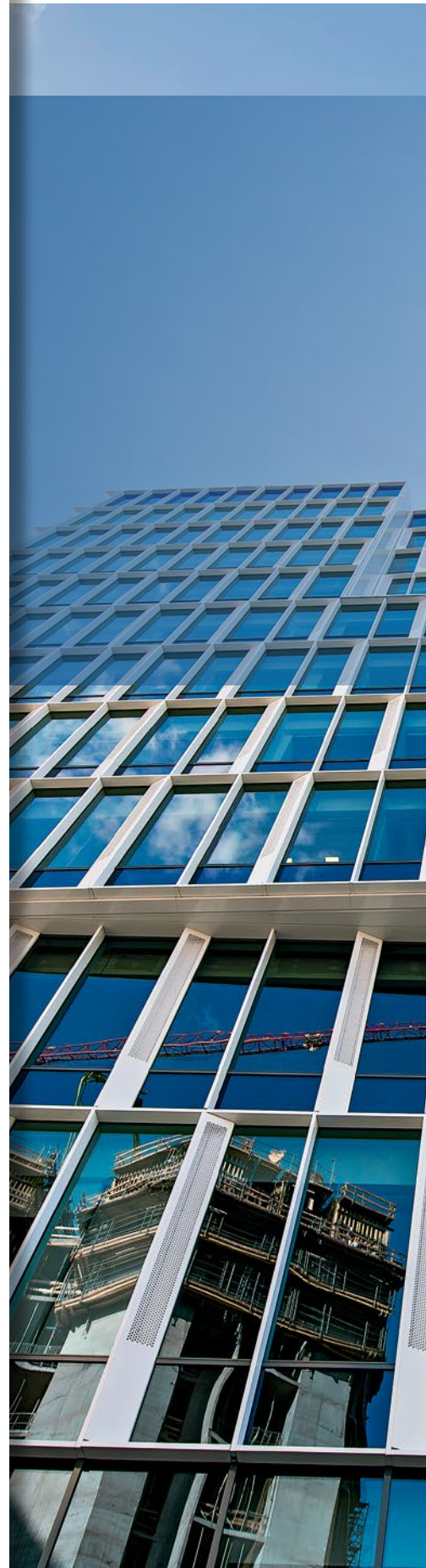
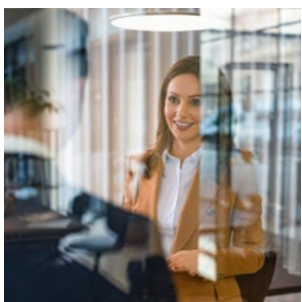
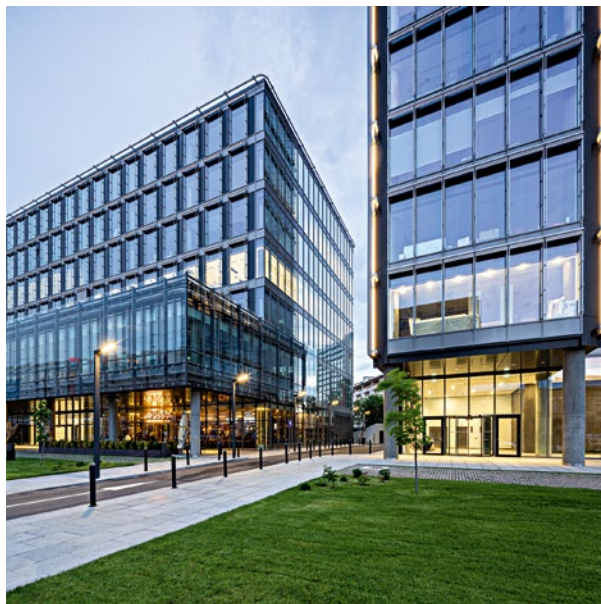


Q2 2023.



Key figures

		01.01.–30.06.2023	01.01.–30.06.2022
Revenues	EUR m	161.4	119.6
EBITDA	EUR m	68.1	48.9
EBIT	EUR m	-17.4	64.8
EBT	EUR m	-39.3	65.0
Net income for the period	EUR m	-40.2	61.9
NOI ratio	in %	52.2	52.3
FFO I	EUR m	49.9	29.3
Earnings per share	EUR	-0.48	0.88
Operating cash flow	EUR m	65.4	26.5
Operating cash flow per share	EUR	0.93	0.38
Cash flow from investing activities	EUR m	225.6	285.9
Cash flow from financing activities	EUR m	0.3	-100.4
		30 June 2023	31 December 2022
Total assets	EUR m	3,645.6	3,774.4
Equity	EUR m	1,734.2	1,780.3
Equity ratio	in %	47.6	47.2
Liabilities ¹	EUR m	1,911.4	1,994.1
Cash and cash equivalents as of 30 June ¹	EUR m	551.0	278.9
Closing price as of 30 June	EUR	12.20	12.48
EPRA NTA per share	EUR	25.20	26.09
Book value per share	EUR	23.52	24.07
Share price discount on book value per share	in %	-48	-48
Property assets ¹	EUR m	2,849.2	3,273.8
of which properties under construction and undeveloped land	EUR m	88.3	86.4

¹ Including held for sale

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Dear Shareholders,

In summing up the first half of 2023 in this report and issuing an outlook for the remaining months, we are aware that the general conditions are undeniably difficult. You are familiar enough with the current market conditions – rising interest rates, persistent inflation, the war in Ukraine – which naturally also affect the real estate sector. In particular, inflation and high interest rates are creating an economic environment that is challenging for our sector.

The effects of this macroeconomic situation are also evident in this report. This relates in particular to the valuation result, since it is unfortunately unavoidable to carry out devaluations in some markets in the current environment. However, this is countered by a stronger-than-average operating result, of which we are particularly proud. We managed to increase rental income significantly, while the result from hotel operations also saw a considerable improvement. The gross profit of EUR 86.0m was therefore considerably higher than the prior-year level (EUR 63.4m) – a sign that our strategy of increasingly investing in high-yielding properties is having a very positive impact on our profitability. As a result of the above-mentioned devaluations due to market conditions in the amount of EUR -80.0m, net income for the period as of 30 June 2023 came to EUR -40.2m.

Our operating result thus impressively demonstrates that our business model and day-to-day work with our properties are bearing fruit, even if the conditions to fully reap this success are not yet in place at present.

Capital market

The continuing uncertainty can be felt on the international capital markets, as well, although signs of a gradual recovery are emerging slowly. In the first half of 2023, the S IMMO share mostly tracked sideways and was trading at EUR 12.20 as of 30 June 2023 – corresponding to a year-to-date performance of -2.24%. At the beginning of the second half of the year, we successfully placed another green bond with a volume of EUR 75m, a term of five years and a coupon of 5.5% p.a. This not only reaffirms our lasting commitment to ESG issues, but also emphasises our strong standing on the Austrian capital market.



Herwig Teufelsdorfer

Strategy

Our strategy of selling German residential and commercial properties outside of Berlin is being implemented on an ongoing basis. Since the strategy update in the autumn of the previous year until 30 June 2023, sales contracts have been signed for a total of 167 properties with a total volume of EUR 617m (the closings of some of the transactions are still in progress). The possibility of selling further German properties with a total value of over EUR 340m is also being examined. In addition, we are also evaluating several sales in Austria and the CEE region.

The liquidity gained is to be used primarily for the purchase of higher-yielding properties. We have already taken a lot of action in this respect, too. In April, we finalised the purchase of three office properties and a hotel in the Czech Republic worth EUR 167.7m. The purchase of the Twin Towers in Vienna was then closed in early July. This office property has a gross rental space of around 66,000 m² and generates annual rental income of EUR 12.6m. These acquisitions will make a significant contribution to boosting our rental income in the future, too, and safeguarding our profitability in the long term.

Outlook

Firm predictions remain difficult due to the macroeconomic situation and geopolitical events. The duration of the war in Ukraine, the course of international interest-rate policy and further developments regarding inflation are very hard to forecast reliably. As described above, our key factors are continuity and our core business: purchasing, letting and managing high-yield properties to boost cash flow on a lasting basis.



Radka Doehring

In addition, you will no doubt have noticed that we are writing to you with a new lineup. Radka Doehring joined the Management Board of S IMMO in mid-June. Together, we are working hard to create added value for all investors. As always, we would like to take this opportunity to thank you for the trust you have placed in us. We would also like to thank Holger Schmidtmayr, who left the Management Board of S IMMO AG in mid-June, for his dedication and his service to the company.

The Management Board team



Herwig Teufelsdorfer



Radka Doehring

S IMMO in the capital market

International capital market environment

After a very modest stock market year in 2022, which was sobering for most of the world's stock exchanges, expectations for 2023 were very mixed. Fears of recession and interest rate hikes by the US Federal Reserve (Fed) and the European Central Bank (ECB), the war in Ukraine, which entered its second year, and the continuing tension between China and Taiwan did not exactly contribute to positive sentiment on the capital markets.

International stock markets had difficulty escaping the general uncertainty. Nonetheless, the German benchmark index DAX and the broad-based US index S&P developed positively, with year-to-date performances of 15.98% and 16.29%, respectively. The Dow Jones index (DJIA) did not perform quite as well, with an increase of just 3.80%, while the Austrian benchmark index ATX rose by only a weak 0.91%. By contrast, the sector index IATX, which had generally been disappointing in the previous year, posted a significant recovery and was up 13.12% as of the reporting date. An overview of the development of the S IMMO share and of the indices relevant to the company is shown in the table below.

S IMMO securities

As of 30 June 2023, the S IMMO share was trading at EUR 12.20, which represents a year-to-date performance of -2.24%. The market capitalisation of S IMMO AG as of 30 June 2023 was thus EUR 898.0m. The company's share capital amounted to EUR 267.5m, divided into 73,608,896 bearer shares.

Share price development

indexed 01 January 2023 to 30 June 2023
 ■ S IMMO share ■ ATX ■ IATX



In addition, S IMMO AG issued another green bond with a nominal value of EUR 75m, a term of five years and a coupon of 5.5% p.a. at the beginning of the second half of the year. Due to high demand, the subscription period was ended early on 06 July 2023.

Overview of S IMMO share and indices

	S IMMO share	ATX	IATX	DAX	DJIA	S&P 500
31 December 2022	12.48	3,126.39	259.95	13,923.59	33,147.25	3,826.49
30 June 2023	12.20	3,154.91	294.06	16,147.90	34,407.60	4,449.68
Year-to-date performance	-2.24%	0.91%	13.12%	15.98%	3.80%	16.29%

Performance as of 30 June 2023

S IMMO share

Six months	-2.24%
One year	-46.37%
Three years, p.a.	-10.47%

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 (30 June 2023)	EUR 898.0m
Number of shares (30 June 2023)	73,608,896
Market makers	Hauck Aufhäuser Lampe Privatbank AG

S IMMO bonds as of 30 June 2023

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
AT0000A1DVK5	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

34th Annual General Meeting and dividend

At the 34th Annual General Meeting, which was held in person at the Vienna Marriott Hotel on 02 May 2023, a resolution was passed on the recommendation of the Supervisory Board and the Management Board not to distribute a dividend. Accordingly, the entire distributable net profit was carried forward in order to bolster the balance sheet structure in the present challenging environment. In addition, the chairwoman of the Supervisory Board Karin Rest was elected for another four years and a resolution was passed to amend the articles of association. All voting results can be found on the company's website at <https://www.simmoag.at/en/investor-relations/s-immo-share/annual-general-meeting.html>.

Shareholder structure

No changes to the company's shareholder structure were reported to S IMMO AG in the first half of 2023. As of 30 June 2023, CPI Property Group S.A. still held 88.37% of the shares of S IMMO AG (50% of the share capital plus one share is held through IMMOFINANZ AG), according to the shareholding notification dated 28 December 2022. The corresponding shareholding notifications can be viewed at <https://www.simmoag.at/en/investor-relations/s-immo-share.html>. The chart on the next page shows the shareholder structure of S IMMO AG as of 30 June 2023.

S IMMO equity story:
www.simmoag.at/annualresults2022

Share data

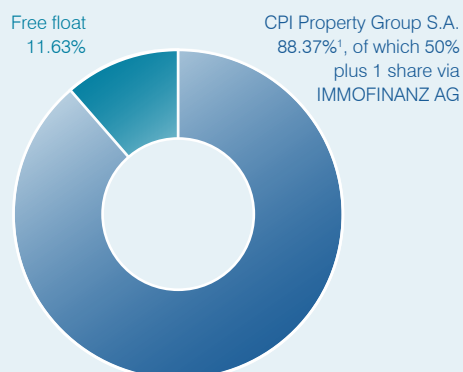
		30 June 2023	30 June 2022
Earnings per share (EPS)	EUR	-0.48	0.88
FFO I per share	EUR	0.71	0.42
		30 June 2023	31 December 2022
Closing price	EUR	12.20	12.48
Average daily turnover for the last 100 days	shares ¹	19,128	91,168
Dividend per share	EUR	– ²	0.65 ³
EPRA NTA per share	EUR	25.20	26.09
Book value per share	EUR	23.52	24.07
Share price discount on book value per share	in %	-48	-48

¹ Double counting

² No dividend was paid out for the financial year 2022.

³ The dividend for the financial year 2021, which was paid out on 13 June 2022.

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

EPRA key figures

Since the 2020 financial year, S IMMO has published key figures such as EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA) and EPRA Net Disposal Value (EPRA NDV). Due to the change in the portfolio strategy and the increased market uncertainties, the adjustment of the deferred taxes in EPRA NTA is now carried out in such a way that only 50% of the relevant deferred taxes are added as a lump sum. The exact description of the key figures can be found on the EPRA website (www.epra.com).

Calculation of FFO I

EUR '000	30 June 2023	30 June 2022
Net income for the period	-40,205	61,857
Non-cash taxes	-1,866	-25
Adjusted net income for the period	-42,071	61,832
Non-cash revaluation result	80,823	-20,770
Non-cash depreciation and amortisation	4,682	4,826
Income from property disposals	0	0
Other non-cash/non-recurring effects	2,939	2,516
Non-cash valuation of financial instruments	3,620	-21,220
Non-cash FX result	-136	2,152
FFO I (without results from disposals)	49,856	29,336
FFO I per share in EUR	0.71	0.42

EPRA key figures

in EUR	30 June 2023	31 December 2022	in EUR '000	30 June 2023	30 June 2022
EPRA NRV per share	28.31	29.93	EPRA earnings and EPRA earnings per share (EPRA EPS)		
EPRA NTA per share	25.20	26.09	Earnings for the period according to IFRS income	-33,849	61,771
EPRA NDV per share	25.58	26.16	Results from property valuations	80,823	-20,770
EPRA net initial yield in %	5.5	5.0	Income from property disposals (including transaction costs)	0	0
EPRA LTV in %	35.4	39.4	Tax on income from disposals	27,016	0
			Changes in fair value of financial instruments	3,620	-21,220
EUR '000	30 June 2023	31 December 2022	Deferred taxes in respect of EPRA adjustments	-36,412	2,114
Fair value investment properties	2,659,174	3,081,825	EPRA adjustments for companies measured according to the equity method	0	-112
Annualised cash rental income (gross)	180,256	179,672	Minority interests in respect of the above	-5,662	0
Non-recoverable property operating expenses	-34,099	-25,633	EPRA earnings	35,536	21,783
Annualised cash rental income (net)	146,158	154,039	EPRA EPS per share in EUR	0.50	0.31
EPRA net initial yield in %	5.5	5.0			

EPRA NRV, EPRA NTA, EPRA NDV

30 June 2023

in EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders	1,658,962	1,658,962	1,658,962
Per share in EUR	23.52	23.52	23.52
Intangible assets	0	-1,427	0
Revaluation of other non-current investments	130,097	130,097	109,288
Fair value of derivative financial instruments	-87,356	-87,356	0
Deferred taxes on derivative financial instruments	14,936	14,936	0
Other deferred taxes	155,575	62,216	0
Fair value of liabilities	0	0	46,464
Deferred taxes on adjustments of liabilities	0	0	-10,687
Ancillary acquisition costs	124,371	0	0
Calculated EPRA key figure	1,996,585	1,777,428	1,804,027
Calculated EPRA key figure per share in EUR	28.31	25.20	25.58

EPRA NRV, EPRA NTA, EPRA NDV

31 December 2022

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

EPRA LTV

30 June 2023

EUR '000	S IMMO excluding companies measured as per the equity method	Adjustment of proportional consideration of equity method companies	Total
Loan liabilities	1,038,105	19,291	1,057,396
Issued bonds	545,597	0	545,597
Other net payables	22,863	422	23,285
excluding			
Cash and cash equivalents	-551,035	-3,649	-554,684
Net debt	1,055,530	16,064	1,071,594
Investment properties	2,611,225	47,263	2,658,488
Owner-operated properties	231,802	0	231,802
Properties held for sale	136,275	0	136,275
Other net receivables	0	0	0
Financial assets	0	0	0
Total property value	2,979,302	47,263	3,026,565
LTV (net debt/property investments) in %	35.4	34.0	35.4

EPRA LTV

31 December 2022

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

Interim management report

Economic report

Economic overview

The global economy is showing initial signs that conditions are easing, but the upswing is weak and there are still significant downside risks. Core inflation is proving stubborn, and the effects of the higher interest rates are increasingly being felt throughout the economy even though lower energy prices are contributing to a decline in headline inflation and the pressure on household budgets is diminishing.

The Organisation for Economic Co-operation and Development (OECD) projects global GDP growth of 2.7% for 2023, the lowest annual rate since the global financial crisis with the exception of the first year of the pandemic, 2020. A modest improvement to 2.9% is expected for 2024. According to the International Monetary Fund (IMF), global growth will decline to 3% in 2023 and 2024. The OECD anticipates that headline inflation in the region of its member countries will drop from 6.6% in 2023 to 4.3% in 2024. The IMF expects global headline inflation to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024.

The European Commission projects GDP growth of 1.0% in 2023 and 1.7% in 2024 for the EU. In the eurozone, GDP growth is expected to come in at 1.1% in 2023 and 1.6% in 2024. According to the IMF, growth in the eurozone will retreat from 3.5% in 2022 to presumably 0.9% in 2023 before rising to 1.5% in 2024. Inflation in the EU will come in at 6.7% in 2023 before falling to 3.1% in 2024 according to the European Commission. In the eurozone, inflation is projected at 5.8% for 2023 and is expected to decline to 2.8% in 2024.

The Austrian Institute of Economic Research (WIFO) forecasts a slight expansion of GDP of 1.4% for Austria in 2024 after growth of just 0.3% in 2023. Oesterreichische Nationalbank (OeNB) is also projecting weak economic growth of 0.5% in 2023, followed by an acceleration to 1.7% in 2024. Inflation in Austria will decline to 7.4% in 2023 and 3.5% in 2024 according to WIFO, before reaching 2.9% in 2025 according to OeNB.

UniCredit expects the economies of the EU member states in the CEE region to grow by 1.6% in 2023 and 3.1% in 2024, with Romania generating above-average growth and the Czech Republic and Hungary below-average growth. The CEE region has the highest inflation in the EU according to Erste Group, with the Czech Republic reporting an inflation rate of 12.5%, for example. Headline inflation is projected to decline significantly in the coming months, primarily driven by the lower energy prices compared to last year.

Real estate market overview

The ongoing war in Ukraine, a significantly higher interest rate level, the high inflation and the future requirements of the EU Taxonomy continue to cause uncertainty on the real estate market. Caution persists on the transaction market in particular, but increased investor interest is being seen again. According to EHL, market conditions will remain challenging in the coming months. However, substantially higher transaction activity is expected again in the period following the summer months. BNP Paribas anticipates a gradual improvement in the general conditions starting in 2024. Slowly improving economic activity, a significant decline in inflation, greater planning certainty in terms of financing, rising take-up on the office markets and persistently rising rent levels are expected.

Overview of the real estate market¹

	Prime rents (EUR/m ² /month)				Prime gross yields (%)				Total leasing activity (m ²)		Vacancy rate (%)	
	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
	Office	Office	Retail	Retail	Office	Office	Retail	Retail	Office	Office	Office	Office
Berlin	43.50	42.50	260.00	250.00	4.00	2.65	4.30	3.25	287,000	330,000	4.7	3.3
Bratislava	17.50	17.00	67.00 ²	65.00 ²	5.75	5.10	6.50 ²	6.00 ²	64,000	55,000	11.6	11.9
Bucharest	20.00	19.00	45.00	45.00	7.50	6.75	8.60	8.00	91,000	92,000	15.4	13.9
Budapest	24.50	24.00	110.00	110.00	6.50	5.25	6.00	5.50	103,000	121,000	12.6	9.9
Vienna	27.50	26.00	360.00	330.00	4.25	3.20	4.20	3.30	86,000	76,000	3.5	3.9
Zagreb	15.50	15.50	70.00	70.00	7.75	7.75	7.00	6.75	19,000	9,000 ³	2.0	3.5

¹ Source: CBRE Research

² Data for shopping centres; data for remainder of the locations is for high street retail.

Austria

Take-up totalled 86,000 m² on the Viennese office market in the first half of the year, which represents an increase of roughly 14% versus the prior-year period. With around 43,000 m² in the second quarter alone, an impressive improvement of 26% compared to the same period of the previous year was achieved. However, investor interest in office properties that do not fall into the prime category is subdued because of the uncertainty regarding future ESG criteria. The prime yield for this asset class increased once again in the second quarter, coming in at 4.25%. According to CBRE's forecast, further increases are to be expected between now and the end of the year. The historically low vacancy rate of 3.5%, particularly with regard to modern office space, and a low completion level resulted in limited supply in the second quarter of 2023 and led to prime rents of around EUR 27.50/m²/month.

People's growing desire to travel is also reflected in the figures for the Austrian hotel market. This is underscored by the fact that Vienna saw an increase in overnight stays to nearly 7.5m along with higher occupancy figures in the first half of 2023. In general, a recovery is primarily evident in the number of arrivals. There were roughly 3.2m arrivals in Austria in the first half of the year, an increase of 53.3%. As of 01 June 2023, there were approximately 36,000 hotel rooms in Vienna, 73.9% of which were

occupied. There are currently more than 20 new hotel projects in the construction and planning phase. Based on the positive trend seen in recent months, a full post-pandemic recovery is expected in 2023.

Germany

In Germany, the sharp rise in financing costs due to higher interest rates is reflected in lower demand for residential real estate and thus also in lower investment volumes. As a result, the residential segment in Germany was impacted by market-related price declines in the first half of the year, leading to devaluations.

The German office markets are very much being impacted by the ailing economy, which comes as no surprise in light of the current financial and economic policy situation. There is a distinct lack of major signals for positive momentum and dynamic growth at the moment. Accordingly, many companies are proceeding at half throttle and are being very selective when it comes to increasing space. The Berlin office property market is also in the midst of a slowdown, and take-up declined by roughly 28% versus the prior-year period. Nevertheless, the capital remained at the top of the list of German office markets in the first half of the year, with take-up of 262,000 m². Consequently, the prime yield and prime rents rose to 4.00% and EUR 43.50/m²/month, respectively, in Germany's capital. According to

BNP Paribas, below-average take-up is still the most likely scenario for the second half of the year, along with a further marked increase in the vacancy rate, which came in at 4.7% for Berlin's office market at mid-year. At the same time, there is healthy demand for modern, ESG-compliant space, which is why rents are also projected to continue increasing.

CEE

Three new office buildings with a total area of 38,000 m² were completed in Budapest in the second quarter of 2023. At the same time, the total demand for office space rose to 119,890 m², an increase of 11% compared to the prior-year period. Vacancy came to 12.6%. At 46%, new leases made up the largest share of the total letting activity in the Hungarian capital. Prime rents came to EUR 24.50/m²/month and prime yields to 6.50% on Budapest's office market at the end of the first half of the year.

The demand for office space totalled 164,000 m² in Bucharest in the first half of the year, which represents an increase of 22% versus the prior-year period. A total of three projects with a total area of 70,000 m² were completed during the reporting period. According to projections, completions of new office projects will decline between now and the end of the year. The prime rents for office space in the Romanian capital totalled EUR 20.00/m²/month and prime yields 7.50%. The vacancy rate, which came to 15.4% at mid-year, was slightly lower for class A office properties at a level of 12.6% and is expected to remain stable until the end of the year.

In Romania, more and more of the retail projects currently planned as well as under construction are being realised as shopping centres. By the end of 2023, they are expected to account for 40% of the modern stock. While prime rents amounted to EUR 45.00/m²/month and prime yields 8.60% in Bucharest in the first half of the year, the retail segment attracted 21% of the total investment volume in Romania, roughly 7% more than in the same period of the previous year.

Higher prime rents and yields were also achieved for office space at lower investment volumes in the Slovakian and Croatian capitals. On the Bratislava office market, prime rents came to EUR 17.50/m²/month at the midway point of 2023, while prime yields reached a level of 5.75%. Prime rents for office space in Zagreb amounted to EUR 15.50/m²/month and prime yields 7.75% at the end of the first half of 2023.

With the increasing recovery of tourism, the hotel markets in the CEE region are also seeing positive developments with regard to overnight stays and – in contrast to the office sector – investment volumes. This trend is expected to continue.

Business development and performance

Property portfolio

As of 30 June 2023, S IMMO's property portfolio consisted of 256 properties (31 December 2022: 364) with a book value of EUR 2,849.2m (31 December 2022: EUR 3,273.8m) and a total area (total lettable area excluding parking spaces) of around 1.3 million m² (31 December 2022: 1.4 million m²). Most of the properties are located in the capital cities within the European Union.

The occupancy rate in the reporting period was 91.3% (31 December 2022: 92.6%). The overall rental yield was 6.6% (31 December 2022: 5.8%). The calculation of the occupancy rate and of the rental yield includes all investment properties in the narrower sense (excluding investment properties with development potential and owner-operated hotels).

Based on book value, properties in Austria accounted for 16.1% of the portfolio (31 December 2022: 14.5%), while properties in Germany accounted for 22.8% (31 December 2022: 38.3%). Properties in CEE made up 61.1% of the portfolio (31 December 2022: 47.2%).

Based on main type of use not including plots of land as of 30 June 2023, the portfolio consisted of 66.8% office buildings (31 December 2022: 56.5%), 13.7% retail properties (31 December 2022: 12.2%), 11.5% residential properties (31 December 2022: 25.2%) and 8.0% hotels (31 December 2022: 6.1%).

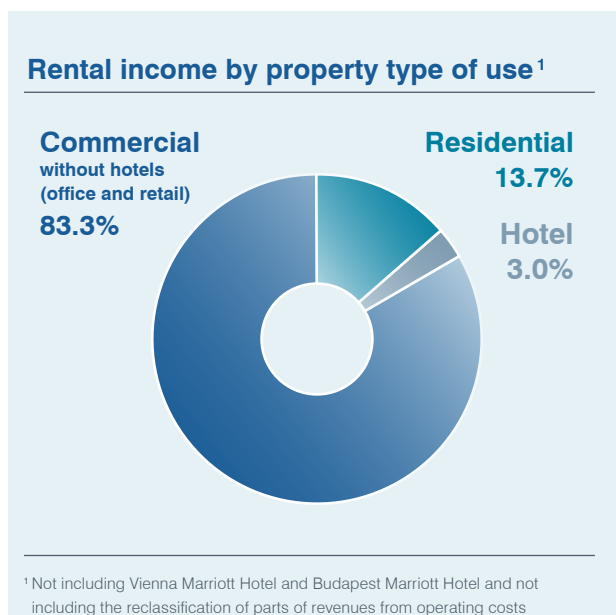
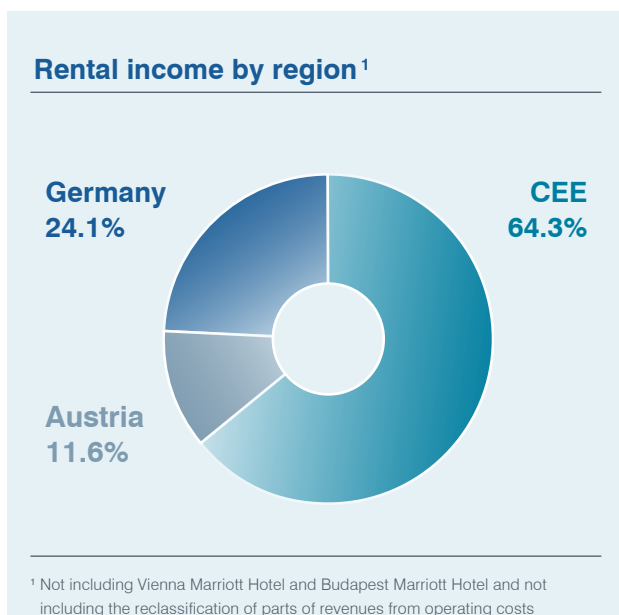
Significant improvement in operating result – increase in rental income, result from hotel operations and gross profit

In the first half-year of 2023, total revenues increased from EUR 119.6m in the same period of the previous year to EUR 161.4m. This improvement is mainly due to acquisitions of rented properties in CEE, which made the most significant contribution to the increase in rental income. Rental income amounted to EUR 93.9m (HY 2022: EUR 73.0m). Revenues from operating costs also increased to EUR 36.2m in the first half-year of 2023 (HY 2022: EUR 22.8m) due to acquisitions and current inflation trends.

Like rental income and revenues from operating costs, property expenses were influenced by transactions and the inflation trend, increasing from EUR 38.5m in the first half-year of 2022 to EUR 53.7m, mainly as a result of higher expenses for operating costs.

The result from hotel operations rose to EUR 8.0m (HY 2022: EUR 5.2m) due to significantly higher revenues from hotel operations, which amounted to EUR 31.4m in the first half-year of 2023 (HY 2022: EUR 23.7m). This represents an increase of more than 50%.

Gross profit improved from EUR 63.4m to EUR 86.0m – up more than 35% – thanks to the considerable rise in rental income and the result from hotel operations.



Negative EBIT despite EBITDA increase due to property valuation

The pleasing operating performance was also reflected in EBITDA, which climbed by almost 40% from EUR 48.9m to EUR 68.1m.

Administrative expenses increased to EUR 17.9m in the first half-year of 2023 (HY 2022: EUR 14.5m), mainly due to higher personnel costs.

The property valuation result was negative at EUR -80.8m (HY 2022: EUR 20.8m), mainly due to the current difficult economic conditions. Broken down by segment, Germany accounted for EUR -80.5m (HY 2022: EUR 11.9m), Austria for EUR -7.6m (HY 2022: EUR 3.8m) and CEE for EUR 7.2m (HY 2022: EUR 5.0m).

Despite the positive operating performance, EBIT declined from EUR 64.8m to EUR -17.4m owing to negative property values.

Net result for the period and earnings per share

The financial result declined year on year from EUR 0.1m to EUR -22.0m, mainly due to non-cash remeasurement effects. Tax expenses decreased from EUR -3.1m to EUR -0.9m.

Net income for the period amounted to EUR -40.2m in total (HY 2022: EUR 61.9m). Earnings per share came to EUR -0.48 (HY 2022: EUR 0.88).

Consolidated statement of financial position

Despite acquisitions in CEE, S IMMO's total assets declined to EUR 3,645.6m (31 December 2022: EUR 3,774.4m) on account of sales and negative valuation effects. Compared with the end of the previous year cash and cash equivalents increased significantly to EUR 550.7m as of 30 June 2023 (31 December 2022: EUR 246.9m).

Equity not including non-controlling interests declined to EUR 1,659.0m in the first half of 2023 (31 December 2022: EUR 1,697.2m). The book value per share amounted to EUR 23.52 as of 30 June 2023 (31 December 2022: EUR 24.07). At 47.6%, the equity ratio was above the prior-year level (31 December 2022: 47.2%).

Property investments

In the first half of 2023, one office property in Budapest and three office properties and one hotel in the Czech Republic were acquired with a total volume of almost EUR 190m.

The disposals totaled EUR 533.5m (HY 2022: EUR 0.04 m) and mainly related to the Germany segment (EUR 525.0m), but also to the Austria segment (EUR 7.5m) and CEE segment (EUR 1.0m) segments.

Financing – improvement of the LTV ratio

A key indicator for assessing the financing structure is the loan-to-value ratio (LTV ratio). S IMMO's EPRA LTV improved from 39.4% as of 31 December 2022 to 35.4% as of 30 June 2023. The calculation of the EPRA LTV is detailed on page 9 of this Interim Report.

Risk management report

As an international real estate group, S IMMO Group faces a host of risks and opportunities that could impact operating activities and decision-making processes as well as strategic management. By identifying, analysing, managing and monitor-

ing risks and opportunities, the Group strives to detect negative developments and potential risk factors in good time and actively minimise them as far as possible. Nevertheless, it cannot be completely ruled out that risks could actually materialise.

Risk overview

Corporate strategy risks

- Business environment and industry risks
- Strategic risks
- Investment risks
- Capital market risks

Property-specific risks

- Property portfolio risks
- Letting and rental default risks
- Property development risks
- Construction risks
- Property valuation risks

Financial risks

- Liquidity risks
- Interest rate risks
- Financing risks
- Credit risks
- Exchange rate risks
- Tax risks

ESG risks

- Environmental risks
- Social risks
- Governance risks

Other risks

- General external risks
- Legal risks
- Other operational risks

Potential risks for the current financial year and the risk management of S IMMO AG are set out in detail in the 2022 Annual Report (starting on page 102). The probability of occurrence of the described risks depends on a number of factors, including economic development in the respective markets.

Although the global economy has recently shown signs of a slight recovery, its growth seems fragile. Continued high inflation along with the resulting tight monetary policy, the energy crisis and the ongoing war in Ukraine are still negatively impacting global economic developments and consequently the international real estate markets. As a result of these market conditions, the company is currently exposed to increased risk. The above factors have at least an indirect impact on almost all of S IMMO's risk categories. The company counters all risks with careful risk monitoring and responsible risk policies.

The European Commission anticipates economic growth in the EU of 1.0% in 2023 and 1.7% next year. There are similar forecasts for the euro area. According to estimates, inflation in the EU will come to 6.7% this year before dropping to 3.1% next year. It is thus lower than in the previous year. Experts at the European Central Bank (ECB) have set the goal of reducing inflation to 2% in the near future. To this end, the key interest rate was raised by another 0.25 percentage points at the end of July. The interest rate hikes to date have had a significant impact, with financing conditions being tightened and increasingly curbing demand for capital goods and consumer goods and reducing willingness to invest.

Over the coming months, the market environment will remain challenging for the real estate sector. The high inflation rate is leading to rising rental income, but also entails an increased risk of rent defaults as well as rising property expenses and operating costs. Price increases may also lead to higher construction costs and consequently to construction cost overruns for development projects. Supply bottlenecks due to the war in Ukraine and a shortage of skilled workers may also increase property development risks.

Rising interest rates generally lead to an increase in financing costs. Although the majority of S IMMO's financing agreements are based on variable interest rates, the interest rate risks of this financing are hedged to a large extent with corresponding interest rate hedges (derivatives). A higher interest rate environment may also lead to a general decline in demand for office or residential space.

The current macroeconomic situation can also affect property valuations. In addition to factors such as the expected rental income, the condition of the property and the occupancy rate, property valuations are also being negatively impacted by rising costs, rising interest rates and subdued demand on the market, leading to a decline in the market values of properties. Although S IMMO does not own any properties in Russia or Ukraine, Russia's war of aggression against Ukraine also has an impact on property valuations due to its far-reaching effects on economic developments.

The unstable macroeconomic situation and the multiple crises of the past few years continue to have a huge impact on the capital markets, which are still dominated by an exceptionally high level of uncertainty. On top of this, the unclear effects of the turnaround in monetary policy make it even harder to determine the outlook.

The further development of the risk factors in terms of their duration and extent is difficult to estimate, which makes short- and medium-term planning a challenge. This is further exacerbated by the fact that the uncertainties are mostly outside the company's sphere of influence.

In addition to risks relating directly to the macroeconomic market conditions, legal and regulatory requirements with regard to ESG (environment, social and governance) risks are also relevant to the real estate sector and require companies to increasingly address specific sustainability risks in areas including climate change, employees, respect for human rights and the fight against corruption and bribery.

To this end, S IMMO AG established a comprehensive ESG risk management process and integrated ESG risks into the company's overall risk management process in the 2022 financial year. In view of the ever-advancing process of climate change, physical climate risks are particularly important, with short-term events such as storms, heavy precipitation and floods as well as long-term conditions such as heat and water stress all being relevant to the property portfolio and the usability of properties. Furthermore, the energy efficiency of the buildings plays a particularly important role in the context of the energy crisis and high energy prices. The implementation of goals such as reducing energy and greenhouse gas intensity may lead to increased costs both in operation and with regard to the retrofitting and energy-efficient refurbishment of existing properties and may entail losses in value if they are not achieved.

In the field of social risks, the changes in the ownership structure resulted in loss of personnel and might result in increased costs to retain and/or attract personnel for core and leadership functions and of outsourcing measures.

The measures taken cannot completely rule out the occurrence of risks. Therefore, provisions are made in the balance sheet for potential risks where necessary. In addition, S IMMO AG is taking account of the changed market conditions with an adjusted strategy. S IMMO AG has a stable and profitable property portfolio in very good locations. Therefore, management fundamentally believes that its business model and its adjusted strategy will enable it to cope comparatively well with the coming challenges and seize potential opportunities.

Outlook

It can be assumed that the macroeconomic uncertainties, the ongoing war in Ukraine, the significantly elevated interest rates and high inflation will continue to squeeze the real estate sector in the second half of 2023.

These challenges prompted S IMMO AG to adjust its strategy and to optimise its portfolio on an ongoing basis starting in autumn 2022. A key cornerstone of this strategy is a sales programme for residential and commercial properties in Germany. The sale of residential properties in Germany means the realisation of considerable increases in value in recent years. Moreover, the company made significant progress with the sale of commercial properties in Germany in the first half-year.

The cash generated is being invested in more profitable office properties in CEE and Austria. For example, the company purchased three office buildings and the Courtyard by Marriott Prague City hotel in the Czech Republic in the first half-year. The company expects these four buildings to generate annual revenues of around EUR 8.4m. The hotel segment has developed positively since the end of the pandemic. The company expects a continued recovery and anticipates annual revenues of around EUR 1.1m from the Courtyard by Marriott Prague City hotel alone. In addition, the purchase of the Twin Towers, which are among the most prominent high-rise offices in Vienna, was completed at the start of the second half-year. The rental income that can be generated per annum thus amounts to roughly EUR 12.6m.

S IMMO AG continues to monitor the transaction markets and is constantly reviewing possible purchase and sale options. For example, further residential and commercial properties worth around EUR 340m are to be sold in Germany in the coming quarters. In addition, several sales in Austria and CEE are also being evaluated.

In addition to acquisitions and sales, the continued implementation of the ESG strategy and ESG targets remain on the company's agenda for the quarters ahead. For example, these include the reduction of energy, water and greenhouse gas intensity by 2030, the purchase of electricity from 100% renewable sources and the increase in the share of buildings with certifications. Progress is also being made on the introduction of green leases, compulsory compliance training and training hours for all employees. The ESG strategy is currently being harmonised within CPI Property Group. As an additional clear commitment to ESG issues, another green bond with a volume of EUR 75m, a term of five years and a coupon of 5.5% p.a. was issued at the start of the second half-year.

The company's ESG efforts are already reflected in the strategically important Sustainalytics ESG Risk Rating of 12.2. With this score, S IMMO AG ranks among the top 5% of all companies globally and the top 16% in the sector worldwide.

Consolidated interim financial statements

Consolidated statement of financial position

as of 30 June 2023

Assets in EUR '000	Notes	30 June 2023	31 December 2022
Non-current assets			
Investment properties			
Rented properties	3.1.1.	2,522,899	2,580,819
Properties under development and undeveloped land	3.1.1.	88,326	86,433
		2,611,225	2,667,252
Owner-operated properties	3.1.2.	101,705	105,529
Other plant and equipment		4,909	5,003
Intangible assets		1,427	768
Interests in companies measured at equity		28,928	26,545
Group interests		7,145	5,303
Other financial assets	3.1.3.	85,714	92,503
Deferred tax assets		1,946	1,017
		2,842,999	2,903,920
Current assets			
Inventories		291	300
Trade receivables		22,023	17,456
Other financial assets		70,174	42,730
Other assets		21,665	23,946
Cash and cash equivalents	3.1.4.	550,747	246,925
		664,900	331,357
Assets held for sale	3.1.5.	137,702	539,084
		802,602	870,441
		3,645,601	3,774,361

Equity and liabilities in EUR '000	Notes	30 June 2023	31 December 2022
Shareholders' equity			
Share capital		256,249	256,249
Capital reserves		160,612	160,612
Other reserves		1,242,101	1,280,367
		1,658,962	1,697,228
Non-controlling interests			
		75,215	83,040
		1,734,177	1,780,268
Non-current liabilities			
Issued bonds	3.1.6.	444,537	544,237
Other financial liabilities	3.1.7.	998,959	927,600
Provisions for employee benefits		1,111	1,111
Other liabilities		1,326	1,412
Deferred tax liabilities		172,457	205,058
		1,618,390	1,679,418
Current liabilities			
Issued bonds	3.1.6.	99,909	0
Financial liabilities	3.1.7.	62,803	82,076
Income tax liabilities		35,133	7,421
Trade payables		7,370	12,693
Other liabilities		82,782	85,239
		287,997	187,429
Liabilities relating to assets held for sale			
		5,037	127,246
		293,034	314,675
		3,645,601	3,774,361

Consolidated income statement

for the six months ended on 30 June 2023

in EUR '000	Notes	01-06/2023	01-06/2022
Revenues			
Rental income	3.2.1.	93,855	73,041
Revenues from operating costs		36,189	22,837
Revenues from hotel operations	3.2.1.	31,387	23,675
		161,431	119,553
Other operating income			
		1,689	853
Property operating expenses	3.2.2.	-53,670	-38,530
Hotel operating expenses	3.2.2.	-23,430	-18,493
Gross profit		86,020	63,383
Income from property disposals		533,536	40
Book value of property disposals		-533,536	-40
Result from property disposals		0	0
Management expenses		-17,888	-14,489
Earnings before interest, tax, depreciation and amortisation (EBITDA)		68,132	48,894
Depreciation and amortisation		-4,682	-4,826
Results from property valuation	3.2.3.	-80,823	20,770
Operating income (EBIT)		-17,373	64,838
Financing costs	3.2.4.	-30,193	-22,474
Financing income	3.2.4.	8,421	22,002
Results from companies measured at equity	3.2.4.	-184	595
Financial result		-21,956	123
Earnings before tax (EBT)		-39,329	64,961
Taxes on income	3.2.5.	-876	-3,104
Consolidated net result for the period		-40,205	61,857
of which attributable to shareholders in the parent company		-33,849	61,771
of which attributable to non-controlling interests		-6,356	86
Earnings per share			
undiluted = diluted		-0.48	0.88

Consolidated statement of comprehensive income

for the six months ended on 30 June 2023

in EUR '000	01 – 06/2023	01 – 06/2022
Consolidated net result for the period	-40,205	61,857
Change in value of cash flow hedges	-3,820	40,482
Income taxes on cash flow hedges	200	-6,566
Reclassification of derivative valuation effects	-2,012	129
Income taxes on reclassification of derivative valuation effects	405	-29
Reserve for foreign exchange rate differences	-2,079	2,216
Other comprehensive income for the period (realised through profit or loss)	-7,306	36,230
Valuation of financial assets FVOCI	1,842	4,713
Income taxes from measurement of financial assets FVOCI	-424	-1,102
Other comprehensive income for the period (not realised through profit or loss)	1,418	3,611
Other comprehensive income for the period	-5,888	39,841
of which attributable to shareholders in parent company	-6,041	39,841
of which attributable to non-controlling interests	153	0
Total comprehensive result for the period	-46,093	101,698
of which attributable to shareholders in parent company	-39,890	101,613
of which attributable to non-controlling interests	-6,203	86

Consolidated income statement

for the three months ended on 30 June 2023

in EUR '000	Notes	04-06/2023	04-06/2022
Revenues			
Rental income	3.2.1.	46,263	37,244
Revenues from operating costs		17,137	10,852
Revenues from hotel operations	3.2.1.	18,037	14,453
		81,437	62,549
Other operating income		1,033	393
Property operating expenses	3.2.2.	-24,151	-18,873
Hotel operating expenses	3.2.2.	-12,607	-10,522
Gross profit		45,712	33,547
Income from property disposals		108,943	0
Book value of property disposals		-108,943	0
Result from property disposals		0	0
Management expenses		-8,991	-8,168
Earnings before interest, tax, depreciation and amortisation (EBITDA)		36,721	25,379
Depreciation and amortisation		-2,315	-2,436
Results from property valuation	3.2.3.	-70,800	21,502
Operating income (EBIT)		-36,394	44,445
Financing costs	3.2.4.	-11,949	-12,080
Financing income	3.2.4.	3,516	10,160
Results from companies measured at equity	3.2.4.	-304	347
Financial result		-8,737	-1,573
Earnings before tax (EBT)		-45,131	42,872
Taxes on income	3.2.5.	6,094	-5,102
Consolidated net result for the period		-39,037	37,770
of which attributable to shareholders in the parent company		-34,293	37,732
of which attributable to non-controlling interests		-4,744	38
Earnings per share			
undiluted = diluted		-0.49	0.54

Consolidated statement of comprehensive income

for the three months ended on 30 June 2023

in EUR '000	04–06/2023	04–06/2022
Consolidated net result for the period	-39,037	37,770
Change in value of cash flow hedges	364	17,811
Income taxes on cash flow hedges	-424	-2,809
Reclassification of derivative valuation effects	-2,247	53
Income taxes on reclassification of derivative valuation effects	461	-13
Reserve for foreign exchange rate differences	-535	2,148
Other comprehensive income for the period (realised through profit or loss)	-2,379	17,190
Valuation of financial assets FVOCI	1,842	-995
Income taxes from measurement of financial assets FVOCI	-424	325
Other comprehensive income for the period (not realised through profit or loss)	1,418	-670
Other comprehensive income for the period	-961	16,520
of which attributable to shareholders in parent company	-782	16,520
of which attributable to non-controlling interests	-179	0
Total comprehensive result for the period	-39,998	54,290
of which attributable to shareholders in parent company	-35,076	54,252
of which attributable to non-controlling interests	-4,923	38

Consolidated cash flow statement

for the six months ended on 30 June 2023

in EUR '000	01-06/2023	01-06/2022
Earnings before taxes (EBT)	-39,329	64,961
Results from property valuation	80,823	-20,770
Depreciation and amortisation	4,682	4,826
Results on property sales	0	0
Taxes on income paid	-2,742	-22,434
Financial result	21,956	-123
Operating cash flow	65,390	26,460
Changes in net current assets		
Receivables and other assets	7,692	-2,305
Provisions, other financial and non-financial liabilities	-86	809
Current liabilities	5,224	-7,826
Cash flow from operating activities	78,221	17,137
Cash flow from investing activities		
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)	-4,315	-6,635
Investments in intangible assets	-706	-29
Investments in other fixed assets	-734	-456
Disposal of equity instruments of other companies	0	452,829
Acquisition of equity instruments of other companies	0	-49,318
Investments in financial assets	0	-510
Disposals of financial assets	0	0
Investments in companies measured at equity	-2,515	0
Divestments in companies measured at equity	0	612
Net cash flow from deconsolidation of subsidiaries	212,456	0
Net cash flow from initial consolidations	-143,051	-112,106
Other changes in companies measured at equity	-6,174	690
Disposals of properties	169,242	0
Dividends from companies measured at equity	51	427
Dividends from listed companies	0	0
Income from equity investments	535	356
Interest received	764	79
Cash flow from investing activities	225,554	285,939

in EUR '000	01-06/2023	01-06/2022
Consolidated cash flow statement continued		
Cash flow from financing activities		
Issue of shares	0	0
Buyback of treasury shares	0	0
Bond issues	0	49,741
Bond redemptions	0	0
Increase in non-controlling interests	0	0
Distribution of non-controlling interests	0	-53
Increases in financing	119,388	82,570
Decreases in financing	-96,423	-161,802
Dividend payment	0	-45,841
Interest paid	-22,630	-25,053
Cash flow from financing activities	335	-100,438
Cash and cash equivalents 01 January	246,925	375,823
Reclassification of cash and cash equivalents as assets held for sale	-288	0
Net change in cash and cash equivalents	304,110	202,638
Cash and cash equivalents 30 June¹	550,747	578,461

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 2023	256,249	160,612	-8,314	37,544	3,670	1,247,467	1,697,228	83,040	1,780,268
Consolidated net result for the period	0	0	0	0	0	-33,849	-33,849	-6,356	-40,205
Other comprehensive income	0	0	-2,079	-5,378	1,418	0	-6,039	153	-5,886
Other changes	0	0	0	0	0	1,622	1,622	-1,622	0
As of 30 June 2023	256,249	160,612	-10,393	32,166	5,088	1,215,241	1,658,962	75,215	1,734,177
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 result for the period	0	0	0	0	0	61,771	61,771	86	61,857
Other comprehensive income	0	0	2,216	34,015	3,611	0	39,841	0	39,841
Distribution with respect to non-controlling interests	0	0	0	0	0	0	0	-53	-53
Other changes	0	0	0	0	-18,912	18,912	0	0	0
Distribution	0	0	0	0	0	-45,841	-45,841	0	-45,841
As of 30 June 2022	256,249	160,612	-8,698	24,768	2,937	1,282,125	1,717,993	4,114	1,722,107

Notes to the consolidated interim financial statements

(condensed)

1. The Group

S IMMO Group (S IMMO AG and its subsidiaries) is an international real estate group that 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 centres. S IMMO Group's parent company, S IMMO AG, headquartered at Wienerbergstraße 9/7th floor, 1100 Vienna, has been listed on the Vienna Stock Exchange since 1987 and in the Prime Market segment since 2007. As of the reporting date, the Group had subsidiaries in Austria, Germany and CEE (Czech Republic, Slovakia, Hungary, Croatia and Romania). As of 30 June 2023, S IMMO Group owns properties in all of the aforementioned countries.

2. Accounting and valuation policies

2.1. Accounting policies

The consolidated interim financial statements for the six months ended on 30 June 2023 have been prepared in accordance with IAS 34 and do not contain all the information required to be disclosed in a full set of IFRS consolidated financial statements. The interim financial statements should therefore be read in conjunction with the IFRS consolidated financial statements for the year ended on 31 December 2022.

In preparing the consolidated interim financial statements for the six months ended on 30 June 2023, the accounting and valuation policies applied in the consolidated financial statements for the year ended on 31 December 2022 have been applied continuously.

The consolidated interim financial statements prepared as of 30 June 2023 have neither been comprehensively audited nor reviewed by independent auditors.

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

In the first quarter of 2023, Andrásy Real Kft., Hungary, was acquired from CPI Property Group S.A. by way of a share deal. The purchase price of kEUR 12,410 consisted entirely of cash. The loan of kEUR 12,933 included in non-current liabilities was repaid in the course of the purchase.

In the second quarter of 2023, CD Property s.r.o., Czech Republic, CPI Office Prague, s.r.o., Czech Republic, Lucemburská 46, a.s., Czech Republic and ZET.office, a.s., Czech Republic were also taken over from CPI Property Group S.A. by way of share deals. The purchase prices (excluding incidental costs) of kEUR 11,711 (CD Property s.r.o.), kEUR 15,225 (CPI Office Prague, s.r.o.), kEUR 18,330 (Lucemburská 46, a.s.) and kEUR 2,585 (ZET.office, a.s.) consisted entirely of cash. The loans of kEUR 12,723 (CD Property s.r.o.), kEUR 17,911 (CPI Office Prague, s.r.o.), kEUR 5,739 (Lucemburská 46, a.s.) and kEUR 35,891 (ZET.office, a.s.) included in non-current liabilities were repaid as the purchases were completed.

Of the purchase prices listed above, kEUR 1,182 (CD Property s.r.o.), kEUR 4,416 (CPI Office Prague, s.r.o.), kEUR 379 (Lucemburská 46, a.s.) and kEUR 3,337 (ZET.office, a.s.) were not yet due as of 30 June 2023. From the purchase of Andrásy Real Kft. there was a recovery from provisional purchase price receivables of kEUR 438 as of 30 June 2023.

A business combination within the meaning of IFRS 3 did not exist for the newly consolidated companies, as there was no business operation as defined by IFRS 3.

The acquired companies had the following book values at the time of acquisition:

EUR '000	Andrássy Real Kft.	CD Property s.r.o.	CPI Office Prague, s.r.o.	Lucemburská 46, a.s.	ZET.office, a.s.	Total book value
Non-current assets						
Property assets	25,649	25,182	71,934	24,064	41,249	188,078
Other non-current financial assets	30	167	5,403	0	654	6,254
Current assets						
Other current assets	320	856	3,158	489	1,983	6,806
Cash and cash equivalents	454	198	1,655	389	149	2,845
Total assets	26,453	26,403	82,150	24,942	44,035	203,983
Non-current liabilities	-13,470	-12,960	-60,817	-5,739	-36,095	-129,081
Current liabilities	-573	-550	-1,692	-494	-2,018	-5,327
Total book value of acquisitions	12,410	12,893	19,641	18,709	5,922	69,575

In the first quarter of 2023, the previously fully consolidated company SIAG Berlin Wohnimmobilien GmbH, Austria, was sold. The company was included in assets held for sale and liabilities associated with assets held for sale as of 31 December 2022. The consideration received consisted entirely of cash. For this sale, an amount of EUR 211.7m was recognised in the consolidated cash flow statement in the item net cash flow from deconsolidation of subsidiaries.

In the second quarter of 2023, the previously fully consolidated company WASHINGTON PROEKT EOOD, Bulgaria, was sold.

The consideration received consisted entirely of cash in the amount of kEUR 813.

The previously fully consolidated company S IMMO Berlin IV GmbH, Germany, was also sold in the second quarter of 2023. The purchase price was not paid until after 30 June 2023, and a purchase price receivable of kEUR 12,254 existed as of 30 June 2023.

The companies sold had the following book values at the time of disposal:

EUR '000	SIAG Berlin Wohnimmobilien GmbH	WASHINGTON PROEKT EOOD	S Immo Berlin IV GmbH	Total book value
Non-current assets				
Property assets	0	0	31,400	31,400
Other non-current financial assets	0	0	0	0
Current assets				
Property assets	321,969	1,025	0	322,994
Other current assets	1,829	1	551	2,381
Cash and cash equivalents	32,558	1	66	32,625
Total assets	356,356	1,027	32,017	389,400
Non-current liabilities		0	-17,401	-17,401
Current liabilities	-110,374	-215	-1,765	-112,354
Total book value of disposals	245,982	812	12,851	259,645

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.

2.2. Reporting currency and currency translation

The Group's reporting currency is the euro. The functional currency is determined as per the criteria of IAS 21 and has been identified as being the euro for the majority of S IMMO Group's companies.

3. Selected notes to the consolidated interim financial statements

3.1. Statement of financial position

3.1.1. Investment properties

EUR '000	Rental properties	Properties under development and undeveloped land
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
of which pledged as security	2,358,388	0
Additions	193,174	606
Disposals	-39,079	0
Reclassification	0	0
Other changes	0	0
Changes in fair value (realised through profit or loss)	-66,735	2,312
Reclassifications as properties held for sale	-145,280	-1,025
As of 30 June 2023	2,522,899	88,326
of which pledged as security	2,283,718	2,000

In addition, a change in fair value of kEUR -16,400 was recognised through profit or loss (HY 2022: kEUR 0) for the properties held for sale.

This consisted of:

Rental properties

EUR '000	30 June 2023	31 December 2022
Austria	365,109	427,920
Germany	521,270	685,681
CEE	1,636,519	1,467,218
	2,522,899	2,580,819

Properties under development and undeveloped land

EUR '000	30 June 2023	31 December 2022
Austria	0	0
Germany	68,872	67,153
CEE	19,454	19,280
	88,326	86,433

The measurement methods for the first half of 2023 correspond to level 3 of the IFRS 13.86 fair value hierarchy. In the event of significant changes in the input factors, external valuation reports were obtained for the relevant properties as of 30 June 2023.

3.1.2. Owner-operated properties

The segment owner-operated properties includes rental of rooms as well as 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 property) and are therefore to be treated as non-current property, plant and equipment under IAS 16.

3.1.3. Other financial assets

Other financial assets mainly include derivatives in the amount of kEUR 87,558 (31 December 2022: kEUR 92,503).

3.1.4. Cash and cash equivalents

EUR '000	30 June 2023	31 December 2022
Bank balances	550,597	246,726
Cash in hand	150	199
	550,747	246,925

3.1.5. Assets held for sale and liabilities in connection with assets held for sale

Real estate assets are "held for sale" if the intention is to sell the property soon. This intention currently exists for properties with a value of kEUR 136,275. As of 30 June 2023, the disposal group comprises one company in the Czech Republic.

In the first quarter of 2023, a company with exclusively German properties was sold, which had been held for sale as of 31 December 2022. Due to market conditions, there was a discount of EUR 16.5m on the property values recognised as of 31 December 2022.

In addition, further German properties and a Bulgarian company with one property were sold, which had also been held for sale as of 31 December 2022 and 31 March 2023.

3.1.6. Issued bonds

The following table shows the key data for the corporate bonds issued:

ISIN	Total nominal value EUR '000	Coupon	Effective interest rate	Maturity
AT0000A1Z9D9	100,000.0	1.75%	1.90%	06 February 2024
AT0000A1DBM5	15,890.0	3.25%	3.36%	09 April 2025
AT0000A285H4	150,000.0	1.875%	1.96%	22 May 2026
AT0000A2UVR4 (green bond)	25,058.5	1.250%	1.37%	11 January 2027
AT0000A1DVK5	34,199.0	3.25%	3.31%	21 April 2027
AT0000A2MKW4 (green bond)	70,449.5	1.75%	1.84%	04 February 2028
AT0000A2AEA8	100,000.0	2.00%	2.01%	15 October 2029
AT0000A1Z9C1	50,000.0	2.875%	2.93%	06 February 2030

All of the bonds are listed in the Corporates Prime segment of the Vienna Stock Exchange.

3.1.7. Other financial liabilities

Other current and non-current financial liabilities amounted to kEUR 1,061,762 (31 December 2022: kEUR 1,009,676) and include primarily mortgage loans, derivatives and lease liabilities.

As in the previous year, there were no covenant breaches in the first half of 2023.

3.1.8. Derivatives

The S IMMO Group currently uses swaps and caps mainly to manage the interest rate risk in connection with property financing at variable interest rates.

The interest rate derivatives were disclosed under other non-current financial assets (30 June 2023: kEUR 87,558; 31 December 2022: kEUR 92,503) and non-current financial liabilities (30 June 2023: kEUR 203; 31 December 2022: kEUR 0). The fair value measurement of derivatives is based on the assessments of external experts. The valuation corresponds to a level 2 valuation according to IFRS 13. CVAs/DVAs were included in the derivative valuation by analogous application of the methods as of 31 December 2022.

In the first half of 2023, measurement changes of kEUR -5,832 (HY 2022: kEUR 40,610) not including deferred taxes and deferred taxes for derivatives of kEUR 605 (HY 2022: kEUR 6,596) were recognised in other comprehensive income. A total of kEUR -5,227 (HY 2022: kEUR 34,015) was therefore recognised in other comprehensive income.

30 June 2023

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	998,012	87,137	-203
Caps	19,931	421	0
Total	1,017,943	87,558	-203

31 December 2022

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	1,092,974	97,511	0
Caps	139,931	1,602	0
Total	1,232,905	99,113	0

3.2. Consolidated income statement

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

Rental income broken down by the type of use of single renting space is shown below:

EUR '000	01-06/2023	01-06/2022
Commercial excl. hotels	78,510	52,973
Hotel	2,716	1,875
Residential property	12,629	18,193
Rental income according to the consolidated income statement	93,855	73,041

Rental income increased significantly compared to the previous year, mainly due to additions of rented properties in CEE.

Revenue from hotel operations has increased from kEUR 23,675 in the first half of 2022 to kEUR 31,387.

3.2.2. Operating costs and expenses from properties and hotel operations

Property operating expenses are almost exclusively expenses related to investment properties. They consist mainly of operating costs, valuation allowances for rents receivable, maintenance expenses and commissions.

The expenses of hotel operations are made up largely of expenses for food, beverages, catering supplies, hotel rooms, licences and management fees, maintenance, operating costs, commissions, personnel expenses and advertising. In general, both income and expenses of hotel operations are subject to seasonal fluctuations. Overall, the gross profit from hotel operations improved to kEUR 7,957 (HY 2022: kEUR 5,182).

3.2.3. Results from property valuation

Against the backdrop of the current difficult economic conditions, the result from the property valuation was negative. The majority of the devaluations had to be carried out in Germany and reflect the declines in value that can be observed above all in the residential sector.

The valuation result by region breaks down as follows:

EUR '000	01-06/2023	01-06/2022
Austria	-7,597	3,792
Germany	-80,451	11,944
CEE	7,224	5,034
	-80,823	20,770

3.2.4. Financial result

The net financial result consisted of the following:

EUR '000	01-06/2023	01-06/2022
Financing expenses	-30,193	-22,474
Financing income	8,421	22,002
Results from companies measured at equity	-184	595
	-21,956	123

The financial result for the first half of 2023 deteriorated compared to the previous year, mainly due to non-cash valuation effects of financial instruments.

3.2.5. Taxes on income

EUR '000	01-06/2023	01-06/2022
Current tax expense	-35,211	-19,438
Deferred tax income/expense	34,335	16,334
	-876	-3,104

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 of the Group's Austrian subsidiaries, apart from those with properties in Germany.

Germany: This operating segment includes the German subsidiaries and also subsidiaries in Austria (under Austrian company law) holding properties in Germany.

CEE: The CEE segment includes the subsidiaries in Slovakia, the Czech Republic, Hungary, Bulgaria (deconsolidated as of 30 June 2023), Croatia and Romania.

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

Each division operates independently of every other division. The chief operating decision maker for the divisions is the Management Board.

in EUR '000	Austria		Germany		CEE		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Rental income	10,731	9,841	22,553	29,399	60,571	33,801	93,855	73,041
Revenues from operating costs	2,543	2,089	5,566	7,007	28,080	13,741	36,189	22,837
Revenues from hotel operations	15,976	11,045	0	0	15,411	12,630	31,387	23,675
Total revenues	29,250	22,975	28,119	36,406	104,062	60,172	161,431	119,553
Other operating income	88	359	865	287	736	207	1,689	853
Property operating expenses	-5,661	-3,893	-13,360	-16,929	-34,648	-17,708	-53,670	-38,530
Hotel operating expenses	-12,075	-10,066	0	0	-11,355	-8,427	-23,430	-18,493
Gross profit	11,602	9,375	15,624	19,764	58,795	34,244	86,020	63,383
Result from property disposals	0	0	0	0	0	0	0	0
Management expenses	-9,450	-9,591	-6,300	-3,404	-2,139	-1,495	-17,888	-14,489
EBITDA	2,152	-215	9,324	16,360	56,655	32,748	68,132	48,894
Depreciation and amortisation	-2,438	-2,473	-80	-89	-2,163	-2,264	-4,682	-4,826
Results from property valuation	-7,597	3,792	-80,451	11,944	7,224	5,034	-80,823	20,770
EBIT	-7,882	1,105	-71,207	28,214	61,716	35,519	-17,373	64,838
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Non-current assets	454,741	528,956	606,008	772,338	1,782,251	1,602,625	2,842,999	2,903,920
Non-current liabilities	664,646	775,762	193,024	282,360	760,719	621,296	1,618,390	1,679,418

5. Other obligations and contingent liabilities

In the S IMMO Group there were a number of open legal disputes as of 30 June 2023. However, in the management's opinion, neither the individual amounts involved nor the total are material.

6. Related party disclosures

S IMMO Group's 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 first half of 2023, there were related party transactions with S IMMO AG's shareholders, primarily in the context of real estate transactions.

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board:

- Herwig Teufelsdorfer
- Radka Doehring

S IMMO AG Supervisory Board:

- Karin Rest (chairwoman)
- Martin Nemeček (first deputy chairman)
- Ulrich Steffen Ritter (second deputy chairman)
- John Verpeleti
- Andreas Feuerstein, employee representative
- Elisabeth Wagerer, employee representative

As of 30 June 2023, there were receivables or payables to related parties at associated companies and companies of CPI Property Group S.A. and the IMMOFINANZ AG Group.

In the first half of 2023, as in the previous year, real estate companies were purchased from CPI Property Group S.A. (see chapter 2.1.). As of 30 June 2023, receivables from CPI Property Group S.A. amounted to kEUR 14,435 (31 December 2022: kEUR 13,045) and liabilities to CPI Property Group S.A. amounted to kEUR 13,567 (31 December 2022: kEUR 3,800), which primarily include receivables and liabilities, respectively, for purchase price payments. There were receivables of kEUR 985 (31 December 2022: kEUR 571) from the IMMOFINANZ AG Group and liabilities of kEUR 101 (31 December 2022: kEUR 210).

In the income statement, income from business relationships with CPI Property Group S.A. totalled kEUR 1,345 (HY 2022: kEUR 0), which primarily includes rental and operating cost income, as well as expenses for operating costs and management fees of kEUR 2,509 (HY 2022: kEUR 0).

Total income of kEUR 807 (HY 2022: kEUR 0) was recognised from business relationships with the IMMOFINANZ AG Group, which also primarily includes income from rental and operating costs, as well as other expenses of kEUR 656 (HY 2022: kEUR 0).

S IMMO Group generally grants loans to associated companies that are accounted for using the equity method. As of 30 June 2023, there were no more receivables from these loans (31 December 2022: kEUR 0). In the first half of 2023, there was no interest income from loans (HY 2022: kEUR 0). There were also no other transactions with associated companies or joint ventures that are recognised according to the equity method.

There were no related-party transactions according to IAS 24 with subsidiaries not consolidated.

7. Significant events after the balance sheet date

In July 2023, S IMMO AG acquired the Twin Towers in Vienna from IMMOFINANZ Group with a transaction volume of EUR 194m.

In addition, a green bond (ISIN AT0000A35Y85) with a nominal value of EUR 75m, a term of five years and a coupon of 5.5% p.a. was successfully issued in the third quarter of 2023.

Vienna, 30 August 2023

Management Board:

Herwig Teufelsdorfer, m.p.

Radka Doehring, m.p.

Declaration of the Management Board

pursuant to section 125 (1) item (3) Austrian Stock Exchange Act (Börsegesetz)

Statement of all legal representatives

“We confirm to the best of our knowledge that the condensed interim 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 that the Group Management Report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year, and of the major related party transactions to be disclosed.”

Vienna, 30 August 2023

The Management Board



Herwig Teufelsdorfer



Radka Doehring

Financial calendar 2023

30 August 2023 Results for the first half-year of 2023

29 November 2023 Results for the first three quarters of 2023



View our profile on LinkedIn

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

This Interim Report contains information and forecasts relating to the future development of S IMMO AG and its subsidiaries. These forecasts are estimates based on the information available to us at the time the Interim Report was 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. 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 German, and only the German version is authentic. The Interim Report in other languages is a translation of the German Interim Report.

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