Annual Financial Report **2020**

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Declaration of the Management Board

pursuant to section 124 (1) (3) Austrian Stock Exchange Act (BörseG)

"Statement of all legal representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards, and the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces."

Vienna, 22 March 2021

The Management Board

Ernst Vejdovszky | Friedrich Wachernig, MBA | Bruno Ettenauer, MRICS

MANAGEMENT REPORT

Group fundamentals

Business activities and corporate structure

S IMMO Group is an international real estate group that engages in buying and selling real estate, project development, letting, asset management and operating hotels and shopping centres as well as in revitalising and renovating buildings in Austria, Germany and CEE (Slovakia, Czechia, Hungary, Romania and Croatia). The portfolio consists of office buildings, retail properties, hotels and residential properties. S IMMO AG does not conduct research and development.

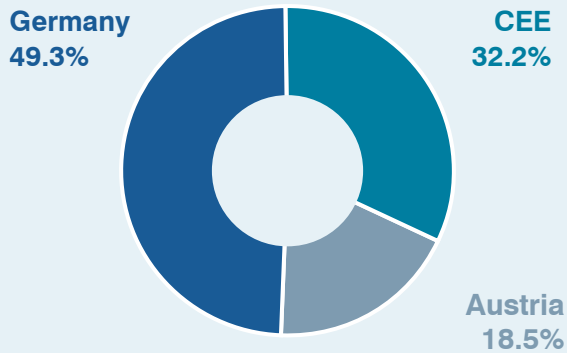
In addition to its headquarters in Vienna, S IMMO Group has its own employees in Germany, Hungary, Croatia and Romania. The German-based property management company Maior Domus is part of the Group. The subsidiaries are responsible for local asset management and letting activities, among other things.

In addition, the Group holds numerous project, property and holding companies. S IMMO AG has been listed on the Vienna Stock Exchange since 1987 and was included in the ATX, the Austrian benchmark index, in September 2017. S IMMO had an annual average number of employees of 114.5 (annual average in 2019: 113.4), as calculated on the basis of full-time equivalents. Hotels managed by multiple associated companies in the form of management agreements employed 440.5 people (annual average in 2019: 509.6).

Property portfolio

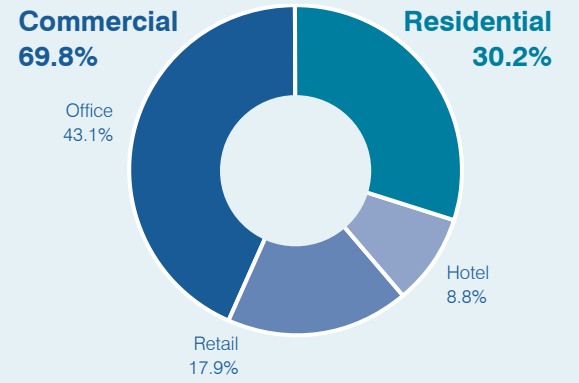
As of 31 December 2020, S IMMO Group's property portfolio consisted of 358 properties (31 December 2019: 331) with a book value of EUR 2,476.9m (31 December 2019: EUR 2,371.0m) and a total area (total lettable space including potential projects) of around 1.3 million m² (31 December 2019: 1.2 million m²). Most of the properties are located in capital cities within the European Union.

Book value by region [1]



[1] Including book value of land bank

Book value by type of use [1]



[1] Book value excluding land bank

In addition, as of 31 December 2020 S IMMO owned undeveloped land with a total area of around 2 million m² (31 December 2019: 1.4 million m²) with a book value of around EUR 42.5m (31 December 2019: EUR 21.8m). Of this, 1.9 million m² were in Germany and were acquired for around EUR 30m.

Based on book value, properties in Austria made up 18.5% (31 December 2019: 19.1%) of the portfolio, while properties in Germany comprised 49.3% (31 December 2019: 48.5%). Properties in CEE accounted for 32.2% of the portfolio (31 December 2019: 32.4%).

Based on the main types of use, the portfolio excluding plots of land broke down into 43.1% offices (31 December 2019: 41.4%), 17.9% retail properties (31 December 2019: 19.6%), 30.2% residential properties (31 December 2019: 29.0%) and 8.8% hotels (31 December 2019: 10.0%) as of 31 December 2020. The high quality of the portfolio and asset management is reflected in the very good occupancy rate and yield. The occupancy rate of the entire portfolio was 93.9% (31 December 2019: 95.5%). The calculation of the occupancy rate includes all investment properties in the narrower sense (i.e. excluding investment properties with development potential and owner-operated hotels). The overall rental yield was 5.1% (31 December 2019: 5.4%).

Overview of rental yields [1]

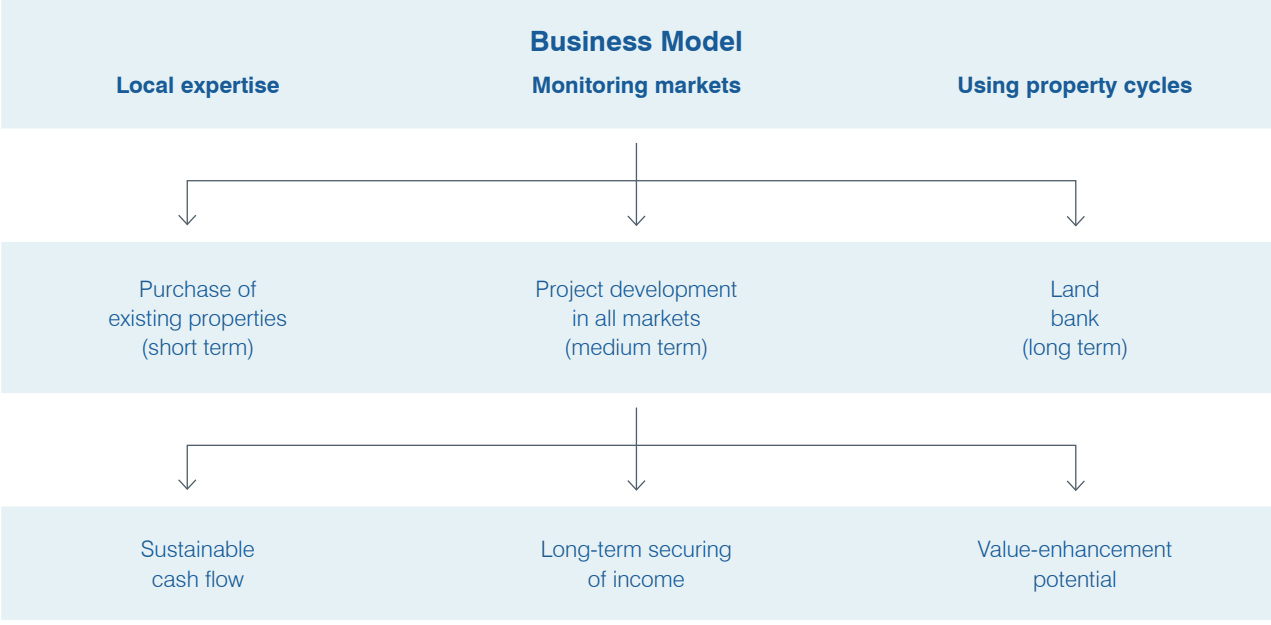
in %	31 December 2020	31 December 2019
Germany	4.4	4.4
Austria	4.6	4.7
CEE	6.5	7.2
Total	**5.1**	**5.4**

[1] The rental yields show the ratio between the generated annual rent and the property value. The calculation includes all investment properties in the narrower sense (i.e. excluding investment properties with development potential and owner-operated hotels). With regard to additions in the course of the year, the rent is annualised.

Strategy and objectives

S IMMO AG has been pursuing a sustainable and prudent business policy for more than three decades with the aim of constantly improving its results and creating value for its shareholders. The company applies a business model that has proven itself over many years, anticipating property cycles for the various asset classes and benefiting from them. To this end, the company's local experts continuously monitor the markets in which S IMMO operates and associated trends in the property sector. They evaluate at what time it makes economic sense to buy or sell existing properties and land or to develop projects.

The company also benefited from this strategy last year, which was massively affected by the COVID-19 pandemic. The impact of measures to contain the pandemic varied from one type of use to another. Portfolio diversification and very active asset management helped to significantly limit the negative effects on the company's total income.



The company did not experience any restrictions in terms of financing. In line with its strategy of ensuring a sound maturity profile, for example, S IMMO successfully issued a highly sought-after bond with issue proceeds of EUR 150m at the beginning of 2021. It was issued as a green bond, also underscoring S IMMO's commitment to its sustainable company strategy.

The issue proceeds are to be used for profitable growth. Management firmly believes that the current crisis also opens up opportunities. Along with project developments and the purchase of certified green buildings, the company continues to focus its investment activities on the area around Berlin. Back in 2018, S IMMO started to buy large plots of land in the commuter belt surrounding Berlin. Around 2 million m² of space has been acquired in total as of 31 December 2020. These plots have good connections to small-town structures while being situated close to the countryside. Moreover, at the end of the third quarter, Zagrebtower, a high-quality property with stable cash flows, was acquired.

With its business policy, S IMMO aims to generate added value for its investors at all times and sustainably secure the company's income. To this end, the company invests in portfolio properties that promptly generate rental income. Project developments contribute to cash flow in the medium term, while the acquisition of land in up-and-coming regions with exciting projects is intended to contribute to the company's long-term-success. In addition, the company holds shares in listed Austrian real estate companies (CA Immobilien Anlagen AG and IMMOFINANZ AG).

The business model has already proven to be resilient in the face of crisis on multiple occasions in the past. The management of S IMMO AG anticipates that 2021 will see an increasing return to normality. Its aim is to continue the growth achieved in 2019 as quickly as possible.

Management and control

In the last financial year, the Management Board consisted of two members. Both Management Board mandates last until 30 June 2021. Therefore S IMMO AG's Supervisory Board has designated the successor of Ernst Vejdovszky 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 with a term of three years. The contract of Mr. Wachernig, MBA as COO (Chief Operating Officer) has been prolonged for a further three years until 30 June 2024.

The Management Board pursues a responsible and stable management approach aimed at enhancing earnings and increasing the Group's value on a long-term basis. In addition, the Management Board works closely with the Supervisory Board, which consisted of four members at the end of the year. Since 26 January 2021, the Supervisory Board has consisted of six members following the delegation of two members by the Works Council (for more details, see Appendix, section 5.6.).

Economic report

Economic overview

The global economic downturn in the spring of 2020 was not as severe as initially feared, and the recovery that began in May 2020 was stronger than originally anticipated. However, the second wave of the COVID-19 pandemic led to another setback in the fourth quarter of 2020 and is delaying global economic growth.

The economic growth forecasts for the EU are based on the assumption that a third wave of infections in the spring of 2021 will be prevented, the health-related measures will come to an end in the first half of 2021 and a medical solution will be successfully implemented by the end of 2021.

Following a 7.1% decline in real GDP in 2020, Oesterreichische Nationalbank (OeNB) expects a robust economic recovery for Austria over the coming year. Growth rates of 3.6% and 4.0% are projected for 2021 and 2022, respectively. According to OeNB, real domestic GDP will return to the pre-crisis level in the second half of 2022. The Institute of Economic Research (WIFO) came to a similar conclusion. Without another lockdown, the institute expects Austria's economic output to expand by 4.5% in 2021.

Overview of the real estate market[1]

	Prime rents (EUR/m²/month)				Prime gross yield (%)				Total leasing activity (m²)		Vacancy rate (%)	
	H2 2020	H2 2019	H2 2020	H2 2019	H2 2020	H2 2019	H2 2020	H2 2019	H2 2020	H2 2019	H2 2020	H2 2019
	Office	Office	Retail	Retail	Office	Office	Retail	Retail	Office	Office	Office	Office
Berlin	38.50	37.50	250.00	310.00	2.65	2.70	3.35	3.15	661,000	611,300	2.60	1.20
Bratislava	17.00	17.00	67.00	67.00[2]	5.50[2]	5.60	6.00[2]	5.75[2]	104,000	40,700	11.10	8.70
Bucharest	18.75	18.50	45.00	55.00	7.00	7.00	8.00	7.50	141,200	161,200	12.40	9.80
Budapest	26.00	26.00	115.00	135.00	5.75	5.25	5.75	5.25	190,100	183,000	9.10	5.60
Vienna	25.00	25.00	325.00	350.00	3.35	3.45	3.45	3.10	250,000	110,500	4.60	4.80
Zagreb	15.50	15.50	70.00	70.00	8.00	8.00	6.75	6.75	40,000[3]	25,000[3]	4.00	5.00

[1] Source: CBRE MarketViews 2020
[2] Data for shopping centres; data for remainder of the locations is for high street retail.
[3] Estimated figure

The European Commission forecasts GDP growth of 4.2% for the euro area in 2021. In 2022, economic growth of 3% is projected for the European Union as a whole and 5.8% for the euro area. The Organisation for Economic Co-operation and Development (OECD) also expects the eurozone's GDP to expand by 3.5% in 2021 and by 3.3% in 2022 following a contraction of 7.5% in 2020.

Economic output declined by 5% in the CEE region (Bulgaria, Croatia, Czechia, Hungary, Poland, Romania) in 2020 according to OeNB. This region's economy is expected to grow by 3.8% in 2021 and by 3.6% in 2022.

Economic growth will also be positive at the global level. The International Monetary Fund (IMF) expects global economic growth to increase by 5.5% in 2021 and by 4.2% the following year.

Real estate market overview

The COVID-19 pandemic has had a very mixed impact on the real estate market. CBRE's assessment last year that the hotel and retail markets would be hit particularly hard by the pandemic proved to be correct. By contrast, the fact that the office market nearly returned to the prior-year level is encouraging. CBRE expects investors to focus on resilient asset classes such as residential, office and logistics properties in the coming year.

Austria

The Vienna office market turned in a very good performance despite the crisis, which can be attributed primarily to the low supply of new space. Take-up was only 7% lower than the prior-year level at 210,000 m², which demonstrates the crisis resistance and stability of the market. The construction of new space will also remain quite low in the coming year according to CBRE's forecast. After totalling 120,000 m² in 2020, it will come to just 106,000 m² in 2021. The vacancy rate was 4.6%, which is in line with the prior-year figure. Office rents remained stable in Vienna. As in the previous year, prime rents amounted to EUR 25.00/m²/month at the end of the year, and this figure is not expected to change significantly in 2021 according to projections. By contrast, the pandemic-related closures in brick-and-mortar retail resulted in extreme challenges: Hardly any new retail space was leased, while the construction of new space remained constant.

Austria's hotel market was severely impacted by the COVID-19 measures, along with the tourism industry as a whole. The pandemic led to a 76.6% decline in net revenue from overnight stays to EUR 239m. The successful initial months of the year helped to prevent an even more severe drop in revenue. Due to the business closures, occupancy came to 37.6% for Vienna in the winter of 2019/20 (2018/2019: 54.4%), but was still significantly higher than the rate of 12.2% seen in the summer of 2020 (2019: 64.1%). In January 2021, only around 32,000 hotel beds

Sources: B2B Wien, CBRE, Colliers, Cushman & Wakefield, European Commission (EC), European Central Bank (ECB), Guthmann Market Report, Hospitality Insights, IMF, OECD, OeNB, Property Forum Europe, real estate index by ImmobilienScout 24, Statistics Austria, WIFO, WKO

were available in Vienna in total due to the lockdown, which is roughly 35,000 fewer beds than in January 2020 (-52.2%).

Germany

Berlin's residential real estate market was only mildly affected by the COVID-19 pandemic. However, the supply of space for rent saw a drastic decline due to the introduction of the rent cap in 2020. In October 2020, it came to roughly 22% of the prior-year level. As of October 2020, rents had risen roughly 3.5% versus the previous year (2019: 3.7%). The supply of properties for purchase started to gradually increase again for the first time. The offer price here was roughly EUR 5,050/m², which represents an increase of 6.4% in year-on-year terms.

The Berlin office market had a rather difficult year. The record result from the previous year was undershot by 30%, but, all things considered, the German capital remains one of the leading office locations. Office take-up amounted to approximately 710,000 m² last year. The vacancy rate increased to 2.4% over the course of the crisis-dominated year. There is still strong demand for modern space in top locations. Despite rising vacancy and falling demand, average rents advanced by 4.2% versus the prior year. Prime rents also climbed to EUR 38.50/m²/month (2019: EUR 37.50/m²/month) and are expected to continue rising in the coming year. With approximately 1.34 million m² of space under construction, the production of new space was roughly equal to the prior-year level.

CEE

The office market in Budapest struggled significantly due to the uncertainty resulting from the COVID-19 pandemic. Despite the weak market, average quoted rents remained at a stable level of EUR 13.50/m²/month. The average quoted rents for class A properties amounted to EUR 15.60/m²/month. The construction activity brought a healthy supply of new office space onto the market last year, including the newly built Nordic Light Trio with 13,000 m² and the Agora Hub with 34,500 m². The total letting rate for newly completed properties was a historically high 89% from pre-leases.

The office market in Bratislava was on target, with 93,266 m² of new space under construction at the end of the third quarter of 2020. The pre-letting rate was just under 45%. The vacancy rate was 10.1% at the end of the third quarter, which is above the prior-year level.

The office stock in Zagreb totalled roughly 1.14 million m² at the end of the third quarter of 2020. Prime rents rose to up to EUR 15.50/m²/month. The vacancy rate remained stable at around 4% due to the lack of new completions in the second and third quarters of 2020.

The stock of modern office space in Bucharest reached roughly 2.95 million m² at the end of 2020, more than half of which – 63% to be precise – is in class A properties. With a share of over 80% of the annual volume, office projects were once again the most sought-after property type, a trend that prevailed for the third year in a row.

Romania's stock of modern retail space totalled 3.9 million m² at shopping centres and big box retail centres at the end of 2020. Last year, only 142,400 m² of new retail space were delivered to the market because the pandemic caused delays in construction and letting activities. Colliers expects the difficult market conditions for retailers to continue in the coming year, particularly with regard to rents and vacancy. A full recovery is not expected until 2022.

The hotel sector in the CEE region got off to a strong start in 2020, with net revenue from overnight stays of roughly EUR 297m, the bulk of which was generated in Budapest. As a result, the initial expectations for 2020 were optimistic. However, the successful trend could not be continued over the remainder of the year due to the COVID-19 crisis. The majority of experts believe that the market will return to a level similar to that seen in 2019 sometime between 2022 and 2024, depending on the size and significance of the destination. Capital cities will continue to be popular tourist destinations.

Business development and performance

The 2020 financial year was characterised by the impacts of the COVID-19 pandemic and the uncertainties that accompanied it. The clear diversification of the portfolio in terms of countries and types of use, a strong liquidity base and prudent operational management enabled the negative effects of the crisis to be contained within relatively narrow limits. Though property valuations no longer reached the record figures seen in the last few years, a significant positive revaluation result could be gained in total.

From the perspective of types of use and regions, however, the valuation result was mixed. For example, the values for German residential properties continued to rise, while some hotel valuations declined significantly as a result of the major restrictions on travel and retail properties also incurred write-downs.

The operating result in the area of existing lettings proved very resilient in the crisis, while the owner-operated Vienna Marriott and Budapest Marriott hotels held by associated companies recorded a net loss – albeit a small one overall – at the level of GOP after making excellent contributions to the profit for several years.

On the financing side, a capital increase with gross proceeds of EUR 148.9m was successfully carried out in the first quarter of 2020. The cost of funding was further reduced from an already very low level. Overall, S IMMO continues to enjoy a favourable financing environment, as is evidenced by the issue in the first quarter of 2021 of a green bond with a coupon of 1.75% and a term of seven years.

The effects of the pandemic had a negative impact on the equity investments of S IMMO, although there has been a significant recovery here since the upheavals on the stock markets first started in March 2020. In general, the uncertainties surrounding the COVID-19 pandemic will also continue after the balance sheet date.

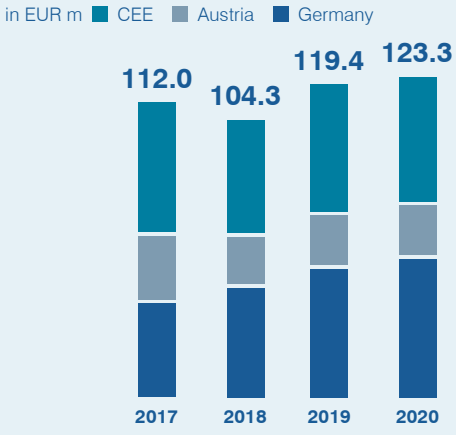
After setting a record of EUR 212.8m in 2019, the net income for the period attributable to the shareholders of the parent company came to EUR 56.5m. The earnings per share in 2019 was the highest in the company's history at EUR 3.21, and this figure was still around EUR 0.79 for the 2020 financial year despite the COVID-19 crisis.

Operating result of rental properties at prior-year level, clear impacts of COVID-19 on owner-operated hotels

The rental income for the financial year 2020 came to EUR 123.3m, up by 3.3% on the prior-year figure of EUR 119.4m. This increase in these times of crisis can be attributed to the diversified portfolio, to prudent management of the portfolio properties and to property purchases. The revenues from hotel operations experienced a sharp adverse impact, however, resulting in a decline in total revenues from EUR 210.4m to EUR 173.9m.

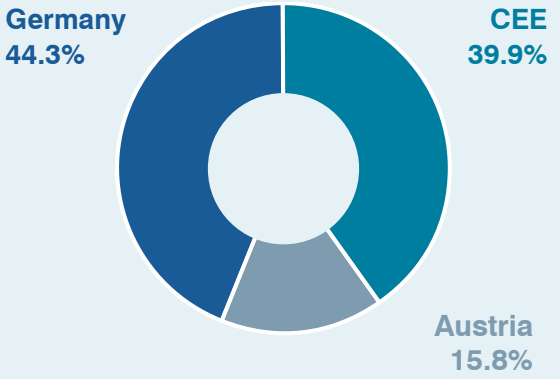
There was an increase in property management expenses of around 9.5% to EUR 66.8m (2019: EUR 61.0m), which can be attributed to the effects from acquisitions as well as an increase in write-downs and impairments on receivables due to the pandemic in the amount of EUR -4.4m (2019: EUR -0.5m). At the same time, the lower utilisation of capacity during the pandemic was also used to carry out maintenance measures, resulting in

Total rental income[1]



[1] Not including Vienna Marriott Hotel and Budapest Marriott Hotel

Rental income by region[1]



[1] Not including Vienna Marriott Hotel and Budapest Marriott Hotel and not including the reclassification of parts of revenues from operating costs

an increase in maintenance expenditure from EUR 14.7m to EUR 17.0m.

Broken down by region, rental income for the reporting period excluding this year's reclassification of parts of the revenues from operating costs was as follows: Austria and Germany contributed 15.8% and 44.3%, respectively (2019: 16.2% and 42.0%), and thus 60.1% in total (2019: 58.2%). The share contributed by CEE amounted to 39.9% (2019: 41.8%). In terms of main types of use, commercial properties excluding hotels (office and retail) contributed 73.1% (2019: 71.5%) of the rental income. Hotels contributed 1.5% (2019: 4.1%) and residential properties 25.4% (2019: 24.4%).

The decline in revenues from hotel operations caused by the pandemic (revenues of the Vienna Marriott Hotel and Budapest Marriott Hotel properties, which are operated under management agreements) was offset almost in full by the reduction in the hotel operating expenses, meaning that the gross profit from hotel operations was only slightly negative at EUR -0.3m (2019: EUR 16.9m). Naturally, it was not possible to avoid a decline versus the 2019 financial year, in which the gross profit from hotel operations was one of the highest in the company's history, and it remains to be seen how urban tourism will now develop in the light of vaccinations and greater test capacities becoming available on the one hand and potential negative effects caused by virus mutations and similar developments on the other.

The gross profit, which reflects the operating performance of both the rental properties and of the owner-operated hotels, thus fell to EUR 91.5m (2019: EUR 109.7m). In contrast, the gross profit excluding owner-operated hotels remained virtually unchanged from the prior year, reaching EUR 91.9m (2019: EUR 92.9m).

Property investments

As in the previous year, there were considerably more acquisitions than disposals in the 2020 financial year. Alongside the continued acquisitions in the Germany segment, an office property in Zagreb and a property in Bratislava were also purchased. Disposals totalled EUR 46.9m (2019: EUR 58.8m), which was well below the average for the last five years.

Reduction in administration costs, pandemic-related decline in still very positive overall valuation result

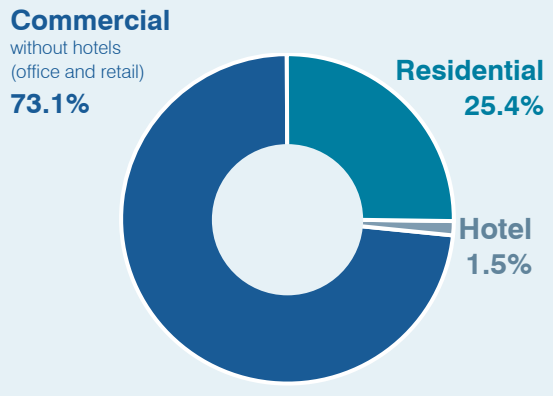
Management expenses fell from EUR 22.7m in the 2019 financial year to EUR 20.4m, which meant the impacts of the pandemic on EBITDA were further reduced. EBITDA amounted to EUR 71.1m at the end of the year (2019: EUR 87.0m).

At EUR 39.1m (2019: EUR 192.7m), the result from property valuation remained very positive despite the pandemic, but also reflects the uncertainties related to COVID-19. Specifically, Germany accounted for EUR 52.7m (2019: EUR 122.1m), Austria for EUR 8.7m (2019: EUR 29.5m) and CEE for EUR -22.3m (2019: EUR 41.1m). The devaluation in the CEE segment mainly affected the hotel and retail properties.

EBIT was maintained above the 100-million mark overall, amounting to EUR 101.0m (2019: EUR 271.4m).

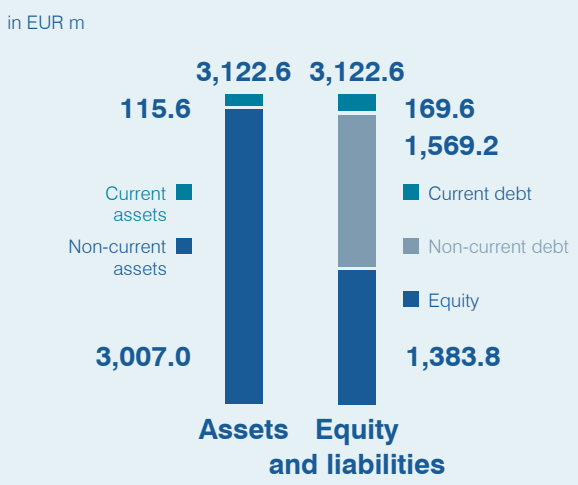
The financial result amounted to EUR -29.4m (2018: EUR -20.0m) and was characterised by lower dividend income as a result of

Rental income by property type of use[1]



[1] Not including Vienna Marriott Hotel and Budapest Marriott Hotel and not including the reclassification of parts of revenues from operating costs

Balance sheet structure



the loss of the dividend from IMMOFINANZ AG, reduced results from companies measured according to the equity method, lower bond expenses and positive effects from derivative valuations year-on-year.

The cost of funding (based on variable and fixed interest financial liabilities including bonds and derivatives) totalled 2.29% as of 31 December 2020 (31 December 2019: 2.30%). The cost of funding excluding bonds came to 2.25% (31 December 2019: 2.26%).

Earnings per share

Even in the pandemic-dominated year 2020, the net profit for the year was clearly positive, amounting to EUR 56.9m (2019: EUR 213.3m), but fell significantly from the prior year primarily as a result of lower property valuation effects. Earnings per share also declined to EUR 0.79 (2019: EUR 3.21) in line with this.

Earnings and financial position

Cash flow

Cash flow from operating activities for the financial year 2020 came to EUR 55.4m (2019: EUR 78.3m). Cash flow from investing activities totalled EUR -114.2m (2019: EUR -54.7m), reflecting the surplus of acquisitions over disposals, while cash flow from financing activities amounted to EUR 11.7m (2019: EUR 14.6m).

Consolidated statement of financial position

S IMMO Group's total assets decreased slightly from EUR 3,137.7m as of 31 December 2019 to EUR 3,122.6m as of 31 December 2020. Cash and cash equivalents totalled EUR 64.5m at the end of the year (31 December 2019: EUR 111.6m). Properties with a fair value of EUR 4.3m (31 December 2019: EUR 36.5m) were classified as held for sale.

Successful cash capital increase

A cash capital increase with gross issue proceeds of EUR 148.9m was carried out in January 2020 by issuing 6,691,717 new shares, which were issued at a subscription price of EUR 22.25 per share and thus at market.

Due to the uncertainty in connection with the COVID-19 pandemic, the equity investments in IMMOFINANZ AG and CA Immobilien Anlagen AG that are measured at share prices were written down. Consequently, the item "other financial assets" was reduced to EUR 497.7m (31 December 2019: EUR 554.1m) and the statement of comprehensive income was impacted negatively in line with this. The dividend income resulting from these investments amounted to EUR 6.3m (2019: EUR 17.0m) and was related to the distribution by CA Immobilien Anlagen AG.

Equity not including minority shares increased to EUR 1,380.6m as of 31 December 2020 (31 December 2019: EUR 1,342.2m). A dividend of EUR 0.70 per share was distributed in the fourth quarter for a total amount of EUR 50.2m (31 December 2019: EUR 46.3m).

The book value per share amounted to EUR 19.34 as of the reporting date of 31 December 2020 (31 December 2019: EUR 20.27). The equity ratio increased from 42.9% as of 31 December 2019 to 44.3% as of 31 December 2020.

Financial management

All of S IMMO's loan liabilities are denominated in euros. As of 31 December 2020, around 15% (31 December 2019: 15%) of loans were fixed-rate and 85% (31 December 2019: 85%) were variable-rate loans. S IMMO reduces the risk of rising interest rates on variable-rate financing with interest rate hedges.

Breakdown of financial liabilities

EUR m	2020	2019
Issued bonds (non-current)	497.2	525.4
Other financial liabilities (non-current)	873.8	848.9
Issued bonds (current)	28.5	0
Other financial liabilities (current)	99.3	145.2
Total	**1,498.8**	**1,519.4**

S IMMO's reported property investments (including investments in IMMOFINANZ AG and CA Immobilien Anlagen AG) amounted to EUR 2,973.6m as of 31 December 2020 (31 December 2019: EUR 2,924.2m). The loan-to-value ratio (LTV ratio) for financing secured with properties was slightly lower than last year and came to 31.3% (31 December 2019: 32.7%). S IMMO has unsecured financing as well. As of 31 December 2020, the LTV ratio for unsecured financing amounted to 15.5% (31 December 2019: 14.2%). In total, the company's LTV ratio was 46.8% (31 December 2019: 46.9%).

The following table shows the calculation method:

	2020		2019	
EUR m	**unsecured**	**secured**	**unsecured**	**secured**
Secured financial liabilities without derivatives	0	930.2	0	956.2
Issued bonds and other unsecured financing	525.7	0	525.4	0
Cash and cash equivalents	-64.5	0	-111.6	0
Total	**461.2**	**930.2**	**413.8**	**956.2**
Property investments	2,973.6	2,973.6	2,924.2	2,924.2
LTV ratio in %	15.5	31.3	14.2	32.7
Total in %	**46.8**		**46.9**	

As of 31 December 2020, S IMMO's liabilities to banks were spread among 23 (2019: 23) individual banks. The average maturity of non-current liabilities to banks was 5.3 years (2019: 5.6 years).

A green bond was issued for the first time in the company's history in the first quarter of 2021. The bond had a total volume of EUR 150m, a coupon of 1.75% p.a. and a term of seven years. In this way, the strategy of securing the current low interest rates with short individual maturities over the longer term was also continued in the new financial year.

Related party disclosures

More information on related party transactions can be found in section 5.6. in the notes to the consolidated annual financial statements.

Non-financial performance indicators and corporate responsibility

Details on the non-financial performance indicators and on corporate responsibility can be found in the non-financial report.

Information in accordance with section 243a (1) Austrian Commercial Code (UGB)

The following information must be disclosed pursuant to section 243a (1) Austrian Commercial Code (UGB):

1. After the capital increase in January 2020, the issued share capital of S IMMO AG amounts to EUR 267,457,923.62, divided into 73,608,896 no-par-value bearer shares. All shares have the same rights.

2. S IMMO AG's articles of incorporation restrict the voting rights of each shareholder at the Annual General Meeting to a maximum of 15% of the issued share capital. For this purpose, shares held by companies that together constitute a group for the purposes of section 15 Austrian Stock Corporation Act (AktG) are to be aggregated, as are shares held by third parties for the account of the relevant shareholder or the account of a

company forming part of a group with that shareholder. Holdings of shares by shareholders exercising their voting rights in concert in virtue of an agreement or as part of coordinated behaviour are also to be aggregated. The Management Board of S IMMO AG is not aware of any agreements applying to limitations of voting rights or the transfer of shares.

3. The company has been notified of the following holdings in excess of 10% under section 130 et seq. of the Austrian Stock Exchange Act (BörseG) and the corresponding previously applicable provisions:

On 21 September 2018, IMMOFINANZ AG reported that it had acquired 19,499,437 voting rights, which equates to a share of around 26.49% based on the current total number of voting rights.

On 10 February 2021, Aggregate Holdings S.A. notified the company that it held 10.78% of the voting rights indirectly.

For clarification purposes, S IMMO AG states that it has learned of the existence of the above-mentioned equity interests greater than 10% based on notifications under section 130 et seq. of the BörseG and that it therefore cannot guarantee the completeness or correctness of the above information. Moreover, notifications in accordance with the BörseG are only required upon reaching, exceeding or falling below the relevant thresholds, meaning that the actual current extent of the interests may differ from those listed in the notifications.

4. There are no shares with special control rights.

5. Employees who are shareholders exercise their voting rights at the Annual General Meeting directly, if appropriate.

6. The Management Board consists of two, three or four members. The members of the Management Board are appointed by the Supervisory Board by a three-quarters majority of the votes cast. The Supervisory Board may at the same time appoint a member of the Management Board as Chairman and another member as Deputy Chairman. This resolution also requires a three-quarters majority of the votes cast. Appointment to the Management Board is open only to those under the age of 65 at the time of appointment. The Supervisory Board consists of a maximum of ten members elected by the Annual General Meeting. Resolutions proposing increases in share capital are passed by the Annual General Meeting by a simple majority of the share capital represented in the vote on the resolution.

7. a) By resolution of the 31st Annual General Meeting on 12 October 2020, the Management Board was authorised under section 169 AktG, with the approval of the Supervisory Board, for a period of five years after entry of this amendment to the articles of incorporation in the company register, i.e. until 26 November 2025, to increase the share capital by up to EUR 133,728,961.81 by issuing up to 36,804,448 new ordinary bearer shares in the company against contributions in cash or in kind in one or more tranches and to determine the issue amount, which may not be below the pro rata amount of the share capital, as well as the other issue conditions in consultation with the Supervisory Board. With the approval of the Supervisory Board, the Management Board was also authorised to fully or partially exclude the subscription right of shareholders (i) if the capital increase is carried out against cash contributions and the proportion of the company's share capital arithmetically apportioned to the shares issued against cash contributions with exclusion of the subscription right does not total more than the threshold of 10% (ten per cent) of the company's share capital at the time of exercising of the authorisation, (ii) if the capital increase is carried out against contributions in kind, (iii) in order to use a greenshoe option or (iv) to compensate for fractional amounts. A proportion of the share capital totalling no more than 10% (ten per cent) of the company's share capital at the time of granting of the authorisation may be arithmetically apportioned to the total of the shares issued against cash contributions and contributions in kind under this authorisation with exclusion of the subscription right of shareholders. All subscription or conversion rights to new shares that have been granted for a convertible, exchangeable or warrant bond issued during the term of this authorisation with exclusion of the subscription right count towards this threshold. The Supervisory Board is authorised to pass changes to the articles of incorporation that arise from the issue of shares from authorised capital.

b) At the 31st Annual General Meeting on 12 October 2020, the Management Board was authorised under the provisions of section 65 (1) item 8 and (1a) and (1b) AktG for a period of 30 months from the date of the passing of the resolution, that is, until 12 April 2023, with the approval of the Supervisory Board, to acquire treasury shares of the company up to the statutory maximum of 10% of the company's share capital on one or more occasions, and if appropriate to cancel them. As of 22 March 2021, the company holds 2,676,872 treasury shares, which corresponds to 3.6% of the current share capital. The Management Board was also authorised for a period of five years from the date of the passing of the resolution, that is, until 12 October 2025, with the approval of the Supervisory Board, to dispose of treasury shares in a manner other than through the stock exchange or through a public offer and under exclusion of shareholders' subscription rights.

c) By resolution of the 31st Annual General Meeting on 12 October 2020 under section 174 (2) AktG, the Management Board was authorised, within five years from the date of the

resolution, i.e. until 12 October 2025, with the approval of the Supervisory Board, to issue convertible bonds associated with a conversion and/or subscription right to up to 7,360,889 no-par-value bearer shares in the company with a pro rata amount of the share capital of up to EUR 26,745,790.18, with or without exclusion of the subscription right, in one or more tranches at present value and to determine all further conditions of the convertible bonds.

This authorisation can also be used repeatedly. The total of (i) the shares already transferred to holders of convertible bonds under this authorisation and (ii) the shares for which conversion and/or subscription rights from convertible bonds already issued and to be issued in the context of reuse can be exercised may not exceed the maximum figure defined in this resolution, which equates to 10% of the share capital. New shares issued from authorised capital during the term of this authorisation with exclusion of the subscription right of shareholders count towards this threshold. The conversion and/or subscription rights can be used through shares from contingent capital, authorised capital, from treasury shares or by way of transfer by third parties, or a combination thereof.

The share capital will be contingently increased under section 159 (2) item 1 AktG by up to EUR 26,745,790.18 through the issue of up to 7,360,889 new no-par-value bearer shares. The contingent capital increase will only be carried out insofar as holders of convertible bonds issued on the basis of the Annual General Meeting resolution of 12 October 2020 make use of the conversion and/or subscription right granted to them. The issue amount and the conversion and/or subscription ratio must be determined with due consideration of common calculation methods as well as the price of the company's shares (bases for calculation of the issue amount); the issue amount may not be below the pro rata amount of the share capital. The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of carrying out the contingent capital increase (in particular the issue amount, the content of the share rights and the time of the dividend entitlement). The Supervisory Board is authorised to pass changes to the articles of incorporation that arise from the issue of shares from contingent capital or as a result of expiry of the deadline for use of the contingent capital.

8. The 4.5% S IMMO bond 2014–2021 issued in June 2014 (outstanding volume of around EUR 28.5m), the 3.25% S IMMO bond 2015–2025 issued in April 2015 (volume of around EUR 34m), the 3.25% S IMMO bond 2015–2027 issued in April 2015 (volume of EUR 65m), the 1.75% S IMMO bond 2018–2024 (volume of EUR 100m) and the 2.875% S IMMO bond 2018–2030 (volume of EUR 50m), both issued in February 2018, the 1.875% S IMMO bond 2019–2026 issued in May 2019 (volume of EUR 150m), the 2% S IMMO bond 2019–2029 issued in October 2019 (volume of EUR 100m) and the 1.75% S IMMO green bond 2021–2028 issued in February 2021 (volume of EUR 150m) contain change-of-control clauses. Under the terms and conditions of the bonds issued in 2014 and 2015 and the green bond issued in 2021, in the event of a change of control, the bond creditors are entitled to cancel the partial debenture and can demand immediate repayment. Under the terms and conditions of the bonds issued in 2018 and 2019, in the event of a change of control, the bond creditors are entitled to cancel the partial debenture provided this change of control leads to a significant limitation on the ability of the issuer to fulfil the obligations under the partial debentures. Under the terms and conditions of the bonds, a change of control occurs if, at any time, one person or several persons acting jointly or a third party or third parties acting on behalf of said person or persons directly or indirectly acquire (i) more than 50% of the voting rights associated with the shares of the issuer (irrespective of the maximum voting right) or (ii) the right to designate the majority of members of the Management Board of the issuer and/or the shareholder representatives on the Supervisory Board of the issuer. Under the terms and conditions of the bonds issued in 2019, a change of control also occurs if, in the event of a legally valid revocation of the maximum voting right, one person or several persons acting jointly or a third party or third parties acting on behalf of said person or persons at any time directly or indirectly acquire more than 30% of the voting rights associated with the shares of the issuer. According to the terms and conditions of the green bond issued in 2021, a change of control also takes place if one person or several persons acting jointly or a third party or parties acting on behalf of said person or persons at any time directly or indirectly acquire a controlling interest within the meaning of the Austrian Takeover Act (österreichisches Übernahmegesetz), thereby triggering a mandatory takeover offer.

9. There are no special compensation agreements between the company and members of the Management and Supervisory Boards or the company's employees that would take effect in the event of a public takeover offer.

Risk management report

As an international real estate group, S IMMO Group faces a host of risks and opportunities that impact operating activities, decision-making processes and strategic management. By identifying, analysing, managing and monitoring risks and opportunities, the Group strives to detect negative developments and potential risk factors in good time and minimise them as far as possible. Nevertheless, the occurrence of risks cannot be completely ruled out. S IMMO engages in long-term property investments by developing, buying, letting, operating, renovating and selling properties in Austria, Germany and CEE. The portfolio contains commercially used properties (office, retail and hotel) and residential properties. Other activities of the Group therefore include:

- real estate project development
- operation of hotels and shopping centres
- refurbishment of portfolio properties
- asset management

In addition, S IMMO AG holds shares in listed Austrian real estate companies (CA Immobilien Anlagen AG and IMMOFINANZ AG) that are included in the ATX.

At the beginning of 2020, S IMMO AG's risk management system was analysed in depth in a Group-wide project supported by external consultants in line with a better practice approach in all regional segments and at the level of the holding company. On this basis, a new standard risk catalogue was developed and risk owners were identified at all segment levels and at the holding company level. A major step was thus taken in the identification, management, assessment and handling of risks. On this basis, formalised, identical Group-wide documentation – interconnected with a quantitatively uniform assessment system – of the decisions regarding the risk appetite for each individual item of the standard risk catalogue was also established for the first time, and the company's risk positions were presented for each segment and at holding company level using an aggregation function.

A quantitative, qualitative and procedural expansion of the risk management system was therefore implemented throughout the Group. The basis for risk identification thus lies with the local risk owners, ensuring comprehensive bottom-up provision of information to the Management Board.

Furthermore, the Management Board established additional organisational and personnel resources in the risk management area in 2020. A specialist unit was set up for central risk management in the Group. As the risk owner, the risk coordinator regularly reports to the full Management Board.

In addition to internal regulations and guidelines, risk management at S IMMO comprises ongoing reports in the context of regular meetings with the Management Board. Furthermore, there are control measures in place in the Group for the purpose of the early detection, management and monitoring of risks. Key decisions relevant to risk are made by the Management Board. Investment projects above a specific volume also require approval from the Supervisory Board.

Both management bodies are regularly informed with regard to risks and the Internal Control System. The risk groups set out in this section have been regularly analysed and assessed retrospectively for financial year 2020 and also with regard to business activities in 2021.

Since the outbreak of the COVID-19 pandemic in the first half of 2020, all governments in the markets where S IMMO operates have taken measures, some of them drastic, to stem the further spread of the virus. A raft of restrictions and closures have been imposed, particularly in the hotel, hospitality and retail sectors. These have prompted major changes in consumer and travel behaviour, negatively impacting visitor numbers and revenue. Pandemic-related restrictions were tightened further in all markets where S IMMO operates in the fourth quarter of 2020. This has had a negative impact on S IMMO Group's rental income, and could continue to do so. The types of use hit hardest are hotel and retail.

In financial year 2021, the effects of the COVID-19 pandemic and the pandemic-related measures remain a key uncertainty factor that is beyond the company's control and makes medium- to long-term planning reliability almost impossible. It is hard to predict what direction the pandemic will take and how long it will last. In turn, this prompts uncertainty about the performance of economies and of the property and capital markets. Whether there are long-term or persistent adverse effects depends on the duration of the current crisis as well as the trends towards working from home and e-commerce intensified by the pandemic and the extent to which these trends may be offset by the increased attractiveness of the residential properties in S IMMO's portfolio. The influence of generally value-enhancing effects such as low interest rates or fiscal incentives and the associated attractiveness of property investments also remains to be seen.

S IMMO has a property portfolio in outstanding locations that has been built up in the context of a conservative and consistent investment policy. The management expects that it will ultimately be able to overcome the impacts of the pandemic and seize potential opportunities effectively with its diversified strategy. In this respect, as things stand, the company does not expect any lasting negative changes that would materially affect the Group's long-term prospects.

Internal Control System

An Internal Control System (ICS) is in place for all key business processes. Aspects such as the reliability of financial reporting are monitored and controlled by this system. In conjunction with the Internal Audit department and in compliance with (stock exchange) regulations, the ICS constitutes S IMMO Group's internal monitoring system. Core processes – in particular those relating to the Group's financial reporting – are set out in the internal processes database. This includes a risk management matrix in which the processes, potential individual risks and the assigned control steps are defined.

Key features of the accounting-specific ICS are:

- Clear division of tasks between finance and accounting as well as other areas of responsibility (e.g. treasury)
- Guidelines on the application of uniform accounting and valuation methods in the consolidated financial statements
- Assessment of risks that could lead to a material misstatement of transactions (e.g. incorrect allocation to balance sheet or profit and loss items)
- Appropriate control mechanisms in the automated preparation of the consolidated financial statements
- Reports to internal recipients (Management Board and Supervisory Board) include quarterly, segment and liquidity reports as well as additional individual analyses as required
- Within the preparation process for the consolidated financial statements, the respective accounting departments of the individual companies are required to prepare reporting packages by each reporting date on the basis of the Group-wide accounting manual and to send these to headquarters for further processing. The various subsidiaries use external service providers to prepare the reporting packages on behalf and under the responsibility of the respective management. In the context of the process-specific control activities, Group Accounting performs regular reviews of the completeness and accuracy of the reported data. Various deviation analyses are also performed in ongoing coordination with the Management Board. These include a review of the data of all Group companies at headquarters together with the specialist departments (e.g. Asset Management and Tax), with the involvement of the Accounting departments of the individual companies. When preparing the consolidated financial statements, Group Accounting uses a validated consolidation software package. The effectiveness of risk management is assessed each year on the basis of the critical self-assessment of the Group and on a voluntary basis by the Group's auditor in line with the requirements of C Rule no. 83 of the Austrian Code of Corporate Governance (ÖCGK). The Management Board, Supervisory Board and Audit Committee are made aware of the results of this audit.

Internal Audit

S IMMO AG's Internal Audit department coordinates audits of significant business processes of the Group parent company and its Austrian and foreign subsidiaries with regard to their effectiveness, existing risks and control weaknesses as well as potential improvements in efficiency. The audits take place in cycles of several years and are based on the annual audit plan approved by the Management Board. In addition, special audits are commissioned as required. Only external experts are commissioned to perform the audits. The results of the audits are reported to the Management Board. The Audit Committee of the Supervisory Board is regularly informed regarding the audit plan and the results of the audits.

Risk overview

Corporate strategy risks	Property-specific risks	Financial risks	Other risks
■ Business environment and industry risk ■ Investment risk ■ Capital market risk	■ Property portfolio risk ■ Letting and rental default risk ■ Property development risk ■ Construction risk ■ Property valuation risk	■ Liquidity risk ■ Interest rate risk ■ Financing risk ■ Exchange rate risk ■ Tax risks	■ Environmental risk ■ Risks related to matters of NaDiVeG ■ Risks in IT security ■ Legal risk and regulatory risks

Explanations on individual risks

Corporate strategy risks

Strategic risks are closely related to S IMMO's business strategy and could strongly influence it.

Business environment and industry risk

The development of an industry is heavily dependent on external factors such as the economy or the prevailing technological, political and legal situation. As the economic environment is constantly changing, the resulting risks are hard to forecast. A deterioration of the economic situation in a market can affect purchase and sale prices as well as the value of and return on a property. In addition, rent reductions, rental defaults or a termination of rental agreements by tenants may occur. S IMMO counters these risks by owning properties in different regions with various types of use. Careful asset management and constant monitoring also contribute to reducing the described risks.

Due to the current COVID-19 situation, economic forecasts and estimates of future performance of the property markets are very difficult. The management of the company anticipates that negative impacts will be apparent mainly in two types of use: hotel and retail. A recovery depends chiefly on the future course of the pandemic. An economic overview and an assessment of the property markets can be found in the economic report.

Investment risk

S IMMO faces risks in investments in property development projects as well as property purchases. These are often caused by factors beyond the Group's control, for example delays in the completion of property projects or the subsequent deterioration of the local economic situation. Therefore, the Group's strategy is oriented towards reducing potential investment risks through careful selection, planning and execution of property projects and purchases. There are set investment volume limits above which the approval of the Supervisory Board is required. Nevertheless, a residual amount of investment risk always remains with any investment, particularly in properties, and it can negatively influence cash flows and valuations.

S IMMO holds a significant amount of shares in IMMOFINANZ AG and CA Immobilien Anlagen AG. As property investment companies and property developers, both of these companies are exposed to similar risks to those of S IMMO, particularly all risks associated with the purchase, development, operation and sale of properties as well as general business risk. For information on the particular risks of these companies, please refer to the corresponding financial reports of the two companies. The shares of IMMOFINANZ AG and CA Immobilien Anlagen AG are listed in the Austrian ATX benchmark index and are subject to market price risks that could have a negative impact on S IMMO's equity.

The current unpredictability of the COVID-19 crisis in terms of timing implications and the intensity of infection levels has an impact on the investment risk. Delays in the approval and construction process are expected in development projects, even though they have been manageable so far. With regard to investments in existing properties, the risk of potential tenant defaults or the need to support tenants is transferred to the buyer upon closing of the transaction.

Capital market risk

The capital market is very important to S IMMO in terms of raising equity and debt. Unstable capital markets can impair the Group's financing options. Transparent and reliable information gives shareholders a well-founded decision-making basis and strengthens the capital market's trust in the securities issued by S IMMO AG.

Property-specific risks

S IMMO is exposed to all risks associated with the purchase, development, operation and sale of properties.

Property portfolio risk

S IMMO counters property portfolio risk with a balanced portfolio mix. The portfolio contains offices, retail and residential properties as well as hotels. In geographical terms, the properties are divided between Germany, Austria and CEE. The Group focuses on capital cities and metropolises within the European Union. The value of a property depends largely on its location and intended use. Therefore, the attractiveness of the location or the potential use can significantly affect S IMMO's financial situation. In general, diversification within the portfolio can cushion the risks of one market through positive developments in another market.

All markets of S IMMO have been and continue to be affected by the COVID-19 crisis. However, different types of use are impacted in different ways. As far as their finances allow, the local governments have put together various packages of measures to boost their respective economies. The diversified property portfolio has helped to reduce the negative effects of the COVID-19 crisis. In terms of types of use, hotel has been the hardest-hit, although retail has also had to contend with a certain level of closures. To date, the office segment has been unaffected by the crisis, and the residential asset class has actually benefited from the current situation.

Letting and rental default risk

Letting risk is closely linked to the general economic situation in the various markets, and therefore involves associated uncertainty in terms of forecasting. In general, there is always a certain letting risk – also regarding contract extensions – due to the various political and economic developments in the individual markets. The competitive situation can also have an impact on the letting rate and contract extensions. There is constant competition between owners for prestigious, attractive tenants. Depending on the economic development in the various markets in which S IMMO operates, pressure can be exerted on rents. This might imply accepting rents that are lower than originally forecast. In addition, S IMMO is exposed to rental default risk. If the Group is unable to extend expiring rental agreements on favourable terms or find suitable, creditworthy tenants who are willing to enter into a longer-term lease, this negatively impacts the market value of the properties concerned. There may also be lengthy vacancies. Particularly in times of economic and political uncertainty, S IMMO may be forced to accept rent reductions in order to maintain its letting rate. The credit rating of a tenant can decrease in the short or medium term, particularly during an economic downturn. In addition, there is the potential risk of a tenant becoming insolvent or otherwise being unable to fulfil its payment obligations under the rental agreement.

The COVID-19 crisis also has impacts as far as these risks are concerned, albeit with regional differences and depending on the measures taken by the local governments. For instance, in Romania, retail was allowed to remain open during the second wave, with only restaurants and other food service establishments having to close. By contrast, in Austria, retail has seen more widespread closures, but parts of the sector are receiving some state support by way of compensation. To date, the various closures and restrictions have mainly affected hotels, retailers and ground-floor users in the buildings (e.g. restaurants, cafés and fitness centres), some of which have suffered substantial declines in revenue due to the sharp rise in working from home. The office segment appears to be very stable so far.

Despite the currently challenging situation – take-up in particular is heavily dependent on viewing opportunities – S IMMO has managed to conclude rental agreements via various digital and virtual channels.

Property development risk

In the area of property development, risks may arise in connection with delays in receiving official approvals, construction delays, construction cost overruns, (construction) quality defects or letting. S IMMO counters these risks with regular cost, quality and deadline checks as well as deviation analyses.

The current unpredictability of the COVID-19 crisis affects development risks, too. Delays in the approval and construction process are expected in development projects. These result, for instance, from infected employees at administrative bodies, or from various protective measures that may slow down construction. To date, delays of this kind have only affected the projects of S IMMO to a very limited extent.

Construction risk

On the one hand, construction risk is the risk of damage to newly constructed properties and portfolio properties, which S IMMO reduces through industry-standard construction contracts with experienced construction firms, warranty periods and guarantees. To limit risks in this area as much as possible, detailed inspections are arranged before the end of the warranty periods so that any damage can still be rectified at the construction firm's expense. To safeguard against conventional damage to portfolio buildings, such as fire or water, S IMMO takes out insurance policies at usual market conditions. On the other hand, repair costs rise with the age of portfolio buildings, as key systems need to be replaced after their useful life. With active asset management and ongoing repairs as well as sensible maintenance measures, S IMMO endeavours to avoid major negative effects.

Property valuation risk

Property valuation depends on various macroeconomic conditions – which are beyond the Group's control – and on property-specific factors. In this respect, property valuation risk describes the risk of negative fluctuations in the value of the property portfolio. In addition to the expected rental income, the condition of the property and the letting level, property experts can also take into account other factors such as taxes on land and property, operating costs, third-party claims on the basis of environmental risks or risks associated with specific construction materials. Any change in the value of a property can have an impact on the Group's net profit or loss and, as a further consequence, its equity and therefore also its share price and creditworthiness. The Group recognises investment properties at fair values, and generally has them valued once or twice a year by external experts.

So far, the COVID-19 pandemic has had only a minor effect on the company's property values. The assessment of the residential and office properties is positive and stable. Consequently, returns are barely subject to upward variations. Investments in residential properties are perceived as secure, which is why returns are actually falling in this segment. To date, properties are also showing stable returns in the retail segment, as a catch-up effect is expected in the sector in the medium term. With levels of holiday and business travel activity expected to remain low, the values of hotel properties have fallen. However, diversification of S IMMO's portfolio means that negative impacts on the portfolio have been limited thus far.

Financial risks

For S IMMO Group, the management of financial risks mainly involves the consideration of liquidity, interest rate, financing and exchange rate risks.

Liquidity risk

On the basis of continuous liquidity planning, the Finance department coordinates the S IMMO Group's cash flows in cooperation with the Project Development, Asset Management and Acquisition departments, checks them for plausibility and adjusts them in order to ensure liquidity. The Group has fluctuating holdings of cash and cash equivalents that are invested in accordance with the respective operational and strategic requirements and objectives. Furthermore, it conducts hedging transactions, especially to hedge against changes in interest rates and the associated fluctuations in its financing costs. These hedging transactions could prove to be inefficient or unsuitable for meeting the set targets, and could lead to losses that impact income. In addition, the Group is exposed to the risk of its contracting partners failing to fulfil their contractual obligations under the hedging or investment transactions (counterparty risk). S IMMO Group counters this risk by concluding investment and hedging transactions only with respectable banks with a sound credit rating. In the case of stricter equity and liquidity regulations for banks and resultant increased lending restrictions and reduced lending levels, there can be problems with refinancing. Despite its mainly long-term loan agreements, S IMMO may be affected primarily in the event of loan extensions and refinancing (see also financing risk). This risk may arise primarily when loan extensions or refinancing are delayed or are granted at a lower level than expected. If S IMMO were unable to utilise suitable and appropriate external borrowings for project developments and acquisitions or refinancing of expiring external borrowings on time or at all, this could significantly impair its ability to fulfil its obligations under project development contracts or in acquisition projects. There is also the risk of being unable to repay bonds at the end of the term. An inability to fulfil the obligations under existing (financing) agreements and partial debentures due to a lack of availability of free liquidity may lead to a significantly adverse impact on the Group's net assets, financial position and earnings situation and negatively affect the Group's credit rating.

Interest rate risk

The vast majority of S IMMO Group's financing agreements provide for a variable interest rate, resulting in the risk of a changing interest rate level. The costs of interest payments increase if the respective reference interest rate rises. Nevertheless, it is currently expected that the European Central Bank will at least keep the base rate at the same level or lower it even further. Therefore, the three-month EURIBOR is also likely to remain negative for the next few years. S IMMO Group reduces interest rate risk on a long-term basis by hedging the interest rates of its variable-rate loans. As of 31 December 2020, 15% (31 December 2019: 15%) of loans were fixed-rate and 85% (31 December 2019: 85%) were variable-rate loans – mostly pegged to the three-month EURIBOR. S IMMO generally hedges its variable-rate loans with the following derivative financial instruments: swaps and caps. At the end of the year, most of the variable-rate financing portfolio was hedged. The extent to which the Group uses instruments of this kind depends on the assumptions and market expectations of the management and the responsible employees at S IMMO with regard to the future interest rate level as well as the development of borrowing levels. If these assumptions prove to be incorrect, this may lead to a significant rise in interest expenses. The stress tests, which include the existing bonds (for details, please see section 5.2.1. of the notes), show that S IMMO Group is exposed to interest rate changes to a limited extent. A three-month EURIBOR of 1.0% p.a. increases the cost of funding by 2 basis points. This means that despite hedging with derivative financial instruments, the Group would be exposed to higher financing costs if interest rates were to rise.

Financing risk

Market conditions for property financing are constantly changing. Even so, despite the COVID-19 crisis, S IMMO has not yet observed any lasting changes to or deteriorations in banks' willingness to provide funds. Properties showing no effects of the COVID-19 crisis, or at least not in the long term, on account of their asset class, location or tenant base, such as residential, office or retail properties, can still be financed at identical or similar terms as before the crisis. The attractiveness of various types of financing depends on several factors, some of which are beyond the Group's control. In particular, these factors include market interest rates, tax-related aspects and the assessment of the value and realisation potential of properties that serve as collateral, as well as the assessment of the general economic situation and future economic performance by the financing partners. In times of highly volatile property markets, lenders may sometimes be unwilling to extend maturing loans under terms that are acceptable to S IMMO Group. This can lead in particular to higher margins, lower lending levels and the need to provide further collateral, and might also generally lead to a lack of refinancing options. If the Group is unable to generate liquidity or external funds to the required extent at the required time or to borrow under acceptable terms, its ability to fulfil its obligations under financing agreements could be impaired. S IMMO Group strives to reduce this risk by spreading its borrowing among different lenders (23 individual banks as of the reporting date of 31 December 2020). Borrowing is monitored on the basis of approvals on a staggered basis by the Management Board and Supervisory Board. As of 31 December 2020, non-current liabilities to banks had an average weighted residual term of 5.3 years. This long-term financing is standard industry practice. In addition, there is the risk that it may not be possible to comply with financial covenants (clauses in loan agreements regarding the permitted indebtedness and the debt service cover ratio) or other contractual terms, guarantees or conditions in financing agreements. This may limit flexibility in financing future business activities. Compliance with financial covenants is constantly monitored by S IMMO Group in close contact with lending financial institutions. Covenant infringements may constitute a default incident. The Group is committed to a balanced ratio between financing and the book value of the property portfolio (loan-to-value ratio). As of 31 December 2020, the Group-wide loan-to-value ratio for secured financing stood at 31.3% (31 December 2019: 32.7%). In addition, the Group has unsecured financing (utilised credit lines and loans) equivalent to 15.5% (31 December 2019: 14.2%) of property assets. Despite close monitoring of financing instruments and the relevant parameters, S IMMO could be confronted with risks in the area of refinancing if the economy and the financing environment deteriorate sufficiently.

Exchange rate risk

S IMMO Group's borrowings are entirely denominated in euros and rental agreements are linked mainly to the euro. Therefore, the direct cash-effective exchange rate risk is regarded as low. A change in conditions for another currency could indirectly have an impact on the purchasing power of customers locally, which would have a medium-term effect on property valuations. In accounting terms, short-term, non-cash exchange rate effects could have an impact on the profit and loss account. This may be the case particularly with the Budapest Marriott Hotel depending on how the Hungarian forint develops against the euro.

Tax risks

As an international property group that currently has companies in eight European countries, S IMMO Group is exposed to a large number of different, constantly changing national tax systems. Changes in local taxation conditions (e.g. property-related taxes, sales taxes or income taxes) and uncertainty or different interpretations of the often complex tax regulations may lead to unplanned tax charges and therefore always constitute a risk to earnings. By working with local tax experts at all times, S IMMO attempts to identify possible consequences early on so that they can be reflected in decision-making, and in order to ensure that adequate accounting provisions are made for all risks known from tax audits or tax proceedings.

Other risks

Environmental risk

S IMMO may potentially be affected by various environmental risks such as natural or man-made disasters. Environmental risks may arise in connection with portfolio properties as well as development projects. For example, amended laws or renovation obligations as a result of environmental or safety regulations may require the removal or replacement of materials. Environmentally harmful substances at a development site may also have to be disposed of. New or stricter environmental, health and safety legislation may also give rise to additional costs. Natural disasters or extreme weather conditions such as floods, storms and hail may cause significant damage to properties under construction or portfolio properties. Man-made disasters such as nuclear incidents or accidents may also cause damage. Serious material damage to buildings is covered by appropriate building insurance policies, supplemented by special insurance policies such as against earthquake damage in Romania or Croatia. The combination of choosing or developing sound buildings and taking out earthquake insurance proved to be a wise decision in Croatia in 2020 given the multiple major earthquakes there. S IMMO strives to reduce environmental risks by performing thorough location analyses and obtaining written guarantees when making acquisitions and investments. Wherever possible in project developments and renovations, S IMMO uses environmentally compatible materials and energy-saving technologies, and implements such projects with consideration for whether they are eligible for certification. Thus, the strict requirements relating to green building certificates and sustainability are met, leading to a significant reduction in the use of ecologically harmful products.

Risks related to matters of NaDiVeG

The Austrian Sustainability and Diversity Act (NaDiVeG) requires that key risks which can have negative effects on the following considerations be addressed: environment, employees, social issues, combating corruption and bribery, and observing human rights. Significant risks in conjunction with the issues mentioned in the non-financial report and measures for identifying, evaluating, avoiding and limiting the risks are described in the following section of the risk report.

S IMMO is aware of its responsibility towards the environment. The construction of new buildings results in an increase in carbon emissions and the greenhouse effect is accelerated by the additional energy consumption. Furthermore, hazardous waste could be released into the environment during new construction projects or renovation work by using harmful construction materials that contain pollutants. Risks in this area may also affect the company's net asset position, for example if additional requirements lead to higher construction or renovation costs or if the obligation to compensate for carbon emissions is enshrined in law. To counter these risks, S IMMO handles portfolio properties and development projects responsibly. The company tries to monitor carbon emissions on the basis of real consumption and to pay attention to energy-efficient construction methods and the use of high-quality and ecological materials – taking account of an acceptable cost/benefit ratio for tenants. If possible, it is ensured that renewable energies are used in the local electricity mix. In development projects, efforts are made to obtain green building certificates. In this respect, sustainability certificates are already in place for several S IMMO buildings.

In addition to environmental management, S IMMO is also responsible for safety on construction sites when commissioning new buildings and conversion work. A lack of quality and breaches of safety regulations can jeopardise the safety and health of workers. A lack of care on construction sites can also lead to complaints from residents regarding noise and dust pollution.

When it comes to the issues of ethics, compliance and human rights, the management considers there to be a high level of social responsibility for supply chains and supplier contracts. For this reason, S IMMO attaches great importance to contractual provisions and ensures compliance with all statutory provisions when choosing its partners. It generally collaborates with well-known, recognised partners. This also minimises the financial risk of fines or legal restrictions.

Core values such as transparency and fair and sustainable corporate management are deeply enshrined in S IMMO's corporate culture. This is also evidenced by S IMMO's commitment to the Austrian Code of Corporate Governance.

There is always the risk of corruption incidents in day-to-day business. Some of the countries in which S IMMO operates have a poor ranking according to the Corruption Perceptions Index, which can lead to the violation of the law and subsequently to penalties. To this end, S IMMO has prepared compliance guidelines which are mandatory for all employees. A breach can lead to disciplinary action.

S IMMO has dedicated itself to respecting all human rights to the highest possible extent. However, it is always possible that violations of human rights (collective agreement, working hours, etc.) may occur. The company has developed a comprehensive human rights policy (available at https://www.simmoag.at/en/company/corporate-social-responsibility.html) and counters these risks with a variety of control measures.

The company also deals with challenges and potential risks which may arise in connection with its employees. For S IMMO, it is therefore a matter of course to reduce possible negative effects on employees' health to a minimum. This has also been apparent in the COVID-19 pandemic. The S IMMO team have mostly been working from home since the first lockdown back in March 2020. To this end, the employees' existing IT infrastructure has been adapted accordingly. In addition, ever since the second lockdown in November 2020, no more than 50% of the team were allowed in the office, and no more than one person can be in each room at any one time. Masks must be worn in the office premises except at the individual's own workstation, and the applicable minimum distances must be adhered to in the corridors and other common areas. Starting in November, S IMMO gave its team the opportunity to be tested for COVID-19 infection free of charge. A specially created task force organises and assists with all matters relating to COVID-19. The safety of the team in the office is the top priority here. However, the increase in working from home also poses a risk to employees in the company's view, particularly with regard to work-life balance and a possible lack of suitable working space. A detailed report on the COVID-19 measures taken by the company can be found in the non-financial report.

Furthermore, S IMMO places emphasis on an adequate work-life balance, and a health programme is also offered. In order to ensure that employees are able to carry out their tasks independently, the company attaches great value to specialist qualifications and offers opportunities for further education and training.

In May 2018, the EU General Data Protection Regulation came into force. S IMMO examined existing policies and adjusted them in order to take due account of all legal obligations, in particular relating to data storage and data processing. At the time the regulation went into force, there were in part quite different interpretations about the correct implementation of the General Data Protection Regulation, also among legal experts. Despite all due caution, the risk remains that measures S IMMO AG has taken are not sufficient and that claims will be lodged by third parties. The company counters this risk by monitoring the legal situation on an ongoing basis and appropriately adapting its processes if necessary.

Risks in IT security

S IMMO defines IT risk as the danger that certain weak points will arise in the systems, components, communication networks or software and subsequently prevent the company or individuals from performing their tasks or processes successfully and on schedule. IT risk is directly related to the security of the IT systems. Sources of risk include viruses, short- or long-term cyberattacks (including the loss of customer data) on individual systems or the entire network, hardware theft, fires in data centres, power outages or server hard drive crashes. S IMMO's IT risk management is designed to identify IT risks at an early stage, to take the necessary countermeasures and to minimise possible threats. The measures taken include the installation of security-relevant updates on all servers and clients, regular server vulnerability scans, the use of up-to-date antivirus software, hosting servers at the fail-safe data centre of the IT service provider, the deployment of BIOS passwords, encryption of employees' hard drives, the use of company-issued iPhones with encryption enabled by default and active web filters, the monitoring of firewalls and other similar measures. In addition, a cyber AI security solution has been in use since the middle of the year. As a result, the IT infrastructure is monitored around the clock, and the company is informed by an in-house security team in the event of a cyberattack. Despite great care and the use of state-of-the-art technology in the area of IT security, an IT malfunction or a cyberattack on S IMMO's systems cannot be ruled out.

Legal risk and regulatory risks

S IMMO is exposed to a large number of legal risks as a result of its business activities. These stem mainly from legal disputes in connection with S IMMO's business operations (for example, disputes arising from property transactions or with construction firms) and regulatory risks. If applicable, provisions in accordance with IFRS requirements are formed for ongoing legal disputes. As the outcomes of arbitration or legal proceedings are generally hard to predict, expenses may exceed the allocated provisions. Significant risks may also arise from changes in the law, particularly as S IMMO operates in a highly regulated environment and in different jurisdictions. At the end of January

2020, for example, the Senate of Berlin passed legal regulations to limit rents, known as the 'rent cap'. The key points state that rents are to be frozen initially and that existing rents can also be reduced from 01 November 2020 if they exceed 20% of the regulated rent index. Rents for new rentals may not exceed the regulated rent index. However, it remains to be seen whether the legislation makes economic sense with regard to reducing housing shortages and whether it will stand up to constitutional scrutiny. The ruling of the German Federal Constitutional Court is expected in the second quarter of 2021. From the current perspective, the impact on S IMMO's overall portfolio is assessed as being low, although rent increases for around 760 tenants were reversed on 01 April 2020 and rents had to be adjusted for around 700 existing tenants by 01 December 2020. If the German Federal Constitutional Court declares that the regulations to limit rents are unconstitutional, S IMMO will presumably be allowed to reclaim the lost rental income. Furthermore, S IMMO's activities in Berlin have been focused on the office segment, which is still growing strongly, for several years now.

Clear interpretation of legislation and contractual provisions can also be difficult in the context of the COVID-19 crisis due to the extraordinary circumstances and the rapidly changing legal situation, and this can lead to further legal disputes or the need for increased willingness to settle.

The Group operates in a regulatory environment in which the regulations – in particular market abuse, data protection and antitrust legislation – are and will continue to be enforceable with severe penalties. The measures taken by the company may prove insufficient to prevent breaches of legislation and may therefore entail the imposition of substantial fines.

Overall statement on risks and opportunities

S IMMO AG's business activities are subject to a large number of risks and are heavily dependent on the economic situation in the markets in which the Group operates. Following the economic downturns worldwide in 2020, many experts believe that there will be a slight economic recovery in 2021. However, this depends on the easing of government measures to curb the pandemic as well as the effectiveness and availability of vaccinations. The management of S IMMO anticipates that the COVID-19 pandemic will continue to have an impact on economies, and therefore on the operating activities of S IMMO, in the first half of 2021 at least. Negative effects are primarily expected for the hotel and retail asset classes. Here, the measures implemented by governments to stem the spread of the virus have led to an at least temporary change in consumption and travel behaviour, which is reflected in reduced visitor numbers and revenue and could in turn negatively impact the rental income of S IMMO. In addition, depending on the duration and intensity of the pandemic, there could be negative impacts on the property valuation, letting, industry or property portfolio risk.

International stock markets also reacted to the spread of COVID-19, but have also recovered in part. The Austrian benchmark index ATX is an exception. As well as being reflected by the price of the S IMMO share and therefore the market capitalisation, this influences the valuations of the investments in IMMOFINANZ AG and CA Immobilien Anlagen AG.

Another risk area relates to the liquidity and financing situation in the company. Despite the COVID-19 crisis, there has fortunately been no sign of lasting changes to or deteriorations in banks' willingness to provide funds.

The portfolio of S IMMO, which is diversified according to region and type of use, has proved its worth in the crisis so far. The effects of the pandemic can ultimately be overcome and potential opportunities can be effectively seized with this strategy.

The company counters all risks with careful risk monitoring and a responsible risk policy. However, the occurrence of risks cannot be completely ruled out. Provisions are made for potential risks.

In addition to the risks mentioned above, there are also opportunities. At present, the company is benefiting from the attractive price level for residential properties in larger German cities. The company also sees tremendous value-enhancement potential for the land purchases in the area around Berlin. In addition, interesting acquisition options are being examined on an ongoing basis in the CEE region.

Outlook

Significant events after the balance sheet date

In the first quarter of 2021, a green bond with a nominal value of EUR 150m, a term of seven years and a coupon of 1.75% was successfully placed.

In March 2021, the Management Board team at S IMMO AG was restructured. Bruno Ettenauer was appointed as CEO for a period of three years with effect from 15 March 2021. Herwig Teufelsdorfer was appointed as the company's CIO (Chief Investment Officer) for a period of three years as of 12 April 2021. Friedrich Wachernig's mandate in the role of COO (Chief Operating Officer) was extended by another three years until 30 June 2024.

On 14 March 2021, IMMOFINANZ AG announced its intention to submit a voluntary public takeover offer to the shareholders of S IMMO AG.

On 16 March 2021, the company was informed by the Austrian Takeover Commission that at the request of a shareholder the 2nd Senate of the Austrian Takeover Commission had opened review proceedings in relation to the target company IMMOFINANZ AG in accordance with section 33 (1) item 2 of the Austrian Takeover Act (ÜbG) and was reviewing whether various legal entities, including S IMMO AG and its subsidiary CEE Immobilien GmbH, had breached a bid obligation at the level of IMMOFINANZ AG. As S IMMO AG does not yet have any specific information on the allegations made, the company also cannot currently assess whether and to what extent the proceedings will actually materially affect S IMMO AG.

The effects of the COVID-19 pandemic and the associated uncertainties on the markets on which S IMMO operates are continuing in the first quarter of 2021 still.

Expected economic development

Experts are forecasting economic growth for the European Union (EU), provided that another wave of infections does not materialise in spring 2021, the measures to contain the SARS-CoV-2 virus are lifted in the first half of 2021, the percentage of the population that has been vaccinated increases and the treatment of COVID-19 with medication improves. Under these conditions, the European Commission expects euroarea GDP to expand by 4.2% in 2021 and by 5.8% in 2022.

In the CEE region (Bulgaria, Croatia, Czechia, Hungary, Poland, Romania), the Oesterreichische Nationalbank (OeNB) anticipates economic growth of 3.8% for 2021 and 3.6% for 2022.

For Austria, the OeNB anticipates an economic recovery process over the coming quarters. Growth rates of 3.6% and 4.0% are projected for 2021 and 2022, respectively. In the second half of 2022, the OeNB expects Austrian GDP to return to its pre-crisis level.

Expected development on the real estate markets

The COVID-19 pandemic has impacted the individual types of use to different extents. On the whole, the residential property market has suffered no damage as a result of the measures taken to contain the pandemic. The boom in real estate prices is continuing. Particularly in metropolitan areas and prosperous regions, prices can be expected to keep rising. The asset class of office buildings has also been spared the worst and has stabilised at the previous year's level, according to CBRE. By contrast, the hotel and retail sectors have been hit particularly hard by the travel restrictions and lockdowns. Hardly any new retail space has been rented. A recovery is not expected here until the medium term. CBRE therefore expects investors' interest to be focussed particularly on the residential, office and logistics use types in the current year and next year.

Expected business development

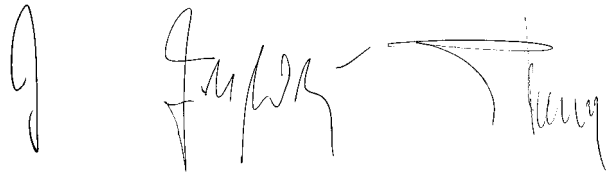
The first quarter of 2021 was still dominated by the COVID-19 pandemic. With regard to S IMMO AG's different types of use, the situation is as follows: Hotels are the hardest hit, and a full recovery in this sector is currently expected to take two or three years. In the residential asset class, by contrast, there are positive effects on demand and on the performance of the company's portfolio. Due to the persistently low interest rates, S IMMO expects this trend to continue and is firmly convinced that residential property will continue to be among the winners in the COVID-19 crisis. In the office sector, the company expects very marginal decreases at most. Although the COVID-19 pandemic has currently boosted the trend of working from home, the management is confident that offices – especially efficient and flexible office properties in good locations – will not lose their importance in the future. Offices not only meet the need for interaction and collaboration, but in particular serve identification and representation purposes for companies. Furthermore, working from home requires suitable space and IT conditions that are not available everywhere. The situation in the retail segment is mixed, with some sectors more heavily impacted than others. Overall, however, brick-and-mortar retail and online retail will continue to complement one another. S IMMO expects that the experience of shopping in particular will remain an important factor.

With regard to investments, the company is continuing to focus on Berlin's commuter belt. The company now has land reserves of around 2.5 million m² there, spread across 30 plots of land. Five of these plots are currently under development as specific projects, mostly in the residential segment. Particularly in light of the COVID-19 pandemic, the company sees great potential in these investments. Prices in Berlin are continuing to rise, and for many people the desire to be close to nature and open spaces has grown even more as a result of the pandemic.

In addition, S IMMO AG constantly examines investment opportunities in up-and-coming German cities and capital cities in the CEE region. The company recently acquired two class-A office buildings in Bucharest and a property in Bratislava. The transfer of the properties in Bucharest to S IMMO's portfolio is scheduled for the second quarter of 2021. In Budapest, the company is currently working on an office development.

Vienna, 22 March 2021

The Management Board



Ernst Vejdovszky Friedrich Wachernig Bruno Ettenauer

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

as of 31 December 2020

Assets EUR '000	Notes	31 December 2020	31 December 2019
Non-current assets			
Investment properties			
Rented properties	3.1.1.	2,316,747	2,188,317
Properties under development and undeveloped land	3.1.1.	38,175	21,846
		2,354,922	2,210,163
Owner-operated properties	3.1.2.	117,617	124,377
Other plant and equipment	3.1.2.	6,346	5,123
Intangible assets	3.1.2.	251	242
Interests in companies measured at equity	3.1.3.	24,376	36,284
Group interests	3.1.4.	4,609	3,863
Loans to companies measured at equity	3.1.3.	0	2,010
Other financial assets	3.1.4.	497,721	554,090
Deferred tax assets	3.1.16.	1,178	1,077
		3,007,020	2,937,229
Current assets			
Inventories	3.1.5.	208	332
Trade receivables	3.1.6.	4,270	7,437
Loans to companies measured at equity	3.1.3.	0	6,631
Other financial assets	3.1.6.	13,787	6,932
Other assets	3.1.7.	28,477	31,063
Cash and cash equivalents	3.1.8.	64,503	111,564
		111,245	163,959
Assets held for sale	3.1.9.	4,345	36,500
		115,590	200,459
		3,122,610	**3,137,688**

Equity and liabilities EUR '000	Notes	31 December 2020	31 December 2019
Shareholders' equity			
Share capital	3.1.10.	259,397	240,544
Capital reserves	3.1.10.	173,855	68,832
Other reserves	3.1.10.	947,299	1,032,799
		1,380,551	1,342,175
Non-controlling interests	3.1.11.	3,277	2,910
		1,383,828	1,345,085
Non-current liabilities			
Issued bonds	3.1.13.	497,215	525,352
Other financial liabilities	3.1.12.	873,801	848,862
Provisions for employee benefits	3.1.14.	1,349	1,376
Other liabilities	3.1.15.	957	6,723
Deferred tax liabilities	3.1.16.	195,887	221,658
		1,569,209	1,603,971
Current liabilities			
Issued bonds	3.1.13.	28,529	0
Financial liabilities	3.1.12.	99,273	145,221
Income tax liabilities		2,384	1,649
Trade payables	5.1.1.	3,616	5,510
Other liabilities	3.1.15.	35,771	36,252
		169,573	188,632
		3,122,610	**3,137,688**

Consolidated income statement

for the financial year 2020

in EUR '000	Notes	2020	2019
Revenues			
Rental income	3.2.1.	123,255	119,373
Revenues from operating costs	3.2.1.	32,871	31,952
Revenues from hotel operations	3.2.1.	17,789	59,102
		173,915	210,427
Other operating income		**2,501**	2,481
Property operating expenses	3.2.2.	-66,760	-60,952
Hotel operating expenses	3.2.2.	-18,126	-42,250
Gross profit		**91,530**	109,706
Income from property disposals	3.2.3.	46,910	58,801
Book value of property disposals	3.2.3.	-46,910	-58,801
Result from property disposals	3.2.3.	**0**	0
Management expenses	3.2.4.	-20,398	-22,669
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**71,132**	87,037
Depreciation and amortisation	3.2.5.	-9,232	-8,264
Results from property valuation	3.2.6.	39,056	192,671
Operating income (EBIT)		**100,956**	271,444
Financing costs	3.2.7.	-43,226	-50,444
Financing income	3.2.7.	8,821	19,064
Results from companies measured at equity	3.2.7.	5,035	11,359
Financial result		**-29,370**	-20,021
Earnings before tax (EBT)		**71,586**	251,423
Taxes on income	3.1.16.	-14,674	-38,116
Consolidated net income		**56,912**	**213,307**
of which attributable to shareholders in the parent company		56,537	212,774
of which attributable to non-controlling interests		375	533
Earnings per share			
undiluted = diluted	3.2.8.	0.79	3.21

Consolidated statement of comprehensive income

for the financial year 2020

in EUR '000	Notes	2020	2019
Consolidated net income		56,912	213,307
Change in value of cash flow hedges	5.1.2.	-4,281	-11,052
Income taxes on cash flow hedges	5.1.2.	767	1,998
Reclassification of derivative valuation effects	5.1.2.	2,446	757
Income taxes on reclassification of derivative valuation effects	5.1.2.	-611	-189
Reserve for foreign exchange rate differences	3.1.10.	3,398	1,137
Other comprehensive income for the period (realised through profit or loss)		1,719	-7,350
Valuation of financial assets FVOCI		-124,746	102,883
Income taxes from measurement of financial assets FVOCI		31,187	-28,577
Remeasurement of post-employment benefit obligations		-18	-90
Income taxes on remeasurement of post-employment benefit obligations		5	22
Other comprehensive income for the period (not realised through profit or loss)		-93,572	74,238
Other comprehensive income for the period		-91,853	66,888
of which attributable to shareholders in parent company		-91,853	66,888
of which attributable to non-controlling interests		0	0
Total comprehensive income		**-34,941**	**280,195**
of which attributable to shareholders in parent company		-35,316	279,662
of which attributable to non-controlling interests		375	533

Consolidated cash flow statement

for the financial year 2020

in EUR '000	Notes	2020	2019
Earnings before taxes (EBT)		71,586	251,423
Results from property valuation	3.2.6.	-39,056	-192,671
Depreciation and amortisation	3.2.5.	9,232	8,264
Results on property sales	3.2.3.	0	0
Taxes on income paid	3.1.16.	-6,756	-5,413
Financial result	3.2.7.	29,370	20,021
Operating cash flow		**64,376**	81,624
Changes in net current assets			
Receivables and other assets		1,791	-5,123
Provisions, other financial and non-financial liabilities		-19	5
Current liabilities		-10,746	1,840
Cash flow from operating activities		**55,402**	78,346
Cash flow from investing activities			
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)		-73,882	-120,317
Investments in intangible assets		-137	-141
Investments in other fixed assets		-2,745	-2,011
Acquisition of equity instruments of other companies	3.1.4.	-50,982	0
Investments in financial assets		-18,297	-120
Disposals of financial assets		0	470
Investments in companies measured at equity		-4,302	-3,953
Divestments in companies measured at equity		14,218	0
Net cash flow from deconsolidation of subsidiaries less cash and cash equivalents	2.2.4.	0	44,779
Net cash flow from initial consolidations	2.2.4.	-44,376	-4,550
Net cash flow from changes in companies measured at equity		13,017	6,908
Disposals of properties	3.2.3.	46,910	7,913
Dividends from companies measured at equity		588	645
Dividends received	3.1.4. | 3.2.7.	4,580	15,468
Income from equity investments	3.1.4.	267	158
Interest received	3.2.7.	942	96
Cash flow from investing activities		**-114,199**	-54,655

in EUR '000	Notes	2020	2019
Consolidated cash flow statement continued			
Cash flow from financing activities			
Issue of shares	3.1.10.	146,477	0
Buyback of treasury shares	3.1.10.	-22,379	0
Bond issues	3.1.13.	0	190,134
Bond redemptions	3.1.13.	0	-66,932
Buyback of bonds	3.1.13.	0	-35,858
Payment for bond exchange	3.1.13.	0	-4,124
Distribution of minority shares		-8	-343
Increases in financing	3.1.12.	67,079	56,503
Decreases in financing	3.1.12.	-93,964	-42,058
Dividend payment	3.1.10.	-50,185	-46,341
Interest paid		-35,284	-36,389
Cash flow from financing activities		11,736	14,592
Cash and cash equivalents 01 January		111,564	73,281
Net change in cash and cash equivalents		-47,061	38,283
Cash and cash equivalents 31 December[1]		**64,503**	**111,564**

[1] The effects of currency translation differences on the cash and cash equivalents were immaterial and are therefore not shown separately.

Changes in consolidated equity

in EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Equity instruments reserve	Other reserves	Subtotal S IMMO share-holders	Non-controlling interests	Total
As of 01 January 2020	240,544	68,832	-14,735	-17,123	91,419	973,238	1,342,175	2,910	1,345,085
Consolidated net income	0	0	0	0	0	56,537	56,537	375	56,912
Other comprehensive income	0	0	3,398	-1,679	-93,559	-13	-91,853	0	-91,853
Issue of shares	24,314	122,766	0	0	0	0	147,080	0	147,080
Buyback of treasury shares	-5,461	-17,743	0	0	0	0	-23,204	0	-23,204
Distribution with respect to non-controlling interests	0	0	0	0	0	0	0	-8	-8
Distribution for 2019 to shareholders [1]	0	0	0	0	0	-50,185	-50,185	0	-50,185
As of 31 December 2020	259,397	173,855	-11,337	-18,802	-2,140	979,577	1,380,551	3,277	1,383,828
As of 01 January 2019	240,544	68,832	-15,872	-8,636	17,113	806,873	1,108,854	2,720	1,111,574
Consolidated net income	0	0	0	0	0	212,774	212,774	533	213,307
Other comprehensive income	0	0	1,137	-8,487	74,306	-68	66,888	0	66,888
Distribution with respect to non-controlling interests	0	0	0	0	0	0	0	-343	-343
Distribution for 2018 to shareholders	0	0	0	0	0	-46,341	-46,341	0	-46,341
As of 31 December 2019	240,544	68,832	-14,735	-17,123	91,419	973,238	1,342,175	2,910	**1,345,085**

[1] The dividend distribution of kEUR 50,185 in 2020 corresponds to a dividend of EUR 0.70 (2019: EUR 0.70) per share, and was effected on 21 October 2020.

Notes to the consolidated financial statements

as of 31 December 2020

1. The Group

S IMMO Group (S IMMO AG and its subsidiaries) is an international real estate group. The ultimate parent company of the Group, S IMMO AG, has its registered office and headquarters at Friedrichstrasse 10, 1010 Vienna, Austria. The company has been listed on the Vienna Stock Exchange since 1987, since 2007 in the Prime Market segment. S IMMO was included in the Austrian ATX benchmark index for the first time on 18 September 2017. It has subsidiaries in Austria, Germany, Czechia, Slovakia, Hungary, Croatia, Romania and Bulgaria as of the reporting date. As of 31 December 2020, S IMMO Group owned properties in all the above countries. S IMMO Group engages in buying, selling, real estate project development, letting, asset management and operating hotels and shopping centres as well as in revitalising and renovating properties in Austria, Germany and CEE (Slovakia, Czechia, Hungary, Romania, Bulgaria and Croatia).

2. Accounting and valuation policies

2.1. Accounting policies

The consolidated financial statements comply with the International Financial Reporting Standards (IFRS), including the interpretations of the IFRS Interpretations Committee, the application of which is mandatory in the European Union at the balance sheet date, as well as supplementary provisions according to section 245a (1) Austrian Commercial Code (UGB).

The accounting policies of all companies included in consolidation are based on the uniform accounting regulations of S IMMO Group. The financial year for all companies included in consolidation ends on 31 December.

The consolidated financial statements are presented rounded to the nearest 1,000 euros (EUR '000 or kEUR). The totals of rounded amounts and the percentages may be affected by rounding differences caused by the use of computer software.

All receivables and liabilities and all income and expenses between companies in the scope of consolidation are eliminated as part of debt consolidation and the consolidation of income and expenses. Interim results from intercompany transfers of properties are likewise eliminated.

2.2. Consolidation group and basis of consolidation

2.2.1. Subsidiaries

The consolidated financial statements include all the companies (subsidiaries) over which the parent company has a controlling influence through full consolidation. A controlling interest exists where the parent company is directly or indirectly in a position to have the power of disposition over the associated subsidiary and determine the financial and business policies of the subsidiary in such a way that the yield level can be influenced (risk exposure by or claims related to fluctuating yields). A subsidiary is consolidated from the time the controlling influence is acquired, and deconsolidated when that influence ceases to exist.

The acquisition date is the date on which control of the new acquisition is acquired. Costs incurred by S IMMO Group in the course of acquisition, such as fees for due diligence reviews, measurements and other consulting services, are recognised as expenses in the period in which they have incurred.

If acquisitions result in business combinations as defined by IFRS 3, they are recognised according to the acquisition method. Assessing whether a transaction includes the acquisition of a business requires a detailed analysis of the relevant structures and processes.

If the company obtains control of a business through an acquisition, the acquisition costs are offset against the attributable fair value of the identifiable net assets acquired to determine any difference. A positive difference is recognised as goodwill. If the amount is negative, the underlying calculations and assumptions are reviewed once again and said amount is only recognised in profit or loss if this further critical review of the recognition and measurement of the assets and liabilities acquired results in a negative difference.

If there are no business combinations as defined by IFRS 3, the assets and liabilities acquired are recognised at the proportionately attributable acquisition costs. Typically, hidden reserves recognised as part of share deals are mostly or exclusively attributable to properties.

Changes to interests in subsidiaries that do not lead to the establishment or loss of control are classified as equity transactions. The book values of the interests held by the Group and accordingly those held by the controlling shareholders are adjusted in such a way that they reflect the changes to the ownership interests appropriately. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received is recognised under equity and allocated to the shareholders of S IMMO AG.

In the event of loss of control over a subsidiary, the attributable assets and liabilities and the related non-controlling interests are derecognised on the basis of the fictitious stand-alone disposal. The remeasurement of any retained interests at fair value as of the date of the loss of control is performed via the income statement and represents the starting point for the future measurement as an associate, joint venture or equity investment. When obtaining control over an existing joint venture or associate, the equity interest previously held in the acquired enterprise should be remeasured at fair value at the acquisition date.

2.2.2. Non-controlling interests

S IMMO Group recognises non-controlling interests as the proportionate share of identifiable net assets of the subsidiary.

Transactions with non-controlling interests not resulting in loss of control are treated in the same way as transactions with the Group's shareholders. Any difference between the consideration given and the relevant share of the book value of the net assets of the subsidiary arising from the acquisition of a non-controlling interest is recognised in equity. Gains and losses on the disposal of non-controlling interests are also recognised in equity.

Changes to the shareholdings of the non-controlling interests that do not lead to a loss of control of the S IMMO Group are recognised as set out in 2.2.1.

2.2.3. Associates and joint ventures

Companies over whose business and financial policies the parent company can directly or indirectly exercise a significant influence (as a rule, through a direct or indirect interest ranging from 20% to 50% of the share capital) and joint companies are included in the consolidated financial statements at equity.

Interests in companies included at equity are initially recognised at cost of acquisition. For associated companies and jointly controlled companies included at equity, differences resulting from consolidation are calculated in the same way as for fully consolidated companies. The goodwill resulting from the acquisition of a company included at equity is part of the book value and is not subject to amortisation. As part of the investment in the company included at equity, the goodwill is reviewed for impairment. S IMMO AG's interest in the profit or loss of a company consolidated at equity after the date of acquisition is included in the consolidated income statement. The share of other comprehensive income is recognised directly in the item other comprehensive income in the consolidated statement of comprehensive income. The cumulative share of such changes increases or reduces the book value of the interest. If S IMMO AG's attributable share of the accumulated losses of a company consolidated at equity exceeds the book value of the interest, excess shares of losses are not recognised, except to the extent that they give rise to obligations. In the event of distributions, the book value of the interest is reduced by the proportionate amount. Intercompany profits and losses between S IMMO AG and companies consolidated at equity are eliminated on consolidation.

If the ownership interest in companies recognised at equity changes and the equity method continues to be applied, the proportion of the gain or loss previously recognised in other comprehensive income attributed to the reduction in ownership interest is to be reclassified to profit or loss if this gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.2.4. Consolidation scope

Apart from S IMMO AG, the consolidated financial statements include 80 (2019: 77) companies (property holding and intermediary holding companies) that are fully consolidated and directly or indirectly owned by S IMMO AG, and 5 (2019: 11) companies included at equity.

Changes in the consolidation group in the financial year 2020

Zagrebtower d.o.o., Croatia, was acquired by way of a share deal in the third quarter of 2020. The purchase price (not including ancillary purchase costs) of kEUR 33,379 consisted entirely of cash and cash equivalents. The loan of kEUR 12,304 included in non-current liabilities was repaid in the course of the settlement of the purchase. The company acquired had the following book values at the time of the acquisition:

EUR '000	Book value
Non-current assets	
Property assets	44,400
Current assets	
Other current assets	1,390
Cash and cash equivalents	1,272
Total assets	**47,062**
Non-current liabilities	-12,869
Current liabilities	-814
Total book value of disposals	**33,379**

In the first quarter of 2020, S IMMO Property Zwölf GmbH, Austria, was also fully consolidated in the consolidated financial statements of S IMMO AG for the first time. This was followed by SIAG Multipurpose Center, s.r.o., Slovakia, in the second quarter of 2020. Due to their immateriality in previous years, neither company was included in the consolidation group and were instead reported as an investment. Cash at the time of initial consolidation amounted to kEUR 25 (S IMMO Property Zwölf GmbH) and kEUR 10 (SIAG Multipurpose Center, s.r.o.). The newly founded company THE MARK II OFFICES S.R.L., Romania, was fully included in the consolidation group in the third quarter of 2020. A business combination as per IFRS 3 did not occur for any of the newly consolidated companies, as the definition of a business according to IFRS 3 was not met. In the fourth quarter of 2020, the previously consolidated Szegedi út Kft., Hungary, was merged with the fully consolidated Hungarian subsidiary CEE Property-Invest Hungary 2003 Kft.

In the fourth quarter of 2020, the shares in the associated Austrian companies QBC Immobilien GmbH & Co Alpha KG, QBC Immobilien GmbH & Co Omega KG, QBC Immobilien GmbH & Co Zeta KG, QBC Alpha SP Immomanagement GmbH, QBC Omega SP Immomanagement GmbH and QBC Immobilien GmbH were sold.

Overview of the consolidation group 2020 on a company basis

	Location	Nominal capital 2020	Nominal capital 2019	Group share % 2020	Group share % 2019	Local currency 2020	Local currency 2019	Consolidation type 2020	Consolidation type 2019
CEE Immobilien GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
CEE PROPERTY-INVEST Immobilien GmbH	AT, Vienna	48,000,000	48,000,000	100	100	EUR	EUR	FC	FC
CEE CZ Immobilien GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
German Property Invest Immobilien GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
Hotel DUNA Beteiligungs Gesellschaft m.b.H.	AT, Vienna	145,346	145,346	100	100	EUR	EUR	FC	FC
AKIM Beteiligungen GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
SO Immobilienbeteiligungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
CEE Beteiligungen GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
E.V.I. Immobilienbeteiligungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
SIAG Berlin Wohnimmobilien GmbH	AT, Vienna	3,982,500	3,982,500	99.74	99.74	EUR	EUR	FC	FC
E.I.A. eins Immobilieninvestitions-gesellschaft m.b.H.	AT, Vienna	36,336	36,336	100	100	EUR	EUR	FC	FC
PCC-Hotelerrichtungs- und Betriebs-gesellschaft m.b.H. & Co. KG	AT, Vienna	8,299,238	8,299,238	89.67	88.49	EUR	EUR	FC	FC
PCC-Hotelerrichtungs- und Betriebs-gesellschaft m.b.H.	AT, Vienna	36,336	36,336	100	100	EUR	EUR	FC	FC

	Location	Nominal capital 2020	Nominal capital 2019	Group share % 2020	Group share % 2019	Local currency 2020	Local currency 2019	Consolidation type 2020	Consolidation type 2019
Neutorgasse 2–8 Projektverwertungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
H.S.E. Immobilienbeteiligungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
A.D.I. Immobilien Beteiligungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
QBC Management und Beteiligungen GmbH & Co KG	AT, Vienna	35,000	35,000	35	35	EUR	EUR	E	E
QBC Immobilien GmbH	AT, Vienna	N/A	60,000	N/A	21.02	N/A	EUR	N/A	E
QBC Management und Beteiligungen GmbH	AT, Vienna	35,000	35,000	35	35	EUR	EUR	E	E
QBC Alpha SP Immomanagement GmbH	AT, Vienna	N/A	35,000	N/A	35	N/A	EUR	N/A	E
QBC Gamma SP Immomanagement GmbH	AT, Vienna	35,000	35,000	35	35	EUR	EUR	E	E
QBC Omega SP Immomanagement GmbH	AT, Vienna	N/A	35,000	N/A	35	N/A	EUR	N/A	E
QBC Immobilien GmbH & Co Alpha KG	AT, Vienna	N/A	10,000	N/A	35	N/A	EUR	N/A	E
QBC Immobilien GmbH & Co Zeta KG	AT, Vienna	N/A	10,000	N/A	21.02	N/A	EUR	N/A	E
QBC Immobilien GmbH & Co Omega KG	AT, Vienna	N/A	10,000	N/A	35	N/A	EUR	N/A	E
BGM - EB-Grundstücksbeteiligungen GmbH & Co KG (previously: BGM-Erste Group Immorent GmbH & Co KG)	AT, Vienna	4,342,202	4,342,202	23.18	22.93	EUR	EUR	E	E
S IMMO Property Invest GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S Immo Immobilien Investitions GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Beteiligungen GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Eins GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Vier GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Fünf GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Sechs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Sieben GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Acht GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Neun GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Zehn GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Elf GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Property Zwölf GmbH	AT, Vienna	35,000	N/A	100	N/A	EUR	N/A	FC	N/A
Nusku Beteiligungsverwaltungs GmbH (previously: Viertel Zwei Hoch GmbH)	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
Nergal Immobilienverwertungs GmbH (previously: Viertel Zwei Plus GmbH)	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
S IMMO Group Finance GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
WASHINGTON PROEKT EOOD	BG, Sofia	4,054,450	4,054,450	100	100	BGN	BGN	FC	FC
ELTIMA PROPERTY COMPANY s. r. o.	CZ, Prague	100,000	100,000	100	100	CZK	CZK	FC	FC
REGA Property Invest s. r. o.	CZ, Prague	200,000	200,000	100	100	CZK	CZK	FC	FC
Lützow-Center GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
Ikaruspark GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
S IMMO Germany GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
S Immo Geschäftsimmobilien GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
Markt Carree Halle Immobilien GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
Tölz Immobilien GmbH	DE, Berlin	25,000	25,000	99.74	99.74	EUR	EUR	FC	FC

	Location	Nominal capital 2020	Nominal capital 2019	Group share % 2020	Group share % 2019	Local currency 2020	Local currency 2019	Consolidation type 2020	Consolidation type 2019
Einkaufs-Center Sofia G.m.b.H. & Co. KG	DE, Hamburg	87,000,000	87,000,000	65	65	EUR	EUR	FC	FC
SIAG Deutschland Beteiligungs-Verwaltungs GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
SIAG Deutschland Beteiligungs GmbH & Co. KG	DE, Berlin	100,000	100,000	94.9	94.9	EUR	EUR	FC	FC
SIAG Leipzig Wohnimmobilien GmbH	DE, Berlin	750,000	750,000	99.74	99.74	EUR	EUR	FC	FC
Maior Domus Hausverwaltungs GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
SIAG Property I GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
SIAG Property II GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
S IMMO Berlin I GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
S IMMO Berlin II GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
S IMMO Berlin III GmbH	DE, Berlin	25,000	25,000	93	93	EUR	EUR	FC	FC
S IMMO Berlin IV GmbH	DE, Berlin	25,000	25,000	93	93	EUR	EUR	FC	FC
S IMMO Berlin V GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
S IMMO Berlin VI GmbH	DE, Berlin	25,000	25,000	100	100	EUR	EUR	FC	FC
Bank-garázs Kft.	HU, Budapest	3,000,000	3,000,000	100	100	HUF	HUF	FC	FC
CEE Property-Invest Kft.	HU, Budapest	110,000,000	110,000,000	100	100	HUF	HUF	FC	FC
Maros utca Kft.	HU, Budapest	3,000,000	3,000,000	100	100	HUF	HUF	FC	FC
BUDA Kft.	HU, Budapest	3,000,000	3,000,000	100	100	HUF	HUF	FC	FC
Duna Szálloda Zrt.	HU, Budapest	5,000,000	5,000,000	100	100	HUF	HUF	FC	FC
City Center Irodaház Kft.	HU, Budapest	44,370,000	44,370,000	100	100	HUF	HUF	FC	FC
Szegedi út Kft.	HU, Budapest	N/A	3,000,000	N/A	100	N/A	HUF	N/A	FC
Nagymezö Kft.	HU, Budapest	462,590,000	462,590,000	100	100	HUF	HUF	FC	FC
CEE Property-Invest Hungary 2003 Kft.	HU, Budapest	6,000,000	3,000,000	100	100	HUF	HUF	FC	FC
S IMMO APM Hungary Kft.	HU, Budapest	20,000,000	20,000,000	100	100	HUF	HUF	FC	FC
Váci 113 Offices A Kft.	HU, Budapest	4,000,000	4,000,000	100	100	HUF	HUF	FC	FC
Váci 113 Offices B Hungary Kft.	HU, Budapest	4,000,000	4,000,000	100	100	HUF	HUF	FC	FC
SOCIETATE DEZVOLTARE COMERCIAL SUDULUI (SDCS) SRL	RO, Bucharest	157,642,390	157,642,390	100	100	RON	RON	FC	FC
VICTORIEI BUSINESS PLAZZA SRL	RO, Bucharest	18,852,144	18,852,144	100	100	RON	RON	FC	FC
DUAL CONSTRUCT INVEST SRL	RO, Bucharest	80,732,000	80,732,000	100	100	RON	RON	FC	FC
ROTER INVESTITII IMOBILIARE SRL	RO, Bucharest	10,289,770	10,289,770	100	100	RON	RON	FC	FC
SMART OFFICE DOROBANTI S.R.L.	RO, Bucharest	11,793,400	11,793,400	100	100	RON	RON	FC	FC
THE MARK II OFFICES S.R.L.	RO, Bucharest	45,576	N/A	100	N/A	RON	N/A	FC	N/A
Galvániho Business Centrum, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
GALVÁNIHO 2, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
IPD – International Property Development, s. r. o.	SK, Bratislava	33,194	33,194	51	51	EUR	EUR	E	E
SIAG Fachmarktzentren, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
SIAG Hotel Bratislava, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
GALVÁNIHO 4, s. r. o.	SK, Bratislava	33,195	33,195	100	100	EUR	EUR	FC	FC
SIAG Multipurpose Center, s.r.o.	SK, Bratislava	6,639	N/A	100	N/A	EUR	N/A	FC	N/A
EUROCENTER d. o. o.	HR, Zagreb	20,000	20,000	100	100	HRK	HRK	FC	FC
Savska 32 d.o.o.	HR, Zagreb	20,000	20,000	100	100	HRK	HRK	FC	FC
Zagrebtower d.o.o.	HR, Zagreb	15,347,000	N/A	100	N/A	HRK	N/A	FC	N/A

The following subsidiaries were not included in the consolidation group due to their immateriality for the consolidated financial statements as of 31 December 2020. They had a book value in the amount of kEUR 56 as of 31 December 2020 (31 December 2019: kEUR 59). The non-consolidated subsidiaries include Einkaufs-Center Sofia Verwaltungs G.m.b.H., Germany, Hamburg (nominal capital kEUR 25, Group share 65%) and the SOPOT Property d.o.o., Croatia, Zagreb (nominal capital kHRK 70, Group share 100%). Due to company law-related rules, IPD – International Property Development, s.r.o. is valued at equity.

2.3. Reporting currency and currency translation

The Group's reporting currency is the euro. For subsidiaries that prepare their accounts in foreign currencies and investments accounted for using the equity method, the functional currency of individual Group companies is determined by the main economic environment in which the respective company operates.A key determining factor here is the currency in which the majority of cash flows, goods and services are settled in the relevant country. When the functional currency is not obvious, in accordance with IAS 21 management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions and events.

For the subsidiaries in Romania, Croatia, Czechia and the majority of the subsidiaries in Hungary, management has defined the euro as the functional currency. The decision took account of the fact that the macroeconomic development of these economies is significantly influenced by the euro area. In addition, S IMMO concludes lease agreements in these countries predominantly in euros. Property financing is also in euros.

For one subsidiary operating in Bulgaria and two subsidiaries in Hungary, the functional currency is the local currency. For those Group companies for which the local currency is equivalent to the functional currency, functional currencies are translated into the reporting currency in accordance with IAS 21 as follows:

(a) assets and liabilities at the closing rate
(b) income and expenses at the average rate for the period
(c) equity at historical rates
(d) all resulting exchange differences are recognised in the foreign currency translation reserve under equity

Foreign currencies have been translated using the following exchange rates:

	Czech Republic CZK	Hungary HUF	Bulgaria BGN	Romania RON	Croatia HRK
Closing rate 31 December 2020	26.242	363.890	1.956	4.868	7.552
Average rate in 2020	26.498	354.052	1.956	4.843	7.544
Closing rate 31 December 2019	25.408	330.530	1.956	4.783	7.440
Average rate in 2019	25.659	325.752	1.956	4.750	7.420

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date or, in the case of revaluations, on the valuation date. Gains and losses resulting from the settlement of such transactions or from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate prevailing on the balance sheet date are recognised in the income statement.

2.4. New mandatory accounting regulations

2.4.1. New and amended standards to be applied in 2020

In preparing the consolidated financial statements, the following amendments to existing IAS, IFRS and interpretations and the newly issued standards and interpretations were taken into consideration, provided they had been published in the Official Journal of the European Union by 14 January 2021 and entered into force by this date:

Standard	Content	To be applied from
IFRS 16	COVID-19-Related Rent Concessions	June 2020
IFRS 3	Definition of a Business	January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (IBOR Reform) – Phase 1: Amendments to IFRS 9, IAS 39 and IFRS 7	January 2020
IAS 1, IAS 8	Definition of "Material"	January 2020
Conceptual Framework for IFRSs	Revised Conceptual Framework for IFRSs	January 2020

IFRS 16 "COVID-19-Related Rent Concessions"

Due to the COVID-19 pandemic, rent concessions have been granted to lessees in various forms (e.g. payment exemptions and deferral of lease payments). In May 2020, the IASB published amendments to IFRS 16 in connection with COVID-19. The amendments provide for optional, temporary COVID-19-related relief for lessees. Under certain conditions, they permit lessees to refrain from assessing whether a rent concession constitutes a lease modification in accordance with IFRS 16 and instead to account for the rent concession as if it were variable lease payments rather than a modification. This relief only applies to rent concessions that are made as a direct consequence of the COVID-19 pandemic, and only if certain conditions are met.

Entities that apply the exemption must disclose that fact as well as disclosing whether the exemption has been applied to all qualifying leases, and if not, to which type of leases it has been applied. In addition, the amount from rent concessions recognised in profit or loss must be disclosed.

A lessee applies this amendment retrospectively in accordance with IAS 8, but without any obligation to restate the previous year's figures.

There were no direct effects on the assets, liabilities, financial position or profit or loss of S IMMO as lessor.

IFRS 3 "Definition of a Business"

In order to be considered a business, an acquisition must include inputs and a substantive process that together significantly contribute to the ability to create outputs. The new regulations provide a framework for assessing when there is a substantive process. For example, in the case of start-ups that have not yet generated any revenues, the acquisition of an organised workforce will be required in order to fit the definition of a business.

The definition of the term "outputs" has been narrowed and now relates only to goods and services for customers and the generation of investment income and other income. Returns in the form of cost savings and other economic benefits therefore will not be included in the future.

In addition, an assessment of whether market participants are capable of replacing any inputs and processes not acquired or integrating the acquired activities and assets is no longer necessary.

Entities have the option of performing a concentration test to determine whether essentially the entire fair value of the gross assets acquired is concentrated in one asset or a group of similar assets. If this is the case, it is concluded that no business has been acquired. A further review is then not required.

There were no effects on the Group's assets, liabilities, financial position or profit or loss.

Interest Rate Benchmark Reform (IBOR Reform) – Phase 1: Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments in the first phase of the IASB project on the interest rate benchmark reform provide for a temporary exemption from applying specific hedge accounting requirements for hedges that are directly affected by the IBOR reform. As a result, it is possible to continue hedges that would otherwise have had to be terminated due to uncertainty as to when and how interest rate benchmarks are to be replaced in the context of the IBOR reform. However, any ineffective portions are still to be recognised in profit or loss. In view of the widespread use of hedges with IBOR-based contracts, the exemptions will affect companies in all sectors.

There were no significant effects on the Group's assets, liabilities, financial position or profit or loss.

Amendments to IAS 1 and IAS 8 "Definition of 'Material'"

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and consequential amendments to other IFRSs:

i) harmonise the definition of materiality in all IFRSs and in the Conceptual Framework for Financial Reporting,
ii) contain clarifications on the definition of "material" and
iii) contain clarifications on on obscuring material information with immaterial information.

The amended definition is as follows:
"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that the reference to obscuring information relates to situations in which the effects are comparable with those of omitting or misstating this information. They also state that an entity must assess materiality in relation to the financial statements as a whole.

In addition, the meaning of "primary users of general purpose financial statements" was clarified by defining these as "present and potential investors, lenders and other creditors" who mostly have to use the information provided in the financial statements for the financial information they require.

There were no significant effects on the Group's assets, liabilities, financial position or profit or loss.

Revised Conceptual Framework for IFRSs

The IASB has published a revision of its Conceptual Framework for Financial Reporting that will be applied immediately when developing new standards and interpretations. The main changes are:

- Increase in the importance of the management's stewardship for the objective of financial reporting (provision of useful information for making decisions on resource allocation).
- Emphasis on the principle of prudence, defined as exercising caution when making judgements in light of an uncertain environment, as a factor contributing to neutrality.
- Definition of a reporting entity, which may be a legal entity or part of a legal entity.
- Revision of the definition of an asset as a present economic resource controlled by the entity as a result of past events.
- Revision of the definition of a liability as a present obligation of an entity to transfer an economic resource as a result of past events.
- Removal of probability thresholds for the recognition and inclusion of additional guidelines for the disposal of assets and liabilities.
- Inclusion of additional explanations on different measurement concepts and factors to be taken into account when selecting them.
- Definition of profit or loss as the primary performance indicator and assessment that income and expenses recognised in other comprehensive income are generally to be reclassified to profit or loss (recycling) if this increases the relevance and faithful representation of the financial statements.

No existing IFRSs have been changed as a result of the revision of the Conceptual Framework. The revised Conceptual Framework will be applied when developing new standards and interpretations in the future. The Conceptual Framework may also help preparers of financial statements with developing accounting policies and matters for which IFRSs do not yet exist.

There were no significant effects on the net assets, financial position and results of operations of the Group.

2.4.2. Standards, interpretations and amendments to published standards that were not yet required to be applied in 2020 and were not applied early

The following standards and interpretations had been introduced or amended by 14 January 2021 but were not yet required to be applied for the financial year 2020. Earlier application is not planned.

Standard	Content	Adopted and to be applied from
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform (IBOR Reform) – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	January 2021
IFRS 4	Temporary exemption from IFRS 9	January 2021

Standard	Content	Not adopted and to be applied from
IFRS 17	Insurance Contracts	Postponed until January 2023
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	Postponed until January 2023
IAS 16	Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use	January 2022
IFRS 3	Amendments to IFRS 3: Reference to the Conceptual Framework for IFRSs	January 2022
IAS 37	Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	January 2022
Annual Improvements to IFRSs	2018–2020 Cycle	January 2022

Standards and interpretations that have already been adopted by the EU but were not applied early

Interest Rate Benchmark Reform (IBOR Reform) – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments from phase 2 of the interest rate benchmark reform relate to the actual changeover of interest rate benchmarks.

Accounting for changes in the calculation of contractual cash flows as a result of the IBOR reform

For financial instruments measured at amortised cost, there is a practical expedient under which a change in the calculation of contractual cash flows as a result of the IBOR reform is to be accounted for by updating the effective interest rate in accordance with the regulations of IFRS 9.B5.4.5. As a result, a gain or loss is not recognised directly. This expedient applies only to the above change and only to the extent that the change is required as a direct consequence of the IBOR reform and the new calculation of the contractual cash flows is economically equivalent to the previous one.

End date for exemptions from phase 1 for non-contractually specified risk components in hedges

In accordance with the phase 2 amendments, there is no prospective earlier application of the exemptions from phase 1 in relation to a non-contractually specified risk component in which either changes have been made or the hedge has been terminated.

Additional temporary exemptions from the application of specific hedge accounting requirements

For hedges that are directly affected by the IBOR reform, the amendments in phase 2 provide for additional temporary exemptions relating to the application of specific hedge accounting requirements from IAS 39 and IFRS 9:

- Changes relating to designation and hedge documentation: Necessary changes to the designation and documentation of a hedge do not lead to its termination. After the discontinuation of the phase 1 exemptions, the hedge documentation must be adapted to the changes required as a result of the IBOR reform, and this must be done by the end of the reporting period in which the changes were made.

- Amounts accumulated in the cash flow hedge reserve: Following a change in the contractual cash flows, there is no recycling of the cash flow hedge reserve. If the description of a hedged item in the hedge documentation is changed, it is assumed that the amounts accumulated in the cash flow hedge reserve are based on the new interest rate benchmark on the basis of which the hedged future cash flows are determined.
- Retrospective effectiveness test (only IAS 39): For the purposes of assessing the retroactive effectiveness of a hedge on a cumulative basis, an entity may reset the cumulative changes in the fair value of the hedged item and the hedging instrument to zero at the level of individual hedges if it no longer applies the exemptions in relation to the retrospective effectiveness test that are provided for in the phase 1 amendments.
- Groups of hedged items: When the hedging relationships for groups of hedged items are changed, the hedged items are allocated to sub-groups based on the interest rate benchmark to be hedged. The interest rate benchmark for each sub-group is determined as the hedged risk.
- Risk components – separate identifiability requirement: The "separately identifiable" criterion is considered to be met for the new interest rate benchmark if this is expected to be separately identifiable within 24 months of the date of first designation. This 24-month period applies separately to each new interest rate benchmark. However, it must be possible to measure the risk component reliably.

Additional IFRS 7 disclosures in connection with the IBOR reform

The amendments stipulate disclosures on:

(i) how the transition to new interest rate benchmarks is managed, the progress made and the risks arising from the transition,
(i) quantitative information about derivatives and non-derivatives for which the transition has not yet taken place, broken down by the significant interest rate benchmark, and
(iii) a description of all changes in the risk management strategy as a result of the IBOR reform.

No significant effects on the Group's assets, liabilities, financial position or profit or loss are currently expected.

IFRS 4 "Temporary exemption from IFRS 9"

The amendments to IFRS 4 are intended to regulate the accounting issues that arise temporarily due to the different application date of IFRS 9 Financial Instruments and the future IFRS 17 Insurance Contracts. In order to bring the application date of IFRS 9 in line with that of the new IFRS 17, in particular the temporary exemption from IFRS 9 has been extended until 2023.

Insurers may therefore apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 to financial years beginning before 01 January 2023.

No significant effects on the Group's assets, liabilities, financial position or profit or loss are expected.

Standards and interpretations that have not yet been adopted by the EU

IFRS 17 "Insurance Contracts"

IFRS 17 was published in May 2017 as a replacement for IFRS 4 "Insurance Contracts".

As the new regulations only affect the financial statements and key figures of entities that issue insurance contracts or investment contracts with discretionary participation features, no effects on the Group's assets, liabilities, financial position or profit or loss are expected.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The narrow-scope amendment to IAS 1 clarifies that the classification of liabilities as current or non-current is based on the existing rights at the end of the reporting period. The classification is independent of the management's expectations and of any events after the balance sheet date (e.g. receipt of a waiver or breach of contract after the balance sheet date). The amendment also clarifies what is meant by "settlement" of a liability in IAS 1.

If entities have previously taken the management's intentions into account when determining the classification of liabilities, there may be an impact. This also applies to some liabilities that can be converted into equity.

The amendment is to be applied retroactively in accordance with IAS 8.

In July 2020, the IASB published a postponement of the mandatory application date for the amendment by one year until 01 January 2023.

No significant effects on the Group's assets, liabilities, financial position or profit or loss are currently expected.

Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and/or condition necessary for its operation (such as proceeds from the sale of samples produced in a testing facility). The amendment also clarifies how "costs of testing" is to be interpreted. These are costs for determining whether the asset is technically and physically capable of performing its intended purpose. By contrast, the achievement of a certain financial performance (e.g. an operating profit margin targeted by the management) is irrelevant for the assessment.

The amendment requires entities to report separately proceeds and costs in connection with produced items that do not come from the entity's ordinary business and to disclose the item of the statement of comprehensive income in which these proceeds are recognised.

No significant effects on the Group's assets, liabilities, financial position or profit or loss are currently expected.

Amendments to IFRS 3: Reference to the Conceptual Framework for IFRSs

Minor amendments were made to IFRS 3 in order to update references to the revised Conceptual Framework for IFRSs and supplement IFRS 3 with the provision that an acquirer must apply the regulations of IAS 37 or IFRIC 21 instead of the Conceptual Framework when identifying acquired obligations that come under the scope of IAS 37 or IFRIC 21. Without this new regulation, in a business combination an entity would have recognised some liabilities that are not permitted to be recognised in accordance with IAS 37 or IFRIC 21 and would therefore have to be derecognised through profit or loss immediately after the acquisition. In addition, IFRS 3 is supplemented by an explicit ban on recognising acquired contingent receivables.

No significant effects on the Group's assets, liabilities, financial position or profit or loss are currently expected.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

The amendment to IAS 37 clarifies that the cost of fulfilling a contract includes all costs that are directly attributable to the contract. These include the incremental costs of fulfilling the contract (such as direct labour and material costs) and an allocation of other costs that relate directly to fulfilling the contract.

In addition, there is a clarification that any overriding impairment covers the assets used in fulfilling the contract (previously: associated with the contract).

No significant effects on the Group's assets, liabilities, financial position or profit or loss are currently expected.

Annual Improvements to IFRSs (2018–2020 Cycle)

The following improvements to standards were published in May:

- IFRS 9 – Clarification of which fees are to be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 – Amendment to Illustrative Example 13 accompanying IFRS 16, which contained statements on payments by the lessor to the lessee for the reimbursement of leasehold improvements, which often led to misunderstandings.
- IFRS 1 – The provision specifying that subsidiaries that become a first-time adopter of IFRSs later than their parent company have the option to measure assets and liabilities at the carrying amounts previously recognised for them in the consolidated financial statements of the parent company (not including consolidation adjustments and adjustments due to effects of the business combination) (exception: investment companies) is extended to the cumulative translation differences of the subsidiary. The amendment also applies to associates and joint ventures that make use of the corresponding IFRS 1 regulation.
- IAS 41 – Removal of the requirement to exclude taxation cash flows when measuring biological assets at fair value in accordance with IAS 41. This aligns the requirements of IAS 41 with the regulations of IFRS 13 and reconciles them with an amendment to IAS 41 from 2008, according to which a pre-tax interest rate does not necessarily have to be used for discounting when determining the fair value.

No significant effects on the Group's assets, liabilities, financial position or profit or loss are currently expected.

2.5. Changes in accounting and valuation policies

Apart from the new standards described in Note 2.4.1. and the first-time application of the hedge accounting rules of IFRS 9, there were no changes in valuation policies or in the presentation of the financial statements in the financial year 2020.

2.6. Accounting and valuation policies

2.6.1. Properties held as financial investments

It is industry practice to measure investment properties using the fair value model, under the option available in IAS 40. The Group classifies properties leased or rented out for the purpose of generating income or held for capital appreciation, together with undeveloped land as investment properties. Properties acquired for disposal, used by the Group or sold after development are not supposed to fall under the scope of IAS 40 and fall under the scope of IAS 2.

The application of the fair value model means that rental properties and undeveloped land are measured at fair value at the balance sheet date. The resulting changes in book values before revaluation are recognised as profit or loss under the result from property valuation.

The diversity of the properties to which the fair value model is applied necessitates a careful choice of appropriate valuation models and different parameters for each individual property, so that factors such as location of the property, type of use, market environment and building quality are taken into account.

Costs of regular maintenance are recognised in profit or loss immediately. Costs are capitalised when the expenditure results in increased future benefits and the costs can be reliably measured. The capitalised costs are not subject to depreciation and amortisation because no depreciation and amortisation is applied in general pursuant to the fair value model selected according to IAS 40.

Where construction finance can be directly associated with these properties, borrowing costs of qualifying properties during the period of construction are capitalised as part of acquisition and construction cost.

2.6.2. Inventories

Properties held for sale in the ordinary course of business are not subject to IAS 40, but are to be treated as inventories under IAS 2. Properties held for sale are recognised at cost of acquisition or construction and subsequently measured at the lower of cost of acquisition and construction or net realisable value. The net realisable value is the estimated proceeds of sale less the estimated costs of completion and the estimated selling costs. The net realisable value is recalculated in every subsequent period. The costs of acquisition or construction include not only the direct costs of acquisition but also incidental and other costs.

2.6.3. Owner-operated properties, other plant and equipment

Owner-operated properties consist of hotels operated by S IMMO Group. The business of these hotels includes the rental of rooms and catering activities. These hotels are operated under management agreements for the most part, and consequently the risks associated with occupancy rates are borne by S IMMO Group. Hotels of this kind are outside the scope of IAS 40 (investment properties) and are therefore to be treated as property, plant and equipment under IAS 16.

Under IAS 16, owner-operated properties (including owner-managed hotels) and other property, plant and equipment are valued using the cost model. The properties are recognised on initial capitalisation at cost of acquisition or construction and written down in subsequent years to reflect depreciation and amortisation and any impairment losses (please refer to section 2.6.6.1. of the notes).

Retroactive acquisition or construction costs are only recognised as part of the acquisition or construction costs of an asset or, if applicable, as a separate asset when it is probable that the Group will receive an economic benefit from the asset in the future and the costs can be reliably measured. The book value of the parts that were replaced is derecognised. Repair and maintenance expenses that do not represent a material replacement investment (day-to-day servicing) are recognised as expenses in the income statement in the financial year in which they are incurred.

Gains and losses on disposals of property, plant and equipment are measured as the difference between the disposal proceeds and the book values and in the case of properties are reported under gains on property disposals.

Where construction finance can be directly associated with these properties, the borrowing costs of qualifying properties during the period of construction are capitalised as part of acquisition and construction cost.

Depreciation and amortisation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

	Useful life in years	
	from	to
Owner-operated hotels/buildings	5	30
Other property, plant and equipment/ machinery and equipment	3	10

2.6.4. Intangible assets

Intangible assets for the purpose of IAS 38 are identifiable non-monetary assets without physical substance. To qualify for recognition, an intangible asset must be identifiable and under the control of the entity. It must be probable that the entity will receive future economic benefits from the asset and its cost of acquisition and construction must be capable of being measured reliably.

Intangible assets with a limited useful life are subject to amortisation. This primarily deals with software, calculated on the basis of the following useful lives:

	Useful life in years	
	from	to
Software	3	6

As required under IAS 36, the assets are also reviewed for impairment.

Intangible assets acquired for consideration are recognised at acquisition cost less straight-line amortisation and provision for any impairment losses. S IMMO Group has not capitalised any internally generated intangible assets.

2.6.5. Financial instruments

2.6.5.1. Primary financial instruments

In accordance with IFRS 9, S IMMO Group classifies its financial instruments as follows:

Financial assets at fair value through other comprehensive income (FVOCI)

This category consists of equity instruments that are not held for trading and which S IMMO has elected to recognise in other comprehensive income. The accounting treatment can be elected on initial recognition only and is irrevocable, but applies to each asset separately. S IMMO recognises its interests in the listed companies CA Immobilien Anlagen AG and IMMOFINANZ AG, as well as one additional interest, at fair value through other comprehensive income.

Financial assets at fair value through profit and loss (FVTPL)

This category includes equity instruments that are not held for trading and not designated at FVOCI. This involves shares in non-consolidated companies. This category also includes assets that are not equity instruments and which have contractual cash flows that do not exclusively consist of interest and repayments (SPPI criteria).

Financial assets at amortised cost

Assets that are not equity instruments and that meet the SPPI criterion are measured at amortised cost if the objective of the business model consists of holding the financial asset and collecting the contractual cash flows. Interest income, impairments and foreign currency effects and gains or losses on disposal must be recognised in profit and loss in this category. Loans to companies measured at equity are measured at amortised cost if the project is expected to be successful. As of 31 December 2020, there were no loans to companies measured at equity.

Financial liabilities

Financial liabilities are generally measured at amortised cost. There are certain exceptions: financial liabilities designated at FVTPL, financial liabilities arising when the transfer of a financial asset does not meet the criteria for derecognition or is recognised based on a continuing involvement, financial guarantees, commitments to provide a loan at a below-market interest rate and conditional consideration recognised by the acquiring entity in a business combination according to IFRS 3. The option to designate financial liabilities exists to eliminate mismatching or when financial liabilities are managed and monitored using a documented risk or investment strategy based on fair values.

Most of S IMMO's financial liabilities are measured at amortised cost. Derivatives are still measured at fair value, adjusted for CVAs/DVAs. The option to designate financial liabilities as at fair value through profit or loss was not exercised.

S IMMO Group classifies financial instruments into the following categories:

- Group interests
- Trade receivables
- Loans to companies measured at equity
- Other financial assets
- Cash and cash equivalents
- Issued bonds
- Other financial liabilities (non-current)
- Current financial liabilities
- Trade payables

The fair value of listed financial instruments is their market price at the balance sheet date. For financial assets for which there is no active market, the fair value is calculated with the aid of valuation models. This can involve the derivation of fair value from current transactions in similar financial instruments or from fair values of future payment streams (discounted cash flow models), or the use of mathematical models.

2.6.5.2. Derivatives for interest rate hedging

S IMMO Group currently uses derivative financial instruments – interest rate caps and swaps – to reduce the risks attendant on interest rate increases. The derivative financial instruments are measured at fair value. To a limited extent, corresponding adjustments on CVAs (credit value adjustments) and DVAs (debit value adjustments) have been taken into account in the valuation of derivatives. The fair value measurement of derivatives is based on estimates made by external experts.

S IMMO Group's business purpose includes the acquisition and development of properties for rental or subsequent sale with the aim of generating positive net cash flows. Business activities are financed through equity, and also through long-term borrowings in the form of mortgage loans and other financial liabilities. The bulk of the external financing consists of variable-rate borrowings, with interest rates linked to the usual 3-month EURIBOR as the base rate.

S IMMO Group's risk management strategy is to hedge the interest rate risk (i.e. the variability of the base rate) using offsetting hedges, in order to ensure fixed payment streams and to make property project forecasts more reliable. The purpose of cash flow hedging at S IMMO Group is to reduce the risk on existing variable-rate loans, future reinvested funds and transactions expected to be very probable in the future (forecast transactions) by using offsetting derivatives. Cash flow hedging arrangements are used for this purpose.

Hedged risk

The hedged interest rate risk is a market interest rate, the EURIBOR, which is an identifiable component of the interest rate risk on interest-bearing financial liabilities that can be separately assessed.

Hedging instruments

S IMMO Group uses as hedging instruments only those derivatives that, because they move in the opposite direction of the underlying transactions, convert the potential changes in cash flows, in particular from increases in interest rates, into fixed payment streams. The hedging instruments used at the moment are interest rate swaps. As of 31 December 2020, hedge accounting was applied for interest rate swaps with a nominal value of kEUR 397,440 (31 December 2019: kEUR 405,599). The effective portion of the change in fair value of these derivatives is recognised not through profit or loss but under other comprehensive income, the ineffective portion is recognised through profit or loss as part of the financing results. In the financial year 2020, no ineffective portions were realised through profit or loss.

The changes in the valuation of cash flow hedges recognised under equity are transferred to the income statement in the period in which the hedged underlying transaction affects profit or loss or when the requirements for recognition as a cash flow hedge are no longer met. In the financial year 2020, derivative valuation effects of kEUR 1,835 (2019: kEUR 568) were reclassified from equity to the income statement.

In order to meet the requirements for hedge accounting, at the time of the derivative transaction S IMMO Group documents the hedging relationship between the hedging instrument and the underlying transaction, the goals of its risk management and the underlying hedging strategy. The effectiveness of the hedge

was assessed using a posteriori and a priori tests. A mathematical a priori effectiveness test can be waived if there is a critical terms match. The dollar-offset method with sensitivity analyses is used for the mathematical effectiveness test, in which the hedged item is represented by a hypothetical derivative whose volume and variable-rate exposure match those of the hedged item. The relative difference calculation method is also used. The Group has applied the hedge accounting regulations of IFRS 9 since the financial year 2020. This did not have any significant effects on S IMMO AG's consolidated financial statements.

2.6.6. Impairment of assets

2.6.6.1. Non-financial assets

For properties used by the owner (at present these are hotels) and for other property, plant and equipment and intangible assets where there is evidence of impairment, the recoverable amount is ascertained in accordance with IAS 36. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

The fair value is the amount that would be obtained by the sale of the asset in an arm's-length transaction between knowledgeable, willing and independent parties.

The value in use is the present value of the estimated future payment flows that can be expected from the continued use of an asset and its disposal at the end of its useful life.

If the recoverable amount is less than the book value of the asset, an impairment write-down is applied to the recoverable amount through profit or loss.

The impairment test for hotels is a two-stage process and is in accordance with the provisions of IAS 36. The recoverable amount is the higher of its fair value less costs to sell and its value in use. The book value is first compared with the hotel's fair value. If the book value exceeds the fair value, the question is then whether the value in use differs substantially from the fair value. If this is not the case, the book value is written down to correspond to the fair value. As of 31 December 2020 the fair values determined by external valuation reports of the hotels are significantly higher than their respective carrying amounts despite the negative impact of COVID-19.

If the impairment subsequently disappears, the impairment loss is reversed through profit or loss, up to the lower of the new recoverable amount or the depreciated original cost of acquisition or construction. The Group had no impairment losses and no reversals of impairment losses in 2020 or the previous year.

2.6.6.2. Financial instruments

S IMMO Group reviews all its financial assets, with the exception of those measured at fair value through profit or loss, at every balance sheet date for any objective indications that any asset or group of assets may have suffered impairment.

Fluctuations in value of equity instruments included in the category FVOCI (currently, mainly the shares held in listed property holding companies), are recognised in other comprehensive income with no impact on profit or loss.

The impairment model of IFRS 9 requires impairment to be recognised on the basis of expected credit losses (expected credit loss model). This rule applies to financial assets measured at amortised cost, contract assets within the scope of IFRS 15, lease receivables, loan commitments and certain financial guarantees.

The risk of default is the risk of financial loss from a customer or a party to a financial instrument failing to fulfil its contractual obligations. The book values of the financial assets and contract assets are equal to the maximum risk of default.

Trade receivables and contract assets

The Group uses the simplified model for trade receivables without significant financing components and calculates the loss allowance accordingly at an amount equal to lifetime expected losses. The COVID-19 pandemic meant that the determination of expected credit lost based on past experience in comparison to previous years was of little importance. To account for uncertainties relating to the impact of the pandemic, forward-looking estimates were made for single tenants or – in the case of very small receivables – valuation allowances required were calculated on the basis of the sector in which the tenants operate. Overall, this process resulted in far higher required valuation allowances than in previous years.

Taking into account the legal situation in question, defaults are recognised no later than at the time of insolvency.

2.6.7.Other assets

No impairments were recognised for other assets. This consisted mainly of prepaid expenses, tax receivables and prepayments.

2.6.8. Cash and cash equivalents

Cash and cash equivalents comprise cash and sight deposits together with bank deposits with a maturity of up to three months at the time of the original deposit. As of 31 December 2020, a provision of kEUR 1 (31 December 2019: kEUR 1) for bank balances was recorded based on the default probabilities observed in the market.

2.6.9. Properties held for sale

Property held for sale is not considered to be investment property within the scope of IAS 40 but is treated as held for sale if the corresponding book value will be realised by sale and not by continuing use. This means that the corresponding long-term assets and disposal groups in their present condition are available for immediate sale and that a sale is very likely. For property to be considered as held for sale, the sale must be concluded within a year of the property being classified as such.

In accordance with IFRS 5, property held for sale is as a general rule measured at the lower of book value and fair value less costs to sell. IFRS 5 provides for an exception with respect to the measurement of properties held as financial investments: They are measured at market value. However, the special disclosure requirements under IFRS 5 are applicable, meaning that properties held for sale must be shown under current assets.

The Group intended to dispose one property in Romania at the end of the reporting period 31 December 2020.

2.6.10. Taxes

The individual companies in the Group raise liabilities for current tax liabilities.

In accordance with IAS 12, deferred taxes are recognised on the temporary differences between the book value of an asset or liability in the consolidated financial statements and the relevant book value for tax purposes. Deferred tax liabilities on the property portfolio have been provided for in full, and even under appropriate conditions – for example, in the case of a share deal – it would be possible that disposals would be treated as not being subject to taxes on income. Deferred tax assets on loss carryforwards are recognised in contrast to this in consideration of the respective usability in the opinion of the management. Deferred tax assets on loss carryforwards are recognised when sufficient deferred tax liabilities exist and it can be assumed that both deferred property liabilities and deferred tax assets on loss carryforwards will decrease in the future. Deferred tax assets on loss carryforwards are as a general rule recognised up to the amounts of deferred tax liabilities. Beyond that limit, active deferred taxes are recognised on the basis of tax planning with a planning horizon of a maximum of five years. Deferred taxes are calculated using the applicable tax rates at the balance sheet date, or where changes in tax law have already been adopted, at the rates applicable in future.

Deferred tax assets and deferred tax liabilities within a taxable entity are only netted where this entity has a legally enforceable right to set tax assets and liabilities against each other, and where the deferred taxes relate to taxes on income assessable by the same tax authority on the same tax entity or where there is a right of set-off within a tax group, as in Austria.

2.6.11. Leasing

The Group primarily leases property for subletting (including land with construction rights). Rental contracts are typically concluded for fixed periods but may include renewal options. As of 31 December 2020, there were no material renewal or termination options in connection with leases in accordance with IFRS 16. The rental conditions are negotiated individually and contain a range of different terms. In the financial year, there were no material modifications to contracts in accordance with IFRS 16.

Since 01 January 2019, leases have been recognised as a right-of-use asset and a corresponding leasing liability from the date on which the leased asset is made available to the Group for use. Each lease payment is divided into repayment and financing costs. Financing costs are recognised in income over the term of the lease so as to achieve a periodic rate of interest on the remaining amount of the liability for each period. Rights of use that are not attributable to investment property are depreciated on a straight-line basis over the shorter of the useful life of the underlying asset and the term of the lease. If the lease contains a purchase option that is likely to be exercised or is a lease that transfers ownership of the underlying asset at the end of the term, the right-of-use asset is depreciated on a straight-line basis over the useful life of the underlying asset.

Construction rights are classified as investment property and measured at fair value in accordance with IFRS 16.34 in the same way as for property.

In addition, there are leases for buildings that are owner-operated. The resulting right-of-use assets are recognised in the statement of financial position under 'owner-operated properties' and are depreciated over the term of the lease.

Lease liabilities are recognised at the present value of the lease payments, composed as follows:

- Fixed payments (including de facto fixed payments, less any lease incentives receivable)
- Variable lease payments based on an index or (interest) rate
- Expected residual payments under residual value guarantees of the lessee
- The exercise of a purchase option if exercise by the lessee is reasonably certain

Lease payments are discounted using the Group's incremental borrowing rate, i.e. the interest rate that the Group would be required to pay to raise the funds to acquire an asset with a comparable value and comparable conditions in a comparable economic environment.

Right-of-use assets are carried at cost, composed as follows:

- The amount of the lease liability upon first-time recognition
- All lease payments on or prior to provision, less any lease incentives received
- All initial direct costs incurred by the lessee
- The estimated costs incurred by the lessee for dismantling or removing the underlying asset, restoring the site at which the asset is located or returning the underlying asset to the condition required under the terms of the lease

Payments for current leases and leases of low-value assets are recognised as expense in profit or loss. Current leases are leases with a term of twelve months or less. COVID-19-related rental concessions to tenants of S IMMO are accounted for in accordance with the general rules of IFRS 16.

2.6.12. Revenues

2.6.12.1. Rental income

Rental income is recognised on a straight-line basis over the term of the rental agreement. One-off payments and waivers of rent as well as any other kind of rental incentive are spread over the minimum rental period. With the first-time application of IFRS 16 in financial year 2019, the allocation of operating costs that are associated with the legal ownership of the property and are not offset by the performance of a service in the narrower sense to the tenant is no longer recognised under revenues from operating costs, but instead under rental income.

2.6.12.2. Revenues from operating costs

Revenues from operating costs accrue from invoicing operating costs to tenants of portfolio properties and comprise revenues for the invoicing of electricity, the cleaning of buildings and the like. Typically, the composition of operating costs incurred and that can be invoiced varies depending on the type of use and jurisdiction.

2.6.12.3. Revenues from hotel operations

Revenues from hotel operations consist largely of room rental income and catering income. Income is recognised in proportion to the services rendered until the balance sheet date.

2.6.12.4. Income and costs from financial instruments

Income from financial instruments includes interest, dividends and capital gains from the investment of funds and from investments in financial assets, reversals of impairment losses, and exchange rate gains on the valuation of monetary assets and liabilities at the individual company level. Dividends are recognised at the time the resolution authorising the dividend distribution is passed.

Financial expenses include interest and similar expenses on external borrowings, incidental costs, losses on the disposal of financial assets, impairment losses, current hedging results and exchange rate gains on the valuation of monetary assets and liabilities at the individual company level.

Interest is accrued using the effective interest rate method.

The valuation of derivatives reflects among others gains and losses on the disposal or revaluation of interest caps and swaps which have not been recognised in equity and are shown in the income statement as part of the financial results.

Where applicable, short-term exchange gains or losses on the valuation of financial instruments are disclosed here.

2.7. Hierarchy of fair value measurement

The following analysis classifies financial instruments measured at fair value on the basis of the method of valuation. A hierarchy consisting of three levels has been defined for this purpose:

Level 1:	Quoted prices for identical assets or liabilities listed on an active market (without adjustment)
Level 2:	Inputs for assets or liabilities that are observable either directly (e.g. prices) or indirectly (e.g. derived from prices) other than Level 1 inputs
Level 3:	Inputs for assets or liabilities not based on observable market data

31 December 2020 EUR '000	Level 1	Level 2	Level 3	Total
Properties held as financial investments				
Rental properties	0	0	2,316,747	**2,316,747**
Properties under development and undeveloped land	0	0	38,175	**38,175**
Group interests	0	0	4,609	**4,609**
Other financial assets				
Listed equity instruments	478,689	0	0	**478,689**
Subordinated mandatory convertible bond	0	18,068	0	**18,068**
Derivatives	0	938	0	**938**
Assets held for sale	0	0	4,345	**4,345**
Financial liabilities				
Derivatives	0	-42,908	0	**-42,908**

31 December 2020 EUR '000	Level 1	Level 2	Level 3	Total
Properties held as financial investments				
Rental properties	0	0	2,188,317	2,188,317
Properties under development and undeveloped land	0	0	21,846	21,846
Group interests	0	0	3,863	3,863
Other financial assets				
Listed equity instruments	553,202	0	0	553,202
Derivatives	0	48	800	848
Assets held for sale	0	0	36,500	36,500
Financial liabilities				
Derivatives	0	-37,865	0	-37,865

2.8. Estimation and assumption uncertainties

The preparation of consolidated financial statements in accordance with IFRS requires estimates and assumptions by the management about future developments. These can have a material influence on the recognition and measurement of assets and liabilities, on information about other obligations at the balance sheet date and on disclosure of income and expenses during the financial year.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Estimates and underlying assumptions are subject to ongoing review. Actual outcomes may differ from the assumptions and estimates made if developments in the business environment turn out differently than expected. Changes are reflected in profit or loss as soon as the altered circumstances become known, and the assumptions are adjusted accordingly.

The following assumptions entail a not insignificant risk that they may result in a material adjustment of assets and liabilities in the next financial year:

2.8.1. Investment property

The calculation of the fair value of investment property is mainly based on expert valuations by internationally recognised valuers (CBRE, Colliers International, EHL and Dr Heinz Muhr). The valuations were prepared in compliance with International Valuation Standards and the rules of IFRS 13. The values of these properties depend to a significant extent on present estimates of future rental trends and vacancy levels, and on the interest rates used for discounting purposes.

Investment property had a book value of kEUR 2,354,922 (31 December 2019: kEUR 2,210,163). One property held as investment property with a book value of kEUR 4,345 (31 December 2019: kEUR 36,500) is shown under the assets held for sale because the company plans to sell it in 2021.

2.8.1.1. Valuation methods in connection with investment property

The following measurement methods were used in calculating hierarchy Level 3 fair values: capitalised earnings method, discounted cash flow method (DCF method), residual value method and sales comparison approach.

The capitalised earnings method uses the following input factors for the measurement: adjusted sustainable rent, total operating costs, remaining useful life, capitalisation rate and land value.

The discounted cash flow method works among others with the following input factors: net rental income, discount rate and capitalisation rate.

The residual value method is based on investment considerations and calculates the residual value based on an earnings value or net capital value derived from discounted cash flow analysis on the assumption that the property is already completed, which remains when the property is sold at the current measurement date, taking account of any outstanding construction, development costs, market financing costs for completion and marketing costs, allowing for an appropriate profit for the developer. Future rental income and capitalisation rates are input parameters here.

In the sales comparison approach, purchase prices that are actually achieved or achievable for comparable properties are included as comparative values. Differing characteristics of the properties to be compared are taken into account in the form of premiums or discounts on the value.

Measurement of fair value on the basis of unobservable inputs (hierarchy Level 3)

Different valuation methods were used in the various asset classes.

The following table includes all properties measured at fair value by external appraisers, excluding those for which, for example, purchase agreements exist and which were measured on the basis of these purchase agreements. Real estate and right-of-use assets totalling kEUR 10,967 are therefore not shown.

	Book value as of 31 December 2020 EUR '000	Valuation method	Input factors	Range/mean value[1]
Austria	406,960	Capitalised earnings method	Capitalisation rate	2.30% to 5.60%
			Remaining useful life	39 years (weighted average)
			Market rent (EUR/m²/month)	1.32 to 27.69
Germany	1,218,510	Discounted cash flow	Capitalisation rate	1.75% to 6.6%
			Discount rate	3.7% to 8.1%
			Market rent (EUR/m²/month)	3.81 – 13.31
		Residual value method	Construction costs	EUR 788/m² to EUR 1,043/m²
			Market rent (EUR/m²/month)	EUR 10.2/m²
		Sales comparison approach	EUR/m²	0.59 to 357.29
CEE	722,830	Discounted cash flow	Capitalisation rate	5.4% to 7.75%
			Discount rate	7.35% to 8.75%
			Market rent (EUR/m²/month)	9.43 to 23.0
		Capitalised earnings method	Capitalisation rate	4.18% to 8.16%
			Remaining useful life	45 years (weighted average)
			Market rent (EUR/m²/month)	7.29 – 16.50
		Residual value method	Capitalisation rate	6%
			Market rent (EUR/m²/month)	10 to 14.5
		Sales comparison approach	Mean value, comparative value	EUR 61.96/m²
Total	**2,348,300**			

[1] Across all types of use

A reduction in the expected annual rents leads to a reduction in the fair value, as does an increase in discount and capitalisation rates. There are interdependencies between the rates because these are partly based on market values.

The expert valuations are carried out at least once a year by independent professional experts for the purpose of preparing the annual financial statements. The professional experts are provided with the necessary information, such as current rents, by the company's Asset Management department. The market assumptions and valuation methods used in preparing the expert valuations are agreed with the appointed professional experts.

2.8.1.2. Information on non-observable input factors underlying valuation (Level 3)

The following tables show the sensitivity of the fair value of rented investment property changes in sustainable rental yields and interest rates.The table does not include land that was valued based on the reference figure, properties valued at residual value and properties valued on purchase agreements totalling kEUR 72,575.

Change in sustainable rent

	2020			2019		
EUR '000	-10%	Output value	+10 %	-10%	Output value	10%
Austria	365,500	406,960	448,280	357,000	397,830	438,360
Germany	1,095,981	1,174,032	1,249,004	986,131	1,081,659	1,195,452
CEE	638,840	705,700	772,100	614,115	680,430	746,850
	2,100,321	**2,286,692**	**2,469,384**	**1,957,246**	**2,159,919**	**2,380,662**

Change in interest rate

	2020			2019		
EUR '000	-10%	Output value	+10%	-10 %	Output value	+10%
Austria	433,890	406,960	382,230	425,470	397,830	372,640
Germany	1,324,273	1,174,032	1,050,114	1,181,700	1,081,659	956,491
CEE	781,980	705,700	642,260	753,550	680,430	619,940
	2,540,143	**2,286,692**	**2,074,604**	**2,360,720**	**2,159,919**	**1,949,071**

2.8.2. Intangible assets and property, plant and equipment

Estimates of the long-term value property, plant and equipment and intangible assets are based on assumptions about the future. The calculation of recoverable amounts for the purpose of impairment tests is based on several assumptions, for example, about future net cash flows and discount rates. The book value of intangible assets amounted to kEUR 251 (31 December 2019: kEUR 242), that of other non-current assets to kEUR 6,346 (31 December 2019: kEUR 5,123). Owner-operated properties had a book value of kEUR 117,617 (31 December 2019: kEUR 124,377).

2.8.3. Financial instruments

In estimating the value of financial instruments (in particular, derivatives) for which no active market exists, alternative valuation methods based on investment mathematics are employed. The parameters on which estimates of fair value are based depend in part on assumptions about the future. The book values of financial instruments are detailed in note 5.1.

The estimates will be made by external experts.

2.8.3.1. Valuation of derivatives

S IMMO Group's derivative financial instruments are measured at fair value. The fair values of the swaps or caps are determined using a discounted cash flow method according to IFRS 13. The future payment flows are determined by means of interest modelling using the Hull White one-factor model, specifically using a Monte Carlo simulation. The material input parameters are determined for the reporting date. They mainly consist of the euro interest yield curve and historical EURIBOR fixings. Market data are obtained from Thomson Reuters and Bloomberg.

For the determination of credit value adjustments/debit value adjustments (CVA/DVA) credit spreads were first defined to estimate the probability of default. Then, the share of the default risk was estimated on the basis of theoretical considerations and extrapolated for multiple maturities using an approximate formula to generate a CDS spread curve.

2.8.3.2. Derivatives – sensitivity analysis

The fair values of the interest rate derivatives change as follows when the interest rates shift by +100 BPS or -50 BPS:

	31 December 2020			
+100 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	650,440	-41,990	30,679	73
Caps	190,000	21	101	473
Total	**840,440**	**-41,969**	**30,780**	**73**

	31 December 2020			
-50 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	650,440	-41,990	-14,051	-33
Caps	190,000	21	-13	-62
Total	**840,440**	**-41,969**	**-14,064**	**-34**

	31 December 2019			
+100 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	618,599	-37,865	34,074	90
Caps	190,000	48	160	356
Total	**808,599**	**-37,817**	**34,234**	

	31 December 2019			
-50 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	618,599	-37,865	-16,023	-42
Caps	190,000	48	-25	-56
Total	**808,599**	**-37,817**	**-16,048**	

2.8.4. Deferred taxes

The recognition of deferred tax assets for tax loss carryforwards is based on the assumption that sufficient taxable income will be available in the future to enable existing loss carryforwards to be utilised. Deferred tax assets for tax loss carryforwards of kEUR 13,933 (31 December 2019: kEUR 13,451) have been recognised. Further information on deferred taxes can be found in note 3.1.16.

Assuming that the fair values of the properties were to change uniformly by +/-10% across the portfolio, the deferred property taxes would change as follows given identical book values for tax purposes:

EUR '000	10%	Output value for deferred tax 2020 (offset)	-10%	10%	Output value for deferred tax 2019 (offset)	-10%
Deferred taxes on properties	249,083	209,847	172,359	243,288	202,862	163,616

2.8.5. Post-employment benefit obligations

The actuarial computation of entitlements to pension and severance benefits and long-service bonuses requires assumptions about various parameters. The following tables show the sensitivity of the significant assumptions:

Change in interest rate

	2020			2019		
EUR '000	-0.30%	Output value	+0.30%	-0.30%	Output value	+0.30%
Severance payments	984	971	958	973	958	944
Long-service bonuses	387	378	369	428	418	408

Change in valorisation

	2020			2019		
EUR '000	-0.20%	Output value	+0.20%	-0.20%	Output value	+0.20%
Severance payments	963	971	979	950	958	967
Long-service bonuses	373	378	384	412	418	424

3. Notes to the consolidated statement of financial position and consolidated income statement

3.1. Statement of financial position

3.1.1. Investment property

EUR '000	Rental properties	Properties under development and undeveloped land
As of 01 January 2019	1,880,507	73,750
Recording of right of use from initial application of IFRS 16	2,973	1,424
Adopted as of 01 January 2019	1,883,480	75,174
Additions	97,743	13,667
Disposals	-615	-1,800
Reclassification	62,819	-62,819
Other changes	0	0
Changes in fair value (realised through profit or loss)	162,722	29,424
Reclassifications as properties held for sale	-17,832	-31,800
As of 31 December 2019	**2,188,317**	**21,846**
whereof pledged as security	2,083,607	0
As of 01 January 2020	2,188,317	21,846
Additions	101,840	18,209
Disposals	-469	-6
Reclassification	0	0
Other changes	0	0
Changes in fair value (realised through profit or loss)	33,269	2,471
Reclassifications as properties held for sale	-6,210	-4,345
As of 31 December 2020	**2,316,747**	**38,175**
whereof pledged as security	2,234,907	0

In addition, a change in fair value in the amount of kEUR 3,316 (2019: kEUR 525) was realised through profit or loss for the properties held for sale.

Additions by operating segments were as follows:

Rented properties

EUR '000	31 December 2020	31 December 2019
Austria	470	668
Germany	51,315	56,720
CEE	50,055	40,355
	101,840	**97,743**

Properties under development and undeveloped land

EUR '000	31 December 2020	31 December 2019
Austria	0	0
Germany	14,401	10,912
CEE	3,808	2,755
	18,209	**13,667**

Consisting of:

Rental properties

EUR '000	31 December 2020	31 December 2019
Austria	406,960	397,830
Germany	1,190,110	1,096,887
CEE	719,677	693,600
	2,316,747	**2,188,317**

The measurement of the fair value of rental properties totalling kEUR 2,316,747 (2019: kEUR 2,188,317) in the financial year 2020 was based on hierarchy Level 3.

Properties under development and undeveloped land

EUR '000	31 December 2020	31 December 2019
Austria	0	0
Germany	30,900	15,241
CEE	7,275	6,605
	38,175	**21,846**

The measurement of the fair value of development projects and undeveloped land in the financial year 2020 was based on

hierarchy Level 3. This relates to land reserves and projects for which significant construction or project development measures are already in progress as of the reporting date and for which generating rental income is of only minor significance.

Purchasing obligations for properties in the amount of kEUR 30,497 result from property purchasing contracts concluded until 31 December 2020.

S IMMO capitalises borrowing costs that serve the purpose of acquiring, purchasing or manufacturing a qualifying asset also if the qualifying asset is measured at fair value. Capitalising borrowing costs in accordance with IAS 23 was immaterial in the 2020 financial year, as in the 2019 financial year.

3.1.2. Owner-operated properties, other plant and equipment and intangible assets

Changes in the acquisition costs of owner-operated properties, other plant and equipment and intangible assets were as follows:

EUR '000	Owner-operated properties	Other plant and equipment	Intangible assets	Total
Costs of acquisition as of 01 January 2019	212,735	9,215	811	222,761
Recording of right of use from initial application of IFRS 16	903	289	0	1,192
Adjusted figure as of 01 January 2019	213,638	9,504	811	223,953
Currency translation	0	-203	-51	-254
Additions	4,120	2,011	141	6,272
Disposals	0	-5,865	-520	-6,385
As of 31 December 2019	**217,758**	**5,447**	**381**	**223,586**
As of 01 January 2020	217,758	5,447	381	223,586
Currency translation	0	-208	-16	-224
Additions	812	2,793	137	3,742
Disposals	-144	-383	-122	-649
As of 31 December 2020	**218,426**	**7,649**	**380**	**226,455**

The development in the accumulated depreciation and amortisation of owner-operated properties, other plant and equipment and intangible assets was as follows:

EUR '000	Owner-operated properties	Other plant and equipment	Intangible assets	Total
Accumulated depreciation and amortisation as of 01 January 2019	85,946	4,746	603	91,295
Currency translation	0	-180	-51	-231
Depreciation and amortisation	7,435	748	81	8,264
Disposals	0	-4,990	-494	-5,484
As of 31 December 2019	**93,381**	**324**	**139**	**93,844**
Currency translation	0	-247	-12	-259
Depreciation and amortisation	7,519	1,589	124	9,232
Disposals	-91	-363	-122	-576
As of 31 December 2020	**100,809**	**1,303**	**129**	**102,241**
Book value as of 01 January 2019	**126,789**	**4,469**	**208**	**131,466**
Book value as of 31 December 2019	**124,377**	**5,123**	**242**	**129,742**
Book value as of 31 December 2020	**117,617**	**6,346**	**251**	**124,214**

3.1.3. Interests in companies measured at equity

The book value of the companies measured at equity came to kEUR 24,376 as of 31 December 2020 (31 December 2019: kEUR 36,284). The companies recognised according to the equity method are shown in the table depicting the scope of consolidation in section 2.2. One company (IPD – International Property Development, s.r.o.) is a joint venture.

The companies recognised according to the equity method were valued as follows on the reporting date:

Associated companies

EUR '000	31 December 2020	of which AT	of which CEE	31 December 2019	of which AT	of which CEE
Non-current assets	41,900	41,900	0	192,900	192,900	0
Current assets	14,647	14,647	0	6,151	6,151	0
Non-current liabilities	7,363	7,363	0	110,542	110,542	0
Current liabilities	2,040	2,040	0	6,032	6,032	0
Net assets	47,144	47,144	0	82,477	82,477	0
Group interest in net assets	12,523	12,523	0	24,300	24,300	0

EUR '000	2020	of which AT	of which CEE	2019	of which AT	of which CEE
Revenues	1,209	1,209	0	2,358	2,358	0
Net income for the period	11,851	11,851	0	29,757	29,803	-46
Group share of the profit for the period	4,477	4,477	0	9,187	9,209	-22

Joint ventures

EUR '000	31 December 2020	of which CEE	31 December 2019	of which CEE
Non-current assets	59,977	59,977	59,288	59,288
Current assets	4,765	4,765	3,872	3,872
Non-current liabilities	37,600	37,600	35,634	35,634
Current liabilities	3,900	3,900	4,028	4,028
Net assets	23,242	23,242	23,498	23,498
Group interest in net assets	11,853	11,853	11,984	11,984

EUR '000	2020	of which CEE	2019	of which CEE
Revenues	4,695	4,695	4,558	4,558
Net income for the period	2,243	2,243	4,259	4,259
Group share of the profit for the period	1,144	1,144	2,172	2,172

Companies measured at equity

EUR '000	2020	2019
As of 01 January	36,284	25,704
Current profits	6,195	11,381
Current losses	-574	-22
Result from companies measured at equity	5,621	11,359
Decrease of capital reserves	-1,275	0
Additions	76	0
Disposals	-15,742	-134
Withdrawals/dividends	-588	-645
Other	0	0
As of 31 December	**24,376**	**36,284**

In the financial year 2020, as in the previous year there were no proportional losses from companies included at equity that were not recognised. Cumulatively, there were no losses from companies included at equity as of the reporting date, as in the previous year.

There are no effects in the OCI for companies measured at equity.

As of 31 December 2020, there were no loans to companies accounted for using the equity method (2019: kEUR 8,641).

3.1.4. Group interests and other financial assets

The equity investments predominantly comprise an equity investment accounted for at FVOCI and whose fair value is calculated using a multiplier model. For this equity investment, income of kEUR 267 (2019: kEUR 158) was recognised in profit or loss as a result of a distribution.

Other financial assets mainly include shares in the companies IMMOFINANZ AG and CA Immobilien Anlagen AG that are accounted for as FVOCI. Dividend income totalling kEUR 6,317 was realised through profit or loss in the reporting period (2019: kEUR 17,000). As a result of deduction of withholding tax, only kEUR 4,580 (2019: kEUR 15,468) was cash-effective here.

In the 2020 financial year, due to the effects of the COVID-19 crisis, there was a write-down of shares in IMMOFINANZ AG and CA Immobilien Anlagen AG recognised in other comprehensive income in the amount of kEUR -125,495 (2019: kEUR +101,198). S IMMO Group holds shares of IMMOFINANZ Group and vice versa.

3.1.5. Inventories

Inventories exist to a minor extent and are measured at cost. The net realisable value of inventories does not exceed their book values. The inventories do not include properties.

3.1.6. Trade receivables and other accounts receivable

Trade receivables include rents receivable from tenants less any provisions required. As in 2018, there were no other impairments that had to be recognised. There is not a concentration of credit risk because the Group has a large number of customers (particularly tenants) in the countries in which it operates.

Other financial assets include primarily allocations of property management and deposit.

The book value of current accounts receivable corresponds to the fair value in essence.

3.1.6.1. Changes in provisions

Provisions for trade receivables developed as follows:

EUR '000	2020	2019
As of 01 January	1,955	1,682
Utilisation	-3	-98
Reversal	-2,091	-901
Increase	4,357	1,272
As of 31 December	**4,218**	**1,955**

Potential tenants are generally subject to a credit check. Tenants in the shopping centres and in the properties let as hotels include internationally active chains.

3.1.6.2. Receivables – maturities

The maturity profile of the gross receivables, the corresponding valuation allowances and the resulting net receivables are shown below:

31 December 2020

EUR '000	Up to 90 days past due	90–365 days	>365 days	Total
Gross trade receivables				
Austria	588	150	183	921
Germany	385	814	1,277	2,476
CEE	3,923	504	663	5,090
Total	4,897	1,468	2,123	8,487
Valuation allowances for trade receivables				
Austria	-56	-43	-136	-235
Germany	-165	-441	-1,160	-1,766
CEE	-1,191	-372	-653	-2,217
Total	-1,412	-857	-1,949	-4,218
Net trade receivables				
Austria	532	107	47	686
Germany	220	373	117	710
CEE	2,732	131	10	2,873
Total	**3,484**	**611**	**174**	**4,270**

31 December 2019

EUR '000	Up to 90 days past due	90–365 days	>365 days	Total
Gross trade receivables				
Austria	1,731	98	256	2,085
Germany	827	492	579	1,898
CEE	4,536	281	592	5,410
Total	7,094	871	1,427	**9,392**
Valuation allowances for trade receivables				
Austria	-40	-56	-101	-197
Germany	-1	-255	-530	-786
CEE	-297	-172	-503	-972
Total	-338	-483	-1,134	**-1,955**
Net trade receivables				
Austria	1,691	42	155	1,888
Germany	826	237	49	1,112
CEE	4,239	109	89	4,437
Total	**6,756**	**388**	**293**	**7,437**

3.1.6.3. Other current financial assets

EUR '000	31 December 2020	31 December 2019
Property management agent clearing accounts	798	1,412
Receivables from disposals of properties and property holding companies	3,419	409
Deposits	5,440	3,231
Finance receivables	99	65
Other assets	4,031	1,815
	13,787	**6,932**

3.1.7. Other assets

The other assets of kEUR 28,477 (31 December 2019: kEUR 31,063) consisted mainly of prepaid expenses, tax receivables and prepayments.

3.1.8. Cash and cash equivalents

EUR '000	31 December 2020	31 December 2019
Bank balances	64,362	111,352
Cash in hand	141	212
	64,503	**111,564**

3.1.9. Properties held for sale

Properties are held for sale if the management intends to dispose of them in the near future. One property in Romania is currently intended for disposal.

EUR '000	Austria	Germany	CEE	Total
As of 01 January 2019	31,000	9,381	0	40,381
Reclassification	11,812	31,800	6,020	49,632
Additions/ property valuations	3,376	19	93	3,488
Disposals	-46,188	-4,700	-6,113	-57,001
As of 31 December 2019	**0**	**36,500**	**0**	**36,500**
Reclassification	0	6,210	4,345	10,555
Additions/property valuations	0	4,200	0	4,200
Disposals	0	-46,910	0	-46,910
As of 31 December 2020	**0**	**0**	**4,345**	**4,345**

3.1.10. Equity

In January 2020, a cash capital increase was implemented in an accelerated book building (ABB) process.

The registered share capital (without deduction of treasury shares) therefore increased to kEUR 267,458 due to the issue of 6,691,717 bearer shares against cash contributions under exclusion of the subscription rights (31 December 2019: kEUR 243,144). The subscription price per new share was set at EUR 22.25 per share at market, and thus without a discount on the closing price on 15 January 2020. The gross issue proceeds amounted to around kEUR 148,891. After deduction of incidental costs, this resulted in a cash inflow of kEUR 146,477.

On 24 March 2020, a share repurchase programme started, which ended on 30 September 2020. On 28 October 2020, another share repurchase programme started, which is expected to end on 30 June 2021.

In the 2020 financial year, a total of 1,502,927 shares had been repurchased at a total price of EUR 23,204. S IMMO AG thus held 2,218,351 treasury shares as of 31 December 2020 (31 December 2019: 715,424).

Details of share capital

EUR '000	2020	2019
Total share capital	267,458	243,144
Treasury shares (nominal)	-8,061	-2,600
	259,397	**240,544**

As in the previous year, no shares were cancelled in the financial year 2019.

The shares are listed in the Prime Market segment of the Vienna Stock Exchange. S IMMO was included in the Austrian ATX benchmark index for the first time on 18 September 2017.

The nominal share capital is divided into 73,608,896 ordinary bearer shares that are fully paid up and have no par value.

The bearer shares confer on the shareholders the usual rights provided for under the Austrian Stock Corporation Act (AktG). These include the right of a dividend payment approved by the Annual General Meeting and the right to vote at the Annual General Meeting.

The capital reserves of kEUR 173,855 (31 December 2019: kEUR 68,832) are restricted reserves in the meaning of section 229 (5) Austrian Commercial Code (UGB).

The other reserves of kEUR 979,577 (31 December 2019: kEUR 973,238) shown in the statement of changes in consolidated equity consist mainly of reversed capital reserves together with accumulated retained earnings. The foreign currency reserve of kEUR -11,337 (31 December 2019: kEUR -14,735) is made up of the currency translation differences in accordance with IAS 21. The hedge accounting reserve of kEUR -18,802 (31 December 2019: kEUR -17,123) comprises the measurement differences on cash flow hedges recognised under equity. The equity instruments reserve (FVOCI) of kEUR 2,140 (31 December 2019: kEUR 91,419) comprises the share in IMMOFINANZ and CA Immobilien Anlagen AG described in 3.1.4. as well as a Group interest. The shares in IMMOFINANZ AG and CA Immobilien Anlagen AG are measured at their market price; the measurement of the Group interest is based on a Level 3 fair value calculation.

At the time of preparation of the consolidated financial statements, no resolution had yet been passed regarding the proposal for a dividend distribution.

Additional information on capital management

S IMMO Group manages its capital with the aim of maximising its returns by optimising the relationship between equity and debt. At the same time, care is taken to ensure that all Group companies can operate on a going concern basis.

The Group's capital consists of bank and financial liabilities including bonds and equity provided by the shareholders of the parent company. There are no provisions in the articles of incorporation concerning the capital structure.

The equity attributable to the shareholders of the parent company consists of the shares in circulation, capital and other reserves and the consolidated net profit, as shown in the statement of changes in consolidated equity.

The capital structure is constantly monitored, and the costs of capital and the risks associated with each type of capital are taken into account. The Group will continue to optimise the capital structure by issuing and repaying debt and issuing and repurchasing shares as appropriate.

The Group is not managed according to individual parameters. However, the equity ratio is not allowed to fall significantly below 30% over the long term.

3.1.11. Non-controlling interests

The minority interests amount to kEUR 3,277 (31 December 2019: kEUR 2,910). The change in the amount of kEUR -8 (2019: kEUR -343) shown in the statement of changes in consolidated equity is due to distributions.

3.1.12. Financial liabilities

Other current and non-current financial liabilities primarily include liabilities (kEUR 908,964; 2019: kEUR 934,342), which are generally secured by mortgages. In addition, derivative liabilities, bond interest, leasing liabilities and security deposits are included. As of 31 December 2020, the cost of funding of mortgage-secured bank financing amounted to 0.9% for Germany (31 December 2019: 0.98%), 1.36% for Austria (31 December 2019: 1.5%), and 1.69% for CEE (31 December 2019: 1.78%).

Financial liabilities are as follows:

31 December 2020

		Changes in cash and cash equivalents		Non-cash changes		
EUR '000	01 January 2020	New loans/ repayments	Change in the scope of consolidation	Changes in fair value	Other non-cash changes	31 December 2020
Other non-current financial liabilities	811,028	18,818	482	0	565	830,893
Other current financial liabilities	145,190	-54,058	0	0	8,141	99,273
Subtotal of other non-current and current financial liabilities	956,217	-35,240	482	0	8,706	930,166
of which recognised as increases and decreases in cash flow from financing activities		-26,885				
of which paid interest recognised in cash flow from financing activities		-8,355				
Derivatives	37,865	0	0	5,043	0	42,908
Bonds	525,352	0	0	0	392	525,744
of which recognised in cash flow from financing activities		0				
Total	1,519,435	-35,240	482	5,043	9,098	1,498,818

EUR '000	01 January 2019	Changes in cash and cash equivalents: New loans/ repayments	Changes in cash and cash equivalents: Change in the scope of consolidation	Non-cash changes: Changes in fair value	Non-cash changes: Other non-cash changes	31 December 2019
Other non-current financial liabilities	839,637	-37,161	2,151	0	6,401	811,028
Other current financial liabilities	93,239	43,281	156	0	8,514	145,190
Subtotal of other non-current and current financial liabilities	932,876	6,120	2,307	0	14,915	956,217
of which recognised as increases and decreases in cash flow from financing activities		14,445				
of which paid interest recognised in cash flow from financing activities		-8,325				
Derivatives	21,697	0	0	16,168	0	37,865
Bonds	436,812	87,851	0	0	689	525,352
of which recognised in cash flow from financing activities		87,851				
Total	**1,391,385**	**93,971**	**2,307**	**16,168**	**15,604**	**1,519,435**

3.1.13. Issued bonds

The following table shows key data of the issued corporate bonds:

ISIN	Total nominal value EUR '000	Coupon	Effective interest rate	Maturity	Market values[1]
AT0000A177D2	28,549.0	4.50%	4.66%	17 June 2021	103.7
AT0000A1DBM5	33,993.5	3.25%	3.36%	09 April 2025	110.3
AT0000A1DWK5	65,000.0	3.25%	3.31%	21 April 2027	110.8
AT0000A1Z9D9	100,000.0	1.75%	1.90%	06 February 2024	102.2
AT0000A1Z9C1	50,000.0	2.875%	2.93%	06 February 2030	109.5
AT0000A285H4	150,000.0	1.875%	1.96%	22 May 2026	105.4
AT0000A2AEA8	100,000.0	2.00%	2.01%	15 October 2029	103.5

[1] The market values are based on the most recent transactions before 31 December 2020.

All of the bonds are listed in the corporates prime segment of the Vienna Stock Exchange.

3.1.14. Provisions for employee benefits

The employee provisions as of 31 December 2020 include provisions for severance benefits (kEUR 971; 31 December 2019: kEUR 958) and provisions for long-service entitlements (kEUR 378; 31 December 2019: kEUR 418). The following parameters were taken as a basis for the actuarial calculation:

	31 December 2020	31 December 2019
Actuarial interest rate	-0.20% to 0.11%	0.03% to 0.56%
Expected raise in salaries	1.50% to 1.70%	1.50% to 2.40%
Blanket fluctuation allowance	0.00% to 26.10%	0.00% to 26.10%

Please refer to section 2.8.5. of the notes for information about the sensitivity of assumptions for the calculation of termination and anniversary benefits.

The present values of pension, severance and long-service entitlements developed as follows:

EUR '000	Severance payment	Anniversary
Present value of obligation at 01 January 2019	954	414
Current service costs	17	36
Interest expense	5	4
Payments	-117	-78
Remeasurement of benefit obligations – experience adjustments	69	22
Remeasurement of benefit obligations – financial assumptions	30	20
Present value of obligation on 31 December 2019	958	418
Provisions for employee benefits	**958**	**418**
Present value of obligation at 01 January 2020	958	418
Current service costs	20	39
Interest expense	1	1
Payments	-26	-43
Remeasurement of benefit obligations – experience adjustments	13	-26
Remeasurement of benefit obligations – financial assumptions	0	-11
Remeasurement of benefit obligations – demographic assumptions	5	0
Present value of obligation on 31 December 2020	971	378
Total provisions for employee benefits		**1,349**

The obligation to form a provision for severance benefits is based on labour law. For persons whose employment started before 01 January 2003 in Austria, S IMMO Group is required under the statutory provisions to make a one-off severance payment to any employee whose employment is terminated by the employer or who reaches the age of retirement while employed. The benefit entitlements are dependent on the number of years of service and the level of remuneration at the time the entitlement arises, and amount to between two and 12 months' salary. Payments for Group employees are made to an external pension fund.

3.1.15. Other liabilities

This category primarily covers the prepaid expenses.

3.1.16. Taxes on income

3.1.16.1. Current and deferred taxes on income

Tax expense was made up as follows:

EUR '000	2020	2019
Current taxes	-8,460	-4,902
Deferred taxes	-6,214	-33,214
	-14,674	**-38,116**

Taxes on income comprise income tax on the taxable income of the individual companies included in consolidation for the financial year, adjustments to prior years' tax and changes in deferred taxes.

The reconciliation of income tax at the standard rate to the income tax disclosed in the financial statements is as follows:

EUR '000	01–12/2020	01–12/2019
Net income before tax	71,586	251,423
Income tax expense at the standard Austrian income tax rate of 25%	-17,897	-62,856
Effects of differing foreign tax rates	5,432	20,890
One-off effects of sales	0	0
Tax-free dividends from IMMOFINANZ AG and CA Immobilien Anlagen AG	1,579	4,250
Decreases relating to non-taxable income	827	2,905
Increases relating to non-deductible expenses	-4,616	-3,306
Tax expense as disclosed	-14,674	-38,116
Effective tax rate	**20.50%**	**15.16%**

The Group parent is the parent of a tax group in accordance with section 9 (1) Austrian Corporate Tax Act (KStG).

There is an agreement governing tax equalisation between the parent and the Group members, which stipulates that tax equalisation is determined according to the stand-alone method: If a domestic group member has a positive tax result, a positive tax allocation of 25% is paid to the parent. In the case of a negative tax result, the domestic group member does not receive an immediate payment; instead, the negative results are recognised as an internal loss carryforward of the respective group member, which can be offset against future positive results.

3.1.16.2. Deferred tax liabilities

In accordance with IAS 12, the provision for deferred taxation is calculated using the balance sheet liability method: Deferred tax must be provided for all temporary differences between the values for balance sheet purposes in the IFRS consolidated statement of financial position and the current values for tax purposes for the individual companies. Temporary differences can be either:

- differences, which will result in taxable amounts in the calculation of taxable income or tax loss in future periods when the book value of the asset is realised or the liability is settled, or
- deductible temporary differences, which will result in tax deductible amounts in the calculation of taxable income or tax loss in future periods when the book value of the asset is realised or the liability is settled.

As a general principle, a deferred tax asset or liability must be recognised for all temporary differences. There are exceptions for the recognition of goodwill in an initial consolidation or the initial recognition of an asset or liability in a business transaction which is not a business combination and which at the time of the transaction does not affect the profit or loss either under IFRS or for tax purposes.

Temporary differences between values in the IFRS consolidated statement of financial position and the corresponding values for tax purposes had the following effects on deferred taxes as shown in the consolidated statement of financial position:

	2020		2019	
EUR '000	Assets	Liabilities	Assets	Liabilities
Properties	387	-210,233	588	-203,450
Financial instruments	9,139	-6,548	7,939	-37,901
Other items	252	-1,640	195	-1,403
Tax loss carryforwards	13,933	0	13,451	0
Subtotal	23,712	-218,421	22,173	-242,754
Netting	-22,534	22,534	-21,096	21,096
Deferred tax assets (+)/liabilities (-)	**1,178**	**-195,887**	**1,077**	**-221,658**

Of these totals, deferred tax assets of kEUR 4,105 (2019: kEUR 3,949) from derivatives valuation were recognised under other comprehensive income. No deferred tax assets have been recognised for tax loss carryforwards totalling kEUR 37,339 (31 December 2019: kEUR 39,911). Most of the tax loss carryforwards are available indefinitely. In the CEE segment, there are some time constraints. Where this is the case, the ability to recognise deferred taxes is determined using projections.

In accordance with IAS 12.39, no deferred taxes were recognised for temporary differences relating to interests in affiliated companies and joint ventures, as the profits accrued at subsidiaries remain invested indefinitely or are not subject to taxation on disposal.

In accordance with IAS 12.39 'Income Taxes', no deferred tax liability was recognised for temporary differences relating to interests in subsidiaries. The difference between the book value for tax purposes and the IFRS equity amounts to kEUR 1,065,049 (2019: kEUR 960,929).

As of the reporting date, there are outstanding fractional write-downs from historical tax write-downs on equity investments of around kEUR 0 (2019: EUR 36).

3.1.16.3. Measurement

Deferred taxes are calculated on the basis of the tax rates in force or expected to apply in the relevant countries at the time of realisation. Changes in the tax legislation in force or approved at the balance sheet date are taken into account. The following table shows the applied tax rates as of 31 December 2019:

	Applicable tax rate in 2021	Applicable tax rate in 2020
Austria	25.00%	25.00%
Germany	15.8%–30.2%	15.8%–30.2%
Czechia	19.00%	19.00%
Slovakia	21.00%	21.00%
Hungary	9.00%	9.00%
Croatia	18.00%	18.00%
Romania	16.00%	16.00%
Bulgaria	10.00%	10.00%

3.2. Income statement

3.2.1. Rental income and revenues from operating costs and revenues from hotel operations

Rental income

EUR '000	2020	2019
Commercial excl. hotels	90,241	85,434
Hotel	1,739	4,734
Residential property	31,275	29,205
Rental income according to the consolidated income statement	**123,255**	**119,373**

On the whole, rental income was affected by the COVID-19 pandemic only to a relatively limited extent. Hotel properties saw the largest decline, whereas commercial (excluding hotels) and residential decreased or increased only very marginally. Rental income from commercial properties included lease incentives of around kEUR 3,029 on account of the pandemic, relating chiefly to retail.

The rental income and revenues from operating costs result almost entirely from investment properties. IFRS 16.17, in conjunction with IFRS 15.73-90, requires consideration received to be split into the components of the contract. This means that contract components are reclassified within revenue from revenues from operating costs totalling kEUR 5,762 (2019: kEUR 5,407) to rental income. Specifically, this does not affect operating cost allocations that are offset by the direct performance of a service to the tenant, but only costs that are associated with the ownership of the property, specifically current building taxes and insurance.

The impact of COVID-19 on tourism caused revenues from hotel operations to drop sharply to kEUR 17,789 (2019: kEUR 59,102) after a good start to 2020. In the current financial year, income-increasing subsidies of kEUR 800 were recognised in connection with COVID-19. At the level of gross profit from hotel operations, there was a small, manageable loss of kEUR -338 overall (2019: profit of kEUR 16,852).

3.2.2. Expenses from property and hotel operations

The expenses from property operations presented in the following table are almost exclusively expenses related to investment properties.

EUR '000	2020	2019
Operating costs	-41,597	-40,966
Maintenance expenses	-16,991	-14,669
Depreciation and amortisation and loss allowance	-4,365	-498
Commissions	-1,030	-2,106
Other	-2,777	-2,713
	-66,760	**-60,952**

Expenses of kEUR 669 were attributable to properties not yet generating income (2019: kEUR 571). The increase in write-downs and allowances of trade receivables from kEUR 498 to kEUR 4,365 is largely due to the effects of the COVID-19 crisis. In the 2020 financial year, grants amounting to kEUR 2,925 were recognised as a reduction in expenses in connection with COVID-19.

The expenses of hotel operations totalled kEUR 18,126 (2019: kEUR 42,250) due to the pandemic. They mainly include expenses for food, beverages, catering supplies, hotel rooms, licences and management fees, maintenance, operating costs, commissions, personnel expenses and advertising.

3.2.3. Gains on property disposals

EUR '000	2020	2019
Income from property disposals		
Properties held as financial investments	0	1,800
Properties held for sale	46,910	57,001
	46,910	**58,801**
Book value of property disposals		
Properties held as financial investments	0	-1,800
Properties held for sale	-46,910	-57,001
	-46,910	**-58,801**
Gains on property disposals		
Properties held as financial investments	0	0
Properties held for sale	0	0
	0	**0**

The properties held for sale include properties that were recognised as held for sale in the interim financial reports.

3.2.4. Management expenses

Management expenses are expenses not directly attributable to properties; they were made up as follows:

EUR '000	2020	2019
Staff costs	-12,272	-11,513
Legal, audit, consulting and estimated costs	-3,456	-4,267
Servicing fees and administration costs	-405	-390
Corporate communications and investor relations	-1,203	-1,401
Other taxes and duties	-551	-725
Other	-2,511	-4,373
	-20,398	**-22,669**

Fees for the Group's auditor for 2020 totalled kEUR 237 (2019: kEUR 271). This amount is divided into the following fields of activity:

EUR '000	2020	2019
Audit of the consolidated financial statements	64	64
Other audit-related services	126	190
Tax consultation services	0	0
Other consultation services	47	17
	237	**271**

The average number of employees in 2019 was 555 (2019: 623), including hotel staff.

The personnel expenses disclosed here are salaries of the Group's employees other than the hotel staff. The amount also includes performance-related bonuses paid to certain employees under individual agreements. Personnel expenses for the hotels are disclosed under hotel operations.

Defined contribution plans

As required by law, S IMMO Group pays 1.53% of the relevant monthly salaries into an employees' severance pay and pension fund for all employees who joined the Group after 31 December 2002. Personnel expenses included contributions of kEUR 88 (2019: kEUR 82) paid into the fund. For other defined contribution plans, kEUR 175 (2019: kEUR 173) were recognised in profit or loss.

3.2.5. Depreciation and amortisation

This item comprises depreciation and amortisation on owner-operated properties, other plant and equipment, and intangible assets. Depreciation and amortisation were made up as follows:

EUR '000	2020	2019
Owner-operated properties	-7,519	-7,435
Other plant and equipment	-1,589	-748
Intangible assets	-124	-81
	-9,232	**-8,264**

3.2.6. Results from property valuation

Gains and losses on valuation include all increases and decreases in value on properties held as financial investments, and were made up as follows:

EUR '000	2020	2019
Changes in fair value		
Increases	91,421	203,805
Reductions	-52,365	-11,134
Others	0	0
	39,056	**192,671**

Gains and losses on valuation break down by region as follows:

EUR '000	2020	2019
Austria	8,661	29,451
Germany	52,735	122,119
CEE	-22,340	41,101
	39,056	**192,671**

The cumulative impairment in the CEE segment is mainly due to the impact of COVID-19 on the valuations of the main use types hotel and retail, which totalled kEUR -24,944 in CEE.

3.2.7. Financing result

EUR '000	2020	2019
Bank interest expense (incl. derivatives accounted for)	-20,599	-20,968
Effects arising from hedge accounting and the measurement of interest derivatives through profit or loss	-3,399	-6,333
Result from foreign exchange differences	-3,626	-1,814
Bond interest	-12,893	-14,390
Other financing and interest expenses	-2,709	-6,939
Financing expenses	-43,226	-50,444
Bank interest revenue	31	47
Income from financial investments	6,584	17,158
Other financing and interest income	2,206	1,859
Financing income	8,821	19,064
Results from companies measured at equity	5,035	11,359
	-29,370	**-20,021**

The decline in income from financial investments is due to the COVID-19-related absence of a dividend distribution by IMMOFINANZ AG.

3.2.8. Earnings per share

The earnings per share ratio compares the consolidated net profit to the average number of shares in circulation during the year.

		2020	2019
Own share in consolidated net profit	kEUR	56,537	212,774
Average number of shares in issue	number	71,970,352	66,201,755
Basic earnings	EUR	0.79	3.21
Diluted earnings	EUR	0.79	3.21

Diluted and basic earnings per share are the same, since there are no potentially dilutive financial instruments in issue.

4. Operating segments

An operating segment is defined as having the following characteristics:

- It engages in business activities in which it may earn revenue and incur expenses.
- Its operating results are reported regularly to the enterprise's chief operating decision maker, who uses the information to allocate resources to it and to review its performance.
- Separate financial information is available for the segment.

Based on these characteristics, segment reporting occurs by region at S IMMO Group. The assessment and analysis of the regional structure follows the strategic direction, which differentiates between Austria, Germany and CEE.

The regions are as follows:

Austria: This operating segment includes all of the Group's Austrian subsidiaries; apart from those with property in Germany.

Germany: The Germany operating segment includes the German subsidiaries and Austrian subsidiaries which hold properties in Germany.

CEE: The CEE segment includes the subsidiaries in Slovakia, Czechia, Hungary, Bulgaria, Croatia and Romania.

The segment reporting is based on the internal reporting system for management purposes.

Each segment is operationally independent of the others, since each must take the local market and business environment into account. The Group's CEO has been nominated as the chief operating decision maker with responsibility for segment operations. He is responsible for the allocation of resources to the individual segments and for reviewing their performance. Quarterly management reports are prepared for each operating segment and submitted to the CEO.

In preparing and presenting the segment information, the same accounting and valuation policies are applied as for the consolidated financial statements. The book value of the interests in companies that are recognised according to the equity method breaks down to kEUR 12,523 for the segment of Austria (31 December 2019: kEUR 24,300), and kEUR 11,853 (31 December 2019: kEUR 11,984) for the segment of CEE.

	Austria		Germany		CEE		Total	
EUR '000	2020	2019	2020	2019	2020	2019	2020	2019
Rental income	19,084	18,910	54,744	50,325	49,427	50,138	123,255	119,373
Revenues from operating costs	3,975	4,059	13,597	11,766	15,299	16,127	32,871	31,952
Revenues from hotel operations	8,705	31,451	0	0	9,084	27,651	17,789	59,102
Total revenues	31,764	54,420	68,341	62,091	73,810	93,916	173,915	210,427
Other operating income	688	861	954	680	859	940	2,501	2,481
Property operating expenses	-7,245	-7,555	-31,526	-29,056	-27,989	-24,341	-66,760	-60,952
Hotel operating expenses	-9,697	-23,502	0	0	-8,429	-18,748	-18,126	-42,250
Gross profit	15,510	24,224	37,769	33,715	38,251	51,767	91,530	109,706
Result from property disposals	0	0	0	0	0	0	0	0
Management expenses	-11,278	-14,112	-6,814	-6,458	-2,307	-2,097	-20,398	-22,669
EBITDA	4,232	10,112	30,956	27,257	35,944	49,670	71,132	87,037
Depreciation and amortisation	-4,866	-4,704	-203	-191	-4,163	-3,369	-9,232	-8,264
Results from property valuation	8,661	29,451	52,735	122,119	-22,340	41,101	39,056	192,671
EBIT	**8,027**	**34,858**	**83,488**	**149,185**	**9,441**	**87,402**	**100,956**	**271,444**
Non-current assets as of 31 December	977,120	1,039,618	1,221,862	1,114,859	808,038	782,753	3,007,020	2,937,229
Non-current liabilities as of 31 December	719,682	776,139	484,911	449,390	364,616	378,442	1,569,209	1,603,971

Major customers

Because of the large number of customers, no single customer is responsible for more than 10% of S IMMO Group's total revenues.

5. Other information

5.1. Financial instruments

5.1.1. Categories

S IMMO Group classifies its financial instruments as follows:

31 December 2020

Book values EUR '000	Derivatives in hedge accounting	Financial assets FVOCI	Financial assets FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities FVTPL	Total
Assets							
Non-current assets							
Group interests		4,553	56				4,609
Other financial assets	917	478,689	18,089	26			497,721
Current assets							
Trade receivables				4,270			4,270
Other financial assets				13,787			13,787
Cash and cash equivalents				64,503			64,503
Total assets	917	483,242	18,145	82,586	0	0	**584,890**
Equity and liabilities							
Non-current liabilities							
Issued bonds					497,215		497,215
Other financial liabilities	22,055				830,893	20,853[2]	873,801
thereof lease liabilities					6,183		
Current liabilities							
Issued bonds					28,529		28,529
Financial liabilities [1]					99,273		99,273
thereof lease liabilities					2,773		
Trade payables					3,616		3,616
Total equity and liabilities	22,055	0	0	0	1,459,526	20,853	**1,502,434**

[1] Including bond interest accrued
[2] Derivatives not in hedge accounting

31 December 2019

Book values EUR '000	Derivatives in hedge accounting	Financial assets FVOCI	Financial assets FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities FVTPL	Total
Assets							
Non-current assets							
Group interests		3,804	59				3,863
Loans to companies measured at equity				2,010			2,010
Other financial assets		553,202	848	41			554,090
Current assets							
Trade receivables				7,437			7,437
Loans to companies measured at equity				6,631			6,631
Other financial assets				6,932			6,932
Cash and cash equivalents				111,564			111,564
Total assets	**0**	**557,006**	**907**	**134,614**	**0**	**0**	**692,527**
Equity and liabilities							
Non-current liabilities							
Issued bonds					525,352		525,352
Other financial liabilities	21,007				811,028	16,827[2]	848,862
thereof lease liabilities					8,524		
Current liabilities							
Financial liabilities [1]	31				145,190		145,221
thereof lease liabilities					2,622		
Trade payables					5,510		5,510
Total equity and liabilities	**21,038**	**0**	**0**	**0**	**1,487,080**	**16,827**	**1,524,945**

[1] Including bond interest accrued
[2] Derivatives not in hedge accounting

In the case of financial assets not measured at fair value, the book values largely correspond to the fair values.

The bond liabilities had a fair value of kEUR 557,582 as of 31 December 2020 (31 December 2019: kEUR 564,220). The book values indicated for the other financial liabilities largely correspond to the fair values.

The individual categories of financial instruments recognised in the income statement can be assigned as follows:

EUR '000	2020 Current financial result	2020 Valuation effects	2019 Current financial result	2019 Valuation effects
Interest and other derivatives	-7,836	-4,199	-6,904	-5,533
Dividend income from equity instruments	6,584		17,158	
Other financial assets FVPL	320	68		
Financial assets at acquisition cost	1,334	-4,365[1]	1,106	-498[1]
Financial liabilities at acquisition cost	-27,047		-35,382	

[1] Recognised within the expense from property management

5.1.2. Derivatives

The company currently uses swaps and caps to manage the interest rate risk in connection with variable-rate property financing.

Interest derivatives disclosed under other non-current financial assets (31 December 2020: kEUR 938; 31 December 2019: kEUR 48) and under non-current financial liabilities (31 December 2020: kEUR -42,908; 31 December 2019: kEUR -37,834) and under current financial liabilities (31 December 2020: kEUR 0; 31 December 2019: kEUR -31). The table below shows the maturity structure of all derivatives used by the Group.

EUR '000	31 December 2020 Nominal	Positive fair value	Negative fair value	Maturity	31 December 2019 Nominal	Positive fair value	Negative fair value	Maturity
Swaps	0	0		< 1 year	16,370	0	-31	< 1 year
	253,270	0	-14,844	1–5 years	95,310	0	-4,467	1–5 years
	397,170	917	-28,064	> 5 years	506,918	0	-33,367	> 5 years
Caps	25,000	0		< 1 year	0	0	0	< 1 year
	155,000	16		1–5 years	100,000	7	0	1–5 years
	10,000	5		> 5 years	90,000	41	0	> 5 years
Total	**840,440**	**938**	**-42,908**		**808,599**	**48**	**-37,865**	

In the financial year, measurement changes of kEUR -1,835 (2019: kEUR -10,295) not including deferred taxes and deferred taxes for derivatives of kEUR 156 (2019: kEUR 1,808) are recognised in other comprehensive income. In total, kEUR -1,679 (2019: kEUR -8,487) was therefore recognised in other comprehensive income.

5.2. Risk management

5.2.1. Exchange and interest rate risk

Since S IMMO Group's rental contracts are mostly linked to the euro and almost all of its loans are denominated in euros, the exchange rate risk is considered to be low.

As of 31 December 2020, around 85% (31 December 2019: 85%) of other financial liabilities consisted of variable-rate loans and roughly 15% (31 December 2019: 15%) were fixed-rate loans. The current and non-current financial liabilities include fixed-rate loans in the amount of kEUR 134,155 (31 December 2019: kEUR 142,807). The variable-rate loans are based almost entirely on the three-month EURIBOR with quarterly interest rate adjustments. In the 2014, 2015, 2018 and 2019 financial years, the company issued fixed-rate bonds. More details can be found in section 3.1.13.

The variable-rate loans are protected with hedging instruments such as caps and swaps.

The cost of funding (based on variable and fixed interest financial liabilities incl. derivatives as of 31 December 2020) is 2.29% (31 December 2019: 2.30%).

The stress test (based on the variable- and fixed-rate financial liabilities as of 31 December 2020) shows that increases in the base rate (EURIBOR) have only a small effect on the Group's financing costs. For example, a 100 bp increase in the three-month EURIBOR compared with the three-month EURIBOR as of 31 December 2020 would increase financing costs by 2 bp.

Stress test as of 31 December 2020

Interest rate (3M EURIBOR)	Cost of funding	Difference in cost of funding	Interest sensitivity
Interest rate 3%	2.40%	11 BP	4%
Interest rate 2%	2.39%	10 BP	5%
Interest rate 1%	2.31%	2 BP	2%
Interest rate 0.5%	2.27%	-2 BP	-4%
Interest rate -0.5%	2.29%	0 BP	0%
Interest rate -1%	2.36%	7 BP	-7%

Stress test as of 31 December 2019

Interest rate (3M EURIBOR)	Cost of funding	Difference in cost of funding	Interest sensitivity
Interest rate 3%	2.52%	22 BP	7%
Interest rate 2%	2.47%	17 BP	9%
Interest rate 1%	2.36%	6 BP	6%
Interest rate 0.5%	2.31%	1 BP	2%
Interest rate -0.5%	2.30%	0 BP	-1%
Interest rate -1%	2.36%	6 BP	-6%

5.2.2. Liquidity and financing risks

S IMMO Group manages liquidity and financing risks actively. In order to mitigate the corresponding risks, adjustments are made as part of the rolling budget process if necessary. In order to minimise the financing risk, the Group ensures that a balanced relationship is maintained between the amounts of loans and the market values of the individual properties.

As in the previous year there were no covenant breaches in the reporting period.

In 2020, the loan to value ratio for secured financing amounted to 31.3% (2019: 32.7%) and for unsecured financing to 15.5% (2019: 14.2%). To keep lender risks to a minimum, S IMMO Group works with a total of 23 different, well-known financial institutions in Austria and Germany.

	Share in credit financing
Erste Group	15%
Savings banks	10%
Other Austrian banks	23%
Insurance	15%
German banks	37%

Maturity analysis of financial liabilities

The maturities of the undiscounted payment flows for future periods are as follows:

31 December 2020

EUR '000	Issued bonds	Other financial liabilities[1]	Trade payables
Remaining maturity less than 1 year	41,051	123,782	3,616
Remaining maturity between 1 and 5 years	177,113	540,378	0
Remaining maturity over 5 years	387,225	434,820	0

[1] Thereof leases less than 1 year: kEUR 2,798, between 1 and 5 years: kEUR 2,607, more than 5 years: kEUR 9,827
Thereof derivatives less than 1 year: kEUR 8,727, between 1 and 5 years: kEUR 29,708, more than 5 years: kEUR 8,376

31 December 2019

EUR '000	Issued bonds	Other financial liabilities[1]	Trade payables
Remaining maturity less than 1 year	12,502	157,607	5,510
Remaining maturity between 1 and 5 years	174,703	467,907	0
Remaining maturity over 5 years	430,686	433,275	0

[1] Thereof leases less than 1 year: kEUR 2,672, between 1 and 5 years: kEUR 4,853, more than 5 years: kEUR 10,230
Thereof derivatives less than 1 year: kEUR 7,764, between 1 and 5 years: kEUR 29,231, more than 5 years: kEUR 12,567

5.2.3. Borrower risks

The amounts disclosed as assets represent the maximum default risk since there are no significant netting agreements.

Provisions are formed for default risks on receivables from tenants and purchasers of properties to the extent that such risks are recognised. The procedure for the determination of these provisions is explained in note 2.6.

5.3. Rental agreements

The tenancy agreements concluded by S IMMO Group are classified under IFRS 16. These tenancy agreements are as a rule protected by linking the rents to the euro and to international indices.

Total future minimum rental revenues from S IMMO as lessor agreements are as follows:

EUR '000	2020	2019
In the following year	91,276	87,837
For the next 4 years	205,080	207,249
Over 5 years	94,600	106,759
	390,956	**401,845**

5.4. Leasing – Group as lessee

The following table shows the seperately illustrated rights of use for financial assets which are recognised in fixed assets within a lease according to IFRS 16.

Right-of-use assets

EUR '000	Properties (IAS 16) [1]	Car [2]	Other [2]	Total
As of 01 January 2020	1,637	29	160	1,826
Additions	0	48	0	48
Disposals	0	0	-10	-10
Depreciation and amortisation	-136	-35	-64	-235
Book value as of 31 December 2020	1,501	42	86	1,629
Book value as of 31 December 2019	1,637	29	160	1,826
Additions	824	0	0	824
Depreciation and amortisation	89	30	70	189

[1] Recognised in the statement of financial position under 'owner-operated properties'
[2] Recognised in the statement of financial position under 'other plant and equipment and intangible assets'

The following items were recognised in the income statement:

EUR '000	2020	2019
Interest expenses for lease liabilities	377	378
Expenses for short-term leases	27	22
Expenses for short-term leases for an asset of low value	1	1

With regard to the lease liabilities the Group is not exposed to a relevant liquidity risk. Within the Group leasing liabilities are monitored by the treasury function.

5.5. Pending litigation

S IMMO Group was involved in a number of open legal disputes at the balance sheet date. However, the amounts involved were not significant and even in total the amount was not material in the management's estimation.

5.6. Related party disclosures

For S IMMO Group related parties are as follows:

- S IMMO Group's managing bodies
- IMMOFINANZ AG
- Associated companies and joint venture companies of the Group

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board
Ernst Vejdovszky
Friedrich Wachernig, MBA
Bruno Ettenauer, MRICS (since 15 March 2021)

S IMMO AG Supervisory Board
- Karin Rest, EMBA (chairwoman since 15 October 2020)
- Christian Hager (first deputy chairman since 15 October 2020)
- Manfred Rapf (second deputy chairman since 15 October 2020)
- Hanna Bomba
- Holger Schmidtmayr, MRICS, employee representative (since 26 January 2021)
- Elisabeth Wagerer, employee representative (since 26 January 2021)
- Martin Simhandl (chairman until 12 October 2020, left on 12 October 2020)
- Franz Kerber (first deputy chairman until 12 October 2020, left on 12 October 2020)
- Wilhelm Rasinger (second deputy chairman until 12 October 2020, left on 12 October 2020)
- Andrea Besenhofer (left on 12 October 2020)

The remuneration of the Management Board breaks down as follows:

EUR '000	2020	2019
Fixed	825	825
Variable	1,186	914
	2,011	**1,739**

In addition to the amounts specified above, other benefits consisted primarily of contributions to pension funds in the amount of kEUR 83 (2019: kEUR 83) and contributions to the staff benefit fund in the amount of kEUR 31 (2019: kEUR 27).

In 2020, members of the Supervisory Board received remuneration amounting to kEUR 268 (2019: kEUR 239). Members of subsidiaries' supervisory boards received no remuneration. Neither members of the Management Board nor Supervisory Board members received either loans or advances, and no guarantees have been provided on their behalf.

As of 31 December 2020, there were no receivables or payables due to related parties of the S IMMO Group except the associated companies.

In the course of the capital increase of IMMOFINANZ AG that took place in July 2020, S IMMO AG purchased 2.7 million shares of IMMOFINANZ AG for a total of approximately EUR 41.3 million. In addition, S IMMO AG also subscribed to a mandatory convertible bond, which was also placed by IMMOFINANZ AG in July 2020, for a total of EUR 18 million.

The S IMMO Group awards loans to associated companies recognised according to the equity method. As of 31 December 2020, there were no longer receivables resulting from these loans (31 December 2019: kEUR 8,641). For these loans interest income in the amount of kEUR 861 (2019: kEUR 457) arose. Other than this, no transactions were conducted with associated companies or joint ventures that are recognised according to the equity method.

There were no related-party transactions according to IAS 24 with subsidiaries not consolidated.

5.7. Significant events after the balance sheet date

In the first quarter of 2021, a green bond with a nominal value of EUR 150m, a term of seven years and a coupon of 1.75% was successfully placed.

In March 2021, the Management Board team at S IMMO AG was restructured. Bruno Ettenauer, MRICS, was appointed as CEO for a period of three years with effect from 15 March 2021. Herwig Teufelsdorfer, MRICS, was appointed as the company's CIO (Chief Investment Officer) for a period of three years and will take up his Management Board mandate on 12 April 2021. The mandate of Friedrich Wachernig, MBA, in the role of COO (Chief Operating Officer) was extended by another three years until 30 June 2024.

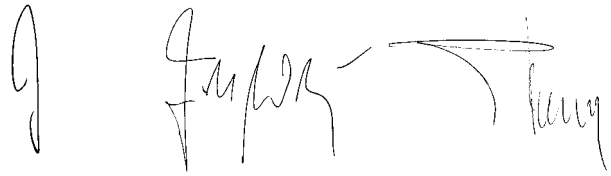
On 14 March 2021, IMMOFINANZ AG announced its intention to submit a voluntary public takeover offer to the shareholders of S IMMO AG.

On 16 March 2021, the company was informed by the Austrian Takeover Commission that at the request of a shareholder the 2nd Senate of the Austrian Takeover Commission had opened review proceedings in relation to the target company IMMOFINANZ AG in accordance with section 33 (1) item 2 of the Austrian Takeover Act (ÜbG) and was reviewing whether various legal entities, including S IMMO AG and its subsidiary CEE Immobilien GmbH, had breached a bid obligation at the level of IMMOFINANZ AG. As S IMMO AG does not yet have any specific information on the allegations made, the company also cannot currently assess whether and to what extent the proceedings will actually materially affect S IMMO AG.

The effects of the COVID-19 pandemic and the associated uncertainties on the markets on which S IMMO operates are continuing in the first quarter of 2021 still.

Vienna, 22 March 2021

The Management Board



Ernst Vejdovszky Friedrich Wachernig Bruno Ettenauer

Auditor's report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of S IMMO AG, Vienna, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated statement of financial position as at 31 December 2020, and the Consolidated income statement, the Consolidated statement of comprehensive income, Changes in consolidated equity and Consolidated cash flow statement for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements.

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Measurement of investement properties

Refer to notes sections 2.6.1., 2.8.1., 3.1.1. and 3.2.6.

Risk for the Consolidated Financial Statements

Investment property with more than 75 percent (prior year 70 percent) of the total assets is the most significant item in the consolidated financial statements of the company. Investment properties are stated at fair value in accordance with IAS 40 in conjunction with IFRS 13. For the measurement of investment property S IMMO AG engages external assessors on an annual basis.

The measurement strongly depends on estimates with regard to input parameters that are both observable and not observable in the market and is therefore materially based on judgment. As a result, the measurement of investment properties is significant for our audit.

Our Response

We assessed the valuation of the investment property as follows:

- In the course of our audit, we gained an understanding of the valuation process and its internal controls.
- We evaluated the objectivity, independence and expertise of the external assessors and by involving our internal valuation specialists for real estate we critically assessed the changes in fair values and significant estimates as yields, future market rents and vacancy rates. In addition, we evaluated the internal controls of the company connected to the data used for the measurement of the real estate portfolio.

- In cooperation with our internal valuation specialists for real estate we assessed for valuation reports in samples the basis data – applicable as of the reporting date and relating to specific objects – on which measurement is based (i.e. current rent and most recent number of vacancies). We assessed the valuation models used by the external assessors in respect of compliance with IAS 40 and IFRS 13 and critically dealt with the significant measurement assumptions and parameters, such as sustainable rents, the discount and capitalization rates applied, and reconciled this information with external market data.

- Further, we assessed whether the disclosures in the notes with respect to the measurement assumptions and insecurity of estimates are appropriate.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law and other legal or regulatory requirements.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 12 October 2020 and were appointed by the supervisory board on 19 October 2020 to audit the financial statements of Company for the financial year ending on that date.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 31 December 2018.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

Engagement Partner

The engagement partner is Mr Thomas Smrekar.

Vienna, 29 March 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Dear Shareholders,

Karin Rest, EMBA

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 31st 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. Schmidtmayr, 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.

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

Corporate governance report

1. Clear commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance (ÖCGK) contains rules and principles relating to transparency and sound corporate management. S IMMO AG has subscribed to the Austrian Code of Corporate Governance since 2007. This code is available on the website of the Austrian Working Group for Corporate Governance. Notwithstanding the exceptions set out and explained below, the Management Board and Supervisory Board of S IMMO AG declare full observance of and compliance with the C Rules of the ÖCGK.

Exceptions to the C Rules:

The C Rules of the ÖCGK below are not fully complied with by S IMMO AG:

C Rule 2: 'Shares are to be construed in accordance with the principle of one share – one vote.'

The 73,608,896 shares (as of 20 January 2020) in S IMMO AG are fundamentally construed in accordance with the principle 'one share – one vote'. All shares carry the same rights. In particular, there are no registered shares with special rights such as nomination of Supervisory Board members or preference shares. The only restriction regarding the voting right associated with all shares exists in the context of the maximum voting right provided for in section 13 (3) of the articles of incorporation. At the Annual General Meeting, the voting rights of each shareholder are accordingly limited to 15% of the issued share capital. For this purpose, shares held by companies that together constitute a group for the purposes of section 15 Austrian Stock Corporation Act (AktG) are to be aggregated, as are shares held by third parties for the account of the relevant shareholder or the account of a company forming part of a group with that shareholder. Holdings of shares by shareholders exercising their voting rights in concert in virtue of an agreement or as part of coordinated behaviour are also to be aggregated. The maximum voting right was adopted at the 17th Annual General Meeting of S IMMO AG on 03 May 2006.

Information on corporate governance
www.simmoag.at/en/cg
www.corporate-governance.at

C Rule 49: 'The company shall disclose in its annual report the object and remuneration of contracts subject to approval pursuant to L Rule 48. A summary of contracts of the same kind shall be permitted.'

According to section 95 (5) line 12 of the Austrian Stock Corporation Act (AktG), contracts with members of the Supervisory Board that commit said members to perform a service outside their work on the Supervisory Board for the company or a subsidiary in return for a material consideration require the consent of the Supervisory Board. This also applies to contracts with enterprises in which a member of the Supervisory Board has a material interest. The company has concluded loan agreements at normal market conditions with enterprises at which Supervisory Board members performed executive functions in the reporting year. The details and consideration in these agreements are not published for reasons of business policy and competition.

C Rule 62: 'The company shall have compliance with the C Rules of the Code evaluated periodically, but at least every three years, by an external institution and a report on the findings of the evaluation is to be published in the corporate governance report.'

The company does not have compliance with the C Rules evaluated by an external institution. Based on the company's circumstances, the Management Board and Supervisory Board do not consider it to be necessary to commission a company to perform such an evaluation.

2. Composition of managing bodies

Management Board

In the last financial year, the Management Board consisted of two members. More detailed information about the individual members of the Management Board and their responsibilities is shown in the overview of management bodies in this report. The members of the Management Board keep each other informed of all important business events and developments at all times and discuss the progress of business. There is an ongoing exchange of information with the managers responsible for the various departments.

Supervisory Board

As of 31 December 2020, the Supervisory Board consisted of four members. Information on the Supervisory Board members, their positions, their principal occupations and other supervisory board appointments can be found in the overview of management bodies.

Criteria for independence

S IMMO AG's Supervisory Board has established the following criteria for the independence of its members as required under C Rule 53 of the Austrian Code of Corporate Governance:

- A Supervisory Board member should not have been a member of the Management Board or an executive officer of S IMMO AG or one of its subsidiaries in the preceding five years.
- A Supervisory Board member should not maintain, or in the preceding year have maintained, a business relationship of material importance to that Supervisory Board member with S IMMO AG or one of its subsidiaries. This also applies to business relationships with enterprises in which the Supervisory Board member has a material interest. The approval of individual transactions by the Supervisory Board in accordance with L Rule 48 does not automatically mean that a person is not independent.
- A Supervisory Board member should not have served as statutory auditor of S IMMO AG, or have had an interest in, or been an employee of the auditing firm in the preceding three years.
- A Supervisory Board member should not be a member of the management board of another company if a member of the Management Board of S IMMO AG is a member of that company's supervisory board.
- A Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with an entrepreneurial investment or who represent the interests of such a shareholder.
- A Supervisory Board member should not be a close family member (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, nephew, niece) of a member of the Management Board or of persons in any of the positions described above.

Of the Supervisory Board members in office as of 31 December 2020, all have declared themselves independent within the meaning of C Rule 53 and within the meaning of C Rule 54.

3. Details of the activities and procedures of the Management Board and Supervisory Board

The activities of the Management Board and Supervisory Board and the collaboration between the two bodies are based on the applicable laws, the articles of incorporation and the rules and procedures.

The Management Board runs the company – its allocation of tasks is set out in the overview of management bodies. The Management Board also provides the Supervisory Board with information about all material aspects of the progress of business and all strategic considerations. They jointly pursue the aim of managing the company responsibly with a long-term approach oriented towards sustainable value creation and lasting corporate success. The Management Board and Supervisory Board work closely together in the interests of the company. The intensive, ongoing dialogue between the two bodies forms the basis for this.

In its meetings, the Supervisory Board monitors the management of the business as well as the finances, strategy, performance and risk management of the company. Investment projects above a specific volume require approval by the Supervisory Board. Until 12 October 2020, the Supervisory Board consisted of eight members, thereafter of four members. Since 26 January 2021, the Supervisory Board has consisted of six members due to the appointment of two employee representatives.

The Supervisory Board has formed committees from among its members, which are listed below. In the 2020 reporting year, eleven Supervisory Board meetings were held, some of which were held in person and some via video conference call due to COVID-19. Each member of the Supervisory Board participated in more than half of the Supervisory Board meetings in person or by telephone or video conference. In addition, four circular resolutions were adopted in writing by the Supervisory Board.

The Committees of the Supervisory Board

Audit Committee

The functions of the Audit Committee include monitoring the accounting and reporting process and the work of the auditors, monitoring the effectiveness of the Internal Control System and the risk management system, and monitoring the process of auditing the Group's financial statements. Since 15 October 2020, the Audit Committee has consisted of the following members: Mr. Rapf (Chairman) and Mr. Hager. Until 12 October 2020, the Audit Committee consisted of the following members: Mr. Rasinger (Chairman), Mr. Kerber, Mr. Manfred Rapf and Mr. Simhandl. The Audit Committee met twice in the reporting year.

Management Board Committee (Remuneration Committee)

The Management Board Committee is responsible for negotiating, concluding and amending the contracts of Management Board members. Since 15 October 2020, the Management Board Committee has consisted of the following members: Ms. Rest (Chairwoman) and Mr. Hager. Until 12 October 2020, the committee consisted of the following members: Mr. Simhandl

(Chairman), Mr. Kerber and Mr. Rasinger. In 2020, the Management Board Committee met twice. In addition, one circular resolution was passed in written form in the Management Board Committee.

Working Committee

Until the reconstitution on 15 October 2020, a Working Committee had been established which exercised individual powers of approval of the Supervisory Board up to a certain value limit, e.g. for the purchase and sale of real estate up to a certain amount. Until 12 October 2020, the Working Committee consisted of the following members: Mr. Simhandl (Chairman), Ms. Besenhofer, Mr. Kerber and Mr. Rapf. In the reporting year, the Working Committee met once. Currently, no Working Committee has been established.

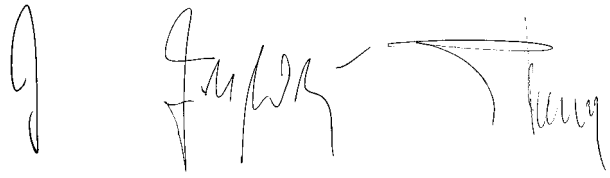
The following table shows the individual attendance of Supervisory Board members at Supervisory Board and committee meetings.

Attendance in 2020 (in person and via telephone or video conference)

	Supervisory Board	Audit Committee	Working Committee	Management Board Committee
Karin Rest, EMBA	100%			
Christian Hager	100%	100%		
Manfred Rapf	100%	100%	100%	
Hanna Bomba	100%			
Martin Simhandl	100%	100%	100%	100%
Franz Kerber	91%	100%	100%	100%
Wilhelm Rasinger	100%	100%		100%
Andrea Besenhofer	100%		100%	

4. Diversity concept and measures for the advancement of women

Diversity and equal opportunities are key aspects of S IMMO's corporate philosophy. S IMMO AG has set itself the aim of continuously increasing the proportion of women in management positions and is expressly committed to the advancement of women. The company places great emphasis on the advancement of women when filling senior managerial positions. As of 31 December 2020, 54.3% of the workforce and 42.9% of managers (excluding the Management Board) were female. Moreover, the company offers flexible working time solutions tailored to the needs of its employees. As of 31 December 2020, 30.0% of all employees worked part-time at the company's location in Vienna. When making appointments to the Management Board and Supervisory Board, emphasis is placed on the maximum degree of professional skill and international experience in the interests of the company. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. There were no women on the Management Board of S IMMO AG in the reporting year. This fact was considered in the appointment of a successor to Mr. Vejdovszky on the Management Board and in the appointment of the third Management Board member in the first quarter of 2021, and the involved consultant was expressly instructed to consider female candidates. Despite a diligent approach, it was unfortunately not possible to increase the proportion of women on the company's Management Board. The company is still clearly committed to the goal of appointing women to the Management Board over the medium term. As of 31 December 2020, the proportion of women on the Supervisory Board was 50.0%. Specific measures to appoint women to the Management Board will be considered when a change to the composition of the Board is due. The same applies for future nominations to the Supervisory Board. With the company's best interests in mind, the emphasis when making appointments to the Management Board and the Supervisory Board has been on the maximum degree of professional skill and international experience possible. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. There were no women on the Management Board of S IMMO AG in the reporting year. As of 31 December 2020, the proportion of women on the Supervisory Board was 50.0%.



Ernst Vejdovszky Friedrich Wachernig Bruno Ettenauer

Management Board[1]

Ernst Vejdovszky

CEO

Born: 30 October 1953
Appointed until: 30 June 2021
First appointed: 01 January 2001

Responsible for finance, corporate communications, investor relations, acquisitions, sales, risk management, audit, asset management in Germany

After studying business IT at the Vienna University of Technology, he started his career in 1982 at Girozentrale in Vienna. He became a founding Management Board Member of Sparkassen Immobilien Anlagen AG, Vienna (later Sparkassen Immobilien AG), in 1986, and has been a member of the Management Board at S IMMO AG, Vienna, since 2001.

Other appointments in domestic companies:
Member of the Supervisory Board, Erste Immobilien Kapitalanlagegesellschaft m.b.H.

Friedrich Wachernig, MBA

Member of the Management Board

Born: 28 June 1966
Appointed until: 30 June 2024
First appointed: 15 November 2007

Responsible for project development, asset management in CEE and Austria, legal, compliance, organisation, IT, HR

After studying business administration at the Vienna University of Economics and Business, he joined Eraproject GmbH, Vienna, in 1993. He held various development and management roles at Strabag AG, Raiffeisen Evolution GmbH and Porr Solutions GmbH in several Eastern European countries, and has been a member of the Management Board at S IMMO AG, Vienna, since 2007.

[1] Information refers to the period 01 January to 31 December 2020.

Supervisory Board[1]

Name (year of birth)	Function	Principal occupation	First appointed (end of term)	Supervisory Board appointments in listed companies	Other Supervisory Board appointments in domestic and foreign companies	Other appointments
Since 15 October 2020						
Karin Rest, EMBA (1972)	Chairwoman of the Supervisory Board; Chairwoman of the Management Board Committee	Managing Director of VAMED-KMB Krankenhausmanagement und Betriebsführungsges.m.b.H. (since 01 June 2020); Self-employed lawyer (until 31 May 2020)	03 May 2018 (appointed until AGM in 2023)	Flughafen Wien AG (since 30 April 2013)	Chairwoman of the Supervisory Board of Wien Holding GmbH (since 03 July 2017); Chairwoman of the Supervisory Board of ARWAG Holding AG (16 May 2019 to 29 September 2020); Wiener Stadtwerke GmbH (since 16 April 2015)	
Christian Hager (1967)	First Deputy Chairman of the Supervisory Board; Member of the Audit Committee; Member of the Management Board Committee	Member of the Management Board at KREMSER BANK und Sparkassen AG (since 01 September 2008)	23 June 2009 (appointed until AGM in 2024)			
Manfred Rapf (1960)	Second Deputy Chairman of the Supervisory Board; Chairman of the Audit Committee	Self-employed actuary (for more than 30 years)	08 June 2017 (appointed until AGM in 2022)		Chairman of the Supervisory Board at Österreichische Förderungsgesellschaft der Versicherungsmathematik GmbH (12 June 2014 to 16 July 2020)	
Hanna Bomba (1978)		CEO of Huber Shop GmbH (AT and DE – since 20 October 2020); Managing Partner at Be Retail GmbH – Management Consulting (since 02 February 2018); Owner and Coach at BeMySelf Holistic Coaching (since 01 December 2019)	03 May 2018 (appointed until AGM in 2023)		Erste Immobilien Kapitalanlagegesellschaft m. b. H. (since 01 August 2019)	
Until 12 October 2020						
Martin Simhandl (1961)	Chairman of the Supervisory Board; Chairman of the Management Board Committee; Chairman of the Working Committee; Member of the Audit Committee		24 June 2004 (appointed until AGM in 2020)	Ray Sigorta AS	InterRisk Versicherungs-AG; InterRisk Lebensversicherungs-AG; GPI Holding	
Franz Kerber (1953)	First Deputy Chairman of the Supervisory Board; Member of the Working Committee; Member of the Audit Committee; Member of the Management Board Committee		24 June 2004 (appointed until AGM in 2020)		Bankhaus Krentschker & Co AG; MCG Graz e.gen.; Grazer Messe	Member of the Management Board at Höller-Privatstiftung; Chairman of the Schell Collection
Wilhelm Rasinger (†)	Second Deputy Chairman of the Supervisory Board; Chairman of the Audit Committee; Member of the Management Board Committee	Chairman of the Austrian Shareholder Association (IVA)	21 May 2010 (appointed until AGM in 2020)	Erste Group Bank AG; Wienerberger AG	Chairman of the Supervisory Board at Friedrichshof Wohnungsgenossenschaft; Gebrüder Ulmer Holding GmbH	
Andrea Besenhofer (1970)	Member of the Working Committee	Project director at Erste Group Bank AG; Managing sole shareholder of Besenhofer Real Estate GmbH	12 June 2013 (appointed until AGM in 2020)			Member of the Management Board of Besenhofer Privatstiftung

[1] Information refers to the period 01 January to 31 December 2020.

NON-FINANCIAL REPORT

Since the financial year 2017, S IMMO has published a non-financial report each year. It contains information about environmental, employee and social issues (including a diversity concept) in connection with the key issues defined by S IMMO as well as about observing human rights and combating corruption and bribery. When preparing this report, S IMMO implements the legal requirements of section 267a of the Austria Commercial Code (UGB). A national, EU-based or international framework is not used in the preparation of the report.

COVID-19 – The impact of the pandemic

This year, the sustainability report begins with a look at how S IMMO AG navigated the COVID-19 pandemic. After all, this global health crisis affected various environmental, employee and social issues even if most of the effects were only temporary. The year 2020 was an enormous challenge for everyone, although the nature of the challenge varied from one person to the next. It is and remains clear that the only way to overcome these challenges is by showing even greater solidarity. S IMMO AG made this philosophy a fundamental tenet of everything it did – from providing the safest work environment possible for all its employees and working with its tenants to maintaining long-standing relationships with charitable organisations.

COVID-19 – Employees

S IMMO AG immediately switched its operations to a working-from-home model once it became clear in March 2020 that a lockdown was coming. It already had a well-developed IT infrastructure that was and is constantly optimised and so the switchover happened smoothly without experiencing any delays. From that moment on, all meetings were held in Microsoft Teams. With the exception of hotel staff, S IMMO AG did not have to lay off employees or introduce short-time work at its headquarters or at its branches.

The S IMMO office maintained limited operations despite switching to the working-from-home model so that certain employees could use the available infrastructure while following strict safety protocols, especially since not everyone had an ideal work environment at home. A separate working group was established to ensure employee safety at the office as well. S IMMO's occupational physician was consulted so that suitable action could be taken following discussions with him. S IMMO ensured from the start that most of the employees worked in separate rooms and consistently maintained social distancing. An additional mask requirement was introduced for all common areas (conference rooms, etc.) in the autumn. At the same time, employees were encouraged to work mainly from home and come to the office only in exceptional circumstances. The goal was to keep the office occupancy rate at or below 50 per cent. Employees were allowed to park in surrounding parking garages at the company's expense in order to make travelling to work as safe as possible. Business travel was reduced to a minimum, if not prohibited entirely, once the first lockdown started.

Starting in November 2020, every employee was also given access to free COVID-19 testing. The current rule is that every S IMMO AG team member has to be tested at least once per week in order to make day-to-day office activities safer for everyone.

In addition, the company drew up a manual that clearly laid out the procedures for handling suspected and confirmed COVID-19 cases for all employees and went beyond the regulatory requirements. Three employees also completed a Red Cross training course to become COVID-19 officers.

COVID-19 – Tenants

S IMMO AG has always done its utmost to maintain a good, open and honest relationship with its tenants. The company thus maintained close, constant communication with its tenants from the start of the COVID-19 pandemic so that both sides could work together and find individually appropriate solutions to this challenging time. S IMMO AG always strives to pursue a cooperative approach that complies with national laws – that is the only way to achieve an outcome acceptable to both parties. S IMMO purchased gift certificates from food service establishments that rent space in the company's buildings and gave them to its employees as Christmas gifts in order to provide extra assistance to tenants in the food service, hospitality and retail industries. The company also donated to Amnesty International Austria, a human rights organisation that is also an S IMMO AG tenant in Vienna.

The pandemic impacted S IMMO AG's supply chain only to a limited extent in the reporting year. There were some delays on an individual project basis in the implementation of maintenance and repair work and in project developments, but these did not have a significant impact on the company's overall business.

COVID-19 – Shareholders

S IMMO has a particular interest in maintaining the safety of its shareholders as well as its teams. At the same time, it takes great care to cultivate relationships with its stakeholders and enable them to personally share their views and experiences at the Annual General Meeting. The Annual General Meeting was originally scheduled for spring 2020 but was postponed after the outbreak of the pandemic. A new date was not initially set in the hopes that the meeting could be held in person after all. However, it eventually became clear that this could not happen during the COVID-19 pandemic, and so the Annual General Meeting was held virtually in October 2020 for everyone's protection. S IMMO also conducted many one-on-one meetings with investors virtually and participated in numerous virtual roadshows in 2020.

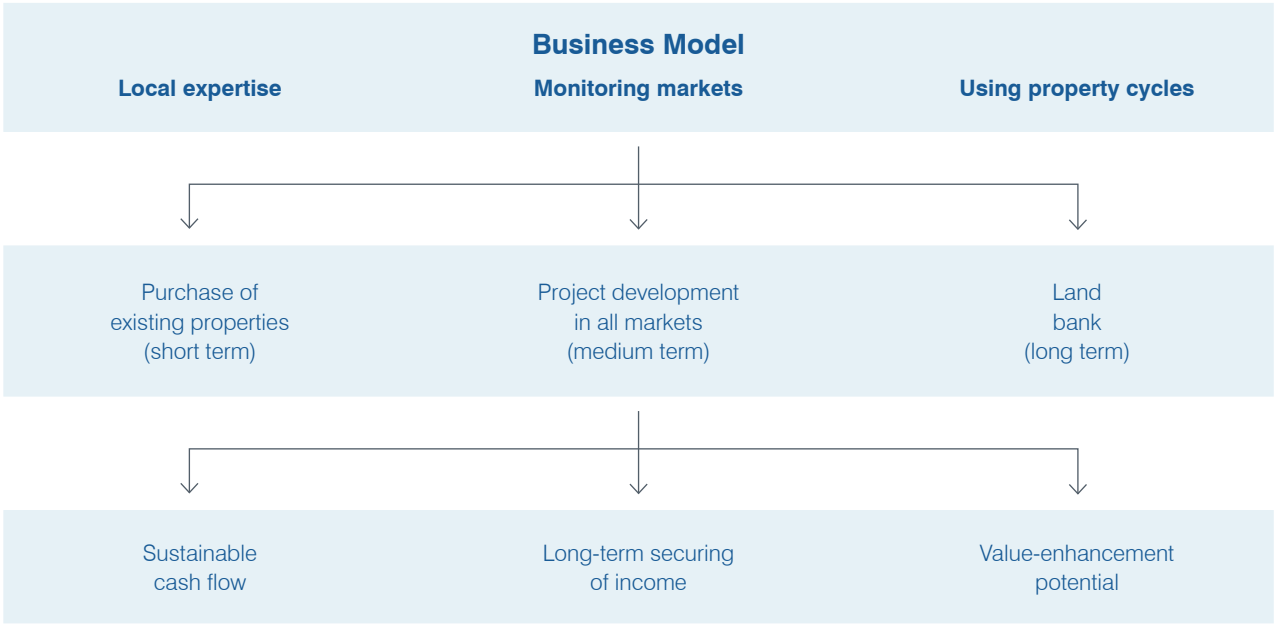
Environmental policy

As a property developer and portfolio manager, S IMMO is constantly faced with environmental and energy considerations. Sustainability and responsible interaction with the environment have therefore been part of S IMMO AG's operating and strategic activities for many years. Environmental aspects are taken into account in economic decisions. S IMMO is aware of its responsibility towards the environment. Its primary goal is therefore to use energy and resources in an efficient and environmentally friendly manner.

The Management Board of S IMMO accepts its environmental responsibility, which is why it takes a comprehensive approach to sustainability. One of its main corporate objectives is to improve the Group's sustainability performance in the next several years. A working group has been established for this very purpose and will start working towards this goal in 2021. Planned measures include optimising data acquisition and analysis and revising the materiality analysis with the involvement of all material stakeholders.

Portfolio properties make up the vast majority of S IMMO's real estate holdings. Through sustainable construction, the environmental impact and emissions are reduced as far as possible in order to preserve a liveable environment for future generations. This chiefly involves seeking green building certification for new construction projects. In the medium term, the energy footprint is to be improved both at the company's locations and in its properties (to the extent this is independent of the tenants), and the transition to renewable energy is to be stepped up. All the energy consumed by the Austrian and German portfolio is already generated using renewable energy sources. S IMMO has set itself the goal of transitioning its entire CEE portfolio by the end of 2022 as well.

S IMMO pledges to comply with all laws and official requirements when it comes to environmental considerations. S IMMO employees' awareness of environmental issues and climate change is raised via the ongoing provision of information as well as tangible measures. Tenants and business partners are also included in environmental activities when this is within the company's power.



Business model

S IMMO AG has been pursuing a sustainable and prudent business policy for more than three decades with the aim of adding value for its investors and protecting the company's income in a sustainable fashion. The company applies its business model, which has proven itself over many years, of anticipating property cycles and benefiting from them. To this end, the company's local experts continuously monitor the markets in which S IMMO operates and associated trends in the property sector. Among other things, they evaluate at what time it makes economic sense to buy or sell portfolio properties and land or project developments.

The company invests in portfolio properties that generate rental income directly. To a lesser extent, it also develops projects that, once complete, will contribute to cash flow in the medium term. The acquisition of land in up-and-coming regions with exciting projects is intended to contribute to the company's long-term success.

In this context, S IMMO's strategic direction is strongly guided by the interests of its stakeholders. The impact of the company's business activities on environmental, employee and social considerations, the observance of human rights and the efforts to combat corruption and bribery have been and will continue to be taken into account on a consistent basis.

Although S IMMO's business model has proven very crisis-resistant over the past months, the COVID-19 pandemic did of course affect ongoing operations and the corresponding income. These effects are described in the section on earnings.

Materiality analysis

The non-financial report is based on a materiality analysis, which analyses potential areas of sustainable management in connection with the Austrian Sustainability and Diversity Act (NaDiVeG). The possible impacts of the topics selected were examined in the course of a workshop involving in-house and external experts. The effects on people and on the environment (x-axis) were analysed as well as their significance for key stakeholders such as shareholders, tenants, employees, other interest groups and business partners (y-axis). In 2017, the materiality analysis was carried out for the first time as part of a recorded workshop in which employees of S IMMO AG held comprehensive discussions with an external team of consultants and made estimates. The workshop was attended by the department heads of Corporate Communications and Investor Relations, Project Development, Asset Management, Human Resources and Compliance. Steps were taken to ensure due consideration for the interests of material stakeholders (investors, media, tenants, general contractors, subcontractors, employees). Data acquisition and processing experts were represented as well.

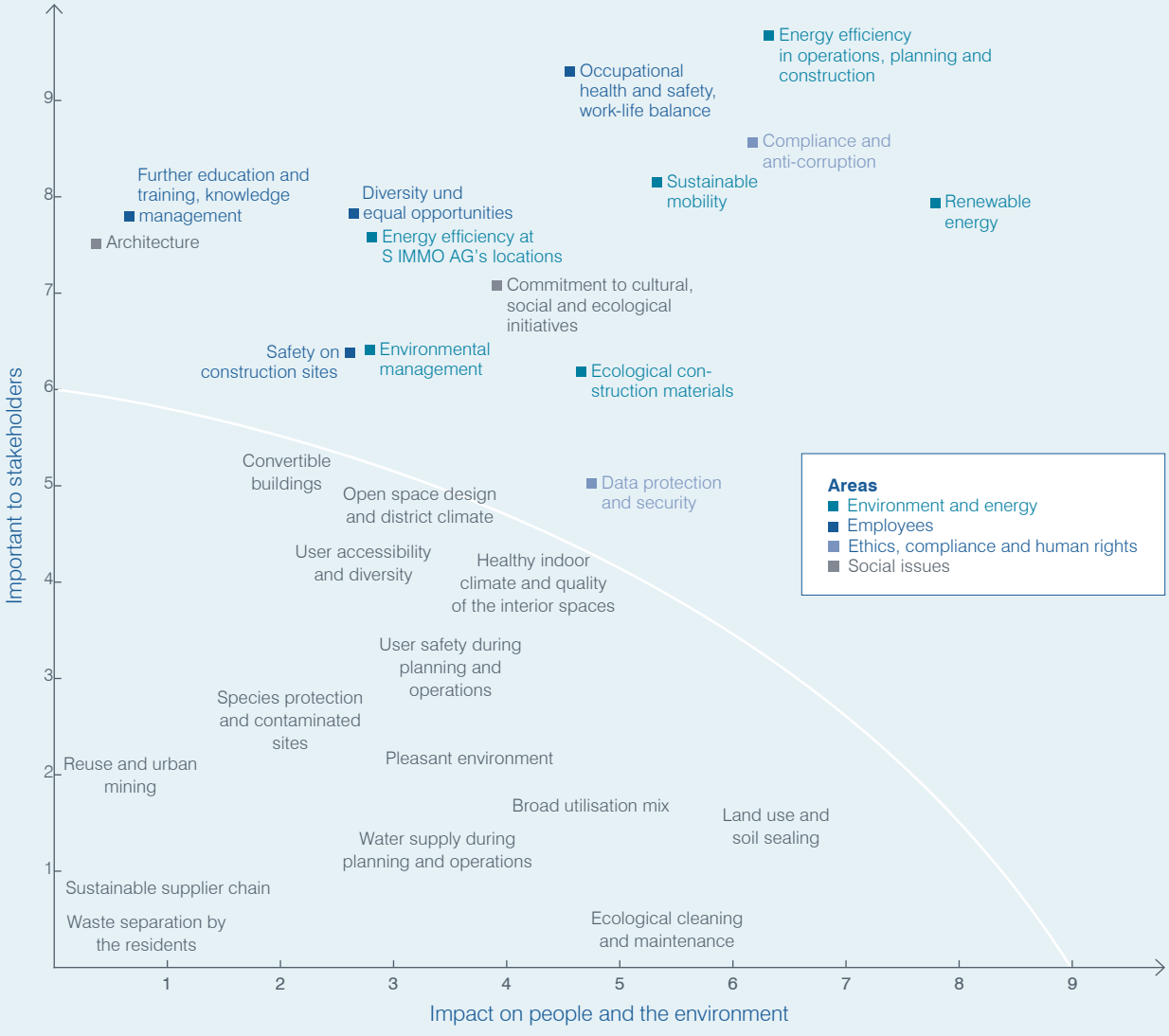
The assumptions and estimates are re-evaluated and validated once a year. Minor adjustments were made in consultation with in-house experts from the various departments in the 2019 reporting year. This materiality analysis was retained in the 2020 reporting year, with one notable exception: "Occupational health and safety" was moved to the right on the x-axis in response to current circumstances. This highlighted the fact that, in the current climate, employee health and the measures taken to protect it were important not just for the stakeholders. The various measures are highly relevant for the whole society. The company's response to the various repercussions of the pandemic is described above. S IMMO AG plans to completely overhaul the materiality analysis in 2021 and plans to survey key stakeholders through this process (i.e. a stakeholder analysis).

The topics relevant for S IMMO can be assigned to the following four areas:

- Environment and energy
- Employees
- Ethics, compliance and human rights
- Social issues

The main topics for S IMMO AG are thus those 14 aspects that have the greatest impact and/or are the most important to stakeholders and are of the most significance for S IMMO's business activities. Those topics are presented in the following matrix:

S IMMO AG's materiality matrix



In this non-financial report, S IMMO AG details its activities and the measures adopted in relation to the topics defined as key issues:

Issue	Topic	Description	Considerations under the NaDiVeG
Environment and energy	Energy efficiency in planning, construction and operations	Energy efficiency of buildings (heating, cooling and electricity consumption), for example through the thermal quality of the building envelopes, energy-efficient building services, energy-efficient devices, energy-efficient operation of buildings and energy-efficient practises of users, etc.	Environmental considerations
	Renewable energy	Consideration in connection with energy concepts and the purchase of land, retrofitting capacity to accommodate renewable energy sources	Environmental considerations
	Ecological construction materials	For example, those made of renewable materials, manufactured in an environmentally friendly manner, regionally sourced, free from pollutants, having a multifunctional purpose and recyclable	Environmental considerations
	Sustainable mobility	Connection to public transport networks, footpath and cycle path networks, provision of infrastructure for bicycles, e-mobility, car and bike sharing options, incentive to use environmentally friendly means of transport	Environmental considerations
	Environmental management	Noise and dust prevention, exclusion of contaminated sites, effective waste management, safe handling of chemicals, short transportation distances	Environmental considerations
	Energy efficiency at S IMMO AG's locations	Conservation of resources within the company's facilities (heating, electricity, water, waste avoidance), sustainable mobility for employee commuting	Environmental considerations
Employees	Occupational health and safety, work-life balance	Health and motivation of the team are strengthened, different working patterns and flexible time management are offered	Employee considerations
	Safety on construction sites	Protection from accidents for all persons involved in construction	Employee considerations
	Diversity and equal opportunities	Heterogeneous team structure in relation to employment model, age, gender, background, etc.	Employee considerations
	Further education and training, knowledge management	Sharing information within the company, promoting further education, professional execution of training measures	Employee considerations
Ethics, compliance and human rights	Combating corruption, capital market compliance and corporate governance, human rights	Properly managed contract award processes, sound working relationships with contractors, observance of legal requirements (employment law, competition law etc.), observance of human rights	Combating corruption and bribery, observing human rights
	Data protection and security	Oberservance of legal requirements	Social issues
Social issues	Architecture	Attractive design, incorporation into the cityscape	Social issues
	Commitment to cultural, social and ecological initiatives	Long-standing cooperation with a variety of institutions, associations and organisations	Social issues, environmental considerations

Potential risks that arise as a result of S IMMO's business activities and could thus have a negative impact on the aforementioned interests are incorporated into the Group's risk management processes, which are the responsibility of the Management Board, and are monitored by an in-house risk manager.

Accordingly, in the run-up to producing this non-financial report, risks arising from social and ecological aspects were also systematically identified and assessed. The identified risks are described in the separate risk report within the management report.

1. Environment and energy

As a portfolio manager and property developer, S IMMO is constantly faced with environmental and energy considerations and, at the same time, strives to act with the greatest possible care and sustainability in all areas. S IMMO is convinced that business activities are compatible with environmentally conscious behaviour. As of 31 December 2020, S IMMO Group had 358 (31 December 2019: 331) properties with a total area of approximately 1.3 million m² (31 December 2019: 1.2 million m²). Based on main types of use, 69.8% (31 December 2019: 71.0%) of the portfolio consisted of commercial properties (office, retail and hotel) and an additional 30.2% (31 December 2019: 29.0%) of residential properties. Two hotels – the Vienna Marriott and Budapest Marriott hotels – are operated under management agreements.

Energy efficiency in planning, construction and operations

Energy consumption (heating demand and electricity consumption) and water usage in the buildings managed by S IMMO is almost exclusively dependent on tenant conduct and is therefore largely outside the company's control. However, S IMMO can influence the energy consumption of its buildings to a certain degree by means of construction measures. Accordingly, as a matter of principle, S IMMO applies the highest standards in development projects, when renovating portfolio properties in terms of their energy consumption and construction, and when managing its portfolio. In this way, the company takes due account of the energy efficiency of the buildings, including during their operation, and endeavours to use resources in an environmentally friendly manner. As a result, operating costs and emissions can be reduced and a significant contribution made to protecting the environment.

To get a better overview of the consumption at S IMMO's properties, the company collects and analyses data on heating demand, electricity consumption and water usage for the entire portfolio, broken down by region and main types of use.

The consumption and usage data of buildings which have been owned by S IMMO for at least one full calendar year form the basis of the portfolio monitoring. Properties purchased during the year, properties sold in the reporting year and properties under construction therefore do not appear in the following statements on key indicators. If the complete accounting for the calendar year 2020 for selected properties was not yet available, partial data were used to project full-year figures.

It is a challenge to collect qualitatively uniform data, as the data is collected in different countries from different service providers. S IMMO is working to increase the quality of data and to create a valid assessment basis. Nevertheless, the company sees potential for further optimisation in this area in the coming years.

Overview of energy and water consumption for the entire portfolio by type of use in 2020

	Portfolio by main type of use			
	Office	**Retail**	**Hotel**	**Residential**
Heating demand in MWh[1]	37,415 (50.9% gas, 0.8% oil, 48.3% district heating)	10,974 (66.9% gas, 0.8% oil, 32.3% district heating)	10,919 (80.0% gas, 0.1% oil, 19.9% district heating)	33,139 (67.2% gas, 2.7% oil, 30.1% district heating)
Electricity in MWh	11,980[2]	9,440[2]	7,541[3]	1,039[2]
Water in m³	178,022	90,682	78,688	264,123

[1] The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.

[2] Electricity consumption, excluding electricity consumed by tenants

[3] The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

The COVID-19 pandemic and the associated lockdown reduced water and electricity consumption in the hotel and retail types of use. Heating demand declined somewhat for the hotels. Water consumption decreased in the office category, mainly due to the partial switch to working from home. Electricity and heating demand remained virtually unchanged year-on-year because the IT infrastructure still consumed electricity and the buildings were still heated even if there were fewer employees.

Overview of energy and water consumption for the entire portfolio by type of use in 2019

	Portfolio by main type of use			
	Office	**Retail**	**Hotel**	**Residential**
Heating demand in MWh [1]	34,553 (49.8% gas, 1.1% oil, 49.1% district heating)	11,047 (63.8% gas, 1.3% oil, 34.8% district heating)	14,757 (81.9% gas, 0.1% oil, 18.0% district heating)	33,955 (65.4% gas, 4.2% oil, 30.4% district heating)
Electricity in MWh	10,108 [2]	12,061 [2]	11,162 [3]	957 [2]
Water in m³	204,347	134,511	184,648	265,683

[1] The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.
[2] Electricity consumption, excluding electricity consumed by tenants
[3] The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

Overview of energy and water consumption for the entire portfolio by region in 2020 [1, 2, 3]

	Region		
	Austria	**Germany**	**CEE**
Heating demand in MWh	10,394 (11.3% gas, 88.7% district heating)	53,076 (55.7% gas, 2.4% oil, 41.9% district heating)	28,997 (92.0% gas, 8.0% district heating)
Electricity in MWh	7,392	3,660	18,948
Water in m³	64,503	373,088	173,924

[1] The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.
[2] Electricity consumption, excluding electricity consumed by tenants
[3] The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

S IMMO has been using green electricity and carbon-free gas in its entire property portfolio in Austria and Germany since 2020.

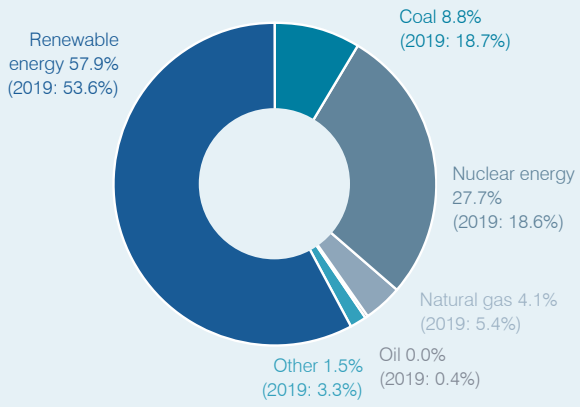
Overview of energy and water consumption for the entire portfolio by region in 2019 [1, 2, 3]

	Region		
	Austria	**Germany**	**CEE**
Heating demand in MWh	11,601 (10.2% gas, 89.8% district heating)	54,680 (54.6% gas, 3.6% oil, 41.8% district heating)	28,032 (98.1% gas, 1.9% district heating)
Electricity in MWh	9,818	2,717	21,753
Water in m³	109,013	380,882	299,294

[1] The conversion of oil and natural gas into MWh is based on the amended Fuel Ordinance (Kraftstoffverordnung neu) that went into force in 2013.
[2] Electricity consumption, excluding electricity consumed by tenants
[3] The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels. For all other hotels, energy consumption falls under the definition of 'electricity consumed by tenants' and the associated data are not collected by S IMMO AG.

In order to establish a transparent energy footprint for its portfolio properties, S IMMO records the energy sources used for its entire portfolio. In the tenants' interest, S IMMO selects energy suppliers for communal areas in accordance with the cost/benefit principle.

Overview of the energy sources used by S IMMO AG in 2020



In 2020, renewable forms of energy made up 57.9% of the energy sources in S IMMO's portfolio (2019: 53.6%), while nuclear energy accounted for 27.7% (2019: 18.6%) and coal 8.8% (2019: 18.7%). The use of renewable energy increased year-on-year again, while the use of coal decreased significantly. All the energy used in the entire region of Austria and Germany came from renewable sources. The percentage of renewable energy rose year-on-year in CEE as well.

The top three energy sources per region in 2020

	Region		
	Austria	**Germany**	**CEE**
1	Renewable energy (100.0%)	Renewable energy (100.0%)	Nuclear energy (43.8%)
2			Renewable energy (33.3%)
3			Coal (14.0%)

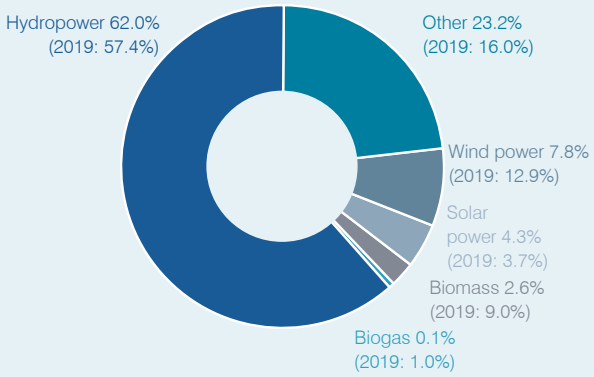
The top three energy sources per region in 2019

	Region		
	Austria	**Germany**	**CEE**
1	Renewable energy (99.9%)	Renewable energy (91.0%)	Nuclear energy (29.1%)
2		Coal (5.1%)	Coal (28.8%)
3		Natural gas (2.1%)	Renewable energy (28.1%)

Renewable energy

Based on S IMMO's entire portfolio, hydroelectric power accounted for the largest proportion of renewable forms of energy at 62.0% (2019: 57.4%) in 2020, followed by wind power at 7.8% (2019: 12.9%) and other renewable energy sources at 23.2% (2019: 16.0%). Since energy suppliers in Germany are not required to indicate the composition of renewable energy, it has been assigned to the category 'Other'.

Composition of renewable energy sources in 2020



It is S IMMO AG's medium-term aim to improve its energy footprint over the next several years by switching to green electricity in all the company's markets by 2022 and further reducing carbon emissions as well. However, since the expenses for the energy consumption in communal areas is allocated to all tenants (as part of operating costs), cost and competitive factors must also be taken into account.

Carbon emissions in S IMMO's entire portfolio in 2020 (in tonnes) [1]

	Region		
	Austria	Germany	CEE
Heating demand	2,106	10,764	5,794
Electricity	85	216	4,146

[1] The conversion of energy sources into carbon emissions is based on the conversion factors provided by the Environment Agency Austria (https://secure.umweltbundesamt.at/co2mon/co2mon.html; updated in January 2020) and country-specific data from ecoinvent version 3.6., scope 2 & 3.

Carbon emissions in S IMMO's entire portfolio in 2019 (in tonnes) [1]

	Region		
	Austria	Germany	CEE
Heating demand	2,226	10,870	5,602
Electricity	209	335	9,392

[1] The conversion of energy sources into carbon emissions is based on the conversion factors provided by the Environment Agency Austria (http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html dated October 2017) and country-specific data from ecoinvent version 3.4. dated February 2018, scope 2 & 3.

S IMMO has made a clear commitment to climate protection and, as part of its sustainability commitment, is focused on energy efficiency and the use of state-of-the-art technologies. Both in terms of its existing properties and for new project developments, the company always strives to find the best solution to keeping energy consumption, and thus also the operating costs for its tenants, as low as possible. For example, all its development projects have green building certificates attesting to their sustainability. The company's commitment to sustainability is reflected in its first-time issuance of a green bond in January 2021. The proceeds will be used to finance sustainable projects (e.g. properties with high-grade sustainability certificates or measures to enhance energy efficiency).

The data collected, which form the basis of this report, are intended to serve as the basis for monitoring the success of S IMMO's efforts in the future.

Ecological construction materials

Portfolio properties make up the vast majority of S IMMO's real estate holdings. In order to meet the growing demand for sustainable construction, the Group launched the gradual certification of its portfolio properties in 2014. As of 31 December 2020, the area certified under BREEAM stood at 307,560 m² (2019: 272,741 m²) or 25.0% (2019: 22.2%) of the total area in the portfolio (not including development projects or potential projects). BREEAM stands for Building Research Establishment Environmental Assessment Method and has been the leading worldwide certification system for sustainable construction since 1990. So far more than 250,000 buildings in over 50 countries have already been certified by BREEAM and more than one million registered for certification.

S IMMO aims to obtain green building certificates for all its properties – even those it did not build itself. It considers the environmental impact of its purchases, too. The office properties acquired on the campus of the Centre West office market in Bucharest at the end of 2020 – which will be integrated in the S IMMO portfolio in the second quarter of 2021 – have prequalified for LEED Gold and WELL Silver certification. These properties have common green areas that serve as co-working space, an outdoor meeting point for small businesses, a rooftop running track, bike racks, showers, electric vehicle charging stations as well as restaurants and cafeterias with patios. They have been designed with an eye to the health of the companies, their employees and guests.

There is also a clear commitment on S IMMO's part regarding ecological construction materials. The company strives for the highest standards in all new development projects and thus to obtain the accompanying certification; it also examines the need for optimisation in the case of ongoing renovations.

Sustainable mobility

S IMMO AG's properties are located in Austria, Germany and the CEE region and, for the most part, are in the capital cities of the European Union. The vast majority of the buildings are therefore easily accessible on account of the well-developed local public transport networks, cycle paths and footpaths. In addition, car-sharing schemes are in operation in an increasing number of cities. Location and the ease of accessibility by public transport are key factors when making decisions in connection with development projects and the purchase of properties.

For example, the two Campus 6 office buildings purchased in Bucharest at the end of 2020 are located in one of the three most vibrant office sub-markets. They are located right by a subway station and various public tram and bus stops.

In the interests of sustainable performance and the satisfaction of its tenants, S IMMO will also attach great importance to location, good infrastructure and convenient transport connections when selecting properties and land in future. In this way, the company is demonstrating its readiness to respond to the ever-growing demands of its tenants for sustainable mobility options such as public transport, bicycle parking, electric charging stations, etc.

Environmental management

When renovating and developing buildings, S IMMO always makes sure to keep noise and dust pollution to a minimum. In addition, effective waste management, the secure handling of chemicals and short transportation distances are key priorities. Efforts are made to exclude contaminated sites by performing thorough location analyses. Where necessary, professional disposal of waste or treatment of contaminated sites is agreed by means of framework construction contracts. Strict compliance with official regulations is guaranteed in all cases.

Energy efficiency at S IMMO AG's locations

In addition to its headquarters in Vienna, S IMMO Group has its own employees in Germany, Hungary, Croatia and Romania. The German-based property management company Maior Domus is part of the Group. Employees at all of S IMMO Group's locations are encouraged to incorporate energy efficiency (e.g. reduction of water, energy and paper use) into their day-to-day work. Given the small number of employees, the branches in Hungary, Croatia and Romania do not have a significant impact on the Group's overall resource consumption. Thus, data in this category is only presented here for the locations in Austria and Germany.

Energy and water consumption at S IMMO's locations in 2020[1]

	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	34,300 kWh	61,782 kWh	106,368 kWh
Electricity	37,105 kWh	14,930 kWh	28,251 kWh
Water	342 m³	194 m³	284 m³

[1] Where information is specific to a location, branches with a team of fewer than 15 employees are not taken into account.

The COVID-19 pandemic, which prompted a partial shift to working from home, is only partially reflected in consumption levels. This is largely because servers continued to run as before, consuming electricity, while stricter hygiene in the form of more frequent hand washing kept water consumption from falling. Heating demand is probably related to increased window ventilation.

Energy and water consumption at S IMMO's locations in 2019[1]

	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	28,700 kWh	63,101 kWh	99,598 kWh
Electricity	38,582 kWh	19,978 kWh	35,172 kWh
Water	339 m³	181 m³	287 m³

[1] Where information is specific to a location, branches with a team of fewer than 15 employees are not taken into account.

Carbon emissions at S IMMO's locations in 2020 (in tonnes)

Carbon emissions	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	7.0	12.5	21.6
Electricity	0.5	0.9	1.7

Carbon emissions at S IMMO's locations in 2019 (in tonnes)

Carbon emissions	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	5.5	12.1	19.0
Electricity	0.6	2.5	4.3

Other measures to reduce environmental impacts

Headquarters in Vienna

In the past few years, extensive measures have been taken to minimise environmental impacts. One particular concern is to progressively reduce the company's use of paper to a minimum. That is why the annual and half-year reports – which have been climate neutral since 2018 – are the only reports that the company has printed out and physically sent to shareholders for several years. They are printed on FSC mix paper or PEFC-certified paper. The FSC system guarantees that forests are used in line with the social, economic and ecological requirements of current and future generations. The PEFC (Programme for the Endorsement of Forest Certification Schemes) label identifies paper from forests that are managed actively, sustainably and in a climate-friendly manner.

Furthermore, the S IMMO team is instructed to keep the printing of documents to a minimum – "think before you print". Last year, around 172,045 (2019: 231,675) pages were printed at the office due to the switch to a working-from-home model during the pandemic. This equates to a yearly paper consumption per person of 3,962 (2019: 5,357) pages. Documents are generally printed on environmentally friendly FSC recycled paper entirely manufactured from waste paper. In addition, employees are asked to avoid printing documents in colour. In February 2020, S IMMO also procured new HP PageWide Technology business printers. The new devices consume up to 84% less energy and employ XL cartridges that can print many more pages and thus generate less waste. This will reduce the waste from consumables and packaging by up to 94%. Old toner cartridges are currently collected and returned for charitable purposes. This is part of a recycling project for the benefit of the children's cancer charity 'Kinder-Krebs-Hilfe'.

Rubbish has been separated at S IMMO AG's headquarters for years. When supplying mineral water in office spaces, the company also ensures that recyclable glass bottles (return and refill system) are used. Furthermore, plastic caps from bottles and Tetra Pak cartons are collected for the association SPD-EDINOST Bleiburg (www.stoepsel-sammeln.at). These caps are sold to a recycling company in Slovenia, which uses them to make granulate for the production of plastic parts. The proceeds are donated to families with children who need surgeries and therapies.

The COVID-19 pandemic – and the lockdowns and travel restrictions imposed in response to it – had a positive impact on the number of kilometres travelled during the reporting period. Flights originating in Vienna in particular were cut by more than half as travellers were unable to fly due to closed airports and travel warnings. The Austrian and German teams travelled some 323,270 km (2019: 684,000 km) by train, plane and car. In the coming years, S IMMO will continue to endeavour – depending on current projects – to increase the usage of sustainable transport means and to keep travel activity to a minimum by using new forms of communication technology.

Kilometres travelled in 2020 (Austria)

Location/figure in km	Pool of company vehicles/rental vehicles [1]	Train	Plane	Private cars [1]	Total
S IMMO AG in Vienna	3,293	10,504	160,000	8,254	**182,051**

[1] Based on travel expense settlements

Kilometres travelled in 2019 (Austria)

Location/figure in km	Pool of company vehicles/rental vehicles [1]	Train	Plane	Private cars [1]	Total
S IMMO AG in Vienna	3,995	40,924	464,000	8,109	**517,028**

[1] Based on travel expense settlements

At the Group's headquarters in Vienna, most of the kilometres travelled in 2020 were by plane despite multiple lockdowns and travel restrictions during the COVID-19 pandemic. This is the result of the company's international business activities. According to atmosfair, a climate protection organisation that focuses on travel, 17.6% (2019: 15.5%) of the 160,000 kilometres flown were short-haul flights (less than 500 km), 79.4% (2019: 81.5%) were medium-haul flights (between 500 and 1,600 km) and 3% (2019: 3%) were long-haul flights (more than 1,600 km). In total, the 165 flights caused carbon emissions of 18.6 tonnes (calculated using the VDR method). The main destination was Bucharest with 55 flights (4.41 tonnes of carbon emissions) due to contract negotiations for a purchase. The company's travel policy requires employees to travel economy class, with the exception of transatlantic flights. 96.4% of all S IMMO flights last year were economy flights. According to atmosfair, flights in economy have a better carbon footprint than flights in business class.

Locations in Germany

Employees at the locations in Germany are also instructed to save paper and to reduce the number of documents printed to the necessary minimum. In the past year, 3,013 (2019: 4,321) pages were printed in Germany per S IMMO Germany employee and 7,069 (2019: 6,960) pages per Maior Domus employee.

The composition of the kilometres travelled once again differs significantly in Germany from the data in Austria. This is due to the fact that portfolio and development properties in the CEE region are managed from the Vienna location, making the plane the primary means of transport. In Germany, most of the portfolio is located in the immediate vicinity of Berlin and can therefore be reached by the local team by public transport or car. Carpools were set up and rail cards for the German rail networks were purchased in order to reduce the number of kilometres travelled by car. In addition, a number of office bicycles have been purchased to be used to travel short distances for work. The showers provided on site make it easier to use a bike to come to work. The pool of company vehicles largely comprises fuel-efficient Smart cars. In addition, an electric vehicle was purchased in Germany at the start of 2020. Employees are also encouraged to use car-sharing services. Moreover, a large kitchen was renovated and set up for preparing meals and holding team events at S IMMO Germany. The kitchen is connected to an outside terrace where employees can have lunch or take short breaks. All the measures taken and planned are appreciated and very positively received by the team.

As in Vienna, mineral water bottles that are part of return and refill systems are also used in Germany.

Kilometres travelled in 2020 (Germany)

Location/figures in km	Pool of company vehicles/rental vehicles	Train	Plane	Private cars	Total
Maior Domus	39,322	4,733	3,068	N/A	47,123
S IMMO Germany	71,604	18,000	4,192	300	94,096
Total					**141,219**

Kilometres travelled in 2019 (Germany)

Location/figures in km	Pool of company vehicles/rental vehicles	Train	Plane	Private cars	Total
Maior Domus	47,400	11,000	2,100	N/A	60,500
S IMMO Germany	72,700	23,500	10,000	610	106,810
Total					**167,310**

The data collected for this report are used to take stock of the current situation. All measures adopted to date will be continued in the future and additional environmentally friendly measures are constantly being examined. In this regard, it is S IMMO's clear objective to increase employee awareness of the issues identified above at all Group locations and, in doing so, to improve the related key indicators.

2. Employees and diversity

Qualified employees are S IMMO's most important asset. The company attaches particular importance to providing the team with a motivating working environment as well as the personal scope for development and the ability to strike a healthy balance between work and family life. S IMMO supports an open corporate culture in which cooperation as well as the satisfaction and health of all employees are promoted at all levels.

S IMMO aspires to attract the best people for the company in order to shape the company's future together with them each and every day. Knowing that this will only happen if the company empowers its staff to achieve a healthy work-life balance, S IMMO constantly endeavours to provide an environment where employees can reconcile these two aspects of their lives. This generates motivation, promotes team spirit and fosters a feeling of solidarity.

Employee structure

S IMMO's employees are the manifestation of the company's comprehensive expertise and make a significant contribution to the company's success. S IMMO Group had an annual average of 114.5 employees (2019 annual average: 113.4) in Austria, Germany, Hungary, Croatia and Romania (calculated on the basis of full-time equivalents, not including employees on leave). Including hotel staff, the Group employed 555 people (annual average in 2019: 623). The two hotels – Vienna Marriott and Budapest Marriott – are operated under management agreements. Management of the hotel staff is therefore a matter for the two hotels and is not within S IMMO's control. The two Marriott hotels ensure that the guidelines relating to employee matters are observed.

Where reference is made in the following to S IMMO Group, this should be understood to include all employees in Austria, Germany, Hungary, Croatia and Romania, but not employees of the Marriott hotels. If a key indicator does not refer to all locations, this is explicitly stated.

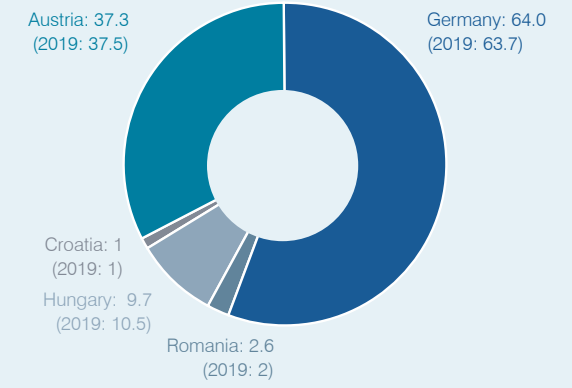
Health and occupational safety

Promoting the health of its employees and reducing the corresponding risk factors for damage to health in the workplace are particularly important to S IMMO. For this reason, a medical check-up is organised at the company's headquarters in Vienna once a year along with various specialised tests at irregular intervals, such as melanoma screening programmes, eye exams and seasonal vaccination programmes. For this purpose, S IMMO is always enquiring about current and new options that can be implemented in the company health promotion plan.

In 2020, all female employees were for the first time offered the opportunity to attend training on early breast cancer detection provided by the organisation Discovering Hands, despite the COVID-19 pandemic – all while observing all safety and hygiene precautions required by COVID-19. Discovering Hands aims to train visually impaired women in 'tactilography' (the early detection of breast cancer through tactile examination). In Austria, this precautionary measure can currently only be undertaken as a part of an official study and together with a mammogram and medical consultation. However, the organisation also offers training on tactile self-examination. In this training course, the examiners talk about the anatomy of the breast and teach special finger movements for the early detection of atypical developments in the breast tissue.

Team structure by country [1]

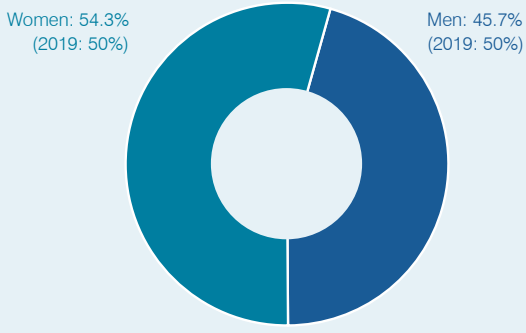
(annual average)



[1] Full-time equivalents excluding the Vienna Marriott and Budapest Marriott hotels

Gender distribution [1]

(as of 31 December 2020)



[1] Calculated on the basis of headcounts, excluding the Vienna Marriott and Budapest Marriott hotels

S IMMO's occupational physician was also regularly available to personally answer any questions that employees might have about COVID-19. A manual was developed with the occupational physician's input to explain the response to the pandemic and the associated safety precautions.

In addition, medical advice concerning the ergonomic design of the workplace is provided on a regular basis.

The offers provided are very well received by S IMMO's employees. In order to ensure occupational safety, there are four first-aiders and one safety officer based in Vienna and two employees in Germany are also trained first-aiders.

In the reporting year, S IMMO collected accumulated sick leave data relating to its employees for all locations. On average, employees at all locations took six (counted from the first day) days of sick leave (long-term sick leave is included at a blanket rate of 42 days). In 2019, this figure amounted to seven days. The importance of being cautious about health became particularly clear last year. S IMMO therefore welcomes leave policies that give employees sufficient time to recover from illnesses.

Both management and the S IMMO team are very happy with the measures adopted in relation to occupational health and safety. The company will therefore keep them in place.

Safety in construction

S IMMO's building contractors ensure that everyone involved in construction is protected, taking into account local statutory provisions. S IMMO therefore abides by high quality standards when selecting partner companies and opts for companies which attach great importance to the environment, safety in the workplace and employee protection. For example, in Germany S IMMO works in conjunction with partners who are ISO-certified in the area of energy, environmental and quality management.

In the case of project developments, S IMMO works with general contractors and is therefore able to manage concerns relating to environmental protection and safety in construction when selecting partners. When making such selections, S IMMO will also exercise the utmost care and focus on the highest standards in future.

In 2020, there were no occupational accidents or fatalities at the locations of S IMMO AG.

Diversity and equal opportunities

Diversity, integration and equal opportunities are key competitive advantages for S IMMO's business success and fundamental tenets of its corporate philosophy. S IMMO is committed to providing a work environment characterised by mutual trust in which diversity and inclusion are valued and everyone is treated with dignity and respect. As an internationally operating group, S IMMO employs people from many different countries. The Group considers a wealth of languages and cultures to be an extremely valuable resource.

The average age of employees was 43.8 in the reporting year (2019: 42.6). As of 31 December 2020, there were 14 employees in the < 30 age group (2019: 13), 79 in the 30–50 age group (2019: 77) and 43 in the 50+ age group (2019: 43).

Employees in Austria are covered by a collective agreement. In all other countries in which S IMMO Group has employees, all local legal provisions and requirements are conscientiously observed.

All locations used by S IMMO Group itself are barrier-free, and ease of access is taken into account for all new buildings. As of 31 December 2020, a total of four people (2019: four) were employed with long-term physical, mental or psychological impairments or impairment of their sensory functions.

S IMMO maintains a company-wide "open door policy" and constantly strives to bring all kinds of conflicts to a quick and non-bureaucratic conclusion that is satisfactory to all sides. The satisfaction and well-being of the team is one of S IMMO's key assets, and the greatest care will also be taken to maintain them in future. Making the best possible use of the personal strengths and potential of each individual is not only in the company's own interest, but also increases the motivation and identification of all employees with the company on a sustainable basis. At the same time, the company aims to create a working environment that is free from discrimination and harassment. The work of every team member is appreciated, regardless of gender, age, disability, marital status, sexual orientation, skin colour, religious or political beliefs, ethnic background or nationality. There were no cases of discrimination at S IMMO in the reporting year.

S IMMO AG has set itself the goal of continuously increasing the proportion of women in management positions and is expressly committed to the advancement of women. S IMMO places great emphasis on the advancement of women when filling senior managerial positions. As of 31 December 2020, 54.3% (2019: 50.0%) of the S IMMO Group workforce and 42.9% (2019: 42.9%) of managers (not including the Management Board) were female. With the company's best interests in mind, the emphasis when making appointments to the Management Board and the Supervisory Board has been on the maximum degree of professional skill and international experience possible. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. There were no women on the Management Board of S IMMO AG in the reporting year. This situation was considered when replacing Ernst Vejdovszky on the Management Board and appointing a third Management Board member in the first quarter of 2021. The involved consultant was explicitly instructed to consider female candidates. Unfortunately, it was not possible to increase the percentage of women on the company's Management Board despite conscientiously following an appropriate process. The company remains clearly committed to the goal of appointing women to the company's Management Board over the medium term. As of 31 December 2020, the proportion of women on the Supervisory Board was 50.0% (2019: 37.5%).

Women at S IMMO

	in %	Women	Men
Supervisory Board	50	3	3
Management Board	0	0	2
Senior managers	42.9	6	8
Staff	54.3	70	60

Work-life balance

S IMMO attaches the utmost importance to a healthy work-life balance. The company regards this as key to the increased motivation, stronger commitment and improved performance of its employees; in addition, this makes a major contribution to equal opportunities within the company. S IMMO offers, among other things, flexible working hours and the option of personalised working and part-time work patterns, including in conjunction with study or training. Paternal leave and sabbaticals are also supported, as are various schemes to simplify re-entry into the workplace after parental leave. Such opportunities are positively viewed and very well received by S IMMO employees.

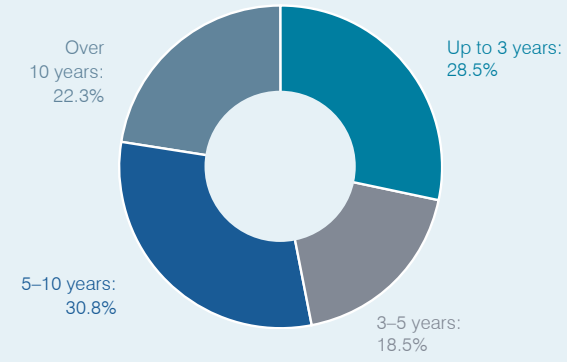
As of 31 December 2020, 29 staff members were employed on a part-time basis at S IMMO (2019: 29), 20 of whom were women. As of 31 December 2020, four employees were on parental or maternity leave (31 December 2019: two).

It is particularly important for S IMMO that employees' families are also involved in various events. Children are happy when they get to know their parents' workplace, spouses and family members gain an understanding for the business model and contact between families strengthens team spirit and promotes identification with the company. In order to continuously encourage a feeling of togetherness, a variety of events are organised such as an annual summer festival, to which families are invited, a Christmas party, team excursions and joint participation in events such as the Business Run in Vienna. Unfortunately, none of these joint events were held last year due to the COVID-19 pandemic. However, S IMMO assumes that it will once again have the opportunity to hold joint events this year as long as certain safety precautions are taken.

Employee satisfaction with the measures adopted and their effectiveness in various areas are also shown by the length of service of employees, which averages 6.2 years (2019: 6.3) across all locations. The turnover rate across all locations is 10.1% (2019: 13.3%) for the reporting year.

Period of service in years[1]

(as of 31 December 2020)



[1] Excluding the Vienna Marriott and Budapest Marriott hotels

Further education and training, knowledge management

S IMMO provides targeted support to its staff in relation to professional and personal further education and training. Along with individual coaching sessions, language courses and part-time study courses, the primary focus in this area is on expanding employees' industry-specific knowledge, for example through the completion of postgraduate programmes in the field of real estate. In 2020, EUR 31,834 (EUR 692 per employee) was spent on further education and training in Austria. S IMMO Germany invested EUR 650 (EUR 35 per employee), Maior Domus EUR 9,645 (EUR 211 per employee) in the training of employees.

Since 2016, apprentices have received training at Maior Domus in Berlin. There are currently three trainees at the company. They spend time in all departments of the property management company as part of their three-year training programme and take on responsibility for properties from their second year, where they are supported by mentors. The first apprentice who started the apprenticeship programme in 2016 has already been taken on by the Maior Domus team on a permanent basis. The current apprentices also show great potential and actively support the work of their colleagues. Apprentice training is an integral part of the company's human resources policy and a valuable investment in the future.

S IMMO regards the annual performance review between employees and their line manager as a key human resources management tool. The aims of the review are, amongst others, to provide the opportunity for reciprocal feedback, to improve the quality of cooperation between employees and their managers, to groom employees in an efficient and targeted manner for their current and future roles, and to improve the corporate culture and climate of communication.

All the aforementioned measures relating to knowledge management are to be continued in the future as well. Safeguarding in-house expertise and ensuring the continuous training of its team is a declared aim of S IMMO and a key component of human resources management.

Internal communication

S IMMO Group's corporate culture is characterised by lean, efficient structures and interdepartmental collaboration. The close ties fostered with management allow for quick and open communication and have long been standard practice at S IMMO. The intranet is an important internal communication channel for employees, which is used to share both internal and industry-related news. Highly relevant or topical information may be provided directly by the Management Board either by email or in a meeting. If necessary, topics that need extra explanation or discussion are dealt with at an employee breakfast.

3. Ethics, compliance and human rights

S IMMO AG respects human rights, supports respect for them in all its operations and does not tolerate discrimination of any kind. The observance of internationally applicable rules, the fair treatment of stakeholders and transparent communication with all target groups are basic cornerstones of S IMMO's corporate culture. As a company listed on the stock exchange, S IMMO AG is subject to the Austrian and European provisions of capital market legislation. Building upon that legislation, the company feels not only bound by the laws but, in addition, has established a code of values as well as a policy which lays down principles of conduct for business activity on a company-wide basis.

Combating corruption

S IMMO AG has a zero-tolerance policy regarding corruption and bribery. Corruption is usually defined as exploiting a position to benefit oneself – often at others' expense. It is characterised by the abuse of a public role or comparable business function. Corruption entails financial losses but also dramatically undermines trust among customers and suppliers and jeopardises the company's competitive edge and thus the jobs it provides. An internal guideline aims to raise employee awareness of the consequences of corruption and the ways to combat it. Official S IMMO contact persons are available to all employees at their request and when a breach is suspected. Local management can also be contacted to report compliance infringements.

No cases of compliance violations were reported in 2020 and there were no indications of corruption or cases leading to disciplinary measures, legal proceedings or the termination of an employment relationship. In addition, no supplier contracts had to be terminated on account of breaches of the compliance guidelines. S IMMO was not required to pay any fines in connection with cases of corruption or breaches of competition law in the reporting year.

Capital market compliance and corporate governance

For the purpose of preventing market abuse and the misuse of insider information, a guideline governing issuer compliance was established and is valid throughout the S IMMO Group. It is binding for all employees, regulates the handling of insider information and the management of capital market compliance, and explains the legal consequences of abusing insider information.

Since 2007, S IMMO AG has been committed to observing the Austrian Code of Corporate Governance (for details, please see the corporate governance report), which contains principles on transparency and good corporate governance. The Management Board has brought corporate governance into line with the principles of the Austrian Code of Corporate Governance and, in conjunction with the Supervisory Board, declares that the company observes and complies with the C Rules (the deviations from the C Rules are also explained in the corporate governance report).

All compliance measures will be continued in the future. Training courses are again planned for the current year and ensuring that all employees are aware of the key principles is a declared aim of the company.

Observance of human rights

S IMMO is aware that companies' activities can have an impact on human rights. This topic – especially with regard to the effects of business activities – is ranking ever higher on the global political agenda.

In this (value) context, the company emphasises that it is dedicated to upholding, protecting and promoting human rights and that all the company's activities comply with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. S IMMO is committed to complying with the UN Convention on the Rights of the Child and is therefore not at all involved in and does not condone the illegal employment or exploitation of children through work. S IMMO AG operated exclusively within the European Union – a body committed to respecting human rights – during the reporting year.

In addition, S IMMO recognises the right to clean water as a fundamental human right. The company holds the view that sustainable water reserves, safe drinking water and the protection of ecosystems and communities with appropriate sanitation facilities and equipment are basic needs. The company therefore ensures that employees and tenants are supplied with clean water throughout its entire property portfolio, both in property development and in property management.

S IMMO is constantly looking to create an inclusive working environment with no space for harassment or discrimination on the basis of a person's status – their (ethnic) background, religion, nationality, political affiliation, sexual orientation and gender identity, disability, age, sex or other characteristics protected by law. S IMMO has a zero-tolerance policy against sexual harassment and discrimination.

All employees regardless of gender, age, position, type of contract or status are responsible for contributing to a working environment that is free of sexual harassment, putting a stop to unacceptable behaviour and reporting such incidents. The management is obliged to ensure equal opportunities, take action against violations of these standards and impose disciplinary measures.

S IMMO pledges to provide all its employees a safe and healthy working environment and to practise accident prevention for the protection of employees, tenants and visitors. S IMMO only has employees in European Union countries and complies with all legal requirements regarding wages and working hours. The company's standard policies include fair work conditions, competitive salaries and benefits (part-time work, job protection for expectant mothers, regular paid holiday, sick leave and paid parental leave) as well as training and other opportunities for development.

S IMMO forbids all forms of corruption, including extortion and bribery.

The company encourages its employees to report suspected violations of S IMMO's human rights policy and ensures confidentiality. The central point of contact in such cases is S IMMO's Compliance Officer, who will contact management and convene a committee to resolve the case if necessary.

In 2020, there were no human rights violations at any of the S IMMO branches.

Data protection and security

It is essential that the company complies with the obligations of the EU General Data Protection Regulation (GDPR). Processes introduced before the Regulation took effect in May 2018 were further optimised in 2020. An internal working group comprised of employees from various departments is responsible for creating and implementing internal data protection policies and updating the processing register that documents flows of personal data. The working group is an important internal point of contact for employees with regard to data protection law. In addition, the members monitor the decisions of the Austrian Data Protection Authority (DSB) and consult external legal experts as needed.

In order to meet the extensive legal obligations, it is necessary to get the employees involved. They are asked to review their contacts' data at least once a year. This annual data review is intended firstly to ensure that the available data is correct in order to comply with the right to accuracy, and secondly to guarantee that data is only stored for as long as it is necessary.

In the 2020 financial year, S IMMO received no complaints from third parties or supervisory authorities regarding GDPR infringements.

IT security is also increasingly gaining importance. News articles about cyber exploits and ransomware attacks – in which company data is encrypted and not released until large sums are paid – highlight the fact that cyber criminals are increasingly targeting multinational corporations. Business operations can grind to a halt if companies lose data or are temporarily or permanently prevented from accessing it. S IMMO therefore puts a premium on protecting itself from cyber criminals and securing its IT systems.

These risks are addressed by constantly monitoring the IT infrastructure. Artificial intelligence – i.e. machine learning technology – has been scanning the company's systems since 2020 in order to swiftly detect unusual behaviour indicative of cyberattacks. The company employs state-of-the-art IT infrastructure, including current hardware and regular software and operating system updates. Data security is enhanced by educating and informing employees. The company's GDPR compliance efforts include preparing an IT and data protection directive that provides guidance on the secure use of data and IT equipment. Employees are also notified of current threats, such as increases in phishing emails, as needed.

When the first lockdown began in March 2020, the company switched to a working-from-home model. Its well-developed infrastructure allowed a seamless transition. Most employees already had laptops and company cell phones at that time; those that did not received IT equipment in short order. Operations did not suffer from switching to home-based work. Employees regularly received tips and guidance on working securely in the early phase of the pandemic, including how to use video conferencing software properly and work on a secure VPN.

No cyberattacks on S IMMO AG's IT infrastructure were recorded in 2020.

4. Social responsibility

Architecture and art

Art Supermarket (Kunstsupermarkt)

S IMMO continued its cultural engagement in 2020 and made its facilities at Mariahilfer Strasse 103 available to the Vienna Art Supermarket – one of the largest contemporary art events in Austria – for the 14th time. For four months, original works by international artists were exhibited in a space of over 250 m² with the aim of making art more accessible and offering it to potential buyers at modest prices. The Art Supermarket was also hit by pandemic lockdowns in the 2020 season and so extended its run so that visitors could attend it until 01 April 2021, instead of the end of January. It proved highly popular, as in the years before.

Commitment to cultural, social and ecological initiatives

To support sustainable development and change, S IMMO is keen to pursue long-term partnerships in countries in which it operates.

In addition, it is most important to S IMMO that its employees are actively involved in social projects. In recent years, the S IMMO team has worked on several corporate volunteering projects in Caritas organisations. Volunteers prepared freshly cooked hot meals for those in need at 'Zweite Gruft' in the 18th district of Vienna in 2019. These activities were unfortunately not possible last year due to restrictions related to the pandemic.

S IMMO has supported various charitable Caritas projects in Austria, Hungary, Romania and Bulgaria that have been providing people in need with a home under the motto "Giving shelter" since 2008. The aim of these projects is to provide people in need with a home. In addition, the company is committed to further projects that help young people.

Hoffnungshaus (hope house) and family children's home in Romania

Since 2000, Caritas has operated four hope houses for children and adolescents without parents in Alba Iulia. The aim of the project is to offer young people a safe place to live and positive prospects for the future as well as to support them in their integration into society. Moreover, the company also supported the family children's home in Stremt. The family home takes in children from low-income families who cannot sufficiently provide for them. In addition to food and accommodation, the children receive social care and education and are prepared for life. The COVID-19 pandemic has left deep scars in Romania as well. The extreme situations (isolation, quarantines) and numerous long-running restrictions have adversely affected the children and employees at the hope houses. Remote learning students in elementary school require far more support, which greatly increases staffing requirements. S IMMO's financial contribution provided much-needed help and made urgently needed building rehabilitation and renovation work possible.

Support through mobile care in Bulgaria

The Bulgarian village Pokrovan remains heavily affected by emigration. Its population has shrunk from 110 in 2012 to 68 in 2020. All 68 villagers are over 60 years of age, while young people are highly unlikely to move to the village due to the lack of work. The village has neither a school nor a community centre. Many residents live in poverty and isolation. In 2020, Caritas Sofia supplied 28 people (14 men, 14 women) in Pokrovan with daily hot meals from the soup kitchen. Unfortunately, the COVID-19 crisis prevented Caritas from providing daily meals in its specialised centre. Instead, it focused on preparing and delivering hot meals. These visits were more than just food deliveries: Volunteers talked to the villagers and offered to help them with chores around the house. Arrangements were also made for a doctor to visit the village twice weekly.

Future for children in Hungary

Members of the Roma minority in Hungary are often affected by poverty and unemployment. At the "Unser Haus (Our House)" community centre, care is provided to socially disadvantaged children and adolescents. The number of students varies from year to year but is generally rising. Around 40 school-age children from four elementary schools received support in 2020. The aim of the project is to help these people pull themselves out of poverty. S IMMO supports the "external class" project, which helps pupils to finish school and to start a vocational training programme. Unfortunately, the COVID-19 pandemic had a tremendous impact on disadvantaged children: Schools were closed in the lockdown in March 2020, and classes went virtual. Schools are reopening very slowly, and many indigent children simply lack the resources to attend school online. To address this, other methods are being developed to support children who lack the resources needed for online learning, such as access to electricity, and keep them from falling behind. For example, laptops were purchased for the community centre at the start of the year in order to give children access to online classes and provide them with an opportunity to spend time in the centre, escape crowded living conditions and possibly seek counsel and assistance from the support workers.

Christmas campaign

S IMMO's traditional donation drive reflected the company motto "Giving shelter (Obdach geben)" by focusing on Caritas institutions in 2020. The pandemic overshadowed everyone's lives and further widened the gap between the middle class and people in need. That is why S IMMO was so keen to live up to its social responsibility and assist those people who faced increased need or adversity as a result of the COVID-19 crisis last year. In the end, it opted to support Caritas Learning Cafés and the Caritas "Ein Funken Wärme (A Spark of Heat)" campaign. Caritas Learning Cafés provide free homework assistance and afternoon daycare for school-aged children throughout Austria – and their importance has only increased as children in many families have started home schooling and distance learning during the pandemic. "Ein Funken Wärme (A Spark of Heat)" aims to pay the heating and electricity bills of people who have fallen upon hard times through no fault of their own and cannot pay them any other way. This campaign enabled more than 2,300 households to live in a warm home again last year. Website users interested in participating in the Christmas campaign were invited to take part in an online game, as in previous years. S IMMO then converted earned points into a corresponding cash donation.

Support for grieving children and families

The association TrauerZeit Zentrum für trauernde Kinder und Familien Berlin Brandenburg e.V. specialises in providing professional counselling for grieving children, youths and families. Grief counsellors with psychotherapeutic and pedagogical training help orphans and half-orphans to process the death of a loved one. Age-appropriate, individualised grief counselling takes place in discussions and support groups. S IMMO Germany supports this charitable organisation each year with a donation.

Promoting young talent

S IMMO adopts targeted measures to promote young talent in the industry via the academic sector. As part of the existing collaboration with Danube University Krems, the company has allowed students of the postgraduate real estate programme to undertake a foreign studies module at S IMMO Germany in Berlin in recent years. This module was conducted online in 2020 due to the COVID-19 pandemic.

Financial literacy

Proper money management and basic knowledge about finances and the economy are skills which have a great impact on people's lives. Through its financial literacy initiative, S IMMO has contributed to making it easier for young people to learn about this topic in recent years. The financial blog apropos-geld.at, along with its social media channels, is only one example of S IMMO's efforts in this domain. S IMMO realigned its financial literacy programme at the start of 2021 and now focuses its financial literacy communications on the corporate blog and the company's LinkedIn account.

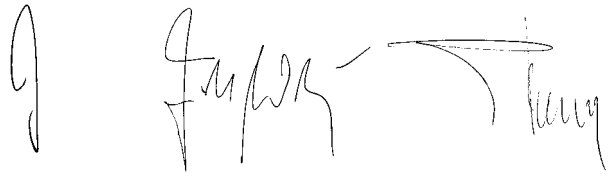
Memberships

For S IMMO, sustainability means taking responsibility for society and the environment. A further expression of the company's well-established CSR concept is its memberships in the corporate platform respACT (Austrian Council for Sustainable Development) and the Austrian Sustainable Building Council (ÖGNI). ÖGNI is committed to creating sustainable living spaces.

S IMMO is convinced that long-term forms of cooperation are the best way of fulfilling its social responsibility on a sustainable basis. For this reason, cooperation with the aforementioned institutions will also be continued in 2021.

Vienna, 22 March 2021

The Management Board



Ernst Vejdovszky Friedrich Wachernig Bruno Ettenauer

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Lagebericht für das Geschäftsjahr 2020

Geschäftstätigkeit der S IMMO AG

Die S IMMO AG ist eine international tätige Immobilieninvestment- und entwicklungsgesellschaft mit Sitz in Wien und Notiz an der Wiener Börse. Sie ist als Konzernleitgesellschaft der S IMMO Gruppe direkt bzw. über Tochterunternehmen indirekt in den Segmenten Österreich, Deutschland sowie Zentraleuropa tätig. In ihrem Portfolio hält die Gesellschaft unmittelbar bzw. mittelbar über Tochterunternehmen Büro-, Geschäfts- und Wohnflächen sowie Hotels. Das Unternehmen verfolgt das Ziel, den Unternehmenswert im Sinne seiner Aktionäre durch langfristige, ertragreiche Immobilieninvestments bzw. Immobilienprojektentwicklungen nachhaltig zu steigern. Unter dieser Prämisse entwickelt es das Portfolio beständig weiter und optimiert es durch aktives Asset Management.

Zweigniederlassungen

Der Firmensitz der S IMMO AG ist in Wien. Es bestehen keine Zweigniederlassungen.

Forschung und Entwicklung

Die S IMMO AG betreibt keine Forschung und Entwicklung.

Geschäftsverlauf

Das Geschäftsjahr 2020 war geprägt von den Unsicherheiten, die sich durch den Ausbruch der Covid-19-Pandemie ergeben haben. Aufgrund großer operativer Anstrengungen, eines sorgsamen Managements der Bestandsimmobilien und der Qualität des Portfolios konnten die Auswirkungen der Pandemie jedoch in engen Grenzen gehalten werden.

Trotzdem bleibt anzumerken, dass die pandemiebedingten Verwerfungen sowohl in Bezug auf die gesamtwirtschaftliche Situation als auch in den Märkten der S IMMO AG bzw. der S IMMO Gruppe auch über den 31.12.2020 fortbestehen. S IMMO begegnet den diesbezüglichen Risiken durch ein engmaschiges, auf Früherkennung von Problemfeldern ausgerichtetes Management des Bestandsportfolios und durch ein sorgsames Liquiditätsmanagement. Das gruppenweit nach Regionen und Nutzungsarten breit diversifizierte Portfolio sowie ebenfalls breit gestreute Mieterstruktur tragen in Zeiten der Krise erheblich zur Risikominderung bei.

So lagen die Umsatzerlöse im Geschäftsjahr mit TEUR 23.527 auf einem ähnlichen Niveau wie im Vorjahr (2019: TEUR 26.486). In den Umsatzerlösen des Jahres 2019 waren im Ausmaß von TEUR 3.421 periodenfremde Erträge enthalten; bei Bereinigung des Vorjahres um diesen Sonderposten war im Geschäftsjahr 2020 ein leichter Anstieg gegenüber den Umsätzen des Vorjahres zu verzeichnen.

Da die sonstigen betrieblichen Erträge weder im Geschäftsjahr 2020 noch im Vorjahr Veräußerungsgewinne i.Z.m. mit Liegenschaften enthielten, fiel die Veränderung dieser Position im Jahresvergleich minimal aus (2020: TEUR 448; 2019: TEUR 399).

Die Aufwendungen für bezogene Leistungen haben sich gegenüber dem Vorjahr leicht reduziert (2020: TEUR 5.307; 2019: TEUR 5.657); die Personalaufwendungen lagen auf dem Niveau des Vorjahres (2020: TEUR 7.243; 2019: TEUR 7.058).

Die sonstigen betrieblichen Aufwendungen betrugen TEUR 5.329 (2019: TEUR 6.945), sodass sich auch im Pandemiejahr 2020 ein positives Betriebsergebnis in Höhe von TEUR 1.470 (2019: TEUR 2.639) ergab.

Das Finanzergebnis war geprägt durch im Jahresvergleich gesunkene Beteiligungserträge (2020: TEUR 25.298; 2019: TEUR 84.030) einerseits und geringere Zinsen und ähnliche Aufwendungen (2020: TEUR -26.207; 2019: TEUR -37.249) andererseits.

Insgesamt ergab sich für das Geschäftsjahr ein Jahresüberschuss von TEUR 9.337 (2019: TEUR 62.442).

Erfolgreiche Kapitalerhöhung, Anstieg von Bilanzsumme und Eigenkapitalquote

Sowohl die Bilanzsumme (31.12.2020: TEUR 1.411.790; 31.12.2019: TEUR 1.314.397) als auch die Eigenkapitalquote der Gesellschaft haben sich trotz einer Dividendenausschüttung je Aktie von 0,7 Euro gegenüber dem Vorjahr erhöht.

Zurückzuführen ist dies u.a. auf die erfolgreiche Durchführung einer Barkapitalerhöhung im Wege eines Accelerated-Bookbuil-

ding-Verfahrens (ABB) im ersten Quartal des Geschäftsjahres. Durch die Ausgabe von 6.691.717 Stück junger Aktien, welche zu einem Bezugspreis von EUR 22,25 je Aktie und damit at market – also ohne Abschlag zum Schlusskurs des 15.01.2020 – begeben wurden, konnte ein Bruttoemissionserlös (vor Abzug von Nebenkosten) von EUR 148,9 Mio. erzielt werden.

Das übernommene Grundkapital beträgt zum Stichtag 31.12.2020 damit TEUR 267.458 (31.12.2019: 243.144). Das Eigenkapital hat sich zum Bilanzstichtag trotz einer Dividendenausschüttung von 0,7 Euro je Aktie von TEUR 505.617 auf TEUR 590.488 erhöht. Die Eigenkapitalquote betrug zum 31.12.2020 rund 42% (31.12.2019: 38%).

Im Geschäftsjahr 2020 wurden 1.502.927 Stück eigene Aktien zu einem Gesamtbetrag von TEUR 23.204 rückgekauft. Im Geschäftsjahr 2019 erfolgten keine Rückkäufe eigener Aktien.

Die Verbindlichkeiten gegenüber Kreditinstituten haben sich von TEUR 110.919 zum Stichtag 31.12.2019 auf TEUR 112.977 per 31.12.2020 leicht erhöht.

Da im Geschäftsjahr 2020 weder Anleihen begeben noch getilgt bzw. zurückgekauft wurden, blieben die Anleiheverbindlichkeiten zum Vorjahr nahezu unverändert.

Voraussichtliche Entwicklung

Im ersten Quartal 2021 konnte inmitten der Covid-19-Krise erstmals ein Green Bond mit einem Nominale von TEUR 150.000, einem Kupon von 1,75% und einer Laufzeit von 7 Jahren begeben werden. S IMMO hat damit den Weg einer Sicherung des derzeitig historisch niedrigen Zinsniveaus und der Vermeidung großer Einzelfälligkeiten fortgesetzt.

Die S IMMO AG profitiert nach wie vor vom insgesamt niedrigen Zinsumfeld und erwartet für das Geschäftsjahr 2021 diesbezüglich keine wesentlichen Änderungen.

Schwer prognostizierbar bleiben hingegen die Auswirkungen der Covid-19 Krise, die sich sowohl im Bereich der von der S IMMO AG gehaltenen Immobilien als auch in den Konzerngesellschaften mit Auswirkung auf die S IMMO AG als Konzernmuttergesellschaft manifestieren können.

Risikomanagement

Als Konzernmuttergesellschaft eines international tätigen Immobilienkonzerns ist die S IMMO AG mit einer Vielzahl von Risiken und Chancen konfrontiert, die sowohl auf die operative Geschäftstätigkeit, die Entscheidungsprozesse und auf die strategische Unternehmensführung Einfluss haben. Durch die Identifizierung, Analyse, Steuerung und Überwachung der Risiken und Chancen versucht die Gesellschaft, negative Entwicklungen und potenzielle Risikofaktoren rechtzeitig zu erkennen und diese soweit als möglich zu minimieren. Dennoch kann das Eintreten von Risiken nicht ausgeschlossen werden. Die S IMMO AG beschäftigt sich als Konzernmutter mit langfristigen Immobilien-Investitionen mittels Entwicklung, Ankauf, Vermietung, Betrieb, Sanierung und Verkauf von Immobilien in Österreich, Deutschland und CEE. Im Portfolio befinden sich gewerblich genutzte Immobilien (Büro, Geschäft, Hotel) und ein ergänzender Teil an Wohnimmobilien. Zu den Tätigkeiten der S IMMO Gruppe gehören somit auch:

- die Immobilien-Projektentwicklung
- der Betrieb von Hotels und Einkaufszentren
- die Revitalisierung und Sanierung von Bestandsimmobilien
- das Asset Management

Darüber hinaus hält die S IMMO Gruppe Aktien von österreichischen börsennotierten Immobilienunternehmen (CA Immobilien Anlagen AG und IMMOFINANZ AG).

Das Risikomanagement umfasst neben internen Regelungen und Richtlinien auch laufende Berichte im Rahmen von regelmäßigen Jour-fixes an den Vorstand. Weiters existieren Kontrollmaßnahmen, die im Konzern implementiert sind und der Früherkennung, Steuerung sowie Überwachung von Risiken dienen. Der Vorstand trifft die wesentlichen risikorelevanten Entscheidungen. Investitionsvorhaben unterliegen ab einer bestimmten Wertgrenze zusätzlich der Genehmigung durch den Aufsichtsrat. Beide Organe werden über Risiken sowie über das Interne Kontrollsystem regelmäßig informiert.

Internes Kontrollsystem

Für alle wesentlichen Geschäftsprozesse besteht ein Internes Kontrollsystem (IKS). Dabei wird unter anderem die Zuverlässigkeit der Finanzberichterstattung überwacht und kontrolliert.

Das IKS bildet gemeinsam mit der Internen Revision und der (börsenrechtlichen) Compliance das interne Überwachungssystem der Gruppe. Wesentliche Kernprozesse sind in der internen Prozessdatenbank erfasst. Diese beinhaltet eine Risiko-Kontroll-Matrix, in der die Abläufe, potenzielle Einzelrisiken und die zugeordneten Kontrollschritte definiert sind.

Wesentliche Merkmale des rechnungslegungsbezogenen IKS sind:

- Klare Funktionstrennung zwischen den Bereichen Finanz- und Rechnungswesen sowie anderen Verantwortungsbereichen (z. B. Treasury)
- Richtlinien zur Anwendung einheitlicher Bilanzierungs- und Bewertungsmethoden im Konzernabschluss
- Beurteilung jener Risiken, die zu einer wesentlichen Fehldarstellung von Transaktionen führen können (z. B. inkorrekte Zuordnung zu Bilanz- und G&V-Positionen)

- Entsprechende Kontrollroutinen bei der automationsgestützten Aufstellung des Einzel- als auch des Konzernabschlusses
- Berichte an interne Adressaten (Vorstand und Aufsichtsrat) umfassen unter anderem Quartals-, Segment- und Liquiditätsberichte sowie im Bedarfsfall einzelne anlassbezogene Analysen.

Interne Revision

Die Interne Revision der S IMMO AG koordiniert Prüfungen wesentlicher Geschäftsprozesse der Konzern-Muttergesellschaft bzw. ihrer in- und ausländischen Tochtergesellschaften hinsichtlich ihrer Funktionsfähigkeit, bestehender Risiken und Kontrollschwächen sowie möglicher Effizienzverbesserungspotenziale. Die Grundlage für die in mehrjährigen Zyklen stattfindenden Revisionsprüfungen bildet der vom Vorstand genehmigte Jahresrevisionsplan. Zusätzlich werden Sonderprüfungen im Bedarfsfall beauftragt. Mit der Durchführung der Revisionsprüfungen werden ausschließlich externe Expertinnen und Experten beauftragt. Die Ergebnisse der Prüfungen werden an den Vorstand berichtet. Der Prüfungsausschuss des Aufsichtsrats wird regelmäßig über den Revisionsplan sowie die Ergebnisse der durchgeführten Revisionen informiert.

Risikoübersicht

Unternehmensstrategische Risiken	Immobilienspezifische Risiken	Finanzielle Risiken	Sonstige Risiken
Umfeld- und Branchenrisiko Investitionsrisiko Kapitalmarktrisiko	Immobilienportfoliorisiko Vermietungs- und Mietausfallrisiko Immobilienentwicklungsrisiko Bautechnisches Risiko Immobilienbewertungsrisiko	Liquiditätsrisiko Zinsänderungsrisiko Finanzierungsrisiko Fremdwährungsrisiko Steuerliche Risiken	Umweltrisiko Risiken auf die Belange des NaDiVeG Rechtsrisiko und regulatorische Risiken

Erläuterung der Einzelrisiken

Unternehmensstrategische Risiken

Strategische Risiken sind eng mit der Geschäftsstrategie der S IMMO AG verbunden und können diese gegebenenfalls stark beeinflussen.

Umfeld- und Branchenrisiko

Die Entwicklung einer Branche ist stark von äußeren Faktoren wie Konjunktur, technologischen oder politisch-rechtlichen Rahmenbedingungen abhängig. Da sich das wirtschaftliche Umfeld laufend ändert, sind die sich daraus ergebenden Risiken nur schwer prognostizierbar. Eine Verschlechterung der wirtschaftlichen Situation in einem Markt kann die Kauf- und Verkaufspreise, den Wert einer Immobilie und deren Rendite beeinflussen. Darüber hinaus kann es zu Mietreduktionen, Mietausfällen oder zu Kündigung von Mietverträgen durch Mieterinnen und Mieter kommen. Diesen Risiken begegnet die S IMMO mit Immobilien in unterschiedlichen Regionen und mit verschiedenen Nutzungsarten. Sorgfältiges Asset Management und ständiges Monitoring tragen zur Reduktion der beschriebenen Risiken bei.

Investitionsrisiko

Die S IMMO AG ist sowohl bei Investitionen in Immobilienentwicklungsprojekte als auch bei Immobilienzukäufen Risiken ausgesetzt. Diese werden oft durch Faktoren verursacht, die außerhalb des Wirkungsbereichs des Unternehmens liegen, wie beispielsweise Verzögerungen bei der Fertigstellung von Immobilienprojekten. Daher zielt die Unternehmensstrategie darauf ab, durch sorgsame Auswahl, Planung und Ausführung der Immobilienprojekte bzw. der Immobilienzukäufe potenzielle Investitionsrisiken zu reduzieren. Es sind Limits festgelegt, ab welchem Investitionsvolumen eine Genehmigung des Aufsichtsrats erforderlich ist. Dennoch verbleibt bei jeglicher Investition, so auch bei Immobilien, immer ein Restinvestitionsrisiko, das sich beispielsweise auf Cashflows, Bewertungen, etc. negativ auswirken kann.

Die S IMMO AG hält mittelbar Aktien der IMMOFINANZ AG und CA Immobilien Anlagen AG. Beide Gesellschaften unterliegen als Immobilien-Investmentgesellschaften und Immobilienentwickler ähnlichen Risiken wie die S IMMO AG, insbesondere sämtlichen Risiken, die mit dem Kauf, der Entwicklung, der Bewirtschaftung und dem Verkauf von Immobilien zusammenhängen, und dem allgemeinen Unternehmensrisiko. Die Aktien der IMMOFINANZ AG und der CA Immobilien Anlagen AG notieren im österreichischen Leitindex ATX und unterliegen Marktpreisrisiken, welche sich negativ auf das Eigenkapital der S IMMO AG auswirken können.

Kapitalmarktrisiko

Der Kapitalmarkt ist für die S IMMO AG bezüglich der Aufnahme von Eigen- bzw. Fremdkapital von großer Wichtigkeit. Instabile Kapitalmärkte können die Finanzierungsmöglichkeiten des Unternehmens beeinträchtigen. Das Management arbeitet beständig daran, das Vertrauen der Anleger in die von der S IMMO AG emittierten Wertpapiere durch transparente und verlässliche Information und zeitnahe Kommunikation zu stärken.

Immobilienspezifische Risiken

Die S IMMO AG unterliegt allen Risiken, die mit dem Kauf, der Entwicklung, der Bewirtschaftung und dem Verkauf von Immobilien zusammenhängen.

Immobilienportfoliorisiko

Mit einem ausgewogenen Portfoliomix begegnet die S IMMO Gruppe dem Immobilienportfoliorisiko. Im Portfolio befinden sich Büros, Geschäfte, Hotels und Wohnimmobilien. Geografisch verteilen sich die Objekte auf die Regionen Österreich, Deutschland und CEE. Der Wert einer Immobilie hängt zu einem beträchtlichen Teil von ihrem Standort und der beabsichtigten Nutzung ab. Die Attraktivität des Standorts oder die mögliche Nutzung der Objekte können daher die finanzielle Lage der S IMMO Gruppe erheblich beeinflussen. Das Immobilienportfoliorisiko war im Geschäftsjahr 2020 nicht in allen Regionen und Nutzungsarten gleichermaßen ausgeprägt: Durch die Streuung innerhalb des Portfolios können oft die Risiken eines Markts durch positive Entwicklungen in einem anderen Markt abgefedert werden. Gruppenweit gab es aufgrund der Covid-19-Krise negative Auswirkungen auf die Nutzungsarten Hotel und Geschäft, während die Nutzungsarten Büro und Wohnen von der Krise in deutlich geringerem Ausmaß betroffen waren.

Vermietungsrisiko und Mietausfallsrisiko

Das Vermietungsrisiko ist stark mit der allgemeinen wirtschaftlichen Lage in den einzelnen Märkten verknüpft und damit auch mit entsprechenden Planungsunsicherheiten behaftet. Grundsätzlich besteht immer ein gewisses Vermietungsrisiko auf Grund der unterschiedlichen politischen und wirtschaftlichen Entwicklung der einzelnen Märkte – auch bei Vertragsverlängerungen. Die Konkurrenzsituation kann sich ebenfalls auf den Vermietungsgrad beziehungsweise auf Vertragsverlängerungen auswirken. Es besteht ein laufender Wettbewerb zwischen den Eigentümern um namhafte, attraktive Mieterinnen und Mieter. Je nach wirtschaftlicher Entwicklung in den unterschiedlichen Märkten, in denen die S IMMO Gruppe tätig ist, können die Mieten unter Druck kommen. Dies kann dazu führen, dass Mietpreise akzeptiert werden müssen, die niedriger sind als ursprünglich prognostiziert. Außerdem unterliegt die S IMMO Gruppe dem Mietausfallrisiko. Ist die Gruppe nicht in der Lage, auslaufende Mietverträge zu vorteilhaften Konditionen zu verlängern oder geeignete kreditwürdige Mieter zu finden, die bereit sind, langfristige Mietverhältnisse einzugehen, beeinträchtigt dies den Marktwert der betreffenden Immobilien. Darüber hinaus kann es zu langfristigen Leerständen kommen. Besonders in Zeiten wirtschaftlicher und politischer Unsicherheiten kann die S IMMO Gruppe dazu gezwungen sein, Mietsenkungen zu akzeptieren, um den Vermietungsgrad aufrechtzuerhalten. Die Bonität eines Mieters, insbesondere während eines wirtschaftlichen Abschwungs, kann kurz- oder mittelfristig sinken. Darüber hinaus kann das Risiko entstehen, dass ein Mieter insolvent wird oder sonst außerstande ist, seinen Zahlungspflichten aus dem Mietvertrag nachzukommen.

Immobilienentwicklungsrisiko

Im Bereich von Immobilienentwicklungen können Risiken im Zusammenhang mit Baukostenüberschreitungen, Errichtungsdauer, (Bau-)Qualitätsmängeln, der Vermietung oder Verzögerungen bei der Erlangung von behördlichen Genehmigungen entstehen. Diesen Risiken begegnet die S IMMO AG mit regelmäßigen Kosten-, Qualitäts- und Terminkontrollen sowie Abweichungsanalysen.

Bautechnisches Risiko

Unter dem bautechnischen Risiko versteht man das Risiko auftretender Schäden an neu errichteten Objekten und Bestandsobjekten, welche die S IMMO AG durch branchenübliche Bauverträge mit erfahrenen Baufirmen, Gewährleistungsfristen und -garantien reduziert. Um Risiken in diesem Bereich in Grenzen zu halten, werden eingehende Prüfungen vor Ablauf der Gewährleistungsfristen veranlasst, um mögliche Schäden noch auf Kosten der Bauunternehmen zu sanieren. Zur Absicherung gegen klassische Schäden bei Bestandsgebäuden wie Feuer oder Wasser schließt die S IMMO AG marktübliche Versicherungen ab. Andererseits steigen Reparaturaufwendungen mit dem Lebensalter der Bestandsgebäude, wesentliche Anlagen müssen nach Ablauf der Nutzungsdauer getauscht werden. Durch aktives Asset Management und laufende Wartungen sowie sinnvolle Instandhaltungs- und Instandsetzungsmaßnahmen versucht die S IMMO AG größere, negative Auswirkungen zu vermeiden.

Immobilienbewertungsrisiko

Die Immobilienbewertung hängt von verschiedenen makroökonomischen Gegebenheiten außerhalb des Einflussbereichs der S IMMO AG und immobilienspezifischen Faktoren ab. Das Immobilienbewertungsrisiko beschreibt in diesem Zusammenhang das Risiko von negativen Wertschwankungen des Immobilienportfolios. Neben den erwarteten Mieteinnahmen, dem Zustand des Objekts und dem historischen Vermietungsgrad können Immobiliensachverständige auch andere Faktoren wie beispielsweise Steuern auf Grund und Boden, Betriebskosten, Ansprüche Dritter auf Basis von Umweltrisiken oder mit bestimmten Baumaterialien verbundene Risiken berücksichtigen. Wertänderungen von Immobilien können den Bilanzgewinn oder -verlust der S IMMO AG bzw. der S IMMO Gruppe und somit auch den Börsenkurs und die Kreditwürdigkeit der S IMMO AG negativ beeinflussen.

Finanzielle Risiken

Die Steuerung von finanziellen Risiken beinhaltet für die S IMMO AG vor allem die Berücksichtigung von Liquiditäts-, Zinsänderungs-, Finanzierungs- und Währungsrisiken.

Liquiditätsrisiko

Zur Sicherstellung der Liquidität werden die Zahlungsströme des Unternehmens auf Basis einer kontinuierlichen Liquiditätsplanung in Zusammenarbeit mit den Bereichen Projektentwick-

lung, Asset Management und Akquisition koordiniert, auf Plausibilität geprüft und laufend angepasst.

Die Gruppe verfügt über fluktuierende Bestände liquider Mittel, die sie nach den jeweiligen operativen und strategischen Erfordernissen und Zielen veranlagt. Weiters tätigt sie Absicherungsgeschäfte, insbesondere, um sich gegen Zinsänderungen und die damit verbundenen Schwankungen ihrer Finanzierungskosten abzusichern. Solche Absicherungsgeschäfte könnten sich als ineffizient oder ungeeignet herausstellen, um die angestrebten Ziele zu erreichen, sowie zu ergebniswirksamen Verlusten führen. Darüber hinaus ist die Gruppe dem Risiko ausgesetzt, dass ihre Vertragspartner die Verpflichtungen aus den Absicherungs- oder Veranlagungsgeschäften nicht vereinbarungsgemäß erfüllen (Kontrahentenrisiko). Diesem Risiko begegnet die S IMMO Gruppe, indem sie Veranlagungs- und Absicherungsgeschäfte nur bei namhaften Banken mit guter Bonität abschließt. Auf Grund verschärfter Eigenkapital- und Liquiditätsvorschriften für Banken und daraus resultierender restriktiverer Kreditvergabe sowie reduzierter Beleihungshöhen kann es zu Schwierigkeiten bei Refinanzierungen kommen. Die S IMMO kann davon trotz überwiegend langfristig abgeschlossener Kreditverträge und einer Vermeidung hoher Einzelfälligkeiten der begebenen Anleihen bei Kreditverlängerungen und Refinanzierungen sowohl von Anleihen und Krediten betroffen sein (siehe auch Finanzierungsrisiko). Das Risiko kann primär auftreten, wenn es bei Kreditverlängerungen oder Refinanzierungen zu Verzögerungen kommt oder diese in einer geringeren Höhe als erwartet erfolgen. Würde es der S IMMO nicht oder nicht zeitgerecht gelingen, geeignete und angemessene Fremdkapitalfinanzierungen für Projektentwicklungen und Akquisitionen oder die Refinanzierung auslaufender Fremdkapitalfinanzierungen in Anspruch zu nehmen, könnte dies die Fähigkeit erheblich beeinträchtigen, ihren Verpflichtungen aus Projektentwicklungsverträgen oder Akquisitionsprojekten nachzukommen. Weiters besteht das Risiko, Anleihen bei Laufzeitende nicht zurückzahlen zu können. All diese Folgen oder eine aus mangelnder Verfügbarkeit freier Liquidität resultierende Unfähigkeit, den Verpflichtungen aus bereits bestehenden Finanzierungsverträgen und Teilschuldverschreibungen nachzukommen, können einen wesentlich nachteiligen Einfluss auf die Vermögens-, Finanz- und Ertragslage des Unternehmens haben und seine Bonität beeinträchtigen.

Zinsänderungsrisiko

Der weitaus überwiegende Teil der Finanzierungsverträge der S IMMO Gruppe sieht einen variablen Zinssatz vor, wodurch das Risiko eines sich ändernden Zinsniveaus besteht. Die Kosten des Zinsendiensts erhöhen sich bei Anstieg des jeweiligen Referenz-Zinssatzes. Das Zinsänderungsrisiko reduziert die S IMMO Gruppe langfristig durch Zinsabsicherungen ihrer variabel verzinsten Kredite. Zur Absicherung variabel verzinster Kredite verwendet die S IMMO derzeit Zinsswaps und Zinscaps. Per Jahresende war ein Großteil des variabel verzinsten Finanzierungsportfolios abgesichert. Das Ausmaß, in dem sich die Gruppe derartiger Instrumente bedient, hängt von den Annahmen und Markterwartungen des Managements und der zuständigen Mitarbeiterinnen und Mitarbeiter der S IMMO in Bezug auf das zukünftige Zinsniveau sowie von der Entwicklung der Höhe der Kreditverbindlichkeiten ab. Erweisen sich diese Annahmen als unrichtig, kann dies zu einem beträchtlichen Anstieg des Zinsaufwands führen.

Finanzierungsrisiko

Die Marktbedingungen für Kredit- und Anleihefinanzierungen ändern sich immer wieder. Nach der Finanz- und Wirtschaftskrise wird seit einigen Jahren wieder eine stetige und deutliche Verbesserung der Refinanzierungssituation beobachtet. Refinanzierungen von auslaufenden Krediten als auch Kreditneuaufnahmen für Bestandsimmobilien und Immobilienprojekte konnten auf Grund des Veranlagungsdrucks vieler Banken, insbesondere in Deutschland und Österreich aber auch in CEE, zu deutlich niedrigeren Margen abgeschlossen werden als noch vor einigen Jahren. Die Attraktivität verschiedener Finanzierungsvarianten hängt von einer Reihe von Faktoren ab, von denen einige nicht von der Gruppe beeinflusst werden können. Diese Faktoren umfassen insbesondere Marktzinsen, steuerliche Aspekte und die Beurteilung des Werts und der Verwertbarkeit von Immobilien, die als Sicherheiten dienen, sowie die Einschätzung der allgemeinen wirtschaftlichen Lage durch die Finanzierungspartner. In Zeiten stark volatiler Immobilienmärkte sind Fremdkapitalgläubiger unter Umständen nicht bereit, abreifende Kredite zu für die S IMMO Gruppe akzeptablen Konditionen zu prolongieren oder Anleihen in einem für eine Refinanzierung erforderlichen Ausmaß zu zeichnen. Dies kann insbesondere zu höheren Margen, geringeren Beleihungshöhen und der Notwendigkeit zur Bestellung weiterer Sicherheiten sowie generell zu einem Mangel an Refinanzierungsmöglichkeiten führen. Sollte die Gruppe außerstande sein, Liquidität oder Fremdmittel im benötigten Ausmaß zur benötigten Zeit zu generieren beziehungsweise zu akzeptablen Konditionen aufzunehmen, könnte ihre Fähigkeit beeinträchtigt sein, ihren Verpflichtungen aus Finanzierungsverträgen nachzukommen. Dieses Finanzierungsrisiko versucht die S IMMO Gruppe durch Streuung ihrer Kreditgeber (23 Einzelbanken zum 31.12.2020) zu reduzieren. Eine Kontrolle der Kreditaufnahmen erfolgt durch Genehmigungen nach gestaffelten Beträgen durch den Vorstand und den Aufsichtsrat. Darüber hinaus besteht das Risiko, dass Financial Covenants (Klauseln in Kreditverträgen hinsichtlich des zulässigen Verschuldungsgrads und des Schuldendienstdeckungsgrads) oder andere Vertragsbedingungen, Gewährleistungen oder Auflagen in Finanzierungsverträgen nicht eingehalten werden können. Dies kann die Flexibilität bei der Finanzierung zukünftiger Geschäftstätigkeit einschränken. Die Einhaltung von Financial Covenants wird von der S IMMO Gruppe – in engem Kontakt mit kreditvergebenden Finanzinstituten – laufend überwacht. Covenant-Verletzungen können einen Verzugsfall darstellen. Trotz genauen Monitorings der Finanzie-

rungsinstrumente und der relevanten Parameter kann bei entsprechend negativer Entwicklung der Konjunktur und des Finanzierungsumfelds nicht ausgeschlossen werden, dass die S IMMO mit Risiken im Bereich der Refinanzierung konfrontiert wird.

Fremdwährungsrisiko

Kreditfinanzierungen und gruppeninterne Darlehen der S IMMO AG sind ausschließlich in Euro denominiert und die Mietverträge sind ausschließlich an den Euro gebunden. Daher besteht kein unmittelbares Fremdwährungsrisiko; allerdings kann die Werthaltigkeit von Beteiligungen und Darlehen an verbundene Unternehmen bei signifikanten Verwerfungen im Fremdwährungsbereich negativ beeinflusst werden.

Steuerliche Risiken

Als international tätiger Immobilienkonzern mit Gesellschaften in derzeit acht europäischen Ländern ist die S IMMO Gruppe mit einer Vielzahl von unterschiedlichen - laufenden Änderungen unterworfenen - nationalen Steuersystemen konfrontiert. Änderungen der lokalen steuerlichen Rahmenbedingungen (zum Beispiel bei den immobilienbezogenen Steuern, Umsatz- bzw. Ertragssteuern) sowie Unsicherheiten bzw. unterschiedliche Auffassungen in Bezug auf die Auslegung der vielfach komplexen steuerlichen Vorschriften können zu nicht geplanten Steuerbelastungen führen und stellen damit stets ein Ertragsrisiko dar. Die S IMMO Gruppe versucht, allfällige Konsequenzen durch die kontinuierliche Zusammenarbeit mit lokalen Steuerexpertinnen und -experten frühzeitig zu erkennen, bei der Entscheidungsfindung zu berücksichtigen sowie für (aus Betriebsprüfungen bzw. steuerlichen Verfahren) bekannte Risiken ausreichende bilanzielle Vorsorgen zu treffen.

Sonstige Risiken

Umweltrisiko

Die S IMMO Gruppe ist diversen Umweltrisiken wie Naturkatastrophen oder menschlich verursachten Katastrophen ausgesetzt. Umweltrisiken können sowohl im Zusammenhang mit Bestandsimmobilien als auch mit Entwicklungsprojekten auftreten. Beispielsweise können geänderte Gesetze oder Sanierungsverpflichtungen auf Grund umwelt- oder sicherheitsrechtlicher Vorschriften das Entfernen oder den Austausch von Materialien notwendig machen. Ebenso kann die Entsorgung umweltschädlicher Substanzen auf einem Entwicklungsgrundstück erforderlich sein. Neue oder strengere Umwelt-, Gesundheits- und Sicherheitsgesetze können ebenfalls zusätzliche Kosten verursachen.

Naturkatastrophen oder extreme Wettereinwirkungen wie beispielsweise Überflutungen, Sturm und Hagel können erhebliche Schäden an im Bau befindlichen Objekten oder Bestandsimmobilien verursachen. Ebenso können auch von Menschen verursachte Katastrophen wie zum Beispiel nukleare Zwischen- und Störfälle zu Schäden führen. Durch entsprechende Gebäudeversicherungen sind wesentliche Schäden an Gebäuden abgedeckt.

Die S IMMO Gruppe versucht, Umweltrisiken dadurch zu senken, dass bei Akquisitionen und Investitionen genaue Standortanalysen durchgeführt und gegebenenfalls Garantieerklärungen eingeholt werden.

Risiken auf die Belange des NaDiVeG

Das Nachhaltigkeits- und Diversitätsverbesserungsgesetz (NaDiVeG) fordert eine Auseinandersetzung mit den wesentlichen Risiken, die negative Auswirkungen auf die Belange Umwelt, Arbeiternehmerinnen und Arbeitnehmer, Gesellschaft, Bekämpfung von Korruption und Bestechung sowie Achtung der Menschenrechte haben könnten. Im folgenden Teil des Risikoberichts werden wesentliche Risiken im Zusammenhang mit den im nichtfinanziellen Bericht genannten Themen sowie Maßnahmen zur Identifikation, Bewertung, Vermeidung und Begrenzung der Risiken beschrieben. Die S IMMO AG ist sich ihrer Verantwortung gegenüber der Umwelt bewusst. Die Errichtung neuer Gebäude hat einen Anstieg der CO2-Emissionen zur Folge und durch den zusätzlichen Energieverbrauch wird der Treibhauseffekt vorangetrieben. Darüber hinaus könnten bei Neubauprojekten oder Sanierungsarbeiten durch den Einsatz schadstoffhaltiger Baustoffe gefährliche Abfälle in die Umwelt gelangen. Um diesen Risiken entgegenzuwirken, agiert die S IMMO AG verantwortungsvoll sowohl bei Bestandsimmobilien als auch bei Entwicklungsprojekten, indem die CO2-Emissionen anhand der Echtverbräuche überwacht werden und auf energieeffiziente Bauweisen sowie auf den Einsatz qualitativ hochwertiger und ökologischer Materialien – unter Berücksichtigung eines für die Mieterinnen und Mieter vertretbaren Kosten-Nutzen-Verhältnisses – geachtet wird. Sofern möglich, wird auf den Einsatz von erneuerbarer Energie im Strommix der Länder geachtet. Bei Neubauprojekten werden stets Green-Building-Zertifikate angestrebt, in diesem Zusammenhang erhielten bereits mehrere Gebäude der S IMMO AG Nachhaltigkeitszertifikate.

Die S IMMO AG trägt durch die Beauftragung von Neu- und Umbauten neben dem Umweltmanagement auch Verantwortung für die Sicherheit auf Baustellen. Mangelnde Qualität und Nichteinhaltung der Sicherheitsvorschriften könnten die Sicherheit und Gesundheit der Arbeiterinnen und Arbeiter gefährden. Außerdem kann mangelnde Sorgfalt auf der Baustelle zu Anrainerbeschwerden betreffend Lärm und Staub führen. Daher wählt die S IMMO AG ihre Partnerinnen und Partner sorgfältig aus und beauftragt ausschließlich seriöse Generalunternehmer mit einem hohen Qualitätsanspruch.

Im täglichen Wirtschaften ist das Risiko von Korruptionsfällen stets gegeben. Die S IMMO ist unter anderem in Ländern mit einem schlechten Ranking nach dem Corruption Perceptions Index tätig, wodurch es im Ernstfall bei Nichteinhaltung der

Compliance-Richtlinien zu Strafzahlungen oder disziplinären Folgen kommen kann.

Darüber hinaus hat die S IMMO AG eine große soziale Verantwortung entlang der Lieferkette und achtet daher auch bei der Wahl ihrer Geschäftspartnerinnen und -partner auf die Einhaltung aller gesetzlichen Bestimmungen. Grundwerte wie Transparenz sowie faire und nachhaltige Unternehmensführung sind tief in der Unternehmensstruktur der S IMMO AG verankert.

Die S IMMO AG beschäftigt sich ebenfalls mit Herausforderungen und möglichen Risiken, die sich im Zusammenhang mit ihren Mitarbeiterinnen und Mitarbeitern ergeben können. So ist es für die S IMMO AG selbstverständlich, negative Auswirkungen auf die Gesundheit des Teams auf ein Mindestmaß zu reduzieren. Auf eine ausgeglichene Work-Life-Balance wird ebenso geachtet, wie auf den Ausgleich zwischen dem Fördern und Fordern der Mitarbeiterinnen und Mitarbeiter.

Nur durch fachgerechte Qualifikation und Ausbildung ist die Belegschaft in der Lage, die ihr übertragenen Aufgaben eigenverantwortlich auszuführen. Darüber hinaus wird dem Team der S IMMO AG ein umfassendes Gesundheitsprogramm angeboten.

Im Mai 2019 ist die EU-Datenschutz-Grundverordnung (DSGVO) in Kraft getreten. Die S IMMO AG hat bereits vorhandene Richtlinien überprüft und angepasst, um allen rechtlichen Verpflichtungen, insbesondere in Bezug auf die Datenspeicherung und Datenverarbeitung, gerecht zu werden. Zum Zeitpunkt des Inkrafttretens der Verordnung gab es – auch unter Rechtsexpertinnen und -experten – zum Teil unterschiedliche Auffassungen über die korrekte Umsetzung der DSGVO. Trotz aller Sorgfalt bleibt das Risiko, dass die Maßnahmen der S IMMO AG nicht ausreichend sind und es zu Forderungen von Dritten kommt. Diesem Risiko begegnet das Unternehmen mit laufendem Monitoring der Judikatur und gegebenenfalls mit Anpassungen ihrer Prozesse.

Durch die Tätigkeit der S IMMO AG ergeben sich keine Risiken, die negative Auswirkungen auf Menschenrechte haben können.

Rechtsrisiko

Die S IMMO AG ist auf Grund ihrer Geschäftstätigkeit einer Vielzahl rechtlicher Risiken ausgesetzt. Diese resultieren unter anderem aus Rechtsstreitigkeiten im Zusammenhang mit der operativen Geschäftstätigkeit der S IMMO AG (zum Beispiel Streitigkeiten aus Immobilientransaktionen oder mit Baufirmen) und regulatorischen Risken. Für laufende Rechtsstreitigkeiten werden gegebenenfalls im erforderlichen Ausmaß Rückstellungen gebildet. Da der Ausgang (schieds-)gerichtlicher Verfahren in der Regel schwer vorhersehbar ist, können über die dotierten Rückstellungen hinausgehende Aufwendungen entstehen. Signifikante Risiken können sich auch aus Veränderungen der Rechtslage ergeben, zumal die S IMMO AG in einem stark regulierten Umfeld tätig ist.

Die S IMMO AG operiert in einem regulatorischen Umfeld, dessen Vorschriften – insbesondere des Marktmissbrauchs-, Datenschutz- und Kartellrechts – mit sehr hohen Strafdrohungen anwendbar sind und sein werden. Die von der Gesellschaft ergriffenen Maßnahmen können sich als unzureichend herausstellen, Verstöße gegen Rechtsvorschriften hintanzuhalten, und damit die Verhängung von hohen Geldstrafen nach sich ziehen.

Gesamtaussage zu Risiken und Chancen

Die Geschäftstätigkeit der S IMMO AG unterliegt einer Vielzahl von Risiken und ist stark von der Konjunktur in den bearbeiteten Märkten abhängig. Insbesondere im Hinblick auf die wirtschaftlichen Auswirkungen durch die Verbreitung des Coronavirus bestehen weiterhin erhebliche Unsicherheiten.

Eine weitere Risikogruppe betrifft die Liquidität und die Finanzierungssituation im Unternehmen. Gegen steigende Zinsen sichert sich das Unternehmen mit Swaps und Caps ab. Refinanzierungen von auslaufenden Krediten als auch Kreditneuaufnahmen sind aktuell zu wesentlich niedrigeren Margen als noch vor einigen Jahren möglich.

Das Unternehmen begegnet allen Risiken mit sorgfältigem Risikomonitoring und verantwortungsvoller Risikopolitik. Dennoch kann das Eintreten von Risiken nicht vollständig ausgeschlossen werden.

Insgesamt ist das Umfeld, in dem die S IMMO AG sich als Muttergesellschaft einer internationalen Unternehmensgruppe bewegt, mit dem Ausbruch der Coronavirus-Krise und dessen seit Anfang 2020 zu beobachtenden Auswirkungen deutlich unsicherer geworden. Die weitere Entwicklung wird vom Management der S IMMO AG genau beobachtet, sowohl in Hinblick auf eigene Geschäftsabläufe und die Sicherheit von Mitarbeitern und Partnern als auch im Hinblick auf die Märkte, auf denen die S IMMO Gruppe tätig ist.

Auch wenn die Auswirkungen der Krise auf die S IMMO AG im Geschäftsjahr 2020 in engen Grenzen gehalten werden konnten, können Effekte einer anhaltenden Krise sich auf alle Risikobereiche auswirken. So können beispielsweise Mietausfälle steigen, Nachvermietungen länger dauern und zu schlechteren Konditionen abgeschlossen werden, Finanzierungen schwieriger und teurer werden, Immobilien- und Beteiligungswerte sinken, Lieferanten ausfallen, die Werthaltigkeit von Darlehen beeinträchtigt sein, usw.. Auch politische Maßnahmen mit Auswirkung auf die Geschäftstätigkeit der S IMMO AG sind in diesem Zusammenhang möglich.

S IMMO begegnet diesen Risiken durch ein laufendes Monitoring, einem diversifizierten, gruppenweiten Immobilienportfolio,

durch ein sorgfältiges operatives Management und durch eine ausgewogene Finanzierungsstruktur in Bezug auf Fälligkeiten und Finanzierungspartnern.

Finanzielle und nichtfinanzielle Leistungsindikatoren

Strategisches Ziel ist die nachhaltige Steigerung des Unternehmenswertes. Zentrale finanzielle Leistungsindikatoren (Kennzahlen) sind dabei für den Gesamtkonzern u.a. der NAV pro Aktie, die Loan to Value (LTV) Ratio sowie Kennzahlen wie das Bruttoergebnis und die Eigenkapitalquote.

Für die S IMMO AG wurden folgende finanzielle Leistungsindikatoren identifiziert:

		2020	2019
Eigenkapitalquote	%	41,8%	38,5%
Betriebsergebnis	TEUR	1.470	2.639

Diese Finanzkennzahlen werden zur Steuerung des operativen Geschäfts durch mehrere nichtfinanzielle Leistungsindikatoren (Leerstandsquote, Portfoliostreuung, Standortqualität) ergänzt.

Der Netto-Geldfluss aus laufender Geschäftstätigkeit beträgt für 2020 46.066 TEUR (2019: TEUR 51.365). Der Cashflow aus der Investitionstätigkeit beträgt TEUR – 162.483 (2019: TEUR +2.521), der Cashflow aus der Finanzierungstätigkeit beträgt TEUR +86.493 (2019: TEUR -19.993). Der Cashflow aus der Investitionstätigkeit ist im Wesentlichen von an Tochterunternehmen gegebenen Zuschüssen und Ausleihungen geprägt. Der Cashflow aus der Finanzierungstätigkeit ist maßgeblich von der Vergabe von Konzerndarlehen und im Vorjahr von Veränderungen im Anleihenbestand geprägt. Insgesamt betrug der Finanzmittelbestand am Ende der Periode TEUR 46.102 (2019 TEUR 76.025) beträgt.

Informationen gemäß § 243a Abs. 1 Unternehmensgesetzbuch (UGB)

Gemäß § 243a Abs. 1 Unternehmensgesetzbuch (UGB) sind die folgenden Informationen anzugeben

1. Das Grundkapital der S IMMO AG beträgt nach der Barkapitalerhöhung vom Jänner 2020 EUR 267.457.923,62 und ist in 73.608.896 auf Inhaber lautende Stückaktien zerlegt. Es bestehen keine unterschiedlichen Aktiengattungen.

2. Die Satzung der S IMMO AG beschränkt das Stimmrecht jedes Aktionärs in der Hauptversammlung mit 15 % der ausgegebenen Aktien (Höchststimmrecht). Hierbei sind die Aktien von Unternehmen, die miteinander einen Konzern im Sinne des § 15 Aktiengesetz (AktG) bilden, zusammenzurechnen, ebenso die Aktien, die von Dritten für Rechnung des betreffenden Aktionärs oder eines mit ihm konzernmäßig verbundenen Unternehmens gehalten werden. Zusammenzurechnen sind weiters Aktienbestände von Aktionären, die bei der Ausübung der Stimmrechte auf Grund eines Vertrags oder auf Grund abgestimmten Verhaltens gemeinsam vorgehen. Dem Vorstand der S IMMO AG sind keine Vereinbarungen über Beschränkungen, die Stimmrechte oder die Übertragung von Aktien betreffen, bekannt.

3. Der Gesellschaft wurden folgende Beteiligungen über 10 % an ihr gemäß §§ 130 ff. Börsegesetz (BörseG) bzw. den entsprechenden Vorgängerbestimmungen gemeldet:

Am 21.09.2018 meldete die IMMOFINANZ AG den Erwerb von 19.499.437 Stimmrechten, was auf Basis der derzeitigen Gesamtzahl von Stimmrechten einer Beteiligung von rund 26,49 % entspricht.

Am 10.02.2021 hat die Aggregate Holdings S.A. mitgeteilt, dass sie indirekt 10,78 % der Stimmrechte hält.

Die S IMMO AG weist klarstellend darauf hin, dass sie auf Grund von Meldungen gemäß §§ 130 ff. BörseG vom Entstehen der genannten Beteiligungen über 10 % erfahren hat und daher die Vollständigkeit und Richtigkeit obiger Aufzählung nicht garantieren kann. Darüber hinaus haben Meldungen gemäß BörseG nur beim Erreichen, Über- oder Unterschreiten der darin festgesetzten Schwellenwerte zu erfolgen, weshalb das tatsächliche (aktuelle) Beteiligungsausmaß von den gemeldeten Zahlen abweichen kann.

4. Es bestehen keine Aktien mit besonderen Kontrollrechten.

5. Arbeitnehmer, die im Besitz von Aktien sind, üben bei der Hauptversammlung ihr Stimmrecht gegebenenfalls unmittelbar aus.

6. Der Vorstand besteht aus zwei, drei oder vier Mitgliedern. Die Mitglieder des Vorstands werden vom Aufsichtsrat mit Dreiviertelmehrheit der abgegebenen Stimmen bestellt. Der Aufsichtsrat kann dabei auch ein Mitglied des Vorstands zum Vorsitzenden und eines zum Stellvertreter des Vorsitzenden bestimmen. Auch dieser Beschluss bedarf einer Dreiviertelmehrheit der abgegebenen Stimmen. Eine Bestellung zum Vorstand ist letztmalig vor Erreichen des 65. Lebensjahres möglich. Der Aufsichtsrat besteht aus höchstens zehn von der Hauptversammlung gewählten Mitgliedern. Beschlüsse über ordentliche Kapitalerhöhungen beschließt die Hauptversammlung mit einfacher Mehrheit des bei der Beschlussfassung vertretenen Grundkapitals.

7. a) Der Vorstand wurde mit Beschluss der 31. ordentlichen Hauptversammlung vom 12.10.2020 für die Dauer von fünf Jahren nach Eintragung dieser Satzungsänderung im Firmenbuch, somit bis 26.11.2025, gemäß § 169 AktG ermächtigt, mit Zu-

stimmung des Aufsichtsrats das Grundkapital um bis zu EUR 133.728.961,81 durch Ausgabe von bis zu 36.804.448 Stück neuen auf Inhaber lautende Stammaktien der Gesellschaft gegen Bar- oder Sacheinlagen auch in mehreren Tranchen zu erhöhen und den Ausgabebetrag, der nicht unter dem anteiligen Betrag des Grundkapitals liegen darf, sowie die sonstigen Ausgabebedingungen im Einvernehmen mit dem Aufsichtsrat festzusetzen. Der Vorstand wurde auch ermächtigt, mit Zustimmung des Aufsichtsrats das Bezugsrecht der Aktionäre ganz oder teilweise auszuschließen, (i) wenn die Kapitalerhöhung gegen Bareinlage erfolgt und in Summe der rechnerisch auf die gegen Bareinlage unter Ausschluss des Bezugsrechts ausgegebenen Aktien entfallende Anteil am Grundkapital der Gesellschaft die Grenze von 10 % (zehn Prozent) des Grundkapitals der Gesellschaft zum Zeitpunkt der Ausübung der Ermächtigung nicht übersteigt, (ii) wenn die Kapitalerhöhung gegen Sacheinlage erfolgt, (iii) zur Bedienung einer Mehrzuteilungsoption (Greenshoe) oder (iv) für den Ausgleich von Spitzenbeträgen. Auf die Summe der nach dieser Ermächtigung unter Ausschluss des Bezugsrechts der Aktionäre gegen Bar- und Sacheinlagen ausgegebenen Aktien darf rechnerisch ein Anteil am Grundkapital von insgesamt nicht mehr als 10 % (zehn Prozent) des Grundkapitals der Gesellschaft zum Zeitpunkt der Einräumung der Ermächtigung entfallen. Auf diese Grenze sind sämtliche Bezugs- und Umtauschrechte auf neue Aktien anzurechnen, die auf eine während der Laufzeit dieser Ermächtigung unter Ausschluss des Bezugsrechts begebene Wandel-, Umtausch- oder Optionsanleihe eingeräumt worden sind. Der Aufsichtsrat ist ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem genehmigten Kapital ergeben, zu beschließen.

b) In der 31. ordentlichen Hauptversammlung vom 12.10.2020 wurde dem Vorstand die Ermächtigung erteilt, nach den Bestimmungen des § 65 Abs. 1 Z 8 sowie Abs. 1a und Abs. 1b AktG für die Dauer von 30 Monaten ab dem Datum der Beschlussfassung, somit bis 12.04.2023, mit Zustimmung des Aufsichtsrats eigene Aktien der Gesellschaft im gesetzlich zulässigen Höchstausmaß von bis zu 10 % des Grundkapitals der Gesellschaft auch wiederholt zu erwerben und gegebenenfalls einzuziehen. Zum 19.03.2021 hält die Gesellschaft 2.676.872 eigene Aktien, was rund 3,64 % des derzeitigen Grundkapitals entspricht. Der Vorstand wurde auch ermächtigt, für die Dauer von fünf Jahren ab Beschlussfassung, somit bis 12.10.2025, mit Zustimmung des Aufsichtsrats für die Veräußerung der eigenen Aktien auch eine andere Art als über die Börse oder durch ein öffentliches Angebot unter Ausschluss des Bezugsrechts der Aktionäre zu beschließen.

c) Der Vorstand wurde mit Beschluss der 31. ordentlichen Hauptversammlung vom 12.10.2020 gemäß § 174 Abs. 2 AktG ermächtigt, innerhalb von fünf Jahren ab dem Datum der Beschlussfassung, somit bis zum 12.10.2025, mit Zustimmung des Aufsichtsrats Wandelschuldverschreibungen, mit denen ein Umtausch- und/oder Bezugsrecht auf bis zu 7.360.889 Stück auf Inhaber lautende Stückaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital von bis zu EUR 26.745.790,18 verbunden ist, mit oder ohne Bezugsrechtsausschluss, jeweils auch in mehreren Tranchen gegen Barwerte auszugeben und alle weiteren Bedingungen der Wandelschuldverschreibungen festzusetzen.

Diese Ermächtigung kann auch wiederholt ausgenutzt werden. Dabei darf die Summe aus (i) den an Inhaber von Wandelschuldverschreibungen gemäß dieser Ermächtigung bereits gelieferten Aktien und (ii) den Aktien, für die Umtausch- und/oder Bezugsrechte aus bereits emittierten und im Rahmen der Wiederausnutzung zu emittierenden Wandelschuldverschreibungen ausgeübt werden können, die in diesem Beschluss festgesetzte Höchstzahl, welche 10 % des Grundkapitals entspricht, nicht übersteigen. Auf diese Grenze sind auch neue Aktien anzurechnen, die während der Laufzeit dieser Ermächtigung unter Ausschluss des Bezugsrechts der Aktionäre aus genehmigtem Kapital ausgegeben werden. Die Umtausch- und/oder Bezugsrechte können durch Aktien aus bedingtem Kapital, genehmigtem Kapital, aus eigenen Aktien oder im Wege einer Lieferung durch Dritte oder einer Kombination daraus bedient werden.

Das Grundkapital wird gemäß § 159 Abs. 2 Z 1 AktG um bis zu EUR 26.745.790,18 durch Ausgabe von bis zu 7.360.889 Stück neuen auf Inhaber lautenden Stückaktien bedingt erhöht. Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als Inhaber von auf der Grundlage des Hauptversammlungsbeschlusses vom 12.10.2020 ausgegebenen Wandelschuldverschreibungen von dem ihnen eingeräumten Umtausch- und/oder Bezugsrecht Gebrauch machen. Der Ausgabebetrag und das Umtausch- und/oder Bezugsverhältnis sind unter Berücksichtigung marktüblicher Berechnungsmethoden sowie des Kurses der Aktien der Gesellschaft zu ermitteln (Grundlagen der Berechnung des Ausgabebetrags). Der Ausgabebetrag darf nicht unter dem anteiligen Betrag des Grundkapitals liegen. Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrats die weiteren Einzelheiten der Durchführung der bedingten Kapitalerhöhung (insbesondere Ausgabebetrag, Inhalt der Aktienrechte, Zeitpunkt der Dividendenberechtigung) festzulegen. Der Aufsichtsrat wird ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem bedingten Kapital oder auf Grund des Ablaufs der Frist zur Ausnutzung des bedingten Kapitals ergeben, zu beschließen.

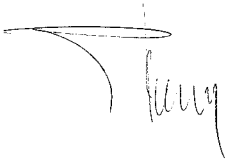
8. Die im Juni 2014 begebene 4,5 % S IMMO Anleihe 2014–2021 (ausstehendes Volumen rund EUR 28,5 Mio.), die im April 2015 begebene 3,25 % S IMMO Anleihe 2015–2025 (Volumen rund EUR 34 Mio.), die im April 2015 begebene 3,25 % S IMMO Anleihe 2015–2027 (Volumen EUR 65 Mio.), die im Februar 2018 begebene 1,75 % S IMMO Anleihe 2018–2024 (Volumen EUR 100 Mio.) bzw. die 2,875 % S IMMO Anleihe 2018–2030 (Volu-

men EUR 50 Mio.), die im Mai 2019 begebene 1,875 % S IMMO Anleihe 2019–2026 (Volumen EUR 150 Mio.), die im Oktober 2019 begebene 2 % S IMMO Anleihe 2019–2029 (Volumen EUR 100 Mio.), sowie der im Februar 2021 begebene 1,75 % S IMMO Green Bond 2021-2028 (Volumen EUR 150 Mio.) enthalten sogenannte Change-of-Control-Klauseln. Gemäß den Bedingungen der 2014 und 2015 begebenen Anleihen sowie des 2021 begebenen Green Bonds sind die Anleihegläubiger im Falle eines Kontrollwechsels zur Kündigung der Teilschuldverschreibung berechtigt und können die sofortige Rückzahlung verlangen. Gemäß den Bedingungen der 2018 und 2019 begebenen Anleihen sind die Anleihegläubiger im Falle eines Kontrollwechsels zur Kündigung der Teilschuldverschreibung berechtigt, sofern dieser Kontrollwechsel zu einer wesentlichen Beeinträchtigung der Fähigkeit der Emittentin führt, ihre Verpflichtungen aus den Teilschuldverschreibungen zu erfüllen. Ein Kontrollwechsel findet gemäß den Bedingungen der Anleihen dann statt, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder -personen, die für eine solche Person oder Personen handeln, zu irgendeiner Zeit direkt oder indirekt (i) mehr als 50 % der mit den Aktien der Emittentin verbundenen Stimmrechte (ohne Berücksichtigung des Höchststimmrechts) oder (ii) das Recht, die Mehrzahl der Mitglieder des Vorstands der Emittentin und/oder der Kapitalvertreter im Aufsichtsrat der Emittentin zu bestimmen, erworben haben. Gemäß den Bedingungen der 2019 begebenen Anleihen findet ein Kontrollwechsel auch dann statt, wenn im Falle einer rechtskräftigen Aufhebung des Höchststimmrechts eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder -personen, die für eine solche Person oder Personen handeln, zu irgendeiner Zeit direkt oder indirekt mehr als 30 % der mit den Aktien der Emittentin verbundenen Stimmrechte erworben haben. Gemäß den Bedingungen des 2021 begebenen Green Bonds findet ein Kontrollwechsel auch dann statt, wenn eine oder mehrere gemeinsam vorgehende Personen oder eine Drittperson oder -personen, die für eine solche Person oder Personen handeln, zu irgendeiner Zeit direkt oder indirekt eine kontrollierende Beteiligung im Sinne des österreichischen Übernahmegesetzes, wodurch ein Pflichtangebot ausgelöst wird, erwirbt.

9. Es bestehen keine Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Vorstands- und Aufsichtsratsmitgliedern oder Arbeitnehmerinnen und Arbeitnehmern für den Fall eines öffentlichen Übernahmeangebots.

Wien, am 22. März 2021

Der Vorstand:



Mag. Ernst Vejdovszky Mag. Friedrich Wachernig, MBA Dr. Bruno Ettenauer, MRICS

Bilanz zum 31. Dezember 2020

mit Gegenüberstellung der Vorjahreszahlen in tausend Euro (TEUR)

			31.12.2020 EUR	31.12.2019 TEUR
	AKTIVA			
A.	**Anlagevermögen**			
I.	**Immaterielle Vermögensgegenstände**			
1.		gewerbliche Schutzrechte und ähnliche Rechte und Vorteile und Software	**123.087,25**	**59**
II.	**Sachanlagen**			
1.		Grundstücke und Bauten	130.992.607,18	135.234
		davon Grundwert	45.527.348,77	45.527
2.		andere Anlagen, Betriebs- und Geschäftsausstattung	228.278,22	254
3.		Anlagen in Bau	206.701,62	0
			131.427.587,02	**135.488**
III.	**Finanzanlagen**			
1.		Anteile an verbundenen Unternehmen	1.203.313.174,92	700.313
		davon Verschmelzungsmehrwert	369.528,03	370
2.		Ausleihungen an verbundene Unternehmen	0,00	5.478
		davon mit einer Restlaufzeit von mehr als einem Jahr	0,00	3.761
3.		Beteiligungen	2.904.017,60	2.820
4.		Ausleihungen an Unternehmen, mit denen ein Beteiligungsverhältnis besteht	0,00	8.641
		davon mit einer Restlaufzeit von mehr als einem Jahr	0,00	2.011
			1.206.217.192,52	**717.252**
			1.337.767.866,79	**852.800**
B.	**Umlaufvermögen**			
I.	**Forderungen und sonstige Vermögensgegenstände**			
1.		Forderungen aus Lieferungen und Leistungen	489.842,81	414
		davon mit einer Restlaufzeit von mehr als einem Jahr	62.324,52	0
2.		Forderungen gegenüber verbundenen Unternehmen	13.376.413,68	372.815
		davon mit einer Restlaufzeit von mehr als einem Jahr	0,00	60
3.		Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	1.651.786,70	1.848
4.		sonstige Forderungen und Vermögensgegenstände	6.942.055,73	5.720
		davon mit einer Restlaufzeit von mehr als einem Jahr	23.579,00	54
			22.460.098,92	**380.796**
II.	**Kassenbestand, Guthaben bei Kreditinstituten**		**46.101.705,00**	**76.026**
			68.561.803,92	**456.822**
C.	**Rechnungsabgrenzungsposten**		**410.405,92**	**298**
D.	**Aktive latente Steuern**		**5.050.124,00**	**4.477**
	Summe Aktiva		**1.411.790.200,63**	**1.314.397**

		31.12.2020 EUR	31.12.2019 TEUR
	PASSIVA		
A.	**Eigenkapital**		
I.	**eingefordertes Grundkapital**	**259.397.545,26**	**240.544**
	übernommenes Grundkapital	267.457.923,62	243.144
	Nennbetrag eigener Anteile	-8.060.378,36	-2.599
	einbezahltes Grundkapital	259.397.545,26	240.544
II.	**Kapitalrücklagen**		
1.	gebundene	**202.520.195,55**	**77.944**
III.	**Gewinnrücklagen**		
1.	Rücklage für eigene Anteile, Anteile an herrschenden oder mit Mehrheit beteiligten Unternehmen	8.060.378,36	2.599
2.	andere Rücklagen (freie Rücklagen)	60.509.619,56	108.233
	davon ausschüttungsgesperrt	5.050.124,00	4.477
		68.569.997,92	**110.832**
IV.	**Bilanzgewinn**	**60.000.000,00**	**76.297**
	davon Gewinnvortrag	26.111.904,31	13.702
		590.487.738,73	**505.617**
B.	**Rückstellungen**		
1.	Rückstellungen für Abfertigungen	153.088,22	133
2.	Steuerrückstellungen	13.917,00	14
3.	sonstige Rückstellungen	29.116.724,98	26.756
		29.283.730,20	**26.903**
C.	**Verbindlichkeiten**		
1.	Anleihen	527.542.500,00	527.456
	davon mit einer Restlaufzeit von bis zu einem Jahr	28.549.000,00	0
	davon mit einer Restlaufzeit von mehr als einem Jahr	498.993.500,00	527.456
2.	Verbindlichkeiten gegenüber Kreditinstituten	112.976.778,57	110.919
	davon mit einer Restlaufzeit von bis zu einem Jahr	7.326.032,33	29.469
	davon mit einer Restlaufzeit von mehr als einem Jahr	105.650.746,24	81.450
3.	Verbindlichkeiten aus Lieferungen und Leistungen	574.553,92	342
	davon mit einer Restlaufzeit von bis zu einem Jahr	574.553,92	342
4.	Verbindlichkeiten gegenüber verbundenen Unternehmen	138.382.626,98	129.752
	davon mit einer Restlaufzeit von bis zu einem Jahr	96.632.523,23	68.198
	davon mit einer Restlaufzeit von mehr als einem Jahr	41.750.103,75	61.554
5.	sonstige Verbindlichkeiten	12.042.103,68	12.756
	davon aus Steuern	676.969,76	2.105
	davon im Rahmen der sozialen Sicherheit	87.355,06	94
	davon mit einer Restlaufzeit von bis zu einem Jahr	10.482.017,88	11.052
	davon mit einer Restlaufzeit von mehr als einem Jahr	1.560.085,80	1.704
		791.518.563,15	**781.225**
	davon mit einer Restlaufzeit von bis zu einem Jahr	143.564.127,36	109.061
	davon mit einer Restlaufzeit von mehr als einem Jahr	647.954.435,79	672.165
D.	**Rechnungsabgrenzungsposten**	**500.168,55**	**652**
	Summe Passiva	**1.411.790.200,63**	**1.314.397**

Gewinn- und Verlustrechnung für das Geschäftsjahr 2020

mit Gegenüberstellung der Vorjahreszahlen in tausend Euro (TEUR)

			2020 EUR	2019 TEUR
1.	Umsatzerlöse		23.527.041,63	26.486
2.	sonstige betriebliche Erträge			
a.		Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	0,00	1
b.		Erträge aus der Auflösung von Rückstellungen	155.408,21	126
c.		übrige	293.018,34	272
			448.426,55	**399**
3.	Aufwendungen für Material und sonstige bezogene Herstellungsleistungen			
a.		Aufwendungen für bezogene Leistungen	-5.307.163,07	-5.657
4.	Personalaufwand			
a.		Gehälter	-5.940.018,96	-5.894
b.		soziale Aufwendungen	-1.303.033,43	-1.164
		davon Aufwendungen für Altersversorgung	-174.587,36	-173
aa.		Aufwendungen für Abfertigungen und Leistungen an Mitarbeitervorsorgekassen	-107.916,66	-104
bb.		Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-954.048,47	-829
			-7.243.052,39	**-7.058**
5.	Abschreibungen			
a.		auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-4.626.899,68	-4.587
6.	sonstige betriebliche Aufwendungen			
a.		übrige	-5.328.509,85	-6.945
7.	**Zwischensumme aus Z 1 bis 6 (Betriebsergebnis)**		**1.469.843,19**	**2.639**
8.	Erträge aus Beteiligungen		25.298.446,00	84.030
	davon aus verbundenen Unternehmen		25.000.000,00	83.413
9.	Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens		2.745.342,35	3.889
	davon aus verbundenen Unternehmen		1.884.108,69	3.432
10.	sonstige Zinsen und ähnliche Erträge		108.411,33	48
	davon aus verbundenen Unternehmen		108.325,50	47
11.	Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen		0,00	5.660
12.	Zinsen und ähnliche Aufwendungen		-26.206.919,27	-37.249
	davon betreffend verbundene Unternehmen		-2.409.092,36	-2.671
13.	**Zwischensumme aus Z 8 bis 12 (Finanzergebnis)**		**1.945.280,41**	**56.377**
14.	**Ergebnis vor Steuern (Summe aus Z 7 und Z 13)**		**3.415.123,60**	**59.016**
15.	Steuern vom Einkommen		5.921.618,29	3.426
	davon latente Steuern		573.088,00	2.467
	davon aus Steuerumlagen		5.369.687,97	1.197
16.	**Ergebnis nach Steuern**		**9.336.741,89**	**62.442**
17.	**Jahresüberschuss**		**9.336.741,89**	**62.442**
18.	Auflösung von Gewinnrücklagen		24.551.353,80	152
19.	Gewinnvortrag aus dem Vorjahr		26.111.904,31	13.702
20.	**Bilanzgewinn**		**60.000.000,00**	**76.297**

Anhang

für das Geschäftsjahr 2020
der
S IMMO AG, Wien

1. Bilanzierungs- und Bewertungsmethoden

1.1 Allgemeine Grundsätze

Der Jahresabschluss zum 31. Dezember 2020 ist nach den Rechnungslegungsvorschriften des UGB aufgestellt.

Im Sinne der Größenmerkmale gemäß § 221 UGB handelt es sich bei der Gesellschaft um ein Unternehmen von öffentlichem Interesse gemäß § 189a UGB und somit um eine **große Kapitalgesellschaft.**

Der Jahresabschluss wurde unter Beachtung der **Grundsätze ordnungsmäßiger Buchführung** sowie der **Generalnorm**, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung wurde von der Fortführung des Unternehmens ausgegangen.

Bei den Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewandt. Dem Vorsichtsgrundsatz wurde Rechnung getragen, indem insbesondere nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen werden. Alle erkennbaren Risiken und drohende Verluste, die im Geschäftsjahr 2020 oder in einem früheren Geschäftsjahr entstanden sind, wurden berücksichtigt.

Schätzungen beruhen auf einer umsichtigen Beurteilung. Soweit statistisch ermittelbare Erfahrungen aus gleich gelagerten Sachverhalten vorhanden sind, wurden diese bei den Schätzungen berücksichtigt.

1.2 Anlagevermögen

Immaterielle Vermögensgegenstände werden, soweit gegen Entgelt erworben, zu Anschaffungskosten aktiviert und über die voraussichtliche wirtschaftliche Nutzungsdauer abgeschrieben. Als Nutzungsdauer wird ein Zeitraum von 3 - 5 Jahren zugrunde gelegt.

Sachanlagen werden zu Anschaffungs- oder Herstellungskosten abzüglich Investitionszuschüssen und planmäßiger Abschreibungen bewertet. Zur Ermittlung der Abschreibungssätze wird generell die lineare Abschreibungsmethode gewählt. Für die einzelnen Anlagengruppen wurde folgende Nutzungsdauer zugrunde gelegt:

	Nutzungsdauer in Jahren
Gebäude	22 - 67
Hardware	3 - 5
Betriebs- und Geschäftsausstattung	3 - 10

Mit dem Steuerreformgesetz 2020 wurde die Grenze für die Sofortabschreibung von geringwertigen Vermögensgegenständen mit Wirkung ab dem 01.01.2020 von EUR 400,00 auf EUR 800,00 erhöht. Bewegliche Gegenstände des Anlagevermögens bis zu einem Wert von EUR 800,00 (geringwertige Vermögensgegenstände) wurden im Jahr der Anschaffung voll abgeschrieben.

Die **Finanzanlagen** sind zu Anschaffungskosten abzüglich außerplanmäßiger Abschreibungen unter Beachtung des gemilderten Niederstwertprinzips bewertet. Außerplanmäßige Abschreibungen werden vorgenommen, wenn die Wertminderung voraussichtlich von Dauer ist.

Zuschreibungen zu Vermögensgegenständen des Anlagevermögens werden vorgenommen, wenn die Gründe für die außerplanmäßige Abschreibung weggefallen sind. Die Zuschreibung erfolgt auf maximal den Nettobuchwert, der sich unter Berücksichtigung der Normalabschreibung, die inzwischen vorzunehmen gewesen wäre, ergibt.

1.3 Umlaufvermögen

Forderungen und sonstige Vermögensgegenstände werden mit dem Nennbetrag angesetzt. Soweit erforderlich, wird die späte Fälligkeit durch Abzinsung berücksichtigt. Für erkennbare Risiken werden Einzelwertberichtigungen gebildet.

1.4 Rechnungsabgrenzungsposten

Die aktiven und passiven Rechnungsabgrenzungsposten werden mit dem Nennwert bewertet.

Die aktive Rechnungsabgrenzung beinhaltet Disagios im Zusammenhang mit der Begebung eigener Anleihen. Die Disagios

werden über die Laufzeit der Anleihe linear aufgelöst. Vor dem 1.1.2016 entstandene Disagios wurden sofort aufwandswirksam erfasst.

1.5 Latente Steuern

Aktive latente Steuern werden auf Differenzen, die zwischen den unternehmensrechtlichen und steuerrechtlichen Wertansätzen von Vermögensgegenständen, Rückstellungen, Verbindlichkeiten und Rechnungsabgrenzungsposten bestehen, die sich in späteren Geschäftsjahren voraussichtlich abbauen, angesetzt. Vom Wahlrecht des § 198 Abs. 9 UGB, latente Steuern auf steuerliche Verlustvorträge zu bilanzieren, wurde kein Gebrauch gemacht.

Der bilanzierte Betrag an aktiven latenten Steuern stellt einen Überhang aktiver über passive latente Steuern dar. Eine Saldierung der aktiven mit den passiven latenten Steuern wird vorgenommen, weil eine Aufrechnung der tatsächlichen Steuererstattungsansprüche mit den tatsächlichen Steuerschulden rechtlich möglich ist.

1.6 Rückstellungen

Der Ansatz und die Bewertung von **Personalrückstellungen** (Abfertigungs-, und Jubiläumsgeldrückstellungen) folgt den Ausführungen der AFRAC-Stellungnahme 27 „Rückstellungen für Pensions-, Abfertigungs-, Jubiläumsgeld- und vergleichbare langfristig fällige Verpflichtungen nach den Vorschriften des Unternehmensgesetzbuches".

Der Ermittlung erfolgt nach versicherungsmathematischen Grundsätzen nach der „Projected Unit Credit Method" unter Verwendung der biometrischen Richttafeln AVÖ 2018-P ANG (Vorjahr AVÖ 2018-P ANG).

Beim verwendeten Rechnungszinssatz handelt es sich um einen Stichtagszinssatz. Der Stichtagszinssatz ist jener Zinssatz, zu dem sich ein Unternehmen mit hochklassiger Bonitätseinstufung am Abschlussstichtag der durchschnittlichen Restlaufzeit der Verpflichtungen im Wesentlichen entsprechendes Fremdkapital beschaffen kann.

Die Bewertungsmethode für die Berechnung der Rückstellungen für Abfertigungen wurde gegenüber dem Vorjahr nicht geändert.

Die Zinsaufwendungen betreffend Abfertigungsrückstellungen sowie die Auswirkungen aus einer Änderung des Zinssatzes werden im Personalaufwand erfasst.

	2020	2019
Zinssatz	0,11%	0,56%
Gehalts-/Lohnsteigerungen	1,5%	1,5%
Fluktuationsabschlag	3,5%	0% - 7%
Pensionsalter	62 Jahre	62 Jahre

Die **sonstigen Rückstellungen** berücksichtigen die zum Bilanzstichtag erkennbaren Risiken und der Höhe nach noch nicht feststehende Verbindlichkeiten. Sie werden mit dem Erfüllungsbetrag angesetzt.

1.7 Verbindlichkeiten

Verbindlichkeiten sind mit dem Erfüllungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht angesetzt.

1.8 Währungsumrechnung

Fremdwährungsforderungen sind mit dem Entstehungskurs bzw. dem niedrigeren Devisengeldkurs zum Bilanzstichtag bewertet worden.

Fremdwährungsverbindlichkeiten sind mit dem Anschaffungskurs bzw. dem höheren Devisenbriefkurs zum Bilanzstichtag bewertet worden.

1.9 Änderung von Bewertungsmethoden

Die bisher angewandten **Bewertungsmethoden** wurden auch bei der Erstellung des vorliegenden Jahresabschlusses beibehalten.

2. Erläuterungen zu Bilanz und Gewinn- und Verlustrechnung

2.1 Bilanz

2.1.1. Bilanz - Aktivseite

Anlagevermögen

Die Aufgliederung des Anlagevermögens und seine Entwicklung im Geschäftsjahr ist im Anlagenspiegel angeführt (Beilage zum Anhang). Im Geschäftsjahr 2020 wurde keine außerplanmäßige Abschreibung vorgenommen (VJ: TEUR 0).

In den Grundstücken und Bauten ist ein Verschmelzungsmehrwert in Höhe von TEUR 6.783 (VJ: TEUR 6.999) enthalten.

Investitionszuschüsse zu Grundstücke und Bauten

Die Aufgliederung der Investitionszuschüsse und ihre Entwicklung im Berichtsjahr wird wie folgt dargestellt:

	Stand am 01.01.2020 TEUR	Verbrauch TEUR	Auflösung TEUR	Zuweisung TEUR	Stand am 31.12.2020 TEUR
Investitionszuschuss Adlerhof	2.978	93	0	0	2.885
	2.978	**93**	**0**	**0**	**2.885**

Finanzanlagen

Angabe gem. § 238 Abs 1 Z 4 UGB für Beteiligungen ab 20%:

	Anteil in %	Stichtag	Währung	Eigenkapital per 31.12.	Ergebnis des Geschäftsjahres
CEE PROPERTY-INVEST Immobilien GmbH, Wien	100	31.12.2020	TEUR	817.096	6.699
German Property Invest Immobilien GmbH, Wien	100	31.12.2020	TEUR	235.081	32.946
A.D.I. Immobilien Beteiligungs GmbH, Wien	100	31.12.2020	TEUR	55.530	3.533
S IMMO Group Finance GmbH, Wien	100	31.12.2020	TEUR	257.543	4.252

Typisch stille Beteiligung an der PCC - Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co. KG:

Einlage TEUR 3.634 zuzüglich Verschmelzungsmehrwert TEUR 370.

Beteiligungen
Hierunter werden die Kommanditbeteiligung an der BGM – EB-Grundstücksbeteiligungen GmbH & Co KG und die Beteiligung an der ERSTE Immobilien Kapitalanlagegesellschaft m.b.H. ausgewiesen.

Umlaufvermögen

Nachstehend werden die **Forderungen und sonstigen Vermögensgegenstände** wie folgt gegliedert:

	Gesamtbetrag EUR	davon Restlaufzeit bis 1 Jahr EUR	davon Restlaufzeit über 1 Jahr EUR
Forderungen aus Lieferungen und Leistungen	489.842,81	427.518,29	62.324,52
Forderungen gegenüber verbundenen Unternehmen	13.376.413,68	13.376.413,68	0,00
Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	1.651.786,70	1.651.786,70	0,00
sonstige Forderungen und Vermögensgegenstände	6.942.055,73	6.918.476,73	23.579,00
Summe Forderungen	**22.460.098,92**	**22.374.195,40**	**85.903,52**

Nachstehend werden die **Forderungen und sonstigen Vermögensgegenstände** des Vorjahres wie folgt gegliedert:

	Gesamtbetrag	davon Restlaufzeit bis 1 Jahr	davon Restlaufzeit über 1 Jahr
	EUR	EUR	EUR
Forderungen aus Lieferungen und Leistungen	413	413	0
Forderungen gegenüber verbundenen Unternehmen	372.815	372.755	60
Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	1.848	1.848	0
sonstige Forderungen und Vermögensgegenstände	5.720	5.666	54
Summe Forderungen	**380.796**	**380.682**	**114**

Forderungen aus Lieferungen und Leistungen

Die Forderungen aus Lieferungen und Leistungen beinhalten offene Mietzinsforderungen, Betriebskostenforderungen sowie diverse Weiterverrechnungen. Einzelwertberichtigungen in Höhe von TEUR 214 (Vorjahr: TEUR 173) sind bereits abgezogen.

Forderungen gegenüber verbundenen Unternehmen

Die Forderungen gegenüber verbundenen Unternehmen betreffen kurzfristige Gesellschafterdarlehen in Höhe von TEUR 0 (Vorjahr: TEUR 328.290), Cash-Pool-Forderungen in Höhe von TEUR 5.457 (Vorjahr: TEUR 35.450), Forderungen gegenüber Konzerngesellschaften aus Steuerumlagen in Höhe von TEUR 5.438 (Vorjahr: TEUR 2.578), diverse Weiterverrechnungen in Höhe von TEUR 1.828 (Vorjahr: TEUR 5.842) sowie Zinsen für eine stille Beteiligung in Höhe von TEUR 654 (Vorjahr: TEUR 654).

Sonstige Forderungen

Die sonstigen Forderungen und Vermögensgegenstände beinhalten mit TEUR 24 (Vorjahr TEUR 54) Up-Front-Prämien für Zinscaps, die gem. AFRAC-Stellungnahme Nr. 15 „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“ bilanziert und über die Laufzeit abgeschrieben werden. Weiters umfasst die Position mit TEUR 1.648 (Vorjahr: TEUR 2.072) sonstige Forderungen aus Hausverwaltung, mit TEUR 4.864 (Vorjahr: TEUR 3.338) Forderungen gegenüber dem Finanzamt und mit TEUR 406 (Vorjahr: TEUR 256) sonstige Forderungen.

In den sonstigen Forderungen sind Erträge in Höhe von TEUR 6.634 enthalten, die erst nach dem Stichtag zahlungswirksam werden.

Aktive latente Steuern

Der bilanzierte Betrag an aktiven latenten Steuern stellt einen Überhang aktiver über passive latente Steuern dar. Eine Saldierung der aktiven mit den passiven latenten Steuern wird vorgenommen, weil eine Aufrechnung der tatsächlichen Steuererstattungsansprüche mit den tatsächlichen Steuerschulden rechtlich möglich ist.

Die Entwicklung der aktiven und passiven latenten Steuern (vor Aufrechnung der Salden innerhalb der gleichen Steuerjudikatur) stellt sich wie folgt dar:

	Unternehmens-recht	Steuerrecht	Temporäre Differenzen	Latente Steuer (Steuersatz 25%)
Aktive latente Steuern				
Kosten der Geldbeschaffung	0	2.074.058	2.074.058	518.515
Abfertigungsrückstellung	153.088	78.530	74.558	18.639
Drohverlustrückstellung für negative Marktwerte von Derivaten	26.310.212	0	26.310.212	6.577.553
Summe Stand 31.12.2020				**7.114.707**

	Unternehmens-recht	Steuerrecht	Temporäre Differenzen	Latente Steuer (Steuersatz 25%)
Passive latente Steuern				
Verschmelzungswerte	6.782.680	0	-6.782.680	-1.695.670
Temporäre Differenzen Buchwerte des Immobilienvermögens	19.357.255	17.881.605	-1.475.651	-368.913
Summe Stand 31.12.2020				**-2.064.583**

Per 31.12.2020 ergibt sich auf saldierter Basis eine aktive Latenz in Höhe von TEUR 5.050 (Vorjahr: TEUR 4.477). Die Veränderung zum Vorjahr in Höhe von TEUR 573 stellt einen latenten Steuerertrag dar. Latente Steuern auf temporäre Differenzen, die sich zwischen dem steuerrechtlichen Wertansatz von Anteilen an verbundenen Unternehmen und Beteiligungen und dem unternehmensrechtlichen Wertansatz ergeben, werden nur insofern gebildet, als dass die Gesellschaft nicht in der Lage ist, den zeitlichen Verlauf der Auflösung der temporären Differenzen zu steuern, und es nicht wahrscheinlich ist, dass sich die temporären Differenzen in absehbarer Zeit auflösen werden.

	Unternehmens-recht	Steuerrecht	Temporäre Differenzen	Latente Steuer (Steuersatz 25%)
Aktive latente Steuern				
Kosten der Geldbeschaffung	0	2.557.588	2.557.588	639.397
Abfertigungsrückstellung	133.486	51.517	81.869	20.492
Drohverlustrückstellung für negative Marktwerte von Derivaten	24.068.178	0	24.068.178	6.017.045
Summe Stand 31.12.2019				**6.676.934**

	Unternehmens-recht	Steuerrecht	Temporäre Differenzen	Latente Steuer (Steuersatz 25%)
Passive latente Steuern				
Verschmelzungswerte	6.999.233	0	-6.999.233	-1.749.808
Temporäre Differenzen Buchwerte des Immobilienvermögens	20.406.883	18.606.523	-1.800.360	-450.090
Summe Stand 31.12.2020				**-2.199.898**

2.1.2. Bilanz - Passivseite

Eigenkapital

Das Grundkapital wird mit TEUR 267.458 (Vorjahr: TEUR 243.144) abzüglich eigene Anteile in Höhe von TEUR 8.060 (Vorjahr: TEUR 2.599) ausgewiesen und zerfällt in 73.608.896 Stück auf Inhaber lautende Stückaktien. Die Aktien notieren an der Wiener Börse.

Im Jänner 2020 erfolgte eine Barkapitalerhöhung im Wege eines Accelerated-Bookbuilding-Verfahrens (ABB). Durch die Ausgabe von 6.691.717 Inhaberaktien gegen Bareinlage unter Ausschluss des Bezugsrechts erhöhte sich das aktienrechtliche Grundkapital (ohne Abzug eigener Aktien) auf TEUR 267.458. Der Bezugspreis je junger Aktie wurde mit EUR 22,25 je Aktie at market – somit ohne Abschlag zum Schlusskurs vom 15.01.2020 – festgelegt. Der Bruttoemissionserlös betrug rund TEUR 148.891.

Am 24.03.2020 begann ein Aktienrückkauf-Programm, welches am 30.09.2020 endete. Am 28.10.2020 begann ein weiteres Aktienrückkauf-Programm, welches voraussichtlich am 30.06.2021 enden wird. Im Geschäftsjahr 2020 wurden 1.502.927 Aktien rückgekauft. Zum 31.12.2020 hält die S IMMO AG somit 2.218.351 Stück (Vorjahr: 715.424 Stück) eigene Aktien, die in Übereinstimmung mit den Regelungen des RÄG 2014 vom Grundkapital abgesetzt und durch Umwidmung frei verfügbarer Gewinnrücklagen in einer eigenen Rücklage (TEUR 8.060) erfasst wurden. Der Unterschiedsbetrag wurde mit den Gewinnrücklagen verrechnet. Im Geschäftsjahr 2020 wurde die Rücklage für eigene Anteile um TEUR 5.461 erhöht.

Weiters wurden freie Gewinnrücklagen in Höhe von TEUR 24.551 (Vorjahr: TEUR 152) aufgelöst. Insgesamt unterliegt ein Betrag von TEUR 5.050 (Vorjahr TEUR 4.477) einer Ausschüttungssperre gem. § 235 Abs. 2 UGB.

In der am 12.10.2020 abgehaltenen 31. ordentlichen Hauptversammlung der S IMMO AG wurde für das Geschäftsjahr 2019 die Ausschüttung einer Dividende von EUR 0,70 je dividendenberechtigter Aktie beschlossen. Der gesamte Ausschüttungsbetrag belief sich auf TEUR 50.185.

Zum Zeitpunkt der Aufstellung des Jahresabschlusses der S IMMO AG wurde noch kein Vorschlag zur Dividendenausschüttung beschlossen.

Kapitalrücklagen

Die Kapitalrücklage setzt sich zur Gänze aus einer gebundenen Kapitalrücklage zusammen und beträgt TEUR 202.520 (Vorjahr: TEUR 77.944).

Die Erhöhung ist auf den Unterschiedsbetrag im Zusammenhang mit der Kapitalerhöhung zurückzuführen.

Rückstellungen

Die Rückstellungen haben sich im Geschäftsjahr wie folgt entwickelt:

	Stand 01.01.2020 EUR	Verwendung EUR	Auflösung EUR	Zuweisung EUR	Stand 31.12.2020 EUR
Rückstellungen für Abfer-tigungen	133.485,62	0,00	0,00	19.602,60	153.088,22
Steuerrückstellungen	13.917,00	0,00	0,00	0,00	13.917,00
sonstige Rückstellungen	26.755.514,55	26.408.253,59	213.768,21	28.983.232,23	29.116.724,98
	26.902.917,17	**26.408.253,59**	**213.768,21**	**29.002.834,83**	**29.283.730,20**

Die **sonstigen Rückstellungen** setzen sich folgendermaßen zusammen:

	Stand am 31.12.2020 TEUR	Stand am 31.12.2019 TEUR
Rechts-, Prüfungs-, Beratungs-, Schätz-, Veröffentli-chungskosten	786	643
Instandhaltung	331	468
Personal	1.690	1.577
Drohverluste aus Derivaten	26.310	24.068
Pensionsalter	**29.117**	**26.756**

Verbindlichkeiten

Anleihen

Die Anleiheverbindlichkeiten zum 31.12.2020 setzen sich folgendermaßen zusammen:

ISIN	Buchwert TEUR	Kupon	Begeben in	Begeben in
AT0000A177D2	28.549,00	4,50%	2014	17.06.2021
AT0000A1DBM5	33.993,50	3,25%	2015	09.04.2025
AT0000A1DWK5	65.000,00	3,25%	2015	21.04.2027
AT0000A1Z9D9	100.000,00	1,75%	2018	06.02.2024
AT0000A1Z9C1	50.000,00	2,875%	2018	06.02.2030
AT0000A285H4	150.000,00	1,875%	2019	22.05.2026
AT0000A2AEA8	100.000,00	2,00%	2019	15.10.2029
Gesamt	**527.542,50**			

Sämtliche Anleihenverbindlichkeiten sind endfällig.

Verbindlichkeiten

Die einzelnen Verbindlichkeitsposten zeigen folgendes Bild:

	Restlaufzeit bis zu einem Jahr EUR	Restlaufzeit zwischen einem und fünf Jahren EUR	Restlaufzeit über fünf Jahren EUR	Bilanzwert EUR	Vorjahreswert TEUR
Anleihen	28.549.000,00	133.993.500,00	365.000.000,00	527.542.500,00	527.456
Verbindlichkeiten gegenüber Kreditinstituten	7.326.032,33	26.238.811,80	79.411.934,44	112.976.778,57	110.919
Verbindlichkeiten aus Lieferungen und Leistungen	574.553,92	0,00	0,00	574.553,92	342
Verbindlichkeiten gegenüber verbundenen Unternehmen	96.632.523,23	41.628.026,50	122.077,25	138.382.626,98	129.752
sonstige Verbindlichkeiten	10.482.017,88	0,00	1.560.085,80	12.042.103,68	12.756
	143.564.127,36	**201.860.338,30**	**446.094.097,49**	**791.518.563,15**	**781.225**

Die einzelnen Verbindlichkeitsposten zeigen vom Vorjahr folgendes Bild:

	Restlaufzeit bis zu einem Jahr TEUR	Restlaufzeit zwischen einem und fünf Jahren TEUR	Restlaufzeit über fünf Jahren TEUR	Bilanzwert TEUR
Anleihen	0	128.463	398.993	527.456
Verbindlichkeiten gegenüber Kreditinstituten	29.469	24.780	56.670	110.919
Verbindlichkeiten aus Lieferungen und Leistungen	342	0	0	342
Verbindlichkeiten gegenüber verbundenen Unternehmen	68.198	32.265	29.289	129.752
sonstige Verbindlichkeiten	11.052	0	1.704	12.756
	109.061	**185.508**	**486.656**	**781.225**

Verbindlichkeiten gegenüber Kreditinstituten

Vom Gesamtbetrag der Verbindlichkeiten gegenüber Kreditinstituten sind TEUR 112.977 (Vorjahr: TEUR 110.787) dinglich besichert (Grundpfandrecht).

Die Verbindlichkeiten gegenüber Kreditinstituten enthalten mit TEUR 2.737 (Vorjahr TEUR 4.900) Verbindlichkeiten aus Sale-und-Lease-Back-Verträgen, die zum Barwert der zukünftigen Leasingraten bewertet sind.

Derivate Finanzinstrumente

Derivate werden zur Reduzierung des Zinsänderungsrisikos eingesetzt. Zinsänderungsrisiken ergeben sich aufgrund bestehender variabel verzinslicher Finanzierungsverbindlichkeiten. Sicherungsinstrumente werden in der Regel auf die Laufzeit der abzusichernden Zahlungsströme aus den Finanzierungsverbindlichkeiten abgeschlossen, für den Fall, dass Sicherungsinstrumente beispielsweise nicht für die gesamte Laufzeit der Finanzierungsverbindlichkeiten verfügbar sind, kommen auch rollierende Sicherungsstrategien zum Einsatz.

Die Gesellschaft hatte zum Bilanzstichtag Zinsswap- und Zinscap-Verträge abgeschlossen:

	Volumen in TEUR	Marktwert in TEUR
Zinsswaps	289.000	-26.310
Zinscaps	190.000	24
	479.000	**-26.286**

Die Gesellschaft hatte zum Bilanzstichtag vom Vorjahr Zinsswaps- und Zinscap-Verträge abgeschlossen:

	Volumen in TEUR	Marktwert in TEUR
Zinsswaps	305.370	-24.068
Zinscaps	190.000	54
	495.370	**-24.014**

Für Swaps mit zum Bilanzstichtag negativen Marktwerten wurde (im Hinblick auf die AFRAC- Stellungnahme zu Nr. 15 „Die unternehmensrechtliche Bilanzierung von Derivaten und Sicherungsinstrumenten“) eine Rückstellung für drohende Verluste in Höhe von TEUR 26.310 (Vorjahr: TEUR 24.068) gebildet.

Verbindlichkeiten gegenüber verbundenen Unternehmen

Die Verbindlichkeiten gegenüber verbundenen Unternehmen betreffen Verbindlichkeiten aus Cash Pooling in Höhe von TEUR 31.305 (Vorjahr: TEUR 34.167) und Verbindlichkeiten aus erhaltenen Darlehen in Höhe von TEUR 105.337 (Vorjahr: TEUR 92.325) sowie Steuerverbindlichkeiten gegenüber österreichischen Konzerngesellschaften in Höhe von TEUR 1.740 (Vorjahr: TEUR 3.260)

Sonstige Verbindlichkeiten

Die sonstigen Verbindlichkeiten enthalten mit TEUR 1.560 (Vorjahr: TEUR 1.704) Kautionen, mit TEUR 677 (Vorjahr: TEUR 2.105) Verbindlichkeiten aus Steuern, mit TEUR 87 (Vorjahr: TEUR 94) Verbindlichkeiten aus sozialer Sicherheit, mit TEUR 8.007 (Vorjahr: TEUR 8.094) Verbindlichkeiten aus Anleihezinsen und mit 1.710 (Vorjahr: TEUR 759) übrige Verbindlichkeiten. In den sonstigen Verbindlichkeiten sind Aufwendungen in Höhe von TEUR 9.207 (Vorjahr TEUR 9.843) enthalten, die erst nach dem Stichtag zahlungswirksam werden.

Rechnungsabgrenzungsposten

Die Position Rechnungsabgrenzungsposten besteht im Wesentlichen aus dem Agio im Zusammenhang mit der Begebung einer Anleihe.

Haftungsverhältnisse und sonstige finanzielle Verpflichtungen

Zum 31.12.2020 bestehen diverse Haftungsverhältnisse. Diese gliedern sich auf in Garantien in Höhe von TEUR 226.487 (Vorjahr: TEUR 291.878), Patronatserklärungen in Höhe von TEUR 163.367 (Vorjahr: TEUR: 145.721) für Konzerngesellschaften sowie sonstige Haftungen in Höhe von TEUR 3.103 (Vorjahr: TEUR 91).

Die Gesellschaft hat zudem zu Gunsten einzelner Konzerngesellschaften harte Patronatserklärungen abgegeben, mit denen sie sich verpflichtet hat, diese Gesellschaften ab dem jeweiligen Erklärungsdatum zumeist über mindestens 12 Monate so mit finanziellen Mitteln auszustatten, dass diese jederzeit in der Lage sind, alle Zahlungsverpflichtungen zeitgerecht erfüllen zu können.

2.2 Gewinn- und Verlustrechnung

Die Erstellung der Bilanz sowie der Gewinn- und Verlustrechnung wurde den gesetzlichen Vorschriften entsprechend vorgenommen. Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren erstellt.

Umsatzerlöse

Die Umsatzerlöse setzen sich wie folgt zusammen:

	2020 TEUR	2019 TEUR
Erlöse aus Vermietung	16.145	16.035
Betriebskostenweiterverrechnung	3.755	3.744
Konzerninterne Verrechnungen	2.054	5.576
Diverse	1.573	1.132
	23.527	**26.487**

Die konzerninternen Verrechnungen betreffen Verrechnungen von Dienstleistungen im Zusammenhang mit Asset Management, Projektentwicklung, Cash Management, Finanzierung sowie Verwaltungsentgelte bzw. eine Personalüberlassung.

Die Umsatzerlöse betreffen in Höhe von TEUR 22.024 (Vorjahr: TEUR 21.992) das Inland und in Höhe von TEUR 1.503 (Vorjahr: TEUR 4.494) die Europäische Union.

Sonstige betriebliche Erträge

	2020 TEUR	2019 TEUR
Erträge aus dem Abgang vom Anlagevermögen	0	1
Erträge aus der Auflösung von Rückstellungen	155	126
Diverse	293	272
	448	**399**

Aufwendungen für sonstige bezogene Herstellungsleistungen

	2020 TEUR	2019 TEUR
Betriebskosten und laufende öffentliche Abgaben gemäß § 21 Abs 1 und 2 MRG	4.040	4.080
Instandhaltungsaufwendungen	1.267	1.576
	5.307	**5.657**

Personalaufwand

In den Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen sind Aufwendungen für Abfertigungen in Höhe von TEUR 20 (Vorjahr: TEUR 22) und Leistungen an die Mitarbeitervorsorgekasse in Höhe von TEUR 88 (Vorjahr: TEUR 82) enthalten.

Die Bezüge der Mitglieder des Vorstands lassen sich wie folgt aufgliedern:

	2020 TEUR	2019 TEUR
Fix	825	825
Variabel	1.186	914
	2.011	**1.739**

Neben den oben genannten Beträgen bestanden noch sonstige Bezüge, die im Wesentlichen die Beiträge an Pensionskassen in Höhe von TEUR 83 (Vorjahr: TEUR 83) und die Beiträge an die Mitarbeitervorsorgekasse in Höhe von TEUR 31 (Vorjahr: TEUR 27) enthalten.

Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen

Die Abschreibungen enthalten neben den planmäßigen Abschreibungen in Höhe von TEUR 4.614 (Vorjahr: TEUR 4.580) auch Vollabschreibungen geringwertiger Wirtschaftsgüter in Höhe von TEUR 13 (Vorjahr: TEUR 6). Der Verbrauch des Investitionszuschusses in Höhe von TEUR 93 (Vorjahr: TEUR 93) ist in den Abschreibungen enthalten.

Sonstige betriebliche Aufwendungen

	2020 TEUR	2019 TEUR
übrige	**5.329**	**6.945**

Die ausgewiesenen **übrigen betrieblichen Aufwendungen** setzen sich folgendermaßen zusammen:

	2020 TEUR	2019 TEUR
Verwaltungskosten	1.294	1.880
Investor Relations und Unternehmenskommunikationskosten	1.244	1.434
Rechts- und Beratungsaufwand	2.243	1.971
Vergütungen an Aufsichtsratsmitglieder	268	239
Aufwendungen für Forderungsausfälle und Dotierung von Wertberichtigungen zu Forderungen	41	33
Diverse	238	1.388
	5.328	**6.945**

Erträge aus Beteiligungen

Hierunter werden erhaltene Dividenden aus Anteilen an verbundenen Unternehmen in Höhe von TEUR 25.000 (Vorjahr: TEUR 83.413) und aus Beteiligungen in Höhe von TEUR 298 (Vorjahr: TEUR 617) ausgewiesen.

Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens

Hierunter werden insbesondere die Zinserträge von Ausleihungen an verbundene Unternehmen ausgewiesen.

Sonstige Zinsen und ähnliche Erträge

Die sonstigen Zinsen und ähnlichen Erträge betreffen im Wesentlichen mit TEUR 108 (Vorjahr: TEUR 47) die Zinsen aus dem Cash Pool.

Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen

Die Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen betreffen im Vorjahr Erlöse aus dem Verkauf von Wertpapieren des Anlagevermögens in Höhe von TEUR 1 sowie die Auflösung von Wertberichtigungen infolge Rückführung von Ausleihungen an verbundene Unternehmen in Höhe von TEUR 5.659.

Zinsen und ähnliche Aufwendungen

Der Zinsaufwand resultiert mit TEUR 1.292 (Vorjahr: TEUR 1.740) aus Bankzinsen, mit TEUR 2.409 (Vorjahr: TEUR 2.671) aus Darlehen von verbundenen Unternehmen, mit TEUR 12.506 (Vorjahr: TEUR 13.911) aus eigenen Anleihen, mit TEUR 6.857 aus der Veränderung der Rückstellung für Drohverluste sowie Zinsen aus Derivaten (Vorjahr: TEUR 12.482), mit TEUR 857 (Vorjahr: TEUR 1.804) aus sonstigen Zinsen und ähnlichen Aufwendungen, mit TEUR 2.253 (Vorjahr: TEUR 0) aus Nebenkosten im Zusammenhang mit der Kapitalerhöhung und mit TEUR 32 (Vorjahr: TEUR 0) aus Nebenkosten für Aktienrückkäufe.

Im Vorjahr wurde in dieser Position auch der Aufwand aus dem Rückkauf einer Anleihe sowie eine Überzahlung im Zusammenhang mit einem Anleihentausch in Höhe von TEUR 4.642 ausgewiesen.

Steuern vom Einkommen und vom Ertrag

Dieser Posten beinhaltet mit TEUR 30 (Vorjahr: TEUR 30) den Körperschaftsteueraufwand (Mindest-KöSt für Gruppenträger und Gruppenmitglieder der Unternehmensgruppe nach § 9 KStG für das Jahr 2020) sowie Körperschaftsteuergutschriften aus Vorperioden in Höhe von TEUR 8 (Vorjahr: Körperschaftsteuernachzahlung in Höhe von TEUR 208). Weiters gelangen Erträge aus Steuerumlagen in Höhe von TEUR 5.438 (Vorjahr: TEUR 1.262) und Aufwendungen aus Steuerumlagen aus Vorperioden in Höhe von TEUR 68 (Vorjahr: TEUR 65) von zur Unternehmensgruppe gehörenden Gruppenmitgliedern zum Ausweis.

Vom Wahlrecht gem. § 198 Abs. 9 UGB wurde kein Gebrauch gemacht. Für die Erläuterung des Ansatzes latenter Steuern wird auf die Abschnitte 1.5. und 2.1.1/"Aktive latente Steuern" verwiesen. Die Bilanzierung latenter Steuern erfolgte unter Beachtung der Ausführungen in der AFRAC-Stellungnahme 30 („Latente Steuern im Jahres- und Konzernabschluss").

Aufwendungen für den Abschlussprüfer

Bezüglich der Angabe gemäß § 238 Abs. 1 Z 18 UGB (Aufwendungen für die Abschlussprüfung) wird auf die entsprechende Angabe im Anhang des Konzernabschlusses zum 31.12.2020 verwiesen, der beim Firmenbuch des Handelsgerichts Wien hinterlegt ist.

3. Ergänzende Angaben

Arbeitnehmer

Die Gesellschaft beschäftigte im Jahresdurchschnitt 2 Vorstandsmitglieder, 42 Angestellte und keine Arbeiter (im Vorjahr 2 Vorstandsmitglieder, 42 Angestellte und keine Arbeiter).

Konzernverhältnisse

Die S IMMO AG, Wien, stellt einen Konzernabschluss gemäß § 245a UGB in Übereinstimmung mit den vom International Accounting Standards Board (IASB) formulierten Standards (IFRS und IAS) und Interpretationen (IFRIC und SIC), wie sie in der Europäischen Union (EU) anzuwenden sind, auf. Der Konzernabschluss ist beim Handelsgericht Wien hinterlegt. Ein gesonderter konsolidierter nicht finanzieller Bericht wird erstellt und im Rahmen des Geschäftsberichtes veröffentlicht.

Die S IMMO AG, Wien, stellt den Konzernabschluss für den größten und kleinsten Kreis von Unternehmen auf.

Gruppenbesteuerung

Die Gesellschaft ist Gruppenträger einer steuerlichen Unternehmensgruppe gemäß § 9 Abs. 1 KStG.

Zwischen Gruppenträger und Gruppenmitgliedern besteht ein Vertrag zur Regelung des Steuerausgleichs. Die Ermittlung des Steuerausgleichs erfolgt demnach nach der Belastungsmethode: weist ein inländisches Gruppenmitglied ein positives steuerliches Ergebnis aus, dann ist eine positive Steuerumlage in Höhe von 25% an den Gruppenträger zu entrichten. Im Falle eines negativen steuerlichen Ergebnisses erhält das inländische Gruppenmitglied keine sofortige Zahlung, vielmehr werden die negativen Ergebnisse als interner Verlustvortrag des jeweiligen Gruppenmitgliedes in Evidenz gehalten, welcher mit zukünftigen positiven Ergebnissen verrechnet werden kann.

Nahestehende Unternehmen und Personen

Es bestehen weder heuer noch im Vorjahr Beziehungen mit nahestehenden Personen, welche nicht fremdüblich sind.

Die **Organe** der Gesellschaft setzten sich wie folgt zusammen:

Aufsichtsrat:

- Dr. Karin REST, EMBA (Vorsitzende seit 15.10.2020)
- Christian HAGER (1. stellvertretender Vorsitzender seit 15.10.2020)
- DI Manfred RAPF (2. stellvertretender Vorsitzender seit 15.10.2020)
- Mag. Hanna BOMBA
- MMag. Holger Schmidtmayr, MRICS, Arbeitnehmervertreter (seit 26.01.2021)
- Mag. Elisabeth Wagerer, Arbeitnehmervertreterin (seit 26.01.2021)
- Dr. Martin SIMHANDL (Vorsitzender bis 12.10.2020, ausgeschieden mit 12.10.2020)
- Mag. Franz KERBER (1. stellvertretender Vorsitzender bis 12.10.2020, ausgeschieden mit 12.10.2020)
- Mag. Dr. Wilhelm RASINGER (2. stellvertretender Vorsitzender bis 12.10.2020, ausgeschieden mit 12.10.2020)
- Mag. Andrea BESENHOFER (ausgeschieden 12.10.2020)

Vorstand:

- Mag. Ernst VEJDOVSZKY
- Mag. Friedrich WACHERNIG, MBA
- Dr. Bruno ETTENAUER, MRICS (seit 15.03.2021)

Die Aufsichtsratsmitglieder erhielten für das Geschäftsjahr 2020 folgende Vergütungen (inkl. Sitzungsgelder):

Dr. Karin REST, MBA	EUR 35.239
Christian HAGER	EUR 34.120
DI Manfred RAPF	EUR 37.120
Mag. Hanna BOMBA	EUR 31.000
Dr. Martin SIMHANDL	EUR 42.304
Mag. Franz KERBER	EUR 33.478
Mag. Dr. Wilhelm RASINGER	EUR 32.478
Mag. Andrea BESENHOFER	EUR 22.652

Vorschüsse, Kredite und Haftungsverhältnisse

Es bestehen keine Vorschüsse, Kredite oder Haftungsverhältnisse an die Mitglieder des Vorstandes bzw. des Aufsichtsrates.

Ereignisse nach dem Bilanzstichtag

Im ersten Quartal 2021 wurde ein Green Bond mit einem Nominale von EUR 150 Mio., siebenjähriger Laufzeit und einem Kupon von 1,75% erfolgreich platziert.

Im März 2021 wurde das Vorstandsteam der S IMMO AG neu strukturiert. Herr Dr. Bruno Ettenauer, MRICS wurde mit Wirkung zum 15.03.2021 für die Dauer von drei Jahren zum Vorstandsvorsitzenden (CEO) bestellt. Herr DI Herwig Teufelsdorfer wurde mit Wirkung zum 12.4.2021 für die Dauer von drei Jahren zum CIO (Chief Investment Officer) der Gesellschaft bestellt. Das Mandat von Herr Mag. Friedrich Wachernig, MBA wurde um weitere drei Jahre bis zum 30.06.2024 in der Funktion als COO (Chief Operation Officer) verlängert.

Am 14.3.2021 hat die IMMOFINANZ AG die Absicht zur Abgabe eines freiwilligen öffentlichen Übernahmeangebots an die Aktionäre der S IMMO AG bekanntgegeben.

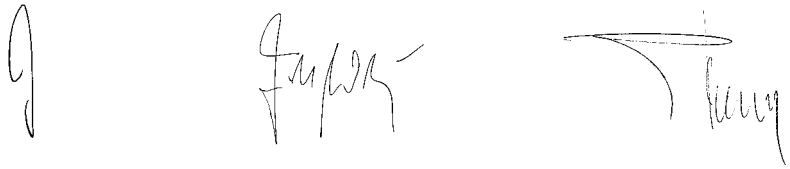
Am 16.3.2021 wurde die Gesellschaft von der Übernahmekommission informiert, dass der 2. Senat der Übernahmekommission gemäß § 33 Abs 1 Z 2 ÜbG auf Antrag eines Aktionärs ein Nachprüfungsverfahren in Bezug auf die Zielgesellschaft IMMOFINANZ eröffnet hat und prüft, ob verschiedene Rechtsträger, darunter auch die S IMMO AG und ihre Tochtergesellschaft die CEE Immobilien GmbH, eine Angebotspflicht auf Ebene der Immofinanz AG verletzt haben. Da der S IMMO AG derzeit noch keine konkreten Informationen zu den erhobenen Vorhalten vorliegen, kann die Gesellschaft derzeit auch nicht abschätzen, ob und inwieweit das Verfahren die S IMMO AG auch tatsächlich materiell betrifft.

Der globale Ausbruch des Coronavirus (COVID-19) im März 2020 und die in diesem Zusammenhang stehenden behördlichen Maßnahmen sowie verordneten Einschränkungen haben wesentliche Auswirkungen auf die globale Wirtschaftsentwicklung. Trotz der Fortschritte in Bezug auf die Bekämpfung der Pandemie ist die weitere wirtschaftliche Entwicklung mit erhebli-

chen Unsicherheiten verbunden, weshalb zukünftige finanzielle Auswirkungen zum Zeitpunkt der Erstellung des Jahresabschlussberichtes nicht verlässlich abschätzbar sind.

Auch im ersten Quartal 2021 bestehen die Auswirkungen der COVID-19-Pandemie und die damit zusammenhängenden Unsicherheiten in den Märkten, in denen S IMMO tätig ist, fort.

Wien, am 22.03.2021



Mag. Ernst Vejdovszky | Mag. Friedrich Wachernig, MBA | Dr. Bruno Ettenauer, MRICS

Anlagenspiegel zum 31. Dezember 2020

	Anschaffungs-/Herstellungskosten				kumulierte Abschreibungen				Buchwerte	
	Stand 01.01.20 EUR	Zugänge EUR	Abgänge EUR	Stand 31.12.20 EUR	Stand 01.01.20 EUR	Abschreibungen EUR	Abgänge EUR	Stand 31.12.20 EUR	Stand 01.01.20 EUR	Stand 31.12.20 EUR
A. ANLAGEVERMÖGEN										
I. Immaterielle Vermögensgegenstände										
1. gewerbliche Schutzrechte und ähnliche Rechte und Vorteile und Software	288.893,44	97.772,39	27,39	386.638,44	229.801,55	33.777,03	27,39	263.551,19	59.091,89	**123.087,25**
II. Sachanlagen										
1. Grundstücke und Bauten	213.233.536,96	266.099,35	2.265,37	213.497.370,94	77.999.592,56	4.505.220,03	48,83	82.504.763,76	135.233.944,40	130.992.607,18
davon Grundwert	45.527.348,77	0,00	0,00	45.527.348,77	0,00	0,00	0,00	0,00	45.527.348,77	45.527.348,77
2. andere Anlagen, Betriebs- und Geschäftsausstattung	743.199,42	63.327,24	14.835,07	791.691,59	489.035,66	87.902,62	13.524,91	563.413,37	254.163,76	228.278,22
Anlagen in Bau	0,00	206.701,62	0,00	206.701,62	0,00	0,00	0,00	0,00	0,00	206.701,62
	213.976.736,38	**536.128,21**	**17.100,44**	**214.495.764,15**	**78.488.628,22**	**4.593.122,65**	**13.573,74**	**83.068.177,13**	**135.488.108,16**	**131.427.587,02**
III. Finanzanlagen										
1. Anteile an verbundenen Unternehmen	700.313.174,92	503.000.000,00	0,00	1.203.313.174,92	0,00	0,00	0,00	0,00	700.313.174,92	1.203.313.174,92
2. Ausleihungen an verbundene Unternehmen	5.478.081,08	0,00	5.478.081,08	0,00	0,00	0,00	0,00	0,00	5.478.081,08	0,00
3. Beteiligungen	2.820.017,60	84.000,00	0,00	2.904.017,60	0,00	0,00	0,00	0,00	2.820.017,60	2.904.017,60
4. Ausleihungen an Unternehmen, mit denen ein Beteiligungsverhältnis besteht	8.641.065,10	0,00	8.641.065,10	0,00	0,00	0,00	0,00	0,00	8.641.065,10	0,00
	717.252.338,70	**503.084.000,00**	**14.119.146,18**	**1.206.217.192,52**	**0,00**	**0,00**	**0,00**	**0,00**	**717.252.338,70**	**1.206.217.192,52**
SUMME ANLAGENSPIEGEL	**931.517.968,52**	**503.717.900,60**	**14.136.274,01**	**1.421.099.595,11**	**78.718.429,77**	**4.626.899,68**	**13.601,13**	**83.331.728,32**	**852.799.538,75**	**1.337.767.866,79**

Bestätigungsvermerk

Bericht zum Jahresabschluss

Prüfungsurteil

Wir haben den Jahresabschluss der S IMMO AG, Wien, bestehend aus der Bilanz zum 31. Dezember 2020, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2020 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr 537/2014 (im Folgenden AP-VO) und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmens- und berufsrechtlichen Vorschriften und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise bis zum Datum dieses Bestätigungsvermerkes ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzes und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Bewertung der Anteile an verbundenen Unternehmen

Siehe Anhang Kapitel 2.1.1. Bilanz – Aktivseite, Finanzanlagen

Das Risiko für den Abschluss

Die S IMMO AG, Wien, weist zum 31. Dezember 2020 Anteile an verbundenen Unternehmen mit einem Buchwert in Höhe von TEUR 1.203.313 (Vorjahr: TEUR 700.313) im Jahresabschluss aus. Für sämtliche Anteile an verbundenen Unternehmen wird ein Werthaltigkeitstest durchgeführt.

Da es sich bei den verbundenen Unternehmen vor allem um Immobiliengesellschaften handelt, basiert der Werthaltigkeitstest auf einer vereinfachten Unternehmensbewertung, deren Basis insbesondere die von externen, unabhängigen Sachverständigen erstellten Immobiliengutachten sind. Das wesentliche Risiko besteht bei den Immobiliengutachten in der Festlegung von Annahmen und Schätzungen wie Diskontierungszinssatz und zukünftige Mieteinnahmen.

Eine geringfügige Änderung dieser Annahmen und Schätzungen kann einen wesentlichen Einfluss auf die Bewertung der Anteile an verbundene Unternehmen haben. Aus diesem Grund ist die Bewertung der Anteile an verbundenen Unternehmen wesentlich für unsere Prüfung.

Unsere Vorgehensweise in der Prüfung

Wir haben die Werthaltigkeit der Anteile an verbundenen Unternehmen wie folgt beurteilt:

- Wir haben ein Verständnis über den Bewertungsprozess und die diesbezüglich unternehmensintern eingerichteten Kontrollen erlangt.
- Wir haben die Objektivität, Unabhängigkeit und Expertise der externen Sachverständigen beurteilt und unter Einbeziehung unserer internen Immobilienbewertungsspezialisten die Veränderungen der beizulegenden Zeitwerte und wesentlichen Schätzungen, wie Renditen, zukünftige Marktmieten sowie Leerstandsraten kritisch hinterfragt. Zusätzlich evaluierten wir die internen Kontrollen der Gesellschaft im Zusammenhang mit den für die Bewertung des Immobilienportfolios verwendeten Daten.
- Auf Basis einer Stichprobe haben wir mit Unterstützung unserer internen Immobilien-bewertungsspezialisten die im Bewertungsmodell für die Immobiliengutachten verwende-

ten stichtagsbezogenen objektspezifischen Basisdaten, wie laufende Miete und aktueller Leerstand, mit den zugrunde liegenden Daten der Gesellschaft abgeglichen. Die von den Gutachtern verwendeten Bewertungsmodelle haben wir dabei auf ihre Konformität mit allgemein anerkannten Bewertungsgrundsätzen hin beurteilt und die wesentlichen Bewertungsannahmen und parameter, wie etwa die nachhaltigen Mieten sowie die Diskontierungszinssätze, hinsichtlich ihrer Angemessenheit kritisch gewürdigt und mit externen Marktdaten abgestimmt.
- Die uns vorgelegten Unterlagen und Berechnungen zur Bewertung der Anteile an verbundenen Unternehmen haben wir rechnerisch nachvollzogen und beurteilt, inwiefern der jeweilige Beteiligungsansatz der betroffenen Anteile im ermittelten beizulegenden Wert Deckung findet.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Jahresfinanzbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk.

Unser Prüfungsurteil zum Jahresabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir geben keine Art der Zusicherung darauf.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Falls wir auf der Grundlage der von uns zu den vor dem Datum des Bestätigungsvermerks des Abschlussprüfers erlangten sonstigen Informationen durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens , Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der AP-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der AP-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:
- Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.

- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.
- Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.
- Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben und uns mit ihm über alle Beziehungen und sonstigen Sachverhalte austauschen, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – damit zusammenhängende Schutzmaßnahmen auswirken.
- Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anforderungen

Bericht zum Lagebericht

Der Lagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält die nach § 243a UGB zutreffenden Angaben, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld haben wir keine wesentlichen fehlerhaften Angaben im Lagebericht festgestellt.

Zusätzliche Angaben nach Artikel 10 AP-VO

Wir wurden von der Hauptversammlung am 12. Oktober 2020 als Abschlussprüfer gewählt und am 19. Oktober 2020 vom Aufsichtsrat mit der Abschlussprüfung der Gesellschaft für das am 31. Dezember 2020 endende Geschäftsjahr beauftragt.

Wir sind ohne Unterbrechung seit dem Jahresabschluss zum 31. Dezember 2018 Abschlussprüfer der Gesellschaft.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der AP-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der AP-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Thomas Smrekar.

Wien, 29. März 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Thomas Smrekar
Wirtschaftsprüfer