KPMG

SIGNA Prime Selection AG,
Innsbruck, Austria

Translation of the local Report on the Audit of the Consolidated Financial Statements for the year ended 31 December 2019

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SIGNA Prime Selection AG, Innsbruck, Austria

Translation of the local Report on the Audit of the Consolidated Financial Statements for the year ended 31 December 2019

11 March 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
10171599

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To the Members of the Board of Directors and Supervisory Board of
SIGNA Prime Selection AG,
Innsbruck, Austria

We have audited the consolidated financial statements for the year ended 31 December 2019 of

SIGNA Prime Selection AG,
Innsbruck, Austria
(referred to as "the Company"),

and **report** on the result of our audit as follows:

1. Audit Contract and Scope of the Engagement

In the Annual General Meeting of SIGNA Prime Selection AG, Innsbruck, Austria, dated 18 July 2019, we were elected as auditors for the financial year 2019. In accordance with Section 270 Paragraph 2 UGB (Austrian Commercial Code) we shall also act as group auditor since no other auditor has been engaged as group auditor.

The Company, represented by the supervisory board concluded an **audit contract** with us to audit the consolidated financial statements of the Company as of 31 December 2019. Our audit also comprised the accounting system and the group management report in accordance with Section 269 et seq UGB (Austrian Commercial Code). 1)

The audited Group is a large corporation per Section 221 and an **extra-large** corporation per Section 271a Paragraph 1 UGB. The Company meets the criteria for the mandatory establishment of a **supervisory board**.

The audit is a **statutory** audit.

The **audit includes** assessing whether the statutory requirements and additional regulations as stipulated in the Company's articles of association were adhered to. The group management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it was prepared in accordance with legal requirements.

Regarding the report in accordance with Article 11 EU Regulation 537/2014 ("AP Regulation"), we refer to our separate report to the audit committee; the report in accordance with Article 11 EU Regulation is not part of this report.

1) A separate report is issued on the audit of the financial statements as of 31 December 2019.

Our audit was performed in accordance with the **legal requirements and Austrian Standards on Auditing**. These standards require that we comply with International Standards on Auditing (ISAs). We would like to emphasize that the goal of the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Absolute assurance is not attainable due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system. There is an unavoidable risk that even material misstatements may remain undetected. Areas which are generally covered in special engagements were not included in our scope of work.

In the course of the audit of the consolidated financial statements, the financial information of the components included in the consolidated financial statements was audited, to ensure their compliance with generally accepted accounting standards and adherence to the regulations and standards for inclusion therein.

Several components included in the consolidated financial statements were audited by other external auditors. We supervised their work in an appropriate manner.

We performed the audit at our office in Linz between October and December 2019 (interim audit) and between January and March 2020 (final audit). The audit was substantially completed at the date of this report.

Engagement partner of the engagement is Mr Mag. Ernst Pichler, Wirtschaftsprüfer (Austrian Chartered Accountant).

Our audit is based on the audit contract concluded with the Company. The "General **Conditions of Contract**" issued by the Chamber of Tax Advisers and Auditors (see Annex III) form an integral part of the audit contract. The conditions of contract do not only apply to the Company and the auditor, but to third parties as well. Our liability as auditors is guided under Section 275 UGB.

2. Summary of Audit Findings

2.1. Compliance with Statutory Requirements of the Consolidated Financial Statements and Group Management Report

During our audit of the consolidation and the financial information of the components included in the consolidated financial statements, we obtained evidence that the accounting system is in compliance with statutory requirements and the Company's article of association. The financial information of the components essentially complies with the uniform accounting policies of the parent Company. As such, the financial information of the components represents an adequate basis for inclusion in the consolidated financial statements. The regulations and standards for inclusion into the consolidated statements have been adhered to.

In line with our risk and controls based audit approach, and to the extent we considered necessary for the purpose of expressing an opinion, we considered internal controls related to sub processes of the financial reporting process as part of our audit.

With regard to the compliance of the **consolidated financial statements** and the **group management report** with all applicable statutory requirements, we refer to the auditor's report.

2.2. Explanations and Evidence

Management has sufficiently provided all evidence and explanations requested by us as well as their signed management representation letter.

2.3. Reporting per Section 273 Paragraph 2 UGB

During our audit we did not note any facts which indicate that could be substantial doubt about the Group's ability to continue as a going concern nor indicate a material deterioration of the Group's performance. Neither did we note any indications of non-compliance with Austrian law or the Company's articles of association, whether by the management or its employees. We did not note any material weaknesses in the internal controls over the financial reporting process.

3. Auditor's report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

SIGNA Prime Selection AG,
Innsbruck, Austria

and its subsidiaries ("the Group"), which comprise the Consolidated Statement of Financial Position as at 31 December 2019, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cashflows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2019, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245 a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Responsibility of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

— We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

— We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

— We communicate to the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Other Information

Management is responsible for the other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report with this regard.

Engagement Partner

The engagement partner is Mr Mag. Ernst Pichler.

Linz, 11 March 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Ernst Pichler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Consolidated Financial Statements

in Accordance with IFRS

(International Financial Reporting Standards)

for the Period from 1 January 2019 through 31 December 2019

SIGNA Prime Selection AG

Contents

Consolidated statement of profit or loss and other comprehensive income

PROFIT OR LOSS

EURk	Note	2019	2018
Revenue	5.1	309,840	237,889
Other operating income	5.2	55,086	61,188
Operating expenses	5.3	-28,460	-23,752
Personnel expenses	5.4	-31,646	-23,102
Other operating expenses	5.5	-84,346	-58,658
Earnings before interest, taxes, depreciation, amortization, and remeasurement gains and losses (EBITDA)		**220,474**	**193,565**
Depreciation and amortization		-1,717	-1,521
Net gain (loss) from fair value adjustments	5.6	933,312	324,104
Operating profit (EBIT)		**1,152,069**	**516,148**
Gain (loss) from equity-accounted investees		180,001	190,406
Financial income	5.7	29,690	22,639
Financial costs	5.8	-291,823	-235,434
Profit before taxes (EBT)		**1,069,937**	**493,758**
Income taxes	5.9	-160,799	-71,954
Net income from continuing operations (net profit)		**909,138**	**421,805**
Net profit for the year		**909,138**	**421,805**
Share of net profit for the year attributable to owners of the company		838,022	416,464
Share of net profit for the year attributable to non-controlling interests		71,116	5,340

OTHER COMPREHENSIVE INCOME

EURk	2019	2018
Items that will be reclassified subsequently to profit or loss		
Measurement of cash flow hedges	-242,144	-56,885
Tax effect on cash flow hedges	41,253	9,884
Other comprehensive income (OCI)	**-200,891**	**-47,000**
TOTAL COMPREHENSIVE INCOME	**708,246**	**374,804**
Share of comprehensive income attributable to owners of the company	643,921	371,023
Share of comprehensive income attributable to non-controlling interests	64,325	3,781

Consolidated statement of financial position

ASSETS EURk	Note	31 Dec 2019	31 Dec 2018
Non-current assets			
Investment property	6.1	13,173,463	8,854,290
Property, plant and equipment		18,794	5,682
Intangible assets	6.2	146,920	151,201
Equity-accounted investees	6.3	34,268	888,324
Financial investments	6.4	20,015	19,053
Receivables and other financial assets	6.5	13,996	19,358
Total non-current assets		**13,407,455**	**9,937,908**
CURRENT ASSETS			
Financial receivables	6.5	145,028	294
Operating receivables	6.5	26,122	21,299
Income tax receivables	6.5	4,093	2,695
Other receivables and assets	6.5	317,107	434,015
Cash and cash equivalents	2.3.7	728,732	188,611
Total current assets		**1,221,082**	**646,913**
Non-current assets held for sale	6.6	383,506	319,378
TOTAL ASSETS		**15,012,044**	**10,904,200**

EQUITY AND LIABILITIES

EURk	Note	31 Dec 2019	31 Dec 2018
EQUITY			
Equity (owners of the Company)	6.8	4,266,245	3,271,774
Non-controlling interests		456,482	200,316
Total equity		**4,722,728**	**3,472,090**
PROFIT PARTICIPATION RIGHTS			
Profit participation rights	6.9	1,054,669	1,057,174
Total profit participation rights		**1,054,669**	**1,057,174**
Total equity and profit participation rights		**5,777,397**	**4,529,263**
NON-CURRENT LIABILITIES			
Bonds	6.11	716,500	517,000
Loans and borrowings	6.11	5,508,237	4,255,791
Other financial liabilities	6.11	375,620	65,608
Provisions	6.12	49,853	34,400
Other liabilities	6.14	497,135	31,837
Deferred tax liabilities	6.7	423,204	379,020
Total non-current liabilities		**7,570,549**	**5,283,657**
CURRENT LIABILITIES			
Loans and borrowings	6.11	525,724	135,588
Other financial liabilities	6.11	3,978	292
Income tax liabilities	6.11	70,469	27,157
Operating liabilities	6.14	27,388	26,371
Other liabilities	6.14	799,550	663,051
Total current liabilities		**1,427,110**	**852,461**
Non-current liabilities held for sale	6.6	236,989	238,819
TOTAL EQUITY AND LIABILITIES		**15,012,044**	**10,904,200**

Consolidated cash flow statement

EURk	2019	2018
Cash flows from operating activities		
Profit before taxes (EBIT)	1,152,069	668,558
Gain (loss) from the measurement of investment property	-933,312	-466,659
Depreciation, amortization and impairment losses on property, plant and equipment	1,717	1,521
Interest received	28,541	19,870
Income taxes paid	-17,908	5,941
Cash flows from earnings	**231,108**	**229,231**
Changes in receivables and other assets	-17,781	207,133
Changes in liabilities	359,182	506,593
Changes in the net position of subsidiaries held for sale	56,532	188,094
Changes in working capital	**397,933**	**901,820**
Cash flows from operating activities	**629,041**	**1,131,051**
Cash flows from investing activities		
Acquisitions of investment property less cash and cash equivalents	-1,092,732	-380,226
Investments in investment property	-149,978	-598,241
Investments in financial assets	962	-688,717
Proceeds from the disposal of subsidiaries less cash and cash equivalents	0	1,884
Dividends received	1,148	885
Cash flows from investing activities	**-1,240,600**	**-1,664,414**
Free cash flow	**-611,559**	**-533,363**
Cash flows from financing activities		
Proceeds from the issuance of bonds	199,500	192,000
Repayments of bonds	0	-50,000
Proceeds from the raising of profit participation capital	277,000	120,000
Repayments of profit participation capital	-25,000	0
Proceeds from non-current loans and borrowings	2,771,218	1,019,940
Repayments of non-current loans and borrowings	-2,249,312	-113,317
Change in other financial liabilities	-83,701	-596,772
Interest paid	-289,328	-230,170
Dividends paid	-148,580	-122,123
Proceeds from capital increases (capital measures)	499,130	250,994
Proceeds from non-controlling interests	225,407	0
Transactions with non-controlling interests	-24,653	26,727
Cash flows from financing activities	**1,151,681**	**497,279**
Cash flows	**540,122**	**-36,084**
Cash and cash equivalents at the beginning of the period	188,611	224,695
Cash and cash equivalents at the end of the period	728,732	188,611

Consolidated statement of changes in equity

EURk	Subscribed capital	Capital reserves	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total
Balance as of 01 Jan 2019	**56,710**	**2,086,246**	**-47,167**	**1,175,984**	**3,271,774**	**200,316**	**3,472,090**
Net profit for the year	0	0	0	838,022	838,022	71,116	909,138
Other comprehensive income	0	0	-194,101	0	-194,101	-6,791	-200,891
Total comprehensive income	0	0	-194,101	838,022	643,922	64,325	708,246
Capital increase nominal	7,143	492,857	0	0	500,000	0	500,000
Cost of capital increase	0	0	0	-870	-870	0	-870
Total capital increase	7,143	492,857	0	-870	499,130	0	499,130
Dividends	0	0	0	-148,580	-148,580	-33,565	-182,145
Transactions with non-controlling interests	0	0	0	0	0	225,407	225,407
Balance as of 31 Dec 2019	**63,853**	**2,579,103**	**-241,267**	**1,864,557**	**4,266,245**	**456,482**	**4,722,728**

EURk	Subscribed capital	Capital reserves	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Total
Balance as of 01 Jan 2018 (restated)	**48,176**	**1,594,780**	**-2,339**	**896,163**	**2,536,780**	**145,457**	**2,682,236**
Net profit for the year	0	0	0	416,464	416,464	5,340	421,805
Other comprehensive income	0	0	-45,442	0	-45,442	-1,559	-47,000
Total comprehensive income	0	0	-45,442	416,464	371,023	3,781	374,805
Capital increase nominal	8,534	491,466	0	0	500,000	0	500,000
Cost of capital increase	0	0	0	-36	-36	0	-36
Total capital increase	8,534	491,466	0	-36	499,964	0	499,964
Dividends	0	0	0	-120,440	-120,440	-1,683	-122,123
Reclassification	0	0	614	0	614	0	614
Transactions with non-controlling interests	0	0	0	-16,167	-16,167	52,761	36,594
Balance as of 31 Dec 2018	**56,710**	**2,086,246**	**-47,167**	**1,175,984**	**3,271,774**	**200,316**	**3,472,090**

Notes to the consolidated financial statements

1 Information on the company

SIGNA Prime Selection AG and its subsidiaries (hereinafter jointly referred to as the "SIGNA Prime Group" or the "Group") operate in Austria, Germany, and Italy. The SIGNA Prime Group owns, develops, and manages properties in prime locations in the aforementioned countries. The SIGNA Prime Group continually expands its portfolio through the acquisition and development of retail locations in city center locations.

The most significant growth in the 2019 fiscal year was the acquisition of the second tranche of the German Kaufhof portfolio, consisting of a total of 41 department stores in German city centers. Extensive refinancing and equity investments by strategic investors already took place in the fiscal year just ended.

In addition, a capital increase of EUR 500,000k was executed in September 2019 with the aim of providing liquidity for new acquisitions and project developments while keeping the existing equity ratio stable. The majority of the shares was placed within the existing shareholder group.

SIGNA Prime Selection AG, the parent of the SIGNA Prime Group, is registered in the Commercial Register of the Commercial and Regional Court of Innsbruck, Austria, under the number 353435h. Its registered office is at Maria-Theresien-Straße 31, 6020 Innsbruck, Austria, and a branch office is registered at Freyung 3, 1010 Vienna, Austria.

2 Accounting methods

2.1 Basis of preparation of the consolidated financial statements

2.1.1 General information

These financial statements are generally based on historical cost, with the exception in particular of the properties measured at fair value (including such properties that have been classified as held for sale), financial instruments measured at fair value, and those assets and liabilities that may be measured at fair value as a hedged item in a fair value hedge.

Non-current assets held for sale and disposal groups — unless they relate to properties — are recognized at fair value less costs to sell provided this value is less than the carrying amount.

Individual items in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position are aggregated to improve clarity and informative value. These items are disclosed and explained separately in the notes. The consolidated income statement is prepared using the nature of expense method. All amounts are rounded to the nearest thousand euros (EURk) unless otherwise indicated. Rounding differences may occur when totaling rounded amounts and percentages through the use of automated calculation methods.

These consolidated financial statements will be presented to the Supervisory Board at its meeting on 23 March 2020. Following review by the Supervisory Board, the financial statements will be released in June for presentation to the Annual General Meeting and subsequent publication. The Supervisory Board may arrange for the consolidated financial statements to be amended as part of the review for which it is responsible.

2.1.2 Statement of compliance with IFRS

These consolidated financial statements of the SIGNA Prime Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU as of 31 December 2019, as well as the additional provisions of section 245a of the Austrian Commercial Code (*Unternehmens-gesetzbuch*, "UGB").

2.1.3 Consolidation principles

The consolidated financial statements comprise the financial statements of the SIGNA Prime Group, Innsbruck, and its subsidiaries as of 31 December 2019.

Uniform accounting policies apply to all Group companies. Options and judgments are exercised uniformly. All intragroup balances, income and expenses, and intercompany profits and losses are eliminated in full. The financial statements of the entities included during consolidation and of the joint ventures and associates accounted for using the equity method are prepared as of the reporting date. If financial statements with a different reporting date are included, the effects of significant transactions or other events that have occurred between the reporting date of the Group company and that of the SIGNA Prime Group are taken into account.

2.1.3.1 Consolidation

A subsidiary is an entity that is controlled by a parent. A subsidiary is included in the consolidated financial statements of the SIGNA Prime Group by way of consolidation from the date on which the Group obtains control of the subsidiary and until the date on which the Company loses control. Control is generally presumed based on voting rights if the direct or indirect interest in an investee is more than 50%.

If subsidiaries are acquired, it must be assessed whether they constitute a business as defined in IFRS 3. The assessment of the extent to which acquired investment property is a business as defined in IFRS 3 entails judgments and normally requires a detailed analysis of the processes and structures acquired, in particular with respect to asset and property management. In accordance with IFRS 3, if there is a business, this acquisition must be accounted for as a business combination using the acquisition method. Transaction costs are recognized as an expense. Deferred taxes are recognized on all temporary differences and impact the goodwill that arises as a technical accounting measure. If there is no business, the acquisition method may not be applied. In this case, the cost, including transaction costs, must be allocated to the assets acquired and liabilities assumed based on the fair values. No deferred taxes are recognized (initial recognition exemption); goodwill cannot arise in this case.

Changes in the equity interest in a subsidiary without loss of control are recognized as equity transactions.

Losses are also allocated to non-controlling interests if they result in a negative balance.

Upon loss of control over the subsidiary, the following postings are made:

- The assets (including goodwill) and liabilities of the subsidiary are derecognized.
- The carrying amount of the non-controlling interest in the former subsidiary is derecognized.
- The fair value of the consideration received is recognized.
- The fair value of the remaining equity interest is recognized.
- Gains and losses are recognized in the statement of profit or loss and other comprehensive income.
- The components of other comprehensive income attributable to the parent are reclassified to the statement of profit or loss and other comprehensive income, or if prescribed, to retained earnings.

2.1.3.2 Equity method

The Group’s interest in a joint venture or associate is accounted for using the equity method.

IFRS 11 makes a distinction between joint ventures and joint operations. The joint arrangements in which the SIGNA Prime Group has an interest are generally joint ventures. A joint venture is a joint arrangement in which the co-investors jointly control an entity and (only) have rights to that entity’s net assets.

Associates are entities over which the SIGNA Prime Group can exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, without exercising control or joint control. Generally, there is a (rebuttable) presumption of significant influence if the direct or indirect interest in an investee is more than 20%. Significant influence may also exist even if the shareholding is less than 20% due to possible influence based on company law (e.g., through supervisory board memberships).

Under the equity method, shares in associates or joint ventures are recognized at their cost on the acquisition date. Any excess of cost of the acquisition over the share of the fair value of the identifiable assets, liabilities, and contingent liabilities acquired is recognized as goodwill. Gains on a bargain purchase are recognized immediately in profit or loss. Goodwill is a component of the carrying amount of the equity investment and is not tested separately for indications of impairment. After initial recognition, the carrying amount of the investment is adjusted by the SIGNA Prime Group's share of the profit or loss and other comprehensive income of the equity-accounted investee until the date on which significant influence or joint control ceases. Intercompany profits and losses are eliminated in proportion to the share in the equity-accounted investee. Distributions received reduce the carrying amount of the interest.

The share of profit or loss of an associate or a joint venture is presented in the statement of profit or loss and other comprehensive income. This is profit attributable to shareholders and therefore profit after tax, excluding non-controlling interests.

The shares in investees accounted for using the equity method are tested for indications of impairment at each reporting date. If such indications exist, the interest is subjected to an impairment test in accordance with IAS 36.

2.1.4 Reporting date

The consolidated financial statements were prepared as of 31 December 2019. The fiscal year of all consolidated companies and companies accounted for using the equity method is the calendar year. As of 31 December 2019, no Group companies had a different reporting date.

The reporting date of the Kaufhof real estate companies, which was formerly set as 31 January, was changed to 31 December.

2.2 Changes in accounting policies

2.2.1 Published standards and interpretations applicable in the future

The following new or revised standards were applied by the SIGNA Prime Group for the first time in 2019. With the exception of IFRS 16, these standards did not have any material impact on the consolidated financial statements because they are merely clarifications. New standards and interpretations or amendments to existing standards are generally only implemented as of the date of mandatory application and generally not applied early.

Standard	Content	Effective date [1]
IFRS 16	Leases	1 Jan 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	1 Jan 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 Jan 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	1 Jan 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	1 Jan 2019
Improvements	Annual Improvements to IFRSs 2015–2017 Cycle	1 Jan 2019

[1] To be applied in fiscal years beginning on or after the indicated date.

IFRS 16 Leases

The SIGNA Prime Group applied IFRS 16 for the first time as of 1 January 2019. IFRS 16 requires lessees to recognize a right-of-use asset and a lease liability for outstanding lease payments. There are no differences for lessors compared to the previous procedure.

The SIGNA Prime Group has applied IFRS 16 using the modified retrospective approach and therefore has not restated comparative figures. The comparative figures are still presented in accordance with IAS 17 and IFRIC 4. Please see the consolidated financial statements as of 31 December 2018, with regard to lease accounting in accordance with IAS 17 and IFRIC 4.

For further details on lease accounting, please see Section 2.3.9.

Lessee

Upon transition to IFRS 16, lease liabilities were measured at the present value of the remaining lease payments and discounted using the incremental borrowing rate applicable to the respective company as of 1 January 2019. At the same time, right-of-use assets in the amount of the lease liabilities were recognized, with the result that the initial application of IFRS 16 had no effect on equity.

As an exemption in connection with initial application of IFRS 16, the SIGNA Prime Group exercised the option not to capitalize short-term and low-value leases, to exclude initial direct costs, and to determine the lease term retrospectively.

Lessor

The SIGNA Prime Group leases its investment properties; this concerns both owned properties and right-of-use assets. The Group has classified these leases as operating leases.

Impacts on the consolidated financial statements

The SIGNA Prime Group had the following lease liabilities on the transition date:

EURk	01 Jan 2019
Obligations from finance leases as of 31 Dec 2018	4,339
Lease liabilities as of 01 Jan 2019	**4,802**

2.2.2 Standards to be applied in the future

The following new or amended standards that have been published but whose application is not yet mandatory will be applied by the SIGNA Prime Group as of their effective date. With the exception of the amendments in connection with IFRS 3, no material effects on the consolidated financial statements are expected as they are merely clarifications.

Standard	Content	Effective date [1]
IFRS 17	Insurance Contracts	1 Jan 2021[2]
IFRS 3	Definition of a Business (Amendments to IFRS 3)	1 Jan 2020[2]
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7)	1 Jan 2020[2]
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	1 Jan 2020[1]
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	1 Jan 2020[1]

[1] Applicable in the EU in fiscal years beginning on or after the indicated date.
[2] Not yet adopted by the EU.

Definition of a Business (Amendments to IFRS 3)

The amendments to IFRS 3 clarify that, going forward, a business comprises a group of assets and a set of activities that include, at a minimum, a use of resources (input) and a substantive process that together significantly contribute to the production of an output. In addition, going forward, IFRS 3 includes an optional concentration test that is intended to permit a simplified identification of a business.

Thus far when acquiring properties, the SIGNA Prime Group has usually assessed that there is no business within the meaning of IFRS 3. The planned concentration test supports this assessment.

2.2.3 Restatement of prior period amounts

In the interest of an improved presentation, the SIGNA Prime Group presents its loans and borrowings, which were presented under financial liabilities in the previous year, separately as of 1 January 2019. This revised presentation resulted in an adjustment of prior period amounts.

The adjustment breaks down as follows:

		31 Dec 2018	
EURk	**As previously reported**	**Adjustments**	**Restated**
NON-CURRENT LIABILITIES			
Financial liabilities	4,259,855	-4,259,855	0
Loans and borrowings	0	4,255,791	4,255,791
Other financial liabilities	61,545	4,063	65,608
Other non-current liabilities	962,258	0	962,258
Total non-current liabilities	**5,283,657**	**0**	**5,283,657**
CURRENT LIABILITIES			
Financial liabilities	135,880	-135,880	0
Loans and borrowings	0	135,588	135,588
Other financial liabilities	0	292	292
Other non-current liabilities	716,580	0	716,580
Total current liabilities	**852,461**	**0**	**852,461**

2.3 Accounting policies

2.3.1 Investment property

Classification

The item Investment property includes properties (long-term portfolio properties, properties under development, and investment property under construction) that are held to generate rental income, for purposes of capital appreciation, or for an undetermined future use. Properties that are under construction and held for the aforementioned purposes, or whose future use is still uncertain are also recognized as investment property.

Development properties and investment property under construction are reclassified to long-term portfolio properties when the significant construction measures have been completed.

If at the start of the project, properties are constructed with an intent to sell, they are presented as inventory assets. Those properties that are occupied by the Company (e.g., in administration), are recognized under property, plant and equipment. Properties under construction are recognized based on their intended future use.

Properties are reclassified to the respective balance sheet item upon a change in use. If there is an intent to sell properties classified as investment property, they are classified as held for sale (IFRS 5). As a rule, a reclassification to "Non-current assets held for sale and disposal groups" is made if a disposal within the next year has been decided or is expected. A transfer from or to the investment property portfolio is also made at the commencement or end of owner occupation.

Some properties are mixed use — partially for generating rental income and capital appreciation and partially for administrative purposes. If these parts can be sold separately, the SIGNA Prime Group accounts for these parts separately. If a separation is not possible, the entire property is classified as investment property but only if the owner-occupied portion is less than 20% of the total recoverable rental income. Otherwise, the entire property is considered owner-occupied.

The classification of properties based on the aforementioned criteria is dependent on the basic business model and management's assessment prevailing as of the reporting date.

Measurement

Investment properties are recognized using the fair value model, in that the investment property is measured at fair value on each reporting date. Changes to the current carrying amount before remeasurement (fair value of the previous year plus subsequent/additional costs less subsequent purchase price reductions as well as effects from the deferred incentives) are recognized through profit or loss in the item Net gain (loss) from fair value adjustments.

Properties intended for sale in the ordinary course of business are measured at the lower of cost and net realizable value on each reporting date.

Investment subsidies are presented as a decrease in cost once there is a binding commitment. Currently, there is no owner-occupied investment property.

Borrowing costs are capitalized as part of the construction cost of properties if they are directly attributable to a qualifying asset. In this context, qualifying assets refer to those assets that require a substantial period of time to get ready for their intended use or sale. In cases in which debt capital was not raised directly for the acquisition of an individual qualifying asset, the pro-rata amount of the capitalizable general borrowing costs are allocated to the qualifying assets. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Determination of fair value

IFRS 13 requires assets and liabilities measured at fair value to be classified into three hierarchy levels (so-called fair value hierarchy) in accordance with the input factors used to measure fair value. Investment property is assigned to level 3 of the fair value hierarchy due to the various inputs flowing into the property valuation, which cannot be observed directly or indirectly on the market (see the following table on the material unobservable inputs).

In Austria, Germany, and Italy, an external measurement of the entire investment property portfolio was obtained from independent appraisers as of the 31 December 2019 reporting date.

The external valuations are made in accordance with the requirements of IFRS 13 and, for the most part, the standards defined by the Royal Institution of Chartered Surveyors (RICS) or, in some cases, the International Valuation Standards Committee (IVSC). RICS defines fair value as the estimated amount for which an asset or liability could be sold on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

The valuation technique applied by the appraiser in each case depends in particular on the stage of development and the type of use of a property.

Leased commercial properties, which account for the largest share of the SIGNA Prime Group's portfolio, are largely measured according to the investment method, in particular using the discounted cash flow method. These methods base the fair values on capitalized expected future rental income. In addition to the current contractual rents, including the lease expiration profile, additional parameters are determined and taken into account by the appraiser based on a qualified assessment, such as in particular the long-term market rent achievable from the property (ERV: Expected Rental Value) as well as capitalization and discount rates appropriate for the specific property.

In Austria, interest rates are largely stable compared to the previous year, ranging from 2.00% to 4.75% (previous year: 2.75% to 6.50%). Here, the majority of the properties are at an average of 3.57% (previous year: 4.02%, both values weighted). Similar interest rates can also be seen in Germany as the market is also considered to be more stable than average. Capitalization discount rates applied for Germany as of 31 December 2019, were between 3.00% and 8.50% (previous year: 2.75% and 7.00%).

The residual method is generally used for properties in the development and construction phase. In this method, the fair values are based on the calculated fair values after completion, less the expected expenses still to be incurred and a reasonable developer's profit. For properties that are nearing completion, the developer's profit deducted decreases in line with the reduced risk. Any risks are taken into account in the future rental rates and/or capitalization/discount rates, among others. The interest rates vary in particular depending on the general market behavior, as well as locations and types of use. The closer a project is to completion, the larger the share of actual figures or parameters derived from contractually agreed figures. After or shortly before completion, the properties are measured using the investment method (see above), taking into account the remaining work still outstanding.

The following table shows the material inputs for the measurement of long-term and development properties:

			31 Dec 2019
Material unobservable inputs	**Retail & hotel**	**Office**	**Mixed use**
Gross rent (EUR/m² per month)	23.48	29.03	58.77
Market rent (EUR/m² per month)	22.86	33.28	62.77
Vacancy rate	0.14%	3.20%	3.53%
Discount rate	5.90%	3.12%	4.50%
Capitalization rate	4.50%	3.15%	3.20%

			31 Dec 2018
Material unobservable inputs	**Retail & hotel**	**Office**	**Mixed use**
Gross rent (EUR/m² per month)	37.37	24.63	59.40
Market rent (EUR/m² per month)	37.50	28.03	63.70
Vacancy rate	0.30%	2.90%	3.90%
Discount rate	4.70%	5.10%	4.60%
Capitalization rate	3.70%	4.00%	3.30%

Interactions between inputs

The material inputs for portfolio buildings are the rents or rental rates, as well as interest rates (yields). Increasing rents (e.g., with a short supply and higher demand) would result in increasing market values. Conversely, falling rents decrease market values correspondingly.

Increasing yields (e.g., the market expects higher interest rates with increasing risk — oversupply, regional risks, etc.) would result in market values falling. Conversely, market values increase in correspondence to falling returns (e.g., higher market demand for such properties).

These two inputs have a greater effect — both positive and negative — when they occur together. In other words, increased demand for rental space with a concurrent increased market demand for such properties would result in market values rising even faster. Conversely, low demand for rental space and a concurrent subdued market demand would cause market values to fall even further.

For buildings under construction, construction costs are added as another material input. The market value of a property is essentially determined by the rental income and yields. New real estate projects are being planned and costed in this tense environment. In so doing, construction costs have a significant influence as an input in that the projected construction costs can change during the construction phase due to market conditions (e.g., scarcity of raw materials on the market) as well as due to planning (e.g., if subsequent modifications are necessary, unforeseeable impediments, etc.). This in turn has an impact on the profitability of the real estate project. These additional risks are reflected accordingly in the total construction costs by means of a developer's profit (risk/profit).

Valuation process

The SIGNA Prime Group commissions independent external real estate experts to prepare market value appraisals for all parts of its property portfolio and provides all the necessary documentation for this purpose. Following a visual inspection and clarification of any open questions, the experts prepare the draft appraisals. The drafts are reviewed for plausibility and completeness and then approved for final completion.

2.3.2 Property, plant and equipment

Property, plant and equipment is initially recognized at cost. In the SIGNA Prime Group, it is subsequently measured using the cost model and thus at cost less accumulated depreciation and impairment losses. If the reasons for a previously recognized impairment loss no longer exist, the impairment loss is reversed through profit or loss. When making the reversal, the carrying amount may not exceed the carrying amount that would have resulted if no impairment had been recognized in previous periods.

Subsequent costs are capitalized if it is probable that a resulting future economic benefit will flow to the Group and the costs can be measured reliably. Expenses for repairs and maintenance that are not significant replacement investments are expensed in the period in which they are incurred.

Finite-lived property, plant and equipment is depreciated on a straight-line basis based on the expected useful life. If there are indications that assets are impaired and the present values of future cash flows are below the carrying amounts, they are written down to the lower recoverable amount in accordance with IAS 36.

The expected useful life of operating and office equipment is mainly between three and ten years.

2.3.3 Intangible assets

Separately acquired intangible assets are measured at cost as of the acquisition date. Intangible assets with finite useful lives are generally amortized on a straight-line basis. The estimated useful lives and the amortization method are reviewed at the end of the reporting period and any changes are taken into account in subsequent measurement. If there are indications of impairment, intangible assets are subjected to an impairment test. If the carrying amount of the asset exceeds its recoverable amount, it is written down to the lower amount.

Goodwill from a business combination is initially recognized at cost. Goodwill arises from an excess of the consideration transferred over the identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment losses. It is not amortized, but instead tested for impairment at least annually in accordance with the provisions of IAS 36. The SIGNA Prime Group conducts the annual review of the recoverability of goodwill at year's end. A review is also conducted if events or circumstances indicate that the value could be impaired. For impairment testing purposes, goodwill is allocated to one or more of the Group's cash generating units ("CGU"), which are expected to benefit from the synergies of the combination. The recoverability of the goodwill is calculated by comparing the carrying amount of the corresponding CGU or CGUs with the recoverable amount. In the event of impairment, an impairment loss is recognized. Subsequent reversal of an impairment loss because the reasons for the impairment no longer apply is not permitted for goodwill.

2.3.4 Financial instruments

The accounting treatment of financial assets and financial liabilities is governed by IFRS 9, "Financial Instruments".

Recognition

Financial assets and financial liabilities are initially recognized at fair value. Transaction costs are recognized only if financial instruments are not measured at fair value through profit or loss ("FVPL"). Trade receivables are recognized at the transaction price.

Financial assets are derecognized when the contractual right to cash flows expires or is transferred. Financial liabilities are derecognized as soon as they have been repaid.

Classification

For purposes of classifying financial assets, IFRS 9 distinguishes between three categories of financial assets: financial assets measured at amortized cost (AC), those measured at fair value through other comprehensive income (FVOCI), and those measured at fair value through profit or loss.

Financial assets measured at amortized cost include those assets that are held within a business model whose objective is to hold these instruments in order to generate contractual cash flows. The cash flow criterion must also be met, which means that the cash flows collected are due solely to payments of principal and interest (SPPI) on the principal amount outstanding.

Other financial assets are measured at fair value through profit or loss.

For equity instruments that are not held for trading, there is a one-time option to measure these instruments at fair value through other comprehensive income, without subsequent reclassification to the consolidated income statement (FVOCI without recycling). Equity instruments are measured at FVPL within the SIGNA Prime Group.

Financial liabilities are measured at amortized cost. This excludes financial liabilities measured at FVPL, such as freestanding derivatives with a negative fair value.

Measurement

Financial assets are subsequently measured based on the classification above.

Financial assets carried at amortized cost are measured using the effective interest method. In addition, such assets are subject to the impairment provisions of IFRS 9.

In the SIGNA Prime Group, financial instruments measured at FVPL mainly include derivatives, shares in companies, and securities. Derivatives used in a hedging relationship (hedge accounting) are treated separately, as are shares in companies and fixed-income securities. The fair value option is not exercised within the SIGNA Prime Group.

IFRS 9 prescribes the expected credit loss model with respect to the impairment of financial assets. Under that model, either an impairment loss must be recognized in the amount of the credit losses expected to occur within the next twelve months, or an impairment loss must be recognized in the amount of the credit losses expected over the entire lifetime of the asset. The former is the case if the credit risk has not increased significantly since the initial recognition of the asset; the latter is the case if the credit risk has increased significantly since initial recognition, or if there are objective indications of impairment as a result of a default event.

The simplified approach is used for trade receivables that do not contain any significant financing components and optionally for lease receivables. The simplified approach provides for measurement of impairment losses at an amount equal to lifetime expected credit losses. The SIGNA Prime Group measures the amount of the credit losses expected from leases as the amount of the credit losses expected over the term of the lease.

Hedge accounting

The SIGNA Prime Group applies IFRS 9 for hedge accounting and has therefore not utilized the one-time option to continue to account for hedging transactions in accordance with IAS 39. The SIGNA Prime Group uses derivative financial instruments to reduce interest rate risks in particular.

Derivative financial instruments are recognized at fair value in accordance with IFRS 9. The gains or losses from derivative financial instruments for which a cash flow hedge relationship has been established are recognized in other comprehensive income and presented in the cash flow hedge reserve, if they are effective, until the realization date of the hedged underlying transaction. Any changes in profit or loss from the ineffectiveness of these derivative financial instruments are recognized in profit or loss. The SIGNA Prime Group does not apply fair value hedging.

Fair value

Please see Section 7.2 for the determination of the fair value of financial assets and financial liabilities.

2.3.5 Income taxes

Deferred taxes are determined in accordance with IAS 12. Accordingly, deferred tax assets and liabilities expected to be realized are recognized for temporary differences between the carrying amounts of assets and liabilities recognized in the consolidated financial statements and the carrying amounts of assets and liabilities for tax purposes. Deferred tax assets are recognized on loss carryforwards expected to be realizable in the future.

Deferred tax assets from deductible temporary differences and tax loss carryforwards, which exceed the deferred tax liabilities from taxable temporary differences are recognized only to the extent to which it is probable that sufficient taxable income will be available to realize the corresponding benefit.

Deferred tax assets and deferred tax liabilities are offset if these income tax assets and liabilities are levied by the same taxation authority and they relate to the same taxable entity or a group of different taxable entities that are assessed jointly for income tax purposes.

2.3.6 Other non-financial assets and liabilities

Other non-financial assets comprise primarily receivables from tax authorities, prepaid expenses, and accrued costs not yet settled. They are measured at cost less impairment losses.

Other non-financial liabilities essentially concern liabilities to tax authorities and social security carriers as well as current accruals for personnel expenses. They are measured at the date they arise at the amount corresponding to the expected outflow of resources. Upon subsequent measurement, revaluation gains or losses that may arise from new findings are recognized in profit or loss.

2.3.7 Cash and cash equivalents

Cash and cash equivalents comprise checks, cash on hand, and demand deposits at banks and are measured at their respective nominal amounts. For purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents defined above and short-term deposits.

2.3.8 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as “held for sale” if the related carrying amount is expected to be realized through a sales transaction and not from continued utilization. This is the case if the corresponding non-current assets and disposal groups are available for immediate sale in their present condition and a disposal is highly probable. This requires that the disposal transaction is expected to be completed within one year after such a classification. Disposal groups comprise assets that are expected to be disposed of as part of a single transaction and the related liabilities that are also intended to be transferred as part of the transaction. The loss of control over a consolidated subsidiary is considered to be equivalent to a disposal. In addition, subsidiaries that have been acquired solely with the intention to resell are presented as disposal groups.

Non-current assets and disposal groups classified as held for sale are generally recognized at the lower of the carrying amount and the fair value less costs to sell. This excludes investment properties, which continue to be measured using the fair value model, and loans and borrowings, which continue to be recognized at amortized cost.

2.3.9 Leases

Upon commencement of a lease, the SIGNA Prime Group analyzes the contract to determine whether it is or contains a lease. This is the case if the contract conveys the right to control the use of an identified asset for a specified period of time in exchange for consideration.

Lessee

An asset for the right of use granted and a lease liability are recognized at the commencement date. The right-of-use asset is initially recognized at cost. The cost corresponds to the initial measurement of the lease liability plus any initial direct costs.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of lease term if the asset is an item of property, plant and equipment. Right-of-use assets that are recognized in connection with investment properties are measured at fair value. In addition, the right-of-use asset is written down for impairment losses, if necessary, and adjusted for certain remeasurements of the lease liability.

Upon initial recognition, the lease liability is measured at the present value of the lease payments that have yet to be paid as of the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate of the lessee company is used.

The lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments linked to an index or (interest) rate, initially measured using the index or (interest) rate applicable as of the commencement date
- amounts expected to be payable under a residual value guarantee,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option,
- lease payments for an extension option if the Group is reasonably certain to exercise that option

The lease liability is measured at amortized cost using the effective interest method. It is remeasured if the future lease payments change due to a change in an index or (interest) rate or if the Group changes its assessment of the relevant parameters.

If such a remeasurement of the lease liability is made, the carrying amount of the right-of-use asset is adjusted accordingly. An adjustment is recognized in profit or loss if the carrying amount of the right-of-use asset is reduced to zero.

In the statement of financial position, the SIGNA Prime Group presents right-of-use assets that do not satisfy the definition of an investment property in property, plant and equipment, and lease liabilities in other financial liabilities.

The SIGNA Prime Group has entered into leasehold agreements [*Baurechtsverträge*; called "*Erbbaurechte*", (hereditary building rights) in Germany] as a leaseholder. The Group leases real estate and subleases it as investment property. These lease agreements are leases as defined in IFRS 16 and are capitalized.

These right-of-use assets (building rights) are recognized in the amount of the lease liability. The lease liability is measured at the present value of the lease payments, whereby the term (taking into account extension and termination options) and discount rate parameters play a significant role.

The fair value of the right-of-use asset is recognized in addition to the appraised value because the cash payments for the property rental are deducted from the cash flows on which the appraisal is based. Both components (the property and right-of-use asset) are presented as investment property.

The lease liability is measured at amortized cost using the effective interest method. There is an inverse relationship between the subsequent measurement of the right-of-use asset and the development of the carrying amount of the lease liability. Reductions in the right of use are recognized as fair value measurements in the consolidated income statement.

The option not to recognize right-of-use assets and lease liabilities for short-term leases has been exercised. The same applies to the option not to recognize leases whose underlying assets are of minor value. The Group recognizes the lease payments related to these leases as an expense on a straight-line basis over the lease term.

Lessor

The accounting policies under IFRS 16 applicable to lessors are the same as those in the comparative period.

2.3.10 Other provisions

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), provisions are recognized if there are legal or constructive liabilities to third parties as a result of past transactions or events, which will probably result in an outflow of economic benefits that can be reliably determined. They are recognized at the anticipated settlement amount taking into account all recognizable risks from the obligation and are not offset by any rights of recourse. The settlement amount with the highest probability of occurrence is assumed.

2.3.11 Segment reporting

Reportable operating segments are identified based on the information regularly used by the Company's chief operating decision maker with respect to decisions on the allocation of resources and the assessment of performance. The chief operating decision maker of the SIGNA Prime Group is the Management Board as a body. The Management Board oversees the individual properties, which have been combined into operating segments by region.

2.3.12 Revenue recognition

In accordance with IFRS 16 Leases, rental income is recognized on a straight-line basis over the term of the leases unless a different allocation is more appropriate. Incentive agreements such as rental exemptions, reduced rents for a specified period of time or one-time payments are components of the rental income. Therefore, for significant agreements, incentives are allocated on a straight-line basis over the expected total term. If lease agreements provide for regular adjustments over the term of ("graduated rents"), such adjustments are also recognized on a straight-line basis over the lease term. However, there is no allocation for inflation-related adjustments ("indexing"). The total term of lease agreements to which the total revenues are allocated on a straight-line basis includes the non-terminable periods, as well as additional periods for which the tenant can exercise an option with or without additional payments if it is sufficiently certain at the commencement of the least that the option will be exercised.

Contingent rental income, such as payments depending on the revenue of businesses, are recognized in profit or loss on the date they are identified. Partial payments received from tenants for early termination of the lease or payments for damage to the leased property are recognized as rental income when they arise.

Rental income is measured at the fair value of the consideration received or outstanding, less direct revenue reductions.

Apportioned operating costs incurred by the SIGNA Prime Group for properties let to third parties and which are passed on to the tenant are presented in the statement of profit or loss and other comprehensive income in the "Operating expenses" item under revenue.

Non-current deferred income received in advance (advance payments received, payments on account) is recognized at present value when received, and unwound during subsequent measurement using a market interest rate congruent with the term and risk. The unwinding amount is presented in the statement of profit or loss and other comprehensive income in the financial result.

Revenues from fees are recognized either at a point in time (e.g., acquisition fee) or over a period of time (e.g., rental fee).

Income from the disposal of properties is recognized in accordance with IFRS 5 Non-Current Assets Held for Sale.

2.3.13 Net gain (loss) from fair value adjustments

In accordance with IAS 40, investment properties are measured at fair value at each reporting date and measurement changes are generally presented as remeasurement gains or losses in the consolidated statement of profit or loss and other comprehensive income. If investment property is sold, the remeasurement gains or losses realized in the fiscal year to date are reclassified and presented as a net disposal gain or loss together with the other disposal gain or loss.

2.3.14 Material judgments, assumptions, and estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the recognition and measurement of the recognized assets and liabilities, income and expenses, as well as the disclosures in the notes to the financial statements. The future actual values may deviate from the estimates made. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Significant estimates and assumptions in the statement of financial position that relate to future transactions and which could result in significant adjustments to the carrying amounts of assets and liabilities in the next fiscal year are discussed below:

- Estimates of the economic useful lives of assets must be made when determining depreciation/amortization.
- When allocating the purchase price for business combinations, assets and liabilities must be identified and measured at fair value, which requires assumptions to be made.
- Goodwill acquired in connection with business combinations is allocated to cash generating units. An impairment test is performed at least annually. To that end, the recoverable amount is calculated, which requires assumptions for its determination.
- Valuation allowances on trade receivables and other financial assets require management to assess the creditworthiness of individual customers.
- Significant estimates are used in determining provisions with regard to the amount, probability of occurrence, and timing.
- The carrying amount of deferred tax assets is reviewed at each reporting date to determine whether it is still recoverable, i.e., whether future tax benefits can be realized.
- Management makes material judgments with regard to the basis of consolidation.

Property valuation

All valuations involve an estimate of the price that could be achieved in a transaction on the valuation date. These valuations are based on assumptions such as the existence of a regulated market in the region. Unforeseen macroeconomic or political changes can have significant impacts on the market. This can manifest as a major change in the supply or demand curve of real estate properties. Should the valuation date fall in the immediate aftermath of such an event, the data on which the valuation may be based may be disputed, incomplete or inconsistent, which inevitably affects the certainty attributable to the valuation.

The fair value of the SIGNA Prime Group's investment property is determined using appraisals prepared by independent experts. These appraisals are based on different calculation models, which in turn are based on assumptions and estimates with respect to a large number of parameters, some of which interact with each other in a complex manner. It cannot be excluded that a negative change in one or more of these assumptions or parameters could reduce the value of the properties, so that this could have a negative impact on the financial position, financial performance and cash flows. The appraisers and management estimate the assumptions and parameters applied prudently and as well as possible based on currently prevailing market conditions, and update them on each measurement date, which can result in considerable fluctuations in the value of the investment property. For sensitivity analysis purposes with regard to the effect of changes in a parameter on value, simplifying assumptions are made in order to represent possible changes (see Section 6.1).

Goodwill

The corporate valuation of SIGNA Real Estate Management GmbH and its subsidiaries is made using appraisals, which are prepared by an independent expert. This appraisal is based on different calculation models, which in turn are based on assumptions and estimates with respect to a large number of parameters, some of which interact with each other in a complex manner. It cannot be excluded that a negative change in one or more of these assumptions or parameters could reduce the value of the shares, and thus as a subsequent result, also reduce the value of goodwill, so that this could have a negative impact on the financial position, financial performance and cash flows. The appraisers and management estimate the assumptions and parameters applied prudently and as well as possible based on currently prevailing market conditions and update them on each measurement date (see Section 6.2).

3 Basis of consolidation

Changes in the basis of consolidation

Number of Group companies	Consolidated	At equity
Number as of 01 Jan 2018	**138**	**10**
Initial consolidations	44	64
Deconsolidations	-10	-3
Disposals through reorganizations	-6	0
Number as of 31 Dec 2018 = 01 Jan 2019	**166**	**71**
Initial consolidations	44	33
Deconsolidations	-28	-6
Disposals through reorganizations	-9	0
Change in consolidation method	77	-77
Number as of 31 Dec 2019	**250**	**21**

The companies included in the consolidated financial statements of the SIGNA Prime Group are presented in the list of shareholdings (see Section 12).

Initial consolidations

If the accounting provisions pursuant to IFRS 3, Business Combinations, are applicable to the acquisition of one or more entities as part of a share deal, the transaction is accounted for using the acquisition method. The consideration transferred in the form of costs is compared with the pro-rata fair value of the identifiable net assets acquired in order to determine any difference (goodwill). Such goodwill arises mainly as a technical accounting figure. The cash generating units essentially represent properties or groups of CGUs that benefit from synergies of the merger.

The SIGNA Prime Group’s real estate acquisitions generally do not constitute business combinations within the meaning of IFRS 3.

In the fiscal year, companies from the following projects were included for the first time as consolidated companies in the SIGNA Prime Group's basis of consolidation:

- Frankfurt, Opernplatz
- Hamburg, Collonaden 21+25
- Karstadt Wismar

The remaining initial consolidations concern entities that were recognized using the equity method in the previous year or were not included in the consolidated financial statements for materiality reasons (shelf companies), as well as companies newly established or acquired during the fiscal year.

Deconsolidations

The deconsolidations from the basis of consolidation concern companies from the following projects:

- Austria Campus, Vienna (building sites 7 and 39)
- Kaufhof D18

The consolidated companies include a company from the “Deutsche Börse” project that has been classified as held for sale in accordance with IFRS 5. The transaction was signed during the 2019 fiscal year; the closing is forecast for the beginning of 2020.

The assets and liabilities disposed of by the Group as a result of the disposal of the D18 Kaufhof portfolio are as follows:

EURk	31 Dec 2019
Investment property	621,869
Other assets	7,173
Assets	**629,042**
Non-current liabilities	265,446
Current liabilities	18,601
Liabilities	**284,047**

Reorganizations

Nine companies were removed from the basis of consolidation in the fiscal year through mergers or similar reorganization processes due to the streamlining of the organizational structure.

Change in consolidation method

Following the acquisition of the remaining 50% of the Kaufhof property portfolio, the companies previously accounted for at equity were included as consolidated companies in the SIGNA Prime Group’s consolidated financial statements for the first time as of 30 September 2019. This transaction is not an acquisition within the meaning of IFRS 3 and was therefore recognized as an acquisition of assets.

The assets and liabilities acquired in the transaction are comprised of the following:

EURk	30 Sep 2019
Investment property	3,896,798
Other assets	73,169
Assets	**3,969,967**
Non-current liabilities	1,850,632
Current liabilities	97,817
Liabilities	**1,948,449**

4 Segment report

The segments “Austria”, “Germany”, and “Other” comprise the property companies allocated to the particular country. The “Other” segment essentially encompasses the business activities in Italy. The activities of the holding company, SIGNA Prime Selection AG, and the activities of SIGNA Prime Capital Market GmbH and SIGNA Prime CM 2017 GmbH are included in the headquarters functions. The SIGNA REM business line (property management) was apportioned to “Germany”, “Austria”, and “Other”.

The segment information is generally based on the values determined in accordance with IFRS. The allocation of property companies to individual countries is based on the geographical territory of the property.

Dec 2019

in EURk	Austria	Germany	Other	Segments total	HQ functions	Elimination	Group
External revenues	85,442	222,481	1,040	308,964	877	0	309,840
Intersegment revenues	19,512	32,513	2,479	54,503	4,213	-58,716	0
Total revenues	**104,954**	**254,994**	**3,519**	**363,467**	**5,090**	**-58,716**	**309,840**
Operating profit	13,721	152,167	-6,733	159,155	59,602	0	218,757
Net gain (loss) from fair value adjustments	247,829	690,863	-5,380	933,312	0	0	933,312
EBIT (= segment result)	**261,550**	**843,030**	**-12,113**	**1,092,467**	**59,602**	**0**	**1,152,069**
Profit or loss from associates	0	180,001	0	180,001	0	0	180,001
Financial income	151	18,930	10,598	29,679	11	0	29,690
Financial costs	-25,616	-114,912	-1,784	-142,312	-149,511	0	-291,823
Profit before taxes	236,086	927,049	-3,300	1,159,835	-89,898	0	1,069,937
Income taxes	-65,875	-152,925	-8,437	-227,237	58,196	8,242	-160,799
Net profit for the year from continuing operations	**170,210**	**774,124**	**-11,737**	**932,598**	**-31,702**	**8,242**	**909,138**
Equity-accounted investees	0	34,268	0	34,268	0	0	34,268
Investments	24,178	4,466,400	46,378	4,536,956	0	0	4,536,956
Depreciation/fair value measurement	247,588	689,498	-5,480	931,605	0	0	931,605
Non-current assets	4,589,466	21,050,035	523,400	26,162,901	2,885,405	-15,640,851	13,407,455
Current assets	889,282	13,847,575	75,723	14,812,580	3,839,856	-17,431,354	1,221,082
Segment assets (Total assets)	**5,478,748**	**34,897,611**	**599,123**	**40,975,482**	**6,725,261**	**-33,072,205**	**14,628,538**
Non-current liabilities	1,250,695	5,847,856	126,792	7,225,343	1,761,211	-361,336	8,625,217
Current liabilities	601,093	15,620,631	99,449	16,321,173	1,690,026	-16,584,090	1,427,110
Segment liabilities (Total liabilities)	**1,851,788**	**21,468,487**	**226,241**	**23,546,516**	**3,451,237**	**-16,945,426**	**10,052,327**

Dec 2018

in EURk	Austria	Germany	Other	Segments total	HQ functions	Elimination	Group
External revenues	97,694	161,611	1,071	260,376	1,247	-23,733	237,889
Intersegment revenues	5,031	19,620	3,448	28,100	4,434	-32,533	0
Total revenues	**102,725**	**181,231**	**4,519**	**288,475**	**5,681**	**-56,267**	**237,889**
Operating profit	64,771	94,510	-2,171	157,110	-20,368	55,301	192,043
Net gain (loss) from fair value adjustments	16,300	309,759	-1,955	324,104	0	0	324,104
EBIT (= segment result)	**81,071**	**404,269**	**-4,126**	**481,214**	**-20,368**	**55,301**	**516,148**
Profit or loss from associates	0	189,300	0	189,300	0	1,106	190,406
Financial income	86,979	55,191	139	142,309	73,759	-193,429	22,639
Financial costs	-67,351	-226,025	-1,327	-294,704	-122,803	182,072	-235,434
Profit before taxes	100,699	422,735	-5,314	518,120	-69,412	45,050	493,758
Income taxes	-34,692	-108,520	1,554	-141,658	25,281	44,423	-71,954
Net profit for the year from continuing operations	**66,007**	**314,216**	**-3,761**	**376,462**	**-44,130**	**89,473**	**421,805**
Equity-accounted investees	23,530	864,794	0	888,324	0	0	888,324
Investments	198,371	1,320,858	263	1,519,492	0	0	1,519,492
Depreciation / fair value measurement	16,149	308,916	-2,482	322,583	0	0	322,583
Non-current assets	2,303,983	7,950,250	281,910	10,536,142	66,799	-671,408	9,931,533
Current assets	1,006,659	1,427,209	28,324	2,456,184	2,636,977	-4,120,495	972,667
Segment assets (total assets)	**3,310,642**	**9,377,459**	**310,234**	**12,992,327**	**2,703,776**	**-4,791,903**	**10,904,200**
Non-current liabilities	1,255,261	3,628,011	78,726	4,961,997	1,789,592	-410,758	6,340,831
Current liabilities	755,052	3,216,543	69,955	4,047,558	770,078	-3,726,357	1,091,279
Segment liabilities (total liabilities)	**2,010,313**	**6,844,554**	**148,680**	**9,009,556**	**2,559,670**	**-4,137,115**	**7,432,110**

5 Notes to the consolidated statement of profit or loss and other comprehensive income

5.1 Revenue

EURk	2019	2018
Rental income	244,452	189,196
Fees	23,979	27,805
Apportioned operating costs	25,895	17,247
Services	472	643
Other revenues	15,042	2,999
Revenue	**309,840**	**237,889**

Revenues were mainly generated in connection with the successful leasing of properties or parts of properties.

The fees include revenues of SIGNA REM Transaction GmbH from the successful leasing of non-Group properties as well as project development and property development fees, which the SIGNA Real Estate Management Group charges various companies outside the Group.

The rental income and apportioned operating costs break down by country as follows:

EURk	Rental income	Apportioned operating costs	Total
Germany	185,899	14,938	200,837
Austria	58,306	10,957	69,263
Italy	248	0	248
Total	**244,452**	**25,895**	**270,348**

5.2 Other operating income

EURk	2019	2018
Income from the disposal of investment properties	17,144	34,958
Carrying amounts of disposed investment properties	-10	216
Other operating income — third parties	37,952	26,014
Other operating income	**55,086**	**61,188**

Net income from the disposal of investment properties essentially includes gains on the sale of the Austria Campus building sites.

Other operating income includes the income of SIGNA Real Estate Management GmbH and SIGNA Real Estate Management Germany GmbH in the amount of EUR 24,647k (previous year: EUR 10,509k), as well as income from the reversal of provisions.

5.3 Operating expenses

EURk	2019	2018
Purchased services	-190	-148
Energy, heating, and cooling	-4,585	-3,343
Water supply	-887	-431
Operating costs	-2,092	-480
Property taxes	-3,349	-3,185
Waste disposal	-708	-332
Insurance	-966	-1,434
Technical services and telecommunications	-1,837	-1,590
Repairs and maintenance	-2,040	-2,923
Building management	-2,814	-2,851
Homeowner costs	-3,538	-4,614
Other purchased services	-5,452	-2,420
Operating expenses	**-28,460**	**-23,752**

5.4 Personnel expenses

EURk	2019	2018
Wages	-1,690	-1,210
Salaries	-26,323	-18,980
Expenses for post-employment benefits	-27	-220
Statutory social security contributions and compulsory contributions	-3,545	-2,689
Other social expenses	-61	-4
Personnel expenses	**-31,646**	**-23,102**

The personnel expenses include payments to the employee benefit fund of EUR 194k (previous year: EUR 247k).

5.5 Other operating expenses

EURk	2019	2018
Consulting expenses	-27,091	-19,316
Accounting and audit services	-2,765	-1,855
Marketing and sales	-13,178	-9,119
Management fee	-8,610	-6,624
Insurance	-2,044	-510
Operating expenses	-1,064	-320
General and administrative expenses	-13,909	-7,640
Other expenses	-13,416	-10,899
Other taxes and levies	-2,269	-2,375
Other operating expenses	**-84,346**	**-58,658**

The auditor expenses attributable to the 2019 fiscal year for the audit of the annual and consolidated financial statements, including the audit of the individual property companies, totaled EUR 345k (previous year: EUR 217k). Other assurance services were EUR 236k (previous year: EUR 29k) and other audit-related consulting services totaled EUR 123k (previous year: EUR 18k).

The consulting expenses are essentially attorneys' fees in connection with purchase and sale transactions. Sales and marketing expenses during the fiscal year were incurred in particular in connection with the disposal and leasing of properties. In addition to contributions and fees, the general and administrative expenses mainly include energy and rental expenses as well as costs for personnel provided.

5.6 Net gain (loss) from fair value adjustments

EURk	2019	2018
Gains from fair value adjustments	1,008,726	410,661
Losses from fair value adjustments	-75,414	-86,557
Net gain (loss) from fair value adjustments	**933,312**	**324,104**

5.7 Financial income

EURk	2019	2018
Income from equity investments	1,148	885
Interest income	28,467	19,247
Other financial income	74	622
Income from the disposal of long-term financial assets	0	1,884
Financial income	**29,690**	**22,639**

5.8 Financial costs

EURk	2019	2018
Interest expense — minimum interest on profit participation rights	-71,981	-61,343
Interest expense — Increase in asset value of profit participation rights	-3,126	-5,811
Interest expense on bonds	-23,366	-20,975
Interest expense to banks — senior loan	-93,861	-53,2017
Interest expense to banks — junior loan	-39,927	-38,232
Interest expense on finance leases	-1,347	184
Interest expense from derivative financial instruments	-5,022	-6,235
Other interest expenses (from financial instruments)	-6,949	-2,840
Other interest expenses and ancillary costs from financing	-34,524	-31,017
Impairment on other long-term financial assets	0	-145
Loss on the disposal of long-term financial assets	0	-1,350
Remeasurement loss on derivatives	-477	-105
Currency losses (financing)	-223	0
Other finance costs (from financial instruments)	-11,021	-13,529
Other finance costs (from non-financial instruments)	0	-828
Financial costs	**-291,823**	**-235,434**

5.9 Income taxes

EURk	2019	2018
Current tax expense	-14,117	-8,807
Current tax expense from prior periods	0	-52
Total current tax expense	**-14,117**	**-8,859**
Change in temporary differences	-202,082	-50,199
Utilization/recognition of loss carryforwards	55,400	-14,570
Tax income from prior periods	0	1,675
Deferred tax expense	**-146,682**	**-63,094**
Total tax expense	**-160,799**	**-71,954**

The following table shows a reconciliation of the expected tax expense to the total tax expense incurred in accordance with IFRS:

EURk	2019	2018
Profit before taxes	1,069,937	493,758
Tax rate	25.0%	25.0%
Expected tax expense	**-267,484**	**-123,440**
Income from equity investments	1,148	276
Equity accounting	45,000	47,547
Non-deductible expenses	-8,358	-7,764
Effects from the recognition of loss carryforwards	0	-332
Effect from different foreign tax rates	56,108	11,778
Effects from initial consolidation during the year	12,787	0
Other effects	0	-19
Total tax expense	**-160,799**	**-71,954**

6 Notes to the consolidated statement of financial position

6.1 Investment property

EURk	Long-term properties	Development properties (renovation)	Investment property under construction (new construction)	Investment property (total)
Balance as of 01 Jan 2018	**5,724,700**	**1,072,000**	**273,572**	**7,070,272**
Additions of real estate properties	1,096,475	291,612	6,212	1,394,299
Development of properties	17,986	9,682	14,161	41,830
of which construction costs	17,986	8,880	14,161	41,027
of which borrowing costs	*0*	803	*0*	803
Gain (loss) from the measurement of investment property	295,222	60,940	-6,516	349,645
Reclassifications	-377,700	377,700	0	0
Other changes	-36,423	34,666	0	-1,757
Balance as of 31 Dec 2018 = 01 Jan 2019	**6,720,260**	**1,846,600**	**287,430**	**8,854,290**
Additions of real estate properties	3,464,169	798,300	127,723	4,390,191
Development of properties	50,160	28,424	68,176	146,761
of which construction costs	*50,160*	*27,497*	*67,731*	*145,388*
of which borrowing costs	*0*	*927*	*446*	*1,373*
Gain (loss) from the measurement of investment property	485,768	277,273	132,771	895,812
Disposals of real estate properties	-775,376	0	0	-775,376
Reclassifications	-876,411	526,000	0	-350,411
Other changes	4,803	7,393	0	12,195
Balance as of 31 Dec 2019	**9,073,373**	**3,483,990**	**616,100**	**13,173,463**

Please see Section 3 with regard to the additions of real estate properties. Transfers to partner companies and reclassifications were made due to changes in project strategy and transfers between partner companies. In addition to the remeasurement gains shown in the previous table, remeasurement gains of EUR 37,500k (previous year: remeasurement losses of EUR -25,541k) were recognized in "Net gain (loss) from fair value adjustments" in connection with assets held for sale (IFRS 5).

In 2019, borrowing costs of EUR 1,373k were capitalized on investment properties (previous year: EUR 803k). The average interest rate applied in fiscal year 2019 was 2.37% ((previous year: 1.71%).

The direct operating expenses for investment properties were as follows:

EURk	2019	2018
Investment properties on which no rental income was generated during the reporting period	-7,835	-11,596
Investment properties on which rental income was generated during the reporting period	-20,435	-18,188
Total	**-28,270**	**-29,784**

The following table shows the sensitivity of the fair value of investment property to changes in significant inputs:

31 Dec 2019

Changes in fair values of long-term portfolio properties (in EUR million):

Input	**Parameter change**	**Increase in the parameter**	**Decrease in the parameter**
Gross rent	+/- 5%	353.7	-352.9
Market rent	+/- 5%	101.9	-101.8
Discount rate	+/- 1 percentage point	-877.0	926.0
Capitalization rate	+/- 1 percentage point	-1,443.4	2,471.8

Changes in fair values of development properties (in EUR million):

Input	**Parameter change**	**Increase in the parameter**	**Decrease in the parameter**
Construction costs	+/- 10%	-141.7	141.0

Changes in fair values of investment property under construction (in EUR million):

Input	**Parameter change**	**Increase in the parameter**	**Decrease in the parameter**
Construction costs	+/- 10%	-63.3	62.2

31 Dec 2018

Changes in fair values of long-term portfolio properties (in EUR million):

Input	**Parameter change**	**Increase in the parameter**	**Decrease in the parameter**
Gross rent	+/- 5%	193.7	-192.8
Market rent	+/- 5%	74.3	-71.1
Discount rate	+/- 1 percentage point	-471.0	521.9
Capitalization rate	+/- 1 percentage point	-978.5	1,740.4

Changes in fair values of development properties (in EUR million):

Input	**Parameter change**	**Increase in the parameter**	**Decrease in the parameter**
Construction costs	+/- 10%	-97.8	79.8

Changes in fair values of investment property under construction (in EUR million):

Input	**Parameter change**	**Increase in the parameter**	**Decrease in the parameter**
Construction costs	+/- 10%	-27.6	35.0

6.2 Intangible assets

EURk	Goodwill	Other intangible assets	Total
Cost			
Balance as of 01 Jan 2018	**146,432**	**4**	**146,436**
Other acquisitions	264	4,501	**4,765**
Balance as of 31 Dec 2018 = 01 Jan 2019	**146,696**	**4,505**	**151,201**
Other acquisitions	0	3	**3**
Reclassification	0	-4,210	**-4,210**
Balance as of 31 Dec 2019	**146,696**	**298**	**146,994**
Accumulated amortization and impairment losses			
Balance as of 01 Jan 2018	0	0	0
Impairment loss	0	0	0
Balance as of 31 Dec 2019 = 01 Jan 2019	**0**	**0**	**0**
Impairment loss	0	-74	-74
Balance as of 31 Dec 2019	**0**	**-74**	**-74**
Carrying amounts			
Balance as of 01 Jan 2018	146,432	4	146,436
Balance as of 31 Dec 2018 = 01 Jan 2019	146,696	4,505	151,201
Balance as of 31 Dec 2019	**146,696**	**224**	**146,920**

Goodwill is tested for impairment annually at year's end. An impairment test was conducted as of 31 December 2019. As of 31 December 2019, there were no indications that the CGU might be impaired.

The reclassification of other intangible assets concerns the presentation of the right-of-use asset of Ludwig Schirmer GmbH.

The Goodwill item concerns the acquisition of the SIGNA Real Estate Management Group as well as other acquisitions of companies by this group.

For the purpose of impairment testing, the goodwill of the SIGNA Real Estate Management Group is allocated to the Group’s CGUs (operating segments) as follows:

EURk	31 Dec 2019	31 Dec 2018
SIGNA Real Estate Management Group	**146,432**	**146,432**
of which Italian companies	13,353	13,353
Total	**146,432**	**146,432**

Goodwill is tested at the level of the CGU to which it was allocated by comparing the CGU’s carrying amount with its recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment exists and a write-down to the recoverable amount must be recognized.

The recoverable amount is the higher of the fair value less costs to sell and the value in use.

The value in use of a CGU is defined as the present value of future cash flows that will flow to the entity from the CGU.

An appropriate valuation model is used to determine the fair value less costs to sell. Both the value in use and the fair value less of costs to sell are generally based on discounted cash flow measurements.

The adjusted present value method (APV method) was used to measure the recoverable amount.

The key assumptions used in estimating the recoverable amount are set forth below:

Planning takes place at the level of the CGU and is based on historical experience and expectations with regard to the future market development. The measurement was based on a plan approved by management. The values assigned to the key assumptions represent management's assessment of future developments in the industry and are based on historical values from external and internal sources.

A two-phase model was used to measure the SIGNA REM Group. In the model, Phase I concerns the detailed planning period (2020–2024) and Phase II the growth phase (from 2025).

Significant inputs for the recoverable amount	**2019**	**2018**
Inflation	1.5%	1.00%
Cost of capital	6.54%	6.53%

In addition, the "Revenue" and "EBIT margin" inputs have significant impacts on the enterprise value of SIGNA Real Estate Management GmbH and its subsidiaries.

The values of the parameters used are based both on internal (historical values) and external sources of information (market data). For sensitivity analysis purposes with regard to the effect of changes in a parameter on value, simplifying assumptions are made in order to represent possible changes.

Both a higher risk-free interest rate and a higher beta factor lead to a lower enterprise value. Assuming a (cumulatively) higher risk-free interest rate (10 percentage points) and a higher beta factor (from 0.81 to 0.85), there is nevertheless no need to recognize an impairment loss for the recognized goodwill.

The impact of a change in the forecast fees (as a percentage of the volume of the total investment costs) combined with a change in the project volume was also analyzed. If the forecast fee income declines by 20% and the forecast total investment costs fall by about 18% at the same time, there is no need to recognize an impairment loss for the recognized goodwill in this scenario either.

6.3 Equity-accounted investees

The SIGNA Prime Group holds shares in a number of joint ventures which are individually not material. The aggregated carrying amount of these shares in joint ventures as of 31 December 2019, was EUR 34,268k (previous year: EUR 888,324k). The aggregated share of the net profit for the year and of total comprehensive income of these joint ventures was EUR 9,843k for 2019 (previous year: EUR 1,106k).

In total, the SIGNA Prime Group's share in the net profit for the year of all investees accounted for using the equity method was EUR 180,001k (previous year: EUR 190,406k). This income includes the measurement of the shares in the Kaufhof portfolio accounted for using the equity method up to 30 September 2019. The following table shows the SIGNA Prime Group's share in the net income of the Kaufhof portfolio accounted for at equity until 30 September 2019:

EURk	2019	2018
Revenue	166,019	15,255
Other operating expenses	-8,335	-2,615
Net gain (loss) from fair value adjustments	235,031	7,500
Financial costs	-34,263	-3,590
Income taxes	18,922	-2,458
Net profit for the year and total comprehensive income	377,374	14,091
SIGNA Prime Group's share in total comprehensive income	**188,687**	**7,046**
Other adjustments	-18,529	0
Share of the SIGNA Prime Group	**170,158**	**7,046**

Furthermore, various equity investments accounted for using the equity method hold non-controlling interests (NCI) in fully consolidated subsidiaries in the form of joint ventures. These holdings are presented in the consolidated financial statements based on the notional underlying economic ownership of the non-controlling interests (earnings and shares), and the earnings from and the shares in equity investments accounted for using the equity method are adjusted accordingly (look-through approach).

6.4 Financial investments

EURk	31 Dec 2019	31 Dec 2018
Shares in affiliated non-consolidated companies	13,355	1,272
Other shares in companies	3,960	15,081
Non-current securities	2,700	2,700
Financial investments	**20,015**	**19,053**

6.5 Receivables and other financial assets

The non-current receivables are comprised of the following:

EURk	31 Dec 2019	31 Dec 2018
Financial receivables due from associates	6,467	6,001
Financial receivables — other	809	6,660
Other non-current receivables	6,649	6,380
Positive fair values of derivatives	71	317
Receivables and other assets (non-current)	**13,996**	**19,358**

The current financial and non-financial assets are comprised of the following:

EURk	31 Dec 2019	31 Dec 2018
Financial receivables due from affiliated non-consolidated companies	1,189	2
Financial receivables due from associates	116,313	77
Other financial receivables	27,526	216
Financial receivables	**145,028**	**294**
Receivables from affiliated non-consolidated companies	0	151
Receivables due from associates	311	51
Trade receivables due from third parties	25,811	21,097
Operating receivables	**26,122**	**21,299**
Income tax receivables	4,093	2,695
Income tax receivables	**4,093**	**2,695**
Inventories	54	80
Current marketable securities	105	94
Receivables from other taxes	23,740	8,219
Prepaid expenses	3,653	9,627
Other receivables (financial)	287,819	414,391
Other assets	1,737	1,605
Other receivables and assets	**317,107**	**434,015**
Receivables and other assets (current)	**492,351**	**458,303**

The other receivables (financial) concern loans granted to various companies at arm's length. The Other financial receivables item essentially contains a prepayment.

6.6 Non-current assets held for sale

A subsidiary in the Deutsche Börse project is presented in the non-current assets held for sale. This subsidiary is in the Germany segment and will be sold within the next twelve months.

The non-current assets held for sale are presented at fair value less costs to sell and comprise the following assets and liabilities.

EURk	31 Dec 2019	31 Dec 2018
Investment property	350,411	295,500
Other assets	33,095	23,878
Assets held for sale	**383,506**	**319,378**
Financial liabilities	180,099	197,435
Deferred tax liabilities	27,719	10,153
Other liabilities	29,172	31,231
Non-current liabilities held for sale	**236,989**	**238,819**

A part of the Kaufhof portfolio acquired as of 30 September 2019, was acquired with the intention of subsequent disposal and was sold at the end of the fiscal year.

6.7 Deferred taxes

EURk Line item in the statement of financial position	31 Dec 2019 Deferred tax assets	31 Dec 2019 Deferred tax liabilities	31 Dec 2018 Deferred tax assets	31 Dec 2018 Deferred tax liabilities
Investment property	0	-657,072	0	-496,335
Other receivables	0	0	0	-84
Non-current assets held for sale	0	0	63	0
Loss carryforwards	170,930	0	97,769	0
Profit participation rights	801	0	2,030	0
Provisions	10,426	0	8,600	0
Financial liabilities	51,712	0	6,740	0
Other financial liabilities	0	0	2,585	0
Other liabilities	0	0	0	-388
Total	**233,868**	**-657,072**	**117,787**	**-496,807**
Offsetting	-233,868	233,868	-117,787	117,787
Total	**0**	**-423,204**	**0**	**-379,020**

Dividends by SIGNA Prime Selection AG to its shareholders do not give rise to tax consequences for SIGNA Prime Selection AG. In accordance with IAS 12.39, no deferred tax liabilities were recognized for temporary differences in connection with subsidiaries and associates because the profits will continue to be retained in the companies in question. Distributions from the Group companies to SIGNA Prime Selection AG are generally tax exempt.

Deferred taxes on tax loss carryforwards are recognized to the extent to which sufficient deferred tax liabilities are available. Moreover, sufficient taxable income will be available in the future, in particular due to the sale of properties.

6.8 Equity

The Company's share capital is EUR 63,853k (previous year: EUR 56,710k) and is divided into 63,852,751 no-par common shares (previous year: 56,709,893 no-par common shares). The shares are registered shares.

6.9 Profit participation rights

EURk	31 Dec 2019	31 Dec 2018
Nominal amount	1,019,300	1,024,300
Interest accrual	-6,141	-5,850
Increase in asset value	41,510	38,723
Total	**1,054,669**	**1,057,174**

SIGNA Prime Selection AG has placed the following profit participation rights in several tranches:

2011 tranche: Institutional investors participated in the 2011 tranche in the amount of EUR 309,300k and have the following significant terms and conditions:

- Subordination within the meaning of section 67 (3) of the Austrian Insolvency Statute (*Insolvenzordnung*, “InsO”) vis-à-vis all other liabilities, pari passu to other profit participation capital,
- Term until 31 December 2020, with two renewal options by the issuer, each time for one year; special termination right of the issuer and extraordinary termination right of holders of profit participation certificates,
- A minimum profit share of 6%, provided that the following profit share requirements are satisfied, payable in each case after adoption of the annual financial statements:
    - profit share is covered by the net income for the fiscal year,
    - the payment does not result in an accumulated deficit and is covered by the distributable unappropriated profit for the fiscal year,
    - existence of a minimum liquidity reserve,
- Minimum profit shares not paid out are carried forward and compensated with 6% compound interest,
- Loss absorption after the issuer's equity has been charged first and utilized by net annual losses,
- At the time of settlement, the holders of the profit participation rights are entitled to a maximum total yield of 8% interest (cap) provided that this is covered by the increase in asset value including the “hidden reserves” in the property portfolio (share of increase in asset value),
- The full amount of the current minimum profit share, which is due for payment after the adoption of the annual financial statements, was recognized as a liability for 2016. The minimum profit shares of previous years were each paid in full,
- Assuming that the minimum profit shares are serviced on an ongoing basis and that the increase in asset value occurs in full, a total of EUR 51,701k will be due for payment as of 31 December 2020, in addition to the principal.

In 2017, an amount of EUR 100,000k was refinanced, reducing the volume of this tranche to EUR 209,300k. An additional EUR 25,000k was refinanced in 2019, leaving a volume of EUR 184,300k as of 31 December 2019.

2014 7%-tranche: Profit participation certificates in the amount of EUR 50,000k were successfully placed in 2014. These are profit participation certificates with a 7% senior profit participation certificate yield, with no provision for an increase in the asset value component. The other significant terms and conditions are the same as those of the 2011 tranche. The term of these profit participation certificates ends on 31 December 2023, with the issuer having two options to extend the term by one year in each case.

2015 7%-tranche: Profit participation certificates in the amount of EUR 255,000k were successfully placed in 2015. These are profit participation certificates with a 7% senior profit participation certificate yield, with no provision for an increase in the asset value component. The other terms and conditions are the same as those of the 2011 tranche. The term of these profit participation certificates ends on 31 December 2024, with the issuer having two options to extend the term by one year in each case.

Additional profit participation certificates in the amount of EUR 45,000k from this tranche were placed in 2016. In 2017, an amount of EUR 100,000k of this tranche was refinanced, reducing the volume of this tranche to EUR 200,000k.

2016 6%-tranche: Profit participation certificates in the amount of EUR 245,000k were successfully placed in 2016. These are profit participation certificates with a 6% senior profit participation certificate yield, with no provision for an increase in the asset value component. The other terms and conditions are the same as those of the 2011 tranche. The term of these profit participation certificates ends on 31 December 2026, but not earlier than 31 December 2019, due to special termination rights of the issuer. In 2017, an amount of EUR 100,000k of this tranche was refinanced, reducing the volume of this tranche to EUR 145,000k.

2017 7%-tranche: In 2017, profit participation certificates in the amount of EUR 100,000k each from the 2011, 2015, and 2016 tranches were refinanced to this 2017 tranche for a total of EUR 300,000k. These are profit participation certificates with a 7% senior profit participation certificate yield, with no provision for an increase in the asset value component. The other terms and conditions are the same as those of the 2011 tranche. The term of this tranche ends on 31 December 2037.

2018 6%-tranche: Profit participation certificates in the amount of EUR 20,000k were successfully placed in 2018. These are profit participation certificates with a 6% senior profit participation certificate yield, with no provision for an increase in the asset value component. The other terms and conditions are the same as those of the 2011 tranche. The term of these profit participation certificates ends on 31 December 2028, with the issuer having two options to extend the term by one year in each case.

2018 5%-tranche: In addition, profit participation certificates in the amount of EUR 100,000k were successfully placed in 2018. An additional EUR 157,000k were placed in 2019. These are profit participation certificates with a 5% senior profit participation certificate yield, with no provision for an increase in the asset value component. With the exception of the increase in asset value component, the other conditions are the same as those of the 2011 tranche. The term of these profit participation certificates ends on 31 December 2021.

The 2018 tranche was withdrawn on 30 December 2019.

2019 6%-tranche: In addition, profit participation certificates in the amount of EUR 120 million were successfully placed in 2019. These are profit participation certificates with a 6% senior profit participation certificate yield, with no provision for an increase in the asset value component. With the exception of the increase in asset value component, the other conditions are the same as those of the 2011 tranche. The term of these profit participation certificates ends on 31 December 2029.

6.10 Capital management

The objective of the SIGNA Prime Group's capital management is to maintain a strong capital base so that a yield for the shareholders is achieved that is commensurate with the Company's risk profile, the future development of the Company is promoted, and other stakeholders are also served. In so doing, care is always taken to ensure that the Group companies' equity capital meets local requirements. In the fiscal year all capital requirements in this regard were met.

Management considers equity to include both equity under IFRS as well as the subordinated profit participation rights. The adjusted equity ratio is used for internal management purposes, which takes the profit participation rights into account.

Financial policy requirements result in particular from the covenants contained in financing agreements, which typically consist of an interest cover ratio (ICR) and a debt cover ratio (DCR). The loan-to-value (LTV) ratio is also a decisive factor. All covenants of all existing financing agreements were complied with as of the 31 December 2019, and 31 December 2018, reporting dates.

Core elements of corporate management are the economic equity and net asset value (NAV), which is confirmed annually by an independent expert. The SIGNA Prime Group calculates NAV based on the Best Practices Recommendations (BPR) issued by the European Public Real Estate Association (EPRA). Accordingly, NAV should reflect the fair value of the assets and liabilities within an ongoing real estate investment company with a long-term investment strategy. Assets and liabilities that are not realized under normal circumstances, such as derivatives and deferred taxes, are excluded from the calculation. Since the SIGNA Prime Group uses the fair value model in accordance with IAS 40, the carrying amounts already correspond to the fair value, and no fair value adjustments are required. The calculation is inverse, starting from the equity of the owners of the Company plus derivatives and deferred taxes.

The calculation of economic equity, NAV, LTV, and the equity ratio is presented in the following tables.

Net Asset Value (NAV)

EURk	31 Dec 2019	31 Dec 2018
Total equity	4,722,728	3,472,090
Less: Non-controlling interests	-456,482	-200,316
Equity (owners of the Company)	**4,266,245**	**3,271,774**
Derivatives	301,258	58,868
Deferred taxes	446,878	379,020
Net Asset Value (NAV) as per EPRA	**5,014,381**	**3,714,001**
Number of shares	63,852,751	56,709,893
Net asset value per share (EUR)	**78.53**	**65.49**

Economic Equity

EURk	31 Dec 2019	31 Dec 2018
Net Asset Value (NAV) as per EPRA	5,014,381	3,714,001
Non-controlling interests	456,482	200,316
Profit participation rights including interest liabilities	1,115,850	1,118,516
Economic Equity	**6,586,714**	**5,032,833**

Loan to Value (LTV)

EURk	31 Dec 2019	31 Dec 2018
Bonds	716,500	517,000
Liabilities to banks	6,033,961	4,391,379
Liabilities to banks under IFRS 5	178,543	197,435
Total liabilities to banks	**6,929,004**	**5,105,814**
Total equity and liabilities (gross asset value)	15,012,044	10,904,200
Loan to Value (LTV)	**46%**	**47%**

Equity Ratio

EURk	31 Dec 2019	31 Dec 2018
Total equity	4,722,728	3,472,090
Profit participation rights	1,054,669	1,057,174
Adjusted equity including profit participation rights	**5,777,397**	**4,529,263**
Total equity and liabilities (gross asset value)	15,012,044	10,904,200
Equity ratio	**31%**	**32%**
Adjusted equity ratio including profit participation rights	**38%**	**42%**

6.11 Financial liabilities

EURk	31 Dec 2019	31 Dec 2018
Bonds	**716,500**	**517,000**
Loans and borrowings	**5,508,237**	**4,255,791**
Lease liabilities	74,291	4,063
Negative fair values of derivatives	301,329	59,185
Other financial liabilities	0	2,360
Other financial liabilities	**375,620**	**65,608**
Non-current financial liabilities	**6,600,357**	**4,838,399**
Loans and borrowings	**525,724**	**135,588**
Lease liabilities	3,415	276
Financial liabilities to affiliated non-consolidated companies	495	17
Financial liabilities to associates	67	0
Other financial liabilities	**3,978**	**292**
Current financial liabilities	**529,702**	**135,880**

SIGNA Prime Capital Market GmbH issued a bond (ISIN: AT0000A0WPF1) with a par value of EUR 150,000k during the 2012 fiscal year. The issue price was 100% of the par value. The bond matures on 10 October 2022, and bears interest at a rate of 4.5% per annum. A partial repayment of EUR 9,000k was made in 2018.

SIGNA Prime CM 2017 GmbH issued a bond (ISIN: AT0000A1X101) with a par value of EUR 175,000k during the 2017 fiscal year. The issue price was 100% of the par value. The bond matures on 15 August 2047, and bears interest at a rate of 4% per annum. In 2018, the bond was increased by EUR 60,000k to EUR 235,000k. There was an additional increase totaling EUR 80,000k in 2019. Payment of amounts due under the bonds is irrevocably and unconditionally guaranteed to the holders by SIGNA Prime Selection AG.

SIGNA Prime CM 2017 GmbH issued a bond (ISIN: AT0000A21PP7) with a par value of EUR 50,000k during the 2018 fiscal year. The issue price was 100% of the par value. The bond matures on 30 April 2047, and bears interest at a rate of 3.5% per annum. Payment of amounts due under the bonds is irrevocably and unconditionally guaranteed to the holders by SIGNA Prime Selection AG.

SIGNA Prime CM 2017 GmbH issued a bond (ISIN: AT0000A25AV8) with a par value of EUR 20,000k during the 2018 fiscal year. The issue price was 100% of the par value. The bond matures on 30 November 2029, and bears interest at a rate of 3.25% per annum, payable annually and in arrears on 30 November. Payment of amounts due under the bonds is irrevocably and unconditionally guaranteed to the holders by SIGNA Prime Selection AG. An additional EUR 19,500k was subscribed in the 2019 fiscal year.

München, Alte Akademie I Immobilien GmbH & Co KG, München, Alte Akademie II Immobilien GmbH & Co KG, and München, Alte Akademie III Immobilien GmbH & Co KG jointly issued a bond with a par value of EUR 71,000k during the 2018 fiscal year. The issue price was 100% of the par value. The bond matures on 30 June 2024, and bears interest at a rate of 7.32% per annum, payable in arrears on the final maturity date. In 2019, the bond was transferred at the same par value and the same conditions to München, Alte Akademie I Beteiligung A S.à r.l. and München, Alte Akademie I Beteiligung B S.à r.l.

SIGNA Prime CM 2019 S.C.S. issued a bond with a par value of EUR 100,000k during the 2019 fiscal year. The issue price was 100% of the par value. The bond matures on 30 April 2024, and bears interest at a rate of 1.5% per annum, payable in arrears at the end of each calendar quarter. Payment of amounts due under the bonds is irrevocably and unconditionally guaranteed to the holders by SIGNA Prime Selection AG.

Change in liabilities from financing activities

EURk	Bonds	Profit participation rights	Non-current financial liabilities	Current financial liabilities	Other non-current financial liabilities	Lease liabilities	Total
Balance as of 31 Dec 2018	**517,000**	**1,057,174**	**4,259,855**	**137,359**	**61,545**	**4,339**	**6,037,271**
Proceeds from borrowings	*199,500*	*277,000*	*2,771,218*	*0*	*0*	*0*	**3,247,718**
Repayments of borrowings	*0*	*-25,000*	*-2,249,312*	*0*	*0*	*-276*	**-2,274,588**
Change in other financial liabilities	*0*	*0*	*0*	*-83,701*	*239,785*	*0*	**156,084**
Cash flows from financing activities	**199,500**	**252,000**	**521,905**	**-83,701**	**239,785**	**-276**	**1,129,213**
Changes from the acquisition or disposal of subsidiaries or other businesses	0	0	1,120,677	81,950	0	73,513	**1,276,140**
Changes in fair value	0	2,787	0	0	0	0	**2,787**
Accrual of interest	0	-292	0	0	0	130	**-162**
Reclassification — IFRS	0	0	-394,200	394,200	0	0	**0**
Other changes	0	-257,000	0	0	0	0	**-257,000**
Balance as of 31 Dec 2019	**716,500**	**1,054,669**	**5,508,237**	**529,809**	**301,329**	**77,706**	**8,188,250**

EURk	Bonds	Profit participation rights	Non-current financial liabilities	Current financial liabilities	Other non-current financial liabilities	Lease liabilities	Total
Balance as of 01 Jan 2018	**325,000**	**932,281**	**2,861,424**	**733,941**	**49,120**	**4,802**	**4,906,577**
Proceeds from borrowings	*201,000*	*120,000*	*1,019,201*	*0*	*0*	*0*	**1,340,201**
Repayments of borrowings	*-9,000*	*0*	*-113,317*	*0*	*0*	*-278*	**-122,595**
Change in other financial liabilities	*0*	*0*	*0*	*-596,783*	*12,425*	*0*	**-584,357**
Cash flows from financing activities	**192,000**	**120,000**	**905,884**	**-596,783**	**12,425**	**-278**	**633,249**
Changes from the acquisition or disposal of subsidiaries or other businesses	0	0	492,546	191	0	0	**492,737**
Changes in fair value	0	38,723	0	0	-0	0	**38,723**
Accrual of interest	0	-33,831	0	0	0	-184	**-34,015**
Balance as of 31 Dec 2018	**517,000**	**1,057,174**	**4,259,855**	**137,359**	**61,545**	**4,339**	**6,037,271**

6.12 Provisions

The provision of EUR 41,853k (previous year: EUR 34,400k) was established for a matter in connection with an onerous contract. In addition, a provision of EUR 8,000k was established for the first time for litigation risks from a current proceeding.

6.13 Leases

Lessee

The SIGNA Prime Group holds investment properties in the form of a right of use. The Group also leases an item of property, plant and equipment that was previously classified as a finance lease.

The following amounts were recognized in the income statement:

EURk	2019
Leases in accordance with IFRS 16	
Interest expense on lease liabilities	1,347

EURk	2018
Operating leases in accordance with IAS 17	
Leasing expenses	184

Cash outflows for leases in the amount of EUR 1,663k were recognized in the cash flow statement.

The maturity analysis of undiscounted contractual lease payments is as follows:

EURk	31 Dec 2019	31 Dec 2018
Due within 1 year	6,291	284
Due in 1 to 5 years	23,691	1,327
Due after 5 years	83,895	4,176
Total	**113,877**	**5,787**

Lessor

The SIGNA Prime Group leases its investment properties. From the lessor's perspective, all leases are classified as operating leases because they do not transfer substantially all the risks and rewards incidental to ownership.

In 2019, the Group recognized lease income of EUR 244,452k (previous year: EUR 189,196k).

The following table shows the undiscounted lease payments to be received after the reporting date.

EURk	2019
Operating leases in accordance with IFRS 16	
Due within 1 year	349,951
Due in 1 to 2 years	347,158
Due in 2 to 3 years	348,716
Due in 3 to 4 years	343,620
Due in 4 to 5 years	341,046
Due after 5 years	5,069,446
Total	**6,799,937**

EURk	2018
Operating leases in accordance with IAS 17	
Due within 1 year	198,883
Due in 1 to 5 years	757,544
Due after 5 years	2,849,387
Total	**3,805,814**

The majority of the agreements are concluded for specified periods. The future payments are generally indexed.

6.14 Other liabilities

EURk	31 Dec 2019	31 Dec 2018
Other non-current accruals	398	0
Other non-current liabilities (financial)	380,880	31,820
Other non-current liabilities (non-financial)	663	17
Non-current purchase price liabilities	115,194	0
Non-current other liabilities	**497,135**	**31,837**
Liabilities to affiliated non-consolidated companies	0	11
Liabilities to associates	1,021	688
Trade payables due to third parties	26,367	25,672
Operating liabilities	**27,388**	**26,371**
Liabilities from accruals for personnel expenses	4,254	2,429
Liabilities relating to social security and similar obligations	11	156
Liabilities from other taxes	9,996	27,138
Accrued expenses and deferred income	20,277	7,129
Other liabilities (financial)	241,901	562,097
Other liabilities (non-financial)	1,254	1,038
Other financial liabilities	107	1,723
Liabilities from profit participation certificates	476,182	61,343
Purchase price liabilities –- current	28,473	0
Liabilities from bonds	17,096	0
Other liabilities	**799,550**	**663,051**
Current other liabilities	**826,938**	**689,423**

The other liabilities (financial) essentially include payments already received for a future assignment of shares, accrued liabilities, as well as liabilities from contractual completion obligations for a transferred project.

In addition to liabilities for current interest payments, the liabilities from profit participation certificates also include the already agreed repayment of the 2018–2021 profit participation right tranche.

7 Disclosures on financial instruments

7.1 Carrying amounts, fair values, and recognition approach for financial instruments

The following table shows the measurement category pursuant to IFRS 9 and the carrying amounts for each class of financial assets and financial liabilities:

ASSETS EURk	Measurement category pursuant to IFRS 9	31 Dec 2019	31 Dec 2018
Non-current financial assets			
Shares in affiliated non-consolidated companies	FVPL	13,355	1,272
Other shares in companies	FVPL	3,960	15,081
Fixed-interest securities and bonds	AC	2,700	2,700
Financial receivables due from associates and joint ventures	AC	6,467	6,001
Other financial receivables	AC	809	6,660
Other non-current receivables	AC	6,649	6,380
Positive fair values — derivatives	FVPL	71	317
Current financial assets			
Financial receivables due from affiliated non-consolidated companies	AC	1,189	2
Financial receivables due from associates and joint ventures	AC	116,313	77
Other financial receivables	AC	27,526	216
Receivables from affiliated non-consolidated companies	AC	0	151
Receivables due from associates	AC	311	51
Trade receivables due from third parties	AC	25,811	21,097
Other current marketable securities	FVPL	105	94
Other receivables (financial)	AC	287,819	414,391
Cash and cash equivalents	AC	728,732	188,611

FVPL: Measured at fair value through profit or loss
AC: Measured at amortized cost

EQUITY AND LIABILITIES EURk	Measurement category pursuant to IFRS 9	31 Dec 2019	31 Dec 2018
Non-current financial liabilities			
Bonds	FLAC	716,500	517,000
Profit participation rights	FLAC	1,054,669	1,057,174
Liabilities to banks	FLAC	5,508,237	4,255,791
Negative fair values of derivatives	Hedge accounting	301,329	59,185
Other financial liabilities	FLAC	0	2,360
Other liabilities (financial)	FLAC	380,880	31,820
Purchase price liabilities	FLAC	115,194	0
Current financial liabilities			
Liabilities to banks	FLAC	525,724	135,588
Financial liabilities to affiliated non-consolidated companies	FLAC	495	17
Financial liabilities to associates	FLAC	67	0
Liabilities to affiliated non-consolidated companies	FLAC	0	11
Liabilities to associates	FLAC	1,021	688
Trade payables due to third parties	FLAC	26,367	25,672
Other liabilities (financial)	FLAC	241,901	562,097
Other financial liabilities	FLAC	107	1,723
Liabilities from profit participation certificates	FLAC	476,182	61,343
Purchase price liabilities	FLAC	28,473	0
Liabilities from bonds	FLAC	17,096	0

FLAC: Financial liabilities measured at amortized cost
FVOCI: Measured at fair value through other comprehensive income

7.2 Fair value and fair value hierarchy of financial assets and liabilities

In the SIGNA Prime Group, the determination of fair value is based on observable market inputs to the extent possible. Based on the inputs utilized in the valuation techniques, the fair values are classified to different levels in the fair value hierarchy:

- Level 1: This level concerns quoted prices in active markets (unadjusted) for identical assets or liabilities. In the SIGNA Prime Group, securities in the FVPL category (at fair value through profit or loss) are allocated to this level.

- Level 2: This level is for observable inputs for the asset or liability that either direct (i.e., as a price) or indirect (i.e., derived from prices) that are not quoted prices under Level 1. Financial derivatives are normally allocated to this level. The fair value of these financial derivatives is calculated using the discounted cash flow method by discounting the expected future cash flows and using option pricing models, taking into account current market inputs (exchange rates, interest rates, volatilities). If significant, the counterparty risk is taken into account by means of credit valuation adjustments and debit valuation adjustments.

- Level 3: This level is for inputs used for the asset or liability that are not based on observable market inputs (unobservable inputs). All profit participation certificates and liabilities to banks, which are measured at amortized cost, are allocated to this level. The fair value of these financial instruments is determined using the discounted cash flow method by discounting future expected cash flows. The measurement takes into account inputs observable on the market (interest rates, exchange rates) and inputs not observable on the market (own credit risk).

If the inputs used to determine the fair value of a financial asset or a financial liability can be classified within different levels of the fair value hierarchy, the measurement at fair value is categorized in its entirety to the level of the fair value hierarchy that corresponds to the lowest input that is significant to the entire measurement.

Reclassifications between the levels are recognized at the end of the reporting period in which the change occurred. There were no reclassifications between the individual levels during the fiscal year.

7.2.1 Carrying amounts, fair values, and fair value hierarchy of financial assets and liabilities measured at fair value

EURk	Level	Carrying amount 31 Dec 2019	Fair value 31 Dec 2019
Shares in affiliated non-consolidated companies	3	13,355	13,355
Other shares in companies	3	3,960	3,960
Positive fair values of derivatives	2	71	71
Other current marketable securities	1	105	105
Negative fair values of derivatives	2	301,329	301,329

EURk	Level	Carrying amount 31 Dec 2018	Fair value 31 Dec 2018
Shares in affiliated non-consolidated companies	3	1,272	1,272
Other shares in companies	3	15,081	15,081
Positive fair values of derivatives	2	317	317
Other current marketable securities	1	94	94

7.2.2 Carrying amounts, fair values, and fair value hierarchy of financial assets and liabilities not measured at fair value

For items becoming due in the short term, management assumes that the carrying amount is a reasonable approximation of the fair value. Therefore, the fair values of these financial instruments are not disclosed in the following tables.

The following table compares the carrying amounts of financial instruments recognized in the statement of financial position with their fair values. For financial receivables and other financial liabilities, the fair value corresponds to the carrying amount, because these are instruments with standard market interest rates and counterparties with high creditworthiness.

EURk	Level	Carrying amount 31 Dec 2019	Fair value 31 Dec 2019
Non-current financial assets			
Fixed-interest securities	1	2,700	2,735
Financial receivables due from associates	3	6,467	6,467
Financial receivables — other	3	809	809
Other non-current receivables	3	6,649	6,649
Non-current financial liabilities			
Bonds	3	716,500	896,149
Profit participation rights	3	1,054,669	1,070,952
Liabilities to banks	3	5,508,237	5,842,221
Other liabilities (financial)	3	380,880	380,880
Purchase price liabilities	3	115,194	115,194

EURk	Level	Carrying amount 31 Dec 2018	Fair value 31 Dec 2018
Non-current financial assets			
Fixed-interest securities	1	2,700	2,763
Financial receivables due from associates	3	6,001	6,001
Financial receivables — other	3	6,660	6,660
Other non-current receivables	3	6,380	6,380
Non-current financial liabilities			
Bonds	3	517,000	698,099
Profit participation rights	3	1,057,174	1,056,230
Liabilities to banks	3	4,255,791	4,713,793

7.3 Net gains or losses from financial instruments

The net gains or losses from financial instruments broken down by their measurement category under IFRS 9 are summarized in the table below. Gains are indicated by a plus sign and losses by a minus sign.

EURk	Dividends	Interest income	Interest expense	Fair value measurement	Disposal	Adjustments	2019 Total
AC	0	28,467	0	0	0	-644	27,823
FVPL	1,148	0	0	-477	0	0	671
FLAC	0	0	-275,080	0	0	0	-275,080
Hedging instruments	0	0	-5,022	-242,144	0	0	-247,167
Net gain or loss	**1,148**	**28,467**	**-280,102**	**-242,702**	**0**	**-644**	**-493,752**

EURk	Dividends	Interest income	Interest expense	Fair value measurement	Disposal	Adjustments	2018 Total
AC	0	19,104	0	0	1,984	-2,151	18,937
FVPL	885	143	0	-13,984	-1,450	0	-14,406
FLAC	0	0	-213,242	0	0	0	-213,242
Hedging instruments	0	0	-6,235	-56,885	0	0	-63,120
Net gain or loss	**885**	**19,247**	**-219,477**	**-70,869**	**534**	**-2,151**	**-269,680**

AC: Financial assets measured at amortized cost
FVPL: Financial assets measured at fair value through profit or loss
FLAC: Financial liabilities measured at amortized cost

8 Financial risk management and collateral

8.1 Principles of financial risk management

With respect to its assets, liabilities, firm commitments, and forecast transactions, the SIGNA Prime Group is subject in particular to risks from changes in creditworthiness, interest rates, exchange rates, and other market prices, as well as in the solvency of business partners. In addition, liquidity risks also play a significant role.

The goal of financial risk management at the SIGNA Prime Group is to limit and systematically manage all financial risks. To this end, derivative and non-derivative hedging instruments are used, or other appropriate measures are taken depending on the assessment of the risk. Derivative financial instruments are generally used as hedging instruments.

The operating and strategic range of actions permitted for financial risk management are set or updated at least annually by the Management Board and are continuously monitored. Operating financial risk management is the responsibility of the Corporate Finance department and the finance departments of the operating units of the SIGNA Prime Group.

8.2 Credit risks (credit or creditworthiness risks)

The SIGNA Prime Group has no significant concentrations of credit risk vis-à-vis unrelated entities.

Credit risks are taken into account by means of loss allowances. The maximum credit risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The credit risk for receivables is low for the SIGNA Prime Group as the creditworthiness of debtors is constantly monitored. Historically, defaults have been corresponding low. Hedging transactions are entered into only with counterparties with high creditworthiness to reduce the credit risk from derivatives with positive fair values. For these reasons, the Management Board is of the opinion that the SIGNA Prime Group is not exposed to any significant credit risks as of the reporting date.

The non-current financial assets are neither impaired nor past due owing to the high creditworthiness of the debtors.

The following table lists the current financial assets that are subject to the impairment provisions of IFRS 9. The only class of financial assets that has experienced impairment is the class of operating receivables. The operating receivables include trade receivables and receivables from leasing. With respect to impairment, operating receivables are classified using the simplified approach. The SIGNA Prime Group therefore continues to present credit risk in the usual form.

EURk	31 Dec 2019	31 Dec 2018
Financial receivables	**145,028**	**294**
of which neither impaired nor past due	*145,025*	*294*
of which past due and not impaired	*3*	*0*
over 90 days past due	*3*	*0*
Operating receivables	**26,122**	**21,299**
of which neither impaired nor past due	*24,908*	*20,628*
of which impaired	*879*	*420*
of which past due and not impaired	*336*	*251*
up to 30 days past due	*205*	*38*
31 to 60 days past due	*0*	*50*
61 to 90 days past due	*6*	*73*
over 90 days past due	*125*	*90*
Other receivables and assets	**287,819**	**414,391**
of which neither impaired nor past due	*287,784*	*414,391*
of which impaired	*0*	*0*
of which past due and not impaired	*35*	*0*
up to 30 days past due	*35*	*0*

Other receivables and assets include other financial receivables (from loans or purchase price receivables). The loss allowances on operating receivables were determined in accordance with IFRS 9. The loss allowances for operating receivables were measured using the simplified approach. The expected credit losses for financial assets in Stage 2 (alternatively: with a significant increase in credit risk since the acquisition date) are negligible. As in previous years, the information on the loss allowances is based on a provision matrix.

The loss allowances on operating receivables (level 3) developed as follows:

EURk	31 Dec 2019	31 Dec 2018
Balance at the beginning of the period	1,230	14,033
Additions	644	2,151
Reversal	-134	0
Utilization	0	-14,954
Balance at the end of the period	**1,741**	**1,230**

The loss allowances in accordance with IFRS 9 are presented under other expenses within the statement of profit or loss and other comprehensive income.

With regard to the portfolio of trade receivables and other receivables that are neither impaired nor in default, as of the reporting date there were no indications that the debtors will fail to meet their payment obligations.

8.3 Liquidity risks

A key objective of financial risk management within the SIGNA Prime Group is to ensure solvency and financial flexibility at all times. The SIGNA Prime Group uses equity and loans for short- and medium-term financing. Long-term financing is generally provided by equity, profit participation certificates, and loans.

Due to its high liquidity reserves, the Management Board is of the opinion that the SIGNA Prime Group is not exposed to any significant liquidity risks as of the reporting date.

For additional information with regard to the individual financial risk exposures, as well as their origin, management, and measurement, please see the corresponding disclosures in the notes on financial instruments.

The contractually stipulated (undiscounted) interest and principal payments of primary and derivative financial instruments are comprised as follows

Interest and principal payments

in EURk	31 Dec 2019	2020		2021–2024		from 2025	
	Carrying amount	Interest	Principal	Interest	Principal	Interest	Principal
Profit participation rights	1,054,669	67,769	0	222,085	275,810	335,998	778,859
Bonds	716,500	15,498	0	61,864	312,000	298,560	404,500
Liabilities to banks	6,033,961	146,134	525,724	359,312	2,518,200	948,764	2,990,037
Lease liabilities	77,706	9	3,415	9,503	14,463	24,034	59,828
Operating liabilities	27,388	0	27,388	0	0	0	0
Other liabilities	1,260,394	12,822	766,387	63,981	494,007	0	0
Total	**9,170,619**	**242,231**	**1,322,914**	**716,745**	**3,614,480**	**1,607,356**	**4,233,224**

in EURk	31 Dec 2018	2019		2020–2023		from 2024	
	Carrying amount	Interest	Principal	Interest	Principal	Interest	Principal
Profit participation rights	1,057,174	71,173	0	216,339	359,300	340,399	697,874
Bonds	517,000	23,623	0	88,039	141,000	74,466	376,000
Liabilities to banks	4,391,396	116,758	298,343	336,600	1,584,015	962,921	2,509,038
Lease liabilities	4,339	9	276	126	1,202	1,314	2,861
Operating liabilities	26,371	0	26,371	0	0	0	0
Other liabilities	694,889	29,471	663,069	0	31,820	0	0
Total	**6,691,169**	**241,034**	**988,059**	**641,104**	**2,117,337**	**1,379,100**	**3,585,773**

All financial instruments that were held at the reporting date and for which payments were already contractually stipulated have been included. Forecast figures for future new liabilities are not included. Foreign currency amounts were translated using the spot rate on the reporting date. The variable-interest payments from financial instruments were determined based on the interest rates most recently fixed prior to the reporting date. Financial liabilities repayable when called are always allocated to the earliest maturity band.

8.4 Market risk

8.4.1 Currency risks

The SIGNA Prime Group's foreign currency risk (transaction risk) can generally be classified as low, in particular due to the low balance of financial assets and liabilities subject to foreign currency risk, payments made predominantly made in functional currency, and the financing structure. If transactions are made in foreign currency, the risk management guidelines require complete hedging of the foreign currency exposure.

8.4.2 Interest rate risks

The SIGNA Prime Group's interest rate risks essentially result from non-current interest-bearing financing measures (in particular bank loans). To limit interest rate risks, the Corporate Finance department regularly determines the composition of fixed and variable rate financial assets and liabilities.

Exposures to interest rate risk are hedged if they significantly impact the Group's cash flows or fair values. Taking into account the existing and forecast financial position, the Corporate Finance department primarily uses interest rate options and interest rate swaps to adjust interest rates accordingly. The interest rate difference between hedging transactions and hedged items (loans) is recognized as an adjustment to interest expense. As a result of natural risk equalization and hedging measures taken, the SIGNA Prime Group was exposed to interest rate risks on the reporting date, which essentially result from primary financial instruments with variable-interest rates (cash flow risk).

Sensitivity analyses were carried out for the interest rate risks from these financial instruments, which show the effects of hypothetical changes in market interest rates on earnings (after taxes) and equity. The balances as of the reporting date were used as a basis. The analyses assumed that the risk as of the reporting date essentially represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, the analysis assumed that all other variables, in particular exchange rates, remain constant.

Individual Group companies have conducted refinancing in past fiscal years. The capital structure has thus been significantly improved in terms of the maturity profile and costs of and adapted to the long-term holding horizon of the investments. As an alternative to interest rate swaps, fixed-interest loans were agreed to a significant extent. The goal here is to further optimize hedging against changes in interest rates, while on the other hand, to secure the current favorable interest rate level over the long term.

The following table shows the effects of a possible change in interest rates on the net profit for the year (after taxes) and equity:

EURk **Increase in interest rate level by 50 bps**	**31 Dec 2019**	**31 Dec 2018**
Net profit for the year after taxes	-11,882	-7,274
Cash flow hedge reserve	96,150	92,523
Consolidated equity	84,268	85,249

EURk **Decline in interest rate level by 50 bps**	**31 Dec 2019**	**31 Dec 2018**
Net profit for the year after taxes	11,904	7,302
Cash flow hedge reserve	-109,168	-107,458
Consolidated equity	-97,264	-100,156

A fundamental revision and reform of the key benchmark interest rates is underway worldwide. There is uncertainty about the timing and procedure for replacing the IBOR interest rates (offered interbank rates) with alternative interest rates.

As a result of these uncertainties, significant judgments are included in the assessment as to whether selected hedging relationships that hedge the variability of exchange rates or interest rate risks from expected changes in IBOR interest rates can still be recognized using hedge accounting as of 31 December 2019. The IBOR will continue to be used as a benchmark interest rate in the financial markets and for measuring instruments with maturities beyond the forecast end date of the IBOR. The Group therefore believes that the current market structure supports the continuation of hedge accounting for these transactions as of 31 December 2019.

8.4.3 Other market price risks

In addition to currency and interest rate risks, the SIGNA Prime Group is also exposed to other price risks (such as price risks from securities held in its own portfolio), which are of minor significance overall.

8.5 Derivatives and hedging

The SIGNA Prime Group has entered into hedging transactions to hedge against interest rate risk. Only variable-interest financial liabilities have been designated as hedged items. Only interest rate swaps have been designated as hedging instruments. There is no ineffectiveness. The interest rate hedges have a maximum term until 2045.

Interest rate risks		**Financial liabilities**
EURk	**2019**	**2018**
Hedging instruments		
Carrying amount	-301,258	-59,185
Notional amount	1,499,750	1,558,337
Cash flow hedge reserve	-241,267	-47,167
Balance sheet items		Other financial liabilities
Hedging losses (-) or gains (+) in OCI	-242,144	-56,885

The cash flow changes of the underlying transactions resulting from changes in the reference interest rates are offset by the cash flow changes of the interest derivatives. The hedging measures are aimed at transforming the variable-interest financial liabilities in question into fixed-interest financial liabilities and thus to limit the amount of interest expense.

8.6 Offsetting of financial assets and liabilities

The SIGNA Prime Group concludes derivatives in accordance with Austrian and German master agreements for financial futures transactions and master netting agreements (master agreements) of the International Swaps and Derivative Association (ISDA). Generally, the amounts due pursuant to such agreements from each counterparty on a single day with respect to all outstanding transactions in the same currency are aggregated into a single net amount payable by one party to the other. In certain cases, for example, if there is a default, all outstanding transactions under the agreement are terminated, the value for termination is determined, and only a single net amount is payable to settle all transactions.

The SIGNA Prime Group does not carry out any offsetting in the statement of financial position pursuant to IAS 32 because there is normally no net settlement of several transactions in ordinary operating activities.

8.7 Collateral and restrictions on disposal

The individual Group companies usually provide collateral for the loan liabilities in connection with project financing. Financing is normally provided individually at the project level, each company or each property must cover the current debt service.

The terms, nature, and extent of the collateral is stipulated individually (for each company and property) and are dependent on the project volume, amount, and term of the loan liability.

As in the previous year, all liabilities to banks are secured by real estate. This is typical collateral for a real estate investment company. Specifically, the following collateral has been given.

Mortgages/liens on real estate: In total, there are registered mortgages and mortgage certificates that can be registered in the land register (*intabulationsfähige Pfandbestellungsurkunden*) totaling EUR 6,716,980k (previous year EUR 4,794,942k), whereby not all mortgage certificates have actually been registered in the land register.

The following additional collateral was also provided:

- Liens
- Collateral assignments
- Attachments of claims
- Attachment of accounts
- Credit collateral guarantees
- Assignment of insurance claims

9 Related party disclosures

The following entities and individuals are considered to be related parties of the SIGNA Prime Group:

- Entities that exercise a significant influence on the SIGNA Prime Group and its subsidiaries (Category 1)
- Associates and joint ventures, including their subsidiaries (Category 2)
- Non-consolidated subsidiaries (Category 3)

The following tables show intercompany transactions with related parties:

The following transactions (income: "+", expenses: "-") took place during the reporting period and the following outstanding balances (receivable: "+", liability: "-") existed with related parties at the end of the fiscal year:

	Transactions		**Outstanding balances**	
EURk	**31 Dec 2019**	**31 Dec 2018**	**31 Dec 2019**	**31 Dec 2018**
Entities that exercise a significant influence on the SIGNA Prime Group and its subsidiaries	1,976	3,696	5,796	258,802
Associates and joint ventures, including their subsidiaries	2,094	426	123,284	10,102
Non-consolidated subsidiaries and other	246	125	-743	-488

10 Governing bodies and employees

Average number of employees

	2019	2018
Salaried employees	189	144

The **Management Board** of SIGNA Prime Selection AG is composed of the following individuals:

DI Christoph Stadlhuber (Chairman), born 8 September 1967, since 13 December 2012, representative authority together with another member of the Management Board or an authorized signatory (Prokurist)

Mag. Manuel Pirolt, born 10 October 1983, since 19 June 2013, representative authority together with another member of the Management Board or an authorized signatory (Prokurist)

Timo Herzberg, born 4 May 1976, since 1 January 2017, representative authority together with another member of the Management Board or an authorized signatory (Prokurist)

Tobias Sauerbier, born 14 July 1977, since 1 March 2019, representative authority together with another member of the Management Board or an authorized signatory (Prokurist)

The following individual acted as an **authorized signatory (Prokurist)** during the fiscal year:

Bernhard Jost, born 7 October 1973, since 28 April 2015, representative authority together with another member of the Management Board

The **Supervisory Board** of SIGNA Prime Selection AG consists of the following members:

Dr. Alfred Gusenbauer, born 8 February 1960 (Chairman)

Dr. Karl Stoss, born 26 November 1956 (Deputy Chairman)

Dr. Matthias Cordier, born 13 February 1981 (member) since 18 July 2019

Robert Peugeot, born 25 April 1950 (member) since 18 July 2019

Dr. Susanne Riess, born 3 January 1961 (member)

Dr. Jürgen-Johann Rupp, born 3 November 1956 (member) since 18 July 2019

Dr. Helmut Linssen, born 21 June 1942 (member) until 18 July 2019

KR Karl Samstag, born 3 December 1944 (member)

Dr. Karl Sevelda, born 31 January 1950 (member)

Rainer de Backere, born 13 August 1942 (member)

11 Events after the reporting period

At the beginning of February 2020, SIGNA Prime, together with a strategic partner, acquired the Globus property portfolio in the most important cities in Switzerland. The properties — seven Globus department stores and a hotel — are located in prime locations in Zürich, Basel, Bern, and St. Gallen. The transaction is expected to be completed in the second quarter of 2020.

At the end of 2019, the SIGNA Prime Group sold 50% of the shares in 30 properties in the Kaufhof portfolio to an investor. The closing is planned for the first half of 2020. The corresponding advance payment of EUR 150,000k is recognized in the consolidated financial statements for 2019.

Innsbruck, 11 March 2020

The Management Board

DI Christoph Stadlhuber | Mag. Manuel Pirolt

Timo Herzberg | Tobias Sauerbier

12 List of shareholdings

The companies listed below are held either directly by SIGNA Prime Selection AG or through its subsidiaries.

The following companies are included in the consolidated financial statements of SIGNA Prime Selection AG as of 31 December 2019:

Company	Registered office	Equity interest 2) %	Consoli-dation method 1)
Affiliated companies:			
Kaufhaus Tyrol GmbH	Vienna	100.0	CO
SPS Ibk. Zentrum Immo Holding GmbH	Vienna	100.0	CO
SPS Ibk. Zentrum Immo Management GmbH	Vienna	100.0	CO
Ludwig Schirmer GmbH & Co OG	Vienna	100.0	CO
SPS Ibk. Zentrum Immo Beteiligung GmbH & Co KG	Vienna	100.0	CO
Objekt Anichstraße 1 GmbH & Co OG	Vienna	100.0	CO
Renngasse 2 Immobilien GmbH	Vienna	100.0	CO
Am Hof 2 Immobilien GmbH	Vienna	100.0	CO
Am Hof 2 Penthouse GmbH	Vienna	100.0	CO
Kratochwjlestraße 4 Beteiligung GmbH	Vienna	100.0	CO
Kratochwjlestraße 4 Management GmbH	Vienna	100.0	CO
Kärntner Straße 11 Beteiligung GmbH	Vienna	100.0	CO
Kärntner Straße 11 Management GmbH	Vienna	100.0	CO
Kärntner Straße 11 Immobilien GmbH & Co OG	Vienna	100.0	CO
Kärntner Straße 11 Inter GmbH & Co KG	Vienna	100.0	CO
Graben 19 Beteiligung GmbH	Vienna	100.0	CO
Graben 19 Immobilien GmbH	Vienna	100.0	CO
Tuchlauben Immobilien GmbH	Vienna	100.0	CO
SIGNA Prime Capital Market GmbH	Vienna	100.0	CO
SIGNA Prime CM 2017 GmbH	Vienna	100.0	CO
Immobilienprojekte BOZEN GmbH	Vienna	100.0	CO
Viva Virgolo S.R.L.	Bolzano	100.0	CO
BZ.Immo G.m.b.H.	Bolzano	100.0	CO
WALTHERPARK A.G.	Bolzano	100.0	CO
Venedig Beteiligung S.R.L.	Bolzano	100.0	CO
Mariahilfer Straße 38-40 Immobilien GmbH	Vienna	100.0	CO
Georg-Coch-Platz Beteiligungs GmbH	Vienna	100.0	CO
Georg-Coch-Platz Management GmbH	Vienna	100.0	CO
Georg-Coch-Platz Immobilien GmbH & Co OG	Vienna	100.0	CO
SIGNA Prime Assets GmbH	Vienna	100.0	CO
SIGNA Prime GmbH & Co OG	Vienna	100.0	CO
SIGNA Prime Capital Invest GmbH	Vienna	100.0	CO
SIGNA Prime Capital Invest GmbH & Co OG	Vienna	100.0	CO
SIGNA Prime CENSI GmbH	Vienna	100.0	CO
Mariahilfer Straße 32 Management GmbH	Vienna	100.0	CO
Mariahilfer Straße 32 Holding GmbH	Vienna	100.0	CO

1) CO = consolidated; EQ = entity accounted for using the equity method; NC = non-consolidated entity
2) The interest held in indirect equity investments was calculated from the Group's perspective.

Company	Registered office	Equity interest 2) %	Consoli-dation method 1)
Mariahilfer Straße 32 Immobilien GmbH & Co OG	Vienna	100.0	CO
Mariahilfer Straße 32 Beteiligung GmbH & Co KG	Vienna	100.0	CO
Mariahilfer Straße 10-18 Beteiligung S.à r.l.	Senningerberg	100.0	CO
Mariahilfer Straße 10-18 Co-Invest S.à r.l.	Senningerberg	100.0	CO
Mariahilfer Straße 10-18 Immobilien GmbH	Vienna	100.0	CO
SIGNA Real Estate Management GmbH	Vienna	100.0	CO
Shopping Center Services GmbH	Innsbruck	100.0	CO
SIGNA REM Beteiligung GmbH	Vienna	100.0	CO
SIGNA REM Beteiligungs GmbH & Co OG	Vienna	100.0	CO
SIGNA REM Transactions GmbH	Vienna	100.0	CO
SIGNA Real Estate Management Germany GmbH	Munich	100.0	CO
SIGNA REM Germany Rent GmbH	Munich	100.0	CO
SIGNA RE Transactions Management GmbH	Munich	100.0	CO
SIGNA RE Transactions GmbH & Co. KG	Munich	100.0	CO
SIGNA REM ITALIA G.M.B.H.	Bolzano	100.0	CO
SIGNA Mönckeberg Beteiligung GmbH	Vienna	100.0	CO
Mönckebergstraße 2-4 Beteiligung S.à r.l.	Senningerberg	100.0	CO
Upper Zeil Beteiligungs Holding GmbH	Vienna	100.0	CO
München, Alte Akademie Holding S.à r.l.	Senningerberg	94.9	CO
München, Alte Akademie I Management GmbH	Munich	94.9	CO
München, Alte Akademie I Beteiligung A S.à r.l.	Senningerberg	94.9	CO
München, Alte Akademie I Beteiligung B S.à r.l.	Senningerberg	94.9	CO
München, Alte Akademie Immobilien GmbH & Co. KG	Munich	94.9	CO
AOC Holding GmbH	Vienna	100.0	CO
AOC Fünf Beteiligung GmbH	Vienna	100.0	CO
AOC Fünf Management GmbH	Vienna	100.0	CO
AOC Sechs Beteiligung GmbH	Vienna	100.0	CO
AOC Sechs Management GmbH	Vienna	100.0	CO
AOC Sieben Beteiligung GmbH	Vienna	100.0	CO
AOC Sieben Management GmbH	Vienna	100.0	CO
AOC Acht Beteiligung GmbH	Vienna	100.0	CO
AOC Acht Management GmbH	Vienna	100.0	CO
AOC Neununddreißig Beteiligung GmbH	Vienna	100.0	CO
AOC Neununddreißig Management GmbH	Vienna	100.0	CO
SIGNA sechs 2017 Prime GmbH	Vienna	100.0	CO
SIGNA Prime 2017 drei Holding GmbH	Vienna	100.0	CO
BER Rankestraße 8 Beteiligung GmbH	Vienna	100.0	CO
Rankestraße 8 Verwaltungs GmbH	Berlin	94.9	CO
München, Bahnhofsplatz 7 Holding S.à r.l.	Senningerberg	100.0	CO
München, Bahnhofsplatz 7 Beteiligung S.à r.l.	Senningerberg	94.9	CO
München, Bahnhofplatz 7 Management GmbH	Munich	94.9	CO
München, Bahnhofplatz 7 Immobilien GmbH & Co. KG	Munich	94.9	CO
SPS Primus Holding GmbH	Vienna	100.0	CO
Upper West Beteiligungs Holding GmbH	Vienna	100.0	CO
Upper West Verwaltungs S.à r.l.	Senningerberg	100.0	CO

1) CO = consolidated; EQ = entity accounted for using the equity method; NC = non-consolidated entity
2) The interest held in indirect equity investments was calculated from the Group's perspective.

Company	Registered office	Equity interest [2] %	Consoli-dation method [1]
Upper West Invest S.C.S.	Senningerberg	99.0	CO
Upper West Holding S.à r.l.	Senningerberg	99.0	CO
Upper West Beteiligung 1 S.à r.l.	Senningerberg	99.0	CO
Upper West Beteiligung 2 S.à r.l.	Senningerberg	99.0	CO
Upper West Beteiligung 3 S.à r.l.	Senningerberg	99.0	CO
Upper West Beteiligung 4 S.à r.l.	Senningerberg	99.0	CO
Upper West Beteiligung 5 S.à r.l.	Senningerberg	99.0	CO
Upper West Management GmbH	Munich	99.0	CO
Upper West Immobilien GmbH & Co. KG	Cologne	93.1	CO
Hamburg, Alsterarkaden Immobilien GmbH & Co. KG	Munich	100.0	CO
Hamburg, Alsterarkaden Management GmbH	Munich	100.0	CO
Hamburg, Kaufmannshaus Immobilien GmbH & Co. KG	Munich	100.0	CO
Hamburg, Kaufmannshaus Management GmbH	Munich	100.0	CO
Upper Zeil Invest S.C.S.	Senningerberg	99.0	CO
Hamburg, Alsterarkaden Beteiligung S.à r.l.	Senningerberg	100.0	CO
Upper Zeil Verwaltungs S.à r.l.	Senningerberg	100.0	CO
Upper Zeil Beteiligungs GmbH	Munich	99.0	CO
Upper Zeil Immobilien GmbH	Munich	94.0	CO
Hamburg, Kaufmannshaus Beteiligung S.à r.l.	Senningerberg	100.0	CO
SIGNA Prime Luxemburg S.à r.l.	Senningerberg	100.0	CO
Kaufhaus Immobilien Holding A S.à r.l.	Senningerberg	100.0	CO
Premium Kaufhaus Immobilien Holding A S.à r.l.	Senningerberg	100.0	CO
Kaufhaus Immobilien Holding Lux S.à r.l.	Senningerberg	73.1	CO
Kaufhaus Holding Immobilienmanagement GmbH	Munich	100.0	CO
Berlin, Tauentzienstraße 21-24 Verwaltungs GmbH	Munich	100.0	CO
Berlin, Tauentzienstraße 21-24 Beteiligung A S.à r.l.	Senningerberg	97.3	CO
Berlin, Tauentzienstraße 21-24 Immobilien GmbH & Co. KG	Munich	94.9	CO
Berlin, Passauer Straße 1-3 Management GmbH	Munich	94.4	CO
Berlin, Passauer Straße 1-3 Immobilien GmbH & Co. KG	Munich	97.3	CO
Hamburg, Jungfernstieg 16-20 Beteiligung A S.à r.l.	Senningerberg	97.3	CO
Hamburg, Jungfernstieg 16-20 Immobilien GmbH & Co. KG	Munich	94.9	CO
Hamburg, Große Bleichen 9 Immobilien GmbH & Co. KG	Munich	94.9	CO
KHM OP Neuhauser Straße 18 Beteiligung S.à r.l.	Senningerberg	94.9	CO
KHM OP Neuhauser Straße 18 Verwaltungs GmbH	Munich	94.9	CO
KHM OP Neuhauser Straße 18 GmbH & Co. KG	Munich	94.9	CO
Berlin, Hermannplatz 5-10 Beteiligung A S.à r.l.	Senningerberg	100.0	CO
Berlin, Hermannplatz 5-10 Invest S.à r.l.	Senningerberg	94.9	CO
Berlin, Hermannplatz 5-10 Immobilienmanagement GmbH	Munich	94.9	CO
Berlin, Hermannplatz 5-10 Immobilien GmbH & Co. KG	Munich	94.9	CO
Berlin, Kurfürstendamm 231 Verwaltungs GmbH	Munich	100.0	CO
Berlin, Kurfürstendamm 231 Beteiligung A S.à r.l.	Senningerberg	97.3	CO
Berlin, Kurfürstendamm 231 Immobilien GmbH & Co. KG	Munich	94.9	CO
KHS Baugesellschaft S.à r.l.	Senningerberg	100.0	CO
KHS Königstraße 27 Beteiligung S.à r.l.	Senningerberg	97.3	CO
KHS Königstraße 27 GmbH & Co. KG	Munich	94.9	CO

1) CO = consolidated; EQ = entity accounted for using the equity method; NC = non-consolidated entity
2) The interest held in indirect equity investments was calculated from the Group's perspective.

Company	Registered office	Equity interest [2] %	Consoli-dation method [1]
KHS Königstraße 27 Management GmbH	Munich	100.0	CO
HAM, Elbtower Holding GmbH	Vienna	100.0	CO
Hamburg, Elbtower Beteiligung S.à r.l.	Senningerberg	100.0	CO
Hamburg, Elbtower Immobilienmanagement GmbH	Munich	100.0	CO
Hamburg, Elbtower Immobilien GmbH & Co. KG	Munich	100.0	CO
DtB Eschborn Holding GmbH	Innsbruck	100.0	CO
DtB Eschborn Invest GmbH	Innsbruck	100.0	CO
DTB Eschborn Beteiligung GmbH	Innsbruck	100.0	CO
SIGNA DTB Eschborn GmbH	Düsseldorf	89.9	CO
SIGNA 13 Eschborn Objektfonds GmbH & Co. KG	Düsseldorf	44.4	CO
DtB Objekt Eschborn GmbH & Co. KG	Düsseldorf	100.0	CO
HAM, Gänsemarktpassage Holding GmbH	Vienna	100.0	CO
Hamburg, Gänsemarktpassage Beteiligung S.à r.l.	Senningerberg	100.0	CO
Hamburg, Gänsemarktpassage Management GmbH	Munich	100.0	CO
Hamburg, Gänsemarktpassage Immobilien GmbH & Co. KG	Munich	100.0	CO
SIGNA Warenhaus Immobilien Holding GmbH	Vienna	100.0	CO
SIGNA Warenhaus Premium Immobilien Beteiligung GmbH	Vienna	100.0	CO
SIGNA Prime 2018 Zwölf GmbH	Vienna	100.0	CO
Düsseldorf, Carschhaus Beteiligung S.à r.l.	Senningerberg	100.0	CO
Düsseldorf, Carschaus Management GmbH	Munich	100.0	CO
Düsseldorf, Carschaus Immobilien GmbH & Co. KG	Munich	100.0	CO
SIGNA Prime 2018 Fünf GmbH	Vienna	100.0	CO
Köln, Hohe Straße Beteiligung S.à r.l.	Senningerberg	100.0	CO
Köln, Hohe Straße Management GmbH	Munich	100.0	CO
Köln, Hohe Straße Immobilien GmbH & Co. KG	Munich	100.0	CO
SPS Einunddreißig S.à r.l.	Senningerberg	100.0	CO
SPS Einunddreißig Management GmbH	Munich	100.0	CO
SPS Einunddreißig Immobilien GmbH & Co. KG	Munich	100.0	CO
SIGNA Prime 2018 Acht GmbH	Vienna	100.0	CO
SPS Sechsundzwanzig S.à r.l.	Senningerberg	100.0	CO
SPS Sechsundzwanzig Management GmbH	Munich	100.0	CO
SPS Sechsundzwanzig Immobilien GmbH & Co. KG	Munich	100.0	CO
GALERIA Properties Holding S.à r.l.	Luxembourg	94.9	CO
GALERIA Properties Beteiligung S.à r.l.	Luxembourg	94.9	CO
GALERIA Properties Co-Invest S.à r.l.	Luxembourg	93.4	CO
GALERIA Properties GmbH	Cologne	94.9	CO
GALERIA Holding GmbH	Cologne	94.9	CO
GALERIA Real Estate Holding GmbH	Cologne	94.9	CO
GALERIA Real Estate Management GmbH	Cologne	94.9	CO
GALERIA Real Estate Beteiligung GmbH	Cologne	94.9	CO
Zentra-Grundstücksgesellschaft mbH	Cologne	94.9	CO
Elbrus GmbH	Cologne	94.9	CO
ASSET Objekte GmbH	Cologne	94.9	CO
ASSET Objekt Leipzig GmbH	Cologne	94.9	CO
ASSET Verwaltungs-GmbH	Cologne	94.9	CO

1) CO = consolidated; EQ = entity accounted for using the equity method; NC = non-consolidated entity
2) The interest held in indirect equity investments was calculated from the Group's perspective.

Company	Registered office	Equity interest [2] %	Consoli-dation method [1]
ASSET Grundbesitz GmbH	Cologne	94.9	CO
Horten GmbH	Cologne	94.9	CO
Horten Verwaltungs GmbH	Cologne	94.9	CO
Kaufhof Bonn Münsterplatz GmbH	Cologne	94.9	CO
Bonn, Remigiusstraße 20-24 Management GmbH	Cologne	94.9	CO
Bonn, Remigiusstraße 20-24 Immobilien GmbH & Co. KG	Cologne	94.9	CO
Kaufhof Düsseldorf Königsallee GmbH	Cologne	75.9	CO
Düsseldorf, Königsallee 1-9 Management GmbH	Cologne	75.9	CO
Düsseldorf, Königsallee 1-9 Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Düsseldorf-Wehrhahn GmbH	Cologne	75.9	CO
Düsseldorf, Wehrhahn 1 Management GmbH	Cologne	75.9	CO
Düsseldorf, Wehrhahn 1 Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Frankfurt-Zeil GmbH	Cologne	75.9	CO
Frankfurt, Zeil 116-126 Management GmbH	Cologne	75.9	CO
Frankfurt, Zeil 116-126 Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Hannover GmbH	Cologne	75.9	CO
Hannover, Ernst-August-Platz 5 Management GmbH	Cologne	75.9	CO
Hannover, Ernst-August-Platz 5 Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Köln Hohe Straße GmbH	Cologne	75.9	CO
SIGNA DE 2019 Neun GmbH	Cologne	75.9	CO
SIGNA DE 2019 Neun Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Mannheim GmbH	Cologne	75.9	CO
Mannheim, Paradeplatz Management GmbH	Cologne	75.9	CO
Mannheim, Paradeplatz Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof München Rotkreuzplatz GmbH	Cologne	75.9	CO
München, Rotkreuzplatz Management GmbH	Cologne	75.9	CO
München, Rotkreuzplatz Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Stuttgart GmbH	Cologne	94.9	CO
Stuttgart, Eberhardstraße 28 Management GmbH	Cologne	94.9	CO
Stuttgart, Eberhardstraße 28 Immobilien GmbH & Co. KG	Cologne	94.9	CO
Kaufhof Warenhaus am Alex GmbH	Cologne	75.9	CO
Berlin, Alexanderplatz 9 Management GmbH	Cologne	75.9	CO
Berlin, Alexanderplatz 9 Immobilien GmbH & Co. KG	Cologne	75.9	CO
Kaufhof Aachen GmbH	Cologne	94.9	CO
Kaufhof Aachen II GmbH	Cologne	94.9	CO
Kaufhof Krefeld GmbH	Cologne	94.9	CO
Kaufhof Krefeld II GmbH	Cologne	94.9	CO
Kaufhof Mainz GmbH	Cologne	94.9	CO
Kaufhof Mainz Schusterstraße GmbH	Cologne	94.9	CO
Kaufhof Darmstadt GmbH	Cologne	94.9	CO
Kaufhof Dortmund GmbH	Cologne	94.9	CO
Kaufhof Duisburg GmbH	Cologne	94.9	CO
Kaufhof Erlangen GmbH	Cologne	94.9	CO
Kaufhof Gelsenkirchen GmbH	Cologne	94.9	CO
Kaufhof Halle GmbH	Cologne	94.9	CO

1) CO = consolidated; EQ = entity accounted for using the equity method; NC = non-consolidated entity
2) The interest held in indirect equity investments was calculated from the Group's perspective.

Company	Registered office	Equity interest 2) %	Consoli-dation method 1)
Kaufhof Hanau GmbH	Cologne	94.9	CO
Kaufhof Heidelberg GmbH	Cologne	94.9	CO
Kaufhof Heilbronn GmbH	Cologne	94.9	CO
Kaufhof Hildesheim GmbH	Cologne	94.9	CO
Kaufhof Kempten GmbH	Cologne	94.9	CO
Kaufhof Leipzig GmbH	Cologne	94.9	CO
Kaufhof Mönchengladbach GmbH	Cologne	94.9	CO
Kaufhof Nürnberg GmbH	Cologne	94.9	CO
Kaufhof Offenbach GmbH	Cologne	94.9	CO
Kaufhof Oldenburg GmbH	Cologne	94.9	CO
Kaufhof Pforzheim GmbH	Cologne	94.9	CO
Kaufhof Regensburg GmbH	Cologne	94.9	CO
Kaufhof Reutlingen GmbH	Cologne	94.9	CO
Kaufhof Schweinfurt GmbH	Cologne	94.9	CO
Kaufhof Siegburg GmbH	Cologne	94.9	CO
Kaufhof Ulm GmbH	Cologne	94.9	CO
Kaufhof Warenhaus Rostock GmbH	Cologne	94.9	CO
Kaufhof Wiesbaden GmbH	Cologne	94.9	CO
Kaufhof Wuppertal GmbH	Cologne	94.9	CO
Kaufhof Würzburg GmbH	Cologne	94.9	CO
Sporthaus Bonn, Acherstraße GmbH	Cologne	94.9	CO
SIGNA Prime Finance Management S.à r.l.	Senningerberg	100.0	CO
SIGNA Prime Finance S.C.S.	Senningerberg	100.0	CO
SIGNA Prime CM 2019 S.C.S.	Senningerberg	100.0	CO
SIGNA Prime 2018 Neun GmbH	Vienna	100.0	CO
European Department Store Master Lease Holding Company S.à r.l.	Luxembourg	100.0	CO
European Department Store Master Lease Company S.à r.l.	Luxembourg	100.0	CO
European Department Store Master Lease Company II S.à r.l.	Luxembourg	100.0	CO
SIGNA Prime 2019 Sieben AT GmbH	Vienna	100.0	CO
SPS Dreiunddreißig S.à r.l.	Senningerberg	89.8	CO
RFR Acquico 8 S.à r.l.	Luxembourg	100.0	CO
SPS Dreißig Immobilien GmbH & Co. KG	Munich	89.8	CO
SIGNA Prime 2019 Fünf AT GmbH	Vienna	100.0	CO
SPS Vierunddreißig S.à r.l.	Senningerberg	100.0	CO
SPS Fünfunddreißig S.à r.l.	Senningerberg	100.0	CO

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2) The interest held in indirect equity investments was calculated from the Group's perspective.

Investments accounted for using the equity method:

Company	Registered office	Equity interest [2] %	Consolidation method [1]
BER Rankestraße 8 Co-Invest GmbH	Vienna	50.0	EQ
Berlin, Kurfürstendamm 231 Beteiligung B S.à r.l.	Senningerberg	50.0	EQ
Berlin, Tauentzienstraße 21-24 Beteiligung B S.à r.l.	Senningerberg	50.0	EQ
Berlin, Hermannplatz Beteiligung B S.à r.l.	Senningerberg	50.0	EQ
CENSI Holding A S.à r.l.	Senningerberg	50.0	EQ
Hamburg, Jungfernstieg 16-20 Beteiligung B S.à r.l.	Senningerberg	50.0	EQ
Laura Prime Co-Invest S.à r.l.	Senningerberg	50.0	EQ
München, Bahnhofplatz 7 Co-Invest S.à r.l.	Senningerberg	50.0	EQ
Laura Warenhaus Premium Immobilien Management GmbH	Vienna	50.0	EQ
Laura Warenhaus Premium Immobilien Co-Invest GmbH & Co KG	Vienna	50.0	EQ
Laura Warenhaus Premium Immobilien Beteiligung GmbH	Vienna	50.0	EQ
SPS Dreißig S.à r.l.	Senningerberg	50.0	EQ
SPS Dreißig Management GmbH	Munich	50.0	EQ
SPS Siebenundzwanzig S.à r.l.	Senningerberg	50.0	EQ
SPS Siebenundzwanzig Management GmbH	Munich	50.0	EQ
SPS Siebenundzwanzig Immobilien GmbH & Co. KG	Munich	50.0	EQ
SIGNA DE 2018 Sechs GmbH	Munich	50.0	EQ
SPS Neunundzwanzig S.à r.l.	Senningerberg	50.0	EQ
SPS Neunundzwanzig Management GmbH	Munich	50.0	EQ
SPS Neunundzwanzig Immobilien GmbH & Co. KG	Munich	50.0	EQ
Kaufhof Düsseldorf Carschhaus GmbH	Cologne	50.0	EQ

As of 31 December 2019, the following affiliated companies were not included in the consolidated financial statements of SIGNA Prime Selection AG:

Company	Registered office	Equity interest [2] %	Consolidation method [1]
Viktoria-Karree Invest GmbH	Munich	94.9	NC
Bonn, Viktoria-Karree Holding S.à r.l.	Senningerberg	94.9	NC
Viktoria-Karree Verwaltungs GmbH	Munich	94.9	NC
Bonn, Viktoria-Karree Beteiligung B S.à r.l.	Senningerberg	94.9	NC
Bonn, Viktoria-Karree Beteiligung A S.à r.l.	Senningerberg	94.9	NC
Bonn, Viktoria-Karree Immobilien GmbH & Co. KG	Munich	94.9	NC
Erste Viktoria-Karree GmbH	Munich	94.9	NC
Zweite Viktoria-Karree GmbH	Munich	94.9	NC
Dritte Viktoria-Karree GmbH	Munich	94.9	NC
Mö Baugesellschaft mbH	Munich	100.0	NC
HH Mönckebergstraße 2-4 Vermögensverwaltung GmbH & Co. KG	Munich	5.1	NC
SIGNA KHM SP Beteiligung S.à r.l.	Senningerberg	100.0	NC

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SIGNA Prime 2018 Sieben GmbH	Vienna	100.0	NC

Company	Registered office	Equity interest 2) %	Consoli-dation method 1)
SIGNA sieben 2017 Prime GmbH	Vienna	100.0	NC
SIGNA Prime 2018 Drei GmbH	Vienna	100.0	NC
SIGNA Prime 2018 Dreizehn GmbH & Co KG	Vienna	100.0	NC
SIGNA sieben 2017 Prime Immobilien GmbH & Co. KG	Vienna	100.0	NC
SIGNA Prime Deutschland GmbH	Munich	100.0	NC
SIGNA DE 2018 Drei GmbH	Munich	100.0	NC
SIGNA DE 2018 Vier GmbH	Munich	100.0	NC
SIGNA DE 2018 Fünf GmbH	Munich	100.0	NC
SIGNA Prime 2018 Zehn GmbH	Vienna	100.0	NC
SPS Sechzehn S.à r.l.	Senningerberg	100.0	NC
SPS Sechzehn Management GmbH	Munich	100.0	NC
SPS Sechzehn Immobilien GmbH & Co. KG	Munich	100.0	NC
SIGNA Prime 2018 Elf GmbH	Vienna	100.0	NC
SPS Siebzehn S.à r.l.	Senningerberg	100.0	NC
SPS Siebzehn Management GmbH	Munich	100.0	NC
SPS Siebzehn Immobilien GmbH & Co. KG	Munich	100.0	NC
SIGNA Prime 2019 Eins AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Sechs AT GmbH	Vienna	100.0	NC
SPS Siebenunddreißig S.à r.l.	Vienna	100.0	NC
SIGNA Prime 2019 Zehn AT GmbH	Vienna	100.0	NC
SPS Sechsunddreißig S.à r.l.	Senningerberg	100.0	NC
SPS Achtunddreißig S.à r.l.	Senningerberg	100.0	NC
SIGNA Prime 2019 Dreizehn AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Vierzehn AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Siebzehn AT GmbH & Co KG	Vienna	100.0	NC
SIGNA Prime 2019 Achtzehn AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Elf AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Fünfzehn AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Sechzehn AT GmbH	Vienna	100.0	NC
SIGNA Prime 2019 Zwölf AT GmbH	Vienna	100.0	NC
SPS Neununddreißig S.à r.l.	Senningerberg	100.0	NC
SPS Vierzig S.à r.l.	Senningerberg	100.0	NC
SPS Einundvierzig S.à r.l.	Senningerberg	100.0	NC
Berlin, Tauentzien 20 Management GmbH	Munich	100.0	NC
Berlin, Tauentzien 20 Immobilien GmbH & Co. KG	Munich	100.0	NC
SPS Einundzwanzig S.à r.l	Senningerberg	100.0	NC
KHS Königstraße 27 Verwaltungs GmbH	Munich	52.6	NC
Dieter Mathoi Architekt ZT GmbH	Innsbruck	49.0	NC
DMA ITALIA S.R.L.	Bolzano	49.0	NC

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2) The interest held in indirect equity investments was calculated from the Group's perspective.

MANAGEMENT REPORT

on the Consolidated Financial Statements of SIGNA Prime Selection AG as of 31 December 2019

CONTENTS

1. BUSINESS ACTIVITIES AND ORGANIZATIONAL STRUCTURE

SIGNA Prime Selection AG (SIGNA Prime) was founded on 14 October 2010, (the date the articles of association were signed) and entered in the Commercial Register on 29 October 2010. The Company's registered office is in Innsbruck. A branch office has been operating in Vienna since 2012 at Freyung 3, 1010 Vienna. The main purpose of the Group is the acquisition of real estate and rights equivalent to real estate, in particular for purposes of long-term holding and property development. SIGNA Prime Selection AG is group parent within the meaning of section 15 of the Austrian Stock Corporation Act (*Aktiengesetz*, "AktG") and prepares consolidated financial statements within the meaning of section 245a of the Austrian Commercial Code (*Unternehmensgestzbuch*, "UGB") in accordance with internationally recognized accounting standards (IFRS) to the extent they have been adopted by the EU.

SIGNA Prime's business model is based on two core business strategies:

- **Long-term Portfolio:** Investments in long-term portfolio properties in excellent locations with long-term tenants
- **New Investments:** Investments in properties in prime locations that show particular potential for appreciation through an active development strategy

The SIGNA Prime Group has become one of the largest European holders of a portfolio of commercial properties. Due to stable rental income and excellent city center locations, the SIGNA Prime Group's properties are in demand as investment properties. The portfolio is characterized by a unique mixed use of the properties as well as long average lease terms with low vacancy rates, which leads to a broad diversification of risk.

As of 31 December 2019, the Long-term Portfolio comprised a total of 24 properties with a total market value of EUR 7b in prime city center locations in Austria, Germany, and Northern Italy, and generated a stable cash inflow due to the high occupancy rate and above-average long-term tenant loyalty. Around 28% of the Long-term Portfolio is in Berlin, and 23% is in Vienna. Additional important cities are Hamburg, Munich, Frankfurt, Cologne, and Düsseldorf.

The total investment volume planned for new investments is about EUR 6.7b.

In addition, as of 31 December 2019, SIGNA Prime held investments in an additional 33 properties from the Kaufhof portfolio to the extent they were not included in the Long-term or New Investments portfolio.

SIGNA Prime is represented by its own branches, project companies, and subsidiaries in Austria, Germany, and Northern Italy. As of 31 December 2019, the basis of consolidation included a total of 250 entities (31 Dec 2018: 166 entities), of which 21 were entities accounted for using the equity method (31 Dec 2018: 71 entities accounted for using the equity method).

SIGNA Prime is an autonomously managed group. In instances where SIGNA Prime hopes to achieve synergies and generate competitive advantages, individual services are sourced from companies under the SIGNA umbrella brand. SIGNA Prime does not grant any exclusivity rights and retains all termination options. The services are purchased at arms-length conditions.

The following services are outsourced to SIGNA companies:

- Services related to insurance and office infrastructure
- Services related to consulting and support for financing transactions as well as in administering existing financing
- Services related to IT

There are individual lease agreements between SIGNA Prime and other companies under the SIGNA umbrella brand. Such lease agreements concern the Galeria Karstadt-Kaufhof Group, the KaDeWe Group, and the Am Hof 2 hotel operating company. As a lessor, SIGNA Prime is not involved in the operating business of the tenants.

2. ECONOMIC ENVIRONMENT AND REAL ESTATE MARKETS

Economic environment

The global economy closed 2019 with growth of 2.9%, which is the basis for the International Monetary Fund's (IMF) estimate on 20 January 2020. This corresponds to a decrease of 0.7% compared to the previous year. In October 2019, IMF analysts still assumed that the 3.0% hurdle would be exceeded. Lower growth rates in economically strong emerging markets such as China, India, Mexico, and South Africa, as well as weaker growth in the United States, were the main factors hampering global growth. The outlook for 2020 remains positive, with an increase of 3.3%.

At 1.2%, gross domestic product (GDP) in the euro area also grew more slowly in 2019 than in the previous year (2018: 1.9%). This continued the trend from the second half of 2018. Weakened global trade and the repeated postponement of Brexit weighed on the European economy. At the same time, consumer spending and the expansionary monetary policy of the European Central Bank (ECB) supported growth in the euro area. The ECB left its key interest rate unchanged at 0.0% for the whole of 2019 and lowered the deposit rate for banks to -0.5%. It also resumed net purchases of securities of EUR 20b per month. Against this background, IMF experts expect slight growth of 1.3% for 2020.

With regard to the general economic environment, the European Commission's Winter 2020 Economic Forecast assumes subdued growth in the EU area. GDP growth in **Germany** slowed to 0.5% in 2019, primarily as a result of weaker export growth. With domestic demand increasing steadily, GDP growth could again reach 1.1% in 2020. In **Austria,** GDP growth is expected to reach 1.6% in 2019, supported by robust private consumption and construction spending. A growth rate of around 1.7% is expected in 2020 and 2021. The **Italian economy** grew by 0.2% in 2019. Overall, real GDP growth is expected to increase only slightly to 0.5% in 2020 and 0.6% in 2021, with Northern Italy performing much better than the southern regions. Purchasing power is highest in Northern Italy compared with other regions in the country. Risks related to the growth outlook remain pronounced in Italy. For **Switzerland**, the OECD is forecasting an increase in economic growth to around 1.6% in the coming years, following a slowdown in GDP growth in 2019.

Fiscal year 2019 was characterized by a continued loose interest rate policy. In view of growing economic uncertainties and low rates of inflation, the ECB postponed the timing of a possible departure from its low interest rate policy. The ECB's low interest rate policy therefore continued in 2019, and in the fall of 2019, it lowered the deposit rate from -0.4% to -0.5%. That means the excess demand for stable, higher-yielding capital investments remains, although this has already been at the expense of prime yields in some property asset classes. Transaction volumes in the real estate sector continued to increase in 2019, not least due to the low interest rate policy, which appeals to institutional investors' preference for real estate as an investment vehicle because of its stable and predictable distributions and the attractive difference to sovereign debt (spread). This is not least due to the negative returns on 10-year government bonds in selected European countries.

Real estate markets

The European real estate market developed positively overall in the 2019 reporting period, supported by continued robust demand. At more than EUR 300b, the investment volume was at the record level of 2018 — despite a slight decline. The demand for residential and commercial space in major cities and peripheral areas was particularly high. Although construction activity increased compared to the previous year, in addition to a lack of skilled workers in the construction industry, there was also insufficient space to meet the high demand. In addition, major cities saw further population growth, which also drove up prices in metropolitan areas. Real estate analysts continue to see positive earnings prospects due to the robust market trend and the ECB's expansionary monetary policy. Against this background, an end to the price trend or a major correction does not appear to be in sight.

<u>Austria: real estate market sets new transaction record</u>

According to information from real estate firm CBRE, transaction volume in Austria reached about EUR 5.9b in 2019 (previous year: about EUR 4.0b). This exceeded the figure for 2017, the previous record year, by around 17%. Both the commercial segment and the residential segment recorded significant growth. More than two-thirds of the transaction volume was concentrated in the federal capital of Vienna.

Around EUR 4.6b was invested in the acquisition of commercial properties in Austria during the reporting period. This represents an increase in revenues of around 59% compared to the previous year. Austria remains the focus of international investors due to its stable general economic conditions and the increasing scarcity of core properties in the metropolitan areas. German investors accounted for approximately 18% of the total volume. Other international investors were responsible for around 34% of the transaction volume.

Around 221,000 m² of office space was leased in Vienna in 2019; of that amount, about two-thirds was in established office locations, the main train station, and the Wienerberg. The service and public sectors were again the strongest customers for office space. The two sectors combined accounted for about half of total lease payments. Lease payments were about 13% below the previous year's level. This decrease is primarily attributable to the lower completion volume and the associated restricted supply of modern and large connected spaces.

Germany: new transaction highs for commercial properties

Transaction volumes in Germany reached around EUR 87.9b in 2019, a year-on-year increase of about 16%. This exceeded the previous record. The fourth quarter saw a very large number of large volume sales above the EUR 100-million threshold.

Around EUR 70.8b was invested in the acquisition of German commercial properties in 2019 — an increase of around 17% compared to the previous year. These investors were once again focused on office buildings (share of sales: 47%). Around EUR 15.8b of the transaction volume was in the federal capital Berlin, followed by Munich and Frankfurt am Main. In 2019, the net initial yield for office buildings in prime locations in the top seven locations of Berlin, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Munich, and Stuttgart fell by an average of 18 basis points compared with the previous year.

The space take-up of the top seven locations totaled approximately 4 million m^2 in the 2019 reporting period. That means that the top seven locations accounted for almost 60% of the total investment sales. Demand in Berlin, Düsseldorf, and Stuttgart increased year-on-year. Space take-up declined moderately in Frankfurt am Main, Hamburg, and Cologne. Munich saw a sharper decline from a high level due to limited available space.

For 2020, experts assume an average growth in prime rents of just under 3% in the top seven locations. Berlin, Munich, and Frankfurt am Main are forecast to have the highest growth rates. Growth should weaken somewhat in the following years.

From SIGNA Prime's perspective, the real estate markets[1] in the German cities most important to the SIGNA Prime Group developed as follows:

Berlin: There is a high demand for office space but no suitable supply of products. Real estate transaction volume in the Q1–3/2019 period was around EUR 12b. In 2019, about 900,000 m^2 of office space and 25,900 m^2 of retail space in prime locations is expected to be newly leased.

Munich: There is a declining supply of affordable residential units with high purchasing power and demand in the retail markets. Real estate transaction volume in the Q1–3/2019 period was around EUR 5b. In 2019, about 800,000 m^2 of office space and 9,200 m^2 of retail space in prime locations is expected to be newly leased.

Hamburg: The development activity does not correspond to the growing demand and the average rent level in the office sector. Real estate transaction volume in the Q1–3/2019 period was around EUR 4b. In 2019, about 550,000 m^2 of office space and 9,900 m^2 of retail space in prime locations is expected to be newly leased.

Frankfurt am Main: High population growth and declining prime yields confirm the attractiveness of the financial center. Real estate transaction volume in the Q1–3/2019 period was around EUR 5.6b. In 2019, about 550,000 m^2 of office space and 17,200 m^2 of retail space in prime locations is expected to be newly leased.

[1] Based on Jones Long LaSalle

Düsseldorf: Strong momentum in the investment market is leading to declining prime yields for office space. Real estate transaction volume in the Q1–3/2019 period was around EUR 2.5b. In 2019, about 500,000 m^2 of office space and 7,300 m^2 of retail space in prime locations is expected to be newly leased.

Cologne: The supply of real estate does not match demand and is resulting in an increase in prime rents for offices and declining vacancy rates. Real estate transaction volume in the Q1–3/2019 period was around EUR 1.6b. In 2019, about 250,000 m^2 of office space and 9,100 m^2 of retail space in prime locations is expected to be newly leased.

Italy: Real estate market grows in a demanding environment

The Italian real estate market developed positively in the 2019 reporting period — this applies in particular to the economically strong Northern Italy, where SIGNA Prime is active with project developments in Bolzano. Bolzano is the capital of South Tyrol, the province with the highest per capita gross domestic product in Italy. With a low unemployment rate, high purchasing power, and robust economic growth, South Tyrol offers excellent conditions for SIGNA Prime.

The commercial real estate market in Italy as a whole achieved a transaction volume of around EUR 7.5b in the fiscal year and was thus about one-third higher than in the previous year. Around EUR 2.5b of the investments were in the office segment. CBRE experts also see robust growth in rents and property values in most of the important residential property markets. The main drivers of this development are favorable credit terms and strong investor demand in particular.

Structural shift in Austria's retail market

Due to the mixed tenant structure in city centers, the development of the retail market is also relevant to the Company. According to the findings of the structural analysis of the point-of-sale retail trade conducted by the Vienna Chamber of Commerce in 2019, the structural shift in the point-of-sale retail trade will continue to concentrate on high-frequency prime locations in the future, while less-frequented locations will continue to erode. A development that SIGNA Prime is meeting head on. Compared to 2003, sales areas increased by 2% or 230,000 m^2 by 2018 because shops today are considerably larger on average than they were a decade and a half ago. This development between single-location companies and chain stores has intensified the concentration in domestic retail in the last 15 years. While only 31% of all store businesses were operated by chain retail companies in 2003, this figure had already grown to 40% in 2018. SIGNA Prime is extremely well positioned in this respect as well.

3. BUSINESS PERFORMANCE

SIGNA Prime Selection AG, as a parent company, has a direct or indirect equity interest of at least 50% in 298 companies. The SIGNA Prime Group holds at least a qualified majority of the properties in the Long-term Portfolio. Some of the New Investments are carried out with joint venture partners.

In the fiscal year, the SIGNA Prime Group expanded the portfolio with its closing of the acquisition of the Gänsemarktpassage in Hamburg in May. The last two components of the Austria Campus were sold in the fiscal year.

After the SIGNA Prime Group already held 50% of Kaufhof, an agreement to acquire the remaining shares in the property portfolio was signed in June 2019. The acquisition was closed in September 2019. Several development opportunities will be pursued in the coming years through the sale of individual properties, refinancing existing loans, and leveraging potentials.

The SIGNA Prime Group's resources will be used primarily to acquire and manage the property portfolio. The financing mix for this comprises the provision of debt capital through bonds, mezzanine capital (profit participation certificates), and equity capital financing through capital increases. Around 93% of the Long-term Portfolio is hedged against rising interest rates.

At an Annual General Meeting in September 2019, SIGNA Prime conducted a capital increase of EUR 500m with the aim of providing liquidity for new acquisitions and project developments and keeping the existing equity ratio stable. A total of 7,142,858 shares were issued. One emphasis here was on gaining additional institutional shareholders.

In the 2019 fiscal year, institutional investors subscribed to bonds with a volume of EUR 199.5m. Profit participation certificate capital in the amount of EUR 277m was raised. Prior to the end of 2019, the SIGNA Prime Group agreed to an early call of a tranche in the nominal amount of EUR 257m.

In June 2019, Creditreform Rating AG confirmed the Company's A+ rating based on an analysis of key financial indicators and an examination of general, current, and prospective rating factors.

4. CASH FLOWS

Consolidated net income for 2019 was EUR 909,138k (previous year: EUR 421,805k).

The positive net profit for the year was primarily due to the net gain from fair value adjustments and the gain from equity-accounted investees. A minor amount of financial income was also generated. The Group also increased revenue to EUR 309,840k (previous year: EUR 237,889k) and generated other operating income of EUR 55,086k (previous year: EUR 61,188k).

5. FINANCIAL PERFORMANCE

Taking into account profit participation rights with the nature of equity and non-controlling interests, the equity ratio was 38.49% (previous year: 41.54%).

EURk	31 Dec 2019	31 Dec 2018
Total equity	4,722,728	3,472,090
Total profit participation rights	1,054,669	1,057,174
Total equity + profit participation right capital	5,777,397	4,529,263
Total equity and liabilities	15,012,044	10,904,200
Equity ratio	38.49%	41.54%

The Loan to Value (LTV) was 46.16% (previous year: 46.82%) based on fair values as calculated in the bond conditions of SIGNA Prime Capital Market GmbH.

The effective debt capital (current and non-current liabilities, less cash and cash equivalents) is around EUR 8,268,927k (previous year: EUR 5,947,507k).

The LTV is defined as the total of all loan liabilities of the Group, divided by the total of the property values as per appraisals, plus the Group's other assets.

EURk	31 Dec 2019	31 Dec 2018
Total other non-current liabilities	7,570,549	5,283,657
Total current liabilities	1,427,110	852,461
Cash and cash equivalents	-728,732	-188,611
Effective debt capital	8,268,927	5,947,507

6. FINANCIAL POSITION

The carrying amount of the non-current assets in the Group totals EUR 13,407,455k (previous year: EUR 9,937,908k). SIGNA Prime is the indirect owner of several real estate properties through multiple intermediate holding companies.

The Group's current assets primarily comprise other receivables and assets of EUR 321,200k (previous year: EUR 436,710k) and bank balances of EUR 728,732k (previous year: EUR 188,611k).

The following table shows the structure of the Group's statement of financial position as of the reporting date.

EURk	31 Dec 2019	In %	31 Dec 2018	In %
Total non-current assets	13,407,455	89%	9,937,908	91%
Total current assets	1,221,082	8%	646,913	6%
Non-current assets held for sale	383,506	3%	319,378	3%
TOTAL ASSETS	15,012,044	100%	10,904,200	100%
Total equity	4,722,728	31%	3,472,090	32%
Total profit participation rights	1,054,669	7%	1,057,174	10%
Total other non-current liabilities	7,570,549	50%	5,283,657	48%
Total current liabilities	1,427,110	10%	852,461	8%
Non-current liabilities held for sale	236,989	2%	238,819	2%
TOTAL EQUITY AND LIABILITIES	15,012,044	100%	10,904,200	100%

The share capital of the Group parent at the beginning of the year was EUR 56,710k and increased to EUR 63,853k as of year's end. The total capital is divided into 63,852,751 no-par common shares (previous year: 56,709,893 no-par common shares). The Company did not acquire any treasury shares in 2019.

At the Extraordinary General Meeting on 17 September 2019, it was resolved to increase the share capital of SIGNA Prime Selection AG by EUR 7,142,858 by issuing 7,142,858 new registered no-par common shares.

7. REPORT ON EXPECTED DEVELOPMENTS

Based on the continuing strong demand for real estate and current developments in the capital and real estate markets, we continue to expect interest in our services and products to remain high. Our property portfolio makes it possible for us to find new answers to the structural shifts in cities and the types of use of retail and office space. Close coordination with the stakeholders leads to a targeted implementation of urban development measures that benefit both society as well as the investors and other stakeholder groups.

We therefore continue to expect growth in the Long-term Portfolio and are diversifying risk across multiple asset classes through the mixed use of the properties. The market's interest in the smart usage concepts is manifested in long-term leases that tenants are ready to conclude.

Measures implemented on both sides of the balance sheet make the SIGNA Prime Selection Group's portfolio as viable for the future as possible. The long-term agreements are the basis for stable earnings development from operating activities.

In the 2020 fiscal year, the Group will continue to focus on its existing operating segments and push ahead in developing or revitalizing new districts in the best locations. The sale of individual properties from the New Investment portfolio is currently being explored and will also result in changes in the portfolio in 2020.

At the beginning of February 2020, SIGNA Prime acquired the Globus property portfolio in Switzerland's most important cities from the Migros Group. SIGNA Prime entered into a joint venture with the global retail group Central from Thailand, to make the purchase. The properties — seven department stores and one hotel — are located in prime locations in Zürich (3x), Basel (2x), Bern (2x), and St. Gallen (1x). The transaction is expected to be completed in the second quarter of 2020.

8. RISK REPORT

The SIGNA Prime Group has an appropriate internal control system (ICS) in place throughout the Group, which is tailored to the respective requirements and which defines the significant processes and risks and provides corresponding decision matrices. Process risks are assessed accordingly, and the existing control activities and the information and communication duties are carried out by the responsible teams or persons. The entire process flow documentation, including risk management and compliance processes, is updated regularly.

The internal control system (ICS) also comprises measures to ensure the reliability of the financial and accounting system, as complete and timely financial reporting is an important goal for SIGNA Prime Selection AG and the SIGNA Prime Group. Compliance with all relevant legal requirements is a fundamental requirement in this respect. The internal reporting system informs the Management Board on a monthly and quarterly basis about the development of the financial position, financial performance, and cash flows.

The risk management and compliance processes are reviewed annually in the course of preparing a risk and compliance report. The results are discussed at the regularly scheduled meetings of the Supervisory Board.

Project risk:

Actual development takes place in the individual project companies. In addition, importance was attached to the diversification of these risks, which is why the investments are spread over several different properties in various prime locations in Europe.

Strategic risks and planning risks:

The business plan prepared for all participating companies is continuously adjusted where adaptations appear necessary. Market developments are continuously analyzed and reassessed by qualified personnel.

Interest rate risk:

Substantial portions of the project financing are located in the individual real estate companies. Fixed-interest rate agreements are selected almost exclusively here for new contracts. Caps or swaps have been concluded for any existing variable rate loans in order to hedge against rising interest rates.

The services of an external service provider are used for the procurement and management of debt capital for the SIGNA Prime Selection Group. This service provider prepares comprehensive analyses of potential financing risks and possible underfunding, expiring financing, and possible covenant breaches of all investments in a timely manner as part of quarterly reports.

Currency risk:

As of 31 December 2019, SIGNA Prime had no liabilities denominated in foreign currencies. In general, the strategy is to avoid or hedge all currency risks without exception.

Credit default risks:

Experience has shown that the credit risk from defaulting rental payments is limited due to the high tenant diversification. Any rents in arrears are demanded specifically. With respect to New Investments, the credit default risk is minimized by thoroughly examining each investment.

Liquidity risk:

The Company works closely with the property management companies to keep vacancies and rents in arrears to a minimum and/or to combat them with suitable measures. Management continually discusses the SIGNA Prime Group's liquidity forecast and coordinates and updates it with the liquidity plans of projects.

Risk in connection with joint venture partners:

Joint venture partners are only permitted in connection with individual investments. Clearly defined contractual documents and joint venture mechanisms ensure that each joint venture is entered into on an arm's length basis and that it is also possible to separate from the partner in the event problems arise within a joint venture.

Fraud:

All SIGNA Prime Group companies follow a strict corporate governance system in which fraudulent behavior is sanctioned and also prosecuted criminally. A corresponding management accounting department is responsible for randomly checking compliance with these directives. Likewise, the reputation and creditworthiness of each partner are reviewed before entering into a new business relationship.

Legal disputes:

The SIGNA Prime Group works with the leading law firms in Europe to ensure to a high degree that appropriately professional contractual agreements are concluded. However, legal disputes cannot be excluded in exceptional cases despite professional contractual arrangements and highly qualified legal advice.

Personnel risks:

Personnel risks may arise primarily through bottlenecks in staff recruitment, shortages of skilled workers, and employee turnover. These risks are countered by formalized appraisal interviews, regular and cross-location training and continuing education, and modern workplace concepts.

9. NON-FINANCIAL PERFORMANCE INDICATORS

SIGNA has been implementing sustainability agendas in its business practices for many years now and has taken these principles into account in various projects. In the current fiscal year, a structured process was also launched to identify and prioritize sustainability aspects in the functional organization. Three key aspects have been identified for the SIGNA Prime Group, which are described below:

1. Sustainable buildings (environmental concerns)
2. Attractive employer (employee interests)
3. Corporate governance and compliance

Sustainable buildings:

The SIGNA Prime Group is aware of its social responsibility and its options for shaping urban development and is actively fulfilling this responsibility with its Long-term and New Investment portfolios in city center locations. Management has defined SIGNA quality standards, which also encompass sustainability aspects. The directives are implemented by the individual project and portfolio managers under their own responsibility, who have the authority to make decisions on sustainable construction methods in compliance with SIGNA quality standards under the specific project conditions. The Management Board members are integrated in the decision-making process and are regularly informed about the progress of the project.

Specifically, the following measures are taken to develop sustainable buildings:

- **Involvement of relevant stakeholder groups:** SIGNA Prime strives to achieve consensus among the stakeholders involved. For each project, relevant stakeholders are identified and consistently and transparently integrated both before and after the duration of the project. A special focus is placed on the integration of the municipal administration and monument protection offices, with whom close coordination is sought.
- **Conservation of resources**: SIGNA Prime strives to make the use of resources as efficient as possible from both environmental and financial aspects. Resource conservation is taken into account when making decisions regarding the selection of materials or when deciding on the use of the most efficient building technology possible. Environmental measures such as heat recovery and the use of geothermal energy are already actively evaluated in the project phase, and attention is paid to the most environmentally friendly construction method possible during the project and use phase in the case of Invitation to tender for architectural competitions.
- **Certification**: The goal is to achieve SIGNA Prime Green Building certification (including predominantly LEED Gold or Platinum certification) for 100% of the real estate projects under development in the 2019 fiscal year.
- **Smart usage concepts with high societal benefits**: SIGNA Prime also understands sustainable buildings to mean the consideration of smart usage concepts which, on the one hand, create long-term tenant loyalty and satisfaction and, on the other hand, enable flexible changes in usage in the face of changing tenant and user structures. The SIGNA Prime Group can draw on extensive experience in implementing mixed-use concepts (mixed use of retail, office, residential, and other spaces).

The energy consumption of the Long-term Portfolio by main energy types in kWh developed as follows in the current fiscal year:

Energy consumption[2]	**2018**	**2019**	**%**
Electricity in kWh	52,884,183	48,581,294	-8%
District heating in kWh	29,458,231	29,071,487	-1%
District cooling in kWh	7,403,039	7,578,106	2%
Natural gas in kWh	2,198,200	1,865,812	-15%
TOTAL in kWh	**91,943,653**	**87,096,699**	-5%

Energy consumption declined by 5% in the 2019 fiscal year, primarily due to the reduction of consumption of electricity and natural gas. The 15% decrease in natural gas consumption is attributable to the warm winter and the increased use of groundwater.

As part of its business model, SIGNA Prime supports sustainable development goals in order to make urbanization more inclusive and more sustainable and to strengthen capacities for a participatory, integrated, and sustainable settlement planning and management.

Attractive employer

“Leave your SIGNAture” stands for a high degree of personal responsibility and creative drive. For a corporate culture that allows for mistakes and provides resources to reach goals in different ways. The success and growth of the SIGNA Prime Group is only made possible by dedicated employees. The Group's positioning as an attractive employer is part of the management responsibility of all supervisors. The Human Resources department is responsible for all companies under the SIGNA umbrella brand and reports directly to the Management Board.

The following specific measures are recognized as characteristics of an attractive employer:

- **Appraisal interviews and training and continuing education:** There is a formal appraisal and goal interview process in the SIGNA Prime Group between the respective manager and employee. Appraisal interviews with the particular supervisor are scheduled for all employees at least once a year. Part of the management responsibility of all supervisors in the appraisal interviews is to identify the need for training and continuing education and to enable employees to participate in training courses.

[2] Energy consumption excluding energy purchased directly by tenants. Data basis: Energy bills of the respective energy suppliers for a 12-month period. Some of the billing periods differ from the reporting period due to various settlement arrangements. Figures for district heating in 2019 include estimates based on the previous year's values as no invoices had been received for two properties as of the preparation date. Estimated figures comprise a 13% share based on the total 2019 district heating demand.

Standard training courses and existing e-learning courses are offered for individual measures. Face-to-face training sessions are held on site in case of increased demand. In addition, employees are supported by means of recurring basic and additional advanced training courses. Regular, cross-location offerings include training in areas such as project management, managing meetings and effective speaking, and presentation techniques. The training offered often takes place across multiple locations and predominantly in on-site events.

- **Knowledge transfer:** The "*Kennt ihr schon*?" (Do you already know?) initiative provides cross-departmental and interdisciplinary knowledge transfer. New teams and projects are presented in the course of this initiative. The events are held about six times a year. State-of-the-art video conferencing infrastructure at the locations allows dialog regardless of location.
- **New workplace concepts:** The New Work 4.0 concept is being implemented at the Vienna location: New Work stands for different work, meeting, and lounge areas, staff events and information sessions in the common kitchen, height-adjustable tables for ergonomic working environments, numerous acoustic and lighting measures, as well as ergonomics training by specialists.
- **Digitalization:** SIGNA Prime increased its focus on the digitalization of human resources processes in the 2019 fiscal year in order to reduce administrative processes and create uniform standards. The conversion to the SAP system within the entire SIGNA Prime umbrella brand was being implemented as of the reporting date. Employees have state-of-the-art IT equipment at their disposal for their daily work: from PCs and mobile phones to video conferencing systems.
- **Measures to promote employee health and occupational safety:** Occupational safety is a top priority for the SIGNA Prime Group. Ergonomic initiatives are in place and cooperation with an occupational health service is encouraged at the sites. In addition, measures are taken to promote health, and fruit baskets and beverages of all kinds are made available for free.

Staffing at the SIGNA Prime Group (headcount) developed as follows in the current fiscal year:

	2018	2019
Total number of **employees**[3] (including Management Board, executives, other salaried employees and interns)	159	211
of which: **male**	51%	51%
of which: **female**	49%	49%

The headcount of the SIGNA Prime Group increased by 33% in line with the growth of the property portfolio. At SIGNA Prime, the focus is on motivated people regardless of origin, skin color, gender, age, language, or religion, and these values are also reflected in the balanced — nearly equal — ratio of men and women in relation to the total number of employees.

[3] Basis: Headcount as of 31 December

Employee turnover of salaried employees[4] was 9.7% in 2019 (previous year: 11.5%). Employee loyalty increased in 2019 and shows that the SIGNA Prime Group succeeds in finding employees who meet the requirements and share the values of the Group.

Corporate governance and compliance

Good and transparent corporate governance ensures responsible management and control of the Company with a focus on value creation. The corporate governance architecture at SIGNA Prime is based on compliance with all applicable regulatory requirements, laws, and internal standards. In addition, the Company voluntarily undertakes to comply with the requirements of the Corporate Governance Code for the German real estate industry and INREV (European Association for Investors in Non-Listed Real Estate Vehicles). Compliance with these requirements is reviewed at least annually by the compliance officer of the companies operating under the SIGNA Prime name with the assistance of the compliance officers of SIGNA Prime, and the detailed results are presented to the Supervisory Board.

Management, and the compliance officers in particular, monitor compliance with corporate principles and guidelines on an ongoing basis. A data protection officer is responsible for monitoring and verifying compliance with data protection rules and strategies for the protection of personal data.

Every employee must complete compliance training when joining the company, and the compliance officer ensures that additional training takes place every two years.

The SIGNA Prime Group has implemented various measures to prevent corruption and bribery. There were no incidents of corruption in the fiscal year.

[4] Excluding departures during the probationary period and interns

10. RESEARCH AND DEVELOPMENT

The Company did not conduct any direct research and development activities in the fiscal year but implements innovations with respect to the mixed use and sustainable construction of properties that are also always relevant to urban development.

Innsbruck, 11 March 2020

DI Christoph Stadlhuber

(Chairman of the Management Board)

Mag. Manuel Pirolt

(Member of the Management Board)

Tobias Sauerbier

(Member of the Management Board)

Timo Herzberg

(Member of the Management Board)

Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe (AAB 2018)

Empfohlen vom Vorstand der Kammer der Steuerberater und Wirtschaftsprüfer zuletzt mit Beschluss vom 18.04.2018

Präambel und Allgemeines

(1) Auftrag im Sinne dieser Bedingungen meint jeden Vertrag über vom zur Ausübung eines Wirtschaftstreuhandberufes Berechtigten in Ausübung dieses Berufes zu erbringende Leistungen (sowohl faktische Tätigkeiten als auch die Besorgung oder Durchführung von Rechtsgeschäften oder Rechtshandlungen, jeweils im Rahmen der §§ 2 oder 3 Wirtschaftstreuhandberufsgesetz 2017 (WTBG 2017). Die Parteien des Auftrages werden in Folge zum einen „Auftragnehmer“, zum anderen „Auftraggeber“ genannt).

(2) Diese Allgemeinen Auftragsbedingungen für Wirtschaftstreuhandberufe gliedern sich in zwei Teile: Die Auftragsbedingungen des I. Teiles gelten für Aufträge, bei denen die Auftragserteilung zum Betrieb des Unternehmens des Auftraggebers (Unternehmer iSd KSchG) gehört. Für Verbrauchergeschäfte gemäß Konsumentenschutzgesetz (Bundesgesetz vom 8.3.1979/BGBl Nr.140 in der derzeit gültigen Fassung) gelten sie insoweit der II. Teil keine abweichenden Bestimmungen für diese enthält.

(3) Im Falle der Unwirksamkeit einer einzelnen Bestimmung ist diese durch eine wirksame, die dem angestrebten Ziel möglichst nahe kommt, zu ersetzen.

I.TEIL

1. Umfang und Ausführung des Auftrages

(1) Der Umfang des Auftrages ergibt sich in der Regel aus der schriftlichen Auftragsvereinbarung zwischen Auftraggeber und Auftragnehmer. Fehlt diesbezüglich eine detaillierte schriftliche Auftragsvereinbarung gilt im Zweifel (2)-(4):

(2) Bei Beauftragung mit Steuerberatungsleistungen umfasst die Beratungstätigkeit folgende Tätigkeiten:
a) Ausarbeitung der Jahressteuererklärungen für die Einkommen- oder Körperschaftsteuer sowie Umsatzsteuer und zwar auf Grund der vom Auftraggeber vorzulegenden oder (bei entsprechender Vereinbarung) vom Auftragnehmer erstellten Jahresabschlüsse und sonstiger, für die Besteuerung erforderlichen Aufstellungen und Nachweise. Wenn nicht ausdrücklich anders vereinbart, sind die für die Besteuerung erforderlichen Aufstellungen und Nachweise vom Auftraggeber beizubringen.
b) Prüfung der Bescheide zu den unter a) genannten Erklärungen.
c) Verhandlungen mit den Finanzbehörden im Zusammenhang mit den unter a) und b) genannten Erklärungen und Bescheiden.
d) Mitwirkung bei Betriebsprüfungen und Auswertung der Ergebnisse von Betriebsprüfungen hinsichtlich der unter a) genannten Steuern.
e) Mitwirkung im Rechtsmittelverfahren hinsichtlich der unter a) genannten Steuern.
Erhält der Auftragnehmer für die laufende Steuerberatung ein Pauschalhonorar, so sind mangels anderweitiger schriftlicher Vereinbarungen die unter d) und e) genannten Tätigkeiten gesondert zu honorieren.

(3) Soweit die Ausarbeitung von einer oder mehreren Jahressteuererklärung(en) zum übernommenen Auftrag zählt, gehört dazu nicht die Überprüfung etwaiger besonderer buchmäßiger Voraussetzungen sowie die Prüfung, ob alle in Betracht kommenden insbesondere umsatzsteuerrechtlichen Begünstigungen wahrgenommen worden sind, es sei denn, hierüber besteht eine nachweisliche Beauftragung.

(4) Die Verpflichtung zur Erbringung anderer Leistungen gemäß §§ 2 und 3 WTBG 2017 bedarf jedenfalls nachweislich einer gesonderten Beauftragung.

(5) Vorstehende Absätze (2) bis (4) gelten nicht bei Sachverständigentätigkeit.

(6) Es bestehen keinerlei Pflichten des Auftragnehmers zur Leistungserbringung, Warnung oder Aufklärung über den Umfang des Auftrages hinaus.

(7) Der Auftragnehmer ist berechtigt, sich zur Durchführung des Auftrages geeigneter Mitarbeiter und sonstiger Erfüllungsgehilfen (Subunternehmer) zu bedienen, als auch sich bei der Durchführung des Auftrages durch einen Berufsbefugten substituieren zu lassen. Mitarbeiter im Sinne dieser Bedingungen meint alle Personen, die den Auftragnehmer auf regelmäßiger oder dauerhafter Basis bei seiner betrieblichen Tätigkeit unterstützen, unabhängig von der Art der rechtsgeschäftlichen Grundlage.

(8) Der Auftragnehmer hat bei der Erbringung seiner Leistungen ausschließlich österreichisches Recht zu berücksichtigen; ausländisches Recht ist nur bei ausdrücklicher schriftlicher Vereinbarung zu berücksichtigen.

(9) Ändert sich die Rechtslage nach Abgabe der abschließenden schriftlichen als auch mündlichen beruflichen Äußerung, so ist der Auftragnehmer nicht verpflichtet, den Auftraggeber auf Änderungen oder sich daraus ergebende Folgen hinzuweisen. Dies gilt auch für in sich abgeschlossene Teile eines Auftrages.

(10) Der Auftraggeber ist verpflichtet dafür Sorge zu tragen, dass die von ihm zur Verfügung gestellten Daten vom Auftragnehmer im Rahmen der Leistungserbringung verarbeitet werden dürfen. Diesbezüglich hat der Auftraggeber insbesondere aber nicht ausschließlich die anwendbaren datenschutz- und arbeitsrechtlichen Bestimmungen zu beachten.

(11) Bringt der Auftragnehmer bei einer Behörde ein Anbringen elektronisch ein, so handelt er – mangels ausdrücklicher gegenteiliger Vereinbarung – lediglich als Bote und stellt dies keine ihm oder einem einreichend Bevollmächtigten zurechenbare Willens- oder Wissenserklärung dar.

(12) Der Auftraggeber verpflichtet sich, Personen, die während des Auftragsverhältnisses Mitarbeiter des Auftragnehmers sind oder waren, während und binnen eines Jahres nach Beendigung des Auftragsverhältnisses nicht in seinem Unternehmen oder in einem ihm nahestehenden Unternehmen zu beschäftigen, widrigenfalls er sich zur Bezahlung eines Jahresbezuges des übernommenen Mitarbeiters an den Auftragnehmer verpflichtet.

2. Aufklärungspflicht des Auftraggebers; Vollständigkeitserklärung

(1) Der Auftraggeber hat dafür zu sorgen, dass dem Auftragnehmer auch ohne dessen besondere Aufforderung alle für die Ausführung des Auftrages notwendigen Unterlagen zum vereinbarten Termin und in Ermangelung eines solchen rechtzeitig in geeigneter Form vorgelegt werden und ihm von allen Vorgängen und Umständen Kenntnis gegeben wird, die für die Ausführung des Auftrages von Bedeutung sein können. Dies gilt auch für die Unterlagen, Vorgänge und Umstände, die erst während der Tätigkeit des Auftragnehmers bekannt werden.

(2) Der Auftragnehmer ist berechtigt, die ihm erteilten Auskünfte und übergebenen Unterlagen des Auftraggebers, insbesondere Zahlenangaben, als richtig und vollständig anzusehen und dem Auftrag zu Grunde zu legen. Der Auftragnehmer ist ohne gesonderten schriftlichen Auftrag nicht verpflichtet, Unrichtigkeiten fest zu stellen. Insbesondere gilt dies auch für die Richtigkeit und Vollständigkeit von Rechnungen. Stellt er allerdings Unrichtigkeiten fest, so hat er dies dem Auftraggeber bekannt zu geben. Er hat im Finanzstrafverfahren die Rechte des Auftraggebers zu wahren.

(3) Der Auftraggeber hat dem Auftragnehmer die Vollständigkeit der vorgelegten Unterlagen sowie der gegebenen Auskünfte und Erklärungen im Falle von Prüfungen, Gutachten und Sachverständigentätigkeit schriftlich zu bestätigen.

(4) Wenn bei der Erstellung von Jahresabschlüssen und anderen Abschlüssen vom Auftraggeber erhebliche Risiken nicht bekannt gegeben worden sind, bestehen für den Auftragnehmer insoweit diese Risiken schlagend werden keinerlei Ersatzpflichten.

(5) Vom Auftragnehmer angegebene Termine und Zeitpläne für die Fertigstellung von Produkten des Auftragnehmers oder Teilen davon sind bestmögliche Schätzungen und, sofern nicht anders schriftlich vereinbart, nicht bindend. Selbiges gilt für etwaige Honorarschätzungen: diese werden nach bestem Wissen erstellt; sie sind jedoch stets unverbindlich.

(6) Der Auftraggeber hat dem Auftragnehmer jeweils aktuelle Kontaktdaten (insbesondere Zustelladresse) bekannt zu geben. Der Auftragnehmer darf sich bis zur Bekanntgabe neuer Kontaktdaten auf die Gültigkeit der zuletzt vom Auftraggeber bekannt gegebenen Kontaktdaten verlassen, insbesondere Zustellung an die zuletzt bekannt gegebene Adresse vornehmen lassen.

3. Sicherung der Unabhängigkeit

(1) Der Auftraggeber ist verpflichtet, alle Vorkehrungen zu treffen, um zu verhindern, dass die Unabhängigkeit der Mitarbeiter des Auftragnehmers gefährdet wird, und hat selbst jede Gefährdung dieser Unabhängigkeit zu unterlassen. Dies gilt insbesondere für Angebote auf Anstellung und für Angebote, Aufträge auf eigene Rechnung zu übernehmen.

(2) Der Auftraggeber nimmt zur Kenntnis, dass seine hierfür notwendigen personenbezogenen Daten sowie Art und Umfang inklusive Leistungszeitraum der zwischen Auftragnehmer und Auftraggeber vereinbarten Leistungen (sowohl Prüfungs- als auch Nichtprüfungsleistungen) zum Zweck der Überprüfung des Vorliegens von Befangenheits- oder Ausschließungsgründen und Interessenkollisionen in einem allfälligen Netzwerk, dem der Auftragnehmer angehört, verarbeitet und zu diesem Zweck an die übrigen Mitglieder dieses Netzwerkes auch ins Ausland übermittelt werden. Hierfür entbindet der Auftraggeber den Auftragnehmer nach dem Datenschutzgesetz und gemäß § 80 Abs 4 Z 2 WTBG 2017 ausdrücklich von dessen Verschwiegenheitspflicht. Der Auftraggeber kann die Entbindung von der Verschwiegenheitspflicht jederzeit widerrufen.

4. Berichterstattung und Kommunikation

(1) (Berichterstattung durch den Auftragnehmer) Bei Prüfungen und Gutachten ist, soweit nichts anderes vereinbart wurde, ein schriftlicher Bericht zu erstatten.

(2) (Kommunikation an den Auftraggeber) Alle auftragsbezogenen Auskünfte und Stellungnahmen, einschließlich Berichte, (allesamt Wissenserklärungen) des Auftragnehmers, seiner Mitarbeiter, sonstiger Erfüllungsgehilfen oder Substitute („berufliche Äußerungen“) sind nur dann verbindlich, wenn sie schriftlich erfolgen. Berufliche Äußerungen in elektronischen Dateiformaten, welche per Fax oder E-Mail oder unter Verwendung ähnlicher Formen der elektronischen Kommunikation (speicher- und wiedergabefähig und nicht mündlich dh zB SMS aber nicht Telefon) erfolgen, übermittelt oder bestätigt werden, gelten als schriftlich; dies gilt ausschließlich für berufliche Äußerungen. Das Risiko der Erteilung der beruflichen Äußerungen durch dazu Nichtbefugte und das Risiko der Übersendung dieser trägt der Auftraggeber.

(3) (Kommunikation an den Auftraggeber) Der Auftraggeber stimmt hiermit zu, dass der Auftragnehmer elektronische Kommunikation mit dem Auftraggeber (zB via E-Mail) in unverschlüsselter Form vornimmt. Der Auftraggeber erklärt, über die mit der Verwendung elektronischer Kommunikation verbundenen Risiken (insbesondere Zugang, Geheimhaltung, Veränderung von Nachrichten im Zuge der Übermittlung) informiert zu sein. Der Auftragnehmer, seine Mitarbeiter, sonstigen Erfüllungsgehilfen oder Substitute haften nicht für Schäden, die durch die Verwendung elektronischer Kommunikationsmittel verursacht werden.

(4) (Kommunikation an den Auftragnehmer) Der Empfang und die Weiterleitung von Informationen an den Auftragnehmer und seine Mitarbeiter sind bei Verwendung von Telefon – insbesondere in Verbindung mit automatischen Anrufbeantwortungssystemen, Fax, E-Mail und anderen Formen der elektronischen Kommunikation – nicht immer sichergestellt. Aufträge und wichtige Informationen gelten daher dem Auftragnehmer nur dann als zugegangen, wenn sie auch physisch (nicht (fern-)mündlich oder elektronisch) zugegangen sind, es sei denn, es wird im Einzelfall der Empfang ausdrücklich bestätigt. Automatische Übermittlungs- und Lesebestätigungen gelten nicht als solche ausdrücklichen Empfangsbestätigungen. Dies gilt insbesondere für die Übermittlung von Bescheiden und anderen Informationen über Fristen. Kritische und wichtige Mitteilungen müssen daher per Post oder Kurier an den Auftragnehmer gesandt werden. Die Übergabe von Schriftstücken an Mitarbeiter außerhalb der Kanzlei gilt nicht als Übergabe.

(5) (Allgemein) Schriftlich meint insoweit in Punkt 4 (2) nicht anderes bestimmt, Schriftlichkeit iSd § 886 ABGB (Unterschriftlichkeit). Eine fortgeschrittene elektronische Signatur (Art. 26 eIDAS-VO, (EU) Nr. 910/2014) erfüllt das Erfordernis der Schriftlichkeit iSd § 886 ABGB (Unterschriftlichkeit), soweit dies innerhalb der Parteiendisposition liegt.

(6) (Werbliche Information) Der Auftragnehmer wird dem Auftraggeber wiederkehrend allgemeine steuerrechtliche und allgemeine wirtschaftsrechtliche Informationen elektronisch (zB per E-Mail) übermitteln. Der Auftraggeber nimmt zur Kenntnis, dass er das Recht hat, der Zusendung von Direktwerbung jederzeit zu widersprechen.

5. Schutz des geistigen Eigentums des Auftragnehmers

(1) Der Auftraggeber ist verpflichtet, dafür zu sorgen, dass die im Rahmen des Auftrages vom Auftragnehmer erstellten Berichte, Gutachten, Organisationspläne, Entwürfe, Zeichnungen, Berechnungen und dergleichen nur für Auftragszwecke (z.B. gemäß § 44 Abs 3 EStG 1988) verwendet werden. Im Übrigen bedarf die Weitergabe schriftlicher als auch mündlicher beruflicher Äußerungen des Auftragnehmers an einen Dritten zur Nutzung der schriftlichen Zustimmung des Auftragnehmers.

(2) Die Verwendung schriftlicher als auch mündlicher beruflicher Äußerungen des Auftragnehmers zu Werbezwecken ist unzulässig; ein Verstoß berechtigt den Auftragnehmer zur fristlosen Kündigung aller noch nicht durchgeführten Aufträge des Auftraggebers.

(3) Dem Auftragnehmer verbleibt an seinen Leistungen das Urheberrecht. Die Einräumung von Werknutzungsbewilligungen bleibt der schriftlichen Zustimmung des Auftragnehmers vorbehalten.

6. Mängelbeseitigung

(1) Der Auftragnehmer ist berechtigt und verpflichtet, nachträglich hervorkommende Unrichtigkeiten und Mängel in seiner schriftlichen als auch mündlichen beruflichen Äußerung zu beseitigen, und verpflichtet, den Auftraggeber hiervon unverzüglich zu verständigen. Er ist berechtigt, auch über die ursprüngliche berufliche Äußerung informierte Dritte von der Änderung zu verständigen.

(2) Der Auftraggeber hat Anspruch auf die kostenlose Beseitigung von Unrichtigkeiten, sofern diese durch den Auftragnehmer zu vertreten sind; dieser Anspruch erlischt sechs Monate nach erbrachter Leistung des Auftragnehmers bzw. – falls eine schriftliche berufliche Äußerung nicht abgegeben wird – sechs Monate nach Beendigung der beanstandeten Tätigkeit des Auftragnehmers.

(3) Der Auftraggeber hat bei Fehlschlägen der Nachbesserung etwaiger Mängel Anspruch auf Minderung. Soweit darüber hinaus Schadenersatzansprüche bestehen, gilt Punkt 7.

7. Haftung

(1) Sämtliche Haftungsregelungen gelten für alle Streitigkeiten im Zusammenhang mit dem Auftragsverhältnis, gleich aus welchem Rechtsgrund. Der Auftragnehmer haftet für Schäden im Zusammenhang mit dem Auftragsverhältnis (einschließlich dessen Beendigung) nur bei Vorsatz und grober Fahrlässigkeit. Die Anwendbarkeit des § 1298 Satz 2 ABGB wird ausgeschlossen.

(2) Im Falle grober Fahrlässigkeit beträgt die Ersatzpflicht des Auftragnehmers höchstens das zehnfache der Mindestversicherungssumme der Berufshaftpflichtversicherung gemäß § 11 Wirtschaftstreuhandberufsgesetz 2017 (WTBG 2017) in der jeweils geltenden Fassung.

(3) Die Beschränkung der Haftung gemäß Punkt 7 (2) bezieht sich auf den einzelnen Schadensfall. Der einzelne Schadensfall umfasst sämtliche Folgen einer Pflichtverletzung ohne Rücksicht darauf, ob Schäden in einem oder in mehreren aufeinander folgenden Jahren entstanden sind. Dabei gilt mehrfaches auf gleicher oder gleichartiger Fehlerquelle beruhendes Tun oder Unterlassen als eine einheitliche Pflichtverletzung, wenn die betreffenden Angelegenheiten miteinander in rechtlichem und wirtschaftlichem Zusammenhang stehen. Ein einheitlicher Schaden bleibt ein einzelner Schadensfall, auch wenn er auf mehreren Pflichtverletzungen beruht. Weiters ist, außer bei vorsätzlicher Schädigung, eine Haftung des Auftragnehmers für entgangenen Gewinn sowie Begleit-, Folge-, Neben- oder ähnliche Schäden, ausgeschlossen.

(4) Jeder Schadenersatzanspruch kann nur innerhalb von sechs Monaten nachdem der oder die Anspruchsberechtigten von dem Schaden Kenntnis erlangt haben, spätestens aber innerhalb von drei Jahren ab Eintritt des (Primär)Schadens nach dem anspruchsbegründenden Ereignis gerichtlich geltend gemacht werden, sofern nicht in gesetzlichen Vorschriften zwingend andere Verjährungsfristen festgesetzt sind.

(5) Im Falle der (tatbestandsmäßigen) Anwendbarkeit des § 275 UGB gelten dessen Haftungsnormen auch dann, wenn an der Durchführung des Auftrages mehrere Personen beteiligt gewesen oder mehrere zum Ersatz verpflichtende Handlungen begangen worden sind und ohne Rücksicht darauf, ob andere Beteiligte vorsätzlich gehandelt haben.

(6) In Fällen, in denen ein förmlicher Bestätigungsvermerk erteilt wird, beginnt die Verjährungsfrist spätestens mit Erteilung des Bestätigungsvermerkes zu laufen.

(7) Wird die Tätigkeit unter Einschaltung eines Dritten, z.B. eines Daten verarbeitenden Unternehmens, durchgeführt, so gelten mit Benachrichtigung des Auftraggebers darüber nach Gesetz oder Vertrag be- oder entstehende Gewährleistungs- und Schadenersatzansprüche gegen den Dritten als an den Auftraggeber abgetreten. Der Auftragnehmer haftet, unbeschadet Punkt 4. (3), diesfalls nur für Verschulden bei der Auswahl des Dritten.

(8) Eine Haftung des Auftragnehmers Dritten gegenüber ist in jedem Fall ausgeschlossen. Geraten Dritte mit der Arbeit des Auftragnehmers wegen des Auftraggebers in welcher Form auch immer in Kontakt hat der Auftraggeber diese über diesen Umstand ausdrücklich aufzuklären. Soweit

ein solcher Haftungsausschluss gesetzlich nicht zulässig ist oder eine Haftung gegenüber Dritten vom Auftragnehmer ausnahmsweise übernommen wurde, gelten subsidiär diese Haftungsbeschränkungen jedenfalls auch gegenüber Dritten. Dritte können jedenfalls keine Ansprüche stellen, die über einen allfälligen Anspruch des Auftraggebers hinausgehen. Die Haftungshöchstsumme gilt nur insgesamt einmal für alle Geschädigten, einschließlich der Ersatzansprüche des Auftraggebers selbst, auch wenn mehrere Personen (der Auftraggeber und ein Dritter oder auch mehrere Dritte) geschädigt worden sind; Geschädigte werden nach ihrem Zuvorkommen befriedigt. Der Auftraggeber wird den Auftragnehmer und dessen Mitarbeiter von sämtlichen Ansprüchen Dritter im Zusammenhang mit der Weitergabe schriftlicher als auch mündlicher beruflicher Äußerungen des Auftragnehmers an diese Dritte schad- und klaglos halten.

(9) Punkt 7 gilt auch für allfällige Haftungsansprüche des Auftraggebers im Zusammenhang mit dem Auftragsverhältnis gegenüber Dritten (Erfüllungs- und Besorgungsgehilfen des Auftragnehmers) und den Substituten des Auftragnehmers.

8. Verschwiegenheitspflicht, Datenschutz

(1) Der Auftragnehmer ist gemäß § 80 WTBG 2017 verpflichtet, über alle Angelegenheiten, die ihm im Zusammenhang mit seiner Tätigkeit für den Auftraggeber bekannt werden, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn von dieser Schweigepflicht entbindet oder gesetzliche Äußerungspflichten entgegen stehen.

(2) Soweit es zur Verfolgung von Ansprüchen des Auftragnehmers (insbesondere Ansprüche auf Honorar) oder zur Abwehr von Ansprüchen gegen den Auftragnehmer (insbesondere Schadenersatzansprüche des Auftraggebers oder Dritter gegen den Auftragnehmer) notwendig ist, ist der Auftragnehmer von seiner beruflichen Verschwiegenheitspflicht entbunden.

(3) Der Auftragnehmer darf Berichte, Gutachten und sonstige schriftliche berufliche Äußerungen über die Ergebnisse seiner Tätigkeit Dritten nur mit Einwilligung des Auftraggebers aushändigen, es sei denn, dass eine gesetzliche Verpflichtung hierzu besteht.

(4) Der Auftragnehmer ist datenschutzrechtlich Verantwortlicher im Sinne der Datenschutz-Grundverordnung („DSGVO") hinsichtlich aller im Rahmen des Auftrages verarbeiteter personenbezogenen Daten. Der Auftragnehmer ist daher befugt, ihm anvertraute personenbezogene Daten im Rahmen der Grenzen des Auftrages zu verarbeiten. Dem Auftragnehmer überlassene Materialien (Papier und Datenträger) werden grundsätzlich nach Beendigung der diesbezüglichen Leistungserbringung dem Auftraggeber oder an vom Auftraggeber namhaft gemachte Dritte übergeben oder wenn dies gesondert vereinbart ist vom Auftragnehmer verwahrt oder vernichtet. Der Auftragnehmer ist berechtigt Kopien davon aufzubewahren soweit er diese zur ordnungsgemäßen Dokumentation seiner Leistungen benötigt oder es rechtlich geboten oder berufsüblich ist.

(5) Sofern der Auftragnehmer den Auftraggeber dabei unterstützt, die den Auftraggeber als datenschutzrechtlich Verantwortlichen treffenden Pflichten gegenüber Betroffenen zu erfüllen, so ist der Auftragnehmer berechtigt, den entstandenen tatsächlichen Aufwand an den Auftraggeber zu verrechnen. Gleiches gilt, für den Aufwand der für Auskünfte im Zusammenhang mit dem Auftragsverhältnis anfällt, die nach Entbindung von der Verschwiegenheitspflicht durch den Auftraggeber gegenüber Dritten diesen Dritten erteilt werden.

9. Rücktritt und Kündigung („Beendigung")

(1) Die Erklärung der Beendigung eines Auftrags hat schriftlich zu erfolgen (siehe auch Punkt. 4 (4) und (5)). Das Erlöschen einer bestehenden Vollmacht bewirkt keine Beendigung des Auftrags.

(2) Soweit nicht etwas anderes schriftlich vereinbart oder gesetzlich zwingend vorgeschrieben ist, können die Vertragspartner den Vertrag jederzeit mit sofortiger Wirkung beendigen. Der Honoraranspruch bestimmt sich nach Punkt 11.

(3) Ein Dauerauftrag (befristeter oder unbefristeter Auftrag über, wenn auch nicht ausschließlich, die Erbringung wiederholter Einzelleistungen, auch mit Pauschalvergütung) kann allerdings, soweit nichts anderes schriftlich vereinbart ist, ohne Vorliegen eines wichtigen Grundes nur unter Einhaltung einer Frist von drei Monaten („Beendigungsfrist") zum Ende eines Kalendermonats beendet werden.

(4) Nach Erklärung der Beendigung eines Dauerauftrags – sind, soweit im Folgenden nicht abweichend bestimmt, nur jene einzelnen Werke vom Auftragnehmer noch fertigzustellen (verbleibender Auftragsstand), deren vollständige Ausführung innerhalb der Beendigungsfrist (grundsätzlich) möglich ist, soweit diese innerhalb eines Monats nach Beginn des Laufs der Beendigungsfrist dem Auftraggeber schriftlich im Sinne des Punktes 4 (2) bekannt gegeben werden. Der verbleibende Auftragsstand ist innerhalb der Beendigungsfrist fertig zu stellen, sofern sämtliche erforderlichen Unterlagen rechtzeitig zur Verfügung gestellt werden und soweit nicht ein wichtiger Grund vorliegt, der dies hindert.

(5) Wären bei einem Dauerauftrag mehr als 2 gleichartige, üblicherweise nur einmal jährlich zu erstellende Werke (z.B. Jahresabschlüsse, Steuererklärungen etc.) fertig zu stellen, so zählen die über 2 hinaus gehenden Werke nur bei ausdrücklichem Einverständnis des Auftraggebers zum verbleibenden Auftragsstand. Auf diesen Umstand ist der Auftraggeber in der Bekanntgabe gemäß Punkt 9 (4) gegebenenfalls ausdrücklich hinzuweisen.

10. Beendigung bei Annahmeverzug und unterlassener Mitwirkung des Auftraggebers und rechtlichen Ausführungshindernissen

(1) Kommt der Auftraggeber mit der Annahme der vom Auftragnehmer angebotenen Leistung in Verzug oder unterlässt der Auftraggeber eine ihm nach Punkt 2. oder sonst wie obliegende Mitwirkung, so ist der Auftragnehmer zur fristlosen Beendigung des Vertrages berechtigt. Gleiches gilt, wenn der Auftraggeber eine (auch teilweise) Durchführung des Auftrages verlangt, die, nach begründetem Dafürhalten des Auftragnehmers, nicht der Rechtslage oder berufsüblichen Grundsätzen entspricht. Seine Honoraransprüche bestimmen sich nach Punkt 11. Annahmeverzug sowie unterlassene Mitwirkung seitens des Auftraggebers begründen auch dann den Anspruch des Auftragnehmers auf Ersatz der ihm hierdurch entstandenen Mehraufwendungen sowie des verursachten Schadens, wenn der Auftragnehmer von seinem Kündigungsrecht keinen Gebrauch macht.

(2) Bei Verträgen über die Führung der Bücher, die Vornahme der Personalsachbearbeitung oder Abgabenverrechnung ist eine fristlose Beendigung durch den Auftragnehmer gemäß Punkt 10 (1) zulässig, wenn der Auftraggeber seiner Mitwirkungspflicht gemäß Punkt 2. (1) zweimal nachweislich nicht nachkommt.

11. Honoraranspruch

(1) Unterbleibt die Ausführung des Auftrages (z.B. wegen Rücktritt oder Kündigung), so gebührt dem Auftragnehmer gleichwohl das vereinbarte Entgelt (Honorar), wenn er zur Leistung bereit war und durch Umstände, deren Ursache auf Seiten des Auftraggebers liegen, ein bloßes Mitverschulden des Auftragnehmers bleibt diesbezüglich außer Ansatz, daran gehindert worden ist; der Auftragnehmer braucht sich in diesem Fall nicht anrechnen zu lassen, was er durch anderweitige Verwendung seiner und seiner Mitarbeiter Arbeitskraft erwirbt oder zu erwerben unterlässt.

(2) Bei Beendigung eines Dauerauftrags gebührt das vereinbarte Entgelt für den verbleibenden Auftragsstand, sofern er fertiggestellt wird oder dies aus Gründen, die dem Auftraggeber zuzurechnen sind, unterbleibt (auf Punkt 11. (1) wird verwiesen). Vereinbarte Pauschalhonorare sind gegebenenfalls zu aliquotieren.

(3) Unterbleibt eine zur Ausführung des Werkes erforderliche Mitwirkung des Auftraggebers, so ist der Auftragnehmer auch berechtigt, ihm zur Nachholung eine angemessene Frist zu setzen mit der Erklärung, dass nach fruchtlosem Verstreichen der Frist der Vertrag als aufgehoben gelte, im Übrigen gelten die Folgen des Punkt 11. (1).

(4) Bei Nichteinhaltung der Beendigungsfrist gemäß Punkt 9. (3) durch den Auftraggeber, sowie bei Vertragsauflösung gemäß Punkt 10. (2) durch den Auftragnehmer behält der Auftragnehmer den vollen Honoraranspruch für drei Monate.

12. Honorar

(1) Sofern nicht ausdrücklich Unentgeltlichkeit vereinbart ist, wird jedenfalls gemäß § 1004 und § 1152 ABGB eine angemessene Entlohnung geschuldet. Höhe und Art des Honoraranspruchs des Auftragnehmers ergeben sich aus der zwischen ihm und seinem Auftraggeber getroffenen Vereinbarung. Sofern nicht nachweislich eine andere Vereinbarung getroffen wurde sind Zahlungen des Auftraggebers immer auf die älteste Schuld anzurechnen.

(2) Die kleinste verrechenbare Leistungseinheit beträgt eine Viertelstunde.

(3) Auch die Wegzeit wird im notwendigen Umfang verrechnet.

(4) Das Aktenstudium in der eigenen Kanzlei, das nach Art und Umfang zur Vorbereitung des Auftragnehmers notwendig ist, kann gesondert verrechnet werden.

(5) Erweist sich durch nachträglich hervorgekommene besondere Umstände oder auf Grund besonderer Inanspruchnahme durch den Auftraggeber ein bereits vereinbartes Entgelt als unzureichend, so hat der Auftragnehmer den Auftraggeber darauf hinzuweisen und sind Nachverhandlungen zur Vereinbarung eines angemessenen Entgelts zu führen (auch bei unzureichenden Pauschalhonoraren).

(6) Der Auftragnehmer verrechnet die Nebenkosten und die Umsatzsteuer zusätzlich. Beispielhaft aber nicht abschließend im Folgenden (7) bis (9):

(7) Zu den verrechenbaren Nebenkosten zählen auch belegte oder pauschalierte Barauslagen, Reisespesen (bei Bahnfahrten 1. Klasse), Diäten, Kilometergeld, Kopierkosten und ähnliche Nebenkosten.

(8) Bei besonderen Haftpflichtversicherungserfordernissen zählen die betreffenden Versicherungsprämien (inkl. Versicherungssteuer) zu den Nebenkosten.

(9) Weiters sind als Nebenkosten auch Personal- und Sachaufwendungen für die Erstellung von Berichten, Gutachten uä. anzusehen.

(10) Für die Ausführung eines Auftrages, dessen gemeinschaftliche Erledigung mehreren Auftragnehmern übertragen worden ist, wird von jedem das seiner Tätigkeit entsprechende Entgelt verrechnet.

(11) Entgelte und Entgeltvorschüsse sind mangels anderer Vereinbarungen sofort nach deren schriftlicher Geltendmachung fällig. Für Entgeltzahlungen, die später als 14 Tage nach Fälligkeit geleistet werden, können Verzugszinsen verrechnet werden. Bei beiderseitigen Unternehmergeschäften gelten Verzugszinsen in der in § 456 1. und 2. Satz UGB festgelegten Höhe.

(12) Die Verjährung richtet sich nach § 1486 ABGB und beginnt mit Ende der Leistung bzw. mit späterer, in angemessener Frist erfolgter Rechnungslegung zu laufen.

(13) Gegen Rechnungen kann innerhalb von 4 Wochen ab Rechnungsdatum schriftlich beim Auftragnehmer Einspruch erhoben werden. Andernfalls gilt die Rechnung als anerkannt. Die Aufnahme einer Rechnung in die Bücher gilt jedenfalls als Anerkenntnis.

(14) Auf die Anwendung des § 934 ABGB im Sinne des § 351 UGB, das ist die Anfechtung wegen Verkürzung über die Hälfte für Geschäfte unter Unternehmern, wird verzichtet.

(15) Falls bei Aufträgen betreffend die Führung der Bücher, die Vornahme der Personalsachbearbeitung oder Abgabenverrechnung ein Pauschalhonorar vereinbart ist, so sind mangels anderweitiger schriftlicher Vereinbarung die Vertretungstätigkeit im Zusammenhang mit abgaben- und beitragsrechtlichen Prüfungen aller Art einschließlich der Abschluss von Vergleichen über Abgabenbemessungs- oder Beitragsgrundlagen, Berichterstattung, Rechtsmittelerhebung uä gesondert zu honorieren. Sofern nichts anderes schriftlich vereinbart ist, gilt das Honorar als jeweils für ein Auftragsjahr vereinbart.

(16) Die Bearbeitung besonderer Einzelfragen im Zusammenhang mit den im Punkt 12. (15) genannten Tätigkeiten, insbesondere Feststellungen über das prinzipielle Vorliegen einer Pflichtversicherung, erfolgt nur aufgrund eines besonderen Auftrages.

(17) Der Auftragnehmer kann entsprechende Vorschüsse verlangen und seine (fortgesetzte) Tätigkeit von der Zahlung dieser Vorschüsse abhängig machen. Bei Daueraufträgen darf die Erbringung weiterer Leistungen bis zur Bezahlung früherer Leistungen (sowie allfälliger Vorschüsse gemäß Satz 1) verweigert werden. Bei Erbringung von Teilleistungen und offener Teilhonorierung gilt dies sinngemäß.

(18) Eine Beanstandung der Arbeiten des Auftragnehmers berechtigt, außer bei offenkundigen wesentlichen Mängeln, nicht zur auch nur teilweisen Zurückhaltung der ihm nach Punkt 12. zustehenden Honorare, sonstigen Entgelte, Kostenersätze und Vorschüsse (Vergütungen).

(19) Eine Aufrechnung gegen Forderungen des Auftragnehmers auf Vergütungen nach Punkt 12. ist nur mit unbestrittenen oder rechtskräftig festgestellten Forderungen zulässig.

13. Sonstiges

(1) Im Zusammenhang mit Punkt 12. (17) wird auf das gesetzliche Zurückbehaltungsrecht (§ 471 ABGB, § 369 UGB) verwiesen; wird das Zurückbehaltungsrecht zu Unrecht ausgeübt, haftet der Auftragnehmer grundsätzlich gemäß Punkt 7. aber in Abweichung dazu nur bis zur Höhe seiner noch offenen Forderung.

(2) Der Auftraggeber hat keinen Anspruch auf Ausfolgung von im Zuge der Auftragserfüllung vom Auftragnehmer erstellten Arbeitspapieren und ähnlichen Unterlagen. Im Falle der Auftragserfüllung unter Einsatz elektronischer Buchhaltungssysteme ist der Auftragnehmer berechtigt, nach Übergabe sämtlicher vom Auftragnehmer auftragsbezogen damit erstellter Daten, für die den Auftraggeber eine Aufbewahrungspflicht trifft, in einem strukturierten, gängigen und maschinenlesbaren Format an den Auftraggeber bzw. an den nachfolgenden Wirtschaftstreuhänder, die Daten zu löschen. Für die Übergabe dieser Daten in einem strukturierten, gängigen und maschinenlesbaren Format hat der Auftragnehmer Anspruch auf ein angemessenes Honorar (Punkt 12 gilt sinngemäß). Ist eine Übergabe dieser Daten in einem strukturierten, gängigen und maschinenlesbaren Format aus besonderen Gründen unmöglich oder untunlich, können diese ersatzweise im Vollausdruck übergeben werden. Eine Honorierung steht diesfalls dafür nicht zu.

(3) Der Auftragnehmer hat auf Verlangen und Kosten des Auftraggebers alle Unterlagen herauszugeben, die er aus Anlass seiner Tätigkeit von diesem erhalten hat. Dies gilt jedoch nicht für den Schriftwechsel zwischen dem Auftragnehmer und seinem Auftraggeber und für die Schriftstücke, die der Auftraggeber in Urschrift besitzt und für Schriftstücke, die einer Aufbewahrungspflicht nach den für den Auftragnehmer geltenden rechtlichen Bestimmungen zur Verhinderung von Geldwäsche unterliegen. Der Auftragnehmer kann von Unterlagen, die er an den Auftraggeber zurückgibt, Abschriften oder Fotokopien anfertigen. Sind diese Unterlagen bereits einmal an den Auftraggeber übermittelt worden so hat der Auftragnehmer Anspruch auf ein angemessenes Honorar (Punkt 12. gilt sinngemäß).

(4) Der Auftraggeber hat die dem Auftragsnehmer übergebenen Unterlagen nach Abschluss der Arbeiten binnen 3 Monaten abzuholen. Bei Nichtabholung übergebener Unterlagen kann der Auftragnehmer nach zweimaliger nachweislicher Aufforderung an den Auftraggeber, übergebene Unterlagen abzuholen, diese auf dessen Kosten zurückstellen und/oder ein angemessenes Honorar in Rechnung stellen (Punkt 12. gilt sinngemäß). Die weitere Aufbewahrung kann auch auf Kosten des Auftraggebers durch Dritte erfolgen. Der Auftragnehmer haftet im Weiteren nicht für Folgen aus Beschädigung, Verlust oder Vernichtung der Unterlagen.

(5) Der Auftragnehmer ist berechtigt, fällige Honorarforderungen mit etwaigen Depotguthaben, Verrechnungsgeldern, Treuhandgeldern oder anderen in seiner Gewahrsame befindlichen liquiden Mitteln auch bei ausdrücklicher Inverwahrungnahme zu kompensieren, sofern der Auftraggeber mit einem Gegenanspruch des Auftragnehmers rechnen musste.

(6) Zur Sicherung einer bestehenden oder künftigen Honorarforderung ist der Auftragnehmer berechtigt, ein finanzamtliches Guthaben oder ein anderes Abgaben- oder Beitragsguthaben des Auftraggebers auf ein Anderkonto zu transferieren. Diesfalls ist der Auftraggeber vom erfolgten Transfer zu verständigen. Danach kann der sichergestellte Betrag entweder im Einvernehmen mit dem Auftraggeber oder bei Vollstreckbarkeit der Honorarforderung eingezogen werden.

14. Anzuwendendes Recht, Erfüllungsort, Gerichtsstand

(1) Für den Auftrag, seine Durchführung und die sich hieraus ergebenden Ansprüche gilt ausschließlich österreichisches Recht unter Ausschluss des nationalen Verweisungsrechts.

(2) Erfüllungsort ist der Ort der beruflichen Niederlassung des Auftragnehmers.

(3) Gerichtsstand ist – mangels abweichender schriftlicher Vereinbarung – das sachlich zuständige Gericht des Erfüllungsortes.

II. TEIL

15. Ergänzende Bestimmungen für Verbrauchergeschäfte

(1) Für Verträge zwischen Wirtschaftstreuhändern und Verbrauchern gelten die zwingenden Bestimmungen des Konsumentenschutzgesetzes.

(2) Der Auftragnehmer haftet nur für vorsätzliche und grob fahrlässig verschuldete Verletzung der übernommenen Verpflichtungen.

(3) Anstelle der im Punkt 7 Abs 2 normierten Begrenzung ist auch im Falle grober Fahrlässigkeit die Ersatzpflicht des Auftragnehmers nicht begrenzt.

(4) Punkt 6 Abs 2 (Frist für Mängelbeseitigungsanspruch) und Punkt 7 Abs 4 (Geltendmachung der Schadenersatzansprüche innerhalb einer bestimmten Frist) gilt nicht.

(5) Rücktrittsrecht gemäß § 3 KSchG:

Hat der Verbraucher seine Vertragserklärung nicht in den vom Auftragnehmer dauernd benützten Kanzleiräumen abgegeben, so kann er von seinem Vertragsantrag oder vom Vertrag zurücktreten. Dieser Rücktritt kann bis zum Zustandekommen des Vertrages oder danach binnen einer Woche erklärt werden; die Frist beginnt mit der Ausfolgung einer Urkunde, die zumindest den Namen und die Anschrift des Auftragnehmers sowie eine Belehrung über das Rücktrittsrecht enthält, an den Verbraucher, frühestens jedoch mit dem Zustandekommen des Vertrages zu laufen. Das Rücktrittsrecht steht dem Verbraucher nicht zu,

1. wenn er selbst die geschäftliche Verbindung mit dem Auftragnehmer oder dessen Beauftragten zwecks Schließung dieses Vertrages angebahnt hat,

2. wenn dem Zustandekommen des Vertrages keine Besprechungen zwischen den Beteiligten oder ihren Beauftragten vorangegangen sind oder

3. bei Verträgen, bei denen die beiderseitigen Leistungen sofort zu erbringen sind, wenn sie üblicherweise von Auftragnehmern außerhalb ihrer Kanzleiräume geschlossen werden und das vereinbarte Entgelt € 15 nicht übersteigt.

Der Rücktritt bedarf zu seiner Rechtswirksamkeit der Schriftform. Es genügt, wenn der Verbraucher ein Schriftstück, das seine Vertragserklärung oder die des Auftragnehmers enthält, dem Auftragnehmer mit einem Vermerk zurückstellt, der erkennen lässt, dass der Verbraucher das Zustandekommen oder die Aufrechterhaltung des Vertrages ablehnt. Es genügt, wenn die Erklärung innerhalb einer Woche abgesendet wird.

Tritt der Verbraucher gemäß § 3 KSchG vom Vertrag zurück, so hat Zug um Zug

1. der Auftragnehmer alle empfangenen Leistungen samt gesetzlichen Zinsen vom Empfangstag an zurückzuerstatten und den vom Verbraucher auf die Sache gemachten notwendigen und nützlichen Aufwand zu ersetzen,

2. der Verbraucher dem Auftragnehmer den Wert der Leistungen zu vergüten, soweit sie ihm zum klaren und überwiegenden Vorteil gereichen.

Gemäß § 4 Abs 3 KSchG bleiben Schadenersatzansprüche unberührt.

(6) Kostenvoranschläge gemäß § 5 KSchG:

Für die Erstellung eines Kostenvoranschlages im Sinn des § 1170a ABGB durch den Auftragnehmer hat der Verbraucher ein Entgelt nur dann zu zahlen, wenn er vorher auf diese Zahlungspflicht hingewiesen worden ist.

Wird dem Vertrag ein Kostenvoranschlag des Auftragnehmers zugrunde gelegt, so gilt dessen Richtigkeit als gewährleistet, wenn nicht das Gegenteil ausdrücklich erklärt ist.

(7) Mängelbeseitigung: Punkt 6 wird ergänzt:

Ist der Auftragnehmer nach § 932 ABGB verpflichtet, seine Leistungen zu verbessern oder Fehlendes nachzutragen, so hat er diese Pflicht zu erfüllen, an dem Ort, an dem die Sache übergeben worden ist. Ist es für den Verbraucher tunlich, die Werke und Unterlagen vom Auftragnehmer gesendet zu erhalten, so kann dieser diese Übersendung auf seine Gefahr und Kosten vornehmen.

(8) Gerichtsstand: Anstelle Punkt 14. (3) gilt:

Hat der Verbraucher im Inland seinen Wohnsitz oder seinen gewöhnlichen Aufenthalt oder ist er im Inland beschäftigt, so kann für eine Klage gegen ihn nach den §§ 88, 89, 93 Abs 2 und 104 Abs1 JN nur die Zuständigkeit eines Gerichtes begründet werden, in dessen Sprengel der Wohnsitz, der gewöhnliche Aufenthalt oder der Ort der Beschäftigung liegt.

(9) Verträge über wiederkehrende Leistungen:

(a) Verträge, durch die sich der Auftragnehmer zu Werkleistungen und der Verbraucher zu wiederholten Geldzahlungen verpflichten und die für eine unbestimmte oder eine ein Jahr übersteigende Zeit geschlossen worden sind, kann der Verbraucher unter Einhaltung einer zweimonatigen Frist zum Ablauf des ersten Jahres, nachher zum Ablauf jeweils eines halben Jahres kündigen.

(b) Ist die Gesamtheit der Leistungen eine nach ihrer Art unteilbare Leistung, deren Umfang und Preis schon bei der Vertragsschließung bestimmt sind, so kann der erste Kündigungstermin bis zum Ablauf des zweiten Jahres hinausgeschoben werden. In solchen Verträgen kann die Kündigungsfrist auf höchstens sechs Monate verlängert werden.

(c) Erfordert die Erfüllung eines bestimmten, in lit. a) genannten Vertrages erhebliche Aufwendungen des Auftragnehmers und hat er dies dem Verbraucher spätestens bei der Vertragsschließung bekannt gegeben, so können den Umständen angemessene, von den in lit. a) und b) genannten abweichende Kündigungstermine und Kündigungsfristen vereinbart werden.

(d) Eine Kündigung des Verbrauchers, die nicht fristgerecht ausgesprochen worden ist, wird zum nächsten nach Ablauf der Kündigungsfrist liegenden Kündigungstermin wirksam.