

# Q1-3

**CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
ON THE FIRST THREE QUARTERS 2019**

**IMMOFINANZ**

# KEYFIGURES

## Earnings Data

		Q1–3 2019	Q1–3 2018	Change in %
Rental income	in MEUR	203.4	175.7	15.8%
Results of asset management	in MEUR	153.8	134.5	14.3%
Results of property sales	in MEUR	3.7	28.1	-86.9%
Results of property development	in MEUR	9.1	23.7	-61.6%
Results of operations	in MEUR	139.7	149.7	-6.6%
Revaluations	in MEUR	116.8	31.2	≥ +100.0%
EBIT	in MEUR	237.1	150.1	58.0%
Financial results	in MEUR	-24.5	32.3	n. a.
EBT	in MEUR	212.6	182.4	16.6%
Net profit for the period	in MEUR	202.6	135.0	50.1%
FFO 1 before tax (sustainable FFO from asset management excl. S IMMO/CA Immo) <sup>1</sup>	in MEUR	92.8	63.0	47.4%
FFO 1 per share before tax <sup>1</sup>	in EUR	0.86	0.57	50.9%

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

## Asset Data

		30 Sept. 2019	31 Dec. 2018	Change in %
Balance sheet total	in MEUR	6,196.0	5,837.7	6.1%
Equity as % of the balance sheet total	in %	44.9%	48.0%	n. a.
Net financial liabilities	in MEUR	2,475.9	1,793.5	38.0%
Cash and cash equivalents	in MEUR	256.9	631.8	-59.3%
Loan-to-value ratio (net)	in %	44.2%	37.3%	n. a.
Gearing	in %	91.3%	64.1%	n. a.
Total average interest rate incl. costs for derivatives	in %	2.0%	2.1%	n. a.
Average term of financial liabilities	in years	4.0 <sup>1</sup>	3.3	13.6%

<sup>1</sup> Includes the convertible bond up to the maturity date on 24 January 2024

## Property Data

		30 Sept. 2019	31 Dec. 2018	Change in %
Total number of properties		216	226	-4.4%
Rentable space	in sqm	2,035,019	1,891,627	7.6%
Occupancy rate	in %	95.1%	95.8%	n. a.
Gross return <sup>1</sup>	in %	6.3%	6.3% <sup>2</sup>	n. a.
Invoiced rents return <sup>1</sup>	in %	6.6%	6.7%	n. a.
Portfolio value <sup>1</sup>	in MEUR	5,052.7	4,338.0 <sup>2</sup>	16.5%
Unencumbered investment property	in MEUR	1,498.3	749.0	≥ +100.0%

<sup>1</sup> Based on expert appraisals (excl. IFRS 16)

<sup>2</sup> Excl. reclassification effects, among others from IFRS 16

# EPRA Indicators<sup>1</sup>

		30 Sept. 2019	31 Dec. 2018	Change in %
EPRA net asset value	in MEUR	3,395.9	3,086.0	10.0%
EPRA net asset value per share	in EUR	29.59	28.80	2.7%
EPRA triple net asset value	in MEUR	3,325.1	3,047.7	9.1%
EPRA triple net asset value per share	in EUR	28.97	28.44	1.8%
EPRA occupancy rate <sup>2</sup>	in %	94.7%	95.9%	n. a.
EPRA vacancy rate <sup>3</sup>	in %	5.3%	4.1%	n. a.
		Q1–3 2019	Q1–3 2018	Change in %
EPRA earnings	in MEUR	110.5	79.2	39.5%
EPRA earnings per share	in EUR	1.03	0.71	45.1%
EPRA earnings after company-specific adjustments	in MEUR	113.6	54.4	≥ +100.0%
EPRA earnings per share after company-specific adjustments	in EUR	1.06	0.49	≥ +100.0%
EPRA net initial yield	in %	5.3%	5.6%	n. a.

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

<sup>2</sup> EPRA occupancy rate based on the calculation at 100% minus EPRA vacancy rate

<sup>3</sup> 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.

# Stock Exchange Data

		30 Sept. 2019	31 Dec. 2018	Change in %
Book value per share	in EUR	27.79	26.29	5.7%
Share price at end of period	in EUR	25.55	20.90	22.2%
Discount of share price to EPRA NAV per share	in %	13.6%	27.4%	n. a.
Total number of shares		112,085,269	112,085,269	0.0%
thereof number of treasury shares		11,208,526	4,942,001	≥ +100.0%
Market capitalisation at end of period	in MEUR	2,863.8	2,342.6	22.2%
		Q1–3 2019	Q1–3 2018	Change in %
Earnings per share (basic)	in EUR	1.90	1.23	54.3%
Earnings per share (diluted)	in EUR	1.69	1.14	48.6%

The plus and minus signs assigned to the changes reflect the business point of view: improvements are shown with a plus sign (+), deteriorations with a minus sign (–). Very high positive or negative per cent changes are reported as ≥ +100% or ≤ –100%. The designation “not applicable” (n. a.) is used when there is a change in the sign (i.e. from plus to minus or from minus to plus) and for changes in percentage rates.

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

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## Business Development

The strong earnings development recorded by IMMOFINANZ in the previous year continued during the first three quarters of 2019. Rental income rose by 15.8% (including the reclassifications under the results of asset management from the initial application of IFRS 16) to EUR 203.4 million. After an adjustment for these IFRS 16 reclassifications, the increase in rental income equalled 9.0%. The decline in rental income which resulted from the sale of non-strategic properties was more than offset by acquisitions and completions. The results of asset management increased 14.3% to EUR 153.8 million, the operating profit (EBIT) rose by 58.0% to EUR 237.1 million and sustainable FFO 1 (before tax) from the standing investment business improved by 47.4% to EUR 92.8 million. Net profit was 50.1% higher at EUR 202.6 million.

## INCOME STATEMENT

A condensed version of the consolidated income statement is presented below:

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Rental income	203,404	175,667
<b>Results of asset management</b>	<b>153,825</b>	<b>134,534</b>
<b>Results of property sales</b>	<b>3,673</b>	<b>28,118</b>
<b>Results of property development</b>	<b>9,122</b>	<b>23,748</b>
Other operating income	5,369	4,306
Other operating expenses	-32,246	-41,018
<b>Results of operations</b>	<b>139,743</b>	<b>149,688</b>
<b>Revaluation result from standing investments and goodwill</b>	<b>97,383</b>	<b>425</b>
<b>Operating profit (EBIT)</b>	<b>237,126</b>	<b>150,113</b>
<b>Financial results</b>	<b>-24,491</b>	<b>32,328</b>
<b>Earnings before tax (EBT)</b>	<b>212,635</b>	<b>182,441</b>
<b>Net profit for the period from continuing operations</b>	<b>199,161</b>	<b>135,775</b>
Net profit or loss from discontinued operations	3,454	-771
<b>Net profit or loss</b>	<b>202,615</b>	<b>135,004</b>

## RESULTS OF ASSET MANAGEMENT

The results of asset management include rental income, other revenues, operating income and operating costs as well as the expenses directly attributable to investment property. Rental income rose by 15.8%, or EUR 27.7 million, to EUR 203.4 million. After an adjustment for reclassifications of EUR 12.0 million within the results of asset management from the initial application of IFRS 16, the rental income increased by EUR 15.7 million, or 9.0%, to EUR 191.4 million. The asset management margin (excl. IFRS 16 reclassifications and personnel expenses from asset management activities) equalled 80.7%.

Property expenses were 7.3% lower year-on-year at EUR -38.3 million (Q1–3 2018: EUR -41.3 million). The vacancy costs included in operating expenses fell by 6.4% to EUR -6.2 million. In total, the results of asset management improved by 14.3% to EUR 153.8 million in the first three quarters of 2019 (Q1–3 2018: EUR 134.5 million).

## RESULTS OF PROPERTY SALES AND PROPERTY DEVELOPMENT

The results of property sales amounted to EUR 3.7 million, in comparison with the first three quarters of the previous year which included a substantial positive effect from the recycling of accumulated historical foreign exchange differences to the income statement (Q1–3 2018: EUR 28.1 million). The results of property development totalled EUR 9.1 million (Q1–3 2018: EUR 23.7 million).

## RESULTS OF OPERATIONS

Other operating expenses fell by 21.4% year-on-year to EUR -32.2 million (Q1–3 2018: EUR -41.0 million). After an adjustment for the payment of a one-time special bonus of EUR -4.0 million to the Executive Board in the first half of 2018 for the successful restructuring of the Group, the cost savings equalled EUR 4.8 million or 11.6%. The results of operations totalled EUR 139.7 million for the first three quarters of 2019 (Q1–3 2018: EUR 149.7 million).

## REVALUATION

Results from the revaluation of investment property and goodwill increased significantly to EUR 97.4 million (Q1–3 2018: EUR 0.4 million), above all due to the positive market development in Germany and Austria.

## FINANCIAL RESULTS AND TAXES

Financing costs totalled EUR -51.5 million for the first three quarters of 2019 and remained at the prior year level (Q1–3 2018: EUR -51.3 million) in spite of property acquisitions (in particular, the *Warsaw Spire* in Q3 2019) and a related increase in the volume of financing. Average financing costs, including hedging, fell to 1.95% per year (30 September 2018: 2.17%). Other financial results equalled EUR -21.1 million and were lower than the previous year (Q1–3 2018: EUR 4.3 million), primarily due to the valuation of interest rate derivatives in the current low-interest environment.

The share of profit/loss from equity-accounted investments amounted to EUR 47.1 million (Q1–3 2018: EUR 72.6 million), with the proportional share of earnings from the S IMMO investment representing the main component. Financial results for the first three quarters of 2019 totalled EUR -24.5 million (Q1–3 2018: EUR 32.3 million).

## NET PROFIT

Net profit from continuing operations improved substantially to EUR 199.2 million (Q1–3 2018: EUR 135.8 million). The results of discontinued operations were positively influenced, above all, by tax reimbursements from Russia in the first quarter and equalled EUR 3.5 million (Q1–3 2018: EUR -0.8 million). As reported in connection with the sale of the Russian portfolio to the FORT Group at the end of 2017, IMMOFINANZ can participate in a positive outcome of ongoing proceedings for the reimbursement of withholding and property taxes.

Net profit rose by 50.1% to EUR 202.6 million (Q1–3 2018: EUR 135.0 million). Basic earnings per share equalled EUR 1.90 (Q1–3 2018: EUR 1.23) and diluted earnings per share EUR 1.69 (Q1–3 2018: EUR 1.14).

## FUNDS FROM OPERATIONS (FFO)

The development of sustainable funds from operations, an important profitability indicator for the real estate branch, underscores IMMOFINANZ's stronger earning power. FFO 1 (before tax) from the standing investment business rose by 47.4% to EUR 92.8 million during the reporting period (Q1–3 2018: EUR 63.0 million). FFO 1 per share (before tax) increased by 50.9% to EUR 0.86 (Q1–3 2018: EUR 0.57), whereby this indicator excludes dividends as well as the economic interest in S IMMO (respectively CA IMMO in the previous year). Including the respective dividend payments, FFO 1 (before tax) equalled EUR 106.4 million or EUR 0.99 per share (Q1–3 2018: EUR 83.5 million or EUR 0.75 per share).

After the inclusion of future interest payments for the corporate bond 2023 which was issued in January 2019 (coupon: 2.625%, first coupon payment in January 2020), FFO 1 adjusted over the quarters for this effect (before tax, excluding the S IMMO dividend) equals EUR 84.0 million or EUR 0.78 per share.

## FUNDS FROM OPERATIONS (FFO)

All amounts in TEUR	P&L Q1-3 2019	Adjustments	FFO Q1-3 2019	FFO Q1-3 2018
<b>Results of asset management</b>	<b>153,825</b>	<b>-60</b>	<b>153,765</b>	<b>134,897</b>
<b>Results of property sales</b>	<b>3,673</b>	<b>-3,673</b>		
<b>Results of property development</b>	<b>9,122</b>	<b>-9,122</b>		
Other operating income	5,369	-3,001	2,368	3,433
Other operating expenses	-32,246	3,243	-29,003	-30,714
<b>Results of operations</b>	<b>139,743</b>	<b>-12,613</b>	<b>127,130</b>	<b>107,616</b>
Other revaluation results	97,383	-97,383		
<b>Operating profit (EBIT)</b>	<b>237,126</b>	<b>-109,996</b>	<b>127,130</b>	<b>107,616</b>
Financing costs	-51,518			
Financing income	1,776			
Foreign exchange differences	-753			
Other financial results	-21,118			
Net profit or loss from equity-accounted investments	47,122			
<b>Financial results</b>	<b>-24,491</b>	<b>-9,860</b>	<b>-34,351</b>	<b>-44,660</b>
<b>Earnings before tax (EBT) / FFO 1 before tax (excl. S IMMO/CA Immo)</b>	<b>212,635</b>	<b>-119,856</b>	<b>92,779</b>	<b>62,955</b>
<b>FFO 1 per share before tax</b>			<b>0.86</b>	<b>0.57</b>
Dividends from S IMMO/CA Immo			13,650	20,552
<b>EBT/FFO 1 before tax incl. S IMMO/CA Immo</b>			<b>106,429</b>	<b>83,507</b>
<b>FFO 1 per share before tax incl. S IMMO/CA Immo</b>			<b>0.99</b>	<b>0.75</b>
<b>Including accrued interest on the bond 2023</b>				
<b>FFO 1 before tax (excl. S IMMO/CA Immo)</b>			<b>92,779</b>	
Accrued interest corporate bond 2023		-8,810	-8,810	
<b>FFO 1 before tax (excl. S IMMO/CA Immo) adjusted</b>			<b>83,969</b>	
<b>FFO 1 per share adjusted for accrued interest</b>			<b>0.78</b>	
Number of shares (as per EPS formula) for the calculation:			107,387,703	110,971,562

## BALANCE SHEET

The condensed balance sheet is shown below:

All amounts in TEUR	30 Sept. 2019	in %	31 Dec. 2018	in %
Investment property	4,903,108		3,893,568	
Property under construction	213,435	83.8%	397,540	75.3%
Real estate inventories	868		46,932	
Assets held for sale	72,125		57,162	
Other assets	111,179	1.8%	107,413	1.8%
Equity-accounted investments	442,661	7.1%	397,671	6.8%
Trade and other receivables	195,708	3.2%	305,628	5.2%
Cash and cash equivalents	256,891	4.1%	631,754	10.8%
<b>Assets</b>	<b>6,195,975</b>	<b>100.0%</b>	<b>5,837,668</b>	<b>100.0%</b>
Equity	2,784,898	44.9%	2,800,341	48.0%
Liabilities from convertible bonds	283,126	4.6%	284,638	4.9%
Financial liabilities	2,515,309	40.6%	2,140,884	36.7%
Trade and other payables	195,564	3.2%	199,025	3.4%
Other liabilities	69,030	1.1%	74,050	1.3%
Deferred tax liabilities	348,048	5.6%	338,730	5.8%
<b>Equity and liabilities</b>	<b>6,195,975</b>	<b>100.0%</b>	<b>5,837,668</b>	<b>100.0%</b>

The value of the property portfolio amounted to EUR 5.2 billion and represented 83.8% of total assets as of 30 September 2019. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and non-current assets held for sale. Non-current assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale.

Investment property, as reported on the balance sheet, rose by EUR 1.0 billion to EUR 4.9 billion during the first three quarters of 2019. This increase resulted, above all, from the third quarter acquisition of two office properties in Warsaw and Prague plus a retail park portfolio as well as the reclassification of completed development projects. The initial application of IFRS 16 was responsible for an increase of EUR 64.7 million in investment property.

The equity-accounted investments totalled EUR 442.7 million, whereby EUR 440.7 million are attributable to S IMMO. Based on the roughly 19.5 million shares held by IMMOFINANZ, the book value of the S IMMO share equals EUR 22.60.

Financial liabilities rose by EUR 374.4 million, 17.5%, to EUR 2.5 billion during the first three quarters of 2019. Lease liabilities represent EUR 80.0 million of this total and resulted from the initial application of IFRS 16. The remaining increase was related primarily to financing for properties acquired in the third quarter (above all, the *Warsaw Spire*). The increase in financial liabilities was also based on the unsecured corporate bond with a volume of EUR 500.0 million which was issued by IMMOFINANZ in the first quarter of 2019; the net proceeds were used to refinance existing secured financial liabilities and for general corporate purposes.

## EPRA INDICATORS

### NET ASSET VALUE (NAV) AND TRIPLE NET ASSET VALUE (NNNAV)

Diluted EPRA NAV per share rose to EUR 29.59 as of 30 September 2019 (31 December 2018: basic EUR 28.80). Diluted EPRA NNNAV per share equalled EUR 28.97 (31 December 2018: basic EUR 28.44).

The calculation of EPRA NAV and EPRA NNNAV as of 30 September 2019 – in contrast to 31 December 2018 and 31 March 2019 – includes the diluting effects which would result from the conversion of the IMMOFINANZ convertible bond 2024 because this bond was “in the money” at the end of the reporting period. The dilution equalled EUR 1.27 per share. Including the dividend payment of EUR 0.85 in the second quarter of 2019, (diluted) EPRA NAV per share equalled EUR 30.44 and basic earnings per share EUR 31.71.

The book value per share rose by 5.7% to EUR 27.79 (31 December 2018: EUR 26.29). After an adjustment for the dividend, this represents an increase of 8.9%.

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

	30 September 2019		31 December 2018	
	in TEUR	in EUR per share	in TEUR	in EUR per share
<b>Equity excl. non-controlling interests</b>	<b>2,803,276</b>		<b>2,816,934</b>	
Diluting effects of convertible bond 2024	283,126		0	
<b>Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options</b>	<b>3,086,402</b>		<b>2,816,934</b>	
Undisclosed reserves in real estate inventories	0.1		202.0	
Fair value of derivative financial instruments	28,560		12,515	
Deferred taxes on investment property	310,685		283,502	
Deferred taxes on real estate inventories and derivative financial instruments	-5,578		-2,641	
Goodwill resulting from deferred taxes	-24,184		-24,507	
<b>Number of shares excl. treasury shares (in 1,000)</b>		<b>100,877</b>		<b>107,143</b>
<b>Potential shares (in 1,000)</b>		<b>13,903</b>		<b>0</b>
<b>EPRA NAV (diluted)</b>	<b>3,395,886</b>	<b>29.59</b>	<b>3,086,005</b>	<b>28.80</b>
Fair value of derivative financial instruments	-28,560		-12,515	
Effect of fair value measurement of financial liabilities	-47,872		-15,499	
Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities	17,546		6,485	
Deferred taxes on investment property	-11,931		-16,793	
<b>EPRA NNNAV (diluted)</b>	<b>3,325,069</b>	<b>28.97</b>	<b>3,047,683</b>	<b>28.44</b>

## DEVELOPMENT OF EPRA NAV PER SHARE



1 Number of shares as of 31 December 2018 in thousand: 107,143 (basic)

2 Number of shares as of 30 September 2019 in thousand: 114,780 (diluted)



## EPRA EARNINGS PER SHARE

EPRA earnings per share rose to EUR 1.03, respectively EUR 1.06 per share after company-specific adjustments.

All amounts in TEUR	Q1–3 2019	Q1–3 2018
<b>Weighted average number of shares (in 1,000)</b>	<b>107,388</b>	<b>110,972</b>
<b>Net profit or loss from continuing operations excl. non-controlling interests</b>	<b>200,934</b>	<b>137,667</b>
Revaluation of investment properties and development properties	-112,643	-33,033
Results of property sales	-3,672	-28,118
Goodwill impairment, negative differences and earn-out effects on income	323	100
Changes in fair value of financial instruments	21,154	-2,597
Acquisition costs on share deals	0	16
Taxes in respect of EPRA adjustments	4,760	10,639
EPRA adjustment in respect of joint ventures and non-controlling interests	-362	-5,482
<b>EPRA earnings</b>	<b>110,495</b>	<b>79,194</b>
<b>EPRA earnings per share</b>	<b>1.03</b>	<b>0.71</b>
<b>Company-specific adjustments</b>		
Sale CA Immo	0	-66,203
Result from incentivised conversion of the convertible bond 2018	0	19
One-time effects in other operating expenses	3,040	8,174
Impairment loss S IMMO	0	25,129
Foreign exchange gains and losses	753	-73
Deferred taxes in respect of company-specific adjustments	-661	8,195
<b>Company-specific adjusted earnings</b>	<b>113,627</b>	<b>54,436</b>
<b>EPRA earnings per share after company-specific adjustments</b>	<b>1.06</b>	<b>0.49</b>

## EPRA NET INITIAL YIELD

The EPRA net initial yield equalled 5.3%.

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Investment property	4,849,663	3,918,014
Investment property – proportional share of joint ventures	1,267	54,498
less undeveloped land	-189,204	-210,786
less undeveloped land – proportional share of joint ventures	0	-1,690
<b>Total property portfolio</b>	<b>4,661,726</b>	<b>3,760,036</b>
Allowance for estimated purchasers' costs	0	67,681
<b>Gross value of total standing investment portfolio</b>	<b>4,661,726</b>	<b>3,827,717</b>
Annualised cash rental income	274,165	245,123
Annualised cash rental income – proportional share of joint ventures	0	1,966
Non-recoverable property operating expenses	-29,220	-32,217
Non-recoverable property operating expenses – proportional share of joint ventures	-6	-105
<b>Annualised net rental income</b>	<b>244,939</b>	<b>214,767</b>
<b>EPRA net initial yield</b>	<b>5.3%</b>	<b>5.6%</b>

# Financing

Financial liabilities\* totalled EUR 2.7 billion as of 30 September 2019 (31 December 2018: EUR 2.4 billion). Cash and cash equivalents, including cash and cash equivalents held for sale, amounted to EUR 256.9 million (31 December 2018: EUR 632.0 million). Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 2.5 billion (31 December 2018: EUR 1.8 billion). The decline in cash and cash equivalents since the beginning of the year resulted, among others, from the share buyback programme 2018/19 which was concluded in August 2019 and from the acquisition of several standing investments, for example the *Warsaw Spire* and *Palmovka Open Park* office buildings.

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 44.9% (31 December 2018: 48.0%) and a net loan-to-value ratio (net LTV) of 44.2% (31 December 2018: 37.3%).

## CALCULATION OF NET LTV AS OF 30 SEPTEMBER 2019

	Amounts in TEUR
Carrying amount of financing	2,732,758.7
- Cash and cash equivalents <sup>1</sup>	-256,890.3
Net carrying amount of financing	2,475,868.4
Carrying amount of property <sup>2</sup> & EPRA NAV of S IMMO shares <sup>3</sup>	5,599,737.7
<b>Net LTV</b>	<b>44.21%</b>

<sup>1</sup> Cash and cash equivalents incl. cash and cash equivalents in assets held for sale

<sup>2</sup> Excluding rights of use, values as per IFRS 16

<sup>3</sup> 19.5 million S IMMO shares at the EPRA NAV of EUR 25.09 per share as of 30 September 2019

The average financing costs for IMMOFINANZ equalled 1.95% per year as of 30 September 2019 (31 December 2018: 2.14% per year) including the derivatives used for interest rate hedging. The hedging quota equalled 87.5% (31 December 2018: 73.8%).

## Unencumbered property

**29.3% of property carrying amount unencumbered**

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 1,498.3 million, or 29.3% (31 December 2018: EUR 749.0 million or 17.0%) of the total property carrying amount was not externally financed and therefore unencumbered as of 30 September 2019. The inclusion of the S IMMO shares (valued at the EPRA NAV), which are also unencumbered, increases this value to EUR 1,987.6 million or 35.5%.

## COMPOSITION OF FINANCIAL LIABILITIES

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from bonds. The composition of these liabilities as of 30 September 2019 is as follows:

	Outstanding liability in TEUR as of 30 Sept. 2019	Total average interest rate incl. expenses for derivatives in % <sup>1</sup>
Convertible bond in EUR <sup>2</sup>	283,126.3	1.50%
Bond in EUR	502,322.8	2.63%
Bank liabilities in EUR	1,947,309.6	1.84%
<b>IMMOFINANZ</b>	<b>2,732,758.7</b>	<b>1.95%</b>

<sup>1</sup> Calculation basis: actual remaining debt (nominal amount)

<sup>2</sup> The receipt of an investment grade rating resulted in a coupon reduction of 50 basis points to 1.50% as of 24 January 2019.

Put option for the bondholders in 2022.

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 2,732.8 million as of 30 September 2019. As of that date, all of the financing was denominated in Euros.

\* Excluding lease liabilities of EUR 80.0 million based on the application of IFRS 16

## BONDS

The outstanding nominal value of the bonds totalled EUR 797.2 million as of 30 September 2019 (31 December 2018: EUR 297.2 million). IMMOFINANZ currently has two bonds in issue: the convertible bond issued in January 2017, which has a term ending in 2024 and a put option for the investors at the nominal value in 2022, and a corporate bond, which was issued in January 2019 and has a term ending on 27 January 2023.

**Bonds with a total nominal value of MEUR 797.2**

	ISIN	Maturity	Interest rate in %	Nominal value as of 31 Dec. 2018 in TEUR	Repurchases/redemptions/conversions/new issues 2019 in TEUR	Nominal value as of 30 Sept. 2019 in TEUR
Bond 2019–2023	XS1935128956	27 Jan. 2023	2.63%	0	500,000	500,000
Convertible bond 2017–2024	XS1551932046	24 Jan. 2022 <sup>1</sup>	1.50% <sup>2</sup>	297,200	0	297,200
<b>IMMOFINANZ</b>			<b>2.21%</b>	<b>297,200</b>	<b>500,000</b>	<b>797,200</b>

<sup>1</sup> Maturity at put option; term ends in 2024

<sup>2</sup> The receipt of an investment grade rating resulted in a coupon reduction of 50 basis points to 1.50% as of 24 January 2019.

The dividend payment of EUR 0.85 per share in May 2019 led to the adjustment of the conversion price for the convertible bond 2017–2024 to EUR 21.3772 (31 December 2018: EUR 22.2000). The closing price of the IMMOFINANZ share on 30 September 2019 equalled EUR 25.55, and the convertible bond was therefore “in the money” at the end of September.

IMMOFINANZ AG received a long-term issuer rating of BBB- with stable outlook from S&P Global Rating in the first quarter of 2019. Based on this investment grade rating, a benchmark bond with a volume of EUR 500 million and a fixed coupon of 2.625% p. a. was issued. The net proceeds from this issue were used during the first quarter of 2019 to refinance existing financial liabilities and for general corporate purposes.

In connection with the issue of this unsecured bond, IMMOFINANZ AG has agreed to comply with the standard market financial indicators listed below. These indicators will be calculated on the basis of the IFRS consolidated financial statements:

- > Limit on the assumption of new financial liabilities (net) based on consolidated investment property and investments in other companies
- > Limit on the assumption of new collateralised financial liabilities (net) based on consolidated investment property and investments in other companies
- > Interest cover

Financial covenant	Threshold	Value as of 30 Sept. 2019
Net Debt to Value Ratio	Max. 60.0%	41.5%
Secured Net Debt to Value Ratio	Max. 45.0%	28.7%
Interest Coverage Ratio	Min. 150.0%	422.9%

# Portfolio Report

## Portfolio value of EUR 5.1 billion

The property portfolio covered 216 properties\* as of 30 September 2019 (31 December 2018: 226) with a combined value of EUR 5,052.7 million (31 December 2018: EUR 4,338.0 million) which were located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary and Romania. Standing investments represented the largest component at EUR 4,648.5 million, or 92.0% of the carrying amount, and approximately 2.0 million sqm of rentable space that generate steady rental income. Development projects represented EUR 213.4 million, or 4.2% of the carrying amount. A carrying amount of EUR 190.7 million, or 3.8%, is attributable to pipeline projects and includes future planned development projects, undeveloped land, real estate inventories and properties designated for sale.

A geographical analysis shows 51.2% of the property portfolio in Austria, Germany and Poland, i.e. in so-called "developed markets" as defined by FTSE EPRA/NAREIT.

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

## PROPERTY PORTFOLIO BY CORE MARKET AND CLASSIFICATION

Property portfolio	Number of properties	Standing investments in MEUR	Development projects in MEUR	Pipeline projects in MEUR <sup>2</sup>	Property portfolio in MEUR	Property portfolio in %
Austria	30	709.5	108.8	35.8	854.2	16.9%
Germany	8	534.4	66.5	0.5	601.4	11.9%
Poland	29	1,124.0	7.1	0.0	1,131.1	22.4%
Czech Republic	18	529.8	0.0	0.0	529.8	10.5%
Hungary	27	482.6	2.6	20.8	506.0	10.0%
Romania	47	645.9	28.3	95.0	769.3	15.2%
Slovakia	21	315.7	0.0	1.2	316.9	6.3%
Other countries <sup>1</sup>	36	306.6	0.0	37.4	344.1	6.8%
<b>IMMOFINANZ</b>	<b>216</b>	<b>4,648.5</b>	<b>213.4</b>	<b>190.7</b>	<b>5,052.7</b>	<b>100.0%</b>
		<b>92.0%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>100.0%</b>	

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

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

<sup>2</sup> Including real estate inventories (Cologne and Adama) totalling EUR 867,929

## Property sales of MEUR 87.2

### SALE OF NON-STRATEGIC PROPERTIES

Properties with a total value of EUR 87.2 million (excl. proceeds from the sale of real estate inventories) were sold during the first three quarters of 2019. Included here, for example, are four buildings and one undeveloped site on the Warsaw *EMPARK* grounds which were sold to the Polish developer Echo Investment through a contract signed on 14 August. These sections are intended for residential construction. The transaction will close in two phases, presumably in 2020 and 2021. Four office buildings in the *EMPARK* with approximately 63,500 sqm of rentable space will remain in the IMMOFINANZ portfolio. The modernisation projects started in these properties will continue.

\* Properties that are held for sale and fall under IFRS 5 were, as in the past, not included in the portfolio report (see note 3.3 in the consolidated interim financial statements).

## PROPERTY ACQUISITIONS

IMMOFINANZ acquired several office and retail properties during the third quarter of 2019, which not only strengthened the standing investment portfolio but also its sustainable earning power.

*Expansion of the standing investment portfolio through strategic acquisitions*

The largest acquisition involved the *Warsaw Spire Tower*, a high-rise office building in Warsaw with approximately 71,600 sqm of rentable space. The agreed property value for the office tower equals roughly EUR 386 million, and the expected annual rental income based on invoiced rents totals EUR 19.6 million. The transaction closed on 11 July 2019.

In Prague, IMMOFINANZ acquired the *Palmovka Open Park* (closing: 8 July). This office property consists of three buildings with 25,800 sqm of rentable space. The agreed property value amounts to EUR 76.4 million, and the expected rental income totals EUR 4.4 million per year.

Six fully occupied retail parks in Slovenia and Poland with combined rentable space of roughly 54,000 sqm were acquired in August 2019. The expected annual rental income based on invoiced rents amounts to EUR 6.6 million, which represents a gross return of 8.6%.

## STANDING INVESTMENTS

The 161 standing investments had a combined carrying amount of EUR 4,648.5 million as of 30 September 2019 (31 December 2018: 157 investments and EUR 3,719.1 million). Of this total, 65.2% are attributable to office properties and 34.6% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Poland (EUR 1,124.0 million), Austria (EUR 709.5 million) and Romania (EUR 645.9 million).

*Standing investments are the most important source of earnings*

These properties have 2,035,019 sqm of rentable space (31 December 2018: 1,891,627 sqm). Based on annualised rental income (Q3 2019: EUR 69.9 million), the portfolio has a gross return of 6.3%\* and a return of 6.6%\* based on invoiced rents. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs. These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS) but are not included in the invoiced rent.

The occupancy rate equalled 95.1% as of 30 September 2019 (30 September 2018: 94.5%; 31 December 2018: 95.8%). According to the EPRA's calculation formula, the vacancy rate equals 5.3% – which represents an EPRA occupancy rate of 94.7%. 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. The average unexpired lease term (WAULT\*\*) weighted by rental income equalled roughly four years as of 30 September 2019.

*Standing investment portfolio: occupancy rate of 95.1%*

\* Gross return adjusted for acquisitions made during the year

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

**STANDING INVESTMENTS BY CORE MARKET**

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate (EPRA occupancy rate <sup>1</sup> ) in %
Austria	24	709.5	15.3%	229,999	217,708	94.7% (94.5%)
Germany	5	534.4	11.5%	103,500	102,420	99.0% (98.7%)
Poland	27	1,124.0	24.2%	455,428	434,072	95.3% (95.3%)
Czech Republic	18	529.8	11.4%	217,979	212,322	97.4% (97.3%)
Hungary	23	482.6	10.4%	283,716	272,880	96.2% (96.4%)
Romania	17	645.9	13.9%	342,640	308,321	90.0% (89.4%)
Slovakia	20	315.7	6.8%	185,803	174,447	93.9% (92.0%)
Other countries	27	306.6	6.6%	215,955	212,912	98.6% (98.7%)
<b>IMMOFINANZ</b>	<b>161</b>	<b>4,648.5</b>	<b>100.0%</b>	<b>2,035,019</b>	<b>1,935,081</b>	<b>95.1% (94.7%)</b>

Standing investments	Rental income Q3 2019 in MEUR <sup>2</sup>	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>3</sup>	Financing costs incl. derivatives in %	LTV in %
Austria	9.1	5.1% (5.2%)	298.1	1.5%	2.3%	42.0%
Germany	5.7	4.3% (4.3%)	315.1	0.4%	0.9%	59.0%
Poland	16.4	6.7% <sup>6</sup> (7.8% <sup>6</sup> )	594.4	1.5%	2.0%	52.9%
Czech Republic	7.2	5.7% <sup>6</sup> (5.1% <sup>6</sup> )	257.3	1.6%	1.8%	48.6%
Hungary	8.3	6.9% (7.2%)	245.8	1.6%	1.9%	50.9%
Romania	12.4	7.7% (7.9%)	0.0	0.0%	0.0%	0.0%
Slovakia	5.4	6.8% (7.1%)	144.2	1.8%	2.2%	45.7%
Other countries	5.5	8.4% <sup>6</sup> (8.9% <sup>6</sup> )	46.0	1.9%	1.9%	15.0%
<b>IMMOFINANZ</b>	<b>69.9</b>	<b>6.3%<sup>6</sup> (6.6%<sup>6</sup>)</b>	<b>1,900.8</b>	<b>1.3%</b>	<b>1.8%</b>	<b>40.9%</b>

Development projects and pipeline projects	1.0		46.6	1.4%	2.0%	
Rental income from sold properties and adjustments	0.7		0.0	0.0%	0.0%	
Group financing	0.0		785.4	0.0%	2.2%	
<b>IMMOFINANZ</b>	<b>71.6</b>		<b>2,732.8</b>	<b>1.3%</b>	<b>1.9%</b>	

Market value property portfolio						5,052.7
EPRA NAV S IMMO shares (19.5 million shares) <sup>4</sup>						489.2
Cash and cash equivalents <sup>5</sup>			-256.9			
Properties/liabilities held for sale (asset & share deals)			0.0			57.8
<b>IMMOFINANZ</b>			<b>2,475.9</b>			<b>5,599.7</b>
<b>Net LTV</b>						<b>44.2%</b>

1 EPRA occupancy rate based on the calculation at 100% minus EPRA vacancy rate

2 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

3 Financing costs based on nominal outstanding liability

4 19.5 million S IMMO shares at the EPRA NAV of EUR 25.09 per share as of 30 September 2019

5 Cash and cash equivalents, incl. cash and cash equivalents from assets held for sale

6 Gross return adjusted for acquisitions made during the year

## FURTHER INCREASE IN LIKE-FOR-LIKE-RENT

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with Q1–3 2018) shows an increase of EUR 3.6 million, or 2.3%, to EUR 159.3 million in the first three quarters of 2019.

## STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

Standing investments like-for-like <sup>1</sup>	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q1–3 2019 in MEUR	Rental income Q1–3 2018 in MEUR	Change in rental income Q1–3 2019 to Q1–3 2018 in MEUR
Austria	24	709.5	20.5%	26.8	25.7	1.1
Germany	2	128.2	3.7%	5.0	4.8	0.2
Poland	25	718.4	20.8%	32.6	32.5	0.1
Czech Republic	16	332.6	9.6%	15.0	14.4	0.6
Hungary	23	482.6	14.0%	22.8	21.6	1.2
Romania	17	645.9	18.7%	34.1	34.1	0.0
Slovakia	20	315.7	9.1%	15.8	15.6	0.3
Other countries	11	122.1	3.5%	7.2	7.0	0.2
<b>IMMOFINANZ</b>	<b>138</b>	<b>3,455.1</b>	<b>100.0%</b>	<b>159.3</b>	<b>155.7</b>	<b>3.6</b>
Rental income from properties sold/ acquired, adjustments on IFRS 15 and IFRS 16 and development projects				44.1		
<b>IMMOFINANZ</b>				<b>203.4</b>		

## STANDING INVESTMENTS LIKE-FOR-LIKE BY ASSET CLASS AND BRAND

Standing investments like-for-like <sup>1</sup>	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rental income Q1–3 2019 in MEUR	Rental income Q1–3 2018 in MEUR	Change in rental income Q1–3 2019 to Q1–3 2018 in MEUR
<b>Office</b>	<b>53</b>	<b>2,042.9</b>	<b>59.1%</b>	<b>81.7</b>	<b>79.8</b>	<b>1.9</b>
thereof myhive	22	1,122.9	32.5%	43.7	42.9	0.8
<b>Retail</b>	<b>82</b>	<b>1,411.6</b>	<b>40.9%</b>	<b>77.6</b>	<b>75.9</b>	<b>1.8</b>
thereof VIVO!/Shopping Center	10	681.6	19.7%	36.2	35.7	0.5
thereof STOP SHOP/Retail Park	71	724.7	21.0%	41.1	39.8	1.3
Others	3	0.7	0.0%	0.0	0.0	0.0
<b>IMMOFINANZ</b>	<b>138</b>	<b>3,455.1</b>	<b>100.0%</b>	<b>159.3</b>	<b>155.7</b>	<b>3.6</b>

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.  
1 This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales.

## OFFICE STANDING INVESTMENTS

The carrying amount of the 58 office standing investments totalled EUR 3,032.0 million as of 30 September 2019 (31 December 2018: 60 investments and EUR 2,235.4 million). These assets represent 65.2% of the standing investment portfolio and 56.4% of the rental income from this portfolio in the third quarter of 2019. A regional analysis shows the focal points of the office properties in the core markets Poland (EUR 844.4 million), Austria (EUR 583.9 million) and Germany (EUR 526.9 million).

The office standing investments have 1,083,931 sqm of rentable space (31 December 2018: 1,003,941 sqm). Based on annualised rental income (Q3 2019: EUR 39.4 million), the office portfolio generated a gross return of 5.4%\* and a return of 5.7%\* based on invoiced rents. The office properties in the myhive brand represent a carrying amount EUR 1,599.1 million and generated a gross return of 5.6%\* or 6.3%\* based on invoiced rents. The occupancy rate in the office portfolio rose to 94.4% as of 30 September 2019 (30 September 2018: 91.8%; 31 December 2018: 93.7%) or 94.8% according to the EPRA calculation method; the myhive offices have an occupancy rate of 94.2%. The WAULT\*\* equalled 4.6 years as of 30 September 2019.

**myhive office  
occupancy rate:  
94.2%**

\* Gross return adjusted for acquisitions made during the year

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

## KEY DATA ON THE OFFICE STANDING INVESTMENTS BY CATEGORY

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate (EPRA occupancy rate <sup>1</sup> ) in %
<b>IMMOFINANZ</b>	<b>58</b>	<b>3,032.0</b>	<b>100.0%</b>	<b>1,083,931</b>	<b>1,023,435</b>	<b>94.4% (94.8%)</b>
thereof myhive	24	1,599.1	52.7%	579,920	546,377	94.2% (94.4%)
Standing investments	Rental income Q3 2019 in MEUR <sup>2</sup>	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>3</sup>	Financing costs incl. derivatives in %	LTV in %
<b>IMMOFINANZ</b>	<b>39.4</b>	<b>5.4%<sup>4</sup> (5.7%<sup>4</sup>)</b>	<b>1,288.5</b>	<b>1.2%</b>	<b>1.7%</b>	<b>42.5%</b>
thereof myhive	21.0	5.6% <sup>4</sup> (6.3% <sup>4</sup> )	679.0	1.5%	2.0%	42.5%

1 EPRA occupancy rate based on the calculation at 100% minus EPRA vacancy rate

2 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

3 Financing costs based on nominal outstanding liability

4 Gross return adjusted for acquisitions made during the year

## RETAIL STANDING INVESTMENTS

The carrying amount of the 99 standing investments in the retail sector totalled EUR 1,608.4 million as of 30 September 2019 (31 December 2018: 93 investments and EUR 1,475.5 million). These properties represented 34.6% of the standing investment portfolio and generated 43.5% of rental income in the third quarter of 2019. The largest regional markets are Romania with EUR 330.7 million, Poland with EUR 279.6 million and Slovakia with EUR 259.7 million. The STOP SHOP retail parks have a carrying amount of EUR 921.5 million and a gross return of 7.9%\*, respectively 8.2%\* based on invoiced rents. The VIVO! shopping centers have a carrying amount of EUR 681.6 million; they generate a gross return and an invoiced rental return of 7.7%\*.

The retail standing investments have 951,088 sqm of rentable space (31 December 2018: 887,685 sqm). Based on annualised rental income (Q3 2019: EUR 30.4 million), the retail portfolio had a gross return of 7.8%\* and a return of 8.0%\* based on invoiced rents.

**Retail portfolio:**  
occupancy rate  
95.9%

The occupancy rate in the retail properties equalled 95.9% at the end of September 2019 (30 September 2018: 97.7%; 31 December 2018: 98.2%). The occupancy rate in the STOP SHOPS and VIVO!s equal 97.6% and 92.4%. The WAULT\*\* equalled 3.7 years as of 30 September 2019.

## KEY DATA ON THE RETAIL STANDING INVESTMENTS BY CATEGORY

Standing investments	Number of properties	Carrying amount in MEUR	Carrying amount in %	Rentable space in sqm	Rented space in sqm	Occupancy rate (EPRA occupancy rate <sup>1</sup> ) in %
<b>IMMOFINANZ</b>	<b>99</b>	<b>1,608.4</b>	<b>100.0%</b>	<b>951,088</b>	<b>911,646</b>	<b>95.9% (94.5%)</b>
thereof VIVO!/ Shopping Center	10	681.6	42.4%	311,161	287,639	92.4% (90.6%)
thereof STOP SHOP/ Retail Park	88	921.5	57.3%	635,494	620,262	97.6% (97.7%)
Standing investments	Rental income Q3 2019 in MEUR <sup>2</sup>	Gross return (invoiced rents return) in %	Carrying amount financing in MEUR	Financing costs floating interest in % <sup>3</sup>	Financing costs incl. derivatives in %	LTV in %
<b>IMMOFINANZ</b>	<b>30.4</b>	<b>7.8%<sup>4</sup> (8.0%<sup>4</sup>)</b>	<b>610.2</b>	<b>1.7%</b>	<b>2.1%</b>	<b>37.9%</b>
thereof VIVO!/ Shopping Center	13.1	7.7% (7.7%)	207.0	1.7%	2.2%	30.4%
thereof STOP SHOP/ Retail Park	17.1	7.9% <sup>4</sup> (8.2% <sup>4</sup> )	403.2	1.7%	2.0%	43.7%

1 EPRA occupancy rate based on the calculation at 100% minus EPRA vacancy rate

2 Rental income based on the primary use of the property (rental income reported in the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

3 Financing costs based on nominal outstanding liability

4 Gross return adjusted for acquisitions made during the year

\* Gross return adjusted for acquisitions made during the year

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



## DEVELOPMENT PROJECTS

The development projects had a carrying amount of EUR 213.4 million as of 30 September 2019, which represents 4.2% of the total property portfolio. This amount includes EUR 169.0 million of active development projects and EUR 44.5 million of projects in the preparation or concept phase for which outstanding construction costs are not yet available. Included here, among others, are STOP SHOP projects in Hungary, Serbia and Romania as well as office modernisation projects in Austria and Romania.

**Active development projects with a carrying amount of MEUR 169.0**

The expected fair value of the active projects on completion amounts to EUR 266.1 million. These projects are concentrated in the core markets of Germany and Austria with an expected fair value of EUR 246.0 million on completion.

### DEVELOPMENT PROJECTS BY CORE MARKET

Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Outstanding construction costs in MEUR	Planned rentable space in sqm	Expected fair value after completion in MEUR	Expected rental income at full occupancy in MEUR	Yield on cost in % <sup>1</sup>
Austria	2	96.3	57.0%	15.4	27,376	111.8	4.8	4.3%
Germany	1	65.7	38.9%	42.9	21,253	134.2	5.3	4.8%
Poland	1	6.9	4.1%	11.3	14,107	20.1	1.6	8.7%
<b>Active projects</b>	<b>4</b>	<b>169.0</b>	<b>100.0%</b>	<b>69.6</b>	<b>62,736</b>	<b>266.1</b>	<b>11.6</b>	<b>4.9%</b>
Projects in preparation	9	44.5						
<b>IMMOFINANZ</b>	<b>13</b>	<b>213.4</b>						

<sup>1</sup> Expected rental income after completion in relation to the current carrying amount, including outstanding construction costs. The current carrying amount includes previously realised valuation gains.

## PIPELINE PROJECTS

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects. The closing for the hotel in the *Gerling Quartier* in Cologne, which was sold through a forward purchase, took place during the first quarter of 2019. The remaining real estate inventories in Cologne as well as the Romanian Adama (EUR 867,929) have therefore not been reported separately but together with the pipeline projects since 31 March 2019. The pipeline projects had a carrying amount of EUR 190.7 million as of 30 September 2019 (31 December 2018, including real estate inventories: EUR 221.4 million). Romania represents the focal point of these projects at EUR 95.0 million. As part of its corporate strategy, IMMOFINANZ intends to further reduce the scope of pipeline projects through selected sales.

## ASSETS HELD FOR SALE

The assets held for sale totalled EUR 72.1 million as of 30 September 2019 (including capitalised rights of use for building rights) and are not included in this portfolio report (31 December 2018: EUR 57.2 million). Concrete sale plans have been approved for these properties, and their sale is intended in the near future. Details are provided in note 3.3 to the *consolidated interim financial statements*.

# Consolidated Balance Sheet

All amounts in TEUR	Notes	30 9 2019	31 12 2018
Investment property	3.1	4,903,108	3,893,568
Property under construction		213,435	397,540
Other tangible assets		2,410	1,109
Intangible assets		24,647	24,926
Equity-accounted investments	3.2	442,661	397,671
Trade and other receivables		52,525	88,185
Income tax receivables		301	82
Other financial assets		10,658	11,969
Deferred tax assets		60,558	58,697
<b>Non-current assets</b>		<b>5,710,303</b>	<b>4,873,747</b>
Trade and other receivables		143,183	217,443
Income tax receivables		12,605	10,630
Assets held for sale	3.3	72,125	57,162
Real estate inventories		868	46,932
Cash and cash equivalents		256,891	631,754
<b>Current assets</b>		<b>485,672</b>	<b>963,921</b>
<b>Assets</b>		<b>6,195,975</b>	<b>5,837,668</b>
Share capital	3.4	112,085	112,085
Capital reserves	3.4	4,465,194	4,465,259
Treasury shares	3.4	-250,378	-106,414
Accumulated other equity		-168,929	-183,324
Retained earnings		-1,354,696	-1,470,672
<b>Equity attributable to owners of IMMOFINANZ AG</b>		<b>2,803,276</b>	<b>2,816,934</b>
Non-controlling interests		-18,378	-16,593
<b>Equity</b>		<b>2,784,898</b>	<b>2,800,341</b>
Liabilities from convertible bonds		278,663	278,694
Financial liabilities		2,447,397	1,802,563
Trade and other payables		66,343	40,902
Income tax liabilities		2	92
Provisions		17,979	17,936
Deferred tax liabilities		348,048	338,730
<b>Non-current liabilities</b>		<b>3,158,432</b>	<b>2,478,917</b>
Liabilities from convertible bonds		4,463	5,944
Financial liabilities		67,912	338,321
Trade and other payables		129,221	158,123
Income tax liabilities		4,096	16,028
Provisions		32,621	38,433
Liabilities held for sale	3.3	14,332	1,561
<b>Current liabilities</b>		<b>252,645</b>	<b>558,410</b>
<b>Equity and liabilities</b>		<b>6,195,975</b>	<b>5,837,668</b>

# Consolidated Income Statement

All amounts in TEUR	Notes	Q3 2019	Q1–3 2019	Q3 2018	Q1–3 2018
<b>Rental income</b>	<b>4.1</b>	<b>71,567</b>	<b>203,404</b>	<b>56,700</b>	<b>175,667</b>
Operating costs charged to tenants		22,558	63,316	22,789	67,030
Other revenues		164	756	1,616	4,229
<b>Revenues</b>		<b>94,289</b>	<b>267,476</b>	<b>81,105</b>	<b>246,926</b>
Expenses from investment property	4.2	-14,523	-38,265	-17,735	-41,285
Operating expenses		-26,911	-75,386	-23,587	-71,107
<b>Results of asset management</b>		<b>52,855</b>	<b>153,825</b>	<b>39,783</b>	<b>134,534</b>
<b>Results of property sales</b>	<b>4.3</b>	<b>1,990</b>	<b>3,673</b>	<b>7,469</b>	<b>28,118</b>
<b>Results of property development</b>	<b>4.4</b>	<b>-5,187</b>	<b>9,122</b>	<b>-411</b>	<b>23,748</b>
Other operating income	4.5	1,290	5,369	1,206	4,306
Other operating expenses	4.6	-9,942	-32,246	-13,202	-41,018
<b>Results of operations</b>		<b>41,006</b>	<b>139,743</b>	<b>34,845</b>	<b>149,688</b>
<b>Revaluation result from standing investments and goodwill</b>		<b>-7,285</b>	<b>97,383</b>	<b>-8,847</b>	<b>425</b>
<b>Operating profit (EBIT)</b>		<b>33,721</b>	<b>237,126</b>	<b>25,998</b>	<b>150,113</b>
Financing costs	4.7	-19,932	-51,518	-17,574	-51,336
Financing income	4.7	624	1,776	3,649	6,734
Foreign exchange differences		701	-753	-1,171	73
Other financial results	4.7	-4,966	-21,118	4,610	4,291
Net profit or loss from equity-accounted investments		3,726	47,122	41,303	72,566
<b>Financial results</b>	<b>4.7</b>	<b>-19,847</b>	<b>-24,491</b>	<b>30,817</b>	<b>32,328</b>
<b>Earnings before tax (EBT)</b>		<b>13,874</b>	<b>212,635</b>	<b>56,815</b>	<b>182,441</b>
Current income tax		2,038	-5,172	-13,008	-17,313
Deferred tax		1,428	-8,302	2,515	-29,353
<b>Net profit or loss from continuing operations</b>		<b>17,340</b>	<b>199,161</b>	<b>46,322</b>	<b>135,775</b>
Net profit or loss from discontinued operations		0	3,454	2,469	-771
<b>Net profit or loss</b>		<b>17,340</b>	<b>202,615</b>	<b>48,791</b>	<b>135,004</b>
Thereof attributable to owners of IMMOFINANZ AG		17,954	204,388	48,876	136,896
Thereof attributable to non-controlling interests		-614	-1,773	-85	-1,892
<b>Basic earnings per share in EUR</b>		<b>0.18</b>	<b>1.90</b>	<b>0.44</b>	<b>1.23</b>
Net profit or loss from continuing operations per share in EUR		0.18	1.87	0.42	1.24
Net profit or loss from discontinued operations per share in EUR		0.00	0.03	0.02	-0.01
<b>Diluted earnings per share in EUR</b>		<b>0.16</b>	<b>1.69</b>	<b>0.41</b>	<b>1.14</b>
Net profit or loss from continuing operations per share in EUR		0.16	1.66	0.39	1.14
Net profit or loss from discontinued operations per share in EUR		0.00	0.03	0.02	-0.01

# Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q3 2019	Q1–3 2019	Q3 2018	Q1–3 2018
<b>Net profit or loss</b>		<b>17,340</b>	<b>202,615</b>	<b>48,791</b>	<b>135,004</b>
<b>Other comprehensive income (reclassifiable)</b>					
Currency translation adjustment		1,428	-1,711	-12,391	-46,112
Thereof changes during the financial year		1,267	-923	-7,645	-13,983
Thereof reclassification to profit or loss		161	-788	-4,746	-32,129
Other comprehensive income from equity-accounted investments	3.2	-833	-3,706	796	-400
Thereof changes during the financial year		-1,096	-4,650	20	-1,176
Thereof reclassification to profit or loss		0	0	776	776
Thereof income taxes		263	944	0	0
<b>Total other comprehensive income (reclassifiable)</b>		<b>595</b>	<b>-5,417</b>	<b>-11,595</b>	<b>-46,512</b>
<b>Other comprehensive income (not reclassifiable)</b>					
Other comprehensive income from equity-accounted investments	3.2	8,065	19,501	0	-1,447
Thereof changes during the financial year		10,753	27,111	0	-1,479
Thereof income taxes		-2,688	-7,610	0	32
<b>Total other comprehensive income (not reclassifiable)</b>		<b>8,065</b>	<b>19,501</b>	<b>0</b>	<b>-1,447</b>
<b>Total other comprehensive income after tax</b>		<b>8,660</b>	<b>14,084</b>	<b>-11,595</b>	<b>-47,959</b>
<b>Total comprehensive income</b>		<b>26,000</b>	<b>216,699</b>	<b>37,196</b>	<b>87,045</b>
Thereof attributable to owners of IMMOFINANZ AG		26,254	218,783	39,939	93,795
Thereof attributable to non-controlling interests		-254	-2,084	-2,743	-6,750

# Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1-3 2019	Q1-3 2018
Earnings before tax (EBT)		212,635	182,441
Earnings before tax (EBT) from discontinued operations		3,454	-601
Revaluations of investment properties		-116,771	-31,154
Goodwill impairment		287	0
Write-downs and write-ups on real estate inventories (including impending losses from forward sales)	4.4	1,223	5,836
Write-downs and write-ups on receivables and other assets		1,302	-1,026
Net profit or loss from equity-accounted investments		-47,123	-72,566
Foreign exchange differences and fair value measurement of financial instruments		22,461	-3,139
Net interest income/expense		47,478	44,603
Results from deconsolidation		-2,501	-33,244
Other non-cash income/expense/reclassifications		58	125
<b>Gross cash flow before tax</b>		<b>122,503</b>	<b>91,275</b>
Income taxes paid		-13,555	-6,697
<b>Gross cash flow after tax</b>		<b>108,948</b>	<b>84,578</b>
Change in real estate inventories		63,249	-10,841
Change in trade and other receivables		-2,930	-361
Change in trade payables and other liabilities		-193,012	-18,156
Change in provisions		-7,884	-3,467
<b>Cash flow from operating activities</b>		<b>-31,629</b>	<b>51,753</b>
Acquisition of investment property and property under construction		-200,215	-130,784
Business combinations and other acquisitions, net of cash and cash equivalents		-83,288	0
Consideration paid for business combinations in prior periods		0	-325
Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents		0	5,838
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		15,075	76,184
Acquisition of other non-current assets		-273	-478
Acquisition of equity accounted investments and increase in receivables from other net investment positions		0	-391,237
Disposal of investment property and property under construction		93,302	184,910
Disposal of other non-current assets		174	14,938
Disposal of equity-accounted investments and cash flows from other net investment positions		6	755,361
Dividends received from equity-accounted investments	3.2	16,219	24,072
Interest or dividends received from financial instruments		846	767
<b>Cash flow from investing activities</b>		<b>-158,154</b>	<b>539,246</b>
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		914,525	626,834
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-824,944	-795,057
Redemption of convertible bonds		0	-17,286
Derivatives		-9,264	-8,251
Interest paid		-31,519	-41,747
Distributions	3.4	-88,113	-77,928
Transactions with non-controlling interest owners		0	-1,850
Share buyback	3.4	-144,029	-66,785
<b>Cash flow from financing activities</b>		<b>-183,344</b>	<b>-382,070</b>
Net foreign exchange differences		-1,988	-2,783
<b>Change in cash and cash equivalents</b>		<b>-375,115</b>	<b>206,146</b>
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		631,754	477,889
Plus cash and cash equivalents in discontinued operations and disposal groups		252	1,378
Cash and cash equivalents at the beginning of the period		632,006	479,267
Cash and cash equivalents at the end of the period		256,891	685,413
Less cash and cash equivalents in discontinued operations and disposal groups	3.3	0	3
<b>Cash and cash equivalents at the end of the period (consolidated balance sheet item)</b>		<b>256,891</b>	<b>685,410</b>

# Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2018		112,085	4,465,259	-106,414
Other comprehensive income	3.4			
Net profit or loss				
Total comprehensive income				
Share buyback	3.4		-65	-143,964
Distributions	3.4			
Transactions with non-controlling interest owners				
<b>Balance on 30 September 2019</b>		<b>112,085</b>	<b>4,465,194</b>	<b>-250,378</b>
Balance on 1 January 2018		1,116,174	3,452,324	0
Other comprehensive income				
Net profit or loss				
Total comprehensive income				
Share buyback			-40	-66,745
Issue of shares (for incentivised conversion of the convertible bond 2011–2018)		4,678	4,232	
Increase in share capital from internal funds		750,000	-750,000	
Ordinary capital decrease		-1,758,767	1,758,767	
Distributions				
Transactions with non-controlling interest owners				
Disposal of non-controlling interests				
<b>Balance on 30 September 2018</b>		<b>112,085</b>	<b>4,465,283</b>	<b>-66,745</b>

Accumulated other equity					Retained earnings	Total	Non-controlling interests	Total equity
Revaluation reserve (former AFS reserve)	IAS 19 reserve	Hedge accounting reserve	Currency translation reserve					
-8,886	-385	-925	-173,128	-1,470,672	2,816,934	-16,593	2,800,341	
19,501		-4,130	-976		14,395	-311	14,084	
				204,388	204,388	-1,773	202,615	
19,501		-4,130	-976	204,388	218,783	-2,084	216,699	
					-144,029		-144,029	
				-88,113	-88,113		-88,113	
				-299	-299	299	0	
10,615	-385	-5,055	-174,104	-1,354,696	2,803,276	-18,378	2,784,898	
3,227	-414	0	-133,870	-1,609,660	2,827,781	-13,478	2,814,303	
-1,478	31		-41,654		-43,101	-4,858	-47,959	
				136,896	136,896	-1,892	135,004	
-1,478	31		-41,654	136,896	93,795	-6,750	87,045	
					-66,785		-66,785	
					8,910		8,910	
					0		0	
					0		0	
				-77,928	-77,928	-90	-78,018	
				-1,285	-1,285	-566	-1,851	
					0	-143	-143	
1,749	-383	0	-175,524	-1,551,977	2,784,488	-21,027	2,763,461	

# SUPPLEMENTARY INFORMATION

## 1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 September 2019 were prepared for the period from 1 January 2019 to 30 September 2019 (Q1-3 2019).

The scope of quarterly reporting was reduced beginning with the first quarter of 2019 based on a change in the rules issued by the Vienna Stock Exchange for the Prime Market. Consequently, IMMOFINANZ's consolidated interim financial report does not represent a report prepared in accordance with IAS 34. Information on the applied IFRS, significant accounting policies and further information and disclosures can be found in IMMOFINANZ's consolidated financial statements as of 31 December 2018, which forms the basis for this consolidated interim financial report.

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

### 1.1 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

#### **IFRS 16: Leases**

IFRS 16 replaced the previous rules for the recognition and measurement of leases (IAS 17) as of 1 January 2019. This new standard introduced extensive changes to lease accounting for the lessee, while the rules for lessors remained largely unchanged. The changeover to the new standard by IMMOFINANZ was based on the modified retrospective approach.

As of 30 September 2019, rights of use totalling EUR 64.7 million were capitalised for investment property and EUR 1.0 million for other tangible assets. The related lease liabilities equalled EUR 0.9 million (current) and EUR 64.8 million (non-current).

Rights of use for investment property totalling EUR 1.1 million as well as EUR 13.2 million representing the rights of use for property under construction were reclassified to assets held for sale. The related lease liabilities of EUR 14.3 million were reclassified to liabilities held for sale.

In connection with the capitalised rights of use, current amortisation of EUR 0.4 million and revaluations of EUR 1.8 million were recognised during the reporting period. Interest expense on the lease liabilities, calculated according to the effective interest method, totalled EUR 2.0 million.

The application of IFRS 16 also led to the reclassification of EUR 12 million to rental income as of 30 September 2019. These reclassifications took place under the results of asset management and therefore have no effect on consolidated earnings or the calculation of FFO.



## 2. Scope of Consolidation

### 2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the development of the scope of consolidation in Q1-3 2019:

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
<b>Balance on 31 December 2018</b>	<b>281</b>	<b>6</b>	<b>12</b>	<b>299</b>
Companies initially included				
Other acquisitions	8	-2	0	6
Companies no longer included				
Sales	-10	0	0	-10
Mergers	-12	0	0	-12
Liquidations	-12	0	0	-12
<b>Balance on 30 September 2019</b>	<b>255</b>	<b>4</b>	<b>12</b>	<b>271</b>
Thereof foreign companies	164	4	5	173
Thereof in liquidation	35	0	1	36

## 3. Notes to the Consolidated Balance Sheet

### 3.1 INVESTMENT PROPERTY

The development of investment property in Q1-3 2019 is as follows:

All amounts in TEUR	Q1-3 2019
<b>Beginning balance</b>	<b>3,893,568</b>
Deconsolidations	-13,460
Change in scope of consolidation	106,480
Currency translation adjustments	-295
Additions	663,749
Disposals	-59,683
Revaluation	97,130
Reclassifications	218,508
Reclassification to IFRS 5	-2,889
<b>Ending balance</b>	<b>4,903,108</b>

The change in the scope of consolidation involves one property in the office asset class in the Czech Republic. Additions during the third quarter resulted, above all, from the acquisition of office properties in Poland and the Czech Republic as well as the expansion of the STOP SHOP portfolio in Slovenia. The reclassifications are related primarily to properties in Germany and Hungary which were previously carried as property under construction.

The additions reported under investment property include right-of-use assets of EUR 58.9 million from the initial application of IFRS 16. As of 30 September 2019, the right-of-use assets for investment property amounted to EUR 64.7 million. Details on the effects from the initial application of IFRS 16 are provided in section 1.1.

## 3.2 EQUITY-ACCOUNTED INVESTMENTS

The carrying amount of the equity-accounted investments totalled EUR 442,661,009.16 as of 30 September 2019, whereby EUR 440,693,962.28 are attributable to S IMMO AG. Based on the 19,499,437 shares held by IMMOFINANZ, the book value of the S IMMO share equalled EUR 22.60 as of that date. The income statement shows profit of EUR 47,122,582.67 from the equity-accounted investments; of this total EUR 46,623,825.58 are attributable to S IMMO AG.

There were no objective indications of impairment to the S IMMO investment as of 30 September 2019.

## 3.3 ASSETS AND SPECIFIC LIABILITIES HELD FOR SALE

Of the assets and liabilities held for sale as of 31 December 2018, four office properties, one retail property and three properties in the asset class Other were sold during Q3 2019. No assets or liabilities from the *Gerling Quartier* were classified as held for sale as of 30 September 2019.

Management's plans to sell remain in effect for the other assets and liabilities which were classified as held for sale as of 31 December 2018, but which had not been sold as of 30 September 2019.

The assets and liabilities held for sale as of 30 September 2019 are summarised as follows:

All amounts in TEUR	Carrying amount as of 30 9 2019	Carrying amount as of 31 12 2018
Investment property	12,375	30,916
Property under construction	59,750	20,766
Real estate inventories	0	5,026
Trade and other receivables	0	202
Cash and cash equivalents	0	252
<b>Assets held for sale</b>	<b>72,125</b>	<b>57,162</b>
<b>Reclassifiable reserves</b>	<b>504</b>	<b>682</b>
Financial liabilities	14,330	0
Trade and other payables	2	366
Provisions	0	14
Deferred tax liabilities	0	1,181
<b>Liabilities held for sale</b>	<b>14,332</b>	<b>1,561</b>

### 3.4 EQUITY

On 2 July 2018, the Executive Board and Supervisory Board of IMMOFINANZ AG approved the use of an authorisation by the 25th annual general meeting on 11 May 2018 (which was renewed by an authorisation of the 26th annual general meeting on 2 May 2019) to carry out a share buyback programme (share buyback programme 2018/19) in accordance with § 65 (1) No. 8 of the Austrian Stock Corporation Act. The authorisation covered up to 10% of the company's share capital. The share buyback started on 16 July 2018 and ended on 13 August 2019 when the maximum repurchase volume of 9,708,526 shares, representing 8.66% of the current share capital, was reached. The shares were repurchased over the stock exchange at a weighted average price of EUR 22.54 per share. Based on this programme, a total of 6.3 million IMMOFINANZ shares were repurchased for EUR 144.0 million during the first three quarters of 2019.

IMMOFINANZ held 11,208,526 treasury shares as of 30 September 2019 (31 December 2018: 4,942,001 shares).

The 26th annual general meeting on 22 May 2019 approved a dividend payment of EUR 0.85 per share for the 2018 financial year. A total of EUR 88.1 million was distributed on 28 May 2019 to external shareholders.

## 4. Notes to the Consolidated Income Statement

### 4.1 RENTAL INCOME

The following table shows the classification of rental income by asset class:

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Office	89,388	78,745
Retail	94,883	81,338
Other	19,133	15,584
<b>Total</b>	<b>203,404</b>	<b>175,667</b>

### 4.2 EXPENSES FROM INVESTMENT PROPERTY

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Commission expenses	-252	-1,354
Maintenance	-12,605	-16,346
Operating costs charged to building owners	-9,588	-8,789
Property marketing	-5,267	-3,653
Personnel expenses from asset management	-4,068	-3,826
Other expenses from asset management	-2,038	-3,345
Rental and lease payments	0	-1,586
Fit-out costs	-2,419	-1,170
Write-off of receivables from asset management	-764	-116
Other expenses	-1,264	-1,100
<b>Total</b>	<b>-38,265</b>	<b>-41,285</b>

### 4.3 PROCEEDS FROM THE SALE OF PROPERTIES

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Office	74,731	157,805
Retail	7,308	4,819
Other	5,209	12,268
<b>Proceeds from property sales</b>	<b>87,248</b>	<b>174,892</b>
Less carrying amount of sold properties	-86,996	-174,892
<b>Net gain/loss from property sales</b>	<b>252</b>	<b>0</b>
<b>Gains/losses from deconsolidation</b>	<b>2,502</b>	<b>33,059</b>
Sales commissions	-722	-508
Personnel expenses from property sales	-1,085	-822
Legal, auditing and consulting fees from property sales	-770	-1,090
Write-off of receivables from property sales	-4	0
VAT adjustments from the sale of properties	0	-426
Other expenses	-628	-217
<b>Expenses from property sales</b>	<b>-3,209</b>	<b>-3,063</b>
<b>Revaluation results from properties sold and held for sale</b>	<b>4,128</b>	<b>-1,878</b>
<b>Total</b>	<b>3,673</b>	<b>28,118</b>

## 4.4 RESULTS OF PROPERTY DEVELOPMENT

All amounts in TEUR	Q1–3 2019	Q1–3 2018
<b>Proceeds from the sale of real estate inventories</b>	<b>50,042</b>	<b>7,566</b>
<b>Cost of real estate inventories sold</b>	<b>-53,408</b>	<b>-7,596</b>
Other costs to sell for real estate inventories	-112	-73
Write-down related reversals of real estate inventories	202	284
Write-down of real estate inventories	-1,425	-6,710
Impending losses from the forward sale of real estate inventories	0	589
Operating costs charged to building owners-inventories	-294	-267
Other expenses from real estate inventories	95	-530
<b>Expenses from real estate inventories</b>	<b>-1,534</b>	<b>-6,707</b>
<b>Expenses from property development</b>	<b>-952</b>	<b>-2,022</b>
<b>Revaluation results from properties under construction</b>	<b>14,974</b>	<b>32,507</b>
<b>Total</b>	<b>9,122</b>	<b>23,748</b>

The proceeds from the sale of properties (EUR 50.0 million) and the production costs of the sold properties (EUR -53.4 million) resulted primarily from the sale of the hotel leased to 25hours and the related underground garage as well as further units in the *Gerling Quartier* in Cologne. The expenses from real estate inventories and property development also include the reversal of trade payables totalling EUR 4.1 million.

## 4.5 OTHER OPERATING INCOME

Other operating income consists of the following:

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Expenses charged on	925	47
Insurance compensation	115	196
Income from derecognised liabilities	2,615	2,375
Reimbursement for penalties	336	166
Miscellaneous	1,378	1,522
<b>Total</b>	<b>5,369</b>	<b>4,306</b>

## 4.6 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

All amounts in TEUR	Q1–3 2019	Q1–3 2018
Administrative expenses	-115	-143
Legal, auditing and consulting fees	-7,582	-6,606
Penalties	-190	-2,197
Levies	-1,325	-3,606
Advertising	-1,892	-1,496
Expenses charged on	-67	-72
Rental and lease expenses	0	-423
EDP and communications	-1,160	-2,731
Expert opinions	-420	-479
Personnel expenses	-14,487	-19,604
Other write-downs	-851	-534
Miscellaneous	-4,157	-3,127
<b>Total</b>	<b>-32,246</b>	<b>-41,018</b>

The decline in personnel expenses resulted, above all, from a one-off special bonus of EUR 4.0 million for the Executive Board which was approved by the Supervisory Board's Personnel Committee in the first quarter of 2018. Taxes and duties in the previous year were related primarily to the purchase of limited partner shares and were not reflected in comparable expenses during 2019. The increase in miscellaneous other operating expenses in 2019 resulted chiefly from costs for short-term leases and low-value assets as well as higher bank transaction costs.

Miscellaneous other operating expenses include research expenses of TEUR 50 from a project focused on digitalisation in the real estate branch.

## 4.7 FINANCIAL RESULTS

All amounts in TEUR	Q1–3 2019	Q1–3 2018
For financial liabilities AC	-45,819	-44,315
For derivative financial instruments	-5,699	-7,021
<b>Total financing costs</b>	<b>-51,518</b>	<b>-51,336</b>
For financial receivables AC	1,648	6,593
For derivative financial instruments	128	141
<b>Total financing income</b>	<b>1,776</b>	<b>6,734</b>
<b>Foreign exchange differences</b>	<b>-753</b>	<b>73</b>
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	3	54
Valuation of financial instruments at fair value through profit or loss	-21,154	2,597
Distributions	568	498
Valuation adjustments and impairment of receivables	-535	1,142
<b>Other financial results</b>	<b>-21,118</b>	<b>4,291</b>
<b>Net profit or loss from equity-accounted investments</b>	<b>47,122</b>	<b>72,566</b>
<b>Total</b>	<b>-24,491</b>	<b>32,328</b>

AC: Financial assets measured at amortised cost

The results from the measurement of financial instruments at fair value through profit or loss consist primarily of valuation gains and/or losses on derivative financial instruments (interest rate swaps).

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

## FINANCIAL CALENDAR 2020

21 April 2020 <sup>1</sup>	Publication of the Annual Results 2019
22 April 2020	Annual Report 2019
22 April 2020	Press conference on the Annual Results 2019
12 May 2020	Record date for participation at the 27th Annual General Meeting
22 May 2020	27th Annual General Meeting
26 May 2020	Expected ex-dividend date
27 May 2020	Expected record date dividends
27 May 2020 <sup>1</sup>	Publication of the Results on the First Quarter 2020
28 May 2020	Interim Financial Statements on the First Quarter 2020
28 May 2020	Expected dividend payment date
26 August 2020 <sup>1</sup>	Publication of the Results on the First Half-Year 2020
27 August 2020	Financial Report on the First Half-Year 2020
27 August 2020	Press conference on the First Half-Year Results 2020
25 November 2020 <sup>1</sup>	Publication of the Results on the First Three Quarters 2020
26 November 2020	Interim Financial Statements on the First Three Quarters 2020

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

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### Concept and Realisation

Mensalia Unternehmensberatung

Financial Report, pages 2–30: produced inhouse using firesys GmbH

### Disclaimer

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