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Statement of the Management Board and the Supervisory Board on resolution proposed by IMMOFINANZ AG and submission of a resolution proposal regarding voting instructions (§ 108 para 1 AktG)

The management of S IMMO AG rejects the resolution proposal submitted by IMMOFINANZ AG as not being in the interest of the company and its shareholders and recommends that shareholders vote against the amendment to the Articles of Association in § 13.

As a result of IMMOFINANZ AG's acquisition of an interest in S IMMO AG in 2018, a constellation exists at S IMMO AG which justifies the abortion of the voting rights restriction only in the context of a takeover bid that is satisfactory from a shareholder perspective. Without such a takeover offer, the abortion of the voting rights restriction is not in the interest of the remaining shareholders. In summary, the bidder has deliberately chosen an unbalanced offer structure that serves its interests alone and has also not offered S IMMO AG the conclusion of a Business Combination Agreement, which is customary in real estate transactions of this size and complexity.

The request of IMMOFINANZ AG to convene a general meeting and the proposed resolution submitted by IMMOFINANZ AG must therefore also be assessed against the background of the takeover offer of IMMOFINANZ AG. The Management Board and the Supervisory Board of S IMMO AG have already commented in detail on the takeover offer in their statements pursuant to Section 14 ÜbG (Austrian Takeover Act), in each case dated 03 June 2021 (available on the website of S IMMO AG at <https://www.simmoag.at/en/investor-relations/takeover-offers.html> and on the website of the Takeover Commission at www.takeover.at). After careful consideration, the Management Board and Supervisory Board of S IMMO AG reject the offer as unconvincing in material respects.

This in particular for the following reasons:

The price of the offer is not appropriate:

- In the opinion of the Management Board of S IMMO AG, the offer price of EUR 22.25 per share (cum dividend) does not reflect the intrinsic value of the target company. This assessment is supported by the (inadequacy) opinion of a renowned international investment bank (J.P. Morgan), which has assessed the offer as inadequate, as well as enterprise value calculations involving external experts.

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- The offered price is EUR 2.80 per share below the EPRA NAV of EUR 25.05 per share (Q1 2021). The EPRA NAV value published in Q1 2021 does not yet take into account the additional increase in value of the German and Austrian portfolio of EUR 1.20 per share (EUR 85m), based on the value analysis of an independent, external expert as of 30 April 2010. If this increase is taken into account, the offer price is even EUR 4.0 (15.2%) per share below the correspondingly adjusted EPRA NAV.
- The share price premium referred to by IMMOFINANZ AG in the offer is based on the general market decline caused by COVID-19. The highest closing price reached by the S IMMO share before COVID-19 was EUR 27.15 per share in March 2020. Compared to the offer price of EUR 22.25, this represents a significant discount to the price level before COVID-19. The current economic recovery suggests that the company will return to its growth path interrupted by the pandemic.
- IMMOFINANZ AG paid a price per S IMMO share on the occasion of its stake acquisition in 2018, which corresponded to a premium on the EPRA NAV reported at that time of around 15%, although no control was associated with this stake acquisition.
- The offer is also EUR 1.33 per share lower than the value at which IMMOFINANZ AG itself carries its shares in S IMMO AG in its recently published quarterly financial statements (i.e. EUR 23.58 per S IMMO share). This value naturally does not take into account any price premiums (control premium) or synergy effects associated with an acquisition of control.

The terms of the offer are not acceptable:

- The offer structure stipulated by IMMOFINANZ AG distributes material transaction risks unilaterally to the detriment of the shareholders of S IMMO AG. This concerns in particular the anticipatory cancellation of the maximum voting right even before it has been determined whether the offer was successful and will therefore be settled. Such a settlement not only contradicts market practice and the "performance-against-counterperformance"-principle, but it is also not legally ensured that the maximum voting right can again be included in the articles of association if the offer fails.
- The timing unilaterally imposed by IMMOFINANZ AG is designed to the detriment of an orderly and transparent information and decision-making process and thus runs counter to the interests of S IMMO

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shareholders; ensuring that shareholders' information needs are met was not a primary objective for IMMOFINANZ AG, which has manifested itself manifold in the course of the offer procedure and in the offer structure.

- In the view of the Management Board of S IMMO AG, the offer is non-transparent in some respects; in particular, reference transactions of the bidder's CEO (for a total of approximately 15% of the shares in the company in the last 12 months) made closely prior to the offer are not disclosed, concrete plans and expected synergy effects are only insufficiently explained and not specifically quantified, and material legal mechanisms are also not explained in the offer.

For these and other reasons, the Management Board and the Supervisory Board clearly reject the offer of IMMOFINANZ AG in their firm conviction. The boards of S IMMO AG are convinced that shareholders are not addressed with an attractive offer that adequately compensates them for the value of their shares and their future appreciation potential.

In summary, the bidder has chosen an offer structure that serves its interests alone. In connection with the offered offer price, which is not adequate in terms of value, the Management Board and the Supervisory Board are therefore not in a position to support IMMOFINANZ AG's request to cancel the voting rights restriction. On the contrary, the Management Board and the Supervisory Board consider it their duty to point out the risks of the offer structure, the lack of transparency of the offer and the offer price for shares in S IMMO AG being – in their opinion – significantly below the intrinsic value of the shares of S IMMO AG, and against this background to recommend to vote against the proposed resolution.

Due to the numerous risks for the shareholders and the target company associated with the offer structure and the anticipatory abortion of the voting rights restriction in Section 13 of the articles of association, even those shareholders who in principle have an interest in accepting the offer should vote against the abortion of the voting rights restriction under the offered conditions. IMMOFINANZ AG has it in its own hands to ensure an appropriate structure due to its amendment rights pursuant to section 15 ÜbG (amendments in favour of the addressees of the offer). IMMOFINANZ AG has also reserved the right in the offer to waive this condition of cancellation of the maximum voting right.

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This results in the following voting recommendation and proposed resolution (§ 108 para. 1 AktG):

The Management Board and the Supervisory Board submit the following voting recommendation and resolution proposal regarding agenda item 1 of the Extraordinary General Meeting convened for Thursday, 24 June 2021:

- 1. The Management Board and the Supervisory Board recommend that shareholders vote AGAINST the amendments to the Articles of Association proposed by IMMOFINANZ AG in Section 13 para 3.*

Grounds:

The Management Board and the Supervisory Board refer to the above explanations and state that the offer of IMMOFINANZ AG is neither appropriate nor acceptable in terms of price or the proposed terms of the offer. Due to the numerous risks for the shareholders and the target company associated with the offer structure and the anticipatory abortion of the voting rights restriction in Section 13 of the articles of association, even those shareholders who in principle have an interest in accepting the offer should vote against the abortion of the voting rights restriction under the offered conditions.

- 2. The Management Board and the Supervisory Board propose to the shareholders to vote AGAINST all proposals for resolutions on item 1 of the agenda which are only made available on the company's website after the record date of the General Meeting (i.e. 14 June 2021, 24:00 CEST, Vienna time) or which are only made or amended in the course of the General Meeting.*

Grounds:

The purpose of this voting instruction is to ensure that the majorities required for resolutions at the Extraordinary General Meeting are not influenced by unannounced resolution proposals or ad hoc motions (ensuring the correctness of the formation of the shareholders' will), because in many cases the special proxies are no longer able to obtain timely instructions from their shareholders on these new resolution proposals. This is particularly important not only because of the importance of the vote, but also because all shareholders can be represented only by special proxies in the Extraordinary General Meeting convened as a virtual shareholder meeting.

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Extraordinary General Meeting

Vienna, 03 June 2021



Recommendation to wait with the decision on acceptance of the offer until the publication of the result of the valuations of the real estate portfolio as of 30 June 2021:

Irrespective of the resolution adopted at the Extraordinary General Meeting, the Management Board and the Supervisory Board recommend that the shareholders wait until the publication of the results of the valuations of the property portfolio as at 30 June 2021 before deciding whether to accept the offer. The Management Board will conduct a regular external comprehensive valuation of the property portfolio as of 30 June 2021, the results of which will be announced after 30 June 2021 in a timely manner, in any case still within the remaining acceptance period of the Offer (16 July 2021).

Vienna, 03 June 2021

Management and Supervisory Board of S IMMO AG

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