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**Report on Item 9 of the Agenda
of the 31st Annual General Meeting
of S IMMO AG
on 12 October 2020**

Report by the Management Board of S IMMO AG for authorisation to exclude subscription rights in relation to the authorisation of the Management Board to issue convertible bonds under § 174 (4) in conjunction with § 153 (4) AktG.

1. AUTHORISATION

A resolution will be proposed to the Annual General Meeting of S IMMO AG (the “Company”) authorising the Management Board within five years of the date of the resolution, with consent of the Supervisory Board, to issue convertible bonds related to a conversion and/or subscription right for up to 7,360,889 ordinary bearer shares of the Company with a proportionate interest in the share capital of up to EUR 26,745,790.18, including in multiple tranches, and to define all other conditions, the issue and conversion procedure for the convertible bonds. The convertible bonds can be issued for cash or for contributions in kind, with or without exclusion of subscription rights. This authorisation can also be used repeatedly. The sum of (i) the shares already delivered to holders of convertible bonds according to this resolution and (ii) the shares for which the conversion and/or subscription rights from convertible bonds already issued and to be issued in connection with re-use can be exercised must not exceed the maximum set in this resolution. The same applies accordingly to the total nominal value of the convertible bonds defined in this authorisation. The conversion and/or subscription rights can be served by contingent capital, authorised capital, from treasury shares, by way of delivery from third parties or a combination thereof.

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The Annual General Meeting shall pass a resolution on authorising the Management Board, with consent of the Supervisory Board, to exclude shareholder subscription rights to the convertible bonds in whole or in part.

The issue of convertible bonds with exclusion of subscription rights can take place under this authorisation only if the total amount of the new shares that can be obtained with the conversion and/or subscription rights does not account for more than 10% (ten percent) of the Company's share capital at the time this authorisation will be exercised. This limit shall include new shares that are issued during the term of this authorisation with the exclusion of shareholder subscription rights, based on another authorisation; moreover the total of those new shares that can be acquired through the conversion and/or subscription rights with convertible bonds, which are issued based on another authorisation during the term of this authorisation with the exclusion of subscription rights. The conversion and/or subscription rights can be served by shares from contingent capital, authorised capital, from treasury shares, or a combination thereof.

To prepare for this Annual General Meeting the Management Board submits a written report, pursuant to § 174 (4) in conjunction with § 153 (4) AktG, on the reasons for the authorisation to exclude the subscription rights also stating the proposed issue price for the shares.

2. INTEREST OF THE COMPANY

The authorisation to exclude shareholder subscription rights when issuing convertible bonds is in the interest of the company for the following reasons:

The authorisation enables the Company to rapidly obtain financing by issuing convertible bonds, especially to refinance outstanding bonds.

Moreover, the financing requirement may arise in implementing the Company's growth strategy to finance corporate acquisitions or purchase real estate.

The company actively manages its capital structure in order to keep the cost of capital as low as possible. This objective can be achieved by issuing convertible bond because they generally offer better financing conditions than (mere) debt instruments (credit financing, bonds without conversion rights).

The better financing conditions result from the combination of the following factors:

Convertible bonds bear interest and generally grant a claim to repayment of capital. There is also the right to a future purchase of company shares at a price generally defined upon issue of the convertible

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bond (conversion price), offering a stake in the substance and profitability of the company and a value increase of the share.

Issuing convertible bonds is generally more advantageous than an outright capital increase (such as from authorised capital). Under the standard terms of convertible bonds, the conversion and/or purchase price of the shares issued at the time of conversion (exercise of exchange and/or subscription right) is higher than the share price at the time of issue of the convertible bonds, so the company can generate a higher issue price compared with an outright capital increase. Practice has shown that for issues that exclude subscription rights, the company can obtain better terms, because immediate placement can avoid price-related risks from a change in market situation.

Market practise has shown that transactions under exclusion of subscription rights yield better transactional terms for the Company as the immediate placement avoids risks due to changes the market conditions impacting the price of the issue. Issues with subscription rights require a minimum two-week subscription period (§ 174 (4) in conjunction with § 153 (1) AktG) which means that institutional investors who are specialised in convertible bond investments and who have special requirements for the minimum denomination, structure and schedule of the transaction cannot be contacted (or can only be contacted with a low issue volume) because of a structure not typical for the market, the allocation mechanisms and/or potential market risks. Target-group specific communication is required as well. The Company can also reinforce its investor base by issuing convertible bonds.

The performance of the Company's share price, and the volatility of the equity markets in general, have a major impact on the terms and conditions of convertible bonds. However, experience shows that more attractive financing conditions cannot be achieved unless the company can respond in an immediate, flexible manner to favourable market conditions in order to make the best use of the conversion or financing terms.

Convertible bonds excluding subscription rights also can be issued more quickly (and less costly) because there is no preparation time for creating and approving a listing prospectus if the issue is eligible for an exception to the prospectus requirement. A prospectus-free issue can also reduce the liability risks of the company compared with an issue that includes a prospectus.

It is also in the Company's interest to issue convertible bonds against contributions in kind, especially with regard to mergers or (also indirect) acquisition of companies, parts of companies, shareholdings, businesses or operational units or other assets (especially real estate) or entitlement to the acquisition of assets, including receivables from the Company. Thereby convertible bonds can also be used as acquisition currency – depending on market conditions and the future development of the Company– for strategic transactions. In general, for the acquisition the issue of new shares (e.g. from authorised

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capital) can be made at a price exceeding the share price at the time of issue. Moreover, if this consideration is granted, cash and cash equivalents do not have to be directly used. The issue of convertible bonds against contributions in kind generally requires the exclusion of subscription rights, because the assets to be contributed usually have a unique composition (such as real estate, companies, parts of companies and shareholdings, or other assets) and cannot be contributed by all shareholders. The option to offer convertible bonds as an acquisition currency can be an advantage to the company when competing for acquisition targets.

In order to effectively use the advantages of issuing convertible bonds for the company, excluding subscription rights is required for reasons relating to strategy, financing and company organisation.

For the reasons listed, the exclusion of subscription rights is common market practice when issuing convertible bonds in the international capital markets. This is also accepted by the equity market, especially when shareholders can buy convertible bonds on the secondary market. Thus, the general intention is to issue the Company's convertible bonds on a suitable exchange, multilateral trading system (MTF) or organised trading facility (OTF).

By issuing convertible bonds and excluding subscription rights, therefore, the Company's equity can be strengthened and its financing costs reduced which is in the best interest of the Company and all shareholders.

3. ISSUE PRICE

Upon issue of the convertible bonds, the Management Board shall, with the Supervisory Board's consent, determine the terms and conditions of the issue, especially interest rates, issue price, term and denomination, provisions for protection against dilution, conversion period and/or date, conversion rights and/or obligations, conversion ratio, conversion price and conversion and/or subscription conditions, in accordance with the provisions of stock company law.

The conversion and/or subscription rights can be served by shares from contingent capital, authorised capital, from treasury shares, or a combination thereof.

The price of the convertible bonds shall be set in accordance with standard market calculation methods in a standard market pricing procedure. The price (issue price) of a convertible bond shall be based in particular on the price (issue price) of a fixed interest bond and the price for the conversion right, taking into account the other features. The issue price of bond is based on standard market calculation methods, based on the bond's due date, its coupon, the current market interest rate and on the Company's credit rating. The calculation of the value of the conversion and/or subscription rights uses the method for option price calculation, particularly taking account the maturity date / exercise period,

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price performance of the share (volatility) and other financial figures, and the relationship of the conversion and/or subscription price to the share price of the Company. Other features, such as rights to premature termination, conversion obligation, fixed or variable conversion ratio shall be equally priced in.

The issue price of the shares to be issued upon conversion (exercise of the conversion and/or subscription right) and the subscription and/or conversion ratios are to be calculated on the basis of standard market calculation methods and the price of the Company's shares (basis for calculating the issue price).

When issuing the conversion option for contributions in kind, the issue price of the convertible bond to be agreed with the persons or entities making contributions in kind – in application of the above procedure for price definition – shall be proportionate to the contribution in kind.

The price of the convertible bonds and the issue price of the shares shall be determined by objective criteria in line with international market practise and shall endeavour to protect the interests of the shareholders against dilution of their equity interest.

4. CONSIDERATION OF INTERESTS

The authorisation to exclude subscription rights is in the company's interest for the listed reasons and is objectively justified, especially in order to reinforce and enhance the company's market and competitive position - in the interest of the company and the shareholders.

The exclusion of subscription rights is also necessary and appropriate because generally this can result in better terms for convertible bonds and replace more costly capital measures. This can ensure long-term, flexible financial and business planning. Without excluding subscription rights, the company would not be able to the same extent to use market conditions and/or acquisition opportunities in a rapid and flexible manner. These advantages for the Company benefit all shareholders and it is expected that these advantages, and therefore the Company interests, justify an exclusion of subscription rights.

An issue price that avoids a dilution in value for the existing shareholders will be sought.

In consideration of all conditions listed above, it can be said that the exclusion of subscription rights within the limits described is required, suitable and – in the overwhelming interest of the company – it is objectively justified and appropriate.

Vienna, September 2020

The Management Board

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