

# Dear Shareholders,

It is with great pleasure that I look back at an extremely successful financial year for S IMMO AG. On the operating side, the company improved key financial indicators and generated strong results on an ongoing basis in 2019. The company's success is also reflected in the performance of the S IMMO share. In the 2019 financial year, the share price recorded an increase of 53.37%, generating the best performance of all stocks in the Austrian benchmark index. In the current financial year, the Management Board will continue to work in concert with the employees of the company and create value for S IMMO's shareholders.

The Supervisory Board discharged its duties under the law, the company's articles of incorporation and the Group's internal rules and procedures throughout the reporting period. In doing so, the Management Board was advised in the management of the company, particularly in strategic issues, and its activities were monitored. Within the context of the Supervisory Board and committee meetings, key topics were extensively examined and discussed based on explanations provided by the Management Board and on the basis of detailed presentations and documents.

S IMMO AG has subscribed to the Austrian Code of Corporate Governance since 2007. The voluntary obligations contained therein go beyond the statutory requirements applicable to public limited companies and are designed to ensure even greater transparency in reporting.

The 30<sup>th</sup> Annual General Meeting of S IMMO AG was held at the Vienna Marriott Hotel on 14 June 2019. The agenda items and voting results have been published on the company's website [www.simmoag.at](http://www.simmoag.at).

In addition to the Annual General Meeting, four Supervisory Board meetings were held in the reporting period, where the average attendance of Supervisory Board members was 87.5%. Each member was present at more than half of the meetings. Six circular resolutions were also passed in writing by the Supervisory Board.

During the four Supervisory Board meetings, the Supervisory and Management Boards of S IMMO AG discussed the Group's economic situation, its risk and opportunity management, its strategic direction and its business development. At the meetings, the Management Board reported to the Supervisory Board on the Group's business affairs and finances as well as on stra-



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tegic issues. No agenda items were discussed at any Supervisory Board meeting in 2019 without the attendance of the Management Board members.

The Supervisory Board has formed three committees: the Management Board Committee (Remuneration Committee), the Audit Committee and the Working Committee. The duties, the number of meetings and the composition of the committees are detailed in the corporate governance report starting on page 12. The Audit Committee exercised the duties and authority assigned to it by law and met three times in the reporting year. Its agenda particularly covered the accounting process, the auditing of the consolidated financial statements, the Internal Control System, risk management, the audit system and compliance and anti-corruption issues.

In preparation for the Supervisory Board's nomination of auditors for the company's individual and consolidated annual financial statements, the Audit Committee reviewed the documentation submitted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft evidencing their authorisation to practise as auditors. A written report confirmed that there were neither grounds for exclusion nor any circumstances that could give rise to concerns about conflicts of interest of the auditors. In addition, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft reported on its involvement in the external quality assurance system set up by the Austrian Auditor Supervision Act and proper registration and also presented a list of the remuneration received from the company for the preceding financial year broken down by category of services. When selecting the auditors of the individual and consolidated financial statements, the Audit Committee also

took into account the appropriateness of the auditor's fee. The Audit Committee reported to the Supervisory Board on the outcomes of its reviews and its findings in these matters. On this basis, the Supervisory Board proposed to the Annual General Meeting the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditors of the company's individual and consolidated annual financial statements for the financial year 2019.

The Audit Committee of the Supervisory Board also accepted the submission of the annual financial statements as of 31 December 2019 by the Management Board, together with the management report and the corporate governance report. In the course of its review of these documents, the Audit Committee also discussed the Management Board's proposal for the distribution of profits. The Audit Committee also reviewed the consolidated annual financial statements as of 31 December 2019 prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union together with the Group management report. The review took place primarily on the basis of conversations with the Management Board and discussions with the auditor of the individual and consolidated financial statements. On the basis of its review and discussions, the Audit Committee recommended to the Supervisory Board the acceptance of the company's individual annual financial statements and their adoption in accordance with section 96 (4) Austrian Stock Corporation Act (AktG) and the acceptance of the Group's consolidated financial statements. The Supervisory Board discussed in detail and reviewed the individual annual financial statements as of 31 December 2019, including the management and corporate governance reports, the consolidated financial statements as of 31 December 2019 prepared in accordance with the International Financial Reporting Standards including the Group management report and the distribution of profits proposed by the Management Board.

The Audit Committee and the Supervisory Board also reviewed and discussed in detail with KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft the audit reports submitted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft on the individual annual financial statements as of 31 December 2019, including the management report, and the consolidated annual financial statements as of 31 December 2019, including the Group management report. No objections were raised by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in the course of their audit of the annual financial statements and the management reports of the company and the Group for the year ended 31 December 2019. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft confirmed that the individual annual financial statements as of 31 December 2019 comply with the statutory requirements and give a true and fair view of the assets and finances of S IMMO AG as of 31 December 2019 and of its earnings for the year ended on that date, and

are in accordance with generally accepted Austrian accounting principles. The management report is consistent with the individual annual financial statements as of 31 December 2019. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft further confirmed that the consolidated annual financial statements as of 31 December 2019 comply with the statutory requirements and give a true and fair view of the assets and finances of the Group as of 31 December 2019 and of its earnings for the year ended on that date, and are in accordance with the IFRS as adopted by the European Union as well as the additional requirements of section 245a Austrian Commercial Code (UGB). The Group management report is consistent with the consolidated financial statements as of 31 December 2019. The disclosures pursuant to section 243a Austrian Commercial Code (UGB) are appropriate.

The final results of the review by the Audit Committee and Supervisory Board gave no reasons for objection. The Supervisory Board declared that it had nothing to add to the audit reports by the auditors. The Supervisory Board therefore resolved to accept without objection the individual annual financial statements and management report for the year ended on 31 December 2019 prepared by the Management Board, and the consolidated annual financial statements (prepared in accordance with the IFRS as adopted by the European Union) and Group management report for the year ended on 31 December 2019. The Supervisory Board also resolved to accept the Management Board's proposal for the distribution of profits. In accordance with section 96 (4) Austrian Stock Corporation Act (AktG), the individual annual financial statements as of 31 December 2019 were therefore adopted.

The Supervisory Board will propose to the Annual General Meeting that the Management Board's proposal for the distribution of profits be adopted, and that the Management and Supervisory Boards be discharged from liability.

The Supervisory Board has also accepted the submission of the non-financial report from the Management Board, and reviewed and discussed it and found no reasons for objection.

And finally, on behalf of the Supervisory Board, I would like to thank the Management Board and staff of S IMMO AG for their hard work and dedication each and every day during the past year and wish them a successful financial year 2020.

Vienna, April 2020  
The Supervisory Board



Martin Simhandl, Chairman