

Mandatory publication
pursuant to section 27 (3) sentence 1, section 14 (3) sentence 1 of the German Securities Acquisition
and Takeover Act (WpÜG)



**Joint Opinion
of the Management Board and the Supervisory Board**

of

Fair Value REIT-AG

Würmstr. 13a, 82166 Gräfelfing,
Germany

**pursuant to section 27 (1) of the German Securities Acquisition and Takeover Act (WpÜG)
on the voluntary public Takeover Offer (cash offer)**

made by

AEPF III 15 S.à r.l.

2, Avenue Charles de Gaulle, L-1653 Luxembourg,
Grand Duchy of Luxembourg

to the shareholders of Fair Value REIT-AG

Fair Value REIT-AG Shares: ISIN DE000A0MW975

Tendered Fair Value REIT-AG Shares: ISIN DE000A2LQ199

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Preamble

On 16 April 2018, AEPF III 15 S.à r.l. (the "**Bidder**"), a limited liability company (*société à responsabilité limitée*, S.à r.l.) established under Luxembourg law, published, pursuant to sections 34, 14 (2) and (3) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**"), an offer document within the meaning of section 11 WpÜG ("**Offer Document**") for its voluntary public takeover offer (cash offer) ("**Takeover Offer**" or "**Offer**") to the shareholders of Fair Value REIT-AG ("**Fair Value**" or the "**Target Company**" and together with its subsidiaries the "**Fair Value Group**"; the shareholders of Fair Value hereinafter referred to as the "**Fair Value Shareholders**") to acquire all bearer shares in the Target Company, each such share representing a notional interest in the share capital of EUR 2.00 (ISIN DE000A0MW975) (each individually a "**Fair Value Share**" and collectively the "**Fair Value Shares**"), including all ancillary rights existing at the time of settlement of the Takeover Offer (in particular the right to dividends from the time of settlement of the Offer), in return for the payment of cash consideration within the meaning of section 11 (2) sentence 2 no. 4 WpÜG of EUR 8.28 ("**Offer Price**") per Fair Value Share.

The Bidder submitted the Offer Document to Fair Value's Management Board ("**Management Board**") on 16 April 2018 and then forwarded it to Fair Value's Supervisory Board ("**Supervisory Board**") and employees. According to the information provided by the Bidder, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") approved the publication of the Offer Document on 13 April 2018.

The German language version of the Offer Document was published on 16 April 2018 (along with a non-binding English translation thereof) by way of a notice published online at

<http://www.aepf-takeover-offer.de>,

and copies are also available free of charge at ODDO BHF Aktiengesellschaft, Bockenheimer Landstraße 10, 60323 Frankfurt am Main, Germany ("**ODDO BHF**") (inquiries by fax to +49 (0) 69 718 4630 or by e-mail to uebernahmangebot@bhf-bank.com). A notice announcing the Offer Document's publication was published online at <http://www.aepf-takeover-offer.de> and in the Federal Gazette (*Bundesanzeiger*) on 16 April 2018.

The Management Board and the Supervisory Board have carefully reviewed and discussed the terms of the Takeover Offer. They hereby issue the following joint opinion thereon pursuant to section 27 (1) WpÜG ("**Opinion**"):

I. Summary of the Opinion

The following summary contains selected information from this Opinion and merely serves to provide readers with an initial overview thereof. The summary should therefore be read in conjunction with more detailed information contained elsewhere in this Opinion. Reading the summary is no substitute for reading the Opinion in its entirety.

The Management Board and the Supervisory Board welcome the intention expressed by the Bidder in the Offer Document not to cause the Target Company to take measures that would result in changes in the workforce, employee representation or employment conditions at Fair Value or the other members of the Fair Value Group. The Management Board and the Supervisory Board are also pleased about the Bidder's statement in the Offer Document that it has no intention to cause Fair Value to move its registered office away from Gräfelfing or to cause another member of the Fair Value Group to relocate its respective registered office, and nor does it intend to relocate, close or dispose of any significant parts of the business of Fair Value or other members of the Fair Value Group.

With regard to future business activities, the Management Board and the Supervisory Board in principle endorse the intention expressed by the Bidder in the Offer Document to cause Fair Value, through DEMIRE Deutsche Mittelstand Real Estate AG ("**DEMIRE**") and the FVR Holding Companies (as defined in section III.5 of this Opinion), to transfer excess liquidity to DEMIRE to the extent permitted by law, e.g. by way of intra-group loans or cash pooling arrangements, subject to an arrangement that is permitted by law and economically beneficial from Fair Value's point of view. The Management Board and the Supervisory Board are also of the view that it could in principle be in the legitimate interests of the Bidder, the members of the Wecken Group (as defined in section III.3 of this Opinion) and the Bidder Parent Companies (as defined in section III.1.2 of this Opinion) to consider the option of a delisting (as defined in section VII.6.1 of this Opinion) of the Fair Value Shares at a later point in time and, to the extent permitted by law, eventually cause such a delisting.

In accordance with the terms and conditions of the Offer Document, the Bidder thereby makes all Fair Value Shareholders an offer to buy their Fair Value Shares (ISIN DE000A0MW975), each representing a notional interest in the share capital of EUR 2.00, including all ancillary rights existing at the time of settlement of the Takeover Offer (in particular the right to dividends), for an Offer Price of EUR 8.28 per Fair Value Share.

Having considered the opinion which Fair Value commissioned Rothschild GmbH ("**Rothschild**") to prepare assessing the appropriateness of the Offer Price from a financial point of view ("**Fairness Opinion**"), the assumptions and analyses of which were, to the extent possible, reviewed by the Management Board and the Supervisory Board and the conclusions of which they have adopted as their own, the Management Board and the Supervisory Board base their assessment that the Offer Price is appropriate and the result of this so-called "neutral Opinion" on the following considerations in particular:

- The Management Board and the Supervisory Board base this view on various valuation methods, including the valuation methods applied by Rothschild in the course of the preparation of the

Fairness Opinion and on the Six-month Average Price (as defined in section VI.2.2 of this Opinion) prior to the publication of the Bidder's decision to submit the Offer, which is EUR 0.16, or approximately 1.9%, below the Offer Price and the Twelve-month Average Price (as defined in section VI.2.2 of this Opinion) prior to the publication of the Bidder's decision to submit the Offer, which is EUR 0.41, or approximately 5.2%, below the Offer Price.

- With a discount of approximately 8.9% in relation to the EPRA-NAV of EUR 9.09 per each Fair Value Share in circulation¹, the Offer Price is in line with the historical discount on the exchange price in relation to the EPRA-NAV per each Fair Value Share in circulation. The Management Board and the Supervisory Board note that the Fair Value Share was being traded with a structural discount on the EPRA-NAV per share which, in the opinion of both the Management Board and the Supervisory Board, is attributable to first and foremost (i) Fair Value's complex business structure (in particular the high percentage of indirectly held real estate); (ii) the, by comparison with other exchange-listed real estate companies in Germany, low profitability of Fair Value; and (iii) the low liquidity of the Fair Value Share. In addition, the Management Board and the Supervisory Board noted in this connection that the shares of some other German commercial real estate companies traded at German stock exchanges were currently also being traded with a discount on the EPRA-NAV and that the discount on the Offer Price in relation to the EPRA-NAV under the DEMIRE Offer was approximately 11.9%.
- Particularly taking into consideration the fundamental valuation methods and the analyses of benchmark companies based on multipliers, the Management Board and the Supervisory Board have come to the conclusion that the Offer Price is within the valuation range based on diverse valuation methods and therefore reasonably reflects the value of the Fair Value Share, particularly in light of the low profitability of Fair Value.
- In its Fairness Opinion, Rothschild came to the conclusion that the Offer Price is appropriate from a financial point of view.
- It remains the opinion of the Management Board and the Supervisory Board that, in view of the already existing controlling interest held by the Bidder, the members of the Wecken Group (as defined in section III.3 of this Opinion) and the Bidder Parent Companies (as defined in section III.1.2 of this Opinion) and in view of the limited tradability of the Fair Value Share particularly for those minority shareholders of Fair Value with more sizeable shareholdings, which because of the illiquid trading in Fair Value Shares cannot be readily sold on the stock exchange, the Takeover Offer offers an opportunity for them to realise their full investment in Fair Value or a significant portion thereof on reasonable conditions.
- The Management Board and the Supervisory Board note, however, that since the Bidder announced its intention to submit the Offer, the stock exchange price of the Fair Value Share has for the most part remained above the Offer Price, so that a sale outside the Offer – of smaller

¹ Accordingly 14,029,013 Fair Value Shares taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

blocks of shares in particular – may prove to be more advantageous for the respective Fair Value Shareholder than the acceptance of the Offer.

- As such, the Management Board and the Supervisory Board have opted not to make a recommendation to the Fair Value Shareholders (so-called "neutral Opinion").

II. General information concerning the Opinion

1. Legal basis of the Opinion

Under section 27 (1) sentence 1 WpÜG, the Management Board and the Supervisory Board are required to issue a reasoned opinion on the Takeover Offer and any amendments thereto.

2. Factual basis of the Opinion

The use of "EUR" or "euros" to indicate currency refers to the currency of the European Union. Unless stated otherwise, to the extent that terms such as "presently", "currently", "now", "at the present time" or "today" are used, they refer to the date on which this document was published, in other words 26 April 2018. References to banking days refer to days on which the banks in Frankfurt am Main, Germany, are open for general business ("**Banking Days**").

All the information, expectations, assessments and forward-looking statements or intentions contained in this Opinion are based on the information at the disposal of the Management Board and/or the Supervisory Board at the time this Opinion was published and reflect their respective assessments or intentions at the time. These assessments and intentions are subject to change after the date of this Opinion's publication. The Management Board and the Supervisory Board are under no obligation to update this Opinion beyond that which is required by German law.

Unless expressly stated otherwise in this Opinion, all representations made about the Bidder in this Opinion are based on publicly available information, particularly the Offer Document. No responsibility is taken for the accuracy of this information. This means that it is possible that the Management Board and the Supervisory Board have not taken into account material circumstances which may not have been evident from such documents.

All statements made regarding the Bidder's intentions are based on information and representations by the Bidder. The Management Board and the Supervisory Board have not verified any such information nor can they give any assurance that the stated intentions will be acted upon. Where this Opinion cites or reproduces any portion of the Offer Document, it does so merely for reference purposes and in no way constitutes an assumption of responsibility on the part of the Management Board and the Supervisory Board for the Bidder's Offer Document or any warranty that the Offer Document is correct and complete. However, just as the Bidder has done under section 2.3 of the Offer Document, the Management Board and the Supervisory Board draw attention to the fact that the intentions of the

Bidder, the members of the Wecken Group (as defined in section III.3 of this Opinion) and the Bidder Parent Companies (as defined in section III.1.2 of this Opinion) could change at a later point in time.

3. Publication of this Opinion and any additional opinions concerning potential modifications to the Takeover Offer

A binding, German language version and a non-binding, English language translation of this Opinion and any other opinions concerning potential modifications to the Takeover Offer pursuant to section 27 (3), section 14 (3) sentence 1 WpÜG will be published online and can be viewed at

<http://www.fvreit.de/investor-relations/uebernahmeangebot.de>

Copies of this Opinion and any other opinions concerning potential modifications to the Takeover Offer will also be available free of charge from the Target Company at Würmstr. 13a, 82166 Gräfelfing, Germany, (Tel: +49 (0) 89 9292815-10; Fax: +49 (0) 89 9292815-15; e-mail: info@fvreit.de). A notice announcing this is expected to be published in the Federal Gazette (*Bundesanzeiger*) on 26 April 2018.

4. Autonomous decision by the Target Company's shareholders

The Management Board and the Supervisory Board advise that the description of the Takeover Offer in this Opinion does not purport to be complete; only the provisions of the Offer Document are authoritative with respect to the terms and settlement of the Takeover Offer. The assessments made by the Management Board and the Supervisory Board in this Opinion are not binding on the Target Company's shareholders. Fair Value Shareholders are each responsible for their own decision as to whether they wish to accept the Takeover Offer and, if so, for how many of their Fair Value Shares; such decision is to be made by taking into account the totality of the circumstances, their own individual circumstances (including their personal tax situation) and their own personal assessment of the future development of the value and the stock exchange price of the Fair Value Shares.

When deciding whether or not to accept the Takeover Offer, Fair Value Shareholders should use all sources of information available to them and give adequate consideration to their individual concerns. The individual tax situation of Fair Value Shareholders may result in assessments which differ from those of the Management Board or the Supervisory Board in the individual case. As such, the Management Board and the Supervisory Board recommend that Fair Value Shareholders seek individual tax and legal advice as necessary.

The Management Board and the Supervisory Board expressly advise that they are not in a position to verify whether Fair Value Shareholders are acting in compliance with all the legal obligations that apply to them personally when they accept the Takeover Offer. The Management Board and the Supervisory Board specifically advise any persons outside the Federal Republic of Germany or who wish to accept this Takeover Offer but are subject to the laws of jurisdictions other than that of the Federal Republic of Germany to inform themselves of and comply with any such laws.

III. Information on the Bidder and persons acting in concert with the Bidder

1. Bidder

1.1 Legal basis and capital structure of the Bidder

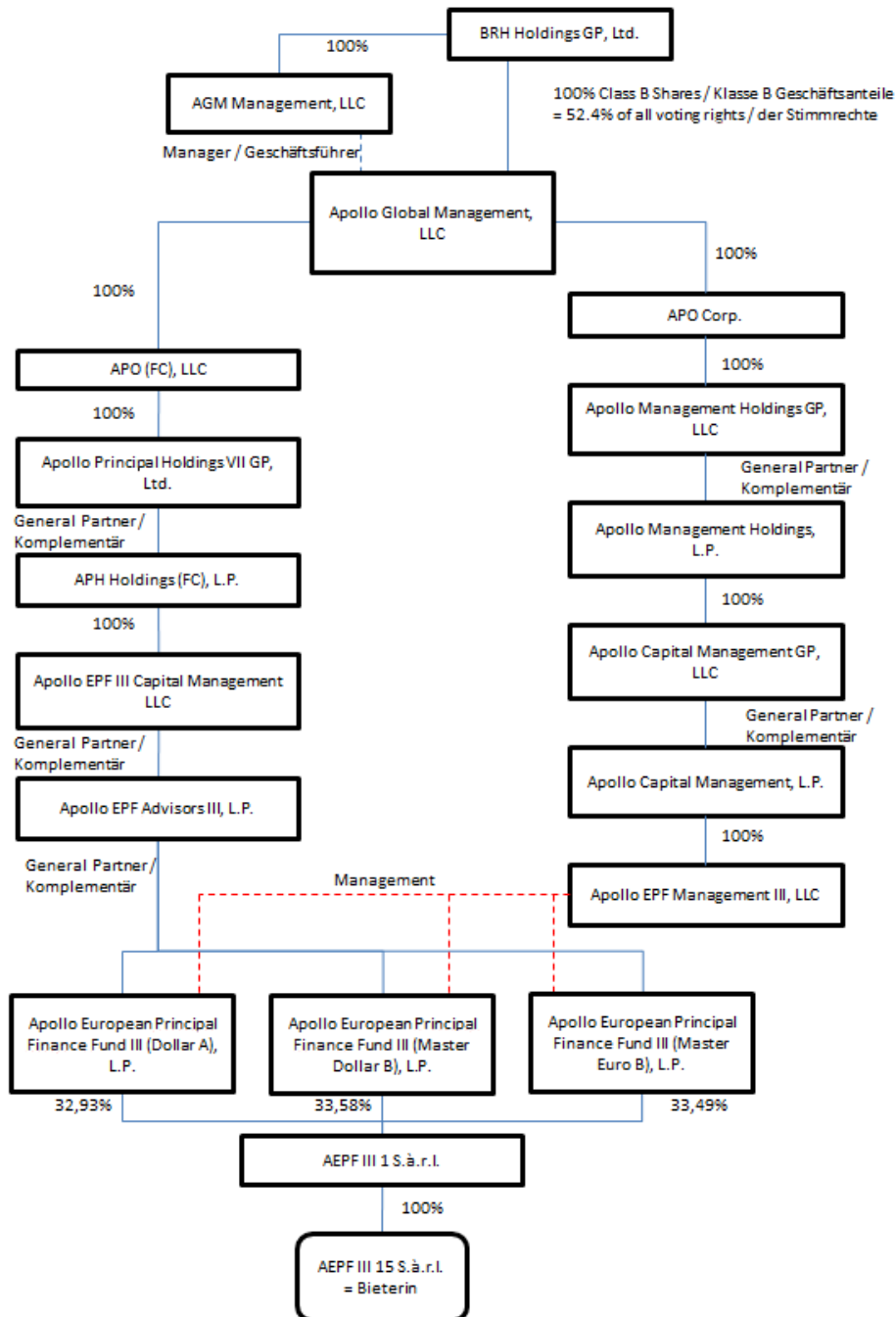
According to the Offer Document, the Bidder is a limited liability company established under Luxembourg law (*société à responsabilité limitée*) with its registered office in Luxembourg, Grand Duchy of Luxembourg, and is registered in the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under registration number B 219.108. Its registered business address is 2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg. The Offer Document states that the Bidder's share capital is EUR 12,500.00 divided into 12,500 shares. It also states that the Bidder was established on 30 October 2017 in Luxembourg and registered in the Luxembourg Trade and Companies Register on 10 November 2017. According to the Offer Document, the Bidder's financial year corresponds with the calendar year, and its corporate purpose as stated in its articles of association includes the acquisition, holding and administration of participations in companies.

The Offer Document names Shaun Collins, Carlo Heck, Patrick Mabry, Matthias Prochaska and Jason Stramel as the Bidder's management team. The Bidder has no employees.

At the same time as making its Offer to the Fair Value Shareholders, the Bidder published an offer to the shareholders of DEMIRE to acquire their DEMIRE shares against consideration of EUR 4.35 per share (the "**DEMIRE Offer**"). According to the information contained in the Offer Document, the Bidder directly holds 15,790,041 shares in DEMIRE, corresponding to 26.44% of the voting rights and share capital of DEMIRE. The Offer Document states that at the time of the Offer Document's publication, and as a consequence of a share purchase by Wecken & Cie., the Bidder, the members of the Wecken Group (as defined in section III.3 of this Opinion) and the Bidder Parent Companies (as defined in section III.1.2 of this Opinion) together hold 63.51% of the voting rights and share capital of DEMIRE (see section III.3 of this Opinion). This has been the case since 28 February 2018 due to the vote pooling arrangement agreed in the Shareholder Agreement (as defined in section III.3 of this Opinion).

1.2 Bidder's shareholder structure

All of the companies exercising direct or indirect control over the Bidder (the "**Bidder Parent Companies**") are, according to the Offer Document, both listed in Part 2 of Annex 2 of the Offer Document and shown in the chart in Annex 1 of the Offer Document as follows:



Based on the details contained in the Offer Document, the Bidder is indirectly held by three funds, namely Apollo European Principal Finance Fund III (Dollar A), L.P., Apollo European Principal

Finance Fund III (Master Dollar A), L.P. and Apollo European Principal Finance Fund III (Master Euro B), L.P. (the "**Apollo European Principal Finance Funds**"), which control the Bidder's sole shareholder, AEPF III 1 S.à r.l., jointly and uniformly as multiple parents (*Mehrmütterherrschaft*). According to the Offer Document, the management, operation and control of the Apollo European Principal Finance Funds has been delegated pursuant to a management agreement to Apollo EPF Management III, LLC, a limited liability company established under the law of the U.S. state of Delaware, registered under file number 6007661 ("**Apollo EPF Management III**"). The Offer Documents states that the sole general partner of each of the funds is Apollo EPF Advisors III, L.P., a Cayman Islands limited partnership with its registered office in the Cayman Islands, registered with the Registrar of Companies, Cayman Islands ("**Apollo EPF Advisors III**").

According to the Offer Document, both Apollo EPF Management III and Apollo EPF Advisors III are indirectly held by Apollo Global Management, LLC, a limited liability company established under the law of the U.S. state of Delaware, registered under file number 4382726 and listed on the New York Stock Exchange (NYSE: APO) ("**Apollo Global Management**", and together with its group companies "**Apollo**"). The Offer Document states that the sole manager of Apollo Global Management is AGM Management, LLC, a limited liability company established under the law of the U.S. state of Delaware, registered under file number 4376331. The Offer Document names BRH Holdings GP, Ltd, a Cayman Islands limited liability company with its registered office in the Cayman Islands, registered with the Registrar of Companies, Cayman Islands, as the sole member of AGM Management, LLC. According to the information in the Offer Document, BRH Holdings GP, Ltd, also holds 100% of the category B shares in Apollo Global Management, corresponding to 52.4% of the voting rights in Apollo Global Management as of 9 February 2018, but not conferring any economic participation in that entity. According to the Offer Document, BRH Holdings GP, Ltd, itself is not controlled by any legal entity or natural person. Please see section 6.2 and section 6.3 of the Offer Document for a detailed description of the shareholder structure of the Bidder and the Bidder Parent Companies.

2. Apollo Global Management

According to the information in the Offer Document, Apollo is a global alternative investment manager. Since it was founded in 1990, Apollo has grown to become one of the world's largest alternative investment managers. The Offer Document states that Apollo manages funds on behalf of some of the world's most prominent pension and endowment funds, as well as other institutional and individual investors. As at 31 December 2017, Apollo managed total assets of some USD 249 billion with a team of 1,047 employees, including 387 investment professionals working in 15 offices all over the world. According to the Offer Document, Apollo has a high level of industry know-how and follows a value-oriented investment strategy in the area of private equity, the lending business, and the real estate business. The Offer Document further states that Apollo considers itself to have been one of the largest real estate investors in Germany over the past five to ten years, and it has successfully acquired and sold several billion dollars in real property.

3. Persons acting in concert with the Bidder

Based on the information provided in the Offer Document, the persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG are set forth in Annex 2 of the Offer Document. In addition to the Bidder Parent Companies, the persons acting in concert with the Bidder also include the Bidder's subsidiaries, including DEMIRE and DEMIRE's subsidiaries, which include Fair Value and its subsidiaries. They also include the other direct and indirect subsidiaries of the Bidder Parent Companies, which are not persons that control the Bidder.

The Offer Document also states that Wecken & Cie., Care4 AG (both with their registered office in Basel, Switzerland, and their business address at Schäferweg 18, 4057 Basel, Switzerland), Klaus Wecken, Ferry Wecken and Ina Wecken (each with their business address at Schäferweg 18, 4057 Basel, Switzerland) (collectively the "**Wecken Group**") are deemed persons acting in concert with the Bidder pursuant to section 2 (5) WpÜG due to a shareholder agreement entered into with the Bidder with respect to DEMIRE (the "**Shareholder Agreement**") in which a vote pooling arrangement was agreed.

Beyond that, the Offer Document states that there are no other persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG.

4. Possible future participation of Toprius Holding S.à r.l. in the Bidder

According to the Offer Document, the Bidder, AEPF III 1 S.à r.l. as sole shareholder of the Bidder, and Toprius Holding S.à r.l., a limited liability company established under Luxembourg law (*société à responsabilité limitée*, S.à r.l.) with its registered office in Luxembourg, Grand Duchy of Luxembourg, registered in the Luxembourg Trade and Companies Register of Luxembourg (*Registre de Commerce et des Sociétés*) under register number B 215.922 ("**Toprius Holding**"), agreed by way of a joint venture term sheet (the "**Joint Venture Term Sheet**") that Toprius Holding will acquire part of the Bidder as part of a co-investment with a minority interest of up to 24.9% if Toprius Holding sells and transfers to the Bidder 2,590,000 DEMIRE shares against a cash payment of EUR 4.35 per DEMIRE share as well as all 150 mandatory convertible bonds 2015/2018 issued by DEMIRE at a price of EUR 4.35 per principal amount of EUR 5.00 in bonds. The Offer Document further states that the respective purchase price receivables will initially be deferred pursuant to the terms of the Joint Venture Term Sheet. According to the details provided in the Offer Document, in order to implement the co-investment, Toprius Holding would contribute or otherwise assign the deferred purchase price receivables to the Bidder in exchange for the granting of shares in the Bidder, or offset the deferred purchase price receivables against the obligation to contribute them in exchange for the granting of shares in the Bidder. The Offer Document states that if the principal value of the deferred purchase price receivables exceeds the value of the maximum 24.9% participation in the Bidder, the Bidder will pay the excess amount to Toprius Holding in cash. According to the Offer Document, the Joint Venture Term Sheet further provides that Toprius Holding will only acquire shares in the Bidder if Toprius Holding delivers the aforementioned shares and bonds to the Bidder.

Based on the information provided in the Offer Document, on 28 February 2018, the Bidder entered into a purchase agreement with Toprius Holding to acquire 2,590,000 DEMIRE shares against a cash payment of EUR 4.35 per DEMIRE share (the "**Toprius Share Purchase Agreement**") and a further purchase agreement to acquire all 150 mandatory convertible bonds 2015/2018 issued by DEMIRE at a price of EUR 4.35 per principal amount of EUR 5.00 in bonds (the "**Toprius Bonds Purchase Agreement**" and, together with the Toprius Share Purchase Agreement, the "**Toprius Purchase Agreements**"). According to the Offer Document, the Toprius Purchase Agreements provide that the respective purchase price payments will be deferred until the beginning of June 2018. The Offer Document states that the Toprius Share Purchase Agreement was completed on 7 March 2018 by virtue of 2,590,000 DEMIRE shares being credited to the Bidder's securities account. According to the Offer Document, in the course of settling the Toprius Share Purchase Agreement on 7 March 2018, Toprius Holding delivered 469 excess DEMIRE shares. The Bidder acquired these excess shares on the conditions of the Toprius Share Purchase Agreement for a purchase price of EUR 4.35 per share, however without this transaction being agreed in writing between the Bidder and Toprius Holding. The value of the deferred purchase price receivables under the Toprius Share Purchase Agreement thus amounts to EUR 11,268,540.15 overall (2,590,469 DEMIRE shares multiplied by EUR 4.35). The Offer Document states that the Toprius Bonds Purchase Agreement had not been completed as of the day of the Offer Document's publication, and at this stage it was uncertain whether Toprius Holding will deliver the 150 mandatory convertible bonds 2015/2018 issued by DEMIRE on the conditions of the Toprius Bonds Purchase Agreement.

According to the Offer Document therefore, whether and to what extent the minority shareholding of Toprius Holding in the Bidder will be realized as envisaged in the Joint Venture Term Sheet was uncertain as of the day of the Offer Document's publication. The Management Board and Supervisory Board of the Target Company have no further information about Toprius Holding, its shareholders or any agreements made by the Bidder with Toprius Holding.

5. Fair Value Shares held by the Bidder and persons acting in concert with the Bidder and their subsidiaries

According to the information in the Offer Document, the Bidder, the members of the Wecken Group and the Bidder Parent Companies did not directly hold any Fair Value Shares at the time of the Offer Document's publication. The Offer Document states, however, that due to the vote pooling arrangement agreed in the Shareholder Agreement with respect to the voting rights attached to the DEMIRE shares, by virtue of which they have collectively held a total of 37,928,711 shares or 63.51% of the share capital and voting rights of DEMIRE since 28 February 2018 following a share purchase by Wecken & Cie., a total of 10,963,878 Fair Value Shares (representing approximately 77.70% of the share capital and voting rights of Fair Value) held indirectly by DEMIRE through eight subsidiaries (the "**FVR Holding Companies**") are attributed to them pursuant to section 30 (1) sentence 1 no. 1 WpÜG.

According to the Offer Document, the FVR Holding Companies hold their Fair Value Shares as follows:

Shareholder	Number of Fair Value Shares	Percentage of voting rights and of the share capital*
FVR Beteiligungsgesellschaft Erste mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Zweite mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Dritte mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Vierte mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Fünfte mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Sechste mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Siebente mbH & Co. KG	1,401,498	9.93%
FVR Beteiligungsgesellschaft Achte mbH & Co. KG	1,153,392	8.17%

* Not including non-voting treasury shares held by Fair Value.

At the time of publishing this Opinion, the Target Company holds 81,310 treasury shares, which are non-voting shares pursuant to section 71b of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"). The treasury shares represent 0.58% of Fair Value's share capital.

According to the Offer Document, beyond that neither the Bidder, nor persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG, nor their subsidiaries within the meaning of section 2 (6) WpÜG held any Fair Value Shares or voting rights attached to Fair Value Shares at the time of the Offer Document's publication, nor are any voting rights attached to Fair Value Shares attributable to them pursuant to section 30 WpÜG. In addition, the Offer Document states that at the time of its publication, neither the Bidder, nor persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG, nor their subsidiaries within the meaning of section 2 (6) WpÜG directly or indirectly hold any instruments in relation to Fair Value which are required to be disclosed pursuant to sections 38 and 39 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "**WpHG**").

6. Information on securities transactions and reservation of rights as regards possible future acquisitions of Fair Value Shares

The Bidder states in the Offer Document that neither it, nor persons acting in concert with it nor their subsidiaries within the meaning of section 2 (6) WpÜG have acquired Fair Value Shares or entered into agreements to acquire Fair Value Shares in the period starting six months prior to the announcement of the decision to submit the Offer and ending on 16 April 2018 (the date of the Offer Document's publication).

According to section 6.8 of the Offer Document, the Bidder reserves the right, to the extent permitted by law, to acquire, directly or indirectly, Fair Value Shares other than pursuant to the Offer on the stock exchange or over-the-counter. To the extent such acquisitions occur, information about them, including the number and price of the Fair Value Shares so acquired, will be published in accordance with the applicable statutory provisions, in particular section 23 (2) WpÜG in conjunction with section 14 (3) sentence 1 WpÜG, in the Federal Gazette and online at www.aepf-takeover-offer.de. According to the Offer Document, such information will also be published online in a non-binding English translation at www.aepf-takeover-offer.de.

IV. Information about the Target Company

1. Corporate legal information

Fair Value is a German stock corporation (*Aktiengesellschaft*) registered in the commercial register of the Local Court (*Amtsgericht*) of Munich under registration number HRB 168882. Its registered office is in Gräfelfing and its registered business address is Würmstr. 13a, 82166 Gräfelfing, Germany. The Target Company's corporate purpose is:

- a) to acquire, hold, manage for the purpose of letting, renting and leasing, which includes activities auxiliary to the management of real estate portfolios, and to dispose of title to or leasehold rights in:
 - German immovable assets as defined in the German Act on Real Estate Investment Trusts (*REIT-Gesetz*, "**REITG**"), with the exception of existing residential properties as defined in the REITG;
 - foreign immovable assets as defined in the REITG, provided they are allowed to be owned by a REIT corporation, partnership or estate or by a corporation, partnership or estate similar to a REIT in the country in which the assets are located; and
 - other assets of the type described in section 3 (7) REITG;
- b) to acquire, hold, manage and dispose of shares in real estate partnerships as defined in the REITG;
- c) to acquire, hold, manage and dispose of shares in real estate services companies as defined in the REITG;
- d) to acquire, hold, manage and dispose of shares in foreign property companies as defined in the REITG;
- e) to acquire, hold, manage and dispose of shares in corporations that act as the general partner of a real estate partnership as defined in the REITG, which do not hold an interest in the partnership's assets.

Under § 2 (2) of its articles of association, the Target Company may engage in all actions and transactions deemed appropriate to further its corporate purpose. Specifically, the company may establish branches and permanent establishments domestically and abroad. It may also enter into inter-company agreements, cooperation agreements and joint venture agreements. § 2 (3) of the Target Company's articles of association precludes it from trading in immovable assets as defined in the REITG and from engaging in transactions requiring approval pursuant to section 34c of the German Trade and Industry Code (*Gewerbeordnung*).

Fair Value is the parent company of the Fair Value Group. The following companies are subsidiaries of Fair Value:

Company	Registered office	Percentage rights/capital interest	voting
GP Value Management GmbH	Gräfelfing		100.00
BBV 3 Geschäftsführungs-GmbH & Co. KG	Gräfelfing		100.00
BBV 6 Geschäftsführungs-GmbH & Co. KG	Gräfelfing		100.00
BBV 9 Geschäftsführungs-GmbH & Co. KG	Gräfelfing		100.00
BBV 10 Geschäftsführungs-GmbH & Co. KG	Gräfelfing		100.00
BBV 14 Geschäftsführungs-GmbH & Co. KG	Gräfelfing		100.00
IC Fonds & Co. Büropark Teltow KG	Unterschleißheim		78.16
BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG	Munich		62.23
BBV Immobilien-Fonds Nr. 8 GmbH & Co. KG	Munich		58.22
IC Fonds & Co. Gewerbeobjekte Deutschland 13. KG i.L.	Unterschleißheim		57.37
IC Fonds & Co. SchmidtBank-Passage KG	Unterschleißheim		53.95
BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG	Munich		51.01
IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG	Unterschleißheim		48.17
BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG	Munich		45.16
BBV Immobilien-Fonds Erlangen GbR ¹⁾	Munich		42.02

¹⁾ BBV Immobilien-Fonds Erlangen GbR is under liquidation.

The members of Fair Value's Management Board are currently Ralf Kind (CEO) and Stefan Herb (CFO). The members of its Supervisory Board are currently Frank Hölzle (Chairman), Dr Thomas Wetzels (Deputy Chairman) and Daniel Zimmer.

2. REIT status

The Target Company is a REIT stock corporation (*REIT-Aktiengesellschaft*) in accordance with the REITG. An important feature of REIT stock corporations is that they are exempt from corporate income tax and trade tax pursuant to section 16 (1) REITG.

Conversely, section 19 (3) REITG provides that the method of exempting distributed income from tax (*Nulleinkünfteverfahren*) under section 8b of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, KStG) and the method of partially taxing distributed income (*Teileinkünfteverfahren*) under section 3 no. 40 of the German Income Tax Act (*Einkommensteuergesetz*, EStG) do not apply. This means that dividends in particular are neither fully nor partially exempt from tax at the shareholder level, but are fully taxable.

Under section 13 (1) REITG, REIT stock corporations are required to distribute as a dividend to shareholders at least 90% of their net profit reported in accordance with commercial law, less any amount allocated to reserves pursuant to section 13 (3) sentence 1 REITG and any loss carried forward from the previous year, plus any amount released from reserves pursuant to section 13 (3) sentence 2 REITG. Furthermore, section 15 REITG mandates that the equity reported in the consolidated financial statements at year end must not be less than 45% of the amount recognised for immovable assets in the consolidated financial statements.

In addition to the requirement that the Fair Value Shares be admitted to an organised market as defined in section 2 (11) WpHG, a requirement for retaining the Target Company's REIT status is in particular also that the maximum participation limit under section 11 (4) REITG be observed (no shareholder of a REIT stock corporation may directly hold 10% or more of the shares or hold so many shares that it directly holds 10% or more of the voting rights ("**Maximum Participation Limit**")), and that the free float requirement under section 11 (1) sentence 1 REITG is met (a REIT stock corporation must have a long-term minimum free float ratio of 15% ("**Free Float Requirement**")).

Further information regarding the REIT status and the Offer's potential impact on the REIT status are set forth mainly in section VII.5 of this Opinion and section 7.2 of the Offer Document.

3. Share capital, shares and exchange trading

The Target Company's share capital is currently EUR 28,220,646.00 and is divided into 14,110,323 no-par value bearer shares, each representing a notional interest in the share capital of EUR 2.00.

At the time of publication of this Opinion, the Fair Value Shares are admitted to trading on the Regulated Market of the Frankfurt Stock Exchange (*General Standard*) under ISIN DE000A0MW975 and are traded through the Frankfurt Stock Exchange's electronic trading system XETRA. Until 16 April 2018, they were also admitted to trading in the *Prime Standard* sub-segment with additional post-admission listing obligations of the Frankfurt Stock Exchange. In addition, the Fair Value Shares are traded OTC on the stock exchanges in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart, as well as via Tradegate Exchange.

4. Authorised capital

Pursuant to § 5 (5) of Fair Value's articles of association, the Management Board of Fair Value is authorised until 18 May 2020, subject to the consent of the Supervisory Board, to increase the share capital of Fair Value by a total of up to EUR 14,110,322.00 by issuing, on one or more occasions, up to 7,055,161 new no-par value bearer shares against cash contributions and/or contributions in kind (authorised capital 2015). Fair Value shareholders are generally entitled to subscribe for the new shares; however, the Management Board of Fair Value is further authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights in the cases listed in § 5 (5) (i) - (iv) of Fair Value's articles of association.

5. Contingent capital

Pursuant to § 5 (6) of Fair Value's articles of association, Fair Value's share capital may be increased by up to EUR 14,110,322.00 by issuing up to 7,055,161 new no-par value bearer shares carrying a right to dividends from the beginning of the financial year of issue (contingent capital 2016). The new shares issued from contingent capital carry dividend rights from the beginning of the financial year in which they are created; to the extent permitted by law, Fair Value's Management Board may stipulate, derogating from the above and from section 60 (2) AktG, but subject to the Supervisory Board's consent, that the new shares carry dividend rights from a previous financial year. According to Fair Value's articles of association, a contingent capital increase will only be implemented to the extent that:

- a) the holders of warrants attached to convertible bonds and/or warrant-linked bonds and/or participation rights with conversion or subscription rights issued by the Target Company or lower-tier group companies in the period up to 3 July 2021 on the basis of the general meeting's authorising resolution on 4 July 2016 exercise their conversion or subscription rights, and the Target Company decides to use contingent capital 2016 to fulfil its obligations associated with such conversion and/or subscription rights; or
- b) the holders of warrants attached to convertible bonds and/or warrant-linked bonds and/or participation rights with conversion or subscription obligations issued by the Target Company or lower-tier group companies in the period up to 3 July 2021 on the basis of the general meeting's authorising resolution on 4 July 2016 comply with their conversion or subscription obligation, or the Target Company exercises its right of tender with respect to the delivery of shares and the Target Company decides to deliver the necessary shares from contingent capital 2016.

Further details are contained in § 5 (6) of Fair Value's articles of association. At the time of publishing this Opinion, the Management Board of the Target Company has not made use of this authorisation.

6. Treasury shares

As resolved by the general meeting of Fair Value on 4 July 2016, Fair Value's Management Board is authorised until 3 July 2021 to acquire treasury shares totalling up to 10% of the share capital as at the

date of the resolution. At no time may the acquired Fair Value Shares together with other Fair Value Shares that are held by the Target Company or attributable to it under sections 71a *et seq.* AktG account for more than 10% of the existing share capital. Fair Value may not make use of this authorisation for the purpose of trading in treasury shares.

At the time of publishing this Opinion, the Target Company holds 81,310 treasury shares, representing 0.58% of its share capital.

7. Business

Fair Value and its 15 subsidiaries in Germany focus on acquiring and managing commercial real estate in Germany. It prioritises investment in retail and office buildings in secondary and regional locations. Fair Value invests both directly in real estate and indirectly through participations in real estate companies, particularly closed-end real estate investment funds that invest in German commercial real estate. Fair Value also acquires units in closed-end real estate investment funds on the secondary market.

Fair Value actively manages its holdings over the entire value chain of its real estate portfolio, from purchase to modernisation to the leasing, rental and sale of real estate (having regard to the trading restriction under the REITG). The focus is on ensuring a broad range of locations and property types, as well as good tenant creditworthiness. The strategic management of real estate is handled internally, and non-strategic operating functions such as accounting and commercial and technical property management are outsourced to external service providers, which receive partly fixed and partly performance-based variable remuneration for their services.

In addition to management, the strategy also includes the targeted selling of individual portfolio properties (having regard to the trading restriction under the REITG), with particular focus on smaller properties and non-strategic real estate. The successive liquidation of subsidiaries is intended to save on investment-related administrative expenses and further expand the share of directly owned properties in the overall portfolio.

As at 31 December 2017, 30 properties made up the directly and indirectly held overall portfolio (previous year: 33 properties), which had a total market value of around EUR 291 million (previous year: EUR 291 million). The EUR 13 million year-on-year decline in portfolio value attributable to the sale of three properties was fully offset as at 31 December 2017 by the remaining portfolio's appreciation in value on the back of construction work and leases.

As at 31 December 2017, the contractual rent generated by the overall portfolio totalled EUR 21.7 million and the weighted residual term of the lease agreements was 5.1 years. This is equivalent to an earnings-weighted occupancy rate of 91.5% of potential rent assuming full occupancy (EUR 23.7 million) (previous year like-for-like: 91.5% of potential rent assuming full occupancy (EUR 22.9 million)). Based on pro forma estimates, if one takes into account vacant properties for which a lease has already been entered into as at 1 January 2018 but which have not yet been handed over to the

tenant, the earnings-weighted occupancy rate of the portfolio properties as at 1 January 2018 would be EUR 21.8 million, or approximately 92.3% of potential rent.

8. Business performance

In the 2017 financial year, the Fair Value Group generated gross rental income of EUR 22,105 thousand as compared to EUR 22,542 thousand in the previous year. Net rental earnings in the 2017 financial year amounted to EUR 15,921 thousand as compared to EUR 16,088 thousand in financial year 2016. Fair Value's consolidated operating result (EBIT) in the 2017 financial year amounted to EUR 23,584 thousand as compared to EUR 15,520 thousand in financial year 2016. Consolidated net profit in the 2017 financial year amounted to EUR 12,571 thousand as compared to EUR 6,909 thousand in financial year 2016.

The Best Practice Recommendations of the European Public Real Estate Association ("**EPRA BPR**") are recognised guidelines which supplement IFRS reporting in the case of listed real estate companies. The recommendations include, *inter alia*, a transparent calculation of a company or group's earnings and a transparent calculation of net asset value.

Consolidated net profit calculated in accordance with the EPRA BPR and adjusted for changes in property value and profits or losses on disposal ("**EPRA Earnings**") amounted to EUR 6,788 thousand in financial year 2017 as compared to EUR 6,313 thousand in financial year 2016. This gives rise to EPRA Earnings per share in circulation² of EUR 0.48 for financial year 2017 as compared to EUR 0.45 in financial year 2016.

The EPRA net asset value ("**EPRA NAV**") calculated pursuant to the EPRA BPR based on net asset value ("**NAV**") adjusted for derivative financial instruments and deferred taxes (see also section VI.2.3 of this Opinion) amounted to EUR 127.6 million as at 31 December 2017 as compared to EUR 120.6 million as at 31 December 2016. This gives rise to an EPRA NAV per share in circulation³ of EUR 9.09 as at 31 December 2017 as compared to EUR 8.60 as at 31 December 2016.

V. Information about the Takeover Offer

1. Execution of the Takeover Offer

The Bidder will execute the Takeover Offer in the form of a voluntary public takeover offer (cash offer) for the acquisition of the Fair Value Shares pursuant to section 29 WpÜG. According to the Offer Document, the Takeover Offer will be implemented solely in accordance with the law of the Federal Republic of Germany, in particular the WpÜG, the German Regulation regarding the Content

² Accordingly 14,029,013 Fair Value Shares taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

³ Accordingly 14,029,013 Fair Value Shares taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

of the Offer Document, the Consideration in the Event of Takeover Offers and Mandatory Offers and Exemption from the Obligation to Publish and to Make an Offer (*Verordnung über den Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots*, "**WpÜG Offer Regulation**"), the German Regulation regarding the Applicability of Provisions Concerning Offers within the meaning of section 1 (2) and (3) of the German Securities Acquisition and Takeover Act (*Verordnung über die Anwendbarkeit von Vorschriften betreffend Angebote im Sinne des § 1 Abs. 2 und 3 des Wertpapiererwerbs- und Übernahmegesetzes*, WpÜG Applicability Regulation) as well as certain applicable securities law provisions of the United States of America (the "**United States**"), in particular the provisions of the U.S. Securities Exchange Act of 1934, as amended.

According to the information provided by the Bidder in the Offer Document, BaFin reviewed the German language version of the Offer Document and authorised its publication on 13 April 2018. According to the Offer Document, the Offer Document and/or the Takeover Offer were not registered with, authorised or approved by any other authority beyond that, and nor is there any intention for that to occur.

Although the Bidder has published a non-binding English translation of the German language version of the Offer Document, only the German language version is intended to be binding. To the knowledge of the Management Board and the Supervisory Board, BaFin has only reviewed the German language version of the Offer Document.

2. Bidder's stated reasons behind the Takeover Offer

According to the Offer Document, the Bidder indirectly holds 77.70% of the share capital and voting rights of Fair Value (not including Fair Value's treasury shares, which are non-voting shares pursuant to section 71b AktG), and because of this the Bidder decided to submit this Takeover Offer in order to pre-empt a mandatory takeover offer. Based on the details contained in the Offer Document, the Bidder, the Bidder Parent Companies and the members of the Wecken Group control DEMIRE, and at the time of the Offer Document's publication held a total of 37,928,711 DEMIRE shares, corresponding to approximately 63.51% of the voting rights and share capital of DEMIRE. Through the FVR Holding Companies, DEMIRE indirectly holds 77.70% of the voting rights and share capital of Fair Value, thus the Bidder, the Bidder Parent Companies and the members of the Wecken Group jointly and uniformly control Fair Value as multiple parents (*Mehrmütterherrschaft*).

In the Offer Document, the Bidder also states that it, the Bidder Parent Companies and the members of the Wecken Group have attained control over Fair Value in connection with this Takeover Offer as regards time and content. Therefore, pursuant to section 35 (3) WpÜG, attaining control over Fair Value does not trigger an obligation of the Bidder, the Bidder Parent Companies or the members of the Wecken Group to make a mandatory takeover offer pursuant to section 35 (2) WpÜG.

The Bidder explains in section 8 of the Offer Document that at the time of announcing its decision to make the Offer to the Fair Value Shareholders under section 10 (1) sentence 1 WpÜG, which occurred on 26 February 2018, the Bidder also had the intention with this Takeover Offer of simultaneously

fulfilling the prerequisites for Fair Value to be able to submit a request to delist the Fair Value Shares and remove them from the Regulated Market of the Frankfurt Stock Exchange. However, the Bidder advises in the Offer Document that its original intention of making a so-called delisting offer simultaneously with this Offer pursuant to section 39 (2) sentence 3 no. 1, (3) and (4) of the German Stock Exchange Act (*Börsengesetz*, "**BörsG**") cannot be acted upon due to provisions in Fair Value's articles of association.

The Offer Document states that the Bidder, the Bidder Parent Companies and the members of the Wecken Group are not pursuing any other economic or strategic intentions with this Offer.

3. Material terms of the Takeover Offer

3.1 Offer Price and Offer dates

In accordance with the terms and conditions of the Offer Document, the Bidder hereby makes all Fair Value Shareholders an offer to buy their Fair Value Shares (ISIN DE000A0MW975), each representing a notional interest in the share capital of EUR 2.00, including all ancillary rights existing at the time of settlement of the Takeover Offer (in particular the right to dividends), for an Offer Price of EUR 8.28 per Fair Value Share. The Offer is a voluntary public takeover offer within the meaning of the WpÜG.

The period during which this Offer may be accepted ("**Acceptance Period**"), barring any potential extension by law, will end on 14 May 2018, 12:00 midnight (Frankfurt am Main local time)/6:00 p.m. (New York local time). The additional acceptance period pursuant to section 16 (2) WpÜG will expire two weeks after the preliminary results of the Takeover Offer are published by the Bidder pursuant to section 23 (1) sentence 1 no. 2 WpÜG ("**Additional Acceptance Period**"). Barring any potential extension of the Acceptance Period by law, the Additional Acceptance Period is expected to begin on 18 May 2018 and end on 31 May 2018 at 12:00 midnight (Frankfurt am Main local time)/6:00 p.m. (New York local time).

Fair Value Shares with respect to which the Offer was accepted within the Acceptance Period or within the Additional Acceptance Period and the book transfer to ISIN DE000A2LQ199 was effected within the prescribed time are referred to in the Offer Document and hereinafter as the "**Tendered Fair Value Shares**".

According to the information provided in the Offer Document, the Tendered Fair Value Shares should be able to be traded on the Regulated Market of the Frankfurt Stock Exchange under ISIN DE000A2LQ199 as of the third Banking Day after the commencement of the Acceptance Period. The Offer Document states that trading in the Tendered Fair Value Shares on the Regulated Market of the Frankfurt Stock Exchange will be suspended at the end of the last day of the Additional Acceptance Period.

3.2 Offer conditions, official approvals and procedures

According to section 11.1 of the Offer Document, the Federal Cartel Office (*Bundeskartellamt*) issued approval under merger control law for the acquisition of Fair Value Shares by the Bidder in accordance with the Takeover Offer on 20 March 2018. Section 12 of the Offer Document states that the Offer and the agreements entered into with Fair Value Shareholders as a result of its acceptance are not subject to any conditions.

4. Financing of the Takeover Offer

According to the information provided in section 14 of the Offer Document, before publishing the Offer Document, the Bidder took the necessary measures to ensure that it will have the necessary funds at its disposal to fully cover the maximum total cost of acquiring all Fair Value Shares. According to the Offer Document, the maximum total cost amounts to EUR 26,752,564.60. This amount is composed of (i) an amount of EUR 26,752,564.60, which would be necessary if all Fair Value Shareholders were to accept the Offer other than the FVR Holding Companies, which have contractually undertaken to the Bidder not to accept the Offer for the 10,963,878 Fair Value Shares held by them, and are also unable to tender their shares for the purpose of the Offer due to securities account blocking agreements; and (ii) maximum transaction costs of EUR 700,000.00.

According to the Offer Document, the Bidder has taken the following measures to secure financing:

- For the purpose of settling this Offer, the Bidder has set up an account with ODDO BHF into which it has paid EUR 26,052,564.60. The Bidder has pledged to ODDO BHF all of its current and future receivables and claims in connection with this settlement account. The Offer Document states that the purpose of this pledge is, among others, to ensure in accordance with section 13 (1) WpÜG that the Bidder has the necessary funds at its disposal to complete the Offer at the time the claim for consideration falls due.
- Furthermore, according to the Offer Document, in the event that the FVR Holding Companies accept the Offer in whole or in part contrary to their contractual undertaking, they have a contractual obligation to pay the Bidder liquidated damages in the amount of the Offer Price for each Fair Value Share tendered for the purpose of the Offer in breach of contract. According to the information in the Offer Document, the liquidated damages would be due at the time the claim for consideration in the context of the Offer falls due, and would be automatically offset against the respective claim for payment of the Offer Price, meaning that these reciprocal claims would cancel each other out entirely. The Offer Document also states that the FVR Holding Companies are also required to pay the Bidder liquidated damages in the amount of the Offer Price for each Fair Value Share sold or transferred in breach of contract. According to the Offer Document, securities account blocking agreements have also been concluded between the Bidder, the FVR Holding Companies and five custodian banks at which the Fair Value Shares held by FVR Holding Companies are held in custody. These agreements are intended to ensure that the FVR Holding Companies are unable to tender their Fair Value Shares for the purpose of the Offer.

ODDO BHF Aktiengesellschaft, with its registered office in Frankfurt am Main, Germany, an investment service provider that is, according to the Offer Document, independent of the Bidder, has issued the Bidder a confirmation of financing pursuant to section 13 (1) sentence 2 WpÜG, which is attached as Annex 5 to the Offer Document. In this confirmation of financing, ODDO BHF confirms that the Bidder has taken the necessary measures to ensure that it will have at its disposal the funds required to complete the Offer at the time the claim for consideration falls due.

5. Offer Document as authoritative basis

The shareholders of the Target Company are directed to refer to the statements in the Offer Document for further information and details (specifically with regard to Acceptance Periods, the modalities of acceptance and execution and the rights of rescission under the Takeover Offer). The above information merely summarises the information contained in the Offer Document. The Management Board and the Supervisory Board note that the description of the Offer in this Opinion does not purport to be complete; only the provisions of the Offer Document are authoritative with respect to the terms and settlement of the Takeover Offer. Each Fair Value Shareholder is personally responsible for reviewing the Offer Document and taking any action they need to for themselves.

VI. Nature and amount of consideration offered (section 27 (1) no. 1 WpÜG)

As consideration within the meaning of section 11 (2) sentence 2 no. 4 WpÜG, the Bidder offers a cash consideration, the Offer Price, of EUR 8.28 per Fair Value Share. The Offer Price includes all ancillary rights (in particular the right to dividends) existing at the time of settlement of the Offer.

1. Minimum Offer Price pursuant to WpÜG

To the extent that the Management Board and the Supervisory Board are in a position to assess the Offer Price per Fair Value Share based on the information available to them, the Offer Price satisfies the provisions of section 31 (1) and (7) WpÜG in conjunction with sections 3 *et seq.* WpÜG relating to the statutory minimum price, which represents the higher of the two thresholds presented below:

1.1 Exchange price

Pursuant to section 5 WpÜG Offer Regulation, the consideration offered in a voluntary public Takeover Offer pursuant to sections 29 *et seq.* WpÜG shall be no less than the weighted average domestic exchange price of the relevant share during the last three months prior to the announcement of the decision to submit an Offer pursuant to section 10 (1) sentence 1 WpÜG ("**Three-month Average Price**"), which was submitted on 26 February 2018. The Three-month Average Price pursuant to section 5 WpÜG Offer Regulation up to and including 25 February 2018, which was determined by BaFin and communicated by BaFin to the Bidder, was EUR 8.28 per each Fair Value Share. Accordingly, the Offer Price complies with this statutory requirement.

1.2 Pre-acquisitions

Pursuant to section 4 WpÜG Offer Regulation, the consideration paid in a voluntary public Takeover Offer pursuant to sections 29 *et seq.* WpÜG shall continue to be no less than the highest amount of the consideration paid or agreed by the Bidder, a person acting in concert with the Bidder within the meaning of section 2 (5) WpÜG or its subsidiaries within the meaning of section 2 (6) WpÜG within the last six months prior to publication of the Offer Document pursuant to section 14 (2) sentence 1 WpÜG.

According to the Offer Document, neither the Bidder nor persons acting in concert with the Bidder or their subsidiaries within the meaning of section 2 (6) WpÜG have acquired Fair Value Shares or entered into agreements on the acquisition of Fair Value Shares.

1.3 Parallel acquisitions

As of the date on which this Opinion was published, neither the Management Board nor the Supervisory Board were aware of any parallel acquisitions by the Bidder. If the Bidder or persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG or their subsidiaries within the meaning of section 2 (6) WpÜG acquire Fair Value Shares after the publication of the Offer Document and prior to publication of the preliminary result of the Takeover Offer by the Bidder pursuant to section 23 (1) sentence 1 no. 2 WpÜG and pay or agree to a consideration that is greater in value than the consideration specified in the Offer, the agreed consideration owed to the Fair Value Shareholders shall increase by the amount of the difference in value.

2. Evaluation of the Offer Price by the Management Board and the Supervisory Board

The Management Board and the Supervisory Board have examined in detail whether the Offer Price is appropriate.

2.1 Fairness Opinion

Fair Value has engaged Rothschild to assess the appropriateness of the Offer Price from a financial point of view (Fairness Opinion). Rothschild submitted and explained its analysis to the Management Board and the Supervisory Board on 25 April 2018. In its analysis, Rothschild found that, subject to the statements made in the Fairness Opinion and the correctness of the assumptions made as at the date on which the Fairness Opinion was submitted, the Bidder's Offer Price for the Fair Value Shares was appropriate from a financial point of view. The Fairness Opinion is appended to this Opinion as Annex 1.

The Management Board and the Supervisory Board point out that the Fairness Opinion was solely prepared to inform and assist the Management Board and the Supervisory Board in connection with the examination of the consideration. It does not address third parties (the shareholders of Fair Value in particular), does not intend to protect third parties and does not give rise to third-party rights. In connection with the Fairness Opinion, no contractual agreements are entered into between Rothschild

and third parties. Neither the Fairness Opinion nor the underlying engagement letter between Rothschild and Fair Value provide protection to third parties or include third parties in their scope of protection. The Fairness Opinion does not constitute any recommendation by Rothschild to Fair Value Shareholders to accept or not to accept the Takeover Offer. The Rothschild's consent to having its Fairness Opinion attached as an annex to this Opinion does not constitute an expansion of or an addition to the group of persons to whom this Fairness Opinion is addressed or who may rely on this Fairness Opinion, and cannot be construed as such.

For the preparation of the Fairness Opinion, Rothschild performed a valuation of Fair Value, as typically undertaken by financial advisors when they are engaged to prepare a Fairness Opinion for transactions of this type, such as valuations based on current and historic multipliers of comparable exchange-listed companies, multipliers observed for comparable transactions and discounted cash-flow analyses. Rothschild's assessment was based on a series of factors, assumptions, procedures, limitations and valuations, which are described in the Fairness Opinion.

Furthermore, the Management Board and the Supervisory Board also point out that the Fairness Opinion of Rothschild is subject to certain assumptions and provisos and that the underlying research and its results must be read in full for a correct understanding of the Fairness Opinion. More specifically, the Fairness Opinion of Rothschild is based on the business, economic, monetary and regulatory framework conditions and market conditions at the date of the Fairness Opinion as well as the information available to Rothschild at that time. Subsequent developments may have an effect on the assumptions made at the time of preparing the Fairness Opinion and its results. Rothschild is under no obligation to update, revise or confirm its Fairness Opinion.

The Fairness Opinion is not a valuation report, such as those typically prepared by auditors. Accordingly, it does not follow the standards set for any such reports by the Institute of Public Auditors in Germany, Incorporated Association (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, IDW) (IDW S1 for business valuations; IDW S8 for the preparation of fairness opinions). Fairness opinions of the kind prepared by Rothschild differ in material aspects from business valuations carried out by auditors. Moreover, Rothschild has not made any statements as to whether the terms of the Offer, including the Offer Price, meet the requirements of the WpÜG.

The Target Company will pay Rothschild for the preparation of the Fairness Opinion in connection with the Offer. Furthermore, Fair Value has undertaken to reimburse Rothschild for certain expenses and to indemnify Rothschild against certain liabilities and obligations that may arise in connection with Rothschild's activities for Fair Value. It should also be noted that Rothschild and the companies affiliated with Rothschild may have maintained in the past, may presently maintain or may maintain in the future other business relationships with Fair Value, the direct or indirect shareholders of the Bidder or their affiliated companies, for which business relationships Rothschild was or is compensated for through fees. Furthermore, Rothschild's affiliated companies are engaged in securities trading which could result in them buying, holding or selling securities of whatever kind in Fair Value, the Bidder or the Bidder's direct or indirect shareholders or their affiliated companies for their own account or on behalf of third parties.

2.2 Comparison with historical exchange prices

According to the information in the Offer Document, the Bidder based its determination of the Offer Price (i) on the Three-month Average Price and (ii) the weighted average domestic stock exchange price of the Fair Value Share during the last six months before the announcement of the Bidder's decision to submit the Offer in accordance with section 10 (1) sentence 1 ("**Six-month Average Price**") in the amount of EUR 8.12, which was determined by BaFin, according to the Offer Document and the supplement to the published decision to submit the Offer, which was published on 5 March 2018. According to the Offer Document, the Bidder has not used any valuation methods to determine the economic appropriateness of the Offer Price.

In their assessment of the appropriateness of the Takeover Offer, the Management Board and the Supervisory Board considered, in addition to the Three-month Average Price, which corresponds to the Offer Price, and the Six-month Average Price, which is EUR 8.12 and thus EUR 0.16, or approximately 1.9%, below the Offer Price, also the following prices in their assessment of the appropriateness of the Takeover Offer:

- a) the closing price of the Fair Value Share in XETRA trading at the Frankfurt Stock Exchange on 24 April 2018, the last trading day before the Management Board and the Supervisory Board resolved upon the publication of this Opinion, in an amount of EUR 8.30; the Offer Price is EUR 0.02, or approximately 0.2%, below this price;
- b) the closing price of the Fair Value Share in XETRA trading at the Frankfurt Stock Exchange on 26 February 2018, the last trading day before the publication of the Bidder's decision to submit an Offer on which Fair Value Shares were bought and sold in XETRA trading, in the amount of EUR 8.30; the Offer Price is EUR 0.02, or approximately 0.2%, below this price;
- c) the weighted average domestic stock exchange price of the Fair Value Share during the last 12 months before the publication of the Bidder's decision to submit the Offer ("**Twelve-month Average Price**") in the amount of approximately EUR 7.87⁴; the Offer Price is EUR 0.41, or approximately 5.2%, above this price.

The Management Board and the Supervisory Board point out that the informative value of the Fair Value Share's exchange price with regard to the assessment of the financial appropriateness of the Offer Price is limited in that the free float of the Fair Value Shares is low and the turnover volume of Fair Value Shares at German stock exchanges has been very low since the takeover by DEMIRE in 2015, although the Fair Value Shares are currently admitted to trading on the Regulated Market (*General Standard*) of the Frankfurt Stock Exchange and, in addition, were also admitted until 16 April 2018 to trading in the Regulated Market sub-segment with additional post-admission listing obligations (*Prime Standard*) of the Frankfurt Stock Exchange, and despite the trading in Fair Value Shares on the electronic XETRA trading system at the Frankfurt Stock Exchange. In fact, the turnover in Fair Value Shares in XETRA trading at the Frankfurt Stock Exchange during the three months prior

⁴ Source: FactSet.

to publication of the Bidder's decision to submit the Takeover Offer on 26 February 2018 amounted on average to 3,500 securities on any given trading day. This represents an average price-weighted volume of less than EUR 30,000 per trading day.

Furthermore, the Management Board and the Supervisory Board note that unlike the DEMIRE takeover offer in 2015, the Offer does not constitute an acquisition of control. As indicated in the Offer Document, the FVR Holding Companies have agreed not to accept the Takeover Offer (see section 14 of the Offer Document and section V.4 of this Opinion). As such, the Offer is *de facto* limited to the 3,065,135 Fair Value Shares in free float on the date the Takeover Offer was published.

Moreover, since the Bidder's decision to submit a Takeover Offer was published on 26 February 2018, the exchange price has been influenced by announcing the intended Offer Price in said publication. Furthermore, the Management Board and the Supervisory Board are of the opinion that it cannot be entirely excluded that the exchange price of the Fair Value Share is also being influenced by speculations since the publication of the Bidder's decision to submit its Takeover Offer on 26 February 2018.

2.3 Comparison with EPRA-NAV

The EPRA-NAV (as defined in section IV.8 of this Opinion) is used as an indicator for long-term equity and is ascertained on the basis of the net asset value (NAV), corrected by derivative financial instruments and deferred taxes. The equity base represents the enterprise's asset value less all of the enterprise's liabilities. The investment properties which represent the main asset component of Fair Value are valued on the basis of appraisals provided by property valuers who use their own methods and assumptions. CBRE GmbH has furnished an appraisal as at 31 December 2017 for the real estate held by Fair Value. Accordingly, the EPRA-NAV of Fair Value was EUR 9.09 as at 31 December 2017 and was arrived at as follows:

Description	EPRA-NAV (EUR million)	Number of shares in circulation ^(*)	EPRA-NAV per each share in circulation ^(*) (EUR)
NAV as per consolidated balance sheet	127.6	14,029,013	9.09
Other adjustments	-	-	-
EPRA-NAV	127.6	14,029,013	9.09

* Taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

Consequently, the Offer Price is EUR 0.81, or approximately 8.91%, below the EPRA-NAV of each Fair Value Share in circulation⁵ as at 31 December 2017. In this context, the Management Board and

⁵ Accordingly 14,029,013 Fair Value Shares taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

the Supervisory Board note that the Fair Value Share was being traded with a structural discount on the EPRA-NAV per share which, in the opinion of both the Management Board and the Supervisory Board, is attributable to first and foremost:

- Fair Value's complex business structure (in particular the high percentage of indirectly held real estate);
- the, by comparison with other exchange-listed real estate companies in Germany, low profitability of Fair Value; and
- the low liquidity of the Fair Value Share.

In addition, the Management Board and the Supervisory Board noted in this connection that the shares of some other German commercial real estate companies traded at German stock exchanges are currently also traded with a discount on the EPRA-NAV.

Moreover, the discount on the Offer Price in relation to the EPRA-NAV per each Fair Value Share in circulation⁶ is comparable to the discount on the consideration offered in connection with the DEMIRE Offer in relation to the EPRA-NAV per each DEMIRE Share of approximately 11.9%.

2.4 Performance potential of Fair Value

In order to assess the appropriateness of the Offer Price, the Management Board and the Supervisory Board have considered the past performance of Fair Value as well as its future risks and opportunities. Particularly taking into consideration the fundamental valuation methods and the analyses of benchmark companies based on multipliers conducted by Rothschild in the course of the preparation of the Fairness Opinion, the Management Board and the Supervisory Board have come to the conclusion that the Offer Price is within the valuation range based on diverse valuation methods and therefore reasonably reflects the value of the Fair Value Share.

2.5 Appropriateness of Offer Price

The Management Board and the Supervisory Board have examined in detail whether the Offer Price is appropriate. On the basis of the information disclosed above and in view of Rothschild's Fairness Opinion, the assumptions and analyses of which were, to the extent possible, reviewed by the Management Board and the Supervisory Board and the conclusions of which they have adopted as their own, the Management Board and the Supervisory Board consider the Offer Price to be financially appropriate on the following grounds in particular:

- The Management Board and the Supervisory Board base this view on various valuation methods, including the valuation methods applied by Rothschild in the course of the preparation of the Fairness Opinion, their own assessment of the Offer Price as compared to the performance

⁶ Accordingly 14,029,013 Fair Value Shares taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

potential of Fair Value and on the Six-month Average Price prior to the publication of the Bidder's decision to submit the Offer, which is EUR 0.16, or approximately 1.9%, below the Offer Price and the Twelve-month Average Price prior to the publication of the Bidder's decision to submit the Offer, which is EUR 0.41, or approximately 5.2%, below the Offer Price.

- With a discount of approximately 8.9% in relation to the EPRA-NAV of EUR 9.09 per each Fair Value Share in circulation⁷, the Offer Price is in line with the historical discount on the exchange price in relation to the EPRA-NAV per each Fair Value Share in circulation. The Management Board and the Supervisory Board note that the Fair Value Share was being traded with a structural discount on the EPRA-NAV per share which, in the opinion of both the Management Board and the Supervisory Board, is attributable to first and foremost (i) Fair Value's complex business structure (in particular the high percentage of indirectly held real estate); (ii) the, by comparison with other exchange-listed real estate companies in Germany, low profitability of Fair Value; and (iii) the low liquidity of the Fair Value Share. In addition, the Management Board and the Supervisory Board noted in this connection that the shares of some other German commercial real estate companies traded at German stock exchanges were currently also being traded with a discount on the EPRA-NAV and that the discount on the Offer Price in relation to the EPRA-NAV under the DEMIRE Offer was approximately 11.9%.
- Particularly taking into consideration the fundamental valuation methods and the analyses of benchmark companies based on multipliers, the Management Board and the Supervisory Board have come to the conclusion that the Offer Price is within the valuation range based on diverse valuation methods and therefore reasonably reflects the value of the Fair Value Share, particularly in light of the low profitability of Fair Value.
- In its Fairness Opinion, Rothschild came to the conclusion that the Offer Price is appropriate from a financial point of view.

VII. Objectives pursued by the Bidder by way of the Takeover Offer and expected consequences of a successful Offer for the Target Company, the employees and their representatives, the employment conditions and the locations of the Target Company (section 27 (1) sentence 1 no. 2 and no. 3 WpÜG)

In section 9 of the Offer Document, the Bidder described the joint intentions of the Bidder itself, the members of the Wecken Group and the Bidder Parent Companies with respect to Fair Value and the material consequences of a successful Offer for Fair Value, its employees and their representatives, the employment conditions and the locations of Fair Value.

The Management Board and the Supervisory Board have carefully examined the Bidder's intentions and objectives, as presented in the Offer Document, and their potential implications.

⁷ Accordingly 14,029,013 Fair Value Shares taking into consideration (subtracting) 81,310 treasury shares of Fair Value.

1. Future business activities; assets and future obligations of Fair Value

In section 9.1 of the Offer Document, the Bidder describes its intentions with regard to the future business activities, the assets and the future obligations of Fair Value.

Accordingly, the Bidder intends to review whether to cause the Target Company through DEMIRE and the FVR Holding Companies to transfer, to the extent permitted by law, any excess liquidity of Fair Value to DEMIRE, e.g. by way of intra-group loans or cash pooling arrangements. The Management Board and the Supervisory Board welcome this intention subject to an arrangement that is permitted by law and economically beneficial from Fair Value's point of view.

According to the Offer Document, beyond the aforementioned, the Bidder has no intentions of taking any measures with regard to the future business activities, use of assets or future obligations of Fair Value.

2. Fair Value's Management Board and Supervisory Board

Pursuant to section 9.4 of the Offer Document, the Bidder intends to constructively co-operate with Fair Value's Management Board, which is to manage the company independently and under its own responsibility compliant with applicable law.

According to the Offer Document, the Bidder does not intend to change the size of the Supervisory Board but, subject to vacancies arising on the Supervisory Board, aims to be represented adequately on the Supervisory Board of Fair Value after the closing of the Offer.

3. Employees, employee representatives and conditions of employment at the Fair Value Group

The Management Board and the Supervisory Board expressly welcome the fact that, according to the Offer Document, the Bidder does not intend to cause Fair Value to take measures that would result in changes in the workforce, employee representation or employment conditions of Fair Value or the other members of the Fair Value Group.

4. Registered office of the Target Company, location of key parts of the company

The Management Board and the Supervisory Board are also pleased about the Bidder's statement in the Offer Document that it has no intention to cause Fair Value to move its registered office away from Gräfelfing or to cause another member of the Fair Value Group to relocate its respective registered office, and nor does it intend to relocate, close or dispose of any significant parts of the business of Fair Value or other members of the Fair Value Group.

5. Bidder's Intentions with respect to Target Company's REIT status

According to the Offer Document, the Bidder intends to initially maintain the REIT status of Fair Value. However, according to the Offer Document, the Bidder intends to review whether to terminate the REIT status of Fair Value and its legal requirements and economic consequences for Fair Value and the Fair Value Shareholders after the closing of the Offer.

Maintaining the Target Company's REIT status would require that, in addition to the admission of the Fair Value Shares to an organised market within the meaning of section 2 (11) WpHG, in particular the Maximum Participation Limit under section 11 (4) REITG as well as the Free Float Requirement under section 11 (1) sentence 1 REITG to be complied with.

In accordance with the Maximum Participation Limit, which is also reflected in § 7 (2) of Fair Value's articles of association, no shareholder of a REIT stock corporation (*REIT-Aktiengesellschaft*) may directly hold 10% or more of the shares or shares to an extent that this shareholder directly holds 10% or more of the voting rights, with the direct legal ownership in the shares being decisive, so that shares held by a subsidiary of an (indirect) shareholder are – subject to any trust arrangement – not attributable to that shareholder as far as compliance with the Maximum Participation Limit is concerned.

Pursuant to the Free Float Requirement, which is also reflected in § 7 (1) of Fair Value's articles of association, a REIT stock corporation must also have a minimum free float requirement of 15% at all times. Under section 11 (1) sentence 3 REITG, free float within this meaning is the shares of those shareholders who are entitled to less than a total of 3% of the voting rights in the relevant REIT stock corporation. The calculation of the shares held is based on sections 34 *et seq.* WpHG, so that the voting rights of the shares held by subsidiaries will be attributed to their parent companies.

Pursuant to section 18 (3) sentences 1 and 2 REITG, the tax exemption of a REIT stock corporation ends upon expiry of the third financial year if the Free Float Requirement or the Maximum Participation Limit is violated during three successive financial years. To encourage the REIT stock corporation and its shareholders to safeguard the REIT status and to comply with the associated requirements at all times, the REITG and the articles of association of Fair Value provide for various sanctions in the event of violations of those requirements.

A violation of the Maximum Participation Limit will in particular have the following legal consequences for the non-compliant Fair Value Shareholder:

- Such shareholder may assert shareholder rights pursuant to section 16 (2) sentence 2 REITG only to the extent to which a shareholder would be entitled to them if it held a participation of less than 10%.
- § 28 (1) sentence 2 of the articles of association of Fair Value requires the relevant Fair Value Shareholder to ensure that the participation attributable to it no longer exceeds the Maximum Participation Limit.

- Pursuant to § 28 (2) of the articles of association of Fair Value, the Management Board is also required, without undue delay after it becomes aware of a violation, to instruct the Fair Value Shareholder to establish the proper condition and provide appropriate evidence of this within two months. The Management Board of Fair Value may, subject to the same requirements, also make an offer to acquire treasury shares or take other countermeasures.
- If a Fair Value Shareholder fails to provide evidence that the proper condition has been restored two months after the deadline set by the Management Board, the Management Board of Fair Value may require the following of that Fair Value Shareholder: (i) pursuant to § 28 (3) of the articles of association of Fair Value, the free-of-charge transfer of the Fair Value Shares that exceed the Maximum Participation Limit, (ii) pursuant to § 29 (1) of the articles of association of Fair Value, following the simplified procedure and without a resolution of the general meeting, mandatory redemption of those Fair Value Shares and/or (iii) pursuant to § 28 (4) of the articles of association of Fair Value, compensation for damages. The claim for damages also extends to losses incurred by the Target Company as a consequence of being under a compensation obligation vis-à-vis certain Fair Value Shareholders due to the loss of tax exemption pursuant to section 18 (3) REITG.

§ 34 (1) of the articles of association of Fair Value specifies, in accordance with section 11 (3) REITG (Free Float Requirement), that in the event of a loss of the tax exemption under section 18 (3) REITG, every Fair Value Shareholder that acquired the Fair Value Shares before disclosure of the loss of the tax exemption and is still an owner of the Fair Value Shares after that disclosure, or did not sell its Fair Value Shares until after that time, is entitled to claim compensation for damages from Fair Value if it holds less than 3% of the voting rights in Fair Value at the time of that disclosure. The amount of the claim to compensation is calculated based on the decrease in value of the Fair Value Shares accompanying the loss of the tax exemption. Pursuant to § 34 (4) of the articles of association of Fair Value, the damage to all affected Fair Value Shareholders will be determined as a lump sum by an auditor appointed by the Institute of Public Auditors in Germany, Incorporated Association (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, IDW).

Neither the law nor Fair Value's articles of association provide for the cancellation of Fair Value Shares or a direct claim for compensation against any Fair Value Shareholder in the event of a violation of the Free Float Requirement. However, where a Fair Value Shareholder causes a violation of the Free Float Requirement by indirectly acquiring more than 85% of the Fair Value Shares in total (which would be possible, thanks to the attribution rules, without violating the Maximum Participation Limit), thus rendering a free float of 15% impossible from the onset, this shareholder might be under the obligation to pay damages for breach of its general duty of loyalty.

5.1 Intended measures to maintain REIT status after a successful takeover

In the event of a successful takeover of Fair Value, the Bidder could initially violate the Maximum Participation Limit and possibly also the Free Float Requirement. However, a violation of the Maximum Participation Limit and a violation of the Free Float Requirement could both be subsequently remedied without resulting in a loss of the tax exemption for a REIT stock corporation

(*REIT-Aktiengesellschaft*). Promptly taking remedial measures of this kind could therefore also avoid any resulting consequences involving the payment of compensation by the Target Company and the Bidder.

According to the Offer Document, the Bidder intends to take remedial measures of this kind in order to maintain the REIT status. The Offer Document lists the following remedial measures:

- a) In the event of a violation of the Maximum Participation Limit, the Bidder contemplates contributing the Fair Value Shares acquired by it without undue delay after they are acquired, either in packages each containing less than 10% of the outstanding Fair Value Shares to subsidiaries or affiliated companies or, as part of a non-cash capital increase, to DEMIRE, which in turn will contribute those Fair Value Shares in packages each containing less than 10% of the outstanding Fair Value Shares to subsidiaries of DEMIRE. These constructs would remedy the violation against the Maximum Participation Limit.
- b) Various options are available to the Bidder to ensure that as a result of the takeover at least 15% of the Fair Value Shares continue to be held by third parties that each hold less than 3% of the Fair Value Shares. However, the Bidder intends to decide after the takeover procedure which options for action to take in order to remedy any potential violation of the Free Float Requirement. According to the Offer Document, the Bidder is contemplating to take the following actions either alone or in combination:
 - placing share packages of up to 2.99% of the Fair Value Shares with third parties as part of a security loan (known as securities lending), whereby the Bidder would enter into a contractual agreement with the respective borrower, under which the Bidder would be precluded from influencing the exercise of voting rights by the borrower, so that the voting rights would not be attributed to the Bidder pursuant to section 11 (1) sentence 4 REITG in conjunction with section 34 (1) sentence 1 no. 2 WpHG;
 - sale of Fair Value Shares;
 - capital measures at Fair Value, excluding the subscription right, e.g. from approved capital, by placing smaller packages of Fair Value Shares with third-party subscribers.

5.2 Future loss of REIT status

According to the Offer Document, the Bidder intends to review whether to terminate the REIT status of Fair Value and its legal requirements and economic consequences for Fair Value and its shareholders after the closing of the Offer. As per the Offer Document, the Bidder could eliminate the REIT status of Fair Value – together with or indirectly through DEMIRE and the FVR Holding Companies – by obtaining a resolution of the general meeting of Fair Value to amend the articles of association to delete the word "REIT" from the name of the company subject to the majority necessary for amendments of the articles of association and amend all other passages of the articles of association that refer to the REIT status. In this case, the REIT status of Fair Value would end with the recording of the amendments to the articles of association in the commercial register. In the Offer

Document, the Bidder states that, in case of a termination of the REIT status, it would abstain from implementing the remedial measures mentioned in section 9.5 a) of the Offer Document or in section VII.5.1a) of this Opinion to the extent that such measures have not yet been executed.

6. Intended structural measures (*Strukturmaßnahmen*)

According to the information in section 9.6 of the Offer Document, the Bidder is contemplating structural measures.

6.1 Delisting

As per the Offer Document, the revocation of the admission of the Fair Value Shares to trading on the Regulated Market at the Frankfurt Stock Exchange ("**delisting**") on the basis of the Offer is no longer intended. However, the Bidder states in the Offer Document that it may, in the future, for example in case of an intended revocation of the REIT status – together with or indirectly through DEMIRE and the FVR Holding Companies – cause Fair Value, within the limits of what is permitted by law, to request a delisting of the Fair Value Shares. Pursuant to section 39 (2) sentence 3 no. 1, (3) and (4) BörsG, a so-called delisting offer would have to be submitted to the Fair Value Shareholders in this connection. A delisting offer of that kind could correspond to the value of the Offer Price, but it could also be lower or higher than the Offer Price.

The Management Board and the Supervisory Board are of the opinion that it could be, in principle, in the legitimate interest of the Bidder, the members of the Wecken Group and the Bidder Parent Companies to consider the option of a delisting of the Fair Value Shares at a later point in time and, to the extent permitted by law, eventually cause such a delisting.

6.2 Other structural measures

According to the Offer Document, the Bidder does not intend to take other structural measures with respect to Fair Value, in particular under the German Reorganisation Act (*Umwandlungsgesetz*, "*UmwG*") or the German Stock Corporation Act (*Aktiengesetz*).

6.3 Potential subsequent restructuring measures

The foregoing notwithstanding, the Management Board and the Supervisory Board point out that the Bidder, the Bidder Parent Companies and the members of the Wecken Group, according to the Offer Document, already hold 77.70% of the voting rights in Fair Value's general meeting in accordance with section 30 (1) no. 1 WpÜG and thus already possess the qualified capital majority necessary for corporate-law restructuring measures, which include amendments to the articles of association, capital increases (with or without the exclusion of shareholders' subscription rights), reorganisations, mergers as well as the conclusion of control and/or profit and loss transfer agreements under sections 291 *et seq.* AktG and the dissolution of the Target Company.

Furthermore, the Bidder, the Bidder Parent Companies and/or the members of the Wecken Group may be able to take the following structural measures after completion of the Takeover Offer:

- The Bidder, a member of the Wecken Group, one of the Bidder Parent Companies or another principal shareholder holding 95% of the share capital of the Target Company could request a transfer of the remaining Fair Value Shares pursuant to sections 327a *et seq.* AktG ("**Squeeze-out under German Stock Corporation Law**").
- The Bidder, a member of the Wecken Group, one of the Bidder Parent Companies or another principal shareholder holding 90% of the share capital of the Target Company could request a transfer of the remaining Fair Value Shares pursuant to section 62 (5) UmwG in conjunction with sections 327a *et seq.* AktG ("**Squeeze-out under German Reorganisation Law**").
- The Bidder would have the right to submit a petition pursuant to § 39a WpÜG that the remaining Fair Value Shares be transferred to it by court order in return for appropriate consideration ("**Squeeze-out under German Takeover Law**") if it or an affiliated company holds at least 95% of the voting share capital of the Target Company after the closing of the Offer or within three months after the expiration of the Acceptance Period.

7. Future business activities of the Bidder, the Bidder Parent Companies and the members of the Wecken Group

With the exception of the effects on the Bidder's assets, liabilities, financial position and results of operation presented in section 15 of the Offer Document and the simultaneously published DEMIRE Offer, the Bidder, the members of the Wecken Group and the Bidder Parent Companies, as stated in section 9.7 of the Offer Document, have no intentions that could affect the registered offices of the companies or the location of material parts of the business, the use of the assets or future obligations of the Bidder, the members of the Wecken Group and the Bidder Parent Companies, the members of the governing bodies of the Bidder and the Bidder Parent Companies, or, if any, the employees, their representatives and the employment conditions of the Bidder, the members of the Wecken Group and the Bidder Parent Companies.

VIII. Potential implications of the Takeover Offer for Fair Value Shareholders

The following information is intended to provide Fair Value Shareholders a point of reference for assessing the implications of accepting or rejecting the Takeover Offer.

The viewpoints contained below make no claim to completeness. It is the responsibility of each Fair Value Shareholder to confirm the information contained in the Offer Document and to assess the implications of accepting or rejecting the Takeover Offer themselves. The Management Board and the Supervisory Board advise Fair Value Shareholders to seek professional guidance in this matter if necessary.

The Management Board and the Supervisory Board note that they do not and cannot assess whether Fair Value Shareholders may potentially suffer unfavourable tax consequences (specifically a potential tax liability for capital gains) or forfeit tax benefits as a result of accepting or rejecting the Offer. The Management Board and the Supervisory Board recommend that Fair Value Shareholders, before reaching a decision whether to accept or reject the Offer, should seek tax advice which takes into consideration the personal situation of the relevant shareholder.

As per the note in section 13.2 of the Offer Document, Fair Value Shareholders who wish to accept the Offer should contact their custodian bank or other custodian investment service provider with registered office or a branch in Germany with any questions they may have about acceptance of the Offer and the technical aspects of settlement. The custodian bank or other custodian investment service provider have been separately informed about the modalities for acceptance and settlement of the Offer and are required to inform customers who hold Fair Value Shares in their securities deposit accounts about the Offer and the steps necessary to accept it.

1. Potential consequences of accepting the Takeover Offer

Upon closing of the Takeover Offer and transfer of the Fair Value Shares to the Bidder, the Fair Value Shareholders who accept the Takeover Offer will lose their membership rights and asset-related rights in the Target Company with respect to the Fair Value Shares for which the Takeover Offer was accepted. The following should be taken into account:

- With respect to the Fair Value Shares for which the Takeover Offer is accepted and completed, Fair Value Shareholders will no longer profit from any favourable business development of Fair Value (including any favourable development of Fair Value's real estate) and/or any favourable price development of the Fair Value Share.
- As a REIT stock corporation (*REIT-Aktiengesellschaft*), Fair Value is under a statutory obligation to distribute a certain part of its net income for the year determined in accordance with German commercial law as a dividend to its shareholders (for further details, see section IV.2 of this Opinion as well as section 7.2 of the Offer Document). With respect to the Fair Value Shares for which the Takeover Offer is accepted and completed, Fair Value Shareholders will no longer benefit from the relevant provisions of the REITG. Moreover, the Management Board and the Supervisory Board point out that the dividend entitlement of the Fair Value Shareholders for the 2017 financial year will only arise upon the adoption of the resolution on the appropriation of net profits at the Target Company's annual general meeting scheduled for 8 June 2018. Subject to any extensions of the Acceptance Period (see section 5.2 of the Offer Document), the Fair Value Shares for which the Offer was accepted is expected to take place prior to 8 June 2018 and thus before the expected adoption of the resolution on the appropriation of net profits. Consequently, Fair Value Shareholders who accept the Takeover Offer would, for the 2017 financial year, not be entitled to dividends for the shares in respect of which the Takeover Offer was accepted.
- With regard to the Fair Value Shares that have been accepted as part of the Takeover Offer, Fair Value Shareholders will generally not participate in any consideration of compensatory

payments of whatever kind, which may be payable by law (or due to the interpretation of the law by established case law) in the event of certain restructuring measures implemented after the Offer has been closed (in particular the conclusion of a control and profit and loss transfer agreement or squeeze-outs or reorganisations). As a rule, the amount of these kinds of compensatory payments is based on the total value of the relevant company and is subject to review by the court. Such compensatory payments may be lower or even higher than the Offer Price. In the event that such compensatory payments are higher than the Offer Price, Fair Value Shareholders who submit their shares for sale are not entitled to such compensatory payments or any additional payments.

- According to section 9.6 a) of the Offer Document, at the time of publishing the Offer Document the Bidder had abandoned its intention to delist the Target Company on the basis of the Offer. However, the Bidder states in the Offer Document that it may, in the future, for example in case of an intended revocation of Fair Value's REIT status – together with or indirectly through DEMIRE and the FVR Holding Companies – cause Fair Value, within the limits of what is permitted by law, to request a delisting of the Fair Value Shares. Pursuant to section 39 (2) sentence 3 no. 1, (3) and (4) BörsG, a so-called delisting offer would need to be submitted to the Fair Value Shareholders in such case. The consideration in connection with such a delisting offer could be higher than the Offer Price; in this case, Fair Value Shareholders who tender their shares for sale would not be entitled to any such compensatory payments or any additional payments.
- It is only possible to rescind acceptance of the Takeover Offer subject to the strict requirements set forth in section 17 of the Offer Document, and only prior to the expiry of the Acceptance Period. Fair Value Shareholders otherwise have a limited ability to make dispositions with regard to the Fair Value Shares in respect of which they have accepted the Takeover Offer. According to the Offer Document, the Tendered Fair Value Shares that were tendered during the Acceptance Period are intended to be tradable on the Regulated Market of the Frankfurt Stock Exchange under ISIN DE000A2LQ199 from the third Banking Day after the commencement of the Acceptance Period. As per the Offer Document, trading in the Tendered Fair Value Shares in the Regulated Market of the Frankfurt Stock Exchange will presumably start on the last day of the Additional Acceptance Period. Both the Management Board and the Supervisory Board as well as the Bidder point out in section 13.8 of the Offer Document that the trading volume and liquidity of the Tendered Fair Value Shares depend on the specific acceptance rate and therefore may not exist at all or may be low and/or may be subject to heavy fluctuations. This may result in it not being possible for orders to buy or sell Tendered Fair Value Shares to be executed in due time or at all, and can lead to increased volatility or pressure on the share price. Moreover, any acquirers of the Tendered Fair Value Shares accept all rights and obligations arising in connection with the acceptance of the Takeover Offer. This can have a negative effect on the demand for and price of these shares, particularly if the exchange price of a Tendered Fair Value Share is above the Offer Price.

2. Potential unfavourable consequences for shareholders who do not accept the Takeover Offer

Fair Value Shareholders who do not accept the Takeover Offer will remain Fair Value Shareholders, unless they otherwise sell their Fair Value Shares. They may lose their status as shareholders if, for example, a squeeze-out is performed at a later date. However, this would either require (i) the Bidder (or any other principal shareholder) to hold a 95% interest in Fair Value, or (ii) the Bidder or another principal shareholder (having the legal form of a German stock corporation (AG), a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a *Societas Europaea* (SE)) to hold a 90% interest in Fair Value coupled with a merger into the Bidder or such principal shareholder (see section VII.6.3 of this Opinion as well as section 16 f) and g) of the Offer Document).

There is also a possibility that, in the future, other measures which would change the structure of the Company – such as the conclusion of a control and/or profit or loss transfer agreement, a delisting or a reorganisation – are implemented, which could potentially result in the exchange listing ending and/or tradability of the shares becoming more difficult. According to section 9.6 a) of the Offer Document, at the time of publishing the Offer Document the Bidder had abandoned its intention to delist the Target Company on the basis of the Offer. However, the Bidder states in the Offer Document that it may, in the future, for example in case of an intended revocation of Fair Value's REIT status – together with or indirectly through DEMIRE and the FVR Holding Companies – cause Fair Value, within the limits of what is permitted by law, to request a delisting of the Fair Value Shares. According to section 9.6 b) of the Offer Document, the Bidder does not intend to take any other structural measures with respect to Fair Value.

For the Fair Value Shares they keep, Fair Value Shareholders are exposed to the opportunities and risks of the future performance of Fair Value Shares. The Management Board and the Supervisory Board comment on the Bidder's intentions regarding Fair Value's future business activities under section VII.1 above. Fair Value Shareholders who do not accept the Takeover Offer should, in particular, take the following into consideration:

- It is generally not possible to forecast the share price performance of the Fair Value Shares. Among other things, it is affected by factors associated with the general economic situation and, moreover, depends on the future performance of the Fair Value Group. Fair Value Shareholders who do not accept the Offer bear the risk that the stock exchange price or the business activities of the Target Company take an unfavourable turn after the closing of the Takeover Offer.
- According to section 9.5 of the Offer Document, the Bidder intends to review whether to terminate the REIT status of Fair Value and its legal requirements and economic consequences for Fair Value and the Fair Value Shareholders after closing of the Takeover Offer. If the Bidder, the Bidder Parent Companies, the members of the Wecken Group or any other principle shareholder decided to bring about the revocation of Fair Value's REIT status, the Fair Value Shareholders who do not accept this Takeover Offer would no longer be qualified as shareholders of a REIT within the meaning of the REITG from the time of cancellation of the REIT status. Fair Value's tax exemption that is associated with the REIT status would have been revoked (see section IV.2

of this Opinion and sections 7.2 and 16 (d) of the Offer Document). More specifically, the Target Company would be required to pay corporate income tax and possibly trade tax on its taxable income, and any of Fair Value's non-distributed income generated during the time of tax exemption would be subject to taxation at Target Company level in the first year of forfeiting tax exemption. This could have materially adverse effects on the, originally REIT-investment-related, contemplations and expectations of those Fair Value Shareholders who do not accept the Takeover Offer.

- Fair Value Shares for which the Offer has not been accepted may continue to be traded for the time being on the relevant stock exchanges. However, the completion of the Takeover Offer could lead to a reduction in the free float of Fair Value Shares, and it is possible that the offer of and the demand for Fair Value Shares after completion of the Takeover Offer is so low, thereby lowering the liquidity of the Fair Value Shares to such a degree, that it will not be possible for orders to buy or sell Fair Value Shares to be executed in good time if at all. Moreover, the potential reduction in liquidity of the Fair Value Shares could also result in a significantly higher volatility of the share price than in the past. In the event that the reduced liquidity of Fair Value Shares results in it no longer being possible to ensure orderly trading, it is conceivable that Fair Value Shares will be delisted, even where Fair Value and/or the Bidder fails to apply for such a delisting process. This could significantly reduce the selling options of Fair Value Shareholders with regard to the Fair Value Shares they hold. Moreover, pursuant to section 18 (1) REITG in conjunction with section 10 REITG, this would result in a revocation of Fair Value's REIT status with effect from the end of the financial year preceding any such delisting. Fair Value's tax exemption that is associated with the REIT status could also end if, after the closing of the Takeover Offer, the Maximum Participation Limit is violated during three consecutive financial years or the Free Float Requirement is violated because the free float of Fair Value Shares is too low. In this case, the tax exemption pursuant to section 18 (2) sentences 1 and 2 REITG, would end upon expiry of the third financial year (see also section VII.5 of this Opinion).
- The Bidder, the Bidder Parent Companies, the members of the Wecken Group and/or any other principle shareholder could, after the closing of the Takeover Offer, decide to cause Fair Value to request a delisting of the Fair Value Shares. After a delisting, Fair Value Shares would no longer be able to be sold on a stock exchange. Moreover, the Fair Value Shareholders would no longer benefit from the strict reporting requirements that apply to admission to the Regulated Market of the Frankfurt Stock Exchange (*General Standard*). Pursuant to section 39 (2) sentence 3 no. 1, (3) and (4) BörsG, a so-called delisting offer would have to be submitted to the Fair Value Shareholders in such case. The consideration in connection with such a delisting offer could be lower than the Offer Price.
- Contrary to the intentions expressed in the Offer Document, the Bidder, the Bidder Parent Companies and the members of the Wecken Group may decide to implement significant corporate-law restructuring measures, such as amendments to the articles of association, capital increases (with or without the exclusion of shareholders' subscription rights), reorganisations, mergers as well as the conclusion of control and/or profit and loss transfer agreements under

sections 291 *et seq.* AktG or the liquidation of the Target Company. Only some of the aforementioned measures would give rise to an obligation under German law to make an offer to the minority shareholders of Fair Value to acquire their shares in return for a reasonable settlement sum based on the total value of the relevant company, or to pay any other form of compensation. Such compensation or settlement payments are frequently subject to judicial review and may be higher or even lower than the Offer Price. The implementation of some of these measures could also result in the shares of the Target Company being delisted. Pursuant to section 18 (1) REITG in conjunction with section 10 REITG, this would result in a revocation of Fair Value's REIT status with effect from the end of the financial year preceding the delisting.

- In the event that the Bidder, after completion of the Takeover Offer, applies for a Squeeze-out under German Takeover Law or the Bidder, a member of the Wecken Group, one of the Bidder Parent Companies or any other principal shareholder performs a Squeeze-out under German Stock Corporation Law or a Squeeze-out under German Reorganisation Law (see section VII.6.3 of this Opinion), the respective compensation or settlement payment could be lower than the Offer Price. In this context, the Management Board and the Supervisory Board point out that Fair Value Shareholders who have not accepted the Takeover Offer are entitled to accept the Offer retrospectively in accordance with section 39c WpÜG in the event that the Bidder, either upon closing of the Takeover Offer or within three months after expiry of the acceptance period, holds Fair Value Shares in the amount of at least 95% of Fair Value's voting share capital. In this case, the tender period would commence upon the publication of the relevant notice under section 23 (1) sentence 1 no. 4 WpÜG.

IX. Interests of the members of the Management Board and the Supervisory Board

1. Interests of the members of the Management Board

The Management Board of Fair Value currently consists of the members Ralf Kind (CEO) and Stefan Herb (CFO). Furthermore, Ralf Kind is also the Chairman of the Management Board and Stefan Herb is also the Head of Equity Investment Management/Treasury and the holder of commercial power of attorney of DEMIRE, which indirectly controls the Target Company via the FVR Holding Companies and is, in turn, controlled by the Bidder, the Bidder Parent Companies and the Wecken Group (see section III.3 and section III.4 of this Opinion as well as section 4.2 and section 6.5 of the Offer Document).

At the time of publication of this Opinion, neither Ralf Kind nor Stefan Herb holds an interest in the Target Company.

In connection with the Takeover Offer, the Bidder nor any persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG or its subsidiaries within the meaning of section 2 (6) WpÜG have given or offered Ralf Kind or Stefan Herb any cash payments or other non-cash benefits.

2. Interests of the members of the Supervisory Board

The Supervisory Board of Fair Value currently consists of the members Frank Hölzle (Chairman), Dr Thomas Wetzel (Deputy Chairman) and Daniel Zimmer. Furthermore, Frank Hölzle is also the CEO of Care4 AG, a member of the Wecken Group, and deputy chairman of the supervisory board of DEMIRE, which indirectly controls the Target Company via the FVR Holding Companies and is, in turn, controlled by the Bidder, the Bidder Parent Companies and the Wecken Group (see section III.3 and section III.4 of this Opinion as well as section 4.2 and section 6.5 of the Offer Document). Dr Thomas Wetzel is also a member of the supervisory board of DEMIRE. Daniel Zimmer is in-house lawyer (*Syndikusanwalt*) of DEMIRE.

At the time of publication of this Opinion, none of the Supervisory Board members hold an interest in the Target Company.

In connection with the Takeover Offer, the Bidder nor any persons acting in concert with the Bidder within the meaning of section 2 (5) WpÜG or its subsidiaries within the meaning of section 2 (6) WpÜG have given or offered any cash payments or other non-cash benefits to any of the Supervisory Board members.

X. Intentions of the members of the Management Board and the Supervisory Board who hold Fair Value Shares to accept the Takeover Offer

At present, no member of the Management Board or the Supervisory Board of Fair Value holds any Fair Value Shares. Accordingly, no member of the Management Board or the Supervisory Board of Fair Value intends to accept the Offer.

XI. Acceptance of the Offer outside the Federal Republic of Germany

According to information provided by the Bidder in section 1.6 of the Offer Document, the Takeover Offer may be accepted by any and all Fair Value Shareholders in Germany or abroad pursuant to the legal provisions stated in the Offer Document and the relevant applicable legal provisions. However, the Bidder points out that the acceptance of the Takeover Offer outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area and the United States may be subject to legal restrictions. Fair Value Shareholders who come into possession of the Offer Document outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area or the United States, who wish to accept the Offer outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area or the United States and/or who are subject to statutory provisions other than those of the Federal Republic of Germany, the Member States of the European Union and the European Economic Area or the United States are advised to inform themselves of the relevant applicable statutory provisions and to comply with them. Neither the Bidder nor the Management Board nor the Supervisory Board of the Target Company assumes any responsibility for acceptance of the Offer outside the Federal Republic

of Germany, the Member States of the European Union, the European Economic Area or the United States being permissible under the relevant applicable statutory provisions.

XII. Outcome (so-called "neutral Opinion")

In light of the statements in this Opinion and taking into consideration all general circumstances surrounding the Takeover Offer, the Management Board and the Supervisory Board consider the consideration offered by the Bidder to be financially appropriate.

Taking into account the historical exchange prices of the Fair Value Share and based on various valuation methods, including the valuation methods applied by Rothschild in the course of the preparation of the Fairness Opinion, and based on their own assessment of the Offer Price as compared to the performance potential of Fair Value, the Management Board and the Supervisory Board have come to the conclusion that the Offer Price is within the valuation range based on diverse valuation methods and therefore reasonably reflects the value of the Fair Value Share.

The Management Board and the Supervisory Board note and point out that the Bidder, together with the members of the Wecken Group and the Bidder Parent Companies, is already at the time of this Opinion in a position to cause certain business and structural measures at Fair Value thanks to its indirect interest in Fair Value – i.e. independent of the acceptance rate of the Takeover Offer –, leading the Management Board and the Supervisory Board to believe that Fair Value's further development as a consequence of the Takeover Offer will not differ significantly from the development expected at the time of the Takeover Offer.

In view of this and the limited tradability of the Fair Value Share, the Management Board and the Supervisory Board believe that, particularly for those minority shareholders of Fair Value with more sizeable shareholdings which because of the illiquid trading in Fair Value Shares cannot be readily sold on the stock exchange, the Takeover Offer offers an opportunity for them to realise their full investment in Fair Value or a significant portion thereof on reasonable conditions.

The Management Board and the Supervisory Board note, however, that since the Bidder announced its intention to submit the Offer, the stock exchange price of the Fair Value Share has for the most part remained above the Offer Price, so that a sale outside the Offer – of smaller blocks of shares in particular – may prove to be more advantageous for the respective Fair Value Shareholder than the acceptance of the Offer.

For this reason, the Management Board and the Supervisory Board have opted not to make a recommendation to the Fair Value Shareholders (so-called "neutral Opinion").

On 25 April 2018, this Opinion was adopted unanimously by the Management Board and the Supervisory Board, with the Chairman of Fair Value's Supervisory Board, Frank Hölzle, who is at the same time the CEO of Care4 AG, a member of the Wecken Group, for which the Takeover Offer has the effect of releasing it from the obligation to submit a mandatory offer, abstaining from partaking in

the joint discussion between the Management Board and the Supervisory Board and from voting within the Supervisory Board because of the potential conflict of interest that could arise therefrom.

Gräfelfing, dated 25 April 2018

Fair Value REIT-AG

The Management Board

The Supervisory Board



STRICTLY PRIVATE AND CONFIDENTIAL

**NON-BINDING CONVENIENCE TRANSLATION THE SIGNED GERMAN VERSION OF
THIS LETTER IS SOLELY DECISIVE**

To the Management Board / Supervisory Board of Fair Value REIT-AG
Attention of Mr. Ralf Kind (CEO)
Würmstraße 13a
82166 Gräfeling

25 April 2018

Dear Sirs,

AEPF III 15 S.à r.l. (the “Bidder”) has announced on 26 February 2018 / 5 March 2018 pursuant to Section 10 para. 1 in connection with Section 29 para. 1 and Section 34 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, “WpÜG”), that the Bidder intends to offer to the shareholders of Fair Value REIT-AG (the “Target”) by way of a voluntary public takeover offer to acquire its no-par value bearer shares of the Target with an proportionate amount of the share capital of the Target of EUR 2.00 each for a cash consideration of EUR 8.28 per share (the “Consideration”). The Bidder submitted the respective offer in accordance to the terms and conditions of the Offer Document by way of a mandatory publication to the shareholders of the Target on 16 April 2018 pursuant to Section 34 in connection with Section 14 para. 2 and 3 WpÜG (the “Offer”). The acceptance period for the Offer has commenced with the publication of the Offer Document on 16 April 2018 and will expire on 14 May 2018. The acquisition of the shares of the Target within the context of the Offer is hereinafter referred to as the “Transaction”.

In connection with the Transaction, you have requested our opinion as to the fairness of the Consideration for the shareholders of the Target (other than the Bidder and any of its affiliates as well as DEMIRE Deutsche Mittelstand Real Estate AG (“DEMIRE”) and any of its affiliates) from a financial point of view (the “Opinion”).

We are acting as financial advisor to the Target in connection with the Transaction and have agreed a customary advisory fee for our services, a significant portion of which is contingent upon the consummation of the Transaction. The Target has agreed to reimburse us for the expenses incurred and to indemnify us against certain liabilities and obligations which may arise in connection with our engagement.



Neither we nor our affiliates are currently acting for the Bidder in relation to the Transaction. Rothschild and/or affiliates of Rothschild may, however, currently and/or in the past and/or in the future have business relations with the Bidder, DEMIRE, and/or their respective affiliates in the context of which fees have or will be paid. Rothschild is currently acting as financial advisor to DEMIRE, which, via various subsidiaries, holds a majority stake in the Target. Rothschild is also mandated with the preparation of an opinion in the context of the mandatory takeover offer by the Bidder to the shareholders of DEMIRE. Affiliates of Rothschild may in the course of their normal business activities from time to time acquire, hold or sell securities of the Target, the Bidder or DEMIRE for their own account or for the account of the customers.

This letter does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Target. As agreed with you, we have not been asked to, nor do we offer any opinion as to the material terms of the Transaction (other than as to the fairness of the Consideration from a financial point of view). This Opinion is no recommendation regarding the reasoned statement to be issued by the Management Board and Supervisory Board of the Target pursuant to Section 27 para. 1 WpÜG.

In connection with this Opinion, we have after consultation with the Target, inter alia, used as a basis the following documents:

- i. The Offer Document dated 16 April 2018;
- ii. The draft of the reasoned statement of the Management Board and the Supervisory Board of the Target pursuant to Section 27 para. 1 WpÜG dated 25 April 2018;
- iii. The annual reports of the Target for the fiscal years that have ended on 31 December 2015, 2016 and 2017;
- iv. Certain interim reports of the Target;
- v. Certain other announcements of the Target to its shareholders;
- vi. The Business Plan of the Target dated April 2018;
- vii. Property valuation reports by CBRE GmbH
- viii. Certain publicly available reports from stock analysts about the Target;
- ix. Information regarding certain transactions we considered as comparable with the Transaction; and
- x. Certain stock exchange information for the Target and other companies we considered comparable to the Target.

In addition, we have performed the following analyses:

- i. Compared the financial and operating performance of the Target and the development of the value of its shares with publicly available information concerning other companies we deemed relevant and reviewed the market price development of these companies' shares;



- ii. Held discussions to a limited extent with the management board of the target regarding the Target's business performance, financial condition, future prospects, the business plan and certain other circumstances, which we deemed appropriate;
- iii. Compared the proposed Consideration with the publicly available financial terms of certain other transactions we deemed relevant;
- iv. Performed discounted cash flow valuations for the Target, based on financial forecasts derived from the sources of data described above;
- v. Performed other studies and analyses as we deemed appropriate in this context.

This Opinion is based on a valuation of the Target as it is typically performed by financial advisors when providing fairness opinions in these types of transactions, including discounted cash flow analysis, valuations based on multiples of comparable publicly listed companies and takeover premia in comparable transactions.

We have relied on the statements and views expressed by the Management Board of the Target on the Business Plan and the relevant opportunities and/or risks implied therein and their respective feasibility and profitability. We have assumed that these have been prepared on the basis best currently available information, estimates and good faith judgements of the Management Board of the Target and describe them as accurately as possible. This Opinion does not constitute a statement as to the achievability or reasonableness of any such estimates, judgements, or assumptions.

Our assessment is carried out using valuation methods commonly used by financial advisors and differs in a number of important aspects from a valuation performed by qualified auditors and/or from asset based valuations in general. In particular, we have not performed valuations based upon the guidelines published by the German Institute of Chartered Accountants (IDW) (IDW S 1). This Opinion does not replace such valuations. We express no view on whether, in light of the nature of the Transaction, it may be required or appropriate for the Management Board of the Target to obtain such valuations. In addition, this Opinion has not been rendered in accordance with the IDW guidelines "Principles for the preparation of Fairness Opinions" (IDW S 8).

For the purpose of rendering this Opinion, at your direction, we have relied on the information and documentation available to us, subject to all qualifications and assumptions contained therein, whether express or implied. We have further assumed and relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information, reports and documents reviewed or used by us, and we do not assume any liability for these. This applies regardless of whether the information and documents were publicly available, have been provided to us by the Target or its advisors, or were otherwise made available to us. Accordingly, at your direction, we have not undertaken an independent review or verification of the information and documents concerning their consistency, correctness and completeness. We have not provided, obtained or reviewed any specialist advice, including but not limited to, commercial, legal, accounting, actuarial, environmental, information technology or tax advice, and, accordingly, our Opinion does not



take into account the possible implications of any such specialist advice. In addition, at your direction, we have not made an independent evaluation or appraisal of the Target's or its subsidiaries' or their subsidiaries' assets (in particular the real estate assets) and liabilities and did not receive any corresponding valuations or reviews. At your direction, we have generally relied on publicly available information regarding the Target, and we have assumed that all of the respective information, including historical, projected and estimated financial and other data, that were available to us, have been prepared reasonably on a basis reflecting the best currently publicly available information, estimates and good faith judgements of the respective source concerning the expected future results of operations and financial condition of the Target or any other entity to which such analyses or forecasts relate.

This Opinion and all information and views given herein are based on economic, monetary, market, regulatory and other conditions as in effect on, and the information and documents available to us as of, the date hereof. It should be understood that these as well as other assumptions underlying this Opinion may change in the future. We express no opinion as to how the capital markets will assess the Transaction or the impact of the Transaction on the share price of the Target. Especially, we express no opinion with regards to the favourability of the transaction post reaction of the capital markets. This Opinion and all information and views given herein are subject to all qualifications and assumptions contained in such information and documents, whether express or implied. Events occurring after the date hereof may affect this Opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Opinion. In addition, changes in the business of the Target and its subsidiaries and participations or in the environment these companies operate in, including the laws and regulations applicable to the companies' business, as well as capital markets could affect the financial forecasts for and the financial condition of these businesses.

As agreed with you, this Opinion is provided solely for the information and assistance of the Management Board and the Supervisory Board of the Target in connection with the evaluation of the Transaction. It is not meant to address or to operate for the benefit of any third party nor does it give rise to any rights of or obligations towards third parties. This Opinion does not constitute a recommendation to the shareholders of the Target as to whether or not to tender shares in the Target in connection with the Transaction.

This Opinion does not constitute a recommendation to the Management Board and the Supervisory Board of the Target to carry out the Transaction. The existence and the content of this Opinion are confidential and are subject to the engagement letter entered into between the Target and Rothschild dated as of 13 March 2018. It may not be used for any purpose other than described herein. This Opinion shall not be passed on, reproduced, published or otherwise used or referred to, nor shall any public reference to Rothschild be made, without our prior written consent. The same shall apply for any references to the existence and the content of this Opinion. This Opinion may be published as an annex to the Management Board's and the Supervisory Board's reasoned statement pursuant to Section 27 para 1 WpÜG, in which case this Opinion must be disclosed in its entirety (as opposed to the publication of excerpts only). We accept no responsibility to any person other than the Management Board and the Supervisory Board of the Target in connection



with the Transaction and in relation to the contents of this Opinion, even if it has been disclosed with our consent.

This Opinion has been drafted in German language. Should a version become available in a different language, the German text shall prevail in the event of inconsistency between the two versions.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, the Consideration is fair, from a financial point of view, to the Target's shareholders (other than the Bidder and any of its affiliates as well as DEMIRE).

Very truly yours,

Rothschild GmbH

Signatures (in German version only)