

1st–3rd Quarter 2021



Consolidated Interim Financial
Report



IMMOFINANZ





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Key Figures

Earnings

		Q1–3 2021	Q1–3 2020	Change in %
Rental income	in MEUR	216.4	215.8	0.3
Results of asset management	in MEUR	163.1	158.9	2.6
Results of property sales	in MEUR	24.1	9.5	≥ +100.0
Results of property development	in MEUR	24.1	-21.0	n. a.
Results of operations	in MEUR	180.4	113.1	59.5
Revaluations	in MEUR	82.7	-153.7	n. a.
EBIT	in MEUR	234.4	-31.7	n. a.
Financial results	in MEUR	91.8	-60.5	n. a.
EBT	in MEUR	326.2	-92.2	n. a.
Net profit for the period	in MEUR	295.7	-98.3	n. a.
FFO 1 before tax ¹	in MEUR	90.7	93.6	-3.1
FFO 1 per share before tax ^{1,2}	in EUR	0.74	0.87	-15.3

¹ See calculations in the section on Business Development.

² Number of shares for the calculation: 123,293,780 for Q1–3 2021 and 107,667,310 for Q1–3 2020

Assets

		30 09 2021	31 12 2020	Change in %
Balance sheet total	in MEUR	6,993.4	6,831.4	2.4
Equity as % of the balance sheet total	in %	48.5	45.1	n. a.
Net financial liabilities	in MEUR	2,066.5	2,119.5	-2.5
Cash and cash equivalents ¹	in MEUR	1,016.9	1,051.4	-3.3
Loan-to-value ratio (net)	in %	36.6	37.8	n. a.
Gearing	in %	62.8	71.2	n. a.
Total average interest rate including costs for derivatives	in %	1.92	1.99	n. a.
Average term of financial liabilities ²	in years	4.0	4.3	-1.2

¹ Including cash and cash equivalents held for sale

² 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 09 2021	31 12 2020	Change in %
Total number of properties		207	209	-1.0
Rentable space	in sqm	1,981,375	1,953,460	1.4
Occupancy rate	in %	94.1	96.0	n. a.
Gross return ¹	in %	5.9	6.2	n. a.
Invoiced rents return ¹	in %	6.3	6.6	n. a.
Portfolio value ¹	in MEUR	5,046.4	4,978.9	1.4
Unencumbered investment property	in MEUR	1,518.5	1,482.8	2.4

¹ Based on data in the Portfolio Report

EPRA¹

		30 09 2021	31 12 2020	Change in %
EPRA net reinstatement value	in MEUR	3,932.3	3,590.6	9.5
EPRA net reinstatement value per share	in EUR	31.89	29.12	9.5
EPRA net tangible assets	in MEUR	3,793.1	3,430.3	10.6
EPRA net tangible assets per share	in EUR	30.77	27.82	10.6
EPRA net disposal value	in MEUR	3,407.0	3,055.9	11.5
EPRA net disposal value per share	in EUR	27.63	24.79	11.5
EPRA net asset value	in MEUR	3,752.2	3,425.8	9.5
EPRA net asset value per share	in EUR	30.43	27.79	9.5
EPRA vacancy rate ²	in %	6.3	4.0	n. a.
		Q1-3 2021	Q1-3 2020	Change in %
EPRA earnings	in MEUR	197.7	40.8	≥ +100.0
EPRA earnings per share	in EUR	1.60	0.38	≥ +100.0
EPRA earnings after company-specific adjustments ³	in MEUR	137.3	46.4	≥ +100.0
EPRA earnings per share after company-specific adjustments ³	in EUR	1.11	0.43	≥ +100.0
EPRA net initial yield ³	in %	5.7	5.6	n. a.
EPRA "topped-up" net initial yield ³	in %	6.1	6.0	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 comparative data was adjusted.

Stock exchange data

		30 09 2021	31 12 2020	Change in %
Book value per share	in EUR	27.79	25.20	10.3
Share price at end of period	in EUR	20.60	16.97	21.4
Discount of share price to EPRA NTA diluted per share	in %	33.0	39.0	n. a.
Total number of shares		123,293,795	123,293,795	0.0
thereof number of treasury shares		1,028	6,998,228	-100.0
Market capitalisation at end of period	in MEUR	2,539.9	2,092.3	21.4
		Q1-3 2021	Q1-3 2020	Change in %
Earnings per share (basic) ¹	in EUR	2.40	-0.91	n. a.
Earnings per share (diluted) ²	in EUR	2.20	-0.91	n. a.

¹ Number of shares for the calculation (basic): 123,293,780 for Q1-3 2021 and 107,667,310 for Q1-3 2020

² Number of shares for the calculation (diluted): 137,196,443 for Q1-3 2021 and 107,667,310 for Q1-3 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.

Consolidated Interim Financial Report

Business Development

IMMOFINANZ significantly strengthened its earning power during the first three quarters of 2021, even though the markets and business development were still influenced by the COVID-19 pandemic. The results of operations not only rose by roughly 60% to EUR 180.4 million year-on-year but also surpassed the comparable pre-crisis results from 2019 (+29% vs. Q1–3 2019). That also applies to net profit, which turned strongly positive at EUR 295.7 million as of 30 September 2021 and also clearly topped the pre-crisis level in 2019 (Q1–3 2019: EUR 202.6 million).

Income statement

All amounts in TEUR	Q1–3 2021	Q1–3 2020
Rental income	216,387	215,827
Results of asset management	163,067	158,922
Results of property sales	24,057	9,467
Results of property development	24,060	-20,968
Other operating income	1,514	1,471
Other operating expenses	-32,336	-35,832
Results of operations	180,362	113,060
Revaluation result from standing investments and goodwill	54,045	-144,782
Operating profit (EBIT)	234,407	-31,722
Financial results	91,781	-60,525
Earnings before tax (EBT)	326,188	-92,247
Net profit or loss	295,661	-98,263

Rental income rose slightly to EUR 216.4 million (Q1–3 2020: EUR 215.8 million) and led to an improvement of 2.6% in the results of asset management to EUR 163.1 million (Q1–3 2020: EUR 158.9 million). This increase resulted, above all, from a reduction in property expenses, which fell by 11.5% to EUR -43.4 million (Q1–3 2020: EUR -49.1 million). Property expenses still exceeded 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 -10.9 million (Q1–3 2020: EUR -19.2 million).

The results of property sales more than doubled to EUR 24.1 million (Q1–3 2020: EUR 9.5 million). The sale of the Cluster Produktionstechnik office building in Aachen for EUR 124.0 million was responsible for the largest positive effect. In line with the corporate strategy, properties with a total volume of EUR 259.6 million were sold during the first three quarters of 2021. Included here are the building in Aachen and, above all, older and non-strategic office properties in Warsaw and Budapest.

The results of property development also turned strongly positive at EUR 24.1 million (Q1–3 2020: EUR -21.0 million), chiefly due to positive valuation effects from an office development project in Düsseldorf.

Results of operations

Other operating expenses improved by 9.8% to EUR -32.3 million (Q1–3 2020: EUR -35.8 million), above all due to the absence of non-recurring effects from the previous year. The results of operations therefore rose by a solid 59.5% to EUR 180.4 million (Q1–3 2020: EUR 113.1 million).

Revaluation and operating profit

Results from the revaluation of standing investments equalled EUR 54.0 million, compared with crisis-related write-downs in the previous year to reflect the adverse effects of the COVID-19 pandemic (Q1–3 2020: EUR -144.8 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 234.4 million (Q1–3 2020: EUR -31.7 million).

Financial results and taxes

Financing costs totalled EUR -61.9 million (Q1–3 2020: EUR -55.7 million) and reflect a year-on-year increase of roughly 12% in the financing volume. Average financing costs, including hedging, equalled 1.92% per year (31 December 2020: 1.99%). The other financial results of EUR 20.3 million (Q1–3 2020: EUR -13.4 million) resulted primarily from the positive valuation of interest rate derivatives (Q1–3 2021: EUR 14.8 million) following an increase in long-term interest rates.

The share of results from equity-accounted investments increased to EUR 131.5 million (Q1–3 2020: EUR 9.4 million). Of this total, EUR 128.0 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 42.8 million). Financial results totalled EUR 91.8 million (Q1–3 2020: EUR -60.5 million).

Net profit

Profit before tax improved significantly to EUR 326.2 million (Q1–3 2020: EUR -92.2 million) and also exceeded the comparable pre-crisis period in 2019 (Q1–3 2019: EUR 211.8 million). After the deduction of EUR -30.5 million (Q1–3 2020: EUR -6.0 million) in income taxes, net profit amounted to EUR 295.7 million (Q1–3 2020: EUR -98.3 million and Q1–3 2019: EUR 202.6 million). That represents earnings per share* (basic) of EUR 2.40, respectively EUR 2.20 (diluted) (Q1–3 2020: EUR -0.91).

Funds from Operations (FFO)

FFO 1 from the standing investment business (before tax and including the accrued interest on bonds) totalled EUR 90.7 million and is roughly at the previous year's level (Q1–3 2020: EUR 93.6 million). This slight decline is attributable, above all, to an increase in financing costs as a result of the higher financing volume. FFO 1 per share equalled EUR 0.74, compared with EUR 0.87 in the first three quarters 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 Q1–3 2021: 123,293,780 (basic) and 137,196,443 (diluted)
Number of shares for the calculation for Q1–3 2020: 107,667,310 (basic and diluted)

All amounts in TEUR	P&L Q1–3 2021	Adjustments	FFO Q1–3 2021	FFO Q1–3 2020
Results of asset management	163,067	44	163,111	158,968
Results of property sales	24,057	-24,057	0	0
Results of property development	24,060	-24,060	0	0
Other operating income	1,514	-597	917	1,276
Other operating expenses	-32,336	4,875	-27,461	-28,410
Results of operations	180,362	-43,794	136,568	131,835
Revaluation result from standing investments and goodwill	54,045	-54,045	0	0
Operating profit (EBIT)	234,407	-97,839	136,568	131,835
Financing costs ¹	-61,883			
Financing income	1,629			
Foreign exchange differences	203			
Other financial results	20,294			
Net profit or loss from equity-accounted investments	131,538			
Financial results	91,782	-137,648	-45,867	-38,277
FFO 1 before tax (excluding S IMMO)	326,188	-235,487	90,701	93,558
FFO 1 per share before tax (excluding S IMMO) in EUR			0.74	0.87
Dividends received from S IMMO			0	0
FFO 1 before tax			90,701	93,558
FFO 1 per share before tax in EUR			0.74	0.87
Number of shares (as per EPS formula) for the calculation			123,293,780	107,667,310

¹ Financing costs for Q1–3 2021 include accrued interest of EUR -5.0 million for the corporate bonds 2019–2023 and 2020–2027 as well as the convertible bond 2017–2024; the coupon payment for the mandatory convertible bond 2020–2023 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 09 2021	in %	31 12 2020	in %
Investment property	4,718,179		4,680,351	
Property under construction	377,456	73.8	358,640	76.2
Real estate inventories	619		619	
Assets held for sale	63,145		168,382	
Other assets	55,999	0.8	63,765	0.9
Equity-accounted investments	516,504	7.4	367,932	5.4
Trade and other receivables	244,659	3.5	144,639	2.1
Cash and cash equivalents	1,016,879	14.5	1,047,085	15.3
Assets	6,993,440	100.0	6,831,413	100.0
Equity	3,394,840	48.5	3,083,707	45.1
Liabilities from convertible bonds	281,524	4.0	291,056	4.3
Financial liabilities	2,852,965	40.8	2,916,051	42.7
Trade and other payables	140,899	2.0	188,958	2.8
Other liabilities	58,102	0.8	89,370	1.3
Deferred tax liabilities	265,110	3.8	262,271	3.8
Equity and liabilities	6,993,440	100.0	6,831,413	100.0

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 48.5% (31 December 2020: 45.1%). Equity has increased to EUR 3,394.8 million since the beginning of 2021, chiefly due to the improvement in net profit. The net loan to value equalled 36.6%.

The property portfolio has a value of EUR 5.2 billion and represents 73.8% 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 516.5 million include EUR 511.8 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 26.25 (31 December 2020: EUR 18.65). The S IMMO investment was written up by EUR 85.3 million in the first quarter of 2021 to reflect a substantial improvement in the share price.

Cash and cash equivalents totalled EUR 1,016.9 million and reflected the level at year-end 2020 (31 December 2020: EUR 1,047.1 million, respectively EUR 1,051.4 million including cash and cash equivalents in disposal groups).

EPRA Financial Indicators

EPRA net asset value

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

These indicators are calculated in accordance with the EPRA Best Practices Recommendations (EPRA BPR), whereby adjustments are made beginning with IFRS equity to provide stakeholders with the most transparent information on the market value of the real estate company's assets and liabilities under various scenarios.

In order to present the transition as clearly as possible, IMMOFINANZ calculated a transition for 30 September 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 09 2021	New indicators 30 09 2021		
	NAV/NNNAV	NRV	NTA	NDV
Equity excluding non-controlling interests	3,426,671	3,426,671	3,426,671	3,426,671
Hybrid financial instruments (convertible bonds)	0	-14,454	-14,454	-14,454
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,426,671	3,412,216	3,412,216	3,412,216
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves	3,426,671	3,412,216	3,412,216	3,412,216
Fair value of derivative financial instruments	10,362	10,362	10,362	0
Deferred taxes on derivative financial instruments	-1,937	-1,937	-1,937	0
Deferred taxes on investment property	341,128	341,128	330,695	0
Goodwill resulting from deferred taxes	-24,069	-24,069	-24,069	-24,069
Intangible assets	0	0	-219	0
EPRA NAV (diluted)	3,752,155			
Fair value of derivative financial instruments	-10,362			
Deferred taxes on derivative financial instruments	1,937			
Effect of fair value measurement of financial liabilities	10,672	0	0	25,126
Deferred taxes on the fair value measurement of financial liabilities	-2,668	0	0	-6,282
Deferred taxes on investment property	-6,784	0	0	0
Real estate transfer tax and other purchaser's costs	0	194,625	66,072	0
EPRA NNNAV (diluted)	3,744,949	3,932,326	3,793,121	3,406,992
Number of shares excluding treasury shares	123,292,767	123,292,767	123,292,767	123,292,767
EPRA NAV per share in EUR	30.43	31.89	30.77	27.63
EPRA NNNAV per share in EUR	30.37			

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 financial instruments (convertible bonds)	0	-21,654	-21,654	-21,654
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,107,583	3,085,929	3,085,929	3,085,929
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves	3,107,583	3,085,929	3,085,929	3,085,929
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
EPRA NAV (diluted)	3,425,761			
Fair value of derivative financial instruments	-29,125			
Deferred taxes on derivative financial instruments	5,745			
Effect of fair value measurement of financial liabilities ¹	-29,393	0	0	-7,739
Deferred taxes on the fair value measurement of financial liabilities ¹	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
EPRA NNNAV (diluted)	3,372,268	3,590,610	3,430,262	3,055,940
Number of shares excluding treasury shares	123,293,795	123,293,795	123,293,795	123,293,795
EPRA NAV per share in EUR	27.79	29.12	27.82	24.79
EPRA NNNAV per share in EUR	27.35			

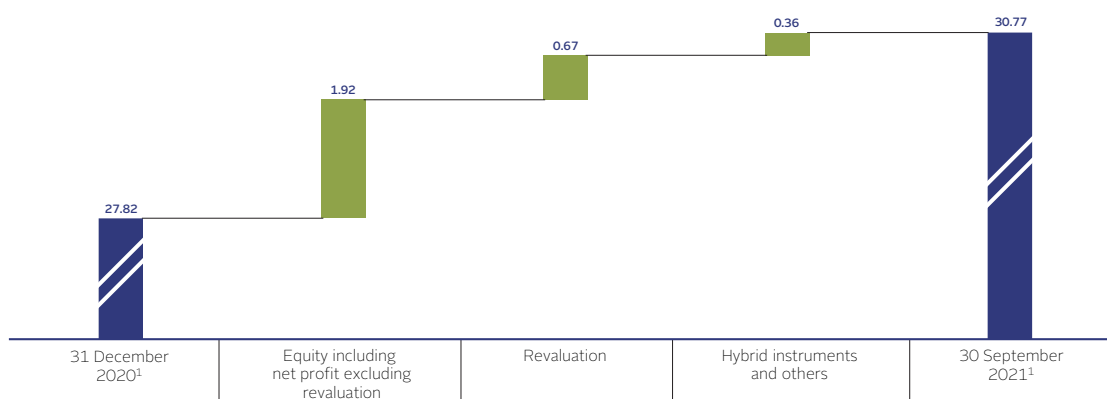
¹ The comparative period data was adjusted.

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 September 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 mandatory convertible bond was subjected to a mandatory conversion at the beginning of October 2021, i.e. shortly after the end of the reporting period (for detailed information see the section on Financing on page 17).

The EPRA NTA per share rose by 10.6% from EUR 27.82 at year-end 2020 to EUR 30.77 as of 30 September 2021. This increase is primarily attributable to the positive development of earnings and revaluation results (see the following reconciliation).

The IFRS book value per share equalled EUR 27.79 (31 December 2020: EUR 25.20).

EPRA NTA bridge



¹ Number of shares as of 31 December 2020 and 30 September 2021 in thousand: 123,294 (basic) and 123,293 (diluted)

EPRA earnings per share

All amounts in TEUR	Q1–3 2021	Q1–3 2020
Weighted average number of shares in 1,000	123,294	107,667
Net profit or loss from continuing operations excluding non-controlling interests	295,779	-98,298
Revaluation of investment properties and properties under construction	-79,690	165,275
Results of property sales	-24,058	-9,468
Goodwill impairment, negative differences and earn-out effects on income	-117	0
Changes in fair value of financial instruments	-22,042	14,663
Taxes in respect of EPRA adjustments	28,817	-31,006
EPRA adjustments in respect of joint ventures and non-controlling interests	-973	-332
EPRA earnings	197,716	40,835
EPRA earnings per share in EUR	1.60	0.38
Company-specific adjustments		
One-time effects in other operating expenses	4,303	5,014
Valuation S IMMO	-85,274	0
Foreign exchange gains and losses	-203	2,452
Deferred taxes in respect of company-specific adjustments	20,712	-1,859
Company-specific adjusted EPRA earnings	137,253	46,442
EPRA earnings per share after company-specific adjustments in EUR	1.11	0.43

EPRA earnings per share improved substantially to EUR 1.60 in the first nine months of 2021, respectively to EUR 1.11 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	Q1–3 2021	2020
Investment property	4,671,722	4,721,453
Investment property – proportional share of joint ventures	1,268	1,268
less undeveloped land	-162,808	-197,055
less undeveloped land – proportional share of joint ventures	-1,268	-1,268
Total property portfolio	4,508,914	4,524,398
Allowance for estimated purchaser's costs	169,116	167,855
Gross value of total standing investment portfolio	4,678,030	4,692,253
Annualised cash rental income	290,595	290,553
Non-recoverable property operating expenses	-24,462	-26,417
Annualised net rental income	266,134	264,136
Notional rent expiration of rent free periods or other lease incentives	18,719	16,119
“Topped-up” net annualised rents	284,852	280,254
EPRA net initial yield in %	5.7	5.6
EPRA “topped-up” net initial yield in %	6.1	6.0

The EPRA NIY remained stable at 5.7% in the first three quarters of 2021. The “topped-up” NIY equalled 6.1%.

EPRA vacancy rate

EPRA vacancy rate by core market

	30 09 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 %
Standing investments					
Austria	237,696	0.1	3.2	3.8	4.4
Germany	65,945	0.3	1.5	20.6	0.9
Poland	418,167	0.3	5.8	5.0	3.8
Czech Republic	233,608	0.1	2.9	3.6	3.9
Hungary	225,504	0.1	2.6	3.3	2.5
Romania	331,638	0.5	4.7	10.3	5.6
Slovakia	188,041	0.2	2.2	9.2	7.9
Adriatic ¹	280,777	0.0	2.7	0.9	2.0
IMMOFINANZ	1,981,375	1.6	25.5	6.3	4.0

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

EPRA vacancy rate by asset class and brand

	30 09 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 %
Standing investments					
Office	909,847	1.2	13.6	9.2	5.5
thereof myhive	606,644	1.0	9.4	10.2	6.6
Retail	1,071,528	0.3	11.8	2.9	2.1
thereof VIVO!/shopping center	311,913	0.3	4.7	5.8	3.0
thereof STOP SHOP/retail park	749,314	0.1	7.1	1.0	1.4
IMMOFINANZ	1,981,375	1.6	25.5	6.3	4.0

The EPRA vacancy rate equalled 6.3% as of 30 September 2021 (31 December 2020: 4.0%) and rose to 9.2% 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 will now be marketed as flexible myhive solutions. The retail portfolio was nearly fully rented with a vacancy rate of only 2.9%, whereby the STOP SHOP retail parks had the lowest vacancy rate with 1.0% as of 30 September 2021.

EPRA cost ratio

All amounts in TEUR	Q1-3 2021	Q1-3 2020
Expenses from investment property	-43,428	-49,066
Net operating costs, excluding indirect costs that are recharged through rents but not invoiced separately	-1,746	-1,049
EPRA costs (including direct vacancy costs)	-45,174	-50,115
Vacancy costs	-6,021	-4,631
EPRA costs (excluding direct vacancy costs)	-39,153	-45,484
Gross rental income including service fees and service charge cost components	216,388	215,079
Less service fees and service charge cost components of gross rental income	-8,803	-9,214
Gross rental income	207,584	205,865
EPRA cost ratio (including direct vacancy costs) in %	21.8	24.3
EPRA cost ratio (excluding direct vacancy costs) in %	18.9	22.1

The EPRA cost ratio improved to 21.8% (Q1–3 2020: 24.3%) including direct vacancy costs and to 18.9% excluding direct vacancy costs (Q1–3 2020: 22.1%). This reduction resulted, above all, from the decline in the expenses from investment property. The write-offs 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 -10.9 million (Q1–3 2020: EUR -19.2 million).

In calculating the EPRA cost ratio, IMMOFINANZ only capitalises the expenses which will lead to a future economic benefit for the respective property. This normally applies to maintenance and fit-outs in investment property and to development costs for property under construction. Overheads and operating costs are principally not capitalised.

EPRA capital expenditure

All amounts in TEUR	Q1–3 2021	Q1–3 2020
Acquisitions	74,589	0
Development projects	57,925	72,745
Investment property	21,222	11,991
thereof incremental lettable space ¹	0	0
thereof no incremental lettable space ¹	20,420	10,747
thereof tenant incentives ¹	802	1,244
EPRA capital expenditure	153,736	84,736

¹ The comparative period data was adjusted.
Joint ventures are included in the calculation of capital expenditure in accordance with EPRA requirements; no figures are provided due to the absence of data.

Capital expenditure totalled EUR 153.7 million in the first three quarters of 2021 and was concentrated on properties solely owned by IMMOFINANZ (Q1–3 2020: EUR 84.7 million). Major projects included the development of the myhive Medienhafen Alto office building in Düsseldorf, the modernisation of existing office properties in Vienna and Romania as well as the acquisition of the Bucharest Financial Plaza in the first quarter of 2021.

IMMOFINANZ entered the market in Italy during the second quarter with the acquisition of a retail park in the north Italian city of San Fior. The acquisition of four Serbian retail parks, which was announced in 2020, also closed at the beginning of 2021. This real estate package in Serbia covers locations Leskovac, Šabac, Sombor and Zaječar. In addition, the acquisition of land in Croatia was finalised during the reporting period.

Capital expenditure in investment properties totalled EUR 21.2 million and was related primarily to the myhive Medienhafen Largo (Düsseldorf, formerly the trivago Campus), myhive Twin Towers (Vienna) and myhive Warsaw Spire (Warsaw) as well as the VIVO! Baia Mare shopping center. Capital expenditure in the 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”.

Financing

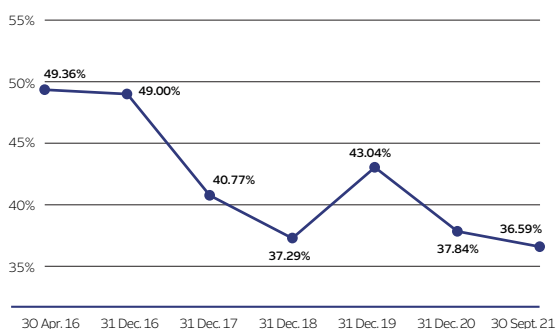
Financial liabilities* totalled EUR 3.1 billion as of 30 September 2021 (31 December 2020: EUR 3.2 billion). Cash and cash equivalents, including cash and cash equivalents held for sale, amounted to EUR 1,016.9 million (31 December 2020: EUR 1,051.4 million). Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.1 billion (31 December 2020: EUR 2.1 billion).

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

Robust balance sheet structure

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 48.5% (31 December 2020: 45.1%) and a net loan-to-value ratio (net LTV) of 36.6% (31 December 2020: 37.8%).

Development of net LTV



Calculation of net LTV as of 30 September 2021

Amounts in TEUR	
Carrying amount of financing ¹	3,083,389.9
- Cash and cash equivalents ²	-1,016,878.6
Net carrying amount of financing	2,066,538.5
Carrying amount of property ³ & EPRA NAV of S IMMO shares ⁴	5,647,219.9
Net LTV in %	36.59

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 28.28 per share as of 30 September 2021

* Excluding lease liabilities of EUR 64.8 million in accordance with the application of IFRS 16; including IFRS 5

The average financing costs for IMMOFINANZ, including derivatives, equalled 1.92% per year as of 30 September 2021 (31 December 2020: 1.99% per year). The hedging quota was stable at 87.9% (31 December 2020: 88.6%).

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 1,518.5 million, or 29.8% of the total property carrying amount, were not externally financed and therefore unencumbered as of 30 September 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 2,069.9 million or 36.7%.

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 September 2021 is as follows:

<u>Weighted average interest rate of the financial liabilities</u>	<u>Outstanding liability in TEUR as of 30 09 2021</u>	<u>Total average interest rate incl. expenses for derivatives in %¹</u>
Convertible bonds ²	281,523.9	1.50
Corporate bonds	987,230.0	2.56
Bank liabilities ³	1,814,636.0	1.64
IMMOFINANZ	3,083,389.9	1.92

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

² Convertible bond 2017–2024 (coupon reduced to 1.5% after receipt of an investment grade rating) and last coupon payments for the mandatory convertible bond 2020–2023 which is classified as debt. This bond underwent mandatory premature conversion at the beginning of October 2021.

³ Including IFRS 5

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 3,083.4 million as of 30 September 2021.

Bonds

The outstanding nominal value of the bonds remained unchanged at EUR 1,397.3 million as of 30 September 2021 (31 December 2020: EUR 1,397.3 million) and includes the following: 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 (conversion price as of 30 September 2021: EUR 21.3772; current conversion price after the dividend payment in October 2021: EUR 20.6333), the subordinated mandatory convertible bond issued in July 2020 which underwent mandatory conversion at the beginning of October 2021, and the two benchmark bonds 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 09 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 ¹	1.50 ²	294,500	0	294,500
IMMOFINANZ			2.32	1,277,300	0	1,277,300
Mandatory convertible bond ³	AT0000A2HPN2	23 07 2023	4.00	120,000	0	120,000
IMMOFINANZ			n. a.	1,397,300	0	1,397,300

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.

³ 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. This bond underwent mandatory conversion at the beginning of October 2021.

On 26 August 2021, IMMOFINANZ AG announced its intention to exercise its premature mandatory conversion right in accordance with the issue terms of the mandatory convertible bond. The conversion took place at the applicable conversion price of EUR 17.1472. The shares were delivered from IMMOFINANZ's stock of treasury shares on 5 October 2021. This premature conversion results in future coupon savings of approximately EUR 8.6 million for the company (up to the original end of the bond term in 2023).

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 will be calculated on the basis of the consolidated IFRS financial statements:

Financial covenant	Threshold in %	Value as of 30 09 2021 in %
Net Debt to Value Ratio ¹	Max. 60.0	37.3
Secured Net Debt to Value Ratio ¹	Max. 45.0	15.1
Interest Coverage Ratio	Min. 150.0	416.2

¹ The values are based on the latest calculation as per the bond terms on or before 30 September 2021.

Portfolio Report

Crisis-resistant portfolio

IMMOFINANZ's property portfolio, which totalled approximately EUR 5.0 billion at the end of September 2021, is characterised by its crisis resistance. The portfolio strategy is based on clearly defined brands as well as flexible and innovative offers with strong customer orientation. These factors, in combination, allow IMMOFINANZ to meet the needs of buyers in the retail business and tenants in the office business.

At 94.1% (31 December 2020: 96.0%), the occupancy rate remained constant at a high international level. The retail properties are practically fully rented at 97.4%, and the STOP SHOPS can demonstrate an even higher 99.0%. The occupancy rate in the office business declined slightly to 90.2% during the first three quarters – however, this is mainly due to the reduction of space by a large tenant in Germany who was hit hard by the COVID-19 pandemic. These areas will now be re-let with our flexible office solutions.

Take-up amounted to roughly 337,800 sqm in the first nine months of 2021, which represents 17% of the total rentable space. In the office properties, take-up nearly reached the 2019 pre-crisis level at 106,000 sqm.

Waiting lists for flexible myhive solutions

The roll-out of the flexible myhive office products has continued in 2021 and now covers 15 locations in seven European cities. In the office business, the pandemic has increased tenants' wish for greater flexibility. IMMOFINANZ is optimally positioned to address this development with its flexible myhive office concept and offers tenants properties at good locations in a high-quality office and community environment with top service, infrastructure and feel-good atmosphere. Tenants only pay for the space they need and can adjust their requirements on short notice. The demand for these short-term bookable office solutions is developing very well, and there are currently waiting lists at several locations.

In the retail business, the wide-ranging COVID-19 containment measures resulted in the temporary shutdown of roughly 48% of IMMOFINANZ's rented retail space at the end of March 2021. This situation improved substantially during the second and third quarter and, at the end of September, there were no further pandemic-related closings. The fourth quarter, i.e. after the end of the reporting period, brought an increase in uncertainty throughout IMMOFINANZ's core markets due to the sharp rise in the number of infections. Austria entered another lockdown on 22 November 2021, which is limited to three weeks and led to temporary retail closings (apart from everyday necessities). At the same time, plans were also announced for mandatory vaccinations beginning in February 2022. Roughly 15% of the IMMOFINANZ's retail space was affected by temporary shutdowns at the end of November 2021.

Higher revenues and strong recovery in visitor traffic

The earlier waves in the COVID-19 pandemic were followed by the very rapid recovery of visitor traffic in the retail parks after the end of the lockdowns. The STOP SHOP retail parks benefited from direct access to the individual shops from the parking areas and their focus on everyday products with an emphasis on the price-conscious segment. Statistics also showed that people shopped less frequently but spent more per visit as a result of the pandemic. This is reflected in the development of footfall and retail turnover. In the first nine months of 2021, retail turnover was 10.0% higher than the comparable period in 2020. Footfall in the STOP SHOPS was 3.2% lower than the previous year during the months from January to September 2021 – including the COVID-19-related shutdown days – whereby entertainment and fitness were the most affected.

For the VIVO! shopping centers, the easing of restrictions during the second quarter had a very positive effect. Footfall was 13.8% higher year-on-year during the months from January to September 2021 – including the COVID-19-related shutdown days – while retail revenues rose by 25.0%. This sizeable increase is attributable, above all, to the four VIVO! shopping centers in Romania, which were affected by extensive shutdowns in the previous year up to mid-June 2020.

In the first three quarters of 2021, 98.0% of the invoiced rents (after the deduction of rental reductions and write-downs) for space in the office and retail properties had been paid by mid-November (retail: 97.0%, office: 98.5%). This high percentage speaks for IMMOFINANZ's intensive and professional communications with tenants on this subject as well as their financial standing and the appropriateness of the temporary support agreements. The rental reductions granted during this period amounted to 7.1% of the contractual rents (retail: 10.8%, office: 3.8%).

Property portfolio

The IMMOFINANZ property portfolio covered 207 properties* as of 30 September 2021 (31 December 2020: 209) with a combined value of EUR 5,046.4 million (31 December 2020: EUR 4,978.9 million). These properties are located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and Adriatic. Standing investments represent the largest component at EUR 4,506.2 million, or 89.3% of the carrying amount, and 2.0 million sqm, which generate steady rental income. The development projects total EUR 377.5 million, or 7.5% of the carrying amount. Pipeline projects are responsible for EUR 162.7 million, or 3.2%, and include future planned development projects, undeveloped land, real estate inventories and properties that are intended for sale.

* 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 to the consolidated interim financial statements).

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 78.2% of the carrying amount of the standing investment portfolio and 83.5% of rental income at the end of September 2021 (Q3 2021). A further 10.1% of the carrying amount is attributable to office buildings which are rented to single tenants. The largest of these properties are the City Tower in Vienna, which is leased to the Austrian government, and the FLOAT in Düsseldorf.

A geographical analysis shows 49.2% 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 decided to combine these three countries into a new segment Adriatic which has been reported separately since the first quarter of 2021. These three countries were previously included under the Other countries segment. IMMOFINANZ entered the market in Italy with its STOP SHOP retail park brand during July 2021; business activities in this country will also be included in the Adriatic 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 ¹	Property portfolio in MEUR	Property portfolio in %
Austria	30	798.7	89.1	29.8	917.5	18.2
Germany	5	449.2	136.3	0.6	586.1	11.6
Poland	27	975.2	2.4	0.0	977.7	19.4
Czech Republic	21	572.1	1.5	0.0	573.6	11.4
Hungary	23	380.2	70.3	2.7	453.1	9.0
Romania	37	612.8	72.0	93.0	777.7	15.4
Slovakia	21	325.6	0.0	1.2	326.8	6.5
Adriatic ²	39	392.5	5.8	17.5	415.9	8.2
Other countries ³	4	0.0	0.0	18.0	18.0	0.4
IMMOFINANZ	207	4,506.2	377.5	162.7	5,046.4	100.0
in %		89.3	7.5	3.2	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: Serbia, Slovenia, Croatia and Italy

³ Turkey

Property acquisitions

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

In July 2021, IMMOFINANZ acquired a fully rented retail park in the north Italian city of San Fiore with roughly 27,000 sqm of rentable space which will operate in the future as the STOP SHOP San Fior. The seller was the international investment bank Barings, and the sale price totalled approximately EUR 35.0 million, or a purchase return of 8.2%. The transaction closed on 2 July, and the retail park is included in this interim financial report under the Adriatic segment for the first time. This acquisition continues the expansion of IMMOFINANZ's successful and crisis-resistant STOP SHOP retail brand and, with **Italy**, opens a new market in Western Europe.

Investments

Investments in the real estate portfolio totalled EUR 156.4 million in the first nine months of 2021 (Q1–3 2020: EUR 85.4 million).

Property sales

In spite of the still challenging market environment, properties totalling EUR 259.6 million (including IFRS 5) were sold during the first three quarters of 2021. Included here are the Cluster Produktionstechnik office building in Aachen, which was sold to Axa for approximately EUR 124.0 million, as well as four office buildings in Warsaw that were purchased by the Indotek Group and three smaller office properties and land in Budapest.

Standing investments

The 156 standing investments had a combined carrying amount of EUR 4,506.2 million as of 30 September 2021 (31 December 2020: 153 standing investments with a carrying amount of EUR 4,428.5 million). Of this total, 60.8% are attributable to office properties and 39.2% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Poland (EUR 975.2 million), Austria (EUR 798.7 million) and Romania (EUR 612.8 million). The rentable space in this portfolio totalled 1,981,375 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 6.3% 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% as of 30 September 2021 (30 September 2020: 95.5%; 31 December 2020: 96.0%). The slight 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 COVID-19 pandemic to reduce the amount of rented space beginning in 2021. These vacant areas will now be marketed as flexible myhive solutions. According to the EPRA's calculation formula, the vacancy rate equals 6.3% (30 September 2020: 4.4%; 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 9). In spite of the challenging market conditions, take-up amounted to approximately 337,800 sqm, or roughly 17% of the total rentable space, in the first nine months of 2021 (excluding standing investments in the Other asset class; Q1–3 2020: 416,800 sqm). The total take-up includes 62,800 sqm of new rentals and 275,000 sqm of contract extensions (Q1–3 2020: 34,300 sqm and 382,500 sqm). The average unexpired lease term (WAULT*) weighted by rental income equalled 4.2 years as of 30 September 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 space¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
13	14	15	15	17	26	1

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	24	798.7	17.7	237,696	229,257	96.4
Germany	2	449.2	10.0	65,945	51,152	77.6
Poland	24	975.2	21.6	418,167	397,095	95.0
Czech Republic	20	572.1	12.7	233,608	225,832	96.7
Hungary	19	380.2	8.4	225,504	219,178	97.2
Romania	13	612.8	13.6	331,638	290,372	87.6
Slovakia	20	325.6	7.2	188,041	172,635	91.8
Adriatic ¹	34	392.5	8.7	280,777	278,912	99.3
IMMOFINANZ	156	4,506.2	100.0	1,981,375	1,864,433	94.1

Standing investments	Rental income Q3 2021 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	4.3 (4.5)	329.5	0.8	1.5	41.3
Germany	2.9	2.6 (2.8)	211.4	0.7	1.0	47.1
Poland	14.7	6.0 (6.7)	426.1	1.3	1.9	43.7
Czech Republic	7.7	5.4 (5.6)	309.7	1.2	1.5	54.1
Hungary	6.7	7.0 (7.5)	196.1	1.4	1.8	51.6
Romania	11.7	7.6 (8.1)	0.0	0.0	0.0	0.0
Slovakia	5.7	7.0 (7.4)	179.3	1.4	1.9	55.1
Adriatic ¹	8.5	8.7 (8.8)	82.4	1.9	1.9	21.0
IMMOFINANZ	66.6	5.9 (6.3)	1,734.5	1.2	1.6	38.5
Development projects and pipeline projects	2.4		80.1	1.4	1.7	
Rental income from sold properties and adjustments	2.3		0.0	0.0	0.0	
Group financing	0.0		1,268.8	0.0	2.3	
IMMOFINANZ	71.4		3,083.4	1.2	1.9	

Market value property portfolio in MEUR		5,046.4
EPRA NAV S IMMO shares (19.5 million shares) ³ in MEUR		551.4
Cash and cash equivalents ⁴ in MEUR	-1,016.9	
Properties/liabilities held for sale (asset & share deals) in MEUR	0.0	49.4
IMMOFINANZ in MEUR	2,066.5	5,647.2
Net LTV in %		36.6

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

² Financing costs based on nominal outstanding liability

³ 19.5 million S IMMO shares at the EPRA NAV of EUR 28.28 per share as of 30 September 2021

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. acquisitions, completions and sales are deducted to facilitate comparison with Q3 2020) shows an increase of roughly 3% in rental income to EUR 62.8 million in the third quarter of 2021. The Adriatic region has recovered from the negative effects on the retail sector that resulted from the COVID-19 restrictions in the third quarter of the previous year. The slight decline in Poland is primarily attributable to the IFRS-related accrual of rental incentives in connection with the extension of rental contracts in a large office property. In Romania, the modernisation of the VIVO! Baia Mare shopping center, which has since been completed, led to a slight decline in like-for-like rental income.

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 2021 in MEUR	Rental income Q3 2020 in MEUR	Change in rental income in MEUR
Austria	22	721.1	17.5	7.8	7.7	0.1
Germany	1	249.3	6.0	2.1	2.1	0.0
Poland	24	975.2	23.7	14.7	15.7	-1.0
Czech Republic	18	544.1	13.2	7.3	6.8	0.5
Hungary	19	380.2	9.2	6.7	6.2	0.5
Romania	13	612.8	14.9	11.7	12.5	-0.8
Slovakia	20	325.6	7.9	5.7	5.3	0.4
Adriatic	27	312.8	7.6	6.8	4.7	2.1
IMMOFINANZ	144	4,121.1	100.0	62.8	61.0	1.8
Rental income from properties sold/acquired, IFRS 15 and IFRS 16 adjustments and development projects				8.6		
IMMOFINANZ				71.4		

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 2021 in MEUR	Rental income Q3 2020 in MEUR	Change in rental income in MEUR
Office	43	2,470.6	60.0	30.1	30.7	-0.6
thereof myhive	25	1,496.9	36.3	19.4	19.7	-0.3
Retail	101	1,650.4	40.0	32.7	30.3	2.4
thereof VIVO!/shopping center	10	659.5	16.0	12.8	12.5	0.3
thereof STOP SHOP/retail park	89	980.1	23.8	19.6	17.6	2.1
Others	0	0.0	0.0	0.0	0.0	0.0
IMMOFINANZ	144	4,121.1	100.0	62.8	61.0	1.8

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 45 office standing investments totalled EUR 2,738.6 million as of 30 September 2021 (31 December 2020: 47 standing investments with a carrying amount of EUR 2,749.9 million). These assets represented 60.8% of the standing investment portfolio and 47.4% of the rental income from standing investments in the third quarter of 2021. A regional analysis shows the focal points of the IMMOFINANZ office properties in the core markets of Poland (EUR 695.4 million), Austria (EUR 655.2 million) and Germany (EUR 449.2 million).

The rentable space totalled 909,847 sqm as of 30 September 2021 (31 December 2020: 940,303 sqm). Based on annualised rents (Q3 2021: EUR 31.6 million), the office portfolio generated a gross return of 4.6% and a return of 5.0% based on invoiced rents. The office properties in the myhive brand represent a carrying amount of EUR 1,764.9 million and generated a gross return of 4.7%, respectively 5.2% based on invoiced rents.

The occupancy rate in the office portfolio equalled 90.2% at the end of September 2021 (30 September 2020: 93.4%; 31 December 2020: 93.7%), whereby the decline since the beginning of the year resulted primarily from an agreement for the reduction of space for a single tenant in Germany who was severely affected by the COVID-19 pandemic. These vacant areas will now be marketed as flexible myhive solutions. Based on the EPRA's calculation formula, the vacancy rate equalled 9.2% (30 September 2020: 5.9%; 31 December 2020: 5.5%). Despite the challenging market environment, take-up in the office business was stable at approximately 105,800 sqm (Q1–3 2020: 106,500 sqm). Nearly 36,000 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 69,800 sqm (Q1–3 2020: 23,500 sqm of new rentals and 83,000 sqm of contract extensions).

The office portfolio has a balanced tenant structure. As of 30 September 2021 the ten largest tenants are responsible for 22.7% of the space in the office standing investments, and no single tenant has rented more than 3.3% of the total space in these properties. The WAULT* equalled 4.1 years as of 30 September 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 space¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
15	17	14	17	14	22	1

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	45	2,738.6	100.0	909,847	820,437	90.2
thereof myhive	27	1,764.9	64.4	606,644	544,464	89.8

Standing investments	Rental income Q3 2021 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	31.6	4.6 (5.0)	1,144.1	1.0	1.5	41.8
thereof myhive	20.9	4.7 (5.2)	767.5	1.2	1.7	43.5

¹ Financing costs based on nominal outstanding liability

Retail standing investments

The carrying amount of the 111 standing investments in the retail sector totalled EUR 1,767.6 million as of 30 September 2021 (31 December 2020: 105 standing investments with a carrying amount of EUR 1,671.1 million). These properties represented 39.2% of the standing investment portfolio and generated 52.6% of the rental income from standing investments in the third quarter of 2021. The largest regional markets are the Adriatic region (Serbia, Slovenia, Croatia and Italy) with EUR 364.2 million, Romania with EUR 327.5 million and Poland with EUR 279.8 million. The STOP SHOP retail parks represent a carrying amount of EUR 1,097.3 million and a gross return of 8.0%, respectively 8.1% based on invoiced rents. The VIVO! shopping centers have a carrying amount of EUR 659.5 million; they generated a gross return of 7.8% and an invoiced rental return of 8.2%.

Based on annualised rents (Q3 2021: EUR 35.0 million), the retail portfolio has a gross return of 7.9%, respectively 8.2% based on invoiced rents. The rentable space in these properties totalled 1,071,528 sqm (31 December 2020: 1,013,157 sqm). The occupancy rate in this portfolio equalled a high 97.4% as of 30 September 2021 (30 September 2020: 97.6%; 31 December 2020: 98.1%), whereby the comparable figures for the STOP SHOP retail parks and VIVO! shopping centers were 99.0% and 93.8% respectively. The occupancy rate in the VIVO! shopping centers was temporarily reduced by the modernisation of the VIVO! Baia Mare shopping center, which has since been completed. Take-up in the retail properties amounted to roughly 232,000 sqm in the first nine months of 2021 (Q1–3 2020: 310,300 sqm). Approximately 26,800 sqm were attributable to new rentals and 205,200 sqm to contract extensions (Q1–3 2020: 10,800 sqm and 299,500 sqm). The extensions were concluded, among others, in return for temporary support provided by IMMOFINANZ during the lockdown phases.

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

IMMOFINANZ relies on a balanced tenant mix to create an optimal environment for retailers and their customers. The 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 September 2021 (31 December 2020: 3.9 years).

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 space¹):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
11	11	15	13	19	29	1

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	111	1,767.6	100.0	1,071,528	1,043,996	97.4
thereof VIVO!/shopping center	10	659.5	37.3	311,913	292,696	93.8
thereof STOP SHOP/retail park	99	1,097.3	62.1	749,314	741,670	99.0

Standing investments	Rental income Q3 2021 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	35.0	7.9 (8.2)	590.4	1.4	1.9	33.4
thereof VIVO!/shopping center	12.8	7.8 (8.2)	157.1	1.2	1.7	23.8
thereof STOP SHOP/retail park	21.9	8.0 (8.1)	433.3	1.5	2.0	39.5

¹ Financing costs based on nominal outstanding liability

Development projects

The development projects had a carrying amount of EUR 377.5 million as of 30 September 2021, which represents 7.5% of the total property portfolio (31 December 2020: EUR 358.6 million and 7.2%). This amount includes EUR 375.5 million of active development projects and EUR 1.9 million of projects in the preparation or concept phase, for which outstanding construction costs are not yet available. Examples are the STOP SHOP projects in Croatia and Poland. The expected fair value of the active projects on completion amounts to EUR 562.4 million. The core markets of Germany (myhive Medienhafen in Düsseldorf) and Romania (modernisation of two existing office properties and the conversion of one of these office properties into a multidisciplinary hospital as well as the renovation of the Bucharest Financial Plaza, which was acquired in the first quarter of 2021, into a high-quality, sustainable office property under the flexible myhive premium brand) represent the focus of these activities based on an expected fair value after completion of EUR 168.1 million and EUR 148.8 million respectively. The active development projects in Austria include three office building refurbishments in Vienna, whereby the modernisation of a building at the myhive Wienerberg has already been concluded.

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

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	3	89.1	23.7	50.8	33,049	140.7	6.1	4.4
Germany	1	136.3	36.3	17.0	21,707	168.1	5.9	3.8
Poland	1	1.7	0.5	7.3	6,732	10.0	0.8	8.7
Czech Republic	1	1.5	0.4	0.8	13,555	2.7	0.2	8.2
Hungary	1	70.3	18.7	9.0	34,218	80.2	6.3	7.9
Romania	3	71.3	19.0	72.5	56,755	148.8	10.8	7.5
Adriatic ²	1	5.2	1.4	4.8	6,763	11.8	1.0	9.8
Active projects	11	375.5	100.0	162.3	172,779	562.4	31.0	5.8
Projects in preparation	4	1.9						
IMMOFINANZ	15	377.5						

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

² Croatia

Pipeline projects

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects. These projects had a carrying amount of EUR 162.7 million as of 30 September 2021 (31 December 2020: EUR 191.8 million). Romania represents the focal point at EUR 93.0 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 63.1 million as of 30 September 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 3.3 of the supplementary information to the consolidated interim financial statements.

Consolidated Balance Sheet

All amounts in TEUR	Notes	30 9 2021	31 12 2020
Investment property	3.1	4,718,179	4,680,351
Property under construction		377,456	358,640
Other tangible assets		6,839	5,313
Intangible assets		24,289	24,460
Equity-accounted investments	3.2	516,504	367,932
Trade and other receivables		39,144	56,917
Income tax receivables		8	514
Other financial assets		13,018	12,524
Deferred tax assets		3,939	9,016
Non-current assets		5,699,376	5,515,667
Trade and other receivables		205,515	87,722
Income tax receivables		7,906	11,938
Assets held for sale	3.3	63,145	168,382
Real estate inventories		619	619
Cash and cash equivalents		1,016,879	1,047,085
Current assets		1,294,064	1,315,746
Assets		6,993,440	6,831,413
Share capital		123,294	123,294
Capital reserves		4,722,014	4,702,527
Treasury shares		-156,328	-156,328
Accumulated other equity		-188,191	-194,682
Retained earnings		-1,074,119	-1,367,228
Equity attributable to owners of IMMOFINANZ AG		3,426,670	3,107,583
Non-controlling interests		-31,830	-23,876
Equity		3,394,840	3,083,707
Liabilities from convertible bonds		276,153	281,806
Financial liabilities		2,578,212	2,818,552
Trade and other payables		32,123	59,032
Income tax liabilities		2	2
Provisions		16,539	17,196
Deferred tax liabilities		265,110	262,271
Non-current liabilities		3,168,139	3,438,859
Liabilities from convertible bonds		5,371	9,250
Financial liabilities		274,753	97,499
Trade and other payables		108,776	129,926
Income tax liabilities		9,246	7,482
Provisions		18,564	19,827
Liabilities held for sale	3.3	13,751	44,863
Current liabilities		430,461	308,847
Equity and liabilities		6,993,440	6,831,413

Consolidated Income Statement

All amounts in TEUR	Notes	Q3 2021	Q1–3 2021	Q3 2020	Q1–3 2020
Rental income	4.1	71,399	216,387	69,606	215,827
Operating costs charged to tenants		22,173	64,533	21,746	63,094
Other revenues		156	656	303	2,422
Revenues		93,728	281,576	91,655	281,343
Expenses from investment property	4.2	-11,842	-43,424	-10,173	-49,065
Operating expenses		-25,626	-75,085	-25,341	-73,356
Results of asset management		56,260	163,067	56,141	158,922
Results of property sales	4.3	27,734	24,057	10,205	9,467
Results of property development	4.4	2,086	24,060	-4,245	-20,968
Other operating income	4.5	322	1,514	530	1,471
Other operating expenses	4.6	-9,369	-32,336	-9,299	-35,832
Results of operations		77,033	180,362	53,332	113,060
Revaluation result from standing investments and goodwill	4.7	1,503	54,045	-1,415	-144,782
Operating profit (EBIT)		78,536	234,407	51,917	-31,722
Financing costs	4.8	-19,726	-61,883	-17,980	-55,691
Financing income	4.8	515	1,629	565	1,647
Foreign exchange differences		166	203	-2,705	-2,452
Other financial results	4.8	11,836	20,294	-1,045	-13,446
Net profit or loss from equity-accounted investments		7,424	131,538	3,020	9,417
Financial results	4.8	215	91,781	-18,145	-60,525
Earnings before tax (EBT)		78,751	326,188	33,772	-92,247
Current income tax		-2,729	-8,479	-1,764	-6,475
Deferred tax		-8,985	-22,048	-9,907	459
Net profit or loss from continuing operations		67,037	295,661	22,101	-98,263
Net profit or loss from discontinued operations		0	0	0	0
Net profit or loss		67,037	295,661	22,101	-98,263
thereof attributable to owners of IMMOFINANZ AG		67,119	295,779	21,640	-98,298
thereof attributable to non-controlling interests		-82	-118	461	35
Basic earnings per share in EUR		0.54	2.40	0.28	-0.91
Diluted earnings per share in EUR		0.50	2.20	0.28	-0.91

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q3 2021	Q1–3 2021	Q3 2020	Q1–3 2020
Net profit or loss		67,037	295,661	22,101	-98,263
Other comprehensive income (reclassifiable)					
Currency translation adjustment		369	6,595	-2,903	-5,232
thereof changes during the financial year		64	-2,045	-2,903	-5,761
thereof reclassification to profit or loss		305	8,640	0	529
Other comprehensive income from equity-accounted investments	3.2	515	1,358	392	518
thereof changes during the financial year		579	1,712	435	499
thereof income taxes		-64	-354	-43	19
Total other comprehensive income (reclassifiable)		832	7,953	-2,921	-4,714
Other comprehensive income (not reclassifiable)					
Financial instruments at fair value through other comprehensive income		-52	-877	-410	-540
thereof changes during the financial year		-70	-1,170	-547	-720
thereof income taxes		18	293	137	180
Other comprehensive income from equity-accounted investments	3.2	7,561	18,902	-11,033	-43,810
thereof changes during the financial year		10,082	25,203	-14,710	-58,413
thereof income taxes		-2,521	-6,301	3,677	14,603
Total other comprehensive income (not reclassifiable)		7,561	18,025	-11,033	-44,350
Total other comprehensive income after tax		8,393	25,978	-13,954	-49,064
Total comprehensive income		75,430	321,639	8,147	-147,327
thereof attributable to owners of IMMOFINANZ AG		75,512	321,757	8,731	-145,321
thereof attributable to non-controlling interests		-82	-118	-584	-2,006

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1–3 2021	Q1–3 2020
Earnings before tax (EBT)		326,188	-92,247
Revaluations of investment properties	4.7	-82,732	153,682
Goodwill impairment and subsequent price adjustments		117	-45
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	4.4	0	232
Write-downs and write-ups on receivables and other assets		10,925	18,352
Net profit or loss from equity-accounted investments		-131,538	-9,417
Foreign exchange differences and fair value measurement of financial instruments		-14,756	19,345
Net interest income/expense		62,349	52,690
Results from deconsolidation		-25,378	-49
Other non-cash income/expense/reclassifications		-10,904	589
Gross cash flow before tax		134,271	143,132
Income taxes paid		-5,613	-4,863
Gross cash flow after tax		128,658	138,269
Change in real estate inventories		44	1,731
Change in trade and other receivables		-116,679	-8,049
Change in trade payables and other liabilities		73,827	-14,185
Change in provisions		216	-9,875
Cash flow from operating activities		86,066	107,891
Acquisition of investment property and property under construction		-111,657	-92,162
Business combinations and other acquisitions, net of cash and cash equivalents		-23,765	0
Acquisition/sale of current assets		-1,000	0
Consideration transferred/paid from disposal of discontinued operations, net of cash and cash equivalents		97	-883
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		135,386	17,830
Acquisition of other non-current assets		-2,765	-6,156
Disposal of investment property and property under construction		52,608	13,023
Disposal of other non-current assets		0	-220
Dividends received from equity-accounted investments	3.2	3,439	3,129
Interest or dividends received from financial instruments		1,089	1,031
Cash flow from investing activities		53,432	-64,408
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		197,737	103,875
Proceeds from issue of mandatory convertible bonds, less transaction costs			118,563
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-308,593	-186,436
Proceeds from capital increase, less transaction costs		0	233,258
Reclassifications between shareholder groups		0	-36
Derivatives		-11,636	-7,737
Interest paid		-37,852	-40,522
Payments on mandatory convertible bond		-4,800	0
Transactions with non-controlling interest owners		-8,501	0
Cash flow from financing activities		-173,645	220,965
Net foreign exchange differences		-392	-7,685
Change in cash and cash equivalents		-34,539	256,763
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		1,016,879	601,904
Less cash and cash equivalents in disposal groups	3.3	0	3,442
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		1,016,879	598,462

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			19,487	
Net profit or loss				
Total comprehensive income			19,487	
Transactions with non-controlling interest owners				
Disposal of non-controlling interests				
Balance on 30 September 2021		123,294	4,722,014	-156,328
Balance on 31 December 2019		112,085	4,465,194	-250,378
Other comprehensive income				
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

	Accumulated other equity				Retained earnings	Total	Non-controlling interests	Total equity
	Revaluation reserve (former AFS reserve)	IAS 19 reserve	Hedge accounting reserve	Currency translation reserve				
	-12,522	-408	-3,843	-177,909	-1,367,228	3,107,583	-23,876	3,083,707
	-1,462		1,381	6,572		25,978		25,978
				295,779	295,779	295,779	-118	295,661
	-1,462		1,381	6,572	295,779	321,757	-118	321,639
				-2,670	-2,670	-2,670	-5,834	-8,504
					0	0	-2,002	-2,002
	-13,984	-408	-2,462	-171,337	-1,074,119	3,426,670	-31,830	3,394,840
	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	-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	-18	-36
	-31,583	-405	-3,926	-177,720	-1,298,512	3,157,346	-24,973	3,132,373

Supplementary Information

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 September 2021 were prepared for the period from 1 January 2021 to 30 September 2021 (Q3 2021).

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 2020, 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.

2. Development of the Scope of Consolidation

The following table shows the development of the scope of consolidation in Q3 2021:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2020	194	2	7	203
Companies initially included				
Other acquisitions	6	0	0	6
New foundations	3	0	0	3
Companies no longer included				
Sales	-8	0	0	-8
Mergers	-2	0	0	-2
Liquidations	-12	0	0	-12
Balance on 30 September 2021	181	2	7	190
thereof foreign companies	130	2	0	132
thereof in liquidation	5	0	0	5
thereof intragroup merger resolution adopted	5	0	0	5

The assessments by the taxation authorities and the deletion from the company register are still outstanding for eight of the 12 companies liquidated in 2021. However, these companies are presented as derecognised as of 30 September 2021 for materiality reasons.

3. Notes to the Consolidated Balance Sheet

3.1 Investment property

All amounts in TEUR	Q1–3 2021
Beginning balance	4,680,351
Deconsolidations	-147,242
Currency translation adjustments	-2,167
Additions	98,459
Disposals	-25,139
Revaluation	57,671
Reclassifications	57,296
Reclassification to assets held for sale	-1,050
Ending balance	4,718,179

The additions are related primarily to the acquisition of retail properties in Serbia and Italy as well as investments in office properties in Vienna and Düsseldorf. The disposals include, above all, the sale of an office property in Vienna. The subsidiaries sold during the reporting period consist chiefly of office properties held by companies in Germany and Hungary. The reclassifications are related, above all, to transfers from property under construction to investment property and vice versa. Information on revaluation is provided in section 4.7.

3.2 Equity-accounted investments

The carrying amount of the equity-accounted investments totalled EUR 516.5 million as of 30 September 2021, whereby EUR 511.8 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 26.25. The share of results from equity-accounted investments reported on the income statement amounted to EUR 131.5 million, including EUR 128.0 million for S IMMO AG.

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

3.3 Assets and specific liabilities held for sale

Of the assets and liabilities held for sale as of 31 December 2020, four office properties in Poland, two office properties in Hungary and two sites in Romania (Other asset class) were sold during the first three quarters of 2021.

Management's plans to sell remain in effect for the other assets and liabilities which were classified as held for sale as of 31 December 2020, but which had not been sold as of 30 September 2021.

The assets and liabilities held for sale as of 30 September 2021 are summarised as follows:

All amounts in TEUR	Carrying amount as of 30 9 2021	Carrying amount as of 31 12 2020
Investment property	3,415	104,417
Property under construction	59,730	58,968
Deferred tax assets	0	147
Trade and other receivables	0	517
Cash and cash equivalents	0	4,333
Assets held for sale	63,145	168,382
Reclassifiable reserves	0	-904
Financial liabilities	13,751	40,901
Trade and other payables	0	1,837
Provisions	0	315
Deferred tax liabilities	0	1,810
Liabilities held for sale	13,751	44,863

3.4 Equity

IMMOFINANZ exercised its right for the premature mandatory conversion of the 4% mandatory convertible bond due in 2023 at the total nominal amount of EUR 120 million in accordance with the issue terms of this bond on the optional mandatory conversion date of 26 September 2021. This premature mandatory conversion resulted in the issue of 6,997,200 shares to the holders of the mandatory convertible bond. The shares were delivered from IMMOFINANZ's stock of treasury shares on 5 October 2021.

The 28th annual general meeting on 19 October 2021 approved the distribution of a EUR 0.75 dividend per share for the 2020 financial year. A total of EUR 92.5 million was distributed to shareholders on 25 October 2021.

4. Notes to the Consolidated Income Statement

4.1 Rental income

All amounts in TEUR				Q1–3 2021
	Office	Retail	Other	Total
Office space	89,768	160	188	90,116
Retail space	3,651	95,763	0	99,414
Other space	15,416	2,423	215	18,054
thereof parking areas	9,564	251	189	10,004
thereof warehouse space	3,067	280	1	3,348
thereof hotel	660	0	0	660
thereof advertising and telecommunications	1,091	1,767	6	2,864
thereof other	1,034	125	19	1,178
Income from non-performance-related components of operating costs	4,914	3,862	27	8,803
Total	113,749	102,208	430	216,387

All amounts in TEUR				Q1–3 2020
	Office	Retail	Other	Total
Office space	93,019	116	215	93,350
Retail space	5,201	88,271	0	93,472
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
Income from non-performance-related components of operating costs	5,211	3,958	45	9,214
Total	119,911	94,571	1,345	215,827

The penalty payments for the premature termination of rental contracts have been reported under rental income, instead of under other revenues, since 1 January 2021. This change in presentation amounted to EUR 8.0 million for the first three quarters of 2021 (2020: EUR 0.8 million).

In addition, income from the non-performance-related components of operating costs has been reported separately since the third quarter of 2021, independent of any assignment to the office, retail and other asset classes. This revenue is derived from land taxes and building insurance.

COVID-19 led to the legally mandated suspension of rental payments in individual countries during the first three quarters 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 provided in section 4.2).

4.2 Expenses from investment property

All amounts in TEUR	Q1-3 2021	Q1-3 2020
Commission expenses	-259	-344
Maintenance	-8,488	-10,158
Operating costs charged to building owners	-9,670	-8,490
Property marketing	-3,036	-3,045
Personnel expenses from asset management	-3,613	-3,557
Other expenses from asset management	-1,747	-1,394
Fit-out costs	-4,990	-2,086
Write-off of receivables from asset management	-10,925	-19,223
Other expenses	-696	-768
Total	-43,424	-49,065

The decline in write-off of receivables is attributable to the increased write-offs in the previous year which resulted from COVID-19. The write-off of receivables of EUR -10.9 million for the first three quarters of 2021 resulted, for the most part, from COVID-19.

4.3 Results of property sales

All amounts in TEUR	Q1-3 2021	Q1-3 2020
Office	37,370	0
Retail	2,000	8,369
Other	12,164	692
Proceeds from property sales	51,534	9,061
Less carrying amount of sold properties	-51,534	-8,514
Net gain/loss from property sales	0	547
Results from deconsolidation	25,378	49
Sales commissions	-1,898	-257
Personnel expenses from property sales	-244	-994
Legal, auditing and consulting fees from property sales	-1,623	-1,338
VAT adjustments from the sale of properties	-534	0
Other expenses	-63	-134
Expenses from property sales	-4,362	-2,723
Revaluation results from properties sold and held for sale (see 4.7)	3,041	11,594
Total	24,057	9,467

4.4 Results of property development

All amounts in TEUR	Q1-3 2021	Q1-3 2020
Proceeds from the sale of real estate inventories	0	720
Cost of real estate inventories sold	-4	-81
Write-down of real estate inventories	0	-232
Income and expenses related to written-off purchase price receivables from the sale of real estate inventories	-128	0
Operating costs charged to building owners of real estate inventories	0	-9
Other expenses from real estate inventories	118	1,179
Expenses from real estate inventories	-10	938
Expenses from property development	-1,473	-2,095
Revaluation results from properties under construction (see 4.7)	25,547	-20,450
Total	24,060	-20,968

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

4.5 Other operating income

All amounts in TEUR	Q1-3 2021	Q1-3 2020
Expenses charged on	72	144
Insurance compensation	98	188
Income from derecognised liabilities	498	121
Reimbursement for penalties	5	87
Miscellaneous	841	931
Total	1,514	1,471

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

The miscellaneous other operating income in 2021 consisted primarily of income from the extension of an easement in Poland (TEUR 250) and from tax credits and income from rental contract registration fees.

4.6 Other operating expenses

All amounts in TEUR	Q1-3 2021	Q1-3 2020
Administrative expenses	-87	-113
Legal, auditing and consulting fees	-7,375	-6,023
Penalties	-547	131
Taxes and levies	-812	-2,710
Advertising	-2,537	-1,964
EDP and communications	-1,106	-1,781
Expert opinions	-467	-258
Personnel expenses	-15,875	-19,127
Other write-downs	-1,242	-1,103
Miscellaneous	-2,288	-2,884
Total	-32,336	-35,832

The negative effect from penalty payments resulted primarily from a TEUR 500 addition to provisions for guarantees in Germany.

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 three quarters of 2020, taxes and levies included the write-off of EUR 1.8 million in uncollectible tax receivables in Romania.

4.7 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	Q1–3 2021			Q1–3 2020		
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total
Investment property	79,483	-25,339	54,144	9,093	-153,920	-144,827
Property under construction	35,214	-9,667	25,547	337	-20,787	-20,450
Properties sold and held for sale	4,792	-1,751	3,041	11,934	-340	11,594
Total	119,489	-36,757	82,732	21,364	-175,047	-153,683

4.8 Financial results

All amounts in TEUR	Q1–3 2021	Q1–3 2020
For financial liabilities AC	-55,112	-49,106
For derivative financial instruments	-6,771	-6,585
Total financing costs	-61,883	-55,691
For financial receivables AC	1,629	1,494
For derivative financial instruments	0	153
Total financing income	1,629	1,647
Foreign exchange differences	203	-2,452
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	7,006	-260
Valuation of financial instruments at fair value through profit or loss	15,035	-14,663
Distributions	935	606
Valuation adjustments and impairment of receivables	2	871
Negative interest on cash and cash equivalents	-2,684	0
Other financial results	20,294	-13,446
Net profit or loss from equity-accounted investments	131,538	9,417
Total	91,781	-60,525

AC: financial assets/liabilities measured at amortised cost

The profit or loss on other financial instruments and proceeds on the disposal of financial instruments include income of EUR 8.3 million from the derecognition of an interest liability related to the cancellation of coupon payments for the mandatory convertible bond. The derecognition was based on the contractually stipulated possibility for premature mandatory conversion at the issuer's option, which took place in September 2021 (also see section 3.4).

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

5. Subsequent Events

On 21 October 2021, IMMOFINANZ sold the Empark office portfolio in Warsaw for EUR 48.3 million.

Financial calendar 2022

26 April 2022 ¹	Publication of the Annual Results 2021
27 April 2022	Annual Report 2021
24 May 2022 ¹	Publication of the Results on the First Quarter 2022
25 May 2022	Interim Financial Report on the First Quarter 2022
2 July 2022	Record date for participation at the 29th Annual General Meeting
12 July 2022	29th Annual General Meeting
14 July 2022	Expected ex-dividend date
15 July 2022	Expected record date dividends
18 July 2022	Expected dividend payment date
24 August 2022 ¹	Publication of the Results on the First Half-Year 2022
25 August 2022	Financial Report on the First Half-Year 2022
23 November 2022 ¹	Publication of the Results on the First Three Quarters 2022
24 November 2022	Interim Financial Report on the First Three Quarters 2022

¹ Publication after close of trading at the Vienna Stock Exchange

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