

Remuneration Report

(MACHINE) TRANSLATION
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This remuneration report presents the main features of the remuneration policy for the Management Board and Supervisory Board of S IMMO AG in the 2023 financial year. In addition, the remuneration granted to current and former members of the Management Board and Supervisory Board during the reporting year is disclosed individually.

I. Introduction: Business Development 2023

S IMMO AG was able to achieve operational success in the 2023 financial year despite the difficult environment. Rental income in the 2023 financial year totalled EUR 202.6m (2022: EUR 155.7m), up more than 30% on the previous year, while revenues from hotel operations improved year-on-year to EUR 70.0m (2022: EUR 56.4m), well above the level before the pandemic in 2019 (EUR 59.1m), and EBITDA reached EUR 142.6m (2022: EUR 106.1m), the highest level in the com-

pany's history. The rise in interest rates and the generally challenging market environment are reflected in the valuation result, which totalled EUR -109.3m. Due to the non-cash property valuation effects described above and non-cash negative effects from the valuation of derivatives, the net result for the year decreased significantly compared to the previous year and totalled EUR -41.4m (2022: EUR 18.9m) despite the significant increase in the operating result.

II. Presentation of the main features of the remuneration policy

1 Remuneration of the Management Board

1.1 Basic Features of the Remuneration Policy

The principles for the remuneration of the members of the Management Board are drawn up by the Supervisory Board of S IMMO AG on the proposal of its Committee for Management Board Matters and submitted to the Annual General Meeting for approval. The current remuneration policy of S IMMO AG was approved by the Annual General Meeting on 12 October 2020. The 35th Annual General Meeting of S IMMO AG will again vote on the remuneration policy.

The remuneration policy for the Management Board focuses on the desire to attract and retain qualified managers at S IMMO AG. This is intended to promote the business strategy and long-term development of the company.

This is to be achieved through remuneration that is in line with the market and performance-oriented, with total remuneration being commensurate with the company's situation and the remuneration customary in the market. The remuneration policy shall set transparent and appropriate performance incentives that promote sustainable, value-creating and growth-oriented corporate development by creating a balance of interests between the company, shareholders and Management Board members and avoid taking disproportionate risks.

The remuneration of the Management Board consists of a fixed basic salary and variable remuneration. The amount of the variable remuneration is determined by the fulfilment of quantitative and qualitative performance criteria.

In addition, the company makes annual contribution payments to an inter-company pension fund for some members of the Management Board as well as contributions to the company pension fund. The members of the Management Board are included in the D&O insurance policy taken out by S IMMO AG and are entitled to a company car. These components are presented in more detail below.

S IMMO AG does not currently have a long-term incentive plan for members of the Management Board. 25% of the annual bonus is only due for payment after the end of the next financial year and only on the condition that the Management Board member is again entitled to an annual bonus in that financial year. This delayed payment serves to strengthen the sustainability of the remuneration by introducing a multi-year remunera-

tion component. Furthermore, a clawback of variable remuneration components is possible in accordance with the Corporate Governance Code.

1.2 Fixed remuneration components

1.2.1 Basic salary

The basic salary is determined individually for each Management Board member by the Committee for Management Board Matters of the Supervisory Board. In doing so, the committee takes into account the appropriateness in a market comparison, taking into account the qualifications and experience of the respective Management Board member and his or her area of duties and responsibilities.

The basic salary consists of a contractually agreed annual salary, which also covers all additional benefits of the Management Board members beyond the normal working hours.

In the 2023 financial year, the basic salaries of the former and active Management Board members totalled EUR 829,832 (2022: EUR 1,076,962) plus employer's social security contributions and taxes payable by the employer:

in EUR	2023	2022
Radka Doebling (since 17 June 2023)	116,387	-
Herwig Teufelsdorfer (retired on 02 February 2024)	600,000	350,000
Holger Schmidtmayr (retired on 16 June 2023)	113,445	44,077
Bruno Ettenauer (retired on 06 September 2022)	-	369,526
Friedrich Wachernig (retired on 11 October 2022)	-	313,359
Total	829,832	1,076,962

1.2.2 Other fixed remuneration components

In addition, S IMMO AG paid an annual contribution to an inter-company pension fund for some members of the Management Board. In 2023, the pension fund contributions totalled EUR 44,222 (2022: EUR 114,278). In addition, the company makes contributions in the statutory amount to the company pension fund in accordance with the Austrian Corporate Employee and Self-Employed Pension Act (Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz).

S IMMO AG has also taken out D&O insurance with coverage of EUR 60m for the members of the Management Board. This insures certain claims for damages that may be asserted against the members of the Management Board by the company, shareholders or third parties due to breaches of duty of care. The inclusion of Management Board members in a D&O insurance policy is customary in the market and creates a corresponding liability fund for the company in the event of a claim.

Furthermore, the members of the Management Board are provided with company cars of the upper middle class, which can also be used privately.

1.3 Variable remuneration for the 2023 financial year

1.3.1 Principles for determining variable remuneration

The Management Board members receive a variable remuneration component as an annual bonus, which is measured according to financial (quantitative) and non-financial (qualitative) performance criteria. The target agreement for the annual bonus 2023 consists of 70% quantitative and 30% predominantly

qualitative performance criteria. The annual bonus is due in the amount of 100% of the basic salary if 100% of the targets are achieved; the annual bonus is capped at 100% of the basic salary.

The Committee for Management Board Matters determines the degree of target achievement for the individual performance criteria after the end of the financial year. In the process, over-achievement can also be determined and/or particularly good results and performance can be assessed in each case and taken into account by means of an award. In addition, in the event of over-achievement, the Supervisory Board may grant a further bonus of up to 50% of the basic salary in appreciation of the annual result.

1.3.2 Financial performance targets of the variable remuneration for the financial year 2023

For the year 2023, the Committee for Management Board Matters has set the following target values for the financial performance criteria; the target values are compared with the actual values determined in the table in each case:

Performance criterion	Weighting	Target value	Actual values 2023
FFO I	30%	EUR 100m (150% target achievement)	EUR 99.61m
		EUR 85m (100% target achievement)	
		EUR 75m (80% target achievement)	
Book value per share as of 31 December 2023	15%	EUR 27.00 (150% target achievement)	EUR 23.43
		EUR 24.93 (100% target achievement)	
Equity ratio as of 31 December 2023	15%	EUR 24.07 (80% target achievement)	40.7%
		Quota of at least 40% (100% target achievement)	
Vacancy rate (in relation to total portfolio as of 31 December 2023)	10%	<6% (150% target achievement)	7.45% (taking into account rental guarantees and excluding strategic vacancies and projects in the twelve-month stabilisation phase)
		<7.5% (100% target achievement)	
		<8.5% (50% target achievement)	

1.3.3 Qualitative performance targets of the variable remuneration for the financial year 2023

For the year 2023, the Committee for Management Board Matters has set the following qualitative performance criteria:

Performance criterion	Weighting	Target value	Measured values 2023
ESG improvement of the portfolio by stabilising the share of certified properties through the sale of non-certified properties	15%	Sales of EUR 550m or more (150% target achievement)	approx. EUR 650m
		Sale of at least EUR 450m (100% target achievement)	
		Sale of at least EUR 400m (80% target achievement)	
Divestment	10%	a) Sale (signing) of a property in the Berlin region with an IIR of at least 15% on capital commitment (100% target achievement)	The property in Bulgaria with a book value of EUR 400,000 was sold for EUR 1,025,000.
		or b) Sale (signing) of the remaining property in Bulgaria at least at book value (100% target achievement)	
		If both a) and b) are met, 150% target achievement applies, provided that in the case of (a) the IRR is at least 20% or in the case of (b) the sales proceeds are at least 150% of the book value	
ESG - Systematics	5%	Further development of the ESG system to Group standard (= 100% target achievement)	This target was achieved in 2023.

1.4 Target achievement for the 2023 financial year

For the year 2023, the Committee for Management Board Matters determined an overall target achievement of approximately 107% for Radka Doehring.

The Management Board successfully implemented the adapted strategy in 2023 and successfully realised large-volume transactions in a timely manner. This decision-making strength also had a direct influence on the extremely successful operating results in 2023. In view of S IMMO AG's convincing operating performance in 2023 in a difficult environment, the Committee for Management Board Matters granted Radka Doehring a discretionary bonus amounting to 50% of her basic salary. This results in an annual bonus of 150% of the basic salary. No target achievement was formally determined for Herwig Teufelsdorfer by the Committee for Management Board Matters due to his departure in the meantime; however, the annual bonus shown below was part of the severance payment.

Based on this, the annual bonuses for 2023 for the entire Management Board amounted to EUR 601,187 (annual bonuses 2022: 591,114). No special bonuses were granted. The annual bonuses are distributed among the Management Board members as follows:

Annual bonus in EUR	2023	2022
Radka Doehring (since 17 June 2023)	174,580	-
Herwig Teufelsdorfer (retired on 02 February 2024)	426,607	525,000
Holger Schmidtmayr (retired on 16 June 2023)	-	66,114
Total	601,187	591,114

1.5 Acquired remuneration entitlements of the Management Board for the financial year 2023

The following table shows the entitlements to basic salary (fixed remuneration), pension fund contributions and variable remuneration acquired in the 2023 and 2022 financial years for the members of the Management Board active in the 2023 financial year:

in EUR	Year	Fixed remuneration	Pension costs	Variable remuneration	Total
Radka Doehring (since 17 June 2023)	2023	116,387	-	174,580	290,967
Herwig Teufelsdorfer (retired on 02 February 2024)	2023	600,000	35,000	426,607	1,061,607
	2022	350,000	35,000	525,000	910,000
Holger Schmidtmayr (retired on 16 June 2023)	2023	113,445	9,222	-	122,667
	2022	44,077	4,493	66,114	114,684

The above-mentioned contractual remuneration entitlements of the (active) members of the Management Board until 31 December 2023 thus amounted to a total of EUR 1,475,241 in the 2023 financial year, excluding severance payment and fringe benefits such as company cars. The ratio of fixed to variable remuneration was approx. 58% to 42%.

1.6 Remuneration of the Management Board in the 2023 financial year

The following table shows the remuneration paid out in the 2023 financial year or granted as severance pay in 2023:

in EUR	Year	Fixed remuneration	Pension costs	Variable remuneration	Total
Radka Doehring (since 17 June 2023)	2023	116,387	-	-	116,387
Herwig Teufelsdorfer (retired on 02 February 2024)	2023	600,000	35,000	488,183	1,123,183
	2022	350,000	35,000	283,300	668,300
Holger Schmidtmayr (retired on 16 June 2023)	2023	113,445	9,222	940,700*	1,063,367
	2022	44,077	4,493	-	48,570

* incl. severance payments

2 Remuneration of the Supervisory Board

The remuneration policy for the members of the Supervisory Board is drawn up by the Committee for Management Board Matters and adopted by the full Supervisory Board. The remuneration is determined in a binding manner by the Annual General Meeting.

S IMMO AG strives to ensure that the remuneration of Supervisory Board members is in line with the market. In line with market practice, variable remuneration is not paid in order to avoid conflicts of interest between the Supervisory Board's control function and the financial interests of its members.

The remuneration of the members of the Supervisory Board consists of an annual expense allowance. The chairwoman as well as her deputies receive a higher compensation due to the time involved in the management function. In addition, the members of the Supervisory Board receive an attendance fee for attending meetings of the Supervisory Board.

The Supervisory Board remuneration for the 2023 financial year totals EUR 178,627 (2022: EUR 246,399):

in EUR	Expense allowance	Attendance fees	Total 2023
Karin Rest (Chairwoman of the Supervisory Board)	40,000	10,000	50,000
Martin Němeček (First Deputy Chairman of the Supervisory Board)	30,000	15,000	45,000
Ulrich Steffen Ritter (Second Deputy Chairman of the Supervisory Board)	33,237.97	15,000	48,237.97
John Verpeleti	23,389.49	12,000	35,389.49

III. Other information

As described at the beginning, the results for the 2023 financial year represent a record year in the operating area (EBITDA, gross profit). The difficult environment characterised by the turnaround in interest rates, the war in Ukraine and inflation, which was particularly challenging for the real estate sector, led to a market-related valuation result of EUR -109.3m. Although these devaluations were softened by the strong operating performance, they could not be fully compensated for. The vacancy rate was kept low and yields increased in all countries thanks to

the extensive transactions and active asset management. In addition, the process of examining further harmonisation, coordination, mergers and other forms of integration between S IMMO, CPIPG and IMMOFINANZ AG continued in the 2023 financial year and a number of useful synergies were leveraged. The annual change in the company's financial performance, the total remuneration of the Management Board and the average remuneration of employees is as follows:

In (k)EUR	2023	2022	2021	2020
FFO I	EUR 99.6m	EUR 64.7m	EUR 60.8m	EUR 42.4m
	+54.0%	+6.4%	+43.51%	-34.53%
Book value/share	EUR 23.43	EUR 24.07	EUR 23.57	EUR 19.34
	-2.6%	+2.1%	+21.82%	-4.59%
Result after taxes	EUR -41.4m	EUR 18.9m	EUR 230.6m	EUR 56.9m
	-318.7%	-91.8%	+305.27%	-73.32%
Total remuneration of the Management Board (earned remuneration entitlement; excl. severance payments)	EUR 1,475,241	EUR 1,782,354	EUR 2,948,863	EUR 1,567,500
	-17.23%	-39.55%	+88.13%	-26.92%
Average employee remuneration in S IMMO Group (basic salary incl. bonus payments)	EUR 82,541	EUR 82,162	EUR 66,257	EUR 68,622
	+0.46%	+24.00%	-0.01%	+5.24%