



**S IMMO**  
Interim Financial  
Statements  
as of 31 March 2020

# Q1 2020

# Key figures

		01.01. – 31.03.2020	01.01. – 31.03.2019
Revenues	EUR m	50.6	47.8
EBITDA	EUR m	21.4	19.5
EBIT	EUR m	-12.5	27.4
EBT	EUR m	-25.7	17.7
Net income for the period	EUR m	-21.4	15.1
Total assets	EUR m	3,109.9	2,785.2
Equity	EUR m	1,363.9	1,154.5
Liabilities	EUR m	1,746.0	1,630.8
Equity ratio	in %	44	41
Operating cash flow	EUR m	20.6	17.0
Cash flow from investing activities	EUR m	-25.3	-38.5
Cash flow from financing activities	EUR m	125.8	-2.5
Cash and cash equivalents as of 31 March	EUR m	232.1	47.7
NOI ratio	in %	50	49
FFO I	EUR m	13.8	10.8
FFO II	EUR m	15.8	11.4
Earnings per share	EUR	-0.30	0.23
Book value per share	EUR	18.67	17.40
Difference between share price and book value per share (2020: discount, 2019: premium)	in %	-6	5
Operating cash flow per share	EUR	0.29	0.26
Property assets	EUR m	2,363.1	2,163.8
whereof properties under development and undeveloped land	EUR m	26.0	12.8

## Contents

- p. 1** — Letter from the Management
- p. 2** — S IMMO in the capital market
- p. 6** — Business development and performance
- p. 8** — Condensed consolidated interim financial statements as of 31 March 2020
- p. 18** — Financial calendar 2020
- p. 19** — Contact/Publication details

Dear Shareholders,

The COVID-19 pandemic has had the world in its grips since March. Virtually every industry has been affected by this crisis. At the time these interim financial statements went to press, we had suffered many long weeks of tight lockdown restrictions. But businesses are getting back up and running. A few days ago, we were given permission to visit restaurants again and hotels are about to open their doors soon. And although there are still many unanswered questions, a sense of hope is budding.

### Strong operating result, albeit with write-downs

The key figures for the first quarter, which we are presenting to you in these interim financial statements, show on the one hand that our operating result is very successful. The improvement of rental income reflects the increased number of rental properties in CEE and Germany and the positive like-for-like performance. Gross profit rose to EUR 25.8m (Q1 2019: EUR 24.0m). On the other hand, the result from property valuation turned negative as a result of the COVID-19 pandemic. Overall, we had to make write-downs across our portfolio. The result from property valuation came to EUR -31.5m (Q1 2019: EUR 9.9m). This resulted in a loss for the period of EUR 21.4m as of 31 March 2020 (Q1 2019: net income for the period of EUR 15.1m).

### Capital market

The COVID-19 pandemic has also left a noticeable mark on the capital market. Our share performed very strongly up to the beginning of March, temporarily reaching a record high of over EUR 27. But ultimately our share did not escape the global downtrend, ending the quarter on 31 March 2020 at a closing price of EUR 17.60, which corresponds to a year-to-date performance of -21.1%. Comparisons with the Austrian benchmark index ATX (year-to-date performance of -37.19%) and our industry index for property shares IATX (year-to-date performance of -27.72%) show that our share performance was above-average even in this difficult environment.

### Outlook

Forecasts are particularly tough to make in the current climate, as the continued impact of the COVID-19 pandemic on the result for the financial year 2020 cannot be reliably determined at this moment in time. Factors such as the length of the lockdown restrictions, a possible second wave of infections and different legislation in the various countries in which we operate are just some of the many uncertainties that we and our company are currently facing.



At the same time, it is evident that not all regions and – above all – not all types of use are being affected to the same extent. It is clear to see that hotels are struggling significantly under the current restrictions, and parts of the retail industry have also suffered substantial losses. On the other hand, residential properties – which still account for almost 30% of our portfolio – have barely been affected at all and could even profit from the general uncertainty over the coming months. Our strategy of focusing on a diversified portfolio and investing in different segments is proving successful in the current climate.

S IMMO has withstood crises before. We have a high-quality portfolio, a qualified team, and a very stable equity and liquidity structure – in part thanks to the successful capital increase in January 2020. We are therefore able to work successfully, even during the very difficult conditions at present, and to now begin focusing on 2021. There will be opportunities even during this crisis, and we have the strength, the expertise, and also the means – thanks to a very high level of cash and cash equivalents of over EUR 230m – to identify these opportunities at the right time and to make the most of them to put our company back on its growth path.

We thank you for your trust and wish you and your families good health above all else in the coming weeks and months.

The Management Board

Ernst Vejdovszky

Friedrich Wachernig

# S IMMO in the capital market

## International stock market environment

The mood on the international capital markets was broadly positive at the beginning of 2020. The international stock exchanges began to react as the coronavirus continued to spread around the world. The COVID-19 crisis hit the international stock exchanges with its full fury. The year-to-date performance of all indices as of 31 March 2020 is in the negative double digits (see table below). The International Monetary Fund (IMF) sharply revised its forecast for the global economy downwards in the middle of April. It expects that global economic performance will contract by 3% in 2020, with performance in the euro area shrinking by 7.5%. The IMF anticipates a significant recovery for the next year. Accordingly, global economic growth is forecast at 5.8% for 2021 with a figure of 4.7% for the euro area. Many companies have revised their revenue and earnings projections due to the current situation. The capital markets are very nervous as a result.

## S IMMO AG securities

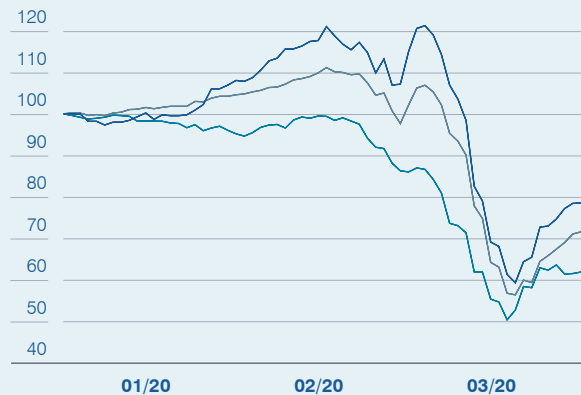
The S IMMO share performed extremely well until the beginning of March, reaching a record high of EUR 27.15 on 04 March 2020. The share lost ground significantly as a result of the COVID-19 pandemic and ended the first quarter at EUR 17.60, which corresponds to a year-to-date performance of -21.1%. Over the past 12 months, the S IMMO share has lost 3.4%, but is up by 16.1% p.a. over the past three years.

The capital increase implemented in January 2020 with subscription rights disappplied as part of an accelerated book-building process met with very strong investor interest. The



## Share price development

indexed 01 January 2020 to 31 March 2020  
 ■ S IMMO share ■ ATX ■ IATX



company's share capital was increased by 10% to EUR 267,457,923.62 by issuing 6,691,717 new shares. The issue was oversubscribed many times and was placed at a price of EUR 22.25 per new share and thus at market – at no discount compared to the closing price on 15 January 2020. The gross issue proceeds amounted to around EUR 149 million. This successful capital increase enabled the company to optimise its balance sheet structure, created additional liquidity reserves and ensured the funds for profitable growth.



## Overview of S IMMO share and indices

	S IMMO share	Austrian benchmark index (ATX)	ATX for property shares (IATX)	German benchmark index (DAX)	Dow Jones Industrial Average (DJIA)	US S&P 500 Index
31 March 2019	18.22	3,034.04	356.80	11,526.00	25,928.70	2,834.40
31 December 2019	22.30	3,186.94	429.07	13,249.01	28,538.44	3,230.78
31 March 2020	17.60	2,001.60	310.15	9,935.84	21,917.20	2,584.59
Year-to-date performance as of 31 March 2020	-21.08%	-37.19%	-27.72%	-25.01%	-23.20%	-20.00%



## Performance as of 31 March 2020

### S IMMO share

One year	-3.40%
Three years, p.a.	16.12%

### 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 2020)	EUR 1,295.52m
Number of securities (31 March 2020)	73,608,896
Market makers	Erste Group/Hauck & Aufhäuser/Baader Bank/Raiffeisen Centrobank

## S IMMO bonds as of 31 March 2020

ISIN	Maturity	Coupon	Total nominal value EUR '000
AT0000A177D2	17.06.2021	4.500%	28,549.00
AT0000A1DBM5	09.04.2025	3.250%	33,993.50
AT0000A1DVK5	21.04.2027	3.250%	65,000.00
AT0000A1Z9D9	06.02.2024	1.750%	100,000.00
AT0000A1Z9C1	06.02.2030	2.875%	50,000.00
AT0000A285H4	22.05.2026	1.875%	150,000.00
AT0000A2AE8	15.10.2029	2.000%	100,000.00

The new shares issued increased the liquidity on the Vienna Stock Exchange. The average trading volume for the last 100 days increased by 80.3% year-on-year to 293,576 shares (double counting).

### Investor relations activities

In the first quarter, which is traditionally somewhat slower for investor conferences and roadshows, management and the Investor Relations team took part in several investor events before borders were closed and flights were banned. Talks were held with existing and potential investors in London and other locations in the reporting period.

### Annual General Meeting

With regard to the national measures and efforts to contain the spread of the COVID-19 virus, the Management Board of S IMMO AG has decided to postpone the 31<sup>st</sup> Annual General Meeting, which was scheduled to be held in Vienna on 24 April 2020. Depending on how the situation develops, the Annual General Meeting will be convened at a later time.

**S IMMO equity story:**  
[www.simmoag.at/annual-results2019](http://www.simmoag.at/annual-results2019)



## Share data

		31 March 2020	31 March 2019
Closing price	EUR	17.600	18.22
Average daily turnover for the last 100 days	shares <sup>1</sup>	293,576	162,782
Earnings per share (EPS) for the first quarter	EUR	-0.30	0.23
Book value per share	EUR	18.67	17.40
Difference between share price and book value per share (2020: discount, 2019: premium)	in %	-6	5
EPRA NAV per share	EUR	23.31	22.27
Share price discount on EPRA NAV per share	in %	-24	-18
EPRA NNNAV per share	EUR	20.12	18.87
FFO I per share for the first quarter	EUR	0.19	0.16
FFO II per share for the first quarter	EUR	0.22	0.17

<sup>1</sup> Double counting

## Shareholder structure

The following shareholders have notified S IMMO AG of shareholdings of more than 4% of the share capital in accordance with sections 130 et seq. of the Austrian Stock Exchange Act (BörseG): On 21 September 2018, IMMOFINANZ AG reported that it held around 19.5 million shares, equivalent to an interest of 26.49% based on the current total number of voting rights. On 21 January 2020, Ronny Pecik and Norbert Ketterer notified the company that they held 14.24% of the voting rights. The corresponding shareholding notifications can be viewed at [www.simmoag.at/en/investor-relations/s-immo-share](http://www.simmoag.at/en/investor-relations/s-immo-share). The rest of the shares are held in free float by institutional and private investors.



# Business development and performance

## Property portfolio

As of 31 March 2020, S IMMO's property portfolio consisted of 344 properties (31 December 2019: 331) with a book value of EUR 2,363.1m (31 December 2019: EUR 2,371.0 m) and a total area of around 1.2 million m<sup>2</sup> (31 December 2019: 1.2 million m<sup>2</sup>). The occupancy rate came to 94.9% for the reporting period. The calculation of the occupancy rate includes all investment properties for which no development potential is currently identified. The overall rental yield was 5.3%.

Based on book value, properties in Austria made up 18.8% (31 December 2019: 19.1%) of the portfolio, while properties in Germany comprised 49.6% (31 December 2019: 48.5%). The properties in CEE accounted for 31.6% (31 December 2019: 32.4%).

Based on the main type of use, the portfolio excluding plots of land broke down into 40.8% (31 December 2019: 41.4%) offices, 19.9% (31 December 2019: 19.6%) retail properties, 29.8% (31 December 2019: 29.0%) residential properties and 9.5% (31 December 2019: 10.0%) hotels as of 31 March 2020.

## Operating performance: increase in total revenues and gross profit

Total revenues saw an increase of 5.9% compared with the same period last year and amounted to EUR 50.6m (Q1 2019: EUR 47.8m). This development is primarily attributable to an increase in rental income, while revenues from hotel operations decreased to EUR 9.9m (Q1 2019: EUR 11.1m) as a result of COVID-19 after one of the best years in the company's history.

The improvement of rental income reflects the increased number of rental properties in CEE and Germany and the good like-for-like performance. Property management expenses increased to EUR 16.8m (Q1 2019: EUR 15.7m) mainly because the number of rental properties rose. Despite the initial effects of the COVID-19 crisis, gross profit improved overall to EUR 25.8m (Q1 2019: EUR 24.0m), which corresponds to an increase of 7.5%.

## Increase in EBITDA by 9.4% and negative results from property valuation due to COVID-19

At EUR 4.4m (Q1 2019: EUR 4.5m), management expenses were slightly below the prior-year level, which means EBITDA improved by 9.4% over the past twelve months to EUR 21.4m (Q1 2019: EUR 19.5m).

The result from property valuation was negative due to the effects of COVID-19 and came to EUR -31.5m (Q1 2019: EUR 9.9m). Consequently, EBIT declined to EUR -12.5m (Q1 2019: EUR 27.4m) despite the positive operating results.

## Development of net result for the period

The financial results worsened by around EUR 3.6m to EUR -13.2m (Q1 2019: EUR -9.7m), primarily due to non-cash effects. The write-downs on the property portfolio had positive effects on deferred taxes. Mainly because of these effects, income taxes amounted to net revenues of EUR 4.3m (Q1 2019: EUR -2.6m). In total, there was a loss of EUR 21.4m for the period (Q1 2019: net income for the period of EUR 15.1m). Earnings per share therefore amounted to EUR -0.30 (Q1 2019: EUR 0.23).

## Consolidated statement of financial position – successful capital increase

S IMMO Group's total assets decreased slightly from EUR 3,137.7m as of 31 December 2019 to EUR 3,109.9m as of 31 March 2020. Cash and cash equivalents significantly increased compared to the year-end and came to EUR 232.1m as of 31 March 2020 (31 December 2019: EUR 111.6m). This is mainly due to a cash capital increase that was implemented in an accelerated book-building (ABB) process in January 2020. A total of 6,691,717 new shares were issued at a subscription price of EUR 22.25 per share at market, thus generating gross issue proceeds of around EUR 148.9m.

Due to the uncertainty in connection with the COVID-19 pandemic, investments in IMMOFINANZ AG and CA Immobilien Anlagen AG that are measured at share prices were written down. Consequently, the item "other financial assets" decreased to EUR 413.7m (31 December 2019: EUR 554.1m) and the statement of comprehensive income was impacted negatively.

In the first three months of 2020, S IMMO acquired a few properties in Germany. There were no acquisitions in Austria or CEE in the first quarter.

Equity not including minority shares increased to EUR 1,361.0m in the first quarter of 2020 (31 December 2019: EUR 1,342.2m). As of 31 March 2020, the book value per share came to EUR 18.67 (31 December 2019: EUR 20.27) and the equity ratio to 43.9% (31 December 2019: 42.9%).

## Financing – improvement of the LTV ratio

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 2,775.9m as of 31 March 2020 (31 December 2019: EUR 2,924.2m). At 34.1% (31 December 2019: 32.7%), the LTV ratio for financing secured with properties increased compared with the level posted at the end of 2019. The LTV ratio for unsecured financing less cash and cash equivalents amounted to 10.6% as of 31 March 2020 (31 December 2019: 14.2%). The improvement of the LTV ratio for unsecured financing is mainly attributed to the cash inflows due to the capital increase in the first quarter. In total, the company's LTV ratio improved again despite the effects of COVID-19 on the valuations of the property investments and decreased to 44.7% (31 December 2019: 46.9%). The calculation method for both key figures is described in detail in the 2019 Annual Report.

# Condensed consolidated interim financial statements

## Consolidated statement of financial position

as of 31 March 2020

<b>Assets</b> EUR '000	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Non-current assets</b>		
Investment properties		
Rented properties	2,177,647	2,188,317
Properties under development and undeveloped land	25,979	21,846
	<b>2,203,626</b>	2,210,163
Owner-operated properties	122,490	124,377
Other plant and equipment	4,845	5,123
Intangible assets	238	242
Interests in companies measured at equity	36,159	36,284
Group interests	3,866	3,863
Loans to companies measured at equity	2,548	2,010
Other financial assets	413,682	554,090
Deferred tax assets	1,764	1,077
	<b>2,789,218</b>	2,937,229
<b>Current assets</b>		
Inventories	267	332
Trade receivables	5,553	7,437
Loans to companies measured at equity	7,827	6,631
Other financial assets	10,897	6,932
Other assets	27,151	31,063
Cash and cash equivalents	232,050	111,564
	<b>283,745</b>	163,959
Assets held for sale	36,981	36,500
	<b>320,726</b>	200,459
	<b>3,109,944</b>	<b>3,137,688</b>

**Equity and liabilities** EUR '000

	31 March 2020	31 December 2019
<b>Shareholders' equity</b>		
Share capital	264,845	240,544
Capital reserves	191,553	68,832
Other reserves	904,579	1,032,799
	<b>1,360,977</b>	1,342,175
<b>Non-controlling interests</b>	<b>2,929</b>	2,910
	<b>1,363,906</b>	1,345,085
<b>Non-current liabilities</b>		
Issued bonds	525,448	525,352
Other financial liabilities	849,423	848,862
Provisions for employee benefits	1,395	1,376
Other liabilities	6,723	6,723
Deferred tax liabilities	179,763	221,658
	<b>1,562,752</b>	1,603,971
<b>Current liabilities</b>		
Financial liabilities	138,906	145,221
Income tax liabilities	2,504	1,649
Trade payables	4,782	5,510
Other liabilities	37,094	36,252
	<b>183,286</b>	188,632
	<b>3,109,944</b>	<b>3,137,688</b>

# Consolidated income statement

From 01 January 2020 to 31 March 2020

EUR '000	01 – 03 / 2020	01 – 03 / 2019
<b>Revenues</b>		
Rental income	31,133	28,411
Revenues from operating costs	9,598	8,366
Revenues from hotel operations	9,913	11,067
	<b>50,644</b>	<b>47,844</b>
Other operating income	<b>327</b>	410
Property operating expenses	-16,842	-15,700
Hotel operating expenses	-8,340	-8,562
Gross profit	<b>25,789</b>	23,992
Income from property disposals	3,719	4,700
Book value of property disposals	-3,719	4,700
Gains on property disposals	<b>0</b>	0
Management expenses	-4,426	-4,465
Earnings before interest, tax, depreciation and amortisation (EBITDA)	<b>21,363</b>	19,527
Depreciation and amortisation	-2,289	-2,089
Results from property valuation	-31,538	9,941
Operating result (EBIT)	<b>-12,464</b>	27,379
Financing costs	-13,858	-13,546
Financing income	567	386
Results from companies measured at equity	53	3,502
Financial result	<b>-13,238</b>	-9,658
Net income before tax (EBT)	<b>-25,702</b>	17,721
Income tax	4,282	-2,620
<b>Consolidated net result for the period</b>	<b>-21,420</b>	<b>15,101</b>
of which attributable to shareholders in the parent company	-21,439	15,056
of which attributable to non-controlling interests	19	45
<b>Earnings per share</b>		
undiluted = diluted	-0.30	0.23

# Consolidated statement of comprehensive income

From 01 January 2020 to 31 March 2020

EUR '000	01 – 03 / 2020	01 – 03 / 2019
Consolidated net result for the period	-21,420	15,101
Change in value of cash flow hedges	-2,448	-7,536
Income taxes on cash flow hedges	451	1,360
Reclassification of derivative valuation effects	671	284
Income taxes on reclassification of derivative valuation effects	-168	-71
Reserve for foreign exchange rate differences	3,041	1
Other comprehensive income for the period (realised through profit or loss)	1,548	-5,962
Valuation of financial assets FVOCI	-144,438	45,029
Income taxes from measurement of financial assets FVOCI	36,110	-11,258
Other comprehensive income (not realised through profit or loss)	-108,329	33,771
Other comprehensive income	-106,780	27,809
of which attributable to shareholders in the parent company	-106,780	27,809
of which attributable to non-controlling interests	0	0
<b>Total comprehensive income for the period</b>	<b>-128,200</b>	<b>42,910</b>
of which attributable to shareholders in the parent company	-128,219	42,865
of which attributable to non-controlling interests	19	45

# Consolidated cash flow statement

from 01 January 2020 to 31 March 2020

EUR '000	01 – 03 / 2020	01 – 03 / 2019
Net income before tax (EBT)	-25,702	17,721
Results from property valuation	31,538	-9,941
Depreciation and amortisation on intangible assets and equipment	2,289	2,089
Gains/losses on property sales	0	0
Taxes on income paid	-793	-2,490
Financing result	13,238	9,658
Operating cash flow	20,570	17,037
Changes in net current assets		
Receivables and other assets	1,504	789
Provisions, other financial and non-financial liabilities	19	-4
Current liabilities	-5,123	-2,419
Cash flow from operating activities	16,970	15,403
Cash flow from investing activities		
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)	-24,428	-32,651
Investments in intangible assets	-23	-39
Investments in other fixed assets	-112	-422
Disposal of equity instruments of other companies	0	0
Acquisition of equity instruments of other companies	0	0
Investments in financial assets	-38	-3
Disposals of financial assets	0	20
Investments in companies measured at equity	-1,557	-678
Divestments in companies measured at equity	0	0
Net cash flow from deconsolidation less cash and cash equivalents	0	0
Net cash flow from initial consolidations	25	-4,902
Net cash flow from changes in companies measured at equity	409	0
Disposals of properties	0	0
Dividends from companies measured at equity	178	0
Dividends received	0	0
Income from equity investments	267	158
Interest received	27	39
Cash flow from investing activities	-25,252	-38,478

EUR '000	01 – 03 / 2020	01 – 03 / 2019
Consolidated cash flow statement continued		
Cash flow from financing activities		
Issue of shares	146,560	0
Bond issues	0	0
Bond redemption	0	0
Bond repurchase	0	0
Payout for exchange bonds	0	0
Distribution of minority shares	0	0
Increases in financing	0	12,603
Decreases in financing	-9,352	-7,151
Dividend payment	0	0
Interest paid	-8,440	-7,921
Cash flow from financing activities	<b>128,768</b>	-2,469
Cash and cash equivalents 01 January	111,564	73,281
Net change in cash and cash equivalents	120,486	-25,544
<b>Cash and cash equivalents 31 March <sup>1</sup></b>	<b>232,050</b>	<b>47,737</b>

<sup>1</sup> 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 shareholders	Non-controlling interests	Total
As of 01 January 2020	240,544	68,832	-14,735	-17,123	91,419	973,238	1,342,175	2,910	1,345,085
Consolidated net income for the period	0	0	0	0	0	-21,439	-21,439	19	-21,420
Other comprehensive income	0	0	3,041	-1,493	-108,329	0	-106,780	0	-106,780
Issue of shares	24,314	122,766	0	0	0	0	147,080	0	147,080
Buyback of treasury shares	-13	-45	0	0	0	0	-58	0	-58
Change in non-controlling interests	0	0	0	0	0	0	0	0	0
<b>As of 31 March 2020</b>	<b>264,845</b>	<b>191,553</b>	<b>-11,694</b>	<b>-18,616</b>	<b>-16,910</b>	<b>951,798</b>	<b>1,360,977</b>	<b>2,929</b>	<b>1,363,906</b>
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
<b>As of 31 March 2019</b>	<b>240,544</b>	<b>68,832</b>	<b>-15,871</b>	<b>-14,599</b>	<b>50,884</b>	<b>821,929</b>	<b>1,151,719</b>	<b>2,765</b>	<b>1,154,484</b>

# Further information

Referring to the changed rules for Wiener Börse AG's prime market segment, S IMMO AG's quarterly reports are condensed versions. These interim financial statements are not a report according to IAS 34 and should be read in conjunction with the IFRS consolidated financial statements for the year ended on 31 December 2019.

## 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 2020, 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 2020, the accounting and valuation policies applied in the consolidated financial statements for the year ended on 31 December 2019 have been applied substantially unchanged.

Since 01 January 2020 the Group has applied the hedge accounting rules of IFRS 9, which did not have any significant effects on the results of the first quarter.

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. Equity

In January 2020, a cash capital increase was implemented in an accelerated book-building (ABB) process. The registered share capital (without deduction of treasury shares) therefore increased to kEUR 267,458 due to the issue of 6,691,717 bearer shares against cash contributions under exclusion of the subscription rights. The subscription price per new share was set at EUR 22.25 per share – at market and thus without a discount on the closing price on 15 January 2020. The gross issue proceeds amounted to around kEUR 148,891.

On 24 March 2020 a share repurchase programme started, which is expected to end on 30 September 2020.

### 3.2. Investment properties

Investment properties include purchases in Germany.

### 3.3. Other financial assets

Other financial assets mainly include shares in the companies IMMOFINANZ AG and CA Immobilien Anlagen AG that are accounted for at FVOCI (fair value through OCI). All valuation effects are recognised in other comprehensive income.

### 3.4. Gains on property disposals

In the first quarter of 2020, one property in the German segment was sold which had been held for sale as of 31 December 2019.

## 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Rental income	4,816	4,680	13,514	12,131	12,803	11,600	31,133	28,411
Revenues from operating costs	976	1,047	3,364	2,560	5,258	4,759	9,598	8,366
Revenues from hotel operations	4,610	5,898	0	0	5,303	5,169	9,913	11,067
Total revenues	10,402	11,625	16,878	14,691	23,364	21,528	50,644	47,844
Other operating income	80	132	133	138	114	140	327	410
Property operating expenses	-1,593	-2,143	-8,159	-6,838	-7,091	-6,719	-16,842	-15,700
Hotel operating expenses	-4,435	-4,745	0	0	-3,905	-3,817	-8,340	-8,562
Gross profit	4,454	4,869	8,852	7,991	12,483	11,132	25,789	23,992
Gains on property disposals	0	0	0	0	0	0	0	0
Management expenses	-2,323	-2,490	-1,588	-1,393	-515	-582	-4,426	-4,465
EBITDA	2,131	2,379	7,264	6,598	11,968	10,550	21,363	19,527
Depreciation and amortisation	-1,200	-1,120	-46	-41	-1,043	-928	-2,289	-2,089
Results from property valuation	-8,607	2,500	18	7,884	-22,949	-443	-31,538	9,941
<b>EBIT</b>	<b>-7,676</b>	<b>3,759</b>	<b>7,236</b>	<b>14,441</b>	<b>-12,025</b>	<b>9,179</b>	<b>-12,464</b>	<b>27,379</b>
	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
Non-current assets	891,651	1,039,618	1,135,133	1,114,859	762,433	782,753	2,789,218	2,937,229
Non-current liabilities	737,983	776,139	438,309	449,390	386,460	378,442	1,562,752	1,603,971

## 5. Significant events after the balance sheet date

At present all markets of S IMMO AG are affected – to different extents depending on the region and on the type of use – by the COVID-19 pandemic.

The effects on the further development of the financial year 2020 cannot be reliably estimated at the current time.

Vienna, 26 May 2020

Management Board:

Ernst Vejdovsky m. p.

Friedrich Wachernig, MBA m. p.

# Financial calendar 2020

02 April 2020	Annual results 2019 (press conference)
(date to be moved)	Annual General Meeting
26 May 2020	Results for the first quarter 2020
25 August 2020	Results for the first half-year 2020
24 November 2020	Results for the first three quarters 2020



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These Interim Financial Statements have been prepared and proof-read with the greatest possible care, and the information in them has been checked. Nevertheless, the possibility of rounding errors, errors in transmission or typesetting errors cannot be excluded. Apparent arithmetical errors may be the result of rounding errors caused by software. These Interim Financial Statements contain information and forecasts relating to the future development of S IMMO AG and its subsidiaries. These forecasts are estimates, based on the information available to us at the time the Interim Financial Statements were prepared. 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. These Interim Financial Statements neither contain nor imply 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. These Interim Financial Statements have been prepared in the German language, and only the German language version is authentic. The Interim Financial Statements in other languages are a translation of the German Interim Financial Statements.

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