

Convenience Translation



alstria office REIT-AG

Hamburg

ISIN DE000A0LD2U1 / WKN A0LD2U

Compensation of the free float shareholders on the occasion of the termination of the tax exemption of alstria office REIT-AG

alstria office REIT-AG (hereinafter also referred to as "alstria" or the "Company") is a REIT stock corporation within the meaning of the provisions of the German REIT Act ("REITG"). Pursuant to section 11 para. 1 REITG, at least 15% of the shares of a REIT stock corporation must be held by shareholders who are each entitled to less than 3% of the voting rights in the REIT stock corporation (the "REIT Free Float Minimum Requirement"). If the REIT Free Float Minimum Requirement is not met for three consecutive financial years, the tax exemption of the REIT stock corporation ends at the end of the third financial year in accordance with Section 18 para. 3 REITG.

Brookfield Corporation (the "Principal Shareholder") has indirectly controlled more than 95% of the voting rights in the Company since the 2022 financial year. As of the reporting dates December 31, 2022 and December 31, 2023, the Company therefore did not meet the REIT Free Float Minimum Requirement and the REIT Free Float Minimum Requirement will also not be met as of the reporting date December 31, 2024. The background to this is the request - published by the Company on December 18, 2024 - by BPG Holdings Bermuda Limited, a subsidiary of Brookfield Corporation, to transfer the shares of all other shareholders to BPG Holdings Bermuda Limited in return for appropriate cash compensation (Squeeze-Out under Stock Corporation Law in accordance with Sections 327a et seq. of the German Stock Corporation Act (AktG)). This will result in the termination of the tax exemption at the end of the 2024 financial year.

In this case of termination of the tax exemption, Section 20 of the Company's articles of association provides for compensation for the free float shareholders: This corresponds to the disadvantage in terms of distributions that results from the termination of the tax exemption pursuant to Section 18 para. 3 REITG Act considering the tax benefits of the shareholders on a lumpsum basis which shall be determined with binding effect for the shareholders by an auditor determined by the Institute of Auditors in Germany e.V. ("IDW") upon application of the Company.

Upon application by the Company, the IDW named KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg ("KPMG"), as the auditor to determine a possible distribution disadvantage in a letter dated August 29, 2024.

In its expert opinion dated December 13, 2024, KPMG determined the disadvantage in terms of distribution and calculated a distribution disadvantage of **EUR 2.81 per share** ("Compensation Payment"). The distribution disadvantage was calculated taking into account the principles for company valuation (IDW S 1) issued by the Institut der Wirtschaftsprüfer e.V. (Institute of Public Auditors in Germany).

The Company will pay the compensation payment on **January 9, 2025** via the shareholders' custodian banks to all shareholders of alstria office REIT-AG who are entitled to less than 3 percent of the voting rights ("Free Float Shareholders"). No action on the part of the Free Float Shareholders is required.

The paying agent is Deutsche Bank AG, Frankfurt am Main.

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The compensation payment is generally paid out via Clearstream Banking AG by the custodian banks after deduction of 25% capital gains tax and the solidarity surcharge of 5.5% (26.375% in total) and, if applicable, church tax on the capital gains tax.

The deduction of capital gains tax and solidarity surcharge and, where applicable, church tax may be waived for domestic shareholders who have submitted a "non-assessment certificate" from their local tax office to their custodian bank. The same may apply in whole or in part to shareholders who have issued an "exemption order" to their custodian bank, provided that the exemption volume stated in this order has not already been used up by other income from capital assets.

In the case of foreign shareholders, the withheld capital gains tax including the solidarity surcharge may be reduced by way of a refund upon application in accordance with existing double taxation agreements between the Federal Republic of Germany and the country concerned. Any refund will be made upon timely application to the Federal Central Tax Office if the requirements are met.

The above explanations and information are not exhaustive, as they do not address a large number of possible individual circumstances. If necessary, shareholders should seek tax advice to take account of their individual circumstances.

Hamburg, December 2024

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The Management Board