

Q1 2019



S IMMO
Interim Report
as of 31 March 2019



Key figures

		01.01. – 31.03.2019	01.01. – 31.03.2018
Revenues	EUR m	47.8	43.5
EBITDA	EUR m	19.5	17.3
EBIT	EUR m	27.4	24.9
EBT	EUR m	17.7	18.1
Net income for the period	EUR m	15.1	14.7
Total assets	EUR m	2,785.2	2,504.2
Equity	EUR m	1,154.5	954.9
Liabilities	EUR m	1,630.8	1,549.3
Equity ratio	in %	41	38
Operating cash flow	EUR m	17.0	16.8
Cash flow from investing activities	EUR m	-38.5	-220.8
Cash flow from financing activities	EUR m	-2.5	203.2
Cash and cash equivalents as of 31 March	EUR m	47.7	75.1
NOI ratio	in %	49	48
FFO I	EUR m	10.8	9.8
FFO II	EUR m	11.4	9.8
Earnings per share	EUR	0.23	0.22
Book value per share	EUR	17.40	14.37
Share price premium to book value per share	in %	5	12
Operating cash flow per share	EUR	0.26	0.25
Property assets ¹	EUR m	2,163.8	1,887.9
whereof properties under construction	EUR m	12.8	42.3

¹ Including held for sale

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Dear Shareholders,

You may have noticed that this report is somewhat shorter than those published in previous years. Since the start of 2019, reports on the first and third quarter have been optional for all listed companies. We consider it important to keep informing you each quarter – especially with a view to providing transparent and continuous communication – and to give you an overview of our business development. However, we have condensed the report and reduced it to the essentials – which is also in line with our sustainability aspirations. If you require any further information, please feel free to contact us at investor@simmoag.at.

At the start of April 2019, we presented you with a record result for 2018. Now – just two months later – we can confirm that we remain on course to post clear growth in the current financial year, too. Significant key figures have increased year-on-year. Earnings per share amounted to EUR 0.23 and the EPRA NAV came to EUR 22.27.

Capital market

In the first quarter of 2019, the international capital markets showed a clear upward trend. In this environment, our share also displayed a strong performance of more than 25%. We see evidence of investors' interest at numerous roadshows – the potential of the S IMMO share is compelling.

Moreover, we successfully issued a further corporate bond with a total volume of EUR 150m in mid-May.



Friedrich Wachernig, Ernst Vejdovszky

Outlook

We are not resting on our laurels, but rather already working hard to secure growth in the years ahead.

We are examining options for purchases in all of our markets. In Germany, we are primarily investing in larger cities with promising demographic and economic development. In addition, we have acquired large-scale plots of land in the area surrounding Berlin. We currently have an area of around one million square metres in Berlin's commuter belt, which provides us with development and growth potential on a long-term basis. In CEE, we have already purchased land in Bucharest and Budapest in the current financial year.

In this way, we are ensuring that we do not deviate from our growth trajectory for 2019 and the subsequent years and can generate added value for you, our esteemed shareholders.

The Management Board

A stylized, handwritten signature in black ink, consisting of a large, looped 'E' followed by a few strokes.

Ernst Vejdovszky

A handwritten signature in black ink, featuring a large, stylized 'F' followed by several loops and a horizontal line at the end.

Friedrich Wachernig

S IMMO in the capital market

Capital market environment in Austria

The Austrian stock market performed extremely well in the first quarter of 2019. The ATX benchmark index stood at 3,034.04 points at the end of the quarter, an increase of 10.5%. The IATX index for Austrian property shares performed even more strongly, rising by 14.4% in the reporting period to close at 356.80 points. This upward trend is most likely attributable to the ongoing zero interest-rate policy of the European Central Bank (ECB) and the stable economic situation in the European Union.

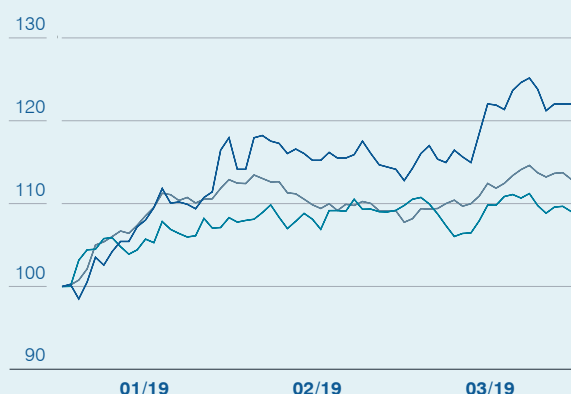
Price performance of the S IMMO share and dividend proposal

In this positive environment, the performance of the S IMMO share was highly satisfactory. As a result of the outstanding operating performance and its convincing equity story, the

Share price development

indexed 01 January 2019 to 31 March 2019

■ S IMMO share ■ ATX ■ IATX



Share data

		31 March 2019	31 March 2018
Closing price	EUR	18.220	16.100
Average daily turnover in the last 100 days	shares ¹	162,782	158,386
Earnings per share (EPS) for the first quarter	EUR	0.23	0.22
Book value per share	EUR	17.40	14.37
Share price premium to book value per share	in %	5	12
EPRA NAV per share	EUR	22.27	17.79
Share price discount from EPRA NAV per share	in %	-18	-9
EPRA NNAV per share	EUR	18.87	15.27
FFO I per share for the first quarter	EUR	0.16	0.15
FFO II per share for the first quarter	EUR	0.17	0.15
Dividend per share	EUR	0.70 ²	0.40 ³

¹ Double counting

² The dividend for the financial year 2018 that will be proposed to the Annual General Meeting on 14 June 2019.

³ The dividend that was distributed in 2018 relates to the financial year 2017.

S IMMO share ended the first quarter at a price of EUR 18.22. This equates to an increase of 13.2% year-on-year and of 25.3% in the year to date. This price growth continued in the second quarter. As of 20 May 2019, when this report went to press, the S IMMO share was trading at EUR 19.80.

On account of the excellent business development, particularly of the FFO I, a dividend of EUR 0.70 per share is to be proposed to the Annual General Meeting on 14 June 2019.

Analyst assessments

Analyst	Target price	Recommendation	Last update
Baader Bank AG	EUR 17.00	Hold	03 April 2019
Concorde Research	EUR 19.50	Accumulate	30 August 2018
Erste Group	EUR 20.00	Accumulate	27 November 2018
Raiffeisen Centrobank AG	EUR 22.00	Buy	14 May 2019
SRC Research	EUR 21.50	Buy	04 April 2019
Wood & Co	EUR 19.00	Hold	28 June 2018

Performance

as of 31 March 2019

S IMMO share

One year	13.17%
Three years, p.a.	30.76%

S IMMO share information

ISIN	AT0000652250/SPI
Ticker symbols	Reuters: SIAG.VI/Bloomberg: SPI:AV
Market	Vienna Stock Exchange
Market segment	Prime Market
Index	ATX/IATX/GPR General
Market capitalisation (31 March 2019)	EUR 1,219.23m
Number of shares (31 March 2019)	66,917,179
Market makers	Erste Group/Hauck & Aufhäuser/Baader Bank/Raiffeisen Centrobank

in EUR	Share price AT0000652250	ATX	IATX
31 March 2018	16.100	3,428.53	334.33
31 December 2018	14.540	2,745.78	311.94
31 March 2019	18.220	3,034.04	356.80

S IMMO bonds

ISIN	Maturity	Coupon	Total nominal value in kEUR
AT0000A19SB5	02 October 2019	3.00%	100,000.00
AT0000A177D2	16 June 2021	4.50%	89,739.50
AT0000A1DBM5	08 April 2025	3.25%	33,993.50
AT0000A1DWK5	20 April 2027	3.25%	65,000.00
AT0000A1Z9D9	06 February 2024	1.75%	100,000.00
AT0000A1Z9C1	06 February 2030	2.875%	50,000.00
AT0000A285H4	22 May 2026	1.875%	150,000.00

Investor relations activities

In the traditionally weaker first quarter for investor conferences and roadshows, the management held a large number of meetings with investors in conjunction with the Investor Relations team. These included discussions with existing and potential in-

vestors in London (including with Erste Group) and Amsterdam, Johannesburg and Cape Town (with Baader Bank). On a two-day visit to South Africa, S IMMO gave presentations to eleven potential investors.

EPRA key figures

in EUR	31 March 2019	31 December 2018
EPRA NAV per share	22.27	21.25
EPRA NNNAV per share	18.87	18.26
Share price discount from EPRA NAV per share in %	-18	-32
EPRA net initial yield in %	4.8	4.5

in kEUR	31 March 2019	31 March 2018
EPRA earnings and EPRA earnings per share (EPS)		
Consolidated net income for the period attributable to shareholders	15,056	14,678
Results from property valuation	-9,941	-9,356
Income from property disposals incl. transaction costs	0	0
Tax on income from disposals	652	0
Changes in market value of derivatives	4,601	-1,710
Deferred taxes in respect of EPRA adjustments	971	1,585
EPRA adjustments for companies measured at equity	-3,634	0
Minority interests in respect of EPRA adjustments	0	0
EPRA earnings	7,705	5,197
EPRA EPS in EUR	0.12	0.08

in kEUR	31 March 2019	31 December 2018
EPRA NAV		
Consolidated shareholders' equity net of non-controlling interests	1,151,719	1,108,854
Revaluation of other non-current investments	117,822	116,112
Fair value of derivative financial instruments	33,041	21,189
Deferred taxes on derivative financial instruments	-7,212	-4,838
Other deferred taxes	178,657	165,477
EPRA NAV	1,474,027	1,406,794
EPRA NAV per share in EUR	22.27	21.25
EPRA NNNAV		
EPRA NAV	1,474,027	1,406,794
EPRA NAV per share in EUR	22.27	21.25
Fair value of derivative financial instruments	-33,041	-21,189
Deferred taxes on derivative financial instruments	7,212	4,838
Other deferred taxes	-178,657	-165,477
Fair value of liabilities	-27,246	-21,241
Deferred taxes on debt adjustment	6,812	5,310
EPRA NNNAV	1,249,107	1,209,035
EPRA NNNAV per share in EUR	18.87	18.26

Calculation of FFO I

in kEUR	31 March 2019	31 March 2018
Net income for the period	15,101	14,700
Non-cash taxes	990	3,011
Adjusted net income for the period	16,091	17,711
Non-cash revaluation result	-9,941	-9,356
Non-cash depreciation and amortisation	2,089	1,774
Sales result	0	0
Other non-cash/non-recurring effects	-2,288	1,139
Non-cash valuation of derivatives	4,601	-1,710
Non-cash FX result	273	225
FFO (without results from disposals)	10,825	9,783
FFO I per share in EUR	0.16	0.15

Business development and performance

Property portfolio

As of 31 March 2019, S IMMO's property portfolio consisted of 309 properties with a book value of EUR 2,163.8m (31 December 2018: EUR 2,121.4m) and a total area of around 1.2 million m² (31 December 2018: 1.2 million m²). In the reporting period, the occupancy rate of the portfolio was 95.9% (31 December 2018: 95.8%). The occupancy rate includes all investment properties for which no development potential has currently been identified. The overall rental yield was 5.8% (31 December 2018: 5.7%).

Divided according to main type of use, the property portfolio excluding plots of land broke down into 37.1% (31 December 2018: 36.6%) office buildings, 17.6% (31 December 2018: 17.9%) retail properties, 29.5% (31 December 2018: 29.3%) residential properties and 15.8% (31 December 2018: 16.2%) hotels.

The properties are located in Austria, Germany and the CEE region. Based on book value, properties in Austria made up 21.7% (31 December 2018: 22.1%) of the portfolio, while properties in Germany comprised 45.6% (31 December 2018: 45.4%). The properties in CEE accounted for 32.7% (31 December 2018: 32.5%).

Significant increase in total revenues and gross profit

Following the transition year of 2018, total revenues saw an increase of 9.9% compared with the same period last year and amounted to EUR 47.8m in the first quarter of 2019 (Q1 2018: EUR 43.5m). This development can be attributed to an increase in rental income and an increase in revenues from hotel operations to EUR 11.1m (Q1 2018: EUR 10.0m).

On the one hand, the rental improvement reflects the acquisitions in the Germany segment and the good like-for-like performance. On the other, the increase in the amount of EUR 1.2m is a result of the first-time adoption of accounting regulations that require parts of the revenues from operating costs to be reclassified within total revenues and to be recognised as rental income.

In total, rental income rose by EUR 3.8m to EUR 28.4m (Q1 2018: EUR 24.6m). Excluding the shift between revenues from operating costs and rental income, the increase in rental income amounted to EUR 2.6m, or roughly 10.5%.

Property management expenses increased to EUR 15.7m (Q1 2018: EUR 14.4m). Overall, gross profit improved to EUR 24.0m (Q1 2018: EUR 21.6m), which corresponds to an increase of 11.1%.

Increase in EBITDA by 13.1% and rise in the results from property valuation

In the first quarter of 2019, a property that was already held for sale as of 31 December 2018 was successfully sold in Germany. At EUR 4.5m (Q1 2018: EUR 4.3m), management expenses were in line with the prior-year level, which meant EBITDA improved by 13.1% year-on-year and amounted to EUR 19.5m (Q1 2018: EUR 17.3m).

In the first quarter of 2019, the results from property valuation amounted to EUR 9.9m (Q1 2018: EUR 9.4m) and were primarily attributable to revaluations in the Germany segment. Combined with the higher EBITDA, this resulted in an increase in EBIT to EUR 27.4m (Q1 2018: EUR 24.9m).

Development of net income for the period

The financial results were primarily characterised by higher non-cash expenses from derivatives and totalled EUR -9.7m (Q1 2018: EUR -6.7m). Net income for the period increased to EUR 15.1m (Q1 2018: EUR 14.7m). As a further consequence, earnings per share increased to EUR 0.23 and were thus higher than last year (Q1 2018: EUR 0.22).

Property investments

In the first three months of 2019, S IMMO completed acquisitions on a selective basis with a focus mainly on properties in medium-sized German cities. Additionally properties were acquired in CEE. The holdings of shares in CA Immobilien Anlagen AG and IMMOFINANZ AG did not change due to purchases or sales in the first quarter of 2019.

Consolidated statement of financial position

S IMMO Group's total assets increased from EUR 2,270.1m as of 31 December 2018 to EUR 2,785.2m as of 31 March 2019. Cash and cash equivalents were EUR 47.7m as of 31 March 2019 (31 December 2018: EUR 73.3m). Equity not including minority shares increased to EUR 1,151.7m in the first quarter of 2019 (31 December 2018: EUR 1,108.9m). As of 31 March 2019, the book value per share increased to EUR 17.40 (31 December 2018: EUR 16.75) and the equity ratio to 41.5% (31 December 2018: 40.9%).

Financing

A key figure for the assessment of the financing structure is the loan-to-value ratio (LTV ratio). S IMMO distinguishes between two types of this key figure: the LTV ratio for financing secured with properties (mortgages) and the LTV ratio for unsecured financing. The latter largely comprises bonds issued by S IMMO AG. S IMMO's reported property investments amounted to EUR 2,660.8m as of 31 March 2019 (31 December 2018: EUR 2,573.4m). At 35.5% (31 December 2018: 36.3%), the LTV ratio for financing secured with properties decreased compared with the level posted at the end of 2018. The LTV ratio for unsecured financing less cash and cash equivalents amounted to 14.6% as of 31 March 2019 (31 December 2018: 14.1%). In total, the company's LTV ratio was 50.2% (31 December 2018: 50.4%). The calculation method for both key figures is described in detail in the 2018 Annual Report.

In the second quarter, a seven-year corporate bond with a volume of EUR 150m and a fixed coupon rate of 1.875% p.a. was issued.

The Management and Supervisory Board have decided that for the financial year 2018 a dividend of EUR 0.70 per share will be proposed at the Annual General Meeting.

Consolidated interim financial statements

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Consolidated statement of financial position

as of 31 March 2019

Assets EUR '000

	31 March 2019	31 December 2018
Non-current assets		
Investment properties		
Rented properties	1,987,383	1,880,507
Properties under development and undeveloped land	12,799	73,750
	2,000,182	1,954,257
Owner-operated properties	125,416	126,789
Other plant and equipment	4,692	4,469
Intangible assets	220	208
Interests in companies measured at equity	29,206	25,704
Group interests	2,431	2,448
Loans to companies measured at equity	4,975	4,214
Other financial assets	497,638	452,981
Deferred tax assets	1,128	1,534
	2,665,888	2,572,604
Current assets		
Inventories	419	531
Trade receivables	9,366	10,641
Other financial assets	11,413	10,440
Other assets	12,242	12,256
Cash and cash equivalents	47,737	73,281
	81,177	107,149
Assets held for sale	38,181	40,381
	119,358	147,530
	2,785,246	2,720,134

Equity and liabilities EUR '000

		31 March 2019	31 December 2018
Shareholders' equity			
Share capital		240,544	240,544
Capital reserves		68,832	68,832
Other reserves		842,343	799,478
		1,151,719	1,108,854
Non-controlling interests		2,765	2,720
		1,154,484	1,111,574
Non-current liabilities			
Issued bonds		336,994	336,910
Other financial liabilities		883,771	861,335
Provisions for employee benefits		1,370	1,368
Other liabilities		0	6
Deferred tax liabilities		172,573	162,173
		1,394,708	1,361,792
Current liabilities			
Issued bonds		99,934	99,902
Financial liabilities		94,837	93,239
Income tax liabilities		1,511	1,791
Trade payables		7,338	8,884
Other liabilities		32,434	42,952
		236,054	246,768
		2,785,246	2,720,134

Consolidated income statement

From 01 January 2019 until 31 March 2019

EUR '000	01-03/2019	01-03/2018
Revenues		
Rental income	28,411	24,591
Revenues from operating costs	8,366	8,937
Revenues from hotel operations	11,067	10,014
	47,844	43,542
Other operating income	410	553
Property operating expenses	-15,700	-14,438
Hotel operating expenses	-8,562	-8,069
Gross profit	23,992	21,588
Income from property disposals	4,700	0
Book value of property disposals	4,700	0
Gains on property disposals	0	0
Management expenses	-4,465	-4,320
Earnings before interest, tax, depreciation and amortisation (EBITDA)	19,527	17,268
Depreciation and amortisation	-2,089	-1,774
Results from property valuation	9,941	9,356
Operating result (EBIT)	27,379	24,850
Financing costs	-13,546	-6,965
Financing income	386	954
Results from companies measured at equity	3,502	-710
Financial result	-9,658	-6,721
Net income before tax (EBT)	17,721	18,129
Income tax	-2,620	-3,429
Consolidated net income for the period	15,101	14,700
of which attributable to shareholders in parent company	15,056	14,678
of which attributable to non-controlling interests	45	22
Earnings per share		
undiluted = diluted	0.23	0.22

Consolidated statement of comprehensive income

From 01 January 2019 until 31 March 2019

EUR '000	01 – 03 / 2019	01 – 03 / 2018
Consolidated net income for the period	15,101	14,700
Change in value of cash flow hedges	-7,536	441
Income taxes on cash flow hedges	1,360	-100
Reclassification of derivatives valuation effects	213	312
Reserve for foreign exchange rate differences	1	226
Other comprehensive income for the period (realised through profit or loss)	-5,962	879
Valuation of financial assets FVOCI	45,029	-8,778
Income taxes from measurement of financial assets FVOCI	-11,258	2,195
Other comprehensive income (not realised through profit or loss)	33,771	-6,583
Other comprehensive income	27,809	-5,704
of which attributable to shareholders in the parent company	27,809	-5,704
of which attributable to non-controlling interests	0	0
Total comprehensive income for the period	42,910	8,996
of which attributable to shareholders in parent company	42,865	8,974
of which attributable to non-controlling interests	45	22

Consolidated cash flow statement

from 01 January 2019 until 31 March 2019

EUR '000	01-03/2019	01-03/2018
Net income before tax (EBT)	17,721	18,129
Results from property valuation	-9,941	-9,356
Depreciation and amortisation on intangible assets and equipment	2,089	1,774
Gains/losses on property sales	0	0
Taxes on income paid	-2,490	-419
Financing result	9,658	6,721
Operating cash flow	17,037	16,849
Changes in net current assets		
Receivables and other assets	789	481
Provisions, other financial and non-financial liabilities	-4	52
Current liabilities	-2,419	1,950
Cash flow from operating activities	15,403	19,332
Cash flow from investing activities		
Investments in property portfolio (rented properties, development projects, undeveloped land, owner-operated properties)	-32,651	-68,355
Investments in intangible assets	-39	-19
Investments in other fixed assets	-422	-237
Disposal of equity instruments of other companies	0	0
Acquisition of equity instruments of other companies	0	-152,676
Investments in financial assets	-3	0
Disposals of financial assets	20	0
Investments in companies measured at equity	-678	-40
Divestments in companies measured at equity	0	0
Net cash flow from deconsolidations	0	0
Net cash flow from initial consolidations	-4,902	0
Net cash flow from changes in companies measured at equity	0	320
Disposals of properties	0	0
Dividends from companies measured at equity	0	0
Dividends received	0	0
Income from equity investments	158	153
Interest received	39	11
Cash flow from investing activities	-38,478	-220,843

EUR '000

01 – 03 / 2019

01 – 03 / 2018

Consolidated cash flow statement continued

Cash flow from financing activities

Purchase of own participating certificates	0	-550
Bond issues	0	148,926
Distribution minority shares	0	0
Increases in financing	12,603	65,604
Decreases in financing	-7,151	-6,683
Dividend payment	0	0
Interest paid	-7,921	-4,093
Cash flow from financing activities	-2,469	203,204
Cash and cash equivalents 01 January	73,281	73,390
Net change in cash and cash equivalents	-25,544	1,693
Cash and cash equivalents 31 March ¹	47,737	75,083

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

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 2019	240,544	68,832	-15,872	-8,636	17,113	806,873	1,108,854	2,720	1,111,574
Consolidated net income for the period	0	0	0	0	0	15,056	15,056	45	15,101
Other comprehensive income	0	0	1	-5,963	33,771	0	27,809	0	27,809
Change in non-controlling interests	0	0	0	0	0	0	0	0	0
As of 31 March 2019	240,544	68,832	-15,871	-14,599	50,884	821,929	1,151,719	2,765	1,154,484
As of 01 January 2018	240,544	68,832	-17,200	-6,022	25,053	629,608	940,815	3,611	944,426
Changeover effects of first-time application of IFRS 9 (after taxes)	0	0	0	0	1,478	0	1,478	0	1,478
Total after adjustment due to first-time application of IFRS 9	240,544	68,832	-17,200	-6,022	26,531	629,608	942,293	3,611	945,904
Consolidated net income for the period	0	0	0	0	0	14,678	14,678	22	14,700
Other comprehensive income	0	0	225	653	-6,583	0	-5,705	0	-5,705
Change in non-controlling interests	0	0	0	0	0	0	0	0	0
As of 31 March 2018	240,544	68,832	-16,975	-5,369	19,948	644,286	951,266	3,633	954,899

Further information

In view of the changed rules for Wiener Börse AG's prime market segment, S IMMO AG has adjusted its quarterly report for the first quarter of 2019. The adjustment has been made to the extent that the additional information provided below was not prepared in accordance with requirements of IAS 34. This quarterly report should be read in conjunction with the IFRS consolidated financial statements for the year ended on 31 December 2018.

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 and since 2007 in the Prime Market segment. S IMMO was included in the Austrian ATX benchmark index for the first time on 18 September 2017. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania and Bulgaria. As of 31 March 2019, S IMMO Group owned properties in all the above countries. S IMMO Group is an international real estate group that engages in buying, selling, real estate project development, letting, asset management, and operating hotels and shopping centres as well as in revitalising and renovating properties in Austria, Germany and CEE.

2. Accounting and valuation policies

In preparing the consolidated interim financial statements for the three months ended on 31 March 2019, the accounting and valuation policies applied in the consolidated financial statements for the year ended on 31 December 2018 have been applied substantially unchanged, except where new accounting regulations were required to be applied. New effective standards, particularly including "IFRS 16 – Leases", did not result in any significant effects.

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

The consolidated interim 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.

3. Notes to the consolidated interim financial statements

3.1. Investment properties

Investment properties include purchases in Germany and CEE. Within the investment properties one property was reclassified from development projects to rented properties. The changes arising from the first-time application of IFRS 16 are not material.

3.2. Other financial assets

Other financial assets mainly include shares in the companies IMMOFINANZ AG and CA Immobilien Anlagen AG that are accounted for as FVOCI (fair value through OCI). In the first quarter of 2019, there were no transactions in the equity instruments mentioned above. All valuation effects are recognised in other comprehensive income.

3.3. Issued bonds

In the first quarter no new corporate bond was issued. In May 2019, a fixed-rate corporate bond was issued with a volume of EUR 150 million, a term of seven years and a coupon of 1.875%. The bond is listed on the official market of the Vienna Stock Exchange in the Corporates Prime segment.

3.4. Rental income

As a result of new effective IFRS regulations, revenues (building tax and building insurance billed to tenants) that were shown as revenues from operating costs until 31 December 2018 will be reported as rental income for the first time in the 2019 financial year. The previous year's figures have not been adjusted. Because this is solely a reclassification within revenues, they remain unchanged overall in methodological terms compared to the previous years.

Rental income under the old regulations and broken down by the type of use of the properties is shown below, along with the cumulative change in presentation:

EUR '000	01-03/2019	01-03/2018
Office	9,195	8,030
Residential	6,499	6,043
Retail	10,428	9,370
Hotels	1,061	1,148
Subtotal "old"	27,183	24,591
Reclassification of former operating costs	1,228	n/a
Rental income according to the consolidated income statement	28,411	24,591

3.5. Gains on property disposals

In the first quarter of 2019, one property in the German segment was sold, which was held for sale as of 31 December 2018.

4. Operating segments

Segment reporting for S IMMO Group is based on geographical regions. 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 the Group's Austrian subsidiaries, apart from those with property in Germany.

Germany: This operating segment includes the German subsidiaries and also subsidiaries in Austria holding properties in Germany.

CEE: This operating segment comprises the subsidiaries in Slovakia, the Czech Republic, Hungary, Romania, Bulgaria and Croatia.

In preparing and presenting the segment information, the same accounting and valuation policies are applied as for the consolidated financial statements.

Each division is operated independently of every other division. The chief operating decision maker for the divisions is the CEO.

EUR '000	Austria		Germany		CEE		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Rental income	4,680	4,666	12,131	9,677	11,600	10,248	28,411	24,591
Revenues from operating costs	1,047	1,225	2,560	2,828	4,759	4,884	8,366	8,937
Revenues from hotel operations	5,898	5,353	0	0	5,169	4,661	11,067	10,014
Total revenues	11,625	11,244	14,691	12,505	21,528	19,793	47,844	43,542
Other operating income	132	313	138	200	140	40	410	553
Property operating expenses	-2,143	-2,256	-6,838	-6,408	-6,719	-5,774	-15,700	-14,438
Hotel operating expenses	-4,745	-4,673	0	0	-3,817	-3,396	-8,562	-8,069
Gross profit	4,869	4,628	7,991	6,297	11,132	10,663	23,992	21,588
Gains on property disposals	0	0	0	0	0	0	0	0
Management expenses	-2,490	-2,574	-1,393	-1,228	-582	-518	-4,465	-4,320
EBITDA	2,379	2,054	6,598	5,069	10,550	10,145	19,527	17,268
Depreciation and amortisation	-1,120	-1,093	-41	-42	-928	-639	-2,089	-1,774
Results from property valuation	2,500	1,400	7,884	3,657	-443	4,299	9,941	9,356
EBIT	3,759	2,361	14,441	8,684	9,179	13,805	27,379	24,850
	31.03.2019	31.12.2018	31.03.2019	31.12.2018	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Non-current assets	962,586	915,053	983,011	955,457	720,291	702,095	2,665,888	2,572,604
Non-current liabilities	624,279	612,470	429,600	411,983	340,829	337,339	1,394,708	1,361,792

Vienna, 27 May 2019

Management Board

Ernst Vejdovsky m. p.

Friedrich Wachernig, MBA m. p.

Financial calendar 2019

27 May 2019	Results for the first quarter 2019
04 June 2019	Record date Annual General Meeting
14 June 2019	Annual General Meeting
21 June 2019	Dividend ex day
24 June 2019	Record date dividend
25 June 2019	Dividend payment day
27 August 2019	Results for the first half year 2019
26 November 2019	Results for the first three quarters 2019



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Should the assumptions on which the forecasts are based prove to be unfounded, or should events of the kind described in the risk report of the annual report occur, then the actual outcomes may differ from those currently expected. This Interim Report neither contains nor implies a recommendation either to buy or to sell shares or other financial instruments of S IMMO AG. Past events are not a reliable indicator of future developments. This Interim Report has been prepared in the German language, and only the German language version is authentic. The Interim Report in other languages is a translation of the German Report.

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