

**CONVENIENCE TRANSLATION – NON-BINDING**

**Mandatory publication pursuant to Sections 27 para 3 Sentence 1, 14 para 3 Sentence 1 of  
the  
German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*)**



**Joint statement by the Management Board and the Supervisory Board**

of

**HORNBAACH Baumarkt AG**

Hornbachstr. 11

76879 Bornheim  
Germany

regarding the

public delisting tender offer

(cash offer)

by

**HORNBAACH Holding AG & Co. KGaA**

Hornbachstr. 11

76879 Bornheim  
Germany

**to the shareholders of HORNBAACH Baumarkt AG**

dated 21 January 2022

Shares in HORNBAACH Baumarkt AG: ISIN DE0006084403

Tendered Shares of HORNBAACH Baumarkt AG: ISIN DE000A3MQC39

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## 1. GENERAL INFORMATION ABOUT THE STATEMENT

On 14 January 2022, HORNBAACH Holding AG & Co. KGaA, a partnership limited by shares under German law with its registered office in Neustadt, registered in the commercial register of the Local Court of Ludwigshafen under HRB 64616 ("**Bidder**" or "**HORNBAACH Holding**") and, together with its subsidiaries, the "**HORNBAACH Group**" ) announced pursuant to Section 39 para. 2 Sentence 3 No. 1 of the German Stock Exchange Act ("**BörsG**") in conjunction with Section 14 para. 2 Sentence 1, para. 3 Sentence 1 of the German Securities Acquisition and Takeover Act ("**WpÜG**") by publication of an offer document within the meaning of Section 11 WpÜG ("**Offer Document**") a public delisting tender offer in the form of a cash offer ("**Offer**" or "**Delisting Tender Offer**") to the shareholders of HORNBAACH Baumarkt AG, a stock corporation incorporated under German law with its registered office in Bornheim (Pfalz), registered in the commercial register of the Local Court of Landau in der Pfalz under HRB 2311 ("**HORNBAACH BAUMARKT**" or "**Target Company**" and together with its subsidiaries the "**HORNBAACH BAUMARKT Group**" ) and thereby pursues the objective of allowing for a delisting of the shares of HORNBAACH BAUMARKT.

The Offer is addressed to all shareholders of the Target Company ("**HORNBAACH BAUMARKT Shareholders**", each a "**HORNBAACH BAUMARKT Shareholder**") and relates to the acquisition of all no-par value bearer shares (*Stückaktien*) with a proportionate value of EUR 3.00 per share in the share capital of HORNBAACH BAUMARKT (ISIN DE0006084403) (each a "**HORNBAACH BAUMARKT Share**" and together the "**HORNBAACH BAUMARKT Shares**"), which are not already held directly by the Bidder, including the ancillary rights existing at the time of settlement of the Offer, in particular the dividend subscription rights, against payment of a cash consideration of EUR 47.50 per HORNBAACH BAUMARKT Share ("**Offer Price**").

The Offer Document, the publication of which was approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* "**BaFin**") on 14 January 2022, was submitted to the Management Board of HORNBAACH BAUMARKT ("**Management Board**") by the Bidder pursuant to Section 14 para. 4 Sentence 1 WpÜG on 14 January 2022 and subsequently forwarded to the Supervisory Board ("**Supervisory Board**") and the works council ("**Works Council**") of the Target Company.

HORNBAACH BAUMARKT Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations on the Frankfurt Stock Exchange (*Prime Standard*) under ISIN DE0006084403 and the ticker symbol HBM. Furthermore, HORNBAACH BAUMARKT Shares are traded on the open market (*Freiverkehr*) at the Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart stock exchanges as well as via XETRA (the electronic trading system of the Frankfurt Stock Exchange), Quotrix (the electronic trading system of the Düsseldorf Stock Exchange), gettex (the electronic trading system of the Munich Stock Exchange), Tradegate Exchange and LS Exchange.

On 20 December 2021, the Bidder and the Target Company entered into a delisting agreement ("**Delisting Agreement**") in which the Target Company has undertaken, subject to legal obligations and the review of the Offer Document, to support a delisting and accordingly to file an application ("**Delisting Application**") for the revocation of the admission of all HORNBAACH BAUMARKT Shares to trading on the regulated market (*Prime Standard*) of the Frankfurt Stock Exchange pursuant to Section 39 para. 2 Sentence 1 BörsG ("**Delisting**") (see Section 8.1 of this Statement).

According to the Bidder, the Offer Document can be downloaded in German and as a non-binding English translation at

[www.pluto-offer.com](http://www.pluto-offer.com)

and will be made available for distribution free of charge at Deutsche Bank Aktiengesellschaft, TAS, Post-IPO Services, Taunusanlage 12, 60325 Frankfurt am Main, Germany (requests for mailing the Offer Document by providing a complete postal address via fax to +49 69 910 38794 or by e-mail to [dct.tender-offers@db.com](mailto:dct.tender-offers@db.com)). The announcement regarding the availability of copies of the Offer Document for distribution free of charge in Germany and regarding the internet address at which the publication of the Offer Document was published in the German Federal Gazette on 14 January 2022 in the Federal Gazette (*Bundesanzeiger*).

The Management Board and the Supervisory Board of the Target Company have carefully reviewed the Delisting Tender Offer and have each decided on the present statement ("**Statement**") unanimously on 21 January 2022. In order to prevent possible conflicts of interest (see Section 10), the member of the Management Board of the Target Company Ms. Karin Dohm and the members of the Supervisory Board of the Target Company Mr. Albrecht Hornbach, Dr. John Feldmann, Mr. Martin Hornbach, Mr. Steffen Hornbach, Ms. Simona Scarpaleggia and Ms. Melanie Thomann-Bopp have abstained from the decision.

In connection with the following reasoned Statement, the Management Board and the Supervisory Board draw attention to the following:

#### 1.1 **Legal basis of this reasoned Statement**

The Management Board and the Supervisory Board of the Target Company shall, without undue delay after transmission of the Offer Document pursuant to Section 14 para. 4 Sentence 1 WpÜG, issue and publish a reasoned statement on the offer and any amendments thereto (Section 27 para. 1 Sentence 1 WpÜG). The statement may be issued jointly by the Management Board and the Supervisory Board. The Management Board and the Supervisory Board have decided to issue a joint Statement with respect to the Bidder's Offer. The Statement is issued exclusively in accordance with German law.

Pursuant to Section 27 para. 1 Sentence 2 WpÜG, the Management Board and the Supervisory Board shall address in particular (i) the type and amount of the consideration offered, (ii) the expected consequences of a successful Offer for the Target Company, the employees and their representative bodies, the employment conditions and the locations of the Target Company, (iii) the objectives pursued by the Bidder with the Offer and (iv) the intention of the members of the Management Board and the Supervisory Board, to the extent they are holders of securities of the Target Company, to accept the Offer.

#### 1.2 **Factual basis of this reasoned Statement**

Unless otherwise indicated, time references in this Statement refer to Central European Time ("**CET**"). Where terms such as "currently", "presently", "now", "presently" or "today" are used, they refer to the date of publication of this document, i.e. 21 January 2022, unless otherwise stated.

References to a banking day ("**Banking Day**") refer to any day on which credit institutions in Frankfurt am Main, Germany, are generally open for business. References to a "**Trading Day**" refer to a day on which the stock exchange in Frankfurt am Main, Germany, is open for trading. References to "Subsidiaries" refer to subsidiaries within the meaning of Section 2 para 6 WpÜG.

The currency indication "**EUR**" refers to the currency of the European Union.

All statements, expectations, evaluations and forward-looking statements and intentions contained in this Statement are based on the information available to the Management Board and the Supervisory Board at the time of publication of this Statement or reflect their respective assessments or intentions at that time. Such statements are identified in particular by words such as "expects", "believes", "is of the opinion", "seeks", "estimates", "intends", "plans", "assumes", and "endeavors". These statements are subject to change after the date of issuance of the Statement. Assumptions may also prove to be incorrect in the future. The Management Board and Supervisory Board will update this Statement only to the extent required by German law.

The information in this document about the Bidder and the Offer is based on the information in the Offer Document and other publicly available information (unless expressly stated otherwise). It also includes information from the Delisting Agreement entered into between the Target Company and the Bidder on 20 December 2021 (see Section 4.3). The Management Board and the Supervisory Board point out that they are neither able to verify the information provided by the Bidder in the Offer Document nor to guarantee the implementation of the Bidder's intentions.

### 1.3 **Statement of the Works Council**

Pursuant to Section 27 para. 2 WpÜG, the Works Council may send a statement on the Offer to the Management Board, which the Management Board has to attach to its Statement pursuant to Section 27 para. 2 WpÜG, without prejudice to his obligation under Section 27 para. 3 Sentence 1 WpÜG. By the time of publication of this Statement, no statement of the Works Council has been submitted to the Management Board.

### 1.4 **Independent decision by HORNBAACH BAUMARKT Shareholders**

The presentation of the Offer in this Statement does not claim to be complete. Only the Offer Document of the Bidder is authoritative for the content and the settlement of the Offer.

The assessments made by the Management Board and Supervisory Board in this Statement are not binding on HORNBAACH BAUMARKT Shareholders. Each HORNBAACH BAUMARKT Shareholder has to make his or her own assessment as to whether and, if so, for how many of the HORNBAACH BAUMARKT Shares he or she will accept the offer, taking into account the overall circumstances, his or her individual circumstances (including his or her personal tax situation) and his or her personal assessment of the future development in the value and stock exchange price of the HORNBAACH BAUMARKT Shares.

When deciding whether or not to accept the offer, HORNBAACH BAUMARKT Shareholders should make use of all available sources of information in order to take sufficient account of their personal circumstances. In particular, the specific financial or tax situation of individual shareholders may in individual cases lead to valuations differing from those presented by the Management Board. The Management Board and Supervisory Board therefore recommend that HORNBAACH BAUMARKT Shareholders obtain tax and legal advice on their own responsibility and accept no liability for the decision taken by any HORNBAACH BAUMARKT Shareholder with regard to the Delisting Tender Offer.

The Management Board and Supervisory Board point out that they are unable to verify or have not verified in full whether HORNBAACH BAUMARKT Shareholders will comply with all legal obligations applicable to them personally when accepting the offer. In particular, the Management Board and Supervisory Board recommend that anyone who receives the Offer Document outside the Federal Republic of Germany and wishes to accept



the Offer but is subject to securities regulations of legal systems other than those of the Federal Republic of Germany should inform themselves about and comply with such legal regulations.

**1.5 Special notice for HORNBACH BAUMARKT Shareholders in the United States, Canada or any other location outside the Federal Republic of Germany, the member states of the European Union and the European Economic Area**

In Section 1.1 of the Offer Document, the Bidder points out that the Offer extends to all HORNBACH BAUMARKT Shares not directly held by the Bidder and is being executed exclusively in accordance with German law and certain applicable provisions of the securities laws of the United States of America ("**United States**") and Canada.

The Bidder points out in Section 1.2 of the Offer Document that the Offer relates to shares of a German stock corporation (*Aktiengesellschaft*) and is subject to the statutory provisions of the Federal Republic of Germany on the implementation of such an offer. The Offer will not be subject to any review or registration procedure of any securities regulator outside the Federal Republic of Germany. It has also not been approved or recommended by any such regulatory authority.

Furthermore, in Section 1.2 of the Offer Document, the Bidder draws the attention of HORNBACH BAUMARKT Shareholders with place of residence, incorporation or habitual abode in the United States to the fact that the Delisting Tender Offer is being made with regard to securities of a company which is a foreign private issuer within the meaning of Rule 3b-4 of the Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), and whose shares are not registered under Section 12 of the U.S. Exchange Act. The Offer Document has not been filed with or approved by the U.S. Securities and Exchange Commission. In the United States, the Delisting Tender Offer is made pursuant to the so-called Tier II exemption from certain requirements under the U.S. Exchange Act. This exemption allows a bidder to comply with certain substantive and procedural rules of the U.S. Exchange Act applicable to tender offers by complying with the law or practice of the home jurisdiction and exempts the bidder from compliance with certain other rules of the U.S. Exchange Act. Primarily, the Delisting Tender Offer is subject to the disclosure requirements and further provisions and procedural rules of the Federal Republic of Germany. These differ from those of the United States, including with regard to settlement procedures and the timing of payment. To the extent that the Delisting Tender Offer is subject to US securities laws, such laws apply only to holders of HORNBACH BAUMARKT Shares in the United States and no other person will have any claim under such laws.

In addition, the Bidder indicates in Section 1.2 of the Offer Document that the Delisting Tender Offer is being made to HORNBACH BAUMARKT Shareholders whose place of residence, incorporation or habitual abode is in Canada pursuant to an exemption from the formal requirements for takeover bids in Canada under National Instrument 62-104 - *Take-over Bids and Issuer Bids* on the basis that the offer is in respect of securities of a company which is a foreign issuer and satisfies the prescribed conditions to such exemption, including that security holders in Canada are entitled to participate in the Delisting Tender Offer on terms at least as favourable as the terms that apply to the general body of security holders of the same class.

Further, in Section 1.2 of the Offer Document the Bidder points out that during the term of the Delisting Tender Offer, the Bidder may acquire HORNBACH BAUMARKT Shares other than pursuant to the Delisting Tender Offer on the stock exchange or over the counter or enter into purchase agreements for this purpose, subject to the following conditions: the HORNBACH BAUMARKT Shares are not acquired or the purchase agreements are not

entered into within the United States, the acquisition or purchase agreements are consistent with the applicable German laws, particularly the WpÜG, and the Offer Price (as defined in Section 3 of the Offer Document) is adjusted to any potential higher purchase price paid outside of the Delisting Tender Offer during this term. Information on corresponding acquisitions or acquisition agreements, stating the number of HORNBACH BAUMARKT Shares acquired or to be acquired and the consideration granted or agreed, will be published in accordance with the applicable statutory provisions, in particular pursuant to Section 23 para. 2 WpÜG, in the German Federal Gazette (*Bundesanzeiger*) and, if required by foreign legal systems, in English via an electronic distribution system. Corresponding information is also available in the form of an English translation on the internet at [www.pluto-offer.com](http://www.pluto-offer.com).

Furthermore, the Bidder points out in Point 1.2 of the Offer Document that HORNBACH BAUMARKT Shareholders whose place of residence, incorporation or habitual abode is outside the Federal Republic of Germany could face difficulties in enforcing their rights and claims governed by a law other than the law of the country of their place of residence, incorporation or habitual abode, as both the Bidder and the Target Company are companies incorporated under German law and their respective board members may be residents in a country other than the country of residence, incorporation or habitual abode of the HORNBACH BAUMARKT Shareholder concerned. HORNBACH BAUMARKT Shareholders may therefore not be in a position to sue a foreign company or its board members in the country of their place of residence, incorporation or habitual abode. Furthermore, difficulties may arise in enforcing judgments of a court in the country in the place of residence, incorporation, or habitual abode of the respective HORNBACH BAUMARKT Shareholder outside the place of residence, incorporation or habitual abode of the respective HORNBACH BAUMARKT Shareholder. In particular, the board members are resident outside the United States and Canada and, as a result, it might be difficult to sue the board members or the Bidder in the United States or Canada or to enforce a court judgment against them in the United States or Canada.

The Bidder further points out in Section 1.2 of the Offer Document that the receipt of the Offer Price may constitute a taxable event under applicable tax laws, including the tax laws of the country of the place of residence, incorporation or habitual abode of the relevant HORNBACH BAUMARKT Shareholder. HORNBACH BAUMARKT Shareholders are advised to immediately consult an independent, expert advisor with regard to the tax consequences of accepting the Delisting Tender Offer.

The Bidder further points out that neither the Bidder nor the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG nor its subsidiaries or their respective directors, officers or employees assume any responsibility or liabilities for any tax consequences of any person as a result of the acceptance of the Delisting Tender Offer. The Offer Document does not contain any information on taxation abroad. In particular, the Bidder recommends that HORNBACH BAUMARKT Shareholders in the United States and Canada to consult their independent tax advisors without delay regarding the tax consequences of accepting of the Delisting Tender Offer.

#### 1.6 **Special information for holders of employee shares in HORNBACH BAUMARKT**

For the purposes of the Delisting Tender Offer, HORNBACH BAUMARKT has irrevocably waived the holding periods for HORNBACH BAUMARKT Shares issued to employees of the HORNBACH BAUMARKT Group on a regular basis under its employee share program ("**Employee Shares**") so that Employee Shares may also be tendered into the Delisting Tender Offer prior to the expiry of any holding periods.

## 1.7 **Publication of this Statement and any additional Statements on possible amendments to the Delisting Tender Offer**

The Statement, as well as any comments on possible amendments to the Delisting Tender Offer, will be published in accordance with Sections 27 para. 3 Sentence 1, 14 para. 3 Sentence 1 WpÜG on the Internet at the following address

[https://www.hornbach-holding.de/de/investor\\_relations/pluto/pluto2/delisting\\_dual.html#hornbach+baumarkt](https://www.hornbach-holding.de/de/investor_relations/pluto/pluto2/delisting_dual.html#hornbach+baumarkt);

copies thereof will be kept available for issue free of charge at the Target Company at the address HORNBACH Baumarkt AG, Hornbachstr. 11, 76879 Bornheim, Germany (orders by e-mail: invest@hornbach.com, telephone (+49) 6348/60-2444). The publication and availability of the Statement for issue free of charge will be announced by means of a notice in the German Federal Gazette (*Bundesanzeiger*).

This Statement and, if applicable, any additional statements on the Offer will be published in German and as a non-binding English translation. The Management Board and the Supervisory Board assume no liability for the accuracy and completeness of the English translation. Only the German version is authoritative.

## 2. **INFORMATION ON THE TARGET COMPANY AND THE HORNBACH BAUMARKT GROUP**

### 2.1 **General information**

The Target Company is a stock corporation under German law with its registered office in Bornheim (Pfalz), Germany, registered in the commercial register of the local court of Landau (Pfalz) under HRB 2311 and with its registered business address at Hornbachstr. 11, 76879 Bornheim, Germany.

The object of the Target Company set forth in the articles of association is the operation of large-scale retail stores, especially DIY or home improvement stores, with or without garden centers, garden stores, specialist stores, and other specialist retail stores. Furthermore, the Target Company is authorised to pursue retail and wholesale activities, as well as to manufacture and process objects of all kinds.

The Target Company is authorised to perform all transactions deemed suitable to promote, whether directly or indirectly, the company's business object or which are otherwise deemed relevant in this respect. Specifically, the Target Company may establish, acquire, or participate in companies of the same nature or operating in related sectors both in Germany and abroad, and may establish branch outlets.

The financial year of the Target Company begins on 1 March and ends on the last day of February of the following calendar year.

### 2.2 **Overview of the HORNBACH BAUMARKT Group**

A list of all subsidiaries of the Target Company is attached to this Statement as Annex 1. Pursuant to Section 2 para. 5 Sentence 3 WpÜG, these subsidiaries are deemed to be acting jointly with the Target Company and among themselves.

HORNBACH BAUMARKT itself is a direct subsidiary of the Bidder. Therefore, the Bidder, the Bidder Parent Companies (as defined in Section 5.6 of the Offer Document, see also below under Section 3.6 of this Statement) and the other subsidiaries of the Bidder listed in Annex 1 of the Offer Document under Section 1 (with the exception of HORNBACH BAUMARKT itself) are also persons acting in concert with HORNBACH BAUMARKT within the

meaning of Section 2 para. 5 Sentence 2 in conjunction with Section 2 para. 5 Sentence 3 WpÜG.

### 2.3 Listing on the stock exchange

The HORNBACH BAUMARKT Shares are admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations on the Frankfurt Stock Exchange (*Prime Standard*) under ISIN DE0006084403 and the ticker symbol HBM. Furthermore, HORNBACH BAUMARKT Shares are also traded on the open market (*Freiverkehr*) of the Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart stock exchanges as well as via the electronic trading system of Deutsche Börse AG, Frankfurt am Main, Germany ("**Deutsche Börse**") ("**XETRA**"), Quotrix (the electronic trading system of the Düsseldorf Stock Exchange), gettex (the electronic trading system of the Munich Stock Exchange), Tradegate Exchange and LS Exchange.

Furthermore, the Target Company has issued a bond bearing interest at 3.25% with a total nominal amount of EUR 250 million and with maturity in 2026 ("**HORNBACH BAUMARKT Bond**"), which is admitted to trading to the regulated market of the Luxembourg Stock Exchange under ISIN DE000A255DH9.

### 2.4 Capital structure of the Target Company

#### (a) Share capital

At the time of publication of this Statement, the share capital of the Target Company amounts to EUR 95,421,000.00 and is divided into 31,807,000 no-par value bearer shares each representing a proportionate amount of the share capital of EUR 3.00.

No different share classes exist. Each share generally grants one vote and carries full voting and dividend rights at the general meeting of HORNBACH BAUMARKT.

At the time of publication of the Offer Document, HORNBACH BAUMARKT holds 190 HORNBACH BAUMARKT Shares as own shares.

#### (b) Authorized capital

Pursuant to Section 4 para. 5 of the articles of association of HORNBACH BAUMARKT, the Management Board of the HORNBACH BAUMARKT is authorized until 6 July 2026, subject to approval of the Supervisory Board, to increase the share capital of HORNBACH BAUMARKT by up to EUR 45,000,000.00 by issuing new shares on one or several occasions against cash and/or non-cash contributions ("**Authorized Capital 2021 of the Target Company**"). The new shares may in each case be issued as ordinary shares with voting rights or as non-voting preference shares. New non-voting preference shares may have greater, equal or lesser priority than existing non-voting preference shares in terms of the distribution of profit and/or the company's assets; in the absence of any stipulation to the contrary in the resolution governing the capital increase, they are equal to existing preference shares. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of capital increases, in particular the content of the share rights and the terms and conditions of the share issue, including a profit participation deviating from Section 60 para. 2 German Stock Corporation Act ("**AktG**"). When utilizing the Authorized Capital 2021 of the Target Company, shareholders shall generally be granted subscription rights. The statutory subscription right may also be granted in such a way that the new shares are taken up in whole or in part by a bank or a syndicate of banks determined by the Management Board with the consent of the

Supervisory Board, subject to the obligation to offer them for subscription to the shareholders of the company. The Management Board of HORNBACH BAUMARKT is, however, authorized, subject to approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part in the cases specified in Section 4 para. 5 of the articles of association of HORNBACH BAUMARKT. At the time of the publication of the Offer Document, the Management Board of HORNBACH BAUMARKT had not made use of the Authorized Capital 2021 of the Target Company.

## 2.5 Shareholder structure

According to notifications received by the Target Company until the publication of the Statement and prior to the publication of the Offer Document and according to the information provided by the Bidder (see Section 7.5 of the Offer Document), the following notifiable persons hold 3% or more of the voting rights within the meaning of Sections 33, 34 of the German Securities Trading Act ("WpHG") in HORNBACH BAUMARKT:

<b>Shareholders</b>	<b>Shareholdings</b>
HORNBACH Holding AG & Co. KGaA	77.13%

The remaining shares in HORNBACH BAUMARKT, around 22.87% of the issued share capital, are in free float.

## 2.6 Overview of the Business Activities of the HORNBACH BAUMARKT Group

HORNBACH BAUMARKT is the ultimate parent company of the HORNBACH BAUMARKT Group. The HORNBACH BAUMARKT Group is one of the leading do-it-yourself (DIY) retail companies in Germany and Europe.

At the time of publication of this Statement, the HORNBACH BAUMARKT Group operates 167 DIY and garden stores with a uniform market presence in major regional catchment areas in nine European countries. 98 of the stores are in Germany. 69 additional stores are located in other European countries with a breakdown as follows: the Netherlands (16), Austria (14), Czech Republic (10), Romania (8), Switzerland (8), Sweden (8), Slovakia (4) and Luxembourg (1). In all of the countries in which it operates, the HORNBACH BAUMARKT Group combines its stationary retail business with online shops to act as a multi-channel DIY retailer (interconnected retail or ICR). Customers can have articles delivered to their homes by mail order or opt for the "reserve online and collect at the store" service (click & collect). Project-related advice and services are also offered.

Most HORNBACH DIY and garden stores have a sales area of more than 10,000 square meters (megastores). With a total sales area of around 1.97 million square meters, the average size of a DIY and garden store is roughly 11,800 square meters.

In addition, the HORNBACH BAUMARKT Group operates – under the umbrella of BODENHAUS GmbH – two specialist stores for hard floor coverings and one online shop in Germany as well as – under the "HORNBACH Vloeren" brand – a specialist store for hard floor coverings in the Netherlands. With a total sales area of around 18,500 square meters, the average size of these specialist stores is roughly 6,200 square meters.

The HORNBACH BAUMARKT Group's primary customers are home improvement enthusiasts who are planning to carry out a major construction or renovation project (project customers), and trade professionals.

The broad and deep product range of the DIY and garden stores encompasses an average of around 50,000 articles at its stationary stores and up to around 200,000 articles online available from the five divisions

- Hardware / electrical,
- Paint / wallpaper / flooring,
- Construction materials / timber / prefabricated components,
- Sanitary / tiles, and
- Garden hardware /plants,

which the HORNBACH BAUMARKT Group offers.

The BODENHAUS specialist retail concept offers a very broad selection of tiles, parquets, laminates, vinyl, and decking. Unlike at traditional specialist retailers, nearly all products are directly available in large quantities or can be reserved or ordered via the online shop. Various services, such as delivery of the material to the construction site, a proprietary design center and rubble disposal round out the offering.

As of 30 November 2021, the HORNBACH BAUMARKT Group had 22,993 employees.

## 2.7 **Composition of the Management Board and Supervisory Board of the Target Company**

The Management Board of HORNBACH BAUMARKT currently consists of

- Erich Harsch, Chairman of the Board;
- Karin Dohm, CFO;
- Susanne Jäger;
- Karsten Kühn;
- Ingo Leiner; and
- Dr. Andreas Schobert.

The Supervisory Board of HORNBACH BAUMARKT currently consists of the following members

- Albrecht Hornbach, Chairman of the Supervisory Board;
- Kay Strelow\*, Vice Chairman of the Supervisory Board;
- Dr. John Feldmann, additional vice chairman;
- Mohamed Elaouch\*;
- Christian Garrecht\*;
- Georg Hornbach;
- Martin Hornbach;

- Steffen Hornbach;
- Markus Laß\*;
- Jörg Manns\*;
- Anke Matrose\*;
- Brigitte Mauer\*;
- Johannes Otto\*;
- Simona Scarpaleggia;
- Vanessa Stütze; and
- Melanie Thomann-Bopp.

\* Employee representative

### 3. INFORMATION ON THE BIDDER AND THE PERSONS ACTING IN CONCERT WITH THE BIDDER

The following information has been published by the Bidder in the Offer Document, unless otherwise indicated. The Management Board and the Supervisory Board have not been able to verify this information or have not verified it in full. Therefore, the Management Board and the Supervisory Board do not assume any liability for its correctness.

#### 3.1 Legal basis and capital structure

The Offer Document contains the following information regarding the legal basis and capital structure of the Bidder under Sections 5.1 and 5.2:

The Bidder is a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) under German law with its registered office in Neustadt, Germany, registered in the commercial register of the local court (*Amtsgericht*) of Ludwigshafen under HRB 64616, with its registered business office at Hornbachstr. 11, 76879 Bornheim, Germany.

As stipulated in the Bidder's articles of association, the company has as its object the management of a retail, service and real estate group, which pursues and/or is entitled to pursue activities in the following specific areas: (a) construction, acquisition and/or operation of large-scale retail stores, especially DIY and home improvement stores, with or without garden centers, garden stores, specialist stores, and other specialist retail stores; (b) similar and other retail and wholesale activities; (c) manufacturing and processing of products to be sold in the retail stores; (d) administration of assets and acquisition, management and disposal of investments in companies in Germany and abroad; (e) performance of management and other services for subsidiaries and other companies in which the company holds a participating interest; (f) acquisition, development, planning, construction, utilization, management, disposal and/or other use of pieces of land either built or not, and leasehold rights. These activities may be pursued both by the company itself, as well as by its subsidiaries and participating interests; such activities may also be assigned to such companies. The Bidder is also entitled to acquire participating interests in other companies in Germany and abroad, as well as to assign participating interests to other companies, to acquire and/or found, as well as to dispose of or discontinue, such companies, to found branch establishments in Germany and abroad, to conclude fiscal unity and profit transfer agreements, as well as company agreements of all kinds, and to transact all business and take all measures

deemed suitable to promote the company's object whether directly or indirectly, or which are otherwise deemed relevant in this respect.

Pursuant to article 8(2) of the Bidder's articles of association, the company is managed by its general partner. Pursuant to article 8(1) of the Bidder's articles of association, it is represented by its general partner.

The financial year of the Bidder begins on 1 March and ends on the last day of February of the following calendar year.

The Bidder's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations on the Frankfurt Stock Exchange (*Prime Standard*) under ISIN DE0006083405 and ticker symbol HBH. Currently, the Bidder's shares are included in the SDAX, a performance index calculated by Deutsche Börse.

### 3.2 Capital structure of the Bidder

According to Section 5.2 of the Offer Document, the capital structure of the Bidder is as follows:

At the time of publication of the Offer Document, the Bidder's share capital is EUR 48,000,000.00 and is divided into 16,000,000 ordinary no-par value bearer shares (*Stückaktien*), each representing a proportionate amount of the Bidder's share capital of EUR 3.00. Each share generally grants one vote and carries full voting and dividend rights at the general meeting of HORNBAACH Holding.

At the time of publication of the Offer Document, HORNBAACH Holding holds no own shares.

Pursuant to article 4(3) of its articles of association, and subject to approval by the supervisory board, the Bidder's general partner is authorised until 7 July 2026, to increase the company's share capital in full or in by part, on one or several occasions, by up to EUR 9,600,000.00 by issuing up to 3,200,000 new no-par value bearer shares (*Stückaktien*) in return for cash contributions or contributions in kind ("**Authorized Capital 2021 of the Bidder**"). The shareholders of HORNBAACH Holding generally have a subscription right. However, the Bidder's general partner is authorised, subject to the approval of the supervisory board, to exclude subscription rights in the cases referred to in article 4(3) of the articles of association of HORNBAACH Holding. In addition, the Bidder has undertaken to only increase its share capital excluding the subscription rights of the Bidder's shareholders insofar as the aggregate total of shares issued excluding shareholders' subscription rights on the basis of the Bidder's Authorized Capital 2021 does not exceed an arithmetic share of 10% of the Bidder's share capital either at the time at which the Bidder's Authorized Capital 2021 takes effect or at the time at which the Bidder's Authorized Capital 2021 is utilized. The aggregate total in the previous sentence also includes other shares of the Bidder sold or issued excluding subscription rights during the term of the Bidder's Authorized Capital 2021 or to be issued by the Bidder on the basis of bonds issued excluding subscription rights after 8 July 2021. Pursuant to Section 5.2 of the Offer Document, at the time of the publication of the Offer Document, the Bidder's general partner has not made use of the Authorized Capital 2021 of the Bidder.

### 3.3 Corporate bodies of the Bidder

According to Section 5.4 of the Offer Document, the corporate structure of the Bidder is as follows:



The Bidder's general partner is HORNBAACH Management AG, a stock corporation established under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (*Amtsgericht*) of Landau (Pfalz), with registered business address at Hornbachstr. 11, 76879 Bornheim ("**HORNBAACH Management**").

The Management Board of HORNBAACH Management consists of the following members:

- Albrecht Hornbach (Chairman of the Management Board), and
- Karin Dohm (CFO).

The Supervisory Board of HORNBAACH Management consists of the following members

- Dr. John Feldmann (Chairman),
- Melanie Thomann-Bopp (Vice Chairwoman),
- Albert Hornbach,
- Arnulf Hornbach,
- Johann Hornbach,
- Simone Krah,
- Maria Olivier,
- Prof. Dr.-Ing. Jens P. Wulfsberg, and
- Dr. Susanne Wulfsberg.

The Supervisory Board of the Bidder consists of the following members

- Dr. John Feldmann (Chairman),
- Martin Hornbach (Vice Chairman),
- Simone Krah,
- Simona Scarpaleggia,
- Melanie Thomann-Bopp, and
- Prof. Dr.-Ing. Jens P. Wulfsberg.

### 3.4 **Corporate structure of the Bidder**

According to information in Section 5.5 of the Offer Document, the corporate structure of the Bidder is as follows:

Based on the notifications of voting rights pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) received by HORNBAACH Holding by the time of publication of the Offer Document and the information that Hornbach Familien-Treuhandgesellschaft mit beschränkter Haftung provided to HORNBAACH Holding with regard to its current shareholding, the shareholders listed in the following table directly or indirectly hold more

than 3% of the voting rights in HORNBAACH Holding. Please note that the most recently reported number of voting rights may have changed since these notifications of voting rights without the relevant shareholder being obliged to deliver a new notification of voting rights, if no notifiable thresholds were reached, exceeded or exceeded.

<b>Shareholders</b>	<b>Voting rights</b>	<b>%</b>
Hornbach Familien-Treuhandgesellschaft mit beschränkter Haftung <sup>1</sup> .....	6,000,000	37.50
Finda Oy <sup>2</sup> .....	1,610,293	10.06
M&G Plc <sup>3</sup> .....	1,083,619	6.77
Free float.....	7,306,088	45.67
<b>Total.....</b>	<b>16,000,000</b>	<b>100.00</b>

<sup>1</sup> Including voting rights from the shares of Hornbach family members, exercised by Hornbach Familien-Treuhandgesellschaft mit beschränkter Haftung. These include voting rights from 859,526 of 974,208 shares in total held by Mrs. Gertraud Luise Hornbach, according to the notification of voting rights dated 19 October 2015.

<sup>2</sup> Direct participating interest pursuant to notification of voting rights dated 7 July 2021.

<sup>3</sup> Indirect participating interest pursuant to notification of voting rights dated 1 April 2021.

### 3.5 Overview of the business activities of the Bidder

According to Section 5.3 of the Offer Document, the business activities of the Bidder are as follows:

HORNBAACH Holding is the parent company of the HORNBAACH Group. It does not carry out operational activities itself but owns a number of important participating interests.

By far the most important operational participating interest is HORNBAACH BAUMARKT. This company operates DIY and garden stores in Germany and abroad (for further details of the business activities of the HORNBAACH BAUMARKT Group, please see Section 7.3 of the Offer Document or Section 2.6 of this Statement).

HORNBAACH Baustoff Union GmbH covers further activities in the regional over-the-counter builders' merchant and construction materials business. Its customers are largely professionals.

HORNBAACH Immobilien AG develops retail real estate and rents this out largely to the HORNBAACH BAUMARKT Group's operational companies.

As of 30 November 2021, the HORNBAACH Group had 24,151 employees.

### 3.6 Persons acting in concert with the Bidder

With regard to persons acting jointly with the Bidder, the Offer Document contains the following statements under Section 5.6:

Pursuant to Section 2 para. 5 Sentence 3 WpÜG, the persons acting jointly with the Bidder include HORNBAACH Management and Hornbach Familien-Treuhandgesellschaft mit beschränkter Haftung, which holds all shares in HORNBAACH Management (together the ("**Bidder Parent Companies**") as well as the subsidiaries of the Bidder listed in Section 2 of Annex 1 to the Offer Document ("**Bidder Subsidiaries**") to the persons acting in concert with the Bidder.

According to the Offer Document, there are no other persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG at the time of its publication.

### 3.7 **HORNBACH BAUMARKT Shares currently held by the Bidder or by persons acting jointly with the Bidder and their subsidiaries, attribution of voting rights**

According to Section 5.7 of the Offer Document, the Bidder directly held 24,533,245 HORN-BACH BAUMARKT Shares at the time of publication of the Offer Document, corresponding to around 77.13% of the share capital and voting rights of the Target Company. The voting rights attached to the HORN-BACH BAUMARKT shares held by the Bidder are attributable to the Bidder parent companies pursuant to Section 30 para. 1 sentence 1 No. 1, sentence 3 WpÜG.

In addition, at the time of publication of the Offer Document, the Target Company holds 190 HORN-BACH BAUMARKT Shares as own shares to which no voting or dividend rights are attached. Accordingly, no voting rights from these shares are attributable to the Bidder Parent Companies pursuant Section 30 para. 1, Sentence 1, no. 1, Sentence 3 WpÜG.

Furthermore, at the time of publication of the Offer Document, the Bidder, the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG or their subsidiaries do not hold HORN-BACH BAUMARKT Shares nor are any further voting rights from HORN-BACH BAUMARKT Shares attributed to them pursuant to Section 30 WpÜG.

The Bidder, the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG or their subsidiaries do not directly or indirectly hold any instruments relating to voting rights in the Target Company which would have to be notified pursuant to Sections 38, 39 WpHG.

### 3.8 **Information about securities transactions**

#### (a) Pre-acquisitions

According to Section 6.1 of the Offer Document, apart from the transactions described below, neither the Bidder nor the persons acting jointly with it or their subsidiaries have acquired any HORN-BACH BAUMARKT Shares on the stock exchange or over the counter in the period beginning six months prior to the Publication of the Decision to make this Delisting Tender Offer on 20 December 2021 and ending when the Offer Document was published on 14 January 2022.

The Bidder has acquired a total of 248,183 HORN-BACH BAUMARKT Shares (this corresponding to around 0.78% of the share capital and voting rights of HORN-BACH BAUMARKT) in the period from 20 December 2021 to 11 January 2022 (the ("**Pre-Acquisitions as from 20 December 2021**").

<b>Date (trading day)</b>	<b>Number of HORNBACH BAUMARKT Shares acquired</b>	<b>Highest purchase price per HORNBACH BAUMARKT Share in EUR</b>
20 December 2021	71,335	47.50
21 December 2021	38,938	47.50
22 December 2021	65,272	47.50
23 December 2021	23,386	47.50
27 December 2021	22,169	47.50
28 December 2021	7,886	47.50

10 January 2022	15,157	47.50
11 January 2022	4,040	47.50
<b>Total / highest purchase price</b>	<b>248,183</b>	<b>47.50</b>

As part of its share buyback program resolved upon and announced on 26 July 2021 ("**Share Buyback Program**") HORNBACH BAUMARKT acquired a total of 47,530 HORNBACH BAUMARKT Shares (around 0.15% of HORNBACH BAUMARKT's share capital and voting rights) on the stock exchange between 9 and 13 August 2021, 16 and 18 August 2021, and 15 and 18 November 2021. The buyback was undertaken in order to issue Employee Shares under HORNBACH BAUMARKT's employee share program, as regularly the case. Almost all of the HORNBACH BAUMARKT Shares thus acquired were issued to employees of HORNBACH BAUMARKT. As the delivery of 190 HORNBACH BAUMARKT Shares could technically not be settled, the relevant purchase agreements were unwound and the purchase price was repaid to the respective employees. The Target Company holds these 190 HORNBACH BAUMARKT Shares as own shares.

<b>Date (trading day)</b>	<b>Number of HORNBACH BAUMARKT Shares acquired</b>	<b>Highest purchase price per HORNBACH BAUMARKT Share in EUR</b>
9 August 2021	2,500	34.75
10 August 2021	6,500	34.75
11 August 2021	2,000	34.35
12 August 2021	5,544	34.60
13 August 2021	6,500	34.35
16 August 2021	6,000	34.15
17 August 2021	3,014	34.15
18 August 2021	2,942	34.30
15 November 2021	2,763	38.85
16 November 2021	4,000	38.60
17 November 2021	2,762	38.55
18 November 2021	3,005	39.40
<b>Total number / highest purchase price</b>	<b>47,530</b>	<b>39.40</b>

- (b) Agreements on the basis of which the transfer of ownership of HORNBACH BAUMARKT Shares may be requested

According to Section 6.2 of the Offer Document, the Bidder, the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG or their subsidiaries have not conclude any agreements on the acquisition of HORNBACH BAUMARKT Shares in the period beginning six months prior to the publication of the decision to submit this Delisting Tender Offer on 20 December 2021 and ending with the publication of the Offer Document on 14 January 2022, on the basis of which the transfer of ownership of HORNBACH BAUMARKT Shares can be requested.

- (c) Reservation regarding future acquisitions of HORNBACH BAUMARKT Shares and parallel acquisitions

According to Section 6.3 of the Offer Document, the Bidder reserves the right, to the extent permitted by law, to directly or indirectly acquire further HORNBACH BAUMARKT Shares outside the Delisting Tender Offer on the stock exchange or over the counter, and to enter into agreements regarding such acquisitions. To the extent required under the laws of the Federal Republic of Germany, the United States or any other relevant jurisdiction, details of any such acquisitions or agreements to acquire shares will be published in accordance with the applicable provisions, particularly Section 23 para. 2 WpÜG in conjunction with Section 14 para. 3, Sentence 1 WpÜG. The relevant information and a non-binding English translation will be published online at [www.pluto-offer.com](http://www.pluto-offer.com).

#### **4. BACKGROUND TO THE DELISTING TENDER OFFER**

##### **4.1 Economic and strategic background of the Delisting Acquisition Offer in combination with the Delisting**

According to Section 9.1 of the Offer Document, the Bidder aims with the Delisting Acquisition Offer to improve the capital market presence of the HORNBACH BAUMARKT Group and to eliminate inefficiencies in the existing structure.

The shares in HORNBACH BAUMARKT were listed separately by HORNBACH Holding after the IPO in 1993 in order to promote the international development of the HORNBACH Group. According to the Bidder, the business activities of the HORNBACH Group have in the meantime outgrown its current capital structure with two listed companies, meaning that the separate listing of HORNBACH BAUMARKT no longer makes sense for the HORNBACH Group as a whole.

The low number of shares in HORNBACH BAUMARKT in free float results in low liquidity of the HORNBACH BAUMARKT Share on the market, which does not adequately reflect the enterprise value of HORNBACH BAUMARKT according to the Bidder. In the opinion of the Bidder, separate access of HORNBACH BAUMARKT to the equity capital market is not necessary since sufficient capitalization of HORNBACH BAUMARKT can be ensured through the financing options and funds of HORNBACH Holding as a listed company.

At the same time, the Delisting, which is consistent with the expectations expressed by the shareholders of HORNBACH Holding and analysts as well as the general market trend of simplifying listing structures, would permanently strengthen the capital market profile of the HORNBACH Group as a listed entity with a clear equity story and have a positive effect on the liquidity and valuation of the shares in the bid. This would improve HORNBACH Holding's possibilities of raising equity capital, which would also benefit HORNBACH BAUMARKT indirectly.

The Delisting would also reduce the complexity of the legal and regulatory requirements for HORNBACH BAUMARKT and free up management capacities so that HORNBACH BAUMARKT's management could focus entirely on the implementation of the strategy and on the operational business. According to the Bidder, focusing on the listing of HORNBACH Holding will also promote sustainable growth of the HORNBACH Group and enable it to continue to acquire market shares throughout Europe in a structurally growing market.

Finally, in the opinion of the Bidder, the Delisting Tender Offer gives the HORNBACH BAUMARKT Shareholders – at an extremely attractive price – an immediate disinvestment option that is independent of liquidity. Moreover, they can profit from the future value creation potential of the HORNBACH Group by reinvesting the proceeds from the sale of their HORNBACH BAUMARKT Shares in shares in HORNBACH Holding.

## 4.2 Requirements for a Delisting

In order to have the HORNBACH BAUMARKT Shares delisted, the Management Board of the Target Company must file an application for all HORNBACH BAUMARKT Shares' admission to trading on the regulated market of the Frankfurt Stock Exchange to be revoked in accordance with Section 39 para. 2 Sentence 1 BörsG at the end of the Acceptance Period. Subject to the Conditions of Reservation specified below and insofar as permissible under applicable law, the Management Board has undertaken in the Delisting Agreement (as defined in Section 4.3 of this Statement and under Section 9.3 of the Offer Document) to support a Delisting and to file an application for all HORNBACH BAUMARKT Shares' admission to trading on the regulated market at the Frankfurt Stock Exchange to be revoked. Pursuant to Section 39 para. 2 Sentence 3 No. 1 BörsG, the revocation of the admission of shares to trading on a regulated market is only legally permissible if a delisting tender offer pursuant to the WpÜG is simultaneously published for all remaining shareholders of the company. Without the Delisting Tender Offer, the Management Board of the Target Company cannot apply for delisting.

## 4.3 Delisting Agreement

On 20 December 2021, the Bidder and the Target Company entered into an agreement in which the Bidder and the Target Company recorded their mutual understanding in relation to the reasons for the Delisting and agreed on the timetable and certain terms and conditions of the Delisting. Subject to the conditions of reservation contained therein, the management board of the Target Company undertook in the Delisting Agreement to support a Delisting and to file the Delisting Application no later than seven (7) working days prior to the expiry of the Acceptance Period. Further, the Bidder and the Target Company have agreed to use their best efforts to take, without undue delay, all reasonable steps to effectuate the Delisting as soon as possible following the submission of the Delisting Application.

In addition, the Target Company has undertaken, following the submission of the Delisting Application, to take all reasonable steps and measures to end the inclusion of the HORNBACH BAUMARKT Shares in trading on the open market of a stock exchange or a multi-lateral trading facility ("**MTF**") or organized trading facility ("**OTF**") within the meaning of the MAR if this inclusion was originally arranged by the Target Company.

All obligations of the Target Company and its governing bodies according to the Delisting Agreement are subject to their conformity with their respective fiduciary duties, including the so-called business judgement rule (see Sections 93 para. 1, Sentence 2 and 116, Sentence 1 AktG).

The Delisting Agreement has a fixed term expiring on 29 February 2024 and provides for customary termination rights.

## 5. INFORMATION ABOUT THE OFFER

### 5.1 Authoritative nature of the Offer Document

Some selected information from the Bidder's Offer which the Management Board and Supervisory Board consider to be significant for the purposes of this Statement is presented below. For further information and details (in particular with regard to the acceptance periods, acceptance modalities and rights of rescission), HORNBACH BAUMARKT Shareholders are referred to the statements in the Offer Document. The following information merely summarizes information contained in the offer document. The description of the Offer in this Statement does not claim to be complete. Only the provisions of the Offer Document are authoritative with regard to the content and execution of the offer. It is the responsibility

of each HORNBAACH BAUMARKT Shareholder to take note of the Offer Document and to take the necessary measures. According to the Bidder, the Offer Document can be accessed in German and as a non-binding English translation at [www.pluto-offer.com](http://www.pluto-offer.com) and will be kept available for distribution free of charge at Deutsche Bank Aktiengesellschaft, TAS, Post IPO Services, Taunusanlage 12, 60325 Frankfurt am Main, Germany (requests for the Offer Document to be sent by fax to +49 69 9103 8794 or by e-mail to [dct.tender-offers@db.com](mailto:dct.tender-offers@db.com), providing a valid postal address).

## 5.2 Implementation of the Offer

The Offer is being made by the Bidder in the form of a public Delisting Tender Offer (cash offer) for the acquisition of all HORNBAACH BAUMARKT Shares not directly held by the Bidder pursuant to Sections 10 et seq. WpÜG in conjunction with Section 39 para. 2 BörsG. The Offer is being executed as a public Delisting Tender Offer in accordance with the laws of the Federal Republic of Germany, in particular the Stock Exchange Act (*BörsG*), the Securities Acquisition and Takeover Act (*WpÜG*) and the Regulation on the Content of the Offer Document, the Consideration to be granted in Takeover Offers and Mandatory Takeover Offers and the Exemption from the Obligation to Publish and Launch an Offer (the WpÜG Offer Regulation), as well as certain applicable securities law provisions of the United States and Canada.

The Management Board and the Supervisory Board have not conducted their own review of the Offer with regard to compliance with the relevant statutory provisions.

## 5.3 Offer Price and Acceptance Period

### (a) Offer Price

Subject to the provisions in the Offer Document, the Bidder offers to acquire all HORNBAACH BAUMARKT Shares (ISIN DE0006084403) with a proportionate notional amount of the share capital of EUR 3.00 per HORNBAACH BAUMARKT Share, including all ancillary rights existing at the time of settlement of the Offer, in particular the dividend subscription right, for a cash consideration of

**EUR47.50 per HORNBAACH BAUMARKT Share (Offer Price).**

### (b) Acceptance Period

The period for accepting of the Delisting Tender Offer commenced with the publication of the Offer Document on 14 January 2022 and ends on 22 February 2022, 24:00 hours (local time Frankfurt am Main, Germany) / 18:00 hours (local time New York).

Pursuant to Section 4.2 of the Offer Document, according to the provisions of the WpÜG, the period for accepting the Delisting Tender Offer is extended automatically as follows in the following circumstances:

- If the Delisting Tender Offer is revised pursuant to Section 21 WpÜG within the two weeks immediately prior to the expiry of the period for accepting the Delisting Tender Offer (please refer to Section 4.1 of the Offer Document), the period for accepting the Delisting Tender Offer will be extended by two weeks (Section 21 para. 5, Sentence 1 WpÜG) and would thus end on 8 March 2022, 24:00 hrs (Frankfurt am Main (Germany) local time) / 18:00 hrs (New York local time). Such an extension applies even if the revised Delisting Tender Offer contravenes the law. The Bidder shall publish any

revision of the Delisting Tender Offer (including any extension to the Acceptance Period) pursuant to Section 14 para. 3, Sentence 1 WpÜG.

- If, in the event that a competing offer within the meaning of Section 22 para. 1 WpÜG is made, the period for accepting the Delisting Tender Offer expires prior to the expiry of the acceptance period for the competing offer, the date on which the acceptance period for the competing offer expires will determine the date on which the period for accepting the Delisting Tender Offer expires (Section 22 para. 2, Sentence 1 WpÜG). This applies even if the competing offer is revised or is prohibited or contravenes the law.
- If a general meeting of the Target Company is convened in connection with the Delisting Tender Offer after publication of the Offer Document, then without prejudice to Sections 21 para. 5, 22 para. 2 WpÜG, the Acceptance Period will be ten weeks from the date of publication of the Offer Document (Section 16 para. 3, Sentence 1 WpÜG) and would thus end on 25 March 2022, 24:00 hrs (Frankfurt am Main (Germany) local time) / 18:00 hrs (New York local time).

The period for accepting the Delisting Tender Offer, including all extensions of this period pursuant to the WpÜG, is referred to below as the "**Acceptance Period**".

With regard to the right of rescission in case the Delisting Tender Offer is revised or a competing offer is made, please refer to the remarks in Section 16 of the Offer Document.

(c) **Further acceptance period**

According to Point 4.2 of the Offer Document, there will be no further acceptance period pursuant to Section 16 para. 2 WpÜG which would allow HORNBAACH BAUMARKT Shareholders to accept the Delisting Acquisition Offer within two weeks of the expiry of the Acceptance Period.

5.4 **No offer conditions**

According to Section 8 of the Offer Document, the Offer constitutes a public delisting offer pursuant to Section 39 para. 2 Sentence 3 No. 1 BörsG and may not be subject to any execution conditions pursuant to Section 39 para. 3 Sentence 1 BörsG. The agreements concluded between the Bidder and the accepting HORNBAACH BAUMARKT Shareholders are therefore not subject to any offer conditions.

5.5 **Regulatory approvals and procedures**

According to Section 8 of the Offer Document, the execution of the Delisting Tender Offer does not require any regulatory approval.

5.6 **Approval of the publication of the Offer Document by BaFin**

According to Section 8 of the Offer Document, BaFin permitted the publication of the Offer Document on 14 January 2022.

5.7 **Acceptance and settlement of the Offer**

Section 15 of the Offer Document describes the acceptance and technical execution of the Offer, including the legal consequences of acceptance (Section 15.4 of the Offer Document).



Pursuant to Section 15.2 of the Offer Document, HORNBAACH BAUMARKT Shareholders may only accept the Offer by declaring their acceptance to their respective custodian bank ("**Custodian Bank**") in text form within the acceptance period (the "**Notice of Acceptance**"), whereby the Custodian Bank's receipt of the Notice of Acceptance shall determine whether the Acceptance Period has been complied with.

Furthermore, the HORNBAACH BAUMARKT Shareholders must instruct their custodian bank to arrange for the timely transfer of the HORNBAACH BAUMARKT shares in their custody account for which they wish to accept the Delisting Tender Offer to ISIN DE000A3MQC39 at Clearstream either themselves or via their transaction bank acting on their behalf or, in the case of foreign custodian banks, via the account holder acting for them as intermediate custodian at Clearstream (Custodian) - in the case of foreign custodian banks - via the account holder acting as intermediate custodian for them at Clearstream (Custodian) (the shares specified in the Declarations of Acceptance of HORNBAACH BAUMARKT Shareholders which have been transferred to ISIN DE000A3MQC39 at Clearstream also ("**HORNBAACH BAUMARKT Shares Tendered for Sale**"). According to the Bidder, the acceptance of the Delisting Tender Offer will only become effective once the HORNBAACH BAUMARKT Shares specified in the Acceptance Declarations of the HORNBAACH BAUMARKT Shareholders have been rebooked into ISIN DE000A3MQC39 at Clearstream in due time. The transfer of the HORNBAACH BAUMARKT Shares specified in the acceptance declarations of the HORNBAACH BAUMARKT Shareholders to ISIN DE000A3MQC39 will be arranged by the Custodian Bank without delay following receipt of the acceptance declaration. If the declaration of acceptance has been submitted to the Custodian Bank within the acceptance period, the transfer of the HORNBAACH BAUMARKT Shares specified in the declaration of acceptance to ISIN DE000A3MQC39 shall be deemed to have been made in good time if it has been effected by 18:00 hours (local time Frankfurt am Main, Germany) / 12:00 hours (local time New York) on the second banking day (as defined in Section 1.2) following expiry of the acceptance period.

Declarations of Acceptance which are not received by the respective Custodian Bank within the Acceptance Period or which are incorrectly or incompletely completed shall not be deemed to constitute acceptance of the Delisting Acquisition Offer and shall not entitle the respective HORNBAACH BAUMARKT Shareholder to receive the consideration. Neither the Bidder nor Deutsche Bank Aktiengesellschaft are obliged to notify the respective HORNBAACH BAUMARKT Shareholders of any defects or errors in the Declaration of Acceptance and are not subject to any liability in the event that such notification is not made.

Finally, the Bidder points out in Section 15.2 of the Offer Document that HORNBAACH BAUMARKT Shareholders wishing to accept the Offer should contact their Custodian Bank with any questions regarding technical aspects of the acceptance and execution of the Offer. According to the Bidder, the custodian banks have been informed separately about the handling of the acceptance and execution of the Offer and are required to inform customers holding HORNBAACH BAUMARKT Shares in their securities accounts about the Delisting Tender Offer and the steps required for its acceptance.

Pursuant to Section 15.5 of the Offer Document, the Delisting Tender Offer will be settled by payment of the Offer Price to the account of the respective Custodian Bank at Clearstream concurrently with the transfer of the Tendered HORNBAACH BAUMARKT Shares to the account of Deutsche Bank Aktiengesellschaft, as central settlement agent, at Clearstream for the purpose of effecting the transfer of ownership of the Tendered HORNBAACH BAUMARKT Shares to the Bidder.

Payment of the Offer Price is expected to be made on the fifth, but no later than on the eighth banking day after the expiry of the Acceptance Period. Upon crediting the Offer Price

to the respective Custodian Bank, the Bidder has fulfilled its obligation to pay the Offer Price. It is the responsibility of the Custodian Banks to credit the Offer Price to the shareholders.

#### 5.8 **No Stock Exchange Trading in HORNBAACH BAUMARKT Shares Tendered for Sale**

In Section 15.6 of the Offer Document, the Bidder points out that no application will be filed to include the Tendered HORNBAACH BAUMARKT Shares Tendered for Sale in the trading on the regulated market of the Frankfurt Stock Exchange or any other securities exchange. The HORNBAACH BAUMARKT Shares that were not tendered for acquisition in the context of the Delisting Tender Offer may, however, continue to be traded under ISIN DE0006084403 on the regulated market of the Frankfurt Stock Exchange and on the open market until the delisting takes effect.

### 6. **TYPE AND AMOUNT OF CONSIDERATION OFFERED**

#### 6.1 **Type and amount of consideration**

The Offer of the Bidder is a public Delisting Tender Offer which exclusively provides for a cash consideration. Statutory minimum price rules apply to this. No consideration in the form of liquid shares is provided for.

The Bidder offers an Offer Price of EUR 47.50 per HORNBAACH BAUMARKT Share.

The Offer Price includes all ancillary rights existing at the time of completion of the Offer, in particular the dividend subscription right.

#### 6.2 **Minimum bid price according to WpÜG**

Insofar as the Management Board and the Supervisory Board are able to assess this on the basis of the information available to them, the offer price of EUR 47.50 per HORNBAACH BAUMARKT Share fulfills the minimum price requirements pursuant to Section 39 para. 3 Sentence 2 BörsG, Section 31 para. 1, para. 2 and para. 7 WpÜG in conjunction with Sections 4 and 5 WpÜG Offer Regulation ("**WpÜG Offer Regulation**"):

- (a) Pursuant to Section 39 para. 3 Sentence 2 BörsG and Section 31 para. 1, para. 2 and para. 7 WpÜG in conjunction with Section 4 and 5 WpÜG Offer Regulation (WpÜG Offer Regulation), the offer consideration must consist of a cash payment in euros and must correspond at least to the weighted average domestic stock exchange price of the HORNBAACH BAUMARKT Share during the last six months prior to publication of the decision to submit the offer pursuant to Section 10 (1) Sentence 1 WpÜG on 20 December 2021 ("**Six-Month Average Price**"). Pursuant to Section 11.2 of the Offer Document, the Six-Month Average Price notified by BaFin for the reference date 19 December 2021 amounts to EUR 36.73. According to Point 11.2 of the Offer Document, the Offer Price of EUR 47.50 per HORNBAACH BAUMARKT Share thus includes a premium of EUR 10.77 or around 29.3% above the Six-Month Average Price.
- (b) Pursuant to Section 4 WpÜG Offer Regulation in conjunction with Section 39 para. 3 Sentence 2 WpÜG, as well as Section 31 para. 1, 2 and 7 WpÜG, the Offer Price must be at least equal to the value of the highest consideration granted or agreed by the Bidder, any person acting in concert with it within the meaning of Section 2 para. 5 WpÜG or its subsidiaries for the acquisition of shares in the Target Company within the last six months prior to the publication of the Offer Document on 14 January 2022.

According to Sections 11.3 and 6.1 of the Offer Document, the highest consideration granted or agreed by the Bidder, any person acting in concert with it within the meaning of Section 2 para. 5 WpÜG or its subsidiaries in the relevant six-month period prior to the publication of the Offer Document on 14 January 2022 amounts to EUR 47.50 and thus corresponds to the Offer Price.

### 6.3 Valuation of the consideration

The Management Board and Supervisory Board have carefully analyzed and assessed the appropriateness of the consideration offered for the HORNBACH BAUMARKT Shares from a financial perspective. This was based on the current strategy and financial planning of the company, the price of HORNBACH BAUMARKT Shares prior to the announcement of the decision to submit the Delisting Tender Offer on 20 December 2021, the historical performance of HORNBACH BAUMARKT Shares, taking due account of certain other assumptions and information (including the current geopolitical and macroeconomic situation).

For the valuation of the consideration, the Management Board has appointed UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany ("**Unicredit**") to provide a fairness opinion in relation to the consideration offered for HORNBACH BAUMARKT Shares.

The Management Board and the Supervisory Board expressly point out that their assessment of the adequacy of the consideration has been made independently of each other.

#### (a) Comparison with historical stock exchange prices

The HORNBACH BAUMARKT Shares have a functioning stock exchange trading with a sufficient free float and trading volume. In the opinion of the Management Board and Supervisory Board, the historical stock exchange prices of the HORNBACH BAUMARKT Share therefore represent a suitable basis for assessing the appropriateness of the Offer Price.

According to Sections 11.2 of the Offer Document, the weighted average domestic stock exchange price of HORNBACH BAUMARKT Shares reported by BaFin during the last six months prior to the publication of the decision to submit the Delisting Tender Offer amounted to EUR 36.73 per HORNBACH BAUMARKT Share at the reporting date on 19 December 2021. The Offer Price of EUR per 47.50 HORNBACH BAUMARKT Share exceeds this by EUR10.77 or around 29.3%.

The Offer Price of EUR 47.50 includes the following premiums in relation to the stock exchange price of the HORNBACH BAUMARKT Share immediately prior to the announcement of the Offer on 20 December 2021:

- On 17 December 2021, the last trading day prior to the publication of the decision to submit an offer pursuant to Section 10 para. 1 Sentence 1 WpÜG, the stock market price (XETRA closing price) amounted to EUR 41.75 per HORNBACH BAUMARKT Share. Based on this stock market price, the Offer Price of EUR 47.50 includes a premium of EUR 5.75 or 13.8%.
- The volume-weighted average stock market price during the past three months up to 17 December 2021 (inclusive), the last trading day prior to the publication of the decision to submit an offer pursuant to Section 10 para. 1 Sentence 1 WpÜG, amounted to around EUR per 38.35 HORNBACH BAUMARKT Share. Based on this average stock market price, the Offer price of EUR 47.50 includes a premium of EUR 9.15 or around 23.9%.

- The volume-weighted average stock market price during the past six months up to 17 December 2021 (inclusive), the last trading day prior to the publication of the decision to submit an offer pursuant to Section 10 para. 1 Sentence 1 WpÜG, amounted to EUR 36.72 per HORNBACH BAUMARKT Share. Based on this average stock market price, the Offer price of EUR 47.50 includes a premium of EUR 10.78 or 29.4%.
- The volume-weighted average stock market price during the past twelve months up to 17 December 2021 (inclusive), the last trading day prior to the publication of the decision to submit an offer pursuant to Section 10 para. 1 Sentence 1 WpÜG, amounted to EUR 36.13 per HORNBACH BAUMARKT Share. Based on this average stock market price, the Offer Price of EUR 47.50 includes a premium of EUR 11.37 or 31.5%.
- At a price of EUR 47.50 the Offer Price is higher than any previous closing price of the HORNBACH BAUMARKT Share in the last 52 weeks trading days up to 17 December 2021 (inclusive), the last trading day prior to publication of the decision to submit an offer pursuant to Section 10 para. 1 Sentence 1 WpÜG.

The comparisons presented with historical stock exchange prices show that the Offer Price exceeds the valuation of the HORNBACH BAUMARKT Share by the capital market. The Offer Price includes an adequate takeover premium compared with similar transactions in the German market.

(b) **Valuation based on fundamental values**

As part of the preparation of this Statement, Management Board and Supervisory Board performed valuation analyses using multiplier methods and capital value-oriented methods (discounted cash flow).

(i) **Multiplier Method**

Multiplier methods relate sales or earnings figures to market capitalization (equity value) or total enterprise value (enterprise value). They are based on a comparison with a peer group of comparable listed companies (trading multiples) or comparable M&A transactions realized on the market (transaction multiples).

Within the framework of consideration of trading multiples on the basis of a peer group, enterprise value/EBITDA and equity value/net income (or price/earnings) were analyzed. The valuation considerations using the multiplier method were carried out on a forward-looking basis for the 2022/23E financial year. The valuation was based on HORNBACH BAUMARKT's medium-term planning. The offer price of EUR 47.50 per HORNBACH BAUMARKT Share is within the valuation range determined.

Due to the limited data availability and the strong influence of individual parameters (such as individual interests of the transaction partners and process dynamics in sales processes), a multiplier on the basis of similar transactions in the sector are in the opinion of the Management Board and the Supervisory Board not relevant for the valuation of the offer consideration.

(ii) **Discounted Cash-Flow**

Management Board and Supervisory Board have performed a present value analysis of the expected future free cash flows. The discounted cash flow method was used for this purpose. The Offer Price of EUR 47.50 per HORN-BACH BAUMARKT Share is within the valuation range determined.

(iii) **Appreciation of the valuation analyses performed**

The valuation analysis of Management Board and Supervisory Board have the following results:

- In the valuation analysis based on trading multiples of a peer group, the Offer Price of EUR 47.50 lies within the range determined.
- In the valuation analysis based on the basis of a discounted cash flow analysis, the Offer Price of EUR 47.50 lies within the range determined.

The respective valuation analysis and assessments mirror only the theoretical determination of the value and make no statement on the possible realization on the market.

(c) **Fairness Opinion of UniCredit**

The Management Board and Supervisory Board of HORN-BACH BAUMARKT have commissioned UniCredit to provide a written opinion on the appropriateness of the Offer Price of EUR 47.50 per HORN-BACH BAUMARKT Share. UniCredit prepared this written opinion on 21 January 2022 (the "**Fairness Opinion**") and explained the analyses performed and the resulting conclusions to the Management Board and Supervisory Board on 21 January 2022.

In the Fairness Opinion, UniCredit concludes that, subject to the assumptions contained therein, the Offer Price of EUR 47.50 per HORN-BACH BAUMARKT Share on the date of issue of the Fairness Opinion, i.e. on 21 January 2022, is appropriate from a financial perspective for the shareholders of HORN-BACH BAUMARKT. The part of the Fairness Opinion intended for publication is attached to this Statement as Annex 2.

The Management Board and Supervisory Board point out that the Fairness Opinion has been provided solely for the information and assistance of the Management Board and Supervisory Board in connection with the examination of the consideration. It is not addressed to third parties (in particular not to the shareholders of HORN-BACH BAUMARKT), is not intended to protect third parties and does not establish any third-party rights. No contractual relationship is established between UniCredit and third parties in connection with the Fairness Opinion. Neither the Fairness Opinion nor the underlying mandate agreement between UniCredit and HORN-BACH BAUMARKT has any protective effect for third parties or results in the inclusion of third parties in their respective scope of protection. The Fairness Opinion does not constitute a recommendation on the part of UniCredit to HORN-BACH BAUMARKT Shareholders to accept or not to accept the takeover bid. UniCredit's consent to attach its Fairness Opinion to this Opinion does not constitute an extension or addition to the group of persons to whom this Fairness Opinion is addressed or who may rely on this Fairness Opinion, nor may it be construed as such.

For the purpose of preparing the Fairness Opinion, UniCredit has undertaken a valuation of HORNBAACH BAUMARKT of the kind typically undertaken by financial advisors in comparable capital market transactions and which appeared appropriate to provide the Management Board and Supervisory Board with a sound basis for assessing the appropriateness of the Offer price from a financial perspective. In doing so, UniCredit has applied a number of factors, assumptions, procedures, limitations and valuations described in the Fairness Opinion. The Management Board and the Supervisory Board further point out that the Fairness Opinion of UniCredit is subject to certain assumptions and reservations and that, in order to understand the investigations underlying the Fairness Opinion and its result, it is necessary to read them in full. UniCredit's Fairness Opinion is based on (in particular, economic, monetary and regulatory) conditions and market conditions as of the date of the Fairness Opinion and the information available to UniCredit as of that date. Developments occurring after that date could have an impact on the assumptions made in preparing the Fairness Opinion and its outcome. UniCredit has no obligation to update, revise or confirm its Fairness Opinion. The Fairness Opinion is not a value opinion as typically provided by auditors. Accordingly, it does not follow the standards for such opinions as set by the Institut der Wirtschaftsprüfer in Deutschland e.V. (for business valuations according to IDW S1; for the preparation of fairness opinions according to IDW S8). A fairness opinion of the kind issued by UniCredit differs in important respects from a company valuation by auditors. Furthermore, UniCredit has not issued an opinion as to whether the terms of the Offer, including the Offer Price, comply with the requirements of the WpÜG. UniCredit will receive compensation from the target company for preparing the fairness opinion in connection with the offer. HORNBAACH BAUMARKT has also agreed to indemnify UniCredit against certain liability risks which may arise in connection with UniCredit's activities for HORNBAACH BAUMARKT. It is noted that UniCredit and UniCredit's affiliates may have had or may have in the past, currently or in the future other business relationships with HORNBAACH BAUMARKT, the direct and indirect shareholders of the Bidder or companies affiliated with them, for which UniCredit has been or will be compensated with fees and reimbursement of expenses. Companies affiliated with UniCredit are also active in the securities trading business, which may result in them acquiring, holding or disposing of securities of any kind of HORNBAACH BAUMARKT, the Bidder or direct and indirect shareholders of the Bidder or companies affiliated with them for their own account or for the account of third parties.

The Management Board and the Supervisory Board expressly point out that they have not carried out their own company valuation based on the guidelines published by the IDW (IDW S1) in order to assess the appropriateness of the Offer Price.

On the basis of their own experience, the Management Board and Supervisory Board of HORNBAACH BAUMARKT have satisfied themselves as to the plausibility and appropriateness of the fairness opinion submitted by UniCredit.

#### 6.4 **Overall assessment of the consideration**

The Management Board and Supervisory Board dealt in detail with the question of the appropriateness of the amount of the consideration offered by the Bidder for the HORNBAACH BAUMARKT Shares. In doing so, they made their own considerations and satisfied themselves as to the plausibility of UniCredit's approach.

In doing so, the Management Board and Supervisory Board took particular account of the following aspects:

- The Offer price includes an adequate premium to historical stock market prices of the HORNBAACH BAUMARKT Share.
  - The Offer price of EUR 47.50 includes a premium of EUR 5.75 or 13.8% on the last trading day prior to the publication of the decision to make an offer pursuant to Section 10 para. 1 Sentence 1 WpÜG.
  - Based on the Six-Month Average Share Price as notified by BaFin, the Offer Price includes a premium of 29.4%.
- The Offer Price includes an adequate takeover premium compared to similar transactions in the German market.
- The Offer Price adequately reflects the value and growth prospects of HORNBAACH BAUMARKT.
- The Offer Price lies within the range determined in the valuation analysis based on trading multiples of a peer group as well as on the basis of a discounted cash flow analysis.
- In its Fairness Opinion, UniCredit concludes that the Offer Price is reasonable from a financial point of view.

In view of the aforementioned aspects and the comments made in Section 5 and the Fairness Opinion, the Management Board and the Supervisory Board are each of the opinion, independently of one another, that the consideration offered by the Bidder of EUR 47.50 per HORNBAACH BAUMARKT Share corresponds to the fair value of the HORNBAACH BAUMARKT Share and is therefore appropriate from a financial perspective within the meaning of Section 39 para. 3 Sentence 2 BörsG in conjunction with Section 31 para. 1 and para. 7 WpÜG and Sections 3 et seq. WpÜG Offer Regulation.

## 7. OFFER FINANCING

Prior to the publication of the Offer Document, the Bidder must take the necessary measures to ensure that the funds required to fully satisfy the Offer are available to it at the time the claim to the consideration becomes due (Section 13 para. 1 Sentence 1 WpÜG). According to the Bidder's statements in Section 12 of the Offer Document, the Bidder has complied with this obligation.

### 7.1 Maximum consideration

According to the calculations of the Bidder in Section 12.1 of the Offer Document, the total amount which the Bidder would require for the completion of the Offer, should the Offer be accepted by all HORNBAACH BAUMARKT Shareholders, amounts to approximately EUR 382.8 million ("**Maximum Financing Requirement**"). This amount is derived from:

- (i) the Offer Price of EUR47.50 per HORNBAACH BAUMARKT Share multiplied by 7,273,755 HORNBAACH BAUMARKT Shares issued at the time of publication of the Offer Document and not already held by the Bidder, plus
- (ii) all other costs and expenses incurred and to be incurred in connection with the preparation and settlement of the Delisting Tender Offer in the amount of up to approximately EUR 37.3 million ("**Transaction Costs**"). The Transaction Costs include real estate transfer taxes of around EUR 30m incurred in the event of a participation threshold of 90% in the share capital of

HORNBACH BAUMARKT being reached and also consist of financing costs and costs for advisors and service providers in connection with the preparation and execution of the Delisting Tender Offer.

## 7.2 Offer financing

According to Section 12.2 of the Offer Document, the Bidder has taken the following measures to secure the financing:

On 3 January 2022, the Bidder entered into a credit agreement with Deutsche Bank Luxembourg S.A. and COMMERZBANK Aktiengesellschaft as lenders, on the basis of which a credit facility of up to EUR 400 million (the "**Bidder Credit Facility**") with an initial interest rate of 0.85% p.a. is available to the Bidder for the purpose of acquiring HORNBACH BAUMARKT Shares in connection with and outside the Delisting Tender Offer. According to the Bidder's statement in the Offer Document, the Bidder has no reason to believe that the conditions for a drawdown under the Credit Facility will not be met at the time of the settlement of the Delisting Tender Offer. The credit agreement underlying the credit facility has neither been terminated, nor, to the Bidder's knowledge, is there any reason for termination.

## 7.3 Confirmation of financing

Pursuant to Section 12.3 of the Offer Document, Deutsche Bank Aktiengesellschaft with its registered office in Frankfurt am Main, Germany, an investment services provider independent of the Bidder, has issued the required financing confirmation pursuant to Section 13 para. 1 Sentence 2 WpÜG, which is attached as Annex 2 to the Offer Document.

## 7.4 Assessment of the financing measures taken by the Bidder

According to the Offer Document, the Bidder has thus taken the necessary measures to ensure that it will have funds available in the amount of the Maximum Financing Requirement at the relevant time. The Management Board and the Supervisory Board consider the measures taken to be both sufficient and in line with market practice and consider the Bidder's assumptions regarding the financing requirements overall to be plausible. The Management Board and the Supervisory Board have no reason to doubt the correctness of the information provided by the Bidder in the Offer Document, the correctness of the financing confirmation of Deutsche Bank Aktiengesellschaft and the availability of the liquidity thus available.

## 8. INTENTIONS OF THE BIDDER AND EXPECTED CONSEQUENCES FOR THE TARGET COMPANY

The intentions of the Bidder and the Bidder Parent Companies (as defined in para. 3.6 defined) with regard to HORNBACH BAUMARKT are presented in Section 10 of the Offer Document and the economic and strategic background of the Delisting Acquisition Offer is presented in Section 9.1 of the Offer Document. The shareholders of HORNBACH BAUMARKT are recommended to carefully read this section of the Offer Document as well. The following presentation, without any claim to completeness, provides an overview of the intentions of the Bidder and the Bidder parent companies set out in the Offer Document and the anticipated consequences for the Target Company, and includes the opinion of the Management Board and Supervisory Board in this respect.



## 8.1 Delisting

### (a) Intentions of the Bidder

According to Section 10.1 of the Offer Document, the Bidder intends to improve the capital market presence of the HORNBACH Group and to eliminate inefficiencies in the existing structure (see Section 4.1).

In this context, the Bidder intends to effect the delisting together with the Target Company and, for this purpose, has entered into the Delisting Agreement with the Target Company, in which the Target Company has undertaken, subject to the Conditions Precedent, inter alia, not to file the delisting application later than seven (7) Business Days prior to the expiry of the Acceptance Period (see Section 4.3).

The Bidder has published the Delisting Tender Offer in order to enable the Target Company to file a delisting application pursuant to Section 39 para. 2 Sentence 3 no. 1 BörsG.

Should the Frankfurt Stock Exchange grant the delisting application, the admission of HORNBACH BAUMARKT Shares to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations on the Frankfurt Stock Exchange (*Prime Standard*) would be revoked. Pursuant to Sect. 46 para. 3 BörsO FWB, a revocation meeting the requirements of Sect. 39 para. 2 Sentence 3 no. 1 or Sect. 39 para. 2 Sentence 3 no. 2 BörsG shall become effective with a period of three trading days after its publication. The revocation shall be published immediately by the Management Board of the Exchange on the Internet ([www.deutsche-boerse.com](http://www.deutsche-boerse.com)) (Section 46 para. 6 BörsO FWB).

The delisting could have the following implications in particular for HORNBACH BAUMARKT Shareholders and HORNBACH BAUMARKT Shares:

- (1) Following the delisting, trading in HORNBACH BAUMARKT Shares will cease on the regulated market of the Frankfurt Stock Exchange and in the sub-segment of the regulated market with additional post-admission obligations (*Prime Standard*) of the Frankfurt Stock Exchange. The HORNBACH BAUMARKT Shares have not been admitted to trading on the regulated market of any other stock exchange in Germany or the European Economic Area and the target company has undertaken in the delisting agreement, among other things, to refrain from applying for admission of the HORNBACH BAUMARKT Shares to trading on the regulated market of any stock exchange. As a result, HORNBACH BAUMARKT Shareholders will no longer be able to trade their HORNBACH BAUMARKT Shares on the regulated market of a securities exchange, which could impair the liquidity of HORNBACH BAUMARKT Shares and lead to price losses.
- (2) The delisting also marks the end of trading in HORNBACH BAUMARKT Shares on the XETRA electronic trading system.
- (3) In the Delisting Agreement, the Target Company has further undertaken (i) to refrain from submitting applications for the admission of HORNBACH BAUMARKT Shares or other securities issued by the Target Company to a regulated market of a stock exchange or from taking measures to effect or support the inclusion of the HORNBACH BAUMARKT Shares in the over-the-counter market of a stock exchange or another MTF or OTF within the

meaning of MAR, unless this is useful or expedient in the interest of both parties to achieve a timely delisting, (ii) as well as to take all reasonable steps and measures to terminate the inclusion of the HORNBAACH BAUMARKT Shares in the Regulated Unofficial Market of a stock exchange or another MTF or OTF within the meaning of MAR, to the extent such inclusion was originally initiated by the Target Company.

- (4) The commencement or execution of the Delisting Tender Offer, the delisting application or the implementation of the delisting could have an adverse impact on the liquidity and stock market price of HORNBAACH BAUMARKT's shares.
- (5) Following the delisting, certain legal provisions, in particular transparency and reporting obligations, are no longer applicable to the target company, the HORNBAACH BAUMARKT shareholders and the HORNBAACH BAUMARKT Shares. These provisions include, among others, Sections 33 et seq. and Sections 48 et seq. WpHG and Sections 48 ff. of the Stock Exchange Rules for the Frankfurt Stock Exchange. This means that the level of protection afforded by the admission of shares to trading on the regulated market of a stock exchange does not apply. As a result of the admission of the HORNBAACH BAUMARKT bond to the regulated market of the Luxembourg Stock Exchange, certain obligations relating to admission to the regulated market will continue to apply following the delisting of the HORNBAACH BAUMARKT Shares.

**(b) Appreciation by the Management Board and Supervisory Board**

Both the Management Board and the Supervisory Board support the intention of the Bidder to implement a delisting of the HORNBAACH BAUMARKT Shares. The Management Board and Supervisory Board expect costs to be reduced in the event of a delisting, especially as a result of the discontinuation of transparency and reporting obligations. The Management Board and the Supervisory Board therefore welcome the intention of the Bidder to create the essential precondition for the delisting by submitting a Delisting Tender Offer. In accordance with the Delisting Agreement and in further coordination with the Bidder, the Management Board and the Supervisory Board will jointly work towards the implementation of the delisting.

**8.2 Economic and strategic background of the offer**

**(a) Intentions of the Bidder**

According to Section 9.1 of the Offer Document, the Bidder intends to improve the capital market presence of the HORNBAACH Group and to eliminate inefficiencies in the existing structure upon successful completion of the Delisting Acquisition Offer.

The shares in HORNBAACH BAUMARKT were listed separately by HORNBAACH Holding after the IPO in 1993 in order to promote the international development of the HORNBAACH Group. According to the Bidder, the business activities of the HORNBAACH Group have in the meantime outgrown its current capital structure with two listed companies, meaning that the separate listing of HORNBAACH BAUMARKT no longer makes sense for the HORNBAACH Group as a whole.

The low number of shares in HORNBAACH BAUMARKT in free float results in low liquidity of the HORNBAACH BAUMARKT Share on the market, which does not

adequately reflect the enterprise value of HORNBACH BAUMARKT according to the Bidder.

In the opinion of the Bidder, separate access of HORNBACH BAUMARKT to the equity capital market is not necessary since sufficient capitalization of HORNBACH BAUMARKT can be ensured through the financing options and funds of HORNBACH Holding as a listed company. At the same time, the Delisting, which is consistent with the expectations expressed by the shareholders of HORNBACH Holding and analysts as well as the general market trend of simplifying listing structures, would permanently strengthen the capital market profile of the HORNBACH Group as a listed entity with a clear equity story and have a positive effect on the liquidity and valuation of the shares in the bidder. This would improve HORNBACH Holding's possibilities of raising equity capital, which would also benefit HORNBACH BAUMARKT indirectly.

The Delisting would also reduce the complexity of the legal and regulatory requirements for HORNBACH BAUMARKT and free up management capacities so that HORNBACH BAUMARKT's management could focus entirely on the implementation of the strategy and on the operational business. According to the Bidder, focusing on the listing of HORNBACH Holding will also promote sustainable growth of the HORNBACH Group and enable it to continue to acquire market shares throughout Europe in a structurally growing market.

Finally, the Delisting Tender Offer gives the HORNBACH BAUMARKT Shareholders – at an extremely attractive price – an immediate disinvestment option that is independent of liquidity. Moreover, they can profit from the future value creation potential of the HORNBACH Group by reinvesting the proceeds from the sale of their HORNBACH BAUMARKT Shares in shares in HORNBACH Holding.

**(b) Appreciation by the Management Board and Supervisory Board**

Based on the reasons presented in detail in Section 8.2 of this Statement, the Management Board and the Supervisory Board have come to the conclusion that the Delisting is in the corporate interest of HORNBACH BAUMARKT. The low free float of shares in HORNBACH BAUMARKT results in a low level of liquidity of the HORNBACH BAUMARKT Share on the market and, in the opinion of the Management Board and Supervisory Board, does not adequately reflect the enterprise value of HORNBACH BAUMARKT. The stock market listing of HORNBACH BAUMARKT therefore does not meet the expectations of the company and its investors. A delisting of the HORNBACH BAUMARKT Share and the resultant focus of investors on the shares of HORNBACH Holding will ultimately also benefit HORNBACH BAUMARKT, as it will profit indirectly from the increase in the value of HORNBACH Holding shares. The higher liquidity in the HORNBACH Holding shares makes it easier for HORNBACH Holding to raise equity, which facilitates the financing of its subsidiary. The company also does not suffer any disadvantage as a result of the discontinuation of access to the equity market, as the financing possibilities and resources of HORNBACH Holding as a publicly listed company are available to it. Moreover, the refinancing structure and thus the creditworthiness of HORNBACH BAUMARKT will not be affected by these steps. Moreover, the use of the capital market in the form of raising further debt capital will not be restricted. Finally, as a result of the Delisting, the company will no longer be subject to post-admission obligations to the same extent. The transparency obligations resulting from the HORNBACH BAUMARKT bond will remain in place. By contrast, the more extensive follow-up obligations resulting from the stock market listing of HORNBACH

BAUMARKT's shares will no longer apply, thus reducing costs and freeing up management capacities. Moreover, the discontinuation of transparency obligations will enable HORNBAACH BAUMARKT to act more flexibly and to focus more closely on implementing its strategy and on its operating business.

### **8.3 Future business activities, assets and future obligations of HORNBAACH BAUMARKT**

#### **(a) Intentions of the Bidder**

According to Section 10.2 of the Offer Document, the Bidder believes that the Target Company is pursuing a successful business strategy. The Delisting Tender Offer seeks to simplify the group structure, and the Delisting will have a positive effect on the HORNBAACH BAUMARKT Group's business activities, in the Bidder's view (see Section 9.1 of the Offer Document). Beyond this, the Bidder is not pursuing any intentions in connection with the Delisting Tender Offer that could affect the business operations of the Target Company or the HORNBAACH BAUMARKT Group's structure. The plan is for the HORNBAACH BAUMARKT Group to continue to exist as a separate group of companies.

According to Section 10.4 of the Offer Document, the Bidder has no intentions regarding the assets of the Target Company or regarding the creation of future obligations.

#### **(b) Appreciation by the Management Board and Supervisory Board**

The Bidder is already the majority shareholder of HORNBAACH BAUMARKT and, as stated in Section 10.2 of the Offer Document, is of the opinion that HORNBAACH BAUMARKT pursues a successful business strategy and that the simplification of the group structure aimed at by the Delisting Acquisition Offer and the Delisting will have a positive impact on the business activities of the HORNBAACH BAUMARKT Group. In particular, it is welcomed that the Bidder recognizes the integrity of the HORNBAACH BAUMARKT Group, its business and its material assets.

The Bidder's efforts to simplify the Group structure through the Offer are also welcomed.

Against this background, the Management Board and the Supervisory Board is of the opinion that the Offer will not impair the operational independence of HORNBAACH BAUMARKT but that, on the contrary, HORNBAACH BAUMARKT will be able to continue its existing business activities and possibly pursue its strategic objectives more rapidly and effectively.

According to the information provided by the Bidder in the Offer Document, the Bidder does not intend to implement the Delisting Tender Offer in a way which could have a negative impact on the future business activities, assets and future obligations of HORNBAACH BAUMARKT.

### **8.4 HORNBAACH BAUMARKT headquarters, location of major parts of the company**

#### **(a) Intentions of the Bidder**

According to Section 10.3 of the Offer Document, the Bidder does not intend to relocate the registered office of the Target Company to another location or to relocate or close locations of significant parts of the HORNBAACH BAUMARKT Group.

(b) **Appreciation by the Management Board and Supervisory Board**

The Management Board and the Supervisory Board welcome the intention of the Bidder not to relocate the registered office of HORNBACH BAUMARKT or to relocate or close locations of significant parts of the HORNBACH BAUMARKT Group.

8.5 **Employees, employee representatives and employment conditions**

(a) **Intentions of the Bidder**

According to its statements in Section 10.5 of the Offer Document, the Bidder does not intend to make any changes with regard to the HORNBACH BAUMARKT Group's employees and their conditions of employment. The Bidder values the know-how and experience of the HORNBACH BAUMARKT Group's employees and intends that they continue to have attractive professional prospects after the Delisting Tender Offer is executed. The Bidder does not intend to make any changes with respect to employee representation within the HORNBACH BAUMARKT Group either.

(b) **Appreciation by the Management Board and Supervisory Board**

Of particular importance to the Management Board and the Supervisory Board are the statements made by the Bidder with regard to the employees of HORNBACH BAUMARKT. The Management Board and the Supervisory Board share the Bidder's view that the know-how and experience of the employees of HORNBACH BAUMARKT form the basis for the current and future success of the company and therefore welcome the Bidder's intention.

The Management Board and the Supervisory Board particularly welcome the fact that the Bidder does not intend to make any changes to the terms and conditions of employment and that the employees of the HORNBACH BAUMARKT Group will continue to have attractive career prospects following the execution of the Delisting Acquisition Offer and that no changes are intended with regard to employee representation within the HORNBACH BAUMARKT Group.

8.6 **Members of the Management Board and Supervisory Board of HORNBACH BAUMARKT**

(a) **Intentions of the Bidder**

According to Section 10.6 of the Offer Document, the current Management Board of HORNBACH BAUMARKT enjoys the full confidence of the Bidder. HORNBACH Holding respects the sole responsibility of the Supervisory Board of HORNBACH BAUMARKT for the personnel composition of the Management Board of HORNBACH BAUMARKT and does not intend to influence its decision. The Management Board of HORNBACH BAUMARKT should continue to manage HORNBACH BAUMARKT independently and on its own responsibility.

The current Supervisory Board of HORNBACH BAUMARKT also enjoys the full confidence of the Bidder. The Bidder does not intend to make any changes to the Supervisory Board of the Target Company.

(b) **Appreciation by the Management Board and Supervisory Board**

The Management Board and the Supervisory Board welcome the statements made by the Bidder with regard to respecting and appointing the members of the

Management Board and the Supervisory Board. In particular, the Management Board and Supervisory Board very much welcome the Bidder's statement that it respects the sole responsibility of the Supervisory Board of HORNBAACH BAUMARKT for the personnel composition of the Management Board of HORNBAACH BAUMARKT and that it does not intend to influence any decision.

The decision of the Bidder that the Management Board of HORNBAACH BAUMARKT should continue to manage HORNBAACH BAUMARKT independently and on its own responsibility is in line with the will of the Management Board and the Supervisory Board. Furthermore, the Management Board and the Supervisory Board also welcome the full confidence expressed by the Bidder in the current Supervisory Board of HORNBAACH BAUMARKT and the fact that the Bidder does not intend to make any changes to the Supervisory Board of the Target Company.

## 8.7 Possible structural measures

### (a) Intentions of the Bidder

According to Section 10.7 of the Offer Document, the Bidder has no intention to perform or enforce any restructuring measures at HORNBAACH BAUMARKT at the time of publication of the Offer Document. After completion of the Delisting Tender Offer, however, the Bidder intends to review the following restructuring measures, subject to the respective majority required being met and taking into account the economic circumstances after completion of the Delisting Tender Offer:

#### aa) Control and profit and loss transfer agreement

Even before the Offer Document is published, the Bidder has the required majority of votes at HORNBAACH BAUMARKT's general meeting to enforce the conclusion of a control and profit/loss transfer agreement between the Bidder as the controlling company and HORNBAACH BAUMARKT as the controlled company pursuant to Section 291 et seq. AktG. At the time of publication of the Offer Document, however, the Bidder does not intend to conclude such control and profit/loss transfer agreement. Rather, the intention is for the management board of HORNBAACH BAUMARKT to continue to be responsible for managing the company independently.

It cannot be wholly ruled out, however, that the Bidder will from time to time review the conclusion of a control and profit/loss transfer agreement in the light of any changes to the economic circumstances that may arise. Such agreement would, inter alia, oblige HORNBAACH Holding (i) to acquire the HORNBAACH BAUMARKT Shares of minority HORNBAACH BAUMARKT Shareholders at their request against a reasonable cash settlement and (ii) to make annual payments to the remaining minority HORNBAACH BAUMARKT Shareholders (compensation payment). The reasonableness of the cash settlement and compensation payment may be subject to judicial review by way of proceedings to assess the adequacy of the compensation offered to minority shareholders. The amount of the reasonable cash settlement could be equivalent to the Offer Price, but it could also be higher or lower.

#### bb) Squeeze-out under stock corporation law or transformation law

The Bidder intends to consider a transfer of the HORNBAACH BAUMARKT Shares held by the remaining HORNBAACH BAUMARKT Shareholders pursuant to Sections 327a et seq. of the German Stock Corporation Act (squeeze-out under stock corporation law), taking into account the circumstances existing in economic terms at that time, if it holds at least 95% of the share capital of the Target Company following

completion of the Delisting Tender Offer. In this case, the annual general meeting of the Target Company would resolve to transfer the HORNBACH BAUMARKT Shares held by the remaining HORNBACH BAUMARKT Shareholders to the bidder as the principal shareholder in return for appropriate cash compensation.

Should at least 90% of the Target Company's share capital belong to the Bidder after completion of the Delisting Tender Offer, the Bidder intends to review a transfer of the HORNBACH BAUMARKT Shares held by the remaining HORNBACH BAUMARKT Shareholders to the Bidder pursuant to Section 62 para. 5 German Transformation Act (*Umwandlungsgesetz*), 327a et seq. AktG, in connection with a merger of the Target Company. In doing so, the Bidder shall take into account the economic circumstances at this time. In this case, the Target Company's general meeting would resolve to transfer the HORNBACH BAUMARKT Shares of the remaining HORNBACH BAUMARKT Shareholders to the Bidder as main shareholder against a reasonable cash settlement.

The reasonableness of the cash settlement may be subject to judicial review by way of proceedings to assess the adequacy of the compensation offered to minority shareholders. The amount of the reasonable cash settlement could be equivalent to the Offer Price, but it could also be higher or lower.

(b) **Appreciation by the Management Board and Supervisory Board**

The Management Board and the Supervisory Board take note of the Bidder's declared intention to delist and welcome the fact that, apart from the delisting, the Bidder does not currently intend to take any structural measures.

The Management Board and the Supervisory Board take note of the expressed reservation of the Bidder to examine the conclusion of a control and profit and loss transfer agreement and a squeeze-out under stock corporation law or transformation law after completion of the Delisting Tender Offer, subject to the achievement of the respective required majority and taking into account the economic circumstances existing after completion of the Delisting Tender Offer, and to reserve the right to take these measures.

In the opinion of the Management Board and the Supervisory Board, the structural measures reserved by the Bidder are customary measures following a Delisting Tender Offer. Both the reservation of the squeeze-out and the reservation of the conclusion of a domination and profit and loss transfer agreement as well as the intended delisting after the consummation of the Offer are, in the view of the Management Board and the Supervisory Board, reasonable decisions for the Bidder.

8.8 **Dividend policy**

(a) **Intentions of the Bidder**

According to Section 10.8 of the Offer Document, the Bidder intends to align the future dividend policy of the Target Company, to the extent legally permissible, in particular with the distribution needs of the Bidder to ensure its own dividend policy as well as the financing needs of the Bidder and the Target Company.

(b) **Appreciation by the Management Board and Supervisory Board**

The Management Board and the Supervisory Board take note of the Bidder's declared intention to align the dividend policy in the future, to the extent legally

permissible, in particular with the distribution needs of the Bidder itself to ensure its own dividend policy as well as the financing needs of the Bidder and the Target Company.

In the opinion of the Management Board and the Supervisory Board, this is a customary and understandable measure following a Delisting Tender Offer.

## 8.9 **Intentions with regard to the business activities of the Bidder and the Bidder Parent Companies**

### (a) **Intentions of the Bidder**

With the exception of the effects on the net assets, financial position and results of operations of the Bidder described in Section 13 of the Offer Document, the Bidder and the Bidder Parent Companies do not pursue any intentions with regard to themselves with the Delisting Acquisition Offer. According to Section 10.9 of the Offer Document, the Bidder or the Bidder Parent Companies, to the extent they are affected by the Delisting Tender Offer, do not intend to change the corporate purpose, the future operational business, the registered office or the location of key parts of the business, the use of assets, future obligations, employees and their representatives, or members of the governing bodies, or to initiate other material changes to the employment conditions of the Bidder or the Bidder Parent Companies.

### (b) **Appreciation by the Management Board and Supervisory Board**

The Management Board and the Supervisory Board take note of the statements made by the Bidder in Section 10.9 of the Offer Document regarding its intentions with regard to its business activities.

## 8.10 **Tax consequences**

The Management Board and Supervisory Board draw attention to the fact that the completion of the Offer may have an impact on the tax situation of HORNBAACH BAUMARKT and its subsidiaries.

Consequences for the financing of the Target Company: According to the current knowledge of the Management Board and the Supervisory Board, no consequences are expected due to a change of control in financing triggered by the completion of the Offer.

The Management Board and Supervisory Board assume that HORNBAACH BAUMARKT will also not suffer any disadvantage as a result of the discontinuation of access to the equity capital market, as the financing possibilities and resources of the Bidder as a publicly listed company will be available to it. Moreover, the refinancing structure and thus the creditworthiness of HORNBAACH BAUMARKT will not be affected by these steps. In addition, the use of the capital market in the form of raising further debt capital will not be restricted.

## 9. **IMPACT ON THE SHAREHOLDERS OF HORNBAACH BAUMARKT**

The following explanations are intended to provide HORNBAACH BAUMARKT Shareholders with information for assessing the implications of accepting or not accepting the Offer. The following aspects do not claim to be exhaustive. Each HORNBAACH BAUMARKT Shareholder is responsible for evaluating the implications of accepting or not accepting the Offer. The Management Board and Supervisory Board advise the shareholders of the target company to seek expert advice in this respect if necessary.



The Management Board and the Supervisory Board further point out that they are not in a position to make or give an assessment as to whether shareholders of the Target Company may possibly suffer tax disadvantages (in particular any tax liability on a capital gain) or miss out on tax advantages as a result of accepting or not accepting the Offer. The Management Board and the Supervisory Board recommend that shareholders of the Target Company seek tax advice before deciding whether or not to accept the Offer, which may take into account the personal circumstances of the respective shareholder.

#### 9.1 **Possible disadvantages in case of acceptance of the offer**

HORNBACH BAUMARKT Shareholders intending to accept the Offer should note the following, among other things, taking into account the comments made to date:

- HORNBACH BAUMARKT Shareholders who accept or have accepted the Offer will no longer benefit in future from any possible positive development in the stock exchange price of HORNBACH BAUMARKT Shares or from any positive business performance of the HORNBACH BAUMARKT Group.
- HORNBACH BAUMARKT Shareholders who accept or have accepted the Offer will lose their existing ancillary rights, and in particular will not be entitled to any dividend claims in future.
- HORNBACH BAUMARKT Shareholders who accept or have accepted the Offer will not participate in any cash compensation of any kind payable by operation of law in the event that certain structural measures are implemented following the completion of the Offer.
- If the bidder, persons acting jointly with the bidder or their subsidiaries acquire HORNBACH BAUMARKT Shares outside of the stock exchange within one year of the publication to be made immediately following expiry of the acceptance period pursuant to Section 23 para. 1 No. 2 WpÜG and if a higher consideration in terms of value than that specified in the Offer is granted or agreed for this purpose, the bidder is obliged to pay the HORNBACH BAUMARKT Shareholders who have accepted the Offer a consideration equivalent to the respective difference. In contrast, for off-market acquisitions in return for the granting of a higher consideration after the expiry of this subsequent acquisition period of one year, there is no such entitlement to subsequent payment of the consideration under the Offer. Moreover, the bidder may also acquire HORNBACH BAUMARKT Shares on the stock exchange at a higher price within the aforementioned one-year subsequent acquisition period without having to adjust the consideration in favor of those HORNBACH BAUMARKT Shareholders who have already accepted the Offer.
- Withdrawal from the acceptance of the Offer is only possible under the strict conditions set out in Section 16 of the Offer Document and only until the expiry of the acceptance period. Pursuant to Section 15.6 of the Offer Document, HORNBACH BAUMARKT Shares submitted for sale may no longer be traded on the regulated market of the Frankfurt Stock Exchange (Prime Standard). However, HORNBACH BAUMARKT Shares which have not been submitted for purchase within the framework of the Delisting Tender Offer may continue to be traded under ISIN DE0006084403 on the regulated market of the Frankfurt Stock Exchange and on the open market until the Delisting enters into effect.

## 9.2 Possible disadvantages if the Offer is not accepted

HORNBACH BAUMARKT Shareholders who do not accept the Offer and do not otherwise dispose of their HORNBACH BAUMARKT Shares will continue to be shareholders of HORNBACH BAUMARKT. However, they should note, among other things, the explanations made by the Bidder under Section 14 of the Offer Document and the following:

- They bear the risks relating to the future performance of the HORNBACH BAUMARKT Shares for which they do not accept the Offer.
- The current stock exchange price of HORNBACH BAUMARKT Shares also reflects the fact that the Bidder published its decision to launch the Offer pursuant to Section 10 para. 1 Sentence 1 WpÜG on 20 December 2021. It is uncertain whether the stock market price of the HORNBACH BAUMARKT Share will remain at its current level or exceed or fall below it following the execution of the Offer.
- The execution of the Offer will lead to a reduction in the free float of the HORNBACH BAUMARKT Shares which are issued. It is further to be expected that the supply of and demand for HORNBACH BAUMARKT Shares following the execution of the Offer will be lower than at present and that the liquidity of the HORNBACH BAUMARKT Share will therefore decline. It is therefore possible that buy and sell orders in respect of HORNBACH BAUMARKT Shares may not be executed in time or at all. Moreover, the potential restriction in the liquidity of HORNBACH BAUMARKT's share could lead to significantly greater price fluctuations for HORNBACH BAUMARKT's share in future.
- The Bidder already has the majority of votes required to be able to implement all major structural measures under company law at the annual general meeting of HORNBACH BAUMARKT. These include, for example, amendments to the Articles of Association, capital increases and, if the legal and statutory majority requirements are met, the exclusion of shareholders' subscription rights in the case of capital measures, as well as the conclusion of a control and/or profit and loss transfer agreement pursuant to Sections 291 et seq. AktG as well as conversions, mergers and the dissolution of the Target Company.

The Bidder intends to consider a transfer of the HORNBACH BAUMARKT Shares held by the remaining HORNBACH BAUMARKT Shareholders pursuant to Sections 327a et seq. of the AktG (squeeze-out under stock corporation law), taking into account the circumstances existing in economic terms at that time, if it holds at least 95% of the share capital of the Target Company following completion of the Delisting Tender Offer. In this case, the annual general meeting of the target company would resolve to transfer the HORNBACH BAUMARKT Shares held by the remaining HORNBACH BAUMARKT Shareholders to the bidder as the principal shareholder in return for appropriate cash compensation.

- In the event that the Bidder owns at least 90% of the share capital of the Target Company following completion of the Delisting Tender Offer, it intends to consider a transfer of the HORNBACH BAUMARKT Shares held by the remaining HORNBACH BAUMARKT Shareholders pursuant to Sections 62 para. 5 UmwG, 327a et seq. AktG in connection with a merger of the Target Company into the Bidder, taking into account the economic circumstances at that time. In this case, the annual general meeting of the Target Company would resolve the transfer of the HORNBACH BAUMARKT Shares held by the remaining HORNBACH BAUMARKT Shareholders to the Bidder as the principal shareholder in return for the granting of

appropriate cash compensation. Only in the case of some of the aforementioned measures would there be an obligation under German law to make the minority shareholders an offer to acquire their HORNBACH BAUMARKT Shares in return for appropriate compensation or to grant other compensation on the basis of a company valuation of HORNBACH BAUMARKT. As such a company valuation would have to be based on the circumstances prevailing at the time of the resolution being adopted by the HORNBACH BAUMARKT annual general meeting concerning the respective measure, such a compensation offer could correspond in value to the Offer price, but could also be higher or lower.

- At the Target Company, capital increases with subscription rights or excluding shareholders' subscription rights could be carried out to implement the growth strategy. Capital increases with exclusion of subscription rights would lead to a dilution of the shareholders' participation.
- Following completion of the Offer or at a later date, the Bidder could and currently intends, to the extent permitted by law, to cause HORNBACH BAUMARKT to apply for the revocation of the admission of HORNBACH BAUMARKT Shares to the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (*Prime Standard*) once the necessary requirements have been met. In this case, HORNBACH BAUMARKT Shareholders would no longer benefit from the increased reporting obligations of the regulated market.
- Even if the delisting is delayed or does not take place at all, it is theoretically possible that the supply of and demand for HORNBACH BAUMARKT Shares following the completion of the Delisting Tender Offer will be so low and that the liquidity of HORNBACH BAUMARKT Shares will therefore fall to such an extent that orders to buy or sell HORNBACH BAUMARKT Shares cannot be executed on time or at all. Moreover, the possible reduction in the liquidity of HORNBACH BAUMARKT Shares could lead to significantly greater price fluctuations than in the past. Should the reduced liquidity of HORNBACH BAUMARKT Shares mean that orderly trading can no longer be guaranteed, delisting is also conceivable without any corresponding action on the part of the company and/or the bidder. In the event of such a delisting, there would no longer be an organized public market for trading in HORNBACH BAUMARKT Shares.
- The Management Board and Supervisory Board are of the opinion that it can be assumed that the current increase in the stock exchange price of the HORNBACH BAUMARKT Share compared with the Offer Price is mainly due to the fact that the Bidder has published its intention to submit the Delisting Tender Offer and that the free float will be reduced as a result of the completion of the takeover bid. The stock exchange price of the HORNBACH BAUMARKT Share has already fallen since the publication of the Bidder's intention to potentially submit a delisting takeover bid on 20 December 2021 - and further since the publication of the Bidder's decision on 21 January 2022 to make a Delisting Tender Offer - predominantly above the Offer Price. The Management Board and Supervisory Board point out that it may be economically advantageous for HORNBACH BAUMARKT Shareholders not to accept the Delisting Tender Offer and to sell their HORNBACH BAUMARKT Shares on the stock exchange instead. In this respect, it should be noted that a sale via the stock exchange may incur costs or fees in individual cases. The tendering of HORNBACH BAUMARKT Shares within the framework of the Delisting Tender Offer is, however, free of charge for HORNBACH BAUMARKT Shareholders. Moreover, in the event of a sale via the stock exchange, it cannot be ruled out that, depending on the number of HORNBACH BAUMARKT Shares available for sale, an oversupply may

arise. A sale at the current stock exchange price would then only be possible to a limited extent and the stock market price could decline. It should also be borne in mind that the weighted average domestic stock exchange price of the HORNBAACH BAUMARKT Share during the last six months prior to the announcement of the Bidder's intention to submit a Delisting Tender Offer was EUR 36.73 and thus significantly below the Offer Price. It is therefore uncertain whether the stock market price of HORNBAACH BAUMARKT Shares will continue to remain at the current level, rise or fall following the expiry of the acceptance period.

- In general, the performance of the HORNBAACH BAUMARKT Share cannot be predicted. It is subject to factors including the overall economic situation and is also dependent on the future business performance of the HORNBAACH BAUMARKT Group.
- Following the completion of the delisting and the intended termination of the admission of HORNBAACH BAUMARKT Shares to the regulated market at the Frankfurt Stock Exchange with further post-admission obligations (Prime Standard) and the intended termination of trading in the open market at those stock exchanges at which HORNBAACH BAUMARKT had arranged for trading in the open market. Furthermore, numerous transparency and trading regulations, as well as certain other provisions of the stock exchange regulations, will no longer apply to trading in HORNBAACH BAUMARKT Shares to the same extent as previously, resulting in a significantly lower level of protection for HORNBAACH BAUMARKT Shares. Furthermore, following the completion of the Delisting, trading in HORNBAACH BAUMARKT Shares will no longer be subject to the same financial reporting regulations, in particular Sections 114 et seq. WpHG, Sections 106 et seq. WpHG and Sections 52 et seq. of the Exchange Rules of the Frankfurt Stock Exchange.
- In the event of such a Delisting, there would no longer be an organized public market for trading HORNBAACH BAUMARKT Shares. If the stock market listing of HORNBAACH BAUMARKT Shares were to be terminated, this could significantly restrict the opportunities for selling HORNBAACH BAUMARKT Shares.

#### 10. **INTERESTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD**

The Management Board adopted the content of this Statement unanimously with one abstention (Ms. Karin Dohm). The Supervisory Board adopted the content of the Statement unanimously with six abstentions (Mr. Albrecht Hornbach, Dr. John Feldmann, Mr. Martin Hornbach, Mr. Steffen Hornbach, Ms. Simona Scarpaleggia and Ms. Melanie Thomann-Bopp).

The member of the Management Board, Karin Dohm, is also a member of the Management Board of HORNBAACH Management. In order to prevent potential conflicts of interest, Karin Dohm abstained from voting on the resolutions adopted by the Management Board.

Furthermore, the chairman of the Supervisory Board Albrecht Hornbach is also a member and chairman of the Management Board of HORNBAACH Management. In order to prevent any potential conflicts of interest, Albrecht Hornbach abstained from voting on the resolutions adopted by the Supervisory Board.

The vice-chairman of the Supervisory Board, Dr. John Feldmann, is also a member and chairman of the Supervisory Board of HORNBAACH Management and member and chairman of the Supervisory Board of HORNBAACH Holding. In order to prevent any potential

conflicts of interest, Dr. John Feldmann abstained from voting on the resolutions adopted by the Supervisory Board.

The Supervisory Board member, Martin Hornbach, is vice chairman of the Supervisory Board of HORNBAACH Holding. In order to prevent potential conflicts of interest, Martin Hornbach abstained from voting on the resolutions adopted by the Supervisory Board.

The Supervisory Board member, Steffen Hornbach, was also a member of the Supervisory Board of HORNBAACH Management until December 31, 2021. To prevent potential conflicts of interest, Steffen Hornbach abstained from voting on the Supervisory Board resolution.

The Supervisory Board member, Simona Scarpaleggia, is member of the Supervisory Board of HORNBAACH Holding. In order to prevent any potential conflicts of interest, Simona Scarpaleggia abstained from voting on the resolutions adopted by the Supervisory Board.

The Supervisory Board member, Melanie Thomann-Bopp, is also vice chairwoman of the Supervisory Board of HORNBAACH Management and also member of the Supervisory Board of HORNBAACH Holding. To prevent potential conflicts of interest, Melanie Thomann-Bopp abstained from voting on the resolutions adopted by the Supervisory Board.

The Bidder and the persons acting jointly with it have not exercised any influence on HORNBAACH BAUMARKT or its corporate bodies in connection with the Offer and this Statement.

The members of the Management Board and the Supervisory Board have not received any unjustified payments or other unjustified benefits of monetary value or corresponding commitments from the Bidder or persons acting jointly with the Bidder in connection with the Offer.

**11. INTENTIONS OF THE MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD, INsofar AS THEY ARE HOLDERS OF SHARES IN THE TARGET COMPANY, TO ACCEPT THE OFFER**

Of the members of the Management Board of HORNBAACH Baumarkt, Susanne Jäger, Ingo Leiner and Dr. Andreas Schobert hold HORNBAACH Baumarkt Shares. Of the members of the Supervisory Board, Albrecht Hornbach, Kay Strelow, Christian Garrecht, Steffen Hornbach, Anke Matrose, Brigitte Mauer and Johannes Otto hold HORNBAACH Baumarkt Shares. The other members of the Board of Management and Supervisory Board of HORNBAACH Baumarkt do not hold any HORNBAACH Baumarkt Shares. All members of the Management Board and the Supervisory Board of HORNBAACH BAUMARKT who directly or indirectly hold HORNBAACH BAUMARKT Shares intend to accept the Offer for all HORNBAACH BAUMARKT Shares held by them (or by companies controlled by them).

**12. RECOMMENDATION**

After their respective independent examination, the Management Board and the Supervisory Board consider the amount of the Offer Price to be reasonable within the meaning of Section 39 para. 3 Sentence 2 BörsG in conjunction with Section 31 para. 1, para. 2 and para. 7 WpÜG and Sections 3 et seq. WpÜG. In particular, they have also consulted the Fairness Opinion prepared by UniCredit Bank AG in order to examine the appropriateness of the Offer Price. The Offer Price complies with legal requirements and, in the opinion of the Management Board and Supervisory Board, adequately reflects the value of the HORNBAACH BAUMARKT Share. Furthermore, the Management Board and Supervisory Board regard the intentions expressed by the bidder in the Offer Document, in particular the delisting, as positive. The Management Board and Supervisory Board therefore support the bidder's offer, which they believe to be in the best interests of the company. On this basis and taking account of the aforementioned comments in this Statement, the Management Board

and Supervisory Board recommend that HORNBACH BAUMARKT Shareholders accept the Offer.

Each shareholder of the Target Company must decide for himself or herself whether to accept or reject the offer, taking into account the overall circumstances, his or her individual circumstances and his or her personal assessment of the potential future development in the value and stock market price of the HORNBACH BAUMARKT Share. Subject to mandatory legal requirements, the Management Board and Supervisory Board do not assume any responsibility in the event that acceptance or non-acceptance of the Offer should subsequently prove to be economically disadvantageous.

The Management Board adopted the content of this Statement unanimously with one abstention (Ms. Karin Dohm). The Supervisory Board adopted the content of the Statement unanimously with six abstentions (Mr. Albrecht Hornbach, Dr. John Feldmann, Mr. Martin Hornbach, Mr. Steffen Hornbach, Ms. Simona Scarpaleggia and Ms. Melanie Thomann-Bopp). The content of this Statement was discussed and finalized by the Management Board and the Supervisory Board, the latter acting through the Finance and Audit Committee, following the last preliminary discussion of corresponding drafts, on 21 January 2022.

Bornheim near Landau/Pfalz, 21 January 2022

Board of Directors

Supervisory Board

Annex 1: List of subsidiaries of HORNBACH BAUMARKT

Annex 2: Fairness *Opinion* (*Opinion Letter*) of UniCredit Bank AG

Annex 1: List of subsidiaries of HORNBACH BAUMARKT

Persons Acting Jointly with HORNBACH BAUMARKT and with Each Other Pursuant to Section 2 (5) Sentence 3 of the German Securities Acquisition and Takeover Act (WpÜG)

Status: 21 January 2022

**Section 1**

**List of direct and indirect subsidiaries of HORNBACH Baumarkt AG**

<b>NAME</b>	<b>COUNTRY</b>	<b>SEAT</b>
HORNBACH International GmbH	Germany	Bornheim
HORNBACH Beteiligungen GmbH	Germany	Bornheim
AWV-Agentur für Werbung und Verkaufsförderung GmbH	Germany	Bornheim
HB Reisedienst GmbH	Germany	Bornheim
BODENHAUS GmbH	Germany	Essingen
HORNBACH Versicherungs-Service GmbH	Germany	Bornheim
HORNBACH Forst GmbH	Germany	Bornheim
HORNBACH Baumarkt CS spol s.r.o.	Czech Republic	Prague
HORNBACH Baumarkt GmbH	Austria	Wiener Neudorf
HL Immobilien Lambda GmbH	Austria	Wiener Neudorf
G.N.E. Global Grundstücksverwertung GmbH	Austria	Wiener Neudorf
HORNBACH Baumarkt Luxemburg S.A.R.L.	Luxembourg	Bertrange
HORNBACH Baumarkt (Schweiz) AG	Switzerland	Oberkirch
HORNBACH Byggmärknad AB	Sweden	Gothenburg
HORNBACH Holding B.V.	Netherlands	Amsterdam
HORNBACH Bouwmarkt (Nederland) B.V.	Netherlands	Driebergen-Rijsenburg
HORNBACH Real Estate Apeldoorn B.V.	Netherlands	Apeldoorn
HORNBACH Real Estate Enschede B.V.	Netherlands	Enschede
HORNBACH Real Estate Breda B.V.	Netherlands	Breda
HORNBACH Real Estate Best B.V.	Netherlands	Nieuwegein
HORNBACH Real Estate Amsterdam-Sloterdijk B.V.	Netherlands	Amsterdam
HORNBACH Real Estate Den Haag B.V.	Netherlands	The Hague
HORNBACH Real Estate Zwolle B.V.	Netherlands	Zwolle
HORNBACH Real Estate Almelo B.V.	Netherlands	Almelo
HORNBACH Real Estate Duiven B.V.	Netherlands	Duiven
HORNBACH Real Estate Tilburg B.V.	Netherlands	Tilburg
HORNBACH Real Estate Groningen B.V.	Netherlands	Groningen
HORNBACH Real Estate Wateringen B.V.	Netherlands	Wateringen
HORNBACH Real Estate Alblisserdam B.V.	Netherlands	Alblisserdam
HORNBACH Real Estate Nieuwegein B.V.	Netherlands	Nieuwegein
HORNBACH Real Estate Nieuwerkerk B.V.	Netherlands	Nieuwerkerk
HORNBACH Real Estate Geleen B.V.	Netherlands	Geleen
HORNBACH Reclame Activiteiten B.V.	Netherlands	Nieuwegein
HORNBACH Real Estate Rotterdam B.V.	Netherlands	Rotterdam
HORNBACH Baumarkt SK spol s.r.o.	Slovakia	Bratislava

HORNBACH Centrala SRL	Romania	Domnesti
HORNBACH Asia Ltd.	Hong Kong	Kowloon





Annex 2: Fairness Opinion of UniCredit Bank AG

To the Management Board and the Supervisory Board

**HORNBACH BAUMARKT AG**

Hornbachstraße 11  
76879 Bornheim

Munich, 21 January 2022

Members of the Management Board and Supervisory Board,

You have requested our opinion as to the fairness of the offer price, from a financial point of view ("**Fairness Opinion**") in connection with the following transaction:

On 20 December 2021, Hornbach Holding AG & Co. KGaA, Hornbachstraße 11, 76879 Bornheim ("**Bidder**") published its intention to launch a delisting offer for all outstanding ordinary shares of Hornbach Baumarkt AG, Hornbachstraße 11, 76879 Bornheim, Deutschland ("**Hornbach Baumarkt**" or the "**Target**"), a company incorporated under the laws of Germany, having its shares listed on the Frankfurt stock exchange (ISIN DE0006084403), (the "**Transaction**"). Furthermore, the Bidder published a takeover offer on 14 January 2022.

For each Hornbach Baumarkt ordinary share, Bidder offers €47.50 in cash (the "**Offer Price**").

Pursuant to the engagement letter dated 16 December 2021 (the "**Letter**") you have appointed, on a non-exclusive basis (the "**Appointment**"), us, UniCredit Bank AG ("**UniCredit**" or the "**Financial Advisor**"), a company part of the UniCredit Group, to act as your financial advisor.

The activity performed by us pursuant to the Appointment has been carried out on the basis of the Data (as defined below), adopting criteria and methodologies (such as trading multiples of comparable companies analyses, DCF and premia analysis) of an independent advisor taking into consideration the scope of the Appointment. We have prepared this Fairness Opinion exclusively using the following data, information and documents made available by you or other employees of Hornbach Baumarkt, integrated with the data and information publicly available to the market (jointly the "**Data**"):

- Hornbach Baumarkt AG – Konzernplanung 2021/22 as of 26 January 2021, complemented by information as of 11 January 2022 regarding expected future yearly capital expenditures and leasing debt levels and leasing debt increases
- Hornbach Baumarkt AG annual reports, half-year reports and quarterly statements over the past 3 years as well as the ad-hoc announcement regarding the increase in guidance as of 07 December 2021
- Takeover offer
- Historic share prices for Hornbach Baumarkt AG over the last 5 years
- The finalized draft of the reasoned statement of the management board and supervisory board of the Target prepared in accordance with section 27 paragraph 1 WpÜG (*Gemeinsame begründete Stellungnahme des Vorstands und des Aufsichtsrats*)
- Market consensus estimates on Hornbach Baumarkt and peers taken from data providers such as S&P CapitalIQ and equity research reports

In the preparation of the Fairness Opinion, we have fully and exclusively relied upon the truth, accuracy and completeness of the Data, and we have not performed any autonomous and/or independent audit on such Data. In any case the activity provided by us in the performance of the Appointment did not involve any accounting, financial, tax, legal, commercial and, in general, administrative due diligence nor autonomous and/or independent and/or technical

Members of the Management Board:  
Dr. Michael Diederich (Spokesman),  
Marion Höllinger, Dr. Jürgen Kullnigg,  
Jan Kupfer, Christian Reusch,  
Boris Scukanec Hopinski, Ljubisa Tesić

Chairman of the Supervisory Board:  
Andrea Orcel

**UniCredit Bank AG**

Legal Status: Aktiengesellschaft  
Registered Office: Munich  
Listed in the Court Register: Munich HR B 421 48  
Tax-Id.No.: 143/107/72500  
VAT Reg.No.: DE 129 273 380  
[www.cib.unicredit.eu](http://www.cib.unicredit.eu)

assessment, whether made by us or by an independent expert, on the items of the Target's or the Bidder's assets and liabilities.

Therefore, without prejudice to the fact that we have performed the Appointment with diligence, expertise and independence, we do not take any liability for and do not provide any warranty on the information and Data contained and/or reflected in this Fairness Opinion.

The analyses and evaluations contained in the Fairness Opinion refer to the Data, the market and economic conditions existing and available to be assessed by us until the date hereof. Accordingly, we do not take any liability relating to any lack or defects of the analysis or of the relevant conclusions arising from the passing of time from the date of this Fairness Opinion and the date on which the Transaction will be implemented. Provided that this Fairness Opinion is based on the Data, the economic and market conditions, general and specific, currently existing, any further development that may occur shall not imply any obligation for us to update, review or confirm the content and conclusion of the Fairness Opinion.

We are as an investment bank not subject to, nor do we have the authority to base our valuation on the same legal framework as auditors (*Wirtschaftsprüfer*) with regard to certain German corporate law requirements. In that respect, the IDW Standard S 1 Principles for the Performance of Business Valuations (*Grundsätze zur Durchführung von Unternehmensbewertungen*), published by the Institut der Wirtschaftsprüfer in Deutschland e.V. (*IDW*), does not apply to this Opinion.

This Opinion is based on analyses as they are typically performed by investment banks in providing fairness opinions in these types of transactions. Such assessments are carried out by applying customary corporate finance and capital markets valuation methodologies commonly used by investment banks and may differ in some respects from a valuation performed by qualified auditors and/or from asset based valuations generally.

Consequently the IDW Standard S 8 Principles for the preparation of Fairness Opinions (*Grundsätze für die Erstellung von Fairness Opinions*) does also not apply to this Opinion.

Furthermore we do not opine on the compliance of the Offer Price with the requirements of the WpÜG.

We have been engaged as Financial Advisor by you and will receive a flat fee for issuing this fairness opinion. Also, we and our affiliated companies currently have and will probably have in the future other business relationships in the commercial banking and investment banking field with you and the Bidder. We and our affiliated companies are active in the securities trading business. Therefore, we may hold various securities and other instruments issued by you, the Bidder or of your affiliated companies or associated financial instruments for our own account or for the account of third parties.

On the basis of both the Data upon which this Fairness Opinion is based and the analyses performed by us and, in light of the scope for which this engagement has been attributed, we as an investment bank hold, as of the date hereof, that:

- the Offer Price of € 47.50 per share

is fair from a financial point of view.

This Fairness Opinion has been prepared for your exclusive use and benefit in order to provide support, together with other information, to enable you to evaluate, in your full independence of opinion, the Transaction and the Offer price. This Fairness Opinion, therefore, does not constitute, nor can constitute, an advice to implement the proposed Transaction. This Fairness Opinion does also not express any opinion on the market prices at which the ordinary shares of Hornbach Baumarkt could be traded following the implementation of the Offer. It does furthermore not express any view on the appropriateness of the Offer for the outstanding Target shareholders. Our Fairness Opinion is and shall be intended to be for your sole and exclusive internal use. You shall use it exclusively for internal purposes and are not allowed to reproduce, summarise or disclose it to and/or deliver a copy of it to, in whole or in part, any third party without our prior written consent. We do not authorise any third party to rely upon the analyses and conclusions of this Fairness Opinion and hereby expressly deny any liability, whether direct or indirect, for any damages that may derive as a consequence of an improper use of the information contained herein. Our opinion letter as part of our Fairness Opinion

can however be published as annex to the statement issued by the management and supervisory board according to section 27 WpÜG and can be attached to publicly available documents that have to be filed with the responsible regulator.

This Fairness Opinion shall be governed and construed in accordance with German law.

UniCredit Bank AG



Dr. Alexander Arauner  
Managing Director



Johannes Lütke-meier  
Director

An den Vorstand und Aufsichtsrat

**HORNBACH BAUMARKT AG**

Hornbachstraße 11  
76879 Bornheim

München, 21. Januar 2022

Sehr geehrte Mitglieder des Vorstands und des Aufsichtsrats,

Sie haben uns um ein Gutachten über die Angemessenheit des Angebotspreises aus finanzieller Sicht ("Fairness Opinion") im Zusammenhang mit der folgenden Transaktion gebeten:

Am 20. Dezember 2021 hat die Hornbach Holding AG & Co. KGaA, Hornbachstraße 11, 76879 Bornheim ("**Bieterin**") ihre Absicht veröffentlicht, ein Delisting-Erwerbsangebot für alle ausstehenden Stammaktien der Hornbach Baumarkt AG, Hornbachstraße 11, 76879 Bornheim, Deutschland ("**Hornbach Baumarkt**" oder das "**Zielunternehmen**"), einer Gesellschaft deutschen Rechts, deren Aktien an der Frankfurter Wertpapierbörse notiert sind (ISIN DE0006084403), abzugeben (die "**Transaktion**"). Darüber hinaus hat die Bieterin am 14. Januar 2022 ein Erwerbsangebot veröffentlicht.

Für jede Hornbach Baumarkt Stammaktie bietet die Bieterin 47,50 € in bar (der „**Angebotspreis**“).

Gemäß dem Mandatsschreiben vom 16. Dezember 2021 (das "**Schreiben**") haben Sie uns, die UniCredit Bank AG ("**UniCredit**" oder der "**Finanzberater**"), ein Unternehmen der UniCredit Gruppe, auf nicht-exklusiver Basis zu Ihrem Finanzberater bestellt (das "**Mandat**").

Die von uns im Rahmen des Mandats durchgeführte Tätigkeit erfolgte auf der Grundlage der Daten (wie unten definiert) unter Anwendung von Kriterien und Methoden (wie z.B. Analysen von Marktmultiplikatoren vergleichbarer Unternehmen, DCF- und Prämienanalysen) eines unabhängigen Beraters unter Berücksichtigung des Umfangs der Beauftragung. Wir haben diese Fairness Opinion ausschließlich auf der Grundlage der folgenden Daten, Informationen und Dokumente erstellt, die von Ihnen oder anderen Mitarbeitern von Hornbach Baumarkt zur Verfügung gestellt wurden, ergänzt durch den dem Markt öffentlich zugänglichen Daten und Informationen (zusammen die "Daten"):

- Hornbach Baumarkt AG - Konzernplanung 2021/22 vom 26. Januar 2021, ergänzt um Angaben zu den zukünftig erwarteten jährlichen Investitionen und zur Höhe der Leasingverschuldung sowie zur zukünftigen Erhöhung der Leasingverschuldung vom 11. Januar 2022
- Geschäfts-, Halbjahres- und Quartalsberichte der Hornbach Baumarkt AG der letzten 3 Jahre sowie die Ad-hoc-Mitteilung zur Erhöhung der Guidance am 07. Dezember 2021
- Erwerbsangebot
- Historische Aktienkurse der Hornbach Baumarkt AG der letzten 5 Jahre
- Der finale Entwurf der begründeten Stellungnahme des Vorstandes und des Aufsichtsrates der Zielgesellschaft gemäß § 27 Abs. 1 WpÜG (Gemeinsame begründete Stellungnahme des Vorstandes und des Aufsichtsrates)
- Marktkonsensusschätzungen für Hornbach Baumarkt und vergleichbarer Unternehmen, die von Datenanbietern wie S&P CapitalIQ und Equity Research Reports entnommen wurden

Bei der Erstellung der Fairness Opinion haben wir uns voll und ausschließlich auf den Wahrheitsgehalt, die Richtigkeit und die Vollständigkeit der Daten verlassen und keine eigenständige und/oder unabhängige Prüfung dieser Daten vorgenommen. In jedem Fall umfasste die von uns im Rahmen der Beauftragung erbrachte Tätigkeit weder eine buchhalterische, finanzielle, steuerliche, rechtliche, kommerzielle oder allgemein verwaltungstechnische Due Diligence, noch eine eigenständige und/oder unabhängige und/oder technische

Vorstandsmitglieder:  
Dr. Michael Diederich (Sprecher des Vorstands),  
Marion Höllinger, Dr. Jürgen Kullnigg,  
Jan Kupfer, Christian Reusch,  
Boris Scukanec Hopinski, Ljubisa Tesić

Vorsitzender des Aufsichtsrats:  
Andrea Orcel

**UniCredit Bank AG**

Rechtsform: Aktiengesellschaft  
Sitz: München  
Registergericht: München HR B 421 48  
Steuer-Nr.: 143/107/72500  
USt-IdNr.: DE 129 273 380  
www.cib.unicredit.eu

Bewertung der Aktiva und Passiva des Zielunternehmens oder der Bieterin durch uns oder durch einen unabhängigen Sachverständigen.

Unbeschadet der Tatsache, dass wir das Mandat mit Sorgfalt, Sachverstand und Unabhängigkeit durchgeführt haben, übernehmen wir daher keine Haftung für die in dieser Fairness Opinion enthaltenen und/oder wiedergegebenen Informationen und Daten und geben dafür keine Gewähr.

Die in der Fairness Opinion enthaltenen Analysen und Beurteilungen beziehen sich auf die Daten, die Markt- und Wirtschaftsbedingungen, die bis zum Datum dieser Fairness Opinion bestanden und von uns beurteilt werden konnten. Dementsprechend übernehmen wir keine Haftung für etwaige Mängel oder Fehler der Analyse oder entsprechenden Schlussfolgerungen, die sich aus dem Zeitablauf zwischen dem Datum dieser Fairness Opinion und dem Datum der Durchführung der Transaktion ergeben. Unter der Voraussetzung, dass diese Fairness Opinion auf den Daten, den wirtschaftlichen und marktspezifischen Bedingungen im Allgemeinen und im Speziellen basiert, bedeutet jede weitere Entwicklung für uns keine Verpflichtung, den Inhalt und die Schlussfolgerung der Fairness Opinion zu aktualisieren, zu überprüfen oder zu bestätigen.

Als Investmentbank unterliegen wir im Hinblick auf bestimmte gesellschaftsrechtliche Anforderungen nicht den gleichen rechtlichen Rahmenbedingungen wie Wirtschaftsprüfer und haben auch nicht die Befugnis, unsere Bewertung auf diese zu stützen. Insofern ist der vom Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) herausgegebene IDW Standard S 1 „Grundsätze zur Durchführung von Unternehmensbewertungen“ auf diese Fairness Opinion nicht anwendbar.

Diese Stellungnahme basiert auf Analysen, wie sie typischerweise von Investmentbanken bei der Erstellung von Fairness Opinions bei dieser Art von Transaktionen durchgeführt werden. Solche Bewertungen werden unter Anwendung üblicher Corporate Finance- und Kapitalmarkt-Bewertungsmethoden durchgeführt, die von Investmentbanken üblicherweise verwendet werden und können in mancher Hinsicht von einer von qualifizierten Wirtschaftsprüfern durchgeführten Bewertung und/oder von vermögenswertbasierten Bewertungen im Allgemeinen abweichen.

Folglich findet der IDW-Standard S 8 „Grundsätze für die Erstellung von Fairness Opinions“ auf diese Stellungnahme keine Anwendung.

Ferner äußern wir uns nicht dazu, ob der Angebotspreis den Anforderungen des WpÜG entspricht.

Wir sind von Ihnen als Finanzberater beauftragt worden und erhalten für die Abgabe dieser Fairness Opinion ein Pauschalhonorar. Darüber hinaus unterhalten wir und die mit uns verbundenen Unternehmen derzeit und voraussichtlich auch in Zukunft weitere Geschäftsbeziehungen im Bereich Commercial Banking und Investment Banking mit Ihnen und der Bieterin. Wir und die mit uns verbundenen Unternehmen sind im Wertpapierhandel tätig, daher können wir verschiedene von Ihnen, der Bieterin oder von mit Ihnen verbundenen Unternehmen emittierte Wertpapiere oder damit verbundene Finanzinstrumente für eigene oder fremde Rechnung halten.

Auf der Grundlage der Daten, auf die sich diese Fairness Opinion stützt und der von uns durchgeführten Analysen in Anbetracht des Umfangs, für den dieser Auftrag erteilt wurde, sind wir als Investmentbank zum Datum dieses Dokuments der Ansicht, dass:

- der Angebotspreis von 47,50 € je Aktie

aus finanzieller Sicht fair ist.

Diese Fairness Opinion wurde zu Ihrem ausschließlichen Gebrauch und Nutzen erstellt, um Sie zusammen mit anderen Informationen in die Lage zu versetzen, die Transaktion und den Angebotspreis in voller Unabhängigkeit zu beurteilen. Diese Fairness Opinion stellt daher weder eine Empfehlung zur Durchführung der vorgeschlagenen Transaktion dar, noch kann sie eine solche darstellen. Diese Fairness Opinion gibt auch keine Einschätzung zu den Marktpreisen ab, zu denen die Stammaktien von Hornbach Baumarkt nach Durchführung des Angebots gehandelt werden könnten. Sie äußert sich auch nicht zur Angemessenheit des Angebots für die außenstehenden Aktionäre der Zielgesellschaft. Unsere Fairness Opinion ist und bleibt für Ihren alleinigen und ausschließlichen internen Gebrauch bestimmt. Sie dürfen sie ausschließlich für interne Zwecke verwenden und dürfen sie ohne unsere vorherige schriftliche Zustimmung weder ganz



noch teilweise vervielfältigen, zusammenfassen oder an Dritte weitergeben bzw. diesen eine Kopie davon zukommen lassen. Wir gestatten Dritten nicht, sich auf die Analysen und Schlussfolgerungen dieser Fairness Opinion zu stützen und lehnen hiermit ausdrücklich jede Haftung, ob direkt oder indirekt, für Schäden ab, die sich aus einer unsachgemäßen Verwendung der hierin enthaltenen Informationen ergeben könnten. Unser Opinion Letter als Teil unserer Fairness Opinion kann jedoch als Anlage zur Erklärung von Vorstand und Aufsichtsrat nach § 27 WpÜG veröffentlicht und den öffentlich zugänglichen Dokumenten beigefügt werden, die bei der zuständigen Aufsichtsbehörde einzureichen sind

Diese Fairness Opinion unterliegt deutschem Recht und ist nach diesem auszulegen.

UniCredit Bank AG

Dr. Alexander Arauner  
Managing Director

Johannes Lütkemeier  
Director