

Dear Shareholders,

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



Karin Rest

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