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The German original version shall prevail.*

IMMOFINANZ

Statement by the Executive Board

of

IMMOFINANZ AG

on the

voluntary partial public takeover offer
(Sections 4 et seq. of the Austrian Takeover Act)

by

CEE Immobilien GmbH

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Introduction

Bidder, Offer and Target Company

The bidder is CEE Immobilien GmbH ("**CEE Immobilien**" or the "**Bidder**"), which, according to the offer document, is an indirect 100% subsidiary of S IMMO AG ("**S IMMO**").

On 23 December 2021 the Bidder issued a voluntary partial public takeover offer in accordance with Sections 4 et seq. of the Austrian Takeover Act ("*Übernahmegesetz*") ("**ATA**") to the shareholders of IMMOFINANZ AG ("**IMMOFINANZ**" or "**Target Company**") for the acquisition of up to 12,663,043 bearer shares of IMMOFINANZ, corresponding to approximately 10.27% of the total number of shares currently issued by IMMOFINANZ ("**Offer**"). For this purpose, the Bidder published an offer document on 23 December 2021 ("**Offer Document**"). The subject of the Offer are the currently issued ordinary shares of the Target Company (ISIN AT0000A21KS2) as well as any new shares of the Target Company issued after 30 November 2021. The offer price per share is EUR 23.00 (*cum dividend*).

Reciprocal participations

According to the Offer Document, CEE Immobilien currently holds 17,543,937 IMMOFINANZ shares, corresponding to approximately 14.23% of the current share capital.

IMMOFINANZ in turn holds 19,499,437 S IMMO shares, corresponding to approximately 26.49% of the current share capital of S IMMO.

Announced anticipatory mandatory offer of CPI PROPERTY GROUP S.A.

On 03 December 2021, CPI PROPERTY GROUP S.A. ("**CPIPG**") published its intention to make an anticipatory mandatory offer in accordance with Sections 22 et seq. ATA to the holders of equity securities of IMMOFINANZ to acquire IMMOFINANZ shares and the convertible bonds due 2024 ("**CPIPG Offer**"). CPIPG has announced an offer price of EUR 21.20 per share (*cum dividend*).

According to announcements, CPIPG holds (directly and indirectly) 26,387,094 IMMOFINANZ shares, corresponding to approximately 21.4% of the current share capital.

CPIPG also announced that CPIPG and RPPK Immo GmbH entered into a (conditional) share purchase agreement on 03 December 2021 for the acquisition of further 13,029,155 IMMOFINANZ shares by CPIPG, corresponding to approximately 10.57% of the current share capital. This corresponds to a (combined) shareholding of 39,416,249 IMMOFINANZ shares, corresponding to approximately 31.97% of the current share capital.

CPIPG also holds an interest in S IMMO. According to announcements and as shown in the Offer Document of CEE Immobilien, CPIPG holds 8,543,690 S IMMO shares, corresponding to approximately 11.61% of the current share capital of S IMMO.

CPIPG notified the anticipatory mandatory offer on 22 December 2021 to the Austrian Takeover Commission pursuant to Section 10 ATA (notification as indicated on the website of the Austrian Takeover Commission). CPIPG shall publish the Offer Document pursuant to Section 11 ATA no earlier than on the twelfth trading day (11 January 2022) and no later than on the fifteenth trading day

(14 January 2022) after receipt by the Austrian Takeover Commission, unless the Austrian Takeover Commission (provisionally) prohibits the publication of the CPIP Offer.

The Executive Board will publish a separate statement on the anticipatory mandatory offer of CPIP in accordance with the provisions of takeover law. As the offer document is not yet published at the time of this statement, the Executive Board cannot take into account the offer document of the CPIP Offer for this statement. The Executive Board notes that depending on the date of publication of an offer document for the CPIP Offer, the Executive Board's statement thereon shall also be considered in connection with this offer. The right is also reserved for the Executive Board to make any supplementary statements in the further course.

Basic principles of takeover law and framework conditions for the submission of comments

This statement of the Executive Board is made pursuant to Section 14 para 1 ATA regarding the Bidder's Offer.

The statement shall, in particular, contain an assessment as to whether the consideration offered and the other contents of the Offer adequately take into account the interests of all shareholders and other holders of equity securities and what effects the Offer is likely to have on IMMOFINANZ, in particular on the employees (regarding jobs, employment conditions, location issues), the creditors and the public interest due to the Bidder's strategic planning for IMMOFINANZ. If no conclusive recommendation can be made, the Executive Board shall present the arguments for the acceptance and for the rejection of the Offer together with an indication of the most important aspects.

The assessments of the Executive Board in this statement on the Offer Price or the development of IMMOFINANZ also refer to future developments and forecasts and are based on assumptions made at the time of this statement's submission, which are naturally connected with estimation uncertainty. No liability will be accepted for the occurrence of these future developments and forecasts. The development of IMMOFINANZ as well as its group companies can be influenced by diverse factors, such as developments in the financial market, the economic situation in general or industry-specific economic conditions, or changes in the competitive environment, etc. In connection with legal issues, it should be noted that the Austrian Takeover Commission and other decision-making bodies could reach different conclusions.

Finally, the Executive Board points out that the content of this statement only reflects the knowledge of the members of the Executive Board as of today's date and refers to the Offer Document published by the Bidder on 23 December 2021. Furthermore, this statement also contains information provided by the Bidder in the Offer, which the Executive Board cannot comprehensively verify for accuracy and has not done so.

Consequently, this statement cannot be a substitute for each holder of equity securities of IMMOFINANZ examining the Offer himself and on his own responsibility, using all sources of information, in order to make a decision on the basis of this information as to whether or not to accept the Offer.

Statement of the Supervisory Board

The Supervisory Board of IMMOFINANZ will also make a statement on the Offer pursuant to Section 14 ATA.

Assessment by the expert

IMMOFINANZ has appointed Deloitte Audit Wirtschaftsprüfungs GmbH as expert pursuant to Section 13 ATA. The expert will provide an assessment of the Offer, the present statement of the Executive Board of the Target Company as well as the statement of the Supervisory Board.

Statement of the Works Council

The Works Council has informed the Executive Board that a statement on the Offer will be made.

The present statement of the Executive Board, the statement of the Supervisory Board and the assessment by the expert as well as the statement by the Works Council are published, inter alia, on the website of the Target Company (www.immofinanz.com) and the website of the Takeover Commission (www.takeover.at).

1. Current situation

1.1 Information on IMMOFINANZ AG

IMMOFINANZ is a stock corporation under Austria law whose registered office is located in Vienna and whose business address is Wienerbergstrasse 9, 1100 Vienna. The company is listed in the commercial register under FN 114425 y (Vienna Commercial Court). The shares of IMMOFINANZ are admitted to official trading on the Vienna Stock Exchange (Prime Market) and the Warsaw Stock Exchange (Main Market – rynek podstawowy).

IMMOFINANZ is a commercial real estate group whose activities are focused on the office and retail segments in eight core markets in Europe (Austria, Germany, Poland, the Czech Republic, Slovakia, Hungary, Romania and the Adriatic region). The core business covers the management and development of properties. IMMOFINANZ pursues a brand strategy with the highly standardized brands STOP SHOP (retail), VIVO! (retail) and myhive (office). Furthermore, in August 2021 IMMOFINANZ announced its entry into the asset class of affordable sustainable housing in the overbuilding of the owned specialist stores (STOP SHOP) (TOP on STOP).

As of 30 September 2021, the IMMOFINANZ real estate portfolio included 207 properties (excluding properties held for sale and properties that fall under IFRS 5) with a portfolio value of EUR 5,046.4 m. Of this amount, the majority (EUR 4,506.2 m or 89.3% of the book value) is attributable to existing properties with a rentable area of 2.0 m^{sqm}. Project developments account for EUR 377.5 m or 7.5% of the book value. A book value of EUR 162.7 m or 3.2% is attributable to pipeline projects, which include future planned project developments, undeveloped land, real estate inventories and properties intended for sale.

1.2 Capital and shareholder structure of IMMOFINANZ

1.2.1 Share capital of the Target Company

The share capital of IMMOFINANZ, at the date of this statement, amounts to EUR 123,293,795 and is divided into 123,293,795 bearer shares. For information on the increase of the share capital upon

the issuance of shares to holders of convertible bonds, please refer to the following section 1.3.2. The pro rata amount of the share capital per share is EUR 1.00.

1.2.2 Shareholder structure of the Target Company

According to the Offer Document, the Bidder holds 17,543,937 IMMOFINANZ shares, corresponding to a shareholding of approximately 14.23% in the share capital of IMMOFINANZ.

RPPK Immo GmbH holds 13,029,155 IMMOFINANZ shares (according to the major holdings notifications as of 06 December 2021), corresponding to a shareholding of approximately 10.57% in the Target Company. RPPK Immo GmbH is controlled by EUROVEA Services s.r.o., which is attributable to Mr Peter Korbačka.

CPIPG holds – according to the major holdings notification dated 03 December 2021 – 26,387,094 IMMOFINANZ shares, corresponding to a shareholding of approximately 21.40% in IMMOFINANZ.

Pursuant to an ad hoc announcement dated 03 December 2021 and a major holdings notification (Sections 130 et seq. Austrian Stock Exchange Act 2018) dated 03 December 2021, CPIPG entered into a conditional share purchase agreement with RPPK Immo GmbH on the acquisition of the 10.57% shareholding in IMMOFINANZ held by RPPK Immo GmbH. The share purchase agreement between CPIPG and RPPK Immo GmbH is conditional upon merger control clearance in several jurisdictions. In view of the closing of this share purchase agreement, CPIPG announced on 03 December 2021 its intention to make an anticipatory mandatory offer (see below section 1.5).

Petrus Advisers Ltd holds – according to a major holdings notification – 2,070,089 IMMOFINANZ shares, corresponding to approximately 1.68% in the share capital, as well as 4,125,000 voting rights from call options (expiry date: January 2022 – March 2022, exercise period: any time), which, if exercised, correspond to an interest of approximately 3.35% in the share capital. Petrus Advisers Ltd is controlled by Mr Klaus Umek.

Shareholder ¹	Number of shares	Stake in share capital in %
CPI PROPERTY GROUP S.A.	26,387,094	21.40
RPPK Immo GmbH ²	13,029,155	10.57
Subtotal	39,416,249	31.97
CEE Immobilien GmbH (Bidder)	17,543,937	14.23
Petrus Advisers Ltd ³	2,070,089	1.68
Treasury shares	1,028	0.00
Free float	64,262,492	52.12
Total	123,293,795	100.00

¹ Information according to recently published major holdings notifications and announcements to the intention to make an offer, in relation to the current share capital of the Target Company.

² According to the major holdings notification of 06 December 2021, RPPK Immo GmbH is controlled by EUROVEA Services s.r.o. and the latter is controlled by Mr Peter Korbačka.

³ In addition, 4,125,000 voting rights, corresponding to approximately 3.35% of the share capital, from call options.

1.3 Other equity instruments: convertible bonds

On 24 January 2017, IMMOFINANZ issued 2.0% convertible bonds due 2024 (ISIN XS1551932046) with a total nominal value of EUR 297,200,000, denominated in EUR 100,000 each and a term until 24 January 2024 ("**Convertible Bonds**").

The Convertible Bonds are included for trading in the Vienna MTF (multilateral trading facility; no regulated market). The interest rate is currently 1.5% p.a. The current outstanding volume is EUR 294,500,000. The Convertible Bonds entitle the holders to convert them into bearer shares of IMMOFINANZ.

The Convertible Bonds are equity securities pursuant to Section 1 no. 4 ATA. The present Offer is a partial offer pursuant to Sections 4 et seq ATA and as such – unlike a mandatory offer or a voluntary offer to acquire control – does not have to relate to the acquisition of all equity securities. The Offer also does not relate to the Convertible Bonds.

However, IMMOFINANZ shares issued to holders of the Convertible Bonds upon exercise of the conversion right ("**Delivery Shares**") shall be subject to the Offer, provided that the relevant Delivery Shares are issued in due time prior to the end of the Acceptance Period.

The holders of the Convertible Bonds are advised that due to the settlement periods for the issue of shares and acceptance of the Offer, early conversion is required in order to be able to accept the Offer for Delivery Shares, but no commitment is made by the Target Company as to the possibility of acceptance with Delivery Shares (see the notes below).

1.3.1 Change of control pursuant to the terms and conditions of the Convertible Bonds through the acquisition of a shareholding by CPIPG

The Convertible Bonds entitle the holders to exchange them for Delivery Shares at the conversion price. The terms and conditions provide for (i) a termination right of the holders in the event of a change of control (as defined in the terms and conditions) and (ii) the temporary adjustment of the conversion price applicable upon exercise of conversion rights on or before the control record date to be determined in accordance with the terms and conditions.

After receipt of the major holdings notification from CPIPG on 03 December 2021 regarding the acquisition of a direct and indirect shareholding of approximately 21.4% in the share capital of IMMOFINANZ, IMMOFINANZ published announcements¹ regarding the change of control on 07 December 2021:

- On 03 December 2021, a change of control of the Convertible Bonds occurred as a result of CPIPG acquiring a controlling interest in IMMOFINANZ pursuant to Section 22 ATA in connection with Section 27 ATA.
- The control record date is set at 19 January 2022.

¹ See the IMMOFINANZ announcement dated 07 December 2021, available at <https://immofinanz.com/en/news/immofinanz-ag-adjustment-of-the-conversion-price-of-convertible-bonds-due-2024-due-to-a-change-of-control-event>.

- The occurrence of the change of control leads to a temporary adjustment of the conversion price when conversion rights are exercised on or before the control record date.
- The conversion price applicable immediately prior to the occurrence of the change of control was EUR 20.6333 and the conversion price adjusted due to the change of control upon exercise of conversion rights on or before the control record date is EUR 18.8987.

The change of control pursuant to the terms and conditions of the Convertible Bonds applies as a result of CPIPG acquiring a formal controlling interest pursuant to Section 22 ATA in conjunction with Section 27 ATA in conjunction with Section 28 of the articles of association of IMMOFINANZ (i.e. a voting interest of more than 15%).

The conversion price upon exercise of conversion rights after the control record date shall generally correspond again to the conversion price applicable immediately prior to the occurrence of the change of control, i.e. EUR 20.6333 (i.e. subject to any future adjustments of the conversion price in accordance with the terms and conditions of the Convertible Bonds, such as the occurrence of another change of control event in accordance with the terms and conditions of the Convertible Bonds – see section 1.3.4).

If the conversion right is exercised at the adjusted conversion price, a higher number of Delivery Shares must be issued for Convertible Bonds submitted for conversion: For a Convertible Bond with a nominal value of EUR 100,000, approximately 5,291 Delivery Shares are to be issued; at the conversion price after the control record date, approximately 4,846 Delivery Shares are to be issued (in each case without taking into account a cash settlement of fractions of Delivery Shares).

1.3.2 Increase of share capital upon issuance of Delivery Shares

Upon full conversion of the outstanding Convertible Bonds (nominal value EUR 294,500,000) at the adjusted conversion price, up to 15,583,082 new shares, corresponding to approximately 12.64% of the current share capital, are to be issued.

Upon conversion, Delivery Shares shall be issued and transferred in accordance with the terms and conditions of the Convertible Bonds. Conditional capital exists for the issuance of Delivery Shares (Section 159 para 2 no. 1 of the Austrian Stock Corporation Act). The Executive Board intends to issue Delivery Shares from conditional capital.

1.3.3 Issue of Delivery Shares and possible acceptance of the Offer

A maximum period applies to the issue and transfer of Delivery Shares after the exercise of the conversion right. Delivery Shares shall be transferred to the securities account of the holder of the Convertible Bonds specified in the conversion notice no later than on the fifteenth business day after the conversion date. IMMOFINANZ aims to issue the Delivery Shares earlier in view of the expiry of the Acceptance Period of the Offer in order to provide an opportunity to accept the Offer. For explanations regarding the acceptance of the Offer, see section 2.5 of the statement and section 6 of the Offer Document.

In this context, the Executive Board points out that, depending on the respective custodian bank, different disposition periods may exist, so that shares to be tendered into the Bidder's Offer must already be booked on the custodian bank's securities account several trading days prior to the end of

the Acceptance Period. It is therefore recommended to contact the respective custodian bank in due time.

Due to the settlement deadlines for the issuance and transfer of the Delivery Shares and the acceptance for the Offer, IMMOFINANZ does not assume any obligation or guarantee that the transfer of Delivery Shares to the securities account of the holders of Convertible Bonds will take place in such a timely manner that the acceptance of the Offer with respect to the Delivery Shares can actually take place by the end of the Acceptance Period (26 January 2022, 4:00 p.m. (Vienna time)). See also the explanations in section 2.5. to an *ex lege* extension of the Acceptance Period for the Offer if a competing offer is published during the Acceptance Period, unless the Bidder has declared its withdrawal from the Offer.

1.3.4 Potential further change of control pursuant to the terms and conditions upon Settlement of the Offer

CEE Immobilien currently holds 17,543,937 IMMOFINANZ shares, corresponding to approximately 14.23% of the current share capital. Upon Settlement of the present Offer, the Bidder may also acquire a (formal) controlling interest (Section 22 in connection with Section 27 ATA) pursuant to the terms and conditions of the Convertible Bonds, provided that the Bidder holds an interest in IMMOFINANZ of more than 15% (voting interest pursuant to Section 22 ATA) after Settlement. In this case, a (further) change of control event will occur in accordance with the terms and conditions of the Convertible Bonds.

In this case, IMMOFINANZ will announce the change of control, an adjusted conversion price and a control record date in accordance with the terms and conditions of the Convertible Bonds. No statutory additional acceptance period pursuant to Section 19 para 3 ATA applies to the Offer as a partial offer, so that this Offer may no longer be accepted for Delivery Shares issued upon conversion after this possible further change of control event.

It is noted that the occurrence of this (further) change of control depends on the outcome of the Offer, whether CEE Immobilien thereby acquires a (formal) controlling interest (Section 22 in connection with Section 27 ATA), i.e. an interest of more than 15% (voting interest pursuant to Section 22 ATA). With regard to the time of Settlement of the Offer and any associated change of control event, it should also be noted that the Acceptance Period for the Offer is extended *ex lege* if a competing Offer is published during the Acceptance Period, unless the Bidder has declared its withdrawal from the Offer (see section 2.5).

In this context, it is also noted that IMMOFINANZ is entitled under the terms and conditions of the Convertible Bonds to redeem the remaining Convertible Bonds at the principal amount plus accrued interest if at any time the aggregate principal amount of the Convertible Bonds outstanding is equal to (or less than) 20% of the aggregate principal amount of the Convertible Bonds originally issued; i.e. the aggregate principal amount is EUR 59,400,000 (or less) (clean-up call). The notice period must be not less than 30 nor more than 90 days. In such notice, IMMOFINANZ shall announce the date on which the redemption will take place and the last day on which conversion rights may be exercised in accordance with the terms and conditions of the Convertible Bonds. It is not excluded that this date is prior to any further change of control event pursuant to the terms and conditions of the Convertible Bonds.

1.4 Material legal relationships with the Bidder

No personal ties exist between the Target Company and the Bidder or S IMMO, in particular no ties between corporate bodies.

Furthermore, there are no material legal relationships between the Bidder and the Target Company.

The Target Company holds 19,499,437 S IMMO shares, corresponding to a shareholdingshareholding of approximately 26.49% of the current share capital. The Bidder holds an interest in IMMOFINANZ of approximately 14.23% of the current share capital.

1.5 Current developments regarding the shareholder structure of IMMOFINANZ – announced offer by CPI PROPERTY GROUP S.A.

On 03 December 2021, CPIPG published its intention to make an anticipatory mandatory offer pursuant to Sections 22 et seq. ATA to the holders of equity securities of IMMOFINANZ for the acquisition of all bearer shares of IMMOFINANZ as well as the Convertible Bonds. CPIPG has announced an offer price of EUR 21.20 per IMMOFINANZ share (*cum dividend*).

CPI PROPERTY GROUP S.A. is a corporation (*société anonyme*) incorporated under the laws of Luxembourg with its registered office in Luxembourg and its business address at 40, rue de la Vallée, L2661 Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under registration number B 102 254.

According to the announcements, CPIPG holds (directly and indirectly) a 21.4% shareholding in IMMOFINANZ and has announced that CPIPG and RPPK Immo GmbH have entered into a (conditional) share purchase agreement regarding the acquisition of the 10.57% shareholding by CPIPG on 03 December 2021. This corresponds to a (combined) shareholding of approximately 31.97% in the share capital of IMMOFINANZ.

CPIPG notified the anticipatory mandatory offer on 22 December 2021 to the Austrian Takeover Commission pursuant to Section 10 ATA (notification as indicated on the website of the Austrian Takeover Commission). CPIPG shall publish the offer document pursuant to Section 11 ATA no earlier than on the twelfth trading day (11 January 2022) and no later than on the fifteenth trading day (14 January 2022) after receipt by the Austrian Takeover Commission (information according to the website of the Austrian Takeover Commission), unless the Austrian Takeover Commission (provisionally) prohibits the publication of the CPIPG Offer.

The Executive Board will issue a separate statement on the CPIPG Offer in accordance with the provisions of takeover law. This statement of the Executive Board shall be published within ten trading days from the publication of the offer document of CPIPG (Section 14 para 3 ATA).

As the offer document is not yet published at the time of this statement, the Executive Board cannot take into account the offer document of the CPIPG Offer for this statement. The Executive Board notes that depending on the date of publication of an offer document for the CPIPG Offer, the Executive Board's separate statement thereon in relation to this Offer shall also be taken into account. The right is also reserved for the Executive Board to make any supplementary statements in the further course.

It is also noted that in the event of the publication of a competing offer, the Acceptance Period for the Bidder's Offer will be extended *ex lege* until the end of the Acceptance Period for the competing offer, unless the Bidder declares the withdrawal from the Offer. The maximum period for the Offer is in principle 10 weeks (Section 19 para 1d ATA). However, the Austrian Takeover Commission may grant a reasonable extension of the Acceptance Period to more than 10 weeks, provided that the business activities of the Target Company are not unduly impeded thereby.

Note: The Executive Board points out that the Bidder has reserved the right to withdraw from this Offer in the event of a competing offer (see section 2.8).

1.6 The Bidder and legal entities acting in concert

1.6.1 CEE Immobilien

CEE Immobilien GmbH (Bidder) 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.

According to the Offer Document, the Bidder is an indirect 100% subsidiary of S IMMO AG, a stock corporation under Austrian law with its registered office in Vienna and its business address at Friedrichstraße 10, 1010 Vienna, FN 58358 x.

S IMMO is a real estate investment company based in Vienna. The shares of S IMMO are listed on the Vienna Stock Exchange (ISIN AT0000652250). According to the Offer Document, approximately 69% of S IMMO's portfolio consists of commercial properties (offices, shopping centres and hotels) and approximately 31% of residential properties. According to the Offer Document, S IMMO's entire portfolio is located in the EU, with a strong focus on capital cities in Austria, Germany and the CEE region.

1.6.2 Capital and shareholder structure of the Bidder and S IMMO

The share capital of the Bidder amounts to EUR 35,000 and is held in full by CEE PROPERTY-INVEST Immobilien GmbH (FN 205014 t). The sole shareholder of CEE PROPERTY-INVEST Immobilien GmbH is S IMMO.

The share capital of S IMMO amounts to EUR 267,457,923.62 and is divided into 73,608,896 no-par value shares.

According to the Offer Document, the shareholder structure of S IMMO is as follows:

Shareholder	Number of shares	Shareholding in share capital in %
IMMOFINANZ AG	19.499.437	26,49%
CPI PROPERTY GROUP S.A.	8.543.690	11,61%
EUROVEA Services s.r.o. ¹	3.836.988	5,21%
Free float ²	41.728.781	56,69%
Total	73.608.896	100,00%

1 According to the major shareholdings notification as of 12 November 2020, the S IMMO shares are held by EVAX Holding GmbH, which is controlled by EUROVEA Services s.r.o. and which is controlled by Mr Peter Korbačka.

2 In addition, it is pointed out that S IMMO holds 3,084,797 treasury shares (as at 26 December 2021) (see <https://www.simmoag.at/en/investor-relations/s-immo-share/share-repurchase.html>, retrieved on 07 January 2022).

1.6.3 Legal entities acting in concert with the Bidder

The Bidder states in the Offer Document that it has not entered into any agreements within the meaning of Section 1 no. 6 ATA with any other shareholder of the Target Company.

According to the Offer Document, the following companies are legal entities acting in concert with the Bidder pursuant to Section 1 no. 6 ATA: S IMMO and CEE PROPERTY-INVEST Immobilien GmbH (direct shareholder of the Bidder). The Offer Document does not contain a description of the legal entities controlled by the Bidder (i.e. S IMMO) (Section 1 no. 6 sentence 2 ATA) because the controlled legal entities are not relevant for the decision of the addressees of the Offer.

2. Offer of CEE Immobilien (Bidder)

2.1 Object of purchase

The Bidder's Offer is directed to the acquisition of up to approximately 10.27% of the total number of currently issued shares in IMMOFINANZ. These are 12,663,043 bearer shares which are not owned by the Bidder, any party acting in concert with the Bidder or the Target Company ("**Offer Shares**").

According to the Offer Document, the Target Company's currently issued bearer shares with the securities identification number (ISIN) AT0000A21KS2 as well as any new shares in the Target Company issued after 30 November 2021 are subject of the Offer. According to the Offer Document, this also includes any new shares in the Target Company issued upon conversion of Convertible Bonds.

In the Offer Document, the Bidder expressly reserved the right to expand the offer volume, in particular for the purpose of responding to a dilution through the issuance of new shares as a result of a possible conversion of Convertible Bonds (see section 7.1.3 last paragraph of the Offer Document). See above section 1.3 on the possible issue of Delivery Shares to holders of the Convertible Bonds and a related increase of the share capital.

Consequently, the Offer does not comprise all IMMOFINANZ shares. It is a partial offer (Sections 4 et seq ATA).

If the number of shares covered by the declarations of acceptance is larger than the number of Offer Shares, the declarations of acceptance will be taken into account on a pro rata basis as defined in Section 20 ATA. In this event, the acceptance of the Offer will be subject to an allocation ratio that is derived from the total number of offer shares divided by the total number of shares tendered in connection with the Offer. The declaration of acceptance by individual shareholders will be reduced in accordance with this allocation ratio.

Consequently, the acceptance of the Offer does not guarantee complete fulfilment of the declaration of acceptance.

2.2 Offer Price

The Bidder offers to the holders of Offer Shares, subject to the terms and conditions of the Offer, to acquire the shares at a price of EUR 23.00 per share *cum* dividends for the financial year 2021 and any other (special) dividends ("**Offer Price**").

cum dividend means that the Offer Price per share will be reduced by the amount of any dividend determined by IMMOFINANZ after the announcement of the Offer and the Settlement, provided that the Settlement of the Offer takes place after the relevant record date for such dividend.

As the Settlement of the Offer is currently announced for February 2022 and the ordinary shareholders' meeting of IMMOFINANZ is currently scheduled to take place on 12 July 2022 (with a record date for a dividend on 15 July 2022), shareholders who accept the Offer are not expected to be affected by such an adjustment of the Offer Price. This is also expected to apply if the Bidder extends the Acceptance Period or if the Acceptance Period for offers already made is extended *ex lege* upon publication of a competing offer during the Acceptance Period until the end of the acceptance period for the competing offer (Section 19 para 1c ATA). See on an extension of the Acceptance Period section 2.5.

The Bidder does not expressly exclude an increase of the Offer Price in the Offer. The Bidder may therefore improve the Offer Price during the term of the Offer and otherwise amend the Offer in favour of the security holders (Section 15 para 1 ATA).

For equal treatment and statutory additional payment obligations, see section 2.7.

2.3 Settlement fees and taxes

The Offer Price is understood before the deduction of any income taxes or other applicable taxes and duties.

According to the Offer Document, the Bidder will only bear the reasonable and customary costs and fees of the custodian banks directly related to the Settlement of the Offer, up to a maximum amount of EUR 8 (Euro eight) per deposit.

The Bidder recommends in the Offer Document that shareholders of the Target Company obtain an independent tax advice that considers individual tax circumstances with regard to possible tax impacts of an acceptance of the Offer. This is in accordance with the recommendation of Executive Board of IMMOFINANZ.

2.4 Conditions precedent for the Offer

The Bidder's Offer is subject to the following conditions precedent:

2.4.1 No material adverse change

None of the following events has occurred by the end of the Acceptance Period:

- (a) The Target Company has resolved on or distributed a dividend in kind (*Sachdividende*).

- (b) Until the expiry of the Acceptance Period, the Target Company is insolvent or over-indebted or in the process of liquidation or insolvency or restructuring proceedings (*Konkurs-, Sanierungs- oder Restrukturierungsverfahren*) or proceedings pursuant to the Corporate Reorganisation Act (*Unternehmensreorganisationsgesetz*) have been initiated or the initiation of insolvency proceedings have been rejected by court due to the lack of assets (*mangels Masse abgewiesen*).
- (c) The shareholders' meeting of the Target Company has resolved to dissolve, liquidate, merge, demerge, transform, change the legal form of or transfer the assets of the Target Company as a whole.
- (d) The Target Company publishes an announcement – irrespective whether this is an adhoc announcement or any other official announcement of the Target Company – indicating a material adverse change of the Target Company's financial or profit situation (*Vermögens-, Finanz- oder Ertragslage*), whereas a material adverse change is deemed to exist if such event in itself and without considering undisclosed offsetting effects reduces the *net asset value* of the Target Company by at least EUR 250 million.

2.4.2 No capital increase

Save for new shares issued by the Target Company to service the claims of holders of convertible bonds (in particular the Convertible Bonds due 2024), the registered share capital of the Target Company has not been increased nor the shareholders' meeting nor Executive Board or Supervisory Board of the Target Company have adopted any resolution by the end of the Acceptance Period that, if implemented, would result in an increase in the registered share capital of the Target Company. This shall, however, not apply, in the event of (i) a capital increase from own funds (conversion of profits, retained earnings or reserves into share capital [*Kapitalberichtigungen*]) or (ii) authorization resolutions by the shareholder's meeting pursuant to Section 159 et seq. and Section 169 et seq. Austrian Stock Corporation Act.

2.4.3 No amendment of the articles of association of the Target Company

By the end of the Acceptance Period, the shareholders' meeting of the Target Company has not resolved to amend the articles of association of the Target Company in a way that would (i) increase the majority requirement for all or particular resolutions of the shareholders' meeting or of other corporate bodies of the Target Company, or (ii) effect a change in the rights attaching to or in the nature of the shares of the Target Company.

2.4.4 No significant compliance breach

- (a) By the end of the Acceptance Period, the Target Company has not published an adhoc announcement according to which a conviction or indictment for a criminal act under any applicable law of any member of a governing body or officer of the Target Company or its subsidiaries while any of those persons were operating in their official capacity at the Target Company or its subsidiaries has occurred. Criminal acts within the meaning of this condition precedent specifically include bribery offences, corruption, breach of trust, antitrust violations, money laundering or violations of the Austrian Stock Exchange Act (*Börsegesetz*) or the Market Abuse Regulation; or

- (b) By the end of the Acceptance Period, the Target Company has not published an adhoc announcement according to which a criminal act or administrative offence under any applicable law was committed by any member of a governing body or officer of the Target Company or its subsidiaries operating in their official capacity at the Target Company or its subsidiaries. Criminal acts and administrative offences within the meaning of this condition precedent specifically include bribery offences, corruption, breach of trust, antitrust violations, money laundering or violations of the Austrian Stock Exchange Act (*Börsegesetz*) or the Market Abuse Regulation.

2.4.5 No market disruption

Between the publication of this Offer and the end of the Acceptance Period, the closing price of any of the two following indices is not in excess of 15% lower than its respective closing price on 15 December 2021 (as displayed on the relevant Bloomberg screen) on two consecutive trading days:

- Austrian Traded Index (ATX; ISIN AT0000999982);
- FTSE EPRA Nareit Developed Europe Index (Bloomberg abbreviation: BBG000R8H9J4).

2.4.6 Waiver, occurrence or non-occurrence of conditions precedent

The Bidder has reserved the right to unilaterally waive the occurrence of any or all of the aforementioned conditions precedent until the publication of the result pursuant to Section 19 para 2 ATA, in which case they shall be deemed to have been fulfilled.

The Offer will become invalid in the event that the aforementioned conditions have not been fulfilled by the end of the Acceptance Period or, if a condition specifies a later point in time, by this specified point in time, unless the Bidder has waived the occurrence of the conditions precedent.

2.5 Acceptance Period, acceptance and Settlement of the Offer ("Settlement")

The Acceptance Period of the Offer is 4 (four) weeks and 4 (four) trading days. The Offer may be accepted from 23 December 2021 (inclusive) until 26 January 2022, 4:00 p.m. Vienna time (inclusive) (the "**Acceptance Period**").

The acceptance of the Offer shall be declared in writing to the respective custodian bank. Upon acceptance of the Offer, a purchase agreement subject to a condition precedent shall be concluded with the Bidder, which shall only become effective upon fulfilment of the conditions precedent of the Offer (see section 2.4).

In respect of shareholders who accept the Offer during the Acceptance Period, the Bidder is obliged to pay the purchase price in accordance with the Offer Document no later than on the tenth trading day after the end of the Acceptance Period and after the Offer becomes unconditionally binding against simultaneous transfer of the shares.

Provided that all conditions precedent are fulfilled in due time, the Settlement is expected to take place until 09 February 2022 according to the Offer Document.

If a competing offer is received, the Acceptance Period of the original Offer shall be extended *ex lege* until the expiry of the acceptance period of the competing offer pursuant to Section 19 para 1c ATA, unless the Bidder has declared the withdrawal from this Offer.

According to the information provided on the website of the Austrian Takeover Commission, CPIPG has notified the Austrian Takeover Commission on 22 December 2021 of an anticipatory mandatory offer (Section 10 ATA) (regarding the offer announced by CPIPG, see above section 1.5). In the event that the CPIPG Offer is published during the Acceptance Period of this Offer, it is to be assumed that the Acceptance Period of this Offer will be extended *ex lege* until the end of the acceptance period for the CPIPG Offer, unless the Bidder has declared the withdrawal from this Offer. In principle, a maximum period of 10 weeks applies (Section 19 para 1d ATA). However, the Austrian Takeover Commission may grant a reasonable extension of the Acceptance Period to more than 10 weeks, provided that the business activities of the Target Company are not unduly impeded thereby.

Note: The Executive Board points out that the Bidder has reserved the right to withdraw from this Offer in the event of a competing offer (see section 2.8).

For further details, please refer to section 6 of the Offer Document.

2.6 Announcement and publication of the result

The Bidder is obliged to publish the result of the Offer as a notice in the official gazette of the Wiener Zeitung without undue delay after the expiry of the Acceptance Period. The result will also be published on the website of the Austrian Takeover Commission (www.takeover.at).

2.7 Equal treatment and statutory obligation for additional payments

The Bidder confirms in its Offer that the Offer Price is equal for all shareholders and that the provisions of takeover law regarding the equal treatment of all shareholders during the Offer will be complied with.

The Bidder declares in the Offer Document that the Bidder will not make any legal declarations aimed at the acquisition of shares of the Target Company on better terms than those contained in the Offer, unless the Bidder improves this Offer or the Austrian Takeover Commission grants an exception for good cause pursuant to Section 16 para 1 ATA. If the Bidder nevertheless makes a declaration of acquisition on better terms, these better terms shall also apply to all other shareholders of the Target Company, even if they have already accepted the Offer, unless they object thereto.

In the Offer Document, the Bidder refers to statutory obligations to make subsequent payments pursuant to Section 16 para 7 ATA: If the Bidder acquires shares in the Target Company within a period of nine months after the expiry of the Acceptance Period and if, in return, a higher consideration is granted or agreed than in the Offer, the Bidder is obliged pursuant to Section 16 para 7 ATA to make an additional payment in the amount of the difference to those shareholders who have accepted the Offer. This does not apply if the Bidder acquires shares in the Target Company in the course of a capital increase by exercising a statutory subscription right or if a higher consideration is paid in the course of a procedure pursuant to the Austrian Squeeze-out Act.

The Executive Board points out that these statutory orders pursuant to Section 16 ATA also apply with respect to legal entities acting in concert with the Bidder.

According to the Offer Document, the Bidder will publish the occurrence of a subsequent payment event immediately and arrange the settlement of the additional payment at its own expense within ten trading days after publication via the paying agent.

In the Offer Document, the Bidder does not refer to a possible obligation to make a subsequent payment pursuant to Section 16 para 7 last sentence ATA: Accordingly, if a controlling interest in the Target Company is resold within a period of nine months after the expiry of the Acceptance Period, a Bidder is obliged to make a cash payment in the amount of the pro rata capital gain to the shareholders who have accepted the Offer.

Through the Settlement of the Offer, the Bidder may acquire a controlling interest in the Target Company pursuant to Section 22 in connection with Section 27 ATA; i.e. an interest of more than 15% of the voting rights. It is not expressly provided by law that the obligation to make subsequent payments pursuant to Section 16 para 7 last sentence ATA only applies to the sale of controlling interests which also give the Bidder a controlling influence within the meaning of Section 24 ATA.

2.8 Right of withdrawal in case of competing offers

If a competing offer is made during the term of the Offer, shareholders are entitled pursuant to Section 17 ATA to withdraw from their declarations of acceptance made up to that point no later than 4 (four) trading days prior to the expiry of the original Acceptance Period (Section 19 para 1 ATA).

The withdrawal must be made in writing to either the respective depository bank or to the receiving and payment agent designated in the Offer.

Note: In the Offer Document, the Bidder has also reserved for itself the right to withdraw from the Offer pursuant to Section 19 para 1c ATA in the event that another bidder publishes a public offer for shares in the Target Company (regarding the announced offer by CIPPG see section 1.5.)

3. Assessment of the Offer Price by the Executive Board

The Offer Price is EUR 23.00 per Offer Share (see section 2.2).

The Offer is a voluntary partial takeover offer (Sections 4 et seq. ATA). The provisions regarding the statutory minimum price pursuant to Section 26 ATA, i.e. 6-month VWAP of the share prior to the announcement of the Offer and pre-acquisition prices within 12 months prior to the announcement of the Offer, do not apply. The Bidder is therefore free to determine the Offer Price.

The shares of IMMOFINANZ are listed on the Vienna Stock Exchange and also on the Main Market (*rynek podstawowy*) of the Warsaw Stock Exchange. Each of the following quoted stock prices refers to Vienna Stock Exchange market prices.

On 06 December 2021, the Bidder announced its intention to make the Offer and the Offer Price. The closing price of the IMMOFINANZ-share on the last trading day prior to the announcement of the intention to launch the Offer (03 December 2021) was EUR 21.36. The Offer Price is approximately 7.68% higher than this closing price.

3.1 Offer price in relation to average stock exchange prices

The volume weighted average prices ("VWAP") per IMMOFINANZ-share for the last one, three, six and twelve calendar months before it became known that an offer was under consideration, as well as the absolute and percentage amounts by which the Offer Price respectively exceeds these prices, amount up to and including the closing price as of 03 December 2021 (last trading day prior to the announcement of the intention to launch the Offer):

Period	1 Month	3 Months	6 Months	12 Months
VWAP value, in EUR	20.91	20.81	20.36	18.64
Difference between Offer Price and VWAP, in EUR	2.09	2.19	2.64	4.36
Premium (offer price at VWAP), in %.	10.00	10.53	12.94	23.38

Source: Vienna Stock Exchange AG (<https://www.wienerborse.at/>); own calculations of the Target Company.

Calculation periods (inclusive): 04 November 2021 to 03 December 2021 (1-month VWAP), 04 September 2021 to 03 December 2021 (3-month VWAP), 04 June 2021 to 03 December 2021 (6-month VWAP) and 04 December 2020 to 03 December 2021 (12-month VWAP).

It should be noted that share price developments and average prices may also be strongly influenced by the effects of the COVID-19 pandemic. Therefore, the following table shows both the daily closing price of the IMMOFINANZ-share as of 21 February 2020, which is defined for the purposes of this document as the last day before the collapse of the European capital markets caused by uncertainties in the context of the COVID-19 pandemic, and the volume weighted average prices (VWAP) of the IMMOFINANZ share for the last one, three and six months up to that date. The Offer Price of the Bidder shows a discount of approximately 12.88% compared to the closing price of EUR 26.40 on 21 February 2020 immediately prior to the outbreak of the COVID-19 pandemic in Europe and corresponding share price declines due to the pandemic on the European stock markets.

Reference date/Period	21 February 2020	1 Month	3 Months	6 Months
Closing price/VWAP value, in EUR	26.40	25.68	24.70	24.96
Difference to Offer Price in EUR	3.40	2.68	1.70	1.96
Discount (Offer Price to closing price/VWAP), in %	- 12.88	- 10.44	- 6.87	- 7.85

Source: Vienna Stock Exchange AG (<https://www.wienerborse.at/>); own calculations of the Target Company.

Calculation periods (inclusive): Daily closing price on 21 February 2020, 22 January 2020 to 21 February 2020 (1-month VWAP), 22 November 2019 to 21 February 2020 (3-month VWAP) and 22 August 2019 to 21 February 2020 (6-month VWAP).

The price level of the IMMOFINANZ-share before the outbreak of the COVID 19 pandemic was significantly higher than the Offer Price. In the view of the Executive Board, this price level also represents a significant reference point for the assessment of the Offer Price based on the current general economic development and the prospects of IMMOFINANZ.

The highest and lowest closing prices of the share in the calendar years 2019, 2020 and 2021 were (in EUR):

	2019	2020	2021
High	26.30	26.95	22.78
Low	21.08	11.50	16.17

Source: Vienna Stock Exchange AG (<https://www.wienerbourse.at/>); own calculations of the Target Company.
Basis: daily closing prices.

3.2 Offer Price in relation to IFRS book value, EPRA NAV and EPRA NTA

	IFRS book value (undiluted)	IFRS book value (diluted)	EPRA NAV (undiluted)	EPRA NAV (diluted)	EPRA NTA (undiluted)	EPRA NTA (diluted)
Value per share, in EUR	27.79	26.69	30.43	29.04	30.77	29.44
Offer Price in EUR	23.00	23.00	23.00	23.00	23.00	23.00
Discount in EUR	- 4.79	- 3.69	- 7.43	- 6.04	- 7.77	- 6.44
Discount in %	- 17.25	- 13.84	- 24.42	- 20.79	- 25.24	- 21.87

Source: Book value per share, EPRA NAV per share and EPRA NTA per share according to IMMOFINANZ interim group statements as of 30 September 2021.

For the dilution, a full conversion of the convertible bond and issuance of 15,583,082 new IMMOFINANZ shares is assumed.

EPRA NAV is the net asset value of IMMOFINANZ calculated in accordance with the principles of the European Public Real Estate Association (EPRA), as reported in the consolidated interim financial statements as of 30 September 2021.

In accordance with EPRA recommendations, IMMOFINANZ has published an expanded version of the net asset value (NAV) indicators, since the 2020 consolidated annual financial statements. The two familiar key figures Net Asset Value (NAV) and Triple Net Asset Value (NNNAV) were replaced by the three new key figures Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).

The EPRA NTA is considered the most relevant indicator for the asset value of IMMOFINANZ and therefore serves as the new primary indicator for the net value of the assets of IMMOFINANZ.

EPRA NAV is still regularly identified as the most appropriate metric for value estimates in connection with transactions of shares in listed real estate companies and is commonly used in the real estate industry for such transactions.

From the perspective of the Executive Board of IMMOFINANZ, the Offer Price should be put in relation to both key figures – EPRA NAV and EPRA NTA per share.

The Offer Price

- is EUR 7.43 below the EPRA NAV per share (undiluted) and EUR 7.77 below the EPRA NTA per share (undiluted) (both as of 30 September 2021); and

- shows a discount of 24.42% to EPRA NAV per share (undiluted) and 25.24% to EPRA NTA per share (undiluted) (both as of 30 September 2021).

Taking into account a dilution through the issue of 15,583,082 new IMMOFINANZ shares upon full conversion of the convertible bond, the Offer Price:

- is EUR 6.04 below the EPRA NAV per share and EUR 6.44 below the EPRA NTA per share (both as of 30 September 2021 (diluted)); and
- shows a discount of 20.79% to EPRA NAV per share and 21.87% to EPRA NTA per share (both as of 30 September 2021 (diluted)).

The Offer Price of EUR 23.00 is thus significantly below the EPRA NAV and EPRA NTA of IMMOFINANZ (undiluted and diluted).

For the future development of the EPRA NAV and EPRA NTA, the Executive Board believes that the positive potential from an expanded use of specialist retail properties (STOP SHOP) through IMMOFINANZ's entry into the asset class of affordable sustainable housing (TOP on STOP), which was announced in August 2021, should also be taken into account.

3.3 Key figures and business outlook for 2022

In assessing the Offer Price, the sustained improvement in key figures and the positive business outlook of IMMOFINANZ must be taken into account.

The Executive Board refers to the publication of IMMOFINANZ on 29 November 2021 on the consolidated results for the first three quarters of 2021 and the guidance (business outlook) published for the 2022 financial year. For the 2022 financial year, the Executive Board assumes the following key points for the business development in the 2022 financial year, based on a moderate impact of COVID-19 influences:

- Growth of the portfolio from EUR 5 billion to approximately EUR 6 billion through completion of project developments and acquisitions in the sectors retail (STOP SHOP) and office (myhive).
- Target for FFO 1 before tax of more than EUR 135 million.
- Dividend payment (proposal for the appropriation of the balance sheet profit to the shareholders' meeting) of approximately 70% of generated FFO 1 before tax.
- Unchanged financial policy with a debt ratio measured by net LTV at a conservative level of 36.6% as of 30 September 2021, of still below 45% in the medium term, and maintenance of the investment grade rating from S&P Global Ratings (currently BBB-/Stable (BBB-/Stable outlook) (see also section 4.5 of this statement).

3.4 Analyst ratings of the IMMOFINANZ-share

The table below shows the price targets published by equity research analysts prior to and after the announcement of the Bidder's intention to launch the Offer and the current price targets:

Financial institution	Date	Price targets prior to announcement of intention to launch the Offer, in EUR	Date	Price targets after announcement of intention to launch the Offer, in EUR	Current price targets
Deutsche Bank	20 Oct 2021	23.00	06 Dec 2021	23.00	23.00
Erste Group	13 Oct 2021	26.00	20 Dec 2021	26.00	26.00
Kepler Cheuvreux	31 Aug 2021	21.00	06 Dec 2021	21.00	21.00
PKO BP	03 Dec 2021	19.00	06 Dec 2021	19.00	19.00
Raiffeisen Bank International	29 Nov 2021	22.50	13 Dec 2021	26.00	26.00
Wiener Privatbank	02 Dec 2021	27.60			27.60
Average		23.18		23.00	23.77
Median		22.75		23.00	24.50

Source: Broker reports, Bloomberg.

From the Executive Board's point of view, the following price targets stated in the Offer Document are not appropriate for the assessment: Wood&Co with EUR 14.40, as this has not been updated since 10 September 2020 and, according to information from Wood&Co's analyst, an update is required. Société Générale with EUR 23.00, as Société Générale has discontinued its analyses and investment recommendations (equity research) regarding the IMMOFINANZ-share.

The Offer Price of EUR 23.00 is therefore below the average (EUR 23.77) and median (EUR 24.50) of the current price targets of the listed equity research analysts. Three of the listed equity research analysts indicate a target price significantly above the Offer Price of EUR 23.00.

3.5 Offer Price in relation to the announced CPIPG Offer

On 03 December 2021, CPIPG published its intention to make an anticipatory mandatory offer pursuant to Sections 22 et seq. ATA and notified the offer to the Austrian Takeover Commission on 22 December 2021 pursuant to Section 10 ATA (regarding the announced CPIPG Offer see section 1.5.). CPIPG has announced an offer price of EUR 21.20 per share of the Target Company (*cum* dividend).

The CPIPG Offer is not yet published at the time of this statement. The Offer Price of the Offer of CEE Properties is EUR 1.80 per share or 8.4906% higher than the price per share announced by CPIPG for the CPIPG Offer.

As the offer document is not yet published at the time of this statement, the Executive Board cannot take the offer document of the CPIPG Offer into account for this statement. The Executive Board will publish a separate statement on the anticipatory mandatory offer of CPIPG in accordance with the provisions of takeover law. The Executive Board points out that, depending on the timing of the

publication of an offer document for the CPIPG Offer, the Executive Board's statement on the CPIPG Offer shall also be taken into account in connection with this Offer.

In any event, shareholders of the Target Company should also inform themselves of any developments in relation to the CPIPG Offer.

3.6 Offer Price in relation to selected european corporate transactions

Premiums of successful public corporate transactions for minority shareholdings in the european real estate sector (since 2018) have also been taken into account to assess the Offer Price. When assessing the Offer Price on the basis of these premiums, it must be taken into account that the Bidder, in the event of an increase of the shareholding in the Target Company, is likely to have the secured possibility of blocking resolutions requiring a 3/4 majority, such as capital measures with the exclusion of subscription rights or resolutions on reorganisations (blocking minority, or "negative control"), which must be taken into account as a structural premium.

Buyer	Target company	Date	Premium / discount at		
			Closing price	3-month VWAP	EPRA NAV
Gazit-Globe Ltd	Atrium European Real Estate	18 Oct 2021	23.9%	21.8%	- 11.5%
Aware Super	Vivenio Residencial Socimi S.A.	30 June 2021	24.7%	NA	10.0%
Inmobiliaria Colonial	Societe Fonciere Lyonnaise SA	03 June 2021	56.3%	58.9%	- 11.7%
Balder	Entra ASA	11 Feb 2021	29.2%	42.1%	16.0%
Castellum	Entra ASA	25 Nov 2020	17.6%	29.4%	5.6%
Starwood	RDI REIT Plc	29 June 2020	28.4%	54.0%	- 44.8%
Capital & Counties	Shaftesbury	30 May 2020	- 13.9%	- 11.9%	- 45.0%
TLG Immobilien GmbH	Aroundtown SA	01 Sept 2019	9.7%	11.7%	0.0%
Invel Real Estate Partners	PRODEA Investments	31 March 2019	- 4.0%	- 3.0%	- 3.2%
Inmobiliaria Colonial	Societe Fonciere Lyonnaise SA	15 Oct 2018	17.9%	17.9%	- 18.8%
Immofinanz	S Immo	18 April 2018	24.1%	29.5%	12.4%
Starwood	CA Immobilien Anlagen	22 March 2018	3.6%	10.4%	- 8.0%
Average			18.1%	23.7%	- 8.2%
Median			20.9%	21.8%	- 5.6%
Bidder's Offer Price (EUR 23.00)			7.7%	10.5%	- 24.4%
Difference to average, in percentage points			- 10.4	- 13.2	- 16.2
Difference to median, in percentage points			- 13.2	- 11.2	- 18.8

Source: Major holdings notifications, annual reports, FactSet and Merger Market, own analyses (as of 05 January 2022).

The Offer Price of the Bidder implies a premium of approximately 7.7% to the closing price of the IMMOFINANZ- share on 03 December 2021 and of approximately 10.5% in relation to the 3-month VWAP.

These implied premiums of the Offer Price are thus significantly below the average and the median of the premiums offered in comparison to the (unaffected) closing price and the 3-month VWAP in the context of other public corporate transactions for minority shareholdings in the european real estate sector (comparable transactions).

The Offer Price of the Bidder shows a discount to the EPRA NAV of IMMOFINANZ as of 30 September 2021 (undiluted) of approximately 24.42% (and diluted of approximately 20.79%).

In contrast, the average discount to the EPRA NAV in the comparable transactions was approximately 8.2%; the median is approximately 5.6%.

The discount of the Offer Price of the Bidder to the EPRA NAV of IMMOFINANZ as of 30 September 2021 (undiluted and diluted) is thus significantly above the average and the median of the discounts to the EPRA NAVs offered in comparable transactions.

3.7 Opinion of Citi

In order to assess the financial adequacy of the Offer Price for the addressees of the Offer (shareholders of IMMOFINANZ other than the Bidder and parties acting in concert with the Bidder), the Executive Board of IMMOFINANZ has engaged Citigroup Global Markets Europe AG ("**Citi**") as financial advisor to advise the Executive Board of IMMOFINANZ with respect to the analysis of the Offer and to assist in the preparation of this statement of the Executive Board. This engagement also includes the issuance of an opinion on the financial adequacy of the Offer Price for the addressees of the Offer (shareholders of IMMOFINANZ other than the Bidder and parties acting in concert with the Bidder).

On this basis, Citi has prepared an opinion on the financial adequacy of the Offer Price based on internationally accepted procedures commonly used by financial advisors to assess comparable transactions in the real estate sector. The procedures applied in consideration of the financial terms of the Bidder's Offer include, inter alia, multiples of comparable companies derived from stock exchange prices, premium analyses of public company transactions, estimates of equity research analysts, discounted cash flow procedures and other factors deemed appropriate by Citi.

In this opinion, Citi concludes that, based on and subject to the considerations and assumptions set forth in the opinion, the Offer Price of EUR 23.00 per IMMOFINANZ-share is inadequate, from a financial point of view, to the shareholders of IMMOFINANZ ("**Inadequacy Opinion**").

4. Presentation of the interests of IMMOFINANZ and its shareholders

4.1 Reasons of the Bidder for the Offer

The Bidder and S IMMO have expressed the following reasons for the Offer:

IMMOFINANZ holds a 26.49% shareholding in S IMMO and S IMMO holds – indirectly through CEE Immobilien (Bidder) – a 14.23% shareholding in IMMOFINANZ. According to the Offer Document, the Offer aims at increasing the Bidder's shareholding in the Target Company by approximately 10.27% to up to 24.50%.

On 03 December 2021, CPIPG announced that it had acquired an approximately 21.40% shareholding in IMMOFINANZ and had also concluded a conditional share purchase agreement with RPPK Immo GmbH for the acquisition of an approximately 10.57% shareholding in the Target Company. Upon closing of this conditional share purchase agreement, CPIPG's shareholding in IMMOFINANZ is approximately 31.97%.

According to the publications of S IMMO (ad hoc announcement and corporate news, both dated 06 December 2021) and the Offer Document, the Offer is being made in connection with the CPIPG-Offer announced on 03 December 2021 with an offer price of EUR 21.20 per IMMOFINANZ-share (see above section 1.5 on the announced CPIPG Offer).

With ad hoc announcement dated 06 December 2021, S IMMO announced that CEE Immobilien does not intend to accept the offer of CPIPG. According to the Bidder's assessment in the Offer Document, the price of EUR 21.20 per share offered by CPIPG is not very attractive for IMMOFINANZ shareholders, especially as it neither offers a premium but rather a discount to the closing price of the Target Company on the day prior to the announcement of CPIPG's intention to launch an offer.

From the Bidder's point of view, the price offered by CPIPG is also not appropriate in view of CPIPG's intended acquisition of a controlling shareholding, especially since, according to the Bidder, it does not include any premium for the acquisition of a controlling shareholding, which has been the usual practice in the past for block trades in shares of the Target Company.

The CPIPG Offer therefore does not provide any opportunities for the Bidder to exit the Target Company at a fair price.

According to the Offer Document, the Bidder sees the opportunity to protect the interests of the shareholders of S IMMO and IMMOFINANZ through the partial offer pursuant to Sections 4 et seq. ATA to the shareholders of the Target Company. In particular, according to the Offer Document, the Offer shall ensure a governance of the Target Company in the interest of all shareholders, for as long as a shareholder aiming at control does not offer an adequate exit opportunity to the remaining shareholders. The Offer aims at increasing the Bidder's shareholding in the Target Company by approximately 10.27% to up to 24.50% and represents, according to the Offer Document, an attractive exit opportunity for the shareholders of the Target Company with a premium.

In the Offer Document, the Bidder has reserved the right to extend the offer volume. According to the Offer Document, an extension of the offer volume may be made in particular for the purpose of responding to a dilution of the participation in the Target Company as a result of a possible conversion of the Convertible Bonds into shares in the Target Company.

However, the Bidder does not exclude the possibility of expanding its overall acquisition volume (i.e. also outside the Offer). According to the ad hoc announcement of 06 December 2021, S IMMO has reserved the right *“to expand the volume of the Partial Offer and to further increase its shareholding in IMMOFINANZ to up to 30% of the outstanding shares, also through further acquisitions on or off*

the stock exchange"². The fact that the Bidder notified the German Federal Cartel Office ("*Bundeskartellamt*") of the acquisition of a shareholding of at least 25% in IMMOFINANZ on 22 December 2021, i.e. one day before the publication of the Offer Document, could speak in favour of a possible planned expansion of the shareholding, also in the future. This fact was not disclosed in the Offer Document. On 30 December 2021, S IMMO also notified the Austrian Federal Competition Authority ("*Bundeswettbewerbsbehörde*") of the intended acquisition of a qualifying shareholding of more than 25%, but not more than 50%, of the share capital of the Target Company through CEE Immobilien (Bidder) by way of acquisitions over the stock exchange as well as over the counter.

4.2 Business policy objectives and intentions of the Bidder regarding IMMOFINANZ

According to the Offer Document, the Bidder neither plans to acquire control of the Target Company nor to exert any influence on the Target Company to the effect that it fundamentally changes its current corporate policy; the Bidder only plans to increase its shareholding in IMMOFINANZ.

According to the Offer Document, it (meaning: the increase in shareholding) was intended to enable to continue pursuing an independent corporate policy in the interest of the Target Company and the Bidder in the interest of all their respective shareholders and to maximise their value.

In connection with the publication of the intention to launch the Offer on 06 December 2021, S IMMO continued to communicate the dissolution of the cross-shareholdings between IMMOFINANZ and the Bidder as a strategic objective of S IMMO with respect to its (indirect) shareholding in IMMOFINANZ. The increase of the shareholding in IMMOFINANZ planned through the Offer is necessary in order to continue to be able to achieve this strategic goal, as the anticipatory mandatory offer by CPIPG does not represent a possibility for S IMMO to achieve this strategic goal on terms acceptable to S IMMO shareholders (see S IMMO Corporate News of 06 December 2021).

In the Offer Document, however, the Bidder states that the Offer is not connected with any specific plans to dissolve the reciprocal shareholdings between the Bidder and the Target Company (cross-shareholding), for example by way of demerger or merger. According to the Offer Document, however, the Offer is intended to contribute to a solution in the interest of both companies and all shareholders and thereby create value.

4.3 Impact on IMMOFINANZ and the shareholder structure

4.3.1 No stringent objectives and intentions of the Bidder regarding IMMOFINANZ

In the view of the Executive Board, the reasons expressed by the Bidder and S IMMO for the Offer and the business policy objectives and intentions of the Bidder and S IMMO are not stringent.

On the one hand, the strategy communicated is the dissolution of the cross-shareholdings between IMMOFINANZ and the Bidder/S IMMO. The cross-shareholding will be strengthened upon Settlement of the Offer. In the Bidder's view, the increase in the shareholding in IMMOFINANZ is necessary in order to be able to continue to achieve the strategic objective (dissolution of the cross-shareholdings). However, the Offer Document again states that the Offer is not related to any concrete plans to

² See ad hoc announcement of S IMMO as of 06 December 2021, available at <https://www.simmoag.at/en/investor-relations/ad-hoc-and-other-notifications/ad-hoc-meldungen/detail/notification/s-immo-intends-to-launch-partial-offer-for-shares-in-immofinanz.html>.

dissolve the reciprocal shareholdings between the Bidder and the Target Company (cross-shareholding), for example by way of deconcentration or merger.

4.3.2 Blocking minority of the Bidder

In case of a respective acceptance of the Offer, the Bidder would hold an interest in IMMOFINANZ of approximately 24.50% of the current share capital.

After the closing of the (conditional) share purchase agreement on the acquisition of the 10.57% shareholding in IMMOFINANZ by CPIPG, the Bidder – after CPIPG with a shareholding of 31.97% (subject to further increase through the CPIPG Offer) – would thus continue to be the second largest shareholder of the Target Company.

If the Offer is accepted, it can be assumed that the Bidder will obtain a blocking minority for decisions requiring a qualified majority (3/4 majority) due to the presence at the shareholders' meetings of IMMOFINANZ. With this blocking minority, resolutions requiring a 3/4 majority, such as capital measures under exclusion of subscription rights or resolutions on reorganisations, would be dependent on the consent of the Bidder.

4.3.3 Shareholder blocks

The increase of the shareholding by CEE Immobilien (S IMMO) may, however, also be in the interest of the Target Company and its shareholders as a corresponding counterbalance to the acquisition of control and/or exercise of control by CPIPG.

If the Offer is successful, CPIPG and CEE Immobilien (S IMMO) would presumably be two shareholders with significant shareholdings in the Target Company. Different strategic interests of S IMMO and CPIPG may complicate the decision-making process at the IMMOFINANZ shareholders' meeting. With regard to the strategic interests of the shareholders and their impact on the decision-making process, it must also be taken into account that CPIPG holds a shareholding of approximately 11.61% in S IMMO.

4.3.4 Possible effects under stock corporation law for IMMOFINANZ's shareholding in S IMMO

S IMMO holds – indirectly through CEE Immobilien (Bidder) – a 14.23% shareholding in IMMOFINANZ. The Bidder now intends to increase its shareholding in IMMOFINANZ to up to 24.50% of the share capital by way of the Offer.

IMMOFINANZ holds 19,499,437 shares in S IMMO, corresponding to a shareholding of approximately 26.49% in the current share capital of S IMMO ("**Re-Participation**").

The increase of S IMMO's (indirect) shareholding in IMMOFINANZ may have an impact in connection with the Re-Participation. It cannot be excluded that, depending on the extent of S IMMO's (indirect) shareholding in IMMOFINANZ, there may be restrictions under stock corporation law on the possibility of IMMOFINANZ increasing its re-participation. It should also be noted that in the event of IMMOFINANZ gaining control over S IMMO within the meaning of Section 189a para 7 in conjunction with Section 244 of the Austrian Commercial Code, the IMMOFINANZ-shares held by S IMMO (as well as its indirect and direct subsidiaries) would become shares in the parent company (Section 66

of the Austrian Stock Corporation Act), and in this case statutory shareholding limits and obligations to sell or redeem shares would apply.

4.3.5 Strengthening of the cross-shareholding and capital allocation

The increase of the shareholding in IMMOFINANZ intended by the Offer strengthens the existing cross-shareholding and thus also for IMMOFINANZ – by way of IMMOFINANZ's 26.49% shareholding in S IMMO – the economic allocation of capital in relation to IMMOFINANZ's business activities.

4.4 Effects on the employment situation, location issues

In the Offer Document, the Bidder and S IMMO are in favour of preserving the existing structure of the Target Company in Austria. According to the Offer Document, one of the Bidder's objectives is to maintain the Target Company's location in Austria.

Also based on the corporate policy objectives and intentions of the Bidder and S IMMO as stated in the Offer Document, it is not expected that the Offer will have an impact on the employment and location situation of IMMOFINANZ.

4.5 Impact on creditors and the public interest

For IMMOFINANZ creditors, the Offer does not appear to worsen their current position in the view of the Executive Board.

IMMOFINANZ has a long-term issuer rating of BBB-/Stable (BBB-/Stable outlook) from S&P Global Ratings. Following the announcement of CPIPG's acquisition of a shareholding of approximately 21.4% in IMMOFINANZ and the announcement of the CPIPG Offer on 03 December 2021 as well as the announcement of the CEE Immobilien Offer on 06 December 2021, S&P Global Ratings announced on 07 December 2021 that the outlook on the rating remains unchanged for the time being. S&P Global Ratings will evaluate the outcome of the transactions and their impact on the final shareholder and governance structure of IMMOFINANZ, as well as any impact on future credit quality, over the next few months and update the rating analysis accordingly. From today's perspective, the Executive Board does not expect a deterioration of the issuer rating in connection with the Offer of CEE Immobilien.

According to the Offer Document, the Offer is aimed at increasing the Bidder's shareholding in the Target Company to approximately 25% and, according to information in the Offer Document, is not aimed at gaining material control. On this basis, the Settlement of the Offer will not trigger any termination rights of the bondholders due to a change of control event in accordance with the change of control provisions in the terms and conditions of the corporate bonds 2019-2023 and 2020-2027 issued by IMMOFINANZ. This applies accordingly to material real estate financing transactions concluded by IMMOFINANZ and its subsidiaries as well as the currently unused EUR 100 million corporate credit line of IMMOFINANZ. For the Convertible Bonds, a (further) change of control event occurs if the Bidder acquires a (formal) controlling interest in IMMOFINANZ of more than 15% (voting rights pursuant to Section 22 ATA in connection with Section 27 ATA) (see section 1.3.4).

Based on the Offer Document of the Bidder, no changes affecting the public interest are apparent.

4.6 Financing of the Bidder

According to the Offer Document and the confirmation of the Bidder's expert (Section 9 ATA), the Bidder has the funds to finance the Offer.

5. Experts pursuant to Section 13 ATA

IMMOFINANZ has appointed Deloitte Audit Wirtschaftsprüfungs GmbH, Renngasse1/Freyung, 1010 Vienna as expert pursuant to Section 13 ATA for the advice during the proceedings and to review the statements of the managing bodies as an independent expert.

6. Advisor to IMMOFINANZ

In connection with the Offer, the Executive Board has engaged Citigroup Global Markets Europe AG as financial advisor to IMMOFINANZ and bpv Hügel Rechtsanwälte GmbH as legal advisor. The Supervisory Board is advised by Ithuba Capital AG as financial advisor to IMMOFINANZ and Schönherr Rechtsanwälte GmbH as legal advisor.

7. Further information

For information on this statement by the Executive Board of IMMOFINANZ, please contact Bettina Schragl, Head of Corporate Communications & Investor Relations at +43 (0)1 88 090 2290 or investor@immofinanz.com.

Further information on IMMOFINANZ is available on its website www.immofinanz.com.

8. Interests of members of the Executive Board of IMMOFINANZ

No personal ties exist between the members of the IMMOFINANZ Executive Board and the members of the executive bodies of the Bidder (or with members of executive bodies of parties acting in concert with the Bidder) at the present time.

IMMOFINANZ shares are currently held by members of the Executive Board as follows:

Executive Board member	Number of shares
Stefan Schönauer, BA	15,000
Dietmar Reindl, M.D.	7,515

The members of the Executive Board do not intend to accept the Offer with the shares held.

The members of the Executive Board declare that they have not been offered or granted any pecuniary advantages by the Bidder or any legal entities acting in concert with the Bidder in the event of the successful Settlement of the Offer. No member of the Executive Board was offered or granted any pecuniary advantage in the event of the failure of the Offer.

The members of the Executive Board of IMMOFINANZ have each been appointed until 30 April 2026. In order to achieve a balanced interest position of the members of the Executive Board in the context of takeover offers in the interest of all shareholders and the company as well as the employees, the Executive Board contracts provide for termination rights of the Executive Board members in case of change of control events. Appropriate lead times apply to any termination. In the event of termination due to a change of control event, the Executive Board members are entitled to receive compensation for future remuneration claims for the remaining term of the Executive Board contract for a maximum of two years. The members of the Executive Board do not intend to exercise any termination rights under the Executive Board contracts in connection with this voluntary public partial takeover offer.

9. IMMOFINANZ Executive Board's position to the Offer

9.1 Basic considerations

The statement of the Executive Board on the Offer shall, in particular, contain an assessment of whether the consideration offered and the other contents of the Offer adequately take into account the interest of all shareholders and the Executive Board shall, pursuant to Section 14 ATA, in principle make a recommendation for the acceptance or rejection of the Offer by the shareholders.

The decision to accept or reject the offer is incumbent on the individual shareholders, who must decide on this on the basis of their individual starting base and interests.

Therefore, prior to its recommendation on the Offer, the Executive Board also presents the reasons that may speak in favour of or against the acceptance of the Offer by shareholders.

The following statements are intended to provide IMMOFINANZ shareholders with information and aspects that speak for or against an acceptance of the Offer. However, such presentation cannot be conclusive; in particular, individual circumstances cannot be taken into account. The decision as to whether or not the Offer is advantageous for an IMMOFINANZ shareholder in detail must therefore be made by each shareholder based on his or her individual situation (among other things depending on: acquisition price, long-term or short-term investment, investment strategy, tax situation, etc.) on the basis of an independent assessment and taking into account uncertainties in the aspects listed below. In addition, this decision also depends to a large extent on the future development of the capital market or the real estate sector expected by the respective shareholder as well as the assessment of how the enterprise value of the Target Company and thus ultimately also the price of the IMMOFINANZ share will develop in the future.

In order to also be able to take into account developments that occur after the preparation of this statement, it could be advantageous for the individual IMMOFINANZ shareholder to make the decision on the acceptance or rejection of the Offer (in a timely manner) towards the end of the Acceptance Period, taking into account the relevant deadlines.

Tax considerations may also be decisive for the decision to accept or reject the Offer, which is why the Executive Board expressly requests the shareholders to obtain information on the tax consequences from a qualified advisor (such as a tax consultant).

9.2 The following reasons speak in favour of accepting the Offer by shareholders

In the view of the Executive Board, the following considerations may speak in favour of accepting the Offer (the order does not necessarily reflect the weight of the individual arguments):

9.2.1 Premium over historical stock exchange prices

The closing price of the IMMOFINANZ share on 03 December 2021, the last trading day prior to the announcement of the Bidder's intention to launch a takeover offer, is EUR 21.36, which is approximately 7.68% below the Offer Price. Also in comparison to the weighted average prices (VWAP) of the last 1, 3, 6 and 12 months prior to the announcement of the Bidder's intention to launch a takeover offer, the premium amounts to approximately 10.00%, 10.53%, 12.94% and 23.38%.

9.2.2 Exit option for shareholders with larger numbers of shares

By accepting the Offer within the Acceptance Period (due to the structuring of the Offer, there will be no statutory additional acceptance period), higher numbers of IMMOFINANZ shares can also be sold without negatively affecting the pricing. Whether the Offer is attractive for shareholders with larger numbers of shares depends on their entry prices. A consideration equal to or higher than the Offer could be more difficult to obtain in the future for larger volumes of shares after the Offer (and thus the share price supporting effect) ceases to exist

It should be noted, however, that in the event of an over-subscription of the Offer, only a pro rata allotment can be made (see section 9.3.5).

9.2.3 Future share price development uncertain

The IMMOFINANZ share price developed very positively until the start of the COVID-19 pandemic in spring 2020. Since the COVID 19 pandemic-related price collapse (after 21 February 2020) (lowest daily closing price of the IMMOFINANZ share on 30 October 2020: EUR 11.5), the price has risen continuously again. It is not certain whether this trend will continue and thus a pre-crisis price level will be reached again.

The price targets of equity research analysts for the IMMOFINANZ share are in part significantly higher than the Offer Price (see section 3.4). However, it is uncertain whether these price expectations will actually materialise.

It is also uncertain whether in the future the stock exchange price will fully reflect the good business development of IMMOFINANZ (see results for Q3 2021) and the EPRA NAV/share and EPRA NTA/share, which are significantly above the Offer Price.

9.2.4 Uncertainties in the development of business activities

IMMOFINANZ shareholders who do not accept the Offer will directly bear the risk of the future development of IMMOFINANZ's business activities and other risks relating to IMMOFINANZ.

The profitability of IMMOFINANZ's business activities and thus also its future growth potential depend on a large number of factors whose future development is uncertain, such as demand for office and retail space, costs for the operation and maintenance of the properties managed by IMMOFINANZ,

personnel and administrative costs, costs for debt financing (interest rate development), tax burden, regulatory framework conditions as well as other factors and risks.

9.2.5 Potential selling pressure immediately after Settlement of the Offer

Due to the pro rata acceptance in case of over-subscription of the Offer (see also section 9.3.5), a significant realisation of unallocated shares immediately after the end of the offer process could create selling pressure in the market, which could have a negative impact on the share price. Such selling pressure may also arise from a realisation of Delivery Shares issued to holders of the Convertible Bonds (see also section 1.3). From the perspective of investors with a short-term investment strategy, this could be a reason for accepting the Offer.

9.2.6 Decline in free float – future realisation possibly more difficult

Until the beginning of December 2021, the free float at IMMOFINANZ was approximately 65% of the share capital; no shareholder held more than 15% of the Target Company's share capital. Since then, the composition of the shareholder base has changed. In an ad hoc announcement dated 03 December 2021, CIPG announced that CIPG holds a shareholding of approximately 21.40% in IMMOFINANZ. The free float currently amounts to approximately 48.78%. If the Offer is successful, the Bidder's shareholding in IMMOFINANZ would increase from current 14.23% to 24.50%. In this case, the free float would further decrease to significantly below 40% of the share capital.

This would likely lead to decreasing average daily trading volumes of the IMMOFINANZ share, i.e. lower liquidity after Settlement of the Offer. Lack of liquidity could impair the attractiveness of the IMMOFINANZ share and make future deinvestments more difficult. In any case, it might be more difficult for shareholders in the future to achieve the Offer Price or a higher price when selling their shares on the stock exchange.

IMMOFINANZ shares are currently listed in the ATX and WIG-Real Estate. A reduction in the free float can also lead to IMMOFINANZ shares being included with a low weighting according to the criteria defined by the respective index providers, which can have a negative impact on investments in the IMMOFINANZ share by institutional investors who invest in an index-dependent or index-oriented manner and thus also lead to negative effects on the share price.

9.2.7 Possible blockade by shareholder blocks

If the Offer is successful, CIPG and CEE Immobilien (S IMMO) are likely to be two dominant shareholders. Different strategic interests of S IMMO and CIPG could complicate decision-making at the IMMOFINANZ shareholders' meeting and possibly also have a negative impact on the IMMOFINANZ share price in the medium to long term.

9.2.8 Strengthening of the cross-shareholding

The cross-shareholdings existing between IMMOFINANZ and S IMMO are viewed critically on the capital market. If the Offer is successful, S IMMO's shareholding – indirectly via the Bidder – in IMMOFINANZ will be further expanded, which will strengthen the cross-shareholding. This may have a negative impact on the capital market attractiveness of the IMMOFINANZ share.

9.3 The following reasons speak against an acceptance of the Offer by shareholders

In the view of the Executive Board, the following considerations may speak against the acceptance of the Offer (the order does not necessarily reflect the weight of the individual arguments):

9.3.1 Offer price is significantly below EPRA NAV, EPRA NTA and IFRS book value per share

The Offer Price is significantly below the EPRA NAV per share as at 30 September 2021 of EUR 30.43 (and EUR 29.04 (diluted)) and below the EPRA NTA per share as at 30 September 2021 of EUR 30.77 (and EUR 29.44 (diluted)). The discount to the EPRA NAV is around 24.42% (and 20.79% diluted), the discount to the EPRA NTA is around 25.24% (and 21.87% diluted).

The Offer Price is also significantly below the IFRS book value of the IMMOFINANZ shares as of 30 September 2021 of EUR 27.79 (and EUR 26.69 (diluted)), which represents a discount of approximately 17.25% (and 13.84% to the diluted value).

9.3.2 Offer Price significantly below the price level before the outbreak of the COVID-19 pandemic

The IMMOFINANZ share price has risen continuously since the lows during the peak of the COVID-19 pandemic. Nevertheless, the IMMOFINANZ share continues to trade below its 52-week high of EUR 26.95 (as of 17 February 2020) prior to the COVID-19 pandemic-related share price collapse (after 21 February 2020), with the Offer Price showing a discount of approximately 14.66% to this price.

On 21 February 2020, the last day prior to the COVID-19 pandemic-related price collapse, the closing price of the IMMOFINANZ share was EUR 26.40 and thus EUR 3.40 above the Offer Price. This corresponds to a discount of 12.88% compared to this value. In addition, the Offer Price is approximately 10.44% below the 1-month VWAP, approximately 6.87% below the 3-month VWAP and approximately 7.85% below the 6-month VWAP, in each case prior the COVID-19 pandemic-related share price collapse.

Shareholders who want to rely on the upside potential of the IMMOFINANZ share should therefore not accept the offer. Naturally, future share price developments are associated with uncertainties.

9.3.3 Offer Price is below the average target price of analysts

The Offer Price is below the current expectations of analysts who forecast a target price of EUR 23.77 (average) and EUR 24.50 (median). Three of the securities analysts quoted give price targets of EUR 26.00 to EUR 27.60, significantly above the Offer Price (see section 3.4).

9.3.4 Counterbalancing the acquisition and/or exercise of control by CPIPG

The increase of the shareholding by CEE Immobilien (S IMMO) may, in the interest of the Target Company and its shareholders, constitute an appropriate counterbalance to the acquisition and/or exercise of control by CPIPG.

9.3.5 Risks associated with the allotment restriction of the partial takeover offer

The Offer comprises the acquisition of up to 12,663,043 shares, corresponding to approximately 10.27% of the current share capital of IMMOFINANZ. In the event that the Offer is accepted for a higher number of shares, the Offer will only be accepted on a pro rata basis in accordance with the allotment ratio.

A shareholder who accepts the Offer therefore bears the risk that not all shares will be sold at the Offer Price. Furthermore, until the expiry of the Acceptance Period, all shares for which the Offer has been accepted remain blocked. This means that the shareholder, due to the blocking of his shares, cannot dispose of them during the Acceptance Period, in particular cannot sell them over the stock exchange.

9.3.6 Premium of the Offer Price significantly lower than premiums of other public company transactions

In order to assess the Offer Price, premiums of successful public corporate transactions for minority interests in the European real estate sector have also been taken into account (comparable transactions) (see section 3.6).

The Offer Price of the Bidder implies a premium of approximately 7.7% to the unaffected closing price of the IMMOFINANZ share on 03 December 2021 and of approximately 10.5% in relation to the 3-month VWAP. These implied premiums are thus significantly below the average of 18.1% (unaffected closing price) and 23.7% (3-month VWAP) of the premiums in the comparable transactions.

The average discount to the EPRA NAV in the comparable transactions is approximately 8.2%, the median is approximately 5.6%.

In contrast, the Offer Price of the Bidder shows a significantly higher discount to the EPRA NAV of IMMOFINANZ as of 30 September 2021 (undiluted) of approximately 24.42% (diluted of approximately 20.79%).

9.3.7 Sustained trend for positive development and business outlook

IMMOFINANZ is on an upward trend, which is reflected in the sustained improvement in key figures and the positive business outlook in IMMOFINANZ's publication of 29 November 2021 on the consolidated results for the first three quarters of 2021.

For the 2022 financial year, the Executive Board assumes for the business development in the 2022 financial year, according to published capital market guidance and based on a moderate impact of COVID-19 influences,

- a growth of the portfolio from EUR 5 billion to approximately EUR 6 billion through completion of project developments and acquisitions in the sectors retail (STOP SHOP) and office (myhive),
- a target for FFO 1 before tax of more than EUR 135 million, of which 70% shall be distributed as dividend payment (proposal for the appropriation of the balance sheet profit to the shareholders' meeting),

- an unchanged financial policy with a debt ratio measured by net LTV at a conservative level of 36.6% as of 30 September 2021, of still below 45% in the medium term, and maintenance of the investment grade rating from S&P Global Ratings (currently BBB-/Stable (BBB-/Stable outlook) (see also section 4.5 of this statement).

IMMOFINANZ's entry into the asset class of affordable sustainable housing (TOP on STOP), which was announced in August 2021, also offers additional positive potential for the expanded use of the specialist store properties (STOP SHOP).

A potential continuation of the current positive economic developments in IMMOFINANZ's core markets with continuous economic growth could provide a good prerequisite for further stable business development, which could be reflected in an increasing company value and share price.

In addition, a continued positive fundamental development of the real estate markets with high occupancy rates, rising rents and declining purchase yields can also represent a positive effect for both the operational earning power (FFO) and the equity growth (NAV, NTA) of the company in the future. Shareholders who do not accept the Offer have the opportunity to continue to participate in this positive development.

9.4 Summary assessment and recommendation of the Executive Board

The Executive Board generally welcomes takeover offers that invest in IMMOFINANZ in a transparent process and at the same price per share for all shareholders. In the Offer Document, the Bidder states as an objective of the Offer that in the interest of IMMOFINANZ and the Bidder, the continuation of an independent corporate policy of IMMOFINANZ is to be secured in the interest of all its shareholders and to maximise their value. In the view of the Executive Board, this underlines the successful development of IMMOFINANZ and the positive outlook for the future business development of IMMOFINANZ.

However, the Bidder's Offer Price of EUR 23.00 per IMMOFINANZ share does not reflect this successful development accordingly.

In particular, based on the key figures for the IMMOFINANZ share (IFRS book value, EPRA NAV and EPRA NTA per IMMOFINANZ share), the price level of the share prior to the outbreak of the COVID-19 pandemic and in view of premiums of other public corporate transactions in the European real estate sector, as well as the sustainably improved key figures in the current business activities of IMMOFINANZ and the positive business outlook, as well as taking into account the opinion (Inadequacy Opinion) prepared by Citi, the Executive Board assesses the Offer Price of the Bidder of EUR 23.00 per IMMOFINANZ share as inappropriate.

The Executive Board therefore recommends that the shareholders of IMMOFINANZ do not accept the Offer.

*English translation of the German original version for convenience only.
The German original version shall prevail.*

Vienna, on 09 January 2022

The Executive Board of IMMOFINANZ AG

Mag. Dietmar Reindl

Stefan Schönauer BA