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IMMOFINANZ

Statement by the Supervisory Board

on the voluntary partial takeover offer pursuant to sections 4 et seq. of the Austrian
Takeover Act (*Übernahmegesetz*)

by

CEE Immobilien GmbH, a 100% subsidiary of S IMMO AG

IMMOFINANZ AG
Wienerbergstraße 9
1100 Vienna
Austria
FN 114425y CC Vienna (*HG Wien*)
ISIN (shares): AT0000A21KS2
ISIN (convertible bonds): XS1551932046

1 Structure of the partial takeover offer and relation to the statement of the EXECUTIVE BOARD

1.1 The BIDDER and the OFFER

1.1.1 CEE Immobilien GmbH is a limited liability company under Austrian law with its registered office in Vienna and its business address at Friedrichstraße 10, 1010 Vienna, FN 217290 w ("**BIDDER**"), which is an indirect 100% subsidiary of S IMMO AG, a stock cooperation under Austrian law with its registered office in Vienna and its business address at Friedrichstraße 10, 1010 Vienna, FN 58358 x ("**S IMMO**"). According to the BIDDER, it holds 17,543,937 bearer shares in IMMOFINANZ AG, a stock cooperation under Austrian law with its registered office in Vienna and its business address at Wienerbergstraße 9, 1100 Vienna, FN 114425 y ("**IMMOFINANZ**" or "**TARGET COMPANY**"), corresponding to a participation in the current capital stock of IMMOFINANZ of approximately 14.23%.

1.1.2 On 6 December 2021, the BIDDER announced its intention to increase its current participation by means of a voluntary partial takeover offer pursuant to sections 4 et seqq. of the Austrian Takeover Act ("**ATA**") addressed to the stakeholders of IMMOFINANZ for the acquisition of up to 12,663,043 bearer shares in IMMOFINANZ, corresponding to 10.27% of the currently issued shares. On 23 December 2021, the BIDDER published the offer document ("**OFFER DOCUMENT**"), thereby making an offer to acquire a participation in IMMOFINANZ of in total approximately 24.50% of the currently issued capital stock and voting rights, whereby the offer price per IMMOFINANZ-share amounts to EUR 23.00 (*cum* dividend) (the "**OFFER PRICE**") (collectively the "**OFFER**").

1.1.3 The OFFER is addressed to the currently issued shares in the TARGET COMPANY with the securities identification number (ISIN AT0000A21KS2) as well as to any newly issued shares in the TARGET COMPANY issued after 30 November 2021, thus also to shares, which are issued to service the convertible bonds 2017-2024 (ISIN XS1551932046) of the TARGET COMPANY ("**CB**") by means of capital measures, irrespective of whether they bear the same securities identification number as the existing shares. The CB are not subject of the OFFER.

These addressees of the OFFER (not addressed are the BIDDER and parties potentially acting in concert with the BIDDER as well as the TARGET COMPANY insofar it holds own shares) are hereinafter referred to as the "**IMMOFINANZ-SHAREHOLDERS**"¹.

1.1.4 According to the OFFER DOCUMENT **the BIDDER does not exclude the possibility of increasing its overall acquisition volume in IMMOFINANZ** (i.e. also outside the OFFER and apart from acquisitions to compensate the dilution effect due to

¹ The choice of the masculine form in the definition "IMMOFINANZ-SHAREHOLDERS" in the German version is not intended to be gender-specific, but was made solely for reasons of better readability.

the CB conversion). The OFFER is, however, not subject to antitrust clearances by the competent antitrust authorities.

Note: On 22 December 2021, the BIDDER filed a merger control application with the German Federal Cartel Office under B1-255/21 regarding the acquisition of a minimum of **25%** in IMMOFINANZ. The German Federal Cartel Office approved such an acquisition on 4 January 2022. In addition, on 30 December 2021, the BIDDER filed a merger notification for the acquisition of a qualifying participation in IMMOFINANZ **of more than 25% but not more than 50%** with the Austrian Federal Competition Authority under BWB/Z-5833.

- 1.1.5 From today's perspective, the OFFER may be accepted from 23 December 2021 up to and including 26 January 2022, 4:00 p.m. (Vienna local time), ("**ACCEPTANCE PERIOD**"). The OFFER does not provide for a grace period (*sell-out phase*) within the meaning of section 19 para. 3 of the ATA.

Note: In the event of publication of a competing offer, the ACCEPTANCE PERIOD shall be extended *ex lege* until the end of the acceptance period for the competing offer, unless the BIDDER declares its withdrawal from the OFFER. The BIDDER has reserved the right to withdraw from the OFFER in the event of a competing offer in the OFFER DOCUMENT. The maximum period for all offers for the TARGET COMPANY is generally 10 weeks beginning from 23 December 2021 (section 19 para. 1d of the ATA). If there are competing offers, the Takeover Commission may, however, grant an appropriate prolongation of the acceptance period to more than 10 weeks, provided that the business activities of IMMOFINANZ are not unduly hindered in the operation of business.

1.2 Statement of the supervisory board; relation to statement of EXECUTIVE BOARD

- 1.2.1 The executive board of IMMOFINANZ ("**EXECUTIVE BOARD**") and the supervisory board of IMMOFINANZ ("**SUPERVISORY BOARD**") shall under takeover law, without undue delay after the publication of the OFFER DOCUMENT, provide reasoned statements on the OFFER. These statements shall, in particular, contain an assessment on whether the offered consideration by the BIDDER and the other contents of the OFFER adequately take into account the interest of all shareholders of IMMOFINANZ and other holders of equity instruments of IMMOFINANZ and what effects the OFFER is likely to have on the TARGET COMPANY, in particular the employees (regarding jobs, employment conditions and the fate of business locations), the creditors and the public interest based on the strategic planning of the BIDDER for the TARGET COMPANY. If the EXECUTIVE BOARD or the SUPERVISORY BOARD does not see itself in a position to make conclusive recommendations, they shall in any case present the arguments for accepting and for rejecting the OFFER, setting out the key considerations for each alternative.
- 1.2.2 The EXECUTIVE BOARD has issued a detailed and reasoned statement pursuant to section 14 of the ATA. It has dealt therein with the formal contents of the OFFER, analysed the **OFFER PRICE** in detail and qualified it as **inappropriate**. It has

further presented the arguments for and against the **acceptance of the OFFER** and has in its summarizing statement **not recommended** the acceptance of the OFFER as of today. This statement of the EXECUTIVE BOARD will be published on the websites of IMMOFINANZ and the Austrian Takeover Commission on 10 January 2022 ("**EB-STATEMENT**"). The works council of IMMOFINANZ has issued a separate statement on the OFFER.

- 1.2.3 Although a joint statement of the EXECUTIVE BOARD and the SUPERVISORY BOARD would not be inadmissible and in practice often only the executive board issues a detailed statement, with the supervisory board regularly reaffirming this position, the supervisory board is nevertheless supposed to submit its own statement for balancing purposes, also with the possibility of taking a position that may differ from the position of the executive board.
- 1.2.4 With the announcement of the CPI-OFFER (as defined in section 1.2.5) on 3 December 2021 and the OFFER on 6 December 2021, the SUPERVISORY BOARD, has taken the following steps for a review and financial evaluation of the OFFER:
 - (a) Schönherr Rechtsanwälte GmbH has been appointed as the SUPERVISORY BOARD's own legal advisor to advise it from a legal perspective, *inter alia*, in the analysis of the OFFER and to support the SUPERVISORY BOARD in the preparation of this statement.
 - (b) Ithuba Capital AG ("**ITHUBA**") has been appointed as the SUPERVISORY BOARD's financial advisor to advise it from a financial perspective, *inter alia*, in the analysis of the OFFER and to support the SUPERVISORY BOARD in the preparation of this statement; this appointment comprises in particular the issuance of a written opinion on the financial adequacy of the OFFER PRICE.
 - (c) In addition, the SUPERVISORY BOARD has comprehensively reviewed the OFFER and financially assessed the OFFER PRICE (based on the financial evaluations by the EXECUTIVE BOARD and the financial opinions of ITHUBA and the EXECUTIVE BOARD's financial advisor) and has comprehensively discussed and analysed the relevant reasons for and against an acceptance of the OFFER.
 - (d) Finally, an ongoing assessment of short- and medium-term strategic alternatives has taken place in exchange with the EXECUTIVE BOARD and the financial advisors. This process will be continued over the coming weeks, which can also result in an update of this statement (see section 1.4).
- 1.2.5 After an intensive analysis of the OFFER and detailed review, discussion and (financial) assessment (see section 1.2.4), the **SUPERVISORY BOARD** generally agrees with the explanations in the EB-STATEMENT and **concurs with the concluding assessment and recommendation of the EXECUTIVE BOARD**.

In light of CPI PROPERTY GROUP S.A.'s mandatory takeover offer regarding IMMOFINANZ announced on 3 December 2021 ("**CPI-OFFER**") and the existing crossholdings between IMMOFINANZ and S IMMO, the SUPERVISORY BOARD

considers it useful to issue a **supplemental statement pursuant to section 14 of the ATA.**

1.3 Independent review by IMMOFINANZ-SHAREHOLDERS

- 1.3.1 The SUPERVISORY BOARD points out that the description of the OFFER contained in the EB-STATEMENT and in this statement (together the "**STATEMENTS**") is not exhaustive or complete and that only the provisions of the OFFER DOCUMENT are relevant for the content and the execution of the OFFER. The assessments and recommendations contained in the STATEMENTS shall in no way bind the IMMOFINANZ-SHAREHOLDERS. Insofar as this statement refers to, quotes, summarises or reproduces the OFFER or the OFFER DOCUMENT, this shall be mere references by which the SUPERVISORY BOARD neither appropriates the OFFER or the OFFER DOCUMENT nor assumes any warranty for the correctness and completeness of the OFFER and the OFFER DOCUMENT.
- 1.3.2 It is the responsibility of each IMMOFINANZ-SHAREHOLDER to take note of the OFFER DOCUMENT, to form an opinion on the OFFER and, if necessary, to take the required measures. Each IMMOFINANZ-SHAREHOLDER must take its own independent decision, if and to what extent he/she accepts the OFFER, considering the overall situation, the individual circumstances and the personal assessment of the future development of the value of IMMOFINANZ and the stock price of the IMMOFINANZ-shares.
- 1.3.3 This statement does not take into account individual circumstances, situations or interests which individual IMMOFINANZ-SHAREHOLDERS may have due to contractual agreements, their individual tax situation, the size of their participation or other circumstances of any kind whatsoever which may be relevant for the assessment of the OFFER in its entirety or the adequacy of the OFFER PRICE or other aspects of the OFFER for such IMMOFINANZ-SHAREHOLDERS.
- 1.3.4 In deciding whether to accept or reject the OFFER, IMMOFINANZ-SHAREHOLDERS should make use of all sources of information and of consultation available to them and sufficiently consider their individual situations. The SUPERVISORY BOARD assumes no responsibility for this decision of the IMMOFINANZ-SHAREHOLDERS. If IMMOFINANZ-SHAREHOLDERS accept the OFFER, they are responsible for fulfilling the requirements and complying with the obligations set out in the OFFER DOCUMENT.
- 1.3.5 The SUPERVISORY BOARD points out that IMMOFINANZ-SHAREHOLDERS who intend to accept the OFFER should assess whether such acceptance is compatible with any legal obligations arising from their personal circumstances. Such individual obligations of the IMMOFINANZ-SHAREHOLDERS cannot be examined by the SUPERVISORY BOARD and / or taken into account in its recommendation.
- 1.3.6 The SUPERVISORY BOARD recommends that, in particular, any IMMOFINANZ-SHAREHOLDER who receives the OFFER DOCUMENT outside of the Republic of

Austria or who intends to accept the OFFER and underlies capital market laws of a jurisdiction other than the one of the Republic of Austria, shall inform himself about and act in accordance with the relevant local legal situation. Furthermore, the SUPERVISORY BOARD recommends that IMMOFINANZ-SHAREHOLDERS seek individual tax and legal advice, if necessary.

1.4 Final note on the update of this statement

- 1.4.1 The SUPERVISORY BOARD does generally not intend to update this statement after its publication and does not undertake any obligation to update this statement, unless such updates are required by Austrian law.
- 1.4.2 However, the SUPERVISORY BOARD reserves the right to update this statement and its position on the OFFER after its publication in its sole discretion, for example, if (i) the BIDDER changes the OFFER or (ii) the announced competing CPI-OFFER will be published or changed later, in each case resulting in new relevant facts or information becoming available.
- 1.4.3 Relating to the announced competing CPI-OFFER, the SUPERVISORY BOARD also points out that, depending on the time of publication of an offer document in relation to the CPI-OFFER, also the statements of the EXECUTIVE BOARD and the SUPERVISORY BOARD on the CPI-OFFER shall be taken into consideration in the course of assessing the OFFER.

2 Statement on the OFFER's consideration

- 2.1 For the evaluation of the financial adequacy of the OFFER PRICE by the IMMOFINANZ-SHAREHOLDERS, the SUPERVISORY BOARD has - as mentioned in section 1.2.4 (b) - appointed ITHUBA as independent financial advisor for the analysis of the OFFER and to support the SUPERVISORY BOARD with the preparation of this statement; this appointment also comprises the issuance of a written opinion on the financial adequacy of the OFFER PRICE - i.e. a fairness or inadequacy opinion - for the IMMOFINANZ-SHAREHOLDERS.
- 2.2 On this basis, ITHUBA has prepared such an opinion on the financial adequacy of the OFFER PRICE by means of internationally customary methods commonly used by financial advisors to evaluate comparable transactions in the real estate sector. Considering the OFFER's financial terms the applied methods comprise amongst others (i) market-known valuation multiples of comparable companies derived from stock market prices, (ii) analyses of premia paid in comparable transactions to acquire minority interests in comparable companies, (iii) a *Discounted Cash Flow*-valuation and (iv) other factors which ITHUBA deemed relevant, including the historical trading performance of the IMMOFINANZ share, the OFFER PRICE in relation to historical trading levels, net asset values and EPRA net asset values, financial performance indicators and current business developments of IMMOFINANZ, valuations and published target prices in research reports by equity analysts, the relationship of the OFFER PRICE to financial performance indicators of IMMOFINANZ when

compared to comparable transactions and the historical development of IMMOFINANZ' *Funds from Operations* (FFO).

In its opinion on the financial adequacy of the OFFER PRICE dated 8 January 2022, ITHUBA concludes that, subject to the assumptions and restrictions contained therein and at the time of the issuance of its statement, the OFFER PRICE to be paid to the IMMOFINANZ-SHAREHOLDERS accepting the OFFER according to the OFFER DOCUMENT is not fair from a financial perspective ("**INADEQUACY OPINION**").

- 2.3 The SUPERVISORY BOARD has dealt comprehensively with the INADEQUACY OPINION of its financial advisor, discussed it in detail with ITHUBA and conducted an independent critical assessment thereof.

The SUPERVISORY BOARD has further comprehensively analyzed the assessments and conducted analyses of the OFFER PRICE by the EXECUTIVE BOARD as set out in sections 3.1 to 3.6 of the EB-STATEMENT and the *Inadequacy Opinion* of its financial advisor, Citigroup Global Markets Europe AG ("**CITI**"), as set out in point 3.7 of the EB-STATEMENT and discussed them in detail with the EXECUTIVE BOARD and CITI in meetings of the SUPERVISORY BOARD.

- 2.4 Based on the information set out in sections 2.1 through 2.3, the **SUPERVISORY BOARD concludes that the OFFER PRICE** - in the amount of EUR 23.00 (*cum* dividend) per IMMOFINANZ-share in cash - **is inappropriate**.

3 Supplementary statement on the strategy of the BIDDER

- 3.1 In general, the SUPERVISORY BOARD welcomes takeover offers that invest in IMMOFINANZ at an attractive price per share for all shareholders of IMMOFINANZ. With respect to the BIDDER, however, the **increase of the existing cross-holdings between IMMOFINANZ and S IMMO** triggered by the acceptance of the OFFER - due to IMMOFINANZ's 26.49% stake in S IMMO - has to be considered in addition to the OFFER PRICE's lack of appropriateness.

- 3.2 In connection with the announcement of the intention to make an offer on 6 December 2021, S IMMO simultaneously communicated the unwinding of the cross-holdings as its strategic goal². In the OFFER DOCUMENT the BIDDER states that the OFFER'S intention is to provide a - not further determined - "contribution" to unwind the cross-holdings in the interest of both companies (ie IMMOFINANZ and S IMMO)³.

At the same time, the BIDDER states in the OFFER DOCUMENT that the OFFER shall not be considered as part of specific plans to unbundle the crossholdings, for example by means of disentanglement or merger⁴.

² See S IMMO's corporate news from 6 December 2021.

³ See section 7.2, para 2, sentence 2, of the OFFER DOCUMENT.

⁴ See section 7.2, para 2, sentence 1, of the OFFER DOCUMENT.

- 3.3 The BIDDER and S IMMO remain unclear as to their intentions. This ambiguity in the communication has increased in light of the fact that the BIDDER has initiated merger control procedures (see section 1.1.4) in order to further increase its stake in IMMOFINANZ.

4 Interests of the members of the EXECUTIVE BOARD and of the SUPERVISORY BOARD

4.1 Interests of the members of the EXECUTIVE BOARD

In addition to section 8 of the EB-STATEMENT, the SUPERVISORY BOARD states as follows:

- 4.1.1 The EXECUTIVE BOARD currently consists of two members: Mag. Dietmar Reindl (COO) and Mag. Stefan Schönauer, BA (CFO). The executive board mandates of Mr. Reindl and Mr. Schönauer will each expire on 30 April 2026.
- 4.1.2 In order to achieve a balanced interest position of the members of the EXECUTIVE BOARD in the context of public takeover offers, the executive board employment contracts provide for termination rights of the members of the EXECUTIVE BOARD in case of change of control events. Appropriate lead times apply to any such termination by a member of the EXECUTIVE BOARD. In the event of termination due to a change of control event, each member of the EXECUTIVE BOARD is entitled to receive compensation for future remuneration claims for the remaining term of its executive board employment contract subject to a maximum period of two years. Both members of the EXECUTIVE BOARD have informed the SUPERVISORY BOARD that they do not intend to exercise any termination rights granted in their executive board employment contracts in connection with the OFFER.
- 4.1.3 Each member of the EXECUTIVE BOARD has confirmed to the SUPERVISORY BOARD that (i) the member of the EXECUTIVE BOARD has no special interests with respect to the execution and the outcome of the OFFER which would interfere with an independent evaluation of the OFFER, (ii) no commitments of a financial or non-financial nature have been made or promised to the member of the EXECUTIVE BOARD or persons living in the same household by the BIDDER or any legal entity acting in concert with the BIDDER in connection with the OFFER, and (iii) no pecuniary advantage has been granted or offered to the member of the MANAGEMENT BOARD or persons living in the same household for a specific outcome of the OFFER.

4.2 Interests of the members of the SUPERVISORY BOARD

- 4.2.1 Neither the BIDDER nor any legal entity acting in concert with the BIDDER have entered into any agreements with members of the SUPERVISORY BOARD or persons living in the same household in connection with the OFFER. The members of the SUPERVISORY BOARD or persons living in the same household have not been granted or promised any pecuniary or other advantages by the BIDDER or any legal entity acting in concert with the BIDDER in connection with the OFFER (including

with respect to a specific outcome of the OFFER).

4.2.2 The following members of the SUPERVISORY BOARD hold directly or indirectly equity securities as defined by the ATA in IMMOFINANZ:

Mag. Bettina Breiteneder: 50,400 shares

Mag. (FH) Philipp Obermair: 150 shares

4.2.3 As of today, no member of the SUPERVISORY BOARD holding shares in IMMOFINANZ intends to accept the OFFER in whole or in part with the shares in IMMOFINANZ held by each of them.

4.2.4 All members of the SUPERVISORY BOARD took part in the discussion and participated in the voting on this statement of the SUPERVISORY BOARD. The resolution of the SUPERVISORY BOARD on this statement was passed unanimously in the extraordinary general meeting on 9 January 2022 (in the evening).

5 Summary assessment and recommendation of the SUPERVISORY BOARD

5.1 On the basis of the information set out in section 2, the **SUPERVISORY BOARD assesses the OFFER PRICE** - in the amount of EUR 23.00 (*cum* dividend) per IMMOFINANZ-share in cash - **as inappropriate**.

5.2 For these financial reasons and the BIDDER's publicly disclosed non-stringent intentions regarding IMMOFINANZ, the SUPERVISORY BOARD recommends IMMOFINANZ-SHAREHOLDERS not to accept the (current) OFFER. Nevertheless, the SUPERVISORY BOARD remains open to a constructive dialogue with the BIDDER.

Final note: The decision to accept or reject the OFFER should be made by each IMMOFINANZ-SHAREHOLDER individually, considering the overall circumstances, his/her individual circumstances and his/her personal assessment. Subject to mandatory legal provisions, the SUPERVISORY BOARD is not be responsible if the acceptance or rejection of the OFFER subsequently leads to adverse economic consequences for an IMMOFINANZ-SHAREHOLDER.

The legally binding German version of this statement was signed on 9/1/2022 by the Presidium of the Supervisory Board of IMMOFINANZ AG.