

# Dear Shareholders,

The 2020 financial year got off to a promising start for S IMMO AG: In January, a very successful capital increase was completed with gross proceeds of around EUR 148.9m. In March, the S IMMO share reached a record high of EUR 27.15. However, the outbreak of the COVID-19 pandemic changed our lives and the economic environment radically.

Despite the difficult environment, the Management Board and the team have so far been able to handle the challenges of the pandemic well. The fourth quarter was used to expand the CEE portfolio with three high-quality office properties. The purchase of the Zagreb Tower in Croatia was completed successfully. The contracts for the acquisition of two buildings at Campus 6 in Bucharest were signed. The transfer of the properties to S IMMO's portfolio is scheduled for the second quarter of 2021. S IMMO AG will continue its work to create value for its shareholders.

## Composition of the Supervisory Board

There were a number of personnel changes on the Supervisory Board of S IMMO AG in the reporting year. As of the end of the 31<sup>st</sup> Annual General Meeting on 12 October 2020, the Supervisory Board mandates of the former Supervisory Board chairman Mr. Simhandl, his first deputy Mr. Kerber, his second deputy Mr. Rasinger and Ms. Besenhofer ended. These mandates were not extended. The Supervisory Board, which consequently consisted of four members – Ms. Rest, EMBA, Ms. Bomba, Mr. Hager and Mr. Rapf – was reconstituted on 15 October 2020. Since 26 January 2021, it has consisted of six individuals following the appointment of two members – Ms. Wagerer and Mr. Schmidt-mayr, MRICS – by the Works Council.

## Activities of the Supervisory Board

During the reporting year, the Supervisory Board performed its duties under the law, the articles of incorporation and the rules and procedures, both as a whole at the Supervisory Board meetings and at the meetings of its committees, and advised and monitored the Management Board in the management of the company. The Supervisory Board and the Management Board 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 strategic issues.



Karin Rest, EMBA

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, detailed presentations and documents – especially the effects of the COVID-19 pandemic on S IMMO AG and its subsidiaries. In addition, the Supervisory Board dealt with the acquisitions and capital market measures mentioned in this report, as well as succession planning for the Management Board.

## Committees of the Supervisory Board

The Supervisory Board is supported by committees of the Supervisory Board in performing its activities. Up until 12 October 2020, there were three committees – the Working Committee, the Audit Committee and the Management Board Committee (Remuneration Committee). At the constituent meeting of the Supervisory Board on 15 October 2020, the Supervisory Board agreed on new Rules of Procedure including a preamble and re-established the Management Board Committee (Remuneration Committee) and the Audit Committee. The duties, the number of meetings and the composition of the individual committees are detailed in the corporate governance report.

The Audit Committee prepared the nomination of the auditor for the individual and consolidated financial statements. The Committee reviewed the documentation submitted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (referred to hereinafter as KPMG) 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. The declaration of the auditor stipulated in section 270 (1a) of the Austrian Commercial Code (UGB) was obtained, the auditor's legal relations with S IMMO AG and the members of its management bodies were examined, the fee for the audit of the financial statements was negotiated and a new recommendation to elect KPMG as the auditor of the (consolidated) financial statements was issued. At the 31st Annual General Meeting on 12 October 2020, KPMG was elected as the auditor of the individual and consolidated financial statements for the financial year 2020.

### Consolidated and individual financial statements for 2020

KPMG audited the individual and consolidated financial statements as of 31 December 2020 and issued them with an unqualified audit certificate. KPMG confirmed that the individual annual financial statements as of 31 December 2020 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 2020 and of its earnings for the financial year 2020, 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 2020. In addition, KPMG confirmed that the consolidated annual financial statements as of 31 December 2020 comply with the statutory requirements and give a true and fair view of the assets and finances of the Group as of 31 December 2020 and of its earnings for the financial year 2020, 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 2020. The disclosures pursuant to section 243a UGB are appropriate.

The Audit Committee of the Supervisory Board accepted, read and reviewed the annual financial statements as of 31 December 2020 submitted by the Management Board, together with the management report, the corporate governance report and the proposal for the distribution of profits. The Audit Committee also reviewed the consolidated annual financial statements as of 31 December 2020 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 KPMG. 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.

The Supervisory Board then reviewed the submitted documents, found no reasons for objection and approved the findings of the audit of the financial statements. The Supervisory

Board accepted the individual financial statements for 2020, which were thus adopted in accordance with section 96 (4) AktG, and declared its acceptance of the consolidated financial statements prepared under IFRS in accordance with section 245a UGB, the management report, the Group management report, the consolidated corporate governance report and the Management Board's proposal for the distribution of profits.

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

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.

### Composition of the Management Board

S IMMO AG's Supervisory Board has designated the successor to Ernst Vejdovszky, whose board term was set to expire on 30 June 2021, and has newly appointed the Management Team.

Mr. Ettenauer, MRICS, will take over as CEO from 15 March 2021 with a term of three years. Mr. Teufelsdorfer, MRICS, will be appointed as S IMMO AG's CIO (Chief Investment Officer) as of 12 April 2021. The contract of Mr. Wachernig, MBA, as COO (Chief Operating Officer) has been prolonged for a further three years until 30 June 2024. With this reconfiguration of the Management Board, the Supervisory Board has secured an excellent Management Team, fully prepared to successfully lead S IMMO AG into the future.

Finally, on behalf of the Supervisory Board, I would like to thank Mr. Vejdovszky for his exceptional service to the company. He has shaped S IMMO over 30 years and played a decisive role in its success. I would also like to thank the members of the Supervisory Board of S IMMO AG who have left for their many years of work. In addition, I would like to express my thanks to Mr. Wachernig and the staff of S IMMO for their hard work each and every day during the challenging past year and wish them and the new Management Board members a successful and healthy financial year 2021.

Vienna, April 2021  
The Supervisory Board



Karin Rest, EMBA, Chairwoman