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REPORT

of the Management Board

of

Warimpex Finanz- und Beteiligungs Aktiengesellschaft

regarding the Management Board's authorisation to exclude subscription rights (*Ausschluss des Bezugsrechts*) in connection with the disposal of treasury shares (own shares)

(sections 65 para 1b and 153 para 4 Austrian Stock Corporation Act)

Item 7. of the agenda

The management board and the supervisory board of Warimpex Finanz- und Beteiligungs Aktiengesellschaft (**"Company"**) intend to propose resolutions to the annual general meeting authorising the management board to acquire treasury shares (own shares) and to dispose of or use such by means other than via the stock exchange or a public offer.

The management board of the Company was accordingly authorised by the annual general meeting on 14 June 2017 to acquire and dispose of treasury shares (own shares) for a period of 30 months. This authorisation will therefore expire at the end of 2019.

In order to give the management board the opportunity, to acquire own shares, including after December 2019, and to sell or use them in ways other than via the stock exchange or a public offer, it will be proposed to the annual general meeting to revoke the existing authorisation and to resolve on a renewed authorisation.

1. RESOLUTION PROPOSAL

The resolution proposal on item 7. of the agenda reads as follows:

7.a) The authorisation of the management board granted by the annual general meeting on 14 June 2017 to acquire treasury shares (own shares) pursuant to section 65 para 1 no 8 as well as para 1a and para 1b Stock Corporation Act via the stock exchange or by means other than via the stock exchange in a volume of up to 10% of the Company's share capital, also with exclusion of the proportional right of disposal of shareholders, which may arise in the context of such acquisition (exclusion of reverse subscription rights), as well as the authorisation of the management board to dispose treasury shares (own shares) by other means than via the stock exchange or a public offer and excluding the shareholders' general right to purchase shares (exclusion of subscription rights) is revoked.

7.b) The management board is authorised by the Annual General Meeting for a period of 30 months from the date of the resolution pursuant to section 65 para 1 no 4 and no 8 as well as para 1a and para 1b Stock Corporation Act to acquire shares in the Company up to the statutory limit of 10 % of the share capital, taking into account shares in the Company previously acquired. The consideration per share to be paid on the repurchase must not be lower than a maximum of 30% below and not higher than a maximum of 10% above the average of the unweighted closing price of the ten stock exchange trading days preceding the repurchase.

Any acquisition may be carried out via the stock exchange or a public offer or other beneficial means permitted by law, including over the counter or by means of a negotiated purchase from individual shareholders intending to sell their shares, also in the form of futures, and also with exclusion of the proportional rights of disposal of shareholders, which may arise in the context of such acquisition (exclusion of reverse subscription rights). Furthermore, the management board is authorised to determine the conditions of any acquisition, whereby it shall publish its relevant resolution and the repurchase programme based thereon, including its duration, in accordance with the applicable legal requirements. This authorisation may be performed in full or in part or in several tranches and for one or several purposes by the Company or a subsidiary pursuant to section 189a of the Austrian Commercial Code (*Unternehmensgesetzbuch*) or by third parties for the account of the Company. Trading in own shares as the purpose of the acquisition is excluded.

7.c) The management board is authorised for a period of five years from the date of the resolution with the approval of the supervisory board to dispose of or use treasury shares (own shares) of the Company by other means than via the stock exchange or a public offer. The authorisation may be used fully or in part, also in several tranches and for one or more purposes. The proportional right of purchase of shareholders in case of sale or use by means other than via the stock exchange or by way of a public offer is excluded (exclusion of subscription right). The treasury shares (own shares), in particular,

i) may be used for payment to employees of the Company or a subsidiary, whether for consideration or free of charge;

ii) may be used with regard to convertible bonds (*Wandelschuldverschreibungen*) and/or warrant bonds (*Optionsschuldverschreibungen*);

iii) may be used as consideration for real estate, companies, businesses or shares in one or more companies domestically or abroad, transferred to the Company or its subsidiaries;

iv) may be sold (1) at any time via the stock exchange or a public offer as well as (2) for a period of five years from the date of the resolution in any other legally permissible manner, including over-the-counter, pursuant to section 65 para 1b Stock Corporation Act.

7.d) The management board is authorised, without further approval by the Annual General Meeting, to cancel treasury shares (own shares) with the approval of the supervisory board. The supervisory board is authorised to resolve on amendments to articles of association resulting from a cancellation of own shares.

2. REPORT

2.1 Regarding the exclusion of the shareholders' right to purchase shares (*subscription right*) in the context of a disposal of treasury shares (own shares) by other means than via the stock exchange or a public offer, the management board hereby reports in writing pursuant to sections 65 para 1b and 153 para 4 sentence 2 Stock Corporation Act on the reasons for the exclusion of the shareholders' right to purchase (*exclusion of subscription right*).

2.2 In the following cases of the disposal of treasury shares (own shares) by means other than via the stock exchange or a public offer, the exclusion of the shareholders' proportional right to purchase (*subscription rights*) is in the interest of the Company:

2.2.1 When acquiring companies, businesses, parts thereof or shares in a company or other assets, it may be advantageous to use treasury shares (own shares) as consideration, e.g. to compensate shareholders of target companies or if the seller favours shares in the Company to cash as consideration. Thus, the liquidity required to perform the acquisition is reduced and the closing of a transaction is accelerated, since existing shares may be used and no new shares need to be created. Assets transferred to the Company include all assets, including securities issued by the Company or claims against the Company. The Company is enabled to take advantage of opportunities quickly, flexibly and without the time-consuming and costly handling of subscription rights.

2.2.2 Furthermore, in such context (but also to cover other financing needs of the Company or its subsidiaries), the disposal of treasury shares (own shares) by means other than via the stock exchange or a public offer may also serve to cover specific financing needs (alone or together with other measures) quickly and at a low cost. In particular, taking into consideration the general and specific market- and price developments, the trading volumes and any statutory limits on the volume of treasury shares disposals via the stock exchange, such financing needs may not be met (in due time) where treasury shares (own shares) may (exclusively) be disposed of via the stock exchange or a public offer to the shareholders.

By excluding the shareholders' general right to purchase (*subscription right*), potential disadvantages, in particular price risks, for the Company can be avoided This concerns in particular negative share price developments caused by the pressure on the share price during a disposal programme period (in particular in times of volatile markets), the avoidance of a risk of speculation (in particular in the case of a short selling) against the share during a disposal programme, and the hedging of certain sales proceeds (elimination of placement risks).

2.2.3 By excluding the shareholders' purchase right (*subscription right*), the Company is also enabled to transfer treasury shares (own shares) to selected investors or groups of investors (or to limited groups of investors) in a private placement or a public offer (other than by way of a public offer to all shareholders).

Thereby, on the one hand, the shareholder structure can be selectively expanded or stabilised in the interest of the Company. This concerns the introduction of the Company to (certain groups of) institutional investors. Thereby, trading activity in the Company's shares may be enhanced, strengthening the Company's ability to fund itself on the capital markets. On the other hand, it may be of strategic interest to attract one or several existing or potential business partners of the Warimpex group as new shareholders of the Company, or to enlarge their participation; in order to strengthen their ties to the Company.

On the other hand, a private placement or a restricted public offer, in particular applying the accelerated bookbuilding procedure, may mitigate placement risk and price risk and reduce the cost and duration of a placement. An accelerated bookbuilding allows the Company to assess the market's price expectations more precisely and rapidly. Due to the immediate placement, market risk factors are eliminated, which would otherwise be taken into account by (institutional) investors to the disadvantage of the Company as a price-effective discount. A public offer to all shareholders requires considerably longer lead-times to draw up and approve a capital market prospectus, which, for the Company, involves a substantial use of own resources and external costs. A placement with exclusion of the shareholders' purchase right (*subscription* *right*) and with no requirement to draw up a prospectus, avoids such disadvantages as well as exposure to potential liability of the Company (*no prospectus liability*).

2.2.4 Treasury shares (own shares) may also be used to settle conversion and/or subscription options under convertible bonds which may potentially be issued by the Company in the future. If own shares are used to cover and/or settle such future convertible bonds, no additional capital measures (such as the creation of conditional capital) are required. Thus, no new shares need to be created (e.g. by using conditional capital) to settle conversion and/or subscription rights, and the dilution effect typically inherent to capital measures can be avoided and the Company's time and administrative efforts can be reduced.

2.2.5 In the context of cash dividends, treasury shares (own shares) may also be used to grant the shareholders an opportunity to re-invest their dividend (in full or in part) in shares of the Company, so that the payment of the dividend has the economic effect of a dividend in-kind (share dividend; *scrip dividend*) for the relevant consenting shareholders. To the extent individual shareholders opt for such possibility, the distribution of the dividend can be carried out in a manner that protects the Company's equity and liquidity.

2.2.6 The preferential issuance of shares to employees, managers or members of the management board of the Company or its affiliates as part of a participation programme also constitutes sufficient reason for the exclusion of subscription rights pursuant to section 153 para 5 Stock Corporation Act. In such case, the exclusion of subscription rights is objectively justified, since the employee participation program is in the overwhelming interest of the Company (it serves the purpose of enhancing the Company's performance) and the participation of employees constitutes an effective instrument to achieve this purpose.

2.2.7 An exclusion of the shareholders' purchase right (subscription right) can also be in the Company's interest in the context of a capital increase and the placement of new shares or of existing shares in the Company where overallotment options (*greenshoe options*) can be served with treasury shares (own shares).

In the case of an overallotment option (*greenshoe option*) the issuing banks may allocate up to 15% more shares than initially offered, whereby the shares necessary to settle such overallotment are usually provided to the underwriters via securities lending. Thereby, the basis for a stabilisation of the share price may be achieved: If the share price falls after the offer, the underwriters purchase shares on the market, thereby support the share price and use the shares so acquired to repay the securities loan (or use such shares to settle the excess allotment, if a delayed delivery was agreed). If the share price rises further to the offer, the underwriters exercise an option previously granted by the Company to deliver to the underwriters additional shares at the price of the initial offer. Such measure, common in the context of an issue of securities, serves to stabilise the share price in the period following the offer and is thus in the Company's interest.

2.3 To the extent of common trading volumes, shareholders may buy additional shares via the stock exchange and thereby avoid any dilution of their shareholding interest in the event that the Company uses/disposes treasury shares (own shares) with exclusion of the purchase right (*subscription right*) of shareholders.

2.4 A disposal of treasury shares (own shares) with exclusion of the shareholders' purchase right does not result in the "typical" dilution of a shareholding interest. In a first step, the existing shareholders' actual voting share "increases" in the event of an acquisition of treasury shares (own shares) by the Company, as the shareholder rights vested in treasury shares (own shares) are suspended. A reduction of the shareholding interest of an existing shareholder only occurs (temporarily) when the Company disposes treasury shares (own shares) excluding the shareholders' purchase right (*subscription right*). In the event of such a sale with exclusion of purchase rights , the shareholder will then again have the same status that he had prior to the acquisition of treasury shares by the Company..

2.5 In the cases referred to in clauses 2.2.1 to 2.2.5 above, the management board will only dispose treasury shares (own shares) at a price which is not substantially (*wesentlich*) lower than the market price. In the cases referred to in clause 2.2.6 (employees), the price is equivalent to the price at which a share may be acquired under any relevant employee participation program (if any) and in the case of clause 2.2.7 (*greenshoe option*) the price is equivalent to the offer price at which all other shares were placed in the relevant offer.

2.6 Even if the exclusion of the shareholders' purchase right (*subscription right*) caused a disadvantage to shareholders, any such disadvantage would remain within narrow limits due to the statutory limit preventing the Company from holding more than 10% of its share capital as treasury shares (own shares).

2.7 The disposal of treasury shares (own shares) and the determination of all conditions of such disposal are subject to the supervisory board's approval. To enable the Company to carry out a disposal of treasury shares (own shares) (as set out above) rapidly and in a flexible manner, the shareholders' meeting shall exclude the shareholders' purchase right (*subscription right*) so that no separate report needs to be published prior to a specific disposal.

2.8 A balancing of the interests of the Company in the use or realisation of treasury shares (own shares) and/or funding of the Company, on the one hand, and the shareholders' interest to maintain their proportionate shareholding, on the other hand, results in the conclusion that the authorisation to dispose treasury shares (own shares) by means other than via the stock exchange or a public offer and by excluding the shareholders' purchase right (*subscription right*) is not disproportionate and therefore, taking account of the relevant circumstances, objectively justified.

Vienna, May 2019

The Management Board