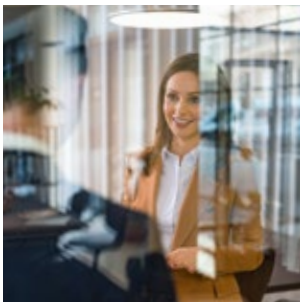
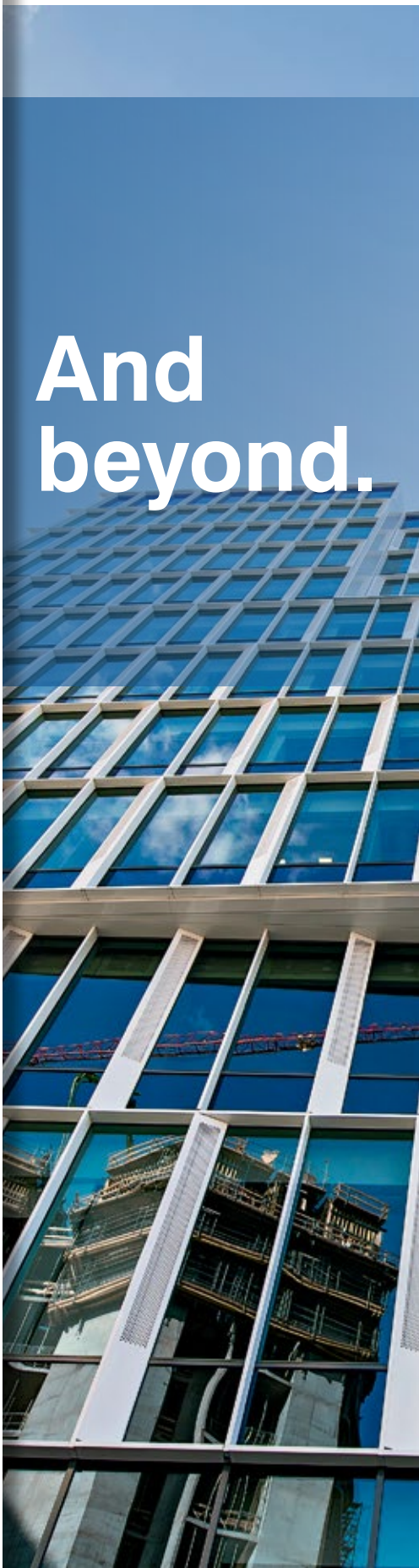
Annual Report 2022

SIMMO

Up to the present.



And beyond.



Up to the present.

Properties.
Markets.
People.

A lot happened in 2022, including at S IMMO.
S IMMO has a new major shareholder.

In acknowledgement of the changes, we want to take a brief look back at what we have achieved together so far – as a team and with our tenants, partners and shareholders.

Suited
to the company's
size:

diversified portfolio

S IMMO's core business:

purchasing,
letting and
successfully managing
properties

Sustainable
positioning:

significant improvement in ESG ratings

ISS ESG QualityScore
2.33

MSCI ESG Rating
A

Sustainalytics ESG
Risk Rating
15

Favourable market
phases used wisely:

self-financing strength

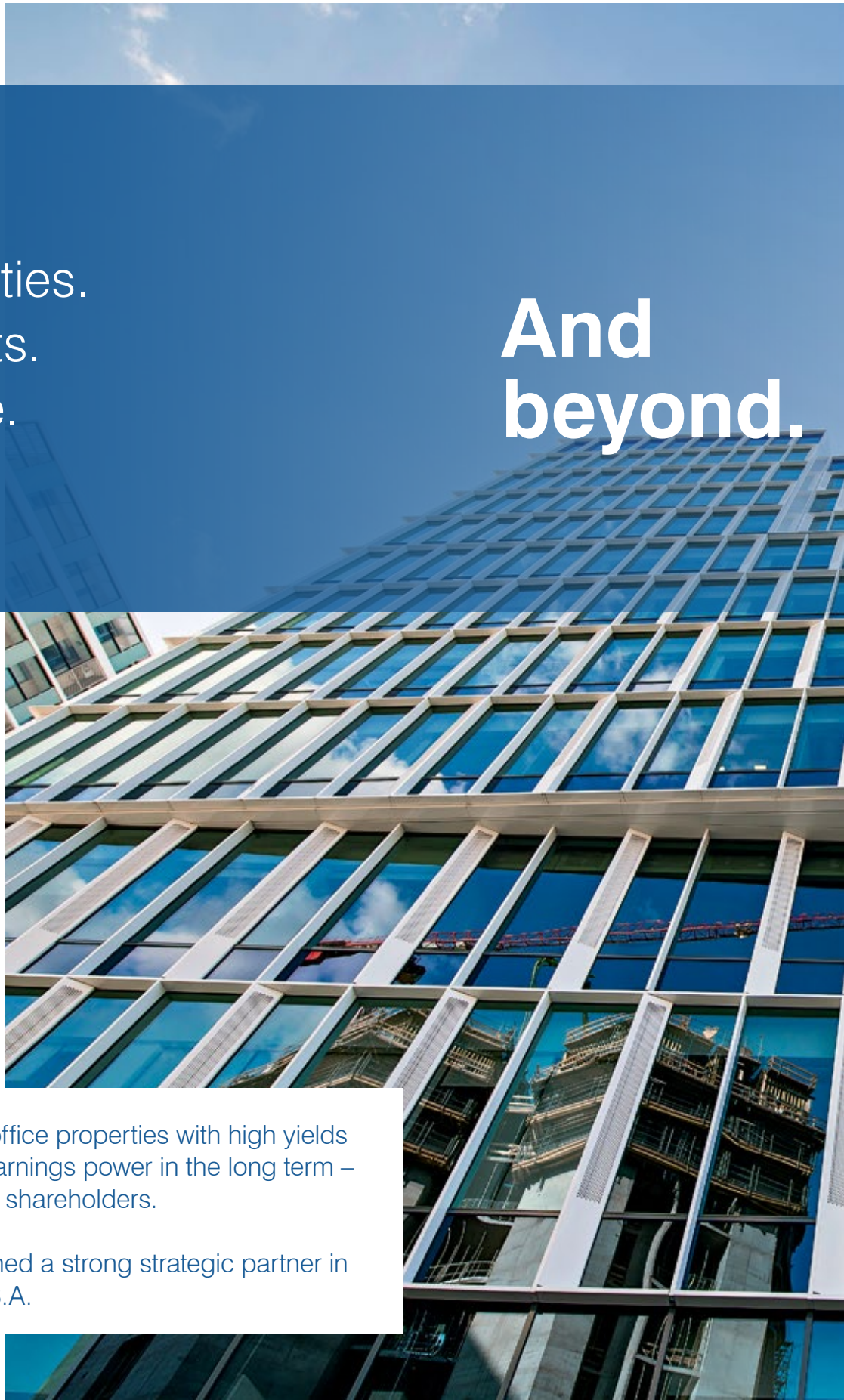
Focus on shareholder
interests:

EUR
300 m
in dividends
for the 2011 to 2021
financial years

S IMMO

Properties.
Markets.
People.

And beyond.



S IMMO focuses on office properties with high yields and strengthens its earnings power in the long term – in the interest of all its shareholders.

In addition, it has gained a strong strategic partner in CPI Property Group S.A.

Sustainability will continue to point the way in the future.

ESG is firmly enshrined in S IMMO's strategy. We have further intensified and specified our efforts and significantly improved our ESG ratings. And we will continue to do so. The importance we place on sustainability is also reflected in our properties.

The EXPO Business Park in Bucharest benefits not only from its prime location, but also from BREEAM Outstanding and WELL Health-Safety certifications.

Energy for the hot water supply
of the building comes from

solar panels on the roof.

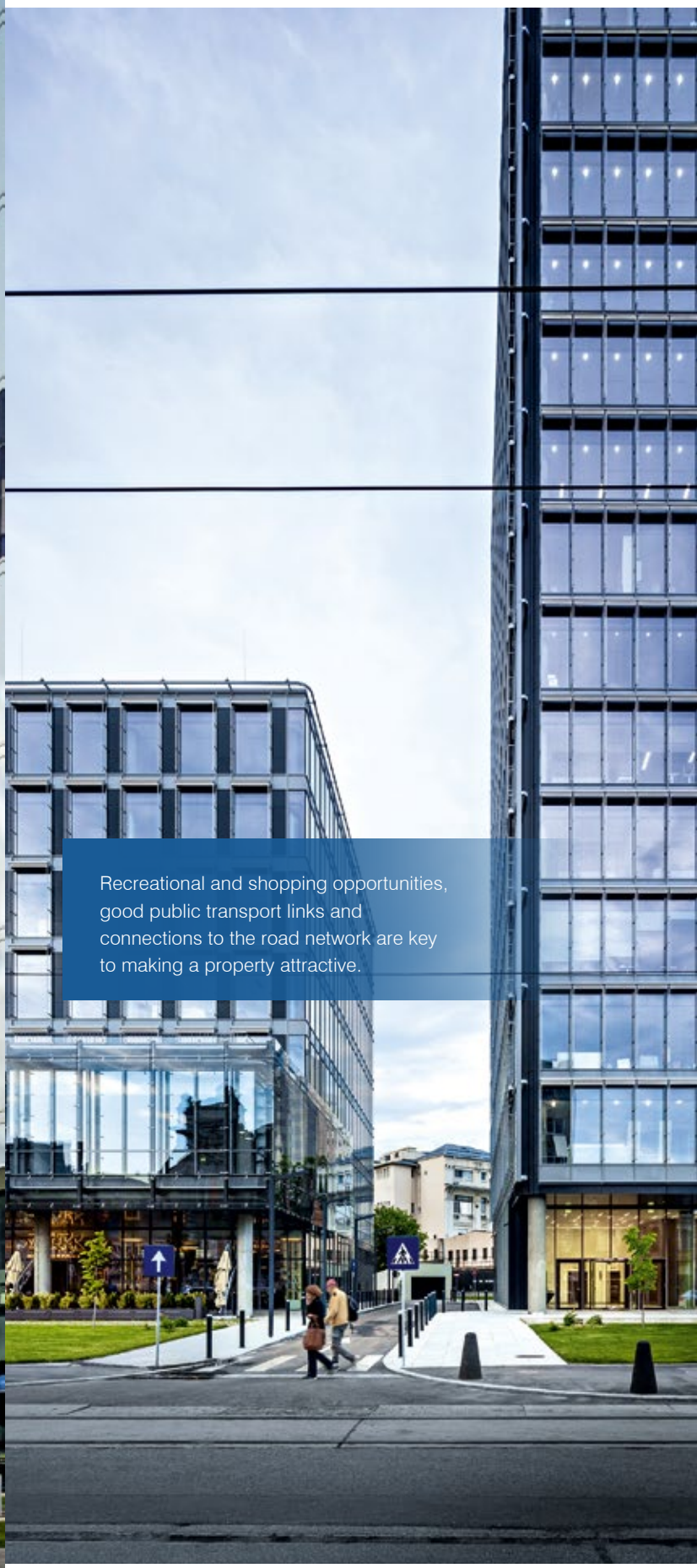
Highest certification standards, certifications

BREEAM Outstanding
WELL Health-Safety

Excellent prospects with a focus on office properties.

S IMMO adapts its property portfolio to market conditions.
In the future, we will focus on highly profitable office properties.

Demand remains high for ESG-compliant office buildings in prime locations. These include the two Campus 6 buildings in Center-West, one of the three largest office sub-markets in Bucharest.



Recreational and shopping opportunities, good public transport links and connections to the road network are key to making a property attractive.

We value partnerships.

S IMMO considers itself a reliable partner to its tenants, service providers and shareholders. We maintain an open, transparent and respectful relationship with our stakeholders.

Communicating on an equal footing with all of our stakeholders is a top priority for us. Maintaining long-standing business relationships is an integral part of S IMMO's sustainable value creation.

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Key figures

		31 December 2022	31 December 2021	31 December 2020
Revenues	EUR m	260.493	196.856	173.915
EBITDA	EUR m	106.058	81.297	71.132
EBIT	EUR m	17.979	270.337	100.956
EBT	EUR m	34.834	271.042	71.586
Consolidated net income	EUR m	18.927	230.558	56.912
NOI ratio	in %	53.0	54.0	51.2
FFO I	EUR m	64.702	60.820	42.375
FFO II	EUR m	59.797	75.277	79.957
Earnings per share	EUR	0.39	3.24	0.79
Operating cash flow	EUR m	81.556	65.877	64.376
Operating cash flow per share	EUR	1.16	0.93	0.89
Cash flow from investing activities	EUR m	0.545	109.009	-114.199
Cash flow from financing activities	EUR m	-161,411	133.346	11.736

		31 December 2022	31 December 2021	31 December 2020
Total assets	EUR m	3,774.361	3,688.121	3,122.610
Equity	EUR m	1,780.268	1,666.303	1,383.828
Equity ratio	in %	47.2	45.2	44.3
Liabilities [1]	EUR m	1,994.093	2,021.818	1,738.782
Cash and cash equivalents as of 31 December [1]	EUR m	278.871	375.823	64.503
Closing price as of 31 December	EUR	12.48	21.75	16.96
EPRA NAV per share	EUR	27.34	29.29	24.32
EPRA NTA per share	EUR	26.09	29.09	24.06
Book value per share	EUR	24.07	23.57	19.34
Share price discount on book value per share	in %	-48	-8	-12
Property assets [1]	EUR m	3,273.787	2,830.797	2,476.884
whereof properties under construction and undeveloped land	EUR m	86.433	77.034	38.175

[1] Incl. held for sale

Our portfolio[1]

Germany

Rental income in EUR m: **59.7**
Total revenues in EUR m: **75.2**
EBITDA in EUR m: **31.0**
Results from property valuation in EUR m: **-73.3**
EBIT in EUR m: **-42.4**
Rental yield in %: **4.6**
Vacancy rate in %: **7.2**
Gross lettable area in m²: **569,478**

Austria

Rental income in EUR m: **20.0**
Total revenues in EUR m: **52.8**
EBITDA in EUR m: **1.1**
Results from property valuation in EUR m: **-6.6**
EBIT in EUR m: **-10.5**
Rental yield in %: **4.6**
Vacancy rate in %: **6.8**
Gross lettable area in m²: **131,583**

CEE

Rental income in EUR m: **76.1**
Total revenues in EUR m: **132.6**
EBITDA in EUR m: **73.9**
Results from property valuation in EUR m: **1.5**
EBIT in EUR m: **70.9**
Rental yield in %: **7.1**
Vacancy rate in %: **7.6**
Gross lettable area in m²: **677,262**

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

Dear Shareholders,

When looking for a suitable motto for our annual report, we are guided by thoughts of what made the past year special and what set S IMMO apart or represented a particular focus for it during the year. For 2022, we thus need to start off by taking a look back at what we have achieved so far. "Up to the present" covers the past few years, or – if you like – even the past few decades since S IMMO AG was founded. Years in which our predecessors and then we and our team worked intensively on the business model and achieved a great deal of success – in the interests of our many shareholders, both private and institutional. In some respects, this era came to an end last year. We have a new principal shareholder and are thus part of a major international group. But a turning point is not an ending. Rather, it represents the start of a new phase: "and beyond". This report is also intended to give room to the opportunities and possibilities that we find in the group of our new principal shareholder. The environment may have changed, but our focus remains the same: We work passionately on our portfolio to generate added value for all our shareholders.

Operational successes and key indicators

As momentous as the changes in S IMMO's shareholder structure may have been, the past year was also dominated by difficult external conditions. The war in Ukraine, the continuing raw material shortages and supply bottlenecks, the interest rate turnaround and a huge rise in inflation posed major challenges for the property industry. Higher interest rates are particularly reflected in the valuation result, which came in at minus EUR 78.4m this year after a record result in the previous year.

In addition, we achieved many operational successes in 2022. Rental income increased significantly year-on-year to EUR 155.7m (2021: EUR 131.3m), while gross profit from hotel operations almost doubled and EBITDA reached the highest level in the company's history. In connection with the decreases in value, which have lately been due primarily to interest rate changes, compensating positive effects can be seen in the result from the valuation of interest rate hedges. S IMMO's prudent financing strategy allowed it to generate clearly positive net income of EUR 18.9m and further increase its NAV even in this exceptional year. On the basis of this resilience, it also set the course for an adjusted strategy in line with the new conditions.

Adjustment of the strategy

Every crisis also brings opportunities – especially if we manage to adapt quickly and flexibly and to align our own business model with the changed conditions. In the past year, we therefore decided to realise the increases in value generated in our German residential property portfolio in recent years gradually by way of sales. The liquidity created in this way is being invested in high-quality office properties – currently with a focus on CEE and Austria – in order to increase our income figures on a sustainable long-term basis. An initial positive effect on the company's profitability can already be observed in the figures as of 31 December 2022. In 2023, we expect the newly acquired properties to account for a significant share of earnings. Considerable success was also achieved with regard to the sales in Germany in a very challenging market environment. In the course of the current sales programme of residential properties and further market soundings in recent months, we have noticed that there is currently solid interest from local market participants in individual commercial properties. Therefore, at the beginning of the year, we decided to expand the sales programme in Germany to include German commercial properties outside of Berlin valued at approximately EUR 200m.

Capital market

On the capital market, the takeover offer by CPI Property Group S.A. – our new core shareholder – was the dominant issue for S IMMO in 2022. The acceptance period for the offer began on 15 July 2022 and ended on 12 August 2022, followed by an additional period ending on 18 November 2022. After the end of this period, CPI held an 88.37% share in S IMMO AG directly

Holger Schmidtmayr, Herwig Teufelsdorfer

and indirectly through IMMOFINANZ AG. At the end of the year, IMMOFINANZ AG announced that it held a majority interest of 50% plus one share in S IMMO following the purchase of shares from CPI.

The price of the S IMMO share was bolstered by the offer price of EUR 23.5 (cum dividend) until the end of the takeover offer by CPI, allowing the share to buck the general negative trend on the capital market. After a long period in which the share price consistently remained around the EUR 22.75 mark, the anticipated price correction set in after the takeover offer ended. The S IMMO share price closed out the year at EUR 12.48, translating into a year-to-date performance of -42.62%. At the time this report went to press on 20 March 2023, our share price was EUR 13.06.

Group and synergies

At the beginning of this year, we signed a framework agreement with IMMOFINANZ AG providing for a joint process for examining further alignment, coordination, merger or other forms of integration of the two groups. CPI will be involved in the project as a supporting shareholder. The objective is to identify potential for increasing efficiency and thereby improving profitability and transparency for all stakeholders. We see great potential for synergies between the groups. Exchanging and potentially pooling expertise, resources and experience is the best way to build on our shared success as property experts in Central and Eastern Europe. Initial successes have already been achieved in this process. For example, we managed to join forces at the respective CPI subsidiaries in Hungary and Romania, which now provide services for S IMMO properties in Budapest and Bucharest.

Sustainability

Another key topic that we dealt with intensively in 2022 was sustainability. After using the previous year to integrate this topic in our organisational structure, the focus in 2022 was on defining our guiding principles, strategy and objectives. You can find all of the details about our efforts in the non-financial report, which was published in accordance with the GRI Standards again this year. Our specific efforts are paying off. For example, we won two different awards – the Bronze Award and the Most Improved Award – for our non-financial reporting in the 2021 annual report at the 2022 EPRA sBPR Awards. The target of increasing the share of certified properties to more than 40% of the commercial portfolio by 2025 was also achieved in the past financial year.

Outlook for 2023

We are focussing on our core business and working intensively to optimise our portfolio, although it remains difficult to make forecasts in view of the challenging environment. In this context, the focus remains on sales in Germany and acquisitions of profitable, high-quality office properties and other properties with future potential. Back in February, we signed a letter of intent for the possible purchase of office buildings in Wienerberg, Vienna. If implemented in full, this purchase would comprise a total of up to six existing properties with around 128,000 m² and a development project with around 20,000 m². At the same time, we are also looking into interesting acquisition opportunities in the Czech Republic. We expect these acquisitions to bring us a significant increase in rental income and other key operating indicators in the current financial year. As ever, we remain committed to our core goal of creating added value for all our shareholders.

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

The Management Board team

Herwig Teufelsdorfer

Holger Schmidtmayr

Management Board

Herwig Teufelsdorfer

Member of the Management Board

Born: 17 March 1969
Appointed until: 31 December 2025
First appointed: 12 April 2021

Responsible for Controlling & Finance/ICS, Investor Relations/ Public Relations/Marketing, Legal, Audit, Investments, Organisation/IT, Digitalisation/ESG | Markets: Germany

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

Until 06 September 2022

Bruno Ettenauer

Chief Executive Officer (CEO)

Born: 25 January 1961
First appointed: 15 March 2021

Responsible for Finance, Investor Relations/Public Relations/ Marketing, Legal/Compliance, Audit

Holger Schmidtmayr

Member of the Management Board

Born: 06 May 1966
Appointed until: 10 October 2024
First appointed: 11 October 2022

Responsible for Project Development, Asset Management, Human Resources, Financing & Treasury, Risk Management, Compliance | Markets: Austria, CEE

After graduating in law and international business administration, Holger Schmidtmayr worked for GiroCredit and Erste Bank as a banking lawyer, in the credit business and in structured finance. In 2001, Holger Schmidtmayr joined S IMMO AG and, as an authorised signatory, was in charge of building up the real estate portfolio and asset management in CEE. From 2004 to 2013, he was a member of the Management Board of S IMMO. He then became a management consultant and returned to S IMMO in 2019, being responsible for Risk and Compliance, where he was appointed to the Management Board in 2022.

Until 11 October 2022

Friedrich Wachernig

Member of the Management Board

Born: 28 June 1966
First appointed: 15 November 2007

Responsible for Project Development, Asset Management, HR | Markets: Austria and CEE

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
as of 31 December 2022						
Capital market representatives						
Karin Rest (1972)	Chairwoman of the Supervisory Board; Chairwoman of the Management Board Committee (since 06 September 2022); Chairwoman of the Nomination and Remuneration Committee (until 06 September 2022); Chairwoman of the ESG Committee; Chairwoman of the Strategy Committee (until 06 September 2022)	Managing Director of VAMED-KMB Krankenhausmanagement und Betriebsführungsges.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)	
Martin Němeček (1975)	First Deputy Chairman of the Supervisory Board (since 06 September 2022); Member of the Management Board Committee (since 06 September 2022); Member of the Audit Committee (since 06 September 2022)	CEO and Managing Director of CPI Property Group S.A. (since 2014)	06 September 2022 (appointed until AGM in 2026)	Deputy Chairman of the Supervisory Board of IMMOFINANZ AG (since 31 March 2022)		
Ulrich Steffen Ritter (1959)	Second Deputy Chairman of the Supervisory Board (since 06 September 2022); Chairman of the Audit Committee (since 06 September 2022); Deputy Chairman of the Audit Committee (from 10 June 2022 to 06 September 2022); Member of the Strategy Committee (from 10 June 2022 to 06 September 2022)	Managing Director and shareholder of JUCA GmbH in Germany (since February 2006)	01 September 2022 (appointed until AGM in 2026)			
John Verpeleti (1956)	Member of the Supervisory Board; Member of the ESG Committee (since 06 September 2022)	External Consultant, Tomlin Kft.; Adviser, CEE Real Estate	06 September 2022 (appointed until AGM in 2026)			
Employee representatives						
Andreas Feuerstein[1] (1964)	Member of the Supervisory Board; delegated as employee representative to the Audit Committee (since 12 October 2022) and to the Nomination and Remuneration Committee (until 06 September 2022)	Investor Relations Director at S IMMO AG (since 2019); with S IMMO AG since 2002	22 October 2021 (term is open-ended)			
Elisabeth Wagerer (1980)	Member of the Supervisory Board; delegated as employee representative to the ESG Committee and to the Strategy Committee (until 06 September 2022)	Head of Corporate Communications/Investor Relations and Press Spokeswoman (since 2016); with S IMMO AG since 2010	26 January 2021 (term is open-ended)			

[1] Andreas Feuerstein was not a member of the Supervisory Board in the period from 06 September 2022 up to and including 11 October 2022.

Name (year of birth)	Function	Principal occupation	First appointed	Supervisory Board appointments in listed companies	Other Supervisory Board appointments in domestic and foreign companies	Other appointments
Withdrawn during 2022						
Capital market representatives until 06 September 2022						
Manfred Rapf (1960)	First Deputy Chairman of the Supervisory Board (since 10 June 2022); Second Deputy Chairman of the Supervisory Board (until 10 June 2022); Chairman of the Audit Committee (until 10 June 2022); Deputy Chairman of the Nomination and Remuneration Committee (since 10 June 2022).	Self-employed actuary (for more than 30 years)	08 June 2017			
Florian Beckermann (1976)	Member of the Supervisory Board; Second Deputy Chairman of the Supervisory Board (since 10 June 2022); Member of the Strategy Committee; Member of the Nomination and Remuneration Committee (since 10 June 2022)	Chairman of the Board at Austrian Shareholder Association IVA (since 2020); Managing Director at RE-STRUCTURE Business Consulting GmbH (since 2014)	14 October 2021			
Ewald Aschauer (1982)	Member of the Supervisory Board; Chairman of the Audit Committee (since 10 June 2022); Deputy Chairman of the Audit Committee (until 10 June 2022)	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		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)
Hanna Bomba (1978)	Member of the Supervisory Board; Member of the Strategy Committee; Member of the ESG Committee	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		Erste Immobilien Kapitalanlagegesellschaft m. b. H. (since 01 August 2019)	
Christian Böhm (1958)	Member of the Supervisory Board; Deputy Chairman of the Strategy Committee (since 10 June 2022); Member of the Audit Committee	Chairman of the Management Board of APK Pensionskasse AG (since 2002); Member of the Board of APK Pensionskasse AG (since 1990)	14 October 2021		Chairman of the Supervisory Board at APK Versicherung AG (since 2015); Chairman of the Supervisory Board of APK Vorsorgekasse AG (since 2015)	Deputy Chairman of the 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	Joint Managing Director and CIO of Aggregate Holdings S.A. (since 2021)	14 October 2021			
Capital market representative until 01 June 2022						
Christian Hager (1967)	First Deputy Chairman of the Supervisory Board; Deputy Chairman of the Nomination and Remuneration Committee; Deputy Chairman of the Strategy Committee	Member of the Management Board of KREMSER BANK und Sparkassen AG (since 01 September 2008)	23 June 2009			
Employee representative up to and including 11 October 2022						
Holger Schmidtmayr(1966)	Member of the Supervisory Board; delegated as employee representative to the Audit Committee (until 12 October 2022)	Member of the Management Board of S IMMO AG (since 12 October 2022); Compliance Officer at S IMMO AG (from 2019 to 12 October 2022)	26 January 2021			

Dear Shareholders,

Karin Rest

Despite the continuing geopolitical and macroeconomic challenges, the 2022 financial year developed very successfully for S IMMO AG. The figures tellingly reflect the S IMMO team's hard work and expertise: Purchases of well-let properties, a strong like-for-like performance and a significant increase in revenues from hotel management led to a good result.

Composition of the Supervisory Board

There were personnel changes on the Supervisory Board of S IMMO AG during the reporting year. Firstly, Christian Hager – until then First Deputy Chairman of the Supervisory Board – resigned as a member of the Supervisory Board with effect from the end of the Annual General Meeting on 01 June 2022. On the same day, the term of office of Manfred Rapf was extended and Ulrich Steffen Ritter was appointed as a new member of the Supervisory Board.

Secondly, Supervisory Board members Ewald Aschauer, Christian Böhm, Hanna Bomba, John Nacos and Manfred Rapf announced their resignation as Supervisory Board members as of the end of the Extraordinary General Meeting on 06 September 2022 against the backdrop of CPI Property Group S.A.'s controlling interest in S IMMO and the mandatory offer. The dismissal of Florian Beckermann, the reduction of the number of Supervisory Board members from eight to four and the election of Martin Němeček and John Verpeleti to the company's Supervisory Board were also resolved at the Extraordinary General Meeting.

Accordingly, the Supervisory Board had six members as of 31 December 2022 – four capital market representatives and two employee representatives. The current composition of the Supervisory Board and its individual committees allows the assigned duties to be performed efficiently with regard to the distribution of competencies.

Capital market representatives

- Karin Rest (Chairwoman of the Supervisory Board)
- Martin Němeček (First Deputy Chairman of the Supervisory Board)
- Ulrich Steffen Ritter (Second Deputy Chairman of the Supervisory Board)
- John Verpeleti

Employee representatives

- Andreas Feuerstein
- 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 17 in this report.

Activities of the Supervisory Board

In the reporting year, the Supervisory Board performed its duties under the law, the articles of association 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 (also in view of the increased inflation and interest-rate policy), risk and opportunity management, the strategic direction, relevant ESG issues and business performance.

In particular, the Supervisory Board also discussed the takeover offer made by CPI Property Group S.A. to the shareholders of S IMMO AG and an adjusted strategy following the takeover by CPI. S IMMO AG is to benefit from operational synergies as a result of close cooperation with CPI.

In addition to the changes to the Supervisory Board, there were also changes to the Management Board in the 2022 financial year. Following the Extraordinary General Meeting, the Supervisory Board and the CEO Bruno Ettenauer agreed to end his Management Board mandate with effect from 06 September 2022. The term of office of Herwig Teufelsdorfer was extended until 31 December 2025. With effect from 11 October 2022, the Supervisory Board and Friedrich Wachernig also mutually agreed to terminate his Management Board contract. At the same time, the Supervisory Board resolved to appoint Holger Schmidtmayr to the Management Board and to entrust him with Friedrich Wachernig's tasks.

Committees of the Supervisory Board

The Supervisory Board is assisted in the performance of its duties by committees. As of 31 December 2022, there were three committees: the Audit Committee, the Committee for Management Board Matters (Remuneration Committee, since 06 September 2022) and the ESG Committee. The Nomination and Remuneration Committee and the Strategy Committee existed until 06 September 2022. Information on the duties, the number of meetings and the composition of the individual committees can be found from page 25 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 2022 financial year at the 33rd Annual General Meeting on 01 June 2022.

2022 annual and consolidated financial statements

KPMG audited the annual and consolidated financial statements for the period ended 31 December 2022 and issued them with an unqualified audit opinion. KPMG also confirmed that the annual financial statements for the period ended 31 December 2022 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 2022 and of its earnings for the 2022 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 2022. In addition, KPMG confirmed that the consolidated financial statements for the period ended 31 December 2022 comply with the statutory requirements and give a true and fair view of the assets and finances of the Group as of 31 December 2022 and of its earnings for the 2022 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 2022. 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 2022 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 2022 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 2022, 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.

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

Finally, I would like to thank the Management Board and the S IMMO team for their daily efforts in 2022. My thanks also go to the departing Management Board and Supervisory Board members for their commitment and their work. I would like to wish the company's entire workforce, its Management Board members and its Supervisory Board members every success for the current financial year. I am looking forward to continuing our work together.

Vienna, March 2023

The Supervisory Board

Karin Rest, Chairwoman

From left to right: Andreas Feuerstein, Elisabeth Wagerer, John Verpeleti, Karin Rest, Ulrich Steffen Ritter, Martin Němeček

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 41: "The Supervisory Board shall establish a Nomination Committee."

The Supervisory Board has the authority to appoint, renew and dismiss members of the Management Board. This is one of its core tasks. The associated duties generally affect all Supervisory Board members equally. The members should therefore also be involved equally in decision-making.

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

C Rule 49: "In its annual report, the company shall publish the subject and remuneration under contracts requiring approval in accordance with L Rule 48. A combined presentation of similar contracts is permitted."

In accordance with section 95 (5) item 12 AktG, contracts with members of the Supervisory Board under which these members commit to provide a service to the company or a subsidiary in exchange for non-negligible consideration outside their work on the Supervisory Board require the approval of the Supervisory Board. This also applies to contracts with enterprises in which a member of the Supervisory Board member has a material interest. The company has concluded contracts at standard market conditions with enterprises at which Supervisory Board members held board positions in the reporting year. For business policy and competition reasons, details and remuneration under these agreements are generally not published. If applicable, transactions with related parties are disclosed on the website at https://www.simmoag.at/en/investor-relations/corporate-governance.html in accordance with section 95a (5) Austrian Stock Corporation Act (AktG) or described in the Notes, Section 5.6.

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 necessary to commission a company to perform such an evaluation.

2. Composition of managing bodies

Management Board

In the reporting year, the Management Board team of S IMMO AG was restructured. The Management Board contract with Bruno Ettenauer was terminated by mutual agreement with effect from 06 September 2022. The Management Board was thus composed of the two remaining members Friedrich Wachernig and Herwig Teufelsdorfer. On 11 October 2022, the Management Board contract with Friedrich Wachernig was also terminated. At the same time, Holger Schmidtmayr was appointed to the Management Board. As of 31 December 2022, the Management Board therefore consisted of two members. More detailed information about the individual members of the Management Board and their responsibilities is shown in the overview of management bodies in this report. The members of the Management Board keep each other informed of all important business events and developments at all times and discuss the progress of business. There is an ongoing exchange of information with the managers responsible for the various departments.

Supervisory Board

As of 31 December 2022, the Supervisory Board consisted of six members – four capital market representatives and two 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.

Qualification matrix for the Supervisory Board

			Sectors		Topics			
	Mandate since	Mandate until	Properties	Capital market	Finance	Executive experience	Legal	ESG
Karin Rest	2018	2023	XX	X	X	XX	XXX	XX
Martin Němeček	2022	2026	XXX	XX	XX	XXX	XXX	X
Ulrich Steffen Ritter	2022	2026	XX(X)	XX	XXX	XX	X	X
John Verpeleti	2022	2026	XXX	X	XX	XX	X	X(X)

Evaluation of the Supervisory Board's work

S IMMO AG performs internal evaluations of the Supervisory Board's work. In the reporting year, the Supervisory Board performed a self-evaluation using a questionnaire, with the aim of reviewing the efficiency and effectiveness of the Supervisory Board's work and consequently deriving measures. In particular, the composition and activities of the Supervisory Board and its committees as well as its collaboration with the Management Board were evaluated. The results of the evaluation show that the Supervisory Board's work is rated good to very good.

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.

Three of the four shareholder representatives on the Supervisory Board who were in office as of 31 December 2022 have declared themselves independent within the meaning of C Rule 53. Due to his work as a management board member at CPI Property Group S.A., Martin Němeček has declared himself non-independent.

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 association 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 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 2022, the Supervisory Board consisted of four capital market representatives and two employee representatives – six members in total.

The Supervisory Board has formed three committees from among its members, which are listed below. In the 2022 reporting year, nine Supervisory Board meetings were held, some of which were held in person and some via telephone or video conference. 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 attendance in the reporting year can be found below). In addition, nine circular resolutions were adopted in writing by the Supervisory Board and one by the Nomination and Remuneration Committee.

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 2022, the Audit Committee consisted of the following members: Ulrich Steffen Ritter (chairman), Martin Němeček and Andreas Feuerstein (employee representative). The Audit Committee met three times in the reporting year.

Committee for Management Board Matters – Remuneration Committee (since 06 September 2022)

This committee's remit covers the negotiation of contracts with the Management Board members and the remuneration policy for the Management Board and the Supervisory Board. As of 31 December 2022, the Committee for Management Board Matters was made up of chairwoman Karin Rest and Martin Němeček.

ESG Committee

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. The identification of the organisation's impact on the economy, the environment and people was carried out in 2021 as part of the materiality analysis together with different stakeholders of the company. At its meetings, the ESG Committee is given detailed presentations of the ESG processes by the Management Board and the responsible manager, critically examines these and grants its approval for major strategic decisions. As of 31 December 2022, the ESG Committee was composed of the following members: Karin Rest (chairwoman), John Verpeleti and Elisabeth Wagerer (employee representative). The ESG Committee met twice in the 2022 reporting year. The ESG strategy adopted by the Management Board in 2022 was presented to the ESG Committee in detail beforehand and revised based on the committee's feedback. The measures defined as part of this ESG strategy are continuously documented and monitored by the responsible manager in close consultation with the Management Board and reported to the ESG Committee in detail at the meetings held at least every six months. The ESG Committee has the authority to monitor the ongoing processes and implementation steps in more detail if desired.

Nomination and Remuneration Committee (until 06 September 2022)

The Nomination and Remuneration Committee existed until 06 September 2022. Its scope of work included negotiating, concluding and amending contracts with Management Board members. The committee prepared the principles for the remuneration of the Management Board and Supervisory Board members and submitted proposals to the full Supervisory Board for filling vacancies on the Management Board and Supervisory Board. Up until it was merged with the Committee for Management Board Matters (Remuneration Committee), the Nomination and Remuneration Committee consisted of the following members: Karin Rest (chairwoman), Christian Hager (deputy chairman until 01 June 2022), Manfred Rapf (deputy chairman since 10 June 2022), Florian Beckermann (since 10 June 2022) and Andreas Feuerstein (employee representative). The Nomination and Remuneration Committee met once in the 2022 financial year.

Strategy Committee (until 06 September 2022)

The responsibilities of the Strategy Committee included the preparation and evaluation of decisions on general business policy and the preparation of decisions of the Supervisory Board that were strategically significant for the company. At the time of its dissolution on 06 September 2022, the Strategy Committee had the following members: Karin Rest (chairwoman), Christian Hager (deputy chairman until 01 June 2022), Christian Böhm (deputy chairman since 10 June 2022), Florian Beckermann, Hanna Bomba, Ulrich Steffen Ritter (since 10 June 2022) and Elisabeth Wagerer (employee representative). The Strategy Committee met once in the 2022 financial year. From 06 September 2022 onwards, the tasks of the Strategy Committee were assumed by the entire Supervisory Board.

Attendance in 2022 (in person and via telephone or video conference)

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

First half-year

Name	SBM 17 Feb. 2022	SBM 21 April 2022	AC 21 April 2022	NomRC 27 April 2022	SBM 10 June 2022	ESG 30 June 2022
E. Aschauer	1	1	1		1	
F. Beckermann (second deputy since 10 June 2022)	1	1			1	
C. Böhm	1	1	1		1	
H. Bomba	1	1			1	1
C. Hager (up to and incl. 01 June 2022)	1	1		1		
J. Nacos	1	1	1		1	
M. Rapf (first deputy since 10 June 2022, previously second deputy)	1	1	1	1	1	
K. Rest (chairwoman)	1	1		1	1	1
U. Ritter (since 01 June 2022)					1	
A. Feuerstein (employee representative)	1	1		1	1	
H. Schmidtmayr (employee representative)	1	1	1		1	
E. Wagerer (employee representative)	1	1			1	1

Second half-year

Name	SC 13 July 2022	SBM 21 July 2022	SBM 27 July 2022	SBM 6 Sep. 2022	SBM 15 Sep. 2022	SBM 11 Oct. 2022	AC 11 Oct. 2022	SBM 24 Nov. 2022	AC 24 Nov. 2022	ESG 24 Nov. 2022
E. Aschauer (up to and incl. 05 September 2022)		1	1							
F. Beckermann (second deputy from 10 June 2022 up to and incl. 05 September 2022)	1	1	1							
C. Böhm (up to and incl. 05 September 2022)	1	1	1							
H. Bomba (up to and incl. 05 September 2022)	excused	excused	1							
J. Nacos (up to and incl. 05 September 2022)		excused	excused							
M. Němeček (first deputy since 06 September 2022)				1	1	1	1	1	1	
M. Rapf (first deputy from 10 June 2022 up to and incl. 05 September 2022)		1	1							
K. Rest (chairwoman)	1	1	1	1	1	1		1		1
U. Ritter (from 01 June 2022, second deputy from 06 September 2022)	1	1	1	1	1	1	1	1	1	
J. Verpeleti (from 06 September 2022)				1	1	1		1		1
A. Feuerstein (employee representative)		1	1					1	1	
H. Schmidtmayr (employee representative up to and incl. 11 October 2022)		1	1	1	1	1	1			
E. Wagerer (employee representative)	1	1	1	1	1	1		1		1

SBM=Supervisory Board Meeting
ESG=ESG Committee
NomRC=Nomination and Remuneration Committee
AC=Audit Committee
SC=Strategy Committee
■ Not a member or at this time not yet or no longer 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. S IMMO places great emphasis on the advancement of women when filling senior managerial positions. As of 31 December 2022, in the S IMMO Group (excluding owner-operated hotels) 53.0% of the workforce and 42.9% of senior 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 2022, 18.2% of all employees worked part-time.

When making nominations, the Supervisory Board primarily focuses on the greatest possible professional skill and international experience. It also makes an effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender, as well as a majority of independent Supervisory Board members and the consideration of all shareholders' interests. The Supervisory Board candidates are elected by the shareholders eligible to vote at the Annual General Meeting.

In accordance with the legal requirements for a 30% quota of women, two members of the Supervisory Board must be female. S IMMO met these requirements as of 31 December 2022.

Herwig Teufelsdorfer Holger Schmidtmayr

S IMMO in the capital market

International capital market environment

While it was clearly the COVID-19 pandemic and its effects that had a major impact on market sentiment in previous years, 2022 saw a whole host of complicating factors despite initial hopes of a good year.

The outbreak of the war in Ukraine marked the start of a string of crises. Extreme rises in gas and electricity prices put massive pressure on industrialised countries, while supply chain issues in Europe and America were made worse by widespread lockdowns in China. Inflation reached double digits in the US and Europe, a phenomenon last seen here in the post-war period more than 60 years ago. The European Central Bank raised interest rates to 2.5% in several stages. Widespread fears of recession made fixed-interest investments more attractive again at times.

Stock markets came under strain on account of these challenges. While the Austrian and German benchmark indices ATX and DAX, as well as the US DJIA and S&P 500, recovered somewhat in the fourth quarter, they ultimately closed the year in negative territory. A more pessimistic view of future earnings trends for property shares combined with rising interest rates weighed particularly heavily on the Austrian IATX sector index, which reported a year-to-date performance of -35.68%. An overview of the development of selected national and international indices relevant to S IMMO and the S IMMO share is shown in the table below.

Share price development

Another S IMMO green bond issued

After successfully issuing the first green bond at the start of 2021, a second green bond (AT0000A2UVR4) with a nominal value of EUR 50m, a term of five years and a coupon of 1.25% p.a. was issued in January 2022.

Changes were made to S IMMO AG's corporate bonds during the year. As a result of the new shareholder structure, the early right of termination in the change of control clauses (CoC) was triggered for four S IMMO bonds in accordance with the terms and conditions of the bonds. Holders of the S IMMO bonds in

Overview of S IMMO share and indices

	S IMMO share	ATX	IATX	DAX	DJIA	S&P 500
31 December 2021	21.75	3,861.06	404.17	15,884.86	36,228.30	4,766.18
31 December 2022	12.48	3,126.39	259.95	13,923.59	33,147.25	3,826.49
Year-to-date performance	-42.62%	-19.03%	-35.68%	-12.35%	-8.50%	-19.72%

Performance as of 31 December 2022

S IMMO share	
One year	-42.62%
Three years, p.a.	-18.20%

S IMMO share information	
ISIN	AT0000652250/SPI
Ticker symbols	Reuters: SIAG.VI/Bloomberg: SPI:AV
Market	Vienna Stock Exchange
Market segment	Prime Market
Index	IATX/GPR General
Market capitalisation (31 December 2022)	EUR 918.64m
Number of securities (31 December 2022)	73,608,896
Market makers	Erste Group/Hauck & Aufhäuser/Raiffeisen Centrobank

S IMMO bonds as of 31 December 2022

ISIN	Maturity	Coupon	Total nominal value EUR '000
AT0000A1Z9D9	06 February 2024	1.750%	100,000.00
AT0000A1DBM5	09 April 2025	3.250%	15,890.00
AT0000A285H4	22 May 2026	1.875%	150,000.00
AT0000A2UVR4 (green bond)	11 January 2027	1.250%	25,058.50
AT0000A1DWK5	21 April 2027	3.250%	34,199.00
AT0000A2MKW4 (green bond)	04 February 2028	1.750%	70,449.50
AT0000A2AEA8	15 October 2029	2.000%	100,000.00
AT0000A1Z9C1	06 February 2030	2.875%	50,000.00

S IMMO equity story: www.simmoag.at/annual-results2022

question thus called a total nominal amount of EUR 153.4m early. Repayment of the terminated bonds was made from the cash and cash equivalents of S IMMO.

The S IMMO share and takeover offer of CPI Property Group S.A.

The CPI Property Group S.A. takeover offer dominated the 2022 financial year at S IMMO. Removing the maximum voting right of 15% at the Annual General Meeting on 01 June 2022 met the requirement for the mandatory offer of CPI Property Group S.A., which then acquired a controlling interest in S IMMO AG within the meaning of section 22 of the Austrian Takeover Act. At the beginning of August, the Management Board and the Supervisory Board issued separate statements advising S IMMO's shareholders to accept CPI Property Group S.A.'s offer at a final price of EUR 23.50 per share (cum dividend). Given the uncertain macroeconomic environment at this time, S IMMO's managing bodies considered the offer price appropriate. The acceptance period for the offer began on 15 July 2022 and ended on 12 August 2022, followed by an additional period ending on 18 November 2022. After the end of this period, according to a shareholding notification dated 28 December 2022, CPI Property Group S.A. now holds an 88.37% share in S IMMO AG directly and indirectly through IMMOFINANZ AG.

The price of the S IMMO share was bolstered by the offer price until the end of the takeover offer by CPI Property Group S.A. (including the three-month additional acceptance period) on 18 November 2022, allowing the share to buck the negative trend on the capital market. After a long period in which the share price consistently remained around the EUR 22.75 mark, the

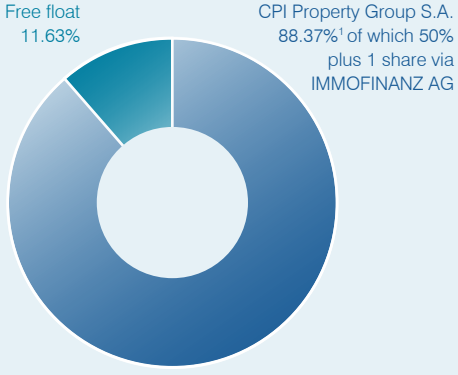
Share data

		31 December 2022	31 December 2021
Earnings per share (EPS)	EUR	0.39	3.24
FFO I per share	EUR	0.92	0.86
FFO II per share	EUR	0.85	1.06

		31 December 2022	31 December 2021
Closing price at year-end	EUR	12.48	21.75
High	EUR	23.30	22.25
Low	EUR	11.90	16.62
Average daily turnover for the last 100 days	shares [1]	91,168	125,834
Dividend per share	EUR	0.65 [2]	0.50 [3]
EPRA NAV per share	EUR	27.34	29.29
Share price discount on EPRA NAV per share	in %	-54	-26
EPRA NTA per share	EUR	26.09	29.09
Book value per share	EUR	24.07	23.57
Share price discount on book value per share	in %	-48	-8

[1] Double counting
[2] The dividend for the financial year 2021, which was paid out on 13 June 2022.
[3] The dividend for the financial year 2020, which was paid out on 28 October 2021.

Shareholder structure



[1] Based on the number of voting rights held as reported by IMMOFINANZ AG and CPI Property Group S.A. on 28 December 2022.
As of 28 December 2022

price correction set in after the takeover offer ended. The S IMMO share price closed out the year at EUR 12.48, translating into a year-to-date performance of -42.62%. Against the backdrop of the outcome of the takeover offer of CPI Property Group S.A. and the resulting substantial drop in free float, the Urgent Action ATX-Committee decided to exclude S IMMO AG from the ATX as of 24 November 2022.

The market capitalisation of S IMMO AG as of 31 December 2022 was EUR 918.6m, and the company's share capital amounted to EUR 267.5m, divided into 73,608,896 bearer shares.

Shareholder structure

The reporting year saw major changes to S IMMO AG's shareholder structure on account of the takeover by CPI Property Group S.A. According to a shareholding notification dated 28 December 2022, as of 31 December 2022 the CPI Property Group held 88.37% of voting rights in S IMMO AG, 50% of which plus one share is held indirectly via IMMOFINANZ AG. The corresponding shareholding notifications can be viewed at www.simmoag.at/share. The chart on page 33 shows S IMMO AG's current shareholder structure.

2022 virtual Annual General Meeting and dividend

S IMMO AG's 33rd Annual General Meeting was held virtually on 01 June 2022 and discussed issues including the resolution on distributing a dividend of EUR 0.65 per dividend-bearing share for the 2021 financial year. Payment was made on 13 June 2022. The Annual General Meeting also passed a resolution on an agenda item submitted by CPI Property Group S.A. – removing the 15% maximum voting right cap enshrined in the articles of association. In addition, the Supervisory Board term of Manfred Rapf was extended and Ulrich Steffen Ritter was appointed as a new member of the Supervisory Board. All voting results can be found on the company's website at www.simmoag.at/agm.

Extraordinary General Meeting and changes to the managing bodies of S IMMO AG

An Extraordinary General Meeting was convened at the request of CPI Property Group S.A. and held virtually on 06 September 2022. The dismissal of Florian Beckermann, the reduction of the number of Supervisory Board members from eight to four and the election of Martin Němeček and John Verpeleti to the company's Supervisory Board were resolved at this meeting. The Supervisory Board members Ewald Aschauer, Christian Böhm, Hanna Bomba, John Nacos and Manfred Rapf had previously announced that they would resign as Supervisory Board members of S IMMO as of the end of the Extraordinary General Meeting. As of 31 December 2022, the Supervisory Board consisted of a total of six members – four capital market representatives and two 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 16 and in the corporate governance report starting on page 22.

In addition to the changes to the Supervisory Board, there were also changes to the Management Board after the Extraordinary General Meeting. The Supervisory Board and CEO Bruno Ettenauer agreed to terminate his Management Board contract with effect from 06 September 2022. Bruno Ettenauer's responsibilities were taken over by Herwig Teufelsdorfer. With effect from 11 October 2022, the Supervisory Board and Friedrich Wachernig also mutually agreed to terminate his Management Board contract. At the same time, Holger Schmidtmayr was appointed to the Management Board.

Investor relations activities

The need to provide information, especially to private shareholders, was particularly high as a result of the takeover offer, resulting in increased telephone inquiries. International hedge funds in particular showed greater interest in S IMMO at investor conferences, some of which were again held in person. S IMMO also attended individual conferences by banks, analysis firms (for example the annual SRC Forum in Frankfurt) and brokers in the 2022 financial year.

EPRA key figures

The definition of net asset value (NAV) was changed by the European Public Real Estate Association (EPRA) with effect from the 2020 financial year. Since then, S IMMO has published further indicators such as EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA) and EPRA Net Disposal Value (EPRA NDV). Due to the changed portfolio strategy and the increased market uncertainties, the adjustment of the deferred taxes in the EPRA NTA is now carried out in such a way that only 50% of the relevant deferred taxes are added as a lump sum. A detailed description of the ratios is available on the EPRA website (www.epra.com).

Calculation of FFO I

EUR '000	31 December 2022	31 December 2021
Net income	**18,927**	**230,558**
Non-cash taxes	10,710	36,126
Adjusted net income	**29,637**	**266,684**
Non-cash revaluation result	78,397	-198,686
Non-cash depreciation and amortisation	9,682	9,646
Income from property disposals	0	0
Other non-cash/non-recurring effects	2,359	-5,582
Non-cash valuation of financial instruments	-58,152	-12,028
Non-cash FX result	2,779	786
FFO I (without results from disposals)	**64,702**	**60,820**
FFO I per share in EUR	0.92	0.86
FFO II	59,797	75,277

EPRA key figures

in EUR	31 December 2022	31 December 2021
EPRA NAV per share	27.34	29.29
Share price discount on EPRA NAV per share in %	-54	-26
EPRA NRV per share	29.93	31.60
EPRA NTA per share	26.09	29.09
EPRA NDV per share	26.16	24.70
EPRA net initial yield in %	5.0	4.2
EPRA LTV in %	39.4	–

EUR '000	31 December 2022	31 December 2021
Fair value investment properties	3,081,825	2,642,929
Annualised cash rental income (gross)	179,672	135,994
Non-recoverable property operating expenses	-25,633	-24,935
Annualised cash rental income (net)	154,039	111,059
EPRA net initial yield in %	**5.0**	**4.2**

EUR '000	31 December 2022	31 December 2021
EPRA earnings and EPRA earnings per share (EPRA EPS)		
Earnings according to IFRS income	**27,204**	**229,521**
Results from property valuations	78,397	-198,686
Income from property disposals (including transaction costs)	0	0
Tax on income from disposals	3,524	4,780
Changes in fair value of financial instruments	-58,152	-12,028
Deferred taxes in respect of EPRA adjustments	3,798	30,854
EPRA adjustments for companies measured according to the equity method	1,027	-5,035
Minority interests in respect of the above	-7,879	0
EPRA earnings	**47,919**	**49,406**
EPRA EPS per share in EUR	**0.68**	**0.70**

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

31 December 2022

in EUR '000	EPRA NAV	EPRA NNNAV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders	**1,697,228**	**1,697,228**	**1,697,228**	**1,697,228**	**1,697,228**
Per share in EUR	**24.07**	**24.07**	**24.07**	**24.07**	**24.07**
Intangible assets	0	0	0	-768	0
Revaluation of other non-current investments	126,298	126,298	126,298	126,298	106,119
Fair value of derivative financial instruments	-99,113	0	-99,113	-99,113	0
Deferred taxes on derivative financial instruments	16,223	0	16,223	16,223	0
Other deferred taxes	187,818	0	187,818	99,774	0
Fair value of liabilities	0	54,368	0	0	54,368
Deferred taxes on adjustments of liabilities	0	-12,505	0	0	-12,505
Ancillary acquisition costs	0	0	182,678	0	0
Calculated EPRA key figure	**1,928,454**	**1,865,389**	**2,111,132**	**1,839,642**	**1,845,210**
Calculated EPRA key figure per share in EUR	**27.34**	**26.45**	**29.93**	**26.09**	**26.16**

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**

EPRA LTV

EUR '000	S IMMO excluding companies measured as per the equity method	Adjustment of proportional consideration of equity method companies	Total
Loan liabilities	1,067,632	16,669	1,084,301
Issued bonds	545,597	0	545,597
Other net payables	6,532	261	6,793
excluding			
Cash and cash equivalents	-278,871	-1,409	-280,280
Net debt	**1,340,890**	**15,521**	**1,356,411**
Investment properties	2,667,252	41,741	2,708,993
Owner-operated properties	231,827	0	231,827
Properties held for sale	501,006	0	501,006
Other net receivables	0	0	0
Financial assets	0	0	0
Total property value	**3,400,085**	**41,741**	**3,441,827**
LTV (net debt/property investments) in %	**39.4**	**37.2**	**39.4**

Non-financial report

Foreword

It is no secret that sustainability has established itself in every major economic sector and is becoming an increasingly topical and urgent issue. In the last two years, S IMMO has intensified its efforts across the board in this area. Activities in 2021 focused on putting sustainability into practice systematically and structurally. An ESG staff unit reporting directly to the Management Board was created, while an ESG Committee was established in the Supervisory Board. ESG stands for Environment, Social and Governance, meaning that it encompasses three major aspects of modern sustainability management in a corporate context. We worked intensively to define an ESG strategy and set out the corresponding measures and objectives in 2022 building on these developments. Furthermore, we also drew up guiding principles that reflect the key pillars of our efforts.

Responsible interaction with our environment has been an integral part of S IMMO's operating and strategic activities for many years. The company pursues the goal of designing its properties to be resource-efficient, low-emission and user-friendly. At the same time, we not only play an important role in society as an employer, but we also provide real estate that meets people's basic need for space to live and work. In addition to encompassing labour standards, diversity and remuneration within our company, our aspiration demands a commitment to society and the local community. Handling the capital provided to us sustainably and with integrity is a key part of our corporate self-image. As a listed company, we are thus obliged to our shareholders at all times, but we are naturally also responsible to all other stakeholders at all times.

Herwig Teufelsdorfer

Our ESG strategy is built on this fundamental insight. Broken down into the three core areas of "Environment", "Social" and "Governance", we have defined a total of 49 goals along with the corresponding measures and key performance indicators. With regard to our environmental goals, our aim is to reduce energy and water intensity and property-related greenhouse gas emissions, switch entirely to electricity from renewable energy sources and promote environmentally friendly mobility. Our social goals include a 50% share of female employees and senior managers, further progress with the introduction of green leases when concluding new contracts and an annual increase in tenant satisfaction. Healthcare and training for our team also forms part of our core objectives. In terms of governance goals, we aim to establish sustainable supply chain management, provide regular compliance training and increasingly align Management Board remuneration to ESG criteria. All our other goals, the measures and key performance indicators that have been defined in detail and the corresponding scheduling can be found on page 40 of this non-financial report.

We have extensively addressed risks in connection with climate change and considerably expanded our Group-wide risk management in this respect. Details can be found in the risk management report starting on page 102.

There is no doubt that the current geopolitical and economic uncertainties pose challenges with regard to sustainability. Furthermore, the regulatory environment remains highly dynamic and is subject to rapid change. We are attempting to take this circumstance into account through ongoing adaptation within the company. The transition to a conservation-oriented mindset when it comes to our resources, the environment and society as a whole is not always easy, but there is no longer any alternative. We firmly believe that every change and every action matters and that everyone's efforts are required in order to achieve the necessary turnaround.

Regulatory frameworks, principles and standards

S IMMO has published a non-financial report annually since the financial year 2017. 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. In preparing this report, S IMMO implements the legal requirements of section 267a of the Austrian Commercial Code (UGB) in full as required by the Austrian Sustainability and Diversity Act (NaDiVeG). In addition, information is disclosed in line with the EU Taxonomy Regulation (Regulation (EU) 2020/852).

S IMMO undertakes to comply with national, international and internal principles. Since 2007, S IMMO has been committed to observing the Austrian Code of Corporate Governance, which is available on the website of the Austrian Working Group for Corporate Governance. Details on the implementation of the Code at S IMMO can be found in the corporate governance report starting on page 22.

At an international level, the company applies various frameworks for the protection of human rights. Details of S IMMO's activities in the area of human rights issues, and especially the scope and content of these activities and their organisational and procedural implementation, can be found in the Human rights section starting on page 45 and in the Organisational Policy for Human Rights at www.simmoag.at/sustainability/governance. S IMMO's Code of Conduct for all executive bodies and employees of the company also covers human rights issues as well as compliance-related and environmental content. This Code, which is publicly accessible at www.simmoag.at/sustainability/governance, is binding for all executive bodies and employees and has been the subject of annual training since the year under review.

The Management Board of S IMMO approves of the company's commitment to these principles and supports them fully. These frameworks currently apply only to S IMMO and all its fully consolidated subsidiaries. The plan is for them to be expanded to include external business relationships.

To facilitate the transparency and comparability of strategies, measures and results in the area of sustainability, S IMMO has applied international frameworks for its non-financial disclosures since the publication of the report on the financial year 2021. In line with its ESG strategy, S IMMO prepares and publishes a non-financial report in accordance with the applicable Global Reporting Initiative (GRI) Standards once a year. The GRI content index provides an overview of the standards applied in this report and the sections containing the relevant information (starting on page 84).

Moreover, disclosures are made in accordance with the 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). The EPRA Sustainability Performance Measures can be found starting on page 88. The application of additional standards in non-financial reporting is continuously examined in terms of relevance and viability.

Scope and boundaries of the report

The company publishes the non-financial report each year as part of its annual report. The reporting period for this report is identical to that of the financial report and thus covers the period from 01 January 2022 to 31 December 2022. The report includes the key figures for the reporting year and, where possible, for the previous year. In the future, S IMMO will endeavour to extend the non-financial reporting to two preceding periods to improve the traceability of the development of key figures. Significant events between the balance sheet date (31 December 2022) and the editorial deadline for this report (20 March 2023) are disclosed in the notes to the consolidated financial statements set out in section 5.7. This report was published on 30 March 2023.

This non-financial report was published in accordance with the operational control approach (for the purposes of non-financial reporting) and hence deviates from the prior-year report, which was prepared in accordance with the financial control approach. The decision to change the reporting approach was taken in order to facilitate increased transparency and comparability with the non-financial reporting of the two controlling shareholders of S IMMO AG – IMMOFINANZ AG and CPI Property Group S.A. – both of which report in accordance with the operational control approach.

This did not affect the overall scope of reporting, which encompasses S IMMO and all subsidiaries over whose operational decisions S IMMO can exercise a controlling influence. As in the previous year, this corresponds to all fully consolidated S IMMO companies (see page 121 et seq.).

The Vienna Marriott and Budapest Marriott hotels are operated by fully consolidated subsidiaries under management agreements. S IMMO exercises a controlling influence over many operating activities in the area of hotel management, and can exercise operational control with regard to environmental factors in particular. However, the management of the hotel staff is the sole responsibility of the respective hotel's management and lies outside S IMMO's control. Accordingly, the employees of the two hotel companies do not fall within the operational control approach and, unlike in the previous year, are not included in staff-related key indicators for the purposes of non-financial reporting with the exception of the total number of S IMMO employees. For this reason, the values from 2021 are presented according to the new methods excluding hotel employees.

Where reference is made to S IMMO elsewhere in the non-financial report, this should be understood to include all fully consolidated companies and properties of S IMMO and its employees in Austria, Germany, Hungary, Croatia and Romania, but not the employees of the two hotels in Vienna and Budapest. If a key indicator does not refer to all locations, this is explicitly stated.

Real estate-related key indicators refer to S IMMO's entire property portfolio. As in the past, this includes all lettable buildings and the owner-operated hotels. For the first time, leasehold properties, development projects and land banks as well as acquisitions and sales during the year are also included on a monthly basis for key indicators such as energy consumption. This means that all fully consolidated properties are covered in full. The three buildings held by associates and joint ventures and accounted for using the equity method, which are therefore not fully consolidated, are only taken into account when calculating greenhouse gas emissions under the category Investments.

Audits

The Management Board submitted the non-financial report to the entire Supervisory Board for review. The Supervisory Board received, reviewed and discussed the non-financial report and found no reasons for objection. As part of the audit of the financial statements, the disclosure of all legally required information was reviewed by the appointed auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The non-financial report has not been subjected to any further separate external audit.

ESG strategy and sustainability management

Guiding principles

Experience shows that a company-wide approach to the topics of ESG and sustainability requires above all an intensive analysis of the company's identity and values and its corporate culture at the very outset. That is why S IMMO decided to revise and hone its guiding principles at the start of 2022 in a participative process with its employees. The company is characterised by lean structures and open cooperation across departments. It actively designs living environments by means of its properties and acts prudently and responsibly in this process. The S IMMO guiding principles consist of four related elements: purpose, vision, mission and values. Together, they describe S IMMO's identity and how it acts.

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

Materiality analysis

This non-financial report is based on a materiality analysis conducted in 2021 in which potential areas of sustainable management were examined and assessed with internal and external experts in connection with the Nachhaltigkeits- und Diversitätsverbesserungsgesetz (NaDiVeG – Austrian Sustainability and Diversity Improvement Act) and the Global Reporting Initiative (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.

Two workshops were conducted with the responsible Management Board member 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 based on the criteria "influence on S IMMO" and "interest in S IMMO". 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 material topics for S IMMO are therefore the 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 identified as material topics. 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, are to be considered as overarching topics that are closely linked with the development of S IMMO as a whole. These two topics are addressed below. In order to reflect the importance of human rights, this topic is covered in detail in the section on General topics.

Digitalisation

S IMMO deals intensively with the opportunities and risks of digitalisation in light of the company's activities and workflows. To take account of its growing importance, the topic was integrated into the Management Board's responsibilities in the financial year 2021. The aim is to continue to develop the company from a process-led to a data-led organisation in the medium term. External consulting firms and IT service providers are also involved in this process in addition to the Management Board and internal experts. The scope of the project ranges from IT governance and security issues to collaboration processes and reporting routines.

Digitalisation enables work processes and workflows to be optimised and automated and employees' skills to be enhanced. These measures aim to raise productivity and efficiency. The digitalisation initiative additionally aims to play a part in ensuring competitiveness and to increase flexibility in a changing business and working world.

S IMMO also sees potential in the digitalisation measures to reduce emissions resulting from business trips and other travel. Virtual meetings have a role to play in saving costs and emissions by reducing the need for travel. These meetings do not require additional IT equipment to be purchased to any significant extent, meaning that S IMMO will not make materially negative contributions to electronic waste or increased energy consumption in this regard. If new company mobile phones, laptops, etc., have to be purchased, the emphasis will be placed on high-quality products with a long useful life. Old devices that are still serviceable will be given to an external company, which will refurbish and sell them to private users at affordable prices. The product lifecycle of the IT equipment can be extended in this way.

With regard to its employees, the company sees benefits in terms of the increase in efficiency and flexibility and also in the active and passive travel time that can be saved. More efficient workflows will minimise sources of errors and save time. The company is aware that the increased flexibility might also have a negative impact on work-life balance, however.

Against the backdrop of the increasing digitalisation of company workflows, IT security risks are becoming more significant. S IMMO defines IT security risks as the danger that the confidentiality, availability or integrity of business data may be

breached as a result of unauthorised disclosures, encryption or losses and the company or individuals will be prevented from successfully carrying out their tasks or processes in a timely manner. This can be the result especially of inadequate permission concepts, cyberattacks and the theft of hardware. In order to minimise these risks, an external penetration test was introduced in the year under review and will be conducted annually to identify and rectify IT security vulnerabilities. S IMMO employs a central user and log management system and runs an intelligent cyberdefence program and other programs to automatically identify data security risks around the clock. Moreover, hard drives, data storage media and mobile devices are encrypted and servers are hosted in a fail-safe data centre of an external service provider. The company's data security policy is constantly being refined. Mandatory annual staff training on data security was introduced in the reporting year. For details, please see page 71 onwards.

Sustainable value enhancement

S IMMO has now been pursuing a prudent and proven business policy for 35 years. Sustainable value enhancement in the interest of shareholders is a key aspect of the corporate strategy. The company's business activities are not geared towards short-term profits, but pursue balanced and consistent development that takes into consideration both financial success and social and ecological impacts. Details of the business model can be found in the Group fundamentals section starting on page 90.

The company plays its part in local value creation through its business activities by promoting economic and infrastructure development and creating and securing jobs. From the revenues that are generated, taxes are paid in turn to the states in which the company operates.

The focus of companies on making profits, however, can also have negative impacts on people and the environment. The most significant of these include negative impacts on employees and pressures on the environment and climate. As explained in the other sections of this non-financial report, the company has set itself the goal of continually identifying and minimising any negative impacts it creates. For example, one of S IMMO's undertakings is always to provide its employees with fair working conditions, and it supports charitable commitments in the countries in which it operates. Also with regard to environmental impacts, the company implements measures ensuring its properties are designed to be resource-efficient, low-emission and user-friendly.

ESG strategy

An ESG strategy that is applicable throughout the Group was developed and presented in the 2022 financial year. The implementation of some of the measures was started on in the same year, while integrated implementation across all action areas will begin in 2023. The strategy includes 49 targets – including 15 core targets – as well as related measures and key performance indicators in the areas of environment, social and governance as well as in relation to general topics.

The relevant specialist departments, based on the specific topics, are responsible for tracking individual targets and implementing measures, and the Sustainability Management staff unit takes on the responsibility for coordinating implementation. The Management Board is responsible for ensuring compliance with the strategic objectives.

In the course of the consolidation of S IMMO AG by IMMOFINANZ AG and subsequently by CPI Property Group S.A., adjustments were made when the non-financial report was prepared in the interests of efficient data management and transparent reporting. It seems sensible in the medium term to also consolidate the targets that have been set in the areas of environment, social and governance, including those relating to the protection of human rights, in order to be able to bundle the future endeavours in these areas in the best possible way. Against this backdrop, changes to the current ESG strategy may arise in the years to come. One adjustment that has already been made to this effect is the change in the reference value of some targets and key performance indicators from main lettable area to gross lettable area, as the latter is used in similar form by CPI Property Group S.A. and IMMOFINANZ AG as a basis for non-financial disclosures. This will enable greater comparability of developments and measures. The change does not have a material effect on the informative value of the targets.

Our ESG strategy

Our core goals

General topics

Certification of at least 40% of the commercial gross lettable area according to BREEAM, DGNB, LEED or WELL by 2025

Environment

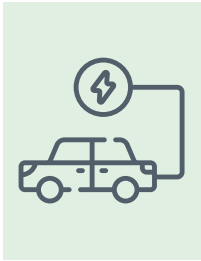
E

Environment

25% reduction in energy intensity by 2030 (base year 2021)

Purchase of electricity exclusively from 100% renewable sources by 2022

25% reduction in water intensity by 2030 (base year 2021)



Promotion of environmentally friendly mobility of employees and electrification of corporate fleet by 2026

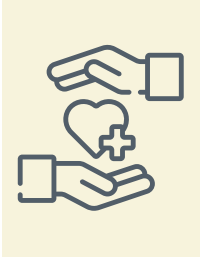
30% reduction in intensity of property-related, market-based greenhouse gas emissions by 2030 (base year 2021)

Social

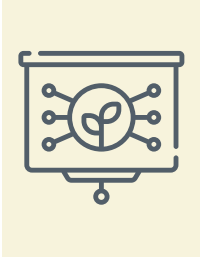
S

Social

50% share of female employees and senior managers by 2025

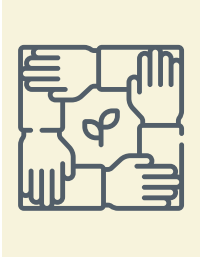


Free access to preventive physical and mental healthcare for all employees by 2023



Internal and external training hours for all employees

Introduction of binding green leases



Annual tenant satisfaction surveys

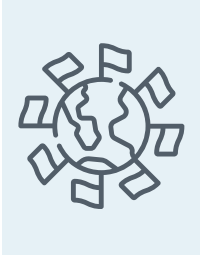
Governance

G

Governance

Alignment of 25% of the variable Management Board remuneration to ESG criteria by 2025

Mandatory annual employee training on compliance and human rights policies



Establishment of sustainable supply chain management processes by 2025

External audit of the non-financial reporting with reasonable assurance by 2026

Our goals in detail

ESG focus area	Strategic goal	Time horizon	Key performance indicator	Measures
General topics				
Regulatory frameworks, principles and standards	Annual non-financial reporting according to GRI Standards	ongoing	–	Annually updated reporting on all material topics in the areas of environment, social and governance as well as general topics according to applicable GRI Standards
	Application of additional global standards in non-financial reporting	ongoing	–	Application of the disclosure recommendations of EPRA sBPR, GHG Protocol and TCFD; assessment of additional standards in terms of relevance and feasibility
Partnerships, memberships, ESG ratings and certifications	Strengthening and improvement of relevant ESG ratings	ongoing	ISS ESG Corporate Rating and QualityScore, MSCI ESG Rating, Sustainalytics ESG Risk Rating	Active participation in the ESG ratings of ISS, MSCI and Sustainalytics; assessment of additional ESG ratings in terms of relevance and feasibility
	Certification of at least 40% of the gross lettable area of commercial properties according to BREEAM, DGNB, LEED or WELL	2025	Percentage of the gross lettable area of commercial properties certified according to BREEAM, DGNB, LEED or WELL	Emphasis on pre-certification, certification or future certifiability according to BREEAM, DGNB, LEED or WELL during the acquisition process; certification of all in-house project developments and suitable existing buildings according to BREEAM, DGNB, LEED or WELL
ESG risk management	Establishment of comprehensive ESG risk management processes	ongoing	–	Identification of the material ESG risk areas and individual risks as well as potential interactions with other risk areas; integration of climate risk management processes; ESG risk monitoring and control; identification of mitigation measures
	Establishment of science-based climate risk management processes	2023	–	Identification of the regulatory requirements and additional relevant standards (in particular EU Taxonomy and TCFD); identification of material physical and transitory climate risks; integration into the general ESG risk management processes; introduction of a digital solution for climate risk monitoring and control based on scientific climate scenarios; identification of climate adaptation measures
Environment				
Implementation of the EU Taxonomy	Increase in EU Taxonomy alignment of economic activities	ongoing	Percentage of taxonomy-aligned turnover, capital expenditure (CapEx) and operational expenditure (OpEx)	Assessment of all economic activities for taxonomy eligibility; identification of current and potential taxonomy-aligned economic activities based on technical screening and DNSH criteria; identification of required data and data sources; establishment of standardised processes for data collection and storage; ensuring the minimum safeguards through organisational and procedural establishment of human rights management processes
Energy management	25% reduction in energy intensity (base year 2021)	2030	Energy intensity in kWh/m² (gross lettable area)	Digital consumption data management and identification of potential efficiency improvements; fitting of digital main meters for near real-time consumption data collection; assessment and wherever possible installation of intelligent building management systems; optimisation of pre-set operating times and setpoints of building services; use of building thermography; assessment and wherever possible implementation of energy-efficient refurbishment measures (insulation, windows, building services, heat recovery); installation of LED lighting; assessment and wherever possible fitting of contact sensors and motion detectors; raising awareness among service providers and tenants
	Annual energy-efficient refurbishment of at least 20,000 m² of gross lettable area	ongoing	Gross lettable area for which energy-efficient refurbishments have been completed in m²	Calculation of building-specific decarbonisation pathways and prioritisation of actions; assessment and wherever possible improvement of exterior and interior insulation (roof, basement, exterior walls); window renovations; modernisation of building services (in particular HVAC systems) and implementation of heat recovery solutions
	Purchase of electricity exclusively from 100% renewable sources	2022	Percentage of electricity from 100% renewable sources	Purchase of electricity exclusively from 100% verifiably renewable sources and wherever possible on the basis of direct power purchase agreements; raising awareness among tenants and wherever possible expansion of purchasing to include tenants
	Annual installation of renewable energy systems with a total nominal power output of at least 1,000 kW	ongoing	Total nominal power output of installed renewable energy systems in kW	Assessment and wherever possible installation of photovoltaic systems, heat pumps and other renewable energy systems for existing buildings and project developments
	Assessment of a switch from natural gas, liquefied petroleum gas and heating oil to district heating, geothermal energy, heat pumps or renewable fuels	ongoing	Percentage of buildings with heating systems using district heating, geothermal energy, heat pumps or renewable fuels	Assessment and wherever possible replacement of heating systems using natural gas, liquefied petroleum gas and heating oil with more environmentally friendly alternatives using district heating, geothermal energy, heat pumps or renewable fuels
	Fitting of all buildings with digital main meters for electricity and heat	2025	Percentage of buildings with digital main meters	Replacement of non-digital main meters for electricity and heat with digital meters or installation of digital sub-meter
Water management	25% reduction in water intensity (base year 2021)	2030	Water intensity in l/m² (gross lettable area)	Installation of water-saving tap aerators and plumbing fixtures in existing buildings and project developments; consideration of ease of cleaning in project developments; optimisation of flushing systems; leak tests; assessment and installation of grey water and rainwater systems; raising awareness among service providers and tenants
	30% reduction in water intensity in areas subject to water stress (base year 2021)	2030	Water intensity in l/m² (gross lettable area)	Identification of areas with elevated water stress; installation of water-saving tap aerators and plumbing fixtures in existing buildings and project developments; consideration of ease of cleaning in project developments; optimisation of flushing systems; leak tests; assessment and installation of grey water and rainwater systems; raising awareness among service providers and tenants
	Fitting of all buildings with digital main water meters	2026	Percentage of buildings with digital main meters	Replacement of non-digital main water meters with digital meters or installation of digital sub-meter

ESG focus area	Strategic goal	Time horizon	Key performance indicator	Measures
Raw materials and waste management	Assessment of building materials as well as construction and deconstruction processes with regard to circularity	ongoing	–	Assessment and wherever possible consideration of circularity principles in project developments, renovations and deconstruction; assessment of raw materials and building components used with regard to sortability, reusability and recyclability; assessment and wherever possible use of environmentally friendly building materials; raising awareness among service providers
	Use of digital material registry for all project developments and full renovations	2025	Percentage of project developments and full renovations for which a digital material registry is used	Selection and introduction of a digital material registery for use along the supply chain during project developments and full renovations
	Establishment of portfolio-wide waste data collection	2024	–	Identification of required data and data sources; establishment of standardised processes for data collection and calculation of waste flows; assessment and wherever possible implementation of measures for reducing waste generation (in particular general waste) and improving waste separation; raising awareness among service providers and tenants
Biodiversity and land use	Expansion of natural greening of buildings and open spaces	ongoing	–	Assessment and wherever possible implementation of natural extensive and intensive greening solutions for rooftops, façades and open spaces; planting of wildflower meadows instead of lawn areas; assessment and wherever possible incorporation of measures into local biodiversity strategies
	Assessment of possible soil desealing	ongoing	Desealed area in m²	Assessment and wherever possible implementation of full and partial soil desealing measures taking into account underground sealing; assessment and wherever possible implementation of rainwater management systems
Mobility	Transition of corporate fleet to electric or hybrid vehicles	2026	Percentage of electric and hybrid vehicles	Procurement of fit-for-purpose electric vehicles (and hybrid vehicles if needed) as replacements for internal combustion engine vehicles; assessment and wherever possible execution of procurement in alignment with the EU Taxonomy; further development of the vehicle fleet procurement policy
	Promotion of environmentally friendly mobility of employees	ongoing	–	Reimbursement of costs for tickets for regular commuting on public transport; expansion of provision of secure bicycle storage and showering facilities; purchase of bicycles and electric scooters for travelling short distances for work and borrowing for personal use; further development of the business travel policy into a mobility concept; raising awareness among employees
	Promotion of environmentally friendly mobility of tenants	ongoing	–	Visible and wherever possible near real-time information about the building's connections to public transport; expansion of the provision of secure bicycle storage and showering facilities; expansion of the installation of electric vehicle charging stations in short-term parking spaces; assessment and wherever possible development of bike and car-sharing offers; raising awareness among tenants
Greenhouse gas emissions	30% reduction in intensity of property-related, market-based greenhouse gas emissions (base year 2021)	2030	Intensity of property-related, market-based greenhouse gas emissions in kg CO_2e/m^2 (gross lettable area)	Calculation of building-specific decarbonisation pathways and prioritisation of actions; reduction in energy intensity (digitalisation of consumption data management, optimisation of building services, energy-efficient refurbishments); purchase of electricity exclusively from 100% renewable sources; installation of renewable energy systems and more environmentally friendly heating systems; further development of the calculation of greenhouse gas emissions according to the GHG Protocol; raising awareness among service providers and tenants
	Preparation of life cycle assessments for all project developments and full renovations	2025	Percentage of project developments and full renovations for which a life cycle assessment was prepared	Preparation of life cycle assessments and comparative calculations over the entire life cycle of the buildings during the planning of project developments and full renovations
Social				
Diversity, equity and inclusion	No confirmed cases of discrimination or sexual harassment	ongoing	Number of confirmed cases of discrimination and sexual harassment	Agreement on the Code of Conduct with all employees; establishment of a working group on the topics of diversity, equity and inclusion; raising awareness for the role of the digital whistleblower system; mandatory annual employee training
	50% share of female employees	ongoing	Share of women	Consideration of gender diversity within departments; inclusive candidate communication; flexible working models; identification and elimination of gender pay gaps
	50% share of female senior managers	2025	Share of women	Active outreach to existing female employees in case of vacancies and support and individual training for transition into a senior management role; inclusive candidate communication; flexible working models; identification and elimination of gender pay gaps
	Establishment of an accessible and inclusive application process	2023	–	Identification of potential systemic obstacles and unequal opportunities in the application process; redesign of the application process based on diversity, equity and inclusion principles; inclusive candidate communication; raising awareness among employees
	Annual employee surveys on diversity, equity and inclusion in the workplace	ongoing	Response rate	Establishment of a working group on the topics of diversity, equity and inclusion; design and conducting of anonymous and voluntary employee surveys on the topics of diversity, equity and inclusion; analysis and communication of aggregated results to employees and joint development of improvements; selection of and participation in relevant initiatives
Labour standards and occupational safety	Ergonomic workspaces for all employees	2024	Percentage of employees with ergonomic workspaces	Inspection of computer workstations and individual consultation with ergonomics experts; provision of ergonomic office furniture and work equipment; raising awareness among employees
	Free access to preventive physical and mental healthcare for all employees	2023	Percentage of employees who made use of the services offered	Expansion of annual health check-ups and vaccination campaigns; development of counselling offer for exercise and nutrition; development of anonymous counselling offer and activities for stress and burnout prevention; mandatory annual training for senior managers on stress and burnout prevention; raising awareness among employees
	No workplace accidents	ongoing	Number of workplace accidents	Appointment of health and safety officers at every office location; provision of ergonomic workspaces; identification and elimination of workplace hazards; mandatory annual employee training; voluntary first aid courses

ESG focus area	Strategic goal	Time horizon	Key performance indicator	Measures
	Annual adjustment of base salaries to inflation for all employees	2023	–	Annual country-specific adjustment of base salaries to inflation for all employees
	Annual performance development reviews for all employees	ongoing	Percentage of employees who had a performance development review	Performance development reviews at least once a year and more often if necessary; individual agreement of annual objectives and biannual progress review; fostering of a proactive and two-way feedback culture
	Completion of at least eight hours of training per employee per year	ongoing	Percentage of employees who completed at least eight hours of training	Allowance of at least four internal and four external training hours per employee as approved by the senior manager (with the exception of mandatory training); preparation of department-specific budgets and training catalogues; collection of employee feedback; expansion of the digital learning platform; development of a strategic knowledge management framework
Remuneration, training and employee retention	Maximum employee turnover of 15%	2025	Employee turnover rate	Expansion of personal development opportunities (in particular performance development reviews and training offers); further development of employee benefits; fostering of a proactive and two-way feedback culture; establishment of a standardised offboarding process and exit interviews to ascertain reason for leaving and identify possible improvements
Tenant communi-cation	Introduction of binding green leases	ongoing	Percentage of rental income on the basis of binding green leases	Development of a framework for tenant communication in order to raise awareness with regard to sustainability issues and promote open dialogue; introduction of binding lease agreements and addendums stipulating the joint sustainable operation of the building (green leases); systematic recording of the green leases in place
Tenant satisfaction	Annual tenant satisfaction surveys	ongoing	Tenant satisfaction level	Design and conducting of tenant satisfaction surveys for buildings representative of the portfolio; analysis and communication of results to tenants and joint development of improvements
	No violations of the General Data Protection Regulation	ongoing	Number of violations of the General Data Protection Regulation	Use of an intelligent program for the automated identification of GDPR-related risks; further development of the GDPR policy; mandatory annual employee training
Privacy, data protection and data security	No unauthorised publication, encryption or loss of data	ongoing	Number of incidents involving the unauthorised publication, encryption or loss of data	Annual external penetration testing; centralised user and log management; use of intelligent cyberdefence software and programs for the automated identification of data security risks; encryption of hard drives and data storage devices; further development of the data security policy; mandatory annual employee training
Governance				
Management structure and remuneration	Alignment of 25% of the variable Management Board remuneration to ESG criteria	2025	Percentage of variable Management Board remuneration aligned to ESG criteria	Increase in the alignment of variable Management Board remuneration to ESG criteria from 10% to 25%; annual determination of strategic priorities and linking of remuneration to corresponding key performance indicators
Diversity, structure and independence of the Supervisory Board	At least 40% share of women on the Supervisory Board	2025	Share of women	Consideration of gender diversity in the nomination process
	Agreement on the Code of Conduct with all employees	2023	Percentage of employees who agreed on the Code of Conduct	Written agreement on the Code of Conduct with all employees; further development of the Code of Conduct; raising awareness for the role of the digital whistleblower system; mandatory annual employee training
Code of Conduct and whistleblowing	Disclosure of the handling of violations of the Code of Conduct, compliance and human rights policies	ongoing	–	Raising awareness for the role of the digital whistleblower system; documentation and anonymised publication of the grievance mechanisms, the number and type of complaints lodged and confirmed and the remediation measures taken in response; mandatory annual employee training
Prevention of bribery, acceptance of benefits and corruption	Mandatory annual employee training on compliance and human rights policies	ongoing	–	Mandatory employee training on compliance (in particular anti-corruption and issuer compliance) and human rights policies; raising awareness for the role of the digital whistleblower system; further development of the compliance and human rights policies
Supply chain management	Establishment of sustainable supply chain management processes	2025	–	Organisational and procedural establishment of sustainable supply chain management processes focusing on environment and human rights; development of an environmental policy and further development of the organisational policy on human rights for implementation and fulfilment by service providers; establishment of monitoring and improvement mechanisms; raising awareness among service providers
Audits	External audit of the non-financial reporting with reasonable assurance	2026	Audit opinion	External audit of the non-financial reporting without publication of an audit opinion for the 2023 financial year and implementation of improvements; external audit of the non-financial reporting with limited assurance for the 2024 financial year; external audit of the non-financial reporting with reasonable assurance for the 2025 financial year

The core goals are highlighted in colour in the column “Strategic goal”.

Sustainability management

To take account of the increased requirements placed on sustainability management, the topic was firmly anchored within the S IMMO organisation in 2021. To this end, the area of digitalisation/ESG was established as a Management Board responsibility and assigned to a board member. Furthermore, the Sustainability Management staff unit was created as a central point where sustainability issues across all departments and subsidiaries are consolidated and coordinated on a central basis. The unit reports directly to the Management Board. The Supervisory Board set up its own dedicated ESG committee as a control and management body in the autumn of the same year. This committee monitors the company's activities and its social, economic and environmental responsibility and is informed by the Management Board and the staff unit in detail about current focal points and areas of activity during its meetings.

In the business operations, the Sustainability Management unit works intensively with the individual departments on implementing S IMMO's strategic ESG goals and is responsible at the same time for collecting and analysing data on relevant key performance indicators. The awareness and understanding of ESG and sustainability is thus promoted in dialogue with the specialist departments throughout the Group and among all the employees. Moreover, S IMMO's Sustainability Management unit is responsible for selecting and implementing international standards in the non-financial reporting.

Existing and potential risks that arise in the context of S IMMO's business activities and could have an impact on various sustainability matters have been incorporated into the Group's general risk management since the year under review. This risk management is the responsibility of the correspondingly named function within S IMMO and responsibility for its implementation is currently also assigned to a member of the Management Board. Another independent function, which is currently fulfilled operationally by a member of the Management Board, is Compliance Management, which is responsible for the areas of capital market and criminal compliance, including the associated organisational guidelines and employee training, as well as the Code of Conduct.

ESG risk management

As part of S IMMO's ESG strategy, which was published in September 2022, a comprehensive ESG risk management process was established and the ESG risks were fully integrated in all of the company's risk management processes in the year under review. To this end, the existing risk catalogue was revised to include all material ESG risks. In terms of processes and contents, environmental, social and governance risks are handled in the same way as all other risks. Consideration of the double materiality plays an important role here, as both risks that have an impact on the company from outside and risks that may have an impact on the environment and other stakeholders from within the company as a result of its business activities are assessed.

Special points of focus in the year under review included the detailed consideration of human rights risks and the expansion of Group Risk Management as a result of the introduction of science-based climate risk management processes. This latter focus serves primarily to ensure that the increased requirements that the company has to fulfil for example as a result of the EU Taxonomy and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) are satisfied. Details of the material ESG risks and the measures for identifying, assessing, preventing and mitigating them are described in the separate risk management report starting on page 102 of the Group management report.

General topics

Human rights

S IMMO is aware that it comes into direct and indirect contact with questions relating to human rights as a result of its business activity. Against this backdrop, we revised and expanded our Group-wide approach to human rights in the 2022 reporting year. To this end, Compliance Management at S IMMO replaced the company's previous human rights policy with a significantly more extensive organisational policy on respecting human rights and established uniform processes and workflows in the area of human rights management. In addition, relevant human rights issues were integrated in the Group-wide risk catalogue and thus in S IMMO's active risk management.

S IMMO is committed to respecting, protecting and promoting international human rights in the course of all of its activities and does not tolerate any form of discrimination. This involves preventing and dealing with human rights violations that may arise as a result of the company's activities on the one hand and, on the other, investing efforts in preventing or mitigating any negative impacts on human rights that may arise in the course of direct business relationships. S IMMO has undertaken to maintain a work environment that is characterised by mutual trust, in which diversity and inclusion are valued and in which everyone is treated with dignity and respect. S IMMO complies with laws and regulations on the protection of human rights, fair working conditions and other provisions of labour law and refers here explicitly to

- the International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights,
- the Fundamental Principles and Core Labour Standards of the International Labour Organisation (ILO),
- the UN Guiding Principles on Business and Human Rights and
- the OECD Guidelines for Multinational Enterprises

as frameworks for defining its publicly available organisational policy on human rights, which governs our Group-wide approach to human rights issues. This relates to how human rights are embedded in our organisation and operations and also includes the existing complaint mechanisms and the procedures for monitoring effectiveness and publishing disclosures.

The employees and the members of the executive bodies of S IMMO are required by the company's Code of Conduct to observe the precepts of this organisational policy and the rights and principles it contains in their day-to-day activities. Furthermore, S IMMO expects our non-Group service providers and suppliers, irrespective of their size, to observe the contents of this policy. A commitment from these external business partners is not currently in place yet, but the preparation of a declaration to this effect is planned.

The implementation of human rights does not fall under the company's active sphere of influence in all cases, as most of the requirements have to be established and maintained at the state level. S IMMO has therefore identified human rights issues that it classes as particularly relevant and actively addresses in relation to its business activities and supply chains. A selection of these issues is listed below in line with the scope of application at S IMMO and briefly defined from the company's perspective. A general overview can be found in the relevant organisational policy at www.simmoag.at/sustainability/governance.

S IMMO is committed to equal treatment and prohibits any discrimination on the basis of ethnic origin or nationality, language, social origin, age, gender, gender identity, sexual orientation, religion, political or other belief, mental or physical ability or other status. Every kind of sexual harassment, hatred and war propaganda is also prohibited. S IMMO protects the rights of ethnic, religious and linguistic minorities and recognises the freedom of thought, conscience and religion of every individual.

S IMMO also recognises the right to just and favourable conditions of work and social security and undertakes to pay its employees a fair and living wage or salary and to fully respect both the right to and the results of collective bargaining. The company is committed to freedom of association and ensures that the interests of its employees are represented by the Works Council, which they freely elect. S IMMO's corporate culture includes professional interaction with employee representatives without any preferential or disadvantageous treatment whatsoever. The company maintains an open relationship with the Works Council based on a foundation of trust and conducts constructive and collaborative dialogue with this body in order to pursue a fair balance of interests. As of 31 December 2022, only the location in Vienna had a Works Council.

The company prohibits any form of exploitation and explicitly forbids slavery, torture, forced and compulsory labour as well as child labour. Violations of occupational health and safety provi-

sions or of employee rights are not permitted. Everyone has a right to physical and mental health, while mothers enjoy special protection for a reasonable period before and after giving birth. Everyone has the right to file a complaint in the event of a violation of human rights and employees are required to report complaints and suspected incidents involving actual and potential human rights violations through the established complaint mechanisms.

The Management Board of S IMMO has adopted and supports the organisational policy introduced in the reporting year. The operational implementation and continual guarantee of human rights due diligence is the responsibility of S IMMO's Compliance Management, a Group-wide function that is currently performed by one of the members of the Management Board. This includes both the ongoing identification and assessment of actual and potential human rights violations in accordance with the precautionary principle and the initiation and follow-up of preventive, mitigation and remedial measures within the company's sphere of influence, if necessary in consultation with the rest of the Management Board and in so far as this lies within the company's control. In order to identify and address specific issues in the best possible way, Compliance Management coordinates closely with the Group departments or local management of the S IMMO branches when necessary.

The central point of contact for all complaints and suspicious activity reports regarding actual and potential human rights violations is S IMMO's Compliance Management. In addition, the local management in the branches can also be contacted in the first instance. An anonymous report can also be submitted through the Group's digital whistleblower system. All three channels are always open to employees and non-employees alike. All reported incidents are received by Compliance Management and are treated confidentially and with the assurance that anonymity is guaranteed. Once an incident is confirmed, possible countermeasures are identified. At least one additional member of the Management Board will be involved in this process.

Should several human rights violations occur at the same time, the violations that involve serious and time-critical impacts will be prioritised. These complaint mechanisms pursue the goal of meeting the requirements of legitimacy, accessibility, predictability, equitability, transparency and compatibility with human rights at all times. The type of measures that are taken is decided entirely on a case-by-case basis and is determined individually in accordance with applicable law and, where possible, in dialogue with the parties concerned.

S IMMO's Compliance Management continuously documents actual and potential human rights violations that are identified, complaints that are received and measures that are implemented. This also includes measures for actively promoting human rights regardless of any complaints and suspicious activity reports as well as the further development of this organisational policy in general terms. This information, in particular the number of complaints that are received and confirmed and the measures that are implemented, is published annually in anonymised form. Cases are also processed internally in accordance with the confidentiality principle as learning examples in order to prevent similar cases from recurring as far as possible.

With the exception of test runs conducted on the processes, no complaints or suspicious activity reports were received and no human rights violations were identified at S IMMO's branches in the reporting year.

Since 2022, employees have received annual training on the contents and implementation of the organisational policy on human rights as well as on the digital whistleblower system, which plays a key role in the anonymous reporting of human rights violations.

Building certifications

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 the Group started the step-by-step certification of its properties using internationally recognised certification frameworks for buildings with sustainable features – known as green buildings – in 2012. All S IMMO's development projects are now planned and implemented in accordance with these standards, while acquisitions of properties are also evaluated with a view to certification or their ability to be certified. As part of its ESG strategy, S IMMO has set itself the goal of obtaining BREEAM, DGNB, LEED or WELL certification for at least 40% of the gross lettable area of its commercial properties.

S IMMO already succeeded in achieving this goal at the end of 2022. As of 31 December 2022, S IMMO's property portfolio that was certified under BREEAM, LEED and WELL comprised a total of 23 properties (2021: 11) with a gross lettable area of 496,375 m^2 (2021: 248,658 m^2). This corresponds to 34.8% (2021: 21.0%) of the gross lettable area of the entire portfolio and a year-on-year increase of 99.6%. This also means that, as of the reporting date, 45.4% of the gross lettable area of commercial properties in the portfolio was certified in accordance with green building standards and the target set for 2025 has already been exceeded.

Certified properties as of 31 December 2022

Property	Country	Property type	Certification	Certified gross lettable area in m²
10000 Zagreb, Miramarska cesta 23 (Eurocenter)	Croatia	Office	BREEAM Very Good	8,638
010735 Bucharest, Calea Griviței 82-98 (The Mark)	Romania	Office	BREEAM Excellent	26,278
012095 Bucharest, Strada Aviator Popișteanu 54A (EXPO Business Park)	Romania	Office	BREEAM Outstanding and WELL Health-Safety	42,859
040055 Bucharest, Calea Văcărești 391 (Sun Offices)	Romania	Office	BREEAM Good	10,037
040055 Bucharest, Calea Văcărești 391 (Sun Plaza)	Romania	Retail	BREEAM Pass	81,448
061102 Bucharest, Bulevardul Iuliu Maniu 6N (Campus 6.2)	Romania	Office	LEED Platinum and WELL Core Gold	20,014
061102 Bucharest, Bulevardul Iuliu Maniu 6P (Campus 6.3)	Romania	Office	LEED Platinum and WELL Core Gold	17,922
1016 Budapest, Hegyalja út 7-13. (Buda Center)	Hungary	Office	BREEAM Very Good	6,618
1037 Budapest, Szépvölgyi út 35-37. (Szépvölgyi Business Park)	Hungary	Office	BREEAM Very Good	10,352
1065 Budapest, Nagymező utca 44. (Pódium)	Hungary	Office	BREEAM Very Good	6,080
1077 Budapest, Kéthly Anna tér 1. (Greenpoint 7)	Hungary	Office	BREEAM Very Good	15,402
1087 Budapest, Hungária körút 40-44. (Arena Corner)	Hungary	Office	BREEAM Very Good	29,713
1095 Budapest, Soroksári út 30-34. (Haller Gardens)	Hungary	Office	BREEAM Very Good	35,479
1117 Budapest, Garda utca 2. (BudaPart Gate)	Hungary	Office	LEED Gold	20,290
1134 Budapest, Váci út 35. (River Estates)	Hungary	Office	BREEAM Very Good	21,341
1134 Budapest, Váci út 45. (Átrium Park)	Hungary	Office	BREEAM Very Good	38,919
1138 Budapest, Dunavirág utca 2-6. (Gateway Office Park)	Hungary	Office	BREEAM Very Good	36,176
1138 Budapest, Váci út 182. (Blue Cube)	Hungary	Office	BREEAM Very Good	10,863
1139 Budapest, Pap Károly utca 4-6. (Thirteen Xenter)	Hungary	Office	BREEAM Very Good	8,291
1139 Budapest, Teve utca 1a-c. (Thirteen Globe)	Hungary	Office	BREEAM Very Good	17,311
1139 Budapest, Váci út 99. (Balance Hall)	Hungary	Office	BREEAM Very Good	16,070
1139 Budapest, Váci út 99. (Balance Loft)	Hungary	Office	BREEAM Very Good	6,792
1139 Budapest, Váci út 99. (Balance Tower)	Hungary	Office	BREEAM Very Good	9,482
Total				**496,375**

This significant increase was achieved because almost all the buildings acquired in the year under review have green building certification. The company also plans to continue to increase the proportion of certified properties through acquisitions, developments and modernisations.

The proceeds from the two green bonds issued by S IMMO in 2021 and 2022 respectively, which total EUR 95.5m following a partial repayment as a result of a change of control event in June 2022, went in their entirety into the (re)financing of acquisitions of properties certified as green buildings and were allocated in full as of the reporting date of 31 December 2022.

Partnerships and memberships

S IMMO uses partnerships and memberships 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 committed to the transfer of knowledge to increase sustainability. In 2022, for example, ÖGNI published a position paper on the interplay between digitalisation and sustainability in the property sector on which S IMMO had worked for a year together with other industry representatives. These partnerships will also be continued in 2023.

ESG ratings

In order to improve the transparency and comparability of how companies deal with different sustainability issues, ESG rating agencies have been established around the world that can offer institutional investors in particular guidance when it comes to assessing companies and investment decisions. As part of its ESG strategy, S IMMO has decided to make active use of the ESG ratings provided by ISS, MSCI and Sustainalytics and to have its sustainability work and reporting assessed. Other ESG ratings are continually examined to see whether they are relevant and feasible. In 2022, S IMMO was able to achieve some significant improvements in its ESG ratings thanks to the measures it implemented and its expanded reporting.

The ISS ESG QualityScore comprises three individual assessments rated from 1 to 10 in the areas of environment, social and governance. In the last assessment conducted on 02 December 2022, S IMMO recorded a large positive jump from 5.67 to 2.33 on average in comparison to the prior year and even achieved the highest mark of 1 in the area of governance. With the MSCI ESG Rating, MSCI rates risk exposure in the areas of environment, social and governance on a scale from AAA to CCC. S IMMO increased its MSCI ESG rating at the end of 2021 from BBB to A and has maintained it ever since. In its assessments, Sustainalytics places the focus on the future viability and the risk management of companies in view of financial losses that might be incurred from ESG risks. S IMMO succeeded in improving its Sustainalytics ESG Risk Rating year-on-year from 21.2 to 15.0 in 2022 and is thus rated as “low risk”. S IMMO is ranked in the top third of companies in an industry comparison. The company intends to consolidate and, where possible, improve on these results in the ESG ratings in the future.

Environment

Consideration of environmental aspects has been an integral part of S IMMO's strategic and operational activities for many years. In order to ensure that the responsible treatment of the environment is formalised, concrete environmental goals were defined during the reporting year that pursue, among other things, the reduction of energy and water consumption as well as the reduction of greenhouse gas emissions by 2030. These environmental goals, which are anchored in the ESG strategy, also reflect the results of the materiality analysis conducted in 2021. With the involvement of various stakeholder groups, the following environmental topics were identified as material:

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

Within the framework of the ESG strategy, ESG focus areas were defined on the basis of which goals and measures are set. These are closely linked both in their implementation and in their objectives, and against this backdrop, reporting on the six material environmental issues is carried out along operational fields of action as presented in the ESG strategy.

The Management Board of S IMMO is responsible for compliance with the goals set out in the ESG strategy. At the time of publication of this report, the allocation of operational responsibilities for both the pursuit of individual goals and the implementation of the defined measures was still in progress. In principle, responsibility for resource-efficient building operation lies with the employees and service providers assigned to the respective buildings.

In view of the ever advancing process of climate change, it has become essential that, in the sense of double materiality, we understand and take into account the mutual effects of environmental changes and business activities on each other. S IMMO therefore introduced a science-based climate risk management system during the reporting year and integrated it into the Group-wide risk management. By incorporating climate scenarios based on different greenhouse gas concentrations in the atmosphere – the Representative Concentration Pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5 – this takes into account, for example, the requirements of the EU Taxonomy and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for state-of-the-art climate risk management. Further details can be found in the risk management report starting on page 102.

In the reporting year, the IT-supported data collection and analysis in the area of energy and water consumption data of the real estate portfolio and vehicle fleet data was further optimised and expanded to include data on refrigerant consumption and waste streams. The resulting enhancement of the data quality enables the company to record, 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 operational 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 in accordance with the environmental objectives set out by the company.

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 121) and follow the operational control approach. Shares accounted for using the equity method are only taken into account when calculating greenhouse gas emissions under the category Investments.

As of 31 December 2022, S IMMO's property portfolio, which includes lettable buildings, owner-operated hotels, development projects and land banks, consisted of 364 properties (2021: 375) with a gross lettable area of around 1.4 million m² (2021: 1.2 million m²). Based on book value, properties in Austria accounted for 14.5% (2021: 17.3%) of the portfolio, while properties in Germany accounted for 38.3% (2021: 48.2%). Properties in CEE made up 47.2% of the portfolio (2021: 34.5%). Looking at the portfolio broken down by main type of use not including plots of land and based on book values, offices accounted for 56.5% (2021: 45.4%), retail properties for 12.2% (2021: 14.6%), residential properties for 25.2% (2021: 32.7%) and hotels for 6.1% (2021: 7.3%) as of 31 December 2022.

The property-related consumption and emissions data in this section refers to the entire real estate portfolio of S IMMO. As in the past, this includes all lettable buildings and the owner-operated hotels. For the first time, leasehold properties, development projects and land banks as well as acquisitions and sales during the year are also included on a monthly basis for

key indicators such as energy consumption. This means that all fully consolidated properties are covered in full.

The three buildings held by associates and joint ventures and accounted for using the equity method, which are therefore not fully consolidated, are only taken into account when calculating greenhouse gas emissions in under the category Investments. The reference value of property-related environmental indicators is the gross lettable area. The gross lettable area of buildings that were bought or sold during the year is adjusted to the exact month so that the area corresponds proportionately to the number of months relevant for the report.

Implementation of the EU Taxonomy

With the EU Taxonomy Regulation (Regulation (EU) 2020/852), the European Union 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. Economic activities should substantially support one or more defined environmental objectives and not negatively impact any of the others (Do No Significant Harm principle, DNSH). At present, the objectives "climate change mitigation" and "climate change adaptation" have been defined in more detail and are being implemented by the European Union and businesses.

In the previous year, S IMMO was 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. For the 2022 reporting year, S IMMO is also required for the first time to disclose taxonomy-aligned economic activities, i.e. sustainable activities in accordance with the environmental objectives and technical assessment criteria of the taxonomy.

All disclosures are made on the basis of the current interpretation of the legal situation and the EU Taxonomy FAQ, although uncertainties in interpretation can 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 and taxonomy-aligned economic activities.

Determination of taxonomy alignment

S IMMO has identified the economic activity "acquisition and ownership of buildings" as relevant and taxonomy-eligible in accordance with section 7.7 (Annex I), which avoids possible double counting.

With its taxonomy-eligible economic activity, S IMMO pursues the environmental goal of "climate change mitigation", thus double counting is avoided in this respect as well. In order to determine taxonomy alignment for the economic activity "acquisition and ownership of buildings" and the significant contribution to the environmental goal "climate change mitigation", several factors were taken into account to ensure alignment with the requirements of the EU Taxonomy and its criteria.

During the reporting year, S IMMO replaced the company's previous human rights policy with a significantly more extensive organisational policy on human rights and established uniform processes and workflows in the area of human rights management. Among other things, this also fulfils the explicit requirements of the EU Taxonomy for minimum safeguards within S IMMO Group. Furthermore, there were no known violations of these or other organisational policies in the area of compliance during the reporting year. More details can be found in the Governance section starting on page 74.

With regard to the technical screening criteria relevant to the economic activity "acquisition and ownership of buildings" under the environmental goal "climate change mitigation", the buildings of S IMMO were checked individually for the date of the application for a construction permit and the existence of a valid Class A energy performance certificate, if possible based on the primary energy efficiency. If a class A energy performance certificate is available and the building is a non-residential building, the nominal capacity of the HVAC systems (heating, ventilation, air conditioning, refrigeration) was recorded and, if the threshold value of 290 kW was exceeded, the efficient operation according to the EU Taxonomy was verified.

In addition, a climate risk assessment of all buildings in the S IMMO portfolio was carried out on the basis of so-called Representative Concentration Pathways (RCP). The RCPs, which were developed by scientists, describe scenarios for different increases in greenhouse gas concentrations in the atmosphere and their amplifying effect on climate change. The climate risk assessment was carried out according to the Representative Concentration Pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5 in order to avoid significant negative impacts. More information on this can be found in the risk management report starting on page 102.

In total, S IMMO has identified five buildings that currently meet the general and specific criteria according to the economic activity "acquisition and ownership of buildings". They consist of one residential building in Leipzig and four commercial properties in Bucharest. These buildings all have a Class A energy performance certificate and the application for a construction permit was submitted before 31 December 2020. If HVAC systems with a nominal capacity of more than 290 kW are installed, they are operated efficiently, although in some cases the identification of efficiency losses and opportunities for energy efficiency improvements is regularly carried out by the local technicians and not automatically by the building services.

The Bucharest location is fundamentally affected by the chronic physical risks of heat stress and water stress. According to the company's assessment, the building's operation in its current use is not significantly impaired even if the water availability is reduced but not permanently heavily restricted. First response fire protection, for example by sprinkler systems, is ensured even if the water supply is interrupted. The direct impact of the climate risk of heat stress on the buildings is significantly greater, but the cooling capacity of the HVAC systems installed in the four Bucharest properties is considered sufficient for a foreseeable rise in temperature in the coming years, as evidenced by the building documentation. In total, five properties thus form the scope of the key performance indicators for taxonomy alignment.

Determination of the EU Taxonomy indicators

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 out its properties.

The basis for the capital expenditure (CapEx) according to IFRS 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, this relates to the purchase of buildings and capitalisations directly associated with existing buildings at S IMMO.

The relevant categories for determining the taxonomy-eligible operating expenses (OpEx) 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 related to its property portfolio according to IFRS are of material importance. S IMMO does not conduct any research and development. Short-term leasing is carried out only to an extremely limited extent and is thus not taken into consideration. The maintenance expenditure associated with existing buildings is therefore classified as taxonomy-eligible.

Turnover, CapEx and OpEx are always considered taxonomy-aligned if the taxonomy-eligible proportions of turnover, CapEx and OpEx are attributable to the five buildings classified as taxonomy-aligned. None of the taxonomy-aligned amounts are for own use. These key performance indicators are being calculated for the first time for 2022, which means that they are not reported for the previous year 2021. The tables with the EU Taxonomy key performance indicators can be found from page 78 onwards. For further information on the underlying financial figures, please refer to the consolidated financial statements (from page 114) and the related notes (from page 121).

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 high global energy consumption contributes significantly to global warming and thus to climate change. In particular, the use of fossil fuels such as coal, oil and gas have a negative impact on the climate, as they release large amounts of greenhouse gases when burned. The associated rise in average global temperature has potentially negative impacts on humans and the environment. These include, for example, the rise in sea levels, the increase in extreme weather events such as heat waves and droughts, but also flooding due to precipitation events, as well as the loss of biodiversity and negative impacts on human health.

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. In this regard, the ESG strategy defined the goal of reducing the energy intensity of the buildings by 25% by 2030 compared to 2021. S IMMO's local teams and service providers are instructed to take into account a catalogue of measures for the quick identification and implementation of optimisation and savings measures in their daily work in and around the buildings.

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, 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 common 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 backdrop 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.

Natural gas and district heating, and in isolated cases also liquefied petroleum gas and heat pumps, are used in the properties of S IMMO to cover the heating demand. In rare cases, domestic heating oil is still used, although the replacement of almost all of these systems was prepared towards the end of the reporting year and has already been implemented in part.

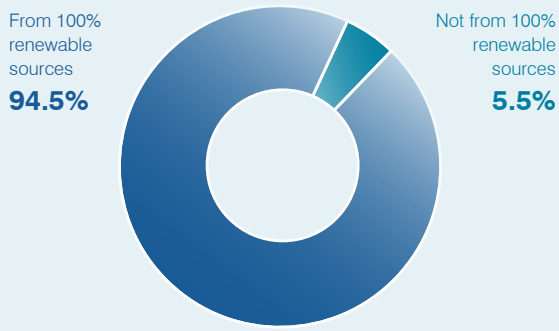
The electricity demand on the landlord's side for the whole of the property portfolio in Austria and for the most part in Germany has been covered since 2020 by purchased electricity from 100% renewable sources (solar energy, hydropower and wind energy as well as biofuels). The statement made in previous years' reports that all German buildings are already supplied with electricity from purely renewable sources turned out to be incorrect during the more detailed data collection and is hereby corrected. During 2021, the buildings in Croatia, Romania and Slovakia were switched to the purchase of electricity purely from sustainable sources, followed by the Hungarian properties in 2022.

Even before the presentation of the ESG strategy, S IMMO had set itself the goal of switching its electricity purchases portfolio-wide to 100% renewable sources by the end of 2022. This target was not fully met, but 94.5% of the electricity purchased by S IMMO in 2022 came from 100% renewable sources. 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. For this purpose, two photovoltaic systems in Vienna and Budapest with a total output of 415 kWp (kilowatt peak) were commissioned in 2022.

Another project that contributes to the target of an improved energy footprint is the use of a portfolio-wide environmental data management system to monitor environmentally relevant key figures. Against the backdrop 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. At the same time, 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, were installed in the vast majority of German properties in 2022 and connected to the IT infrastructure, where the aim is to record energy data in near real time and to be able to take corrective action when necessary and consequently optimise

Electricity mix 2022
(S IMMO as contracting partner)



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 58 et seq.).

As part of the change in reporting approach from financial to operational control, there were changes in the scope and calculation methods of the energy data. 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. The most significant change compared to the previous year's report is that consumption that can be attributed exclusively to tenant spaces is now considered to be outside the organisation, even if it is procured by S IMMO. Together with the disclosures on energy consumption when obtained directly by tenants in accordance with category 13 of the Greenhouse Gas Protocol (see page 60), 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 on the basis of 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), the German Federal Ministry of Transport, Building and Urban Development (now the Federal Ministry for Digital and Transport) and the German Energy Agency (dena).

In some cases (primarily German residential buildings), exact figures were not yet available for consumption on the part of S IMMO for this reporting year. These have also been extrapolated accordingly or comparable figures from the previous year were used. 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 the sale 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, 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 and the three buildings accounted for using the equity method, 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 58. 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 88.

Compared to the calendar year 2021, a reduction in energy intensity was recorded across all regions in the reporting year. Absolute consumption increased in CEE due to acquisitions, yet the share of electricity from 100% renewable sources was significantly increased. The consumption of some properties increased in 2022, in particular retail properties and hotels, as they had a higher level of operation than in the previous year following the COVID-19 pandemic.

Energy consumption

Energy consumption indicator	Definition	Unit	Austria 2022	Austria 2021	Germany 2022	Germany 2021	CEE 2022	CEE 2021	Total 2022	Total 2021
Energy consumption within the organisation (vehicle fleet and obtained by S IMMO for shared services)	Fuel consumption from non-renewable sources	MWh	2,778	2,298	29,004	29,006	31,333	29,286	63,115	60,590
	of which petrol consumption	MWh	7	3	53	55	0	0	60	58
	of which diesel consumption	MWh	24	36	14	7	0	0	37	44
	of which natural gas consumption	MWh	2,747	2,259	26,481	27,020	31,333	29,286	60,562	58,565
	of which liquefied petroleum gas consumption	MWh	0	0	333	297	0	0	333	297
	of which heating oil consumption	MWh	0	0	2,123	1,627	0	0	2,123	1,627
	Electricity consumption	MWh	7,028	6,764	3,822	3,756	25,897	23,242	36,747	33,762
	of which from 100% renewable sources	MWh	7,028	6,764	2,645	2,514	25,025	12,835	34,698	22,112
	Heating consumption	MWh	7,864	9,177	22,566	24,319	3,249	548	33,680	34,043
	of which from 100% renewable sources	MWh	0	0	0	0	118	0	118	0
	Total energy consumption	MWh	17,670	18,238	55,392	57,081	60,480	53,077	133,543	128,396
Energy consumption outside the organisation (obtained and/or consumed exclusively by tenants)	Energy consumption of downstream leased assets (GHG Protocol category 13)	MWh	13,499	13,744	47,537	47,670	55,517	48,114	116,553	109,528
Energy intensity	Energy intensity ratio (total energy consumption within and outside the organisation)	kWh/m²	204	210	173	177	242	254	204	208
	Gross lettable area	m²	152,815	152,083	594,083	593,273	478,236	398,197	1,225,134	1,143,553

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 since a large proportion of S IMMO's properties in Germany and Romania are located in an area with increased or high water stress according to the Group's own climate risk assessment based on the Representative Concentration Pathways and are therefore exposed to the risk of a potential water scarcity. Water stress occurs when water consumption exceeds the amount of water available in a region. Specifically, this affects properties in the cities of Berlin, Bremen, Erfurt, Halle (Saale), Kiel, Leipzig, Potsdam, Puchheim, Rostock 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 thus 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 this regard, the ESG strategy has set a target to reduce water intensity by 25% overall and 30% in areas of water stress by 2030 compared to 2021. The installation of digital main water meters and water-saving fittings will play a central role in reaching this target.

In almost all its properties, ensuring the overall water supply from the local utility companies is the responsibility of S IMMO. Only in 12 properties is water obtained partly or 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 property management and service providers of the properties. This also includes the identification of water saving opportunities and the implementation of corresponding measures.

In order to ensure consistent comparability, the water consumption of the twelve properties in which the water is procured by the tenants is also included in the key figures. As accurate data is not continuously 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**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Water consumption	Total water consumption	m³	85,848	75,764	379,839	371,232	279,836	209,524	745,523	656,521
	of which in areas subject to water stress	m³	0	0	348,743	340,546	115,748	88,227	464,491	428,773
Water intensity	Water intensity ratio	l/m²	562	498	639	626	585	526	609	574
	Gross lettable area	m²	152,815	152,083	594,083	593,273	478,236	398,197	1,225,134	1,143,553

Water intensity increased in 2022 compared to the previous year, as restrictions due to the COVID-19 pandemic were largely lifted, resulting in increased use of properties. Hotels in particular are water-intensive due to their use.

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 level. With the transition to the circular economy, S IMMO sees general potential for optimisation and an industry-wide need for action in this area. The company has set itself the goal of continuously checking the recyclability of the building materials it uses and is planning to use a digital material registry for all project developments and full refurbishments by 2025. When properties are maintained and renovated, building materials are replaced where possible with environmentally compatible alternatives. In addition to reducing noise and dust pollution for residents, effective con-

struction 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.

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. Nevertheless, complete data for the last two years are available at least for all buildings in Croatia and Romania. Thus, a cumulative total of 3,201 t (2021: 1,991 t) of non-hazardous waste was generated in these two CEE countries in the reporting year. Of this, 668 t (2021: 559 t) were recycled and 2,533 t (2021: 1,433 t) were consigned to landfills. The increase is largely due to the increased waste accumulation at Bucharest's Sun Plaza shopping centre, which is experiencing increased operations again after the COVID-19 pandemic.

In its own office premises, S IMMO attaches great importance to waste separation and avoidance and, in addition to the use of environmentally friendly paper, also utilises intelligent follow-me printer technology with minimal toner consumption.

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, with the enhanced attractiveness for the users of the building also playing an important role. Extensive green areas around and on the buildings have been considered from the outset in the development rojects 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. In addition, possible soil desealing measures for existing properties are to be continuously examined and implemented where possible.

As part of the land bank in the areas surrounding Berlin, S IMMO manages approximately 240 ha of land area, including forests 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 in 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 2022, it included a total of 17 vehicles (2021: 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 cost of the vehicles are adapted to their respective purpose and procurement has been subject to a separate organisational policy since the year under review. 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. As part of the company-wide ESG strategy, the vehicle fleet will be completely converted to electric and hybrid vehicles by 2026. 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 in Vienna and Budapest 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

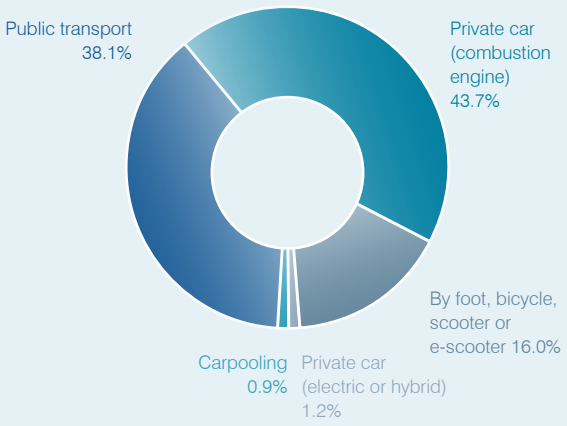
		Austria		Germany		CEE		Total	
Means of transport	**Unit**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Company car	km	85,367	79,000	151,241	140,706	0	0	236,608	219,706
Private car	km	10,403	7,956	3,015	7,399	35,675	26,654	49,093	42,009
Hire car and taxi	km	5,386	5,167	511	346	6,699	26,788	12,596	32,301
Public transport	km	49,366	30,575	48,734	27,283	5,163	17,525	103,263	75,383
Aeroplane	km	353,840	184,190	10,854	4,220	31,678	40,626	396,372	229,036
Total	**km**	**504,362**	**306,888**	**214,355**	**179,954**	**79,215**	**111,593**	**797,932**	**598,435**

In 2022, there was an increase in travel with the successive end of pandemic-related restrictions. Air travel, but also travel by public transport show 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 necessary minimum by using new forms of communication technology.

In 2021, S IMMO conducted a voluntary survey to record for the first time the commuting patterns of its employees at all locations and would like to continue this practice every two years in the future. 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, with the hotel operating companies being excluded from this year's representation in accordance with the reporting approach. 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 discount 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.

Main means of transport for daily commute



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 that companies live up to their responsibility in this respect. Not only the impacts of climate change on the company and its actions play a role here, but also the influence the company can exert on climate change. In this regard, S IMMO has defined in its ESG strategy that the intensity of its property-related greenhouse gas emissions is to be reduced by 30% by 2030 compared to 2021.

In the context of this double materiality, i.e. the mutual influences of climate and business activities on each other, S IMMO has, on the one hand, supplemented its climate risk management with reference to the requirements of the EU Taxonomy and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) with scientific scenarios based on the Representative Concentration Pathways (see risk management report starting on page 102) and, on the other hand, once again expanded the calculation of the greenhouse gas emissions associated with its activities. This expansion concerns, among other things, refrigerant leakages and the emissions of the three buildings accounted for using the equity method under the category Investments. Following the recommendations of the Greenhouse Gas Protocol (GHG Protocol) and in accordance with the operational 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 121).

With regard to the energy consumption of the property portfolio, this means that only the energy and refrigerants purchased by S IMMO and not directly attributable to tenants are included in the calculation of direct and indirect emissions according to Scope 1 and Scope 2 of the GHG Protocol. Energy and refrigerant consumption that is directly and exclusively procured or used by the tenants is considered as Scope 3 emissions, as there is no operational control according to the reporting approach.

All emission values are calculated in CO_2 equivalents and on the basis of the collected energy consumption data (see page 54), refrigerant leakages as well as the kilometres travelled for business or commuting purposes (see page 57). 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. Based on data availability and the gradual return to normal operation of the properties after the COVID-19-related restrictions in 2020, S IMMO has decided to select 2021 as the base year and thus the starting point for the future strategic reduction of its greenhouse gas emissions. The IT-supported and central monitoring and local optimisation 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.

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 through 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 or when there is a refrigerant leakage. In the operation of buildings, natural gas, liquefied petroleum gas and heating oil are used as fossil fuel sources alongside various refrigerants. 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 calculations for refrigerants are based on the Global Warming Potential (GWP) according to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). 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 has classified the following four 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
- Category 15: Investments

The reason these categories have been selected is that the energy and refrigerant consumption of the properties, which can be exclusively allocated to the tenants or which is based on direct supply contracts between the tenants and the utility company, 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 emissions 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. The same applies to the three buildings accounted for using the equity method under category 15. The company has a more direct influence 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 Scope 3 emissions also follow the distinction between location-based and market-based calculations in order to be able to show the positive effects on building operations when tenants choose renewable energy sources, and thus to further incentivise the society-wide transition to green energy. The property-related Scope 3 emissions were consequently calculated using the emission factors specified under Scope 1 and Scope 2. 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**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Direct GHG emissions (Scope 1)	Direct GHG emissions	t CO_2e	558	462	6,013	5,980	6,952	6,454	13,522	12,896
Indirect energy-related GHG emissions (Scope 2)	Location-based indirect energy-related GHG emissions	t CO_2e	2,467	2,623	3,394	3,566	7,354	6,323	13,215	12,512
	Market-based indirect energy-related GHG emissions	t CO_2e	173	202	2,513	2,729	732	2,615	3,418	5,546
Other indirect GHG emissions (Scope 3)	Location-based other indirect GHG emissions	t CO_2e	2,889	2,930	14,125	14,165	15,009	13,033	32,024	30,128
	of which category 6	t CO_2e	59	32	4	3	12	16	76	51
	of which category 7	t CO_2e	18	16	72	77	12	12	102	105
	of which category 13	t CO_2e	2,572	2,602	14,049	14,085	14,216	12,116	30,837	28,803
	of which category 15	t CO_2e	240	280	0	0	768	889	1,009	1,168
	Market-based other indirect GHG emissions	t CO_2e	2,358	2,330	14,125	14,165	4,161	5,735	20,644	22,230
	of which category 6	t CO_2e	59	32	4	3	12	16	76	51
	of which category 7	t CO_2e	18	16	72	77	12	12	102	105
	of which category 13	t CO_2e	2,099	2,095	14,049	14,085	3,808	5,278	19,957	21,458
	of which category 15	t CO_2e	181	187	0	0	327	429	509	616
GHG emissions intensity	GHG emissions intensity ratio (Scope 1, 2 and 3, location-based)	kg CO_2e/m²	39	40	40	40	61	65	48	49
	GHG emissions intensity ratio (Scope 1, 2 and 3, market-based)	kg CO_2e/m²	20	20	38	39	25	37	31	36
	Gross lettable area	m²	152,815	152,083	594,083	593,273	478,236	398,197	1,225,134	1,143,553

Along with the reduction of energy intensity across all regions, the intensity of greenhouse gas emissions was also reduced in 2022 compared to the previous year. In both the location-based and the market-based analysis, the largest savings were in the CEE countries. In general, the market-based emissions are significantly lower than the location-based emissions, which is mainly due to the extensive purchase of electricity from 100% renewable sources. The market-based emissions were also reduced as an absolute amount compared to the previous year and now amount to 37,585 t CO_2e (2021: 40,671 t CO_2e).

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 to our community at large. This responsibility is 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. 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. This promotes team spirit and fosters a feeling of solidarity. 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.

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 the needs and challenges of their local teams and provide them with support in specific issues.

In addition, S IMMO defined 16 social goals in 2022 as part of its ESG strategy, extracts of which are discussed at several junctures in the following pages. A complete overview of the social goals and the ESG strategy as a whole can be found starting on page 40.

Changes from the previous year

S IMMO has changed the scope of its reporting regarding employee data. In contrast to the previous report, the employees of the two owner-operated hotels – the Vienna Marriott and the Budapest Marriott – are not taken into consideration (details of this are explained in section scope and boundaries of the report of this non-financial report). For this reason, some data deviates from that reported in the previous year. In order to ensure the comparability of key performance indicators, the figures for 2021 are presented according to the revised methodology and do not include hotel employees.

Where reference is made in the following to S IMMO, this includes all employees in Austria, Germany, Hungary, Croatia and Romania. If a key indicator does not refer to all locations, this is explicitly stated.

Employees

In 2022, S IMMO had employees in five countries (Austria, Germany, Hungary, Croatia and Romania). The local teams also manage business activities in Slovakia, the Czech Republic and Bulgaria. Responsibility for human resources activities and compliance with all country-specific and labour law requirements lies with the relevant 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 relating to HR issues 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.

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 138 people (2021: 137) on a headcount basis, excluding dormant staff and trainees. Including hotel employees, but excluding dormant staff and trainees, the annual average number of employees totalled 585 (2021: 543).

Overview of employees as of 31 December

	Austria		Germany		CEE		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Number of employees (headcount)	**48**	**46**	**66**	**70**	**18**	**17**	**132**	**133**
Women, total	**22**	**23**	**34**	**34**	**14**	**13**	**70**	**70**
Men, total	**26**	**23**	**32**	**36**	**4**	**4**	**62**	**63**
Average age in years	44.1	44.7	44.5	42.6	44.8	44.7	44.4	43.6
Number of employees under 30 years old	**4**	**4**	**10**	**11**	**1**	**0**	**15**	**15**
Women	1	2	6	6	1	0	8	8
Men	3	2	4	5	0	0	7	7
Number of employees 30–50 years old	**28**	**28**	**31**	**34**	**12**	**11**	**71**	**73**
Women	16	16	20	20	8	7	44	43
Men	12	12	11	14	4	4	27	30
Number of employees over 50 years old	**16**	**14**	**25**	**25**	**5**	**6**	**46**	**45**
Women	5	5	8	8	5	6	18	19
Men	11	9	17	17	0	0	28	26
Women, total in %	**45.8**	**50.0**	**51.5**	**48.6**	**77.8**	**76.5**	**53.0**	**52.6**
Men, total in %	**54.2**	**50.0**	**48.5**	**51.4**	**22.2**	**23.5**	**47.0**	**47.4**
Number of employees under 30 years old in %	**8.3**	**8.7**	**15.2**	**15.7**	**5.6**	**0.0**	**11.4**	**11.3**
Women in %	25.0	50.0	60.0	54.5	100.0	0.0	53.3	53.3
Men in %	75.0	50.0	40.0	45.5	0.0	0.0	46.7	46.7
Number of employees 30–50 years old in %	**58.3**	**60.9**	**47.0**	**48.6**	**66.7**	**64.7**	**53.8**	**54.9**
Women in %	57.1	57.1	64.5	58.8	66.7	63.6	62.0	58.9
Men in %	42.9	42.9	35.5	41.2	33.3	36.4	38.0	41.1
Number of employees over 50 years old in %	**33.3**	**30.4**	**37.9**	**35.7**	**27.8**	**35.3**	**34.8**	**33.8**
Women in %	31.3	35.7	32.0	32.0	100.0	100.0	39.1	42.2
Men in %	68.8	64.3	68.0	68.0	0.0	0.0	60.9	57.8

In Austria and Germany, employees have the option to indicate other genders in addition to “male” and “female” in the human resources management system. No employees have made use of this option to date, which is why only the categories “women” and “men” are indicated in the presentation of the employee data. There is currently no legal basis in CEE countries for specifying gender options that are not categorised as either female or male.

Employees by type of contract as of 31 December

	Austria		Germany		CEE		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Number of employees with a permanent contract	**46**	**43**	**66**	**70**	**17**	**17**	**129**	**130**
Women	22	23	34	33	13	13	69	69
Men	24	20	32	37	4	4	60	61
Number of employees with a temporary contract	**2**	**3**	**0**	**0**	**1**	**0**	**3**	**3**
Women	0	0	0	0	1	0	1	0
Men	2	3	0	0	0	0	2	3
Total	**48**	**46**	**66**	**70**	**18**	**17**	**132**	**133**

Employees by type of employment as of 31 December

	Austria		Germany		CEE		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Number of full-time employees	**38**	**35**	**55**	**56**	**15**	**14**	**108**	**105**
Women	13	13	28	27	11	10	52	50
Men	25	22	27	29	4	4	56	55
Number of part-time employees	**10**	**11**	**11**	**14**	**3**	**3**	**24**	**28**
Women	9	10	5	7	3	3	17	20
Men	1	1	6	7	0	0	7	8
Total	**48**	**46**	**66**	**70**	**18**	**17**	**132**	**133**

Diversity, equal opportunities and inclusion

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. People from different backgrounds and with different perspectives encourage creativity and innovation and play a role in reducing discrimination and prejudices and promoting social cohesion.

A lack of diversity can have negative impacts on the company and its business relationships. For example, a shortage of employees from a variety of cultural backgrounds or with a variety of language skills can make the cooperation with business partners in other countries more difficult. Furthermore, companies that lack diversity can be more susceptible to discrimination, while employees from different groups may not feel valued or, in the worst case, not comfortable or safe.

S IMMO is committed in its Code of Conduct to providing a discrimination-free work environment characterised by mutual trust in which everyone is valued and treated with dignity and respect. All people are equal and therefore enjoy the same rights and the same protection. Any discrimination on the basis of ethnic origin or nationality, language, social origin, age,

gender, gender identity, sexual orientation, religion, political or other belief, mental or physical ability or other status is prohibited at S IMMO. It is not least against this backdrop that S IMMO is committed to respecting, protecting and promoting international human rights. For details, please see page 45 onwards.

Employees received training on the currently applicable Code of Conduct in a series of online courses in 2022, and this practice will be continued every year. During the training, employees' attention was expressly drawn to the fact that cases of discrimination can be reported to defined points of contact in the company or anonymously through the established digital whistleblower system.

Further measures to raise awareness are planned for 2023, such as the establishment of a separate working group on diversity, equal opportunities and inclusion as well as the establishment of an accessible and inclusive application process. Moreover, any issues will be identified through annual anonymous employee surveys and, as a result, subsequently remedied.

No cases of discrimination on the basis of ethnic origin or nationality, language, social origin, age, gender, gender identity, sexual orientation, religion, political or other belief, mental or physical ability or other status in accordance with the definitions of the international frameworks forming the basis of the Code of Conduct were reported in the 2022 reporting year (2021: 0).

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 53.0% of the workforce as of 31 December 2022 (2021: 52.6%), which means that the goal the company has set itself of having a workforce in which 50% are women has been achieved. 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. As of 31 December 2022, the proportion of women in senior management was 42.9% (2021: 42.9%). S IMMO has set itself the goal of employing women in 50% of senior management positions by 2025, which the company plans to pursue through active outreach to existing female employees when vacancies arise and by providing support and individual training during their transition to a senior management role.

Diversity by gender and age group in % as of 31 December

	Austria		Germany		CEE		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Senior managers								
Women	33.3	33.3	50.0	50.0	66.7	66.7	42.9	42.9
Men	66.7	66.7	50.0	50.0	33.3	33.3	57.1	57.1
Under 30 years old	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30–50 years old	55.6	66.7	50.0	50.0	33.3	33.3	50.0	57.1
Over 50 years old	44.4	33.3	50.0	50.0	66.7	66.7	50.0	42.9
Non-management employees								
Women	51.4	58.8	51.6	48.5	80.0	78.6	55.2	55.2
Men	48.6	41.2	48.4	51.5	20.0	21.4	44.8	44.8
Under 30 years old	10.8	8.8	15.6	16.2	6.7	0.0	12.9	12.1
30–50 years old	62.2	64.7	46.9	50.0	66.7	78.6	54.3	57.8
Over 50 years old	27.0	26.5	37.5	33.8	26.7	21.4	32.8	30.2

With the company's best interests in mind, the emphasis when making appointments to the Management Board and the Supervisory Board is on having the maximum degree of professional skill and international experience possible. In addition, the company makes a conscious effort to ensure a diverse composition in terms of professional qualifications and educational background, regardless of gender.

The Management Board team of S IMMO AG was restructured in the past financial year. Bruno Ettenauer's Management Board contract was terminated by mutual agreement with effect from 06 September 2022. Friedrich Wachernig's Management Board contract was also terminated on 11 October 2022. Holger Schmidtmayr was appointed to the Management Board at the same time. The Management Board therefore consisted of two members as of 31 December 2022. There were no women on the Management Board of S IMMO AG in the reporting year.

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, two members of the Supervisory Board must be female. S IMMO met these requirements as of 31 December 2022.

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

	Supervisory Board		Management Board	
	2022	**2021**	**2022**	**2021**
By gender				
Women	2	3	0	0
Men	4	8	2	3
By age group				
Under 30 years old	0	0	0	0
30–50 years old	1	5	0	0
Over 50 years old	5	6	2	3
Total	**6**	**11**	**2**	**3**
By gender in %				
Women	33.3	27.3	0.0	0.0
Men	66.7	72.7	100.0	100.0
By age group in %				
Under 30 years old	0.0	0.0	0.0	0.0
30–50 years old	16.7	45.5	0.0	0.0
Over 50 years old	83.3	54.5	100.0	100.0

The locations in which S IMMO subsidiaries operate are wheelchair-friendly and ease of access is taken into account for all new buildings. As of 31 December 2022, a total of 5 people (2021: 6) with long-term physical, mental or psychological impairments or impairment of their sensory functions were employed.

S IMMO is committed to the idea that a 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. These opportunities are positively viewed and very well received by S IMMO employees.

As of the reporting date of 31 December 2022, 18.2% of staff members were employed on a part-time basis (2021: 21.1%), of whom 70.8% were women (2021: 71.4%). At the end of 2022, 129 employees were entitled to parental leave, of whom 67 were women and 62 were men. A total of five employees were on parental leave as of the reporting date of 31 December 2022, all of them women (2021: 3 – 2 women, 1 man). In the 2022 reporting year, one employee returned from parental leave (2021: 5 – 4 women and 1 man). The return rate is 100% and is comprised in this case exclusively of men. Two women and no men continued to be employed in the company twelve months after returning to the workplace from parental leave. This results in a retention rate of 50% for women and 0% for men.

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 of the business model and contact between families strengthens team spirit and promotes identification with the company. A variety of events are organised in order to continuously encourage a feeling of togetherness. In Austria, these include an annual summer festival, to which families are also sometimes invited, a Christmas party, team excursions and joint participation in events such as the Business Run in Vienna. It proved possible to hold the majority of these events again in the year under review after two years of COVID-19 restrictions.

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 is 7.1 years (2021: 7.5 years). Despite a slight decline in this figure resulting from the recruitment of new employees, S IMMO considers this period of service to be a positive sign that the company is viewed as a desirable employer by employees. The turnover rate for the reporting year was 13.8% (2021: 14.6%). S IMMO implements targeted measures to continue to limit the turnover rate to a maximum of 15%. These measures include expanding individual development opportunities, enhancing employee benefits and also establishing a standardised offboarding process in the future in order to record the reasons for leaving the company and identify potential for improvement.

Hires, 01 January to 31 December

	Austria		Germany		CEE		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
By gender								
Women	3	2	5	7	3	2	11	11
Men	5	5	6	6	0	0	11	11
By age group								
Under 30 years old	2	2	4	5	1	0	7	7
30–50 years old	4	1	4	4	1	0	9	5
Over 50 years old	2	4	3	4	1	2	6	10
Total	**8**	**7**	**11**	**13**	**3**	**2**	**22**	**22**
By gender in %								
Women	37.5	28.6	45.5	53.8	100.0	100.0	50.0	50.0
Men	62.5	71.4	54.5	46.2	0.0	0.0	50.0	50.0
By age group in %								
Under 30 years old	25.0	28.6	36.4	38.5	33.3	0.0	31.8	31.8
30–50 years old	50.0	14.3	36.4	30.8	33.3	0.0	40.9	22.7
Over 50 years old	25.0	57.1	27.3	30.8	33.3	100.0	27.3	45.5

Departures and turnover, 01 January to 31 December

	Austria		Germany		CEE		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Departures								
By gender								
Women	1	2	4	9	1	0	6	11
Men	2	1	11	8	0	0	13	9
By age group								
Under 30 years old	0	1	4	5	0	0	4	6
30–50 years old	1	1	7	7	0	0	8	8
Over 50 years old	2	1	4	5	1	0	7	6
Total	**3**	**3**	**15**	**17**	**1**	**0**	**19**	**20**
Turnover in %	**5.9**	**6.5**	**21.8**	**22.8**	**5.5**	**0.0**	**13.8**	**14.6**
By gender								
Women	2.0	4.3	5.8	12.1	5.5	0.0	4.3	8.0
Men	3.9	2.2	16.0	10.7	0.0	0.0	9.4	6.6
By age group								
Under 30 years old	0.0	2.2	5.8	6.7	0.0	0.0	2.9	4.4
30–50 years old	2.0	2.2	10.2	9.4	0.0	0.0	5.8	5.8
Over 50 years old	3.9	2.2	5.8	6.7	5.5	0.0	5.1	4.4

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 its employees is so important for S IMMO. S IMMO pledges to provide a safe and healthy working environment for all its employees and to practise accident prevention for the protection of employees, tenants and visitors.

The company employs its staff exclusively in countries in the European Union and pledges to pay all of its employees a fair and living wage or salary and to fully respect the results of collective bargaining. Standard policies include fair work conditions and benefits based on the applicable legal entitlements (such as part-time work, job protection for expectant mothers, regular paid holiday, sick leave and paid parental leave).

A Works Council, an in-house governing body representing employee interests, was elected at the Vienna location in January 2021. It has three members (two women and one man) and two deputy members (two women). The Works Council is authorised, for example, to enter into works agreements and is involved in dismissals and redundancies. Moreover, two members (one woman and one man) are delegated to the Supervisory Board and one member each is delegated to the ESG and Audit Committees, thus providing additional representation of employee interests in these bodies.

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. As a matter of course, S IMMO's corporate culture includes professional interaction with employee representatives without any preferential or disadvantageous treatment whatsoever.

With regard to employee health and occupational safety, S IMMO focuses primarily on prevention, offering employees various preventive programmes as part of the company's health services. At the Vienna location, for instance, employees can take advantage of an annual health check-up, melanoma screening and seasonal vaccinations. For this purpose, S IMMO is always looking into 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 2022 to answer any questions employees might have, including about COVID-19.

S IMMO ensures that local occupational safety laws are implemented in order to guarantee employee safety. These include first aid and fire prevention measures in particular. The Vienna location has a safety officer and several first-aiders on staff.

The company assesses the risk of accidents and injuries to be comparatively low for employees at the S IMMO locations as their primary activity involves office work. Preserving and promoting the 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.

It is planned to extend the free access to preventive physical and mental health care for all employees. In addition, it is planned to furnish all employees with ergonomic workstations from 2024 onwards.

In the reporting year, S IMMO collected accumulated sick leave data relating to its employees for all locations. On average, employees at all locations took 10 (counted from the first day) days of sick leave (2021: 7). An additional three employees were on long-term sick leave in 2022 (2021: 2). The definition of long-term sick leave is country-specific. Sick leave counted from the date on which the government, rather than the company, begins to pay continued wages is considered long-term sick leave by the company. Long-term sick leave has been taken into account up to now when calculating the average number of sick leave days in order not to distort the informative value of this figure.

In terms of employee health, COVID-19 became less of an urgent issue in the 2022 reporting year thanks to the high vaccination rate among the workforce and the flattening of the infection curve over the course of the year. The remote working and workplace safety rules previously established have continued to pay off, while the robust testing system at the Vienna location has also been continued. A working group continues to monitor the current legal situation on an ongoing basis and modifies the applicable rules in the offices.

In addition to all applicable rules and regulations, S IMMO always considered it vital to be able to address individual needs, challenges and sometimes risks faced by employees with great flexibility. The idea that the pandemic is just a health crisis falls short. It was and continues to be 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 their physical safety.

S IMMO recorded two work-related injuries in 2022 (2021: no data collected). There were no work-related illnesses in 2022 (2021: 0), no workplace accidents (2021: 0) and no deaths (2021: 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 work primarily on construction sites. When selecting service providers, S IMMO will also exercise the utmost care and focus on the highest safety standards in the future.

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 and will expand them in places in a targeted way in line with the ESG strategy.

Remuneration, training and employee retention

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 its personnel development efforts.

In order to provide employees with support in light of the rise in inflation in the year under review, their basic salaries were adjusted to inflation (except in a few cases where no contractual agreement on this was in place) depending on the basic (collective) contractual agreements. It is planned to conduct this country-specific adjustment annually in the future.

Many of S IMMO's 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. The company is negatively affected when employees of this kind leave. In addition to the loss of 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 the cooperation between employees and their managers, to prepare employees in an efficient and targeted manner for their current and future roles and to improve the corporate culture and climate of communication.

Performance reviews were conducted with 87.1% of the employees in the year under review. Broken down by gender, 81.4% of the women and 93.5% of the men underwent a performance review with their supervisor. Broken down by employee category, a performance review was conducted with 78.6% of the senior managers and 87.1% of the non-management employees. Annual professional development interviews and the conclusion of individual agreements on annual targets with all employees are planned from 2023 onwards.

S IMMO has identified the continuous professional development of its employees as a material topic and supports this with training and continuing education. Failure to provide training measures or adequate support for them can have negative impacts on employee satisfaction and consequently on productivity and staff turnover and even result in employees not possessing the required skills and knowledge to meet new challenges they may face in their departments. Against this backdrop, the primary focus is on expanding the employees' industry-specific expertise, for example through seminars from the fields of property management or ESG. 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-house training was expanded in 2022 with the goal of enabling knowledge existing within the company to be utilised more extensively and enhancing employees' digital skills. A digital learning platform was introduced in this connection in the course of a broad-based digital transformation initiative. This platform will offer employees software training for example, but will also be used to conduct mandatory training courses on topics such as data security and compliance policies.

S IMMO employees completed 14 hours of professional training on average in 2022 (women: 16 hours; men: 11 hours). Senior managers participated in 21 hours of training and non-management employees in 10 hours on average. Complete data was not available for 2022 at the Vienna location; work on data collection will be carried out for 2023. As part of its ESG strategy, S IMMO has set itself the target that all employees will complete a minimum of eight hours of training each year starting in 2023.

In Austria, around EUR 18,100 (EUR 378 per employee) was spent on training and continuous professional development. In Germany, around EUR 29,000 (EUR 437 per employee) was invested in training. In addition, around EUR 5,100 (EUR 1,700 per apprentice) was spent on funding the training of the three Maior Domus apprentices at a private vocational college. In CEE, around EUR 4,800 (EUR 265 per employee) was spent on the training of the employees.

Three apprentices underwent training at the property management company Maior Domus in Germany on average during the year under review (2021: 2.5). The apprentices are able to attend a private vocational college to provide them with a demanding training programme and the best possible preparation for their professional career. 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.

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.

Tenant communication

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 together to quickly find suitable solutions for individual tenants. S IMMO is also meeting the current challenges resulting from rising inflation and interest rates by maintaining an ongoing and constructive dialogue with all tenants. S IMMO always strives to pursue a cooperative approach that complies with national laws – this is the only way to achieve an outcome acceptable to both parties. In this connection, the company benefits from being represented in the majority of its markets by on-site teams or otherwise by competent service providers that have often been in business for many years and that are not only fully familiar with local conditions but that can also build partnerships based on mutual trust with all stakeholders in the course of their day-to-day work.

Tenant satisfaction

It is particularly important for S IMMO to ensure that satisfied tenants occupy the company's properties for the long term. The company aims to achieve this goal by maintaining respectful and continual communications with tenants as equals, but especially by offering tenants a complete range of management services. A poor relationship with the tenants has the potential to exert a negative impact on the terms of tenancy agreements, vacancy rates and rental income and thus directly on S IMMO's business activities. On top of that, there is a risk to the company's reputation that could additionally complicate future lettings.

Due to their in-depth knowledge of the properties and management of contacts with potential and current tenants, the local teams on-site play a key role in maintaining a positive relationship with the tenants. Maior Domus is S IMMO's own property management company, which manages properties and tenants in its own real estate portfolio in Germany. Also at the other locations, tenants and properties are managed by their own teams, which are supported by external experts and service providers.

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

Tenant satisfaction can be assessed in the day-to-day work and by using criteria such as the rental term, the renewal of existing tenancy agreements and the success in reletting properties. To be able to continue evaluating this indicator in the future, annual tenant satisfaction surveys are planned for selected properties starting in 2023.

Quality, safety and consumer protection

All of S IMMO's properties provide an excellent quality of life. Regular maintenance, inspections as well as repair 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 a high level of tenant satisfaction while guaranteeing profitability and conserving resources at the same time.

S IMMO is working on introducing binding green leases in this connection. These are tenancy agreements that set out to encourage landlords and tenants to use the properties jointly in the most sustainable way possible. Green leases include, for example, regulations on the use of energy and water and how to handle waste as well as requirements for exchanging related data.

Stakeholders and society

S IMMO takes care to cultivate relationships with its stakeholders and enable them to personally share their views and experiences. The COVID-19 pandemic meant that both the Annual General Meeting in June and the Extraordinary General Meeting in September were also held online in 2022. The company is confident that the Annual General Meeting for 2023 will again be held in the traditional format and that shareholders will be able to attend in person. In addition, many individual discussions were held with investors in 2022 – some in virtual form – while the Management Board and the Investor Relations team also took part in several roadshows. The Management Board and the Supervisory Board published detailed statements in connection with the takeover bid from CPI Property Group S.A. last spring and recommended to the shareholders that they accept the offer.

Stakeholder communication

Continual dialogue with various stakeholder groups is important to S IMMO. Regular communication allows the company to identify the needs and concerns of the stakeholders – whether they are shareholders, employees or tenants – and to respond to these as quickly as possible. This has a positive effect on key performance indicators, such as the share price, the turnover rate or the occupancy rate and can play a part in identifying potentially negative impacts for or caused by S IMMO.

The teams in the company's markets are familiar with local conditions and in some cases have long-standing relationships with the relevant stakeholders. Respectful interaction and communication with all stakeholder groups as equals is the foundation for successful cooperation. The company communicates with individual stakeholder groups through the relevant departments or the local teams. A materiality analysis conducted in 2021 identified the following stakeholder groups whose influence on and interest in the company is particularly large. The details of the process for identifying the relevant stakeholders are explained in depth from page 37 onwards.

- Supervisory Board
- Management Board
- Local managing directors
- Employees
- Works council
- Tenants and brokers
- Core shareholders
- Institutional investors
- Small investors
- Banks and analysts

A constructive partnership between the Management Board and the Supervisory Board that is based on transparency is key to maintaining a rigorous corporate strategy. The Management Board provides the Supervisory Board at its meetings with detailed information on all the relevant business areas. In addition, the Supervisory Board is notified, also at short notice and if possible immediately, of all developments that are critical for the management of the company.

The employees are informed about recent developments using established channels of communication. In specific instances, the Management Board addressed the team in real time in order to provide information and context for the current situation. Moreover, employees are always free to meet one-on-one with the Management Board members. As the representative of the employees' interests at the Vienna location, the Works Council has the opportunity to present employee concerns to the Management Board, but also to the Supervisory Board, to which two members are delegated.

In order to ensure optimal tenant satisfaction, S IMMO maintains an ongoing dialogue with its tenants and agents, while its local teams serve as their expert point of contact on site. These teams seek solutions that are individually tailored to meet our tenants' needs. Thanks to the close contact and regular dialogue, the expectations on the company as well as tenant satisfaction are met and continually improved on. For more information on this, please see the section on tenant satisfaction.

The company has a responsibility to core shareholders, institutional investors and small investors alike. S IMMO maintains a direct dialogue with the capital markets during its Annual General Meeting, roadshows, investor conferences and personal meetings. Regular communication with service providers, lending banks, analyst firms and brokers, etc., also forms part of our day-to-day business activities. S IMMO places great value on transparency and communication on an equal footing in all of its business relationships.

Privacy, data protection and data security

Respecting personal privacy and protecting data are key issues for S IMMO and its stakeholders. Special importance is attached here to protecting the personal data of employees, tenants 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.

The issue of data protection is anchored in the structure of the Management Board's digitalisation responsibilities. An internal working group comprising employees from the Legal, IT and Corporate Communications and Investor Relations departments has operational responsibility 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 in matters involving data protection law. 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. The Works Council of S IMMO AG is also included in meetings when necessary in order to ensure that the interests and rights of the employees are represented. A works agreement laying down restrictions on access to employees' personal data was additionally entered into as part of the extensive digital transformation initiative.

One of the issues that the working group dealt with in the year under review was the updating of the processing register, and it also held discussions on the topics involving digitalisation and data protection. In addition, IT and data protection instructions were revised and an online course was organised to raise employees' awareness and provide them with training on this. There were no complaints of GDPR violations by S IMMO in the 2022 financial year.

Secure IT infrastructure and protection against cybercrime are critically important for guaranteeing that both personal and business data and processes remain protected. The IT department at S IMMO is responsible for providing state-of-the-art IT infrastructure and reports directly to the Management Board. IT is additionally supported by a well-known IT services company that has been in business for many years. S IMMO implements a large number of measures and solutions to prevent breaches of the confidentiality, availability or integrity of business data as a result of unauthorised disclosures, encryption or losses. For example, S IMMO has a central user and log management system and runs an intelligent cyberdefence program and other programs to automatically identify data security risks around the clock. Moreover, hard drives, data storage media and mobile devices are encrypted and servers are hosted in a fail-safe data centre of an external service provider. The latest hardware is always used, while operating systems and software are regularly updated. The company's data security policy is constantly being refined.

A penetration test was carried out by an external service provider in the 2022 reporting year. Attacks on the system were simulated in the course of this test in order to identify vulnerabilities and gaps in security and to assess the system security. Concrete measures to enhance the resilience of the IT systems were derived from the test results and subsequently implemented. Furthermore, additional security updates were carried out on the IT systems and an online course on data security was organised to provide employees with training on this. These measures are set to be continued on an annual basis. No cyberattacks on S IMMO's IT infrastructure were recorded in 2022. There were also no leaks, thefts or 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 example, 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.

After the war in Ukraine broke out, S IMMO decided to significantly expand its commitment this year and to donate generous sums to the Caritas and Red Cross aid organisations as well as local organisations in Hungary and Romania to provide care for

refugees from the war. S IMMO Germany additionally provided shelter for refugee women and children in one of its properties and organised medical care and hot meals for them.

The traditional Christmas campaign this year saw the company support the Caritas fundraiser “Ein Funken Wärme” (“A Spark of Warmth”), which finances the heating and energy costs of families and individuals experiencing poverty if they are no longer able to pay these themselves in light of the various price rises.

S IMMO is also active in the art world. In 2022, 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 16th time. For around four months, original works by national and 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 event was held from autumn 2022 to spring 2023 and, as in previous years, proved very popular again. The exhibits are the works of national and international creators. They include both young talents and well-established, internationally renowned artists.

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 management programme to undertake a foreign studies module at S IMMO Germany in Berlin in recent years. The module was most recently taught in September 2022, when it enjoyed great popularity.

Governance

As a listed company, 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 22) and the Code of Conduct, the Organisational Policy for Human Rights, the Organisational Policy for Issuer Compliance and the Organisational Policy for the Prevention of Bribery, Acceptance of Benefits and Corruption are available on the Group's website (www.simmoag.at/sustainability/governance) 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 (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 association of S IMMO (www.simmoag.at/corporategovernance). The main rights include the right to profit-sharing and the right to participate in, vote and receive information at the Annual General Meeting. Shareholders with shareholdings above clearly defined thresholds also 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.

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

Management structure and remuneration

In line with the Austrian Stock Corporation Act (AktG), 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 responsible in turn for the various divisions and functions. This cooperation is based on a constant, open exchange of information and short decision-making channels. The Supervisory Board is responsible for appointing the Management Board. In doing so, it 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 and targeted cooperation.

S IMMO is committed to performance-oriented remuneration in line with market conditions for its Management Board members with the aim of 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) in accordance with section 78a 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) with a majority of 75.58% of the vote.

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 (www.simmoag.at/agm) no later than three weeks before the respective Annual General Meeting. The remuneration report must be approved by the Annual General Meeting; the results of the vote are published on the company's website after the Annual General Meeting. The remuneration report presents the main features of the remuneration policy for the Management Board and Supervisory Board of S IMMO AG in the past financial year. In addition, the remuneration paid to current and former members of the Management Board and Supervisory Board during the reporting year is disclosed individually. Also

disclosed is the average salary of all employees as well as the percentage increase year-on-year and in comparison to the Management Board salaries.

In line with its ESG strategy, S IMMO has set itself the goal of increasing the percentage of variable Management Board remuneration tied to ESG criteria from the current level of 10% to 25% by 2025.

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 19) 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, finance sector, capital markets and law that are required in order to perform all its supervisory duties effectively. Accordingly, when looking for new members of the Supervisory Board, it 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.

Members are elected to the Supervisory Board at the Annual General Meeting. Under the articles of association of S IMMO, no shareholder has the right to nominate a member of the Supervisory Board for appointment. 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/boards), and the number of members who have declared themselves independent is disclosed in the corporate governance report starting on page 23. Business relationships with related parties, including with members of the Supervisory Board, require the approval of the Supervisory Board and are disclosed on page 167 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 listed company, S IMMO is subject to the provisions of Austrian and European capital market legislation. It 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 also applies. Critical issues such as complaints or processes with potentially negative consequences for the organisation or stakeholders must be reported to the Management Board and may also need to be communicated to the Supervisory Board.

In 2022, 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. Similarly, no critical issues were reported. 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 year under review.

Code of Conduct and whistleblowing

S IMMO has a Group-wide Code of Conduct that obliges all executive bodies and employees to act in accordance with the company's 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 potential violations of the Code of Conduct, they must immediately report them to Compliance Management at S IMMO or submit a corresponding anonymous notification via the digital whistleblower system that is publicly accessible on the company's website. Reported incidents are treated in confidence and whistleblowers are guaranteed anonymity. In line with S IMMO's ESG strategy, training on all relevant compliance issues was provided in the form of online courses in the financial year 2022. Among other things, employees were familiarised with the content and areas

of application of the Group-wide Code of Conduct and the available mechanisms for reporting violations and for whistleblowing.

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 typically 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 hence the jobs it provides. A binding internal guideline adopted by the Management Board 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. Operational implementation of the measures is the responsibility of the Compliance Management function, which is currently performed by a Management Board member. Official S IMMO contact persons are available to all employees at their request and when a violation is suspected. Compliance violations can also be reported by contacting the local management team.

An online course on the prevention of bribery, acceptance of benefits and corruption was held in the fourth quarter of 2022. Participants were informed about the applicable anti-corruption guidelines and how employees can recognise and prevent cases of corruption. The course is based on the corresponding Organisational Policy, which was updated in 2022 and is binding for all S IMMO employees. A total of 103 employees took part in the training, representing a participation rate of 78%. The course was taken by both Management Board members (participation rate 100%), 11 senior managers (participation rate 78.6%) and 90 non-management employees (participation rate 77.6%).

Participation in training about anti-corruption policies and procedures

	Austria	Germany	CEE	Total
	2022	2022	2022	2022
By employee category				
Members of the Management Board	2	n/a	n/a	**2**
Senior managers	9	2	0	**11**
Non-management employees	36	52	2	**90**
Total	**47**	**54**	**2**	**103**
By employee category in %				
Members of the Management Board	100.0	n/a	n/a	**100.0**
Senior managers	100.0	100.0	0.0	**78.6**
Non-management employees	97.3	81.3	13.3	**77.6**
Total	**97.9**	**81.8**	**11.1**	**78.0**

In addition, the Group-wide Organisational Policy for Issuer Compliance was revised in the year under review. 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. Employees were also provided with online training on this topic.

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

Supply chain management

The suppliers commissioned by S IMMO are highly diversified and range from construction firms, property management companies and consultants to insurance providers 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 works 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 properties, 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. In particular, negative impacts can potentially arise in connection with transportation, space requirements and the disposal of problematic materials as well as violations of employment and social law.

Although construction activity currently plays a secondary role in S IMMO's business activities, the company makes efforts 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. As part of its ESG strategy, 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 another opportunity to contribute to a more environmentally sound and socially responsible property sector.

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

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 103. The selection of the auditor is carried out by the Audit Committee and is described in the Supervisory Board report (starting on page 20). 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 financial year 2018. For the financial years 2013 to 2017, 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 starting on page 158.

EU Taxonomy key performance indicators

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3) m€**	**Proportion of turnover (4) %**	**Climate change mitigation (5) %**	**Climate change adaptation (6) %**	**Water and marine resources (7) %**	**Circular economy (8) %**	**Pollution (9) %**	**Bio-diversity and eco-systems (10) %**	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Acquisition and ownership of buildings	7.7 (Annex I) / L.68	15.71	6.03	100	0	0	0	0	0	
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**15.71**	**6.03**	**100**	**0**	**0**	**0**	**0**	**0**	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)										
Acquisition and ownership of buildings	7.7 (Annex I) / L.68	188.28	72.28							
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**188.28**	**72.28**							
Total (A.1 + A.2)		**203.99**	**78.31**							
B. Taxonomy-non-eligible activities										
Turnover of taxonomy-non-eligible activities (B)		**56.50**	**21.69**							
Total (A+B)		**260.49**	**100**							

	DNSH criteria										
	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safe-guards (17) Y/N	Taxonomy-aligned proportion of turnover, year 2022 (18) %	Taxonomy-aligned proportion of turnover, year 2021 (19) %	Category "enabling activity" (20) E	Category "transition-al activity" (21) T
	–	Y	Y	Y	Y	Y	Y	6.03	–	–	–
	–	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**6.03**	**–**	**–**	**–**
								0	**–**	**–**	**–**
								6.03	**–**	**–**	**–**

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						
Economic activities (1)	**Code(s) (2)**	**Absolute CapEx (3) m€**	**Proportion of CapEx (4) %**	**Climate change mitigation (5) %**	**Climate change adaptation (6) %**	**Water and marine resources (7) %**	**Circular economy (8) %**	**Pollution (9) %**	**Bio-diversity and eco-systems (10) %**	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Acquisition and ownership of buildings	7.7 (Annex I) / L.68	114.72	19.77	100	0	0	0	0	0	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**114.72**	**19.77**	**100**	**0**	**0**	**0**	**0**	**0**	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)										
Acquisition and ownership of buildings	7.7 (Annex I) / L.68	454.20	78.27							
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**454.20**	**78.27**							
Total (A.1 + A.2)		**568.91**	**98.03**							
B. Taxonomy-non-eligible activities										
CapEx of taxonomy-non-eligible activities (B)		**11.42**	**1.97**							
Total (A+B)		**580.33**	**100**							

	DNSH criteria											
	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safe-guards (17) Y/N	Taxonomy-aligned proportion of CapEx, year 2022 (18) %	Taxonomy-aligned proportion of CapEx, year 2021 (19) %	Category "enabling activity" (20) E	Category "transition-al activity" (21) T
	–	Y	Y	Y	Y	Y	Y	19.77	–	–	–
	–	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**19.77**	**–**	**–**	**–**
								0	**–**	**–**	**–**
								19.77	**–**	**–**	**–**

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						
Economic activities (1)	**Code(s) (2)**	**Absolute OpEx (3) m€**	**Proportion of OpEx (4) %**	**Climate change mitigation (5) %**	**Climate change adaptation (6) %**	**Water and marine resources (7) %**	**Circular economy (8) %**	**Pollution (9) %**	**Bio-diversity and eco-systems (10) %**	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Acquisition and ownership of buildings	7.7 (Annex I) / L.68	0.04	0.21	100	0	0	0	0	0	
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.04**	**0.21**	**100**	**0**	**0**	**0**	**0**	**0**	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)										
Acquisition and ownership of buildings	7.7 (Annex I) / L.68	20.50	98.43							
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**20.50**	**98.43**							
Total (A.1 + A.2)		**20.54**	**98.64**							
B. Taxonomy-non-eligible activities										
OpEx of taxonomy-non-eligible activities (B)		**0.28**	**1.36**							
Total (A+B)		**20.83**	**100**							

	DNSH criteria										
	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safe-guards (17) Y/N	Taxonomy-aligned proportion of OpEx, year 2022 (18) %	Taxonomy-aligned proportion of OpEx, year 2021 (19) %	Category "enabling activity" (20) E	Category "transition-al activity" (21) T
	–	Y	Y	Y	Y	Y	Y	0.21	–	–	–
	–	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.21**	**–**	**–**	**–**
								0	**–**	**–**	**–**
								0.21	**–**	**–**	**–**

GRI content index

S IMMO AG has reported in accordance with the GRI Standards for the period from 01 January 2022 to 31 December 2022. GRI 1: Foundation 2021 was used for this report.

GRI Standard	Explanation	Page/Comment/Omission
GRI 2: General Disclosures 2021		
1. The organisation and its reporting practices		
2-1	Organisational details	a. S IMMO AG b. Stock corporation. In notifications of shareholdings pursuant to sections 130 to 134 of the Stock Exchange Act 2018 dated 21 November 2022 and 28 December 2022, the company was informed that a total of 88.37% of the shares in S IMMO AG (50% plus 1 share in S IMMO AG are held directly by IMMOFINANZ AG) are attributable to Mr Radovan Vitek through the companies CPI Property Group S.A. and IMMOFINANZ AG, which are controlled by him. c. Friedrichstrasse 10, 1010 Vienna, Austria d. S IMMO AG operates in Austria, Germany, Slovakia, the Czech Republic, Hungary, Romania, Bulgaria and Croatia.
2-2	Entities included in the organisation's sustainability reporting	Page 121–126 (consolidated financial statements)
2-3	Reporting period, frequency and contact point	Page 36 (non-financial report) c. Contact for questions regarding the report: sustainability@simmoag.at
2-4	Restatements of information	Page 36, 49-50, 52, 53, 57, 61 (non-financial report)
2-5	External assurance	Page 36 (non-financial report)
2. Activities and workers		
2-6	Activities, value chain and other business relationships	Page 90–92 (management report) Page 121 (Notes to the consolidated financial statements) There were no significant changes in the supply chain in the 2022 financial year. For changes in the organisation, see page 90–92 (management report).
2-7	Employees	Page 61–63 (non-financial report) b. iii. In the 2022 financial year, S IMMO did not employ any employees without guaranteed working hours. c. For the collection of employee data, Excel templates are sent to the responsible contact persons of the subsidiaries. The returned data is collected centrally, checked for plausibility and consolidated for this report.
2-8	Workers who are not employees	a. In the 2022 financial year, there were two workers who are not employees. These are an interim manager – head of finance with a consultancy contract in Germany – and a student who performs office and administrative work in Hungary whose payment was on an hourly basis. b. For the collection of employee data, Excel templates are sent to the responsible contact persons of the subsidiaries. The returned data is collected centrally, checked for plausibility and consolidated for this report. The data on workers who are not employees refers to the head count as of the reporting date of 31 December. c. Not applicable
3. Governance		
2-9	Governance structure and composition	Page 17 (overview of the management bodies) Page 22–24 (corporate governance report) Page 65, 75 (non-financial report)
2-10	Nomination and selection of the highest governance body	Page 23–24, 26 (corporate governance report)
2-11	Chair of the highest governance body	Karin Rest is Chairwoman of the Supervisory Board. She does not hold any other management positions at S IMMO AG.
2-12	Role of the highest governance body in overseeing the management of impacts	Page 23–24 (corporate governance report)

GRI Standard	Explanation	Page/Comment/Omission
2-13	Delegation of responsibility for managing impacts	Page 23–24 (corporate governance report)
2-14	Role of the highest governance body in sustainability reporting	Page 23–24 (non-financial report)
2-15	Conflicts of interest	Page 23 (corporate governance report) Page 75 (non-financial report)
2-16	Communication of critical concerns	Page 75 (non-financial report)
2-17	Collective knowledge of the highest governance body	No measures were taken.
2-18	Evaluation of the performance of the highest governance body	Page 23 (corporate governance report)
2-19	Remuneration policies	Information on the remuneration policy can be found in the remuneration report. The report, accompanied by the remaining mandatory documents, is published at www.simmoag.at/agm no later than 21 days prior to the Annual General Meeting.
2-20	Process to determine remuneration	Information on the remuneration policy can be found in the remuneration report. The report, accompanied by the remaining mandatory documents, is published at www.simmoag.at/agm no later than 21 days prior to the Annual General Meeting.
2-21	Annual total compensation ratio	Information on the remuneration policy can be found in the remuneration report. The report, accompanied by the remaining mandatory documents, is published at www.simmoag.at/agm no later than 21 days prior to the Annual General Meeting.
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 34–35, 39–43 (non-financial report)
2-23	Policy commitments	Page 35, 45–46, 75–76 (non-financial report)
2-24	Embedding policy commitments	Page 35 (non-financial report)
2-25	Processes to remediate negative impacts	There is no specific grievance management process.
2-26	Mechanisms for seeking advice and raising concerns	Page 75–77 (non-financial report)
2-27	Compliance with laws and regulations	Page 167 (consolidated financial statements)
2-28	Membership associations	Page 48 (non-financial report)
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Page 71 (non-financial report)
2-30	Collective bargaining agreements	Collective bargaining agreements apply to all Austrian employees (36.4% of the total number of employees). In the other countries, working and employment conditions are defined on the basis of individual employment contracts.
GRI 3: Material Topics 2021		
Disclosures on material topics		
3-1	Process to determine material topics	Page 37–38 (non-financial report)
3-2	List of material topics	Page 38 (non-financial report)
3-3	Management of material topics	Page 38, 44 (non-financial report)
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Page 114–116 (Consolidated financial statements)

Environment

Material topics: Climate change adaptation; energy consumption and use of resources; renewable energy sources; sustainable operation of buildings; maintenance, repair, modernisation and renovation

GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 44, 49, 51–56, 58–60 (non-financial report)
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Page 51–54 (non-financial report)
302-2	Energy consumption outside of the organisation	Page 51–54, 60 (non-financial report)
302-3	Energy intensity	Page 54 (non-financial report)

GRI Standard	Explanation	Page/Comment/Omission
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Page 54–55 (non-financial report)
303-2	Management of water discharge-related impacts	Page 54–55 (non-financial report)
303-5	Water consumption	Page 55 (non-financial report)
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Page 58–60 (non-financial report)
305-2	Energy indirect (Scope 2) GHG emissions	Page 58–60 (non-financial report)
305-3	Other indirect (Scope 3) GHG emissions	Page 59–60 (non-financial report)
305-4	GHG emissions intensity	Page 60 (non-financial report)
Material topic: Sustainable mobility		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 56–58 (non-financial report)
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Page 51–54 (non-financial report)
302-3	Energy intensity	Page 54 (non-financial report)
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Page 58–60 (non-financial report)
305-3	Other indirect (Scope 3) GHG emissions	Page 59–60 (non-financial report)
305-4	GHG emissions intensity	Page 60 (non-financial report)
Social		
Material topic: Employee satisfaction and employer attractiveness		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 61, 63–67 (non-financial report)
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Page 66–67 (non-financial report)
401-3	Parental leave	Page 65 (non-financial report)
Material topic: Training		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 68–70 (non-financial report)
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 69 (non-financial report)
404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 69–70 (non-financial report) b. In 2022, S IMMO did not have any structurally integrated measures or programmes to support employees in their upcoming retirement or at the end of their employment contracts.
404-3	Percentage of employees receiving regular performance and career development reviews	Page 69 (non-financial report)

GRI Standard	Explanation	Page/Comment/Omission
Material topic: Diversity and equal opportunities		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 63–66 (non-financial report)
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Page 64–65 (non-financial report)
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Page 64 (non-financial report)
Material topic: Tenant satisfaction		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 70 (non-financial report)
Material topic: Data protection		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 71–72 (non-financial report)
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 72 (non-financial report)
Governance		
Material topic: Combating corruption		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 76 (non-financial report)
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Page 76 (non-financial report) a. No members of the Supervisory Board were made aware of the anti-corruption policies and procedures. c. No business partners were informed about anti-corruption policies and procedures. d. No member of the Supervisory Board has received anti-corruption training.
205-3	Confirmed incidents of corruption and actions taken	Page 76 (non-financial report)
Overarching topics		
Material topic: Digitalisation		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 38–39 (non-financial report)
Material topic: Sustainable value enhancement		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Page 39 (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 in 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 three buildings accounted for using the equity method, the Group vehicle fleet and commuting and travel activities are excluded. The like-for-like comparisons (LfL) include all 301 buildings that were part of the S IMMO portfolio in the last two full reporting years. The gross 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.

				Austria		Germany		CEE		Total	
EPRA Performance Measure	**Code**	**Boundary**	**Unit**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
		Obtained by S IMMO	MWh	7,028	6,764	3,822	3,756	65,852	56,852	76,702	67,372
		of which consumed exclusively by tenants	MWh	0	0	0	0	39,955	33,610	39,955	33,610
Electricity consumption	**Elec-Abs**	Proportion of renewable sources, obtained by S IMMO	%	100	100	69.2	66.9	94.7	65.7	93.9	69.2
		Obtained by S IMMO	MWh	7,013	6,744	3,738	3,492	55,604	54,766	66,355	65,001
Electricity consumption LfL	**Elec-LfL**	of which consumed exclusively by tenants	MWh	0	0	0	0	33,006	31,888	33,006	31,888
		Obtained by S IMMO	MWh	7,864	9,177	22,566	24,319	8,065	2,875	38,495	36,370
		of which consumed exclusively by tenants	MWh	0	0	0	0	4,815	2,327	4,815	2,327
District heating and cooling consumption	**DH&C-Abs**	Proportion of renewable sources, obtained by S IMMO	%	0	0	0	0	1.5	0	0.3	0
		Obtained by S IMMO	MWh	7,864	9,177	22,141	23,893	2,128	2,669	32,133	35,739
District heating and cooling consumption LfL	**DH&C-LfL**	of which consumed exclusively by tenants	MWh	0	0	0	0	1,645	2,224	1,645	2,224
		Obtained by S IMMO	MWh	2,747	2,259	28,938	28,944	40,575	39,955	72,260	71,158
		of which consumed exclusively by tenants	MWh	0	0	0	0	9,241	10,669	9,241	10,669
Fuel consumption	**Fuels-Abs**	Proportion of renewable sources, obtained by S IMMO	%	0	0	0	0	0	0	0	0
		Obtained by S IMMO	MWh	2,657	2,100	25,723	25,913	36,906	39,167	65,286	67,179
Fuel consumption LfL	**Fuels-LfL**	of which consumed exclusively by tenants	MWh	0	0	0	0	9,030	10,383	9,030	10,383
Energy intensity	**Energy-Int**	Total consumption	kWh/m²	204	210	173	176	243	254	204	208

				Austria		Germany		CEE		Total	
EPRA Performance Measure	**Code**	**Boundary**	**Unit**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Direct GHG emissions (Scope 1)	**GHG-Dir-Abs**	Obtained by S IMMO	t CO_2e	549	452	5,993	5,961	6,952	6,454	13,494	12,866
Indirect GHG emissions (Scope 2)		Location-based, obtained by S IMMO	t CO_2e	2,467	2,623	3,394	3,566	7,354	6,323	13,215	12,512
		Market-based, obtained by S IMMO	t CO_2e	173	202	2,513	2,729	732	2,615	3,418	5,546
		Location-based, obtained and/or consumed exclusively by tenants	t CO_2e	2,572	2,602	14,049	14,085	14,216	12,116	30,837	28,803
Indirect GHG emissions (Scope 3.13)	**GHG-Indir-Abs**	Market-based, obtained and/or consumed exclusively by tenants	t CO_2e	2,099	2,095	14,049	14,085	3,808	5,278	19,957	21,458
GHG emissions intensity (Scope 1, 2 and 3.13)	**GHG-Int**	Location-based, total consumption	kg CO_2e/m²	37	37	39	40	60	63	47	47
		Market-based, total consumption	kg CO_2e/m²	18	18	38	38	24	36	30	35
Water consumption	**Water-Abs**	Obtained by S IMMO	m³	79,995	68,759	365,012	360,090	261,446	198,474	706,453	627,323
		of which consumed exclusively by tenants	m³	0	0	0	0	113,419	80,867	113,419	80,867
Water consumption LfL	**Water-LfL**	Obtained by S IMMO	m³	79,562	68,130	341,211	332,712	229,932	194,833	650,705	595,675
		of which consumed exclusively by tenants	m³	0	0	0	0	97,023	79,360	97,023	79,360
Water intensity	**Water-Int**	Total consumption	l/m²	562	498	639	626	585	526	609	574
Number of certified assets as of 31 December		Number of certified assets		0	0	0	0	23	11	23	11
	Cert-Tot	Proportion of certified gross lettable area	%	0	0	0	0	70.4	57.1	34.8	21.0

Vienna, 20 March 2023

The Management Board

Herwig Teufelsdorfer Holger Schmidtmayr

Management report

Group fundamentals

Business activities and corporate structure

S IMMO Group (S IMMO AG and its subsidiaries) 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 operating of hotels and of shopping centers. 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.

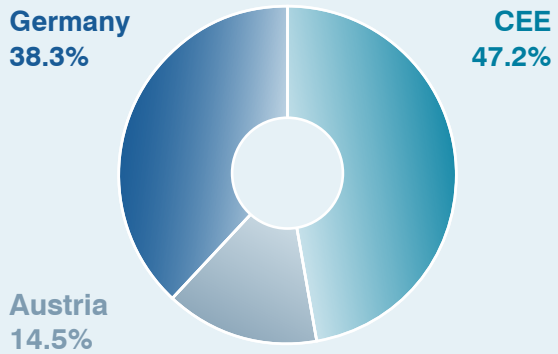
S IMMO AG is headquartered in Vienna. In addition, the Group holds numerous project, property and holding companies. S IMMO AG has been listed on the Vienna Stock Exchange since 1987, in the Prime Market segment since 2007 (from 18 September 2017 up until and including 23 November 2022, S IMMO AG was included in the Austrian benchmark index ATX). The Group employed an annual average of 138 people (2021: 137) on a headcount basis, excluding dormant staff and trainees. Including employees for hotel operations and excluding dormant staff and trainees, the average number of employees for the year was 585 (2021: 543).

Property portfolio

As of 31 December 2022, S IMMO Group's property portfolio consisted of 364 properties (31 December 2021: 375) with a book value of EUR 3,273.8m (31 December 2021: EUR 2,830.8m) and a gross lettable area (total lettable area excluding parking spaces) of around 1.4 million m² (31 December 2021: 1.2 million m²). Most of the properties are located in capital cities within the European Union.

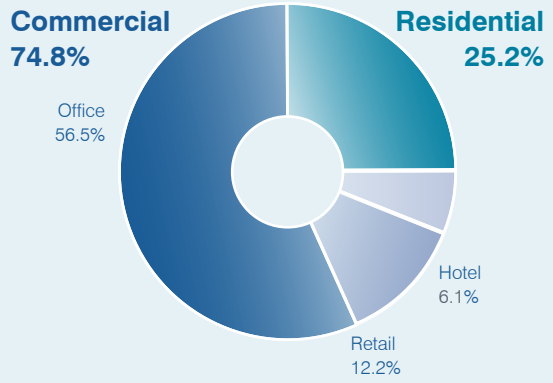
Based on book value, properties in Austria accounted for 14.5% (31 December 2021: 17.3%) of the portfolio, while properties in Germany accounted for 38.3% (31 December 2021: 48.2%).

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

Properties in CEE made up 47.2% of the portfolio (31 December 2021: 34.5%).

As of 31 December 2022, the portfolio broke down by main type of use not including plots of land and based on book values to 56.5% office buildings (31 December 2021: 45.4%), 12.2% retail properties (31 December 2021: 14.6%), 25.2% residential properties (31 December 2021: 32.7%) and 6.1% hotels (31 December 2021: 7.3%). 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 92.6% (31 December 2021: 94.0%). 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 5.8% (31 December 2021: 5.0%).

Overview of rental yields [1]

in %	31 December 2022	31 December 2021
Germany	4.6	4.1
Austria	4.6	4.3
CEE	7.1	6.6
Total	**5.8**	**5.0**

[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.

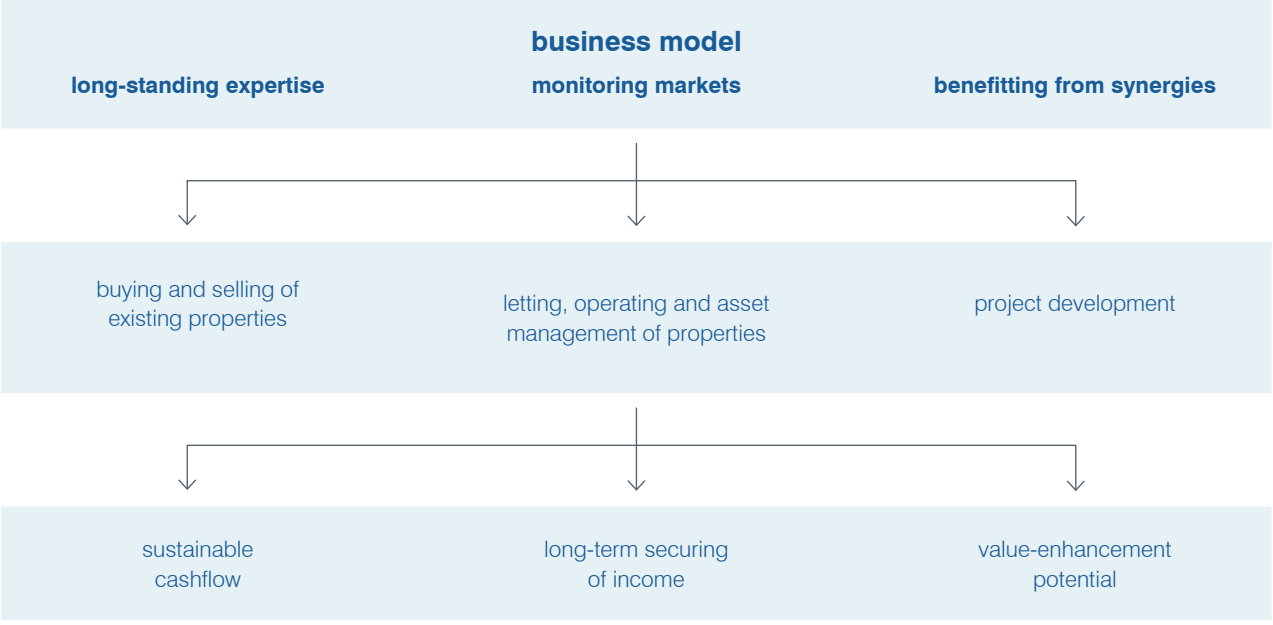
Strategy and objectives

For more than three and a half decades, S IMMO has supported the creation of sustainable value for its shareholders through its prudent, sustainable business policy. The company's aim here is to safeguard its long-term profitability and continually improve its income figures.

S IMMO is a portfolio manager that invests in properties that have a direct positive impact on income and in project developments that boost the company's cash flow in the medium term. A strong focus here is always on high-quality properties, meeting certain ESG criteria and certified properties. In line with this approach, it acquired the EXPO Business Park in Bucharest in May 2022. The three-part office complex meets the highest sustainability standards and is BREEAM Outstanding and WELL Health & Safety certified.

The great progress made in the ESG area, such as the definition of a comprehensive ESG strategy, further underscores S IMMO's commitment to an environmentally conscious corporate strategy. In 2023, S IMMO will continue to dedicate itself to its core business with an increased focus on digitalisation and sustainability: the purchase, rental and management of properties with a strong contribution to earnings.

The year 2022 was also defined by upheaval in a number of ways, including for property markets which saw a turnaround after an unusually long phase of steady value growth. S IMMO is taking these circumstances, as well as increasing collaboration with the new majority shareholder CPI Property Group S.A., into account by adjusting its strategy in a number of steps. In autumn 2022, for example, it decided to realise the rises in value



seen in the German residential portfolio in recent years sooner rather than later and reinvest the resulting liquidity, primarily in office properties in CEE and Austria. S IMMO increasingly directed its efforts towards this in the months that followed. The liquidity obtained was also reinvested very successfully. In November 2022, S IMMO acquired a portfolio of office properties in Budapest from CPI Property Group S.A. This was followed in December 2022 by the purchase of six office buildings from IMMOFINANZ AG in the Hungarian capital. The combined rental income generated as a result boosted rental income by the end of the year and will have a significantly positive impact on S IMMO's cash flow and income figures over the course of this year. S IMMO will maintain its position as the manager of a high-quality property portfolio with a focus on office properties in capital cities throughout the European Union and continues to build on a very solid and balanced financing profile.

At the same time, S IMMO has gained a strong strategic and financial partner as part of the CPI Property Group. The aim is to benefit from the long-standing excellent position and the mutual strengths of S IMMO as well as CPI Property Group S.A. and IMMOFINANZ AG. In January of this year, a framework agreement was signed with IMMOFINANZ AG in this context, which establishes a joint process to review further alignment, coordination, merger or other forms of integration across the two groups. CPI Property Group will participate in the project as a supporting shareholder. The ultimate objective is to identify synergies and efficiencies that will improve transparency and profitability for all stakeholders.

Management and control

In the 2022 financial year, there were changes in the Management Board. With effect from 06 September 2022, the Supervisory Board and CEO Bruno Ettenauer agreed on the termination of his Management Board contract. Bruno Ettenauer's responsibilities were taken over by Herwig Teufelsdorfer, who has been a member of the Management Board of S IMMO AG since April 2021 and whose term of office was extended until 31 December 2025. The Supervisory Board and Friedrich Wachernig also mutually agreed to terminate his Management Board contract as of 11 October 2022. At the same time, Holger Schmidtmayr was appointed to the Management Board, and his term of office runs until 10 October 2024. He took over the responsibilities of Friedrich Wachernig. Accordingly, the Management Board consisted of two members as of 31 December 2022.

The Management Board is pursuing a responsible and long-term management strategy aimed at enhancing earnings and increasing the Group's value on a long-term basis. The interests of all shareholders are clearly in focus. Furthermore, the Management Board works closely with the Supervisory Board, which had six members as of 31 December 2022 – four capital market representatives and two employee representatives (for details, see section 5.6. in the notes).

Economic report

Economic overview

The global economy is facing growing challenges. High inflation, increasing interests, low growth and the war in Ukraine have a major impact on the economic future. Uncertainty about the further course of events is fuelling discouraging sentiment, with the risks being substantial.

The Organisation for Economic Co-operation and Development (OECD) projects that global economic growth will decline to 2.2% in 2023, and then rise to a modest 2.7% in 2024. According to the International Monetary Fund (IMF), global growth will retreat from 3.4% in 2022 to 2.9% in 2023 and then rebound to 3.1% in 2024. According to the OECD, overall inflation will fall from 9.1% in the prior year to 6.6% this year, and then decline to around 5.1% in 2024. The IMF expects that global inflation will decline from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024.

The EU Commission predicts that economic growth in the EU and euro area will fall from 3.3% and 3.2%, respectively, to 0.5% in each bloc in 2023. According to the IMF, growth in the euro area will reach its lowest point of 0.7% in 2023 and then rebound to 1.6% in 2024. European Commission projections point to an inflation decline from 9.3% in the EU and 8.5% in the euro area to 7.0% and 6.1% in 2023, respectively.

According to the Austrian Institute of Economic Research (WIFO), Austrian gross domestic product expanded by 4.7% in 2022, and will largely stagnate at a marginal plus of 0.3% in 2023. An increase to 1.8% is expected in 2024. Oesterreichische Nationalbank (OeNB) is also projecting weak economic growth of 0.6% after the 4.9% growth posted in 2022. According to WIFO and OeNB, inflation in Austria is slowing to 6.5% this year after reaching a peak of 8.5% in the previous year.

OeNB estimates point to GDP growth in all EU member states in the CEE region declining to a mere 1.2% in 2023 before stabilising at 3% in 2024. Erste Group indicates that inflation will remain high throughout 2023. It will likely decline somewhat in the second half of the year and remain stable at 11.6% until then.

Real estate market overview

After 2021 was still fully dominated by the COVID-19 pandemic, 2022 promised to bring an uptrend. But most expert projections had to be lowered significantly after the Russian invasion of Ukraine. The energy and raw materials crisis that was triggered by the war also impacted the real estate sector. Commodity prices rose sharply, which caused construction delays and a shift in focus from new construction to maintenance measures. Trends such as remote working, flexible working time models and online shopping continue to influence the real estate markets. City tourism recovered steadily in 2022, but was also affected by the war in Ukraine in terms of certain destinations.

Austria

Interest in ESG-compliant offices is still on the rise, so there is strong demand for modern and, above all, flexible-use office space. Take-up rose compared with 2021 and came to 171,000 m² (2021: 169,000 m²). The vacancy rate in 2022 was around 3.9% and has thus reached a new historic low (2021: 4.3%). Prime rents rose slightly in 2022 and came to EUR 27.00/m²/month (2021: EUR 26.00/m²/month). Due to a lower completion level in annual comparison of roughly 126,000 m², Vienna will remain a landlord's market in 2023 according to CBRE. The current energy crisis is only permitting a small number of new projects to be designed. Conditions in the office market are not expected to ease until 2024.

The hotel market in Austria posted strong growth and performance metrics that are reminiscent of the times before the pandemic. Net room revenues in Vienna increased by around 190% year-on-year to EUR 884m (2021: EUR 305m). Close to 46.5% of the hotel beds in Vienna were occupied in 2022. This is a strong increase in annual comparison (2021: close to 24%). Vienna recorded a total of 13.2 million overnight stays in the 2022 reporting period, 164.3% more than in the prior year. The available hotels and number of beds recovered very well from the pandemic, and the war in Ukraine and the energy crisis had little negative impact on these metrics. New hotel openings in Austria even rose compared with the previous years – a very encouraging trend that is still pointing up.

Overview of the real estate market [1]

	Prime rents (EUR/m²/month)				Prime gross yield (%)				Total leasing activity (m²)		Vacancy rate (%)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Office	Office	Retail	Retail	Office	Office	Retail	Retail	Office	Office	Office	Office
Berlin	43.00	41.00	250.00	250.00	3.55	2.50	3.95	3.35	741,000	817,000	3.9	3.0
Bratislava	17.00	17.00	67.00[2]	67.00[2]	5.50	5.25	6.25[2]	6.00[2]	112,000	156,000	11.2	11.7
Bucharest	19.50	18.75	45.00	75.00[2]	7.00	6.75	8.00	8.00	40,000	163,000	14.1	13.1
Budapest	24.00	24.00	100.00	110.00	6.00	5.25	5.75	5.50	247,000	217,000	11.3	9.2
Vienna	27.00	26.00	360.00	320.00	3.90	3.20	3.95	3.35	171,000	166,000	3.9	4.3
Zagreb	15.50	15.50	70.00	70.00	7.75	7.75	6.75	6.75	24,000[3]	22,000[3]	3.0	4.0

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

Germany

There is still a trend towards renting in Berlin's residential real estate market, although this is dampened by high rents and limited availability. The transaction volume on the Berlin residential property market fell by 73% in 2022 and amounted to around EUR 13.5bn. In general, it can be said that institutional investors are cautious due to the current rise in interest rates and the political discussion regarding the rent cap and are waiting to see how the market develops. In view of the rising financing costs, experts continue to expect a slowdown in market momentum. The prime yield in December 2022 was 2.4%.

The Berlin office market is looking back on a moderate year, but remains a strong and attractive office location. Last year, take-up was around 773,000 m², a slight decrease compared to the previous year. The vacancy rate rose to 3.9% in 2022, which is also due to the many newly completed office properties. Average rents were EUR 28.50/m²/month and prime rents EUR 43.00/m²/month, with an upward trend for the coming year. Against the backdrop of higher interest rates, the prime yield has risen by 1.05 percentage points over the past twelve months and currently stands at 3.55%.

CEE

The office market in Budapest also saw a positive trend in 2022. Despite the challenges posed by the war in Ukraine, the average rent was EUR 14.00/m²/month. Construction activity resulted in the addition of substantial new space to the market during the year. Completions in 2022 came to around 247,000 m² (2021: 44,500 m²). The vacancy rate rose to roughly 11.3% in annual comparison (2021: 9.2%), primarily due to newly completed properties.

The office market in Bratislava posted a slightly decreased vacancy rate of 11.2% in 2022 (2021:11.7%). Prime rents came to EUR 17.00/m²/month and thus remained stable compared with the previous year. A total of roughly 112,000 m² of office space were let out in 2022, a decline of around 53% over 2021 (2021: 239,000 m² of office space let out).

Total take-up in Zagreb is estimated at around 24,000 m² for 2022. Prime rents remained constant compared with the prior year at EUR 15.50/m²/month. The vacancy rate fell steadily to roughly 3%, with several completions in 2022. Further new properties are set to come onto the market in the coming year. Croatia's accession to the Schengen Area and the introduction of the euro should make the Croatian market more attractive for investment.

The stock of office space in Bucharest saw an increase to 3.30 million m² in 2022 (2021: 3.19 million m²). However, the vacancy rate hit a new high of 14.1% and consisted primarily of older, non-modern or ESG-compliant office buildings. Prime rents in Bucharest came to EUR 19.50/m²/month in 2022, roughly 4.0% higher in annual comparison (2021: EUR 18.75/m²/month).

Sources: B2B Wien, BNP Paribas Real Estate, CBRE, Cushman & Wakefield, Erste Group, European Central Bank, European Commission, Guthmann Market Report, IMF, KSH, OECD, OeNB, Property Forum Europe, SeeNews, WIFO

The retail segment in Romania remained stable in 2022. Only some 86,700 m² of new retail space were added (2021: 103,000 m²). A further 265,000 m² were under construction in 2022 and will be completed in 2023. Rents also remained stable, averaging around EUR 45.00/m²/month in the major shopping centres in Bucharest.

The hotel market in CEE is only recovering slowly from the COVID-19 pandemic and is also being negatively impacted by the war in Ukraine. But there is good news. In Budapest, for example, overnight stays rose by 14% versus 2021. Bratislava posted statistics for overnight stays approaching pre-crisis levels. Prague is also still one of the most popular destinations in CEE and even surpassed Vienna in overnight stays before the pandemic. In general, the figures are at roughly 75% of the pre-crisis levels. The markets are expected to recover fully by 2024 depending on their size, importance as a destination and the further course of the war in Ukraine. Particularly capital cities will continue to be popular tourist destinations.

Business development and performance

Earnings performance in the financial year 2022 was characterised by three developments in particular. Firstly, good like-for-like performance in rental income, a considerable increase in revenues from hotel operations and the acquisitions made from the middle of the year onwards led to a substantial improvement in the operating result. At the same time, negative real estate valuations were observed after several years of positive development, but this was offset by gains on derivative valuations due to the dramatic change in the interest rate landscape.

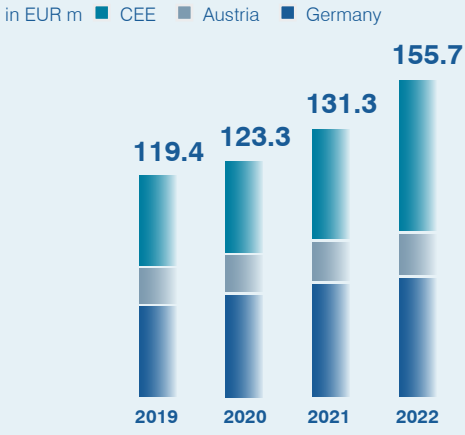
One major event in the first half of 2022 was the sale of the shares in IMMOFINANZ AG and thus the dissolution of the cross-holding between the two companies. Following the disposal of the shares in CA Immobilien Anlagen AG in the previous year, all shares in listed peer companies have therefore been sold. Among other things, earnings were impacted by the fact that the corresponding dividend income is no longer recognised in the financial result.

In January 2022, S IMMO took advantage of the extremely favourable interest rate environment to issue a further green bond with a coupon of 1.25% and a term of five years. However, partial repayments of the bonds issued by S IMMO in the course of the year due to change of control clauses meant that expenses for bond interest decreased on the whole.

Overall, EBITDA increased to EUR 106.1m year-on-year (2021: EUR 81.3m), while EBIT declined from EUR 270.3m to EUR 18.0m due to negative real estate valuations (2022: EUR -78.4m, 2021: EUR 198.7m).

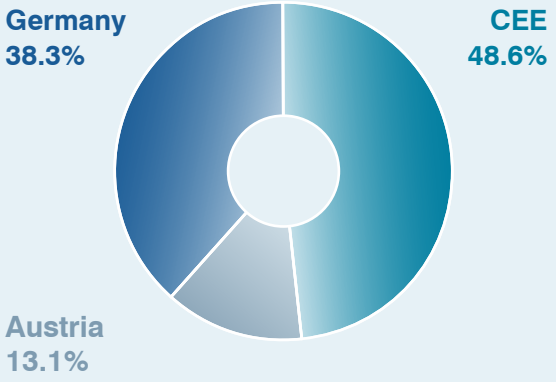
The positive effects of derivative valuations and lower income tax expense in the financial result was sufficient to slightly offset the impact on non-cash real estate valuation effects on consolidated net income, which amounted to EUR 18.9m (2021: EUR 230.6m). Earnings per share therefore also declined from the record level of EUR 3.24 in 2021 to EUR 0.39 in 2022.

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

Gross profit and EBITDA at record level, significant year-on-year improvement in owner-operated hotels

Rental income for the financial year 2022 amounted to EUR 155.7m (2021: EUR 131.3m), around 19% higher than in the previous year. This increase in these times of crisis is attributable to acquisitions as well as considerable like-for-like improvements in the existing portfolio.

Revenues from hotel operations improved to EUR 56.4m (2021: EUR 31.2m), thus almost returning to the pre-pandemic level of 2019 (EUR 59.1m). In total, revenues rose from EUR 196.9m to EUR 260.5m in 2022.

Expenses from property operations increased to EUR 79.5m as a result of inflation and property purchases (2021: EUR 66.8m). This development was due in particular to higher operating costs, most of which were passed on to existing tenants.

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 13.1% and 38.3%, respectively (2021: 15% and 43%), or around 51.4% in total (2021: 58%). The share contributed by CEE amounted to 48.6% (2021: 42%). In terms of main types of use, and excluding operating cost allocations recognised in rental income, commercial properties excluding hotels (office and retail) contributed 73.4% (2021: 72.7%) of rental income. Hotels contributed 2.9% (2021: 1.8%) and residential properties 23.7% (2021: 25.5%).

Gross profit from hotel operations improved significantly from EUR 7.5m to EUR 13.4m. Gross profit for the entire property portfolio, which reflects the operating performance of rental properties and owner-operated hotels alike, rose sharply to EUR 140.2m (2021: EUR 109.5m), the highest level in the company's history.

Despite negative non-recurring effects in the area of personnel costs and higher other administrative expenses due to ongoing projects, EBITDA also reached a new all-time high of EUR 106.1m (2021: EUR 81.3m).

Property investments

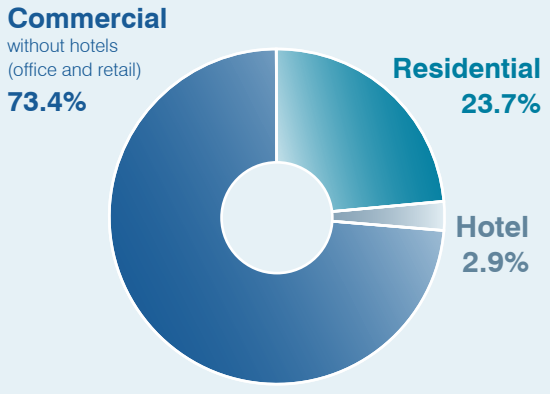
As in the previous year, there were considerably more acquisitions than disposals in the 2022 financial year. An office property in Bucharest was purchased at the end of the first half of the year. In the fourth quarter, several office properties in Budapest were acquired with a volume of almost EUR 450m.

Disposals totalled EUR 49.2m (2021: EUR 39.6m) and related to the Germany and Austria segments. Due to a change in strategy, S IMMO plans to sell German residential property while simultaneously expanding its property portfolio in other markets, especially Austria and CEE. Accordingly, the assets classified as held for sale relate to the German portfolio.

Negative property valuation result and significant improvement in financial result

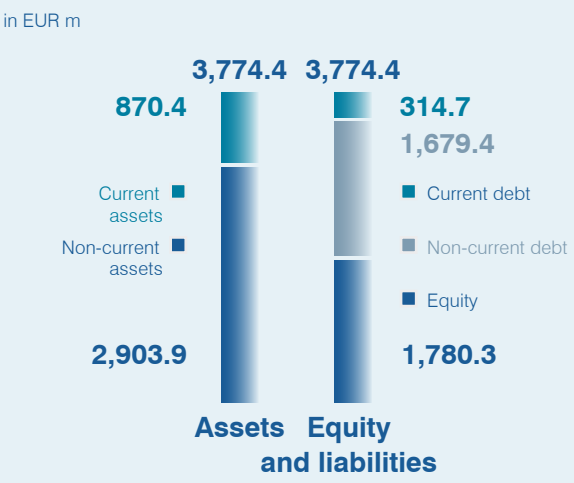
After several years of substantial valuation gains, the property valuation result was negative at EUR -78.4m (2021: EUR 198.7m). Specifically, Germany accounted for EUR -73.3m (2021: EUR 156.0m), Austria for EUR -6.6m (2021: EUR 31.8m) and CEE for EUR 1.5m (2021: EUR 10.9m). Although the

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



operating result reached a new all-time high, EBIT declined to EUR 18.0m (2021: EUR 270.3m).

The financial result improved considerably to EUR 16.9m (2021: EUR 0.7m) even in the absence of dividend income following the sale of all of the shares in CA Immobilien Anlagen AG and IMMOFINANZ AG. This was mainly due to positive effects from derivative valuations.

The cost of funding (based on variable- and fixed-interest financial liabilities including bonds and derivatives) totalled 2.16% as of 31 December 2022 (31 December 2021: 2.09%).

Despite the sharp rise in the operating result, consolidated net income declined substantially to EUR 18.9m year-on-year as a result of the aforementioned non-cash property valuation effects (2021: EUR 230.6m).

Earnings and financial position

Cash flow

Cash flow from operating activities for 2022 amounted to EUR 63.9m (2021: EUR 69.0m). Cash flow from investing activities was characterised by the sale of shares in IMMOFINANZ AG on the one hand and the purchase of office properties in CEE on the other, and totalled EUR 0.5m (2021: EUR 109.0m). Cash flow from financing activities, which includes both the issuance of a green bond in the first quarter of 2022 and the repayment of bonds, amounted to EUR -161.4m (2021: EUR 133.3m).

Consolidated statement of financial position

S IMMO Group's total assets increased from EUR 3,688.1m to EUR 3,774.4m. This growth in total assets was accompanied by a dividend distribution and an increase in the equity ratio from 45.2% to 47.7%.

Other financial assets declined to EUR 92.5m (31 December 2021: EUR 398.0m) as a result of the sale of the shares in IMMOFINANZ AG. Cash and cash equivalents totalled EUR 246.9m at the end of the year (31 December 2021: EUR 375.8m). Equity not including non-controlling interests increased to EUR 1,697.2m as of 31 December 2022 (31 December 2021: EUR 1,662.2m). Accordingly, the book value per share rose to EUR 24.07 (31 December 2021: EUR 23.57).

Financial management

All of S IMMO's loan liabilities are denominated in euros. As of 31 December 2022, around 8% (31 December 2021: 11%) of the long-term loans were fixed-rate and 92% (31 December 2021: 89%) were variable-rate. S IMMO reduces the risk of rising interest rates on variable-rate financing by engaging in interest rate hedges.

Breakdown of financial liabilities

EUR m	2022	2021
Issued bonds (non-current)	544.2	646.8
Other financial liabilities (non-current)	927.6	920.2
Issued bonds (current)	0	0
Other financial liabilities (current)	82.1	138.6
Total	**1,553.9**	**1,705.6**

S IMMO's property not held for sale amounted to EUR 2,772.8m as of 31 December 2022 (31 December 2021: EUR 2,830.8m), while property held for sale amounted to EUR 501.0m (31 December 2021: 0). The loan-to-value ratio (LTV ratio) was slightly above the previous year's level at 41.3% (31 December 2021: 40.4%).

The following table illustrates the calculation methodology:

	2022		2021	
EUR m	unsecured	secured	unsecured	secured
Secured financial liabilities without derivatives	0	1,087.5	0	990.1
Issued bonds and other unsecured financing	544.2	0	690.6	0
Cash and cash equivalents	-278.9	0	-375.8	0
Total	**265.4**	**1,087.5**	**314.8**	**990.1**
Property investments	3,273.8	3,273.8	3,226.2	3,226.2
LTV ratio in %	8.1	33.2	9.8	30.7
Total in %	**41.3**		**40.4**	

As of 31 December 2022, S IMMO's liabilities to banks were spread among 19 (2021: 23) individual banks. The average maturity of non-current liabilities to banks was 4.8 years (2021: 5.2 years).

Related party disclosures

More information on related party transactions can be found in section 5.6. of 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. 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:

In notifications of shareholdings pursuant to sections 130 to 134 BörseG 2018 dated 21 November 2022 and 28 December 2022, the company was informed that a total of 88.37% of the shares in S IMMO AG (50% plus 1 share in S IMMO AG are held directly by IMMOFINANZ AG) are attributable to Mr Radovan Vitek through the companies CPI Property Group S.A. and IMMOFINANZ AG, which are controlled by him.

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

b) At the 33rd Annual General Meeting on 01 June 2022, the Management Board was authorised, in accordance with section 65 (1) 8 and (1a) and (1b) AktG, for a period of 30 months from the date of the resolution, i.e. until 01 December 2024, to acquire, with the consent of the Supervisory Board, treasury shares of the company in the amount of up to 10% of the share capital of the company, also by repeatedly utilising the 10% limit, both on the stock exchange and over the counter, also excluding the shareholders' quota tender rights. As of 31 December 2022, the company held 3,084,797 treasury shares, representing 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 01 June 2027, 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 currently outstanding: around EUR 15.9m), the 3.25% S IMMO bond 2015–2027 issued in April 2015 (volume currently outstanding: EUR 34.2m), 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 currently outstanding: around EUR 70.4m) and the 1.25% S IMMO green bond 2022–2027 issued in January 2022 (volume currently outstanding: around EUR 25.1m) 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. The Management Board contract with Herwig Teufelsdorfer contains a change-of-control clause, which grants the Management Board member a special right of termination in the event of a change of control and, if exercised, a right to continued payment of remuneration amounting to a maximum of two years' fixed salary as well as premiums to be paid to the pension fund for this purpose. A change of control shall be deemed to have occurred if an investor or investors acting in concert with an investor are required to make a mandatory offer pursuant to the provisions of the Austrian Takeover Act, as amended from time to time, as assessed by the Austrian Takeover Commission, or make a voluntary offer and, following the conclusion of the voluntary procedure, a shareholding is held above the limit applicable to a mandatory 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 long-term real estate investments in the form of the purchase and sale of properties, project development, letting, asset management, revitalisation and refurbishment of buildings and the operation of hotels. The properties are located in Austria, Hungary and the capitals of other CEE countries. The portfolio consists primarily of offices, but also includes shopping centres, hotels and residential properties. In recent months, S IMMO has been busy selling residential properties in Germany. The cash generated from this will be reinvested in office properties in CEE and Austria. In addition, the current residential property sales programme is being expanded to include German commercial properties outside of Berlin.

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. Risk management is a Group-wide function that is currently fulfilled by one of the Management Board members. As risk coordinator, this Management Board member also regularly informs his fellow Management Board member and thus the entire Management Board.

As part of S IMMO's ESG strategy published in September 2022, a comprehensive ESG risk management process was established during the reporting year and ESG risks were fully integrated into the company's overall risk management processes. For this purpose, the existing risk catalogue was adapted and expanded to include all material ESG risks. Risks related to environmental, social and governance factors are treated equally to all other risks in terms of process and content. The identification and elimination of gaps and overlaps between individual risks was part of the adjustment of the risk catalogue. Particularly noteworthy in this context are the expansions of Group risk management through the introduction of science-based climate risk management and the detailed consideration of human rights risks.

In addition to internal guidelines and regulations, S IMMO's risk management includes ongoing reports to the Management Board as part of regular meetings. 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 2022 and also with regard to business activities in 2023.

The 2022 financial year was marked by a series of global political, macroeconomic and also health policy events. The war in Ukraine, which has been ongoing since the end of February, the continuing COVID-19 pandemic, the increased inflation rates and ongoing supply chain problems, the tightening of monetary policy by central banks and the energy crisis had a massive impact on economic events in the 2022 financial year.

For the 2023 financial year, experts expect similar cross-sector conditions as in 2022. Some experts even fear a recession in Europe. In addition, sector-specific factors such as a sharp rise in construction costs and a shortage of resources among investors, developers and lenders could lead to additional negative effects in the real estate sector. The rise in interest rates is also seen as a significant risk factor for the real estate market in the coming quarters.

COVID-19 is likely to fade into the background in the coming months, at least in Europe. At the end of 2022, some virologists were optimistic and spoke for the first time of an end to the pandemic and a transition to a regional and seasonal endemic.

Many of the uncertainties mentioned are beyond the company's control and make reliable medium- to long-term planning very difficult. However, 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 assumes that its strategy will enable it to cope well with the challenges ahead and to seize potential opportunities. 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	Other risks
■ Business environment and industry risks ■ Strategic risks ■ Investment risks ■ Capital market risks	■ Property portfolio risks ■ Letting and rental default risks ■ Property development risks ■ Construction risks ■ Property valuation risks	■ Liquidity risks ■ Interest rate risks ■ Financing risks ■ Credit risks ■ Exchange rate risks ■ Tax risks	■ Environmental risks ■ Social risks ■ Governance risks	■ General external risks ■ Legal risks ■ Other operational risks

Explanations on individual risks

Corporate strategy risks

Business environment and industry risks

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. Careful asset management and constant monitoring also contribute to reducing the described risks.

A macroeconomic overview and an assessment of the development of the property markets relevant to S IMMO are presented in the economic report. In principle, it can be assumed that real estate markets will also be affected by the energy crisis, inflation, higher interest rates and construction costs as well as the scarcity of resources in the coming months. S IMMO counters these risks with a crisis-proven business model and a high-quality property portfolio in excellent locations.

Strategic risks

Strategic risks are closely linked to S IMMO's business strategy and can have a strong influence on it. Strategic risks include, for example, planning risk, i.e. the risk arising from inconsistencies between strategic goals, business strategy, available resources and the respective market situation. Strategic risks also include investment risk and investment income risk. This can result in the necessity to write off the book values of participations in whole or in part.

Investment risks

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.

Due to the war in Ukraine, the deteriorating macroeconomic outlook and high inflation, transaction values agreed in the purchase process may come under pressure in subsequent valuations after completion of the transaction and reduce the profitability of the planned purchase. In the context of a sales process, the above-mentioned circumstances may lead to renegotiations on the part of the prospective buyer, which may result in a reduction of the transaction value.

Capital market risks

S IMMO is listed on the Vienna Stock Exchange with shares and bonds, and financing on the capital market is of corresponding importance. Events and circumstances such as unstable capital markets, uncertainties due to political events such as the war in Ukraine, the current interest rate trend, the lower free float, a

difficult economic environment, etc. may affect 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 risks

S IMMO owns an income- and cash-generating property portfolio, 100% of which is located in the European Union. The portfolio consists primarily of offices, but also includes shopping centres, hotels and residential properties. 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. The long-term value creation that is anchored in S IMMO's business model has proven to be very robust, even in times of crisis.

Letting and rental default risks

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 crisis caused by the COVID-19 pandemic has changed the office work environment. More companies are offering their employees the opportunity to work from home. As a result, there is a risk of space reduction in renewal negotiations. During an existing lease, this risk is considered low or can be mitigated by negotiating trade-offs (e.g. a reduction in leased space in exchange for an early renewal).

In general, in times of economic downturn and rising rent burdens for tenants due to inflation – also independent of new working models – there may be a desire for space or rent reductions. This can also lead to a reduction in relocations and new lettings, as the tenants wait until the economic situation eases again. S IMMO AG tries to counteract these trends through active asset management and an ongoing exchange with its tenants.

Property development risks

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.

Due to the energy price crisis, inflation and increases in construction costs, there are currently delays and postponements of construction starts. The profitability of project invoices may also deteriorate. Due to S IMMO AG's conservative development strategy and the associated approach of waiting until construction prices have eased, S IMMO is hardly exposed to any risks in this area. S IMMO currently has no development projects under construction.

Construction risks

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 risks

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 occupancy rate, real estate appraisers also take into account other factors such as taxes on land, operating costs, third-party claims based on environmental risks or risks associated with certain building 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. In the current economic environment, rising costs and rising interest rates are negatively impacting property valuation results.

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 risks

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 Sales 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 risks

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. From the end of December 2021, there was an unexpectedly rapid rise in the three-month EURIBOR from -0.59% to 2.1% at the end of December 2022 driven by several increases in the ECB's key interest rate as a result of the fight against the sharp rise in inflation in the euro area. The ECB has announced further rate hikes to combat high inflation, so the three-month EURIBOR is expected to rise further in 2023. 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 2022, 8% (31 December 2021: 11%) of loans were fixed-rate and 92% (31 December 2021: 89%) 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 average hedge level was 100% as of 31 December 2022. This means that S IMMO AG is well hedged against further interest rate increases. 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. An increase in the three-month EURIBOR to 3.0% p.a. leads to an increase in the cost of funding by 11 basis points.

Financing risks

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. However, even with unchanged risk premiums, the increase in the three-month EURIBOR leads to a significant increase in financing costs for existing loans as well as future borrowings. In addition, it can be observed that, as a result of the Taxonomy Regulation, banks attach more importance to the fulfilment of ESG criteria of the financing object when examining financing requests. 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 (19 individual banks as of the reporting date of 31 December 2022). Borrowing is monitored on the basis of approvals on a staggered basis by the Management Board and Supervisory Board. As of 31 December 2022, non-current liabilities to banks had an average weighted residual term of 4.8 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 2022, the Group-wide loan-to-value ratio for secured financing stood at 33.2% (31 December 2021: 30.7%). In addition, the Group has unsecured financing (utilised credit lines and loans). The loan-to-value ratio for unsecured financing amounted to 8.1% (31 December 2021: 9.8%) 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.

Credit risks

Credit risk is understood to mean, among other things, the risk that a contracting party defaults or is no longer able to meet its obligations on time or in full (counterparty default risk). If credit risks occur, this can result in financial losses for the company. The company counteracts this risk on the one hand with a careful selection of contractual partners and on the other hand with guarantees and appropriate contract design in the form of penalties or other compensation. If a receivable cannot be recovered in part or in full, it is written off or impaired. Country risk can also be counted as a credit risk. This is understood to mean special risks of loss resulting from uncertain political, economic and social conditions in another country. As a result, difficulties may also arise in the collection of receivables from foreign contractual partners. S IMMO minimises this risk by only operating in EU countries with a stable legal situation.

Exchange rate risks

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, the management of ESG risks comprises various risks related to the ESG criteria of environment, social affairs and 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 management 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 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. These climate risks are divided into physical and transitory risks. The information provided in this section on S IMMO's climate risk management is based on the requirements of the EU Taxonomy and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The strategic monitoring of environmental risks – including climate risks – and the pursuit of possible opportunities are the responsibility of the Management Board member responsible for ESG and the ESG Committee of the Supervisory Board. The operational identification, assessment and management of risks is the responsibility of the Group-wide Risk Management function, which is currently fulfilled by one of the Management Board members.

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. Repairs to buildings that may become necessary due to earthquake damage are also covered by insurance. Apart from this, critical infrastructure may be affected, especially in the form of outages, bottlenecks or contamination of the energy and water supply to real estate and development projects.

In construction activities, a potential risk arises from the materials used and, in particular, from hazardous building materials. 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. 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.

In order to meet the requirements of the EU Taxonomy for a high-resolution climate risk and vulnerability assessment in line with the long lifespan of real estate investments, S IMMO had a technology and science-based climate risk analysis carried out for the first time by an external service provider for all building properties that were part of the portfolio as of the reporting date of 31 December 2022 and integrated the results into the Group's own risk assessment. For this purpose, the individual properties were subjected to a scenario analysis, related to the representative concentration paths RCP2.6, RCP4.5, RCP6.0 and RCP8.5 depending on data availability with time horizons between 2040 and 2100, for all relevant physical climate risk categories and the risks were assessed using an average of these concentration paths. Further details can be found in the section Implementation of the EU Taxonomy starting on page 50.

In the area of acute physical risks, storms, heavy precipitation and floods are classified as significant, as it can be assumed that these will increasingly occur more frequently and violently than in the past. In addition, these acute risks harbour a direct hazard potential for property damage and the resulting temporarily restricted usability of the buildings. In the case of chronic physical risks with a permanent effect, heat stress and water stress are primarily classified as significant, although the latter

would only impair building operation to a limited extent in many cases. In contrast, and across all physical climate risks, heat stress in particular is classified as significant. Due to the geographical location and a moderate continental climate, the properties at the Bucharest location are particularly affected by this, and this risk is currently being countered, among other things, with the appropriate dimensioning of the cooling and refrigeration technology of the buildings.

Furthermore, the way politics, business and society deal with climate change results in transitory climate risks for the company. A more drastic taxation of greenhouse gas emissions and the accompanying technological necessity of investments in renewable energy generation, improvement of energy efficiency as well as digitalisation and networking of buildings are becoming significant cost drivers, and there is also the risk of potential misinvestments in technologies. At the same time, lower-emission technical solutions can actively reduce significant market risks, primarily the loss of value of CO_2-intensive buildings, the more difficult lettability of CO_2-intensive buildings and increased costs due to higher energy and commodity prices. In addition, the expanded reporting requirements to be met reflect the preferences of shareholders and financiers for products and business models with a high ESG orientation, which is why S IMMO is continuously improving the scope, availability and transparency of its ESG data.

Climate risks not only affect the company through climate change, but in the sense of double materiality, there is also the risk that the company will further the greenhouse effect and thus climate change. The construction and operation of buildings is generally greenhouse gas intensive, which means that S IMMO has a special responsibility to increase energy efficiency and reduce greenhouse gas emissions. Portfolio-wide and property-related consumption data monitoring and the calculation of greenhouse gas emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) should serve to identify and implement targeted optimisations based on complete and detailed data. To provide a strategic framework for this project, specific savings targets were presented in 2022 as part of S IMMO's ESG strategy, which is now being implemented. Details on the ESG strategy can be found starting on page 39. More information on the handling of energy and emissions can be found in the non-financial report starting on page 49.

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. In building operations in particular, both money and greenhouse gas emissions can be saved directly and noticeably through more efficient use of energy and water, which is why S IMMO sees the greatest potential here in the short term. 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.

Social risks

S IMMO's social risks are divided into four areas: human rights, employees, tenants, stakeholders and society. In the area of human rights, the handling of these issues was further formalised and anchored in processes during the reporting year through the introduction of a new organisational guideline. In the course of these measures, human rights issues were established as a separate area of risk management and assessed in terms of the risks associated with them. S IMMO has identified the following human rights risks as particularly relevant:

- Discrimination and violation of minority rights
- Sexual harassment
- Slavery, torture, forced, compulsory and child labour
- Encroachment on the sphere of liberty of individuals
- Violation of the rights to assembly, association, collective bargaining and strike
- Unequal and/or inadequate working conditions and remuneration
- Exceeding working hours
- Inadequate maternity protection

S IMMO's Compliance Management is the central point of contact for all complaints and suspicious activity reports regarding actual and potential human rights violations. Furthermore, local management in the subsidiaries can also be contacted in the first instance. An anonymous report can be submitted via the

Group's digital whistleblower system. All three channels are always open to internal and external persons alike. All reported incidents are received by Compliance Management and are treated confidentially and with an assurance of anonymity. If a suspicious case is confirmed, possible countermeasures are identified. Details on dealing with human rights risks and the underlying international frameworks can be found on page 45 and in the organisational policy at www.simmoag.at/human-rights. Since 2022, employees have received annual training on the content and implementation of the organisational policy on human rights and the digital whistleblower system.

With regard to the employees, social risks for the company consist on the one hand of possible human errors in daily operations and on the other hand of the consequences of a lean personnel structure. Fluctuation, the loss of key employees and other staff shortages can have a negative impact on the company's development, as the know-how of employees can hardly or only with great difficulty be compensated for in the short term. The company therefore strives to be an attractive employer in the long term and offers its employees individual solutions to facilitate their daily work. These risks have increased against the backdrop of the takeover of S IMMO by CPI Property Group S.A. and IMMOFINANZ AG. In principle, CPI Property Group S.A. does not intend to make any significant changes to the general working conditions or in the management team of S IMMO, according to its offer document. Nevertheless, synergies are to be achieved by combining and assigning functions within the group of companies. Therefore, it cannot be ruled out that the outsourcing of important management functions could occur, which would bring about adverse changes in working conditions. In addition, it cannot be ruled out that any restructuring will reduce the motivation of S IMMO employees or even lead to the departure of employees in key positions. Furthermore, occupational accidents and employee absences due to physical or mental stress as well as illness represent additional risks that are countered with various infrastructural and health-related preventive and precautionary measures. During the COVID-19 pandemic, a company vaccination campaign, the reduction of attendance times at the office through remote working, the creation of individual offices, the possibility of regular PCR testing and mask regulations minimised the risk of infection and ensured that the company's ability to operate was maintained. However, when using remote working solutions, physical pain can occur due to a non-ergonomically adapted workplace and, on a psychological level, the separation between work and private life can possibly become more difficult.

With respect to tenants, personal injuries to tenants, visitors and passers-by may occur during the use of the buildings if S IMMO, as the owner, does not adequately fulfil its ownership and operating obligations. It is therefore guaranteed at all times that all responsibilities are taken into account through appropriate personnel and physical precautions at the properties. Furthermore, there is a risk that tenancies may be terminated or not renewed due to dissatisfaction on the part of tenants, which could lead to a decline in the occupancy rate. S IMMO will counter this risk in the future with tenant satisfaction surveys in addition to the existing tenant dialogue. Rental income can also be negatively affected by economic crises, regulatory intervention and other restrictions on tenants' business activities.

Data protection risks as well as internal and external IT security risks are located at the stakeholder and social level. Despite all due diligence and systemic and procedural precautions, there is a risk that cyberattacks and unauthorised disclosures could lead to violations of personal rights and privacy, especially in the area of employee and tenant data. The company counters this risk with ongoing monitoring of case law and, if necessary, with adjustments to its policies, infrastructure and processes in relation to data protection in order to minimise the number of breaches and subsequent claims and, if necessary, to comply with them in a timely manner. In addition, employees receive mandatory annual training on data protection topics. IT security risks are gaining in importance, especially in light of a significant increase in the digitalisation of corporate processes. S IMMO defines IT security risks as the danger that the confidentiality, availability or integrity of corporate data is breached through improper publication, encryption or loss, preventing the company or individuals from carrying out their tasks or processes in a timely and successful manner. This can be primarily the result of inadequate authorisation concepts, cyberattacks and theft of hardware. In order to minimise these risks, an external penetration test has been conducted annually since the reporting year to identify and eliminate IT security vulnerabilities. S IMMO has a central user and log management system and uses an intelligent cyberdefence program and programs for the automated detection of data security risks around the clock. Furthermore, hard drives, data carriers and mobile devices are encrypted and servers are hosted in a failsafe data centre operated by an

external service provider. The company's data security policy is constantly being developed and in the reporting year, the annual mandatory employee training courses on data security were introduced. Despite all measures taken, a failure of the IT infrastructure or a cyberattack on S IMMO's systems cannot be ruled out. Risks relating to all stakeholder groups also include the company's reputation risk, the occurrence of further health crises as well as types of civil unrest, political violence, terrorism and war, which can have an impact on society as a whole and are almost impossible to predict in terms of their extent.

Governance risks

S IMMO has been committed to compliance with the Austrian Code of Corporate Governance since 2007 (details can be found on page 22). In addition, S IMMO's Code of Conduct obliges the executive bodies and employees to behave in a manner that complies with the company's ethical standards. There is a risk that the contents of these codes are not adhered to. Employees who become aware of a proven or possible violation of the Code of Conduct or compliance guidelines listed therein must either report this immediately to S IMMO's Compliance Management or submit a corresponding report anonymously via the digital whistleblower system 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 Benefits 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 benefits 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. Mandatory training sessions are held annually on the contents of the Code of Conduct and the Policy on the Prevention of Bribery, Acceptance of Benefits and Corruption. S IMMO Group operates in a regulatory environment in which provisions – particularly in the areas of labour, financial, antitrust, public and environmental law – are or will be applicable with very high penalties. 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. With regard to S IMMO's executive bodies, additional risks exist in the form of potentially excessive Management Board remuneration, fraud and a lack of diversity on the Management Board and Supervisory Board, which S IMMO counters with a transparent remuneration policy and strict compliance guidelines. In the nomination process and the composition of the executive bodies, different diversity criteria are taken into account, for example with regard to expertise, origin and age. When selecting and working with its business partners and suppliers, S IMMO attaches great importance to the contractual framework and regulations, and compliance with the high legal standards and regulations within the European Union is the minimum requirement. In most cases, cooperation takes place with renowned and recognised partners, which are preceded by an appropriate selection process. This also minimises the financial risk of penalties or legal restrictions.

Other risks

General external risks

General external risks can occur, for example, if unauthorised persons enter the company premises and cause damage through vandalism or theft. Fire and water damage or the lack of suitable business partners are also among the general external risks. The occurrence of these risks can lead to a restriction or standstill of operations.

Legal risks

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 under IFRS. Since the outcome of (arbitration) court proceedings is generally difficult to predict, expenses in excess of the allocated provisions may arise. Significant risks may also arise from changes in the legal situation, especially as S IMMO operates in a highly regulated environment and in various jurisdictions.

Other operational risks

Other operational risks relate to risks associated with systems and processes within the organisation. In order to ensure uninterrupted operations in an organisation, appropriate hardware and software is required to support the necessary processing capacity as well as the operational needs of the business. Otherwise, processing errors, data loss, erroneous data or downtime can occur. The same applies if new IT products cannot be integrated into the existing IT environment or if a technology development was incorrectly assessed. In order to counteract duplication of work or an increased area of coordination, a clear definition of responsibilities and processes is essential.

Overall statement on risks

S IMMO AG's business activities are subject to a variety of risks and are highly dependent on the economy. In 2022, the economy was heavily influenced by the war in Ukraine, supply chain problems, high inflation rates and the resulting energy crisis, as well as rising interest rates. The forecast for 2023 is also sobering, with some experts even anticipating a recession. The real estate industry is and will be confronted in the coming months with challenges such as increased construction costs, scarcity of resources among investors, banks or property developers. The COVID-19 pandemic, which has had a massive impact on the economy in recent years, is increasingly fading into the background – provided there are no new mutations.

The above factors have at least an indirect impact on almost all of S IMMO's risk categories. For this reason, the company counters all risks with careful risk monitoring and responsible risk policies. For example, S IMMO reduces the interest rate risk associated with the increase in key interest rates by hedging variable-rate loans. Inflation and higher construction costs also have an impact on project developments – this can lead to delayed construction starts or significant cost increases. S IMMO currently has no properties under construction. Rising interest rates and higher costs can also have a negative impact on the valuation results of properties. In economically difficult times, tenants could demand space or rent reductions due to high rental costs. This increases the letting risk. S IMMO attempts to counteract this risk through active asset management.

With the measures taken, the occurrence of risks cannot be completely ruled out. Therefore, provisions are also made in the balance sheet for potential risks. Forecasts of what will happen with the war in Ukraine or the energy crisis are hardly possible and make reliable planning difficult. Another disadvantage is that the uncertainties lie outside the company's sphere of influence.

In summary, S IMMO has a stable and profitable property portfolio in very good locations. Therefore, management fundamentally believes that its business model and the strategy derived from it will enable it to cope well with the coming challenges and seize potential opportunities.

Outlook

At the time of preparing this report, the global political and economic situation continues to be burdened by the war in Ukraine. 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.

The impact of the recently observed problems in the banking sector on S IMMO's markets is difficult to forecast at this point in time, but the company considers itself well positioned thanks to a broadly diversified financing structure.

The effects of the COVID-19 pandemic and the related uncertainties still persist in the markets in which S IMMO operates.

Since 31 December 2022, changes in the interest rate landscape and inflation expectations have continued. The impact of these ongoing changes on S IMMO's business development and, in particular, on the future valuation of properties cannot be conclusively assessed at this time.

Just before this report went to press, a large portfolio in Berlin, consisting of around 1,300 residential and commercial units with more than 100,000 m² of rental space and held for sale as of 31 December 2022, was sold. Due to market conditions, there was a discount of EUR 16.5m on the property values recognised as of 31 December 2022.

Expected economic development

Economic experts of the European Commission expect growth in the EU to decline to 0.5% due to the current challenges such as the energy crisis, inflation and the war in Ukraine. A slight recovery will presumably not be seen until 2024 and 2025, with GDP growth rates of 1.9% and 1.8%, respectively. Inflation itself is projected to settle at 8.5% this year and only fall further in 2024.

Looking at the CEE countries in the European Union, GDP growth will drop to around 1.2%. It is not expected to stabilise until next year, when it is forecast to come in at 3%. According to projections, inflation will remain high in 2023, at roughly 11.6%.

Economic stagnation is also expected in Austria, with minimal growth of 0.3%. Inflation is projected to fall to 6.5% in the year 2023.

Expected developments on the real estate markets

The current challenges for the global economy are also impacting the real estate markets. Developments such as the interest rate lift-off and elevated inflation rates are being reflected in higher maintenance and operating costs as well as increased financing costs and lower demand from tenants. In return, rental income is rising due to inflation. In addition, prices for raw materials have risen and continue to rise due to the current energy crisis, which in turn is leading to construction delays for new projects. Trends such as remote working and online shopping that were further strengthend by the COVID-19 pandemic will also influence the real estate markets in the coming quarters. Furthermore, a greater focus on sustainable properties is expected. Buildings that do not meet the requirements of sustainability will be under pressure on a permanent basis.

The COVID-19 pandemic seems to be over in the opinion of experts and has thus faded into the background so that the effects have receded to a low level. As a result, no negative impact on operating business is to be expected at this point in time.

Expected business development

Last year was shaped by macroeconomic turbulence on a number of fronts, the implications of which will continue to affect the current financial year. After years of unabated growth, the real estate markets are undergoing a dramatic shift, which can be attributed to the war in Ukraine, the energy crisis, inflation and the resulting interest rate lift-off, among other factors.

In this context, S IMMO decided to adapt its strategy in order to account for these circumstances. The sale of residential properties in Germany means the realisation of the considerable value increases seen in recent years as well as an increase in liquidity and the reduction of exposure in low-yielding investments, which will subsequently be used for reinvestment – particularly in higher-yielding investments in office properties in CEE and Austria. While some successes have already been achieved in the sale of residential properties, the sales pipeline was expanded in January 2023 to include commercial properties outside Berlin worth more than EUR 200m. Parallel to this, a total of 14 properties in Budapest were purchased at the end of 2022, considerably expanding S IMMO's position as a key player on the Hungarian office market. At the same time, this significantly increased the long-term earning power of the portfolio. The letter of intent for the acquisition of several office properties in the Wienerberg area of Vienna – including the Twin Towers – that was made public in February 2023 is also in line with this strategy. The acquisitions in Wienerberg would also lead to a substantial increase in rental income upon realisation.

In addition, S IMMO made extensive progress in terms of ESG last year. Improvements were achieved in all of the relevant ratings and further milestones were defined in the form of a comprehensive ESG strategy. The fact that the 2021 non-financial reporting was honoured with two EPRA sBPR Awards is yet another indication that the company is on the right track in this area. Class A properties in prime locations that meet basic sustainability criteria are in high demand.

Vienna, 20 March 2023

The Management Board

Herwig Teufelsdorfer Holger Schmidtmayr

Consolidated financial statements

Consolidated statement of financial position

as of 31 December 2022

Assets EUR '000	Notes	31 December 2022	31 December 2021
Non-current assets			
Investment properties			
Rented properties	3.1.1.	2,580,819	2,642,929
Properties under development and undeveloped land	3.1.1.	86,433	77,034
		2,667,252	2,719,963
Owner-operated properties	3.1.2.	105,529	110,834
Other plant and equipment	3.1.2.	5,003	5,536
Intangible assets	3.1.2.	768	358
Interests in companies measured at equity	3.1.3.	26,545	27,367
Group interests	3.1.4.	5,303	5,346
Other financial assets	3.1.4.	92,503	398,001
Deferred tax assets	3.1.16.	1,017	561
		2,903,920	3,267,966
Current assets			
Inventories	3.1.5.	300	262
Trade receivables	3.1.6.	17,456	6,904
Other financial assets	3.1.6.	42,730	14,238
Other assets	3.1.7.	23,946	22,928
Cash and cash equivalents	3.1.8.	246,925	375,823
		331,357	420,155
Assets held for sale	3.1.9.	539,084	0
		870,441	420,155
		3,774,361	**3,688,121**

Equity and liabilities EUR '000	Notes	31 December 2022	31 December 2021
Shareholders' equity			
Share capital	3.1.10.	256,249	256,249
Capital reserves	3.1.10.	160,612	160,612
Other reserves	3.1.10.	1,280,367	1,245,361
		1,697,228	1,662,222
Non-controlling interests	3.1.11.	83,040	4,081
		1,780,268	1,666,303
Non-current liabilities			
Issued bonds	3.1.13.	544,237	646,819
Other financial liabilities	3.1.12.	927,600	920,201
Provisions for employee benefits	3.1.14.	1,111	1,264
Other liabilities	3.1.15.	1,412	348
Deferred tax liabilities	3.1.16.	205,058	253,011
		1,679,418	1,821,643
Current liabilities			
Financial liabilities	3.1.12.	82,076	138,581
Income tax liabilities		7,421	6,070
Trade payables	5.1.1.	12,693	5,673
Other liabilities	3.1.15.	85,239	49,851
		187,429	200,175
Liabilities relating to assets held for sale		127,246	0
		314,675	200,175
		3,774,361	**3,688,121**

Consolidated income statement

for the financial year 2022

in EUR '000	Notes	2022	2021
Revenues			
Rental income	3.2.1.	155,705	131,294
Revenues from operating costs	3.2.1.	48,405	34,359
Revenues from hotel operations	3.2.1.	56,383	31,203
		260,493	196,856
Other operating income		2,227	3,175
Property operating expenses	3.2.2.	-79,511	-66,795
Hotel operating expenses	3.2.2.	-43,010	-23,702
Gross profit		140,199	109,534
Income from property disposals	3.2.3.	49,240	39,598
Book value of property disposals	3.2.3.	-49,240	-39,598
Result from property disposals	3.2.3.	0	0
Management expenses	3.2.4.	-34,141	-28,237
Earnings before interest, tax, depreciation and amortisation (EBITDA)		106,058	81,297
Depreciation and amortisation	3.2.5.	-9,682	-9,646
Results from property valuation	3.2.6.	-78,397	198,686
Operating income (EBIT)		17,979	270,337
Financing costs	3.2.7.	-42,663	-30,723
Financing income	3.2.7.	59,239	25,255
Results from companies measured at equity	3.2.7.	280	6,173
Financial result		16,855	705
Earnings before tax (EBT)		34,834	271,042
Taxes on income	3.1.16.	-15,907	-40,484
Consolidated net income		18,927	**230,558**
of which attributable to shareholders in the parent company		27,204	229,521
of which attributable to non-controlling interests		-8,277	1,037
Earnings per share			
undiluted = diluted	3.2.8.	0.39	3.24

Consolidated statement of comprehensive income

for the financial year 2022

in EUR '000	Notes	2022	2021
Consolidated net income		18,927	230,558
Change in value of cash flow hedges	5.1.2.	66,880	11,480
Income taxes on cash flow hedges	5.1.2.	-11,222	-2,141
Reclassification of derivative valuation effects	5.1.2.	-11,325	287
Income taxes on reclassification of derivative valuation effects	5.1.2.	1,946	-72
Reserve for foreign exchange rate differences	3.1.10.	2,600	424
Other comprehensive income for the period (realised through profit or loss)		48,879	9,978
Valuation of financial assets FVOCI		5,665	129,642
Income taxes from measurement of financial assets FVOCI		-1,321	-35,700
Remeasurement of post-employment benefit obligations		-120	-67
Income taxes on remeasurement of post-employment benefit obligations		28	17
Other comprehensive income for the period (not realised through profit or loss)		4,253	93,892
Other comprehensive income for the period		53,131	103,870
of which attributable to shareholders in parent company		53,642	103,870
of which attributable to non-controlling interests		-511	0
Total comprehensive income		**72,058**	**334,428**
of which attributable to shareholders in parent company		80,847	333,391
of which attributable to non-controlling interests		-8,789	1,037

Consolidated cash flow statement

for the financial year 2022

in EUR '000	Notes	2022	2021
Earnings before taxes (EBT)		34,834	271,042
Results from property valuation	3.2.6.	78,397	-198,686
Depreciation and amortisation	3.2.5.	9,682	9,646
Results on property sales	3.2.3.	0	0
Taxes on income paid	3.1.16.	-24,502	-15,420
Financial result	3.2.7.	-16,855	-705
Operating cash flow		81,556	65,877
Changes in net current assets			
Receivables and other assets		-18,858	-2,734
Provisions, other financial and non-financial liabilities		911	-722
Current liabilities		304	6,544
Cash flow from operating activities		63,914	68,965
Cash flow from investing activities			
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)		-14,762	-35,579
Investments in intangible assets		-564	-236
Investments in other fixed assets		-980	-882
Disposal of equity instruments of other companies	3.1.4.	452,829	234,605
Acquisition of equity instruments of other companies	3.1.4.	-49,318	0
Investments in financial assets		-540	-38
Disposals of financial assets		0	16
Investments in companies measured at equity		0	-151
Divestments in companies measured at equity		612	510
Net cash flow from initial consolidations	2.2.4.	-465,127	-151,998
Other changes in companies measured at equity		690	3,783
Disposals of properties	3.2.3.	76,600	39,598
Dividends from companies measured at equity		478	356
Dividends from listed companies	3.1.4. | 3.2.7.	0	17,755
Income from equity investments	3.1.4.	356	343
Interest received	3.2.7.	271	927
Cash flow from investing activities		545	109,009

in EUR '000	Notes	2022	2021
Consolidated cash flow statement continued			
Cash flow from financing activities			
Issue of shares	3.1.10.	0	0
Buyback of treasury shares	3.1.10.	0	-16,392
Bond issues	3.1.13.	49,711	149,143
Bond redemptions	3.1.13.	0	-28,549
Buyback of bonds	3.1.13.	-153,397	0
Increase in non-controlling interests	3.1.11.	87,800	0
Distribution of non-controlling interests		-53	-232
Increases in financing	3.1.12.	270,339	165,360
Decreases in financing	3.1.12.	-328,282	-63,932
Dividend payment	3.1.10.	-45,841	-35,329
Interest paid		-41,687	-36,723
Cash flow from financing activities		-161,411	133,346
Cash and cash equivalents 01 January		375,823	64,503
Reclassification of cash and cash equivalents as properties held for sale		-31,946	0
Net change in cash and cash equivalents		-96,952	311,320
Cash and cash equivalents 31 December[1]		**246,925**	**375,823**

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

Changes in consolidated equity

in EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Equity instruments reserve	Other reserves	Subtotal S IMMO share-holders	Non-controlling interests	Total
As of 01 January 2022	256,249	160,612	-10,913	-9,247	18,238	1,247,284	1,662,222	4,081	1,666,303
Consolidated net income	0	0	0	0	0	27,205	27,205	-8,277	18,927
Other comprehensive income	0	0	2,600	46,791	4,344	-92	53,643	-511	53,131
Distribution with respect to non-controlling interests	0	0	0	0	0	0	0	-52	-52
Other changes	0	0	0	0	-18,912	18,912	0	87,800	87,800
Distribution for 2021 to shareholders [1]	0	0	0	0	0	-45,841	-45,841	0	-45,841
As of 31 December 2022	256,249	160,612	-8,314	37,544	3,670	1,247,467	1,697,228	83,040	1,780,268
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	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**

[1] The dividend distribution of kEUR 45,841 in 2022 (2021: kEUR 35,329) corresponds to a dividend of EUR 0.65 (2021: EUR 0.50) per share, and was effected on 13 June 2022.

Notes to the consolidated financial statements

as of 31 December 2022

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 (from 18 September 2017 to 23 November 2022 incl. in the Austrian benchmark index ATX). It has subsidiaries in Austria, Germany and CEE (the Czech Republic, Slovakia, Hungary, Croatia, Romania and Bulgaria) as of the reporting date. As of 31 December 2022, 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 and shopping centers.

S IMMO AG, Vienna, prepares the consolidated financial statements for the smallest group of companies. CPI PROPERTY GROUP S.A. prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are published at the company's registered office in Luxembourg.

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. Where applicable, an optional fair value concentration test is performed to assess whether a group of activities and assets qualifies as business operations.

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 88 (2021: 84) companies (property holding and intermediary holding companies) that are fully consolidated and directly or indirectly owned by S IMMO AG, and 5 (2021: 6) companies included at equity.

Changes in the consolidation group in the financial year 2022

In the second quarter of 2022, the company EXPO BUSINESS PARK S.R.L., Romania, was acquired by way of a share deal. The purchase price (excluding incidental expenses) of kEUR 47,435 consisted entirely of cash. The loan of kEUR 68,134 included in non-current liabilities was repaid in the course of the purchase. In the fourth quarter of 2022, Gateway Office Park Kft., Hungary, BC 99 Office Park Kft., Hungary, and Arena Corner Kft., Hungary, were also acquired by CPI Property Group S.A. by way of a share deal. The purchase prices (excluding incidental expenses) of kEUR 73,639 (Gateway Office Park), kEUR 46,370 (BC 99 Office Park) and kEUR 22,087 (Arena Corner) consisted entirely of cash. The loans of kEUR 4,752 (Gateway Office Park), kEUR 29,057 (BC 99 Office Park) and kEUR 33,212 (Arena Corner) included in non-current liabilities were repaid in the course of the settlement of the purchases. In addition, the company Átrium Park Kft., Hungary, was purchased by the IMMOFINANZ Group in the fourth quarter of 2022. The purchase price (excluding incidental expenses) of kEUR 175,691 was paid entirely in cash.

Of the purchase prices listed above, kEUR 340 (EXPO Business Park) and kEUR 3,052 (Gateway Office Park) were not yet due in 2022. From the acquisitions BC 99 Office Park (kEUR 1,924), Arena Corner (kEUR 10,636) and Átrium Park (kEUR 569), there are recoveries from provisional purchase price payments as of 31 December 2022. A business combination within the meaning of IFRS 3 did not exist for any of the newly consolidated companies, as there was no business operation according to IFRS 3. The acquired companies had the following book values at the time of acquisition:

EUR '000	EXPO BUSINESS PARK S.R.L.	Gateway Office Park Kft.	BC 99 Office Park Kft.	Arena Corner Kft.	Átrium Park Kft.	Total book value
Non-current assets						
Property assets	113,773	79,627	77,063	55,984	235,454	561,901
Other non-current financial assets	0	0	0	0	15,500	15,500
Current assets						
Other current assets	562	831	795	354	7,282	9,824
Cash and cash equivalents	2,922	471	359	109	41,127	44,988
Total assets	**117,257**	**80,929**	**78,217**	**56,447**	**299,363**	**632,213**
Non-current liabilities	-68,556	-5,664	-30,207	-33,345	-109,309	-247,081
Current liabilities	-887	-1,639	-1,656	-1,019	-14,069	-19,270
Total book value of disposals	**47,814**	**73,626**	**46,354**	**22,083**	**175,985**	**365,862**

In the fourth quarter of 2022, the previously fully consolidated company THE MARK II OFFICES S.R.L., Romania, and the company QBC Gamma SP Immomanagement GmbH, Austria, valued at equity, were liquidated.

Overview of the 2022 consolidation group on a company basis

Company	Location	Nominal capital 2022	Nominal capital 2021	Group share % 2022	Group share % 2021	Local currency 2022	Local currency 2021	Consolidation type 2022	Consolidation type 2021
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	38,932	35,000	89.90	100	EUR	EUR	FC	FC

Company	Location	Nominal capital 2022	Nominal capital 2021	Group share % 2022	Group share % 2021	Local currency 2022	Local currency 2021	Consolidation type 2022	Consolidation type 2021
Hotel DUNA Beteiligungs Gesellschaft m.b.H.	AT, Vienna	145,346	145,346	100	100	EUR	EUR	FC	FC
AKIM Beteiligungen GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
SO Immobilienbeteiligungs GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
CEE Beteiligungen GmbH	AT, Vienna	35,000	35,000	100	100	EUR	EUR	FC	FC
E.V.I. Immobilienbeteiligungs GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
SIAG Berlin Wohnimmobilien GmbH	AT, Vienna	3,982,500	3,982,500	89.67	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	89.84	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	N/A	35,000	N/A	35	N/A	EUR	N/A	E
BGM - EB-Grundstücksbeteiligungen GmbH & Co KG	AT, Vienna	4,342,202	4,342,202	23.6	23.6	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	89.90	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	89.90	100	EUR	EUR	FC	FC
S IMMO Property Vier GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Fünf GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Sechs GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Sieben GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Acht GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Neun GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Zehn GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Elf GmbH	AT, Vienna	35,000	35,000	89.90	100	EUR	EUR	FC	FC
S IMMO Property Zwölf GmbH	AT, Vienna	35,000	35,000	89.90	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	89.90	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	89.90	100	EUR	EUR	FC	FC
Ikaruspark GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
S IMMO Germany GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC

Company	Location	Nominal capital 2022	Nominal capital 2021	Group share % 2022	Group share % 2021	Local currency 2022	Local currency 2021	Consolidation type 2022	Consolidation type 2021
S Immo Geschäftsimmobilien GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
Markt Carree Halle Immobilien GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
Tölz Immobilien GmbH	DE, Berlin	25,000	25,000	89.67	99.74	EUR	EUR	FC	FC
SIAG Deutschland Beteiligungs-Verwaltungs GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
SIAG Deutschland Beteiligungs GmbH & Co. KG	DE, Berlin	100,000	100,000	85.32	94.9	EUR	EUR	FC	FC
SIAG Leipzig Wohnimmobilien GmbH	DE, Berlin	750,000	750,000	89.67	99.74	EUR	EUR	FC	FC
Maior Domus Hausverwaltungs GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
SIAG Property I GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
SIAG Property II GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
S IMMO Berlin I GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
S IMMO Berlin II GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
S IMMO Berlin III GmbH	DE, Berlin	25,000	25,000	83.61	93	EUR	EUR	FC	FC
S IMMO Berlin IV GmbH	DE, Berlin	25,000	25,000	83.61	93	EUR	EUR	FC	FC
S IMMO Berlin V GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
S IMMO Berlin VI GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
S IMMO Berlin Finance GmbH	DE, Berlin	25,000	25,000	89.90	100	EUR	EUR	FC	FC
Bank-garázs Kft.	HU, Budapest	3,000,000	3,000,000	100	100	HUF	HUF	FC	FC
CEE Property-Invest Kft.	HU, Budapest	110,000,000	110,000,000	100	100	HUF	HUF	FC	FC
Maros utca Kft.	HU, Budapest	4,000,000	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	6,674,082	6,000,000	89.90	100	HUF	HUF	FC	FC
S IMMO APM Hungary Kft.	HU, Budapest	20,000,000	20,000,000	100	100	HUF	HUF	FC	FC
Essence Garden Kft. (previously: Váci 113 Offices A Kft.)	HU, Budapest	5,000,000	5,000,000	100	100	HUF	HUF	FC	FC
Váci 113 Offices B Hungary Kft.	HU, Budapest	6,000,000	4,000,000	100	100	HUF	HUF	FC	FC
Talent Ágazati Képzőközpont Nonprofit Kft.	HU, Budapest	3,250,000	3,250,000	20	20	HUF	HUF	E	E
BudaPart Auratus Kft.	HU, Budapest	4,070,000	4,070,000	100	100	EUR	EUR	FC	FC
Gateway Office Park Kft.	HU, Budapest	3,000,000	N/A	100	N/A	HUF	N/A	FC	N/A
BC 99 Office Park Kft.	HU, Budapest	280,640,000	N/A	100	N/A	HUF	N/A	FC	N/A
Arena Corner Kft.	HU, Budapest	4,000,000	N/A	100	N/A	HUF	N/A	FC	N/A
Átrium Park Kft.	HU, Budapest	6,010,000	N/A	100	N/A	HUF	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	23,732,000	80,732,000	100	100	RON	RON	FC	FC
S IMMO APM ROMANIA S.R.L.	RO, Bucharest	500,000	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	N/A	45,576	N/A	100	N/A	RON	N/A	FC
SPC DELTA PROPERTY DEVELOPMENT COMPANY SRL	RO, Bucharest	13,792,510	21,792,510	100	100	RON	RON	FC	FC
SPC SIGMA PROPERTY DEVELOPMENT COMPANY SRL	RO, Bucharest	13,255,000	24,255,000	100	100	RON	RON	FC	FC

Company	Location	Nominal capital 2022	Nominal capital 2021	Group share % 2022	Group share % 2021	Local currency 2022	Local currency 2021	Consolidation type 2022	Consolidation type 2021
EXPO BUSINESS PARK S.R.L.	RO, Bucharest	83,534,400	N/A	100	N/A	RON	N/A	FC	N/A
Galvániho Business Centrum, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
GALVÁNIHO 2, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
IPD – International Property Development, s. r. o.	SK, Bratislava	33,194	33,194	51	51	EUR	EUR	E	E
SIAG Fachmarktzentren, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
SIAG Hotel Bratislava, s. r. o.	SK, Bratislava	6,639	6,639	100	100	EUR	EUR	FC	FC
GALVÁNIHO 4, s. r. o.	SK, Bratislava	33,195	33,195	100	100	EUR	EUR	FC	FC
SIAG Multipurpose Center, s.r.o.	SK, Bratislava	6,639	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.	HR, Zagreb	70,000	70,000	100	100	HRK	HRK	FC	FC
Zagrebtower d.o.o.	HR, Zagreb	15,347,000	15,347,000	100	100	HRK	HRK	FC	FC

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

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

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

Foreign currencies have been translated using the following exchange rates:

	Czech Republic CZK	Hungary HUF	Bulgaria BGN	Romania RON	Croatia HRK
Closing rate 31 December 2022	24.116	400.870	1.956	4.950	7.535
Average rate in 2022	24.562	391.271	1.956	4.935	7.538
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

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 2022

In preparing the consolidated financial statements, the following amendments to existing IAS, IFRS and interpretations as well as newly issued standards and interpretations were considered, insofar as they were published in the Official Journal of the European Union by 22 December 2022 and had entered into force by that date:

Standard	Content	To be applied from
IAS 16	Proceeds before Intended Use	January 2022
IFRS 3	Reference to the Conceptual Framework	January 2022
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41	Annual Improvements to IFRS – Cycle 2018–2020	January 2022

IAS 16 Property, Plant and Equipment – Amendments to IAS 16: 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. 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.

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

IFRS 3 Business Combinations – 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 Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

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

IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments to IAS 37: Onerous Contracts – Contract Performance Costs

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.

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

IFRS 1, IFRS 9, IFRS 16, IAS 41: Annual Improvements to IFRS – Cycle 2018–2020

The following improvements were finalised in May 2021:

- 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 – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also 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 with the requirement in the standard to discount cash flows on a post-tax basis.

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 2022 and have not been applied early

The following standards and interpretations were introduced or amended by 22 December 2022, but their application was not yet mandatory for the 2022 financial year. Early application is not planned.

Standard	Content	Adopted and to be applied from
IFRS 17	Insurance Contracts, including: i. Amendments to IFRS 17 (published on 25 June 2020) and ii. Initial application of IFRS 17 and IFRS 9 – Comparative information (published on 09 December 2021)	January 2023
IAS 1, IFRS Practice Statement 2	Disclosure of Accounting Policies	January 2023
IAS 8	Definition of Accounting Estimates	January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 2023

Standard	Content	Not adopted and to be applied from
IAS 1	i. Classification of Liabilities as Current or Non-current ii. Classification of Liabilities as Current or Non-current – Deferral of Effective Date iii. Non-current Liabilities with Covenants	January 2024
IFRS 16	Lease Liability in a Sale and Leaseback Transaction	January 2024

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 generally 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 liability for the remaining coverage for short duration contracts, which are often written by non-life 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.

Targeted amendments made in July 2021 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.

Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.

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

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – 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.

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

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – 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 significant effects on the net assets, financial position and results of operations of the Group are expected.

IAS 12 Income Taxes – 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 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

IAS 1 Presentation of Financial Statements – Amendments to IAS 1:

i. 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. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver 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.

ii. Classification of Liabilities as Current or Non-current – Deferral of Effective Date

Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 01 January 2024.

iii. Non-current Liabilities with Covenants

On 31 October 2022, the IASB issued additional amendments to IAS 1 to clarify how conditions an entity must meet within 12 months of the reporting period affect the classification of a liability. Only covenants that an entity must meet on or before the reporting date affect the classification of a liability as current or non-current. However, an entity shall disclose in the notes information that enables the addressees of the financial statements to understand the risk that non-current liabilities with ancillary conditions could become repayable within twelve months.

The effects of the amendments still need to be analysed and also depend on future conditions and circumstances.

IFRS 16 Leases – Amendments to IFRS 16: Lease Liability in a Sale and Leaseback Transaction

The amendment to IFRS 16 requires a vendor lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in such a way that it does not recognise the amount of profit or loss relating to the retained right of use. The new rules do not prevent a vendor lessee from recognising gains or losses on the partial or total termination of a lease in profit or loss.

At the present time, there are no business cases that fall within the scope of the new regulation.

2.5. Changes in accounting and valuation policies

There were no changes in accounting and valuation policies in the financial year 2022.

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. Until its sale in the 2022 financial year, S IMMO recognised the interests in the listed company IMMOFINANZ AG and now measures another interest at fair value through equity as of the end of 2022.

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 corresponded to the market price as of 31 December 2021. No listed financial instruments are held as of 31 December 2022. 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 2022, hedge accounting was applied for interest rate swaps with a nominal value of kEUR 419,620 (31 December 2021: kEUR 503,998). 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 2022, 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 2022, derivative valuation effects of kEUR -9,379 (2021: kEUR 215) 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. If a critical terms match exists, a further mathematical a priori test of the effectiveness using the dollar-offset method or the relative differences method can be omitted.

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 2022, 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 2022 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 2022, a provision of kEUR 8 (31 December 2021: kEUR 5) 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.

As of 31 December 2022, the Group intended to dispose of properties with a book value of kEUR 501,006 (including those that are part of a disposal group).

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 were recognised in full for the real estate assets. Deferred taxes were not recognised in connection with the initial recognition of an asset or liability in a transaction that is not a business combination. This is also the case if it would be possible to make disposals neutral in terms of income tax, for example in the context of a share deal, provided certain conditions are met. 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. De-

ferred 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 2022, 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.

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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 losses 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 2022 EUR '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Properties held as financial investments				
Rental properties	0	0	2,580,819	**2,580,819**
Properties under development and undeveloped land	0	0	86,433	**86,433**
Group interests	0	0	5,303	**5,303**
Other financial assets				
Listed equity instruments	0	0	0	**0**
Derivatives	0	92,503	0	**92,503**
Other financial assets				
Derivatives	0	1,254	0	**1,254**
Assets held for sale	0	5,355	501,006	**506,361**
Financial liabilities				
Derivatives	0	0	0	**0**

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
Derivatives	0	2,553	0	2,553
Assets held for sale	0	0	0	0
Financial liabilities				
Derivatives	0	-24,847	0	-24,847

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 current macroeconomic situation, which is characterised by rising interest rates and high inflation rates, has potential effects on the balance sheet items listed below. This has already manifested itself in particular in the area of derivative valuation in the current annual financial statements through an increase in derivative valuations, whereby the further development cannot be assessed quantitatively from today's perspective. This development has also been reflected in the cost and income situation, in particular increased operating cost expenses and operating cost revenues, and subsequently also inflation-related rent increases and thus an improved like-for-like performance of the rents. Price increases can also be observed in the area of construction costs. The developments described also affect the valuation of real estate, whereby the development of discount and capitalisation rates cannot be predicted in this area either. S IMMO is not directly affected by the war in Ukraine because the Group has no properties or business relationships in Ukraine. However, the Group is indirectly affected by the impact of the war in Ukraine on the overall economic situation. A quantitative estimate of these indirect effects on the Group is currently not possible.

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 has a book value of kEUR 2,667,252 (31 December 2021: kEUR 2,719,963). As of 31 December 2022, properties in the amount of kEUR 501,006 (31 December 2021: kEUR 0) were held for sale (including those properties that are part of a disposal group). All properties held for sale are attributable to the Germany segment.

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.

Key parameters per segment and applied valuation method are shown below. The following table includes all properties measured at fair value by external appraisers, excluding those in the position of financial investment, for which no valuation reports are available (mainly properties and rights of use valued on the basis of transactions). These amount to kEUR 970,424.

	Book value as of 31 December 2022 EUR '000	Valuation method	Input factors	Range/mean value[1]
Austria	427,920	Capitalised earnings method	Capitalisation rate	1.85% to 5.6%
			Remaining useful life	40 years (average)
			Market rent (EUR/m²/month)	1.5 to 27.62
Germany	752,834	Discounted cash flow	Capitalisation rate	2.2% to 9%
			Discount rate	4.15% to 9.5%
			Market rent (EUR/m²/month)	4.34 to 17.83
		Residual value method	Construction costs (EUR/m²)	1,362.00
			Market rent (EUR/m²/month)	12.00
		Sales comparison approach	EUR/m²	0.63 to 414.74
CEE	1,017,080	Discounted cash flow	Capitalisation rate	5.75% to 7.75%
			Discount rate	7.15% to 10.25%
			Market rent (EUR/m²/month)	9.65 to 23
		Capitalised earnings method	Capitalisation rate	4% to 8%
			Remaining useful life	42 years (average)
			Market rent (EUR/m²/month)	7.93 to 16.45
		Residual value method	Construction costs (EUR/m²)	800–1,600
			Market rent (EUR/m²/month)	10.5 to 17
		Sales comparison approach	EUR/m²	22.37
Total	**2,197,834**			

[1] Across all types of use

	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

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.

Expert valuations for existing properties 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 properties valued on the basis of sales contracts, land that was valued based on the reference figure, properties valued at residual value and rights of use totalling kEUR 1,054,457.

Change in sustainable rent

	2022			2021		
EUR '000	-10%	Output value	+10 %	-10%	Output value	10%
Austria	383,350	427,920	472,290	395,620	441,080	486,540
Germany	623,117	685,681	742,324	1,189,959	1,306,222	1,409,344
CEE	892,660	1,000,200	1,107,600	806,030	891,200	977,130
	1,899,127	**2,113,801**	**2,322,214**	**2,391,609**	**2,638,502**	**2,873,014**

Change in interest rate

	2022			2021		
EUR '000	-10%	Output value	10%	-10 %	Output value	10%
Austria	457,360	427,920	401,250	469,990	441,080	414,480
Germany	775,944	685,681	612,559	1,475,684	1,306,222	1,168,791
CEE	1,116,000	1,000,200	903,950	990,610	891,200	809,450
	2,349,304	**2,113,801**	**1,917,759**	**2,936,284**	**2,638,502**	**2,392,721**

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 768 (31 December 2021: kEUR 358), that of other property, plant and equipment to kEUR 5,003 (31 December 2021: kEUR 5,536). Owner-operated properties had a book value of kEUR 105,529 (31 December 2021: kEUR 110,834).

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 BP, +50 BP, -50 BP or -100 BP:

	31 December 2022			
+100 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	1,092,974	97,511	40,651	42
Caps	139,931	1,602	1,289	80
Total	**1,232,905**	**99,113**	**41,941**	**42**

	31 December 2022			
+50 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	1,092,974	97,511	20,662	21
Caps	139,931	1,602	627	39
Total	**1,232,905**	**99,113**	**21,289**	**21**

	31 December 2022			
-50 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	1,092,974	97,511	-21,309	-22
Caps	139,931	1,602	-548	-34
Total	**1,232,905**	**99,113**	**-21,857**	**-22**

	31 December 2022			
-100 BP EUR '000	**Nominal**	**Fair value before interest rates shift**	**Change EUR '000**	**Change in %**
Swaps	1,092,974	97,511	-43,211	-44
Caps	139,931	1,602	-967	-60
Total	**1,232,905**	**99,113**	**-44,178**	**-45**

	31 December 2021			
+100 BP EUR '000	**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**

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 8,396 (31 December 2021: kEUR 7,217) 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 2022 (offset)	-10%	10%	Output value for deferred tax 2021 (offset)	-10%
Deferred taxes on properties	290,930	240,568	193,679	290,968	244,692	200,943

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

	2022			2021		
EUR '000	-0.30%	Output value	+0.30%	-0.30%	Output value	+0.30%
Severance payments	688	676	665	882	868	855
Long-service bonuses	444	435	426	405	396	387

Change in valorisation

	2022			2021		
EUR '000	-0.20%	Output value	+0.20%	-0.20%	Output value	+0.20%
Severance payments	669	676	683	860	868	877
Long-service bonuses	429	435	440	391	396	401

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 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**
whereof pledged as security	2,567,475	18,006
As of 01 January 2022	2,642,929	77,034
Additions	568,914	7,058
Disposals	-20,333	-47
Reclassification	-113	113
Other changes	0	0
Changes in fair value (realised through profit or loss)	-80,672	2,275
Reclassifications as properties held for sale	-529,906	0
As of 31 December 2022	**2,580,819**	**86,433**
whereof pledged as security	2,358,388	0

No change in the fair value of the properties held for sale was recognised in the income statement in 2022 (2021: kEUR 14,376) after their reclassification from investment property. The reclassification to properties held for sale relates to one Austrian property and several German properties.

Additions by operating segments were as follows:

Rented properties

EUR '000	31 December 2022	31 December 2021
Austria	944	2,359
Germany	880	15,604
CEE	567,090	174,741
	568,914	**192,704**

Properties under development and undeveloped land

EUR '000	31 December 2022	31 December 2021
Austria	0	0
Germany	2,385	8,276
CEE	4,673	675
	7,058	**8,951**

Consisting of:

Rental properties

EUR '000	31 December 2022	31 December 2021
Austria	427,920	441,080
Germany	685,681	1,306,222
CEE	1,467,218	895,627
	2,580,819	**2,642,929**

The measurement of the fair value of rental properties totalling kEUR 2,580,819 (2021: kEUR 2,642,929) in the financial year 2022 was based on hierarchy Level 3.

Properties under development and undeveloped land

EUR '000	31 December 2022	31 December 2021
Austria	0	0
Germany	67,153	59,394
CEE	19,280	17,640
	86,433	**77,034**

The measurement of the fair value of development projects and undeveloped land in the financial year 2022 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 18,929 result from property purchasing contracts concluded until 31 December 2022.

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 2022, as in the financial year 2021.

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 plant and equipment	Intangible assets	Total
Costs of acquisition 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**
As of 01 January 2022	219,185	8,501	613	228,299
Currency translation	0	-148	-13	-161
Additions	2,344	1,449	564	4,357
Disposals	-122	-771	-10	-903
As of 31 December 2022	**221,407**	**9,031**	**1,154**	**231,592**

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 plant and equipment	Intangible assets	Total
Accumulated depreciation and amortisation as of 01 January 2021	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**
Currency translation	0	-177	-10	-187
Depreciation and amortisation	7,623	1,907	152	9,682
Disposals	-96	-667	-11	-774
As of 31 December 2022	**115,878**	**4,028**	**386**	**120,292**
Book value as of 01 January 2021	**117,617**	**6,346**	**251**	**124,214**
Book value as of 31 December 2021	**110,834**	**5,536**	**358**	**116,728**
Book value as of 31 December 2022	**105,529**	**5,003**	**768**	**111,300**

3.1.3. Interests in companies measured at equity

The book value of the companies measured at equity came to kEUR 26,545 as of 31 December 2022 (31 December 2021: kEUR 27,367). 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 2022	31 December 2021
Non-current assets	44,400	44,500
Current assets	15,898	16,120
Non-current liabilities	7,310	7,897
Current liabilities	2,211	2,499
Net assets	50,777	50,224
Group interest in net assets	13,518	13,502

EUR '000	2022	2021
Revenues	2,468	1,825
Net income for the period	2,195	4,170
Group share of the profit for the period	506	1,193

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

Joint ventures

EUR '000	31 December 2022	31 December 2021
Non-current assets	61,469	64,380
Current assets	4,639	3,379
Non-current liabilities	36,705	37,922
Current liabilities	3,860	2,652
Net assets	25,543	27,185
Group interest in net assets	13,027	13,865

EUR '000	2022	2021
Revenues	5,738	4,546
Net income for the period	-443	4,945
Group share of the profit for the period	-226	2,522

The joint venture is allocated to the CEE segment.

Companies measured at equity

EUR '000	2022	2021
As of 01 January	27,367	24,376
Current profits	542	3,719
Current losses	-260	-3
Result from companies measured at equity	282	3,716
Decrease of capital reserves	-612	-510
Additions	0	141
Disposals	-13	0
Withdrawals/dividends	-479	-356
Other	0	0
As of 31 December	**26,545**	**27,367**

In the financial year 2022, 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 2022: kEUR 5,301; 31 December 2021: kEUR 5,344). For this equity investment, income of kEUR 356 (2021: kEUR 337) was recognised in profit or loss as a result of a distribution.

All shares in IMMOFINANZ AG held as of 31 December 2021 (17,543,937 shares) were included in the takeover offer of CPI Property Group S.A. at a price of EUR 23.00. The resulting inflow of funds amounted to kEUR 452,829. In addition, 2,144,280 shares in IMMOFINANZ AG were acquired at EUR 23.00 (a total of kEUR 49,318) in 2022 by way of the partial offer made in December 2021 for the shares of IMMOFINANZ AG and were also included in the takeover bid of CPI Property Group S.A. at the same price.

Other non-current financial assets also include derivatives in the amount of kEUR 92,503 (31 December 2021: kEUR 2,553).

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	2022	2021
As of 01 January	3,539	4,218
Utilisation	-378	-482
Reversal	-868	-2,509
Increase	1,327	2,312
Reclassification	-89	0
As of 31 December	**3,530**	**3,539**

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 2022

EUR '000	Up to 90 days past due	91–365 days	>365 days	Total
Gross trade receivables				
Austria	1,797	4	0	1,801
Germany	1,110	360	525	1,995
CEE	15,797	238	1,156	17,191
Total	**18,704**	**603**	**1,681**	**20,987**
Valuation allowances for trade receivables				
Austria	-179	-4	0	-183
Germany	-434	-355	-464	-1,253
CEE	-817	-186	-1,091	-2,094
Total	**-1,430**	**-545**	**-1,555**	**-3,530**
Net trade receivables				
Austria	1,618	0	0	1,618
Germany	676	5	61	742
CEE	14,980	52	65	15,097
Total	**17,274**	**58**	**126**	**17,457**

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**

3.1.6.3. Other current financial assets

EUR '000	31 December 2022	31 December 2021
Property management agent clearing accounts	2,948	1,815
Receivables from disposals of properties and property holding companies	98	1,201
Deposits	9,174	6,105
Finance receivables	7,500	0
Receivables from acquisitions of property holding companies	13,129	0
Derivatives	1,254	0
Other	8,627	5,117
	42,730	**14,238**

3.1.7. Other assets

The other assets of kEUR 23,946 (31 December 2021: kEUR 22,928) consisted mainly of prepaid expenses, tax receivables and prepayments.

3.1.8. Cash and cash equivalents

EUR '000	31 December 2022	31 December 2021
Bank balances	246,726	375,684
Cash in hand	199	139
	246,925	**375,823**

3.1.9. Assets held for sale and liabilities relating to assets held for sale

Properties are held for sale if the management intends to dispose of them in the near future. This is usually the case if purchase agreements had been signed by 31 December 2022 or if contract negotiations were already at an advanced stage and there was a clear commitment to the sale on the part of the management.

The disposal group as of 31 December 2022 comprises a company with exclusively German properties that are mainly attributable to the property type residential.

Assets held for sale

in EUR '000	31 December 2022	31 December 2021
Rental properties	501,006	0
Other plant and equipment	18	0
Trade receivables	93	0
Other financial assets	666	0
Derivatives	5,355	0
Cash and cash equivalents	31,946	0
	539,084	**0**

Liabilities relating to assets held for sale

in EUR '000	31 December 2022	31 December 2021
Deferred taxes	47,963	0
Financial liabilities	77,839	0
Income tax liabilities	552	0
Trade payables	369	0
Other liabilities	523	0
	127,246	**0**

EUR '000	Austria	Germany	CEE	Total
As of 01 January 2021	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**
Reclassification	7,500	522,406	0	529,906
Additions/property valuations	0	0	0	0
Disposals	-7,500	-21,400	0	-28,900
As of 31 December 2022	**0**	**501,006**	**0**	**501,006**

3.1.10. Equity

The nominal capital of the Group's parent company amounted to kEUR 267,458 (2021: kEUR 267,458) and is fully paid up.

S IMMO AG holds 3,084,797 treasury shares as of 31 December 2022 (31 December 2021: 3,084,797).

Details of share capital

EUR '000	2022	2021
Total share capital	267,458	267,458
Treasury shares (nominal)	-11,209	-11,209
	256,249	**256,249**

As in the previous year, no shares were cancelled in the financial year 2022.

The shares are listed on the Prime Market of the Vienna Stock Exchange (from 18 September 2017 up to and including 23 November 2022 in the Austrian benchmark index ATX).

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 2021: kEUR 160,612) are restricted reserves in the meaning of section 229 (5) Austrian Commercial Code (UGB).

The other reserves of kEUR 1,247,467 (31 December 2021: kEUR 1,247,284) 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 IMMOFINANZ AG, the amounts (kEUR 18,912) historically recognised in the reserve for equity instruments for the shares in IMMOFINANZ 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 -8,314 (31 December 2021: kEUR -10,913) is made up of the currency translation differences in accordance with IAS 21. The hedge accounting reserve of kEUR 37,544 (31 December 2021: kEUR -9,247) comprises the measurement differences on cash flow hedges recognised under equity. The equity instruments reserve of kEUR 3,670 (31 December 2021: kEUR -18,238) relates now to only one stake. The measurement of this stake is based on a Level 3 fair value calculation.

At the time of the preparation of the consolidated financial statements, no resolution concerning the proposal for the distribution of dividends had been made.

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 association 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 83,040 (31 December 2021: kEUR 4,081). The change in non-controlling interests of kEUR 78,959 (2021: kEUR 805) shown in the consolidated statement of changes in equity is mainly due to the acquisition of shares in the Germany segment by a third party. This took place by way of cash capital increases at two holding companies; these are German Property Invest Immobilien GmbH with registered office in Vienna and CEE Property-Invest Hungary 2003 Kft. with registered office in Budapest. In total, this led to a cash inflow (kEUR 87,800) and an increase in minority interests of 10.1% in these two companies and thus in the entire Germany segment. In the 2022 financial year, no distributions were made to these minority interests, and a loss totalling kEUR 8,788 was allocated to these minority interests. The share of equity attributable to this minority shareholder amounts to kEUR 79,456. The other movements shown in the statement of changes in equity are attributable to profit allocations and distributions.

3.1.12. Financial liabilities

Other current and non-current financial liabilities primarily include loan liabilities (kEUR 982,187; 2021: kEUR 1,010,247), which are generally secured by mortgages. In addition, bond interest, lease liabilities, security deposits and in the previous year's amount also derivative liabilities are included. As of 31 December 2022, the cost of funding of mortgage-secured bank financing amounted to 2.20% for Germany (31 December 2021: 0.86%), 2.20% for Austria (31 December 2021: 1.12%), and 2.67% for CEE (31 December 2021: 1.47%).

Financial liabilities are as follows:

31 December 2022

		Changes in cash and cash equivalents		Non-cash changes		
EUR '000	01 January 2022	New loans/ repayments	Change in the scope of consolidation	Changes in fair value	Other non-cash changes	31 December 2022
Other non-current financial liabilities	895,394	-872	109,976	0	-76,898	927,600
Other current financial liabilities	138,541	-68,089	6,000	0	5,624	82,076
Subtotal of other non-current and current financial liabilities	1,033,935	-68,961	115,976	0	-71,274[1]	1,009,676
of which recognised as increases and decreases in cash flow from financing activities		-57,944				
of which paid interest recognised in cash flow from financing activities		-11,017				
Derivatives	24,847	0	0	-24,847	0	0
Bonds	646,819	-103,686	0	0	1,104	544,237
of which recognised in cash flow from financing activities		-103,686				
Total	1,705,601	-172,647	115,976	-24,847	-70,170	1,553,914

[1] Of the other non-cash changes, kEUR 75,871 relate to the reclassification of non-current and kEUR 1,968 to the reclassification of current other financial liabilities to liabilities associated with assets held for sale.

31 December 2021

EUR '000	01 January 2021	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 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**

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	97.30
AT0000A1DBM5	15,890.0	3.25%	3.36%	09 April 2025	97.16
AT0000A285H4	150,000.0	1.875%	1.96%	22 May 2026	91.41
AT0000A2MKW4 (green bond)	25,058.5	1.25%	1.37%	11 January 2027	87.46
AT0000A1DWK5	34,199.0	3.25%	3.31%	21 April 2027	94.19
AT0000A2MKW4 (green bond)	70,449.5	1.75%	1.84%	04 February 2028	86.19
AT0000A2AEA8	100,000.0	2.00%	2.01%	15 October 2029	81.62
AT0000A1Z9C1	50,000.0	2.875%	2.93%	06 February 2030	87.12

[1] The market values are based on the most recent transactions before 31 December 2022.

All of the bonds are listed in the corporates prime segment of the Vienna Stock Exchange. In the 2022 financial year, bond repayments were made due to the termination of change-of-control clauses in the course of the takeover by CPIPG, resulting in a reduction in the total nominal amount of the bonds of kEUR 153,396.5.

3.1.14. Provisions for employee benefits

The employee provisions as of 31 December 2022 include provisions for severance benefits (kEUR 676; 31 December 2021: kEUR 868) and provisions for long-service entitlements (kEUR 435; 31 December 2021: kEUR 396). The following parameters were taken as a basis for the actuarial calculation:

	31 December 2022	31 December 2021
Actuarial interest rate	3.07% to 3.10%	0.17% to 0.54%
Expected raise in salaries	2.60%	2.00% to 2.25%
Blanket fluctuation allowance	0.00% to 26.00%	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 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
Provisions for employee benefits as of 31 December 2021	**868**	**396**
Present value of obligation at 01 January 2022	868	396
Current service costs	15	36
Interest expense	1	1
Payments	-338	-39
Remeasurement of benefit obligations – experience adjustments	115	77
Remeasurement of benefit obligations – financial assumptions	-45	-84
Remeasurement of benefit obligations – demographic assumptions	60	48
Present value of obligation on 31 December 2022	676	435
Total provisions for employee benefits as of 31 December 2022		**1,111**

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 accrued 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	2022	2021
Current taxes	-26,274	-19,849
Deferred taxes	10,367	-20,635
	-15,907	**-40,484**

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	01–12/2022	01–12/2021
Net income before tax	34,834	271,042
Income tax expense at the standard Austrian income tax rate of 25%	-8,709	-67,761
Effects of differing foreign tax rates	1,208	20,533
One-off effects of sales	-3,023	0
Effect of changes in tax rates	-4,537	0
Tax-free dividends from IMMOFINANZ AG and CA Immobilien Anlagen AG	0	4,875
Decreases relating to non-taxable income	1,746	2,674
Increases relating to non-deductible expenses	-2,593	-805
Tax expense as disclosed	-15,907	-40,484
Effective tax rate	**45.66%**	**14.94%**

The item "One-off effects of sales" shown in the tax reconciliation relates to the first-time recognition of an outside basis difference of a company held for sale in Germany. The tax reductions include the first-time recognition of deferred taxes on loss carryforwards in the amount of kEUR 1,676.

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 currently 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.

The tax rate changes relate to the change in the corporate income tax rate in Austria to 24% for the 2023 financial year and to 23% for subsequent financial years as part of the eco-social tax reform 2022. The majority of the recognised deferred taxes in Austria relate to investment property and deferred tax liabilities thereon, which were now recognised at a tax rate of 23% (31 December 2021: 25%) due to the associated long-term nature of the realisation of temporary differences. On the other hand, trade tax liabilities were recognised for German properties for the first time in some cases due to sales, resulting in tax increases.

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:

	2022		2021	
EUR '000	Assets	Liabilities	Assets	Liabilities
Properties	0	-193,453	0	-244,692
Financial instruments	0	-14,568	4,995	-18,363
Other items	824	-5,240	900	-2,507
Tax loss carryforwards	8,396	0	7,217	0
Subtotal	9,220	-213,261	13,112	-265,562
Netting	-8,203	8,203	-12,551	12,551
Deferred tax assets (+)/liabilities (-)	**1,017**	**-205,058**	**561**	**-253,011**

Of these totals, deferred taxes of kEUR -9,277 (2021: kEUR -2,213) for derivatives were recognised under other comprehensive income. No deferred tax assets have been recognised for tax loss carryforwards totalling kEUR 57,530 (31 December 2021: kEUR 43,017). 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 1,462,464 (2021: kEUR 1,337,542).

As of the reporting date, there are open one-seventh write-downs from historical tax depreciation of shareholdings in the amount of approximately kEUR 2,781 (2021: kEUR 3,313).

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 2023	Applicable tax rate in 2022
Austria	24.00%	25.00%
Germany	15.8%–30.2%	15.8%–30.2%
Czech Republic	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 on.

3.2. Income statement

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

Rental income

EUR '000	2022	2021
Commercial excl. hotels	114,560	95,629
Hotel	4,312	2,332
Residential property	36,833	33,333
Rental income according to the consolidated income statement	**155,705**	**131,294**

On the whole, rental income increased significantly compared to the previous year, which is mainly due to additions of rented properties and a good like-for-like performance.

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 7,380 (2021: kEUR 6,202 to rental income. Specifically, this does not affect operating cost allocations that are offset by the direct performance of a service to the tenant, but only costs that are associated with the ownership of the property, specifically current building taxes and insurance.

The revenues from hotel management have increased from kEUR 31,203 in 2021 to kEUR 56,383. This is due, among other things, to the fact that the impact of the COVID 19 pandemic was significantly lower than in the previous year. In the current financial year, revenue-increasing grants of kEUR 308 (2021: kEUR 4,669) were recognised in connection with COVID-19. At the gross profit level, a significant improvement was achieved to kEUR 13,373 (2021: kEUR 7,501).

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	2022	2021
Operating costs	-58,311	-45,244
Maintenance expenses	-15,840	-17,133
Depreciation and amortisation and loss allowance	104	39
Commissions	-1,153	-1,109
Other	-4,311	-3,348
	-79,511	**-66,795**

Expenses of kEUR 649 (2021: kEUR 976) were attributable to properties not yet generating income. The improvement in write-downs and allowances of trade receivables from kEUR 39 to kEUR 104 is largely due to omission of the effects of the COVID-19 crisis. In the financial year 2022, grants amounting to kEUR 56 (2021: kEUR 1,704) 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 (2022: kEUR 43,010; 2021: kEUR 23,702). 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	2022	2021
Income from property disposals		
Properties held as financial investments	20,340	6
Properties held for sale	28,900	39,592
	49,240	**39,598**
Book value of property disposals		
Properties held as financial investments	-20,340	-6
Properties held for sale	-28,900	-39,592
	-49,240	**-39,598**
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	2022	2021
Staff costs	-19,009	-14,608
Legal, audit, consulting and estimated costs	-7,587	-7,679
Servicing fees and administration costs	-367	-387
Corporate communications and investor relations	-1,463	-1,451
Other taxes and duties	-997	-657
Other	-4,718	-3,455
	-34,141	**-28,237**

Fees for the Group's auditor for 2022 totalled kEUR 212 (2021: kEUR 218). This amount is divided into the following fields of activity:

EUR '000	2022	2021
Audit of the consolidated financial statements	76	69
Other audit-related services	43	115
Tax consultation services	0	0
Other services	93	34
	212	**218**

The Group employed an annual average of 138 people (2021: 137) on a headcount basis, excluding dormant staff and trainees. Including employees for hotel operations and excluding dormant staff and trainees, the average number of employees for the year was 585 (2021: 543).

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

Defined contribution plans

As required by law, S IMMO Group pays 1.53% of the relevant monthly salaries into an employees' severance pay and pension fund for all employees who joined the Group in Austria after 31 December 2002. Personnel expenses included contributions of kEUR 120 (2021: kEUR 101) paid into the fund. For other defined contribution plans, kEUR 233 (2021: kEUR 225) 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	2022	2021
Owner-operated properties	-7,623	-7,593
Other plant and equipment	-1,907	-1,925
Intangible assets	-152	-128
	-9,682	**-9,646**

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	2022	2021
Changes in fair value		
Increases	55,465	225,563
Reductions	-133,862	-26,877
Others	0	0
	-78,397	**198,686**

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

EUR '000	2022	2021
Austria	-6,604	31,774
Germany	-73,298	156,030
CEE	1,505	10,882
	-78,397	**198,686**

3.7. Financing result

EUR '000	2022	2021
Bank interest expense (incl. derivatives accounted for)	-21,569	-20,608
Effects arising from hedge accounting and the measurement of interest derivatives through profit or loss	0	7,908
Result from foreign exchange differences	-2,779	-786
Bond interest	-13,897	-14,668
Other financing and interest expenses	-4,418	-2,568
Financing expenses	-42,663	-30,723
Bank interest revenue	100	13
Effects arising from hedge accounting and the measurement of interest derivatives through profit or loss	55,018	0
Income from financial investments	2,719	20,159
Other financing and interest income	1,402	5,083
Financing income	59,239	25,255
Results from companies measured at equity	280	6,173
	16,855	**705**

The financial result for the 2022 financial year was characterised by the significantly improved valuation effects of derivatives recognised in profit or loss compared to the previous year.

Due to the disposal of the shares in CA Immobilien Anlagen AG in the 2021 financial year and the shares in IMMOFINANZ AG in the first quarter of 2022, no dividend income from listed companies was recognised in contrast to the previous year (2021: kEUR 19,499).

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.

		2022	2021
Own share in consolidated net profit	kEUR	27,204	229,521
Average number of shares in issue	number	70,524,099	70,884,865
Basic earnings	EUR	0.39	3.24
Diluted earnings	EUR	0.39	3.24

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 entire board of directors have been nominated as the chief operating decision makers with responsibility for segment operations. They are 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 Management Board.

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 13,518 for the segment of Austria (31 December 2021: kEUR 13,502), and kEUR 13,027 (31 December 2021: kEUR 13,865) for the segment of CEE.

	Austria		Germany		CEE		Total	
EUR '000	2022	2021	2022	2021	2022	2021	2022	2021
Rental income	19,991	19,024	59,663	56,839	76,051	55,431	155,705	131,294
Revenues from operating costs	4,662	3,975	15,490	12,415	28,253	17,969	48,405	34,359
Revenues from hotel operations	28,099	16,460	0	0	28,284	14,743	56,383	31,203
Total revenues	52,752	39,459	75,153	69,254	132,588	88,143	260,493	196,856
Other operating income	591	408	850	828	785	1,939	2,227	3,175
Property operating expenses	-7,540	-7,348	-34,901	-33,294	-37,070	-26,153	-79,511	-66,795
Hotel operating expenses	-23,616	-13,150	0	0	-19,394	-10,553	-43,010	-23,702
Gross profit	22,187	19,370	41,102	36,788	76,909	53,376	140,199	109,534
Result from property disposals	0	0	0	0	0	0	0	0
Management expenses	-21,048	-18,537	-10,055	-6,985	-3,038	-2,714	-34,141	-28,237
EBITDA	1,139	832	31,047	29,803	73,871	50,662	106,058	81,297
Depreciation and amortisation	-5,003	-4,921	-180	-180	-4,499	-4,544	-9,682	-9,646
Results from property valuation	-6,604	31,774	-73,298	156,030	1,505	10,882	-78,397	198,686
EBIT	**-10,468**	**27,684**	**-42,431**	**185,653**	**70,877**	**57,000**	**17,978**	**270,337**
Non-current assets as of 31 December	528,956	906,738	772,338	1,368,025	1,602,625	993,204	2,903,920	3,267,966
Non-current liabilities as of 31 December	775,762	870,856	282,360	507,563	621,296	443,224	1,679,418	1,821,643

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 2022

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		5,301	2				5,303
Other financial assets	44,722	0	47,781[2]	0			92,503
Current assets							
Trade receivables				17,456			17,456
Other financial assets	563		691[2]	41,476			42,730
Cash and cash equivalents				246,925			246,925
Assets held for sale			5,355[2]	32,039			37,394
Total assets	**45,285**	**5,301**	**53,829**	**337,896**	**0**	**0**	**442,311**
Equity and liabilities							
Non-current liabilities							
Issued bonds					544,237		544,237
Other financial liabilities					927,600		927,600
thereof lease liabilities					5,305		
Current liabilities							
Issued bonds					0		0
Financial liabilities [1]					82,076		82,076
thereof lease liabilities					579		
Trade payables					12,693		12,693
Liabilities relating to assets held for sale					78,208		78,208
Total equity and liabilities	**0**	**0**	**0**	**0**	**1,644,814**	**0**	**1,644,814**

[1] Including bond interest accrued

[2] Derivatives not in hedge accounting

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
thereof lease liabilities					5,529		
Current liabilities							
Issued bonds					0		0
Financial liabilities [1]					138,541	40[2]	138,581
thereof 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

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 489,869 as of 31 December 2022 (31 December 2021: kEUR 682,905). 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:

	2022		2021	
EUR '000	Current financial result	Valuation effects	Current financial result	Valuation effects
Interest and other derivatives	-5,768	55,081	-8,516	7,908
Income from equity instruments FVOCI[2]	2,719	0	20,153	0
Other financial assets FVPL	0	0	551	4,120
Financial assets at amortised cost	572	104[1]	111	39[1]
Financial liabilities at amortised cost	-33,186	0	-29,009	0

[1] Recognised within the expense from property management
[2] Thereof dividend income from listed companies kEUR 0 (2021: kEUR 19,499)

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 were disclosed under other non-current financial assets (31 December 2022: kEUR 92,503; 31 December 2021: kEUR 2,553) and under other current financial assets (31 December 2022: kEUR 1,254; 31 December 2021: EUR 0) and under assets held for sale (31 December 2022: kEUR 5,355; 31 December 2021: EUR 0). In the previous year, derivatives were also disclosed under non-current financial liabilities (31 December 2021: kEUR 24,807) and under current financial liabilities (31 December 2021: kEUR 40). The table below shows the maturity structure of all derivatives used by the Group.

	31 December 2022				31 December 2021			
EUR '000	Nominal	Positive fair value	Negative fair value	Maturity	Nominal	Positive fair value	Negative fair value	Maturity
Swaps	79,043	978	0	< 1 year	3,000	0	-40	< 1 year
	345,400	23,242	0	1–5 years	322,693	84	-9,989	1–5 years
	668,531	73,291	0	> 5 years	431,305	2,283	-14,818	> 5 years
Caps	75,000	276	0	< 1 year	25,000	0	0	< 1 year
	64,931	1,326	0	1–5 years	140,000	186	0	1–5 years
	0	0	0	> 5 years	0	0	0	> 5 years
Total	**1,232,905**	**99,113**	**0**		**921,998**	**2,553**	**-24,847**	

In the financial year, measurement changes of kEUR 66,880 (2021: kEUR 11,767) not including deferred taxes and deferred taxes for derivatives of kEUR -11,222 (2021: kEUR 2,213) are recognised in other comprehensive income. A total of kEUR 55,658 (2021: kEUR 9,554) was recognised in other comprehensive income for valuation effects (excl. roll-outs).

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 2022, around 92% (31 December 2021: 89%) of other financial liabilities consisted of variable-rate loans and roughly 8% (31 December 2021: 11%) were fixed-rate loans. The current and non-current financial liabilities include fixed-rate loans in the amount of kEUR 81,410 (31 December 2021: kEUR 109,027). The variable-rate loans are based on the three-month EURIBOR with quarterly interest rate adjustments. In the 2014, 2015, 2018, 2019, 2021 and 2022 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 2022 is 2.16% (31 December 2021: 2.09%).

The stress test (based on the variable- and fixed-rate financial liabilities as of 31 December 2022) 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 2022 would increase financing costs by 7 BP.

Stress test as of 31 December 2022

Interest rate (3M EURIBOR)	Cost of funding	Difference in cost of funding	Interest sensitivity
Interest rate 5%	2.26%	10 BP	2%
Interest rate 4%	2.26%	10 BP	3%
Interest rate 3%	2.27%	11 BP	4%
Interest rate 2%	2.23%	7 BP	3%
Interest rate 1%	2.15%	-1 BP	-1%
Interest rate 0%	2.06%	-9 BP	NA

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%

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 2022, the loan to value ratio for secured financing amounted to 33.2% (2021: 30.7%) and for unsecured financing to 8.1% (2021: 9.8%). To keep lender risks to a minimum, S IMMO Group works with a total of 19 different, well-known European financial institutions.

	Share in credit financing
Erste Group	20%
Other Austrian banks	18%
Insurance	8%
UniCredit Group	37%
German banks	17%

Maturity analysis of financial liabilities

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

31 December 2022

EUR '000	Issued bonds	Other financial liabilities[1]	Trade payables
Remaining maturity less than 1 year	11,174	116,439	12,693
Remaining maturity between 1 and 5 years	360,748	569,568	0
Remaining maturity over 5 years	229,995	526,326	0

[1] Thereof leases less than 1 year: kEUR 601, between 1 and 5 years: kEUR 2,048, more than 5 years: kEUR 8,954
No liabilities from derivatives existed as of 31 December 2022.

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

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.

The total future minimum rental income of S IMMO as lessor (including properties held for sale) is as follows:

EUR '000	2022	2021
In the following year	143,554	105,179
For the next 4 years	319,730	241,706
Over 5 years	135,721	105,810
	599,006	**452,695**

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. Beyond the current assessment, climate risks could have a negative impact on the future usability of properties and future regulations influenced by climate risks could affect S IMMO's business activities.

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 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**
As of 01 January 2022	1,364	119	87	1,570
Additions	0	17	53	70
Disposals	0	0	0	0
Depreciation and amortisation	-137	-52	-64	-253
Book value as of 31 December 2022	**1,227**	**84**	**76**	**1,387**

[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	2022	2021
Interest expenses for lease liabilities	327	347
Expenses for short-term leases	37	38
Expenses for short-term leases for an asset of low value	2	2

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
- CPI Property Group S.A. Group
- IMMOFINANZ AG Group
- Associated companies and joint venture companies of the Group

In the 2022 financial year, there were related party transactions with shareholders of S IMMO AG, mainly in the context of real estate transactions.

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board

- Herwig Teufelsdorfer
- Holger Schmidtmayr (since 12 October 2022)

S IMMO AG Supervisory Board

- Karin Rest (chairwoman)
- Martin Němeček (since 06 September 2022)
  (first deputy chairman since 06 September 2022)
- Ulrich Steffen Ritter (since 01 June 2022)
  (second deputy chairman since 06 September 2022)
- John Verpeleti (since 06 September 2022)
- Andreas Feuerstein, employee representative
  (all year round with the exception of the period from 06 September 2022 to 11 October 2022)
- Elisabeth Wagerer (employee representative)

- Christian Hager (until 01 June 2022)
  (first deputy chairman until 01 June 2022)
- Manfred Rapf (until 06 September 2022)
  (first deputy chairman from 10 June 2022 until 06 September 2022)
  (second deputy chairman until 10 June 2022)
- Florian Beckermann (until 06 September 2022)
  (second deputy chairman from 10 June 2022 until 06 September 2022)
- Ewald Aschauer (until 06 September 2022)
- Hanna Bomba (until 06 September 2022)
- Christian Böhm (until 06 September 2022)
- John Nacos (until 06 September 2022)
- Holger Schmidtmayr, employee representative
  (until 11 October 2022)

The remuneration of the Management Board breaks down as follows:

EUR '000	2022	2021
Fixed	1,077	1,250
Variable	4,671	2,221
thereof disbursement in the current financial year	3,028	1,247
thereof accrual severance payment	1,000	0
thereof accrual premium 2022	643	974
	5,748	**3,471**

In addition to the amounts specified above, other benefits consisted primarily of contributions to pension funds in the amount of kEUR 114 (2020: kEUR 122) and contributions to the staff benefit fund in the amount of kEUR 39 (2021: kEUR 36).

In 2022, members of the Supervisory Board received remuneration amounting to kEUR 246 (2021: kEUR 213). 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 2022, there were receivables from or liabilites to associated companies, IMMOFINANZ AG and CPI Property Group S.A., which are related parties of the S MMO Group.

In the 2022 financial year, dividends were distributed to both CPI Property Group S.A. and IMMOFINANZ AG.

In the fourth quarter, property companies were purchased from both CPI Property Group S.A. and IMMOFINANZ AG (see chapter 2.2.4.). As of 31 December 2022, receivables from CPI Property Group S.A. amounted to kEUR 13,045 (31 December 2021: kEUR 0) and liabilities to CPI Property Group S.A. amounted to kEUR 3,800 (31 December 2021: kEUR 0), which primarily comprise receivables and liabilities for purchase price payments. Receivables of kEUR 571 (31 December 2021: kEUR 0), which primarily represent a purchase price receivable from the acquisition, were due from IMMOFINANZ Group as well as liabilites of kEUR 210 (31 December 2021: kEUR 0).

In the income statement, business relations with CPI Property Group S.A. generated a total income of kEUR 406 (2021: kEUR 0), which primarily comprises rental and operating cost income, as well as expenses for operating costs and management fees of kEUR 650 (2021: kEUR 0).

In principle, S IMMO Group grants loans to associated companies recognised according to the equity method. As of 31 December 2022, there were no longer receivables resulting from these loans (31 December 2021: kEUR 0). In 2022, there was no interest income from loans (2021: kEUR 0). 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

Since 31 December 2022, changes in the interest rate landscape and inflation expectations have continued. The impact of these ongoing changes on S IMMO's business development and, in particular, on the future valuation of properties cannot be conclusively assessed at this time.

The impact of the recently observed problems in the banking sector on S IMMO's markets is difficult to forecast at this point in time, but the company considers itself well positioned thanks to a broadly diversified financing structure.

Just before this report went to press, a large portfolio in Berlin, consisting of around 1,300 residential and commercial units with more than 100,000 m² of rental space and held for sale as of 31 December 2022, was sold. Due to market conditions, there was a discount of EUR 16.5m on the property values recognised as of 31 December 2022.

In February 2023, a letter of intent for the possible purchase of office buildings on Wienerberg from IMMOFINANZ was signed.

Vienna, 20 March 2023

The Management Board

Herwig Teufelsdorfer Holger Schmidtmayr

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, 20 March 2023

The Management Board

Herwig Teufelsdorfer Holger Schmidtmayr

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 2022, and the Consolidated Income Statement, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows 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 2022, 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 71 percent (prior year 74 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 and cap 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.
- In addition, we assessed the appropriateness of the disclosures in the notes in respect of measurement assumptions and estimation uncertainties.

Measurement and recognition of Hungarian office property acquisition from related parties

Refer to notes sections 2.2.4. and 5.6.

Risk for the Consolidated Financial Statements

In the fourth quarter of 2022, the companies Gateway Office Park Kft., Budapest, Arena Corner Kft., Budapest, and BC 99 Office Park Kft. Budapest, were acquired from CPI Property Group. The company Atrium Kft. Budapest was acquired from Immofinanz AG. The purchase prices are based on the property values determined by external experts. In addition, S IMMO AG engaged another independent external expert to assess whether the purchase price is at arm's length.

Measurement and recognition of these acquisitions requires the application of complex accounting rules, in particular the assessment of whether the transaction constitutes the acquisition of a business combination under IFRS 3 or is to be recognised as an acquisition of assets. The real estate values on which the purchase prices are based depend on assessments of input parameters that are both observable and unobservable on the market and are therefore subject to judgement and uncertainties.

There is a risk that the accounting methods used do not correspond to the accounting rules. In addition, the property values determined on which the purchase prices are based could be derived from inappropriate valuation assumptions and therefore lead to purchase prices that are not at arm's length.

Our Response

We assessed the measurement and recognition of the acquisition of Hungarian office properties from related parties as follows:

- We analyzed the relevant contracts and documents with the involvement of specialists to gain an understanding of the framework and conditions and assessed whether the transactions were recorded in accordance with the specific accounting rules.
- We analyzed the conlusion and opinion of the independent external expert on whether the purchase price is at arm's length.
- We assessed the objectivity, independence and expertise of the external experts engaged in these transactions.
- With the involvement of our internal valuation specialist for real estate, we critically dealt with the key valuation assumptions and parameters used by the respective experts with regard to their appropriateness and whether they are at arm's length. In addition we reconciled this information with external market data.
- Furthermore, we have assessed whether the disclosures on this matter and on the methods for measurement and recognition are appropriate.

Other Information

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

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

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

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

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

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either 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 Regulationn

We were elected as auditors at the Annual General Meeting on 1 June 2022 and were appointed by the supervisory board on 11 October 2022 to audit the financial statements of Company for the financial year ending on 31 December 2022.

We have been auditors of the Company, without interruption, since the consolidated financial statements for the year ended 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, 27 March 2023

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Portfolio overview[1]

	Acquisition date	Property type	Gross lettable area in m² (excl. parking space)	Main lettable area in m²
Austria				
Vienna				
1010 Vienna, Getreidemarkt 2-4 (Akademiehof)	2007	Office	5,588	5,310
1010 Vienna, Neutorgasse 4-8 (Neutor 1010)	2010	Office	5,234	5,079
1010 Vienna, Parkring 12a	2003	Office	2,576	1,823
1030 Vienna, Franzosengraben 12	1990	Office	4,773	3,750
1031 Vienna, Ghegastraße 1	2005	Office	19,051	19,051
1050 Vienna, Schönbrunner Straße 108	2000	Office	2,675	2,642
1050 Vienna, Schönbrunner Straße 131	2000	Office	2,226	2,148
1060 Vienna, Mariahilfer Straße 103	2004	Office	8,982	7,844
1060 Vienna, Mariahilfer Straße 121b	2001	Office	4,266	4,095
1070 Vienna, Burggasse 51 (Adlerhof)	1998	Residential	11,403	11,295
1100 Vienna, Hasengasse 56 (IP.ONE)	1999	Office	6,746	5,611
1120 Vienna, Meidlinger Hauptstraße 73 (Arcade Meidling)	2002	Retail	14,840	13,694
1150 Vienna, Gasgasse 1-7	2002	Office	7,451	7,315
1150 Vienna, Sechshauser Straße 31-33	2006	Residential	7,156	7,048
1160 Vienna, Lerchenfelder Gürtel 43 (IP.TWO)	2000	Office	4,224	4,204
1210 Vienna, Brünner Straße 72a	2005	Retail	8,724	8,724
1210 Vienna, Franz-Jonas-Platz 2-3	2007	Retail	11,075	10,181
1210 Vienna, Gerasdorfer Straße 133	2004	Retail	943	943
Total Vienna			**127,935**	**120,756**
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			131,583	124,404
Germany				
Berlin				
Portfolio Charlottenburg-Wilmersdorf			26,549	25,759
Portfolio Friedrichshain-Kreuzberg			38,633	38,329
Portfolio Lichtenberg			4,486	4,122
Portfolio Mitte			49,787	46,860
Portfolio Neukölln			23,336	23,207
Portfolio Pankow			6,292	6,257
Portfolio Reinickendorf			9,411	9,163
Portfolio Spandau			1,296	1,296
Portfolio Steglitz-Zehlendorf			10,878	10,711
Portfolio Tempelhof-Schöneberg			21,342	20,868
Portfolio Treptow-Köpenick			23,086	21,448
Total Berlin			**215,095**	**208,021**
Bremen			**3,083**	**3,007**
Erfurt			**40,156**	**38,850**
Halle (Saale)			**69,350**	**67,363**
Hamburg			**12,843**	**12,283**
Kiel			**25,493**	**23,960**
Leipzig			**112,199**	**110,512**
Magdeburg			**41,116**	**40,302**
Potsdam			**14,540**	**7,917**
Puchheim			**17,121**	**10,317**
Rostock			**12,862**	**11,046**
Weimar			**5,619**	**4,662**
Total Germany			569,478	538,241
CEE				
Croatia				
10000 Zagreb, Miramarska cesta 23 (Eurocenter)	2008	Office	8,638	8,517
10000 Zagreb, Radnička cesta 80 (Zagrebtower)	2020	Office	26,029	25,303
10000 Zagreb, Savska cesta 32 (HOTO Tower)	2019	Office	15,548	15,151
Total Croatia			**50,215**	**48,971**

	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	155	0.0		
	1,130	693	0	0	753	23.5		
	3,750	0	0	0	1,023	61		
	19,051	0	0	0	0	0.0		
	2,484	158	0	0	33	31.3		
	2,148	0	0	0	78	22.5		
	5,649	1,463	732	0	1,138	14.7		
	3,045	1,050	0	0	172	0.0		
	137	726	10,431	0	109	2.5		
	5,470	141	0	0	1,136	31.3		
	5,975	7,719	0	0	1,146	0.9		
	7,170	145	0	0	136	0.0		
	2,117	806	4,125	0	108	0.0		
	3,837	367	0	0	20	1.9		
	0	8,724	0	0	0	0.0		
	2,237	7,944	0	0	894	10.2		
	0	943	0	0	0	0.0		
	74,589	**30,879**	**15,288**	**0**	**7,179**	**7.0**		
	0	1,648	0	0	0	0.0		
	0	2,000	0	0	0	0.0		
	0	**3,648**	**0**	**0**	**0**	**0.0**		
	74,589	34,527	15,288	0	7,179	6.8	427.9	4.6
	1,123	2,904	20,925	808	789	1.3		
	1,560	1,973	34,797	0	303	1.6		
	2,209	1,913	0	0	364	3.9		
	18,261	1,582	19,434	7,583	2,926	4.0		
	445	826	21,936	0	129	1.6		
	0	126	6,132	0	35	5.2		
	9,163	0	0	0	248	0.0		
	0	0	1,296	0	0	0.0		
	3,908	789	6,013	0	167	7.7		
	717	1,235	18,916	0	474	4.9		
	18,583	2,865	0	0	1,638	7.1		
	55,968	**14,214**	**129,448**	**8,392**	**7,074**	**3.4**		
	2,728	**280**	**0**	**0**	**76**	**14.1**		
	15,488	**1,310**	**22,053**	**0**	**1,306**	**5.0**		
	23,111	**29,269**	**14,984**	**0**	**1,987**	**12.0**		
	11,001	**1,283**	**0**	**0**	**559**	**12.7**		
	5,270	**5,222**	**13,468**	**0**	**1,533**	**7.8**		
	26,908	**12,644**	**70,961**	**0**	**1,686**	**7.2**		
	4,597	**2,287**	**33,417**	**0**	**815**	**16.4**		
	7,742	**0**	**175**	**0**	**6,623**	**0.6**		
	8,514	**1,803**	**0**	**0**	**6,804**	**17.6**		
	9,636	**1,304**	**106**	**0**	**1,816**	**7.8**		
	3,748	**393**	**522**	**0**	**957**	**11.4**		
	174,709	70,008	285,133	8,392	31,237	7.2	1.186.7	4.6
	7,825	692	0	0	121	0.0		
	24,130	1,174	0	0	726	0.0		
	14,877	273	0	0	397	0.4		
	46,832	**2,139**	**0**	**0**	**1,244**	**0.1**		

	Acquisition date	Property type	Gross lettable area in m² (excl. parking space)	Main lettable area in m²
Romania				
010082 Bucharest, Calea Victoriei 37B (Basement)	2006	Retail	2,128	2,128
010082 Bucharest, Calea Victorei 37B (Novotel Bucharest City Centre)	2006	Hotel	13,798	13,798
010735 Bucharest, Calea Griviței 82-98 (The Mark)	2019	Office	26,278	25,395
012095 Bucharest, Strada Aviator Popișteanu 54A (EXPO Business Park)	2022	Office	42,859	42,034
040055 Bucharest, Calea Văcărești 391 (Sun Offices)	2010	Office	10,037	9,639
040055 Bucharest, Calea Văcărești 391 (Sun Plaza)	2010	Retail	81,448	79,675
061102 Bucharest, Bulevardul Iuliu Maniu 6N (Campus 6.2)	2021	Office	20,014	19,835
061102 Bucharest, Bulevardul Iuliu Maniu 6P (Campus 6.3)	2021	Office	17,922	17,629
Total Romania			**214,484**	**210,133**
Slovakia				
811 06 Bratislava, Vysoká 2A (AC Hotel Bratislava Old Town)	2008	Hotel	14,002	13,929
821 04 Bratislava, Galvániho 7 (Galvaniho Business Center I)	2004	Office	9,749	8,626
821 04 Bratislava, Galvániho 7B (Galvaniho Business Center II)	2006	Office	14,015	12,945
821 04 Bratislava, Galvániho 17 (Galvaniho Business Center IV)	2010	Office	26,439	24,582
971 01 Prievidza, Nedožerská cesta III. 1269/17B (Prievidza Retail Park)	2000	Retail	13,790	13,790
911 01 Trenčín, Ku Štvrtiam 7029-7030 (Trenčín Retail Park)	2000	Retail	12,015	12,015
Total Slovakia			**90,011**	**85,888**
Czech Republic				
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 Czech Republic			**15,482**	**15,482**
Hungary				
1016 Budapest, Hegyalja út 7-13. (Buda Center)	2005	Office	6,618	5,946
1037 Budapest, Szépvölgyi út 35-37. (Szépvölgyi Business Park)	2022	Office	10,352	9,689
1051 Budapest, Bajcsy-Zsilinszky út 12. (City Center)	2001	Office	9,286	8,956
1065 Budapest, Nagymező utca 44. (Pódium)	2006	Office	6,080	5,739
1077 Budapest, Kéthly Anna tér 1. (Greenpoint 7)	2022	Office	15,402	14,619
1087 Budapest, Hungária körút 40-44. (Arena Corner)	2022	Office	29,713	29,160
1095 Budapest, Soroksári út 30-34. (Haller Gardens)	2022	Office	35,479	32,246
1117 Budapest, Garda utca 2. (BudaPart Gate)	2021	Office	20,290	19,562
1122 Budapest, Maros utca 19-21. (Maros Business Center)	2004	Office	7,166	6,741
1134 Budapest, Váci út 35. (River Estates)	2001	Office	21,341	20,245
1134 Budapest, Váci út 45. (Átrium Park)	2022	Office	38,919	36,495
1138 Budapest, Dunavirág utca 2-6. (Gateway Office Park)	2022	Office	36,176	34,546
1138 Budapest, Váci út 182. (Blue Cube)	2001	Office	10,863	10,320
1139 Budapest, Pap Károly utca 4-6. (Thirteen Xenter)	2022	Office	8,291	7,812
1139 Budapest, Teve utca 1a-c. (Thirteen Globe)	2022	Office	17,311	14,646
1139 Budapest, Váci út 99. (Balance Building 4)	2022	Office	519	476
1139 Budapest, Váci út 99. (Balance Building 6)	2022	Office	920	460
1139 Budapest, Váci út 99. (Balance Hall)	2022	Office	16,070	15,703
1139 Budapest, Váci út 99. (Balance Loft)	2022	Office	6,792	6,235
1139 Budapest, Váci út 99. (Balance Tower)	2022	Office	9,482	9,449
Total Hungary			**307,070**	**289,045**
Total CEE			**677,262**	**649,518**
Total value (without projects with potential, land bank and own operations)			**1,378,322**	**1,312,163**

			Total area in m²	
Development projects				
CEE		Office	31,695	
Total development projects			**31,695**	
Land bank				
Germany		Land plot	2,402,366	
CEE		Land plot	36,811	
Total land bank			**2,439,177**	

[1] The portfolio overview includes all properties held in fully consolidated companies. The owner-operated hotels (Vienna Marriott and Budapest Marriott) with a gross lettable area of 47,277 m² are not included in the portfolio overview. The shares in the investment properties Mariahilfer Straße 41-43, Windmühlgasse 14 (both Vienna) and Einsteinova Business Center (Bratislava) are held at equity 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 %
	0	2,128	0	0	0	100.0		
	0	0	0	13,798	0	0.0		
	24,483	912	0	0	883	2.2		
	37,970	4,065	0	0	825	2.3		
	9,639	0	0	0	398	15.7		
	0	79,675	0	0	1,772	0.0		
	19,428	407	0	0	179	0.0		
	17,019	610	0	0	293	0.0		
	108,538	**87,797**	**0**	**13,798**	**4,351**	**2.5**		
	1,161	2,207	0	10,560	74	1.8		
	7,324	1,303	0	0	1,123	26.8		
	11,503	1,442	0	0	1,070	16.7		
	21,871	2,711	0	0	1,857	17.1		
	0	13,790	0	0	0	0.0		
	0	12,015	0	0	0	0.0		
	41,859	**33,468**	**0**	**10,560**	**4,124**	**10.4**		
	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	18.5		
	9,638	51	0	0	663	0.5		
	7,806	1,150	0	0	330	11.2		
	5,370	369	0	0	341	32.7		
	14,256	363	0	0	782	0.0		
	26,423	2,737	0	0	553	32.8		
	29,879	2,366	0	0	3,233	27.4		
	18,163	1,399	0	0	728	0.0		
	5,583	1,158	0	0	426	0.0		
	17,386	2,859	0	0	1,096	10.8		
	31,950	4,545	0	0	2,425	8.3		
	31,504	3,042	0	0	1,630	0.1		
	9,494	827	0	0	543	8.9		
	7,647	166	0	0	478	23.2		
	13,946	700	0	0	2,665	8.1		
	476	0	0	0	44	0.0		
	460	0	0	0	460	0.0		
	14,136	1,567	0	0	368	15.3		
	4,596	1,639	0	0	558	7.1		
	9,449	0	0	0	32	6.8		
	262,944	**26,101**	**0**	**0**	**18,025**	**12.2**		
	460,173	156,617	0	32,727	27,744	7.6	1,485.3	7.1
	709,471	**261,152**	**300,421**	**41,119**	**66,159**	**7.4**	**3,099.9**	**5.8**
							10.3	
							76.1	

Financial calendar 2023

30 March 2023	Annual results for 2022 (press conference)
26 May 2023	Results for the first quarter of 2023
30 August 2023	Results for the first half-year of 2023
29 November 2023	Results for the first three quarters of 2023

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