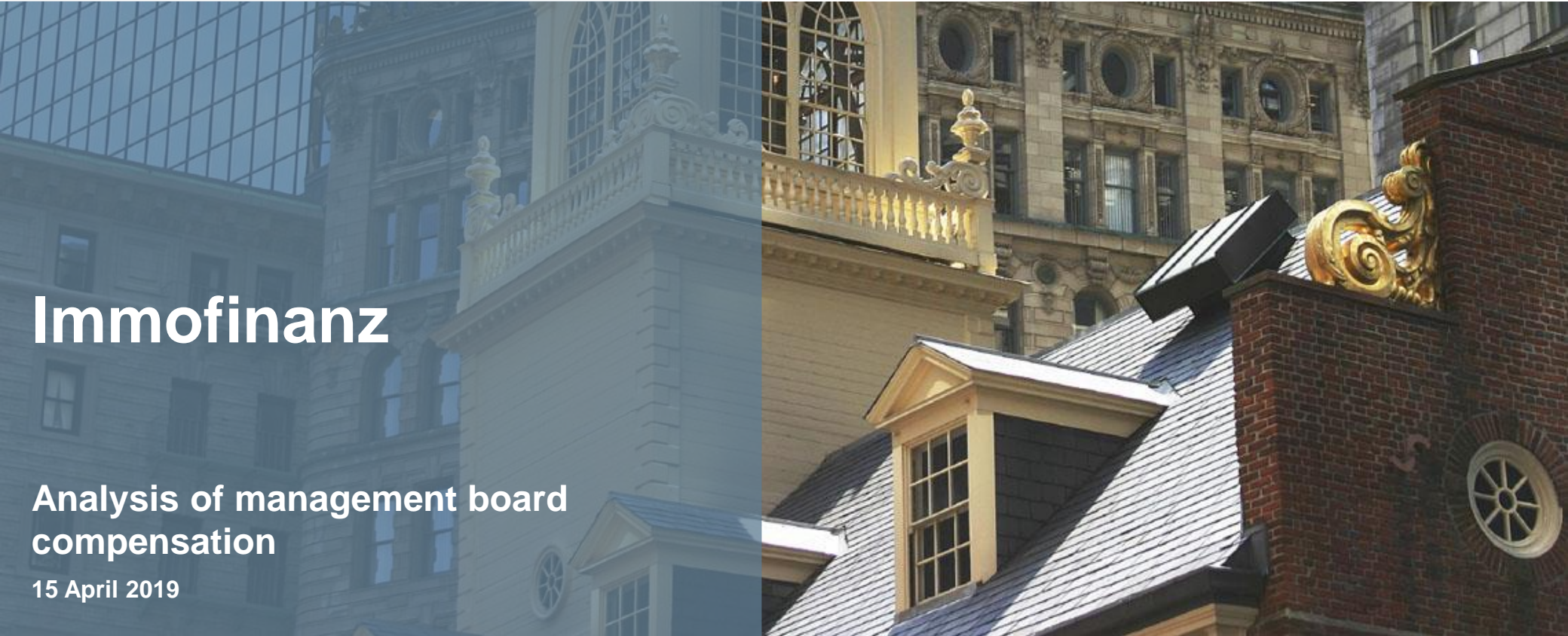


Immofinanz

Analysis of management board
compensation

15 April 2019

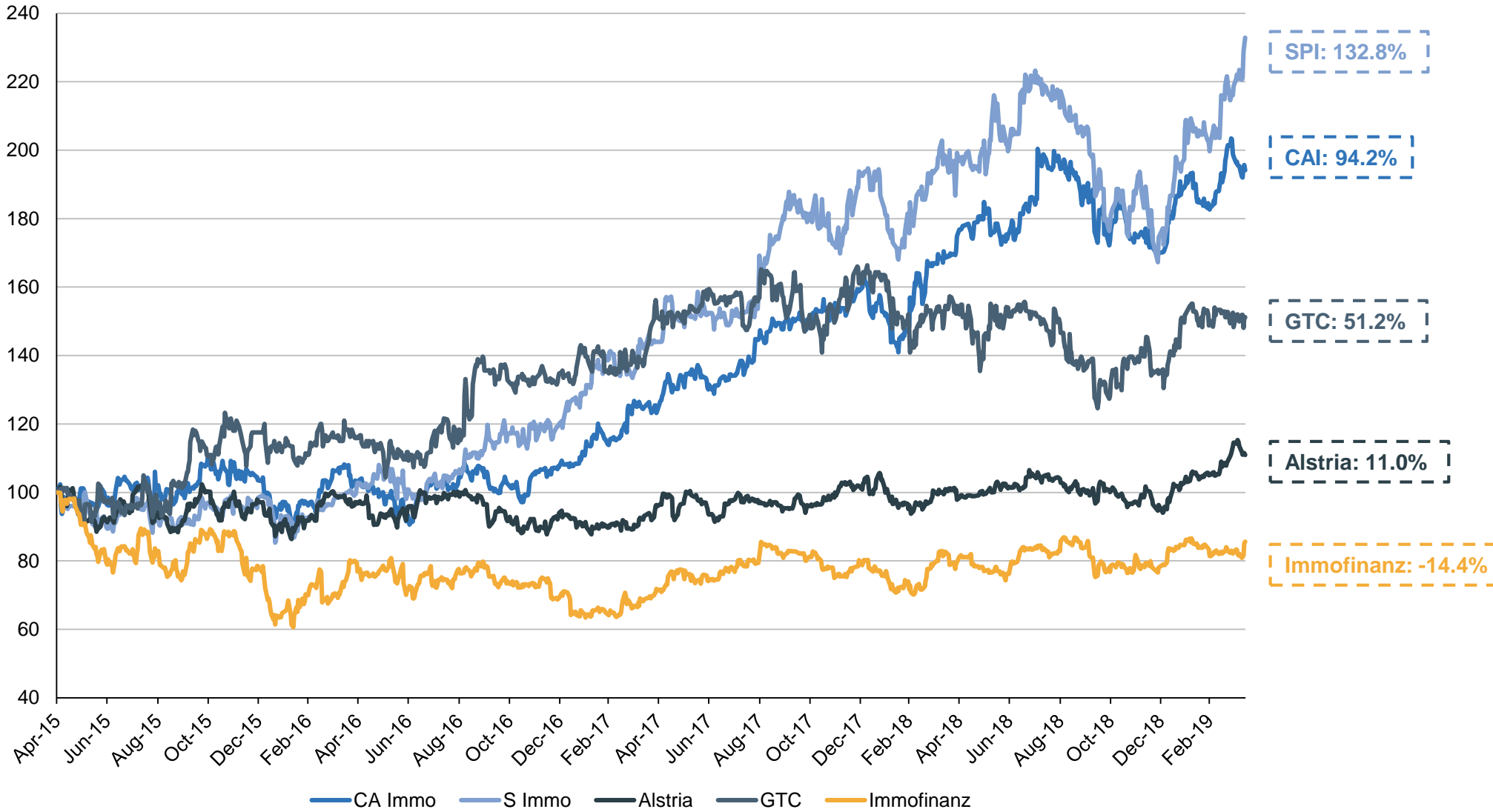


Executive summary

- Since our public criticism of the leadership of Immofinanz AG (“**Immofinanz**”) - launched on 27 February 2018 - the relative under-performance of Immofinanz compared to its peers has not changed
- We view this as a result of poor execution of many key corporate actions that have more than offset the operating improvements of its standing portfolio. These issues include
 - Sale of the Russian portfolio under self-created pressure (condition for the CA Immo merger idea) at a deplorably low price
 - Predictable failure of CA Immo Anlagen Invest (“**CAI**”) merger idea after significant cost and time had been spent
 - Start of next half-baked M&A adventure via the purchase of ~29% stake in S Immo AG (“**S Immo**”) from real estate tycoons Ronny Pecik and Rene Benko for €20 / share (vs. market price of €16.66 per 18 April 2018)
 - Rumours about planned acquisitions of large prime ‘towers’ at ultra-high prices
- Despite an incredible absolute and relative lack of value creation for Immofinanz shareholders, the management team have been rewarded better than any of its peers, especially in 2018 where a €4 million special bonus was granted
- These issues demonstrate the poor management discipline and loose governance / oversight standards at Immofinanz
- Petrus Advisers have therefore proposed two strong independent candidates to the Supervisory Board of Immofinanz
 - **Tina Kleingarn:** Supervisory Board member of Deutsche Wohnen, one of Europe’s largest listed real estate companies with a long and successful career in investment banking (Barclays, Goldman Sachs)
 - **Dr Dagmar Valcárcel:** Fully involved in Deutsche Annington (now Vonovia) on the private equity side. Long investment banking and legal career at Barclays and Freshfields
 - Both candidates are unrelated to Rudolf Fries and Walter Scherb who have presided over the disappointing performance and repeated transparency issues of Immofinanz over the past 11 years
- We are convinced that both Ms Kleingarn and Dr. Valcarcel will help Immofinanz close the performance gap to its peers and improve its poor governance standards

Share price development since Oliver Schumy took over

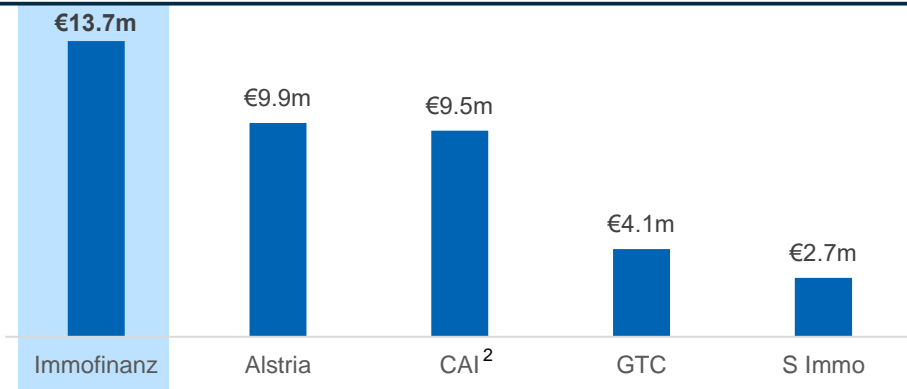
PETRUSADVISERS



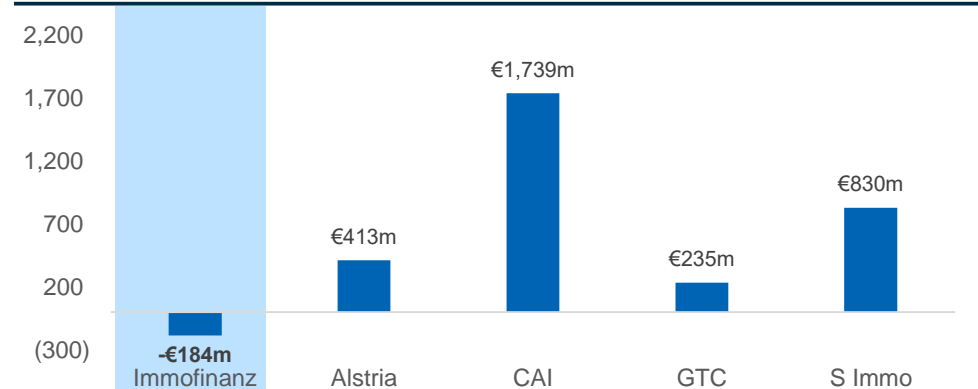
Source: Bloomberg

Highest paid, lowest performing

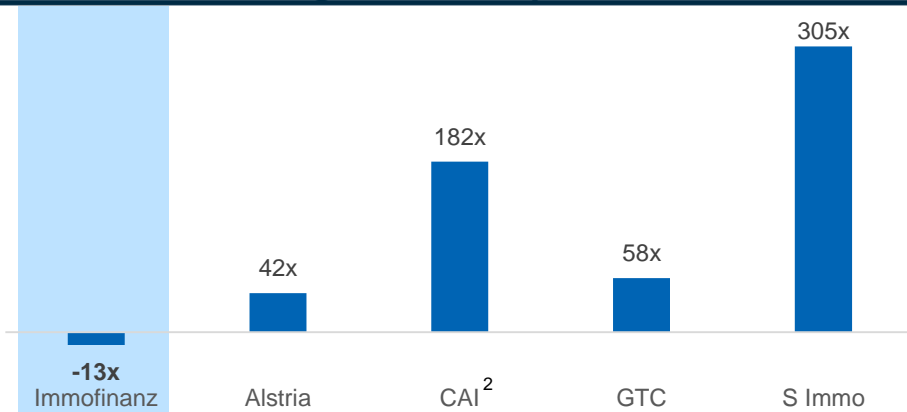
Cumulative 2015-18¹ management board pay



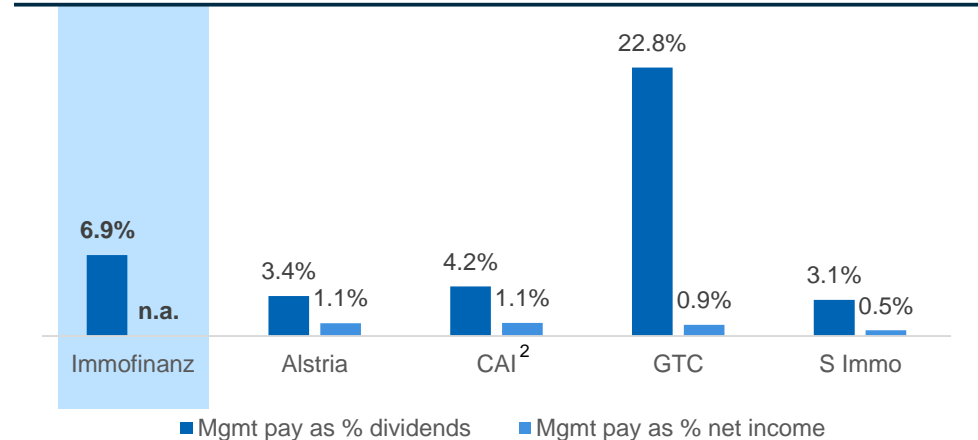
Shareholder value creation³



Shareholder value creation as multiple of management compensation



Cumulative management pay as % Net income and % dividend



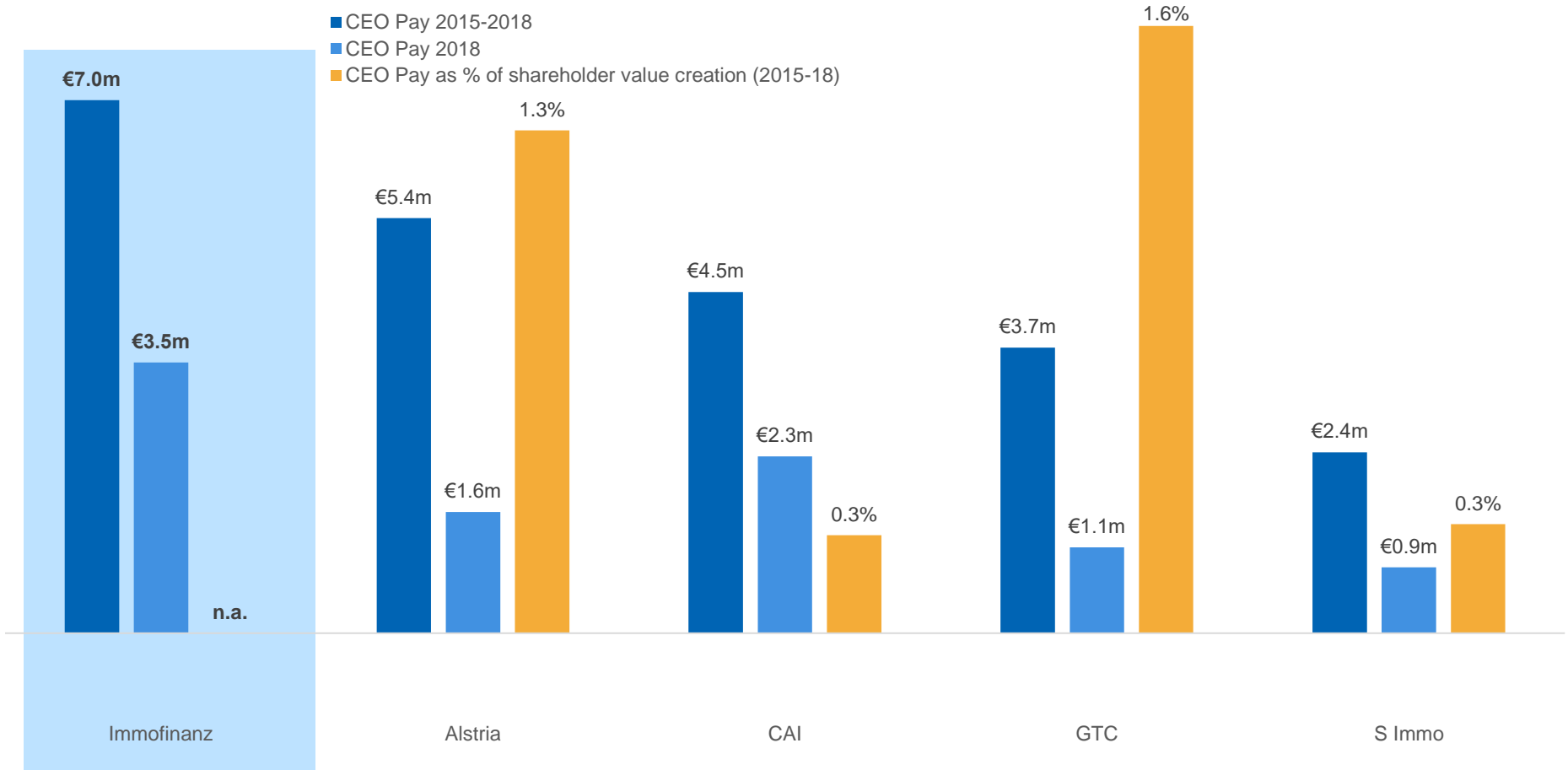
Source: company filings, Bloomberg

1) From 01/05/2015 to 31/12/2018. 2) Change of control payments have been excluded from the analysis. 3) Shareholder value creation defined as: (share price AT 12/04/2019 – share price at 30/04/2015) x number of shares outstanding on 30 April 2015 + cumulative dividends received from 30/04/015 to date.

Note: IIA had a 30 April year end until April 2016 (their 2015/16 year end) while peer companies all have 31 December year ends. As such, net income and management compensation for peer companies have been reduced by 1/3 in the 2015 calendar year to make them comparable to IIA.

CEO pay

In both 2018 and cumulatively¹, Oliver Schumy is by far the highest paid CEO



Source: company filings

1) Between 1 May 2015 and 31 December 2018. Peer companies pro rata adjusted for 2015 (see previous page).

2) Shareholder value creation defined as: (share price today – share price at 30 April 2015) x shares outstanding on 30 April 2015 + dividends received from 30 April 2015 to date.