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Statement by the Management Board

of

S IMMO AG

regarding the mandatory takeover offer by

CPI PROPERTY GROUP S.A.

pursuant to Section 22 of the Austrian Takeover Act (“ATA”)

1. Preliminary remarks

1.1 Negotiations with CPIPG

On 14 April 2022, CPI Property Group S.A. (“**Bidder**” or “**CPIPG**”) announced its intention to make a mandatory public takeover offer (the “**Offer**”) to the shareholders of S IMMO AG, a stock corporation established under Austrian law with its registered office in Vienna and its business address at Friedrichstraße 10, 1010 Vienna, Austria, registered with the commercial register of the Commercial Court of Vienna under FN 58358 x (“**Target Company**” or “**S IMMO**” or “**Company**”) at a price of EUR 22.00 (*cum dividend*) per share in cash. As a prerequisite for this, the Bidder named the cancellation of the voting cap in the Articles of Association of S IMMO. At the same time, the Bidder held out the prospect of negotiations with the Target Company in order to obtain the support of the corporate bodies for the abolition of the voting cap.

The Management Board and the Supervisory Board of S IMMO accepted the Bidder's offer for further talks with the aim of negotiating the terms of the Offer with the Bidder in the interest of the Company. By concluding a Takeover Framework Agreement on 2 May 2022, the Management Board was able to achieve an increase of the offer price by EUR 1.50 from initially EUR 22.00 (*cum dividend*) to EUR 23.50 (*cum dividend*) (“**Offer Price**”) per S IMMO share in the interest of the shareholders of S IMMO.

1.2 Shareholders decided in favour of mandatory offer by CPIPG

At the Annual General Meeting (“**AGM**”) of S IMMO on 1 June 2022, the shareholders of S IMMO voted in favour of the improved offer of CPIPG. In doing so, the shareholders had the following choice:

Shareholders who wanted to reject CPIPG's mandatory offer could have voted against the removal of the voting cap at the AGM. In this case, CPIPG would not have had to make a mandatory offer to the shareholders of S IMMO, nor would it otherwise have had to grant them an exit option at all. The shares held by CPIPG directly and indirectly via IMMOFINANZ AG (“**IMMOFINANZ**”) in S IMMO would have remained capped at the voting cap of 15%.

Those shareholders who considered the Offer negotiated by S IMMO to be reasonable or the option to sell their shares to CPIPG at the improved Offer Price a fair consideration for the cancellation of the voting cap were able to vote in favour of the cancellation of the voting cap at the AGM and thus provide CPIPG with a controlling interest, which at the same time obliges CPIPG to make a mandatory offer at the improved Offer Price of EUR 23.50 per share (*cum dividend*) as negotiated by the Management Board. Cash payment to shareholders will be EUR 22.85 (post

dividend, “**Effective Offer Price**”) adjusting for the financial year 2021 dividend of EUR 0.65 per share resolved by the AGM on 1 June 2022 and made on 13 June 2022.

With 232 shareholders present and holding 48,741,248 no-par value shares, the shareholders of S IMMO voted in favour of abolishing the voting cap and hence in support of a mandatory offer by CPIPG at the AGM on 1 June 2022 with a majority of 98.44% of the capital present and 97.32% of the valid votes cast. Upon registration of the amendment to the Articles of Association in the commercial register on 28 June 2022, the cancellation became effective and the Bidder obtained a controlling interest in S IMMO within the meaning of Section 22 ATA.

In recognition of the shareholders' decision, the Management Board issues the following statement:

2. The Target Company

2.1 Basics

The Target Company is S IMMO AG, a stock corporation established under Austrian law with its registered office in Vienna and its business address at Friedrichstraße 10, 1010 Vienna, Austria, registered with the commercial register of the Commercial Court of Vienna under FN 58358 x. The Target Company is a real estate investment company which, together with its group companies, invests 100% in the European Union. Its focus is on the capital cities in Austria, Germany and Central and Eastern Europe (“**CEE**”). The real estate portfolio of the Target Company consists of approx. 70% commercial real estate (offices, retail properties and hotels) including land and approx. 30% residential real estate. As of 31 March 2022, the Target Company had real estate assets of EUR roughly 2.83 billion.

For more than three decades, the Target Company has stood for a sustainable and prudent business policy with the aim of generating added value for its investors and securing the Company's earnings in the long term. In doing so, it relies on its proven business model of anticipating real estate cycles and profiting from them. The Company invests in existing properties that generate rental income directly. In addition, it develops projects that contribute to cash flow in the medium term after project completion. The Target Company's business model has proven to be crisis-resistant in recent years.

The members of **the Management Board of the Target Company** are:

- Dr. Bruno Ettenauer (CEO)
- Dipl.-Ing. Herwig Teufelsdorfer, MRICS (CIO)
- Friedrich Wachernig, MBA (COO)

The **Supervisory Board of the Target Company** consists of the following eleven members:

- Dr. Karin Rest, EMBA (Chairwoman)
- DI Manfred Rapf (1st Vice Chairman)
- Dipl.-Volkswirt, Dipl.-Jurist Florian Beckermann, LL.M. (2nd Vice Chairman)
- Prof. Dr. Ewald Aschauer
- Mag. Hanna Bomba
- Mag. Christian Böhm
- John Nacos
- Dipl.-Kaufm. Ulrich Steffen Ritter
- Andreas Feuerstein (employee representative)
- MMag. Holger Schmidtmayr, MRICS (employee representative)
- Mag. Elisabeth Wagerer (employee representative)

2.2 Capital and shareholder structure

The share capital of the Target Company amounts to EUR 267,457,923.62 and is divided into 73,608,896 no-par value bearer shares. The shares of the Target Company are listed on the Prime Market of the Vienna Stock Exchange (ISIN: AT0000652250). The Target Company currently holds 3,084,797 treasury shares. At the time of publication of this statement, no share buy-back program is ongoing.

According to the offer document published on 15 July 2022 (the “**Offer Document**”), the Bidder directly and indirectly holds 31,318,105 shares in the Target Company, representing approx. 42.55% of the share capital and 44.41% of the total outstanding voting rights. Thereof, it holds 16.06% directly and 26.49% through its controlling shareholding in IMMOFINANZ. The Bidder is controlled by Mr. Radovan Vítek who holds approx. 88.8% of the Bidder’s share capital.

The second largest shareholder of the Target Company is Mr. Peter Korbačka indirectly via EUROVEA Services s.r.o. and EVAX Holding GmbH. 3,836,988 shares are attributable to him, corresponding to an interest in the share capital of the Target Company of approx. 5.21%.

The remaining shares outstanding representing approx. 48.05% of the Target Company's share capital are in free float.

Shareholders	Number of shares	Share of registered capital in % approx.	Share of voting rights in % (excluding treasury shares; Section 22 (6) ATA) approx.
IMMOFINANZ*)	19,499,437	26.49%	27.65%
CPIPG	11,818,668	16.06%	16.76%
Peter Korbačka	3,836,988	5.21%	5.44%
Own shares	3,084,797	4.19%	-
Free float	35,369,006	48.05%	50.15%
Total	73,608,896	100.00%	100.00%

*) IMMOFINANZ is a legal entity acting in concert with the Bidder

2.3 Company key figures

The following table shows selected financial indicators of S IMMO for the last four financial years, taken from the consolidated financial statements prepared in accordance with IFRS.

Indicator (EUR if not stated otherwise)	2018	2019	2020	2021
EPRA NAV per share	21.25	26.45	24.32	29.29
EPRA NTA per share	NA	26.23	24.06	29.09
FFO I per share	0.92	0.98	0.59	0.86
Dividend per share ¹	0.70	0.70	0.50	0.65
EBITDA in EURm	83.1	87.0	71.1	81.3
EBIT in EURm	243.2	271.4	101.0	270.3
EPS	3.08	3.21	0.79	3.24

¹ Dividend for the respective fiscal year.

3. The Bidder

3.1 Basics

The Bidder CPIPG is a stock corporation (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office in Luxembourg and its business address at 40, rue de la Vallée, L-2661 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B102254.

The Bidder is a commercial real estate group in CEE. According to the Offer Document, the value of CPIPG's real estate portfolio as of 31 March 2022 after full consolidation of its stake in IM-MOFINANZ is EUR 18.1 billion. According to the Offer Document, office properties are CPIPG's largest segment (49% of the portfolio value as of 31 March 2022), followed by retail properties (24%), residential properties (8%), hotels and resorts (5%), and land bank and other properties (development, industrial, agricultural and logistics properties) (14% in total).

The **Board of Directors of CPIPG** consists of

- Edward Hughes,
- Jonathan Lewis,
- Philippe Magistretti,
- Martin Němeček,
- Tomáš Salajka,
- Omar Sattar,
- Oliver Schlink and
- Tim Scoble.

According to the Offer Document, none of the members of the Bidder's board of directors holds shares in the Target Company.

3.2 Capital and shareholder structure of the Bidder

According to the Offer Document, the share capital of the Bidder amounts to EUR 890,291,529.80 at the time of publication and is divided into 8,902,915,298 ordinary shares. Certain shares of the Bidder are listed on the Regulated Market (*General Standard*) of the Frankfurt Stock Exchange under ISIN LU0251710041.

The Bidder is controlled by Mr. Radovan Vitek, a Czech entrepreneur. Through indirect shareholdings, he holds a total of approx. 88.77% of the share capital and 89.44% of the voting rights of the Bidder.

In addition to Mr. Radovan Vitek, Clerius Properties, a fund company managed by affiliates of Apollo Global Management, Inc. holds approx. 5.47% of the share capital and 5.51% of the voting rights of the Bidder. A further 5.01% is in free float.

The Bidder holds approx. 0.75% of its own shares via an investment company.

Person required to register	Number of shares ¹⁾	Share of registered capital in % approx.	Share of voting rights in % (excluding treasury shares) (Section 22 (6) ATA) approx.
Radovan Vitek	7,902,846,980	88.77	89.44
Clerius Properties	487,012,987	5.47	5.51
Own shares	67,000,000	0.75	-
Free float	446,055,331	5.01	5.05
Total	8,902,915,298	100.00	100.00

¹⁾ The information is based on the most recently published notifications of voting rights and - to the extent not available - the information on the Bidder's website (<https://cpipg.com/en/for-investors/shareholders>) in relation to the current share capital of the Bidder.

3.3 Participation and acquisition of control by the Bidder in the Target Company

The acquisition of an ownership interest in the Target Company ultimately resulting in control took place over a process lasting several months:

In a first step, in December 2021, CPIPG acquired, subject to conditions precedent, a controlling interest in IMMOFINANZ, which held at this point in time 26.49% of the shares in S IMMO, through on-exchange and off-exchange acquisitions. In parallel, CPIPG also acquired directly a shareholding of 11.61% of the share capital in S IMMO.

Furthermore, in December 2021, CPIPG announced an anticipatory mandatory takeover offer for equity securities in IMMOFINANZ. Since the completion of the takeover procedure, which ended with the sell-out on 30 May 2022, CPIPG has held a stake of 76.87% of the share capital in IMMOFINANZ.

Ultimately, the Bidder also increased its direct shareholding in S IMMO to 16.06%, leading to a shareholding in S IMMO of approx. 42.55% of the share capital taking into account the shares held by CPIPG-controlled IMMOFINANZ. Since the registration of the cancellation of the voting cap in the commercial register on 28 June 2022, the Bidder has a controlling interest in the Target Company within the meaning of Section 22 ATA.

3.4 Legal entities acting in concert

With regard to the legal entities acting in concert with the Bidder within the meaning of Section 1 para 6 ATA, the Offer Document essentially contains the following information:

(a) *CPIPG Group companies*

Pursuant to Section 1 para 6 ATA, legal entities acting in concert are natural persons or legal entities which cooperate with the Bidder on the basis of an agreement in order to obtain or exercise control over the Target Company. The Bidder has not entered into any agreements pursuant to Section 1 para 6 ATA with legal entities other than those controlled by it or controlling it with regard to the Target Company. In this context, the Bidder refers to Section 7 para 12 ATA, according to which detailed information on the intermediate holding companies and other subsidiaries of the Bidder as legal entities acting in concert with the Bidder may be omitted if these legal entities are not relevant for the decision of the addressees of the Offer.

(b) *IMMOFINANZ*

According to the Offer Document, the Bidder holds, directly and indirectly through its wholly-owned direct subsidiary WXZ1 a.s., a total of 106,579,581 no-par value ordinary bearer shares of IMMOFINANZ at the time of publication, each representing a pro rata amount of EUR 1.00 of the share capital of IMMOFINANZ and together representing a participation of approx. 76.87% of the share capital and the total outstanding voting rights and thus a controlling interest in IMMOFINANZ. Pursuant to Section 1 no. 6 ATA, IMMOFINANZ is therefore deemed to be a party acting in concert with the Bidder.

Mr. Martin Němeček, member of the board of directors and CEO of the Bidder, is a member and deputy chairman of the supervisory board of IMMOFINANZ. Furthermore, in preparation for the 29th AGM of IMMOFINANZ, which has been convened for 12 July 2022, the Bidder had proposed a resolution pursuant to Section 109 Stock Corporation Act to elect Mr. Martin Matula, head of the legal department (general counsel) of the Bidder, as a member of the supervisory board of IMMOFINANZ. Mr. Martin Matula has subsequently been elected as member of the supervisory board of IMMOFINANZ.

(c) *Target Company*

According to the Bidder, at the date of publication of the Offer Document, the Bidder directly and indirectly holds a total of 31,318,105 no-par value ordinary bearer shares in the Target Company, each representing a pro rata amount of EUR 3.63 of the Target Company's share capital and

together representing a participation of approx. 42.55% of the share capital and 44.41% of the total outstanding voting rights of the Target Company (see item 1.4). Pursuant to Section 1 para 6 ATA, the Target Company is therefore deemed to be a party acting in concert with the Bidder.

4. Takeover Framework Agreement

Key element of the Takeover Framework Agreement of 2 May 2022 was the increase of the Offer Price of the mandatory offer in the event of the removal of the voting cap. As a result, the announced Offer Price increased by EUR 1.50 from EUR 22.00 (*cum dividend*) to EUR 23.50 (*cum dividend*).

Furthermore, the Takeover Framework Agreement sets out the framework conditions for increasing the transaction security and the Bidder's objectives and intentions for the future business policy of S IMMO in the event of a successful Offer. The Offer Document accurately reflects the essential points of these joint statements of objectives and intentions.

5. Offer of the Bidder

5.1 Object of purchase

The Offer is directed at the acquisition of all outstanding shares of the Target Company which are admitted to the Official Market in the Prime Market segment of the Vienna Stock Exchange (ISIN AT0000652250) and which are not held by the Bidder or IMMOFINANZ as a legal entity acting in concert with the Bidder or the Target Company.

The Target Company currently holds 3,084,797 treasury shares. This corresponds to a share of approx. 4.19% of the share capital of the Target Company. These treasury shares are not subject of the Offer (see item 3.1 of the Offer).

According to the Offer Document, the Offer therefore relates to 39,205,994 no-par value ordinary bearer shares of S IMMO, each representing a pro rata amount of EUR 3.63 of the registered nominal share capital of S IMMO.

5.2 Offer Price

The Bidder offers the shareholders of S IMMO to acquire their shares at a price of EUR 23.50 (*cum dividend*) for the business year 2021 per no-par value bearer share. *Cum dividend* 2021 means, in terms of the Offer of the Bidder, that the Offer Price per share will be reduced by the amount of a dividend for the business year 2021 and any dividend per share declared between

the announcement and settlement of the Offer, provided that the settlement of the Offer takes place after the relevant dividend record date.

The Bidder expects the Offer to be settled at the end of August 2022. According to the Offer Document, the Effective Offer Price, i.e. the payment upon settlement of the Offer, is therefore EUR 22.85 per bearer share, reflecting EUR 0.65 dividend per share paid for the financial year 2021.

5.3 Acceptance Period and Additional Acceptance Period

The Acceptance Period for the Offer is 4 (four) weeks. The Offer may therefore be accepted from 15 July 2022 up to and including 12 August 2022, 17:00, Vienna time ("**Acceptance Period**"). The Bidder expressly reserved the right to extend the Acceptance Period pursuant to Section 19 para 1b ATA.

If a competing offer is made pursuant to Section 19 para 1c ATA, the Acceptance Period shall be automatically extended until the end of the Acceptance Period for the competing offer, unless the Bidder declares its withdrawal from such offer.

The mandatory statutory Additional Acceptance Period pursuant to Section 19 para 3 ATA shall commence on the day of publication of the result of the Offer (item 5.5) and shall be 3 (three) months. The provisions and information regarding the Acceptance and Settlement set forth in item 5 of the Offer shall apply accordingly to the acceptance of the Offer during the Additional Acceptance Period with the amendments as laid out in item 5.7 of the Offer.

5.4 Acceptance and Settlement

For details of the settlement of the Offer, including any expenses and taxes, please refer to item 5 of the Offer. Due to the complexity of tax law and the large number of possible individual cases, shareholders are recommended to seek tax advice before accepting the Offer.

5.5 Publications

The result of the Offer will be published without undue delay after the expiry of the Acceptance Period as a notice in the official gazette "Amtsblatt zur Wiener Zeitung", as well as on the websites of the Target Company www.simmoag.at, the Bidder www.cpihg.com and the Austrian Takeover Commission www.takeover.at.

The same applies to all other statements and announcements made by the Bidder in connection with the Offer.

5.6 Equal treatment

The Bidder confirms in its Offer Document that the Effective Offer Price of EUR 22.85 per share is the same for all shareholders of the Target Company.

Until the expiry of the Acceptance Period and any Additional Acceptance Period, the Bidder and the legal entities acting in concert with it may not make any legal declarations aimed at the acquisition of shares in the Target Company on better terms than those contained in the Offer, unless the Bidder improves the Offer or the Takeover Commission grants an exception for good cause.

If the Bidder or, as the case may be, an entity acting in concert with the Bidder nevertheless declares to acquire shares in the Target Company on better terms than those contained in the Offer, such better terms shall also apply to all other shareholders of the Target Company, even if they have already accepted the Offer. An improvement of the Offer shall also apply to all those shareholders who have already accepted the Offer at the time of the improvement of terms, unless they object to the improvement.

To the extent that the Bidder acquires shares in the Target Company during the Acceptance Period or the possible Additional Acceptance Period, but outside the Offer, such transactions will be published without undue delay, stating the number of shares in the Target Company acquired or to be acquired as well as the consideration granted or agreed upon, in accordance with the applicable provisions of Austrian law.

Section 16 para 7 ATA obliges the Bidder, in the event that it or an entity acting in concert with it acquires shares in the Target Company for a higher consideration than in the Offer within a period of nine months after the expiry of the Additional Acceptance Period, to pay the difference to all shareholders who have accepted the Offer. This shall not apply if the Bidder or a party acting in concert with the Bidder acquires shares in the Target Company in the event of a capital increase in connection with the exercise of statutory subscription rights or if a higher consideration is paid in the context of a procedure pursuant to the Austrian Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz - GesAusG*).

If the Bidder resells a controlling interest in the Target Company within a period of nine months after the expiry of a preclusion period, a *pro rata* capital gain shall be transferred to all shareholders who have accepted an offer pursuant to Section 16 para 7 ATA.

If such an event occurs, which leads to an additional payment, the Bidder shall notify this without undue delay. The Bidder shall settle the additional payment via the Paying and Settlement Agent at its own expense within 10 (ten) trading days after the aforementioned publication. If the event

giving rise to an additional payment does not occur within the nine-month period, the Bidder shall submit a corresponding declaration to the Takeover Commission. The Bidder's expert will review and confirm the declaration.

5.7 Funding

Based on a consideration of (effectively) EUR 22.85 per S IMMO share, the Bidder expects a total (cash) financing volume for the Offer of approx. EUR 1 billion if all S IMMO shareholders were to accept the Offer based on the offer document. According to the Bidder, the Bidder has sufficient funds to finance the Offer and has ensured that these funds will be available in time to fully satisfy the Offer.

6. Future corporate structure and business policy

6.1 Business policy goals and intentions

In the Offer Document, the Bidder expresses the following intentions with regard to the future business policy:

The registered office (administrative headquarters) of the Target Company shall remain in Vienna.

The Bidder plans to reflect its controlling influence on the Target Company also through the appointment of the members of the Supervisory Board and its composition. However, in accordance with the Takeover Framework Agreement, it will support the election of at least one independent Supervisory Board member as long as the free float of S IMMO exceeds 10%.

It is currently open whether S IMMO and IMMOFINANZ will remain independent (separate) companies after completion of the Offer. Although this would currently be the preferred path of the Bidder and S IMMO, a future merger is not excluded. The Bidder will examine in detail a possible merger after completion of the Offer.

From today's perspective, the business strategy of S IMMO is to be essentially maintained, but a geographic specialization of the Target Company and/or IMMOFINANZ in Western Europe or Eastern Europe, respectively, and a specialization by segments may take place. The Bidder intends to support S IMMO's current and future growth strategy. The Bidder has no intention to increase the Target Company's levels of indebtedness and is generally also available to S IMMO as a financing partner for this purpose.

6.2 Impact on employment situation, creditors, public interests and taxes

(a) Employees

In the Offer Document the Bidder states it believes the ongoing participation of senior management of S IMMO is important for the future of the Target Company and all rights of employees shall be honoured. Though no significant changes of the overall working conditions of the employees are intended, the Bidder expects and intends to achieve significant synergies through combination and allocation of functions within the Bidder's group of companies. In the context of these statements, the management board of S IMMO has concerns, that an externalisation of important management functions is contemplated and that the respective outcome will be considered a significant adverse change of the working conditions by the employees and management of S IMMO. Given the lean structure of S IMMO and the loyalty and identification to it by its staff to date, the management board has doubts that externalisation measures will result in positive synergies. There is a significant risk contemplated internal reorganizations will undermine the (intrinsic) motivation of S IMMO staff to achieve good results, lead to the resignation of key employees, create unmitigable conflicts of interest between group companies and result in a potentially disrupting effect on the operational functioning of S IMMO. This poses the significant risk, that the Target Company is no longer able to maintain its track record of operational excellence and out-performance of peers.

(b) Creditors and public interest

From today's perspective, the completion of the Offer is not expected to lead to any deterioration of the position of creditors of the Target Company or to any impairment of public interests.

The Target Company finances itself, among other things, by issuing bonds. The terms and conditions of the bonds contain change-of-control clauses, which have recently triggered in case of the 1.25% S IMMO Green Bond 2022-2027 and the 1.75% S IMMO Green Bond 2021-2028 or, in case of the 3.25% S IMMO Bond 2015-2025 and the 3.25% S IMMO Bond 2015-2027 will likely trigger in the future the bondholders' rights of rescission in the event of a change of control, in particular if a shareholding threshold of 50% will be exceeded by the Bidder together with parties acting in concert with it.

Due to S IMMO's strong liquidity position and positive business development in recent years, no deterioration in the position of creditors or impairment of S IMMO's ability to meet its obligations thereunder is expected, even in the event of substantial terminations by bondholders.

(c) *Taxes*

The acquisition of additional shares in S IMMO by the Bidder could have tax consequences for the S IMMO Group with regard to real estate transfer tax (“RETT”) and/or tax loss carryforwards.

The tax regulations of some countries provide that when certain levels of shareholding in S IMMO are reached, it is assumed that all shares are held by one party, thereby triggering RETT in relation to the properties located in these countries. In relation to Germany, this occurs when the stake in S IMMO held by the Bidder (directly or indirectly) reaches or exceeds 90%. In certain situations, even a participation of 50% of the shares may trigger German RETT. In Hungary, RETT is triggered by a shareholding of 75% (directly or indirectly). In Austria, the threshold is 95%. In these cases that are considered as unification of shares in one hand, RETT would be owed by the Bidder.

A possible merger of S IMMO into IMMOFINANZ could also lead to an indirect unification of all shares in the real estate companies and thus trigger RETT (at the level of the absorbing company).

In addition, following 1 July 2021, share transfers must be taken into account with regard to Germany, where RETT is triggered if there is a direct or indirect change of ownership of 90% or more of the shares in a company holding real estate within a period of 10 years. Transactions in shares in the context of this Offer could thus limit potential tax-free real estate transactions in the future. In this case, the burden of German RETT would arise at the level of the respective subsidiary that holds the property. This could result in a significant tax burden for S IMMO Group if the exemption for transfers executed in the course of regular stock exchange trading (stock exchange clause) were not applicable to the share transfers under the Offer. This must be considered as the main risk related to the Offer from a tax perspective.

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

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

The acceptance of the Offer may trigger tax obligations for shareholders. The Offer Document contains extensive general information on the possible tax consequences of the acceptance of

the Offer for shareholders. Due to the complexity of tax law and the large number of possible individual cases, shareholders are recommended to seek tax advice before accepting the Offer.

6.3 Stock exchange listing

It is the current intention of the Bidder that S IMMO should remain listed on the Official Market (Prime Market) of the Vienna Stock Exchange. However, the Bidder has not yet taken a final decision regarding listing and a possible squeeze-out under the Austrian Squeeze-out Act (*Gesellschafter-Ausschlussgesetz, Ges-AusG*). This decision will depend, among other things, on the acceptance rate of the Offer.

If the Bidder holds more than 90% of the Target Company's share capital after completion of the Offer, this may result in a squeeze-out pursuant to the Squeeze-out Act (*Ges-AusG*) or, if the free float also falls below the statutory minimum requirements, in a compulsory delisting due to the loss of the statutory requirements for listing on the Official Market of the Vienna Stock Exchange.

The Bidder refers to these possible consequences in the Offer Document.

7. Interests of the members of the executive bodies of the Target Company

7.1 Board of Directors

The Management Board members Mag. Friedrich Wachernig and DI Herwig Teufelsdorfer, MRICS, are shareholders of the Target Company. Both members of the Management Board plan to accept the Bidder's Offer and to tender their shares. A list of purchases and sales of shares of the Target Company by members of the Management Board and the Supervisory Board since the commencement of their directorships (Director's Dealings) can be found on <https://www.simmoag.at/investor-relations/corporate-governance.html>.

Neither the Bidder nor any party acting in concert with the Bidder has granted, offered or promised any financial benefits to remaining or departing members of the Management Board of S IMMO in connection with the Offer.

7.2 Supervisory Board

Supervisory Board members DI Manfred Rapf (1st Vice Chairman), Florian Beckermann (2nd Vice Chairman) and Andreas Feuerstein are shareholders of the Target Company. Mr. Rapf and Mr. Beckermann have not yet made a decision on whether to accept the Offer. Mr. Feuerstein plans to accept the Bidder's Offer and to tender his shares.

Neither the Bidder nor any party acting in concert with the Bidder has granted, offered or promised any financial benefits to remaining or departing members of the Supervisory Board of S IMMO in connection with the Offer.

8. Assessment of the Offer Price

8.1 Legal minimum price

The Offer is a mandatory offer within the meaning of Section 22 ATA. The Bidder must therefore comply with the minimum price requirements pursuant to Section 26 ATA. Accordingly, the Offer Price must be at least

- the volume-weighted average stock exchange price of the last 6 months as of 13 April 2022, i.e. the day prior to the public announcement of the Bidder's intention to make an Offer (14 April 2022), and
- the highest consideration paid by the Bidder or a party acting in concert with the Bidder for a share or other equity security in the 12 months preceding the filing of the Offer with the Takeover Commission on 7 July 2022,

with the higher of the two values being used as the minimum price.

As the following information shows, the Offer Price complies with these statutory minimum requirements of Section 26 ATA:

(a) Relation of the Offer Price to the volume-weighted average stock market price

The average trading volume weighted average price ("**VWAP**") of the S IMMO share for the last 6 months prior to the announcement of the intention to launch the Offer amounts to EUR 21.48². The Offer Price of EUR 23.50 exceeds this 6-month VWAP by EUR 2.02, resulting in a premium of 9.4%.

(b) Relation of the Offer Price to purchases of the Bidder

According to the information in the Offer Document, the highest consideration granted or agreed by the Bidder or any party acting in concert with it in the last 12 months prior to the filing of the Offer with the Takeover Commission for S IMMO shares in cash was EUR 22.00 per S IMMO share. As the Bidder's intention to make the Offer was already announced on 14 April 2022, the

² Period from 14 October 2021 to 13 April 2022 (incl.).

Bidder expressly confirmed that this also applies to the last 12 months prior to the date of the announcement of its intention to make the Offer according to the Offer Document. The Bidder has therefore not promised or granted any consideration for shares in the Target Company in excess of the Offer Price of EUR 23.50 in the 12 months prior to the filing of the Offer with the Takeover Commission on 7 July 2022.

8.2 Assessment of the adequacy of the Offer Price

(a) Relation of the Offer Price to historical stock market prices

The closing price of the share on 13 April 2022, the last trading day prior to the announcement of the intention to launch the Offer on the Vienna Stock Exchange, was EUR 22.10. The Offer Price exceeds this price by EUR 1.40, which corresponds to a premium of 6.3%.

The average trading volume weighted stock exchange prices (VWAP) of the S IMMO share of the last month, the last three months, the last six months, the last twelve months and the last twenty-four months prior to the announcement of the intention to launch the Offer, as well as the differences to the Offer Price and the resulting premiums are shown in the following table:

VWAP	1 month ¹	3 months ²	6 months ³	12 months ⁴	24 months ⁵
S IMMO VWAP	EUR 21.91	EUR 21.93	EUR 21.48	EUR 21.25	EUR 18.49
Difference between Offer Price (EUR 23.50) and VWAP	EUR 1.59	EUR 1.57	EUR 2.02	EUR 2.25	EUR 5.01
Premium Offer Price (EUR 23.50) to VWAP	7.3%	7.2%	9.4%	10.6%	27.1%

¹ Period from 14 March 2022 to 13 April 2022 (incl.)

² Period from 14 January 2022 to 13 April 2022 (incl.)

³ Period from 14 October 2021 to 13 April 2022 (incl.)

⁴ Period from 14 April 2021 to 13 April 2022 (incl.)

⁵ Period from 14 April 2020 to 13 April 2022 (incl.)

The average trading volume weighted stock exchange prices (VWAP) of the S IMMO share of the last month, the last three months, the last six months, the last twelve months and the last twenty-four months prior to the undisturbed date¹ as well as the differences to the Offer Price and the resulting premiums are shown in the following table:

VWAP	1 month ²	3 months ³	6 months ⁴	12 months ⁵	24 months ⁶
S IMMO VWAP	EUR 20.41	EUR 20.43	EUR 20.58	EUR 19.82	EUR 18.76
Difference between Offer Price (EUR 23.50) and VWAP	EUR 3.09	EUR 3.07	EUR 2.92	EUR 3.68	EUR 4.74
Premium Offer Price (EUR 23.50) to VWAP	15.1%	15.0%	14.2%	18.5%	25.3%

¹ Undisturbed date as of 3 December 2021 (incl.), date of the announcement by CPIPG of an anticipatory mandatory takeover offer for all outstanding shares of IMMOFINANZ

² Period from 4 November 2021 to 3 December 2021 (incl.)

³ Period from 4 September 2021 to 3 December 2021 (incl.)

⁴ Period from 4 June 2021 to 3 December 2021 (incl.)

⁵ Period from 4 December 2020 to 3 December 2021 (incl.)

⁶ Period from 4 December 2019 to 3 December 2021 (incl.)

(b) *Relation of the Offer Price to the undisturbed price*

The Offer Price represents a 9.6% premium to the undisturbed price of EUR 21.45 as of 3 December 2021.

(c) *Relation of the Offer Price to the highest intraday price in the 12 months prior to the announcement of the intention to launch the Offer*

The Offer Price represents a 1.1% premium to EUR 23.25, which is the highest intraday price of the S IMMO share in the 12 months preceding the announcement of the intention to launch the Offer.

(d) *Relation of the Offer Price to analysts' price targets*

The Offer Price represents a 2.1% discount to median analysts' price target of EUR 24.00 (before announcement of the intention to launch the Offer).

Analyst	Target Price (EUR)	Recommendation	Review date
Erste Group	24.00	Buy	15 March 2022
Hauck & Aufhäuser	27.00	Buy	28 February 2022
Raiffeisen Bank	24.00	Hold	14 January 2022
SRC Research	26.00	Buy	6 December 2021
Wood & Co	23.90	Buy	6 December 2021
Baader Bank	23.50	Buy	26 November 2021
Median	24.00		

Since the announcement of the intention to launch an offer by CPIPG, some equity research analysts have adopted a more cautious view on the back of the uncertain macroeconomic environment, which resulted in downgrades of target prices and / or recommendation relative to the pre-announcement data displayed above:

- on 30 May 2022, SRC Research downgraded S IMMO from Buy to Accumulate (“take up a more cautious stance on S IMMO”).
- on 31 May 2022, Hauck & Aufhäuser downgraded S IMMO to Hold with a new Target Price of EUR 23.50 (“in light of the current macroeconomic environment as well as the pending take-over situation, valuation looks fair”).
- on 1 June 2022, Kepler Cheuvreux initiated coverage of S IMMO with a Hold rating and a Target Price of EUR 24.00 (“in our view, the bid almost represents a fair value for S IMMO’s shares”).
- on 8 June 2022, Raiffeisen Bank International downgraded S IMMO from Hold to Reduce with a decreased Target Price of EUR 21.80 (“given the current interest rate risks and peer valuations, the downside risks outweigh the upside potential on a 12- month horizon”).

- on 25 July 2022, Erste Group Research announced that target price and recommendation are currently under review and recommended all shareholders to accept the CIPIG offer (“After Expiration of the sell-out we expect a significant decline of stock price, as comparable real estate companies, given the current market environment with interest rates tending upwards, trade with significantly higher discount to their NAVs”).

(e) *Relation of the Offer Price to the last reported EPRA NTA of the Target Company*

The Offer Price represents a 19.3% discount to the last reported EPRA NTA of EUR 29.11.

(f) *Relation of the Offer Price to the last reported EPRA NAV of the Target Company*

The Offer Price represents a 19.8% discount to the last reported EPRA NAV of EUR 29.31.

(g) *Relation of the Offer Price to the DCF value derivation*

The value of S IMMO shares has been determined with the support of external experts using a discounted cash flow (DCF) analysis that is based on a business plan prepared by S IMMO's management. The Offer Price lies within the value range indicated by this DCF analysis. Underlying assumptions of the business plan used for this analysis include the use of the cash on balance sheet to finance property acquisitions, supported by external financing.

(h) *Relation of Offer Price to recent relevant takeover premiums and Offer Prices*

The median discount to the last reported EPRA NTA in recent relevant public takeover transactions in the European real estate sector is 21.8% (average discount 22.7%). This relative value is in line with a discount of the Offer Price to last reported EPRA NTA of 19.3%.

Transactions announced after the invasion of Ukraine by Russia on 24 February 2022 are expected to reflect the impact of the more pronounced macroeconomic uncertainties and respective consequences at least to some extent and are therefore more comparable and relevant for assessing the CIPIG Offer than transactions announced before the invasion.

An- nounce- ment date	Acquiror	Target	Target main asset class	Resulting stake ³	Offer price per share (local cur- rency)	ERPA NTA per share (local cur- rency)	Prem. / (disc.) to EPRA NTA
Transactions post invasion of Ukraine in February 2022, reflecting current market sentiment							
May-22	Oaktree, ECE, Cura	Deutsche Euroshop	Commercial	51% ⁴	22.50	38.4	(41.5%)
Apr-22	QIA	COIMA RES	Commercial	98% ⁵	10.00	12.86	(22.2%)
Mar-22	Brookfield	Hibernia REIT	Commercial	100%	1.60	1.73	(5.7%)
Feb-22	Brookfield	Befimmo	Commercial	80% ⁶	47.50	60.32	(21.3%)

8.3 Target Company Valuation

To assess the Offer Price, the Management Board of S IMMO engaged J.P. Morgan SE ("J.P. Morgan") to provide its view as to the range of values of S IMMO. To this end, J.P. Morgan reviewed the multi-year business plan prepared by S IMMO (which assumes certain future expectations and trends that naturally involve elements of uncertainty) and performed such other financial studies and analyses and considered such other information as it deemed appropriate. J.P. Morgan provided its view on the range of values of S IMMO to the Management Board of S IMMO, based on certain factors, assumptions and procedures specified therein. The Management Board of S IMMO can confirm that the Offer Price is within the range of values provided by J.P. Morgan.

9. Position of the Board of Management on the Offer

9.1 Fundamental considerations

The Management Board **recommends that the shareholders of S IMMO accept** this Offer. Notwithstanding this, the shareholders of S IMMO will have to decide whether or not to accept the

³ Represents the entire stake that the acquiror was holding in the target company after the offer.

⁴ Resulting stake as of 7 July 2022 (before end of additional acceptance period).

⁵ Provisional result of voluntary public tender offer as of 22 July 2022.

⁶ Resulting stake as of 12 July 2022 (before reopening of acceptance period).

Offer based on their respective individual situation and interests. The Management Board subsequently sets out some reasons that may speak in favour of or against acceptance.

9.2 The following reasons speak for an acceptance of the Offer

(a) *Premium over historical stock price*

The acceptance of the offer is supported by the fact that the Offer Price is above the Volume-Weighted-Average-Price (VWAP) of the last 1, 3, 6, 12 and 24 months. Since the outbreak of the COVID-19 pandemic⁷, the S IMMO share has peaked at EUR 23.35 on 3 May 2022, and last year it reached its annual intraday high of EUR 22.55 on 11 June 2021. Most recently, the share price reached or exceeded the Offer Price of EUR 23.50 on 9 March 2020, at a price of EUR 23.95.

(b) *Future stock price development*

Since the beginning of the financial year, the macroeconomic environment has deteriorated significantly: exacerbated by the outbreak of the war in Ukraine, 2022 has been characterized by peak inflation levels further fuelled by high energy prices, concerns around security of energy supply and continued supply chain constraints. Central banks have started to take action by increasing interest rates and further rate hikes are expected for the remainder of the year. Overall, uncertainty levels are high and the global economy faces risk of a potential recession. This environment poses considerable risks, which have been clearly reflected in lower valuation levels of real estate companies on the stock markets. In light of continued high levels of uncertainty and rising interest rates, share prices in the real estate sector may face further decline.

The S IMMO share has so far traded more favourably relative to relevant commercial peers⁸ (S IMMO share is up 5.1% year-to-date⁹ vs. relevant peers that are down c.19.7% on average) likely due to the takeover rumours and, as of 14 April 2022, due to the takeover bid announced by CPIPG. With the discontinuation of these price-supporting circumstances, it is to be expected, *ceteris paribus*, that the S IMMO share will decline at the end of the Additional Acceptance Period (*sell-out*), bringing relation of share price to NAV to similar levels as relevant peers of S IMMO that are trading at a significantly higher discount to NAV (see point 9.2.(c) below). This expected

⁷ Defined as 21 February 2020.

⁸ Relevant commercial peers include Aroundtown, CA Immobilien, Globalworth, Hamborner, IMMOFINANZ.

⁹ Year-to-date as of 19 July 2022.

development - which is also typical after successful takeovers - depends not only on the development of the macroeconomic environment, but also in particular on the level of the acceptance rate and thus on the success of the offer.

In addition, free float of the S IMMO share likely will be reduced significantly (depending on acceptance level), which is typically associated with lower trading liquidity and valuation levels.

(c) *Real estate stocks are currently trading at significant discounts to recently published EPRA NTAs*

Shares of relevant real estate peers of S IMMO are currently trading significantly below their most recently published EPRA NTA at an average discount of 39.5% respectively, which is why a relative comparison is indicated: the Offer Price represents a discount of 19.3% to the most recently published EPRA NTA of EUR 29.11 per share.

(d) *Offer Price and takeover premium compared to previous takeover offers for S IMMO shares*

The Offer Price is EUR 1.25 per share higher than the price IMMOFINANZ offered to S IMMO shareholders in its voluntary takeover bid last year of EUR 22.25 (*cum dividend*) (after announcing initially only EUR 18.04). The Management Board considered this price to be too low last year and recommended the shareholders not to accept the offer. Meanwhile, market conditions and therefore the decision basis for the Management Board has changed dramatically.

(e) *Offer Price and takeover premium compared to recent takeover offers in the European real estate sector*

The median discount to the last reported EPRA NTA in recent relevant public takeover transactions in the European real estate sector is 21.8% (average discount 22.7%). This relative value is in line with a discount of the Offer Price to last reported EPRA NTA of 19.3% despite the continued challenging macroeconomic, increased capital markets volatility and rising interest rate environment.

Transactions announced after the invasion of Ukraine by Russia on 24 February 2022 are expected to reflect the impact of the more pronounced macroeconomic uncertainties and respective consequences at least to some extent and are therefore more comparable and relevant for assessing the CIPPG Offer than transactions announced before the invasion.

An- nounce- ment date	Acquiror	Target	Target main as- set class	Result- ing stake ¹⁰	Offer price per share (local currency)	ERPA NTA per share (lo- cal currency)	Prem. (disc.) / to EPRA NTA
Tier 1 (post invasion of Ukraine in February 2022, reflecting current market sentiment)							
May-22	Oaktree, ECE, Cura	Deutsche Euroshop	Commer- cial	51% ¹¹	22.50	38.4	(41.5%)
Apr-22	QIA	COIMA RES	Commer- cial	98% ¹²	10.00	12.86	(22.2%)
Mar-22	Brookfield	Hibernia REIT	Commer- cial	100%	1.60	1.73	(5.7%)
Feb-22	Brookfield	Befimmo	Commer- cial	80% ¹³	47.50	60.32	(21.3%)

- (f) *Real estate values could be negatively impacted by the macroeconomic situation in the future*

Even if property valuations in S IMMO's core markets are generally stable at present, the ongoing COVID-19 pandemic, the changing interest rate environment and the looming energy crisis are factors that, amongst others, could lead to a significant decline in market values of properties. While future macroeconomic developments like, e.g., increasing inflation rates that can be passed on to tenants in combination with stable interest rates, could also lead to increasing property values, the market view as exemplified by the recent price performance of real estate stocks appears to attach a low likelihood to optimistic scenarios.

- (g) *Price is within the ranges of value calculated in DCF procedures and within the value range of the bandwidths of the Target Company Valuation*

The Management Board of the Target Company can confirm that the Offer Price is within the range of values provided by J.P. Morgan in its Target Company Valuation, as well as within the value ranges calculated by the Company with the assistance of other expert third parties in a DCF valuation analysis.

¹⁰ Represents the entire stake that the acquiror was holding in the target company after the offer.

¹¹ Resulting stake as of 7 July 2022 (before end of additional acceptance period).

¹² Provisional result of voluntary public tender offer as of 22 July 2022.

¹³ Resulting stake as of 12 July 2022 (before reopening of acceptance period).

(h) *High transaction certainty*

The Offer is not subject to any condition precedent, removing any transaction risk for shareholders tendering into the Offer.

(i) *Liquidity loss and market squeeze*

On 1 June 2022, the shareholders of S IMMO voted by a large majority in favour of the abolition of the voting cap and thus in favour of the Offer. Against this background, a high acceptance rate is to be expected. If this assumption materializes, the free float of the shares will decrease considerably from the current level of around 50%. This may result in a lower attractiveness of the S IMMO share and a limited liquidity (market squeeze) of the share. For shareholders, this may make it more difficult to achieve a corresponding (or higher) price for their shares after completion of the Offer. Such a situation may cause difficulties in particular for shareholders with larger blocks of shares. Shareholders who assess the acceptance of the Offer differently than the Management Board can wait until the end of the Acceptance Period before accepting the Offer and only accept the Offer during the Additional Acceptance Period. At this point, shareholders can better assess whether or not the Offer will lead to the expected restricted liquidity.

(j) *Risk of qualified control, limited minority rights*

In the event of a high acceptance of the Offer, there is a risk of qualified control of S IMMO by the Bidder. Qualified control is also demonstrated by the example of IMMOFINANZ: its takeover resulted in a shareholding of the Bidder of approx. 76%. Such a shareholding structure regularly means the loss of significant co-determination rights for minority shareholders, in particular the possibility to help shape resolutions with qualified majority requirements. Qualified control is generally also accompanied by a realignment of the Target Company's business policy and a restriction of its independence through increased use of synergies within the Bidder's group of companies.

(k) *Merger with IMMOFINANZ and/or delisting cannot be ruled out,*

The Bidder is evaluating a merger of IMMOFINANZ and S IMMO. Whether such a merger is advantageous for the shareholders depends in particular on its structure and the exchange ratio to be determined then. It is also unclear whether in the course of such or a similar measure the stock exchange listing of the Target Company would be maintained.

(l) *Shareholders with larger share packages can use the Offer for advantageous exit*

Shareholders with a higher stake of shares in S IMMO can use the opportunity of the Offer to sell a larger block of shares without negatively affecting the share price. It should also be noted that in the event of a high acceptance rate a corresponding or higher price than the Offer Price may not be easily achievable due to reduced liquidity of the share.

(m) *RETT risk*

Should the Offer be accepted by many shareholders, the shareholding of CIPG might well exceed 90% (either through the Offer itself or through additional purchase of shares in the Additional Acceptance Period). This could lead to S IMMO's subsidiaries becoming subject to RETT in the future and thus materially increase the tax burden of S IMMO (see above 6.2 (c)).

9.3 The following reasons speak against an acceptance of the Offer.

(a) *Offer Price significantly below last reported EPRA NTA per share*

The Offer Price of EUR 23.50 is 19.3% below the last reported EPRA NTA of EUR 29.11 per share as of Q1/2022. The average trading discount to last reported EPRA NTA of relevant peers¹⁴ of S IMMO is significantly higher at approx. 39.5%. Against the background of the current macroeconomic situation, general financial market developments in the real estate sector and rising cost of capital, (as explained above) EPRA NTAs may potentially further decline.

At the same time, it cannot be ruled out that changes in the macroeconomic environment lead to lower discounts or even premiums of share prices to EPRA NTAs also in the short term.

(b) *Offer Price significantly below the stock price before the outbreak of the COVID-19 pandemic*

The Offer Price is significantly below the 2020 annual high of the share price prior to the outbreak of the COVID-19 pandemic (EUR 27.15 on 4 March 2020). In view of the current macroeconomic situation, which has changed significantly compared to pre-COVID circumstances (see above item 9.2(f)), the Management Board does not expect that this price level can be reached again in the short term.

¹⁴ Relevant commercial peers include Aroundtown, CA Immobilien, Globalworth, Hamborner, IMMOFINANZ.

(c) *Offer Price is below the book value of the S IMMO share in the books of IMMOFINANZ*

IMMOFINANZ carried its stake in S IMMO at EUR 23.58 last year (Q1/2021), while offering shareholders of S IMMO a price of EUR 22.25 (after announcing an initial price of EUR 18.04) (*cum dividend*). In the meantime, it has significantly revalued this book value and now reports the investment at EUR 27.33 per share (Q1/2022). The Offer Price of EUR 23.50 is therefore in line with the book value of the shareholding in IMMOFINANZ reported last year (EUR 23.58), but is significantly lower than the current book value of EUR 27.33 per share, specifically by EUR 3.83.

In this context, reference is again made to the greatly changed macroeconomic situation and potential further decline in stock and property valuation levels (see above point 9.2(f)).

(d) *Acceptance also possible during the Additional Acceptance Period*

S IMMO shareholders who do not wish to accept the offer during the Acceptance Period may still accept it during the Sell-Out period. This Additional Acceptance Period lasts 3 (three) months after the announcement of the result of the Offer and shareholders will receive the same price as if they had accepted during the original Acceptance Period. Waiting may be attractive for shareholders in particular because an assessment of the expected future liquidity of the share and the extent of control, respectively the remaining free float, may be easier if the acceptance rate is known.

(e) *Merger with IMMOFINANZ not excluded*

It is not excluded that the Bidder will seek a merger of S IMMO with IMMOFINANZ in the short or medium term. A merger of the two listed companies could improve the absolute volume of free float through the resulting increase in size. This, in turn, could increase market liquidity and justify remaining in the Company. Likewise, asset growth could result from an attractive exchange ratio.

9.4 Summary assessment

The Offer Price of EUR 23.50 exceeds the 6-months VWAP prior to announcement¹⁵ of the intention to launch the Offer by EUR 2.02 per share, which presents a premium of 9.4%. When comparing the Offer Price to the undisturbed¹⁶ 6-months VWAP, the premium increases to EUR 2.92 per share or 14.2%.

The median target price for the S IMMO share set by equity research analysts is broadly in line with the Offer Price. The Offer Price of EUR 23.50 displays a discount of 2.1% relative to the median target price before announcement of the intention to launch the Offer (EUR 24.00).¹⁷

According to the assessment of the Management Board of S IMMO, the Offer Price is fair and appropriate.

The management team of S IMMO has arrived at this conclusion inter alia by taking into account the Target Company Valuation of J.P. Morgan and the DCF valuation prepared with the support of other external experts.

Relevant recent takeover transactions in the European real estate sector announced since the outbreak of the war in Ukraine have transacted at a median discount to last reported EPRA NTA of 21.8%¹⁸. The discount of the Offer Price of EUR 23.50 to last reported EPRA NTA (EUR 29.11) compares slightly favourably at 19.3%. Relevant peers¹⁹ of S IMMO trade at a higher average discount to last reported EPRA NTA of 39.5%.

Following closing of the Offer, lower free float trading in the S IMMO share will *ceteris paribus* lead to lower trading liquidity, which typically commands an additional trading discount and therefore lower share price. At the end of the Additional Acceptance Period (*sell-out*), it is to be expected, *ceteris paribus*, that the relation of share price to NAV of the S IMMO share will come to similar levels as that of relevant peers of S IMMO, who currently are trading at a significantly higher discount to EPRA NTA.

¹⁵ 6-months VWAP pre-announcement based on period from 14 October 2022 to 13 April 2022 (incl.).

¹⁶ Undisturbed 6-months VWAP based on period from 4 September 2021 to 3 December 2021 (incl.).

¹⁷ Based on available equity research target prices as of 13 April 2022.

¹⁸ Based on relevant recent transactions including Oaktree/ECE/Cura-Deutsche Euroshop (May 2022), QIA-COIMA RES (April 2022), Brookfield-Hibernia REIT (March 2022), Brookfield-Befimmo (February 2022).

¹⁹ Relevant commercial peers include Aroundtown, CA Immobilien, Globalworth, Hamborner, IMMOFINANZ.

The Offer has been made in a time of uncertain macroeconomic conditions. Capital markets have displayed high levels of volatility in the current financial year due to, amongst other factors, the war in Ukraine, concerns around security of energy supply, continued supply chain constraints, peak inflation levels and increasing interest rates. These factors will start to put pressure on real estate valuations and market prices of real estate companies have declined considerably since beginning of the current year (relevant peers of S IMMO declined by 19.7% on average). Declines in real estate asset valuations and a continued downward trend in share prices of real estate companies may be the consequence of the current uncertain conditions. At the same time, it cannot be ruled out that the further macroeconomic developments lead to increases of real estate valuations and market prices of real estate companies.

After having thoroughly reviewed the Offer, the Management Board of S IMMO recommends its shareholders to accept the Offer.

However, each shareholder of S IMMO has to take into account all relevant circumstances, his or her individual situation including tax consequences, and her or his personal assessment of the future development of the macroeconomic situation, the Target Company, the value and stock price of the S IMMO-share and decide for him- or herself, whether and to what extent he or she accepts the Offer of CPIPG.

10. Other information

10.1 Further information

For further information on the Offer please contact:

Andreas Feuerstein

Andreas.feuerstein@simmoag.at

Tel.: +43 1 22795-1125

Mobile: +43 664 818 07 09

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

10.2 Advisor to the Target Company

J.P. Morgan SE was engaged as financial advisor to the Target Company.

DSC Doralt Seist Csoklich Rechtsanwälte GmbH, Währinger Straße 2-4, 1090 Vienna, was consulted as legal advisor to the Target Company.

10.3 Expert according to Section 13 ATA

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

Vienna, 28 July 2022

The Management Board of S IMMO AG

DI. Herwig Teufelsdorfer

Dr. Bruno Ettenauer

Mag. Friedrich Wachernig, MBA