

Doing Business Together



– **IMMOFINANZ** –
GROUP
Annual Financial Report 2022

Doing Business Together



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Report of the Supervisory Board

Dear Shareholders,

IMMOFINANZ is looking back on an eventful year, with new geopolitical and macroeconomic challenges unfolding. While there were initially indications of a significant recovery in our region after the COVID-19 pandemic, Russia's attack on Ukraine, upheavals in the energy markets and international supply chain problems curbed the economic upturn. The situation was also impacted by high inflation rates and rising interest rates. Nevertheless, IMMOFINANZ reported solid results in this challenging environment. A clear portfolio strategy with established brands, a flexible property offering with a strong customer focus, our conservative financial positioning and an outstanding team of employees supported this development.

The 2022 financial year was also marked by changes in our shareholder structure and our corporate bodies. With the CPI Property Group (CPIPG), IMMOFINANZ now has a large, stable core shareholder with a long-term orientation and has become part of a major and successful provider of quality properties with long-standing expertise in Central and Eastern Europe. In addition, IMMOFINANZ increased its share in S IMMO to just over 50% before the end of the year, thus implementing a long-term strategic goal. Together with S IMMO and with the support of CPIPG, we will now identify synergies and efficiency increases, aiming to improve transparency and profitability for all stakeholders.

Active role

In our capacity as the Supervisory Board, we accompanied and supported IMMOFINANZ and its Executive Board in all activities, took an active role as the Executive Board's sparring partner and, as in previous years, conscientiously performed the duties required by law and the articles of association. The Executive Board provided the Supervisory Board with extensive, ongoing and timely information on the development of business, the market and financing environment, the developments on the real estate and capital markets and in IMMOFINANZ's core countries as well as the company's asset, financial and earnings position and, in this way, met its information requirements at all times and in appropriate depth.

In 2022, 13 Supervisory Board meetings were held, with an attendance rate of 94% of the shareholder representatives. In addition, five committee meetings with a total attendance of 96% took place. A detailed overview of the attendance of the individual members and committees can be found in the corporate governance report starting on page 6.

Outside the framework of these meetings, the Supervisory Board remained in regular contact with the Executive Board and adopted a number of decisions through circular resolutions. The cooperation between the Supervisory Board and the Executive Board was consistently characterised by open discussions and constructive teamwork.

Focal points of our work

At the beginning of the year, the Supervisory Board intensively analysed the takeover offers for IMMOFINANZ and the improvement of the offer by CPIPG and published comprehensive statements in this regard. In summary, the Supervisory Board welcomed any interest shown by capital market participants in acquiring securities in IMMOFINANZ and considered it a positive signal for the valuable work of the Group's management and employees during the past years. In its statement of 25 January 2022, the Supervisory Board nevertheless concluded that the offered consideration of EUR 23.00 (cum dividend) was not adequate and did not reflect the actual company value and the value-added growth potential of IMMOFINANZ. In the supplementary statement of 15 February 2022, the Supervisory Board refrained from making an explicit recommendation regarding the acceptance or non-acceptance of the improved offer by CPIPG after thorough consideration of all relevant aspects and in accordance with the Executive Board. Shortly after that, Russia launched its attack on Ukraine, which resulted in upheavals in the capital and energy markets.

After the completion of the takeover offer, CPIPG has held approximately 76.9% in IMMOFINANZ since the end of May 2022 and has announced its intention to be a long-term, active shareholder and to support the development and growth of IMMOFINANZ.

After the majority takeover, IMMOFINANZ presented an updated business strategy with a strong focus on retail properties and myhive office solutions in the middle of the year. In accordance with the strategy, properties totalling approximately EUR 1 billion are to be sold and the proceeds are to be invested in higher-yielding assets within the framework of active portfolio management. Therefore, our work in the past financial year also focused on examining sales and purchases in line with the strategy. As a result, office properties in Vienna and Warsaw were profitably sold to local competitors and with the acquisition of a fully rented retail portfolio from CPIPG, IMMOFINANZ's leading market position in Europe was further strengthened.

Changes in the Supervisory Board

The takeover led to changes in the Supervisory Board. The Supervisory Board members Bettina Breiteneder, Sven Bienert, Michael Mendel and Dorothee Deuring resigned and stepped down from their functions at the end of the extraordinary general meeting held on 31 March 2022. At this general meeting, Martin Němeček and I were elected to the Supervisory Board at the proposal of CPIPG. As the Chairwoman of the Supervisory Board, I am pleased to support IMMOFINANZ in the continuous implementation of high sustainability and governance standards.

Stefan Gütter resigned from the Supervisory Board with effect from 15 July. At the proposal of CPIPG, Martin Matula was elected to the Supervisory Board at the annual general meeting in July.

The shareholder representatives in the Supervisory Board are thus Martin Němeček (Vice-Chairman), Gayatri Narayan, Martin Matula and I in my role as Chairwoman. The Supervisory Board is completed by Philipp Obermair and Werner Ertelthalner on the employee side, with whom we have very good cooperation.

On behalf of the entire Supervisory Board, I would like to thank the members who resigned from their functions for their professional work and their support of IMMOFINANZ.

Changes in the Executive Board

With effect from 1 May 2022 the Supervisory Board appointed Radka Doehring as a member of the Executive Board. We have a top-class manager in Radka Doehring, who has long-standing and international expertise in finance, transformation processes, digitalisation and business management.

Dietmar Reindl and Stefan Schönauer reached an agreement with the Supervisory Board regarding the termination of their Executive Board contracts with effect from 8 June 2022. The agreement was made in connection with the change-of-control event triggered by the takeover as specified in their contracts. Both gentlemen continued to work for the company as advisors to the Executive and Supervisory Boards until the end of December 2022. We would like to express our gratitude to them for their important and long-standing role in repositioning IMMOFINANZ as a successful specialist for commercial properties in its markets.

Approval of the 2022 financial statements

The following documents were prepared by the Executive Board and audited by Deloitte Audit Wirtschaftsprüfungs GmbH, which was appointed as the auditor by the annual general meeting on 12 July 2022: the annual financial statements of IMMOFINANZ AG as of 31 December 2022 including the management report and the consolidated financial statements together with the group management report. All of these documents were awarded an unqualified opinion (see pages 242–248).

The annual financial statements and consolidated financial statements as well as the related auditor's reports were made available to all Supervisory Board members immediately after completion. These documents were discussed by the Audit and Valuation Committee in detail in the presence of the auditor and the Executive Board and reviewed in accordance with § 96 of the Austrian Stock Corporation Act. Following this examination and discussion, the members of the Audit and Valuation Committee agreed to recommend the unqualified acceptance of these documents to the Supervisory Board. The Supervisory Board accepted the annual financial statements as of 31 December 2022, which are considered approved in accordance with § 96 (4) of the Austrian Stock Corporation Act. The consolidated financial statements as of 31 December 2022 were also accepted by the Supervisory Board. In accordance with L-Rule 60 of the Austrian Corporate Governance Code, the Supervisory Board reviewed and approved the expanded corporate governance report, which now also includes the consolidated corporate governance report and the non-financial statement.

On behalf of the Supervisory Board, I would like to thank Radka Doehring and all employees of our company for their outstanding performance during the past financial year. The company's position as a market leader for retail parks in Europe and its pioneering role in flexible office solutions were further expanded even in a difficult economic environment.

I would also like to thank you, our shareholders, for accompanying us on this journey.

Vienna, 30 March 2023

A handwritten signature in black ink, appearing to be 'M. Greštiaková', written in a cursive style.

Miroslava Greštiaková,
Chairwoman
of the Supervisory Board

Corporate Governance Report

expanded to include the Consolidated Corporate Governance Report

Commitment to the Austrian Corporate Governance Code

IMMOFINANZ pursues responsible business activities that are designed to create and maintain sustainable, long-term value. In line with this orientation, the company strives to achieve a high degree of transparency for all stakeholders. The Austrian Corporate Governance Code* provides Austrian stock companies with a framework for corporate management and monitoring. The Executive Board and Supervisory Board of IMMOFINANZ AG are committed to compliance with the code, in the currently applicable version, and to the related transparency and principles of good management. IMMOFINANZ complied with all provisions of the code – with the exception of the following deviations – during the 2022 financial year.

Deviations from C-Rule 16

C-Rule 16 requires the Executive Board to have a chairperson. The Executive Board consisted of Dietmar Reindl and Stefan Schönauer until 1 May 2022. With effect from 1 May 2022, Radka Doehring was appointed member of the Executive Board. Until the resignation of Dietmar Reindl and Stefan Schönauer as of 8 June 2022 the Executive Board did not have a chairperson. The Supervisory Board did not consider it necessary to appoint a CEO.

In addition, C-Rule 16 requires the Executive Board to consist of several persons. Since 8 June 2022, Radka Doehring has been the sole member of the Executive Board. Due to the company's integration into the group of CPI Property Group S.A. (CPIPG), the Supervisory Board does not consider additional appointments to the Executive Board necessary. The Personnel and Nominating Committee of the Supervisory Board regularly evaluates the possibility to appoint additional members to the Executive Board, weighing IMMOFINANZ's interests, competence profiles and current constellations.

Corporate Bodies

Dual management structure

The dual management structure of IMMOFINANZ AG, as a listed stock corporation, consists of an Executive Board and a Supervisory Board. These corporate bodies are strictly separated, in both their composition and functions, and can therefore independently carry out their assigned duties. The Executive Board is responsible for the management of the company, the Supervisory Board for monitoring.

* The current version of the code (January 2023) is available on the website of IMMOFINANZ AG (<https://immofinanz.com>) and on the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at).

The Executive Board



Radka Doehring, Executive Chairwoman

- Member of the Executive Board since 1 May 2022
- Appointed up to 30 April 2025
- Born in 1966

As the sole member of the Executive Board, Radka Doehring is responsible for all business areas. In addition, she serves as a managing director of the material IMMOFINANZ subsidiary IMBEA.

Term ended in 2022

Dietmar Reindl, Member of the Executive Board

- Member of the Executive Board up to 8 June 2022
- Born in 1969

Dietmar Reindl resigned as Member of the Executive Board as of 8 June 2022 in the context of the change-of-control event (acquisition of a controlling interest by CPIPG).

His responsibilities were taken over by Radka Doehring.

Stefan Schönauer, Member of the Executive Board

- Member of the Executive Board up to 8 June 2022
- Born in 1979

Stefan Schönauer resigned as Member of the Executive Board as of 8 June 2022 in the context of the change-of-control event (acquisition of a controlling interest by CPIPG).

His responsibilities were taken over by Radka Doehring.

The Supervisory Board



Miroslava Greštiaková, Chairwoman of the Supervisory Board since 31 March 2022

- First appointment in 2022
- Term ends in 2024¹
- Born in 1980

Experience: extensive management experience in the areas of legal, compliance and data protection

Other functions: none



Martin Němeček, Vice-Chairman of the Supervisory Board since 31 March 2022

- First appointment in 2022
- Term ends in 2025²
- Born in 1975

Experience: extensive and long-standing expertise in areas of real estate, legal, M&A and transactions, corporate strategy and as CEO

Other functions:
CEO of CPIPG
S IMMO AG: Vice-Chairman of the supervisory board



Gayatri Narayan, Member of the Supervisory Board since 19 October 2021

- First appointment in 2021
- Term ends in 2025²
- Born in 1986

Experience: extensive expertise in the areas of capital markets, finance as well as digitalisation and ESG

Other functions: none



Martin Matula, Member of the Supervisory Board since 16 July 2022

- First appointment in 2022
- Term ends in 2024²
- Born in 1980

Expertise: extensive expertise in the areas of legal and real estate

Other functions: none



Werner Ertelthaler, Member of the Supervisory Board

- First appointment in 2021
- Born in 1987

Experience: currently serves as a system specialist consolidation at IMMOFINANZ

Delegated by the IMMOFINANZ Works Council

The terms of office of the members delegated to the Supervisory Board by the Works Council are unlimited.



Philipp Obermair, Member of the Supervisory Board

- First appointment in 2014
- Born in 1979

Experience: currently serves as a risk, process and research manager and previously as a senior controller at IMMOFINANZ

Delegated by the IMMOFINANZ Works Council

The terms of office of the members delegated to the Supervisory Board by the Works Council are unlimited.

¹ End of term: at the end of the annual general meeting which votes on the release from liability for the 2023 financial year (31st AGM in 2024)

² End of term: at the end of the annual general meeting which votes on the release from liability for the 2024 financial year (32nd AGM in 2025)

Term ended in 2022

**Bettina Breiteneder,
Chairwoman of the
Supervisory Board up to
31 March 2022**

- First appointment in 2019
- Term ends in 2023¹
- Born in 1970

Experience: many years of management experience in the areas of real estate, CEO, supervisory board functions, finance, accounting/audits, corporate governance, capital markets, human resources and insurance

Bettina Breiteneder resigned from the Supervisory Board at the end of the extraordinary general meeting on 31 March 2022.³

**Sven Bienert,
Vice-Chairman of the
Supervisory Board up to
31 March 2022**

- First appointment in 2019
- Term ends in 2023¹
- Born in 1973

Experience: extensive expertise in the areas of real estate, CEO, supervisory board functions, ESG, finance, accounting/audits, corporate governance and human resources

Sven Bienert resigned from the Supervisory Board at the end of the extraordinary general meeting on 31 March 2022.³

**Michael Mendel,
Vice-Chairman of the
Supervisory Board up to
31 March 2022**

- First appointment in 2021
- Term ends in 2024²
- Born in 1957

Experience: extensive expertise in the areas of capital markets, CEO, supervisory board functions, finance, accounting/audits and corporate governance

Michael Mendel resigned from the Supervisory Board at the end of the extraordinary general meeting on 31 March 2022.³

**Dorothee Deuring,
Member of the
Supervisory Board up to
31 March 2022**

- First appointment in 2021
- Term ends in 2024²
- Born in 1968

Experience: extensive expertise in the areas of capital markets, CEO, compliance, finance, accounting/audits, corporate governance and sustainability

Dorothee Deuring resigned from the Supervisory Board at the end of the extraordinary general meeting on 31 March 2022.³

**Stefan Gütter,
Member of the
Supervisory Board up to
15 July 2022**

- First appointment in 2021
- Term ends in 2024²
- Born in 1968

Experience: extensive expertise in the areas of capital markets, CEO, finance, accounting/audits and corporate governance

Stefan Gütter resigned from the Supervisory Board at the end of 15 July 2022.³

**Rita Macskasi-Temesvary,
Member of the
Supervisory Board up to
31 March 2022**

- First appointment in 2021
- Born in 1985

Experience: currently serves as a development manager at IMMOFINANZ

Delegated by the IMMOFINANZ Works Council

¹ End of term: at the end of the annual general meeting which votes on the release from liability for the 2023 financial year (31st AGM in 2024)

² End of term: at the end of the annual general meeting which votes on the release from liability for the 2024 financial year (32nd AGM in 2025)

³ Further details can be found in the Report of the Supervisory Board.

Supervisory Board committees and attendance

Members of the Supervisory Board Committees

Audit and Valuation Committee	Strategy and ESG Committee	Personnel and Nominating Committee
Dorothee Deuring , Chairwoman (up to 31 March 2022), financial expert	Sven Bienert , Chairman (up to 31 March 2022)	Bettina Breiteneder , Chairwoman (up to 31 March 2022)
Stefan Gütter , Vice-Chairman (up to 15 July 2022), financial expert	Bettina Breiteneder , Vice-Chairwoman (up to 31 March 2022)	Sven Bienert , Vice-Chairman (up to 31 March 2022)
Sven Bienert (up to 31 March 2022)	Dorothee Deuring (up to 31 March 2022)	Gayatri Narayan , Chairwoman (since 31 March 2022)
Michael Mendel (up to 31 March 2022), financial expert	Michael Mendel (up to 31 March 2022)	Michael Mendel (up to 31 March 2022)
Martin Němeček , Chairman (since 31 March 2022), financial expert	Stefan Gütter , Chairman (from 31 March up to 15 July 2022)	Stefan Gütter , Vice-Chairman (from 31 March up to 15 July 2022)
Gayatri Narayan (since 31 March 2022), financial expert	Gayatri Narayan (since 31 March 2022)	Martin Matula , Vice-Chairman (since 15 July 2022)
Martin Matula , Vice-Chairman (since 15 July 2022)	Martin Němeček (since 31 March 2022)	Martin Němeček (since 31 March 2022)
Philipp Obermair	Martin Matula , Chairman (since 15 July 2022)	
Werner Ertelthalner	Miroslava Greštiaková , Vice-Chairwoman (since 31 March 2022)	
	Philipp Obermair	

The Supervisory Board monitors the Executive Board and provides support for the management of the company, particularly on decisions of fundamental importance. In addition to its primary function as a monitoring and support body, the Supervisory Board constantly strives to further improve the efficiency of its work through self-evaluation. At the beginning of the 2022 financial year, the Supervisory Board had five members who were elected by the annual general meeting (shareholder representatives) and three members delegated by the Works Council. The shareholder representatives Bettina Breiteneder, Sven Bienert and Michael Mendel resigned from the Supervisory Board at the end of the extraordinary general meeting on 31 March 2022. At this general meeting, the number of Supervisory Board members elected by the annual general meeting was reduced from six to four members within the limits defined by the articles of association. Stefan Gütter resigned from the Supervisory Board at the end of the annual general meeting on 12 July 2022, with effect from 15 July 2022. The Supervisory Board consisted of four shareholder representatives and two members delegated by the Works Council at the end of the 2022 financial year. 13 Supervisory Board meetings were held in 2022. These meetings were attended by 94.2% of the shareholder representatives. Including the five individual committee meetings, total attendance was 96.5%.

Member	Member since	Meetings (Plenum)	Audit and Valuation Committee		Strategy and ESG Committee		Personnel and Nominating Committee		Total presence	Total presence in %
			in %	in %	in %	in %				
Meetings/year		13		4				1	18	
Bettina Breiteneder , Chairwoman (up to 31 March 2022)	2019	5/5	100						5	100
Sven Bienert , Vice-Chairman (up to 31 March 2022)	2019	5/5	100	1/1	100				6	100
Dorothee Deuring (up to 31 March 2022)	2021	4/5	80	1/1	100				5	83
Gayatri Narayan	2021	12/13	92	2/3	67			1/1	15	88
Michael Mendel , Vice-Chairman (up to 31 March 2022)	2021	5/5	100	1/1	100				6	100
Stefan Gütter (up to 15 July 2022)	2021	10/10	100	2/2	100			1/1	13	100
Miroslava Greštiaková , Chairwoman (since 31 March 2022)	2022	8/8	100						8	100
Martin Němeček , Vice-Chairman (since 31 March 2022)	2022	6/8	75	3/3	100			1/1	10	83
Martin Matula (since 15 July 2022)	2022	3/3	100	2/2	100				5	100
Average meeting attendance		58/62	94	12/13	92			3/3	73/78	94

Audit and Valuation Committee

The Audit and Valuation Committee is responsible for monitoring accounting processes and supervising the audit of the separate and consolidated financial statements. This committee also monitors the effectiveness of the company's internal control system, risk management and internal audit. On 31 March 2022, Martin Němeček took over the chair of this committee from Dorothee Deuring, who resigned from the Supervisory Board. Martin Němeček and Gayatri Narayan serve as the Audit and Valuation Committee's financial experts based on their professional experience and knowledge of finance and accounting. The committee members, as a whole, are well informed of the real estate sector. The Audit and Valuation Committee held four meetings in 2022. These meetings were attended by 95% of the shareholder representatives.

Strategy and ESG Committee

The Strategy and ESG Committee is responsible, above all, for the regular evaluation of the company's strategy and orientation, of which environmental, sustainability, social and governance topics (ESG) are an integral part. These responsibilities were fulfilled by the full Supervisory Board in the past financial year.

Personnel and Nominating Committee

The Personnel and Nominating Committee makes recommendations to the Supervisory Board for nominations to the Executive and Supervisory Boards and is responsible for determining the remuneration and preparing the employment contracts for the Executive Board members. In addition, the committee reviews the remuneration policy for the Executive Board at regular intervals. In its capacity as a remuneration committee, the Personnel and Nominating Committee consists of Gayatri Narayan as Chairwoman and at least one member with knowledge and experience in remuneration policy. This committee met once during 2022; all shareholder representatives attended this meeting.

Supervisory Board qualification matrix

The candidates proposed for election to the Supervisory Board by the CPI Property Group for the annual general meeting and the extraordinary general meeting 2022 have extensive and international expertise in the areas of real estate, legal, governance, transactions and finance. This ensured that the necessary, broad-based expertise is always available within the Supervisory Board to optimally exercise its tasks in the interests of the company and shareholders.

With the election of the nominated candidates, the Supervisory Board meets full gender diversity among the shareholder representatives, with an equal number of women and men, and consequently has one of the highest diversity ratios among the listed companies included in the ATX, the Austrian lead index.

	Sectoral expertise				Functional expertise				Governance-expertise			GEO	
	Real estate	Capital markets	Insurance	Finance	CEO/management/division mgt.	Compliance/legal	Human resources	Accounting/audit	Marketing	Digital/sustainability	Non executive dir. experience	Governance (corporate)	Geographic experience
Bettina Breiteneder	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Sven Bienert	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Michael Mendel	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Dorothee Deuring	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Gayatri Narayan	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Stefan Gütter	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Miroslava Greštiaková (Chair)	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Martin Němeček	●	●	●	●	●	●	●	●	●	●	●	●	WE EE
Martin Matula	●	●	●	●	●	●	●	●	●	●	●	●	WE EE

● Core competency ● Secondary competency ● Tertiary/not an apparent competency ● WE Western Europe ● EE Eastern Europe

As in the previous years, the Supervisory Board also completed a routine annual self-evaluation of its working efficiency, above all with regard to its organisation and operating procedures. The focal points included, among others, the organisation of the Supervisory Board and the procedures at meetings, the activities of the committees, the provision of information to the Supervisory Board, the self-image of the Supervisory Board members as well as any recommendations for improvement.

Shareholdings of the Executive Board and Supervisory Board members as of 31 December 2022

Members of the IMMOFINANZ corporate bodies and closely related persons are required to report their transactions in financial instruments issued by the company. These reports ("Directors' Dealings") are published on the IMMOFINANZ website. Following is an overview of the direct and indirect shareholdings of these members as reported to the company:

Member	Number of IMMOFINANZ shares
Philipp Obermair	150

Working Procedures of the Executive Board and Supervisory Board

The cooperation between the Executive Board and Supervisory Board of IMMOFINANZ is based on open and constructive discussions. The Executive Board provides the Supervisory Board with regular, timely and comprehensive information on the development of business and related issues and also prepares the documentation for the Supervisory Board's meetings and resolutions. The rules of procedure for the Executive Board define the transactions and measures that require Supervisory Board approval. In addition, the Executive Board provides the Supervisory Board with information on issues of major importance outside the framework of scheduled meetings.

Independence and avoidance of conflicts of interest

The members of the Executive Board are required to take their decisions independent of any personal interests and the interests of controlling shareholders. Moreover, these decisions must be based on well-founded knowledge and comply with all relevant legal regulations. Persons serving on the Executive Board must disclose any personal interests in the company's transactions or other conflicts of interest to the Supervisory Board without delay and inform their board colleagues. The Executive Board members may only accept appointments to a supervisory board with the consent of the IMMOFINANZ Supervisory Board. Key company employees must also have the approval of the Executive Board and Supervisory Board before they may accept a position on the corporate body of a non-Group company. A legal restraint on competition is also in place.

The members of the Supervisory Board are required to represent the interests of the company and must disclose any conflicts of interest without delay. They may not accept positions on the corporate bodies of any companies that compete with IMMOFINANZ.

There are no contracts between the members of the Supervisory Board or companies in which a member of the Supervisory Board holds a significant financial interest, on the one hand, and IMMOFINANZ or one of its subsidiaries, on the other hand.

Criteria for the independence of the Supervisory Board

The Austrian Corporate Governance Code (C-Rule 53) requires the majority of the supervisory board members elected by the annual general meeting to be independent of the company and its management board. A supervisory board member is considered to be independent when he or she has no business or personal relations with the company or its management board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour.

The following independence criteria were defined by the IMMOFINANZ Supervisory Board and reflect the standards listed in Annex 1 to the Corporate Governance Code.

- The Supervisory Board member did not serve as a member of the Executive Board or a key employee of IMMOFINANZ or one of its subsidiaries during the past five years.
- The Supervisory Board member does not currently, or did not in the past year, maintain any business relations with IMMOFINANZ or one of its subsidiaries of a scope considered significant for the Supervisory Board member. The same applies to business relationships with companies in which the Supervisory Board member holds a considerable economic interest, but not to exercising functions on IMMOFINANZ's corporate bodies. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically qualify the member as not independent.
- The Supervisory Board member did not act as an auditor of IMMOFINANZ or own an investment in the auditing company or work for the auditing company during the past three years.
- The Supervisory Board member is not a member of the management board of another company in which a member of the Executive Board of IMMOFINANZ serves on the supervisory board.
- The Supervisory Board member has not served on the Supervisory Board of IMMOFINANZ for more than 15 years. This does not apply to members who are shareholders with a direct investment in IMMOFINANZ or who represent the interests of such a shareholder.
- The Supervisory Board member is not closely related (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) to a member of the Executive Board or to persons specified in one of the above points.

In accordance with C-Rule 54 of the Austrian Corporate Governance Code, Miroslava Greštiaková and Gayatri Narayan are free float representatives on the Supervisory Board. These two members of the Supervisory Board are neither shareholders with a stake of more than 10% nor do they represent the interests of shareholders with a stake of more than 10%.

Support for women on the Executive Board and Supervisory Board and in key functions

In the interest of the company, appointments to the Executive Board, Supervisory Board and key positions are based solely on professional and personal qualifications.

Women filled 27.5% of the management positions in 2022 (2021: 33.9%) and represented 57.1% of the total workforce (2021: 61.4%). The only Executive Board member is a woman. The Supervisory Board is chaired by Miroslava Greštiaková, and Gayatri Narayan is another member; the percentage of women among shareholder representatives thus remains unchanged at a high level of 50% (2021: 50%) and amounts to 33% of the full Supervisory Board (2021: 44%). At IMMOFINANZ, women hold key management positions in central corporate functions and on the local country boards.

Additional measures to increase the share of women in management positions have not been defined to date. IMMOFINANZ supports the work-life balance through flexible and partially flexible working times as well as part-time work models for employees, parental leave for fathers or the one-month “new baby break”.

Men and women have equal opportunities for advancement at IMMOFINANZ, and all employees receive performance-based remuneration for their work.

Diversity concept

IMMOFINANZ does not follow an abstractly defined diversity concept for appointments to the Executive Board or Supervisory Board. The Supervisory Board, which is responsible for appointments to the Executive Board and for issuing recommendations to the annual general meeting for elections to the Supervisory Board, considers the diversity aspects listed in § 243c (2) no. 2a of the Austrian Commercial Code (age, gender, education and professional experience) and the international aspects for supervisory board members which are discussed in L-Rule 52 of the Austrian Corporate Governance Code to be very important. Accordingly, these aspects are acknowledged and considered in connection with specific appointment decisions or recommendations. However, the company does not consider it suitable or expedient to tie its decisions on recommendations or appointments to a diversity concept with abstractly defined goals.

External evaluation

IMMOFINANZ's compliance with the provisions of the Austrian Corporate Governance Code was evaluated by the auditor, Deloitte Audit Wirtschaftsprüfung GmbH, within the framework of a separate audit of the corporate governance report (pursuant to KFS/PG 13). The related auditor's report is available for review on IMMOFINANZ's website (<https://immofinanz.com>). The evaluation of the corporate governance report for 2022 did not result in any objections.

Vienna, 30 March 2023



Radka Doehring
Executive Chairwoman

Group Management Report

General Principles

IMMOFINANZ AG is the parent company of the IMMOFINANZ Group. At the end of December 2022, IMMOFINANZ increased its investment in S IMMO AG to 50% plus one share, and S IMMO is therefore included in these consolidated financial statements through full consolidation. The designation "IMMOFINANZ Group" is used for information that includes S IMMO, whereby the assets and liabilities held by S IMMO as of 31 December 2022 are included but the income statement positions are not yet taken into account. Information excluding S IMMO is referred to as "IMMOFINANZ".

IMMOFINANZ and S IMMO have complementary portfolios and are both present in the following countries: Austria, Germany, Czech Republic, Slovakia, Hungary, Romania and Croatia. IMMOFINANZ is also active in Poland, Serbia, Slovenia and Italy. The real estate portfolios of IMMOFINANZ and S IMMO consist primarily of commercial properties in the office and retail asset classes, but S IMMO also owns hotels and residential properties.

Economic Overview and Property Markets of the IMMOFINANZ Group

The following section presents a selection of key economic indicators on the core markets of the IMMOFINANZ Group. Included here are statistics on GDP growth, the inflation rate and the unemployment rate based on the winter forecast published by the European Commission in February 2023 and on current Eurostat and/or OECD data. This information is followed by a summary of developments in the individual real estate market segments where the IMMOFINANZ Group is active. The information was drawn from market reports prepared by BNP Paribas, CBRE, JLL, Savills and EHL (data as of the end of Q3 or Q4 2022).

Robust growth in the first half of 2022 was followed by slower momentum during the third quarter. However, the EU economy successfully averted the fourth quarter recession anticipated by many experts. Estimates by the EU Commission place annual growth for the EU and the eurozone at 3.5% in 2022. The war in Ukraine and its consequences for the economy, ongoing concerns over the possible disruption of energy supplies and continuing pressure on prices combined with rising financing costs and a weaker global economy are expected to have a negative effect on the eurozone during the first half of 2023. Any decline in economic activity should, nonetheless, be relatively short and according to experts, a slide into full recession should be avoided from today's perspective. The limiting factors include the steady resilience of the labour markets, increased private sector savings during the pandemic and additional short-term fiscal measures implemented to reduce the effects of higher energy prices on consumers and companies. The EU Commission anticipates a gradual recovery in the eurozone beginning with the second half of 2023, assuming a decline in general uncertainty, stabilisation on the energy markets, the end of delivery shortages and an increase in real incomes. Projections by Euro system specialists in December 2022 place real GDP growth for the eurozone at 3.4% in 2022, 0.5% in 2023, 1.9% in 2024 and 1.8% in 2025.

The transaction volume on the European real estate market fell by roughly 18% to EUR 305.2 billion in 2022 (2021: EUR 371 billion). With a minus of 58%, the fourth quarter decline was the strongest. The underlying reasons can be found in rising financing costs and the strong comparative fourth quarter in 2021. Price reductions and, after inflation subsides, a substantial recovery in the transaction volume are forecasted for 2023. The highest fourth quarter declines among the top seven European countries were recorded in Sweden (-52%) and Germany (-41%). Among the asset classes, retail properties set a positive note with a 20% volume increase to EUR 43.2 billion. The transaction volume in the office segment was 15% lower at EUR 96.1 billion. Demand was weakest on the residential property market, which recorded a decline of around 46% to EUR 59.7 billion.

In all IMMOFINANZ Group markets, sustainability issues are receiving greater attention from investors, tenants and the general public. An ESG audit now represents an important part of larger real estate acquisition processes. The premiums for sustainable properties are still difficult to estimate but a credible ESG policy is now a decisive factor for the purchase decisions by many investors.

Austria

Austria started 2022 with a strong first half-year but the economy slowed considerably during the following two quarters. Growth for the full 12 months of 2022 equalled 4.8%, and experts see a slowdown to 0.5% in 2023 and 1.4% in 2024. Driven by the steady increase in energy prices, inflation rose to a very high level of 8.6% (2021: 3.8%). The next two years are expected to bring a slight decline in the inflation rate to 6.6% in 2023 and 3.6% in 2024. Unemployment equalled 5.0% at the end of December 2022 and was slightly higher than the previous year (2021: 4.9%). Similar results are also projected for the near term (2023: 5.2% and 2024: 5.3%).

The transaction volume on the Austrian real estate market fell by nearly 12% year-on-year to EUR 4.0 billion in 2022 (2021: EUR 4.6 billion) and was generated, above all, by the residential and office sectors. The prime yields for offices rose to 3.5% (2021: 3.2%) against the backdrop of a year-end increase in key interest rates by the European Central Bank.

OFFICE

Vienna had 11.6 million sqm of modern office space at the end of 2022. Take-up on the city's office market rose marginally year-on-year to 171,000 sqm (2021: 169,000 sqm). Completions remained low at 126,000 sqm (2021: 73,000 sqm) and led to a further slight decline in the vacancy rate to 3.9% (2021: 4.3%). Prime rents rose moderately to EUR 27.0/sqm/month, and average rents ranged from EUR 14.0 to EUR 19.0/sqm/month.

RETAIL

The Austrian retail market covered 9.8 million sqm at year-end 2022. In this segment, discount concepts benefited most from the strong upward shift in inflation that continued throughout the year. In line with this, retail parks again proved to be resilient: Prime rents and prime yields were unchanged at EUR 15.0/sqm/month and 5.0%, respectively.

Germany

The recovery of the German economy in 2022 was supported, above all, by private consumption. In contrast, the export trade, which normally serves as a key driver, came under increasing pressure from general macroeconomic conditions. The German GDP grew by 1.8% in 2022 (2021: 1.4%). The development in 2023 will be influenced primarily by energy price trends and the revival of the industrial sector. Experts are projecting a weaker plus of 0.2% for the current year before the country returns to a growth course with a GDP increase of 1.3% in 2024. The sharp rise in energy prices was reflected in an inflation rate of 9.6% in December 2022 (2021: 5.7%). Estimates show a decline to 6.3% in 2023 and a further drop to 2.4% in 2024. The German employment market continued to show signs of improvement: The unemployment rate fell to only 2.9% at year-end (2021: 3.2%) but is expected to increase to 3.5% each in 2023 and 2024.

The commercial property market in Germany reported a year-on-year decline of nearly 16% to EUR 54.1 billion in 2022 (2021: EUR 64.1 billion). Office properties continued to lead the transaction market with approximately 41% or EUR 22.3 billion, followed by logistics properties with roughly 19% or EUR 10.1 billion, and retail properties with nearly 17% or EUR 9.4 billion. The increase in key interest rates by the European Central Bank brought about a trend reversal in yields. Prime yields in Berlin and Munich rose to 3.2% (2021: Berlin 2.4%; Munich 2.5%), and Düsseldorf saw an increase from 2.75% in the previous year to 3.4%. The transaction volume in Düsseldorf reflected the long-term average with an increase to EUR 2.9 billion in 2022 (2021: EUR 2.4 billion).

OFFICE

Düsseldorf had 9.7 million sqm of modern office space at the end of 2022. In a competitive market environment, take-up was reserved and amounted to 291,000 sqm (2021: 314,000 sqm). The production of new space increased significantly (343,000 sqm; 2021: 218,000 sqm) and was reflected in a higher vacancy rate (10.6%; 2021: 9.2%). The ECB interest rate hikes triggered an upturn in prime yields to 3.4% (2021: 2.75%). Prime rents in premium properties rose to EUR 38.0/sqm/month, and average rents ranged from EUR 16.5 to EUR 19.4/sqm/month (2021: EUR 16.5/sqm/month).



Romania

The Romanian economy started 2022 on a dynamic note, supported by sound demand from private households, substantial investments and high employment. However, the optimistic outlook was clouded by the Russian assault on Ukraine. Estimates by the EU Commission place economic growth at 4.5% in 2022, with more moderate increases of 2.5% in 2023 and 3.0% in 2024. Rising energy and food prices pushed inflation up to 12.0% at year-end 2022 (2021: 6.7%). Only a slight easing to 9.7% is projected for 2023 before the inflation rate is expected to drop to 5.5% in 2024. The unemployment rate equalled 5.6% at the end of December 2022 (2021: 5.4%) and is projected to reach 5.8% in 2023 before declining to 5.4% in 2024.

The commercial property market in Romania passed the EUR 1 billion-mark for the first time in 2022 with a transaction volume of EUR 1.3 billion. That represents an increase of roughly 36% over the prior-year value of EUR 920.1 million. The office segment was responsible for most of the transactions and further expanded its dominant position with a market share of approximately 62% and a volume of EUR 772 million. Retail property transactions recovered from their pandemic-related collapse with a market share of roughly 24% or EUR 305 million. Industrial and logistics properties ranked third but their share fell sharply by 67% to only around 7% and a volume of EUR 91 million. Prime yields rose by 25 basis points in each case to 7.25% for shopping centers (2021: 7.0%) and 7.0% for office properties (2021: 6.72%).

OFFICE

The office market in Bucharest had 3.3 million sqm of modern space at the end of 2022. Completions came to 124,400 sqm (2021: 245,800 sqm). At the time this report was prepared, a further 156,000 sqm were under construction. Take-up rose by roughly 5% to 295,300 sqm (2021: 280,500 sqm), and vacancies had increased to 14.1% by year-end 2022 (2021: 13.1%). Prime rents in the city center rose slightly by roughly 4% to EUR 19.5/sqm/month, and average rents increased by 3.5% to EUR 17.6/sqm/month.

RETAIL

Romania had 4.1 million sqm of modern retail space at the time this report was prepared. The properties completed in 2022 had a combined total of 86,700 sqm (2021: 103,000 sqm). Retail parks were responsible for 81% of this space, and a further 265,000 sqm (2021: 235,000 sqm) were under construction and are scheduled for completion in 2023. The rental level was stable in 2022: Rents equalled EUR 45.0/sqm/month in shopping centers and EUR 8.0 to EUR 15.0/sqm/month in retail parks.

Poland

The Polish economy continued its sound growth course in 2022 despite heavy headwinds, supported by expansive fiscal policies, a favourable labour market and the strong influx of refugees from Ukraine. Growth slowed beginning in July but remained at a high level. The economy grew by 4.9% in 2022 but is expected to weaken to only 0.4% in 2023 before recovering to 2.5% in 2024. The inflation rate equalled 13.2% at the end of the year (2021: 8.0%) and is projected to remain high at 11.7% in 2023 and then decline to 4.4% in 2024. The unemployment rate was constant at 2.9% (2021: 2.9%) but should rise slightly to 3.0% in 2023 and 3.1% in 2024.

The commercial real estate market in Poland grew by almost 2% to EUR 5.9 billion in 2022 (2021: EUR 5.7 billion). Office properties generated the highest transaction volume with a market share of roughly 36% or EUR 2.1 billion (2021: roughly 29% and EUR 1.7 billion). Industrial and logistics properties ranked second with EUR 2.0 billion (2021: EUR 2.9 billion) and a market share of approximately 34%. The transaction volume for retail properties rose to roughly EUR 1.5 billion (2021: EUR 898 million) or 26%. Yields increased to 5.25% (2021: 4.5%) for office properties and to 6.25% (2021: 5.75%) for retail properties.

OFFICE

Office space totalling 232,000 sqm was completed on the Warsaw office market in 2022 (2021: 324,600 sqm), bringing the total supply to 6.1 million sqm. An additional 179,000 sqm were under construction at the time this report was prepared and, for the most part, should enter the market in 2024. Take-up increased substantially to 860,000 sqm (2021: 646,500 sqm). The vacancy rate fell to 11.6% at the end of the year (2021: 12.7%), and prime rents in the Warsaw city center rose slightly to EUR 26.0/sqm/month. Rental prices for prime office properties reached EUR 26.0/sqm/month.

RETAIL

The supply of retail space rose by 360,000 sqm in 2022, with a visible increase in the resilient retail park segment. Poland thus had 13.3 million sqm of modern retail space; a further 350,000 sqm were under construction at the time this report was prepared and should be completed this year. Prime rents in the retail parks were stable and ranged from EUR 9.5 to EUR 12.0/sqm/month.

Slovakia

Estimates by the EU Commission point to GDP growth of 1.7% for the Slovakian economy in 2022, which should be followed by an increase of 1.5% in 2023 and 2.0% in 2024. The economy will still be influenced by the growing weakness in global demand, but subsidised energy prices should provide support for households as well as the energy-intensive export sector. Driven by the rapid rise in energy costs, inflation increased to 12.1% at the end of 2022 (2021: 5.1%). A decline to 9.7% is expected in 2023, and this downward trend should continue to 5.3% in 2024. The unemployment rate equalled 5.8% at year-end (2021: 6.4%) and is projected to increase to 6.4% each in 2023 and 2024.

The transaction volume on the commercial investment market in Slovakia rose by roughly 48% to EUR 1.1 billion in 2022 (2021: EUR 765 million). Office properties were the main driver with a market share of 55% or EUR 624 million (2021: EUR 107 million), while retail properties ranked second with 31% or EUR 350 million (2021: EUR 757 million). The demand for industrial and logistics properties declined in 2022 and resulted in a market share of 13% or EUR 147 million (2021: EUR 275 million). Prime yields rose slightly to 5.5% (2021: 5.3%) in the office segment and to 6.3% (2021: 6.0%) in the retail segment.

OFFICE

The market for modern office properties in Bratislava covered 2.0 million sqm at the end of 2022. Completions totalled 25,000 sqm. Roughly 119,000 sqm (2021: 138,000 sqm) were under construction at the time this report was prepared, with 114,000 sqm scheduled to enter the market in 2023. The vacancy rate declined slightly to 11.2% (2021: 11.7%). Take-up amounted to 112,000 sqm. Rents were generally stable: Prime rents equalled EUR 17.0/sqm/month and average rents EUR 13.0/sqm/month in 2022.

RETAIL

At year-end 2022, Slovakia had 2.4 million sqm of retail space (2021: 2.4 million sqm) and a further 100,000 sqm under development (2021: 57,522 sqm). The rising inflation rate was also reflected in increasing rents during the past year. Prime rents equalled EUR 67.0/sqm/month for shopping centers in Bratislava and EUR 15.0/sqm/month for retail parks. Prime yields rose by 25 basis points to 6.3% for shopping centers and declined slightly to 6.8% for retail parks.

Czech Republic

Investments were the driving factor for strong growth in the Czech economy during the first half of 2022. In the second half-year, growth was weakened by a general loss of corporate and consumer confidence. The GDP rose by 2.5% for the full 12 months of 2022 (2021: 3.6%), but forecasts show an increase of only 0.1% in 2023 and an improvement to 1.9% in 2024. Inflation climbed to 14.8% (2021: 5.4%) as a result of the sharp rise in energy prices but is expected to decline to 9.3% in 2023 and to 3.5% in 2024. The employment market remained robust in 2022: The unemployment rate rose only slightly to 2.3% at year-end (2021: 2.1%), but forecasts indicate an increase to 3.3% in 2023 and 3.6% in 2024.

The transaction market in the Czech Republic was faced with the greatest downward pressure since the financial crisis in 2008. The annual volume fell to EUR 1.6 billion (2021: EUR 1.9 billion): Office properties were the most popular asset class with a share of roughly 36%, followed by industrial and logistics properties at around 22% and retail properties at 20%. Prime yields increased from 4.25% to 4.8% for office properties and from 5.75% to 6.25% for retail properties.

OFFICE

The office market in Prague had approximately 3.8 million sqm of modern space at the end of 2022. Completions totalled 74,000 sqm, and an additional 293,600 sqm (2021: 195,200 sqm) were under construction at the time this report was prepared. Take-up rose by 42.0% year-on-year to 550,100 sqm (2021: 387,100 sqm), and the vacancy rate was nearly unchanged at 7.7% (2021: 7.8%). Prime rents increased to EUR 26.5/sqm/month, and average rents at good locations ranged from EUR 16.0 to EUR 18.0/sqm/month. Prime yields were constant at 4.25%.

RETAIL

The supply of retail space increased by roughly 11,200 sqm to roughly 2.5 million sqm at the end of 2022, and a further 6,300 sqm were under construction at the time this report was prepared. The high inflation was reflected in a noticeable decline in retail turnover. In this environment, retail parks had a clear advantage with their discount-oriented tenant mix. Rising interest rates led to an increase of 25 basis points in prime yields to 6.25%. The prime yields for shopping centers rose by 50 basis points to also equal 6.25%.

Hungary

The Hungarian economy continued its dynamic development during the first quarter of 2022. This was followed, however, by a trend reversal in the second quarter and a subsequent third quarter decline of 0.4% as the effects of earlier fiscal incentives lessened and severe droughts reduced agricultural production. A further decline is expected in the final quarter due to the negative effects of rising energy prices on domestic demand. Total growth is estimated at 4.9% for 2022 (2021: 7.1%) and should slow to only 0.6% in 2023. An improvement to 2.6% is projected for 2024. Growing pressure on the Hungarian forint drove inflation to 15.3% at year-end 2022 (2021: 7.4%). The inflation rate is expected to remain high in 2023 before declining to 4.0% in 2024. The unemployment rate equalled 4.0% at the end of 2022 (2021: 3.7%) and should increase slightly to 4.2% in both 2023 and 2024.

The transaction volume on the Hungarian commercial real estate market grew by 18% to EUR 1.4 billion in 2022 (2021: EUR 1.2 billion). This development is attributable in full to the acquisition by S IMMO of office properties owned by IMMOFINANZ and the CPI Property Group. Office properties were the most popular asset class at approximately 61% or EUR 836 million, followed by retail properties at roughly 23% or EUR 318 million, and logistic properties at roughly 9% or EUR 129 million. The prime yields for office properties rose from 5.25% to 6.0% and, in the retail segment, equalled 5.75% for shopping centers and 6.5% for retail parks.

OFFICE

The office market in Budapest had 4.3 million sqm of modern space. Take-up rose by roughly 7% to 391,700 sqm in 2022 (2021: 365,800 sqm). Completions totalled 247,000 sqm (2021: 44,500 sqm) and should reach roughly 122,000 sqm in 2023. The vacancy rate increased to 11.3% as a result of the new completions (2021: 9.2%). Average rents were slightly higher at EUR 14.0/sqm/month, and prime rents equalled EUR 24.0/sqm/month.

RETAIL

Completions totalled 20,000 sqm in 2022, and a further 56,000 sqm are in the development pipeline up to 2025. Consequently, the supply of space will be limited also in the coming years and should generally lead to an increase in rents. Prime yields for shopping centers equalled 5.75% and remained unchanged for retail parks at 6.5% (2021: 6.5%).

Adriatic

IMMOFINANZ's Adriatic region includes Serbia, Slovenia, Croatia and Italy. The economies in these countries followed the European trend with a decline during the second half-year. GDP growth in Italy equalled 3.9% in 2022. The strongest growth was recorded in Croatia at 6.3%. Economic output equalled 5.1% in Slovenia and 1.0% in Serbia. Inflation was highest in Serbia at 15.1% in December. Inflation rates were also high in the EU member states of Croatia (10.7%), Slovenia (9.3%) and Italy (8.7%). Unemployment was highest in Serbia at 8.9% during the third quarter and equalled 7.8% in Italy during December, followed by Croatia at 6.4%. Slovenia recorded the lowest unemployment at 4.0% in December 2022.

Among the commercial property markets in this region, Italy is by far the most important. It grew by 12% to a volume of EUR 11.7 billion in 2022 (2021: EUR 10.4 billion). Prime yields in Italy equalled 3.9% (2021: 2.9%) for offices and 6.3% (2021: 6.2%) for shopping centers. Prime yields in Serbia were uniform at 8.0% and equalled 6.8% for retail properties and 7.8% for offices in Croatia. In Slovenia, the prime yields for retail properties equalled 7.3%.

S IMMO

The hotel market in Austria was characterised by strong growth in 2022 as well as numbers that brought back memories of times before the pandemic. Net revenues from overnight stays in Vienna rose by roughly 190% to EUR 884 million, compared with EUR 305 million in the previous year. Hotel bed occupancy in Vienna reached nearly 46.5% in 2022 and represents a strong increase over the previous year (2021: almost 24%). Overnight stays in Vienna rose by 164.3% year-on-year to 13.2 million in 2022. The hotel and bed stock has recovered very well from the pandemic, with virtually no negative effects from the war in Ukraine and the energy crisis. Compared to the previous years, the Austrian market also saw an increase in new hotel openings – which is a very positive development with a trend pointing upward.

The office market in Berlin can look back on a moderate year but remains a strong and attractive office location. Take-up declined slightly year-on-year to 773,000 sqm in 2022. The vacancy rate rose to 3.9% in 2022 as a result of the many recently completed office properties. Average rents and prime rents equalled EUR 28.50/sqm/month and EUR 43.00/sqm/month, respectively, with a rising trend expected in the coming year.

The hotel market in the CEE region is recovering slowly from the COVID-19 pandemic but has been negatively influenced by the war in Ukraine. However, there is also positive news: Budapest recorded a year-on-year increase of 14% in overnight stays during 2022, and Bratislava is reporting overnight stay statistics that have nearly reached the pre-crisis level. Prague remains one of the most popular destinations in the CEE region and, even before the pandemic, outpaced Vienna in overnight stays. Recent results show that roughly 75% of the pre-crisis level has already been reached. It is assumed that these markets – depending on the size and importance of the destination and the further development of the war in Ukraine – will recover completely by 2024. The capital cities, in particular, are expected to remain popular travel destinations.

An additional overview of the economy and the S IMMO real estate markets is provided in the annual report for 2022 by S IMMO.

Portfolio Report

Focus on retail properties and flexible office solutions

IMMOFINANZ's portfolio strategy is based on its successful brands and on flexible and innovative offers with high customer orientation. Following the majority takeover by the CPI Property Group (CPIPG), IMMOFINANZ presented an updated strategy in June 2022. It calls for the continuation and further expansion of value-creating growth with a strong focus on retail properties and office solutions. Plans also include the further strengthening of the position on Europe's retail park market through acquisitions and new construction under the successful and resilient STOP SHOP brand. The focus for the myhive office portfolio will remain unchanged on the capital cities of IMMOFINANZ's core markets. In addition, properties with a combined value of approximately EUR 1 billion will be sold and the proceeds invested in higher yield real estate in the IMMOFINANZ core markets or be used to repay debt.

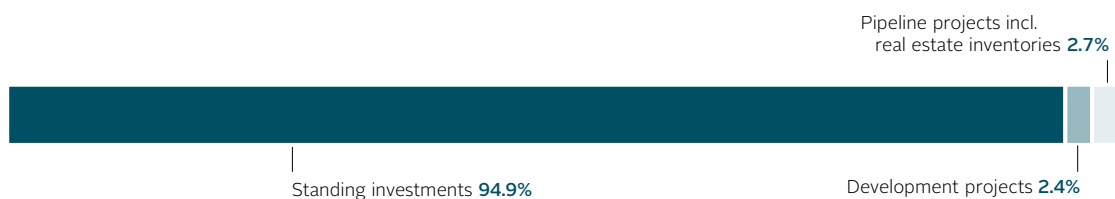
Active portfolio management ensures that the properties are attractive for tenants and consistent with the principle of sustainability from a social and environmental perspective. In this way, IMMOFINANZ will also meet the future needs of tenants and consumers in the retail business and tenants and their staffs in the office sector.

The IMMOFINANZ Group's property portfolio

The IMMOFINANZ Group's property portfolio (IMMOFINANZ including S IMMO) included 627 properties* as of 31 December 2022 with a combined value* of EUR 8,363.8 million. Standing investments* represented the largest component at EUR 7,936.0 million, or 94.9% of the carrying amount, and 3.5 million sqm of rentable space* which generate steady rental income. Development projects* are responsible for EUR 198.5 million, or 2.4% of the carrying amount. A carrying amount of EUR 229.2 million, or 2.7%, is attributable to pipeline projects* and includes future planned development projects, undeveloped land and real estate inventories. The owner-operated S IMMO hotels (Vienna Marriott and Budapest Marriott) with 47,277 sqm of total rentable space are not included in the portfolio report.

Structure of the IMMOFINANZ Group's property portfolio

Total carrying amount including S IMMO: EUR 8,363.8 million



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.

* Properties that are held for sale and fall under IFRS 5 – in contrast to previous practice – have been included in the portfolio report since the first half of 2022 (31 December 2022: EUR 548.5 million; see section 4.10 in the consolidated financial statements for details). However, these properties are not included in the comparative prior-year data because the related amounts are immaterial.

The increase in the investment in S IMMO to 50% plus one share was finalised at year-end 2022. Therefore the assets and liabilities of S IMMO represent an integral part of the consolidation as of 31 December 2022 but the income statement positions for the 2022 financial year have not been included.

The IMMOFINANZ Group 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	29	802.9	62.9	23.1	888.9	10.6
Germany	5	568.5	0.0	4.6	573.1	6.9
Poland	31	1,000.6	9.4	0.0	1,010.0	12.1
Czech Republic	48	673.5	0.0	0.0	673.5	8.1
Hungary	19	224.3	0.0	2.7	227.0	2.7
Romania	34	634.6	67.2	79.3	781.1	9.3
Slovakia	36	449.5	0.0	1.3	450.8	5.4
Adriatic ²	62	498.2	48.7	40.3	587.2	7.0
Other countries ³	1	0.0	0.0	8.0	8.0	0.1
S IMMO	362	3,083.9	10.3	70.0	3,164.2	37.8
IMMOFINANZ Group	627	7,936.0	198.5	229.2	8,363.8	100.0
in %		94.9	2.4	2.7	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 4.7 million

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

³ Turkey

The IMMOFINANZ property portfolio

The IMMOFINANZ property portfolio (IMMOFINANZ excluding S IMMO) covered 265 properties* as of 31 December 2022 (31 December 2021: 225 properties) with a combined value* of EUR 5,199.6 million (31 December 2021: EUR 5,160.8 million). These properties are located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and Adriatic (Serbia, Slovenia, Italy and Croatia). Standing investments* represent the largest component at EUR 4,852.1 million, or 93.3% of the carrying amount, and 2.2 million sqm of rentable space*. Development projects* are responsible for EUR 188.2 million, or 3.6% of the carrying amount. A carrying amount of EUR 159.3 million, or 3.1%, is attributable to pipeline projects*. Active management led to an increase in the retail component of the portfolio to 46.1% at year-end, while 52.3% represented offices (31 December 2021: 36.5% retail and 62.2% offices).

Acquisitions, investments and sales by IMMOFINANZ

IMMOFINANZ continued the strategic expansion of its profitable and resilient STOP SHOP retail park brand during 2022 and acquired its second location in Udine, in the north-east of Italy, in March. The STOP SHOP Udine is now the largest retail park in the portfolio with roughly 33,000 sqm. 53 fully rented retail properties in the Czech Republic, Poland, Slovakia and Hungary were acquired in September from CPIPG, IMMOFINANZ's majority shareholder, for a total purchase price of EUR 324.2 million. The closing for 36 retail properties in the Czech Republic and Poland, which have 108,000 sqm of rentable space, took place on 19 September 2022. The purchase price of EUR 191 million for these properties was financed with internal funds. The purchase of the two retail parks in Hungary, which have 33,600 sqm of rentable space, closed mid-October. The closing for the 15 retail properties in Slovakia was held on 29 December.

Property sales totalled EUR 165.6 million in 2022 (2021: EUR 328.4 million). These transactions included, among others, the BBC Gamma office building in Prague, which was sold to the Czech Passerinvest Group, and two office buildings in Vienna, which were sold to the Austrian Winegg Group in November at the attractive market price of roughly EUR 60.0 million, as well as non-core land in Romania and Turkey.

* Properties that are held for sale and fall under IFRS 5 – in contrast to previous practice – have been included in the portfolio report since the first half of 2022 (31 December 2022: EUR 548.5 million; see section 4.10 in the consolidated financial statements for details). However, these properties are not included in the comparative prior-year data because the related amounts are immaterial.

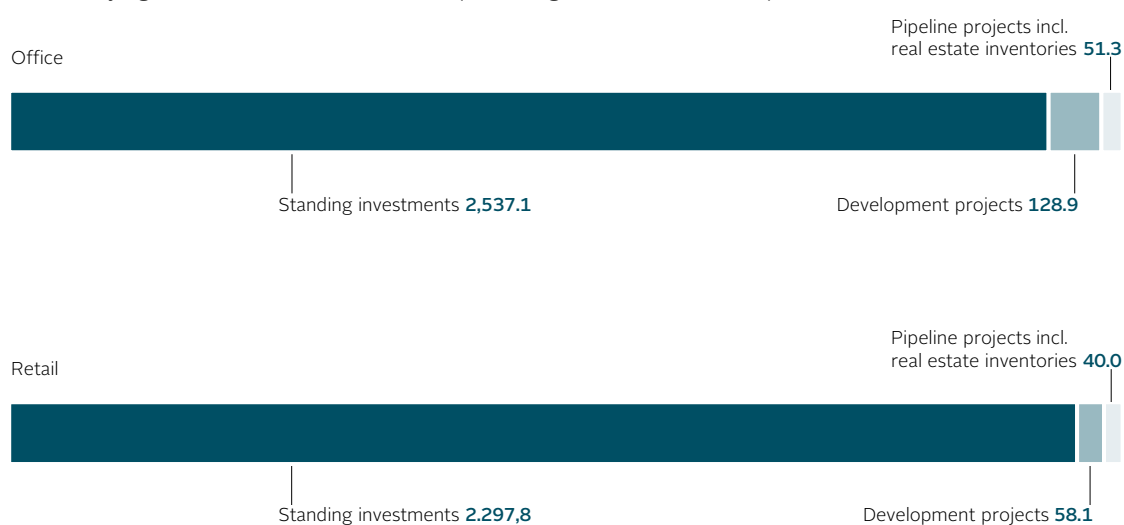
In addition, the Hungarian office property portfolio of six buildings in Budapest, with roughly 124,000 sqm of rentable space, was sold to S IMMO. The transaction volume amounted to approximately EUR 244.1 million, and the closing took place on 27 December 2022.

In February 2023, after the end of the 2022 financial year, IMMOFINANZ signed a letter of intent to sell several office properties at the location on Vienna's Wienerberg to S IMMO. This transaction will cover six standing investments with roughly 128,000 sqm of rentable space and one development project with nearly 20,000 sqm of space that will be completed in summer 2023. The transaction volume will total approximately EUR 411 million.

As IMMOFINANZ holds a controlling interest of 50% plus one share in S IMMO, this transaction will have no effect on the Group's asset, financial or earnings position.

Structure of the IMMOFINANZ property portfolio by asset class and classification

Total carrying amount: EUR 5,113.2 million (excluding Others and S IMMO); amounts in MEUR



Selected details on the carrying amount of the property portfolio as of 31 December 2022 are provided in the following table:

IMMOFINANZ property portfolio by brand 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 %
Office	50	2,537.1	128.9	51.3	2,717.3	52.3
thereof myhive	30	1,814.3	128.9	0.0	1,943.2	37.4
thereof office other	20	722.8	0.0	51.3	774.1	14.9
Retail	198	2,297.8	58.1	40.0	2,395.9	46.1
thereof VIVO!/ shopping center	10	683.6	0.0	0.0	683.6	13.1
thereof STOP SHOP/ retail park	162	1,490.3	58.1	29.7	1,578.1	30.4
thereof retail other	26	123.9	0.0	10.3	134.2	2.6
Others	17	17.2	1.2	68.0	86.4	1.7
IMMOFINANZ	265	4,852.1	188.2	159.3	5,199.6	100.0

The IMMOFINANZ portfolio is focused on clearly defined brands with a high degree of standardisation: myhive stands for flexible, international office solutions, STOP SHOP/retail parks* for profitable and resilient retail parks and VIVO! for regional shopping centers. These three brands were responsible for 80.9% of the carrying amount of the portfolio at the end of December 2022. A further 8.5% of the carrying amount is attributable to office buildings which were rented to single tenants. The largest of these properties is the FLOAT in Düsseldorf and the City Tower in Vienna, which is leased to the Austrian government.

The S IMMO property portfolio

The S IMMO property portfolio (excluding owner-operated hotel properties) included 362 properties as of 31 December 2022 (31 December 2021: 375 properties). These properties had a combined carrying amount of EUR 3,164.2 million and a total area of approximately 1.4 million sqm (total rentable usable space including potential projects) (31 December 2021: 1.2 million sqm).

In its 2022 annual report, S IMMO reported the property portfolio including the two owner-operated hotels. This led to a difference between the number of properties and the carrying amount in the IMMOFINANZ and S IMMO reports. S IMMO calculates the occupancy rate based on the main usable area (i.e. excluding warehouse and other areas), while the calculations by IMMOFINANZ are based on total rentable space (i.e. including warehouse and other areas). Details on the initial consolidation of S IMMO are provided in the consolidated financial statements of the IMMOFINANZ Group and under the revaluation of owner-operated properties (see section 2.3 in the notes to the consolidated financial statements).

Based on S IMMO's 2022 annual report and on the carrying amounts including the two owner-operated hotels, properties in Austria represented 14.5% (31 December 2021: 17.3%) and the properties in Germany 38.3% (31 December 2021: 48.2%) of the portfolio. The properties in CEE were responsible for 47.2% (31 December 2021: 34.5%).

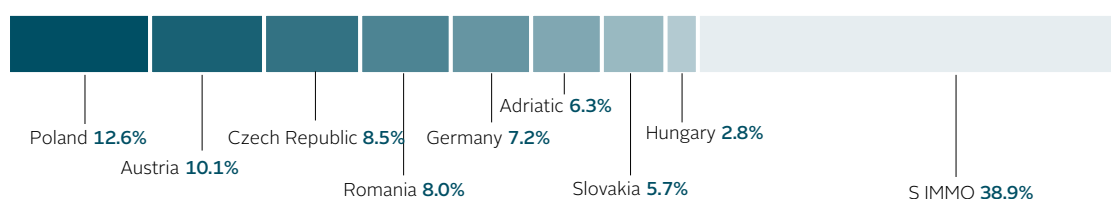
For further information on the property portfolio, see the S IMMO 2022 annual report.

The IMMOFINANZ Group's standing investments

The 530 standing investments held by the IMMOFINANZ Group had a carrying amount of EUR 7,936.0 million as of 31 December 2022. Of this total, 32.0% are attributable to office properties, 29.0% to retail properties and 38.9% to S IMMO. The focal point of the standing investments by segments based on the carrying amount are the markets in Poland (EUR 1,000.6 million), Austria (EUR 802.9 million) and the Czech Republic (EUR 673.5 million) as well as S IMMO (EUR 3,083.9 million). The rentable space in this portfolio totalled 3,531,706 sqm with an occupancy rate that remained high at 92.9%.

The IMMOFINANZ Group's standing investments by segment

The following graph shows the distribution of the standing investment portfolio by country, including S IMMO, as of 31 December 2022, based on the carrying amount:



* STOP SHOPS and other retail parks

The IMMOFINANZ Group's standing investments by segment

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	802.9	10.1	243,398	237,417	97.5
Germany	3	568.5	7.2	87,652	61,298	69.9
Poland	30	1,000.6	12.6	436,397	425,172	97.4
Czech Republic	48	673.5	8.5	279,175	269,996	96.7
Hungary	16	224.3	2.8	169,239	167,490	99.0
Romania	15	634.6	8.0	339,553	284,018	83.6
Slovakia	35	449.5	5.7	264,337	254,339	96.2
Adriatic ¹	37	498.2	6.3	333,636	330,489	99.1
S IMMO	322	3,083.9	38.9	1,378,320	1,250,104	90.7 ²
IMMOFINANZ Group	530	7,936.0	100.0	3,531,706	3,280,323	92.9

Standing investments	Rental income Q4 2022 in MEUR	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % ³	Financing costs incl. derivatives in %	LTV in %
Austria	10.4	5.2 (5.2)	417.8	3.5	2.4	52.0
Germany	3.9	2.7 (2.8)	244.9	3.6	2.6	43.1
Poland	17.6	7.0 (7.8)	524.3	4.1	2.8	52.4
Czech Republic	10.7	6.4 (6.5)	250.9	3.6	1.8	37.2
Hungary	5.1	9.1 (9.4)	109.0	4.1	1.7	48.6
Romania	13.8	8.7 (8.7)	0.0	0.0	0.0	0.0
Slovakia	6.0	5.3 (5.6)	183.5	4.1	2.5	40.8
Adriatic ¹	11.2	9.0 (9.1)	94.4	4.1	3.7	19.0
S IMMO	n. a. ⁴	n. a. (n. a.) ⁴	1,060.0	3.4	2.2	34.4
IMMOFINANZ Group	78.7	6.5 (6.7)⁵	2,884.8	3.7	2.4	36.4

Development projects and pipeline projects	0.7		40.7	3.6	3.9	
Rental income from sold properties and adjustments	3.9		0.0	0.0	0.0	
Group financing IMMOFINANZ	0.0		762.8	5.2	3.7	
Group financing S IMMO	0.0		497.4			
IMMOFINANZ Group	83.3		4,185.8	3.8	2.6	

Market value property portfolio in MEUR						8,363.8
Cash and cash equivalents ⁶ in MEUR			-684.7			
Property value of owner-operated properties S IMMO						230.6
IMMOFINANZ Group in MEUR			3,501.1			8,594.4
Net LTV in %						40.7

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

² 92.6% in terms of main usable space

³ Financing costs based on nominal outstanding liability

⁴ The increase in the investment in S IMMO to 50% plus one share was finalised at year-end 2022. Therefore the assets and liabilities of S IMMO represent an integral part of the consolidation as of 31 December 2022 but the income statement positions for the 2022 financial year have not been included.

⁵ The return was adjusted to eliminate S IMMO.

⁶ Cash and cash equivalents, including cash and cash equivalents from assets held for sale

The IMMOFINANZ standing investments

The 208 standing investments held by IMMOFINANZ had a carrying amount of EUR 4,852.1 million as of 31 December 2022 (31 December 2021: 153 standing investments with a carrying amount of EUR 4,506.2 million). Of this total, 52.3% are attributable to office properties and 47.4% to retail properties. Acquisitions and completions in the retail sector increased the rentable space in the standing investment portfolio to 2,153,386 sqm (31 December 2021: 1,939,581 sqm). The properties in this portfolio have a gross return of 6.5% based on IFRS rental income and a return of 6.7% based on invoiced rents. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs. These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS) but are not included in the invoiced rent.

The occupancy rate remained high at 94.3% (31 December 2021: 95.1%). According to the EPRA's calculation formula, the vacancy rate equalled 6.5% (31 December 2021: 5.1%). The EPRA vacancy rate is based on the ratio of the estimated market rent for the vacant space in the standing investments to the total estimated market rent for the standing investment portfolio (additional information on the EPRA financial indicators can be found beginning on page 48). Take-up in the standing investments and development projects amounted to 317,300 sqm in 2022 (excluding standing investments in the Other asset class; 2021: 427,500 sqm). This take-up includes 141,800 sqm of new rentals and 175,500 sqm of contract extensions (2021: 83,200 sqm of new rentals and 344,300 sqm of contract extensions). The average unexpired lease term weighted by rental income (WAULT*) equalled 3.5 years as of 31 December 2022.

Contract expiration profile for IMMOFINANZ: standing investments (total)

Fixed-term contracts until the end of the term and open-ended contracts as of the earliest possible exit date in relation to the total rented space (only GLA space¹, excluding S IMMO):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
13	15	15	17	12	20	7

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.

Further sound growth of 12.9% in like-for-like rental income for IMMOFINANZ

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with earlier periods) shows a further sound improvement of 12.9%, or EUR 8.1 million, in rental income to EUR 70.3 million in the fourth quarter of 2022, after EUR 62.2 million in the previous year. Positive development was reported by nearly all core markets, led by Austria and Poland. Like-for-like rental income rose by 12.5% in the office business and by 13.3% in the retail sector. The driving factors included, among others, higher turnover-based rents in the retail properties and the indexing of rents.

A comparison of 2022 with the previous year shows an increase of EUR 20.5 million, or 8.1%, in rental income to EUR 272.6 million (office: +7.7%; retail: +8.5%).

* Weighted Average Unexpired Lease Term: The calculation for fixed-term contracts is based on the term or – where available – the time up to the break option (special cancellation right for tenants). For open-ended contracts, the remaining term equals at least two years or a longer period if the break option is later than this two-year period. The comparability with previous years is limited due to a change in the calculation base.

IMMOFINANZ's 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 Q4 2022 in MEUR	Rental income Q4 2021 in MEUR	Change in rental income in MEUR
Austria	23	770.8	18.5	10.1	8.5	1.7
Germany	2	421.9	10.1	3.5	2.5	1.0
Poland	24	971.8	23.3	17.1	15.3	1.7
Czech Republic	18	485.7	11.6	7.0	6.3	0.6
Hungary	14	194.4	4.7	4.6	4.6	0.0
Romania	13	591.4	14.2	12.5	11.2	1.3
Slovakia	20	332.3	8.0	6.0	5.4	0.6
Adriatic ²	34	400.8	9.6	9.5	8.4	1.1
IMMOFINANZ	148	4,169.1	100.0	70.3	62.2	8.1
Rental income from properties sold/acquired, IFRS 15 and IFRS 16 adjustments and development projects				13.0		
IMMOFINANZ				83.3		

IMMOFINANZ's 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 Q4 2022 in MEUR	Rental income Q4 2021 in MEUR	Change in rental income in MEUR
Office	37	2,332.4	55.9	29.4	26.1	3.3
thereof myhive	24	1,609.6	38.6	21.0	18.6	2.4
thereof office other	13	722.8	17.3	8.4	7.5	0.9
Retail	111	1,836.7	44.1	40.9	36.1	4.8
thereof VIVO!/shopping center	10	683.6	16.4	15.9	13.5	2.4
thereof STOP SHOP/retail park	99	1,142.2	27.4	24.7	22.4	2.3
thereof retail other	2	10.9	0.3	0.3	0.2	0.0
IMMOFINANZ	148	4,169.1	100.0	70.3	62.2	8.1

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.

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

IMMOFINANZ's standing office investments

The carrying amount of the 40 standing office investments held by IMMOFINANZ (excluding S IMMO) totalled EUR 2,537.1 million as of 31 December 2022 (31 December 2021: 42 standing investments with a carrying amount of EUR 2,713.0 million). These assets represented 52.3% of the standing investment portfolio and 38.7% of the rental income from standing investments in the fourth quarter of 2022. A regional analysis shows the focal points of the IMMOFINANZ office properties in the core markets of Poland (EUR 694.6 million), Austria (EUR 653.6 million) and Germany (EUR 568.5 million).

The rentable space in the office portfolio declined to 798,143 sqm as of 31 December 2022 due to sales (31 December 2021: 866,700 sqm). Based on annualised rents (Q4 2022: EUR 30.4 million), the office portfolio generated a gross return of 4.8% and a return of 5.2% based on invoiced rents. The office properties in the myhive brand represented a carrying amount of EUR 1,814.3 million and generated a gross return of 4.9%, respectively 5.4% based on invoiced rents.

The occupancy rate in the office portfolio equalled 88.1% at the end of December 2022 (31 December 2021: 90.6%). The core markets of Austria, Poland, Czech Republic and Adriatic (Croatia) reported very high occupancy rates ranging from 90.8% (Czech Republic) to 100.0% (Adriatic). The lower occupancy rate in Germany resulted from the reduction of space by a single tenant. Part of this space has been converted and is currently in the re-letting process. The temporary decline in the occupancy rate in Romania is primarily attributable to the exit of two large tenants and a building for sale with a lower occupancy rate. Based on the EPRA's calculation formula, the vacancy rate for the office properties equalled 11.4% (31 December 2021: 8.6%). Take-up in the office standing investments and development projects totalled roughly 144,800 sqm in 2022 (2021: 150,000 sqm), whereby roughly 57,400 sqm represent new rentals and 87,400 sqm contract extensions.

The tenant structure of the office portfolio remains balanced. The ten largest tenants occupy 21.6% of the space in the office standing investments, and no single tenant has rented more than 3.6% of the total space in these properties (31 December 2021: 23.7% and 3.4%). The WAULT* equalled 3.6 years as of 31 December 2022.

Contract expiration profile: IMMOFINANZ standing office investments

Fixed-term contracts until the end of the term and open-ended contracts as of the earliest possible exit date in relation to the total rented space (only GLA space¹; excluding S IMMO):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
14	19	15	14	10	21	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.

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

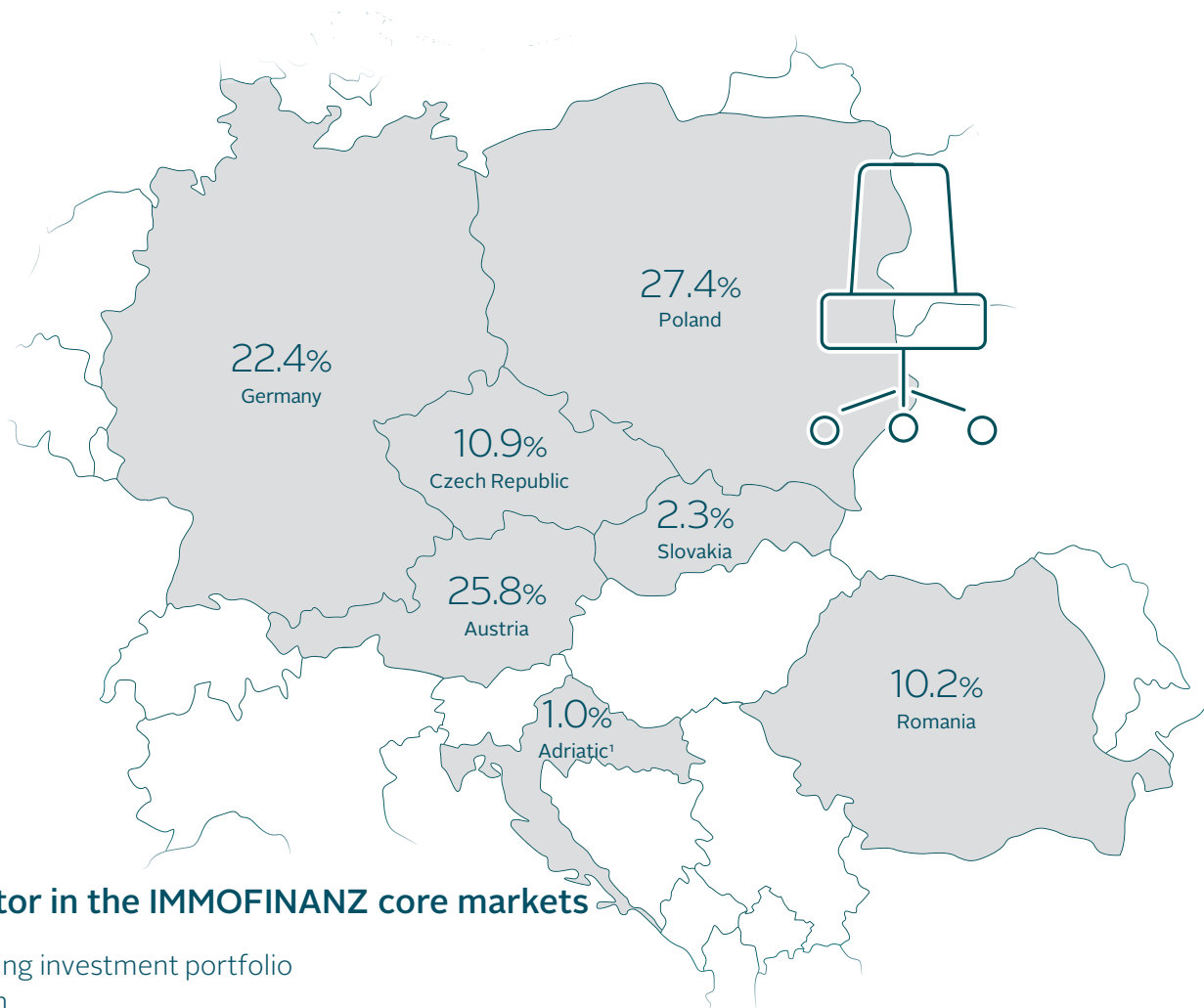
Key data on IMMOFINANZ's standing office investments by category

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate in %
IMMOFINANZ	40	2,537.1	100.0	798,143	702,790	88.1
thereof myhive	27	1,814.3	71.5	591,517	526,312	89.0
thereof office other	13	722.8	28.5	206,626	176,478	85.4

Standing investments	Rental income Q4 2022 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	30.4	4.8 (5.2)	1,117.9	3.8	2.3	44.1
thereof myhive	22.1	4.9 (5.4)	819.1	3.9	2.6	45.1
thereof office other	8.4	4.6 (4.7)	298.8	3.4	1.4	41.3

¹ Financing costs based on nominal outstanding liability

* Weighted Average Unexpired Lease Term: The calculation for fixed-term contracts is based on the term or – where available – the time up to the break option (special cancellation right for tenants). For open-ended contracts, the remaining term equals at least two years or a longer period if the break option is later than this two-year period. The comparability with previous years is limited due to a change in the calculation base.



The office sector in the IMMOFINANZ core markets

Share of the standing investment portfolio
EUR 2,537.1 million
as of 31 December 2022

Poland

Number of properties	10
Carrying amount in MEUR	694.6
Carrying amount in %	27.4
Rentable space in sqm	232,745
Occupancy rate in %	96.0
Rental inc. Q4 2022 in MEUR	10.2
Gross return in %	5.9

Austria

Number of properties	10
Carrying amount in MEUR	653.6
Carrying amount in %	25.8
Rentable space in sqm	170,643
Occupancy rate in %	97.0
Rental inc. Q4 2022 in MEUR	7.6
Gross return in %	4.6

Germany

Number of properties	3
Carrying amount in MEUR	568.5
Carrying amount in %	22.4
Rentable space in sqm	87,652
Occupancy rate in %	69.9
Rental inc. Q4 2022 in MEUR	3.9
Gross return in %	2.7

Czech Republic

Number of properties	5
Carrying amount in MEUR	277.0
Carrying amount in %	10.9
Rentable space in sqm	76,788
Occupancy rate in %	90.8
Rental inc. Q4 2022 in MEUR	3.2
Gross return in %	4.7

Romania

Number of properties	9
Carrying amount in MEUR	258.9
Carrying amount in %	10.2
Rentable space in sqm	178,783
Occupancy rate in %	75.5
Rental inc. Q4 2022 in MEUR	4.0
Gross return in %	6.2

Slovakia

Number of properties	2
Carrying amount in MEUR	58.1
Carrying amount in %	2.3
Rentable space in sqm	35,623
Occupancy rate in %	89.8
Rental inc. Q4 2022 in MEUR	1.0
Gross return in %	6.8

Adriatic¹

Number of properties	1
Carrying amount in MEUR	26.4
Carrying amount in %	1.0
Rentable space in sqm	15,908
Occupancy rate in %	100.0
Rental inc. Q4 2022 in MEUR	0.5
Gross return in %	7.9

IMMOFINANZ

Number of properties	40
Carrying amount in MEUR	2,537.1
Carrying amount in %	100.0
Rentable space in sqm	798,143
Occupancy rate in %	88.1
Rental inc. Q4 2022 in MEUR	30.4
Gross return in %	4.8

¹ Croatia

IMMOFINANZ's standing retail investments

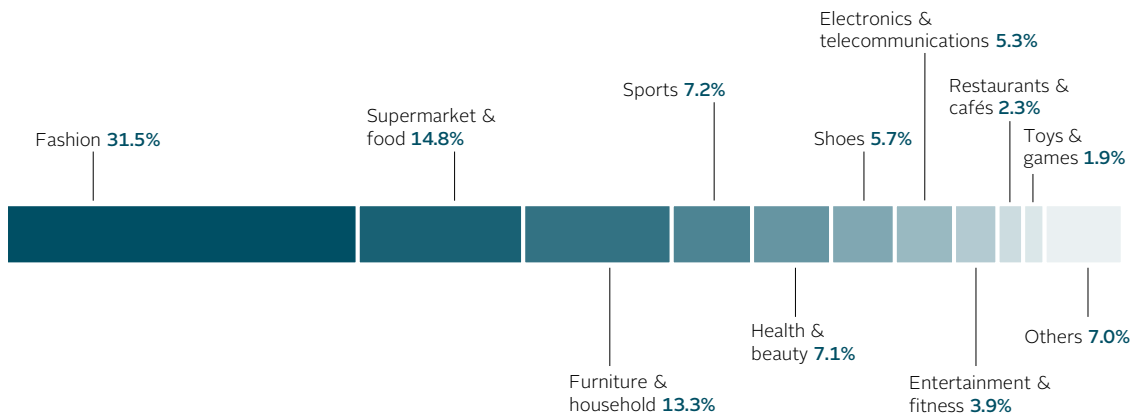
The carrying amount of the 167 standing retail investments held by IMMOFINANZ (excluding S IMMO) totalled EUR 2,297.8 million as of 31 December 2022 (31 December 2021: 111 standing investments with a carrying amount of EUR 1,793.1 million). These properties represented 47.4% of the standing investment portfolio and generated 60.3% of the rental income from standing investments in the fourth quarter of 2022. The largest regional markets were Adriatic (Serbia, Slovenia, Italy and Croatia) with EUR 471.8 million, the Czech Republic with EUR 396.5 million and Slovakia with EUR 391.4 million. The STOP SHOPS and other retail parks represented a carrying amount of EUR 1,490.3 million and a gross return 8.1%, respectively 8.3% based on invoiced rents. The VIVO! shopping centers had a carrying amount of EUR 683.6 million; they generated a gross return of 9.3% and an invoiced rental return of 9.7%.

Based on annualised rents (Q4 2022: EUR 47.5 million), the retail portfolio had a gross return of 8.3%, respectively 8.5% based on invoiced rents. Acquisitions and completions increased the rentable space to 1,344,007 sqm (31 December 2021: 1,072,881 sqm). The occupancy rate in the retail properties was unchanged and high at 98.8% as of 31 December 2022 (31 December 2021: 98.7%). The STOP SHOPS/retail parks and the VIVO! shopping centers were fully rented with occupancy rates of 98.8% and 98.5%. Take-up for the retail standing investments and development projects totalled 172,500 sqm in 2022 (2021: 277,500 sqm), whereby 84,400 sqm were attributable to new rentals and 88,100 sqm to contract extensions.

IMMOFINANZ relies on a balanced tenant mix to create an optimal environment for retailers and their customers. All larger retail properties have solid international and local anchor tenants, but no single retailer has rented more than 4.3% of the total space in these properties. The WAULT* equalled 3.5 years as of 31 December 2022.

Branch mix – Retail

Only rented space in the IMMOFINANZ standing investments as of 31 December 2022



* Weighted Average Unexpired Lease Term: The calculation for fixed-term contracts is based on the term or – where available – the time up to the break option (special cancellation right for tenants). For open-ended contracts, the remaining term equals at least two years or a longer period if the break option is later than this two-year period. The comparability with previous years is limited due to a change in the calculation base.

Contract expiration profile: IMMOFINANZ standing retail investments

Fixed-term contracts until the end of the term and open-ended contracts as of the earliest possible exit date in relation to the total rented space (only GLA space¹; excluding S IMMO):

1 year in %	2 years in %	3 years in %	4 years in %	5 years in %	> 5 years in %	> 10 years in %
12	14	15	19	13	20	6

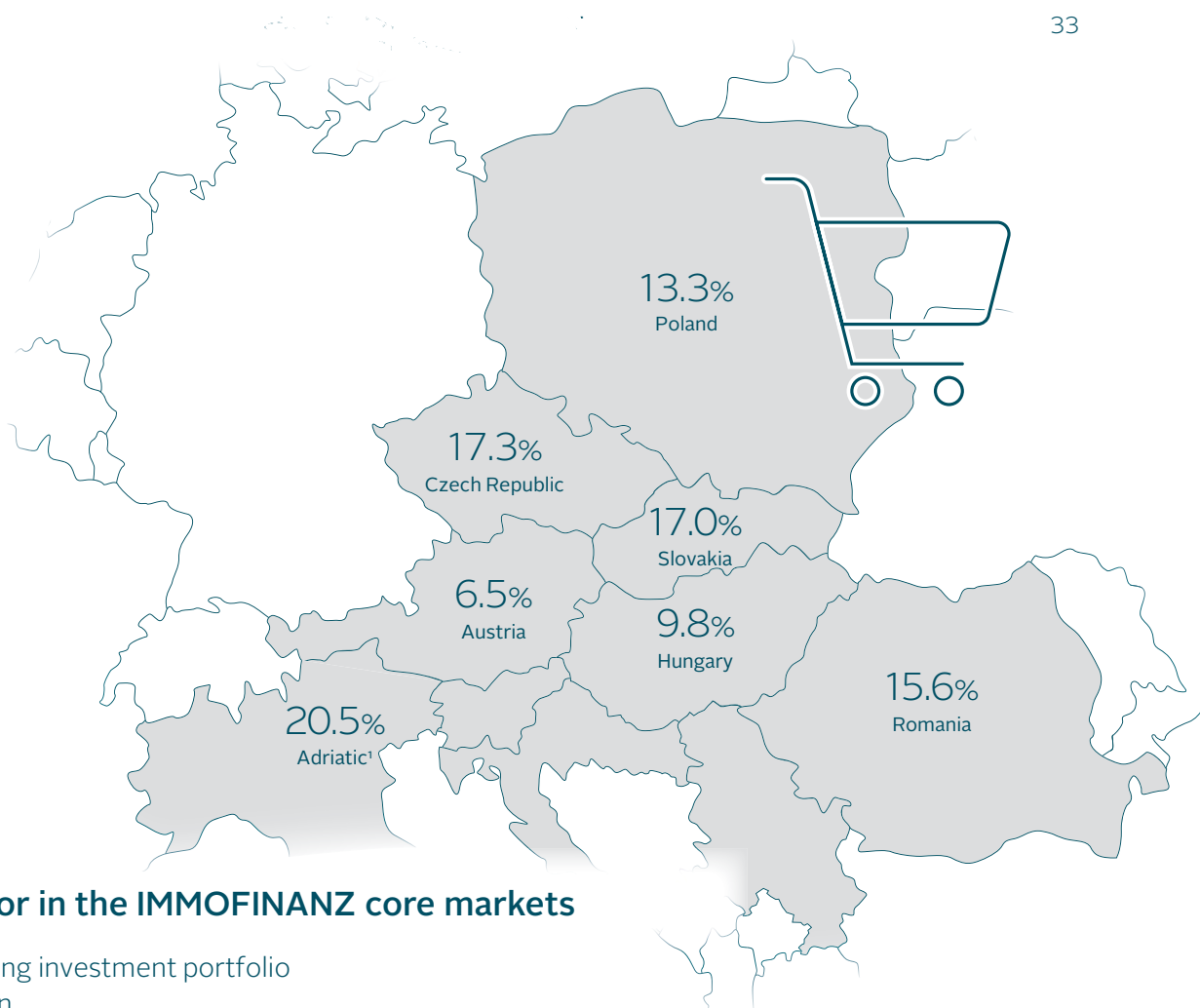
¹ Gross lettable area: the total area available to tenants for their exclusive use; excludes common areas, e.g. traffic, parking and service areas, etc.

Key data on IMMOFINANZ's 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	167	2,297.8	100.0	1,344,007	1,327,428	98.8
thereof VIVOI/shopping center	10	683.6	29.8	312,357	307,548	98.5
thereof STOP SHOP/retail park	134	1,490.3	64.9	951,396	940,075	98.8
thereof Retail Other	23	123.9	5.4	80,254	79,805	99.4
Standing investments	Rental income Q4 2022 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	47.5	8.3 (8.5)	706.8	3.9	2.8	30.8
thereof VIVOI/shopping center	15.9	9.3 (9.7)	208.3	3.9	2.2	30.5
thereof STOP SHOP/retail park	30.3	8.1 (8.3)	498.6	3.9	3.1	33.5
thereof Retail Other	1.3	4.1 (4.2)	0.0	0.0	0.0	0.0

¹ Financing costs based on nominal outstanding liability

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



The retail sector in the IMMOFINANZ core markets

Share of the standing investment portfolio
EUR 2,297.8 million
as of 31 December 2022

Adriatic¹

Number of properties	36
Carrying amount in MEUR	471.8
Carrying amount in %	20.5
Rentable space in sqm	317,728
Occupancy rate in %	99.0
Rental inc. Q4 2022 in MEUR	10.7
Gross return in %	9.1

Czech Republic

Number of properties	43
Carrying amount in MEUR	396.5
Carrying amount in %	17.3
Rentable space in sqm	202,387
Occupancy rate in %	99.0
Rental inc. Q4 2022 in MEUR	7.5
Gross return in %	7.5

Slovakia

Number of properties	33
Carrying amount in MEUR	391.4
Carrying amount in %	17.0
Rentable space in sqm	228,714
Occupancy rate in %	97.2
Rental inc. Q4 2022 in MEUR	5.0
Gross return in %	5.1

Romania

Number of properties	5
Carrying amount in MEUR	358.5
Carrying amount in %	15.6
Rentable space in sqm	149,534
Occupancy rate in %	99.7
Rental inc. Q4 2022 in MEUR	9.0
Gross return in %	10.0

Poland

Number of properties	20
Carrying amount in MEUR	306.0
Carrying amount in %	13.3
Rentable space in sqm	203,652
Occupancy rate in %	99.1
Rental inc. Q4 2022 in MEUR	7.4
Gross return in %	9.6

Hungary

Number of properties	16
Carrying amount in MEUR	224.3
Carrying amount in %	9.8
Rentable space in sqm	169,239
Occupancy rate in %	99.0
Rental inc. Q4 2022 in MEUR	5.1
Gross return in %	9.1

Austria

Number of properties	14
Carrying amount in MEUR	149.3
Carrying amount in %	6.5
Rentable space in sqm	72,755
Occupancy rate in %	98.8
Rental inc. Q4 2022 in MEUR	2.8
Gross return in %	7.5

IMMOFINANZ

Number of properties	167
Carrying amount in MEUR	2,297.8
Carrying amount in %	100.0
Rentable space in sqm	1,344,007
Occupancy rate in %	98.8
Rental inc. Q4 2022 in MEUR	47.5
Gross return in %	8.3

¹ Serbia, Slovenia, Italy and Croatia

S IMMO standing investments

The 322 standing investments* held by S IMMO had a carrying amount of EUR 3,083.9 million as of 31 December 2022. The occupancy rate in this standing investment portfolio equalled 90.7%.

Based on the information provided in S IMMO's 2022 annual report, the portfolio – based on the carrying amount and main use, excluding land, as of 31 December 2022 – showed the following classification: 56.5% office buildings (31 December 2021: 45.4%), 12.2% commercial properties (31 December 2021: 14.6%), 25.2% residential properties (31 December 2021: 32.7%) and 6.1% hotels (31 December 2021: 7.3%). The portfolio, in total, had an occupancy rate of 92.6% as of 31 December 2022 (31 December 2021: 94.0%). The calculation of the occupancy rate covers all income properties in the closer sense of the term (i.e. excluding properties with development potential and excluding owner-operated hotels) and is based on the main usable area (i.e. excluding warehouse and other space). The overall rental return equalled 5.8% (31 December 2021: 5.0%).

Overview of the rental return¹ generated by S IMMO

in %	31 12 2022	31 12 2021
Germany	4.6	4.1
Austria	4.6	4.3
CEE	7.1	6.6
S IMMO	5.8	5.0

¹ The rental return represents the ratio of annual rent to the value of the property. The calculation includes income properties in the closer sense of the term (i.e. excluding properties with development potential and excluding hotels operated by S IMMO). The rent was calculated on an annual basis for acquisitions made during the year.

For further information on the portfolio, see the S IMMO 2022 annual report.

The IMMOFINANZ Group's development projects

The IMMOFINANZ Group's development projects had a carrying amount of EUR 198.5 million as of 31 December 2022, which represents 2.4% of the total property portfolio. This amount includes EUR 126.6 million of active development projects, all of which are attributable to IMMOFINANZ, and EUR 71.9 million of projects in the preparation or conception phase for which outstanding construction costs are not yet available. The expected fair value of the active projects on completion amounts to EUR 182.2 million. The core markets of Austria and Adriatic represent the focal point with an expected fair value after completion of EUR 79.4 million and EUR 57.0 million, followed by Romania with EUR 45.8 million. S IMMO had no development projects in progress as of the end of 2022.

The IMMOFINANZ Group's development projects

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	1	62.3	49.2	13.2	20,021	79.4	3.7	4.9
Romania	1	40.5	32.0	3.9	21,127	45.8	4.0	9.0
Adriatic ²	5	23.8	18.8	30.5	37,463	57.0	4.5	8.3
Active projects								
IMMOFINANZ	7	126.6	100.0	47.6	78,611	182.2	12.2	7.0
Projects in preparation IMMOFINANZ		61.6						
Projects in preparation S IMMO		10.3						
IMMOFINANZ Group		198.5						

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

² Croatia and Serbia

* Excluding owner-operated hotels. Details on the initial consolidation of S IMMO are provided in the consolidated financial statements of the IMMOFINANZ Group and under the revaluation of owner-operated properties (see section 2.3 in the notes to the consolidated financial statements).

The current focus of IMMOFINANZ's development activities

Austria

The myhive Urban Garden am Wienerberg, an active development project, involves the modernisation of an existing office property in Vienna with approximately 17,600 sqm and planned completion in August 2023. The project will have a green facade and numerous other green areas and meet the highest sustainability standards for operation – including green leases. After completion, the building will receive BREEAM certification with “outstanding” honours.

Adriatic

In Croatia, four new STOP SHOP retail parks are under development in Daruvar, Vinkovci, Čakovec and Pazin. The STOP SHOP in Daruvar already opened on 9 March 2023. Additionally, a project at the existing STOP SHOP in the Serbian city of Sremska Mitrovica involves an increase of 2,300 sqm to 9,300 sqm.

Romania

The myhive Victoria Park, an existing office property in Bucharest, is undergoing extensive modernisation and integration in the flexible myhive office concept.

The IMMOFINANZ Group's pipeline projects

Pipeline projects include future planned development projects, undeveloped land and/or temporarily suspended projects. These projects had a carrying amount of EUR 229.2 million as of 31 December 2022 and represent 2.7% of the property portfolio. Of this total, EUR 159.3 million and 3.1% are attributable to IMMOFINANZ, excluding S IMMO (31 December 2021: EUR 180.3 million and 3.5%). S IMMO is responsible for EUR 70.0 million and 0.8%. The focal point of the IMMOFINANZ Group's pipeline projects is Romania with a volume of EUR 79.3 million. The IMMOFINANZ Group plans to reduce the scope of its pipeline projects – especially the land reserves in Romania – through strategic sales.

Assets held for sale in the IMMOFINANZ Group

The assets held for sale by the IMMOFINANZ Group totalled EUR 548.5 million as of 31 December 2022 and include EUR 539.1 million attributable to S IMMO. IMMOFINANZ, excluding S IMMO, is responsible for EUR 9.4 million (31 December 2021: EUR 9.0 million).

The assets held for sale have been included in the portfolio report since the first half of 2022. The comparative prior-year data does not include these properties, despite the conclusion of purchase contracts, because the related amounts are immaterial. Details are provided in section 4.10 of the consolidated financial statements and in the S IMMO 2022 annual report.

Property Valuation

The IMMOFINANZ Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and arranges for the regular appraisal of its properties by independent experts. This external valuation is carried out at least once every year as of 31 December and reflects the EPRA's Best Practices Policy Recommendations for the application of the fair value method as defined in IFRS.

The valuation includes property-related factors like the occupancy rate, rental income and the length of the rental contracts as well as the age and quality of the buildings. External factors are also taken into account, e.g. the development of the regional and general market environments, the economy and the financing climate. ESG aspects such as the risks arising from climate change, energy efficiency and the social added value of the properties are also examined and the potential impact on property values in the future are identified. As of 31 December 2022, CBRE was responsible for appraising 61.9% of the IMMOFINANZ Group's portfolio (approximately EUR 8.4 billion). S IMMO and its valuation covered 37.8% and only 0.2% were valued internally by IMMOFINANZ.

IMMOFINANZ: development of property valuation in 2022

The revaluation results for IMMOFINANZ (excl. S IMMO) amounted to EUR -105.7 million in 2022 (2021: EUR 121.0 million) and reflected the current market environment with its rising interest rates. In the standing investment portfolio, revaluation results equalled EUR -110.5 million (2021: EUR 85.9 million) and represented -2.2% of the carrying amount at the end of December 2022. Valuation declines in the office segment totalled EUR -161.9 million, or -6.2% of the carrying amount as of 31 December 2022, whereby the largest individual effects were recorded from office properties in Germany and Vienna. In the retail segment, revaluations were positive at EUR 57.6 million, or 2.4% of the carrying amount, primarily due to positive effects in individual VIVO! shopping centers and STOP SHOP retail parks in the Czech Republic following rental increases.

Amounts in MEUR	Carrying amount 31 12 2022	Revaluation result 2022
Austria	850.7	-35.5
Germany	568.5	-73.4
Poland	1,028.6	-12.7
Czech Republic	673.6	31.8
Hungary	227.0	-28.2
Romania	704.5	-1.7
Slovakia	450.8	14.2
Adriatic ¹	538.5	-5.4
Other countries ²	8.0	0.4
IMMOFINANZ	5,050.2	-110.5

¹ Serbia, Slovenia, Italy and Croatia

² Turkey

Amounts in MEUR	Carrying amount 31 12 2022	Revaluation result 2022
Office	2,603.8	-161.9
Retail	2,366.0	57.6
Others	80.5	-6.1
IMMOFINANZ	5,050.2	-110.5

IMMOFINANZ: development of property valuation like-for-like

A like-for-like analysis – i.e. after an adjustment for new acquisitions, completions and sales to improve comparability – shows a negative valuation effect of EUR -90.3 million for 2022 (2021: EUR 88.4 million).

IMMOFINANZ standing investments like-for-like by core market

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Valuation effects 2022 in MEUR
Austria	23	770.8	18.5	-26.6
Germany	2	421.9	10.1	-56.0
Poland	24	971.8	23.3	-12.9
Czech Republic	18	485.7	11.6	8.8
Hungary	14	194.4	4.7	-10.1
Romania	13	591.4	14.2	6.2
Slovakia	20	332.3	8.0	0.7
Adriatic ²	34	400.8	9.6	-0.4
IMMOFINANZ	148	4,169.1	100.0	-90.3

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

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

IMMOFINANZ standing investments like-for-like by asset class

Standing investments like-for-like ¹	Number of properties	Carrying amount in MEUR	Carrying amount in %	Valuation effects 2022 in MEUR
Office	37	2,332.4	55.9	-116.3
thereof myhive	24	1,609.6	38.6	-69.5
thereof Office Others	13	722.8	17.3	-46.8
Retail	111	1,836.7	44.1	26.0
thereof VIVO!/shopping center	10	683.6	16.4	11.0
thereof STOP SHOP/retail park	99	1,142.2	27.4	15.2
thereof Retail Others	2	10.9	0.3	-0.2
IMMOFINANZ	148	4,169.1	100.0	-90.3

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

Financing

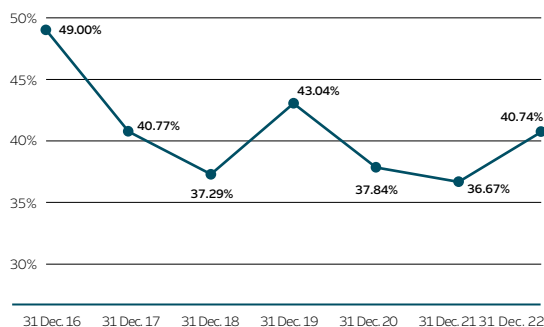
Financing strategy and further optimisation of the capital structure

The objectives of IMMOFINANZ's financing strategy are to ensure sufficient liquidity at all times, to achieve and maintain a balanced capital structure and maturity profile, and to optimise financing costs. The best possible structuring of debt financing is an important priority and, in addition to successful property management, represents a decisive factor for the results generated by the company's business activities.

IMMOFINANZ purchased additional shares in S IMMO from the CPI Property Group (CPIPG) on 27 December 2022 and increased its investment to 50% plus one share. In connection with the subsequent full consolidation of S IMMO, the key indicators in this section also include data on S IMMO AG. Comparability with previous years is, therefore, limited.

The IMMOFINANZ Group had a robust balance sheet structure with an equity ratio of 47.9% as of 31 December 2022 (31 December 2021: 48.1%) and a solid net loan-to-value ratio (net LTV) of 40.7% (31 December 2021: 36.7%). The financial liabilities* held by the IMMOFINANZ Group totalled EUR 4.2 billion as of 31 December 2022 (31 December 2021: EUR 3.1 billion). Cash and cash equivalents amounted to EUR 684.7 million, including cash and cash equivalents in assets held for sale. The price paid by IMMOFINANZ for the purchase of the additional S IMMO shares in December 2022 (EUR 337.5 million) was deferred in full at standard market conditions by the CPI Property Group. Net debt, i.e. debt after the deduction of cash and cash equivalents, equalled EUR 3.5 billion as of 31 December 2022 (31 December 2021: EUR 2.1 billion).

Development of net LTV in the IMMOFINANZ Group



Calculation of net LTV for the IMMOFINANZ Group as of 31 December 2022

Amounts in TEUR

Carrying amount of financing ¹	4,185,756.6
- Cash and cash equivalents ²	-684,696.6
Net carrying amount of financing	3,501,060.0
Carrying amount of property ³	8,594,362.7
Net LTV⁴ in %	40.7

¹ Including IFRS 5 values, excluding IFRS 16 values

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

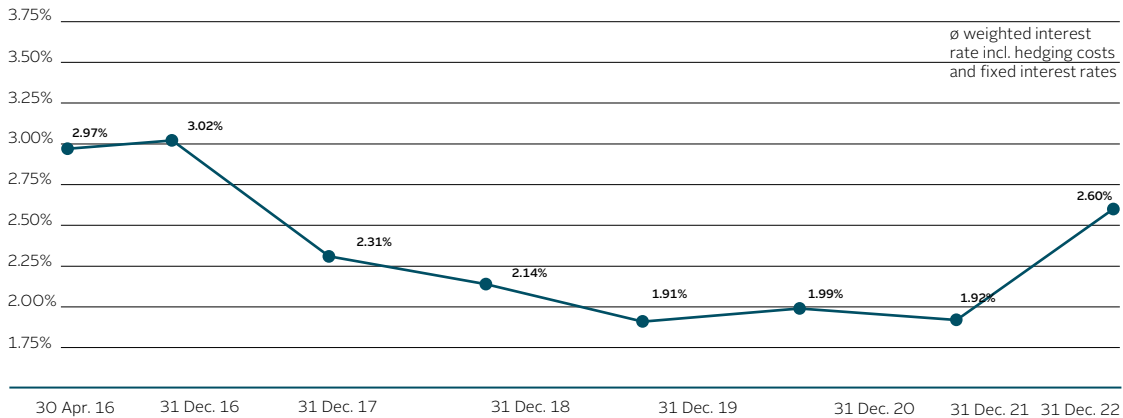
³ Excluding rights of use, values as per IFRS 16

⁴ Based on a recommendation of the European Public Real Estate Association (EPRA), the section on EPRA Financial Indicators was expanded to include the new indicator "EPRA Loan-to-Value" beginning with the first quarter of 2022 (see page 51).

Financing costs

Average total financing costs for the IMMOFINANZ Group, including derivatives, equalled 2.60% per year as of 31 December 2022 (31 December 2021: 1.92% per year). Rising market interest rates were primarily responsible for the increase. The hedging quota remained high at 87.0% (31 December 2021: 88.8%).

* Excluding lease liabilities of EUR 59.6 million in accordance with the application of IFRS 16; including IFRS 5

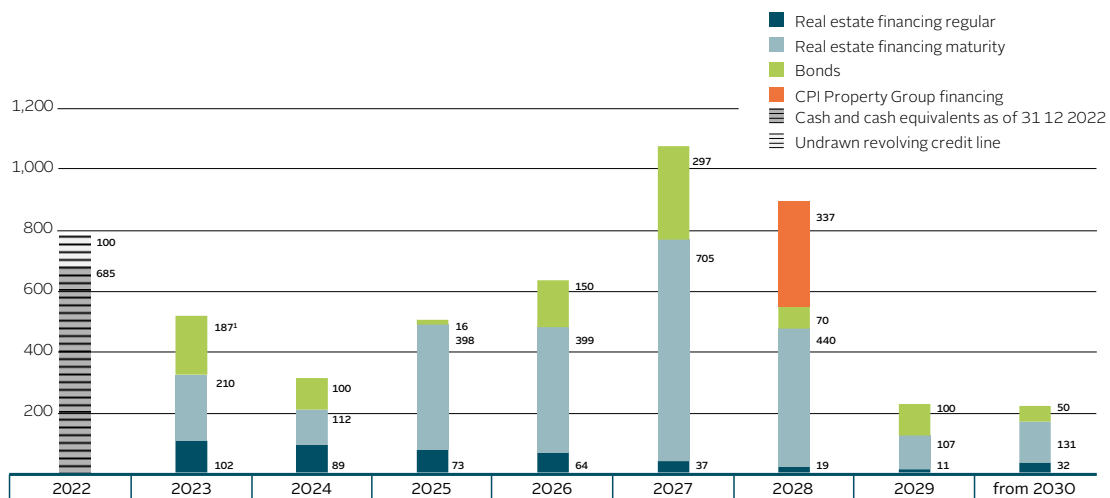


Term structure

The weighted average remaining term of financial liabilities for the IMMOFINANZ Group rose to 4.25 years at year-end 2022 (2021: 3.75 years). The following graphs show the term structure by year for the IMMOFINANZ Group (including S IMMO) and for IMMOFINANZ (excluding S IMMO) as of 31 December 2022.

Term structure of financial liabilities for the IMMOFINANZ Group

by financial year as of 31 December 2022, in MEUR



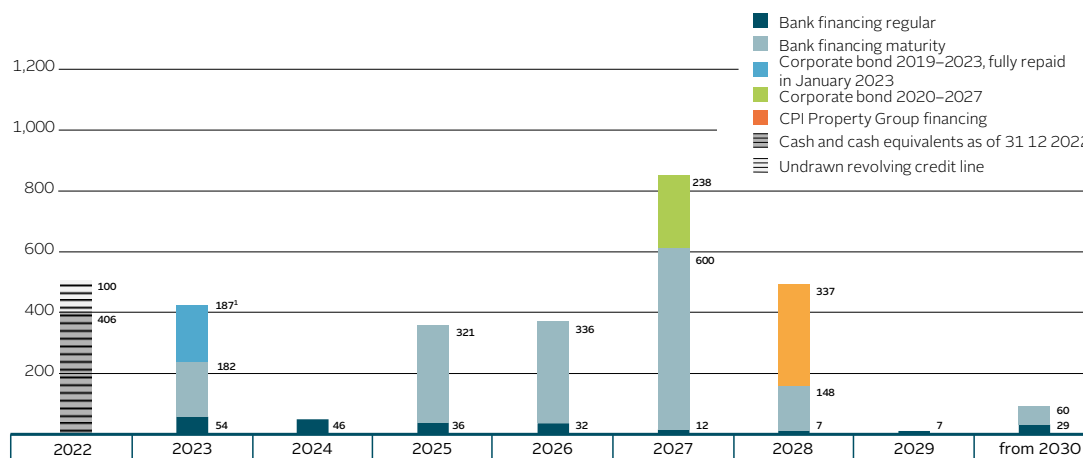
¹ The corporate bond 2019–2023 issued by IMMOFINANZ was repaid in full from internal funds on 27 January 2023, i.e. after the end of the reporting year.

The strategy followed by the IMMOFINANZ Group is designed to ensure a balanced term structure. The regular and maturing property financing as well as the bond liabilities average roughly 10% of financial liabilities as seen over the next three years.

The unsecured, revolving corporate credit line of EUR 100.0 million concluded in March 2020 was extended prematurely during the reporting year and can be used at the company's discretion up to 30 June 2024. The credit line was unused as of 31 December 2022 and is therefore available in full.

Term structure of financial liabilities for IMMOFINANZ

by financial year as of 31 December 2022, in MEUR



¹ The corporate bond 2019–2023 issued by IMMOFINANZ was repaid in full from internal funds on 27 January 2023, i.e. after the end of the reporting year.

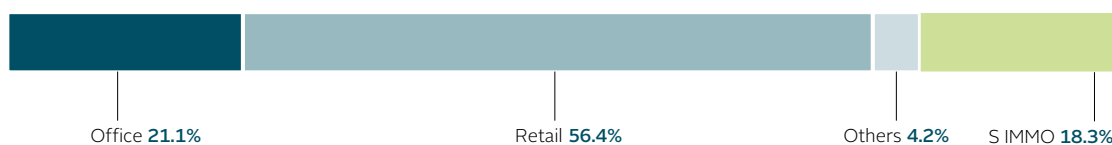
IMMOFINANZ refinanced bank liabilities with a volume of EUR 764.9 million during the reporting year: the extension of EUR 338.1 million in bank liabilities due in 2022, the premature extension of EUR 137.9 million in liabilities due in 2023, and new financing of EUR 288.9 million. This long-term refinancing was related to office properties in Warsaw, the STOP SHOP portfolio in Slovakia and Austria, and the VIVO! portfolio in Poland. IMMOFINANZ is in regular contact with its financing banks to discuss the premature extension of expiring financing as a means of further optimising the term structure.

Unencumbered assets held by the IMMOFINANZ Group

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 2,016.8 million, or 23.5% of the total property portfolio, were not externally financed and therefore unencumbered as of 31 December 2022 (31 December 2021: EUR 1,476.8 million and 28.6%).

Distribution of unencumbered assets held by the IMMOFINANZ Group

Unencumbered property portfolio in total: EUR 2,016.8 million



Composition of financial liabilities

The financial liabilities held by the IMMOFINANZ Group include amounts due to financial institutions, insurance companies and liabilities from bonds. The composition of these liabilities as of 31 December 2022 is as follows:

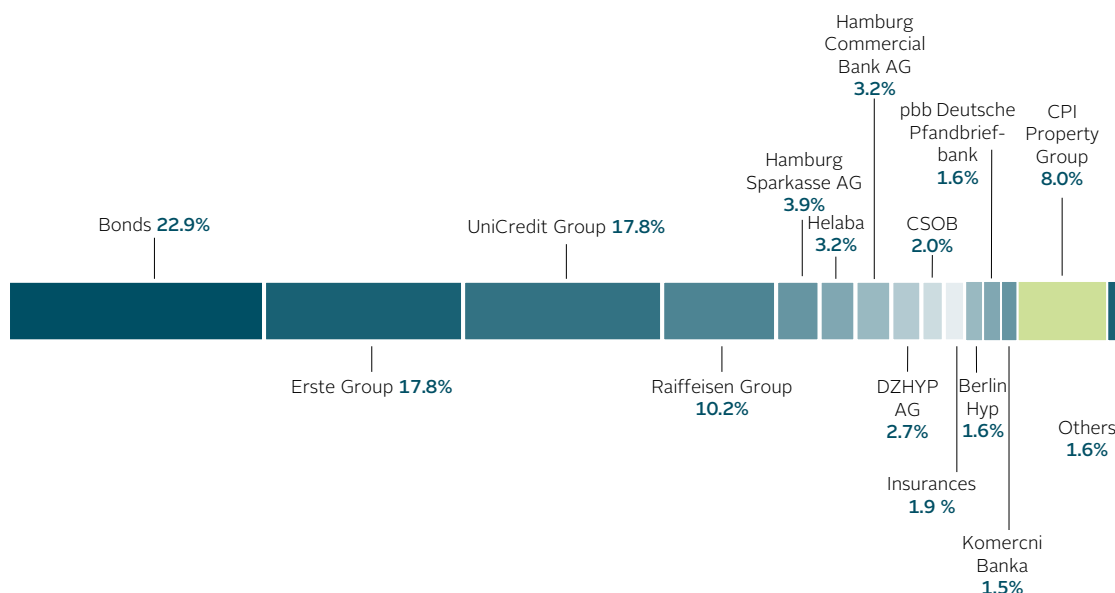
Weighted average interest rate of the financial liabilities	Outstanding liability in TEUR as of 31 12 2022	Total average interest rate incl. expenses for derivatives in % ¹
Corporate bonds	425,382.7	2.56
Bank and other financial liabilities ²	2,202,904.5	2.93
S IMMO	1,557,469.3	2.15
IMMOFINANZ Group	4,185,756.6	2.60

¹ Based on nominal remaining debt

² Including IFRS 5

The remaining balance of the financial liabilities held by the IMMOFINANZ Group totalled EUR 4,185.8 million as of 31 December 2022 and consists entirely of euro financing. The IMMOFINANZ Group focuses on the diversification of its financing sources and benefits from long-term business relationships with major European banks.

Financing sources for the IMMOFINANZ Group as of 31 December 2022



Derivatives held by the IMMOFINANZ Group

The IMMOFINANZ Group uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 2,634.1 million as of 31 December 2022 (31 December 2021: EUR 1,394.0 million). In total, 87.0% of financial liabilities were hedged against interest rate risk (31 December 2021: 88.8%); 62.2% were covered by interest rate derivatives, while a further 24.8% represent financial liabilities with fixed interest rates.

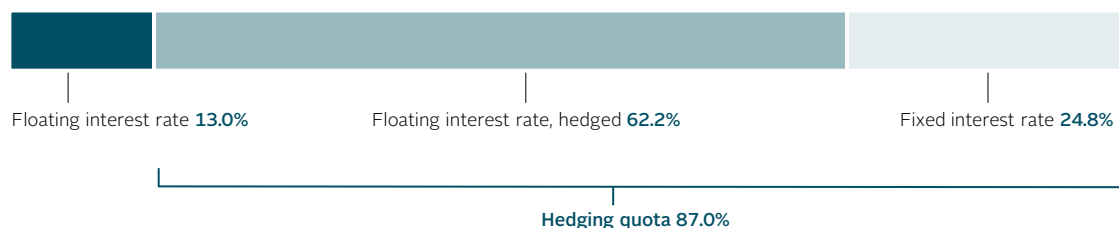
Interest rate derivative ¹	Floating leg	Market value incl. interest & CVA/DVA as of 31 12 2022 in TEUR	Notional amount in TEUR	Average hedged reference interest rate in %
Interest rate swap	3-M-EURIBOR	138,900.4	1,474,254.7	0.61
Interest rate swap	6-M-EURIBOR	4,310.4	72,496.0	1.66
Interest rate swap S IMMO	3-M-EURIBOR	85,472.3	947,422.9	0.93
Interest rate caps S IMMO	3-M-EURIBOR	1,602.1	139,930.5	2.50
IMMOFINANZ Group		230,285.2	2,634,104.1	0.85

¹ Excluding forward start instruments

An interest rate swap exchanges floating for fixed interest payments. Therefore, floating rate liabilities that are hedged with a swap can be regarded as fixed interest rate liabilities from an economic standpoint.

The interest rates used for discounting and the calculation of variable payment flows are based on interest rate curves for each currency and matching maturities that are observable on the market. In accordance with IFRS 13 (International Financial Reporting Standard 13: Fair Value Measurement), the resulting market values are adjusted to include a credit value adjustment (CVA) and a debt value adjustment (DVA).

Financial liabilities held by the IMMOFINANZ Group – type of interest rate as of 31 December 2022



Bonds issued by the IMMOFINANZ Group

The following table lists the outstanding nominal value of the IMMOFINANZ Group bonds as of 31 December 2022:

Bonds	ISIN	Maturity	Coupon in %	Nominal value as of 31 12 2021 in TEUR	Repurchases/redemptions/conversions/new issues 2022 in TEUR	Nominal value as of 31 12 2022 in TEUR
Corporate bond ¹	XS1935128956	27 01 2023	2.63	482,800	-295,700	187,100
Corporate bond	XS2243564478	15 10 2027	2.50	500,000	-262,200	237,800
Convertible bond	XS1551932046	n.a.	1.50	294,500	-294,500	0
IMMOFINANZ			2.56	1,277,300	-852,400	424,900
Corporate bond	AT0000A2UVR4	11 01 2027	1.25	n.a.	n.a.	25,059
Corporate bond	AT0000A2MKW4	04 02 2028	1.75	n.a.	n.a.	70,450
Corporate bond	AT0000A2AEA8	15 10 2029	2.00	n.a.	n.a.	100,000
Corporate bond	AT0000A285H4	22 05 2026	1.88	n.a.	n.a.	150,000
Corporate bond	AT0000A1Z9D9	06 02 2024	1.75	n.a.	n.a.	100,000
Corporate bond	AT0000A1Z9C1	06 02 2030	2.88	n.a.	n.a.	50,000
Corporate bond	AT0000A1DWK5	21 04 2027	3.25	n.a.	n.a.	34,199
Corporate bond	AT0000A1DBM5	09 04 2025	3.25	n.a.	n.a.	15,890
S IMMO			2.05²			545,597
IMMOFINANZ Group			2.27²			970,497

¹ The corporate bond 2019–2023 issued by IMMOFINANZ was repaid in full from internal funds on 27 January 2023, i.e. after the end of the reporting year.

² Weighted coupon in % based on the nominal value as of 31 December 2022

Details on the S IMMO bonds are provided in the S IMMO 2022 annual report.

IMMOFINANZ bonds

The outstanding nominal value of the bonds issued by IMMOFINANZ (excluding S IMMO) was significantly reduced due to the change-of-control event and totalled EUR 424.9 million as of 31 December 2022 (31 December 2021: EUR 1,277.3 million). This reduction is attributable to two corporate bonds that were issued in January 2019 and October 2020. The corporate bond 2019–2023 was repaid in full from internal funds on 27 January 2023, i.e. after the end of the reporting year.

Change-of-control event for IMMOFINANZ corporate bonds

The acquisition of a controlling interest in IMMOFINANZ AG by the CPI Property Group (CPIPG) and the resulting mandatory offer triggered by § 22 in connection with § 27 of the Austrian Takeover Act led to a change-of-control event at the beginning of March 2022 for the two corporate bonds with terms ending in 2023, respectively 2027. This change-of-control event entitled the bondholders to exercise their put right at 101% of the nominal value plus unpaid accrued interest up to the sale date on 25 April 2022. Bondholders filed with IMMOFINANZ for the repayment of a nominal amount of EUR 295.7 million from the corporate bond 2019–2023 and a nominal value of EUR 262.2 million from the corporate bond 2020–2027. Repayment followed on 27 April 2022 and led to a liquidity outflow of EUR 568.8 million.

IMMOFINANZ convertible bond 2017–2024

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

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

IMMOFINANZ's issuer rating

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 January 2022. The rating was raised to BBB (outlook: negative) in June 2022 based on IMMOFINANZ's membership in the CPIPG Group. In October 2022, CPIPG's rating was adjusted to BBB- (outlook: stable), and IMMOFINANZ's rating also changed to BBB- (outlook: stable). IMMOFINANZ terminated its individual rating for efficiency reasons in March 2023 due to its group affiliation to the CPIPG.

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

Financial covenant	Threshold in %	Value as of 31 12 2022 in %
Net Debt to Value Ratio ¹	Max. 60.0	39.9
Secured Net Debt to Value Ratio ¹	Max. 45.0	23.8
Interest Coverage Ratio	Min. 150.0	333.2

¹ The values are based on the latest calculation as per the bond terms on or before 31 December 2022.

Business Development

IMMOFINANZ delivered very good operating performance in 2022 in spite of the challenging environment. Sustainable FFO 1 from the standing investment business rose by 21.7% to EUR 146.1 million. This growth was supported, above all, by an increase in rental income and a decline in the interest expense for bonds as a result of redemptions and conversions. Rental income rose by 5.4% to EUR 300.2 million and the results of asset management by 7.2% to EUR 226.1 million.

Results from the valuation of standing investments were negative at EUR -110.5 million due to market trends. That was contrasted by a positive net effect of EUR 55.6 million from the initial full consolidation of S IMMO that followed an increase in the investment to 50% plus one share. In total, IMMOFINANZ generated net profit of EUR 142.0 million, or earnings per share of EUR 1.04, in the 2022 financial year.

Since the increase in the investment in S IMMO to 50% plus one share took place at year-end 2022, the assets and liabilities of S IMMO represent an integral part of the consolidation as of 31 December 2022, while the income statement positions for the 2022 financial year were not included.

Income statement

All amounts in TEUR	2022	2021
Rental income	300,170	284,688
Results of asset management	226,103	210,959
Results of property sales	4,623	25,710
Results of property development	-20,684	18,897
Other operating income	10,377	2,150
Other operating expenses	-66,078	-47,654
Results of operations	154,341	210,062
Revaluation result from standing investments	-110,499	86,169
Revaluation result from goodwill and purchase price adjustments	214,473	-276
Revaluation result from standing investments and goodwill	103,974	85,893
Operating profit (EBIT)	258,315	295,955
Financial results	-72,617	90,376
Earnings before tax (EBT)	185,698	386,331
Net profit or loss	141,969	345,837

Rental income rose by 5.4% to EUR 300.2 million in 2022. However, the comparative prior-year value was positively influenced by a non-recurring compensation payment of EUR 6.7 million from a major tenant. After an adjustment for this non-recurring effect, rental income rose by an even higher 8.0%. This increase more than offset property sales and was supported by the sound development of like-for-like rental income, the purchase of retail properties and the completion of development projects. Like-for-like rental income (adjusted for acquisitions, sales and completions) rose by a solid 12.9% year-on-year in the fourth quarter of 2022 (versus Q4 2021) and by 8.1% in year-on-year comparison.

Property expenses declined by 2.1% to EUR -60.1 million, and the write-off of rents receivable included in this position was reduced to EUR -2.4 million (2021: EUR -11.9 million). These write-offs represent IMMOFINANZ's support for its tenants during the pandemic-related lockdown periods in 2020 and 2021. Maintenance costs increased to EUR -21.8 million in 2022 (2021: EUR -17.3 million). The results of asset management rose by 7.2% to EUR 226.1 million (2021: EUR 211.0 million).

The results of property sales amounted to EUR 4.6 million (2021: EUR 25.7 million) and were negatively influenced, above all, by the full write-off of a EUR -12.9 million purchase price receivable from Russia during the second quarter. This receivable originated from the sale of the Russian portfolio in 2017 and was scheduled for settlement in the first half of 2022. As a consequence of the war in Ukraine and the related sanctions against the Russian Federation together with the accompanying effects – in particular, the payment restrictions imposed by Russia – management has classified this receivable as uncollectible. IMMOFINANZ

holds no other receivables or liabilities from the sale of the Russian portfolio and is currently reviewing all legal options to assert this claim.

Property sales totalled EUR 165.6 million and mainly involved office buildings in Prague and Vienna as well as non-core land in Turkey. After an adjustment for the Russian write-off, the sales margin equalled 10.6%.

The results of property development amounted to EUR -20.7 million (2021: EUR 18.9 million) and reflected the market development and rising construction costs.

Results of operations

Other operating expenses increased – as the result of non-recurring effects – to EUR -66.1 million (2021: EUR -47.7 million). These non-recurring effects consisted chiefly of consulting costs connected with the takeover offers for IMMOFINANZ by the CPI Property Group and S IMMO, expenses related to the resignation of Executive Board members Dietmar Reindl and Stefan Schönauer, and the cost of digitalisation measures. The results of operations equalled EUR 154.3 million for the 2022 financial year (2021: EUR 210.1 million).

Revaluation results and full consolidation of S IMMO

Results from the revaluation of standing investments reflected the general market trends and totalled EUR -110.5 million (2021: EUR 86.2 million). Revaluation losses recognised during the reporting year equalled 2.2% of IMMOFINANZ's standing investments at year-end 2022. A contrary factor was the positive earnings effect from the initial full consolidation of the S IMMO investment at EUR 214.6 million (also see the influence of S IMMO on earnings under financial results). As a consequence, the overall revaluation results from standing investments and goodwill totalled EUR 104.0 million, compared with EUR 85.9 million in the previous year. Operating profit (EBIT) amounted to EUR 258.3 million (2021: EUR 296.0 million).

Financial results and investments

Financing costs declined by 4.1% to EUR -77.8 million (2021: EUR -81.1 million). A reduction in the interest expense on bonds (above all, due to the change of control and the related redemptions and conversions) was offset in part by an increase in the standard market conditions for real estate financing. The substantial improvement in other financial results to EUR 149.1 million (2021: EUR 29.3 million) resulted from the positive valuation of interest rate derivatives (EUR 156.7 million) following an increase in long-term interest rates and underscores the effectiveness of IMMOFINANZ's hedging policy. A contrasting negative effect involved costs of EUR -5.6 million for the repurchase of corporate bonds at 101% of their nominal value as a consequence of the change of control.

The share of profit/loss from equity-accounted investments amounted to EUR -151.9 million (2021: EUR 139.8 million) and resulted mainly from the final measurement of the equity investment in S IMMO at fair value. The total net effect from the inclusion of S IMMO was positive at EUR 55.6 million (EUR 214.6 million from the valuation of goodwill and purchase price adjustments as well as EUR -159.0 million for the proportional share of S IMMO earnings under the equity accounting method).

Financial results amounted to EUR -72.6 million (2021: EUR 90.4 million).

Net profit

Profit before tax totalled EUR 185.7 million (2021: EUR 386.3 million), and income taxes rose slightly to EUR -43.7 million (2021: EUR -40.5 million). Net profit totalled EUR 142.0 million (2021: EUR 345.8 million) and represents earnings per share* of EUR 1.04 (2021: EUR 2.59).

* Number of shares included for 2022: 136,866,509; number of shares included for 2021: 137,069,884

Funds from operations (FFO)

Sustainable FFO 1 from the standing investment business (before tax) improved by a substantial 21.7% to EUR 146.1 million (2021: EUR 120.1 million), above all due to the increase in rental income and reduction in financing costs. That represents FFO 1 per share of EUR 1.07 (2021: EUR 0.97), including the higher number of shares compared to the previous year (see the following table for the number of shares used in the calculation).

FFO 1 includes a dividend payment of EUR 12.7 million (2021: EUR 9.7 million) from S IMMO.

The calculation of FFO 1 for the 2022 financial year includes an adjustment to other operating expenses of EUR 19.8 million. This adjustment consists chiefly of non-recurring costs as consulting fees connected with the takeover offers for IMMOFINANZ by the CPI Property Group and S IMMO as well as expenses related to the resignation of two Executive Board members and the cost of digitalisation measures.

All amounts in TEUR	P&L 2022	Adjustment	FFO 2022	FFO 2021
Results of asset management	226,103	-23	226,080	211,171
Results of property sales	4,624	-4,624	0	0
Results of property development	-20,684	20,684	0	0
Other operating income	10,377	-8,137	2,240	1,237
Other operating expenses	-66,076	19,832	-46,244	-39,725
Results of operations	154,344	27,732	182,076	172,684
Revaluation result from standing investments and goodwill	103,975	-103,975	0	0
Operating profit (EBIT)	258,319	-76,243	182,076	172,684
Financing costs	-77,765			
Financing income	5,561			
Foreign exchange differences	2,332			
Other financial results	149,136			
Net profit or loss from equity-accounted investments	-151,881			
Financial results	-72,617	24,010	-48,607	-62,292
FFO 1 before tax (excluding S IMMO)		-52,233	133,469	110,392
FFO 1 per share before tax (excluding S IMMO) in EUR			0.98	0.90
Dividends received from S IMMO			12,675	9,750
FFO 1 before tax			146,144	120,142
FFO 1 per share before tax in EUR			1.07	0.97
Number of shares (as per EPS formula) for the calculation			136,866,509	123,293,525

Balance sheet

The condensed balance sheet is shown below:

All amounts in TEUR	31 12 2022	in %	31 12 2021	in %
Investment property	7,707,196		4,736,375	
Property under construction	198,500		474,311	
Owner-operated properties	231,827	87.9	0	75.0
Real estate inventories	4,963		619	
Assets held for sale ¹	548,484		9,030	
Other assets	301,867	3.1	60,783	0.9
Equity-accounted investments	36,284	0.4	521,476	7.5
Trade and other receivables	208,491	2.1	168,968	2.4
Cash and cash equivalents	652,750	6.6	987,146	14.2
Assets	9,890,362	100.0	6,958,708	100.0
Equity	4,741,552	47.9	3,350,618	48.1
Liabilities from convertible bonds	0	0.0	283,216	4.1
Financial liabilities	4,167,470	42.1	2,853,423	41.0
Trade and other payables	256,613	2.6	138,984	2.0
Other liabilities	177,064	1.8	58,254	0.8
Deferred tax liabilities	547,663	5.5	274,213	3.9
Equity and liabilities	9,890,362	100.0	6,958,708	100.0

¹ Includes investment property as well as other assets that will be transferred to the buyer in the event of a sale.

The balance sheet of the IMMOFINANZ Group increased significantly by 42.1% to EUR 9.9 billion as of 31 December 2022, above all due to the full consolidation of S IMMO. Of this total, the property portfolio comprises EUR 8.7 billion or 87.9%. The increase in real estate assets was based on the properties held by S IMMO as well as the purchase of retail properties during the year.

Owner-operated properties totalled EUR 231.8 million and represent S IMMO hotels which were measured at fair value as part of the initial consolidation. These hotels are owner-operated, for the most part on the basis of management contracts. The increase in assets held for sale to EUR 548.5 million is also primarily related to S IMMO.

The full consolidation of S IMMO led to a changeover from the previous equity accounting method applied to the company as an associate. The result was a substantial decline in the carrying amount of the equity-accounted investments to EUR 36.3 million or 0.4% of total assets.

Under liabilities, the conversion of convertible bonds strengthened equity by EUR 280.8 million. These conversions were serviced by 15.4 million shares from conditional capital.

The IMMOFINANZ Group has a robust balance sheet structure with an equity ratio of 47.9% and cash and cash equivalents of EUR 652.8 million, respectively EUR 684.7 million including cash and cash equivalents in disposal groups.

EPRA Financial Indicators

IMMOFINANZ is a member of the European Public Real Estate Association (EPRA), the interest group for listed real estate companies which is headquartered in Brussels. EPRA's mission is to promote, develop and represent the European public real estate sector. Its objectives are achieved through the provision of better information to investors and stakeholders, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices and the cohesion and strengthening of the real estate industry.

With its Best Practices Recommendations (EPRA BPR), the EPRA has created a standardised framework for improving the comparability between real estate companies – above and beyond IFRS. The IMMOFINANZ Group publishes detailed information on the EPRA indicators based on these recommendations (www.epra.com) as part of its commitment to full transparency. The non-financial statement (starting on page 65) also provides further non-financial indicators on IMMOFINANZ's performance, including environmental and employee-related issues, in line with the principles and criteria defined in the "EPRA Sustainability Best Practices Recommendations Guidelines – Third Version September 2017".

The consolidation as of 31 December 2022 includes the assets and liabilities of S IMMO, but not the income statement positions for the 2022 financial year. The following EPRA indicators are therefore presented including S IMMO: EPRA net asset value, EPRA capital expenditure and EPRA loan-to-value. The following indicators are related only to IMMOFINANZ (excluding S IMMO): EPRA earnings per share, EPRA net initial yield, EPRA vacancy rate and EPRA cost ratio.

EPRA net asset value for the IMMOFINANZ Group

In accordance with the recommendations of the European Public Real Estate Association (EPRA), IMMOFINANZ has published an expanded version of the net asset value indicators (NAV indicators) beginning with the financial statements for 2020. Adjustments are made beginning with IFRS equity to provide stakeholders with the most transparent information on the market value of the real estate company's assets and liabilities under various scenarios. The EPRA's net tangible assets is the most relevant indicator for the IMMOFINANZ Group's business activities and, consequently, serves as the primary indicator for net assets.

Net reinstatement value, net tangible assets and net disposal value

The calculation of the three new NAV indicators begins with the IFRS equity attributable to shareholders.

The objective of the EPRA net reinstatement value (NRV) is to present the value of net assets on a long-term basis. It is calculated under the assumption that property will never be sold. The NRV is also intended to show what would be required to re-establish the company on the investment markets based on its current capital and financing structure. Accordingly, the NRV includes a correction to equity for the deferred taxes on investment property. Property taxes and other costs incurred by the buyer are also included on the basis of external appraisals.

The assumption underlying EPRA net tangible assets (NTA) is that assets are bought and sold, and these transactions lead to the partial realisation of deferred taxes. The calculation of NTA includes the deferred taxes on the properties that will not be sold over the long term. Intangible assets are excluded from the NTA calculation. The NTA can include an adjustment for property taxes and other costs incurred by the buyer when previous transactions show that these costs are lower than indicated by the external consultants' appraisals. This is regularly the case with share deals. After an adjustment for special effects, roughly 53% of the property sales in recent years were settled through share deals. Property taxes and other costs incurred by the buyer are included at an appropriate amount in the NTA calculation.

The EPRA net disposal value (NDV) shows the value of equity under a sale scenario. The NDV does not represent a liquidation value because the calculation is based on fair values, which generally do not represent liquidation amounts. Deferred taxes, financing instruments and other adjustments are therefore included at market value in keeping with the resulting tax effects. The deferred taxes on investment property as well as property taxes and other costs incurred by the buyer are not included in the NDV.

EPRA NAV indicators for the IMMOFINANZ Group

All amounts in TEUR	31 12 2022			31 12 2021		
	NRV	NTA	NDV	NRV	NTA	NDV
IFRS equity excluding non-controlling interests	3,790,223	3,790,223	3,790,223	3,383,544	3,383,544	3,383,544
Hybrid financial instruments (convertible bonds)	0	0	0	283,215	283,215	283,215
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options	3,790,223	3,790,223	3,790,223	3,666,759	3,666,759	3,666,759
Valuation of other non-current assets	126,298	126,298	126,298	0	0	0
Undisclosed reserves in other non-current investments	0	0	0	0	0	0
Deferred tax on non-current investments	0	0	0	0	0	0
Undisclosed reserves in real estate inventories	0	0	0	0	0	0
Deferred taxes on real estate inventories	0	0	0	0	0	0
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves	3,916,521	3,916,521	3,916,521	3,666,759	3,666,759	3,666,759
Fair value of derivative financial instruments	-242,142	-242,142	0	-96	-96	0
Deferred taxes on derivative financial instruments	44,498	44,498	0	2	2	0
Deferred taxes on investment property	609,220	441,495	0	353,714	346,420	0
Goodwill resulting from deferred taxes	-19,530	-19,530	-19,530	-23,932	-23,932	-23,932
Other goodwill	0	0	0	0	0	0
Intangible assets	0	-886	0	0	-187	0
Effect of fair value measurement of financial liabilities	0	0	81,750	0	0	-23,053
Deferred taxes on the fair value measurement of financial liabilities	0	0	-19,620	0	0	5,763
Effect of fair value measurement of intangible assets	0	0	0	0	0	0
Real estate transfer tax and other purchaser's costs	372,121	100,790	0	193,439	64,537	0
EPRA NAV indicators	4,680,688	4,240,747	3,959,122	4,189,887	4,053,503	3,625,538
Number of shares excluding treasury shares	137,974,126	137,974,126	137,974,126	123,292,767	123,292,767	123,292,767
Potential number of shares	0	0	0	15,583,082	15,583,082	15,583,082
EPRA NAV indicators per share in EUR	33.92	30.74	28.69	30.17	29.19	26.11

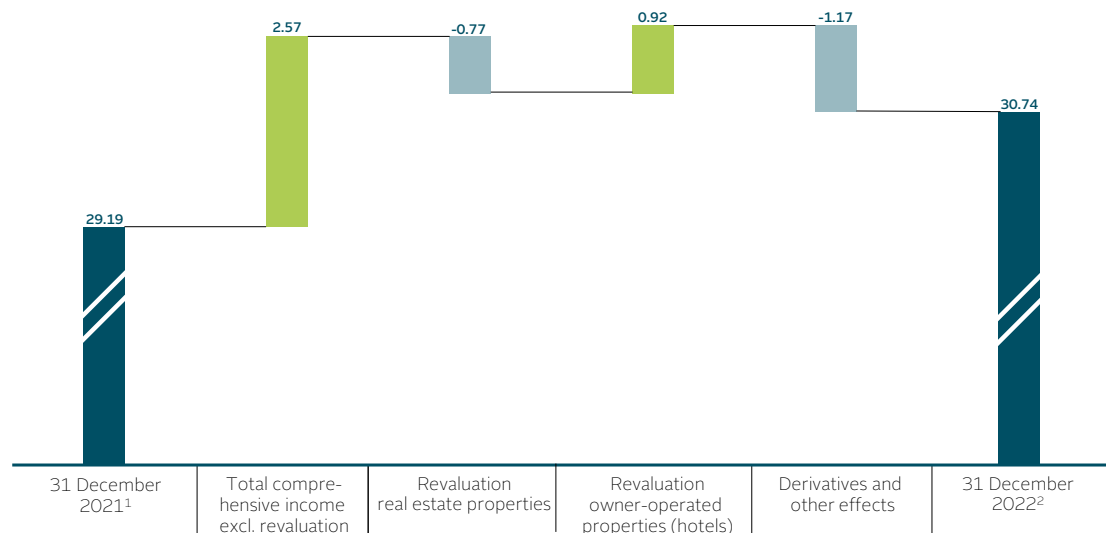
The calculation of the EPRA NAV indicators for the IMMOFINANZ Group does not include any potential shares which would have resulted from the conversion of the convertible bond 2017–2024 as a diluting effect because the convertible bond was redeemed in full at the end of June 2022. Therefore, the current calculation also excludes the further diluting effect from hybrid financial instruments (convertible bonds) which resulted from the equity correction for the convertible bond 2017–2024.

EPRA NTA per share rose by 5.3% from EUR 29.19 as of 31 December 2021 to EUR 30.74 as of 31 December 2022. This increase is primarily attributable to the positive net profit generated during the reporting year (see the following reconciliation). The EPRA net asset value per share rose by a significant 5.8% to EUR 30.46 (31 December 2021: EUR 28.78).

The IFRS book value per share rose to EUR 27.47 despite a substantial increase in the number of shares (31 December 2021: EUR 27.44).*

* Number of shares included for 2022: 137,974,126; number of shares included for 2021: 123,292,767

EPRA NTA bridge for the IMMOFINANZ Group



¹ Number of shares as of 31 December 2021: 138,875,849

² Number of shares as of 31 December 2022: 137,974,126

EPRA capital expenditure for the IMMOFINANZ Group

EPRA capital expenditure (CapEx) provides an overview of the property-related investments made during a financial year.

All amounts in TEUR	2022	2021
Acquisitions	2,804,898	123,903
Development projects	109,981	105,456
Investment property	35,908	31,307
thereof incremental lettable space	0	0
thereof no incremental lettable space	28,895	29,111
thereof tenant incentives	7,012	2,195
thereof other material non-allocated types of expenditure	0	0
EPRA capital expenditure	2,950,786	260,666

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

The most important acquisitions resulting from the full consolidation of S IMMO involved the S IMMO portfolio. Other additions included the purchase of retail properties in Italy, the Czech Republic, Poland, Slovakia and Hungary.

The investments in development projects also resulted primarily from the inclusion of the S IMMO portfolio as well as two office buildings in Vienna, a STOP SHOP retail park in Croatia, and a STOP SHOP retail park in Poland. Additional details on the portfolio can be found in the "Portfolio report" beginning on page 22.

Capital expenditure was driven, above all by the full consolidation of S IMMO, and totalled EUR 2,950.8 million in 2022 (2021: EUR 260.7 million).

EPRA loan-to-value for the IMMOFINANZ Group

The goal of the EPRA loan-to-value ratio (EPRA LTV) is to show the relation of debt to equity in a real estate company.

All amounts in TEUR	IMMOFINANZ as of 31 12 2022	S IMMO ¹ (50.0% + 1 share) as of 31 12 2022	Total (proportionated)
Include:			
Liabilities due to financial institutions and intragroup	2,206,761	542,151	2,748,911
Securities and IFRS 16 lease liabilities	53,667	0	53,667
Hybrid financial instruments (including convertible bonds, preference shares, debt, options and perpetuals)		0	0
Bonds	424,900	272,799	697,699
Foreign currency derivatives (futures, swaps and options)		0	0
Other liabilities (net)	4,758	3,397	8,155
Owner-operated properties (debt)		0	0
Debt capital (equity characteristic)		0	0
Exclude:			
Cash and cash equivalents ¹	405,825	140,140	545,965
Net debt	2,284,260	678,206	2,962,466
Include:			
Owner-operated properties	0	115,914	115,914
Investment property at fair value	5,050,245	1,354,497	6,404,741
Investment property held for sale	14,063	250,503	264,566
Properties under construction	188,200	0	188,200
Intangible assets		0	0
Net receivables	0	0	0
Financial assets	1,414	0	1,414
Total property value	5,253,921	1,720,913	6,974,834
EPRA loan-to-value in %	43.5	39.4	42.5

¹ Internal calculation based on publicly available data

The loan-to-value ratio shows the relation of debt to the fair value of property assets. The EPRA LTV is calculated in accordance with EPRA Best Practices Recommendations and has been reported since the first quarter of 2022. The EPRA LTV equalled EUR 42.5% at the end of December 2022.

This EPRA LTV calculation differs from the IMMOFINANZ Group's conventional LTV (net) calculation primarily due to the following points:

	EPRA LTV	IMMOFINANZ net LTV
Financial liabilities	Nominal remaining debt	Carrying amount
Current receivables/liabilities	Net amount is included as an asset or a liability	Not included
Material subsidiaries included through full consolidation (S IMMO)	Assets and liabilities are included as a percentage of total capital	Included to 100%

EPRA earnings per share for IMMOFINANZ

EPRA earnings per share is a result of operating activities and an important indicator of the extent to which current dividend payments are covered by operating results.

All amounts in TEUR	2022	2021
Weighted average number of shares in 1,000	136,867	123,294
Net profit or loss from continuing operations excluding non-controlling interests	142,601	347,051
Revaluation of investment properties and properties under construction	121,052	-119,850
Results of property sales	-4,624	-25,711
Goodwill impairment, negative differences and earn-out effects on income ¹	-214,323	253
Changes in fair value of financial instruments	-149,933	-31,810
Taxes in respect of EPRA adjustments ¹	8,804	42,438
EPRA adjustments in respect of joint ventures and non-controlling interests ¹	-13,268	2,352
EPRA earnings¹	-109,690	214,724
EPRA earnings per share in EUR¹	-0.80	1.74
Company-specific adjustments		
One-time effects in other operating expenses	11,173	7,229
Valuation S IMMO	192,214	-85,274
Foreign exchange gains and losses	-2,332	-470
Deferred taxes in respect of company-specific adjustments ¹	-47,858	20,099
EPRA adjustments in respect of joint ventures and non-controlling interests for company-specific adjustments ¹	14	-7
Company-specific adjusted EPRA earnings¹	43,520	156,300
EPRA earnings per share after company-specific adjustments in EUR¹	0.32	1.27

¹ The comparative data were adjusted.

EPRA earnings per share equalled EUR -0.80 in 2022, compared with EUR 1.74 in the previous year. The underlying reasons for this decline include the reduction in net profit, adjustments for the positive effects from the initial full consolidation of S IMMO, derivative valuation and the higher number of shares used for the calculation. After an adjustment for company-specific effects – among others, the final fair value measurement of the at-equity investment in S IMMO – earnings per share equalled EUR 0.32.

EPRA net initial yield for IMMOFINANZ

The EPRA net initial yield (EPRA NIY) shows the ratio of annualised rental income, less non-recoverable operating property expenses (net rental income – projected over a full financial year) to the total portfolio value of the standing investments. For this calculation, the fair values of the properties are increased by the estimated purchaser's costs. The EPRA net initial yield is a comparative benchmark for portfolio valuation. Its goal is to assist investors in comparing the value of different real estate portfolios.

The EPRA “topped-up” NIY includes an adjustment for the granting of rent-free periods (or other unexpired rental incentives like temporary rental reductions or scaled rents).

The EPRA NIY remained stable at 5.7%, while the “topped-up” NIY equalled 6.1%.

All amounts in TEUR	2022	2021
Investment property	5,006,720	4,694,874
Investment property – proportional share of joint ventures	0	0
less undeveloped land	-154,320	-180,051
less undeveloped land – proportional share of joint ventures	0	0
Total property portfolio	4,852,400	4,514,824
Allowance for estimated purchaser's costs	177,341	169,742
Gross value of total standing investment portfolio	5,029,741	4,684,566
Annualised cash rental income	317,147	286,535
Non-recoverable property operating expenses	-29,269	-25,159
Annualised net rental income	287,878	261,376
Notional rent expiration of rent-free periods or other lease incentives	16,793	19,260
"Topped-up" net annualised rents	304,671	280,636
EPRA net initial yield in %	5.7	5.6
EPRA "topped-up" net initial yield in %	6.1	6.0

EPRA vacancy rate for IMMOFINANZ

The EPRA vacancy rate represents the ratio of the estimated market rents for vacant space to the estimated market rents for the entire standing investment portfolio. Its goal is to provide investors with an indicator for evaluating vacancies in the standing investments based on the estimated market rents.

EPRA vacancy rate by core market

Standing investments	31 12 2022				31 12 2021
	Rentable space in sqm	Market rent for vacant space/month in MEUR	Total market rent/month in MEUR	EPRA vacancy rate in %	EPRA vacancy rate in %
Austria	243,398	0.1	3.3	2.5	3.2
Germany	87,652	0.6	2.0	28.7	20.4
Poland	436,397	0.2	6.2	2.4	3.7
Czech Republic	279,175	0.1	3.4	4.0	2.4
Hungary	169,239	0.0	1.6	0.9	3.7
Romania	339,553	0.7	4.8	13.7	8.6
Slovakia	264,337	0.1	2.8	4.6	5.1
Adriatic ¹	333,636	0.0	3.5	1.1	0.7
IMMOFINANZ	2,153,386	1.8	27.6	6.5	5.1

¹ Serbia, Slovenia, Italy and Croatia

EPRA vacancy rate by asset class and brand

	31 12 2022				31 12 2021
	Rentable space in sqm	Market rent for vacant space/month in MEUR	Total market rent/month in MEUR	EPRA vacancy rate in %	EPRA vacancy rate in %
Standing investments					
Office	798,143	1.4	12.6	11.4	8.6
thereof myhive	591,517	1.1	9.6	11.7	9.1
thereof office others	206,626	0.3	3.0	10.6	7.3
Retail	1,344,007	0.2	14.9	1.3	1.3
thereof VIVO!/shopping center	312,357	0.1	4.8	1.6	1.7
thereof STOP SHOP/retail park	951,396	0.1	9.4	1.2	1.1
IMMOFINANZ	2,153,386	1.8	27.6	6.5	5.1

The EPRA vacancy rate equalled 6.5% as of 31 December 2022 (31 December 2021: 5.1%) and, in the office business, rose to 11.4%. This increase over the level at the end of 2021 resulted primarily from the competitive office markets in Düsseldorf and Bucharest as well as property-specific factors (among others, the exit or return of space by large tenants). The retail portfolio was nearly fully rented with a vacancy rate of 1.3%, whereby the STOP SHOP retail parks had the lowest vacancy rate at 1.2%. Additional details on the portfolio can be found in the "Portfolio report" beginning on page 22.

EPRA cost ratio for IMMOFINANZ

The EPRA cost ratio shows the company's cost efficiency by comparing the proportional share of the operating and administrative expenses for investment property – both including and excluding direct vacancy costs – to gross rental income for the reporting period. The underlying calculations for the EPRA cost ratio are based on the results of asset management. Other operating costs, e.g. development costs and miscellaneous operating expenses, are excluded.

All amounts in TEUR	2022	2021
Expenses from investment property	-60,115	-61,402
Net operating costs, excluding indirect costs that are recharged through rents but not invoiced separately	-6,058	-2,372
EPRA costs (including direct vacancy costs)	-66,173	-63,774
Vacancy costs	-9,434	-8,416
EPRA costs (excluding direct vacancy costs)	-56,739	-55,358
Gross rental income including service fees and service charge cost components	300,167	284,687
Less service fees and service charge cost components of gross rental income	-11,292	-11,660
Gross rental income	288,875	273,027
EPRA cost ratio (including direct vacancy costs) in %	22.9	23.4
EPRA cost ratio (excluding direct vacancy costs) in %	19.6	20.3

The EPRA cost ratio, including direct vacancy costs, improved to 22.9% (2021: 23.4%). Excluding direct vacancy costs, the ratio declined from 20.3% in the previous year to 19.6%, above all due to the increase in gross rental income.

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

Risk Report

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

Risks represent the possibility of deviating from planned targets as the result of “coincidental” disruptions caused by the unpredictable nature of the future. In this connection, negative variances are considered risks in the strict sense of the term and positive variances are seen as opportunities.

Principles of integrated risk management

The structure of risk management is based on the rules of the Austrian Corporate Governance Code and the integrated framework of the COSO ERM*, an internationally recognised concept for the design of risk management systems.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that would endanger the company's standing as a going concern. The overall risk situation for IMMOFINANZ and for the entire market in 2022 was influenced by the challenging macroeconomic environment. The major risk categories are discussed in greater detail at the end of this risk report.

IMMOFINANZ has anchored the procedures for handling risk in a Group-wide risk management system, which is integrated in business practices and reporting paths and has a direct influence on processes and strategic decisions. Risk management takes place at all levels through internal guidelines, reporting systems and the internal control system (ICS) which is monitored by the internal audit department.

Monitoring and control of the risk management system

The risk management system is monitored and controlled through two corporate channels. On the one hand, internal audit evaluates the effectiveness of risk management and contributes to its improvement. On the other hand, the auditor reviews the functionality of risk management in accordance with C-Rule 83 of the Austrian Corporate Governance Code (in the version released in January 2023) and reports to the Executive Board on the results of this analysis.

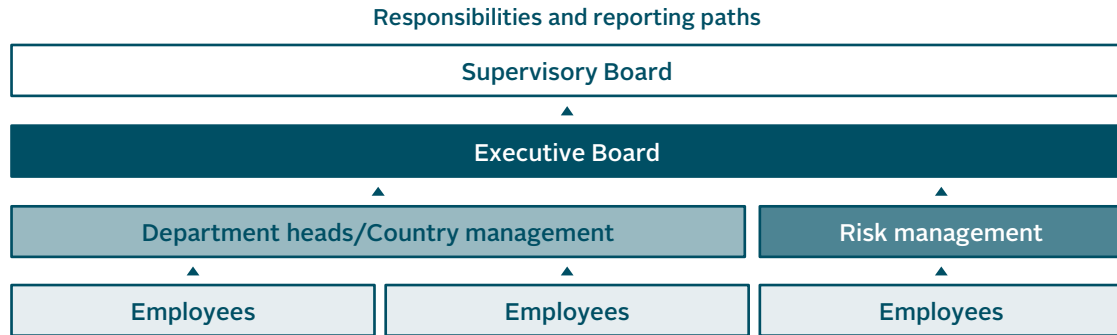
Evaluation of the functionality of the risk management system

Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, evaluated the effectiveness of IMMOFINANZ's risk management system during the period from December 2022 to January 2023. This analysis covered the design and implementation of the measures and organisational procedures instituted by the company, but not their application in the sense of operating effectiveness. The conclusions by Deloitte indicated that the risk management system instituted by IMMOFINANZ as of 31 December 2022– based on the COSO comprehensive framework for corporate risk management – is functional.

* Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management; [coso.org](https://www.coso.org)

Structure of risk management

The goal of risk management is to implement the strategy defined by the Executive Board with a minimum of risk. The Group's strategic goals are transferred to the operating processes where the measures for the identification, prevention and management of risks are located.

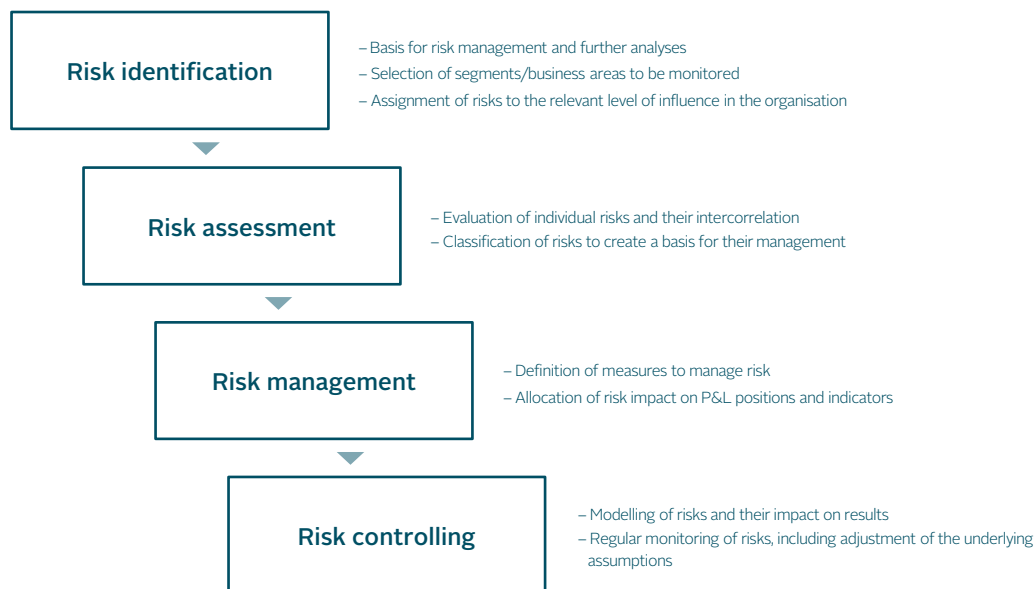


The Executive Board is responsible for risk management in the IMMOFINANZ and defines the corporate goals and related risk strategy.

Risk management is a staff function which reports directly to the Executive Board. It monitors the corporate risks that are not related to specific business areas, aggregates risk data and reports, and actively supports the business areas and country organisations in the identification of risks and economically feasible countermeasures. Risk management reports regularly to the Executive Board and quarterly to the Supervisory Board.

At the country organisation level, the heads of the respective units are responsible for risk management. Risk positions are reported to the Executive Board at least once each quarter by the business area and country managers. Acute risks are reported immediately to the Executive Board

Risk management process



Material risk categories

The risk categories relevant for IMMOFINANZ follow the company's value chain and are also focused on environmental, governance and social opportunities and risks. IMMOFINANZ has defined a broad range of measures to address and counter risks. These measures represent an integral part of all corporate processes and, consequently, form the basis for the reduction of risk.

Risk category	Description	Countermeasures
Business risks	These risks are related to the general framework conditions for business activities and exceed the scope of property-specific risks.	These risks are countered by strategic decisions at the corporate level.
	Financial risks are related to lenders or the terms and conditions for the provision of cash and cash equivalents (see section 7.2 in the notes to the consolidated financial statements).	The continuous monitoring of asset and liability positions as well as proactive analyses form the basis for strategic measures to safeguard the company's financial strength.
	Operational risk can arise through detrimental actions by corporate bodies and/or employees to the disadvantage of the company.	The company's activities are separated into individual processes and relevant process steps are controlled internally.
	Other risks represent individual risks with a Group-wide impact.	These risks are countered by strategic decisions at the corporate level.
Risks of improper business practices	IMMOFINANZ is committed to responsible and transparent actions and to compliance with legal rules and regulations. Risks in this area arise from deviations from these general principles.	Guidelines have been issued to cover the actions of corporate bodies and employees in individual areas to prevent these risks from occurring.
Social risks	The company is responsible for its employees as well as other service providers in the broader sense of the term. Risks arising from the company's role as an employer in the broader sense of the term are aggregated in this risk category.	IMMOFINANZ's commitment to compliance with all fundamental and human rights as well as regular surveys of employees' needs represent the cornerstones of risk minimisation in this area.
Environmental and climate risks	Climate risks arise from the meteorological conditions at a property's location. In addition, environmental risks arise from the construction and operation of buildings.	Measures are implemented on a timely basis to prevent any negative effects on a property. When new buildings are constructed, a special focus is also placed on minimising the negative impact on the environment.
	The attainment of the planned climate neutrality and the development of a circular economy are connected with risks arising from the technological and regulatory transition.	IMMOFINANZ takes the necessary steps to support the technological improvement and sustainable management of its buildings. It also supports the creation of a greater awareness for these issues by all stakeholders.
Project development risks	Planning risks are risks which occur during the planning phase of a property. This phase extends from the design to the approval of a project.	Project development risks are prevented by the exact inspection of new locations, the timely involvement of all stakeholders and measures to anticipate future negative developments.
	Realisation risks represent the risks arising in connection with the construction of a building, beginning with the receipt of the building permit.	Realisation risks are prevented through quality assurance measures in processes as well as measures to externalise risk.
	Marketing risks are related to the commercialisation of a project and are very important in regard to profitability.	Marketing risks are precluded by timely risk and opportunity analyses as well as long-term market monitoring.
Asset management risks	Earnings risks are risks connected with the generation of steady income from the standing investments.	IMMOFINANZ is taking steps to evolve from a conventional landlord to a service provider who reacts early on to market trends.
	Usage risks, as a group, represent the risks involved with the management of a property and, consequently, have a significant influence on the company's earning power.	Active portfolio management and the continuous technical monitoring of properties are designed to reduce usage risks.
	Owners, tenants and facility managers are exposed to management risks during the ongoing operation of a property.	IMMOFINANZ follows a clear externalisation strategy with regard to management risks.
Portfolio and valuation risks	Portfolio and valuation risks include the factors that would lead to a change in the value of a portfolio.	Active portfolio management and the expertise from long-term market monitoring help IMMOFINANZ to identify potential problems at an early stage.
Transaction risks	Transaction risks are connected with the acquisition and sale of properties and include additional irregularities on the transaction market.	Process measures and regular monitoring of the transaction markets are designed to minimise existing risks. Market problems are managed with risk prevention measures.

Features of the internal control system

IMMOFINANZ's internal control system (ICS) comprises a wide range of measures and processes to protect assets and to ensure the accuracy and reliability of accounting. The goal of the ICS is to prevent or identify errors and therefore allow for early correction. The ICS also supports compliance with major legal directives and the business policies defined by the Executive Board.

The ICS is integrated in all corporate processes. Its key features involve the appropriate segregation of duties, the application of the four-eyes principle within the framework of the relevant corporate processes, compliance with internal guidelines (e.g. IMMOFINANZ's IFRS accounting manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and detective controls in processes as well as automatic key controls through specific software settings.

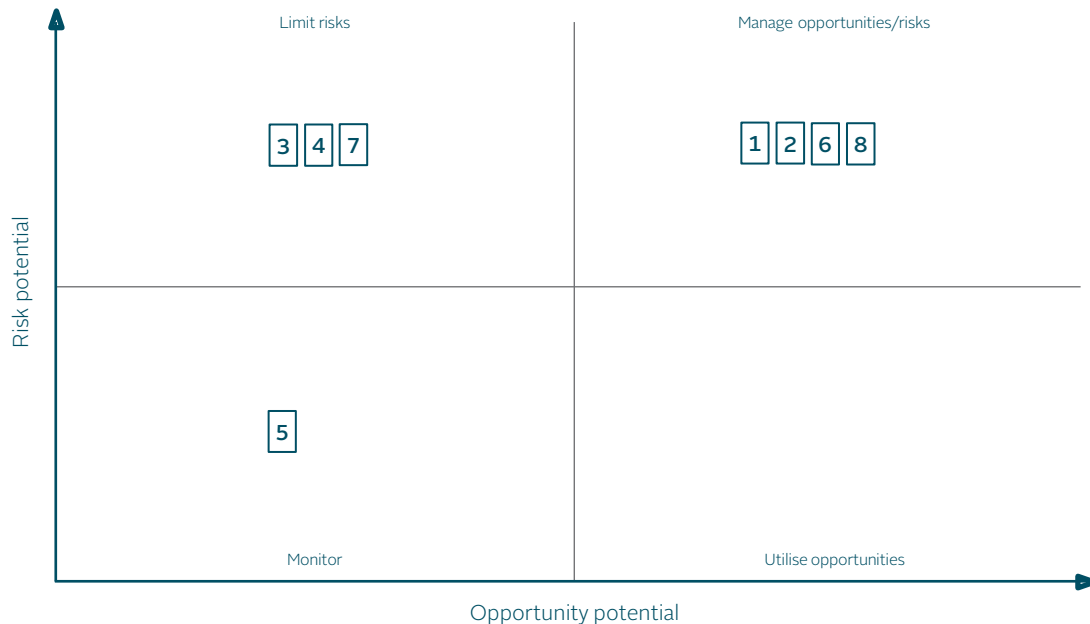
Monitoring by internal audit

Internal audit is responsible for the independent review of the effectiveness of the ICS and, in this way, contributes to its quality assurance. This department also evaluates the effectiveness of risk management and supports its continuous improvement. Based on an annual audit plan approved by the Supervisory Board, the internal audit department independently and regularly reviews operating processes and business transactions. The priorities for this schedule are defined in accordance with risk criteria and organisational goals.

The results of the audits are reported to the IMMOFINANZ Executive Board on a regular basis and to the Supervisory Board twice each year. As part of an annual report, the internal audit department explains its activities and summarises the major audit areas and results.

Opportunity and risk position in 2022

Overview of opportunities and risks as of 31 December 2022



Risks from climate change (1)

Real estate is particularly energy-intensive during construction and in operation. The sharp rise in energy prices triggered by the Russian invasion of Ukraine at the end of February 2022 has therefore had a significant negative effect on IMMOFINANZ's earnings. However, this development shows the opportunities and efficiency improvements that can be achieved with more energy-efficient buildings. The energy efficiency of buildings – together with the generation of energy – also plays a central role in the EU Taxonomy Regulation. The installation of photovoltaic equipment on properties as well as the procurement and generation of green energy therefore represent integral parts of IMMOFINANZ's ESG strategy.

In the area of climate risks, climate modelling shows a stronger increase in the temperatures in IMMOFINANZ's core markets as well as a greater probability of longer dry periods. Both of these trends are integrated in building refurbishment projects and flow into development analyses. Properties near the coasts in Poland and Croatia – and here, only a limited number of retail parks are involved – are exposed to the risk of rising sea levels. Natural hazards represent a further aspect since the models forecast an increasing danger of forest fires due to the longer dry periods. This phenomenon is already visible in the Mediterranean region and will spread northward in the coming years. The related risks are addressed with construction measures that include a focus on the design and expansion of green areas and, in addition, IMMOFINANZ has arranged for insurance to cover all its properties against natural hazards.

IMMOFINANZ also sees opportunities in the area of biodiversity. Future plans include the replacement of water-intensive grassy areas with planting that supports biodiversity. These areas not only save water and energy but require less care and can help to reduce operating costs.

Risks arising from political, social and legal requirements (2)

On 22 June 2022, the European Parliament approved the expansion of the European Emissions Trading Scheme (EU ETS) to include the commercial real estate sector. The parliamentary vote still requires the approval of the EU member states but will have a significant impact on the real estate industry in the future. IMMOFINANZ is working to hold the mandatory purchase of CO₂ certificates for future CO₂ equivalent emissions at a low level by improving energy efficiency and making an optimal contribution to reducing greenhouse gas emissions. Decarbonisation will be implemented as quickly as possible and represents part of the Net Zero Emission Strategy presented in 2022. This strategy is intended to prevent cost increases from CO₂ pricing and the related negative effects as far as possible. IMMOFINANZ also sees this as an opportunity to realise additional value potential in the standing investment portfolio.

Macroeconomic conditions (3)

The inflationary spiral which began at the end of 2021 was further fuelled by the Russian invasion of Ukraine and the related surge in energy prices. The European Central Bank reacted with an end to its low-interest policy and a gradual increase in interest rates. This policy shift has resulted in substantially reduced growth expectations, although from today's perspective experts do not expect a slide into a full recession, and has changed economic conditions. The consequences for IMMOFINANZ include significantly higher energy costs as well as higher refinancing costs over the medium term. The office business has also seen an increase in vacancies on selected markets during recent quarters, and this trend is expected to continue. The impact of rising interest rates on the real estate branch includes a decline in new construction and market prices. Real estate is no longer the only alternative for investors' asset allocation in the current interest rate climate, and that is expected to lead to a decline in transaction volumes.

Legal proceedings (4)

IMMOFINANZ has settled numerous, very old legal disputes in recent years. The court proceedings over restitution claims and the retransfer of shares for the VIVO! shopping centers in Cluj and Constanța, Romania, are still in progress. There were no decisive changes in these proceedings during the past year.

Investments (5)

IMMOFINANZ AG acquired 19,499,437 bearer shares in S IMMO AG through share purchase contracts in April 2018 and increased this investment by 17,305,012 shares to 50% plus one share in December 2022. The accounting method applied to S IMMO was therefore changed from equity accounting to full consolidation as of 31 December 2022. As an international real estate investor, property owner and project developer, S IMMO is exposed to the same general branch-specific risks in its business operations as IMMOFINANZ. The risks from S IMMO's operating activities will be assigned to the respective risk categories in the future, and investment risk will only represent investment risk in the narrower sense of the term. There were no investment risks in the narrower sense of the term as of 31 December 2022. For information on S IMMO's risks, see the S IMMO 2022 annual report.

Valuation risks (6)

Supply chain problems and the sharp rise in energy prices were responsible for the highest inflation rates in 50 years during 2022. Central banks across the world reacted by raising interest rates which, in turn, has increased the attractiveness of alternative investments as well as investors' expectations of higher returns from real estate investments. Greater downward pressure on property values can therefore be expected in the coming quarters.

The importance of ESG aspects in property valuation is also increasing. Sustainable investments and construction measures that mitigate the effects of climate change now represent an integral part of real estate valuation. IMMOFINANZ will adapt its properties to climate change with measures that include thermal upgrading, the digitalisation of building technology and numerous other steps. This will prevent rental risks such as a decline in demand or rentals and counter the loss of value in the standing investment portfolio. As part of its sustainable portfolio strategy, IMMOFINANZ wants to create an upward valuation potential for properties with high ESG standards – which will also improve the rental performance of these properties in the coming years.

Revaluation results totalled EUR -105.7 million in 2022.

IT risks (7)

IMMOFINANZ has set a goal to digitalise its corporate processes up to the customer. The change in the majority ownership of IMMOFINANZ led to the strategic reorientation of digitalisation during the past year, and Group-wide solutions are currently in preparation. The risks connected with these projects are being addressed with professional project management as far as possible.

The issues of data protection and cybersecurity remained a focal point of risk analysis in 2022. IMMOFINANZ not only addresses these issues through extensive precautions, but also places high priority on employee training. In addition, corporate processes are being optimised to guarantee the highest possible level of security. Based on the procedures already established, the risk to critical corporate processes can be considered low.

Portfolio risks (8)

The occupancy rate in IMMOFINANZ's standing investment portfolio declined slightly but remained high at 94.3% as of 31 December 2022 (31 December 2021: 95.1%). The retail properties were practically fully rented at 98.8% (31 December 2021: 98.7%). In the office properties, the occupancy rate fell marginally to 88.1% (31 December 2021: 90.6%).

IMMOFINANZ's active development projects (properties under construction) have a combined carrying amount of EUR 126.6 million (31 December 2021: EUR 460.8 million). The outstanding construction costs for these projects totalled EUR 47.6 million at the end of 2022 (31 December 2021: EUR 216.2 million). Pipeline projects, including real estate inventories, had a carrying amount of EUR 159.3 million as of 31 December 2022 (31 December 2021: EUR 180.3 million).

Information on Equity

The share capital of IMMOFINANZ AG equalled EUR 138,669,711.00 as of 31 December 2022 (31 December 2021: EUR 123,293,795.00) and was divided into 138,669,711 zero par value shares with voting rights, each of which represented a proportional share of EUR 1.00 in share capital. The increase in share capital resulted from the conversion of the convertible bond 2017–2024, which was serviced with 15,375,916 new shares.

Treasury shares

Treasury shares held

IMMOFINANZ held 695,585 treasury shares with a proportional share of EUR 695,585.00 in share capital as of 31 December 2022 which represented approximately 0.5% of share capital. As of 31 December 2021, IMMOFINANZ held 1,028 treasury shares with a proportional share of EUR 1,028.00 in share capital which represented approximately 0.0%.

Share buyback programme 2022

IMMOFINANZ purchased 694,557 shares for a weighted average price of EUR 14.58 per share from 20 June 2022 to 29 July 2022 through the share buyback programme 2022. The total purchase price amounted to EUR 10,126,484.94.

The share buyback programme 2022 was based on § 65 (1) no. 8 of the Austrian Stock Exchange Act and executed in accordance with an authorisation of the annual general meeting on 1 October 2020 (which was renewed by an authorisation of the annual general meeting on 12 July 2022). The repurchased shares represent EUR 694,557.00, or roughly 0.5%, of share capital.

Overview of treasury shares in 2022

Date	Number of shares	Circumstances/authorisation	Proportional share of share capital as of 31 12 2022 in %	Purchase/sale price in EUR
December 2021	1,028		0.0	n. a.
June–July 2022	694,557	Purchases in share buyback programme 2022 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	0.5	14.58
December 2022	695,585		0.5	n. a.

Authorisations of the annual general meeting to purchase and sell treasury shares

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. The shares may be purchased over the stock exchange or over the counter. The Executive Board was also authorised, with the consent of the Supervisory Board, to exclude the proportional subscription rights of shareholders.

The Executive Board was also authorised, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act during a period of five years, whereby the proportional subscription rights of shareholders can be excluded.

The authorisation for the purchase of treasury shares was used in part with the share buyback programme 2022 (see above). The authorisation to sell treasury shares has not been used to date and is therefore available in full.

Authorised capital

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 69,325,163.00 through the issue of up to 69,325,163 new shares in exchange for cash or contributions in kind. The authorisation is valid up to 18 October 2027. The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part. The shares issued based on this authorisation in exchange for cash contributions and under the exclusion of shareholders' subscription rights may not exceed EUR 13,865,032.00, which represents roughly 10% of the company's share capital at the time the resolution was passed by the annual general meeting.

This authorisation to increase share capital has not been used to date and is therefore available in full.

Change of control provisions

Convertible bond 2017–2024

In accordance with the terms and conditions of the convertible bond 2017–2024 (issued in January 2017, XS1551932046), the conversion price will be reduced in line with the remaining term of the bond when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, is acquired. In this case, the bondholders are entitled to tender their securities and to demand immediate repayment at the nominal value plus accrued interest as of the tender date. Details on these provisions are provided in the terms and conditions for the convertible bond 2017–2024 (also see section 4.13 in the consolidated financial statements).

The acquisition of an investment of approximately 21.4% by the CPI Property Group in the share capital of the company triggered a change-of-control event in December 2021. In this connection, conversion rights were exercised at a reduced conversion price for convertible bonds with a nominal value of EUR 282.8 million and 14,963,965 new shares in the company were issued from conditional capital in January 2022. There were no premature cancellations by bondholders.

In April 2022, the company announced the premature cancellation of the convertible bond 2017–2024 as of the elective call date on 27 June 2022. Conversion rights were exercised for convertible bonds with a total nominal value of EUR 291.3 million by the end of the conversion period and were serviced with 15,375,916 new shares. The certificates from the convertible bond 2017–2024 which were not registered for conversion – in total, EUR 3.2 million excluding the convertible bonds held by IMMOFINANZ – were redeemed at the nominal value plus accrued interest at the end of July 2022.

Corporate bonds 2019–2023 and 2020–2027

The terms and conditions of the corporate bond 2019–2023 (XS1935128956) issued in January 2019 and the corporate bond 2020–2027 (XS2243564478) issued in October 2020 entitle the bondholders to terminate their bonds and demand immediate repayment at 101% of the nominal value plus accrued interest as of the respective date when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, is acquired and results in a mandatory takeover offer. Details on these provisions are provided in the issue terms of the bonds.

The acquisition of a controlling investment by the CPI Property Group in the share capital of the company at the beginning of March 2022 triggered a change-of-control event for the IMMOFINANZ bonds 2019–2023 and 2020–2027. Bondholders exercised their cancellation rights for the corporate bond 2019–2023 at a nominal value of EUR 295.7 million and for the corporate bond 2020–2027 at a nominal value of EUR 262.2 million.

The corporate bond 2019–2023 was due for repayment on 27 January 2023, i.e. after the end of the reporting year. The repayments totalled EUR 187.1 million and represented the outstanding nominal amount of the corporate bond 2019–2023.

Property financing

The material property financing agreements concluded by IMMOFINANZ and its subsidiaries generally include standard market cancellation rights for the lenders in the event of a change of control.

The acquisition of a controlling and majority investment in the company by the CPI Property Group at the beginning of March 2022 triggered lenders' cancellation rights for a total credit volume of EUR 1.4 billion. However, no real estate financing agreements were cancelled due to the change of control.

Corporate credit line

IMMOFINANZ concluded an unsecured, revolving corporate credit line of EUR 100.0 million. It includes a termination right in the event of a change of control. As of 31 December 2022, the corporate credit line had not been used.

The corporate credit line was not cancelled due to the change of control at the beginning of March 2022, respectively, the financing bank waived its cancellation right following the attainment of control by the CPI Property Group.

Bonds issued by S IMMO AG

IMMOFINANZ increased its investment in S IMMO to 50% plus one share during the 2022 financial year and, as a result, S IMMO is included through full consolidation (for information on full consolidation, also see section 2.3 in the consolidated financial statements). Following is a listing of the bonds issued by S IMMO which include change-of-control clauses that take effect in connection with an indirect change of control at the IMMOFINANZ level.

The following bonds issued by S IMMO include change-of-control provisions: the 3.25% S IMMO Bond 2015–2025 issued in April 2015 (volume as of 31 December 2022: EUR 15,890,000.00), the 3.25% S IMMO Bond 2015–2027 issued in April 2015 (volume as of 31 December 2022: EUR 34,199,000.00), the 1.75% S IMMO Bond 2018–2024 (volume as of 31 December 2022: EUR 100,000,000.00) and the 2.875% S IMMO Bond 2018–2030 both issued in February 2018 (volume as of 31 December 2022: EUR 50,000,000.00), the 1.875% S IMMO Bond 2019–2026 issued in May 2019 (volume as of 31 December 2022: EUR 150,000,000.00), the 2.0% S IMMO Bond 2019–2029 issued in October 2019 (volume as of 31 December 2022: EUR 100,000,000.00), the 1.75% S IMMO Green Bond 2021–2028 issued in February 2021 (volume as of 31 December 2022: EUR 70,449,500.00) and the 1.25% S IMMO Green Bond 2022–2027 issued in January 2022 (volume as of 31 December 2022: EUR 25,058,500.00). The terms and conditions of the bonds issued in 2014 and 2015 and the green bonds issued in 2021 and 2022 entitle the bondholders, in the event of a change of control, to put their bonds and demand immediate repayment. The terms and conditions of the bonds issued in 2018 and 2019 entitle the bondholders, in the event of a change of control, to put their bonds if the change of control materially impairs the ability of S IMMO to meet its obligations under the bond. A change of control as defined in the bond terms and conditions occurs when one or more persons acting in consort, or a third party or persons acting for such person or persons, at any time, directly or indirectly (i) hold(s) more than 50% of the voting rights connected with the issuer's shares (excluding the maximum voting right) or (ii) has(have) the right to determine the majority of the issuer's management board members and/or shareholder representatives on the issuer's supervisory board. According to the terms and conditions of the bonds issued in 2019, a change of control is also assumed to take place when the maximum voting right is legally cancelled and one or more persons acting in consort, or a third party or persons acting for such person or persons, at any time, directly or indirectly, has(have) purchased more than 30% of the voting rights connected with the issuer's shares. According to the terms and conditions of the green bonds issued in 2021 and 2022, a change of control is also assumed to take place when one or more persons acting in consort, or a third party or persons acting for such person or persons, at any time, directly or indirectly, acquire(s) a controlling interest as defined in the Austrian Takeover Act which triggers a mandatory takeover offer.

Executive Board and Supervisory Board

The employment contract with Executive Chairwoman Radka Doebling does not include a change-of-control clause.

The employment agreements with the former Executive Board members Dietmar Reindl and Stefan Schönauer included change-of-control clauses that could have led to the cancellation of their contracts. The company and the members of the Executive Board also concluded compensation agreements that would take effect when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, was acquired. Depending on the remaining term of the Executive Board member, the respective contract entitlement equalled two years at most.

The acquisition of a controlling investment in the company by the CPI Property Group at the beginning of March 2022 triggered termination rights for the Executive Board members based on the change-of-control clauses in their employment contracts. The Supervisory Board reached an agreement with Dietmar Reindl and Stefan Schönauer in connection with the change-of-control event, and their employment contracts were terminated by mutual agreement on 8 June 2022.

There are no such agreements for the members of the Supervisory Board or for employees.

The company has no other significant agreements which would enter into force, change or terminate in the event of a change of control that results from a takeover bid.

Amendments to the articles of association, board appointments and dismissals

In accordance with § 21 of the articles of association of IMMOFINANZ AG, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require a different majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board.

The person chairing the respective meeting casts the deciding vote in the event of a tie in voting on the Supervisory Board in accordance with the articles of association. This also applies to the election to and dismissal of members from the Executive Board.

The corporate governance report included in this annual report, which was expanded to include the consolidated corporate governance report, is available on the company's website under <https://immofinanz.com>.

Significant holdings

Information reported to the company, directors' dealings notifications and other disclosures show the following investments and attributed voting rights which exceeded 4% of share capital as of 31 December 2022:

- Radovan Vitek (through CPI Property Group and WXZ1 a.s.): 76.87% (based on a notification dated 31 May 2022).

Voluntary Consolidated Non-financial Statement: “Together for a better future!”

Dear reader,

The climate crisis and the associated environmental, economic and social impacts are among the most urgent challenges of our time. We all have a duty to act, including, and especially, the real estate sector, which is one of the largest greenhouse gas emitters. Nearly 40% of the global CO₂ emissions are generated in the construction and operation of buildings. This high percentage is attributable to energy- and raw material-intensive building activities as well as to the energy consumption required for heating, cooling, lighting, and maintaining buildings over many years.

IMMOFINANZ is one of the big players in the European office and retail property market. After the full consolidation of S IMMO at the end of 2022, our portfolio includes a total of 3,531,706 sqm of rentable space. Due to this size alone, the strategic measures we take to enhance sustainability make a significant contribution. This results in a very major responsibility.

In 2022, we completed the formulation of our ESG strategy for the coming years. It sets out our path to a sustainable future: Along the three focus areas, environment, social and governance, we set goals that can be measured and are readily comprehensible and comparable against specific indicators. Based on governance and ethics, our strategy focuses on green and climate-resilient buildings, socially sustainable spaces and customer satisfaction, socially sustainable workplaces and satisfied employees as well as on a sustainable supply chain.

However, last year we not only succeeded in adopting our sustainability strategy. Other successes include a significant improvement in data quality. It enables us to make progress measurable on the basis of comparable key figures. IMMOFINANZ's participation in the Carbon Disclosure Project also helped us to improve the quality of our data collection.

In the long term we are adhering to our net zero target, and we aim to cut IMMOFINANZ's emissions by roughly 60% already by 2030. The reduction of our greenhouse gas footprint is, and will remain, our top priority. Against this backdrop, we are increasingly focusing on installing photovoltaic systems on our properties. We also aim to catch up in the area of the supply chain as soon as possible.

Our reporting is based on the most important standards and frameworks: This year, for the first time, we are disclosing our full greenhouse gas emissions for the 2022 financial year, including changes in comparison to the 2019 baseline, and are thus providing our investors as well as all other stakeholders with full transparency and comparability.

I am also pleased to confirm that IMMOFINANZ reaffirms its support for the Ten Principles of the Global Compact of the United Nations in the areas of human rights, labour, environment and anti-corruption. In this report, we disclose our continuous progress in integrating the Ten Principles in our business strategy and our everyday operations and contributing to the UN Development Goals.

In addition to the fight against climate change, the war in Ukraine and the energy crisis currently also pose challenges for our business model. We are convinced that our solid and resilient portfolio and our focused ESG strategy will set us up for sustainable success, even in this difficult environment. The most important prerequisite is the commitment and dedication of all IMMOFINANZ employees, of which I have gained a very positive impression since I joined the company in May 2022. Let me therefore say with full conviction that we are well on track on our journey into a sustainable future.

Best regards,

A handwritten signature in black ink, appearing to read 'Radka', is centered on the page. The signature is fluid and cursive, with a small mark above the final letter.

Radka Doehring

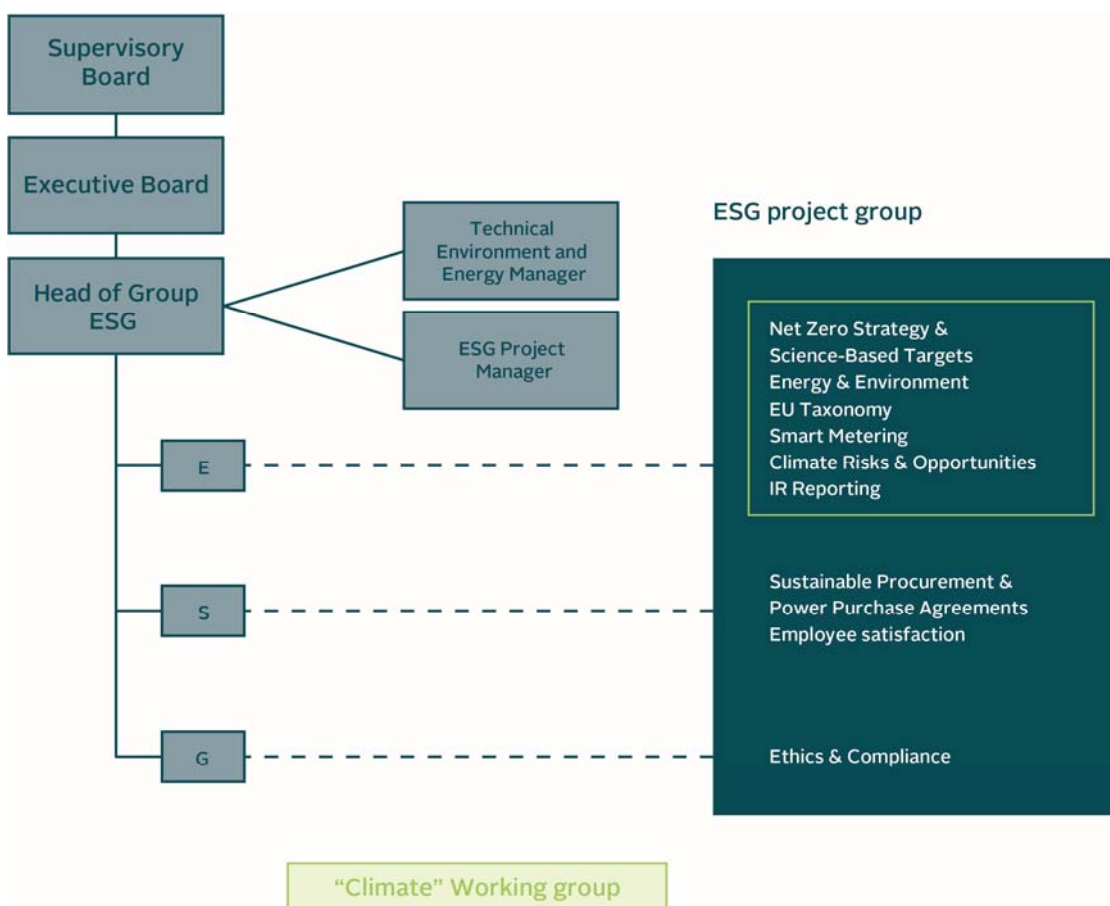
General information

ESG governance

ESG governance structure

The ESG Committee of IMMOFINANZ is responsible for all sustainability matters, discusses and exchanges information on current projects and conducts regular reviews of progress, relevant opportunities and risks. It also works on continuously embedding sustainability in the Group, as well as on advancing and optimising the sustainability strategy. Within the Group, the Executive Chairwoman is responsible for sustainability topics and formally reports to the Supervisory Board at least once a year, while an informal exchange also takes place on a regular basis.

In addition, the new ESG staff position was anchored in the organisation and filled by Ulrike Gehmacher, an experienced Head of Group ESG, who has been responsible for the Group-wide coordination and implementation of IMMOFINANZ's sustainability strategy since the beginning of February 2022 and chairs the cross-functional ESG committee. This committee also implements the development of sustainable supply chain management in the company.



S IMMO

For information on environmental, employee and social concerns at S IMMO, please refer to the non-financial report in the S IMMO 2022 annual report.

ESG strategy

IMMOFINANZ is a commercial real estate group that focuses on the acquisition, management and development of properties in Europe. The company operates in eight core markets in Europe: Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and the Adriatic Region, which includes the countries of Serbia, Slovenia, Croatia and Italy. The portfolio focuses on office buildings, retail parks and shopping centers.

According to the portfolio report, the IMMOFINANZ property portfolio (not including S IMMO) comprised 265 properties as of 31 December 2022 with a combined value of EUR 5.2 billion, including 208 standing investments, 17 development projects and 40 pipeline projects including real estate inventories. Unlike in the previous year, properties that are held for sale and fall under IFRS 5 are included in this non-financial statement (31 December 2022: EUR 548.5 million; see section 4.10 of the notes to the consolidated financial statements for details). However, the comparative figures of the previous year do not include these properties due to immateriality.

In the office sector the company focuses exclusively on capital cities in its core countries and the major office locations in Germany, operating under its international myhive brand, in addition to its other office properties such as single-tenant buildings. In the expansion of its retail portfolio, IMMOFINANZ is focused on its STOP SHOP and VIVO! brands, which are primarily aimed at secondary and tertiary cities. The size of our portfolio gives rise to a particular responsibility in economic, social and ecological terms towards our stakeholders as well as towards the environment and society. Further details and indicators for the portfolio can be found in the portfolio report starting on page 22.

The goal of IMMOFINANZ is the continuous expansion of a high-quality, sustainable property portfolio generating strong returns, while achieving long-term climate neutrality.

IMMOFINANZ ESG framework



Materiality

IMMOFINANZ prioritises ESG topics according to their relevance for and impact on its business activities and its stakeholders. In the 2022 financial year, IMMOFINANZ's material topics were revised based on the materiality analysis of 2020. As part of a desk research and a benchmarking analysis of the peer group, relevant future trends regarding regulatory developments within the industry were identified. In addition, focus interviews with IMMOFINANZ stakeholders involved in the process were conducted to reflect the actual situation and subsequently derive a joint ESG vision. At two workshops, several business activities of IMMOFINANZ and their effects were clustered in five topic areas and assessed by materiality. Based on this assessment, the following material topics were subsequently identified:

Key areas	Material topics
Governance and ethics	<ul style="list-style-type: none"> – Governance body – Business compliance and ethics – Anti-bribery and anti-corruption – Data privacy and data protection – Risk management
Green and climate-resilient buildings	<ul style="list-style-type: none"> – CO₂ reduction – Energy efficiency – Renewable energy – Building circularity and life cycle management – Green mobility – Biodiversity and responsible land use
Socially sustainable spaces and customer satisfaction	<ul style="list-style-type: none"> – Customer centricity – Socially sustainable spaces
Socially sustainable workplaces and employee satisfaction	<ul style="list-style-type: none"> – Employee development – Diversity, equality and inclusion – Employee satisfaction – Community investment
Sustainable supply chain	<ul style="list-style-type: none"> – Environmental and social impact across the supply chain

Based on the revised material topics, the company's ESG strategy was derived and first targets and measures for their implementation were developed in all areas of the company.

Focus area	Goal	By	Progress
CO ₂ reduction	Net zero emissions (Scope 1, 2 and 3)	2040	Scope 1, 2, 3 emissions (market-based) have been reduced by approx. 38% compared with the 2019 base line, above all by purchasing green electricity and CO ₂ allowances
	60% reduction of absolute emissions (Scope 1, 2 and 3)	2030 (2019 baseline)	
	Net zero emissions (Scope 1, 2 and 3) per sqm of controlled space ¹	2030	Scope 1,2,3 emissions (market-based) were reduced from 116 kgCO ₂ /sqm GLA to 76 kgCO ₂ /sqm GLA. This corresponds to a decrease of nearly 35%.
Energy efficiency	Energy efficiency refurbishments of a minimum annual value of 5% of total gross lettable area (GLA)	annual	Urban Garden office project, feasibility study of VIVO! Bratislava
	Digitalisation of consumption data and rollout of smart metering	2025	Start of pilot project Austria 2023, planned rollout to the portfolio
Renewable energies	Purchase of 100% renewable energy of controlled space	2024	Approx. 71% electricity from renewable energy sources purchased in 2022.
	Installation of photovoltaic systems on 60% of the STOP SHOP/retail park roofs	2030	3 PV systems in operation in 2022, another 10-15 scheduled to be completed in 2023
Socially sustainable spaces and customer satisfaction	Development and rollout of green lease strategy	2023	Green Lease contract aligned Group-wide, pilot project Urban Garden and start of rollout in 2023
	Development of criteria for sustainable and healthy areas	2024	Schedule and implementation in 2024
	Achieving top building certification throughout entire portfolio and adaptation to EU Taxonomy	ongoing	Overall, approx. 42% of all space certified, further increase by more than 17% of the share of certified buildings in 2022, see page 86 (section "Energy efficiency")
	Active involvement in the development and orientation of building certificates	ongoing	Classification of buildings according to EU Taxonomy carried out, potential analysis incl. capex plans in 2023
Socially sustainable workplaces and employee satisfaction	Strengthen employees in their current and future function and support them in their career path	ongoing	Talent management and performance review of employees, apprenticeship programme, programme for young professionals, management training
	Promote diversity, equal opportunities and inclusion	2025	Promotion of equal opportunities, prevention of any kind of discrimination established in the Code of Conduct Share of women in management positions directly reporting to the Executive Board at 40%, gender pay ratio analysis
Ecological and social impact along the supply chain	Supplier assessment: identification and assessment of social and ecological impact for all material supplier groups	2023	Rollout for 2023 on schedule
	Establishment of an audit programme to assess and identify preventive measures and monitoring of these measures	2024	Schedule and implementation in 2024

¹ Areas over which IMMOFINANZ can exercise influence.

Stakeholder engagement

The core business of IMMOFINANZ comprises the management and development of office and retail properties as well as the sale of properties. Ongoing communication and the acceptance of the business by our various stakeholders are very important to the economic success of our business model. We actively include their views and concerns into the orientation of our business and the further development of our product offering.

IMMOFINANZ views itself as a partner to its stakeholders and is above all committed to its tenants and their customers with the promise of quality and safety. Sustainability aspects are integrated in the planning, construction and operation of our properties in order to meet the needs of our stakeholders.

In 2022, IMMOFINANZ's individual stakeholder groups were again identified in the course of a formal and informal stakeholder analysis. In addition, the results of a media analysis, a topic-specific screening, issue monitoring as well as the existing materiality analysis from 2020 were taken into account when identifying stakeholders. IMMOFINANZ maintains different forms of engagement with stakeholders, including bilateral, formal and informal exchanges with them. During the reporting period IMMOFINANZ adapted materiality within the framework of the ESG strategy and also reports on its stakeholders to a larger extent for the first time.

Investors

In our reporting we want to further increase transparency for our investors and other stakeholders, who are increasingly interested in climate-related topics. To this end, IMMOFINANZ participated in multiple ESG ratings and rankings again in 2022. For the first time, the company's environmental data was fully and formally disclosed to the Carbon Disclosure Project (CDP) in 2022 and received a "D" rating from CDP. Moreover, the result of the Sustainalytics rating also improved compared to the previous year. With a rating of 13.1, the ESG risk was considered to be low, compared with 15.6 in 2021 (on a scale from 0 to 100).

Tenants

A major focus in the previous year was on Scope 3 emissions, which are published for the first time for 2022 in order to increasingly include our tenants in the value chain. Regular meetings with our tenants took place throughout the year, during which we presented our net zero plans and looked for ways of working together. We want to be a reliable partner for our tenants in this context, maintain regular contact in order to learn from each other and thus mutually support each other in decarbonisation.

Employees

The engagement with our employees takes place in both physical and virtual meetings. Ongoing communication and a fast switch to remote working during the COVID-19 pandemic were possible via the myNet intranet. This way, our employees were always able to find information about current issues such as safety measures in the offices or the vaccines offered. The developed ESG strategy was also communicated to our employees across the Group. Moreover, the year 2022 was characterised by strong change, which was on the one hand due to the challenging economic environment, and on the other hand due to changes in the shareholder structure and the takeover by the new core shareholder, the CPI Property Group (CPIPG).

Suppliers

IMMOFINANZ continued to work on improving sustainability along the value chain in 2022. Several environmental and human rights aspects were included in the procurement process, which was developed as part of the ESG strategy and is laid down in the internal Group procurement directive. This guideline defines all procedures and regulations for IMMOFINANZ procurement and the basis for the selection of business partners is presented.

Communities

Although the operations of IMMOFINANZ are decentralised, the engagement with the communities takes place at both the local and Group levels. The focus is on a variety of topics and current events. In 2022, these included above all the shocking war in Ukraine and the related humanitarian crisis. In this context, our local teams in the neighbouring countries worked closely with NGOs, local authorities and the national Red Cross to provide assistance as fast as possible.

Cooperation and initiatives

Over the years, IMMOFINANZ has developed a variety of partnerships throughout the industry. In the university sector, the company closely collaborates with the Vienna University of Technology (TU Wien), Stanford University and the Vienna University of Economics and Business (WU Wien). IMMOFINANZ entered into a research and development agreement with TU Wien and the project "ESG in Practice" was set up in collaboration with the Stanford University Mechanical Design department. Our Head of Group ESG also held a presentation in this context at the 15th International Facility Management Congress at TU Wien in November 2022. In addition, a cooperation project with WU Wien was launched in the first quarter of 2022. The objective of the project is to identify current and future tenant requirements of modern working environments.

IMMOFINANZ is also a member of numerous associations and institutions such as IG Lebenszyklus, Austrian Council of Shopping Places or Green Building Council and regularly engages with other companies and organisations.

Reporting – international standards and frameworks

IMMOFINANZ adheres to leading international standards in sustainability reporting. For example, the non-financial statement is published in accordance with the standards of the Global Reporting Initiative (GRI Universal Standards, see GRI Index, page 123). The key indicators reported are also based on the Sustainability Best Practices Recommendations Guidelines (2017) of the European Public Real Estate Association (EPRA, see EPRA Index, page 122). In addition, a full formal reporting to CDP was made for the first time in 2022. IMMOFINANZ also meets the legal requirements resulting from the EU non-financial reporting directive.

IMMOFINANZ follows leading standards and frameworks

Carbon Disclosure Project (CDP)	First full annual climate submission to CDP
Global Reporting Initiative (GRI)	Non-Financial Reporting in compliance with GRI Universal Standards
UN Global Compact	Member of the UN GLOBAL COMPACT committed to the UN SDGs
EU Taxonomy	Reporting meets the EU Non – Financial Reporting Directive; reported EU Taxonomy alignment of CapEx, OpEx and revenue for 2022
Sustainalytics	Further Improvement in ESG rating: Low risk with an ESG risk rating of 13.1 (on a scale from 0 to 100) by Sustainalytics
European Public Real Estate Association (EPRA)	EPRA Sustainability Best Practices Recommendations SILVER



IMMOFINANZ's sustainability management is aligned with the 17 Sustainable Development Goals (SDGs) of the United Nations and continuously advances the SDGs falling under its core business. By signing the UN Global Compact, IMMOFINANZ supports the world's largest sustainability initiative for businesses, thus confirming its social responsibility. IMMOFINANZ also proudly hosted this year's general assembly of the Global Compact Network Austria on the topic of sustainable supply chains. Representatives from business, society, academia and the public sector attended the event at the IMMOFINANZ headquarters at the myhive am Wienerberg site.

EU Taxonomy

As part of the voluntary disclosure of the non-financial statement, IMMOFINANZ also reports the information in accordance with the EU Taxonomy (see section EU Taxonomy, page 132).

Local authorities

Policymakers, especially at local level, are important partners in the implementation of construction-related measures and development projects. In this area IMMOFINANZ maintains professional contact with all parties involved and aims to take the concerns of the population as well as the respective overall urban development into account.

Governance

Introduction

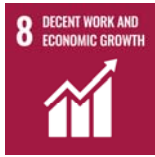
IMMOFINANZ's business model is oriented towards long-term, sustainable value creation that is aligned with environmental, economic and social considerations. For further information on this topic, please see the income statement, FFO, personnel expenses and the indicators for employees, economy and society.

The acceptance of gifts, corruption, bribery, discrimination, and conflicts of interest constitute a reputational risk and a risk of financial damage for IMMOFINANZ. In line with our zero-tolerance approach to bribery and corruption, several directives are in place to mitigate these risks. There are currently no indications of systematic corruption risks. We encourage awareness raising among employees via regular courses and anti-corruption training.

We have made a clear commitment to our social and societal responsibility and to respecting human rights through our membership in the UN Global Compact and recognition of its Ten Principles. A due diligence process to identify actual and potential human rights abuses along the value chain will be conducted in the future on a regular basis. We consider there to be a low risk in relation to human rights abuses of employees due to the prevailing legal situation in the countries in which IMMOFINANZ operates. The Group procurement directive and careful and responsible selection of suppliers helps us to further manage the risk of human rights abuses in the supply chain. The directive defines the rules and procedures for procurement for IMMOFINANZ.



Governance and ethics



Governance body

The Executive Board is responsible for IMMOFINANZ's strategic direction and company performance in relation to sustainability. The Supervisory Board supports and advises the Executive Board. Further details on the composition and working practices of the Strategy and ESG Committee, which was established by the Supervisory Board, are provided in the corporate governance report beginning on page 6. This corporate governance report also contains further information on governance diversity KPIs (Gov-Board, Gov-Select, Gov-Col).

Business compliance and ethics

Management approach

Impacts, risks and opportunities	Ensuring compliance with legal and voluntary obligations and principles Potential loss of reputation in case of non-compliance Potential convictions and fines
Policies and obligations	Compliance directives including Code of Conduct Code of Conduct Policy statement on respecting human rights
Objectives and targets	100% of the Executive Board and employees received training on ethics, compliance and ESG by 2022
Measures taken	Compliance training Anti-corruption training
Relevant key indicators	GRI 207-1 Approach to tax GRI 207-2 Tax governance, control and risk management GRI 207-3 Stakeholder engagement and management of concerns related to tax GRI 207-4 Country-by-country reporting

IMMOFINANZ employees are familiarised with the principles of the Corporate Code and the compliance guidelines in regularly held training sessions. During the past financial year, an interactive e-learning course on the handling of insider information was held for employees at the headquarters. In addition, all employees and the Executive Board were trained on compliance issues, also via an e-learning tool. This also covered how to recognize and act in the event of possible money laundering activity. In 2022, a Group-wide anti-corruption course was also carried out using an e-learning tool. The Supervisory Board is excluded from compliance training.

The Code of Conduct forms the basis for the fulfilment of our responsibility and for all business activities and decisions within the company. This code defines the basic principles and values for responsible corporate governance at IMMOFINANZ. It forms the basis for morally, ethically, and legally sound conduct of all employees of the Group. In particular, the Code of Conduct includes guidelines for respecting fundamental rights, integrity and fairness, for relationships with competitors, customers and associations as well as a ban on discrimination.

In addition, various Group directives and declarations have been adopted by the Executive Board. They apply to all employees of the company and Group companies and are communicated to them on a regular basis. All Group policies are available to all employees on the intranet.

The IMMOFINANZ compliance directive covers the legal prohibition on the use of insider information for insider trading and the unlawful disclosure of insider information. In addition to regular training sessions, the compliance officer is available to employees at any time to answer questions.

Advice on the implementation of the organization's policies and practices for responsible business conduct can be obtained from the persons responsible in the respective departments. The Corporate Legal Affairs and Compliance departments as well as the Legal department are responsible for monitoring new legislation and requirements in the areas of corporate and operative law.

Anti-bribery and anti-corruption

Management approach

Impacts, risks and opportunities	Ensuring ethical principles Avoidance of financial damage Reputational loss
Policies and obligations	Anti-corruption directive Management approach to tax compliance Tax risk management process DAC 6 EU Directive in accordance with the Mandatory Disclosure Regime (MDR)
Objectives and targets	100% of the Executive Board and employees trained on ethics, compliance and ESG by 2022
Measures taken	Anti-corruption training
Relevant key indicators	GRI 205-1 Operations assessed for risks related to corruption GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 205-3 Confirmed incidents of corruption and actions taken GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices GRI 207-1 Approach to tax GRI 207-2 Tax governance, control and risk management GRI 207-3 Stakeholder engagement and management of concerns related to tax GRI 207-4 Country-by-country reporting GRI 415-1 Political contributions

In accordance with the UN Convention against Corruption and the tenth principle of the UN Global Compact, IMMOFINANZ summarises all principles of conduct and requirements for dealing with corruption in its anti-corruption guideline. The goal of this guideline is to ensure that employees, business partners and customers act in accordance with the law, to prevent conflicts of interest from arising and to protect employees from criminal acts as well as to prevent damage to IMMOFINANZ's reputation due to inappropriate donations. The guideline includes regulations on the acceptance and granting of benefits, donations and sponsoring, the use of intermediaries and the prevention of money laundering.

The Group-wide anti-corruption course held in 2022 aimed to provide training on principles of conduct and ethical requirements using practical examples and to raise employees' awareness of potential conflicts of interest. It was attended by 100% of the employees and the Executive Board. The focus was on the definition of corruption, dealing with public officials and the private sector, gifts and benefits as well as consultants and intermediaries. Anti-corruption training is mandatory for all employees and is held on an annual basis. In addition, employees and other stakeholders can report relevant information or suspicions of corruption confidentially and anonymously via the specially established whistleblower system. (<https://immofinanz.whistleblownetwork.net/>). No confirmed cases of corruption were reported in the fiscal year 2022. There were also no legal proceedings pending due to anti-competitive behaviour or the formation of cartels and monopolies.

The management approach to tax compliance at IMMOFINANZ is based on a commercially-oriented tax strategy with the overriding goal of complying with applicable tax regulations in all of our countries in a transparent manner. This strategy is monitored by the Executive Board, and significant tax-relevant business transactions must be approved by the Executive Board each time.

In order to achieve this goal, the IMMOFINANZ internal tax department is integrated into all business-related processes. The tax department is staffed with experienced tax experts at the headquarters as well as in the local subsidiaries in our core countries. Reporting is made directly to the Executive Board and the tax department is involved in the approval process for relevant business decisions in a standardised manner.

The tax compliance process includes a four-eyes principle. In addition to internal controls, external advisers are also involved in the review process of tax returns.

In addition, tax risk reporting is collected quarterly throughout the Group and each individual company is critically analysed in terms of its tax risk level including ongoing reporting of all tax audits and litigation. This tax risk management process is also embedded in the Group-wide risk management function. The tax risk management process was audited in the fiscal year 2022 by a firm of certified public accountants in the form of a maturity analysis based on the legal requirements of the Austrian tax control system. The audit resulted in a very good assessment of the functioning of the tax risk management system.

The success of this low-risk approach has been evident in tax audits over the last decade, where no material findings have been identified.

As part of the ongoing assessment of tax returns, there are regular consultations with the relevant tax offices. In addition to regular telephone consultations, supplementary requests and questions are answered in writing via the tax office's online portal. In all communications with the tax authorities, care is taken to ensure that all questions are answered comprehensively, on time and in full.

In the event that errors are identified during the course of internal controls, comprehensive and timely disclosure is made in the form of corrected tax returns or – if legally required – by means of a voluntary disclosure to avoid penalty.

In addition to local tax requirements, IMMOFINANZ also carefully observes international reporting requirements. For example, a customised reporting process has been implemented to meet the requirements of the DAC 6 EU Directive in accordance with the Mandatory Disclosure Regime (MDR).

Until now, country-by-country reporting (CbCR) requirements did not apply to IMMOFINANZ, as the relevant revenue threshold of EUR 750 million was not exceeded. This changed in the 2022 financial year insofar as CPI Property Group acquired a majority shareholding in both IMMOFINANZ and SMMO, and revenue of the entire Group including IMMOFINANZ now exceeds this revenue threshold. Accordingly, at the end of 2022, a report for each individual company in the Group was submitted to the local tax authorities, stating that reporting according to the CbCR principles will be conducted for the 2022 financial year for the first time in 2023. This reporting obligation and the relevant deadlines will of course be met in 2023.

In addition, as in the past, comprehensive transfer price documentation is prepared annually in accordance with OECD principles.

As shown in the list of Group companies (section 8. of the consolidated financial statements) IMMOFINANZ now has only a very small number of subsidiaries in Cyprus and the Netherlands. These companies were acquired along with the underlying structures during historical portfolio purchases – predominantly before 2008 – and were not for the purpose of tax advantages. Until the point of liquidation, they are being held solely for corporate legal purposes and have no income. As part of a structural simplification programme that has been underway since 2015, the total number of consolidated companies has already been significantly reduced. The goal is to close all of these holding companies in Cyprus and the Netherlands. All income in the IMMOFINANZ Group – in particular rental income, capital gains and internal financial income – is generated and taxed exclusively in Austria and in the operating country companies.

IMMOFINANZ does not make political donations.

Data privacy and data protection

Management approach

Impacts, risks and opportunities	Ensuring that corporate conduct adheres to data protection law Protecting the rights of data subjects Potential data protection violations and financial penalties
Policies and obligations	Data protection directive IT directive (data security) General Data Protection Regulation (GDPR)
Objectives and targets	100% of employees received training
Measures taken	Interactive online training on data protection, IT directive and cybersecurity Implementation of operational measures for monitoring and reaction to data protection violations and cyber attacks Initiative for data classification and risk assessment
Relevant key indicators	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

IMMOFINANZ dealt proactively with the increased requirements for the protection of personal data resulting from the General Data Protection Regulation (GDPR), which came into force in May 2018. This regulation not only entails an extensive expansion of the obligations of those responsible and the rights of those affected, but also a very substantial increase in the penalties for data protection violations. Compliance with applicable data protection regulations is therefore essential for IMMOFINANZ and a legal requirement.

The measures and investments required to implement the GDPR were defined and implemented by the Corporate Legal Affairs and Compliance, Legal and IT departments, together with all business units.

The data protection guideline sets out mandatory requirements for the processing of personal data in accordance with data protection standards and the associated obligations of all IMMOFINANZ employees. Compliance with this guideline is intended to ensure that the company acts in accordance with data protection law, in particular to safeguard data subject rights, define processes for dealing with these data subject rights and avoid financial penalties resulting from data protection violations.

The IT guideline forms the basis for data security as well as responsible and cost-conscious use of the information technology facilities. It also regulates, among other things, access to IT systems, usage of IT resources and smartphones and the procedure for dealing with IT security incidents. The guideline is an integral part of employment contracts.

Part of the organizational measures to protect data and ensure compliance with data privacy law is mandatory training of employees by the data protection coordinator. In the past fiscal year, another interactive online training course was held on the topics of data protection, the IT directive and cybersecurity. In the event of more extensive changes to existing systems or the introduction of new applications, internal and external reviews are also carried out. For the 2022 financial year, IMMOFINANZ is not aware of any substantiated complaints, either from third parties or regulatory authorities, regarding breaches of customer data protection.

Risk management

IMMOFINANZ has established a Group-wide risk management system. The risk catalogue includes, among others, environmental, governance and social risks. In recent years, IMMOFINANZ has placed a special focus on the identification of existing climate risks in the portfolio and their mitigation. These climate risks are identified and analysed by internal and external experts based on annually updated climate models for each location. While the area of natural hazards has already been taken into consideration in the past and IMMOFINANZ insures its properties against damage resulting from natural hazards, climate change poses new risks (see climate risk analysis, page 79) that require increased attention for mitigation. The risk position of IMMOFINANZ is addressed in detail in the risk report beginning on page 55.

Climate and environment

Introduction

The acute climate crisis and the associated economic and ecological impacts are the most pressing challenges of our time. As one of the leading commercial property groups in Central and Eastern Europe with a property portfolio totalling EUR 5.2 billion, IMMOFINANZ is aware of its responsibility. Our stakeholders also place high priority on environmental issues. Sustainable and energy-efficient properties that meet the criteria of the EU Taxonomy will therefore become an even greater focus for tenants in the future – with potential effects on occupancy, rental income and property valuations.

In the past year, we focused on improving our CO₂ footprint. Reducing our greenhouse gas emissions is a key strategic priority in this respect. In 2022, we also succeeded in reporting our Scope 3 data for the first time and in significantly improving data quality. We aim to be a reliable partner for our tenants on their path to decarbonisation.

We are making an important contribution to the fight against climate change with our Net Zero Emission Strategy. By 2030, we aim to reduce all greenhouse gas emissions by 60% compared to 2019.

In addition to the CO₂ reduction targets, we continuously work to improve our energy efficiency and to increasingly use renewable energies. Furthermore, we are also taking measures in the areas of building circularity, life cycle management and green mobility. Biodiversity and responsible land use are also among the material topics identified in the area of “Green and climate resilient buildings”.

IMMOFINANZ collects and analyses consumption data and resulting CO₂ emissions from its portfolio as described on the following pages. This data forms the starting point for monitoring the portfolio, based on which technical building and energy audits are conducted and efficiency improvement measures are implemented. The data also serves as the basis for all measures taken to achieve long-term climate neutrality for our portfolio.

In addition, sustainability certifications for development projects and standing investments will be increased. The certifications reduce environmental risks and help to increase the degree of more environmentally friendly space utilisation as well as improving efficiency.

Climate risk analysis

The climate crisis poses numerous risks to the business, at both an operational and strategic level. These climate risks can be roughly divided into physical and transition risks. Physical risks include, for example, droughts, floods or severe storms, but also permanent effects such as the rising sea level or increasingly longer periods of heat. Transition risks are risks arising from economic change. For example, some business models will no longer be successful in the future due to new technologies, rising CO₂ prices or changes in consumer behaviour.

Based on the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD), IMMOFINANZ carried out climate risk analyses for a large number of its properties last year.

IMMOFINANZ used Blue Auditor, an integrated and holistic ESG management platform, to assess physical climate risks and additional ESG indicators. In this process, both individual projects and the entire portfolio were taken into account. The results are incorporated in IMMOFINANZ's EU Taxonomy assessment as well as the company's broader ESG strategy, including climate change adaptation plans.

In response to the identified climate risks, IMMOFINANZ works closely with its tenants and wants to be a reliable partner in this context. The joint plans include in particular the reduction of the Scope 3 emissions, the transition to the net zero path and the implementation of the green lease strategy.

Green and climate resilient buildings



CO₂ reduction

Management approach

Impacts, risks and opportunities	<p>Material contribution to achieving the 1.5 °C target by transforming the portfolio to zero-emission and climate-resilient assets.</p> <p>Physical impacts of climate change on buildings due to longer dry and hot periods of drought and heat</p> <p>Rising carbon pricing</p> <p>Lower demand for CO₂-intensive and energy-inefficient buildings</p> <p>Climate lawsuits</p>
Policies and obligations	<p>Net Zero Emission Strategy</p> <p>CDP reporting</p> <p>Green lease strategy</p>
Objectives and targets	<p>Absolute emissions reduction by 60% (Scope 1, 2 and 3) by 2030 (baseline 2019)</p> <p>Net zero emissions (Scope 1, 2 and 3) per sqm of controlled area¹ by 2030</p> <p>Net zero by 2040 (Scope 1, 2 and 3)</p> <p>Alignment of ESG risk assessment with the Task Force on Climate-related Financial Disclosures (TCFD) by 2023</p>
Measures taken	<p>Calculation of total greenhouse gas emissions as a basis for the preparation of CapEx plans</p> <p>First Scope 3 analysis in 2022</p> <p>Full disclosure to CDP</p> <p>Entire portfolio was analysed and reported for EU Taxonomy alignment</p> <p>Development of the green lease strategy and rollout of a pilot project</p>
Relevant key indicators	<p>GRI 305-1 Direct (Scope 1) GHG emissions</p> <p>GRI 305-2 Indirect energy-related GHG emissions (Scope 2)</p> <p>GRI 305-3 Other indirect GHG emissions (Scope 3)</p> <p>GRI 305-4 GHG emission intensity in tCO₂e/sqm</p> <p>CRE 3 GHG intensity of buildings</p> <p>EPRA GHG-Int, GHG-Indir-Abs, GHG-Dir-Abs</p> <p>Taxonomy:</p> <ul style="list-style-type: none"> - Number of assets - Area (GLA) - CapEx, OpEx, turnover

¹ Area over which IMMOFINANZ can exercise influence.

A strategic goal for the coming years is the further development of our energy and sustainability management and the consistent implementation of our Net Zero Emission Strategy. This strategy includes solid and specific targets and milestones. The main goals are to reduce all climate-damaging greenhouse gas emissions (e.g. CO₂, methane, etc.) by 60% by 2030 compared to 2019 and to make common areas and portfolio space managed by IMMOFINANZ emission-free. By 2040, the entire value chain, including construction and renovation measures, is projected to be emission-free.

To this end, all greenhouse gas emissions will be significantly reduced, and only technologically unavoidable residual emissions will be compensated through offset measures. The transition plan will be reviewed at five-year intervals up to 2040 to drive the related measures, seize opportunities and report to all our stakeholders on the progress and status target achievement.

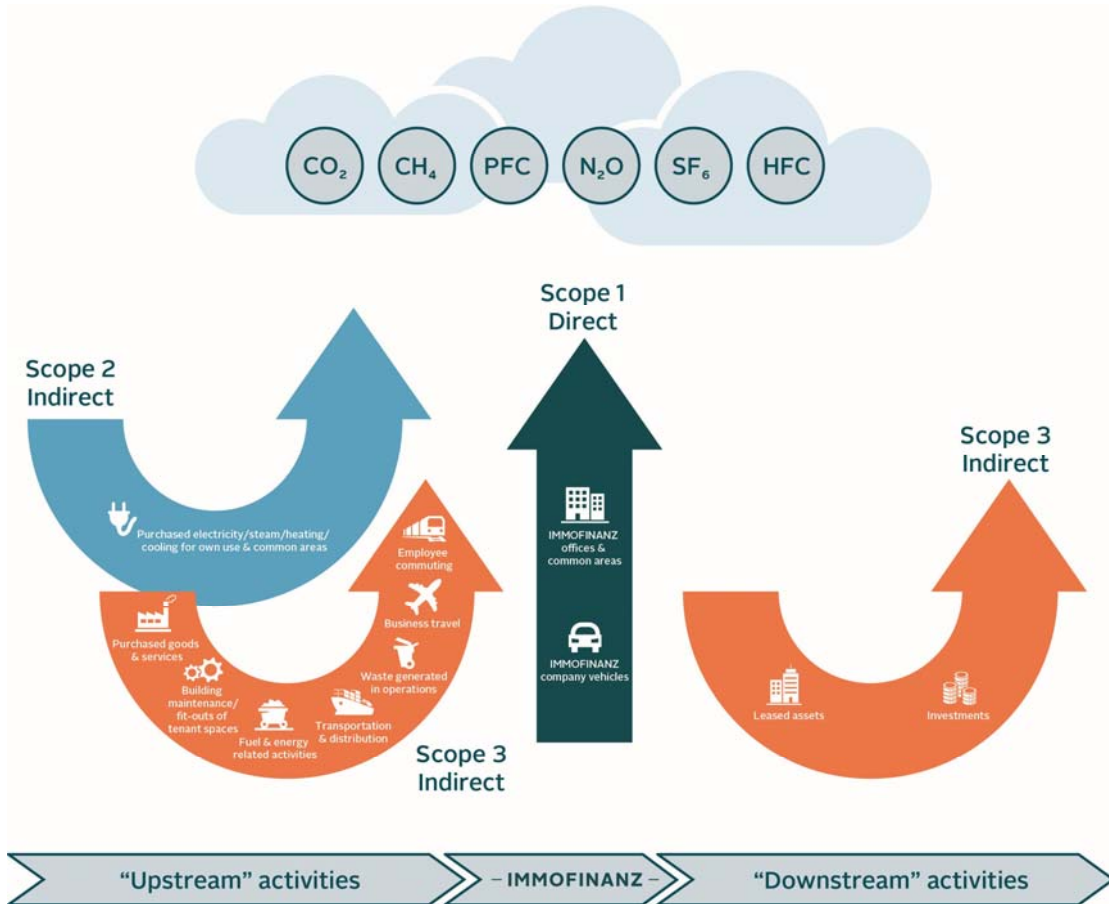
The GHG emissions baseline is disclosed for the first time as part of the NFI report this year. In the reporting year, the 2019 baseline was adjusted and the retail portfolio acquired from CPI Property Group in the third quarter of 2022 was added. This adjustment was made on a pro-rata basis, as the acquisition of the portfolio took place in multiple steps throughout the year. Consequently, only data for three months of 2022 was included in the baseline. We plan to make a further adjustment to the 2019 baseline as soon as a full year of ownership has been reached. In addition, we continuously monitor any structural changes and assess whether these require an additional adjustment of the baseline.

In previous reporting periods, IMMOFINANZ allocated all GHG emissions to Scopes 1 and 2. This was because our data was not sufficiently granular to distinguish between emissions which should fall under Scopes 1 and 2 and emissions that could be allocated to Scope 3, Category 13, Downstream Leased Assets. In addition, we had not conducted a Scope 3 screening or a calculation for the other Scope 3 categories. For this reporting year, we conducted a full Scope 3 analysis for the first time and presented all relevant categories. Based on a detailed analysis of the landlord and tenant spaces, we were able to also allocate emissions to Scope 3, category 13, Downstream Leased Assets. It is therefore not possible to compare the individual categories or total emissions in this table.

The key levers in reducing IMMOFINANZ's greenhouse gas emissions are the electrification of heating systems and the vehicle fleet, the expansion of photovoltaic systems, and the switch to renewable energies, in terms of both the energy purchased by the company and tenants' energy consumption.

The green lease strategy is one of the measures taken as part of the transition plan. A green lease is a lease intended to enable both the tenant and the landlord to use or manage a leased property in a way that is as sustainable as possible. The advantages of green leases include cost savings due to lower consumption on the one hand, while contributing to environmental and climate protection through a reduction of emissions and waster on the other; this in turn makes the property more attractive for financing or a sale. IMMOFINANZ has defined eight goals as part of its green lease strategy and developed specific measures to achieve these goals. The expansion of photovoltaic systems and the focus on green energy were also identified as key drivers in this area.

Emission categories (scopes) according to the Greenhouse Gas Protocol



In Scope 1 all emissions directly caused by operations (e.g. gas boilers or vehicle fleet) are taken into account. Scope 2 covers "upstream" activities; these include emissions from the consumption of purchased energy for own use or for common areas. Scope 3 includes all emissions not directly attributable to the company. They include, for example, emissions from purchased goods and services, business travel and all emissions caused by tenants.

No ozone-depleting substances, nitrogen oxides (Nox), sulphur oxides (Sox) or other significant air emissions are emitted.

In 2022 we reduced our greenhouse gas emissions (market-based) by 38% in comparison with the 2019 baseline. IMMOFINANZ's total CO₂ equivalent emissions (market-based) amounted to 176,000 tonnes in the reporting period, compared to 283,000 tonnes in 2019. The following table shows the split of emissions in Scopes 1, 2 and 3:

CO₂ emissions IMMOFINANZ

Category	2022				2019			
	Market-based in t CO ₂ e	Emission intensity market-based in kg CO ₂ e/sqm _{GLA}	Location-based in t CO ₂ e	Emission intensity location-based in kg CO ₂ e/m ² _{GLA}	Market-based in t CO ₂ e	Emission intensity market-based in kg CO ₂ e/sqm _{GLA}	Location-based in t CO ₂ e	Emission intensity location-based in kg CO ₂ e/m ² _{GLA}
Scope 1	2,397	1	2,397	1	2,559	1	2,559	1
Scope 2	7,576	3	31,454	14	21,653	9	32,716	13
Scope 3	165,663	72	249,078	108	259,046	106	270,320	111
IMMOFINANZ	175,637	76	282,930	122	283,257	116	305,594	125

CO₂ emissions S IMMO

Information on S IMMO's key CO₂ figures are available on the website of S IMMO (www.simmoag.at/en/sustainability.html).

Energy efficiency

Management approach

Impacts, risks and opportunities	Creating transparency towards our stakeholders Lower operating costs due to reduced energy consumption Higher energy consumption due to extreme weather events, e.g. increased cooling
Policies and obligations	EU Taxonomy Technical Building Audit based on a modular system in accordance with ÖNORM EN 16247 Building certifications according to BREEAM and LEED Ongoing energy data management
Objectives and targets	Energy efficiency refurbishments at an annual minimum rate of 5% of the total gross lettable area (GLA) Digitalisation of consumption data and rollout of smart metering by 2025
Measures taken	Screening and analysis of energy performance certificates of the entire portfolio Climate-resilient construction, e.g. architectural features providing shade, green facades Exchange of cooling systems with heat recovery using refrigerants with limited global warming potential Implementation of structural and technical building optimisations
Relevant key indicators	GRI 302-1 Energy consumption within the organisation GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption CRE 1 Building energy intensity CRE 8 Sustainability certification Cert-Tot Type and number of sustainably certified assets EPRA Elec-Abs, Elec-Lfl, DH & C Abs, DH&C Lfl, Fuels-Abs, Fuels-Lfl, Energy-Int

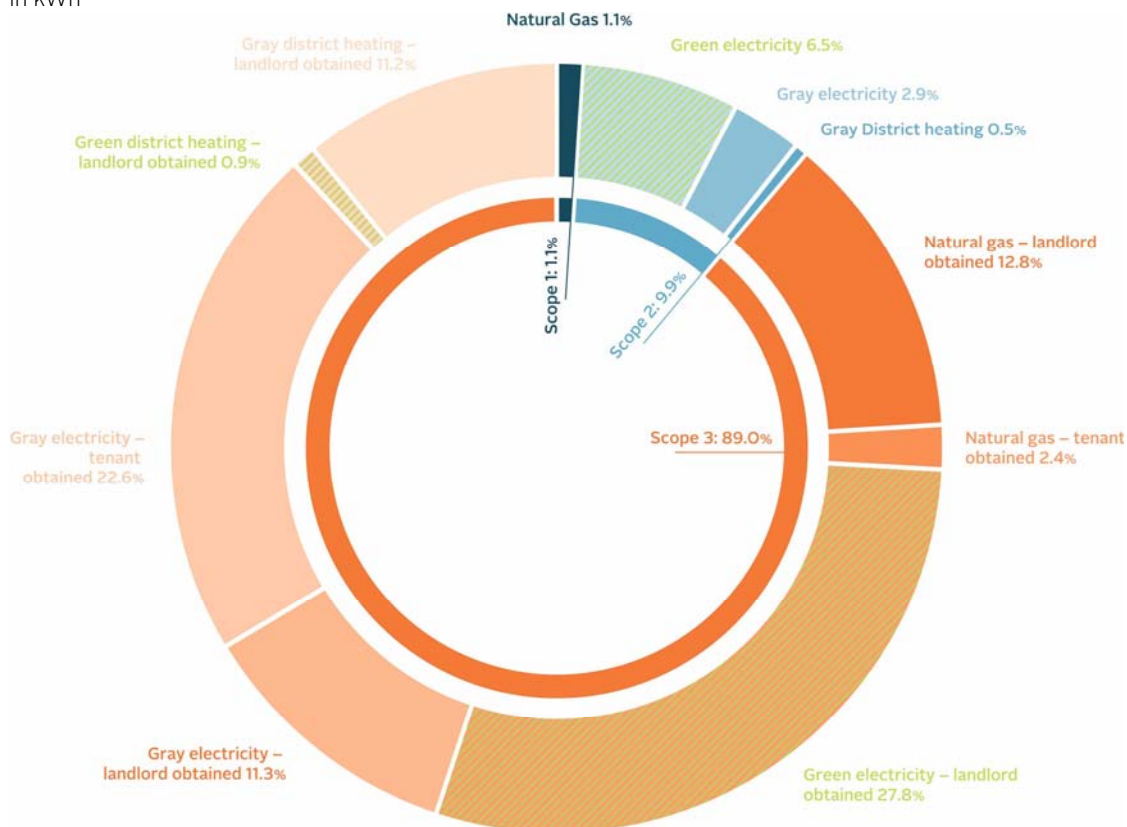
Buildings are a major source of emissions. IMMOFINANZ therefore relies on continuous measures to ensure and improve the energy efficiency and to avoid greenhouse gas emissions of its standing investments and avoid greenhouse gas emissions as much as possible (GHG, see risk report, beginning on page 55). With respect to development projects, we are responding to this challenge by an efficient use of resources, ensuring that operations are carbon-neutral and considering potential climate changes at an early stage through climate risk analysis.

Continuous energy management is carried out in cooperation with the property and facility managers. Energy management essentially comprises the regular services in the day-to-day business (e.g. energy controlling), the development of optimisation measures and their implementation. IMMOFINANZ's goal is to continually reduce the use of resources by means of energy-saving measures and responsible energy utilisation while maintaining or improving the quality of building usage. Potential energy saving measures are regularly evaluated and implemented in the process. Examples include the implementation of combined heat and cooling plants or upgrading variable volumetric flow controllers to enable demand-oriented ventilation.

IMMOFINANZ is currently working on digitally and centrally recording all energy consumption data such as electricity, cooling, heating, water or natural gas. The collected data can then be linked nearly in real time, profound and reliable analyses can be made fully automatically and, if necessary, corrective action can be taken to improve energy efficiency and thus further reduce energy costs in the long run.

Split of energy sources for building operation

in kWh



After auditing 21 standing investments in the 2021 financial year, 20 standing investments in Austria, Germany, Serbia and Poland with total lettable space of approximately 225,000 sqm were audited as planned in 2022; subsequently, both constructional and technical building optimisation measures will be implemented supported by energy analyses.

Due to the expansion of energy data management, the degree of coverage of buildings could be increased to 100% in 2022.

Total consumption shows a slight upward trend of approximately 10%. This is caused by the higher coverage rate (data from more buildings) and by a higher occupancy rate as result of the abolition of most COVID-19 measures. The completion of new developments in Poland and Croatia as well as the acquisition of 36 retail properties in the third quarter of 2022 also contributed to the increase. Overall, CO₂ emissions caused by the operation of our properties were reduced by around 38% compared to the 2019 baseline year by switching to electricity from renewable sources or the purchase of CO₂ certificates.

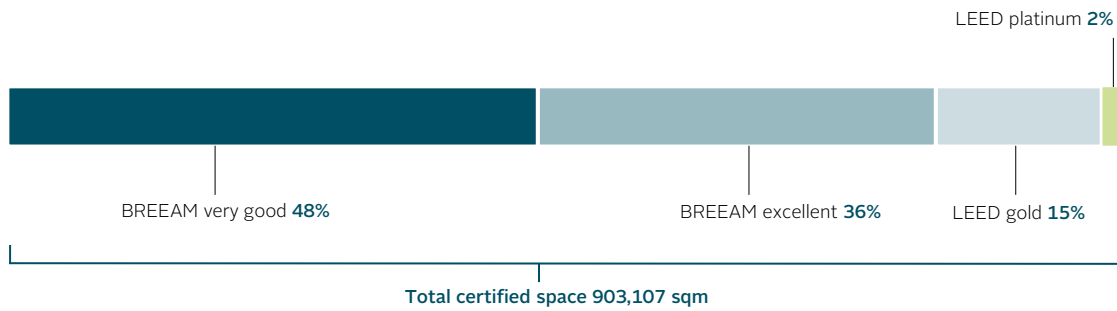
Details on energy consumption can also be found in the table on pages 110–111.

IMMOFINANZ has defined a comprehensive catalogue of requirements for the evaluation of existing buildings and technical facilities based on a modular system. The individual modules in this Technical Building Audit relate to specific key points, such as health & safety, energy efficiency and structural engineering. An ESG module has now been added to the scope of work to address environmental risks in addition to financial, legal, cultural, commercial and technical aspects.

Development projects and standing investments in the office and retail segment are to be certified in accordance with environmental standards. For office buildings BREEAM and LEED certifications were used, shopping centers and retail parks should primarily receive a certification according to BREEAM. BREEAM (BRE Environmental Assessment Method) is the leading and most common certification method for buildings.

As planned, the proportion of certified space was significantly increased in the 2022 financial year. Several office buildings in Vienna, Bucharest and Zagreb received BREEAM certifications of the categories “Excellent” and “Very Good”. Various office buildings in Prague received LEED certification in the “Gold” category. In addition, all STOP SHOP locations in Serbia and a shopping center in Romania received BREEAM certification of the categories “Excellent” and “Very Good”.

Shares of certification categories



The certified space at the end of 2022 summed up to approximately 903,107 sqm or 41.9% of the total area of the standing investment portfolio (compared with 768,320 sqm or 36.6% at the end of December 2021). This corresponds to an increase by 17.5% compared to the previous year. At the end of 2022 an additional 12 properties with total space of 134,800 sqm were in the process of being certified or undergoing preparations for certification. The certificates for these buildings are expected to be issued during 2023. At the end of 2022, approximately 83.4% of the lettable office area was certified or undergoing preparation for certification.

Total certified lettable area by type of use



The share of certified space of commercial standing investments of S IMMO amounts to 45%. The majority of buildings have been awarded with BREEAM certificates.

Renewable energy

Management approach

Impacts, risks and opportunities	Conversion to renewable energies as an important contribution to the Net Zero Emission Strategy “Clean” and green alternatives to gas are more cost-effective than conventional energy sources in the short and medium term Potential reputational damage due to high CO ₂ emissions among various stakeholders (banks, tenants, investors, etc.) Potential higher CO ₂ emissions block transformation
Policies and obligations	Net Zero Emission Strategy Phase-out of fossil fuels
Objectives and targets	100% renewable electricity supply for controlled space ¹ by 2024 60% STOP SHOP rooftops equipped with photovoltaic systems by 2030 100% renewable energy supply for controlled space ¹ by 2030 (electricity, water, etc.)
Measures taken	Energy efficiency refurbishments Installation of photovoltaic systems Conversion of electricity supply to renewable energy sources
Relevant key indicators	GRI 302-1 Energy consumption within the organisation GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption CRE 1 Building energy intensity

¹ Areas over which IMMOFINANZ can exercise influence.

IMMOFINANZ is implementing a large-scale programme of measures to reduce greenhouse gas emissions in order to meet the ambitious target of its Net Zero Emission Strategy. For example, at least 5% of the property portfolio (GLA) will undergo deep energy efficiency refurbishments each year. IMMOFINANZ will also massively expand its own renewable energy production by installing photovoltaic equipment on the rooftops of its STOP SHOPS and other retail parks and equipping all new locations solely with photovoltaic systems. In 2022, our installed photovoltaic systems already produced more than 600 MWh of green energy. 100% of the electricity for all spaces controlled/supplied by IMMOFINANZ will come from renewable sources by 2024; all other energy sources will be renewable by 2030. Moreover, refrigerants with high global warming potential will be replaced. IMMOFINANZ is in close contact with its tenants and through green lease contracts supports the transition to the energy-efficient and resource-saving use of leased areas.

Photovoltaic systems			2022			
Location	Country	Asset class	Total capacity installed in KWp	Total energy produced in 2022 in KWh	Total space of photovoltaic systems installed in sqm	Full potential of photovoltaic systems in sqm
STOP SHOP Stockerau	Austria	Retail	378	363,860	1,683	4,000
Dresdnerstrasse	Austria	Office	31	14,018	150	-
STOP SHOP Bratislava Raca	Slovakia	Retail	239	244,301	1,395	5,800

In 2023 IMMOFINANZ plans to install photovoltaic systems with a capacity of up to 10 MWp in Austria, Croatia, the Czech Republic, Hungary, Serbia and Slovenia.

Building circularity and life cycle management

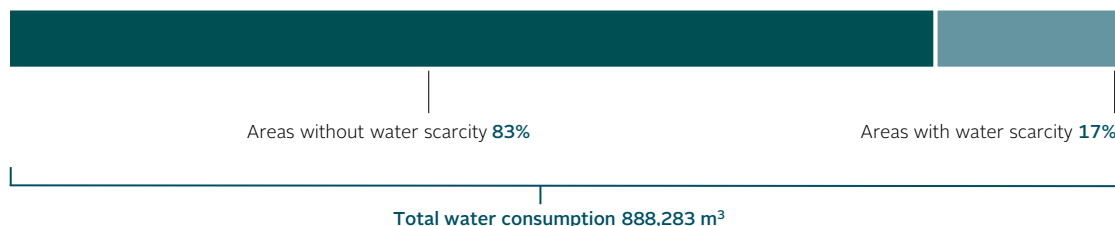
Management approach

Impacts, risks and opportunities	Use of pollutant-free construction materials to avoid environmental damage
	Responsible use of resources
	Loss of value due to insufficient information on materials used
	Potentially higher consumption of resources leads to pressure on raw materials and biodiversity as well as higher CO ₂ emissions
Policies and obligations	Potentially higher waste generation with low circularity
	Standardised building equipment specifications
Objectives and targets	Compliance with minimum requirements of building certifications for new buildings or renovations
	Development of a specific circular economy plan considering the EU Taxonomy by 2025
	Reduction of water consumption
Measures taken	Reduction of waste
	Installation of rainwater utilisation plants
Relevant key indicators	Use of cradle-to-cradle products such as carpet tiles
	GRI 303-1 Water as a shared resource
	GRI 303-3 Water withdrawal
	GRI 306-1 Waste generation and significant waste-related impacts
	GRI 306-2 Management of significant waste-related impacts
	GRI 306-3 Waste generated
	GRI 306-4 Waste diverted from disposal
	GRI 306-5 Waste directed to disposal
	CRE 2 Building water intensity
	EPRA Water-Abs, Water-Lfl, Water-Int, Waste-Abs, Waste-Lfl

Usage of construction materials containing harmful substances can have a negative impact on the environment during development projects or refurbishments. IMMOFINANZ takes precautions to ensure sustainable construction and careful selection of its business partners through highly standardised building equipment specifications. In 2022, for example, all newly built mycowork spaces throughout the Group were furnished with cradle-to-cradle carpet tiles. The cradle-to-cradle principle describes a closed cycle of raw materials based on the model of nature, where all raw materials of a product remain in the cycle after the usage period and can be reused. When developing office space, we rely on system partition walls for tenant fit-out which can be moved according to tenants' needs. This way, no waste is created when conventional (e.g. plasterboard) partitioning walls are taken down or reinstalled. Moreover, the implementation of service water utilisation systems in the portfolio has begun, so that rainwater can be used for irrigation.

The consequences of climate change make it increasingly difficult to predict the availability of water. Acute extreme weather events such as droughts, heavy rain or floods have become more frequent over the past years. Although IMMOFINANZ's own consumption of water and energy and the environmental impact resulting from the operation of its own office locations constitute only a small proportion of the total portfolio, the company nevertheless aims to further minimise its water consumption. For monitoring and managing of direct impacts, the key indicators are therefore collected and reported separately. Water consumption amounted to 888,283 m³ in 2022. Of this, 146,721 m³ of water was sourced from areas with water scarcity in Romania and Serbia. For the definition of areas with water scarcity, the climate risk analysis of each location was used via our ESG management platform, Blue Auditor.

Water consumption in areas with and without water scarcity



Green mobility

Management approach

Impacts, risks and opportunities	Enabling the transformation towards green mobility through installation of e-charging stations Pioneering role regarding the trend towards e-mobility; expansion of infrastructure to the extent of future needs Unattractiveness of locations due to lack of e-mobility Failure to achieve the net zero target due to slow transformation to green mobility
Policies and obligations	Car policy with incentive to use e-mobility
Objectives and targets	Creation of relevant infrastructure to enable conversion to environmentally friendly mobility
Measures taken	Installation of e-charging stations
Relevant key indicators	Number of charging stations

Climate targets cannot be achieved alone. It also takes our tenants, employees and suppliers to accomplish emission reductions, make our shopping centers fit for the future and embrace a lower-carbon lifestyle. IMMOFINANZ supports the transformation towards e-mobility and the use of renewable energies and aims to play a pioneering role in providing the necessary infrastructure for this. The goal is therefore to continuously expand the number of charging stations for electric vehicles, with 435 charging stations already available at the Group's locations at the end of 2022. This way, we want to contribute to CO₂ reduction, while ensuring that IMMOFINANZ's properties remain preferred places for shopping and working given the increasing trend towards e-mobility.

In cooperation with the charging station operator AMIC Energy powered by SMATRICS, IMMOFINANZ is continuously increasing the offer of fast charging stations at the STOP SHOP locations in Austria. The offering has thus been extended to the locations in Simmering and Stadlau in Vienna as well as to Tulln-Langenrohr. Most recently, the location in Stockerau was equipped with an ultra-fast charging station. The remaining 13 STOP SHOP locations in Austria will follow. Furthermore, the offering of e-charging zones will be expanded by a total of 39 stations for office tenants at the myhive location am Wienerberg in early 2023.

In Romania, a Tesla fast charging station has been installed on the premises of the VIVO! shopping center in Cluj-Napoca. An expansion of the offering is also planned in 2023.



STOP SHOP Stockerau, Austria, from left to right: Leon Vakovits, Lead Asset Management Retail Austria & Slovenia, Kathrin Goegele-Celeda, Country Manager Austria & Adriatic, Günter Maier, Managing Director AMIC Energy, Ronald Lausch, Head of Sales SMATRICS

myhive Urban Garden Vienna | AT |
Approx. 17,600 m² gross lettable area with a green facade
and numerous green spaces



Biodiversity and responsible land use

Management approach

Impacts, risks and opportunities	Responsible management of soil sealing Measures to preserve biodiversity Minimisation of impact and compensation measures Recultivation and improvement of biodiversity Non-compliance leads to vulnerable ecosystems, pressure on biodiversity remains high Clean environment depends on biodiversity
Policies and obligations	Biodiversity strategy
Objectives and targets	Support of local ecosystems by transforming the environment of properties Definition of criteria for biodiversity management in the entire portfolio Consideration of the EU Taxonomy by 2024
Measures taken	Urban forest project based on the Miyawaki afforestation method Green spaces, green terraces and facades, etc. Keeping bee colonies
Relevant key indicators	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas GRI 304-2 Significant impacts of activities, products, and services on biodiversity GRI 304-3 Habitats protected or restored GRI 304-4 IUCN (International Union for Conservation of Nature) Red List species and national conservation list species with habitats in areas affected by operations

In its risk report for 2023, the World Economic Forum ranks global risks by their short and long-term severity. According to the report, biodiversity loss and ecosystem collapse consequently represent the fourth largest risk for our planet over a timeframe of ten years. The interconnections between the economy and the environment are more tangible than ever. Against this backdrop, IMMOFINANZ is working on the development of a biodiversity management strategy and has already implemented first measures.

One example in this area is the myhive Urban Garden office project in Vienna, which is scheduled to be completed in August 2023. An office oasis with living room character is being created on an area of approximately 15,000 sqm. The project takes sustainable working to the next level and will be subject to BREEAM certification once completed. It features several green spaces as well as state-of-the-art and energy-efficient technology. Green facades, roofs and terrace landscapes, gardens and green oases in the offices provide a feel-good atmosphere and an attractive microclimate for tenants. In addition, tenants commit to responsible energy consumption and the greatest possible waste avoidance. Myhive Urban Garden thus offers tenants a perfect work-and-life balance while at the same time supporting the implementation of IMMOFINANZ's Net Zero Emission Strategy. The entire energy demand of the property is covered by green electricity from renewable sources. Facilities also include public e-charging stations and a mobility concept offering the option to use e-scooters and e-bikes. The property's primary energy efficiency will be class A and currently meets the criteria of EU Taxonomy alignment.

In cooperation with local beekeepers, IMMOFINANZ has been placing beehives on the rooftops of its properties for several years now to support biodiversity and the enrichment of local ecosystems. The tenants can then enjoy the harvested honey. More than 100,000 bees have been settled on the rooftop of myhive Vajnorská in Bratislava alone.

myhive Vajnorská | SK | Biodiversity
Our beehives enrich the local ecosystem.



myhive Urban Garden Vienna | AT |
Approx. 17,600 m² gross lettable area with a green facade
and numerous green spaces



Moreover, the first test pilot for an urban forest project based on the Miyawaki afforestation method was launched at a STOP SHOP in Serbia in the financial year 2021. This is a method for creating small urban forests, whereby the plants only receive sunlight from above and therefore grow upwards more strongly than outwards. In addition to creating small urban forests for the population, the main targets are the preservation of biodiversity as well as the improvement of air quality and the increase of water holding capacity of the soil. In 2023, the expansion of the urban forest project to two more STOP SHOP locations in Serbia is planned.

STOP SHOP Lazarevac | RS |

Urban Forest project according to the Miyawaki afforestation method



Social

Introduction

Our society is faced with multiple crises, including the war in Ukraine, the energy crisis, climate change, extreme weather events, as well as supply chain disruptions and ongoing inflation. These multiple crises and the complex challenges they present have a strong impact on the business world and require a high level of adaptability. Our tenants and employees are also affected by these developments, such as by the rising cost of living, which was classified as the highest risk for the next two years in the current risk report of the World Economy Forum.

In times like this, IMMOFINANZ wants to remain a reliable partner and employer and make a sustainable contribution to customer and employee satisfaction. IMMOFINANZ has a number of ways to contribute to a more sustainable world. On the customer side, we achieve this via a high level of customer orientation and the creation of socially sustainable spaces. We offer our employees numerous opportunities for professional and personal development and see benefits such as workplace health promotion or flexible working models as a matter of course. We also play our part in society and work continuously to increase the standards along our value chain in terms of sustainability and transparency.

Socially sustainable spaces and customer centricity



Customer centricity

Management approach

Impacts, risks and opportunities

Tenant loyalty and attraction of new tenants through high customer satisfaction
 Reduced demand for unsustainable products
 Unfavourable environments affect the health and well-being of users

Policies and obligations

High degree of customer orientation and proactive letting management
 Catalogues of criteria for planning, facilities and design
 Investment in product quality and further development of innovative products
 Temporary support agreements in case of crisis, e.g. rent reductions

Legal building and safety regulations

Objectives and targets

Conduction of regular customer satisfaction assessments
 Customer-oriented operations with services tailored to our tenants' needs
 Consistent focus on customer needs and sustainability requirements

Measures taken

Innovative property portfolio;
 broad tenant mix and needs-oriented, individual property solutions; regular tenant surveys and regular communication

Relevant key indicators

GRI 416-1 Assessment of the health and safety impacts of product and service categories
 GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
 EPRA H&S-Asset

An important strategic focus is on tenant retention through high customer satisfaction as well as the acquisition of new tenants. IMMOFINANZ achieves this, among other things, through a diversified property portfolio, that is structured according to a clearly defined brand policy:

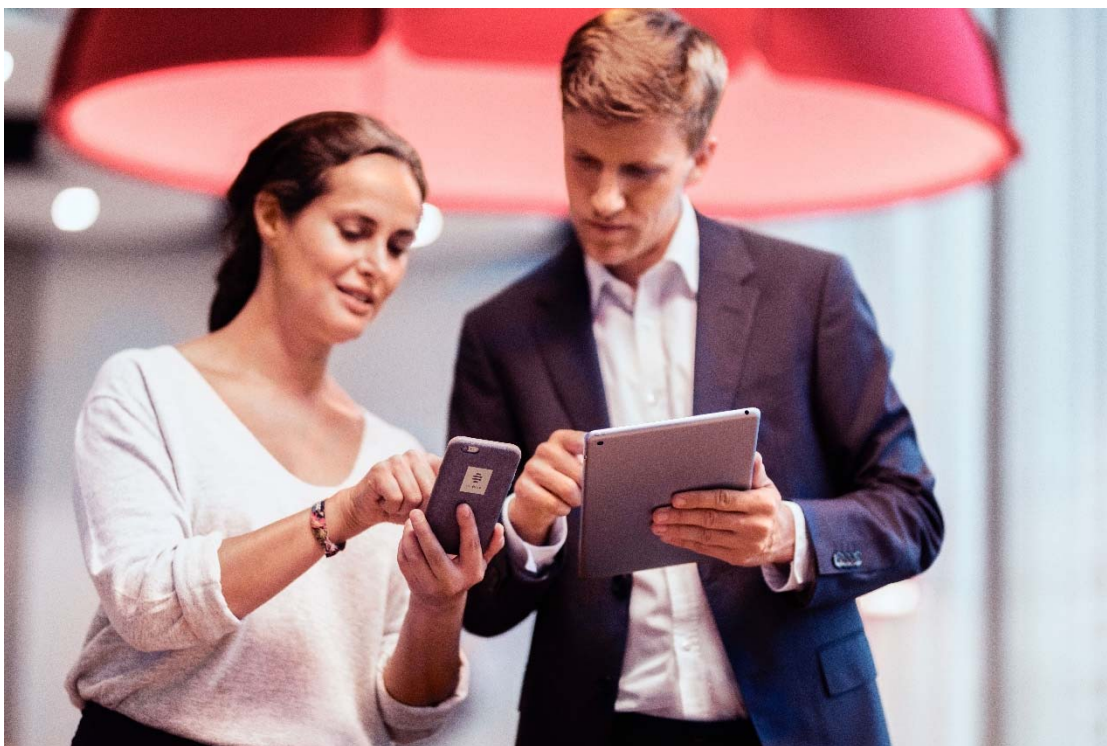
- **myhive** embodies the flexible office of the future and offers a modern and sustainable working environment for companies of all sizes.
- **STOP SHOP** is our brand for retail parks in Central and Eastern Europe. A friendly and convenient local supplier offering a wide range of goods at an attractive price-performance ratio.
- **VIVO!** is our brand for shopping centers with a valuable recognition value.

All our brands are a promise of quality to tenants and create security and trust.

The diversity of our real estate portfolio is reflected in the broad tenant mix from the office and retail sectors. Our property solutions range from individual myhive desks for one month to long-term contracts covering areas of over 30,000 sqm. We offer all of our tenants property solutions tailored to their respective needs, regardless of whether they are individual entrepreneurs or large corporations. Innovative developments in our portfolio such as our new flexible myhive products are a result of close and regular contact with our tenants.

We support our tenants with a wide range of information and advice. We help potential tenants to explore their individual needs in terms of space and facilities. Existing tenants are supported on a day-to-day basis by property and facility managers in all property-specific matters. We are also continuously working to further increase customer satisfaction and user experience through digitalisation measures. Another important step is the introduction of green leases for our portfolio (see green lease strategy, page 96).

In addition to individual discussions with tenants, regular tenant surveys have been conducted for several years to evaluate customer satisfaction in the office sector. Site-specific optimisation measures are derived from the results. Suggestions and requests from various tenant surveys have also been incorporated into the design of new product offerings, such as the increased flexibility at myhive. In addition, community managers act as a central interface for the wishes and suggestions of tenants and their employees. The cross-border myhive app provides information about all news in the respective office building and the myhive community, facilitates communication with experts from other companies at the location and supports central IMMOFINANZ services provided by, for example, a direct feedback tool. This makes it possible to communicate registrations for events, suggestions and requests or damage reports quickly and easily.



In the retail area, tenant satisfaction is analysed using two different types of survey method: qualitative and quantitative. Firstly, regular meetings with our tenants take place in order to evaluate past and future cooperation. Secondly, we also conduct structured tenant surveys in the retail area as needed.

IMMOFINANZ is responsible for compliance with construction and safety regulations to protect building users and the neighbourhood. We therefore aim to ensure a safe environment for tenants and other users of our property portfolio, to prevent potential safety hazards and to identify and eliminate them in good time – all in accordance with the applicable legislative framework as well as relevant standards and policies. This applies, for example, to all safety-specific aspects relating to fire protection, safety and well-being of people and the environment, and organisational safety measures. Our properties are constructed and operated in accordance with the applicable legal provisions and adapted where necessary to new legal requirements.

In addition, health & safety audits are part of our comprehensive technical building audits. Each year a certain number of buildings undergo a multi-stage audit by external experts. In 2022, the remaining 20 of 208 standing investments were audited in this way. We are in close contact with our facility and property managers when carrying out these audits.

Socially sustainable spaces

Management approach

Impacts, risks and opportunities	Climate change
	Soil sealing
	Lack of social interaction reduces sense of belonging and participation
	Neglect of social activities can lead to reduced performance
Policies and obligations	Green lease strategy
Objectives and targets	Development of a green lease strategy and rollout by 2023
	Development of criteria for sustainable and healthy spaces by 2024
	Top building certifications across the portfolio and alignment with the EU Taxonomy
	Active contribution to the development and orientation of building certification
	Building a tenant community
Measures taken	Rollout and green lease pilot project in 2023
	Achieve top building certifications and recertifications
Relevant key indicators	GRI 203-1 Infrastructure investments and services supported

IMMOFINANZ also implements its sustainability activities in specific real estate projects in the office and retail sectors. These include, for example, the portfolio expansion launched in the previous year as part of the myhive Urban Garden project in Vienna (see page 91).

The myhive offices score points with a feel-good atmosphere in the common areas, numerous services and the best infrastructure. They offer space for communicative and lively interaction between tenants and their employees, for example in attractive communication zones and tenant lounges, and during regular events such as after-work events, business breakfasts with presentations, expert lectures or the organisation of sports activities.

Particular importance is attached to networking among tenants. Dedicated community managers are the central point of contact for tenants and their employees. They take care of the exchange among tenants, identify opportunities for cooperation, arrange appropriate contacts and organise events. Via the myhive app, the myhive community can also provide feedback directly or report problems.

Currently, almost 3,000 users use the myhive app and the number of followers on social media (Instagram, Facebook, LinkedIn) totals more than 545,000.

Socially sustainable workplaces and employee satisfaction



We are committed to creating an inclusive working environment in the Group, characterised by openness and mutual respect where every employee feels valued and heard. The focus is on our attractiveness as an employer and on employee retention. Derived from this, employee development and satisfaction, our social commitment as well as diversity, equal opportunities and inclusion are material topics in this focus area.

After the majority takeover by the CPI Property Group (CPIPG), an optimisation of organisational structures was agreed upon, whereby local IMMOFINANZ teams were merged into central service companies within CPIPG. The individual teams in Poland, Romania, Slovakia, the Czech Republic and Hungary have been working within the new structure as CPIPG employees since August, the teams in Croatia and Serbia since September. Compared with the headcount as of 31 December 2021, approximately 73% of the employees in these countries, transferred to CPIPG in summer 2022.

Total number of employees by employment type ¹	2022	2021	Change in %
Full-time IMMOFINANZ	137	317	-56.8
thereof female	67	181	-63.0
thereof male	70	136	-48.5
Part-time IMMOFINANZ	33	48	-31.3
thereof female	30	43	-30.2
thereof male	3	5	-40.0
S IMMO²	132	133	-0.8

¹ Headcount as of 31 December not including Executive Board and employees on parental leave

² Headcount as of 31 December not including interns, seasonal workers, employees on parental/educational leave, military/alternative service, sabbatical, temporary retirement/pension and other suspended employment relationships

Against the background of the restructuring, IMMOFINANZ, with the involvement of the Works Council, in 2022 decided on a package of measures to prevent, eliminate and mitigate the associated implications for its employees in Austria. This includes, in particular, voluntary severance payments and one-off payments and is designed to mitigate potential negative economic consequences for employees.

Employee development

Management approach

Impacts, risks and opportunities	Supporting employees in their current and future roles Ensuring competitiveness High engagement and motivation of employees Talent management Potential lack of innovative strength Potential increase in turnover rate
Policies and obligations	Performance management Performance review of employees Training and development programmes
Objectives and targets	Empowering employees to be successful in their current and future roles based on career and succession planning
Measures taken	Apprenticeship programmes Programme for young professionals Leadership Curriculum
Relevant key indicators	GRI 404-1 Average hours of training per year and employee GRI 404-2 Programs for upgrading employee skills and transition assistance programs GRI 404-3 Percentage of employees receiving regular performance and career development reviews GRI 401-1 New employee hires and employee turnover GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3 Parental leave EPRA Emp-Training, Emp-Dev

IMMOFINANZ strives to create a framework for its employees in which they can develop their potential, strengths and competencies to the best of their abilities. We lead our employees in a trusting manner and place great value on open and respectful interaction with each other. The People & Culture department is responsible for strategic personnel development and further development of the corporate culture in close cooperation with the Executive Board, which discusses current company developments with the Works Council at least once a month.

In connection with employee development, the focus of training is on expanding professional as well as personal and leadership skills. An important instrument in the context of performance management is the annual performance review between employees and their managers. These define clear targets and individual training activities. As in previous financial years, performance reviews were conducted with 100% of employees in 2022. These interviews also include feedback from employees on several questions relating to personal well-being, further development and teamwork as well as suggestions for improvement.

Leadership development

Developing strong leaders is essential to overcome the complex and multifaceted challenges arising from the multiple crises and to develop the necessary skills to address them effectively. IMMOFINANZ supports its managers by providing appropriate methods and tools. In 2022, managers had the opportunity to participate in the "Leading and Communication in Times of Change" programme, which was held in the form of workshops. New managers had the opportunity to be part of the "First Manager Programme", which is designed to support them in their new function.

With the apprenticeship programme launched in 2016, IMMOFINANZ provides ambitious young people with opportunities to receive training within the Group. The focus is on apprenticeships as real estate agents and financial and accounting assistants. In addition, the Young Professional programme was established for students and graduates. Designed as a rotation programme, it focuses on knowledge transfer in the operational business area and the finance departments. In the reporting year 2022, 12 people from Austria, Poland, Romania, Slovakia, the Czech Republic, Hungary and Serbia participated. The programme was completed in the reporting year. Due to the restructuring, no new programme was started in autumn 2022.

IMMOFINANZ also offers its employees the opportunity to attend conferences and coaching sessions on relevant topics. Language courses as well as various types of individual and group training are offered on a regular basis and taken advantage of by employees.

In the 2022 financial year, around 2,630 hours of training were completed across the Group by employees active as of 31 December 2022, equivalent to 15.6 hours per employee (headcount, HC). The largest share of training hours was accounted by the leadership programme and compliance training (each accounting for around 30%), followed by external training and language courses. The majority of the training courses were held in Austria.

Diversity, equality, and inclusion

Management approach

Impacts, risks and opportunities	Cultural diversity Strengthening innovative power and ability to find solutions based on diverse teams Increased productivity and motivation Strengthening team spirit Promotion of equal opportunities Prevention of social discrimination
Policies and obligations	Corporate Code
Objectives and targets	At least 33% women in management positions reporting directly to the Executive Board (B-1) by 2025 Ensure gender and national diversity in the entire organisation at Group and local level
Measures taken	Analysis of gender pay ratios
Relevant key indicators	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3 Parental leave GRI 405-1 Diversity of governance bodies and employees GRI 405-2 Ratio of basic salary and remuneration of women to men GRI 406-1 Incidents of discrimination and corrective actions taken EPRA Diversity-Emp, Diversity-Pay

At IMMOFINANZ, we firmly believe that a diverse and inclusive work environment benefits not only our employees but also our company as a whole. By valuing and embracing the unique perspectives and backgrounds of our team members, which is established in our Code of Conduct, we foster a culture of engagement and open communication. We know that our employees are more likely to work innovatively and share their ideas when they feel valued and included. In this way, they contribute to the growth and success of our company. Therefore, diversity characteristics, especially with regard to age, gender, national or ethnic origin, religion, sexual orientation, disability and educational and professional background are very important to us as an employer.

As of 31 December 2022, 14 different nationalities were represented among our employees, while the average age was 37.7 years. The share of women in management positions reporting directly to the Executive Board was 40%. In the 2022 financial year, the proportion of women in management positions decreased from 33.9% to 27.5% due to the transfer of employees in the respective countries. Women account for 66.2% (2021: 67.4%) of non-management positions. After the gender pay ratio was reported for the first time throughout the Group for the 2020 financial year, analyses and adaptations were made in 2021. As a result, the gender pay gap was significantly improved for both managers and non-managers. The indicator represents the ratio of the total average remuneration of female employees (per category of employee). It is analysed regularly, and further equalisation is being worked on.

Gender pay ratio

		2022	2021
EPRA/ GRI Code	Gender payment gap	Pay ratio	Pay ratio
	IMMOFINANZ	1.18	1.36
	Employees by category		
Diversity-Pay GRI 405-2	Country boards	1.05	1.01
	Department heads	1.18	1.22
	Team leaders	1.13	1.37
	Non-management employees ¹	1.32	1.33

¹ Employees without management responsibility

In the event of questions or potential conflicts, the Group Compliance Officer serves as an independent and confidential point of contact. There were no known cases of discrimination in 2022.

Diversity indicators

EPRA/ GRI Code	Employee diversity	2022		2021		Change in total number of employees in %
		Number of employees	Total number in %	Number of employees	Total number in %	
	Employees in governance bodies¹					
	By gender					
	Female	1	100.0	0	0.0	-
	Male	0	0.0	2	100.0	-100.0
	By age group					
	< 30 years	0	0.0	0	0.0	-
	30–50 years	0	0.0	1	50.0	-100.0
	> 50 years	1	100.0	1	50.0	0.0
	Employees with management responsibility²					
	By gender					
Diversity-Emp	Female	11	27.5	21	33.9	-47.6
GRI 405-1	Male	29	72.5	41	66.1	-29.3
	By age group					
	< 30 years	2	5.0	1	1.6	100
	30–50 years	31	77.5	56	90.3	-44.6
	> 50 years	7	17.5	5	8.1	40.0
	Non-management employees³					
	By gender					
	Female	86	66.2	203	67.4	-57.6
	Male	44	33.8	98	32.6	-55.1
	By age group					
	< 30 years	40	30.8	90	29.9	-55.6
	30–50 years	75	57.7	194	64.5	-61.3
	> 50 years	15	11.5	17	5.7	-11.8

¹ Executive Board

² All managers, e.g. team leaders, department heads, country boards; excl. Executive Board

³ Employees without management responsibility

Employee satisfaction

Management approach

Impacts, risks and opportunities	Satisfaction with the corporate culture and one's own job Good working atmosphere Employee involvement and strengthening of employee health Identification with the employer Work-life balance Potential increase in the absentee rate
Policies and obligations	Flexible working time arrangements and part-time working models Healthcare management with a focus on preventive healthcare and promotion of sporting activities Collective agreement for salaried employees in property management companies and additional company agreements
Objectives and targets	Conducting an employee engagement survey (EES) every two years starting in 2023 Entry into force of the remote working directive by 2022
Measures taken	Rollout of the remote working policy
Relevant key indicators	GRI 401-1 New employee hires and employee turnover GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3 Parental leave EPRA H&S-Emp, Emp-Turnover

In order to strengthen the health of our employees and promote their motivation for further training, IMMOFINANZ implements targeted measures in the areas of personnel development and health management. This strengthens the well-being and health of our employees.

As a real estate manager and developer, IMMOFINANZ's business is largely office-based and therefore has a comparatively low risk of occupational accidents. Health management therefore focuses on preventive healthcare and the promotion of sports activities.

Employees are offered flexible and partially flexible working hours, as well as part-time working models. In addition, a remote working policy was adopted in 2022, which allows our employees to work outside the office. This allows them to better balance full-time employment and personal needs, which increases satisfaction and performance as well as the attractiveness of IMMOFINANZ as an employer.

IMMOFINANZ supports its employees with a variety of offerings outside of the workplace: team building and promotion of work-life balance are at the forefront. These include, for example, a sixth week of vacation time after three years of service, sports options via the myclubs app and participation in the Vienna City Marathon.

To support our employees' healthcare needs, we offer a preventive healthcare scheme. In addition to measures meeting all legal requirements, responsibilities include carrying out vaccinations, medical check-ups, eye tests and providing advice on preventive healthcare. In the 2022 financial year, the absence rate due to sickness increased slightly to 3.86% (2021: 3.36%), which may be attributable to absences due to long-term leave.

In addition to health care, IMMOFINANZ offers other company benefits. No distinction is made between full-time and part-time employees. For example, all employees can choose between inheritance and death insurance. The Executive Board is also entitled to disability and invalidity insurance as well as a retirement pension. Other company benefits, such as share participation, are not offered.

Health and safety inspections are conducted at IMMOFINANZ's own office locations at least once a year by the safety officer, the company physician, the Works Council and the Head of People & Culture. Occupational safety risks are evaluated and compliance with statutory workplace and safety regulations is checked. Together with the head of the People & Culture department and the Executive Board, the inspection results are evaluated in a meeting and measures for improvement are decided. In addition to the annual meeting, IMMOFINANZ has specially trained employees who serve as safety officers and can address any issues as they arise. Employees are also trained in first aid and as evacuation/fire protection officers.

The employment contracts in Austria are 100% governed by the collective agreement for salaried employees in property management companies. For employees not covered by the tariff, salary schemes customary within the country and industry apply. IMMOFINANZ has also entered into a number of agreements with the Works Council, which are based on social partnership, and are designed to improve the position of employees.

In addition, our Code of Conduct includes a commitment to respect employees' rights to freedom of association. We strive for and maintain a long-term and constructive dialogue with employee representatives.

In 2022, the number of employees leaving the company was higher than in the previous year. Employee turnover increased by 7.4 percentage points. This is mainly due to the Group-wide restructuring.

The average employment with the company was 5.65 years in 2022.

Community investment

Management approach

Impacts, risks and opportunities	Social commitment as corporate responsibility Promotion of charitable work Part of corporate culture Creating value for the company and our communities in the medium and long term
Policies and obligations	Development of a Community Investment Strategy and Guideline by 2023
Objectives and targets	Definition of IMMOFINANZ's core themes for community investment Establishment of a structure for emergency relief by 2023
Measures taken	Projects and partnerships with non-profit organisations Emergency aid for those affected by the war in Ukraine
Relevant key indicators	To be integrated into reporting as part of the ESG strategy in the future GRI 413-1 Operations with local community engagement, impact assessments, and development programs

As part of its social commitment, IMMOFINANZ aims to provide support not only financially but also through the diverse resources and competencies of the company and its employees. In this way, sustainable benefits can be created for our different stakeholders. Through our social commitment, we would also like to encourage employee engagement, thus strengthening employee loyalty.

Engagement with our communities, i.e. all those people who work and shop at our properties or live in the neighbourhood, plays an important role for IMMOFINANZ. We always aim to view our properties in the context of their surroundings and people living there. The integration of a property into its immediate surroundings and the quality of implementing this integration increase the value of the respective premises and thus of the individual properties.

Related measures concern both day-to-day operations of the respective property and development projects. In our development projects, our development team cooperates with all relevant local stakeholders including the neighbourhood of a new project. In most cases, this forms part of a formal process involving the local public authorities.

In addition to the events and online event options for our tenants described above, we regularly launch initiatives for our communities, including blood donation campaigns, clothing collections for people in need and exhibitions at our buildings. We also provide support for emergency services personnel, for example during the COVID-19 pandemic.

In addition to recurring initiatives, IMMOFINANZ also responds to current events by taking appropriate support measures. For example, in response to the outbreak of the war in Ukraine, local teams in neighbouring countries joined forces with NGOs, local authorities and the national Red Cross in order to provide support and relief as quickly as possible. In this context, EUR 30,000 was donated for the provision of beds and sleeping bags for refugees in Romania. In Poland, co-working spaces and desks were made available to more than 270 Ukrainian entrepreneurs, and in cooperation with ITSA, the telecommunication provider in our office buildings, telephone lines to Ukraine were set up free of charge. We also provided space in our buildings to set up schools or to store clothing and medical equipment. Other relief activities included blood donation campaigns and clothing collections as well as support of the "Help for Ukraine" charity concert, which was organised by the "Nachbar in Not" (Neighbour in need) relief scheme.

In addition, IMMOFINANZ organised a donation matching campaign to also offer its employees an opportunity to help. Each euro given was doubled by IMMOFINANZ and donated to the Red Cross. This way, we made donations of EUR 20,000 for relief activities in Ukraine including first aid measures, the distribution of food and goods for daily needs, supplies for emergency shelters or psychological support.

Donation to the Red Cross



From left to right: Ulrike Gehmacher, Head of ESG (IMMOFINANZ), Peter Kaiser, Deputy Secretary General of the Austrian Red Cross

Every year, IMMOFINANZ supports charitable projects and associations both in Austria and in countries in which we operate. As part of this year's Christmas campaign we made a donation of EUR 20,000 to St. Anna Children's Hospital in Vienna.

We are working on developing further key performance indicators related to our engagement with society and will integrate them into reporting in accordance with our comprehensive ESG strategy in the future.

Sustainable supply chain



Management approach

Impacts, risks and opportunities	<p>Ensuring compliance with social and environmental standards along the supply chain</p> <p>Longer-term, reliable and resilient business relationships with our suppliers</p> <p>Support of local suppliers in the operating markets</p> <p>Ensuring resilience of our supply chain</p>
Policies and obligations	<p>Group Procurement Policy</p> <p>Corporate Code</p>
Objectives and targets	<p>Supplier assessment: identification and assessment of social and environmental impacts for all key supplier groups by 2023</p> <p>Establishment of an audit programme for assessment, definition of preventive measures and monitoring by 2024</p>
Measures taken	<p>Development of a supplier code of conduct by 2023</p>
Relevant key indicators	<p>GRI 204-1 Proportion of spending on local suppliers</p> <p>GRI 308-1 New suppliers that were screened using environmental criteria</p> <p>GRI 308-2 Negative environmental impacts in the supply chain and actions taken</p> <p>GRI 408-1 Operations and suppliers at significant risk for incidents of child labor</p> <p>GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor</p> <p>GRI 414-1 New suppliers that were screened using social criteria</p> <p>GRI 414-2 Negative social impacts in the supply chain and actions taken</p>

Building a sustainable and transparent supply chain is one of the greatest challenges in sustainability management for many companies. Recent crises such as the COVID-19 pandemic or the war in Ukraine have demonstrated the importance of resilient value chains. This is also reflected in current regulations on corporate due diligence, in particular the German Supply Chain Act (LkSG) or the Corporate Sustainability Due Diligence Directive (CSDDD). In this context, IMMOFINANZ is also working continuously to establish sustainable supply chain management.

The suppliers commissioned by IMMOFINANZ during the reporting period are broadly diversified and range from construction companies and property management firms to consulting service providers and insurance companies. In 2022, IMMOFINANZ procured services and products from more than 3,000 suppliers with a total order volume of more than EUR 201.5 million. As an international company, IMMOFINANZ worked with suppliers from 29 countries in the 2022 financial year. In order to ensure that procurement practices are sustainable and to maintain long-term, partnership-based relationships with our suppliers, 97% of all providers come directly from the markets in which IMMOFINANZ operates. Supporting these local suppliers and contributing to value creation in our core operating markets are therefore central considerations.

The process of selecting business partners is based on the internal Group **procurement guideline**, which defines the procedures and specifications for IMMOFINANZ's procurement activities. In line with the Corporate Code, these guidelines call for the careful selection of suppliers. A key concern is to minimise supplier risks resulting from child, forced or compulsory labour as well as risks arising from inadequate social assessment of the supplier. To this end, work is currently underway on a risk mapping process that will be applied to all IMMOFINANZ's suppliers. The Procurement department reviews every new supplier based on their external presence (e.g. website) for indications which might call the company's integrity and authenticity into question. In addition, Procurement conducts credit risk assessments for potential suppliers which are expected to be material. In the event of a negative rating, the suppliers will not be listed. In addition to the responsible selection of suppliers, continuous efforts are made to intensify the exchange of communication between IMMOFINANZ and its business partners.

As part of the ESG strategy, a supplier code of conduct is also being developed, which includes the implementation of supplier-based risk management as well as the set-up of supplier audits by 2024.

Basis for preparation

As a company of public interest, IMMOFINANZ voluntarily prepares a non-financial statement in accordance with § 267a of the Austrian Commercial Code (UGB) and thus also discloses information pursuant to the EU Taxonomy (beginning on page 132).

Reporting standards

This report has been drawn up in accordance with the GRI standards. IMMOFINANZ again received the EPRA Sustainability Best Practices Recommendations Silver Award for its non-financial reporting in the 2021 annual report. The key indicators reported are based on the Sustainability Best Practices Recommendations Guidelines (2017) issued by the European Public Real Estate Association (EPRA).

Reporting period

The non-financial report covers the period from 1 January to 31 December 2022. The indicators for 2021 are reported to allow comparability.

Scope of companies and portfolio

This report covers IMMOFINANZ AG and all consolidated subsidiaries excluding S IMMO (see section 8 of the consolidated financial statements). The portfolio of the company excluding S IMMO comprised 265 properties as of 31 December 2022. 207 properties are included in the reporting of environmental data, as there is an established monitoring system for these properties.

The indicators published concentrate on the activities of IMMOFINANZ in Austria, Germany, Poland, the Czech Republic, Romania, Hungary, Slovakia, Slovenia, Serbia, Croatia and Italy. The properties are included in the reporting in accordance with the financial control principle.

Coverage and segment analysis

This report refers to IMMOFINANZ's portfolio and its own business activities. To enable a meaningful analysis, the portfolio has been presented as a whole and split into the two main portfolio segments, "office" and "retail". Further information can be found in the table on pages 110–111. The indicators comprise 53 properties in the office sector with an area of roughly 1 million sqm and 154 properties in the retail segment with an area of roughly 1.3 million sqm.

IMMOFINANZ has increased the coverage rate regarding the environmental indicators of buildings in its portfolio to 100%. The table on pages 110ff shows the coverage per indicator.

Information on the company's own business premises

The consumption figures for the operation of IMMOFINANZ's own office spaces are also reported separately. The business premises are largely owned by IMMOFINANZ and usage is shared with tenants. IMMOFINANZ's own consumption is not invoiced separately at present; the data is therefore based on projections using tenant consumption and the percentage of total space utilised by IMMOFINANZ. For this reason, the percentage of the estimated data of own consumption is always shown at 100%, even though the actual proportion of the estimation of portfolio consumption is significantly lower.

Estimated data

The percentage of data that has been estimated is shown in the respective tables on pages 110ff. Estimated data is necessary to ensure coverage of 100% and thus provide a complete overview of portfolio consumption.

Tenant-obtained data

IMMOFINANZ included tenant-obtained data based on estimates for the first time in 2022. This leads to a complete Scope 3 calculation and enables full CO₂ accounting of the entire value chain for the first time. The data quality was consequently improved in comparison to the previous year as a result of increased KPI granularity.

Electricity and water

The objective was to use real data for the twelve-month period. Where no data was available for a single month at the beginning or the end of 2022 (for example December 2022), the real data for December 2021 was used. Therefore, in these instances no linear projection was made, but rather real data of the comparable prior-year period were used. Where no data was available for the prior-year period, data from 2020 was used.

Gas and district heating

Due to the difference in energy consumption during the winter and summer months, no linear projection was made for missing monthly data. Rather, reference was made to the relevant prior-year periods (e.g. months).

Waste

Waste data is disclosed in absolute figures for the first time this year. Where data was not available for individual sites, it was complemented with comparable figures, calculated using country- and asset-specific real data, or estimated.

External audit

This report has not undergone an external audit.

CO₂ footprint

The CO₂ footprint calculation is based on the GHG Protocol Corporate Standard. Emissions are stated in CO₂-equivalent terms. The CO₂e factors for electricity were taken from publicly available sources, including the European data from the Association of Issuing Bodies (AIB) for the Country Production Mix. Emissions from the burning of natural gas are in line with the default value contained in the Intergovernmental Panel on Climate Change (IPCC) guidelines published in 2006 (and the 2019 refinement), the IPCC National Greenhouse Gas Inventories Program and the corresponding emission figures published by the IPCC. The current emission factors published by the Austrian Environment Agency are used for the vehicle fleet. Missing Scope 3 emissions which could not be recorded in the past were estimated based on real data and area to allow a more complete picture of the GHG footprint.

Employee indicators

All indicators in the employee section are stated based on the headcount (HC) at all fully consolidated companies excluding S IMMO as of 31 December 2022 (excluding the Executive Board and employees on parental leave). If an indicator is calculated on a different basis, this is shown in a footnote. The data underlying the calculation of the indicators is produced by the IMMOFINANZ employee management programme.

Boundaries of reporting – landlord and tenant utility consumption

IMMOFINANZ reports the water and energy consumption of the owner (IMMOFINANZ). If tenants obtained energy or water directly from the utility company and the data was not provided, this share was added based on comparative values specific to the building. We are planning to digitalise the collection of consumption data to enable a more accurate assessment and data split in the future. The first pilot project will be launched 2023.

Normalisation

For the intensity indicators (energy intensity, water intensity, CO₂ intensity) the total area of the buildings for which data is available is used as denominator. The intensity calculated contains the consumption obtained by IMMOFINANZ as well as by tenants (in part estimated).

Indicators and indexes

Climate and environmental indicators

Sustainable energy management

EPRA/GRI Code	Unit	Indicator	Scope
Total energy consumption			
GRI 302-2 (2016)	kWh	Energy	Total landlord-obtained energy Total tenant-obtained energy ¹ Total obtained energy
		Coverage in %	
Electricity consumption			
Elec-Abs	kWh	Electricity	Total landlord-obtained electricity % from renewable sources Total tenant-obtained electricity ¹
		Share of projections landlord-obtained in % ²	
		Coverage in %	
Elec-LfL ³	kWh	Electricity	Total landlord-obtained electricity Total tenant-obtained electricity ¹
		Share of projections landlord-obtained in % ²	
		Coverage in %	
District heating/cooling consumption			
DH&C-Abs	kWh	District heating	Total landlord-obtained district heating % from renewable sources Total tenant-obtained district heating ¹
		Share of projections landlord-obtained in % ²	
		Coverage in % ⁴	
DH&C-LfL ³	kWh	District heating	Total landlord-obtained district heating Total tenant-obtained district heating ¹
		Share of projections landlord-obtained in % ²	
		Coverage in % ⁴	
Fuels			
Fuels-Abs	kWh	Natural gas	Total landlord-obtained natural gas % from renewable sources Total tenant-obtained natural gas ¹
		Share of projections landlord-obtained in % ²	
		Coverage in % ⁴	
Fuels-LfL ³	kWh	Natural gas	Total landlord-obtained natural gas Total tenant-obtained natural gas ¹
		Share of projections landlord-obtained in % ²	
		Coverage in % ⁴	
Energy intensity			
Energy-Int ⁵ CRE 1	kWh/sqm	Energy per square meter of rented space	Total obtained energy
		Rented space in sqm	

¹ Where IMMOFINANZ has no access to tenant-obtained data, projection was made to enable the disclosure of "tenant-obtained" and Scope 3 CO₂ emissions.

² Estimated consumption is shown as a percentage of total "landlord-obtained" consumption.

³ For the like-for-like calculation (LfL) 2021 data for 2021 less the buildings sold in 2022 was used. For the like-for-like calculation 2022, data for 2022 less the buildings purchased or sold in 2022 was used.

⁴ The population corresponds to the number of locations with natural gas and/or district heating connections.

⁵ In the previous year, energy intensity was calculated on the basis of landlord-obtained consumption values.

Total consumption portfolio			thereof office			thereof retail		
2022	2021	Change in %	2022	2021	Change in %	2022	2021	Change in %
438,429,278	437,968,145	0.1	245,291,614	271,007,660	-9.5	193,137,664	166,960,485	15.7
159,219,425	n.a.	n.a.	43,704,036	n.a.	n.a.	115,515,388	n.a.	n.a.
597,648,702	n.a.	n.a.	288,995,650	n.a.	n.a.	308,653,052	n.a.	n.a.
100	99	n.a.	100	99	n.a.	100	100	n.a.
290,142,800	276,596,056	4.9	144,779,522	157,619,422	-8.1	145,363,278	118,976,634	22.2
71	31	n.a.	85	32	n.a.	57	28	n.a.
135,217,619	n.a.	n.a.	39,507,330	n.a.	n.a.	95,710,289	n.a.	n.a.
29	3	n.a.	27	2	n.a.	30	5	n.a.
207/207	176/181	n.a.	53/53	67/71	n.a.	154/154	109/110	n.a.
283,409,536	262,793,446	7.8	140,790,279	144,246,126	-2.4	142,619,257	118,547,320	20.3
118,567,973	n.a.	n.a.	36,820,962	n.a.	n.a.	81,747,012	n.a.	n.a.
28	3	n.a.	27	2	n.a.	30	4	n.a.
156/156	156/156	n.a.	48/48	48/48	n.a.	108/108	108/108	n.a.
65,608,352	77,765,081	-15.6	53,224,864	65,265,354	-18.4	12,383,488	12,499,727	-0.9
8	41	n.a.	10	48	n.a.	0	6	n.a.
9,759,517	n.a.	n.a.	4,196,706	n.a.	n.a.	5,562,811	n.a.	n.a.
74	19	n.a.	83	21	n.a.	34	8	n.a.
80/80	64/108	n.a.	30/30	38/46	n.a.	50/50	26/62	n.a.
62,806,190	64,991,576	-3.4	50,863,268	52,876,434	-3.8	11,942,922	12,115,142	-1.4
6,510,116	n.a.	n.a.	4,121,162	n.a.	n.a.	2,388,954	n.a.	n.a.
75	13	n.a.	86	14	n.a.	31	5	n.a.
53/53	53/53	n.a.	26/26	26/26	n.a.	27/27	27/27	n.a.
82,678,126	83,607,008	-1.1	47,287,228	48,122,884	-1.7	35,390,898	35,484,124	-0.3
0	0	n.a.	0	0	n.a.	0	0	n.a.
14,242,288	n.a.	n.a.	0	n.a.	n.a.	14,242,288	n.a.	n.a.
44	10	n.a.	43	5	n.a.	45	18	n.a.
115/115	79/123	n.a.	27/27	28/36	n.a.	88/88	51/87	n.a.
82,423,916	82,253,071	0.2	47,280,333	47,325,480	-0.1	35,143,583	34,927,591	0.6
8,275,519	n.a.	n.a.	0	n.a.	n.a.	8,275,519	n.a.	n.a.
44	8	n.a.	43	2	n.a.	45	16	n.a.
94/94	94/94	n.a.	26/26	26/26	n.a.	68/68	68/68	n.a.
259	213	21.3	282	267	5.5	240	160	49.6
2,311,681	2,054,656	12.5	1,024,403	1,013,229	1.1	1,287,278	1,041,427	23.6

CO₂ footprint

EPRA/GRI Code	Unit	Indicator	Scope
Greenhouse gas emissions			
GHG-Dir-Abs GRI 305-1 & GRI 305-2	t CO ₂ e	Scope 1 emissions	Total landlord-obtained, not sub-metered
		Scope 2 emissions	Total landlord-obtained, not sub-metered (location-based)
		Scope 2 emissions	Total landlord-obtained, not sub-metered (market-based) ²
		Scope 3 emissions	Scope 3 total (location-based) ²
		Scope 3 emissions	Scope 3 total (market-based) ²
		Total	Scope 1 + 2 (location-based)
			Scope 1 + 2 (market-based)
			Scope 1 + 2 + 3 (location-based)
			Scope 1 + 2 + 3 (market-based)
		Number of applicable properties	GHG disclosure coverage
sqm of applicable properties			
in %	Proportion of GHG estimated		
GHG-Int CRE 3	kg CO ₂ e/sqm	Scope 1 + 2 emissions per sqm (location-based)	
		Scope 1 + 2 emissions per sqm (market-based)	
		Scope 1 + 2 + 3 (location-based)	
		Scope 1 + 2 + 3 (market-based)	
<i>Rented space in sqm</i>			

¹ Due to the iterative process used and the improved methodology, a direct comparison between 2021 and 2022 is currently not possible (see pages 110–111). Regarding allocation to scopes, all CO₂e values were allocated to the company in the 2021 financial year. This results in a shift in values from Scope 1 and Scope 2 to Scope 3.

² Where IMMOFINANZ has no access to tenant-obtained data, a projection was made to enable the disclosure of "tenant-obtained" and Scope 3 CO₂ emissions.

Sustainability certifications

EPRA Code		LEED Gold		LEED Platinum	
		2022	2021	2022	2021
Cert-Tot CRE 8	Number of certified buildings	8	6	1	0
	Certified area in sqm	131,634	138,158	17,247	0
	Share of certified area in the standing investment portfolio in %	6.1	6.6	0.8	0.0

	Total consumption portfolio			thereof office			thereof retail		
	2022	2021	Change in %	2022	2021	Change in %	2022	2021	Change in %
	2,397	16,885	n.a. ¹	833	9,719	n.a. ¹	1,564	7,166	n.a. ¹
	31,454	122,061	n.a. ¹	14,067	69,077	n.a. ¹	17,387	52,984	n.a. ¹
	7,576	90,318	n.a. ¹	355	45,988	n.a. ¹	7,221	44,329	n.a. ¹
	249,078	n.a.	n.a. ¹	102,823	n.a.	n.a. ¹	146,255	n.a.	n.a. ¹
	165,663	n.a.	n.a. ¹	56,713	n.a.	n.a. ¹	108,950	n.a.	n.a. ¹
	33,852	138,946	n.a. ¹	14,900	78,796	n.a. ¹	18,951	60,150	n.a. ¹
	9,974	107,203	n.a. ¹	1,188	55,707	n.a. ¹	8,785	51,496	n.a. ¹
	282,930	n.a.	n.a. ¹	117,723	n.a.	n.a. ¹	165,206	n.a.	n.a. ¹
	175,637	n.a.	n.a. ¹	57,901	n.a.	n.a. ¹	117,735	n.a.	n.a. ¹
	207	180	15.0	53	70	-24.3	154	110	40.0
	2,311,681	2,028,035	14.0	1,024,403	986,608	3.8	1,287,278	1,041,427	23.6
			n.a.			n.a.			n.a.
	15	69	-78.6	15	80	-81.8	15	58	-74.5
	4	53	-91.8	1	80	-98.5	7	58	-88.2
	122	n.a.	n.a. ¹	115	n.a.	n.a. ¹	128	n.a.	n.a. ¹
	76	n.a.	n.a. ¹	57	n.a.	n.a. ¹	91	n.a.	n.a. ¹
	2,311,681	2,028,035	14.0	1,024,403	986,608	3.8	1,287,278	1,041,427	23.6

	BREEAM Very Good		BREEAM Excellent		Total certified buildings		Change in %
	2022	2021	2022	2021	2022	2021	
	32	21	12	6	53	33	60.6
	431,724	423,203	322,502	206,959	903,107	768,320	17.5
	20.0	20.2	15.0	9.9	41.9	36.6	14.6

Water consumption

EPRA/GRI Code	Unit	Indicator	Scope
Water consumption			
GRI 303-1 (2016) Water-Abs	liter ¹	Water from municipal sources	Landlord-shared services
			(Sub) metered exclusively to tenants
			Total landlord-obtained water
			Total tenant-obtained water ²
			Total water consumption
<i>Share of projections landlord-obtained in %³</i>			
<i>Coverage</i>			
Water-LfL ⁴	liter ¹	Water from municipal sources	Total landlord-obtained water
			Total tenant-obtained water ²
			<i>Share of projections landlord-obtained in %³</i>
<i>Coverage</i>			
Water intensity			
CRE 2	liter/sqm/year	Liter per sqm of rented space	Total landlord-obtained water
<i>Rented space in sqm</i>			

¹ As in the previous year, IMMOFINANZ has reported water consumption in liters rather than cubic meters to ensure consistency with the KPIs for water intensity, which was also calculated in liters.

² Where IMMOFINANZ has no access to tenant-obtained data, projection was made to enable the disclosure of "tenant-obtained" and Scope 3 CO₂ emissions.

³ Estimated consumption is shown as a percentage of total "landlord-obtained" consumption.

⁴ For the like-for-like calculation (LfL) 2021 data for 2021 less the buildings sold in 2022 was used. For the like-for-like calculation 2022, data for 2022 less the buildings purchased or sold in 2022 was used.

Waste

EPRA/GRI Code	Unit	Indicator	Scope
Waste generated¹			
GRI 306-3 (2020) Waste-Abs	tonnes	Waste generated	Total waste
			Total waste by type of disposal
			Landfill
			Recycled
			Composted
<i>Share of projections landlord-obtained in %²</i>			
<i>Coverage</i>			
GRI 306-3 (2020) Waste-LFL ²	tonnes	Waste generated	Total waste
			Total waste by type of disposal
			Landfill
			Recycled
			Composted
<i>Share of projections landlord-obtained in %²</i>			
<i>Coverage</i>			
Intensity of waste			
		kg per square meter of rented space	Total landlord-generated waste
<i>Rented space in sqm</i>			

¹ Waste data is reported for the first time in 2022. Waste is shown as a total because no separation of "landlord-obtained" and "tenant-obtained" is possible.

² Estimated consumption is shown as a percentage of total "landlord-obtained" consumption.

³ For the like-for-like calculation (LfL) 2021 data for 2021 less the buildings sold in 2022 was used. For the like-for-like calculation 2022, data for 2022 less the buildings purchased or sold in 2022 was used.

Total consumption portfolio			thereof office			thereof retail		
2022	2021	Change in %	2022	2021	Change in %	2022	2021	Change in %
802,491,293	728,863,492	10.1	302,495,922	288,250,788	4.9	499,995,371	440,612,704	13.5
	n.a.			n.a.			n.a.	
802,491,293	728,863,492	10.1	302,495,922	288,250,788	4.9	499,995,371	440,612,704	13.5
85,791,305	n.a.	n.a.	62,957,030	n.a.	n.a.	22,834,275	n.a.	n.a.
888,282,599	728,863,492	21.9	365,452,952	288,250,788	26.8	522,829,646	440,612,704	18.7
47	24	n.a.	62	35	n.a.	39	16	n.a.
207/207	160/181	n.a.	53/53	54/71	n.a.	154/154	106/110	n.a.
746,810,159	700,737,953	6.6	286,892,764	261,442,752	9.7	459,917,395	439,295,201	4.7
69,096,238	n.a.	n.a.	53,314,024	n.a.	n.a.	15,782,214	n.a.	n.a.
51	23	n.a.	64	36	n.a.	42	15	n.a.
156/156	156/156	n.a.	48/48	48/48	n.a.	108/108	108/108	n.a.
347	355	-2.1	295	284	3.8	388	423	-8.2
2,311,681	2,054,656	12.5	1,024,403	1,013,229	1.1	1,287,278	1,041,427	23.6

Total consumption portfolio			thereof office			thereof retail		
2022	2021	Change in %	2022	2021	Change in %	2022	2021	Change in %
43,594	n.a.	n.a.	14,656	n.a.	n.a.	28,938	n.a.	n.a.
43,594	n.a.	n.a.	14,656	n.a.	n.a.	28,938	n.a.	n.a.
61	n.a.	n.a.	65	n.a.	n.a.	58	n.a.	n.a.
39	n.a.	n.a.	34	n.a.	n.a.	42	n.a.	n.a.
0	n.a.	n.a.	1	n.a.	n.a.	0	n.a.	n.a.
31	n.a.	n.a.	37	n.a.	n.a.	28	n.a.	n.a.
207/207	n.a.	n.a.	53/53	n.a.	n.a.	154/154	n.a.	n.a.
38,247	n.a.	n.a.	13,695	n.a.	n.a.	24,553	n.a.	n.a.
38,247	n.a.	n.a.	13,695	n.a.	n.a.	24,553	n.a.	n.a.
61	n.a.	n.a.	65	n.a.	n.a.	60	n.a.	n.a.
38	n.a.	n.a.	35	n.a.	n.a.	40	n.a.	n.a.
0	n.a.	n.a.	1	n.a.	n.a.	0	n.a.	n.a.
24	n.a.	n.a.	35	n.a.	n.a.	18	n.a.	n.a.
156/156	n.a.	n.a.	48/48	n.a.	n.a.	108/108	n.a.	n.a.
19	n.a.	n.a.	14	n.a.	n.a.	22	n.a.	n.a.
2,311,681	n.a.	n.a.	1,024,403	n.a.	n.a.	1,287,278	n.a.	n.a.

Environmental indicators for IMMOFINANZ locations

IMMOFINANZ's own consumption of water and energy and the environmental impact resulting from the operation of its own office locations constitute only a small proportion of the total portfolio. For the purposes of monitoring and managing the direct impact, the data for the indicators is therefore collected and reported separately.

Energy			Own office locations		
EPRA/GRI Code	Unit	Indicator	2022	2021	Change in %
Total energy consumption					
GRI 302-1 (2016)	kWh	Total energy	3,418,933	3,482,504	-1.8
Fuels					
GRI 302-1 (2016)	kWh	Natural gas	318,927	398,232	-19.9
		% from renewable sources	0.0	0.0	0.0
		Coverage ¹	6/6	4/5	n. a.
		Share of projections in %	39.9	2.0	
	kWh	Petrol	148,497	78,343	89.5
	kWh	Diesel	504,343	488,547	3.2
Electricity					
GRI 302-1 (2016)	kWh	Electricity	2,317,834	2,035,217	13.9
		% from renewable sources	82.7	64.5	28.3
		Coverage ²	15/15	10/11	n. a.
		Share of projections in %	28.5	0.2	
District heating/cooling consumption					
GRI 302-1 (2016)	kWh	District heating	782,172	469,526	66.6
		% from renewable sources	2.7	59.0	-95.4
		Coverage ³	10/10	7/8	n. a.
		Share of projections in %	87.3	55.4	
Energy intensity					
Energy-Int GRI 302-5	kWh/sqm	Energy per sqm ^{2,4}	323	276	16.9
		Coverage ²	15/15	11/11	n. a.
		Share of projections in %	47.1	100.0	

¹ The population for 2022 corresponds to the number of locations with a natural gas connection.

² The population for 2022 corresponds to the total number of IMMOFINANZ's own locations.

³ The population for 2022 corresponds to the total number of locations with a district heat connection.

⁴ Total energy consumption without fuels (petrol, diesel and electricity for e-vehicles) and water was used for 2022.

Water			Own office locations		
EPRA/GRI Code	Unit	Indicator	2022	2021	Change in %
Water consumption					
GRI 303-1 (2016) Water-Abs	liter	Water from municipal sources/total space	7,834,888	6,800,238	15.2
Water-Int	liter/ sqm	Water from municipal sources/total space	740	647	14.4
		Coverage	15/15	10/11	
		Share of projections in %	81.1	100.0	

Waste			Own office locations		
EPRA/GRI Code	Unit	Indicator	2022	2021	Change in %
Waste generated					
GRI 306-3 (2020) Waste-Abs	tonnes	Waste generated	82		
		Waste generated by type of disposal	82.1		
	in %	Landfilled	68.0	n.a.	n.a.
		Recycled	30.0		
		Composted	2.0		
Waste-Int	kg per sqm	Waste generated	8		
	Coverage		15/15		
	Share of projections in %		36.4	100.0	

Emissions			Own office locations		
EPRA/GRI Code	Unit	Indicator	2022	2021	Change in %
Greenhouse gas emissions¹					
GHG-Dir-Abs GRI 305-1 (2016)		Scope 1	242	264	-8.4
GHG-Indir-Abs GRI 305-2 (2016)		Scope 2 (location-based)	463	748	-38.2
	t CO ₂ e	Scope 2 (market-based)	236	338	-30.0
GHG-Indir-Abs GRI 305-2 (2016)		Scope 3	1,147	n.a.	n.a.
		Scope 1 + 2 (location-based)	705	1,012	-30.4
		Scope 1 + 2 (market-based)	478	602	-20.5
		Scope 1 + 2 + 3 (location-based)	1,852	n.a.	n.a.
		Scope	1,626	n.a.	n.a.
GHG-Int CRE 3	kg CO ₂ e/sqm	Scope 1 + 2 (location-based)	67	79	-15.6
		Scope 1 + 2 (market-based)	45	602	-92.5
		Scope 1 + 2 + 3 (location-based)	175	n.a.	n.a.
		Scope	154	n.a.	n.a.
	Coverage		15/15	11/11	

¹ Due to the iterative process used and the improved methodology, a direct comparison between 2021 and 2022 is currently not possible. Regarding allocation to scopes, all CO₂e values were allocated to the company in the 2021 financial year. This results in a shift in values from Scope 1 and Scope 2 to Scope 3.

Indicators on socially sustainable workplaces and employee satisfaction at IMMOFINANZ

	2022	2021	
Employees by employment contract (permanent/temporary)	Number	Number	Change in total number in %
By region			
Austria	151	166	-9.0
thereof permanent	151	162	-6.8
thereof temporary	0	4	-100.0
Germany	15	16	-6.3
thereof permanent	13	14	-7.1
thereof temporary	2	2	0.0
Czech Republic	0	20	-100.0
thereof permanent	0	19	-100.0
thereof temporary	0	1	-100.0
Serbia	0	13	-100.0
thereof permanent	0	12	-100.0
thereof temporary	0	1	-100.0
Croatia	1	13	-92.3
thereof permanent	1	13	-92.3
thereof temporary	0	0	0.0
Hungary	0	24	-100.0
thereof permanent	0	24	-100.0
thereof temporary	0	0	0.0
Poland	0	45	-100.0
thereof permanent	0	41	-100.0
thereof temporary	0	4	-100.0
Romania	0	42	-100.0
thereof permanent	0	38	-100.0
thereof temporary	0	4	-100.0
Slovakia	0	23	-100.0
thereof permanent	0	17	-100.0
thereof temporary	0	6	-100.0
Italy	3	3	0.0
thereof permanent	3	3	0.0
thereof temporary	0	0	0.0
By gender			
Permanent	168	343	-51.0
thereof female	95	210	-54.8
thereof male	73	133	-45.1
Temporary	2	22	-90.9
thereof female	2	14	-85.7
thereof male	0	8	-100.0

GRI Code		2022	2021
GRI 2-30	Percentage of total employees covered by collective bargaining agreements in %	88.8	45.5

EPRA/ GRI Code	Training hours ¹	2022		2021		Change in hours hours/HC in %
		Total hours	Per employee	Total hours	Per employee	
	IMMOFINANZ	2,630	16	5,487	15	3.7
	By gender					
	thereof female	1,358	14	3,779	17	-17.2
	thereof male	1,272	17	1,708	12	43.9
	By age group					
Emp-Training	thereof < 30 years	499	12	1,505	17	-26.3
GRI 404-1	thereof 30-50 years	1,795	17	3,761	15	10.8
	thereof > 50 years	337	16	221	10	66.9
	By employee category					
	thereof managers	862	22	959	16	39.0
	thereof non- management employees	1,768	14	4,528	15	-8.7

¹ Training hours refer to the number of hours completed by employees active as at 31 December.

EPRA Code	Occupational health and safety employees ¹	2022	2021
	Number of work-related injuries ²	2	1
	Injury rate in % ³	0.0	0.0
H&S-Emp	Total lost days ⁴	0	0
	Lost day rate in % ⁵	0.0	0.0
	Absences in days ⁶	1,348	1,469
	Absentee rate in % ⁷	3.9	3.4
	Work-related fatalities	0	0

¹ Limited comparability of indicators: the assessment and reporting for 2021 was done for Austria while indicators for 2022 referred to employees in Austria, Italy and Germany.

² Minor accident in 2021 in the office, which did not lead to any lost days, same in 2022.

³ Number of occupational accidents/total hours worked

⁴ Number of days lost due to occupational accidents

⁵ Number of days lost due to occupational accidents/total hours worked. The comparative figure was adjusted.

⁶ Number of absence days (work-related accidents and illness)

⁷ Number of absence days due to illness/total days worked. The comparative data was adjusted.

EPRA/ GRI Code	New employees ¹	2022		2021		Change in total in %
		Total number	Rate for new hires in %	Total number	Rate for new hires in % ²	
	IMMOFINANZ	63	37.1	92	25.2	-31.5
	By gender					
	thereof female	40	63.5	58	63.0	-31.0
	thereof male	23	36.5	34	37.0	-32.4
	By age group					
	thereof < 30 years	22	34.9	46	50.0	-52.2
	thereof 30–50 years	36	57.1	44	47.8	-18.2
	thereof > 50 years	5	7.9	2	2.2	150.0
	By region					
Emp-Turnover GRI 401-1 (2016)	thereof Austria	30	47.6	33	35.9	-9.1
	thereof Germany	4	6.3	6	6.5	-33.3
	thereof Czech Republic	3	4.8	5	5.4	-40.0
	thereof Hungary	6	9.5	10	10.9	-40.0
	thereof Poland	6	9.5	8	8.7	-25.0
	thereof Romania	4	6.3	8	8.7	-50.0
	thereof Serbia	3	4.8	4	4.3	-25.0
	thereof Croatia	3	4.8	12	13.0	-75.0
	thereof Slovakia	3	4.8	5	5.4	-40.0
	thereof Italy	1	1.6	1	1.1	0.0

¹ Excluding employees returning from parental leave, interns, young professionals; the calculation is based on the number of employees in the respective category at the end of the year.

² Due to a deviation in methodology, the "Rate of new hires" for 2021 was corrected to make it comparable with 2022.

EPRA/ GRI Code	Employee turnover	2022		2021		Change in total in %
		Employee departures ¹	Turnover rate in %	Total number	Turnover rate in % ²	
	IMMOFINANZ	92	21.6	59	14.3	55.9
	By gender					
	thereof female	51	19.5	35	14.0	45.7
	thereof male	41	25.2	24	14.7	70.8
	By age group					
	thereof < 30 years	27	27.0	19	17.6	42.1
	thereof 30–50 years	58	19.9	38	13.2	52.6
	thereof > 50 years	7	20.6	2	11.1	250.0
	By region					
Emp-Turnover GRI 401-1 (2016)	thereof Austria	38	19.6	24	12.6	58.3
	thereof Germany	5	25.0	5	27.8	0.0
	thereof Czech Republic	12	48.0	5	20.8	140.0
	thereof Hungary	10	33.3	5	16.1	100.0
	thereof Poland	19	38.8	12	25.0	58.3
	thereof Romania	4	8.5	3	6.1	33.3
	thereof Serbia	2	12.5	4	22.2	-50.0
	thereof Croatia	0	0.0	0	n.a.	0.0
	thereof Slovakia	1	4.2	1	4.5	0.0
	thereof Italy	1	25.0	n.a.	n.a.	n.a.

¹ Departures excluding parental leave; turnover as per Schlüter formula: Departures/(Number as of 1 January + additions)

² Due to a deviation in methodology, the "Turnover rate" for 2021 was corrected to make it comparable with 2022.

GRI Code	Parental leave	2022	2021	Change in total number of employees in %
	Total number of employees that were entitled to parental leave	166	344	-51.7
	thereof female	97	207	-53.1
	thereof male	69	127	-45.7
	Total number of employees that took parental leave	13	34	-61.8
	thereof female	11	33	-66.7
	thereof male	2	1	n.a.
	Total number of employees that returned to work in the reporting period after parental leave ended	6	9	-33.3
	thereof female	4	8	-50.0
GRI 401-3	thereof male	2	1	n.a.
	Total number of employees that returned to work after parental leave ended that were still employed twelve months after their return to work	9	23	-60.9
	thereof female	8	21	-61.9
	thereof male	1	2	n.a.
	Return to work rate in %	100	82	22.0
	thereof female	100	80	25.0
	thereof male	100	100	n.a.
	Retention rate in %	75	74	1.4
	thereof female	73	72	1.4
	thereof male	100	100	n.a.

EPRA index

This sustainability report has been prepared in accordance with the principles and criteria of the sustainability reporting framework "EPRA Sustainability Best Practices Recommendations Guidelines - Third Version September 2017" of the European Public Real Estate Association (EPRA). The description of the Overall Recommendations can be found in the section "Basis for preparation" on page 107.

EPRA code		Reference	Note
Green buildings and environment			
Elec-Abs	Total electricity consumption	p.110–111	
Elec-LfL	Like-for-like total electricity consumption	p.110–111	
DH&C-Abs	Total district heating & cooling consumption	p.110–111	
DH&C-LfL	Like-for-like total district heating & cooling consumption	p.110–111	
Fuels-Abs	Total fuel consumption	p.110–111	
Fuels-LfL	Like-for-like total fuel consumption	p.110–111	
Energy-Int	Building energy intensity	p.110–111	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	p.112–113 p.117	
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	p.117	
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	p.112–113 p.117	
Water-Abs	Total water consumption	p.114–115 p.116	Water is obtained exclusively from municipal utilities.
Water-LfL	Like-for-like total water consumption	p.114–115	
Water-Int	Building water intensity	p.114–115 p.116	
Waste-Abs	Total weight of waste by disposal route	p.114–115 p.116	
Waste-LfL	Like-for-like total weight of waste by disposal route	p.114–115	Not reported this year as waste is reported for the first time.
Tenant			
Cert-Tot	Type and number of sustainably certified assets	p.112–113	
Comty-Eng	Community engagement, impact assessments and development programmes	p.96	
H&S-Asset	Asset health and safety assessments		
H&S-Comp	Asset health and safety compliance		There is currently no uniform recording of incidents of non-compliance; reporting is under development. A qualitative description is given on page 96.
Employees			
Diversity-Emp	Employee gender diversity	p.101	
Diversity-Pay	Gender pay ratio	p.100	
Emp-Training	Training and development	p.119	
Emp-Dev	Employee performance appraisals	p.98	
Emp-Turnover	Employee turnover and retention	p.120	
H&S-Emp	Employee health and safety	p.119	
Company			
Gov-Board	Composition of the highest governance body	p.74	
Gov-Select	Nominating and selecting the highest governance body	p.74	
Gov-Col	Process for managing conflicts of interest	p.74	

GRI index

This non-financial statement has been prepared in accordance with the principles and criteria of the Global Reporting Initiative's internationally recognised Sustainability Reporting Framework. This report has been prepared in accordance with the GRI standards. This document refers to the selective disclosures of the GRI standards listed in the following index:

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
The organization and its reporting practices				
	GRI 2-1	Organizational details		
	GRI 2-1	c. report the location of its headquarters;	p.107	IMMOFINANZ AG Wienerbergstrasse 9 1100 Vienna Austria
	GRI 2-2	Entities included in the organization's sustainability reporting		
	GRI 2-3	Reporting period, frequency and contact point		01.01.2022–31.12.2022, yearly, Ulrike Gehmacher, ulrike-gehmacher@immofinanz.com Publication date: 30.03.2023
	GRI 2-4	Restatements of information		Due to a methodological discrepancy, the sick leave, absenteeism and turnover rates for 2021 were corrected to be comparable with 2022.
	GRI 2-5	External assurance		Not applicable as no external assurance will take place.
Activities and workers				
	GRI 2-6	Activities, value chain and other business relationships	p.65, p.106–107	
	GRI 2-7	Employees	p.105, p.118	
	GRI 2-8	Workers who are not employees		Not applicable as there are no non-employees.
Governance				
	GRI 2-9	Governance structure and composition		See Corporate Governance Report
	GRI 2-10	Nomination and selection of the highest governance body		See Corporate Governance Report
	GRI 2-11	Chair of the highest governance body		See Corporate Governance Report
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts		See Corporate Governance Report
	GRI 2-13	Delegation of responsibility for managing impacts	p.67	See Corporate Governance Report
	GRI 2-14	Role of the highest governance body in sustainability reporting	p.67	
	GRI 2-15	Conflicts of interest		See Corporate Governance Report
	GRI 2-16	Communication of critical concerns		In accordance with the Stock Corporation Act, critical issues can be communicated in the Supervisory Board meetings. See the rules of procedure of the Executive & Supervisory Board
	GRI 2-17	Collective knowledge of the highest governance body		See Corporate Governance Report
	GRI 2-18	Evaluation of the performance of the highest governance body		See Corporate Governance Report
	GRI 2-19	Remuneration policies		See Compensation Report
	GRI 2-20	Process to determine remuneration		See Corporate Governance Report
	GRI 2-21	Annual total compensation ratio		See Compensation Report

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Strategy, policies and practices				
	GRI 2-22	Statement on sustainable development strategy	p.65	
	GRI 2-23	Policy commitments	p.71–72, p.74–75, p.77, p.107	
	GRI 2-23	b.ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment		See the Human Rights Policy Statement starting on page 74
	GRI 2-23	c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this		Human Rights Policy Statement https://immofinanz.com/en/sustainability , IMMOFINANZ Website https://immofinanz.com/en/home
	GRI 2-24	Embedding policy commitments	p.74–75, p.77, p.80, p.84, p.87–88, p.91, p.94, p.96, p.98–99, p.102, p.104, p.106	
	GRI 2-25	Processes to remediate negative impacts	p.75, p.107	
	GRI 2-25	d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms		Not relevant. To date, no stakeholders have been involved in the design, review, operation and improvement of the whistleblower hotline.
	GRI 2-25	e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback		Not relevant. To date, no stakeholder feedback has been obtained in relation to the whistleblower hotline.
	GRI 2-26	Mechanisms for seeking advice and raising concerns	p.74–75	
	GRI 2-27	Compliance with laws and regulations		Not relevant. There were no violations of laws and regulations in the 2022 financial year.
	GRI 2-28	Membership associations	p.72f	
Stakeholder engagement				
	GRI 2-29	Approach to stakeholder engagement	p.70f	
	GRI 2-30	Collective bargaining agreements	p.118	

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
	GRI 3-1	Process to determine material topics	p.68f	
	GRI 3-2	List of material topics	p.69	
Governance body				
	GRI 3-3	Management of material topics	p.73	
	GRI 2-9	Governance structure and composition		See Corporate Governance Report
	GRI 2-10	Nomination and selection of the highest governance body		See Corporate Governance Report
	GRI 2-15	Conflicts of interest		See Corporate Governance Report
Business Compliance and Ethics				
	GRI 3-3	Management of material topics	p.74	
	GRI 3-3	d. ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
GRI 207: Tax 2019	GRI 207-1	Approach to tax	p.76	
	GRI 207-2	Tax governance, control, and risk management	p.76	
	GRI 207-3	Stakeholder engagement and management of concerns related to tax		This information is not yet available. The first disclosure will take place in FY 2023.
	GRI 207-4	Country-by-country reporting		This information is not yet available. The first disclosure will take place in FY 2023.
Anti-Bribery and Anti-Corruption				
	GRI 3-3	Management of material topics	p.75	
	GRI 3-3	d. ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
Anti-Bribery and Anti-Corruption				
GRI 205: Anti-corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	p.72	
	GRI 205-1	a. Total number and percentage of operations assessed for risks related to corruption.		See risk report starting on page 55
	GRI 205-2	Communication and training about anti-corruption policies and procedures	p.74	
	GRI 205-2	c. Total number and percentage of business partners that the organization's anticorruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.		The information is not yet available. Development of a supplier code of conduct is planned by FY 2024.
	GRI 205-3	Confirmed incidents of corruption and actions taken	p.75	
GRI 206: Anti-competitive Behavior 2016	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p.75	
GRI 207: Tax 2019	GRI 207-1	Approach to tax	p.76	
	GRI 207-2	Tax governance, control, and risk management	p.76	
	GRI 207-3	Stakeholder engagement and management of concerns related to tax		This information is not yet available. The first disclosure will take place in FY 2023.
	GRI 207-4	Country-by-country reporting		This information is not yet available. The first disclosure will take place in FY 2023.
GRI 415: Public Policy 2016	GRI 415-1	Political contributions	p.76	
Data protection and data safety				
GRI 418: Customer Privacy 2016	GRI 3-3	Management of material topics	S.77	
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
GRI 418: Customer Privacy 2016	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	S.77	
Risk management				
	GRI 3-3	Management of material topics	S.77	See risk report starting on page 55

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
CO₂ reduction				
	GRI 3-3	Management of material topics	p.80	
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	p.83	
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	p.83	
	GRI 305-3	Other indirect (Scope 3) GHG emissions	p.83	
	GRI 305-4	GHG emissions intensity	p.83	
CRE 3		Greenhouse gas intensity of buildings	p.83	
Energy efficiency				
	GRI 3-3	Management of material topics	p.84	
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	p.110	
	GRI 302-3	Energy intensity	p.110	
	GRI 302-4	Reduction of energy consumption		The information is not yet available. Smart meter rollout is planned for FY 2025.
Renewable energy				
	GRI 3-3	Management of material topics	p.87	
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	p.110	
	GRI 302-3	Energy intensity	p.110	
	GRI 302-4	Reduction of energy consumption		The information is not yet available. Smart meter rollout is planned for FY 2025.
CRE 1		Energy intensity of buildings	p.110	
CRE 8		Sustainability certifications	p.86	
Cert-Tot		Type and number of sustainably certified assets	p.86	
Circularity & Life Cycle Management				
	GRI 3-3	Management of material topics	p.88	
	GRI 3-3	d. ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation		The information is not yet available. A circular economy plan is to be drawn up in FY 2024.
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. A circular economy plan is to be drawn up in FY 2024.
GRI 306: Waste 2020	GRI 306-1	Waste generation and significant waste-related impacts		The information is not yet available. The development of a strategy is planned.
	GRI 306-2	Management of significant waste-related impacts		The information is not yet available. The development of a strategy is planned.
	GRI 306-3	Waste generated	p.114	
	GRI 306-4	Waste diverted from disposal	p.114	
	GRI 306-5	Waste directed to disposal	p.114	

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
Circularity & Life Cycle Management				
GRI 303: Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	p.114	
	GRI 303-1	b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used		The information is not yet available. The development of a strategy is planned.
	GRI 303-1	c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts		The information is not yet available. The development of a strategy is planned.
	GRI 303-1	d. An explanation of the process for setting any water-related goals and targets that are part of the organization's approach to managing water and effluents, and how they relate to public policy and the local context of each area with water stress		The information is not yet available. The development of a strategy is planned.
	GRI 303-3	Water withdrawal	p.114	
CRE 2		Water intensity of buildings	p.114	
Green mobility				
	GRI 3-3	Management of material topics	p.89	
	GRI 3-3	d. describe actions taken to manage the topic and related impacts		The information is not yet available. No group-wide rollout plan due to the transformation.
	GRI 3-3	e. i. processes used to track the effectiveness of the actions		The information is not yet available. No group-wide rollout plan due to the transformation.
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures;		The information is not yet available. No group-wide rollout plan due to the transformation.
Own indicator		Number of charging stations	p.89	
Biodiversity & responsible land use				
	GRI 3-3	Management of material topics	p.91	
	GRI 3-3	d. i. actions to prevent or mitigate potential negative impacts		The information is not yet available. In the future, criteria for biodiversity management will be defined taking into account the EU Taxonomy.
	GRI 3-3	d. ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation		The information is not yet available. In the future, criteria for biodiversity management will be defined taking into account the EU Taxonomy.
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. In the future, criteria for biodiversity management will be defined taking into account the EU Taxonomy.
	GRI 3-3	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)		The information is not yet available. In the future, criteria for biodiversity management will be defined taking into account the EU Taxonomy.

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
Biodiversity & responsible land use				
GRI 304: Biodiversity 2016	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas		The information is not yet available. First disclosure in FY 2023.
	GRI 304-2	Significant impacts of activities, products and services on biodiversity		The information is not yet available. First disclosure in FY 2023.
	GRI 304-3	Habitats protected or restored		Not relevant. No building permits are issued on protected areas.
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not relevant. No building permits are issued on protected areas.
Customer focus				
	GRI 3-3	Management of material topics	p.94	
GRI 416: Customer Health and Safety 2016	GRI 416-1	Assessment of the health and safety impacts of product and service categories	p.96	
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		The information is not yet available. The development of a strategy is planned.
Socially sustainable living space				
	GRI 3-3	Management of material topics	p.96	
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
GRI 203: Indirect Economic Impacts 2016	GRI 203-1	Infrastructure investments and services supported	p.89, p.96	
Employee development				
	GRI 3-3	Management of material topics	p.98	
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
	GRI 3-3	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e)		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee	p.119	
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	p.98-99	
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p.98	

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
Employee development				
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	p.120	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	p.93	
	GRI 401-3	Parental leave	p.121	
Diversity, Equal Opportunity and Inclusion				
	GRI 3-3	Management of material topics	p.99	
	GRI 3-3	b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships		Embedded in the company's Code of Conduct. However, no DEI policy is in place yet.
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The gender pay ratio was analyzed in the reporting period and corresponding salary adjustments were made.
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	p.120	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	p.93	
	GRI 401-3	Parental leave	p.121	
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	p.101	
	GRI 405-2	Ratio of basic salary and remuneration of women to men	p.100	
GRI 406: Non-discrimination 2016	GRI 406-1	Incidents of discrimination and corrective actions taken	p.100	
Employee satisfaction				
	GRI 3-3	Management of material topics	p.102	
	GRI 3-3	e. iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures		The information is not yet available. The project started in FY 2022. The evaluation is planned for the coming years.
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	p.120	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	p.93	
	GRI 401-3	Parental leave	p.121	

GRI 2	GRI standard	Disclosure	Reference	Remarks & omissions
Disclosures on material topics				
Social Commitment				
	GRI 3-3	Management of material topics	p.104	
	GRI 3-3	a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights		The information is not yet available. The emergency relief structure will be in place by FY 2023. Group-wide key topics in the area of social commitment still have to be defined.
	GRI 3-3	b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships		The information is not yet available. The emergency relief structure will be in place by FY 2023. Group-wide key topics in the area of social commitment still have to be defined.
	GRI 3-3	e. iii. the effectiveness of the actions, including progress toward the goals and targets		The information is not yet available. The emergency relief structure will be in place by FY 2023. Group-wide key topics in the area of social commitment still have to be defined.
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	p.104	
Environmental and social impacts along the supply chain				
	GRI 3-3	Management of material topics	p.106	
	GRI 3-3	b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships		This information is not yet available. Implementation of the auditing programme and supplier evaluation is planned by FY 2024.
	GRI 3-3	e. report the following information about tracking the effectiveness of the actions taken		This information is not yet available. Implementation of the auditing programme and supplier evaluation is planned by FY 2024.
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers	p.106	
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1	New suppliers that were screened using environmental criteria		This information is not yet available. Implementation of the auditing programme and supplier evaluation is planned by FY 2024.
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken		
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria		This information is not yet available. Implementation of the auditing programme and supplier evaluation is planned by FY 2024.
	GRI 414-2	Negative social impacts in the supply chain and actions taken		This information is not yet available. Implementation of the auditing programme and supplier evaluation is planned by FY 2024.
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	p.107	
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		The information is not yet available. Human Rights Due Diligence and Minimum Social Safeguards review is planned for FY 2023.

Reporting according to Art 8 of the Taxonomy Regulation of the European Union

Reporting practice

Taxonomy eligibility of the IMMOFINANZ Group

In 2021, the IMMOFINANZ Group thoroughly analysed the criteria of the Commission Delegated Regulation (EU) 2021/2139 in a multi-stage process. In this process, only the economic activity under “7.7 Acquisition and ownership of buildings” was identified as a relevant economic activity for the business model of the IMMOFINANZ Group. The process was repeated in 2022. However, no new economic activities were identified.

As the economic activity “7.7 Acquisition and ownership of buildings” does not constitute an enabling activity pursuant to Article 16 of Regulation (EU) 2020/852, no revenues may be reported as taxonomy-eligible or taxonomy-aligned under the environmental objective climate change adaptation*. In addition, no adaptation solutions for significant physical climate risks have been implemented so far, which is why no capital expenditures (CapEx) or operating expenditures (OpEx) can currently be reported under the above-mentioned environmental objective. As currently only criteria for the environmental objectives climate change mitigation and climate change adaptation have been published by the European Commission, the following disclosures are limited to the first environmental objective, climate change mitigation; therefore, multiple counting pursuant to Art. 1.2.2.2 (c) of Annex I of the Delegated Act supplementing Art. 8 is excluded.

The economic activity is described as follows in the Climate Delegated Act (Annex I): “Buying of real estate and exercising ownership of that real estate”** and thus corresponds to the core business activity of the IMMOFINANZ Group, which aims to generate rental income from rented office buildings, retail parks and shopping centers.

Since the description of economic activity 7.7 and the definition of the technical screening criteria are based on the exercise of ownership of real estate, neither revenues, CapEx nor OpEx in connection with undeveloped land are subsumed under this economic activity.

Additions to other intangible assets and other tangible assets are also classified as non-taxonomy-eligible.

With effect from 27 December 2022, IMMOFINANZ acquired a majority stake in S IMMO, which is consequently included through full consolidation in the 2022 consolidated financial statements. The consolidated approach is also decisive for the assessment of key performance indicators within the framework of the EU Taxonomy. The additions to assets resulting from the initial consolidation of S IMMO are reported as capital expenditures pursuant to the EU Taxonomy. Starting on 27 December 2022, the S IMMO Group did not contribute to revenues and net profit or loss for the period. Consolidated revenues and operating expenses of the IMMOFINANZ Group therefore do not include those of the S IMMO Group.

Taxonomy alignment of the IMMOFINANZ Group

The 2022 financial year is the first year of application for reporting on taxonomy alignment. The Taxonomy Regulation and the corresponding delegated acts still contain open definitions and criteria requiring explanation whose interpretation is subject to uncertainties. In addition, no sector-specific best practice approach to interpreting the criteria has yet developed. Therefore, the IMMOFINANZ Group has decided to choose a conservative and strict assessment approach in accordance with the entire non-financial reporting. The IMMOFINANZ Group is aware that a less stringent interpretation of the criteria by other market participants may possibly lead to significantly higher shares of taxonomy-aligned activities.

* FAQ 18: Draft commission notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets (second Commission Notice)

** https://eur-lex.europa.eu/resource.html?uri=cellard84ec73c-c773-11eb-a925-01aa75ed71a1.0014.02/DOC_2&format=PDF

Substantial contribution to climate change mitigation (SC)

To analyse whether a building of the IMMOFINANZ Group's portfolio makes a substantial contribution to the environmental objective climate change mitigation, the first step was to differentiate whether or not the application for a building permit for the respective building was submitted before 31 December 2020. This leads to different assessment criteria for a significant contribution in the economic activity 7.7.

For buildings for which an application for a building permit was submitted before 31 December 2020, it was first examined whether the energy performance certificate (EPC) of the building shows an energy class. A substantial contribution to climate change mitigation is made if the energy class of the building is at least class A. This calculation method was applied to all countries relevant for the IMMOFINANZ Group, apart from Poland and Germany. As no energy classes exist in these exceptional cases, an alternative calculation method was used here. Instead of the energy class, the primary energy demand (PED) of the building is considered, as is done for buildings for which the building permit application was submitted after 31 December 2020. If the nationally defined threshold value for nearly zero-energy buildings is undercut by at least 10%, this part of the criterion is also considered to be met. The IMMOFINANZ Group currently refrains from an assessment based on the top 15% of the national or regional building stock in relation to primary energy demand due to lack of feasibility and data. For office buildings, retail parks and shopping centers with heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation with more than 290 kW, it was subsequently examined whether they are efficiently operated.

For buildings for which the building permit application was submitted after 31 December 2020, it must be verified whether the primary energy demand of the respective building is at least 10% below the national threshold for nearly zero-energy buildings. In addition, it must be determined, whether the usable space of the building exceeds 5,000 sqm. If this is the case, these buildings must additionally undergo testing for air-tightness and thermal integration upon completion, and the life cycle global warming potential (GWP) must be disclosed for each stage of the life cycle. Since there are currently no life cycle assessments for these properties, taxonomy alignment cannot yet be shown in this category.

Do no significant harm (DNSH)

In accordance with the requirements of the economic activity "7.7 Acquisition and ownership of buildings", the IMMOFINANZ Group conducts a climate risk and vulnerability assessment at the site level for the entire economic activity in order to prevent significant harm to the environmental objective climate change adaptation. The specific climate-related hazards at the affected sites were substantiated using future projections. In doing so, a model of a time horizon until 2050 has been used so far assuming the worst-case scenario (RCP 8.5). The resulting adaptation measures will be reviewed in the 2023 financial year in order to further improve the resilience of the IMMOFINANZ Group to physical climate risks through future investments. DNSH criteria regarding other environmental objectives are not planned for the economic activity 7.7 according to the Commission Delegated Regulation (EU) 2021/2139.

Minimum social safeguards (MSS)

Since the European Commission has not specified a detailed approach for the application of the minimum social safeguards requirements in its most recently published FAQs, the IMMOFINANZ Group has based the screening of the criteria on the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights including the ILO Fundamental Principles and Rights at Work and the International Charter of Human Rights as well as the recommendations of the Platform on Sustainable Finance (PSF) and their "Final Report on Minimum Safeguards" of October 2022.

In this context, the topics of human rights (including labour and consumer rights), anti-bribery and anti-corruption, taxes and fair competition were addressed. On the topic of human rights, the IMMOFINANZ Group adheres to the six-step due diligence process to prevent significant harm according to the guidelines within the OECD.

Performance indicators of the EU Taxonomy

The key performance indicators at a glance

	2022			
	Total in MEUR	Proportion of taxonomy-aligned economic activities in %	Proportion of taxonomy-eligible economic activities (not taxonomy-aligned) in %	Proportion of non-taxonomy-eligible economic activities in %
Revenue	422.2	14.2	85.7	0.1
Capital expenditures (CapEx)	3,702.3	7.4	92.2	0.4
Operating expenditures (OpEx)	25.6	12.0	87.9	0.0

The complete tables on Art. 2 no. 2 Commission Delegated Regulation 2021/2178 can be found on pages 136–141.

Revenues

The proportion of taxonomy-aligned economic activities in total revenues was calculated as the part of net revenues derived from products and services associated with taxonomy-aligned economic activities (numerator), divided by net revenues (denominator), each for the financial year from 1 January 2022 to 31 December 2022.

In accordance with the Delegated Act on Art. 8 of the EU Taxonomy, the revenue KPI is based on the consolidated revenues of the IMMOFINANZ Group (see the consolidated income statement in the consolidated financial statements, page 147) and relates primarily to rental income and operating costs charged to tenants. The numerator of the revenue KPI is based on the taxonomy-aligned proportion of the economic activity “7.7 Acquisition and ownership of buildings” with reference to making a substantial contribution to the environmental objective climate change mitigation and is broken down into the following items:

	in MEUR
Revenues from contracts with customers	118.6
Revenues from leases	300.2
Other revenues	3.4
Total	422.2

Capital expenditures (CapEx)

The key performance indicator capital expenditure (CapEx) is defined as the proportion of taxonomy-aligned capital expenditures (numerator) divided by the IMMOFINANZ Group's total capital expenditures (denominator).

The denominator comprises additions to investment property, property under construction, owner-operated property, other tangible assets and intangible assets for the 2022 financial year before depreciation and amortisation and revaluations. In the denominator, additions resulting from business combinations are taken into account analogously. Our total capital expenditures essentially correspond to the sum of additions including changes in the scope of consolidation in accordance with the statement of changes in fixed assets, see pages 172 and 183 of our 2022 consolidated financial statements. Differences result from including additions to owner-operated property, other tangible assets and intangible assets in the denominator of the CapEx KPI which are not presented separately in the notes.

The numerator includes capital expenditures related to assets or processes that are associated with taxonomy-aligned proportions of economic activity 7.7. Here, the IMMOFINANZ Group considered capital expenditures that are material to maintaining and performing the economic activity. The principle of allocation here is the generation of external revenues through the economic activity “7.7 Acquisition and ownership of buildings”.

Consequently, all capital expenditures in taxonomy-aligned properties are considered in the numerator of the performance indicator.

The IMMOFINANZ Group analysed the requirements for a CapEx plan, and came to the decision not to prepare a CapEx plan in the 2022 financial year. This is because prior to preparing the CapEx plan it must be ensured that any upgrading measures can actually guarantee meeting the criteria to make a substantial contribution to one of the environmental objectives. The preparation of a CapEx plan shall therefore be aimed for in the 2023 financial year.

As demonstrating the acquisition of taxonomy-aligned products or services in line with CapEx category C was not feasible in the first year of taxonomy alignment reporting from the IMMOFINANZ Group's perspective and no certificates to confirm taxonomy alignment have been implemented to date, the presentation of taxonomy-aligned capital expenditures of category C is not possible at the present time. In order to avoid double counting of capital expenditures, the IMMOFINANZ Group recognised capital expenditures which would fall under both category A and category C under category A, provided that they relate to properties in the rented portfolio.

The numerator of taxonomy-aligned capital expenditures can be broken down as follows in accordance with Annex 1 of the Commission Delegated Regulation (EU) 2021/2178:

	in MEUR
IAS 16 Property, plant and equipment	0.0
IAS 40 Investment Property	275.6
IFRS 16 Leases (>12 months)	0.0
Total	275.6
thereof resulting from changes in the scope of consolidation	232.5

Operating expenditure (OpEx)

The key performance indicator operating expenditure (OpEx) is defined as the proportion of taxonomy-aligned operating expenditures (numerator) divided by total operating expenditures (denominator). The classification of the operating expenditures can be derived analogously from the categories of capital expenditures.

Total operating expenditures consist of non-capitalised costs that relate to building renovation measures, maintenance and repair as well as any other direct expenditures in connection with the day-to-day servicing of investment property, property under construction and owner-operated property.

The numerator of taxonomy-aligned operating expenditure can be broken down as follows pursuant to Annex 1 of the Commission Delegated Regulation (EU) 2021/2178:

	In MEUR
Costs related to building renovation measures	0.4
Maintenance and repair costs	2.7
Total	3.1

We exclude direct training costs from the denominator and the numerator. The reason is that Annex I of the Delegated Act on the disclosure only lists these costs for the numerator, which does not allow for a mathematically meaningful calculation of the OpEx KPI.

Annex II – Template for the KPI of non-financial undertakings – Turnover

Economic activities (1)	Code(s) (2)	Absolute turnover (3) MEUR	Proportion of turnover (4) %	Substantial contribution criteria					
				Climate Change Mitigation (CCM) (5) %	Climate Change Adaptation (CCA) (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Acquisition and ownership of buildings	7.7 (Annex I) / L68	59.9	14.2%	14.2%	0.0%	-	-	-	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		59.9	14.2%	14.2%	0.0%	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)									
Acquisition and ownership of buildings	7.7 (Annex I) / L68	362.0	85.7%						
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		362.0	85.7%						
Total (A.1 + A.2)		421.9	99.9%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of taxonomy-non-eligible activities (B)		0.3	0.1%						
Total (A+B)		422.2	100.0%						

Annex II – Template for the KPI of non-financial undertakings – OpEx

Economic activities (1)	Code(s) (2)	Absolute OpEx (3) MEUR	Proportion of OpEx (4) %	Substantial contribution criteria					
				Climate Change Mitigation (CCM) (5) %	Climate Change Adaptation (CCA) (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Acquisition and ownership of buildings	7.7 (Annex I) / L68	3.1	12.0%	12.0%	0.0%	-	-	-	-
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		3.1	12.0%	12.0%	0.0%	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)									
Acquisition and ownership of buildings	7.7 (Annex I) / L68	22.5	87.9%						
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		22.5	87.9%						
Total (A.1 + A.2)		25.6	100.0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of taxonomy-non-eligible activities (B)		0.0	0.0%						
Total (A+B)		25.6	100.0%						

Annex II – Template for the KPI of non-financial undertakings – CapEx

Economic activities (1)	Code(s) (2)	Absolute CapEx (3) MEUR	Proportion of CapEx (4) %	Substantial contribution criteria					
				Climate Change Mitigation (CCM) (5) %	Climate Change Adaptation (CCA) (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Acquisition and ownership of buildings	7.7 (Annex I) / L68	275.6	7.4%	7.4%	0.0%	-	-	-	-
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		275.6	7.4%	7.4%	0.0%	-	-	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)									
Acquisition and ownership of buildings	7.7 (Annex I) / L68	3,412.5	92.2%						
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		3,412.5	92.2%						
Total (A.1 + A.2)		3,688.0	99.6%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of taxonomy-non-eligible activities (B)		14.3	0.4%						
Total (A+B)		3,702.3	100.0%						

Research & Development

Technological and social change have an influence on the real estate sector. In order to be optimally positioned to also offer efficient and profitably manageable property solutions in the future, IMMOFINANZ monitors the changes in work processes and tenants' demands on space and building concepts. This approach is reflected in the research and development contract concluded between IMMOFINANZ and the Vienna University of Technology on the subject of office solutions. The Vienna University of Technology is working on this assignment together with the Mechanical Design Department of Stanford University. In the first quarter of 2022, IMMOFINANZ also started a cooperation programme with the Vienna University of Economics and Business.

Outlook

Expected market environment

Economic growth in the IMMOFINANZ core countries was, in the end, more robust than originally expected. The war in Ukraine and its consequences for the economy, ongoing concerns over possible disruptions in energy supplies, and strong pressure on prices – together with the effects of rising financing costs – are also expected to have a negative influence on the eurozone in the first half of 2023. According to experts Europe may avoid a full recession in 2023, currently they have projected only minimal growth of roughly 0.5% for the eurozone in 2023.

The European Central Bank (ECB) continued to fight inflation by raising the key interest rate for the eurozone by 0.5 percentage points to 3.5% in mid-March. That represents the sixth increase since the interest rate turnaround in summer 2022 and – according to numerous experts – the peak has still not been reached. Recent forecasts point to further upward adjustments of the key interest rate towards 3.75%, but an increase to over 4% is also considered possible. As soon as the ECB reaches the high point in the current cycle, it could conceivably hold interest rates at that level for several quarters.

These geopolitical and macroeconomic developments are a source of uncertainty. It is therefore impossible to conclusively evaluate the resulting effects, which include, among others, the development of financing costs and the market prices for real estate. IMMOFINANZ – with its flexible and resilient real estate products – believes it is well positioned for the future, also in an environment that is characterised by greater uncertainty.

Property portfolio and sustainability

The portfolio volume of the IMMOFINANZ Group increased significantly by more than 60% to approximately EUR 8.4 billion in 2022. The main drivers for this growth were acquisitions and the completion of properties, especially in the retail sector, as well as the increase in the investment in S IMMO to 50% plus one share at year-end and the resulting full consolidation of this subsidiary. The standing investment portfolio totalled approximately EUR 7.9 billion as of 31 December 2022 and included roughly EUR 2.5 billion (32%) of office properties, EUR 2.3 billion (29%) of retail properties and EUR 3.0 billion (38%) for S IMMO.

Our portfolio strategy continues to focus on resilient and cost-efficient retail properties and innovative office solutions. They include the established myhive, STOP SHOP and VIVO! brands as well as complementary products and portfolios, such as the ones held by S IMMO. We plan to expand the offering in our core countries over the medium term, but in today's environment of rising interest rates and high inflation, we want to concentrate on higher-return properties. As part of our active portfolio management at IMMOFINANZ, we expect to sell properties with a combined value of roughly EUR 1 billion and will use the proceeds to repay debt or reinvest the funds in real estate.

Real estate sales will concentrate on low-return and single tenant buildings as well as properties that could bring attractive sale prices and non-strategic assets. Properties with a volume of approximately EUR 166 million were successfully sold during 2022, and further transactions are in preparation. In spite of the volatile market environment, we are optimistic that additional closings will be possible in the coming months. The broad spectrum of our offering – the individual properties designated for sale range from EUR 10 million up to more than EUR 200 million in various countries – represents an advantage.

We also plan to sell during 2023 several office properties on Vienna's Wienerberg to S IMMO, a company controlled by IMMOFINANZ. The transaction will cover six standing investments with approximately 128,000 sqm of rentable space and one development project with roughly 20,000 sqm of space which will be completed in summer 2023. Estimates indicate that the transaction volume will total EUR 411.0 million. This transaction will strengthen the portfolio focus within the corporate group, and the proceeds will be used to repay liabilities.

S IMMO is currently selling residential and commercial properties in Germany as part of a sale programme and plans to invest the proceeds in higher yielding office properties in the CEE region. A contract was signed in March 2023 for the sale of 41 properties in Berlin which covers roughly 1,300 residential and commercial units with over 100,000 sqm of rentable space. Including this sale, S IMMO has signed sales contracts for 152 properties with a total volume of approximately EUR 570 million since September 2022. An announcement by S IMMO in March 2023 indicated that properties in Germany with a combined value of over EUR 500 million are currently under evaluation as potential sales candidates.

As part of our ESG strategy, we are working to further improve the sustainable quality of the buildings in our portfolio and to increase resource efficiency. We are committed to reaching our long-term net zero goal. The reduction of our greenhouse gas footprint is, and will remain, our primary goal. Our activities in 2023 include, among others, the further expansion of photovoltaic equipment on our properties and the roll-out of green lease contracts in the portfolio.

Financing and the capital market

The IMMOFINANZ Group has a very solid capital and financing structure with an equity ratio of 47.9%, a net loan-to-value ratio of 40.7%, and cash and cash equivalents of EUR 684.7 million at the end of December 2022. An unsecured, revolving corporate credit line of EUR 100.0 million is also available. Roughly 87% of our financial liabilities are hedged against rising interest rates, and our goal is to continue this conservative financial policy: Gearing, based on the net LTV, will remain conservative over the medium term.

Our focus in the current market environment lies primarily on long-term bank financing. For new financing as well as refinancing at the property level, we benefit from long-term, cooperative relationships with banks in our core countries. IMMOFINANZ successfully refinanced approximately EUR 765 million of bank liabilities in 2022, and we meet regularly with our financing banks to discuss the premature extension of expiring financing at the current market conditions.

As central banks' interest rate hikes have not yet peaked and, consequently, further effects on real estate market prices are likely this year, IMMOFINANZ is following a liquidity-based strategy.

Close cooperation with CIPG and S IMMO

IMMOFINANZ now has a major, stable and long-term core shareholder in the CPI Property Group (CPIPG) and is part of a very large and successful quality real estate provider with many years of expertise in Central and Eastern Europe. The first integrative steps to realise synergies through close cooperation were taken during the past year. Together with S IMMO and with the support of CPIPG, further opportunities for synergy and efficiency improvements will be identified to increase transparency and profitability for all stakeholders.

This outlook reflects the Executive Board's assessments as of 24 March 2023 and includes statements and forecasts concerning the future development of the IMMOFINANZ Group. The forecasts represent estimates that are based on the information available at the present time. If the underlying assumptions do not occur or risks – as indicated in the risk report – materialise, actual results could differ from the statements made here. This annual report does not represent a recommendation to buy or sell IMMOFINANZ AG securities.

Significant events occurring after the end of the reporting year are discussed in section 7.6 of the notes to the consolidated financial statements.

Vienna, 24 March 2023

The Executive Chairwoman



Radka Doehring

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Consolidated Balance Sheet

All amounts in TEUR	Notes	31 12 2022	31 12 2021
Investment property	4.1	7,707,196	4,736,375
Property under construction	4.2	198,500	474,311
Owner-operated properties	4.3	231,827	0
Other tangible assets		12,071	5,836
Intangible assets	4.5.1	20,416	24,120
Equity-accounted investments	4.6	36,284	521,476
Trade and other receivables	4.7	35,051	38,663
Income tax receivables		9	8
Other financial assets	4.8	250,064	17,382
Deferred tax assets	4.9	2,511	6,380
Non-current assets		8,493,929	5,824,551
Trade and other receivables	4.7	173,440	130,305
Income tax receivables		15,542	7,057
Other financial assets	4.8	1,254	0
Assets held for sale	4.10	548,484	9,030
Real estate inventories	4.11	4,963	619
Cash and cash equivalents	4.12	652,750	987,146
Current assets		1,396,433	1,134,157
Assets		9,890,362	6,958,708
Share capital	4.13	138,670	123,294
Capital reserves	4.13	4,825,650	4,565,709
Treasury shares	4.13	-10,149	-23
Accumulated other equity		-186,200	-190,119
Retained earnings		-977,748	-1,115,317
Equity attributable to owners of IMMOFINANZ AG		3,790,223	3,383,544
Non-controlling interests		951,329	-32,926
Equity		4,741,552	3,350,618
Financial liabilities	4.14	3,647,633	2,441,603
Trade and other payables	4.15	39,531	28,006
Income tax liabilities		3	2
Provisions	4.16	18,457	16,776
Deferred tax liabilities	4.9	547,663	274,213
Non-current liabilities		4,253,287	2,760,600
Liabilities from convertible bonds	4.13	0	283,216
Financial liabilities	4.14	519,837	411,820
Trade and other payables	4.15	217,082	110,978
Income tax liabilities		17,660	10,719
Provisions	4.16	13,698	30,757
Liabilities held for sale	4.10	127,246	0
Current liabilities		895,523	847,490
Equity and liabilities		9,890,362	6,958,708

Consolidated Income Statement

All amounts in TEUR	Notes	2022	2021
Rental income	5.1.1	300,170	284,688
Operating costs charged to tenants	5.1.2	118,629	88,656
Other revenues		3,401	1,707
Revenues		422,200	375,051
Expenses from investment property	5.1.3	-60,117	-61,401
Operating expenses	5.1.2	-135,980	-102,691
Results of asset management	5.1	226,103	210,959
Results of property sales	5.2	4,623	25,710
Results of property development	5.3	-20,684	18,897
Other operating income	5.4	10,377	2,150
Other operating expenses	5.5	-66,078	-47,654
Results of operations		154,341	210,062
Revaluation result from standing investments and goodwill	5.7	103,974	85,893
thereof badwill	2.3	214,622	0
Operating profit (EBIT)		258,315	295,955
Financing costs	5.9	-77,764	-81,079
Financing income	5.9	5,560	1,813
Foreign exchange differences		2,333	472
Other financial results	5.9	149,136	29,339
Net profit or loss from equity-accounted investments	5.8	-151,882	139,831
Financial results	5.9	-72,617	90,376
Earnings before tax (EBT)		185,698	386,331
Current income tax	5.10	-21,713	-10,487
Deferred tax	5.10	-22,016	-30,007
Net profit or loss from continuing operations		141,969	345,837
Net profit or loss from discontinued operations		0	0
Net profit or loss		141,969	345,837
thereof attributable to owners of IMMOFINANZ AG		142,601	347,051
thereof attributable to non-controlling interests		-632	-1,214
Basic earnings per share in EUR	5.11	1.04	2.81
Diluted earnings per share in EUR	5.11	1.04	2.59

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	2022	2021
Net profit or loss		141,969	345,837
Other comprehensive income (reclassifiable)			
Currency translation adjustment		-1,455	-2,256
thereof changes during the financial year		311	-7,687
thereof reclassification to profit or loss	2.4	-1,766	5,431
Other comprehensive income from equity-accounted investments	4.6	1,436	966
thereof changes during the financial year		16,998	1,712
thereof reclassification to profit or loss		-12,872	-392
thereof income taxes		-2,690	-354
Total other comprehensive income (reclassifiable)		-19	-1,290
Other comprehensive income (not reclassifiable)			
Financial instruments at fair value through other comprehensive income	7.1.2	-1,939	-311
thereof changes during the financial year		-2,537	-415
thereof income taxes		598	104
Other comprehensive income from equity-accounted investments	4.6	347	25,651
thereof changes during the financial year		1,591	34,202
thereof income taxes		-1,244	-8,551
Total other comprehensive income (not reclassifiable)		-1,592	25,340
Total other comprehensive income after tax		-1,611	24,050
Total comprehensive income		140,358	369,887
thereof attributable to owners of IMMOFINANZ AG		140,990	371,101
thereof attributable to non-controlling interests		-632	-1,214

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	2022	2021
Earnings before tax (EBT)		185,698	386,331
Revaluations of investment properties	5.7	105,703	-120,976
Goodwill impairment and subsequent price adjustments		300	254
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	5.3	1,960	-61
Write-downs and write-ups on receivables and other assets		17,312	11,667
Net profit or loss from equity-accounted investments	5.8	151,881	-139,512
Foreign exchange differences and fair value measurement of financial instruments		-156,734	-25,222
Net interest income/expense		73,198	82,102
Results from deconsolidation	2.4	-5,444	-28,911
Other non-cash income/expense/reclassifications (thereof badwill EUR -214,6 mill.)	2.3	-223,758	-12,384
Gross cash flow before tax		150,116	153,288
Income taxes paid		-11,075	-5,995
Gross cash flow after tax		139,041	147,293
Change in real estate inventories		-5,264	110
Change in trade and other receivables		2,525	-16,537
Change in trade payables and other liabilities		-135,133	72,351
Change in provisions		-21,360	13,930
Cash flow from operating activities		-20,191	217,147
Acquisition of investment property and property under construction		-204,237	-141,859
Business combinations and other acquisitions, net of cash and cash equivalents (EUR 421,1 mill.; 2021: EUR 19,0 mill.)	6.	241,427	-102,534
Consideration transferred/paid from disposal of discontinued operations, net of cash and cash equivalents	6.	214	97
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents (EUR 1,3 mill.; 2021: EUR 7,8 mill.)	6.	38,349	139,527
Acquisition of other non-current assets		-4,549	-3,871
Disposal of investment property and property under construction		67,322	103,908
Dividends received from equity-accounted investments	4.6	16,695	13,189
Interest or dividends received from financial instruments		1,335	1,050
Cash flow from investing activities		156,556	9,507
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		565,068	213,408
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-925,627	-325,800
Payments and conversion of convertible bonds		-3,200	0
Derivatives		-5,140	-13,702
Interest paid		-57,488	-57,058
Payments on mandatory convertible bond		0	-5,765
Distributions/Dividend	4.13	0	-92,470
Transactions with non-controlling interest owners		-200	-8,504
Share buyback	4.13	-10,126	0
Cash flow from financing activities		-436,713	-289,891
Net foreign exchange differences		-2,102	-1,035
Change in cash and cash equivalents		-302,450	-64,272
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		987,146	1,047,085
Plus cash and cash equivalents in disposal groups		0	4,333
Cash and cash equivalents at the beginning of the period	6.	987,146	1,051,418
Cash and cash equivalents at the end of the period	6.	684,696	987,146
Less cash and cash equivalents in disposal groups	4.10	31,946	0
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		652,750	987,146

Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2021		123,294	4,565,709	-23
Other comprehensive income	4.13		-5,530	
Net profit or loss				
Total comprehensive income			-5,530	
Capital increase from the conversion of convertible bonds		15,376	265,471	
Share buyback	4.13			-10,126
Transactions with non-controlling interest owners				
Addition to the scope of consolidation				
Balance on 31 December 2022		138,670	4,825,650	-10,149
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	
Conversion mandatory convertible bond			-156,305	156,305
Distributions/Dividend				
Transactions with non-controlling interest owners				
Disposal of non-controlling interests				
Balance on 31 December 2021		123,294	4,565,709	-23

Accumulated other equity

	Revaluation reserve	IAS 19 reserve	Hedge accounting reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	-6,669	-408	-2,462	-180,580	-1,115,317	3,383,544	-32,926	3,350,618
	3,913	25	2,462	-2,481		-1,611		-1,611
					142,601	142,601	-632	141,969
	3,913	25	2,462	-2,481	142,601	140,990	-632	140,358
						280,847		280,847
						-10,126		-10,126
					-5,032	-5,032	4,832	-200
						0	980,055	980,055
	-2,756	-383	0	-183,061	-977,748	3,790,223	951,329	4,741,552
	-12,522	-408	-3,843	-177,909	-1,367,228	3,107,583	-23,876	3,083,707
	5,853		1,381	-2,671		24,050		24,050
					347,051	347,051	-1,214	345,837
	5,853		1,381	-2,671	347,051	371,101	-1,214	369,887
						0		0
					-92,470	-92,470		-92,470
					-2,670	-2,670	-5,834	-8,504
						0	-2,002	-2,002
	-6,669	-408	-2,462	-180,580	-1,115,317	3,383,544	-32,926	3,350,618

Notes to the Consolidated Financial Statements

1. General Principles

1.1 Reporting company

IMMOFINANZ AG is the parent company of the IMMOFINANZ GROUP, a listed real estate company in Austria. Its registered headquarters are located at Wienerbergstrasse 9, 1100 Vienna. The business activities of IMMOFINANZ comprise the development, acquisition, rental and best possible commercial utilisation of properties, as well as the operation of hotels. The IMMOFINANZ AG share is listed in the Prime Market segment of the Vienna Stock Exchange and in the Main Market segment of the Warsaw Stock Exchange.

1.2 Basis of reporting

These consolidated financial statements of IMMOFINANZ AG cover the financial year from 1 January to 31 December 2022. They were prepared in accordance with §245a (1) of the Austrian Commercial Code and in agreement with International Financial Reporting Standards (IFRS), as adopted by the EU.

The consolidated financial statements are presented in the euro, which is the functional currency of the parent company. All financial information reported in the euro is rounded to thousand euros, unless indicated otherwise. The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

Uniform accounting policies are used to measure the assets and liabilities of all Group companies, whereby these items are basically measured individually. Disposal groups represent an exception to this practice and are reported under "assets held for sale" and "liabilities held for sale" (see section 4.10). In addition, impairment losses are calculated in part on the basis of cash-generating units if the recoverable amount of specific assets (goodwill) cannot be determined separately (see section 4.5.2).

Assets and liabilities are generally measured at amortised cost. For financial assets and liabilities, this involves the application of the effective interest rate method. In contrast, different measurement methods are applied to the following material positions:

- Investment property and property under construction are measured at fair value.
- Derivative financial instruments are measured at fair value.
- Provisions are measured at the present value of the expected settlement amount.

- Deferred tax assets and deferred tax liabilities are measured at their nominal value based on the temporary differences as of the balance sheet date and the tax rate expected when the existing differences are realised.
- Non-current assets and disposal groups held for sale are measured at the lower of the carrying amount or fair value less costs to sell unless they are excluded from the valuation requirements defined in IFRS 5. This applies, in particular, to investment property that is measured based on the fair value model.

Fair value is not always available as an observable market price, but must often be determined on the basis of various valuation parameters. Depending on the availability of observable parameters and the importance of these parameters for the general assessment procedure, the fair values are classified in different levels on the fair value hierarchy:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities
- Level 2: valuation parameters that do not reflect the quoted prices defined for Level 1, but which can be derived directly (as a price) or indirectly (from prices) for the asset or liability
- Level 3: valuation parameters for assets or liabilities that are not based on observable market data

1.3 Judgements and estimation uncertainty

1.3.1 Judgements

The following notes provide information on judgements made in the application of accounting methods which have the greatest influence on the amounts recognised in the consolidated financial statements:

- Full consolidation (see section 2.2.2): assessment of the existence of control over subsidiaries in cases where control is not based solely on the ownership interest (de facto control) and assessment of the existence of joint control or significant influence when a majority holding does not convey control over an investment
- Full consolidation (see section 2.2.2): assessment of whether the acquisition of property companies represents business combinations in the sense of IFRS 3 (characteristics of a business)
- Equity accounting (see section 2.2.3): assessment of the existence of significant influence in contrast to the assumption of such influence at an ownership interest of 20% or more and evaluation of the existence of objective indications of impairment
- Functional currency (see section 2.5.1): determination of the functional currency of a foreign operation, above all when this currency differs from the currency of the subsidiary's headquarters country
- Rental income (see section 5.1.1): assessment of whether an adjustment to a rental agreement substantially represents a new rental relationship
- Information on financial instruments (see section 7.1): identification and accounting treatment of embedded derivatives

1.3.2 Assumptions and estimates

The preparation of consolidated financial statements requires the Executive Board to make assumptions and estimates related to the application of accounting methods and the amounts reported for assets, liabilities, income and expenses. Actual results can vary from these estimates. The estimates and underlying assumptions are reviewed regularly, and any changes to these estimates are recognised prospectively. The following notes provide information on assumptions and estimation uncertainty which can lead to a significant risk that a material adjustment will be required during the financial year ending on 31 December 2022:

- Valuation assumptions and existing uncertainty (see section 4.1.3): determination of the fair value of investment property, property under construction and owner-operated properties
- Rights of use and lease liabilities (see sections 4.1.1 and 4.14): determination of the remaining term of a lease together with any extension or cancellation options
- Goodwill (see section 4.5.2): determination of the recoverable amount within the scope of impairment tests
- Equity-accounted investments (see section 4.6): determination of the recoverable amount within the scope of impairment tests for investments in associates and determination of the fair value of investments in associates within the framework of purchase price allocation in the case of a transitional consolidation
- Conditional purchase price receivables (see section 2.4): determination of the fair value of conditional purchase price receivables

- Contingent receivables (see section 7.3.1): contingent receivables may only be recognised when their realisation as income is highly probable
- Deferred taxes (see section 4.9): assessment of the usability of deferred tax assets (above all from loss carryforwards)
- Real estate inventories (see section 4.11): determination of the net realisable value of inventories
- Provisions (see section 4.16): determination of the expected settlement amount and the related present value
- Financial instruments (see section 7.1.3): determination of the fair value of primary and derivative financial instruments
- Contingent liabilities and guarantees (see section 7.3.1): assessment of the expected claims from obligations not reported on the balance sheet

1.4 First-time application of standards and interpretations

The following new or revised standards and interpretations were applied for the first time in 2022:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for IMMOFINANZ	Effects on IMMOFINANZ
Changes to standards and interpretations				
IAS 37	Onerous contracts – costs for fulfilling a contract	14 May 2020 (28 June 2021)	1 January 2022	No
IFRS 3	Change to IFRS 3 – reference to the conceptual framework	14 May 2020 (28 June 2021)	1 January 2022	No
IAS 16	Change to IAS 16 – property, plant and equipment – proceeds before intended use	14 May 2020 (28 June 2021)	1 January 2022	No

IAS 37 Scope of costs for fulfilling onerous contracts

The changes to IAS 37 clarify the scope of the costs required to fulfil onerous contracts. The costs of fulfilling a contract include all directly attributable costs as well as the incremental costs required to fulfil the contract (e.g. directly attributable labour and material costs) and the settlement of other directly attributable costs to fulfil the contract (e.g. the proportional share of depreciation on property, plant and equipment required to fulfil several contracts). These changes apply to all contracts with outstanding obligations as of the application date. The adjustment of comparative information is not required, but the cumulative effect of the initial application must be recorded under revenue reserves (or another suitable equity position) in the opening balance sheet.

These changes had no effect on the consolidated financial statements because the company has, to date, included all directly attributable costs as fulfilment costs.

IFRS 3: Reference to the Conceptual Framework

The changes to IFRS 3 clarify that the references are based on the 2018 Conceptual Framework. They also require an acquirer of obligations that fall under the scope of application of IAS 37 to apply that standard in order to determine whether an obligation at the time of acquisition is based on past events. For levies that fall under the scope of application of IFRIC 21, the acquirer must apply IFRIC 21 to determine whether the triggering event that creates an obligation for the payment of a levy occurred up to the acquisition date. In conclusion, the changes clarify that an acquirer may not recognise contingent receivables acquired in connection with a business combination. These changes had no effect on the consolidated financial statements.

IAS 16: Proceeds before intended use

The changes to IAS 16 explicitly prohibit the deduction of possible net revenue from the purchase cost of an item of property, plant or equipment. If goods are produced while a company is preparing an asset for its intended location or intended use, the company must recognise the proceeds from the sale of these goods and the costs for their production to profit or loss in accordance with the applicable standards. The rules defined by IAS 2 must be applied in valuing production costs. The costs of tests to determine whether an asset is functioning properly continue to represent directly attributable costs. These changes clarify that a test must be designed to determine whether the technical or physical performance of the asset ensures that it can be used for the production or supply of goods or services, for rental to a third party, or for administrative purposes. Additional disclosures in the notes are also required for the revenue and costs recognised to profit or loss from the sale of goods produced during test runs that are not part of ordinary business activities. The respective amounts must be disclosed together with the positions in which they are included. However, this is not required when the information is provided separately in the statement of comprehensive income.

These changes had no effect on the consolidated financial statements because the Group has no property, plant or equipment involved in the production of goods as part of test runs.

1.5 Standards and interpretations applicable in the future

1.5.1 Standards and interpretations adopted by the EU, but not yet applied

The following changes to standards and interpretations had been adopted by the EU as of the balance sheet date, but did not require mandatory application in the 2022 financial year and were not applied prematurely:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for IMMOFINANZ	Expected effects on IMMOFINANZ
New standards and interpretations				
IFRS 17	Insurance contracts	18 May 2017 (8 September 2022)	On application	No
IAS 12	Change to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	7 May 2021 (12 August 2022)	1 January 2023	No
IAS 1	Disclosure of accounting and measurement policies	12 February 2021 (3 March 2022)	1 January 2023	No
IAS 8	Definition of accounting policies and accounting estimates	12 February 2021 (3 March 2022)	1 January 2023	No
IFRS 4	Extension of the exemption from applying IFRS 9	25 June 2020 (15 December 2020)	1 January 2023	No

IMMOFINANZ is evaluating the applicable changes to these standards and will apply them as of the mandatory application date. The revised standards are not expected to have a material effect on IMMOFINANZ's consolidated financial statements.

1.5.2 Standards and interpretations announced, but not yet adopted by the EU

The following changes or revisions to standards and interpretations had been published as of the balance sheet date, but have not yet been adopted by the EU and are therefore not applicable:

Standard	Content	Published by the IASB	Expected mandatory application for IMMOFINANZ	Expected effects on IMMOFINANZ
Changes to standards and interpretations				
IAS 1	Change to IAS 1 – Classification of liabilities as current and non-current and the deferral of the application date; non-current liabilities with covenants	22 December 2022	1 January 2024	No
IFRS 16	Change to IFRS 16 – Lease liabilities in a sale and leaseback transaction	30 January 2023	1 January 2024	No

IMMOFINANZ is evaluating the expected, relevant changes to these standards and will apply them, where necessary, as of the mandatory application date. The new and revised standards not yet applied are not expected to have a material effect on IMMOFINANZ's consolidated financial statements.

2. Scope of Consolidation

2.1 Development of the scope of consolidation

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2021	176	0	7	183
Companies initially included				
Successive business combinations	87	1	3	91
Other acquisitions	30	0	0	30
New foundations	1	0	0	1
Companies no longer included				
Sales	-3	0	0	-3
Mergers	-12	0	0	-12
Liquidations	-7	0	0	-7
Balance on 31 December 2022	272	1	10	283
thereof foreign companies	193	1	1	195

An overview of the companies included in IMMOFINANZ's consolidated financial statements is provided in section 8.

For one of the seven companies liquidated in 2022, the tax authorities' assessment and the deletion from the company register were still outstanding. This company was, however, presented as deconsolidated as of 31 December 2022 as it is immaterial.

Initially consolidated subsidiaries which do not constitute a business on the acquisition date are not considered business combinations in the sense of IFRS 3 and are included in the above table as other acquisitions.

There are significant non-controlling interests in the S IMMO Group. A table of assets, liabilities and non-controlling interest of the S IMMO Group is provided in section 2.3. All other subsidiaries with an investment of less than 100% (see section 8.) have no material non-controlling interests.

Restrictions defined by the articles of association, contracts or legal regulations as well as protective rights held by non-controlling interests can limit the ability of IMMOFINANZ to gain access to the Group's assets, to transfer these assets between Group companies or to utilise the coverage potential of these assets to meet liabilities. Information on the existing limitations is provided in sections 7.1.4 and 7.3.1.

The S IMMO shares purchased in 2022 represent a business combination in the sense of IFRS 3. Additional information is presented in section 2.3 below.

2.2 Consolidation methods

2.2.1 Basis of consolidation

Standardised accounting and valuation principles as well as uniform options and judgements are applied by all companies included in the consolidated financial statements. Material interim profits – which arise, at most, from the intragroup transfer of investments in other companies, treasury shares, receivables or properties – are eliminated. The financial statements of all companies included through full consolidation and joint ventures accounted for at equity were prepared as of the same balance sheet date as the consolidated financial statements. For associates, the latest available financial statements form the basis for accounting. In cases where a different balance sheet date is used, any necessary adjustments are recognised when applying the equity method of accounting for material transactions or other events that occur between the associate's balance sheet date and IMMOFINANZ'S BALANCE SHEET DATE.

2.2.2 Full consolidation

A subsidiary is an entity that is controlled by a parent company. A subsidiary is included in the consolidated financial statements through full consolidation from the date on which the IMMOFINANZ Group attains control over the subsidiary and up to the date on which control ends.

A controlling influence based on voting rights is generally presumed to exist when the direct or indirect interest in an entity exceeds 50%. In individual cases (see section 4.6) interests over 50% are contrasted by statutory rights for a co-investor or the absence of a connection between the IMMOFINANZ Group's control over the investee and the receipt of variable returns. A co-investor may be assumed to have such statutory rights, above all, when there are wide-ranging requirements for unanimity or the co-investor's agreement on decisions over material activities (e.g. the sale of investment property). Investments with a share of voting rights less than 50% are reviewed to determine whether control is established by other factors.

The acquisition of a subsidiary requires a decision as to whether the entity represents a business in the sense of IFRS 3. Assessing whether acquired property assets represent a business in the sense of IFRS 3 involves discretionary judgement and, frequently, a detailed analysis of the acquired processes and structures, above all with respect to asset and property management. A concentration test is also performed on acquisitions to determine whether the entire fair value of the acquired gross assets is concentrated primarily in a single identifiable asset or in a group of comparable assets. When a business is acquired, the transaction is accounted for as a business combination under the acquisition method defined by IFRS 3. This also applies to an acquisition within the framework of a business combination achieved in stages. The related transaction costs are treated as an expense, and deferred taxes on temporary differences between the fair value of the acquired property assets and their respective tax bases are recognised in full. At the IMMOFINANZ Group, goodwill (see section 4.4.2) regularly results as a technical figure because of the obligation to record deferred taxes on the difference between the fair value and the tax base of the acquired real estate assets. The acquisition method is not applied if the acquired entity does not represent a business. The acquisition of shell companies and pure land-owning companies does not normally involve a business. In these cases the acquisition costs, including transaction costs, are allocated to the acquired assets and assumed liabilities based on their fair value; deferred taxes are not recognised (initial recognition exemption); and goodwill does not arise.

2.2.3 Equity method

IMMOFINANZ's interests in equity-accounted investments comprise shares in joint ventures and associates.

IFRS 11 differentiates between joint ventures and joint operations. The joint arrangements in which the IMMOFINANZ Group is involved generally represent joint ventures. A joint venture is a joint arrangement under which the co-investors exercise joint control over a company and (only) have rights to the company's net assets. There are no direct claims or obligations arising from the company's assets and liabilities.

Associates are companies over which the IMMOFINANZ Group can exercise significant influence. Significant influence is the power to participate in an investee's financial and operating policy decisions without control or joint control. It is generally presumed (but can be refuted) when the direct or indirect interest in the investee equals or exceeds 20%. The possibilities for influence created by company law (e.g. through seats on a supervisory board) or other available opportunities can also lead to significant influence when an interest is less than 20%. With respect to shares in real estate funds, the IMMOFINANZ Group does not have significant influence, even with an interest of 20% or more, because it is not represented in the fund's operating management or this influence is excluded by the fund's legal structure (see section 4.6).

In accordance with the equity method of accounting, investments in associates or joint ventures are initially recognised at cost, including transaction costs, as of the acquisition date. Any surplus of the acquisition cost over the acquired share of identifiable assets and assumed liabilities and contingent liabilities at fair value is recognised as goodwill. Negative differences are recognised immediately to profit or loss. Goodwill represents part of the carrying amount of the investment and is not tested separately for impairment. After initial recognition, the carrying amount of the investment is increased or decreased by the proportional share of the investee's profit or loss and other comprehensive income attributable to the IMMOFINANZ Group until significant influence or joint control ends. Any losses recorded by an associate or joint venture which exceed the IMMOFINANZ Group's investment in this entity are not recognised. Such losses are only recognised when the Group has a legal or actual obligation to cover the losses. The investments in companies accounted for at

equity are assessed for indications of impairment as of every balance sheet date in accordance with IAS 28. If any such indications are identified, the investments are tested for impairment in accordance with IAS 36.

2.3 Acquisition of subsidiaries

In addition to the general disclosures on accounting and valuation methods (see sections 1.2. and 1.3), IFRS 3 requires additional detailed information on business combinations. The purchase of shares in S IMMO AG represents a business combination achieved in stages in the sense of IFRS 3.

IMMOFINANZ held 19,499,437 shares up to 26 December 2022, which represented 26.49% of share capital and 27,65% of the voting rights in S IMMO. This holding represented a significant influence up to 27 December 2022 when 17,305,012 shares of S IMMO AG were purchased from the CPI Property Group. The purchase of the shares previously held by the CPI Property Group gave IMMOFINANZ a majority investment of 50% plus one share in the S IMMO Group. The purchase price for this share package totalled EUR 337.4 million, respectively EUR 19.50 per S IMMO share, and was deferred by the CPI Property Group up to March 2028 at the latest.

The S IMMO Group is an international real estate corporation which is headquartered at Friedrichstrasse 10, 1010 Vienna. Its activities include long-term real estate investments through the purchase and sale of properties, project development, rentals and asset management, the revitalisation and refurbishment of buildings, and the operation of hotels. With this acquisition, IMMOFINANZ fulfilled a long-term strategic goal to create a stronger market position and support the realisation of synergies as both companies follow the same business model and are active in similar geographical markets.

Within the framework of the purchase price allocation, the total consideration for the business combination includes the following:

All amounts in TEUR	2022
Fair value of shares held until 27 December 2022	344,945
Deferred purchase price	337,448
Consideration	682,393

Since the acquisition of the S IMMO Group represents a business combination achieved in stages, the total consideration must include the deferred purchase price component for the additional shares purchased as well as the fair value of the shares previously held.

The allocation of the total purchase price to the acquired assets and assumed liabilities (PPA) of the S IMMO Group as of the initial consolidation date is based on the closing data reported by the S IMMO Group as of 31 December 2022 and on identified necessary adjustments to the fair values of the assets acquired and liabilities assumed.

The assets acquired and liabilities assumed in connection with the business combination had the following fair values as of the initial consolidation date:

All amounts in TEUR	2022
Investment property	2,412,852
Property under construction	10,300
Owner-operated properties	231,827
Assets held for sale	539,084
Financial assets	83,560
Cash and cash equivalents	385,245
Fair value of other assets	99,810
Total assets	3,762,678
Provisions	1,111
Financial liabilities	1,374,383
Deferred tax liabilities	273,114
Liabilities held for sale	127,246
Fair value of other liabilities	109,754
Total liabilities	1,885,608
Fair value net assets	1,877,070
Consideration	682,393
Non-controlling interests	980,055
Badwill	-214,622

The resulting negative difference (badwill) of EUR -214.6 million is reported as part of the revaluation results from investment property and goodwill. This gain represents the difference between the net assets in S IMMO, valued in accordance with IFRS 3, as of the acquisition date on 27 December 2022 and the acquisition price for the controlling interest in S IMMO, which was derived from the market price plus a package premium (also see section 4.6 for details on the valuation of the shares). The negative difference (badwill) resulted from a situation where the market price of S IMMO on the acquisition date was substantially lower than its equity valued in accordance with IFRS requirements. The recognition through profit or loss of this badwill is reported on the cash flow statement under other non-cash income and expenses, respectively reclassifications.

Non-controlling interests are included on the basis of their share in the recognised assets and liabilities of the S IMMO Group. No conditional consideration was agreed with the seller.

Standing investments are included in the consolidated financial statements of the S IMMO Group in accordance with the fair value model defined in IAS 40 and, consequently, are already measured at fair value. The valuation of the standing investments is generally based on the discounted cash flow method applied by the S IMMO Group (see section 4.1.1). Therefore, no adjustments were required to the fair value of the standing investments in connection with the initial consolidation.

The revaluation of the owner-operated properties, which primarily represent hotels operated by the S IMMO Group, was based on fair value appraisals by the external experts at CBRE, Muhr & Wipfler and EHL. The revaluation in connection with the initial consolidation led to a gain of EUR 126.3 million.

The fair value of the bonds reported under financial liabilities was determined as the total future cash flows as of the acquisition date discounted with a DCF method. The future cash flows from the bonds were based on the agreed terms and underlying interest and repayment schedules. The interest rate curve used to discount the payment flows for the DCF calculation consists of a risk-free basis curve and a premium for the risk of non-fulfilment ("risk spread"). The revaluation required in connection with the initial consolidation led to a reduction of EUR 54.4 million in financial liabilities.

Furthermore, deferred taxes that were not recognised by the S IMMO Group due to the initial recognition exemption were recognised as part of the business combination. The initial recognition exemption represents an exception under which a deferred tax liability or deferred tax asset is not recognised when it results from the initial recognition of an asset or a liability, when the underlying transaction is not a business combination, and when neither accounting nor profit before tax is influenced at the time of the transaction. The related adjustments totalled EUR 36.0 million.

For practical purposes, the consolidated income statement for 2022 does not include any components for the S IMMO Group. If the S IMMO Group had been fully consolidated as of 1 January 2022, the consolidated income statement for the IMMOFINANZ Group would have been as follows:

All amounts in TEUR	2022
Rental income	431,464
Operating costs charged to tenants	152,988
Other revenues	3,401
Revenues	587,853
Expenses from investment property	-81,668
Operating expenses	-181,224
Results of asset management	324,962
Result from hotel operations	7,501
Results of property sales	4,623
Results of property development	-20,684
Other operating income	13,552
Other operating expenses	-103,961
Results of operations	225,992
Revaluation result from standing investments and goodwill	88,338
Operating profit (EBIT)	314,330
Financial results	-18,543
Earnings before tax (EBT)	295,787
Income taxes	-93,489
Net profit or loss	202,298

Since the IMMOFINANZ Group does not apply hedge accounting – in contrast to the S IMMO Group – the amounts from the valuation of derivatives recognised by the S IMMO Group directly in other comprehensive income are reported under financial results in the above table.

The gross amount of the acquired trade receivables totals EUR 21.0 million. The net carrying amount, which represents fair value, equals EUR 17.5 million. Of the acquired trade receivables, EUR 3.5 million are therefore expected to be uncollectible as of the acquisition date.

Transaction costs of EUR 0.5 million related to the acquisition of S IMMO were recognised to profit and loss in 2022 and are reported under other operating expenses.

2.4 Sale of subsidiaries

An overview of the subsidiaries deconsolidated in 2022 is provided in section 8.

The following table summarises the effects on various balance sheet items as well as the deconsolidation results:

All amounts in TEUR	2022
Investment property (see 4.1)	95,379
Goodwill	4,101
Receivables and other assets	1,618
Deferred tax assets	1,310
Cash and cash equivalents	1,345
Financial liabilities	-49,220
Trade payables	-586
Other liabilities	-5,602
Income tax liabilities	-366
Deferred tax liabilities	-15,001
Net assets sold	32,978
Consideration received in cash and cash equivalents	35,853
Outstanding purchase price receivables	54
Less net assets sold	-32,978
Reclassification of foreign exchange differences and hedge accounting reserve to profit or loss	2,514
Results from deconsolidation	5,443
Consideration received in cash and cash equivalents	35,853
Less cash and cash equivalents sold	-1,345
Net inflow of cash and cash equivalents	34,508

2.5 Foreign currency translation

2.5.1 Functional currency

The Group reporting currency is the euro. For subsidiaries and equity-accounted investments that prepare their financial statements in a foreign currency, the determination of the functional currency is based on the primary (macro)economic environment in which the respective company operates. One determining factor is the currency in which the majority of cash flows, goods and services are denominated and settled in the relevant country.

When the functional currency of a subsidiary cannot be clearly identified, IAS 21 allows management to use its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions and events. Management has principally designated the euro as the functional currency for the subsidiaries in Romania, Poland, Czech Republic and Hungary; however, the local currency remains the functional currency for individual purchased property, service and management companies. This decision reflects the fact that macroeconomic developments in these countries are influenced by the eurozone. In addition, the leases concluded by IMMOFINANZ in these countries and real estate financing are generally denominated in the euro.

2.5.2 Translation of financial statements from foreign subsidiaries, joint ventures and associates

In accordance with IAS 21, the modified current rate method is used to translate the financial statements of the Group's subsidiaries, joint ventures and associates whose functional currency is not the euro. The assets and liabilities in the financial statements to be consolidated are translated at the mean exchange rate on the balance sheet date, while the income statement positions are translated at the weighted average exchange rate for the financial year.

Foreign currency translation is based on the exchange rates issued by the European Central Bank and by the respective national banks.

The following table lists the exchange rates in effect on the balance sheet date and the average exchange rates for the key currencies from the IMMOFINANZ Group's viewpoint:

Currency	Closing rate on 31 12 2022	Closing rate on 31 12 2021	Average rate 2022	Average rate 2021
BGN	1.95580	1.95580	1.95580	1.95580
CZK	24.11500	24.86000	24.56192	25.68885
HRK	7.53450	7.51717	7.53520	7.52551
HUF	400.25000	369.00000	391.16154	359.45154
PLN	4.68990	4.59940	4.68145	4.58135
RON	4.94740	4.94810	4.93465	4.92017
RSD	117.32240	117.58210	117.47581	117.57344
TRY	19.96490	15.23350	17.28560	10.67922

3. Information on Operating Segments

3.1 Internal reporting

The chief operating decision-maker of the IMMOFINANZ GROUP is the Executive Board. Internal reporting to the Executive Board is based on the classification of data into eight regional core markets (Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and Adriatic). Within the core markets, rental income is reported by asset class (office, retail and others) together with the income from the non-performance-related components of operating costs. Regions with a lower volume of business are aggregated under "Other non-core countries". S IMMO is reported as a separate operating segment. The presentation of segment results is based on internal reporting to the Executive Board (management approach), whereby the statement of comprehensive income only includes IMMOFINANZ'S continuing operations.

3.2 Transition from operating segments to Group results

As regards the transition from revenues and profit or loss from the operating segments to the Group, it should be noted that there are no material transactions between the segments. The elimination of intersegment amounts is therefore not reported separately. Central services are allocated to the operating segments based on actual expenses. Service companies that only work for a particular segment are allocated to that segment. Initial transactions in real estate assets between the segments do not form a basis for decisions by the responsible chief operating decision-maker and, consequently, a transition is not provided for these transactions.

Investments in holding companies that cannot be assigned to a specific segment and non-operating subsidiaries are included in the transition column. This column also includes the elimination of immaterial intersegment transactions.

3.3 Information on reportable operating segments

Segment assets consist primarily of investment properties, property under construction, goodwill, properties held for sale and real estate inventories. Segment investments include additions to investment property and property under construction as well as rights of use as defined in IFRS 16. Liabilities are not allocated to the individual segments for internal reporting purposes.

The results of asset management and operating profit (EBIT) are used to assess performance and to allocate resources. The development of financial results and tax expense in the Group is managed centrally. Separate country boards, which report regularly to the chief operating decision-maker, were established for the core markets. EBIT in the "total" column reflects the same position on the consolidated income statement, which also shows the reconciliation to earnings before tax.

The accounting and valuation methods applied by the reportable segments comply with the accounting and valuation methods used to prepare the IMMOFINANZ GROUP'S consolidated financial statements.

3.4 Regions as operating segments

The allocation of revenues and non-current assets to the individual regions is based on the location of the property.

- Austria: The business segment Austria is a major focal point for the office standing investments. These properties include, among others, the myhive am Wienerberg commercial and office center, the City Tower Vienna, the myhive location in Vienna's Ungargasse and the Bureau am Belvedere. This portfolio also includes individual retail properties under the STOP SHOP brand.
- Germany: This portfolio includes the FLOAT office complex as well as the myhive Medienhafen Largo and Alto office properties.
- Poland: This country represents a further focal point for the standing office investments. The major office locations include the Warsaw Spire, the myhive Park Postępu, the myhive IO-1 building and the myhive Nimbus Office in Warsaw. The Polish portfolio also includes VIVO! shopping centers in Lublin, Stalowa Wola, Piła and Krosno as well as STOP SHOP retail parks. Six properties were added in the third quarter of 2022 through the purchase of a retail portfolio from the CPI Property Group.
- Czech Republic: The portfolio mix in the Czech Republic includes, among others, the Na Příkladě office property and the myhive Palmovka and myhive Pankrác House in Prague. Other important properties are the VIVO! Hostivař shopping center and retail parks under the STOP SHOP brand as well as 30 retail properties which were acquired from the CPI Property Group as part of a package deal in the third quarter.
- Slovakia: The core business in Slovakia lies primarily in the retail asset class with the VIVO! Bratislava and the STOP SHOP retail parks as well as the 15 properties purchased from the CPI Property Group in the fourth quarter of 2022. This portfolio also includes the myhive Vajnorská office property.
- Hungary: Retail properties represent the focal point of this portfolio. In addition to STOP SHOP retail parks, the real estate portfolio was expanded to include two additional retail properties from the purchase of a CPI Property Group retail portfolio in the fourth quarter of 2022.
- Romania: The business segment Romania covers retail properties such as the STOP SHOP Botosani retail park and the VIVO! Cluj-Napoca, VIVO! Constanta, VIVO! Baia Mare and VIVO! Pitești shopping centers. This portfolio also includes office properties such as the myhive S-Park, myhive Metrooffice and IRIDE Business Park as well as several properties in the Other asset class.
- Adriatic: The property portfolio in the Adriatic region (Italy, Croatia, Serbia and Slovenia) includes over 30 STOP SHOP retail parks as well as various properties under construction and land. It also contains the Grand Centre Zagreb office building and one property in Croatia which is assigned to the Other asset class.
- Other countries: This segment includes one land site in Turkey (Other asset class).
- S IMMO: The increase in the investment in S IMMO AG to over 50% and the subsequent full consolidation of the shares led to the expansion of segment reporting at the end of 2022 to include the S IMMO sub-group. The S IMMO real estate portfolio includes office buildings, commercial properties, residential properties and hotels.

3.5 Information on key customers

IMMOFINANZ had no individual customers who accounted for 10% or more of revenues in the 2022 or 2021 financial year.

3.6 Segment reporting

Information on IMMOFINANZ'S reportable segments is provided in the following section:

All amounts in TEUR	Austria		Germany	
	2022	2021	2022	2021
Office	23,899	21,028	12,090	18,062
Retail	12,235	11,410	2	0
Other	4,203	3,264	1,539	2,313
Income from non-performance-related components of operating costs	712	720	646	793
Rental income	41,049	36,422	14,277	21,168
Operating costs charged to tenants	11,711	10,329	4,075	6,224
Other revenues	920	840	38	3
Revenues	53,680	47,591	18,390	27,395
Expenses from investment property	-19,817	-15,207	-3,611	-2,575
Operating expenses	-13,663	-12,411	-6,070	-6,134
Results of asset management	20,200	19,973	8,709	18,686
Results of property sales	6,613	2,575	-248	28,738
Results of property development	-6,130	-6,407	-9,174	43,121
Other operating income	197	490	739	106
Other operating expenses	-2,118	-2,267	-2,045	-4,884
Results of operations	18,762	14,364	-2,019	85,767
Revaluation result from standing investments and goodwill	-35,510	45,496	-73,378	32,725
Operating profit (EBIT)	-16,748	59,860	-75,397	118,492
	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Investment property	850,712	871,099	568,500	470,000
Property under construction	62,900	91,930	0	163,600
Goodwill	0	0	0	0
Owner-operated properties	0	0	0	0
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	4,563	559
Segment assets	913,612	963,029	573,063	634,159
	2022	2021	2022	2021
Segment investments	45,155	18,533	10,679	21,488

All amounts in TEUR	Poland		Czech Republic	
	2022	2021	2022	2021
Office	33,727	33,749	12,421	14,621
Retail	24,072	22,325	19,972	13,903
Other	4,221	4,448	1,520	1,618
Income from non-performance-related components of operating costs	3,535	3,473	365	280
Rental income	65,555	63,995	34,278	30,422
Operating costs charged to tenants	28,022	20,173	11,164	8,557
Other revenues	631	278	145	58
Revenues	94,208	84,446	45,587	39,037
Expenses from investment property	-8,933	-13,425	-4,451	-4,580
Operating expenses	-30,958	-23,816	-11,694	-8,805
Results of asset management	54,317	47,205	29,442	25,652
Results of property sales	62	2,020	10,467	1,877
Results of property development	75	-481	-68	-103
Other operating income	484	360	278	47
Other operating expenses	-3,556	-2,796	-2,427	-1,278
Results of operations	51,382	46,308	37,692	26,195
Revaluation result from standing investments and goodwill	-12,750	-1,391	32,093	9,996
Operating profit (EBIT)	38,632	44,917	69,785	36,191
	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Investment property	1,028,589	1,006,944	673,574	562,159
Property under construction	9,400	3,279	0	2,326
Goodwill	32	32	2,955	7,056
Owner-operated properties	0	0	0	0
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	0	0
Segment assets	1,038,021	1,010,255	676,529	571,541
	2022	2021	2022	2021
Segment investments	37,415	9,050	164,842	3,075

All amounts in TEUR	Slovakia		Hungary	
	2022	2021	2022	2021
Office	3,409	3,129	11,065	10,541
Retail	19,161	18,015	17,134	15,955
Other	622	519	1,615	1,737
Income from non-performance-related components of operating costs	752	749	1,291	1,482
Rental income	23,944	22,412	31,105	29,715
Operating costs charged to tenants	11,292	8,347	16,350	9,589
Other revenues	118	75	1,085	21
Revenues	35,354	30,834	48,540	39,325
Expenses from investment property	-5,897	-7,743	-5,303	-5,980
Operating expenses	-10,848	-8,130	-18,762	-11,666
Results of asset management	18,609	14,961	24,475	21,679
Results of property sales	-393	-4	-253	-4,229
Results of property development	-23	-64	1,900	-618
Other operating income	20	199	4	20
Other operating expenses	-1,691	-1,441	-1,846	-1,463
Results of operations	16,522	13,651	24,280	15,389
Revaluation result from standing investments and goodwill	14,164	-344	-28,161	3,638
Operating profit (EBIT)	30,686	13,307	-3,881	19,027
	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Investment property	450,828	327,181	227,037	385,462
Property under construction	0	0	0	72,610
Goodwill	184	184	202	2,385
Owner-operated properties	0	0	0	0
Investment properties held for sale	0	0	0	0
Real estate inventories	0	0	0	0
Segment assets	451,012	327,365	227,239	460,457
	2022	2021	2022	2021
Segment investments	109,556	3,506	34,653	8,613

All amounts in TEUR	Romania		Adriatic	
	2022	2021	2022	2021
Office	10,829	13,817	1,605	1,537
Retail	30,293	26,108	38,059	29,194
Other	4,749	5,314	420	404
Income from non-performance-related components of operating costs	3,384	3,601	607	562
Rental income	49,255	48,840	40,691	31,697
Operating costs charged to tenants	25,946	18,686	10,069	6,751
Other revenues	197	429	267	3
Revenues	75,398	67,955	51,027	38,451
Expenses from investment property	-7,496	-8,652	-4,543	-3,054
Operating expenses	-33,030	-24,648	-10,955	-7,081
Results of asset management	34,872	34,655	35,529	28,316
Results of property sales	1,126	-1,641	-63	-47
Results of property development	-7,540	-7,992	276	-8,559
Other operating income	894	382	24	61
Other operating expenses	-6,829	-2,955	-3,923	-3,036
Results of operations	22,523	22,449	31,843	16,735
Revaluation result from standing investments and goodwill	-2,005	5,744	-5,491	-9,973
Operating profit (EBIT)	20,518	28,193	26,352	6,762
	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Investment property	704,505	661,960	538,500	439,390
Property under construction	67,200	109,710	48,700	30,856
Goodwill	12,975	13,275	999	1,000
Owner-operated properties	0	0	0	0
Investment properties held for sale	9,400	9,030	0	0
Real estate inventories	100	60	0	0
Segment assets	794,180	794,035	588,199	471,246
	2022	2021	2022	2021
Segment investments	12,996	45,864	120,661	155,413

All amounts in TEUR	Other Countries		Total reportable segments	
	2022	2021	2022	2021
Office	0	0	109,045	116,484
Retail	0	0	160,928	136,910
Other	16	17	18,905	19,634
Income from non-performance-related components of operating costs	0	0	11,292	11,660
Rental income	16	17	300,170	284,688
Operating costs charged to tenants	0	0	118,629	88,656
Other revenues	0	0	3,401	1,707
Revenues	16	17	422,200	375,051
Expenses from investment property	-66	-185	-60,117	-61,401
Operating expenses	0	0	-135,980	-102,691
Results of asset management	-50	-168	226,103	210,959
Results of property sales	-12,688	-11	4,623	29,278
Results of property development	0	0	-20,684	18,897
Other operating income	26	26	2,666	1,691
Other operating expenses	-92	-92	-24,527	-20,212
Results of operations	-12,804	-245	188,181	240,613
Revaluation result from standing investments and goodwill	390	2	-110,648	85,893
Operating profit (EBIT)	-12,414	-243	77,533	326,506
	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Investment property	7,999	12,180	7,707,196	4,736,375
Property under construction	0	0	198,500	474,311
Goodwill	0	0	19,530	23,932
Owner-operated properties	0	0	231,827	0
Investment properties held for sale	0	0	510,406	9,030
Real estate inventories	0	0	4,963	619
Segment assets	7,999	12,180	8,672,422	5,244,267
	2022	2021	2022	2021
Segment investments	0	177	2,959,109	265,719

All amounts in TEUR	Reconciliation to consolidated financial statements		IMMOFINANZ Group	
	2022	2021	2022	2021
Office	0	0	109,045	116,484
Retail	0	0	160,928	136,910
Other	0	0	18,905	19,634
Income from non-performance-related components of operating costs	0	0	11,292	11,660
Rental income	0	0	300,170	284,688
Operating costs charged to tenants	0	0	118,629	88,656
Other revenues	0	0	3,401	1,707
Revenues	0	0	422,200	375,051
Expenses from investment property	0	0	-60,117	-61,401
Operating expenses	0	0	-135,980	-102,691
Results of asset management	0	0	226,103	210,959
Results of property sales	0	-3,568	4,623	25,710
Results of property development	0	0	-20,684	18,897
Other operating income	7,711	459	10,377	2,150
Other operating expenses	-41,551	-27,442	-66,078	-47,654
Results of operations	-33,840	-30,551	154,341	210,062
Revaluation result from standing investments and goodwill	214,622	0	103,974	85,893
Operating profit (EBIT)	180,782	-30,551	258,315	295,955
	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Investment property	0	0	7,707,196	4,736,375
Property under construction	0	0	198,500	474,311
Goodwill	0	0	19,530	23,932
Owner-operated properties	0	0	231,827	0
Investment properties held for sale	0	0	510,406	9,030
Real estate inventories	0	0	4,963	619
Segment assets	0	0	8,672,422	5,244,267
	2022	2021	2022	2021
Segment investments	0	0	2,959,109	265,719

Due to the full consolidation of S IMMO AG as of 31 December 2022, the preparation of the consolidated financial statements does not include any profit and loss data on S IMMO for that year. The information on the S IMMO segment in the following table is therefore required for the transition from segment assets and segment liabilities to the consolidated financial statements.

The S IMMO operating segment shows the following segment assets and investments:

	31 12 2022
Investment property	2,656,952
Property under construction	10,300
Goodwill	2,183
Owner-operated properties	231,827
Investment properties held for sale	501,006
Real estate inventories	300
Segment assets	3,402,568
Segment investments	2,423,152

Segment investments by the operating segment S IMMO include the addition of properties held by the S IMMO Group to investment property, property under construction and IFRS 16 rights of use in the IMMOFINANZ Group.

4. Notes to the Consolidated Balance Sheet

4.1 Investment property

Investment property includes land, buildings and/or parts of buildings that are held to generate rental income or for capital appreciation. The properties owned and operated by the S IMMO Group (hotels) are reported under owner-operated properties. The space used by IMMOFINANZ is immaterial and is therefore included under investment property. Properties acquired at the start of the development process are classified as property under construction when the necessary decisions have been taken as of the acquisition date. In all other cases, real estate acquisitions are recognised as investment property.

The IMMOFINANZ Group filed applications for an immaterial amount of investment subsidies for investment property and property under construction (see section 4.2) in the Austrian companies during 2022 in accordance with the Austrian subsidy guideline "COVID-19 investment bonuses for companies". Investment subsidies are principally accounted for through a deduction to the acquisition cost when the asset is initially recognised (net method as per IAS 20.24).

4.1.1 Development of investment property

Details on the development of the fair value of investment property are presented in the following section. Foreign exchange differences resulting from the translation of foreign company assets at the rates in effect at the beginning and the end of the year are presented separately.

The development of investment property is as follows:

All amounts in TEUR	2022	2021
Beginning balance	4,736,375	4,680,351
Disposals following the sale of subsidiaries (see 2.4)	-95,379	-164,226
Change in scope of consolidation	2,412,852	1,690
Currency translation adjustments	2,697	-8,520
Additions	436,276	158,573
Disposals	-39,427	-30,931
Revaluation	-97,573	87,539
Reclassifications	351,375	20,929
Reclassification to assets held for sale	0	-9,030
Ending balance	7,707,196	4,736,375

The decline through the sale of subsidiaries involved an office property in the Czech Republic. The change in the scope of consolidation reflects properties owned by the S IMMO Group. The additions include acquisitions of EUR 396.9 million (2021: EUR 122.2 million) and subsequent investments of EUR 39.3 million (2021: EUR 36.4 million). The acquisitions are related primarily to retail parks in Poland, the Czech Republic, Slovakia, Hungary and Italy. The disposals in 2022 consist primarily of office buildings in Austria and Romania, a shopping center in Romania and land in Turkey.

The reclassifications consisted mainly of transfers of investment property to property under construction (EUR -7.2 million; 2021: EUR -41.9 million) and from property under construction to investment property (EUR 356.9 million; 2021: EUR 66.1 million).

IFRS 16

The IMMOFINANZ Group leases real estate for rental to third parties (in particular building rights) and, to a lesser extent, leases buildings, land and other assets (autos and other items of business and operating equipment). The IFRS 16 rights of use resulting from the building rights are allocated to investment property. Information on the IFRS 16 rights of use related to owner-operated properties is provided in section 4.3, while information on the IFRS 16 rights of use included under other tangible assets can be found in section 4.4. For short-term leases (under 12 months) and low-value leases (under EUR 5,000), the IMMOFINANZ Group applies the practical expedients defined by IFRS 16 and records the expenses for these contracts under other operating expenses (see section 5.5). The option to waive the separation of lease and non-lease components was not applied.

The rights of use for investment property and property under construction are subsequently measured at fair value in accordance with IAS 40 (see section 5.7 for the valuation effect) and represent the respective lease liabilities as of the measurement date (see section 4.14). Lease liabilities are subsequently measured at amortised cost with the application of the effective interest method and include any foreign exchange increases or decreases (see section 5.9). Lease payments on the rights of use for building rights are normally indexed and, consequently, regularly represent the current market price. As a rule, the leases for building rights do not include any purchase options.

The rights of use included under investment property totalled EUR 57.3 million as of 31 December 2022 (2021: EUR 50.5 million). No rights of use were reclassified to assets held for sale in 2022 (see section 4.10). Information on the lessor's accounting treatment is provided in section 5.1.1.

4.1.2 Accounting policies

The fair value of the standing investments held by IMMOFINANZ as of 31 December 2022 and in the previous year was generally determined with the so-called hardcore and top-slice version of the investment method.

Under the hardcore and top-slice version, the net income generated by a property – up to the market rent (the so-called hardcore component) – is capitalised at a normal market interest rate as a perpetual yield over the entire term (term of the rental contract plus subsequent rental). The top-slice component (i.e. the net income that exceeds or falls below the market rent) is then discounted at a risk-adjusted market interest rate if necessary. The amount of the risk premium is dependent on the probability of vacancy.

Other versions of the investment method – for example, the term and reversion and discounted cash flow method (DCF method) – are used for the valuation of standing investments in the S IMMO Group.

Quantitative information on the parameters used for valuation is provided in section 4.1.3.

The valuation of undeveloped land held by the IMMOFINANZ Group is based on a comparable value method. This method uses the realised purchase prices from other sites with a similar location and size to determine the value of the target property.

Properties under development and investment properties that were acquired for possible redesign and renovation (redevelopment) are measured with the residual value method in the IMMOFINANZ Group. The appraiser is responsible for selecting the valuation method. Differences to the above-mentioned procedure are therefore possible.

Changes in the fair value of investment properties, properties under construction, properties held for sale and properties sold are recognised to profit or loss and reported on the income statement under revaluation (see section 5.7).

The accounting for investment property in accordance with the fair value model requires regular revaluation. In the IMMOFINANZ Group, the valuation of, de facto, all properties is carried out by independent appraisers in accordance with the recommendations of the European Public Real Estate Association (EPRA).

CBRE served as an appraiser for IMMOFINANZ as of 31 December 2022. Internal valuations were used to a very limited extent. The investment property held by the S IMMO Group is also valued by recognised international property appraisers (e.g. CBRE, Colliers International or EHL).

The valuations by these external appraisers are based on their market knowledge and the inspection of the properties as well as supplied information, e.g. rental lists, rental contracts, land register excerpts and maintenance and investment budgets. This data is reviewed by the appraisers, who verify its plausibility through comparisons with market data. The experts also make estimates, among others, for the occupancy, future rental income, scheduled investments and expected returns. This process is accompanied by the members of the IMMOFINANZ Group's asset management and controlling staffs. The results of the property valuation process are coordinated with IMMOFINANZ's Executive Board.

An IMMOFINANZ Group guideline and the contract concluded with the appraiser require the inspection of all properties as part of the initial valuation. Starting with the first follow-up valuation, the appraisers are required to inspect at least 10% of the properties in each country of their assigned portfolio and to examine all newly acquired properties each year. The on-site inspection of the property by the appraiser may not be older than three years.

In the IMMOFINANZ Group, the properties are appraised for the preparation of the consolidated financial statements as of 31 December and, in part, also for the preparation of the consolidated interim financial statements as of 30 June. Internal valuations are carried out for the preparation of the interim financial statements as of 31 March and 30 September.

4.1.3 Valuation assumptions and existing valuation uncertainty

IFRS 13 requires the classification of assets and liabilities measured at fair value in three fair value hierarchy levels based on the determining input factors. All investment properties are classified under Level 3 of the fair value hierarchy because of the various parameters used in property valuation that are not directly or indirectly observable on the market (see the following table for information on the most important non-observable input factors).

The classes are defined according to the respective characteristics, features and risks associated with the assets. The allocation criteria include the business segments and asset classes (office, retail and others). The office, retail and others asset classes are aggregated into country groups and to S IMMO based on specific homogeneity criteria: West (Austria, Germany), CEE (Poland, Czech Republic, Slovakia, Hungary, Romania), Other Countries and S IMMO.

This aggregation results in the following classes:

- **Office** – in each of the country groups West, CEE, Other Countries, S IMMO Group
- **Retail** – in each of the country groups West, CEE, Other Countries, S IMMO Group
- **Other** – in each of the country groups West, CEE, Other Countries, S IMMO Group

The following table shows the input factors used for valuation and lists the key input parameters for each class of standing investments. A minimum and maximum value is shown for each input parameter in the class; consequently, the various parameters are generally not related to the same property. In addition to the minimum and maximum amounts, a weighted average and median amount are provided for each input parameter within the individual classes.

The input parameters presented in the following tables for 2022 and 2021 are to be understood as follows:

- Lettable space in sqm: the total gross space available for rental by tenants (excluding parking areas)
- Market rent per sqm and month in EUR: the appraiser's estimate of the monthly rent for which a property could be rented by knowledgeable and willing parties under appropriate conditions and without compulsion in an arm's length transaction
- Actual net rent per sqm and month in EUR: the monthly rent in square metres based on expected rents for the first year after the deduction of costs carried by the renter
- Capitalisation rate in %: yield based on the expected income from the property; the exit yield is reported for properties held by the S IMMO Group which are valued according to the DCF method
- Vacancy rate in %: the actual vacancy rate as of the balance sheet date.

Depending on the estimates of risk – which are based, in general, on the asset class, the country and current market circumstances and, in particular, on the condition of the building, its location and occupancy rate – different interest rates are applied to the individual properties. The assumptions underlying the valuation, e.g. for market rents, rental default risks, vacancies or maintenance costs, are based on market assessments, on derived data or on the appraisers' experience.

The following tables also include the investment property classified held for sale (see section 4.10), in cases where current appraisals were available as of the balance sheet date.

Office						
		Lettable space in sqm	Market rent per sqm, month and property in EUR	Net actual rent per sqm, month and property in EUR	Capitalisation rate or exit yield in %	Vacancy rate in %
2022						
West	min	2,194	6.61	6.15	3.05	0.00
	max	66,270	26.10	69.98	5.60	79.48
	weighted average	19,913	17.35	17.57	4.26	7.01
	median	17,237	14.94	14.55	4.25	0.23
CEE	min	6,621	4.52	4.29	4.60	0.00
	max	71,608	24.05	51.85	10.70	75.47
	weighted average	20,014	14.98	16.71	7.71	14.86
	median	17,068	14.11	16.44	7.88	10.64
Other Countries	min	15,908	11.96	11.72	8.00	0.00
	max	15,908	11.96	11.72	8.00	0.00
	weighted average	15,908	11.96	11.72	8.00	0.00
	median	15,908	11.96	11.72	8.00	0.00
S IMMO	min	519	4.34	3.81	2.75	0.00
	max	42,858	23.86	27.81	8.50	58.67
	weighted average	11,155	13.55	13.30	5.77	13.96
	median	8,464	12.08	11.62	5.70	11.26

Retail						
2022		Lettable space in sqm	Market rent per sqm, month and property in EUR	Net actual rent per sqm, month and property in EUR	Capitalisation rate or exit yield in %	Vacancy rate in %
West	min	2,175	6.05	4.97	4.80	0.00
	max	9,480	13.89	13.47	5.95	7.58
	weighted average	4,784	10.86	9.23	5.45	1.07
	median	4,389	11.43	8.83	5.45	0.00
CEE	min	811	5.06	4.68	5.75	0.00
	max	62,493	20.35	19.75	10.00	28.34
	weighted average	8,152	11.33	10.92	6.97	1.41
	median	6,056	9.76	9.58	6.90	0.00
Other Countries	min	1,657	7.54	7.39	7.50	0.00
	max	33,126	14.58	14.34	8.75	13.46
	weighted average	9,000	10.32	10.12	8.14	0.96
	median	8,179	10.20	10.05	8.00	0.00
S IMMO	min	943	4.36	3.11	2.75	0.00
	max	81,486	19.52	20.18	7.50	27.69
	weighted average	12,676	14.05	12.29	4.92	3.48
	median	10,040	8.68	7.57	4.60	0.31

Other						
2022		Lettable space in sqm	Market rent per sqm, month and property in EUR	Net actual rent per sqm, month and property in EUR	Capitalisation rate or exit yield in %	Vacancy rate in %
S IMMO	min	282	5.96	0.49	1.85	0.00
	max	13,586	11.80	11.09	4.75	55.81
	weighted average	1,304	8.52	6.29	3.43	9.56
	median	837	8.00	5.66	3.45	4.65

Office						
2021		Lettable space in sqm	Market rent per sqm, month and property in EUR	Net actual rent per sqm, month and property in EUR	Capitalisation rate in %	Vacancy rate in %
West	min	2,194	6.53	6.26	2.65	0.00
	max	66,382	25.08	22.75	5.25	7.67
	weighted average	19,300	16.73	16.31	3.80	2.10
	median	13,185	15.21	14.46	3.83	0.81
CEE	min	6,621	7.73	5.02	4.25	0.00
	max	71,608	22.31	23.06	10.25	57.76
	weighted average	21,400	14.53	14.47	7.35	11.57
Other Countries	min	17,310	13.85	12.84	7.40	5.98
	max	15,992	11.92	11.00	7.75	0.75
	weighted average	15,992	11.92	11.00	7.75	0.75
	median	15,992	11.92	11.00	7.75	0.75

Retail

2021		Lettable space in sqm	Market rent per sqm, month and property in EUR	Net actual rent per sqm, month and property in EUR	Capitalisation rate in %	Vacancy rate in %
West	min	2,175	6.05	5.34	4.75	0.00
	max	9,480	13.89	14.24	5.90	7.58
	weighted average	4,782	10.85	10.11	5.41	1.07
	median	4,389	11.43	10.01	5.40	0.00
CEE	min	2,639	5.06	5.40	6.00	0.00
	max	62,504	19.69	17.39	9.75	22.07
	weighted average	11,515	11.71	11.09	7.41	1.27
	median	7,853	9.39	9.63	7.25	0.00
Other Countries	min	1,657	7.46	6.51	7.45	0.00
	max	26,638	12.27	13.66	8.75	8.19
	weighted average	8,173	9.63	9.76	8.18	0.76
	median	7,001	10.07	10.08	8.50	0.00

An increase in the rent per square metre would lead to an increase in fair value, while a decrease in this parameter would cause a decrease in fair value. An increase in the capitalisation rate would lead to a reduction in fair value, while a reduction in this input factor would result in a higher fair value.

The following tables show the input factors for properties valued with the sales comparison approach (undeveloped land and vacant buildings):

Office 2022		Land in sqm	Price per sqm in EUR
West	min	1,478	1,069.59
	max	8,723	1,278.76
	weighted average	5,101	1,099.89
	median	5,101	1,174.17
CEE	min	2,162	193.35
	max	20,308	571.20
	weighted average	8,352	526.82
	median	2,586	508.79
S IMMO	min	9,766	1,054.68
	max	9,766	1,054.68
	weighted average	9,766	1,054.68
	median	9,766	1,054.68

Retail 2022		Land in sqm	Price per sqm in EUR
CEE	min	3,916	12.20
	max	58,500	150.43
	weighted average	27,300	79.37
	median	27,746	56.78
Other Countries	min	30,000	36.67
	max	39,471	81.07
	weighted average	34,736	61.90
	median	34,736	58.87

Other 2022		Land in sqm	Price per sqm in EUR
CEE	min	1,790	11.12
	max	210,319	483.99
	weighted average	49,952	119.26
	median	24,193	125.76
Other Countries	min	7,951	40.68
	max	196,671	1,672.75
	weighted average	102,311	104.09
	median	102,311	856.71
S IMMO	min	391	0.63
	max	287,936	599.70
	weighted average	64,920	29.13
	median	37,745	26.94

Office 2021		Land in sqm	Price per sqm in EUR
West	min	1,478	1,020.29
	max	15,279	1,247.46
	weighted average	8,493	1,166.80
	median	8,723	1,197.56
CEE	min	2,162	499.54
	max	20,308	4,220.43
	weighted average	8,730	1,082.86
	median	3,720	570.22

Retail 2021		Land in sqm	Price per sqm in EUR
CEE	min	30,910	32.03
	max	126,040	150.09
	weighted average	63,335	64.14
	median	48,195	39.00
Other Countries	min	18,491	26.86
	max	60,504	116.18
	weighted average	35,758	63.41
	median	31,053	60.51

Other 2021		Land in sqm	Price per sqm in EUR
CEE	min	1,790	124.96
	max	210,319	446.93
	weighted average	69,404	141.96
	median	32,753	284.47
Other Countries	min	7,951	1,672.75
	max	7,951	1,672.75
	weighted average	7,951	1,672.75
	median	7,951	1,672.75

An increase in the price per square metre would lead to an increase in fair value, while a decrease would result in a lower fair value.

The following tables show a transition calculation from the beginning balance to the ending balance for the various property classes:

Office					
All amounts in TEUR	West	CEE	Other Countries	S IMMO	Total
Balance on 1 January 2021	1,132,491	1,701,393	30,180	0	2,864,064
Disposals following the sale of subsidiaries	-102,182	-51,984	0	0	-154,166
Change in scope of consolidation	0	1,690	0	0	1,690
Foreign exchange differences	0	0	74	0	74
Additions	14,141	9,963	0	0	24,104
Disposals	-14,449	-449	-2,900	0	-17,798
Revaluation of properties in the portfolio as of the balance sheet date	71,745	-8,458	736	0	64,023
Revaluation of properties no longer in the portfolio as of the balance sheet date	3,146	102	300	0	3,548
Reclassifications	63,678	-43,528	-100	0	20,050
Reclassification to assets held for sale	0	-8,340	0	0	-8,340
Balance on 31 December 2021	1,168,570	1,600,389	28,290	0	2,797,249
Balance on 1 January 2022	1,168,570	1,600,389	28,290	0	2,797,249
Disposals following the sale of subsidiaries	0	-95,379	0	0	-95,379
Change in scope of consolidation	0	0	0	1,517,365	1,517,365
Foreign exchange differences	0	0	-65	0	-65
Additions	10,987	12,077	0	0	23,064
Disposals	-29,213	-2,501	0	0	-31,714
Revaluation of properties in the portfolio as of the balance sheet date	-107,821	-53,062	-1,949	0	-162,832
Revaluation of properties no longer in the portfolio as of the balance sheet date	6,270	6,857	0	0	13,127
Reclassifications	196,427	-136,220	124	244,101	304,432
Balance on 31 December 2022	1,245,220	1,332,161	26,400	1,761,466	4,365,247

Office					
All amounts in TEUR	West	CEE	Other Countries	S IMMO	Total
Balance on 1 January 2021	163,705	1,274,082	285,451	0	1,723,238
Foreign exchange differences	0	0	34	0	34
Additions	2,986	8,230	122,698	0	133,914
Disposals	0	-7,047	0	0	-7,047
Revaluation of properties in the portfolio as of the balance sheet date	6,476	24,770	-10,239	0	21,007
Revaluation of properties no longer in the portfolio as of the balance sheet date	0	-850	0	0	-850
Reclassifications	-638	2,252	-145	0	1,469
Balance on 31 December 2021	172,529	1,301,437	397,799	0	1,871,765
Balance on 1 January 2022	172,529	1,301,437	397,799	0	1,871,765
Change in scope of consolidation	0	0	0	387,922	387,922
Foreign exchange differences	0	5,235	244	0	5,479
Additions	2,905	329,476	78,776	0	411,157
Disposals	-203	-5,304	0	0	-5,507
Revaluation of properties in the portfolio as of the balance sheet date	-1,067	61,621	-2,983	0	57,571
Revaluation of properties no longer in the portfolio as of the balance sheet date	0	389	0	0	389
Reclassifications	-172	317	24,964	0	25,109
Balance on 31 December 2022	173,992	1,693,171	498,800	387,922	2,753,885

Other					
All amounts in TEUR	West	CEE	Other Countries	S IMMO	Total
Balance on 1 January 2021	10,083	46,016	36,950	0	93,049
Disposals following the sale of subsidiaries	-10,060	0	0	0	-10,060
Foreign exchange differences	0	0	-8,628	0	-8,628
Additions	6	-24	573	0	555
Disposals	0	-3,277	-2,809	0	-6,086
Revaluation of properties in the portfolio as of the balance sheet date	0	-122	-428	0	-550
Revaluation of properties no longer in the portfolio as of the balance sheet date	-29	567	-177	0	361
Reclassifications	0	-590	0	0	-590
Reclassification to assets held for sale	0	-690	0	0	-690
Balance on 31 December 2021	0	41,880	25,481	0	67,361
Balance on 1 January 2022	0	41,880	25,481	0	67,361
Change in scope of consolidation	0	0	0	507,565	507,565
Foreign exchange differences	0	0	-2,717	0	-2,717
Additions	0	1,566	489	0	2,055
Disposals	0	-1	-2,205	0	-2,206
Revaluation of properties in the portfolio as of the balance sheet date	0	-6,080	-68	0	-6,148
Revaluation of properties no longer in the portfolio as of the balance sheet date	0	0	320	0	320
Reclassifications	0	21,834	0	0	21,834
Balance on 31 December 2022	0	59,199	21,300	507,565	588,064

The following table shows a reconciliation from the various classes of investment properties to the total investment property reported on the consolidated balance sheet:

All amounts in TEUR	31 12 2022	31 12 2021
Office	1,245,220	1,168,570
Retail	173,992	172,529
Total West	1,419,212	1,341,099
Office	1,332,161	1,600,389
Retail	1,693,171	1,301,437
Other	59,199	41,880
Total CEE	3,084,531	2,943,706
Office	26,400	28,290
Retail	498,800	397,799
Other	21,300	25,481
Total Other Countries	546,500	451,570
Office	1,761,466	0
Retail	387,922	0
Other	507,565	0
Total S IMMO	2,656,953	0
Total (as per consolidated balance sheet)	7,707,196	4,736,375

Sensitivity analysis of revaluation results

The fair values determined by the property appraisals are heavily dependent on the input factors underlying the valuation. For example: a change in the assumed rental income from a property or in the capitalisation rate has a direct effect on the fair value of the property and, in turn, on the revaluation results reported by IMMOFINANZ. Therefore, the derived fair values are directly related to the underlying parameters. Even minor changes in the economic or property-specific assumptions used for valuation can have a significant influence on the IMMOFINANZ GROUP'S earnings.

The following two tables show the per cent change in the fair value of investment property as of 31 December 2022 that would have resulted from changes in rental income and interest rates. The data is presented separately for the properties owned by IMMOFINANZ and the S IMMO Group:

Sensitivity of fair value as of 31 December 2022 IMMOFINANZ			Rental income
Interest rate¹	Δ -10.0%	Δ 0.0%	Δ +10.0%
Δ -10.0%	-0.7%	11.5%	23.7%
Δ 0.0%	-11.0%	0.0%	11.0%
Δ +10.0%	-19.4%	-9.4%	0.5%

¹ Capitalisation rate

For example: if the interest rate fell by 10% and rental income remained unchanged, the fair value of IMMOFINANZ's investment property would increase by 11.5%.

Sensitivity of fair value as of 31 December 2022 S IMMO			Rental income
Interest rate¹	Δ -10.0%	Δ 0.0%	Δ +10.0%
Δ -10.0%	1.0%	11.1%	21.0%
Δ 0.0%	-10.2%	0.0%	9.9%
Δ +10.0%	-19.4%	-9.3%	0.6%

¹ Capitalisation rate

For example: if the interest rate fell by 10% and rental income remained unchanged, the fair value of the S IMMO Group's investment property would increase by 11.1%.

The following table shows the per cent change in the fair value of IMMOFINANZ's investment property as of 31 December 2021 that would result from changes in rental income and interest rates:

Sensitivity of fair value as of 31 December 2021 IMMOFINANZ			Rental income
Interest rate¹	Δ -10.0%	Δ 0.0%	Δ +10.0%
Δ -10.0%	-0.7%	11.7%	24.0%
Δ 0.0%	-11.1%	0.0%	11.1%
Δ +10.0%	-19.7%	-9.6%	0.6%

¹ Capitalisation rate

The above data are based on the top 30 properties in the standing investment portfolio, which are defined as the 30 properties with the highest carrying amount. Properties classified as held for sale in accordance with IFRS 5 are excluded. As of 31 December 2022, the investment property held by the IMMOFINANZ Group had a carrying amount of EUR 7,707.2 million (31 December 2021: EUR 4,736.4 million). Of this total, EUR 5,050.2 million are attributable to IMMOFINANZ and EUR 2,657.0 million to S IMMO. The carrying amount of the top 30 properties in the IMMOFINANZ property portfolio totalled EUR 2,893.6 million (31 December 2021: EUR 2,924.7 million) or 57.3% (31 December 2021: 61.7%) of the standing investment portfolio. The carrying amount of the top 30 properties in the S IMMO Group's property portfolio as of 31 December 2022 totalled EUR 1,656.6 million or 62.4% of the standing investment portfolio.

In addition to the previously discussed valuation-relevant parameters, changes in exchange rates also have an effect on profit or loss through revaluation results. Interest rate fluctuations no longer have a material effect on the valuation of investment properties since the functional currency in all core countries is the euro and only a few non-core countries have a different functional currency. The sensitivity analysis for this input parameter was therefore discontinued.

4.1.4 Concentration risk

Concentration risk is understood to mean the accumulation of similar risks that contradict the principle of risk diversification. The IMMOFINANZ Group consciously reduces these risks through the sector and regional diversification of its property portfolio. In addition to this sector and regional diversification, the diversification of the tenant structure represents another focal point and is designed to prevent the loss of a tenant from significantly influencing the company. The IMMOFINANZ Group has a well-balanced and diversified tenant mix. No single tenant is responsible for more than 2.5% of total rental income (also see section 3.5).

4.1.5 Climate risks

IMMOFINANZ has acknowledged its responsibility for the climate and continued to address climate risks extensively during the past year. The climate crisis poses a threat for companies at both the operational and strategic level. IMMOFINANZ regularly analyses and integrates physical risks, including storms and ongoing heat periods as well as transitory risks like climate-related changes in the economy, in its business activities.

IMMOFINANZ relies on the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) and in the past year carried out a series of climate risk analyses for its properties. The integrated and comprehensive ESG management platform Blue Auditor was used to evaluate physical climate risks and other ESG indicators. The analyses covered individual properties as well as the entire portfolio. These results, together with the results from the S IMMO Group, flowed into the calculation of the IMMOFINANZ Group's EU Taxonomy indicators.

IMMOFINANZ's EU Taxonomy valuation also forms the basis for the comprehensive ESG strategy, including plans to adapt to climate change. The combination of physical climate risks with the susceptibility of each property supported the development of project-specific adaptation plans for a preliminary time horizon of five years.

IMMOFINANZ works closely with its tenants to master the identified climate risks. This joint commitment includes the reduction of Scope 3 emissions, the path to reaching the net zero goal and the implementation of the green lease strategy. With its net zero strategy, IMMOFINANZ is working towards the goal of becoming climate neutral by 2040. Measures in support of this goal include the exit from fossil energy carriers, the electrification of the portfolio and covering energy requirements from sustainable sources. All relevant building components in the portfolio will be refurbished as scheduled and upgraded to meet the latest technological standards by 2040. Properties with high ESG standards, in particular, can represent a competitive advantage through improved rental performance.

Property valuation by IMMOFINANZ in 2022 also included a focus on ESG aspects and a more in-depth analysis of last year's results. Numerous factors – for example, the risks arising from climate change and the energy efficiency of properties – were examined as well as the social added value of the properties. The results of the in-depth analysis included a classification of the ESG compatibility of every property. Based on the market developments – which are monitored regularly by IMMOFINANZ's appraisers – this can also influence the ESG classification and the value of the properties in the future.

The S IMMO Group is also exposed to climate risks that can have an impact, above all, on the standing investments and their management. Climate risks in this connection are currently reflected in the market parameters used for property valuation and have an influence on the company's investment programme. Above and beyond these latest estimates, climate risks can have a negative impact on the future usability of properties and on the rules and regulations governing the S IMMO Group's business activities. Climate risks can, depending on the development of market interest rates or rents included in valuations, also lead to a situation where future green financing (e.g. issued green bonds) are not available or only available at less favourable conditions.

4.2 Property under construction

Property under construction includes the properties under development as well as standing investments which were reclassified over time from standing investments to property under construction due to refurbishment or redevelopment. IMMOFINANZ views refurbishment and renovation as the structural-technical restoration or modernisation of one or more floors, the communal areas or an entire property to improve the overall standard. Above all, it involves preserving the value of the building substance and/or modernising the property to improve its potential. This involves the facade as well as the building core (floors, rental areas, communal areas, plant rooms etc.). Major renovation extends beyond normal maintenance and repairs and beyond a maintenance backlog. An important criterion for classification as renovation is the investment volume and a reduced occupancy level. A major renovation project is, as a rule, considered to exist when the investment volume equals or exceeds 10% of the property's current fair value and the occupancy rate has fallen below 50%.

Property under construction is reclassified to investment property when the development measures are finalised and the project is completed. This completion includes the transfer of general contractor activities, transfer to the asset management process and the approval of the Executive Board.

Borrowing costs directly attributable to the acquisition, construction or production of assets whose purchase or development requires a substantial period of time are generally capitalised as part of the acquisition or production cost. In accordance with IAS 23, the application of this accounting procedure is not mandatory if the acquired or developed assets are measured at fair value. Since IMMOFINANZ has elected to use the fair value model for the subsequent measurement of investment property (see section 1.2), borrowing costs are not capitalised on property accounted for according to IAS 40. The capitalisation of interest on construction financing according to IAS 23 was immaterial for the S IMMO Group in 2022 and 2021.

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

All amounts in TEUR	2022	2021
Beginning balance	474,311	358,640
Disposals following the sale of subsidiaries (see 2.4)	0	-806
Change in scope of consolidation	10,300	0
Currency translation adjustments	-68	10
Additions	99,681	105,456
Disposals	-30,343	0
Revaluation	-9,180	33,882
Reclassifications	-346,201	-22,871
Ending balance	198,500	474,311

The change in the scope of consolidation is attributable to properties under construction by the S IMMO Group. The additions are related chiefly to development projects for the STOP SHOP brand in Croatia and to investments at myhive locations in Austria, Romania, Germany and Hungary. The disposals in 2022 involved an office building in Austria. Revaluation results were influenced primarily by development projects for the myhive brand in Romania, Austria and Germany.

The reclassifications involve, above all, transfers of from investment property to property under construction (EUR -7.2 million; 2021: EUR -41.9 million) and transfers from property under construction to investment property (EUR 356.9 million; 2021: EUR 66.1 million).

The residual value method is generally used to value property under construction. Standing investments that were transferred to property under construction due to upcoming refurbishment or upgrading are valued as standing investments until detailed redevelopment plans are available. As soon as these plans are available, valuation is based on the residual value method. Residual value is understood to represent the amount remaining after the deduction of all project development costs and the imputed project development profit (developer profit) from the property's estimated market price after completion. The unrealised imputed project development profit declines with the progress on the project. The most important input factors for this valuation method are the future rental income from the project, the discount rate (these two parameters generally determine the estimated fair value on completion) and the outstanding project development costs. The capitalisation rates for IMMOFINANZ's development projects range from 4.30% to 8.25% (2021: 6.5% to 8.35%), while the project development profit ranges from 2.0% to 6.0% (2021: 4.0% to 7.5%). The estimated fair values of the projects on completion range from EUR 9.6 million to EUR 110.1 million (2021: EUR 9.3 million to EUR 102.2 million) and the estimated outstanding construction costs by property range from EUR 3.9 million to EUR 78.3 million (2021: EUR 5.5 million to EUR 69.8 million). For the limited volume of property under construction by S IMMO, future net rental income and the exit yield as input factors are not available due to the lack of progress on these projects.

Information on other parameters relevant for valuation and on valuation uncertainty is provided in section 4.1.3.

As of 31 December 2022, property under construction included no rights of use (2021: EUR 0.0 million), and no rights of use had been transferred to assets held for sale as of that date (2021: EUR 0.0 million) (see section 4.10).

4.3 Owner-operated properties

Owner-operated properties represent hotels owned by the S IMMO Group, which were recognised at fair value in connection with the initial consolidation at year-end 2022. These hotels are operated by the owner, generally in the form of management contracts, which means the occupancy risk lies with the IMMOFINANZ Group. These types of hotels are not covered by the scope of application of IAS 40 but are accounted for as property, plant and equipment in accordance with IAS 16. Leases as defined in IFRS 16 also cover buildings used by the owner. The resulting rights of use are reported under "owner-operated properties" and totalled EUR 1.2 million (2021: EUR 0.0 million) as of 31 December 2022. These rights of use are amortised on a straight-line basis over the term of the lease.

4.4 Other tangible assets

As of 31 December 2022, other tangible assets included IFRS 16 rights of use totalling EUR 0.9 million (2021: EUR 1.2 million).

4.5 Intangible assets

4.5.1 Composition of intangible assets

The development of goodwill and other tangible assets is shown in the following table:

All amounts in TEUR	31 12 2022	31 12 2021
Goodwill	19,530	23,932
Other intangible assets	886	188
Total	20,416	24,120

4.5.2 Goodwill

The development of goodwill is shown in the following table:

All amounts in TEUR	2022	2021
Acquisition cost - beginning balance	283,215	1,015,421
Disposals following the sale of subsidiaries	-4,337	-732,212
Currency translation adjustments	-6	6
Acquisition cost - ending balance	278,872	283,215
Accumulated depreciation - beginning balance	-259,283	-991,237
Disposals following the sale of subsidiaries	236	732,212
Currency translation adjustments	5	-5
Impairment losses to continuing operations	-300	-253
Accumulated depreciation - ending balance	-259,342	-259,283
Carrying amount as of the balance sheet date	19,530	23,932

Goodwill regularly results as a technical figure when the acquisition of a subsidiary represents a business combination as defined in IFRS 3 and does not result in another acquisition (see section 2.2.2) because of the obligation to recognise deferred taxes on the difference between the fair value and the tax base of the acquired real estate assets. This goodwill is tested for indications of impairment each year. Since it is normally assumed that net yields above the market level are not sustainable on real estate markets, IMMOFINANZ determines the recoverable amount based on fair value less costs to sell and not according to the value in use.

The cash-generating units generally represent individual properties or property portfolios. Due to the extensive number of properties held by IMMOFINANZ, this presentation is aggregated by segments.

The recoverable amount of the cash-generating units is based on the fair value of the included properties as determined by an expert opinion and includes the deferred taxes that are not transferrable to a hypothetical buyer as well as costs to sell. If the hypothetical transaction underlying the determination of the recoverable amount is assumed to be structured in a way that does not change the tax base of the assets – which is regularly the case with share deals – this factor would be implicitly included in the recoverable amount at zero. Experience from recent transactions has shown that the determination of the selling price through negotiations generally leads to an equal allocation of the deferred tax liabilities between the seller and the buyer.

The recoverable amount of the cash-generating unit is then compared with the carrying amount of the included properties plus any goodwill and minus the deferred tax liabilities attributable to the respective properties. Deferred taxes are included in accordance with IAS 36 because these items are implicitly included in the determination of the recoverable amount.

Information on property valuation and the related estimation uncertainty is provided in sections 4.1.2 and 4.1.3. The selling costs for IMMOFINANZ are estimated at 0.5% to 2.0% of the respective property value and result primarily from brokerage services and legal advising.

The key valuation-relevant input parameters for properties that carry goodwill are summarised in the following table, classified by segments:

Segment		Lettable space in sqm	Market rent per sqm, month and property in EUR	Net actual rent per sqm, month and property in EUR	Capitalisation rate in %	Vacancy rate in %
Poland	min	21,264	16.14	16.47	7.15	3.22
	max	21,264	16.14	16.47	7.15	3.22
	weighted average	21,264	16.14	16.47	7.15	3.22
	median	21,264	16.14	16.47	7.15	3.22
Czech Republic	min	4,247	8.79	8.57	6.25	0.00
	max	19,033	14.84	16.46	6.65	13.03
	weighted average	7,039	10.09	10.09	6.30	1.63
	median	5,493	9.38	9.17	6.25	0.00
Slovakia	min	4,452	8.62	8.28	6.90	0.00
	max	6,809	9.51	9.18	10.00	4.38
	weighted average	5,875	9.20	8.72	7.93	1.46
	median	6,366	9.46	8.71	6.90	0.00
Hungary	min	7,210	10.01	9.81	8.25	0.00
	max	10,060	10.47	10.00	8.50	0.00
	weighted average	8,635	10.24	9.91	8.38	0.00
	median	8,635	10.24	9.91	8.38	0.00
Romania	min	10,515	10.49	12.94	7.50	0.06
	max	62,493	20.35	22.81	9.00	30.94
	weighted average	29,041	15.63	17.74	8.15	16.04
	median	21,127	15.84	18.78	8.00	18.17
Adriatic	min	5,110	7.54	7.39	7.75	0.00
	max	15,908	11.96	11.72	8.00	0.00
	weighted average	11,116	9.36	9.18	7.92	0.00
	median	12,332	8.59	8.42	8.00	0.00

Impairment testing of the cash-generating units in the continuing operations which carry goodwill resulted in the recognition of impairment losses totalling EUR 0.3 million as of 31 December 2022 (31 December 2021 EUR 0.3 million).

Impairment losses are reported on the consolidated income statement under "goodwill impairment". The impairment losses to goodwill result from a decline in the value of the related properties or property portfolios and/or through an evidence-based change in deferred taxes. Impairment losses to goodwill are not deductible for tax purposes.

4.6 Equity-accounted investments

4.6.1 Investments in joint ventures

As of 31 December 2022, IPD – International Property Development, s.r.o. was the only joint venture held by the IMMOFINANZ Group.

The following table provides aggregated financial information on the joint ventures, including a reconciliation to the carrying amounts and shares of profit or loss reported in the IMMOFINANZ Group's consolidated financial statements.

All amounts in TEUR	31 12 2022	31 12 2021
Non-current assets	61,469	0
thereof investment property	61,300	0
Current assets	4,639	0
Non-current liabilities	36,705	0
thereof non-current financial liabilities	31,338	0
Current liabilities	3,860	0
Equity	25,543	0
Equity interest of IMMOFINANZ in the investment	13,027	0
Carrying amount as of 31 December	13,027	0
Cumulative losses not recognised as of 31 December 2022	0	0
	2022	2021
Net profit or loss for the period	0	-387
thereof interest expense	0	-215
thereof attributable to shareholders of the investment	0	-387
Share of net profit or loss attributable to IMMOFINANZ	0	-74
Other adjustments	0	-212
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	0	-286
Other comprehensive income	0	99
thereof attributable to shareholders of the investment	0	99
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	0	74
Total comprehensive income	0	-288
thereof attributable to shareholders of the investment	0	-288
Share of IMMOFINANZ in total comprehensive income for the period	0	-212
Other adjustments	0	212
Dividends received	0	0

4.6.2 Investments in associates

IMMOFINANZ purchased an additional 17,305,012 shares in S IMMO on 27 December 2022. Together with the 19,499,437 shares previously held, this represents an investment of 50% plus one share in S IMMO and gives IMMOFINANZ a controlling influence over S IMMO. S IMMO was therefore reclassified from associates to fully consolidated subsidiaries as of that date.

In the transition consolidation, the previously held shares in S IMMO were considered part of the acquisition costs for the fully consolidated company and were measured at fair value. The absence of Level 1 fair values for the share package (unit of account), which represents a comparable capital interest, required a decision on the estimation method used to value the shares. IFRS do not provide any explicit rules for determining the fair value of such valuation objects in accordance with IFRS 13. The management of the IMMOFINANZ Group decided to carry out these valuations as "close to market" as possible. The price on the Vienna Stock Exchange as of 31 December 2022, plus a package premium, therefore formed the basis for valuation. IFRS 13 permits the inclusion of premiums under the following conditions: when the premium reflects the economic characteristics of the valuation object; when hypothetical buyers would include the premium in determining a purchase price; and when the inclusion of a premium does not contradict the unit of account (in this case, the equity-accounted investment in S IMMO).

The package premium was derived from comparable transactions (the purchase of capital investments in European companies from 2013 to 2022) based on capital market data. The premium for a share package with significant influence equalled 17.9% as of 31 December 2022. The fair value of the investment in S IMMO as of 31 December 2022 was based on a package premium derived from comparable transactions and increased to 41.8% to reflect the takeover situation. This was specifically based on the expiration of the extension period for the takeover process and on the fact that the CPI Property Group failed to attain a majority holding of more than 90% of the shares and was therefore unable to execute a squeeze-out. Since the fair value was ultimately derived from observable and non-observable data, it is classified under Level 3 in accordance with IFRS 13.

The fair value of the share package was therefore based on the market price of EUR 12.48 per shares plus a package premium of EUR 101.6 million (EUR 5.21 per share) and totalled EUR 344.9 million (EUR 17.69 per share). Since the carrying amount of the investment equalled EUR 537.2 million as of 31 December 2022, this led to the recognition of an impairment loss of EUR -192.2 million, which was recorded under equity-accounted investments.

The share of profit or loss from the equity-accounted investments also include the recycling of other comprehensive income from foreign exchange translation and the change in the hedge accounting reserve at a total of EUR 12.9 million.

The income statement for the 2022 financial year includes the share of profit or loss from the equity valuation of S IMMO. This share of profit or loss includes the proportional share of results for the period as well as the proportional share of results recognised in OCI based on the consolidated financial statements of S IMMO for 2022. Since the at-equity valuation of the S IMMO investment in 2021 was based in part on forecast data, the calculation also included the difference between the share of results recorded in the previous year based on this forecast data and the share of actual results that would have followed if actual data had been available in 2021.

IAS 28.40 requires a company that applies the equity method, including the recognition of the associate's losses, to determine whether there are any objective indications of significant or lasting impairment to its net investment in the associate. Since the associate is not listed, the impairment test was based on qualitative criteria. There were no objective indications of impairment to the investments in associates as of 31 December 2022.

The following table provides aggregated financial information on the associates, including a reconciliation to the carrying amounts and shares of profit or loss reported in IMMOFINANZ's consolidated financial statements. As regards the S IMMO investment, the other adjustments to profit for the period represent the carryforward of fair value adjustments identified in connection with the acquisition of the shares during the purchase price allocation (EUR 0.6 million; 2021: EUR 0.6 million) and impairment losses. In the segment report, these fair value adjustments are included in the Austria segment.

	S IMMO	Other	Total
All amounts in TEUR	31 12 2022	31 12 2022	31 12 2022
Non-current assets	0	44,971	44,971
thereof investment property	0	44,400	44,400
Current assets	0	35,853	35,853
Non-current liabilities	0	7,342	7,342
Current liabilities	0	11,132	11,132
Equity	0	62,350	62,350
thereof attributable to non-controlling interests	0	1,008	1,008
thereof attributable to shareholders of the investment	0	61,342	61,342
Equity interest of IMMOFINANZ in the investment	0	18,694	18,694
Other adjustments	0	4,563	4,563
Carrying amount as of 31 December 2022	0	23,257	23,257
Cumulative losses not recognised as of 31 December 2022	0	0	0
	2022	2022	2022
Rental income	161,169	0	161,169
Expenses charged on and other revenue	123,931	34,633	158,564
Revenues	285,100	34,633	319,733
Net profit or loss for the period	66,922	15,789	82,711
thereof attributable to non-controlling interests	-7,845	1,314	-6,531
thereof attributable to shareholders of the investment	74,767	14,475	89,242
Share of net profit or loss attributable to IMMOFINANZ	19,806	7,093	26,899
Other adjustments	-191,652	-1	-191,653
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	-171,846	7,092	-164,754
Other comprehensive income	55,321	0	55,321
thereof attributable to shareholders of the investment	55,321	0	55,321
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	14,654	0	14,654
Total comprehensive income	122,243	15,789	138,032
thereof attributable to non-controlling interests	-7,845	1,314	-6,531
thereof attributable to shareholders of the investment	130,088	14,475	144,563
Share of IMMOFINANZ in total comprehensive income for the period	34,460	7,093	41,553
Other adjustments	-191,652	0	-191,652
IMMOFINANZ's total comprehensive income from equity-accounted investments	-157,192	7,093	-150,099
Dividends received	12,675	4,020	16,695

All amounts in TEUR	S IMMO	Other	Total
	31 12 2021	31 12 2021	31 12 2021
Non-current assets	3,135,706	596	3,136,302
thereof investment property	2,697,874	0	2,697,874
Current assets	513,062	12,085	525,147
Thereof real estate inventory	235	0	235
Non-current liabilities	1,826,308	39	1,826,347
Current liabilities	202,067	5,448	207,515
Equity	1,620,393	7,194	1,627,587
thereof attributable to non-controlling interests	3,650	661	4,311
thereof attributable to shareholders of the investment	1,616,743	6,533	1,623,276
Equity interest of IMMOFINANZ in the investment	428,275	3,201	431,476
Other adjustments	86,536	3,464	90,000
Carrying amount as of 31 December 2021	514,811	6,665	521,476
	2021	2021	2021
Rental income	129,671	0	129,671
Expenses charged on and other revenue	60,913	25,670	86,583
Revenues	190,584	25,670	216,254
Net profit or loss for the period	182,563	12,656	195,219
thereof attributable to non-controlling interests	605	897	1,502
thereof attributable to shareholders of the investment	181,958	11,759	193,717
Share of net profit or loss attributable to IMMOFINANZ	48,201	5,762	53,963
Other adjustments	85,835	0	85,835
Share of net profit or loss from equity-accounted investments attributable to IMMOFINANZ	134,036	5,762	139,798
Other comprehensive income	101,680	0	101,680
thereof attributable to shareholders of the investment	101,680	0	101,680
Share of changes in other comprehensive income recorded directly in equity attributable to IMMOFINANZ	26,935	0	26,935
Total comprehensive income	284,243	12,655	296,898
thereof attributable to non-controlling interests	605	897	1,502
thereof attributable to shareholders of the investment	283,638	11,758	295,396
Share of IMMOFINANZ in total comprehensive income for the period	75,136	5,762	80,898
Other adjustments	85,835	0	85,835
IMMOFINANZ's total comprehensive income from equity-accounted investments	160,971	5,762	166,733
Dividends received	9,750	3,439	13,189

4.7 Trade and other receivables

IMMOFINANZ carries trade receivables and other financial receivables at amortised cost. Recognisable individual risks are reflected in appropriate valuation adjustments. Non-financial receivables, e.g. claims against administrative authorities for the reimbursement of input VAT, are also carried at amortised cost after the deduction of any necessary write-downs.

The following table shows the composition and remaining terms of trade and other receivables.

All amounts in TEUR	31 12 2022	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years
Rents receivable	44,486	43,626	222	638	25,721	25,352	295	74
Miscellaneous	28,738	28,738	0	0	24,777	24,777	0	0
Total trade accounts receivable	73,224	72,364	222	638	50,498	50,129	295	74
Receivables due from associates	2	2	0	0	0	0	0	0
Total receivables due from equity-accounted investments	2	2	0	0	0	0	0	0
Restricted funds	52,507	26,638	25,223	646	43,441	15,028	27,696	717
Financing	4,404	6	27	4,371	6,677	62	26	6,589
Property management	8,723	8,354	328	41	948	689	240	19
Outstanding purchase price receivables - sale of properties	6,069	6,069	0	0	2,011	2,011	0	0
Outstanding purchase price receivables - sale of shares in other companies	12,966	12,966	0	0	16,245	16,245	0	0
Miscellaneous	29,514	25,960	3,219	335	26,295	23,288	2,575	432
Total other financial receivables	114,183	79,993	28,797	5,393	95,617	57,323	30,537	7,757
Tax authorities	21,082	21,081	1	0	22,129	22,129	0	0
Other contractual assets	0	0	0	0	724	724	0	0
Total other non-financial receivables	21,082	21,081	1	0	22,853	22,853	0	0
Total	208,491	173,440	29,020	6,031	168,968	130,305	30,832	7,831

Restricted funds consist primarily of prepayments on apartment sales which were pledged to banks and bank balances pledged as collateral for property financing.

The default risk associated with receivables due from tenants is generally low because credit standings are monitored on a regular basis and the tenant is usually required to provide a deposit of one to five months' rent or an appropriate bank guarantee when the contract is signed. Individual valuation adjustments are recognised for receivables that carry an increased risk of default. Consequently, all uncollectible receivables had been written off and all doubtful receivables had been adjusted through valuation adjustments as of the balance sheet date. These valuation adjustments are included in the results of asset management and are not reported on a separate line on the income statement, as required by IAS 1.82, because the related amounts are not considered material.

As in the previous financial year, valuation adjustments were recognised to trade accounts receivable in 2022. Valuation adjustments (and revaluations) were also recorded to other receivables. Therefore, the expected recoverability of these receivables is reflected on the balance sheet.

The valuation adjustments to trade and other receivables totalled EUR -17.3 million in 2022 (2021: EUR -12.2 million). Included here, above all, is the write-off of the purchase price receivable from the sale of the Russian portfolio (see section 5.2). Detailed information on the change in impairment and default risk is provided in section 7.2.2.

4.8 Other financial assets

Other non-current financial instruments comprise shares in real estate funds, derivatives and miscellaneous securities as shown below:

All amounts in TEUR	31 12 2022	31 12 2021
Other securities	15,335	11,885
Real estate fund shares	0	1,466
Derivative financial instruments	235,983	4,031
Total	251,318	17,382

The other securities include investments in companies and one convertible bond. The investments in companies include EUR 7.6 million (31 December 2021: EUR 6.9 million) carried at fair value through profit or loss and EUR 7.3 million (31 December 2021: EUR 4.6 million) at fair value through other comprehensive income. The convertible bond with a value of EUR 0.4 million (31 December 2021: EUR 0.4 million) is carried at fair value through profit or loss.

Derivatives are accounted for as stand-alone financial instruments and are used to reduce the risks associated with interest rate fluctuations. Derivative transactions are only concluded with financial institutions that have first-rate credit standings. Derivatives are carried at fair value through profit or loss as of the balance sheet date. Hedge accounting in the sense of IFRS 9 is not applied.

Information on the development of the other financial assets is provided in section 7.

4.9 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities as of 31 December 2022 resulted from the following temporary accounting and valuation differences between the carrying amounts according to IFRS in the IMMOFINANZ Group's consolidated financial statements and the respective tax bases:

All amounts in TEUR	31 12 2022		31 12 2021	
	Assets	Liabilities	Assets	Liabilities
Investment property	1,906	563,163	3,249	356,963
Other financial assets and miscellaneous assets	23,008	77,157	20,521	24,645
Total	24,914	640,320	23,770	381,608
Other liabilities and provisions	14,048	28,491	17,028	16,306
Total	14,048	28,491	17,028	16,306
Tax loss carryforwards	227,925	0	241,006	0
Real differences from the elimination of intragroup liabilities	0	143,228	0	151,723
Deferred tax assets and deferred tax liabilities	266,887	812,039	281,804	549,637
Offset of deferred tax assets and deferred tax liabilities due to the same taxation authority	-264,376	-264,376	-275,424	-275,424
Net deferred tax assets and deferred tax liabilities	2,511	547,663	6,380	274,213

Deferred taxes are calculated for temporary differences that lead to taxable or deductible amounts for the determination of taxable profit in future financial years. These temporary differences are calculated by comparing the carrying amounts of the assets and liabilities in the consolidated financial statements with the respective tax bases at the subsidiary level. Deferred taxes are recognised when the existing differences are

expected to reverse in the future. With regard to the differences arising from the fair value measurement of investment property (see section 4.1), it is generally assumed that the temporary differences will reverse when the property is sold.

Deferred taxes are not recognised for temporary differences arising from the initial recognition of goodwill or the initial recognition of an asset or a liability from a transaction which does not represent a business combination as defined in IFRS 3 and which does not influence pre-tax earnings or taxable income on the transaction date. This applies, above all, to the acquisition of property companies that are not classified as business combinations in the sense of IFRS 3 (see section 2.2.2).

Deferred tax liabilities are not recognised for temporary differences resulting from shares in subsidiaries, joint ventures or associates (outside-basis differences) in cases where their reversal can be controlled by the IMMOFINANZ Group and is not probable in the foreseeable future. For this reason, deferred tax liabilities were not recognised for temporary differences of EUR 3,066.1 million (31 December 2021: EUR 1,260.7 million).

Deferred tax assets are recognised on tax loss carryforwards when it is probable that sufficient taxable income will be available to utilise these tax loss carryforwards in the future. Deferred tax assets are also recorded in cases where sufficient deferred tax liabilities relating to the same tax subject and taxation authority were recognised and are assumed to reverse at the same time as the deferred tax assets on the unused loss carryforwards.

The recognition of deferred tax assets, in general, and deferred taxes on unused tax loss carryforwards and deductible temporary partial depreciation charges on investments (“Siebentelabschreibung”), in particular, is based on expectations by the IMMOFINANZ Group’s management concerning the availability of sufficient taxable profits in the future. These expectations reflect the previous history of tax losses, limits on the utilisation of tax losses, membership in a tax group and the possible expiration of tax loss carryforwards in some countries. Accounting decisions over the recognition or recoverability of deferred taxes are based, on the one hand, on the latest data from tax planning over a five-year forecast period and, on the other hand, on assumptions for the timing of the reversal of deferred tax liabilities and the availability of tax planning opportunities to utilise previously unused tax losses in Austria and other countries. Based on a judgement issued by the Austrian High Administrative Court in 2019 concerning the tax consequences of liquidations, deferred tax liabilities and the related deferred tax assets arising from differences in the consolidation of liabilities between certain Austrian Group members may no longer be recognised.

The recoverability of deferred tax assets by Group companies that recorded losses in 2022 or 2021 (EUR 2.6 million; 2021: EUR 5.8 million) is dependent on the generation of future taxable profits that are higher than the earnings effect from the reversal of the existing taxable temporary differences.

Deferred tax assets were not recognised for loss carryforwards of EUR 2,621.1 million (31 December 2021: EUR 2,529.1 million). The tax loss carryforwards are in part unlimited, while others will expire within the next five to ten years. Any limits on the use of loss carryforwards were also taken into account. Deferred tax assets were not recognised for deductible temporary partial depreciation charges on investments (“Siebentelabschreibung”) of EUR 114.8 million (31 December 2021: EUR 182.9 million).

The calculation of deferred taxes is based on the tax rate that is expected to apply when the temporary differences are presumed to reverse. The applicable local tax rate is used for foreign Group companies. The Austrian Eco-social Tax Reform Act of 2022 will reduce the corporate income tax rate in Austria to 23% by one percentage point each in 2023 und 2024. A tax rate of roughly 24% was used for feasibility and materiality reasons because a number of properties will be sold in 2023.

The tax rates used to value deferred taxes in the core countries of the IMMOFINANZ Group remain unchanged from the previous year and are as follows:

Country	Applicable tax rate 31 12 2022	Applicable tax rate 31 12 2021
Germany ¹	15.83%-32.45%	15.83%-32.45%
Austria	24.00%	25.00%
Poland ²	9.00%/19.00%	9.00%/19.00%
Romania	16.00%	16.00%
Slovakia	21.00%	21.00%
Czech Republic	19.00%	19.00%
Hungary	9.00%	9.00%
Adriatic	10.00%-24.00%	10.00%-24.00%
Other Countries	10.00%-25.80%	10.00%-25.80%

¹ The tax rate can vary and is dependent on the company's headquarters and trade tax liability.

² The tax rate can vary and is dependent on the company's size.

4.10 Assets and liabilities held for sale

IFRS 5 requires non-current assets and groups of assets (disposal groups) to be classified as held for sale if they can be sold in their present condition and if appropriate documentation shows a highly probable intention by management to sell the assets within 12 months. A documented intention by the IMMOFINANZ Group's management to sell an asset is, as a rule, reflected in a resolution by the Executive Board and also by the Supervisory Board if the transaction requires the approval of this corporate body.

Non-current assets and groups of assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. The following items, among others, are excluded from the IFRS 5 valuation requirements: investment properties that are measured at fair value, financial assets and deferred tax assets. These non-current assets must be presented separately according to IFRS 5. A separate provision is generally recorded when an impairment loss must be recognised to a disposal group because expected selling costs must be deducted from fair value and these adjustments cannot be allocated to assets covered by the valuation rules in IFRS 5.

The intention to sell investment properties or groups of assets that include such properties can (e.g. in the event of a change-of-control clause) result in the premature repayment of financial liabilities. Any expected decisions concerning premature repayment represent changes in the estimates for cash flows from financial liabilities and lead to an adjustment of the carrying amount through profit or loss. Financial liabilities attributable to a disposal group are reported under "liabilities held for sale"; in all other cases, they are reclassified to current financial liabilities.

Details on the assets and liabilities classified as held for sale are provided below:

All amounts in TEUR	Carrying amount as of 31 12 2022	Carrying amount as of 31 12 2021
Investment property	510,406	9,030
Other tangible assets	18	0
Trade and other receivables	93	0
Other financial assets	6,021	0
Cash and cash equivalents	31,946	0
Assets held for sale	548,484	9,030
Financial liabilities	77,839	0
Trade and other payables	892	0
Provisions	552	0
Deferred tax liabilities	47,963	0
Liabilities held for sale	127,246	0

The investment property classified as held for sale as of 31 December 2022 included rights of use (IFRS 16) totalling EUR 0.0 million (31 December 2021: EUR 0.0 million), while the comparable amount for property under construction was EUR 0.0 million (31 December 2021: EUR 0.0 million). The financial liabilities held for sale included lease liabilities of EUR 0.0 million (31 December 2021: EUR 0.0 million).

Of the assets and liabilities classified as held for sale as of 31 December 2021, one land site in Romania was sold during 2022.

No further properties were reclassified to assets or liabilities held for sale in 2022. The assets and liabilities reported under this category resulted primarily from the full consolidation of assets and liabilities held for sale by S IMMO.

All of the above sales, respectively divestment resolutions by the Executive Board and Supervisory Board are intended to align the portfolio with the IMMOFINANZ Group's strategic focus.

4.11 Real estate inventories

The properties held for sale by the IMMOFINANZ Group during the course of ordinary business operations do not fall under the scope of application of IAS 40, but are treated as inventories in accordance with IAS 2. As a rule, these inventories represent residential properties.

Inventories of residential properties are valued according to the moving average price method. Disposals are calculated on the basis of square meters and, after the recognition of additions, measured at the average price applicable to the respective quarter. A provision is recognised for any outstanding construction work required after the transfer of a property, which increases the production costs of the sold inventories as well as the book value disposals. The net selling prices used for valuation as of the balance sheet date are normally based on current list prices less outstanding project development costs and flat-rate marketing costs; to a lesser extent, they are measured at the appraised fair value as of the balance sheet date for simplification purposes. Estimation uncertainty in the determination of the net selling price, e.g. concerning the outstanding project development costs, could lead to negative margins on the sale of the inventories (in spite of previous loss-free measurement) if construction cost overruns occur at a later date.

All amounts in TEUR	31 12 2022	31 12 2021
Inventories carried at net realisable value less costs to sell	4,663	619
Inventories carried at acquisition or production cost	300	0
Total	4,963	619

Net write-downs and write-ups of EUR 2.0 million were recognised to real estate inventories in 2022 (2021: EUR 0.1 million).

Borrowing costs directly attributable to the acquisition, construction or production of assets whose purchase or development requires a longer period of time are capitalised as part of acquisition or production cost. No borrowing costs for real estate inventories under development were capitalised in 2022 or 2021.

4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, funds in transit and deposits with financial institutions with a term up to three months and, to a lesser extent, with a longer term that includes a one-month cancellation option. These items are carried at the value applicable on the balance sheet date.

The balance sheet shows cash and cash equivalents of EUR 652.8 million as of 31 December 2022 (31 December 2021: EUR 987.1 million). In addition, other financial receivables include various bank deposits whose use is restricted (restricted funds, see section 4.6) and EUR 31.9 million of cash and cash equivalents in assets held for sale.

4.13 Equity

Share capital totalled EUR 138.7 million as of 31 December 2022 (31 December 2021: EUR 123.3 million). It is divided into 138,669,711 (31 December 2021: 123,293,795) zero par value shares, each of which represents a stake of EUR 1.00 in share capital. All shares are fully paid in.

The number of shares developed as follows:

Number of shares	2022	2021
Balance at the beginning of the financial year	123,293,795	123,293,795
Issue of shares	15,375,916	0
Balance at the end of the financial year	138,669,711	123,293,795

The Executive Board is not aware of any agreements between shareholders of IMMOFINANZ AG that restrict voting rights or the transfer of shares. All shares are bearer shares and entitle the holders to participate in the annual general meeting and to exercise their voting rights. Each bearer share is entitled to one vote.

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

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

The capital increase from conversions totalled EUR 280.8 million and was serviced with 15,375,916 new shares. Due to the substantially reduced volume – a nominal value of only EUR 3.2 million was outstanding after the conversions – IMMOFINANZ called the convertible bond for premature redemption on 29 April 2022 in accordance with the issue terms.

Share buyback programme 2022

IMMOFINANZ purchased 694,557 shares at a weighted average price of EUR 14.58 per share from 20 June 2022 to 29 July 2022 through the share buyback programme 2022. The total purchase price amounted to EUR 10,126,484.94.

The share buyback programme 2022 was based on § 65 (1) no. 8 of the Austrian Stock Exchange Act and executed in accordance with an authorisation of the annual general meeting on 1 October 2020 (which was renewed by an authorisation of the annual general meeting on 12 July 2022). The repurchased shares represent EUR 694,557.00, or roughly 0.5% of share capital.

IMMOFINANZ held 695,585 treasury shares as of 31 December 2022 (31 December 2021: 1,028 treasury shares).

Authorisations of the annual general meeting to purchase and sell treasury shares

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. The shares may be purchased over the stock exchange or over the counter. The Executive Board was also authorised, with the consent of the Supervisory Board, to exclude the proportional subscription rights of shareholders.

The Executive Board was also authorised, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act during a period of five years, whereby the proportional subscription rights of shareholders can be excluded.

This authorisation for the purchase of treasury shares was used in part with the share buyback programme 2022 (see above). The authorisation to sell treasury shares has not been used to date and is therefore available in full.

Authorised capital

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 69,325,163.00 through the issue of up to 69,325,163 new shares in exchange for cash or contributions in kind. The authorisation is valid up to 18 October 2027. The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part. The shares issued based on this authorisation in exchange for cash contributions and under the exclusion of shareholders' subscription rights may not exceed EUR 13,865,032.00, which represents roughly 10% of the company's share capital at the time the resolution was passed by the annual general meeting.

This authorisation to increase share capital has not been used to date and is therefore available in full.

4.14 Financial liabilities

The following table shows the composition and remaining terms of the financial liabilities as of 31 December 2022 and 2021:

All amounts in TEUR	31 12 2022	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years
Amounts due to financial institutions	2,766,246	301,312	1,724,963	739,971	1,819,580	383,635	900,931	535,014
thereof secured by collateral	2,766,128	301,194	1,724,963	739,971	1,819,454	383,509	900,931	535,014
thereof not secured by collateral	118	118	0	0	126	126	0	0
Liabilities arising from the issue of bonds	922,825	208,684	530,090	184,051	982,116	25,174	479,961	476,981
Other financial liabilities	478,399	9,841	84,281	384,277	51,727	3,011	8,984	39,732
Total	4,167,470	519,837	2,339,334	1,308,299	2,853,423	411,820	1,389,876	1,051,727

The liabilities from the issue of bonds represent fixed-interest, unsecured, non-subordinated bonds. They include two bonds issued by IMMOFINANZ AG with an outstanding nominal value of EUR 424.9 million (31 December 2021: EUR 982.8 million) as well as eight initially included bonds issued by S IMMO AG which have a total outstanding nominal value of EUR 545.6 million. The decline in the balance of bonds issued by IMMOFINANZ AG resulted from the change of control event which was triggered by the majority takeover by the CPI Property Group. This change-of-control event entitled the bondholders to exercise their sale right at 101% of the nominal value plus accrued interest up to the sale date on 25 April 2022. Investors holding the corporate bond due in 2023 registered for repayment by IMMOFINANZ at a nominal value of EUR 295.7 million, while the comparable amount for the corporate bond due in 2027 was EUR 262.2 million.

Details on the issued bonds are provided below:

ISIN	Issuer	Nominal value 31 12 2022 in TEUR	Coupon	Maturity
XS1935128956	IMMOFINANZ AG	187,100	2.625%	27.01.2023
AT0000A1Z9D9	S IMMO AG	100,000	1.750%	06.02.2024
AT0000A1DBM5	S IMMO AG	15,890	3.250%	09.04.2025
AT0000A285H4	S IMMO AG	150,000	1.875%	22.05.2026
AT0000A2UVR4	S IMMO AG	25,059	1.250%	11.01.2027
AT0000A1DWK5	S IMMO AG	34,199	3.250%	21.04.2027
XS2243564478	IMMOFINANZ AG	237,800	2.500%	15.10.2027
AT0000A2MKW4	S IMMO AG	70,450	1.750%	04.02.2028
AT0000A2AEAB	S IMMO AG	100,000	2.000%	15.10.2029
AT0000A1Z9C1	S IMMO AG	50,000	2.875%	06.02.2030

The other financial liabilities include a liability of EUR 337.4 million to the CPI Property Group, EUR 81.4 million due to insurance companies and EUR 59.6 million of lease liabilities. As of 31 December 2022, the liabilities held for sale included EUR 0.0 million of lease liabilities (2021: EUR 0.0 million). The cash outflows for leases totalled EUR 6.9 million in 2022 (2021: EUR 4.0 million).

The conditions of the major financial liabilities are as follows:

31 12 2022	Currency	Interest rate fixed/variable	Weighted average interest rate	Nominal value of remaining liability		Carrying amount TEUR
				Issue currency in 1,000	TEUR	
Amounts due to financial institutions	EUR	fixed	0.00%	0	0	
	EUR	variable	3.69%	2,770,357	2,770,357	
Total amounts due to financial institutions					2,770,357	2,766,246
Liabilities from the issue of bonds	EUR	fixed	2.27%	970,497	970,497	922,825
Other financial liabilities						478,399
Total						4,167,470

31 12 2021	Currency	Interest rate fixed/variable	Weighted average interest rate	Nominal value of remaining liability		Carrying amount TEUR
				Issue currency in 1,000	TEUR	
Amounts due to financial institutions	EUR	fixed	2.13%	81,981	81,981	
	EUR	variable	1.13%	1,742,873	1,742,873	
Total amounts due to financial institutions					1,824,854	1,819,580
Liabilities arising from the issue of bonds	EUR	fixed	2.56%	0	0	982,116
Other financial liabilities						51,727
Total						2,853,423

The bank liabilities represent secured 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 (hard financial covenants) for compliance with specific financial indicators 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 financing banks are entitled to call the outstanding loan prematurely in individual cases if the borrower fails to comply with specific financial covenants or does not implement contractually defined, accepted measures to remedy the situation. There were no breaches of these financial covenants as of 31 December 2022 that would justify premature termination by.

4.15 Trade payables and other liabilities

All amounts in TEUR	31 12 2022	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years	31 12 2021	thereof remaining term under 1 year	thereof remaining term between 1 and 5 years	thereof remaining term over 5 years
Trade payables	75,029	73,438	1,368	223	55,556	54,125	1,431	0
Derivative financial instruments (liabilities)	0	0	0	0	3,935	963	2,906	66
Property management	3,416	3,416	0	0	2,991	2,991	0	0
Amounts due to non-controlling interests	0	0	0	0	17	17	0	0
Amounts due to associated companies	214	214	0	0	239	239	0	0
Deposits and guarantees received	40,730	6,085	29,699	4,946	25,573	5,091	17,411	3,071
Prepayments received on property sales	742	742	0	0	742	742	0	0
Construction and refurbishment	2,755	2,564	191	0	2,127	1,932	195	0
Outstanding purchase prices (share deals)	1,820	1,820	0	0	11,248	11,248	0	0
Outstanding purchase prices (acquisition of properties)	149	21	128	0	1,887	36	1,851	0
Miscellaneous	40,823	39,440	103	1,280	3,641	3,629	3	9
Total other financial liabilities	90,649	54,302	30,121	6,226	52,400	26,888	22,366	3,146
Tax authorities	23,085	23,085	0	0	5,665	5,665	0	0
Rental and lease prepayments received	66,351	65,102	70	1,179	25,363	24,300	29	1,034
Other contractual liabilities	1,499	1,155	344	0	0	0	0	0
Total non-financial liabilities	90,935	89,342	414	1,179	31,028	29,965	29	1,034
Total	256,613	217,082	31,903	7,628	138,984	110,978	23,826	4,180

4.16 Provisions

Provisions are recognised at the present value of the expected settlement amount. The provision is based on the best estimate at the time the consolidated financial statements are prepared. The best estimate of the amount required to meet the present obligation is the amount the company would rationally pay to settle the obligation at the balance sheet date or to transfer the obligation to a third party at that time. The risks and uncertainties that inevitably surround many events and circumstances must be taken into account in determining the best estimate. Valuation is therefore based in part on expert opinions and, above all, on past experience, probabilities for the outcome of legal disputes or proceedings under tax law, future cost trends, assumptions over interest rates, etc.

In cases where some or all of the costs required to settle an obligation are expected to be reimbursed by another party, the reimbursement may only be recognised when it is virtually certain that this reimbursement will be received if the company settles the obligation and the amount can be reliably estimated. This reimbursement is treated as a separate asset, and the amount recognised for the reimbursement may not exceed the amount of the provision.

The provisions developed as follows in 2022:

All amounts in TEUR	2022
Balance at the beginning of the financial year	47,533
Additions through business combinations	1,111
Foreign exchange differences	113
Additions	8,328
Disposals	-2,053
Use	-23,684
Compounding	525
Reclassifications	284
Balance at the end of the financial year	32,155
thereof current	13,698
thereof non-current	18,457

This position includes provisions of EUR 19.0 million (2021: EUR 20.4 million) for legal proceedings, EUR 7.9 million (2021: EUR 21.6 million) for work outstanding and warranties following the transfer of properties in the core market of Germany and other provisions. The other provisions consist primarily of provisions for tax risks (above all, withholding, VAT and property tax), contractual obligations and obligations to employees (e.g. for bonuses and unused vacation). The additions to and use of provisions in 2022 were related, above all, to payments connected with property completions and warranty claims.

Contingent liabilities are also held for outstanding warranty risks which were not reported as provisions as of 31 December 2022 (see section 7.1.4).

Restitution proceedings are currently in progress over land on which a Romanian subsidiary constructed a shopping center and over parts of another parcel of land in Romania. These proceedings (de facto) restrict the rights of disposal. Activities are currently in progress to settle these restitution proceedings.

Detailed information on the provisions for legal proceedings is not provided in accordance with IAS 37 because it could, under certain circumstances, seriously prejudice IMMOFINANZ's position.

The provisions as of 31 December 2022 include, for the first time, provisions for entitlements to termination payments (TEUR 676) and provisions for entitlements to service anniversary bonuses (TEUR 435) by S IMMO employees. The actuarial calculation of these obligations was based on a discount rate of 3.07% to 3.10%, an expected increase of 2.6% in salaries and wages, and a flat-rate discount of 0% to 26.0% for employee turnover. The requirement to create a provision for termination benefits is based on the applicable regulations under labour law. Legal regulations require S IMMO to make a one-off payment to employees who joined the company in Austria prior to 1 January 2003 in the event of termination by the employer or at retirement. The amount of the payment is dependent on the number of service years and the compensation at the end of employment and ranges from two to twelve months' wages/salaries.

5. Notes to the Consolidated Income Statement

5.1 Results of asset management

5.1.1 Rental income

The following table shows the classification of rental income by asset class:

All amounts in TEUR				2022
	Office	Retail	Other	Total
Office space	107,257	134	222	107,613
Retail space	6,074	152,481	13	158,568
Other space	19,152	3,524	22	22,698
thereof parking areas	11,215	456	0	11,671
thereof warehouse space	3,830	376	0	4,206
thereof hotel	1,744	0	0	1,744
thereof advertising and telecommunications	1,340	2,450	6	3,796
thereof other	1,023	242	16	1,281
Income from non-performance-related components of operating costs	5,681	5,506	104	11,291
Total	138,164	161,645	361	300,170

All amounts in TEUR				2021
	Office	Retail	Other	Total
Office space	114,379	188	256	114,823
Retail space	4,935	129,737	3	134,675
Other space	20,001	3,314	215	23,530
thereof parking areas	12,311	350	189	12,850
thereof warehouse space	4,030	377	1	4,408
thereof hotel	873	0	0	873
thereof advertising and telecommunications	1,460	2,425	8	3,893
thereof other	1,327	162	17	1,506
Income from non-performance-related components of operating costs	6,461	5,172	27	11,660
Total	145,776	138,411	501	284,688

All leases in which the IMMOFINANZ Group serves as the lessor are classified as operating leases, and all leased property is therefore carried on the IMMOFINANZ Group's balance sheet. The resulting rental income is distributed on a straight-line basis over the term of the lease. The lease term includes the non-cancellable contract periods as well as option periods when the exercise of the extension option is sufficiently certain at the beginning of the lease. Incentives granted for the conclusion or extension of leases (e.g. rent-free periods, reduced rents for a certain period, graduated rents that increase at fixed rates over the lease term, fit-outs for individual tenants or the assumption of relocation costs) are included in the determination of the fair value of investment property and recognised as an adjustment to rental income on a straight-line basis over the term of the lease.

Contractually agreed, inflation-based rental price adjustments are recognised when the adjustments take effect and not on a straight-line basis over the term of the lease. Contingent rental income (generally turnover-based rents) is only recognised when it is realised. The contingent rental income totalled EUR 17.8 million in 2022 (2021: EUR 14.3 million) and is included in the rental income from the retail asset class. Penalties for the premature cancellation of leases amounted to EUR 1.5 million (2021: EUR 7.3 million).

When renegotiation, additions or amendments lead to a material change in the cash flows realisable over the remaining term of a rental agreement, the previous accruals from incentive agreements – with the exception of fit-outs that will be reused – are derecognised as a reduction of rental income. If there is no material change in the rental agreement, the previously accrued incentives remain unchanged and are recognised on a straight-line basis. The general rules for the recognition of rental income on the initial conclusion of a rental agreement also apply when there is a substantial change in the rental agreement.

The rental income from the contracts in effect as of 31 December 2022 is as follows:

All amounts in TEUR	2022	2021
Within 1 year	338,262	228,586
Between 1 and 5 years	741,185	549,382
Over 5 years	301,986	223,431
Total	1,381,433	1,001,399

The agreed rental income shown in the above table also includes the contractually agreed future rental income for the S IMMO Group. Future rental income is adjusted to exclude the contracts related to disposal groups and discontinued operations as of the balance sheet date. Special cancellation rights or additional rental income from turnover-based rents are not included. The reported income from existing leases in the IMMOFINANZ Group includes future index-based adjustments, whereby an average term of 15 years was applied to open-end rental contracts.

Rental income includes the revenues which are not contrasted by the provision of services in the narrower sense of the term, but only represent the reimbursement of costs connected with legal ownership of the property (i.e. property tax and building insurance). The income from the non-performance-related components of operating costs has been presented since 2021 independent of the office, retail and other asset classes. The revenues from advertising space and telecommunications equipment are also reported as rental income in accordance with IFRS 16. The rental income from property taxes and building insurance totalled EUR 11.3 million in 2022 (2021: EUR 11.7 million), and the revenues from advertising space and telecommunications equipment amounted to EUR 3.8 million (2021: EUR 3.9 million).

5.1.2 Operating costs charged to tenants and operating expenses

The results of asset management include the net presentation of the income from operating costs charged to tenants and operating expenses. These items are shown separately under the results of asset management on the consolidated income statement to achieve a transparent presentation. The income from operating costs charged to tenants represents revenue in the sense of IFRS 15 (Revenue from Contracts with Customers) and is recognised over time. Operating costs are generally charged on a monthly basis and do not include any material financing components. The segment report provides information on the allocation of revenue from operating costs charged to tenants to the individual IMMOFINANZ Group regional core markets (see section 3.6).

The income from operating costs charged to tenants totalled EUR 118.6 million in 2022 (2021: EUR 88.7 million). In individual countries (e.g. Hungary, Slovakia and Poland), this income also includes contractually agreed flat-rate administrative costs or mark-ups to operating costs that are also collected from tenants. Section 5.1.1, last paragraph, includes information on the income from operating costs charged to tenants, which is reported under rental income in accordance with IFRS 16.

Operating expenses include EUR -126.6 million (2021: EUR -94.3 million) of operating costs which are charged to tenants as well as expenses of EUR -9.4 million (2021: EUR -8.4 million) from vacancies.

5.1.3 Expenses from investment property

All amounts in TEUR	2022	2021
Commission expenses	-372	-303
Maintenance	-21,826	-17,286
Operating costs charged to building owners	-14,709	-12,788
Property marketing	-6,382	-5,413
Personnel expenses from asset management (see 5.6)	-4,977	-5,716
Other expenses from asset management	-3,924	-2,283
Fit-out costs	-3,770	-4,244
Write-off of receivables from asset management	-2,406	-11,928
Other expenses	-1,751	-1,440
Total	-60,117	-61,401

Maintenance costs are attributable to the implementation of the “myhive cowork” office concept, rebranding measures for the VIVO! and STOP SHOP brands, and regular building maintenance.

Concessions were made to tenants during 2021 in connection with the COVID-19 pandemic to prevent insolvencies and support the rapid resumption of business activities. Most of these concessions were made retroactively and recognised as write-offs to receivables. The year-on-year decline in receivables write-offs is attributable to the higher volume of write-offs resulting from the COVID-19 pandemic in 2021.

A limited number of rental deferrals were also granted for future periods. Similar to the accounting treatment of rental incentives, they are recognised to rental income over the remaining term of the underlying contract.

Government grants are deducted directly from the related expenses (net method) in accordance with IAS 20.29. The IMMOFINANZ Group received no government grants in 2022 or 2021.

5.2 Results of property sales

All amounts in TEUR	2022	2021
Office	62,056	85,714
Retail	5,301	7,000
Other	2,897	12,956
Proceeds from property sales	70,254	105,670
Less carrying amount of sold properties	-70,254	-105,670
Net gain/loss from property sales	0	0
Results from deconsolidation	5,443	28,593
Sales commissions	-1,114	-2,318
Personnel expenses from property sales (see 5.6)	-474	-348
Legal, auditing and consulting fees from property sales	-561	-923
Write-off of receivables from property sales	-12,945	16
VAT adjustments from the sale of properties	-176	-534
Other expenses	-899	99
Expenses from property sales	-16,169	-4,008
Revaluation results from properties sold and held for sale (see 5.7)	15,349	1,125
Total	4,623	25,710

Results from the sale of properties show the income from asset deals. This income represents the fair value of the property on the transaction date and is therefore generally contrasted by a book value disposal of the same amount. The differences between the sale proceeds and the carrying amounts on the last balance sheet date are recorded under the revaluation of properties sold and held for sale. The differences between the sale proceeds and book value disposals resulted from the receipt of purchase price payments for sales made in earlier financial years. The proceeds from the sale of properties are not part of the IMMOFINANZ Group's ordinary business activities and, consequently, do not represent revenues in the sense of IFRS 15 (Revenue from Contracts with Customers).

Expenses from property sales include all personnel and operating expenses directly related to the sale process for a property or property company.

The write-off of receivables from property sales represent the full write-off of a purchase price receivable of EUR -12.9 million, which resulted from the sale of the Russian portfolio in 2017 and was scheduled for settlement in the first half of 2022. Due to the war in Ukraine and the sanctions imposed against the Russian Federation together with the resulting effects – above all the payment restrictions implemented by Russia – management has classified this receivable as uncollectible. However, the legal options available through existing contracts and the related collateral are evaluated regularly to possibly collect this receivable at a later time. There are no other receivables from the sale of the Russian portfolio.

Revaluation results reflect the adjustment of fair value when a property is sold and the valuation of investment property held for sale at the respective selling price.

5.3 Results of property development

All amounts in TEUR	2022	2021
Proceeds from the sale of real estate inventories	580	61
Cost of real estate inventories sold	-512	-65
Other costs to sell for real estate inventories	0	419
Write-down related reversals of real estate inventories	50	61
Write-down of real estate inventories	-2,012	0
Income and expenses related to written-off purchase price receivables from the sale of real estate inventories	-1,014	-314
Operating costs charged to building owners of real estate inventories	-49	0
Other expenses from real estate inventories	-3,914	-12,137
Expenses from real estate inventories	-6,939	-11,971
Expenses from property development	-3,261	-2,809
Revaluation results from properties under construction (see 5.7)	-10,552	33,681
Total	-20,684	18,897

The sale of real estate inventories is reported under income from property development. In accordance with IFRS 15, revenue is recognised over time when the performance provided leads to an asset with no alternative use for the IMMOFINANZ Group and the IMMOFINANZ Group has an enforceable right to payment for the performance transferred to date. This is regularly the case with residential properties which are sold during the planning or construction stage. In cases where these requirements are met, a proportional share of profit is recognised according to the percentage of completion (which represents the extent of performance provided) if the carrying amount of the involved property exceeds the agreed net realisable value less transaction costs. The residential properties under development were in an advanced stage of completion at year-end 2022 and material estimates were not required. Payment was made in instalments based on pre-defined development steps and closely reflects the percentage of completion.

Revenue from the sale of properties with an alternative use or without an enforceable right to payment is still recognised at a point in time (i.e. with the transfer of economic ownership). This point in time is generally the date on which the property is transferred because it marks the transfer of opportunities and risks as well as economic control.

The contracts do not include any material financing components or variable payment elements.

The following table classifies the proceeds from the sale of real estate inventories in 2022 according to the timing of revenue recognition:

All amounts in TEUR	2022	2021
Revenue recognised at a point in time	580	61
Income from derecognised liabilities	580	61

The allocation of the EUR 0.6 million (2021: EUR 0.1 million) in proceeds from the sale of real estate inventories to the IMMOFINANZ Group's regional core markets is shown in the segment report (see section 3.6).

The impairment losses recognised to real estate inventories consist chiefly of the write-down of cancelled residential property sales in Germany to the net realisable value less transaction costs (EUR 2.0 million). The results of property development also include charges of EUR 1.9 million (2021: EUR 2.4 million) for personnel expenses.

5.4 Other operating income

Other operating income comprises the following items:

All amounts in TEUR	2022	2021
Expenses charged on	188	37
Insurance compensation	1,461	152
Income from derecognised liabilities	946	885
Reimbursement for penalties	183	119
Miscellaneous	7,599	957
Total	10,377	2,150

Miscellaneous other operating income resulted, above all, from the reimbursement of EUR 6.5 million in costs connected with the premature termination of a digitalisation project by the CPI Property Group.

5.5 Other operating expenses

Other operating expense comprises the following items:

All amounts in TEUR	2022	2021
Administrative expenses	-2,983	-227
Legal, auditing and consulting fees	-19,360	-12,466
Penalties	-155	-2,841
Taxes and levies	-2,495	-1,481
Advertising	-3,689	-4,148
EDP and communications	-2,771	-1,819
Expert opinions	-614	-693
Personnel expenses (see 5.6)	-25,967	-18,471
Other write-downs	-2,128	-1,735
Miscellaneous	-5,916	-3,773
Total	-66,078	-47,654

The substantial increase in administrative expenses resulted from the outsourcing of various activities to the service companies of the CPI Property Group and the related administrative charges. Directly attributable costs are reported under the respective functional operating area. If direct allocation is not possible, the administrative expenses are included under other operating expenses. Of the miscellaneous operating expenses, EUR 3.0 million represent administrative fees paid to the CPI Property Group.

The increase in legal, auditing and consulting fees is attributable, above all, to a Group-wide digitalisation project and to costs connected with the takeover offers by the CPI Property Group and S IMMO.

The sizeable year-on-year increase in penalty expenses was related mainly to the addition to a provision for guarantees. This position also includes the settlement of compensation for damages and an increase in liabilities for auxiliary cost invoices of EUR 2.4 million in Germany.

The increase in taxes and duties resulted primarily from the write-off of EUR 1.8 million overdue VAT receivables in Romania.

Other write-downs include write-downs of EUR 0.6 million to rights of use (IFRS 16) for tangible assets.

The costs for short-term leases and low-value leases equalled EUR 0.2 million each in 2022. Other main components of miscellaneous other operating expenses are the costs connected with property used by IMMOFINANZ, impairment losses and write-downs to other receivables, Supervisory Board remuneration and the costs for the annual general meeting as well as insurance premiums and costs for bank transactions.

Miscellaneous other operating expenses also include TEUR 137.5 for research on office solutions in cooperation with Stanford University.

5.6 Personnel expenses

Personnel expenses for the IMMOFINANZ Group's employees include the following:

All amounts in TEUR	2022	2021
Salaries	-20,438	-21,079
Employee benefits	-12,870	-5,883
Total	-33,308	-26,962

The year-on-year increase in personnel expenses is related, above all, to one-off payments in connection with the resignation of Dietmar Reindl and Stefan Schönauer from the Executive Board on 8 June 2022.

Employee benefits include EUR 0.1 million (2021: EUR 0.2 million) for pensions, EUR 6.9 million (2021: EUR 0.3 million) for severance payments and contributions to employee benefit funds and EUR 5.2 million (2021: EUR 4.7 million) for statutory social security contributions as well as payroll-based duties and mandatory contributions.

Personnel expenses were allocated to the following sections of the consolidated income statement as follows:

All amounts in TEUR	2022	2021
Results of asset management	4,977	5,716
Results of property sales	474	348
Results of property development	1,890	2,427
Other operating expenses	25,967	18,471
Personnel expenses	33,308	26,962

The functional operating areas include only directly allocated personnel expenses. In cases where direct allocation is not possible, the personnel expenses are included under other operating expenses.

The average number of employees in the companies included in the consolidated financial statements totalled 301 in 2022 (2021: 349 employees). In order to improve comparability with the amounts reported for personnel expenses in the previous year, the average number of employees excludes employees on official leave and S IMMO employees. The S IMMO workforce is excluded because the company was fully consolidated as of 31 December 2022, and the related personnel expenses are therefore not included in the financial statements for 2022.

5.7 Revaluation results from investment property and goodwill

The results from the revaluation of investment properties and goodwill comprise valuation results of EUR -110.5 million (2021: EUR 86.2 million), a negative difference of EUR 214.6 million from the purchase of shares in S IMMO AG (see section 2.3) and impairment losses to goodwill of EUR -0.3 million (2021: EUR -0.3 million).

The revaluation results from the standing investments include the revaluation of rights of use in accordance with IFRS 16 (EUR -1.4 million; 2021: EUR -0.2 million).

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

All amounts in TEUR	2022			2021		
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total
Investment property	91,218	-201,717	-110,499	149,353	-63,184	86,169
Property under construction	6,125	-16,677	-10,552	63,481	-29,800	33,681
Properties sold and held for sale	15,762	-413	15,349	11,450	-10,325	1,125
Total	113,105	-218,807	-105,702	224,284	-103,309	120,975

Details on property under construction are provided in section 5.3, and details on property sold and held for sale can be found in section 5.2.

5.8 Share of profit or loss from equity-accounted investments

All amounts in TEUR	Joint ventures	Associates	Total 2022
Share of profit or loss for the period	0	26,899	26,899
Other adjustments	0	-191,653	-191,653
Reclassification of foreign exchange differences and hedge accounting reserve to profit or loss	0	12,872	12,872
Total	0	-151,882	-151,882

All amounts in TEUR	Joint ventures	Associates	Total 2021
Share of profit or loss for the period	-74	53,963	53,889
Other adjustments	-212	85,835	85,623
Reclassification of foreign exchange differences and hedge accounting reserve to profit or loss	392	0	392
Gains/losses on the sale of equity-accounted investments	-73	0	-73
Total	33	139,798	139,831

The share of profit or loss from equity-accounted investments in 2022 included the proportional results of EUR 19.8 million for the period from S IMMO, the carryforward of fair value adjustments identified in connection with the acquisition of the shares during the purchase price allocation of EUR 0.6 million as well as an impairment loss of EUR -192.2 million to the S IMMO investment from the transition consolidation. The transition consolidation involved the reclassification to profit or loss of EUR 12.9 million in differences from foreign currency translation and the change in the hedge accounting reserve. The total effect from S IMMO amounted to EUR 55.6 million and comprised EUR -159.0 million of results from the at-equity valuation of the investment and a negative difference of EUR 214.6 million (see section 2.3).

The share of profit or loss from equity-accounted investments in 2021 included the proportional results of EUR 48.8 million for the period from S IMMO as well as a revaluation of EUR 85.3 million to the S IMMO investment. The gains and losses on the sale of equity-accounted investments included results of EUR 0.3 million from the transition consolidation of Termaton Enterprises Limited and Hadas Management SRL.

Aggregated financial information on the joint ventures and associates is presented in section 4.6.

5.9 Financial results

All amounts in TEUR	2022	2021
For financial liabilities AC	-70,334	-72,226
For derivative financial instruments	-7,430	-8,853
Total financing costs	-77,764	-81,079
For financial receivables AC	1,669	1,813
For derivative financial instruments	3,891	0
Total financing income	5,560	1,813
Foreign exchange differences	2,333	472
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-6,331	6,845
Valuation of financial instruments at fair value through profit or loss	156,263	24,963
Distributions	798	935
Valuation adjustments and impairment of receivables	-64	243
Negative interest on cash and cash equivalents	-1,530	-3,647
Other financial results	149,136	29,339
Net profit or loss from equity-accounted investments (see 5.8)	-151,882	139,831
Total	-72,617	90,376

AC: financial assets/liabilities measured at amortised cost

The financing costs for financial liabilities measured at amortised cost include interest expense of EUR -1.9 million (2021: EUR -2.5 million) for IFRS 16 lease liabilities. This position also includes income of EUR -0.8 million from the modification of financial instruments. This earnings effect must be reported at the time of modification in accordance with IFRS 9. In the previous year, interest expenses included modification results of EUR -1.5 million.

The profit or loss on other financial instruments and proceeds on the disposal of financial instruments consists chiefly of the costs arising from the repurchase of the convertible bond, which was redeemed at 101% of the nominal amount (also see section 4.13).

Foreign exchange differences include foreign exchange gains of EUR 1.9 million (2021: EUR 2.0 million) and foreign exchange losses of EUR -1.4 million (2021: EUR -2.1 million) from IFRS 16 lease liabilities.

The results from the valuation of financial instruments at fair value through profit or loss include the following:

All amounts in TEUR	2022	2021
Revaluation results from real estate fund shares	-1,154	-445
Valuation results from derivative financial instruments	156,734	25,221
Valuation results from shares in companies	705	187
Other	-22	0
Total	156,263	24,963

Information on the net gains and losses from financial instruments is provided in section 7.1.2.

5.10 Income taxes

This position includes income taxes paid or owed by the parent company and subsidiaries as well as deferred taxes. Interest and penalties from tax proceedings are also included here. An overview of deferred tax assets and deferred tax liabilities is presented in section 4.9.

All amounts in TEUR	2022	2021
Current income tax	-21,713	-10,487
thereof from current period	-21,886	-13,454
thereof from prior periods	173	2,967
Deferred tax	-22,016	-30,007
thereof from current period	-25,868	-32,379
thereof from changes in tax rates	3,180	385
thereof from deductible temporary differences previously not recognised and loss carryforwards from previous financial years	672	1,987
Total	-43,729	-40,494

The difference between calculated income tax expenses and the actual income tax expenses shown on the income statement is attributable to the following factors:

All amounts in TEUR	2022		2021	
Earnings before tax	185,698		386,331	
Income tax expense at 25% tax rate	-46,425	25.0%	-96,583	25.0%
Effect of different tax rates	-17,398	9.4%	98,823	-25.6%
Effect of changes in tax rates	3,132	-1.7%	390	-0.1%
Impairment losses to goodwill/negative differences recognised in profit or loss	54,916	-29.6%	-41	0.0%
Loss carryforwards and deferred tax assets not recognised	-7,114	3.8%	29,071	-7.5%
Non-deductible income and expenses	-8,799	4.7%	-1,592	0.4%
Write-downs and write-ups to deferred tax assets	1,883	-1.0%	-2,944	0.8%
Effects related to other periods	-221	0.1%	-1,271	0.3%
Effects of deferred taxes on investments in subsidiaries, joint ventures and associates	-29,910	16.1%	-60,363	15.6%
Other non-temporary differences	6,207	-3.3%	-5,984	1.5%
Effective tax rate	-43,729	23.5%	-40,494	10.5%

The impact of the different tax rates on the effective tax rate for the Group results from the difference between the Austrian corporate tax rate of 25% and the respective local tax rates (see section 4.9).

The non-deductible income and expenses consist mainly of non-deductible interest expense and non-deductible management salaries.

In the 2004/05 financial year, the Austrian IMMOFINANZ companies joined together into a corporate group in the sense of § 9 of the Austrian Corporate Tax Act. IMMOFINANZ AG serves as the lead company of this group. The lead company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member with positive results must pay a tax charge to the lead company. The charge equals 25% of the assessment base and is based on the tax rate defined in § 22 (1) of the Austrian Corporate Tax Act. Any losses by the group members are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Group members with registered tax losses are not required to make payments to the lead company; no payments for (negative) charges are made by the lead company to the group members. A routine tax audit of the Austrian tax group covering the period for the 2012 to 2014 assessment years was carried out from the 2017 financial year to the 2021 financial year, and additional tax audits were subsequently opened for the periods up to 2018. The audits covered, through sampling, individual members as well as the head of the group. A total of 41 tax audits were carried out and ended with the conclusion of the audit of the lead group, IMMOFINANZ AG, in autumn 2021. The proceedings did not lead to any material income tax assessments or any material adjustments of loss carryforwards.

Another corporate group was established in 2009/10 pursuant to § 9 of the Austrian Corporate Tax Act. CPB Enterprise GmbH serves as the lead company of this group. Based on the group and tax assessment agreement concluded on 22 December 2009, the taxable income generated by the members of this group is allocated to CPB Enterprise GmbH, as the lead company of the group, after an offset against any pre-group losses. The group contract also calls for a tax charge as settlement for the transfer of taxable income. The tax charge procedure for this tax group is the same as the new tax charge agreement implemented for the IMMOFINANZ AG corporate group; it took effect starting in the 2011/12 financial year.

The S IMMO Group also established a corporate tax group pursuant to § 9 of the Austrian Corporate Tax Act.

5.11 Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing net profit for the period attributable to the shareholders of IMMOFINANZ AG by the weighted average number of shares outstanding.

	2022	2021
Weighted average number of shares (basic)	136,866,509	123,293,525
Diluting effect IMMOFINANZ convertible bond 2017–2024	0	13,776,360
Weighted average number of shares (diluted)	136,866,509	137,069,885
Net profit or loss (excl. non-controlling interests) in EUR	142,601,000.00	347,051,000.00
Diluting effect IMMOFINANZ convertible bond 2017–2024	0.00	7,836,000.00
Net profit or loss excl. non-controlling interests in EUR (diluted)	142,601,000.00	354,887,000.00
Basic earnings per share in EUR	1.04	2.81
Diluted earnings per share in EUR	1.04	2.59

There were no diluting effects in 2022 through potential shares from the convertible bond 2017–2024. Diluting effects are only included in the calculation when they reduce earnings per share or increase the loss per share. The calculation of the number of shares as of 31 December 2022 included the 695,585 treasury shares held by IMMOFINANZ (31 December 2021: 1,028 treasury shares).

6. Notes to the Consolidated Cash Flow Statement

The cash flow statement of the IMMOFINANZ Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the financial year. The cash flow statement distinguishes between cash flows from operating activities, investing activities and financing activities. Interest paid is reported under cash flow from financing activities, while interest and dividends received are reported under cash flow from investing activities. Cash flow from operating activities is calculated using the indirect method. Cash and cash equivalents comprise the following as of the balance sheet dates shown below

All amounts in TEUR	31 12 2022	31 12 2021
Cash and cash equivalents (see 4.11)	652,750	987,146
Cash and cash equivalents held by disposal groups (see 4.9)	31,946	0
Cash and cash equivalents	684,696	987,146

Foreign currency cash flows are translated at the weighted average exchange rate for the respective local currency and quarter. Translation differences arising from the use of this exchange rate and the mean exchange rate on the balance sheet date are charged or credited to foreign exchange differences.

The position "business combinations and other acquisitions, net of cash and cash equivalents" totalling EUR 241.6 million comprises EUR 175.6 million of cash paid and EUR 151.1 million of redeemed liabilities from the seller. In addition, the purchase of shares in S IMMO led to an increase of EUR 417.2 million in cash and cash equivalents which is not contrasted by a paid purchase price. The purchase price liability was deferred to March 2028 at the latest, and the related principal and interest payments to the CPI Property Group will be reported under cash flow from investing activities in the following years.

The acquired assets and assumed liabilities include the following:

All amounts in TEUR	2022	2021
Investment property	2,745,551	118,459
Receivables and other assets	585,670	4,063
Financial liabilities	-1,368,499	-15,219
Trade and other payables	-2,203,228	-4,497
Provisions	-1,111	-272
Net assets acquired	-241,617	102,534

The following table reconciles financial liabilities, derivatives and equity, including cash flow from financing activities, as of 1 January 2022 and 31 December 2022:

All amounts in TEUR	Financial liabilities			
	Liabilities from convertible bonds	Amounts due to financial institutions	Liabilities arising from the issue of bonds	Other financial liabilities
Balance sheet as of 1 1 2022	283,216	1,819,580	982,116	51,727
Changes in cash flow from financing activities				
Increase in financial liabilities plus decrease in blocked cash and cash equivalents	0	565,068		
Repayment of financial liabilities plus increase in blocked cash and cash equivalents	0	-361,464	-557,900	-6,263
Derivatives				
Interest paid	-108	-33,362	-24,016	
Payments on mandatory convertible bond				
Distributions/Dividend				
Transactions with non-controlling interest owners				
Total change in cash flow from financing activities	-3,308	170,241	-581,916	-6,263
Changes from the loss of control over subsidiaries		-49,220		0
Changes from the attainment of control over subsidiaries		789,658	497,442	87,794
Effects of changes in exchange rates		-83		-522
Changes in fair value				
Other changes in financial liabilities	-279,908	36,069	25,183	345,664
Other changes in equity				
Balance sheet as of 31 12 2022	0	2,766,246	922,825	478,399

Derivatives		Equity							
Derivative assets	Derivative liabilities	Share capital/ capital reserves	Treasury shares	Accumulated other equity	Retained earnings	Non-controlling interests		Total	
-4,031	3,935	4,689,003	-23	-190,119	-1,115,317	-32,926		6,487,161	
								565,068	
								-925,627	
								-3,200	
2,910	-8,050							-5,140	
								-57,487	
					-5,032	4,832		-200	
			-10,126					-10,126	
2,910	-8,050	0	-10,126	0	-5,032	4,832		-436,713	
					-1,766			-50,986	
-78,257	-1	280,847						1,577,483	
					311			-294	
-137,107	-19,627							-156,734	
-19,498	23,744							131,252	
		-5,530	0	5,374	142,601	979,423		1,121,868	
-235,983	0	4,964,320	-10,149	-186,200	-977,748	951,329		8,673,039	

7. Other Disclosures

7.1 Information on financial instruments

The primary financial instruments held by the IMMOFINANZ Group which are reported under assets consist primarily of trade accounts receivable, financing receivables, loans and other receivables, real estate fund shares, miscellaneous other financial instruments and cash and cash equivalents. The primary financial instruments recorded under liabilities consist primarily of financial liabilities, liabilities arising from convertible bonds and trade accounts payable. The non-derivative financial instruments recorded under assets are carried at fair value through profit or loss (real estate fund shares and shares in other companies), at fair value through other comprehensive income (shares in other companies) or at amortised cost. Non-derivative financial liabilities are carried at amortised cost. Fair value is based on market prices or calculated in accordance with recognised valuation methods.

Derivative financial instruments are used to hedge the interest rate risk from business operations (see section 7.2.5).

Financial instruments can consist of a non-derivative underlying agreement and a derivative financial instrument. If the underlying agreement in which the derivative is embedded involves a financial asset, the derivative is not separated, but recognised together with the underlying agreement as a single unit. If the underlying agreement involves a financial liability, the embedded derivative is accounted for separately unless it can be considered closely connected with the underlying agreement. Hybrid financial instruments which include both equity and debt elements are separated into their respective components.

7.1.1 Classes and categories of financial instruments

IFRS 7 requires the breakdown of financial instruments by classes as well as the reconciliation of these classes with the line items shown on the balance sheet. Since the reporting company is entitled to define these classes, they generally differ from the categories defined by IFRS 9 for the measurement of financial instruments.

The definition of the reportable classes reflects the different characteristics of the major financial instruments held by the IMMOFINANZ Group. Accordingly, similar financial instruments are grouped together to form a separate class. The classes are also defined to facilitate reconciliation with the line items shown on the balance sheet. These factors led to the definition of the following classes: trade accounts receivable, financing receivables, loans and other receivables (including restricted funds), real estate fund shares, derivatives, miscellaneous other financial instruments and cash and cash equivalents (asset classes) as well as liabilities arising from convertible bonds, bonds, liabilities with financial institutions, other financial liabilities, trade accounts payable, derivatives and miscellaneous other liabilities (liability classes).

In addition to the assignment of financial instruments to classes, IFRS 7 requires the disclosure of the carrying amount of financial assets and financial liabilities in accordance with the categories defined in IFRS 9. The following table presents the carrying amount and fair value of each class of financial assets and financial liabilities as well as each IFRS 9 category and reconciles these amounts to the appropriate balance sheet line item. Since the balance sheet positions trade and other receivables and trade and other liabilities can contain financial instruments as well as non-financial assets/liabilities (e.g. tax receivables), the column "Non-FI" allows for a full reconciliation with the balance sheet line.

Assets	FVOCI Equity instruments	FVPL mandatory	AC	Cash and cash equivalents	Non-FI	Carrying amount 31 12 2022	Fair value 31 12 2022
All amounts in TEUR							
Trade accounts receivable	0	0	73,224	0	0	73,224	73,224
Financing receivables	0	0	4,406	0	0	4,406	4,406
Loans and other receivables	0	0	109,779	0	21,082	130,861	130,861
Trade and other receivables	0	0	187,409	0	21,082	208,491	208,491
Derivatives	0	235,983	0	0	0	235,983	235,983
Miscellaneous other financial instruments	7,328	8,007	0	0	0	15,335	15,335
Other financial assets	7,328	243,990	0	0	0	251,318	251,318
Cash and cash equivalents	0	0	0	652,750	0	652,750	652,750
Total assets	7,328	243,990	187,409	652,750	21,082	1,112,559	1,112,559

Equity and liabilities	FVPL mandatory	AC	Non-FI	Carrying amount 31 12 2022	Fair value 31 12 2022
All amounts in TEUR					
Bonds	0	922,825	0	922,825	878,041
Amounts due to financial institutions	0	2,766,246	0	2,766,246	2,751,666
Other financial liabilities	0	478,399	0	478,399	456,013
Financial liabilities	0	4,167,470	0	4,167,470	4,085,720
Trade payables	0	75,029	0	75,029	75,029
Miscellaneous other liabilities	0	90,649	90,935	181,584	181,584
Trade and other payables	0	165,678	90,935	256,613	256,613
Total equity and liabilities	0	4,333,148	90,935	4,424,083	4,342,333

FVOCI: financial assets at fair value through other comprehensive income
FVPL: financial assets/liabilities at fair value through profit or loss
AC: financial assets/liabilities measured at amortised cost
Non-FI: non-financial assets/liabilities

Assets	FVOCI Equity instruments	FVPL mandatory	AC	Cash and cash equivalents	Non-FI	Carrying amount 31 12 2021	Fair value 31 12 2021
All amounts in TEUR							
Trade accounts receivable	0	0	50,498	0	0	50,498	50,498
Financing receivables	0	0	6,677	0	0	6,677	6,677
Loans and other receivables	0	0	88,940	0	22,853	111,793	111,793
Trade and other receivables	0	0	146,115	0	22,853	168,968	168,968
Real estate fund shares	0	1,466	0	0	0	1,466	1,466
Derivatives	0	4,031	0	0	0	4,031	4,031
Miscellaneous other financial instruments	4,564	7,321	0	0	0	11,885	11,885
Other financial assets	4,564	12,818	0	0	0	17,382	17,382
Cash and cash equivalents	0	0	0	987,146	0	987,146	987,146
Total assets	4,564	12,818	146,115	987,146	22,853	1,173,496	1,173,496

Equity and liabilities All amounts in TEUR	FVPL			Carrying amount	Fair value
	mandatory	AC	Non-FI	31 12 2021	31 12 2021
Liabilities from convertible bonds	0	283,216	0	283,216	296,711
Bonds	0	982,116	0	982,116	1,015,809
Amounts due to financial institutions	0	1,819,580	0	1,819,580	1,808,940
Other financial liabilities	0	51,727	0	51,727	51,727
Financial liabilities	0	2,853,423	0	2,853,423	2,876,476
Trade payables	0	55,556	0	55,556	55,556
Derivatives	3,935	0	0	3,935	3,935
Miscellaneous other liabilities	0	48,465	31,028	79,493	79,493
Trade and other payables	3,935	104,021	31,028	138,984	138,984
Total equity and liabilities	3,935	3,240,660	31,028	3,275,623	3,312,171

FVPL: financial assets/liabilities at fair value through profit or loss

AC: financial assets/liabilities measured at amortised cost

Non-FI: non-financial assets/liabilities

The fair values shown in the above table were derived from stock exchange prices or determined by applying recognised valuation methods, depending on the class (see section 7.1.3).

Trade account receivables are generally considered to be current or are carried net of any necessary valuation adjustments and, for this reason, fair value generally reflects the carrying amount. The same applies to cash and cash equivalents.

The fair value of financial receivables, loans and other receivables as well as the fair value of the miscellaneous other financial instruments also generally approximates the carrying amount because impairment losses have already been deducted.

The fair value shown in the above table for liabilities from convertible bonds and amounts due to financial institutions was calculated as the present value of future interest and principal payments. The discount rate includes a margin for IMMOFINANZ's own credit risk (debt value adjustment), and the valuation method used to determine fair value therefore represents Level 3 in the fair value hierarchy under IFRS 13. Information on the method used to determine the debt value adjustment is provided in section 7.1.3. The discount rates used to calculate the present value of the amounts due to financial institutions were based on the listing shown below, which reflects the market interest rates as of 31 December 2022 and the weighted average credit spreads for the loans in the continuing operations as of the balance sheet date.

Discount rates as of	2022	
	min	max
1 1 2023	4.594%	8.176%
1 1 2024	4.044%	7.626%
1 1 2025	4.244%	7.826%
1 1 2026	4.196%	7.778%
1 1 2027	4.179%	7.761%
1 1 2028	4.158%	7.740%
1 1 2029	4.152%	7.734%
1 1 2030	4.157%	7.739%
1 1 2031	4.171%	7.753%
1 1 2032	4.189%	7.771%
1 1 2033	4.201%	7.783%
1 1 2034	4.207%	7.789%

The fair value of the bonds is based on the market price or, for inactive markets, the present value of future interest payments. The fair value of the miscellaneous other liabilities corresponds to the present value (financial liabilities) or to the carrying amount (all other cases).

7.1.2 Net gains and losses

The net gains and losses which must be presented in accordance with IFRS 7 for each category of financial instrument defined in IFRS 9 comprise the following:

All amounts in TEUR	Measurement at fair value	Income from disposals/repurchase	Other gains/losses	31 12 2022
				Net gain/loss
FVOCI	-2,537	0	0	-2,537
thereof designated and recorded under other comprehensive income	-2,537	0	0	-2,537
FA-FVPL	156,263	0	797	157,060
thereof mandatory	156,263	0	797	157,060
FL-AC	0	-5,580	-750	-6,330

FVOCI: financial assets at fair value through other comprehensive income
FA-FVPL/FL-FVPL: financial assets/liabilities at fair value through profit or loss
FA-AC/FL-AC: financial assets/liabilities measured at amortised cost

All amounts in TEUR	Measurement at fair value	Income from disposals/repurchase	Other gains/losses	31 12 2021
				Net gain/loss
FVOCI	-415	0	0	-415
thereof recorded under other comprehensive income	-415	0	0	-415
FA-FVPL	11,584	0	933	12,517
thereof mandatory	11,584	0	933	12,517
FL-FVPL	13,379	0	0	13,379
thereof mandatory	13,379	0	0	13,379
FL-AC	0	8,334	-1,486	6,848

Information on interest expense and interest income is provided in section 5.9.

7.1.3 Hierarchy of financial instruments carried at fair value

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

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

All amounts in TEUR	Level 1	Level 2	Level 3	31 12 2022
				Total
Financial assets at fair value through other comprehensive income				
Miscellaneous other financial instruments	-	-	7,328	7,328
Financial assets at fair value through profit or loss				
Derivatives	-	-	235,983	235,983
Miscellaneous other financial instruments	7,618	-	389	8,007

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

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

All amounts in TEUR	Real estate fund shares		Derivatives		Miscellaneous other financial instruments		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Beginning balance	1,466	1,911	96	-29,178	4,972	3,979	6,534	-23,288
Recognised in the consolidated income statement	-1,154	-445	156,734	25,221	-21	-92	155,559	24,684
Recognised in other comprehensive income	0	0	0	0	-2,537	-415	-2,537	-415
Additions	0	0	92,954	-226	5,303	1,500	98,257	1,274
Disposals	-312	0	-13,801	4,279	0	0	-14,113	4,279
Ending balance	0	1,466	235,983	96	7,717	4,972	243,700	6,534

Of the EUR 155.6 million (2021: EUR 24.7 million) recognised in the income statement and reported in the above table, EUR 149.2 million (2021: EUR 23.5 million) are attributable to financial instruments that were held at the end of the 2022 financial year. The respective amounts are included under other financial results.

The valuation procedures and valuation-relevant input factors used to determine the fair value of financial instruments (for both continuing and discontinued operations) in levels 2 and 3 are as follows:

Level	Financial instruments	Valuation method	Major input factors	Major non-observable input factors
3	Derivatives (interest rate swaps)	Net present value methods	Interest rate curves observable on the market, probability of default, loss given default, exposure at default	Credit margin: 1.00% to 4.00%
3	Miscellaneous other financial instruments	Net present value methods	Discount rate, expected cash flows	Discount rate: 16.44% to 16.70%

The IMMOFINANZ Group calculates the fair value of derivatives by discounting the future cash flows based on a net present value method. The interest rates used to discount the future cash flows are based on an interest curve that is observable on the market. The following three parameters are required to calculate the credit value adjustment (CVA) and the debt value adjustment (DVA): the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The probability of default is derived from the credit default swap (CDS) spreads of the respective counterparty. Derivatives with a positive fair value represent receivables for the IMMOFINANZ Group; in these cases, a CVA calculation is used to calculate the amount of the receivable. One parameter for this calculation is the probability of default for the counterparty. The IMMOFINANZ Group contracts with over 15 financial institutions, and observable CDS spreads are available on the market for many of them. In exceptional cases, average branch benchmarks are used as a substitute for unavailable spreads. These benchmarks represent Level 1 and 2 input factors on the fair value measurement hierarchy. Derivatives with a negative fair value represent liabilities for the IMMOFINANZ Group; in these cases, a DVA calculation is used to calculate the amount of the liability and the own probability of default must be determined. The IMMOFINANZ Group generally concludes derivatives at the level of the property company that manages a particular property. Neither observable market CDS spreads, nor benchmarks are available for these property companies. Credit margins are therefore used to estimate CDS spreads which, in turn, form the basis for deriving the probability of default. The determination of the credit margins includes information from signed credit agreements and term sheets as well as indicative credit margin offers from banks based on the respective countries and asset classes. The plausibility of the calculated credit margins is also verified by comparison with external market reports. This procedure results in market-conform credit margins that can be used as estimates for valuing the company's own credit risk. These input factors represent Level 3 on the IFRS 13 measurement hierarchy. The loss given default (LGD) is the relative value that would be lost on default. The IMMOFINANZ Group uses an ordinary market default rate to calculate the CVA and DVA. The exposure at default represents the expected amount of the asset or liability at the time of default. The calculation of the exposure at the time of default is based on a Monte Carlo simulation.

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

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

7.1.4 Collateral

The collateral for loans related to project financing is normally provided by the respective group company. Financing is generally concluded at the individual project level. As security for the loan, the lending bank receives a package of collateral that can be used to satisfy the receivable in the event a loan is called. This package can include the following types of collateral:

- Mortgage on the land or the land and the building
- Pledge of shares in the project company
- Pledge of receivables (from rental agreements, insurance contracts, property management contracts etc.)
- Pledge of bank accounts (accounts for rental payments or other project-related accounts)
- Promissory notes
- Shares in subsidiaries

The conditions, type and scope of collateral are defined on an individual basis (for each company and property) and are dependent on the project volume and the amount and term of the loan.

Investment property with a carrying amount of EUR 6,257.2million (31 December 2021: EUR 3,414.3 million) was pledged as collateral for debt financing of EUR 2,899.3 million (31 December 2021: EUR 1,744.5 million).

Property under construction with a carrying amount of EUR 72.3 million (31 December 2021: EUR 260.5 million) also serves as collateral. The corresponding financial liabilities total EUR 30.1 million (31 December 2021: EUR 80.3 million).

For property financing concluded by the IMMOFINANZ Group, shares in the respective subsidiary serve as additional collateral in 50 cases (31 December 2021: 28 cases). The limitations on disposal end when the financial liability is repaid or when other collateral is provided.

In 2022 and in previous years, the IMMOFINANZ Group accepted liabilities or guarantees on behalf of third parties with a maximum risk of EUR 12.6 million (31 December 2021: EUR 46.1 million). The probability of occurrence for these contingent liabilities is linked to the fulfilment or non-fulfilment of future conditions and was considered low as of the balance sheet date.

7.2 Financial risk management

7.2.1 General information

IMMOFINANZ has integrated an active risk management system into its operating processes and reporting paths. This system supports the rapid implementation of measures to counter risk and also has a direct influence on strategic decisions and operating processes. Internal guidelines, reporting systems and control measures have been installed throughout the corporation to support the monitoring, evaluation and control of risks related to the operating business. Risk management is a staff function which reports directly to the Executive Board. It autonomously monitors the corporate risks, aggregates risk data and reports, and actively supports the department and country organisations in the identification of risks and the implementation of economically suitable countermeasures. At the department and country organisation levels, the heads of the respective department or country organisation are responsible for risk management. The department heads and country managers report their risk positions to the Executive Board at least once each quarter, whereby acute risks are communicated immediately. IMMOFINANZ also works to continuously improve the internal control system (ICS) to support the early identification and monitoring of risks. A description of the ICS is provided in the management report.

As an international corporation, the IMMOFINANZ Group is exposed to various financial risks. The most important financial risks for the Group arise from possible changes in foreign exchange rates and interest rates and from the deterioration of the credit standing and solvency of its customers and business partners.

7.2.2 Default/credit risk

Default or credit risks arise from the possibility that the counterparty to a transaction could fail to meet the related obligations and the IMMOFINANZ Group incurs financial damages as a result. The maximum credit risk represents the amounts reported under assets on the balance sheet. Default risk is reflected in appropriate valuation adjustments.

The most important instrument for managing default risk is the continuous evaluation of the credit standing of contract partners. In various development projects, the IMMOFINANZ Group works together with local project developers. This cooperation can represent a risk for the IMMOFINANZ Group if the business partners are unable to meet their contractual obligations in full or on time. Appropriate contractual provisions – e.g. penalties or damage payments in cases where performance does not meet the contract terms – are used to address this risk. In addition, activities and goal attainment are monitored regularly by the IMMOFINANZ Group's development department.

The risk of default on receivables due from tenants is generally low because tenants are regularly required to provide security deposits – cash deposits for residential properties, bank guarantees or cash deposits for commercial properties – and their credit standing is monitored on a regular basis. Individual valuation adjustments are generally recorded to receivables that are exposed to an increased risk of default.

The default risk associated with receivables due from banks is also considered to be low because all financing transactions are concluded with financial institutions that have excellent credit ratings. Counterparty and concentration risks are limited by continuous monitoring, fixed investment limits and the diversification of financial institutions. Banks are aggregated into a banking group and evaluated according to a common default probability. Receivables are combined and reviewed against appropriate limits.

A default event is assumed to occur when the debtor is not expected to meet his or her credit obligations in full. A receivable is written off (derecognised) when it is overdue more than 365 days and collection measures have ceased or when the receivable is considered uncollectible in full even if it is not overdue more than one year.

Financial receivables are assigned to the following classes of financial instruments in the IMMOFINANZ Group:

- Trade accounts receivable
- Financing receivables
- Loans and other receivables

The next two tables present the following information in summarised form: the gross amount for each category of receivables as of the balance sheet date, the recognised impairment losses and resulting net receivables, a reconciliation of the beginning balance to the ending balance of the valuation allowances and explanatory comments on the creation of the valuation allowances for each of the three receivables classes.

All amounts in TEUR	2022			2021		
	Gross receivable	Impairment	Net receivable	Gross receivable	Impairment	Net receivable
Trade accounts receivable	88,075	-14,851	73,224	63,746	-13,248	50,498
Financing receivables	8,241	-3,835	4,406	10,512	-3,835	6,677
Loans and other receivables	123,404	-13,625	109,779	91,524	-2,584	88,940
Total	219,720	-32,311	187,409	165,782	-19,667	146,115

Valuation allowances for trade accounts receivable

All amounts in TEUR	2022	2021
Beginning balance	-13,248	-15,770
Disposals following the sale of subsidiaries (see 2.4)	0	533
Currency translation adjustments	52	28
Additions following the acquisition of subsidiaries	-3,669	0
Write-offs	5,776	15,773
Revaluation	-3,753	-12,350
Reclassifications and other developments	-9	-1,462
Ending balance	-14,851	-13,248

The trade accounts receivable held by the IMMOFINANZ Group comprise rents receivable, operating costs receivable and receivables from the sale of real estate inventories. The calculation of impairment for all these receivables is based on the simplified approach defined by IFRS 9.5.5.15, which requires the recognition of a loss allowance equal to the lifetime expected credit losses as of the initial recognition date as well as in subsequent periods. The application of the simplified approach to rents receivable, which represent lease receivables, is based on the option provided by this standard. The remaining trade receivables fall within the scope of application of IFRS 15 and do not include any material financing components. The application of the simplified approach is therefore mandatory.

Impairment losses are based on historical experience in accordance with the number of days overdue. However, the calculation also includes more specific information on expected return flows or forward-looking assumptions if this information is available and if it is assumed that these factors will influence the amount of the impairment loss. Based on the available collateral, no impairment losses were recognised for the outstanding receivables from the sale of real estate inventories, which are included under trade receivables at an amount of EUR 0.9 million (31 December 2021: EUR 7.0 million).

The following table shows the gross receivables and impairment losses recognised for rents and operating costs receivable based on the time overdue as of 31 December 2022 as well as the average impairment in relation (%) to the average time overdue as of 31 December 2018, 2019 and 2021 (2020 was not included in the comparative data due to distortions caused by the COVID-19 pandemic):

All amounts in TEUR	Gross receivable	Impairment	Impairment in %	Average impairment in prior years
Not due until 90 days overdue	70,536	-1,908	2.71%	3.85%
91-365 days overdue	4,633	-2,582	55.72%	58.37%
More than 365 days overdue	12,906	-10,361	80.27%	97.12%
Ending balance	88,076	-14,851		

Valuation allowances for financing receivables

All amounts in TEUR	2022	2021
Beginning balance	-3,835	-9,611
Revaluation	0	2
Reclassifications and other developments	0	5,774
Ending balance	-3,835	-3,835

Financing receivables consist primarily of financing for property companies which is collateralised by the property and the related return flows. Consequently, impairment losses were generally not required for these items. The write-off reported in the following table is related solely to a receivable that was written off in full.

Valuation allowances for loans and other receivables

All amounts in TEUR	2022			2021		
	12-month expected credit loss	Lifetime expected credit loss – impaired credit standing	Total	12-month expected credit loss	Lifetime expected credit loss – impaired credit standing	Total
Beginning balance	-11	-2,573	-2,584	-97	-3,506	-3,603
Disposals following the sale of subsidiaries (see 2.4)	0	0	0	0	1	1
Currency translation adjustments	0	13	13	0	4	4
Write-offs	0	2,867	2,867	0	935	935
Revaluation	-30	-13,891	-13,921	86	-5	81
Reclassifications and other developments	0	0	0	0	-2	-2
Ending balance	-41	-13,584	-13,625	-11	-2,573	-2,584

Restricted funds represent the largest component of the assets reported under other receivables. These deposits with financial institutions have only a minimal risk of default, and it can therefore be assumed that the default risk has not increased significantly since initial recognition. The credit loss expected within the next twelve months was therefore determined in accordance with IFRS 9. For the remaining other receivables, an impairment loss was not required due to available collateral or an impairment loss was recognised because of an assumed default event at the amount of the expected loss over the lifetime of the financial instrument.

7.2.3 Liquidity risk

Liquidity risks are minimised by careful planning with regular variance analyses. Daily liquidity management ensures that all operating obligations can be met and funds can be optimally invested, and also gives the Group the necessary flexibility to realise short-term acquisition opportunities.

The IMMOFINANZ Group also uses long-term financing in which the financial capability of the individual properties (interest coverage ratio, debt service coverage ratio) and present value (loan-to-value ratio) are reflected in appropriate contract clauses.

In order to prevent cost overruns and the resulting excess outflow of liquidity, the IMMOFINANZ Group routinely monitors budgets and the progress of construction on all development projects and maintenance work.

The following table shows the term structure of derivative and non-derivative financial liabilities based on the contractually defined outflow of funds from continuing operations. In particular, the reported amounts include current and bullet repayments for financial liabilities, interest payments and net payments from derivatives. There were no derivative financial liabilities on record as of 31 December 2022 due to the strong positive development of the respective market values during the 2022 financial year.

All amounts in TEUR	Cash outflows under 1 year	Cash outflows between 1 and 5 years	Cash outflows over 5 years	Total	Carrying amount as of 31 12 2022
Liabilities arising from the issue of bonds	209,114	622,328	229,995	1,061,437	922,825
Amounts due to financial institutions	447,142	2,071,041	792,194	3,310,377	2,766,246
Miscellaneous	161,730	205,991	502,307	870,028	644,077
Total non-derivative financial liabilities	817,986	2,899,360	1,524,496	5,241,842	4,333,148
Total	817,986	2,899,360	1,524,496	5,241,842	4,333,148

All amounts in TEUR	Cash outflows under 1 year	Cash outflows between 1 and 5 years	Cash outflows over 5 years	Total	Carrying amount as of 31 12 2021
Liabilities from convertible bonds	305,519	0	0	305,519	283,216
Liabilities arising from the issue of bonds	25,139	545,542	512,500	1,083,181	982,116
Amounts due to financial institutions	408,457	966,652	552,887	1,927,996	1,819,580
Miscellaneous	83,641	35,157	174,365	293,163	155,748
Total non-derivative financial liabilities	822,756	1,547,351	1,239,752	3,609,859	3,240,660
Derivative financial instruments (liabilities)	4,143	1,900	576	6,619	3,935
Total derivative financial liabilities	4,143	1,900	576	6,619	3,935
Total	826,899	1,549,251	1,240,328	3,616,478	3,244,595

Miscellaneous non-derivative financial liabilities include, among others, amounts due to the CPI Property Group, lease liabilities, trade accounts payable and liabilities from deposits received.

The amounts due to financial institutions by the IMMOFINANZ Group are broadly diversified by region and counterparty, and the exposure to a change in the risk policy of an individual financial institution is therefore considered low.

7.2.4 Foreign exchange risk

The IMMOFINANZ Group is exposed to various forms of foreign exchange risk in connection with its accounting data and cash flows. Fluctuations in foreign exchange rates can influence the Group's earnings position and also have an impact on the Group's asset position.

Effect on the asset and earnings position

The individual Group companies record transactions in a currency that differs from their functional currency at the mean exchange rate on the date of the respective transaction. Foreign currency monetary assets and liabilities are translated at the mean exchange rate in effect on the balance sheet date. The resulting foreign exchange gains and losses are recognised in profit or loss for the financial year.

As of 31 December 2022, all liabilities to financial institutions were denominated in euros.

The risk of devaluation associated with foreign currency bank deposits and cash balances is offset by the earliest possible conversion of these funds into the euro.

Derivative financial instruments are used in some cases to manage the low structural foreign exchange risk. The derivative financial instruments used by the IMMOFINANZ Group to hedge this risk are recorded as stand-alone derivatives and not as hedging instruments. Hedge accounting as defined in IFRS 9 is not applied and, therefore, the stand-alone derivatives are measured through profit or loss.

As of 31 December 2022, no derivatives were held to hedge foreign exchange risk.

Cash and cash equivalents are held in the following currencies:

All amounts in TEUR	31 12 2022	31 12 2021
EUR	552,806	813,325
PLN	33,186	76,864
RON	32,956	41,150
HUF	17,790	14,203
CZK	6,578	8,738
RSD	5,328	12,553
Other	4,106	20,313
Total	652,750	987,146

7.2.5 Interest rate risk

As an international company, IMMOFINANZ is exposed to the risk of interest rate fluctuations on real estate submarkets. Increases in interest rates can have a negative impact on Group earnings by increasing the cost of floating rate financing.

A change in interest rates will have a direct influence on financial results through its impact on floating rate financing. The IMMOFINANZ Group limits the risk associated with rising interest rates – which would lead to higher interest expense and a decline in financial results – through the use of fixed interest rate financing contracts and derivative financial instruments (above all swaps). These derivative financial instruments are accounted for as stand-alone derivatives and not as hedging instruments in the sense of IFRS 9.

The following table shows the classification of financial liabilities by type of interest rate:

All amounts in TEUR	31 12 2022	31 12 2021
Fixed interest financial liabilities	1,063,776	1,399,039
Floating rate financial liabilities	3,103,694	1,737,600
Total interest-bearing financial liabilities	4,167,470	3,136,639

Of the floating rate financial liabilities, a nominal value of EUR 2,561.1 million (31 December 2021: EUR 1,394.0 million) is hedged through interest rate swaps. This results in a fixed interest rate based on the combined interest effect of the financial liability and the derivative. Financial liabilities with a nominal value of EUR 139.9 million (31 December 2021: EUR 0.0 million) are hedged with caps.

The following table shows the fair values and conditions of all derivative financial instruments that were purchased and held as of 31 December 2022 to hedge interest rates:

	Type	Reference value as of 31.12.2022 in TEUR	Fair value incl. interest in TEUR ¹	Maturity
Interest rate under or equivalent to 0.00%	Interest rate swap	48,646	3,532	2025
	Interest rate swap	260,379	28,524	2026
	Interest rate swap	177,258	21,558	2027
	Interest rate swap	203,248	29,514	2028
	Interest rate swap	21,850	4,420	2030
Number of derivatives: 24		711,381	87,548	
Interest rate over 0.00% to 1.00%	Interest rate swap	34,043	563	2023
	Interest rate swap	230,850	14,426	2025
	Interest rate swap	138,325	10,828	2026
	Interest rate swap	37,022	3,234	2027
	Interest rate swap	161,284	21,564	2028
	Interest rate swap	55,437	6,769	2029
	Interest rate swap	35,576	4,931	2030
	Interest rate swap	11,475	2,129	2031
	Interest rate swap	116,400	24,229	2034
Number of derivatives: 27		820,412	88,673	
Interest rate over 1.00%	Interest rate swap	45,000	415	2023
	Interest rate swap	10,000	419	2024
	Interest rate swap	85,000	4,104	2025
	Interest rate swap	10,000	666	2026
	Interest rate swap	541,865	26,283	2027
	Interest rate swap	74,293	7,512	2028
	Interest rate swap	54,175	4,116	2029
	Interest rate swap	108,931	6,707	2032
	Interest rate swap	100,000	9,493	2033
Number of derivatives: 45		1,029,264	59,715	
Interest rate over 1.00%	Interest rate cap	75,000	276	2023
	Interest rate cap	30,000	463	2024
	Interest rate cap	25,000	565	2025
	Interest rate cap	9,931	298	2026
Number of derivatives: 7		139,931	1,602	
Total number of derivatives: 103²		2,700,988	237,538	

¹ Fair value includes a credit risk adjustment

² As of the balance sheet date all derivatives have a positive market value

The reference value forms the basis value for derivatives outstanding as of the balance sheet date. The fair value represents the amount that the respective company would receive or be required to pay if the transaction were terminated as of the balance sheet date.

A change in the market interest rate will influence the valuation of interest rate derivatives. Net present value calculations based on the DCF method – which is also used to value derivatives – discount future cash flows with current interest rate curves to determine market value. Rising interest rates lead to a higher discount factor and to a reduction in the present value of the derivative. Sensitivity analyses are used to illustrate the risk associated with interest rate fluctuations. They show the effects of changes in market interest rates on market values and interest payments as well as interest income and expense.

The following sensitivity analysis shows the effects of a change in the interest rate level on the fair value of the interest rate derivatives. An increase, respectively decrease of 50 and 100 basis points was assumed. The fair values exclude both accrued interest and credit risk premiums. A sensitivity analysis for falling interest rates was not prepared in the previous year due to the very low interest rate level.

Sensitivity of derivatives		Interest rate	
		Δ 50 basis points	Δ 100 basis points
All amounts in TEUR	31 12 2022		
Fair value based on increase in interest rate	241,190	287,502	333,000
Fair value based on decrease in interest rate	241,190	192,030	142,099

Sensitivity of derivatives		Interest rate	
		Δ 50 basis points	Δ 100 basis points
All amounts in TEUR	31 12 2021		
Fair value based on increase in interest rate	136	29,423	57,603

A further sensitivity analysis shows the influence of floating interest rates on the interest expense associated with financial liabilities. It shows the effect of an assumed average increase, respectively decrease of 50 and 100 basis points in market interest rates on profit before tax in 2022. The analysis assumes that all other variables remain constant. A sensitivity analysis was not prepared for falling interest rates in the previous year due to the very low level of interest rates.

Sensitivity of interest expense		Interest rate	
		Δ 50 basis points	Δ 100 basis points
All amounts in TEUR	2022		
Interest expense based on increase in interest rate	77,764	81,065	84,365
Interest expense based on decrease in interest rate	77,764	74,465	71,165

Sensitivity of interest expense		Interest rate	
		Δ 50 basis points	Δ 100 basis points
All amounts in TEUR	2021		
Interest expense based on increase in interest rate	81,079	82,823	84,568

Since most of the IMMOFINANZ Group's floating rate financial liabilities are hedged through interest rate swaps, the risk of an increase in interest expense as the result of changes in interest rates is considered low.

Details on the conditions of financial liabilities are provided in section 4.14.

In addition to financial liabilities, securities and other receivables – above all financing receivables (loans granted to third parties) – can be sensitive to interest rate changes. The current financing receivables generally carry fixed interest rates, and the Group is therefore exposed to no risk or only limited risk of a changing interest rate from these items.

7.2.6 Capital management

The goal set by the IMMOFINANZ Group's management is to protect the Group's short-, medium- and long-term liquidity at all times and to create and maintain a strong capital base in order to earn the trust of investors, creditors and the markets and safeguard the Group's sustainable positive development. The Executive Board regularly monitors the development of the share price, the discount of the share price to the net asset value (net tangible assets, NTA), and the amount of recommended dividend payments to the shareholders of IMMOFINANZ AG.

The Group's capital structure is determined by financial liabilities and by equity (excluding treasury shares) of EUR 7,945 million. The IMMOFINANZ Group intends to further optimise its capital structure by arranging for new financing and by terminating, extending or restructuring older financing (see section 7.6). The average financing costs for IMMOFINANZ, including derivatives used for interest rate hedging, equalled 2.6% in 2022 (2021: 1.9%).

The Executive Board monitors the Group's capital structure by means of the LTV ratio. This indicator shows the relation between financial liabilities less cash and cash equivalents and the value of the real estate portfolio plus properties held for sale. The LTV ratio equalled 40.7% as of 31 December 2022 (31 December 2021: 36.7%).

Gearing (secured and unsecured) and the interest coverage ratio also represent a minimum capital requirement by external stakeholders. All requirements were met during the 2022 financial year.

7.3 Financial obligations

7.3.1 Contingent liabilities and guarantees

Contingent liabilities represent possible or existing obligations arising from past events, in cases where it is not probable that an outflow of resources will be required to settle the obligation (also see section 7.1).

The contingent liabilities arising from sureties, guarantees and other liabilities that are not recognised on the IMMOFINANZ Group's balance sheet are evaluated regularly with respect to the probability of their occurrence. If an outflow of resources embodying economic benefits is neither sufficiently probable to require the recognition of a provision nor improbable, the obligations are recognised as contingent liabilities. The estimates are made by specialists based on market-related inputs (where possible) and expert opinions (in individual cases).

A preliminary injunction over the shares in a Romanian subsidiary (carrying amount of net assets: EUR 85.9 million), which limits the power to dispose over these shares, was in effect as of 31 December 2022. Moreover, legal uncertainty can arise in connection with land ownership in individual East European countries (e.g. Romania).

The assessment of risks related to uncertainties over income tax treatments as of 31 December 2022 identified three issues in Austria, Germany and Poland. The IMMOFINANZ Group evaluated the basis for the accounting treatment of the related tax risks by way of scenario analyses and estimates from the involved attorneys and tax advisors. Following these analyses, it is still assumed that the tax authorities will acknowledge the procedural uncertainties of EUR 11.3 million (31 December 2021: EUR 11.5 million) and also acknowledge that the recognised risks have been appropriately included since the beginning of the proceedings. Since the decisions of tax authorities in Austria and other countries are not easy to predict and the refund of payments previously made is not considered sufficiently probable for the recognition of a contingent receivable, these items were not included in the preparation of the consolidated financial statements for 2022.

7.3.2 Other financial obligations

The following table shows the financial obligations arising from previously contracted construction services, maintenance and other contractual obligations for the construction or acquisition of properties:

All amounts in TEUR	2022	2021
Outstanding construction costs	40,241	61,181
Contracted maintenance	3,833	6,749
Contractual obligations for the construction of residential properties	0	808
Contractual obligations for the construction or acquisition of properties	18,929	0
Total	63,003	68,738

Contractual obligations for the construction or acquisition of properties include EUR 18.9 million for the S IMMO Group.

7.4 Transactions with related parties

Related parties in the sense of IAS 24 include all subsidiaries, joint ventures and associates (see section 8). In addition to persons who have a controlling or significant influence over the IMMOFINANZ Group, related parties include the members of the Executive Board and Supervisory Board of IMMOFINANZ AG and the CPI Property Group, as well as their close family members.

Any transactions carried out with related parties during the 2022 financial year reflected arm's length conditions.

As part of the remuneration for the members of the Executive Board, IMMOFINANZ AG makes payments to APK Pensionskasse AG. These payments are related to company pensions for the Executive Board members and reflect standard market conditions. The contributions made in 2022 are reported in section 7.4.2.

Transactions between fully consolidated subsidiaries are eliminated during the consolidation and are therefore not explained in detail.

The following transactions were carried out with the CPI Property Group in 2022:

All amounts in TEUR	31 12 2022	31 12 2021
Relations with CPI Property Group		
Receivables	13,063	0
Liabilities	342,871	0
All amounts in TEUR	2022	2021
Relations with CPI Property Group		
Other income	6,577	0
Other expenses	-5,452	0
Interest expense	-190	0

In addition, two transactions were concluded with the CPI Property Group during the 2022 financial year: the acquisition of a fully rented portfolio of 53 properties in the Czech Republic, Poland, Slovakia and Hungary for a purchase price of EUR 322.2 million (see section 4.1.1) and the purchase of S IMMO shares (see section 2.3).

7.4.1 Joint ventures and associates

All amounts in TEUR	31 12 2022	31 12 2021
Relations with associated companies		
Receivables	2	0
Liabilities	214	239
All amounts in TEUR	2022	2021
Relations with joint ventures		
Other income	0	36
Write-downs/write-ups to receivables	0	5,776
thereof results that increase or reduce the net investment	0	-212
Relations with associated companies		
Other income	800	687
Other expenses	-2,895	-2,544

Transactions with joint ventures and associates are carried out at standard market prices and conditions. The financing for joint ventures is frequently arranged between the IMMOFINANZ Group and its co-investors at a ratio that differs from the respective interest in capital.

7.4.2 Members of management in key positions

The members of management in key positions as defined in IAS 24 are active solely in the corporate bodies of IMMOFINANZ AG and include the following persons:

Executive Board

Radka Doehring – Executive Chairwoman as of 1 May 2022

Dietmar Reindl – Member of the Executive Board, Property Management, up to 8 June 2022

Stefan Schönauer – Member of the Executive Board, Finances, up to 8 June 2022

Supervisory Board

Bettina Breiteneder – Chairwoman up to 31 March 2022

Sven Bienert – Vice-Chairman up to 31 March 2022

Michael Mendel – Vice-Chairman from 19 October 2021 to 31 March 2022

Miroslava Greštiaková – Chairwoman since 31 March 2022

Martin Němeček – Vice-Chairman since 31 March 2022

Dorothee Deuring – Member from 19 October 2021 to 31 March 2022

Gayatri Narayan – Member

Stefan Guetter – Member from 19 October 2021 to 15 July 2022

Martin Matula – Member since 16 July 2022

Members delegated to the Supervisory Board by the Works Council

The following persons were delegated to the Supervisory Board by the Works Council of IMMOFINANZ AG:

Philipp Amadeus Obermair – Member

Rita Macskasi-Temesvary – Member from 19 October 2021 to 31 March 2022

Werner Ertelthalner – Member

The members of management in key positions received the following remuneration:

All amounts in TEUR	2022			2021		
	Supervisory Board	Executive Board	Total	Supervisory Board	Executive Board	Total
Short-term employee benefits	230	2,035	2,265	252	2,047	2,299
Post-employment benefits	-	175	175	-	228	228
Termination benefits	-	6,097	6,097	-	-	-
Total	230	8,307	8,537	252	2,275	2,527

The short-term employee benefits for the members of the Executive Board comprise a fixed component (gross salary and compensation in kind) as well as a variable component (bonuses).

The amounts reported under post-employment benefits represent the contributions by IMMOFINANZ to a pension fund. These contributions result from defined contribution pension commitments to the members of the Executive Board, which were outsourced to a pension fund.

The Supervisory Board remuneration reported under short-term benefits reflects the expenses for the respective financial year. However, this remuneration is only paid out after the approval of the annual general meeting which decides on the release from liability of the Supervisory Board members. The members of the Executive Board and Supervisory Board held a total of 150 shares as of 31 December 2022 (31 December 2021: 73,065 shares).

No advances or loans were granted to the members of the Executive Board or Supervisory Board. Moreover, there is no share-based payment for the Executive Board.

7.5 Auditor's fees

The fees charged by Deloitte Österreich for services provided in 2022 comprise TEUR 440.7 (2021: TEUR 470.1) for the audit of the individual and consolidated financial statements, TEUR 95.3 (2021: TEUR 64.9) for other consulting services, TEUR 0.0 (2021: TEUR 7.0) for tax advising and EUR 0.0 (2021: TEUR 6.7) for miscellaneous services.

7.6 Subsequent events

The interest landscape and inflationary expectations have continued to change since 31 December 2022. The effects of these ongoing changes on the business development of the IMMOFINANZ Group and, in particular, on the future valuation of properties cannot be reliably estimated at the present time.

The IMMOFINANZ Group redeemed the 2.625% corporate bond due in full from internal funds on 27 January 2023. The amount repaid totalled EUR 187.1 million and represented the outstanding nominal value of the bond 2019–2023 after the change-of-control event, which resulted in the repayment of EUR 295.7 million in April 2022.

IMMOFINANZ signed a letter of intent on 24 February 2023 for the sale of several office properties at the location on the Wienerberg to S IMMO, a company in which it holds an investment of 50% plus one share. The transaction will cover six standing investments with approximately 128,000 sqm of rentable space and one development project with roughly 20,000 sqm of space which will be completed in summer 2023. Preliminary estimates indicate that the transaction volume will total EUR 411,0 million. The closing for the purchase of the buildings is expected to take place in several tranches during 2023. The transaction is a common control transaction within in the IMMOFINANZ Group. The proceeds are used to repay liabilities.

IMMOFINANZ AG voluntarily terminated its long-term S&P issuer rating of “BBB-“ in foreign and local currency on 21 March 2022 for efficiency reasons due to its integration in the CPI Property Group. The rating for the corporate bonds was, consequently, also terminated on that date.

Shortly before the editorial deadline for this report, the S IMMO Group sold a portfolio in Berlin that was classified as held for sale as of 31 December 2022. This portfolio covers roughly 1.300 residential and commercial units with over 100.000 sqm of rentable space. Market conditions were responsible for a discount to the property value of EUR 16.5 million which was reported as of 31 December 2022.

8. Group Companies

The following list covers the subsidiaries, joint ventures and associates of the IMMOFINANZ Group. It was prepared in accordance with § 245a (1) of the Austrian Commercial Code in connection with § 265 (2) of the Austrian Commercial Code. This list also includes individual subsidiaries that were not fully consolidated for materiality reasons and joint ventures that were not included at equity as well as associates and other investments held by the IMMOFINANZ Group.

The companies deconsolidated during the 2022 financial year are reported in the column 'type of consolidation' as sold, liquidated or merged.

Company	Country	Headquarters	Interest in capital	2022	Interest in capital	2021
				Type of consolidation		Type of consolidation
"Wienerberg City" Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
A.D.I. Immobilien Beteiligungs GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
AAX Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
Adama Adviso SRL	RO	Bucharest	100.00%	F	100.00%	F
Adama Holding Public Ltd	CY	Nicosia	100.00%	F	100.00%	F
Adama Management SRL	RO	Bucharest	100.00%	F	100.00%	F
Adama Romania Ltd.	CY	Nicosia	100.00%	F	100.00%	F
AEDIFICIO Liegenschaftsvermietungs- und Beteiligungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
AKIM Beteiligungen GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
Alpha real d.o.o.	SI	Ljubljana	100.00%	F	100.00%	F
Anadolu Gayrimenkul Yatirimciligi ve Ticaret A.S.	TR	Istanbul	100.00%	F	100.00%	F
Arena Corner Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
ARMONIA CENTER ARAD S.R.L.	RO	Bucharest	100.00%	F	100.00%	F
ARO Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
Atom Centrum, s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Átrium Park Kft.	HU	Budapest	100.00%	F	100.00%	F
Bank-garázs Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
Baron Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Bauteil M Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Bauteile A + B Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
Bauteile C + D Errichtungsges.m.b.H.	AT	Vienna	100.00%	F	100.00%	F
BC 99 Office Park Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
Berceni Estate Srl	RO	Bucharest	100.00%	F	100.00%	F
Bertie Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
BGM - EB-Grundstücksbeteiligungen GmbH & Co KG	AT	Vienna	23.60%	E-AS	0.00%	n.a.
Blitz 21-67 GmbH	DE	Cologne	100.00%	F	100.00%	F
Bloczek Ltd	CY	Nicosia	100.00%	F	100.00%	F
BUDA Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
BudaPart Auratus Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
Business Park Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Business Park West-Sofia EAD	BG	Sofia	100.00%	F	100.00%	F
Cadca Property Development, s.r.o.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Capri Trade s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
CEE Beteiligungen GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
CEE CZ Immobilien GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
CEE Immobilien GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
CEE Property-Invest Hungary 2003 Kft.	HU	Budapest	89.90%	F	0.00%	n.a.
CEE PROPERTY-INVEST Immobilien GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
CEE Property-Invest Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
CENTER INVEST Kft.	HU	Budapest	100.00%	F	100.00%	F
CHB Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
City Center Irodaház Kft.	HU	Budapest	100.00%	F	0.00%	n.a.

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				Type of consolidation		Type of consolidation
City Market Dunakeszi Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
City Market Soroksár Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
City Tower Vienna Errichtungs- und Vermietungs-GmbH	AT	Vienna	100.00%	F	100.00%	F
Constantia Treuhand und Vermögensverwaltungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Contips Limited	CY	Nicosia	100.00%	F	100.00%	F
Cora GS s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
COREAL ESTATE RESIDENCE INVEST SRL	RO	Bucharest	0.00%	Liquidated	100.00%	F
CPB Enterprise GmbH	AT	Vienna	100.00%	F	100.00%	F
CPI Retail Portfolio II, a.s.	CZ	Prague	100.00%	F	0.00%	n.a.
CPI Retail Portfolio IV, s.r.o.	CZ	Prague	100.00%	F	0.00%	n.a.
CPI Retails ONE, a.s.	CZ	Prague	100.00%	F	0.00%	n.a.
CPI Retails ROSA, s.r.o.	SK	Ružomberok	100.00%	F	0.00%	n.a.
CPI Retails THREE, a.s.	SK	Ružomberok	100.00%	F	0.00%	n.a.
CPI Retails TWO, a.s.	CZ	Prague	100.00%	F	0.00%	n.a.
Credo Immobilien Development GmbH	AT	Vienna	100.00%	F	100.00%	F
CREDO Real Estate GmbH	AT	Vienna	100.00%	F	100.00%	F
Dapfly Trading Ltd.	CY	Nicosia	100.00%	F	100.00%	F
DUAL CONSTRUCT INVEST SRL	RO	Bucharest	100.00%	F	0.00%	n.a.
Duna Szálloda Zrt.	HU	Budapest	100.00%	F	0.00%	n.a.
DUS Plaza GmbH	DE	Cologne	100.00%	F	100.00%	F
E.I.A. eins Immobilieninvestitionsgesellschaft m.b.H.	AT	Vienna	100.00%	F	0.00%	n.a.
E.V.I. Immobilienbeteiligungs GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
EHL Gewerbeimmobilien GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Immobilien Bewertung GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Immobilien GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Immobilien Management GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Investment Consulting GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
EHL Wohnen GmbH	AT	Vienna	49.00%	E-AS	49.00%	E-AS
Elmore Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Elona Projekt d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
ELTIMA PROPERTY COMPANY s.r.o.	CZ	Prague	100.00%	F	0.00%	n.a.
Erlend Investments Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Essence Garden Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
EUREDES Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
EUROCENTER d.o.o.	HR	Zagreb	100.00%	F	0.00%	n.a.
EXPO BUSINESS PARK S.R.L.	RO	Bucharest	100.00%	F	0.00%	n.a.
Eye Shop Targu Jiu s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Fawna Limited	CY	Nicosia	100.00%	F	100.00%	F
FMZ Baia Mare Imobiliara s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
FMZ Lublin Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
GAL Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Galeria Zamek Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
GALVÁNIHO 2, s.r.o.	SK	Bratislava	100.00%	F	0.00%	n.a.
GALVÁNIHO 4, s.r.o.	SK	Bratislava	100.00%	F	0.00%	n.a.
Galvánho Business Centrum, s.r.o.	SK	Bratislava	100.00%	F	0.00%	n.a.
Gateway Office Park Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
GD-BREG d.o.o.	HR	Zagreb	0.00%	Merged	100.00%	F
Geiselbergstraße 30-32 Immobilienbewirtschaftungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
GENA NEUN Beteiligungsverwaltung GmbH	AT	Vienna	100.00%	F	100.00%	F
Gena Vier Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
GENA ZEHN Immobilienholding GmbH	AT	Vienna	100.00%	F	100.00%	F
Gendana Ventures Ltd.	CY	Nicosia	100.00%	F	100.00%	F
German Property Invest Immobilien GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
Gila Investment SRL	RO	Bucharest	100.00%	F	100.00%	F
Global Emerging Property Fund L.P.	GB	Jersey	25.00%	Fonds	25.00%	Fonds
Global Trust s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
GORDON INVEST Kft.	HU	Budapest	100.00%	F	100.00%	F
Grand Centar d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
H.S.E. Immobilienbeteiligungs GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
Hadas Management SRL	RO	Bucharest	100.00%	F	100.00%	F
Harborside Imobiliara s.r.l.	RO	Bucharest	100.00%	F	90.00%	F
HDC IMOB Investitii SRL	RO	Bucharest	100.00%	V	100.00%	V

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				Type of consolidation		Type of consolidation
Hotel DUNA Beteiligungs Gesellschaft m.b.H.	AT	Vienna	100.00%	F	0.00%	n.a.
IE Equuleus NL B.V.	NL	Amsterdam	100.00%	F	100.00%	F
I-E-H Immoeast Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Ikaruspark GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
IMAK CEE N.V.	NL	Amsterdam	100.00%	F	100.00%	F
IMBEA Immoeast Beteiligungsverwaltung GmbH	AT	Vienna	100.00%	F	100.00%	F
IMF Float GmbH	DE	Cologne	100.00%	F	100.00%	F
Immobilien L Liegenschafts Vermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Immobilien L Liegenschafts Vermietungs GmbH & Co Bischoffgasse 14/Rosagasse 30 KG	AT	Vienna	100.00%	NC	100.00%	NC
Immobilien L Liegenschafts Vermietungs GmbH & Co Viriotgasse 4 KG	AT	Vienna	100.00%	NC	100.00%	NC
IMMOEAST Acquisition & Management GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST ALLEGRO Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Immoeast Baneasa Airport Tower srl	RO	Bucharest	100.00%	F	100.00%	F
IMMOEAST Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Despina I B.V.	NL	Amsterdam	0.00%	Liquidated	100.00%	F
IMMOEAST Despina II B.V.	NL	Amsterdam	0.00%	Merged	100.00%	F
IMMOEAST Immobilien GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Iride IV Project s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
IMMOEAST Polonia Sp. z o.o. w likwidacji	PL	Warsaw	0.00%	Liquidated	100.00%	F
IMMOEAST PRESTO Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Almansor Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Aries Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt DESPINA Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Equuleus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Omega Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Pantheus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Projekt Septendecimus Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOEAST Silesia Holding Ltd.	CY	Nicosia	100.00%	F	100.00%	F
IMMOFINANZ AG	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Artemis Immobilien Vermietung GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Deutschland GmbH	DE	Cologne	100.00%	F	100.00%	F
IMMOFINANZ Enodia Realitäten Vermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Float GmbH & Co. KG	DE	Cologne	100.00%	F	100.00%	F
IMMOFINANZ Float Verwaltungs GmbH	DE	Cologne	100.00%	F	100.00%	F
IMMOFINANZ Friesenquartier GmbH	DE	Cologne	92.70%	F	92.70%	F
IMMOFINANZ Friesenquartier II GmbH	DE	Cologne	100.00%	F	100.00%	F
Immofinanz Gamma Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Immobilien Vermietungs-Gesellschaft m.b.H.	AT	Vienna	100.00%	F	100.00%	F
IMMOFINANZ Ismene Immobilien Vermietungs-Gesellschaft m.b.H.	AT	Vienna	0.00%	Merged	100.00%	F
IMMOFINANZ LAMBDA Liegenschafts- und Mobilienvermietungsgesellschaft m.b.H.	AT	Vienna	0.00%	Liquidated	100.00%	F
Immofinanz Medienhafen GmbH	DE	Cologne	100.00%	F	100.00%	F
IMMOFINANZ MONTAIGNE Liegenschaftsvermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
Immofinanz Polska Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
IMMOFINANZ Residential Slovakia s.r.o.	SK	Bratislava	0.00%	Liquidated	100.00%	F
Immofinanz Services and Management d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
IMMOFINANZ Services Czech Republic, s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Immofinanz Services d.o.o. Beograd-Novi Beograd	RS	Belgrade	100.00%	F	100.00%	F
IMMOFINANZ Services Hungary Kft.	HU	Budapest	100.00%	F	100.00%	F
Immofinanz Services Poland Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
IMMOFINANZ Services Romania s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
IMMOFINANZ Services Slovak Republic, s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
ImmoPoland Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
IMMOWEST Beteiligungs GmbH	AT	Vienna	100.00%	F	100.00%	F
IMMOWEST IMMOBILIEN ANLAGEN GMBH	AT	Vienna	100.00%	F	100.00%	F
IPD – International Property Development, s. r. o.	SK	Bratislava	51.00%	E-JV	0.00%	n.a.

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Irascib Holdings Ltd.	CY	Nicosia	100.00%	F	100.00%	F
IRIDE S.A.	RO	Bucharest	100.00%	F	100.00%	F
Komárno Property Development, a.s.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Lagerman Properties Limited	CY	Nicosia	100.00%	F	100.00%	F
Larius International SRL	RO	Bucharest	100.00%	F	100.00%	F
Lasianthus Ltd	CY	Nicosia	0.00%	Sold	100.00%	F
Levice Property Development, a.s.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Lützw-Center GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
M.O.F. Immobilien AG	AT	Vienna	20.00%	Fonds	20.00%	Fonds
Maalkaf BV	NL	Amsterdam	100.00%	F	100.00%	F
Maior Domus Hausverwaltungs GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
Markt Carree Halle Immobilien GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
Maros utca Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
MBP I Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Merav Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Merav Finance BV	NL	Amsterdam	100.00%	F	100.00%	F
Metropol Consult SRL	RO	Bucharest	100.00%	F	100.00%	F
Michalovce Property Development, a.s.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Monorom Construct SRL	RO	Bucharest	100.00%	F	100.00%	F
myhive offices Hungary Kft.	HU	Budapest	100.00%	F	100.00%	F
myhive offices sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
myhive offices SRL	RO	Bucharest	100.00%	F	100.00%	F
Nagymező Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
Nergal Immobilienverwertungs GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
Neutorgasse 2–8 Projektverwertungs GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
Nimbus Real Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Norden Maritime Services Limited	CY	Nicosia	100.00%	F	100.00%	F
Norden Maritime SRL	RO	Bucharest	100.00%	F	100.00%	F
NP Investments a.s.	CZ	Prague	100.00%	F	100.00%	F
Nusku Beteiligungsverwaltungs GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
Nutu Limited	CY	Nicosia	0.00%	Sold	100.00%	F
OC Spektrum, s.r.o.	CZ	Prague	100.00%	F	0.00%	n.a.
OIY Czech, s.r.o.	CZ	Prague	100.00%	F	100.00%	F
Palmovka Offices s.r.o.	CZ	Prague	100.00%	F	100.00%	F
PBC Liegenschaftshandelsgesellschaft m.b.H.	AT	Vienna	0.00%	Liquidated	100.00%	F
PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H.	AT	Vienna	100.00%	F	0.00%	n.a.
PCC-Hotelerrichtungs- und Betriebsgesellschaft m.b.H. & Co. KG	AT	Vienna	89.84%	F	0.00%	n.a.
Perlagonia 1 Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Polus a.s.	SK	Bratislava	100.00%	F	100.00%	F
Polus Transilvania Companie de Investitii S.A.	RO	Floresti Cluj	100.00%	F	100.00%	F
Považská Bystrica Property Development, a.s.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Prelude 2000 SRL	RO	Bucharest	100.00%	F	100.00%	F
Prievidza Property Development, a.s.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Prinz-Eugen-Straße Liegenschaftsvermietungs GmbH	AT	Vienna	100.00%	F	100.00%	F
QBC Management und Beteiligungen GmbH	AT	Vienna	35.00%	E-AS	0.00%	n.a.
QBC Management und Beteiligungen GmbH & Co KG	AT	Vienna	35.00%	E-AS	0.00%	n.a.
Radom Property Development sp. z o.o.	PL	Warsaw	100.00%	F	0.00%	n.a.
Real Habitation s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
REGA Property Invest s.r.o.	CZ	Prague	100.00%	F	0.00%	n.a.
Rembertów Property Development sp. z o.o.	PL	Warsaw	100.00%	F	0.00%	n.a.
Retail Park Four d.o.o. Beograd	RS	Belgrade	100.00%	F	100.00%	F
Rezidentim s.r.l.	RO	Bucharest	0.00%	Liquidated	100.00%	F
Ronit Development SRL	RO	Bucharest	100.00%	F	100.00%	F
S IMMO APM Hungary Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
S IMMO APM ROMANIA S.R.L.	RO	Bucharest	100.00%	F	0.00%	n.a.
S IMMO Berlin Finance GmbH	DE	Berlin	89.90%	F	0.00%	n.a.

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S IMMO Berlin I GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
S IMMO Berlin II GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
S IMMO Berlin III GmbH	DE	Berlin	83.61%	F	0.00%	n.a.
S IMMO Berlin IV GmbH	DE	Berlin	83.61%	F	0.00%	n.a.
S IMMO Berlin V GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
S IMMO Beteiligungen GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
S IMMO Croatia d.o.o.	HR	Zagreb	100.00%	F	0.00%	n.a.
S IMMO Germany GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
S Immo Geschäftsimmobilien GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
S IMMO Group Finance GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
S Immo Immobilien Investitions GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Acht GmbH	AT	Vienna	89.90%	F	0	n.a.
S IMMO Property Eins GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Fünf GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Invest GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
S IMMO Property Sechs GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Sieben GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Vier GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Berlin VI GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
S IMMO Property Elf GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Neun GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Zehn GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S IMMO Property Zwölf GmbH	AT	Vienna	89.90%	F	0.00%	n.a.
S.C. Baneasa 6981 s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Brasov Imobiliara S.R.L.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Flash Consult Invest s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. IE Baneasa Project s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. IMMOEAST Narbal Project s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Meteo Business Park s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Retail Development Invest 1 s.r.l.	RO	Baia Mare	100.00%	F	100.00%	F
S.C. Stupul de Albine s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
S.C. Union Investitii S.r.l.	RO	Bucharest	100.00%	F	100.00%	F
Sapir Investitii SRL	RO	Bucharest	100.00%	F	100.00%	F
Savska 32 d.o.o.	HR	Zagreb	100.00%	F	0.00%	n.a.
SaW II Beteiligungs GmbH	AT	Vienna	26.00%	NC	26.00%	NC
SBF Development Praha spol.s r.o.	CZ	Prague	100.00%	F	100.00%	F
SCT s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
Shaked Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Sharespace Sp. z o.o.	PL	Warsaw	20.00%	NC	20.00%	NC
Shir Investment SRL in Liqu.	RO	Ifov	100.00%	NC	100.00%	NC
SIAG Berlin Wohnimmobilien GmbH	AT	Vienna	89.67%	F	0.00%	n.a.
SIAG Deutschland Beteiligungs GmbH & Co. KG	DE	Berlin	85.32%	F	0.00%	n.a.
SIAG Deutschland Beteiligungs-Verwaltungs GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
SIAG Fachmarktzentren, s.r.o.	SK	Bratislava	100.00%	F	0.00%	n.a.
SIAG Hotel Bratislava, s.r.o.	SK	Bratislava	100.00%	F	0.00%	n.a.
SIAG Leipzig Wohnimmobilien GmbH	DE	Berlin	89.67%	F	0.00%	n.a.
SIAG Multipurpose Center, s.r.o.	SK	Bratislava	100.00%	F	0.00%	n.a.
SIAG Property I GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
SIAG Property II GmbH	DE	Berlin	89.90%	F	0.00%	n.a.
SITUS Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
SITUS L Liegenschafts Vermietungs GmbH & Co Seidengasse 39 KG	AT	Vienna	100.00%	NC	100.00%	NC
SITUS L Liegenschafts Vermietungs GmbH & Co. Kaiserstraße 44-46 KG	AT	Vienna	100.00%	NC	100.00%	NC
SITUS L Liegenschafts Vermietungs GmbH & Co. Neubaugasse 26 KG	AT	Vienna	100.00%	NC	100.00%	NC
SMART OFFICE DOROBANTI S.R.L.	RO	Bucharest	100.00%	F	0.00%	n.a.

F = Full consolidation, E-JV = Joint venture, E-AS = Associates, NC = Not consolidated companies

Company	Country	Headquarters	Interest in capital	2022	Interest in capital	2021
				Type of consolidation		Type of consolidation
Snagov Lake Rezidential SRL	RO	Bucharest	100.00%	F	100.00%	F
SO Immobilienbeteiligungs GmbH	AT	Vienna	100.00%	F	0.00%	n.a.
SOCIETATE DEZVOLTARE COMERCIAL SUDULUI (SDCS) SRL	RO	Bucharest	100.00%	F	0.00%	n.a.
spaceOS Limited	IE	Galway	14.50%	NC	14.50%	NK
S-Park Offices s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
SPC DELTA PROPERTY DEVELOPMENT COMPANY SRL	RO	Bucharest	100.00%	F	0.00%	n.a.
SPC SIGMA PROPERTY DEVELOPMENT COMPANY SRL	RO	Bucharest	100.00%	F	0.00%	n.a.
Stop Shop d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
STOP SHOP Development d.o.o.	HR	Zagreb	100.00%	F	100.00%	F
Stop Shop Holding GmbH	AT	Vienna	100.00%	F	100.00%	F
Stop Shop Italia S.R.L.	IT	Bolzano	100.00%	F	100.00%	F
Stop Shop Poland Sp.z.o.o.	PL	Warsaw	100.00%	F	100.00%	F
STOP SHOP RO RETAIL ONE SRL	RO	Bucharest	100.00%	F	100.00%	F
STOP SHOP SERBIA d.o.o.	RS	Belgrade	100.00%	F	100.00%	F
STOP.SHOP. CZ s.r.o.	CZ	Prague	100.00%	F	100.00%	F
STOP.SHOP. Slovakia s.r.o.	SK	Bratislava	100.00%	F	100.00%	F
Talent Ágazati Képzőközpont Nonprofit Kft.	HU	Budapest	20.00%	E-AS	0.00%	n.a.
Tamar Imob Investitii SRL	RO	Bucharest	100.00%	F	100.00%	F
Tarnów Property Development sp. z o.o.	PL	Warsaw	100.00%	F	0.00%	n.a.
Termaton Enterprises Limited	CY	Nicosia	100.00%	F	100.00%	F
Tölz Immobilien GmbH	DE	Berlin	89.67%	F	0.00%	n.a.
Topaz Development SRL	RO	Bucharest	100.00%	F	100.00%	F
Trebišov Property Development, s.r.o.	SK	Ružomberok	100.00%	F	0.00%	n.a.
Tripont Invest s.r.l.	RO	Bucharest	100.00%	F	100.00%	F
TUTUS PROJEKT d.o.o.	HR	Zagreb	0.00%	Merged	100.00%	F
Váci 113 Offices B Hungary Kft.	HU	Budapest	100.00%	F	0.00%	n.a.
VCG Immobilienbesitz GmbH	AT	Vienna	100.00%	F	100.00%	F
Ventilatorul Real Estate SRL	RO	Bucharest	100.00%	F	100.00%	F
VICTORIEI BUSINESS PLAZZA SRL	RO	Bucharest	100.00%	F	0.00%	n.a.
Vitrust Ltd.	CY	Nicosia	100.00%	F	100.00%	F
VIVO! Poland Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
Warsaw Spire Tower Sp. z o.o.	PL	Warsaw	100.00%	F	100.00%	F
WASHINGTON PROEKT EOOD	BG	Sofia	100.00%	F	0.00%	n.a.
Zagrebtower d.o.o.	HR	Zagreb	100.00%	F	0.00%	n.a.
Zamosc Property Development sp. z o.o.	PL	Warsaw	100.00%	F	0.00%	n.a.
Zamosc Sadowa Property Development sp. z o.o.	PL	Warsaw	100.00%	F	0.00%	n.a.
Zgorzelec Property Development sp. z o.o.	PL	Warsaw	100.00%	F	0.00%	n.a.

F = Full consolidation, E-JV = Joint venture, E-AS = Associates, NC = Not consolidated companies

9. Release of the Consolidated Financial Statements

These consolidated financial statements were completed and signed by the Executive Board of IMMOFINANZ AG on 24 March 2023 and subsequently distributed to the Supervisory Board. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether or not it approves these documents..

Vienna, 24. March 2023

The Executive Board of IMMOFINANZ AG

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

Radka Doehring

Auditor's Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of IMMOFINANZ AG, Vienna (the Company), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following matters were of most significance to our audit:

1. Revaluation of investment property
2. Deferred tax assets
3. Initial full consolidation of S IMMO AG ("S IMMO")

1. Revaluation of investment property

Audit matters and related information

(See sections 4.1 and 5.7 of the notes to the consolidated financial statements and the section "Property valuation" in the group management report.)

The revaluation of standing investments amounted to EUR -110 million in the 2022 financial year based on a total carrying amount of EUR 7,707 million for investment property, which represents the most important asset position on the balance sheet. Investment property includes EUR 2,413 million from the initial full consolidation of S IMMO. These consolidated financial statements do not include revaluation results for this part of investment property due to the initial full consolidation of S IMMO as of 31 December 2022. The most important audit matter for the revaluation of investment property is therefore not related to the investment property included through the initial full consolidation of S IMMO.

In order to determine the fair value of each property as of the balance sheet date, management uses independent appraisers for nearly all properties. The input parameters for these valuations include data supplied by the Company as of the balance sheet date as well as numerous assumptions for various "input factors", above all concerning market rents, expected vacancies, future new rentals and the resulting realisable rents as well as the discount rates based on the yields for comparable properties, all of which are intended to best depict the future earnings potential of the respective property. These estimates have a material influence on property valuation.

Given the high importance of investment property for the consolidated financial statements and the increased valuation uncertainty connected with the estimates of future developments, we have defined the revaluation of investment property as a key audit matter.

Audit procedures

Our audit procedures to evaluate the appropriateness of the revaluation of investment property included the following activities:

- An analysis of the process used to value investment property with regard to the general procedures, design and functioning of controls in processing the results in the consolidated financial statements
- An evaluation of the professional suitability and objectivity of the appraisers appointed by the Executive Board
- The conscious selection of a sample and the subsequent analysis of property appraisals based on the amount of and change in the fair value of the properties as well as changes in material input factors
- A critical assessment of the methods and key assumptions in the expert opinions for the sampling as well as comparison with current publicly available data and market developments
- Communication with the external appraisers as well as the asset managers and controllers to clarify any implausibility arising from the above-mentioned audit procedures
- An analysis of the disclosures in the notes on investment property with regard to the appropriateness of the information on estimation uncertainty and sensitivities

2. Deferred tax assets

Audit matters and related information

(See sections 4.9. and 5.10. of the notes to the consolidated financial statements)

Deferred tax assets (before offset: EUR 267 million) and deferred tax liabilities (before offset: EUR 812 million) are recognised, on the one hand, for temporary differences which could lead to taxable or deductible amounts and, on the other hand, for future tax receivables resulting from the utilisation of loss carryforwards. The recognition of deferred tax liabilities includes all taxable temporary differences, while deferred tax assets are only recorded to the extent it is probable that sufficient deferred tax liabilities or taxable profit will be available in the future against which the deductible temporary differences can be used.

The IMMOFINANZ Group is active in various tax jurisdictions and has a complex corporate and financing structure. The valuation of deferred tax assets is based on significant estimates by management concerning the future development of business and must be continuously monitored both prospectively and

retrospectively. These calculations are complex because of the applicable tax rules and the necessary subjective estimates and accompanying uncertainty.

Therefore, we have defined the carrying amount of deferred tax assets as a key audit matter.

Audit procedures

In connection with our audit of the recoverable value of deferred tax assets, our audit procedures focused on the following matters:

- Reconciliation of the forecast calculations which form the basis for tax planning in each company with the overall budget approved by the Supervisory Board
- An analysis of the forecast data and its development, in particular the non-recurring effects (e.g. sales) and their influence on further forecast years and the adjustments resulting from tax laws
- An analysis of the calculation methodology and the consistency of the individual calculation steps
- A comparison of the key assumptions used for tax planning with the legal framework (in particular tax rates, special regulations for the deductibility of refinancing costs and the possible utilisation of loss carryforwards)
- A summarised assessment of the recognised deferred tax assets

3. Initial full consolidation of S IMMO AG (“S IMMO”)

Audit matters and related information

(See Section 2.3 and 4.6.2 of the notes to the consolidated financial statements.)

IMMOFINANZ AG purchased 17,305,012 shares of S IMMO from its core shareholder, the CPI Property Group, as of 28 December 2022 for a purchase price of EUR 337 million and, in doing so, attained a majority investment of 50% plus one share in S IMMO. S IMMO is therefore included in the consolidated financial statements of IMMOFINANZ AG as a fully consolidated company for the first time as of 31 December 2022.

Up to 27 December 2022, IMMOFINANZ AG held 19,499,437 S IMMO shares. S IMMO was therefore reported as an associate and accounted for by applying the equity method (carrying amount: EUR 537 million). The transition from the equity method to full consolidation involved recording the previously held investment at the applicable fair value of EUR 345 million and recognising the negative difference of EUR -192 million through profit or loss.

The initial full consolidation resulted in a gain of EUR 215 million which was recognised to profit or loss. This gain was based on the difference between the purchase price for the newly acquired shares and the fair value (after impairment loss) of the previously held investment, on the one hand, and the acquired proportionate net assets at a fair value of EUR 897 million, on the other hand.

Based on the importance of the initial full consolidation of S IMMO for the consolidated balance sheet and income statement and the effects on the disclosures in the notes, we have defined the initial full consolidation as a key audit matter.

Audit procedures

In connection with the initial full consolidation of S IMMO, our audit procedures focused on the following matters:

- An assessment of the valuation of the former at-equity investment at fair value
- An assessment of the evaluation pursuant to IFRS 3.36 (recognition of a gain on a bargain purchase) as regards the correct identification and valuation of all assets acquired and all liabilities assumed
- An evaluation of the accounting treatment of the business combination and the required disclosures in the notes to the consolidated financial statements in agreement with IFRS 3
- A critical assessment of the accounting and valuation methods with regard to consistency in the consolidated financial statements, in particular concerning property valuation and the presentation of assets available for sale
- Monitoring the component auditor of S IMMO (subgroup) pursuant to ISA 600
- An analysis of the disclosures in the notes with regard to consistency and transparency as well as the presentation of segment reporting in agreement with internal reporting to the Executive Board

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements nor the Consolidated financial statements, the management report nor the consolidated management report and our auditor's report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. With respect to the information in the consolidated management report we refer to the section "Report on the Audit of the Consolidated Management Report".

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements. With respect to the voluntary consolidated non-financial statement included in the consolidated management report, our responsibility is to determine whether it had been prepared, to read it and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

Statement

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on 12 July 2022 and commissioned by the Supervisory Board on 22 August 2022 to audit the consolidated financial statements for the financial year ending 31 December 2022. We have been auditing the Group uninterrupted since the financial year ending 30 April 2011.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Mag. Nikolaus Schaffer.

Vienna, 24 March 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Nikolaus Schaffer
Certified Public Accountant

This Auditor's Report is a translation of the German original, which is solely valid. The translation is presented for the convenience of the reader only.

Statement by the Executive Board

We confirm to the best of our knowledge that the consolidated financial statements of the IMMOFINANZ Group provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the group management report of the IMMOFINANZ Group provides a true and fair view of the development and performance of the business and position of the Group, together with a description of the principal risks and uncertainties faced by the Group.

We confirm to the best of our knowledge that the individual financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of IMMOFINANZ AG as required by the applicable accounting standards and that the management report provides a true and fair view of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties faced by the company.

Vienna, 24 March 2023

The Executive Board of IMMOFINANZ AG

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

Radka Doehring

Individual Financial Statements

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Balance Sheet as of 31 December 2022

		31 12 2022 EUR	31 12 2021 TEUR
A. Non-current assets			
I. Intangible assets			
1. Trademarks and software		51,151.95	115
II. Tangible assets			
1. Buildings on land owned by third parties		591,293.18	0
2. Furniture, fixtures and office equipment		1,581,650.88	1,459
III. Financial assets			
1. Investments in subsidiaries	3,772,084,165.95		3,028,390
2. Loans granted to subsidiaries	124,656,321.30		150,201
3. Investments in other companies	1,850,000.00		392,517
4. Non-current securities (rights)	1,000,699.26		21,192
5. Other originated loans	4,348,988.94		6,559
		3,903,940,175.45	3,598,859
		3,906,164,271.46	3,600,432
B. Current assets			
I. Receivables			
1. Trade receivables		58,432.80	12
thereof remaining term < 1 year	58,432.80		12
thereof remaining term > 1 year	0.00		0
2. Receivables from subsidiaries		496,573,001.41	460,858
thereof remaining term < 1 year	53,988,414.11		31,434
thereof remaining term > 1 year	442,584,587.30		429,424
3. Receivables due from companies in which an investment is held		845.30	0
thereof remaining term < 1 year	845.30		0
thereof remaining term > 1 year	0.00		0
4. Miscellaneous receivables		3,972,719.19	9,744
thereof remaining term < 1 year	3,972,701.19		9,744
thereof remaining term > 1 year	18.00		0
		500,604,998.70	470,614
II. Securities and shares			
1. Miscellaneous securities and shares		17,200,000.00	0
III. Cash in banks			
1. Bank deposits		188,942,239.02	433,007
		706,747,237.72	903,621
C. Prepaid expenses and deferred charges		4,452,752.99	11,748
		4,617,364,262.17	4,515,802

		31 12 2022 EUR	31 12 2021 TEUR
A. Equity			
I. Share capital called and paid in			
		137,974,126.00	123,293
Subscribed capital	138,669,711.00		123,294
Par value of treasury shares	-695,585.00		-1
II. Capital reserves			
1. Appropriated		841,763,008.81	563,970
2. Unappropriated		1,690,086,579.00	1,700,213
III. Retained earnings			
1. Reserve for treasury shares		695,585.00	1
IV. Profit (loss) account			
thereof profit carried forward	577,262,500.41	437,362,919.50	577,263
		3,107,882,218.31	2,964,740
B. Provisions			
1. Provisions for termination benefits		588,832.09	60
2. Provisions for taxes		4,646,596.82	31
thereof deferred taxes	0.00		0
thereof miscellaneous tax provisions	4,646,596.82		31
3. Other provisions		3,740,963.52	4,370
		8,976,392.43	4,461
C. Liabilities			
1. Bonds		448,296,694.50	1,313,737
thereof convertible	0.00		299,069
thereof with a remaining term < 1 year	210,496,694.50		313,737
thereof with a remaining term > 1 year	237,800,000.00		1,000,000
2. Liabilities with financial institutions		18,816,648.50	20,117
thereof with a remaining term < 1 year	1,500,000.00		1,300
thereof with a remaining term > 1 year	17,316,648.50		18,817
3. Trade payables		563,940.09	1,304
thereof with a remaining term < 1 year	563,940.09		1,304
thereof with a remaining term > 1 year	0.00		0
4. Liabilities with subsidiaries		1,032,227,825.08	210,806
thereof with a remaining term < 1 year	353,053,038.80		144,697
thereof with a remaining term > 1 year	679,174,786.28		66,109
5. Other liabilities		600,543.26	637
thereof from taxes	285,697.40		365
thereof from social security	270,903.86		272
thereof with a remaining term < 1 year	600,543.26		637
thereof with a remaining term > 1 year	0.00		0
		1,500,505,651.43	1,546,600
thereof with a remaining term < 1 year	566,214,216.65		461,675
thereof with a remaining term > 1 year	934,291,434.78		1,084,925
		4,617,364,262.17	4,515,801

Income Statement for the 2022 Financial Year

		2022 EUR	2021 TEUR
1. Revenues		30,846,735.66	20,031
2. Other operating income			
a) Income from the disposal of non-current assets, with the exception of financial assets		221.93	0
b) Income from the release of provisions		349,698.35	571
c) Miscellaneous		5,200,203.93	5,690
		5,550,124.21	6,261
3. Cost of materials and other purchased services			
a) Cost of purchased services		-64,853.98	-112
4. Personnel expenses			
a) Salaries		-14,265,265.10	-13,507
b) Employee benefits		-11,143,605.90	-3,758
thereof for pensions	-146,600.00		-190
thereof for severance compensation and contributions to employee pension/severance fund	-6,834,110.78		-215
thereof for legally required social security and payroll-related duties and mandatory contributions	-3,634,228.41		-2,981
		-25,408,871.00	-17,265
5. Depreciation and amortisation		-652,891.59	-608
6. Other operating expenses			
a) Non-income based taxes		-333,528.06	-695
b) Miscellaneous		-38,050,874.06	-26,632
		-38,384,402.12	-27,328
7. Subtotal of no. 1 to 6 (operating profit)		-28,114,158.82	-19,021
8. Income from investments		16,694,745.83	14,370
thereof from subsidiaries	0.00		1,181
9. Income from other securities classified as financial assets		4,568,055.99	3,962
thereof from subsidiaries	4,169,742.69		3,494
10. Interest and similar income		10,796,620.36	12,783
Less negative interest		-678,805.92	-2,269
		10,117,814.44	10,513
thereof from subsidiaries	10,260,955.82		11,951
11. Income from the disposal and write-up of financial assets and securities recorded under current assets		314,818.50	241,465
thereof from subsidiaries	299,474.39		214,387
12. Expenses arising from financial assets		-118,790,234.73	-5,167
thereof impairment losses	-118,481,414.73		-5,166
thereof expenses from subsidiaries	-118,483,108.73		-5,167
13. Interest and similar expenses		-33,630,757.09	-45,615
thereof from subsidiaries	-10,576,937.92		-4,927
14. Subtotal of no. 8 to 13 (financial results)		-120,725,557.06	219,529
15. Profit before tax		-148,839,715.88	200,508
16. Income tax expense		8,940,134.97	3,621
thereof deferred taxes	0.00		0
thereof income from tax credits	12,481,542.82		3,962
17. Profit/loss for the year		-139,899,580.91	204,129
18. Profit carried forward from prior year		577,262,500.41	373,133
19. Profit (loss) account		437,362,919.50	577,263

Notes

1. General Information

The annual financial statements of IMMOFINANZ AG (the company) as of 31 December 2022 were prepared in accordance with the provisions of the Austrian Commercial Code (“Unternehmensgesetzbuch”) in the current version. The principles of correct accounting as well as the general objective of providing a true and fair view of the asset, financial and earnings position were observed

This report covers the financial year of IMMOFINANZ AG from 1 January 2022 to 31 December 2022.

Statements on IMMOFINANZ refer to the IMMOFINANZ Group. This company is the parent company, as defined in § 189a no. 6 of the Austrian Commercial Code, of the IMMOFINANZ Group. CPIPG, headquartered in Luxembourg, has been the majority owner since May 2022. The parent company prepares the consolidated financial statements for the largest group of companies.

In accordance with § 223 (2) of the Austrian Commercial Code, the comparative prior year data are presented in EUR 1,000.

The company elected to utilise the option provided by § 223 (4) of the Austrian Commercial Code, which permits the inclusion of additional line items when their content is not covered by a required item.

The income statement was prepared in accordance with the nature of expense method under which “total costs” are shown.

The principle of completeness was followed in preparing the annual financial statements.

Assets and liabilities were valued individually, whereby valuation was based on the going concern principle.

The principle of prudence was followed, above all, through the recognition of only those profits realised as of the balance sheet date. The annual financial statements include all identifiable risks and impending losses which had arisen as of the balance sheet date.

Estimates are based on prudent judgment. Experience-based statistics from similar transactions were included in these estimates where available.

2. Accounting and Valuation Principles

All intangible assets were purchased for financial consideration. These assets are carried at acquisition cost, less scheduled straight-line amortisation that is based on the expected useful life of the respective asset. No impairment losses were recognised.

Property, plant and equipment are carried at acquisition cost, less scheduled straight-line depreciation. As in previous years, no impairment losses were required.

Depreciation and amortisation for the various asset additions and disposals in the reporting year are calculated beginning with the month of acquisition, respectively terminated in the month of disposal.

Low-value assets are written off in full in the year of purchase or production in accordance with § 204 (1a) of the Austrian Commercial Code.

Financial assets are carried at cost, less any necessary impairment losses. The impairment testing of shares in subsidiaries, loans granted to subsidiaries, and investments in other companies involves comparing the respective carrying amount with the equity owned plus any undisclosed reserves in the individual properties (after the deduction of deferred taxes) at fair value. Each subsidiary is valued individually and, therefore, the valuation also reflects the total reported by the Group parent company, IMMOFINANZ AG. Investments in other companies are carried at cost, less any necessary impairment losses.

Write-ups are recognised to financial assets when the reasons for an impairment loss cease to exist.

Receivables are carried at their nominal amount less any necessary impairment losses. The calculation of impairment losses to Group receivables is based on the fair value of equity in the financed company, similar to the valuation of the shares in subsidiaries. If the financial statements of a borrower show negative equity (at fair value), an appropriate impairment loss is recognised.

Negative interest is reported on a separate line under "other interest and similar income".

Liabilities are carried at their settlement amount.

The conversion right for the convertible bond 2017–2024 was valued over the entire term of the instrument and recognised as a discount under prepaid expenses and deferred charges as well as in equity. The discount is being released on a straight-line basis up to the date of the first put option.

Tax provisions are recognised, in particular, for obligations arising from the group tax agreement and represent the nominal amount.

All foreign currency transactions are translated at the average exchange rate in effect on the transaction date. The measurement of foreign currency receivables and liabilities as of the balance sheet date is based on the applicable average exchange rate in effect on that date in keeping with the principle of conservatism. Any resulting exchange rate losses are recognised to profit or loss in the applicable financial year.

In accordance with § 198 (9) and (10) of the Austrian Commercial Code, deferred taxes are recognised in agreement with the balance sheet-oriented concept and without discounting. For feasibility and materiality reasons, a corporate tax rate of roughly 24% was applied in 2022. A net amount based on the total difference method is calculated for the differences between the carrying amounts of assets, provisions, liabilities, prepaid expenses and deferred charges and deferred income under commercial law and tax law, in cases where these differences are expected to decrease in later financial years or lead to tax relief in the future. Deferred tax assets are also recognised for existing tax loss carryforwards at an amount equal to the available deferred tax liabilities, in accordance with the 75% limit on the utilisation of losses. The company's loss history did not provide sufficient substantial indications of future taxable gains, and the exercise of the option for the recognition of additional loss carryforwards was therefore not subject to discussion as of 31 December 2022.

3. Notes to the Balance Sheet

Assets

Non-current assets

The development of non-current assets is shown on the attached schedule.

The following useful lives are used to calculate scheduled straight-line depreciation and amortisation for non-current assets:

	Useful life in years
Intangible assets	3–10
Property, plant and equipment	2–10

The following section provides information on the shares in subsidiaries and investments in other companies:

The most important items included under shares in subsidiaries represent the shares in IMBEA IMMOEAST Beteiligungsverwaltung GmbH with a carrying amount of EUR 1,773,388,000.00 (31 December 2021: TEUR 1,821,144).

In 2022, IMMOFINANZ Services Czech Republic s.r.o. received a contribution of EUR 133.3 million (2021: IMMOFINANZ Services Romania s.r.l. EUR 5.0 million and Stop Shop Italia s.r.l. EUR 25.0 million).

The impairment losses recognised to shares in subsidiaries amounted to EUR 118.5 million and resulted chiefly from a write-down to the wholly owned subsidiary IMMOWEST Immobilien Anlagen GmbH in the amount of EUR 70.7 million and a write-down to IMBEA IMMOEAST Beteiligungsverwaltung GmbH in the amount of EUR 47.8 million (2021: write-down of EUR 5.2 million, whereby the main component involved Stop Shop Italia s.r.l. at EUR 5.1 million).

The write-ups to shares in subsidiaries totalled EUR 0.3 million and consisted mainly of a write-up to the wholly owned subsidiary IMMOFINANZ Services Poland Sp.z.o.o. in the amount of EUR 0.3 million (2021: write-up of EUR 214.1 million primarily involving IMBEA IMMOEAST Beteiligungsverwaltung GmbH at EUR 61.5 million, IMMOFINANZ Services Poland Sp.z.o.o. at EUR 36.8 million and IMMOWEST Immobilien Anlagen GmbH at EUR 115.7 million).

The most important item under loans granted to subsidiaries is the loan to Warsaw Spire Tower Sp.z.o.o. with a carrying amount of EUR 100,149,089.93 (31 December 2021: TEUR 101,682). The additions and reductions to loans granted to subsidiaries consist primarily of drawdowns and repayments during the 2022 financial year. Of the total loans granted to subsidiaries, EUR 0.00 (31 December 2021: TEUR 0) is due within one year.

IMMOFINANZ AG purchased 19,499,437 bearer shares of S IMMO AG (in short: S IMMO) on 18 April 2018 and, as a result of this transaction, held an investment of approximately 29.14% in this company. The closing took place on 21 September 2018. The acquisition costs, including ancillary expenses, totalled EUR 390.7 million. A capital increase by S IMMO reduced this holding to approximately 26.5%.

On 27 December 2022 IMMOFINANZ AG acquired 17,305,012 shares in S IMMO from its core shareholder, the CPI Property Group and, in doing so, raised its holding to a majority investment of 50% plus one share in S IMMO. The acquisition costs, including ancillary expenses, totalled EUR 338.0 million (i.e. EUR 19.5 per S IMMO share). This transaction resulted in the reclassification from investments in other companies to investments in subsidiaries. The carrying amount of S IMMO totals EUR 728.6 million.

Non-current securities include shares in the Vienna Stock Exchange corporation with a value of EUR 1,000,699.26 (31 December 2021: TEUR 1,001). The 27 certificates of the convertible bond

2017 – 2024 with a carrying amount of EUR 2,683,990.00 (31 December 2021: TEUR 2,684) were settled in cash during 2022. The 172 certificates of the corporate bond 2019–2023 with a carrying amount of EUR 17,200,000.00 (31 December 2021: TEUR 17,507) were reclassified to current assets due to the maturity date.

Other originated loans include EUR 650,000.00 (31 December 2021: TEUR 885) which are due within one year.

Current assets

Receivables

Receivables from subsidiaries are classified as current when a specific payment term was not defined. However, these receivables are only collected if permitted by the liquidity situation of the respective creditor.

The receivables due from subsidiaries are classified as follows:

	31 12 2022 EUR	31 12 2021 TEUR
Receivables from direct loans	566,024,922.66	543,070
Impairment losses to receivables from direct loans	-96,695,027.15	-98,364
Trade receivables	3,416,283.80	1,337
Receivables from tax charges	12,481,542.82	3,962
Miscellaneous	11,345,279.28	10,853
Total receivables from subsidiaries	496,573,001.41	460,857

The method used to estimate the impairment losses is described in the section on accounting and valuation principles.

Securities and shares

This position includes 172 certificates from the corporate bond 2019–2023 with a carrying amount of EUR 17,200,000.00 (31 December 2021: TEUR 17,507).

Prepaid expenses and deferred charges

This position consists primarily of expenses arising from the issue of the corporate bonds. The discount for the corporate bonds 2019–2023 and 2020–2027 was capitalised and released over the respective terms. The discount for these two bonds was reduced through an unscheduled write-off of EUR 3,845,988.59 in 2022 because both bonds were redeemed, in part prematurely, due to the change-of-control event. As of 31 December 2022, the discount equalled EUR 3,575,481.63 (31 December 2021: TEUR 10,002).

Equity and Liabilities

Equity

Share capital totals EUR 138,669,711.00 and is divided into 138,669,711 shares, each of which represents an equal stake in share capital.

The capital increase from conversions led to the issue of 15,375,916 new shares in 2022. The appropriated capital reserve increased by EUR 277,792,779.90 to EUR 819,986,257.32.

IMMOFINANZ AG held 1,028 treasury shares as of 31 December 2021. From 20 June 2022 to 29 July 2022, a total of 694,557 shares were repurchased over the stock exchange at a weighted average price of EUR 14.58 per share. The share buyback programme ended on 31 July 2022 and led to an increase of EUR 694,557.00 in the reserve for treasury shares and a reduction of EUR 10,126,479.69 in the unappropriated capital reserve.

IMMOFINANZ AG held 695,585 treasury shares as of 31 December 2022.

Authorisations of the annual general meeting to purchase and sell treasury shares

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. The shares may be purchased over the stock exchange or over the counter. The Executive Board was also authorised, with the consent of the Supervisory Board, to exclude the proportional subscription rights of shareholders.

The Executive Board was also authorised, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act during a period of five years, whereby the proportional subscription rights of shareholders can be excluded.

The authorisation for the purchase of treasury shares was used in part with the share buyback programme 2022 (see above). The authorisation to sell treasury shares has not been used to date and is therefore available in full.

Authorised capital

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 69,325,163.00 through the issue of up to 69,325,163 new shares in exchange for cash or contributions in kind. The authorisation is valid up to 18 October 2027. The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part. The shares issued based on this authorisation in exchange for cash contributions and under the exclusion of shareholders' subscription rights may not exceed EUR 13,865,032.00, which represents roughly 10% of the company's share capital at the time the resolution was passed by the annual general meeting.

This authorisation to increase share capital has not been used to date and is therefore available in full.

Provisions

The other provisions were created primarily for auditing services, tax consulting and legal advising fees (EUR 0.7 million; 31 December 2021: EUR 1.0 million) and for unused vacation time and bonuses (EUR 1.5 million; 31 December 2021: EUR 1.7 million). IMMOFINANZ AG was not involved in any material legal proceedings as of 31 December 2022.

Liabilities**Convertible bond 2017–2024**

IMMOFINANZ issued a convertible bond on 24 January 2017 through an accelerated bookbuilding process with institutional investors. The bond had a nominal value of EUR 297.2 million and a term ending on 24 January 2024. The initial interest rate of 2.0% per year was reduced by 50 basis points to 1.5% in accordance with the issue terms beginning with the interest rate period as of 24 January 2019 following the receipt of an investment grade rating from S&P Global Rating in the first quarter of 2019.

IMMOFINANZ was informed on 3 December 2021 through a voting rights announcement in accordance with § 130 of the Austrian Stock Exchange Act of 2018 that the CPI Property Group S.A. (CPIPG) held an investment, directly and indirectly, of approximately 21.4% in the share capital of IMMOFINANZ AG. This investment gave CPIPG a controlling interest in IMMOFINANZ AG as defined in § 22 in connection with § 27 of the Austrian Takeover Act. The conversion price for the convertible bond due in 2024 (ISIN: XS1551932046) was therefore temporarily adjusted to EUR 18.8987 in accordance with § 12a of the issue terms up to the control date on 19 January 2022. The conversion price for the exercise of conversion rights after the control date reflects the conversion price directly before the change-of-control event, i.e. EUR 20.6333. The equity component, less a proportional share of transaction costs, equalled EUR 21.7 million and was reported under appropriated capital reserves.

Conversions in the first half of 2022 totalled EUR 291.3 million and were serviced with 15,375,916 new shares. Due to the substantially reduced volume, IMMOFINANZ called the convertible bond for premature

redemption on 29 April 2022 in accordance with the issue terms. Repayment followed at the end of June 2022 for a nominal amount of EUR 3.2 million (excluding the convertible bonds held by IMMOFINANZ AG) plus accrued interest.

Corporate bond 2019–2023

IMMOFINANZ AG issued an unsecured, non-subordinated bond with a nominal value of EUR 500.0 million on 21 January 2019. It has a four-year term and a fixed interest rate of 2.625% per year. The acquisition of a controlling investment in IMMOFINANZ AG by the CPI Property Group (CPIPG) and the resulting mandatory offer in accordance with § 22 in connection with § 27 of the Austrian Takeover Act triggered a change-of-control event for the corporate bond 2019–2023 at the beginning of March 2022. It entitled the bondholders to exercise a sale right at 101% of the nominal amount plus unpaid accrued interest up to the sale date on 25 April 2022. As of 31 December 2022, a nominal amount of EUR 204.3 million for the corporate bond was outstanding at a carrying amount, including accrued interest, of EUR 209.2 million (31 December 2021: EUR 512.0 million).

Corporate bond 2020–2027

On 8 October 2020, IMMOFINANZ successfully issued a fixed-interest, unsecured, non-subordinated bond with a volume of EUR 500.0 million. It has a seven-year term and a fixed coupon of 2.50% per year. The change-of-control event for this bond is identical to the above-mentioned corporate bond 2019–2023. The outstanding carrying amount of the corporate bond (nominal value: EUR 237.8 million), including accrued interest, equalled EUR 239.1 million as of 31 December 2022 (31 December 2021: EUR 502.6 million).

Liabilities

Liabilities with financial institutions include a loan of EUR 18,816,648.50 from Raiffeisen Bausparkasse (31 December 2021: TEUR 20,117). Of this total, EUR 10,416,648.50 (31 December 2021: TEUR 12,217) have a remaining term of more than five years.

Liabilities with subsidiaries are classified as current when a specific payment term was not defined. The amounts due to subsidiaries consist entirely of other liabilities and generally involve loans of EUR 1,032,227,825.08 from subsidiaries (31 December 2021: TEUR 210,806). Of this total, EUR 337,447,734.51 represent financing for the purchase of S IMMO shares (31 December 2021: TEUR 0). The total amount of loans and financing for the S IMMO shares include EUR 353,671,721.20 (31 December 2021: TEUR 14,987) with a remaining term of more than five years.

Other liabilities consist chiefly of tax liabilities totalling EUR 285,697.40 (31 December 2021: TEUR 365) and social security liabilities of EUR 270,903.86 (31 December 2021: TEUR 272), most of which are payable after the balance sheet date.

Guarantees

IMMOFINANZ AG has issued comfort letters on behalf of individual subsidiaries to guarantee their solvency. These comfort letters confirm that the involved companies will be able to meet their payment obligations at any time and oblige IMMOFINANZ AG to ensure that sufficient funds will be available to meet all liabilities at maturity. Furthermore, IMMOFINANZ AG is obliged to undertake all other necessary measures required by the applicable insolvency laws. IMMOFINANZ AG is also required to subordinate all liabilities that represent debt from the viewpoint of the involved company and must take a secondary position to all other creditors who are not shareholders of the involved companies or are subordinated in another manner.

The company has provided guarantees or pledges of EUR 1,912,000.00 (31 December 2021: TEUR 32,580) to financial institutions on behalf of subsidiaries. IMMOFINANZ AG has also accepted liabilities of EUR 6,700,000.00 (31 December 2021: TEUR 11,540) to third parties on behalf of subsidiaries.

	31 12 2022 EUR	31 12 2021 TEUR
Guarantees for bank loans	1,912,000.00	32,580
Other guarantees	6,700,000.00	11,540
Total	8,612,000.00	44,120
thereof on behalf of subsidiaries	8,612,000.00	44,120

4. Notes to the Income Statement

Revenues

Revenues consist of management fees charged out to the Group companies.

IMMOFINANZ AG And IMBEA IMMOEAST Beteiligungsverwaltung GmbH are executive holding companies that provide management services to subsidiaries in Austria and other countries. The performance-based allocation of costs between the two companies is based on third-party settlement conditions. In 2022, IMMOFINANZ AG invoiced a total of EUR 20,001,319.73 (2021: TEUR 15,418) to IMBEA IMMOEAST Beteiligungsverwaltung GmbH for costs carried by IMMOFINANZ AG that are economically attributable to IMBEA IMMOEAST Beteiligungsverwaltung GmbH.

Additionally, a total of EUR 6,491,678.82 was invoiced to CPIPG in 2022.

Other operating income

Other operating income consists primarily of the reversal of individual valuation adjustments totalling EUR 4,938,342.80 (31 December 2021: TEUR 5,096).

Other operating expenses

Impairment losses to and the derecognition of receivables totalled EUR 6,858,262.82 in 2022 (2021: TEUR 6,365), whereby EUR 6,858,262.82 (2021: TEUR 6,055) represent impairment losses to receivables due from subsidiaries.

This position also includes consulting fees of EUR 6,788,310.59 (2021: TEUR 4,782), leasing and rental expenses of EUR 960,757.15 (2021: TEUR 943), IT costs of EUR 7,985,318.77 (2021: TEUR 3,608), advertising costs of EUR 3,072,371.13 (2021: TEUR 3,596) and expenses of EUR 5,579,000.00 (2021: TEUR 0.00) for the two corporate bonds in connection with the change-of-control event. Consulting and IT expenses also include roughly EUR 4.9 million of costs that were charged out to CPIPG.

Information on the expenses for the auditor is provided in IMMOFINANZ's consolidated financial statements (www.immofinanz.com/en/investor-relations/financial-reports).

The remuneration for the members of the Supervisory Board is approved during the current financial year for the previous financial year and subsequently distributed. A provision of EUR 230,000.00 was recognised to cover the Supervisory Board remuneration for the 2022 financial year.

Income from investments

This position consists primarily of the dividends received from S IMMO (EUR 12,674,634.05; 2021: TEUR 9,750) and EHL Immobilien GmbH (EUR 4,020,111.78; 2021: TEUR 3,439).

Income from other securities classified as financial assets

The income from other securities consists chiefly of interest income of EUR 4,175,145.96 (2021: TEUR 3,494) FROM LOANS GRANTED TO SUBSIDIARIES.

Interest and similar income

Interest and similar income include, above all, interest income of EUR 15,124,390.32 (2021: TEUR 12,434) from Group receivables. Write-downs of EUR 4,863,434.50 (2021: TEUR 484) were recognised to the interest income from Group receivables.

Income from the disposal and write-up of financial assets and securities recorded under current assets

This income includes a write-up of EUR 298,418.44 (2021: TEUR 214,062) to shares in subsidiaries.

Expenses arising from financial assets

Unscheduled impairment losses of EUR 118,471,000.00 were recognised to shares in subsidiaries in 2022 (2021: TEUR 5,160) (see the section on “non-current assets” under the notes to the balance sheet).

Interest and similar expenses

This position includes interest expense of EUR 10,576,937.92 (2021: TEUR 4,927) on liabilities to subsidiaries and interest expense of EUR 23,053,819.17 (2021: TEUR 40,688) on the convertible bonds, bonds and liabilities with financial institutions. The latter amount contains EUR 3,845,988.59 from the unscheduled write-off of the discount (see the information on deferred income).

Income taxes

This position comprises the following items:

	31 12 2022 EUR	31 12 2021 TEUR
Corporate income tax	-105,875.00	-106
Corporate income tax, prior years	-2,229.38	-29
Withholding tax	-254,597.26	-252
Income tax expense (Group taxation), other periods	0.00	-170
Income tax credits (Group taxation)	12,481,542.82	3,962
Income tax credits (Group taxation), other periods	1,467,890.61	216
Deferred tax expense	-1,917,318.41	-5,678
Deferred tax credits	1,917,318.41	5,678
Addition/reduction to provision for negative tax charges to Group members	-4,646,596.82	0
Total	8,940,134.97	3,621

Deferred taxes result from the following temporary differences between the carrying amounts of the following positions under tax law and commercial law:

	31 12 2022 EUR	31 12 2021 TEUR
Intangible assets	7,547.94	-11
Property, plant and equipment	-49,993.36	-90
Investments in associated and jointly controlled entities	38,042.94	48
Treasury shares	21,923,682.71	27,079
Provisions for termination benefits	69,801.51	35
Costs for the procurement of funds	611,748.04	638
Bonds	3,408,840.40	4,847
Total – total difference calculation	26,009,670.18	32,546
Plus 75% tax loss carryforwards	0.00	0
Minus calculation of surplus deferred tax assets	-26,009,670.18	-32,546
Total	0.00	0
thereof 24% corporate income tax = deferred tax liabilities	0.00	0

Deferred tax assets were only recognised at an amount equal to the deferred tax liabilities due to the absence of sufficient substantial indications of future taxable profits. Consequently, the balance sheet as of 31 December 2022 includes no deferred tax assets.

Other Disclosures

Information on size pursuant to § 221 of the Austrian Commercial Code

The company is classified as a large corporation based on the criteria defined in § 221 of the Austrian Commercial Code.

Information on Group taxation pursuant to § 9 of the Austrian Corporate Income Tax Act

In accordance with a group application filed on 29 April 2005, IMMOFINANZ AG has served as the lead company in a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act since the 2005 tax assessment year. This corporate group has been expanded several times.

IMMOFINANZ AG is the lead company in a corporate group as defined in § 9 of the Austrian Corporate Income Tax Act. The company and the members of the tax group concluded an agreement for the settlement of taxes, which was amended in 2011/12. In accordance with the amended agreement, each member of the Group with positive results must pay a tax charge equal to 25% of the assessment base to the head of the group. Any losses by members of the group are registered and can be offset in full against taxable profit recorded by the respective member in subsequent years. Consequently, there are no payments by the head of the group to members.

Related party transactions as defined in § 238 no. 12 of the Austrian Commercial Code

All transactions with related companies and persons during the reporting year took place on arm's length terms.

Obligations from the use of tangible assets not reported on the balance sheet

	31 12 2022 EUR	31 12 2021 TEUR
Obligations for the following year	1,066,089.98	911
Obligations for the following five years	4,892,925.81	4,224

Average number of employees

	31 12 2022	31 12 2021
Salaried employees	168	165
Total	168	165

Investments in subsidiaries and other companies

The following list of shares in subsidiaries and investments in other companies includes only material entities (carrying amount as of 31 December 2021 over EUR 1.00):

Company	Balance sheet date	Share owned	Equity as of 31 12 2021		Profit/loss for the year	
IMBEA IMMOEAST Beteiligungsverwaltung GmbH, Vienna	31 December 2021	100%	1,737,280,037.66	EUR	82,447,847.97	EUR
IMMOWEST Immobilien Anlagen GmbH, Vienna	31 December 2021	100%	230,715,025.81	EUR	115,689,701.70	EUR
EHL Immobilien GmbH, Vienna	31 December 2021	49%	10,628,345.85	EUR	10,518,345.85	EUR
IMMOEAST Acquisition & Management GmbH, Vienna	31 December 2021	100%	4,921,854.37	EUR	-913.05	EUR
Immofinanz Gamma Liegenchafts- und Mobilienvermietungsgesellschaft m.b.H., Vienna	31 December 2021	100%	84,134.65	EUR	47,798.23	EUR
Immofinanz Services d.o.o., Belgrade	31 December 2021	100%	580,368.00	TRSD	5,577.00	TRSD
Immofinanz Services Poland Sp. z o.o., Warsaw	31 December 2021	100%	337,218,579.56	PLN	-32,087,337.97	PLN
IMMOFINANZ Services Hungary Kft., Budapest	31 December 2021	100%	80,286,939.00	THUF	74,596.00	THUF
IMMOFINANZ Services Slovak Republic, s.r.o., Bratislava	31 December 2021	99%	56,374,524.22	EUR	401,185.89	EUR
IMMOFINANZ Services Czech Republic, s.r.o., Prague	31 December 2021	100%	5,579,394.00	TCZK	-23,274.00	TCZK
IMMOFINANZ Services Romania s.r.l., Bucharest	31 December 2021	99%	1,273,061,733.00	RON	-2,050,483.00	RON
Immobilien L Liegenchafts Vermietungs GmbH, Vienna	31 December 2021	100%	121,988.98	EUR	20,953.08	EUR
SITUS Holding GmbH, Vienna	31 December 2021	100%	47,245.78	EUR	10,027.04	EUR
Retail Park Four d.o.o., Belgrade	31 December 2021	100%	2,399,652.00	TRSD	152,993.00	TRSD
S IMMO AG, Vienna	31 December 2021	50%	580,321,892.52	EUR	41,541,325.81	EUR
Immofinanz Services and Management d.o.o. Zagreb	31 December 2021	100%	73,066.00	HRK	53,066.00	HRK

Corporate bodies

The corporate bodies of IMMOFINANZ AG are:

Executive Board

Radka Doehring – Executive Chairwoman as of 1 May 2022

Dietmar Reindl – Member of the Executive Board, Real Estate Management, up to 8 June 2022

Stefan Schönauer – Member of the Executive Board, Finances, up to 8 June 2022

The members of the Executive Board received remuneration of EUR 8,131,991.19 in the 2022 financial year (2021: TEUR 2,047). The year-on-year increase is attributable, above all, to one-off payments (thereof EUR 6,096,677.00 for severance compensation) connected with the resignation of Dietmar Reindl and Stefan Schönauer from the Executive Board. Contributions of EUR 37,994.75 (2021: TEUR 39) were made to the employee severance compensation fund and EUR 136,625.00 (2021: TEUR 190) to the pension fund.

Supervisory Board

Bettina Breiteneder – Chairwoman up to 31 March 2022

Sven Bienert – Vice-Chairman up to 31 March 2022

Michael Mendel – Vice-Chairman from 19 October 2021 to 31 March 2022

Miroslava Greštiaková – Chairwoman since 31 March 2022

Martin Němeček – Vice-Chairman since 31 March 2022

Dorothee Deuring – Member from 19 October 2021 to 31 March 2022

Gayatri Narayan – Member

Stefan Guetter – Member from 19 October 2021 to 15 July 2022

Martin Matula – Member since 16 July 2022

The Works Council of IMMOFINANZ AG delegated the following persons to the Supervisory Board:

Philipp Amadeus Obermair – Member

Rita Macskasi-Temesvary – Member from 19 October 2021 to 31 March 2022

Werner Ertelthaler – Member

Use of profit

Profit for the 2022 financial year totals EUR 437,362,919.50. A recommendation to the annual general meeting for the use of profit had not been issued by the time this report was prepared.

Subsequent events

The interest landscape and inflationary expectations have continued to change since 31 December 2022. The effects of these ongoing changes on the business development of the IMMOFINANZ Group and, in particular, on the future valuation of properties cannot be reliably estimated at the present time.

IMMOFINANZ redeemed the 2.625% corporate bond which was due on 27 January 2023 from internal cash funds. The amount repaid totalled EUR 187.1 million. It represented the outstanding nominal amount of the corporate bond 2023 after the change-of-control event which led to the repayment of EUR 295.7 million in April 2022.

IMMOFINANZ signed a letter of intent on 24 February 2023 for the sale of several office properties at the location on the Wienerberg to S IMMO, a company in which it holds an investment of 50% plus one share. The transaction will cover six standing investments with approximately 128,000 sqm of rentable space and one development project with roughly 20,000 sqm of space which will be completed in summer 2023. Preliminary estimates indicate that the transaction volume will total EUR 411.0 million. The closing for the purchase of the buildings is expected to take place in several tranches during 2023. This transaction will strengthen the portfolio focus within the corporate group, and the proceeds will be used to repay liabilities.

IMMOFINANZ AG voluntarily terminated its long-term S&P issuer rating of "BBB-" in foreign and local currency on 21 March 2022. The rating for the corporate bonds was, consequently, also terminated on that date.

Shortly before the editorial deadline for this report, the S IMMO Group sold a portfolio in Berlin that was classified as held for sale as of 31 December 2022. This portfolio covers roughly 1,300 residential and commercial units with over 100,000 sqm of rentable space. Market conditions were responsible for a discount to the property value of EUR 16.5 million which was reported as of 31 December 2022.

Vienna, 24 March 2023

The Executive Board of IMMOFINANZ AG

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

Radka Doehring

Development of Non-current Assets in acc. with § 226 (1) of the Austrian Commercial Code

Amounts in EUR	Acquisition or production cost				Balance on 31 12 2022
	Balance on 01 01 2022	Additions	Disposals	Reclassifications	
1. Trademarks and software	2,421,367.15	0.00	0.00	0.00	2,421,367.15
Intangible assets	2,421,367.15	0.00	0.00	0.00	2,421,367.15
1. Buildings on land owned by third parties	0.00	653,440.02	0.00	0.00	653,440.02
2. Furniture, fixtures and office equipment	2,834,709.62	663,573.15	712,992.61	0.00	2,785,290.16
Tangible assets	2,834,709.62	1,317,013.17	712,992.61	0.00	3,438,730.18
1. Investments in subsidiaries	6,542,608,282.61	471,222,766.09	163,937.05	390,667,068.75	7,404,334,180.40
2. Loans granted to subsidiaries	150,202,315.49	8,173,910.12	33,702,501.96	0.00	124,673,723.65
3. Investments in associated and jointly controlled entities	392,517,068.75	0.00	0.00	-390,667,068.75	1,850,000.00
4. Non-current securities (rights)	21,191,815.26	0.00	20,191,116.00	0.00	1,000,699.26
5. Other originated loans	6,559,110.43	73,387.58	2,283,509.07	0.00	4,348,988.94
Financial assets	7,113,078,592.54	479,470,063.79	56,341,064.08	0.00	7,536,207,592.25
Total non-current assets	7,118,334,669.31	480,787,076.96	57,054,056.69	0.00	7,542,067,689.58

Amounts in EUR	Accumulated amortisation/depreciation				Balance on 31 12 2022
	Balance on 01 01 2022	Additions	Disposals	Write-ups	
1. Trademarks and software	2,306,574.45	63,640.75	0.00	0.00	2,370,215.20
Intangible assets	2,306,574.45	63,640.75	0.00	0.00	2,370,215.20
1. Buildings on land owned by third parties	0.00	62,146.84	0.00	0.00	62,146.84
2. Furniture, fixtures and office equipment	1,375,647.73	527,104.00	699,112.45	0.00	1,203,639.28
Tangible assets	1,375,647.73	589,250.84	699,112.45	0.00	1,265,786.12
1. Investments in subsidiaries	3,514,218,368.94	118,471,000.00	140,936.05	298,418.44	3,632,250,014.45
2. Loans granted to subsidiaries	1,584.35	15,818.00	0.00	0.00	17,402.35
3. Investments in associated and jointly controlled entities	0.00	0.00	0.00	0.00	0.00
4. Non-current securities (rights)	0.00	0.00	0.00	0.00	0.00
5. Other originated loans	0.00	0.00	0.00	0.00	0.00
Financial assets	3,514,219,953.29	118,486,818.00	140,936.05	298,418.44	3,632,267,416.80
Total non-current assets	3,517,902,175.47	119,139,709.59	840,048.50	298,418.44	3,635,903,418.12

Amounts in EUR	Carrying amounts	
	31 12 2022	31 12 2021
1. Trademarks and software	51,151.95	114,792.70
Intangible assets	51,151.95	114,792.70
1. Buildings on land owned by third parties	591,293.18	0.00
2. Furniture, fixtures and office equipment	1,581,650.88	1,459,061.89
Tangible assets	2,172,944.06	1,459,061.89
1. Investments in subsidiaries	3,772,084,165.95	3,028,389,913.67
2. Loans granted to subsidiaries	124,656,321.30	150,200,731.14
3. Investments in associated and jointly controlled entities	1,850,000.00	392,517,068.75
4. Non-current securities (rights)	1,000,699.26	21,191,815.26
5. Other originated loans	4,348,988.94	6,559,110.43
Financial assets	3,903,940,175.45	3,598,858,639.25
Total non-current assets	3,906,164,271.46	3,600,432,493.84

Management Report for the 2022 Financial Year

A. General Information

IMMOFINANZ AG is a listed real estate company in Austria. Its headquarters are located at 1100 Vienna, Wienerbergstrasse 9. IMMOFINANZ AG is the parent company of the IMMOFINANZ Group whose business activities cover the rental, development, acquisition and best possible commercial utilisation of properties.

IMMOFINANZ AG is listed in the ATX index (ISIN AT 0000A21KS2) of the Vienna Stock Exchange and is also traded on the Warsaw Stock Exchange. As of 31 December 2022, the company had 138,669,711 zero par value, voting shares outstanding. Market capitalisation amounted to approximately EUR 1.6 billion as of 31 December 2022 based on a closing price of EUR 11.62 on that date.

The 2022 financial year also brought changes in IMMOFINANZ's shareholder structure. With the CPI Property Group (CPIPG), the company now has a very large, stable and long-term oriented core shareholder and has become part of a major and very successful quality real estate provider with extensive expertise in Central and Eastern Europe.

B. Activities

The core business of IMMOFINANZ covers the management and development of retail and office properties in selected Central and Eastern European countries. The company's activities in the office sector with its international myhive brand are concentrated exclusively on the capital cities of the core countries and on the largest office locations in Germany. The expansion of the retail portfolio is focused on the STOP SHOP and VIVO! brands, which are designed primarily for secondary and tertiary cities. IMMOFINANZ's real estate portfolio covered 265 properties with a carrying amount of EUR 5.2 billion as of 31 December 2022. The company's goal is to create and maintain a high-quality, profitable portfolio of commercial properties. IMMOFINANZ increased its investment in S IMMO to over 50% during the 2022 financial year and, as a result, S IMMO is included through full consolidation

C. Business Development

Assets

The assets held by IMMOFINANZ AG consist primarily of financial assets and receivables due from subsidiaries. The balance sheet total rose by EUR 101,563,237.33 over the previous year to EUR 4,617,364,262.17 at year-end 2022. This increase resulted primarily from the acquisition of S IMMO shares. A contrasting factor was the decline in credit balances with financial institutions. The equity ratio equalled 67.31% as of 31 December 2022 (31 December 2021: 65.65%).

Earnings position

Results for the 2022 financial year show a net loss of EUR 139,899,580.91 which resulted, above all, from the valuation of shares in subsidiaries (31 December 2021: net profit of TEUR 204,130).

Financial position

The change in cash and cash equivalents amounted to TEUR -244,065 (31 December 2021: TEUR -230,526). Net cash flow from operating activities totalled TEUR -21,178 (31 December 2021: TEUR -21,086), and net cash flow from investing activities equalled TEUR -95,885 (31 December 2021: TEUR 39,330). Net cash flow from financing activities amounted to TEUR -127,002 (31 December 2021: TEUR -248,769).

	2022 TEUR	2021 TEUR
Net cash flow from operating activities		
Profit/loss for the year	-148,840	200,508
Depreciation and amortisation	653	608
Impairment losses to financial assets	118,487	5,162
Write-ups to financial assets	-298	-241,141
Loss/gain on the disposal of tangible and intangible assets	-13	2
Loss/gain on the disposal of financial assets	15	-323
Income from investments, income from other securities and loans from financial assets, other interest and similar income/interest and similar expenses	8,097	22,706
Change in valuation adjustments to receivables	-3,589	-1,569
Release of provisions	-350	-571
Non-cash write-offs of receivables	6,858	6,365
Non-cash interest income and expenses	-5,847	-5,936
Non-cash release of valuation adjustments to receivables	-4,938	-5,096
Non-cash management fees	-1,537	-1,617
Net cash flow from the operating result	-31,302	-20,902
Change in receivables and current securities	4,964	-1,488
Change in liabilities	-872	-628
Change in provisions	249	40
Change in prepaid expenses and deferred charges	492	-690
Net cash flow from operating activities (before tax)	-26,469	-23,668
Income tax payments	5,291	2,582
Total	-21,178	-21,086
Net cash flow from investing activities		
Investments in tangible and intangible assets	-1,317	-1,034
Investments in financial assets	-137,853	-78,722
Loans receivable	-12,696	63,329
Proceeds from the disposal of tangible assets	27	0
Proceeds from the disposal of financial assets	38,985	42,112
Payments received for income from investments, interest and securities	16,970	13,644
Total	-95,885	39,330
Net cash flow from financing activities		
Increase/decrease in borrowings	-1,300	-1,100
Increase/decrease in bonds	-563,800	0
Loans payable	473,291	-118,849
Repurchase of shares	-10,126	0
Distributions	0	-92,470
Payments made for interest and similar expenses	-25,067	-36,350
Total	-127,002	-248,769
Cash change in cash and cash equivalents	-244,065	-230,526
Change in cash and cash equivalents		
Balance at the beginning of the period	433,007	663,533
Balance at the end of the period	188,942	433,007
Total	-244,065	-230,526

Non-financial performance indicators/environmental issues

IMMOFINANZ is committed to the responsible use of natural resources, the use of climate-friendly technologies, a systematic energy savings strategy, the refurbishment of building substance which is worth preserving and the construction of efficient new buildings. This reduces operating costs and emissions and also contributes to environmental protection and tenant satisfaction.

Corporate goals include the steady reduction of energy consumption as well as an increase in the energy efficiency of the standing investment portfolio and the related energy savings. The environmental impact is estimated prior to the start of new activities or projects, and the results of these analyses are integrated in the decision process. Plans also include the gradual expansion of sustainability certification for development projects and standing investments. These certifications reduce environmental risks and help to improve the environmentally friendly use of space and an increase in efficiency.

D. Information on Equity

The share capital of IMMOFINANZ equalled EUR 138,669,711.00 as of 31 December 2022 (31 December 2021: EUR 123,293,795.00) and was divided into 138,669,711 zero par value shares with voting rights, each of which represented a proportional share of EUR 1.00 in share capital. The increase in share capital resulted from the conversion of the convertible bond 2017–2024, which was serviced with 15,375,916 new shares.

Treasury Shares**Treasury shares held**

IMMOFINANZ held 695,585 treasury shares with a proportional share of EUR 695,585.00 in share capital as of 31 December 2022 which represented approximately 0.5% of share capital. As of 31 December 2021, IMMOFINANZ held 1,028 treasury shares with a proportional share of EUR 1,028.00 in share capital which represented approximately 0.00%.

Share buyback programme 2022

IMMOFINANZ purchased 694,557 shares for a weighted average price of EUR 14.58 per share from 20 June 2022 to 29 July 2022 through the share buyback programme 2022. The total purchase price amounted to EUR 10,126,484.94.

The share buyback programme 2022 was based on § 65 (1) no. 8 of the Austrian Stock Exchange Act and executed in accordance with an authorisation of the annual general meeting on 1 October 2020 (which was renewed by an authorisation of the annual general meeting on 12 July 2022). The repurchased shares represent EUR 694,557.00, or roughly 0.5% of share capital.

Overview of treasury shares in 2022

Date	Number of shares	Circumstances / authorisation	Proportional share of share capital as of 31 12 2022 in %	Purchase/sale price in EUR
December 2021	1,028		0.0	n. a.
June to July 2022	694,557	Purchase through share buyback programme 2022 (§ 65 (1) no. 8 of the Austrian Stock Corporation Act)	0.5	14.58
December 2022	695,585		0.5	n. a.

Authorisations of the annual general meeting to purchase and sell treasury shares

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, to repurchase the company's shares in accordance with § 65 (1) no. 8 and (1a) and (1b) of the Austrian Stock Corporation Act at an amount equalling up to 10% of share capital during a period of 30 months. The shares may be purchased over the stock exchange or over the counter. The Executive Board was also authorised, with the consent of the Supervisory Board, to exclude the proportional subscription rights of shareholders.

The Executive Board was also authorised, with the consent of the Supervisory Board, to sell or use treasury shares in another manner than over the stock exchange or through a public offering in accordance with § 65 (1b) of the Austrian Stock Corporation Act during a period of five years, whereby the proportional subscription rights of shareholders can be excluded.

This authorisation for the purchase of treasury shares was used in part with the share buyback programme 2022 (see above). The authorisation to sell treasury shares has not been used to date and is therefore available in full.

Authorised capital

The annual general meeting on 12 July 2022 authorised the Executive Board, with the consent of the Supervisory Board, pursuant to § 169 of the Austrian Stock Corporation Act to increase the company's share capital by up to EUR 69,325,163.00 through the issue of up to 69,325,163 new shares in exchange for cash or contributions in kind. The authorisation is valid up to 18 October 2027. The Executive Board is also authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in full or in part. The shares issued based on this authorisation in exchange for cash contributions and under the exclusion of shareholders' subscription rights may not exceed EUR 13,865,032.00, which represents roughly 10% of the company's share capital at the time the resolution was passed by the annual general meeting.

This authorisation to increase share capital has not been used to date and is therefore available in full.

Change-of-control provisions

Convertible bond 2017–2024

In accordance with the issue terms of the convertible bond 2017–2024 issued in January 2017 (XS1551932046), the conversion price will be reduced in line with the remaining term of the bond when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, is acquired. In this case, the bondholders are entitled to tender their securities and to demand immediate repayment at the nominal value plus accrued interest as of the tender date.

The acquisition of an investment of approximately 21.4% by the CPI Property Group in the share capital of the company triggered a change-of-control event in December 2021. In this connection, conversion rights were exercised at a reduced conversion price for convertible bonds with a nominal value of EUR 282.8 million and 14,963,965 new shares in the company were issued from conditional capital in January 2022. There were no premature cancellations by bondholders.

In April 2022, the company announced the premature cancellation of the convertible bond 2017–2024 as of the elective call date on 27 June 2022. Conversion rights were exercised for convertible bonds with a total nominal value of EUR 291.3 million by the end of the conversion period and were serviced with 15,375,916 new shares. The certificates from the convertible bond 2017–2024 which were not registered for conversion – in total, EUR 3.2 million excluding the convertible bonds held by IMMOFINANZ – were redeemed at the nominal value plus accrued interest at the end of June 2022.

Corporate bonds 2019–2023 and 2020–2027

The terms and conditions of the corporate bond 2019–2023 (XS1935128956) issued in January 2019 and the corporate bond 2020–2027 (XS2243564478) issued in October 2020 entitle the bondholders to terminate their bonds and demand immediate repayment at 101% of the nominal value plus accrued interest as of the respective date when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, is acquired and results in a mandatory takeover offer. Details on these provisions are provided in the issue terms of the bonds.

The acquisition of a controlling investment by the CPI Property Group in the share capital of the company at the beginning of March 2022 triggered a change-of-control event for the IMMOFINANZ bonds 2019–2023 and 2020–2027. Bondholders exercised their cancellation rights for the corporate bond 2019–2023 at a nominal value of EUR 295.7 million and for the corporate bond 2020–2027 at a nominal value of EUR 262.2 million.

The corporate bond 2019–2023 was due for repayment on 27 January 2023, i.e. after the end of the reporting year. The repayments totalled EUR 187.1 million and represented the outstanding nominal amount of the corporate bond 2019–2023.

Property financing

The material property financing agreements concluded by IMMOFINANZ and its subsidiaries generally include standard market cancellation rights for the lenders in the event of a change of control.

The acquisition of a controlling and majority investment in the company by the CPI Property Group at the beginning of March 2022 triggered lenders' cancellation rights for a total credit volume of approximately EUR 1.4 billion. However, no real estate financing agreements were cancelled due to the change of control.

Corporate credit line

IMMOFINANZ concluded an unsecured, revolving corporate credit line of EUR 100.0 million. It includes a termination right in the event of a change of control. As of 31 December 2022, the corporate credit line had not been used.

The corporate credit line was not cancelled due to the change of control at the beginning of March 2022, respectively, the financing bank waived its cancellation right following the attainment of control by the CPI Property Group.

Executive Board and Supervisory Board

The employment contract with Executive Chairwoman Radka Doehring does not include a change-of-control clause.

The employment agreements with the former Executive Board members Dietmar Reindl and Stefan Schönauer included change-of-control clauses that could have led to the cancellation of their contracts. The company and the members of the Executive Board also concluded compensation agreements that would take effect when a controlling investment (also taking into account the reduced threshold defined by the articles of association) in the company, as defined in the Austrian Takeover Act, was acquired. Depending on the remaining term of the Executive Board member, the respective contract entitlement equalled two years at most.

The acquisition of a controlling investment in the company by the CPI Property Group at the beginning of March 2022 triggered termination rights for the Executive Board members based on the change-of-control clauses in their employment contracts. The Supervisory Board reached an agreement with Dietmar Reindl and Stefan Schönauer in connection with the change-of-control event, and their employment contracts were terminated by mutual agreement on 8 June 2022.

There are no such agreements for the members of the Supervisory Board or for employees.

The company has no other significant agreements which would enter into force, change or terminate in the event of a change of control that results from a takeover bid.

Amendments to the articles of association, board appointments and dismissals

In accordance with § 21 of the articles of association of IMMOFINANZ AG, the annual general meeting passes its resolutions based on a simple majority of the votes cast and, for resolutions that require a majority of capital, based on a simple majority of the share capital represented at the time of voting, unless legal regulations require a different majority. The same applies to amendments to the articles of association and to the premature dismissal of members from the Supervisory Board.

The person chairing the respective meeting casts the deciding vote in the event of a tie in voting on the Supervisory Board in accordance with the articles of association. This also applies to the election to and dismissal of members from the Executive Board.

The corporate governance report included in this annual report, which was expanded to the consolidated corporate governance report, is available on the company's website under <https://immofinanz.com>.

Significant holdings

Information reported to the company, directors' dealings notifications and other disclosures show the following investments and attributed voting rights which exceeded 4% of share capital as of 31 December 2022:

- Radovan Vitek (through CPI Property Group and WXZ1 a.s.): 76.87% (based on a notification dated 31 May 2022).

E. Research and Development

Technological and social change have an influence on the real estate sector. In order to be optimally positioned to also offer efficient and profitably manageable property solutions in the future, IMMOFINANZ monitors the changes in work processes and tenants' demands on space and building concepts. This approach is reflected in the research and development contract concluded between IMMOFINANZ and the Vienna University of Technology (TU Wien) on the subject of office solutions. TU Wien is working on this assignment together with the Mechanical Design Department of Stanford University. In the first quarter of 2022, IMMOFINANZ also started a cooperation programme with the Vienna University of Economics and Business.

F. Branch Offices

IMMOFINANZ AG has no branch offices.

G. Financial Instruments and Risk Reporting

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

Risks represent the possibility of deviating from planned targets as the result of "coincidental" disruptions caused by the unpredictable nature of the future. In this connection, negative variances are considered risks in the strict sense of the term and positive variances are seen as opportunities.

Principles of integrated risk management

The structure of risk management at IMMOFINANZ is based on the rules of the Austrian Corporate Governance Code and the integrated framework of the COSO ERM* an internationally recognised framework for the design of risk management systems.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that would endanger the company's standing as a going concern. The overall risk situation for IMMOFINANZ and for the entire market in 2022 was influenced by the challenging macroeconomic environment. The major risk categories are discussed in greater detail at the end of this risk report.

IMMOFINANZ has anchored the procedures for handling risk in a Group-wide risk management system, which is integrated in business practices and reporting paths and has a direct influence on processes and strategic decisions. Risk management takes place at all levels through internal guidelines, reporting systems and the internal control system (ICS) which is monitored by the internal audit department.

Monitoring and control of the risk management system

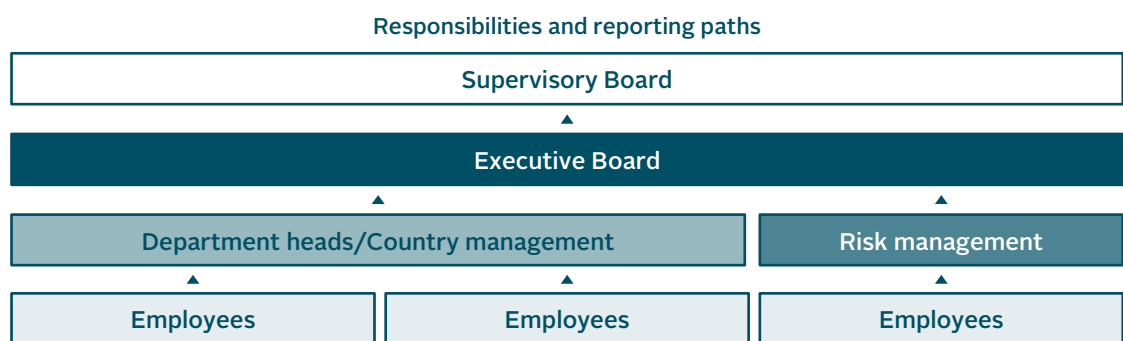
The risk management system is monitored and controlled through two corporate channels. On the one hand, internal audit evaluates the effectiveness of risk management and contributes to its improvement. On the other hand, the auditor reviews the functionality of risk management in accordance with C-Rule 83 of the Austrian Corporate Governance Code (in the version released in January 2023) and reports to the Executive Board on the results of this analysis.

Evaluation of the functionality of the risk management system

Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, evaluated the effectiveness of IMMOFINANZ's risk management system during the period from December 2022 to January 2023. This analysis covered the design and implementation of the measures and organisational procedures instituted by the company, but not their application in the sense of operating effectiveness. The conclusions by Deloitte indicated that the risk management system instituted by IMMOFINANZ as of 31 December 2022– based on the COSO comprehensive framework for corporate risk management – is functional.

Structure of risk management

The goal of risk management at IMMOFIANZ is to implement the strategy defined by the Executive Board with a minimum of risk. The Group's strategic goals are transferred to the operating processes where the measures for the identification, prevention and management of risks are located.



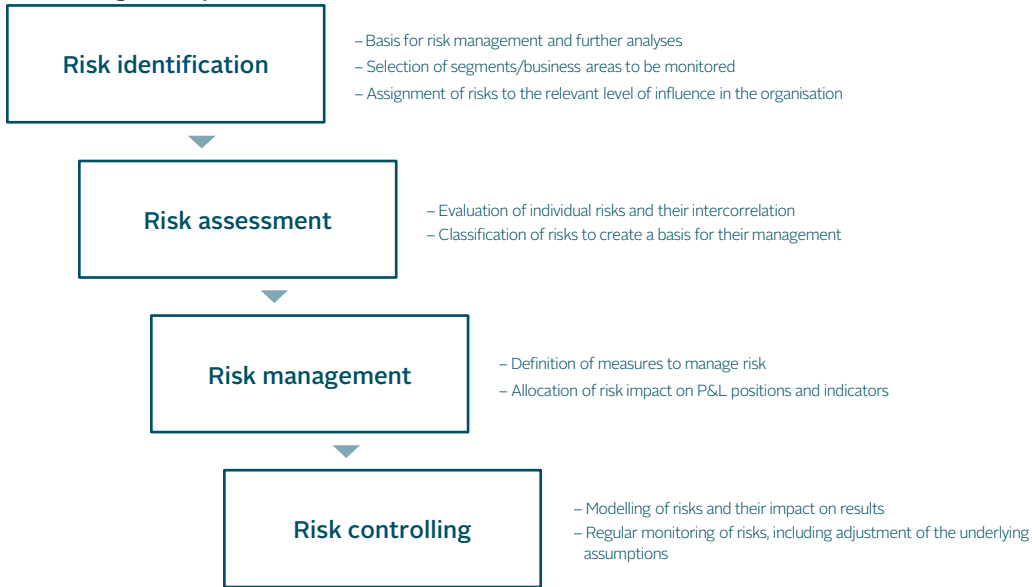
The Executive Board is responsible for risk management in the IMMOFINANZ Group and defines the corporate goals and related risk strategy.

Risk management is a staff function which reports directly to the Executive Board. It monitors the corporate risks that are not related to specific business areas, aggregates risk data and reports, and actively supports the business areas and country organisations in the identification of risks and economically feasible

countermeasures. Risk management reports regularly to the Executive Board and quarterly to the Supervisory Board.

At the country organisation level, the heads of the respective units are responsible for risk management. Risk positions are reported to the Executive Board at least once each quarter by the business area and country managers. Acute risks are reported immediately to the Executive Board.

Risk management process



Material risk categories

The risk categories relevant for IMMOFINANZ follow the company's value chain and are also focused on environmental, governance and social opportunities and risks. IMMOFINANZ has defined a broad range of measures to address and counter risks. These measures represent an integral part of all corporate processes and, consequently, form the basis for the reduction of risk.

Risk category	Description	Countermeasures
Business risks	These risks are related to the general framework conditions for business activities and exceed the scope of property-specific risks.	These risks are countered by strategic decisions at the corporate level.
	Financial risks are related to lenders or the terms and conditions for the provision of cash and cash equivalents (see section 7.2 in the notes to the consolidated financial statements).	The continuous monitoring of asset and liability positions as well as proactive analyses form the basis for strategic measures to safeguard the company's financial strength.
	Operational risk can arise through detrimental actions by corporate bodies and/or employees to the disadvantage of the company.	The company's activities are separated into individual processes and relevant process steps are controlled internally.
	Other risks represent individual risks with a Group-wide impact.	These risks are countered by strategic decisions at the corporate level.
Risks of improper business practices	IMMOFINANZ is committed to responsible and transparent actions and to compliance with legal rules and regulations. Risks in this area arise from deviations from these general principles.	Guidelines have been issued to cover the actions of corporate bodies and employees in individual areas to prevent these risks from occurring.
Social risks	The company is responsible for its employees as well as other service providers in the broader sense of the term. Risks arising from the company's role as an employer in the broader sense of the term are aggregated in this risk category.	IMMOFINANZ's commitment to compliance with all fundamental and human rights as well as regular surveys of employees' needs represent the cornerstones of risk minimisation in this area.
Environmental and climate risks	Climate risks arise from the meteorological conditions at a property's location. In addition, environmental risks arise from the construction and operation of buildings.	Measures are implemented on a timely basis to prevent any negative effects on a property. When new buildings are constructed, a special focus is also placed on minimising the negative impact on the environment.
	The attainment of the planned climate neutrality and the development of a circular economy are connected with risks arising from the technological and regulatory transition.	IMMOFINANZ takes the necessary steps to support the technological improvement and sustainable management of its buildings. It also supports the creation of a greater awareness for these issues by all stakeholders.
Project development risks	Planning risks are risks which occur during the planning phase of a property. This phase extends from the design to the approval of a project.	Project development risks are prevented by the exact inspection of new locations, the timely involvement of all stakeholders and measures to anticipate future negative developments.
	Realisation risks represent the risks arising in connection with the construction of a building, beginning with the receipt of the building permit.	Realisation risks are prevented through quality assurance measures in processes as well as measures to externalise risk.
	Marketing risks are related to the commercialisation of a project and are very important in regard to profitability.	Marketing risks are precluded by timely risk and opportunity analyses as well as long-term market monitoring.
Asset management risks	Earnings risks are risks connected with the generation of steady income from the standing investments.	IMMOFINANZ is taking steps to evolve from a conventional landlord to a service provider who reacts early on to market trends.
	Usage risks, as a group, represent the risks involved with the management of a property and, consequently, have a significant influence on the company's earning power.	Active portfolio management and the continuous technical monitoring of properties are designed to reduce usage risks.
	Owners, tenants and facility managers are exposed to management risks during the ongoing operation of a property.	IMMOFINANZ follows a clear externalisation strategy with regard to management risks.
Portfolio and valuation risks	Portfolio and valuation risks include the factors that would lead to a change in the value of a portfolio.	Active portfolio management and the expertise from long-term market monitoring help IMMOFINANZ to identify potential problems at an early stage.
Transaction risks	Transaction risks are connected with the acquisition and sale of properties and include additional irregularities on the transaction market.	Process measures and regular monitoring of the transaction markets are designed to minimise existing risks. Market problems are managed with risk prevention measures.

Features of the internal control system

IMMOFINANZ's internal control system (ICS) comprises a wide range of measures and processes to protect assets and to ensure the accuracy and reliability of accounting. The goal of the ICS is to prevent or identify errors and therefore allow for early correction. The ICS also supports compliance with major legal directives and the business policies defined by the Executive Board.

The ICS is integrated in all corporate processes. Its key features involve the appropriate segregation of duties, the application of the four-eyes principle in all relevant corporate processes, compliance with internal guidelines (e.g. IMMOFINANZ's IFRS accounting manual), the review of accounting data by Group controlling for correctness, plausibility and completeness, the integration of preventive and detective controls in processes as well as automatic key controls through specific software settings.

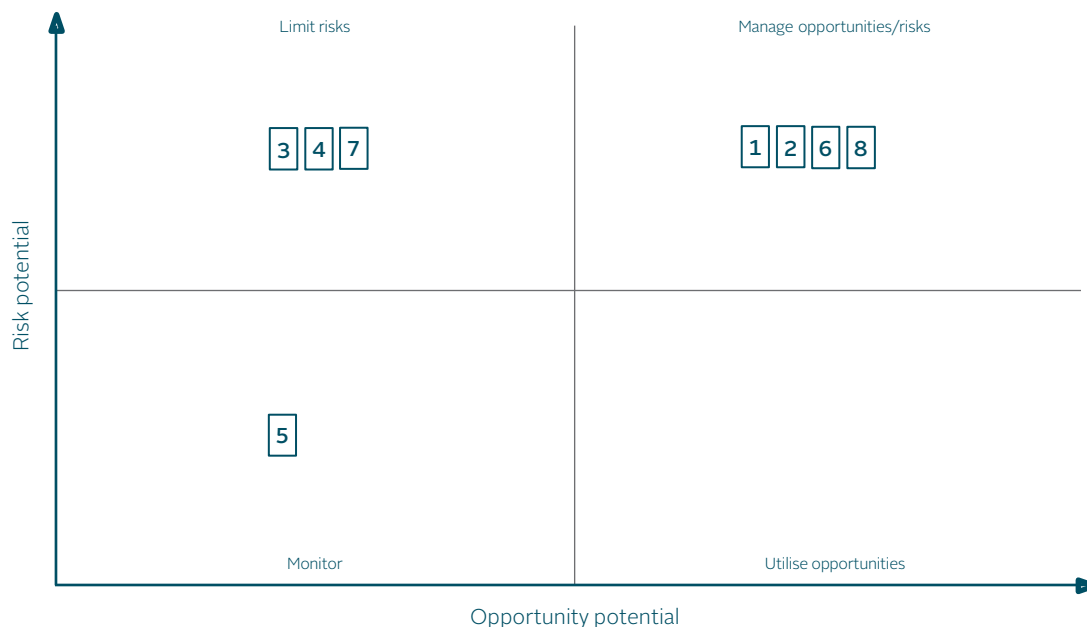
Monitoring by internal audit

Internal audit is responsible for the independent review of the effectiveness of the ICS and, in this way, contributes to its quality assurance. This department also evaluates the effectiveness of risk management and supports its continuous improvement. Based on an annual audit plan approved by the Supervisory Board, the internal audit department independently and regularly reviews operating processes and business transactions. The priorities for this schedule are defined in accordance with risk criteria and organisational goals.

The results of the audits are reported to the IMMOFINANZ Executive Board on a regular basis and to the Supervisory Board twice each year. As part of an annual report, the internal audit department explains its activities and summarises the major audit areas and results.

Opportunity and risk position in 2022

Overview of opportunities and risks as of 31 December 2022



Risks from climate change (1)

Real estate is particularly energy-intensive during construction and in operation. The sharp rise in energy prices triggered by the Russian invasion of Ukraine at the end of February 2022 has therefore had a significant negative effect on IMMOFINANZ's earnings. However, this development also shows the opportunities and efficiency improvements that can be achieved with more energy-efficient buildings. The energy efficiency of buildings – together with the generation of energy – also plays a central role in the EU Taxonomy Regulation. The installation of photovoltaic equipment on properties as well as the procurement and generation of green energy therefore represent integral parts of IMMOFINANZ's ESG strategy.

In the area of climate risks, climate modelling shows a stronger increase in the temperatures in IMMOFINANZ's core markets as well as a greater probability of longer dry periods. Both of these trends are integrated in building refurbishment projects and flow into development analyses. Properties near the coasts in Poland and Croatia – and here, only a limited number of retail parks are involved – are exposed to the risk of rising sea levels. Natural hazards represent a further aspect since the models forecast an increasing danger of forest fires due to the longer dry periods. This phenomenon is already visible in the Mediterranean region and will spread northward in the coming years. The related risks are addressed with construction measures that include a focus on the design and expansion of green areas and, in addition, IMMOFINANZ has arranged for insurance to cover all its properties against natural hazards.

IMMOFINANZ also sees opportunities in the area of biodiversity. Future plans include the replacement of water-intensive grassy areas with planting that supports biodiversity. These areas not only save water and energy but require less care and can help to reduce operating costs.

Risks arising from political, social and legal requirements (2)

On 22 June 2022, the European Parliament approved the expansion of the European Emissions Trading Scheme (EU ETS) to include the commercial real estate sector. The parliamentary vote still requires the approval of the EU member states but will have a significant impact on the real estate industry in the future. IMMOFINANZ is working to hold the mandatory purchase of CO₂ certificates for future CO₂ equivalent emissions at a low level by improving energy efficiency and making an optimal contribution to reducing greenhouse gas emissions. Decarbonisation will be implemented as quickly as possible and represents part of the Net Zero Emission Strategy presented in 2022. This strategy is intended to prevent cost increases from CO₂ pricing and the related negative effects as far as possible. IMMOFINANZ also sees this as an opportunity to realise additional value potential in the standing investment portfolio.

Macroeconomic conditions (3)

The inflationary spiral which began at the end of 2021 was further fuelled by the Russian invasion of Ukraine and the related surge in energy prices. The European Central Bank reacted with an end to its low-interest policy and a gradual increase in interest rates. This policy shift has resulted in substantially reduced growth expectations, whereby experts do not exclude a recession at the beginning of 2023, and has led to changes in the economic environment. The consequences for IMMOFINANZ include significantly higher energy costs as well as higher refinancing costs over the medium term. The office business has also seen an increase in vacancies on selected markets during recent quarters, and this trend is expected to continue. The impact of rising interest rates on the real estate branch includes a decline in new construction and market prices. Real estate is no longer the only alternative for investors' asset allocation in the current interest rate climate, and that is expected to lead to a decline in transaction volumes.

Legal proceedings (4)

IMMOFINANZ has settled numerous, very old legal disputes in recent years. The court proceedings over restitution demands for the VIVO! shopping centers in Cluj and Constanța, Romania, are still in progress. There were no decisive changes in these proceedings during the past year.

Investments (5)

IMMOFINANZ AG acquired 19,499,437 bearer shares in S IMMO AG through share purchase contracts in April 2018 and increased this investment by 17,305,012 shares to 50% plus one share in December 2022. The accounting method applied to S IMMO was therefore changed from equity accounting to full consolidation as of 31 December 2022. As an international real estate investor, property owner and project developer, S IMMO is exposed to the same general branch-specific risks in its business operations as IMMOFINANZ. The risks from

S IMMO's operating activities will be assigned to the respective risk categories in the future, and investment risk will only represent investment risk in the narrower sense of the term. There were no investment risks in the narrower sense of the term as of 31 December 2022.

Valuation risks (6)

Supply chain problems and the sharp rise in energy prices were responsible for the highest inflation rates in 50 years during 2022. Central banks across the world reacted by raising interest rates which, in turn, has increased the attractiveness of alternative investments as well as investors' expectations of higher returns from real estate investments. Greater downward pressure on property values can therefore be expected in the coming quarters.

The importance of ESG aspects in property valuation is also increasing. Sustainable investments and construction measures that mitigate the effects of climate change now represent an integral part of real estate valuation. IMMOFINANZ will adapt its properties to climate change with measures that include thermal upgrading, the digitalisation of building technology and numerous other steps. This will prevent rental risks such as a decline in demand or rentals and counter the loss of value in the standing investment portfolio. As part of its sustainable portfolio strategy, IMMOFINANZ wants to create an upward valuation potential for properties with high ESG standards – which will also improve the rental performance of these properties in the coming years.

IT risks (7)

IMMOFINANZ has set a goal to digitalise its corporate processes up to the customer. The change in the majority ownership of IMMOFINANZ led to the strategic reorientation of digitalisation during the past year, and Group-wide uniform solutions are currently in preparation. The risks connected with these projects are being addressed with professional project management as far as possible.

The issues of data protection and cybersecurity remained a focal point of risk analysis in 2022. IMMOFINANZ not only addresses these issues through extensive precautions, but also places high priority on employee training. In addition, corporate processes are being optimised to guarantee the highest possible level of security. Based on the procedures already established, the risk to critical corporate processes can be considered low.

Portfolio risks (8)

The occupancy rate in IMMOFINANZ's standing investment portfolio declined slightly but remained high at 94.3% as of 31 December 2022 (31 December 2021: 95.1%). The retail properties were practically fully rented at 98.8% (31 December 2021: 98.7%). In the office properties, the occupancy rate fell marginally to 88.1% (31 December 2021: 90.6%).

IMMOFINANZ's active development projects (properties under construction) have a combined carrying amount of EUR 126.6 million (31 December 2021: EUR 460.8 million). The outstanding construction costs for these projects totalled EUR 47.6 million at the end of 2022 (31 December 2021: EUR 216.2 million). Pipeline projects, including real estate inventories, had a carrying amount of EUR 229.2 million as of 31 December 2022 (31 December 2021: EUR 180.3 million).

H. Outlook

Expected market environment

Economic growth in the IMMOFINANZ core countries was, in the end, more robust than originally expected. The war in Ukraine and its consequences for the economy, ongoing concerns over possible disruptions in energy supplies, and strong pressure on prices – together with the effects of rising financing costs – are also expected to have a negative influence on the eurozone in the first half of 2023. A recession, however, should be avoided; experts have recently projected minimal growth of roughly 0.5% for the eurozone in 2023.

The European Central Bank (ECB) continued to fight inflation by raising the key interest rate for the eurozone by 0.5% to 3.5% in mid-March. That represents the sixth increase since the interest rate turnaround in summer 2022 and – according to numerous experts – the peak has still not been reached. Recent forecasts point to further upward adjustments of the key interest rate towards 3.75%, but an increase to over 4% is also considered possible. Once the ECB reaches the high point in the current cycle, it could conceivably hold interest rates at that level for several quarters.

These geopolitical and macroeconomic developments are a source of growing uncertainty. It is therefore impossible to conclusively evaluate the resulting effects, which include, among others, the development of financing costs and the market prices for real estate. Overall, IMMOFINANZ – with its flexible and resilient real estate products – believes it is optimally positioned for the future, also in an environment that is characterised by greater uncertainty.

Property portfolio and sustainability

The portfolio volume of the IMMOFINANZ Group increased significantly by more than 60% to approximately EUR 8.4 billion in 2022. The main drivers for this growth were acquisitions and the completion of properties, especially in the retail sector, as well as the increase in the investment in S IMMO to 50% plus one share at year-end and the resulting full consolidation of this subsidiary. The standing investment portfolio totalled approximately EUR 7.7 billion as of 31 December 2022 and included roughly EUR 2.5 billion (32%) of office properties, EUR 2.3 billion (29%) of retail properties and EUR 3.0 billion (38%) for S IMMO.

Our portfolio strategy continues to focus on resilient and cost-efficient retail properties and innovative office solutions. They include the established myhive, STOP SHOP and VIVO! brands as well as complementary products and portfolios, such as the ones held by S IMMO. We plan to expand the offering in our core countries over the medium term, but in today's environment of rising interest rates and high inflation, we want to concentrate on higher-return properties. As part of our active portfolio management at IMMOFINANZ, we expect to sell properties with a combined value of roughly EUR 1 billion and will use the proceeds to repay debt or reinvest the funds in real estate.

Real estate sales will concentrate on low-return and single tenant buildings as well as properties that could bring attractive sale prices and non-strategic assets. Properties with a volume of approximately EUR 166 million were successfully sold during 2022, and further transactions are in preparation. In spite of the volatile market environment, we are optimistic that we will close further deals in the coming months. The broad spectrum of our offering – the individual properties designated for sale range from EUR 10 million up to roughly EUR 200 million in various countries – represents an advantage. The German market remains one of the most popular real estate investment markets in the world. Signs point to a recovery beginning in mid-2023 at the earliest, after property returns have settled at a new level following an adjustment to higher financing costs and rising returns for alternative investments.

We also plan to sell several office properties on Vienna's Wienerberg to S IMMO, a company controlled by IMMOFINANZ, during 2023. The transaction will cover six standing investments with approximately 128,000 sqm of rentable space and one development project with roughly 20,000 sqm of space which will be completed in summer 2023. Preliminary estimates indicate that the transaction volume will total EUR 411.0 million. This transaction will strengthen the portfolio focus within the corporate group, and the proceeds will be used to repay liabilities.

As part of our ESG strategy, we are working to further improve the sustainable quality of the buildings in our portfolio and to increase resource efficiency. We are committed to reaching our net zero goal by 2040 and want to reduce IMMOFINANZ's emissions by roughly 60% by 2030. The reduction of our greenhouse gas footprint is, and will remain, our primary goal. Our activities in 2023 include, among others, the further expansion of photovoltaic equipment on our properties and the roll-out of green lease contracts in the portfolio.

Financing and the capital market

The IMMOFINANZ Group has a very solid capital and financing structure with an equity ratio of 47.9%, a net loan-to-value ratio of 40.7%, and cash and cash equivalents of EUR 684.7 million at the end of December 2022. An unsecured, revolving corporate credit line of EUR 100.0 million is also available. Roughly 87% of our financial liabilities are hedged against rising interest rates, and our goal is to continue this conservative financial policy: Gearing, based on the net LTV, will remain conservative over the medium term.

Our focus in the current market environment lies primarily on long-term bank financing. For new financing as well as refinancing at the property level, we benefit from long-term, cooperative relationships with banks in our core countries. IMMOFINANZ successfully refinanced approximately EUR 765 million of bank liabilities in 2022, and we meet regularly with our financing banks to discuss the premature extension of expiring financing at the current market conditions.

As central banks' interest rate hikes have not yet peaked and, consequently, further effects on real estate market prices are likely this year, IMMOFINANZ is following a liquidity-based strategy.

Close cooperation with CPIPG and S IMMO

IMMOFINANZ now has a prominent, stable and long-term core shareholder in the CPI Property Group (CPIPG) and has become part of a very large and successful quality real estate provider with many years of expertise in Central and Eastern Europe. The first integrative steps to realise synergies through close cooperation were taken during the past year. Together with S IMMO and with the support of CPIPG, further opportunities for synergy and efficiency improvements will be identified to increase transparency and profitability for all stakeholders.

This outlook reflects the Executive Board's assessments as of 24 March 2023 and includes statements and forecasts concerning the future development of the IMMOFINANZ Group. The forecasts represent estimates that are based on the information available at the present time. If the underlying assumptions do not occur or risks – as indicated in the risk report – materialise, actual results could differ from the statements made here. This annual report does not represent a recommendation to buy or sell IMMOFINANZ AG securities.

Significant events occurring after the end of the reporting year are discussed on page 265 and 266.

Vienna, 24 March 2023

The Executive Board of IMMOFINANZ AG

A handwritten signature in black ink, appearing to read 'Radka Doehring', is centered on the page. The signature is fluid and cursive, with a small mark above the final letter.

Radka Doehring

Executive Chairwoman

Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IMMOFINANZ AG, Vienna (the Company), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income for the financial year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the shares in, loans granted to, and receivables due from subsidiaries

Audit matters and related information

(See the information in the notes under section 2 on financial assets and receivables, under section 3 on non-current assets and receivables, and under section 4 on other operating income, other operating expenses, other interest and similar income, income from the disposal and write-up of financial assets and securities recorded under current assets as well as expenses from financial assets.)

The carrying amount of the shares in subsidiaries totals EUR 3,772 million; it was reduced by impairment losses of EUR 118 million in 2022. The carrying amount of the loans granted to subsidiaries amounts to EUR 125 million. The receivables due from subsidiaries total EUR 497 million; impairment losses of EUR 12 million were recorded in 2022, while impairment losses recorded in previous financial years of EUR 5 million were reversed.

The valuation of the shares in, loans granted to and receivables due from subsidiaries is a very complex procedure because of the Group's corporate and financing structure. In addition to the basis data generated by the accounting system, a standardised valuation model is used to determine the earnings-based fair values of the properties, the effects of future tax payments and any other factors relevant for valuation. These effects and factors are dependent to a significant degree on management's estimates of future market developments and are therefore connected with increased valuation uncertainty.

Therefore, we have defined the valuation of the shares in, loans granted to and receivables due from subsidiaries as a key audit matter.

Audit procedures

Our audit procedures to evaluate the appropriateness of the valuation for the shares in, loans granted to and receivables due from subsidiaries included, above all, the following activities:

- An analysis of the appropriateness of the calculation logic underlying the valuation model used by the client.
- An evaluation of the completeness and correctness of the transfer of the basis data, the fair values of the properties and the future tax payments generated by the accounting system into the calculations used for impairment testing.
- A critical assessment of the key assumptions and estimates used to calculate the fair values of the properties and the amounts of future tax payments.
- An analysis of the material impairment losses and revaluations with regard to the causes of the year-to-year changes in the valuation of shares in, loans granted to and receivables due from subsidiaries.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements nor the consolidated financial statements, the management report nor the consolidated management report and our auditor's reports thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. With respect to the information in the management report we refer to the section "Report on the Audit of the Management Report".

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to § 243a UGB and is consistent with the financial statements.

Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

Other Matters which We Are Required to Address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on 12 July 2022 and commissioned by the supervisory board on 22 August 2022 to audit the financial statements for the financial year ending 31 December 2022. We have been auditing the Company uninterrupted since the financial year ending 30 April 2011.

We confirm that our opinion expressed in the section "Report on the Audit of the Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Company in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Mag. Nikolaus Schaffer.

Vienna, 24 March 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

Qualifiziert elektronisch signiert:	
Datum:	
Die Überprüfung der qualifizierten elektronischen Signatur ist unter www.signaturpruefung.gv.at möglich	

Mag. Nikolaus Schaffer

Certified Public Accountant

This Auditor's Report is a translation of the German original, which is solely valid. The translation is presented for the convenience of the reader only

Imprint

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Concept and realisation: Male Huber Friends GmbH and Rosebud, produced inhouse using firesys (pages 3–286)

Disclaimer

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

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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