

WP Mag. Erich Kandler, 1030 Wien Blattgasse 4-6/3/12

To the
Shareholders of
conwert Immobilien Invest SE,
Vienna

Vienna, June 2015
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Dear Ladies and Gentlemen!

conwert Immobilien Invest SE (conwert) is in the midst of difficult and turbulent times that equally offer great opportunity. I am pleased to share with you the rationale and motivation for me to stand as a candidate for the Administrative Board and to convey some of my key considerations regarding conwert ahead of the 2015 annual general meeting.

Objectives for conwert

My objectives for conwert are simple and clearly stated: to restore calm, stability and order as well as put in place a strong top management team with a view to help identify and deliver significant value creation potential for shareholders by means of excellent execution. I am looking forward to this challenge.

My Contribution to conwert

I am committed to fully engage and contribute my experience in

- the real estate business,
- financing aspects,
- modern corporate governance,
- accounting and
- with Austrian listed corporations in general

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http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_de.pdf

as part of a potential role on conwert's Administrative Board. My professional career spans decades of work in an international context including the US and Germany. I am thus comfortable to engage with and relate to shareholders from other legal and business backgrounds as well as manage their expectations.

Relevant Experience

To put the above points in context, let me again summarize my professional career: I have approx. 30 years of experience as both Austrian certified public accountant (Wirtschaftsprüfer) and a US Certified Public Accountant (Ohio) as well as a certified and court appointed expert (allgemein beeideter und gerichtlich zertifizierter Sachverständiger), mostly from my time with Deloitte since 1994. Most of the time I worked with public companies. My expertise encompasses in particular advisory work in regulatory and accounting matters, special financing matters and structures, due diligence work, restructurings, as well as take-over and squeeze-out procedures. I have spent 25 years working with large or listed real estate and real estate leasing companies (e.g. S-Immo AG, NÖ Hypo Leasing, Immorent, etc.), which has given me relevant insight into the industry. I would like to especially point to my advisory services for S-Immo in respect to stream-lining of its complex capital structure following the merger.

Time wise I can confirm that I will be available to the extent necessary to perform my tasks.

Independence

Once more I would like to stress my independence of all parties involved including those who have proposed my nomination. Independence implies that there are no business or similar ties that put a bias on my decision-making and which would not be in line with the interests of conwert and its shareholders. This means in particular that I will not take or follow any orders but instead will execute on those ideas, which I deem good.

The fact that my candidacy has been proposed by Petrus Advisers does by no means affect my independence status. In fact, earlier this year my EKWP Wirtschaftsprüfungs GmbH was mandated by Petrus Advisers to provide accounting related services regarding the real estate valuation methods of conwert. This mandate was completed in early April and there are no further mandates in place.

The work provided as part of the Petrus mandate is actually one of the key motivations for my candidacy. In particular, conwert's approach in respect to valuation of its properties has made it clear to me that the company under-performs its peers in many areas and that possibly significant potential value is withheld from its shareholders. On the one hand, conwert – under its current and 'old' leadership - operationally trails its peers in nearly all aspects. On the other hand, it has managed to become the only real estate company to be suspected of having systematically under-valued its properties. To change this in favor of shareholders going forward is of key concern to me.

Thoughts on conwert's Strategy and Future

The corporate strategy as presented by conwert in March is in my view worth supporting in principle. To a significant extent this strategy is based on growing and optimizing FFO as the key driver of value. Key points include:

- Reduction of vacancy and optimization of rents
- Addressing internal costs (complete core work-streams in-house and not with the help of consultants)
- Bringing financing cost in line with industry benchmark and secure adequate financing structure going forward
- (Re)establish conwert as platform for growth as soon as the organization has successfully addressed the challenges related to the existing property portfolio and its financing.

On top of this, I deem the following points as very relevant:

- Accelerated disposal of 'inventory'
- Transparent valuation of portfolio properties
- Value driven sale of non-core activities and in particular the Austrian commercial portfolio
- Completion of the integration of KWG and of the GE portfolio
- Speedy development and execution of a strategy designed to address the pending dilution from the convertible bond of up to 20%.

While there seems to be consensus for the key aspects of conwert's strategy, what matters is **speedy and successful execution!** Combined with a high degree of transparency this will in my view enable conwert to (re)gain credibility in the capital markets. I will always champion a conwert strategy as going concern over and above a possible break-up while delivering a speedy value creation.

Next Steps for conwert

As a logical consequence, the first and immediate priority for the Administrative Board is putting in place an excellent Executive Board team that will immediately focus on tackling these challenges. The team needs to bring and combine the following abilities:

- Strong execution track record in similar context including NRI improvement, cost efficiencies and financing structure optimization
- Know-how of the German real estate market with focus on mass / volume properties
- Know-how of the Austrian real estate market with focus on premium properties
- Capital markets communication both from an equity and debt perspective – a new face for conwert.

In this context it will be necessary to revisit the existing compensation and bonus scheme. Management should have an incentive to realize the full potential of conwert. At the same time, the timing aspect of executing on the strategy should be reflected in the incentive system to monitor and promote speedy execution.

Filling the currently vacant position of CEO quickly is therefore crucial. At the same time, it is very important to find the best possible person for this role. I therefore strongly support a professionally run hiring process in which all relevant candidates be considered – to the extent possible. Only such a process would be in the spirit of professional corporate governance.

Ben Lehrecke, who has been proposed by MountainPeak, is certainly a very relevant candidate in this process. He has extensive and suitable experience for the German real estate segment of conwert. His experience in Austria and most importantly with capital markets will have to be considered and evaluated by the new Administrative Board.

In order to increase transparency and in particular against the backdrop of conwert's legacy, I call for an immediate stop of all related party transactions! The interest of the company and that is predominantly the shareholders interest needs to be put well ahead of personal benefits. Appropriate action needs to be taken with respect to any potential violations of the past, but only in so far as this will not hinder future progress of the company.

Relationship to MountainPeak

To date, there has not been any contact between myself and the new major shareholder nor any of its three nominated candidates: Phillip Burns, Maureen Harris and Barry Gilbertson. Given that I have not met Mr. Teddy Sagi yet, I want to take my time before forming an opinion. MountainPeak's press statements of 22 May 2015 regarding the strategy for conwert are to a significant extent in line with many of the goals and objectives described above. In particular, I welcome the commitment to improved governance and transparency for financial reporting, including market valuations as well as a cash-flow driven results optimization. However, the proposed sale of premium properties in Austria should in my view be closely scrutinized and should possibly be limited to real estate shown as inventory.

Given that I have not met with any of the three MountainPeak candidates I cannot comment on them in any detail. I would however like to note that obviously all three together would represent a majority in conwert's Administrative Board. Firstly, this would result in a major shift both from a language and cultural perspective and secondly, it is in my opinion neither usual nor desirable that a single investor owning less than 25% of the voting stock should command such a majority.

Thank You to Petrus Advisers and Summary

I would like to thank the group of investors including Petrus Advisers, who has proposed my nomination to what I deem a very interesting albeit challenging task bearing significant responsibility. I am particularly delighted that both Institutional Shareholder Services (ISS) and Glass Lewis, and thus the leading international proxy advisors, have supported my candidacy and have issued an unrestricted recommendation.

To summarize and conclude, I am asking for your support for the plans and goals outlined above by casting your vote for me at the AGM.

Faithfully,

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

Erich Kandler