

# Half-year Financial Report 2022



— IMMOFINANZ —

# People's Business by IMMOFINANZ



For the brand quality, we guarantee.

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## Earnings

		Q1-2 2022	Q1-2 2021	Change in %
Rental income	in MEUR	144.2	145.0	-0.6
Results of asset management	in MEUR	110.0	106.8	3.0
Results of property sales	in MEUR	-11.8	-3.7	≤ -100.0%
Results of property development	in MEUR	-7.8	22.0	n. a.
Results of operations	in MEUR	56.3	103.3	-45.5
Revaluations	in MEUR	71.9	78.1	-8.0
EBIT	in MEUR	131.0	155.9	-15.9
Financial results	in MEUR	68.8	91.6	-24.8
EBT	in MEUR	199.9	247.4	-19.2
Net profit for the period	in MEUR	162.7	228.6	-28.8
FFO 1 before tax <sup>1</sup>	in MEUR	78.7	74.2	6.1
FFO 1 per share before tax <sup>1,2</sup>	in EUR	0.58	0.60	-3.6

<sup>1</sup> See calculations in the section "Business Development". The comparative data was adjusted.

<sup>2</sup> Number of shares for the calculation: 135,707,360 for Q1-2 2022 and 123,293,795 for Q1-2 2021

## Assets

		30 06 2022	31 12 2021	Change in %
Balance sheet total	in MEUR	6,627.9	6,958.7	-4.8
Equity as % of the balance sheet total	in %	57.3	48.1	n. a.
Net financial liabilities	in MEUR	1,927.8	2,097.8	-8.1
Cash and cash equivalents <sup>1</sup>	in MEUR	383.5	987.1	-61.2
Loan-to-value ratio (net)	in %	32.5	36.7	n. a.
Gearing	in %	52.2	64.2	n. a.
Total average interest rate including costs for derivatives	in %	1.9	1.9	n. a.
Average term of financial liabilities	in years	4.2	3.8	11.5

<sup>1</sup> Including cash and cash equivalents held for sale

## Investment property

		30 06 2022	31 12 2021	Change in %
Total number of properties		227	225	0.9
Rentable space	in sqm	2,025,161	1,939,581	4.4
Occupancy rate	in %	94.3	95.1	n. a.
Gross return <sup>1</sup>	in %	6.1	5.9	n. a.
Invoiced rents return <sup>1</sup>	in %	6.4	6.3	n. a.
Portfolio value <sup>1</sup>	in MEUR	5,358.1	5,160.8	3.8
Unencumbered investment property	in MEUR	1,506.9	1,476.8	2.0

<sup>1</sup> Based on data in the "Portfolio Report"

## EPRA<sup>1</sup>

		30 06 2022	31 12 2021	Change in %
EPRA net reinstatement value	in MEUR	4,299.7	4,189.9	2.6
EPRA net reinstatement value per share	in EUR	31.08	30.17	3.0
EPRA net tangible assets	in MEUR	4,079.3	4,053.5	0.6
EPRA net tangible assets per share	in EUR	29.49	29.19	1.0
EPRA net disposal value	in MEUR	3,828.2	3,625.5	5.6
EPRA net disposal value per share	in EUR	27.67	26.11	6.0
EPRA vacancy rate <sup>2</sup>	in %	6.1	5.1	n. a.
EPRA loan-to-value ratio	in %	35.1	n. a.	n. a.
		Q1-2 2022	Q1-2 2021	Change in %
EPRA earnings <sup>3</sup>	in MEUR	51.3	164.7	-68.9
EPRA earnings per share <sup>3</sup>	in EUR	0.38	1.34	-71.6
EPRA earnings after company-specific adjustments <sup>3</sup>	in MEUR	57.8	103.7	-44.3
EPRA earnings per share after company-specific adjustments <sup>3</sup>	in EUR	0.43	0.84	-48.8
EPRA net initial yield	in %	5.3	5.6	n. a.
EPRA "topped-up" net initial yield	in %	5.6	6.0	n. a.
EPRA cost ratio including direct vacancy costs	in %	21.5	23.5	n. a.
EPRA cost ratio excluding direct vacancy costs	in %	18.1	20.8	n. a.
EPRA capital expenditure	in MEUR	118.8	104.6	13.6

<sup>1</sup> See calculations in the section "EPRA Financial Indicators".

<sup>2</sup> The EPRA vacancy rate is based on the ratio of the estimated market rent for the vacant space in the standing investments to the total estimated market rent for the standing investment portfolio.

<sup>3</sup> The comparative data was adjusted.

## Stock exchange data

		30 06 2022	31 12 2021	Change in %
Book value per share	in EUR	27.64	27.44	0.7
Share price at end of period	in EUR	14.48	22.54	-35.8
Discount of share price to EPRA NTA diluted per share	in %	50.9	22.8	n. a.
Total number of shares		138,669,711	123,293,795	12.5
thereof number of treasury shares <sup>1</sup>		339,479	1,028	≥ +100.0%
Market capitalisation at end of period	in MEUR	2,007.9	2,779.0	-27.7
		Q1-2 2022	Q1-2 2021	Change in %
Earnings per share (basic) <sup>2</sup>	in EUR	1.20	1.85	-35.3
Earnings per share (diluted) <sup>3</sup>	in EUR	1.20	1.69	-29.2

<sup>1</sup> The number of treasury shares rose to 695,585 following the end of the share buyback programme 2022 on 31 July 2022.

<sup>2</sup> Number of shares for the calculation (basic): 135,707,360 for Q1-2 2022 and 123,293,795 for Q1-2 2021

<sup>3</sup> Number of shares for the calculation (diluted): 135,707,360 for Q1-2 2022 and 137,196,458 for Q1-2 2021

The plus and minus signs assigned to the changes reflect the business point of view: improvements are shown with a plus sign (+), deteriorations with a minus sign (-). Very high positive or negative per cent changes are reported as ≥+100.0% or ≤-100.0%. The designation "not applicable" (n. a.) is used when there is a change in the sign (i.e. from plus to minus or from minus to plus) and for changes in percentage rates. Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

# Introduction by the Executive Board

## Dear Shareholders,

Two years after the beginning of the worldwide pandemic, the European economy is faced with a range of new challenges created by Russia's war against Ukraine. The current economic environment is characterised by high inflation and rising interest rates, and supply chains remain disrupted. A revision to the outlook for the economies in our core countries was therefore necessary: Experts originally forecasted a longer, robust expansion phase, but the EU Commission is now expecting weaker growth due to the increasing uncertainty factors. However, it does not see any signs of a recession in the eurozone at the present time.

IMMOFINANZ produced very good half-year results in this challenging environment. The company's sound development was supported by our clear portfolio strategy with its established brands, a flexible property offering with high customer orientation, and an excellent employee team. I would like to thank all our employees as well as my predecessors on the Executive Board, Dietmar Reindl and Stefan Schönauer, for their commitment and outstanding performance.

Our property portfolio grew to EUR 5.4 billion in the first half of 2022. Of this total, EUR 4.8 billion, or 89.0%, are attributable to standing investments. The occupancy rate remained high at 94.3% and, at 98.5%, our retail properties were fully rented.

Rental income reached a sound EUR 144.2 million in the first half of 2022, the results of asset management improved by 3.0% to EUR 110.0 million, and sustainable FFO 1 from the standing investment business increased to EUR 78.7 million. Although several non-recurring effects – among others, due to the majority takeover by the CPI Property Group – were reflected in earnings and on the balance sheet, net profit was high at EUR 162.7 million. We were also able to further strengthen our financial base: The equity ratio rose to a very robust 57.3% and net debt, measured by the net loan-to-value ratio, equalled a conservative 32.5%.

## Foundation for further growth

This foundation will form the basis for continued value-enhancing growth. Our plans were explained as part of the strategy update issued in June this year after the majority takeover by the CPI Property Group. The focus remains on our successful and crisis-resistant brands as well as our effective financing strategy. We will continue to grow with our retail properties and myhive office solutions in our core countries and thereby create value for our tenants, employees and shareholders. In the current environment with its rising interest rates and high inflation, we want to concentrate on retail and office properties with a higher yield. Our active portfolio management will therefore include the sale of properties with a combined value of approximately EUR 1 billion. The proceeds from these sales will be invested in properties that strengthen our brands or used to repay debt.

With a view towards our financial policy, our solid financing structure and investment grade rating form an important basis for acquisitions and the generation of stable cash flows. We will also retain a high hedging quota for our financial liabilities as a safeguard in the current climate of rising interest rates. Our net debt will continue to be very conservative and – based on the net loan-to-value ratio – should remain constant at or below 40%.

### Part of a leading European property group

Our new majority shareholder, the CPI Property Group (CPIPG), is also convinced of the quality of our portfolio and our customer orientation. Following the end of the takeover offer to IMMOFINANZ shareholders, CPIPG holds an investment of roughly 77% in IMMOFINANZ. CPIPG plans to act as an active, strong and strategic long-term partner. IMMOFINANZ is now part of one of the leading real estate groups in Europe which has a property portfolio amounting to more than EUR 18 billion in over ten countries. Our common goals are to offer our tenants the best real estate solutions, to further strengthen our position, and to benefit from synergy effects. To reach these goals, we have agreed that CPIPG will provide asset management services for local IMMOFINANZ companies in several countries. Combining our strengths will make our teams even more effective and further support our first-class service.

### Outlook

Based on our strategy update, we expect FFO 1 before tax for the full 12 months of the 2022 financial year to reach the good prior year level of roughly EUR 120 million.

The distribution policy for the 2022 financial year is dependent on the further development of the market environment, the timing of our planned property acquisitions and sales, and on coordination with our majority shareholder.

Vienna, 24 August 2022

The Executive Board

A handwritten signature in black ink, appearing to read 'Radka Doehring', written in a cursive style.

Radka Doehring

# IMMOFINANZ on the Capital Market

## The market environment and the IMMOFINANZ share

The international capital markets opened 2022 with a downward trend in share prices. The significant deterioration of geopolitical security, the commencement of Russian acts of war in Ukraine, and a further increase in raw material prices were reflected in growing risk aversion on the capital markets and losses on global stock exchanges during the first quarter. High inflation rates, ongoing supply chain problems, a sharp rise in energy and food prices as well as a further increase in raw material costs during the course of the year led to mounting pressure on the central banks to raise interest rates. At the same time, the IMF and OECD issued substantial downward revisions to their growth forecasts. A surprisingly quick turnaround by central banks have turned the interest rate hikes into a balancing act that revolves around the question of how high interest rates can be raised to slow inflation without endangering the outlook for the economy. This climate of rising interest rates and higher financing costs combined with the increasing prices for construction materials has had an above-average negative effect on the performance of real estate shares.

The pan-European index EURO STOXX 600 dropped to 407.20 points by the end of June and was 16.5% below the level at year-end 2021, while the EPRA Nareit Developed Europe real estate branch index (ex UK) lost 32.6%. The ATX rose to an annual high of 4,057.59 points on 9 February but fell by 25.4% to 2,879.29 points by the end of June. The Immobilien ATX declined by 13.0%, among others due to the relatively stable performance of the S IMMO share following the announced takeover offer by the CPI Property Group.

The IMMOFINANZ share started the 2022 financial year at EUR 22.54 and remained near the offer price of EUR 23.00 up to the expiration of the mandatory takeover offer by the CPI Property Group on 30 May (see page 9). However, negative catch-up effects, greater uncertainty and a significant reduction in free float led to a decline of 35.8% in the share price to EUR 14.48 at the end of June. This performance generally reflected the EPRA Nareit Developed Europe branch index (ex UK). As of the editorial deadline for this report (19 August 2022), the IMMOFINANZ share traded at EUR 15.15 (for a minus of 32.8% since the beginning of the year).

## Development of the IMMOFINANZ share vs. selected indexes

Indexed as of 1 January 2022



## Performance comparison

1 January to 30 June 2022	in %
IMMOFINANZ share	-35.8
ATX	-25.4
Immobilien ATX	-13.0
EURO STOXX 600	-16.5
EPRA Nareit Developed Europe ex UK	-32.6

Source: Bloomberg

## Key data on the share

ISIN	AT0000A21KS2
Segment	ATX, WIG
Reuters	IMFI.VI
Bloomberg	IIA:AV
Financial year 2022	1 January to 31 December

## Information on the IMMOFINANZ share

		30 06 2022	31 12 2021	Change in %
Book value per share	in EUR	27.64	27.44	0.7
EPRA net reinstatement value per share <sup>1</sup>	in EUR	31.08	30.17	3.0
EPRA net tangible assets per share <sup>1</sup>	in EUR	29.49	29.19	1.0
EPRA net disposal value per share <sup>1</sup>	in EUR	27.67	26.11	6.0
Share price at end of period	in EUR	14.48	22.54	-35.8
Share price high based on the closing rate	in EUR	23.14	22.78	1.6
Share price low based on the closing rate	in EUR	14.38	16.17	-11.1
Discount of share price to EPRA NTA diluted per share	in %	50.9	22.8	n. a.
Total number of shares		138,669,711	123,293,795	12.5
thereof treasury shares <sup>2</sup>		339,479	1,028	≥ +100.0%
Market capitalisation at the end of the period	in MEUR	2,007.9	2,779.0	-27.7

<sup>1</sup> See the calculation under "EPRA Financial Indicators".

<sup>2</sup> The number of treasury shares rose to 695,585 following the end of the share buyback programme 2022 on 31 July 2022.

## Share capital and takeover offers

The share capital of IMMOFINANZ AG rose to EUR 138,669,711.00 as of 30 June 2022 and was divided into 138,669,711 zero par value, voting shares with a proportional share of EUR 1.00 each in share capital (31 December 2021: EUR 123,293,795.00 and 123,293,795 shares). This change resulted from the capital increase of EUR 15,375,916.00, or 15,375,916 shares, from conditional capital which was carried out by the company during the first half of 2022 to service the conversion rights from the convertible bond 2017–2024.

### Anticipatory mandatory offer by the CPI Property Group to IMMOFINANZ shareholders and convertible bondholders

At the beginning of December 2021, the CPI Property Group (CPIPG) announced its intention to make an anticipatory mandatory offer to IMMOFINANZ shareholders. The offer document for the mandatory offer was published by CPIPG on 12 January 2022. The offer price equalled EUR 21.20 per share (cum dividend) and EUR 102,746.53 per nominal value of EUR 100,000 for the convertible bond 2017–2024. CPIPG modified its mandatory offer on 10 February 2022 and raised the offer price from EUR 21.20 to EUR 23.00 per share (cum dividend) and from EUR 102,746.53 to EUR 111,470.29 per nominal value of EUR 100,000 for the convertible bond 2017–2024.

The results of the acceptance period (12 January to 23 February 2022) were announced on 24 February. CPIPG held an investment of 55.07% of IMMOFINANZ and, therefore, a controlling investment. The three-month legal extension period for the offer ended on 30 May 2022. As indicated in a notification on 31 May, CPIPG now holds 76.9% of IMMOFINANZ. CPIPG stated in its offer document that it views IMMOFINANZ as an optimal strategic addition to its business and refers to the company's excellent real estate portfolio in Central Europe. CPIPG has announced its intention to remain a long-term, active shareholder and to support IMMOFINANZ's development and growth.

**Voluntary partial offer by S IMMO to IMMOFINANZ shareholders**

On 6 December 2021, S IMMO announced its intention to increase its investment in IMMOFINANZ by roughly 10% from 14.2% of the outstanding shares to approximately 25% of the outstanding shares through a voluntary partial offer. CEE Immobilien GmbH (a wholly owned subsidiary of S IMMO) set the offer price at EUR 23.00 (cum dividend) per IMMOFINANZ share. At the end of January 2022, CEE Immobilien reached an agreement with CPIPG to transfer all its IMMOFINANZ shares, together with the shares purchased through the partial offer for IMMOFINANZ shares, to CPIPG. The transfer has been completed and the takeover offer by CEE Immobilien has been terminated.

The documentation for the various offers and answers to frequently asked questions can be found under <https://immofinanz.com/en/investor-relations/takeover-offers>.

**Bonds**

The outstanding nominal value of the bonds declined significantly to EUR 424.9 million during the first half of 2022 due to the change of control event (31 December 2021: EUR 1,277.3 million). Detailed information can be found in the section "Financing" (see page 31).

**General meetings, distribution policy and changes in management**

IMMOFINANZ held an extraordinary general meeting on 31 March 2022 at the request of the majority shareholder CPIPG, which covered elections to the Supervisory Board (details on the Supervisory Board are provided below). The 29th annual general meeting of IMMOFINANZ was held on 12 July 2022 and involved voting on the 2021 financial year. Both events were held as virtual general meetings and transmitted in full on the Internet. Shareholders were therefore able to follow the proceedings online and exercise their right to ask questions during the general meetings. We would like to thank the IMMOFINANZ shareholders for their active participation in these events.

All related documents and voting results from the general meetings can be found under <https://immofinanz.com/en/investor-relations/general-meeting>.

**Dividend policy**

On 9 June 2022, IMMOFINANZ was informed by its majority shareholder CPIPG that it would not support a recommendation to the 29th annual general meeting of IMMOFINANZ for the distribution of a dividend for the 2021 financial year. Therefore, the Executive Board and Supervisory Board of IMMOFINANZ proposed that the annual general meeting on 12 July 2022 carry forward the entire profit for the 2021 financial year and waive the payment of a dividend. The annual general meeting approved this proposal with a majority of over 99% of the valid votes cast.

**Changes on the Supervisory Board**

The extraordinary general meeting at the end of March 2022 elected Martin Němeček and Miroslava Greštiaková to the Supervisory Board. In view of the controlling interest attained by CPIPG in IMMOFINANZ, Bettina Breiteneder, Sven Bienert, Michael Mendel and Dorothee Deuring had previously stated their intention to resign as members of the IMMOFINANZ Supervisory Board at the end of this extraordinary general meeting. As of 31 March 2022, the Supervisory Board included the following shareholder representatives: Miroslava Greštiaková (Chairwoman), Martin Němeček (Vice-Chairman), Gayatri Narayan and Stefan Gütter.

The agenda for the 29th annual general meeting in July included elections to the Supervisory Board, also at the request of CPIPG. Martin Matula was elected to the Supervisory Board as a replacement for Stefan Gütter, who had previously resigned in keeping with the four-week notice period. As of 16 July 2022, the Supervisory Board included Miroslava Greštiaková (Chairwoman), Martin Němeček (Vice-Chairman), Gayatri Narayan and Martin Matula as shareholder representatives together with Philipp Amadeus Obermair and Werner Ertelthalner as employee representatives.

### Changes on the Executive Board

The Supervisory Board appointed Radka Doehring for three years as a member of the IMMOFINANZ Executive Board as of 1 May 2022. The Executive Board therefore included Radka Doehring, Stefan Schönauer and Dietmar Reindl as of that date.

Following the completion of the mandatory offer by CPIPG, Dietmar Reindl and Stefan Schönauer have resigned from their role in the Executive Board by mutual agreement with the Supervisory Board as of 8 June 2022. Radka Doehring took over the responsibilities of Dietmar Reindl and Stefan Schönauer, whereby both will remain as consultants to the Executive Board and Supervisory Board up to the end of this year.

### Shareholder structure

IMMOFINANZ shares are primarily held in fixed ownership and by private investors in Austria and institutional index investors from the USA and Europe. Free float (based on the definition issued by the Vienna Stock Exchange for the Prime Market segment) equalled roughly 23% as of 30 June 2022.

Shareholders with an investment of more than 4% on 30 June 2022 are listed in the following table:

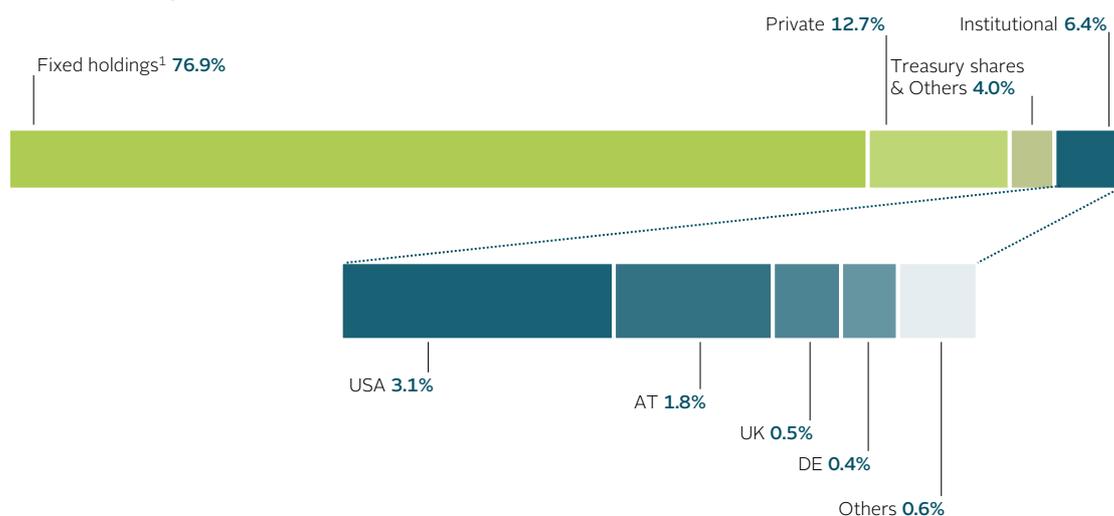
	Voting rights in % (basis: share capital as of 30 06 2022)	Last reporting date
Radovan Vitek (via CPI Property Group S.A. and WXZ1 a.s.)	76.87	31 05 2022

There are no other reports of shareholdings above or below the reporting thresholds.

### Detailed analysis

Regular shareholder surveys help us to define the regional focal points for investor relations activities. Analyses carried out in June and July 2022 show the following picture: 12.7% of all IMMOFINANZ shares are held by private investors. Institutional investors hold 6.4% of the free float shares, whereby most come from the USA (3.1%), Austria (1.8%) and the UK (0.5%). Fixed shareholdings attributable to the majority shareholder CPI Property Group represent 76.9%. The remaining 4.0% are attributable to treasury shares (0.5%) and to unidentified investors.

### Structure of private and institutional investors



Source: IPREO by IHS Markit, June/July 2022

As defined by the Vienna Stock Exchange, Rule Book Prime Market (Regelwerk Prime Market). Treasury shares as of 31 July 2022.

<sup>1</sup> Fixed holdings refers to CPI Property Group's position.

## Analysts' recommendations

Several national and international firms publish regular evaluations on IMMOFINANZ. These evaluations are updated regularly and can be reviewed on the IMMOFINANZ website, <https://immofinanz.com/en/investor-relations/shares> under "Analyses".

## Financial calendar

23 November 2022 <sup>1</sup>	Announcement of results for the first three quarters of 2022
24 November 2022	Interim financial statements on the first three quarters of 2022

<sup>1</sup> Publication after the close of trading on the Vienna Stock Exchange.

## Your IR contact

We are happy to answer your questions and provide additional information on IMMOFINANZ and its share.

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# Group Interim Management Report

## Economic Overview and Property Markets

Worldwide vaccination campaigns and a correspondingly low level of COVID-19-related restrictions set the stage for sound economic recovery at the start of 2022. Catch-up effects led to high growth rates in the IMMOFINANZ core markets which, however, were accompanied by in part substantial price increases due to the distortion of international supply chains. The Russian invasion of Ukraine at the end of February 2022 triggered a further increase in energy prices, which had a strong negative effect on the entire economy and slowed growth.

The gross domestic product (GDP) rose by 4.0% versus the previous year's quarter in the eurozone and the EU during the second three months of 2022, underscoring the robust economic recovery throughout the entire first half of 2022. However, the EU Commission drew attention to the anticipated increase in uncertainty during the second half-year in its 2022 summer forecast. High inflation and the distortions in global trade represent a danger for economic momentum but, in spite of these factors, the global economy is expected to enjoy stable growth.

The unemployment rate in the EU equalled 6.0% at the end of the second quarter. That represents a stable continuation from the previous month and a significant improvement over the level in June 2021 (7.9%). In the eurozone, the unemployment rate equalled 6.6%. The ongoing economic recovery is expected to support a further reduction in unemployment over the coming months.

Consumer price inflation accelerated substantially during the second half of 2021. In the eurozone, the inflation rate reached 8.9% at the end of July 2022. A nearly 40% year-on-year increase in energy costs was the main driver for this price trend, followed by food prices that were nearly 10% above the previous year. The top inflation rates in IMMOFINANZ's core markets were recorded in Slovakia with 12.8% in July, followed by Slovenia with 11.7%. Outside the eurozone, the inflation rates in IMMOFINANZ's core markets were even higher. The strongest price increases in June 2022 were recorded in the Czech Republic at 16.6%, Poland at 14.2%, Romania at 13.0% and Hungary at 12.6%. Experts believe inflation has already peaked but will remain high over a longer period before an expected noticeable decline in the coming year. On 21 July 2022, i.e. after the reporting period, the European Central Bank reacted to the high inflation with an increase of 50 basis points in the key interest rate for the eurozone – and a further increase is expected in September.

## Transaction and rental markets

The European transaction market set a new record in the first half of 2022 with a volume of approximately EUR 157 billion. Of special note were the first quarter results of EUR 86 billion, while the second quarter brought a 9% year-on-year decline due to rising financing costs and greater uncertainty on the market. An international comparison shows the biggest increases in transaction volumes in Spain (+73%), Germany (+57%) and Great Britain (+43%). Growth was strongest in the residential asset class (+55%), followed by special properties (+43%) and hotels (+41%). The only decline was recorded in the healthcare sector with a minus of 7%.

The transaction volume on the commercial property market in Germany totalled EUR 30.2 billion in the first half of 2022. Results for the second quarter show a 25.5% year-on-year decline to EUR 10.5 billion, primarily due to the war in Ukraine and the subdued outlook for the coming quarters. The prime yields for office properties equalled 2.9% in Düsseldorf, and the lowest yields among the top seven cities are currently recorded in Berlin at approximately 2.55%. Momentum on the rental market in Düsseldorf increased during the first half-year with rentals totalling 177,000 sqm. Despite a year-on-year increase of approximately 64%, this value is still roughly 6% below the long-term average. The vacancy rate in Düsseldorf rose to 9.8% as a result of recent completions. Prime rents continue to increase and have now reached EUR 30/sqm/month.

In Austria, commercial property sales totalled EUR 1.8 billion in the first half of 2022. Current developments have also led to increasing reservation on this transaction market. The gap between buyers and sellers is growing, and an adjustment to market values is expected in the coming months. Prime yields equal 3.3% on the Vienna office market and roughly 5% for retail parks. The take-up in Vienna rose by roughly 15% year-on-year to 76,000 sqm, and the vacancy rate declined slightly to 4.0%.

Market rents in the CEE countries show a slight upward trend. Vacancies in the office segment are following a similar pattern because the uncertainties over economic growth in the coming quarters have slowed the demand for additional office space.

# Portfolio Report

## Portfolio strategy update

IMMOFINANZ's property portfolio grew to EUR 5.4 billion in the first half of 2022 (31 December 2021: EUR 5.2 billion). The portfolio strategy is based on clearly defined brands as well as flexible and innovative offers with high customer orientation. Following the majority takeover by the CPI Property Group, IMMOFINANZ presented an updated strategy in June. Value-creating growth with a strong focus on retail properties and office solutions will be continued and expanded. The position on the European retail park market will be reinforced by acquisitions and the development of the successful, crisis-resistant STOP SHOPS. The expansion of the retail portfolio will be supported by investments in regional shopping centers which coincide with the VIVO! brand and will address the recent positive development in retail turnover and visitor traffic. The focus for the expansion of the myhive portfolio will remain on the capital cities of IMMOFINANZ's core markets. Active portfolio management will ensure that the properties are not only attractive for tenants but also sustainable from an environmental and social standpoint. In this way, IMMOFINANZ will continue to meet the needs of tenants and consumers in the retail area as well as tenants and their employees in the office business.

## Property portfolio

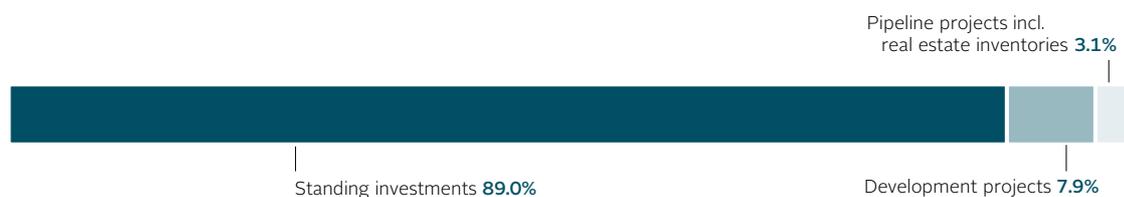
The IMMOFINANZ portfolio covered 227 properties\* as of 30 June 2022 (31 December 2021: 225 properties) with a combined value of EUR 5,358.1 million (31 December 2021: EUR 5,160.8 million). These properties are located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and Adriatic. Standing investments represent the largest component at EUR 4,767.0 million, or 89.0% of the carrying amount, and 2.0 million sqm of rentable space which generate steady rental income. Development projects are responsible for EUR 422.3 million, or 7.9% of the carrying amount. Pipeline projects comprise EUR 168.8 million, or 3.1%, and include future planned development projects, undeveloped land and real estate inventories.

The portfolio is focused on clearly defined brands with a high degree of standardisation: **myhive** stands for flexible, international office solutions, **STOP SHOP** for crisis-resistant retail parks and **VIVO!** for regional shopping centers. These three brands were responsible for 80.2% of the carrying amount of the standing investment portfolio at the end of June 2022 and 85.7% of rental income (Q2 2022). A further 11.1% of the carrying amount is attributable to office buildings which are rented to single tenants. The largest of these properties are the City Tower in Vienna, which is leased to the Austrian government, and the FLOAT in Düsseldorf. IMMOFINANZ also started its expansion into sustainable and affordable housing in 2021. Under the **On Top Living** brand, STOP SHOP retail parks will be overbuilt with smart apartments in wooden modular construction – the first pilot projects are in preparation in several countries.

\* Properties that are held for sale and fall under IFRS 5 are, in contrast to the past, now included in the portfolio report (30 June 2022: EUR 9.8 million; see section 4.5 in the consolidated interim financial statements). However, these properties are not included in the comparative prior year data.

## Structure of the property portfolio

Total carrying amount: MEUR 5,358.1



The application of IFRS 16 since the first quarter of 2019 leads to differences between the amounts presented in the portfolio report and on the balance sheet. Expert appraisals or internal valuation form the basis for the property values in the portfolio report. The reported property values on the balance sheet also include capitalised rights of use for building rights.

## Property portfolio by core market and classification

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR <sup>1</sup>	Property portfolio in MEUR	Property portfolio in %
Austria	31	871.4	76.9	28.2	976.4	18.2
Germany	5	466.3	161.6	0.6	628.5	11.7
Poland	25	998.0	6.3	0.0	1,004.3	18.7
Czech Republic	20	592.5	2.6	0.0	595.1	11.1
Hungary	23	385.4	74.5	2.7	462.6	8.6
Romania	37	642.0	67.8	85.8	795.6	14.8
Slovakia	22	333.3	0.0	1.3	334.6	6.2
Adriatic <sup>2</sup>	63	478.1	32.7	41.5	552.3	10.3
Other countries <sup>3</sup>	1	0.0	0.0	8.8	8.8	0.2
<b>IMMOFINANZ</b>	<b>227</b>	<b>4,767.0</b>	<b>422.3</b>	<b>168.8</b>	<b>5,358.1</b>	<b>100.0</b>
<b>in %</b>		<b>89.0</b>	<b>7.9</b>	<b>3.1</b>	<b>100.0</b>	

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

<sup>1</sup> Including real estate inventories (Cologne and Adama) totalling EUR 0.6 million

<sup>2</sup> In declining order based on the carrying amount: Serbia, Slovenia, Italy and Croatia

<sup>3</sup> Turkey

## Acquisitions, investments and sales

IMMOFINANZ continued the strategic expansion of its successful, crisis-resistant STOP SHOP retail park brand in the first half of 2022 and in Udine acquired its second location in the northeast of **Italy** during March. This acquisition represents the largest retail park in the STOP SHOP portfolio with roughly 33,000 sqm. Investments in the real estate portfolio totalled EUR 121.1 million in the first half of 2022 (Q1–2 2021: EUR 107.2 million). Properties with a combined value of EUR 4.9 million were sold (Q1–2 2021: EUR 148.6 million); included here, above all, are non-core land sites in Turkey.

## Property portfolio by brand and classification

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR <sup>1</sup>	Property portfolio in MEUR	Property portfolio in %
<b>Office</b>	<b>59</b>	<b>2,819.4</b>	<b>379.7</b>	<b>57.1</b>	<b>3,256.3</b>	<b>60.8</b>
thereof myhive	35	1,903.4	358.3	0.0	2,261.7	42.2
<b>Retail</b>	<b>148</b>	<b>1,930.8</b>	<b>41.6</b>	<b>46.2</b>	<b>2,018.5</b>	<b>37.7</b>
thereof VIVO!/ shopping center	10	691.6	0.0	0.0	691.6	12.9
thereof STOP SHOP/ retail park	132	1,227.5	41.6	30.9	1,300.0	24.3
<b>Others</b>	<b>20</b>	<b>16.8</b>	<b>1.1</b>	<b>65.4</b>	<b>83.3</b>	<b>1.6</b>
<b>IMMOFINANZ</b>	<b>227</b>	<b>4,767.0</b>	<b>422.3</b>	<b>168.8</b>	<b>5,358.1</b>	<b>100.0</b>

<sup>1</sup> Including real estate inventories (Cologne and Adama) of EUR 0.6 million

## Standing investments

The 160 standing investments had a combined carrying amount of EUR 4,767.0 million as of 30 June 2022 (31 December 2021: 153 standing investments with a carrying amount of EUR 4,506.2 million). Of this total, 59.1% are attributable to office properties and 40.5% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Poland (EUR 998.0 million), Austria (EUR 871.4 million) and Romania (EUR 642.0 million). The rentable space in this portfolio totalled 2,025,161 sqm at the end of June 2022 (31 December 2021: 1,939,581 sqm). The standing investment portfolio had a gross return of 6.1% based on IFRS rental income and a return of 6.4% based on invoiced rents. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs. These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS) but are not included in the invoiced rent.

The occupancy rate remained at a high level of 94.3% (31 December 2021: 95.1%; 30 June 2021: 94.1%). According to the EPRA's calculation formula, the vacancy rate equalled 6.1% (31 December 2021: 5.1%; 30 June 2021: 6.1%). The EPRA vacancy rate is based on the ratio of the estimated market rent for the vacant space in the standing investments to the total estimated market rent for the standing investment portfolio (additional information on the EPRA financial indicators can be found beginning on page 37). Take-up in standing investments and development projects totalled roughly 134,700 sqm in the first half of 2022 (excluding standing investments in the Other asset class). The take-up includes 58,600 sqm of new rentals and 76,100 sqm of contract extensions. The average unexpired lease term weighted by rental income (WAULT\*) equalled 3.8 years as of 30 June 2022 (31 December 2021: 4.3 years).

### Contract expiration profile: standing investments (total)

Expiring rental contracts as of the earliest possible contract end in relation to the total rented space (only GLA space<sup>1</sup>):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
12	14	17	15	14	26	1

<sup>1</sup> Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

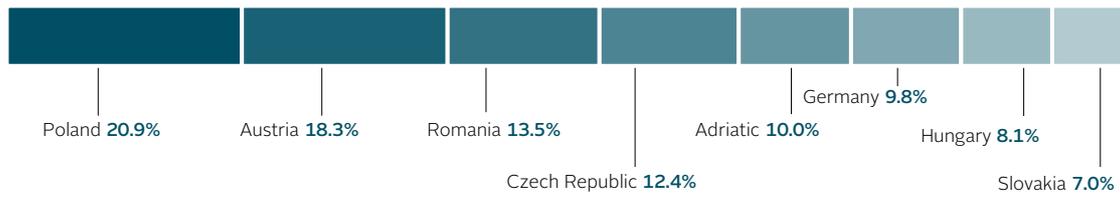
\* Average unexpired lease term weighted by rental income, excluding open-ended contracts.

### Sustainability certifications

The number of certified properties increased, as planned, during the first half of 2022. Among others, two office buildings in Prague and Vienna as well as several retail parks in the Adriatic region and a regional shopping center in Romania received BREEAM certificates. The certified space totalled roughly 916,200 sqm at the end of June 2022 in buildings with a carrying amount of EUR 2.5 billion. Sustainability certificates are therefore now available for 53.2% of the standing investment portfolio; in the office portfolio 75.1% of the properties (based on the carrying amount) have already been certified.

### Standing investments by core market

The following graph shows the distribution of IMMOFINANZ's standing investment portfolio as of 30 June 2022 by country, based on the carrying amount:



#### myhive Átrium Park

Budapest | HU | approx. 38,800 sqm of rentable space



## Standing investments by core market

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
Austria	25	871.4	18.3	246,997	238,325	96.5
Germany	2	466.3	9.8	65,945	51,152	77.6
Poland	24	998.0	20.9	418,147	403,290	96.4
Czech Republic	19	592.5	12.4	220,872	214,946	97.3
Hungary	19	385.4	8.1	225,527	218,238	96.8
Romania	15	642.0	13.5	339,361	288,751	85.1
Slovakia	20	333.3	7.0	187,959	178,710	95.1
Adriatic <sup>1</sup>	36	478.1	10.0	320,353	315,526	98.5
<b>IMMOFINANZ</b>	<b>160</b>	<b>4,767.0</b>	<b>100.0</b>	<b>2,025,161</b>	<b>1,908,939</b>	<b>94.3</b>

Standing investments	Rental income Q2 2022 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>2</sup>	Financing costs incl. derivatives in %	LTV in %
Austria	10.0	4.6 (4.9)	326.3	1.2	1.5	37.4
Germany	3.3	2.9 (3.0)	209.5	1.0	1.1	44.9
Poland	16.3	6.5 (6.8)	493.1	1.6	2.4	49.4
Czech Republic	8.2	5.5 (5.7)	304.2	1.4	1.5	51.3
Hungary	6.7	6.9 (7.3)	191.1	1.7	1.8	49.6
Romania	11.7	7.3 (7.8)	0.0	0.0	0.0	0.0
Slovakia	6.1	7.3 (7.4)	186.4	1.7	1.6	55.9
Adriatic <sup>1</sup>	10.1	8.4 (8.7)	96.3	1.8	1.9	20.1
<b>IMMOFINANZ</b>	<b>72.3</b>	<b>6.1 (6.4)</b>	<b>1,806.9</b>	<b>1.4</b>	<b>1.8</b>	<b>37.9</b>
Development projects and pipeline projects	1.5		79.5	1.7	1.8	
Rental income from sold properties and adjustments	0.1		0.0	0.0	0.0	
Group financing	0.0		424.9	0.0	2.6	
<b>IMMOFINANZ</b>	<b>73.9</b>		<b>2,311.3</b>	<b>1.5</b>	<b>1.9</b>	

Market value property portfolio in MEUR						5,358.1
EPRA NAV S IMMO shares (19.5 million shares) <sup>3</sup> in MEUR						571.5
Cash and cash equivalents in MEUR			-383.5			
<b>IMMOFINANZ in MEUR</b>			<b>1,927.8</b>			<b>5,929.6</b>
<b>Net LTV in %</b>						<b>32.5</b>

<sup>1</sup> In declining order based on the carrying amount: Serbia, Slovenia, Italy and Croatia

<sup>2</sup> Financing costs based on nominal outstanding liability

<sup>3</sup> 19.5 million S IMMO shares at the EPRA NAV of EUR 29.31 per share as of 31 March 2022

## Sound 7% increase in like-for-like rental income

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with prior periods) shows a sound improvement of 7.1% in rental income to EUR 69.3 million in the second quarter of 2022 (Q2 2021: EUR 64.7 million). All markets – led by Austria – recorded positive development. Like-for-like rental income rose by 8.2% in the office business and by 6.1% in the retail business, in particular due to higher turnover-based rents in retail properties, improved occupancy in individual properties and index adjustments to rents.

## Standing investments like-for-like by core market

Standing investments like-for-like <sup>1</sup>	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q2 2022 in MEUR	Rental income Q2 2021 in MEUR	Change in rental income in MEUR
Austria	24	836.8	18.3	9.9	8.6	1.3
Germany	2	466.3	10.2	3.3	2.7	0.7
Poland	24	998.0	21.9	16.3	15.8	0.4
Czech Republic	19	592.5	13.0	8.2	7.2	0.9
Hungary	19	385.4	8.5	6.7	6.4	0.2
Romania	12	589.2	12.9	10.9	10.4	0.5
Slovakia	20	333.3	7.3	6.1	5.8	0.3
Adriatic	33	358.9	7.9	8.0	7.7	0.3
<b>IMMOFINANZ</b>	<b>153</b>	<b>4,560.4</b>	<b>100.0</b>	<b>69.3</b>	<b>64.7</b>	<b>4.6</b>
Rental income from properties sold/acquired, IFRS 15 and IFRS 16 adjustments and development projects				4.7		
<b>IMMOFINANZ</b>				<b>73.9</b>		

## Standing investments like-for-like by asset class and brand

Standing investments like-for-like <sup>1</sup>	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q2 2022 in MEUR	Rental income Q2 2021 in MEUR	Change in rental income in MEUR
<b>Office</b>	<b>43</b>	<b>2,748.8</b>	<b>60.3</b>	<b>33.3</b>	<b>30.8</b>	<b>2.5</b>
thereof myhive	28	1,841.8	40.4	23.6	21.9	1.7
<b>Retail</b>	<b>110</b>	<b>1,811.6</b>	<b>39.7</b>	<b>36.0</b>	<b>33.9</b>	<b>2.1</b>
thereof VIVO!/shopping center	10	691.6	15.2	13.6	12.6	1.0
thereof STOP SHOP/retail park	98	1,108.3	24.3	22.1	21.1	1.1
<b>Others</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>IMMOFINANZ</b>	<b>153</b>	<b>4,560.4</b>	<b>100.0</b>	<b>69.3</b>	<b>64.7</b>	<b>4.6</b>

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.

<sup>1</sup> This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales.

### Office standing investments

The carrying amount of the 46 office standing investments totalled EUR 2,819.4 million as of 30 June 2022 (31 December 2021: 42 standing investments with a carrying amount of EUR 2,713.0 million). These assets represented 59.1% of the standing investment portfolio and 47.0% of the rental income from standing investments in the second quarter of 2022. A regional analysis shows the focal point of the IMMOFINANZ office properties in the core markets of Austria (EUR 718.1 million), Poland (EUR 715.6 million) and Germany (EUR 466.3 million).

The reclassification of two office buildings to standing investments increased the rentable space in the portfolio to 900,943 sqm as of 30 June 2022 (31 December 2021: 866,700 sqm). Based on annualised rents (Q2 2022: EUR 34.0 million), the office portfolio generated a gross return of 4.8% and a return of 5.1% based on invoiced rents. The office properties in the myhive brand represent a carrying amount of EUR 1,903.4 million and generated a gross return of 5.1%, respectively 5.4% based on invoiced rents.

The occupancy rate in the office portfolio equalled 88.9% at the end of June 2022 (31 December 2021: 90.6%; 30 June 2021: 90.3%). The core markets of Austria, Poland, Czech Republic, Hungary, Slovakia and Adriatic have very high occupancy rates ranging from 91.0% (Slovakia) to 97.5% (Adriatic). The lower occupancy rate in Germany is attributable to the reduction of space by an individual tenant who was hard hit by the COVID-19 pandemic. IMMOFINANZ successfully renovated part of this previously occupied space in Germany, and it is now marketed as a flexible myhive product. In Romania, a major modernisation project in an office building and the exit of two large tenants were responsible for the temporary decline in the occupancy rate. Based on the EPRA's calculation formula, the vacancy rate in the office portfolio equalled 10.2% (31 December 2021: 8.6%).

The myhive offices had a vacancy rate of 10.8%. Take-up in the standing investments and development projects in the office portfolio totalled 86,600 sqm in the first half of 2022. Approximately 34,300 sqm represented new rentals and roughly 52,300 sqm contract extensions.

The office portfolio has a balanced tenant structure. The ten largest tenants were responsible for 22.8% of the space in the office standing investments, and no single tenant has rented more than 3.3% of the total space in these properties. The WAULT\* equalled 3.5 years as of 30 June 2022 (31 December 2021: 4.0 years).

### Contract expiration profile: office standing investments

Expiring rental contracts as of the earliest possible contract end in relation to the total rented space (only GLA space<sup>1</sup>):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
15	14	21	12	11	25	2

<sup>1</sup> Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

An overview of the IMMOFINANZ office properties can be found under <https://immofinanz.com/en/office/office-search>.

### Key data on the office standing investments by category

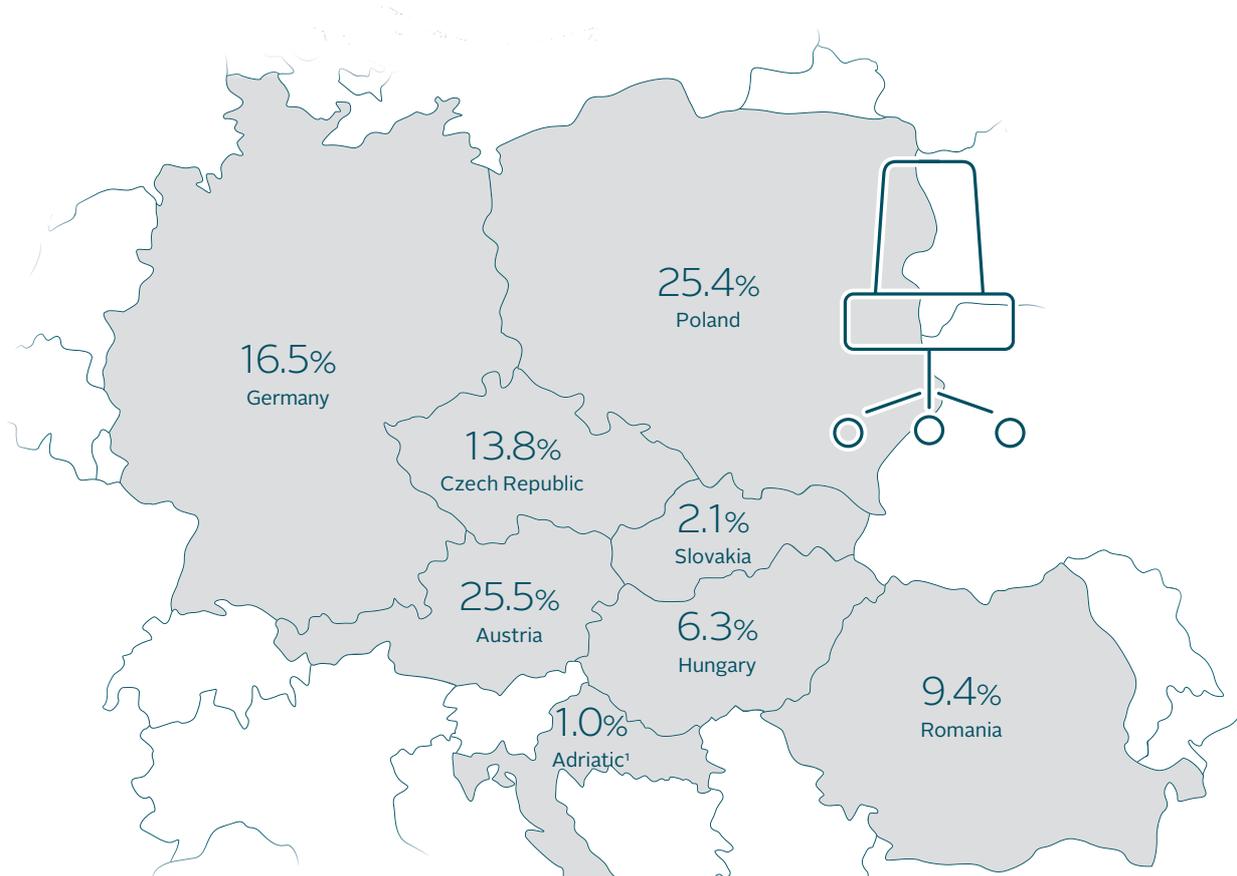
Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
<b>IMMOFINANZ</b>	<b>46</b>	<b>2,819.4</b>	<b>100.0</b>	<b>900,943</b>	<b>800,895</b>	<b>88.9</b>
thereof myhive	30	1,903.4	67.5	649,665	579,818	89.2

Standing investments	Rental income Q2 2022 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>1</sup>	Financing costs incl. derivatives in %	LTV in %
<b>IMMOFINANZ</b>	<b>34.0</b>	<b>4.8 (5.1)</b>	<b>1,160.5</b>	<b>1.4</b>	<b>1.7</b>	<b>41.2</b>
thereof myhive	24.2	5.1 (5.4)	789.5	1.5	1.9	41.5

<sup>1</sup> Financing costs based on nominal outstanding liability

\* Average unexpired lease term weighted by rental income, excluding open-ended contracts.



## The office sector in the IMMOFINANZ core markets

Share of the standing investment portfolio  
EUR 2,819.4 million  
as of 30 June 2022

### Austria

Number of properties	11
Carrying amount in MEUR	718.1
Carrying amount in %	25.5
Rentable space in sqm	174,262
Occupancy rate in %	95.4
Rental inc. Q2 2022 in MEUR	7.5
Gross return in %	4.2

### Poland

Number of properties	10
Carrying amount in MEUR	715.6
Carrying amount in %	25.4
Rentable space in sqm	232,724
Occupancy rate in %	94.8
Rental inc. Q2 2022 in MEUR	10.6
Gross return in %	5.9

### Germany

Number of properties	2
Carrying amount in MEUR	466.3
Carrying amount in %	16.5
Rentable space in sqm	65,945
Occupancy rate in %	77.6
Rental inc. Q2 2022 in MEUR	3.3
Gross return in %	2.9

### Czech Republic

Number of properties	6
Carrying amount in MEUR	388.7
Carrying amount in %	13.8
Rentable space in sqm	107,943
Occupancy rate in %	95.0
Rental inc. Q2 2022 in MEUR	4.4
Gross return in %	4.5

### Romania

Number of properties	9
Carrying amount in MEUR	264.3
Carrying amount in %	9.4
Rentable space in sqm	178,588
Occupancy rate in %	72.2
Rental inc. Q2 2022 in MEUR	3.8
Gross return in %	5.7

### Hungary

Number of properties	5
Carrying amount in MEUR	178.9
Carrying amount in %	6.3
Rentable space in sqm	89,949
Occupancy rate in %	92.8
Rental inc. Q2 2022 in MEUR	2.8
Gross return in %	6.2

### Slovakia

Number of properties	2
Carrying amount in MEUR	59.5
Carrying amount in %	2.1
Rentable space in sqm	35,623
Occupancy rate in %	91.0
Rental inc. Q2 2022 in MEUR	1.0
Gross return in %	7.0

### Adriatic¹

Number of properties	1
Carrying amount in MEUR	28.3
Carrying amount in %	1.0
Rentable space in sqm	15,908
Occupancy rate in %	97.5
Rental inc. Q2 2022 in MEUR	0.5
Gross return in %	7.5

### IMMOFINANZ

Number of properties	46
Carrying amount in MEUR	2,819.4
Carrying amount in %	100.0
Rentable space in sqm	900,943
Occupancy rate in %	88.9
Rental inc. Q2 2022 in MEUR	34.0
Gross return in %	4.8

¹ Croatia

## Retail standing investments

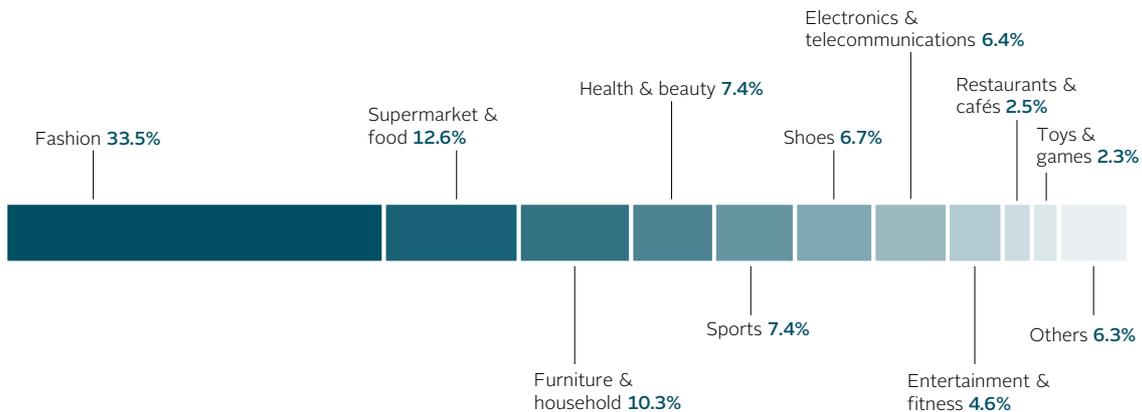
The carrying amount of the 113 standing investments in the retail portfolio totalled EUR 1,930.8 million as of 30 June 2022 (31 December 2021: 111 standing investments with a carrying amount of EUR 1,793.1 million). These properties represented 40.5% of the standing investment portfolio and generated 52.6% of the rental income from standing investments in the second quarter of 2022. The largest regional markets were the Adriatic (Serbia, Slovenia, Italy and Croatia) with EUR 449.9 million, Romania with EUR 361.0 million and Poland with EUR 282.4 million. The STOP SHOP retail parks had a carrying amount of EUR 1,227.5 million and a gross return of 7.9%, respectively 8.1% based on invoiced rents. The VIVO! shopping centers had a carrying amount of EUR 691.6 million; they generated a gross return of 7.8% and an invoiced rental return of 8.3%.

Based on annualised rents (Q2 2022: EUR 38.0 million), the retail portfolio had a gross return of 7.9% and an invoiced rental return of 8.2%. The rentable space in this portfolio totalled 1,112,983 sqm as of 30 June 2022 (31 December 2021: 1,072,881 sqm). The occupancy rate in the retail properties remained high at 98.5% as of 30 June 2022 (31 December 2021: 98.7%; 30 June 2021: 97.5%). The STOP SHOP retail parks and VIVO! shopping centers reported occupancy rates of 98.9% and 97.7%, respectively. Take-up in the standing investments and development projects in the retail portfolio totalled 48,100 sqm in the first half of 2022, whereby roughly 24,300 sqm were attributable to new rentals and 23,800 sqm to contract extensions.

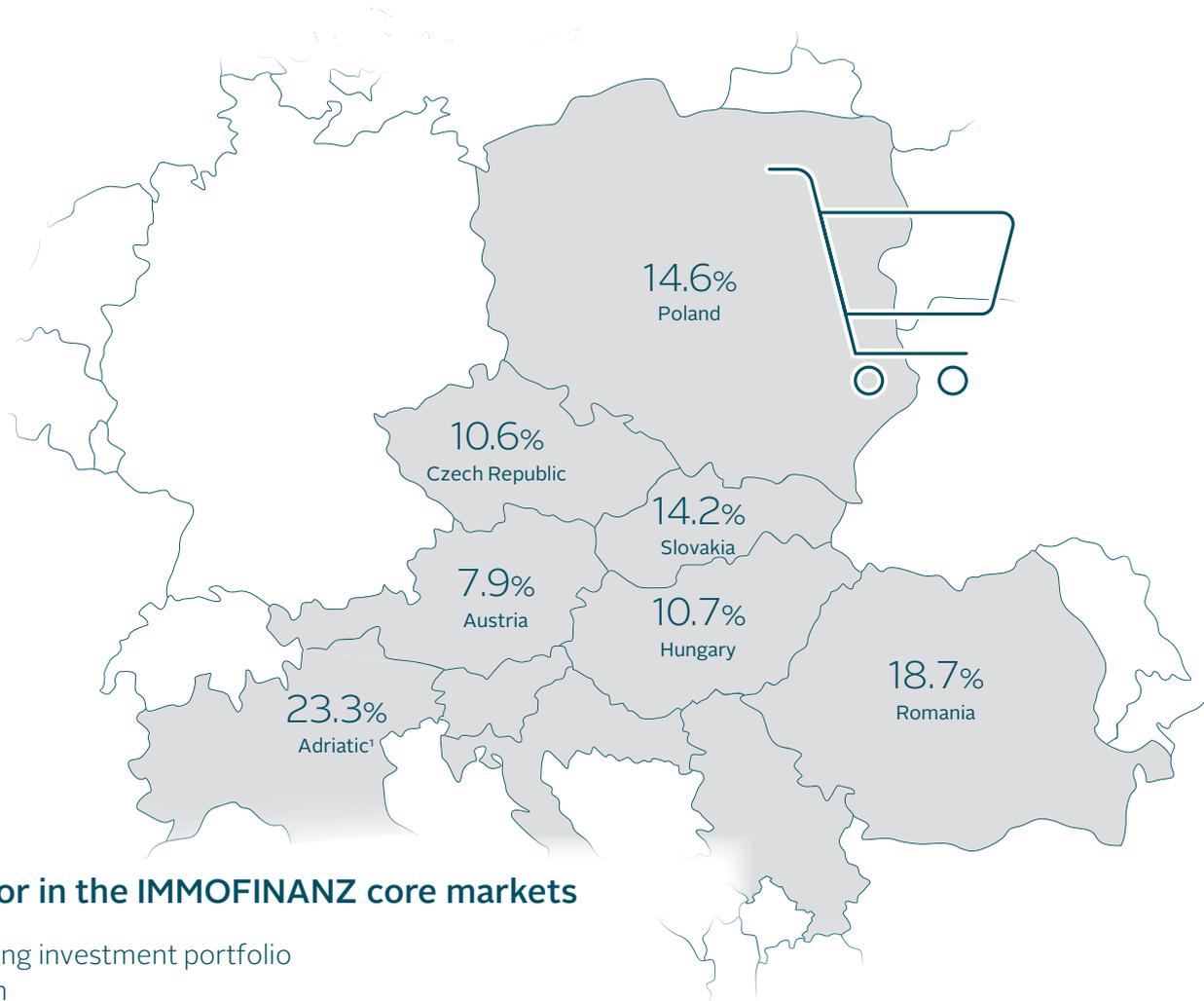
IMMOFINANZ relies on a balanced tenant mix to create an optimal environment for retailers and their customers. All larger retail properties have solid international and local anchor tenants, but no single retailer has rented more than 4.1% of the total space in these properties. The WAULT\* equalled 3.9 years as of 30 June 2022 (31 December 2021: 4.6 years).

## Branch mix – Retail

Only rented space in standing investments as of 30 June 2022



\* Average unexpired lease term weighted by rental income, excluding open-ended contracts.



## The retail sector in the IMMOFINANZ core markets

Share of the standing investment portfolio  
EUR 1,930.8 million  
as of 30 June 2022

### Adriatic<sup>1</sup>

Number of properties	35
Carrying amount in MEUR	449.9
Carrying amount in %	23.3
Rentable space in sqm	304,445
Occupancy rate in %	98.5
Rental inc. Q2 2022 in MEUR	9.6
Gross return in %	8.5

### Romania

Number of properties	5
Carrying amount in MEUR	361.0
Carrying amount in %	18.7
Rentable space in sqm	149,537
Occupancy rate in %	99.4
Rental inc. Q2 2022 in MEUR	7.6
Gross return in %	8.4

### Poland

Number of properties	14
Carrying amount in MEUR	282.4
Carrying amount in %	14.6
Rentable space in sqm	185,423
Occupancy rate in %	98.5
Rental inc. Q2 2022 in MEUR	5.7
Gross return in %	8.0

### Slovakia

Number of properties	18
Carrying amount in MEUR	273.8
Carrying amount in %	14.2
Rentable space in sqm	152,336
Occupancy rate in %	96.0
Rental inc. Q2 2022 in MEUR	5.0
Gross return in %	7.4

### Hungary

Number of properties	14
Carrying amount in MEUR	206.5
Carrying amount in %	10.7
Rentable space in sqm	135,578
Occupancy rate in %	99.4
Rental inc. Q2 2022 in MEUR	3.9
Gross return in %	7.6

### Czech Republic

Number of properties	13
Carrying amount in MEUR	203.8
Carrying amount in %	10.6
Rentable space in sqm	112,929
Occupancy rate in %	99.5
Rental inc. Q2 2022 in MEUR	3.8
Gross return in %	7.4

### Austria

Number of properties	14
Carrying amount in MEUR	153.3
Carrying amount in %	7.9
Rentable space in sqm	72,734
Occupancy rate in %	99.0
Rental inc. Q2 2022 in MEUR	2.5
Gross return in %	6.6

### IMMOFINANZ

Number of properties	113
Carrying amount in MEUR	1,930.8
Carrying amount in %	100.0
Rentable space in sqm	1,112,983
Occupancy rate in %	98.5
Rental inc. Q2 2022 in MEUR	38.0
Gross return in %	7.9

<sup>1</sup> Serbia, Slovenia, Italy and Croatia

## Contract expiration profile: retail standing investments

Expiring rental contracts as of the earliest possible contract end in relation to the total rented space (only GLA space<sup>1</sup>):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
10	14	13	18	16	27	1

<sup>1</sup> Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

An overview of the IMMOFINANZ retail properties can be found under <https://immofinanz.com/en/retail/retail-search>.

## Key data on the retail standing investments by category

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
<b>IMMOFINANZ</b>	<b>113</b>	<b>1,930.8</b>	<b>100.0</b>	<b>1,112,983</b>	<b>1,096,809</b>	<b>98.5</b>
thereof VIVO!/shopping center	10	691.6	35.8	312,230	305,088	97.7
thereof STOP SHOP/retail park	101	1,227.5	63.6	790,451	781,730	98.9

Standing investments	Rental income Q2 2022 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>1</sup>	Financing costs incl. derivatives in %	LTV in %
<b>IMMOFINANZ</b>	<b>38.0</b>	<b>7.9 (8.2)</b>	<b>646.4</b>	<b>1.6</b>	<b>2.0</b>	<b>33.5</b>
thereof VIVO!/shopping center	13.6	7.8 (8.3)	211.6	1.5	2.2	30.6
thereof STOP SHOP/retail park	24.2	7.9 (8.1)	434.7	1.7	1.9	35.4

<sup>1</sup> Financing costs based on nominal outstanding liability

## Development projects

The development projects had a carrying amount of EUR 422.3 million as of 30 June 2022, which represents 7.9% of the total property portfolio (31 December 2021: EUR 474.3 million and 9.2%). Of this total, EUR 406.4 million represent active development projects and EUR 16.0 million projects in the preparation or conception phase for which outstanding construction costs are not yet available. Included here are six STOP SHOP projects. The expected fair value of the active projects on completion amounts to EUR 614.9 million. The core markets of Germany and Romania represent the focus of these activities based on an expected fair value of EUR 168.3 million and EUR 159.7 million, respectively, followed by Austria with EUR 124.2 million.

## Current focus of development activities

### Germany

The myhive Medienhafen Alto in the Düsseldorf Medienhafen is designed as a multi-tenant building and offers flexible myhive products. It has roughly 21,700 sqm of rentable space on 16 floors, and completion is scheduled for 2022.

### Romania

The Bucharest Financial Plaza was acquired in the first quarter of 2021 and is converted into a high-quality, sustainable office property under the flexible myhive premium brand and will operate after completion in 2024 as myhive Victoriei. In addition, the myhive Victoria Park standing investment is currently under modernisation and will then be integrated in the flexible myhive office concept.

**Austria**

The three active development projects include the modernisation of two existing office buildings in Vienna with completion planned for 2023 and 2024 as well as the Austrian pilot project for the On Top Living brand. With On Top Living, STOP SHOP retail parks will be overbuilt with smart apartments in modular wood construction. Pilot projects are also in preparation in other IMMOFINANZ countries.

**Hungary**

The myhive Haller Garden office building in Budapest was modernised.

**Adriatic**

In Croatia, plans call for the development of five new STOP SHOP retail parks in Velika Gorica, Daruvar, Gospić, Pazin and Vinkovci. In addition, the existing STOP SHOPS in Ludbreg (Croatia) and Vršac (Serbia) will be extended.

**Poland**

A new STOP SHOP retail park with roughly 6,700 sqm is under construction in Zielona Gora.

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Expected yield after completion in % <sup>1</sup>
Austria	3	76.9	18.9	43.1	26,795	124.2	5.0	4.2
Germany	1	161.6	39.8	6.7	21,707	168.3	6.5	3.9
Poland	1	6.3	1.6	1.7	6,733	8.0	0.7	9.2
Hungary	1	74.5	18.3	5.2	33,896	79.7	5.9	7.4
Romania	2	67.2	16.5	86.7	51,873	159.7	11.4	7.4
Adriatic <sup>2</sup>	7	19.9	4.9	50.5	49,108	75.0	5.9	8.4
<b>Active projects</b>	<b>15</b>	<b>406.4</b>	<b>100.0</b>	<b>193.9</b>	<b>190,112</b>	<b>614.9</b>	<b>35.4</b>	<b>5.9</b>
Projects in preparation	8	16.0						
<b>IMMOFINANZ</b>	<b>23</b>	<b>422.3</b>						

<sup>1</sup> Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs

<sup>2</sup> Croatia and Serbia

**Pipeline projects**

Pipeline projects include future planned development projects, undeveloped land and/or temporarily suspended projects. These projects had a carrying amount of EUR 168.8 million as of 30 June 2022, or 3.1% of the total property portfolio (31 December 2021: EUR 180.3 million and 3.5%). Romania represents the focal point of these projects at EUR 85.8 million. Plans call for the further reduction of pipeline projects – above all land reserves in Romania – through sales in line with IMMOFINANZ's strategy.

**Assets held for sale**

The assets held for sale totalled EUR 9.8 million as of 30 June 2022 and are included in this portfolio report for the first time (31 December 2020: EUR 9.0 million). However, these properties, for which purchase contracts have already been signed, are not included in the comparative prior year data. Additional details are provided in section 4.5 of the consolidated interim financial statements.

# Property Valuation

IMMOFINANZ prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and arranges for the regular valuation of its properties by independent experts. These external appraisals are carried out each year as of 30 June and 31 December. The valuation of the property portfolio also follows the EPRA's Best Practices Policy Recommendations for the application of the fair value method as defined in IFRS.

The valuation includes property-related factors like the occupancy rate, rental income and the length of the rental contracts as well as the age and quality of the buildings. External factors are also taken into account, e.g. the development of the regional and general market environments, the economy and the financing climate. As of 30 June 2022, CBRE was responsible for appraising nearly the entire IMMOFINANZ portfolio (approximately EUR 5.4 billion). Internal appraisals covered only 0.4%

## Development of property valuation in the first half of 2022

Revaluation results totalled EUR 71.9 million (Q1–2 2021: EUR 78.1 million). In the standing investment portfolio, revaluation results and goodwill amounted to EUR 74.7 million (Q1–2 2021: EUR 52.5 million) or 1.5% of the carrying amount at the end of June 2022. Valuation increases in the office segment equalled EUR 28.3 million, or 1.0% of the carrying amount at the end of June 2022, whereby the most positive individual effects were recorded from office properties in Warsaw, Vienna and Prague. In the retail segment, revaluations equalled EUR 50.4 million, or 2.6% of the carrying amount, and were supported by positive effects from the VIVO! shopping centers and STOP SHOP retail parks in Romania and the Czech Republic due to an improvement in the operating environment.

Amounts in MEUR	Carrying amount 30 06 2022	Revaluation result Q1–2 2022
Austria	899.5	17.4
Germany	466.9	-3.5
Poland	998.0	15.1
Czech Republic	592.5	29.8
Hungary	388.1	-0.7
Romania	727.8	10.1
Slovakia	334.6	5.4
Adriatic <sup>1</sup>	519.6	-0.8
Other countries <sup>2</sup>	8.8	1.9
<b>IMMOFINANZ</b>	<b>4,935.7</b>	<b>74.7</b>

<sup>1</sup> Slovenia, Serbia, Italy and Croatia

<sup>2</sup> Turkey

Amounts in MEUR	Carrying amount 30 06 2022	Revaluation result Q1–2 2022
Office	2,876.5	28.3
Retail	1,977.0	50.4
Others	82.2	-4.0
<b>IMMOFINANZ</b>	<b>4,935.7</b>	<b>74.7</b>

## Development of property valuation like-for-like

A like-for-like analysis – i.e. after an adjustment for new acquisitions, completions and sales to improve comparability – shows a positive valuation effect of EUR 78.5 million in the first half of 2022 (Q1–2 2021: EUR 41.5 million).

## Standing investments like-for-like by core market

Standing investments like-for-like <sup>1</sup>	Number of properties	Carrying amount in MEUR	Carrying amount in %	Valuation effects Q1–2 2022 in MEUR
Austria	24	836.8	18.3	18.7
Germany	2	466.3	10.2	-3.3
Poland	24	998.0	21.9	15.1
Czech Republic	19	592.5	13.0	29.8
Hungary	19	385.4	8.5	-0.7
Romania	12	589.2	12.9	13.4
Slovakia	20	333.3	7.3	5.2
Adriatic <sup>2</sup>	33	358.9	7.9	0.3
<b>IMMOFINANZ</b>	<b>153</b>	<b>4,560.4</b>	<b>100.0</b>	<b>78.5</b>

<sup>1</sup> This calculation only includes the properties which were fully owned by IMMOFINANZ during both financial periods. In other words, the calculation excludes new acquisitions, completions and sales.

<sup>2</sup> Slovenia, Serbia and Croatia

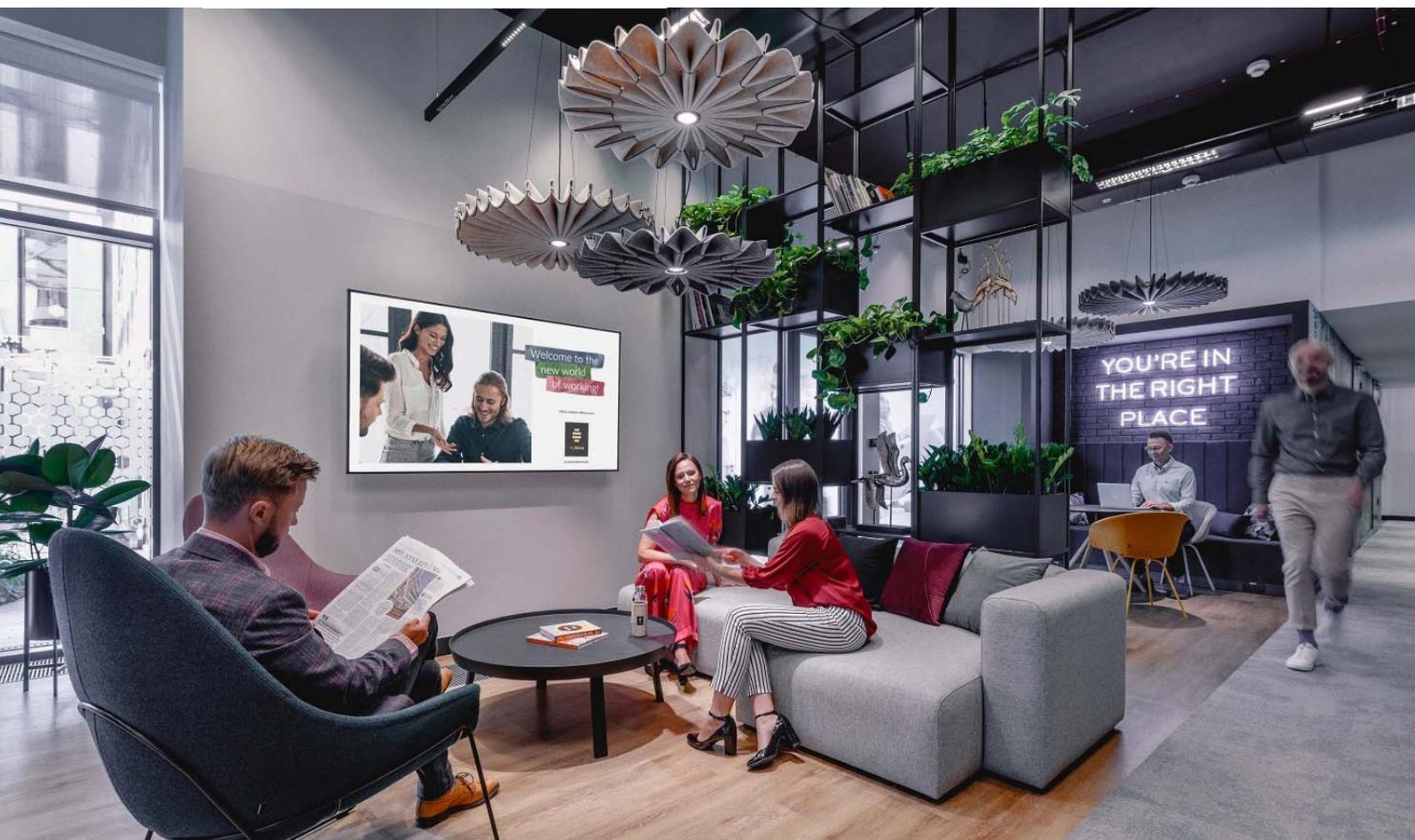
## Standing investments like-for-like by asset class

Standing investments like-for-like <sup>1</sup>	Number of properties	Carrying amount in MEUR	Carrying amount in %	Valuation effects Q1–2 2022 in MEUR
<b>Office</b>	<b>43</b>	<b>2,748.8</b>	<b>60.3</b>	<b>29.2</b>
thereof myhive	28	1,841.8	40.4	17.7
<b>Retail</b>	<b>110</b>	<b>1,811.6</b>	<b>39.7</b>	<b>49.4</b>
thereof VIVO!/shopping center	10	691.6	15.2	20.8
thereof STOP SHOP/retail park	98	1,108.3	24.3	28.1
Others	0	0.0	0.0	0.0
<b>IMMOFINANZ</b>	<b>153</b>	<b>4,560.4</b>	<b>100.0</b>	<b>78.5</b>

<sup>1</sup> This calculation only includes the properties which were fully owned by IMMOFINANZ during both financial periods. In other words, the calculation excludes new acquisitions, completions and sales.

### myhive Nimbus

Warsaw | PL | approx. 21,300 sqm of rentable space



# Financing

IMMOFINANZ had a robust balance sheet structure as of 30 June 2022 with a stronger equity ratio of 57.3% (31 December 2021: 48.1%) and a further improved net loan-to-value ratio (net LTV) of 32.5% (31 December 2021: 36.7%).

Financial liabilities\* totalled EUR 2.3 billion as of 30 June 2022 (31 December 2021: EUR 3.1 billion). At the end of April 2022, a change of control event led to the repayment of corporate bonds and to cash outflows of EUR 568.8 million. Cash and cash equivalents, including cash and cash equivalents held for sale, therefore amounted to EUR 383.5 million as of 30 June 2022 (31 December 2021: EUR 987.1 million). Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 1.9 billion (31 December 2021: EUR 2.1 billion).

The unsecured, revolving credit line of EUR 100.0 million concluded in March 2020 was extended prematurely during the reporting period and can be used at the company's discretion up to 30 June 2024. It was not in use as of the balance sheet date and is therefore available in full.

## Development of net LTV



## Calculation of net LTV as of 30 June 2022

### Amounts in TEUR

Carrying amount of financing <sup>1</sup>	2,311,325.3
- Cash and cash equivalents <sup>2</sup>	383,492.6
Net carrying amount of financing	1,927,832.7
Carrying amount of property <sup>3</sup> & EPRA NAV of S IMMO shares <sup>4</sup>	5,929,610.9
<b>Net LTV in %<sup>5</sup></b>	<b>32.5</b>

<sup>1</sup> Including IFRS 5 values, excluding IFRS 16 values

<sup>2</sup> Cash and cash equivalents, including cash and cash equivalents in assets held for sale

<sup>3</sup> Excluding rights of use, values as per IFRS 16

<sup>4</sup> 19.5 million S IMMO shares at the EPRA NAV of EUR 29.31 per share as of 31 March 2022

<sup>5</sup> Based on a recommendation of the European Public Real Estate Association (EPRA), the section "EPRA Financial Indicators" will be expanded to include a new indicator "EPRA loan-to-value" beginning with the first quarter of 2022 (see page 42).

The average financing costs for IMMOFINANZ, including derivatives, remained unchanged at 1.92% per year as of 30 June 2022 (31 December 2021: 1.92% per year). The hedging quota equalled 81.1% (31 December 2021: 88.8%).

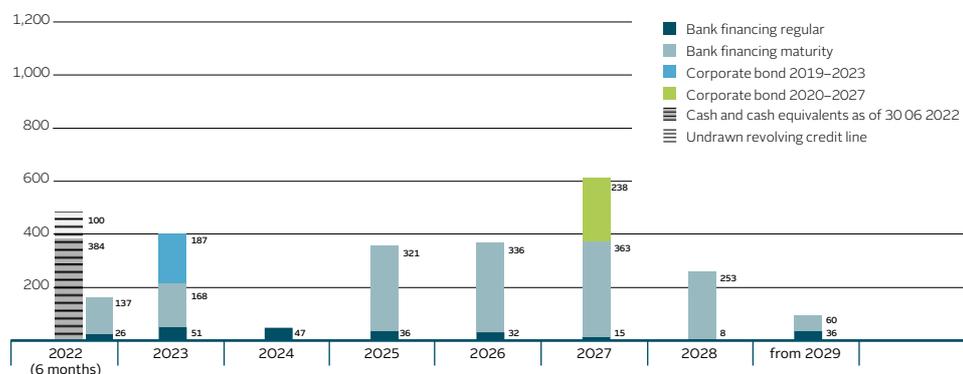
## Term structure

The weighted average remaining term of financial liabilities increased to 4.25 years at the end of June 2022 (2021: 3.75 years). The following graph shows the term structure by year as of 30 June 2022. The maturing financing volume for the 2022 financial year amounted to only EUR 137.0 million as of 30 June 2022. A total of EUR 201.1 million, or roughly 60% of the liabilities scheduled to expire this year, were refinanced over the long term. This long-term financing covered office properties in Warsaw as well as the STOP SHOP portfolio in Slovakia. IMMOFINANZ is in regular contact with its financing banks to discuss the premature extension of expiring financing, in particular for the 2022 and 2023 financial years, in order to further optimise the term structure.

\* Excluding lease liabilities of EUR 52.3 million in accordance with the application of IFRS 16; including IFRS 5

## Term structure of financial liabilities by financial year as of 30 June 2022

in MEUR



### Unencumbered assets

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 1,506.9 million, or 28.1%, of the total property portfolio were not externally financed and therefore unencumbered as of 30 June 2022 (31 December 2021: EUR 1,476.8 million or 28.6%). Including the S IMMO shares (valued at the EPRA NAV), which are also unencumbered, this value increases to EUR 2,078.4 million or 35.1%.

### Unencumbered properties by asset class

Unencumbered property portfolio in total: MEUR 1,506.9



## Composition of financial liabilities

The financial liabilities held by IMMOFINANZ include amounts due to financial institutions as well as liabilities from bonds. The composition of these liabilities as of 30 June 2022 is as follows:

Weighted average interest rate of the financial liabilities	Outstanding liability in TEUR as of 30.06.2022	Total average interest rate incl. expenses for derivatives in % <sup>1</sup>
Corporate bonds	424,922.1	2.56
Bank liabilities <sup>2</sup>	1,886,403.2	1.78
<b>IMMOFINANZ</b>	<b>2,311,325.3</b>	<b>1.92</b>

<sup>1</sup> Based on nominal remaining debt

<sup>2</sup> Including IFRS 5

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 2,311.3 million as of 30 June 2022; this financing is denominated entirely in euros.

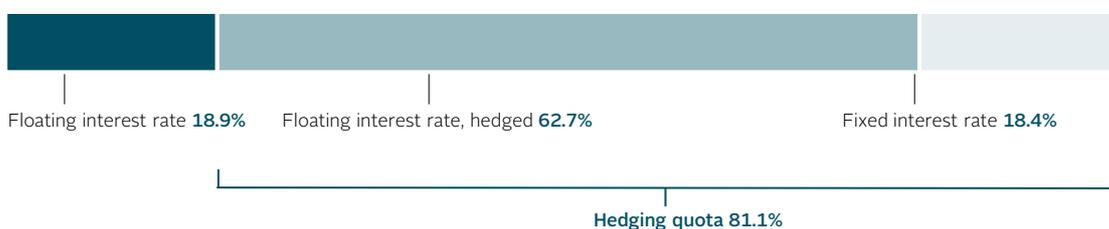
## Derivatives

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 1,452.2 million as of 30 June 2022 (31 December 2021: EUR 1,394.0 million). In total, 81.1% of the total financial liabilities were hedged (31 December 2021: 88.8%); 62.7% via interest rate derivatives and a further 18.4% carried fixed interest rates.

Interest rate derivative <sup>1</sup>	Floating leg	Market value incl. interest & CVA/DVA as of 30 06 2022 in TEUR	Notional amount in TEUR	Average hedged reference interest rate in %
Interest rate swap	3-M-EURIBOR	89,756.9	1,452,147.7	0.21
<b>IMMOFINANZ</b>		<b>89,756.9</b>	<b>1,452,147.7</b>	

<sup>1</sup> Including IFRS 5 (for information on the assets held for sale, see section 4.5 of the notes to the consolidated interim financial statements)

## Financial liabilities – type of interest rate as of 30 June 2022



## Bonds

The outstanding nominal value of the bonds declined significantly to EUR 424.9 million as of 30 June 2022 due to a change of control event (31 December 2021: EUR 1,277.3 million). Included here are the two corporate bonds which were issued in January 2019 and October 2020.

### Change of control event – corporate bonds

The acquisition of a controlling interest in IMMOFINANZ AG by the CPI Property Group (CPIPG) and the subsequent mandatory offer as defined by § 22 in connection with § 27 of the Austrian Takeover Act triggered a change of control event for both corporate bonds (terms ending in 2023 and 2027) at the beginning of March 2022. It entitled the bondholders to exercise their put right at 101% of the nominal value plus accrued interest up to the sale date on 25 April 2022. A nominal value of EUR 295.7 million was tendered by the holders of the corporate bond (term ending in 2023), and a nominal value of EUR 262.2 million was tendered by the holders of the corporate bond (term ending in 2027). Repayment followed on 27 April 2022 and led to cash outflows of EUR 568.8 million.

### Convertible bond 2017–2024

IMMOFINANZ was informed on 3 December 2021 through a voting rights announcement in accordance with § 130 of the Austrian Stock Exchange Act of 2018 that CPIPG held an investment, directly and indirectly, of approximately 21.4% in the then share capital of IMMOFINANZ AG. This investment gave CPIPG a controlling interest in IMMOFINANZ AG as defined in § 22 in connection with § 27 of the Austrian Takeover Act. The conversion price was therefore temporarily adjusted to EUR 18.8987 in accordance with the issue terms (before the adjustment: EUR 20.6333) up to the control record date on 19 January 2022.

Conversions totalled EUR 291.3 million in the first half of 2022 and were serviced with 15,375,916 new shares. Due to the substantial reduction in the volume, IMMOFINANZ called the convertible bond for repayment prematurely on 29 April 2022 in accordance with the issue terms. Repayment was made at the end of June 2022 at a nominal amount of EUR 3.2 million (excluding the convertible bonds held by IMMOFINANZ) plus accrued interest.

Bonds	ISIN	Maturity	Coupon in %	Nominal value as of 31 12 2021 in TEUR	Repurchases/ redemptions/ conversions/ new issues 2022 in TEUR	Nominal value as of 30 06 2022 in TEUR
Corporate bond	XS1935128956	27 01 2023	2.63	482,800	-295,700	187,100
Corporate bond	XS2243564478	15 10 2027	2.50	500,000	-262,200	237,800
Convertible bond	XS1551932046	n. a.	1.50	294,500	-294,500	0
<b>IMMOFINANZ</b>			<b>2.56<sup>1</sup></b>	<b>1,277,300</b>	<b>-852,400</b>	<b>424,900</b>

<sup>1</sup> Weighted coupon in % based on the nominal value as of 30 June 2022

In the first quarter of 2019, IMMOFINANZ received a long-term issuer rating of BBB- with stable outlook from S&P Global Ratings. This rating and the outlook were confirmed during the annual review process in January 2022. S&P Global Ratings raised the rating to BBB (negative outlook) in June 2022 based on IMMOFINANZ's membership in the CPIPG Group; this reflects the rating accorded to CPIPG.

In connection with the issue of the corporate bond 2019–2023 and the corporate bond 2020–2027, IMMOFINANZ has committed to comply with the following standard financial covenants. These covenants are calculated on the basis of the consolidated IFRS financial statements.

Financial covenant	Threshold in %	Value as of 30 06 2022 in %
Net Debt to Value Ratio <sup>1</sup>	Max. 60.0	22.7
Secured Net Debt to Value Ratio <sup>1</sup>	Max. 45.0	15.5
Interest Coverage Ratio	Min. 150.0	310.5

<sup>1</sup> The values are based on the latest calculation as per the bond terms on or before 30 June 2022.

# Business Development

IMMOFINANZ closed the first half of 2022 with very strong performance: Rental income reached a high level of EUR 144.2 million, the results of asset management improved by 3.0% to EUR 110.0 million, and sustainable FFO 1 from the standing investment business (including the dividend payment from S IMMO in Q2 2022) rose by roughly 6% to EUR 78.7 million.

The attainment of majority control by the CPI Property Group triggered several non-recurring effects in the first half-year: among others, higher costs due to the takeover offers by the CPI Property Group and S IMMO and the related premature repayment of corporate bonds due to the change of control. The current environment was also reflected in the full write-off of a purchase price receivable from the Russian portfolio which was sold in 2017; this had a negative effect on the results of property sales. The results of operations totalled EUR 56.3 million and operating profit, including positive revaluations, amounted to EUR 131.0 million. In total, IMMOFINANZ generated net profit of EUR 162.7 million, or earnings per share of EUR 1.20, in the first half of 2022.

## Income statement

All amounts in TEUR	Q1-2 2022	Q1-2 2021
Rental income	144,154	144,988
<b>Results of asset management</b>	<b>109,996</b>	<b>106,807</b>
<b>Results of property sales</b>	<b>-11,825</b>	<b>-3,677</b>
<b>Results of property development</b>	<b>-7,795</b>	<b>21,974</b>
Other operating income	2,020	1,192
Other operating expenses	-36,057	-22,967
<b>Results of operations</b>	<b>56,339</b>	<b>103,329</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>74,688</b>	<b>52,542</b>
<b>Operating profit (EBIT)</b>	<b>131,027</b>	<b>155,871</b>
<b>Financial results</b>	<b>68,826</b>	<b>91,566</b>
<b>Earnings before tax (EBT)</b>	<b>199,853</b>	<b>247,437</b>
<b>Net profit or loss</b>	<b>162,720</b>	<b>228,624</b>

Rental income was stable in comparison with the previous year at EUR 144.2 million in the first half of 2022 (Q1-2 2021: EUR 145.0 million). However, the first half of 2021 had been positively influenced by a non-recurring compensation payment of EUR 6.7 million from a major tenant for a pandemic-related reduction in space. After an adjustment for this non-recurring effect, rental income rose by 4.2%. This increase was supported by the sound development of like-for-like rental income, the purchase of a STOP SHOP retail park in Italy, and the completion of development projects which more than offset the sale of properties. Like-for-like rental income (adjusted for acquisitions, sales and completions) increased by a solid 7.1% year-on-year in the second quarter of 2022.

Property expenses declined by 14.8% to EUR -26.9 million, chiefly due to a substantial decline in the write-off of rents receivable included in this position to EUR -1.2 million (Q1-2 2021: EUR -9.4 million). These write-offs represented support by IMMOFINANZ for its tenants during the pandemic-related lockdown periods in 2020 and 2021. During the first half of 2022, the pre-crisis level for write-downs was reached again. The results of asset management rose by 3.0% to EUR 110.0 million (Q1-2 2021: EUR 106.8 million).

The results of property sales amounted to EUR -11.8 million (Q1-2 2021: EUR -3.7 million) and were influenced, above all, by the full write-off of a EUR -12.9 million purchase price receivable from Russia. This receivable originated from the sale of the Russian portfolio in 2017 and was scheduled for settlement in the first half of 2022. As a consequence of the war in Ukraine and the related sanctions against the Russian Federation together with the accompanying effects – in particular, the payment restrictions imposed by Russia – management classified this receivable as uncollectible. IMMOFINANZ holds no other receivables nor liabilities from the sale of the Russian portfolio and is currently reviewing all legal options to assert this claim.

Property sales totalled EUR 4.9 million in the first half of 2022 and consist, above all, of non-core land in Turkey. The results of property development equalled EUR -7.8 million (Q1–2 2021: EUR 22.0 million) and reflect the increase in construction costs for individual projects which resulted from changes in the operating environment.

### Results of operations

Other operating expenses increased to EUR -36.1 million as a result of non-recurring effects (Q1–2 2021: EUR -23.0 million). These expenses generally involved consulting fees related to the takeover offers for IMMOFINANZ by the CPI Property Group and S IMMO, expenses due to the resignation of Dietmar Reindl and Stefan Schönauer from the Executive Board, and digitalisation projects. The results of operations amounted to EUR 56.3 million (Q1–2 2021: EUR 103.3 million).

### Revaluation and operating profit

Results from the revaluation of standing investments totalled EUR 74.7 million (Q1–2 2021: EUR 52.5 million). Retail properties were responsible for EUR 50.4 million of the value appreciation, which covered STOP SHOPS as well as VIVO! shopping centers and reflected the improvement in the market environment. Revaluations in the standing office investments amounted to EUR 28.3 million and were supported by positive effects at buildings in Warsaw, Vienna and Prague. The write-downs of EUR 4.0 million involved miscellaneous properties.

Operating profit (EBIT) equalled EUR 131.0 million (Q1–2 2021: EUR 155.9 million).

### Financial results and investments

Financing costs declined by 2.6% to EUR -41.0 million (Q1–2 2021: EUR -42.2 million). The other financial results of EUR 80.9 million (Q1–2 2021: EUR 8.5 million) were based primarily on the positive valuation of interest rate derivatives (EUR 88.1 million) following an increase in long-term interest rates and demonstrates the Group's effective hedging policy. These factors were contrasted by costs of EUR -5.6 million for the repurchase of corporate bonds at 101% of the nominal value as a consequence of the change of control.

The share of results from equity-accounted investments totalled EUR 27.4 million; in the first half of 2021, this position had reflected the strong positive revaluation of the S IMMO investment (Q1–2 2021: EUR 124.1 million). The S IMMO investment was responsible for a proportional earnings share of EUR 25.2 million in the first half of 2022 (Q1–2 2021: EUR 121.8 million). Financial results amounted to EUR 68.8 million (Q1–2 2021: EUR 91.6 million).

### Net profit

Profit before tax totalled EUR 199.9 million (Q1–2 2021: EUR 247.4 million). Income taxes rose to EUR -37.1 million (Q1–2 2021: EUR -18.8 million), above all due to the increase in deferred tax expenses that resulted from the positive valuation of interest rate derivatives. Net profit equalled EUR 162.7 million (Q1–2 2021: EUR 228.6 million) and represents earnings per share\* of EUR 1.20 (Q1–2 2021: EUR 1.69).

\* Number of shares included for Q1–2 2022: 135,707,360; number of shares included for Q1–2 2021: 137,196,458

## Funds from operations (FFO)

The sustainable FFO 1 from the standing investment business (before tax) rose by 6.1% to EUR 78.7 million in the first half of 2022 (Q1–2 2021 adjusted; see next paragraph: EUR 74.2 million). That represents FFO 1 per share of EUR 0.58 (Q1–2 2021 adjusted: EUR 0.60) and is based on a higher number of shares compared to the previous year (see the following table).

FFO 1 includes a dividend payment of EUR 12.7 million from S IMMO. In the previous year, the S IMMO dividend was only paid in the fourth quarter. To improve comparability, the 2021 dividend from S IMMO was adjusted to show a receipt of EUR 9.7 million in the second quarter.

The calculation of FFO 1 for the first half of 2022 includes an adjustment to other operating expenses for non-recurring effects of EUR 13.2 million. These effects consist primarily of consulting fees related to the takeover offers for IMMOFINANZ by the CPI Property Group and S IMMO, expenses due to the resignation of two Executive Board members, and digitalisation projects.

All amounts in TEUR	P&L Q1–2 2022	Adjustments	FFO Q1–2 2022	FFO Q1–2 2021
<b>Results of asset management</b>	<b>109,996</b>	<b>3</b>	<b>110,000</b>	<b>106,851</b>
<b>Results of property sales</b>	<b>-11,825</b>	<b>11,825</b>	<b>0</b>	<b>0</b>
<b>Results of property development</b>	<b>-7,795</b>	<b>7,795</b>	<b>0</b>	<b>0</b>
Other operating income	2,020	-1,055	965	848
Other operating expenses	-36,057	13,160	-22,897	-18,863
<b>Results of operations</b>	<b>56,339</b>	<b>31,728</b>	<b>88,067</b>	<b>88,836</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>74,688</b>	<b>-74,688</b>	<b>0</b>	<b>0</b>
<b>Operating profit (EBIT)</b>	<b>131,027</b>	<b>-42,960</b>	<b>88,067</b>	<b>88,836</b>
Financing costs	-41,045			
Financing income	1,251			
Foreign exchange differences	317			
Other financial results	80,870			
Net profit or loss from equity-accounted investments	27,433			
<b>Financial results</b>	<b>68,826</b>	<b>-90,873</b>	<b>-22,047</b>	<b>-24,394</b>
<b>FFO 1 before tax (excluding S IMMO)</b>	<b>199,853</b>	<b>-133,833</b>	<b>66,021</b>	<b>64,442</b>
<b>FFO 1 per share before tax (excluding S IMMO) in EUR</b>			<b>0.49</b>	<b>0.52</b>
Dividends received from S IMMO			12,675	0
<b>FFO 1 before tax</b>			<b>78,695</b>	<b>64,442</b>
<b>FFO 1 per share before tax in EUR</b>			<b>0.58</b>	<b>0.52</b>
Dividend from S IMMO adjusted to improve comparability (payment in 2021 only received in Q4 2021)			12,675	9,750
<b>FFO 1 before tax (adjusted)</b>			<b>78,695</b>	<b>74,191</b>
<b>FFO 1 per share before tax in EUR (adjusted)</b>			<b>0.58</b>	<b>0.60</b>
Number of shares (as per EPS formula) for the calculation			135,707,360	123,293,795

## Balance sheet

The condensed balance sheet is shown below:

All amounts in TEUR	30 06 2022	in %	31 12 2021	in %
Investment property	4,976,650		4,736,375	
Property under construction	422,342	81.6	474,311	75.0
Real estate inventories	619		619	
Assets held for sale	9,820		9,030	
Other assets	145,819	2.2	60,783	0.9
Equity-accounted investments	541,160	8.2	521,476	7.5
Trade and other receivables	148,013	2.2	168,968	2.4
Cash and cash equivalents	383,493	5.8	987,146	14.2
<b>Assets</b>	<b>6,627,916</b>	<b>100.0</b>	<b>6,958,708</b>	<b>100.0</b>
Equity	3,795,238	57.3	3,350,618	48.1
Liabilities from convertible bonds	0	0.0	283,216	4.1
Financial liabilities	2,363,674	35.7	2,853,423	41.0
Trade and other payables	113,463	1.7	138,984	2.0
Other liabilities	55,567	0.8	58,254	0.8
Deferred tax liabilities	299,974	4.5	274,213	3.9
<b>Equity and liabilities</b>	<b>6,627,916</b>	<b>100.0</b>	<b>6,958,708</b>	<b>100.0</b>

The strong year-on-year increase in the equity ratio to 57.3% underscores IMMOFINANZ's robust balance sheet structure (31 December 2021: 48.1%). The net loan to value is very conservative at 32.5%.

Equity increased by EUR 280.8 million during the reporting period following the conversion of convertible bonds. These conversions were serviced by issuing roughly 15.4 million shares from conditional capital.

The property portfolio has a value of EUR 5.4 billion and represents 81.6% of total assets. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and assets held for sale. Assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale.

The equity-accounted investments of EUR 541.2 million include EUR 536.3 million attributable to S IMMO AG. Based on the roughly 19.5 million shares held by IMMOFINANZ, the book value of the S IMMO share equalled EUR 27.50 (31 December 2021: EUR 26.40).

Cash and cash equivalents amounted to EUR 383.5 million at the end of June 2022 (31 December 2021: EUR 987.1 million). The reduction since the end of the previous year is due, above all, to a liquidity outflow of EUR 568.6 million for the repayment of corporate bonds following a change of control event.

# EPRA Financial Indicators

## EPRA net asset value

In accordance with the recommendations of the European Public Real Estate Association (EPRA), IMMOFINANZ has published an expanded version of the net asset value indicators (NAV indicators) beginning with the financial statements for 2020. The two previously published indicators – net asset value (NAV) and triple net asset value (NNNAV) were replaced by three new indicators: net reinstatement value (NRV), net tangible assets (NTA) and net disposal value (NDV).

These indicators are calculated in accordance with the EPRA Best Practices Recommendations (EPRA BPR), whereby adjustments are made beginning with IFRS equity to provide stakeholders with the most transparent information on the market value of the real estate company's assets and liabilities under various scenarios. The EPRA's NTA is the most relevant indicator for IMMOFINANZ's business activities and, consequently, serves as the new primary indicator for net assets.

## EPRA NAV indicators

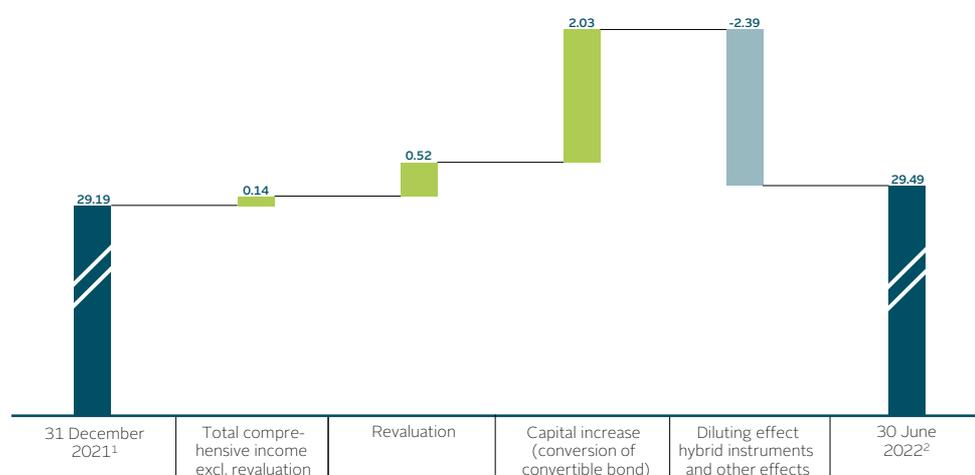
All amounts in TEUR	30 06 2022			31 12 2021		
	NRV	NTA	NDV	NRV	NTA	NDV
IFRS Equity excluding non-controlling interests	3,823,448	3,823,448	3,823,448	3,383,544	3,383,544	3,383,544
Hybrid financial instruments (convertible bonds)	0	0	0	283,215	283,215	283,215
<b>Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options</b>	<b>3,823,448</b>	<b>3,823,448</b>	<b>3,823,448</b>	<b>3,666,759</b>	<b>3,666,759</b>	<b>3,666,759</b>
Undisclosed reserves in other non-current investments	0	0	0	0	0	0
Deferred tax on non-current investments	0	0	0	0	0	0
Undisclosed reserves in real estate inventories	0	0	0	0	0	0
Deferred taxes on real estate inventories	0	0	0	0	0	0
<b>Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves</b>	<b>3,823,448</b>	<b>3,823,448</b>	<b>3,823,448</b>	<b>3,666,759</b>	<b>3,666,759</b>	<b>3,666,759</b>
Fair value of derivative financial instruments	-89,819	-89,819	0	-96	-96	0
Deferred taxes on derivative financial instruments	17,113	17,113	0	2	2	0
Deferred taxes on investment property	371,491	278,712	0	353,714	346,420	0
Goodwill resulting from deferred taxes	-23,706	-23,706	-23,706	-23,932	-23,932	-23,932
Other goodwill	0	0	0	0	0	0
Intangible assets	0	-133	0	0	-187	0
Effect of fair value measurement of financial liabilities	0	0	37,963	0	0	-23,053
Deferred taxes on the fair value measurement of financial liabilities	0	0	-9,491	0	0	5,763
Effect of fair value measurement of intangible assets	0	0	0	0	0	0
Real estate transfer tax and other purchaser's costs	201,152	73,706	0	193,439	64,537	0
<b>EPRA NAV indicators</b>	<b>4,299,680</b>	<b>4,079,322</b>	<b>3,828,214</b>	<b>4,189,887</b>	<b>4,053,503</b>	<b>3,625,538</b>
Number of shares excluding treasury shares	138,330,232	138,330,232	138,330,232	123,292,767	123,292,767	123,292,767
Potential number of shares	0	0	0	15,583,082	15,583,082	15,583,082
<b>EPRA NAV indicators per share in EUR</b>	<b>31.08</b>	<b>29.49</b>	<b>27.67</b>	<b>30.17</b>	<b>29.19</b>	<b>26.11</b>

The calculation of the EPRA NAV indicators as of 30 June 2022 does not include any potential shares from the conversion of the convertible bond 2017–2024 as a diluting effect because the convertible bond had been redeemed in full prematurely by 30 June 2022. Consequently, there were also no further diluting effects for hybrid financial instruments (convertible bonds) from an equity correction for the convertible bond 2017–2024.

The EPRA NTA per share rose by 1.0% from EUR 29.19 at the end of December 2021 to EUR 29.49 as of 30 June 2022. This increase is primarily attributable to positive revaluation effects (see the following reconciliation). The EPRA net asset value per share increased by 3.0% to EUR 29.63 (31 December 2021: EUR 28.78).

The IFRS book value per share improved to EUR 27,64 despite an increase in the number of shares (31 December 2021: EUR 27.44).\*

### EPRA NTA bridge



<sup>1</sup> Number of shares as of 31 December 2021: 138,875,849

<sup>2</sup> Number of shares as of 30 June 2022: 138,330,232

The capital increase from conditional capital which was carried out by the company during the first half of 2022 to service the conversion rights from the convertible bond 2017–2024 had a positive effect on the NTA development due to the share capital. However, this development was balanced out by diluting effects, above all due to the higher number of shares (including potential shares) and the additional equity that must also be included.

\* Number of shares for Q1–2 2022: 138,330,232; number of shares for 2021: 123,292,767

## EPRA earnings per share

All amounts in TEUR	Q1–2 2022	Q1–2 2021
<b>Weighted average number of shares in 1,000</b>	<b>135,707</b>	<b>123,294</b>
<b>Net profit or loss from continuing operations excluding non-controlling interests</b>	<b>162,835</b>	<b>228,660</b>
Revaluation of investment properties and properties under construction	-69,975	-75,763
Results of property sales	11,824	3,676
Goodwill impairment, negative differences and earn-out effects on income <sup>1</sup>	225	117
Changes in fair value of financial instruments	-81,456	-10,266
Taxes in respect of EPRA adjustments <sup>1</sup>	27,951	17,056
EPRA adjustments in respect of joint ventures and non-controlling interests <sup>1</sup>	-150	1,187
<b>EPRA earnings<sup>1</sup></b>	<b>51,254</b>	<b>164,669</b>
<b>EPRA earnings per share in EUR<sup>1</sup></b>	<b>0.38</b>	<b>1.34</b>
<b>Company-specific adjustments</b>		
One-time effects in other operating expenses	8,240	3,640
Valuation S IMMO	0	-85,274
Foreign exchange gains and losses	-318	-37
Deferred taxes in respect of company-specific adjustments <sup>1</sup>	-1,331	20,635
EPRA adjustments in respect of joint ventures and non-controlling interests for company-specific adjustments	-59	75
<b>Company-specific adjusted EPRA earnings<sup>1</sup></b>	<b>57,787</b>	<b>103,707</b>
<b>EPRA earnings per share after company-specific adjustments in EUR<sup>1</sup></b>	<b>0.43</b>	<b>0.84</b>

<sup>1</sup> The comparative data were adjusted.

EPRA earnings per share equalled EUR 0.38 in the first half of 2022, compared with EUR 1.34 in the first half of 2021. This decline resulted primarily from the reduction in net profit and the higher number of shares. After company-specific adjustments, EPRA earnings per share equalled EUR 0.43.

## EPRA net initial yield

All amounts in TEUR	Q1–2 2022	2021
Investment property	4,935,121	4,694,874
Investment property – proportional share of joint ventures	0	0
less undeveloped land	-167,781	-180,051
less undeveloped land – proportional share of joint ventures	0	0
<b>Total property portfolio</b>	<b>4,767,340</b>	<b>4,514,824</b>
Allowance for estimated purchaser's costs	179,509	169,742
<b>Gross value of total standing investment portfolio</b>	<b>4,946,849</b>	<b>4,684,566</b>
Annualised cash rental income	289,866	286,535
Non-recoverable property operating expenses	-27,003	-25,159
<b>Annualised net rental income</b>	<b>262,864</b>	<b>261,376</b>
Notional rent expiration of rent-free periods or other lease incentives	14,584	19,260
<b>“Topped-up” net annualised rents</b>	<b>277,448</b>	<b>280,636</b>
<b>EPRA net initial yield in %</b>	<b>5.3</b>	<b>5.6</b>
<b>EPRA “topped-up” net initial yield in %</b>	<b>5.6</b>	<b>6.0</b>

The EPRA net initial yield (NIY) equalled 5.3% in the first half of 2022 and the “topped-up” NIY 5.6%.

## EPRA vacancy rate

### EPRA vacancy rate by core market

Standing investments	30 06 2022				31 12 2021
	Rentable space in sqm	Market rent for vacant space in MEUR	Total market rent in MEUR	EPRA vacancy rate in %	EPRA vacancy rate in %
Austria	246,997	0.1	3.3	3.6	3.2
Germany	65,945	0.3	1.5	20.4	20.4
Poland	418,147	0.2	5.9	3.5	3.7
Czech Republic	220,872	0.1	2.9	3.1	2.4
Hungary	225,527	0.1	2.6	3.7	3.7
Romania	339,361	0.6	4.7	12.6	8.6
Slovakia	187,959	0.1	2.2	6.0	5.1
Adriatic <sup>1</sup>	320,353	0.1	3.3	1.7	0.7
<b>IMMOFINANZ</b>	<b>2,025,161</b>	<b>1.6</b>	<b>26.3</b>	<b>6.1</b>	<b>5.1</b>

<sup>1</sup> Serbia, Slovenia, Italy and Croatia

### EPRA vacancy rate by asset class and brand

Standing investments	30 06 2022				31 12 2021
	Rentable space in sqm	Market rent for vacant space in MEUR	Total market rent in MEUR	EPRA vacancy rate in %	EPRA vacancy rate in %
<b>Office</b>	<b>900,943</b>	<b>1.4</b>	<b>13.6</b>	<b>10.2</b>	<b>8.6</b>
thereof myhive	649,665	1.1	10.0	10.8	9.1
<b>Retail</b>	<b>1,112,983</b>	<b>0.2</b>	<b>12.6</b>	<b>1.7</b>	<b>1.3</b>
thereof VIVO!/shopping center	312,230	0.1	4.8	2.4	1.7
thereof STOP SHOP/retail park	790,451	0.1	7.7	1.2	1.1
<b>IMMOFINANZ</b>	<b>2,025,161</b>	<b>1.6</b>	<b>26.3</b>	<b>6.1</b>	<b>5.1</b>

The EPRA vacancy rate equalled 6.1% as of 30 June 2022 (31 December 2021: 5.1%) and rose to 10.2% in the office business. The increase over the level at the end of 2021 resulted, for the most part, from a larger modernisation project in an office building and the departure of two larger tenants in Romania. The retail portfolio was nearly fully rented at 1.7%, whereby the STOP SHOP retail parks had the lowest vacancy rate as of 30 June 2022 at 1.2%.

## EPRA cost ratio

All amounts in TEUR	Q1-2 2022	Q1-2 2021
Expenses from investment property	-26,924	-31,582
Net operating costs, excluding indirect costs that are recharged through rents but not invoiced separately	-2,851	-1,110
<b>EPRA costs (including direct vacancy costs)</b>	<b>-29,775</b>	<b>-32,692</b>
Vacancy costs	-4,680	-3,748
<b>EPRA costs (excluding direct vacancy costs)</b>	<b>-25,095</b>	<b>-28,944</b>
Gross rental income including service fees and service charge cost components	144,156	144,988
Less service fees and service charge cost components of gross rental income	-5,559	-5,988
<b>Gross rental income</b>	<b>138,597</b>	<b>138,999</b>
<b>EPRA cost ratio (including direct vacancy costs) in %</b>	<b>21.5</b>	<b>23.5</b>
<b>EPRA cost ratio (excluding direct vacancy costs) in %</b>	<b>18.1</b>	<b>20.8</b>

The EPRA cost ratio improved to 21.5% (Q1–2 2021: 23.5%) including direct vacancy costs and declined to 18.1% (Q1–2 2021: 20.8%) excluding direct vacancy costs. This positive development was based, above all, on the reduction of property expenses. The receivables write-offs which resulted from IMMOFINANZ's support for its tenants during the pandemic-related lockdown periods, were significantly reduced year-on-year and totalled EUR -1.2 million (Q1–2 2021: EUR -9.4 million).

For the calculation of the EPRA cost ratio, IMMOFINANZ capitalises only those expenses which will lead to a future economic benefit for the respective property. This is regularly the case for maintenance and expansion costs for real estate assets and for development costs related to property under construction. Overheads and operating costs are generally not capitalised.

## EPRA capital expenditure

All amounts in TEUR	Q1–2 2022	Q1–2 2021
Acquisitions	71,147	38,152
Development projects	35,795	50,037
Investment property	11,817	16,383
thereof incremental lettable space	0	0
thereof no incremental lettable space	7,961	15,898
thereof tenant incentives	3,856	485
thereof other material non-allocated types of expenditure	0	0
<b>EPRA capital expenditure</b>	<b>118,759</b>	<b>104,572</b>

Joint ventures are included in capital expenditure in accordance with the EPRA requirements but are not reported because of missing values.

Capital expenditure totalled EUR 118.8 million in the first half of 2022 and was concentrated on properties solely owned by IMMOFINANZ (Q1–2 2021: EUR 104.6 million). These funds were used, above all, for the company's strategic expansion and development projects.

Acquisitions were related mainly to the purchase of a retail park in Italy (Udine).

The investments in development projects focused, among others, on an office building at the myhive am Wienerberg in Vienna and on two STOP SHOP retail parks in Croatia and one in Poland. Additional details on the portfolio can be found in the "Portfolio report".

## EPRA loan to value

All amounts in TEUR	IMMOFINANZ as of 30 06 2022	S IMMO <sup>1</sup> (26.49%) as of 31 03 2022	Combined (pro- portionated)
<b>Include:</b>			
Borrowings from financial institutions	1,886,403	260,841	2,147,244
Commercial paper	0	0	0
Hybrids (including convertibles, preference shares, debt, options and per- petuals)	0	0	0
Bond loans	424,922	185,164	610,086
Foreign currency derivatives (futures, swaps, options and forwards)	0	0	0
Net payables	0	5,352	5,352
Owner-occupied property (debt)	0	0	0
Current accounts (equity characteristic)	0	0	0
<b>Exclude:</b>			
Cash and cash equivalents <sup>1</sup>	383,493	206,313	589,805
<b>Net debt</b>	<b>1,927,833</b>	<b>245,044</b>	<b>2,172,877</b>
<b>Include:</b>			
Owner-occupied property	0	732,944	732,944
Investment properties at fair value	4,925,301	63,531	4,988,832
Properties held for sale	10,439	0	10,439
Properties under development	422,342	0	422,342
Intangibles	0	0	0
Net receivables	34,550	0	34,550
Financial assets	1,626	0	1,626
<b>Total property value</b>	<b>5,394,259</b>	<b>796,475</b>	<b>6,190,733</b>
<b>EPRA LTV in %</b>	<b>35.7</b>	<b>30.8</b>	<b>35.1</b>

<sup>1</sup> Internal calculation based on publicly available data

The loan-to-value is an important indicator for shareholders because it shows the relation of debt to the fair value of the assets. The EPRA LTV is calculated in accordance with EPRA Best Practices Recommendations and has been reported since the first quarter of 2022. This calculation differs from IMMOFINANZ's conventional LTV (net) calculation primarily due to the following points:

	EPRA LTV	IMMOFINANZ net LTV
Financial liabilities	Nominal remaining debt	Carrying amount
Current receivables/liabilities	Net amount is included as an asset or a li- ability	Not included
Material subsidiaries not included through full consolidation	Assets and liabilities are included as a per- centage of total capital	Not included, except for the investment in S IMMO (number of shares multiplied by the EPRA NAV per S IMMO share)

# Risk Report

As an international real estate investor, property owner and project developer, IMMOFINANZ is exposed to a variety of general and branch-specific risks in its business operations. An integrated risk management process provides the Group with a sound basis for the timely identification of potential risks and the assessment of the potential consequences.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that could endanger the company's standing as a going concern. The overall risk situation for the first half of 2022 was classified as elevated, above all due to the clouded macroeconomic outlook caused by Russia's military actions against Ukraine and the general economic environment in Europe as well as the ongoing uncertainty of further COVID-19 mutations and the related effects.

## Risks in the first half of 2022

### Major market and property-specific risks

The first half of 2022 was influenced, above all, by geopolitical risks that were reflected in higher inflation, continuing supply chain problems and a sharp rise in energy, food and raw material prices, and which weakened the outlook for the second half-year. The steady upward trend in inflation rates led to a reversal of the ECB's previous interest rate policy and to a first, substantial increase in key interest rates. Higher financing costs and rising energy prices will have a negative effect on property valuation and the development of operating costs for IMMOFINANZ. The significant increase in inflation rates has also led to a discussion over government intervention in pricing processes and resource allocation. A potential energy shortage during the second half-year and the possibility of further waves in the COVID-19 pandemic represent uncertainty factors that affect all IMMOFINANZ core countries. IMMOFINANZ's property solutions have proven to be comparatively crisis resistant. In the retail business, the focus on affordable everyday products supports continuing high demand and, in the office business, IMMOFINANZ benefits from a very high occupancy level, long-term leases and a flexible space offering under the myhive brand. However, in view of the macroeconomic outlook and the projected interest environment, a further decline in the demand for office space can be expected over the short term.

At the beginning of July, the European Parliament approved the inclusion of the commercial real estate sector in the European Emission Trading Scheme (EU-ETS) starting in 2024. This regulation would require IMMOFINANZ to pay for the emission of climate-damaging gases by its commercial buildings as of that time. Details on the implementation of this legislation are not yet available, however. IMMOFINANZ is already following an ambitious plan to reduce greenhouse gases with its net zero emission strategy, and that gives the company an improved starting position to address future regulations in this area.

IMMOFINANZ wants to be climate-neutral by 2040. The realisation of this plan includes significant investments in the property portfolio. However, it should also be noted that numerous investments (the replacement of heating, cooling equipment, building control systems etc.) will anyway be covered through the normal maintenance cycle by that time. Scheduled maintenance projects will therefore also include the conversion to green technologies. The additional costs, from the current point of view, should decline significantly by 2040 due to the economies of scale created by the use of these technologies.

The development projects currently in progress at IMMOFINANZ (property under construction) have a carrying amount of EUR 406.4 million (31 December 2021: EUR 460.8 million). The outstanding construction costs for these projects totalled EUR 193.9 million as of 30 June 2022 (31 December 2021: EUR 216.2 million). The pipeline projects had a carrying amount of EUR 168.8 million as of 30 June 2022 (31 December 2021: EUR 180.3 million).

The 3-month EURIBOR, an important benchmark for financing, rose from -0.570% to -0.195% in the first half of 2022. In reaction to the sharp rise in inflation, the European Central Bank (ECB) raised eurozone interest rates in July 2022 for the first time in 11 years. The main refinancing rate was increased significantly by 50 basis points to 0.50%, and the negative interest rate of -0.50% for commercial bank deposits was eliminated. These actions were reflected in higher refinancing costs for new bank financing and bank financing not covered by interest hedges. Further interest rate hikes cannot be excluded in the future.

### Major business and other risks

IMMOFINANZ is also exposed to other risks in connection with its business activities. These legal and tax risks, organisational risks, and risks associated with the environment and social governance remain generally unchanged in comparison with the 2021 financial year.

Significant events which occurred after the end of the reporting period are discussed in section 8 of the consolidated interim financial statements.

Vienna, 24 August 2022

The Executive Board



Radka Doehring

# Consolidated Interim Financial Statements

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# Consolidated Balance Sheet

All amounts in TEUR	Notes	30 06 2022	31 12 2021
Investment property	4.1	4,976,650	4,736,375
Property under construction	4.2	422,342	474,311
Other tangible assets		5,307	5,836
Intangible assets		23,838	24,120
Equity-accounted investments	4.3	541,160	521,476
Trade and other receivables	4.4	41,662	38,663
Income tax receivables		9	8
Other financial assets		99,773	17,382
Deferred tax assets		5,928	6,380
<b>Non-current assets</b>		<b>6,116,669</b>	<b>5,824,551</b>
Trade and other receivables	4.4	106,351	130,305
Income tax receivables		10,964	7,057
Assets held for sale	4.5	9,820	9,030
Real estate inventories		619	619
Cash and cash equivalents		383,493	987,146
<b>Current assets</b>		<b>511,247</b>	<b>1,134,157</b>
<b>Assets</b>		<b>6,627,916</b>	<b>6,958,708</b>
Share capital		138,670	123,294
Capital reserves		4,838,377	4,565,709
Treasury shares		-4,972	-23
Accumulated other equity		-191,114	-190,119
Retained earnings		-957,514	-1,115,317
<b>Equity attributable to owners of IMMOFINANZ AG</b>		<b>3,823,447</b>	<b>3,383,544</b>
Non-controlling interests		-28,209	-32,926
<b>Equity</b>		<b>3,795,238</b>	<b>3,350,618</b>
Financial liabilities	4.7	1,977,258	2,441,603
Trade and other payables	4.8	25,953	28,006
Income tax liabilities		2	2
Provisions		17,051	16,776
Deferred tax liabilities		299,974	274,213
<b>Non-current liabilities</b>		<b>2,320,238</b>	<b>2,760,600</b>
Liabilities from convertible bonds	4.6	0	283,216
Financial liabilities	4.7	386,416	411,820
Trade and other payables	4.8	87,510	110,978
Income tax liabilities		15,142	10,719
Provisions		23,372	30,757
<b>Current liabilities</b>		<b>512,440</b>	<b>847,490</b>
<b>Equity and liabilities</b>		<b>6,627,916</b>	<b>6,958,708</b>

# Consolidated Income Statement

All amounts in TEUR	Notes	Q2 2022	Q1-2 2022	Q2 2021	Q1-2 2021
<b>Rental income</b>	<b>5.1</b>	<b>73,937</b>	<b>144,154</b>	<b>70,205</b>	<b>144,988</b>
Operating costs charged to tenants		27,848	54,504	20,398	42,360
Other revenues		864	1,174	22	500
<b>Revenues</b>		<b>102,649</b>	<b>199,832</b>	<b>90,625</b>	<b>187,848</b>
Expenses from investment property	5.2	-14,692	-26,923	-14,486	-31,582
Operating expenses		-31,881	-62,913	-24,227	-49,459
<b>Results of asset management</b>		<b>56,076</b>	<b>109,996</b>	<b>51,912</b>	<b>106,807</b>
<b>Results of property sales</b>	<b>5.3</b>	<b>-12,402</b>	<b>-11,825</b>	<b>-3,264</b>	<b>-3,677</b>
<b>Results of property development</b>	<b>5.4</b>	<b>-3,671</b>	<b>-7,795</b>	<b>20,882</b>	<b>21,974</b>
Other operating income	5.5	1,436	2,020	282	1,192
Other operating expenses	5.6	-23,157	-36,057	-12,853	-22,967
<b>Results of operations</b>		<b>18,282</b>	<b>56,339</b>	<b>56,959</b>	<b>103,329</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>5.7</b>	<b>75,403</b>	<b>74,688</b>	<b>51,561</b>	<b>52,542</b>
<b>Operating profit (EBIT)</b>		<b>93,685</b>	<b>131,027</b>	<b>108,520</b>	<b>155,871</b>
Financing costs	5.8	-24,064	-41,045	-22,133	-42,157
Financing income	5.8	528	1,251	459	1,114
Foreign exchange differences		-422	317	771	37
Other financial results	5.8	34,941	80,870	-465	8,458
Net profit or loss from equity-accounted investments		10,120	27,433	33,247	124,114
<b>Financial results</b>	<b>5.8</b>	<b>21,103</b>	<b>68,826</b>	<b>11,879</b>	<b>91,566</b>
<b>Earnings before tax (EBT)</b>		<b>114,788</b>	<b>199,853</b>	<b>120,399</b>	<b>247,437</b>
Current income tax		-3,812	-9,362	-2,653	-5,750
Deferred tax		-20,635	-27,771	-12,186	-13,063
<b>Net profit or loss from continuing operations</b>		<b>90,341</b>	<b>162,720</b>	<b>105,560</b>	<b>228,624</b>
Net profit or loss from discontinued operations		0	0	0	0
<b>Net profit or loss</b>		<b>90,341</b>	<b>162,720</b>	<b>105,560</b>	<b>228,624</b>
thereof attributable to owners of IMMOFINANZ AG		90,390	162,835	105,597	228,660
thereof attributable to non-controlling interests		-49	-115	-37	-36
<b>Basic earnings per share in EUR</b>		<b>0.65</b>	<b>1.20</b>	<b>0.86</b>	<b>1.85</b>
<b>Diluted earnings per share in EUR</b>		<b>0.65</b>	<b>1.20</b>	<b>0.78</b>	<b>1.69</b>

# Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q2 2022	Q1–2 2022	Q2 2021	Q1–2 2021
<b>Net profit or loss</b>		<b>90,341</b>	<b>162,720</b>	<b>105,560</b>	<b>228,624</b>
<b>Other comprehensive income (reclassifiable)</b>					
Currency translation adjustment		607	-961	7,426	6,226
thereof changes during the financial year		228	-1,340	-909	-2,109
thereof reclassification to profit or loss	2.2	379	379	8,335	8,335
Other comprehensive income from equity-accounted investments	4.3	5,044	6,404	42	843
thereof changes during the financial year		6,044	7,636	103	1,133
thereof income taxes		-1,000	-1,232	-61	-290
<b>Total other comprehensive income (reclassifiable)</b>		<b>5,651</b>	<b>5,443</b>	<b>7,468</b>	<b>7,069</b>
<b>Other comprehensive income (not reclassifiable)</b>					
Financial instruments at fair value through other comprehensive income		-1,332	-1,782	-646	-825
thereof changes during the financial year		-1,738	-2,338	-863	-1,100
thereof income taxes		406	556	217	275
Other comprehensive income from equity-accounted investments	4.3	956	2,541	3,915	11,341
thereof changes during the financial year		1,275	3,388	5,220	15,121
thereof income taxes		-319	-847	-1,305	-3,780
<b>Total other comprehensive income (not reclassifiable)</b>		<b>-376</b>	<b>759</b>	<b>3,269</b>	<b>10,516</b>
<b>Total other comprehensive income after tax</b>		<b>5,275</b>	<b>6,202</b>	<b>10,737</b>	<b>17,585</b>
<b>Total comprehensive income</b>		<b>95,616</b>	<b>168,922</b>	<b>116,297</b>	<b>246,209</b>
thereof attributable to owners of IMMOFINANZ AG		<b>95,665</b>	<b>169,037</b>	<b>116,334</b>	<b>246,245</b>
thereof attributable to non-controlling interests		<b>-49</b>	<b>-115</b>	<b>-37</b>	<b>-36</b>

# Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1–2 2022	Q1–2 2021
Earnings before tax (EBT)		199,853	247,437
Revaluations of investment properties	5.7	-71,900	-78,123
Goodwill impairment and subsequent price adjustments		225	117
Write-downs and write-ups on receivables and other assets		15,120	9,380
Net profit or loss from equity-accounted investments		-27,433	-124,114
Foreign exchange differences and fair value measurement of financial instruments		-87,695	-14,683
Net interest income/expense		40,586	40,412
Results from deconsolidation	2.2	379	4,142
Other non-cash income/expense/reclassifications		-5,890	-2,017
<b>Gross cash flow before tax</b>		<b>63,245</b>	<b>82,551</b>
Income taxes paid		-3,664	-2,982
<b>Gross cash flow after tax</b>		<b>59,581</b>	<b>79,569</b>
Change in real estate inventories		0	44
Change in trade and other receivables		-1,345	-95,128
Change in trade payables and other liabilities		-23,589	4,498
Change in provisions		-3,120	-2,250
<b>Cash flow from operating activities</b>		<b>31,527</b>	<b>-13,267</b>
Acquisition of investment property and property under construction		-114,575	-63,901
Business combinations and other acquisitions, net of cash and cash equivalents		-2,189	-23,765
Acquisition/sale of current assets		0	-1,000
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		3,841	73,590
Acquisition of other non-current assets		-1,059	-1,022
Disposal of investment property and property under construction		5,364	42,126
Dividends received from equity-accounted investments	4.3	16,695	3,439
Interest or dividends received from financial instruments		1,191	100
<b>Cash flow from investing activities</b>		<b>-90,732</b>	<b>29,567</b>
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		361,659	166,712
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-859,760	-224,679
Payments and conversion of convertible bonds		-284,047	0
Derivatives		-5,979	-4,858
Interest paid		-30,893	-26,937
Payments on mandatory convertible bond		0	-2,400
Transactions with non-controlling interest owners		-200	-8,501
Share buyback		-4,949	0
Cash flow from capital increases/decrease		280,847	0
<b>Cash flow from financing activities</b>		<b>-543,322</b>	<b>-100,663</b>
Net foreign exchange differences		-1,126	-112
<b>Change in cash and cash equivalents</b>		<b>-603,653</b>	<b>-84,475</b>
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		987,146	1,047,085
Plus cash and cash equivalents in disposal groups		0	4,333
Cash and cash equivalents at the beginning of the period		987,146	1,051,418
Cash and cash equivalents at the end of the period		383,493	966,943
<b>Cash and cash equivalents at the end of the period (consolidated balance sheet item)</b>		<b>383,493</b>	<b>966,943</b>

# Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
<b>Balance on 31 December 2021</b>		123,294	4,565,709	-23
Other comprehensive income			7,197	
Net profit or loss				
<b>Total comprehensive income</b>			7,197	
Capital increase from the conversion of convertible bonds		15,376	265,471	
Share buyback				-4,949
Transactions with non-controlling interest owners				
<b>Balance on 30 June 2022</b>		138,670	4,838,377	-4,972
<b>Balance on 31 December 2020</b>		123,294	4,702,527	-156,328
Other comprehensive income				
Net profit or loss				
<b>Total comprehensive income</b>				
Transactions with non-controlling interest owners				
Disposal of non-controlling interests				
<b>Balance on 30 June 2021</b>		123,294	4,702,527	-156,328

Accumulated other equity								
	Revaluation reserve	IAS 19 reserve	Hedge accounting reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	-6,669	-408	-2,462	-180,580	-1,115,317	3,383,544	-32,926	3,350,618
	-6,424	-14	6,176	-733		6,202		6,202
					162,835	162,835	-115	162,720
	-6,424	-14	6,176	-733	162,835	169,037	-115	168,922
						280,847		280,847
						-4,949		-4,949
					-5,032	-5,032	4,832	-200
	-13,093	-422	3,714	-181,313	-957,514	3,823,447	-28,209	3,795,238
	-12,522	-408	-3,843	-177,909	-1,367,228	3,107,583	-23,876	3,083,707
	10,516		1,089	5,980		17,585		17,585
					228,660	228,660	-36	228,624
	10,516		1,089	5,980	228,660	246,245	-36	246,209
					-2,670	-2,670	-5,834	-8,504
						0	-2,002	-2,002
	-2,006	-408	-2,754	-171,929	-1,141,238	3,351,158	-31,748	3,319,410

# Notes

## 1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 June 2022 were prepared for the period from 1 January 2022 to 30 June 2022 (first half-year 2022) in agreement with the International Financial Reporting Standards (IFRS) applicable to interim reporting, as applied in the EU.

The condensed scope of reporting in these consolidated interim financial statements reflects the requirements of IAS 34. Information on the application of IFRS, on the significant accounting policies and on further disclosures is provided in the consolidated financial statements of IMMOFINANZ as of 31 December 2021 and forms the basis for these consolidated interim financial statements.

These consolidated interim financial statements of IMMOFINANZ were not subjected to a full audit or review by the auditor, Deloitte Audit Wirtschaftsprüfungs GmbH.

The consolidated interim financial statements are presented in thousand euros ("TEUR", rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts or percentage rates.

## 2. Scope of Consolidation

### 2.1 Development of the scope of consolidation

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
<b>Balance on 31 December 2021</b>	<b>176</b>	<b>0</b>	<b>7</b>	<b>183</b>
Companies initially included				
Other acquisitions	1	0	0	1
Companies no longer included				
Sales	-1	0	0	-1
Mergers	-2	0	0	-2
Liquidations	-6	0	0	-6
<b>Balance on 30 June 2022</b>	<b>168</b>	<b>0</b>	<b>7</b>	<b>175</b>
thereof foreign companies	122	0	0	122
thereof in liquidation	3	0	0	3

### 2.2 Sale of subsidiaries

The subsidiaries sold during 2022 were companies without assets or liabilities. The reported deconsolidation results are attributable to reclassifications from the currency translation reserve to profit or loss.

### 3. Information on Operating Segments

Information on the reportable segments of IMMOFINANZ is presented in the following section.

All amounts in TEUR	Austria		Germany	
	Q1–2 2022	Q1–2 2021	Q1–2 2022	Q1–2 2021
Office	11,539	10,200	5,731	12,472
Retail	6,037	5,637	0	0
Other	2,262	1,893	751	1,107
Income from non-performance-related components of operating costs	353	363	323	433
<b>Rental income</b>	<b>20,191</b>	<b>18,093</b>	<b>6,805</b>	<b>14,012</b>
Operating costs charged to tenants	5,517	4,934	970	3,079
Other revenues	372	125	-28	0
<b>Revenues</b>	<b>26,080</b>	<b>23,152</b>	<b>7,747</b>	<b>17,091</b>
Expenses from investment property	-8,037	-8,343	-2,458	-1,902
Operating expenses	-6,065	-5,920	-2,665	-3,093
<b>Results of asset management</b>	<b>11,978</b>	<b>8,889</b>	<b>2,624</b>	<b>12,096</b>
<b>Results of property sales</b>	<b>-2</b>	<b>2,719</b>	<b>-94</b>	<b>-135</b>
<b>Results of property development</b>	<b>3,784</b>	<b>-548</b>	<b>-3,152</b>	<b>27,495</b>
Other operating income	102	58	55	126
Other operating expenses	-820	-1,080	-1,108	-1,225
<b>Results of operations</b>	<b>15,042</b>	<b>10,038</b>	<b>-1,675</b>	<b>38,357</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>17,441</b>	<b>29,279</b>	<b>-3,484</b>	<b>11,684</b>
<b>Operating profit (EBIT)</b>	<b>32,483</b>	<b>39,317</b>	<b>-5,159</b>	<b>50,041</b>
	<b>30 06 2022</b>	<b>31 12 2021</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Investment property	923,553	871,099	466,300	470,000
Property under construction	76,860	91,930	161,600	163,600
Goodwill	0	0	0	0
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	559	559
<b>Segment assets</b>	<b>1,000,413</b>	<b>963,029</b>	<b>628,459</b>	<b>634,159</b>
	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>
<b>Segment investments</b>	<b>16,708</b>	<b>5,476</b>	<b>4</b>	<b>18,641</b>

All amounts in TEUR	Poland		Czech Republic	
	Q1–2 2022	Q1–2 2021	Q1–2 2022	Q1–2 2021
Office	16,871	18,038	6,849	7,345
Retail	11,158	11,090	8,072	6,647
Other	2,070	2,307	793	785
Income from non-performance-related components of operating costs	1,692	1,841	186	152
<b>Rental income</b>	<b>31,791</b>	<b>33,276</b>	<b>15,900</b>	<b>14,929</b>
Operating costs charged to tenants	13,229	10,253	5,971	3,942
Other revenues	281	121	26	12
<b>Revenues</b>	<b>45,301</b>	<b>43,650</b>	<b>21,897</b>	<b>18,883</b>
Expenses from investment property	-3,999	-7,172	-2,181	-2,352
Operating expenses	-14,641	-12,523	-6,282	-4,095
<b>Results of asset management</b>	<b>26,661</b>	<b>23,955</b>	<b>13,434</b>	<b>12,436</b>
<b>Results of property sales</b>	<b>-2</b>	<b>2,161</b>	<b>-86</b>	<b>-54</b>
<b>Results of property development</b>	<b>-194</b>	<b>-5</b>	<b>-19</b>	<b>0</b>
Other operating income	231	41	22	17
Other operating expenses	-1,643	-1,551	-594	-692
<b>Results of operations</b>	<b>25,053</b>	<b>24,601</b>	<b>12,757</b>	<b>11,707</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>15,098</b>	<b>-4,487</b>	<b>30,052</b>	<b>5,490</b>
<b>Operating profit (EBIT)</b>	<b>40,151</b>	<b>20,114</b>	<b>42,809</b>	<b>17,197</b>
	<b>30 06 2022</b>	<b>31 12 2021</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Investment property	1,025,011	1,006,944	592,577	562,159
Property under construction	6,300	3,279	2,582	2,326
Goodwill	32	32	7,056	7,056
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	0	0
<b>Segment assets</b>	<b>1,031,343</b>	<b>1,010,255</b>	<b>602,215</b>	<b>571,541</b>
	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>
<b>Segment investments</b>	<b>4,878</b>	<b>5,109</b>	<b>1,317</b>	<b>679</b>

All amounts in TEUR	Slovakia		Hungary	
	Q1–2 2022	Q1–2 2021	Q1–2 2022	Q1–2 2021
Office	1,694	1,568	5,347	5,155
Retail	9,732	9,194	8,008	7,572
Other	286	247	790	959
Income from non-performance-related components of operating costs	371	374	606	757
<b>Rental income</b>	<b>12,083</b>	<b>11,383</b>	<b>14,751</b>	<b>14,443</b>
Operating costs charged to tenants	5,377	3,814	6,433	4,679
Other revenues	48	27	251	3
<b>Revenues</b>	<b>17,508</b>	<b>15,224</b>	<b>21,435</b>	<b>19,125</b>
Expenses from investment property	-2,487	-4,404	-2,051	-2,177
Operating expenses	-5,083	-3,709	-7,560	-5,803
<b>Results of asset management</b>	<b>9,938</b>	<b>7,111</b>	<b>11,824</b>	<b>11,145</b>
<b>Results of property sales</b>	<b>-393</b>	<b>0</b>	<b>0</b>	<b>-4,275</b>
<b>Results of property development</b>	<b>-17</b>	<b>0</b>	<b>939</b>	<b>-202</b>
Other operating income	3	9	2	121
Other operating expenses	-733	-808	-832	-669
<b>Results of operations</b>	<b>8,798</b>	<b>6,312</b>	<b>11,933</b>	<b>6,120</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>5,362</b>	<b>1,475</b>	<b>-749</b>	<b>1,152</b>
<b>Operating profit (EBIT)</b>	<b>14,160</b>	<b>7,787</b>	<b>11,184</b>	<b>7,272</b>
	<b>30 06 2022</b>	<b>31 12 2021</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Investment property	334,617	327,181	388,096	385,462
Property under construction	0	0	74,500	72,610
Goodwill	184	184	2,385	2,385
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	0	0
<b>Segment assets</b>	<b>334,801</b>	<b>327,365</b>	<b>464,981</b>	<b>460,457</b>
	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>
<b>Segment investments</b>	<b>2,457</b>	<b>578</b>	<b>3,178</b>	<b>1,634</b>

All amounts in TEUR	Romania		Adriatic	
	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021
Office	5,988	7,113	815	750
Retail	13,556	12,479	17,664	13,500
Other	2,371	2,717	204	204
Income from non-performance-related components of operating costs	1,724	1,796	303	273
<b>Rental income</b>	<b>23,639</b>	<b>24,105</b>	<b>18,986</b>	<b>14,727</b>
Operating costs charged to tenants	12,695	8,333	4,312	3,326
Other revenues	128	125	96	87
<b>Revenues</b>	<b>36,462</b>	<b>32,563</b>	<b>23,394</b>	<b>18,140</b>
Expenses from investment property	-3,751	-3,520	-1,904	-1,590
Operating expenses	-15,946	-10,814	-4,671	-3,502
<b>Results of asset management</b>	<b>16,765</b>	<b>18,229</b>	<b>16,819</b>	<b>13,048</b>
<b>Results of property sales</b>	<b>1,401</b>	<b>-458</b>	<b>-14</b>	<b>-383</b>
<b>Results of property development</b>	<b>-1,211</b>	<b>-4,758</b>	<b>-7,925</b>	<b>-8</b>
Other operating income	513	389	18	43
Other operating expenses	-3,644	-993	-1,708	-978
<b>Results of operations</b>	<b>13,824</b>	<b>12,409</b>	<b>7,190</b>	<b>11,722</b>
Revaluation result from standing investments and goodwill	9,921	-687	1,148	8,634
<b>Operating profit (EBIT)</b>	<b>23,745</b>	<b>11,722</b>	<b>8,338</b>	<b>20,356</b>
	<b>30 06 2022</b>	<b>31 12 2021</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Investment property	718,053	661,960	519,612	439,390
Property under construction	67,800	109,710	32,700	30,856
Goodwill	13,048	13,275	1,000	1,000
Investment properties held for sale	9,820	9,030	0	0
Real estate inventories	60	60	0	0
<b>Segment assets</b>	<b>808,781</b>	<b>794,035</b>	<b>553,312</b>	<b>471,246</b>
	<b>Q1-2 2022</b>	<b>Q1-2 2021</b>	<b>Q1-2 2022</b>	<b>Q1-2 2021</b>
<b>Segment investments</b>	<b>4,134</b>	<b>38,294</b>	<b>88,414</b>	<b>36,547</b>

All amounts in TEUR	Other Countries		Total reportable segments	
	Q1–2 2022	Q1–2 2021	Q1–2 2022	Q1–2 2021
Office	0	0	54,834	62,641
Retail	0	0	74,227	66,119
Other	8	20	9,535	10,239
Income from non-performance-related components of operating costs	0	0	5,558	5,989
<b>Rental income</b>	<b>8</b>	<b>20</b>	<b>144,154</b>	<b>144,988</b>
Operating costs charged to tenants	0	0	54,504	42,360
Other revenues	0	0	1,174	500
<b>Revenues</b>	<b>8</b>	<b>20</b>	<b>199,832</b>	<b>187,848</b>
Expenses from investment property	-55	-122	-26,923	-31,582
Operating expenses	0	0	-62,913	-49,459
<b>Results of asset management</b>	<b>-47</b>	<b>-102</b>	<b>109,996</b>	<b>106,807</b>
<b>Results of property sales</b>	<b>-12,635</b>	<b>12</b>	<b>-11,825</b>	<b>-413</b>
<b>Results of property development</b>	<b>0</b>	<b>0</b>	<b>-7,795</b>	<b>21,974</b>
Other operating income	27	324	973	1,128
Other operating expenses	-51	-209	-11,133	-8,205
<b>Results of operations</b>	<b>-12,706</b>	<b>25</b>	<b>80,216</b>	<b>121,291</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>0</b>	<b>2</b>	<b>74,789</b>	<b>52,542</b>
<b>Operating profit (EBIT)</b>	<b>-12,706</b>	<b>27</b>	<b>155,005</b>	<b>173,833</b>
	<b>30 06 2022</b>	<b>31 12 2021</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Investment property	8,831	12,180	4,976,650	4,736,375
Property under construction	0	0	422,342	474,311
Goodwill	0	0	23,705	23,932
Investment properties held for sale	0	0	9,820	9,030
Real estate inventories	0	0	619	619
<b>Segment assets</b>	<b>8,831</b>	<b>12,180</b>	<b>5,433,136</b>	<b>5,244,267</b>
	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>
<b>Segment investments</b>	<b>0</b>	<b>196</b>	<b>121,090</b>	<b>107,154</b>

All amounts in TEUR	Reconciliation to consolidated financial statements		IMMOFINANZ	
	Q1–2 2022	Q1–2 2021	Q1–2 2022	Q1–2 2021
Office	0	0	54,834	62,641
Retail	0	0	74,227	66,119
Other	0	0	9,535	10,239
Income from non-performance-related components of operating costs	0	0	5,558	5,989
<b>Rental income</b>	<b>0</b>	<b>0</b>	<b>144,154</b>	<b>144,988</b>
Operating costs charged to tenants	0	0	54,504	42,360
Other revenues	0	0	1,174	500
<b>Revenues</b>	<b>0</b>	<b>0</b>	<b>199,832</b>	<b>187,848</b>
Expenses from investment property	0	0	-26,923	-31,582
Operating expenses	0	0	-62,913	-49,459
<b>Results of asset management</b>	<b>0</b>	<b>0</b>	<b>109,996</b>	<b>106,807</b>
<b>Results of property sales</b>	<b>0</b>	<b>-3,264</b>	<b>-11,825</b>	<b>-3,677</b>
<b>Results of property development</b>	<b>0</b>	<b>0</b>	<b>-7,795</b>	<b>21,974</b>
Other operating income	1,047	64	2,020	1,192
Other operating expenses	-24,924	-14,762	-36,057	-22,967
<b>Results of operations</b>	<b>-23,877</b>	<b>-17,962</b>	<b>56,339</b>	<b>103,329</b>
Revaluation result from standing investments and goodwill	-101	0	74,688	52,542
<b>Operating profit (EBIT)</b>	<b>-23,978</b>	<b>-17,962</b>	<b>131,027</b>	<b>155,871</b>
	<b>30 06 2022</b>	<b>31 12 2021</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Investment property	0	0	4,976,650	4,736,375
Property under construction	0	0	422,342	474,311
Goodwill	0	0	23,705	23,932
Investment properties held for sale	0	0	9,820	9,030
Real estate inventories	0	0	619	619
<b>Segment assets</b>	<b>0</b>	<b>0</b>	<b>5,433,136</b>	<b>5,244,267</b>
	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>	<b>Q1–2 2022</b>	<b>Q1–2 2021</b>
<b>Segment investments</b>	<b>0</b>	<b>0</b>	<b>121,090</b>	<b>107,154</b>

## 4. Notes to the Consolidated Balance Sheet

### 4.1 Investment property

The development of the investment properties during the first half of 2022 is as follows:

All amounts in TEUR	Q1–2 2022
<b>Beginning balance</b>	<b>4,736,375</b>
Currency translation adjustments	-1,202
Additions	85,295
Disposals	-4,908
Revaluation	75,917
Reclassifications	85,173
<b>Ending balance</b>	<b>4,976,650</b>

The additions to investment property are related chiefly to the acquisition of the Terminal Nord retail park in Italy as well as investments in office properties in Slovakia and Hungary, while the disposals primarily involve the sale of land in Turkey and Romania. The reclassifications consist mainly of transfers from property under construction to investment property in Romania and Austria.

Investment property includes IFRS 16 rights of use totalling EUR 51.4 million (2021: EUR 62.7 million). As of 30 June 2022, no IFRS 16 rights of use in investment property were reported as assets held for sale (2021: EUR 0.0 million).

### 4.2 Property under construction

The development of property under construction is shown in the following table:

All amounts in TEUR	Q1–2 2022
<b>Beginning balance</b>	<b>474,311</b>
Currency translation adjustments	-41
Additions	35,795
Revaluation	-4,788
Reclassifications	-82,935
<b>Ending balance</b>	<b>422,342</b>

The additions are related primarily to myhive development projects in Vienna and Bucharest as well as investments in STOP SHOP locations in Croatia. The reclassifications involve, above all, transfers from property under construction to investment property.

Property under construction did not include any IFRS 16 rights of use as of 30 June 2022 or 30 June 2021.

## 4.3 Equity-accounted investments

The development of the equity-accounted investments is shown in the following table:

All amounts in TEUR	S IMMO	Other	Total
<b>Interest held by IMMOFINANZ</b>	<b>26.49%</b>		
<b>Beginning balance</b>	<b>514,811</b>	<b>6,665</b>	<b>521,476</b>
Current net profit or loss from equity-accounted investments	25,237	2,196	27,433
Other comprehensive income from currency translation adjustment	227	0	227
Other comprehensive income from financial instruments measured at fair value through other comprehensive income (FVOCI)	2,556	0	2,556
Other comprehensive income from remeasurement of defined benefit plans	-13	0	-13
Other comprehensive income from the change in the hedge accounting reserve	6,176	0	6,176
Dividend	-12,675	-4,020	-16,695
<b>Ending balance</b>	<b>536,319</b>	<b>4,841</b>	<b>541,160</b>

The carrying amount of the equity-accounted investments totalled EUR 541.2 million as of 30 June 2022, whereby EUR 536.3 million are attributable to S IMMO AG. Based on the 19,499,437 shares held by IMMOFINANZ, the book value per share of S IMMO AG equals EUR 27.50. The share of results from equity-accounted investments reported on the income statement amounts to EUR 27.4 million, whereby EUR 25.2 million are attributable to S IMMO AG.

As of 30 June 2022, there were no objective indications of impairment to the S IMMO investment. The fair value used for the recoverability test was based on the market price of the S IMMO share plus a package premium. The package premium equalled 0% as of 30 June 2022 because the current takeover offer by the CPI Property Group to the shareholders of S IMMO AG supports the assumption that the market would not be prepared to pay a package premium over the current market price.

## 4.4 Trade and other receivables

All amounts in TEUR	30 06 2022	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2021
Rents receivable	23,098	22,214	221	663	25,721
Miscellaneous	23,550	23,550	0	0	24,777
<b>Total trade accounts receivable</b>	<b>46,648</b>	<b>45,764</b>	<b>221</b>	<b>663</b>	<b>50,498</b>
Receivables due from associates	2	2	0	0	0
<b>Total receivables due from equity-accounted investments</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
Restricted funds	43,621	13,388	29,585	648	43,441
Financing	6,105	28	26	6,051	6,677
Property management	4,676	4,371	251	54	948
Outstanding purchase price receivables - sale of properties	2,001	2,001	0	0	2,011
Outstanding purchase price receivables - sale of shares in other companies	75	75	0	0	16,245
Miscellaneous	18,766	14,603	4,116	47	26,295
<b>Total other financial receivables</b>	<b>75,244</b>	<b>34,466</b>	<b>33,978</b>	<b>6,800</b>	<b>95,617</b>
Tax authorities	25,395	25,395	0	0	22,129
Other contractual assets	724	724	0	0	724
<b>Total other non-financial receivables</b>	<b>26,119</b>	<b>26,119</b>	<b>0</b>	<b>0</b>	<b>22,853</b>
<b>Total</b>	<b>148,013</b>	<b>106,351</b>	<b>34,199</b>	<b>7,463</b>	<b>168,968</b>

## 4.5 Assets and liabilities held for sale

Of the assets and liabilities classified as held for sale as of 31 December 2021, no properties were sold during the first half of 2022. Management stands by its intention to sell the assets and liabilities classified as held for sale as of 31 December 2021 and to complete the sales not realised as of 30 June 2022.

The following table provides summarised information on the assets and liabilities classified as held for sale as of 30 June 2022:

All amounts in TEUR	Carrying amount as of 30 06 2022	Carrying amount as of 31 12 2021
Investment property	9,820	9,030
<b>Assets held for sale</b>	<b>9,820</b>	<b>9,030</b>

The investment property and property under construction which are classified as held for sale do not include any IFRS 16 rights of use.

## 4.6 Equity

### Capital increase from the conversion of the convertible bond 2017-2024

IMMOFINANZ was informed through a voting rights notification on 3 December 2021 in accordance with § 130 of the Austrian Stock Exchange Act of 2018 that the CPI Property Group (CPIPG) directly and indirectly held an investment of approximately 21.4% in the then share capital of IMMOFINANZ AG. Consequently, CPIPG was considered to have attained a controlling interest in IMMOFINANZ AG as defined in § 22 in connection with § 27 of the Austrian Takeover Act. The conversion price was therefore adjusted temporarily based on the issue terms to EUR 18.8987 (EUR 20.6333 before the adjustment) up to the control record date on 19 January 2022.

The capital increase from the conversion totalled EUR 280.8 million in the first half of 2022, whereby 15,375,916 new shares were issued. Due to the substantial reduction in the volume (the nominal value outstanding after the conversion amounted to EUR 3.2 million), IMMOFINANZ called the convertible bond for repayment prematurely on 29 April 2022 in accordance with the issue terms.

### Repurchase of treasury shares

The Executive Board and Supervisory Board approved a buyback programme for treasury shares based on an authorisation of the 27th annual general meeting on 1 October 2020 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act (which was renewed by an authorisation of the 29th annual general meeting on 12 July 2022). The repurchase covers up to 1,386,503 shares. A total of 338,451 shares were repurchased over the stock exchange by 30 June 2022 for a weighted average price of EUR 14.62, which represents a total purchase price of EUR 4.9 million.

IMMOFINANZ held 339,479 treasury shares as of 30 June 2022 (31 December 2021: 1,028 treasury shares).

## 4.7 Financial liabilities

The following table shows the composition and classification of financial liabilities by remaining term as of 30 June 2022:

All amounts in TEUR	30 06 2022	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2021
Amounts due to financial institutions	1,886,402	188,748	1,332,588	365,066	1,819,580
thereof secured by collateral	1,886,286	188,632	1,332,588	365,066	1,819,454
thereof not secured by collateral	116	116	0	0	126
Liabilities arising from the issue of bonds	424,922	194,664	0	230,258	982,116
Other financial liabilities	52,350	3,004	9,027	40,319	51,727
<b>Total</b>	<b>2,363,674</b>	<b>386,416</b>	<b>1,341,615</b>	<b>635,643</b>	<b>2,853,423</b>

Liabilities arising from the issue of bonds include two fixed interest, unsecured, non-subordinated bonds. One bond was issued on 21 January 2019; it has a current nominal value of EUR 187.1 million, a four-year term and an interest rate of 2.625%. The other bond was issued on 8 October 2020; it has a current nominal value of EUR 237.8 million, a seven-year term and an interest rate of 2.50%. The decline in this position resulted from the change of control event following the acquisition of a majority stake in IMMOFINANZ by the CPI Property Group. It entitled the bondholders to exercise their right to sell and put their bonds to the company for repayment at 101% of the nominal value plus unpaid, accrued interest up to 25 April 2022. Bondholders put corporate bonds (term ending in 2023) with a nominal value of EUR 295.7 million and corporate bonds (term ending in 2027) with a nominal value of EUR 262.2 million to IMMOFINANZ for repurchase.

The other financial liabilities consist almost entirely of IFRS 16 lease liabilities.

## 4.8 Trade payables and other liabilities

All amounts in TEUR	30 06 2022	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2021
<b>Trade payables</b>	<b>42,843</b>	<b>41,516</b>	<b>1,249</b>	<b>78</b>	<b>55,556</b>
Derivative financial instruments (liabilities)	14	14	0	0	3,935
Property management	2,279	2,279	0	0	2,991
Amounts due to non-controlling interests	17	17	0	0	17
Amounts due to associated companies	17	17	0	0	239
Deposits and guarantees received	26,346	4,856	18,458	3,032	25,573
Prepayments received on property sales	743	743	0	0	742
Construction and refurbishment	3,135	2,944	191	0	2,127
Outstanding purchase prices (share deals)	0	0	0	0	11,248
Outstanding purchase prices (acquisition of properties)	1,877	29	1,848	0	1,887
Miscellaneous	7,024	7,010	3	11	3,641
<b>Total other financial liabilities</b>	<b>41,452</b>	<b>17,909</b>	<b>20,500</b>	<b>3,043</b>	<b>52,400</b>
Tax authorities	6,813	6,813	0	0	5,665
Rental and lease prepayments received	22,355	21,272	14	1,069	25,363
<b>Total non-financial liabilities</b>	<b>29,168</b>	<b>28,085</b>	<b>14</b>	<b>1,069</b>	<b>31,028</b>
<b>Total</b>	<b>113,463</b>	<b>87,510</b>	<b>21,763</b>	<b>4,190</b>	<b>138,984</b>

## 5. Notes to the Consolidated Income Statement

### 5.1 Rental income

All amounts in TEUR				Q1–2 2022
	Office	Retail	Other	Total
Office space	53,354	71	691	54,116
Retail space	3,093	69,937	9	73,039
Other space	9,708	1,708	24	11,440
thereof parking areas	5,736	213	0	5,949
thereof warehouse space	1,908	184	13	2,105
thereof hotel	871	0	0	871
thereof advertising and telecommunications	671	1,231	4	1,906
thereof other	522	80	7	609
Income from non-performance-related components of operating costs	2,820	2,650	89	5,559
<b>Total</b>	<b>68,975</b>	<b>74,366</b>	<b>813</b>	<b>144,154</b>

All amounts in TEUR				Q1–2 2021
	Office	Retail	Other	Total
Office space	61,463	114	120	61,697
Retail space	2,302	62,719	0	65,021
Other space	10,519	1,613	149	12,281
thereof parking areas	6,227	156	125	6,508
thereof warehouse space	2,092	185	1	2,278
thereof hotel	639	0	0	639
thereof advertising and telecommunications	851	1,188	4	2,043
thereof other	710	84	19	813
Income from non-performance-related components of operating costs	3,342	2,629	18	5,989
<b>Total</b>	<b>77,626</b>	<b>67,075</b>	<b>287</b>	<b>144,988</b>

The decline in the rental income from office space resulted primarily from the sale of office buildings in 2021 and to a penalty payment for prematurely terminated rental agreements in the comparative period.

### 5.2 Expenses from investment property

All amounts in TEUR	Q1–2 2022	Q1–2 2021
Commission expenses	-116	-209
Maintenance	-9,427	-4,794
Operating costs charged to building owners	-7,385	-6,622
Property marketing	-2,424	-1,902
Personnel expenses from asset management	-3,202	-2,493
Other expenses from asset management	-900	-1,362
Fit-out costs	-1,816	-4,316
Write-off of receivables from asset management	-1,197	-9,381
Other expenses	-456	-503
<b>Total</b>	<b>-26,923</b>	<b>-31,582</b>

The decline in receivables write-offs is attributable to the COVID-19-related increase in write-offs during the previous year.

## 5.3 Result of property sales

All amounts in TEUR	Q1-2 2022	Q1-2 2021
Office	2,513	34,470
Retail	19	2,000
Other	2,373	4,636
<b>Proceeds from property sales</b>	<b>4,905</b>	<b>41,106</b>
Less carrying amount of sold properties	-4,905	-41,106
<b>Net gain/loss from property sales</b>	<b>0</b>	<b>0</b>
<b>Results from deconsolidation</b>	<b>-379</b>	<b>-4,142</b>
Sales commissions	-80	-256
Personnel expenses from property sales	-166	-168
Legal, auditing and consulting fees from property sales	-148	-890
Write-off of receivables from property sales	-12,945	0
VAT adjustments from the sale of properties	0	-534
Other expenses	-31	-46
<b>Expenses from property sales</b>	<b>-13,370</b>	<b>-1,894</b>
<b>Revaluation results from properties sold and held for sale (see 5.7)</b>	<b>1,924</b>	<b>2,359</b>
<b>Total</b>	<b>-11,825</b>	<b>-3,677</b>

The results of property sales totalled EUR -11.8 million (Q1-2 2021: EUR -3.7 million) and were negatively influenced, above all, by the write-off of a EUR -12.9 million purchase price receivable from Russia. This receivable originated from the sale of the Russian portfolio in 2017 and was scheduled for settlement in the first half of 2022. As a consequence of the war in Ukraine and the related sanctions against the Russian Federation together with the accompanying effects – in particular, the payment restrictions imposed on Russia – management classified this receivable as uncollectible. The legal options under the current contracts and the related collateral will, however be regularly evaluated to possibly collect the receivable at a later date. IMMOFINANZ holds no other receivables from the sale of the Russian portfolio.

## 5.4 Result of property development

All amounts in TEUR	Q1-2 2022	Q1-2 2021
<b>Cost of real estate inventories sold</b>	<b>-4</b>	<b>0</b>
Write-down of real estate inventories	-1	0
Income and expenses related to written-off purchase price receivables from the sale of real estate inventories	94	-9
Other expenses from real estate inventories	-1,158	0
<b>Expenses from real estate inventories</b>	<b>-1,065</b>	<b>-9</b>
<b>Expenses from property development</b>	<b>-1,938</b>	<b>-1,138</b>
<b>Revaluation results from properties under construction (see 5.7)</b>	<b>-4,788</b>	<b>23,121</b>
<b>Total</b>	<b>-7,795</b>	<b>21,974</b>

## 5.5 Other operating income

Other operating income comprises the following items:

All amounts in TEUR	Q1–2 2022	Q1–2 2021
Expenses charged on	0	17
Insurance compensation	1,138	42
Income from derecognised liabilities	448	576
Reimbursement for penalties	12	4
Miscellaneous	422	553
<b>Total</b>	<b>2,020</b>	<b>1,192</b>

## 5.6 Other operating expenses

Other operating expenses include the following items:

All amounts in TEUR	Q1–2 2022	Q1–2 2021
Administrative expenses	-33	-34
Legal, auditing and consulting fees	-10,750	-6,055
Penalties	-14	-21
Taxes and levies	-494	-746
Advertising	-2,131	-2,035
EDP and communications	-961	-615
Expert opinions	-229	-266
Personnel expenses	-16,933	-11,395
Other write-downs	-942	-803
Miscellaneous	-3,570	-997
<b>Total</b>	<b>-36,057</b>	<b>-22,967</b>

The increase in legal, auditing and consulting fees resulted primarily from a Group-wide digitalisation project and from expenses related to the takeover offers by the CPI Property Group and S IMMO.

The year-on-year increase in personnel expenses is based chiefly on one-off payments in connection with the departure of Dietmar Reindl and Stefan Schönauer from the Executive Board as of 8 June 2022.

## 5.7 Revaluation results from investment property and goodwill

The results from the revaluation of investment properties and goodwill in 2022 consist solely of effects from property valuation.

The following table shows the revaluation gains and losses on investment property:

All amounts in TEUR	Q1–2 2022			Q1–2 2021		
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total
Investment property	101,806	-27,043	74,763	77,317	-24,676	52,641
Property under construction	9,155	-13,943	-4,788	31,224	-8,103	23,121
Properties sold and held for sale	2,369	-445	1,924	4,713	-2,354	2,359
<b>Total</b>	<b>113,330</b>	<b>-41,431</b>	<b>71,899</b>	<b>113,254</b>	<b>-35,133</b>	<b>78,121</b>

## 5.8 Financial results

All amounts in TEUR	Q1–2 2022	Q1–2 2021
For financial liabilities AC	-36,700	-37,549
For derivative financial instruments	-4,345	-4,608
<b>Total financing costs</b>	<b>-41,045</b>	<b>-42,157</b>
For financial receivables AC	1,251	1,114
<b>Total financing income</b>	<b>1,251</b>	<b>1,114</b>
<b>Foreign exchange differences</b>	<b>317</b>	<b>37</b>
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-5,894	-999
Valuation of financial instruments at fair value through profit or loss	87,350	11,266
Distributions	798	0
Valuation adjustments and impairment of receivables	0	70
Negative interest on cash and cash equivalents	-1,384	-1,879
<b>Other financial results</b>	<b>80,870</b>	<b>8,458</b>
<b>Net profit or loss from equity-accounted investments</b>	<b>27,433</b>	<b>124,114</b>
<b>Total</b>	<b>68,826</b>	<b>91,566</b>

AC: financial assets/liabilities measured at amortised cost

The profit or loss on other financial instruments and proceeds on the disposal of financial instruments primarily represent the expenses from the repurchase of the corporate bonds, which were redeemed at 101% of the nominal value (also see section 4.7).

The valuation of financial instruments at fair value through profit or loss consists primarily of results from the measurement of derivative financial instruments (interest rate swaps).

Information on the net gains and losses from equity-accounted investments is provided in section 4.3.

## 6. Additional Disclosures on Financial Instruments

### 6.1 Classes and categories of financial instruments

The following table shows the carrying amount and fair value of each class of financial assets and financial liabilities defined by the company and reconciles these amounts to the appropriate balance sheet line items.

All amounts in TEUR	Carrying amount of financial assets	Carrying amount of non-financial assets	Total carrying amount	Total carrying amount	Total fair value	Total fair value
	30 06 2022	30 06 2022	30 06 2022	31 12 2021	30 06 2022	31 12 2021
Trade accounts receivable	46,648	0	46,648	50,498	46,648	50,498
Financing receivables	6,107	0	6,107	6,677	6,107	6,677
Loans and other receivables	69,139	26,119	95,258	111,793	95,258	111,793
<b>Trade and other receivables</b>	<b>121,894</b>	<b>26,119</b>	<b>148,013</b>	<b>168,968</b>	<b>148,013</b>	<b>168,968</b>
Real estate fund shares	0	0	0	1,466	0	1,466
Derivatives	89,833	0	89,833	4,031	89,833	4,031
Miscellaneous other financial instruments	9,940	0	9,940	11,885	9,940	11,885
<b>Other financial assets</b>	<b>99,773</b>	<b>0</b>	<b>99,773</b>	<b>17,382</b>	<b>99,773</b>	<b>17,382</b>
<b>Cash and cash equivalents</b>	<b>383,493</b>	<b>0</b>	<b>383,493</b>	<b>987,146</b>	<b>383,493</b>	<b>987,146</b>
<b>Total assets</b>	<b>605,160</b>	<b>26,119</b>	<b>631,279</b>	<b>1,173,496</b>	<b>631,279</b>	<b>1,173,496</b>

All amounts in TEUR	Carrying amount of financial liabilities	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
	30 06 2022	30 06 2022	30 06 2022	31 12 2021	30 06 2022	31 12 2021
<b>Liabilities from convertible bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>283,216</b>	<b>0</b>	<b>296,711</b>
Bonds	424,922	0	424,922	982,116	393,026	1,015,809
Amounts due to financial institutions	1,886,402	0	1,886,402	1,819,580	1,880,335	1,808,940
Other financial liabilities	52,350	0	52,350	51,727	52,350	51,727
<b>Financial liabilities</b>	<b>2,363,674</b>	<b>0</b>	<b>2,363,674</b>	<b>2,853,423</b>	<b>2,325,711</b>	<b>2,876,476</b>
Trade payables	42,843	0	42,843	55,556	42,843	55,556
Derivatives	14	0	14	3,935	14	3,935
Miscellaneous other liabilities	41,438	29,168	70,606	79,493	70,606	79,493
<b>Trade and other payables</b>	<b>84,295</b>	<b>29,168</b>	<b>113,463</b>	<b>138,984</b>	<b>113,463</b>	<b>138,984</b>
<b>Total equity and liabilities</b>	<b>2,447,969</b>	<b>29,168</b>	<b>2,477,137</b>	<b>3,275,623</b>	<b>2,439,174</b>	<b>3,312,171</b>

## 6.2 Hierarchy of financial instruments carried at fair value

The following section includes an analysis of the financial instruments carried at fair value. A three-level classification was developed for this analysis in accordance with the measurement hierarchy defined in IFRS 13:

- Level 1: quoted prices for identical assets or liabilities on an active market (without any adjustments)
- Level 2: inputs that can be derived directly (e.g. as prices) or indirectly (e.g. based on prices) for the individual assets or liabilities and cannot be classified under Level 1
- Level 3: inputs for assets or liabilities that are not based on observable market data

All amounts in TEUR	Level 1	Level 2	Level 3	30 06 2022
				Total
<b>Financial assets at fair value through other comprehensive income</b>				
Miscellaneous other financial instruments	-	-	2,628	2,628
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	-	89,833	89,833
Miscellaneous other financial instruments	7,312	-	-	7,312
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	-	14	14

All amounts in TEUR	Level 1	Level 2	Level 3	31 12 2021
				Total
<b>Financial assets at fair value through other comprehensive income</b>				
Miscellaneous other financial instruments	-	-	4,972	4,972
<b>Financial assets at fair value through profit or loss</b>				
Real estate fund shares	-	-	1,466	1,466
Derivatives	-	-	4,031	4,031
Miscellaneous other financial instruments	6,913	-	-	6,913
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	-	3,935	3,935

The following table reconciles the beginning and ending balances of the financial instruments classified under Level 3:

All amounts in TEUR	Real estate fund shares	Derivatives	Miscellaneous other financial instruments	Total
	Q1–2 2022	Q1–2 2022	Q1–2 2022	Q1–2 2022
<b>Beginning balance</b>	1,466	96	4,972	6,534
Recognised in the consolidated income statement	-1,154	88,112	-7	86,951
Recognised in other comprehensive income	0	0	-2,338	-2,338
Disposals	-312	1,611	0	1,299
<b>Ending balance</b>	0	89,819	2,628	92,447

Of the EUR 87.0 million results recognised in profit or loss and reported in the above table, EUR 85.9 million are attributable to financial instruments that were held as of 30 June 2022. The respective amounts are included under other financial results.

The valuation procedures and valuation-relevant input factors used to determine the fair value of financial instruments (for both continuing and discontinued operations) are as follows:

Level	Financial instruments	Valuation method	Major input factors	Major non-observable input factors
3	Derivatives (interest rate swaps)	Net present value methods	Interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 1.00% to 2.25%
3	Miscellaneous other financial instruments	Net present value methods	Discount rate, expected cash flows	Discount rate: 16.40% to 16.67%

IMMOFINANZ calculates the fair value of derivatives by discounting the future cash flows based on a net present value method. The interest rates used to discount the future cash flows are based on an interest curve that is observable on the market. The following three parameters are required to calculate the credit value adjustment (CVA) and the debt value adjustment (DVA): the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The probability of default is derived from the credit default swap (CDS) spreads of the respective counterparty.

Derivatives with a positive fair value represent receivables for IMMOFINANZ; in these cases, a CVA calculation is used to calculate the amount of the receivable. One parameter for this calculation is the probability of default for the counterparties. IMMOFINANZ concludes contracts with over ten financial institutions, and observable CDS spreads are available on the market for many of them. In exceptional cases, average branch benchmarks are used as a substitute for unavailable spreads. These benchmarks represent Level 1 and 2 input factors on the fair value measurement hierarchy. Derivatives with a negative fair value represent liabilities for IMMOFINANZ; in these cases, a DVA calculation is used to calculate the amount of the liability and IMMOFINANZ's own probability of default must be determined. IMMOFINANZ generally concludes derivatives at the level of the property company that manages a particular property. Neither observable market CDS spreads, nor benchmarks are available for these property companies. Credit margins are therefore used to estimate CDS spreads which, in turn, form the basis for deriving the probability of default. The credit margin for IMMOFINANZ is determined in a two-step procedure. The first step involves the calculation of an average margin based on signed credit agreements and term sheets, whereby the time horizon for the applied margins equals twelve months. The second step involves obtaining indicative credit margin offers from banks and averaging these values with the margins from the credit agreements and term sheets. These offers are grouped by country and asset class. The individual property companies that have concluded financial instruments are assigned to a group based on country and asset class. The plausibility of the calculated credit margins is also verified by comparison with external market reports. This procedure results in market-conform credit margins that can be used as estimates for valuing the company's own credit risk. These input factors represent Level 3 on the IFRS 13 measurement hierarchy. The loss given default (LGD) is the relative value that would be lost on default. IMMOFINANZ uses an ordinary market default rate to calculate the CVA and DVA. The exposure at default represents the expected amount of the asset or liability at the time of default. The calculation of the exposure at the time of default is based on a Monte Carlo simulation.

For net present value methods, an increase in the discount rate, exit yield or counterparty CDS values leads to a reduction in fair value. In contrast, fair value is increased by a reduction in these input factors.

The valuation of default risk includes assumptions for the probability of default, loss rate and the outstanding amount at the time of expected default. An increase in the probability of default and the loss rate will reduce the fair value of a derivative with a positive outstanding amount (receivable) and reduce the liability for a derivative with a negative outstanding amount (liability). A decrease in the probability of default and the loss rate leads to the opposite effect.

## 7. Transactions with Related Parties

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ for the first half of 2022:

All amounts in TEUR	30 06 2022	31 12 2021
<b>Relations with associated companies</b>		
Receivables	2	0
Liabilities	17	239
All amounts in TEUR	Q1-2 2022	Q1-2 2021
<b>Relations with joint ventures</b>		
Other income	0	5
Interest income	0	125
Write-downs/write-ups to receivables	0	-94
thereof results that increase or reduce the net investment	0	-164
<b>Relations with associated companies</b>		
Other income	389	311
Other expenses	-1,407	-1,298

There were no reportable transactions between IMMOFINANZ and related persons in the first half of 2022.

## 8. Subsequent Events

The agenda for the 29th annual general meeting on 12 July 2022 included elections to the Supervisory Board at the request of CPIPG. Martin Matula was elected to the Supervisory Board as a replacement for Stefan Gütter, who had previously resigned in keeping with the four-week notice period. As of 16 July 2022, the Supervisory Board included Miroslava Greštiaková (Chairwoman), Martin Němeček (Vice-Chairman), Gayatri Narayan and Martin Matula as shareholder representatives together with Philipp Amadeus Obermair and Werner Ertelthalner as employee representatives.

The share buyback programme 2022 was terminated on 31 July 2022. A total of 694,557 shares were repurchased over the stock exchange from 20 June 2022 to 29 July 2022 at a weighted average price of EUR 14.58 per share.

# Statement by the Executive Board

We confirm to the best of our knowledge that these consolidated interim financial statements of IMMOFINANZ as of 30 June 2022, which were prepared in accordance with the rules for interim financial reporting defined by the International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by Austrian stock market regulations. We also confirm to the best of our knowledge that the interim Group management report gives a true and fair view of important events that occurred during the first six months of the financial year and their impact on these consolidated interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year and reportable transactions with related parties.

Vienna, 24 August 2022

The Executive Board of IMMOFINANZ AG

A handwritten signature in black ink, appearing to read 'Radka Doehring', is centered on the page. The signature is fluid and cursive, with a prominent initial 'R'.

Radka Doehring

## Financial Calendar 2022

23 November 2022 <sup>1</sup>	Announcement of results for the first three quarters of 2022
24 November 2022	Interim financial statements on the first three quarters of 2022

<sup>1</sup> Publication after the close of trading on the Vienna Stock Exchange

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