

Dear Shareholders!

Many of you will have questions in connection with the takeover offer of IMMOFINANZ AG. We have endeavored to answer what are probably the most frequently asked questions in these Q&As as simply as possible below. You will find detailed explanations in more detail in the [statement of the Management Board of SIMMO AG](#).

Please bear in mind that we can only provide basic considerations and generalizing recommendations. As we cannot take all individual circumstances into account, please seek advice before deciding.

1. The Management Board and the Supervisory Board of S IMMO AG advise the shareholders of the company not to accept the present offer of IMMOFINANZ AG. What are the main arguments for this recommendation?

- ⇒ From the perspective of S IMMO AG, the offer price is significantly below the intrinsic value of the S IMMO share. The price offered by IMMOFINANZ AG is noticeably below the EPRA NAV most recently published by S IMMO AG and also in no way reflects the expected increase – amongst others on the basis of the value analysis as of 30 April 2021 (the EPRA NAV of Q1 2021 adjusted for this value analysis amounts to EUR 26.24).
- ⇒ In 2018, IMMOFINANZ AG paid a price for the acquisition of the S IMMO shares that was significantly higher than the EPRA NAV at the time, although no control was acquired.
- ⇒ The offer price itself is below the value at which IMMOFINANZ AG reports its shares in S IMMO AG in its own quarterly financial statements Q1 2021. The value reported by IMMOFINANZ AG naturally does not consider any price premiums (control premium) or synergy effects associated with a takeover offer.
- ⇒ The share price premium indicated by IMMOFINANZ AG in the takeover offer refers to share prices that were significantly affected by COVID-19 and does not take into account the price recovery that occurred on the market or the expected positive development of the company. For comparison, reference should be made to the peak value of the S IMMO share on 04 March 2020 at the beginning of the COVID-19 pandemic of EUR 27.15 (intra-day: EUR 27.70). The offer price is significantly below this value by EUR 4.90 per share.
- ⇒ Shareholders who count on the price potential of the S IMMO share should not accept the offer for this reason alone. The EPRA NAV of S IMMO AG has already returned to the level prior to the outbreak of the COVID-19 pandemic. In the opinion of the Management Board, S IMMO AG also has the necessary potential to increase in value in order to return to its pre-crisis growth

rates in the short and medium term (on average, the EPRA NAV has increased by 11.8% annually over the last ten years (CAGR 2010-2020); the increase in the EPRA NAV has also been accompanied by a correspondingly strong increase in the share price (on average, the share price has increased by 16.58% annually over the last ten years, with additional dividend payments; basis for this calculation: 04 June 2021).

- ⇒ The takeover offer of IMMOFINANZ AG contradicts market practice, is non-transparent and contradicts the usual legal standard of counter-performance:
 - The procedure specified by IMMOFINANZ AG in the takeover offer contradicts the usual legal standard of counter-performance that is otherwise customary in the market, in that the voting rights restriction is to be cancelled in advance. The recapture of the voting rights restriction in case of failure of the takeover offer is not reliably ensured. As a result of the possible complications, third parties could gain a controlling influence over S IMMO AG without the shareholders of S IMMO AG being able to sell their shares to IMMOFINANZ AG or without receiving an appropriate compensation offer.
 - The takeover offer is non-transparent because the reference transactions carried out by the CEO of IMMOFINANZ AG and the purchase prices agreed upon in such transactions were not disclosed to the shareholders of S IMMO AG, although prices paid in such transactions are an essential guide for the addressees of the offer. This concerns in particular the price at which the CEO of IMMOFINANZ AG sold the shares in S IMMO AG indirectly held by him to Aggregate S.A. on 29 January 2021.
 - It is also not transparent which strategic plans IMMOFINANZ AG is pursuing in the event of gaining control. It is not clear from the offer document which synergy effects are expected. Furthermore, the offer document does not contain any binding statements regarding the location, workforce, share quotation and other important future decisions for S IMMO AG. Overall, the economic consequences of a successful takeover bid are therefore difficult to assess for both companies. IMMOFINANZ AG also does not rule out a squeeze-out or a merger.
- ⇒ The Management Board of S IMMO AG is convinced that accepting the takeover offer is worse than retaining the shares in S IMMO AG and thus maintaining S IMMO AG as a stand-alone listed public company. The management team of S IMMO AG has arrived at this assessment, inter alia, by taking into account the Inadequacy Opinion of J.P. Morgan and the DCF valuations prepared with the assistance of external experts.

2. IMMOFINANZ AG speaks of a 40.29% premium to the 6-month volume-weighted average share price prior to the announcement of the intention to make the offer on 14 March 2021. Isn't that attractive?

The share price premium put forward by IMMOFINANZ as a selling argument (IMMOFINANZ AG also points to a premium of 23.3% on the closing price prior to the publication of the intention to make the offer) refers to share prices that were significantly influenced by COVID-19 and ignores the price recovery that has occurred on the market in the meantime and the expected positive development of the company. These factors fundamentally put the aforementioned premiums into perspective.

The price level of the SIMMO share prior to the outbreak of the COVID-19 pandemic was significantly higher than the offer price and, in the view of S IMMO AG, represents an important reference point based on the current general economic development and the prospects of SIMMO AG. In the opinion of the Management Board, S IMMO AG also has the necessary potential for value growth to return to pre-crisis growth rates in the short and medium term (on average, EPRA NAV has risen by around 11.8% annually over the last ten years (CAGR 2010-2020)); the increase in EPRA NAV has also been accompanied by a correspondingly strong increase in the share price (on average, the share price has risen by 16.58% annually over the last ten years, with additional dividend payments).

From the point of view of the Management Board of S IMMO AG, this argument of IMMOFINANZ AG is therefore not convincing, even from a purely price-oriented point of view.

In any case, from S IMMO's point of view, the exclusive use of stock exchange prices to assess the appropriateness of the price, in particular in the case of takeover bids to gain control, is not a sufficient decision-making criterion. Ultimately, the decisive factor for the assessment and thus in most cases also for the success of such offers is that the offer price reflects the fundamental value of the company. However, according to a well-founded assessment of S IMMO AG validated by J.P. Morgan, the fundamental value of the company is significantly higher than the offer price (see also the comments on point 1).

3. Why does the Management Board of S IMMO AG criticize the offer as non-transparent?

Within the last 12 months prior to the takeover offer, the CEO of IMMOFINANZ AG, Mr. Ronny Pecik, has indirectly carried out reference transactions regarding almost 15% of the share capital in S IMMO AG attributable to him under stock exchange law (sale of approximately 5% to a company

attributable to Mr. Peter Korbačka, co-investor of Ronny Pecik at IMMOFINANZ AG, as well as the sale of approximately 9% of the share capital in S IMMO AG to Aggregate S.A.). The offer document does not disclose the agreed sales prices. Of particular importance would have been the amount of the consideration for the shares indirectly transferred from IMMOFINANZ AG to Aggregate S.A. only just 1.5 months before the intention to make the offer was offered. This information would have enabled the shareholders of S IMMO AG to clearly assess the price corridor at which (control-relevant) share packages at S IMMO AG are currently marketable.

The management board of S IMMO AG also considers it non-transparent that the concrete plans of IMMOFINANZ AG and the expected synergy effects are not seriously addressed in the offer document and remain largely in the dark, thus providing little guidance for the decisions of the shareholders of both companies.

4. Why does the Management Board of S IMMO AG criticize the offer procedure?

In the view of the Management Board and the Supervisory Board of S IMMO AG, the course of the takeover offer is intransparent and characterized by a high degree of legal uncertainty to the detriment of S IMMO shareholders.

The offer structure specified by IMMOFINANZ AG unilaterally transfers significant risks to the shareholders of S IMMO AG. This applies in particular the anticipatory abolition of the voting rights restriction. Such anticipatory amendment of the Articles of Association is contrary to customary business practice and contradicts the usual legal standard of counter-performance.

The fact that the reassertion of the voting rights restriction in the event of the failure of the takeover bid is not legally ensured is an additional complication. This creates the risk of an acquisition of control in S IMMO AG without the right to exit being offered on fair terms, let alone a satisfactory control premium being paid to the shareholders of S IMMO AG.

Therefore, the Management Board and the Supervisory Board of S IMMO AG recommend the shareholders of the company to vote on 24 June 2021 at the extraordinary general meeting of S IMMO AG against an advance payment of the shareholders of S IMMO AG and therefore against the proposed resolution of IMMOFINANZ AG as well as against the accompanying anticipatory cancellation of the voting rights restriction. Since IMMOFINANZ AG has reserved the right to waive the cancellation of the maximum voting right in the takeover offer, this does not necessarily have to result in the failure of the takeover offer (see question 8).

5. What does it depend on whether the takeover bid by IMMOFINANZ AG is successful?

- ⇒ Item 4 of the takeover offer contains numerous conditions precedent which must occur in order for the takeover offer of IMMOFINANZ AG to be successful. With the exception of two conditions, these are formal conditions which can be expected to occur, such as the merger law clearance of the transaction.
- ⇒ Materially relevant in the result are the following two conditions:
 - The offer price must be so attractive that more than half of the share capital held by the addressees of the offer (shareholders of S IMMO AG) is tendered into the takeover offer for acceptance ("statutory minimum acceptance ratio"). In the opinion of the Management Board, the offer price of EUR 22.25 per share is not suitable to ensure the fulfillment of the statutory minimum acceptance quota.
 - IMMOFINANZ AG has made the success of the takeover offer conditional upon the anticipatory cancellation of the voting right restriction in § 13 para 3 of the articles of association of S IMMO AG. By doing so, IMMOFINANZ AG basically wants to ensure that it will be able to exercise the voting rights attached to its shares to the full extent after the takeover offer and thus obtain a controlling influence over S IMMO AG (however, IMMOFINANZ AG has reserved the right to waive this condition, which, however, does not allow for any reliable conclusions as to the calculation pursued thereby).

6. As a shareholder of S IMMO AG, what decision should I make at the extraordinary general meeting regarding the cancellation of the voting rights restriction?

With the resolution on the voting rights restriction the shareholders do not only decide whether the articles of association will be amended in this respect. In principle, it also depends on this (unless IMMOFINANZ AG waives this condition) whether the takeover bid of IMMOFINANZ AG is successful or not. Therefore, anyone wishing to oppose the takeover offer of IMMOFINANZ AG or who is dissatisfied with the offer price should also vote against the cancellation of the voting right restriction.

However, due to the numerous risks associated with the offer structure and the anticipatory cancellation of the voting right restriction in § 13 para 3 of the articles of association of S IMMO AG for the shareholders and the target company, in the opinion of the Management Board and the Supervisory Board of S IMMO AG also those shareholders who are in principle interested in accepting the takeover offer should consider voting against the cancellation of the voting right restriction under the offered conditions. This is particularly the case if you share the assessment of the Management Board that the offer price of EUR 22.25 per share is not suitable to meet or exceed

the statutory minimum acceptance level. IMMOFINANZ AG then still has it in its hands to ensure an appropriate structure and success of the takeover offer due to the possibility of amendment pursuant to Section 15 ÜbG (amendments of the offer document in favor of the addressees of the offer). In this regard, see the answers to question 8.

7. What happens if the voting rights restriction are abolished at the Extraordinary General Meeting on 24 June 2021?

If the voting rights restriction is cancelled in the course of the extraordinary general meeting on 24 June 2021, only one of two material conditions precedent of the takeover offer of IMMOFINANZ AG will be fulfilled (see answers to question 5). Then, the success of the takeover offer still essentially depends on whether the legally required minimum acceptance quota pursuant to § 25a para 2 ÜbG is reached by the expected end of the offer period on 16 July 2021 (i.e. the takeover offer is accepted for more than 50% of the shares subject to the offer).

The publication of the result of the takeover offer will be published on the websites of the bidder (www.immofinanz.com), the target company (www.simmoag.at) and the takeover commission (www.takeover.at) after the expiry of the acceptance period. Finally, a reference to the announcement of the result will also appear in the official gazette of the Wiener Zeitung.

8. When should I decide whether to accept the offer or not?

The Management Board of S IMMO AG recommends waiting until the publication of the result of the external valuation of the entire real estate portfolio as of 30 June 2021 before deciding on the acceptance in order to be able to make a decision based on the most up-to-date data possible. This will be published by the company in good time before the end of the acceptance period so that it can be included in the shareholders' decision-making process.

9. What happens if the voting rights restriction is *not* revoked at the Extraordinary General Meeting on 24 June 2021

In this case, a material condition of the takeover offer has not occurred. However, IMMOFINANZ AG has reserved the possibility to waive this condition and to implement the offer anyway - if it reaches the indispensable statutory minimum acceptance level.

In the offer document, IMMOFINANZ AG has also reserved the possibility to improve the offer price and to extend the acceptance period by approximately two weeks. Thus, in principle, there is enough time to improve the terms of the offer and, in particular, the - in the opinion of the Management Board - by far too low offer price after a rejection of the resolution proposal of IMMOFINANZ AG by the general meeting of S IMMO AG.

If IMMOFINANZ AG does not make use of these options, S IMMO AG will continue to exist as an independent listed public company. In this case it will continue its successful growth course. The Management Board of S IMMO AG has already clearly formulated its plans for this (for details see question 14).

10. I only own a small number of S IMMO shares. Does it still make sense for me to attend the Extraordinary General Meeting?

You are a shareholder of S IMMO AG and as such entitled to exercise your voting rights at the Annual General Meeting and to help shape the future of the company.

The Management Board is equally committed to all shareholders and recommends that you make use of your voting right. Votes are often close and a few votes can be decisive.

As explained in more detail in question 6, S IMMO AG recommends actively participating in the Extraordinary General Meeting and voting against the proposed resolution of IMMOFINANZ AG.

11. I have already registered my S IMMO shares for sale to IMMOFINANZ. Can I still attend the Extraordinary General Meeting?

Yes, even shares that have already been submitted for acceptance in the takeover offer of IMMOFINANZ AG can still be registered for the extraordinary general meeting of S IMMO AG. Until the settlement of the takeover offer, which may be successful, the voting rights shall be held by the shareholder who has submitted them for acceptance.

12. What do I have to do to attend the Extraordinary General Meeting?

In order to participate in the extraordinary General Stockholders' Meeting and in the vote on the cancellation of the voting rights restriction, you must register for the extraordinary General Stockholders' Meeting in good time and submit a proxy to one of the four independent proxies. We have summarized in detail [how to register for the Extraordinary General Meeting here](#).

13. Although I do not want to accept the takeover offer, I do not want to risk not being able to sell my shares in S IMMO AG at the end?

If you do not wish to tender your shares in S IMMO AG for acceptance by 16 July 2021, e.g. because you are not satisfied with the offer price or expect an increase in the offer price from IMMOFINANZ AG before then, you do not have to tender your shares in S IMMO AG into the takeover offer as a precautionary measure in order to be able to sell your shares in S IMMO AG after all in the end. If the takeover offer is actually accepted by more than half of the share capital held by the addressees of the offer (shareholders) during the original acceptance period and the voting rights restriction is cancelled in advance, you will still have three months after the announcement of the result of the takeover offer (additional acceptance period) to tender your shares in the event of a successful offer. You are therefore under no pressure to act before the conditions precedent of the takeover bid have been fulfilled in order to preserve your selling opportunities.

In the event of non-acceptance of the takeover offer, you therefore still have until at least 16 October 2021 to decide whether to tender your shares into the takeover offer after all. Until then, you can wait for developments (so you practically have a PUT option with which you can bet on rising share prices without bearing the risk of falling share prices). Please note that this further selling option is only available if the takeover offer is accepted by more than half of the share capital held by the

addressees of the offer (shareholders) during the original acceptance period (expected to end on 16 July 2021). If this indispensable minimum acceptance rate is missed, the takeover offer will fail and also those shareholders who have submitted their shares for acceptance into the offer will not be able to sell their shares to IMMOFINANZ AG. However, a sale of your shares is then still possible via the stock exchange.

14. What happens to my S IMMO shares if a merger or squeeze-out occurs after a successful takeover bid by IMMOFINANZ AG?

In the event of a squeeze-out or a merger with IMMOFINANZ AG, the legal system generally provides for mechanisms aimed at ensuring the appropriateness of an exchange ratio or compensation in the event of a squeeze-out. However, this alone does not guarantee that the shareholders in such a case will be compensated in accordance with the value of the S IMMO share or that they will participate in the acquiring company. If the takeover bid fails, S IMMO AG will continue to exist as a listed public company; it will then still be possible to sell your shares on the stock exchange.

15. What will happen to S IMMO AG if the takeover bid by IMMOFINANZ AG is *not* successful and is therefore *not* settled?

In this case, S IMMO AG will remain an independent listed public company - provided that the structural risks of the takeover bid by IMMOFINANZ AG do not materialize* - and can continue its successful growth course in accordance with its strategy. The Management Board of the company has already specified and presented its plans in the event that the takeover bid is not successful:

- The unbundling of the real estate companies through the sale of the shareholdings in IMMOFINANZ AG and CA Immobilien Anlagen AG.
- The use of the financial opportunities generated by the sale of the shareholdings for the significant expansion of the real estate portfolio through the purchase of profitable properties and the profitable development of the - in particular compared to current market prices - favorably purchased land reserves, especially also in the Berlin catchment area

Questions and Answers

on the takeover offer



- This will sustainably strengthen the company's cash flow, secure its ability to pay dividends and broaden the basis for future increases in value
- S IMMO Management is also aiming for an investment grade rating.

* If the Offer fails to reach the statutory minimum acceptance threshold, but - with the votes of IMMOFINANZ AG at the extraordinary general meeting of SIMMO AG on 24 June 2021 - the voting rights restriction was cancelled prior to this, the voting rights restriction would have to be recorded again in the articles of association of S IMMO AG according to the resolution proposal of IMMOFINANZ AG. However, after having obtained detailed legal advice, the Management Board and the Supervisory Board of S IMMO AG point out that it is not legally certain that the maximum voting right can be included again. This is also a major reason why the Management Board of S IMMO AG rejects the anticipatory cancellation of the maximum voting right, quasi as a preliminary measure, and recommends the shareholders of the company to vote against the proposed resolution of IMMOFINANZ AG at the extraordinary general meeting of S IMMO AG. In the opinion of the Management Board of S IMMO AG, the legal risk that the shareholders of S IMMO AG take upon themselves through the advance performance is disproportionate to the insufficient offer price and thus the probability that the statutory minimum acceptance quota will actually be achieved.