



Q2 2022

S IMMO
Interim Report
as of 30 June 2022



KEY FIGURES

		01.01.–30.06.2022	01.01.–30.06.2021
Revenues	EUR m	119.6	91.1
EBITDA	EUR m	48.9	39.6
EBIT	EUR m	64.8	166.3
EBT	EUR m	65.0	164.1
Net income for the period	EUR m	61.9	137.3
NOI ratio	in %	52.3	56.2
FFO I	EUR m	29.3	25.6
FFO II	EUR m	25.0	25.0
Earnings per share	EUR	0.88	1.93
Operating cash flow	EUR m	26.5	36.5
Operating cash flow per share	EUR	0.38	0.51
Cash flow from investing activities	EUR m	285.9	-93.6
Cash flow from financing activities	EUR m	-100.4	124.1
		30 June 2022	31 December 2021
Total assets	EUR m	3,677.9	3,688.1
Equity	EUR m	1,722.1	1,666.3
Equity ratio	in %	46.8	45.2
Liabilities	EUR m	1,955.8	2,021.8
Cash and cash equivalents as of 30 June	EUR m	578.5	375.8
Closing price as of 30 June	EUR	22.75	21.75
EPRA NAV per share	EUR	29.26	29.29
EPRA NTA per share	EUR	29.06	29.09
Book value per share	EUR	24.36	23.57
Share price discount on book value per share	in %	-7	-8
Property assets	EUR m	2,969.1	2,830.8
of which properties under construction and undeveloped land	EUR m	84.6	77.0

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Dear Shareholders,

As usual, the end of the first half of the year is an opportunity to present you with an overview of S IMMO AG's business performance. Over the past few months, the economic situation as a whole has mainly been defined by the war in Ukraine, the ongoing increase in interest rates and rising inflation. These developments have not only affected the international property markets in ways that have been dramatic at times, but the capital market as well. At the same time, there was a gradual recovery in the sectors hit hard by the restrictions in connection with the COVID-19 pandemic.

Against this backdrop, we increased our total revenue from EUR 91.1m in the same period of the previous year to EUR 119.6m. This improvement is thanks to acquisitions of rented properties, a good like-for-like performance and a significant increase in revenue from hotel operations. The result from property valuation, which set a new record in the first half of 2021, was significantly lower in light of the circumstances described above, but still positive overall at EUR 20.8m. Net income for the period thus amounted to EUR 61.9m.

from left to right: Friedrich Wachernig, Herwig Teufelsdorfer, Bruno Ettenauer



Capital market

S IMMO's shares rose slightly compared to the first quarter to EUR 22.75 as of 30 June 2022. The fact that the company's shares largely escaped the widespread distortion on the capital markets was mainly as a result of the anticipatory mandatory offer by CPI Property Group S.A. As such, the shares' year-to-date performance was positive at 4.6% as of 30 June 2022.

Takeover bid and Extraordinary General Meeting

As previously mentioned, the last few months have been defined by CPI Property Group S.A.'s takeover bid. After our shareholders voted by a clear majority at the Annual General Meeting on 01 June 2022 to revoke the cap on maximum voting rights, the stage was set for CPI's mandatory bid. The offer documents with an offer price of EUR 23.50 per S IMMO share (cum dividend, this is EUR 22.85 after deducting the dividend of EUR 0.65 per share) were published on 15 July 2022. The first deadline for acceptance was 12 August 2022. In total, 26,983,707 S IMMO shares were registered for sale by this date. CPI therefore directly and indirectly holds a share of 79.20% in S IMMO AG according to its investment notice as of 23 August 2022. The bid's additional acceptance period ends on 18 November 2022. The Management Board and the Supervisory Board have closely examined the offer documents and recommended acceptance of the offer. Their detailed statements and the reasoning behind this recommendation can be found on our website.

Moreover, in connection with its takeover bid, CPI submitted a request on 08 August 2022 to convene an Extraordinary General Meeting. This general meeting will be held virtually on 06 September 2022. Changes to the Supervisory Board are on the agenda. Given the acquisition of control by CPI, the members of the Supervisory Board Ewald Aschauer, Christian Böhm, Hanna Bomba, John Nacos and Manfred Rapf have announced their resignation as members of the Supervisory Board of S IMMO as of the end of the Extraordinary General Meeting. On this basis, CPI proposes that Florian Beckermann be relieved of his duties, that the number of members of the Supervisory Board elected by the Annual General Meeting be reduced from eight to four and that Mr. Martin Němeček and Mr. John Verpeleti be elected to the company's Supervisory Board.

Outlook

An outlook is difficult at this time for various reasons. On the one hand, the macroeconomic landscape is highly volatile. The duration of the war in Ukraine, the shape of international interest rate policy in connection with how inflation continues to develop and further developments regarding COVID-19 and the global supply bottlenecks are difficult to forecast reliably. Equally, since the middle of August S IMMO has had a major shareholder with a controlling interest of around 80%.

Fundamentally, S IMMO's business strategy is currently intended to be maintained, hence we will continue to focus on our core business – buying, letting and managing high-yield properties to sustainably strengthen our cash flow. Based on the takeover documents submitted by CPI, a geographic specialisation appears possible. In view of the ongoing stagnation in prices on the German residential property market, we are also currently considering divestment options. The proceeds could in turn be reinvested in properties with higher yields.

If you have followed our recommendation of accepting CPI's offer, or if you are planning to submit your shares within the additional acceptance period, we would like to take this opportunity to thank you for your trust in us and our shares. If you have chosen to remain an S IMMO shareholder, your concerns will continue to be our top priority!

The Management Board team

Bruno Ettenauer Herwig Teufelsdorfer Friedrich Wachernig

S IMMO IN THE CAPITAL MARKET

International capital market environment

The capital market experienced difficult times in the first half of 2022 due to the war in Ukraine, rising energy and food costs, high inflation rates, the ongoing COVID-19 pandemic and growing fears of a recession. The second half of the year will be impacted significantly by whether this emerging recession spreads just locally or rather globally and by how central banks deal with this challenge.

All European stock markets are facing the same challenge: A war in Europe – even if it is limited to Ukraine – is unsettling the capital markets considerably. The German benchmark index DAX recorded its weakest June since records began and was a total of -21.5% off from its high to date. As of 30 June 2022, the Austrian benchmark index ATX posted a year-to-date performance of -25.4%. The capital markets are not expected to recover significantly from the current difficulties in the coming months, either.

The S IMMO share

The S IMMO share was listed at EUR 22.75 on 30 June 2022, representing a slight increase on the first quarter. The fact that the share largely escaped the widespread upheavals on the capital markets was attributable mainly to the mandatory offer by CPI Property Group S.A. The year-to-date performance of the share was positive at 4.6% as of 30 June 2022.

Share price development

indexed 01 January 2022 to 30 June 2022
 ■ S IMMO share ■ ATX ■ IATX



33rd Annual General Meeting, amendment to the articles of incorporation and mandatory offer by CPI Property Group

The 33rd Annual General Meeting on 01 June 2022 passed a resolution approving a dividend of EUR 0.65 per share. In addition, a majority of 98.44% of the capital present voted to remove the voting rights cap. Immediately after the resolution took effect, the Management Board registered the amendment to the articles of association for entry in the company register so as to allow CPI Property Group S.A. to make a mandatory offer in accordance with section 22 of the Austrian Takeover Act (ÜbG) at the published offer price of EUR 23.50 per share (cum dividend,

Overview of S IMMO share and indices

	S IMMO share	ATX	IATX	DAX	DJIA	S&P 500
31 December 2021	21.75	3,861.06	404.17	15,884.86	36,228.30	4,766.18
30 June 2022	22.75	2,879.29	351.75	12,783.77	30,775.43	3,785.52
Year-to-date performance	4.60%	-25.43%	-12.97%	-19.52%	-15.05%	-20.58%

Performance as of 30 June 2022

S IMMO share

Six months	4.60%
One year	12.62%
Three years, p.a.	3.62%

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 (30 June 2022)	EUR 1,647.6m
Number of shares (30 June 2022)	73,608,896
Market makers	Erste Group/Hauck&Aufhäuser/Raiffeisen Centrobank

S IMMO bonds as of 30 June 2022

ISIN	Maturity	Coupon	Total nominal value EUR '000
AT0000A1Z9D9	06 February 2024	1.750%	100,000.00
AT0000A1DBM5	09 April 2025	3.250%	33,993.50
AT0000A285H4	22 May 2026	1.875%	150,000.00
AT0000A2UVR4 (green bond)	11 January 2027	1.250%	50,000.00
AT0000A1DVK5	21 April 2027	3.250%	65,000.00
AT0000A2MKW4 (green bond)	04 February 2028	1.750%	150,000.00
AT0000A2AEA8	15 October 2029	2.000%	100,000.00
AT0000A1Z9C1	06 February 2030	2.875%	50,000.00

this is EUR 22.85 after deducting the dividend of EUR 0.65 per share).

On 27 June 2022, S IMMO AG was informed that the company register court had enacted the amendment to the articles of association to remove the voting rights cap in the company register. The amendment to the articles of incorporation appeared in the electronic company register on 28 June 2022 and has been effective since that date. CPI Property Group S.A. thus acquired a controlling interest in S IMMO AG within the meaning of section 22 ÜbG on 28 June 2022. The offer document for the mandatory offer in accordance with section 22 of the Austrian Takeover Act was published on 15 July 2022. The Management Board and Supervisory Board of S IMMO AG published their statements on the offer document on the company's website.

By the end of the acceptance period on 12 August 2022, 26,983,707 S IMMO shares had been tendered for sale. The payment due to each S IMMO shareholder was paid by 23 August 2022 at the latest.

On 23 August 2022, CPI Property Group S.A. announced that it holds 79.20% of S IMMO AG directly and indirectly through IMMOFINANZ AG. The additional acceptance period of the takeover offer for S IMMO shareholders who have not yet accepted the offer lasts until 18 November 2022.

S IMMO equity story:
www.simmoag.at/annual-results2021

Share data

		30 June 2022	30 June 2021
Earnings per share (EPS)	EUR	0.88	1.93
FFO I per share	EUR	0.42	0.36
FFO II per share	EUR	0.35	0.35
		30 June 2022	31 December 2021
Closing price	EUR	22.75	21.75
Average daily turnover for the last 100 days	shares ¹	149,818	125,834
Dividend per share	EUR	0.65 ²	0.50 ³
EPRA NAV per share	EUR	29.26	29.29
Share price discount on EPRA NAV per share	in %	-22	-26
EPRA NTA per share	EUR	29.06	29.09
Book value per share	EUR	24.36	23.57
Share price discount on book value per share	in %	-7	-8

¹ Double counting

² The dividend for the financial year 2021, which was paid out on 13 June 2022.

³ The dividend for the financial year 2020, which was paid out on 28 October 2021.

Extraordinary General Meeting and changes to the Supervisory Board

On 10 August 2022, S IMMO AG announced that it had received a request from CPI Property Group S.A. to convene an Extraordinary General Meeting with the aim of changing the Supervisory Board. The Extraordinary General Meeting will be held virtually on 06 September 2022.

Against the backdrop of CPI Property Group S.A.'s controlling interest in S IMMO and the mandatory offer, Supervisory Board members Ewald Aschauer, Christian Böhm, Hanna Bomba, John Nacos and Manfred Rapf have announced their resignation as Supervisory Board members of S IMMO as of the end of the Extraordinary General Meeting. CPI Property Group S.A. itself proposes the dismissal of Florian Beckermann, the reduction of the number of Supervisory Board members from eight to four and the election of Mr. Martin Němeček and Mr. John Verpeleti to the company's Supervisory Board.

Extraordinary right of termination for green bonds and for two further bonds

The controlling interest of CPI Property Group S.A. constituted a change of control within the meaning of § 10 para. 4 of the terms and conditions of the two green bonds (1.75% bond 2021–2028 with ISIN AT0000A2MKW4 and 1.25% bond 2022–2027 with ISIN AT0000A2UVR4), which triggered an extraordinary termination right of the bondholders. Accordingly, bondholders had the right to terminate their bonds by 04 August 2022.

Holders of the corporate bond 1.25% S IMMO green bond 2022–2027 (ISIN AT0000A2UVR4) called a total nominal amount of approximately EUR 24.9m and holders of the corporate bond 1.75% S IMMO green bond 2021–2028 (ISIN AT0000A2MKW4) called a nominal amount of approximately EUR 79.6m. Repayment was made on 11 August 2022 from the cash and cash equivalents of S IMMO AG.

After the expiry of the acceptance period of the takeover offer, CPI Property Group S.A. held 79.20% in S IMMO AG. Consequently, extraordinary termination rights were also triggered for two further bonds. Accordingly, holders of the 3.25% bond 2015–2027 with ISIN AT0000A1DWK and the 3.25% bond 2015–2025 with ISIN AT0000A1DBM5 have the right to terminate until 29 September 2022.

Calculation of FFO I

EUR '000	30 June 2022	30 June 2021
Net income	61,857	137,308
Non-cash taxes	-25	24,331
Adjusted net income for the period	61,832	161,639
Non-cash revaluation result	-20,770	-131,477
Non-cash depreciation and amortisation	4,826	4,733
Income from property disposals	0	0
Other non-cash/non-recurring effects	2,516	-2,526
Non-cash valuation of financial instruments	-21,220	-5,713
Non-cash FX result	2,152	-1,038
FFO I (without results from disposals)	29,336	25,618
FFO I per share in EUR	0.42	0.36
FFO II	25,031	25,045

EPRA key figures

in EUR	30 June 2022	31 December 2021	in EUR '000	30 June 2022	30 June 2021
EPRA NAV per share	29.26	29.29	EPRA earnings and EPRA earnings per share (EPRA EPS)		
Share price discount on EPRA NAV per share in %	-22	-26	Earnings for the period according to IFRS income	61,771	136,746
EPRA NRV per share	31.57	31.60	Results from property valuations	-20,770	-131,477
EPRA NTA per share	29.06	29.09	Income from property disposals (including transaction costs)	0	0
EPRA NDV per share	26.27	24.70	Tax on income from disposals	0	0
EPRA net initial yield in %	4.5	4.2	Changes in fair value of financial instruments	-21,220	-5,713
EPRA LTV in %	34.4	-	Deferred taxes in respect of EPRA adjustments	2,114	23,592
EUR '000	30 June 2022	31 December 2021	EPRA adjustments for companies measured according to the equity method	-112	-1,834
Fair value investment properties	2,776,340	2,642,929	Minority interests in respect of the above	0	0
Annualised cash rental income (gross)	148,104	135,994	EPRA earnings	21,783	21,315
Non-recoverable property operating expenses	-23,130	-24,935	EPRA EPS in EUR	0.31	0.30
Annualised cash rental income (net)	124,974	111,059			
EPRA net initial yield in %	4.5	4.2			

EPRA NAV, EPRA NNAV, EPRA NRV, EPRA NTA, EPRA NDV

30 June 2022

in EUR '000	EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders	1,717,993	1,717,993	1,717,993	1,717,993	1,717,993
Per share in EUR	24.36	24.36	24.36	24.36	24.36
Intangible assets	0	0	0	-322	0
Revaluation of other non-current investments	138,235	138,235	138,235	138,235	115,865
Fair value of derivative financial instruments	-36,395	0	-36,395	-36,395	0
Deferred taxes on derivative financial instruments	5,901	0	5,901	5,901	0
Other deferred taxes	237,867	0	237,867	224,125	0
Fair value of liabilities	0	24,377	0	0	24,377
Deferred taxes on adjustments of liabilities	0	-5,855	0	0	-5,855
Ancillary acquisition costs	0	0	163,058	0	0
Calculated EPRA key figure	2,063,601	1,874,750	2,226,659	2,049,538	1,852,380
Calculated EPRA key figure per share in EUR	29.26	26.58	31.57	29.06	26.27

EPRA NAV, EPRA NNAV, EPRA NRV, EPRA NTA, EPRA NDV

31 December 2021

in EUR '000	EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to shareholders	1,662,222	1,662,222	1,662,222	1,662,222	1,662,222
Per share in EUR	23.57	23.57	23.57	23.57	23.57
Intangible assets	0	0	0	-358	0
Revaluation of other non-current investments	129,030	129,030	129,030	129,030	107,034
Fair value of derivative financial instruments	22,294	0	22,294	22,294	0
Deferred taxes on derivative financial instruments	-4,995	0	-4,995	-4,995	0
Other deferred taxes	257,445	0	257,445	243,557	0
Fair value of liabilities	0	-36,086	0	0	-36,086
Deferred taxes on adjustments of liabilities	0	9,022	0	0	9,022
Ancillary acquisition costs	0	0	162,243	0	0
Calculated EPRA key figure	2,065,996	1,764,187	2,228,239	2,051,749	1,742,191
Calculated EPRA key figure per share in EUR	29.29	25.02	31.60	29.09	24.70

EPRA LTV

EUR '000	S IMMO excluding companies measured as per the equity method	Adjustment of proportional consideration of equity method companies	Total
Loan liabilities	943,650	16,913	960,563
Issued bonds	698,994	0	698,994
Other net payables	4,288	195	4,483
excluding			
Cash and cash equivalents	-578,461	-1,174	-579,635
Net debt	1,068,471	15,934	1,084,404
Investment properties	2,853,484	43,115	2,896,599
Owner-operated properties	246,396	0	246,396
Properties held for sale	7,500	0	7,500
Other net receivables	0	0	0
Financial assets	0	0	0
Total property value	3,107,380	43,115	3,150,494
LTV (net debt/property investments) in %	34.4	37.0	34.4

Investor relations activities

In the first half of the year, personal meetings with existing and potential investors were limited due to the ongoing COVID-19 pandemic. There was nonetheless intensive contact with various institutional investors, as there was a very high level of interest in further developments with regard to S IMMO AG. At the same time, the rising interest rates, inflation and fears of recession led to generally restrained buying interest among equity investors.

EPRA key figures

The definition of net asset value (NAV) was changed by the European Public Real Estate Association (EPRA) with effect from the 2020 financial year. Therefore, S IMMO publishes further indicators such as EPRA Net Reinstatement Value (EPRA NRV), EPRA Net Tangible Assets (EPRA NTA) and EPRA Net Disposal Value (EPRA NDV). The adjustment of deferred taxes in EPRA NTA is based on a classification of the property portfolio into core and non-core assets and results in a lower addition of deferred taxes compared with EPRA NRV and EPRA NAV. For reasons of better comparability, S IMMO also publishes the key figures EPRA NAV and EPRA NNNAV in this interim report. A detailed description of the ratios is available on the EPRA website (www.epra.com).

INTERIM MANAGEMENT REPORT

Economic report

Economic overview

The growth of the global economy, which was previously in the midst of a recovery, is now being hampered by a number of factors. These include the war in Ukraine, the continuing COVID-19 pandemic, rising inflation, sustained supply chain problems and the tightening of monetary policy by central banks. The future depends to a large degree on the development of the Ukraine conflict, and especially on its impacts on the European gas supply. A further increase in gas prices could push inflation even higher and slow growth. A new COVID-19 wave in autumn can also not be ruled out and would lead to fresh economic problems.

According to projections of the Organisation for Economic Co-operation and Development (OECD), global GDP growth will slow drastically to around 3% this year and to 2.8% in 2023. The International Monetary Fund (IMF) is expecting growth to slow to 3.2% in 2022. According to the IMF, global inflation will likely reach 6.6% this year in the developed economies and 9.5% in the emerging and developing markets.

The European Commission estimates that the EU economy will grow by 2.7% in 2022 and 1.5% in 2023. The euro area economy is set to expand by 2.6% in 2022 and 1.4% in 2023. The IMF predicts that the euro area will turn in economic growth of 2.6% for 2022 and 1.2% for 2023. According to the European Commission's estimates, inflation will rise to 7.6% in the EU and 8.3% in the euro area, reaching its peak in the third quarter of 2022. For the coming year, the organisation expects a decrease to around 4%.

Austria's economic recovery is also losing momentum according to the Austrian Institute of Economic Research (WIFO). WIFO is projecting real GDP growth of 4.3% for 2022 and 1.6% for 2023.

The economic projections for the EU Member States in the CEE region were revised downwards in the last six months. The current projections of the European Commission foresee an average annual growth rate of 3% in 2022.

Real estate market overview

The continuing COVID-19 pandemic combined with uncertain economic conditions in Europe and the war in Ukraine had a significant impact on the real estate market – especially on the hotel and retail segments. It is likely that the real estate market will not recover completely from the current challenges until 2024.

Austria

Developments on Vienna's office market were again positive in the first half of the year. In total, rental take-up came to around 76,000 m² in the first half of 2022, an increase of about 15% over the previous year and a strong signal in difficult economic times. Compared with other markets, the HY vacancy rate of 3.9% was low. The low vacancy rate and low completion rate limited the supply of office space further and caused prime rents to come in at EUR 26.00/m²/month in the second quarter. ESG-compliant properties are becoming more and more important, and this trend will continue according to a forecast from CBRE. A further increase in yields is also projected for the second half of the year.

Overview of the real estate market ¹

	Prime rents (EUR/m ² /month)				Prime gross yields (%)				Total leasing activity (m ²)		Vacancy rate (%)	
	HY 2022	HY 2021	HY 2022	HY 2021	HY 2022	HY 2021	HY 2022	HY 2021	HY 2022	HY 2021	HY 2022	HY 2021
	Office	Office	Retail	Retail	Office	Office	Retail	Retail	Office	Office	Office	Office
Berlin	42.50	38.50	250.00	250.00	2.65	2.55	3.25	3.35	330,000	337,000	3.3	3.2
Bratislava	17.00	17.00	65.00 ²	65.00 ²	5.10	5.30	6.00 ²	6.00 ²	55,000	66,000	11.9	12.2
Bucharest	19.00	18.75	45.00	45.00	6.75	7.00	8.00	8.00	92,000	57,000	13.9	12.2
Budapest	24.00	26.00	110.00	110.00	5.25	5.25	5.50	5.50	121,000	98,000	9.9	9.8
Vienna	26.00	26.00	330.00	320.00	3.20	3.25	3.30	3.45	76,000	66,000	3.9	4.5
Zagreb	15.50	15.50	70.00	70.00	7.75	8.00	6.75	6.75	9,000 ³	8,000 ³	3.5	4.5

Source:

¹ CBRE Research

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

³ Estimated figure

The rising inflation is hitting retailers in Austria hard because it is causing further changes in consumer behaviour. In addition, rising energy prices have further increased fixed costs for retailers, which will likely result in financial losses. In general, it is expected that the second half of the year will bring even higher energy costs and the more rapid expansion of virtual shopping opportunities.

The hotel market is recovering steadily from the COVID-19 pandemic and enjoyed a strong first half-year in 2022. Government aid helped to head off bankruptcies. In total, just under 5m overnight stays were recorded in Vienna through to the end of June.

Germany

Berlin is still the most rapidly growing city in Germany. This is also reflected in the very low vacancy rate of less than 1% in the housing market. The population growth is exceeding the offer of new and existing real estate, so average rents continue to rise. Property developers are beginning to focus more and more on the commuter belt around Berlin. The average rent for existing space in Berlin is EUR 12.85/m²/month (2021: EUR 12.75/m²/month). The average rent in new buildings is EUR 22.25/m²/month. According to Guthmann, the second half of the year will bring sustained very high demand for flats, which will cause rents to rise further. However, the transaction volume for Germa-

ny in the second quarter was EUR 12.3 billion, which is approximately half of the volume in the first quarter. This is mainly due to an unsettled and uncertain market environment.

Berlin also remains the most attractive office property market in Germany and was stable in the first half of the year. The state government of Berlin accounted for the greatest space demand at around 23%. Space turnover came to 330,000 m², an increase of around 8% in an annual comparison. The vacancy rate was 3.3%, virtually unchanged over the previous year. Prime rents rose to around EUR 42.50/m²/month (2021: EUR 40.00/m²/month). However, average rents are still low compared with other German cities at EUR 28.20/m²/month. Low vacancy rates and high inflation will drive prime rents up even higher.

CEE

In Budapest, 30,750 m² of new office space was completed in total in the second quarter of 2022. Thus, the Hungarian capital remains one of the strongest markets in CEE. The vacancy rate rose slightly to 9.9%. Total take-up in the second quarter was roughly 121,000 m², an increase of 10.2% over the previous year. Demand for office space continues to rise. The Property Forum expects a positive trend in the second half of 2022, with further office space coming onto the market.

Due to a reclassification by the Bratislava Research Forum, many modern office properties in the Slovakian capital were classified as A+ properties. Office take-up came to roughly 55,000 m² in the first half of 2022, a slight decrease in an annual comparison. The vacancy rate fell marginally to 11.9% while prime yields for offices were stable at 5.1% and maximum prime rents remained at EUR 17.00/m²/month in the city centre.

Total take-up in Zagreb came to 9,000 m² in the first half of the year, a slight increase over the prior-year period. Prime rents stayed at a solid level of EUR 15.50/m²/month. Demand for new office space remained stable, but also reflected the difficult economic situation in Europe. The vacancy rate was 3.5% (2021: 4.5%).

Total take-up of office space in Bucharest was 92,000 m² in the first half of the year. This is a substantial increase in an annual comparison (2021: 57,000 m²). The vacancy rate came to 13.9% in the second quarter, and is thus 2 percentage points higher than in the previous year. Bucharest has high prime rents compared with other CEE capitals, at EUR 19.00/m²/month.

The stock of modern shopping centres and big box retail centres in Romania was 2.3 million m² at the end of the second quarter of 2022. Of this, around 730,000 m² are located in Bucharest. Some 34,000 m² will be completed in the second half of 2022. Prime rents were the same as in the previous year in the second quarter, at EUR 45.00/m²/month, and prime yields remained stable at 8.0%.

The hotels in the CEE region were hit hard by the pandemic over the past few years. The war in Ukraine is also hampering the market and travel. Especially countries that are close to the war

zone are being affected. However, further increases in vaccination coverage are leading to a resurgence in investment activity, demonstrating the very high growth potential of the CEE region. It is likely that the hotel market will not recover completely from these challenges until 2024. Capital cities are still very popular travel destinations.

Business development and performance

Property portfolio

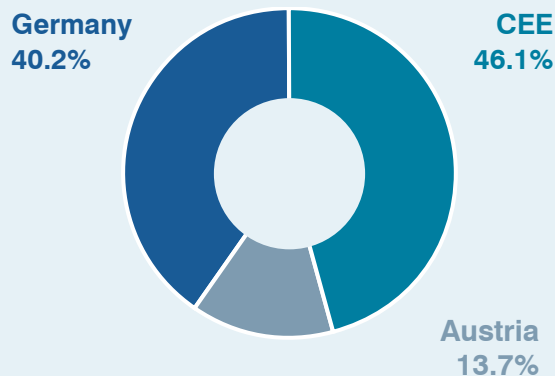
As of 30 June 2022, S IMMO's property portfolio consisted of 377 properties (31 December 2021: 375) with a book value of EUR 2,969.1m (31 December 2021: EUR 2,830.8m) and a total area (total lettable space including potential projects) of around 1.5 million m² (31 December 2021: 1.4 million m²). Most of the properties are located in capital cities within the European Union.

The occupancy rate in the reporting period was 93.8% (31 December 2021: 94.0%). The overall rental yield was 5.3% (31 December 2021: 5.0%). 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 16.6% (31 December 2021: 17.3%) of the portfolio, while properties in Germany accounted for 46.4% (31 December 2021: 48.2%). Properties in CEE accounted for 37.0% of the portfolio (31 December 2021: 34.5%).

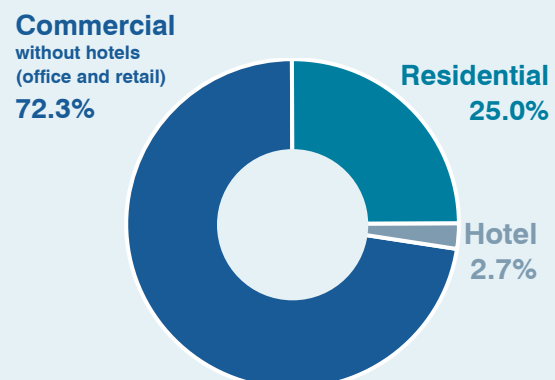
Based on main type of use not including plots of land as of 30 June 2022, the portfolio consisted of 47.8% office buildings

Rental income by region ¹



¹ Not including Vienna Marriott Hotel and Budapest Marriott Hotel and not including the reclassification of parts of revenues from operating costs

Rental income by property type of use ¹



¹ Not including Vienna Marriott Hotel and Budapest Marriott Hotel and not including the reclassification of parts of revenues from operating costs

(31 December 2021: 45.4%), 13.8% retail properties (31 December 2021: 14.6%), 31.5% residential properties (31 December 2021: 32.7%) and 6.9% hotels (31 December 2021: 7.3%).

Increase in revenues and gross profit

In the first half of the year, total revenue increased from EUR 91.1m in the same period of the previous year to EUR 119.6m. This improvement is thanks to acquisitions of rented properties, a good like-for-like performance and a significant increase in revenue from hotel operations. While rental income rose from EUR 63.9m to EUR 73.0m, revenue from hotel operations was far less affected by the COVID-19 pandemic in the first half of 2022 than in 2021 and climbed from EUR 10.2m to EUR 23.7m. However, this improvement was also offset by higher expenses from hotel operations of EUR 18.5m (HY 2021: EUR 8.0m), with the result that the gross profit from hotel operations increased from EUR 2.2m in the first half of 2021 to EUR 5.2m overall.

Property operating expenses were significantly higher year-on-year at around EUR 38.5m (HY 2021: EUR 31.9m), due in part to acquisitions and energy cost-driven increases in the operating costs of the existing portfolio. However, as a result of the growth in revenue (including revenue from operating costs), the gross profit rose by more than 19% to EUR 63.4m (HY 2021: EUR 53.2m).

Reduced EBIT despite EBITDA increase due to lower property values

Administrative expenses amounted to EUR 14.5m for the first half of 2022 (HY 2021: EUR 13.6m), partially as a result of costs in connection with a digital transformation drive and higher staff costs. EBITDA rose by more than 23% to EUR 48.9m (HY 2021: EUR 39.6m) thanks to the highly positive development in gross profit.

The result from property valuation was significantly lower than in the first half of 2021, but still positive overall at EUR 20.8m (HY 2021: EUR 131.5m). Despite the positive operating performance, EBIT declined from EUR 166.3m to EUR 64.8m owing to lower property values.

Net income for the period and earnings per share

The financial result improved to EUR 0.1m (HY 2021: EUR -2.2m) thanks to positive, mostly non-cash remeasurement effects, though the first half of 2021 was affected by dividend income from the shares in CA Immobilien Anlagen AG, which in the meantime were sold, of EUR 6.3m (HY 2022: EUR 0m). Tax expenses essentially reflect the increase in deferred taxes in connection with the remeasurement of properties and derivatives. Net income for the period amounted to EUR 61.9m in total (HY 2021: EUR 137.3m). Earnings per share decreased to EUR 0.88 (HY 2021: EUR 1.93).

Consolidated statement of financial position

S IMMO Group's total assets declined to EUR 3,677.9m as of 30 June 2022 (31 December 2021: EUR 3,688.1m), despite positive valuation effects, partly due to the dividend payment made in the second quarter. Cash and cash equivalents increased significantly as against the end of the previous year to EUR 578.5m as of 30 June 2022 (31 December 2021: EUR 375.8m).

One major event in the first half of the year was the sale of the shares in IMMOFINANZ AG and thus the dissolution of the cross-holding between the two companies. Following the disposal of the shares in CA Immobilien Anlagen AG in the previous year, all shares in listed peer companies have therefore been sold.

Due to the abolition of the maximum voting rights previously stipulated in the articles of association of S IMMO AG, CPI Property Group S.A. held a controlling interest in S IMMO AG as of 30 June 2022 within the meaning of section 22 of the Austrian Takeover Act (ÜbG), meaning that a right of termination existed for the two green bonds as of the reporting date due to this change of control event. The relevant bond liabilities of around EUR 199m were therefore reported under current bond liabilities at the end of the second quarter. By the end of the cancellation period, bondholders of the 1.25% S IMMO green bond 2022–2027 (ISIN AT0000A2UVR4) had cancelled a total nominal amount of EUR 24.9m and bondholders of the 1.75% S IMMO green bond 2021–2028 (ISIN AT0000A2MKW4) had cancelled a nominal amount of EUR 79.6m. These were repaid from S IMMO AG's cash funds on 11 August 2022.

After the expiry of the acceptance period of the takeover offer in August 2022, the shareholding of CPI Property Group S.A. in S IMMO reached a level of 79.20%. This triggered extraordinary termination rights for two further bonds. Accordingly, holders of the 3.25% bond 2015–2027 with ISIN AT0000A1DVK and the 3.25% bond 2015–2025 with ISIN AT0000A1DBM5 have the right to exercise their termination right in writing until 29 September 2022. The affected total nominal value of the two bonds amounts to approximately EUR 99m.

Equity not including non-controlling interests rose to EUR 1,718.0m in the first half of 2022 (31 December 2021: EUR 1,662.2m). The book value per share amounted to EUR 24.36 as of 30 June 2022 (31 December 2021: EUR 23.57). The equity ratio increased again to 46.8% at the end of the second quarter (31 December 2021: 45.2%).

Financing – Improvement in the LTV ratio

A key indicator for assessing the financing structure is the loan-to-value ratio (LTV ratio). The EPRA LTV calculated for the first time for the financial year 2022 is as follows:

EPRA LTV

EUR '000	S IMMO excluding companies measured as per the equity method	Adjustment of proportional consideration of equity method companies	Total
Loan liabilities	943,650	16,913	960,563
Issued bonds	698,994	0	698,994
Other net payables	4,288	195	4,483
excluding			
Cash and cash equivalents	-578,461	-1,174	-579,635
Net debt	1,068,471	15,934	1,084,404
Investment properties	2,853,484	43,115	2,896,599
Owner-operated properties	246,396	0	246,396
Properties held for sale	7,500	0	7,500
Other net receivables	0	0	0
Financial assets	0	0	0
Total property value	3,107,380	43,115	3,150,494
LTV (net debt/property investments) in %	34.4	37.0	34.4

The EPRA NTA as of 30 June 2022 (and thus after payment of the dividend in the second quarter) was EUR 29.06. It was thus at the same level as at the end of 2021 (31 December 2021: EUR 29.09).

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, the occurrence of risks cannot be ruled out.

Risk overview

Corporate strategy risks

- Business environment and industry risk
- Investment risk
- Capital market risk

Property-specific risks

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

Financial risks

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

ESG risks

- Environmental and climate risks
- Social risks
- Governance risks

Potential risks for the current financial year and the risk management of S IMMO AG are set out in detail in the 2021 Annual Report (starting on page 88). The probability of occurrence of the described risks depends on a number of factors, including economic development in the respective markets.

The global economy is currently negatively impacted by several events. The COVID-19 pandemic is still curbing the economic recovery. Due to the new Omicron mutation BA.5, there is a summer wave that is leading to worker absences.

Since February of this year, the supply bottlenecks caused by COVID-19 have also been exacerbated by the war in Ukraine. Rising energy prices, high inflation and further negative effects on procurement and supply processes are to be emphasised here.

The energy crisis and the war in Ukraine are putting the euro under strain. For the first time in around two decades, the euro was worth exactly one dollar again in mid-July. The rising interest rates in the US (the US Federal Reserve raised its key interest rate again to a range of 2.25% to 2.5% at the end of July) are also impacting the euro and thus the European economy. The European Central Bank (ECB) also reacted to the persistently high inflation rate and raised its key interest rate from 0% to 0.5% at the end of July. However, a decrease in prices and the

cost of living is not expected in the foreseeable future. High energy prices and the war in Ukraine are the main factors driving inflation.

The European Commission anticipates economic growth in the EU of 2.7% in 2022 and 1.5% next year. There are similar forecasts for the euro area. According to the European Commission's estimates, inflation will rise to 7.6% in the EU and 8.3% in the euro area, reaching its peak in the third quarter of 2022. For the coming year, the organisation expects a decrease to around 4%.

The above risk factors (especially the COVID-19 pandemic, the war in Ukraine, the energy crisis, supply bottlenecks and rising inflation) may have an impact on almost all risk categories for S IMMO Group. For example, the inflation rate affects rental income: on the one hand, higher rents may increase rental income, but on the other hand there may also be rent defaults. Price increases may also lead to construction cost overruns for development projects. Meanwhile, supply bottlenecks may also increase property development risks.

A rise in interest rates could lead to an increase in S IMMO Group's financing costs, as the majority of the financing agreements are based on variable interest rates. However, S IMMO uses derivatives to hedge its variable-rate loans. The stress

tests performed at the end of the year, which include the existing bonds (for details, please see section 5.2.1. of the 2021 Annual Report), show that interest rate increases have only a small effect on the Group's financing costs.

The current macroeconomic situation could also negatively impact property valuations and lead to a decline in the market values of properties.

Another wave of COVID-19 in the autumn or winter and the measures adopted by the local governments in the markets where S IMMO operates could once again have negative effects on retail or hotel revenues.

An unstable macroeconomic situation generally also affects capital markets. The capital markets are not expected to recover from the current difficulties in the second half of the year.

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 aggravated by the fact that the uncertainties lie outside the company's sphere of influence.

In connection with the takeover of S IMMO AG by CPI Property Group S.A., the following effects on employees and taxes could arise. In principle, CPI Property Group S.A. does not intend to make any material changes to the general working conditions and senior management team of S IMMO AG, according to its offer document. Nevertheless, synergies are to be achieved by merging and assigning functions within the group of companies. Therefore, it cannot be excluded that there could be an outsourcing of key management functions which could lead to a detrimental change in working conditions. Furthermore, it cannot be ruled out that any restructuring will lower the motivation of S IMMO employees or even lead to the departure of employees in key positions. This could have a negative impact on S IMMO AG's operating performance.

As far as tax risk is concerned, the acquisition of additional shares by CPI Property Group S.A. could have tax consequences in terms of real estate transfer tax. Facts which, in the event of a shareholding threshold being exceeded, simulate a merger of shares under a single shareholder would, in principle, lead to a tax liability for CPI Property Group S.A., if applicable. For Germany, however, the facts of share transfers as of 01 July 2021 must also be taken into account, in which real estate transfer tax can be triggered at the level of the respective real estate company if there is a direct or indirect change of ownership of 90% or more of the shares in a real estate company within a period of ten years.

S IMMO is monitoring all risk categories very carefully with regard to the mentioned risk factors and countering all risks with a responsible risk policy. However, the occurrence of risks cannot be completely ruled out. Provisions are made for potential risks.

Outlook

The 33rd Annual General Meeting on 01 June 2022 voted by a majority of 98.44% of the capital present to remove the voting rights cap of 15% stipulated in S IMMO's articles of association. The amendment to the articles of association was registered on 28 June 2022. As a result, CPI Property Group S.A. has now acquired a controlling interest in S IMMO AG within the meaning of section 22 of the Austrian Takeover Act and was thus required to report a mandatory offer to the Austrian Takeover Commission.

On 15 July 2022, CPI Property Group S.A. published the documents on the takeover offer. These specified that until 12 August 2022 the S IMMO shareholders had the option to accept the offer of EUR 23.50 per S IMMO share (cum dividend, this is EUR 22.85 after deducting the dividend of EUR 0.65 per share). By the end of the acceptance period, 26,983,707 S IMMO shares were tendered for sale. Payment was made by 23 August 2022 at the latest. The statutory additional acceptance period for the takeover offer runs until 18 November 2022 (for details, please see page 4 onwards).

In the offer document, the following intentions were announced with regard to S IMMO's future business strategy: The headquarters of S IMMO AG are to remain in Vienna. CPI Property Group S.A. plans to reflect its controlling influence over S IMMO in the staffing of Supervisory Board positions and the composition of the Supervisory Board, too. In this context, S IMMO AG reported on 10 August 2022 that it had received a request from CPI Property Group S.A. to convene an Extraordinary General Meeting with the agenda item "Changes on the Supervisory Board". In view of the controlling interest held by CPI Property Group S.A. and the mandatory offer, the Supervisory Board members Ewald Aschauer, Christian Böhm, Hanna Bomba, John Nacos and Manfred Rapf have announced that they will resign as Supervisory Board members of S IMMO as of the end of the Extraordinary General Meeting. On this basis, CPI Property Group S.A. proposes that Florian Beckermann be relieved of his duties, that the number of members of the Supervisory Board elected by the General Meeting be reduced from eight to four and that Mr. Martin Němeček and Mr. John Verpeleti be elected to the company's Supervisory Board. The Extraordinary General Meeting will be held virtually on 06 September 2022.

It is currently open whether S IMMO and IMMOFINANZ will remain separate companies after completion of the offer. Although this would be the preferred path according to CPI Property Group S.A.'s offer document, a future merger cannot be ruled out. S IMMO may also specialise geographically or by segment. CPI Property Group S.A. has stated its intention to support the current and future growth trajectory, has no intention of increasing the debt ratio and is also available as a financing partner for S IMMO.

S IMMO will thus continue to pursue its existing strategy and focus on its core business, i.e. purchasing, letting and managing high-yield properties to sustainably strengthen its cash flow. In line with the proven business strategy, the management waits for favourable market phases so that it can leverage potential when the time is right. S IMMO has the necessary liquidity buffer for this despite the tight economic situation. At the same time, the management is observing growing price stagnation on the German residential property market and is also assessing disinvestment opportunities in this context. The proceeds could in turn be reinvested in properties with higher yields.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated statement of financial position

as of 30 June 2022

Assets in EUR '000	Notes	30 June 2022	31 December 2021
Non-current assets			
Investment properties			
Rented properties	3.1.1.	2,768,840	2,642,929
Properties under development and undeveloped land	3.1.1.	84,644	77,034
		2,853,484	2,719,963
Owner-operated properties	3.1.2.	108,161	110,834
Other plant and equipment		5,124	5,536
Intangible assets		322	358
Interests in companies measured at equity		26,923	27,367
Group interests		4,351	5,346
Other financial assets	3.1.3.	36,736	398,001
Deferred tax assets		2,367	561
		3,037,468	3,267,966
Current assets			
Inventories		246	262
Trade receivables		7,209	6,904
Other financial assets		23,900	14,238
Other assets		23,108	22,928
Cash and cash equivalents	3.1.4.	578,461	375,823
		632,924	420,155
Assets held for sale	3.1.5.	7,500	0
		640,424	420,155
		3,677,892	3,688,121

Equity and liabilities in EUR '000	Notes	30 June 2022	31 December 2021
Shareholders' equity	3.1.6.		
Share capital		256,249	256,249
Capital reserves		160,612	160,612
Other reserves		1,301,132	1,245,361
		1,717,993	1,662,222
Non-controlling interests		4,114	4,081
		1,722,107	1,666,303
Non-current liabilities			
Issued bonds	3.1.7.	497,752	646,819
Other financial liabilities	3.1.8.	882,165	920,201
Provisions for employee benefits		1,171	1,264
Other liabilities		1,250	348
Deferred tax liabilities		246,135	253,011
		1,628,473	1,821,643
Current liabilities			
Issued bonds	3.1.7.	199,043	0
Financial liabilities	3.1.8.	75,126	138,581
Income tax liabilities		3,564	6,070
Trade payables		5,512	5,673
Other liabilities		44,067	49,851
		327,312	200,175
		3,677,892	3,688,121

Consolidated income statement

for the six months ended on 30 June 2022

in EUR '000	Notes	01-06/2022	01-06/2021
Revenues			
Rental income	3.2.1.	73,041	63,859
Revenues from operating costs		22,837	17,060
Revenues from hotel operations	3.2.1.	23,675	10,156
		119,553	91,075
Other operating income			
		853	1,968
Property operating expenses	3.2.2.	-38,530	-31,895
Hotel operating expenses	3.2.2.	-18,493	-7,962
Gross profit		63,383	53,186
Income from property disposals		40	6
Book value of property disposals		-40	-6
Result from property disposals		0	0
Management expenses		-14,489	-13,582
Earnings before interest, tax, depreciation and amortisation (EBITDA)		48,894	39,604
Depreciation and amortisation		-4,826	-4,733
Results from property valuation	3.2.3.	20,770	131,477
Operating income (EBIT)		64,838	166,348
Financing costs	3.2.4.	-22,474	-14,662
Financing income ¹	3.2.4.	22,002	10,241
Results from companies measured at equity	3.2.4.	595	2,199
Financial result		123	-2,222
Earnings before tax (EBT)		64,961	164,126
Taxes on income	3.2.5.	-3,104	-26,818
Consolidated net result for the period		61,857	137,308
of which attributable to shareholders in the parent company		61,771	136,746
of which attributable to non-controlling interests		86	562
Earnings per share			
undiluted = diluted		0.88	1.93

¹ Of which dividend income from shareholdings in listed real estate companies: HY 2022: EUR 0 (HY 2021: EUR 6.3m)

Consolidated statement of comprehensive income

for the six months ended on 30 June 2022

in EUR '000	01-06/2022	01-06/2021
Consolidated net result for the period	61,857	137,308
Change in value of cash flow hedges	40,482	5,034
Income taxes on cash flow hedges	-6,566	-1,053
Reclassification of derivative valuation effects	129	174
Income taxes on reclassification of derivative valuation effects	-29	-43
Reserve for foreign exchange rate differences	2,216	-1,134
Other comprehensive income for the period (realised through profit or loss)	36,230	2,978
Valuation of financial assets FVOCI	4,713	57,084
Income taxes from measurement of financial assets FVOCI	-1,102	-14,271
Other comprehensive income for the period (not realised through profit or loss)	3,611	42,813
Other comprehensive income for the period	39,841	45,791
of which attributable to shareholders in parent company	39,841	45,791
of which attributable to non-controlling interests	0	0
Total comprehensive result for the period	101,698	183,099
of which attributable to shareholders in parent company	101,613	182,537
of which attributable to non-controlling interests	86	562

Consolidated income statement

for the three months ended on 30 June 2022

in EUR '000	Notes	04-06/2022	04-06/2021
Revenues			
Rental income	3.2.1.	37,244	31,867
Revenues from operating costs		10,852	7,930
Revenues from hotel operations	3.2.1.	14,453	8,262
		62,549	48,059
Other operating income		393	314
Property operating expenses	3.2.2.	-18,873	-13,640
Hotel operating expenses	3.2.2.	-10,522	-4,769
Gross profit		33,547	29,964
Income from property disposals		0	6
Book value of property disposals		0	-6
Result from property disposals		0	0
Management expenses		-8,168	-8,452
Earnings before interest, tax, depreciation and amortisation (EBITDA)		25,379	21,512
Depreciation and amortisation		-2,436	-2,383
Results from property valuation	3.2.3.	21,502	128,997
Operating income (EBIT)		44,445	148,126
Financing costs	3.2.4.	-12,080	-7,604
Financing income ¹	3.2.4.	10,160	8,718
Results from companies measured at equity	3.2.4.	347	2,051
Financial result		-1,573	3,165
Earnings before tax (EBT)		42,872	151,291
Taxes on income	3.2.5.	-5,102	-23,877
Consolidated net result for the period		37,770	127,414
of which attributable to shareholders in the parent company		37,732	126,872
of which attributable to non-controlling interests		38	542
Earnings per share			
undiluted = diluted		0.54	1.79

¹ Of which dividend income from shareholdings in listed real estate companies: Q2 2022: EUR 0 (Q2 2021: EUR 6.3m)

Consolidated statement of comprehensive income

for the three months ended on 30 June 2022

in EUR '000	04-06/2022	04-06/2021
Consolidated net result for the period	37,770	127,414
Change in value of cash flow hedges	17,811	1,185
Income taxes on cash flow hedges	-2,809	-210
Reclassification of derivative valuation effects	53	87
Income taxes on reclassification of derivative valuation effects	-13	-22
Reserve for foreign exchange rate differences	2,148	-1,084
Other comprehensive income for the period (realised through profit or loss)	17,190	-45
Valuation of financial assets FVOCI	-995	19,708
Income taxes from measurement of financial assets FVOCI	325	-4,927
Other comprehensive income for the period (not realised through profit or loss)	-670	14,781
Other comprehensive income for the period	16,520	14,736
of which attributable to shareholders in parent company	16,520	14,736
of which attributable to non-controlling interests	0	0
Total comprehensive result for the period	54,290	142,150
of which attributable to shareholders in parent company	54,252	141,608
of which attributable to non-controlling interests	38	542

Consolidated cash flow statement

for the six months ended on 30 June 2022

in EUR '000	01-06/2022	01-06/2021
Earnings before taxes (EBT)	64,961	164,126
Results from property valuation	-20,770	-131,477
Depreciation and amortisation	4,826	4,733
Results on property sales	0	0
Taxes on income paid	-22,434	-3,060
Financial result	-123	2,222
Operating cash flow	26,460	36,544
Changes in net current assets		
Receivables and other assets	-2,305	-4,060
Provisions, other financial and non-financial liabilities	809	-250
Current liabilities	-7,826	513
Cash flow from operating activities	17,137	32,747
Cash flow from investing activities		
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)	-6,635	-14,259
Investments in intangible assets	-29	-212
Investments in other fixed assets	-456	-296
Disposal of equity instruments of other companies	452,829	0
Acquisition of equity instruments of other companies	-49,318	0
Investments in financial assets	-510	-38
Disposals of financial assets	0	16
Investments in companies measured at equity	0	0
Divestments in companies measured at equity	612	0
Net cash flow from initial consolidations	-112,106	-84,345
Other changes in companies measured at equity	690	-150
Disposals of properties	0	6
Dividends from companies measured at equity	427	305
Dividends received from listed companies	0	4,597
Income from equity investments	356	343
Interest received	79	420
Cash flow from investing activities	285,939	-93,613

in EUR '000	01-06/2022	01-06/2021
Consolidated cash flow statement continued		
Cash flow from financing activities		
Issue of shares	0	0
Buyback of treasury shares	0	-8,049
Bond issues	49,741	149,143
Bond redemptions	0	-28,549
Distribution of minority shares	-53	-232
Increases in financing	82,570	84,560
Decreases in financing	-161,802	-50,738
Dividend payment	-45,841	0
Interest paid	-25,053	-21,989
Cash flow from financing activities	-100,438	124,146
Cash and cash equivalents 01 January	375,823	64,503
Net change in cash and cash equivalents	202,638	63,280
Cash and cash equivalents 30 June¹	578,461	127,783

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

Changes in consolidated equity

in EUR '000	Share capital	Capital reserves	Foreign currency translation reserve	Hedge accounting reserve	Equity instruments reserve	Other reserves	Subtotal S IMMO share-holders	Non-controlling interests	Total
As of 01 January 2022	256,249	160,612	-10,913	-9,247	18,238	1,247,284	1,662,222	4,081	1,666,303
Consolidated net 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
As of 01 January 2021	259,397	173,855	-11,337	-18,802	-2,140	979,577	1,380,551	3,277	1,383,828
Consolidated net result for the period	0	0	0	0	0	136,746	136,746	562	137,308
Other comprehensive income	0	0	-1,134	4,112	42,813	0	45,791	0	45,791
Issue of shares	0	0	0	0	0	0	0	0	0
Buyback of treasury shares	-1,666	-6,383	0	0	0	0	-8,049	0	-8,049
Distribution with respect to non-controlling interests	0	0	0	0	0	0	0	-232	-232
As of 30 June 2021	257,731	167,472	-12,471	-14,690	40,673	1,116,323	1,555,039	3,607	1,558,646

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. The parent company of the S IMMO Group, S IMMO AG, is headquartered 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 AG was included in the Austrian ATX benchmark index for the first time on 18 September 2017. As of the reporting date, it has subsidiaries in Austria, Germany and CEE (Czechia, Slovakia, Hungary, Croatia, Romania and Bulgaria). As of 30 June 2022, S IMMO Group owned properties in all the above countries. S IMMO Group engages in long-term real estate investments in the form of the buying and selling of properties, project development, letting and asset management, revitalisation and refurbishment of buildings and the operation of hotels.

2. Accounting and valuation policies

2.1. Accounting policies

The consolidated interim financial statements for the six months ended on 30 June 2022 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 2021.

In preparing the consolidated interim financial statements for the six months ended on 30 June 2022, the accounting and valuation policies applied in the consolidated financial statements for the year ended on 31 December 2021 have been applied continuously.

The financial statements for the six months ended on 30 June 2022 have neither been comprehensively audited nor reviewed by independent auditors.

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 is the year ending on 31 December.

In the second quarter of 2022, EXPO BUSINESS PARK S.R.L., Romania was acquired by way of a share deal. A business combination within the meaning of IFRS 3 did not exist for the newly consolidated company, as there was no business operation as defined by IFRS 3.

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 2021	2,316,747	38,175
Additions	192,704	8,951
Disposals	-53	0
Reclassification	-28,315	28,315
Other changes	0	0
Changes in fair value (realised through profit or loss)	182,717	1,593
Reclassifications as properties held for sale	-20,871	0
As of 31 December 2021	2,642,929	77,034
of which pledged as security	2,567,475	18,006
Additions	118,305	1,988
Disposals	-2	-40
Reclassification	0	0
Other changes	0	0
Changes in fair value (realised through profit or loss)	15,108	5,662
Reclassifications as properties held for sale	-7,500	0
As of 30 June 2022	2,768,840	84,644
of which pledged as security	2,479,256	0

No change in the fair value of the property held for sale was recognised through profit or loss (HY 2021 KEUR -23).

This consisted of:

Rental properties

EUR '000	30 June 2022	31 December 2021
Austria	437,590	441,080
Germany	1,311,684	1,306,222
CEE	1,019,566	895,627
	2,768,840	2,642,929

Properties under development and undeveloped land

EUR '000	30 June 2022	31 December 2021
Austria	0	0
Germany	66,914	59,394
CEE	17,730	17,640
	84,644	77,034

The measurement methods for the first half of 2022 correspond to level 3 of the IFRS 13.86 fair value hierarchy. The valuation result for the investment properties in the first half-year of 2022 are mainly based on valuations from external experts and apply to all segments.

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

All shares in IMMOFINANZ AG held as of 31 December 2021 (17,543,937 shares) were included in the takeover bid of CPI Property Group S.A. in March 2022 at a price of EUR 23.00. The resulting cash inflow amounted to KEUR 403,511. In addition, 2,144,280 shares in IMMOFINANZ AG were acquired at EUR 23.00 through the partial offer for IMMOFINANZ AG shares made in December 2021 and were also included in the takeover offer of CPI Property Group S.A. at the same price.

3.1.4. Cash and cash equivalents

EUR '000	30 June 2022	31 December 2021
Bank balances	578,303	375,684
Cash in hand	158	139
	578,461	375,823

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 a property in Austria.

3.1.6. Equity

In connection with the sale of the shares in IMMOFINANZ AG, the amounts historically recognised for the shares in IMMOFINANZ AG were reclassified from the reserve for equity instruments (kEUR 18,912) to other reserves. This reclassification had no effect on the total amount of equity.

3.1.7. 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	33,993.5	3.25%	3.36%	09 April 2025
AT0000A285H4	150,000.0	1.875%	1.96%	22 May 2026
AT0000A2UVR4 (green bond)	50,000.0	1.250%	1.37%	11 January 2027
AT0000A1DVK5	65,000.0	3.25%	3.31%	21 April 2027
AT0000A2MKW4 (green bond)	150,000.0	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. The bond with the ISIN AT0000A2UVR4 was issued in the first quarter of 2022.

Due to the cancellation of the maximum voting rights previously enshrined in the Articles of Association of S IMMO AG, CPI Property Group S.A. held a controlling interest in S IMMO AG as of 30 June 2022 within the meaning of section 22 of the Austrian Takeover Act (ÜbG), meaning that a right to call the two green bonds existed on this date due to this change of control event. The corresponding bond liabilities were therefore reported under current bond liabilities as of 30 June 2022.

3.1.8. Other financial liabilities

Other current and non-current financial liabilities amounted to kEUR 957,291 (31 December 2021: kEUR 1,058,782) and include primarily mortgage loans, derivatives and lease liabilities.

As in the previous year, there were no covenant breaches in the first half of 2022.

3.1.9. Derivatives

The S IMMO Group currently uses swaps and caps 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 2022: kEUR 36,736; 31 December 2021: kEUR 2,553) and non-current financial liabilities (30 June 2022: kEUR 279; 31 December 2021: kEUR 24,807) or current financial liabilities (30 June 2022: kEUR 62; 31 December 2021: kEUR 40). 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 2021.

In the first half of 2022, measurement changes of kEUR 40,610 (HY 2021: kEUR 5,208) not including deferred taxes and deferred taxes for derivatives of kEUR -6,596 (HY 2021: kEUR -1,096) were recognised in other comprehensive income. A total of kEUR 34,015 (HY 2021: kEUR 4,112) was therefore recognised in other comprehensive income.

30 June 2022

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	1,012,939	36,148	-341
Caps	140,000	588	0
Total	1,152,939	36,736	-341

31 December 2021

EUR '000	Nominal	Positive fair value	Negative fair value
Swaps	756,998	2,367	-24,847
Caps	165,000	186	0
Total	921,998	2,553	-24,847

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	01-06/2022	01-06/2021
Commercial excl. hotels	52,973	45,767
Hotel	1,875	897
Residential property	18,193	17,195
Rental income according to the consolidated income statement	73,041	63,859

Rental income increased significantly compared to the previous year, which was primarily due to additions to the portfolio of rental properties and a good like-for-like performance.

Revenues from hotel operations more than doubled from kEUR 10,156 in the first half of 2021 to kEUR 23,675. This is due, among other things, to the fact that the effects of the COVID-19 pandemic were significantly lower than in the previous year.

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 5,182 (HY 2021: kEUR 2,194).

3.2.3. Results from property valuation

The valuation result by region breaks down as follows:

EUR '000	01-06/2022	01-06/2021
Austria	3,792	28,856
Germany	11,944	94,519
CEE	5,034	8,102
	20,770	131,477

3.2.4. Financial result

The net financial result consisted of the following:

EUR '000	01-06/2022	01-06/2021
Financing expenses	-22,474	-14,662
Financing income	22,002	10,241
Results from companies measured at equity	595	2,199
	123	-2,222

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

Due to the disposal of the shares in CA Immobilien Anlagen AG in the financial year 2021, no dividend income from listed companies was recognised in contrast to the first half of 2021 (HY 2022: kEUR 0; HY 2021: kEUR 6,341).

3.2.5. Taxes on income

EUR '000	01-06/2022	01-06/2021
Current tax expense	-19,438	-2,190
Deferred tax income/expense	16,334	-24,628
	-3,104	-26,818

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, Czechia, Hungary, Bulgaria, 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 CEO.

in EUR '000	Austria		Germany		CEE		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Rental income	9,841	9,402	29,399	28,297	33,801	26,160	73,041	63,859
Revenues from operating costs	2,089	2,003	7,007	6,109	13,741	8,948	22,837	17,060
Revenues from hotel operations	11,045	6,331	0	0	12,630	3,825	23,675	10,156
Total revenues	22,975	17,736	36,406	34,406	60,172	38,933	119,553	91,075
Other operating income	359	190	287	460	207	1,318	853	1,968
Property operating expenses	-3,893	-3,622	-16,929	-15,886	-17,708	-12,387	-38,530	-31,895
Hotel operating expenses	-10,066	-4,318	0	0	-8,427	-3,644	-18,493	-7,962
Gross profit	9,375	9,986	19,764	18,980	34,244	24,220	63,383	53,186
Gains on property disposals	0	0	0	0	0	0	0	0
Management expenses	-9,591	-9,229	-3,404	-3,167	-1,495	-1,186	-14,489	-13,582
EBITDA	-215	757	16,360	15,813	32,748	23,035	48,894	39,604
Depreciation and amortisation	-2,473	-2,454	-89	-94	-2,264	-2,186	-4,826	-4,733
Results from property valuation	3,792	28,856	11,944	94,519	5,034	8,102	20,770	131,477
EBIT	1,105	27,159	28,214	110,238	35,519	28,950	64,838	166,348
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Non-current assets	512,532	906,738	1,395,264	1,368,025	1,129,672	993,204	3,037,468	3,267,966
Non-current liabilities	728,377	870,856	434,592	507,563	465,505	443,224	1,628,473	1,821,643

5. Other obligations and contingent liabilities

In the S IMMO Group there were a number of open legal disputes as of 30 June 2022. 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
- Radovan Vitek
- IMMOFINANZ AG
- Associated companies and joint venture companies of the Group

In the first half of 2022, there were no related party transactions with S IMMO AG's shareholders.

S IMMO Group's managing bodies are as follows:

S IMMO AG Management Board:

- Bruno Ettenauer, MRICS (CEO)
- Herwig Teufelsdorfer, MRICS
- Friedrich Wachernig, MBA

S IMMO AG Supervisory Board:

- Karin Rest, EMBA (chairwoman)
- Manfred Rapf (first deputy chairman since 10 June 2022, second deputy chairman until 10 June 2022)
- Florian Beckermann, LL.M. (second deputy chairman since 10 June 2022)
- Ewald Aschauer
- Hanna Bomba
- Christian Böhm
- John Nacos
- Ulrich Steffen Richter (since 01 June 2022)
- Andreas Feuerstein, employee representative
- Holger Schmidtmayr, MRICS, employee representative
- Elisabeth Wagerer, employee representative
- Christian Hager (first deputy chairman until 01 June 2022, left the Supervisory Board as of 01 June 2022)

As of 30 June 2022, there were no receivables or payables due to related parties of the S IMMO Group except the associated companies.

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

Due to the cancellation of the maximum voting rights previously enshrined in the Articles of Association of S IMMO AG, CPI Property Group S.A. held a controlling interest in S IMMO AG as of 30 June 2022 within the meaning of section 22 of the Austrian Takeover Act (ÜbG), meaning that a right to call the two green bonds existed on this date due to this change of control event. At the end of the cancellation period in August 2022, holders of the corporate bond 1.25% S IMMO green bond 2022–2027 (ISIN AT0000A2UVR4) called a total nominal amount of approximately EUR 24.9m and holders of the corporate bond 1.75% S IMMO green bond 2021–2028 (ISIN AT0000A2MKW4) called a nominal amount of EUR 79.6m. Repayment was made on 11 August 2022 from the cash and cash equivalents of S IMMO AG.

After the expiry of the acceptance period of the takeover offer of CPI Property Group S.A. in August 2022, CPI Property Group S.A. held 79.20% in S IMMO. Consequently, extraordinary termination rights were also triggered for two further bonds. Accordingly, holders of the 3.25% bond 2015–2027 with ISIN AT0000A1DWK and the 3.25% bond 2015–2025 with ISIN AT0000A1DBM5 have the right to exercise their termination rights in writing until 29 September 2022.

The Management Board of S IMMO AG has received a request from CPI Property Group S.A. pursuant to section 105 para 3 of the Austrian Stock Corporation Act to convene an Extraordinary General Meeting of S IMMO AG with the agenda item "Changes to the Supervisory Board".

Against the background of CPI Property Group S.A.'s acquisition of a controlling interest of approximately 44.41% of the total outstanding voting rights and the consequent mandatory offer to the Company's shareholders published on 15 July 2022, the Supervisory Board members Ewald Aschauer, Christian Böhm, Hanna Bomba, John Nacos and Manfred Rapf announced their resignation as Supervisory Board members of S IMMO as of the end of the Extraordinary General Meeting. On this basis, CPI Property Group S.A. proposes the dismissal of Florian Beckermann, the reduction of the number of members of the

Supervisory Board elected by the General Meeting from eight to four members, and the election of Mr. Martin Němeček and Mr. John Verpeleti to the Company's Supervisory Board.

In February 2022, the war broke out in Ukraine. S IMMO does not own any properties in Ukraine or Russia and is therefore only indirectly affected by the crisis, but the further impact on S IMMO Group's business activities cannot yet be estimated.

Also, at the time of writing these interim financial statements, the effects of the COVID-19 pandemic and the related uncertainties in the markets in which S IMMO operates continue.

Vienna, 29 August 2022

Management Board:

Bruno Ettenauer, MRICS m.p.

Herwig Teufelsdorfer, MRICS m.p.

Friedrich Wachernig, MBA 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, 29 August 2022

The Management Board



Bruno Ettenauer, MRICS



Herwig Teufelsdorfer, MRICS



Friedrich Wachernig, MBA

FINANCIAL CALENDAR 2022

29 August 2022 Results for the first half-year of 2022
06 September 2022 Extraordinary General Meeting
28 November 2022 Results for the first three quarters of 2022



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Management Board Andreas Jakwerth
Cover Vlad Patru (upper left, right);
Andreas Jakwerth (lower left)

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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