

Report of the Supervisory Board

DEAR SHAREHOLDERS,

IMMOFINANZ continued to improve the efficiency of its portfolio, increased the quality of the standing investments and strengthened its balance sheet in 2018 and, in doing so, created a solid foundation for further growth.

In our function as the Supervisory Board, we accompanied IMMOFINANZ and its Executive Board on all activities and, as in previous years, conscientiously performed the duties required by law and the articles of association. The Executive Board provided the Supervisory Board with extensive, ongoing and timely information on the development of business and the company's asset, financial and earnings position and, in this way, met its information requirements at all times and in appropriate depth.

The Supervisory Board and Executive Board discussed the company's economic position as well as major events and measures in seven meetings during the 2018 financial year. All current members of the Supervisory Board attended roughly 97% of the meetings. Outside the framework of these meetings, the Supervisory Board remained in regular contact with the Executive Board and took a number of decisions through circular resolutions.

The Supervisory Board dealt extensively with the company's strategic orientation, its management by the Executive Board and its financing situation as well as developments on the capital market and in IMMOFINANZ's core markets.

The following subjects formed the focal points of discussions:

- > Early extension of the Executive Board contract with CFO Stefan Schönauer for a further two years up to 30 April 2021
- > Share buyback programme 1/2018 covering 1.5 million shares and share buyback programme 2018/2019 with a volume of up to 9.7 million shares
- > Purchase of 19,499,437 bearer shares, representing 29.14%, of S IMMO AG
- > Package sales of all shares in CA IMMO (25,690,163 bearer shares and four registered shares)
- > Increase in the efficiency of the real estate portfolio and the further improvement of the company's financing costs and financing structure
- > Evaluation, discussion and approval of the budget for the 2019 financial year

EFFICIENT WORK IN THREE COMMITTEES

In order to support the efficient performance of its duties, the Supervisory Board has established three committees: the Audit Committee, the Strategy Committee and the Personnel and Nominating Committee.

The previous composition of the committees was retained by the Supervisory Board at its constituent meeting in May 2018. Information on the composition and responsibilities of the committees is provided in the Corporate Governance Report beginning on page 33.

The Supervisory Board also completed a routine annual evaluation of its working efficiency, in particular with regard to its organisation and working procedures.

APPROVAL OF THE 2018 FINANCIAL STATEMENTS

The following documents were prepared by the Executive Board and audited by Deloitte Audit Wirtschaftsprüfung GmbH, which was appointed as the auditor by the annual general meeting on 11 May 2018: the annual financial statements of IMMOFINANZ AG as of 31 December 2018 including the management report and the consolidated financial statements together with the group management report. All of these documents were awarded an unqualified opinion (pages 194–198).

The annual financial statements and consolidated financial statements as well as the related auditor's reports were made available to all Supervisory Board members immediately after completion. These documents were discussed by the Audit Committee in detail in the presence of the auditor and the Executive Board and

reviewed in accordance with § 96 of the Austrian Stock Corporation Act. Following this examination and discussion, the members of the Audit Committee unanimously agreed to recommend the unqualified acceptance of these documents to the Supervisory Board. The Supervisory Board accepted the annual financial statements as of 31 December 2018, which are considered approved in accordance with § 96 (4) of the Austrian Stock Corporation Act. The consolidated financial statements as of 31 December 2018 were also accepted by the Supervisory Board. In accordance with L-Rule 60 of the Austrian Corporate Governance Code, the Supervisory Board reviewed and approved the expanded corporate governance report which now also includes the consolidated corporate governance report.

The Supervisory Board agrees with the recommendation by the Executive Board for the use of profit. The agenda of the annual general meeting for the 2018 financial year will therefore include a proposal to distribute a dividend of EUR 0.85 per share. Based on a recommendation by the Audit Committee, the Supervisory Board approved a proposal to the annual general meeting for the 2018 financial year which calls for the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, as the auditor for the 2019 financial year.

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board and all IMMOFINANZ employees for their outstanding performance and strong commitment and also express our gratitude to shareholders for their confidence.

Vienna, 10 April 2019

A handwritten signature in black ink, appearing to read 'M. Knap', written in a cursive style.

Michael Knap
Chairman