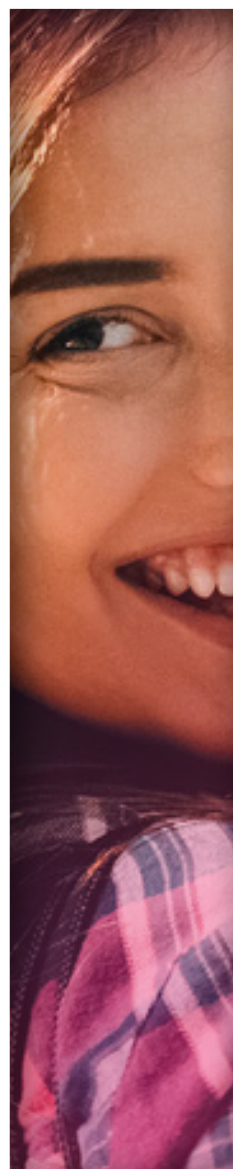
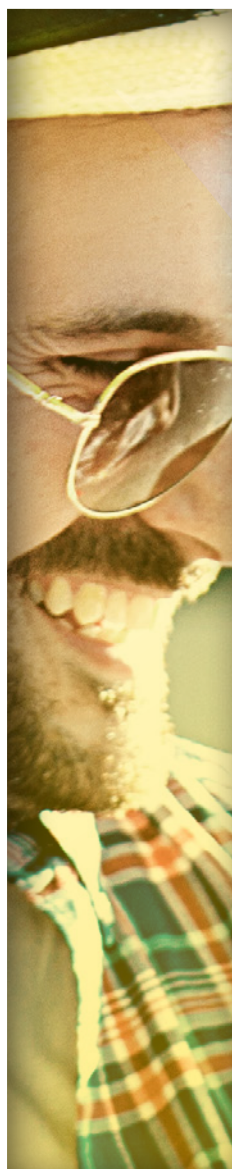
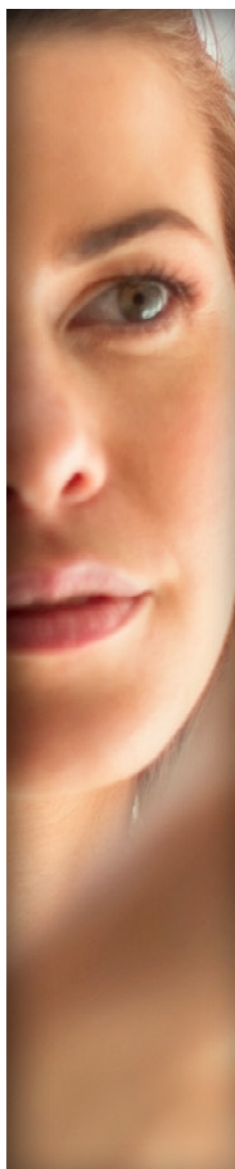


Consolidated Interim Financial Statements 1st–3rd Quarter 2020



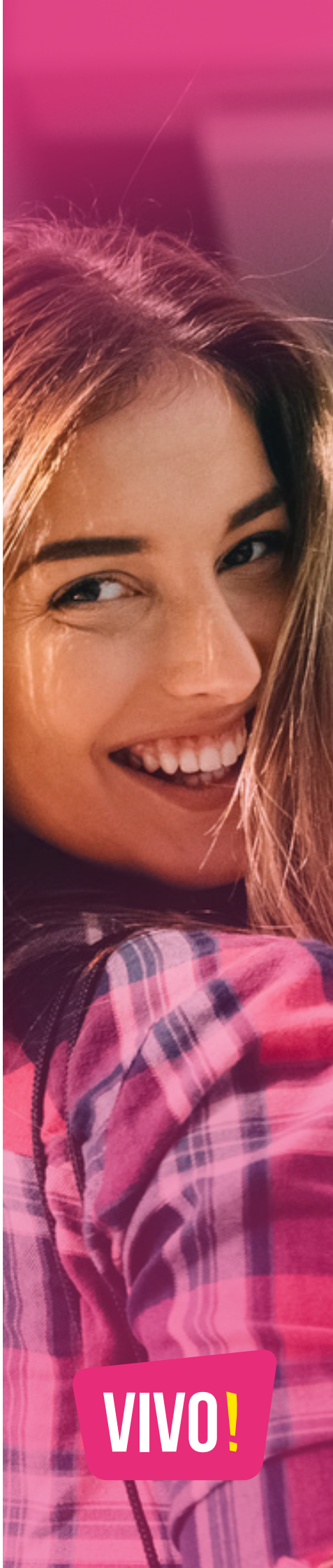
IMMOFINANZ

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Key Figures

Earnings

		Q1–3 2020	Q1–3 2019	Change in %
Rental income	in MEUR	215.1	203.4	5.7
Results of asset management	in MEUR	158.9	153.8	3.3
Results of property sales	in MEUR	9.5	3.7	≥ +100.0%
Results of property development	in MEUR	-21.0	9.1	n. a.
Results of operations	in MEUR	113.1	139.7	-19.1
Revaluations	in MEUR	-153.7	116.8	n. a.
EBIT	in MEUR	-31.7	237.1	n. a.
Financial results	in MEUR	-60.5	-25.3	≤ -100.0%
EBT	in MEUR	-92.2	211.8	n. a.
Net profit for the period	in MEUR	-98.3	202.6	n. a.
FFO 1 before tax (sustainable FFO from asset management) ¹	in MEUR	89.2	92.8	-3.9
FFO 1 per share before tax ¹	in EUR	0.83	0.86	-4.1
FFO 1 before tax with straight-lined coupon payment ²	in MEUR	92.4	84.0	10.1

¹ See calculation in the section on "Business Development"

² The first full year's coupon payment for the corporate bond 2023 in Q1 2020 (EUR 13.1 million) was straight-lined over a 12-month period for this calculation.

Assets

		30 09 2020	31 12 2019	Change in %
Balance sheet total	in MEUR	6,450.3	6,385.1	1.0
Equity as % of the balance sheet total	in %	48.6	46.0	n. a.
Net financial liabilities	in MEUR	2,140.5	2,483.1	-13.8
Cash and cash equivalents ¹	in MEUR	601.9	345.1	74.4
Loan-to-value ratio (net)	in %	38.4	43.0	n. a.
Gearing ²	in %	70.8	87.4	n. a.
Total average interest rate including costs for derivatives	in %	1.9	1.9	n. a.
Average term of financial liabilities ³	in years	3.5	4.0	-12.5

¹ Including cash and cash equivalents held for sale

² The prior year ratio was adjusted.

³ The convertible bond 2024 is presented at end of the bond term in 2024; the bondholders have a put option in 2022.

Investment property

		30 09 2020	31 12 2019	Change in %
Total number of properties		208	213	-2.3
Rentable space	in sqm	1,963,223	2,001,063	-1.9
Occupancy rate	in %	95.5	96.8	n. a.
Gross return ¹	in %	5.9	6.2	n. a.
Invoiced rents return ¹	in %	6.1	6.5	n. a.
Portfolio value ¹	in MEUR	4,944.0	5,122.1	-3.5
Unencumbered investment property	in MEUR	1,468.8	1,434.0	2.4

¹ According to "Portfolio Report"

EPRA¹

		30 09 2020	31 12 2019	Change in %
EPRA net asset value	in MEUR	3,447.3	3,563.7	-3.3
EPRA net asset value per share	in EUR	27.96	31.05	-9.9
EPRA triple net asset value	in MEUR	3,403.4	3,516.1	-3.2
EPRA triple net asset value per share	in EUR	27.60	30.63	-9.9
EPRA vacancy rate ²	in %	4.4	3.2	n. a.
		Q1-3 2020	Q1-3 2019	Change in %
EPRA earnings	in MEUR	40.8	110.5	-63.0
EPRA earnings per share	in EUR	0.38	1.03	-63.1
EPRA earnings after company-specific adjustments	in MEUR	46.4	113.6	-59.1
EPRA earnings per share after company-specific adjustments	in EUR	0.43	1.06	-59.2
EPRA capital expenditure	in MEUR	84.7	762.2	-88.9
EPRA net initial yield ³	in %	5.9	5.7	n. a.

¹ See calculations in the section on "EPRA Financial Indicators".

² 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.

³ The prior year ratio is presented for Q1-4 2019.

Stock exchange data

		30 09 2020	31 12 2019	Change in %
Book value per share	in EUR	25.61	29.34	-12.7
Share price at end of period	in EUR	13.51	23.90	-43.5
Discount of share price to EPRA NAV diluted per share	in %	51.7	23.0	n. a.
Total number of shares		123,293,795	112,085,269	10.0
thereof number of treasury shares		6,998,228	11,208,526	-37.6
Market capitalisation at end of period	in MEUR	1,760.2	2,678.8	-34.3
		Q1-3 2020	Q1-3 2019	Change in %
Earnings per share (basic)	in EUR	-0.91	1.90	n. a.
Earnings per share (diluted)	in EUR	-0.91	1.69	n. a.

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 $\geq +100\%$ or $\leq -100\%$. 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.

Consolidated Interim Financial Statements

Business Development

IMMOFINANZ started the 2020 financial year with strong operational performance, but the development of business was negatively influenced by the Covid-19 pandemic beginning at the end of March. Rental income rose by 5.7% to EUR 215.1 million due to the expansion of the portfolio through acquisitions and completions, but a crisis-related increase in the write-off of receivables in the asset management area, primarily in the second quarter, led to substantially higher property expenses. The results of asset management still improved by 3.3% to EUR 158.9 million despite these write-offs. The pandemic also had a negative influence on the valuation of investment property: revaluations totalled EUR -153.7 million, compared with clearly positive results in the first three quarters of the previous year (Q1–3 2019: EUR 116.8 million). This reduction represents roughly 3.0% of the total property portfolio. Net profit for the first three quarters of 2020 amounted to EUR -98.3 million, and FFO 1 from the standing investment business (before tax) was 3.9% lower year-on-year at EUR 89.2 million (Q1–3 2019: EUR 92.8 million). This FFO 1 includes, for the first time, the full year's coupon payment of EUR 13.1 million in January 2020 for the corporate bond 2023 as an expense. The straight-lining of this coupon payment results in FFO 1 of EUR 92.4 million for the first three quarters, which is 10.1% higher than the adjusted comparative amount of EUR 84.0 million.

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Rental income	215,078	203,404
Results of asset management	158,922	153,825
Results of property sales	9,467	3,673
Results of property development	-20,968	9,122
Other operating income	1,471	5,369
Other operating expenses	-35,832	-32,246
Results of operations	113,060	139,743
Revaluation result from standing investments and goodwill	-144,782	97,383
Operating profit (EBIT)	-31,722	237,126
Financial results	-60,525	-25,338
Earnings before tax (EBT)	-92,247	211,788
Net profit for the period from continuing operations	-98,263	198,314
Net profit or loss from discontinued operations	0	4,301
Net profit or loss	-98,263	202,615

Results of asset management, property sales and property development

The results of asset management include rental income, other revenues, operating income and operating costs as well as the expenses directly attributable to investment property. Rental income increased by 5.7%, or EUR 11.7 million, to EUR 215.1 million, above all due to acquisitions and property completions in the previous year.

The Covid-19 pandemic led to a substantial rise in the write-off of receivables from asset management to EUR -19.2 million (Q1–3 2019: EUR -0.8 million). Of this total, EUR -16.9 million are attributable to Covid-19 and were recorded primarily in the second quarter. In contrast, maintenance and real estate marketing costs declined to EUR -10.2 million (Q1–3 2019: EUR -12.6 million), respectively EUR -3.0 million (Q1–3 2019: EUR -5.3 million) based on the liquidity protection measures that were implemented immediately at the start of the crisis. Property expenses were 28.2% higher year-on-year at EUR -49.1 million (Q1–3 2019: EUR -38.3 million). An adjustment for the Covid-19 effects on the write-off of receivables results in a year-on-year reduction of 15.9%.

The results of asset management improved by 3.3% to EUR 158.9 million (Q1–3 2019: EUR 153.8 million). The results of property sales rose to EUR 9.5 million (Q1–3 2019: EUR 3.7 million), supported above all by the profitable sale of an office property in Düsseldorf and the related revaluation in the third quarter. The closing for this transaction is expected to take place at the end of 2020. Properties with a volume of EUR 51.9 million were sold during the first three quarters (asset and share deals), whereby the largest transactions involved an office property in Warsaw and land in Romania.

The results of property development turned negative at EUR -21.0 million (Q1–3 2019: EUR 9.1 million). This decline resulted from the foreign exchange-adjusted revaluation of properties under construction, which amounted to EUR -20.5 million (Q1–3 2019: EUR 15.0 million) and also reflected a Covid-19-related increase in market yields as well as cost increases on individual projects.

Results of operations

Other operating expenses rose by 11.1% to EUR -35.8 million (Q1–3 2019: EUR -32.2 million). The increase in personnel expenses included under this position is primarily attributable to a non-recurring payment related to the resignation of Oliver Schumy from the Executive Board. The results of operations equalled EUR 113.1 million and were 19.1% lower than in the previous year (Q1–3 2019: EUR 139.7 million).

Revaluation and operating profit

Results from the revaluation of standing investments and goodwill totalled EUR -144.8 million (Q1–3 2019: EUR 97.4 million), chiefly due to the negative effects of the Covid-19 pandemic. This decline in value represents roughly 3.2% of the carrying amount of the standing investments as of 30 September 2020. Retail properties were written down by EUR -68.4 million (4.2% of the carrying amount) and office properties by EUR -75.5 million (2.7% of the carrying amount). The external appraisals carried out by CBRE at the half-year show a slight increase in market yields (increase of up to 0.5% in the retail segment) as well as changed assumptions concerning re-letting in the portfolio properties.

Operating profit (EBIT) declined from EUR 237.1 million in the previous year to EUR -31.7 million.

Financial results and taxes

Financing costs totalled EUR -55.7 million (Q1–3 2019: EUR -51.5 million). After an adjustment for non-recurring effects (non-cash adjustments of effective interest method), financing costs fell by EUR 2.0 million. Average financing costs, including hedging, equalled 1.88% per year (31 December 2019: 1.91%). Other financial results amounted to EUR -13.4 million (Q1–3 2019: EUR -21.1 million) and resulted chiefly from the valuation of interest rate derivatives in the current low-interest environment.

The share of profit or loss from equity-accounted investments amounted to EUR 9.4 million (Q1–3 2019: EUR 47.1 million), whereby EUR 6.3 million are attributable to the share of earnings from S IMMO. Financial results totalled EUR -60.5 million in the first three quarters of 2020 (Q1–3 2019: EUR -25.3 million).

Net profit

Earnings before tax equalled EUR -92.2 million (Q1–3 2019: EUR 211.8 million). After the deduction of EUR -6.0 million (Q1–3 2019: EUR -13.5 million) in income taxes, net profit amounted to EUR -98.3 million (Q1–3 2019: EUR 202.6 million). This represents earnings per share (basic) of EUR -0.91 (Q1–3 2019: EUR 1.90).

Funds from operations (FFO)

FFO 1 from the standing investment business (before tax) declined by 3.9% year-on-year to EUR 89.2 million (Q1–3 2019: EUR 92.8 million), which represents FFO 1 per share of EUR 0.83 (Q1–3 2019: EUR 0.86). This FFO 1 includes, for the first time, the full year's coupon payment of EUR 13.1 million in January 2020 for the corporate bond 2023 as an expense. The straight-lining of this coupon payment results in FFO 1 of EUR 92.4 million for the first three quarters, which is 10.1% higher than the adjusted comparative amount of EUR 84.0 million.

Funds from operations (FFO)

All amounts in TEUR	P&L Q1–3 2020	Adjustments	FFO Q1–3 2020	FFO Q1–3 2019
Results of asset management	158,922	46	158,968	153,765
Results of property sales	9,467	-9,467		
Results of property development	-20,968	20,968		
Other operating income	1,471	-195	1,276	2,368
Other operating expenses	-35,832	7,422	-28,410	-29,003
Results of operations	113,060	18,775	131,835	127,130
Other revaluation results	-144,782	144,782		
Operating profit (EBIT)	-31,722	163,557	131,835	127,130
Financing costs	-55,691			
Financing income	1,647			
Foreign exchange differences	-2,452			
Other financial results	-13,446			
Net profit or loss from equity-accounted investments	9,417			
Financial results	-60,525	17,865	-42,660	-34,351
FFO 1 before tax (excl. S IMMO)			89,174	92,779
FFO 1 per share before tax (excl. S IMMO) in EUR			0.83	0.86
Dividends received from S IMMO			0	13,650
FFO 1 before tax (incl. S IMMO)			89,174	106,429
FFO 1 per share before tax (incl. S IMMO) in EUR			0.83	0.99
Including accrued interest on the bonds				
FFO 1 before tax (excl. S IMMO)			89,174	92,779
Accrued interest corporate bond 2023			3,272	-8,810
FFO 1 before tax adjusted for accrued interest (excl. S IMMO)			92,447	83,969
FFO 1 per share before tax adjusted for accrued interest (excl. S IMMO) in EUR			0.86	0.78
Number of shares (as per EPS formula) for the calculation			107,667,310	107,387,703

Balance sheet

The condensed balance sheet is shown below:

All amounts in TEUR	30 09 2020	in %	31 12 2019	in %
Investment property	4,702,751		4,985,257	
Property under construction	301,749	80.7	199,439	83.6
Real estate inventories	619		868	
Assets held for sale	197,792		154,622	
Other assets	60,397	0.9	55,771	0.9
Equity-accounted investments	440,896	6.8	478,191	7.5
Trade and other receivables	147,657	2.3	169,826	2.7
Cash and cash equivalents	598,462	9.3	341,161	5.3
Assets	6,450,323	100.0	6,385,135	100.0
Equity	3,132,373	48.6	2,937,145	46.0
Liabilities from convertible bonds	301,007	4.7	285,807	4.5
Financial liabilities	2,477,879	38.4	2,580,381	40.4
Trade and other payables	182,526	2.8	197,667	3.1
Other liabilities	91,062	1.4	108,849	1.7
Deferred tax liabilities	265,476	4.1	275,286	4.3
Equity and liabilities	6,450,323	100.0	6,385,135	100.0

The value of the property portfolio amounted to EUR 5.2 billion and represents 80.7% 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 440.9 million include EUR 437.5 million which are 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 22.44 (31 December 2019: EUR 24.34).

The increase in cash and cash equivalents and in equity resulted, above all, from the capital measures carried out in July 2020.

Outlook

IMMOFINANZ is very well positioned with its real estate solutions – myhive for high-quality offices with a comfortable atmosphere and lively community as well as the cost-efficient STOP SHOP and VIVO! retail brands – and with its robust financial base and intends to return to a profitable growth course as soon as possible. In the office sector, plans include further growth with the myhive brand in the capital cities of IMMOFINANZ's core countries. The goals for the STOP SHOP retail parks include an increase from the current level of 90 to roughly 140 locations over the coming years.

Despite the first positive reports of possible approvals for Covid-19 vaccines, uncertainty remains high over the further development and duration of the pandemic and over potential future containment measures and their impact on the economy and financing environment. IMMOFINANZ has therefore decided not to issue any guidance at the present time on the development of FFO 1 in the current year or the amount of a dividend for the 2020 financial year.

The Covid-19 pandemic and its effects continue to have a negative influence on the capital markets. From the current point of view, the recognition of an impairment loss to the investment in S IMMO may be required at the end of the fourth quarter of 2020. The amount of this potential impairment loss is dependent, among others, on the closing price of the S IMMO share at the end of December and would be reflected in net profit or loss for 2020. IMMOFINANZ holds 19,499,437 S IMMO shares. This material investment is included in the consolidated IFRS financial statements at equity. Accounting rules require an assessment as of the closing date

each quarter to determine whether there are objective indications of impairment to the investment. This decision is based on several pre-defined impairment triggers. An impairment test is carried out as soon as there are indications of impairment and – if necessary – the carrying amount of the investment is adjusted to reflect the fair value less selling costs. If the S IMMO share does not recover from the current level of roughly EUR 15.78 (closing price as of 23 November 2020) by year-end, at least one impairment trigger will take effect as of 31 December and result in a write-down that would presumably amount to approximately EUR -100.0 million.

IMMOFINANZ has also been faced with challenges due to the Covid-19 pandemic. We implemented a wide range of measures in recent months – on both the operating and capital sides – to minimise the negative effects and make the company even more robust. IMMOFINANZ is a strong and reliable partner for tenants and can also conclude successful transactions in uncertain times, as proved with the very profitable sale of a property in Germany. With a solid balance sheet and more than EUR 1 billion of liquid funds, the Group is optimally positioned for further growth and the opportunities that arise from the crisis.

EPRA Financial Indicators

Net asset value (NAV) und triple net asset value (NNNAV)

The calculation of EPRA NAV and EPRA NNNAV – in contrast to 31 December 2019 – does not include any potential diluting effects from the conversion of the IMMOFINANZ convertible bond 2024 because the bond was “not in the money” as of 30 September 2020. The number of shares which formed the basis for the calculations was increased by the placement of 15,418,824 shares (11,208,526 from authorised capital and 4,210,298 from the sale of treasury shares) in July 2020. In addition, the calculation of the EPRA NAV and EPRA NNNAV includes the mandatory convertible bond 2023 issued in July 2020 with a total of 6,998,228 shares because this bond must be converted into IMMOFINANZ shares and is classified as equity under IFRS.

EPRA NAV per share equalled EUR 27.96 as of 30 September 2020 (31 December 2019: diluted EUR 31.05). The absence of the dilution from the convertible bond 2024 had a positive effect of EUR 0.62 per share (see the following reconciliation). EPRA NNNAV per share equalled EUR 27.60 (31 December 2019: diluted EUR 30.63).

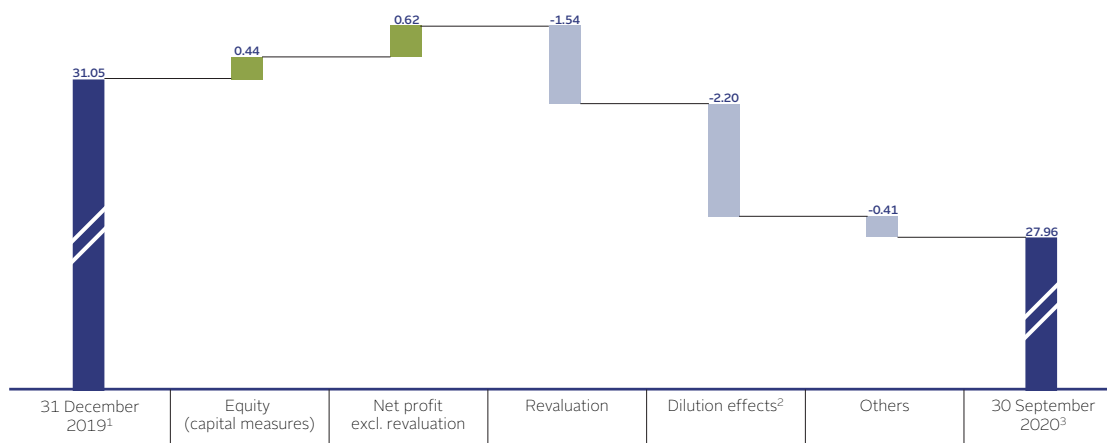
The book value per share equalled EUR 25.61 as of 30 September 2020 (31 December 2019: EUR 29.34).

The results of the NAV and NNNAV calculations are shown below:

	30 09 2020		31 12 2019	
	in TEUR	in EUR per share	in TEUR	in EUR per share
Equity excluding non-controlling interests	3,157,346		2,960,094	
Diluting effects of convertible bond 2024	0		285,807	
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,157,346		3,245,901	
Undisclosed reserves in real estate inventories	130		2	
Fair value of derivative financial instruments	30,600		18,311	
Deferred taxes on investment property	314,062		327,275	
Deferred taxes on real estate inventories and derivative financial instruments	-30,613		-3,590	
Goodwill resulting from deferred taxes	-24,184		-24,184	
Number of shares excluding treasury shares (in 1,000)		123,294		100,877
Potential shares (in 1,000)		0		13,903
EPRA NAV	3,447,341	27.96	3,563,715	31.05
Fair value of derivative financial instruments	-30,600		-18,311	
Effect of fair value measurement of financial liabilities	-16,863		-30,240	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	10,243		11,150	
Deferred taxes on investment property	-6,717		-10,253	
EPRA NNNAV	3,403,404	27.60	3,516,061	30.63

The European Public Real Estate Association (EPRA) recommends the publication of a revised version of the net asset value (NAV) indicators beginning with the annual financial statements for 2020. The NAV and NNNAV indicators are expected to be replaced by three new indicators at the end of 2020: net tangible assets (NTA), net reinstatement value (NRV) and net disposal value (NDV).

EPRA NAV bridge



¹ Number of shares as of 31 December 2019 in thousand: 114,780 (diluted)

² Capital increase, sale of treasury shares, mandatory convertible bond and dilution from potential shares of convertible bond 2024

³ Number of shares as of 30 September 2020 in thousand: 123,294 (basic)

EPRA earnings per share

EPRA earnings per share for the first three quarters of 2020 equalled EUR 0.38, respectively EUR 0.43 per share after company-specific adjustments.

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Weighted average number of shares (in 1,000)	107,667	107,388
Net profit or loss from continuing operations excluding non-controlling interests	-98,298	200,934
Revaluation of investment properties and development properties	165,275	-112,643
Results of property sales	-9,468	-3,672
Goodwill impairment, negative differences and earn-out effects on income	0	323
Changes in fair value of financial instruments	14,663	21,154
Taxes in respect of EPRA adjustments	-31,006	4,760
EPRA adjustments in respect of joint ventures and non-controlling interests	-332	-362
EPRA earnings	40,835	110,495
EPRA earnings per share in EUR	0.38	1.03
Company-specific adjustments		
One-time effects in other operating expenses	5,014	3,040
Foreign exchange gains and losses	2,452	753
Deferred taxes in respect of company-specific adjustments	-1,859	-661
Company-specific adjusted EPRA earnings	46,442	113,627
EPRA earnings per share after company-specific adjustments in EUR	0.43	1.06

EPRA net initial yield

The EPRA net initial yield rose from 5.7% at year-end 2019 to 5.9%.

All amounts in TEUR	Q1–3 2020	2019
Investment property	4,772,662	5,005,974
Investment property – proportional share of joint ventures	1,857	1,267
less undeveloped land	-174,540	-166,756
less undeveloped land – proportional share of joint ventures	-1,857	0
Total property portfolio	4,598,122	4,840,485
Allowance for estimated purchasers' costs	90,123	94,874
Gross value of total standing investment portfolio	4,688,245	4,935,359
Annualised cash rental income	302,026	311,939
Non-recoverable property operating expenses	-25,121	-28,452
Non-recoverable property operating expenses – proportional share of joint ventures	0	-5
Annualised net rental income	276,904	283,482
EPRA net initial yield in %	5.9	5.7

EPRA vacancy rate

The EPRA vacancy rate equalled 4.4% as of 30 September 2020 (31 December 2019: 3.2%). At 1.6%, the STOP SHOP retail parks had the lowest vacancy rate as of 30 September 2020.

EPRA vacancy rate by core market

All amounts in %	Standing investments as of 30 09 2020	Standing investments as of 31 12 2019
Austria	8.3	4.9
Germany	1.3	1.7
Poland	3.3	1.7
Czech Republic	4.4	3.2
Hungary	3.8	2.8
Romania	5.2	5.0
Slovakia	7.1	5.5
Other countries	1.0	0.7
IMMOFINANZ	4.4	3.2

EPRA vacancy rate by asset class and brand

All amounts in %	Standing investments as of 30 09 2020	Standing investments as of 31 12 2019
Office	5.9	4.2
thereof myhive	6.9	4.6
Retail	2.6	1.9
thereof VIVO!/Shopping Center	3.9	2.7
thereof STOP SHOP/Retail Park	1.6	1.2
IMMOFINANZ	4.4	3.2

EPRA capital expenditure

Investments in development projects totalled EUR 72.7 million in the first three quarters of 2020. The major projects included the myhive Medienhafen office building in Düsseldorf, the modernisation of existing office properties in Vienna and a STOP SHOP in the Polish city of Siedlce. Capital expenditure in the standing investment portfolio (like-for-like) fell by roughly 69% year-on-year to EUR 12.0 million (Q1–3 2019: EUR 39.0 million) and was directed primarily to the two office buildings myhive Twin Towers (Vienna) and FLOAT (Düsseldorf) as well as the VIVO! retail location in Bratislava.

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Acquisitions	0	663,708
Development projects	72,745	59,520
Standing investments like-for-like ¹	11,991	38,958
EPRA capital expenditure	84,736	762,186

¹ 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.

Financing

Financial liabilities* totalled EUR 2.7 billion as of 30 September 2020 (31 December 2019: EUR 2.8 billion). Cash and cash equivalents, including cash and cash equivalents held for sale, rose to EUR 601.9 million (31 December 2019: EUR 345.1 million), above all due to the capital measures carried out in July. Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.1 billion (31 December 2019: EUR 2.5 billion).

IMMOFINANZ AG concluded an unsecured, revolving credit line of EUR 100.0 million at the end of March 2020. It can be used at the company's discretion up to 31 March 2022 and gives IMMOFINANZ added financial flexibility. This credit line was unused at the end of the reporting period and is therefore available in full.

Capital increase and placement of a subordinated mandatory convertible bond

In order to strengthen the company's equity and the indicators relevant for the investment grade rating, IMMOFINANZ successfully completed a share placement and the issue of a mandatory convertible bond in July 2020. The gross issue proceeds totalled EUR 356.1 million.

A total of 15,418,824 shares were placed with institutional investors through an accelerated bookbuilding process under the exclusion of subscription rights. Share capital was increased by 11,208,526 to 123,293,795 shares, and 4,210,298 treasury shares were sold. The placement was completed at EUR 15.31 per share and led to gross issue proceeds of EUR 236.1 million.

IMMOFINANZ also issued a subordinated mandatory convertible bond with a total nominal value of EUR 120.0 million through an accelerated bookbuilding process with institutional investors under the exclusion of subscription rights. The initial conversion price was set at EUR 17.1472, which represents a 12.0% premium above the issue price of the shares in the current share placement. The three-year bond carries a coupon of 4.0% per year, payable semi-annually in arrears on 23 January and 23 July of each year. The subordinated mandatory convertible bond is therefore initially convertible into a total of 6,998,228 IMMOFINANZ shares and is classified as equity under IFRS and by the rating agency S&P (exception: future coupon payments).

Issue of a benchmark bond

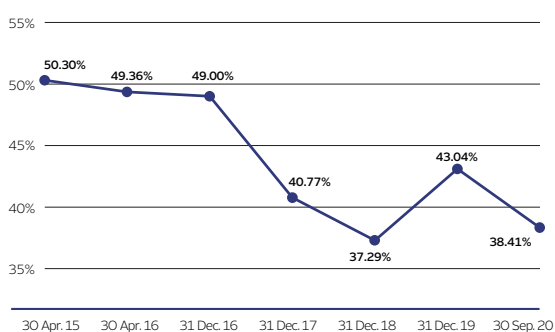
In October 2020 and shortly after the end of the reporting period, IMMOFINANZ issued a senior unsecured bond with institutional investors. The bond has a benchmark volume of EUR 500 million, a seven-year term and a fixed coupon of 2.5% per year. The net proceeds from the issue will be used to refinance existing liabilities, to utilise value-creating opportunities for growth and for general corporate purposes.

Robust balance sheet structure

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 48.6% (31 December 2019: 46.0%) and a net loan-to-value ratio (net LTV) of 38.4% (31 December 2019: 43.0%).

* Excluding lease liabilities of EUR 78.5 million in accordance with the application of IFRS 16; including IFRS 5

Development of net LTV



Calculation of net LTV as of 30 September 2020

Amounts in TEUR

Carrying amount of financing ¹	2,742,370.7
- Cash and cash equivalents ²	-601,903.6
Net carrying amount of financing	2,140,467.1
Carrying amount of property ³ & EPRA NAV of S IMMO shares ⁴	5,573,363.4
Net LTV in %	38.4

¹ Including IFRS 5 values, excluding IFRS 16 values

² Cash and cash equivalents, including cash and cash equivalents in assets held for sale

³ Excluding rights of use, values as per IFRS 16

⁴ 19.5 million S IMMO shares at the EPRA NAV of EUR 23.17 per share as of 30 September 2020

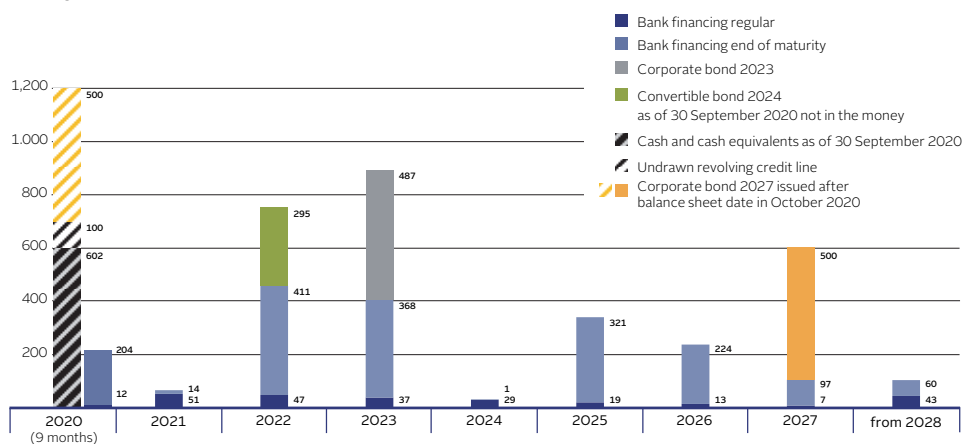
The average financing costs for IMMOFINANZ, including derivatives, equalled 1.88% per year as of 30 September 2020 (31 December 2019: 1.91% per year). The hedging quota was stable at 90.3% (31 December 2019: 90.7%).

Term structure

The weighted average remaining term of financial liabilities equalled 3.50 years at the end of September and increased to 4.75 years, including the corporate bond 2027 that was issued in October (2019: 4.0 years). The following graph shows the term structure by year as of 30 September 2020, including the new corporate bond. The financing scheduled to expire in 2020 totalled EUR 204.0 million as of 30 September 2020 (31 December 2019: EUR 203.0 million).

Term structure of financial liabilities by financial year as of 30 September 2020

In MEUR



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 1,468.8 million, or 28.7% of the total property carrying amount, were not externally financed and therefore unencumbered as of 30 September 2020 (31 December 2019: EUR 1,434.0 million or 27.3%). Including the S IMMO shares (valued at the EPRA NAV), which are also not encumbered by any financing, this value increases to EUR 1,920.5 million or 34.5%.

Composition of financial liabilities

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from bonds. The composition of these liabilities as of 30 September 2020 is as follows:

<u>Weighted average interest rate of the financial liabilities</u>	<u>Outstanding liability in TEUR as of 30 09 2020</u>	<u>Total average interest rate incl. expenses for derivatives in %¹</u>
Convertible bonds ²	301,007.2	1.50
Corporate bond	491,434.2	2.63
Bank liabilities ³	1,949,929.3	1.76
IMMOFINANZ	2,742,370.7	1.88

¹ Calculation basis: actual remaining debt (nominal amount), excluding the mandatory convertible bond

² Convertible bond 2024 (coupon reduced to 1.5% after receipt of an investment grade rating) at EUR 295.0 million and future coupon payments for the mandatory convertible bond 2023 which are classified as debt.

³ Including IFRS 5

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 2,742.4 million as of 30 September 2020. As of that date, all financing was denominated in euros.

The bank liabilities represent secured property loans which, in each case, were concluded by the respective property company as the borrower. Consequently, all rights and obligations from these loans are attributable to the respective property company. These property loans include standard market obligations for compliance with specific financial covenants by the property company, which generally involve:

- Debt service coverage ratios
- The ratio of the remaining debt to the market value of the property (loan-to-value)

The Covid-19 pandemic and the related curfews and legal restrictions led, in part, to the shutdown of properties, above all in the retail sector, beginning in March 2020. Government assistance packages were also introduced to support the economy which give tenants the right, among others, to defer rental payments.

Rent reductions can result in the failure to meet individual financial covenants. This, in turn, can entitle the financing banks to call the outstanding loan prematurely if the borrower also fails to comply with contractually defined, accepted measures to remedy the situation. As a precautionary measure, IMMOFINANZ has therefore concluded agreements with the financing banks in part to suspend compliance with the debt service coverage ratio during the Covid-19 pandemic. The suspensions covered a total loan volume of EUR 690.6 million and EUR 609.8 million, respectively, as of 30 June 2020 and 30 September 2020 and were temporarily approved up to the end of the current financial year. IMMOFINANZ is in regular contact and communication with its financing banks and is continuously evaluating the current situation.

Bonds

The outstanding nominal value of the bonds totalled EUR 902.3 million as of 30 September 2020 (31 December 2019: EUR 797.2 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, the subordinated mandatory convertible bond issued in July 2020 with a term ending in 2023 and the corporate bond issued in January 2019 with a term ending on 27 January 2023.

	ISIN	Maturity	Interest rate in %	Nominal value as of 31 12 2019 in TEUR	Repurchases/redemptions/conversions/new issues 2020 in TEUR	Nominal value as of 30 09 2020 in TEUR
Corporate bond	XS1935128956	27 01 2023	2.63	500,000	-12,700	487,300
Convertible bond	XS1551932046	24 01 2024 ¹	1.50 ²	297,200	-2,200	295,000
IMMOFINANZ			2.20	797,200	-14,900	782,300
Mandatory convertible bond	AT0000A2HPN2	23 07 2023	4.00	0	120,000	120,000
IMMOFINANZ			n. a.	797,200	105,100	902,300

¹ End of the bond term in 2024; put option for bondholders on 24 January 2022

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

IMMOFINANZ AG received a long-term issuer rating of BBB- with stable outlook from S&P Global Ratings in the first quarter of 2019. S&P Global Ratings confirmed this rating in February 2020 as part of the annual review process and also in July 2020 after the successful share placement and the issuance of the mandatory convertible bond.

In connection with the issue of this unsecured bond, IMMOFINANZ has committed to comply with the following standard financial covenants. These covenants will be calculated on the basis of the consolidated IFRS financial statements:

Financial covenant	Threshold in %	Value as of 30 09 2020 in %
Net Debt to Value Ratio ¹	Max. 60.0	43.8
Secured Net Debt to Value Ratio ¹	Max. 45.0	29.7
Interest Coverage Ratio	Min. 150.0	356.7

¹ These values are based on the latest calculation as per the bond terms on or before 30 September 2020.

Portfolio Report

Covid-19 update

The first three quarters of 2020 were influenced by the Covid-19 pandemic and its effects on the real estate sector and the entire economy. The governments in most of IMMOFINANZ's core countries imposed temporary shutdowns beginning in March which had an impact, above all, on retail businesses. These restrictions were gradually eased beginning in mid-April and, with few exceptions which primarily involved restaurants and movie theatres in Romania and Serbia, all IMMOFINANZ retail areas were open as of mid-June.

In the retail parks, visitor frequency recovered very quickly after the end of the lockdown. The STOP SHOP retail parks benefit from direct access to the individual stores from the parking areas and a focus on everyday products. Third quarter statistics also show that people shopped less frequently but spent more per visit as a consequence of the pandemic. This is reflected in the development of visitor frequency and the turnover reported by the retailers to IMMOFINANZ. For example: footfall was only 3.9% lower year-on-year in August, but the retailers in the STOP SHOPS recorded an increase of 6.0% in revenue during that month. In total, footfall in the STOP SHOPS was 17.4% lower than the previous year during the months from January to September 2020 – including Covid-19-related shutdown days – but the revenue decline was clearly lower at only 9.4%.

The VIVO! shopping centers in Romania, which represent roughly 46% of the total VIVO! retail space, were only able to reopen in mid-June. Consequently, these shopping centers recorded the strongest increase in visitor frequency after the re-opening during the third quarter. Footfall reached roughly 86.4% of the prior year level in August, while retail revenues were nearly 14% below the comparable month in 2019. In view of the rising number of new infections in the individual countries, the footfall in September reached only about 80% of the comparable month in 2019, but retail revenues were only 10.6% below September 2019. In total, footfall in the VIVO! shopping centers was 28.6% lower than the previous year during the months from January to September 2020 – including Covid-19-related shutdown days – while the revenue decline equalled 29.1%.

An analysis of the individual branches shows largest revenue declines, above all, in the areas of entertainment, fitness, restaurants & cafes, shoes and fashion as well as travel agencies. In contrast, higher revenues were recorded by supermarkets and food retailers, health & beauty outlets and pet supply stores.

All countries in which IMMOFINANZ holds commercial properties have recorded an increase in new infections since the beginning of October. This development has led to the renewed implementation of restrictions by governments that again include temporary shutdowns in the retail sector. As of mid-November 2020, roughly 35% of the rented retail space is temporary closed. A reopening is expected in the coming weeks.

In order to optimally offset the temporary decline in rental income from the retail properties on cash flow, IMMOFINANZ's management introduced a cost savings programme in March. It includes, among others, the postponement of non-essential investments and expenditures, the reduction of overheads and the renegotiation of supplier contracts. On the revenue side, individual solutions were developed together with retail tenants for the crisis months and the reopening phase to assist them in handling the situation, and marketing activities were launched to ensure the rapid recovery of visitor frequency in the retail properties. Necessary support was provided in the form of rent deferrals and rental reductions, accompanied by the negotiation of contract extensions, an increase in turnover-based rents and the strengthening of safety measures. Tenants in the office business received support for a smooth return to their offices. Back-to-office plans were prepared with a focus on room concepts, distance guidelines, disinfection, protective measures and access rules. A separate task force was installed to manage hygiene procedures for the common areas to ensure the safe use of office and retail space. IMMOFINANZ has signed agreements with all major retailers for the first lockdown and reopening period.

Property portfolio

The IMMOFINANZ property portfolio covered 208 properties* as of 30 September 2020 (31 December 2019: 213) with a combined value of EUR 4,944.0 million (31 December 2019: EUR 5,122.1 million). These properties are located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary and Romania. Standing investments represent the largest component at EUR 4,466.5 million, or 90.3% of the carrying amount, and 2.0 million sqm which generate steady rental income. The development projects total EUR 301.8 million, or 6.1% of the carrying amount. Pipeline projects are responsible for EUR 175.7 million, or 3.6%, and include future planned development projects, undeveloped land, real estate inventories and properties that are intended for sale.

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

Property portfolio by core market and classification

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR ¹	Property portfolio in MEUR	Property portfolio in %
Austria	31	738.4	109.0	29.4	876.8	17.7
Germany	7	522.7	85.4	0.6	608.6	12.3
Poland	26	1,005.0	0.3	0.0	1,005.3	20.3
Czech Republic	18	536.0	0.0	0.0	536.0	10.8
Hungary	26	422.5	70.4	10.6	503.5	10.2
Romania	43	618.0	33.0	106.4	757.3	15.3
Slovakia	21	319.6	0.0	1.2	320.8	6.5
Other countries ²	36	304.3	3.7	27.6	335.6	6.8
IMMOFINANZ	208	4,466.5	301.8	175.7	4,944.0	100.0
in %		90.3	6.1	3.6	100.0	

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

¹ Including real estate inventories (Cologne and Adama) totalling EUR 0.6 million

² In declining order based on the carrying amount: Slovenia, Serbia, Croatia, Turkey, Bulgaria

Investments

The Covid-19 pandemic and the related uncertainties led IMMOFINANZ to postpone non-essential investments. As a result, investments in the real estate portfolio during the first nine months of 2020 amounted to EUR 85.5 million (Q1–3 2019: EUR 794.8 million). Most of these expenditures were directed to the office properties myhive Medienhafen (Düsseldorf), myhive Iride (Bukarest), myhive am Wienerberg and myhive Ungargasse (Vienna) as well as the STOP SHOP retail park in Siedlce.

Property sales

Properties with a combined carrying amount of EUR 51.8 million (excl. proceeds from the sale of real estate inventories) were sold during the first three quarters of 2020. These transactions included sales of an office building in Poland and of a land plot in Romania and in Hungary. The Panta Rhei office building in Düsseldorf, which was successfully sold at the beginning of August, was reclassified from standings to assets held for sale. The marketing of this office property started before the beginning of the corona-related lockdowns and was concluded without any negative effects. The sale took place at an attractive market price and substantially over the carrying amount. The closing is expected at year-end. As a result, properties with a combined value of EUR 193.5 million were classified as held for sale.

Standing investments

The 153 standing investments had a combined carrying amount of EUR 4,466.5 million as of 30 September 2020 (31 December 2019: 158 standing investments and EUR 4,749.5 million carrying amount). Of this total,

* Properties that are held for sale and fall under IFRS 5 are, as in the past, not included in the portfolio report (see section 3.3 in the supplementary information).

63.3% are attributable to office properties and 36.5% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Poland (EUR 1,005.0 million), Austria (EUR 738.4 million) and Romania (EUR 618.0 million). These properties have 1,963,223 sqm of rentable space (31 December 2019: 2,001,063 sqm). The standing investment portfolio has a gross return of 5.9% based on IFRS rental income and a return of 6.1% 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 remains high at 95.5% (31 December 2019: 96.8%). A calculation based on the EPRA formula shows a vacancy rate of 4.4% (31 December 2019: 3.2%). The EPRA vacancy rate is based on the ratio of the estimated market rent for vacant space to the total estimated market rent for the standing investment portfolio (further information on the EPRA financial indicators can be found beginning on page 10). Total leasing activity in the first nine months of 2020 equalled roughly 416,800 sqm of the total rentable space and exceeded the comparable prior year value (excluding other standing investments; Q1–3 2019: 234,700 sqm). This increase was based, above all, on the extension of existing rental contracts in return for support provided by IMMOFINANZ. The total leasing activity includes 34,300 sqm of new rentals and 382,500 sqm of contract extensions. The average unexpired lease term (WAULT*) weighted by rental income equalled 4.2 years as of 30 September 2020 (31 December 2019: 4.3 years).

Contract expiration profile: standing investments (total)

Expiring rental contracts as of the earliest possible contract end date in relation to the total rented space (only GLA¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
13.1	14.6	13.8	13.5	15.3	28.0	1.8

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

* Average unexpired lease term weighted by rental income, 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	25	738.4	16.5	242,716	223,187	92.0
Germany	4	522.7	11.7	94,059	93,088	99.0
Poland	24	1,005.0	22.5	418,293	402,935	96.3
Czech Republic	18	536.0	12.0	218,704	209,937	96.0
Hungary	22	422.5	9.5	250,231	240,797	96.2
Romania	13	618.0	13.8	333,893	312,439	93.6
Slovakia	20	319.6	7.2	188,067	177,682	94.5
Other countries ¹	27	304.3	6.8	217,260	215,069	99.0
IMMOFINANZ	153	4,466.5	100.0	1,963,223	1,875,134	95.5

Standing investments	Rental income Q3 2020 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ²	Financing costs incl. derivatives in %	LTV in %
Austria	8.6	4.6 (4.7)	295.5	1.2	2.1	40.0
Germany	5.2	4.0 (4.0)	287.6	0.4	0.9	55.0
Poland	15.7	6.3 (6.8)	445.2	1.3	1.9	44.3
Czech Republic	6.8	5.1 (5.1)	303.4	1.5	1.8	56.6
Hungary	6.8	6.5 (7.0)	207.3	1.3	1.9	49.1
Romania	12.5	8.1 (7.9)	0.0	0.0	0.0	0.0
Slovakia	5.3	6.6 (7.0)	185.8	1.5	1.9	58.1
Other countries ¹	4.7	6.2 (6.2)	85.5	1.9	1.9	28.1
IMMOFINANZ	65.6	5.9 (6.1)	1,810.3	1.2	1.7	40.5

Development projects and pipeline projects	1.6		89.3	1.4	2.0	
Rental income from sold properties and adjustments	2.4		0.0	0.0	0.0	
Group financing	0.0		792.4	0.0	2.2	
IMMOFINANZ	69.6		2,692.0	1.2	1.9	

Market value property portfolio in MEUR						4,944.0
EPRA NAV S IMMO shares (19.5 million shares) ³ in MEUR						451.8
Cash and cash equivalents ⁴ in MEUR			-601.9			
Properties/liabilities held for sale (asset & share deals) in MEUR			50.3			177.6
IMMOFINANZ in MEUR			2,140.5			5,573.4
Net LTV in %						38.4

¹ In declining order based on the carrying amount: Slovenia, Serbia, Croatia

² Financing costs based on nominal outstanding liability

³ 19.5 million S IMMO shares at the EPRA NAV of EUR 23.17 per share as of 30 September 2020

⁴ 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. after an adjustment for new acquisitions, completions and sales to improve comparability with the third quarter of 2019 – shows a decline of EUR 3.1 million, or 5.1%, to EUR 57.0 million. The decline in the retail properties, equalled 5.8% and resulted primarily from the Covid-19 pandemic. Rental income in the office properties is 4.6% below the third quarter of the previous year, among others due to the relocation of a large office tenant and a mixed use office property with extensive retail areas.

Standing investments like-for-like by core market

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q3 2020 in MEUR	Rental income Q3 2019 in MEUR	Change in rental income in MEUR
Austria	23	689.7	18.0	8.1	8.7	-0.6
Germany	4	522.7	13.6	5.2	5.2	0.0
Poland	20	574.8	15.0	9.5	10.4	-0.9
Czech Republic	17	453.3	11.8	5.9	6.4	-0.5
Hungary	22	422.5	11.0	6.8	7.2	-0.3
Romania	13	618.0	16.1	12.5	11.9	0.5
Slovakia	20	319.6	8.3	5.3	5.4	-0.1
Other countries	21	228.9	6.0	3.7	4.9	-1.2
IMMOFINANZ	140	3,829.4	100.0	57.0	60.1	-3.1
Rental income from properties sold/acquired, IFRS 15 and IFRS 16 adjustments and development projects				12.6		
IMMOFINANZ				69.6		

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

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q3 2020 in MEUR	Rental income Q3 2019 in MEUR	Change in rental income in MEUR
Office	47	2,312.5	60.4	28.8	30.2	-1.4
thereof myhive	19	945.9	24.7	12.5	13.5	-1.0
Retail	92	1,509.6	39.4	28.1	29.8	-1.7
thereof VIVO!/Shopping Center	10	670.2	17.5	12.5	13.1	-0.6
thereof STOP SHOP/Retail Park	81	834.8	21.8	15.4	16.5	-1.1
Others	1	7.3	0.2	0.1	0.1	0.0
IMMOFINANZ	140	3,829.4	100.0	57.0	60.1	-3.1

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

¹ 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 50 office standing investments of IMMOFINANZ totalled EUR 2,827.6 million as of 30 September 2020 (31 December 2019: 53 standing investments and EUR 3,024.4 million). These assets represented 63.3% of the standing investment portfolio and 53.6% of the rental income from this portfolio in the third quarter of 2020. A regional analysis shows the focal points of the office properties in the core markets of Poland (EUR 716.6 million), Austria (EUR 605.7 million) and Germany (EUR 515.4 million).

The sale of the Panta Rhei office property (Düsseldorf; closing expected at year-end) and the reclassification to development projects of a Hungarian office property that is scheduled for refurbishment reduced the volume of rentable space to 973,397 sqm as of 30 September 2020 (31 December 2019: 1,035,844 sqm). Based on annualised rental income (Q3 2020: EUR 35.1 million), the office portfolio generated a gross return of 5.0% and a return of 5.2% based on invoiced rents. The office properties in the myhive brand represent a carrying amount of EUR 1,461.0 million. They generated a gross return of 5.1% and a return of 5.5% based on invoiced rents. The occupancy rate in the office portfolio equalled 93.4% as of 30 September 2020 (30 September 2019: 94.4%; 31 December 2019: 95.3%), while the offices in the myhive brand have an occupancy rate of 92.5%. The vacancy rate equals 5.9% according to the EPRA calculation formula (31 December 2019: 4.2%). The total leasing activity in the office segment amounted to approximately 106,500 sqm in the first nine months of 2020, whereby roughly 23,500 sqm represented new rentals and 83,000 sqm contract extensions.

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 23.0% of the space in the office standing investments, and no single tenant has rented more than 3.7% of the total space in these properties. The WAULT* equalled 4.5 years as of 30 September 2020 (31 December 2019: 4.6 years).

Contract expiration profile: office standing investments

Expiring rental contracts as of the earliest possible contract end date in relation to the total rented space (only GLA¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
15.1	14.8	14.5	13.6	15.2	25.5	1.3

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

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 %
IMMOFINANZ	50	2,827.6	100.0	973,397	908,834	93.4
thereof myhive	22	1,461.0	51.7	512,044	473,522	92.5

Standing investments	Rental income Q3 2020 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ¹	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	35.1	5.0 (5.2)	1,221.4	1.1	1.6	43.2
thereof myhive	18.8	5.1 (5.5)	656.3	1.2	1.8	44.9

¹ Financing costs based on nominal outstanding liability

Retail standing investments

The carrying amount of the 102 standing investments of IMMOFINANZ in the retail sector totalled EUR 1,631.6 million as of 30 September 2020 (31 December 2019: 100 standing investments and EUR 1,672.9 million). These properties represented 36.5% of the standing investment portfolio and generated 46.3% of the rental income from standing investments in the third quarter of 2020. The largest regional markets are Romania with EUR 328.8 million, Poland with EUR 288.4 million and Slovakia with EUR 260.0 million. The STOP SHOP retail parks have a carrying amount of EUR 950.6 million; the gross return and the return based on invoiced rents equal 7.4% and 7.5%, respectively. The VIVO! shopping centers have a carrying amount of EUR 670.2 million; the gross return and the return based on invoice rents equal 7.5%.

The retail standing investments have 989,826 sqm of rentable space (31 December 2019: 955,039 sqm). Based on annualised rents (Q3 2020: EUR 30.3 million), the retail portfolio has a gross return of 7.4% and a return based on invoice rents of 7.5%. The occupancy rate in the retail properties remained high at 97.6% as of 30 September 2020 (30 September 2019: 95.9%; 31 December 2019: 98.3%); the occupancy rates in the STOP SHOP retail parks and the VIVO! shopping centers equal 98.2% and 96.4%, respectively. Total leasing activity in the retail properties amounted to approximately 310,300 sqm in the first nine months of 2020, whereby roughly 10,800 sqm involved new rentals and 299,500 sqm contract extensions. The extensions were concluded, above all, in return for temporary support provided by IMMOFINANZ during the lockdown phase.

IMMOFINANZ relies on a balanced tenant mix to create an optimal environment for retailers and their customers. All larger IMMOFINANZ retail properties have solid international and local anchor tenants, but no single retailer has rented more than 4.0% of the total space in these properties. The WAULT* equalled 3.9 years as of 30 September 2020 (31 December 2019: 3.8 years).

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

Contract expiration profile: retail standing investments

Expiring rental contracts as of the earliest possible contract end date in relation to the total rented space (only GLA¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
11.3	14.3	13.2	13.5	15.3	30.3	2.2

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

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 %
IMMOFINANZ	102	1,631.6	100.0	989,826	966,300	97.6
thereof VIVO!/Shopping Center	10	670.2	41.1	314,095	302,840	96.4
thereof STOP SHOP/Retail Park	90	950.6	58.3	665,448	653,783	98.2
Standing investments	Rental income Q3 2020 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ¹	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	30.3	7.4 (7.5)	586.0	1.5	2.0	35.9
thereof VIVO!/Shopping Center	12.5	7.5 (7.5)	153.8	1.4	1.9	22.9
thereof STOP SHOP/Retail Park	17.6	7.4 (7.5)	432.3	1.5	2.0	45.5

¹ Financing costs based on nominal outstanding liability

Development projects

The development projects had a carrying amount of EUR 301.8 million as of 30 September 2020, which represents 6.1% of the total property portfolio (31 December 2019: EUR 199.4 million and 3.9%). This amount includes EUR 276.9 million of active development projects and EUR 24.9 million of projects in the preparation or concept phase, for which outstanding construction costs are not yet available. The expected fair value of the active projects on completion amounts to EUR 381.5 million. IMMOFINANZ's development activities are concentrated in Germany (myhive Medienhafen in Düsseldorf) and Austria (myhive Ungargasse in Vienna, which was completed in the fourth quarter of 2020, and a further office refurbishment at the myhive Wienerberg) and have an expected fair value of EUR 161.0 million and EUR 99.1 million, respectively. In Romania, two office properties are currently undergoing modernisation and integration in the myhive brand. Another project involves the refurbishment of an existing office building in Budapest, which is scheduled for completion in the second half of 2021.

The Covid-19 pandemic led to construction delays on several development projects, but there have been no other limitations to date. The STOP SHOP Siedlce was reclassified from development projects to standing investments in the first nine months of 2020. It was opened at the end of March 2020 and has an occupancy rate of 99.1%.

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 % ¹
Austria	2	91.4	33.0	7.8	26,572	99.1	4.2	4.2
Germany	1	84.6	30.5	42.1	21,690	161.0	5.8	4.6
Hungary	1	68.0	24.6	15.0	34,218	83.0	6.3	7.5
Romania	2	33.0	11.9	5.3	27,956	38.3	3.6	9.4
Active projects	6	276.9	100.0	70.2	110,436	381.5	19.8	5.7
Projects in preparation	7	24.9						
IMMOFINANZ	13	301.8						

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

Pipeline projects

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects. These projects had a carrying amount of EUR 175.7 million as of 30 September 2020 (31 December 2019: EUR 173.2 million). Romania represents the focal point of the pipeline projects at EUR 106.4 million. IMMOFINANZ intends to further reduce the scope of pipeline projects, in particular the land reserves in Romania, through selected sales as part of its corporate strategy.

Assets held for sale

The assets held for sale totalled EUR 197.8 million as of 30 September 2020 (including capitalised rights of use for building rights) and are not included in this portfolio report (31 December 2019: EUR 154.6 million). Concrete sale plans have been approved for these properties, and their sale is intended in the near future. Details are provided in section 3.3 of the supplementary information.

Consolidated Balance Sheet

All amounts in TEUR	Notes	30 9 2020	31 12 2019
Investment property	3.1	4,702,751	4,985,257
Property under construction		301,749	199,439
Other tangible assets		4,244	3,628
Intangible assets		24,469	24,619
Equity-accounted investments	3.2	440,896	478,191
Trade and other receivables		61,159	65,396
Income tax receivables		508	759
Other financial assets		13,658	10,449
Deferred tax assets		5,303	2,992
Non-current assets		5,554,737	5,770,730
Trade and other receivables		86,498	104,430
Income tax receivables		12,215	13,324
Assets held for sale	3.3	197,792	154,622
Real estate inventories		619	868
Cash and cash equivalents		598,462	341,161
Current assets		895,586	614,405
Assets		6,450,323	6,385,135
Share capital	3.4	123,294	112,085
Capital reserves	3.4	4,702,526	4,465,194
Treasury shares	3.4	-156,328	-250,378
Accumulated other equity		-213,634	-166,611
Retained earnings		-1,298,512	-1,200,196
Equity attributable to owners of IMMOFINANZ AG		3,157,346	2,960,094
Non-controlling interests		-24,973	-22,949
Equity		3,132,373	2,937,145
Liabilities from convertible bonds		291,750	281,344
Financial liabilities		2,192,917	2,307,684
Trade and other payables		59,417	50,475
Income tax liabilities		2	2
Provisions		18,064	18,135
Deferred tax liabilities		265,476	275,286
Non-current liabilities		2,827,626	2,932,926
Liabilities from convertible bonds		9,257	4,463
Financial liabilities		284,962	272,697
Trade and other payables		123,109	147,192
Income tax liabilities		3,139	5,795
Provisions		24,671	36,262
Liabilities held for sale	3.3	45,186	48,655
Current liabilities		490,324	515,064
Equity and liabilities		6,450,323	6,385,135

Consolidated Income Statement

All amounts in TEUR	Notes	Q3 2020	Q1-3 2020	Q3 2019 ¹	Q1-3 2019 ¹
Rental income	4.1	69,556	215,078	71,567	203,404
Operating costs charged to tenants		21,746	63,094	22,558	63,316
Other revenues		353	3,171	164	756
Revenues		91,655	281,343	94,289	267,476
Expenses from investment property	4.2	-10,173	-49,065	-14,523	-38,265
Operating expenses		-25,341	-73,356	-26,911	-75,386
Results of asset management		56,141	158,922	52,855	153,825
Results of property sales	4.3	10,205	9,467	1,990	3,673
Results of property development	4.4	-4,245	-20,968	-5,187	9,122
Other operating income	4.5	530	1,471	1,290	5,369
Other operating expenses	4.6	-9,299	-35,832	-9,942	-32,246
Results of operations		53,332	113,060	41,006	139,743
Revaluation result from standing investments and goodwill	4.7	-1,415	-144,782	-7,285	97,383
Operating profit (EBIT)		51,917	-31,722	33,721	237,126
Financing costs	4.8	-17,980	-55,691	-19,932	-51,518
Financing income	4.8	565	1,647	331	929
Foreign exchange differences		-2,705	-2,452	701	-753
Other financial results	4.8	-1,045	-13,446	-4,966	-21,118
Net profit or loss from equity-accounted investments		3,020	9,417	3,726	47,122
Financial results	4.8	-18,145	-60,525	-20,140	-25,338
Earnings before tax (EBT)		33,772	-92,247	13,581	211,788
Current income tax		-1,764	-6,475	2,038	-5,172
Deferred tax		-9,907	459	1,428	-8,302
Net profit or loss from continuing operations		22,101	-98,263	17,047	198,314
Net profit or loss from discontinued operations		0	0	293	4,301
Net profit or loss		22,101	-98,263	17,340	202,615
thereof attributable to owners of IMMOFINANZ AG		21,640	-98,298	17,954	204,388
thereof attributable to non-controlling interests		461	35	-614	-1,773
Basic earnings per share in EUR		0.28	-0.91	0.18	1.90
Diluted earnings per share in EUR		0.28	-0.91	0.16	1.69

¹ The comparable prior year figures were adjusted accordingly (see section 1).

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q3 2020	Q1–3 2020	Q3 2019	Q1–3 2019
Net profit or loss		22,101	-98,263	17,340	202,615
Other comprehensive income (reclassifiable)					
Currency translation adjustment		-2,903	-5,232	1,428	-1,711
thereof changes during the financial year		-2,903	-5,761	1,267	-923
thereof reclassification to profit or loss		0	529	161	-788
Other comprehensive income from equity-accounted investments	3.2	392	518	-833	-3,706
thereof changes during the financial year		435	499	-1,096	-4,650
thereof income taxes		-43	19	263	944
Total other comprehensive income (reclassifiable)		-2,921	-4,714	595	-5,417
Other comprehensive income (not reclassifiable)					
Financial instruments at fair value through other comprehensive income		-410	-540	0	0
thereof changes during the financial year		-547	-720	0	0
thereof income taxes		137	180	0	0
Other comprehensive income from equity-accounted investments	3.2	-11,033	-43,810	8,065	19,501
thereof changes during the financial year		-14,710	-58,413	10,753	27,111
thereof income taxes		3,677	14,603	-2,688	-7,610
Total other comprehensive income (not reclassifiable)		-11,033	-44,350	8,065	19,501
Total other comprehensive income after tax		-13,954	-49,064	8,660	14,084
Total comprehensive income		8,147	-147,327	26,000	216,699
thereof attributable to owners of IMMOFINANZ AG		8,731	-145,321	26,254	218,783
thereof attributable to non-controlling interests		-584	-2,006	-254	-2,084

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1–3 2020	Q1–3 2019 ¹
Earnings before tax (EBT)		-92,247	211,788
Earnings before tax (EBT) from discontinued operations		0	4,301
Revaluations of investment properties	4.7	153,682	-116,771
Goodwill impairment and subsequent price adjustments		-45	287
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	4.4	232	1,223
Write-downs and write-ups on receivables and other assets		18,352	1,302
Net profit or loss from equity-accounted investments		-9,417	-47,123
Foreign exchange differences and fair value measurement of financial instruments		19,345	22,461
Net interest income/expense		52,690	47,478
Results from deconsolidation		-49	-2,501
Other non-cash income/expense/reclassifications		589	58
Gross cash flow before tax		143,132	122,503
Income taxes paid		-4,863	-13,555
Gross cash flow after tax		138,269	108,948
Change in real estate inventories		1,731	63,249
Change in trade and other receivables		-8,049	-2,930
Change in trade payables and other liabilities		-14,185	-20,337
Change in provisions		-9,875	-5,480
Cash flow from operating activities		107,891	143,450
Acquisition of investment property and property under construction		-92,162	-200,215
Business combinations and other acquisitions, net of cash and cash equivalents		0	-255,962
Consideration transferred/paid from disposal of discontinued operations, net of cash and cash equivalents		-883	-2,405
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		17,830	15,075
Acquisition of other non-current assets		-6,156	-273
Disposal of investment property and property under construction		13,023	93,302
Disposal of other non-current assets		-220	174
Disposal of equity-accounted investments and cash flows from other net investment positions		0	6
Dividends received from equity-accounted investments	3.2	3,129	16,219
Interest or dividends received from financial instruments		1,031	846
Cash flow from investing activities		-64,408	-333,233
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		103,875	914,525
Proceeds from issue of mandatory convertible bonds, less transaction costs		118,563	0
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-186,436	-824,944
Proceeds from capital increase, less transaction costs		233,258	0
Reclassifications between shareholder groups		-36	0
Derivatives		-7,737	-9,264
Interest paid		-40,522	-31,519
Distributions	3.4	0	-88,113
Share buyback	3.4	0	-144,029
Cash flow from financing activities		220,965	-183,344
Net foreign exchange differences		-7,685	-1,988
Change in cash and cash equivalents		256,763	-375,115
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		341,161	631,754
Plus cash and cash equivalents in disposal groups		3,980	252
Cash and cash equivalents at the beginning of the period		345,141	632,006
Cash and cash equivalents at the end of the period		601,904	256,891
Less cash and cash equivalents in disposal groups	3.3	3,442	0
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		598,462	256,891

¹ The comparable prior year figures were adjusted accordingly (see section 1).

Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2019		112,085	4,465,194	-250,378
Other comprehensive income	3.4			
Net profit or loss				
Total comprehensive income				
Issue of shares		11,209	158,290	
Sale of treasury shares			-29,590	94,050
Issue of mandatory convertible bond and partial repurchase of convertible bond 2017-2024			108,632	
Transactions with non-controlling interest owners				
Balance on 30 September 2020		123,294	4,702,526	-156,328
Balance on 31 December 2018		112,085	4,465,259	-106,414
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Share buyback			-65	-143,964
Distributions				
Transactions with non-controlling interest owners				
Balance on 30 September 2019		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	
12,767	-405	-3,398	-175,575	-1,200,196	2,960,094	-22,949	2,937,145	
-44,350		-528	-2,145		-47,023	-2,041	-49,064	
				-98,298	-98,298	35	-98,263	
-44,350		-528	-2,145	-98,298	-145,321	-2,006	-147,327	
					169,499		169,499	
					64,460		64,460	
					108,632		108,632	
				-18	-18	-18	-36	
-31,583	-405	-3,926	-177,720	-1,298,512	3,157,346	-24,973	3,132,373	
-8,886	-385	-925	-173,128	-1,470,672	2,816,934	-16,593	2,800,341	
19,501		-4,130	-976		14,395	-311	14,084	
				204,388	204,388	-1,773	202,615	
19,501		-4,130	-976	204,388	218,783	-2,084	216,699	
					-144,029		-144,029	
				-88,113	-88,113		-88,113	
				-299	-299	299	0	
10,615	-385	-5,055	-174,104	-1,354,696	2,803,276	-18,378	2,784,898	

Supplementary Information

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 September 2020 were prepared for the period from 1 January 2020 to 30 September 2020 (Q3 2020).

This consolidated interim financial report on IMMOFINANZ does not represent a report prepared in accordance with IAS 34. Information on the applied IFRS, significant accounting policies and further information and disclosures can be found in IMMOFINANZ's consolidated financial statements as of 31 December 2019, which form the basis for this consolidated interim financial report.

The consolidated interim financial report is 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.

In contrast to the consolidated interim financial statements as of 30 September 2019, the presentation on the cash flow statement of the consideration received and paid for the sale of discontinued operations was adjusted to reflect the presentation in the consolidated financial statements as of 31 December 2019. This adjustment involves the presentation of EUR 2.4 million under cash flow from investing activities instead of under cash flow from operating activities. Moreover, the presentation of liabilities assumed with the acquisition of Polish and Czech companies was also adjusted in contrast to the consolidated interim financial statements for Q1-Q3 2019. These liabilities are now reported under cash flow from investing activities instead of under cash flow from operating activities, reflecting the presentation in the consolidated financial statements as of 31 December 2019.

The income statement was also adjusted in comparison with the third quarter of 2019. The change involves compounding effects of EUR 0.9 million (Q3 2019: EUR 0.8 million) from outstanding purchase price receivables that are no longer allocated to discontinued operations.

2. Development of the Scope of Consolidation

The following table shows the development of the scope of consolidation in Q3 2020:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2019	228	2	7	237
Companies initially included				
Other acquisitions	1	0	0	1
Companies no longer included				
Sales	-3	0	0	-3
Mergers	-7	0	0	-7
Liquidations	-2	0	0	-2
Balance on 30 September 2020	217	2	7	226
thereof foreign companies	148	2	0	150
thereof in liquidation	8	0	0	8
thereof intragroup merger resolution adopted	1	0	0	1

3. Notes to the Consolidated Balance Sheet

3.1 Investment property

All amounts in TEUR	Q1–3 2020
Beginning balance	4,985,257
Deconsolidations	-43,270
Currency translation adjustments	-7,658
Additions	12,733
Disposals	-2,766
Revaluation	-133,997
Reclassifications	-56,969
Reclassification from assets held for sale	5,063
Reclassification to assets held for sale	-55,642
Ending balance	4,702,751

The additions consist primarily of investments in a retail property in Bratislava and office properties in Vienna, while the disposals are chiefly attributable to the sale of an office property in Poland. The reclassifications are related, above all, to transfers from property under construction to investment property and vice versa in Poland and Hungary. One retail property in Austria was reclassified from assets held for sale to investment property, and one property in Germany was reclassified to assets held for sale. Information on revaluation is provided in section 4.7.

3.2 Equity-accounted investments

The carrying amount of the equity-accounted investments totalled EUR 440.9 million as of 30 September 2020, whereby EUR 437.5 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 22.44. The share of results from equity-accounted investments reported on the income statement amounts to EUR 9.4 million, with EUR 6.3 million attributable to S IMMO AG.

There were no objective indications of impairment to the S IMMO investment as of 30 September 2020.

3.3 Assets and specific liabilities held for sale

Of the assets and liabilities held for sale as of 31 December 2019, one office property in Poland and one retail property in Romania were sold during the first three quarters of 2020. One retail property in Austria was reclassified to investment property following the termination of sale negotiations with the potential buyer due to differences of opinion concerning the transfer of land rights to a third party.

Management's plans to sell remain in effect for the other assets and liabilities which had been classified as held for sale as of 31 December 2019, but which were not sold as of 30 September 2020.

The assets and liabilities held for sale as of 30 September 2020 are summarised as follows:

All amounts in TEUR	Carrying amount as of 30 9 2020	Carrying amount as of 31 12 2019
Investment property	133,831	88,446
Property under construction	59,677	61,485
Deferred tax assets	0	27
Trade and other receivables	842	684
Cash and cash equivalents	3,442	3,980
Assets held for sale	197,792	154,622
Reclassifiable reserves	-904	-904
Financial liabilities	41,971	45,365
Trade and other payables	1,764	2,185
Provisions	334	335
Deferred tax liabilities	1,117	770
Liabilities held for sale	45,186	48,655

3.4 Equity

On 9 July 2020, IMMOFINANZ AG placed 15,418,824 shares with institutional investors through an accelerated bookbuilding process under the exclusion of subscription rights. These shares represented approximately 13.76% of share capital on that date. The gross proceeds from the placement totalled EUR 236.1 million.

The placement took place through the issue of new shares and the sale of treasury shares. The issue of 11,208,526 new shares increased the company's share capital by EUR 11,208,526.00 from EUR 112,085,269.00 to EUR 123,293,795.00, or by roughly 10% of the company's share capital at that time, from authorised capital in exchange for cash contributions. A total of 4,210,298 treasury shares were sold. IMMOFINANZ continues to hold 6,998,228 treasury shares after this sale, which represent approximately 5.68% of share capital after the cash capital increase. The subscription price (selling price) per share equalled EUR 15.31.

IMMOFINANZ AG also placed a subordinated mandatory convertible bond with institutional investors on 23 July 2020. It has a total nominal volume of EUR 120 million and was issued through an accelerated bookbuilding process under the exclusion of subscription rights.

The mandatory convertible bond has a denomination of EUR 100,000.00 per certificate. Based on the current conversion price of EUR 17.1472, it can be converted into 6,998,228 IMMOFINANZ shares which represent roughly 5.68% of share capital after the above-mentioned cash capital increase. The mandatory convertible bond was issued at the nominal value and carries interest at 4.0% per year which is payable semi-annually in arrears. This bond must be converted into new or existing IMMOFINANZ shares on the maturity date (23 July 2023), unless it is converted at an earlier date at the initiative of the bondholders or the company or in connection with specific events as defined in the bond terms.

The mandatory convertible bond represents a hybrid financial instrument which must be separated at recognition into an equity component and a debt component. The financial liability represents the obligation to make regular interest payments. In contrast, the conversion obligation represents an equity component. A liability equal to the present value of the future interest payments is reported under liabilities from convertible bonds and amounted to EUR 13.7 million as of 30 September 2020. A total of EUR 108.6 million were recorded under the capital reserve after the deduction of EUR 1.3 million in transaction costs and EUR 3.7 million of deferred taxes. The deferred taxes result primarily from temporary differences related to the recognition of the liability components.

4. Notes to the Consolidated Income Statement

4.1 Rental income

All amounts in TEUR	Office	Retail	Other	Q1–3 2020
				Total
Office space	97,930	116	260	98,306
Retail space	5,166	91,815	0	96,981
Other space	16,480	2,226	1,085	19,791
thereof parking areas	10,048	233	321	10,602
thereof warehouse space	3,536	290	0	3,826
thereof hotel	408	0	705	1,113
thereof advertising and telecommunications	1,389	1,574	5	2,968
thereof other	1,099	129	54	1,282
Total	119,576	94,157	1,345	215,078

All amounts in TEUR	Office	Retail	Other	Q1–3 2019
				Total
Office space	89,095	184	108	89,387
Retail space	6,066	88,817	0	94,883
Other space	16,251	2,153	730	19,134
thereof parking areas	10,550	260	327	11,137
thereof warehouse space	3,050	218	24	3,292
thereof hotel	0	0	310	310
thereof advertising and telecommunications	1,509	1,599	3	3,111
thereof other	1,142	76	66	1,284
Total	111,412	91,154	838	203,404

In comparison with previous financial reports, the presentation of rental income was adjusted to more precisely show the various types of revenue by asset class.

4.2 Expenses from investment property

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Commission expenses	-344	-252
Maintenance	-10,158	-12,605
Operating costs charged to building owners	-8,490	-9,588
Property marketing	-3,045	-5,267
Personnel expenses from asset management	-3,557	-4,068
Other expenses from asset management	-1,394	-2,038
Fit-out costs	-2,086	-2,419
Write-off of receivables from asset management	-19,223	-764
Other expenses	-768	-1,264
Total	-49,065	-38,265

Covid-19 was responsible for a substantial year-on-year increase in write-off of receivables in 2020.

Marketing activities were also reduced significantly in 2020 due to the Covid-19 pandemic.

4.3 Results of property sales

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Office	0	74,731
Retail	8,369	7,308
Other	692	5,209
Proceeds from property sales	9,061	87,248
Less carrying amount of sold properties	-8,514	-86,996
Net gain/loss from property sales	547	252
Results from deconsolidation	49	2,502
Sales commissions	-257	-722
Personnel expenses from property sales	-994	-1,085
Legal, auditing and consulting fees from property sales	-1,338	-770
Write-off of receivables from property sales	0	-4
Other expenses	-134	-628
Expenses from property sales	-2,723	-3,209
Revaluation results from properties sold and held for sale (see 4.7)	11,594	4,128
Total	9,467	3,673

4.4 Results of property development

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Proceeds from the sale of real estate inventories	720	50,042
Cost of real estate inventories sold	-81	-53,408
Other costs to sell for real estate inventories	0	-112
Write-down related reversals of real estate inventories	0	202
Write-down of real estate inventories	-232	-1,425
Operating costs charged to building owners of real estate inventories	-9	-294
Other expenses from real estate inventories	1,179	95
Expenses from real estate inventories	938	-1,534
Expenses from property development	-2,095	-952
Revaluation results from properties under construction (see 4.7)	-20,450	14,974
Total	-20,968	9,122

The positive amount reported under other expenses resulted from the release of liabilities.

4.5 Other operating income

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Expenses charged on	144	925
Insurance compensation	188	115
Income from derecognised liabilities	121	2,615
Reimbursement for penalties	87	336
Miscellaneous	931	1,378
Total	1,471	5,369

4.6 Other operating expenses

All amounts in TEUR	Q1–3 2020	Q1–3 2019
Administrative expenses	-113	-115
Legal, auditing and consulting fees	-6,023	-7,582
Penalties	131	-190
Levies	-2,710	-1,325
Advertising	-1,964	-1,892
Expenses charged on	-9	-67
EDP and communications	-1,781	-1,160
Expert opinions	-258	-420
Personnel expenses	-19,127	-14,487
Other write-downs	-1,103	-851
Miscellaneous	-2,875	-4,157
Total	-35,832	-32,246

The year-on-year increase in personnel expenses is attributable, above all, to the resignation of Oliver Schumy from the Executive Board as of 18 March 2020

4.7 Revaluation results from investment property and goodwill

The results from the revaluation of investment property, property under construction and properties held for sale led to negative effects of EUR 153.7 million in the first three quarters of 2020.

All amounts in TEUR	Q1–3 2020			Q1–3 2019		
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total
Investment property	9,093	-153,920	-144,827	144,434	-46,765	97,669
Property under construction	337	-20,787	-20,450	35,267	-20,293	14,974
Properties sold and held for sale	11,934	-340	11,594	7,726	-3,598	4,128
Total	21,364	-175,047	-153,683	187,427	-70,656	116,771

The negative effects in 2020 are attributable to changes in the input parameters, e.g. the capitalisation rates and vacancy rates. Further uncertainties can also arise in connection with the valuation parameters which, however, cannot be estimated at the present time.

4.8 Financial results

All amounts in TEUR	Q1–3 2020	Q1–3 2019
For financial liabilities AC	-49,106	-45,819
For derivative financial instruments	-6,585	-5,699
Total financing costs	-55,691	-51,518
For financial receivables AC	1,494	801
For derivative financial instruments	153	128
Total financing income	1,647	929
Foreign exchange differences	-2,452	-753
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-260	3
Valuation of financial instruments at fair value through profit or loss	-14,663	-21,154
Distributions	606	568
Valuation adjustments and impairment of receivables	871	-535
Other financial results	-13,446	-21,118
Net profit or loss from equity-accounted investments	9,417	47,122
Total	-60,525	-25,338

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 valuation of derivative financial instruments (interest rate swaps).

Information on net profit or loss from equity-accounted investments is provided in section 3.2.

5. Subsequent Events

On 8 October 2020, IMMOFINANZ successfully issued a fixed-interest, unsecured, non-subordinated bond. The bond has a volume of EUR 500 million, a seven-year term and a fixed coupon of 2.50% per year. The net proceeds from the issue will be used to refinance existing liabilities, to utilise value-creating opportunities for growth and for general corporate purposes. S&P Global Ratings gave the bond an issue rating of BBB-.

All countries in which IMMOFINANZ holds commercial properties have recorded an increase in new Covid-19 infections since the beginning of October. This development has led to the renewed implementation of restrictions by governments that again include partial, temporary shutdowns in the retail sector. As of mid-November 2020 roughly 35% of the total retail space were closed. A reopening is expected in the coming weeks.

The negative effects of Covid-19 after the balance sheet date are also primarily related to rent deferrals and rent reductions in the office and retail businesses. Further contractual rent reductions were agreed during the weeks in which this report was prepared.

Covid-19 also has a material influence on the company's revaluation results, and the effects of the pandemic on business development in the remaining months of 2020 and thereafter cannot be estimated at the present time.

Financial calendar

21 April 2021 ¹	Publication of the annual report 2020
22 April 2021	Annual results 2020
31 May 2021 ¹	Announcement of results for the first quarter of 2021
1 Juni 2021	Interim financial statements on the first quarter of 2021
8 Juni 2021	Record date for participation in the 28th annual general meeting
18 Juni 2021	28th annual general meeting
22 Juni 2021	Expected ex-dividend date
23 Juni 2021	Expected date for the determination of dividend rights (record date)
24 Juni 2021	Expected dividend payment date
30 August 2021 ¹	Announcement of results for the first half of 2021
31 August 2021	Financial report on the first half of 2021
29 November 2021 ¹	Announcement of results for the first three quarters of 2021
30 November 2021	Interim financial statements on the first three quarters of 2021

¹ Publication after close of trading at the Vienna Stock Exchange

Imprint

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

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