



S IMMO
Interim Financial
Statements as of
30 September 2020

Q3 2020

Key figures

		01.01.–30.09.2020	01.01.–30.09.2019
Revenues	EUR m	129.9	154.5
EBITDA	EUR m	57.3	67.8
EBIT	EUR m	53.9	198.8
EBT	EUR m	25.5	183.2
Net income for the period	EUR m	22.3	158.9
Total assets	EUR m	3,027.3	3,093.6
Equity	EUR m	1,332.0	1,278.1
Liabilities	EUR m	1,695.3	1,815.5
Equity ratio	in %	44	41
Operating cash flow	EUR m	52.6	63.8
Cash flow from investing activities	EUR m	-122.3	-4.7
Cash flow from financing activities	EUR m	68.4	67.0
Cash and cash equivalents as of 30 September	EUR m	97.9	191.9
NOI ratio	in %	54	52
FFO I	EUR m	33.3	53.0
FFO II	EUR m	69.3	55.7
Earnings per share	EUR	0.31	2.40
Book value per share	EUR	18.53	19.26
Difference between share price and book value per share (2020: discount, 2019: premium)	in %	-22	10
Operating cash flow per share	EUR	0.73	0.96
Property assets	EUR m	2,430.5	2,263.6
whereof properties under construction	EUR m	32.1	48.3

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Dear Shareholders,

At the time this interim report went to press, there were only a few weeks left in 2020. Normally at this point, we can already provide an initial outlook for the annual financial statements and have a good sense of what our results will show at the end of the year. But 2020 is – in many respects – different.

In the following pages, we will give you an overview of the third quarter of 2020. You will see that there have been several positive developments. Despite all the upheaval, we remained profitable. At the same time, the effects of the COVID-19 pandemic are impacting us in various areas and resulting in significant declines in some cases – especially in comparison to the strong performance last year.

Result remains positive

Rental income increased by 3.7% year-on-year due to acquisitions and the effective operational management of the portfolio properties. At the same time, however, the negative effects of COVID-19 led to considerably higher valuation allowances for receivables and particularly to a significant decline in hotel revenues. Despite the negative trend in the income statement due to COVID, positive net income for the period of EUR 22.3m and earnings per share of EUR 0.31 were generated.

Capital market

While the international capital markets recovered relatively quickly from the “coronavirus low” in spring 2020, there is unfortunately not yet any sign of a lasting recovery on the Vienna Stock Exchange. As of 30 September 2020, our share marked an annual performance of just under -35%, while the ATX and the IATX also saw similarly substantial losses. Especially in these times, it was very important to us to pay out the planned dividend for the record year 2019 in full. The Annual General Meeting agreed to this, and in October we distributed EUR 0.70 per share to allow you, our valued shareholders, to share in the success of the previous year.

We also launched another share repurchase programme for up to 1 million S IMMO shares at the end of October. With the share price having fallen considerably below the intrinsic value of our share, we see it as a very sensible investment.

Outlook

We mentioned at the start that 2020 is different. It is not just specific statements about the coming year that are difficult to make at present; it is barely possible to make reliable estimates



even for the next few weeks. It is clear that the COVID-19 pandemic has led to new, and in some cases unfortunately restrictive, measures in the autumn and winter months – we are experiencing the feared second wave. We are still working hard to minimise the impact on our portfolio and compensate for potential losses with corresponding savings.

What is easier for us is looking further ahead in the future. After all, one thing is for sure: This crisis will also pass. We expect there to be a vaccine in the first half of 2021, meaning that the psychological conditions for a sustained economic recovery will be in place. Until then, our motto is: We will keep working as usual. We will manage our properties, look into acquisition options and prepare ourselves to move promptly to take advantage of the opportunities that such crises typically bring. We have an excellent team, the necessary strength and the requisite funds to benefit from precisely these opportunities.

With this in mind, we are highly confident in our ability to bring our company back on track for growth in 2021. Until then, we would like to thank you for your trust and hope that you and your families get through this winter safely and start off a hopefully more pleasant year in 2021. Stay healthy!

The Management Board

Ernst Vejdovsky

Friedrich Wachernig

S IMMO in the capital market

International capital market environment

The economy of the European Union is firmly in the grip of the COVID-19 pandemic. It is to be feared that the number of infections will keep rising over the coming months, and that regional lockdowns, travel warnings and the like will hold back the hoped-for economic upturn. According to experts at Raiffeisen Bank International, the euro area may not fully recover until 2022 as a result, while most CEE countries could reach the pre-crisis level somewhat earlier. However, it is difficult to make reliable forecasts under the current circumstances.

The following situation could be seen on the capital markets in the third quarter of 2020: As a result of global monetary policy measures, the leading stock exchanges in the USA and in continental Europe largely recovered from the shock of the first quarter. Technology-heavy exchanges such as the NASDAQ even reported new all-time highs in the pandemic. By contrast, the Vienna Stock Exchange once again suffered from being seen as a minor exchange. While the stock exchanges on Wall Street and in Frankfurt have already reached their pre-crisis levels again, the year-to-date performance of the Austrian benchmark index ATX was -33.8% as of 30 September 2020. In addition to the composition of the ATX, which has above-average representation of financial stocks but includes few technology stocks, discussions regarding dividend payments also had a negative impact on market sentiment. Developments were also mixed for property shares in the reporting period. As of the end of the third quarter, the IATX property industry index had a year-to-date performance of -35.5%. The table below provides an overview of the performance of the S IMMO share and the indices relevant to the company.



Share price development

indexed 01 January 2020 to 30 September 2020
 ■ S IMMO share ■ ATX ■ IATX



The S IMMO share

The S IMMO share was unable to escape the negative developments on the Austrian capital market and was trading at EUR 14.52 as of 30 September 2020. This corresponds to a year-to-date performance of -34.9%. The average trading volume for the last 100 days amounted to 192,446 S IMMO shares (double counting) – an increase of 7.6%.



Overview of S IMMO share and indices

	S IMMO share	ATX	IATX	DAX	DJIA	S&P 500
31 December 2019	22.30	3,186.94	429.07	13,249.01	28,538.44	3,230.78
30 September 2020	14.52	2,108.75	276.65	12,790.70	27,781.70	3,363.00
Year-to-date performance	-34.89%	-33.83%	-35.52%	-3.46%	-2.65%	4.09%



Performance as of 30 September 2020

S IMMO share

One year	-26.59%
Three years, p.a.	5.20%

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 (30.09.2020)	EUR 1,068.8m
Number of securities (30.09.2020)	73,608,896
Market makers	Erste Group/Hauck & Aufhäuser/Baader Bank/Raiffeisen Centrobank

S IMMO bonds as of 30 September 2020

ISIN	Maturity	Coupon	Total nominal value EUR '000
AT0000A177D2	17 June 2021	4.500%	28,549.00
AT0000A1DBM5	09 April 2025	3.250%	33,993.50
AT0000A1DWK5	21 April 2027	3.250%	65,000.00
AT0000A1Z9D9	06 February 2024	1.750%	100,000.00
AT0000A1Z9C1	06 February 2030	2.875%	50,000.00
AT0000A285H4	22 May 2026	1.875%	150,000.00
AT0000A2AEA8	15 October 2029	2.000%	100,000.00

The S IMMO share is currently analysed by six financial institutions. At the time this report went to press, the average price target of all analysts came to EUR 19.40, demonstrating the stock's price potential.

Investor relations activities

The lower number of infections in the summer months made it possible to hold some individual investor conferences as physical events. S IMMO thus held several investor discussions at the SRC Forum in Frankfurt. In addition, a virtual roadshow was held with the partner Edison Investment, among other events. This involved talks with potential investors from the USA, Ireland

and the UK. At the Baader Bank Investor Conference, several virtual investor meetings were held over two days. The content of these talks related mainly to S IMMO's crisis-tested business model, the benefits of portfolio diversification in the current situation, the approach being taken during the crisis and the measures initiated to minimise the effects of the pandemic.

S IMMO equity story:
www.simmoag.at/annual-results2019



Share data

		30 September 2020	30 September 2019
Closing price	EUR	14.52	21.10
Average daily turnover for the last 100 days	shares ¹	192,446	178,788
Earnings per share (EPS) for the first three quarters	EUR	0.31	2.40
Book value per share	EUR	18.53	19.26
Difference between share price and book value per share (2020: discount, 2019: premium)	in %	-22	10
EPRA NAV per share	EUR	23.17	25.09
Share price discount on EPRA NAV per share	in %	-37	-16
EPRA-NNAV per share	EUR	20.02	20.84
FFO I per share for the first three quarters	EUR	0.46	0.80
FFO II per share for the first three quarters	EUR	0.96	0.84
Dividend per share	EUR	0.70 ²	0.70 ³

¹ Double counting

² The dividend for the financial year 2019 that was paid out on 21 October 2020.

³ The dividend that was distributed in 2019 relates to the financial year 2018.

Annual General Meeting and dividend

After the quarterly reporting date on 30 September 2020, the 31st Annual General Meeting was held on 12 October 2020 as a virtual Annual General Meeting as defined in the Austrian Company Law Regulation on COVID-19 (COVID-19-GesV). The mandates of the chairman of the Supervisory Board Mr. Simhandl, his deputy Mr. Kerber and Ms. Besenhofer as members of the Supervisory Board were not prolonged by the Annual General Meeting. Effective 12 October 2020 the Supervisory Board consists of four members, who have nominated Ms. Rest as the new chairwoman of the Supervisory Board.

At the Annual General Meeting, a resolution was passed for the distribution of a dividend of EUR 0.70 per share for the financial year 2019. The dividend was paid out on 21 October 2020.



EPRA key figures

in EUR	30 September 2020	31 December 2019	EUR '000	30 September 2020	31 December 2019
EPRA NAV per share	23.17	26.45	EPRA NAV¹		
EPRA NNAV per share	20.02	22.11	Consolidated net income for the period attributable to shareholders in parent company	1,328,772	1,342,175
Share price discount on EPRA NAV per share in %	-37	-16	Revaluation of other non-current investments	128,839	150,661
EPRA net initial yield in %	4.3	4.4	Fair value of derivative financial instruments	43,934	37,817
			Deferred taxes on derivative financial instruments	-9,221	-8,139
EUR '000	30 September 2020	30 September 2019	Other deferred taxes	168,920	228,720
EPRA earnings and EPRA earnings per share (EPS)			EPRA NAV	1,661,244	1,751,234
Earnings for the period according to IFRS income	22,022	158,578	EPRA NAV per share in EUR	23.17	26.45
Results from property valuations	-3,449	-137,326	EPRA NNAV¹		
Income from property disposals including transaction costs	0	0	EPRA NAV	1,661,244	1,751,234
Tax on income from disposals	6,081	849	EPRA NAV per share in EUR	23.17	26.45
Changes in fair value of derivatives	4,054	11,193	Fair value of derivative financial instruments	-43,934	-37,817
Deferred taxes in respect of EPRA adjustments	-3,676	20,988	Deferred taxes on derivative financial instruments	9,221	8,139
EPRA adjustments for companies measured according to the equity method	0	-7,559	Other deferred taxes	-168,920	-228,720
Minority interests in respect of the above	0	0	Fair value of debt (liabilities)	-30,066	-38,868
EPRA earnings	25,033	46,723	Deferred taxes on debt	7,517	9,717
EPRA EPS in EUR	0.35	0.71	EPRA NNAV	1,435,062	1,463,685
			EPRA NNAV per share in EUR	20.02	22.11

¹ EPRA NAV and EPRA NNAV are calculated on the basis of the accounting policies and calculation methods as of 31 December 2019.

Calculation of FFO I

EUR '000	30 September 2020	30 September 2019
Net income for the period	22,337	158,934
Non-cash taxes	859	21,175
Adjusted net income for the period	23,196	180,109
Non-cash revaluation result	-3,449	-137,326
Non-cash depreciation and amortisation	6,853	6,342
Sales result	0	0
Other non-cash/non-recurring effects	-1,392	-9,461
Non-cash valuation of derivatives	4,054	11,193
Non-cash FX result	3,989	2,166
FFO I (without results from disposals)	33,251	53,023
FFO I per share in EUR	0.46	0.80

Business development and performance

Property portfolio

As of 30 September 2020, S IMMO's property portfolio consisted of 351 properties including undeveloped plots of land (31 December 2019: 331). The properties had a book value of EUR 2,430.5m (31 December 2019: EUR 2,371.0m) and a total area of around 1.3 million m² (31 December 2019: 1.2 million m²). The occupancy rate in the reporting period was 94.3% (Q3 2019: 95.4%). The calculation of the occupancy rate includes all investment properties for which no development potential is currently identified. The overall rental yield was 5.1% (Q3 2019: 5.5%).

Based on book value, properties in Austria made up 18.5% of the portfolio (31 December 2019: 19.1%), while properties in Germany accounted for 48.9% (31 December 2019: 48.5%). Properties in CEE made up 32.6% of the portfolio (31 December 2019: 32.4%).

Based on the main type of use as of 30 September 2020, the portfolio excluding plots of land broke down into 42.5% office buildings (31 December 2019: 41.4%), 18.9% retail properties (31 December 2019: 19.6%), 29.6% residential properties (31 December 2019: 29.0%) and 9.0% hotels (31 December 2019: 10.0%).

Decline in total revenues due to COVID-19

Although rental income increased to EUR 91.5m in the third quarter of 2020 (Q3 2019: EUR 88.2m), total revenues declined by 15.9% to EUR 129.9m (Q3 2019: EUR 154.5m) as a result of the COVID-19 pandemic.

This development was mainly attributable to revenues from hotel operations, which slumped to EUR 14.7m (Q3 2019: EUR 42.0m) as a result of government-mandated measures to combat the pandemic and the sharp downturn in urban tourism. On the positive side, however, it should be noted that the lost revenues were compensated to a large extent by a decrease in hotel operating expenses to EUR 14.8m (Q3 2019: EUR 28.6m).

The negative effects of COVID-19 also resulted in higher valuation allowances on receivables, causing expenses for valuation allowances and write-downs on trade receivables to deteriorate to EUR -3.5m (Q3 2019: EUR -0.5m).

Gross profit declined to EUR 71.5m as a result of the COVID-19 crisis (Q3 2019: EUR 82.5m). The fact that the decrease was kept within relatively narrow limits is attributable to major operational efforts and the broad diversification of the portfolio.

Decline in EBITDA, positive overall valuation result

There were no major changes in management expenses, which decreased slightly year-on-year to EUR 14.2m (Q3 2019: EUR 14.7m). EBITDA declined by 15.5% as against the previous year to EUR 57.3m (Q3 2019: EUR 67.8m). The result from property valuation deteriorated slightly between the second quarter and the third quarter, but the full-year figure was still moderately positive at EUR 3.4m (Q3 2019: EUR 137.3m). Consequently, EBIT amounted to EUR 53.9m (Q3 2019: EUR 198.8m).

Consolidated net result for the period

The impact of the pandemic was also reflected in the partial loss of dividend income. The absence of a dividend distribution by IMMOFINANZ AG meant that dividend income from property shares declined to EUR 6.3m (Q3 2019: EUR 17m).

Write-downs and lower reversals of write-downs in the property portfolio had a positive impact on income taxes compared with the previous year, with the result that total tax expenses came to EUR 3.1m (Q3 2019: EUR 24.3m).

Despite the negative effects of the COVID-19 crisis, this meant that net income for the first three quarters of 2020 amounted to EUR 22.3m (Q3 2019: EUR 158.9m). Earnings per share therefore amounted to EUR 0.31 (Q3 2019: EUR 2.40).

Consolidated statement of financial position – successful capital increase

S IMMO Group's total assets decreased from EUR 3,137.7m as of 31 December 2019 to EUR 3,027.3m as of 30 September 2020. Cash and cash equivalents totalled EUR 97.9m at the end of the third quarter (31 December 2019: EUR 111.6m).

In January 2020, a cash capital increase was implemented in an accelerated book-building (ABB) process. A total of 6,691,717 new shares were issued at a subscription price of EUR 22.25 per share and thus at market, i.e. at no discount compared with the closing price on 15 January 2020. This generated gross issue proceeds (before deducting additional costs) of EUR 148.9m.

Investment property increased from EUR 2,210.2m as of 31 December 2019 to EUR 2,309.4m as of 30 September 2020. This was due in particular to the acquisition of an office property in Croatia (Zagrebtower) and investments in the Germany segment.

On the one hand, the "other financial assets" item was characterised by the purchase of shares in IMMOFINANZ AG and CA Immobilien Anlagen AG and the subscription of a convertible bond issued by IMMOFINANZ AG (ISIN AT0000A2HPN2) with a nominal volume of EUR 18m. On the other hand, share price losses in connection with the COVID-19 pandemic led to write-downs on these investments carried at market value. All in all, this meant that "other financial assets" declined to EUR 398.6m (31 December 2019: EUR 554.1m).

Equity not including minority shares amounted to EUR 1,328.8m (31 December 2019: EUR 1,342.2m). As of 30 September 2020, the book value per share amounted to EUR 18.53 (31 December 2019: EUR 20.27) and the equity ratio was 44.0% (31 December 2019: 42.9%).

Financing – improvement of the LTV ratio

A key figure for the assessment of the financing structure is the loan-to-value ratio (LTV ratio). S IMMO distinguishes between two types of this key figure: the LTV ratio for financing secured with properties (mortgages) and the LTV ratio for unsecured financing. The latter largely comprises bonds issued by S IMMO AG. S IMMO's reported property investments amounted to EUR 2,828.3m as of 30 September 2020 (31 December 2019: EUR 2,924.2m). At 32.6% (31 December 2019: 32.7%), the LTV ratio for financing secured with properties improved slightly. The LTV ratio for unsecured financing less cash and cash equivalents amounted to 15.1% as of 30 September 2020 (31 December 2019: 14.2%). All in all, the company's LTV ratio changed only slightly despite the negative impacts of COVID-19 on the valuations of the property investments and amounted to 47.7% (31 December 2019: 46.9%). The calculation method for both key figures is described in detail in the 2019 Annual Report.

Condensed consolidated interim financial statements

Consolidated statement of financial position

as of 30 September 2020

Assets EUR '000	30 September 2020	31 December 2019
Non-current assets		
Investment properties		
Rented properties	2,277,290	2,188,317
Properties under development and undeveloped land	32,112	21,846
	2,309,402	2,210,163
Owner-operated properties	119,324	124,377
Other plant and equipment	4,464	5,123
Intangible assets	212	242
Interests in companies measured at equity	35,991	36,284
Group interests	4,275	3,863
Loans to companies measured at equity	3,263	2,010
Other financial assets	398,615	554,090
Deferred tax assets	1,329	1,077
	2,876,875	2,937,229
Current assets		
Inventories	210	332
Trade receivables	4,722	7,437
Loans to companies measured at equity	9,761	6,631
Other financial assets	9,960	6,932
Other assets	26,098	31,063
Cash and cash equivalents	97,877	111,564
	148,628	163,959
Assets held for sale	1,800	36,500
	150,428	200,459
	3,027,303	3,137,688

Equity and liabilities EUR '000	30 September 2020	31 December 2019
Shareholders' equity		
Share capital	260,494	240,544
Capital reserves	177,190	68,832
Other reserves	891,088	1,032,799
	1,328,772	1,342,175
Non-controlling interests	3,217	2,910
	1,331,989	1,345,085
Non-current liabilities		
Issued bonds	497,128	525,352
Other financial liabilities	891,920	848,862
Provisions for employee benefits	1,504	1,376
Other liabilities	878	6,723
Deferred tax liabilities	161,028	221,658
	1,552,458	1,603,971
Current liabilities		
Issued bonds	28,518	0
Financial liabilities	73,873	145,221
Income tax liabilities	5,805	1,649
Trade payables	3,171	5,510
Other liabilities	31,489	36,252
	142,856	188,632
	3,027,303	3,137,688

Consolidated income statement

from 01 January 2020 to 30 September 2020

in EUR '000	01-09/2020	01-09/2019
Revenues		
Rental income	91,487	88,209
Revenues from operating costs	23,727	24,252
Revenues from hotel operations	14,706	42,033
	129,920	154,494
Other operating income	1,919	1,456
Property operating expenses	-45,619	-44,841
Hotel operating expenses	-14,763	-28,570
Gross profit	71,457	82,539
Income from property disposals	45,110	52,758
Book value of property disposals	-45,110	-52,758
Result from property disposals	0	0
Management expenses	-14,168	-14,739
Earnings before interest, tax, depreciation and amortisation (EBITDA)	57,289	67,800
Depreciation and amortisation	-6,853	-6,342
Results from property valuation	3,449	137,326
Operating income (EBIT)	53,885	198,784
Financing costs	-37,721	-41,957
Financing income ¹	7,797	18,346
Results from companies measured at equity	1,521	8,071
Financial result	-28,403	-15,540
Earnings before tax (EBT)	25,482	183,244
Taxes on income	-3,145	-24,310
Consolidated net result for the period	22,337	158,934
of which attributable to shareholders in the parent company	22,022	158,578
of which attributable to non-controlling interests	315	356
Earnings per share		
undiluted = diluted	0.31	2.40

¹ Of which dividend income from shareholdings in listed real estate companies: 30.09.2020 EUR 6.3m, 30.09.2019: EUR 17.0m

Consolidated statement of comprehensive income

from 01 January 2020 to 30 September 2020

in EUR '000	01-09/2020	01-09/2019
Consolidated net result for the period	22,337	158,934
Change in value of cash flow hedges	-4,419	-17,980
Income taxes on cash flow hedges	660	3,239
Reclassification of derivative valuation effects	2,356	757
Income taxes on reclassification of derivative valuation effects	-589	-189
Reserve for foreign exchange rate differences	3,644	1,532
Other comprehensive income for the period (realised through profit or loss)	1,652	-12,641
Valuation of financial assets FVOCI	-220,512	93,042
Income taxes from measurement of financial assets FVOCI	55,128	-26,117
Other comprehensive income for the period (not realised through profit or loss)	-165,384	66,925
Other comprehensive income for the period	-163,732	54,284
of which attributable to shareholders in parent company	-163,732	54,284
of which attributable to non-controlling interests	0	0
Total comprehensive result for the period	-141,395	213,218
of which attributable to shareholders in parent company	-141,710	212,862
of which attributable to non-controlling interests	315	356

Consolidated income statement

from 01 July 2020 to 30 September 2020

in EUR '000	07-09/2020	07-09/2019
Revenues		
Rental income	30,916	30,104
Revenues from operating costs	7,731	8,074
Revenues from hotel operations	3,524	15,322
	42,171	53,500
Other operating income	832	478
Property operating expenses	-13,542	-13,846
Hotel operating expenses	-3,711	-10,249
Gross profit	25,750	29,883
Income from property disposals	4,560	46,248
Book value of property disposals	-4,560	-46,248
Result from property disposals	0	0
Management expenses	-4,585	-5,367
Earnings before interest, tax, depreciation and amortisation (EBITDA)	21,165	24,516
Depreciation and amortisation	-2,325	-2,244
Results from property valuation	-6,777	3,218
Operating income (EBIT)	12,063	25,490
Financing costs	-13,566	-14,104
Financing income	6,818 ¹	842
Results from companies measured at equity	157	241
Financial result	-6,591	-13,021
Earnings before tax (EBT)	5,472	12,469
Taxes on income	758	-1,446
Consolidated net result for the period	6,230	11,023
of which attributable to shareholders in the parent company	6,164	10,991
of which attributable to non-controlling interests	66	32
Earnings per share		
undiluted = diluted	0.09	0.17

¹ Of which dividend income from shareholdings in listed real estate companies: EUR 6.3m

Consolidated statement of comprehensive income

from 01 July 2020 to 30 September 2020

in EUR '000	07–09/2020	07–09/2019
Consolidated net result for the period	6,230	11,023
Change in value of cash flow hedges	-46	-5,071
Income taxes on cash flow hedges	6	904
Reclassification of derivative valuation effects	670	189
Income taxes on reclassification of derivative valuation effects	-168	-47
Reserve for foreign exchange rate differences	930	1,293
Other comprehensive income for the period (realised through profit or loss)	1,392	-2,732
Valuation of financial assets FVOCI	-55,533	36,907
Income taxes from measurement of financial assets FVOCI	13,883	-9,227
Other comprehensive income for the period (not realised through profit or loss)	-41,650	27,680
Other comprehensive income for the period	-40,258	24,948
of which attributable to shareholders in parent company	-40,258	24,948
of which attributable to non-controlling interests	0	0
Total comprehensive result for the period	-34,028	35,971
of which attributable to shareholders in parent company	-34,094	35,939
of which attributable to non-controlling interests	66	32

Consolidated cash flow statement

from 01 January 2020 to 30 September 2020

in EUR '000	01-09/2020	01-09/2019
Earnings before taxes (EBT)	25,482	183,244
Results from property valuation	-3,449	-137,326
Depreciation and amortisation	6,853	6,342
Results on property sales	0	0
Taxes on income paid	-4,709	-3,995
Financial result	28,403	15,540
Operating cash flow	52,580	63,805
Changes in net current assets		
Receivables and other assets	-129	-2,115
Provisions, other financial and non-financial liabilities	50	-18
Current liabilities	-12,219	-5,417
Cash flow from operating activities	40,282	56,255
Cash flow from investing activities		
Investments in property portfolio (rented properties, developing projects, undeveloped land, owner-operated properties)	-57,650	-65,590
Investments in intangible assets	-53	-55
Investments in other fixed assets	-400	-1,054
Acquisition of equity instruments of other companies	-50,642	0
Investments in financial assets	-18,038	-100
Disposals of financial assets	0	462
Investments in companies measured at equity	-3,771	-3,390
Divestments in companies measured at equity	1,275	0
Net cash flow from deconsolidation of subsidiaries less cash and cash equivalents	0	44,902
Net cash flow from initial consolidations	-43,904	-4,882
Net cash flow from changes in companies measured at equity	409	6,908
Disposals of properties	45,110	1,810
Dividends from companies measured at equity	441	595
Dividends received	4,580	15,468
Income from equity investments	267	158
Interest received	48	94
Cash flow from investing activities	-122,328	-4,674

in EUR '000	01 – 09/2020	01 – 09/2019
Consolidated cash flow statement continued		
Cash flow from financing activities		
Issue of shares	146,477	0
Buyback of treasury shares	-18,229	0
Bond issues	0	149,156
Bond redemptions	0	0
Buyback of bonds	0	-34,044
Payment for bond exchange	0	0
Distribution of minority shares	-8	-343
Increases in financing	49,579	53,303
Decreases in financing	-82,776	-28,193
Dividend payment	0	-46,341
Interest paid	-26,685	-26,491
Cash flow from financing activities	68,359	67,047
Cash and cash equivalents 01 January	111,564	73,281
Reclassification of cash and cash equivalents as properties held for sale	0	0
Net change in cash and cash equivalents	-13,687	118,628
Cash and cash equivalents 30 September¹	97,877	191,909

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 2020	240,544	68,832	-14,735	-17,123	91,419	973,237	1,342,175	2,910	1,345,085
Consolidated net result for the period	0	0	0	0	0	22,022	22,022	315	22,337
Other comprehensive income	0	0	3,644	-1,992	-165,384	0	-163,732	0	-163,732
Issue of shares	24,314	122,766	0	0	0	0	147,080	0	147,080
Buyback of treasury shares	-4,364	-14,408	0	0	0	0	-18,772	0	-18,772
Change in non-controlling interests	0	0	0	0	0	0	0	-8	-8
Distribution	0	0	0	0	0	0	0	0	0
As of 30 September 2020	260,494	177,190	-11,092	-19,114	-73,965	995,259	1,328,772	3,217	1,331,989
As of 01 January 2019	240,544	68,832	-15,872	-8,636	17,113	806,873	1,108,854	2,720	1,111,574
Consolidated net result for the period	0	0	0	0	0	158,578	158,578	356	158,934
Other comprehensive income	0	0	1,532	-14,173	66,925	0	54,284	0	54,284
Change in non-controlling interests	0	0	0	0	0	0	0	-343	-343
Distribution	0	0	0	0	0	-46,341	-46,341	0	-46,341
As of 30 September 2019	240,544	68,832	-14,340	-22,809	84,038	919,109	1,275,374	2,734	1,278,108

Further information

In view of the changed rules for Wiener Börse AG's prime market segment, S IMMO AG has adjusted its quarterly report for the first and third quarters. The interim financial statements are not a report in accordance with requirements of IAS 34 and should be read in conjunction with the IFRS consolidated financial statements for the year ended on 31 December 2019.

1. The Group

S IMMO Group (S IMMO AG and its subsidiaries) is an international real estate group. The ultimate parent company of the Group, S IMMO AG, has its registered office and headquarters at Friedrichstrasse 10, 1010 Vienna, Austria. The company has been listed on the Vienna Stock Exchange since 1987 and since 2007 in the Prime Market segment. S IMMO was included in the Austrian ATX benchmark index for the first time on 18 September 2017. It has subsidiaries in Austria, Germany, the Czech Republic, Slovakia, Hungary, Croatia, Romania and Bulgaria. As of 30 September 2020, S IMMO Group owned properties in all the above countries. S IMMO Group is an international real estate group that engages in buying, selling, real estate project development, letting, asset management, and operating hotels and shopping centres as well as in revitalising and renovating properties in Austria, Germany and CEE.

2. Accounting and valuation policies

In preparing the consolidated interim financial statements for the nine months ended on 30 September 2020, the accounting and valuation policies applied in the consolidated financial statements for the year ended on 31 December 2019 have been applied unchanged.

Since 01 January 2020, the Group has applied the hedge accounting regulations of IFRS 9. This did not result in any significant effects on the results of the first three quarters of 2020.

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

The consolidated interim financial statements are presented rounded to the nearest 1,000 euros (EUR '000 or kEUR). The totals of rounded amounts and the percentages may be affected by rounding differences caused by the use of computer software.

3. Notes to the consolidated interim financial statements

3.1. Equity

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

On 24 March 2020, a share repurchase programme started, which ended on 30 September 2020. On 28 October 2020, a share repurchase programme started, which is expected to end on 20 June 2021.

3.2. Investment properties

Investment properties include purchases in Germany and Croatia.

3.3. Other financial assets

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

In the first three quarters of 2020, purchases of equity instruments of IMMOFINANZ AG and CA Immobilien Anlagen AG were made amounting to a total of kEUR 50,642 (30 September 2019: kEUR 0).

3.4. Other information

In the first three quarters of 2020, three properties were sold in the Germany segment.

In the first three quarters of 2020, there were no covenant breaches, as was also the case last year.

4. Operating segments

Segment reporting for S IMMO Group is based on geographical regions. The assessment and analysis of the regional structure follows the strategic direction, which differentiates between Austria, Germany and CEE. The regions are as follows:

Austria: This operating segment includes all the Group's Austrian subsidiaries, apart from those with property in Germany.

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

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

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

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

in EUR '000	Austria		Germany		CEE		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Rental income	14,305	14,190	40,847	37,286	36,335	36,733	91,487	88,209
Revenues from operating costs	2,778	2,854	9,786	8,629	11,163	12,770	23,727	24,252
Revenues from hotel operations	6,828	21,851	0	0	7,878	20,182	14,706	42,033
Total revenues	23,911	38,895	50,633	45,915	55,377	69,684	129,920	154,494
Other operating income	370	291	808	501	741	664	1,919	1,456
Property operating expenses	-4,657	-5,363	-22,283	-21,157	-18,680	-18,321	-45,619	-44,841
Hotel operating expenses	-7,934	-16,127	0	0	-6,829	-12,443	-14,763	-28,570
Gross profit	11,690	17,696	29,158	25,259	30,609	39,584	71,457	82,539
Gains on property disposals	0	0	0	0	0	0	0	0
Management expenses	-7,771	-8,902	-4,826	-4,461	-1,570	-1,376	-14,168	-14,739
EBITDA	3,919	8,794	24,331	20,797	29,039	38,208	57,289	67,800
Depreciation and amortisation	-3,613	-3,432	-142	-129	-3,099	-2,781	-6,853	-6,342
Results from property valuation	-2,182	13,076	32,760	96,240	-27,129	28,011	3,449	137,326
EBIT	-1,876	18,438	56,949	116,908	-1,189	63,438	53,885	198,784
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2020	2019	2020	2019	2020	2019	2020	2019
Non-current assets	882,581	1,039,618	1,188,945	1,114,859	805,349	782,753	2,876,875	2,937,229
Non-current liabilities	708,353	776,139	464,537	449,390	379,568	378,442	1,552,458	1,603,971

5. Significant events after the balance sheet date

A dividend of EUR 0.70 per share was distributed to S IMMO shareholders on 21 October 2020 (2019: EUR 0.70 per share).

After the balance sheet date of 30 September 2020, several countries ordered different kinds of lockdowns on account of the ongoing COVID-19 pandemic. At the same time, it was reported that progress had been made on vaccine development. In view of this, there is still considerable uncertainty overall with regards to the future general economic situation on S IMMO's markets.

Vienna, 24 November 2020

Management Board

Ernst Vejdovszky m. p.

Friedrich Wachernig, MBA m. p.

Financial calendar 2020/21

24 November 2020	Results for the first three quarters 2020
08 April 2021	Annual results 2020 (press conference)
20 April 2021	Record date Annual General Meeting
30 April 2021	Annual General Meeting
10 May 2021	Ex-dividend date
11 May 2021	Dividend record date
12 May 2021	Dividend payment date
28 May 2021	Results for the first quarter 2021
27 August 2021	Results for the first half-year 2021
26 November 2021	Results for the first three quarters 2021



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are based prove to be unfounded, or should events of the kind described in the risk report of the annual report occur, then the actual outcomes may differ from those currently expected. These Interim Financial Statements neither contain nor imply a recommendation either to buy or to sell shares or other financial instruments of S IMMO AG. Past events are not a reliable indicator of future developments. These Interim Financial Statements have been prepared in the German language, and only the German language version is authentic. The Interim Financial Statements in other languages are a translation of the German Interim Financial Statements.

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