

English translation of the German original version for convenience only.

The German original version shall prevail.

Statement by the Works Council for Salaried Employees

of

IMMOFINANZ AG

on

the Anticipatory Mandatory Offer

(§§ 22 ff of the Austrian Takeover Act)

by CPI PROPERTY GROUP S.A.

Statement by the Works Council for Salaried Employees of IMMOFINANZ AG in accordance with §14 (3) of the Austrian Takeover Act

On 3 December 2021, CPI PROPERTY GROUP S.A. (“CPIPG”) announced its intention to make an anticipatory mandatory offer for shares of IMMOFINANZ AG (“IMMOFINANZ”). The related offer documents, together with a confirmation by PwC Wirtschaftsprüfung GmbH as the consulting experts, were submitted to the Executive Board and Supervisory Board of IMMOFINANZ AG on 11 January 2022 and forwarded without delay to the Works Council for Salaried Employees (“Works Council”) for information purposes as required by § 11 (3) of the Austrian Takeover Act.

Initial situation

On 3 December 2021, CPIPG announced that it had purchased 26,387,094 IMMOFINANZ shares and, in addition, held a purchase contract for a further 13,029,155 shares which is subject to approval by the responsible antitrust authorities. CPIPG will therefore hold 39,416,249 IMMOFINANZ shares, representing approximately 32% of the company’s share capital, after receipt of this approval. On 6 December 2021, S IMMO AG announced its intention to place a partial offer for IMMOFINANZ shares. This partial offer for 12,663,043 IMMOFINANZ shares was published on 23 December 2021. The anticipatory mandatory offer by CPIPG to IMMOFINANZ shareholders was published on 11 January 2022 following its release by the Austrian Takeover Commission.

Strategic and economic effects

The Works Council views the investment by CPIPG as a great vote of confidence in the positioning and strategy of IMMOFINANZ and as confirmation of the company’s value-creating potential. CPIPG is a well-known and valued competitor due to its regional diversification and business fields.

The offeror refers in Point 6.2 of the offer documents to its intention to support IMMOFINANZ’s development and growth as a long-term, active shareholder. However, no statements on CPIPG’s further strategic plans are currently possible due to the lack of more in-depth information in the offer documents. The Works Council would like to point out to the offeror that the expected controlling influence which would result from its intended role as an active investor must be exercised in accordance with the highest corporate governance standards.

The offer price indicated by the offeror in the anticipatory mandatory offer is EUR 21.20 per share. According to the Works Councils, this price is far below the actual value of the IMMOFINANZ share. A comparison with the price of the IMMOFINANZ share before the outbreak of the corona pandemic shows that the current share price discount represents a massive overstatement of the risks from the retail portfolio. The profitable growth potential and the measures already introduced to ensure sustainable property management in accordance with international ESG criteria are in no way included. The Works Council therefore sees the current mandatory offer not primarily as the intention to purchase further shares but solely as the fulfilment of a legal obligation.

Social effects

The offeror refers in Point 6.3.2 of its offer documents to the importance of IMMOFINANZ's employees and senior management team. The Works Council shares this view. At the same time, however, the Works Council refers to open questions regarding CPIPG's future influence on business policies. These future business policies will represent a critical factor for determining the employment situation of the IMMOFINANZ workforce. In this connection, the Works Council recommends near-term discussions with CPIPG to clarify the open questions.

Summary

The Works Council welcomes CPIPG as a new core shareholder. However, the offer price is significantly below the actual fair value of the share and does not include an appropriate control premium for the offeror's announced intention to attain control over IMMOFINANZ. The acceptance of the offer is, therefore, not recommended. Independent of the outcome of the offer, the IMMOFINANZ Works Council looks forward to cooperation with the new core shareholder to increase the value of the company in the interest of all stakeholders.

Vienna, 20 January 2022

The Works Council for Salaried Employees of IMMOFINANZ AG

Philipp Amadeus Obermair
Chairman