6	2,886.0
Total assets.....	5,731.6	6,062.7	7,003.4	7,246.8
<b>Equity as % of the balance sheet total (unaudited)</b> .....	<b>48.2%</b>	<b>46.3%</b>	<b>37.8%</b>	<b>39.8%</b>

- (3) Net financial liabilities is calculated by deducting cash and cash equivalents from the carrying amount of financing. The loan-to-value ratio (net) is calculated by dividing the net financial liabilities by the total carrying amount of properties (including real

estate assets held for sale) including, as applicable, the market value or EPRA net asset value (EPRA NAV, calculated by dividing the equity of CA Immo/S Immo attributable to its shareholders by the number of shares outstanding and multiplied with the number of shares held by IMMOFINANZ) of the investments in BUWOG, CA Immo and S Immo shares multiplied by 100.

	As of September 30, 2018	As of December 31, 2017	As of December 31, 2016	As of April 30, 2016
	(in EUR million,)			
	(except as otherwise noted,)			
	(reviewed)	(audited)		
Non-current liabilities from convertible bonds.....	276.0	277.5	497.0	517.1
Non-current financial liabilities.....	1,798.6	1,773.7	1,406.8	2,366.8
Current liabilities from convertible bonds.....	5.9	35.8	33.2	3.2
Current financial liabilities.....	293.8	532.7	708.0	409.1
Financial liabilities held for sale.....	-	-	878.1	164.4
Carrying amount of financing (unaudited) .....	2,374.3	2,619.6	3,523.1	3,460.6
- Cash and cash equivalents .....	685.4	-479.3 <sup>(*)</sup>	-206.2 <sup>(*)</sup>	-371.6
<b>Net financial liabilities (unaudited) .....</b>	<b>1,688.9</b>	<b>2,140.4</b>	<b>3,316.9</b>	<b>3,088.9</b>
Real estate property.....	3,868.6	3,729.5	3,531.4	4,961.8
Property under construction .....	359.0	404.1	379.0	410.0
Real estate inventories.....	48.1	61.2	93.1	112.1
Investment property held for sale.....	49.5	132.6	1,363.2	224.9
Property under construction held for sale.....	3.8	124.5	74.3	25.0
Real estate inventories held for sale.....	6.3	6.3	5.4	0
<b>Real estate assets held for sale.....</b>	<b>59.5</b>	<b>263.3</b>	<b>1,442.9</b>	<b>249.9</b>
<b>Carrying amount of properties .....</b>	<b>4,335.1</b>	<b>4,458.1</b>	<b>5,446.5</b>	<b>5,733.9</b>
Market value of BUWOG shares (unaudited) .....	-	19.8	220.1	523.9
EPRA NAV relating to CA Immo (unaudited).....	-	768.1	687.0	-
EPRA NAV relating to S Immo (unaudited).....	374.3	-	-	-
<b>Carrying amount of properties including, as applicable, the market value or EPRA net asset value (EPRA NAV) of the investments in BUWOG, CA Immo and S Immo shares (unaudited).....</b>	<b>4,709.4</b>	<b>5,246.1</b>	<b>6,353.5</b>	<b>6,257.8</b>
<b>Loan to value ratio (net) (unaudited).....</b>	<b>35.9%</b>	<b>40.8%</b>	<b>52.2%</b>	<b>49.4%</b>

<sup>(\*)</sup> Including cash and cash equivalents held for sale.

- (4) Gearing is calculated by deducting cash and cash equivalents (not including cash and cash equivalents held for sale) from financial liabilities (not including financial liabilities held for sale) and dividing the result by equity multiplied by 100:

	As of September 30, 2018	As of December 31, 2017	As of December 31, 2016	As of April 30, 2016
	(in EUR million, except as otherwise noted)			
	(reviewed)	(audited, except as otherwise noted)		
Carrying amount of financing (not including financial liabilities held for sale).....	2,374.3	2,619.6	2,645.1	3,296.2
- Cash and cash equivalents (not including cash and cash equivalents held for sale).....	-685.4	-477.9	-189.3	-371.6
Net debt (unaudited) .....	1,688.9	2,141.7	2,455.8	2,924.6
Equity.....	2,763.5	2,808.0	2,650.6	2,885.9
<b>Gearing (unaudited).....</b>	<b>61.1%</b>	<b>76.3%</b>	<b>92.6%</b>	<b>101.3%</b>

- (5) The average term of financial liabilities is calculated by current outstanding loan amounts multiplied by their respective remaining term divided by the total current outstanding loan amounts.

Source: Consolidated Financial Statements, internal data.

There has been no material adverse change in the prospects of the Issuer since December 31, 2017.

There has been no significant change in the financial or trading position of the Group since September 30, 2018.

## NON-IFRS MEASURES

In addition to the alternative performance measure FFO1 as described, adapted and reconciled above, this Prospectus contains the following financial measures that are not defined or recognized under IFRS (the “non-IFRS measures”):

- “FFO 1” represents sustainable funds from operations from asset management as described in more detail above.
- “Equity as % of the balance sheet total” represents equity as a percentage of total assets.

- “**Net financial liabilities**” represents the carrying amount of financing after deduction of cash and cash equivalents.
- “**Loan-to-value ratio (net)**” represents net financial liabilities as a percentage of the carrying amount of properties and the market value of the investments in BUWOG, CA Immo and S Immo shares.
- “**Gearing**” represents net debt as a percentage of equity.
- “**Average interest rate on financial liabilities, including hedging**” represents the volume weighted average applicable interest rate on financial liabilities after taking into account hedging.
- “**Average term of financial liabilities**” represents the volume weighted average remaining term of financial liabilities.

These measures and other information are provided in this Prospectus because the Group believes they provide investors with additional information to measure the economic performance of business activities. For a reconciliation of these measures (to the extent possible from IFRS measures), please, see “*Overview of the Consolidated Financial Data*”.

Non-IFRS measures are not recognized terms under IFRS and should not be considered as an alternative to the applicable IFRS measures. These non-IFRS measures are not audited and are not measures of financial performance under IFRS and should not be considered as a replacement for any IFRS financial measure. Moreover, such measures, as defined by the Group, may not be comparable to other similarly titled measures used by other companies, because the above-mentioned non-IFRS measures are not defined under IFRS; other companies may calculate them in a different manner than the Group, which limits their usefulness as comparative measures. These non-IFRS measures have limitations and should not be considered in isolation, or as substitutes for financial information as reported under IFRS. Accordingly, undue reliance should not be placed on the non-IFRS measures presented in this Prospectus.

## GENERAL INFORMATION ABOUT THE ISSUER

### General

IMMOFINANZ AG is a joint stock corporation (*Aktiengesellschaft*) incorporated under Austrian law. Its registered seat and its business address is Wienerbergstraße 11, 1100 Vienna, Austria. It operates under Austrian legislation. Its telephone number is +43-1 88 090. The Issuer was founded on August 22, 1994 and registered on September 13, 1994 with the Austrian commercial register (*Firmenbuch*) at the Commercial Court of Vienna under the registration number FN 114425y. It has the legal entity identifier 5299000DUMZ99SBBX121. Its original registered name was CPAG Immobilienvermietungs GmbH. On October 26, 1994, the Issuer changed its legal form from a limited liability company (*GmbH*) to a stock corporation (*Aktiengesellschaft*). On December 30, 2006, its legal name was changed to IMMOFINANZ AG (the Issuer is also known under the commercial name “IMMOFINANZ”). The shareholders’ meeting of December 1, 2015 resolved to change the business year to the calendar year with effect as of January 1, 2017 after an abbreviated business year from May 1, until December 31, 2016. Since 2017, the Company’s fiscal year ends on December 31 of each calendar year.

### Object of the Company

According to Section 2 of the Company’s articles of association (the “**Company’s Articles of Association**”) the business purpose of the Issuer in Austria and abroad is in particular:

- a) Purchase, development, management, renting (leasing) and realization of developed and undeveloped real properties (including buildings on third party land (*Superädifikate*) and building rights (*Baurechte*));
- b) real estate development, planning and implementation of real estate projects of any kind;
- c) operating retail properties, residential properties, office properties, logistics centres and other properties;
- d) conduct the business (*Gewerbe*) as real estate trustee (estate agent, property management, property developer); and
- e) acquisition, management and disposal of investments in other enterprises or corporations with the same or similar business purpose as well as the management and administration of such investments (holding function).

The Issuer is entitled to conduct any business and adopt all measures which are deemed to be necessary or useful within the scope of its business purpose, in particular also in fields of operations similar or related to the business purpose of the Company. Banking business according to the Austrian Banking Act (*Bankwesengesetz*) is excluded from the Company’s operations.

### Share capital and major shareholders

As of the date of this Prospectus, the nominal share capital of the Issuer amounts to EUR 112,085,269, represented by 112,085,269 no par value shares (the “**Shares**”), each Share having the value of EUR 1.00 of the nominal share capital. The nominal share capital is fully paid up.

According to the respective most recent announcements available to the Company, the principal shareholders of the Issuer are:

	Last reporting date	Participation <sup>(1)</sup> in %
S Immo (via CEE Immobilien GmbH) .....	March 27, 2018	11.94%
Fries Group.....	December 31, 2017	6.23%
Erste Asset Management (together with subsidiaries) .....	March 21, 2018	4.94%
CA Immo (via PHI Finanzbeteiligungs und Investment GmbH) .....	November 2, 2017	4.89%
Free Float .....	n.a.	72.00%

<sup>(1)</sup> Calculation based on number of shares outstanding as of the date of this Prospectus.

Source: Company data based on notifications received of the acquisition or disposal of major holdings in accordance with Article 9 of

Directive 2004/109/EC as amended and its respective transpositions into Austrian law, each as of the date of receipt of a such notification.

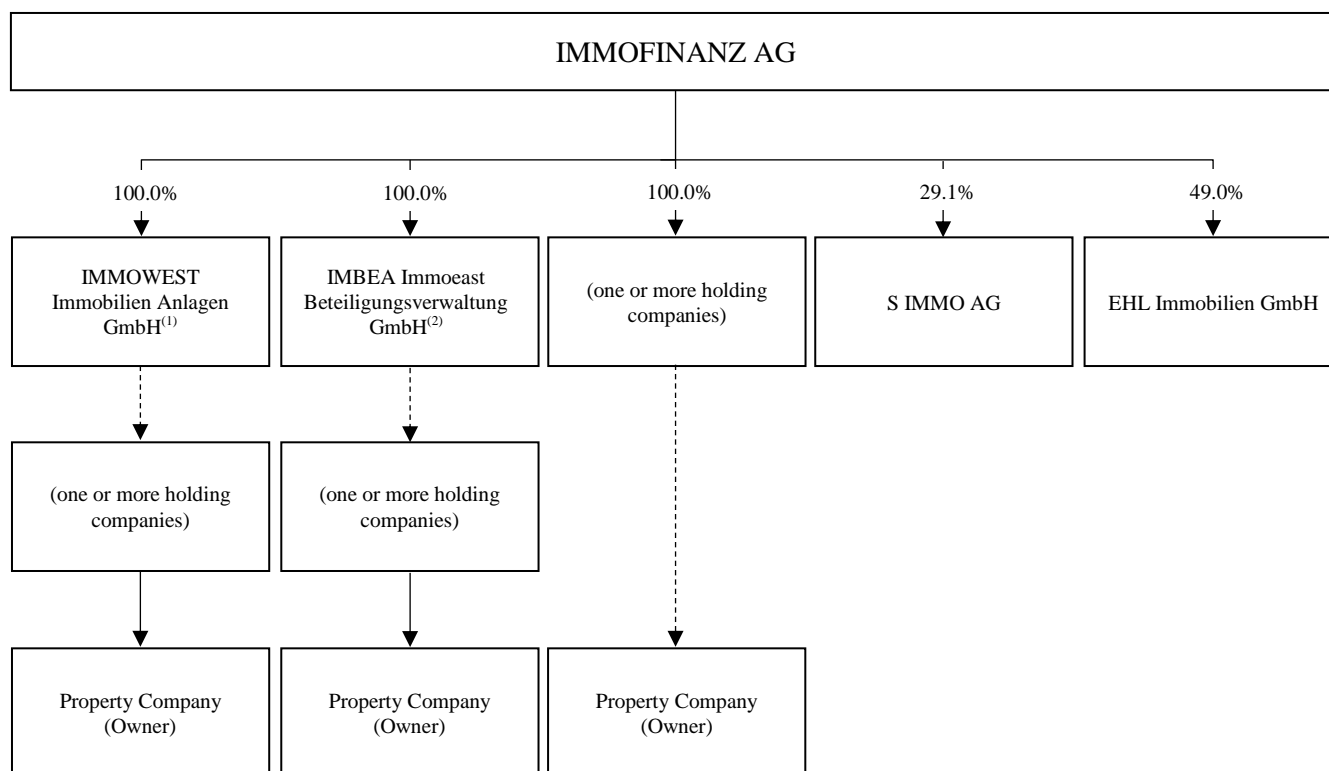
The Issuer is not aware that it is being controlled by any person within the meaning of the Austrian Takeover Act (*Übernahmegesetz*). To the management's best knowledge, there are no arrangements, the operation of which may at a subsequent date result in a change of control in the Company.

## Organizational structure

The Issuer is the parent company of the Group which is an international real estate group headquartered in Vienna operating in various countries. As a holding company, IMMOFINANZ AG has no business operations of its own, but is responsible for management and support functions for the Group, including overall strategy and planning, investment, accounting and finance, budgets, treasury, legal services, mergers and acquisitions and investor and public relations.

In its capacity as parent company with its own real estate holdings, the Issuer is only aiming to generate income by itself to a limited extent; it partly exercises a holding function and is therefore also dependent on contributions and dividends paid out by its subsidiaries.

The chart below demonstrates the condensed organizational structure of the Group with its main subsidiaries at the top of which is the Issuer as the Group's holding company.



<sup>(1)</sup> German Portfolio.

<sup>(2)</sup> Other Core and Non Core Markets.

Source: Internal data.



## BUSINESS

### Overview

The Issuer is the parent company of the Group which is an international real estate group headquartered in Vienna and operating in various countries. The Group's core business is the management of retail and office properties in CEE, whereas, most of its properties are located in Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland. In addition, IMMOFINANZ focuses on growth through acquisitions and own development projects. The Group's business activities in the office sector, which comprised 63.2% of the Group's investment property portfolio (excluding properties which are held for sale and fall under IFRS 5) as at September 30, 2018 are concentrated on the capital cities of the above listed core countries and Düsseldorf in Germany; its strategic focus with respect to retail properties, representing 33.4% of the investment property portfolio as at September 30, 2018 primarily lies in secondary and tertiary cities of such countries. The Group's retail portfolio mainly consists of shopping centres and retail parks characterized by their consistent branding and design ("VIVO!" and "STOP SHOP"). With respect to office properties, the Group has also created an individual branding ("myhive"). From the total property portfolio of EUR 4,275.6 million (not including properties held for sale in accordance with IFRS 5), standing investments represented the largest component at EUR 3,676.1 million, or 86.0% of the carrying amounts and approximately 1.9 million m<sup>2</sup>. These properties generate steady rental income. The development projects comprised EUR 359.0 million or 8.4% of the carrying amount (not including properties held for sale in accordance with IFRS 5), real estate inventories represented EUR 48.1 million or 1.1% and pipeline projects (future planned development projects, undeveloped land and/or temporarily suspended projects) represented EUR 192.5 million or 4.5% of the carrying amounts. The Group is responsible for the entire value chain, from the design and development of the property sites to renting the respective property. Therefore, the Group generates value by creating and actively managing commercial properties. The Group had 406 employees in nine countries as at December 31, 2017.

For details regarding the Company's participation in other Austrian real estate companies see "*New developments and outlook regarding the Group*" below.

The Group's property portfolio covered 223 properties worth EUR 4,275.6 million (not including properties held for sale in accordance with IFRS 5) with 1,855,440 m<sup>2</sup> rentable space as at September 30, 2018; thereof, 153 standing investments, which are properties held to generate steady rental income, comprise EUR 3,676.1 million. Renting of such standing investment properties is the Group's main source of earnings and part of its core business activity. The development projects currently under realization had a combined carrying amount of EUR 359.0 million, and real estate inventories have a carrying amount of EUR 48.1 million. The budgeted outstanding construction costs for these active development projects totaled EUR 104.2 million and for the real estate inventories EUR 1.7 million as of September 30, 2018. Based on the Group's assessment, the expected rental income of the active development projects after completion and when fully occupied will amount to EUR 19.2 million per year.

The Group's business includes the purchase, construction, leasing, operation, refurbishment and sale of real estate in its core regions. The Group's activities also include real estate project development, revitalization and refurbishment of investment properties and asset management. The Group regards leasing as local business and therefore leases properties in its core regions via local teams. It has subsidiaries with their own staff in Austria, Poland, Romania, Germany, Czech Republic, Slovakia, Hungary and Serbia, which are responsible for asset management and leasing activities in those countries. In addition, there are holding companies in the European Union.

### Portfolio structure

The property portfolio covered 223 properties as of September 30, 2018 (not including properties held for sale in accordance with IFRS 5) with a combined value of EUR 4,275.6 million (including non-core countries, not including properties held for sale in accordance with IFRS 5) in the core markets of Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland. Standing investments represented the largest component at EUR 3,676.1 million, or 86.0%, of the carrying amounts of

properties and approximately 1.9 million m<sup>2</sup> of rentable space. These properties generate steady rental income. The development projects (properties under construction) comprised EUR 359.0 million or 8.4% of the carrying amount of properties (not including properties held for sale in accordance with IFRS 5) and real estate inventories EUR 48.1 million or 1.1%. Pipeline projects were responsible for EUR 192.5 million or 4.5% of the carrying amount of properties (not including properties held for sale in accordance with IFRS 5) and include future planned development projects and undeveloped land that is intended for sale.

The IMMOFINANZ portfolio is focused on clearly defined brands with a high degree of standardization. In the retail sector, the brands include STOP SHOP for retail parks and VIVO! for shopping centres. Management believes that the Group is a leading retail park operator in the CEE region; it has acquired eight retail parks in Slovenia, Serbia and Croatia in November, 2018. myhive, an international office brand, was launched in fall, 2016 and rolled out to more than 20 office buildings; further roll-outs are planned.

Set forth below is an overview of key data on the standing investments by brand as of and for the nine months ended September 30, 2018:

	myhive	STOP SHOP	VIVIO!
Number of properties .....	21	72	10
Rentable space (in m <sup>2</sup> ).....	468,453	498,842	302,671
Occupancy rate.....	93.0%	98.4%	97.5%
Rental income in first three quarters, 2018 (in EUR million) .....	44.2	40.3	35.7
Carrying amount(in EUR million) .....	1,067.5	712.2	644.8
% of total portfolio .....	25.0%	15.1%	17.1%
Financing costs (including derivatives) .....	1.8% (2.5%)	2.1% (2.4%)	2.0% (2.4%)
Loan-to-value ratio.....	49.8%	55.8%	34.7%
Return on invoiced rents <sup>(1)</sup> .....	6.1%	7.7%	7.5%

<sup>(1)</sup> Return based on invoiced rents information is provided to improve comparability with the peer group.

Source: Internal data.

Properties in these three brands were responsible for 66.0% of the carrying amount of the standing investment portfolio as of September 30, 2018 and 70.7% of rental income at the end of the third quarter of 2018.

The following table shows the fully consolidated real estate portfolio of the Group (not including properties held for sale in accordance with IFRS 5) divided for each core region as at September 30, 2018:

Property Portfolio	Number of properties	Standing investments	Pipeline projects	Investment properties <sup>(1)</sup>	Development projects	Real estate inventories	Property portfolio <sup>(1)</sup>	Property portfolio in %
(in EUR million, except as otherwise noted)								
Austria.....	33	796.6	9.8	806.4	22.6	0.0	829.0	19.4%
Germany.....	13	278.4	0.0	278.4	232.6	47.2	558.2	13.1%
Poland .....	32	717.1	0.0	717.1	44.6	0.0	761.7	17.8%
Czech Republic .....	18	336.0	0.0	336.0	4.7	0.0	340.7	8.0%
Hungary .....	31	487.3	28.0	515.3	2.6	0.0	517.9	12.1%
Romania.....	57	619.5	126.9	746.4	49.7	0.9	797.0	18.6%
Slovakia .....	21	303.6	1.2	304.8	0.0	0.0	304.7	7.1%
Non-core countries .....	18	137.5	26.7	164.2	2.2	0.0	166.4	3.9%
<b>IMMOFINANZ .....</b>	<b>223</b>	<b>3,676.1</b>	<b>192.5</b>	<b>3,868.6</b>	<b>359.0</b>	<b>48.1</b>	<b>4,275.6</b>	<b>100.0%</b>
		<b>86.0%</b>	<b>4.5%</b>	<b>90.5%</b>	<b>8.4%</b>	<b>1.1%</b>	<b>100.0%</b>	

<sup>(1)</sup> Investment properties are the sum of standing investments and pipeline projects.

<sup>(2)</sup> Property portfolio is the sum of standing investment, pipeline projects, development projects and real estate inventories.

Sources: Reviewed Interim Consolidated Financial Statements, internal data.

### **Portfolio optimization and occupancy rate by geography and asset class**

The occupancy rate in the office portfolio equaled 91.8% as of September 30, 2018 (September 30, 2017 90.1%; December 31, 2017: 91.9%; December 31, 2016 (abbreviated): 87.3%; financial year

ended April 30, 2016: 81.7%). The office portfolio has a balanced tenant structure. The ten largest tenants (aggregated) are responsible for renting 20% of the space in the standing investments, and no single tenant has rented more than 3.3% of the total space in these office properties.

The occupancy rate in the retail portfolio equaled 97.7% as of September 30, 2018 (September 30, 2017 96.6%; December 31, 2017: 97.2%; December 31, 2016 (abbreviated): 93.0%; financial year ended April 30, 2016: 91.1%).

### *Standing investments*

The 153 standing investments had a carrying amount of EUR 3,676.1 million as of September 30, 2018 (EUR 3,524.2 million as of September 30, 2017). Of this total, 62.3% were attributable to office properties and 37.5% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Austria (EUR 796.6 million), Poland (EUR 717.1 million) and Romania (EUR 619.5 million).

These properties have 1,855,440 m<sup>2</sup> of rentable space. Based on annualized rental income, the portfolio had a gross return of 6.2% (6.3% as of September 30, 2017) and a return of 6.5% based on invoiced rents as of the end of the third quarter of 2018. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs. These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS), but are not included in the invoiced rent.

The occupancy rate equaled 94.5% as of September 30, 2018 (92.9% as of September 30, 2017). IMMOFINANZ rented roughly 217,300 m<sup>2</sup> of usable space in the first three quarters of 2018 (excluding Other standing investments). Of this total, approximately 87,600 m<sup>2</sup> represented new rentals and 129,700 m<sup>2</sup> contract extensions. The average unexpired lease term weighted by rental income and excluding open-ended contracts equaled roughly four years as of September 30, 2018.

The following table shows the regional distribution of standing investments as at September 30, 2018:

Standing Investments	Number of properties	Carrying amount of properties (in EUR million)	Rentable space (in m <sup>2</sup> )	Occupancy rate (in %)	Rental income Q1-Q3 2018 (in EUR million)	Gross return (invoiced rents return <sup>(1)</sup> ) in %
Austria.....	30	796.6	307,199	91.4%	33.8	5.7% (5.7%)
Germany.....	4	278.4	71,451	99.4%	8.0	4.8% <sup>(2)</sup> (4.8%)
Poland.....	26	717.1	374,037	94.5%	32.6	6.1% (6.9%)
Czech Republic.....	17	336.0	185,062	93.5%	15.2	6.0% (5.9%)
Hungary.....	25	487.3	299,590	94.7%	22.8	6.2% (6.6%)
Romania.....	18	619.5	343,474	94.0%	34.3	7.4% (7.7%)
Slovakia.....	20	303.6	177,321	96.8%	15.6	6.8% (7.0%)
Non-core countries.....	13	137.5	97,306	99.4%	7.7	7.5% (7.8%)
<b>IMMOFINANZ .....</b>	<b>153</b>	<b>3,676.1</b>	<b>1,855,440</b>	<b>94.5%</b>	<b>170.0</b>	<b>6.2% (6.5%)</b>

<sup>(1)</sup> Return based on invoiced rents information is provided to improve comparability with the peer group.

<sup>(2)</sup> Annualized gross return, adjusted for the completion of the *trivago Campus* during 2018.

Sources: Internal data; not including properties which are held for sale and fall under IFRS 5.

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with the first three quarters of 2017) shows an increase of EUR 4.4 million or 3.0% in rental income to EUR 150.8 million in the first three quarters of 2018. This improvement resulted primarily from an increase in the occupancy rate in individual markets and from higher rental income.

The following table shows the like-for-like analysis by core market and by asset class and brand:

**Standing investments like-for-like by core market**

Standing investments like-for-like <sup>(1)</sup>	Number of properties	Carrying amount	Carrying amount in %	Rental income Q1-3 2018	Rental income Q1-3 2017	Change in rental income Q1-3 2018 to Q1-3 2017
(in EUR million, except as otherwise noted)						
Austria.....	29	780.6	24.5%	33.1	31.6	1.5
Germany.....	1	41.5	1.3%	1.5	1.4	0.1
Poland .....	25	677.9	21.3%	30.3	29.9	0.4
Czech Republic .....	17	336.0	10.5%	15.2	14.1	1.1
Hungary .....	23	465.7	14.6%	21.3	20.6	0.7
Romania .....	15	566.2	17.8%	32.2	32.0	0.2
Slovakia .....	13	211.2	6.6%	10.9	10.9	0.0
Non-core countries .....	10	105.9	3.3%	6.2	5.9	0.3
<b>IMMOFINANZ .....</b>	<b>133</b>	<b>3,185.0</b>	<b>100.0%</b>	<b>150.8</b>	<b>146.4</b>	<b>4.4</b>
Rental income from properties sold/ acquired and development projects.....				24.8		
<b>IMMOFINANZ .....</b>				<b>175.7</b>		

**Standing investments like-for-like by asset class and brand**

Standing investments like-for-like <sup>(1)</sup>	Number of properties	Carrying amount	Carrying amount in %	Rental income Q1-3 2018	Rental income Q1-3 2017	Change in rental income Q1-3 2018 to Q1-3 2017
(in EUR million, except as otherwise noted)						
<b>Office .....</b>	<b>57</b>	<b>1,970.9</b>	<b>61.9%</b>	<b>82.7</b>	<b>81.0</b>	<b>1.7</b>
Thereof myhive .....	20	1,022.6	32.1%	42.7	41.5	1.2
<b>Retail .....</b>	<b>72</b>	<b>1,213.1</b>	<b>38.1%</b>	<b>68.1</b>	<b>65.4</b>	<b>2.7</b>
thereof VIVO!/ Shopping Center.....	9	605.6	19.0%	33.4	32.0	1.4
thereof STOP SHOP/ Retail Park .....	60	589.7	18.5%	33.4	32.0	1.4
Others.....	4	1.0	0.0%	0.0	0.0	0.0
<b>IMMOFINANZ .....</b>	<b>133</b>	<b>3,185.0</b>	<b>100.0%</b>	<b>150.8</b>	<b>146.4</b>	<b>4.4</b>

<sup>(1)</sup> This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales.

***Diversification of standing investments by asset class and geography***

The geographic share of the standing investment portfolio (based on a carrying amount of EUR 2,290.7 million) of the Group's office sector (62 properties with a rentable space of approximately 1.0 million m<sup>2</sup> and an occupancy rate of 91.8%) in IMMOFINANZ' core markets as of September 30, 2018, was: 29.9% in Austria, 19.7% in Poland, 13.8% in Romania, 12.6% in Hungary, 11.8% in Germany, 8.6% in the Czech Republic, 2.4% in Slovakia and 1.2% in non-core countries (Croatia). The gross return (annualized gross yield, adjusted for the completion of the *trivago Campus* project development during the year) was 5.5% respectively 5.9% based on invoiced rents. The ten largest standing investments in the office portfolio based on the carrying amount (in declining order) are the *myhive am Wienerberg* (Vienna), *trivago Campus* (Düsseldorf), *City Tower Vienna* (Vienna), *BB Centrum Gamma* (Prague), *myhive S-Park* (Bucharest), *myhive Átrium Park* (Budapest), *myhive Park Postępu* (Warsaw), *Cluster Produktionstechnik* (Aachen), *myhive Haller Gardens* (Budapest) and *IRIDE Business Park* (Budapest).

The geographic share of the standing investment portfolio (based on a carrying amount of EUR 1,377.1 million) of the Group's retail sector (86 properties with a rentable space of approximately 826,000m<sup>2</sup> and an occupancy rate of 97.7%) in IMMOFINANZ' core markets as of September 30, 2018, was: 22.0% in Romania, 19.4% in Poland, 18.0% in Slovakia, 14.4% in Hungary, 10.1% in the Czech Republic, 8.2% in Austria, and 7.9% in non-core countries (Slovenia and Serbia). The gross return was 7.5%, respectively 7.7% based on invoiced rents. The retail portfolio is concentrated on "secondary" and "tertiary" cities in CEE. The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order) are the *VIVO! Cluj* (Romania), *Tarasy Zamkowe* (Poland), *Polus City Center* (Slovakia), *VIVO! Constanța* (Romania), *VIVO! Baia Mare* (Romania), *VIVO! Stalowa*

Wola (Poland), *VIVO! Pila* (Poland), *VIVO! Krosno* (Poland), *VIVO! Hostivař* (Czech Republic) and *STOP SHOP Veszprém* (Hungary). By tenants' branch, the rented space in retail standing investments as of September 30, 2018 can be split into 31.7% fashion, 12.2% supermarket & food, 7.1% health & beauty, 7.0% furniture & household, 7.0% shoes, 6.3% sport, 6.0% electronics & telecommunications, 5.9% entertainment & fitness, 4.1% restaurants & cafés, and 12.7% others.

### Development projects

The development projects had a carrying amount of EUR 359.0 million as of September 30, 2018, which represented 8.4% of the total property portfolio. Included in this amount are EUR 263.0 million of active development projects and EUR 96.0 million of projects in the preparation or concept phase which are expected to be reclassified as active projects in the coming quarters but for which outstanding construction costs are not yet available.

The expected fair value of the active projects on completion amounts to EUR 391.2 million. At EUR 317.0 million, the core and low risk market Germany represents the focus of these activities based on the expected fair value after completion. Furthermore, development projects in Germany focus on offices.

The active development projects also include the expansion and refurbishment of existing properties which will be reclassified to the standing investment portfolio after completion. These types of projects were ongoing in two buildings as of September 30, 2018: The conversion of an office building in the *myhive Wienerberg* into a hotel and office property and the expansion of the *VIVO! Stalowa Wola* shopping centre.

The following table shows an overview of the current developments, split by country:

Development projects	Number of properties	Carrying amount	Carrying amount in %	Outstanding construction costs	Planned rentable space in m <sup>2</sup>	Expected fair value after completion	Expected rental income at full occupancy	Yield on cost in % <sup>(1)</sup>
(in EUR million, except as otherwise noted)								
Austria.....	1	22.6	8.6%	14.1	12,611	36.6	2.2	6.1%
Germany.....	2	231.6	88.0%	64.5	52,364	317.0	14.0	4.7%
Poland .....	2	2.0	0.8%	16.7	17,435	20.0	1.5	8.1%
Czech Republic .....	1	4.7	1.8%	3.2	6,667	9.0	0.7	8.4%
Non-Core countries .....	1	2.2	0.8%	5.8	7,011	8.6	0.8	9.8%
<b>Active projects .....</b>	<b>7</b>	<b>263.0</b>	<b>100.0%</b>	<b>104.2</b>	<b>96,088</b>	<b>391.2</b>	<b>19.2</b>	<b>5.2%</b>
Projects in preparation.....	11	96.0						
<b>IMMOFINANZ .....</b>	<b>18</b>	<b>359.0</b>						

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

<sup>(1)</sup> Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs. The current carrying amount includes previously realized valuation gains.

The development projects in preparation include the extensive modernization of standing investments, e.g. three office buildings in Bucharest and three standing investment buildings in the EMPARK office complex in Warsaw.

The following development projects were reclassified to standing investments in the first three quarter of 2018: the STOP SHOP Požarevac and STOP SHOP Vršac in Serbia as well as the trivago Campus and a car park at the Cluster Produktionstechnik in Germany.

### Core markets of the Group

The Group's business activities mainly take place in Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland and are concentrated on office and retail properties.

Transactions on the European commercial property market totaled EUR 216 billion in the first three quarters of 2018. Looking at the 12-month trend, the investment volumes are broadly flat compared to the same period in the previous year and the market continues to perform at near-record levels. The transaction volume on the commercial property market in Germany seems to be heading towards a record year at EUR 19.5 billion in the third quarter of 2018 and EUR 79.1 billion (+4%) over the last twelve months. In the first three quarters, approximately EUR 20.1 billion, or 36%, of this turnover is attributable to office properties. Transactions in the top five cities amounted to EUR 27.2 billion. The prime yield equals 3.3% for office properties in Düsseldorf. Commercial property transactions in Austria declined by 9% year-on-year to EUR 2.3 billion in the first half of the year. However, this represents a very good level given the limited offering of core properties. Prime yields currently equal roughly 3.8% on the Vienna office market and 5.6% for retail parks.

### **IMMOFINANZ strategy**

The core expertise of the Group lies in the management and development of retail and office properties in CEE. Based on management's estimates and peers' reported portfolio value figures, IMMOFINANZ believes that the Group is a leading commercial real estate company in the CEE region. Its core regions include Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Poland, which IMMOFINANZ management believes are attractive and low risk investment markets with robust fundamentals. The primary strategic aim of the Group is the increase of the operating cash flow by generating rental earnings from income-producing investment properties and therefore also to compensate the risk of active development projects. The implementation of such strategy is based on the optimization and active management of the real estate portfolio of the Group. Therefore, it is of great importance to the Group to keep the quality and efficiency of its properties to strengthen ties with existing tenants with international and local anchor brands and gain attractiveness for potential new tenants. In this connection, the Group has created its own brands – STOP SHOP and VIVO! for the retail sector and myhive for offices – which in the Group's view stand for standardization, recognition value, a high quality and service level, and aim for competitive advantages in rentals as well as continuing growth. Development projects of the Group include the development and design of newly established buildings as well as the rebranding and/or refurbishment of existing buildings. The Group is focused on the marketing and further optimization of these brands respectively within retail properties and the office sector. The Group expects that the brand features will increase the attractiveness for tenants and recent new rentals – as these three brands generated 71.9% of the total rental income of the Group at the end of 2017 (only Q4) – have confirmed this strategy. Overall the occupancy rate rose to 94.2% in 2017 and to 94.5% at the end of September 2018. In 2017 completed projects implementing the brands created by the Group are the shopping centres VIVO! in Krosno, Poland and Stop Shop in Lazarevac, Serbia, which have a total rentable space of over 31,000 m<sup>2</sup> and are both fully occupied.

Furthermore, the Group has decided to strategically prioritize strengthening its market position in existing key markets with local asset management teams with local market know-how compared to entering into new markets. With regard to the optimization of the Group's portfolio, the carrying amount and rentable space of standing investment properties increased to EUR 2,165.4 million and 1,046,828m<sup>2</sup> in the office sector and EUR 1,353.8 million and 818,350m<sup>2</sup> in the retail sector, each with respect to the financial year 2017. Upon completion of development projects, and within a certain stabilization period, the properties shall be reclassified to the standing investment portfolio and generate rental income. As planned, the Group has sold a number of properties, including smaller office buildings in Germany, Austria and Czech Republic, non-strategic retail properties in Austria, Slovakia and Hungary and real estate inventories in Poland, Czech Republic and Romania. In addition, all of the properties in Cologne, Germany were sold. This approach is in line with the strategy of the Group to concentrate on the two asset classes office and retail as well as to sell smaller properties and focus on larger properties in order to lower its asset management costs. Contributing to the expansion of the portfolio, the Group has acquired eight retail parks in Slovakia and Hungary as well as one retail park in Romania in the first half of 2017 and signed the acquisition of further eight retail parks in Slovenia, Serbia and Croatia in November 2018.

Shortly before the end of 2017, the Group has sold its Russian real estate portfolio which has led to a significant improvement in its corporate indicators.

Following completion of the acquisition of 19,499,437 shares in S Immo on September 21, 2018 (corresponding to a participation of 29.14%), the Issuer has become S Immo's largest shareholder. In the interest of both entities, the Issuer will support the course pursued by S Immo. The investment held by the Issuer in S Immo (as well as the investment held by S Immo in the Company) forms a starting position for various forms of cooperation between the two companies with synergy and growth potential.

Other implemented optimization measures are related to the Group's cost structures and includes a substantial reduction in personnel expenses (406 employees or 384 excluding Russia as at December 31, 2017 compared to 492 employees as at December 31, 2016; all numbers excluding official leaves and Management Board members). The decline in the number of employees of the Group was caused by costs savings in the corporate headquarters, the stronger decentralization of operating activities in the core countries and outsourcing of centre management in Poland, Romania and Slovakia.

Moreover, establishing an effective structuring and improvement of financing with outside capital is highly relevant; alongside the management and development of the real estate portfolio, this is one of the key factors in the overall result of the Group. It has significantly reduced its financing costs which have declined to EUR 94.9 million in 2017 (EUR 110 million, excluding discontinued operations in the twelve months ended December 31, 2016) as a result of the redemption of bonds maturing in 2017 and 2018 (as described below), property sales and further optimization of existing property financing. The following steps have been taken by the Group in order to implement the redemption of bonds: (i) completely converting or redeeming its 4.25% convertible bond 2018 in the first quarter of 2018, (ii) fully repaying its 5.25% corporate bond 2017, (iii) issuing a new 2.0% convertible bond 2024 and (iv) fully repaying the convertible bond 2017. The net loan-to-value ratio of the Group, which shows the relation of net debt to the carrying amount of properties plus EPRA NAV of CA Immo, fell to 40.8% per year-end 2017 from a level of approximately 50% at year-end 2016.

Furthermore, the Group follows a sustainable dividend policy, as EUR 0.07 dividend per shares was paid for the financial year 2017 (after reverse split amounting to EUR 0.70 dividend per share) and as EUR 0.06 dividend per share (on reverse split basis amounting to EUR 0.60 dividend per share) for the abbreviated 2016 financial year as well as for the 2015/16 financial year. The decision of the management board to increase the dividend for the financial year 2017 was, according to the management board, based on the Issuer's excellent liquidity position and generally positive business development. Plans for the 2018 financial year also include an increase of the dividend to EUR 0.80 per share. Share buybacks are also part of the Group's distribution policy in times of a sufficient liquidity position and a sufficiently high discount of the share price to the book value.

## **Investments**

The Group's capital expenditures in the property portfolio in 2017 increased to EUR 270.6 million (eight months ended December 31, 2016: EUR 127.7 million). Thereof, EUR 154.3 million were accordingly invested in property under construction, EUR 105.1 million in standing investments with the remainder of EUR 11.2 million being attributable to assets held for sale. These investments were financed out of cash flow from investing activities. The Management Board has not already made firm commitments regarding any important future developments, with the exception of further investments in ongoing development projects. IMMOFINANZ intends to finance these investments and other future investments by cash flow generated from the Group's operations, existing cash and cash equivalents as well as available debt instruments.

## **Capital structure**

The Issuer is currently financed through a mix of bank and capital markets instruments, the majority of which represent secured indebtedness. Of the EUR 2,092.0 million financial liabilities owed to financial institutions as of September 30, 2018, EUR 2,091.7 million were secured by collateral and EUR 0.3 million were not secured by collateral.

## Current capital structure

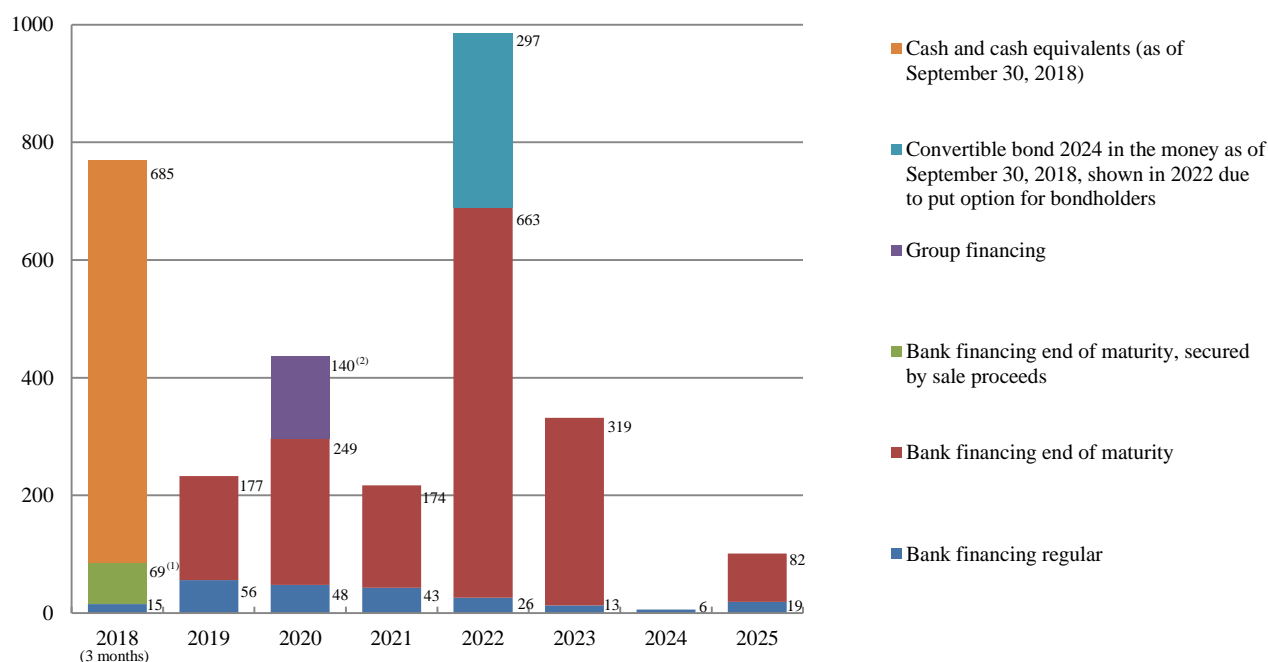
The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from a convertible bond. The composition of these liabilities as of September 30, 2018 is as follows:

	Outstanding liability (book value) in EUR million as of September 30, 2018	Outstanding liability in %	Weighted average interest rate excluding derivatives <sup>(1)</sup>
	(reviewed)		(unreviewed)
Convertible bond in EUR .....	282.0	11.9%	2.00%
Bank liabilities in EUR.....	2,092.0	88.1%	1.77%
<b>Sub-total .....</b>	<b>2,374.0</b>	<b>100.0%</b>	<b>1.80%</b>
Other financial liabilities .....	0.3	0.0%	n.a.
<b>Total.....</b>	<b>2,374.3</b>	<b>100.0%</b>	<b>n.a.</b>

<sup>(1)</sup> Calculation basis: actual remaining debt (nominal amount).

## Term structure

The weighted average remaining term of the financial liabilities equals 3.50 years. The following graph shows the term structure by year for IMMOFINANZ as of September 30, 2018. The liabilities scheduled to expire during the 2018 financial year totaled EUR 69.5 million as of September 30, 2018 (December 31, 2017: EUR 447.6 million). This amount consists exclusively of financing for properties which have already been sold and will be repaid from the respective sale proceeds. The weighted average remaining term of the property financing equals 3.75 years.



<sup>(1)</sup> The maturing financing is related entirely to properties which have already been sold and will be repaid from the respective sale proceeds in 2018.

<sup>(2)</sup> This represents a margin loan on the S IMMO shares.

## Unencumbered assets

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 750.7 million, or 17.3%, of the total property carrying amount was not externally financed and therefore unencumbered as of September 30, 2018 (December 31, 2017: EUR 846.1 million or 19.0%). The unencumbered standing investments had



a combined carrying amount of EUR 522.4 million or 12.1% (December 31, 2017: EUR 566.7 million or 16.1%). By asset class, of the total unencumbered property of EUR 750.7 million, or 17.3%, of the total property carrying amount as of September 30, 2018, 41.1% were allocated to office properties, 41.8% to retail properties, and 17.1% to others. Assuming the issuance of the Notes and the intended repayment of existing secured debt out of the net proceeds, the Group's unencumbered assets are, based on figures as of September 30, 2018, expected to increase from EUR 750.7 million to approximately EUR 1,420.6 million (excluding the S Immo stake of EUR 374.3 million).

### **Financial strategy**

Set forth below is an overview of the development of the Group's average financing costs (excluding the Russian retail portfolio) and net loan-to-value:

	As of September 30, 2018	As of December 31, 2017	2016	As of April 30, 2015	2014
	(unreviewed/unaudited)				
Weighted average interest rate including hedging costs .....	2.17%	2.31%	3.02%	2.97%	3.24%
Weighted average interest rate excluding hedging costs.....	1.80%	1.97%	2.64%	2.58%	2.62%
Net loan-to-value.....	35.86%	40.77%	49.00%	49.36%	50.30%
					52.50%

The Group uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 1,336.8 million as of September 30, 2018 (December 31, 2017: EUR 1,182.7 million). In total, 74.49% of financial liabilities (December 31, 2017: 63.5%) are hedged against interest rate risk: 55.76% via interest rate derivatives, while a further 18.73% represent financial liabilities with fixed interest rates. The remaining 25.51% financial liabilities are unhedged at floating interest rates.

### **Legal Disputes**

During the past twelve months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are still pending or might be initiated of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or earnings power.

Restitution proceedings are currently in progress over land on which a Romanian subsidiary constructed a shopping centre and over another parcel of land in Romania. Following final decisions of the Romanian Supreme Court depriving the subsidiary of its title to the land without deciding who else should hold the title, further proceedings were initiated by the Romanian state, various local land law commissions and by individuals for restitution of the land, demolition of the shopping centre and rectification of the land register which restrict de facto the possibilities of disposal. The Romanian subsidiary raised counterclaims of approximately EUR 13.7 million against the seller of the land for damages (contract breaches) and the value of the land and made similar provisions. Despite these disputes which have lasted for almost 20 years the shopping centre keeps being operated. Settlement discussions are currently in progress to resolve the restitution issue.

### **Significant contracts**

No contracts exist which were concluded outside of the normal course of business and/or as a result of which the Issuer or its subsidiaries have entered into a commitment or have obtained a right which is of major importance to the Group or the ability of the Issuer to meet its obligations vis-à-vis its Holders.

### **Research and Development**

As a real estate company that is specialized in the management, project development and acquisition of office and retail properties, the Group does not invest any funds in activities which could be considered part of classical research and development. Currently there are no trends known to and affecting the

Issuer and the industries in which it operates.

## **Recent events**

On December 6, 2017, the Issuer concluded the sale of its retail portfolio Moscow to the Russian FORT Group. The purchase price of up to RUB 15.0 billion for the net assets of the retail portfolio Moscow includes three components: a cash purchase price of RUB 5.0 billion (converted: EUR 72.0 million) which was paid in December 2017, a guaranteed payment in January 2022 of RUB 1.0 billion (converted at a fixed EUR/RUB exchange rate of 68.9655: EUR 14.5 million, which was recognized at EUR 9.4 million in the balance sheet as of December 31, 2017, which represents the present value of the payment on the closing date) and an earn-out of up to RUB 9.0 billion, but is payable in 2022 and has been, based on the necessary estimate for its fair value, accounted for on the lower end of a bandwidth with a value of 0. Therefore, the purchase price recognized as of December 31, 2017 totalled EUR 81.4 million.

In March 2018, Starwood Capital Group via its subsidiary SOF-11 Starlight 10 EUR S.à r.l., Luxembourg (“**Starlight**”), initiated a voluntary partial takeover offer for up to 5% in the Issuer at EUR 2.10 per share, which the Issuer’s management considered inappropriate. In June 2018, Starlight announced that approximately 2.4 million shares (approximately 0.21%) were tendered. Starlight concurrently initiated a voluntary partial takeover offer for up to 26% in CA Immo at EUR 27.50 per share; in June 2018, Starlight announced that approximately 153,000 shares (approximately 0.16%) were tendered.

In June 2018, the Issuer’s share capital was reversely split ten to one, meaning that ten existing ISIN AT0000809058 shares were combined into one new ISIN AT0000A21KS2 share; together with further corporate steps this lead to a total of 112,085,269 no par value ordinary bearer shares each with a calculated notional amount of EUR 1.00 of the registered share capital of the Issuer.

In April 2018, the Issuer signed to acquire shares in S Immo to become S Immo’s largest shareholder, subject to merger control approvals in Austria, Germany and other jurisdictions. The transaction was closed on September 21, 2018 and the Issuer acquired 19,499,437 S Immo Shares (corresponding to a participation of 29.14%) at EUR 390 million. In the interest of both entities, the Issuer will support the course pursued by S Immo. The investment held by the Issuer in S Immo (as well as the investment held by S Immo in the Company) forms a starting position for various forms of cooperation between the two companies with synergy potential. The S Immo and IMMOFINANZ portfolios complement each other through their focus on commercial properties, which leads to expectations of a stronger market position for the two companies and related synergies in the management of the properties. In the event of a future combination, the resulting increase in size would create a significantly stronger position on the capital market.

Also in April 2018, the Issuer initiated a bidding process for its approximately 26% stake in CA Immo; it signed to sell the package in July 2018 to Starlight at EUR 758 million, subject to merger control approval. The transaction was subsequently closed on September 27, 2018. Part of these funds will be used for the share buyback programme 2018/19, which was started on July 16 and covers a volume of up to 9.7 million shares or roughly 8.66% of the Issuer’s share capital.

## **Rating**

On January 22, 2019, S&P assigned to the Issuer a long-term issuer credit rating of “BBB-“ with stable outlook. The Notes are rated BBB- by S&P.

## **Outlook regarding the Group**

The IMMOFINANZ portfolio has been the focus of an optimization and concentration process in recent years, which led to the concentration on two asset classes and three brands as well as the sale of properties that no longer fit with the corporate strategy.

IMMOFINANZ is committed to the responsible use of natural resources, the utilization of climate-friendly technologies, a systematic energy savings strategy, the refurbishment of building substance which is worth preserving, and the construction of efficient new buildings. These central points reduce operating costs and emissions and also make an important contribution to environmental protection and tenant satisfaction.

The corporate goals include the steady reduction of energy consumption as well as an increase in the energy efficiency of the standing investment portfolio and the related energy savings. The scope of these goals cannot be quantified at the present time, but they are intended to reduce the risks and impact on the environment. Prior to the start of new activities or projects, the impact on the environment is assessed and the results are integrated in the decision process. Plans also include the gradual expansion of sustainability certification for development projects and standing investments. The primary certification for office buildings is the so-called “Leadership in Energy and Environment Design and for shopping centres the “Building Research Establishment Environmental Assessment Method” (“BREEAM”). An increased application of BREEAM standards in the office properties is also planned. There is no certification according to international standards for the STOP SHOP retail parks, but the strict standards for construction and furnishings represent wide-ranging criteria for sustainable construction.

The certified space totaled approximately 350,000 m<sup>2</sup> at year-end 2017, which represented 18% of the space in the standing investment portfolio. Additionally, approximately 250,000 m<sup>2</sup> have been under evaluation or in the certification process.

### **Property valuation**

IMMOFINANZ prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and arranges for the regular valuation of its properties by independent experts. These external appraisals are carried out each year as of June 30, and December 31. The valuation of the property portfolio follows the EPRA’s Best Practices Policy Recommendations for the application of the fair value method as defined in IFRS.

As of June 30, 2018, CBRE appraised the CEE portfolio (EUR 2.9 billion or 67.9% of the property portfolio) and BNP Paribas Real Estate Consult (BNPP REC) appraised the properties in Austria and Germany (EUR 1.3 billion or 30.8%). Internal appraisals covered 1.3% or EUR 53.6 million.

Revaluation results totaled EUR 37.9 million in the first half of 2018 (first half-year 2017: EUR 8.3 million) and included EUR 32.1 million (first half-year 2017: EUR 6.9 million) of foreign exchange-adjusted revaluations. Positive effects were provided, among others, by an increase in the value of the FLOAT and trivago Campus projects in Germany, whereby the latter was reclassified to the standing investment portfolio as of June 30, 2018. Other positive effects were recorded in the following office properties: the Polus Towers in Bratislava and myhive Metrooffice in Bucharest.

Foreign exchange-based revaluations amounted to EUR 5.8 million (first half-year 2017: EUR 1.4 million) and involved non-core countries whose functional currency is not the Euro.

A like-for-like analysis – i.e. after an adjustment for new acquisitions, completions and sales to improve comparability – shows a positive foreign exchange-adjusted valuation effect of EUR 3.9 million for the first half of 2018. Higher occupancy rates and/or an improvement in the market environment were responsible for valuation increases in Hungary and Slovakia. Slight valuation reductions in Austria and Romania resulted, among others, from increased expenses for refurbishment and modernization and from the relocation of individual office tenants. Re-letting is currently in progress.

The following table presents a like-for-like analysis of the valuation effects in the first half-year 2018 by core market:

Standing investments like-for-like	Number of properties	Carrying amount of properties (in EUR million)	Carrying amount of properties (in %)	Valuation effects first half-year 2018 (in EUR million)
Austria.....	28	775.6	25.0%	-3.8
Germany.....	1	41.5	1.3%	1.3
Czech Republic .....	17	335.4	10.8%	-0.3
Hungary .....	23	465.7	15.0%	5.3
Poland .....	20	592.4	19.1%	0.6
Romania .....	16	574.3	18.5%	-2.8
Slovakia .....	13	209.1	6.7%	3.2
Non-core countries .....	10	105.9	3.4%	0.3
<b>IMMOFINANZ continuing operations.....</b>	<b>128</b>	<b>3,099.9</b>	<b>100.0%</b>	<b>3.9</b>

Source: Internal data

The following table presents a like-for-like analysis of the valuation effects in the first half-year 2018 by asset class:

Standing investments like-for-like	Number of properties	Carrying amount of properties (in EUR million)	Carrying amount of properties (in %)	Valuation effects first half-year 2018 (in EUR million)
Office .....	52	1,883.2	60.8%	3.9
Retail.....	72	1,215.5	39.2%	0.1
Others.....	4	1.1	0.0%	0.0
<b>IMMOFINANZ .....</b>	<b>128</b>	<b>3,099.9</b>	<b>100.0%</b>	<b>3.9</b>

Source: Internal data

## Results of discontinued operations

The results of discontinued operations totaled EUR -718.1 million in 2017 (EUR -274.4 million in the twelve months ended December 31, 2016) and resulted primarily from the reclassification of accumulated historical currency translation differences of EUR -540.2 million to the income statement. Such negative currency translation differences were caused by the Group's entry into the Russian market at a time, based on the current EUR/RUB exchange rate, when the Ruble was much stronger. Also included in such results is a negative valuation effect after taxes of EUR -160.6 million due to the sale of the retail portfolio Moscow.

The results of discontinued operations totaled EUR -0.8 million in the first three quarters 2018 (first three quarters 2017: EUR -175.4 million). The results from discontinued operations also include results from the retail portfolio Moscow in the amount of EUR 2.5 million in connection with a contingent receivable from the retail portfolio Moscow (the receipt of these funds in the future is nearly certain) and expenses of EUR 3.2 million related to the sale of the logistics portfolio in the abbreviated 2016 financial year (contractually agreed reimbursements in connection with pending tax proceedings involving the sold logistics properties).

## MANAGEMENT

The Issuer has a two-tier management structure, consisting of a Management Board (*Vorstand*) and a Supervisory Board (*Aufsichtsrat*). The business address for each of the members of the Management Board and the Supervisory Board is Wienerbergstrasse 11, A-1100 Vienna, Austria.

### Management Board (*Vorstand*)

Day-to-day management of the Issuer is vested in the Management Board, which represents the Issuer externally. Under the Company's Articles of Association, any two members of the Management Board, or any one member of the Management Board jointly with one authorized signatory holding a general power-of attorney (*Prokurist*), legally bind the Issuer through certain actions.

According to the Company's Articles of Association, the Management Board consists of two to five members appointed by the Supervisory Board for a term of up to five years each. Currently, the Management Board consists of three members. Management Board members may be reappointed for one or more additional terms of up to five years each. The current members of the Management Board are:

Name	Initial appointment	End of current term	Area of responsibility	Outside activities
Oliver Schumy.....	2015	2020	Member of the Board, CEO	n/a
Stefan Schönauer.....	2016	2021	Member of the Board, CFO	n/a
Dietmar Reindl.....	2014	2021	Member of the Board, COO	n/a

Source: Internal data.

### Supervisory Board (*Aufsichtsrat*)

The Supervisory Board is vested with the authority to appoint and remove the members of the Management Board and to supervise the business conducted by the Management Board and the general affairs of the Company. Although the Supervisory Board does not actively manage the Company, both the Austrian Stock Corporation Act (*Aktiengesetz*), the Company's Articles of Association and the by-laws for the Management Board require the consent of the Supervisory Board before the Management Board takes certain actions.

The Company's Articles of Association require that the Supervisory Board consists of not less than three and not more than six members elected at the shareholders' meeting, as well as members appointed by Group's works councils under mandatory provisions of the Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*). No elected member of the Supervisory Board may be appointed for a longer period than until the annual shareholders' meeting deciding on the discharge of the board members for the fourth fiscal year following the fiscal year of their appointment.

The current members of the Supervisory Board are:

Name	Initial appointment	End of current term	Principal occupation
Michael Knap (Chairman) .....	2008	2020	Vice-President of IVA Interessenverband für Anleger, Vienna
Rudolf Fries (Vice Chairman) .....	2008	2020	Chairman of the supervisory board of EAG-Beteiligungs AG, Baden; attorney, partner in Eckert Fries Prokopp Rechtsanwälte GmbH, Baden
Christian Böhm .....	2010	2020	Chairman of the management board of APK Pensionskasse AG, Vienna; chairman of the supervisory board of APK Versicherung AG, Vienna; member of the supervisory board of APK Vorsorgekasse AG, Vienna
Nick J.M. van Ommen.....	2008	2020	Member of the supervisory board of W.P. Carey & Co. LLC, USA; member of the supervisory board of Allianz Nederland Group N.V., Netherlands; member of the supervisory board of Allianz Benelux SA, Belgium

Name	Initial appointment	End of current term	Principal occupation
Horst Populorum .....	2015	2019	Holds no other supervisory board positions
Wolfgang Schischek .....	2015	2019	Vice-chairman of the supervisory board of KBA-Mödling GmbH, Mödling; member of the supervisory board of Kostwein Holding GmbH, Klagenfurt
Philipp Amadeus Obermair .....	2014	n.a. <sup>(1)</sup>	Delegated by the IMMOFINANZ works council
Werner Ertelthaler .....	2016	n.a. <sup>(1)</sup>	Delegated by the IMMOFINANZ works council
Larissa Lielacher .....	2017	n.a. <sup>(1)</sup>	Delegated by the IMMOFINANZ works council

Source: Internal data.

<sup>(1)</sup> Nominated by the Company's works council. The term of the works council representatives is indefinite. However, works council representatives may be replaced by the works council at any time.

The Supervisory Board has set up an Audit Committee (*Prüfungsausschuss*), a Strategy Committee (*Strategieausschuss*) and a Personnel and Nominating Committee (*Personal- und Nominierungsausschuss*).

The Audit Committee consists of Michael Knap (chairman), Rudolf Fries (vice-chairman), Christian Böhm, Philipp Amadeus Obermair and Werner Ertelthaler. The Audit Committee is responsible for monitoring accounting processes and supervising the audit of the separate and consolidated financial statements. This committee also monitors the effectiveness of the Company's internal control system, risk management and internal audit. Its responsibilities were expanded in 2017 to include property valuation, and all Supervisory Board members have received training on this subject. Christian Böhm serves as the Audit Committee's financial expert based on his professional experience and knowledge of finance and accounting. The committee members, as a whole, are well informed of the business sector in which IMMOFINANZ operates.

The Strategy Committee consists of Michael Knap (chairman), Nick J.M. van Ommen (vice-chairman), Wolfgang Schischek, Christian Böhm, Werner Ertelthaler and Larissa Lielacher. The Strategy Committee is responsible, above all, for the regular evaluation of the company's strategy and orientation as well as consultations with the Management Board on the definition of this strategy. In 2017, these responsibilities were fulfilled by the full Supervisory Board.

The Personnel and Nominating Committee consists of Michael Knap (chairman), Rudolf Fries (vice-chairman) and Horst Populorum. The Personnel and Nominating Committee makes recommendations to the Supervisory Board for nominations to the Management and Supervisory Boards and is responsible for determining the remuneration and preparing the employment contracts for the Management Board members. The committees operate under the same rules that apply for the Supervisory Board.

### Conflicts of interest

Christian Böhm, a member of the Supervisory Board, serves on the management board of APK Pensionskasse AG. The Issuer makes pension fund contributions at ordinary market conditions to this firm for the Issuer pensions of the Management Board members.

In respect of each member of the Supervisory Board and the Management Board, there are no conflicts of interest or potential conflicts of interest between any duties which they have to the Issuer and any private interests and/or duties which they may also have, apart from the above business relationship.

### Austrian Corporate Governance Code

The Austrian Code of Corporate Governance (the "CGC") was published by the Austrian Working Group on Corporate Governance, a Group of private organizations and individuals, in 2002. This voluntary self-regulatory initiative is designed to reinforce the confidence of investors by improving reporting transparency, and the quality of cooperation between supervisory board, managing board and

shareholders, to provide for accountability and promote sustainable, long-term value.

The CGC primarily applies to Austrian stock market-listed companies that undertake to adhere to its principles. The CGC is based on statutory provisions of Austrian corporate law, securities law and capital markets law (“**Legal Requirements**”, “**L Rules**”). In addition, the CGC contains rules considered to be a part of common international practice, such as the principles set out in the OECD Principles of Corporate Governance. Non-compliance with some of these rules must be explained at the shareholders’ meeting (“**Comply or Explain**”, “**C Rules**”). However, the CGC also contains rules that are voluntary and do not require explanation in the case of deviations (recommendations, “**R Rules**”). Overall, successful implementation of the CGC depends on self-regulation by companies. The CGC was amended most recently in January 2018.

IMMOFINANZ currently commits the observance of the mandatory L Rules, all C Rules as well as all R Rules of the CGC as amended in January 2018.

## TERMS AND CONDITIONS OF THE NOTES

### ANLEIHEBEDINGUNGEN

#### § 1

##### Nennbetrag und Stückelung, Verbriefung, Clearingsystem

- (1) *Nennbetrag und Stückelung.* Diese Schuldverschreibungen (die „**Schuldverschreibungen**“) der IMMOFINANZ AG, Wien, Republik Österreich („**Emittentin**“) werden am 28. Januar 2019 (der „**Ausgabetag**“) in EUR im Gesamtnennbetrag von EUR 500.000.000 (in Worten: Euro fünfhundert Millionen) begeben und sind in 5.000 an den Inhaber zahlbare und untereinander gleichrangige Schuldverschreibungen mit einem Nennbetrag von jeweils EUR 100.000 (die „**Festgelegte Stückelung**“) eingeteilt.

- (2) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die „**Vorläufige Globalurkunde**“) ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die „**Dauerglobalurkunde**“ und, zusammen mit der Vorläufigen Globalurkunde, die „**Globalurkunden**“) ohne Zinsscheine verbrieft sind, ausgetauscht. Die Einzelheiten eines solchen Austausches werden in die Register der ICSDs (wie nachstehend definiert) eingetragen. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei ordnungsgemäß bevollmächtigten Vertretern der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

Die Schuldverschreibungen werden in Form einer New Global Note („**NGN**“) ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.

- (3) Die Vorläufige Globalurkunde wird an einem Tag (der „**Austauschtag**“) gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Ausgabetag liegt. Der Austausch tag darf nicht weniger als 40 Tage nach dem Ausgabetag liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftliche(n) Eigentümer der Schuldverschreibungen keine U.S.-Person(en) ist/sind (ausgenommen bestimmte

### TERMS AND CONDITIONS

#### § 1

##### Principal Amount and Denomination, Form, Clearing System

- (1) *Principal Amount and Denomination.* These notes (the „**Notes**“) are being issued by IMMOFINANZ AG, Wien, Republic of Austria (the „**Issuer**“) on January 28, 2019 (the „**Issue Date**“) in EUR in the aggregate principal amount of EUR 500,000,000 (in words: euro five hundred million) and are divided into 5,000 Notes payable to the bearer and ranking *pari passu* among themselves, with a principal amount of EUR 100,000 each (the „**Specified Denomination**“).

- (2) The Notes are initially represented by a temporary global note (the „**Temporary Global Note**“) without coupons. The Temporary Global Note will be exchanged for Notes in the Specified Denomination represented by a permanent global note (the „**Permanent Global Note**“) and, together with the Temporary Global Note, the „**Global Notes**“) without coupons. The details of such exchange shall be entered in the records of the ICSDs (as defined below). The Temporary Global Note and the Permanent Global Note shall each be signed by two authorized signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive certificates representing individual Notes and interest coupons will not be issued.

The Notes are issued in new global note („**NGN**“) form and are kept in custody by a common safekeeper on behalf of both ICSDs.

- (3) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the „**Exchange Date**“) not later than 180 days after the issue date. The Exchange Date will not be earlier than 40 days after the issue Date. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is/are not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions as



Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten gemäß dem United States Internal Revenue Code 1986, in der derzeit geltenden Fassung). Solange die Schuldverschreibungen durch die Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Ausgabetag eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem § 1(3) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten geliefert werden.

- (4) *Register der ICSDs.* Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Vorläufige Globalurkunde bzw. die Dauerglobalurkunde verbrieften Schuldverschreibungen und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist zu jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD.

Bei Rückzahlung oder Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über jede Rückzahlung und Zahlung bzw. Kauf und Entwertung bezüglich der Globalurkunden anteilig in die Register der ICSDs eingetragen werden, und nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs eingetragenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs anteilig in die

defined in the United States Internal Revenue Code of 1986, as amended). Payment of interest on Notes represented by a Temporary Global Note shall be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the issue Date shall be treated as a request to exchange the Temporary Global Note pursuant to this § 1(3). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

- (4) *Records of the ICSDs.* The principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount of Notes represented by the Temporary Global Note or the Permanent Global Note, as the case may be, and, for these purposes, a statement issued by an ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered pro rata in the

Register der ICSDs eingetragen werden.

- (5) *Clearingsystem*. Jede Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. „**Clearingsystem**“ bedeutet jeweils folgendes: Clearstream Banking S.A., Luxemburg („**CBL**“) und Euroclear Bank SA/ NV, Brüssel („**Euroclear**“) sowie jeder Funktionsnachfolger. „**International Central Securities Depository**“ oder „**ICSD**“ bezeichnet jeweils CBL und Euroclear (zusammen die „**ICSDs**“).
- (6) Den Inhabern von Schuldverschreibungen („**Anleihegläubiger**“) stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der Regeln und Bestimmungen des Clearingsystems übertragen werden können.

## § 2

### Status der Schuldverschreibungen

Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

## § 3

### Negativerklärung

- (1) *Negativerklärung*. Solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen dem Clearingsystem vollständig zur Verfügung gestellt worden sind, wird die Emittentin
- (a) keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder dingliche Sicherheiten (jedes ein „**Sicherungsrecht**“) in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von Kapitalmarktverbindlichkeiten (wie nachstehend definiert) oder einer von der Emittentin gegebenen Garantie oder Haftungsvereinbarung für Kapitalmarktverbindlichkeiten gewähren oder bestehen lassen, und
- (b) ihren Einfluss auf ihre Wesentlichen Konzerngesellschaften dahingehend

records of the ICSDs.

- (5) *Clearing System*. Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. „**Clearing System**“ means each of the following: Clearstream Banking S.A., Luxembourg („**CBL**“) and Euroclear Bank SA/NV, Brussels („**Euroclear**“) and any successor in such capacity. „**International Central Securities Depository**“ or „**ICSD**“ means each of CBL and Euroclear (together, the „**ICSDs**“).
- (6) The holders of Notes („**Holders**“) are entitled to co-ownership interests or other comparable rights in the Global Note which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.

## § 2

### Status of the Notes

The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

## § 3

### Negative Pledge

- (1) *Negative Pledge*. So long as Notes are outstanding, but only up to the time all amounts of principal and interest have been provided to the Clearing System in full, the Issuer shall
- (a) not provide or permit to subsist any mortgage, charge, pledge, lien or other form of *in rem* encumbrance (each a „**Security Interest**“) over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) or any guarantee or indemnity given by the Issuer in respect of any Capital Market Indebtedness; and
- (b) to procure that no Material Subsidiary will provide or permit to subsist any

ausüben, dass diese keine Sicherungsrechte in Bezug auf deren jeweiliges gesamtes Vermögen oder Teile davon zur Sicherung von Kapitalmarktverbindlichkeiten oder einer von der jeweiligen Wesentlichen Konzerngesellschaft gegebenen Garantie oder Haftungsvereinbarung für Kapitalmarktverbindlichkeiten gewähren oder bestehen lassen,

ohne gleichzeitig die Anleihegläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren.

Die Verpflichtung nach dem vorstehenden Absatz findet keine Anwendung auf ein Sicherungsrecht, das (i) am Vermögen einer Tochtergesellschaft bestellt wurde, die erst nach dem Ausgabetag Tochtergesellschaft wird, sofern das betreffende Sicherungsrecht bereits bei Erwerb der Tochtergesellschaft durch die Emittentin bestand, (ii) gesetzlich vorgeschrieben ist oder (iii) im Rahmen von Asset Backed Securitisation-Modellen oder ähnlichen Forderungsübertragungsstrukturen mit Besicherung bestellt werden.

(2) *Definitionen.*

„**Kapitalmarktverbindlichkeit**“ bezeichnet eine gegenwärtige oder zukünftige Verpflichtung zur Rückzahlung von Geldern (einschließlich Verpflichtungen aus Garantien oder anderen Haftungsvereinbarungen) aus Anleihen, Schuldverschreibungen, Schuldscheindarlehen oder anderen ähnlichen Instrumenten, soweit sie an einer Wertpapierbörse bzw. an einem geregelten oder ungeregelten Markt zum Handel zugelassen sind oder in diesen einbezogen sind oder so beschaffen sind, dass sie dort zugelassen oder in diesen einbezogen werden können, oder soweit sie an einem Over-the-Counter-Markt gehandelt werden oder so beschaffen sind, dass sie dort gehandelt werden können.

„**Tochtergesellschaft**“ bezeichnet jede Person, die bei der Erstellung der Konzernabschlüsse der Emittentin mit ihr voll konsolidiert werden muss.

„**Wesentliche Konzerngesellschaft**“ bezeichnet ein Konzernunternehmen (i.S.d. § 15 AktG) der Emittentin,

- (i) dessen Immobilienvermögen (oder falls dieses Konzernunternehmen selbst einen konsolidierten IFRS-Jahresabschluss aufstellt, dessen konsolidierte

Security Interest over the whole or any part of its respective assets to secure any Capital Market Indebtedness or any guarantee or indemnity given by the respective Material Subsidiary in respect of any Capital Market Indebtedness,

without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest.

The undertaking pursuant to the preceding paragraph shall not apply to any Security Interest which (i) was granted over assets of a subsidiary of the Issuer that becomes a Subsidiary after the Issue Date, provided that the Security Interest has been in existence upon acquisition of the Subsidiary by the Issuer, (ii) is mandatory according to applicable laws or (iii) is granted in relation to asset backed securitisation models or similar collateralized receivables transfer structures.

(2) *Definitions.*

„**Capital Market Indebtedness**“ means any present or future obligation for the repayment of money (including obligations by reason of any guarantee or other indemnity) that is borrowed through the issuance of bonds, debentures, notes, Schuldschein loans (*Schuldscheindarlehen*) or other similar debt securities which are, or are capable of being, admitted to trading on, or included in, a securities exchange, a regulated market or unregulated market or which are, or are capable of being, traded on an over-the-counter market.

„**Subsidiary**“ means any Person that must be fully consolidated with the Issuer for the purposes of preparing Consolidated Financial Statements of the Issuer.

„**Material Subsidiary**“ means a subsidiary (within the meaning of § 15 Austrian Stock Corporation Act) of the Issuer,

- (i) which Real Estate Property (or, if the subsidiary itself prepares consolidated annual financial statements in accordance with IFRS, the consolidated

Summe an Immobilienvermögen gemäß dessen letzten geprüften konsolidierten IFRS-Jahresabschluss, jeweils inklusive nach IFRS 5 bilanziertes Immobilienvermögen) mindestens 5% zu den in dem letzten geprüften konsolidierten IFRS-Jahresabschluss der Emittentin ausgewiesenen Immobilienvermögen beitragen (inklusive nach IFRS 5 bilanziertes Immobilienvermögen), und

- (ii) dessen Umsatzerlöse (oder falls dieses Konzernunternehmen selbst einen konsolidierten IFRS-Jahresabschluss aufstellt, dessen konsolidierte Umsatzerlöse gemäß dessen letzten geprüften konsolidierten IFRS-Jahresabschluss) mindestens 5% zu den in dem letzten geprüften konsolidierten IFRS-Jahresabschluss der Emittentin ausgewiesenen Umsatzerlösen der Emittentin beitragen.

#### § 4 Verzinsung

- (1) *Verzinsung.* Die Schuldverschreibungen werden bezogen auf ihre Festgelegte Stückelung ab dem 28. Januar 2019 (einschließlich) (der „**Verzinsungsbeginn**“) mit 2,625 % (der „**Anfängliche Zinssatz**“) jährlich, vorbehaltlich Anpassungen gemäß § 4(4), verzinst. Die Zinsen sind jährlich nachträglich am 27. Januar jeden Jahres (jeweils ein „**Zinszahlungstag**“) fällig und zahlbar. Die erste Zinszahlung erfolgt am 27. Januar 2020 (kurze erste Zinsperiode) und beläuft sich auf EUR 2.617,81 je Festgelegter Stückelung.
- (2) *Zinsberechnung.* Sind Zinsen für einen Zeitraum zu berechnen, der kürzer als eine Zinsperiode ist oder einer Zinsperiode entspricht, so werden die Zinsen auf der Grundlage der tatsächlichen Anzahl der Tage in dem jeweiligen Zeitraum ab dem ersten Tag des jeweiligen Zeitraums (einschließlich) bis zu dem letzten Tag des jeweiligen Zeitraums (ausschließlich) berechnet, geteilt durch die Anzahl der Tage in der Zinsperiode, in die der jeweilige Zeitraum fällt (einschließlich des ersten Tages der betroffenen Zinsperiode, aber ausschließlich des letzten Tages der betroffenen Zinsperiode).

„**Zinsperiode**“ bezeichnet den Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zu dem ersten Zinszahlungstag (ausschließlich)

total of its property assets reported in its latest audited annual consolidated financial statements prepared in accordance with IFRS, each including property assets accounted for in accordance with IFRS 5) contribute at least 5% to the property assets reported in the latest audited annual consolidated financial statements of the Issuer prepared in accordance with IFRS (including property assets accounted for in accordance with IFRS 5), and

- (ii) which revenues (or, if the subsidiary itself prepares consolidated annual financial statements in accordance with IFRS, the consolidated revenues reported in its latest audited annual consolidated financial statements prepared in accordance with IFRS) contribute at least 5% to the revenues reported in the latest audited annual consolidated IFRS-financial statements of the Issuer, prepared in accordance with IFRS, of the Issuer.

#### § 4 Interest

- (1) *Interest.* Each Note shall bear interest on its Specified Denomination at a rate of 2.625% (the „**Initial Interest Rate**“) per annum from and including January 28, 2019 (the „**Interest Commencement Date**“), subject to adjustments pursuant to § 4(4). Interest is due and payable annually in arrears on January 27 of each year (each an „**Interest Payment Date**“). The first payment of interest shall be made on January 27, 2020 (short first coupon) and will amount to EUR 2,617.81 per Specified Denomination.
- (2) *Calculation of interest.* Where interest is to be calculated in respect of a period which is shorter than or equal to an Interest Period, the interest will be calculated on the basis of the actual number of days elapsed in the relevant period, from and including the first date in the relevant period to but excluding the last date of the relevant period, divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day of the relevant Interest Period but excluding the last day of the relevant Interest Period).

„**Interest Period**“ means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date

und danach ab dem jeweiligen Zinszahlungstag (einschließlich) bis zu dem nächstfolgenden Zinszahlungstag (ausschließlich).

- (3) *Ende des Zinslaufs.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen mit dem gemäß § (3)(1) in Verbindung mit § 3(4) anwendbaren Zinssatz vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich). Die Geltendmachung eines weiteren Schadens ist nicht ausgeschlossen.

- (4) Der auf die Schuldverschreibungen zu zahlende Zinssatz wird im Fall eines Zins-Step-Up-Ereignisses oder eines Zins-Step-Down-Ereignisses (jeweils wie nachstehend definiert) folgendermaßen angepasst:

- (a) Vorbehaltlich der nachstehenden Absätze (c) und (d) entspricht der Zinssatz mit Wirkung ab dem ersten Zinszahlungstag (einschließlich), der auf den Tag des Zins-Step-Up-Ereignisses (wie nachstehend definiert) folgt, bis zum Endfälligkeitstag (ausschließlich) der Summe des Anfänglichen Zinssatzes und des Erhöhungssatzes (wie nachstehend definiert).

Der „**Erhöhungssatz**“ beträgt 1,25 % per annum.

„**Investment Grade Rating**“ bezeichnet ein Rating für die Schuldverschreibungen (i) von „Baa3“ oder besser durch Moody’s, (ii) „BBB-“ oder besser von S&P oder (iii) von „BBB-“ oder besser durch Fitch.

„**Ratingagentur**“ bezeichnet Moody’s Investors Services Limited („**Moody’s**“), Standard and Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. („**S&P**“) oder Fitch Ratings Limited („**Fitch**“) oder eine ihrer jeweiligen Nachfolgesellschaften.

Eine „**Zinserhöhende Rating-änderung**“ tritt ein, wenn ein zuvor von einer Ratingagentur vergebenes beauftragtes Rating für die Schuldverschreibungen (i) zurückgezogen oder (ii) von einem Investment Grade Rating (wie vorstehend definiert) in ein non-Investment Grade Rating (Ba1 von Moody’s oder BB+ von Fitch

and thereafter from and including each relevant Interest Payment Date to but excluding the next following Interest Payment Date.

- (3) *Cessation of interest payments.* If the Issuer fails to redeem the Notes when due, interest shall continue to accrue beyond the due date (including) to but excluding the date of the actual redemption of the Notes at the rate of interest which applies pursuant to § 3(1) in connection with § 3(4). Claims for further damages are not excluded.

- (4) The rate of interest payable on the Notes will be subject to adjustment in the event of an Interest-Step-Up-Event or an Interest-Step-Down-Event (each as defined below), as follows:

- (a) Subject to paragraphs (c) and (d) below, the rate of interest shall be the sum of the Initial Interest Rate and the Step up Rate (as defined below) with effect from and including the first Interest Payment Date falling on or after the Date of the Interest-Step-Up-Event (as defined below) to but excluding the Maturity Date.

„**Step up Rate**“ means 1.25% per annum.

„**Investment Grade Rating**“ means a rating assigned to the Notes of (i) at least “Baa3” from Moody’s, (ii) at least “BBB-“ from S&P or (iii) at least “BBB-“ from Fitch.

„**Rating Agency**“ means Moody’s Investors Services Limited („**Moody’s**“), Standard and Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. („**S&P**“) or Fitch Ratings Limited („**Fitch**“) or any of their respective successors.

A „**Step Up Rating Change**“ shall occur if any solicited rating previously assigned to the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an Investment Grade Rating (as defined above) to a non-investment grade rating (Ba1 by Moody’s or BB+ by Fitch or BB+ by S&P, or worse). In case that a cessation of the business

oder BB+ von S&P, oder schlechter) geändert wird. Sollte eine Ratingagentur ihren Geschäftsbetrieb einstellen oder die nach dem jeweils anwendbaren Recht erforderliche Zulassung für die Erstellung eines Ratings für die Schuldverschreibungen verlieren und dadurch jeweils das Rating für die Schuldverschreibungen nicht weitergeführt werden, gilt dies nicht als Rückzug eines Ratings für die Schuldverschreibungen im Sinne des vorhergehenden Satzes.

Ein „**Zins-Step-Up-Ereignis**“ tritt an dem Tag (dem „**Tag des Zins-Step-Up-Ereignisses**“) ein, der drei Monate nach dem Tag liegt, an dem eine Ratingagentur (wie vorstehend definiert) eine Zinserhöhende Ratingänderung (wie vorstehend definiert) öffentlich bekannt gemacht hat (sofern die Emittentin im betreffenden Zeitpunkt über mehr als ein beauftragtes Rating von mehr als einer Ratingagentur verfügt aber nur soweit schon zuvor oder am selben Tag eine weitere Ratingagentur eine Zinserhöhende Ratingänderung bekannt gemacht hat), es sei denn, die betreffende Ratingagentur hat vor dem Tag des Zins-Step-Up-Ereignisses der Emittentin wieder ein Investment Grade Rating erteilt.

- (b) Vorbehaltlich der nachstehenden Absätze (c) und (d), wird der Zinssatz mit Wirkung ab dem ersten Zinszahlungstag (einschließlich), der auf den Tag des Zins-Step-Down-Ereignisses folgt, bis zum Fälligkeitstag (ausschließlich) auf den Anfänglichen Zinssatz herabgesetzt.

Ein „**Zins-Step-Down-Ereignis**“ tritt an dem Tag (dem „**Tag des Zins-Step-Down-Ereignisses**“) ein, an dem eine Ratingagentur eine Zinssenkende Ratingänderung (wie nachstehend definiert) öffentlich bekannt gemacht hat (sofern die Emittentin im betreffenden Zeitpunkt über mehr als ein beauftragtes Rating von mehr als einer Ratingagentur verfügt aber nur soweit schon zuvor oder am selben Tag eine weitere Ratingagentur eine Zinssenkende Ratingänderung bekannt gemacht hat).

Eine „**Zinssenkende Ratingänderung**“ tritt ein, wenn (i) ein zuvor von einer Ratingagentur vergebenes beauftragtes

operations of any Rating Agency occurs or if any Rating Agency forfeits its license to assign a rating to the Notes as required by applicable law and if, in each case, the concerned Rating Agency does not continue to assign a rating to the Notes, such cessation of the rating of the Notes shall not be deemed to be a withdrawal of the rating for the Notes within the meaning of the preceding sentence.

An „**Interest-Step-Up-Event**“ shall occur on the date (the „**Date of the Interest-Step-Up-Event**“) falling three months after the date on which a Rating Agency (as defined above) has publicly announced a Step Up Rating Change (as defined above) (but, if the Issuer has more than one solicited rating from more than one Rating Agency, only to the extent that a further Rating Agency previously or on the same day publicly announced a Step Up Rating Change), unless such Rating Agency has reassigned to the Issuer an Investment Grade Rating before the Date of the Interest-Step-Up-Event.

- (b) Subject to paragraphs (c) and (d) below, the rate of interest shall be the Initial Interest Rate with effect from and including the first Interest Payment Date falling on or after the Date of the Interest-Step-Down-Event to but excluding the Maturity Date.

An „**Interest-Step-Down-Event**“ shall occur on the date (the „**Date of the Interest-Step-Down-Event**“) falling on the date on which a Rating Agency has publicly announced a Step Down Rating Change (as defined below) (but, if the Issuer has more than one solicited rating from more than one Rating Agency, only to the extent that a further Rating Agency previously or on the same day publicly announced a Step Down Rating Change).

A „**Step Down Rating Change**“ shall occur if (i) any solicited rating previously assigned to the Notes by any

Rating für die Schuldverschreibungen von einem non-Investment Grade Rating (Ba1 von Moody's oder BB+ von Fitch oder BB+ von S&P, oder schlechter) in ein Investment Grade Rating geändert wird oder (ii) eine Ratingagentur, die zuvor kein beauftragtes Rating für die Schuldverschreibungen vergeben hatte, ein Investment Grade Rating für die Schuldverschreibungen vergibt.

- (c) Falls zuerst ein Tag des Zins-Step-Up-Ereignisses und danach ein Tag des Zins-Step-Down-Ereignisses während derselben Zinsperiode eintreten, wird der auf die Schuldverschreibungen zu zahlende Zinssatz infolge dieser Ereignisse weder erhöht noch gesenkt.
- (d) Ist der auf die Schuldverschreibungen zu zahlende Zinssatz aufgrund eines Zins-Step-Up-Ereignisses bereits einmal erhöht worden, erfolgt keine weitere Erhöhung aufgrund nachfolgender Zins-Step-Up-Ereignisse.
- (e) Solange Schuldverschreibungen ausstehend sind, wird die Emittentin bestmögliche Anstrengungen unternehmen, ein von einer Ratingagentur erteiltes beauftragtes Rating beizubehalten.
- (f) Die Emittentin wird der Zahlstelle unverzüglich den Eintritt eines Ereignisses mitteilen, das gemäß diesem § 4(4) zu einer Anpassung des auf die Schuldverschreibungen zu zahlenden Zinssatzes führt und veranlassen, dass der Eintritt des Ereignisses unverzüglich nachdem die Emittentin davon Kenntnis erlangt, jedoch spätestens am siebten darauf folgenden Tag, gemäß § 12 bekannt gemacht wird.

## § 5

### Fälligkeit und Rückzahlung

- (1) *Fälligkeit.* Die Schuldverschreibungen werden am 27. Januar 2023 (der „**Endfälligkeitstag**“) zum Nennbetrag zuzüglich aufgelaufener Zinsen zurückgezahlt, soweit sie nicht vorher zurückgezahlt oder gekauft und entwertet worden sind.
- (2) *Vorzeitige Rückzahlung aus Steuergründen.* Wenn nach dem Ausgabetag ein Quellensteuer-Ereignis eintritt, ist die Emittentin berechtigt, die

Rating Agency is changed from a non-investment grade rating (Ba1 by Moody's, or BB+ by Fitch or BB+ by S&P, or worse) to an Investment Grade Rating or (ii) if a Rating Agency that had not previously assigned a solicited rating to the Notes assigns an Investment Grade Credit Rating to the Notes.

- (c) If first a Date of the Interest-Step-Up-Event and, secondly, a Date of the Interest-Step-Down-Event occur during the same Interest Period, the rate of interest payable on the Notes shall neither be increased nor decreased as result of either such events.
- (d) If the rate of interest payable on the Notes has already been increased due to an Interest-Step-Up-Event, no further increase will be made as a result of any further Interest-Step-Up-Events.
- (e) For so long as any of the Notes are outstanding, the Issuer shall use its best endeavours to maintain a solicited rating by a Rating Agency.
- (f) The Issuer will promptly notify the occurrence of an event giving rise to an adjustment in the rate of interest payable on the Notes pursuant to this § 4(4) to the Paying Agent and will cause notice thereof to be published in accordance with § 12 promptly upon becoming aware of such event, but in no event later than the seventh day thereafter.

## § 5

### Maturity and Redemption

- (1) *Maturity.* The Notes will be redeemed at their principal amount together with accrued interest on January 27, 2023 (the „**Maturity Date**“) to the extent they have not previously been redeemed or purchased and cancelled.
- (2) *Early Redemption due to Tax Reasons.* If at any time after the Issue Date a Gross-up Event occurs, the Issuer may call the Notes for redemption (in whole but not in part) at any

Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch Mitteilung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen an dem in der Mitteilung festgelegten Rückzahlungstermin (ausschließlich) zum Nennbetrag zuzüglich den bis zum Rückzahlungstermin aufgelaufenen Zinsen zurückzuzahlen.

Im Falle eines Quellensteuer-Ereignisses darf eine solche Kündigungserklärung nicht früher als 90 Tage vor dem Tag abgegeben werden, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge gemäß § 7 zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig würde.

Ein „**Quellensteuer-Ereignis**“ liegt vor, falls die Emittentin verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 7 als Folge einer Änderung oder Ergänzung von Gesetzen oder Vorschriften der Republik Österreich oder einer ihrer Gebietskörperschaften oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Steuerbehörde, eine Aufsichtsbehörde oder eine sonstige Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) zu zahlen, allerdings nur soweit die betreffende Änderung, Ergänzung oder Durchführung an oder nach dem Ausgabetag wirksam wird und die Emittentin die Zahlungsverpflichtung nicht durch das Ergreifen von Maßnahmen vermeiden kann, die sie nach Treu und Glauben für angemessen hält.

- (3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.* Die Emittentin ist berechtigt, durch Mitteilung gemäß § 12 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen, die Schuldverschreibungen (insgesamt, jedoch nicht teilweise) mit Wirkung zu jedem Tag während des Zeitraums ab dem 27. Oktober 2022 (einschließlich) bis zu dem Endfälligkeitstag (ausschließlich) zu kündigen. Im Falle einer solchen Kündigung hat die Emittentin die Schuldverschreibungen an dem in der Mitteilung festgelegten Rückzahlungstermin zum Nennbetrag zuzüglich den bis zum Rückzahlungstermin (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

- (4) Wenn 80% oder mehr des ursprünglich

time upon giving of not less than 30 and not more than 60 days' notice in accordance with § 12. In this case the Issuer will redeem the Notes on the redemption date specified in the notice at their principal amount plus accrued interest to but excluding the redemption date.

In the case of a Gross-Up Event, no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the Additional Amounts in accordance with § 7 if a payment in respect of the Notes were then due.

A “**Gross-up Event**” shall have occurred if the Issuer has or will become obliged to pay Additional Amounts in accordance with § 7 as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority of or in the Republic of Austria, or as a result of any amendment to, or any change in, any official interpretation or application of any such laws or regulations by any legislative body, court, or taxing authority, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), provided that the relevant amendment, change or execution becomes effective on or after the issue date of the Notes and provided further that the payment obligation cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate.

- (3) *Early Redemption at the Option of the Issuer.* The Issuer may call and redeem the Notes (in whole but not in part) with effect as at any date during the period from and including October 27, 2022 to and excluding the Maturity Date upon giving not less than 30 and not more than 60 days' notice in accordance with § 12. If such call notice is given, the Issuer will redeem the Notes on the redemption date specified in the notice at their principal amount plus accrued interest to but excluding the redemption date.

- (4) If 80% or more in principal amount of the



ausgegebenen Nennbetrags der Schuldverschreibungen durch die Emittentin oder eine Tochtergesellschaft der Emittentin zurückgezahlt oder zurückerworben wurde, ist die Emittentin berechtigt, nach ihrer Wahl alle ausstehenden Schuldverschreibungen mit einer Frist von mindestens 30 und höchstens 60 Tagen gegenüber den Anleihegläubigern gemäß § 12 zu kündigen und zum Nennbetrag zuzüglich den bis zum Rückzahlungstermin (ausschließlich) aufgelaufenen Zinsen zurück zu zahlen.

- (5) Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Anleihegläubiger bereits in Ausübung seines Wahlrechts nach § 5 verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 12 gegenüber den Anleihegläubigern kündigen und an einem von ihr anzugebenden Tag (der „**Wahl-Rückzahlungstag**“) zu ihrem Wahl-Rückzahlungsbetrag (zuzüglich etwaigen bis zum betreffenden Wahl-Rückzahlungstag (ausschließlich) aufgelaufenen aber noch nicht gezahlten Zinsen) zurückzahlen.

Der „**Wahl-Rückzahlungsbetrag**“ je Schuldverschreibung entspricht dem höheren von:

- (i) dem Nennbetrag der zurückzuzahlenden Schuldverschreibung; oder
- (ii) dem Abgezinsten Marktwert.

Der Wahl-Rückzahlungsbetrag wird von der Berechnungsstelle berechnet.

Der „**Abgezinsten Marktwert**“ ist die Summe aus

- (a) dem auf den Wahl-Rückzahlungstag abgezinsten Wert des Nennbetrags der zurückzuzahlenden Schuldverschreibung, der ansonsten am Fälligkeitstag fällig werden würde; und
- (b) den jeweils auf den Wahl-Rückzahlungstag abgezinsten Werten der verbleibenden Zinszahlungen, die ansonsten an jedem Zinszahlungstag nach dem Wahl-Rückzahlungstag bis zum Fälligkeitstag (einschließlich) fällig werden würden (ausschließlich etwaiger, bis zum Wahl-Rückzahlungstag (ausschließlich)

Notes originally issued has been redeemed or purchased by the Issuer or any subsidiary of the Issuer, the Issuer may, on not less than 30 or more than 60 days' notice to the Holders, in accordance with § 12, redeem, at its option, the remaining Notes as a whole at their principal amount plus accrued interest to but excluding the redemption date.

- (5) The Issuer may upon not less than 30 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 12, to the Holders redeem on any date specified by it (the „**Call Redemption Date**“), at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under § 5) in whole but not in part, at their Call Redemption Amount together with accrued but unpaid interest, if any, to (but excluding) the relevant Call Redemption Date.

The „**Call Redemption Amount**“ per Note shall be the higher of:

- (i) the principal amount of the relevant Note to be redeemed; or
- (ii) the Present Value

The Call Redemption Amount shall be calculated by the Calculation Agent.

The „**Present Value**“ will be the sum of

- (a) the principal amount of the Note to be redeemed which would otherwise become due on the Maturity Date, discounted to the Call Redemption Date; and
- (b) the remaining interest payments which would otherwise become due on each Interest Payment Date falling after the Call Redemption Date to and including the Maturity Date (excluding any interest accrued to but excluding the Call Redemption Date), each discounted to the Call Redemption Date.

aufgelaufener Zinsen).

Die Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß § 4 entspricht, wobei sie die Benchmark-Rendite zuzüglich 0,50% zugrunde legt.

Die „**Benchmark-Rendite**“ ist die am Rückzahlungs-Berechnungstag bestehende Rendite, wie sie etwa um 12.00 Uhr mittags (Ortszeit Frankfurt am Main) auf der Bildschirmseite für die Referenzanleihe, oder, sollte zu diesem Zeitpunkt keine Rendite festgestellt werden können, die vorstehend bestimmte Rendite so wie sie zu einem anderen Zeitpunkt, der von der Berechnungsstelle für angemessen erachtet wird, am Rückzahlungs-Berechnungstag auf der Bildschirmseite angezeigt wird.

„**Bildschirmseite**“ ist Bloomberg Seite DE0001141760 Govt HP (unter Nutzung der Einstellung „Last Yield To Convention“ unter Verwendung der Preisquelle „FRNK“) (oder jede Nachfolgeside oder Nachfolge-Preisquelle) für die Referenzanleihe, oder, falls diese Bloomberg-Seite oder Preisquelle nicht verfügbar ist, eine andere Seite (falls vorhanden) eines Informationsanbieters, die weitgehend ähnliche Daten anzeigt, wie von der Berechnungsstelle für angemessen erachtet.

„**Referenzanleihe**“ ist die Euro denominated Benchmark-Anleihe der Bundesrepublik Deutschland fällig 7. Oktober 2022, mit der ISIN DE0001141760, oder, falls diese Anleihe am Rückzahlungs-Berechnungstag nicht mehr aussteht, eine ersetzende Referenzanleihe, welche die Berechnungsstelle auswählt, jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibung bis zu deren Fälligkeitstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und in Übereinstimmung mit der üblichen Finanzmarktpaxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibung vergleichbaren Laufzeit verwendet würde.

„**Rückzahlungs-Berechnungstag**“ ist der sechste Geschäftstag vor dem Wahl-Rückzahlungstag.

(6) *Kontrollwechsel.*

- (a) Die Anleihegläubiger haben während der Zeit vom Ausgabetag bis 140 Tage

The Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in § 4, using the Benchmark Yield plus 0.50%.

“**Benchmark Yield**” means the yield as at the Redemption Calculation Date as appearing at around noon Frankfurt am Main time on the Screen Page in respect of the Benchmark Security, or if such yield cannot be so determined at such time, the yield determined as aforesaid as appearing on the Screen Page at such other time on the Redemption Calculation Date as may be considered to be appropriate by the Calculation Agent.

“**Screen Page**” means Bloomberg page DE0001141760 Govt HP (using the setting “Last Yield To Convention” and using the pricing source “FRNK”) (or any successor page or successor pricing source) for the Benchmark Security, or, if such Bloomberg page or pricing source is not available, such other page (if any) from such other information provider displaying substantially similar data as may be considered to be appropriate by the Calculation Agent.

“**Benchmark Security**” means the euro denominated benchmark debt security of the Federal Republic of Germany due October 7, 2022, carrying ISIN DE0001141760, or, if such security is no longer outstanding on the Redemption Calculation Date, such substitute benchmark security selected by the Calculation Agent, in each case as having a maturity comparable to the remaining term of the Note to the Maturity Date, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date.

“**Redemption Calculation Date**” means the sixth Business Day prior to the Call Redemption Date.

(6) *Change of Control.*

- (a) The Holders shall be entitled during the period from the Issue Date up to 140

vor dem Endfälligkeitstag das Recht, die Rückzahlung der Schuldverschreibungen von der Emittentin zu verlangen, wenn ein Kontrollwechselereignis (wie nachstehend definiert) eintritt (das „**Verkaufsrecht**“).

Falls ein Verkaufsrecht als eingetreten gilt, ist jeder Anleihegläubiger berechtigt, von der Emittentin die Rückzahlung oder den Rückkauf (nach Wahl der Emittentin) der Schuldverschreibungen zum Verkaufsbetrag (wie nachstehend definiert) am Verkaufstag (wie nachstehend definiert) zu verlangen.

Unverzüglich nach Eintritt eines Verkaufsrechts ist die Emittentin verpflichtet, den Anleihegläubigern den Eintritt eines Verkaufsrechts gemäß § 12 mitzuteilen („**Verkaufsrechtsmitteilung**“) und über die Art des Verkaufsrechts sowie den Ablauf der Ausübung des Verkaufsrechts gemäß diesem § 5(6) zu informieren.

- (b) In diesem § 5(6) haben die folgenden Begriffe nachstehende Bedeutung:

Ein „**Kontrollwechselereignis**“ gilt als eingetreten, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder Personen, welche im Namen einer solchen Person oder solcher Personen handeln (die „**Relevante Person**“), zu irgendeiner Zeit direkt oder indirekt eine kontrollierende Beteiligung im Sinne des österreichischen Übernahmegesetzes (wobei dies auch eine in der Satzung der Emittentin vorgesehene niedrigere Schwelle erfasst) erwerben, wodurch ein Pflichtangebot ausgelöst wird;

„**Verkaufsbetrag**“ bedeutet hinsichtlich jeder Schuldverschreibung einen Betrag, der der Summe aus:

- (a) 101 % des Nennbetrags; und
- (b) den bis zum Verkaufstag (ausschließlich) aufgelaufenen Zinsen (oder, falls gekauft, ein Betrag der diesen Zinsen entspricht)

entspricht.

days prior to the Maturity Date to require the redemption of the Notes upon occurrence of a Change of Control Event (as defined below) (the “**Put Event**”).

If a Put Event is deemed to have occurred, then each Holder is entitled to require the Issuer to redeem or repurchase (at the option of the Issuer) the Notes at the Put Amount (as defined below) on the Put Date (as defined below).

Promptly upon the occurrence of a Put Event, the Issuer shall give notice (a “**Put Event Notice**”) to the Holders in accordance with § 12 specifying the nature of the Put Event and the procedure for exercising the option pursuant to this § 5(6).

- (b) In this § 5(6), the terms below shall have the following meaning:

A “**Change of Control Event**” shall be deemed to have occurred if any person or any persons acting in concert or any third person or persons acting on behalf of any such person(s) (the “**Relevant Person**”) at any time directly or indirectly acquire(s) a controlling participation pursuant to the Austrian Takeover Act (*Übernahmegesetz*) (whereby this also includes a lower threshold provided for in the Issuer’s articles of association) which triggers a mandatory takeover bid ;

“**Put Amount**” means in respect of any Note an amount equal to:

- (a) 101% of the principal amount; and
- (b) any interest (or, where purchased, an amount equal to such interest) accrued up to the Put Date (excluding).

„**Verkaufstag**“ bezeichnet den zweiten Geschäftstag nach dem Tag, an dem die Verkaufsperiode (wie nachstehend definiert) endet;

- (c) Um die Option der Rückzahlung oder des Kaufes der Schuldverschreibung gemäß diesem § 5(6) auszuüben, muss der Anleihegläubiger innerhalb von 45 Tagen nach Verkaufsrechtsmitteilung (die „**Verkaufsperiode**“) eine entsprechende Erklärung in Textform in deutscher oder englischer Sprache über die Ausübung der Option (eine „**Verkaufsmitteilung**“) abgeben. Eine abgegebene Verkaufsmitteilung ist unwiderruflich.

## **§ 6** **Zahlungen**

- (1) *Zahlung von Kapital und Zinsen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe des § 6(2) an die Zahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

Die Zahlung von Zinsen auf die Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe des § 6(2) an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1(3).

- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher oder sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in Euro geleistet.
- (3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.
- (4) *Geschäftstag.* Fällt der Tag der Fälligkeit einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, so hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet „**Geschäftstag**“ einen Tag (außer einem Samstag oder Sonntag), an dem Banken in Wien und Frankfurt am Main für den

„**Put Date**“ means the second Business Day after the day on which the Change of Put Period (as defined below) ends;

- (c) To exercise the option to require redemption or repurchase of a Note under this § 5(6), the Holder must deliver a declaration of exercise in text form in German or English language (a „**Put Notice**“) within 45 days after a Put Event Notice (the „**Put Period**“) is given. A Put Notice, once given, shall be irrevocable.

## **§ 6** **Payments**

- (1) *Payment of Principal and Interest.* Payment of Principal and Interest. Payment of principal and interest in respect of Notes shall be made, in accordance with § 6(2), to the Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, in accordance with § 6(2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System, upon due certification as provided in § 1(3).

- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, „**Business Day**“ means a day (other than a Saturday or a Sunday) on which banks are open for general business in Vienna and Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European

allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET2) betriebsbereit sind, um Zahlungen vorzunehmen.

Automated Real-time Gross settlement Express Transfer system (TARGET2) are operational to effect payments.

- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Nennbetrag je Schuldverschreibung, Zusätzliche Beträge, den Wahl-Rückzahlungsbetrag, den Verkaufsbetrag und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen schließen, soweit anwendbar, sämtliche gegebenenfalls gemäß § 7 zahlbaren Zusätzlichen Beträge ein.

- (5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the principal amount per Note, Additional Amounts, the Call Redemption Amount, the Put Amount and any other premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

- (6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge zu hinterlegen, die von den Anleihegläubigern nicht innerhalb von zwölf Monaten nach dem Endfälligkeitstag beansprucht worden sind, auch wenn die Anleihegläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Anleihegläubiger gegen die Emittentin.

- (6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

## § 7 Steuern

- (1) *Steuern.* Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlichen Gebühren jedweder Art (die „**Steuern**“) geleistet, die von der Republik Österreich oder einer ihrer Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, die Emittentin ist gesetzlich zu einem solchen Einbehalt oder Abzug verpflichtet.

In einem solchen Falle wird die Emittentin, vorbehaltlich der Bestimmungen dieses § 7 solche zusätzlichen Beträge (die „**Zusätzlichen Beträge**“) zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne Einbehalt oder Abzug erhalten hätten.

## § 7 Taxation

- (1) *Taxes.* All payments of principal and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by the Republic of Austria or any political subdivision or any authority of or in the Republic of Austria that has power to tax, unless the Issuer is compelled by a law to make such withholding or deduction.

In that event, the Issuer will pay, subject to the provisions of this § 7, such additional amounts (the “**Additional Amounts**”) as will result in receipt by the Holders of the same amounts as they would have received had no such withholding or deduction been required.

(2) *Ausnahmen.* Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern:

- (i) denen ein Anleihegläubiger wegen einer anderen Beziehung zur Republik Österreich unterliegt als der bloßen Tatsache, dass er der Inhaber der betreffenden Schuldverschreibungen ist; oder
- (ii) deren Einbehalt oder Abzug auf eine Zahlung an eine natürliche Person erfolgt und zwar auf der Grundlage (i) einer Richtlinie der Europäischen Union zur Besteuerung privater Zinserträge oder (ii) eines internationalen Vertrages oder eines Abkommens betreffend solch einer Besteuerung zu welcher die Republik Österreich oder die Europäische Union ein Vertragspartner ist oder (iii) aufgrund eines Gesetzes, das in Umsetzung oder Entsprechung einer solchen Richtlinie, Verordnung, Vertrag oder Abkommen erlassen wurde; oder
- (iii) denen der Anleihegläubiger nicht unterläge, wenn dieser seine Schuldverschreibungen binnen 30 Tagen nach Fälligkeit oder, falls die notwendigen Beträge der Zahlstelle bei Fälligkeit nicht zur Verfügung gestellt worden sind, ab dem Tag, an dem diese Mittel der Zahlstelle zur Verfügung gestellt worden sind und dies gemäß § 12 bekannt gemacht wurde, zur Zahlung vorgelegt hätte; oder
- (iv) die von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle in einem Mitgliedsstaat der Europäischen Union ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (v) die von einer Depotbank oder einer als Inkassobeauftragten des Anleihegläubigers handelnden Person einbehalten werden oder auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt.

Die österreichische Kapitalertragsteuer, unabhängig davon, ob auf Zinszahlungen oder Veräußerungsgewinne erhoben, ist keine Steuer, für die seitens der Emittentin Zusätzliche Beträge zu bezahlen sind.

(2) *Exceptions.* However, no such Additional Amounts shall be payable with respect to such Taxes:

- (i) to which a Holder is liable because of a relationship with the Republic of Austria other than the mere fact of him being the holder of the relevant Notes; or
- (ii) in respect of which such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to (i) any European Union Directive on the taxation of savings income, or (ii) any international treaty or understanding relating to such taxation and to which the Republic of Austria or the European Union is a party, or (iii) any law implementing or complying with, or introduced in order to conform to, such Directive, Regulation, treaty or understanding; or
- (iii) to which the Holder would not be subject to if he had presented his Notes for payment within 30 days from the due date for payment, or, if the necessary funds have not been provided to the Paying Agent when due, from the date on which such funds have been provided to the Paying Agent, and a notice to that effect has been published in accordance with § 12; or
- (iv) which are withheld or deducted by a Paying Agent if payment could have been made by another Paying Agent in a Member State of the European Union without such deduction or withholding; or
- (v) which are withheld by a securities custodian or a person acting as collection agent for the Holder or which are levied otherwise than by the Issuer making a withholding or deduction from any amounts of principal or interest payable by it.

Austrian withholding tax (*Kapitalertragsteuer*), irrespective of whether levied on interest payments or capital gains, does not constitute tax for which the Issuer is obliged to pay Additional Amounts.

- (3) *FATCA*. Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgeb Bestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden („**FATCA-Steuerabzug**“) oder Anleger in Bezug auf einen *FATCA*-Steuerabzug schadlos zu halten.

## **§ 8** **Kündigungsgründe**

- (1) *Kündigungsgründe*. Ein ordentliches Kündigungsrecht der Anleihegläubiger besteht nicht. Anleihegläubiger sind berechtigt, ihre Schuldverschreibungen zur sofortigen Rückzahlung fällig zu stellen und deren sofortige Rückzahlung zum Nennbetrag zuzüglich den bis zum Rückzahlungstermin aufgelaufenen Zinsen durch Abgabe einer Kündigungserklärung (eine „**Kündigungserklärung**“) gegenüber der Emittentin zu verlangen, falls einer der folgenden Kündigungsgründe vorliegt (jeweils ein „**Kündigungsgrund**“):
- (a) *Nichtzahlung*: die Emittentin versäumt es, Kapital oder Zinsen oder sonstige nach § 7 auf die Schuldverschreibungen zahlbare Beträge nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitsdatum zu zahlen; oder
- (b) *Verletzung anderer Verpflichtungen*: wenn die Emittentin eine oder mehrere ihrer anderen Verpflichtungen aus den Schuldverschreibungen nicht erfüllt und dieser Zustand nicht innerhalb von 60 Tagen (im Fall der Verletzung von Verpflichtungen aus den Verpflichtungserklärungen nach § 9 innerhalb von zwei Quartalen), nachdem die Emittentin eine diesbezügliche Mitteilung durch den Anleihegläubiger in der in § 8(3) festgelegten Art erhalten hat, behoben wird; oder
- (c) *Drittverzug*: (i) eine bestehende oder zukünftige Zahlungsverpflichtung der Emittentin oder einer Wesentlichen

- (3) *FATCA*. In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party (“**FATCA Withholding**”) in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any *FATCA* Withholding.

## **§ 8** **Events of Default**

- (1) *Events of Default*. Holders may not exercise an ordinary right of termination. Holders shall be entitled to declare the Notes to be immediately due and repayable and to demand their immediate redemption at their principal amount together with accrued interest to the redemption date by giving notice of default (a “**Default Notice**”) to the Issuer, if any of the following events (each an “**Event of Default**”) occurs:
- (a) *Non-Payment*: the Issuer fails to pay any principal or interest or any other amounts due pursuant to § 7 on any of the Notes when due and such failure continues for a period of 30 days after the relevant due date; or
- (b) *Breach of Other Obligations*: if the Issuer does not perform or comply with any one or more of its other obligations under the Notes and such default is not remedied within 60 days (in the case of a breach of obligations arising from the covenants in accordance with § 9 within two quarters) after the Issuer has received notice thereof from a Holder, such notice being substantially in the form as specified in § 8(3); or
- (c) *Cross-Default*: (i) any present or future payment obligation of the Issuer or any Material Subsidiary in respect of

Konzerngesellschaft im Zusammenhang mit einer Kredit- oder sonstigen Geldaufnahme wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische vorzeitige Fälligkeitstellung oder auf andere Weise) oder (ii) eine solche Zahlungsverpflichtung wird weder innerhalb von 30 Tagen nach Fälligkeit noch innerhalb einer ursprünglich geltenden oder nachträglich vereinbarten Nachfrist gezahlt, jeweils mit der Maßgabe, dass der Gesamtbetrag der betroffenen Zahlungsverpflichtungen nach (i) und (ii) mindestens EUR 100.000.000 (oder den Gegenwert in einer anderen Währung) beträgt. Zur Klarstellung wird festgehalten, dass dieser § 8(1)(c) keine Anwendung findet, wenn die Emittentin ihre betreffenden Zahlungsverpflichtungen in gutem Glauben bestreitet; oder

moneys borrowed or raised becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of an event of default (howsoever described), or (ii) any such payment obligation is not paid within 30 days from its due date nor within any originally applicable or subsequently agreed grace period, provided that the aggregate amount of the relevant payment obligation falling within (i) and (ii) above amounts to at least EUR 100,000,000 (or its equivalent in other currencies). For the avoidance of doubt, this § 8(1)(c) shall not apply where the Issuer contests its relevant payment obligation in good faith; or

- (d) *Einstellung von Zahlungen:* die Emittentin oder eine Wesentliche Konzerngesellschaft stellt ihre Zahlungen allgemein ein oder gibt ihre Unfähigkeit bekannt, ihre finanziellen Verpflichtungen zu erfüllen; oder
- (e) *Insolvenz:* ein zuständiges Gericht eröffnet ein Insolvenzverfahren gegen die Emittentin oder eine Wesentliche Konzerngesellschaft und ein solches Verfahren ist nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden, oder die Emittentin oder eine Wesentliche Konzerngesellschaft beantragt die Einleitung eines solchen Verfahrens, oder der Antrag auf Einleitung eines solchen Verfahrens wurde gestellt, aber von dem zuständigen Gericht mangels Masse abgelehnt oder die Emittentin oder eine Wesentliche Konzerngesellschaft trifft eine allgemeine Schuldregelung zu Gunsten ihrer Gläubiger oder bietet diese an; oder
- (f) *Liquidation:* die Emittentin oder eine Wesentliche Konzerngesellschaft wird liquidiert, es sei denn, (i) dies geschieht im Zusammenhang mit einer Verschmelzung, einer anderen Form des Zusammenschlusses oder im Zusammenhang mit einer anderen Umstrukturierung, (ii) die andere oder neue Gesellschaft übernimmt oder gegebenenfalls die anderen oder neuen

- (d) *Suspension of Payments:* the Issuer or a Material Subsidiary suspends its payments generally or announces its inability to meet its financial obligations; or
- (e) *Insolvency:* any competent court institutes insolvency proceedings against the Issuer or a Material Subsidiary and such proceedings have not been discharged or stayed within 60 days, or the Issuer or a Material Subsidiary applies for the institution of such proceedings or an application for the institution of such proceedings has been filed but rejected by the competent court for lack of assets or the Issuer or a Material Subsidiary offers or makes a general arrangement for the benefit of its creditors; or
- (f) *Liquidation:* the Issuer or a Material Subsidiary is liquidated, except (i) in connection with a merger, reorganization or other form of combination with another company or in connection with another reconstruction, (ii) such other or new company assumes or, as the case may be, companies assume substantially all of the assets of the Issuer or the



Gesellschaften übernehmen im Wesentlichen alle Aktiva der Emittentin oder der Wesentlichen Konzerngesellschaft, und (iii) im Fall einer Liquidation (x) der Emittentin übernimmt die andere oder neue Gesellschaft oder übernehmen die anderen oder neuen Gesellschaften alle Verpflichtungen aus diesen Schuldverschreibungen, oder (y) einer Wesentlichen Konzerngesellschaft handelt es sich bei der anderen oder neuen Gesellschaft oder den anderen oder neuen Gesellschaften um eine direkte oder indirekte Konzerngesellschaft der Emittentin; oder

- (g) *Einstellung der Geschäftstätigkeit:* die Emittentin oder eine Wesentliche Konzerngesellschaft stellt ihre Geschäftstätigkeit ganz oder überwiegend ein, außer im Zusammenhang mit oder als Ergebnis einer Erlaubten Reorganisation. Zu diesem Zweck wird „**Erlaubte Reorganisation**“ definiert als Verschmelzung, Umgründung (im Sinne des österreichischen Umgründungssteuergesetzes) oder eine andere Form des Zusammenschlusses, wonach: (i) im Fall einer Einstellung der Geschäftstätigkeit der Emittentin (x) die Verpflichtungen der Emittentin aus den Schuldverschreibungen von einer Nachfolgegesellschaft der Emittentin übernommen werden, auf welche alle Rechte und Vermögenswerte der Emittentin im Wesentlichen anteilig zu den übernommenen Verbindlichkeiten übergehen, und (y) eine solche Nachfolgegesellschaft keine anderen wesentlichen Verpflichtungen oder Verbindlichkeiten übernimmt, ohne dass sie gleichzeitig andere Rechte und Vermögenswerte im gleichen Verhältnis und auf gleiche Weise wie vorstehend in (x) beschrieben übernimmt, und (z) die Erlaubte Reorganisation auf die Anleihegläubiger keine erheblich nachteiligen Auswirkungen hat; oder (ii) im Fall einer Einstellung der Geschäftstätigkeit einer Wesentlichen Konzerngesellschaft die Erlaubte Reorganisation auf die Anleihegläubiger keine erheblich nachteiligen Auswirkungen hat.

- (2) *Erlöschen des Kündigungsrechts.* Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

Material Subsidiary, and (iii) in case of a liquidation of (x) the Issuer, such other or new company assumes or, as the case may be, companies assume all liabilities and obligations of the Issuer under these Notes, or (y) a Material Subsidiary, such other or new company is or, as the case may be, companies are direct or indirect subsidiaries of the Issuer; or

- (g) *Cessation of Business Operations:* the Issuer or a Material Subsidiary ceases to carry on all or a material part of its current business or operations, except as a result of or in connection with a Permitted Reorganization. For the purpose of the foregoing a “**Permitted Reorganization**” means a merger, reconstruction (within the meaning of the Austrian Reorganization Tax Act (*Umgründungssteuergesetz*) or other form of combination, whereupon: (i) in case of a cessation of business operations by the Issuer (x) the obligations of the Issuer under the Notes will be assumed by a succeeding company to which all rights and assets of the Issuer shall be transferred together with an equal portion of the assumed obligations, and (y) such succeeding company shall not assume any other material obligation or liability without at the same time assuming other rights and assets proportionate thereto and in the same manner as mentioned in (x) above, and (z) the Permitted Reorganization has no material adverse effect on the Holders; or (ii) in case of a cessation of business operations by the Material Subsidiary the Permitted Reorganization has no material adverse effect on the Holders.

- (2) *Lapse of redemption right.* The right to declare Notes due shall lapse if the Event of Default has been cured before the right is validly exercised.

- (3) *Kündigungserklärung.* Eine Kündigung nach § 8(1) erfolgt durch eine Erklärung gegenüber der Emittentin und der Zahlstelle in Textform unter Angabe eines Bankkontos, auf das Zahlungen gemäß diesem § 8 zu leisten sind, zusammen mit dem Nachweis durch eine Bescheinigung der Depotbank des Anleihegläubigers, dass dieser im Zeitpunkt der Kündigung Inhaber der betreffenden Schuldverschreibungen ist.
- (4) *Quorum.* In den Fällen gemäß § 8(1)(b) und (c) wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in § 8(1)(a) und § 8(1)(d)-(g) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Zahlstelle Kündigungserklärungen von Anleihegläubigern im Nennbetrag von mindestens 10 % des Gesamtnennbetrags der zu diesem Zeitpunkt noch insgesamt ausstehenden Schuldverschreibungen eingegangen sind.

## § 9

### Verpflichtungserklärungen

- (1) *Beschränkungen für das Eingehen von Finanzverbindlichkeiten.* Die Emittentin verpflichtet sich, nach dem Ausgabetag keine Finanzverbindlichkeiten einzugehen (mit Ausnahme von Finanzverbindlichkeiten zur Refinanzierung bestehender Finanzverbindlichkeiten mit einem Gesamtnennbetrag, der dem Gesamtnennbetrag der refinanzierten Finanzverbindlichkeit entspricht oder diesen unterschreitet) und sicherzustellen, dass ihre Tochtergesellschaften nach dem Ausgabetag keine Finanzverbindlichkeiten eingehen, wenn, jeweils unmittelbar nach Wirksamwerden des Eingehens solcher weiterer Finanzverbindlichkeiten (unter Berücksichtigung der Verwendung der damit erzielten Nettoerlöse), (i) der Verschuldungsgrad (LTV) 0,6 überschreiten würde, oder (ii) der Besicherter Verschuldungsgrad 0,45 überschreiten würde.
- (a) Der „**Verschuldungsgrad (LTV)**“ wird dabei zu jedem maßgeblichen Zeitpunkt berechnet als Verhältnis zwischen
- (x) der Summe
- (i) der Konsolidierten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, zuzüglich

- (3) *Default Notice.* Any Default Notice in accordance with § 8(1) shall be made by means of a notice in text form (*Textform*) delivered to the Issuer and the Paying Agent, specifying a bank account to which payments are to be made under this § 8, together with evidence by means of a certificate of the Holder's depository bank that such Holder at the time of such written notice is the holder of the relevant Notes.
- (4) *Quorum.* In the events specified in § 8(1)(b) and (c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 8(1)(a) and § 8(1)(d)-(g) entitling Holders to declare their Notes due has occurred, become effective only when the Principal Paying Agent has received such default notices from the Holders representing at least 10 per cent. of the aggregate principal amount of the Notes then outstanding.

## §9

### Covenants

- (1) *Limitations on the Incurrence of Financial Indebtedness.* The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing existing Financial Indebtedness with an aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, after such further Financial Indebtedness and the use of the net proceeds generated therewith has come into effect (i) the Debt Value Ratio (LTV) would exceed 0.6, or (ii) the Secured Debt Ratio would exceed 0.45.
- (a) The “**Debt Value Ratio (LTV)**” will be calculated on each relevant date as the ratio of
- (x) the sum of
- (i) the Consolidated Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, plus

- |   |   |
|---|---|
| <p>(ii) der Nettofinanzverbindlichkeiten, welche seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht wurde, abzüglich</p> <p>(iii) der verfügbaren Barmittel und bargeldgleicher Mittel der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, zuzüglich Barmittel und bargeldgleicher Mittel aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag in der Gruppe eingegangen sind, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Konsolidiertem Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde);</p> <p>(y) und der Summe (unter Ausschluss einer Doppelberücksichtigung)</p> <p>(i) des Konsolidierten Immobilienvermögens, inklusive zur Veräußerung gehaltene Immobilien, der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, zuzüglich</p> <p>(ii) der Kaufpreise für Konsolidiertes Immobilienvermögen, welches seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, zuzüglich</p> <p>(iii) der von der Gruppe gehaltenen Beteiligungen an Gesellschaften auf Basis des „<i>EPRA Net Asset Value</i>“ („<b>EPRA NAV</b>“) dieser Beteiligungen (sofern ein solcher Wert nicht verfügbar ist, dem Buchwert).</p> | <p>(ii) the Net Financial Indebtedness incurred after the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, less</p> <p>(iii) cash and cash equivalents of the Group available as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, plus cash and cash equivalents from Financial Indebtedness, which have been received in the Group after the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only as far as the proceeds have not been used for the acquisition of Consolidated Real Estate Property or the reduction of Financial Indebtedness);</p> <p>(y) and the sum of (without duplications)</p> <p>(i) the Consolidated Real Estate Property including real estate of the Group held for sale as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, plus</p> <p>(ii) the purchase prices of Consolidated Real Estate Property acquired after the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published or for such acquisition a commitment has been entered into since that date, plus</p> <p>(iii) the shareholdings in companies of the Group based on the “<i>EPRA net asset value</i>“ (“<b>EPRA NAV</b>”) of such shareholdings (if such value is not available, the book value).</p> |
|---|---|

(b) Der „**Besicherter Verschuldungsgrad**“ wird dabei zu jedem maßgeblichen Zeitpunkt berechnet als Verhältnis zwischen

(x) der Summe

- (i) der Besicherten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, zuzüglich
- (ii) den Neuen Besicherten Finanzverbindlichkeiten, welche seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde; abzüglich
- (iii) der verfügbaren Barmittel und bargeldgleicher Mittel der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, zuzüglich Barmittel und bargeldgleicher Mittel aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag in der Gruppe eingegangen sind, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde (jedoch nur soweit dieser Erlös nicht zum Erwerb von Konsolidiertem Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde);

(y) und der Summe (unter Ausschluss einer Doppelberücksichtigung)

- (i) des Konsolidierten Immobilienvermögens, inklusive zur Veräußerung gehaltene Immobilien, der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, zuzüglich
- (ii) der Kaufpreise für Konsolidiertes Immobilienvermögen, welches seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein konsolidierter Konzernabschluss der Emittentin veröffentlicht wurde, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine

(b) The “**Secured Debt Ratio**” will be calculated on each relevant date as the ratio of

(x) the sum of

- (i) the Secured Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, plus
- (ii) the New Secured Financial Indebtedness incurred after the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published; less
- (iii) cash and cash equivalents of the Group available as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, plus cash and cash equivalents from Financial Indebtedness, which have been received in the Group after the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only as far as the proceeds have not been used for the acquisition of Consolidated Real Estate Property or the reduction of Financial Indebtedness);

(y) and the sum of (without duplications)

- (i) the Consolidated Real Estate Property including real estate of the Group held for sale as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, plus
- (ii) the purchase prices of Consolidated Real Estate Property acquired after the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published or for such acquisition a commitment has been

Verpflichtung eingegangen wurde, zuzüglich	entered into since that date, plus
(iii) der von der Gruppe gehaltenen Beteiligungen an Gesellschaften auf Basis des EPRA NAV dieser Beteiligungen (sofern ein solcher Wert nicht verfügbar ist, dem Buchwert).	(iii) the shareholdings in companies of the Group based on the EPRA NAV of such shareholdings (if such value is not available, the book value).
(2) <i>Einhaltung des Konsolidierten Deckungsgrads.</i> Die Emittentin verpflichtet sich, dafür zu sorgen, dass der Konsolidierte Deckungsgrad an jedem Berichtsstichtag mindestens 1,50 zu 1,00 betragen wird.	(2) <i>Maintenance of Consolidated Coverage Ratio.</i> The Issuer undertakes to ensure that on each Reporting Date the Consolidated Coverage Ratio will be at least 1.50 to 1.00.
(3) <i>Berichte.</i> Solange Schuldverschreibungen ausstehen, veröffentlicht die Emittentin die folgenden Angaben auf ihrer Internetseite:	(3) <i>Reports.</i> For so long as any Notes are outstanding, the Issuer shall post on its website:
(a) innerhalb von 120 Tagen nach dem Ende des Geschäftsjahres der Emittentin einen Geschäftsbericht mit den folgenden Angaben:	(a) within 120 days after the end of each of the Issuer's fiscal years, annual reports containing the following information:
(i) einem geprüften Konzernabschluss nach den in der EU anwendbaren International Financial Reporting Standards (IFRS) und einen Lagebericht; und	(i) audited consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the management report; and
(ii) zusätzlich zu den Anforderungen nach IFRS und UGB soll der Lagebericht zum Konzernabschluss Angaben enthalten über die Einhaltung der Verpflichtungserklärungen zu „Beschränkungen für das Eingehen von Finanzverbindlichkeiten“ und „Einhaltung des Konsolidierten Deckungsgrads“ durch die Emittentin;	(ii) in addition to the requirements of IFRS and the Austrian Commercial Code ( <i>Unternehmensgesetzbuch</i> ) the management report to the consolidated financial statements should include information on compliance by the Issuer with the covenants regarding the “Limitations on the incurrence of Financial Indebtedness” and “Maintenance of Consolidated Coverage Ratio”;
(b) innerhalb der gesetzlich oder europarechtlich vorgesehenen Frist nach dem Ende jedes der ersten drei Quartale jedes Geschäftsjahres der Emittentin einen ungeprüften verkürzten Konzern-Zwischenabschluss nach den in der EU anwendbaren IFRS, der Angaben über die Einhaltung der Verpflichtungserklärungen zu „Beschränkungen für das Eingehen von Finanzverbindlichkeiten“ und „Einhaltung des Konsolidierten Deckungsgrads“ enthält.	(b) within the period specified under applicable and European law after the end of each of the first three fiscal quarters in each fiscal year of the Issuer, unaudited condensed consolidated quarterly financial statements in accordance with IFRS as adopted by the EU, which will include information on compliance with the covenants regarding the “Limitations on the incurrence of Financial Indebtedness” and “Maintenance of Consolidated Coverage Ratio”.
(4) <i>Definitionen.</i> In diesem § 9 haben die folgenden Begriffe nachstehende Bedeutung:	(4) <i>Definitions.</i> In this § 9 the following terms have the following meaning:

„**Berichtsstichtag**“ ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

„**Besicherte Finanzverbindlichkeiten**“ bezeichnet den Teil der Konsolidierten Finanzverbindlichkeiten, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Gruppe besichert ist (jeweils nach IFRS ermittelt).

„**Bilanzsumme**“ bezeichnet den Wert der Konsolidierten Bilanzsumme der Emittentin und ihrer Tochtergesellschaften, der in einer nach IFRS erstellten konsolidierten Bilanz der Emittentin erscheint oder erscheinen würde, wobei die „**Bilanzsumme**“ die Zuflüsse aus den einzugehenden Finanzverbindlichkeiten einschließt.

„**EPRA NAV**“ bezeichnet den net asset value der Beteiligungen berechnet nach den Best Practices Empfehlungen der European Public Real Estate Association („**EPRA**“). EPRA NAV wird verwendet, um den fair value des Eigenkapitals auf langfristiger Basis darzustellen.

„**Finanzverbindlichkeiten**“ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) für oder in Bezug auf:

- (i) aufgenommene Gelder;
- (ii) alle aus Akzepten im Rahmen von Akzeptkreditfazilitäten oder dematerialisierten Vergleichbaren aufgenommenen Beträge;
- (iii) alle aus Fazilitäten für die Emission kurzfristiger Schuldtitel oder aus der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder sonstigen Schuldtiteln oder vergleichbaren Instrumenten aufgenommenen Beträge;
- (iv) veräußerte oder diskontierte Forderungen (mit Ausnahme von Forderungen, die regresslos verkauft werden);
- (v) die Aufnahme von Beträgen im Rahmen anderer Transaktionen (einschließlich Terminverkauf oder -kauf), die wirtschaftlich einer Kreditaufnahme gleichkommen, ausgenommen jedoch Bankgarantie-Fazilitäten (wie jeweils geändert), die der Emittentin oder einer Tochtergesellschaft von Finanzinstituten

„**Reporting Date**“ means March 31, June 30, September 30 and December 31 of each year.

„**Secured Financial Indebtedness**“ means that portion of the Consolidated Financial Indebtedness that is secured by a Lien on properties or other assets of the Group (each determined in accordance with IFRS).

„**Total Assets**“ means the value of the consolidated total assets of the Issuer and its Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with IFRS, provided that „**Total Assets**“ shall include the proceeds of the Financial Indebtedness to be incurred.

„**EPRA NAV**“ is the net asset value of shareholdings calculated in accordance with the best practices recommendations der European Public Real Estate Association („**EPRA**“). EPRA NAV is used to present the fair value of equity on a long-term basis.

„**Financial Indebtedness**“ means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

- (i) money borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, commercial papers, debentures, loan stock or any similar instrument;
- (iv) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (v) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities (as amended from time to time) made or to be made available by financial institutions to the Issuer or a Subsidiary

gewährt werden oder gewährt werden sollen und in deren Rahmen die Emittentin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Konsolidiertem Immobilienvermögen von der Emittentin oder einer Tochtergesellschaft verpflichtet hat;

- (vi) einen Aufwendungsersatzanspruch in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Standby- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und
- (vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den vorstehenden Absätzen (i) bis (vi) genannten Art,

jeweils nur falls und soweit der jeweilige Betrag oder die jeweilige Verpflichtung nach IFRS als „Verbindlichkeit“ erfasst wird.

„**Gruppe**“ bezeichnet die Emittentin und ihre Tochtergesellschaften.

„**Konsolidiertes Bereinigtes EBITDA**“ entspricht dem operativen Ergebnis bereinigt um das Ergebnis aus Immobilienvermögen und das Ergebnis aus der Immobilienentwicklung zuzüglich erhaltener Dividenden aus nach der Equity-Methode bilanzierten Beteiligungen gemäß dem konsolidierten Konzernabschluss der Emittentin für den jeweiligen Maßgeblichen Zeitraum.

„**Konsolidierter Deckungsgrad**“ bezeichnet das Verhältnis (A) des Gesamtbetrags des Konsolidierten Bereinigten EBITDA im Maßgeblichen Zeitraum zu (B) dem Gesamtbetrag des Zinszahlungssaldos im Maßgeblichen Zeitraum.

„**Konsolidiertes Immobilienvermögen**“ bezeichnet (unter Ausschluss einer Doppelberücksichtigung) die Summe der im Konzernabschluss der Emittentin unter „Immobilienvermögen“, „In Bau befindliches Immobilienvermögen“ „Immobilienvorräte“ inklusive konsolidiertes Immobilienvermögen, welches in „Zur Veräußerung gehaltene Vermögenswerte“ enthalten ist, ausgewiesenen Positionen der Emittentin und ihrer Tochtergesellschaften, wie sie zum unmittelbar vorausgehenden Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht

under which the Issuer or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who has agreed to purchase Consolidated Real Estate Property owned by the Issuer or a Subsidiary;

- (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above

in each case only if and as far as the respective amount or obligation is accounted as “*liability*” in accordance with IFRS.

“**Group**” means the Issuer together with its Subsidiaries.

“**Consolidated Adjusted EBITDA**” means the Results of operations as set out in the Consolidated Financial Statements excluding any Results of Property Development and any results of Property Sales plus dividends received from Equity accounted investments in accordance with the Consolidated Financial Statements of the Issuer in the respective Relevant Period.

“**Consolidated Coverage Ratio**” means the ratio of (A) the aggregate amount of Consolidated Adjusted EBITDA in the Relevant Period to (B) the aggregate amount of Net Cash Interest in the Relevant Period.

“**Consolidated Real Estate Property**” means (without duplication) the sum of the real estate property of the Issuer and its Subsidiaries that is recognized as of the immediately preceding Record Date for which Consolidated Financial Statements of the Issuer have been published, or is required to be recognized in accordance with IFRS since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, in the items “*Investment property*”, “*Property under construction*”, “*Real estate inventories*” including consolidated real estate

worden ist, angesetzt oder nach IFRS seit dem unmittelbar vorausgegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, anzusetzen ist.

**„Konsolidierte Finanzverbindlichkeiten“** bezeichnet die nach IFRS ermittelten Finanzverbindlichkeiten der Emittentin und ihrer Tochtergesellschaften auf konsolidierter Basis zuzüglich den nach IFRS 5 zur Veräußerung gehaltenen Verbindlichkeiten.

**„Konzernabschluss“** bezeichnet in Bezug auf eine Person zusammenfassend den nach IFRS erstellten Konzernabschluss mit Anhang für diese Person und ihre Tochterunternehmen.

**„Maßgeblicher Zeitraum“** bezeichnet die letzten vier vor dem jeweiligen Tag der Feststellung des Konsolidierten Deckungsgrads endenden aufeinanderfolgenden Quartale.

**„Nettofinanzverbindlichkeiten“** bezeichnet den Nennbetrag der eingegangenen Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Finanzverbindlichkeiten (seit dem relevanten Berichtsstichtag).

**„Neue Besicherte Finanzverbindlichkeiten“** bezeichnet den Betrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Betrags der zurückgezahlten Besicherten Finanzverbindlichkeiten (jeweils nach IFRS ermittelt).

**„Sicherungsrecht“** bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte, Sicherung-Treuhandverträge (*trust-deed* oder *deed of trust*), Sicherungs-Urkunden (*deed*), Pfandrechte, Verpfändungsvereinbarungen, Sicherungsabtretungen, Sicherungsüber-eignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch unter anderem einschließlich bedingte Kaufverträge oder Vereinbarungen mit Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstige Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen, und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine

property accounted under “*Assets held for sale*” of the Consolidated Financial Statements of the Issuer.

**“Consolidated Financial Indebtedness”** means Financial Indebtedness of the Issuer and any of its Subsidiaries, on a consolidated basis determined in accordance with IFRS plus the indebtedness held for sale pursuant to IFRS 5.

**“Consolidated Financial Statements”** means, with respect to any Person, collectively, the consolidated financial statements and notes to those financial statements, of that Person and its subsidiaries prepared in accordance with IFRS.

**“Relevant Period”** means the respective most recent four consecutive quarters ending prior to the respective date of determination of the Consolidated Coverage Ratio

**“Net Financial Indebtedness”** means the nominal amount of Financial Indebtedness incurred minus the nominal amount of Financial Indebtedness repaid (since the relevant Reporting Date).

**“New Secured Financial Indebtedness”** means the amount of Secured Financial Indebtedness incurred minus the amount of Secured Financial Indebtedness repaid (each as determined in accordance with IFRS).

**“Lien”** means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest *in rem* (*dingliches Sicherungsrecht*), to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding



- (i) im Grundbuch eingetragenen Belastungen mit Ausnahme von Hypotheken;
- (ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, unter anderem Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises;
- (iii) Sicherungsrechte, die zum Ausgabetag ausstehende Finanzverbindlichkeiten besichern;
- (iv) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung oder -erklärung übermittelt wurde;
- (v) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen;
- (vi) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden; und
- (vii) Sicherungsrechte an Bankkonten nach Maßgabe der allgemeinen Geschäftsbedingungen des Anbieters der Bankkonten.

„**Zinszahlungssaldo**“ bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden Zinsen (inklusive Dividenden aus Finanzinstrumenten) und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (unter anderem einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).

## § 10 Vorlegungsfrist

Die in § 801 Abs. 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

- (i) encumbrances registered in the land register, excluding mortgages;
- (ii) any Lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any Lien created in assets subject to a sale agreement for the purposes of financing the purchase price;
- (iii) any Lien securing Financial Indebtedness outstanding on the Issue Date;
- (iv) any Lien in respect of which an unconditional deletion consent (*Löschungsbewilligung oder -erklärung*) has been delivered to the relevant member of the Group;
- (v) any Lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business;
- (vi) any cash collateral posted in connection with cross-currency and interest rate hedging transactions; and
- (vii) any Lien on bank accounts under general terms and conditions of any provider of such bank accounts.

“**Net Cash Interest**” means all interest and other financing charges paid to persons who are not members of the Group less the amount of any interest (including dividends of financial instruments) and other financing charges to be received from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).

## § 10 Presentation Period

The presentation period provided in § 801 paragraph 1, sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.

## § 11

### Zahlstelle, Berechnungsstelle

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Zahlstelle und die anfänglich bestellte Berechnungsstelle und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

#### Zahlstelle:

Deutsche Bank Aktiengesellschaft  
Taunusanlage 12  
60325 Frankfurt am Main  
Bundesrepublik Deutschland

#### Berechnungsstelle:

Conv-Ex Advisors Limited  
30 Crown Place  
London, EC2A 4EB  
Vereinigtes Königreich

Die Zahlstelle und die Berechnungsstelle behalten sich jeweils das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in demselben Land zu ersetzen.

- (2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung einer Zahlstelle und/oder Berechnungsstelle zu ändern oder zu beenden und eine andere oder zusätzliche Zahlstellen und/oder Berechnungsstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt eine Zahlstelle und Berechnungsstelle unterhalten. Eine Änderung, Beendigung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.
- (3) *Erfüllungsgehilfe der Emittentin.* Die Zahlstelle und die Berechnungsstelle und jede andere nach Absatz (2) bestellte Zahlstelle oder Berechnungsstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Anleihegläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

Die Zahlstellen und/oder Berechnungsstellen können den Rat eines oder mehrerer Rechtsanwälte oder anderer Sachverständiger

## § 11

### Paying Agent, Calculation Agent

- (1) *Appointment; Specified Office.* The initial Paying Agent and the initial Calculation Agent and their initial specified offices shall be:

#### Paying Agent:

Deutsche Bank Aktiengesellschaft  
Taunusanlage 12  
60325 Frankfurt am Main  
Federal Republic of Germany

#### Calculation Agent:

Conv-Ex Advisors Limited  
30 Crown Place  
London, EC2A 4EB  
United Kingdom

The Paying Agent and the Calculation Agent each reserve the right at any time to change their specified offices to some other office in the same country.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and/or the Calculation Agent and to appoint another or additional Paying Agents and/or the Calculation Agent. The Issuer shall at all times maintain a Paying Agent and a Calculation Agent. Any variation, termination, appointment or other change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 12.

- (3) *Agent of the Issuer.* The Paying Agent and the Calculation Agent and any other paying agent or calculation agent appointed pursuant to subsection (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

The Paying Agents and/or the Calculation Agents may engage the advice or services of any lawyers or other experts whose advice or

einholen, deren Beratung oder Dienste sie für notwendig hält, und sich auf eine solche Beratung verlassen. Die Zahlstellen und Berechnungsstellen übernehmen keine Haftung gegenüber der Emittentin bzw. den Anleihegläubigern im Zusammenhang mit Handlungen, die in gutem Glauben im Einklang mit einer solchen Beratung getätigt, unterlassen oder geduldet wurden.

## § 12 Mitteilungen

- (1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen sind auf der Internetseite der Luxemburger Börse ([www.bourse.lu](http://www.bourse.lu)) elektronisch zu veröffentlichen. Jede derartige Mitteilung gilt mit dem dritten Tag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichungen mit dem dritten Tag nach dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (2) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 12(1) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 12(1) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.
- (3) *Mitteilungen an die Emittentin.* Mitteilungen eines Anleihegläubigers an die Emittentin haben durch eine Erklärung gegenüber der Emittentin und der Zahlstelle in Textform zu erfolgen.

## § 13 Ersetzung der Emittentin

- (1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger, eine andere Gesellschaft, die direkt oder indirekt von ihr kontrolliert wird, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die „**Neue Anleiheschuldnerin**“), sofern
  - (a) die Emittentin sich nicht mit einer fälligen Zahlung auf die Schuldverschreibungen in Verzug

services it deems necessary and may rely upon any advice so obtained. No Paying Agent or Calculation Agent will incur any liability as against the Issuer or the Holders in respect of any action taken, or not taken, or suffered to be taken, or not taken, in accordance with such advice in good faith.

## § 12 Notices

- (1) *Publication.* All notices concerning the Notes will be made by means of electronic publication on the internet website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Any notice will be deemed to have been validly given on the third day following the date of such publication (or, if published more than once, on the third day following the date of the first such publication).
- (2) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 12(1) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in § 12(1) above; any such notice shall be deemed to have been given on the fifth day after the day on which the said notice was given to the Clearing System.
- (3) *Notification to the Issuer.* Notices to be given by any Holder to the Issuer shall be made by means of a notice in text form (*Textform*) delivered to the Issuer and the Paying Agent.

## § 13 Substitution of the Issuer

- (1) *Substitution.* The Issuer may at any time, without the consent of the Holders, replace the Issuer with a company which is directly or indirectly controlled by the Issuer, as new issuer (the “**New Issuer**”) in respect of all obligations arising under or in connection with the Notes, with the effect of releasing the Issuer of all such obligations, if:
  - (a) the Issuer is not in default of any payment

befindet;

- (b) die Neue Anleiheschuldnerin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt;
- (c) die Neue Anleiheschuldnerin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten hat;
- (d) die Emittentin unbedingt und unwiderruflich für die Zahlung sämtlicher fälliger Beträge der Neuen Anleiheschuldnerin aus oder im Zusammenhang mit den Schuldverschreibungen (einschließlich zusätzlich zu bezahlender Beträge aus Steuergründen) garantiert;
- (e) die Neue Anleiheschuldnerin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in EUR an das Clearingsystem zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden; und
- (f) die Neue Anleiheschuldnerin sich verpflichtet hat, die Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Anleihegläubigern bezüglich der Ersetzung auferlegt werden.

(2) *Bezugnahmen.* Im Fall einer Schuldnerersetzung nach Maßgabe von § 13(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Republik Österreich als eine solche auf den Staat, in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist. Unabhängig davon hat eine Schuldnerersetzung nach Maßgabe von § 14(1) keine Auswirkungen auf die Definition der Wesentlichen Konzerngesellschaft.

(3) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 12 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin (und im Falle einer wiederholten Anwendung dieses

due under the Notes;

- (b) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes;
- (c) the New Issuer has obtained all authorizations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
- (d) the Issuer unconditionally and irrevocably guarantees for the payment of all amounts due by the New Issuer under or in connection with the Notes (including any additional amounts payable for tax reasons);
- (e) the New Issuer is in the position to pay to the Clearing System in EUR all amounts required for the performance of the payment obligations existing in relation to the Notes without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence; and
- (f) the New Issuer has agreed to indemnify the Holders against such taxes, duties or governmental charges as may be imposed on the Holders in connection with the substitution.

(2) *References.* In the event of a substitution of the Issuer pursuant to § 13(1), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer and any reference to the Republic of Austria shall be a reference to the New Issuer's country of residence for tax purposes. Irrespective hereof, a substitution of the Issuer pursuant to § 14(1) shall not affect the definition of a Material Subsidiary.

(3) *Notice and Effectiveness of Substitution.* Notice of substitution of the Issuer shall be published in accordance with § 12. The substitution shall become effective upon such publication, and the Issuer (and in the event of a repeated application of this § 12, any

§ 12 jede frühere Neue Anleiheschuldnerin) von ihren sämtlichen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen frei. Im Falle einer solchen Ersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind.

previous New Issuer) shall be discharged from any and all obligations under or in connection with the Notes. In case of such substitution, the stock exchanges on which the Notes are listed will be notified.

#### § 14

##### **Begebung weiterer Schuldverschreibungen, Ankauf und Entwertung**

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist vorbehaltlich der Bestimmungen von § 9 berechtigt, jederzeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Ausgabebetrags, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine Einheit bilden.
- (2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin bzw erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.
- (3) *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

#### § 15

##### **Änderungen der Emissionsbedingungen durch Beschlüsse der Anleihegläubiger; Gemeinsamer Vertreter**

- (1) *Änderung der Emissionsbedingungen.* Die Emittentin kann mit den Anleihegläubigern Änderungen der Emissionsbedingungen oder sonstige Maßnahmen durch Mehrheitsbeschluss der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen („SchVG“) in seiner jeweils geltenden Fassung beschließen. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen durch Beschlüsse mit den in dem nachstehenden § 15(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger gleichermaßen

#### § 14

##### **Further Issues, Purchases and Cancellation**

- (1) *Further Issues.* Subject to § 9, the Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date, interest commencement date and/or issue price) so as to form a single unit with the Notes.
- (2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.
- (3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

#### § 15

##### **Amendments of the Terms and Conditions by resolutions of Holders, Holders' Representative**

- (1) *Amendment of the Terms and Conditions.* The Issuer may agree with the Holders on amendments to the Terms and Conditions or on other matters by virtue of a majority resolution of the Holders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – “SchVG”), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under § 15(2) below. A duly passed majority resolution shall be binding equally upon all

verbindlich.

- (2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, geändert wird, oder sonstige wesentliche Maßnahmen beschlossen werden bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine „**Qualifizierte Mehrheit**“).
- (3) *Beschlussfassung.* Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.
- (4) *Gläubigerversammlung.* Falls Beschlüsse der Anleihegläubiger in einer Gläubigerversammlung gefasst werden, enthält die Bekanntmachung der Einberufung nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Anleihegläubigern mit der Bekanntmachung der Einberufung bekannt gemacht. Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß §16(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (5) *Abstimmung ohne Versammlung.* Falls Beschlüsse der Anleihegläubiger im Wege einer Abstimmung ohne Versammlung gefasst werden, enthält die Aufforderung zur Stimmabgabe nähere Angaben zu den Beschlüssen und zu den Abstimmungsmodalitäten. Die Gegenstände

Holders.

- (2) *Majority.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, or relating to material other matters may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a “**Qualified Majority**”).
- (3) *Passing of resolutions.* The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with section 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with section 18 and section 5 et seqq. of the SchVG.
- (4) *Meeting.* If resolutions of the Holders shall be made by means of a meeting the convening notice (*Einberufung*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the convening notice. Attendance at the meeting and exercise of voting rights is subject to the Holders’ registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with §16(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.
- (5) *Vote without a meeting.* If resolutions of the Holders shall be made by means of a vote without a meeting the request for voting (*Aufforderung zur Stimmabgabe*) will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions

und Vorschläge zur Beschlussfassung werden den Anleihegläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 16(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

(6) *Zweite Versammlung.* Wird für die Gläubigerversammlung gemäß § 15(4) oder die Abstimmung ohne Versammlung gemäß § 15(5) die mangelnde Beschlussfähigkeit festgestellt, kann - im Fall der Gläubigerversammlung - der Vorsitzende eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 2 SchVG und - im Fall der Abstimmung ohne Versammlung - der Abstimmungsleiter eine zweite Versammlung im Sinne von § 15 Abs. 3 Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Versammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 16(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

(7) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der „**Gemeinsame Vertreter**“), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen

shall be notified to the Holders together with the request for voting. The exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 16(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.

(6) *Second meeting.* If it is ascertained that no quorum exists for the meeting pursuant to § 15(4) or the vote without a meeting pursuant to § 15(5), in case of a meeting the chairman (*Vorsitzender*) may convene a second meeting in accordance with section 15 paragraph 3 sentence 2 of the SchVG or in case of a vote without a meeting the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 16(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting.

(7) *Holders' representative.* The Holders may by majority resolution provide for the appointment or dismissal of a holders' representative (the "**Holders' Representative**"), the duties and responsibilities and the powers of such Holders' Representative, the transfer of the rights of the Holders to the Holders' Representative and a limitation of liability of

Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 15(2) zuzustimmen.

- (8) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 15 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

## § 16

### **Anwendbares Recht, Gerichtsstand, Gerichtliche Geltendmachung und Zustellungsbevollmächtigter**

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich nach dem Recht der Bundesrepublik Deutschland, unter Ausschluss des internationalen Privatrechts.
- (2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main.
- (3) *Gerichtsstand.* Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist Frankfurt am Main nicht ausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehende Klagen oder sonstige Verfahren.
- (4) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Anleihegläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Anleihegläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt

the Holders' Representative. Appointment of a Holders' Representative may only be passed by a Qualified Majority if such Holders' Representative is to be authorized to consent, in accordance with § 15(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

- (8) *Publication.* Any notices concerning this § 15 shall be made exclusively pursuant to the provisions of the SchVG.

## § 16

### **Applicable Law, Place Of Jurisdiction, Enforcement and Process Agent**

- (1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by the laws of the Federal Republic of Germany, without giving effect to the principles of conflict of laws.
- (2) *Place of Performance.* Place of performance shall be Frankfurt am Main.
- (3) *Submission to Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the place of non-exclusive jurisdiction for any action or other legal proceedings in connection with the Notes shall be Frankfurt am Main.
- (4) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, "Custodian" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and



hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet „**Depotbank**“ jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Anleihegläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet der vorstehenden Bestimmungen ist jeder Anleihegläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

Jeder Anleihegläubiger kann, unbeschadet des Vorgenannten, seine Rechte aus den Schuldverschreibungen auf jede andere Weise schützen oder durchsetzen, die im Land des Rechtsstreits prozessual zulässig ist.

#### **§ 17 Sprache**

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted under procedural law in the country of the relevant proceedings.

#### **§ 17 Language**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

## TAXATION

### Taxation in Austria

*This is a general overview of certain tax consequences under the tax laws of Austria. It contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of April 29, 2004. Information exceeding this information requirement is included herein solely for information purposes. This overview does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser, relates only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer. This overview is based on the laws of Austria (including the practice of the respective tax authorities) currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below. Tax risks resulting from the Notes shall in any case be borne by the investors. It is not intended to be, nor should it be construed to be, legal or tax advice. For the purposes of the following it is assumed that the Notes are offered legally and factually to an indefinite number of persons.*

**PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN AUSTRIA AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

#### *Austrian residents*

Income from the Notes derived by individuals whose domicile (*Wohnsitz*) and/or habitual abode (*gewöhnlicher Aufenthalt*), both as defined in § 26 of the Austrian Federal Fiscal Procedure Act (*Bundesabgabenordnung*) is in Austria is subject to Austrian income tax pursuant to the provisions of the Austrian Income Tax Act (*Einkommensteuergesetz*) on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*).

Interest income from the Notes is subject to a special (flat) income tax rate of 27.5%. If the interest is paid out to the Holder by an Austrian paying agent (*auszahlende Stelle*) the interest income from the Notes is subject to Austrian withholding tax (*Kapitalertragsteuer*) at a rate of 27.5% which is withheld by the Austrian paying agent. An Austrian paying agent is an Austrian bank or an Austrian branch of a non-Austrian bank or investment firm which pays out or credits the interest income to the Holder, or the Issuer if it directly pays out the interest income to the Holder. Withholding tax on interest income generally has the effect of final taxation (*Endbesteuerung*) for individuals, irrespectively of whether the Notes are held as private assets or as business assets, i.e. no additional income tax is levied over and above the amount of tax withheld. If the interest income is not subject to Austrian withholding tax because there is no Austrian paying agent, the taxpayer will have to include the interest income derived from the Notes in his personal income tax return; in this case it is, in general, subject to income tax at the special tax rate of 27.5%.

Furthermore, any realized capital gain (*Einkünfte aus realisierten Wertsteigerungen*) from the Notes is subject to the special (flat) income tax rate of 27.5%. Realized capital gain means any income derived from the sale or redemption or other disposal of the Notes. The tax base is, in general, the difference between the sales proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses which are directly connected with income subject to the special flat tax rate are not deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. For the calculation of the acquisition costs of Notes held within the same securities account and having the same securities identification number but which are acquired at different points in time, an average price shall apply.

Where an Austrian securities depository (*depotführende Stelle*) or paying agent is involved and pays out or settles realized capital gains from the Notes, these also are subject to the 27.5% withholding tax. The withholding tax deduction will in general result in final income taxation for individuals holding the Notes as private assets, provided that the investor has evidenced the factual acquisition costs of the Notes to the securities depository. If the realized capital gain is not subject to Austrian withholding tax because there is no Austrian securities depository or paying agent, the taxpayer will have to include the realized capital gain derived from the Notes in his personal income tax return; in this case they are, in general, subject to income tax at the special tax rate of 27.5%.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account will be treated as disposals (sales), unless specified exemptions will be fulfilled like the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian securities depository (bank), (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring Austrian bank to transmit the pertaining information to the competent tax office or has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month.

Special rules apply if a taxpayer transfers his residence outside of Austria or Austria's taxation rights in respect of the Notes are restricted for other reasons for the benefit of other countries (which gives rise to a deemed capital gain and exit taxation with the option to apply (i) for deferred taxation in cases of a transfer of the Holder's residence to, or a transfer of the Notes without consideration to an individual resident in, an EU Member State or certain member states of the EEA or (ii) for payment in installments in other cases of a loss of taxation rights to an EU Member State or certain member states of the EEA).

Individuals whose regular personal income tax is lower than the special flat tax rate may opt for taxation of the income derived from the Notes at their regular personal income tax rate. Any tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special flat tax rates pursuant to sec. 27a(1) of the Austrian Income Tax Act. Expenses in direct economical connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is exercised.

Income from Notes which are not offered to the public within the meaning of the Austrian Income Tax Act would not be subject to withholding tax and final taxation but subject to normal progressive personal income tax rates.

Losses from Notes held by individuals as private assets may only be set off with other investment income subject to the special tax rate (excluding, *inter alia*, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Austrian tax law provides for a mandatory set-off by the Austrian securities depository of losses against investment income from securities accounts at the same securities depository (subject to certain exemptions). However, a carry-forward of such losses is not permitted.

Interest income and realized capital gains derived from the Notes which are held as business assets are also subject to the special flat income tax rate of 27.5% which is deducted by way of the withholding tax. However, realized capital gains, contrary to interest income, have to be included in the tax return. The special income tax rate will be applicable if such income is not a focus of the taxpayer's business activity. Write-downs and losses derived from the sale or redemption of Notes held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business unit (*Wirtschaftsgüter desselben Betriebs*) and only 55% of the remaining loss may be set off or carried forward against any other type of income.

Interest income and realized capital gains from the Notes derived by corporate Holders whose seat or place of management is based in Austria is subject to 25% Austrian corporate income tax pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). Corporate Holders deriving business income from the Notes may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian paying agent. There is, inter alia, a special tax regime for private foundations established under Austrian law (*Privatstiftungen*) (interim tax, no withholding tax).

The Issuer does not assume responsibility for Austrian withholding tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

### ***Non-residents***

For interest income and realized capital gains derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria or by corporate investors who do not have their corporate seat or their place of management in Austria (“**non-residents**”) in general the following applies:

For non-resident individuals interest income derived from the Notes is subject to a 27.5% Austrian withholding tax (*Kapitalertragsteuer*) if such interest income is paid out through a paying agent or securities depository located in Austria. Taxable interest income from the Notes includes accrued interest realized upon a sale or repayment of the Notes. Interest income which is not subject to Austrian withholding tax (because it is not received through an Austrian paying agent or securities depository) is, however, not taxable in Austria.

There is an exemption from such withholding tax for interest income which is received by individuals resident in a jurisdiction with which an automatic exchange of financial account information in tax matters is in place provided that the respective Holder provides a certificate of residency to the paying agent. Such certificate of residence must be provided or include the data contained in form “ZS-QU1” (which should be available from the website of the Austrian Ministry of Finance).

Also applicable double tax treaties may provide for a reduction of, or relief from, such Austrian withholding tax. However, Holders wishing to obtain relief from the respective Austrian withholding tax under an applicable double tax treaty would have to file for a refund with the competent Austrian tax office which will require a certificate of residency issued by the competent authority of the Holder’s state of residence.

For non-resident corporate Holders interest income and capital gains derived from the Notes is not taxable in Austria.

Thus, non-resident corporate Holders – in case they receive income or capital gains from the Notes through a securities depository or paying agent located in Austria – may avoid the application of Austrian withholding tax if they evidence their non-resident-status vis-à-vis the paying agent by disclosing, inter alia, their identity and address pursuant to the provisions of the Austrian income tax guidelines. The provision of evidence that the Holder is not subject to Austrian withholding tax is the responsibility of the Holder.

If Austrian withholding tax is deducted by the securities depository or paying agent from any non-taxable payment, the tax withheld shall be refunded to the non-resident Holder upon his application which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax. Applications for refund may only be filed after the end of the calendar year when the withholding was made and require the submission of a certificate of residency issued by the competent authority of the Holder’s state of residence. With effect as of January 1, 2019, in addition an electronic pre-notification must be made by the non-resident Holder with the competent Austrian tax office before the application for refund can be submitted.

The Issuer does not assume responsibility for withholding tax at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Where non-residents receive income from the Notes as part of business income taxable in Austria (e.g. permanent establishment (*Betriebsstätte*)), they will, in general, be subject to the same tax treatment as resident investors.

### ***Other taxes***

There should be no transfer tax, registration tax or similar tax payable in Austria by Holders as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished with effect as of August 1, 2008. However, gifts from or to Austrian residents have to be notified to the tax authorities within a three months notification period. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed an aggregate amount of EUR 50,000 per year or gifts among unrelated persons that do not exceed an aggregate amount of EUR 15,000 within five years.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria.

Concerning the proposed FTT please see below “*The Proposed Financial Transaction Tax*”.

For a potential U.S. withholding tax deduction under FATCA please see below “*U.S. Foreign Account Tax Compliance Withholding*”.

The Issuer does not assume responsibility for any such tax and is not obliged to make additional payments in case of any such tax deductions.

### **U.S. Foreign Account Tax Compliance Withholding**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.A. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASER SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

FATCA generally imposes a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), payments of gross proceeds from the certification or reporting requirements and certain other payments made by entities that are classified as financial institutions under FATCA. The United States has entered into IGAs regarding the implementation of FATCA with several other states.

Pursuant to FATCA, non-U.S. financial institutions through which payments on any Notes are made may be required to withhold U.S. tax at a rate of 30% on all, or a portion of payments made after December 31, 2018 in respect of (i) any Notes issued or materially modified after the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued.

Whilst the Notes are in global form and held in custody by a common safekeeper on behalf of both ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer and any paying agent, given that each of the entities in the payment chain

between the Issuer and the participants in the CSD is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. Further, the foreign financial institutions in a jurisdiction which has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

It is not yet certain how the United States will address withholding on “foreign passthru payments” (as described in FATCA) or if such withholding will be required at all.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

### **Taxation in the Grand Duchy of Luxembourg**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

A holder of the Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

#### ***Withholding Tax***

##### ***Non-resident Holders***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Holders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Holders.

##### ***Resident Holders***

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Holders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of currently 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of currently 20%.

## **Proposed Financial Transaction Tax**

The European Commission has published a proposal for a Directive for the FTT in in several EU member states. In December 2015 Estonia withdrew from the group of states willing to introduce the FTT.

The proposed FTT has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 would be exempt according to the proposal of the EU Commission.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It is uncertain at the moment, if at all, when and in which form the FTT will be introduced.

Prospective Holders are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Managers have, in a subscription agreement dated January 23, 2019 (as may be amended or supplemented from time to time, the “**Subscription Agreement**”) and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, agreed to subscribe for the Notes at their issue price of 99.161% of their principal amount, less the fees of the Managers that are to be deducted in respect thereof. The Issuer has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree to indemnify the Managers against certain liabilities it may incur in connection with the offer and sale of the Notes. From time to time, the Managers or their respective affiliates have provided, and expect to provide in the future, investment services to the Issuer and/or its affiliates, for which the Managers or their respective affiliates have received or will receive customary fees and commissions. In addition, certain Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business; in this connection, funds deriving from the issuance of the Notes may be used to repay existing loans granted by these Managers to IMMOFINANZ. Furthermore, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### General

Each of the Managers has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction, in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

### European Economic Area

Each of the Managers has represented, warranted and undertaken that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the EEA.

For the purposes of this provision, a retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.



## **United Kingdom**

Each of the Managers has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## **United States of America**

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

The Managers have represented, warranted and undertaken that they have not offered or sold, and will not offer or sell, the Notes constituting part of their respective allotment within the United States, except in accordance with Rule 903 of Regulation S. Accordingly, the Managers have further represented, warranted and undertaken that neither they, nor their respective affiliates, nor any persons acting on their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph shall have the meaning ascribed to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of its distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

## GENERAL INFORMATION

### Authorization

**The issue of the Notes was duly authorized by a resolution of the Management Board of the Issuer dated January 5, 2019 and a resolution of the Supervisory Board of the Issuer dated January 8, 2019. Listing and admission to trading**

Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market, which is a regulated market for the purposes of MiFID II.

### Legal Entity Identifier:

The LEI of the Issuer is 5299000DUMZ99SBBX121.

### Clearing Systems:

Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg, on days on which the TARGET System is open.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes have the following securities codes:

ISIN: XS1935128956

Common Code: 193512895

German Securities Code (WKN): A2RWEN

### Use of proceeds; total expenses of the listing

The net proceeds from the issuance of the Notes, estimated by the Issuer to be approximately EUR 495,805,000, will be used for the refinancing of existing debt and for general corporate purposes.

The Issuer estimates that the total expenses for the listing of the Notes on the Luxembourg Stock Exchange will amount to approximately EUR 7,200.

### Yield of the Notes

On the basis of the issue price of the Notes of 99.161% of their principal amount, the yield of the Notes is 2.850% on an annual basis.

Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method and based on the issue price of the Notes. The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.

## Ratings

The Issuer has received the following ratings from S&P:

Long-term issuer credit rating: “BBB-” (Outlook stable).

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- <sup>(1)</sup> According to S&P: “The credit rating opinions awarded by S&P range from the highest rating “AAA”, which is defined as “extremely strong capacity to meet financial commitments” to the lowest rating “D”, which is defined as “Payment default on financial commitments”. S&P define a “BBB” rating for a long-term issuer as follows: “An obligor rated ‘BBB’ has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. Ratings from “AA” to “CCC” may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.”

The Notes are rated BBB- by S&P.

S&P is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended (the “**CRA Regulation**”)<sup>(2)</sup>.

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- <sup>(2)</sup> The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

Investors in the Notes should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

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