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**Statement by the Management Board
of S IMMO AG
regarding the voluntary takeover offer by
IMMOFINANZ AG
pursuant to Section 25a Übernahmegesetz (ÜbG) (“Takeover Act”).**

1. Preliminary remarks

- 1.1 On 14 March 2021, IMMOFINANZ AG announced that it would publish a public offer to acquire shares in S IMMO AG. On 15 April 2021, the Austrian Takeover Commission then prohibited the publication of the public offer that was submitted to the Takeover Commission on 26 March 2021. On 14 May 2021, IMMOFINANZ AG submitted an amended version of its offer to the Takeover Commission. The current offer was then published on Wednesday, 19 May 2021. This offer is the subject of the Target Company's following statement.**
- 1.2 On 31 May 2021, IMMOFINANZ AG stated in its Press Information/Corporate News that a conversion of the offer into a mandatory offer under Sections 22 et seq. ÜbG is not was not set forth in the offer and would therefore not be permitted. Based on this clarification, it can be assumed that the minimum acceptance threshold of 50% must be complied with in any case. The mandatory minimum acceptance threshold is a material element of the statutory pricing rules and its assurance therefore essential for the shareholders of the company. Only a takeover offer convincing more than 50 % of the outstanding shareholders shall be implemented.**
- 1.3 The Management Board of S IMMO AG firmly believes that the current offer is not adequate in all the relevant aspects. Therefore, the Management Board of S IMMO AG explicitly rejects the offer of IMMOFINANZ AG as insufficient and advises the shareholders not to accept the offer in this form. The Management Board of S IMMO AG feels that neither the Offer Price (which is well below the intrinsic value of the share) nor the structure of the offer take shareholders' interests into account sufficiently. The Management Board also takes a negative view on the timeframe.**
- 1.4 The current Offer Price of EUR 22.25 per share (cum dividend) in the assessment of the Management Board of S IMMO AG does not reflect the fair, intrinsic value of the Target Company. The offer is EUR 4.0 (15.2%) below the EPRA NAV of EUR 26.24 adjusted for a value analysis (Basis: Q1 2021). Furthermore, the Offer Price is below the fundamental, standalone value of the Target Company in the opinion of the Management Board of S IMMO AG. In forming this opinion, the Management Board have taken into consideration the Inadequacy Opinion issued by J.P. Morgan and DCF-valuations undertaken with the support of external experts.**
- 1.5 The offer structure presented by IMMOFINANZ AG places major transaction risks solely on the shareholders of S IMMO AG. The offer document from IMMOFINANZ AG does not address these key facts, or does not address them adequately. This pertains in particular to the proposal of IMMOFINANZ**

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AG in its offer document of 19 May 2021 that aims to cancel the maximum voting rights even before it is decided whether the offer was successful and will thus be implemented. Such advance obligation by the shareholders of S IMMO AG contradicts the usual legal standard of counter-performance, lacks transparency, and places all transaction risks solely on the shareholders of S IMMO AG and their executive bodies, who would then be required to administer these rules.

- 1.6 Contrary to what is presented in the offer documents, the planned offer structure does not grant the shareholders of S IMMO AG any legal assurance that the maximum voting rights could be reinstated in the Articles of Association should the offer fail. Nor is it ensured that other shareholders apart from IMMOFINANZ AG would be limited to 15% of the voting rights of the shares issued until the maximum voting rights were reinstated. Unlike the bidder, which has agreed to limit its voting rights in the offer document, there are no comparable restrictions on voting rights for third parties. The transitional phase until reinstatement of the maximum voting rights could be more than three months if the current implementation structure is adhered to; in the event of any differences of opinion about the success of the offer, the status of the conditional amendments to the Articles of Association, or other obstacles to completion, this period could be delayed significantly.**
- 1.7 Prior to publication of the offer, IMMOFINANZ AG did not search an agreement with S IMMO about the terms of the offer nor the procedure; neither was it offered to enter into a business combination agreement, as customary in real estate transactions of comparable size and complexity. The concerns expressed by S IMMO immediately after the announcement of the intended offer by IMMOFINANZ AG were not resolved, and to date have not been resolved or addressed appropriately, ultimately to the detriment of the shareholders. The timeframe and the terms of the offer were entirely defined unilaterally by IMMOFINANZ AG and contain elements that S IMMO AG feels run counter to a proper and transparent information and decision-making process, and therefore compromise the interests of S IMMO's shareholders.**
- 1.8 The Management Board emphasizes the risks of the offer structure, particularly in order to give shareholders the most transparent decision-making basis possible to vote on the proposed resolution of IMMOFINANZ AG regarding the unconditional cancellation of the maximum voting rights and the potential subsequent reinstatement thereof in the Target Company's Extraordinary Shareholders' Meeting convened for Thursday, 24 June 2021.**
- 1.9 Wherefore, the Management Board responds to the offer as follows:**

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2. Background

2.1 About the Bidder

The Bidder is IMMOFINANZ AG, a stock corporation under Austrian law domiciled in Vienna, with the business address of Wienerbergstrasse 9, 1100 Vienna, Austria, listed in the register of companies at the Vienna Commercial Court under FN 114425 y ("**Bidder**" or "**IMMOFINANZ**"). The Bidder's shares are registered for trading on the Vienna Stock Exchange (Prime Market) and the Warsaw Stock Exchange (Main Market – rynek podstawowy). The Bidder is a commercial real estate company. Her activities focus on buying and selling, as well as developing and letting, office and retail space in seven European core markets: Austria, Czech Republic, Germany, Hungary, Poland, Romania and Slovakia, along with other southern European countries.

According to Section 2 of the Bidder's Articles of Association, the company purpose is (i) the purchase, development, management, letting (leasing) and sale of developed and undeveloped properties (including building on land owned by a third party [*Superädifikaten*] and building rights), (ii) real estate development, planning and realization of construction and real estate projects of all kinds (iii) the operation of retail properties, residential properties, office buildings, logistics centres and other real estate, (iv) the provision of real estate trustee services (real estate broker, real estate manager, property developer) and (v) the acquisition, management and sale of shareholdings in other companies and companies with the same or similar purpose, as well as the management and administration of such holdings. The Bidder's activities do not include banking transactions as defined by the Austrian Banking Act.

The members of the Management Board are Ronny Pecik, Mag. Dietmar Reindl, and Mag. Stefan Schönauer, BA.

2.2 Information on parties acting in concert

With regard to the entities acting in concert with the Bidder as defined by Section 1 (6) ÜbG, the offer contains the following information under 2.3:

Entities acting in concert pursuant to Section 1 (6) ÜbG are natural persons or legal entities that cooperate with the Bidder on the basis of an agreement in order to obtain or exercise control over the target company, particularly in order to coordinate voting rights. If an entity holds a direct or indirect controlling share (Section 22 Paras. (2) and (3) ÜbG) in one or more other entities, it is assumed (inconclusively) that all of these entities are acting in concert. With this in mind, all entities

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controlled by the Bidder (group companies) are considered entities acting in concert with the Bidder. Because the Bidder's controlled entities (group companies) are not relevant for the decision of the offer recipients, the information about the entities controlled by the Bidder can be omitted (Sections 7 (12) in conjunction with 1 (6) ÜbG).

In the offer documents, the Bidder states that it has not made any agreements under Section 1 (6) ÜbG with other entities. Thus, the Bidder feels that there are no other entities acting in concert with the Bidder.

According to the information known to the Target Company at the time this statement was published, the CEO of the Executive Board of the Bidder, Mr Ronny Pecik, holds a controlling share in RPPK Immo GmbH, which in turn holds an approximate stake of 10% in the Bidder's share capital. Due to this affiliation, it cannot be ruled out that the Bidder is acting jointly with RPPK Immo GmbH and Ronny Pecik in accordance with Section 1 (6) ÜbG.

This relationship is important also because Ronny Pecik announced in a voting rights announcement under stock exchange laws (Sections 130 et seq. BörseG [Stock Exchange Act] 2018) on 29 January 2021 that he sold his indirect share in S IMMO AG of just over 9% of the share capital of S IMMO AG to Revenite Austria S.à r.l. The sales price is not disclosed in the Bidder's offer. From the standpoint of the Executive Board of the Target Company, however, this would be material information. See also chapter 2.6 below.

2.3 Information on the intentions of the Bidder in connection with the offer

According to the offer, the Bidder still plans to remain a long-term shareholder of the Target Company and to use the improved market position of the Bidder and Target Company resulting from the merger to reinforce its relevant position on the capital market, so that it can leverage potential synergies, particularly in terms of financing and overhead costs. The Bidder aims to change the staffing of the Supervisory Board to reflect the shareholding relationships. According to the offer, the Bidder does not assume that the completion of the offer would have an effect on the headquarters of the Target Company or employment conditions of the Target Company. However, the Management Board of S IMMO AG feels there is a tension with the Bidder's expectations for synergies in overhead costs from the merger.

The Bidder has said that, subject to approval by the shareholders' meetings of both companies, a merger between the Bidder and the Target Company would be possible. The Bidder does not mention in the offer document that there have already been numerous discussions about a merger between the Bidder and the Target Company, which were not successful. These discussions failed due to different viewpoints of the Bidder and the Target Company about the exchange ratio for the shares that would be offered to shareholders for the merger, and therefore questions about the valuation of both companies. See Chapter 4. regarding the valuation questions.

In Section 7.1 of the offer, the Bidder stated that the offer will be financed in part by financing agreements made with companies of the Citibank Group.

Furthermore, according to the offer the Bidder has not yet decided whether it will implement a squeeze-out under the *Gesellschafter-Ausschlussgesetz* (Shareholder Squeeze-Out Act) if the offer means that the Bidder will hold more than 90% of the share capital and the voting shares of the Target Company either at the time of closing or at a later time.

Finally, the Bidder notes its intention to keep the Target Company's shares on the stock exchange; however, it also notes that in the event of a high acceptance threshold, the minimum requirements for free float for the registration of shares for official trading or continued listing in the Prime Market segment of the Vienna Stock Exchange might no longer be met.

2.4 About the Target Company

The Target Company is S IMMO AG, a stock corporation under Austrian law domiciled in Vienna, with the business address of Friedrichstrasse 10, 1010 Vienna, Austria, listed in the register of companies at the Vienna Commercial Court under FN 58358 x ("**Target Company**" oder "**S IMMO AG**"). The Target Company's shares are listed on the Prime Market of the Vienna Stock Exchange (ISIN: AT0000652250). The Target Company is a real-estate investment company with its head office in Vienna. The Target Company and its group companies invest 100% in the European Union and focus on capital cities in Austria, Germany and CEE. The real estate portfolio comprises about 70 % commercial (offices, shopping centres, and hotels) including land and 30 % residential properties. As at 31 March 2021 the Target Company had real estate assets of EUR 2.48 bn.

For more than three decades, the Target Company has practised a sustainable and prudent business policy with the goal of creating value for its investors and securing the

company's income for the long term. In doing so, the Target Company relies on its time-tested business model of anticipating real estate cycles and profiting from them. The company invests in existing real estate that generates direct rental income. Furthermore, it develops projects that contribute to cash flow over the medium-term after project completion. The Target Company's business model has proven to be crisis-resistant in the past months.

The Target Company's Management Board members are Dr. Bruno Ettenauer, DI Herwig Teufelsdorfer, and Mag. Friedrich Wachernig, MBA.

2.5 Shareholder structure of the Target Company

The Target Company's registered share capital is EUR 267,457,923.62, divided into 73,608,896 ordinary bearer shares with no par value. The Target Company's shares are listed on the Prime Market of the Vienna Stock Exchange (ISIN: AT0000652250). The Target Company holds 2,676,872 own shares (as at 2 May 2021). There is a share buy-back programme until 30 June 2021 with a remaining volume of up to 239,509 no-par value shares; according to a publication on the share buyback programme by the Target Company on 22 October 2020, the maximum price is EUR 18.98 per share.

According to the Bidder, it currently holds 19,499,437 no par value shares of the Target Company, which corresponds to some 26.49% of the Target Company's capital stock. Regarding the further shareholder structure in accordance with voting rights announcements under stock exchange laws:

HAMAMELIS GmbH & Co KG and Revenite Austria S.a.r.l. hold a total of 7,937,190 shares, which corresponds to some 10.78% of the Target Company's capital stock. Both companies are group companies of Aggregate Holdings S.A., attributed to Mr Günther Walcher.

3,836,988 no-par value shares in the Target Company are held by Mr Peter Korbačka via EUROVEA Services s.r.o. and EVAX Holding GmbH, representing a stake of some 5.21% in the Target Company's capital stock.

Shareholder/UBO	Number of shares	Share in capital stock in %, rounded	Share in capital stock in % (without own shares) (Section 22 Para. (6) ÜbG).
IMMOFINANZ AG	19,499,437	26.49	27.49
Günther Walcher	7,937,190	10.78	11.19
Peter Korbačka	3,836,988	5.21	5.41
Own shares (as of 2 June 2021) ^{*)}	2,676,872	3.64	-
Free float	39,658,409	53.88	55.91
Total	73,608,896	100.00	100.00

^{*)}The Target Company has a share buyback programme until 30 June 2021 with a remaining volume of up to 239,509 no-par value shares.

2.6 Acquisitions/disposals of major shareholdings in the Target Company in the last year

EVAX Holding GmbH acquired a share package of 5.21% in S IMMO AG on 12 November 2020 from ETAMIN GmbH & Co KG; the beneficial owners at the time were Ronny Pecik and Norbert Ketterer. The share in the capital stock attributable to Ronny Pecik and Norbert Ketterer thus was reduced to 9.08%. Peter Korbačka remains a co-investor of Ronny Pecik with regard to the indirect stake they hold jointly in the Bidder. See also 2.7 below on that.

On 29 January 2021, Ronny Pecik sold his stake in SARIR Holding GmbH and SULAFAT Holding along with his limited partnership share in ETAMIN GmbH & Co KG to Revenite Austria S.a.r.l., which reduced the share in the Target Company's capital stock attributable to Ronny Pecik under the rules for disclosure of major shareholdings from 9.08% to 0.06%.

The timeframe of the process and the decision to sell by Ronny Pecik, CEO of the Bidder, are in the opinion of the Target Company relevant for the Bidder's offer procedure. The

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price per share of this reference transaction is an important piece of information that is not being disclosed to the (free float) shareholders of S IMMO in the offer documents.

Normally, the Bidder and the executive bodies of the Target Company must disclose to the recipients which reference transactions they have performed in the last 12 months before publication of the offer or whether they intend to accept the offer at the Offer Price. Only this way the price corridor becomes visible to the recipients of the offer. The Bidder's offer does not contain any information of this kind, which in the opinion of the Target company reduces transparency at the expense of shareholders.

2.7 Shareholder structure of the Bidder

The Bidder's share capital is EUR 123,293,795.00, divided into 123,293,795 no-par value bearer shares. Each share comprises about EUR 1.00 of share capital.

Via an indirect subsidiary, the Target Company holds 16,494,357 shares in the Bidder, which is a stake of some 13.38% in the share capital (or 14.18% of the share capital after subtracting own shares) in the Bidder. RPPK Immo GmbH holds – according to the voting rights announcement published under stock exchange laws and Directors' Dealings reports – 13,000,000 shares in the Bidder, which is some 10.54% of the share capital. RPPK Immo GmbH is 50.03% owned by RPR Privatstiftung, whose beneficial owner is Ronny Pecik and 49.97% owned by EUROVEA Services s.r.o., whose beneficial owner is Peter Korbačka.

According to the voting rights announcement under stock exchange laws (Sections 130 et seq. BörseG 2018) dated 29 January 2021, Revenite Austria S.a.r.l. as buyer concluded a purchase contract with RPR Privatstiftung as seller to acquire the 50.03% stake in RPPK Immo GmbH on 29 January 2021. Revenite Austria S.a.r.l. is a group company of Aggregate Holdings S.A., attributed to Günther Walcher. The acquisition of the 50.03% stake by Revenite Austria S.a.r.l. was subject to approval of the transfer by EUROVEA Services s.r.o. by no later than 31 March 2021. At the time of publication of this statement on 3 June 2021, it was apparently unclear whether this approval was granted and, according to information of the Target Company after 31 March 2021, the stake in RPPK Immo GmbH was not transferred.

According to a voting rights announcement under stock exchange laws (Sections 130 et seq. BörseG 2018) on 16 April 2021 and 7 May 2021 it was announced that Mountfort Investments S.à.r.l., whose beneficial owner is Mr Radovan Patrick Vitek as buyer concluded a purchase contract to acquire all shares in WXZ1 a.s., whose beneficial owner

until this time was Mr Thomas Krsek, and the deal closed on 6 May 2021. According to a voting rights announcement under stock exchange laws (Sections 130 et seq. BörseG 2018) dated 19 May 2021, it was announced that Radovan Patrick Vitek had exceeded the voting rights threshold of 10% of the share capital of the Bidder with the inclusion of financial instruments.

Reporting person/entity	Number of shares¹⁾	Share in capital stock in %, rounded	Share in capital stock in % (without own shares) (Section 22 Para. (6) ÜbG).
S IMMO AG	16,494,357	13.38%	14.18%
Pecik	14,200,001	11.52%	12.21%
Vitek	11,253,452	9.13%	9.68%
Own shares	6,998,228	5.68%	-
Free float	74,347,757	60.30%	63.93%
Total	123,293,795	100.00	100.00

1) The information is based on the most recently published voting rights announcements and shareholder meeting voting rights representation, pertaining to the Bidder's current share capital. Any mandatory convertible bonds or other financial instruments held by the above entities are not accounted for in the shareholding amounts.

2.8 Maximum voting rights under the Articles of Association of S IMMO AG

The Articles of Association of S IMMO AG state in Section 13 Para. (3) that the voting rights of each shareholder at the shareholders' meeting are limited to 15% of the issued shares. Shares of companies constituting a group according to Section 15 of the Austrian Stock Corporation Act (*AktG - Aktiengesetz*) shall be aggregated. The same shall apply for shares held by a third party for the account of the respective shareholder or for the account of a group company with which such shareholder is affiliated. The shares of shareholders acting in concert on the basis of a contract or of a concerted approach when exercising their right to vote shall also be aggregated.

The maximum voting rights are essential for the success of the Bidder's offer. Because the voting rights of each shareholder and each group of shareholders are thus limited to

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15% of the issued shares, a Bidder or a group of entities acting in concert under a valid maximum voting right would normally not obtain control over the Target Company, even if it reached or exceeded the control threshold of more than 30% of the share capital with permanent voting rights. This is because under Austrian takeover law the actual voting power in the shareholders' meeting is relevant. While this legal status would not yet change at the time the resolution was adopted in the shareholders' meeting, once the entry amending the Articles of Association was made in the register of companies it would take effect. For the potential negative consequences of an advance cancellation of the maximum voting rights before it is determined, whether the offer was successful or not, see also 5.2 and 5.4 below.

Under Section 13 Para. (2) of the Articles of Association, an amendment to the Target Company's Articles of Association would require a three-fourths majority of the share capital represented at the time of resolution. Because maximum voting rights apply only to the voting rights majorities (requirement: simple majority) but not the capital majorities (requirements: three-fourths majority of the share capital represented at the time of resolution), the Bidder can prevent all amendments to the Articles of Association in the shareholders' meeting due to its share of more than 25% (see also the decision of the Takeover Commission dated 25 June 2019).

With this legal and factual ability to alter the framework, the Bidder has chosen a structure for revoking the maximum voting right that allows it to cancel the maximum voting rights in advance and places the legal risk of an impossibility of a reinstatement of the maximum voting right on the shareholders and the boards of the Target Company. This advance cancellation contradicts the usual legal standard of counter-performance to the detriment of the shareholders, lacks transparency (also with regards to contracts law with all consequences attached thereto), and places all transaction risks solely on the shareholders of S IMMO and their boards, who would then be required to administer these rules.

With this intended offer structure, the Management Board cannot advise the shareholders of the Target Company to vote for the Bidder's proposed resolution to cancel the maximum voting rights at the extraordinary shareholders meeting to be convened. As the Bidder can still modify its offer until the end of the acceptance period by waiving the cancellation of the maximum voting rights as a condition of the offer, or by amending the conditions of the offer before the end of the acceptance period, a failure of the resolution in terms of the Bidder's proposal would not necessarily result in a failure of the offer. It

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would on the contrary have as a result that a structure considered usual in an international and capital markets context would be observed: at first a Bidder acquires control by making a sufficiently attractive offer and thereafter exercises control. It is not comprehensible that the Target Company and its minority shareholders should perform in advance.

3. Object of purchase

The offer is for the acquisition of up to 51,432,587 no par value shares of the Target Company. This corresponds to a share of up to 69.87% of the share capital and all no par value bearer shares of the Target Company (ISIN AT0000652250) registered on the Vienna Stock Exchange for official trading on the Prime Market segment that are not owned by or ascribed to the Bidder or entities acting in concert with it.

4. Assessment of the offer

On March 14, 2021, IMMOFINANZ announced the intention to acquire all outstanding no-par value bearer shares in S IMMO AG, which are not owned by or attributable to IMMOFINANZ at a price of EUR 18.04 (cum dividend) for the business year 2020. On March 25, 2021, IMMOFINANZ increased the Offer Price from EUR 18.04 to EUR 22.25 (cum dividend) (the “**Offer Price**”).

Cum dividend in this context means that the Offer Price will be reduced by the amount of any dividend declared by S IMMO AG between the announcement of the offer and settlement, provided that settlement of the offer occurs after the relevant record date for such dividend. Since the Ordinary General Meeting of S IMMO AG has not been scheduled yet and the date of such meeting remains to be confirmed, it is currently still uncertain whether those shareholders accepting the offer in the Acceptance Period – as opposed to those accepting the offer in the course of the potential additional acceptance period – will be affected by this adjustment of the Offer Price.

As the offer is a voluntary public takeover offer to acquire a controlling interest within the meaning of Section 25a ÜbG, the Bidder needs to comply with the minimum pricing rules pursuant to Section 26 Para. (1) ÜbG, which is the higher of

- the historical volume-weighted average market price (“VWAP”) over the 6 months from the day prior to the Bidder’s public announcement of the intention to launch the offer (14. March 2021), or

- the highest consideration the Bidder or a person acting in concert with the Bidder paid for a share or another equity instrument (“Beteiligungspapier”) over the last 12 months before filing the offer with the Austrian Takeover Commission (26. March 2021).

Further, a statutory minimum acceptance quote pursuant to Section 25a Para. (2) ÜbG shall apply, according to which the Offer Price must be sufficiently attractive so that more than 50% of the shares which are subject of the offer are tendered into the offer.

4.1 Offer Price in Relation to Historical Share Price

On the last trading day prior to the announcement of the intention to launch the offer (March 12, 2021), the S IMMO Share traded on the Vienna Stock Exchange at a closing price of EUR 18.04. The VWAP per S IMMO Share for the last 6 calendar months prior to the announcement of the intention to launch an offer was EUR 15.86. The Offer Price therefore exceeds the last closing price by EUR 4.21, which corresponds to a premium of 23.3%, and exceeds the 6-months VWAP by EUR 6.39, which corresponds to a premium of 40.3%.

The following table shows the VWAP per S IMMO Share for the past 1, 3, and 6 calendar months as well as the spot price at the time of the announcement of the intention to launch the offer*. In this context, it should be noted that the share price of S IMMO AG has been strongly influenced by the COVID-19-pandemic:

	Spot 12.3.2021 (closing price)	1 month (14.2.2021 to 13.3.2021)	3 months (14.12.2020 to 13.3.2021)	6 months (14.9.2020 to 13.3.2021)
VWAP (EUR)	18.04	17.53	17.39	15.86
Premium (Offer Price minus VWAP) (EUR)	4.21	4.72	4.86	6.39
Premium (Offer Price to VWAP)	23.3 %	26.9 %	28.0 %	40.3 %

*Source: FactSet; based on Offer Price of EUR 22.25 (not taking any potential dividend into account)

The following table shows the VWAP per S IMMO Share for the past 1, 3 and 6 calendar months as well as the spot price as of 21. February 2020 defined in this document as the

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last date prior to the sell-off witnessed in European capital markets as a result of the COVID-19 pandemic. The Offer Price is at a discount of 15.2% to S IMMO Share spot price prior to the outbreak of the COVID-19 pandemic in Europe*:

	Spot Price 21.2.2020 (closing price)	1 month (22.1.2020 to 21.2.2020)	3 month (22.11.2019 to 21.2.2020)	6 month (22.8.2019 to 21.2.2020)
VWAP (EUR)	26.25	24.82	23.51	22.26
Premium/(Discount) (Offer Price minus VWAP) (EUR)	(4.00)	(2.57)	(1.26)	(0.01)
Premium/(Discount) (Offer Price to VWAP)	(15.2 %)	(10.4 %)	(5.4 %)	(0.1 %)

*Source: FactSet; based on Offer Price of EUR 22.25 (not taking any potential dividend into account)

The tables above show that share prices have fluctuated significantly over the past two years. The strong positive development of the S IMMO Share in recent years (+ 212.5% increase in the 5 years prior to the outbreak of the COVID-19 pandemic) was interrupted by the market downturn in February 2020 due to the uncertainty in the context of the global COVID-19 pandemic.

Now that the general economy slowly starts re-opening following the COVID-19 induced slowdown, pre COVID-19 share prices of S IMMO AG are regarded as a relevant reference point by S IMMO AG.

While the Offer Price represents a discount of 15.2% to the S IMMO AG spot price before the outbreak of the COVID-19 pandemic in Europe (i.e. 21.2.2020), it corresponds to a premium of 23.3% to the closing price before the announcement of the intention to launch an offer on 14.3.2021.

Overall, the Board is of the opinion that shareholders should focus more on the intrinsic value of the company (refer to section 11.3(a)).

4.2 Offer Price in Relation to Equity Analysts' Estimates

The following investment banks and financial institutions have issued analyses about the share of S IMMO AG since the beginning of 2021:

Institution	Date (Statement / Target Price)	Target Price (EUR)	Recommendation	Commentary
Erste Group	28.5.2021 (statement in weekly equity coverage report)	18.00	Buy	Analyst publicly recommends not to accept the takeover offer; confirmed that the offer is 15% below S IMMO's intrinsic value and that there is an upside potential to S IMMO's share price (21.5.2021) ¹
SRC Research	20.5.2021 (updated report and TP)	26.00	Buy	Research states that Revised offer of EUR 22.25 is completely inadequate
Hauck & Aufhaeuser	9.4.2021 (updated report and TP)	22.00	Hold	Analyst states that offer price is fair at current valuation; current target price does not take property revaluation announced on 10.5.2021 and Q1 2021 results, announced on 28.5.2021, into account
Raiffeisen Bank	8.4.2021 (updated report and TP)	19.50	Buy	Report excl. statement on adequacy of Offer Price; Buy Recommendation at EUR 19.50 confirmed based on previous share price close of EUR 21.55
Wood & Company	6.4.2021 (reference to Offer in equity coverage) report)	17.10	Hold	Analyst expects decent acceptance at revised Offer Price: most recent dedicated S IMMO report published in September 2020

¹ Erste Group, Equity Weekly (21. May 2021); confirmed following release of S IMMO AG Q1 2021 earnings (Equity Weekly, 28. May 2021).

Source: Analyst reports

Both Erste Group² and SRC Research³ publicly stated that the current Offer Price of EUR 22.25 per share is below S IMMO's intrinsic value and that shareholders should therefore not accept the takeover offer.

"Offer unchanged at EUR 22.25 per share, we recommend not to accept the offer"

[...] The offer is therefore approximately 15% below the "intrinsic value" of the share. [...] we would recommend, neither to sell nor to accept the offer, but to wait. On the one hand, the offer could be improved (by whatever party), on the other hand, there is no doubt that the share price will continue to increase in the long run based on the business model and the quality of the S Immo management."

Erste Group
20.5.2021

"External valuation of the property portfolio delivers another Euro 85m uplift, IM-MOFINANZ offer document published yesterday, but bidding price of Euro 22.25 much too low

[...] To sum up: the bidding price offered by Immofinanz is too low, at current EPRA NAV levels (-9% | -16%) and even more in the light of the appreciations now in the first half of this year and the extra mark ups given by the higher share prices of Immofinanz and CAI as well as the dividend payment coming from CAI. If we go back 3 years, Immofinanz bought the 29% package in April 2018 for Euro 20.00 per share from Pecik and Benko firms, which was a 13% premium to the former Euro 17.63 EPRA NAV. The current offer is a quite lousy 9% discount. We lift the target prior to 1Q from Euro 25.00 to Euro 26.00. Buy confirmed."

SRC Research
20.5.2021

Hauck & Aufhaeuser and Raiffeisen have not released updated research reports on S IMMO AG following the announcement on May 10, 2021 of the result of the value analysis

² Erste Group, Equity Weekly (21. May 2021)

³ SRC Research, S IMMO Report (20. May 21)

on S IMMO's German and Austrian properties as of April 30, 2021 carried out by an independent external appraiser. Based on this analysis an increase in value of approximately EUR 85m (corresponding to EUR 1.20 per share) is expected for the properties located in Germany and Austria as of that date. S IMMO AG management has confirmed that the value uplift can be expected in the second quarter of 2021 and is therefore not included in the property or NAV value as of Q1 2021.

The target price of Wood & Company is based on its most recent S IMMO AG research report published on 10. September 2020.

The following table shows the analyst target prices of S IMMO AG prior to the start of the COVID-19 pandemic (as of 21. February 2020):

Institution	Date (TP)	Target Price (EUR)	Recommendation
Baader Bank	30.1.2020	25.00	Buy
Erste Group	4.2.2020	23.50	Buy
Hauck & Aufhaeuser	3.2.2020	28.00	Hold
Raiffeisen Bank	20.1.2020	22.00	Buy
Wood & Company	17.1.2020	22.60	Hold
SRC Research	27.11.2019	25.00	Buy

Source: Bloomberg

Prior to the start of the global COVID-19 pandemic in Europe, five out of six research analysts had a target price in excess of the Offer Price of EUR 22.25 per share.

4.3 Offer Price in Relation to Purchases made by the Bidder as well as to the value in the quarterly financial statements of the Bidder as of 31. March 2021

According to the offer document, neither IMMOFINANZ nor any Party acting in concert with IMMOFINANZ has acquired or agreed to acquire S IMMO Shares during the 12 months before the filing of this offer.

IMMOFINANZ AG has acquired its shares in S IMMO AG in 2018 at EUR 20 per share corresponding to a purchase price of EUR 20.40 on a cum dividend basis at signing. This represents a premium of roughly 15% to the last reported EPRA NAV at signing. It should be noted that the acquisition did not confer control over S IMMO AG to IMMOFINANZ due to the voting cap of the company.

The carrying value of S IMMO AG shares in the financial statements of IMMOFINANZ as of 31. March 2021, amounts to EUR 23.58 per share. The Offer Price is therefore below the carrying value, which naturally does not account for any control premium or synergies crystallisation.

On 21. January 2021, the current CEO of IMMOFINANZ, Mr. Ronny Pecik, has sold his indirect stake in S IMMO AG, held via SARIR Holding GmbH, SULAFAT Holding GmbH and ETAMIN GmbH & Co KG, to Revenite Austria S.a.r.l., reducing his notified stake in S IMMO AG from 9.08% to 0.06%.

The price at which the CEO of IMMOFINANZ was willing to sell his stake has not been published, although the price per share of this reference transaction is of high relevance for the free float shareholders of S IMMO AG.

4.4 Target Company Performance Indicators

The following table shows selected financial performance indicators for S IMMO AG for the past four financial years based on the consolidated financial statements prepared in accordance with IFRS.

Indicator <i>(EUR if not stated otherwise)</i>	2017	2018	2019	2020
EPRA-NAV per Share	17.63	21.25	26.45	24.32
EPRA NTA per Share	NA	NA	26.23	24.06
FFO I per Share	0.64	0.92	0.98	0.59
Dividend per Share ⁴	0.40	0.40	0.70	0.70
EBITDA in EURm	89.6	83.1	87.0	71.1
EBIT in EURm	208.1	243.2	271.4	101.0
EPS	1.97	3.08	3.21	0.79

4.5 Offer Price in Relation to the EPRA NAV of the Target Company

EPRA NAV has been identified as the most appropriate KPI for estimating the value in transactions relating to publicly listed real-estate companies and is often and widely used in the real estate sector for transaction purposes.

The objective of the EPRA NAV measure is to highlight the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Similarly, properties carried at cost are adjusted to their fair value under EPRA's NAV measure.⁵

⁴ Dividend paid in the respective financial year

⁵ Source: EPRA Best Practices Recommendation Guidelines von November 2016

The last reported EPRA NAV per share at the time of the offer publication was EUR 24.32 based on FY 2020 consolidated financial statements. The Offer Price falls short of FY 2020 EPRA NAV by EUR 2.07, which corresponds to a discount of 8.5%.

In addition to the reported figures, reference is made to S IMMO's ad-hoc publication dated May 10, 2021 (<https://www.simmoag.at/en/investor-relations/ad-hoc-and-other-notifications/ad-hoc-meldungen/detail/notification/value-analysis-of-german-and-austrian-properties-as-of-30-april-2021-indicates-significant-value-increase.html>) in which S IMMO AG announced to have carried out a value analysis of the German and Austrian property portfolios with the involvement of an independent external appraiser. Based on this analysis an increase in value of approximately EUR 85m is expected for the properties located in Germany and Austria as of April 30, 2021. The potential value uplift of EUR 85m is not reflected in the reported EPRA NAV Q1 2021 based on confirmation by S IMMO AG management. Based on Q1 2021 EPRA NAV of EUR 25.05 per share, the Revalued EPRA NAV, including the announced expected value uplift of EUR 85m, amounts to EUR 26.24 per share ("Revalued EPRA NAV").

In addition to the above value upside, S IMMO's Management Board estimates that EPRA NAV will continue to grow in the future for inter alia the following reasons:

- S IMMO AG holds approximately 20 areas in the attractive commuter belt around Berlin that may lead to significant upside, once developed.
- S IMMO AG is planning to dispose of the equity investments in CA IMMO and IMMOFINANZ in a standalone scenario (market value (excl. potential premium) of approximately EUR 568m as of 2.6.2021⁶). S IMMO AG management indicated in a press conference on 27.5.2021, that proceeds would mainly be used for property acquisitions (focus on CEE), developing existing landbank in the commuter belt around Berlin and continuing to build a development pipeline.
- Execution of existing development pipeline (Germany, CEE).

In summary, the Offer Price of EUR 22.25 is well below the Revalued EPRA NAV per share of EUR 26.24, which corresponds to a discount of 15.2%, although considerable additional future upside potential has been identified. In the past 3-, 5-, 10-year periods,

⁶ Including value of mandatory convertible bonds held.

the EPRA NAV annual growth rate has always been in the double-digit range: 14.1% (CAGR 2017-2020), 17.2% (CAGR 2015-2020), 11.8% (CAGR 2010-2020).

4.6 Offer Price in Relation to DCF Valuation

The value of S IMMO Shares has been determined with the support of external experts using a discounted cash flow (DCF) analysis that is based on a business plan prepared by S IMMO AG management. The Offer Price is below the value indicated by this DCF-analysis. Underlying assumptions of the business plan used for this analysis include the sale of the shares in IMMOFINANZ and CA IMMO and use of proceeds to finance property acquisitions, supported by external financing.

The offer consideration is all-cash. Shareholders of S IMMO AG who accept the offer will therefore not be able to participate in the potential future upside of the combined company. Only shareholders of the Bidder will benefit from the synergy potential mentioned in the offer Document as well as potentially significant tax synergies.

4.7 Relevance of the 2020 Dividend for the Appropriateness of the Offer Price

The Offer Price of EUR 22.25 is cum dividend, which means in this context that the Offer Price per share will be reduced by the amount of any dividend declared by S IMMO AG between the announcement of the offer and settlement, provided that settlement of the offer occurs after the relevant record date for such dividend.

Since the ordinary general meeting of S IMMO AG has not been scheduled yet and the date of such meeting remains to be confirmed, it is currently uncertain whether the offer will be impacted by a potential dividend.

4.8 Inadequacy Opinion (J.P. Morgan)

The Management Board of S IMMO AG has mandated J.P. Morgan AG (“J.P. Morgan”) as its financial advisor to provide a written opinion on the adequacy to the Management and Supervisory Board of the Offer Price of EUR 22.25 per share from a financial perspective to the holders of the no-par value bearer shares of S IMMO AG which are not owned by or attributable to IMMOFINANZ AG or any party acting in concert with IMMOFINANZ (“S IMMO AG Shareholders”). For the purposes of this reasoned statement, J.P. Morgan has issued an inadequacy opinion on 2. June 2021 (“Inadequacy Opinion”).

5. Conditions for completion

5.1 Overview of the conditions for completion of the takeover offer

The completion of the Bidder's takeover offer is subject to the following conditions precedent:

- Minimum acceptance threshold (4.1 of the offer), see also 5.2 below
- Approvals under merger control laws (4.2 of the offer), see also 5.3 below
- Cancellation of the maximum voting rights (4.3 of the offer), see also 5.4 below
- Other conditions, see also 5.5 below:
 - No loss in the amount of half the share capital, no insolvency proceedings (4.4 of the offer)
 - No capital increase, no transfer of own shares or issue of convertible bonds (4.5 of the offer)
 - No significant compliance violations (4.6 of the offer)
 - No obligation by the Target Company under takeover laws to make an offer to the Bidder (4.7 of the offer)

5.2 Minimum acceptance threshold (4.1)

According to the offer document, there is a legal obligation under Section 25a Para. (2) ÜbG for IMMOFINANZ to receive declarations of acceptance by the end of the acceptance period that account for more than 50% of the S IMMO AG shares that are the subject of the offer ("Minimum Acceptance Threshold"). Shares acquired by the Bidder at the same time as the offer (see 6 below) must be included in the declarations of acceptance. This corresponds to the legal requirement under Section 25a ÜbG for voluntary takeover offers.

In numbers, this means that to meet the Minimum Acceptance Threshold, by the end of the acceptance period, the Bidder must receive declarations of acceptance for at least 25,716,294 no-par value shares of the Target Company, subject to shares acquired at the same time and providing that the scope of the offer remains as is (see 3).

The wording of the offer is unclear as to whether the Bidder can convert the public offer ex lege into a mandatory offer through transactions outside the public offer. In its Press

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Information/Corporate News dated 31 May 2021, the Bidder has publicly announced and thus manifested its contractual intent underlying the current offer that the offer cannot be converted into a mandatory offer, because this was not set forth in the offer document and therefore would not be permitted. Thus, the minimum acceptance threshold of 50% plus one share is an absolute condition for the success of the offer.

Therefore, this significant pricing rule remains valid for this offer, even in the event that the maximum voting rights were cancelled, during the acceptance period. This notwithstanding, the intention to first cancel the maximum voting rights before it is clear whether the offer will succeed means major risks for the shareholders of the Target Company. The conditional amendment to the Articles of Association to reinstate the maximum voting rights makes little difference here. In substance, control is therefore already granted in anticipation, irrespective of whether the offer to acquire control is successful or not. For instance, differences in opinion about the success of the offer or convening further shareholders' meetings of the company could mean that reinstatement of the maximum voting rights would be delayed or prevented entirely. For more details, 5.4(b) below.

5.3 Approvals under merger control laws (4.2)

The required approvals under merger control laws (a) for Austria, Germany, Hungary, Serbia and Slovakia: no later than 90 calendar days after the end of the acceptance period; and (b) for Romania: no later than 120 calendar days after the end of the acceptance period (i) must have been issued by the responsible antitrust authority or (ii) the legal waiting periods must have expired with the result that approval is considered granted or (iii) the relevant antitrust authority must have declared that it is not responsible for the review or (iv) based on the relevant revenues of the Target Company, there is no registration requirement in the jurisdiction under merger control laws.

According to the offer documents, the longer period for obtaining approval under merger control laws in Romania (120 calendar days after the end of the acceptance period) has been chosen, because under the procedural stipulations the period of limitation could be interrupted repeatedly with the Romanian antitrust authority and therefore, with regard to the deadline a longer process can be expected in Romania than for the merger control proceedings in other jurisdictions.

The Bidder has reserved the right to waive this condition (see also 5.6).

5.4 Cancellation of maximum voting rights (4.3)

(a) *Presentation of the conditions for completion with regard to maximum voting rights*

At present, the Articles of Association of the Target Company state in Section 13 Para. (3) provide for a limitation of voting rights, under which the voting rights of each shareholder at the shareholders' meeting are limited to 15% of the issued shares ("Maximum Voting Rights"). The offer has two conditions for completion with regard to the cancellation of Maximum Voting Rights: the resolution on the Maximum Voting Rights (A) and the entry of the cancellation of the Maximum Voting Rights (B):

(A) Resolution on the Maximum Voting Rights, 4.3 (a)

No later than the 15th trading day before the end of the acceptance period, the shareholders' meeting of the Target Company must pass a resolution to revoke and not replace Section 13 Para. (3) of the Articles of Association (Maximum Voting Rights) ("**Cancellation of Maximum Voting Rights**"), along with a condition precedent for amending the Articles of Association under which the Maximum Voting Rights would be reinstated under the current provision of Section 13 Para. (3) of the Articles of Association ("**Reinstatement of the Maximum Voting Rights**"); the condition precedent for the Reinstatement of the Maximum Voting Rights is that the offer does not become absolutely binding (collectively, "Resolution on the Maximum Voting Rights"). According to the offer document, the resolution must include the following text:

"(i) The Articles of Association of the company are amended in Section 13 Para. (3) as follows: Section 13 Para. (3) is revoked and the following wording is added: "(3) Revoked and not replaced," and the Management Board is obliged to report the resolved amendment to the Articles of Association immediately for entry in the register of companies (Section 148 Para. (1) AktG) and (ii) upon fulfilment of the condition precedent below, the company's Articles of Association will be amended in Section 13 to include a new Para. (4) and Section 13 Para. (4) will state as follows:

"(4) The voting rights of each shareholder at the shareholders' meeting, however, are limited to 15% (fifteen percent) of the issued shares. Shares of companies constituting a group according to Section 15 of the Austrian Stock Corporation Act (*AktG - Aktiengesetz*) shall be aggregated. The same shall

apply for shares held by a third party for the account of the respective shareholder or for the account of a group company with which such shareholder is affiliated. The shares of shareholders acting in concert on the basis of a contract or of a concerted approach when exercising their right to vote shall also be aggregated,”

whereby the condition precedent is, that the voluntary offer to acquire a controlling interest published by IMMOFINANZ as Bidder on 19 May 2021 pursuant to Section 25a Takeover Act to the shareholders of the company (file number of the Austrian Takeover Commission GZ 2021/3/1), has not become unconditionally binding (condition precedent) and the Management Board is required to report the resolved amendment to the Articles of Association immediately after fulfilment of the condition precedent for entry in the register of companies (Section 148 Para. (1) AktG).“

Under the current acceptance period, the last possible date for adopting the resolution to cancel the Maximum Voting Rights within the conditional period is Thursday, 24 June 2021. If, during the conditional period, there is no vote on the cancellation of the Maximum Voting Rights as described above, or if a proposed resolution at the shareholders’ meeting in this regard does not achieve the required majority vote, the condition for completion in 4.3 (a) of the offer has not been met and the offer will not become unconditionally binding, unless the Bidder lawfully waives this condition (4.8 and 4.10.5 of the offer).

(B) Entry of cancellation of the Maximum Voting Rights, 4.3 (b)

The second condition for completion regarding the Maximum Voting Rights is that a final, valid resolution on amending the Articles of Association be entered in the register of companies no later than 90 calendar days after the end of the acceptance period (“**Entry of Cancellation of the Maximum Voting Rights**”).

According to the offer document, this condition for completion has not been met if only one provisionally effective resolution was entered in the register of companies (such as due to an action for annulment being filed) unless the Bidder waives this condition for completion lawfully (4.8 and 4.10.7 of the offer).

(C) Limitation of Bidder's voting rights for the shareholders' meeting of the Target Company

The Bidder warrants in the offer document to the Target Company and its shareholders that it will exercise its voting rights from shares in the Target Company at the shareholders' meeting of the Target Company for the purposes of the majority votes with no more than 15% of the issued shares if a shareholders' meeting of the Target Company is held in the period from the entry of the cancellation of the Maximum Voting Rights until the unconditional effectiveness of the offer or (if the offer is not unconditionally effective) until the reinstatement of the Maximum Voting Rights is entered in the register of companies.

According to the offer document, the limitation on voting rights applies for majority votes under the Articles of Association or under the law. To determine the capital majority required by law or by the Articles of Association, the Bidder is subject to the legal limitation on voting rights under Section 26a ÜbG until completion of the offer. Accordingly, the Bidder could exercise only 26% of the voting rights attributed to the shares with permanent voting rights.

(b) *Considerations on the conditions for completion with regard to Maximum Voting Rights*

According to the structure outlined for the offer and the conditions for completion, any cancellation resolution must be adopted prior to the 15th trading day before the end of the acceptance period and, according to the text of the resolution under the conditions for completion 4.3 (a) immediately entered in the register of companies, which would nullify the Maximum Voting Rights. The resolution should be tied to a conditional amendment to the Articles of Association which would reinstate the Maximum Voting Rights by way of separate entry in the register of companies if the offer does not become unconditionally binding.

According to the offer document, this structure is meant to enable the shareholders of the Target Company to make their decision on the cancellation of the Maximum Voting Rights specifically for completion of the offer and in the event that the offer is not completed, the Maximum Voting Rights would remain in material effect (4.10.1 of the offer).

Following a thorough review by legal advisors of the Target Company regarding the following considerations for information about the potential consequences of cancelling the Maximum Voting Rights, the Management Board makes the following statement about this intended structure:

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(A) Resolution before the end of the acceptance period

Prior to publication of the offer document, the Management Board publicly announced that, in order to protect the shareholders, they should be enabled to vote on a resolution to cancel the maximum voting rights only after the end of the acceptance period and thus when it is certain that the minimum acceptance threshold, if any, of the takeover offer announced by the Bidder has been reached (Corporate News of the Target Company from 30 March 2021). This allows the shareholders to make an informed decision about the amendment to the Articles of Association knowing the outcome of the takeover offer.

This condition for completion of the offer does not allow for this timeframe and instead includes a resolution during the acceptance period, no later than before the 15th trading day before the end of the acceptance period.

The structure of the offer thus asks the shareholders of the Target Company to vote on cancelling the maximum voting rights and, if the resolution is approved, to accept that the maximum voting rights will be cancelled, before it is clear whether the offer meets or is capable of meeting the statutory minimum acceptance threshold, which constitutes the central element of statutory pricing rules for the offer.

The Target Company's Management Board believes this structure constitutes an **advance cancellation of the maximum voting rights that contradicts the standard of counter-performance and places the risk of reinstatement of the maximum voting rights for 100% of the transaction risks - that are not addressed in the offer document at all - to the shareholders on S IMMO AG and its executive bodies**. This structure can and will (especially if the acceptance period is later extended again) result in S IMMO's Articles of Association being amended before IMMOFINANZ's offer closes. The reasons for this include the following:

(B) No restrictions on voting rights for third parties

If a shareholders' meeting is to be held for the Target Company during this time, the restrictions on voting rights in accordance with point 4.10.8 of the offer oblige the Bidder to exercise its voting rights with no more than 15% of the Target Company's issued shares. However, no such restriction applies to third parties.

(C) Cancellation favours potential assumption of control by third parties

Third parties can obtain control within the meaning of Section 22 et seq. ÜbG in the period between entering the cancellation and entering the reinstatement of maximum voting rights. If the deadline for the condition for completion under (4.2) of the offer (Approvals under merger control laws) is exploited, this period can be more than three months even if the acceptance period is not extended.

(D) Differences in opinion about whether conditions are met

The Takeover Commission decides in the event of any differences in opinion about whether conditions for completion are met under (4.3) (a) or (4.3) (b) of the offer.

The commercial register court responsible makes the decision on any disputes about whether the condition precedent for the reinstatement of the maximum voting rights applies and whether the resolution precedent is admissible under stock corporation law.

Ordinary courts are responsible for decisions about disputes resulting from deficient resolutions when filing annulment and modification actions, as well as about actions arising as a result of purchase agreements being concluded or not being concluded.

This structure has the potential to significantly delay entering the reinstatement of maximum voting rights for the duration of a legal dispute on both the fulfilment of the conditions for completion and on the fulfilment of conditions for the reinstatement of the maximum voting rights.

(E) No legal assurance for entry of reinstatement of maximum voting rights

There is no legal assurance for the mechanism for reinstating maximum voting rights should the offer fail. It is possible that the unconditional cancellation of the maximum voting rights will be entered in the register of companies but its subsequent reinstatement will not be, meaning that maximum voting rights will permanently cease to exist despite the offer having failed. The Bidder would thus have gained control without having made a mandatory public takeover offer.

This risk is a result of the proposed structure, under which the reinstatement of maximum voting rights would be resolved in the form of a conditional amendment to the Articles of Association. Even the scope of the admissibility of conditional

amendments to the Articles of Association is disputed under stock corporation law. For shareholders, however, the risk of this structure is exacerbated by the fact that, according to prevailing legal opinion, a conditional amendment to the Articles of Association of this nature cannot be entered in the register of companies if another shareholders' meeting is convened between the approval of the resolution and the submission to the register of companies, unless the amendment to the Articles of Association is re-approved (renewal resolution). There is therefore no guarantee that the conditional reinstatement will be re-approved because voting rights may have changed by this time and the advance cancellation of the maximum voting rights can also result in new shareholder blocks that can exercise their voting rights in full.

If, therefore, the Target Company holds (or is required to hold) a shareholders' meeting or an extraordinary shareholders' meeting before the offer closes, it must again vote on the reinstatement of maximum voting rights so that the maximum voting rights can be re-entered in the register of companies. If no such resolution is reached, there is a risk that it will not be possible to reinstate the maximum voting rights even though the offer was never completed. This is an unacceptable risk for the S IMMO AG Management Board and so the Bidder's proposed resolution on cancelling the maximum voting rights is denied.

(F) No conversion to a mandatory offer

The Bidder has expressly reserved the right to acquire shares of the Target Company at the same time independently of the offer ((4.9) of the offer). If the maximum voting rights were cancelled (entry of a cancellation resolution into the register of companies) during the acceptance period, it could not be ruled out that the Bidder would obtain a controlling share in the Target Company by exceeding the general control threshold of 30% by way of these parallel acquisitions and that the offer would be converted ex lege into a mandatory offer. This may have resulted in the pricing rules prescribed under takeover laws in accordance with Section 25a (2) ÜbG being circumvented. Thus, the Minimum Acceptance Threshold of 50% plus one share is an absolute condition for the success of the offer.

The Bidder declared on 31 May 2021 that this conversion to a mandatory offer would not be permitted and that the statutory minimum acceptance threshold remains a condition for the success of the offer and its completion.

5.5 Other conditions

The completion of the takeover offer is subject to the following additional conditions:

(a) *No loss in the amount of half the share capital, no insolvency proceedings (4.4)*

In the period between the publication of this offer document and the end of the acceptance period, the Target Company has not announced that (a) a loss in the amount of half the share capital pursuant to Section 83 AktG has occurred, (b) S IMMO AG is insolvent or in liquidation, or (c) insolvency or restructuring proceedings or proceedings under the Company Reorganisation Act have been initiated against its assets or a court has rejected the opening of insolvency or restructuring proceedings due to a lack of assets.

(b) *No capital increase, no transfer of own shares or issue of convertible bonds (4.5)*

In the period between the publication of this offer document and the end of the acceptance period, (a) the Target Company's share capital was not increased and no resolution was passed on this at the shareholders' meeting or by the Management Board; the Target Company did not (b) publish a notice stating that it or a subsidiary has sold or transferred treasury shares to an external third party or undertaken to do so; and the Target Company did (c) not issue any securities with subscription, option or conversion rights or obligations on shares of the Target Company or participating certificates or similar instruments, nor did it pass a resolution to issue such securities.

(c) *No significant compliance violations (4.6)*

In the period between the publication of this offer document and the end of the acceptance period, the Target Company did not publish any ad-hoc releases describing any (a) conviction or charge relating to the Target Company or a subsidiary as a result of an offence committed by a member of a management body or an executive manager of the Target Company or one of its subsidiaries acting in their official capacity or as per order; nor did it report (b) an offence or administrative offence relating to the Target Company or a subsidiary committed by a member of a management body or an executive manager of the Target Company or one of its subsidiaries acting in their official capacity or as per order.

(d) *No obligation by the Target Company under takeover laws to make an offer to the Bidder (4.7)*

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By the end of the acceptance period, the review procedure initiated by resolution by the 2nd Senate of the Takeover Commission from 4 March 2021 in accordance with Section 33 (1) (2) ÜbG (GZ 2021/2/1, published in the official gazette (*Amtsblatt*) of the “Wiener Zeitung” on 19 March 2021), did not find that S IMMO AG, CEE PROPERTY INVEST Immobilien GmbH and/or CEE Immobilien GmbH were obliged to make an offer to IMMOFINANZ (Target Company in review procedure).

At the time of publishing this statement, the Target Company had not yet been informed of the Takeover Commission’s decision in the review procedure.

5.6 Fulfilment and non-fulfilment of conditions for completion, waiving (4.8)

The Bidder reserves the right to waive the occurrence of individual conditions for completion, insofar as legally permissible, with the effect that the respective condition is deemed to have been fulfilled. According to the offer document, the fulfilment of the legal requirement (minimum acceptance threshold) under (4.1) of the offer cannot be waived. However, in a press release from 31 May 2021 the Target Company declared that this condition remains valid and cannot be waived by converting to a mandatory offer because this conversion is not admissible under the offer. It should therefore be assumed that the minimum acceptance threshold condition for completion remains a condition for completion for the offer in all cases.

According to the offer document, the statutory periods in accordance with Section 15 (2) ÜbG must be observed for a lawful waiver, whereby (i) the condition for completion under (4.3) (a) of the offer must be fulfilled before the 15th trading day before the end of the acceptance period and (ii) the acceptance period is the conditional period for the conditions pursuant to items (4.4), (4.5), (4.6) and (4.7) and (iii) the conditional period for the conditions under (4.2) (a) and (4.3) (b) ends 90 calendar days after the end of the acceptance period and (iv) 120 calendar days after the end of the acceptance period for the condition in accordance with (4.2) (b).

According to the offer document, the Bidder also reserves the right to waive the condition of approvals under merger control laws ((4.2) of the offer). The Management Board notes that completing the offer without fulfilment of this condition is prohibited in most jurisdictions and is invalid or at least to be reversed.

6. Parallel transactions (4.9)

The Bidder reserves the right to acquire shares in the Target Company at the same time as the offer either itself or together with entities acting jointly with the Bidder. In line with the offer document, shares acquired by the Bidder in this manner must be included in the declarations of acceptance pursuant to Section 25a (2) ÜbG and thus count towards the minimum acceptance threshold (see 5.2).

In accordance with Section 25a (2) ÜbG, parallel acquisitions by entities acting jointly with the Bidder must be included in the declarations of acceptance. As per the offer document, the Bidder has not made any agreements within the meaning of Section 1 (6) ÜbG with other entities ((2.3) of the offer). Other than the Bidder's group companies (the Bidder's controlled entities), there are therefore no entities acting jointly with the Bidder. Nevertheless, it is not clear whether there will be a change to the group of entities acting in concert immediately before or after the resolution at the above extraordinary shareholders' meeting of S IMMO AG.

If a resolution on cancelling maximum voting rights in accordance with (4.2) (a) of the offer is passed during the acceptance period and if this is entered in the register of companies during the acceptance period and thus comes into effect, until the Bidders statement in the press release from 31 May 2021 it could not be ruled out that the Bidder may obtain control within the meaning of Section 22 ÜbG of the Target Company by way of parallel transactions during the acceptance period, which would convert this voluntary takeover offer into a mandatory offer in accordance with Section 22 et seq. ÜbG.

According to the Bidder's press release from 31 May 2021, converting this offer into a mandatory offer would clearly be inadmissible (as already mentioned above).

7. Acceptance period and completion of the offer

7.1 Acceptance period

The period for accepting the offer is 8 (eight) weeks and 2 (two) trading days. The offer can therefore be accepted from 19 May 2021 up to and including 16 June 2021, 5 pm Vienna time ("**acceptance period**"). The Bidder reserves the right to extend the acceptance period in accordance with Section 19 (1b) ÜbG. In accordance with Section 19 (1c) ÜbG, if a competing offer is submitted the acceptance periods are automatically extended to the end of the competing offer's acceptance period for all offers that have already been made, provided the Bidder has not declared it is withdrawing from this offer.

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The Target Company's Management Board expressly notes that, if the acceptance period is extended, it is possible for the Bidder or an entity acting jointly with the Bidder to acquire shares in the Target Company at the same time as the offer.

7.2 Grace period

For shareholders of the Target Company who do not accept this offer within the acceptance period, the acceptance period is extended in accordance with the conditions of Section 19 (3) ÜbG by three (3) months from the date on which the result is notified (published) ("**potential grace period**"), if the statutory minimum acceptance threshold in accordance with Section 25a (2) ÜbG is reached (Section 19 (3) (3) ÜbG). The terms and information set out in item 5 of the offer also apply for accepting the offer during any potential grace period. Shares in the Target Company tendered during any potential grace period receive a separate ISIN AT0000A2QM82 and are labelled as "S IMMO AG - tendered shares/grace period". Holders of shares in the Target Company who accept the offer during the grace period in accordance with Section 19 (3) ÜbG are paid the Offer Price no later than ten trading days after the end of the grace period and after offer becomes binding. This is done in accordance with (5) of the offer.

7.3 Completion

For details on completing the offer please see (5) of the offer.

8. Announcing and publishing the result

The result of the offer is published immediately after the end of the acceptance period as a notice announcement in the official gazette (Amtsblatt) of the "Wiener Zeitung", and on the Target Company's website at www.simmoag.at, the Bidder's website at www.immofinanz.com and the website of the Austrian Takeover Commission www.takeover.at.

This also applies to all other statements and announcements by the Bidder in connection with the offer.

9. Equal treatment

In its offer, the Bidder confirms that the Offer Price of EUR 22.25 per share is the same for all holders of shares in the Target Company.

Until the end of the acceptance period and any grace period, the Bidder and entities acting in concert with the Bidder are not authorised to issue statements in connection with legal transactions that are intended to acquire shares in the Target Company at

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more favourable conditions than those in the offer, unless the Bidder improves the offer or the Takeover Commission grants an exception for good cause.

If, however, the Bidder or any entity acting in concert with the Bidder declares that it intends to acquire shares in the Target Company at more favourable conditions than those in the offer, these more favourable conditions also apply to all other shareholders of the Target Company, even if they have already accepted this offer.

Any improved offer also applies to all shareholders who have already accepted the offer at the time of the improvement, provided they do not object to the improvement.

If the Bidder acquires shares in the Target Company during the acceptance period or any grace period, but not as part of this offer, these transactions are immediately published, stating the number of shares in the Target Company acquired or to be acquired as well as the consideration paid or agreed upon, in accordance with the applicable provisions of Austrian law.

If the Bidder or any entity acting jointly with the Bidder acquires shares within a period of nine months after the end of the grace period and is paid or agrees to higher consideration for this acquisition than that set out in the offer, the Bidder must pay the difference to all shareholders who accepted the offer in accordance with Section 16 (7) ÜbG. This does not apply if the Bidder or any entity acting jointly with the Bidder acquires shares in the Target Company in the event of a capital increase in connection with exercising statutory subscription rights or higher consideration is paid as part of proceedings under the *Gesellschafter-Ausschlussgesetz* (Shareholder Squeeze-Out Act).

If the Bidder sells a controlling interest in the Target Company within a period of nine months after the end of a limitation period, a pro rata gain on disposal is to be transferred to all shareholders who accepted an offer in accordance with Section 16 (7) ÜbG.

The Bidder must immediately report any event that results in a subsequent payment. The Bidder must make the subsequent payment through the paying and processing office at its own expense within 10 trading days of the publication stated above. If the event that results in a subsequent payment does not occur within the nine-month period, the Bidder must submit a corresponding declaration to the Takeover Commission. The Bidder's expert will review and confirm the declaration.

The Target Company's Management Board expressly notes that, if the acceptance period is extended, it is possible for the Bidder or an entity acting in concert with the Bidder to acquire shares in the Target Company at the same time as the offer. One possible

result of this is that, due to converting the offer into a mandatory offer in accordance with Section 22 UbG, the condition of Section 25a (2) ÜbG, which states that the Bidder must receive as part of the offer declarations of acceptance for more than 50% of shares in the Target Company with permanent voting rights, may no longer apply and so the Bidder can acquire and expand a controlling interest even if the acceptance threshold and acceptance of the converted mandatory offer among the shareholders of the Target Company are low. Owing to the fact that maximum voting rights in accordance with the Articles of Association no longer apply following a resolution by the Target Company's shareholders' meeting, this conversion of the offer into a mandatory offer can result in the Bidder acquiring control over the Target Company even though the offer was not accepted by a majority of the Target Company's shareholders. The Target Company's Management Board explicitly informs the shareholders of the Target Company of this intrinsic risk to which the shareholders of the Target Company are exposed on account of the structure of the offer (for detailed information see Chapter 5.4(b)(C)).

10. Future business policy

10.1 Business policy objectives and intentions

In the offer document, IMMOFINANZ expressed the following intentions concerning the combination with S IMMO AG:

IMMOFINANZ has held a significant stake in S IMMO AG since 2018 (per 31. December 2020: 26.49 % from the equity) and S IMMO AG, in turn, holds a significant stake in IMMOFINANZ (per 31. December 2020: 13.38).

IMMOFINANZ is now aiming for a combination of the two companies that will result in an improved market position in the core markets of both companies and stronger position in the capital markets.

IMMOFINANZ expects this combination to result in significant synergy potential particularly from a reduction in overhead costs and financing synergies. One of the options to achieve cost synergies stated in the offer document is a combination of management of the real estate portfolio and administrative tasks in individual business areas.

Based on the offer document IMMOFINANZ attaches great importance to the skills and experience of S IMMO's employees. The focus is on organising the respective management of the portfolios efficiently and profitably under joint leadership. Reducing the number of employees is not a priority. However, process optimisations and possible portfolio sales may result in a reduction in jobs.

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IMMOFINANZ does not currently plan to change S IMMO's Executive Board. However, IMMOFINANZ aims to change the composition of the Supervisory Board to reflect the shareholding structure and to take into account the continued existence of a free float shareholder base.

A complete combination of the two companies is conceivable by way of a merger according to the offer document, which would have to be prepared in accordance with the framework conditions under company law and resolved by the shareholders' meetings of the two companies.

IMMOFINANZ claims that it will take the economic and legal interests of S IMMO AG into consideration. IMMOFINANZ does not expect a successful offer to affect the headquarters or employment conditions at S IMMO AG.

10.2 Effects on financing strategy, access to capital and cost of funding

IMMOFINANZ holds a BBB- long-term issuer credit rating by S&P. S IMMO AG does currently not hold a credit rating.

Following the announcement of the offer on 14 March 2021, S&P revised the outlook of IMMOFINANZ to negative. S&P states that a successful transaction would likely weaken the combined entity's credit metrics, despite positive effects from the transaction regarding size, geographical diversification, and exposure to more resilient economies. In the event that a transaction materializes and the combined entity's creditworthiness – according to S&P-adjusted credit metrics – deteriorates, IMMOFINANZ may be downgraded and thereby lose its current investment grade status. This assessment by S&P is based on the initial Offer Price of EUR 18.04 per share.

A potential loss of investment grade status could have a material negative impact on cost of debt of the Combined Company – in the case of a successful takeover offer – which would result in an increase in cost of equity. The reduced financial flexibility could result in reduced capacity to acquire investment properties and execute developments, which could potentially negatively impact the future growth profile of company.

Following the revised outlook, IMMOFINANZ has confirmed its financing strategy, which is designed to ensure sufficient liquidity at all times and to maintain a balanced capital structure and maturity profile and thereby guarantee the Group's position as an issuer in the investment grade range over the long-term.

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10.3 Legal framework and stock exchange listing

Legally, delisting from official trading on the Vienna Stock Exchange would be advisable if the statutory eligibility requirements in accordance with Section 40 (1) of the Austrian Stock Exchange Act 2018 (*Börsegesetz*) (in particular the statutory minimum free float) were no longer met.

As the offer is structured as a Ppublic takeover offer in the meaning of Section 25a ÜbG, the Bidder can acquire all shares in the Target Company covered by the offer if the offer is accepted in full. If the offer is accepted in full, the Target Company may therefore lose the minimum listing for official trading on the Vienna Stock Exchange, Prime Market segment.

Furthermore, delisting due to the listing requirements not being met may occur as a result of the Bidder carrying out a squeeze-out under the *Gesellschafterausschlussgesetz* (Shareholder Squeeze-Out Act - GesAusG). A squeeze-out is possible if the Bidder holds more than 90% of the Target Company's share capital.

The Bidder has not yet decided whether it will implement a squeeze-out under the GesAusG if the offer means that the Bidder will hold more than 90% of the share capital and the voting shares of the Target Company either at the time of closing or at a later time.

The Bidder feels that the Target Company should remain listed for official trading on the Vienna Stock Exchange until further notice. The Bidder declared that the offer is not a "delisting offer" within the meaning of Section 27e ÜbG.

10.4 Effects on the employment situation, creditors, taxes and public interests

(a) *Employees*

While the focus of the offer document is not on the reduction of headcount, eliminating jobs could occur as part of process optimisation and any portfolio sales. Because the Bidder is a direct competitor of the Target Company in terms of business activity and regional focus, and there is a great deal of overlap in target markets and locations, it is likely that jobs will be lost if the offer were completed.

If the offer were completed, a change in employment conditions for the employees of the Target Company is not planned according to the offer document, but not ruled out.

According to the offer, the Bidder does not assume there will be any effects on the Target Company's headquarters if the offer were successful. Thus, while a relocation of headquarters or other locations of the Target Company are apparently not planned, the offer does not rule them out either.

While there are no changes planned to the Management Board of the Target Company at present, the Supervisory Board would change after the offer is completed in order to reflect the shareholding relationships, taking account of an additional group of free float shareholders.

(b) *Creditors and public interest*

Completion of the offer is not expected to impair the position of creditors or have adverse effects on public interest. In this context, it should be noted that the company is also significantly financed through the issuance of bonds. All bond terms and conditions contain change-of-control clauses which, in the event of a change of control as defined therein, trigger or could trigger the bondholders' rights of rescission. In any event, a consummation of the offer constitutes a change of control, which, according to the terms and conditions of the bonds issued in 2018 and 2019, only leads to a right of rescission of the bondholders if it leads to a material impairment of the issuer's ability to fulfil its obligations under the bonds. The company cannot rule out, in particular in the event of a sudden change in the interest rate environment, that creditors of S IMMO AG bonds will exercise any rescission rights that may have arisen to a substantial extent, but does not currently expect this to happen.

(c) *Taxes*

The acquisition of additional shares in S IMMO AG by the Bidder could have tax consequences for S IMMO Group:

The tax regulations of some countries (including, in particular, Germany) provide that a change of shareholders in S IMMO AG - with respect to the properties located in these countries - may also trigger real estate transfer tax. In relation to Germany, this could occur if - taking into account the new legal situation as of 1 July 2021 - the shareholding in S IMMO AG held by the Bidder reaches or exceeds 90%. In certain constellations, even reaching a threshold of 50% of the shares could trigger a German land transfer tax. Furthermore, it should be noted that transfer transactions as of 1 July 2021, in which there is a direct or indirect change of ownership of 90% or more of the shares in a real estate company within a period of 10 years, will trigger real estate transfer tax; transfer

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transactions in the context of this takeover offer thus limit future possible tax-free transfer transactions. The burden of German real estate transfer tax would arise at the level of the real estate company. This could result in a significant tax burden for S IMMO Group. In order to avoid the incurrence of a real estate transfer tax liability, the Bidder proposes to acquire an interest in a maximum total number of S IMMO Shares such that the intended acquisition threshold is undercut by 10,000 shares and the additional shares of S IMMO AG Shareholders who accept the offer ("Excess Shares") are acquired and taken over by a qualified third party ("Third-Party Holder") without a through acquisition by the Bidder. The takeover offer does not contain any information on the possible constellations in which German real estate transfer tax can be triggered already below a threshold of 90% of the shares. Therefore, a final assessment of the possible tax consequences cannot be made.

A possible merger of S IMMO AG into the Bidder or a company affiliated with the Bidder would, without further measures, lead to an indirect merger of all shares in the real estate companies with German real estate and thus also trigger German real estate transfer tax (at the level of the Bidder).

In addition, there are regulations in individual countries that lead to a loss of tax loss carryforwards if there is a relevant (direct or indirect) change of shareholders. The expiry of tax loss carryforwards means that they are no longer available for offsetting against later profits and thus the later tax payments are higher. However, a possible effect of this is not considered to be significant.

The acquisition of further shares in S IMMO AG by the Bidder will in principle leave the tax group of S IMMO AG unchanged. Any changes to this structure will naturally have tax consequences.

Acceptance of the offer could result in tax obligations for the shareholders. The offer document contains a great deal of general information about the potential tax consequences of shareholders accepting the offer. Given the complexity of tax laws and the numerous possible scenarios, shareholders are advised to speak with a tax adviser before accepting the offer.

11. Management Board's position to the offer

11.1 Basic considerations

As the Management Board has already stated at the outset, it recommends that the shareholders of S IMMO AG should not accept this offer. Notwithstanding this, the decision to accept or not to accept the offer is the responsibility of the individual shareholders, who will have to decide based on their individual baseline and interests. In the following, the Management Board sets out some reasons that may speak for or against the acceptance of the offer.

11.2 The following reasons speak in favour of accepting the offer

(a) Premium over the current share price

The weighted average share price of the last 1, 3 and 6 months prior to the announcement of the intention to make the offer is below the current Offer Price. This speaks in favour of accepting the offer. However, in the Board's view, this low price level is solely due to the COVID-19 pandemic, but should not be sustained. On 21 February 2020, the last day before the COVID-19 pandemic began, the spot price was EUR 26.25, 15.2% above the Offer Price. On 4 March 2020, the S IMMO Share finally reached EUR 27.15 (closing price; intra-day: EUR 27.70), which corresponds to the highest value in 2020. The Offer Price is EUR 4.90 below this highest closing price of March 2020, which corresponds to a discount of 18.0%.

(b) Future share price development uncertain

S IMMO AG's share price rose gradually until the start of the global COVID-19 pandemic in spring 2020. It is not certain whether this is only due to the good business development of the company and the higher EPRA NAV compared to the share price or to other factors. Although some renowned research analysts have recently raised their price targets for S IMMO AG, the price targets set tend to be in the range of the Offer Price, so that no clear price expectation can be derived from them.

It is also uncertain whether the market will fully reflect the sound business development of S IMMO AG and the recent increases in enterprise value (see results for the first quarter of 2021) and the EPRA NAV/share above the Offer Price in the share price in the future. Therefore, it is also not ensured that shareholders will be able to sell their S IMMO Shares at the Offer Price or at a higher price via the stock exchange after the termination of the offer procedure.

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(c) *Shareholders with larger blocks of shares can use the offer for an exit*

Shareholders holding larger blocks of shares in S IMMO AG may use the offer to sell their stake in the target company in the short term. Whether the offer enables these block shareholders to sell their block of shares in the target company without a loss in share price depends on their entry prices. For shareholders who have acquired their shares at a price higher than the Offer Price, the offer does not provide an adequate exit option.

11.3 The following reasons speak against an acceptance of the offer

(a) *Offer price is significantly below the EPRA NAV and the values per share calculated in DCF methods.*

The most recently reported EPRA NAV at the time of publication of this document is EUR 25.05 based on Q1 2021. The Offer Price is thus EUR 2.80 below the most recently reported EPRA NAV for Q1 2021, which corresponds to a discount of 11.2%.

The Offer Price is also significantly below the EPRA NAV as of 31 December 2020 (last reported at the time of the publication of the offer) of EUR 24.32 per share, which corresponds to a discount of 8.5%.

In addition, the Offer Price is by EUR 4.0 or 15.2%, in particular, significantly below the adjusted EPRA NAV of EUR 26.24 described under 4.5, which includes the additional increase in value of the German and Austrian real estate portfolio of EUR 85 million (EUR 1.20 per share), based on the value analysis of an independent, external expert.

In addition, all DCF company value assessments described in 4.6 are significantly higher than the Offer Price of IMMOFINANZ.

In an overall view, the Offer Price is therefore, in the opinion of the Management Board of S IMMO AG, below all relevant fundamental values determined. The management team of S IMMO AG has arrived at this assessment also taking into account an inadequacy opinion of J.P. Morgan. The Management Board of the Target Company has mandated J.P. Morgan as its financial advisor to issue a written opinion on the adequacy of the Offer Price of EUR 22.25 per share. For the purposes of this reasoned opinion, J.P. Morgan has issued an inadequacy opinion as of 2 June 2021 ("Inadequacy Opinion").

- (b) *Offer Price is significantly below the share price prior to the outbreak of the COVID-19 pandemic.*

On 4 March 2020, the SIMMO share reached a high of EUR 27.15 (intra-day: EUR 27.70). The Offer Price is therefore significantly below this March 2020 high by EUR 4.90. Shareholders who want to trust on the price potential of the S IMMO Share should therefore not accept the offer for this reason alone. However, whether the price level prior to COVID-19 can be reached again is naturally associated with uncertainties. However, the current economic recovery suggests that the S IMMO Share can return to the growth path interrupted by the pandemic.

- (c) *Offer Price is below the premium paid by IMMOFINANZ upon acquisition of the stake*

In 2018, IMMOFINANZ paid a premium of approximately 15% on the then most recently reported EPRA NAV of S IMMO AG. The acquired stake did not provide IMMOFINANZ with control over S IMMO AG due to the company's voting rights restriction. The present offer by IMMOFINANZ is aimed at control and would therefore have to include a control premium.

- (d) *Offer Price is below the book value of the S IMMO Share in the Q1 2021 financial report of IMMOFINANZ*

IMMOFINANZ reports the stake held in S IMMO AG at a value of EUR 23.58 per share in its recently published quarterly financial statements (Q1 2021). The Offer Price is EUR 1.33 below this value. IMMOFINANZ is thus offering the shareholders of S IMMO AG a price that is lower than the value at which it reports the shares in its books.

- (e) *Enabling a value-creating strategic realignment of S IMMO AG together with the recently filled key positions.*

Following the recent appointment of S IMMO's current Chief Executive Officer (CEO), Dr Bruno Ettenauer, in March 2021 and Chief Investment Officer (CIO) DI Herwig Teufelsdorfer in April 2021, the Management Board of S IMMO AG has conducted an in-depth review of S IMMO AG's corporate strategy. As a result of this strategic review, the Management Board has realigned the company's strategy to promote further growth and a continuous increase in the intrinsic value of S IMMO AG.

In this context, S IMMO AG intends to significantly expand its real estate portfolio with a focus on CEE, develop the existing properties in the commuter belt of Berlin and continue to build a development pipeline. In support of this strategy, the Management Board

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is considering a possible sale of its holdings in CA IMMO and IMMOFINANZ, which would lead to higher potential earnings from leveraged property purchases.

- (f) *Acceptance of the offer still possible during the additional acceptance period if the offer is successful*

S IMMO AG shareholders who do not wish to accept the offer during the acceptance period may, in the event that the offer is successful, still accept the offer during the additional acceptance period. By law, the additional acceptance period is three months after the announcement of the result of the offer. In the event of acceptance during the additional acceptance period, shareholders would receive the same price per S IMMO Share as if they had accepted during the original acceptance period. In view of the prevailing negative interest rates, retaining the shares while retaining the option to sell them at a later date may be attractive for shareholders. It should be noted that the exertion of this option depends on whether the original offer is successful, i.e. the bidder receives acceptance declarations comprising more than 50% of the S IMMO Shares subject to the offer by the end of the acceptance period.

11.4 Additional considerations from the perspective of the company

Irrespective of the resolution adopted at the Extraordinary General Meeting, the Management Board and the Supervisory Board recommend that the shareholders wait until the publication of the results of the valuations of the property portfolio as at 30 June 2021 before deciding whether to accept the offer. The Management Board will carry out a regular external comprehensive valuation of the property portfolio as of 30 June 2021, the results of which will be announced after 30 June 2021 in a timely manner, in any case still within the remaining acceptance period of the offer (16 July 2021).

11.5 Summary Assessment

- The Offer Price of EUR 22.25 per share (cum dividend) is significantly below the EPRA NAV of EUR 25.05 per share (Q1 2021) by EUR 2.80 per share, whereby this value does not take into account the additional increase in value of the German and Austrian real estate portfolio of EUR 85 million (EUR 1.20 per share), based on the value analysis of an independent external appraiser.
- In addition, IMMOFINANZ paid a premium of 15% on the EPRA NAV reported at that time in 2018, although no control was associated with the acquisition of the stake.

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- According to the assessment of the Management Board of S IMMO AG, the Offer Price is below the intrinsic value of the Target Company. The management team of S IMMO AG has arrived at this assessment by taking into account the inadequacy opinion of J.P. Morgan and the DCF valuations and NAV analyses prepared with the support of external experts.
- The price premium calculated in the takeover offer of IMMOFINANZ refers to share prices that were significantly influenced by COVID-19 and does not take into account the price recovery that has occurred on the market or the expected positive development of the company.
- The takeover offer by IMMOFINANZ is non-transparent in individual points. For example, reference transactions carried out by the CEO of IMMOFINANZ immediately prior to the takeover offer for a total of approx. 15% of the shares in the company in the last 12 months are not disclosed, concrete plans and expected synergy effects are only inadequately explained, not specifically quantified and also essential legal mechanisms are not explained in the offer.
- The offer structure specified by IMMOFINANZ distributes material transaction risks unilaterally to the detriment of the shareholders of S IMMO AG, which is demonstrated in particular by the anticipatory cancellation of the voting rights restriction, which is independent of the success of the takeover offer. The planned offer structure does not provide the shareholders of S IMMO AG with a legally secured possibility to reinstate the voting rights restriction in the articles of association in the event that the offer fails.

12. Other information

12.1 Further information

For further information on the offer please contact

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Further information is available on the company's website (www.simmoag.at).

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12.2 Advisors to the Target Company

J.P. Morgan AG has been appointed as financial advisor to the Target Company.

CERHA HEMPEL Rechtsanwälte GmbH, Parkring 2, 1010 Vienna and DSC Doralt Seist Csoklich Rechtsanwälte GmbH, Währinger Strasse 2-4, 1090 Vienna were appointed as legal advisors of the Target Company.

12.3 Expert pursuant to section 13 ÜbG

The Target Company has appointed BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as expert pursuant to Section 13 ÜbG.

Vienna, 3 June 2021



Management Board of S IMMO AG