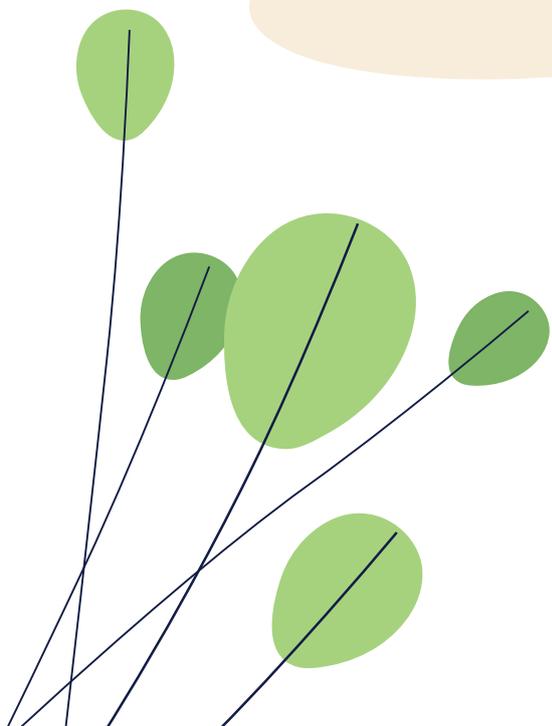
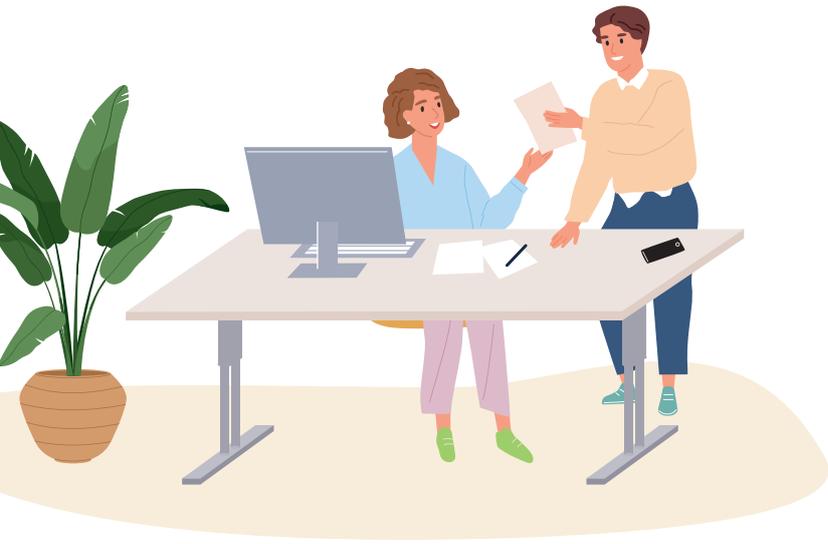




# Half-year Financial Report 2021



**IMMOFINANZ**



# Content



Introduction by the Executive Board	6
IMMOFINANZ on the Capital Market	8

## Group Interim Management Report

Economic Overview and Property Market	12
Portfolio Report	14
Property Valuation	26
Financing	28
Business Development	31
EPRA Financial Indicators	34
Risk Report	39

## Consolidated Interim Financial Statements

Consolidated Balance Sheet	42
Consolidated Income Statement	43
Consolidated Statement of Comprehensive Income	44
Consolidated Cash Flow Statement	45
Consolidated Statement of Changes in Equity	46
Notes	48
Financial Calendar	70
Imprint	70



# Key Figures

## Earnings

		Q1–2 2021	Q1–2 2020	Change in %
Rental income	in MEUR	145.0	146.2	-0.8
Results of asset management	in MEUR	106.8	102.8	3.9
Results of property sales	in MEUR	-3.7	-0.7	≤ -100.0%
Results of property development	in MEUR	22.0	-16.7	n. a.
Results of operations	in MEUR	103.3	59.7	73.0
Revaluations	in MEUR	78.1	-159.2	n. a.
EBIT	in MEUR	155.9	-83.6	n. a.
Financial results	in MEUR	91.6	-42.4	n. a.
EBT	in MEUR	247.4	-126.0	n. a.
Net profit for the period	in MEUR	228.6	-120.4	n. a.
FFO 1 before tax <sup>1</sup>	in MEUR	64.4	59.8	7.7
FFO 1 per share before tax <sup>1,2</sup>	in EUR	0.52	0.59	-11.9

<sup>1</sup> See calculations in the section on "Business Development"

<sup>2</sup> Number of shares for the calculation: 123,293,795 for Q1–2 2021 and 100,876,743 for Q1–2 2020

## Assets

		30 06 2021	31 12 2020	Change in %
Balance sheet total	in MEUR	6,996.9	6,831.4	2.4
Equity as % of the balance sheet total	in %	47.4	45.1	n. a.
Net financial liabilities	in MEUR	2,170.2	2,119.5	2.4
Cash and cash equivalents <sup>1</sup>	in MEUR	966.9	1,051.4	-8.0
Loan-to-value ratio (net)	in %	38.1	37.8	n. a.
Gearing	in %	67.7	71.2	n. a.
Total average interest rate including costs for derivatives	in %	1.9	2.0	n. a.
Average term of financial liabilities <sup>2</sup>	in years	4.3	4.3	0.0

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

<sup>2</sup> The convertible bond 2017–2024 is presented in the year of final maturity, i. e. 2024; the bondholders have a put option in 2022.

## Investment property

		30 06 2021	31 12 2020	Change in %
Total number of properties		209	209	0.0
Rentable space	in sqm	1,985,196	1,953,460	1.6
Occupancy rate	in %	94.1	96.0	n. a.
Gross return <sup>1</sup>	in %	5.9	6.2	n. a.
Invoiced rents return <sup>1</sup>	in %	6.2	6.6	n. a.
Portfolio value <sup>1</sup>	in MEUR	5,094.9	4,978.9	2.3
Unencumbered investment property	in MEUR	1,486.4	1,482.8	0.2

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

## EPRA<sup>1</sup>

		30 06 2021	31 12 2020	Change in %
EPRA net reinstatement value	in MEUR	3,857.2	3,590.6	7.4
EPRA net reinstatement value per share	in EUR	31.28	29.12	7.4
EPRA net tangible assets	in MEUR	3,699.0	3,430.3	7.8
EPRA net tangible assets per share	in EUR	30.00	27.82	7.8
EPRA net disposal value	in MEUR	3,327.4	3,055.9	8.9
EPRA net disposal value per share	in EUR	26.99	24.79	8.9
EPRA net asset value	in MEUR	3,679.4	3,425.8	7.4
EPRA net asset value per share	in EUR	29.84	27.79	7.4
EPRA vacancy rate <sup>2</sup>	in %	6.1	4.0	n. a.
		Q1-2 2021	Q1-2 2020	Change in %
EPRA earnings	in MEUR	161.9	22.4	≥ +100.0%
EPRA earnings per share	in EUR	1.31	0.22	≥ +100.0%
EPRA earnings after company-specific adjustments <sup>3</sup>	in MEUR	100.8	26.0	≥ +100.0%
EPRA earnings per share after company-specific adjustments <sup>3</sup>	in EUR	0.82	0.26	≥ +100.0%
EPRA net initial yield <sup>3</sup>	in %	5.6	5.6	n. a.
EPRA "topped-up" net initial yield <sup>3</sup>	in %	6.0	6.0	n. a.

<sup>1</sup> See calculations in the section on "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 2021	31 12 2020	Change in %
Book value per share	in EUR	27.18	25.20	7.8
Share price at end of period	in EUR	18.95	16.97	11.7
Discount of share price to EPRA NTA diluted per share	in %	36.8	39.0	n. a.
Total number of shares		123,293,795	123,293,795	0.0
thereof number of treasury shares		6,998,228	6,998,228	0.0
Market capitalisation at end of period	in MEUR	2,336.4	2,092.3	11.7
		Q1-2 2021	Q1-2 2020	Change in %
Earnings per share (basic) <sup>1</sup>	in EUR	1.85	-1.19	n. a.
Earnings per share (diluted) <sup>2</sup>	in EUR	1.69	-1.19	n. a.

<sup>1</sup> Number of shares for the calculation (basic): 123,293,795 for Q1-2 2021 and 100,876,743 for Q1-2 2020

<sup>2</sup> Number of shares for the calculation (diluted): 137,196,458 for Q1-2 2021 and 100,876,743 for Q1-2 2020

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% or ≤-100%. 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,

Although the markets generally remained under the influence of the COVID-19 pandemic and related containment measures during the first half of 2021, IMMOFINANZ produced very good results. The results of operations rose by 73% to EUR 103.3 million, above all due to an increase in the results of asset management and the results of property development combined with cost savings. In addition, the progress of vaccination campaigns and the related economic upturn supported the recovery of part of the crisis-related property write-downs from the previous year. Net profit turned strongly positive and, at EUR 228.6 million, is substantially higher than the pre-crisis half-year in 2019. We also recorded an improvement of nearly 8% to EUR 64.4 million in FFO 1, which excludes valuation results and reflects the company's operating cash flow earning power. That places us substantially above the FFO 1 from the 2019 reference period before the outbreak of the COVID-19 pandemic.

The occupancy rate in our properties equals 94.1% and continues to represent a high level in international comparison. Our retail properties are essentially fully rented with an occupancy rate of 97.5%, and all of the space in our shopping centers and retail parks is open without limitation. The office business registered a slight decline in the occupancy rate to 90.3% during the first half-year – primarily due to a reduction in the space leased by a major tenant in Germany who was hard hit by the COVID-19 pandemic. This newly available space is now being marketed as flexible myhive solutions. Despite the still generally challenging environment, we completed several new major long-term rentals: for example, nearly 11,000 sqm to a leading Romanian medical center provider in Bucharest.

## Increase in the dividend recommendation for 2020

In view of the strong earnings and financial situation and successful crisis management, the Executive Board and Supervisory Board will make a recommendation to the annual general meeting for the 2020 financial year to increase the dividend from EUR 0.55 per share to EUR 0.75 per share.

## Pioneering role in Europe

The development of our business and portfolio in the first half of 2021 underscores the excellent position of our real estate products in both crisis times and for the following years as well as our pioneering role in Europe – with regard to our high-quality, flexible myhive office solutions and our standing as Europe's leading retail park operator. We continued our growth course during the first half-year, as announced, and acquired an office building at a top location in the center of Bucharest. It will now be converted into a high-quality, sustainable myhive building and, starting in 2024, will create an architectonic and sustainable green eye-catcher for the Romanian capital. In July, shortly after the end of the reporting period, we entered the Italian market with our STOP SHOP retail brand. STOP SHOP is now present in ten European countries – and our plans call for further expansion, in Italy and also in other markets.

We are very well positioned for this growth with a robust balance sheet structure, which includes an equity ratio of 47.4% and a net loan-to-value ratio of 38.1%, as well as more than one billion euros of available liquidity. Our growth course is supported by an investment grade rating from S&P (BBB- with stable outlook) and favourable financing costs of 1.91%. The announcement in late August 2021 of the premature conversion of our mandatory convertible bond (nominal value: EUR 120 million) due to the advantageous development of our share price will save more than EUR 8 million of interest up to the original end of the bond term in 2023.

### Voluntary offer to S IMMO shareholders

IMMOFINANZ has been the largest shareholder of S IMMO since autumn 2018 and this company, in turn, holds an investment in IMMOFINANZ. After the extensive analysis of all options, we decided in March this year to prepare a voluntary takeover offer for the shareholders of S IMMO and published this offer in May.

At the S IMMO general meeting on 24 June 2021, a clear majority equalling roughly 61% of represented share capital voted for the cancellation of the maximum voting right. The resolution did not, however, receive the necessary 75% majority. A key condition for our takeover offer was therefore not met, and the offer was subsequently cancelled.

### Successful growth and great potential for the new business field of affordable, sustainable housing

We are continuing to grow in line with our strategy as one of the leading European commercial property companies. In the office business, this includes the further expansion of our myhive brand in the capital cities of our core countries – for example through the recent acquisition of an office building at a top site in Bucharest. Our plans for the STOP SHOP retail parks include an increase to roughly 140 locations. The country focus will be placed on the Adriatic region, including Italy and Croatia, CEE and, selectively, also on Western Europe. Our pipeline of potential acquisitions and development projects, as seen over the next five years, has a total volume of more than one billion euros.

In addition, we plan to diversify into a further asset class with our market entry into affordable rental housing. Our concept “Top on STOP” involves the overbuilding of the single-story retail parks in our STOP SHOP brand and the creation of sustainable, low-cost housing directly adjacent to local suppliers and recreational facilities. With this densification, we are ensuring the optimised, responsible utilisation of valuable land resources. Sustainable, modular wood construction will allow for combinations ranging from mini-lofts to family apartments, while a climate-neutral energy concept covers the use of photovoltaics, heat recovery and geothermal energy as well as the unsealing of land through greening and the installation of common outdoor meeting zones.

The potential in our existing portfolio is substantial: Over the medium term, we plan to overbuild roughly 50% of our current and future STOP SHOP locations with affordable rental apartments. That would represent up to 600,000 sqm of housing space or nearly 12,000 smart and sustainable apartments. We are starting with pilot projects in Austria and the neighbouring countries and – as with our other real estate products – a high degree of standardisation will then allow for rapid roll-out with an attractive residential return for our shareholders.

Vienna, 30 August 2021

The Executive Board



Stefan Schönauer, CFO



Dietmar Reindl, COO

# IMMOFINANZ on the Capital Market

## The market environment and the IMMOFINANZ share

The capital markets continued the recovery which began in 2020 during the first six months of 2021, supported by the progress of vaccination campaigns and by the ongoing monetary and fiscal policies implemented in reaction to the COVID-19 pandemic. Rising vaccination rates and hopes of a speedy end to the COVID-19 crisis, with the expected economic recovery, drove the exchanges to in part new highs during the first half of 2021.

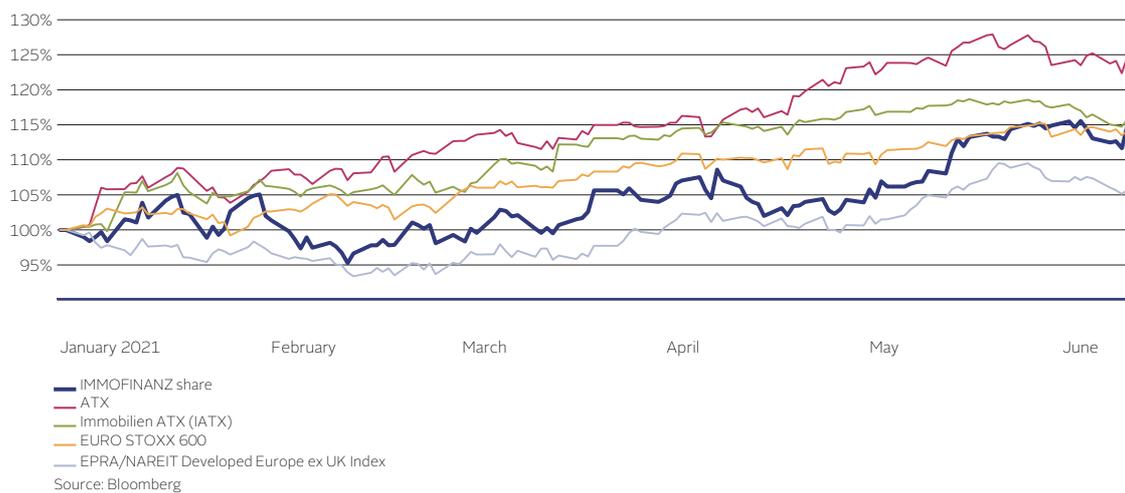
The pan-European index EURO STOXX 600 rose by 13.5% over year-end 2020 to 452.84 points at the end of June. The EPRA Developed Europe real estate branch index (ex UK) recorded an improvement of 5.1% during this same period. Developments on the Austrian stock market during the first half-year were very positive due to the procyclical focus, and Vienna's leading ATX index increased 22.4% by the end of June. The Immobilien-ATX was 14.7% higher than at year-end 2020.

The IMMOFINANZ share started the 2021 financial year at EUR 16.97 and closed at EUR 17.41 on 31 March (+2.6% since the beginning of the year). The general recovery on the global stock markets led to an increase in the share price to EUR 18.95 at the end of June, for a plus of 11.7% since the beginning of the year. As of the editorial deadline for this report (27 August 2021), the share price equalled EUR 20.92 (+23.3% since the beginning of the year).

However, the spread of new COVID-19 mutations and the prospects of new containment measures represent a source of uncertainty for the further development of the stock markets during the second half of 2021.

## Development of the IMMOFINANZ share vs. selected indexes

Indexed as of 1 January 2021



## Performance comparison

1 January to 30 June 2021	in %
IMMOFINANZ share	11.7
ATX	22.4
Immobilien ATX	14.7
EURO STOXX 600	13.5
EPRA/NAREIT Developed Europe (ex UK)	5.1

Source: Bloomberg

## Key data on the share

ISIN	AT0000A21KS2
Segment	ATX, WIG
Reuters	IMFI.VI
Bloomberg	IIA:AV
Financial year 2021	1 January to 31 December

## Information on the IMMOFINANZ share

		30 06 2021	31 12 2020	Change in %
Book value per share	in EUR	27.18	25.20	7.8
EPRA net reinstatement value per share <sup>1</sup>	in EUR	31.28	29.12	7.4
EPRA net tangible assets per share <sup>1</sup>	in EUR	30.00	27.82	7.8
EPRA net disposal value per share <sup>1</sup>	in EUR	26.99	24.79	8.9
EPRA net asset value per share <sup>1</sup>	in EUR	29.84	27.79	7.4
EPRA triple net asset value per share <sup>1</sup>	in EUR	29.71	27.35	8.6
Share price at end of period	in EUR	18.95	16.97	11.7
Share price high based on the closing rate	in EUR	19.61	26.95	-27.2
Share price low based on the closing rate	in EUR	16.17	11.50	40.6
Discount of share price to EPRA NTA diluted per share	in %	36.8	39.0	n. a.
Total number of shares		123,293,795	123,293,795	0.0
thereof treasury shares		6,998,228	6,998,228	0.0
Market capitalisation at the end of the period	in MEUR	2,336.4	2,092.3	11.7
Free float <sup>2</sup>	in %	approx. 60	approx. 65	n. a.

<sup>1</sup> See the calculation under "EPRA financial indicators".

<sup>2</sup> Calculation method as defined by the Vienna Stock Exchange, Prime Market rules

## Share capital and voluntary takeover offer to the shareholders of S IMMO

The share capital of IMMOFINANZ AG remained unchanged at EUR 123.3 million as of 30 June 2021 and is divided into 123,293,795 bearer shares. The number of treasury shares was also constant at 6,998,228 and represented 5.68% of share capital (31 December 2020: 6,998,228 shares and 5.68%).

On 19 May 2021, IMMOFINANZ published the offer documents for the voluntary takeover offer to the shareholders of S IMMO AG. The offer was limited to the period from 19 May 2021 to 16 July 2021. The offer price equalled EUR 22.25 per share and represented a premium of 40.3% over the six-month VWAP of the S IMMO share. In June 2021, the general meeting of S IMMO failed to reach the necessary majority to revoke the maximum voting right. Consequently, a key condition for IMMOFINANZ's takeover offer to S IMMO shareholders was not met. IMMOFINANZ decided not to amend the takeover offer which, as a result, was cancelled.

## Annual general meeting and distribution policy

The 28th annual general meeting, which was originally scheduled for 18 June 2021, was postponed in connection with the voluntary takeover offer by IMMOFINANZ to S IMMO shareholders that was announced on 19 May. This also resulted in the postponement of resolutions on the use of profit for 2020 and on a dividend.

On 13 July, IMMOFINANZ set 19 October 2021 as the date for the 28th annual general meeting. It will be held as a virtual annual general meeting in accordance with Austrian law ("COVID-19-Verordnung"). For health protection reasons, shareholders and their representatives (with the exception of specially appointed voting representatives) will therefore not be physically present. In view of the strong earnings and financial situation and successful crisis management, the Executive Board and Supervisory Board will make a recommendation to the annual general meeting for the 2020 financial year to increase the dividend from EUR 0.55 per share to EUR 0.75 per share. The documents for the annual general meeting will be published on schedule under <https://immofinanz.com/en/investor-relations/general-meeting>.

The record date for participation in the annual general meeting is 9 October 2021, and the dividend will be paid on 25 October 2021.

### Change on the Executive Board

IMMOFINANZ was informed on 29 June that the RPR Private Foundation attributable to CEO Ronny Pecik had sold its entire investment in RPPK Immo GmbH, which held 13 million IMMOFINANZ shares and five certificates from the mandatory convertible bond issued by IMMOFINANZ AG, to EUROVEA Services, s.r.o. The sole shareholder of EUROVEA Services, s.r.o. is Peter Korbačka. Ronny Pecik subsequently resigned from the IMMOFINANZ Executive Board as of 29 June 2021.

The members of the Executive Board as of 30 June 2021 were therefore Dietmar Reindl (COO) and Stefan Schönauer (CFO).

### Shareholder structure

IMMOFINANZ shares are widely held, primarily by private investors in Austria and by long-term institutional investors from Europe and the USA. Free float (based on the definition issued by the Vienna Stock Exchange for the Prime Market segment) equalled roughly 60% as of 30 June 2021.

The following shareholders held investments of more than 4% as of 30 June 2021:

	Voting rights in % (basis: share capital as of 30 06 2021)	Last reporting date
S IMMO AG (via CEE Immobilien GmbH) <sup>1</sup>	13.4	1 October 2020
Peter Korbačka (via RPPK Immo GmbH) <sup>2</sup>	10.5	30 June 2021
Radovan Patrick Vitek (via WXZ1 a.s.) <sup>3</sup>	9.1	19 May 2021

<sup>1</sup> According to the list of participants at the last annual general meeting on 1 October 2020

<sup>2</sup> 10.54% via shares and a further 0.02% through mandatory convertible bonds

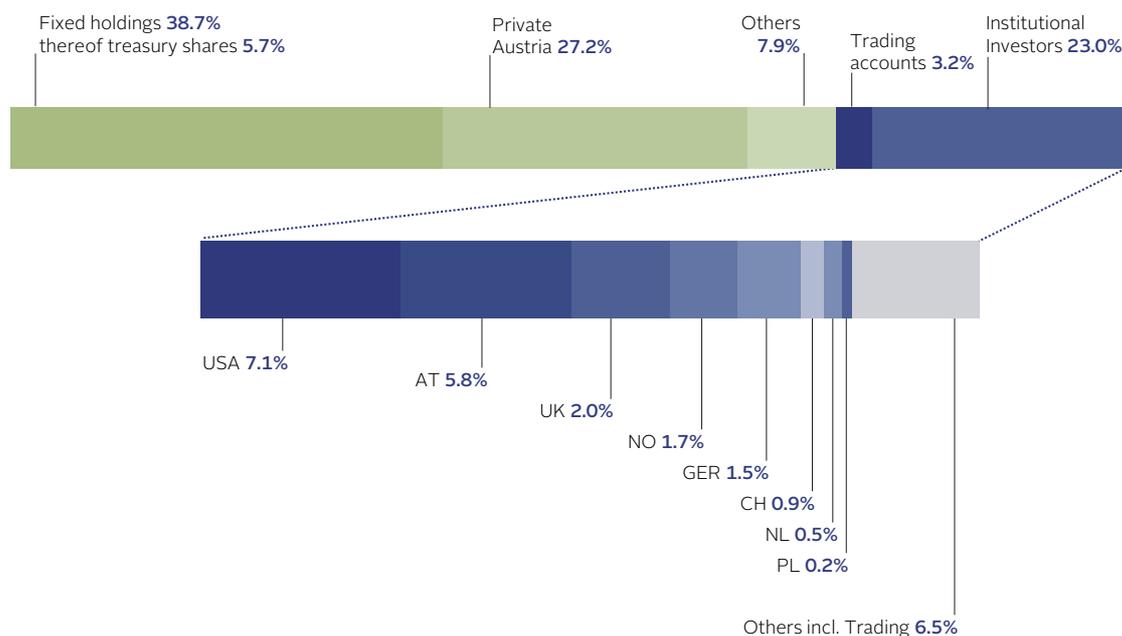
<sup>3</sup> 9.13% via shares and a further 0.88% through mandatory convertible bonds

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. The latest survey was carried out in July 2021 and shows the following picture: 27.2% of all IMMOFINANZ shares are held by private investors in Austria. Institutional investors hold 23.0% of the free float shares, whereby most come from the USA (7.1%), Austria (5.8%) and the UK (2.0%). Fixed shareholdings by investors represent 33.0%, while the treasury shares held by IMMOFINANZ (5.7%) are also attributed to fixed shareholdings based on the free float definition of the Vienna Stock Exchange. The remaining 7.9% are unidentified investors or shares held by foreign private investors. A 3.2% component is attributable to trading accounts.

## Structure of private and institutional investors



Source: IPREO by IHS Markit, July 2021

## Analysts' recommendations

The following ten national and international firms publish regular evaluations on IMMOFINANZ: Baader Helvea, Deutsche Bank, Erste Group, HSBC, Kepler Cheuvreux, PKO BP Securities, Raiffeisen Bank International, Société Générale, Wood & Company and Wiener Privatbank. These evaluations are updated regularly and can be reviewed on the IMMOFINANZ website under <https://immofinanz.com/en/investor-relations/shares> on the "Analyses" tab.

## Financial calendar

9 October 2021	Record date for participation in the 28th annual general meeting
19 October 2021	28th annual general meeting
21 October 2021	Expected ex-dividend date
22 October 2021	Expected date for the determination of dividend rights (record date)
25 October 2021	Expected dividend payment date
29 November 2021 <sup>1</sup>	Announcement of results for the first three quarters of 2021
30 November 2021	Interim financial statements on the first three quarters of 2021

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

## Your IR contact

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

### Bettina Schragl

T: +43 1 88090 2290

investor@immofinanz.com

### Simone Korbilius

T: +43 1 88090 2291

investor@immofinanz.com

# Group Interim Management Report

## Economic Overview and Property Markets

The global economy continued to pick up speed during the first half of 2021 due to worldwide vaccination campaigns and related opening steps, and despite the negative effects of the ongoing COVID-19 pandemic. The economies in IMMOFINANZ's core countries registered strong growth as a result of catch-up effects, but the upturn was slowed by distortions in the international supply chains and rapidly increasing raw material prices. On the financial markets, the ECB warned against the premature termination of national aid packages. Supportive monetary policies are expected to ensure a stable recovery in spite of the higher inflation rates, and the European Union has announced its intention to provide additional funds for the transformation to a more climate-friendly economy.

The pandemic-related lockdowns were responsible for negative GDP growth of -0.3% in the eurozone and a decline of 0.1% in the EU for the first quarter of 2021, but the second quarter brought growth of 2.0% in the eurozone and 1.9% in the EU. In comparison with the second quarter of 2020, which was hard hit by the pandemic, the growth rate equalled 13.7% in the eurozone and 13.2% for the entire EU.

Paolo Gentiloni, the EU Commissioner for Economic Affairs, announced the largest upward correction for the past ten years in the 2021 summer forecast. According to the European Commission, the economy will recover faster than indicated in the spring forecast. GDP growth in the eurozone is projected to reach 4.8% in 2021 and 4.5% in 2022, whereby this positive development is based on several factors: Actual events exceeded expectations in the first quarter of 2021, while the progress made in fighting COVID-19 has revived the service sector. Other supporting factors include private consumption and corporate investments as well as a contribution of roughly 1.2% from the EU's development and resilience plans. However, the Commission notes that this forecast is still connected with substantial uncertainty and gives high priority to the fight against COVID-19 and inflationary risks.

The unemployment rate in the EU equalled 7.1% at the end of the second quarter. This represents a slight decline compared with the 7.3% recorded in May 2021 and June 2020. In the eurozone, the unemployment rate reflected the same slightly declining trend and equalled 7.7%. The strong economic recovery is expected to support a further reduction in unemployment over the coming months.

Consumer price inflation in the eurozone increased substantially from 0.3% in June 2020 to 1.9% at the end of the second quarter in 2021. In the EU, the comparable rates are 0.2% in the previous year versus 2.2% at the end of June 2021. The dynamic rise in energy costs proved to be the major inflation driver. The highest inflation rates in IMMOFINANZ's core markets were recorded in Hungary (5.3%), Poland (4.1%) and Romania (3.5%), while the lowest rates were recorded in Slovenia (1.7%), Germany (2.1%) and Croatia (2.2%). In Austria, the inflation rate equalled 2.8% in June.

## Transaction and rental markets

The effects of the COVID-19 pandemic are still visible on the transaction market: Commercial property transactions totalled EUR 124.1 billion in the first half of 2021, for a year-on-year decline of 11.0%. However, an increase in the transaction volume was noted in the second quarter. The overall negative trend is reflected in a decline of 18.2% in the moving average transaction volume from EUR 332.3 billion in the previous year to EUR 271.7 billion. Declines were strongest in the hotel asset class (-49.0%), whereas the transaction volume for logistics and industrial properties rose by 37.0%. Experts expect a normalisation of volumes in the second half-year as well as stable development on the transaction markets.

The transaction volume on the commercial property market in Germany totalled EUR 23.5 billion in the first half of 2021. Results for the second quarter show an increase of roughly 50.0% in the volume over the first quarter to EUR 14.1 billion. Over the past 12 months, the transaction volume amounted to EUR 70.0 billion and was 26.0% lower than the previous year. The prime yields for office properties in Düsseldorf equalled 2.9%, and the lowest yields among the top seven cities are currently recorded in Munich and Berlin at approximately 2.6%.

In Austria, commercial property sales totalled EUR 1.6 billion in the first half of 2021. The transaction volume is now expected to reach EUR 4.0 billion for the full year, which would reflect the long-term average. Prime yields on the Vienna office market are stable at 3.3% and equal 5.0% for retail parks.

The transaction markets in the CEE countries generally followed a downward trend. Growth in the first half-year was only recorded in Slovakia with an increase of 8.8% to approximately EUR 470 million. The largest decline was reported by the Czech Republic with -58% to EUR 800.4 million and resulted primarily from the very strong first quarter in 2020 with a transaction volume of EUR 1.7 billion. This negative trend was followed by Poland with -31%, Romania with -21% and Hungary with -18.7%. Office properties remain very popular with investors, while logistics and industrial properties are becoming more attractive based on their reputation as safe havens.

Rents in the individual markets still show a stable and in part slightly rising trend. Due to the speed of the economic recovery, no lasting negative developments have been identified to date.

IMMOFINANZ's core markets tend to have rising vacancy rates, but vacancies on the Vienna office market have declined to 4.5%. Warsaw, Bucharest and Bratislava currently have the highest vacancy rates at roughly 12.0%.

# Portfolio Report

## COVID-19 update

The previous year was only influenced by the COVID-19 pandemic beginning in mid-March, but its impact covered the entire first half of 2021. The spread of new COVID-19 mutations combined with the slow progress of vaccinations and problems with vaccine deliveries at the beginning of the year led to renewed or extended containment measures by many governments, which included temporary shutdowns in the retail trade and further lockdowns. Roughly 48% of the rented IMMOFINANZ retail space was closed on a temporary basis at the end of March 2021, but the situation improved rapidly during the second quarter with the progress of the EU-wide vaccination campaigns and there are currently no retail shutdowns due to the pandemic.

Similar to developments during the earlier waves, visitor frequency in the retail parks recovered very quickly after the end of the lockdowns. The STOP SHOP retail parks benefit from direct access to the individual stores from the parking areas and a focus on everyday products especially for price-conscious shoppers. Statistics also showed that people shopped less frequently but spent more per visit as a result of the pandemic, a development that is reflected in visitor frequency and turnover. Footfall in the STOP SHOPS was 7.0% lower year-on-year from January to June 2021, including the COVID-19-related shutdown days, whereby entertainment and fitness were hardest hit. However, retail sales rose by 11% year-on-year during this same period.

The easing of restrictions in the second quarter had a very positive effect on the VIVO! shopping centers. Visitor frequency was 18.0% higher than the previous year from January to June 2021, including the COVID-19-related shutdown days, and retail turnover rose by 31%. This increase is attributable, above all, to the VIVO! shopping centers in Romania which were negatively affected by extensive shutdowns in the first half of 2020.

Roughly 95% of the contract rents (after the deduction of rent reductions and impairment losses) invoiced during the first half of 2021 for space in the office and retail properties had been paid by the end of July 2021 (retail: 92%, office: 98%). This high percentage speaks for IMMOFINANZ's intensive and professional communications with tenants and their good financial standing as well as the appropriateness of the temporary support agreements. The rental reductions granted during this period amounted to 7.7% of the contractual rents (retail: 11.6%, office: 4.3%).

## Property portfolio

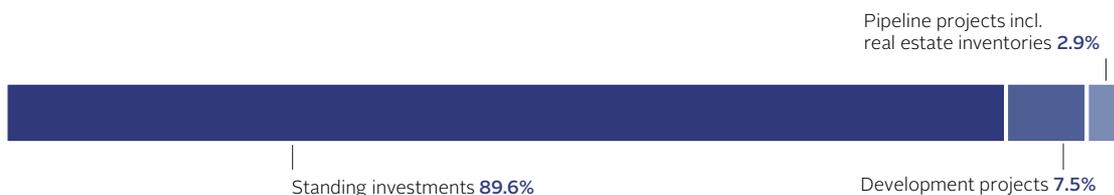
The IMMOFINANZ portfolio covered 209 properties\* as of 30 June 2021 (31 December 2020: 209) with a combined value of EUR 5,094.9 million (31 December 2020: EUR 4,978.9 million). These properties are located, above all, in the core markets of Austria, Germany, Poland, the Czech Republic, Slovakia, Hungary, Romania and the Adriatic region. Standing investments represent the largest component at EUR 4,565.0 million, or 89.6% of the carrying amount, and 2.0 million sqm which generate steady rental income. The development projects total EUR 382.2 million, or 7.5%, of the carrying amount. Pipeline projects are responsible for EUR 147.8 million, or 2.9%, of the carrying amount and include future planned development projects, undeveloped land, real estate inventories and properties that are intended for sale.

The portfolio is focused on three clearly defined brands with a high degree of standardisation: **myhive** stands for flexible, international office solutions, **STOP SHOP** for retail parks and **VIVO!** for shopping centers. Properties in these three brands were responsible for 76.3% of the carrying amount of the standing investment portfolio and 81.7% of rental income (Q2 2021) at the end of June 2021. A further 10.8% 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.

\* Properties that are held for sale and fall under IFRS 5 are, as in the past, not included in the portfolio report (see section 4.5 in the consolidated interim financial statements).

## Structure of the property portfolio

Total carrying amount: MEUR 5,094.9



A geographical analysis shows 50.5% of the property portfolio in Austria, Germany and Poland, i.e. in so-called “developed markets” as defined by FTSE EPRA/NAREIT.

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.

In line with the strategic expansion of business activities in Slovenia, Serbia and Croatia, IMMOFINANZ has decided to combine these three countries into a new “Adriatic” segment which is reported separately beginning with the first quarter of 2021. These three countries were previously included under the “Other countries” segment.

## 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	30	798.0	88.5	29.8	916.3	18.0
Germany	8	548.7	133.6	0.6	682.9	13.4
Poland	27	974.6	1.0	0.0	975.6	19.1
Czech Republic	21	571.9	0.9	0.0	572.7	11.2
Hungary	23	380.0	69.1	0.3	449.3	8.8
Romania	37	610.6	71.1	93.9	775.5	15.2
Slovakia	21	325.2	0.0	1.2	326.4	6.4
Adriatic <sup>2</sup>	38	356.1	18.0	4.2	378.3	7.4
Other countries <sup>3</sup>	4	0.0	0.0	18.0	18.0	0.4
<b>IMMOFINANZ</b>	<b>209</b>	<b>4,565.0</b>	<b>382.2</b>	<b>147.8</b>	<b>5,094.9</b>	<b>100.0</b>
<b>in %</b>		<b>89.6</b>	<b>7.5</b>	<b>2.9</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 and Croatia

<sup>3</sup> Turkey

## Property acquisitions

IMMOFINANZ continued the strategic expansion of its flexible international myhive office brand during the first half of 2021, as announced, and acquired the Bucharest Financial Plaza office building from the Erste Group subsidiary Banca Comercială Română (BCR) on 23 March. This building, which is located in the center of Bucharest, will be modernised and converted into a high-quality, ESG-compliant myhive building with “Gold” sustainability certification as a minimum. The gross rental space is expected to total 27,700 sqm after the refurbishment. The transaction costs amounted to roughly EUR 36.0 million. The acquisition of four Serbian retail parks, which was announced in 2020, also closed during the first quarter. This real estate package in Serbia includes locations in the cities of Leskovac, Šabac, Sombor and Zaječar with combined rentable space of roughly 28,200 sqm.

In July, i.e. after the end of the reporting period, IMMOFINANZ acquired a fully rented retail park in the north Italian city of San Fior with roughly 27,000 sqm of rentable space. It will operate as the STOP SHOP San Fior in the future. The seller was the international investment bank Barings, and the sale price amounted to approximately EUR 35.0 million. The transaction closed on 2 July, and the retail park will be included in the Adriatic segment. This acquisition continues the expansion of IMMOFINANZ's successful and crisis-resistant STOP SHOP retail park brand and, with **Italy**, opens a new market in Western Europe.

## Investments

Investments in the real estate portfolio totalled EUR 107.2 million in the first half of 2021 (Q1-2 2020: EUR 57.5 million).

## Property sales

In spite of the still challenging market environment, properties totalling EUR 148.6 million including IFRS 5, or EUR 38.1 million excluding IFRS 5, (excl. proceeds from the sale of real estate inventories) were sold during the first half of 2021. These transactions included, among others, the sale of four office properties in Warsaw to the Indotek Group as well as three smaller office properties and land in Budapest.

Selected details on the carrying amount of IMMOFINANZ's property portfolio as of 30 June 2021 are provided in the following table:

### 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>62</b>	<b>2,828.8</b>	<b>359.8</b>	<b>60.4</b>	<b>3,249.0</b>	<b>63.8</b>
thereof myhive	34	1,763.5	340.0	0.0	2,103.4	41.3
<b>Retail</b>	<b>126</b>	<b>1,728.7</b>	<b>9.1</b>	<b>25.4</b>	<b>1,763.2</b>	<b>34.6</b>
thereof VIVO!/ shopping center	11	657.2	0.2	0.0	657.4	12.9
thereof STOP SHOP/ retail park	108	1,060.7	8.8	4.5	1,073.9	21.1
Others	21	7.4	13.3	62.0	82.7	1.6
<b>IMMOFINANZ</b>	<b>209</b>	<b>4,565.0</b>	<b>382.2</b>	<b>147.8</b>	<b>5,094.9</b>	<b>100.0</b>

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

## Standing investments

The 157 standing investments had a combined carrying amount of EUR 4,565.0 million as of 30 June 2021 (31 December 2020: 153 standing investments with a carrying amount of EUR 4,428.5 million). Of this total, 62.0% are attributable to office properties and 37.9% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Poland (EUR 974.6 million), Austria (EUR 798.0 million) and Romania (EUR 610.6 million). The rentable space in this portfolio totalled 1,985,196 sqm (31 December 2020: 1,953,460 sqm). The standing investment portfolio has a gross return of 5.9% based on IFRS rental income and a return of 6.2% 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 equalled 94.1% (30 June 2020: 95.9%; 31 December 2020: 96.0%). The decline below the level at year-end 2020 resulted primarily from an agreement with a single tenant in Germany who was hard hit by the pandemic to reduce the amount of rented space beginning in 2021. These vacant areas are now marketed as flexible myhive solutions. According to the EPRA's calculation formula, the vacancy rate equals 6.1% (30 June 2020: 4.0%; 31 December 2020: 4.0%). 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 34). Take-up increased substantially despite the challenging market conditions and, at roughly 156,700 sqm in the first half of 2021, was nearly two-thirds higher than the comparable prior-year value (excluding standing investments in the Other asset class; Q1–2 2020: 90,900 sqm). This increase is based, above all, on the extension of existing rental contracts in the retail business in return for support provided by IMMOFINANZ and on a recent large-scale office rental in Bucharest. The total take-up includes 34,900 sqm of new rentals and 121,800 sqm of contract extensions (Q1–2 2020: 28,100 sqm and 62,800 sqm, respectively). The average unexpired lease term (WAULT\*) weighted by rental income equalled 4.1 years as of 30 June 2021 (31 December 2020: 4.2 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 %
14	12	14	16	15	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.

### Standing investments by core market

The following graph shows the distribution of IMMOFINANZ's standing investment portfolio as of 30 June 2021 by country, based on the carrying amount:



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

## 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	24	798.0	17.5	237,692	225,886	95.0
Germany	4	548.7	12.0	94,059	78,804	83.8
Poland	24	974.6	21.3	418,320	399,053	95.4
Czech Republic	20	571.9	12.5	233,407	224,205	96.1
Hungary	19	380.0	8.3	225,354	217,784	96.6
Romania	13	610.6	13.4	334,099	295,208	88.4
Slovakia	20	325.2	7.1	188,042	174,419	92.8
Adriatic <sup>1</sup>	33	356.1	7.8	254,223	252,232	99.2
<b>IMMOFINANZ</b>	<b>157</b>	<b>4,565.0</b>	<b>100.0</b>	<b>1,985,196</b>	<b>1,867,591</b>	<b>94.1</b>

Standing investments	Rental income Q2 2021 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	8.6	4.3 (4.6)	330.0	0.8	1.5	41.4
Germany	4.2	3.1 (3.2)	268.9	0.6	1.0	49.0
Poland	15.8	6.5 (7.0)	429.6	1.3	1.9	44.1
Czech Republic	7.6	5.3 (5.5)	303.4	1.3	1.6	53.1
Hungary	6.4	6.8 (7.3)	197.8	1.4	1.8	52.1
Romania	11.2	7.3 (8.0)	0.0	0.0	0.0	0.0
Slovakia	5.8	7.1 (7.4)	181.0	1.4	1.9	55.6
Adriatic <sup>1</sup>	7.7	8.7 (8.7)	83.2	1.9	1.9	23.4
<b>IMMOFINANZ</b>	<b>67.4</b>	<b>5.9 (6.2)</b>	<b>1,793.8</b>	<b>1.1</b>	<b>1.6</b>	<b>39.3</b>

Development projects and pipeline projects	1.5		71.8	1.4	1.7	
Rental income from sold properties and adjustments	1.2		0.0	0.0	0.0	
Group financing	0.0		1,271.5	0.0	2.3	
<b>IMMOFINANZ</b>	<b>70.2</b>		<b>3,137.2</b>	<b>1.1</b>	<b>1.9</b>	

Market value property portfolio in MEUR						5,094.9
EPRA NAV S IMMO shares (19.5 million shares) <sup>3</sup> in MEUR						536.4
Cash and cash equivalents <sup>4</sup> in MEUR			-966.9			
Properties/liabilities held for sale (asset & share deals) in MEUR			0.0			58.5
<b>IMMOFINANZ in MEUR</b>			<b>2,170.2</b>			<b>5,689.8</b>
<b>Net LTV in %</b>						<b>38.1</b>

<sup>1</sup> In declining order based on the carrying amount: Serbia, Slovenia 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 27.51 per share as of 30 June 2021

<sup>4</sup> Cash and cash equivalents, incl. cash and cash equivalents from assets held for sale

## Like-for-like rental income

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with Q2 2020) shows a constant level of rental income at EUR 63.5 million (+0.2%). An analysis over the first half of 2021 shows a slight decline of EUR 1.0 million, or 0.8%, to EUR 126.3 million as a result of the pandemic and the ongoing modernisation of a VIVO! shopping center in Romania.

## 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 2021 in MEUR	Rental income Q2 2020 in MEUR	Change in rental income in MEUR
Austria	20	672.9	16.2	7.2	7.1	0.1
Germany	3	348.8	8.4	3.5	3.4	0.1
Poland	23	955.9	23.0	15.5	15.6	-0.2
Czech Republic	18	543.9	13.1	7.2	7.4	-0.2
Hungary	19	380.0	9.2	6.4	6.4	0.0
Romania	13	610.6	14.7	11.2	11.5	-0.4
Slovakia	20	325.2	7.8	5.8	5.6	0.2
Adriatic <sup>1</sup>	27	312.8	7.5	6.8	6.3	0.5
<b>IMMOFINANZ</b>	<b>143</b>	<b>4,150.0</b>	<b>100.0</b>	<b>63.5</b>	<b>63.3</b>	<b>0.2</b>
Rental income from properties sold/acquired, IFRS 15 and IFRS 16 adjustments and development projects				6.7		
<b>IMMOFINANZ</b>				<b>70.2</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 2021 in MEUR	Rental income Q2 2020 in MEUR	Change in rental income in MEUR
<b>Office</b>	<b>43</b>	<b>2,519.7</b>	<b>60.7</b>	<b>31.5</b>	<b>31.9</b>	<b>-0.4</b>
thereof myhive	24	1,454.4	35.0	19.5	19.3	0.2
<b>Retail</b>	<b>99</b>	<b>1,622.9</b>	<b>39.1</b>	<b>31.9</b>	<b>31.2</b>	<b>0.6</b>
thereof VIVO!/shopping center	10	657.2	15.8	12.6	12.6	0.0
thereof STOP SHOP/retail park	88	961.2	23.2	19.2	18.5	0.6
Others	1	7.4	0.2	0.1	0.1	0.0
<b>IMMOFINANZ</b>	<b>143</b>	<b>4,150.0</b>	<b>100.0</b>	<b>63.5</b>	<b>63.3</b>	<b>0.2</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 2,828.8 million as of 30 June 2021 (31 December 2020: 47 standing investments with a carrying amount of EUR 2,749.9 million). These assets represented 62.0% of the standing investment portfolio and roughly 50% of the rental income from standing investments in the second quarter of 2021. A regional analysis shows the focal points of the IMMOFINANZ office properties in the core markets of Poland (EUR 694.9 million), Austria (EUR 654.5 million) and Germany (EUR 541.3 million).

The rentable space in the office standing investments equalled 937,919 sqm as of 30 June 2021 (31 December 2020: 940,303 sqm). Based on annualised rents (Q2 2021: EUR 33.4 million), the office portfolio generated a gross return of 4.7% and a return of 5.1% based on invoiced rents. The myhive office properties represented a carrying amount of EUR 1,763.5 million and generated a gross return of 4.9%, respectively a return of 5.3% based on invoiced rents.

The occupancy rate in the office portfolio equalled 90.3% at the end of June 2021 (30 June 2020: 94.2%; 31 December 2020: 93.7%), whereby the decline since the beginning of the year is primarily attributable to the reduction of space for a single tenant in Germany who was hard hit by the COVID-19 pandemic. Based on the EPRA's calculation formula, the vacancy rate equalled 9.0% as of 30 June 2021 (30 June 2020: 5.1%; 31 December 2020: 5.5%). Despite the challenging market environment, take-up in the office business remained constant at 57,700 sqm (Q1–2 2020: 57,200 sqm). Nearly 19,400 sqm represented new rentals, including a 25-year lease for roughly 11,000 sqm with the Provita Group, a leading medical center provider

in Romania. Contract extensions amounted to 38,300 sqm (Q1–2 2020: 18,700 sqm of new rentals and 38,500 sqm of contract extensions).

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 22.2% of the space in the office standing investments, and no single tenant has rented more than 3.2% of the total space in these properties. The WAULT\* equalled 4.3 years as of 30 June 2021 (31 December 2020: 4.4 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 %
16	14	14	19	11	25	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.

The ten largest standing investments in the office portfolio based on the carrying amount (in declining order) are the myhive Warsaw Spire (Warsaw), myhive am Wienerberg (Vienna), FLOAT (Düsseldorf), myhive Medienhafen (Düsseldorf), City Tower Vienna (Vienna), Na Příkopě 14 (Prague), Cluster Produktionstechnik (Aachen), BBC Gamma (Prague), myhive Átrium Park (Budapest) and myhive S-Park (Bucharest). 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>2,828.8</b>	<b>100.0</b>	<b>937,919</b>	<b>846,794</b>	<b>90.3</b>
thereof myhive	27	1,763.5	62.3	606,522	543,481	89.6

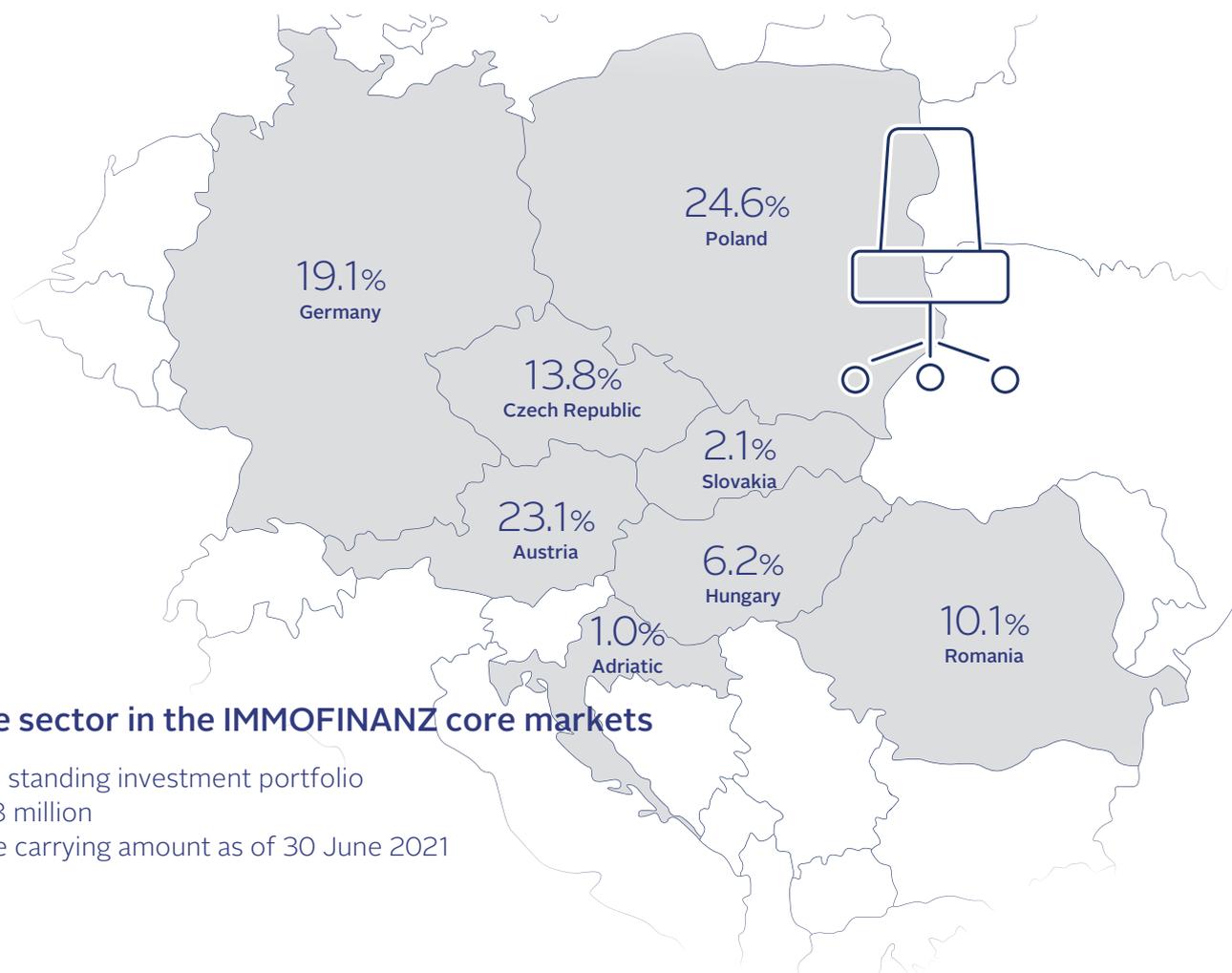
  

Standing investments	Rental income Q2 2021 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>1</sup>	Financing costs incl. derivatives in %	LTV in %
<b>IMMOFINANZ</b>	<b>33.4</b>	<b>4.7 (5.1)</b>	<b>1,203.9</b>	<b>1.0</b>	<b>1.5</b>	<b>42.6</b>
thereof myhive	21.4	4.9 (5.3)	771.8	1.2	1.7	43.8

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

The COVID-19 pandemic – with the accompanying shift to home office work in many companies – has accelerated the current digitalisation trend in the office sector. Even under the assumption that home office will play a slightly less important role in the future and the return to in-office has started, the pandemic has increased tenants' wish for greater flexibility. IMMOFINANZ is well positioned with its flexible myhive-office concept and offers tenants properties at good locations in a high-quality office and community environment with excellent service, infrastructure and a friendly atmosphere. Tenants only pay for the space they need and can make short-term adjustments where necessary.

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



## The office sector in the IMMOFINANZ core markets

Share of the standing investment portfolio  
EUR 2,828.8 million  
based on the carrying amount as of 30 June 2021

### Poland

Number of properties	10
Carrying amount in MEUR	694.9
Carrying amount in %	24.6
Rentable space in sqm	232,703
Occupancy rate in %	94.7
Rental income Q2 2021 in MEUR	10.0
Gross return in %	5.8

### Czech Republic

Number of properties	7
Carrying amount in MEUR	389.6
Carrying amount in %	13.8
Rentable space in sqm	122,509
Occupancy rate in %	94.1
Rental income Q2 2021 in MEUR	4.4
Gross return in %	4.5

### Slovakia

Number of properties	2
Carrying amount in MEUR	58.3
Carrying amount in %	2.1
Rentable space in sqm	35,612
Occupancy rate in %	80.9
Rental income Q2 2021 in MEUR	0.9
Gross return in %	6.0

### Austria

Number of properties	10
Carrying amount in MEUR	654.5
Carrying amount in %	23.1
Rentable space in sqm	165,149
Occupancy rate in %	93.1
Rental income Q2 2021 in MEUR	6.1
Gross return in %	3.7

### Romania

Number of properties	8
Carrying amount in MEUR	285.2
Carrying amount in %	10.1
Rentable space in sqm	182,084
Occupancy rate in %	81.7
Rental income Q2 2021 in MEUR	4.7
Gross return in %	6.6

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

Number of properties	1
Carrying amount in MEUR	28.3
Carrying amount in %	1.0
Rentable space in sqm	15,995
Occupancy rate in %	99.1
Rental income Q2 2021 in MEUR	0.5
Gross return in %	6.8

### Germany

Number of properties	3
Carrying amount in MEUR	541.3
Carrying amount in %	19.1
Rentable space in sqm	94,059
Occupancy rate in %	83.8
Rental income Q2 2021 in MEUR	4.1
Gross return in %	3.0

### Hungary

Number of properties	5
Carrying amount in MEUR	176.7
Carrying amount in %	6.2
Rentable space in sqm	89,809
Occupancy rate in %	94.7
Rental income Q2 2021 in MEUR	2.8
Gross return in %	6.2

### IMMOFINANZ

Number of properties	46
Carrying amount in MEUR	2,828.8
Carrying amount in %	100.0
Rentable space in sqm	937,919
Occupancy rate in %	90.3
Rental income Q2 2021 in MEUR	33.4
Gross return in %	4.7

<sup>1</sup> Croatia

## Retail standing investments

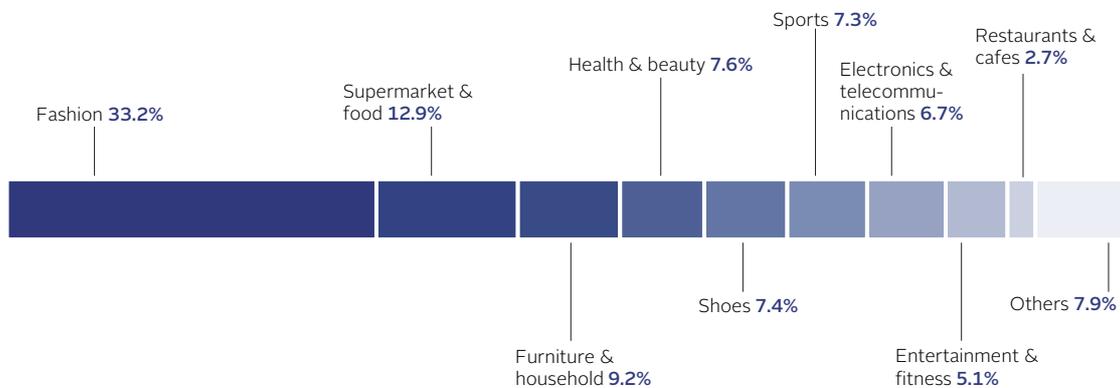
The carrying amount of the 110 standing investments in the retail sector totalled EUR 1,728.7 million as of 30 June 2021 (31 December 2020: 105 standing investments with a carrying amount of EUR 1,671.1 million). These properties represented 37.9% of the standing investment portfolio and generated roughly 50% of the rental income from standing investments in the second quarter of 2021. The largest regional markets were the Adriatic (Serbia, Slovenia and Croatia) with EUR 327.7 million, Romania with EUR 325.4 million and Poland with EUR 279.7 million. The STOP SHOP retail parks had a carrying amount of EUR 1,060.7 million and a gross return of 7.9%, respectively 8.0% based on invoiced rents. The VIVO! shopping centers had a carrying amount of EUR 657.2 million; they generated a gross return of 7.7% and an invoiced rental return of 8.1%.

Based on annualised rents (Q2 2021: EUR 33.9 million), the retail portfolio had a gross return of 7.8%, respectively 8.1% based on invoiced rents. The rentable space in these properties totalled 1,047,277 sqm (31 December 2020: 1,013,157 sqm). The occupancy rate equalled 97.5% as of 30 June 2021 (30 June 2020: 97.8%; 31 December 2020: 98.1%); the STOP SHOP retail parks and VIVO! shopping centers had an occupancy rate of 98.1% and 96.2% respectively. Take-up in the retail properties amounted to roughly 99,000 sqm in the first half of 2021 (Q1–2 2020: 33,700 m), which represents nearly three-times the prior-year level. Approximately 15,500 sqm were attributable to new rentals and 83,500 sqm to contract extensions (Q1–2 2020: 9,400 sqm and 24,300 sqm, respectively). The extensions were concluded, among others, in return for temporary support provided by IMMOFINANZ during the lockdown phases.

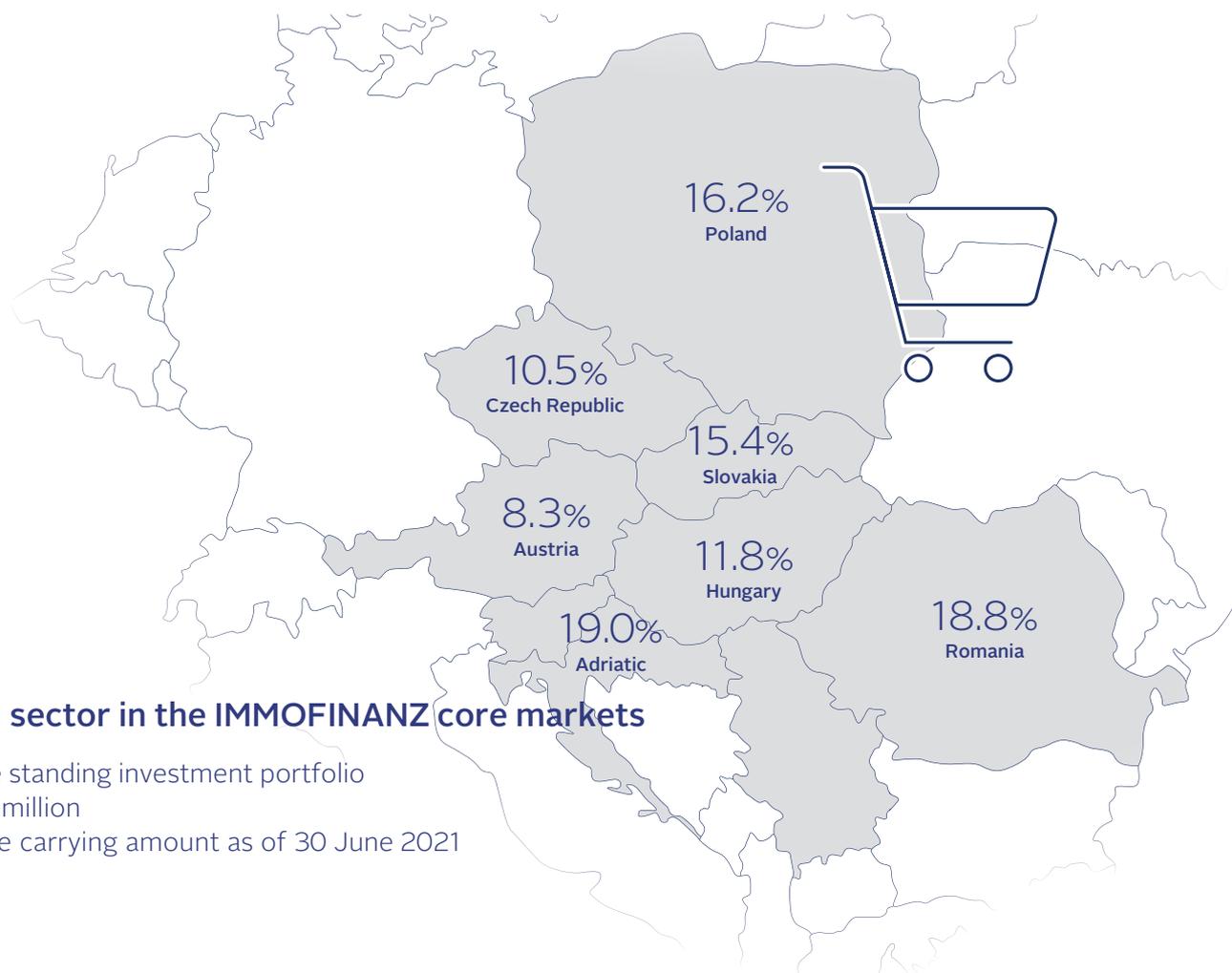
IMMOFINANZ relies on a balanced tenant mix to create an optimal environment for retailers and their customers. The IMMOFINANZ retail properties have solid international and local anchor tenants, but no single retailer has rented more than 4.1% of the total space in these properties. The WAULT\* rose to 4.5 years as of 30 June 2021 (31 December 2020: 3.9 years).

## Branch mix – Retail

Only rented space in standing investments as of 30 June 2021



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



## The retail sector in the IMMOFINANZ core markets

Share of the standing investment portfolio  
EUR 1,729.1 million  
based on the carrying amount as of 30 June 2021

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

Number of properties	32
Carrying amount in MEUR	327.7
Carrying amount in %	19.0
Rentable space in sqm	238,228
Occupancy rate in %	99.2
Rental income Q2 2021 in MEUR	7.3
Gross return in %	8.9

### Romania

Number of properties	5
Carrying amount in MEUR	325.4
Carrying amount in %	18.8
Rentable space in sqm	152,016
Occupancy rate in %	96.3
Rental income Q2 2021 in MEUR	6.5
Gross return in %	8.0

### Poland

Number of properties	14
Carrying amount in MEUR	279.7
Carrying amount in %	16.2
Rentable space in sqm	185,618
Occupancy rate in %	96.2
Rental income Q2 2021 in MEUR	5.8
Gross return in %	8.3

### Slovakia

Number of properties	18
Carrying amount in MEUR	266.9
Carrying amount in %	15.4
Rentable space in sqm	152,430
Occupancy rate in %	95.5
Rental income Q2 2021 in MEUR	4.9
Gross return in %	7.4

### Hungary

Number of properties	14
Carrying amount in MEUR	203.2
Carrying amount in %	11.8
Rentable space in sqm	135,545
Occupancy rate in %	98.0
Rental income Q2 2021 in MEUR	3.7
Gross return in %	7.3

### Czech Republic

Number of properties	13
Carrying amount in MEUR	182.3
Carrying amount in %	10.5
Rentable space in sqm	110,898
Occupancy rate in %	98.3
Rental income Q2 2021 in MEUR	3.2
Gross return in %	7.1

### Austria

Number of properties	14
Carrying amount in MEUR	143.4
Carrying amount in %	8.3
Rentable space in sqm	72,543
Occupancy rate in %	99.4
Rental income Q2 2021 in MEUR	2.5
Gross return in %	7.0

### IMMOFINANZ

Number of properties	110
Carrying amount in MEUR	1,728.7
Carrying amount in %	100.0
Rentable space in sqm	1,047,277
Occupancy rate in %	97.5
Rental income Q2 2021 in MEUR	33.9
Gross return in %	7.8

<sup>1</sup> Carrying amount: Serbia MEUR 158.3, Slovenia MEUR 144.1 and Croatia MEUR 25.4

## 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 %
13	11	14	14	19	28	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.

The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order) are the VIVO! Cluj-Napoca (Romania), VIVO! Bratislava (Slovakia), VIVO! Lublin (Poland), VIVO! Constanța (Romania), VIVO! Baia Mare (Romania), VIVO! Stalowa Wola (Poland), VIVO! Hostivař (Czech Republic), VIVO! Piła (Poland), VIVO! Krosno (Poland) and STOP SHOP Třebíč (Czech Republic). 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>110</b>	<b>1,728.7</b>	<b>100.0</b>	<b>1,047,277</b>	<b>1,020,797</b>	<b>97.5</b>
thereof VIVO!/shopping center	10	657.2	38.0	314,180	302,166	96.2
thereof STOP SHOP/retail park	98	1,060.7	61.4	722,796	709,000	98.1
Standing investments	Rental income Q2 2021 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>33.9</b>	<b>7.8 (8.1)</b>	<b>587.1</b>	<b>1.4</b>	<b>1.9</b>	<b>34.0</b>
thereof VIVO!/shopping center	12.6	7.7 (8.1)	150.1	1.4	1.8	22.8
thereof STOP SHOP/retail park	21.1	7.9 (8.0)	437.1	1.5	2.0	41.2

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

The government-ordered temporary shutdowns to contain the COVID-19 pandemic affected nearly all branches. However, discounters fared substantially better due to consumers' growing price consciousness. IMMOFINANZ is well positioned with its cost-efficient STOP SHOP and VIVO! retail brands and benefits from its focus on everyday goods and tenants from the discount segment.

## Development projects

The development projects had a carrying amount of EUR 382.2 million as of 30 June 2021, which represents 7.5% of the total property portfolio (31 December 2020: EUR 358.6 million and 7.2%). This amount includes EUR 344.1 million of active development projects and EUR 38.1 million of projects in the preparation or concept phase, for which outstanding construction costs are not yet available. Examples are the STOP STOP projects in Croatia, Poland and Hungary. The expected fair value of the active projects on completion amounts to EUR 519.4 million. The core markets of Germany and Romania represent the focus of these activities based on an expected fair value after completion of EUR 168.1 million, respectively EUR 148.8 million.

## Current focus of development activities

### Germany

The country's first office building in the myhive brand, the myhive Medienhafen, which also includes the flexible myhive products, is currently under construction in the Düsseldorf Medienhafen. This high-rise is designed as a multi-tenant building and will have approximately 21,000 sqm of rentable space on 16 floors. Completion is scheduled for the third quarter of 2021.

### Austria

The development projects in Vienna involve the modernisation of two existing office buildings with roughly 28,000 sqm of space in total at the myhive am Wienerberg location.

### Hungary

An existing office building in Budapest is also undergoing modernisation. Completion is scheduled for the second half of 2021.

### Romania

At the IRIDE Business Park in Bucharest, the IRIDE 18 and 19 office buildings were undergoing modernisation and integration in the myhive concept. The Provita Group, a leading medical center provider in Romania, signed a long-term lease for the entire space in the myhive IRIDE 18 in April, which it plans to open as a multidisciplinary hospital. The facility will have space for 110 beds and seven operating rooms and is scheduled to open in the first quarter of 2022 after the necessary adaptations are completed.

The Bucharest Financial Plaza in the center of Bucharest, which was acquired in the first quarter of 2021, will be converted into a high-quality, sustainable office property in the flexible myhive premium brand and will be integrated in the portfolio as the myhive Victoriei. Modernisation is scheduled to start in the second half of 2022 after the planning and approval phase, and completion is scheduled for 2024.

### Croatia

The development of a new retail park under the STOP SHOP brand is planned for the Croatian city of Kaštela. It will have 6,800 sqm of rentable space and 220 parking spaces. Construction started in mid-August, and completion is planned for spring 2022.

## Development projects by core market

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	2	69.5	20.2	40.9	29,541	110.4	5.2	4.7
Germany	1	132.8	38.6	17.0	21,707	168.1	5.9	3.9
Hungary	1	66.7	19.4	12.6	34,218	80.2	6.3	7.9
Romania	3	71.1	20.7	72.7	56,755	148.8	10.8	7.5
Adriatic <sup>2</sup>	1	4.1	1.2	6.9	6,763	11.8	1.0	9.0
<b>Active projects</b>	<b>8</b>	<b>344.1</b>	<b>100.0</b>	<b>150.1</b>	<b>148,984</b>	<b>519.4</b>	<b>29.1</b>	<b>5.9</b>
Projects in preparation	10	38.1						
<b>IMMOFINANZ</b>	<b>18</b>	<b>382.2</b>						

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

<sup>2</sup> Croatia

## Pipeline projects

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects. These projects had a carrying amount of EUR 147.8 million as of 30 June 2021 (31 December 2020: EUR 191.8 million). Romania represents the focal point at EUR 93.9 million. The scope of the pipeline projects – above all land reserves in Romania – will be further reduced through sales in line with IMMOFINANZ's strategy.

## Assets held for sale

The assets held for sale totalled EUR 72.5 million as of 30 June 2021 (including capitalised rights of use for building rights) and are not included in this portfolio report (31 December 2020: EUR 168.4 million). Purchase contracts have been signed for all these properties. 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 2021, CBRE was responsible for appraising nearly the entire IMMOFINANZ portfolio (EUR 5 billion). Internal appraisals covered 0.5%.

### Development of property valuation in the first half of 2021

Property valuation turned clearly positive with EUR 78.1 million in the first half of 2021 and represents a substantial improvement over the crisis-related negative results recorded in the first half of the previous year (Q1–2 2020: EUR -159.2 million).

Revaluation results from the standing investments totalled EUR 52.5 million, in contrast to the pandemic-related write-downs recorded in the first half of 2020 (Q1–2 2020: EUR -143.4 million). The revaluations recognised in the first half of 2021 were related, above all, to office properties in Austria and Germany and reflect the ongoing dynamic market environment. The write-down in Poland was based chiefly on a decline in the occupancy rate and a temporary reduction in rental income in a shopping center.

### 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 valuation effect of EUR 41.5 million in the first half of 2021 (Q1–2 2020: EUR -124.6 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 2021 in MEUR
Austria	20	672.9	16.2	25.0
Germany	3	348.8	8.4	7.6
Poland	23	955.9	23.0	-4.9
Czech Republic	18	543.9	13.1	4.3
Hungary	19	380.0	9.2	1.1
Romania	13	610.6	14.7	-0.7
Slovakia	20	325.2	7.8	1.5
Adriatic <sup>1</sup>	27	312.8	7.5	7.5
<b>IMMOFINANZ</b>	<b>143</b>	<b>4,150.0</b>	<b>100.0</b>	<b>41.5</b>

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

## 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 2021 in MEUR
<b>Office</b>	<b>43</b>	<b>2,519.7</b>	<b>60.7</b>	<b>25.2</b>
thereof myhive	24	1,454.4	35.0	10.8
<b>Retail</b>	<b>99</b>	<b>1,622.9</b>	<b>39.1</b>	<b>16.3</b>
thereof VIVO!/shopping center	10	657.2	15.8	-1.4
thereof STOP SHOP/retail park	88	961.2	23.2	17.7
Others	1	7.4	0.2	0.0
<b>IMMOFINANZ</b>	<b>143</b>	<b>4,150.0</b>	<b>100.0</b>	<b>41.5</b>

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

### myhive am Wienerberg

Vienna | AT | approx. 150,000 sqm of rentable space



# Financing

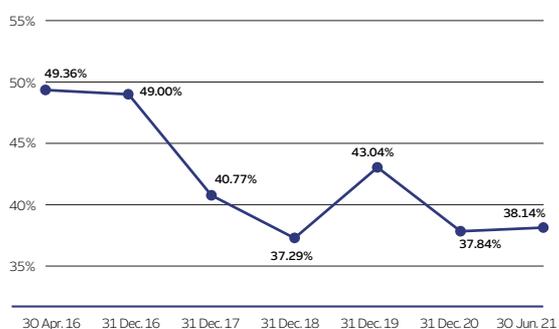
Financial liabilities\* totalled EUR 3.1 billion as of 30 June 2021 (31 December 2020: EUR 3.2 billion). Cash and cash equivalents, including cash and cash equivalents held for sale, amounted to EUR 966.9 million (31 December 2020: EUR 1,051.4 million), and net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.2 billion (31 December 2020: EUR 2.1 billion).

The unsecured, revolving credit line of EUR 100.0 million concluded in March 2020 was not in use as of the balance sheet date and is therefore available in full. It was extended prematurely during the reporting period to 30 June 2023. This credit line can be used at the company's discretion and gives IMMOFINANZ added financial flexibility.

## Robust balance sheet structure

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 47.4% (31 December 2020: 45.1%) and a net loan-to-value ratio (net LTV) of 38.1% (31 December 2020: 37.8%).

## Development of net LTV



## Calculation of net LTV as of 30 June 2021

### Amounts in TEUR

Carrying amount of financing <sup>1</sup>	3,137,165.4
- Cash and cash equivalents <sup>2</sup>	966,943.6
Net carrying amount of financing	2,170,221.7
Carrying amount of property <sup>3</sup> & EPRA NAV of S IMMO shares <sup>4</sup>	5,689,830.2
<b>Net LTV in %</b>	<b>38.1</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 27.51 per share as of 30 June 2021

The average financing costs for IMMOFINANZ, including derivatives, equalled 1.91% per year as of 30 June 2021 (31 December 2020: 1.99% per year). The hedging quota was stable at 88.6% (31 December 2020: 88.6%).

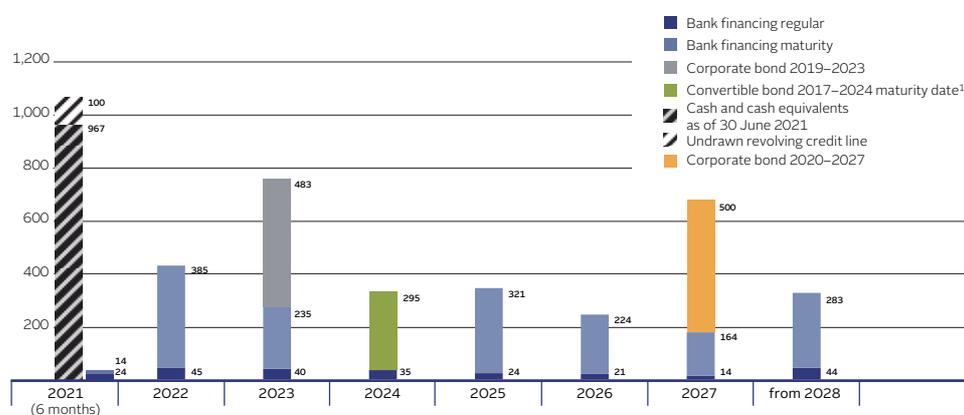
## Term structure

The weighted average remaining term of financial liabilities equalled 4.25 years (31 December 2020: 4.25 years). The following graph shows the term structure by year as of 30 June. The maturing financing volume for the 2021 financial year amounts to only EUR 14.2 million (31 December 2020: EUR 14.2 million).

\* Excluding lease liabilities of EUR 77.8 million based on the application of IFRS 16; including IFRS 5

## Term structure of financial liabilities by financial year as of 30 June 2021

In MEUR



<sup>1</sup> The convertible bond 2017–2024 was not “in the money” as of 30 June 2021. The bondholders have a put option on 24 January 2022.

### Unencumbered property

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 1,486.4 million, or 28.8% of the total property carrying amount, were not externally financed and therefore unencumbered as of 30 June 2021 (31 December 2020: EUR 1,482.8 million or 28.9%). Including the S IMMO shares (valued at the EPRA NAV), which are not encumbered by any financing, this value increases to EUR 2,022.8 million or 35.6%.

### Unencumbered property by asset class

Unencumbered property portfolio in total: MEUR 1,486.4



## Composition of financial liabilities

The financial liabilities held by IMMOFINANZ are denominated entirely in euros and consist of amounts due to financial institutions as well as liabilities from bonds. The composition of these liabilities as of 30 June 2021 is as follows:

Weighted average interest rate of the financial liabilities	Outstanding liability in TEUR as of 30 06 2021	Total average interest rate incl. expenses for derivatives in % <sup>1</sup>
Convertible bonds <sup>2</sup>	291,699.0	1.50
Corporate bonds	979,822.7	2.56
Bank liabilities <sup>3</sup>	1,865,643.7	1.64
<b>IMMOFINANZ</b>	<b>3,137,165.4</b>	<b>1.91</b>

<sup>1</sup> Based on nominal remaining debt, excluding mandatory convertible bond

<sup>2</sup> Convertible bond 2017–2024 (coupon reduced to 1.50% following the receipt of an investment grade rating) as well as future coupon payments for the mandatory convertible bond 2020–2023 which are classified as liabilities.

<sup>3</sup> Including IFRS 5

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 3,137.2 million as of 30 June 2021.

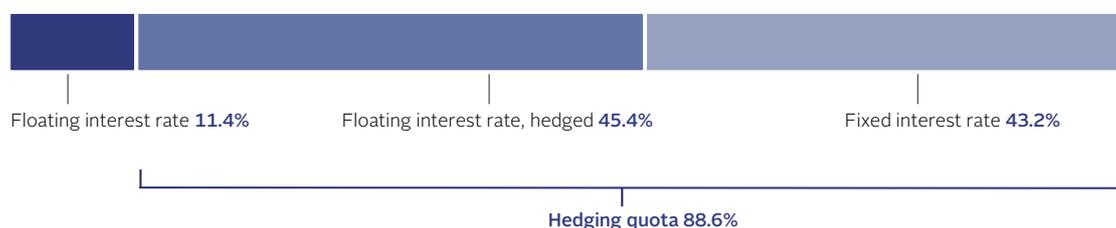
## Derivatives

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted EUR 1,429.8 million as of 30 June 2021 (31 December 2020: EUR 1,459.6 million). In total, a constant 88.6% of financial liabilities were hedged against interest rate risk (31 December 2020: 88.6%), 45.4% via interest rate derivatives and a further 43.2% represent financial liabilities with fixed interest rates.

Derivatives <sup>1</sup>	Floating leg	Market value incl. interest & CVA/DVA as of 30 06 2021 in TEUR	Notional amount in TEUR	Average hedged reference interest rate in %
Interest rate swap	3-M-EURIBOR	-14,545.7	1,429,754.0	0.05
<b>IMMOFINANZ AG</b>		<b>-14,545.7</b>	<b>1,429,754.0</b>	

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

## Financial liabilities – type of interest rate as of 30 June 2021



## Bonds

The outstanding nominal value of the bonds totalled EUR 1,397.3 million as of 30 June 2021 (31 December 2020: EUR 1,397.3 million). It is attributable to the convertible bond issued in January 2017 with a term ending in 2024 and a put option for the investors at the nominal amount in 2022 (current conversion price: EUR 21.3772), the subordinated mandatory convertible bond issued in July 2020 with a term ending in 2023 (current conversion price: EUR 17.1472) and the two benchmark corporate bonds which were issued in January 2019 and October 2020.

	ISIN	Maturity	Coupon in %	Nominal value as of 31 12 2020 in TEUR	Repurchases/redemptions/conversions/new issues 2021 in TEUR	Nominal value as of 30 06 2021 in TEUR
Corporate bond	XS1935128956	27 01 2023	2.63	482,800	0	482,800
Corporate bond	XS2243564478	15 10 2027	2.50	500,000	0	500,000
Convertible bond	XS1551932046	24 01 2024 <sup>1</sup>	1.50 <sup>2</sup>	294,500	0	294,500
<b>IMMOFINANZ</b>			<b>2.32</b>	<b>1,277,300</b>	<b>0</b>	<b>1,277,300</b>
Mandatory convertible bond <sup>3</sup>	AT0000A2HPN	23 07 2023	4.00	120,000	0	120,000
<b>IMMOFINANZ</b>			<b>n. a.</b>	<b>1,397,300</b>	<b>0</b>	<b>1,397,300</b>

<sup>1</sup> The term of the bond ends in 2024; the bondholders have a put option on 24 January 2022.

<sup>2</sup> Coupon reduced by 50 basis points to 1.50% as of 24 January 2019 following the receipt of an investment grade rating.

<sup>3</sup> The mandatory convertible bond represents a hybrid financial instrument which must be separated into equity and debt components on initial recognition. The regular interest payments are classified as a financial liability, while the mandatory conversion is considered an equity component.

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 outlook were confirmed during the annual review process in February 2021. IMMOFINANZ's announcement in March 2021 of its intention to launch a voluntary public takeover offer to the shareholders of S IMMO AG led to a revision of the S&P outlook from stable to negative. At the S IMMO general meeting in June 2021, the majority required to revoke the maximum voting right was not reached. Consequently, a key condition for IMMOFINANZ's takeover offer to S IMMO shareholders was not met. IMMOFINANZ decided not to amend its takeover offer, which, as a result was cancelled, and S&P reinstated its stable outlook for the issuer rating.

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 2021 in %
Net Debt to Value Ratio <sup>1</sup>	Max. 60.0	39.4
Secured Net Debt to Value Ratio <sup>1</sup>	Max. 45.0	16.9
Interest Coverage Ratio	Min. 150.0	418.4

<sup>1</sup> The values are based on the latest calculation as per the bond terms on or before 30 June 2021.

## Business Development

IMMOFINANZ recorded a significant improvement in the results of operations and FFO 1 in the first half of 2021 even though the markets and business development were still influenced by the COVID-19 pandemic. Net profit turned strongly positive and, at EUR 228.6 million, exceeded the comparable pre-crisis half-year in 2019.

### Income statement

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Rental income	144,988	146,221
<b>Results of asset management</b>	<b>106,807</b>	<b>102,781</b>
<b>Results of property sales</b>	<b>-3,677</b>	<b>-738</b>
<b>Results of property development</b>	<b>21,974</b>	<b>-16,723</b>
Other operating income	1,192	941
Other operating expenses	-22,967	-26,533
<b>Results of operations</b>	<b>103,329</b>	<b>59,728</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>52,542</b>	<b>-143,367</b>
<b>Operating profit (EBIT)</b>	<b>155,871</b>	<b>-83,639</b>
<b>Financial results</b>	<b>91,566</b>	<b>-42,380</b>
<b>Earnings before tax (EBT)</b>	<b>247,437</b>	<b>-126,019</b>
<b>Net profit or loss</b>	<b>228,624</b>	<b>-120,364</b>

Rental income was stable at EUR 145.0 million (Q1–2 2020: EUR 146.2 million), and the results of asset management rose by 3.9% to EUR 106.8 million (Q1–2 2020: EUR 102.8 million). This increase resulted, above all, from a reduction in property expenses, which fell by 18.8% to EUR -31.6 million (Q1–2 2020: EUR -38.9 million). These expenses still exceed the pre-crisis level due to the effects of the pandemic – but the write-off of rents receivable included in this position, which represent support by IMMOFINANZ for its tenants during the lockdown periods, were substantially lower than the previous year and totalled EUR -9.4 million (Q1–2 2020: EUR -18.2 million).

The results of property sales amounted to EUR -3.7 million (Q1–2 2020: EUR -0.7 million) and include a negative, non-cash deconsolidation effect of EUR -8.3 million from the reclassification of currency translation differences. This negative effect on the income statement is neutralised on the statement of comprehensive income and therefore has no effect on IMMOFINANZ's equity. Property sales totalling EUR 148.6 million were concluded during the first half-year and were primarily related to older office properties in Warsaw and Budapest.

The results of property development turned strongly positive at EUR 22.0 million (Q1–2 2020: EUR -16.7 million), chiefly due to positive valuation effects from an office project in Düsseldorf.

## Results of operations

Other operating expenses improved by 13.4% to EUR -23.0 million (Q1–2 2020: EUR -26.5 million), above all due to the absence of non-recurring effects from the previous year. The results of operations therefore rose by a solid 73.0% to EUR 103.3 million (Q1–2 2020: EUR 59.7 million).

## Revaluation and operating profit

Results from the revaluation of standing investments equalled EUR 52.5 million, compared with crisis-related write-downs in the previous year to reflect the adverse effects of the COVID-19 pandemic (Q1–2 2020: EUR -143.4 million). The revaluations are related chiefly to office properties in Austria and Germany and reflect the ongoing dynamic market environment.

Operating profit (EBIT) therefore improved significantly to EUR 155.9 million (Q1–2 2020: EUR -83.6 million).

## Financial results and taxes

Financing costs totalled EUR -42.2 million (Q1–2 2020: EUR -37.7 million) and reflect the year-on-year increase of roughly 11.1% in the financing volume. Average financing costs, including hedging, equalled 1.91% per year (31 December 2020: 1.99%). The other financial results of EUR 8.5 million (Q1–2 2020: EUR -12.4 million) resulted primarily from the valuation of interest rate derivatives (Q1–2 2021: EUR 11.1 million) following an increase in long-term interest rates.

The share of results from equity-accounted investments increased to EUR 124.1 million (Q1–2 2020: EUR 6.4 million). Of this total, EUR 121.8 million are attributable to S IMMO (revaluation of EUR 85.3 million to the investment due to the increase in the share price and a proportional earnings share of EUR 36.5 million). Financial results totalled EUR 91.6 million (Q1–2 2020: EUR -42.4 million).

## Net profit

Earnings before tax improved significantly to EUR 247.4 million (Q1–2 2020: EUR -126.0 million). After the deduction of EUR -18.8 million (Q1–2 2020: EUR 5.7 million) in income taxes, net profit amounted to EUR 228.6 million (Q1–2 2020: EUR -120.4 million). That represents earnings per share\* of EUR 1.85 (basic), respectively EUR 1.69 (diluted) (Q1–2 2020: EUR -1.19).

## Funds from operations (FFO)

FFO 1 from the standing investment business (before tax and including accrued interest on the bonds) rose by 7.7% to EUR 64.4 million (Q1–2 2020: EUR 59.8 million). This increase is attributable, above all, to the improvement in the results of asset management. FFO 1 per share equalled EUR 0.52, compared with EUR 0.59 in the first half of 2020 based on a higher number of shares (see the following table for the number of shares used in the calculation).

\* Number of shares for the calculation for Q1–2 2021: 123,293,795 (basic), respectively 137,196,458 (diluted)  
Number of shares for the calculation for Q1–2 2020: 100,876,743 (basic and diluted)

All amounts in TEUR	P&L Q1–2 2021	Adjustments	FFO Q1–2 2021	FFO Q1–2 2020
<b>Results of asset management</b>	<b>106,807</b>	<b>43</b>	<b>106,851</b>	<b>102,820</b>
<b>Results of property sales</b>	<b>-3,677</b>	<b>3,677</b>	<b>0</b>	<b>0</b>
<b>Results of property development</b>	<b>21,974</b>	<b>-21,974</b>	<b>0</b>	<b>0</b>
Other operating income	1,192	-345	848	753
Other operating expenses	-22,967	4,105	-18,863	-19,473
<b>Results of operations</b>	<b>103,329</b>	<b>-14,494</b>	<b>88,836</b>	<b>84,100</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>52,542</b>	<b>-52,542</b>	<b>0</b>	<b>0</b>
<b>Operating profit (EBIT)</b>	<b>155,871</b>	<b>-67,035</b>	<b>88,836</b>	<b>84,100</b>
Financing costs <sup>1</sup>	-42,157			
Financing income	1,114			
Foreign exchange differences	37			
Other financial results	8,458			
Net profit or loss from equity-accounted investments	124,114			
<b>Financial results</b>	<b>91,566</b>	<b>-115,960</b>	<b>-24,394</b>	<b>-24,269</b>
<b>FFO 1 before tax (excluding S IMMO)</b>	<b>247,437</b>	<b>-182,996</b>	<b>64,442</b>	<b>59,831</b>
<b>FFO 1 per share before tax (excluding S IMMO) in EUR</b>			<b>0.52</b>	<b>0.59</b>
Dividends received from S IMMO			0	0
<b>FFO 1 before tax</b>			<b>64,442</b>	<b>59,831</b>
<b>FFO 1 per share before tax in EUR</b>			<b>0.52</b>	<b>0.59</b>
Number of shares (as per EPS formula) for the calculation			123,293,795	100,876,743

<sup>1</sup> Financing costs for Q1–2 2021 include the accrued interest for the corporate bonds 2019–2023 and 2020–2027; the coupon payment for the mandatory convertible bond 2020–2023 (Q1–2 2021: EUR 2.4 million) is not included. In addition, an adjustment was made for non-recurring costs from derivatives to reflect the premature repayment or sale.

## Balance sheet

The condensed balance sheet is shown below:

All amounts in TEUR	30 06 2021	in %	31 12 2020	in %
Investment property	4,774,781		4,680,351	
Property under construction	382,184	74.7	358,640	76.2
Real estate inventories	619		619	
Assets held for sale	72,483		168,382	
Other assets	60,862	0.9	63,765	0.9
Equity-accounted investments	500,956	7.2	367,932	5.4
Trade and other receivables	238,023	3.4	144,639	2.1
Cash and cash equivalents	966,943	13.8	1,047,085	15.3
<b>Assets</b>	<b>6,996,851</b>	<b>100.0</b>	<b>6,831,413</b>	<b>100.0</b>
Equity	3,319,410	47.4	3,083,707	45.1
Liabilities from convertible bonds	291,699	4.2	291,056	4.3
Financial liabilities	2,909,286	41.6	2,916,051	42.7
Trade and other payables	153,350	2.2	188,958	2.8
Other liabilities	56,224	0.8	89,370	1.3
Deferred tax liabilities	266,882	3.8	262,271	3.8
<b>Equity and liabilities</b>	<b>6,996,851</b>	<b>100.0</b>	<b>6,831,413</b>	<b>100.0</b>

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 47.4% (31 December 2020: 45.1%). The net loan to value equalled 38.1%.

The property portfolio has a value of EUR 5.2 billion and represents 74.7% 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 501.0 million include EUR 497.5 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 equals EUR 25.51 (31 December 2020: EUR 18.65). The S IMMO investment was written up by EUR 85.3 million in the first half of 2021 to reflect a substantial improvement in the share price.

Cash and cash equivalents totalled EUR 966.9 million. The decline since 31 December 2020 was based, among others, on the annual coupon payment in January for the corporate bond 2019–2023, various acquisitions for the STOP SHOP retail park portfolio in the Adriatic segment and the acquisition of an office property in Bucharest.

## EPRA Financial Indicators

### EPRA net asset value

The European Public Real Estate Association (EPRA) recommends publishing a revised version of the net asset value indicators (NAV indicators) beginning with the financial statements for 2020 to better reflect current market trends and company developments. The two previously published indicators – net asset value (NAV) and triple net asset value (NNNAV) – will be 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.

In order to present the transition as clearly as possible, IMMOFINANZ calculated a transition for 30 June 2021 and for 31 December 2020 as the comparative period from the previous EPRA NAV and EPRA NNNAV to the three new NAV indicators based on the EPRA BPR Guidelines issued in October 2019. The EPRA NTA is the most relevant indicator for IMMOFINANZ's business activities and therefore serves as the new primary indicator for net asset value.

## Transition from EPRA NAV to the three new EPRA indicators

All amounts in TEUR	Former indicators 30 06 2021	New indicators 30 06 2021		
	NAV/NNNAV	NRV	NTA	NDV
Equity excluding non-controlling interests	3,351,159	3,351,159	3,351,159	3,351,159
Hybrid instruments (convertible bonds)	0	-14,890	-14,890	-14,890
<b>Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options</b>	<b>3,351,159</b>	<b>3,336,269</b>	<b>3,336,269</b>	<b>3,336,269</b>
<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>3,351,159</b>	<b>3,336,269</b>	<b>3,336,269</b>	<b>3,336,269</b>
Fair value of derivative financial instruments	14,476	14,476	14,476	0
Deferred taxes on derivative financial instruments	-2,784	-2,784	-2,784	0
Deferred taxes on investment property	340,663	340,663	321,231	0
Goodwill resulting from deferred taxes	-24,069	-24,069	-24,069	-24,069
Intangible assets	0	0	-165	0
<b>EPRA NAV (diluted)</b>	<b>3,679,443</b>			
Fair value of derivative financial instruments	-14,476	0	0	0
Deferred taxes on derivative financial instruments	2,784	0	0	0
Effect of fair value measurement of financial liabilities	5,398	0	0	20,288
Deferred taxes on the fair value measurement of financial liabilities	-1,350	0	0	-5,072
Deferred taxes on investment property	-9,350	0	0	0
Real estate transfer tax and other purchaser's costs	0	192,632	54,065	0
<b>EPRA NNAV (diluted)</b>	<b>3,662,450</b>	<b>3,857,186</b>	<b>3,699,022</b>	<b>3,327,416</b>
Number of shares excluding treasury shares	123,293,795	123,293,795	123,293,795	123,293,795
<b>EPRA NAV per share in EUR</b>	<b>29.84</b>	<b>31.28</b>	<b>30.00</b>	<b>26.99</b>
<b>EPRA NNAV per share in EUR</b>	<b>29.71</b>			

All amounts in TEUR	Former indicators 31 12 2020	New indicators 31 12 2020		
	NAV/NNNAV	NRV	NTA	NDV
Equity excluding non-controlling interests	3,107,583	3,107,583	3,107,583	3,107,583
Hybrid instruments (convertible bonds)	0	-21,654	-21,654	-21,654
<b>Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options</b>	<b>3,107,583</b>	<b>3,085,929</b>	<b>3,085,929</b>	<b>3,085,929</b>
<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>3,107,583</b>	<b>3,085,929</b>	<b>3,085,929</b>	<b>3,085,929</b>
Fair value of derivative financial instruments	29,125	29,177	29,125	0
Deferred taxes on derivative financial instruments	-5,745	-5,755	-5,745	0
Deferred taxes on investment property	318,982	321,471	304,332	0
Goodwill resulting from deferred taxes	-24,184	-24,184	-24,184	-24,184
Intangible assets	0	0	-276	0
<b>EPRA NAV (diluted)</b>	<b>3,425,761</b>			
Fair value of derivative financial instruments	-29,125			
Deferred taxes on derivative financial instruments	5,745			
Effect of fair value measurement of financial liabilities <sup>1</sup>	-29,393	0	0	-7,739
Deferred taxes on the fair value measurement of financial liabilities <sup>1</sup>	7,348	0	0	1,935
Deferred taxes on investment property	-8,068			
Real estate transfer tax and other purchaser's costs	0	183,972	41,081	0
<b>EPRA NNAV (diluted)</b>	<b>3,372,268</b>	<b>3,590,610</b>	<b>3,430,262</b>	<b>3,055,940</b>
Number of shares excluding treasury shares	123,293,795	123,293,795	123,293,795	123,293,795
<b>EPRA NAV per share in EUR</b>	<b>27.79</b>	<b>29.12</b>	<b>27.82</b>	<b>24.79</b>
<b>EPRA NNAV per share in EUR</b>	<b>27.35</b>			

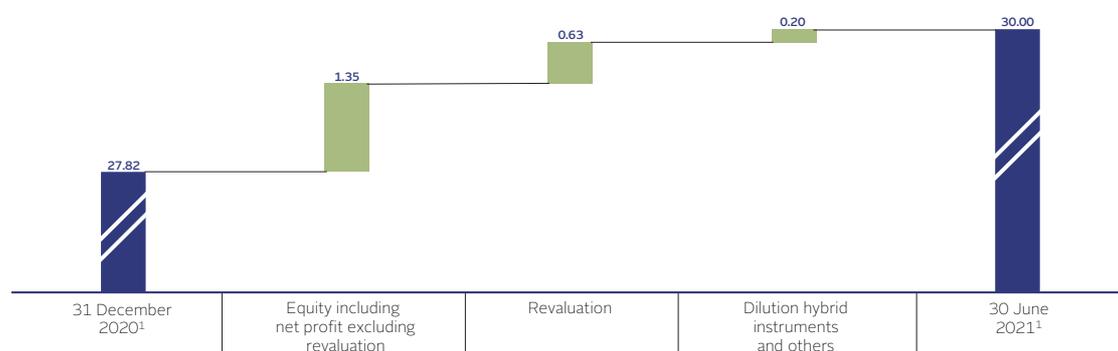
<sup>1</sup> The comparative period data were adjusted.

The calculation of the EPRA NAV indicators does not include any potential shares which would result from the conversion of the convertible bond 2017–2024 because the bond was not “in the money” as of 30 June 2021. The diluting effect of the hybrid financial instruments (convertible bonds) resulted from the equity correction for the convertible bond 2017–2024. The equity component declines to zero over the term of these financial instruments based on the effective interest rate. The mandatory convertible bond 2020–2023 issued in July 2020 must be converted into IMMOFINANZ shares and is therefore classified as an equity instrument under IFRS, i.e. this bond is included in full in equity and in the number of shares.

The EPRA NTA per share rose by 7.8% to EUR 30.00 as of 30 June 2021 (31 December 2020: EUR 27.82). This increase is primarily attributable to the positive development of earnings and revaluation results (see the following reconciliation).

The book value per share equalled EUR 27.18 as of 30 June 2021 (31 December 2020: EUR 25.20).

### EPRA NTA bridge



<sup>1</sup> Number of shares as of 31 December 2020 and 30 June 2021 in thousand: 123,294 (basic)

### EPRA earnings per share

All amounts in TEUR	Q1–2 2021	Q1–2 2020
<b>Weighted average number of shares in 1,000</b>	<b>123,294</b>	<b>100,877</b>
<b>Net profit or loss from continuing operations excluding non-controlling interests</b>	<b>228,660</b>	<b>-119,938</b>
Revaluation of investment properties and development properties	-75,763	160,168
Results of property sales	3,676	738
Goodwill impairment, negative differences and earn-out effects on income	-117	0
Changes in fair value of financial instruments	-10,266	13,209
Taxes in respect of EPRA adjustments	16,700	-31,467
EPRA adjustments in respect of joint ventures and non-controlling interests	-1,009	-305
<b>EPRA earnings</b>	<b>161,881</b>	<b>22,405</b>
<b>EPRA earnings per share in EUR</b>	<b>1.31</b>	<b>0.22</b>
<b>Company-specific adjustments</b>		
One-time effects in other operating expenses	3,640	4,873
Valuation S IMMO	-85,274	0
Foreign exchange gains and losses	-37	-253
Deferred taxes in respect of company-specific adjustments	20,636	-1,037
<b>Company-specific adjusted EPRA earnings</b>	<b>100,845</b>	<b>25,988</b>
<b>EPRA earnings per share after company-specific adjustments in EUR</b>	<b>0.82</b>	<b>0.26</b>

EPRA earnings per share equalled EUR 1.31 in the first half of 2021 and EUR 0.82 per share after company-specific adjustments. This increase resulted primarily from the improvement in operating results, whereby the previous year was influenced by non-recurring effects.

## EPRA net initial yield

All amounts in TEUR	Q1-2 2021	2020
Investment property	4,725,658	4,721,453
Investment property – proportional share of joint ventures	1,268	1,268
less undeveloped land	-159,848	-197,055
less undeveloped land – proportional share of joint ventures	-1,268	-1,268
<b>Total property portfolio</b>	<b>4,565,810</b>	<b>4,524,398</b>
Allowance for estimated purchasers' costs	169,392	167,855
<b>Gross value of total standing investment portfolio</b>	<b>4,735,201</b>	<b>4,692,253</b>
Annualised cash rental income	290,909	290,553
Non-recoverable property operating expenses	-24,557	-26,417
<b>Annualised net rental income</b>	<b>266,352</b>	<b>264,136</b>
Notional rent expiration of rent free periods or other lease incentives	20,109	16,119
<b>“Topped-up” net annualised rents</b>	<b>286,461</b>	<b>280,254</b>
<b>EPRA net initial yield in %</b>	<b>5.6</b>	<b>5.6</b>
<b>EPRA “topped-up” net initial yield in %</b>	<b>6.0</b>	<b>6.0</b>

The EPRA NIY equalled 5.6% in the first half of 2021 and reflected the prior-year level. The “topped-up” NIY equalled 6.0%.

## EPRA vacancy rate

### EPRA vacancy rate by core market

Standing investments	30 06 2021				31 12 2020
	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	237,692	0.2	3.2	5.2	4.4
Germany	94,059	0.3	1.8	16.8	0.9
Poland	418,320	0.2	5.8	4.0	3.8
Czech Republic	233,407	0.1	2.9	4.2	3.9
Hungary	225,354	0.1	2.6	3.7	2.5
Romania	334,099	0.4	4.7	9.5	5.6
Slovakia	188,042	0.2	2.2	8.2	7.9
Adriatic <sup>1</sup>	254,223	0.0	2.5	1.0	2.0
<b>IMMOFINANZ</b>	<b>1,985,196</b>	<b>1.6</b>	<b>25.6</b>	<b>6.1</b>	<b>4.0</b>

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

## EPRA vacancy rate by asset class and brand

Standing investments	30 06 2021				31 12 2020
	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>937,919</b>	<b>1.3</b>	<b>14.0</b>	<b>9.0</b>	<b>5.5</b>
thereof myhive	606,522	1.0	9.4	10.3	6.6
<b>Retail</b>	<b>1,047,277</b>	<b>0.3</b>	<b>11.6</b>	<b>2.6</b>	<b>2.1</b>
thereof VIVO!/shopping center	314,180	0.2	4.7	3.8	3.0
thereof STOP SHOP/retail park	722,796	0.1	6.8	1.7	1.4
<b>IMMOFINANZ</b>	<b>1,985,196</b>	<b>1.6</b>	<b>25.6</b>	<b>6.1</b>	<b>4.0</b>

The EPRA vacancy rate equalled 6.1% as of 30 June 2021 (31 December 2020: 4.0%) and rose to 9.0% in the office business. This increase over year-end 2020 resulted primarily from an agreement with a large tenant in Germany who was severely affected by the pandemic to reduce the amount of rented space beginning in 2021. These vacant areas are now marketed as flexible myhive solutions. The retail portfolio was nearly fully rented with a vacancy rate of only 2.6%, whereby the STOP SHOP retail parks had the lowest vacancy rate as of 30 June 2021 at 1.7%.

## EPRA cost ratio

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Expenses from investment property	-31,582	-38,890
Net operating costs, excluding indirect costs that are recharged through rents but not invoiced separately	-1,110	-528
<b>EPRA costs (including direct vacancy costs)</b>	<b>-32,692</b>	<b>-39,418</b>
Vacancy costs	-3,748	-3,454
<b>EPRA costs (excluding direct vacancy costs)</b>	<b>-28,944</b>	<b>-35,965</b>
Gross rental income including service fees and service charge cost components	144,988	145,520
Less service fees and service charge cost components of gross rental income	-5,988	-6,139
<b>Gross rental income</b>	<b>138,999</b>	<b>139,381</b>
<b>EPRA cost ratio (including direct vacancy costs) in %</b>	<b>23.5</b>	<b>28.3</b>
<b>EPRA cost ratio (excluding direct vacancy costs) in %</b>	<b>20.8</b>	<b>25.8</b>

The EPRA cost ratio improved to 23.5% (Q1–2 2020: 28.3%) including direct vacancy costs and to 20.8% (Q1–2 2020: 25.8%) excluding direct vacancy costs. This reduction resulted, above all, from the decline in the expenses from investment property. The write-off of rents receivable from asset management included in this position, which represent support by IMMOFINANZ for its tenants during the lockdown periods, were substantially lower than the previous year and totalled EUR -9.4 million (Q1–2 2020: EUR -18.2 million).

## EPRA capital expenditure

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Acquisitions	38,152	0
Development projects	50,037	48,223
Investment property	16,383	8,799
thereof incremental lettable space <sup>1</sup>	0	0
thereof no incremental lettable space <sup>1</sup>	15,898	7,672
thereof tenant incentives <sup>1</sup>	485	1,126
<b>EPRA capital expenditure</b>	<b>104,572</b>	<b>57,022</b>

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

Capital expenditure totalled EUR 104.6 million in the first half of 2021 and was concentrated on properties solely owned by IMMOFINANZ (Q1–2 2020: EUR 57.0 million). Major projects included the development of the myhive Medienhafen Alto office building in Düsseldorf, the modernisation of existing office properties in Romania and Vienna as well as the acquisition of the Bucharest Financial Plaza in the first quarter of 2021.

The acquisition of four retail parks in Serbia, which was announced in 2020, also closed during the first half of 2021. This real estate package in Serbia includes locations in Leskovac, Šabac, Sombor and Zaječar. In addition, the purchase of land in Croatia was also finalised during the first half of 2021.

Capital expenditure in investment properties totalled EUR 16.4 million and was related primarily to the myhive Medienhafen Largo (Düsseldorf, formerly the trivago Campus), myhive Ungargasse (Vienna) and myhive Warsaw Spire (Warsaw). Capital expenditure in investment properties consisted almost entirely of improvements to existing rental space as well as rental incentives. The investments in additional rental space are immaterial and, in accordance with EPRA requirements, are reported under “thereof no incremental lettable space”.

## 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 2021 was classified as elevated due to the COVID-19 pandemic and its effects.

### Risks in the first half of 2021

#### Market and property-specific risks

The measures implemented to contain the COVID-19 pandemic continued to have a significant impact on life during the first half of 2021: Retail space was affected by partial shutdowns, and the daily office routine was heavily influenced by home office rules. Increasing vaccination rates led to the first cautious opening steps and resulting economic recovery during the second quarter. The 0.3% GDP decline recorded by the eurozone in the first quarter gave way to growth of 2.0% in the second quarter. It reflected the healthy improvement in the global economy and, consequently, supports a positive outlook for economic developments over the coming months. This assessment also applies to IMMOFINANZ's core countries. However, uncertainty has been fuelled by the recent increase in COVID-19 infections as well as a possible continuation of the current distortions in international supply chains.

The COVID-19 pandemic had a variety of effects on the real estate sector, depending on the asset class. In the retail sector, the reopening of the VIVO! shopping centers led to a sound improvement in revenues. The STOP SHOPS proved to be crisis-resistant and benefited from their direct access to the individual shops from the parking areas and their focus on everyday products. The progress of vaccination campaigns leads to expectations of a further normalisation in the retail trade. The office market reacts to crises with a delay, and there are currently signs of a decline in demand. In this sector, IMMOFINANZ benefits from a very high occupancy level, long-term rentals and a flexible space offering under its myhive brand. The normalisation of economic activity should lead to an increase in the demand for space over the medium term.

The development projects currently in progress by IMMOFINANZ (property under construction) have a carrying amount of EUR 344.1 million (31 December 2020: EUR 300.8 million). The outstanding construction costs for these development projects totalled EUR 150.1 million as of 30 June 2021 (31 December 2020: EUR 62.2 million). The pipeline projects had a carrying amount of EUR 147.8 million as of 30 June 2021 (31 December 2020: EUR 191.8 million).

### 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 2020 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, 30 August 2021

The Executive Board



Stefan Schönauer, CFO



Dietmar Reindl, COO

# Consolidated Interim Financial Statements

Consolidated Balance Sheet.....	42
Consolidated Income Statement.....	43
Consolidated Statement of Comprehensive Income .....	44
Consolidated Cash Flow Statement.....	45
Consolidated Statement of Changes in Equity.....	46
Notes.....	48
1. Basis of Preparation .....	48
2. Scope of Consolidation .....	49
3. Information on Operating Segments.....	50
4. Notes to the Consolidated Balance Sheet.....	56
5. Notes to the Consolidated Income Statement.....	61
6. Additional Disclosures on Financial Instruments.....	65
7. Transactions with Related Parties.....	68
8. Subsequent Events.....	68
Statement by the Executive Board .....	69

# Consolidated Balance Sheet

All amounts in TEUR	Notes	30 6 2021	31 12 2020
Investment property	4.1	4,774,781	4,680,351
Property under construction	4.2	382,184	358,640
Other tangible assets		5,645	5,313
Intangible assets		24,235	24,460
Equity-accounted investments	4.3	500,956	367,932
Trade and other receivables	4.4	42,079	56,917
Income tax receivables		554	514
Other financial assets		12,842	12,524
Deferred tax assets		4,966	9,016
<b>Non-current assets</b>		<b>5,748,242</b>	<b>5,515,667</b>
Trade and other receivables	4.4	195,944	87,722
Income tax receivables		12,620	11,938
Assets held for sale	4.5	72,483	168,382
Real estate inventories		619	619
Cash and cash equivalents		966,943	1,047,085
<b>Current assets</b>		<b>1,248,609</b>	<b>1,315,746</b>
<b>Assets</b>		<b>6,996,851</b>	<b>6,831,413</b>
Share capital		123,294	123,294
Capital reserves		4,702,527	4,702,527
Treasury shares		-156,328	-156,328
Accumulated other equity		-177,097	-194,682
Retained earnings		-1,141,238	-1,367,228
<b>Equity attributable to owners of IMMOFINANZ AG</b>		<b>3,351,158</b>	<b>3,107,583</b>
Non-controlling interests		-31,748	-23,876
<b>Equity</b>		<b>3,319,410</b>	<b>3,083,707</b>
Liabilities from convertible bonds		282,507	281,806
Financial liabilities	4.7	2,737,795	2,818,552
Trade and other payables	4.8	36,933	59,032
Income tax liabilities		2	2
Provisions		16,410	17,196
Deferred tax liabilities		266,882	262,271
<b>Non-current liabilities</b>		<b>3,340,529</b>	<b>3,438,859</b>
Liabilities from convertible bonds		9,192	9,250
Financial liabilities	4.7	171,491	97,499
Trade and other payables	4.8	116,417	129,926
Income tax liabilities		8,251	7,482
Provisions		17,579	19,827
Liabilities held for sale	4.5	13,982	44,863
<b>Current liabilities</b>		<b>336,912</b>	<b>308,847</b>
<b>Equity and liabilities</b>		<b>6,996,851</b>	<b>6,831,413</b>

# Consolidated Income Statement

All amounts in TEUR	Notes	Q2 2021	Q1-2 2021	Q2 2020	Q1-2 2020
<b>Rental income</b>	<b>5.1</b>	<b>70,205</b>	<b>144,988</b>	<b>71,831</b>	<b>146,221</b>
Operating costs charged to tenants		20,398	42,360	18,810	41,348
Other revenues		22	500	599	2,119
<b>Revenues</b>		<b>90,625</b>	<b>187,848</b>	<b>91,240</b>	<b>189,688</b>
Expenses from investment property	5.2	-14,486	-31,582	-26,474	-38,892
Operating expenses		-24,227	-49,459	-21,451	-48,015
<b>Results of asset management</b>		<b>51,912</b>	<b>106,807</b>	<b>43,315</b>	<b>102,781</b>
<b>Results of property sales</b>	<b>5.3</b>	<b>-3,264</b>	<b>-3,677</b>	<b>1,069</b>	<b>-738</b>
<b>Results of property development</b>	<b>5.4</b>	<b>20,882</b>	<b>21,974</b>	<b>-15,976</b>	<b>-16,723</b>
Other operating income	5.5	282	1,192	578	941
Other operating expenses	5.6	-12,853	-22,967	-12,720	-26,533
<b>Results of operations</b>		<b>56,959</b>	<b>103,329</b>	<b>16,266</b>	<b>59,728</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>5.7</b>	<b>51,561</b>	<b>52,542</b>	<b>-98,379</b>	<b>-143,367</b>
<b>Operating profit (EBIT)</b>		<b>108,520</b>	<b>155,871</b>	<b>-82,113</b>	<b>-83,639</b>
Financing costs	5.8	-22,133	-42,157	-18,170	-37,711
Financing income	5.8	459	1,114	723	1,082
Foreign exchange differences		771	37	1,866	253
Other financial results	5.8	-465	8,458	-7,091	-12,401
Net profit or loss from equity-accounted investments		33,247	124,114	10,559	6,397
<b>Financial results</b>	<b>5.8</b>	<b>11,879</b>	<b>91,566</b>	<b>-12,113</b>	<b>-42,380</b>
<b>Earnings before tax (EBT)</b>		<b>120,399</b>	<b>247,437</b>	<b>-94,226</b>	<b>-126,019</b>
Current income tax		-2,653	-5,750	-1,221	-4,711
Deferred tax		-12,186	-13,063	12,731	10,366
<b>Net profit or loss from continuing operations</b>		<b>105,560</b>	<b>228,624</b>	<b>-82,716</b>	<b>-120,364</b>
Net profit or loss from discontinued operations		0	0	0	0
<b>Net profit or loss</b>		<b>105,560</b>	<b>228,624</b>	<b>-82,716</b>	<b>-120,364</b>
thereof attributable to owners of IMMOFINANZ AG		105,597	228,660	-82,565	-119,938
thereof attributable to non-controlling interests		-37	-36	-151	-426
<b>Basic earnings per share in EUR</b>		<b>0.86</b>	<b>1.85</b>	<b>-0.82</b>	<b>-1.19</b>
<b>Diluted earnings per share in EUR</b>		<b>0.78</b>	<b>1.69</b>	<b>-0.82</b>	<b>-1.19</b>

# Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q2 2021	Q1–2 2021	Q2 2020	Q1–2 2020
<b>Net profit or loss</b>		<b>105,560</b>	<b>228,624</b>	<b>-82,716</b>	<b>-120,364</b>
<b>Other comprehensive income (reclassifiable)</b>					
Currency translation adjustment		7,426	6,226	-1,206	-2,329
thereof changes during the financial year		-909	-2,109	-1,206	-2,858
thereof reclassification to profit or loss	2.2	8,335	8,335	0	529
Other comprehensive income from equity-accounted investments	4.3	42	843	-326	126
thereof changes during the financial year		103	1,133	-313	64
thereof income taxes		-61	-290	-13	62
<b>Total other comprehensive income (reclassifiable)</b>		<b>6,822</b>	<b>7,069</b>	<b>-1,662</b>	<b>-2,203</b>
<b>Other comprehensive income (not reclassifiable)</b>					
Financial instruments at fair value through other comprehensive income		-646	-825	-130	-130
thereof changes during the financial year		-863	-1,100	-173	-173
thereof income taxes		217	275	43	43
Other comprehensive income from equity-accounted investments	4.3	3,915	11,341	-4,081	-32,777
thereof changes during the financial year		5,220	15,121	-5,442	-43,703
thereof income taxes		-1,305	-3,780	1,361	10,926
<b>Total other comprehensive income (not reclassifiable)</b>		<b>3,915</b>	<b>10,516</b>	<b>-4,081</b>	<b>-32,907</b>
<b>Total other comprehensive income after tax</b>		<b>10,737</b>	<b>17,585</b>	<b>-5,743</b>	<b>-35,110</b>
<b>Total comprehensive income</b>		<b>116,297</b>	<b>246,209</b>	<b>-88,459</b>	<b>-155,474</b>
thereof attributable to owners of IMMOFINANZ AG		<b>116,334</b>	<b>246,245</b>	<b>-87,862</b>	<b>-154,052</b>
thereof attributable to non-controlling interests		<b>-37</b>	<b>-36</b>	<b>-597</b>	<b>-1,422</b>

# Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1–2 2021	Q1–2 2020
Earnings before tax (EBT)		247,437	-126,019
Revaluations of investment properties	5.7	-78,123	159,239
Goodwill impairment and subsequent price adjustments		117	-45
Write-downs and write-ups on receivables and other assets		9,380	18,071
Net profit or loss from equity-accounted investments		-124,114	-6,398
Foreign exchange differences and fair value measurement of financial instruments		-14,683	14,565
Net interest income/expense		40,412	35,724
Results from deconsolidation	2.2	4,142	357
Other non-cash income/expense/reclassifications		-2,017	-917
<b>Gross cash flow before tax</b>		<b>82,551</b>	<b>94,577</b>
Income taxes paid		-2,982	-2,840
<b>Gross cash flow after tax</b>		<b>79,569</b>	<b>91,737</b>
Change in real estate inventories		44	1,291
Change in trade and other receivables		-95,128	-26,581
Change in trade payables and other liabilities		4,498	-2,537
Change in provisions		-2,250	-8,991
<b>Cash flow from operating activities</b>		<b>-13,267</b>	<b>54,919</b>
Acquisition of investment property and property under construction		-63,901	-66,719
Business combinations and other acquisitions, net of cash and cash equivalents		-23,765	0
Acquisition/sale of current assets		-1,000	0
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		73,590	17,425
Acquisition of other non-current assets		-1,022	-2,629
Disposal of investment property and property under construction		42,126	12,861
Dividends received from equity-accounted investments	4.3	3,439	3,129
Interest or dividends received from financial instruments		100	982
<b>Cash flow from investing activities</b>		<b>29,567</b>	<b>-34,951</b>
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		166,712	102,292
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-224,679	-84,158
Derivatives		-4,858	-5,383
Interest paid		-26,937	-30,747
Payments on mandatory convertible bond		-2,400	0
Transactions with non-controlling interest owners		-8,501	0
<b>Cash flow from financing activities</b>		<b>-100,663</b>	<b>-17,996</b>
Net foreign exchange differences		-112	-4,867
<b>Change in cash and cash equivalents</b>		<b>-84,475</b>	<b>-2,895</b>
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		1,047,085	341,161
Plus cash and cash equivalents in disposal groups		4,333	3,980
Cash and cash equivalents at the beginning of the period		1,051,418	345,141
Cash and cash equivalents at the end of the period		966,943	342,246
Less cash and cash equivalents in disposal groups	4.5	0	2,752
<b>Cash and cash equivalents at the end of the period (consolidated balance sheet item)</b>		<b>966,943</b>	<b>339,494</b>

# Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2020		123,294	4,702,527	-156,328
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Transactions with non-controlling interest owners				
Disposal of non-controlling interests				
Balance on 30 June 2021		123,294	4,702,527	-156,328
Balance on 31 December 2019		112,085	4,465,194	-250,378
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Balance on 30 June 2020		112,085	4,465,194	-250,378

Accumulated other equity								
	Revaluation reserve (former AFS reserve)	IAS 19 reserve	Hedge accounting reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	-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
	12,767	-405	-3,398	-175,575	-1,200,196	2,960,094	-22,949	2,937,145
	-32,907		-650	-557		-34,114	-996	-35,110
					-119,938	-119,938	-426	-120,364
	-32,907		-650	-557	-119,938	-154,052	-1,422	-155,474
	-20,140	-405	-4,048	-176,132	-1,320,134	2,806,042	-24,371	2,781,671

# Notes

## 1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 June 2021 were prepared for the period from 1 January 2021 to 30 June 2021 (first half-year 2021) 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 2020 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 2020</b>	<b>194</b>	<b>2</b>	<b>7</b>	<b>203</b>
Companies initially included				
Other acquisitions	6	0	0	6
New foundations	3	0	0	3
Companies no longer included				
Sales	-6	0	0	-6
Mergers	-2	0	0	-2
Liquidations	-3	0	0	-3
<b>Balance on 30 June 2021</b>	<b>192</b>	<b>2</b>	<b>7</b>	<b>201</b>
thereof foreign companies	133	2	0	135
thereof in liquidation	14	0	0	14

### 2.2 Sale of subsidiaries

The effects of deconsolidations on the balance sheet positions and on earnings are summarised in the following table:

All amounts in TEUR	Q1-2 2021
Investment property (see 4.1)	35,000
Receivables and other assets	220
Deferred tax assets	1,060
Investment properties held for sale	74,991
Assets held for sale	10,140
Cash and cash equivalents held for sale	2,764
Cash and cash equivalents	2,160
Trade payables	-77
Other liabilities	-5,382
Provisions	-2
Deferred tax liabilities	-3,703
Liabilities held for sale	-40,849
<b>Net assets sold</b>	<b>76,322</b>
Consideration received in cash and cash equivalents	78,514
Less net assets sold	-76,322
Less non-controlling interests	2,002
Reclassification of foreign exchange differences to profit or loss	-8,336
<b>Results from deconsolidation</b>	<b>-4,142</b>
Consideration received in cash and cash equivalents	78,514
Less cash and cash equivalents sold	-4,924
<b>Net inflow of cash and cash equivalents</b>	<b>73,590</b>

## 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 2021	Q1–2 2020	Q1–2 2021	Q1–2 2020
Office	10,498	11,271	12,905	10,070
Retail	5,702	5,781	0	0
Other	1,893	2,268	1,107	1,192
<b>Rental income</b>	<b>18,093</b>	<b>19,320</b>	<b>14,012</b>	<b>11,262</b>
Operating costs charged to tenants	4,934	4,388	3,079	2,686
Other revenues	125	59	0	0
<b>Revenues</b>	<b>23,152</b>	<b>23,767</b>	<b>17,091</b>	<b>13,948</b>
Expenses from investment property	-8,343	-7,685	-1,902	-1,081
Operating expenses	-5,920	-5,784	-3,093	-2,746
<b>Results of asset management</b>	<b>8,889</b>	<b>10,298</b>	<b>12,096</b>	<b>10,121</b>
<b>Results of property sales</b>	<b>2,719</b>	<b>-620</b>	<b>-135</b>	<b>-158</b>
<b>Results of property development</b>	<b>-548</b>	<b>-6,198</b>	<b>27,495</b>	<b>-7,146</b>
Other operating income	58	120	126	23
Other operating expenses	-1,080	-206	-1,225	-1,195
<b>Results of operations</b>	<b>10,038</b>	<b>3,394</b>	<b>38,357</b>	<b>1,645</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>29,279</b>	<b>-13,810</b>	<b>11,684</b>	<b>-7,137</b>
<b>Operating profit (EBIT)</b>	<b>39,317</b>	<b>-10,416</b>	<b>50,041</b>	<b>-5,492</b>
	<b>30 6 2021</b>	<b>31 12 2020</b>	<b>30 6 2021</b>	<b>31 12 2020</b>
Investment property	849,028	763,325	561,115	542,954
Property under construction	88,530	150,510	133,566	94,756
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>937,558</b>	<b>913,835</b>	<b>695,240</b>	<b>638,269</b>
	<b>Q1–2 2021</b>	<b>Q1–2 2020</b>	<b>Q1–2 2021</b>	<b>Q1–2 2020</b>
<b>Segment investments</b>	<b>5,476</b>	<b>19,675</b>	<b>18,641</b>	<b>16,385</b>

All amounts in TEUR	Poland		Czech Republic	
	Q1-2 2021	Q1-2 2020	Q1-2 2021	Q1-2 2020
Office	19,217	20,037	7,402	7,110
Retail	11,752	11,305	6,742	6,752
Other	2,307	3,779	785	842
<b>Rental income</b>	<b>33,276</b>	<b>35,121</b>	<b>14,929</b>	<b>14,704</b>
Operating costs charged to tenants	10,253	10,972	3,942	3,721
Other revenues	121	1,418	12	56
<b>Revenues</b>	<b>43,650</b>	<b>47,511</b>	<b>18,883</b>	<b>18,481</b>
Expenses from investment property	-7,172	-8,279	-2,352	-2,812
Operating expenses	-12,523	-12,936	-4,095	-3,736
<b>Results of asset management</b>	<b>23,955</b>	<b>26,296</b>	<b>12,436</b>	<b>11,933</b>
<b>Results of property sales</b>	<b>2,161</b>	<b>-636</b>	<b>-54</b>	<b>-103</b>
<b>Results of property development</b>	<b>-5</b>	<b>-222</b>	<b>0</b>	<b>1</b>
Other operating income	41	221	17	29
Other operating expenses	-1,551	-1,752	-692	-730
<b>Results of operations</b>	<b>24,601</b>	<b>23,907</b>	<b>11,707</b>	<b>11,130</b>
Revaluation result from standing investments and goodwill	-4,487	-39,786	5,490	-5,958
<b>Operating profit (EBIT)</b>	<b>20,114</b>	<b>-15,879</b>	<b>17,197</b>	<b>5,172</b>
	<b>30 6 2021</b>	<b>31 12 2020</b>	<b>30 6 2021</b>	<b>31 12 2020</b>
Investment property	1,000,834	1,001,664	574,293	569,883
Property under construction	1,046	610	874	0
Goodwill	32	32	7,056	7,056
Investment properties held for sale	61,233	136,485	0	0
Real estate inventories	0	0	0	0
<b>Segment assets</b>	<b>1,063,145</b>	<b>1,138,791</b>	<b>582,223</b>	<b>576,939</b>
	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>
<b>Segment investments</b>	<b>5,109</b>	<b>6,950</b>	<b>679</b>	<b>1,005</b>

All amounts in TEUR	Slovakia		Hungary	
	Q1–2 2021	Q1–2 2020	Q1–2 2021	Q1–2 2020
Office	1,589	1,533	5,653	7,125
Retail	9,547	9,456	7,831	8,126
Other	247	324	959	1,188
<b>Rental income</b>	<b>11,383</b>	<b>11,313</b>	<b>14,443</b>	<b>16,439</b>
Operating costs charged to tenants	3,814	3,620	4,679	4,950
Other revenues	27	48	3	67
<b>Revenues</b>	<b>15,224</b>	<b>14,981</b>	<b>19,125</b>	<b>21,456</b>
Expenses from investment property	-4,404	-4,151	-2,177	-2,754
Operating expenses	-3,709	-3,370	-5,803	-5,836
<b>Results of asset management</b>	<b>7,111</b>	<b>7,460</b>	<b>11,145</b>	<b>12,866</b>
<b>Results of property sales</b>	<b>0</b>	<b>541</b>	<b>-4,275</b>	<b>-24</b>
<b>Results of property development</b>	<b>0</b>	<b>-61</b>	<b>-202</b>	<b>-89</b>
Other operating income	9	34	121	6
Other operating expenses	-808	-569	-669	-920
<b>Results of operations</b>	<b>6,312</b>	<b>7,405</b>	<b>6,120</b>	<b>11,839</b>
Revaluation result from standing investments and goodwill	1,475	-11,313	1,152	-14,062
<b>Operating profit (EBIT)</b>	<b>7,787</b>	<b>-3,908</b>	<b>7,272</b>	<b>-2,223</b>
	<b>30 6 2021</b>	<b>31 12 2020</b>	<b>30 6 2021</b>	<b>31 12 2020</b>
Investment property	326,401	324,874	380,243	414,240
Property under construction	0	0	69,080	67,730
Goodwill	184	184	2,385	2,385
Investment properties held for sale	0	0	0	20,030
Real estate inventories	0	0	0	0
<b>Segment assets</b>	<b>326,585</b>	<b>325,058</b>	<b>451,708</b>	<b>504,385</b>
	<b>Q1–2 2021</b>	<b>Q1–2 2020</b>	<b>Q1–2 2021</b>	<b>Q1–2 2020</b>
<b>Segment investments</b>	<b>578</b>	<b>2,110</b>	<b>1,634</b>	<b>531</b>

All amounts in TEUR	Romania		Adriatic	
	Q1-2 2021	Q1-2 2020	Q1-2 2021	Q1-2 2020
Office	7,984	8,378	753	677
Retail	13,404	13,717	13,770	12,041
Other	2,717	2,957	204	263
<b>Rental income</b>	<b>24,105</b>	<b>25,052</b>	<b>14,727</b>	<b>12,981</b>
Operating costs charged to tenants	8,333	8,442	3,326	2,569
Other revenues	125	162	87	309
<b>Revenues</b>	<b>32,563</b>	<b>33,656</b>	<b>18,140</b>	<b>15,859</b>
Expenses from investment property	-3,520	-8,975	-1,590	-3,063
Operating expenses	-10,814	-10,946	-3,502	-2,661
<b>Results of asset management</b>	<b>18,229</b>	<b>13,735</b>	<b>13,048</b>	<b>10,135</b>
<b>Results of property sales</b>	<b>-458</b>	<b>521</b>	<b>-383</b>	<b>-259</b>
<b>Results of property development</b>	<b>-4,758</b>	<b>-2,981</b>	<b>-8</b>	<b>-27</b>
Other operating income	389	430	43	50
Other operating expenses	-993	-4,032	-978	-603
<b>Results of operations</b>	<b>12,409</b>	<b>7,673</b>	<b>11,722</b>	<b>9,296</b>
Revaluation result from standing investments and goodwill	-687	-43,782	8,634	-6,765
<b>Operating profit (EBIT)</b>	<b>11,722</b>	<b>-36,109</b>	<b>20,356</b>	<b>2,531</b>
	<b>30 6 2021</b>	<b>31 12 2020</b>	<b>30 6 2021</b>	<b>31 12 2020</b>
Investment property	704,609	710,830	360,280	326,330
Property under construction	71,080	38,540	18,008	6,494
Goodwill	13,412	13,529	1,001	998
Investment properties held for sale	8,350	6,870	0	0
Real estate inventories	60	60	0	0
<b>Segment assets</b>	<b>797,511</b>	<b>769,829</b>	<b>379,289</b>	<b>333,822</b>
	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>
<b>Segment investments</b>	<b>38,294</b>	<b>10,147</b>	<b>36,547</b>	<b>730</b>

All amounts in TEUR	Other Countries		Total reportable segments	
	Q1-2 2021	Q1-2 2020	Q1-2 2021	Q1-2 2020
Office	0	0	66,001	66,201
Retail	0	0	68,748	67,178
Other	20	29	10,239	12,842
<b>Rental income</b>	<b>20</b>	<b>29</b>	<b>144,988</b>	<b>146,221</b>
Operating costs charged to tenants	0	0	42,360	41,348
Other revenues	0	0	500	2,119
<b>Revenues</b>	<b>20</b>	<b>29</b>	<b>187,848</b>	<b>189,688</b>
Expenses from investment property	-122	-92	-31,582	-38,892
Operating expenses	0	0	-49,459	-48,015
<b>Results of asset management</b>	<b>-102</b>	<b>-63</b>	<b>106,807</b>	<b>102,781</b>
<b>Results of property sales</b>	<b>12</b>	<b>0</b>	<b>-413</b>	<b>-738</b>
<b>Results of property development</b>	<b>0</b>	<b>0</b>	<b>21,974</b>	<b>-16,723</b>
Other operating income	324	2	1,128	915
Other operating expenses	-209	-64	-8,205	-10,071
<b>Results of operations</b>	<b>25</b>	<b>-125</b>	<b>121,291</b>	<b>76,164</b>
Revaluation result from standing investments and goodwill	2	-754	52,542	-143,367
<b>Operating profit (EBIT)</b>	<b>27</b>	<b>-879</b>	<b>173,833</b>	<b>-67,203</b>
	<b>30 6 2021</b>	<b>31 12 2020</b>	<b>30 6 2021</b>	<b>31 12 2020</b>
Investment property	17,978	26,251	4,774,781	4,680,351
Property under construction	0	0	382,184	358,640
Goodwill	0	0	24,070	24,184
Investment properties held for sale	2,900	0	72,483	163,385
Real estate inventories	0	0	619	619
<b>Segment assets</b>	<b>20,878</b>	<b>26,251</b>	<b>5,254,137</b>	<b>5,227,179</b>
	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>
<b>Segment investments</b>	<b>196</b>	<b>0</b>	<b>107,154</b>	<b>57,533</b>

All amounts in TEUR	Reconciliation to consolidated financial statements		IMMOFINANZ	
	Q1-2 2021	Q1-2 2020	Q1-2 2021	Q1-2 2020
Office	0	0	66,001	66,201
Retail	0	0	68,748	67,178
Other	0	0	10,239	12,842
<b>Rental income</b>	<b>0</b>	<b>0</b>	<b>144,988</b>	<b>146,221</b>
Operating costs charged to tenants	0	0	42,360	41,348
Other revenues	0	0	500	2,119
<b>Revenues</b>	<b>0</b>	<b>0</b>	<b>187,848</b>	<b>189,688</b>
Expenses from investment property	0	0	-31,582	-38,892
Operating expenses	0	0	-49,459	-48,015
<b>Results of asset management</b>	<b>0</b>	<b>0</b>	<b>106,807</b>	<b>102,781</b>
<b>Results of property sales</b>	<b>-3,264</b>	<b>0</b>	<b>-3,677</b>	<b>-738</b>
<b>Results of property development</b>	<b>0</b>	<b>0</b>	<b>21,974</b>	<b>-16,723</b>
Other operating income	64	26	1,192	941
Other operating expenses	-14,762	-16,462	-22,967	-26,533
<b>Results of operations</b>	<b>-17,962</b>	<b>-16,436</b>	<b>103,329</b>	<b>59,728</b>
Revaluation result from standing investments and goodwill	0	0	52,542	-143,367
<b>Operating profit (EBIT)</b>	<b>-17,962</b>	<b>-16,436</b>	<b>155,871</b>	<b>-83,639</b>
	<b>30 6 2021</b>	<b>31 12 2020</b>	<b>30 6 2021</b>	<b>31 12 2020</b>
Investment property	0	0	4,774,781	4,680,351
Property under construction	0	0	382,184	358,640
Goodwill	0	0	24,070	24,184
Investment properties held for sale	0	0	72,483	163,385
Real estate inventories	0	0	619	619
<b>Segment assets</b>	<b>0</b>	<b>0</b>	<b>5,254,137</b>	<b>5,227,179</b>
	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>	<b>Q1-2 2021</b>	<b>Q1-2 2020</b>
<b>Segment investments</b>	<b>0</b>	<b>0</b>	<b>107,154</b>	<b>57,533</b>

## 4. Notes to the Consolidated Balance Sheet

### 4.1 Investment property

The development of the investment properties during the first half of 2021 is as follows:

All amounts in TEUR	Q1–2 2021
<b>Beginning balance</b>	<b>4,680,351</b>
Deconsolidations (see 2.2)	-35,000
Currency translation adjustments	-2,223
Additions	57,117
Disposals	-20,061
Revaluation	56,310
Reclassifications	44,187
Reclassification to assets held for sale	-5,900
<b>Ending balance</b>	<b>4,774,781</b>

The additions consist chiefly of investments in retail properties in Serbia and Croatia as well as office properties in Austria and Germany, while the disposals primarily involve the sale of an office property in Austria and land in Turkey. The reclassifications consist mainly of transfers from property under construction to investment property in Austria.

Investment property includes IFRS 16 rights of use totalling EUR 62.7 million (2020: EUR 60.7 million). As of 30 June 2021, no IFRS 16 rights of use in investment property were reported as assets held for sale (2020: EUR 2.6 million).

### 4.2 Property under construction

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

All amounts in TEUR	Q1–2 2021
<b>Beginning balance</b>	<b>358,640</b>
Currency translation adjustments	119
Additions	50,037
Revaluation	23,121
Reclassifications	-49,733
<b>Ending balance</b>	<b>382,184</b>

The additions are related primarily to myhive development projects in Germany and Romania (the Medienhafen in Düsseldorf and the Victoriei in Bucharest) and to investments in Vienna and Budapest.

The reclassifications involve, above all, transfers from property under construction to investment property in Austria.

Property under construction did not include any IFRS 16 rights of use as of 30 June 2021 or 30 June 2020. All IFRS 16 rights of use attributable to property under construction (EUR 14.0 million; 2020: EUR 12.4 million) are reported under assets held for sale (see section **Error! Reference source not found.**).

## 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
Interest held by IMMOFINANZ	26.49%		
<b>Beginning balance</b>	<b>363,589</b>	<b>4,343</b>	<b>367,932</b>
Current net profit or loss from equity-accounted investments	36,505	2,335	38,840
Other comprehensive income from currency translation adjustment	-300	54	-246
Other comprehensive income from financial instruments measured at fair value through other comprehensive income (FVOCI)	11,341	0	11,341
Other comprehensive income from the change in the hedge accounting reserve	1,089	0	1,089
Offset of results with other net investment positions	0	165	165
Dividend	0	-3,439	-3,439
Reversals of impairment losses	85,274	0	85,274
<b>Ending balance</b>	<b>497,498</b>	<b>3,458</b>	<b>500,956</b>

The carrying amount of the equity-accounted investments totalled EUR 501.0 million as of 30 June 2021, whereby EUR 497.5 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 25.51. The share of results from equity-accounted investments reported on the income statement amounts to EUR 124.1 million, whereby EUR 121.8 million are attributable to S IMMO AG.

There were no objective indications of impairment to the S IMMO investment as of 30 June 2021.

## 4.4 Trade and other receivables

All amounts in TEUR	30 6 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2020
Rents receivable	36,236	35,946	290	0	25,420
Miscellaneous	24,027	24,027	0	0	27,559
<b>Total trade accounts receivable</b>	<b>60,263</b>	<b>59,973</b>	<b>290</b>	<b>0</b>	<b>52,979</b>
Receivables due from associates	0	0	0	0	5
Receivables due from joint ventures	1,783	1,124	644	15	1,752
<b>Receivables due from equity-accounted investments</b>	<b>1,783</b>	<b>1,124</b>	<b>644</b>	<b>15</b>	<b>1,757</b>
Restricted funds	39,013	6,377	31,045	1,591	40,883
Financing	7,311	86	107	7,118	7,758
Property management	4,350	4,036	292	22	1,499
Outstanding purchase price receivables - sale of properties	70	70	0	0	70
Outstanding purchase price receivables - sale of shares in other companies	13,642	13,642	0	0	12,960
Miscellaneous	93,183	92,228	888	67	9,384
<b>Total other financial receivables</b>	<b>157,569</b>	<b>116,439</b>	<b>32,332</b>	<b>8,798</b>	<b>72,554</b>
Tax authorities	17,684	17,684	0	0	16,586
Other contractual assets	724	724	0	0	763
<b>Total other non-financial receivables</b>	<b>18,408</b>	<b>18,408</b>	<b>0</b>	<b>0</b>	<b>17,349</b>
<b>Total</b>	<b>238,023</b>	<b>195,944</b>	<b>33,266</b>	<b>8,813</b>	<b>144,639</b>

Additional information on the receivables write-offs resulting from COVID-19 is provided in section 5.2.

The increase in other financial receivables is related to advance payments for the acquisition of shares in a project company. This project company is responsible for the construction of retail parks under the STOP SHOP brand.

## 4.5 Assets and liabilities held for sale

Of the assets and liabilities classified as held for sale as of 31 December 2020, four office properties in Poland, two office properties in Hungary and land assigned to the Other asset class were sold during the first half of 2021.

Management stands by its intention to sell the remaining assets and liabilities classified as held for sale as of 31 December 2020 and to complete the sales not realised as of 30 June 2021.

The following table provides summarised information on the assets and liabilities classified as held for sale as of 30 June 2021:

<b>All amounts in TEUR</b>	<b>Carrying amount as of 30 6 2021</b>	<b>Carrying amount as of 31 12 2020</b>
Investment property	13,561	104,417
Property under construction	58,922	58,968
Deferred tax assets	0	147
Trade and other receivables	0	517
Cash and cash equivalents	0	4,333
<b>Assets held for sale</b>	<b>72,483</b>	<b>168,382</b>
<b>Reclassifiable reserves</b>	<b>0</b>	<b>-904</b>
Financial liabilities	13,982	40,901
Trade and other payables	0	1,837
Provisions	0	315
Deferred tax liabilities	0	1,810
<b>Liabilities held for sale</b>	<b>13,982</b>	<b>44,863</b>

The investment property and property under construction which are classified as held for sale include IFRS 16 rights of use totalling EUR 0.0 million (2020: EUR 2.6 million), respectively EUR 14.0 million (2020: EUR 12.4 million).

The financial liabilities held for sale include lease liabilities of EUR 14.0 million (2020: EUR 15.0 million).

## 4.6 Liabilities from convertible bonds

IMMOFINANZ had convertible bonds with a total nominal value of EUR 294.5 million outstanding as of 30 June 2021 (31 December 2020: EUR 294.5 million). The underlying bond liability and the related interest coupons are measured at amortised cost based on the effective interest method.

All amounts in TEUR	30 6 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2020
Convertible bond 2017–2024	280,123	4,405	275,718	0	277,205
Mandatory convertible bond 2020–2023	11,576	4,787	6,789	0	13,851
<b>Total</b>	<b>291,699</b>	<b>9,192</b>	<b>282,507</b>	<b>0</b>	<b>291,056</b>

### Convertible bond 2017–2024

IMMOFINANZ issued a convertible bond on 24 January 2017 through an accelerated book-building process with institutional investors. The bond has a nominal value of EUR 297.2 million, an initial interest rate of 2.0% and a term ending on 24 January 2024. Following the receipt of an investment grade rating of BBB- from S&P Global Ratings in the first quarter of 2019, the coupon was reduced by 0.5% to 1.5% in accordance with the issue terms beginning with the interest rate period as of 24 January 2019. S&P Global Ratings confirmed this rating during its annual review process in February 2020 and again after the successful share placement and issue of the mandatory convertible bond in July 2020 as well as in connection with the annual review process in February 2021. The outlook for the issuer rating is set at stable.

The convertible bond 2017–2024 includes a (non-separable) put option at the nominal value plus accrued interest as of 24 January 2022, which also determined the instrument's maturity up to the third quarter of 2020. As of 31 December 2020, the term was changed to 24 January 2024 based on a revised estimate for the probable exercise of the put option.

The conversion price for the convertible bond 2017–2024 currently equals EUR 21.3772 per share. The conversion right can be exercised up to 10 January 2024.

### Mandatory convertible bond 2020–2023

IMMOFINANZ issued a subordinated mandatory convertible bond with a total nominal value of EUR 120.0 million on 23 July 2020. The mandatory convertible bond represents a hybrid financial instrument which must be separated into equity and debt components on initial recognition. The regular interest payments are classified as a financial liability, while the mandatory conversion is considered an equity component. The liabilities from convertible bonds include a liability equal to the present value of future interest payments on this mandatory convertible bond.

## 4.7 Financial liabilities

The following table shows the composition and classification of financial liabilities by remaining term as of 30 June 2021:

All amounts in TEUR	30 6 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2020
Amounts due to financial institutions	1,865,642	142,502	1,084,622	638,518	1,875,952
thereof secured by collateral	1,865,519	142,379	1,084,622	638,518	1,875,829
thereof not secured by collateral	123	123	0	0	123
Liabilities arising from the issue of bonds	979,822	25,625	472,065	482,132	978,051
Other financial liabilities	63,822	3,364	9,992	50,466	62,048
<b>Total</b>	<b>2,909,286</b>	<b>171,491</b>	<b>1,566,679</b>	<b>1,171,116</b>	<b>2,916,051</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 nominal value of EUR 482.8 million, a four-year term and an interest rate of 2.625%. The other bond was issued on 8 October 2020; it has a nominal value of EUR 500 million, a seven-year term and an interest rate of 2.50%.

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

## 4.8 Trade payables and other liabilities

All amounts in TEUR	30 6 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2020
<b>Trade payables</b>	<b>56,496</b>	<b>55,295</b>	<b>1,201</b>	<b>0</b>	<b>65,714</b>
Derivative financial instruments (liabilities)	14,715	0	9,067	5,648	29,178
Property management	6,412	6,412	0	0	6,763
Amounts due to non-controlling interests	0	0	0	0	4,594
Amounts due to associated companies	84	84	0	0	107
Amounts due to joint ventures	313	4	19	290	320
Deposits and guarantees received	26,071	6,804	14,448	4,819	25,644
Prepayments received on property sales	1,060	1,060	0	0	810
Construction and refurbishment	1,394	1,185	209	0	2,297
Outstanding purchase prices (acquisition of properties)	8	8	0	0	0
Miscellaneous	12,997	12,953	33	11	18,469
<b>Total other financial liabilities</b>	<b>63,054</b>	<b>28,510</b>	<b>23,776</b>	<b>10,768</b>	<b>88,182</b>
Tax authorities	11,751	11,751	0	0	9,514
Rental and lease prepayments received	22,049	20,861	153	1,035	25,548
<b>Total non-financial liabilities</b>	<b>33,800</b>	<b>32,612</b>	<b>153</b>	<b>1,035</b>	<b>35,062</b>
<b>Total</b>	<b>153,350</b>	<b>116,417</b>	<b>25,130</b>	<b>11,803</b>	<b>188,958</b>

## 5. Notes to the Consolidated Income Statement

### 5.1 Rental income

All amounts in TEUR				Q1–2 2021
	Office	Retail	Other	Total
Office space	64,805	114	138	65,057
Retail space	2,302	65,348	0	67,650
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
<b>Total</b>	<b>77,626</b>	<b>67,075</b>	<b>287</b>	<b>144,988</b>

All amounts in TEUR				Q1–2 2020
	Office	Retail	Other	Total
Office space	66,030	73	77	66,180
Retail space	3,862	62,733	0	66,595
Other space	10,998	1,496	952	13,446
thereof parking areas	6,776	162	215	7,153
thereof warehouse space	2,456	195	0	2,651
thereof hotel	123	0	705	828
thereof advertising and telecommunications	912	1,056	3	1,971
thereof other	731	83	29	843
<b>Total</b>	<b>80,890</b>	<b>64,302</b>	<b>1,029</b>	<b>146,221</b>

COVID-19 led to the legally mandated suspension of rental payments in individual countries during the first half of 2021. In addition, voluntary retrospective and prospective rental price reductions were agreed. The pure suspension of rental payments does not have an impact on recognised revenues. Rental price reductions for future periods will be distributed over the remaining term of the respective contract as lease incentives. Previously invoiced rental payments were written down and expensed accordingly (information on the receivables write-offs resulting from COVID-19 is also provided in 5.2).

### 5.2 Expenses from investment property

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Commission expenses	-209	-220
Maintenance	-4,794	-7,192
Operating costs charged to building owners	-6,622	-6,252
Property marketing	-1,902	-1,670
Personnel expenses from asset management	-2,493	-2,441
Other expenses from asset management	-1,362	-1,263
Fit-out costs	-4,316	-1,030
Write-off of receivables from asset management	-9,381	-18,249
Other expenses	-503	-575
<b>Total</b>	<b>-31,582</b>	<b>-38,892</b>

The decline in receivables write-offs is attributable to the increased write-offs in the previous year which resulted from COVID-19. Of the EUR -9.4 million receivables write-offs recognised in the first half of 2021, EUR -9.2 million are attributable to COVID-19.

### 5.3 Results of property sales

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Office	34,470	0
Retail	2,000	8,369
Other	4,636	548
<b>Proceeds from property sales</b>	<b>41,106</b>	<b>8,917</b>
Less carrying amount of sold properties	-41,106	-8,369
<b>Net gain/loss from property sales</b>	<b>0</b>	<b>548</b>
<b>Results from deconsolidation</b>	<b>-4,142</b>	<b>-357</b>
Sales commissions	-256	-216
Personnel expenses from property sales	-168	-701
Legal, auditing and consulting fees from property sales	-890	-1,035
VAT adjustments from the sale of properties	-534	0
Other expenses	-46	94
<b>Expenses from property sales</b>	<b>-1,894</b>	<b>-1,858</b>
<b>Revaluation results from properties sold and held for sale (see 5.7)</b>	<b>2,359</b>	<b>929</b>
<b>Total</b>	<b>-3,677</b>	<b>-738</b>

COVID-19 has led to delays in the completion of property sales during 2021, but there were no price adjustments. The results from deconsolidation include EUR -8.3 million from the reclassification of currency translation differences to profit or loss, whereby EUR -3.3 million are attributable to the liquidation of a Cypriot holding company. This liquidation was approved in 2018 and finalised during the first half of 2021. The negative effect from the reclassification of currency translation differences on the income statement is neutralised on the statement of comprehensive income.

### 5.4 Results of property development

All amounts in TEUR	Q1–2 2021	Q1–2 2020
<b>Proceeds from the sale of real estate inventories</b>	<b>0</b>	<b>567</b>
<b>Cost of real estate inventories sold</b>	<b>0</b>	<b>-19</b>
Income and expenses related to written-off purchase price receivables from the sale of real estate inventories	-9	0
Operating costs charged to building owners of real estate inventories	0	-9
Other expenses from real estate inventories	0	1,179
<b>Expenses from real estate inventories</b>	<b>-9</b>	<b>1,170</b>
<b>Expenses from property development</b>	<b>-1,138</b>	<b>-1,685</b>
<b>Revaluation results from properties under construction (see 5.7)</b>	<b>23,121</b>	<b>-16,756</b>
<b>Total</b>	<b>21,974</b>	<b>-16,723</b>

## 5.5 Other operating income

Other operating income comprises the following items:

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Expenses charged on	17	243
Insurance compensation	42	99
Income from derecognised liabilities	576	37
Reimbursement for penalties	4	53
Miscellaneous	553	509
<b>Total</b>	<b>1,192</b>	<b>941</b>

The income from derecognised liabilities consists primarily of an expired, non-refundable advance purchase price of TEUR 324 in the “Other Countries“ operating segment.

Most of the miscellaneous other operating income in 2021 involves income from tax credits and contract registration fees.

## 5.6 Other operating expenses

Other operating expenses include the following items:

All amounts in TEUR	Q1–2 2021	Q1–2 2020
Administrative expenses	-34	-78
Legal, auditing and consulting fees	-6,055	-3,978
Penalties	-21	-6
Taxes and levies	-746	-2,593
Advertising	-2,035	-1,648
EDP and communications	-615	-1,373
Expert opinions	-266	-240
Personnel expenses	-11,395	-13,901
Other write-downs	-803	-687
Miscellaneous	-997	-2,029
<b>Total</b>	<b>-22,967</b>	<b>-26,533</b>

The decrease in other operating expenses resulted, above all, from a substantial year-on-year decline in taxes, levies and personnel expenses. In the first half of 2020, taxes and levies included the write-off of EUR 1.8 million in uncollectible VAT receivables in Romania.

## 5.7 Revaluation results from investment property and goodwill

The results from the revaluation of investment properties and goodwill in 2021 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 2021			Q1–2 2020		
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total
Investment property	77,317	-24,676	52,641	8,731	-152,143	-143,412
Property under construction	31,224	-8,103	23,121	8	-16,764	-16,756
Properties sold and held for sale	4,713	-2,354	2,359	1,288	-359	929
<b>Total</b>	<b>113,254</b>	<b>-35,133</b>	<b>78,121</b>	<b>10,027</b>	<b>-169,266</b>	<b>-159,239</b>

## 5.8 Financial results

All amounts in TEUR	Q1–2 2021	Q1–2 2020
For financial liabilities AC	-37,549	-33,326
For derivative financial instruments	-4,608	-4,385
<b>Total financing costs</b>	<b>-42,157</b>	<b>-37,711</b>
For financial receivables AC	1,114	975
For derivative financial instruments	0	107
<b>Total financing income</b>	<b>1,114</b>	<b>1,082</b>
<b>Foreign exchange differences</b>	<b>37</b>	<b>253</b>
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-999	24
Valuation of financial instruments at fair value through profit or loss	11,266	-13,209
Distributions	0	606
Valuation adjustments and impairment of receivables	70	178
Negative interest on cash and cash equivalents	-1,879	0
<b>Other financial results</b>	<b>8,458</b>	<b>-12,401</b>
<b>Net profit or loss from equity-accounted investments</b>	<b>124,114</b>	<b>6,397</b>
<b>Total</b>	<b>91,566</b>	<b>-42,380</b>

AC: financial assets/liabilities measured at amortised cost

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.

	Carrying amount of financial assets	Carrying amount of non-financial assets	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	30 6 2021	30 6 2021	30 6 2021	31 12 2020	30 6 2021	31 12 2020
Trade accounts receivable	60,263	0	60,263	52,979	60,263	52,979
Financing receivables	9,094	0	9,094	9,515	9,094	9,515
Loans and other receivables	150,258	18,408	168,666	82,145	168,666	82,145
<b>Trade and other receivables</b>	<b>219,615</b>	<b>18,408</b>	<b>238,023</b>	<b>144,639</b>	<b>238,023</b>	<b>144,639</b>
Real estate fund shares	1,991	0	1,991	1,911	1,991	1,911
Derivatives	240	0	240	0	240	0
Miscellaneous other financial instruments	10,611	0	10,611	10,613	10,611	10,613
<b>Other financial assets</b>	<b>12,842</b>	<b>0</b>	<b>12,842</b>	<b>12,524</b>	<b>12,842</b>	<b>12,524</b>
<b>Cash and cash equivalents</b>	<b>966,943</b>	<b>0</b>	<b>966,943</b>	<b>1,047,085</b>	<b>966,943</b>	<b>1,047,085</b>
<b>Total assets</b>	<b>1,199,400</b>	<b>18,408</b>	<b>1,217,808</b>	<b>1,204,248</b>	<b>1,217,808</b>	<b>1,204,248</b>

	Carrying amount of financial liabilities	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
All amounts in TEUR	30 6 2021	30 6 2021	30 6 2021	31 12 2020	30 6 2021	31 12 2020
<b>Liabilities from convertible bonds</b>	<b>291,699</b>	<b>0</b>	<b>291,699</b>	<b>291,056</b>	<b>310,180</b>	<b>312,505</b>
Bonds	979,822	0	979,822	978,051	1,016,094	1,022,436
Amounts due to financial institutions	1,865,642	0	1,865,642	1,875,952	1,805,491	1,839,511
Other financial liabilities	63,822	0	63,822	62,048	63,822	62,048
<b>Financial liabilities</b>	<b>2,909,286</b>	<b>0</b>	<b>2,909,286</b>	<b>2,916,051</b>	<b>2,885,407</b>	<b>2,923,995</b>
Trade payables	56,496	0	56,496	65,714	56,496	65,714
Derivatives	14,715	0	14,715	29,178	14,715	29,178
Miscellaneous other liabilities	48,339	33,800	82,139	94,066	82,139	94,066
<b>Trade and other payables</b>	<b>119,550</b>	<b>33,800</b>	<b>153,350</b>	<b>188,958</b>	<b>153,350</b>	<b>188,958</b>
<b>Total equity and liabilities</b>	<b>3,320,535</b>	<b>33,800</b>	<b>3,354,335</b>	<b>3,396,065</b>	<b>3,348,937</b>	<b>3,425,458</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 6 2021
				Total
<b>Financial assets at fair value through other comprehensive income</b>				
Miscellaneous other financial instruments		-	3,879	3,879
<b>Financial assets at fair value through profit or loss</b>				
Real estate fund shares	-	-	1,991	1,991
Derivatives	-	-	240	240
Miscellaneous other financial instruments	6,732	-	-	6,732
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	-	14,715	14,715

All amounts in TEUR	Level 1	Level 2	Level 3	31 12 2020
				Total
<b>Financial assets available for sale</b>				
Miscellaneous other financial instruments	-	-	3,979	3,979
<b>Financial assets at fair value through profit or loss</b>				
Real estate fund shares	-	-	1,911	1,911
Miscellaneous other financial instruments	6,634	-	-	6,634
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	-	29,178	29,178

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 2021	Q1–2 2021	Q1–2 2021	Q1–2 2021
<b>Beginning balance</b>	1,911	-29,178	3,979	-23,288
Recognised in the consolidated income statement	80	11,088	0	11,168
Recognised in other comprehensive income	0	0	-1,100	-1,100
Additions	0	-226	1,000	774
Disposals	0	3,823	0	3,823
Reclassification from/to assets held for sale	0	18	0	18
<b>Ending balance</b>	1,991	-14,475	3,879	-8,605

Of the EUR 11.2 million results recognised in profit or loss and reported in the above table, EUR 10.3 million are attributable to financial instruments that were held as of 30 June 2021. 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	Real estate fund shares	Net present value methods	Discount rate, expected principal repayments and dividends	Discount rate: 8.50% to 9.00%
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: 1.50% to 2.75%
3	Miscellaneous other financial instruments	Net present value methods	Discount rate, expected cash flows	Discount rate: 14.91% to 15.22%

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, the 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 2021:

All amounts in TEUR	30 6 2021	31 12 2020
<b>Relations with joint ventures</b>		
Receivables	1,783	1,752
thereof bad debt allowance	-5,870	-5,776
Liabilities	314	318
<b>Relations with associated companies</b>		
Receivables	0	5
Liabilities	84	107
All amounts in TEUR	Q1-2 2021	Q1-2 2020
<b>Relations with joint ventures</b>		
Other income	5	5
Interest income	125	126
Write-downs/write-ups to receivables	-94	24
thereof results that increase or reduce the net investment	-164	-143
<b>Relations with associated companies</b>		
Other income	311	387
Other expenses	-1,298	-1,218

There were no reportable transactions between IMMOFINANZ and related persons in the first half of 2021.

## 8. Subsequent Events

On 2 July 2021, IMMOFINANZ acquired a retail park with roughly 27,000 sqm of rentable space in the North Italian city of San Fior. The seller is Barings, an international investment bank. The sale price amounted to approximately EUR 35.0 million. This market entry in Italy gives IMMOFINANZ a presence in ten European countries with its STOP SHOP retail parks. Up to ten further STOP SHOP locations in Italy are planned by 2024.

On 26 August 2021, IMMOFINANZ announced that it intends to exercise its right to the premature mandatory conversion of the 4% mandatory convertible bond, which is due in 2023, at the total nominal amount of EUR 120 million on the optional mandatory conversion date of 26 September 2021 in accordance with the issue terms.

On 30 August 2021, the Executive Board and the Supervisory Board passed a resolution which calls for an increase in the dividend recommendation to the annual general meeting for the 2020 financial year from EUR 0.55 to EUR 0.75 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 2021, 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, 30 August 2021

The Executive Board of IMMOFINANZ AG



Stefan Schönauer, CFO



Dietmar Reindl, COO

## Financial Calendar 2021

9 October 2021	Record date for participation at the annual general meeting
19 October 2021	28th annual general meeting
21 October 2021	Ex-dividend date
22 October 2021	Record date for the determination of dividend rights
25 October 2021	Dividend payment date
29 November 2021 <sup>1</sup>	Announcement of results for the first three quarters of 2021
30 November 2021	Interim financial statements on the first three quarters of 2021

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

## Imprint

**Photos:** IMMOFINANZ AG, GoodStudio/Shutterstock.com

**Concept and realisation:** be.public Corporate & Financial Communications and Rosebud, produced inhouse using firesys GmbH (4–69)

**Print:** DRUCKWERKSTATT, Hosnedlgasse 16 b, 1220 Vienna

## Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. This report is published in German and English, and can be downloaded from the investor relations section of the IMMOFINANZ website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in IMMOFINANZ AG.

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

## IMMOFINANZ AG

Wienerbergstrasse 9  
1100 Vienna, Austria  
T +43 (0)1 880 90

investor@immofinanz.com www.  
immofinanz.com

