
REPORT OF THE HIVE-DOWN

BY

CTP N.V.



22 April 2022

REPORT OF THE BOARD OF DIRECTORS OF CTP IN RELATION TO THE HIVE-DOWN PROPOSAL

(the "Hive-Down Report")

by

CTP N.V., a public limited liability company under the laws of the Netherlands (*naamloze vennootschap*), with corporate seat in Utrecht, the Netherlands, address at Apollolaan 151, 1077 AR Amsterdam, the Netherlands, and Trade Register number 76158233 ("**CTP**").

INTRODUCTION:

Business combination

- (A) On 26 October 2021, CTP and **Deutsche Industrie Grundbesitz AG** (previously named: **Deutsche Industrie REIT-AG**), a public limited liability company under the laws of Germany (*Aktiengesellschaft*), with its registered statutory seat in Rostock, Germany, and registered with the commercial register of the local court (*Amtsgericht*) of Rostock, Germany, under docket number HRB 13964 ("**DIG**") entered into a business combination agreement (the "**BCA**") pursuant to which:
- (i) CTP has launched a voluntary public takeover and delisting offer (the "**Offer**") within the meaning of section 29 paragraph 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*; the "**German Takeover Act**") in conjunction with section 39 paragraph 2 sentence 3 no. 1 of the German Stock Exchange Act (*Börsengesetz*) for the acquisition of all no-par value bearer shares in the share capital of DIG (the "**DIG Shares**");
 - (ii) after the closing of the Offer, in order to complete the integration of DIG into the group of CTP, CTP and DIG intend to effect a cross-border merger pursuant to which DIG is merged with and into CTP by way of an upstream cross-border merger, with CTP being the acquiring company pursuant to sections 122a et seq. German Transformation Act (*Umwandlungsgesetz* – "**UmwG**") and title 2.7 of the Dutch Civil Code ("**DCC**"), whereby all assets and liabilities (*vermogen*) and legal relationships of DIG immediately prior to such merger becoming effective (the "**DIG Assets and Liabilities**") shall transfer to CTP under universal succession of title (*algemene titel*) and DIG shall cease to exist without liquidation (the "**Merger**"); and
 - (iii) as soon as practically possible after the Merger has become effective, and subject to the Binding Ruling (as defined below), CTP intends to effect a hive-down (*afsplitsing*). Pursuant to the hive-down, the DIG

Assets and Liabilities that will be acquired by CTP under universal succession of title (*algemene titel*) pursuant to the Merger are hived-down (*afgesplitst*) by universal succession of title (*algemene titel*) in accordance with title 2.7 DCC to a newly incorporated private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands, incorporated as a wholly-owned subsidiary of CTP at the occasion of the hive-down: CTP Germany B.V. ("**CTP Germany**"), and CTP continues to exist (the "**Hive-Down**"). As a result of the Hive-Down, the business of (the former) DIG will be continued and carried out through CTP Germany, whereby the activities of (the former) DIG are carried out through a German branch office of CTP Germany.

- (B) On 7 December 2021, CTP has launched the Offer by publishing an offer document, such in conformity with section 34, 14 paragraph 2 and 3 of the German Takeover Act in conjunction with section 39 paragraph 2 sentence 3 no. 1, paragraph 3 of the German Stock Exchange Act (*Börsengesetz*) (the "**Offer Document**"). The Offer has been settled on 3 February 2022, whereby CTP became holder of approximately 80.90% of the DIG Shares. The Merger and the Hive-Down are part of the post-Offer reorganization to complete the integration of DIG into the group of CTP.
- (C) The implementation of the Hive-Down is subject to the competent German tax authorities issuing a positive binding ruling (*verbindliche Auskunft*), from the perspective of CTP, pursuant to section 89 of the German General Tax Code (*Abgabenordnung*) ("**Binding Ruling**") in relation to certain tax aspects of the Hive-Down.

Considerations

- (D) The board of directors of CTP prepared this Hive-Down Report in accordance with section 2:334g DCC, explaining among other things the legal, social and economic aspects of the Hive-Down.
- (E) Sections 2:334f paragraph 4, first sentence, 2:334w and 2:334y up to and including 2:334aa DCC do not apply to this Hive-Down pursuant to section 2:334hh subsection 1 DCC, since CTP Germany will be incorporated through the Hive-Down and CTP as demerging company will become the sole shareholder of CTP Germany.
- (F) CTP does not have a supervisory board, but has a board of directors, consisting of executive and non-executive directors.

Filing and publication

- (G) This Hive-Down Report, the Hive-Down proposal as drawn up by the board of directors of CTP (the "**Hive-Down Proposal**") and such other documentation as required under Dutch law, will be made available (i) on CTP's corporate website: www.ctp.eu, and (ii) for inspection at the offices of CTP.

HEREBY DECLARES:

1 INTERPRETATION

- 1.1 This Hive-Down Report has been drawn up in English.
- 1.2 The content of this Hive-Down Report must be read in conjunction with the Hive-Down Proposal, dated 22 April 2022.

2 HIVE-DOWN

- 2.1 As soon as practically possible after the Merger has become effective and subject to the Binding Ruling, subject to the Hive-Down Proposal, CTP shall effect the Hive-Down in accordance with section 2:334a subsection 3 DCC and section 2:334hh subsection 1 DCC, pursuant to which:
- (i) CTP will, on the occasion of the Hive-Down, incorporate CTP Germany;
 - (ii) CTP Germany will acquire the DIG Assets and Liabilities by universal succession of title (*algemene titel*);
 - (iii) CTP continues to exist; and
 - (iv) the shares in the capital of CTP Germany are granted to CTP subject to the provisions below.
- 2.2 The Hive-Down will be effective at midnight (00:00 a.m. Central European Summer Time) at the beginning of the first day after the execution of the Dutch notarial deed of the Hive-Down (the "**Hive-Down Effective Time**") in accordance with section 2:334n subsection 1 DCC. At the Hive-Down Effective Time, the Hive-Down will enter into effect retroactively for accounting purposes as from 1 April 2022 (the "**Retroactive Effective Date**"). As a result, the financial information and transactions relating to the DIG Assets and Liabilities, that will pass to CTP Germany will be accounted for in the financial statements of CTP Germany as from the Retroactive Effective Date, with the DIG Assets and Liabilities being recorded only as from the Hive-Down Effective Time in the financial statements of CTP Germany.
- 2.3 In connection with the acquisition by CTP of all shares in the share capital of CTP Germany no actions will be taken other than the registration of CTP in the shareholders' register of CTP Germany.

3 REASONS FOR THE HIVE-DOWN

CTP seeks to implement the Hive-Down for the following reasons:

- (i) the purpose of the Hive-Down is to transfer the DIG Assets and Liabilities to CTP Germany following the successful closing of the Offer and the Merger becoming effective. The Hive-Down will enable CTP to continue the business activities of (the former) DIG in a separate legal entity; and
- (ii) prior to the Hive-Down, the Merger will become effective, whereby the DIG Assets and Liabilities of (the former) DIG will be acquired by CTP. CTP wishes to optimize the group of CTP and better align company structures with actual business lines and therefore carve-out and transfer the assets and liabilities comprising the former DIG activities to a separate legal entity, being CTP Germany.

4 CONSEQUENCES OF THE HIVE-DOWN

4.1 Activities

The activities insofar it concerns the DIG Assets and Liabilities will be continued by CTP Germany as from the Hive-Down Effective Time. The activities insofar it concerns the assets and liabilities that will be retained by CTP will be continued by CTP.

4.2 Legal consequences

4.2.1 The general meeting of shareholders of CTP intends to resolve to effect the Hive-Down in accordance with section 2:334ee DCC.

4.2.2 Upon the terms and subject to the conditions set forth in the Hive-Down Proposal, as a result of the Hive-Down, CTP Germany will acquire the DIG Assets and Liabilities by universal succession of title (*algemene titel*), which in relation to such DIG Assets and Liabilities, will automatically substitute CTP Germany in all the rights and obligations of CTP.

4.2.3 CTP will continue to exist following the Hive-Down Effective Time. CTP Germany will be incorporated on the occasion of the Hive-Down. The shares in the capital of CTP Germany are granted to CTP, as a result of which CTP will become the sole shareholder of CTP Germany. The Hive-Down will be effective at the Hive-Down Effective Time.

4.3 Economic consequences

Reference is made to article 2.2 above. The Hive-Down will enable CTP to continue the activities insofar it concerns the DIG Assets and Liabilities through

CTP Germany, whereby the operations are carried out from Germany. Without prejudice hereto, the Hive-Down has no specific consequences from an economic point of view.

4.4 Social consequences

4.4.1 In the BCA, CTP and DIG expressly laid down their common understanding, that the highly skilled and motivated employees of DIG form the basis for the current as well as the future success of DIG's business and the operations of DIG's portfolio. In the Offer Document, CTP expressed its intention to respect all labour-related provisions, including under existing employment agreements, shop agreements (*Betriebsvereinbarungen*) and collective bargaining agreements (*Tarifverträge*), as well as the rights of employees, works' council (*Betriebsräte*) and unions (*Gewerkschaften*), in each case as applicable.

4.4.2 Upon effectiveness of the Hive-Down, all employment contracts of (the former) DIG will transfer from CTP to CTP Germany by way of universal succession of title (*algemene titel*), including all rights and obligations. Insofar, CTP Germany will become the new employer of the employees of (the former) DIG. The employment contracts will remain unchanged and shall be continued with CTP Germany, whereby the period of employment will not be interrupted. Rights and expectancies in connection with the employment contracts based on the length of service shall also be continued. This also includes commitments to grant company pension benefits made vis-à-vis to (former) DIG employees (if any). The Hive-Down has no adverse effects on the employees of DIG and personnel changes or other measures are not planned at the occasion of the Hive-Down. The information of the employees of (the former) DIG provided for in section 613a paragraph 5 German Civil Code (*Bürgerliches Gesetzbuch – "BGB"*) on the reason for and the planned date of the transfer and on the consequences described and the measures envisaged will be provided by means of a separate letter prior to the Hive-Down Effective Time. Pursuant to section 613a paragraph 6 BGB, each employee shall have the right to object to the transfer of his or her employment relationship. The Hive-Down shall have no effect on the position of the employees of DIG with regard to a possible termination of their employment. Pursuant to section 613a paragraph 4 BGB, no notices of termination may be given due to the transfer of business as a result of the Hive-Down. The right to terminate for other reasons shall remain unaffected (section 613 paragraph 4 sentence 2 BGB).

5 BOARD APPROVAL

This Hive-Down Report has been approved and executed by all directors of the board of directors of CTP.

[SIGNATURES TO FOLLOW ON THE NEXT PAGE]

THIS HIVE-DOWN REPORT HAS BEEN SIGNED ON THE DATE STATED AT THE BEGINNING OF THIS HIVE-DOWN REPORT BY:

Board of directors of CTP N.V.

The undersigned, acting in their capacity as the directors of CTP N.V.

/s/ R.L. Vos

By: R.L. Vos
Title: Executive director / Chief Executive Officer

/s/ R.J. Wilkinson

By: R.J. Wilkinson
Title: Executive director / Chief Financial Officer

/s/ B.A. Knoflach

By: B.A. Knoflach
Title: Non-executive director / Senior Independent Director

/s/ G.W.I.M. van Kesteren

By: G.W.I.M. van Kesteren
Title: Non-executive director

/s/ P. Trenka

By: P. Trenka
Title: Non-executive director

/s/ S. Eickermann-Riepe

By: S. Eickermann-Riepe
Title: Non-executive director