Aspects of our success

S IMMO
Annual Report
2021

S IMMO AG is a property investment company headquartered in Vienna. We have been listed on the Vienna Stock Exchange since 1987.

All our investments are in the European Union and our chief focus is on capital cities in Austria, Germany and CEE. Commercial properties (offices, shopping centres and hotels) make up about 65% of our property portfolio, with residential property accounting for around 35%.

We lead S IMMO with a **focus on values**. This is based on our convictions.

It is about more than just modern performance metrics or accounting principles. Professionalism goes beyond performance and ability. It is about professional values and how we interact with one another – within S IMMO, with our stakeholders and in society. We firmly believe that long-term, sustainable business success is only possible with a sense of decency. Our common goal is to create more value for our shareholders. After all, this also means more value for everyone.

1

3

2

More value through respect

Openness is just as important as determination

Our properties do not unlock their value until people use them. For this reason, open dialogue with our tenants and business partners is important to us. And open dialogue also requires action: What provides added value for the tenants also creates more value for S IMMO.

4

1 Our tenants' satisfaction matters to us. We maintain continuous dialogue with our tenants so that we can rapidly respond to their needs.

2 Long-term investments call for imagination: How can the property also meet future demands and expectations? Together with our network, we find the solution.

3 A property and its rooms have to work for the tenants and the surroundings. Highest standards are important – we are investing in the future here. If we incorporate the best possible options today, our properties will remain attractive to our tenants tomorrow as well.

4 Particularly in Eastern Europe, bricks-and-mortar and multi-channel retail play an important role. Regular contact and joint development with our tenants are key elements of our success.

1

19% total return

(share price development including annual dividend since 2011)

2

3

More value through reliability

Directness makes us persuasive

Just because something is possible, that does not necessarily mean it is right for S IMMO. We do not want to grow bigger at any price, but rather to grow better. An option makes sense for us if it contributes to our goal of creating more value for our shareholders.

4

1 To ensure the broadest possible risk diversification, we combine established markets with growth markets. This strategy has proved its worth in the crisis, with a positive, double-digit total return.

2 We focus on a strong operating performance and stable financing structures with a view to high creditworthiness.

3 For us, the interests of the shareholders take precedence over the interests of S IMMO. Their trust is what drives our decisions. We engage in dialogue – in the interests of a transparent information policy.

4 With the clear goal of generating cash flow, we invest in high-quality properties with a high occupancy rate.

1

2

WELL

BREEAM

LEED GOLD

GREEN BOND

ESG

3

More value through responsibility

Top-end standards ensure future viability

A sustainable increase in value is the best measure of a company's performance and health. In addition, it makes a contribution to society. This is a responsibility that we of course are happy to take on.

4

1 New acquisition in the Romanian capital: Campus 6 offers a range of sustainable solutions that lead to a significantly lower ecological footprint.

2 In February 2021, S IMMO issued its first green bond. The second followed in January 2022. This is the next logical step in its existing strategy and demonstrates a clear commitment to sustainable construction.

3 Campus 6.2 is LEED Platinum and Campus 6.3 is LEED Platinum and WELL Core Gold certified. This means that both properties achieve the top quality levels of internationally recognised certifications and thus meet ambitious sustainability criteria.

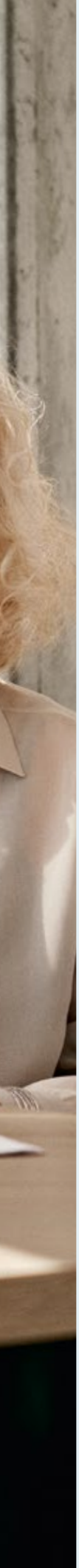
4 Bucharest is currently among the most attractive office markets in CEE and has developed into one of Europe's biggest IT and telecommunications locations.

1

2

3

4



More value through appreciation

Team spirit enhances expertise

Different opinions are important to us. Diversity makes us strong and our team's expertise ensures our long-term success. A shared goal creates unity, commitment and motivation.

1 S IMMO works together on transactions with long-standing partners on a solid basis of trust. This was also the case during the acquisition of BudaPart Gate in Budapest.

2 S IMMO also focuses on long-term cooperation at its subsidiaries. Daniela Badulescu has been the Country Manager of the S IMMO subsidiary in Bucharest for more than 10 years now.

3 Project development can only be implemented with teamwork. Together with local experts, we are creating a state-of-the-art office property on Váci Út in Budapest that will feel like a haven of well-being.

4 S IMMO's success is based on teams that operate locally – like in Berlin. They have excellent knowledge of the market and their local proximity gives rise to reliable contacts.

5 Our many years of experience set us apart. For example, the Hungarian location celebrated its 20th anniversary in 2021. The portfolio includes premium properties in the office and hotel segments.

Delivering results is what matters

An interview with the S IMMO Management Board — **For S IMMO, 2021 was both an exciting and a challenging year in many respects. In the first quarter, the company's Management Board team was reorganised, and there was a takeover bid by IMMOFINANZ AG. At the same time, the topics of digitalisation and ESG were increasingly integrated into the corporate structure, and necessary processes were established. In addition, the COVID-19 pandemic continued to keep the world on edge. The next pages are devoted to these events, and the S IMMO AG Management Board team discusses them in detail for you, our esteemed shareholders.**

"Our multi-asset approach and our focus on holding properties with a long-term horizon have paid off, as demonstrated by our positive double-digit total return."

Bruno Ettenauer (CEO)

Mr. Ettenauer, at the time of this interview, you have been CEO of S IMMO AG for precisely one year. How would you summarise that time?

BE — I believe we have continued on the company's successful path in collaboration with my two colleagues on the Management Board and the entire S IMMO team. Despite a very challenging time, we have been back on track for growth for several months, and that makes me extremely proud. Our multi-asset approach and our focus on holding properties with a long-term horizon have paid off, as demonstrated by our positive double-digit total return. We aim to continue on this successful path in 2022. After all, delivering results has always been what matters.

Mr. Teufelsdorfer, you have also been on the S IMMO AG Management Board team for a year now. As the new CIO, you are responsible for digitalisation and ESG, as well as the company's investment strategy. What successes have you achieved here so far?

HT — With regard to investments, the focus is on rejuvenating our portfolio and on a clear commitment to high-quality, sustainable properties – this is also an important interface to the topic of ESG. This strategy is already apparent in our most recent purchases, and further purchases in this direction are targeted in our acquisition pipeline.

There have also been lots of developments in terms of digitalisation at S IMMO in the past year. We have finalised our digital road map, and are now working intensively on the various projects, such as a learning platform for digital training and the general expansion of digital workflows in the company. Digitalisation and sustainability are two sides of the same coin, and so we can point to the introduction of a software package for central environmental data management and the associated sytematisation of our ESG data as our first successes.

The crucial factor is that dealing with sustainability is an ongoing process that has to be constantly optimised. A sustainability manager has been part of our team since September 2021, and an ESG Committee was set up in the Supervisory Board in autumn of the reporting year. Consequently, the scope of our organisational and operational handling of these topics has increased substantially. This is also reflected in the current honing and ongoing implementation of our sustainability strategy, which covers social elements and governance issues as well as environmental matters.

> "We are on a stable footing, with no need to rush. We can wait for favourable market phases and leverage potential when the time is right."
>
> **Friedrich Wachernig** (COO)

EUR 29.29

EPRA NAV per share

It's important to remember here that sustainability at S IMMO isn't about simply complying with guidelines, but about a clear commitment to treating people, resources and our properties with care. Paying lip service to sustainability isn't enough. Sustainability has to be embraced and actively put into practice. That is the only way for us to create lasting value.

Do you regard the issue of two green bonds in the space of a year as an additional commitment in this area?
HT — Definitely. Making sustainable investments is a key factor in all of this. And in addition to climate protection, it is about taking people's needs into account. Our most recent purchases, the two campus buildings in Bucharest and the BudaPart Gate in Budapest, meet these requirements to the full, and we are proud to have these properties in our portfolio.

Mr. Wachernig, you have been on the S IMMO AG Management Board since 2007. What was your experience at S IMMO in 2021, particularly with regard to the ongoing COVID-19 pandemic?
FW — Obviously, S IMMO also continued to feel the effects of the pandemic in 2021. However, our results have clearly shown how robust our business model is, and that S IMMO is able to deliver strong results even in times of crisis. Our net income for the period was back to pre-crisis levels by the first half of 2021. Acquisitions, project developments and the ongoing, intensive work on our portfolio are laying the foundation for further sustainable growth at S IMMO.

Mr. Ettenauer, you sold S IMMO's shares in CA Immobilien Anlagen AG in July 2021. Then came the sale of the IMMOFINANZ shares in March of this year. What was the reasoning behind these decisions?
BE — We always said that if IMMOFINANZ's takeover bid for us were to fail, we would

"Paying lip service to sustainability isn't enough. Sustainability has to be embraced and actively put into practice. That is the only way for us to create lasting value."

Herwig Teufelsdorfer (CIO)

pursue the clear goal of selling our equity interests and turning our focus towards our core business of direct property investment. This scenario has come about, and we have kept our promise.

In the case of CA Immo, this process was more straightforward, as there were no longer reciprocal shareholdings here at the time of the sale. In terms of IMMOFINANZ, the impacts of a sale and the interests of everyone involved, particularly those of our shareholders, were examined much more fully on account of the close ties. After CPI Property Group announced a takeover bid for IMMOFINANZ at the end of 2021, the situation obviously changed for us again. Ultimately, our partial offer for IMMOFINANZ enabled us to sell our stake in IMMOFINANZ for EUR 23 per share, thus achieving a better price than the one originally offered by CPI.

The resultant situation and liquidity give us an excellent launch pad for expanding our property portfolio and significantly increasing S IMMO's earnings potential. We have certainly taken a further step towards increasing S IMMO's value in the long term.

Speaking of long-term value, Mr. Wachernig, S IMMO is currently planning an office development in Budapest. What can you tell us about the project at this stage? How do you assess the current situation on the Hungarian market?

FW — We have been active on the Hungarian property market for over 20 years now, we have always believed in the Budapest office market, and we still see very stable development here despite the COVID crisis. The geopolitical situation in Russia and Ukraine is obviously overshadowing events at present, and for the moment it remains to be seen how this will develop going forward. As far as we are concerned, we are on a stable footing, with no need to rush. We can wait for favourable market phases and leverage potential when the time is right.

High-quality office properties, and sustainable ones in particular, will remain in demand. Accordingly, an office project like Essence Garden was a logical step for us. At one of the most important office locations in Budapest, Váci Út, we are planning an ensemble of three office properties with lettable area of around 29,000 m² that has a contemporary feel and will also set new standards in terms of sustainability and flexibility.

IBM

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Key figures

		31 December 2021	31 December 2020	31 December 2019
Revenues	EUR m	196.856	173.915	210.427
EBITDA	EUR m	81.297	71.132	87.037
EBIT	EUR m	270.337	100.956	271.444
EBT	EUR m	271.042	71.586	251.423
Consolidated net income	EUR m	230.558	56.912	213.307
NOI ratio	in %	54.0	51.2	51.0
FFO I	EUR m	60.820	42.375	64.727
FFO II	EUR m	75.277	79.957	67.321
Earnings per share	EUR	3.24	0.79	3.21
Operating cash flow	EUR m	65.877	64.376	81.624
Operating cash flow per share	EUR	0.93	0.89	1.23
Cash flow from investing activities	EUR m	109.009	-114.199	-54.655
Cash flow from financing activities	EUR m	133.346	11.736	14.592

		31 December 2021	31 December 2020	31 December 2019
Total assets	EUR m	3,688.121	3,122.610	3,137.688
Equity	EUR m	1,666.303	1,383.828	1,345.085
Equity ratio	in %	45.2	44.3	42.9
Liabilities	EUR m	2,021.818	1,738.782	1,792.603
Cash and cash equivalents as of 31 December	EUR m	375.823	64.503	111.564
Closing price as of 31 December	EUR	21.75	16.96	22.30
EPRA NAV per share	EUR	29.29	24.32	26.45
EPRA NTA per share	EUR	29.09	24.06	26.23
Book value per share	EUR	23.57	19.34	20.27
Difference between share price and book value per share (2021, 2020: discount, 2019: premium)	in %	-8	-12	10
Property assets	EUR m	2,830.797	2,476.884	2,371.040
of which properties under construction and undeveloped land	EUR m	77.034	38.175	21.846

Our portfolio[1]

Germany

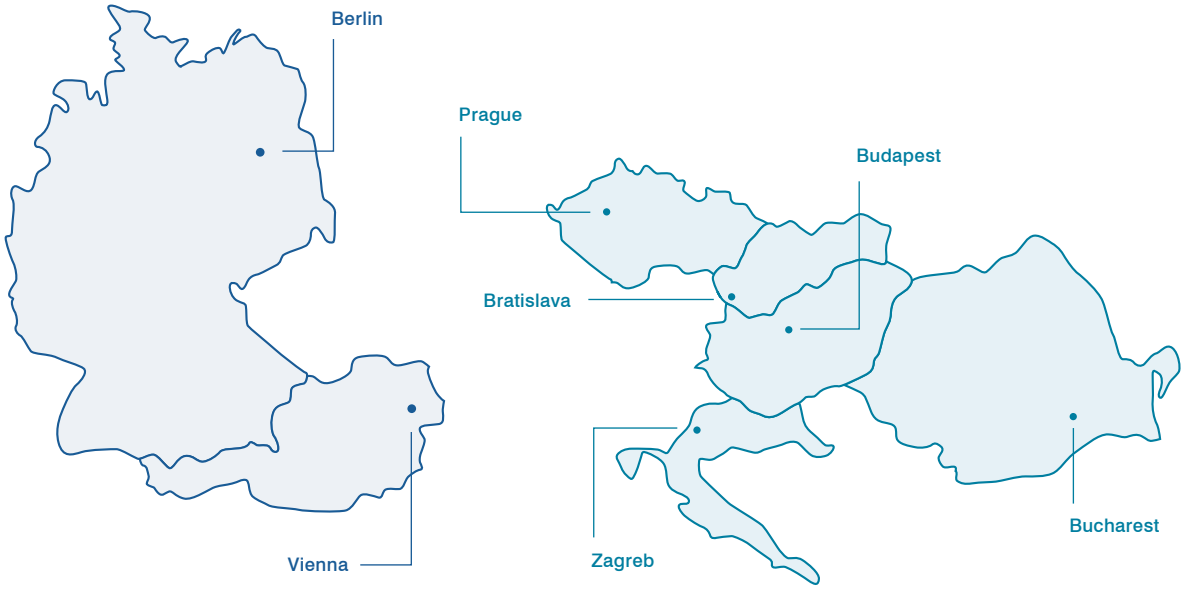
Rental income in EUR m: **56.8**
Total revenues in EUR m: **69.3**
EBITDA in EUR m: **29.8**
Results from property valuation in EUR m: **156.0**
EBIT in EUR m: **185.7**
Rental yield in %: **4.1**
Vacancy rate in %: **6.6**
Total area in m²: **619,106**

Austria

Rental income in EUR m: **19.0**
Total revenues in EUR m: **39.5**
EBITDA in EUR m: **0.8**
Results from property valuation in EUR m: **31.8**
EBIT in EUR m: **27.7**
Rental yield in %: **4.3**
Vacancy rate in %: **7.4**
Total area in m²: **164,052**

CEE

Rental income in EUR m: **55.4**
Total revenues in EUR m: **88.1**
EBITDA in EUR m: **50.7**
Results from property valuation in EUR m: **10.9**
EBIT in EUR m: **57.0**
Rental yield in %: **6.6**
Vacancy rate in %: **4.8**
Total area in m²: **547,217**



[1] Without Vienna Marriott hotel, Budapest Marriott hotel, projects with potential and land bank

Dear Shareholders,

It can certainly be said that the 2021 financial year covered in this report was an eventful one. In the past twelve months, we not only continued to grapple with the COVID-19 pandemic, but there were also changes in S IMMO's Management Board, we were confronted with a takeover offer by IMMOFINANZ AG, we disposed of sizeable share packages and at the same time we acquired high-quality properties. All of this is presented in detail in this report. But there is one thing we can tell you here and now: Despite all of the challenges and events, 2021 was one of the most successful years in the company's history. And that makes us proud.

Record results

We once again succeeded in limiting the effects of the pandemic to a minimum in 2021, above all thanks to our diversified portfolio, the expertise of our team and a solid liquidity base. Rental income was more than 6% higher than the pre-crisis level at the end of the year, which can be attributed primarily to successful purchases and the intensive, careful management of our portfolio properties. The results from property valuation reached a new record level as of 31 December 2021, mainly due to value increases in our Germany portfolio. We also benefited from effects in the financial result – particularly from dividend pay-

from left to right: Friedrich Wachernig, Herwig Teufelsdorfer, Bruno Ettenauer

ments and derivative valuations – which also had a positive impact on the consolidated net income. The results from property valuation totalled EUR 198.7m, which represents the highest figure in the history of S IMMO and impressively confirms the uptrend seen in the first half of the year. As a result, the consolidated net income increased fourfold and came to EUR 230.6m.

Focus on core business

As announced, we disposed of our shares in CA Immobilien Anlagen AG in July 2021 following the rejected takeover offer by IMMOFINANZ AG. Based on the selling price of EUR 37.00 per share, the transaction led to a cash inflow of roughly EUR 230m before taxes and a disposal gain of nearly EUR 100m over the total investment period. At the start of this year, we then also sold our stake of 12.69% in IMMOFINANZ AG at a price of EUR 23.00 per share. It is our express goal to fully concentrate on our core business going forward: the letting and management of high-yield properties in Germany, Austria and Central and Eastern Europe and the acquisition of properties with high profit potential. By acquiring the two office buildings Campus 6.2. and 6.3. in Bucharest as well as BudaPart Gate in Budapest, we added top properties to our portfolio during the reporting period, and we have further attractive investment opportunities in the acquisition pipeline at the moment.

Strong performance on the capital market

The S IMMO share performed well over the course of the year and ended 2021 with a closing price of EUR 21.75. With a gain of 28.24% through the end of the year, our share outperformed some international indices, but lagged behind the ATX, which turned in the strongest result on the international capital market, advancing by 38.9%. Regarding the shareholder structure, the past year was certainly turbulent for S IMMO. At the end of June, IMMOFINANZ withdrew the takeover offer it had announced in March after the removal of the voting rights cap was voted down at an extraordinary shareholders' meeting. Since then, IMMOFINANZ has remained our largest shareholder, but was taken over by CPI Property Group S.A. in early 2022. As of the editorial deadline for this report on 14 April 2022, CPI thus controlled 42.55% of S IMMO's shares in total.

On 14 April 2022, CPI Property Group sent us a request to convene an Extraordinary General Meeting (EGM) to resolve on the abolishment of the maximum voting rights stipulated in S IMMO's articles of association and to announce its intention to make a mandatory takeover offer to all our shareholders in the event that the maximum voting rights are abolished. We will review this request together with the Supervisory Board and decide on the further course of action in a timely manner.

Sustainability

As a real estate company, we see it as our duty to make a significant contribution to a sustainable economy and society and to act in the most resource-conserving, low-emission and user-friendly way possible. We have used the past year to anchor the topic of sustainability in all of its facets in the organisational structure of S IMMO to an even higher degree. CIO Herwig Teufelsdorfer is responsible for this remit within our Management Board team. The Supervisory Board has established an ESG Committee and we have also had a sustainability manager since September. We are currently working intensively to standardise and professionalise the collection of data across our portfolio. We have already taken many important steps with regard to sustainability in recent years. The comprehensive analysis of our portfolio will enable us to successively reduce S IMMO's carbon emissions further with targeted measures. You can find all of the details about our efforts in the non-financial report, which was published in accordance with the GRI Standards this year.

Outlook for 2022

The results for the reporting period reinforce our confidence that S IMMO continues to be optimally positioned. We have a solid pipeline in terms of both acquisitions and projects, a comfortable liquidity situation and a high-quality portfolio. At the same time, we are still confronted with numerous international challenges – including both the ongoing COVID-19 pandemic and the war in Ukraine. We are closely monitoring the developments and regularly reviewing our strategy, and we will make adjustments to our strategy as necessary. Investments in real estate are generally very crisis-resistant and as always, we will act and make decisions with the utmost care and discretion. Negative economic and geopolitical developments are beyond our control, but we will nevertheless work tirelessly once again this year to cushion any potential effects to the greatest extent possible and create sustainable value for you, our esteemed shareholders.

Finally, we would like to thank you for the trust you have placed in us!

Sincerely,

The Management Board team

Bruno Ettenauer Herwig Teufelsdorfer Friedrich Wachernig

Management Board

Bruno Ettenauer, MRICS

Chief Executive Officer (CEO)

Born: 25 January 1961
Appointed until: 14 March 2024
First appointed: 15 March 2021

Responsible for finance, investor relations/ public relations/marketing, legal/ compliance, audit

After studying law at the University of Vienna, Mr. Ettenauer's career took him into the banking world, where he held various management positions at institutions including PSK Bank, Creditanstalt and Bank Austria Creditanstalt over the years. From 2006 to 2015, Mr. Ettenauer was CEO of CA Immobilien Anlagen AG and from 2016 to 2021 a managing partner at ETTERRA Real Estate before becoming CEO of S IMMO AG.

Other appointments:
- Deputy Chairman of the Supervisory Board of KA Finanz AG
- Member of the Supervisory Board of COVID-19 Finanzierungsagentur des Bundes GmbH (COFAG)

Herwig Teufelsdorfer, MRICS

Member of the Management Board/ Chief Investment Officer (CIO)

Born: 17 March 1969
Appointed until: 11 April 2024
First appointed: 12 April 2021

Responsible for investment, risk management, organisation, IT/digitalisation, ESG, markets: Germany

After studying business engineering for mechanical engineering at Graz University of Technology, Mr. Teufelsdorfer started as a management consultant at GCI Management. This was followed by management positions at Vivico Real Estate GmbH and Bundesimmobiliengesellschaft (BIG). He then served as managing director at Bank Austria Real Invest AM GmbH and board member of IVG Austria AG and the listed BUWOG AG. Most recently, he was a managing partner of 21st Real Estate GmbH in Berlin before being appointed to the Management Board of S IMMO AG as CIO.

Friedrich Wachernig, MBA

Member of the Management Board/ Chief Operating Officer (COO)

Born: 28 June1966
Appointed until: 30 June 2024
First appointed: 15 November 2007

Responsible for project development, asset management, HR, markets: Austria and CEE

Mr. Wachernig began his career at Eraproject GmbH, a subsidiary of ERA Bau AG, after studying economics at the Vienna University of Economics and Business. This was followed by various development and management functions at Strabag AG, Raiffeisen Evolution GmbH and Porr Solutions GmbH with responsibility for Eastern European countries. Mr. Wachernig has been a member of the Management Board of S IMMO AG since 2007.

Until 31 March 2021

Ernst Vejdovszky

Born: 30 October 1953
First appointed: 01 January 2001

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

Supervisory Board

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
Capital market representatives						
Karin Rest, EMBA (1972)	Chairwoman of the Supervisory Board; Chairwoman of the Management Board Committee (until 03 November 2021); Chairwoman of the Nomination and Remuneration Committee (since 03 November 2021); Chairwoman of the Strategy Committee (since 03 November 2021); Chairwoman of the ESG Committee (since 10 September 2021)	Managing Director of VAMED-KMB Krankenhausmanagement und Betriebsführungs-ges.m.b.H. (since 01 June 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); Wiener Stadtwerke GmbH (since 16 April 2015)	
Christian Hager (1967)	First Deputy Chairman of the Supervisory Board; Member of the Audit Committee (until 03 November 2021); Member of the Management Board Committee (until 03 November 2021); Deputy Chairman of the Nomination and Remuneration Committee (since 03 November 2021); Deputy Chairman of the Strategy Committee (since 03 November 2021)	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; Member of the Nomination and Remuneration Committee (since 03 November 2021)	Self-employed actuary (for more than 30 years)	08 June 2017 (appointed until AGM in 2022)			
Ewald Aschauer (1982)	Member of the Supervisory Board; Deputy Chairman of the Audit Committee (since 03 November 2021)	Professor at the Vienna University of Economics and Business, Head of the Department of Corporate Accounting and Auditing (since 2020); Professor at the Institute of Accounting and Auditing at the Johannes Kepler University Linz (since 2014)	14 October 2021 (appointed until AGM in 2026)		Member of the Supervisory Board of Egger Holzwerkstoffe (since 2018; Head of the Audit Committee since 2019)	Member of the ORF Board of Trustees (since 2018); Chairman of the Advisory Board of COFAG (since 2020)
Florian Beckermann, LL.M. (1976)	Member of the Supervisory Board; Member of the Strategy Committee (since 03 November 2021)	Chairman of the Board at Austrian Shareholder Association IVA (since 2020); Managing Director at RE-STRUCTURE Business Consulting GmbH (since 2014)	14 October 2021 (appointed until AGM in 2026)			

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
Hanna Bomba (1978)	Member of the Supervisory Board; Member of the Strategy Committee (since 03 November 2021); Member of the ESG Committee (since 10 September 2021)	Managing Director 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 Kapitalanlage-gesellschaft m. b. H. (since 01 August 2019)	
Christian Böhm (1958)	Member of the Supervisory Board; Member of the Audit Committee (since 03 November 2021)	Chairman of the Management Board at APK Pensionskasse AG (since 2002); Member of the Board at APK Pensionskasse AG (since 1990)	14 October 2021 (appointed until AGM in 2026)	Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee at IMMOFINANZ AG (both from 01 October 2020 until 19 October 2021); Member of the Supervisory Board of IMMOFINANZ AG (from 2010 to 19 October 2021)	Chairman of the Supervisory Board at APK Versicherung AG (since 2015); Chairman of the Supervisory Board at APK Vorsorgekasse AG (since 2015)	Deputy Chairman at Professional Association of Pension Funds – Fachverband der Pensionskassen (since 2010); Member of the Governing Board at PensionsEurope in Brussels (since 2004)
John Nacos (1967)	Member of the Supervisory Board; Member of the Audit Committee (since 03 November 2021)	Joint Managing Director and CIO of Aggregate Holdings S.A. (since 2021); Founding Partner of EG Real Estate Advisors (from 2014 to 2021)	14 October 2021 (appointed until AGM in 2026)			
Employee representatives						
Andreas Feuerstein (1964)	Member of the Supervisory Board; delegated as employee representative to the Nomination and Remuneration Committee (since 03 November 2021)	Investor Relations Director at S IMMO AG (since 2019); with S IMMO AG since 2002	22 October 2021 (term is open-ended)			
Holger Schmidtmayr, MRICS (1966)	Member of the Supervisory Board; delegated as employee representative to the Audit Commitee (since 03 November 2021)	Compliance Officer at S IMMO AG (since 2019)	26 January 2021 (term is open-ended)			
Elisabeth Wagerer (1980)	Member of the Supervisory Board; delegated as employee representative to the ESG Committee (since 10 September 2021) and to the Strategy Committee (since 03 November 2021)	Head of Corporate Communications/Investor Relations and Press Spokeswoman (since 2016); with S IMMO AG since 2010	26 January 2021 (term is open-ended)			

Dear Shareholders,

Karin Rest

S IMMO AG began 2021 with the successful issuance of its first green bond. Despite the challenging market environment and the ongoing COVID-19 pandemic, the following months progressed very successfully for S IMMO. The pandemic impacted the company's revenue to a lesser extent than in 2020. Once again, S IMMO's business model proved itself even in times of crisis. The annual result for 2021 amounted to EUR 230.6m and is so far the highest value in the company's history.

The good operating performance is also reflected in the price performance of the S IMMO share. Over the 2021 financial year, the S IMMO share rose by more than 28% in value, closing out the year at EUR 21.75. The company is excellently positioned, both operationally and financially, to continue generating value added for its shareholders moving forward.

Composition of the Supervisory Board

There were personnel changes on the Supervisory Board of S IMMO AG in the reporting year. Firstly, four new members were elected to the Supervisory Board at the 32nd Annual General Meeting on 14 October 2021. Secondly, three members of the Works Council were appointed to the Supervisory Board during the 2021 financial year. Accordingly, the Supervisory Board had eleven members as of 31 December 2021 – eight capital market representatives and three employee representatives. The current composition of the Supervisory Board and its individual committees allows the optimal performance of the assigned duties with regard to the distribution of competencies.

Capital market representatives

- Karin Rest (Chairwoman of the Supervisory Board)
- Christian Hager (First Deputy Chairman of the Supervisory Board)
- Manfred Rapf (Second Deputy Chairman of the Supervisory Board)
- Ewald Aschauer
- Florian Beckermann
- Hanna Bomba
- Christian Böhm
- John Nacos

Employee representatives

- Andreas Feuerstein
- Holger Schmidtmayr
- Elisabeth Wagerer

Brief CVs, committee memberships and committee functions of the individual members of the Supervisory Board can be found in the section "Overview of the management bodies" from page 21 in this report.

Activities of the Supervisory Board

In 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. 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.

During the meetings of the Supervisory Board and its committees, key issues were discussed at length on the basis of the Management Board's explanations as well as detailed presentations and documents. These key issues included the economic situation, risk and opportunity management, strategic development, relevant ESG issues and business performance – including the effects of the COVID-19 pandemic and the

resulting acceleration of trends on S IMMO AG and its subsidiaries. In particular, the Supervisory Board also discussed the takeover bid made by IMMOFINANZ AG to the shareholders of S IMMO AG in the first half of the year, which did not go ahead, and the partial offer by S IMMO AG to the shareholders of IMMOFINANZ AG.

In 2021, the Supervisory Board also made a decision on the successor to Mr. Ernst Vejdovszky, whose Management Board mandate ended, and reorganised the S IMMO Management Board team. Mr. Bruno Ettenauer was appointed as the Chief Executive Officer (CEO) for a period of three years effective 15 March 2021. Mr. Herwig Teufelsdorfer was appointed as S IMMO AG's Chief Investment Officer (CIO) for a period of three years effective 12 April 2021. The mandate of Mr. Friedrich Wachernig in the role of Chief Operating Officer (COO) was extended by another three years until 30 June 2024.

Committees of the Supervisory Board

The Supervisory Board is assisted in the performance of its duties by committees. There were four committees as of 31 December 2021: the Audit Committee, the Nomination and Remuneration Committee (since 03 November 2021)[1], the ESG Committee (since 10 September 2021) and the Strategy Committee (since 03 November 2021). Information on the duties, the number of meetings and the composition of the individual committees can be found from page 26 in the corporate governance report.

The Audit Committee prepared the nomination for the election of the auditor for the annual and consolidated financial statements. The committee reviewed the documentation submitted by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG) evidencing its authorisation to practise as an auditor. 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 auditor. The declaration of the auditor in accordance with section 270 (1a) of the Unternehmensgesetzbuch (UGB – Austrian Commercial Code) was obtained, the auditor's legal relations with S IMMO AG and the members of its executive 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. KPMG was elected as the auditor of the annual and consolidated financial statements for the 2021 financial year at the 32nd Annual General Meeting on 14 October 2021.

2021 annual and consolidated financial statements

KPMG audited the annual and consolidated financial statements for the period ended 31 December 2021 and issued them with an unqualified audit opinion. KPMG confirmed that the annual financial statements for the period ended 31 December 2021 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 2021 and of its earnings for the 2021 financial year, and are in accordance with generally accepted Austrian accounting principles. The management report is consistent with the annual financial statements for the period ended 31 December 2021. In addition, KPMG confirmed that the consolidated financial statements for the period ended 31 December 2021 comply with the statutory requirements and give a true and fair view of the assets and finances of the Group as of 31 December 2021 and of its earnings for the 2021 financial year, and are in accordance with IFRS as adopted by the European Union and the additional requirements of section 245a UGB. The Group management report is consistent with the consolidated financial statements for the period ended 31 December 2021. The disclosures pursuant to section 243a UGB are accurate.

The Audit Committee of the Supervisory Board accepted, read and reviewed the annual financial statements for the period ended 31 December 2021 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 financial statements for the period ended 31 December 2021 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 interviews 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 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 annual financial statements for 2021, which were thus adopted in accordance with section 96 (4) AktG, and declared its acceptance of the consolidated financial statements prepared in line with 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.

[1] Until 03 November 2021: Management Board Committee (Remuneration Committee)

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 Annual General Meeting officially grant its approval for the activities of the Management Board and the Supervisory Board.

Finally, on behalf of the Supervisory Board, I would like to thank the Management Board and the S IMMO team for their daily efforts in the challenging 2021 financial year. At the same time, I wish the entire workforce and the members of the Management Board of the company good health and every success for the 2022 financial year.

Vienna, April 2022

The Supervisory Board

Karin Rest, 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 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 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 past financial year, the Management Board team of S IMMO AG was restructured. Mr. Ettenauer was appointed Chief Executive Officer with effect from 15 March 2021 for a period of three years. Mr. Teufelsdorfer was appointed Chief Investment Officer of the company for a period of three years effective 12 April 2021. The mandate of Mr. Wachernig was also extended by a further three years until 30 June 2024 in the function of Chief Operating Officer. The Management Board mandate of Mr. Vejdovszky ended on 31 March 2021. As of 31 December 2021, the Management Board therefore consisted of three 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 2021, the Supervisory Board consisted of eleven members – eight capital market representatives and three employee representatives. Information on the Supervisory Board members, their positions on the Supervisory Board and, where applicable, on other individual Supervisory Board committees, 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, niece, nephew) of a member of the Management Board or of persons in any of the positions described above.

All of the Supervisory Board members in office as of 31 December 2021 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, ESG topics and risk management of the company. Investment projects above a specific volume require approval by the Supervisory Board. As of 31 December 2021, the Supervisory Board consisted of eight capital market representatives and three employee representatives – eleven members in total.

The Supervisory Board has formed four committees from among its members, which are listed below. In the 2021 reporting year, 13 Supervisory Board meetings were held, some of which were held in person and some via telephone or video conference 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 (a detailed list of attendances in the past financial year can be found below).

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. As of 31 December 2021, the Audit Committee consisted of the following members: Mr. Rapf (chairman), Mr. Aschauer (deputy chairman), Mr. Böhm, Mr. Nacos and Mr. Schmidtmayr (delegated as employee representative). The Audit Committee met four times in the reporting year.

Nomination and Remuneration Committee (since 03 November 2021)

The Committee for Management Board Matters existed until 03 November 2021. Its scope of work included negotiating, concluding and amending contracts with Management Board members. The Nomination and Remuneration Committee was formed on 03 November 2021. The competencies of the Committee for Management Board Matters were expanded. The Nomination and Remuneration Committee is now responsible for negotiating, concluding and amending contracts with

members of the Management Board. The committee prepares the principles for the remuneration of the Management Board and Supervisory Board members and submits proposals to the full Supervisory Board for filling vacancies on the Management Board and Supervisory Board. As of 31 December 2021, the Nomination and Remuneration Committee consisted of the following members: Ms. Rest (chairwoman), Mr. Hager (deputy chairman), Mr. Rapf and Mr. Feuerstein (delegated as employee representative).

ESG Committee (since 10 September 2021)

The ESG Committee deals in particular with sustainability matters and the social, economic and environmental responsibility of the company. This includes defining an ESG strategy, dealing with regulatory requirements and addressing ESG-related risks. As of 31 December 2021, the ESG Committee was composed of the following members: Ms. Rest (chairwoman), Ms. Bomba and Ms. Wagerer (delegated as employee representative). The ESG Committee met once in the reporting year 2021.

Strategy Committee (since 03 November 2021)

The responsibilities of the Strategy Committee include the preparation and evaluation of decisions on general business policy and the preparation of decisions of the Supervisory Board that are strategically significant for the company. As of 31 December 2021, the Strategy Committee had the following members: Ms. Rest (chairwoman), Mr. Hager (deputy chairman), Mr. Beckermann, Ms. Bomba and Ms. Wagerer (delegated as employee representative). The Strategy Committee met once in the 2021 financial year.

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

Attendance in 2021 (in person and via telephone or video conference)

First half-year 2021	SBM 28 January 2021	SBM 17 February 2021	SBM 22 February 2021	SBM 02 March 2021	SBM 15 March 2021	AC 15 March 2021	SBM 29 March 2021	AC 29 March 2021	SBM 02 June 2021
Karin Rest (chairwoman)	1	1	1	1	1		1		1
Christian Hager (first deputy)	1	1	1	1	1	1	1	1	1
Manfred Rapf (second deputy)	1	1	1	1	1	1	1	1	1
Hanna Bomba	1	excused	1	1	1		1		1
Holger Schmidtmayr (since 26 January 2021 as employee representative)		1	1	1	1		1		1
Elisabeth Wagerer (since 26 January 2021 as employee representative)		1	1	1	1		1		1

Second half-year 2021	SBM 28 July 2021	SBM 10 September 2021	AC 10 September 2021	SBM 30 September 2021	SBM 03 November 2021	SC 17 November 2021	SBM 02 December 2021	AC 02 December 2021	SBM 06 December 2021	ESG 20 December 2021
Karin Rest (chairwoman)	1	1		1	1	1	1		1	1
Christian Hager (first deputy)	1	1	1	1	1	1	1		1	
Manfred Rapf (second deputy)	1	1	1	1	1		1	1	1	
Ewald Aschauer (since 14 October 2021)					1		1	1	excused	
Florian Beckermann (since 14 October 2021)					1	1	1		1	
Hanna Bomba	1	1		1	1	1	1		excused	1
Christian Böhm (since 14 October 2021)					1		1	1	1	
John Nacos (since 14 October 2021)					1		excused	excused	1	
Andreas Feuerstein (since 22 October 2021 as employee representative)					1		1		1	
Holger Schmidtmayr (since 26 January 2021 as employee representative)	1	1		1	1		1	1	1	
Elisabeth Wagerer (since 26 January 2021 as employee representative)	1	1	1	1	1	1	1		1	1

SBM=Supervisory Board Meeting
AC=Audit Committee
SC=Strategy Committee
ESG=ESG Committee
Not a member or at this time not yet a member of the Supervisory Board or the relevant committee

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 goal 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 2021, 52.6% 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 2021, 21.1% 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. When appointing the Management Board, particular attention was paid to seeking and recruiting qualified female candidates. Unfortunately, despite a conscientious process, it was not possible to increase the proportion of women on the company's Management Board. In accordance with the legal requirements for a 30% quota of women, three members of the Supervisory Board must be female. S IMMO met these requirements as of 31 December 2021.

Bruno Ettenauer

Herwig Teufelsdorfer

Friedrich Wachernig

S IMMO in the capital market

International capital market environment

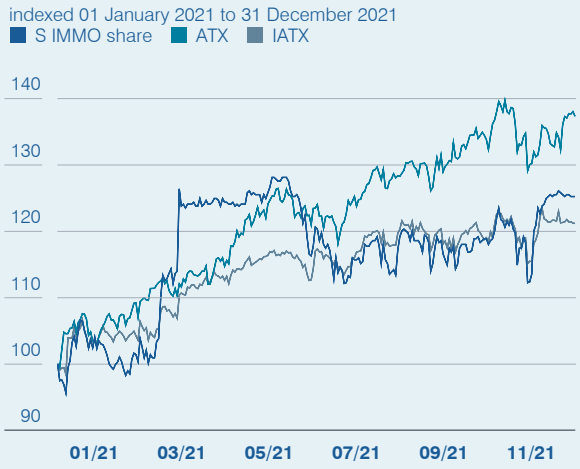
The COVID-19 virus caused further headaches worldwide in 2021. In particular, international supply chain problems slowed down the economic recovery and highlighted the problems with just-in-time production processes and large-scale global integration. The European Green Deal was adopted, prompting corresponding investment in new segments relating to climate change, but also causing uncertainty in formerly leading economic sectors.

In the past financial year in politics, a new US administration was sworn in, and a three-way coalition was agreed in Germany after the Merkel era came to an end. The conflict between Russia and Ukraine intensified with the redeployment of Russian troops to the Ukrainian border at the end of 2021.

International capital markets still performed positively during the year 2021. US stock markets posted strong gains. For instance, the broad-based US S&P 500 index and the Dow Jones Index rose by 26.9% and 18.4% respectively. The German benchmark index DAX also increased sharply by around 16%. The Vienna Stock Exchange had two causes for celebration – its 250th anniversary, and a strong year-to-date performance of 38.9% by the Austrian benchmark index ATX, which made it the outperformer of the year on the international capital market.

When Russia invaded Ukraine at the end of February 2022, international stock markets reacted strongly. Europe's leading stock markets closed in deep red. The ATX lost around 7% on the first day, the DAX around 4%. Stocks with a connection to Russia were hit particularly hard. The Dow Jones Index and the S&P 500 also suffered losses, and stock prices fell in Asia as well.

Share price development



Due to the ongoing war, uncertainty remains on the global stock markets. Investors are taking refuge in assets such as gold or the Swiss franc.

S IMMO securities

S IMMO began 2021 with the highly successful issue of its first green bond (AT0000A2MKW4) for retail investors with a total volume of EUR 150m in January. The bond has a term of seven years and a coupon of 1.75% p.a.

A share repurchase programme that began on 28 October 2020 ended on 30 June 2021. On 02 September 2021, S IMMO AG

Overview of S IMMO share and indices

	S IMMO share	ATX	IATX	DAX	DJIA	S&P 500
31 December 2020	16.96	2,780.44	329.19	13,718.78	30,606.48	3,756.07
31 December 2021	21.75	3,861.06	404.17	15,884.86	36,228.30	4,766.18
Year-to-date performance	28.24%	38.87%	22.78%	15.79%	18.37%	26.89%

Performance as of 31 December 2021

S IMMO share	
One year	28.24%
Three years, p.a.	11.72%

S IMMO share information	
ISIN	AT0000652250/SPI
Ticker symbols	Reuters: SIAG.VI/Bloomberg: SPI:AV
Market	Vienna Stock Exchange
Market segment	Prime Market
Index	ATX/IATX/GPR General
Market capitalisation (31 December 2021)	EUR 1,601.0m
Number of shares (31 December 2021)	73,608,896
Market makers	Erste Group/Hauck & Aufhäuser/Raiffeisen Centrobank

S IMMO bonds as of 31 December 2021

ISIN	Maturity	Coupon	Total nominal value EUR '000
AT0000A1Z9D9	06 February 2024	1.750%	100,000.00
AT0000A1DBM5	09 April 2025	3.250%	33,993.50
AT0000A285H4	22 May 2026	1.875%	150,000.00
AT0000A1DWK5	21 April 2027	3.250%	65,000.00
AT0000A2MKW4 (green bond)	04 February 2028	1.750%	150,000.00
AT0000A2AEA8	15 October 2029	2.000%	100,000.00
AT0000A1Z9C1	06 February 2030	2.875%	50,000.00

launched another share repurchase programme, which ended on 31 December 2021. A total of 866,446 S IMMO shares was repurchased by the company in 2021. Overall, the company held 3,084,797 treasury shares as of 31 December 2021.

The S IMMO share performed very well in the course of the year, ending it at a closing price of EUR 21.75. Having gained 28.2% by the end of the year, the S IMMO share outperformed the Dow Jones Index and the DAX, but trailed behind the ATX, which posted the strongest result on the international capital market at 38.9%.

The market capitalisation of S IMMO AG as of 31 December 2021 was EUR 1,601.0m, and the company's share capital amounted to EUR 267.5m, divided into 73,608,896 bearer shares.

Shareholder structure

S IMMO equity story: www.simmoag.at/annualresults2021

There were further changes to the shareholder structure at S IMMO during the reporting year and up to the time this report went to press on 14 April 2022. CPI Property Group S.A. notified the company on 04 March 2022 that it holds 42.55% of the voting rights in S IMMO AG, thereof 26.49% indirectly via IMMOFINANZ AG. According to a shareholding notification dated 12 November 2020, EUROVEA Services s.r.o. indirectly holds a stake of 5.21%. The corresponding share notifications can be viewed at https://www.simmoag.at/en/investor-relations/s-immo-share.html. The chart on the next page provides a breakdown of S IMMO AG's shareholder structure.

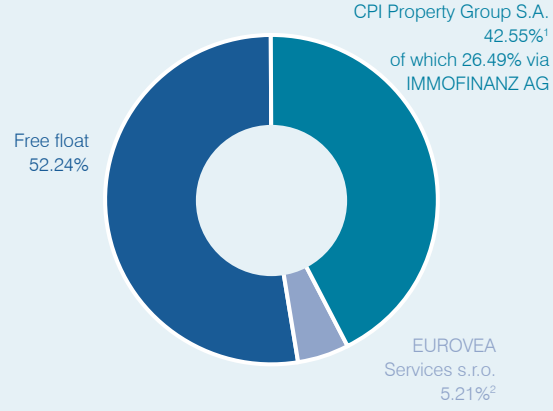
Share data

		31 December 2021	31 December 2020
Earnings per share (EPS)	EUR	3.24	0.79
FFO I per share	EUR	0.86	0.59
FFO II per share	EUR	1.06	1.11
FFO III per share	EUR	2.30	n.a.

		31 December 2021	31 December 2020
Closing price at year-end	EUR	21.75	16.96
High	EUR	22.25	27.15
Low	EUR	16.62	12.56
Average daily turnover for the last 100 days	shares[1]	125,834	206,038
Dividend per share	EUR	0.50[2]	0.70[3]
EPRA NAV per share	EUR	29.29	24.32
Share price discount on EPRA NAV per share	in %	-26	-30
EPRA NTA per share	EUR	29.09	24.06
Book value per share	EUR	23.57	19.34
Share price discount on book value per share	in %	-8	-12

[1] Double counting
[2] The dividend for the financial year 2020 that was paid out on 28 October 2021.
[3] The dividend that was distributed in 2020 relates to the financial year 2019.

Shareholder structure



[1] Based on the total number of voting rights according to the notice of 04 March 2022
[2] Based on the total number of voting rights according to the notice of 12 November 2020

2021 virtual Annual General Meeting and dividend

At the 32nd Annual General Meeting of S IMMO AG, held on 14 October 2021, a resolution was passed to distribute a dividend of EUR 0.50 per dividend-bearing share for the 2020 financial year. The dividend was paid out on 28 October 2021 via Erste Group Bank AG in Vienna. In addition, four new members were elected to the Supervisory Board of S IMMO AG: Prof. Ewald Aschauer, Florian Beckermann, LL.M., Christian Böhm and John Nacos. In the third quarter, the works council also appointed another employee representative, Andreas Feuerstein, to the Supervisory Board. Accordingly, as of 31 December 2021, the Supervisory Board of S IMMO AG consisted of eleven members: eight capital market representatives and three employee representatives. Precise details regarding the members of the Supervisory Board and the composition of the individual committees can be found in the overview of managing bodies starting on page 21 and in the corporate governance report starting on page 26.

Takeover offer by IMMOFINANZ AG and extraordinary general meeting

In the first quarter of 2021, IMMOFINANZ AG announced a voluntary public takeover offer to the shareholders of S IMMO AG. The Management Board and the Supervisory Board of S IMMO AG rejected the offer price of EUR 22.25 per share (cum-dividend basis) as significantly too low.

Completion of the offer was tied to the condition that the shareholders' meeting of S IMMO AG passes a resolution to remove the voting rights cap of 15% set out in the company's articles of association since 2006. On 24 June 2021, a vote on IMMOFINANZ AG's proposed resolution to remove the voting rights cap stipulated in the articles of association was held at an extraordinary general meeting requested by IMMOFINANZ AG. The necessary (capital) majority for its removal was not achieved, meaning that a key condition of the takeover offer was not met. On 28 June 2021, IMMOFINANZ AG announced that the takeover offer ceased to apply.

Partial offer to IMMOFINANZ AG

On 06 December 2021, the Management Board and Supervisory Board of S IMMO AG resolved to increase the company's shareholding in IMMOFINANZ AG, and submitted a voluntary takeover offer for around 10% of the share capital of IMMOFINANZ. The offer price amounted to EUR 23.00 per IMMOFINANZ share. The offer was made in connection with the anticipatory mandatory offer to shareholders of IMMOFINANZ AG announced by CPI Property Group on 03 December 2021, which initially contained an offer price of EUR 21.20. The offer price was increased to EUR 22.70 following a direct share transaction on 26 January 2022, in which CPI Property Group concluded a purchase agreement for 8% of IMMOFINANZ shares with Petrus Advisers. On 31 January 2022, S IMMO AG and CPI Property Group agreed that the latter undertakes to increase the offer price of its mandatory offer to EUR 23.00 per share on a cum-dividend basis. In return, S IMMO AG undertook to transfer to CPI Property Group all of its IMMOFINANZ shares as well as all those shares it may acquire through its partial offer for IMMOFINANZ shares. The sale of S IMMO's stake in IMMOFINANZ to CPI Property Group was completed at the beginning of March 2022.

Convocation of extraordinary general meeting

On 26 January 2022, S IMMO AG received a request from its shareholder EVAX Holding (directly controlled by EUROVEA Services s.r.o.) to convene an extraordinary general meeting. The aim was to secure another resolution to remove the voting rights cap stipulated in the articles of association.

On 22 February 2022, the company was informed by EVAX Holding that the latter has withdrawn its request to convene the extraordinary general meeting mentioned above. Likewise, EVAX Holding GmbH withdrew the request to include this resolution item in the agenda of the next ordinary Annual General Meeting.

On 14 April 2022, S IMMO was informed by CPI Property Group that it would immediately request the convening of an extraordinary general meeting to resolve on the abolishment of the maximum voting rights enshrined in S IMMO's articles of association. Following the legally effective abolition of the maximum voting right, CPI Property Group would acquire a controlling interest in S IMMO within the meaning of section 22 of the Austrian Takeover Act. In this case, CPI Property Group intends to make a mandatory offer. The price of the intended mandatory offer would be at least EUR 22.00 per S IMMO share cum dividend at the time of this announcement of intent, according to the ad hoc announcement of CPI Property Group dated 14 April 2022 pursuant to section 26 (1) of the Austrian Takeover Act.

Investor relations activities

S IMMO AG attended 15 conferences of banks and analyst firms in the 2021 financial year. Once again, the vast majority had to be held virtually, although there were exceptions such as the first-ever conference with new partner Investor Access in Paris and the annual forum of SRC Research.

Largely on account of the takeover offer made by IMMOFINANZ AG to S IMMO AG shareholders in the first half-year, S IMMO received a very large number of requests from hedge funds in the USA and the UK, with new contacts being established as a result.

Key figures

The definition of net asset value (NAV) was changed by the European Public Real Estate Association with effect from the 2020 financial year. Since the previous year, S IMMO has therefore published the key figures EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA) and EPRA Net Disposable Value (EPRA NDV). The adjustment of deferred taxes in EPRA NTA is based on a classification of the real estate portfolio into core and non-core assets and results in a lower addition of deferred taxes compared to EPRA NRV and EPRA NAV. S IMMO continues to publish the EPRA NAV and EPRA NNNAV key figures, of which the EPRA NAV in particular continues to be important for many market participants. The

Calculation of FFO I

EUR '000	31 December 2021	31 December 2020
Net income	**230,558**	**56,912**
Non-cash taxes	36,126	13,497
Adjusted net income	**266,684**	**70,409**
Non-cash revaluation result	-198,686	-39,056
Non-cash depreciation and amortisation	9,646	9,232
Income from property disposal	0	0
Other non-cash/non-recurring effects	-5,582	-6,036
Non-cash valuation of financial instruments	-12,028	4,199
Non-cash FX result	786	3,627
FFO I (without results from disposals)	**60,820**	**42,375**
FFO I per share in EUR	0.86	0.59
FFO II	75,277	79,957
FFO III	162,900	n.a.

EPRA key figures

in EUR	31 December 2021	31 December 2020
EPRA NAV per share	29.29	24.32
Share price discount on EPRA NAV per share in %	-26	-30
EPRA NRV per share	31.60	26.40
EPRA NTA per share	29.09	24.06
EPRA NDV per share	24.70	20.38
EPRA net initial yield in %	4.2	4.3

in kEUR	31 December 2021	31 December 2020
Fair value investment properties	2,642,929	2,278,382
Annualised cash rental income (gross)	135,994	119,480
Non-recoverable property operating expenses	-24,935	-21,935
Annualised cash rental income (net)	111,059	97,545
EPRA net initial yield in %	**4.2**	**4.3**

EUR '000	31 December 2021	31 December 2020
EPRA earnings and EPRA earnings per share (EPRA EPS)		
Earnings according to IFRS income	**229,521**	**56,537**
Results from property valuations	-198,686	-39,056
Income from property disposals (including transaction costs)	0	0
Tax on income from disposals	4,780	6,076
Changes in fair value of financial instruments	-12,028	3,399
Deferred taxes in respect of EPRA adjustments	30,854	6,261
EPRA adjustments for companies measured at equity	-5,035	-4,240
Minority interests in respect of EPRA adjustments	0	0
EPRA earnings	**49,406**	**28,977**
EPRA EPS in EUR	**0.70**	**0.40**

EPRA NAV increased significantly to EUR 29.29 per share compared to the previous year (2020: EUR 24.32 per share). The EPRA NTA also improved to EUR 29.09 per share as of 31 December 2021 (2020: EUR 24.06 per share). A detailed description of the new ratios is available on the EPRA home page (www.epra.com).

In addition to FFO II, FFO I adjusted for property sales, the key figure FFO III was also calculated for the 2021 financial year. This is based on FFO II and supplements it exclusively with the profit after tax from the sale of shares in listed real estate companies (2021: CA Immobilien Anlagen AG). FFO III for the 2021 financial year amounts to EUR 2.30 per share.

EPRA NAV, EPRA NNNAV, EPRA NRV, EPRA NTA, EPRA NDV

31 December 2021

in EUR '000	EPRA NAV	EPRA NNNAV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders	**1,662,222**	**1,662,222**	**1,662,222**	**1,662,222**	**1,662,222**
Per share in EUR	**23.57**	**23.57**	**23.57**	**23.57**	**23.57**
Intangible assets	0	0	0	-358	0
Revaluation of other non-current investments	129,030	129,030	129,030	129,030	107,034
Fair value of derivative financial instruments	22,294	0	22,294	22,294	0
Deferred taxes on derivative financial instruments	-4,995	0	-4,995	-4,995	0
Other deferred taxes	257,445	0	257,445	243,557	0
Fair value of liabilities	0	-36,086	0	0	-36,086
Deferred taxes on adjustments of liabilities	0	9,022	0	0	9,022
Ancillary acquisition costs	0	0	162,243	0	0
Calculated EPRA key figure	**2,065,996**	**1,764,187**	**2,228,239**	**2,051,749**	**1,742,191**
Calculated EPRA key figure per share in EUR	**29.29**	**25.02**	**31.60**	**29.09**	**24.70**

31 December 2020

in EUR '000	EPRA NAV	EPRA NNNAV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders	**1,380,551**	**1,380,551**	**1,380,551**	**1,380,551**	**1,380,551**
Per share in EUR	**19.34**	**19.34**	**19.34**	**19.34**	**19.34**
Intangible assets	0	0	0	-251	0
Revaluation of other non-current investments	118,684	118,684	118,684	118,684	98,059
Fair value of derivative financial instruments	41,969	0	41,969	41,969	0
Deferred taxes on derivative financial instruments	-9,139	0	-9,139	-9,139	0
Other deferred taxes	203,848	0	203,848	185,870	0
Fair value of liabilities	0	-31,838	0	0	-31,838
Deferred taxes on adjustments of liabilities	0	7,960	0	0	7,960
Ancillary acquisition costs	0	0	149,007	0	0
Calculated EPRA key figure	**1,735,913**	**1,475,356**	**1,884,919**	**1,717,684**	**1,454,732**
Calculated EPRA key figure per share in EUR	**24.32**	**20.67**	**26.40**	**24.06**	**20.38**

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 in connection with the topics defined as material by S IMMO as well as the subject of human rights, corruption and bribery prevention. When preparing this report, S IMMO implements the legal requirements of section 267a of the Austrian Commercial Code (UGB) in full, in line with the Austrian Sustainability and Diversity Act (NaDiVeG). In addition, starting with the last financial year, information is disclosed in line with the EU Taxonomy Regulation (Regulation (EU) 2020/852).

To facilitate the transparency and comparability of strategies, measures and results, international frameworks are applied in this non-financial report for the first time. This report has been prepared in accordance with the GRI Standards: Core option. The GRI content index provides an overview of the applied standards and the sections that contain the relevant information (page 70 et seq.).

In addition, recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Greenhouse Gas Protocol (GHG Protocol) and the EPRA Sustainability Best Practice Recommendations (EPRA sBPR) are addressed. The EPRA Sustainability Performance Measures can be found starting on page 74.

Scope and boundaries of the report

This non-financial report covers S IMMO and all its consolidated subsidiaries, and follows the principle of financial control. Therefore, any mention of S IMMO below refers to S IMMO and all its subsidiaries. A list of the respective companies can be found on page 109. For the first time, the data and key figures of the two hotels operated under management agreements, the Vienna Marriott Hotel and the Budapest Marriott Hotel, have been taken into account in this report. The existing management agreements with the hotel chain continue to preclude the possibility of active intervention in business operations.

Despite every effort to ensure extensive and full reporting, data in some areas is incomplete. For instance, in some places, the data for the Marriott hotels had to be omitted from the employee-related data. Express indication is given if this is the case.

Properties that were acquired or sold during the year and properties under development were not included in the calculation of key figures due to inconsistent data and for ease of comparison. However, these properties account for only a very small proportion of the portfolio. Further details on the data boundaries are presented in detail in the section Environment.

The company publishes the non-financial report each year as part of the annual report. The reporting period of this report is the past calendar year, and therefore extends from 01 January 2021 to 31 December 2021. Significant events between the balance sheet date (31 December 2021) and the editorial deadline for this report (14 April 2022) are set out in section 5.7. This report was published on 28 April 2022.

Audit

As part of the audit of the financial statements, the commissioned auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, examined whether all legally required information has been disclosed. The non-financial report was not subject to any other audit apart from this. The Management Board submitted the non-financial report to the ESG Committee of the Supervisory Board and the entire Supervisory Board for review. The Supervisory Board received, reviewed and discussed the non-financial report and found no reasons for objection.

Sustainability management

To take account of the increased requirements in terms of sustainability management, anchoring of the topic within the S IMMO organisation was stepped up last year. In spring 2021, the area of digitalisation/ESG was included in the Management

Board's responsibilities as part of the reconfiguration of the Management Board. In autumn, the Sustainability Management staff unit was created as a central point where the sustainability issues of all departments and subsidiaries are coordinated. One main focal point in the reporting year was the ascertainment of the actual situation as well as the standardisation and improvement of data collection and analysis, particularly with regard to consumption data. Sustainability is also becoming an increasingly important topic at the Supervisory Board level. Also in autumn 2021, the Supervisory Board set up an ESG Committee from among its members. The committee is tasked with reviewing and monitoring the strategy with regard to the company's social, economic and environmental responsibility.

Potential risks that arise in the context of S IMMO's business activities and could impact on various sustainability matters are incorporated into the Group's overarching risk management, which is the responsibility of the Management Board and is handled by the Risk Management department. In the run-up to producing this non-financial report, environmental, climate-related, social and governance-related risks were systematically identified and assessed. The identified risks and the handling of these risks are described in the separate risk management report starting on page 88 of the Group management report.

Partnerships and memberships

S IMMO uses memberships and partnerships to meet its social responsibility in terms of sustainability at the sector and economic level, and to promote dialogue between companies and organisations. As a member of the Austrian Business Council for Sustainable Development (respACT), the European Public Real Estate Association (EPRA) and the Austrian Sustainable Building Council (ÖGNI), the company is actively committed to sustainable development and the transfer of knowledge to this effect. In 2021, work in this area focused on the connection between sustainability and digitalisation and the preparation for a transition to the circular economy in the property sector. These partnerships will also be continued in 2022.

Materiality analysis

This non-financial report is based on a materiality analysis conducted in the reporting year, in which potential areas of sustainable management were examined and assessed with internal and external experts in connection with the Austrian Sustainability and Diversity Act (NaDiVeG) and the GRI Standards. The impacts on people and the environment and the significance to key stakeholders such as shareholders, tenants, employees, other interest groups and business partners were addressed here. The materiality analysis was performed with assistance from the consulting firm Deloitte.

In the first step, two workshops were conducted with the CIO and representatives of various specialist departments (Corporate Communications and Investor Relations, Project Development, Portfolio Management, HR, Compliance, Works Council), in which stakeholder groups were identified and the stakeholders were assigned a weighting according to the criteria of "influence on" and "interest in" S IMMO on a scale of 1–10. As a result, the following stakeholder groups were identified as relevant:

- Supervisory Board
- Management Board
- Local Managing Directors
- Employees
- Works Council
- Tenants and brokers
- Core shareholders
- Institutional investors
- Small investors
- Banks and analysts

Given the low level of construction activity, stakeholder groups such as general contractors and suppliers were rated as non-material.

Topics for the stakeholder survey were then determined in a multi-stage process. In the first step, the external consulting firm drew up a shortlist of possible topics for the survey on the basis of sector benchmarking, an analysis of reporting standards, current trends and an analysis of current and forthcoming legal conditions relating to non-financial reporting. These topics were verified at a workshop with Deloitte, and any existing gaps were scrutinised.

The identified topics were assessed on two levels: their influence on decisions of the stakeholders, and their potential economic, environmental and social impacts. Stakeholder representatives were then questioned via an online survey (period: July to September 2021) and in individual interviews. The aim of

these surveys was to assess the impacts of economic, environmental and social aspects on S IMMO and to gauge the influence of these aspects on stakeholder decisions. Subsequently, the importance of the economic, environmental and social impacts of the topics was specified in the context of a workshop and a meeting with the Management Board member responsible for ESG.

The topics identified as material are assigned to the following areas:

- Environment
- Social
- Governance
- Overarching topics

The material topics for S IMMO are therefore those 14 aspects that have the greatest impacts on society and the environment, are the most important to stakeholders and are rated as the most significant for S IMMO's business activities.

Material topics

Environment	Climate change adaptation Energy consumption and use of resources Renewable energy sources Sustainable operation of buildings Maintenance, repair, modernisation and renovation Sustainable mobility
Social	Diversity and equal opportunities Employee satisfaction and employer attractiveness Training Tenant satisfaction Data protection
Governance	Combating corruption
Overarching topics	Digitalisation Sustainable value enhancement

In this non-financial report, S IMMO details its activities and the measures adopted in relation to the topics defined as material. The vast majority of the material topics are dealt with in the following sections: Environment, Social and Governance. Two of the material topics, digitalisation and sustainable value enhancement, must be regarded as higher-level topics that are closely linked with the sustainable development of S IMMO.

Digitalisation

S IMMO deals intensively with the opportunities and risks of digitalisation. To take account of its growing importance, the topic of digitalisation was integrated into the Management Board's responsibilities in the financial year 2021, and an experienced expert, Herwig Teufelsdorfer, was appointed as CIO. To remain competitive in the future, S IMMO launched a comprehensive digitalisation initiative in the last financial year. The aim is to make internal processes more efficient, improve employees' digital skills and turn the company from a process-led organisation to a data-led one in the medium term. Various work streams are being managed in conjunction with an external consultancy firm and in close coordination with the internal experts. The spectrum ranges from governance and security issues to collaboration processes and reporting routines. There is a dedicated ESG work stream, with the main focus on standardised data collection and processing across the portfolio.

Sustainable value enhancement

S IMMO has been pursuing a prudent and proven business policy for nearly 35 years. Details of this and an overview of the business model can be found in the Group fundamentals section starting on page 76. As part of the increasing anchoring of sustainability in all divisions, S IMMO has also drawn up guiding principles that define the company's fundamental values as well as setting out its vision and purpose.

S IMMO guiding principles

S IMMO guiding principles	
Purpose	Investing in lasting values: people and real estate
Vision	We design valuable living environments for today and tomorrow
Mission	We use our experience, passion and local know-how to turn individual properties into a future-proof and high-performing portfolio based on forward-looking decisions
Values	Quality: Tenant satisfaction and consistently increasing business value thanks to highest standards Tradition: Stability and reliability rooted in a successful past Responsibility: Foresighted action for the benefit of our stakeholders and the environment Collaboration: Achieving success as a team and together with our stakeholders

Further key pillars of the corporate culture are set out in S IMMO's Code of Conduct and human rights policy (both are available at www.simmoag.at/sustainability).

Sustainable value enhancement in the interest of shareholders is a key focal point of the corporate strategy. To this end, the company combines stable property markets such as Austria and Germany, where sharp rises in value have been apparent in recent years in particular, with more profitable growth markets in the CEE region. This diversification also serves to spread and minimise risk, something from which the company has also benefited in the last two years with regard to the COVID-19 crisis.

In addition, S IMMO has been pursuing a sustainable dividend strategy since 2011 with the aim of letting its shareholders participate in the company's success. The dividend amount has been continuously increased. Even amid the crisis in 2020, there was a payout on the basis of a highly successful operating result in 2019.

In all its activities, S IMMO never loses sight of its responsibility to people and the environment, and is appreciative and respectful in its dealings with its stakeholder groups. Details regarding employee satisfaction as well as the company's employees and shareholder policy can be found in the subsequent sections.

Environment

Responsible interaction with the environment has been an integral part of S IMMO's operating and strategic activities for many years. This is not limited simply to compliance with all legal requirements and regulatory conditions, but is also reflected in its anchoring in the company's guiding principles and the result of the materiality analysis that was conducted in the reporting year. The following environmental issues were identified as significant in this process:

- Climate change adaptation
- Energy consumption and use of resources
- Renewable energy sources
- Sustainable operation of buildings
- Maintenance, repair, modernisation and renovation
- Sustainable mobility

In view of the ever advancing process of climate change, it has become essential that, as a society, we understand and take into account the mutual effects of environmental changes and business activities on each other. S IMMO therefore actively incorporates environmental aspects into its economic decisions and has additionally expanded its risk management to include climate risks on the basis of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Further details can be found in the risk management report starting on page 88.

The organisational anchoring of sustainability management in the Supervisory Board, the Management Board and a separate operational staff unit in 2021 underlines S IMMO's integrated approach to sustainability and enables it to manage the key environmental issues in a centralised way. For example, the past year was characterised primarily by the comprehensive optimisation of data recording and analysis supported by IT systems in the areas of energy and water consumption data relating to the property portfolio and vehicle fleet data. The resulting enhancement of the data quality will enable the company to manage and optimise the consumption of energy and resources in a targeted way in the future. Especially in regard to the properties, it is now possible to evaluate the optimisation measures that have been implemented thanks to continuous monitoring at property level. Together with other measures such as the increase in the share of renewable energy sources and the modernisation of buildings, S IMMO is setting out to gradually reduce its ecological footprint.

The improvement in the sustainability performance is a stated and, at the same time, practised corporate objective, in which S IMMO employees play an essential role. In order to raise the awareness of S IMMO's employees on environmental issues and climate change, they are kept continually informed about the implementation of concrete measures and actively involved in the processes. Moreover, employees and business partners are also included in environmental activities when this is within the company's power. S IMMO is currently focusing on optimising data collection and analysis in order to make reliable and prompt statements about the actual situation. The aim is also to set specific targets in the future on the basis of this information.

Boundaries on environmental key figures

The key performance figures reported in this section relate essentially to the group of fully consolidated companies of S IMMO (starting on page 109) and follow the financial control approach. Shares that are accounted for using the equity method are not included in the calculation.

As of 31 December 2021, S IMMO's property portfolio, which includes lettable buildings, owner-operated hotels, development projects and land, consisted of 375 properties (2020: 358). The total area amounts to around 1.4 million m² (2020: 1.3 million m²) and the main lettable area to approximately 1.1 million m² (2020: 1.1 million m²). Based on book values, properties in Austria accounted for 17.3% (2020: 18.5%) of the portfolio, while properties in Germany comprised 48.2% (2020: 49.3%). Properties in CEE made up 34.5% of the portfolio (2020: 32.2%). Looking at the portfolio broken down by main types of use excluding plots of land and on the basis of carrying amounts, offices accounted for 45.4% (2020: 43.1%), retail properties for 14.6% (2020: 17.9%), residential properties for 32.7% (2020: 30.2%) and hotels for 7.3% (2020: 8.8%) as of 31 December 2021.

The property-related consumption and emissions data in this section refers only to buildings that were included in the S IMMO portfolio for the entire calendar year under review. The comparatively very small number of acquisitions and sales during the year as well as leasehold properties, development projects and plots of land are not included due to inconsistent data and for ease of comparison. The three buildings that are held by associates and joint ventures, which are accounted for using the equity method are also not included. A total of 328 buildings are thus considered for the 2021 reporting year and 317 buildings in total for 2020, which also include the two owner-operated hotels in Budapest and Vienna.

Building certificates

One of the biggest levers S IMMO as a real estate company has for making a significant contribution to a sustainable economy and society lies in designing the construction, operation and modernisation of the properties in a way that conserves as many resources, produces as few emissions and is as user-friendly as possible. This is why, in 2014, the Group started the step-by-step certification of portfolio properties using internationally recognised certification frameworks for buildings with low emissions – known as green buildings. All the Group's own development projects are now planned and implemented in accordance with these standards, while acquisitions of properties are also evaluated along the same lines.

As of 31 December 2021, S IMMO's property portfolio that was certified under BREEAM, LEED and WELL comprised a total of 11 properties (2020: 7) with a total main lettable area of 241,580 m² (2020: 178,839 m²). This corresponds to 21.4% (2020: 16.6%) of the main lettable area of the entire portfolio and a year-on-year increase of 35.1%. The presentation of certified properties was adjusted in this report. The previous year's report published the total area including underground parking spaces, and this data has been replaced by the main lettable area. Moreover, the Einsteinova Business Center that is certified as BREEAM Excellent is no longer included, as this property accounted for using the equity method does not form part of the scope of full consolidation. These two adjustments were made against the background of a harmonisation of the non-financial reporting during the first-time application of the GRI Standards.

Certified properties as of 31 December

				Certified main lettable area in m²	
Property	**Country**	**Use type**	**Certification**	**2021**	**2020**
10000 Zagreb, Miramarska cesta 23 (Eurocenter)	Croatia	Office	BREEAM Very Good	8,229	8,229
10000 Zagreb, Radnička cesta 80 (Zagrebtower)	Croatia	Office	BREEAM Excellent	25,303	25,307
010735 Bucharest, Calea Griviței 82-98 (The Mark)	Romania	Office	BREEAM Excellent	25,395	25,395
040055 Bucharest, Calea Văcărești 391 (Sun Offices)	Romania	Office	BREEAM Good	9,639	9,644
040055 Bucharest, Calea Văcărești 391 (Sun Plaza)	Romania	Retail	BREEAM Pass	79,674	79,698
061102 Bucharest, Bulevardul Iuliu Maniu 6N (Campus 6.2)	Romania	Office	LEED Platinum	19,835	Acquisition 2021
061102 Bucharest, Bulevardul Iuliu Maniu 6P (Campus 6.3)	Romania	Office	LEED Platinum and WELL Core Gold	17,629	Acquisition 2021
1065 Budapest, Nagymező utca 44. (Pódium)	Hungary	Office	BREEAM Very Good	5,749	Certification 2021
1117 Budapest, Garda utca 2. (BudaPart Gate)	Hungary	Office	LEED Gold	19,562	Acquisition 2021
1134 Budapest, Váci út 35. (River Estates)	Hungary	Office	BREEAM Very Good	20,245	20,245
1138 Budapest, Váci út 182. (Blue Cube)	Hungary	Office	BREEAM Excellent	10,320	10,320
Total				**241,580**	**178,839**

The proceeds from the first of the green bonds issued by S IMMO in January 2021 totalling EUR 150 million went entirely into the (re)financing of acquisitions and development of properties certified as green buildings and thus made a direct contribution to an ecologically and socially more sustainable real estate industry.

The modernisation and certification of other portfolio buildings and the acquisition and development of appropriately certified properties are planned for 2022.

Implementation of the EU Taxonomy

With the EU Taxonomy Regulation (Regulation (EU) 2020/852), the European Union has presented a standardised set of rules for classifying environmentally sustainable economic activities that were applied for the first time in the last financial year 2021. S IMMO is consequently required to disclose the economic activities classified as taxonomy-eligible in accordance with the regulation in the form of the share in turnover, capital expenditure (CapEx) and operating expenditure (OpEx) these activities account for. Taxonomy-eligible means in this case that an economic activity has been defined in the delegated acts of the EU Taxonomy and thus comes under the regulation's sphere of

influence. In the past financial year, it was not yet necessary to disclose taxonomy-aligned economic activities, meaning sustainable activities in accordance with the technical screening criteria of the taxonomy.

All disclosures are made on the basis of the current interpretation of the legal situation, where uncertainties in interpretation result from legal terms that have not yet been adequately defined. Because the legal situation continues to change at the moment, S IMMO adopts a conservative approach in its declaration of taxonomy-eligible economic activities.

Turnover

The economic activity "Acquisition and ownership of buildings" has been identified as material and taxonomy-eligible for the calculation of the taxonomy-eligible share of turnover. Starting out from the total revenues recognised in the consolidated financial statements prepared according to IFRS, the taxonomy-eligible turnover consists of the rental income and revenues from operating costs that S IMMO generates in the course of renting and leasing out its properties.

Capital expenditure (CapEx)

The basis for the capital expenditure that is considered is provided by all additions to properties, intangible assets and property, plant and equipment (before deprecation, amortisation, revaluations and impairments), including additions resulting from acquisitions. In terms of taxonomy eligibility, in the reporting year at S IMMO this relates to the acquisition of buildings within the meaning of the economic activity "Acquisition and ownership of buildings", capitalisations directly associated with property portfolios of this kind, investments in the vehicle fleet and other taxonomy-eligible investments in property, plant and equipment.

Operating expenditure (OpEx)

The relevant categories for determining the taxonomy-eligible operating expenses consist of direct, non-capitalised costs of research and development, building renovation measures, short-term leasing, maintenance and repairs as well as all other direct expenses in connection with the daily maintenance of property, plant and equipment. For S IMMO, only maintenance costs in relation to its property portfolio are of major significance in the context of the taxonomy-eligible economic activity "Acquisition and ownership of buildings". S IMMO does not conduct any research and development. Short-term leasing is operated only to an extremely limited extent and is thus not taken into consideration.

EU Taxonomy key performance indicators 2021

	Taxonomy-eligible		Taxonomy-non-eligible		Total
EU Taxonomy key performance indicator	**Absolute (kEUR)**	**Share (%)**	**Absolute (kEUR)**	**Share (%)**	**kEUR**
Revenues	165,328	84	31,528	16	**196,856**
Capital expenditure	192,784	94.6	11,073	5.4	**203,857**
Operating costs	17,034	99.4	99	0.6	**17,133**

Use of resources

S IMMO is convinced that its business activities are compatible with environmentally conscious behaviour. That is why the company attaches great importance to handling the resources and raw materials it uses sparingly and carefully. This includes energy sources and water especially in the operation of the buildings on the one hand, but also raw materials and local land use and biodiversity on the other. Moreover, waste management and the offer of sustainable mobility solutions are topics that S IMMO actively addresses in the course of its activities.

Energy management

By their nature, the construction and operation of buildings are very energy-intensive – and this is also true of the S IMMO portfolio. The company strives, both for its existing properties and for project developments, to find solutions to keep energy consumption, and thus also the operating costs for its tenants, as low as possible. Actual energy consumption – consisting of heating demand and electricity consumption – in the buildings managed by S IMMO is almost exclusively dependent on tenant behaviour and is therefore largely outside the company's direct control. However, S IMMO can exert a certain influence on the energy efficiency of the buildings through structural measures in the course of maintenance work and modernisation, including for example by upgrading the building services equipment,

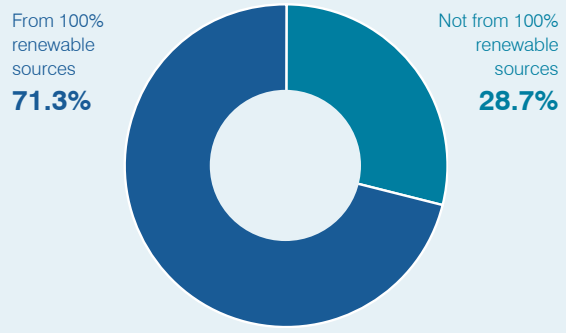
replacing the heating system or optimising the insulation, and therefore applies as a matter of principle the highest standards in development projects and in energy-efficient and structural renovations of portfolio properties.

When looking at energy management, it generally has to be noted that S IMMO is not able in every case to make the decision on the use of energy sources. In principle, it is responsible as the landlord for purchasing energy sources to meet the respective heating demand of the entire building, where it subsequently charges the costs on to the tenants. However, there are several exceptions, especially in Germany in the case of gas heating, where the tenants themselves obtain their heating supplies and consequently do not have to provide S IMMO with consumption information. S IMMO therefore endeavours to contribute to lower energy consumption by its tenants at least indirectly by increasing the energy efficiency of the buildings.

It is also the case in almost every Austrian and German property that S IMMO purchases electricity only for the communal areas in the buildings. The areas exclusively for tenants are supplied through the tenants' own contracts. Here, too, there is no obligation on their part to provide information to S IMMO as the landlord. In CEE, S IMMO is – apart from a few exceptional cases – the sole contracting partner of the local utility companies and thus responsible for the entire energy procurement.

Against the background of the allocation of costs to the tenants as part of service charge reconciliations, when entering into supply contracts S IMMO always pays attention to relevant cost and competition factors, in addition to the energy mix, in order to maintain conformity with the market.

Electricity mix 2021 (S IMMO as contracting partner)



Natural gas, district heating and liquefied petroleum gas are used in the properties of S IMMO to cover the heating demand. Domestic heating oil is still used in some individual cases. Heating oil will be replaced as a heating source by alternatives when buildings are modernised in the future.

The electricity demand on the landlord's side for the whole of the property portfolio in Austria and Germany has been covered since 2020 by purchased electricity from 100% renewable sources (solar energy, hydropower and wind energy as well as biofuels). The buildings in Croatia, Romania and Slovakia were also switched to purely sustainable electricity sources in 2021. With the exception of a very recently acquiredproperty, the procurement of electricity in Hungary will also change to green electricity at the start of 2022. S IMMO is thus very close to meeting the target of switching its electricity purchases to 100% renewable sources throughout the portfolio by the end of 2022. Moreover, portfolio properties are gradually being fitted with photovoltaic systems in order to offer the possibility for buildings to have their own, independent electricity supply. The first projects are already under way in Austria and Hungary.

Another project that contributes to the target of an improved energy footprint is the introduction of an environmental data management system. In December 2021, the purchase of a software solution created the basis for a digital platform for the portfolio-wide management of consumption data. Against the background that this data is supplied by a variety of service providers from several countries, the system serves to continually enhance and harmonise the quality of environmental data and also to recognise deviations and incorrect data more quickly. In parallel with this, it enables the properties to be compared in terms of their environmental performance and allows needs for action and optimisation to be identified. Measures to continually improve energy consumption in the buildings can thus be implemented in a targeted way.

Furthermore, digital consumption meters, known as smart meters, are set to be introduced in Austria and Germany in 2022 and connected to the IT infrastructure, where the aim is to record energy data close to real time and to be able to take corrective action when necessary and consequently optimise consumption. Both the ongoing conversion to renewable energy sources and the digitalisation of the data recording and analysis are playing a part in increasing sustainability in the operation of the buildings and consequently in improving the carbon footprint of S IMMO (for more details on this, please see page 49 et seq.).

Changes were made to the scope of the energy data and the methods for calculating it in the course of the adaptation of the environmental data management. This data is recorded specifically for each building by the respective property manager, managed centrally and, when necessary, harmonised for analysis by using conversion factors from the local utility companies. A detailed breakdown by energy source and the consideration of electricity consumption beyond the communal areas have been newly added. Together with the disclosures on energy consumption when obtained directly by tenants in accordance with category 13 of the Greenhouse Gas Protocol (GHG Protocol, see page 49), which have also been included for the first time, the energy data now represents the entire consumption in the building.

As tenants who purchase their own energy are not required to disclose their consumption, the disclosures relating to this consumption are based almost exclusively on projections using actual consumption in comparable buildings in the company's portfolio as well as standard industry benchmarks at building level. Adapted to the type and size of the property, these benchmarks originate primarily from publications of the Bundesinstitut für Bau-, Stadt- und Raumforschung (BBSR – Federal Institute for Research on Building, Urban Affairs and Spatial Development) and the German Federal Ministry of Transport, Building and Urban Development (now the Federal Ministry for Digital and Transport). In very few cases, exact figures were not yet available for consumption on the part of S IMMO. These have also been extrapolated accordingly. As the office areas that S IMMO uses itself are all located in properties in the company's portfolio, there was no need for an additional disclosure of this consumption, as it is already included. Significant consumption of fuels from renewable sources or purchases of energy do not take place. Any consumption of cooling energy and steam is contained in the data on electricity and district heating and is not recorded separately.

Moreover, for the first time the energy data also includes consumption by the Group's own vehicle fleet based on mileage, the consumption according to the manufacturer's specifications and conversion factors from the Environment Agency (Republic of Austria). Energy consumption outside the organisation, which relates to business travel and employee commuting, are not considered to be directly relevant from an energy management standpoint and are therefore not calculated. Instead, the kilometres travelled and greenhouse gas emissions are recorded as the aim is to reduce the carbon footprint. For more information on this, please see page 49. For an overview of the energy consumption related solely to S IMMO's property portfolio, the EPRA Sustainability Performance Measures are provided starting on page 74.

Energy consumption

Energy consumption indicator	Definition	Unit	Austria 2021	Austria 2020	Germany 2021	Germany 2020	CEE 2021	CEE 2020	Total 2021	Total 2020
Energy consumption within the organisation	Fuel consumption from non-renewable sources	MWh	2,299	1,957	29,552	27,422	39,164	32,281	71,015	61,660
	of which petrol consumption	MWh	3	0	55	48	0	0	58	48
	of which diesel consumption	MWh	37	35	7	8	0	0	44	43
	of which natural gas consumption	MWh	2,259	1,922	26,240	24,307	39,164	32,281	67,663	58,509
	of which liquefied petroleum gas consumption	MWh	0	0	283	93	0	0	283	93
	of which heating oil consumption	MWh	0	0	2,967	2,967	0	0	2,967	2,967
	Electricity consumption	MWh	6,764	6,237	2,928	2,948	54,291	47,353	63,983	56,538
	of which from 100% renewable sources	MWh	6,764	6,237	2,928	2,948	35,920	31	45,612	9,217
	Heating consumption (district heating)	MWh	9,177	8,179	24,008	20,768	2,669	2,320	35,854	31,266
	Total energy consumption	MWh	18,239	16,374	56,489	51,138	96,125	81,953	170,853	149,465
Energy consumption outside the organisation	Energy consumption of downstream leased assets (category 13 of the GHG Protocol)	MWh	12,653	12,561	48,041	46,560	1,506	1,547	62,200	60,669
Energy intensity	Energy intensity ratio (total energy consumption within the organisation)	kWh/m²	133	119	102	94	263	241	162	146
	Main lettable area	m²	137,063	137,060	553,916	543,431	365,811	340,632	1,056,790	1,021,123

Compared with the calendar year 2020, energy consumption and intensity increased in almost all areas during the reporting year, due to the easing steps in connection with the COVID-19 pandemic and thus a more intensive utilisation – especially of commercial properties. In CEE, the share of electricity from 100% renewable sources increased significantly.

Water management

Providing clean water is a matter of course for S IMMO. The company holds the view that sustainable water reserves, safe drinking water and the protection of ecosystems through 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. Water is supplied to and discharged from the properties

through connections to the municipal water networks and these processes are thus subject to the local regulations as well as requirements within the European Union. Attention is paid here to proportionate and economical use of water as a resource, especially as S IMMO properties in northern and central Germany as well as Romania are located in areas that suffer from high water stress according to the Aqueduct Water Risk Atlas. Specifically, this concerns the cities of Berlin, Bremen, Erfurt, Halle (Saale), Leipzig, Potsdam and Weimar as well as Bucharest. The operation of the properties does not involve any major water usage or water storage on an industrial scale and so also does not trigger any impacts caused by process water. Nevertheless, in the future S IMMO will endeavour to monitor the use of water even more closely and to consult with its stakeholders, especially in the regions suffering from increased water stress, and therefore evaluate possible measures to be taken.

In almost all its properties, ensuring the overall water supply from the local utility companies is the responsibility of S IMMO. Only in 7 properties is water obtained directly by tenants on the basis of their own contracts, where there is no obligation for them to provide information to S IMMO. The data for the water consumption of the properties is recorded in parallel with the energy data at building level, transmitted by the property managers, consolidated on a central basis and evaluated at portfolio level. Recognising and responding to irregularities that can be attributed to increased consumption, for example as a result of a leak, forms part of the responsibilities of the local management of the properties.

For ease of comparison, the water consumption of 7 properties in which water is obtained by the tenants has also been included for the first time. As accurate data is not always available in these cases because there is no obligation on the part of the tenants to provide this information, it has been extrapolated using the actual consumption of comparable properties in the portfolio after being adjusted to the size of the property in question. An extrapolation of this kind was also carried out in the few cases where no accurate figures were yet available for the consumption on the part of S IMMO.

Water consumption

			Austria		Germany		CEE		Total	
Water consumption indicator	**Definition**	**Unit**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Water consumption	Total water consumption	m³	73,150	63,759	366,849	377,619	205,348	172,447	645,347	613,825
	of which from areas subject to water stress	m³	0	0	304,408	313,053	85,241	70,749	389,649	383,802
Water intensity	Water intensity ratio	l/m²	534	465	662	695	561	506	611	601
	Main lettable area	m²	137,063	137,060	553,916	543,431	365,811	340,632	1,056,790	1,021,123

Total water consumption increased in 2021 compared to the previous year as COVID-19-related restrictions were partially relaxed or lifted, which resulted in a higher utilisation of the properties. Nevertheless, both water consumption and its intensity have decreased across the Germany portfolio.

Raw materials and waste management

Resources are committed and waste of various kinds is produced over a long period during the construction and operating phases of properties. S IMMO is aware of its central role and responsibility here and actively takes steps to reduce the negative impacts to the minimum possible. As part of its own requirement always to implement development projects to the highest standards of recognised building certification, S IMMO focuses on using ecological building materials and thus on promoting more sustainable construction. Also when properties are maintained and renovated, building materials are replaced where possible by environmentally compatible alternatives. In addition to reducing noise and dust pollution for residents, effective construction site waste management, the secure handling of dangerous substances and short transportation distances are also key priorities. Where necessary, professional disposal of waste or treatment of contaminated sites is agreed by means of framework construction contracts. Efforts are made to exclude contaminated sites by performing thorough location analyses during acquisitions. Strict compliance with official regulations is guaranteed in all cases. With the transition to the circular economy, S IMMO sees further potential for optimisation and an industry-wide need for action in this area.

S IMMO is additionally working on developing a portfolio-wide and system-supported process for recording the generation of waste in the operation of its properties similar to what it is doing with energy consumption data. It is planned to record and subsequently monitor both the type and quantity of the waste and its treatment and ability to be recycled. Because of the large local differences across the portfolio and the fact that information is not completely available from the municipal institutions, it is not yet possible to present an overall view of the waste management at the moment.

In its own office premises, S IMMO attaches great importance to avoiding waste and, in addition to the use of environmentally friendly paper, has therefore also focused since the reporting year on intelligent follow-me printing technology with minimal toner consumption. Complete data on paper consumption is not available as the switch between technologies occurred during the year. Moreover, the company judges the importance of its paper consumption to be low in view of its business activities and the generation of waste throughout the portfolio, which is why this aspect is not examined in more detail.

Biodiversity and land use

In view of climate change and biodiversity loss, S IMMO is engaged in the issues of biodiversity and land use. The greening of open spaces, building façades and roof areas serves in the urban area to create a more pleasant microclimate and reduces heat and noise inside and also in the immediate vicinity of the building. Because the properties enjoy a central location and because of the very high-density development of the plots of land, S IMMO's properties have few areas that are suitable for greening. It is planned to expand greening projects, taking economic viability into consideration, but where the enhanced attractiveness for the users of the building also plays an important role. Extensive green areas around and on the buildings have been considered from the outset in the development projects currently planned in Bratislava and Budapest.

In times of increasing soil sealing in the course of ever more high-density developments, property construction projects on sites that are already sealed, known as brownfield developments, are gaining importance. These contrast with greenfield developments, where construction on areas that were previously totally undeveloped produces additional sealing of the soil. The result of soil sealing is that rainwater can no longer drain away, which in turn increases the risk of flooding. Moreover, these areas boost the rise in temperatures in the summer, as sealed ground surfaces heat up more than planted areas.

All S IMMO's current building developments are located in urban areas in capital cities in CEE and the majority of them are on previously developed sites, which means the company is not contributing to significant additional soil sealing. The only exception to these brownfield developments is a project on an inner-city meadow site in Bratislava. In order to reduce the negative impacts, the property will be equipped with a partially greened façade and extensive roof greening. S IMMO does not have any completely greenfield developments, meaning additional land use outside of urban zones, in its portfolio.

As part of the land bank in the areas surrounding Berlin, S IMMO manages approximately 200 ha of forest and meadows. Some of these areas are located in nature and water conservation areas in the state of Brandenburg. All the areas are managed in accordance with the applicable regulations and in harmony with nature. No properties are developed or operated in these areas. Having plots in a land bank is a long-term investment that could provide areas for later development if they are zoned in a different way and a legally valid land use plan is produced in this connection. S IMMO is not planning any independent developments on these areas.

Mobility

In addition to the development and operation of buildings, the theme of sustainable mobility also plays an essential role for S IMMO in many respects, as the greenhouse gas emissions caused by travel also have direct impacts on the environment and climate change. Here the company can exercise direct control over the Group's own vehicle fleet as well as national and international business trips on the one hand, while, on the other, a positive influence can be exerted on the commuting and travel behaviour of employees, tenants and other users of the properties, meaning that negative environmental impacts can be minimised.

S IMMO's vehicle fleet consists of company cars and pool vehicles. As of 31 December 2021, it included a total of 17 vehicles (2020: 17) at locations in Germany and Austria, which are managed and maintained by local management. No cars belonging to the company are held at the locations in the CEE countries. The size and the costs of the vehicles match the purpose for which they are intended. In addition to hybrid vehicles, a purely electric vehicle can also be found among the latest purchases. The distribution of the German property portfolio across several cities separated in some cases by a large distance requires a degree of flexibility that, in the company's opinion, can best be guaranteed by having a corporate fleet of its own. Several office bicycles have additionally been bought for short business journeys. The fleet is managed using a management software program and mobile applications.

In addition to journeys using the company's own vehicles, various kinds of business trips are necessary at all locations. The local on-site management of the properties requires a large number of short journeys, which can mainly be completed using public transport, although private cars may be needed in some cases. The Vienna location plays a special role here, as the portfolio and development projects in the CEE countries are covered

from here and the aeroplane thus represents a frequently used means of transport. The company's travel policy explicitly encourages employees not to travel when it is not absolutely necessary and to hold online meetings instead or to travel by train where possible. For flights, only seats in economy class are booked in principle, although an exception is made for intercontinental flights. A greater need for international travel by plane also arises at the hotel operating companies as a result of their involvement in roadshows.

Kilometres travelled are recorded on a local basis by the individual S IMMO locations. An accurate record of the kilometres travelled is not always possible especially when employees take a private car, taxi or public transport. The disclosures therefore also contain estimates based on the average travel patterns of the employees in question, which comprise routes and frequency.

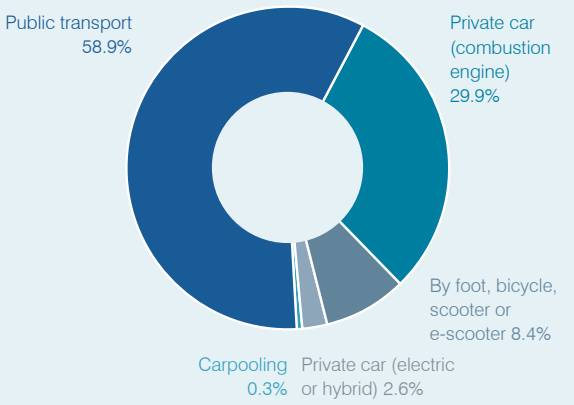
Business travel

		Austria		Germany		CEE		Total	
Means of transport	**Unit**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Company car	km	79,000	65,000	140,706	131,802	0	0	219,706	196,802
Private car	km	7,613	8,254	7,399	2,292	26,654	15,995	41,666	26,541
Hire car and taxi	km	5,067	4,253	346	251	26,788	24,088	32,201	28,592
Public transport (bus, tram, underground rail, train)	km	30,325	10,504	27,283	22,733	17,525	9,315	75,133	42,552
Aeroplane	km	182,690	160,000	4,220	7,260	40,626	8,923	227,536	176,183
Total		**304,695**	**248,011**	**179,954**	**164,338**	**111,593**	**58,321**	**596,242**	**470,670**

Following a significant reduction in travel in 2020 due to the pandemic-related restriction measures, travel increased again in the reporting year. Nevertheless, it is significantly below the pre-crisis level, with public transport showing the largest relative increase.

In the coming years, S IMMO will also endeavour – as far as the current projects allow – to increase the use of more fuel-efficient and public means of transport and to keep travel activity to a minimum by using new forms of communication technology.

Main means of transport for the daily commute



In 2021, S IMMO conducted a voluntary survey to record for the first time the commuting patterns of its employees at all locations, including the hotels. The survey included questions on the average commuting distance and the means of transport primarily used for this. The results were extrapolated on a location-specific basis to the entire workforce. From a Group-wide perspective, a number of different means of transport are used as a result of the different local circumstances and routes to the workplace. The company endeavours to actively encourage its employees to use environmentally friendly options for their commute. The central location of the workplaces featuring well-developed local public transport networks, cycle paths and footpaths is an important factor here. The reimbursement of the costs of benefit cards and annual season tickets for public transport and the creation of carpools are other measures that have already been implemented. In addition, the take-up of the offer to employees to work from home reduces the overall commuting distance.

The fact that the connection to the local public transport network is within walking distance is also an attractive benefit for the employees and the users of properties and helps to minimise the impact on the environment during operations. S IMMO therefore attaches special importance to the existing infrastructure for developments and acquisitions. Bike racks, showers and electric vehicle charging stations reinforce the incentive for more sustainable mobility among employees and visitors and are taken into consideration from the outset in new developments and when properties are modernised.

Greenhouse gas emissions

S IMMO's efforts to reduce its own energy consumption and that of its tenants and where possible to cover the energy demand using renewable energy sources not only serve to increase energy efficiency, but also pursue the goal of reducing the carbon footprint related to the business activities. As climate change progresses, it poses new challenges for the economy and society and demands from companies that they live up to their responsibility in this respect. It is not only the impacts of climate change on the company and its actions that play a role here, but also the influence the company can exert on climate change.

In the context of this double materiality, i.e. the mutual influences exerted by the climate and business activities on each other, S IMMO has on the one hand added key climate risks to its risk management on the basis of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) (see the risk management report starting on page 88) and, on the other, significantly expanded the calculation of the greenhouse gas emissions associated with its activities. This expansion includes broadening the extent of recording the underlying consumption data and additionally calculating indirect emissions. Following the recommendations of the Greenhouse Gas Protocol (GHG Protocol) and in accordance with the financial control approach, the basic scope of the reporting for this carbon accounting is formed by the group of fully consolidated companies of S IMMO (see from page 109).

In terms of the energy consumption of the property portfolio, this consequently means that only the energy purchased by S IMMO is included in the calculation of the direct and indirect emissions under Scope 1 and Scope 2 of the GHG Protocol. Energy consumption where the purchase is made directly by the tenants is regarded as emissions under Scope 3, as no financial control over the terms and conditions of the contract for the energy procurement is given here.

All emission values are calculated in CO_2 equivalents and on the basis of the collected energy consumption data (see page 45) as well as the kilometres travelled for business or commuting purposes (see page 48). In the case of the company's own vehicles for which no emission factors expressed in CO_2 equivalents are available, a pure CO_2 emission factor has been used. Other greenhouse gases are not shown on an itemised basis in light of the existing data. As biomass is not burned to any significant extent, no biogenic greenhouse gas emissions are recorded. Fugitive emissions, which may arise for example when operating air conditioning and cooling systems, are not presented, as no data is available. On account of the substantial changes and expansions in the area of recording consumption and emissions in the reporting year as well as the gradual return to normal operation of the properties following the restrictions caused as a result of COVID-19 in the previous year, S IMMO has decided to select 2021 as the base year and thus the starting point of the future strategic reduction of its greenhouse gas emissions.

The IT-supported and central monitoring of consumption, which is also linked to the relevant emission factors, also plays a key role here, as do the previously described use of renewable energy sources and the modernisation of infrastructure. The greenhouse gas emissions have also been calculated for the 2020 calendar year using the new methodology for transparency reasons.

Direct and indirect energy-related emissions (Scope 1 and Scope 2)

S IMMO's direct greenhouse gas emissions under Scope 1 of the GHG Protocol arise on the one hand in the operation of the property portfolio and, on the other, as a result of the use of the Group's own vehicle fleet. The crucial factor here is that greenhouse gas emissions are released directly when fuel is consumed. In the operation of buildings, natural gas, liquefied petroleum gas and heating oil are used as fossil fuel sources, while the company's own vehicles with internal combustion engines use petrol and diesel fuels. In the case of the properties, emission factors of the state environmental office (state of Brandenburg) and of the Environment Agency (Republic of Austria) that are related to the types of consumption are used to calculate the emissions, where possible while taking regional differences within the portfolio into consideration. Emissions data related to the vehicle fleet use engine-specific emission factors in accordance with the vehicle registration documents and the manufacturer's specifications.

In the case of S IMMO, supplying the properties with electricity and district heating is the driver of the indirect energy-related emissions where energy is purchased externally and emissions arise in the course of this driver. In addition, the company's own electric and hybrid vehicles are also supplied with electricity. The GHG Protocol divides these Scope 2 greenhouse gas

emissions into location-based and market-based emissions. The emission factors of the respective overall local or national energy network are used as the basis here for calculating the location-based emissions of the energy consumption. The market-based emissions, in contrast, take into consideration contractual agreements between companies and utility companies and thus also specific emission factors that are guaranteed to the users by the utility companies. As S IMMO attaches great importance to renewable sources as the origin when purchasing electricity and regards this as a significant contribution to strengthening a sustainable energy network, the emissions from the consumption of electricity and district heating are calculated using both the location-based and the market-based method. The difference, in S IMMO's opinion, corresponds to an active saving of greenhouse gas emissions as a result of its deliberate choice of renewable energy sources.

The location-based Scope 2 emissions are calculated using country-specific emission factors that are provided by ecoinvent (version 3.8), the International Energy Agency (IEA) and the Environment Agency (Republic of Austria). Electricity from 100% renewable sources is regarded as carbon-neutral for the calculation of the market-based emissions. An emission factor of the local utility company Wien Energie is additionally applied for the district heating obtained for the Vienna properties. On account of the lack of binding commitments on the part of the utilities, the location-based country-specific emission factors are used for all other market-based calculations.

Other indirect emissions (Scope 3)

For the calculation of the other indirect greenhouse gas emissions, the Scope 3 emissions, the upstream and downstream supply chains of a company are evaluated for their relevance for the company's own emissions inventory. S IMMO is collecting data on this type of emission for the first time and has classified the following three out of a total of 15 categories pursuant to the GHG Protocol as relevant:

- Category 6: Business travel
- Category 7: Employee commuting
- Category 13: Downstream leased assets

The reason these categories have been selected is that the energy consumption of the properties that is based on supply contracts between tenants and utility companies is directly related to the operation of the buildings and thus the core activity of S IMMO as a portfolio manager. The resulting category 13 emission are thus an integral element of S IMMO's climate footprint, even if it can exert only a limited influence on the consumption patterns of the tenants. More direct is the influence the company has over the frequency and nature of business trips and, as a result of incentives, on the means of transport that its employees choose for their commute, which is why categories 6 and 7 have also been selected. The inclusion of other categories in the greenhouse gas inventory in the future is being evaluated on an ongoing basis, but at the moment not all the necessary data is consistently available for this yet.

In the case of energy-related emissions, the calculations of the Scope 3 emissions follow the principle of the market-based method in order to be able to show the positive effects in the property operations when tenants select renewable energy sources and thus to provide further incentives for the transition to green energy throughout society. The property-related Scope 3 emissions were consequently calculated using the emission factors specified under Scope 1 and Scope 2 (market-based). Emissions associated with business travel and commuting were determined using emission factors of the Department for Environment, Food and Rural Affairs (United Kingdom).

Greenhouse gas emissions

			Austria		Germany		CEE		Total	
Emissions indicator	**Definition**	**Unit**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Direct GHG emissions (Scope 1)	Direct GHG emissions	t CO_2e	462	394	6,173	5,736	7,833	6,456	14,468	12,586
Indirect energy-related GHG emissions (Scope 2)	Location-based indirect energy-related GHG emissions	t CO_2e	2,623	2,379	3,403	3,082	15,210	13,349	21,237	18,810
	Market-based indirect energy-related GHG emissions	t CO_2e	202	180	2,427	2,100	5,144	13,349	7,773	15,628
Other indirect GHG emissions (Scope 3)	Other indirect GHG emissions	t CO_2e	2,161	2,033	14,110	13,592	445	302	16,716	15,927
	of which category 6: Business travel	t CO_2e	31	27	3	2	16	9	51	38
	of which category 7: Employee commuting	t CO_2e	122	no data collected	77	no data collected	140	no data collected	339	no data collected
	of which category 13: Downstream leased assets	t CO_2e	2,008	2,006	14,030	13,590	289	293	16,326	15,889
GHG emissions intensity	GHG emissions intensity ratio (Scopes 1 and 2 location-based)	kg CO_2e/m²	23	20	17	16	63	58	34	31
	GHG emissions intensity ratio (Scopes 1 and 2 market-based)	kg CO_2e/m²	5	4	16	14	35	58	21	28
	Main lettable area	m²	137,063	137,060	553,916	543,431	365,811	340,642	1,056,790	1,021,123

The higher utilisation of buildings and increased travel activities in the wake of the relaxation of measures to contain the COVID-19 pandemic led to higher energy consumption in 2021 and subsequently to a general increase in greenhouse gas emissions and their intensities. In addition, emissions related to employees commuting, recorded for the first time, increase the values for the reporting year. Through extensive purchasing of electricity from 100% renewable sources for the CEE portfolio, it was possible to significantly reduce overall Scope 2 emissions under the market-based approach.

Social

S IMMO is not just an employer but a provider of real estate that meets people's basic need for space to live and work. This mission gives rise to a particularly close relationship with and responsibility for our community at large, a responsibility also reflected in the material topics our stakeholders defined during the materiality analysis conducted in 2021.

The following material topics are explained in this section:

- Diversity and equal opportunities
- Employee satisfaction and employer attractiveness
- Training
- Tenant satisfaction
- Data protection

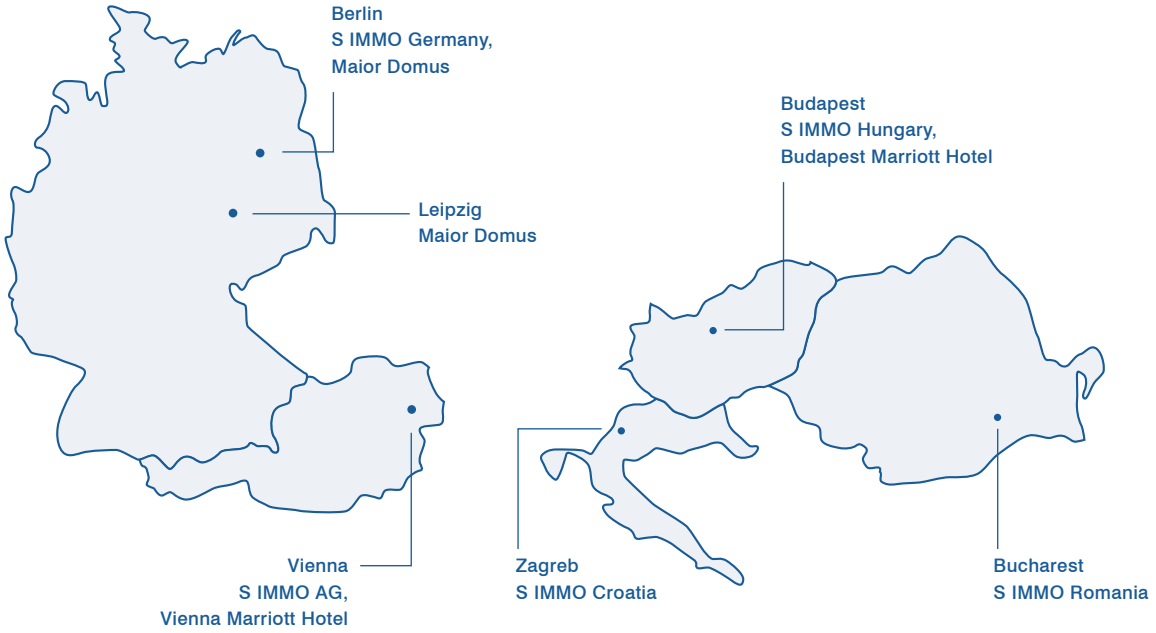
The first three topics deal with employees, who are the lifeblood of S IMMO. After all, highly qualified and satisfied employees are an essential factor for the success of any company. Respect, trust and mutual esteem are the key pillars of social interaction at S IMMO and qualified employees are S IMMO's 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 in order to actively 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.

Attaining these goals requires effective personnel management spearheaded locally by the subsidiaries at the various locations. This approach enables local managing directors to react to and support the needs and challenges of their local teams.

In expanding reporting in general, S IMMO has also increased the level of detail provided regarding employee data. For the first time, this includes the employees of the Marriott hotels in Vienna and Budapest. Where reference is made in the following to S IMMO, this should be understood to include all employees in Austria, Germany, Hungary, Croatia and Romania, plus hotel

S IMMO locations



employees in Vienna and Budapest for the first time. If a key indicator does not refer to all locations, this is explicitly stated.

Some data diverges from that reported in the previous year due to the above changes in collection and analysis methods and internal processes. In order to guarantee comparability of key performance indicators, 2020 figures are presented according to the new methodology and include hotel employees.

Employees

S IMMO has employees in five countries (Austria, Germany, Hungary, Croatia and Romania). These local teams also manage business activities in Slovakia, Czechia and Bulgaria. Responsibility for human resources activities and compliance with all country-specific and labour law requirements lies with the subsidiaries. Moreover, team size and structure and the focus of business activities vary (sometimes substantially) from subsidiary to subsidiary, which is why uniform standards and processes have not been consistently implemented across the S IMMO Group to date. S IMMO values direct channels of communication and the most immediate possible exchange of information between employees and their supervisors. Annual performance reviews conducted with each staff member are standard within the company, as are events to build team spirit.

S IMMO's employees are the manifestation of the company's comprehensive expertise and make a significant contribution to the company's success. The Group employed an annual average of 543 people (2020: 597) on a headcount basis, including employees for hotel operations and excluding dormant staff and interns. Excluding hotel employees, the number of employees was 133 (2020: 130).

The two hotels – Vienna Marriott and Budapest Marriott – are operated under management agreements. Management of the hotel staff is the responsibility of the respective hotel's management and is outside S IMMO's control.

Overview of employees as of 31 December

	Austria		Germany		CEE		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Number of employees (headcount)	**264**	**257**	**70**	**74**	**227**	**197**	**561**	**528**
Average age in years	**38.3**	**38.1**	**42.6**	**43.0**	**38.7**	**39.6**	**39.0**	**39.4**
Women, total	**109**	**112**	**34**	**36**	**114**	**102**	**257**	**250**
Men, total	**155**	**145**	**36**	**38**	**113**	**95**	**304**	**278**
Number of employees, under 30 years old*	**4**	**2**	**11**	**12**	**69**	**44**	**84**	**58**
Women*	2	2	6	7	40	31	48	40
Men*	2	0	5	5	29	13	36	18
Number of employees, 30–50 years old*	**28**	**29**	**34**	**37**	**114**	**117**	**176**	**183**
Women*	16	17	20	21	61	63	97	101
Men*	12	12	14	16	53	54	79	82
Number of employees, over 50 years old*	**14**	**11**	**25**	**25**	**44**	**36**	**83**	**72**
Women*	5	4	8	8	20	15	33	27
Men*	9	7	17	17	24	21	50	45

Overview of employees as of 31 December

	Austria		Germany		CEE		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Women, total in %	**50.0**	**54.8**	**48.6**	**48.6**	**50.2**	**51.8**	**45.8**	**47.3**
Men, total in %	**50.0**	**45.2**	**51.4**	**51.4**	**49.8**	**48.2**	**54.2**	**52.7**
Number of employees, under 30 years old in %*	**8.7**	**4.8**	**15.7**	**16.2**	**30.4**	**22.3**	**15.0**	**11.0**
Women, in %*	4.3	4.8	54.5	58.3	58.0	70.5	57.1	69.0
Men, in %*	4.3	0.0	45.5	41.7	42.0	29.5	42.9	31.0
Number of employees, 30–50 years old in %*	**60.9**	**69.0**	**48.6**	**50.0**	**50.2**	**59.4**	**31.4**	**34.7**
Women, in %*	34.8	40.5	58.8	56.8	53.5	53.8	55.1	55.2
Men, in %*	26.1	28.6	41.2	43.2	46.5	46.2	44.9	44.8
Number of employees, over 50 years old in %*	**30.4**	**26.2**	**35.7**	**33.8**	**19.4**	**18.3**	**14.8**	**13.6**
Women, in %*	10.9	9.5	32.0	32.0	45.5	41.7	39.8	37.5
Men, in %*	19.6	16.7	68.0	68.0	54.5	58.3	60.2	62.5

* For the age structure data, the Austria column only includes the data for S IMMO AG in Vienna. The data for the Vienna Marriott Hotel is not available in full.

Employees by type of contract as of 31 December

	Austria		Germany		CEE		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Number of employees with a permanent contract*	**244**	**238**	**70**	**74**	**37**	**25**	**351**	**337**
Women*	23	23	33	36	22	15	78	74
Men*	20	17	37	38	15	10	72	65
Number of employees with a temporary contract	**20**	**19**	**0**	**0**	**190**	**172**	**210**	**191**
Women	5	6	0	0	92	87	97	93
Men	15	11	0	0	98	85	113	96
Total	**264**	**257**	**70**	**74**	**227**	**197**	**561**	**528**

* In the data on gender distribution among employees with permanent contracts, only data for S IMMO AG in Vienna is included in the Austria column. The data for the Vienna Marriott Hotel is not available in full.

Employees by type of employment as of 31 December

	Austria		Germany		CEE		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Number of full-time employees	**231**	**226**	**56**	**58**	**215**	**182**	**502**	**466**
Women	82	83	27	35	106	93	215	211
Men	149	143	29	23	109	89	287	255
Number of part-time employees	**33**	**31**	**14**	**16**	**12**	**15**	**59**	**62**
Women	27	28	7	8	8	9	42	45
Men	6	3	7	8	4	6	17	17
Total	**264**	**257**	**70**	**74**	**227**	**197**	**561**	**528**

Diversity, equal opportunities and employee retention

Diversity, equal opportunities and integration are key competitive advantages and fundamental tenets at S IMMO. 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. S IMMO is committed to providing a discrimination-free work environment characterised by mutual trust in which everyone is treated with dignity and respect. Every team member is appreciated, regardless of gender, age, physical or mental limitations, marital status, sexual orientation, skin colour, religious or political beliefs, ethnic or social background or nationality.

There were no reported cases of discrimination at S IMMO based on personal background, skin colour, gender, religion, political affiliation, national origin or social background in 2021 or the previous year.

The average age of employees was 39.0 in the reporting year (2020: 39.4).

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. Female employees accounted for 45.8% of the workforce as of 31 December 2021 (2020: 47.3%). Not including the employees of the two hotels, the percentage of women working at S IMMO and its subsidiaries is 52.6% (2020: 53.1%).

Senior managers are defined at S IMMO as employees at the Vienna location with HR responsibility (excluding the Management Board) and the managing directors of the subsidiaries. Only managing directors are considered senior managers at the hotels. As of 31 December 2021, the proportion of women in senior management was 34.5% (2020: 32.1%). Excluding the hotels, this figure was 42.9% (31 December 2020: 38.5%).

Gender distribution in % as of 31 December

	Austria		Germany		CEE		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Senior managers								
Women	35.3	35.3	50.0	50.0	30.0	22.2	34.5	32.1
Men	64.7	64.7	50.0	50.0	70.0	77.8	65.5	67.9
Under 30 years old	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30–50 years old	58.8	52.9	50.0	50.0	60.0	66.7	58.6	57.1
Over 50 years old	41.2	47.1	50.0	50.0	40.0	33.3	41.4	42.9
Non-management employees								
Women*	58.8	64.5	48.5	48.6	52.4	55.2	52.2	54.5
Men*	41.2	35.5	51.5	51.4	47.6	44.8	47.8	45.5
Under 30 years old*	8.8	6.5	16.2	16.7	34.8	26.7	27.3	21.6
30–50 years old*	64.7	74.2	50.0	50.0	47.6	53.3	50.2	54.9
Over 50 years old*	26.5	19.4	33.8	33.3	17.6	20.0	22.5	23.5

* In the data on non-management employees, the Austria column only includes data for S IMMO AG in Vienna. Data for the Vienna Marriott Hotel are not available in full.

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 seeking a successor to the CEO and appointing a third Management Board member in the first quarter of 2021; the consultant engaged was explicitly instructed to consider female candidates. Despite a conscientious process, regrettably it was not possible to increase the share of women on the company's Management Board. The company remains clearly committed to the goal of appointing women to the company's Management Board over the medium term. In accordance with the legal requirements for a 30% quota of women, three members of the Supervisory Board must be female. S IMMO met these requirements as of 31 December 2021.

Members of the Supervisory Board and Management Board as of 31 December

	Supervisory Board		Management Board	
	2021	**2020**	**2021**	**2020**
By gender				
Women	3	2	0	0
Men	8	2	3	2
By age group				
Under 30 years old	0	0	0	0
30–50 years old	5	2	0	0
Over 50 years old	6	2	3	2
Total	**11**	**4**	**3**	**2**

Members of the Supervisory Board and Management Board as of 31 December

	Supervisory Board		Management Board	
	2021	2020	2021	2020
By gender, in %				
Women	27.3	50.0	0.0	0.0
Men	72.7	50.0	100.0	100.0
By age group, in %				
Under 30 years old	0.0	0.0	0.0	0.0
30–50 years old	45.5	50.0	0.0	0.0
Over 50 years old	54.5	50.0	100.0	100.0

The locations in which S IMMO subsidiaries operate are barrier-free, and ease of access is taken into account for all new buildings. As of 31 December 2021, a total of 12 people (2020: 11) with long-term physical, mental or psychological impairments or impairment of their sensory functions were employed.

S IMMO is committed to the idea that positive work-life balance is a key factor in ensuring greater motivation and dedication as well as improved performance by employees. In addition, a good work-life balance contributes substantially to equal opportunities within the company. S IMMO strives to offer all employees flexible working hours, working from home 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 2021, 10.5% of staff members were employed on a part-time basis (2020: 11.7%), 71.2% of whom were women (2020: 72.6%). 31 employees were on parental leave as of 31 December 2021 (2020: 35). In the reporting year, 10 employees returned from parental leave, of which 9 were women and 1 was a man.

Parental leave as of 31 December

	Austria		Germany		CEE		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Number of employees on parental leave	**12**	**10**	**2**	**3**	**17**	**22**	**31**	**35**
Women	12	10	1	3	17	22	30	35
Men	0	0	1	0	0	0	1	0
Number of employees returning from parental leave	**3**	**2**	**4**	**0**	**3**	**1**	**10**	**3**
Women	3	2	3	0	3	1	9	3
Men	0	0	1	0	0	0	1	0

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. In Austria, these include 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. It was possible to stage these events and activities only to a limited extent in the reporting year owing to the COVID-19 pandemic. However, S IMMO assumes that it will once again have the opportunity to hold joint events in 2022.

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 this in future. Making the best possible use of the personal strengths and potential of all employees 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. S IMMO intends to remain an employer of choice and to continue to meet employee needs. 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 average period of service across all locations (excluding the Vienna Marriott hotel) is 7.4 years (2020: 8.3 years). S IMMO considers this period of service to be a positive sign that the company is viewed as a desirable employer by employees.

Not including the hotels, the fluctuation rate was 14.6% at S IMMO's branches (2020: 11.0%). The two hotel operations had extremely volatile staffing requirements on account of the various lockdowns, and the overall turnover rate for all locations was 67.0% in the reporting year (2020: 64.4%).

Hires, 01 January to 31 December*

	Austria		Germany		CEE		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
By gender								
Women	2	1	7	10	49	15	58	26
Men	5	0	6	4	37	14	48	18
By age group								
Under 30 years old	2	1	5	5	62	16	69	22
30–50 years old	1	0	4	7	19	13	24	20
Over 50 years old	4	0	4	2	5	0	13	2
Total	**7**	**1**	**13**	**14**	**86**	**29**	**106**	**44**
By gender, in %								
Women	28.6	100.0	53.8	71.4	57.0	51.7	54.7	59.1
Men	71.4	0.0	46.2	28.6	43.0	48.3	45.3	40.9
By age group, in %								
Under 30 years old	28.6	100.0	38.5	35.7	72.1	55.2	65.1	50.0
30–50 years old	14.3	0.0	30.8	50.0	22.1	44.8	22.6	45.5
Over 50 years old	57.1	0.0	30.8	14.3	5.8	0.0	12.3	4.5

* No data available for the Vienna Marriott hotel.

Departures and turnover, 01 January to 31 December

	Austria		Germany		CEE		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Departures								
By gender								
Women	42	40	9	3	139	165	190	208
Men	34	34	8	8	132	134	174	176
By age group								
Under 30 years old	37	44	5	1	98	95	140	140
30–50 years old	27	22	7	5	127	155	161	182
Over 50 years old	12	8	5	5	46	49	63	62
Total	**76**	**74**	**17**	**11**	**271**	**299**	**364**	**384**
Turnover in %								
By gender								
Women	16.0	14.2	12.1	4.1	67.3	68.0	35.0	34.9
Men	13.0	12.1	10.7	10.9	63.9	55.2	32.0	29.5
By age group								
Under 30 years old	14.1	15.7	6.7	1.4	47.4	39.2	25.8	23.5
30–50 years old	10.3	7.8	9.4	6.8	61.5	63.9	29.6	30.5
Over 50 years old	4.6	2.8	6.7	6.8	22.3	20.2	11.6	10.4
Total	**29.0**	**26.4**	**22.8**	**15.0**	**131.2**	**123.2**	**67.0**	**64.4**

* Turnover is calculated using the Confederation of German Employers' Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände) formula and does not distinguish between voluntary and involuntary departures (departures/average headcount in the period).

Labour standards and occupational safety

Healthy employees are the foundation of a successful company. This is why preserving and promoting the health of S IMMO employees is so important. 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.

The company has employees in European Union countries only and complies with all legal requirements regarding wages and working hours. S IMMO pledges to pay employees fair and living wages and salaries, and to fully respect the results of collective bargaining. Standard policies include fair work conditions and benefits (part-time work, job protection for expectant mothers, regular paid holiday and sick leave and paid parental leave).

In January 2021, a Works Council (in-house governing body representing employee interests) was elected at the Vienna location. It has three members (one woman and two men) and three deputy members (three women). The Works Council is authorised to take action including entering into works agreements and is involved in dismissals and redundancies. Moreover, all three members are seconded to the Supervisory Board, which provides additional representation of employee interests in this forum as well.

The Management Board welcomed and supported the election of the Works Council. The Management Board maintains an open relationship with the Works Council in Vienna based on a foundation of trust, and conducts constructive and collaborative dialogue with this body to ensure a fair balance of interests. S IMMO's corporate culture includes professional interaction with employee representatives without any preferential or disadvantageous treatment whatsoever.

Moreover, S IMMO mainly focuses on prevention, offering employees various preventive measures as part of the company's health services. At the Vienna location, for instance, employees can take advantage of an annual check-up and seasonal vaccinations. For this purpose, S IMMO is always enquiring about current and new options that can be implemented in the company health promotion plan. As in the previous year, an occupational physician was also regularly available in Vienna in 2021 to answer questions employees might have about COVID-19. The preventive measures against COVID-19 are outlined below.

S IMMO complies with local occupational safety laws to ensure employee safety. These include first aid and fire prevention measures in particular. The Vienna location has a safety officer and several first responders on staff.

The company assesses the risk of accidents and injuries to be comparatively low for employees at the S IMMO locations due to their primary activity being office work and the risk faced by hotel employees to be slightly higher on account of their work. Preserving and promoting health of staff and avoiding workplace accidents and work-related illnesses are clear goals the company pursues. However, the company considers sick days to be only minimally suitable as a performance indicator for assessing the health and well-being of employees. Employees are encouraged to recover fully from illnesses and injuries before returning to work. In addition, the company is dedicated to enabling employees to balance work and their personal lives, not least to offset stress and encourage mental health.

In the reporting year, S IMMO collected accumulated sick leave data relating to its employees for all locations (including the hotels). On average, employees at all locations took 6.7 (counted from the first day) days of sick leave (2020: 9.9). An additional 21 employees were on long-term sick leave in 2021. The definition of long-term sick leave is country-specific. Sick leave counted from the date on which the government begins to pay continued wages, rather than the company, is long-term sick leave.

In the 2021 reporting year, COVID-19 was the main employee health issue once again. The remote working and workplace safety rules previously established continued to pay off in the 2021 financial year. Thanks to extensive IT infrastructure that made working remotely possible without technical limitations or limitations on the type of work performed, S IMMO was able to continue operating at all times. The managing directors of S IMMO's subsidiaries regularly exchanged information with the Management Board and a dedicated COVID-19 working group in Vienna was able to react in real time to new developments. Government vaccination programmes were received very well by employees at all S IMMO locations.

The strictest possible safety standards and a robust testing system were implemented at the Vienna location. In spring 2021, employees were provided the opportunity to participate in a company vaccination programme with the result that the vaccination rate had already topped 90% at the start of the summer months. The COVID working group monitors the legal situation on an ongoing basis and modifies the applicable rules in the offices. This enabled the company to also rapidly implement the "3-G rule" (which stands for "geimpft, genesen, getestet" or vaccinated, recovered, tested) in effect from autumn onwards.

In addition to all applicable rules and regulations, S IMMO always considered it vital to flexibly address individual needs, challenges and sometimes risks faced by employees. The idea that the pandemic is just a health crisis falls short. It is important to also take into account the psychological effects and the particular situation of individuals and to ensure the well-being of the team beyond just physical safety.

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.

S IMMO recorded 20 work-related injuries to employees in 2021 (2020: 9). All of those occurred exclusively in the hotels. No fatalities occurred in 2021 (2020: 0).

In addition to the safety of its own employees, S IMMO is also dedicated to ensuring safety at the company's construction sites. S IMMO's service providers and partner companies ensure that everyone involved in construction is protected in line with local statutory provisions. S IMMO therefore abides by high quality standards when selecting partner companies and opts for companies which attach great importance to factors such as 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. None of S IMMO's employees primarily work on construction sites. When selecting service providers, S IMMO will also exercise the utmost care and focus on the highest safety standards in future.

Remuneration and continuing education

S IMMO considers remunerating employees appropriately to be very important. In all countries in which S IMMO has employees, all legal provisions and requirements are conscientiously observed. Employees in Austria are covered by a collective agreement. The company compensates employees at market rates. Remuneration comprises a fixed salary – depending on the position – and often includes performance-based variable remuneration components as well. (For details, see the Remuneration Report, which is published on the company's website along with the other mandatory reporting no later than 21 days prior to the Annual General Meeting.) The principle of equal opportunity underpins the company's remuneration policy as well as personnel development efforts.

The majority of S IMMO employees have completed high-quality training programmes and have many years of professional experience, which is also reflected in the statistics on age groups and years of service. The company therefore has a wealth of expertise to draw on. Attracting and retaining highly qualified and motivated employees is a major factor in the company's success. When such employees leave, this affects the company negatively. In addition to losing knowledge, a departure can also adversely affect business activities, for instance if projects are delayed as a result. Moreover, filling positions and training new employees takes up resources.

Human resources management is handled locally by the individual subsidiaries so that individual employees' needs may be met optimally and to ensure that local law is followed. Focused support for employee training and continuing education in both the personal and the professional realms is important to S IMMO. S IMMO regards performance reviews between employees and their line managers as a key tool for identifying training and continuing education potential. In addition to goal setting, 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.

The primary focus in training and continuing education is on expanding employees' industry-specific knowledge, for example through the completion of postgraduate programmes in the field of real estate. The company also supports staff who wish to take advantage of coaching and language courses. The agreed training courses are provided by third-party institutions and service providers.

In the 2021 financial year, there were no measures or programmes integrated into S IMMO's operations to provide training or professional development to employees or assist employees entering retirement or ending their employment.

In the coming years, in-house training will be expanded, not least to enable knowledge existing within the company to be utilised more extensively. The company plans to additionally enhance knowledge management with a digital training platform as part of a broad-based digital transformation initiative throughout the Group. Above all, this will strengthen employees' digital skills. Other plans include using e-learning for in-house courses on subjects such as data protection and compliance.

In the reporting year, the S IMMO Group trained an average of 56 apprentices (2020: 40), 53 of whom were trained at the two Marriott hotels. Except for the property management company Maior Domus in Germany, S IMMO itself does not generally train apprentices. That company had 2.5 apprentices on average over the year (2020: 2.5). They spend time in all departments of the property management company as part of their three-year training programme and take on responsibility for overseeing their own properties from their second year, where they are supported by mentors. Apprentice training is an integral part of Maior Domus's human resources policy and a valuable investment in the future.

No complete set of data on employee training and continuing education is collected for the Group. In Austria, EUR 30,000 (EUR 652 per employee) was spent on further education and training. S IMMO Germany invested EUR 1,200 (EUR 62 per employee), Maior Domus EUR 13,324 (EUR 242 per employee) in the training of employees. No data was reported by the locations in Budapest, Bucharest, or Zagreb. Work is under way on developing a uniform way to collect this data Group-wide.

Tenants

As a property holding company, tenants play a central role for S IMMO. Properties are designed for people and intended to meet their need for living and work space. S IMMO treats its tenants as equal partners and always strives for respectful dialogue. A positive relationship between S IMMO and its tenants is essential for the success of the business and the company's reputation.

S IMMO has always done its utmost to maintain a good, open and honest relationship with its tenants. At the start of the COVID-19 pandemic in particular, many questions remained unanswered and the ongoing exchange of information with tenants was key to working jointly to quickly find suitable solutions for individual tenants. S IMMO 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. At the same time, the last year showed that the industries seriously affected often recovered faster and more completely than initially expected.

Tenant satisfaction

It is particularly important for S IMMO to ensure that satisfied tenants live in the company's properties for the long term. The company aims to achieve this goal by respectfully and continually communicating with tenants as equals and especially by offering tenants a complete range of services. The local teams on-site are the key players: They know the properties inside and out and maintain contact with potential and current tenants.

Maior Domus is S IMMO's own property management company, which manages properties and tenants in its own real estate portfolio in Germany. S IMMO Hungary manages tenants and properties in Budapest. The sometimes very small teams at other locations are supported by external service providers.

This approach allows S IMMO to quickly and flexibly react and act in all situations. For the company, regular dialogue and direct contact with tenants are the foundation for long-term partnerships on a basis of mutual trust and are a key success factor.

Quality, safety and consumer protection

All of S IMMO's properties provide an excellent quality of life. Regular inspections as well as maintenance and modernisation projects at the individual properties ensure a safe and healthy environment for tenants and are an integral part of the company's day-to-day business. When any existing property is renovated or when the company develops a new project, the top priorities are always achieving the highest possible level of tenant satisfaction and guaranteeing profitability while at the same time focusing on resource conservation and sustainability.

Stakeholders and society

S IMMO takes care to cultivate relationships with its stakeholders and enable them to personally share their views and experiences. Due to the pandemic, these efforts were again replaced by virtual alternatives in 2021. Our shareholders were most affected by this. The extraordinary shareholders' meeting in June 2021 and the Annual General Meeting in October 2021 were again held virtually for safety reasons. This is why S IMMO initiated a question-and-answer session ahead of the extraordinary shareholders' meeting at which S IMMO CEO Bruno Ettenauer discussed issues and provided answers to private shareholders. The format proved to be very popular and was continued when quarterly reports were published as well. In addition, many individual discussions were held virtually with investors in 2021, and the Management Board and IR team took part in numerous virtual and a few in-person roadshows.

Stakeholder relations

Continual dialogue with various stakeholder groups is important to S IMMO. The teams at the subsidiaries in Austria, Germany, Hungary, Romania and Croatia are familiar with local conditions and in some cases have long-standing relationships with the relevant stakeholders. Respectful interaction and communication as equals with all stakeholder groups is the foundation for successful cooperation. The company communicates with individual stakeholder groups through the relevant departments or the local teams. As part of the materiality analysis conducted in 2021, stakeholder groups were identified whose influence on and interest in the company is particularly large (see page 37).

S IMMO regularly challenges its communications activities to better meet the needs of stakeholder groups. In the reporting year, the company identified an increased need for information by S IMMO shareholders regarding the takeover offer by IMMOFINANZ and the resulting extraordinary shareholders' meeting. The question-and-answer session for shareholders introduced for this purpose allowed investors to call in and ask CEO Bruno Ettenauer questions directly as well as to discuss current company and market developments with him. The question-and-answer sessions in the reporting year were held immediately after publication of the quarterly financials. The company plans to continue them in the following year.

Employees are also informed about recent developments using established channels of communication. In specific instances, the Management Board held virtual meetings to address the team in real time to provide information and context for the current situation. Moreover, employees are always free to meet one-on-one with individual Management Board members.

In order to ensure optimal tenant satisfaction, S IMMO maintains an ongoing exchange of information with its tenants. The local teams serve as their expert point of contact on site and seek solutions individually tailored to meet our tenants' needs (see the Tenant satisfaction section for more information).

In the reporting year, the economic uncertainty associated with the COVID-19 pandemic also gave rise to increased information requirements among this stakeholder group. S IMMO always strives to partner with tenants to find solutions tailored to their needs and acceptable to both parties.

Human rights

S IMMO is aware that companies' activities can have an impact on human rights. The company has identified the following possible areas of risk in its business activities with an impact on human rights and manages these actively: protection of minors, prohibition against child labour and forced labour, protection of women's rights, protection of minorities, the right to equal opportunity and equal treatment, the prohibition against discrimination, occupational health and safety, the right to fair compensation and responsible management of employees.

S IMMO is committed to complying with the Universal Declaration of Human Rights, the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and eight fundamental conventions, and the OECD Guidelines for Multinational Enterprises. With regard to its employees, the company complies with the law, supports employee rights, is committed to the freedom of assembly and ensures that the interests of its employees are represented, if applicable, by a works council elected by employees. As of 31 December 2021, only the location in Vienna had elected a works council.

In particular, S IMMO pledges to adhere to Council Directive 76/207/EEC of 09 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment and the 1979 UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW). S IMMO also undertakes to promote and protect the rights of minorities as laid down in the 1992 United Nations Minorities Declaration. S IMMO is additionally 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.

All employees 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.

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.

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. A whistleblower platform was also rolled out to enable anonymous reporting.

There were no human rights violations at any of S IMMO's branches in the reporting year.

Personal privacy and data protection

Respecting personal privacy and protecting data are key issues for S IMMO and our stakeholders. Special importance is attached to protecting the personal data of employees and business partners. The theft and loss of personal data can have a negative impact on the company and have a lasting effect on the foundation of trust between it and its stakeholder groups.

Business operations can grind to a halt if companies lose business data or are permanently or even only temporarily prevented from accessing it by third parties. This can also tarnish the company's reputation.

Prior to the entry into force of the EU General Data Protection Regulation (GDPR) in 2018, an in-house working group composed of employees from various departments such as Legal, IT and Corporate Communications & Investor Relations was formed to combat these risks.

The working group 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. Since it was elected in January 2021, the Works Council of S IMMO AG has also been included in meetings as necessary to ensure that employee interests and rights are represented. In addition, the members monitor the decisions of the Austrian Data Protection Authority (DSB) along with recent developments, and consult external legal experts as needed.

There were no complaints of GDPR violations by S IMMO in the 2021 financial year.

Secure IT infrastructure and protection against cyber crime are critically important for guaranteeing that both personal and business data remain protected. S IMMO employs state-of-the-art IT infrastructure, including current hardware and regular software and operating system updates. The IT department at S IMMO is supported by a well-known IT services company that has been in business for many years. Machine learning, which can detect anomalies in the system, is one technology used to identify the danger of cyberattacks at an early stage.

Damage containment procedures are initiated immediately when the loss of company-issued laptops or mobile phones is reported without delay. One of these measures is called "remote wipe" and involves deleting the data remotely and therefore preventing third parties from accessing it. Another key safeguard in this context is active user management to minimise damage in the event of a cyberattack. The targeted allocation of user permissions and roles ensures, for example, that they can only access the documents they require. Details on further IT safeguards can be found in the risk management report starting on page 96.

No cyberattacks on S IMMO's IT infrastructure were recorded in 2021. There were also no leaks or thefts/loss of personal data.

Commitment to society and the local community

At S IMMO, we consider it important to take responsibility for issues beyond just our core business and to support charitable projects in the countries in which we do business. These include various projects by Caritas to provide shelter in Austria, Hungary, Romania and Bulgaria by giving people in crisis a place to live and young people prospects for the future.

For instance, we support four Hope Houses serving orphaned children and youth in Alba Iulia (Romania), a children's home in Stremț (Romania) and a facility in Pokrovan (Bulgaria), a village that has long seen a high emigration rate, which is why many of its inhabitants live alone and in poverty. Members of the Roma minority in Hungary are often affected by poverty and

unemployment. Here, S IMMO supports the "Unser Haus (Our House)" community centre, which provides care to socially disadvantaged children and adolescents. To promote sustainable development and change, S IMMO is keen to commit to long-term partnerships in countries in which it operates.

It is likewise very important to S IMMO that its employees are actively involved in social projects. In recent years, the S IMMO team in Austria 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 in the past two years due to restrictions related to the pandemic.

Instead, S IMMO employees participated in the traditional Christmas donation drive. This time, the company decided to take a different approach and focus even more on acting together. S IMMO therefore invited employees to suggest organisations and projects that were near and dear to their hearts and required financial support. This produced a widely varied list of charities and S IMMO's 2021 Christmas donation drive supported not just a single initiative but a number of different aid campaigns. These included the association TrauerZeit, Zentrum für trauernde Kinder und Familien Berlin Brandenburg e. V. (professional counselling for grieving children and youth), neunerimmo (affordable housing), Amnesty International Austria, a project to aid children in Hungary and an emergency shelter for youth, as well as Caritas' efforts to support people with dementia and their families.

S IMMO is also active in the art world. In 2021, it made its facilities at Mariahilfer Strasse 103 available to the Vienna Art Supermarket – one of the largest contemporary art events in Austria – for the 15th time. For four months, original works by international artists were exhibited in a space of over 250 m^2 with the aim of making art more accessible and offering it to potential buyers at modest prices. The Art Supermarket was again hit by pandemic lockdowns in the 2021 season and so extended its run so that visitors could attend it until 26 March 2022, instead of until 19 February 2022. It proved highly popular, as in the years before.

S IMMO also supported the International Summer Academy operated by the University of Music and Performing Arts, Vienna (mdw Universität für Musik und darstellende Kunst Wien) and presented the Viennese Classicism Award.

Besides donating to charitable causes, S IMMO additionally focuses on promoting young talent in the academic arena. 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. After being conducted online in 2020 due to the pandemic, the module was held in-person again in 2021.

Governance

As a company listed on the stock exchange, S IMMO has a constant obligation to its shareholders. Handling the capital provided sustainably and with integrity is a key part of the company's corporate self-image. This responsibility is fulfilled both by the in-house team and in the context of cooperation with our business partners.

In addition to the section below, the corporate governance report (starting on page 26) as well as the guideline governing issuer compliance at S IMMO, the guideline governing the prevention of bribery, acceptance of benefits and corruption, the Code of Conduct and the human rights policy are available on the Group's website (www.simmoag.at/sustainability) for further information.

Responsible governance

Along with a corporate culture geared towards fairness and equality, S IMMO maintains clear guidelines as well as company-wide standards and pursues a transparent information and training policy in order to make all relevant parties aware of governance-related issues. 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 the company's 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 of the Code (the deviations from the C Rules are also explained in the corporate governance report).

Shareholder structure, democracy and rights

The rights and obligations of shareholders arise from the Austrian Stock Corporation Act (AktG) and the articles of incorporation of S IMMO (www.simmoag.at/corporategovernance). The main rights include the right to profit-sharing and the right to participate, vote and receive information at the Annual General Meeting. Shareholders with shareholdings above clearly defined levels additionally have rights such as the right to add items to the agenda. All rights of shareholders are published annually on the website in the notice of convening of the Annual General Meeting. The articles of incorporation of S IMMO are available on the website (www.simmoag.at/corporategovernance).

Section 3 (3) of the articles of incorporation of S IMMO provides for a voting rights cap in the interest of minority shareholders. At the Annual General Meeting, the voting rights of each shareholder are accordingly limited to 15% of the issued share capital. Further details can be found in the corporate governance report from page 26.

Details of the shareholder structure and the company's IR activities can be found in the section S IMMO in the capital market and at www.simmoag.at/share.

Management structure and remuneration

In line with the Austrian Stock Corporation Act, the Management Board of S IMMO runs the company under its own responsibility, taking the interests of all stakeholders into account. The Management Board is in charge of the operational management team, which is in turn responsible for the various divisions and functions. The constant, open exchange of information and short decision-making channels are paramount here. The Supervisory Board is responsible for appointing the Management Board, and pays particular attention to market expertise, experience, relevant skills and an appropriate track record. The key consideration regarding the composition of the Management Board is that a wide range of skills must be covered while ensuring cordial, targeted cooperation.

S IMMO is committed to performance-oriented remuneration in line with market conditions for its Management Board members, aimed at enabling the company to attract qualified managers and retain their services. In spring 2020, the S IMMO Supervisory Board set out the principles for the remuneration of members of the Management Board (remuneration policy) as per section 78a Austrian Stock Corporation Act (AktG). This remuneration policy was submitted to and adopted by the 31st Annual General Meeting of S IMMO in October 2020 (www.simmoag.at/agm).

The remuneration policy ensures that the total pay of the members of the Management Board is commensurate with the situation of the company and customary remuneration, long-term incentives for sustainable corporate development are set and the company's business strategy and long-term development are furthered. The aim is to create sustainable, value-creating and growth-oriented corporate development by reconciling the interests of the company, shareholders and members of the Management Board. Based on this remuneration policy, a

remuneration report is now submitted to the Annual General Meeting each year, and is published on the company's website no later than three weeks before the respective Annual General Meeting.

Diversity, structure and independence of the Supervisory Board

The structure, composition and allocation of responsibilities of the Supervisory Board and the diversity concept of the company are set out in detail in the Supervisory Board report (starting on page 23) and the corporate governance report (starting on page 26). In 2021, the Supervisory Board formed an ESG Committee from among its members that deals predominantly with the strategy and objectives in relation to sustainability criteria. In keeping with this, a member of the Management Board has also been explicitly assigned to ESG matters.

Collectively, the Supervisory Board has the relevant experience and expertise in the international property sector, retail, capital markets, banking, insurance and law that are required in order to perform all its supervisory duties effectively. Accordingly, when looking for new members of the Supervisory Board, the Nomination Committee prioritises the expertise required to strengthen the Supervisory Board, taking the avoidance of conflicts of interest and the number of existing Supervisory Board appointments into account in the selection process. All members of the Nomination and Remuneration Committee have declared themselves independent.

Members are elected to the Supervisory Board at the Annual General Meeting. Under the articles of incorporation of S IMMO, no shareholder has the right to appoint a member of the Supervisory Board. The CVs and declarations pursuant to section 87 (2) AktG are published on the issuer's website in good time before the Annual General Meeting. In accordance with the statutory provisions, the Works Council is also entitled to delegate Supervisory Board members from among its own members.

The term of office of all Supervisory Board members is published on the company's website (www.simmoag.at/en/company/management.html), and the number of members who have declared themselves independent is disclosed in the corporate governance report starting on page 26. Business relationships with related parties, including with members of the Supervisory Board, require the approval of the Supervisory Board, and are disclosed on page 153 of this report. Transactions undertaken by the Management Board, members of the Supervisory Board or related parties involving securities of S IMMO are reported as directors' dealings and published on S IMMO's website (www.simmoag.at/corporategovernance).

Compliance

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 is subject to the provisions of Austrian and European capital market legislation. Building upon that legislation, the company not only feels bound by the laws, but has also established a Code of Conduct as well as binding guidelines which lay down principles of conduct for business activity on a company-wide basis.

The members of the Management Board and Supervisory Board must make their decisions without being influenced by their own interests or those of controlling shareholders, on an informed basis and in compliance with all relevant legislation. Any conflicts of interest must be disclosed immediately, and executive functions – including those of senior management – at other companies must be approved by the Management Board and Supervisory Board. The statutory prohibition on competition applies as well.

In 2021, there were no cases of compliance violations, allegations 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.

Code of Conduct and whistleblowing

S IMMO has a company-wide Code of Conduct that obliges all executive bodies and employees to behave in accordance with the highest ethical standards and to ensure the prevention of bribery, acceptance of benefits and corruption. In this Code of Conduct, S IMMO has additionally undertaken not to make political contributions or donations to political parties or to engage in political lobbying.

If employees become aware of any demonstrable or possible violations of the Code of Conduct, they must immediately either report them to the S IMMO Compliance Officer or submit a corresponding anonymous notification via the digital whistleblower system that is publicly accessible on the company's website. The reported incidents are treated in confidence, and the whistleblowers are guaranteed anonymity. Training courses regarding the contents of the Code of Conduct and the whistleblowing mechanisms are to be held on an annual basis.

Prevention of bribery, acceptance of benefits and corruption

S IMMO AG has a zero-tolerance policy regarding bribery, the acceptance of benefits and corruption. Corruption is usually defined as exploiting a position to benefit oneself – often at the expense of others. 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. A binding internal guideline governs the structural and procedural measures for preventing bribery, acceptance of benefits and corruption, and is also geared towards raising employees' awareness of the consequences of corruption and the opportunities to combat it. In addition, financial support for lobbying and political parties is strictly prohibited under the guideline, and is not practised in any form whatsoever by S IMMO. 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. Furthermore, there is an obligation to hold annual training courses on the implementation of the guideline. No training courses were carried out in this context in 2021.

For the purpose of preventing market abuse and the misuse of insider information, a guideline governing issuer compliance is established at S IMMO and is valid throughout the 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.

All current compliance measures will be continued in the future. For employees, this particularly means participation in compulsory training courses on the Code of Conduct and whistleblowing, the contents of the anti-corruption guideline and the guideline on issuer compliance. Ensuring that all employees are constantly aware of the key principles and actively put them into practice is a declared aim of the company. No instances of corruption were reported in the reporting year.

Supply chain

The suppliers commissioned by S IMMO are highly diversified and range from construction firms, property management firms and consultants to insurance firms and banks. The company is committed to the prudent, responsible selection of business partners, and takes particular care to reduce risks arising from child labour, forced labour and other social neglect or inequality. It regularly collaborates with well-known, recognised partners following a corresponding selection process. Business relationships are based on clear contractual conditions and regulations, with compliance with the high legal standards and provisions within the European Union being required as an absolute minimum. Along with the responsible selection of suppliers, the constant exchange of information with all service providers also plays a key role in the prevention of supply chain risks.

Compared with buying, selling and letting, the issue of the supply chain in the context of construction activity is much more complex. The structures in the construction sector and the involvement of numerous companies and suppliers make it more difficult to monitor compliance with social and environmental standards. Negative impacts particularly stem from transportation, space requirements and the disposal of problematic materials.

Although construction activity currently plays a secondary role in S IMMO's business activities, the company makes every effort to actively reduce any risks. To this end, S IMMO also relies on highly regarded and long-standing business partners in development and construction projects. The company intends to draw up a Code of Conduct for business partners that will define social and environmental standards and be an integral part of new contracts. S IMMO regards this as an opportunity to contribute to a more environmentally sound and socially responsible property sector.

There were no significant changes in the supply chain during the reporting period.

Tax strategy

All property, management and holding companies of S IMMO are headquartered within the European Union and are situated solely in the countries in which S IMMO performs its primary business activities. Consequently, the company is entirely subject to the locally relevant tax conditions and can demonstrate a high level of tax transparency.

Audits

The Internal Control System (ICS) and the risk management of the company are explained in detail in the risk management report starting on page 88. Selection of the auditor is carried out by the Audit Committee, and is described in the Supervisory Board report (from page 23). S IMMO has not set any internal rotation interval for auditing above and beyond the statutory requirements. The last change in the auditor of the consolidated and individual financial statements of S IMMO AG was made for the 2018 financial year. For the 2013 to 2017 financial years, PwC Wirtschaftsprüfung GmbH was appointed as the auditor of the consolidated and individual financial statements of S IMMO AG.

The audit-specific and non-audit-specific fees that the auditor receives from the company are listed in the annex to this report from page 144.

GRI Content Index

GRI Standard	Explanation	Page/Explanation/Omission
GRI 102: General Disclosures (2016)		
Organisational profile		
102-1	Name of the organisation	S IMMO AG
102-2	Activities, brands, products, and services	Page 76 (Management report)
102-3	Location of headquarters	Friedrichstrasse 10, 1010 Vienna, Austria
102-4	Location of operations	Page 76 (Management report)
102-5	Ownership and legal form	Page 76 (Management report)
102-6	Markets served	Page 76 (Management report)
102-7	Scale of the organisation	Page 16 (Key figures) Page 76 et seq. (Management report) Page 102 (Consolidated financial statements) Page 109 et seq. (Consolidated financial statements) Page 26 (Corporate governance report)
102-8	Information on employees and other workers	Page 54 et seq.(Non-financial report) 102-8 d: No significant part of the organisation's activities is carried out by staff who are not employees. Temporary workers are employed seasonally in the two hotels to cover peak periods. 102-8 f: For the collection of employee data, Excel templates are sent to the responsible contact persons of the subsidiaries as well as to the two hotels. The returned data is collected centrally, checked for plausibility and consolidated for this report.
102-9	Supply chain	Page 68 (Non-financial report)
102-10	Significant changes to the organisation and its supply chain	There were no significant changes in the supply chain in the 2021 financial year. For changes in the organisation, see page 76 et seq. (Management report).
102-11	Precautionary Principle or approach	Page 37 (Non-financial report) Page 88 et seq. (Risk management report)
102-12	External initiatives	Page 37 (Non-financial report)
102-13	Membership of associations	Page 37 (Non-financial report)
Strategy		
102-14	Statement from senior decision-maker	Page 18 (Letter from the management)
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Page 66 et seq. (Non-financial report)
Governance		
102-18	Governance structure	Page 26 et seq. (Corporate governance report) Page 37 (Non-financial report)
Stakeholder engagement		
102-40	List of stakeholder groups	Page 37 (Non-financial report)
102-41	Collective bargaining agreements	No complete information is available for the reporting year. Group-wide data collection is being worked on.
102-42	Identifying and selecting stakeholders	Page 37 (Non-financial report)
102-43	Approach to stakeholder engagement	Page 62 et seq.(Non-financial report)
102-44	Key topics and concerns raised	Page 37 et seq. (Non-financial report) Page 62 et seq. (Non-financial report)

GRI Standard	Explanation	Page/Explanation/Omission
Reporting practice		
102-45	Entities included in the consolidated financial statements	Page 109 et seq. (Consolidated financial statements)
102-46	Defining report content and topic Boundaries	Page 36 (Non-financial report)
102-47	List of material topics	Page 38 (Non-financial report)
102-48	Restatements of information	Page 40 et seq. (Non-financial report) Page 42 et seq. (Non-financial report) Page 52 et seq. (Non-financial report)
102-49	Changes in reporting	Page 36 (Non-financial report) Page 37 et seq. (Non-financial report)
102-50	Reporting period	01 January 2021–31 December 2021
102-51	Date of most recent report	Annual Report 2021, published on 28 April 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@simmoag.at
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	Page 70 et seq.
102-56	External assurance	Page 36 (Non-financial report)
GRI 201: Economic performance (2016)		
201-1	Direct economic value generated and distributed	Page 100 et seq. (Consolidated financial statements)
Environment		
GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	Page 36 et seq. (Non-financial report) Page 40 et seq. (Non-financial report)
103-2	The management approach and its components	Page 36 et seq. (Non-financial report) Page 40 et seq. (Non-financial report)
103-3	Evaluation of the management approach	Page 36 et seq. (Non-financial report) Page 40 et seq. (Non-financial report)
GRI 302: Energy (2016)		
302-1	Energy consumption within the organisation	Page 42 et seq. (Non-financial report)
302-2	Energy consumption outside of the organisation	Page 42 et seq. (Non-financial report)
302-3	Energy intensity	Page 45 (Non-financial report)
GRI 303: Water and effluents (2018)		
303-1	Interactions with water as a shared resource	Page 45 et seq. (Non-financial report)
303-2	Management of water discharge-related impacts	Page 45 et seq. (Non-financial report)
303-5	Water consumption	Page 46 (Non-financial report)
GRI 305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	Page 49 et seq. (Non-financial report)
305-2	Energy indirect (Scope 2) GHG emissions	Page 49 et seq. (Non-financial report)
305-3	Other indirect (Scope 3) GHG emissions	Page 49 et seq. (Non-financial report)
305-4	GHG emissions intensity	Page 51 (Non-financial report)

GRI Standard	Explanation	Page/Explanation/Omission
Social		
GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	Page 36 et seq. (Non-financial report) Page 52 et seq. (Non-financial report)
103-2	The management approach and its components	Page 36 et seq. (Non-financial report) Page 52 et seq. (Non-financial report)
103-3	Evaluation of the management approach	Page 36 et seq. (Non-financial report) Page 52 et seq. (Non-financial report)
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	Page 58 et seq. (Non-financial report)
401-3	Parental leave	Page 57 (Non-financial report) 401-3 a: In general, all employees are entitled to take parental leave according to local legislation. 401-3 d: No complete information is available for the reporting year. Group-wide data collection is being worked on. 401-3 e: No complete information is available for the reporting year. Group-wide data collection is being worked on.
GRI 404: Training and education (2016)		
404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 61 (Non-financial report)
GRI 405: Diversity and equal opportunity (2016)		
405-1	Diversity of governance bodies and employees	Page 56 (Non-financial report)
GRI 406: Non-discrimination (2016)		
406-1	Incidents of discrimination and corrective actions taken	Page 55 (Non-financial report)
GRI 418: Customer privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 64 (Non-financial report)
Governance		
GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	Page 36 et seq. (Non-financial report) Page 66 et seq. (Non-financial report)
103-2	The management approach and its components	Page 36 et seq. (Non-financial report) Page 66 et seq. (Non-financial report)
103-3	Evaluation of the management approach	Page 36 et seq. (Non-financial report) Page 66 et seq. (Non-financial report)
GRI 205: Anti-corruption (2016)		
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption were reported during the reporting period.
Digitalisation		
GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	Page 38 (Non-financial report)
103-2	The management approach and its components	Page 38 (Non-financial report)
103-3	Evaluation of the management approach	Page 38 (Non-financial report)

GRI Standard	Explanation	Page/Explanation/Omission
Sustainable value enhancement		
GRI 103: Management approach (2016)		
103-1	Explanation of the material topic and its Boundary	Page 38 (Non-financial report)
103-2	The management approach and its components	Page 38 (Non-financial report)
103-3	Evaluation of the management approach	Page 38 (Non-financial report)

EPRA Sustainability Performance Measures of the property portfolio

The key figures below are based on the EPRA Sustainability Best Practice Recommendations (sBPR) and are limited to the area of environment. The scope and boundaries of the data and the calculation methodologies can be found in the section Environment of the non-financial report. All disclosures relate exclusively to the property portfolio of S IMMO and cover 100% of the buildings within the reporting boundaries. The Group's vehicle fleet as well as commuting and travel activities are excluded. The like-for-like comparisons (LfL) include all 315 buildings that were part of the S IMMO portfolio in the last two full reporting years. The main lettable area was used as the metric for the calculation of the intensity ratios. Data on waste management (Waste-Abs and Waste-LfL) is not available in full and therefore not included.

EPRA Performance Measure	Code	Boundary	Unit	Austria		Germany		CEE		Total	
				2021	2020	2021	2020	2021	2020	2021	2020
		Total consumption	MWh	17,043	16,522	36,844	35,790	54,493	47,616	108,380	99,928
		of which obtained by S IMMO	MWh	6,764	6,237	2,928	2,948	54,291	47,353	63,983	56,538
Electricity consumption	**Elec-Abs**	Proportion of renewable sources, obtained by S IMMO	%	100	100	100	100	66.2	0.1	71.3	16.3
		Total consumption	MWh	17,043	16,522	35,142	34,952	51,014	47,616	103,200	99,090
Electricity consumption LfL	**Elec-LfL**	of which obtained by S IMMO	MWh	6,764	6,237	2,853	2,663	50,813	47,353	60,430	56,253
		Total consumption	MWh	10,885	9,790	25,303	22,062	2,669	2,320	38,857	34,172
		of which obtained by S IMMO	MWh	9,177	8,179	24,008	20,768	2,669	2,320	35,854	31,266
District heating and cooling consumption	**DH&C-Abs**	Proportion of renewable sources, obtained by S IMMO	%	0	0	0	0	0	0	0	0
		Total consumption	MWh	10,885	9,790	24,345	22,062	2,669	2,320	37,889	34,172
District heating and cooling consumption LfL	**DH&C-LfL**	of which obtained by S IMMO	MWh	9,177	8,179	23,051	20,768	2,669	2,320	34,897	31,266
		Total consumption	MWh	2,923	2,587	42,322	39,792	40,469	33,565	85,714	75,943
		of which obtained by S IMMO	MWh	2,259	1,922	29,490	27,367	39,164	32,281	70,913	61,570
Fuel consumption	**Fuels-Abs**	Proportion of renewable sources, obtained by S IMMO	%	0	0	0	0	0	0	0	0
		Total consumption	MWh	2,923	2,587	41,124	39,029	37,616	33,565	81,663	75,180
Fuel consumption LfL	**Fuels-LfL**	of which obtained by S IMMO	MWh	2,259	1,922	28,700	26,604	36,311	32,281	67,270	60,807
		Total consumption	kWh/m²	225	211	189	180	267	245	220	206
Energy intensity	**Energy-Int**	of which obtained by S IMMO	kWh/m²	133	119	102	94	263	241	162	146

EPRA Performance Measure	Code	Boundary	Unit	Austria		Germany		CEE		Total	
				2021	2020	2021	2020	2021	2020	2021	2020
Direct GHG emissions (Scope 1)	**GHG-Dir-Abs**	Obtained by S IMMO	t CO_2e	452	384	6,156	5,721	7,833	6,456	14,441	12,562
Indirect GHG emissions (Scope 2)	**GHG-Indir-Abs**	Location-based, obtained by S IMMO	t CO_2e	2,623	2,379	3,403	3,082	15,210	13,349	21,237	18,810
		Market-based, obtained by S IMMO	t CO_2e	202	180	2,427	2,100	5,144	13,349	7,773	15,628
GHG emissions intensity (Scope 1 and Scope 2)	**GHG-Int**	Location-based, obtained by S IMMO	kg CO_2e/m^2	22	20	17	16	63	58	34	31
		Market-based, obtained by S IMMO	kg CO_2e/m^2	5	4	15	14	35	58	21	28
Water consumption	**Water-Abs**	Total consumption	m^3	73,150	63,759	366,849	377,619	205,348	172,447	645,346	613,825
Water consumption LfL	**Water-LfL**	Total consumption	m^3	73,150	63,759	354,767	371,269	195,862	172,447	623,779	607,475
Water intensity	**Water-Int**	Total consumption	l/m^2	534	465	662	695	561	506	611	601
Number of sustainably certified assets as of 31 December		Number of sustainably certified assets		0	0	0	0	11	7	11	7
	Cert-Tot	Proportion of total main lettable area	%	0	0	0	0	57.1	48.9	21.4	16.6

Vienna, 14 April 2022

The Management Board

Bruno Ettenauer Herwig Teufelsdorfer Friedrich Wachernig

MANAGEMENT REPORT

Group fundamentals

Business activities and corporate structure

S IMMO Group is an international property group whose business is long-term property investments in the form of property acquisitions and disposals, project development, letting and asset management, building revitalisation and refurbishment as well as hotel operations. The company operates in Austria, Germany and CEE (Slovakia, Czechia, Hungary, Romania, Bulgaria and Croatia). The portfolio consists of office buildings, retail properties, hotels and residential properties. S IMMO does not engage in research and development.

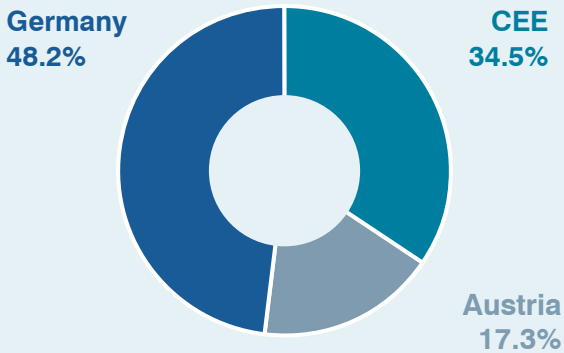
In addition to its headquarters in Vienna, S IMMO Group has its own employees in Germany, Hungary, Croatia and Romania. The property management firm Maior Domus is one of the Group's companies in Germany. The subsidiaries are responsible for local asset management and letting activities, among other 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. The Group employed an annual average of 543 people (2020: 597) on a headcount basis, including employees for hotel operations and excluding dormant staff and trainees.

Property portfolio

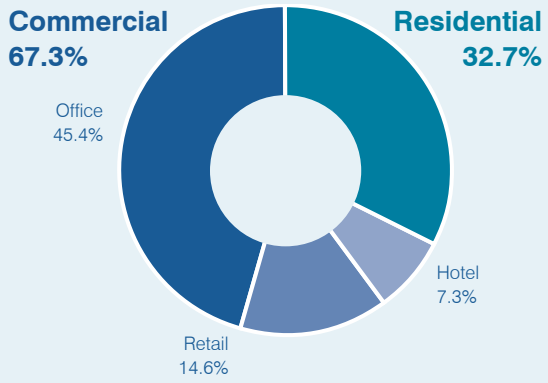
As of 31 December 2021, S IMMO Group's property portfolio consisted of 375 properties (31 December 2020: 358) with a book value of EUR 2,830.8m (31 December 2020: EUR 2,476.9m) and a total area (total lettable space including potential projects) of around 1.4 million m² (31 December 2020: 1.3 million 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

Based on book value, properties in Austria accounted for 17.3% (31 December 2020: 18.5%) of the portfolio, while properties in Germany accounted for 48.2% (31 December 2020: 49.3%). Properties in CEE made up 34.5% of the portfolio (31 December 2020: 32.2%).

As of 31 December 2021, the portfolio broke down by main type of use not including plots of land and based on book values to 45.4% office buildings (31 December 2020: 43.1%), 14.6% retail properties (31 December 2020: 17.9%), 32.7% residential properties (31 December 2020: 30.2%) and 7.3% hotels (31 December 2020: 8.8%). The high quality of the portfolio and asset management is reflected in the very good occupancy rate and yield. The occupancy rate of the portfolio as a whole was 94.0% (31 December 2020: 93.9%). 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 5.0% (31 December 2020: 5.1%).

Overview of rental yields [1]

in %	31 December 2021	31 December 2020
Germany	4.1	4.4
Austria	4.3	4.6
CEE	6.6	6.5
Total	**5.0**	**5.1**

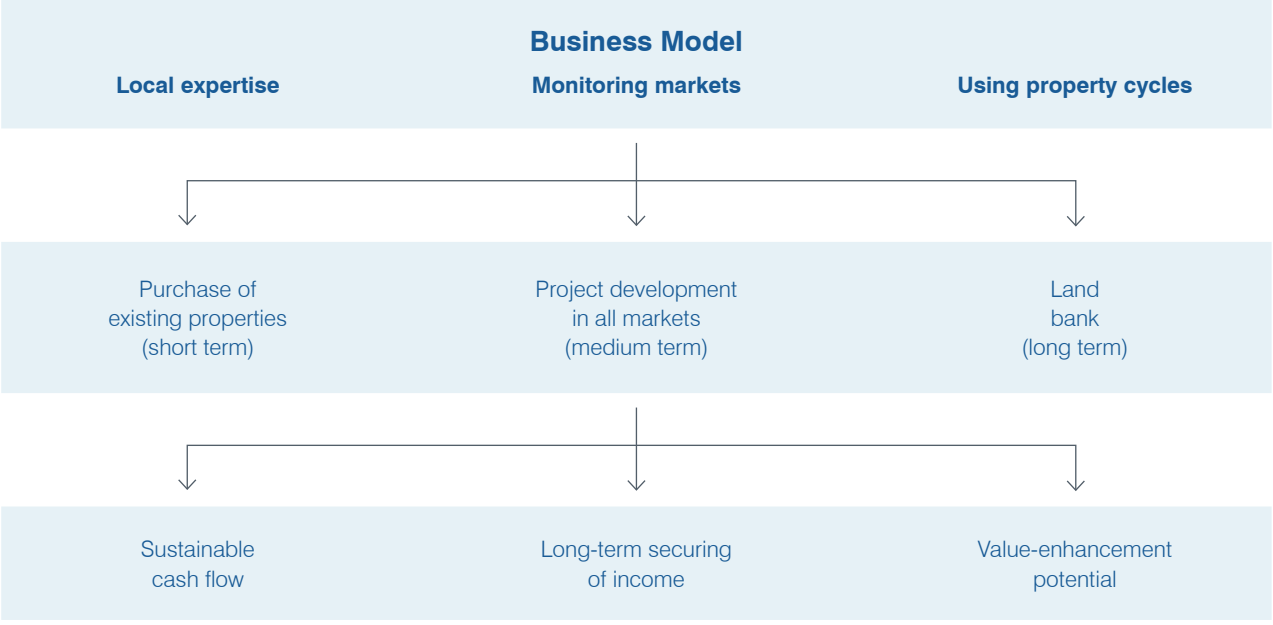
[1] The rental yield describes the ratio of the annual rent generated to property value. The calculation includes all investment properties in the narrower sense (i.e. excluding investment properties with development potential and owner-operated hotels). The rent is annualised for properties added during a year.

Strategy and objectives

S IMMO Group has been pursuing a prudent business policy for three and a half decades with the aim of creating sustainable value for its shareholders. The company is constantly working to increase its earnings and to safeguard its income in the long term.

To achieve this, the company uses a business model that has proven itself over many years, anticipating property cycles for the various asset classes in order to benefit from them. The company's local experts continuously monitor the markets in which S IMMO operates to detect trends in the respective property sector early on. They evaluate when it makes business sense to buy or sell existing properties and land or to develop projects.

The company invests in portfolio properties that generate rental income immediately and in project developments that contribute to the company's cash flow in the medium term. The company always focuses on high-quality properties and pays special attention to ESG criteria. For example, the company completed the acquisition of two Class A office buildings in Bucharest in June 2021. The properties are qualified for LEED platinum and WELL core gold. A LEED gold certified Class A office property was acquired in Budapest. S IMMO is examining other interesting acquisition options on an ongoing basis, presently in the CEE region in particular, but also in Austria and



Germany. In its development operations, the company is currently working on an office project in Budapest. Sustainability is an especially high priority for this project development as well, where the company is aiming for BREEAM, WELL and Access4you certifications.

The acquisition of large areas of undeveloped land in the vicinity of Berlin has been another pillar of S IMMO AG's business model since 2018, and has meant a promising development pipeline for the company since that time. These are properties in an attractive setting that combine the comforts of green surroundings with good infrastructure (e.g. a train station or motorway access). The goal is to develop new concepts for use in line with and taking into account local interests. S IMMO believes that there is considerable potential for appreciation in tapping and developing areas in Berlin's affluent suburbs.

S IMMO's property portfolio is diversified in terms of both type of use (office buildings, retail properties, hotels and residential properties) and region (Austria, Germany and CEE). The company has also continued to benefit from this multi-asset approach in the past two years, which have been defined by the COVID-19 pandemic. The individual types of use have been impacted by the various measures to contain the pandemic to differing degrees. Portfolio diversification and very active asset management helped to keep the negative impact on the company's overall income within narrow limits.

The company did not experience any restrictions in terms of financing. For example, S IMMO issued a green bond at the start of both 2021 and 2022, further underlining the company's commitment to a green business strategy. The proceeds from these bonds are being used for sustainable property investments.

S IMMO's management anticipates that 2022 will be defined by the aftereffects of the pandemic. S IMMO has been back on track for growth for several months and is focusing on its core business: the letting and management of high-yield properties and the acquisition of high-quality and sustainable properties with a strong contribution to earnings. In this context, S IMMO sold its shares in CA Immobilien Anlagen AG in July 2021. The disposal of the investment in IMMOFINANZ AG was agreed in January 2022 and completed at the beginning of March 2022. The proceeds generated by the sale of these two investments create an excellent launch pad for growing S IMMO's property portfolio and significantly increasing the company's earnings potential. Several interesting acquisitions are currently being considered as a means of reinvesting the proceeds.

Management and control

In the 2021 financial year, the Supervisory Board also made a decision on the successor to Mr. Vejdovszky and reorganised the S IMMO Management Board team: Dr. Ettenauer, MRICS, was appointed as the Chief Executive Officer (CEO) for a period of three years effective 15 March 2021. Mr. Teufelsdorfer, MRICS, was appointed as S IMMO AG's Chief Investment Officer (CIO) effective 12 April 2021 for a term of three years, while the contract with Mr. Wachernig, MBA, in the role of Chief Operating Officer (COO) was renewed for another three years until 30 June 2024. The Management Board had three members as of the end of the year.

The Management Board is pursuing a responsible and stable management strategy aimed at enhancing earnings and increasing the Group's value on a long-term basis. Furthermore, the Management Board works closely with the Supervisory Board, which had eleven members as of 31 December 2021 – eight capital market representatives and three employee representatives (for details see section 5.6. in the notes).

Economic report

Economic overview

Following a robust recovery of global economic growth in the summer of 2021 due to the initial, rapid progress in the vaccination of the population, there was a significant downturn towards the end of the year. This can primarily be attributed to high COVID-19 infection rates, further lockdowns, persistent global supply chain problems, and new uncertainties regarding the Omicron variant.

The forecasts for economic growth, most of which were reasonably optimistic at the end of the year, all had to be revised in March 2022 following Russia's attack on Ukraine at the end of February 2022. The Russian invasion is expected to weaken economic growth in the CEE region and in the EU as a whole and exacerbate tensions between Russia and the West. The harsh punitive sanctions imposed by the EU will also affect the EU's economic development, not least because the EU depends on Russia for about one-third of its natural gas needs. A further increase in energy prices, which have already risen, is therefore likely, a circumstance which will affect not only private individuals but also industry as a whole. At the same time, uncertainties are growing with regard to international procurement and supply processes and a corresponding increase in purchase prices. A further rise in inflation cannot be ruled out either. A massive increase in food prices is also expected. Ukraine and Russia have so far accounted for one-third of global wheat exports and just under one-fifth of international corn exports. Massive export losses and an increase in grain prices of up to 30% could be the result.

According to the European Commission, the European Union (EU) reached its pre-pandemic GDP level in the third quarter of 2021. Following a strong recovery of the EU economy by 5.3% in 2021, the EU Commission originally forecast growth of 4.0% for 2022, but in March 2022 assumed that growth would be significantly below this figure. In its updated March forecast for Europe, the European Central Bank (ECB) expected real GDP growth to average 3.7% in 2022, 2.8% in 2023 and 1.6% in 2024. The Organisation for Economic Co-operation and Development (OECD) in turn published an estimate in March that global growth could fall by more than 1% in 2023 and EU growth by 1.4%. Global inflation could rise by almost 2.5% and by 2% in the EU.

According to the December forecast of the Oesterreichische Nationalbank (OeNB), the Austrian economy recorded growth of 4.9% in 2021. With the negative effects of the fourth coronavirus wave on tourism and global supply bottlenecks coming to an end, the economy was initially expected to recover quickly in 2022 and grow by 4.3%. Following Russia's invasion, the forecast was revised in March to real GDP growth of 3.5% in 2022 and inflation of 5.3%. This implies 0.8 percentage points weaker GDP growth and 2.1 percentage points higher inflation than previously assumed. In March, the Institute of Economic Research (WIFO) expected inflation in Austria to rise temporarily to 7% in the coming months and to decline only gradually in the course of 2022. Overall, WIFO expects real GDP to grow by 3.9% this year instead of 5.2% as planned.

At the time this report went to press in mid April 2022, these were the most up-to-date forecasts. However, it can be assumed that the ongoing war in Ukraine will necessitate further adjustments in the coming weeks and months. At the editorial deadline, the war in Ukraine had no direct impact on S IMMO Group. However, the further development and future effects of COVID-19 and potential interest rate increases by central banks are difficult to assess at present.

Real estate market overview

The year 2021 was once again dominated by the COVID-19 pandemic. The real estate market was not immune to these developments, but there was also positive news. The investment volume returned to pre-crisis levels for the first time. However, the peak in completions that was originally expected in 2021 will be pushed into 2022 due to construction delays. New trends such as remote working and online shopping continue to influence the real estate markets. The lack of city tourism made things difficult for the hotel industry, but initial forecasts for 2022 project an upswing starting in the spring.

Austria

Many tenants are moving to ESG-compliant offices, so there is strong demand for modern and, above all, flexible-use office space. The take-up totalled 169,000 m² and the vacancy rate was roughly 4.3% in 2021, which represents a historic low. Prime rents amounted to EUR 26.00/m²/month in 2021, which is only a slight change versus the prior year. Due to a low completion level of roughly 130,000 m², the Vienna office segment will

Overview of the real estate market[1]

	Prime rents (EUR/m²/month)				Prime gross yield (%)				Total leasing activity (m²)		Vacancy rate (%)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Office	Office	Retail	Retail	Office	Office	Retail	Retail	Office	Office	Office	Office
Berlin	41.00	38.50	250.00	250.00	2.50	2.65	3.25	3.35	817,000	661,000	3.0	2.6
Bratislava	17.00	17.00	67.00[2]	67.00	5.25	5.50	6.00[2]	6.00[2]	156,000	104,000	11.7	11.1
Bucharest	18.75	18.75	75.00[2]	45.00	6.75	7.00	8.00	8.00	163,000	141,200	13.1	12.4
Budapest	24.00	26.00	110.00	115.00	5.25	5.75	5.50	5.75	217,000	190,100	9.2	9.1
Vienna	26.00	25.00	320.00	325.00	3.20	3.35	3.35	3.45	166,000	250,000	4.3	4.6
Zagreb	15.50	15.50	70.00	70.00	7.75	8.00	6.75	6.75	22,000[3]	40,000[3]	4.0	4.0

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

remain a landlord's market in 2022 according to CBRE. The EU taxonomy and the associated environmental regulations will result in challenges for the Vienna office market with regard to soil sealing and thus the development of new properties. As a result, roughly 77% of the 130,000 m² in completions will be renovated spaces. Conditions on the office market are not expected to ease until 2023.

The Austrian hotel market also experienced a gradual recovery in 2021. Net room revenues in Vienna increased by 27.7% to EUR 305m compared with the previous years (2020: EUR 231m; 2019: EUR 1,021m). Due to the COVID-19 pandemic, occupancy saw only sluggish growth. Just 24% of the hotel beds in Vienna were occupied during the reporting period. This represents a slight increase compared with the prior year (2020: 22.3%). A total of 58,000 beds were available in Vienna in December 2021, 23,800 more than in December 2020 (this corresponds to approximately 87% of the beds on offer in 2019). However, the number of available hotels and beds is increasingly changing due to the COVID-19 pandemic. Many establishments in the four-star and three-star segments were forced to close and are only gradually reopening.

Germany

The boom on Berlin's residential real estate market was only mildly affected by the COVID-19 pandemic. However, purchase prices for free-hold flats rose less rapidly. The offer price averaged EUR 5,270/m² in February 2022 – an increase of 4.4% in year-on-year terms. In total, 27,640 flats were offered in Berlin over the past twelve months. By contrast, the offer price for newly built flats surged from EUR 6,091/m² to EUR 7,910/m². This represents a plus of roughly 23.5%. Berlin is still a top location for residential properties.

The Berlin office market also had a good year. Berlin is one of the country's strongest and most attractive office locations, and this did not change in 2021. Office take-up amounted to approximately 834,000 m² last year, an increase of around 17.5% year-on-year. The vacancy rate rose from 2.6% to 3% over the course of 2021. At 1.28 million m², the space under construction declined by 4% and thus nearly reached the level seen in the previous year. Average rents increased by roughly 3% to EUR 28.20/m²/month. Prime rents also climbed to EUR 41.00/m²/month and are expected to continue rising in the coming year. Thus, the Berlin office market is on course to return to its previous strength, which is particularly evident based on the low vacancy rate.

CEE

The office market in Budapest continued to struggle significantly due to the uncertainties resulting from the COVID-19 pandemic, but a recovery is gradually starting to materialise. Despite the challenges caused by the continued COVID-19 crisis, average quoted rents remained at a stable level of EUR 13.50/m²/month. Construction activity brought only a modest volume of new office spaces onto the market last year, as no new space was

Sources: B2B Wien, BNP Paribas Real Estate, CBRE, Cushman & Wakefield, European Central Bank (ECB), European Commission (EC), Guthmann Market Report, International Monetary Fund (IMF), KSH, OECD, OeNB, Property Forum Europe, SeeNews, WIFO

completed in the third and fourth quarters of 2021. The vacancy rate of 9.2% was stable versus the prior year (2020: 9.1%).

The office market in Bratislava had a vacancy rate of 11.7% at the end of the fourth quarter of 2021. Prime rents came to EUR 17.00/m²/month and thus remained stable compared with the previous year. In total, approximately 97,900 m² of office space were let in the fourth quarter of 2021, which represents an impressive increase of 49.7% versus 2020 (2019: 61,994 m² of office space were let).

The office stock in Zagreb totalled roughly 1.164 million m² at the end of the third quarter of 2021. Prime rents remained constant compared with the prior year at EUR 15.50/m²/month. The vacancy rate remained stable at around 4%, with numerous completions in 2021.

The stock of office space in Bucharest saw a moderate increase to 3.19 million m² in 2021 (2020: 2.95 million m²). However, the vacancy rate of 13.1% was the highest level in five years and can be attributed primarily to older office buildings. Prime rents in Bucharest came to EUR 18.75/m²/month in 2021.

The retail sector in Romania is only gradually recovering from the COVID-19 pandemic. In total, only around 100,000 m² of new retail space was added in 2021. A large number of projects (approximately 300,000 m²) is scheduled to be completed by the end of 2022. This also includes the expansion of the Colosseum Mall in Bucharest. Rents remained at a stable level, with prime rents at the major shopping centres in Bucharest totalling roughly EUR 75.00/m²/month.

The hotel sector in the CEE region had a good year in 2021. Due to the sustained vaccination progress, many tourists were able to be won back for this region. In Hungary, for example, overnight stays grew by 24.1% versus 2020. However, this figure is still around 36.1% lower than before the start of the pandemic. The hotel sector is enjoying a strong recovery in other countries, as well. In Romania, the number of overnight stays jumped to roughly 1m, an increase of 56.6% year-on-year. It is believed that the markets – depending on the size and importance of the destination – will fully recover by 2024. Particularly capital cities will continue to be popular tourist destinations.

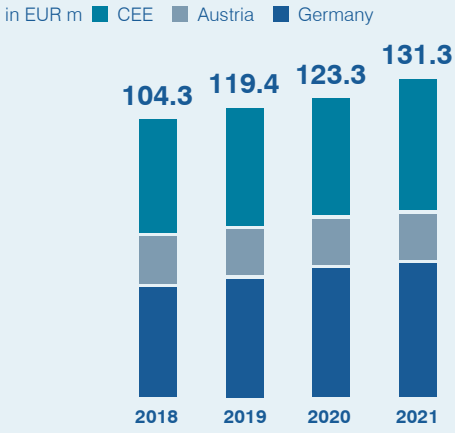
Business development and performance

Despite the ongoing COVID-19 pandemic and the uncertainties that accompanied it, the 2021 financial year was one of the most successful in the company's history. The direct impacts of the pandemic affected mainly the hotel business, and were kept within narrow limits through prudent portfolio management, diversification of the portfolio by country and type of use, and a strong liquidity base. In addition, the company's best-ever property valuation result was achieved in 2021, primarily because of increases in value in the Germany segment.

There was also a significant improvement in the financial result compared with the previous year. This was attributable to factors such as higher dividend income and improved derivative valuations.

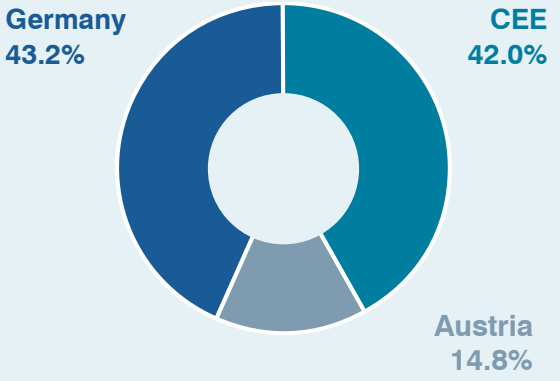
The equity investments in CA Immobilien Anlagen AG and IMMOFINANZ AG performed extremely positively in the 2021 financial year. Consequently, in July, S IMMO AG contributed its shares in CA Immobilien Anlagen AG to the takeover offer of

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

SOF-11 Klimt CAI S.à r.l., a company controlled by Starwood Capital Group. Based on the offer price of EUR 37.00 per share, cash inflow before taxes of approximately EUR 230m was generated. Recognition at fair value in other comprehensive income means that the stated amounts in conclusion of this successful investment are not reflected in the income statement. However, a valuation gain before deferred taxes of around EUR 35.5m was recognised in other comprehensive income.

A revaluation of around EUR 93.3m was also recognised in other comprehensive income for the shares in IMMOFINANZ AG, before deferred taxes. This gain was also finally realised in the 2022 financial year through committal to the offer of the CPI Property Group after a further revaluation in the first quarter, with the result that there were no more investments in equity instruments of peer companies at the end of the first quarter of 2022.

On the financing side, S IMMO continues to operate in a highly favourable environment, hence the issue of a further green bond in January 2022 with a coupon of 1.25% and a term of five years.

The net income attributable to the shareholders of the parent company reached the highest level in the company's history at EUR 229.5m (2020: EUR 56.5m). At EUR 3.24 (2020: EUR 0.79), earnings per share also broke the existing record set in 2019 (EUR 3.21).

Significant improvement of the gross profit, owner-operated hotels improved year-on-year

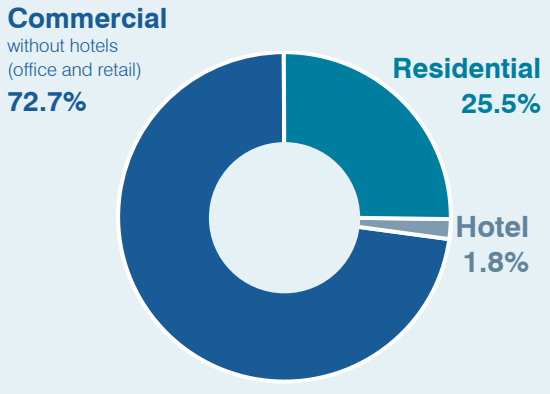
Rental income for the financial year 2021 came to EUR 131.3m, up by 6.5% on the prior-year figure of EUR 123.3m. This increase in these times of crisis is attributable to acquisitions as well as prudent management of portfolio properties and the high quality of the portfolio.

Revenues from hotel operations increased to EUR 31.2m against the previous year (2020: EUR 17.8m), but remained well below the pre-pandemic year (2019: EUR 59.1m) due to the ongoing COVID-19 crisis. In total, revenues rose from EUR 173.9m to EUR 196.9m in 2021.

At EUR 66.8m (2020: EUR 66.8m), expenses from property operations remained unchanged despite property purchases and an associated increase in operating costs. The main reason for this was a significant improvement in the write-downs and valuation allowances on receivables.

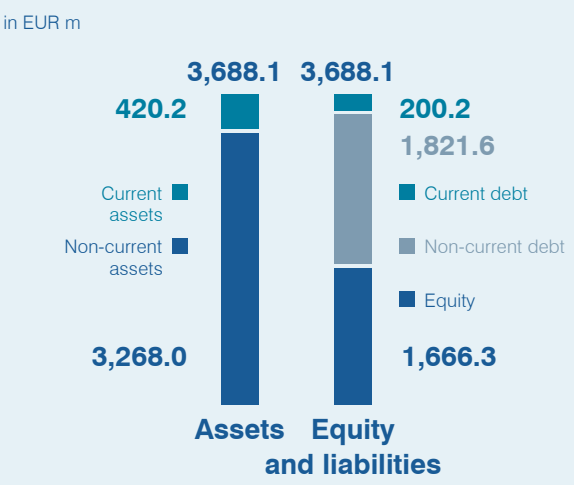
Broken down by region, rental income for the reporting period excluding this financial year's reclassification of parts of the revenues from operating costs was as follows: Austria and Germany contributed around 14.8% and 43.2% respectively (2020: 15.8% and 44.3%), around 58.0% in total (2020: 60.1%). The share contributed by CEE amounted to 42.0% (2020: 39.9%). In terms of main types of use, and excluding operating cost allocations recognised in rental income, commercial properties excluding hotels (office and retail) contributed 72.7% (2020: 73.1%) of rental income. Hotels contributed 1.8% (2020: 1.5%) and residential properties 25.5% (2020: 25.4%).

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



At a total of EUR 7.5m, gross profit from hotel operations was up significantly on the previous year (2020: EUR -0.3m). However, due to the impacts of COVID-19, it was still significantly lower than before the pandemic (2019: EUR 16.9m). For the forthcoming quarters, it remains to be seen how urban tourism will develop in view of available vaccinations, test capacities and possible virus mutations.

Gross profit for the entire property portfolio, which reflects the operating performance of both the rental properties and of the owner-operated hotels, rose sharply to EUR 109.5m (2020: EUR 91.5m), taking it to around the level of 2019 (EUR 109.7m).

Property investments

As in the previous year, there were considerably more acquisitions than disposals in the 2021 financial year. Alongside the continued acquisitions in the Germany segment, two office properties in Bucharest were purchased in the middle of the year, and another one in Budapest was bought in the fourth quarter.

Disposals totalled EUR 39.6m (2020: EUR 46.9m), which was below the long-term average.

Substantial increase in valuation result and significant improvement in financial result, management expenses with non-recurring effects

Management expenses rose from EUR 20.4m in 2020 to EUR 28.2m. This increase was mainly attributable to non-recurring effects on the shares of S IMMO AG associated with the takeover offer from IMMOFINANZ AG. There was also a rise in personnel costs, which was due to factors including the changes to the Management Board in the first quarter of 2021, and so was partly non-recurring in nature.

At EUR 198.7m (2020: EUR 39.1m), the result from property valuation remained very positive despite the COVID-19 pandemic. Specifically, Germany accounted for EUR 156.0m (2020: EUR 52.7m), Austria for EUR 31.8m (2020: EUR 8.7m) and CEE for EUR 10.9m (2020: EUR -22.3m). Consequently the upward trend of the first half-year was confirmed and, in contrast with the previous year, a positive net valuation result was attained in all regions.

Overall, EBIT was more than two and a half times higher than in the previous year, at EUR 270.3m (2020: EUR 101.0m).

The financial result improved significantly to EUR 0.7m (2020: EUR -29.4m). This is attributable to dividend income from the investments in CA Immobilien Anlagen AG and IMMOFINANZ AG as well as positive valuation effects on derivatives and the mandatory convertible bond of IMMOFINANZ AG up to its conversion into shares.

The cost of funding (based on variable- and fixed-interest financial liabilities including bonds and derivatives) totalled 2.09% as of 31 December 2021 (31 December 2020: 2.29%).

Net income and earnings per share at record levels

On account of the described effect, net income more than quadrupled year-on-year to EUR 230.6m (2020: EUR 56.9m), the highest figure in the company's history to date. Earnings per share also increased to EUR 3.24 (2020: EUR 0.79) in line with this.

Earnings and financial position

Cash flow

Cash flow from operating activities for 2021 came to EUR 69.0m (2020: EUR 55.4m). In contrast with the previous year, cash flow from investing activities was very positive, chiefly on account of the proceeds from the sale of the shares in CA Immobilien Anlagen AG, and amounted to EUR 109.0m (2020: EUR -114.2m). Cash flow from financing activities reached EUR 133.3m (2020: EUR 11.7m), partly as a result of the issue of a green bond in the first quarter of 2021.

Consolidated statement of financial position

S IMMO Group's total assets increased considerably from EUR 3,122.6m to EUR 3,688.1m. Despite a dividend distribution of EUR 35.3m, this balance-sheet growth was accompanied by an increase in the equity ratio from 44.3% to 45.2%. The stated increases are partly attributable to valuation effects for properties and investments in property shares, some of which were realised in the 2021 financial year (sale of the shares in CA Immobilien Anlagen AG) and some in the first quarter of 2022 (sale of the shares in IMMOFINANZ AG).

On account of the revaluations for both investments and the sale of the shares in CA Immobilien Anlagen AG, the item "other financial assets" decreased to EUR 398.0m (31 December 2020: EUR 497.7m). In the statement of comprehensive income, excluding deferred taxes, a total of EUR 129.6m (2020: EUR -124.7m) was recognised directly in equity for the valuation of equity instruments.

Cash and cash equivalents totalled EUR 375.8m at the end of the year (31 December 2020: EUR 64.5m).

Equity not including minority shares increased to EUR 1,662.2m as of 31 December 2021 (31 December 2020: EUR 1,380.6m). Accordingly, the book value per share rose sharply to EUR 23.57 (31 December 2020: EUR 19.34).

The EPRA NAV, calculated as equity excluding minority interests plus hidden reserves for non-current assets (2021: EUR 129.0m, 2020: EUR 118.7m), plus the fair value of derivatives (2021: EUR 22.3m, 2020: EUR 42.0m) and plus deferred taxes (2021: EUR 252.5m; 2020: EUR 194.7m), also increased significantly compared to the previous year, improving from EUR 24.32 per share to EUR 29.29. The increase in EPRA NTA is in a similar order of magnitude, improving from EUR 24.06 per share as of 31 December 2020 to EUR 29.09 per share as of 31 December 2021. The objective of EPRA NTA is to present net assets on a long-term basis, but under the premise that companies acquire and dispose of assets, thereby realising certain levels of deferred taxes. In contrast to the EPRA NAV, the adjustment for deferred taxes for 2021 is only EUR 238.6m (2020: EUR 176.7m). Furthermore, a deduction for intangible assets was made (2021: EUR 0.4m, 2020: EUR 0.3m).

Financial management

All of S IMMO's loan liabilities are denominated in euros. As of 31 December 2021, around 11% (31 December 2020: 15%) of the long-term loans were fixed-rated and 89% of the long-term loans were variable-rated (31 December 2020: 85%). S IMMO reduces the risk of rising interest rates on variable-rate financing with interest rate hedges.

Breakdown of financial liabilities

EUR m	2021	2020
Issued bonds (non-current)	646.8	497.2
Other financial liabilities (non-current)	920.2	873.8
Issued bonds (current)	0	28.5
Other financial liabilities (current)	138.6	99.3
Total	**1,705.6**	**1,498.8**

S IMMO's reported property investments (including investments in shares of listed real estate companies) amounted to EUR 3,226.2m as of 31 December 2021 (31 December 2020: EUR 2,973.6m). The loan-to-value ratio (LTV ratio) for financing secured with properties was slightly lower than last year and came to 30.7% (31 December 2020: 31.3%). In addition, S IMMO has unsecured financing as well. As of 31 December 2021, the LTV ratio for unsecured financing amounted to 9.8% (31 December 2020: 15.5%). In total, the company's LTV ratio was 40.4% (31 December 2020: 46.8%).

The following table shows the calculation method:

	2021		2020	
EUR m	unsecured	secured	unsecured	secured
Secured financial liabilities without derivatives	0	990.1	0	930.2
Issued bonds and other unsecured financing	690.6	0	525.7	0
Cash and cash equivalents	-375.8	0	-64.5	0
Total	**314.8**	**990.1**	**461.2**	**930.2**
Property investments	3,226.2	3,226.2	2,973.6	2,973.6
LTV ratio in %	9.8	30.7	15.5	31.3
Total in %	**40.4**		**46.8**	

As of 31 December 2021, S IMMO's liabilities to banks were spread among 23 (2020: 23) individual banks. The average maturity of non-current liabilities to banks was 5.2 years (2020: 5.3 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.

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. 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 association 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 04 March 2022, CPI Property Group S.A. announced that it holds 42.55% of the shares issued by the company (26.49% via IMMOFINANZ AG) in S IMMO.

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 Chair and another member as Deputy Chair. 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 No-

vember 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 association 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 31 December 2021, the company holds 3,084,797 treasury shares, which corresponds to approximately 4.2% 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 association 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 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), the 1.75% S IMMO green bond 2021–2028 issued in February 2021 (volume of EUR 150m) and the 1.25% S IMMO green bond 2022–2027 issued in January 2022 (volume of EUR 50m) contain change-of-control clauses. Under the terms and conditions of the bonds issued in 2014 and 2015 and the green bonds issued in 2021 and 2022, 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 bonds issued in 2021 and 2022, 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 (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 opportunities and risks that impact operating activities, decision-making processes and strategic management. By identifying, analysing, managing and monitoring opportunities and risks, the Group strives to recognise potential in a timely manner as well as identify negative developments and potential risk factors in good time, understand their cause and minimise them as far as possible. Nevertheless, the occurrence of risks cannot be completely ruled out. S IMMO is engaged in the development, acquisition, leasing, operation, refurbishment and sale of real estate in Austria, Germany and CEE along the life cycle of long-term real estate investments. 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
- Property management

In addition, S IMMO AG held shares in the Austrian listed ATX real estate companies CA Immobilien Anlagen AG and IMMOFINANZ AG in 2021. The shares in CA Immobilien Anlagen AG were included in the takeover bid of Starwood Capital Group in July 2021 at a price of EUR 37.00 per share and sold. At the end of January 2022, it was agreed with CPI Property Group that S IMMO AG would transfer all of its IMMOFINANZ shares as well as all those shares it may acquire through its partial offer for IMMOFINANZ shares at a price of EUR 23.00 per share to CPI Property Group as soon as the CPI offer has been cleared by the antitrust authorities. The sale of the shares was completed at the beginning of March 2022.

S IMMO performs the identification, management, assessment and handling of risks based on a standard risk catalogue in close consultation with risk owners in all segments and at the holding company level. 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 is established, while the company's risk positions are presented for each segment and at the holding company level using an aggregation function. The basis for risk identification lies with the local risk owners, thus ensuring comprehensive bottom-up information for the Management Board. At the Group level, a specialist unit for central risk management is in place. 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.

The Supervisory Board is regularly informed about the current risk assessment, potential risks, and the Internal Control System in the course of the Audit Committee meetings that are held at least twice a year. The risk groups set out in this section have been and will be regularly analysed and assessed retrospectively for financial year 2021 and also with regard to business activities in 2022.

Naturally, the COVID-19 pandemic had an impact on the financial year 2021. While the increasing progress of the vaccination programmes led to a slight recovery, nevertheless some drastic measures such as lockdowns still had to be taken by local governments in the markets served by S IMMO in some cases. Restrictions and closures were imposed primarily in the hotel, hospitality and retail sectors. The result was a significant change in consumer and travel behaviour, which had a negative impact on the number of visitors and overnight stays and thus on revenue.

The financial year 2022 started with another wave of infections caused by the new Omicron variant. This virus variant is expected to cause milder illness, which together with vaccination could possibly lead to a foreseeable end of the pandemic or a transition to endemicity. However, it is difficult to predict how long the health crisis will last and how it will progress, and this entails corresponding uncertainties regarding the development of national economies and the real estate and capital markets. Russia's invasion of Ukraine at the end of February and the duration of the war are also not foreseeable despite peace negotiations. Both uncertainties are outside the company's sphere of

influence and thus make reliable medium- to long-term planning almost impossible.

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. 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 generally 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 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 subsidiaries use external service providers to prepare the reporting packages on behalf of 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 informed 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	ESG 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 and climate risks ■ Social risks ■ Governance 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 crisis and the war in Ukraine, economic forecasts and estimates regarding the future performance of the property markets are difficult. The pandemic continues to be challenging for hotel and retail properties. However, a recovery is increasingly foreseeable. 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, which can negatively influence cash flows and valuations.

The ongoing uncertainties regarding the duration and intensity of the COVID-19 crisis have 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 or uncertainties due to the war in Ukraine 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 of S IMMO's markets 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, hotels have been the hardest hit. In some cases, retail was also affected by the ordered closures. The office segment has been unaffected by the crisis and the residential asset class is actually benefiting from the current situation in part.

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 make it necessary to accept 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 at 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 deteriorate in the short or medium term, particularly during an economic downturn. In addition, there is the potential risk of tenants becoming insolvent or otherwise being unable to fulfil their 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. In Austria, for example, retail closed down during lockdowns, but parts of the sector received some state support as compensation. To date, the various closures and restrictions have mainly affected hotels and ground-floor spaces in the buildings (e.g. restaurants, cafés and fitness centres), some of which have suffered substantial declines in revenue due to extensive regulations on 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 COVID-19 pandemic 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 affected the projects of S IMMO to only 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 standard market conditions. At the same time, 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. Hotel property values have decreased due to reduced travel activity. However, the 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 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. 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 based on the three-month EURIBOR as the reference 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. The ECB's key interest rate has already been at a negative level for several years now. However, an increase in long-term interest rates has been observed since the end of 2021. It is currently unclear whether and when the European Central Bank will raise the key interest rate. In the short to medium term, forecasts continue to point to a negative three-month EURIBOR. 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 2021, 11% (31 December 2020: 15%) of loans were fixed-rate and 89% (31 December 2020: 85%) were variable-rate loans – almost exclusively 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, the entire 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. reduces the cost of funding by two basis points.

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 minimal or at least not sustained effects of the COVID-19 crisis 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 2021). Borrowing is monitored on the basis of approvals on a staggered basis by the Management Board and Supervisory Board. As of 31 December 2021, non-current liabilities to banks had an average weighted residual term of 5.2 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 fair value of the property portfolio (loan-to-value ratio). As of 31 December 2021, the Group-wide loan-to-value ratio for secured financing stood at 30.7% (31 December 2020: 31.3%). In addition, the Group has unsecured financing (utilised credit lines and loans). The loan-to-value ratio for unsecured financing amounted to 9.8% (31 December 2020: 15.5%) of property assets. Despite close monitoring of financing instruments and the relevant parameters, it cannot be ruled out that S IMMO will 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 exchange rate risk that would affect cash flows 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 or loss statement.

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.

ESG risks

For S IMMO Group, the management of ESG risks encompasses various risks related to the ESG criteria of environment, social affairs and corporate governance. Legal and regulatory requirements such as the Sustainability and Diversity Improvement Act (NaDiVeG) and the EU Taxonomy Regulation require us to address specific sustainability risks in the areas of climate change, employees, respect for human rights, the fight against corruption and bribery, and others. The following section of the risk report describes significant risks in connection with the topics mentioned in the non-financial report as well as measures for identifying, assessing, avoiding and limiting these risks.

Environmental and climate risks

S IMMO is exposed to various environmental and climate risks that can arise both in its operations and in its property development activities. These risks can arise due to geographical circumstances, but also in particular in connection with advancing climate change. The latter can be divided into physical and transitory risks. The following information on climate risk management in this section is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The strategic monitoring of environmental and climate risks and the pursuit of potential opportunities are the responsibility of the Management Board member responsible for ESG and the ESG Committee of the Supervisory Board. Operational assessment and management are the joint responsibility of the Risk Management, Portfolio Management and Sustainability Management departments, which engage in a direct and active exchange of information on these issues.

The main risks not influenced by climate change include possible nuclear incidents and accidents in the geographical area of the company's operations, as well as the risk of earthquakes, particularly in Croatia and Romania. Consideration of the risk of earthquakes is therefore incorporated into decisions made in the planning and structural calculations for development projects, the properties to be purchased and in the conclusion of adequate building and special insurance policies. Several stronger earthquakes in Croatia in 2020, in which S IMMO properties were only affected to a smaller extent, confirmed the decision for this mix of measures. Repairs to the buildings that were necessary due to earthquake damage were covered by insurance.

In construction activities, a potential risk emanates from the materials used. Changes in legislation and amendments to environmental or safety regulations must also be considered in this context, as these may necessitate the removal or replacement of materials. In order to reduce the impact of the company's activities on the environment, building materials are replaced with environmentally compatible alternatives wherever possible in the course of maintenance and refurbishment measures. A considerable part of the property portfolio has already been awarded green building certificates, which also require a reduction in hazardous materials. S IMMO is striving to further increase the share of certified properties. In addition, there are risks to buildings, land and the environment due to possible contamination by harmful substances and munitions. With regard to construction activities, risks may arise for residents from temporary noise and dust pollution.

Against the backdrop of an assumed global warming of two degrees Celsius, the so-called "2-degree scenario", and according to internal experts, the company is confronted with a number of potential climate risks, some of which are already significant at the present time and whose impact will increase further as global warming progresses.

In the area of acute physical risks, heat waves and heavy precipitation are considered significant in their own right, as they are expected to become increasingly frequent and more severe than in the past. In addition, floods and hail pose a direct risk of damage to real estate and resulting temporary restrictions on the usability of buildings. A similar outlook emerges for chronic physical risks: General temperature changes, heat stress, and changing precipitation patterns also cause the acute risks to become entrenched over the long term. In order to minimise the impact of these risks, S IMMO conducts precise site analyses for acquisitions and investments and obtains guarantee declarations where necessary.

Furthermore, the way in which businesses, policymakers and society deal with climate change gives rise to transitory risks for the company. More drastic taxation of greenhouse gas emissions and the associated technological need for investment in renewable energy generation, the improvement of energy efficiency, and the digitalisation and networking of buildings will become significant cost drivers. At the same time, this reduces significant market risks, primarily the loss of value of carbon-intensive buildings, the more difficult leasing of carbon-intensive buildings, and increased costs due to higher energy and commodity prices. In addition, the enhanced reporting requirements to be fulfilled reflect the preferences of shareholders and creditors for products and business models with a high ESG orientation.

Climate risks affect the company not only through climate change, but conversely there is also a risk that the company will further increase the greenhouse effect and thus further contribute to climate change. The construction and operation of buildings are fundamentally greenhouse gas intensive, which means that S IMMO has a special responsibility to increase energy efficiency and reduce greenhouse gas emissions. A recently introduced portfolio-wide and property-related monitoring system is designed to identify and implement potential optimisation measures on the basis of complete and detailed data. In parallel, attention is being paid to energy-efficient construction methods and the use of high-quality and ecologically compatible materials in current and future projects. More detailed information on the use of energy and emissions can be found in the non-financial report starting on page 36.

In addition to the risks, climate change also offers opportunities for S IMMO, for example through the need to increase its own resource efficiency, both in construction and in operations, with the trend towards a circular economy increasing the financial incentive for the reusability of materials and thus giving it a stronger economic basis. The increased use of local, renewable energy generation leads to a higher degree of autonomy for properties, with simultaneous emissions reductions. Broad and early implementation of such measures can also open up market opportunities with climate-conscious tenants and partner companies and ensure the resilience of the company in the longer term, and additional investments can be offset or even overcompensated by efficiency gains.

The climate risks and opportunities listed above have not yet had a significant impact on the resilience of the Group's strategy or its fundamental business model. Nevertheless, due to their strategic consideration, they are explicitly included in S IMMO's operational and financial planning in order to implement appropriate measures to minimise risks and take advantage of opportunities after proper assessment.

Climate risks are identified, assessed and managed across departments by Risk Management, Portfolio Management and Sustainability Management, with plans to expand the assessment to include, for example, scientific scenarios and greater geographical granularity. At the time of reporting, climate risk management is an integral part of the Group-wide risk management and the company's greenhouse gas emissions are recorded in accordance with the classification into the three Scopes of the Greenhouse Gas Protocol (direct, indirect and other indirect emissions). Further key figures and targets are being developed.

Social risks

S IMMO is committed to the highest degree of compliance with all human rights. In addition to health and safety in the workplace and the right to fair pay and responsible treatment of employees, in the context of the Group this relates above all to the protection of minors, the prohibition of child labour, the right to equal opportunities and equal treatment, and the prohibition of discrimination.

All of S IMMO's activities are conducted in accordance with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the eight core conventions of the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises. To this end, a central and confidential point of contact has been established for reporting suspected human rights violations, and mandatory training on this topic will expand the established risk minimisation control mechanisms in the coming calendar year.

In the course of the company's activities, there may be individual cases of discrimination, sexual harassment, short-term undercutting of the appropriate wage level or exposure to increased physical risks. To counteract these and other risks, the company has developed a comprehensive human rights policy, which is available at www.simmoag.at/en/csr.

The company constantly addresses the challenges and potential risks that may arise in connection with its employees. It is therefore a matter of course for S IMMO to minimise possible negative effects on health. A current focus with regard to the protection of S IMMO's employees is the handling of the COVID-19 pandemic. An internal COVID-19 working group adapts the protective measures depending on the circumstances in the office. The aim of the measures is to protect all employees from infection as well as to maintain the company's ability to operate. In the worst case, infections within the company could have a negative impact on the continuity of various business activities. Through a mix of measures such as a company vaccination campaign, the reduction of office attendance times through remote working, the creation of individual offices, the possibility of regular free PCR tests and mask regulations, the risk of infection was actively minimised in 2021.

Switching to remote working minimises the risk of infection, but in return poses risks in terms of physical and mental health. A workstation that is not ergonomically adapted can cause physical pain, and on a psychological level, it may be difficult to separate work and private life. S IMMO endeavours to find individual solutions with all employees as necessary, to take into

account any care obligations as best as possible and to ensure a good work-life balance in this context as well.

Another risk with regard to personnel is employee turnover. S IMMO has a lean organisation and flat structures. The departure of management and specialist staff could therefore have a negative impact on the company's development, as it is hardly possible or very difficult to compensate for the expertise of good employees in the short term. The company therefore strives to be attractive as an employer in the long term and also offers its employees individual solutions to make everyday working life easier.

In addition, construction activities such as conversions, maintenance and renovation measures give rise to potential occupational safety risks, but at S IMMO AG these are limited to general construction coordination tasks. Poor quality and non-compliance with safety regulations by contractors can endanger the safety and health of workers. Construction activities in 2021 were affected by the pandemic to only a minor extent and were largely implemented as planned. Beyond the general construction coordination duties, compliance with occupational safety requirements is monitored separately at the contracted companies.

During the use of the building in the rental phase, personal injuries to tenants, visitors and passers-by may occur if S IMMO as the owner does not sufficiently fulfil its duties of care and maintenance. It is therefore ensured at all times that all responsibilities are taken into account through appropriate personnel and physical precautions at the properties. In addition, there is a risk of damage to S IMMO's image as a landlord if tenants were to widely discredit S IMMO due to controversial actions.

Despite all due care and systemic and procedural precautions, there is a risk that cyberattacks and unauthorised disclosures may result in violations of the personal rights and privacy of individuals, particularly in the area of employee and tenant data. The company counters this risk with ongoing monitoring of the case law and, if necessary, with adjustments to its infrastructure and processes in order to minimise the number of breaches and resulting claims and, if necessary, to comply with them in a timely manner. A separate cross-departmental working group deals with current developments and issues relating to data security and protection several times a year.

Governance risks

Fundamental values such as transparency and fair and sustainable corporate governance are deeply rooted in S IMMO's corporate structure. S IMMO has been committed to compliance with the Austrian Code of Corporate Governance since 2007 (for details, please refer to page 26).

The company's Code of Conduct obliges executive bodies and employees to act in accordance with highest ethical standards. Employees who become aware of a proven or possible violation of the Code of Conduct must either report it immediately to the Compliance Officer of S IMMO AG or submit a corresponding report anonymously via the whistleblower system that is publicly accessible on the company's website.

The risk of corruption is always present in day-to-day business. Some of the countries in which S IMMO operates have a poor ranking according to the Corruption Perceptions Index, among others, which can lead to violations of the law and subsequent fines in serious cases. In addition to the Code of Conduct, S IMMO has provided its executive bodies and employees with its own set of rules to prevent such conduct. The Guideline for the Prevention of Bribery, Acceptance of Advantages and Corruption, which is also published on the company's website, regulates the structural and procedural measures to avoid even the appearance of bribery, acceptance of advantages and corruption. This binding guideline is designed to strengthen the awareness of each and every individual and to create awareness of the consequences of corruption and how to combat it. In the future, mandatory training sessions will be held annually on the contents of the Code of Conduct and the Guideline on the Prevention of Bribery, Acceptance of Advantages and Corruption.

When selecting its business partners and suppliers, S IMMO assumes its responsibility within the supply chain and attaches great importance to the contractual framework and regulations. Compliance with the high legal standards and regulations within the European Union is the minimum requirement. The company mostly works with renowned and recognised partners, and the cooperation is preceded by a corresponding selection process. This also minimises the financial risk of penalties or legal restrictions.

IT security is a key area of risk, particularly in light of the significant increase in the digitalisation of corporate processes. S IMMO defines IT risks as the danger that certain vulnerabilities in the systems, components, communication networks or software will occur and subsequently prevent the company or individuals from successfully implementing their tasks or processes in a timely manner. IT risks are directly related to the security of IT systems. Sources of risk include, for example, viruses, short- or long-term cyberattacks (including loss of customer data) on individual systems or the entire network, the theft of hardware, fires in data centres, power failures or hard disk crashes.

S IMMO's IT risk management is designed to identify potential IT risks at an early stage, implement necessary countermeasures and minimise potential threats. The measures taken include installing security-relevant updates on all servers and clients, regular vulnerability scans of servers, using up-to-date antivirus software, hosting servers in the IT service provider's failsafe data centre, using BIOS passwords, encrypting employees' hard drives, using encrypted work cell phones by default and active website filters, monitoring firewalls, and so on. In addition, a cyber AI security solution is deployed. Moreover, sensors of the cyber AI security solution have been installed on all clients. As a result, the IT infrastructure is monitored around the clock and in the event of a cyberattack, the company is informed by its own security team. For 2022, an IT security PEN test is planned, as well as the introduction of regular IT security training via S IMMO's new training portal. Despite taking the greatest care and using the latest technology in the area of IT security, an IT failure or a cyberattack on S IMMO's systems cannot be ruled out.

S IMMO is exposed to a variety of legal risks due to its business activities. These result, among other things, from legal disputes in connection with S IMMO's operating activities (for example, disputes arising from property transactions or with construction companies or tenants) and regulatory risks. Provisions are made for ongoing legal disputes to the extent required by IFRS. As the outcome of (arbitration) court proceedings is generally difficult to predict, expenses in excess of the provisions may be incurred. Significant risks may also arise from changes in the legal situation, particularly as S IMMO operates in a highly regulated environment and in various jurisdictions. The clear interpretation of legal norms and contractual provisions may also be difficult in the context of the COVID-19 crisis due to the unusual factual and legal situation, which may lead to further litigation or the need for increased settlement.

The Group operates in a regulatory environment whose provisions – in particular those defined by market abuse, data protection and antitrust law – are and will continue to be applicable with very high penalty threats. The measures taken by the company may prove to be insufficient to prevent violations of legal provisions and may therefore result in the imposition of heavy fines.

Overall statement on risks

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. In general, the European Union experienced strong growth in 2021 compared to the previous year, but there was a renewed slowdown towards the end of the year compared to the previous quarter due to the Omicron infection wave. Many experts believe that the milder course of disease caused by the new mutation and the increasing vaccination coverage of the population could lead to an end of the pandemic.

Also the effects of the recently observed rising inflation rates on S IMMO's business activities cannot be definitively assessed at this time. On the one hand, forecasts regarding the duration and extent – especially in connection with the war in Ukraine – are currently subject to considerable uncertainty, and on the other hand, it is still completely unclear what measures central banks and politicians will take in this context. As there may be at least indirect effects on almost all risk categories, S IMMO also monitors all risk categories with regard to different inflation trends.

The war in Ukraine with its negative economic consequences for the European Union also represents a major uncertainty factor. One fear is that there will be a further increase in energy prices and a negative impact on procurement and supply processes and thus on purchasing prices. Reliable forecasts are hardly feasible, which also makes short- and medium-term planning challenging. This is further aggravated by the fact that the uncertainties lie outside the company's sphere of influence.

The past few months have shown that S IMMO AG's portfolio, which is diversified by region and type of use, has proven its worth, even in the current crisis. Nevertheless, negative effects on consumer behaviour – due to local COVID measures in the markets served by S IMMO – and thus on the revenues of S IMMO's tenants cannot be ruled out. As a consequence, this could have a negative impact on rental income. Negative effects could also arise in the case of valuation, rental or real estate portfolio risk. Economic developments always have an impact on capital markets. Fluctuations on the stock markets subsequently influence the market capitalisation of S IMMO AG as well as the valuation of its investments.

Another risk area relates to the liquidity and financing situation in the company. S IMMO AG is in a good financial position. Despite the COVID-19 crisis, there has fortunately been no sign of lasting changes to or deterioration in banks' willingness to provide funds.

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.

The management generally expects a further recovery in all types of use and regions in the coming months. The focus is on the company's core business. 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 January 2022, S IMMO issued another green bond with a nominal value of EUR 50 million, a term of five years and a coupon of 1.25%.

At the end of January 2022, CPI Property Group and S IMMO agreed that the former would increase the offer price of its mandatory offer to IMMOFINANZ shareholders to EUR 23.00 (cum dividend). In return, S IMMO AG committed to transfer all of its shares in IMMOFINANZ, as well as all those shares it may acquire through its partial offer for IMMOFINANZ shares, to CPI Property Group. The sale of S IMMO's stake in IMMOFINANZ to CPI Property Group was completed at the beginning of March 2022.

The outbreak of the war in Ukraine also fell into the first quarter of 2022. S IMMO does not own any properties in Ukraine nor in Russia and is therefore only indirectly affected by the current war. However, effects on S IMMO Group's business activities cannot yet be conclusively assessed at the editorial deadline for this report.

At the time this report went to press, the effects of the COVID-19 pandemic and the related uncertainties in the markets in which S IMMO operates persist.

On 14 April 2022, S IMMO was informed by CPI Property Group that it would immediately request the convening of an extraordinary general meeting to resolve on the abolishment of the maximum voting rights (15%) enshrined in S IMMO's articles of association. Following the legally effective abolition of the maximum voting right, CPI Property Group would acquire a controlling interest in S IMMO within the meaning of section 22 of the Austrian Takeover Act. In this case, CPI Property Group intends to make a mandatory offer. The price of the intended mandatory offer would be at least EUR 22.00 per S IMMO share cum dividend at the time of this announcement of intent, according to the ad hoc announcement of CPI Property Group dated 14 April 2022 pursuant to section 26 (1) of the Austrian Takeover Act.

Expected economic development

The economic recovery seen in 2021 was dampened by the new Omicron variant towards the end of the year. Nevertheless, the economic forecasts were reasonably optimistic before Russia's attack on Ukraine at the end of February 2022, but consequently had to be corrected in March 2022. It can be assumed that the war in Ukraine will significantly slow down or stall the economic recovery in Europe. A further increase in energy prices and renewed delays in procurement and supply processes are to be expected, which will ultimately lead to higher purchase prices and push inflation up further. In its updated March forecast for Europe, the European Central Bank (ECB) expected real GDP growth to average 3.7% in 2022 (details can be found in the economic report on page 79).

The current situation in Ukraine is also having an impact on the capital markets. On the first day of Russia's attack, the international exchanges suffered substantial losses in some cases. Due to the ongoing war, uncertainty remains on the international capital markets.

Expected developments on the real estate markets

Because the real estate industry is highly dependent on the economic developments in the given regions, it can be assumed that the war in Ukraine will also impact the real estate markets.

A deterioration of the economic situation can lead to rent reductions, rent defaults, or lease terminations by tenants. S IMMO AG does not own any properties in Ukraine or in Russia, but indirect effects cannot be ruled out.

Along with the war in Ukraine, the COVID-19 pandemic also makes it difficult to make reliable medium- and long-term projections about the development of the real estate markets. In general, the pandemic is particularly challenging for the property use types of hotels and retail. However, a continuing recovery is expected for 2022, with the tourism sector in particular benefiting from increasing vaccination progress. The property use types of residential, office, and logistics will remain the focus of investors in 2022. Trends such as remote working and online shopping may continue to impact the real estate markets.

Expected business development

Flexibility and sustainability are the topics that are increasingly important in all asset classes in the real estate sector – the more flexibly a space can be used, the more sustainable a property is in terms of a low carbon footprint, the more attractive it is. In the retail segment, location is still decisive for the success of a property, while in the residential segment, people increasingly want to be close to nature, a development that has emerged in response to the COVID-19 pandemic. In case of office buildings, the trends are shorter and shorter lease terms and flexible use. As a major, experienced investor, S IMMO has the necessary knowledge and expertise to appropriately deal with the changing requirements.

The year 2022 will primarily be defined by the aftereffects of the COVID-19 pandemic. In general, a mounting recovery is expected in all property use types and regions. However, events are currently being overshadowed by the geopolitical situation in Ukraine, and it remains to be seen how the conflict will progress.

S IMMO sold its shares in CA Immobilien Anlagen AG in July 2021. At the beginning of 2022, the sale of the shares in IMMOFINANZ AG was contractually regulated and completed at the beginning of March 2022. Therefore, the company has a comfortable liquidity cushion and will fully concentrate on its core business: the letting and management of high-earnings properties in Germany, Austria and Central and Eastern Europe and the acquisition of properties with high value-enhancement potential. There are currently several attractive acquisitions in the pipeline.

Thus, all signs are pointing to growth. S IMMO reaffirmed its sustainable investment strategy with the issue of another green bond at the beginning of the year. Along with a maturity profile that is well distributed over the coming years, S IMMO has thus established a very solid starting position in terms of financing for the coming months.

Although the German market still offers attractive opportunities, the focus of the acquisition possibilities for 2022 is clearly on the CEE region. Potential acquisitions are currently being assessed in various markets and specific discussions are under way to strengthen the cash flow and FFO I through direct property investments.

Vienna, 14 April 2022

The Management Board

Bruno Ettenauer Herwig Teufelsdorfer Friedrich Wachernig

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

as of 31 December 2021

Assets EUR '000	Notes	31 December 2021	31 December 2020
Non-current assets			
Investment properties			
Rented properties	3.1.1.	2,642,929	2,316,747
Properties under development and undeveloped land	3.1.1.	77,034	38,175
		2,719,963	2,354,922
Owner-operated properties	3.1.2.	110,834	117,617
Other plant and equipment	3.1.2.	5,536	6,346
Intangible assets	3.1.2.	358	251
Interests in companies measured at equity	3.1.3.	27,367	24,376
Group interests	3.1.4.	5,346	4,609
Other financial assets	3.1.4.	398,001	497,721
Deferred tax assets	3.1.16.	561	1,178
		3,267,966	3,007,020
Current assets			
Inventories	3.1.5.	262	208
Trade receivables	3.1.6.	6,904	4,270
Other financial assets	3.1.6.	14,238	13,787
Other assets	3.1.7.	22,928	28,477
Cash and cash equivalents	3.1.8.	375,823	64,503
		420,155	111,245
Assets held for sale	3.1.9.	0	4,345
		420,155	115,590
		3,688,121	**3,122,610**

Equity and liabilities EUR '000	Notes	31 December 2021	31 December 2020
Shareholders' equity			
Share capital	3.1.10.	256,249	259,397
Capital reserves	3.1.10.	160,612	173,855
Other reserves	3.1.10.	1,245,361	947,299
		1,662,222	1,380,551
Non-controlling interests	3.1.11.	4,081	3,277
		1,666,303	1,383,828
Non-current liabilities			
Issued bonds	3.1.13.	646,819	497,215
Other financial liabilities	3.1.12.	920,201	873,801
Provisions for employee benefits	3.1.14.	1,264	1,349
Other liabilities	3.1.15.	348	957
Deferred tax liabilities	3.1.16.	253,011	195,887
		1,821,643	1,569,209
Current liabilities			
Issued bonds	3.1.13.	0	28,529
Financial liabilities	3.1.12.	138,581	99,273
Income tax liabilities		6,070	2,384
Trade payables	5.1.1.	5,673	3,616
Other liabilities	3.1.15.	49,851	35,771
		200,175	169,573
		3,688,121	**3,122,610**

Consolidated income statement

for the financial year 2021

in EUR '000	Notes	2021	2020
Revenues			
Rental income	3.2.1.	131,294	123,255
Revenues from operating costs	3.2.1.	34,359	32,871
Revenues from hotel operations	3.2.1.	31,203	17,789
		196,856	173,915
Other operating income		**3,175**	2,501
Property operating expenses	3.2.2.	-66,795	-66,760
Hotel operating expenses	3.2.2.	-23,702	-18,126
Gross profit		**109,534**	91,530
Income from property disposals	3.2.3.	39,598	46,910
Book value of property disposals	3.2.3.	-39,598	-46,910
Result from property disposals	3.2.3.	**0**	0
Management expenses	3.2.4.	-28,237	-20,398
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**81,297**	71,132
Depreciation and amortisation	3.2.5.	-9,646	-9,232
Results from property valuation	3.2.6.	198,686	39,056
Operating income (EBIT)		**270,337**	100,956
Financing costs	3.2.7.	-30,723	-43,226
Financing income	3.2.7.	25,255	8,821
Results from companies measured at equity	3.2.7.	6,173	5,035
Financial result		**705**	-29,370
Earnings before tax (EBT)		**271,042**	71,586
Taxes on income	3.1.16.	-40,484	-14,674
Consolidated net income		**230,558**	**56,912**
of which attributable to shareholders in the parent company		229,521	56,537
of which attributable to non-controlling interests		1,037	375
Earnings per share			
undiluted = diluted	3.2.8.	3.24	0.79

Consolidated statement of comprehensive income

for the financial year 2021

in EUR '000	Notes	2021	2020
Consolidated net income		230,558	56,912
Change in value of cash flow hedges	5.1.2.	11,480	-4,281
Income taxes on cash flow hedges	5.1.2.	-2,141	767
Reclassification of derivative valuation effects	5.1.2.	287	2,446
Income taxes on reclassification of derivative valuation effects	5.1.2.	-72	-611
Reserve for foreign exchange rate differences	3.1.10.	424	3,398
Other comprehensive income for the period (realised through profit or loss)		9,978	1,719
Valuation of financial assets FVOCI		129,642	-124,746
Income taxes from measurement of financial assets FVOCI		-35,700	31,187
Remeasurement of post-employment benefit obligations		-67	-18
Income taxes on remeasurement of post-employment benefit obligations		17	5
Other comprehensive income for the period (not realised through profit or loss)		93,892	-93,572
Other comprehensive income for the period		103,870	-91,853
of which attributable to shareholders in parent company		103,870	-91,853
of which attributable to non-controlling interests		0	0
Total comprehensive income		**334,428**	**-34,941**
of which attributable to shareholders in parent company		333,391	-35,316
of which attributable to non-controlling interests		1,037	375

Consolidated cash flow statement

for the financial year 2021

in EUR '000	Notes	2021	2020
Earnings before taxes (EBT)		271,042	71,586
Results from property valuation	3.2.6.	-198,686	-39,056
Depreciation and amortisation	3.2.5.	9,646	9,232
Results on property sales	3.2.3.	0	0
Taxes on income paid	3.1.16.	-15,420	-6,756
Financial result	3.2.7.	-705	29,370
Operating cash flow		**65,877**	64,376
Changes in net current assets			
Receivables and other assets		-2,734	1,791
Provisions, other financial and non-financial liabilities		-722	-19
Current liabilities		6,544	-10,746
Cash flow from operating activities		**68,965**	55,402
Cash flow from investing activities			
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)		-35,579	-73,882
Investments in intangible assets		-236	-137
Investments in other fixed assets		-882	-2,745
Disposal of equity instruments of other companies	3.1.4.	234,605	0
Acquisition of equity instruments of other companies	3.1.4.	0	-50,982
Investments in financial assets		-38	-18,297
Disposals of financial assets		16	0
Investments in companies measured at equity		-151	-4,302
Divestments in companies measured at equity		510	14,218
Net cash flow from initial consolidations	2.2.4.	-151,998	-44,376
Other changes in companies measured at equity		3,783	13,017
Disposals of properties	3.2.3.	39,598	46,910
Dividends from companies measured at equity		356	588
Dividends from listed companies	3.1.4. | 3.2.7.	17,755	4,580
Income from equity investments	3.1.4.	343	267
Interest received	3.2.7.	927	942
Cash flow from investing activities		**109,009**	-114,199

in EUR '000	Notes	2021	2020
Consolidated cash flow statement continued			
Cash flow from financing activities			
Issue of shares	3.1.10.	0	146,477
Buyback of treasury shares	3.1.10.	-16,392	-22,379
Bond issues	3.1.13.	149,143	0
Bond redemptions	3.1.13.	-28,549	0
Distribution of minority shares		-232	-8
Increases in financing	3.1.12.	165,360	67,079
Decreases in financing	3.1.12.	-63,932	-93,964
Dividend payment	3.1.10.	-35,329	-50,185
Interest paid		-36,723	-35,284
Cash flow from financing activities		133,346	11,736
Cash and cash equivalents 01 January		64,503	111,564
Net change in cash and cash equivalents		311,320	-47,061
Cash and cash equivalents 31 December[1]		**375,823**	**64,503**

[1] The effects of currency translation differences on the cash and cash equivalents are 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 shareholders	Non-controlling interests	Total
As of 01 January 2021	259,397	173,855	-11,337	-18,802	-2,140	979,577	1,380,551	3,277	1,383,828
Consolidated net income	0	0	0	0	0	229,521	229,521	1,037	230,558
Other comprehensive income	0	0	424	9,554	93,942	-50	103,870	0	103,870
Issue of shares	0	0	0	0	0	0	0	0	0
Buyback of treasury shares	-3,148	-13,243	0	0	0	0	-16,392	0	-16,392
Distribution with respect to non-controlling interests	0	0	0	0	0	0	0	-232	-232
Other changes	0	0	0	0	-73,564	73,564	0	0	0
Distribution for 2020 to shareholders[1]	0	0	0	0	0	-35,329	-35,329	0	-35,329
As of 31 December 2021	256,249	160,612	-10,913	-9,247	18,238	1,247,284	1,662,222	4,081	1,666,303
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	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**

[1] The dividend distribution of kEUR 35,329 in 2021 (2020: kEUR 50,185) corresponds to a dividend of EUR 0.50 (2020: EUR 0.70) per share, and was effected on 28 October 2021.

Notes to the consolidated financial statements

as of 31 December 2021

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, in the Prime Market segment since 2007. S IMMO was included in the Austrian ATX benchmark index for the first time on 18 September 2017. It has subsidiaries in Austria, Germany and CEE (Czechia, Slovakia, Hungary, Croatia, Romania and Bulgaria) as of the reporting date. As of 31 December 2021, S IMMO Group owned properties in all the above countries. S IMMO Group engages in long-term real estate investments in the form of the buying and selling of properties, project development, letting and asset management, revitalisation and refurbishment of buildings and the operation of hotels.

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 84 (2020: 80) companies (property holding and intermediary holding companies) that are fully consolidated and directly or indirectly owned by S IMMO AG, and 6 (2020: 5) companies included at equity.

Changes in the consolidation group in the financial year 2021

In the second quarter of 2021, the two companies SPC DELTA PROPERTY DEVELOPMENT COMPANY SRL, Romania, (Campus 6.2), and SPC SIGMA PROPERTY DEVELOPMENT COMPANY SRL, Romania, (Campus 6.3), were acquired by way of a share deal. The purchase prices (excluding incidental purchase costs) of kEUR 12,902 (Campus 6.2) and kEUR 11,427 (Campus 6.3) consisted entirely of cash. The loans included in non-current liabilities in the amount of kEUR 33,016 (Campus 6.2) and kEUR 34,063 (Campus 6.3) were repaid in the course of the settlement of the purchase. In the fourth quarter of 2021, BudaPart Auratus Kft., Hungary, was also acquired by way of a share deal. The purchase price (excluding incidental purchase costs) of kEUR 27,176 consisted entirely of cash. The loan of kEUR 46,361 included in non-current liabilities was repaid in the course of the purchase. Of the purchase prices listed above, an advance payment of kEUR 5,000 for Campus 6.2 was made in the financial year 2021, and a further kEUR 3,232 for BudaPart Gate was not yet due in 2021. The acquired companies had the following book values at the time of acquisition:

EUR '000	Campus 6.2	Campus 6.3	BudaPart Gate	Total book value
Non-current assets				
Property assets	50,610	45,580	71,608	167,798
Current assets				
Other current assets	1,801	1,496	283	3,580
Cash and cash equivalents	1,489	379	2,846	4,714
Total assets	**53,900**	**47,455**	**74,737**	**176,092**
Non-current liabilities	-33,028	-34,079	-46,999	-114,106
Current liabilities	-7,970	-1,949	-500	-10,419
Total book value of disposals	**12,902**	**11,427**	**27,238**	**51,567**

In the first quarter of 2021, S IMMO Croatia d.o.o. (formerly SOPOT Property d.o.o.), Croatia, was included in the consolidated financial statements of S IMMO AG as a fully consolidated company for the first time. The company was founded in 2020 and was not included in the previous year in the consolidation group due to its immateriality and was instead reported as an investment. Cash and cash equivalents at the time of initial consolidation amounted to kEUR 2. In the third quarter of 2021 the newly founded S IMMO Berlin Finance GmbH, Germany, was also fully included in the consolidation group. 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 second quarter of 2021, the previously fully consolidated Einkaufs-Center Sofia G.m.b.H. & Co. KG, Germany, was dissolved.

In the fourth quarter of 2021, the associated company Talent Ágazati Képzőközpont Nonprofit Kft. was also founded.

Overview of the 2021 consolidation group on a company basis

	Location	Nominal capital 2021	Nominal capital 2020	Group share % 2021	Group share % 2020	Local currency 2021	Local currency 2020	Consolidation type 2021	Consolidation type 2020
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

	Location	Nominal capital 2021	Nominal capital 2020	Group share % 2021	Group share % 2020	Local currency 2021	Local currency 2020	Consolidation type 2021	Consolidation type 2020
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	89.84	89.67	EUR	EUR	FC	FC
PCC-Hotelerrichtungs- und Betriebs-gesellschaft m.b.H.	AT, Vienna	36,336	36,336	100	100	EUR	EUR	FC	FC
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 Management und Beteiligungen GmbH	AT, Vienna	35,000	35,000	35	35	EUR	EUR	E	E
QBC Gamma SP Immomanagement GmbH in Liqu.	AT, Vienna	35,000	35,000	35	35	EUR	EUR	E	E
BGM - EB-Grundstücksbeteiligungen GmbH & Co KG	AT, Vienna	4,342,202	4,342,202	23.6	23.18	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	35,000	100	100	EUR	EUR	FC	FC
Nusku Beteiligungsverwaltungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
Nergal Immobilienverwertungs 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 2021	Nominal capital 2020	Group share % 2021	Group share % 2020	Local currency 2021	Local currency 2020	Consolidation type 2021	Consolidation type 2020
Einkaufs-Center Sofia G.m.b.H. & Co. KG	DE, Hamburg	N/A	87,000,000	N/A	65	N/A	EUR	N/A	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
S IMMO Berlin Finance GmbH	DE, Berlin	25,000	N/A	100	N/A	EUR	N/A	FC	N/A
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
Nagymező 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	6,000,000	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	5,000,000	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
Talent Ágazati Képzőközpont Nonprofit Kft.	HU, Budapest	3,250,000	N/A	20	N/A	HUF	N/A	E	N/A
BudaPart Auratus Kft.	HU, Budapest	4,070,000	N/A	100	N/A	EUR	N/A	FC	N/A
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
S IMMO APM ROMANIA S.R.L. (previously: 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	45,576	100	100	RON	RON	FC	FC
SPC DELTA PROPERTY DEVELOPMENT COMPANY SRL	RO, Bucharest	21,792,510	N/A	100	N/A	RON	N/A	FC	N/A
SPC SIGMA PROPERTY DEVELOPMENT COMPANY SRL	RO, Bucharest	24,255,000	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

	Location	Nominal capital 2021	Nominal capital 2020	Group share % 2021	Group share % 2020	Local currency 2021	Local currency 2020	Consolidation type 2021	Consolidation type 2020
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	6,639	100	100	EUR	EUR	FC	FC
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
S IMMO Croatia d.o.o. (previously: SOPOT Property d.o.o.)	HR, Zagreb	70,000	N/A	100	N/A	HRK	N/A	FC	N/A
Zagrebtower d.o.o.	HR, Zagreb	15,347,000	15,347,000	100	100	HRK	HRK	FC	FC

Einkaufs-Center Sofia Verwaltungs G.m.b.H., Germany, Hamburg (group share 65%) was disposed of for kEUR 16 in the first quarter of 2021. There are no longer any subsidiaries that were not included in the scope of consolidation due to their minor significance for the consolidated financial statements as of 31 December 2021. 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:

	Czechia CZK	Hungary HUF	Bulgaria BGN	Romania RON	Croatia HRK
Closing rate 31 December 2021	24.858	369.190	1.956	4.949	7.516
Average rate in 2021	25.649	358.608	1.956	4.925	7.526
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

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. Changes in accounting policies and disclosures

2.4.1. New and amended standards applicable in 2021

In preparing the consolidated financial statements, the following amendments to existing IAS, IFRS and interpretations as well as newly issued standards and interpretations were taken into account, provided they had been published in the Official Journal of the European Union by 28 December 2021 and had entered into force by that date:

Standard	Content	To be applied from
IFRS 16	COVID-19-Related Rent Concessions	April 2021
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	Deferral of IFRS 9	January 2021

IFRS 16 "COVID-19-Related Rent Concessions"

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.

If a lessee has already applied the original practical expedient, it is required to continue to apply it consistently to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it may not apply the current expedient either.

However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.

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

Interest rate benchmark reform (IBOR reform) – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

- When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectivenesses might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

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

IFRS 4 "Deferral of IFRS 9"

The amendments to IFRS 4 are intended to address the temporary accounting issues arising from the different effective dates of IFRS 9 Financial Instruments and the future IFRS 17 Insurance Contracts. In particular, in order to align the effective date of IFRS 9 with the effective date of the new IFRS 17, the temporary exemption from IFRS 9 is extended until 2023.

Thus, for financial years beginning before 01 January 2023, insurers may apply IAS 39 Financial Instruments: Recognition and Measurement. An insurer using the temporary exemption from IFRS 9 has to:

- Apply those requirements of IFRS 9 that are necessary to provide the disclosures required by paragraphs 39B-39J of IFRS 4; and
- apply all otherwise relevant IFRSs to its financial instruments, except as described in paragraphs 20A-20Q, 39B-39J and 46-47 of IFRS 4.

After the conditions for a temporary exemption from IFRS 9 expire as a result of a reassessment, the entity may continue to use this exemption only until the end of the financial year that began immediately after this reassessment. However, for financial years beginning on or after 01 January 2023, the entity shall apply IFRS 9.

The amendment to paragraph 20O of IFRS 4 permits an entity to retain the relevant accounting policies of the associate or joint venture in accordance with paragraphs 35-36 of IAS 28 for annual periods beginning before 01 January 2023.

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

2.4.2. Standards, interpretations and amendments to published standards that are not yet mandatory in 2021 and have not been applied early

The following standards and interpretations were introduced or amended by 28 December 2021, but their application was not yet mandatory for the financial year 2021. Early application is not planned.

Standard	Content	Adopted and to be applied from
IFRS 17	Insurance Contracts	January 2023
Annual Improvements to IFRS	Cycle 2018-2020	January 2022
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	January 2022
IAS 37	Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract	January 2022

Standard	Content	Not adopted and to be applied from
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 2023
IAS 1, IFRS Practice Statement 2	Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	January 2023
IAS 8	Amendments to IAS 8: Definition of Accounting Estimates	January 2023
IAS 12	Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 2023
IFRS 17	Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)	January 2023

Standards and interpretations already adopted by the EU but not applied early

IFRS 17 "Insurance Contracts"

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the measurement of the liability for the remaining coverage for short duration contracts, which are often written by indemnity and accidence insurers.

There is a modification of the general measurement model called the "variable fee approach" for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

From the current perspective, no significant effects on the net assets, financial position and results of operations of the Group are expected.

Annual Improvements to IFRS (2018–2020 cycle)
The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – the rule that entities (option not available to subsidiaries of investment entities) that become first-time adopters of IFRS at a later time than their parent company are allowed to measure their assets and liabilities at carrying amounts recorded in their parent's books (excluding the effects from consolidation procedures) is amended by the possibility to measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align IAS 41 with the rules of IFRS 13 and with an amendment for IAS 41 from 2008, under which it is not mandatory to use pre-tax discount rates for the determination of fair values.

From the current perspective, no significant effects on the net assets, financial position and results of operations of the Group are expected.

Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use
The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (like, e.g., the sale of samples produced during test-runs). It also clarifies that an entity is "testing whether the asset is functioning properly" when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

From the current perspective, no significant effects on the net assets, financial position and results of operations of the Group are expected.

Amendments to IFRS 3: Reference to the Conceptual Framework
Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. Absent of the amendment is an entity which would have recognised liabilities that may not be recognised under IAS 37 / IFRIC 21 and that would, consequently, have been required to be derecognised via profit and loss.

From the current perspective, no significant effects on the net assets, financial position and results of operations of the Group are expected.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

From the current perspective, no significant effects on the net assets, financial position and results of operations of the Group are expected.

Standards and interpretations not yet adopted by the EU

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

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

From the current perspective, no material effects on the Group's net assets, financial position and results of operations are expected.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is "material accounting policy information" and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8: Definition of Accounting Estimates

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

From the current perspective, no material effects on the Group's net assets, financial position and results of operations are expected.

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

From the current perspective, no material effects on the Group's net assets, financial position and results of operations are expected.

Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)
The amendment to IFRS 17 is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

From the current perspective, no material effects on the Group's net assets, financial position and results of operations are expected.

2.5. Changes in accounting and valuation policies

There were no changes in accounting and valuation policies in the financial year 2021.

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 as 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 do not 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, ensuring 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 financing 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 property, 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 company 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.

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 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
- 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 (in small amounts), 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 three-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 2021, hedge accounting was applied for interest rate swaps with a nominal value of kEUR 503,998 (31 December 2020: kEUR 397,440). 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 2021, 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 2021, derivative valuation effects of kEUR 215 (2020: kEUR 1,835) 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 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.

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 2021, 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 no longer applies, 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 2021 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 (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. 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.

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 2021, a provision of kEUR 5 (31 December 2020: 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 did not intend to dispose of any property at the end of the reporting period as of 31 December 2021.

2.6.10. Taxes

The individual companies in the Group recognise 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, deferred tax assets 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 2021, 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.

Leases are recognised as a right-of-use asset and a corresponding lease 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. 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. The operating costs are specified monthly.

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 2021 EUR '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Properties held as financial investments				
Rental properties	0	0	2,642,929	**2,642,929**
Properties under development and undeveloped land	0	0	77,034	**77,034**
Group interests	0	0	5,346	**5,346**
Other financial assets				
Listed equity instruments	395,440	0	0	**395,440**
Subordinated mandatory convertible bond	0	0	0	**0**
Derivatives	0	2,553	0	**2,553**
Assets held for sale	0	0	0	**0**
Financial liabilities				
Derivatives	0	-24,847	0	**-24,847**

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

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 amount 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 2,719,963 (31 December 2020: kEUR 2,354,922). As of 31 December 2021 no property was held for sale (31 December 2020: kEUR 4,345).

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, among others, 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 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 in the position of financial investment (mainly rights of use) for which no valuation reports are available. These amount to kEUR 4,827.

	Book value as of 31 December 2021 EUR '000	Valuation method	Input factors	Range/mean value[1]
Austria	441,080	Capitalised earnings method	Capitalisation rate	1.80% to 5.60%
			Remaining useful life	41 years (average)
			Market rent (EUR/m²/month)	1.36 to 25.91
Germany	1,365,616	Discounted cash flow	Capitalisation rate	1.90% to 8.35%
			Discount rate	3.80% to 8.85%
			Market rent (EUR/m²/month)	4.30 – 17.83
		Residual value method	Construction costs (EUR/m²)	1,194
			Market rent (EUR/m²/month)	10.75
		Sales comparison approach	EUR/m²	0.59 to 400.77
CEE	908,440	Discounted cash flow	Capitalisation rate	5.5% to 7.50%
			Discount rate	6.5% to 9.25%
			Market rent (EUR/m²/month)	9.39 to 23.99
		Capitalised earnings method	Capitalisation rate	3.95% to 8.15%
			Remaining useful life	43 years (average)
			Market rent (EUR/m²/month)	8.26 – 16.44
		Residual value method	Construction costs (EUR/m²)	700 – 1,200
			Market rent (EUR/m²/month)	10.50 to 15.50
		Sales comparison approach	EUR/m²	22.37
Total	**2,715,136**			

[1] Across all types of use

	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 (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 (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 rights of use totalling kEUR 81,461.

Change in sustainable rent

	2021			2020		
EUR '000	-10%	Output value	+10%	-10%	Output value	10%
Austria	395,620	441,080	486,540	365,500	406,960	448,280
Germany	1,189,959	1,306,222	1,409,344	1,095,981	1,174,032	1,249,004
CEE	806,030	891,200	977,130	638,840	705,700	772,100
	2,391,609	**2,638,502**	**2,873,014**	**2,100,321**	**2,286,692**	**2,469,384**

Change in interest rate

	2021			2020		
EUR '000	-10%	Output value	10%	-10 %	Output value	10%
Austria	469,990	441,080	414,480	433,890	406,960	382,230
Germany	1,475,684	1,306,222	1,168,791	1,324,273	1,174,032	1,050,114
CEE	990,610	891,200	809,450	781,980	705,700	642,260
	2,936,284	**2,638,502**	**2,392,721**	**2,540,143**	**2,286,692**	**2,074,604**

2.8.2. Intangible assets and property, plant and equipment

Estimates of the long-term value of 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 358 (31 December 2020: kEUR 251), that of other property, plant and equipment to kEUR 5,536 (31 December 2020: kEUR 6,346). Owner-operated properties had a book value of kEUR 110,834 (31 December 2020: kEUR 117,617).

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 are 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 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:

+100 BP EUR '000	31 December 2021 Nominal	Fair value before interest rates shift	Change EUR '000	Change in %
Swaps	756,998	-22,481	29,911	133
Caps	165,000	187	275	148
Total	**921,998**	**-22,294**	**30,186**	**135**

-50 BP EUR '000	31 December 2021 Nominal	Fair value before interest rates shift	Change EUR '000	Change in %
Swaps	756,998	-22,481	-14,045	-62
Caps	165,000	187	-72	-39
Total	**921,998**	**-22,294**	**-14,117**	**-63**

+100 BP EUR '000	31 December 2020 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**

-50 BP EUR '000	31 December 2020 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**

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 7,217 (31 December 2020: kEUR 13,933) 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 2021 (offset)	-10%	10%	Output value for deferred tax 2020 (offset)	-10%
Deferred taxes on properties	290,968	244,692	200,943	249,083	209,847	172,359

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

	2021			2020		
EUR '000	-0.30%	Output value	+0.30%	-0.30%	Output value	+0.30%
Severance payments	882	868	855	984	971	958
Long-service bonuses	405	396	387	387	378	369

Change in valorisation

	2021			2020		
EUR '000	-0.20%	Output value	+0.20%	-0.20%	Output value	+0.20%
Severance payments	860	868	877	963	971	979
Long-service bonuses	391	396	401	373	378	384

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 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**
of which pledged as security	2,234,907	0
As of 01 January 2021	2,316,747	38,175
Additions	192,704	8,951
Disposals	-53	0
Reclassification	-28,315	28,315
Other changes	0	0
Changes in fair value (realised through profit or loss)	182,717	1,593
Reclassifications as properties held for sale	-20,871	0
As of 31 December 2021	**2,642,929**	**77,034**
of which pledged as security	2,567,475	18,006

In addition, a change in fair value in the amount of kEUR 14,376 (2020: kEUR 3,316) was realised through profit or loss for the properties held for sale. The reclassification to property held for sale relates entirely to a property sold during the financial year 2021.

Additions by operating segments were as follows:

Rented properties

EUR '000	31 December 2021	31 December 2020
Austria	2,359	470
Germany	15,604	51,315
CEE	174,741	50,055
	192,704	**101,840**

Properties under development and undeveloped land

EUR '000	31 December 2021	31 December 2020
Austria	0	0
Germany	8,276	14,401
CEE	675	3,808
	8,951	**18,209**

Consisting of:

Rental properties

EUR '000	31 December 2021	31 December 2020
Austria	441,080	406,960
Germany	1,306,222	1,190,110
CEE	895,627	719,677
	2,642,929	**2,316,747**

The measurement of the fair value of rental properties totalling kEUR 2,642,929 (2020: kEUR 2,316,747) in the financial year 2021 was based on hierarchy Level 3.

Properties under development and undeveloped land

EUR '000	31 December 2021	31 December 2020
Austria	0	0
Germany	59,394	30,900
CEE	17,640	7,275
	77,034	**38,175**

The measurement of the fair value of development projects and undeveloped land in the financial year 2021 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 7,733 result from property purchasing contracts concluded until 31 December 2021.

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 for the financial year 2021, as in the financial year 2020.

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

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

EUR '000	Owner-operated properties	Other property, plant and equipment	Intangible assets	Total
Costs of acquisition 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**
As of 01 January 2021	218,426	7,649	380	226,455
Currency translation	0	-26	-2	-28
Additions	930	1,067	235	2,232
Disposals	-171	-189	0	-360
As of 31 December 2021	**219,185**	**8,501**	**613**	**228,299**

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

EUR '000	Owner-operated properties	Other property, plant and equipment	Intangible assets	Total
Accumulated depreciation and amortisation as of 01 January 2020	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**
Currency translation	0	-122	-2	-124
Depreciation and amortisation	7,593	1,925	128	9,646
Disposals	-51	-141	0	-192
As of 31 December 2021	**108,351**	**2,965**	**255**	**111,571**
Book value as of 01 January 2020	**124,377**	**5,123**	**242**	**129,742**
Book value as of 31 December 2020	**117,617**	**6,346**	**251**	**124,214**
Book value as of 31 December 2021	**110,834**	**5,536**	**358**	**116,728**

3.1.3. Interests in companies measured at equity

The book value of the companies measured at equity came to kEUR 27,367 as of 31 December 2021 (31 December 2020: kEUR 24,376). 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 2021	31 December 2020
Non-current assets	44,500	41,900
Current assets	16,120	14,647
Non-current liabilities	7,897	7,363
Current liabilities	2,499	2,040
Net assets	50,224	47,144
Group interest in net assets	13,502	12,523

EUR '000	2021	2020
Revenues	1,825	1,209
Net income for the period	4,170	11,851
Group share of the profit for the period	1,193	4,477

The values of the associated companies are allocated to the Austria segment.

Joint ventures

EUR '000	31 December 2021	31 December 2020
Non-current assets	64,380	59,977
Current assets	3,379	4,765
Non-current liabilities	37,922	37,600
Current liabilities	2,652	3,900
Net assets	27,185	23,242
Group interest in net assets	13,865	11,853

EUR '000	2021	2020
Revenues	4,546	4,695
Net income for the period	4,945	2,243
Group share of the profit for the period	2,522	1,144

The joint venture is allocated to the CEE segment.

Companies measured at equity

EUR '000	2021	2020
As of 01 January	24,376	36,284
Current profits	3,719	6,195
Current losses	-3	-574
Result from companies measured at equity	3,716	5,621
Decrease of capital reserves	-510	-1,275
Additions	141	76
Disposals	0	-15,742
Withdrawals/dividends	-356	-588
Other	0	0
As of 31 December	**27,367**	**24,376**

In the financial year 2021, 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.

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 (31 December 2021: kEUR 5,344; 31 December 2020: kEUR 4,553). For this equity investment, income of kEUR 337 (2020: kEUR 267) was recognised in profit or loss as a result of a distribution.

Other financial assets mainly include shares in the company IMMOFINANZ AG that are accounted for as FVOCI (fair value through OCI).

In July 2021, the shares in CA Immobilien Anlagen AG were sold. A total of 6,340,681 shares were submitted into Starwood Capital Group's takeover offer at a price of EUR 37.00. The company recorded a cash inflow of kEUR 234,605 before taxes.

In the third quarter of 2021, IMMOFINANZ AG announced the early mandatory conversion of the 4.00% mandatory convertible bonds. The optional mandatory conversion date was 26 September 2021, and the delivery date of the shares was 27 September 2021.

Dividend income totalling kEUR 19,499 (IMMOFINANZ AG: kEUR 13,158; CA Immobilien Anlagen AG: kEUR 6,341) was realised through profit or loss in the reporting period (2020: CA Immobilien Anlagen AG: kEUR 6,317). As a result of deduction of withholding tax for the dividend of CA Immobilien Anlagen AG, only kEUR 17,755 (2020: kEUR: 4,580) was cash-effective here.

For the financial year 2021, there was a revaluation of shares in IMMOFINANZ AG and CA Immobilien Anlagen AG recognised in other comprehensive income in the amount of kEUR 128,851 (2020: kEUR -125,495). In connection with the sale of the shares in CA Immobilien Anlagen AG, the amounts historically recognised in the reserve for equity instruments for the shares in CA Immobilien Anlagen AG were reclassified to other reserves. This reclassification had no effect on the total amount of the "Equity" item.

In the third quarter the mandatory convertible bond of IMMOFINANZ AG was converted into 1,049,580 shares of IMMOFINANZ AG at a conversion price of EUR 17.1472.

As of 31 December 2021, S IMMO Group held shares of IMMOFINANZ Group and vice versa.

This item also includes derivatives in the amount of kEUR 2,553 (31 December 2020: kEUR 938).

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 the previous year, 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 deposits.

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	2021	2020
As of 01 January	4,218	1,955
Utilisation	-482	-3
Reversal	-2,509	-2,091
Increase	2,312	4,357
As of 31 December	**3,539**	**4,218**

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 2021

EUR '000	Up to 90 days past due	91–365 days	>365 days	Total
Gross trade receivables				
Austria	1,195	157	132	1,484
Germany	810	463	995	2,268
CEE	5,321	398	972	6,691
Total	**7,326**	**1,018**	**2,099**	**10,443**
Valuation allowances for trade receivables				
Austria	-143	-80	-100	-323
Germany	-114	-222	-934	-1,270
CEE	-740	-270	-935	-1,946
Total	**-997**	**-572**	**-1,969**	**-3,539**
Net trade receivables				
Austria	1,052	77	32	1,161
Germany	696	242	60	998
CEE	4,581	128	37	4,745
Total	**6,329**	**447**	**129**	**6,904**

31 December 2020

EUR '000	Up to 90 days past due	91–365 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**

3.1.6.3. Other current financial assets

EUR '000	31 December 2021	31 December 2020
Property management agent clearing accounts	1,815	798
Receivables from disposals of properties and property holding companies	1,201	3,419
Deposits	6,105	5,440
Finance receivables	0	99
Other	5,117	4,031
	14,238	**13,787**

3.1.7. Other assets

The other assets of kEUR 22,928 (31 December 2020: kEUR 28,477) consisted mainly of prepaid expenses, tax receivables and prepayments.

3.1.8. Cash and cash equivalents

EUR '000	31 December 2021	31 December 2020
Bank balances	375,684	64,362
Cash in hand	139	141
	375,823	**64,503**

3.1.9. Properties held for sale

Properties are held for sale if the management intends to dispose of them in the near future. Currently, this intention does not exist for any property.

EUR '000	Austria	Germany	CEE	Total
As of 01 January 2020	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**
Reclassification	0	20,871	0	20,871
Additions/property valuations	0	14,399	-23	14,376
Disposals	0	-35,270	-4,322	-39,592
As of 31 December 2021	**0**	**0**	**0**	**0**

3.1.10. Equity

The nominal capital of the Group's parent company amounted to kEUR 267,458 (2020: kEUR 267,458) and is fully paid up.

On 28 October 2020, a share repurchase programme started, which ended on 30 June 2021. On 02 September 2021, another share repurchase programme started, which ended on 31 December 2021.

In the financial year 2021, a total of 866,446 shares had been repurchased at a total price of kEUR 16,392. S IMMO AG thus held 3,084,797 treasury shares as of 31 December 2021 (31 December 2020: 2,218,351).

Details of share capital

EUR '000	2021	2020
Total share capital	267,458	267,458
Treasury shares (nominal)	-11,209	-8,061
	256,249	**259,397**

As in the previous year, no shares were cancelled in the financial year 2021.

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 160,612 (31 December 2020: kEUR 173,855) are restricted reserves in the meaning of section 229 (5) Austrian Commercial Code (UGB).

The other reserves of kEUR 1,247,284 (31 December 2020: kEUR 979,577) shown in the statement of changes in consolidated equity consist mainly of reversed capital reserves together with accumulated retained earnings. In connection with the sale of the shares in CA Immobilien Anlagen AG, the amounts (kEUR 73,564) historically recognised in the reserve for equity instruments for the shares in CA Immobilien Anlagen AG were reclassified to other reserves. This reclassification had no effect on the total amount of the "Equity" item. The foreign currency reserve of kEUR -10,913 (31 December 2020: kEUR -11,337) is made up of the currency translation differences in accordance with IAS 21. The hedge accounting reserve of

kEUR -9,247 (31 December 2020: kEUR -18,802) comprises the measurement differences on cash flow hedges recognised under equity. The equity instruments reserve of kEUR 18,238 (31 December 2020: kEUR -2,140) comprises the share in IMMOFINANZ AG described in 3.1.4. as well as a Group interest. The shares in IMMOFINANZ AG are measured at their market price. The measurement of the Group interest is based on a Level 3 fair value calculation.

For the financial year 2021, the Management Board intends to propose distribution of a dividend of EUR 0.65 per share entitled to dividend.

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 4,081 (31 December 2020: kEUR 3,277). The change in the amount of kEUR -232 (2020: kEUR -8) 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 loan liabilities (kEUR 1,010,247; 2020: kEUR 908,964), which are generally secured by mortgages. In addition, derivative liabilities, bond interest, lease liabilities and security deposits are included. As of 31 December 2021, the cost of funding of mortgage-secured bank financing amounted to 0.86% for Germany (31 December 2020: 0.90%), 1.12% for Austria (31 December 2020: 1.36%), and 1.47% for CEE (31 December 2020: 1.69%).

Financial liabilities are as follows:

31 December 2021

		Changes in cash and cash equivalents		Non-cash changes		
EUR '000	01 January 2021	New loans/ repayments	Change in the scope of consolidation	Changes in fair value	Other non-cash changes	31 December 2021
Other non-current financial liabilities	830,893	63,627	650	0	224	895,394
Other current financial liabilities	99,273	29,571	0	0	9,697	138,541
Subtotal of other non-current and current financial liabilities	930,166	93,198	650	0	9,921	1,033,935
of which recognised as increases and decreases in cash flow from financing activities		101,428				
of which paid interest recognised in cash flow from financing activities		-8,229				
Derivatives	42,908	0	0	-18,061	0	24,847
Bonds	525,744	120,594	0	0	481	646,819
of which recognised in cash flow from financing activities		120,594				
Total	1,498,818	213,792	650	-18,061	10,402	1,705,601

31 December 2020

EUR '000	01 January 2020	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 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**

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]
AT0000A1Z9D9	100,000.0	1.75%	1.90%	06 February 2024	102.00
AT0000A1DBM5	33,993.5	3.25%	3.36%	09 April 2025	107.80
AT0000A285H4	150,000.0	1.875%	1.96%	22 May 2026	104.55
AT0000A1DWK5	65,000.0	3.25%	3.31%	21 April 2027	109.90
AT0000A2MKW4 (green bond)	150,000.0	1.75%	1.84%	04 February 2028	104.00
AT0000A2AEA8	100,000.0	2.00%	2.01%	15 October 2029	105.05
AT0000A1Z9C1	50,000.0	2.875%	2.93%	06 February 2030	109.90

[1] The market values are based on the most recent transactions before 31 December 2021.

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 2021 include provisions for severance benefits (kEUR 868; 31 December 2020: kEUR 971) and provisions for long-service entitlements (kEUR 396; 31 December 2020: kEUR 378). The following parameters were taken as a basis for the actuarial calculation:

	31 December 2021	31 December 2020
Actuarial interest rate	0.17% to 0.54%	-0.20% to 0.11%
Expected rise in salaries	2.00% to 2.25%	1.50% to 1.70%
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 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
Provisions for employee benefits as of 31 December 2020	**971**	**378**
Present value of obligation at 01 January 2021	971	378
Current service costs	24	35
Interest expense	-1	0
Payments	-194	-38
Remeasurement of benefit obligations – experience adjustments	55	16
Remeasurement of benefit obligations – financial assumptions	13	5
Remeasurement of benefit obligations – demographic assumptions	0	0
Present value of obligation on 31 December 2021	868	396
Total provisions for employee benefits as of 31 December 2021		**1,264**

The obligation to recognise 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 twelve 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	2021	2020
Current taxes	-19,849	-8,460
Deferred taxes	-20,635	-6,214
	-40,484	**-14,674**

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	01–12/2021	01–12/2020
Net income before tax	271,042	71,586
Income tax expense at the standard Austrian income tax rate of 25%	-67,761	-17,897
Effects of differing foreign tax rates	20,533	5,432
One-off effects of sales	0	0
Tax-free dividends from IMMOFINANZ AG and CA Immobilien Anlagen AG	4,875	1,579
Decreases relating to non-taxable income	2,674	827
Increases relating to non-deductible expenses	-805	-4,616
Tax expense as disclosed	-40,484	-14,674
Effective tax rate	**14.94%**	**20.50%**

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.

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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 recognised 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:

	2021		2020	
EUR '000	Assets	Liabilities	Assets	Liabilities
Properties	0	-244,692	387	-210,233
Financial instruments	4,995	-18,363	9,139	-6,548
Other items	900	-2,507	252	-1,640
Tax loss carryforwards	7,217	0	13,933	0
Subtotal	13,112	-265,562	23,712	-218,421
Netting	-12,551	12,551	-22,534	22,534
Deferred tax assets (+)/liabilities (-)	**561**	**-253,011**	**1,178**	**-195,887**

Of these totals, deferred tax assets of kEUR 1,892 (2020: kEUR 4,105) from derivatives valuation were recognised under other comprehensive income. No deferred tax assets have been recognised for tax loss carryforwards totalling kEUR 43,017 (31 December 2020: kEUR 37,339). 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 1,337,542 (2020: kEUR 1,065,049).

As of the reporting date, there are open one-seventh write-downs from historical tax depreciation of shareholdings in the amount of approximately kEUR 3,313 (2020: kEUR 0).

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 2021.

	Applicable tax rate in 2022	Applicable tax rate in 2021
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%

On 20 January 2022, the Austrian National Council passed the eco-social tax reform, which provides for a reduction of the corporate tax rate to 24% in 2023 and to 23% from 2025. This reduction in Austrian corporate income tax will mainly affect the recognised deferred tax liabilities on Austrian real estate as well as current taxes and any capitalisable loss carryforwards of companies subject to taxation in Austria.

3.2. Income statement

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

Rental income

EUR '000	2021	2020
Commercial excl. hotels	95,629	90,241
Hotels	2,332	1,739
Residential property	33,333	31,275
Rental income according to the consolidated income statement	**131,294**	**123,255**

On the whole, rental income was affected by the COVID-19 pandemic only to a relatively limited extent and improved by around 2% in a like-for-like view compared to the previous year. The hotel sector continued to be the most affected by the pandemic, although there was also an improvement here compared to the previous year.

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 6,202 (2020: kEUR 5,762) 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.

Although hotel operations were also significantly affected by COVID-19 in the financial year 2021 compared to the pre-pandemic period, revenue from hotel operations increased significantly to kEUR 31,203 (2020: kEUR 17,789). In the current financial year, revenue-increasing grants of kEUR 4,669 (2020: kEUR 800) were recognised in connection with COVID-19. At the gross profit level, a significant improvement was achieved to kEUR 7,501 (2020: kEUR -338).

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	2021	2020
Operating costs	-45,244	-41,597
Maintenance expenses	-17,133	-16,991
Depreciation and amortisation and loss allowance	39	-4,365
Commissions	-1,109	-1,030
Other	-3,348	-2,777
	-66,795	**-66,760**

Expenses of kEUR 976 (2020: kEUR 669) were attributable to properties not yet generating income. The improvement in write-downs and allowances of trade receivables from kEUR -4,365 to kEUR 39 is largely due to the effects of the COVID-19 crisis. In the financial year 2021, grants amounting to kEUR 1,704 (2020: kEUR 2,925) were recognised as a reduction in expenses in connection with COVID-19. In the course of the improved business performance compared to the previous year, expenses from hotel management also increased (2021: kEUR 23,702, 2020: kEUR 18,126). 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	2021	2020
Income from property disposals		
Properties held as financial investments	6	0
Properties held for sale	39,592	46,910
	39,598	**46,910**
Book value of property disposals		
Properties held as financial investments	-6	0
Properties held for sale	-39,592	-46,910
	-39,598	**-46,910**
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	2021	2020
Staff costs	-14,608	-12,272
Legal, audit, consulting and appraisal costs	-7,679	-3,456
Servicing fees and administration costs	-387	-405
Corporate communications and investor relations	-1,451	-1,203
Other taxes and duties	-657	-551
Other	-3,455	-2,511
	-28,237	**-20,398**

Fees for the Group's auditor for 2021 totalled kEUR 218 (2020: kEUR 237). This amount is divided into the following fields of activity:

EUR '000	2021	2020
Audit of the consolidated financial statements	69	64
Other audit-related services	115	126
Tax consultation services	0	0
Other services	34	47
	218	**237**

The Group employed an annual average of 543 people (2020: 597) on a headcount basis, including employees for hotel operations and excluding dormant staff and trainees.

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.

The increase in legal, audit, consulting and appraisal fees is mainly attributable to special effects in connection with the takeover bid by IMMOFINANZ AG for S IMMO AG.

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 in Austria after 31 December 2002. Personnel expenses included contributions of kEUR 101 (2020: kEUR 88) paid into the fund. For other defined contribution plans, kEUR 225 (2020: kEUR 175) 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	2021	2020
Owner-operated properties	-7,593	-7,519
Other property, plant and equipment	-1,925	-1,589
Intangible assets	-128	-124
	-9,646	**-9,232**

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	2021	2020
Changes in fair value		
Increases	225,563	91,421
Reductions	-26,877	-52,365
Others	0	0
	198,686	**39,056**

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

EUR '000	2021	2020
Austria	31,774	8,661
Germany	156,030	52,735
CEE	10,882	-22,340
	198,686	**39,056**

3.2.7. Financing result

EUR '000	2021	2020
Bank interest expense (incl. derivatives accounted for)	-20,608	-20,599
Effects arising from hedge accounting and the measurement of interest derivatives through profit or loss	7,908	-3,399
Result from foreign exchange differences	-786	-3,626
Bond interest	-14,668	-12,893
Other financing and interest expenses	-2,568	-2,709
Financing expenses	**-30,723**	-43,226
Bank interest revenue	13	31
Income from financial investments	20,159	6,584
Other financing and interest income	5,083	2,206
Financing income	**25,255**	8,821
Results from companies measured at equity	6,173	5,035
	705	**-29,370**

The increase in income from financial investments is due to the distribution of a dividend by IMMOFINANZ AG in the financial year 2021, whereas the dividend income of the previous year is only related to CA Immobilien Anlagen AG. In total, the dividend for the investments in IMMOFINANZ AG and CA Immobilien Anlagen AG amounted to kEUR 19,499 (2020: kEUR 6,317).

3.2.8. Earnings per share

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

		2021	2020
Own share in consolidated net profit	kEUR	229,521	56,537
Average number of outstanding shares	number	70,884,865	71,970,352
Basic earnings	EUR	3.24	0.79
Diluted earnings	EUR	3.24	0.79

Diluted and basic earnings per share are the same, since there are no potentially diluting outstanding financial instruments.

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 other, 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. The CEO 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 13,502 for the segment of Austria (31 December 2020: kEUR 12,523), and kEUR 13,865 (31 December 2020: kEUR 11,853) for the segment of CEE.

	Austria		Germany		CEE		Total	
EUR '000	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Rental income	19,024	19,084	56,839	54,744	55,431	49,427	131,294	123,255
Revenues from operating costs	3,975	3,975	12,415	13,597	17,969	15,299	34,359	32,871
Revenues from hotel operations	16,460	8,705	0	0	14,743	9,084	31,203	17,789
Total revenues	**39,459**	31,764	**69,254**	68,341	**88,143**	73,810	**196,856**	173,915
Other operating income	408	688	828	954	1,939	859	3,175	2,501
Property operating expenses	-7,348	-7,245	-33,294	-31,526	-26,153	-27,989	-66,795	-66,760
Hotel operating expenses	-13,150	-9,697	0	0	-10,553	-8,429	-23,702	-18,126
Gross profit	**19,370**	15,510	**36,788**	37,769	**53,376**	38,251	**109,534**	91,530
Result from property disposals	0	0	0	0	0	0	0	0
Management expenses	-18,537	-11,278	-6,985	-6,814	-2,714	-2,307	-28,237	-20,398
EBITDA	**832**	4,232	**29,803**	30,956	**50,662**	35,944	**81,297**	71,132
Depreciation and amortisation	-4,921	-4,866	-180	-203	-4,544	-4,163	-9,646	-9,232
Results from property valuation	31,774	8,661	156,030	52,735	10,882	-22,340	198,686	39,056
EBIT	**27,684**	**8,027**	**185,653**	**83,488**	**57,000**	**9,441**	**270,337**	**100,956**
Non-current assets as of 31 December	906,738	977,120	1,368,025	1,221,862	993,204	808,038	3,267,966	3,007,020
Non-current liabilities as of 31 December	870,856	719,682	507,563	484,911	443,224	364,616	1,821,643	1,569,209

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 2021

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		5,344	2				5,346
Other financial assets	2,367	395,440	186[2]	8			398,001
Current assets							
Trade receivables				6,904			6,904
Other financial assets				14,238			14,238
Cash and cash equivalents				375,823			375,823
Total assets	2,367	400,784	188	396,973	0	0	**800,312**
Equity and liabilities							
Non-current liabilities							
Issued bonds					646,819		646,819
Other financial liabilities	12,025				895,394	12,782[2]	920,201
of which lease liabilities					5,529		
Current liabilities							
Issued bonds					0		0
Financial liabilities [1]					138,541	40[2]	138,581
of which lease liabilities					1,142		
Trade payables					5,673		5,673
Total equity and liabilities	12,025	0	0	0	1,686,427	12,822	**1,711,274**

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

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
of which lease liabilities					6,183		
Current liabilities							
Issued bonds					28,529		28,529
Financial liabilities [1]					99,273		99,273
of which 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

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 682,905 as of 31 December 2021 (31 December 2020: kEUR 557,582). 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:

	2021		2020	
EUR '000	Current financial result	Valuation effects	Current financial result	Valuation effects
Interest and other derivatives	-8,516	7,908	-7,836	-4,199
Income from equity instruments FVOCI[2]	20,153	0	6,584	0
Other financial assets FVPL	551	4,120	320	68
Financial assets at amortised cost	111	39[1]	1,334	-4,365[1]
Financial liabilities at amortised cost	-29,009	0	-27,047	0

[1] Recognised within the expense from property management
[2] Thereof dividend income from listed companies kEUR 19,499 (2020: kEUR 6,317)

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 2021: kEUR 2,553; 31 December 2020: kEUR 938) and under non-current financial liabilities (31 December 2021: kEUR -24,807; 31 December 2020: kEUR -42,908) and under current financial liabilities (31 December 2021: kEUR -40; 31 December 2020: kEUR 0). The table below shows the maturity structure of all derivatives used by the Group.

	31 December 2021				31 December 2020			
EUR '000	Nominal	Positive fair value	Negative fair value	Maturity	Nominal	Positive fair value	Negative fair value	Maturity
Swaps	3,000	0	-40	< 1 year	0	0		< 1 year
	322,693	84	-9,989	1–5 years	253,270	0	-14,844	1–5 years
	431,305	2,283	-14,818	> 5 years	397,170	917	-28,064	> 5 years
Caps	25,000	0	0	< 1 year	25,000	0		< 1 year
	140,000	186	0	1–5 years	155,000	16		1–5 years
	0	0	0	> 5 years	10,000	5		> 5 years
Total	**921,998**	**2,553**	**-24,847**		**840,440**	**938**	**-42,908**	

In the financial year, measurement changes of kEUR 11,767 (2020: kEUR -1,835) not including deferred taxes and deferred taxes for derivatives of kEUR -2,213 (2020: kEUR 156) are recognised in other comprehensive income. In total, kEUR 9,554 (2020: kEUR -1,679) 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 2021, around 89% (31 December 2020: 85%) of other financial liabilities consisted of variable-rate loans and roughly 11% (31 December 2020: 15%) were fixed-rate loans. The current and non-current financial liabilities include fixed-rate loans in the amount of kEUR 109,027 (31 December 2020: kEUR 134,155). The variable-rate loans are based almost entirely on the three-month EURIBOR with quarterly interest rate adjustments. In the 2014, 2015, 2018, 2019 and 2021 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 including derivatives as of 31 December 2021) is 2.09% (31 December 2020: 2.29%).

The stress test (based on the variable- and fixed-rate financial liabilities as of 31 December 2021) shows that increases in the base rate (EURIBOR) have only a small effect on the Group's financing costs. For example, a 200 bp increase in the three-month EURIBOR compared with the three-month EURIBOR as of 31 December 2021 would increase financing costs by 2 bp.

Stress test as of 31 December 2021

Interest rate (3M EURIBOR)	Cost of funding	Difference in cost of funding	Interest sensitivity
Interest rate 3%	2.09%	0 bp	0%
Interest rate 2%	2.11%	2 bp	1%
Interest rate 1%	2.07%	-2 bp	-2%
Interest rate 0.5%	2.05%	-4 bp	-9%
Interest rate -0.5%	2.08%	-1 bp	1%
Interest rate -1%	2.15%	6 bp	-6%

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%

5.2.2. Liquidity and financing risks

S IMMO Group manages liquidity and financing risks actively. In order to mitigate the corresponding risks, continuous monitoring is carried out for all maturities and 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 2021, the loan to value ratio for secured financing amounted to 30.7% (2020: 31.3%) and for unsecured financing to 9.8% (2020: 15.5%). 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	12%
Savings banks	8%
Other Austrian banks	34%
Insurance	10%
German banks	35%

Maturity analysis of financial liabilities

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

31 December 2021

EUR '000	Issued bonds	Other financial liabilities[1]	Trade payables
Remaining maturity less than 1 year	13,842	148,638	5,673
Remaining maturity between 1 and 5 years	334,758	505,776	0
Remaining maturity over 5 years	384,113	462,166	0

[1] Thereof leases less than 1 year: kEUR 2,801, between 1 and 5 years: kEUR 2,112, more than 5 years: kEUR 9,448
Thereof derivatives less than 1 year: kEUR 9,179, between 1 and 5 years: kEUR 27,851, more than 5 years: kEUR 5,262

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

5.2.3. Borrower risks

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

Provisions are recognised for default risks on receivables from tenants and purchasers of properties to the extent that such risks are recognised. The risk of rent defaults is partially secured by rent deposits. The procedure for the determination of these provisions is explained in note 2.6.

5.3. Rental agreements

The rental agreements concluded by S IMMO Group are classified under IFRS 16. These rental 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	2021	2020
In the following year	105,179	91,276
For the next 4 years	241,706	205,080
Over 5 years	105,810	94,600
	452,695	**390,956**

5.2.4 Climate risks

S IMMO is exposed to climate risks that can have an impact on the property portfolio and its management in particular. Climate risks in this context are currently reflected in the market parameters used in property valuations on the one hand, and are also taken into account in the company's investment programme on the other.

Depending on developments, climate risks may change the market interest rates or rents used in the valuations (see section 2.8.1.2.) or may mean that future green financing, such as the green bonds issued, is not available or is only available on less favourable terms.

5.4. Leasing – Group as lessee

The following table shows the separately 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**
As of 01 January 2021	1,501	42	86	1,629
Additions	0	110	75	185
Disposals	0	0	0	0
Depreciation and amortisation	-137	-33	-74	-244
Book value as of 31 December 2021	**1,364**	**119**	**87**	**1,570**

[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	2021	2020
Interest expenses for lease liabilities	347	377
Expenses for short-term leases	38	27
Expenses for short-term leases for an asset of low value	2	1

With regard to the lease liabilities the Group is not exposed to a relevant liquidity risk. Within the Group lease 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.

Moreover, on 16 March 2021, the company was informed by the Austrian Takeover Commission that at the request of a shareholder the Second 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.

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

There were no related party transactions with the shareholders of S IMMO AG in the financial year 2021.

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board

- Bruno Ettenauer, MRICS (Chief Executive Officer since 15 March 2021)
- Herwig Teufelsdorfer, MRICS (since 12 April 2021)
- Friedrich Wachernig, MBA
- Ernst Vejdovszky (until 31 March 2021)

S IMMO AG Supervisory Board

- Karin Rest, EMBA (chairwoman)
- Christian Hager (first deputy chairman)
- Manfred Rapf (second deputy chairman)
- Ewald Aschauer (since 14 October 2021)
- Florian Beckermann, LL.M. (since 14 October 2021)
- Hanna Bomba
- Christian Böhm (since 14 October 2021)
- John Nacos (since 14 October 2021)
- Andreas Feuerstein (employee representative since 22 October 2021)
- Holger Schmidtmayr, MRICS (employee representative since 26 January 2021)
- Elisabeth Wagerer (employee representative since 26 January 2021)

The remuneration of the Management Board breaks down as follows:

EUR '000	2021	2020
Fixed	1,250	825
Variable	2,221	1,186
of which disbursement in the current financial year	1,247	1,186
of which accrual premium 2021	974	0
	3,471	**2,011**

In addition to the amounts specified above, other benefits consisted primarily of contributions to pension funds in the amount of kEUR 122 (2020: kEUR 83) and contributions to the staff benefit fund in the amount of kEUR 36 (2020: kEUR 31).

In 2021, members of the Supervisory Board received remuneration amounting to kEUR 213 (2020: kEUR 268). 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 2021, there were no receivables or payables due to related parties of the S IMMO Group except the associated companies.

The S IMMO Group grants loans to associated companies recognised according to the equity method. As of 31 December 2021, there were no longer receivables resulting from these loans (31 December 2020: kEUR 0). In 2021, there was no interest income from loans (2020: kEUR 861). Moreover, there were no other transactions in connection with associated companies or joint ventures that are recognised according to the at 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 2022, a green bond with a nominal value of EUR 50m, a term of five years and a coupon of 1.25% was successfully placed.

In the first quarter of 2022, CPI Property Group and S IMMO Group entered into an agreement under which CPI Property Group has undertaken to increase the offer price for shares in IMMOFINANZ AG communicated in the context of an anticipatory mandatory offer to EUR 23.00 per share (cum dividend). In return, S IMMO Group has undertaken to transfer to CPI Property Group all shares in IMMOFINANZ AG held by it as well as all shares tendered into the partial offer by S IMMO. Upon execution of this agreement in the first quarter of 2022, S IMMO Group transferred all of its shares in IMMOFINANZ AG to CPI Property Group. The shares held as of 31 December 2021 were sold to CPI Property Group for total pre-tax proceeds of approximately EUR 403.5m.

The outbreak of the war in Ukraine also occured in the first quarter of 2022. S IMMO does not own any properties in Ukraine or Russia and is therefore only indirectly affected by the crisis, but the final impact on S IMMO Group's business activities cannot yet be estimated.

At the time of preparing this report, the effects of the COVID-19 pandemic and the related uncertainties still persist in the markets in which S IMMO operates.

On 14 April 2022, S IMMO was informed by CPI Property Group that it would immediately request the convening of an extraordinary general meeting to resolve on the abolishment of the maximum voting rights (15%) enshrined in S IMMO's articles of association. Following the legally effective abolition of the maximum voting right, CPI Property Group would acquire a controlling interest in S IMMO within the meaning of section 22 of the Austrian Takeover Act. In this case, CPI Property Group intends to make a mandatory offer. The price of the intended mandatory offer would be at least EUR 22.00 per S IMMO share cum dividend at the time of this announcement of intent, according to the ad hoc announcement of CPI Property Group dated 14 April 2022 pursuant to section 26 (1) of the Austrian Takeover Act.

Vienna, 14 April 2022

The Management Board

Bruno Ettenauer Herwig Teufelsdorfer Friedrich Wachernig

FURTHER INFORMATION

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, 14 April 2022

The Management Board

Bruno Ettenauer, MRICS

Herwig Teufelsdorfer, MRICS

Friedrich Wachernig, MBA

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 2021, and the Consolidated Income Statement, the Consolidated statement of comprehensive income, Consolidated cash flow statement, Changes in consolidated equity for the year then ended, and the Notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, 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, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

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 investment 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 74 percent (prior year 75 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 judgement. 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. In addition, we evaluated the internal controls of the company connected to the data used for the measurement of the real estate portfolio.
- We evaluated the objectivity, independence and expertise of the external assessors.

- 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).
- In cooperation with our internal valuation specialist for real estate 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 and the discount rates applied, and reconciled this information with external market data.
- We have checked the plausibility of the fair values on the basis of the gross yield of the individual properties with data observable on the market.
- Further, we assessed whether the disclosures in the notes with respect of 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) 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 intents 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.

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

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 14 October 2021 and were appointed by the supervisory board on 4 November 2021 to audit the financial statements of Company for the financial year ending on 31 December 2021.

In addition, during the Annual General Meeting, we have been elected as auditors for the following financial year and appointed by the supervisory board.

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, 21 April 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Our portfolio[1]

	Year of acquisition	Use type	Total area in m²	Main lettable area in m² (excl. internal parking and ancillary space)	
Austria					
Vienna					
1010 Vienna, Getreidemarkt 2-4 (Akademiehof)	2007	Office	5,988	5,310	
1010 Vienna, Neutorgasse 4-8 (Neutor 1010)	2010	Office	7,173	5,079	
1010 Vienna, Parkring 12a	2003	Office	2,576	1,823	
1020 Vienna, Franzensbrückenstraße 5	2001	Office	2,910	2,050	
1030 Vienna, Franzosengraben 12	1990	Office	5,998	3,750	
1031 Vienna, Ghegastraße 1	2005	Office	24,001	19,051	
1050 Vienna, Schönbrunner Straße 108	2000	Office	3,050	2,642	
1050 Vienna, Schönbrunner Straße 131	2000	Office	2,901	2,148	
1060 Vienna, Mariahilfer Straße 103	2004	Office	11,221	7,833	
1060 Vienna, Mariahilfer Straße 121b	2001	Office	5,491	4,095	
1070 Vienna, Burggasse 51 (Adlerhof)	1998	Residential	11,403	11,295	
1100 Vienna, Hasengasse 56	1999	Office	7,671	5,611	
1120 Vienna, Meidlinger Hauptstraße 73 (Arcade Meidling)	2002	Retail	19,015	13,694	
1150 Vienna, Gasgasse 1-7	2002	Office	7,494	6,144	
1150 Vienna, Sechshauser Straße 31-33	2006	Residential	7,945	7,062	
1160 Vienna, Lerchenfelder Gürtel 43	2000	Office	5,749	4,204	
1210 Vienna, Brünner Straße 72a	2005	Retail	14,074	8,724	
1210 Vienna, Franz-Jonas-Platz 2-3	2007	Retail	14,800	10,181	
1210 Vienna, Gerasdorfer Straße 133	2004	Retail	943	943	
Total Vienna			**160,404**	**121,638**	
Properties in Austrian federal states					
2384 Breitenfurt bei Wien, Hauptstraße 107	1987	Retail	1,648	1,648	
9560 Feldkirchen in Kärnten, Kindergartenstraße 2	1987	Retail	2,000	2,000	
Total in Austrian federal states			**3,648**	**3,648**	
Total Austria			164,052	125,286	
Germany					
Berlin					
Portfolio Charlottenburg-Wilmersdorf			26,588	25,810	
Portfolio Friedrichshain-Kreuzberg			38,633	38,329	
Portfolio Lichtenberg			4,328	3,995	
Portfolio Mitte			62,339	47,941	
Portfolio Neukölln			23,330	23,201	
Portfolio Pankow			6,292	6,257	
Portfolio Reinickendorf			9,411	9,163	
Portfolio Spandau			1,321	1,296	
Portfolio Steglitz-Zehlendorf			11,828	10,711	
Portfolio Tempelhof-Schöneberg			21,342	20,868	
Portfolio Treptow-Köpenick			23,357	21,440	
Total Berlin			**228,769**	**209,011**	
Bremen			**3,733**	**3,007**	
Erfurt			**40,903**	**38,892**	
Halle (Saale)			**84,903**	**81,529**	
Hamburg			**12,868**	**12,283**	
Kiel			**26,858**	**23,925**	
Leipzig			**118,011**	**109,873**	
Magdeburg			**41,755**	**40,254**	
Potsdam			**17,274**	**10,320**	
Puchheim			**14,565**	**7,917**	
Rostock			**23,323**	**21,372**	
Weimar			**6,144**	**4,662**	
Total Germany			619,106	563,046	

	Office in m²	Retail in m²	Residential in m²	Hotel in m²	Other in m²	Vacant main lettable area in %	Book value in EUR m	Rental yield in %
	5,310	0	0	0	278	0.0		
	5,079	0	0	0	194	0.0		
	1,130	693	0	0	753	26.2		
	2,050	0	0	0	85	0.0		
	3,750	0	0	0	1,023	18.7		
	19,051	0	0	0	0	6.0		
	2,484	158	0	0	33	31.3		
	2,148	0	0	0	78	0.0		
	5,638	1,463	732	0	1,138	13.7		
	3,045	1,050	0	0	172	0.0		
	137	726	10,431	0	109	2.5		
	5,470	141	0	0	1,136	45.1		
	5,975	7,719	0	0	1,146	7.1		
	5,736	408	0	0	0	0.0		
	2,130	807	4,125	0	108	0.0		
	3,837	367	0	0	20	4.3		
	0	8,724	0	0	0	0.0		
	2,237	7,944	0	0	894	10.2		
	0	943	0	0	0	0.0		
	75,206	**31,143**	**15,288**	**0**	**7,166**	**7.6**		
	0	1,648	0	0	0	0,0		
	0	2,000	0	0	0	0,0		
	0	**3,648**	**0**	**0**	**0**	**0,0**		
	75,206	34,791	15,288	0	7,166	7.4	441.1	4.3
	1,123	2,950	20,929	808	0	4.4		
	1,560	1,973	34,797	0	0	2.6		
	2,199	1,795	0	0	0	0.6		
	18,946	1,978	19,434	7,583	0	5.6		
	395	876	21,930	0	0	1.5		
	54	126	6,078	0	0	2.0		
	9,163	0	0	0	0	2.5		
	0	0	1,296	0	0	14.4		
	3,908	789	6,013	0	0	3.3		
	717	1,235	18,916	0	0	0.9		
	18,604	2,836	0	0	1,380	10.4		
	56,669	**14,559**	**129,392**	**8,392**	**5,882**	**4.1**		
	2,728	**280**	**0**	**0**	**76**	**18.9**		
	15,507	**1,311**	**22,074**	**0**	**1,286**	**4.7**		
	23,309	**29,479**	**28,741**	**0**	**2,199**	**9.0**		
	11,001	**1,283**	**0**	**0**	**559**	**7.2**		
	5,234	**5,222**	**13,468**	**0**	**1,533**	**8.4**		
	27,168	**12,141**	**70,564**	**0**	**1,888**	**7.7**		
	4,575	**2,262**	**33,417**	**0**	**775**	**15.9**		
	8,517	**1,803**	**0**	**0**	**6,754**	**0.8**		
	7,742	**0**	**175**	**0**	**6,623**	**0.0**		
	10,328	**1,732**	**9,312**	**0**	**1,876**	**2.4**		
	3,748	**393**	**522**	**0**	**957**	**15.5**		
	176,526	70,464	307,664	8,392	30,410	6.6	1,306.1	4.1

	Year of acquisition	Use type	Total area in m²	Main lettable area in m² (excl. internal parking and ancillary space)
CEE				
Croatia				
10000 Zagreb, Miramarska cesta 23 (Eurocenter)	2008	Office	11,425	8,229
10000 Zagreb, Radnička cesta 80 (Zagrebtower)	2020	Office	34,879	25,303
10000 Zagreb, Savska cesta 32 (HOTO Tower)	2019	Office	19,885	14,732
Total Croatia			**66,189**	**48,264**
Romania				
010082 Bucharest, Calea Victoriei 37B (Novotel Bucharest City Centre)	2006	Hotel	19,426	15,926
010735 Bucharest, Calea Griviței 82-98 (The Mark)	2019	Office	33,777	25,395
040055 Bucharest, Calea Văcărești 391 (Sun Offices)	2010	Office	14,262	9,639
040055 Bucharest, Calea Văcărești 391 (Sun Plaza)	2010	Retail	125,147	79,674
061102 Bucharest, Bulevardul Iuliu Maniu 6N (Campus 6.2)	2021	Office	25,139	19,835
061102 Bucharest, Bulevardul Iuliu Maniu 6P (Campus 6.3)	2021	Office	22,922	17,629
Total Romania			**240,673**	**168,097**
Slovakia				
811 06 Bratislava, Vysoká 2A (AC Hotel Bratislava Old Town)	2008	Hotel	16,427	13,929
821 04 Bratislava, Galvániho 7 (Galvaniho Business Center I)	2004	Office	11,349	8,620
821 04 Bratislava, Galvániho 7B (Galvaniho Business Center II)	2006	Office	21,440	13,007
821 04 Bratislava, Galvániho 17 (Galvaniho Business Center IV)	2010	Office	36,639	24,582
911 01 Trenčín, Ku Štvrtiam 7029-7030 (Retail park Trenčín)	2000	Retail	11,954	11,954
971 01 Prievidza, Nedožerská cesta III. 1269/17B (Retail park Prievidza)	2000	Retail	13,737	13,737
Total Slovakia			**111,546**	**85,829**
Czechia				
110 00 Prague, Václavské náměstí 22 (EA Hotel Juliš)	2004	Hotel	6,714	6,714
110 00 Prague, Václavské náměstí 41 (Ramada Prague City Centre)	2002	Hotel	8,768	8,768
Total Czechia			**15,482**	**15,482**
Hungary				
1016 Budapest, Hegyalja út 7-13. (Buda Center)	2005	Office	8,343	5,946
1051 Budapest, Bajcsy-Zsilinszky út 12. (City Center)	2001	Office	11,711	8,956
1065 Budapest, Nagymező utca 44. (Pódium)	2006	Office	8,289	5,749
1117 Budapest, Garda utca 2. (BudaPart Gate)	2021	Office	30,315	19,562
1122 Budapest, Maros utca 19-21. (Maros Business Center)	2004	Office	8,891	6,741
1134 Budapest, Váci út 35. (River Estates)	2001	Office	30,266	20,245
1138 Budapest, Váci út 182. (Blue Cube)	2001	Office	15,513	10,320
Total Hungary			**113,328**	**77,518**
Total CEE			547,217	395,190
Total value (without projects with potential, land bank and own operations)			**1,330,375**	**1,083,522**

		Plot area in m²	
Projects with potential			
CEE	Land plot	9,766	
Total projects with potential		**9,766**	
Land bank			
Germany	Land plot	2,302,224	
CEE	Land plot	33,405	
Total land bank		**2,335,629**	

[1] The portfolio overview includes all properties held in fully consolidated companies. The owner-operated hotels (Vienna Marriott and Budapest Marriott) with an aggregate total area of 49,652 m² and a main lettable area of 47,277 m² are not included in the portfolio overview. The stakes in the investment properties Mariahilfer Straße 41-43, Windmühlgasse 14 (both Vienna) and Einsteinova Business Center (Bratislava) are accounted for using the equity method and therefore do not appear in the portfolio overview.

	Office in m²	Retail in m²	Residential in m²	Hotel in m²	Other in m²	Vacant main lettable area in %	Book value in EUR m	Rental yield in %
	7,560	669	0	0	121	0.0		
	23,290	2,013	0	0	726	2.7		
	13,807	925	0	0	353	4.9		
	44,657	**3,607**	**0**	**0**	**1,200**	**2.9**		
	0	2,128	0	13,798	0	13.4		
	24,483	912	0	0	882	7.3		
	9,639	0	0	0	398	2.0		
	0	79,674	0	0	1,772	0.5		
	19,428	407	0	0	179	0.0		
	17,019	610	0	0	293	0.0		
	70,569	**83,731**	**0**	**13,798**	**3,525**	**2.7**		
	1,161	2,207	0	10,560	74	0.0		
	7,324	1,297	0	0	1,129	5.9		
	11,503	1,504	0	0	1,008	3.1		
	21,871	2,711	0	0	1,857	15.4		
	0	11,954	0	0	0	4.5		
	0	13,737	0	0	0	5.1		
	41,859	**33,410**	**0**	**10,560**	**4,068**	**6.9**		
	0	3,067	0	3,647	0	0.0		
	0	4,046	0	4,722	0	0.0		
	0	**7,113**	**0**	**8,369**	**0**	**0.0**		
	4,782	1,163	0	0	672	10.7		
	7,806	1,150	0	0	330	18.2		
	5,370	379	0	0	341	27.4		
	18,163	1,399	0	0	728	3.5		
	5,583	1,158	0	0	426	1.3		
	17,386	2,859	0	0	1,096	5.3		
	9,494	827	0	0	543	12.8		
	68,584	**8,934**	**0**	**0**	**4,135**	**9.1**		
	225,668	136,794	0	32,727	12,928	4.8	912.9	6.6
	477,401	**242,050**	**322,952**	**41,119**	**50,504**	**6.0**	**2,660.1**	**5.0**
							10.0	
							67.2	

Financial calendar 2022

28 April 2022	Annual results for 2021 (press conference)
30 May 2022	Results for the first quarter of 2022
31 May 2022	Annual General Meeting record date
10 June 2022	33rd Annual General Meeting
17 June 2022	Ex-dividend date
20 June 2022	Dividend record date
21 June 2022	Dividend payment date
29 August 2022	Results for the first half-year of 2022
28 November 2022	Results for the first three quarters of 2022

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This report has been prepared and proofread with the greatest possible care, and the information in it has been checked. Nevertheless, the possibility of rounding errors, errors in transmission, typesetting or printing errors cannot be excluded. Apparent mathematical errors may be the result of rounding errors caused by software.

This report also contains information and forecasts relating to the future development of S IMMO AG and its subsidiaries. These forecasts are estimates, based on the information available to us at the time the report was prepared. Should the estimates on which the forecasts are based prove to be unfounded, or should events of the kind described in the risk report occur, then the actual outcomes may differ from those currently expected. This report neither contains nor implies a recommendation either to buy or to sell shares or other financial instruments of S IMMO AG. Past events are not a reliable indicator of future developments.

This report was prepared in German, and only the German version is authentic. The report in other languages is a translation of the German report.

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