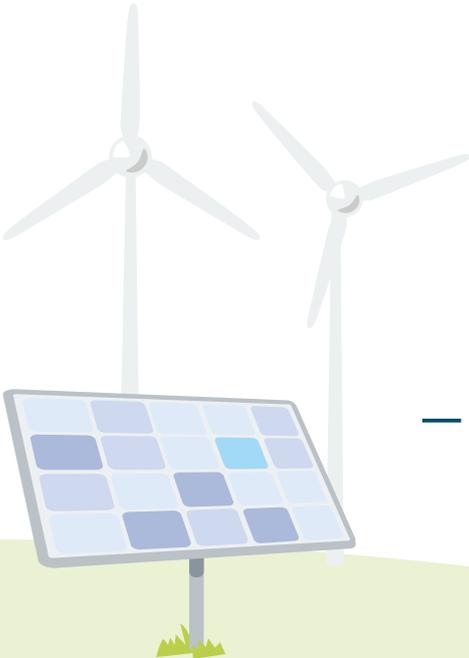




Half-year Financial Report 2023



— IMMOFINANZ —
GROUP



Doing Business Together



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Key Figures

Earnings

		Q1–2 2023	Q1–2 2022	Change in %
Rental income	in MEUR	258.9	144.2	79.6
Results of asset management	in MEUR	216.8	110.0	97.1
Results of property sales	in MEUR	-53.0	-11.8	≤ -100.0
Results of property development	in MEUR	-4.0	-7.8	48.8
Results of operations	in MEUR	118.0	56.3	≥ +100.0
Revaluations	in MEUR	-197.2	71.9	n. a.
EBIT	in MEUR	-73.0	131.0	n. a.
Financial results	in MEUR	-72.8	68.8	n. a.
EBT	in MEUR	-145.8	199.9	n. a.
Net profit for the period	in MEUR	-144.5	162.7	n. a.
FFO 1 before tax ¹	in MEUR	140.9	66.0	≥ +100.0

¹ See calculations in the section "Business Development".

Assets

		30 06 2023	31 12 2022	Change in %
Balance sheet total	in MEUR	9,380.9	9,890.4	-5.2
Equity as % of the balance sheet total	in %	49.6	47.9	n. a.
Net financial liabilities	in MEUR	3,116.0	3,501.1	-11.0
Cash and cash equivalents ¹	in MEUR	729.2	684.7	6.5
Loan-to-value ratio (net)	in %	38.7	40.7	n. a.
Gearing	in %	68.3	75.1	n. a.
Total average interest rate including costs for derivatives	in %	2.7	2.6	n. a.
Average term of financial liabilities	in years	4.3	4.3	0.0

¹ Including cash and cash equivalents held for sale

Investment property

		30 06 2023	31 12 2022	Change in %
Total number of properties		520	627	-17.1
Rentable space	in sqm	3,412,328	3,531,706	-3.4
Occupancy rate	in %	92.5	92.9	n. a.
Gross return ¹	in %	6.9	6.5	n. a.
Portfolio value ¹	in MEUR	7,811.1	8,363.8	-6.6
Unencumbered investment property	in MEUR	2,046.2	2,016.8	1.5

¹ Based on data in the "Portfolio Report"

EPRA

		30 06 2023	31 12 2022	Change in %
EPRA net reinstatement value ¹	in MEUR	4,290.6	4,554.4	-5.8
EPRA net reinstatement value per share ¹	in EUR	31.10	33.01	-5.8
EPRA net tangible assets ¹	in MEUR	3,867.0	4,114.4	-6.0
EPRA net tangible assets per share ¹	in EUR	28.03	29.82	-6.0
EPRA net disposal value ¹	in MEUR	3,785.9	3,832.8	-1.2
EPRA net disposal value per share ¹	in EUR	27.44	27.78	-1.2
EPRA vacancy rate ²	in %	6.6	6.5	n. a.
EPRA loan-to-value ratio	in %	40.5	42.5	n. a.
		Q1-2 2023	Q1-2 2022	Change in %
EPRA earnings	in MEUR	73.4	51.3	43.2
EPRA earnings per share	in EUR	0.53	0.38	39.5
EPRA earnings after company-specific adjustments	in MEUR	69.3	57.8	19.9
EPRA earnings per share after company-specific adjustments	in EUR	0.50	0.43	16.3
EPRA net initial yield	in %	6.4	5.3	n. a.
EPRA "topped-up" net initial yield	in %	6.6	5.6	n. a.
EPRA cost ratio including direct vacancy costs	in %	15.0	21.5	n. a.
EPRA cost ratio excluding direct vacancy costs	in %	13.3	18.1	n. a.
EPRA capital expenditure	in MEUR	235.3	118.8	98.1

¹ The comparative data was adjusted.

² The EPRA vacancy rate (excluding S IMMO) 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 06 2023	31 12 2022	Change in %
Book value per share	in EUR	27.06	27.47	-1.5
Share price at end of period	in EUR	17.00	11.62	46.3
Discount of share price to EPRA NTA diluted per share	in %	39.4	61.0	n. a.
Total number of shares		138,669,711	138,669,711	0.0
thereof number of treasury shares		695,585	695,585	0.0
Market capitalisation at end of period	in MEUR	2,357.4	1,611.3	46.3
		Q1-2 2023	Q1-2 2022	Change in %
Earnings per share (basic) ¹	in EUR	-0.59	1.20	n. a.
Earnings per share (diluted) ¹	in EUR	-0.59	1.20	n. a.

¹ Number of shares for the calculation (basic/diluted): 137,974,126 for Q1-2 2023 and 135,707,360 for Q1-2 2022

The plus and minus signs assigned to the changes reflect the business point of view: improvements are shown with a plus sign (+), deteriorations with a minus sign (-). Very high positive or negative per cent changes are reported as $\geq +100.0\%$ or $\leq -100.0\%$. 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.

References to persons in this financial report refer to all genders equally.

Letter from the Executive Board

Dear Shareholders,

IMMOFINANZ Group can look back on an excellent operating performance in the past six months, despite a generally challenging market environment. Rental income rose by nearly 80% year-on-year to EUR 258.9 million, primarily due to the full consolidation of SIMMO. An additional contribution came from IMMOFINANZ's like-for-like rental income (excluding SIMMO) which increased by a sound 10.3%, or EUR 6.9 million, to EUR 74.3 million. The results of asset management were 97.1% higher year-on-year at EUR 216.8 million, and sustainable FFO 1 from the standing investment business increased to EUR 140.9 million. However, after taking into account market-related property write-downs and the derecognition of historical foreign exchange effects through profit or loss following the deconsolidation of a subsidiary in Turkey, net profit declined to EUR -144.5 million. Apart from these developments, we can continue to build on a solid financial foundation: The equity ratio equalled a very robust 49.6% at the end of June, and net debt as measured by the net loan-to-value ratio remained conservative at 38.7%.

Although the EU Commission raised its GDP forecast for 2023 to a plus of 1.0% in May and now expects growth of 1.7% in 2024, the real estate branch continues to face considerable challenges. High energy prices have driven inflation and central bank countermeasures in the form of interest rate increases have certainly had a negative effect on the real estate sector. Nevertheless, we are confident that we are well positioned with our innovative and resilient portfolio, even against this backdrop.

We continued to pursue our strategic sales programme and completed property sales with a volume of approximately EUR 598 million (including SIMMO) in the first half of 2023 in spite of the difficult transaction market and rising interest rates. These transactions together with market-related property write-downs reduced our property portfolio to EUR 7.8 billion as of 30 June 2023. Of this total, EUR 7.4 billion, or roughly 95%, represent standing investments. The occupancy rate equalled a high 92.5%, and our retail properties were practically fully rented at 98.4%.

Continued growth, focused portfolio

Notwithstanding the current significant challenges, we will continue to implement our strategy as part of the CPI Property Group. Our focus will remain on our core business as a growth-oriented property owner and on the further optimisation of our portfolio. This also includes acquisitions and selected development projects, whereby our attention will be directed to higher yielding assets. Another important objective is the refurbishment of our standing investments, also with a view towards sustainability. Our sales programme will continue and we expect to successfully conclude additional transactions during the second half year for the strategic alignment of our portfolio.

In the office business, our myhive brand gives us an ideal position to benefit from the ongoing trend towards a more flexible and modern working world. The strategy for the retail portfolio includes expansion with comparable properties that complement our successful STOP SHOP and VIVO! brands. We are also continuing our expansion strategy in Croatia and plan to open a total of six new STOP SHOPS this year.

We remain committed to our robust financial policy to ensure sufficient liquidity at all times, to achieve and maintain a balanced capital structure and maturity profile, and to optimise financing costs. Hedging interest rate risks has become more important in the current environment and was successful during the first half year with the help of derivatives. In addition, our corporate credit line of EUR 100 million was extended prematurely to 30 June 2025. Due to the existing investment grade rating of the CPI Property Group, we decided to terminate our standalone rating from S&P Global Ratings for efficiency reasons in March 2023.

Synergies in the CPI Property Group

Our common goal is to offer our tenants the best possible property solutions and to further strengthen our market position. In this sense, we are continuously evaluating strategic synergies within the CPI Property Group. One recent result is the group-wide adaptation of the ESG strategy.

Outlook

The environment for the real estate branch will remain challenging during the second half of 2023. In view of the expected developments, we have decided to announce our FFO guidance and distribution policy for the 2023 financial year – especially with regard to the timing of our planned acquisitions and sales – at a later date.

In conclusion, we would like to thank our excellent team of qualified employees for their unbroken commitment. They represent a central success factor for IMMOFINANZ along with our high-quality, flexible property offering.

Vienna, 30 August 2023

The Executive Board



Radka Doehring



Pavel Měchura

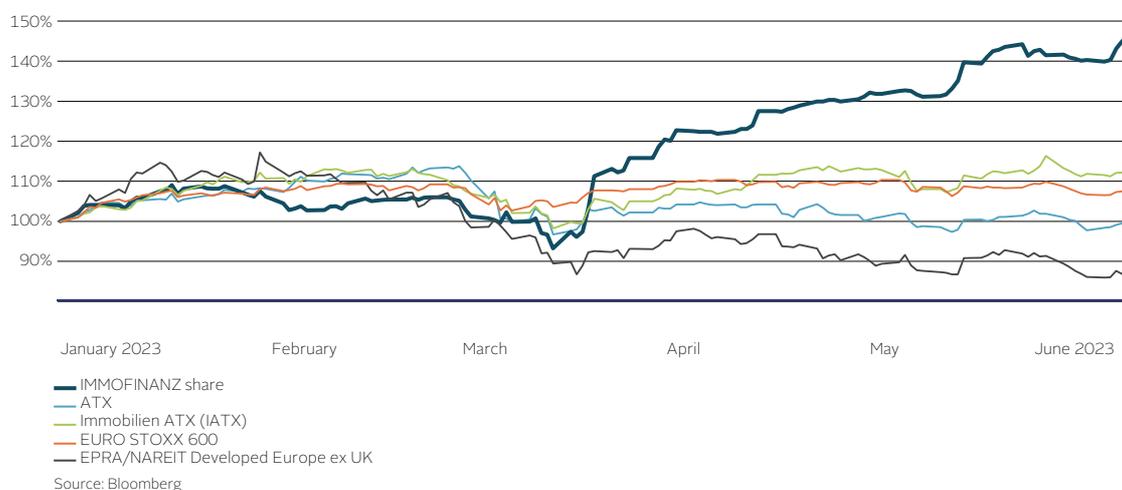
IMMOFINANZ on the Capital Market

Development of the IMMOFINANZ share

The IMMOFINANZ share rose by a sound 46% from the beginning of the year to a closing price of EUR 17.00 – the annual high to date – on 30 June 2023. In comparison, the Immobilien ATX (IATX) recorded an increase of roughly 13% and the ATX remained weak with a plus of only 1%. The EPRA/Nareit Developed Europe branch index (ex UK) even declined by nearly 12% during the half-year. The IMMOFINANZ share reached the low for the reporting period at EUR 10.84 on 24 March 2023. As of the editorial deadline for this report (25 August 2023), the share traded at EUR 17.98 for an increase of 54.7% since the beginning of the year.

Development of the IMMOFINANZ share vs. selected indexes

Indexed as of 1 January 2023



Performance comparison

1 January to 30 June 2023

	in %
IMMOFINANZ share	46.3
ATX	0.9
Immobilien ATX	13.1
EURO STOXX 600	8.7
EPRA/NAREIT Developed Europe ex UK	-11.7

Source: Bloomberg

Key data on the share

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

Annual general meeting and changes in management

The 30th annual general meeting of IMMOFINANZ AG, which involved voting on the 2022 financial year, was held on 3 May 2023. It was again held as a virtual meeting this year and transmitted in full on the Internet. All IMMOFINANZ shareholders were therefore able to follow the proceedings online and exercise their right to ask questions during the annual general meeting.

The related documents and voting results from the annual general meetings can be found under <https://immofinanz.com/en/investor-relations/general-meeting>.

Changes on the Supervisory Board

The 30th annual general meeting brought a change on the IMMOFINANZ Supervisory Board: The Works Council delegated Anton Weichselbaum to the Supervisory Board as of 3 May 2023. Anton Weichselbaum works for IMMOFINANZ as a retail asset manager in Austria and Slovenia and replaces Werner Ertelthaler. As of 3 May 2023, the Supervisory Board included the shareholder representatives Miroslava Greštiaková (Chairwoman), Martin Němeček (Vice-Chairman), Gayatri Narayan and Martin Matula together with Philipp Amadeus Obermair and Anton Weichselbaum as employee representatives delegated by the Works Council.

Changes on the Executive Board

As of 16 June 2023, the Supervisory Board appointed Pavel Měchura to the IMMOFINANZ Executive Board. Radka Doehring and Pavel Měchura now form the Executive Board. Effective 16 June 2023 Radka Doehring was also appointed to the Management Board of S IMMO AG.

After the end of the reporting period, the Supervisory Board prematurely extended the appointment of Radka Doehring to the Executive Board for five years, i.e. to 30 April 2027, effective as of 19 July 2023.

Shareholder structure

IMMOFINANZ shares are primarily held in fixed ownership and by private investors in Austria and institutional index investors from the USA and Europe.

Shareholders with an investment of more than 4% on 30 June 2023 are listed in the following table:

	Voting rights in % (basis: share capital as of 30 06 2023)	Last reporting date
Radovan Vitek (via CPI Property Group S.A. and WXZ1 a.s.)	76.86	31 05 2022
Klaus Umek (via Klaus Umek, Petrus Advisers Investments Fund L.P.) ¹	4.32	13 07 2023

¹ Klaus Umek holds 1.1% of the IMMOFINANZ shares and 3.2% via call options.

There are no other reports of shareholdings above or below the reporting thresholds.

IMMOFINANZ and S IMMO

IMMOFINANZ acquired an investment of roughly 26.5% (19,499,437 shares) in S IMMO during 2018 and increased its holding through the purchase of 17,305,012 S IMMO shares from CPI Property Group (CPIPG) at the end of December 2022. This transaction gave IMMOFINANZ a majority investment of 50% plus one share in S IMMO, and the company is therefore now included through full consolidation in IMMOFINANZ's consolidated financial statements.

IMMOFINANZ met a long-term, strategic goal with the acquisition of this majority investment. The consolidation of the two companies creates value, leads to a stronger market position, and supports the realisation of synergies.

In January 2023, IMMOFINANZ therefore signed a framework agreement with S IMMO for a joint process to evaluate the further alignment, coordination, fusion or other forms of integration for the two groups. CPIPG is participating in the project as a supporting shareholder. The goal is to identify potential synergies and opportunities to increase efficiency, which will improve transparency and profitability for all stakeholders.

The S IMMO share

The S IMMO interim financial report as of 30 June 2023 indicates that the S IMMO share started the 2023 financial year at EUR 12.48. The share traded at EUR 12.20 at the end of June, for a year-to-date performance of -2.2%. The market capitalisation of S IMMO AG was therefore EUR 898.0 million as of 30 June 2023.

Analyst recommendations

A number of national and international financial firms publish regular evaluations on IMMOFINANZ. These evaluations are updated regularly and can be reviewed on our website under <https://immofinanz.com/en/investor-relations/shares> under "Analyses".

ESG ratings

Sustainability issues represent a growing focal point for investors, tenants and the general public. In order to increase transparency for its stakeholders, IMMOFINANZ again took part in several ESG ratings and rankings during the reporting period. Activities in the first half of 2023 included, among others, an update of the Sustainalytics rating. The overall ESG risk assessment was classified as low and has improved from 15.6 for 2020 to 13.1 for 2021 and to 12.5 for 2022 (on a scale of 0 to 100).

Financial calendar

29 November 2023 ¹	Announcement of results for the first three quarters of 2023
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¹ Publication after the close of trading on the Vienna Stock Exchange.

Your IR contact

We welcome your questions and will be happy to provide additional information on IMMOFINANZ and its share.

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Group Interim Management Report

General Information

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. The assets and liabilities held by S IMMO have therefore been included in IMMOFINANZ's consolidated financial statements since 31 December 2022, and the income statement positions were included since the first quarter of 2023. The designation "IMMOFINANZ Group" is used for information that includes S IMMO, while information excluding S IMMO is referred to as "IMMOFINANZ".

IMMOFINANZ and S IMMO have complementary portfolios and are 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 European Union presented a uniform picture in the first half of 2023: Soaring energy prices and supply chain problems triggered a sharp rise in inflation. The European Central Bank continued to fight this inflationary trend by gradually raising interest rates, in line with the policy announced in 2022. A mild winter and a reduction in energy demand during the spring led to a slight easing of this tense situation. However, there is currently no end in sight to the interest rate increases due to the persistently high core inflation. This combination of ongoing high inflation and rising interest rates has had a negative influence on economic growth in the core markets of the IMMOFINANZ Group.

The gross domestic product (GDP) in the EU had risen by only 0.5% year-on-year at the end of the second quarter, compared with 4.0% in the previous year. Recent projections by the EU Commission call for growth of 1.0% for the full year in 2023 and a slightly higher 1.7% in 2024. The current risks for economic development are linked to uncertainty factors which include high inflation and weakening global trade.

The unemployment rate in the EU equalled 5.9% at the end of the second quarter, a slight improvement over the 6.0% recorded in the previous year. Consumer price inflation reached 6.4% in the eurozone at the end of July 2023 and was substantially lower than the comparative prior year level (8.9%). Among the euro countries, the highest inflation in the IMMOFINANZ Group's core markets was recorded in Slovakia with 11.3% in July, followed by Croatia with 8.3%. Outside the eurozone, the highest price increases in June 2023 were registered in Hungary with 19.9%, the Czech Republic with 11.2% and Poland with 11.0%.

Transaction and rental markets

The European transaction market contracted by nearly 53% year-on-year to roughly EUR 74 billion in the first half of 2023. Rising financing costs and growing market uncertainty led to declines of up to 70% in transaction volumes. The largest reductions in international comparison were recorded in Sweden (-67%), Germany (-62%) and Italy (-42%). An analysis by sector shows the strongest declines in residential properties (-61%), followed by offices (-50%) and industrial and logistics properties (-43%). Transactions are also expected to remain reserved during the second half year. A clearer economic framework in the coming years would help to accelerate transaction activity.

In the office business, the current economic climate has been responsible for noticeable hesitation in new space rentals, while the extension of existing contracts is seeing a growing demand for ESG-compliant properties. Rental prices on the office markets have risen in spite of the higher, or at least stagnating, vacancy rates. For example: Prime rents in Düsseldorf rose by 11.9% to EUR 38/sqm/month despite an increase in the vacancy rate to 10.9%. This trend is underscored by take-up data which points to stable development and, frequently, to an improvement over the previous year. Vacancy rates are expected to increase further on most markets in the coming quarters due to the completion of development pipelines – and that will make tenant retention and the quality of properties more and more important.

Retail turnover is generally trending downward due to the current economic situation, but developments in the retail property sector are stable. Retail parks, in particular, are still viewed as attractive because the prime rents for these properties had already declined during the COVID-19 pandemic and high inflation is driving discounters' revenues. Rents in this business are stable, with prime rents of up to EUR 17.0/sqm/month in the retail park segment.

Tourism is enjoying a strong recovery and overnight stays are increasing. The hotel market in the CEE region is also benefitting from this development and becoming more attractive for investors. This trend is expected to continue in the coming quarters.

Portfolio Report

IMMOFINANZ is concentrating on its core business as a growth-oriented property owner and on the further optimisation of its portfolio. This corporate strategy also includes acquisitions and selected development projects. The focus is on higher yield real estate.

IMMOFINANZ's portfolio strategy is based on its established brands and on flexible and innovative offers with high customer orientation. 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 520 properties* as of 30 June 2023 with a combined value* of EUR 7,811.1 million (31 December 2022: 627 properties with a carrying amount of EUR 8,363.8 million). Standing investments* represented the largest component at EUR 7,384.8 million, or 94.5% of the carrying amount, and 3.4 million sqm of rentable space which generate steady rental income. Development projects* are responsible for EUR 223.1 million, or 2.9% of the carrying amount. A carrying amount of EUR 203.2 million, or 2.6%, 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.

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.

The increase in the investment in S IMMO to 50% plus one share was finalised at year-end 2022. Consequently, the assets and liabilities of S IMMO have been included in IMMOFINANZ's consolidated financial statements since 31 December 2022 and the income statement positions beginning with the first quarter of 2023.

* Including properties that are held for sale by the IMMOFINANZ Group and fall under the scope of application of IFRS 5 (30 June 2023: EUR 145.5 million; for details see section 4.6 in the consolidated interim financial statements).

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	28	723.5	68.9	19.2	811.6	10.4
Germany	5	518.8	0.0	4.6	523.4	6.7
Poland	31	979.8	9.4	0.0	989.2	12.7
Czech Republic	48	680.0	0.0	0.0	680.0	8.7
Hungary	19	225.8	0.0	2.7	228.5	2.9
Romania	33	635.3	68.1	68.2	771.6	9.9
Slovakia	36	449.7	0.0	1.3	451.0	5.8
Adriatic ²	62	511.9	64.5	35.9	612.3	7.8
S IMMO	258	2,660.0	12.2	71.3	2,743.5	35.1
IMMOFINANZ Group	520	7,384.8	223.1	203.2	7,811.1	100.0
in %		94.5	2.9	2.6	100.0	

¹ Including real estate inventories

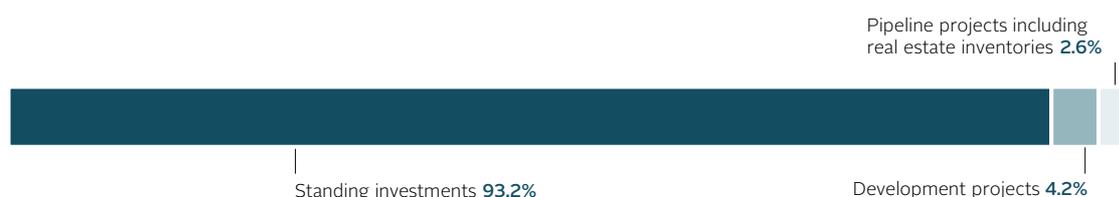
² In declining order based on the carrying amount: Croatia, Serbia, Slovenia and Italy

The IMMOFINANZ property portfolio

The IMMOFINANZ property portfolio (IMMOFINANZ excluding S IMMO) covered 262 properties* as of 30 June 2023 (31 December 2022: 265 properties) with a combined value* of EUR 5,067.6 million (31 December 2022: EUR 5,199.6 million). These properties are located, above all, in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and Adriatic (Croatia, Serbia, Slovenia and Italy). Standing investments* represented the largest component at EUR 4,724.8 million, or 93.2% of the carrying amount, and 2.2 million sqm of rentable space. Development projects* are responsible for EUR 210.9 million, or 4.2% of the carrying amount. A carrying amount of EUR 131.9 million, or 2.6%, is attributable to pipeline projects*. The portfolio comprised 50.7% of office properties and 47.8% of retail properties as of 30 June 2023.

Structure of the IMMOFINANZ property portfolio

Total carrying amount: EUR 5,067.6 million



Sales by IMMOFINANZ

IMMOFINANZ continued its strategic property sales during the first half of 2023. Included here, among others, is the Bureau am Belvedere office property in Vienna with nearly 9,000 sqm which was successfully sold to an Austrian investor in March. A further sale involved land in Turkey and also marked IMMOFINANZ's exit from this market.

In February 2023, IMMOFINANZ signed a letter of intent for the sale of several office properties at the location on Vienna's Wienerberg to S IMMO. The transaction will cover six standing assets 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 411.0 million.

* Including properties that are held for sale by IMMOFINANZ and fall under the scope of application of IFRS 5 (30 June 2023: EUR 9.2 million; for details see section 4.6 in the consolidated interim financial statements).

Based on this agreement, IMMOFINANZ sold the Vienna Twin Towers to S IMMO in July 2023, i.e. after the end of the reporting period. The IMMOFINANZ team will continue to be responsible for the management and rental of these fully occupied office properties, which are operated under the myhive brand.

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

The carrying amount of the property portfolio as of 30 June 2023 is as follows:

The 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	49	2,387.7	135.8	45.3	2,568.8	50.7
thereof myhive	28	1,437.8	135.8	0.0	1,573.6	31.1
thereof office other	21	949.9	0.0	45.3	995.2	19.6
Retail	197	2,319.2	73.9	26.7	2,419.8	47.8
thereof VIVO!/ shopping center	10	683.9	0.0	0.0	683.9	13.5
thereof STOP SHOP/ retail park	162	1,509.5	73.9	25.2	1,608.6	31.7
thereof retail other	25	125.8	0.0	1.5	127.3	2.5
Others	16	17.9	1.2	59.9	79.0	1.6
IMMOFINANZ	262	4,724.8	210.9	131.9	5,067.6	100.0

¹ Including real estate inventories (Cologne and Adama) totalling EUR 4.7 million

The S IMMO property portfolio

The S IMMO property portfolio (excluding owner-operated hotel properties) included 258 properties which had a carrying amount of EUR 2,743.5 million as of 30 June 2023 (31 December 2022: 362 properties with a carrying amount of EUR 3,164.2 million) and 1.3 million sqm of rentable space (31 December 2022: 1.4 million sqm).

For further information on this property portfolio, see the S IMMO AG interim financial report as of 30 June 2023.

The IMMOFINANZ Group's standing investments

The 427 standing investments held by the IMMOFINANZ Group had a carrying amount of EUR 7,384.8 million as of 30 June 2023 (31 December 2022: 530 properties with a carrying amount of EUR 7,936.0 million). Of this total, 32.3% are attributable to office properties, 31.4% to retail properties and 36.0% to S IMMO. The focal point of the standing investments by segment based on the carrying amount are the markets in Poland (EUR 979.8 million), Austria (EUR 723.5 million) and the Czech Republic (EUR 680.0 million) as well as S IMMO (EUR 2,660.0 million). The rentable space in this portfolio totalled 3.4 million sqm. The standing investment portfolio had a gross return of 6.9% based on IFRS rental income. Rental incentives like standard market rent-free periods or allowances for fit-out costs are accrued on a straight-line basis over the contract term in accordance with IFRS. The occupancy rate was high at 92.5% as of 30 June 2023 (31 December 2022: 92.9%).

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	23	723.5	9.8	234,337	230,071	98.2
Germany	3	518.8	7.0	87,652	65,648	74.9
Poland	30	979.8	13.3	438,079	411,399	93.9
Czech Republic	48	680.0	9.2	279,219	269,093	96.4
Hungary	16	225.8	3.1	169,167	167,969	99.3
Romania	15	635.3	8.6	339,684	293,954	86.5
Slovakia	35	449.7	6.1	264,049	251,629	95.3
Adriatic ¹	38	511.9	6.9	341,584	339,608	99.4
S IMMO	219	2,660.0	36.0	1,258,557	1,126,326	89.5
IMMOFINANZ Group	427	7,384.8	100.0	3,412,328	3,155,697	92.5

Standing investments	Rental income Q2 2023 in MEUR	Gross return in %	Carrying amount financing in MEUR	Financing costs incl. derivatives in %	LTV in %
Austria	11.1	6.1	393.8	2.4	54.4
Germany	4.4	3.4	275.7	3.2	53.2
Poland	16.8	6.9	515.7	2.7	52.6
Czech Republic	11.7	6.9	247.5	2.3	36.4
Hungary	5.2	9.2	107.1	1.7	47.4
Romania	13.3	8.4	0.0	0.0	0.0
Slovakia	8.8	7.8	180.5	2.6	40.1
Adriatic ¹	11.5	9.0	92.6	4.9	18.1
S IMMO	43.9	6.6	1,034.0	2.4	38.9
IMMOFINANZ Group	126.7	6.9	2,847.1	2.6	38.6
Development projects and pipeline projects	1.1		40.6	3.9	
Rental income from sold properties and adjustments	2.7		0.0	0.0	
Group financing IMMOFINANZ	0.0		457.7	4.5	
Group financing S IMMO	0.0		499.8		
IMMOFINANZ Group	130.5		3,845.2	2.7	
Market value property portfolio in MEUR					7,811.1
Cash and cash equivalents ² in MEUR			-729.2		
Property value of owner-operated properties S IMMO					230.5
IMMOFINANZ Group in MEUR			3,116.0		8,041.6
Net LTV in %					38.7

¹ In declining order based on the carrying amount: Serbia, Slovenia, Italy and Croatia² 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 4,724.8 million as of 30 June 2023 (31 December 2022: 208 standing investments with a carrying amount of EUR 4,852.1 million). Of this total, 50.5% are attributable to office properties and 49.1% to retail properties. The rentable space in this portfolio totalled 2.2 million sqm at the end of the first half of 2023 (31 December 2022: 2.2 million sqm). These properties have a gross return of 7.0% based on IFRS rental income.

The occupancy rate remained high at 94.2% (30 June and 31 December 2022: 94.3%). According to the EPRA's calculation formula, the vacancy rate equalled 6.6% (31 December 2022: 6.5%; 30 June 2022: 6.1%). 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. Take-up in the standing investments and development projects amounted to 148,200 sqm in the first half of 2023, excluding standing investments in the Other asset class. This take-up includes 58,500 sqm of new rentals and 89,700 sqm of contract extensions. The average unexpired lease term weighted by rental income (WAULT*) equalled 3.6 years as of 30 June 2023 (31 December 2022: 3.5 years).

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	17	15	15	18	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.

Sustainability certifications

The certified space at the end of June 2023 totalled approximately 900,900 sqm in buildings which have a combined carrying amount of EUR 2.4 billion: 50.7% of the carrying amount, or 41.8% of the total space in the standing investment portfolio, have received sustainability certificates. In the office portfolio, 78.3% of the properties based on the carrying amount, or 72.9% of the total space, are certified.

Sound growth of 10.3% 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 10.3%, or EUR 6.9 million, in rental income to EUR 74.3 million in the second quarter of 2023 (Q2 2022: EUR 67.4 million). Positive development was reported by nearly all core markets, led by Austria. Like-for-like rental income rose by 9.0% in the office business and by 11.8% in the retail sector, whereby the indexing of rents and higher turnover-based rents in retail properties served as the driving factors.

A comparison of the first half years in 2023 and 2022 shows an increase of EUR 13.0 million, or 10.0%, in like-for-like rental income to EUR 143.3 million (office: +9.5%; retail: +10.7%).

* 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 Q2 2023 in MEUR	Rental income Q2 2022 in MEUR	Change in rental income in MEUR	Change in rental income in %
Austria	22	692.1	16.7	10.9	9.1	1.7	19.1
Germany	2	386.4	9.3	3.7	3.3	0.4	11.9
Poland	24	951.0	22.9	16.2	16.3	-0.1	-0.6
Czech Republic	18	486.8	11.7	8.4	7.0	1.4	20.2
Hungary	14	194.4	4.7	4.5	3.9	0.6	15.0
Romania	15	635.3	15.3	13.3	11.7	1.6	14.1
Slovakia	20	332.4	8.0	6.5	6.1	0.4	6.6
Adriatic ²	35	473.2	11.4	10.8	10.0	0.8	8.3
IMMOFINANZ	150	4,151.6	100.0	74.3	67.4	6.9	10.3

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, Italy and Croatia

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 Q2 2023 in MEUR	Rental income Q2 2022 in MEUR	Change in rental income in MEUR	Change in rental income in %
Office	37	2,223.9	53.6	31.8	29.2	2.6	9.0
thereof myhive	24	1,406.4	33.9	21.3	20.7	0.6	3.1
thereof office other	13	817.5	19.7	10.5	8.5	2.0	23.4
Retail	112	1,909.8	46.0	42.4	37.9	4.5	11.8
thereof VIVO!/ shopping center	10	683.9	16.5	15.6	13.6	2.0	14.7
thereof STOP SHOP/ retail park	100	1,215.0	29.3	26.5	24.1	2.5	10.2
thereof retail other	2	10.9	0.3	0.3	0.3	0.0	1.1
Others	1	17.9	0.4	0.1	0.3	-0.2	-60.3
IMMOFINANZ	150	4,151.6	100.0	74.3	67.4	6.9	10.3

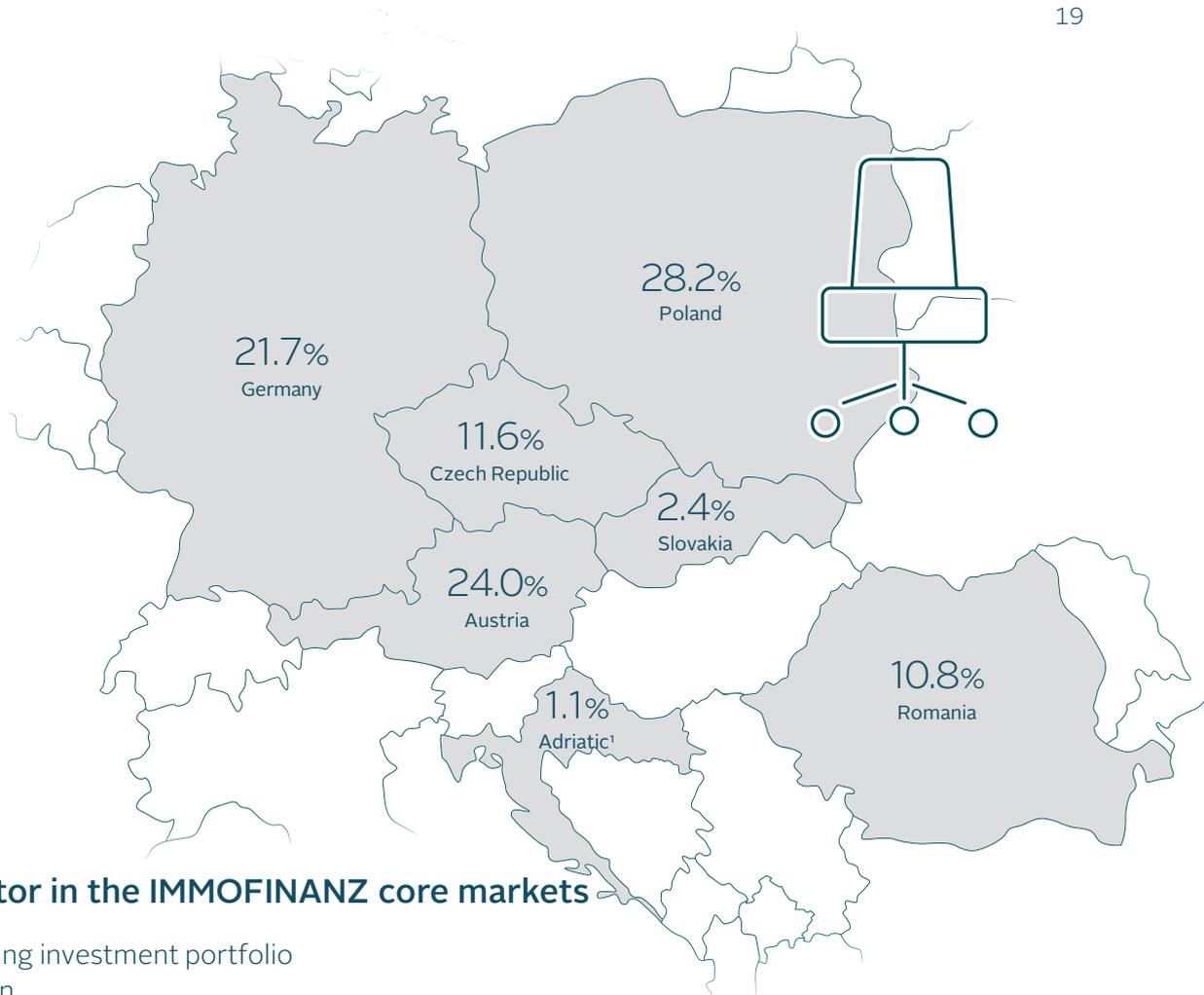
¹ This calculation only includes the properties which were fully owned by IMMOFINANZ during both periods. In other words, the calculation excludes new acquisitions, completions and sales.

IMMOFINANZ's standing investments – office

The carrying amount of the 39 standing office investments held by IMMOFINANZ (excluding S IMMO) totalled EUR 2,387.7 million as of 30 June 2023 (31 December 2022: 40 standing investments with a carrying amount of EUR 2,537.1 million). These assets represented 50.5% of the standing investment portfolio and 39.5% of the rental income from standing investments in the second quarter of 2023. The office portfolio had an occupancy rate of 87.0% at the end of June 2023 (31 December 2022: 88.1%; 30 June 2022: 88.9%).

The office portfolio continues to have a balanced tenant structure. The ten largest tenants occupy 21.9% of the space in the office standing investments, and no single tenant has rented more than 3.7% of the total space in these properties (31 December 2022: 21.6% and 3.6%). The WAULT* equalled 3.5 years as of 30 June 2023 (31 December 2022: 3.6 years).

* 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 2,387.7 million
as of 30 June 2023

Poland

Number of properties	10
Carrying amount in MEUR	673.8
Carrying amount in %	28.2
Rentable space in sqm	234,400
Occupancy rate in %	90.2
Rental inc. Q2 2023 in MEUR	10.0
Gross return in %	6.0

Austria

Number of properties	9
Carrying amount in MEUR	573.7
Carrying amount in %	24.0
Rentable space in sqm	161,576
Occupancy rate in %	97.9
Rental inc. Q2 2023 in MEUR	8.0
Gross return in %	5.6

Germany

Number of properties	3
Carrying amount in MEUR	518.8
Carrying amount in %	21.7
Rentable space in sqm	87,652
Occupancy rate in %	74.9
Rental inc. Q2 2023 in MEUR	4.4
Gross return in %	3.4

Czech Republic

Number of properties	5
Carrying amount in MEUR	278.0
Carrying amount in %	11.6
Rentable space in sqm	76,833
Occupancy rate in %	90.2
Rental inc. Q2 2023 in MEUR	4.4
Gross return in %	6.3

Romania

Number of properties	9
Carrying amount in MEUR	258.7
Carrying amount in %	10.8
Rentable space in sqm	178,873
Occupancy rate in %	75.5
Rental inc. Q2 2023 in MEUR	4.2
Gross return in %	6.6

Slovakia

Number of properties	2
Carrying amount in MEUR	58.1
Carrying amount in %	2.4
Rentable space in sqm	35,623
Occupancy rate in %	89.9
Rental inc. Q2 2023 in MEUR	1.1
Gross return in %	7.8

Adriatic¹

Number of properties	1
Carrying amount in MEUR	26.6
Carrying amount in %	1.1
Rentable space in sqm	15,913
Occupancy rate in %	100.0
Rental inc. Q2 2023 in MEUR	0.6
Gross return in %	8.5

IMMOFINANZ

Number of properties	39
Carrying amount in MEUR	2,387.7
Carrying amount in %	100.0
Rentable space in sqm	790,870
Occupancy rate in %	87.0
Rental inc. Q2 2023 in MEUR	32.7
Gross return in %	5.5

¹ Croatia

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	12	12	15	18	9

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	39	2,387.7	100.0	790,870	687,796	87.0
thereof myhive	25	1,437.8	60.2	535,754	477,303	89.1
thereof office other	14	949.9	39.8	255,116	210,492	82.5

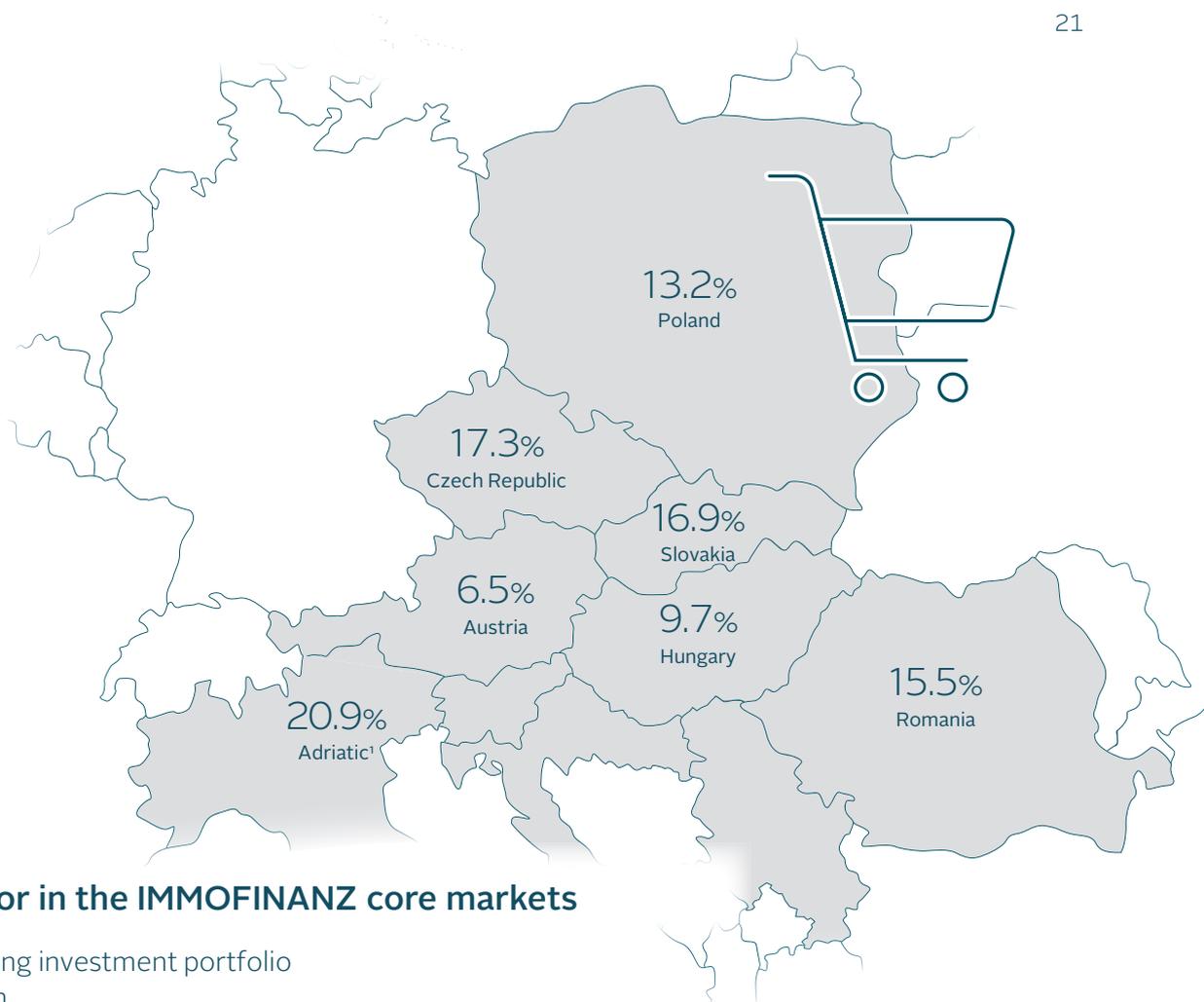
Standing investments	Rental income Q2 2023 in MEUR	Gross return in %	Carrying amount financing in MEUR	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	32.7	5.5	1,118.1	2.5	46.8
thereof myhive	21.5	6.0	671.0	2.3	46.7
thereof office other	11.2	4.7	447.1	2.7	47.1

IMMOFINANZ's standing investments – retail

The carrying amount of the 168 standing retail investments held by IMMOFINANZ (excluding S IMMO) totalled EUR 2,319.2 million as of 30 June 2023 (31 December 2022: 167 standing investments with a carrying amount of EUR 2,297.8 million). These properties represented 49.1% of the standing investment portfolio and generated 60.4% of rental income from standing investments in the second quarter of 2023. The occupancy rate equalled a high 98.4% as of 30 June 2023 (31 December 2022: 98.8%; 30 June 2022: 98.5%). The occupancy rate in the STOP SHOP/retail parks and VIVO!/shopping centers equalled 98.9%, respectively 96.8%.

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 4.4% of the total space in these properties. The WAULT* equalled 3.4 years as of 30 June 2023 (31 December 2022: 3.5 years).

* 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 retail sector in the IMMOFINANZ core markets

Share of the standing investment portfolio
EUR 2,319.2 million
as of 30 June 2023

Adriatic¹

Number of properties	37
Carrying amount in MEUR	485.3
Carrying amount in %	20.9
Rentable space in sqm	325,671
Occupancy rate in %	99.4
Rental inc. Q2 2023 in MEUR	10.9
Gross return in %	9.0

Czech Republic

Number of properties	43
Carrying amount in MEUR	402.0
Carrying amount in %	17.3
Rentable space in sqm	202,387
Occupancy rate in %	98.7
Rental inc. Q2 2023 in MEUR	7.4
Gross return in %	7.3

Slovakia

Number of properties	33
Carrying amount in MEUR	391.6
Carrying amount in %	16.9
Rentable space in sqm	228,426
Occupancy rate in %	96.1
Rental inc. Q2 2023 in MEUR	7.6
Gross return in %	7.8

Romania

Number of properties	5
Carrying amount in MEUR	358.7
Carrying amount in %	15.5
Rentable space in sqm	149,576
Occupancy rate in %	98.7
Rental inc. Q2 2023 in MEUR	9.0
Gross return in %	10.0

Poland

Number of properties	20
Carrying amount in MEUR	306.0
Carrying amount in %	13.2
Rentable space in sqm	203,680
Occupancy rate in %	98.1
Rental inc. Q2 2023 in MEUR	6.8
Gross return in %	8.8

Hungary

Number of properties	16
Carrying amount in MEUR	225.8
Carrying amount in %	9.7
Rentable space in sqm	169,167
Occupancy rate in %	99.3
Rental inc. Q2 2023 in MEUR	5.2
Gross return in %	9.2

Austria

Number of properties	14
Carrying amount in MEUR	149.8
Carrying amount in %	6.5
Rentable space in sqm	72,761
Occupancy rate in %	98.8
Rental inc. Q2 2023 in MEUR	3.1
Gross return in %	8.3

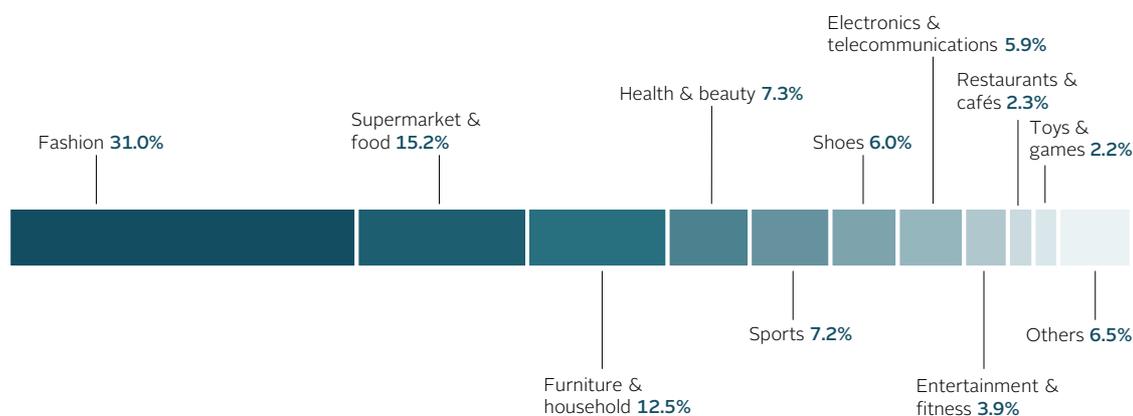
IMMOFINANZ

Number of properties	168
Carrying amount in MEUR	2,319.2
Carrying amount in %	100.0
Rentable space in sqm	1,351,666
Occupancy rate in %	98.4
Rental inc. Q2 2023 in MEUR	50.0
Gross return in %	8.6

¹ Serbia, Slovenia, Italy and Croatia

Branch mix – retail

Only rented space in the standing investments as of 30 June 2023



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 %
13	12	20	16	15	18	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	168	2,319.2	100.0	1,351,666	1,330,339	98.4
thereof VIVO!/shopping center	10	683.9	29.5	312,202	302,346	96.8
thereof STOP SHOP/retail park	135	1,509.5	65.1	959,211	948,330	98.9
thereof retail other	23	125.8	5.4	80,254	79,663	99.3

Standing investments	Rental income Q2 2023 in MEUR	Gross return in %	Carrying amount financing in MEUR	Financing costs incl. derivatives in %	LTV in %
IMMOFINANZ	50.0	8.6	695.0	3.1	30.0
thereof VIVO!/shopping center	15.6	9.1	204.8	2.2	30.0
thereof STOP SHOP/retail park	31.8	8.4	490.1	3.4	32.5
thereof retail other	2.6	8.3	0.0	0.0	0.0

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

S IMMO standing investments

The 219 standing investments* held by S IMMO had a carrying amount of EUR 2,660.0 million as of 30 June 2023. The occupancy rate in the standing investment portfolio equalled 89.5%*.

For further information on the portfolio, see the S IMMO AG interim financial report as of 30 June 2023.

The IMMOFINANZ Group's development projects

The IMMOFINANZ Group's development projects had a carrying amount of EUR 223.1 million as of 30 June 2023 (31 December 2022: EUR 198.5 million), which represents 2.9% of the total property portfolio (31 December 2022: 2.4%). This amount includes EUR 163.6 million of active development projects, all of which are attributable to IMMOFINANZ, and EUR 59.5 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 234.9 million. The core markets of Austria and Adriatic represent the focal point with an expected fair value after completion of EUR 76.3 million, respectively EUR 112.8 million, followed by Romania with EUR 45.8 million. S IMMO had no development projects in progress at the end of June 2023.

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	68.3	41.7	3.6	19,882	76.3	3.8	5.3
Romania	1	41.0	25.1	3.3	21,127	45.8	3.3	7.5
Adriatic ²	9	54.3	33.2	53.9	73,583	112.8	8.5	7.9
Active projects								
IMMOFINANZ	11	163.6	100.0	60.8	114,592	234.9	15.7	7.0
Projects in preparation IMMOFINANZ		47.3						
Projects in preparation S IMMO		12.2						
IMMOFINANZ Group		223.1						

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

² Croatia and Serbia

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.

* 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 for 2022).

Adriatic

In Croatia, eight new STOP SHOP retail parks are under development in Daruvar, Vinkovci, Čakovec, Pazin, Đakovo, Dugo Selo, Vukovar and Virovitica. The STOP SHOP in Daruvar opened on 9 March 2023 and the STOP SHOP in Vinkovci on 27 April 2023. Additionally, a project at the existing STOP SHOP in the Serbian city of Sremska Mitrovica involves an expansion of 2,300 sqm to 9,300 sqm.

Romania

The myhive Victoria Park, a standing investment in Bucharest, is undergoing extensive modernisation and integration in the flexible myhive office concept. Completion is scheduled for the second half of 2023.

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 203.2 million as of 30 June 2023 and represent 2.6% of the total property portfolio. Of this total, EUR 131.9 million, or 2.6%, are attributable to IMMOFINANZ, excluding S IMMO (31 December 2022: EUR 159.3 million or 3.1%). S IMMO is responsible for EUR 71.3 million or 0.9%. The focal point of the IMMOFINANZ Group's pipeline projects is Romania with a volume of EUR 68.2 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 146.9 million as of 30 June 2023 (31 December 2022: EUR 548.5 million) and are primarily attributable to the full consolidation of S IMMO. Details are provided in section 4.6 of the IMMOFINANZ Group's consolidated interim financial statements and in the S IMMO AG interim financial report as of 30 June 2023.

Property Valuation

The IMMOFINANZ Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and arranges for the regular valuation of its properties by independent experts. These external appraisals are carried out at least once each year as of 31 December and follow 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 such as the occupancy rate, rental income and the remaining term of the rental contracts as well as the age and quality of the buildings. External factors such as the development of the regional and general market environments, the economy and the financing climate are also included. ESG factors – for example the risks arising from climate change as well as the energy efficiency and social added value of the properties – are likewise examined and their potential effects on future valuation are reflected in the valuation. As of 30 June 2023, most of the IMMOFINANZ Group's property portfolio with a value of EUR 7.8 billion was appraised internally by IMMOFINANZ (49.0%). Appraisals by S IMMO covered a further 35.1% of the property portfolio and only 15.8% were valued by CBRE, an independent external company.

Development of property valuation in the IMMOFINANZ Group during the first half of 2023

Revaluation results recorded by the IMMOFINANZ Group (including S IMMO) totalled EUR -197.2 million in the first half of 2023 (Q1–2 2022: EUR 71.9 million). These results reflect the challenging market environment characterised by rising interest rates and construction costs. The revaluation results from the investment properties (standing investments and undeveloped land) amounted to EUR -190.9 million, compared with EUR 74.8 million in the first half of 2022, and represent -2.5% of the carrying amount reported by the IMMOFINANZ Group at the end of June 2023. The S IMMO portfolio was responsible for -3.1% of the carrying amount. Write-downs totalling EUR -107.4 million, or -4.4% of the carrying amount, were recorded to office properties by IMMOFINANZ as of 30 June 2023, with the largest individual effects resulting from office buildings in Düsseldorf and Vienna. The revaluation results from the retail portfolio amounted to EUR -9.7 million, or -0.4% of the carrying amount, and were related primarily to a negative effect on a land plot in Romania.

Investment property	Carrying amount in MEUR	Valuation effects Q1–2 2023 in MEUR	Ratio of valuation to carrying amount in %
Austria	768.4	-34.6	-4.5
Germany	518.8	-51.1	-9.9
Poland	1,008.6	-21.8	-2.2
Czech Republic	680.1	2.4	0.4
Hungary	228.5	-0.8	-0.3
Romania	694.3	-10.0	-1.4
Slovakia	451.0	0.4	0.1
Adriatic ¹	547.8	-1.6	-0.3
Other countries ²	0.0	7.5	0.0
IMMOFINANZ	4,897.5	-109.7	-2.2
S IMMO	2,594.2	-81.2	-3.1
IMMOFINANZ Group	7,491.7	-190.9	-2.5

¹ Serbia, Slovenia, Italy and Croatia

² Turkey

Investment property	Carrying amount in MEUR	Valuation effects Q1–2 2023 in MEUR	Ratio of valuation to carrying amount in %
Office	2,449.1	-107.4	-4.4
Retail	2,375.3	-9.7	-0.4
Others	73.1	7.5	10.2
IMMOFINANZ	4,897.5	-109.7	-2.2
S IMMO	2,594.2	-81.2	-3.1
IMMOFINANZ Group	7,491.7	-190.9	-2.5

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 -85.9 million in the first half of 2023 (Q1–2 2022: EUR 78.5 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 Q1–2 2023 in MEUR
Austria	22	692.1	16.7	-30.2
Germany	2	386.4	9.3	-35.8
Poland	24	951.0	22.9	-20.3
Czech Republic	18	486.8	11.7	0.9
Hungary	14	194.4	4.7	0.1
Romania	15	635.3	15.3	0.1
Slovakia	20	332.4	8.0	0.4
Adriatic ²	35	473.2	11.4	-1.0
IMMOFINANZ	150	4,151.6	100.0	-85.9

¹ This calculation only includes the properties which were fully owned by IMMOFINANZ during both financial periods. 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 Q1–2 2023 in MEUR
Office	37	2,223.9	53.6	-86.3
thereof myhive	24	1,406.4	33.9	-40.0
thereof office other	13	817.5	19.7	-46.3
Retail	112	1,909.8	46.0	0.4
thereof VIVO!/shopping center	10	683.9	16.5	1.3
thereof STOP SHOP/retail park	100	1,215.0	29.3	-0.9
thereof retail other	2	10.9	0.3	0.0
Others	1	17.9	0.4	0.0
IMMOFINANZ	150	4,151.6	100.0	-85.9

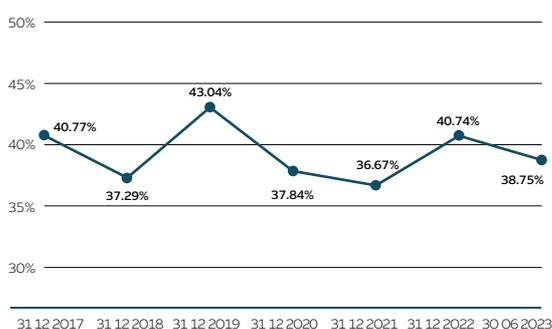
¹ This calculation only includes the properties which were fully owned by IMMOFINANZ during both financial periods. In other words, the calculation excludes new acquisitions, completions and sales.

Financing

IMMOFINANZ purchased additional shares in S IMMO from the CPI Property Group (CPIPG) on 27 December 2022 and thereby 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 – as related to the first half-year in 2022 or to the quarterly closing date on 30 June 2022 – is, therefore, limited.

The IMMOFINANZ Group had a robust balance sheet structure with an equity ratio of 49.6% as of 30 June 2023 (31 December 2022: 47.9%) and a solid net loan-to-value ratio (net LTV) of 38.7% (31 December 2022: 40.7%). Financial liabilities* totalled EUR 3.8 billion as of 30 June 2023 (31 December 2022: EUR 4.2 billion). Cash and cash equivalents amounted to EUR 729.2 million (including the cash and cash equivalents in assets held for sale). Net debt, i.e. debt after the deduction of cash and cash equivalents, declined to EUR 3.1 billion (31 December 2022: EUR 3.5 billion).

Development of net LTV in the IMMOFINANZ Group



Calculation of net LTV for the IMMOFINANZ Group as of 30 June 2023

Amounts in TEUR	
Carrying amount of financing ¹	3,845,174.2
- Cash and cash equivalents ²	-729,173.7
Net carrying amount of financing	3,116,000.4
Carrying amount of property ³	8,041,603.2
Net LTV in %	38.7

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

Financing costs

Average total financing costs for the IMMOFINANZ Group, including derivatives, equalled 2.75% per year as of 30 June 2023 (31 December 2022: 2.60% per year). Rising market interest rates were primarily responsible for the increase. The hedging quota remained high at 90.6% (31 December 2022: 87.0%).

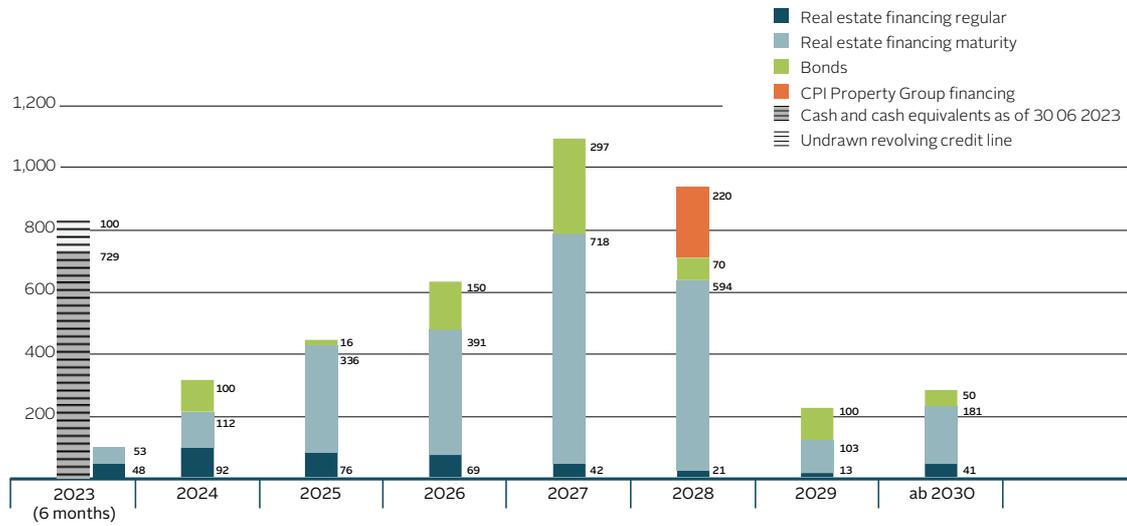
Term structure

The weighted average remaining term of the financial liabilities held by the IMMOFINANZ Group equalled 4.25 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 30 June 2023.

* Excluding lease liabilities of EUR 61.0 million based on the application of IFRS 16; including IFRS 5

Term structure of financial liabilities for the IMMOFINANZ Group

by financial year as of 30 June 2023, in MEUR

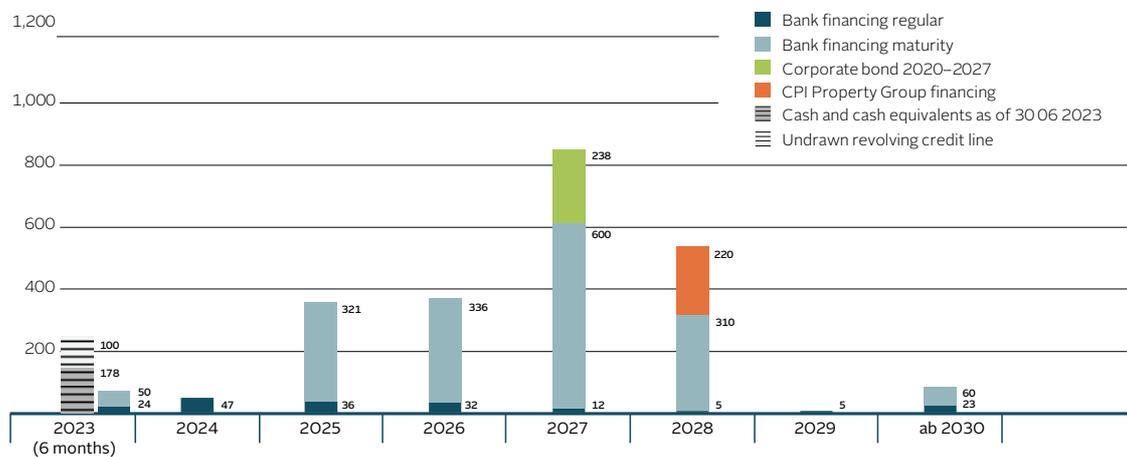


The strategy followed by the IMMOFINANZ Group is designed to ensure a balanced term structure.

The unsecured, revolving corporate credit line of EUR 100.0 million concluded in March 2020 was extended prematurely and can be used at the company's discretion up to 30 June 2025. The credit line was unused as of 30 June 2023 and is therefore available in full.

Term structure of financial liabilities for IMMOFINANZ

by financial year as of 30 June 2023, in MEUR



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 30 June 2023 is as follows:

Weighted average interest rate of the financial liabilities	Outstanding liability in TEUR as of 30 06 2023	Total average interest rate incl. expenses for derivatives in % ¹
Corporate bond IMMOFINANZ	237,253.8	2.50
Bank and other financial liabilities ²	2,074,113.7	3.13
S IMMO	1,533,806.6	2.27
IMMOFINANZ Group	3,845,174.2	2.75

¹ Based on nominal remaining debt

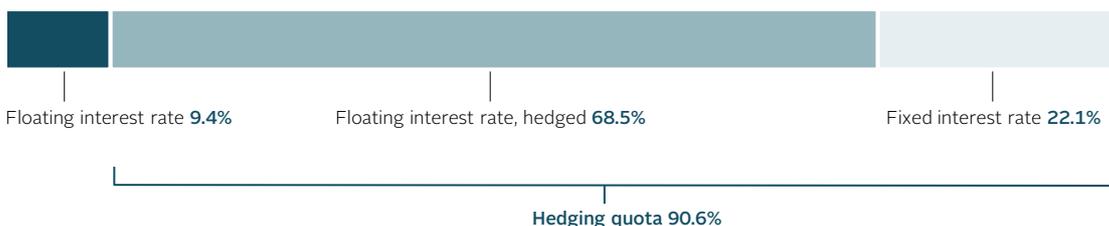
² Including IFRS 5

The remaining balance of the financial liabilities held by the IMMOFINANZ Group totalled EUR 3,845.2 million as of 30 June 2023 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.

Derivatives

The IMMOFINANZ Group uses derivatives as a hedge against rising interest rates. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 2,667.6 million as of 30 June 2023 (31 December 2022: EUR 2,634.1 million).

Financial liabilities – type of interest as of 30 June 2023



Bonds issued by the IMMOFINANZ Group

The following table lists the outstanding nominal value of the IMMOFINANZ Group bonds as of 30 June 2023:

Bond	ISIN	Maturity	Coupon in %	Nominal value as of 30 06 2023 in TEUR
Corporate bond	XS2243564478	15 10 2027	2.50	237,800
IMMOFINANZ			2.50¹	237,800
Corporate bond	AT0000A2UVR4	11 01 2027	1.25	25,059
Corporate bond	AT0000A2MKW4	04 02 2028	1.75	70,450
Corporate bond	AT0000A2AEA8	15 10 2029	2.00	100,000
Corporate bond	AT0000A285H4	22 05 2026	1.88	150,000
Corporate bond	AT0000A1Z9D9	06 02 2024	1.75	100,000
Corporate bond	AT0000A1Z9C1	06 02 2030	2.88	50,000
Corporate bond	AT0000A1DWK5	21 04 2027	3.25	34,199
Corporate bond	AT0000A1DBM5	09 04 2025	3.25	15,890
S IMMO			2.05¹	545,597
IMMOFINANZ Group			2.19¹	783,397

¹ Weighted coupon in % based on the nominal value as of 30 June 2023

The outstanding nominal value of the bonds issued by IMMOFINANZ (excluding S IMMO) declined substantially to EUR 237.8 million as of 30 June 2023 following the repayment of the corporate bond 2019–2023 (31 December 2022: EUR 424.9 million).

On 28 June 2023, S IMMO announced the successful issuance of a green bond as of 12 July 2023. This bond (ISIN AT0000A35Y85) has a volume of EUR 75 million, a five-year term and a fixed coupon of 5.50% per year.

IMMOFINANZ withdrew its individual rating assigned by S&P Global Ratings for efficiency reasons in March 2023 due to its group affiliation to CIPG.

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

Financial covenant	Threshold in %	Value as of 30 06 2023 in %
Net Debt to Value Ratio ¹	Max. 60.0	38.6
Secured Net Debt to Value Ratio ¹	Max. 45.0	26.2
Interest Coverage Ratio	Min. 150.0	299.3

¹ The values are based on the latest calculation as per the bond terms on or before 30 June 2023.

Business Development

The IMMOFINANZ Group recorded strong growth in both rental income and operating results for the first half of 2023. This was supported primarily by the full consolidation of S IMMO and by property acquisitions. Rental income rose by roughly 80% year-on-year to EUR 258.9 million. The results of property sales amounted to EUR -53.0 million (Q1-2 2022: EUR -11.8 million) and were influenced, above all, by the derecognition of historical foreign exchange effects following the deconsolidation of a subsidiary in Turkey (EUR -45.8 million). However, the results of operations and sustainable FFO 1 from the standing investment business (before tax) more than doubled to EUR 118.0 million and EUR 140.9 million, respectively.

Revaluations totalled EUR -197.2 million in the first half of 2023, compared with positive results of EUR 71.9 million in the previous year, and reflect the challenging market environment and rising interest rates. Financial results also turned negative at EUR -72.8 million (Q1-2 2022: EUR 68.8 million), chiefly due to non-cash valuation effects and the full consolidation of S IMMO under which the earnings contributions are no longer included under financial results. The IMMOFINANZ Group recorded a net loss of EUR -144.5 million, respectively earnings per share of EUR -0.59, in the first half of 2023.

Income statement

All amounts in TEUR	Q1-2 2023	Q1-2 2022
Rental income	258,927	144,154
Results of asset management	216,819	109,996
Results of owner-operated properties	1,461	0
Results of property sales	-52,994	-11,825
Results of property development	-3,990	-7,795
Other operating income	4,502	2,020
Other operating expenses	-47,753	-36,057
Results of operations	118,045	56,339
Revaluation result from standing investments and goodwill	-191,049	74,688
Operating profit (EBIT)	-73,004	131,027
Financial results	-72,797	68,826
Earnings before tax (EBT)	-145,801	199,853
Net profit or loss	-144,506	162,720

Rental income recorded by the IMMOFINANZ Group rose by 79.6% to EUR 258.9 million in the first half of 2023. This increase is chiefly attributable to the full consolidation of S IMMO, a substantial improvement in like-for-like rental income, and the acquisition of retail properties in the previous year. The improvement in the results of asset management exceeded the increase in rental income with a plus of 97.1% to EUR 216.8 million (Q1-2 2022: EUR 110.0 million).

The IMMOFINANZ Group continued its strategic property sales with a volume of EUR 597.9 million in the first half of 2023. These sales consisted primarily of transactions by S IMMO in Germany and the sale of an office property by IMMOFINANZ in Vienna. After the inclusion of a one-off effect, the results of property sales totalled EUR -53.0 million (Q1-2 2022: EUR -11.8 million). These results were negatively influenced, above all, by a negative earnings contribution of EUR -45.8 million from the deconsolidation of a subsidiary in Turkey (Q1-2 2022: EUR -0.4 million) which resulted almost entirely from the reclassification of historical foreign exchange effects to the income statement. These foreign exchange effects were based on the devaluation of the Turkish lira in the years following the initial consolidation and were previously recorded to the statement of comprehensive income without recognition to profit or loss. The results of property development amounted to EUR -4.0 million (Q1-2 2022: EUR -7.8 million) and reflected the market trends and rising construction costs.

Results of operations

Other operating expenses rose to EUR -47.8 million (Q1–2 2022: EUR -36.1 million), chiefly due to the full consolidation of S IMMO and provisions for legal proceedings in Romania. The results of operations more than doubled to EUR 118.0 million (Q1–2 2022: EUR 56.3 million).

Revaluation results and EBIT

Results from the revaluation of standing investments and goodwill reflected the general market trends and turned negative at EUR -191.0 million, compared with EUR 74.7 million in the first half of 2022. Revaluation losses recognised during the reporting period equalled -2.5% of the carrying amount of the IMMOFINANZ Group's investment properties at the end of June 2023. The write-downs amounted to EUR -9.7 million for IMMOFINANZ retail properties (-0.4% of the carrying amount), EUR -107.4 million for office buildings (-4.4% of the carrying amount), and EUR -81.2 million for S IMMO (-3.1% of the carrying amount). Additional details are provided under "Property valuation".

Despite the substantial improvement in the results of operations, the negative revaluation results were responsible for a decline in EBIT to EUR -73.0 million in the first half of 2023 (Q1–2 2022: EUR 131.0 million).

Financial results

Financing costs rose to EUR -104.3 million (Q1–2 2022: EUR -41.0 million), primarily due to the full consolidation of S IMMO and higher financing expenses. Other financial results were reduced to EUR -18.2 million (Q1–2 2022: EUR 80.9 million) by the non-cash valuation of interest derivatives following a slight decline in long-term eurozone interest rates during the first half-year. However, the settlement payments from derivatives were positive and made an important contribution to financing income of EUR 42.3 million (Q1–2 2022: EUR 1.3 million). The investment in S IMMO is no longer accounted for at equity, and the share of results from equity-accounted investments therefore dropped to EUR 2.6 million (Q1–2 2022: EUR 27.4 million). Financial results amounted to EUR -72.8 million in the first half of 2023 (Q1–2 2022: EUR 68.8 million).

Net profit

Profit before tax totalled EUR -145.8 million in the first half of 2023 (Q1–2 2022: EUR 199.9 million). Income taxes equalled EUR 1.3 million (Q1–2 2022: EUR -37.1 million) and include deferred tax income of EUR 44.2 million which resulted from the write-downs recognised to investment property during the reporting period. Net profit equalled EUR -144.5 million (Q1–2 2022: EUR 162.7 million) and represents earnings per share* of EUR -0.59 (Q1–2 2022: EUR 1.20).

Funds from operations (FFO)

Sustainable FFO 1 from the standing investment business (before tax) of the IMMOFINANZ Group improved by 113.5% to EUR 140.9 million (Q1–2 2022: EUR 66.0 million) and exceeded the increase in both rental income and the results of asset management.

The FFO 1 calculation no longer includes the dividend payments from S IMMO because this investment is now fully consolidated.

* Number of shares included for Q1–2 2023: 137,974,126; number of shares included for Q1–2 2022: 135,707,360

All amounts in TEUR	P&L Q1–2 2023	Adjustment	FFO Q1–2 2023	FFO Q1–2 2022
Results of asset management	216,819	0	216,819	110,000
Results of owner-operated properties	1,462	6,496	7,957	0
Results of property sales	-52,993	52,993	0	0
Results of property development	-3,989	3,989	0	0
Other operating income	4,502	0	4,502	965
Other operating expenses	-47,755	10,398	-37,357	-22,897
Results of operations	118,046	73,875	191,921	88,067
Revaluation result from standing investments and goodwill	-191,050	191,050	0	0
Operating profit (EBIT)	-73,004	264,925	191,921	88,067
Financing costs	-104,329			
Financing income	42,329			
Foreign exchange differences	4,865			
Other financial results	-18,218			
Net profit or loss from equity-accounted investments	2,555			
Financial results	-72,797	21,820	-50,978	-22,047
FFO 1 before tax	-145,801	286,745	140,944	66,021

Balance sheet

The condensed balance sheet is shown below:

All amounts in TEUR	30 06 2023	in %	31 12 2022	in %
Investment property	7,491,718		7,707,196	
Property under construction	227,944		198,500	
Owner-operated properties	231,801	86.4	231,827	87.9
Real estate inventories	4,954		4,963	
Assets held for sale ¹	146,902		548,484	
Other assets	290,463	3.1	301,867	3.1
Equity-accounted investments	35,559	0.4	36,284	0.4
Trade and other receivables	222,716	2.4	208,491	2.1
Cash and cash equivalents	728,885	7.8	652,750	6.6
Assets	9,380,942	100.0	9,890,362	100.0
Equity	4,654,101	49.6	4,741,552	47.9
Financial liabilities	3,906,027	41.6	4,167,470	42.1
Trade and other payables	225,675	2.4	256,613	2.6
Other liabilities	91,975	1.0	177,064	1.8
Deferred tax liabilities	503,164	5.4	547,663	5.5
Equity and liabilities	9,380,942	100.0	9,890,362	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 total of the IMMOFINANZ Group equalled EUR 9.4 billion as of 30 June 2023. Of this total, approximately EUR 8.1 billion, or 86.4%, are attributable to the property portfolio. The year-on-year decline resulted, above all, from market-related write-downs and property sales. Cash and cash equivalents increased to EUR 728.9 million.

Financial liabilities declined to EUR 3.9 billion (31 December 2022: EUR 4.2 billion), among others due to the redemption of the corporate bond 2019–2023 in January.

With a further increase in the equity ratio to 49.6% (31 December 2022: 47.9%), the IMMOFINANZ Group can rely on a very solid balance sheet structure.

EPRA Financial Indicators

EPRA net asset value for the IMMOFINANZ Group

In accordance with the recommendations of the European Public Real Estate Association (EPRA), the IMMOFINANZ Group has published an expanded version of the net asset value indicators (NAV indicators) since 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. The definition of these indicators can be found on the EPRA website (www.epra.com).

EPRA NAV indicators for the IMMOFINANZ Group

All amounts in TEUR	30 06 2023			31 12 2022		
	Net reinstatement value (NRV)	Net tangible assets (NTA)	Net disposal value (NDV)	Net reinstatement value (NRV)	Net tangible assets (NTA)	Net disposal value (NDV)
IFRS equity excluding non-controlling interests	3,733,223	3,733,223	3,733,223	3,790,223	3,790,223	3,790,223
Diluted equity excluding non-controlling interests after an adjustment for convertible bonds and the exercise of options as well as undisclosed reserves¹	3,733,223	3,733,223	3,733,223	3,790,223	3,790,223	3,790,223
Fair value of derivative financial instruments	-221,065	-221,065	0	-242,142	-242,142	0
Deferred taxes on derivative financial instruments	40,912	40,912	0	44,498	44,498	0
Deferred taxes on investment property	445,893	242,753	0	609,220	441,495	0
Goodwill resulting from deferred taxes	-19,343	-19,343	-19,343	-19,530	-19,530	-19,530
Intangible assets	0	-1,523	0	0	-886	0
Effect of fair value measurement of financial liabilities	0	0	94,757	0	0	81,750
Deferred taxes on the fair value measurement of financial liabilities	0	0	-22,742	0	0	-19,620
Real estate transfer tax and other purchaser's costs	310,992	92,078	0	372,121	100,790	0
EPRA NAV indicators¹	4,290,611	3,867,035	3,785,895	4,554,390	4,114,449	3,832,824
Number of shares excluding treasury shares	137,974,126	137,974,126	137,974,126	137,974,126	137,974,126	137,974,126
EPRA NAV indicators per share in EUR¹	31.10	28.03	27.44	33.01	29.82	27.78

¹ The comparative data were adjusted.

The EPRA NTA per share fell by -6.0% from EUR 29.82 at the end of December 2022 to EUR 28.03 as of 30 June 2023. This decline resulted primarily from the loss recorded for the first half year in 2023 and from write-downs to investment property. The write-downs to investment property led to a reduction in deferred taxes.

The IFRS book value per share declined by -1.5% to EUR 27.06 (31 December 2022: EUR 27.47).*

* Number of shares for Q1-2 2023 and Q1-2 2022: 137,974,126

EPRA earnings per share for the IMMOFINANZ Group

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Weighted average number of shares in 1,000	137,974	135,707
Net profit or loss from continuing operations excluding non-controlling interests	-115,197	162,835
Revaluation of investment properties and properties under construction	193,231	-69,975
Results of property sales	52,993	11,824
Goodwill impairment, negative differences and earn-out effects on income	186	225
Changes in fair value of financial instruments	18,723	-81,456
Taxes in respect of EPRA adjustments	-52,835	27,951
EPRA adjustments in respect of joint ventures and non-controlling interests	-23,729	-150
EPRA earnings	73,372	51,254
EPRA earnings per share in EUR	0.53	0.38
Company-specific adjustments		
One-time effects in other operating expenses	0	8,240
Foreign exchange gains and losses	-4,865	-318
Deferred taxes in respect of company-specific adjustments	710	-1,331
EPRA adjustments in respect of joint ventures and non-controlling interests for company-specific adjustments	52	-59
Company-specific adjusted EPRA earnings	69,270	57,787
EPRA earnings per share after company-specific adjustments in EUR	0.50	0.43

EPRA net initial yield for the IMMOFINANZ Group

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Investment property	7,578,180	4,935,121
Investment property – proportional share of joint ventures	0	0
less undeveloped land	-127,230	-167,781
less undeveloped land – proportional share of joint ventures	0	0
Total property portfolio	7,450,950	4,767,340
Allowance for estimated purchaser's costs	165,769	179,509
Gross value of total standing investment portfolio	7,616,718	4,946,849
Annualised cash rental income	517,852	289,866
Non-recoverable property operating expenses	-33,149	-27,003
Annualised net rental income	484,703	262,864
Notional rent expiration of rent-free periods or other lease incentives	15,890	14,584
“Topped-up” net annualised rents	500,593	277,448
EPRA net initial yield in %	6.4	5.3
EPRA “topped-up” net initial yield in %	6.6	5.6

EPRA cost ratio for the IMMOFINANZ Group

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Expenses from investment property	-28,044	-26,924
Net operating costs, excluding indirect costs that are recharged through rents but not invoiced separately	-10,035	-2,851
EPRA costs (including direct vacancy costs)	-38,080	-29,775
Vacancy costs	-4,306	-4,680
EPRA costs (excluding direct vacancy costs)	-33,774	-25,095
Gross rental income including service fees and service charge cost components	258,926	144,156
Less service fees and service charge cost components of gross rental income	5,432	5,559
Gross rental income	253,494	138,597
EPRA cost ratio (including direct vacancy costs) in %	15.0	21.5
EPRA cost ratio (excluding direct vacancy costs) in %	13.3	18.1

EPRA capital expenditure for the IMMOFINANZ Group

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Acquisitions	188,565	71,147
Development projects	33,534	35,795
Investment property	13,169	11,817
thereof no incremental lettable space	11,439	7,961
thereof tenant incentives	1,730	3,856
EPRA capital expenditure	235,268	118,759

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

EPRA loan-to-value for the IMMOFINANZ Group

All amounts in TEUR	30 06 2023			31 12 2022
	IMMOFINANZ AG	S IMMO AG (50.0% + 1 share)	Total (proportionated)	Total (proportionated)
Include:				
Liabilities due to financial institutions and intragroup liabilities	2,079,009	476,886	2,555,895	2,748,911
Securities and IFRS 16 lease liabilities	55,267	0	55,267	53,667
Bonds	237,800	272,799	510,599	697,699
Other liabilities (net)	0	10,154	10,154	8,155
Exclude:				
Cash and cash equivalents	178,139	263,297	441,435	545,965
Net debt	2,193,937	496,541	2,690,478	2,962,466
Include:				
Owner-operated properties	0	115,860	115,860	115,914
Investment property at fair value	4,897,539	1,346,555	6,244,094	6,404,741
Properties held for sale	14,154	55,897	70,050	264,566
Properties under construction	210,900	0	210,900	188,200
Net receivables	5,115	0	5,115	0
Financial assets	1,431	0	1,431	1,414
Total property value	5,129,138	1,518,311	6,647,450	6,974,834
EPRA loan-to-value in %	42.8	32.7	40.5	42.5

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

	EPRA LTV	IMMOFINANZ Group 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 fully consolidated subsidiaries (S IMMO)	Assets and liabilities are included in relation to the total capital	Included at 100%
IFRS 16 book values	Assets and liabilities are included	Not included

EPRA vacancy rate for IMMOFINANZ

EPRA vacancy rate by core market

	30 06 2023				31 12 2022
	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					
Austria	234,337	0.1	3.1	1.8	2.5
Germany	87,652	0.5	2.0	23.7	28.7
Poland	438,079	0.3	6.2	5.6	2.4
Czech Republic	279,219	0.2	3.4	4.4	4.0
Hungary	169,167	0.0	1.6	0.7	0.9
Romania	339,684	0.6	4.8	11.9	13.7
Slovakia	264,049	0.2	2.8	6.0	4.6
Adriatic ¹	341,584	0.0	3.6	0.7	1.1
IMMOFINANZ	2,153,772	1.8	27.6	6.6	6.5

¹ Serbia, Slovenia, Italy and Croatia

EPRA vacancy rate by asset class and brand

	30 06 2023				31 12 2022
	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	790,870	1.5	12.4	12.4	11.4
thereof myhive	535,754	0.8	8.3	9.8	11.7
thereof office other	255,116	0.7	4.1	17.6	10.6
Retail	1,351,666	0.3	15.0	1.8	1.3
thereof VIVO!/shopping center	312,202	0.2	4.8	3.2	1.6
thereof STOP SHOP/retail park	959,211	0.1	9.5	1.2	1.2
thereof retail other	80,254	0.0	0.7	0.8	0.7
Others	11,235	0.0	0.2	0.0	100.0
IMMOFINANZ	2,153,772	1.8	27.6	6.6	6.5

Risk Report

As an international real estate investor, property owner and project developer, the IMMOFINANZ Group 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.

Based on the hedging and management instruments currently in use, no material risks can be identified at the present time that could endanger the company's standing as a going concern. The overall risk situation for the first half of 2023 was classified as elevated, above all due to the macroeconomic conditions resulting from Russia's military actions against Ukraine and the general economic environment.

Risks in the first half of 2023

Major market and property-specific risks

Macroeconomic conditions in the first half of 2023 were challenging. High energy prices triggered a sharp rise in inflation at the beginning of the year. Despite a slight decline during the spring, core inflation in the eurozone proved to be more stubborn than expected. The European Central Bank reacted to this development with the first of a series of interest rate increases in 2022. The upward trend in interest rates has had a twofold negative effect on the real estate branch: On the one hand, companies were faced with higher financing costs and, on the other hand, the attractiveness and, in turn, the prices of property investments declined. With the help of derivatives, IMMOFINANZ successfully moderated the increase in interest rates to a certain degree and shifted the effects to financing costs in the future. The real estate markets in the IMMOFINANZ Group's core countries are currently experiencing a decline in demand. Investors are turning to alternative investment forms or have adopted a wait-and-see approach to economic developments in the coming months. IMMOFINANZ's sales programme is, consequently, confronted with particularly challenging conditions. In spite of the more difficult environment, the IMMOFINANZ Group completed strategic sales with a volume of approximately EUR 598 million in the first half year and expects further successful transactions in the coming six months. Experts are predicting a slight decline in core inflation during the second half of this year. It will, however, have a very limited effect on the challenging conditions – the current trends for interest costs and property prices are expected to continue.

Experts are currently more optimistic concerning economic growth in the European Union than at the beginning of the year: The recessionary trend caused by high energy prices was more moderate than expected and there are signs of an easing in supply chain tensions. Ongoing robust demand from the corporate sector and private households is supporting the European economy – and for IMMOFINANZ, this means a continuing demand for office and retail space. In the office sector, the trend towards more flexible and modern working worlds is continuing. IMMOFINANZ believes it is well prepared for this development with its myhive offices. The VIVO! and STOP SHOP retail properties are practically fully rented, and the expansion of the STOP SHOP retail parks in Croatia is proceeding as planned. Details on the portfolio can be found in the portfolio report.

Major business and other risks

The greatest challenge for the real estate branch in the coming years is, however, the transformation to a sustainable economic form. In addition to the new rules and regulations issued by the European Union, this issue has also become significantly more important for institutional investors. IMMOFINANZ aligned its ESG goals with the CPI Property Group and S IMMO during the first half of 2023. To improve decarbonisation in the real estate sector, IMMOFINANZ is turning to the expansion of photovoltaic equipment (PV equipment) on its retail properties. PV equipment is currently being installed at locations in Austria, Hungary and Croatia. Further measures to support decarbonisation and increase energy efficiency will follow during the coming year. The investments in these measures will reduce operating costs over the long term and create a competitive advantage. Apart from environmental aspects, IMMOFINANZ plans to focus on employee retention measures in the next six months. The labour market is currently very competitive and the demand for specialists is exceeding the available supply.

IMMOFINANZ is also exposed to other risks in connection with its business activities. These legal and tax risks, organisational risks, and other risks remained generally unchanged in comparison with the 2022 financial year.

Transactions with related parties and significant events which occurred after the end of the reporting period are discussed in section 7 and section 8 of the consolidated interim financial statements.

Vienna, 30 August 2023

The Executive Board



Radka Doehring



Pavel Měchura

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Consolidated Balance Sheet

All amounts in TEUR	Notes	30 6 2023	31 12 2022
Investment property	4.1	7,491,718	7,707,196
Property under construction	4.2	227,944	198,500
Owner-operated properties		231,801	231,827
Other tangible assets		11,091	12,071
Intangible assets		20,865	20,416
Equity-accounted investments	4.4	35,559	36,284
Trade and other receivables	4.5	30,015	35,051
Income tax receivables		5	9
Other financial assets		238,750	250,064
Deferred tax assets		3,060	2,511
Non-current assets		8,290,808	8,493,929
Trade and other receivables	4.5	192,701	173,440
Income tax receivables		16,692	15,542
Other financial assets		0	1,254
Assets held for sale	4.6	146,902	548,484
Real estate inventories		4,954	4,963
Cash and cash equivalents		728,885	652,750
Current assets		1,090,134	1,396,433
Assets		9,380,942	9,890,362
Share capital	4.7	138,670	138,670
Capital reserves	4.7	4,825,650	4,825,650
Treasury shares	4.7	-10,149	-10,149
Accumulated other equity		-128,814	-186,200
Retained earnings		-1,092,134	-977,748
Equity attributable to owners of IMMOFINANZ AG		3,733,223	3,790,223
Non-controlling interests		920,878	951,329
Equity		4,654,101	4,741,552
Financial liabilities	4.8	3,634,168	3,647,633
Trade and other payables	4.9	41,294	39,531
Income tax liabilities		4	3
Provisions		27,972	18,457
Deferred tax liabilities		503,164	547,663
Non-current liabilities		4,206,602	4,253,287
Financial liabilities	4.8	271,859	519,837
Trade and other payables	4.9	184,381	217,082
Income tax liabilities		49,027	17,660
Provisions		9,936	13,698
Liabilities held for sale	4.6	5,036	127,246
Current liabilities		520,239	895,523
Equity and liabilities		9,380,942	9,890,362

Consolidated Income Statement

All amounts in TEUR	Notes	Q2 2023	Q1-2 2023	Q2 2022	Q1-2 2022
Rental income	5.1	130,504	258,927	73,937	144,154
Operating costs charged to tenants		49,803	103,254	27,848	54,504
Other revenues		78	1,404	864	1,174
Revenues		180,385	363,585	102,649	199,832
Expenses from investment property	5.2	-13,628	-28,044	-14,692	-26,923
Operating expenses		-54,874	-118,722	-31,881	-62,913
Results of asset management		111,883	216,819	56,076	109,996
Results from owner-operated properties	5.5	2,123	1,461	0	0
Results of property sales	5.3	-47,909	-52,994	-12,402	-11,825
Results of property development	5.4	-2,631	-3,990	-3,671	-7,795
Other operating income	5.6	1,709	4,502	1,436	2,020
Other operating expenses	5.7	-29,589	-47,753	-23,157	-36,057
Results of operations		33,463	118,045	18,282	56,339
Revaluation result from standing investments and goodwill	5.8	-185,960	-191,049	75,403	74,688
Operating profit (EBIT)		-152,497	-73,004	93,685	131,027
Financing costs	5.9	-64,495	-104,330	-24,064	-41,045
Financing income	5.9	31,771	42,330	528	1,251
Foreign exchange differences		844	4,866	-422	317
Other financial results	5.9	6,596	-18,218	34,941	80,870
Net profit or loss from equity-accounted investments		1,000	2,555	10,120	27,433
Financial results	5.9	-24,284	-72,797	21,103	68,826
Earnings before tax (EBT)		-176,781	-145,801	114,788	199,853
Current income tax		-12,213	-42,865	-3,812	-9,362
Deferred tax		23,925	44,160	-20,635	-27,771
Net profit or loss from continuing operations		-165,069	-144,506	90,341	162,720
Net profit or loss from discontinued operations		0	0	0	0
Net profit or loss		-165,069	-144,506	90,341	162,720
thereof attributable to owners of IMMOFINANZ AG		-140,370	-115,197	90,390	162,835
thereof attributable to non-controlling interests		-24,699	-29,309	-49	-115
Basic earnings per share in EUR		-0.75	-0.59	0.65	1.20
Diluted earnings per share in EUR		-0.75	-0.59	0.65	1.20

Consolidated Statement of Comprehensive Income

All amounts in TEUR	Notes	Q2 2023	Q1-2 2023	Q2 2022	Q1-2 2022
Net profit or loss		-165,069	-144,506	90,341	162,720
Other comprehensive income (reclassifiable)					
Currency translation adjustment		47,943	50,105	607	-961
thereof changes during the financial year		-593	1,569	228	-1,340
thereof reclassification to profit or loss	2.2	48,536	48,536	379	379
Other comprehensive income from equity-accounted investments	4.4	0	0	5,044	6,404
thereof changes during the financial year		0	0	6,044	7,636
thereof income taxes		0	0	-1,000	-1,232
Total other comprehensive income (reclassifiable)		47,943	50,105	5,651	5,443
Other comprehensive income (not reclassifiable)					
Financial instruments at fair value through other comprehensive income		1,349	1,366	-1,332	-1,782
thereof changes during the financial year		1,753	1,822	-1,738	-2,338
thereof income taxes		-404	-456	406	556
Revaluation of owner-operated properties		2,915	5,584	0	0
thereof changes during the financial year		3,471	6,632	0	0
thereof income taxes		-556	-1,048	0	0
Other comprehensive income from equity-accounted investments	4.4	0	0	956	2,541
thereof changes during the financial year		0	0	1,275	3,388
thereof income taxes		0	0	-319	-847
Total other comprehensive income (not reclassifiable)		4,264	6,950	-376	759
Total other comprehensive income after tax		52,207	57,055	5,275	6,202
Total comprehensive income		-112,862	-87,451	95,616	168,922
thereof attributable to owners of IMMOFINANZ AG		-88,604	-57,811	95,665	169,037
thereof attributable to non-controlling interests		-24,258	-29,640	-49	-115

Consolidated Cash Flow Statement

All amounts in TEUR	Notes	Q1–2 2023	Q1–2 2022
Earnings before tax (EBT)		-145,801	199,853
Revaluations of investment properties		197,194	-71,900
Goodwill impairment and subsequent price adjustments		186	225
Write-downs and write-ups on receivables and other assets		-290	15,120
Net profit or loss from equity-accounted investments		-2,739	-27,433
Foreign exchange differences and fair value measurement of financial instruments		13,992	-87,695
Net interest income/expense		67,074	40,586
Results from deconsolidation	2.2	45,845	379
Other non-cash income/expense/reclassifications		3,280	-5,890
Gross cash flow before tax		178,741	63,245
Income taxes paid		-7,061	-3,664
Gross cash flow after tax		171,680	59,581
Change in trade and other receivables		14,256	-1,345
Change in trade payables and other liabilities		-15,280	-23,589
Change in provisions		9,304	-3,120
Cash flow from operating activities		179,960	31,527
Acquisition of investment property and property under construction		-45,533	-114,575
Business combinations and other acquisitions, net of cash and cash equivalents		-145,597	-2,189
Consideration paid for acquisitions of entities from related parties		-125,714	0
Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents		232,016	3,841
Acquisition of other non-current assets		-2,409	-1,059
Disposal of investment property and property under construction		225,321	5,364
Disposal of equity-accounted investments and cash flows from other net investment positions		-6,174	0
Dividends received from equity-accounted investments	4.4	5,897	16,695
Interest or dividends received from financial instruments		1,468	1,191
Cash flow from investing activities		139,275	-90,732
Increase in financial liabilities plus decrease in blocked cash and cash equivalents		290,133	361,659
Repayment of financial liabilities plus increase in blocked cash and cash equivalents		-506,686	-859,760
Payments and conversion of convertible bonds		0	-284,047
Derivatives		12,953	-5,979
Interest paid		-67,023	-30,893
Transactions with non-controlling interest owners		0	-200
Share buyback	4.7	0	-4,949
Cash flow from capital increases/decrease		0	280,847
Cash flow from financing activities		-270,623	-543,322
Net foreign exchange differences		-4,135	-1,126
Change in cash and cash equivalents		44,477	-603,653
Cash and cash equivalents at the beginning of the period (consolidated balance sheet item)		652,750	987,146
Plus cash and cash equivalents in disposal groups		31,946	0
Cash and cash equivalents at the beginning of the period		684,696	987,146
Cash and cash equivalents at the end of the period		729,173	383,493
Less cash and cash equivalents in disposal groups	4.6	288	0
Cash and cash equivalents at the end of the period (consolidated balance sheet item)		728,885	383,493

Consolidated Statement of Changes in Equity

All amounts in TEUR	Notes	Share capital	Capital reserves	Treasury shares
Balance on 31 December 2022		138,670	4,825,650	-10,149
Other comprehensive income	4.6			
Net profit or loss				
Total comprehensive income				
Transactions with non-controlling interest owners				
Balance on 30 June 2023		138,670	4,825,650	-10,149
Balance on 31 December 2021		123,294	4,565,709	-23
Other comprehensive income			7,197	
Net profit or loss				
Total comprehensive income			7,197	
Capital increase from the conversion of convertible bonds		15,376	265,471	
Share buyback				-4,949
Transactions with non-controlling interest owners				
Balance on 30 June 2022		138,670	4,838,377	-4,972

Accumulated other equity

	Revaluation reserve	IAS 19 reserve	Hedge accounting reserve	Revaluation reserve IAS 16	Currency translation reserve	Retained earnings	Non-controlling interests	Total equity
	-2,756	-383	0	0	-183,061	-977,748	951,329	4,741,552
	657			5,584	51,145		-331	57,055
						-115,197	-29,309	-144,506
	657			5,584	51,145	-115,197	-29,640	-87,451
						811	-811	0
	-2,099	-383	0	5,584	-131,916	-1,092,134	920,878	4,654,101
	-6,669	-408	-2,462	0	-180,580	-1,115,317	-32,926	3,350,618
	-6,424	-14	6,176		-733			6,202
						162,835	-115	162,720
	-6,424	-14	6,176		-733	162,835	-115	168,922
								280,847
								-4,949
						-5,032	4,832	-200
	-13,093	-422	3,714	0	-181,313	-957,514	-28,209	3,795,238

Notes to the Consolidated Financial Statements

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 June 2023 were prepared for the period from 1 January 2023 to 30 June 2023 (first half-year 2023) in agreement with the International Financial Reporting Standards (IFRS) applicable to interim reporting, as applied in the EU.

The condensed scope of reporting in these consolidated interim financial statements reflects the requirements of IAS 34. Information on the application of IFRS, on the significant accounting policies and on further disclosures is provided in the consolidated financial statements of IMMOFINANZ as of 31 December 2022 and forms the basis for these consolidated interim financial statements of IMMOFINANZ.

The revaluation results from property sales will be presented quarterly beginning with the consolidated interim financial statements as of 30 June 2023. The differences between the carrying amounts as of the last closing date and the last quarter before the sale are included under the revaluation results from standing investments, respectively under property under construction. The differences between the last quarter and the sale proceeds are included in the revaluation of sold (and held for sale) properties.

The purchase of 17,305,012 S IMMO shares from the CPI Property Group (CPIPG) at the end of December 2022 gave IMMOFINANZ a majority investment of 50% plus one share in S IMMO. S IMMO was therefore included through full consolidation in the IMMOFINANZ consolidated financial statements for 2022. The consolidated income statement for the 2022 financial year did not include any components for the S IMMO Group for practicality reasons. The comparability with prior year data is therefore limited.

These consolidated interim financial statements of IMMOFINANZ were not subjected to a full audit or review by the auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

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

2. Scope of Consolidation

2.1 Development of the scope of consolidation

Scope of consolidation	Subsidiaries full consolidation	Joint ventures at equity	Associates at equity	Total
Balance on 31 December 2022	272	1	10	283
Companies initially included				
Other acquisitions	6	0	0	6
New foundations	3	0	0	3
Companies no longer included				
Sales	-5	0	0	-5
Mergers	-1	0	0	-1
Liquidations	-2	0	0	-2
Balance on 30 June 2023	273	1	10	284
thereof foreign companies	193	1	1	195
thereof in liquidation	3	0	0	3

2.2 Sale of subsidiaries

The following table summarises the effects on the material balance sheet positions and on deconsolidation results:

All amounts in TEUR	Q1–2 2023
Investment property (see 4.1)	368,215
Property under construction (see 4.2)	1,025
Other tangible assets	29
Receivables and other assets	2,405
Cash and cash equivalents	33,334
Financial liabilities	-17,634
Trade payables	-327
Other liabilities	-67,035
Income tax liabilities	-40
Provisions	-3,871
Deferred tax liabilities	-45,676
Other assets/liabilities	1,024
Net assets sold	271,449
Consideration received in cash and cash equivalents	265,350
Outstanding purchase price receivables	8,790
Less net assets sold	-271,449
Reclassification of foreign exchange differences reserve to profit or loss	-48,536
Results from deconsolidation	-45,845
Consideration received in cash and cash equivalents	265,350
Less cash and cash equivalents sold	-33,334
Net inflow of cash and cash equivalents	232,016

3. Information on Operating Segments

Information on the reportable segments of IMMOFINANZ is presented in the following section.

All amounts in TEUR	Austria		Germany	
	Q1–2 2023	Q1–2 2022	Q1–2 2023	Q1–2 2022
Office	12,523	11,539	7,221	5,731
Retail	6,864	6,037	10	0
Other	2,477	2,262	929	751
Income from non-performance-related components of operating costs	330	353	331	323
Rental income	22,194	20,191	8,491	6,805
Operating costs charged to tenants	6,668	5,517	1,416	970
Other revenues	277	372	96	-28
Revenues	29,139	26,080	10,003	7,747
Expenses from investment property	-5,800	-8,037	-1,921	-2,458
Operating expenses	-6,675	-6,065	-2,430	-2,665
Results of asset management	16,664	11,978	5,652	2,624
Results of property sales	-6,133	-2	-63	-94
Results of property development	-3,853	3,784	-17	-3,152
Other operating income	168	102	979	55
Other operating expenses	-999	-820	-907	-1,108
Results of operations	5,847	15,042	5,644	-1,675
Revaluation result from standing investments and goodwill	-34,645	17,441	-51,128	-3,484
Operating profit (EBIT)	-28,798	32,483	-45,484	-5,159
	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Investment property	768,441	850,712	518,800	568,500
Property under construction	68,900	62,900	0	0
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	4,563
Segment assets	837,341	913,612	523,363	573,063
	Q1–2 2023	Q1–2 2022	Q1–2 2023	Q1–2 2022
Segment investments	13,091	16,708	1,292	4

All amounts in TEUR	Poland		Czech Republic	
	Q1–2 2023	Q1–2 2022	Q1–2 2023	Q1–2 2022
Office	16,462	16,871	5,962	6,849
Retail	13,629	11,158	15,267	8,072
Other	1,959	2,070	720	793
Income from non-performance-related components of operating costs	1,878	1,692	164	186
Rental income	33,928	31,791	22,113	15,900
Operating costs charged to tenants	14,306	13,229	5,076	5,971
Other revenues	492	281	24	26
Revenues	48,726	45,301	27,213	21,897
Expenses from investment property	-3,760	-3,999	-1,382	-2,181
Operating expenses	-16,235	-14,641	-5,030	-6,282
Results of asset management	28,731	26,661	20,801	13,434
Results of property sales	-33	-2	-13	-86
Results of property development	-274	-194	-37	-19
Other operating income	100	231	183	22
Other operating expenses	-1,204	-1,643	-1,174	-594
Results of operations	27,320	25,053	19,760	12,757
Revaluation result from standing investments and goodwill	-21,843	15,098	2,414	30,052
Operating profit (EBIT)	5,477	40,151	22,174	42,809
	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Investment property	1,008,577	1,028,589	680,073	673,574
Property under construction	9,400	9,400	0	0
Goodwill	32	32	2,955	2,955
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	1,018,009	1,038,021	683,028	676,529
	Q1–2 2023	Q1–2 2022	Q1–2 2023	Q1–2 2022
Segment investments	-100	4,878	1,928	1,317

All amounts in TEUR	Slovakia		Hungary	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Office	1,999	1,694	33	5,347
Retail	15,059	9,732	9,851	8,008
Other	431	286	9	790
Income from non-performance-related components of operating costs	360	371	370	606
Rental income	17,849	12,083	10,263	14,751
Operating costs charged to tenants	9,046	5,377	6,482	6,433
Other revenues	74	48	27	251
Revenues	26,969	17,508	16,772	21,435
Expenses from investment property	-2,929	-2,487	-1,079	-2,051
Operating expenses	-7,943	-5,083	-6,349	-7,560
Results of asset management	16,097	9,938	9,344	11,824
Results of property sales	-20	-393	-206	0
Results of property development	-14	-17	-1	939
Other operating income	126	3	935	2
Other operating expenses	-460	-733	-247	-832
Results of operations	15,729	8,798	9,825	11,933
Revaluation result from standing investments and goodwill	405	5,362	-761	-749
Operating profit (EBIT)	16,134	14,160	9,064	11,184
	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Investment property	451,014	450,828	228,537	227,037
Property under construction	0	0	0	0
Goodwill	184	184	202	202
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	451,198	451,012	228,739	227,239
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Segment investments	308	2,457	3	3,178

All amounts in TEUR	Romania		Adriatic	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Office	6,518	5,988	894	815
Retail	15,443	13,556	21,896	17,664
Other	2,520	2,371	215	204
Income from non-performance-related components of operating costs	1,690	1,724	310	303
Rental income	26,171	23,639	23,315	18,986
Operating costs charged to tenants	17,340	12,695	6,730	4,312
Other revenues	243	128	173	96
Revenues	43,754	36,462	30,218	23,394
Expenses from investment property	-3,324	-3,751	-1,966	-1,904
Operating expenses	-19,678	-15,946	-6,887	-4,671
Results of asset management	20,752	16,765	21,365	16,819
Results of property sales	-624	1,401	-44	-14
Results of property development	1,596	-1,211	-1,391	-7,925
Other operating income	459	513	6	18
Other operating expenses	-11,103	-3,644	-1,708	-1,708
Results of operations	11,080	13,824	18,228	7,190
Revaluation result from standing investments and goodwill	-10,232	9,921	-1,599	1,148
Operating profit (EBIT)	848	23,745	16,629	8,338
	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Investment property	694,296	704,505	547,799	538,500
Property under construction	68,100	67,200	64,500	48,700
Goodwill	12,788	12,975	999	999
Owner-operated properties	0	0	0	0
Investment properties held for sale	9,200	9,400	0	0
Real estate inventories	100	100	0	0
Segment assets	784,484	794,180	613,298	588,199
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Segment investments	2,044	4,134	25,373	88,414

All amounts in TEUR	S IMMO		Other Countries	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Office	58,422	0	-1	0
Retail	20,834	0	2	0
Other	15,345	0	2	8
Income from non-performance-related components of operating costs	0	0	-1	0
Rental income	94,601	0	2	8
Operating costs charged to tenants	36,189	0	1	0
Other revenues	0	0	-2	0
Revenues	130,790	0	1	8
Expenses from investment property	-5,884	0	1	-55
Operating expenses	-47,495	0	0	0
Results of asset management	77,411	0	2	-47
Results of property sales	68	0	-45,520	-12,635
Results of property development	0	0	1	0
Other operating income	882	0	44	27
Other operating expenses	-18,888	0	-71	-51
Results of operations	59,473	0	-45,544	-12,706
Revaluation result from standing investments and goodwill	-81,203	0	7,543	0
Operating profit (EBIT)	-21,730	0	-38,001	-12,706
	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Investment property	2,594,181	2,656,952	0	7,999
Property under construction	17,044	10,300	0	0
Goodwill	2,183	2,183	0	0
Owner-operated properties	231,801	501,006	0	0
Investment properties held for sale	136,275	501,006	0	0
Real estate inventories	291	300	0	0
Segment assets	2,981,775	3,402,568	0	7,999
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Segment investments	193,780	0	0	0

All amounts in TEUR	Total reportable segments		Reconciliation to consolidated financial statements		IMMOFINANZ Group	
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Office	110,033	54,834	0	0	110,033	54,834
Retail	118,855	74,227	0	0	118,855	74,227
Other	24,607	9,535	0	0	24,607	9,535
Income from non-performance-related components of operating costs	5,432	5,558	0	0	5,432	5,558
Rental income	258,927	144,154	0	0	258,927	144,154
Operating costs charged to tenants	103,254	54,504	0	0	103,254	54,504
Other revenues	1,404	1,174	0	0	1,404	1,174
Revenues	363,585	199,832	0	0	363,585	199,832
Expenses from investment property	-28,044	-26,923	0	0	-28,044	-26,923
Operating expenses	-118,722	-62,913	0	0	-118,722	-62,913
Results of asset management	216,819	109,996	0	0	216,819	109,996
Results of property sales	-52,588	-11,825	-406	0	-52,994	-11,825
Results of property development	-3,990	-7,795	0	0	-3,990	-7,795
Other operating income	3,882	973	620	1,047	4,502	2,020
Other operating expenses	-36,761	-11,133	-10,992	-24,924	-47,753	-36,057
Results of operations	127,362	80,216	-10,778	-23,877	118,045	56,339
Revaluation result from standing investments and goodwill	-191,049	74,789	0	-101	-191,049	74,688
Operating profit (EBIT)	-63,687	155,005	-10,778	-23,978	-73,004	131,027
	30 06 2023	31 12 2022	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Investment property	7,491,718	7,707,196	0	0	7,491,718	7,707,196
Property under construction	227,944	198,500	0	0	227,944	198,500
Goodwill	19,343	19,530	0	0	19,343	19,530
Owner-operated properties			0	0	231,801	231,827
Investment properties held for sale	145,475	510,406	0	0	145,475	510,406
Real estate inventories	4,954	4,963	0	0	4,954	4,963
Segment assets	8,121,235	8,672,422	0	0	8,121,235	8,672,422
	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022	Q1-2 2023	Q1-2 2022
Segment investments	237,719	121,090	0	0	237,719	121,090

4. Notes to the Consolidated Balance Sheet

4.1 Investment property

The development of the investment properties during the first half of 2023 is as follows:

All amounts in TEUR	Q1–2 2023
Beginning balance	7,707,196
Disposals following the sale of subsidiaries (see 2.2)	-46,246
Currency translation adjustments	6,325
Additions	204,185
Disposals	-55,066
Revaluation	-177,634
Reclassifications	-737
Reclassification to assets held for sale	-146,305
Ending balance	7,491,718

The disposals following the sale of subsidiaries are related primarily to land sales in Germany and Turkey. The additions were related chiefly to investments in properties in Czech Republic and Hungary by S IMMO, as well as acquisitions in Austria, Croatia and Romania. Investment property disposals involved, above all, the sale of the Bureau am Belvedere office building in Vienna. The reclassifications consist mainly of transfers from property under construction to investment property in Croatia.

Investment property includes IFRS 16 rights of use totalling EUR 59.0 million (31 December 2022: EUR 57.3 million). As of 30 June 2023, no IFRS 16 rights of use in investment property were reported as assets held for sale (31 December 2022: EUR 0.0 million).

4.2 Property under construction

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

All amounts in TEUR	Q1–2 2023
Beginning balance	198,500
Currency translation adjustments	1
Additions	33,534
Disposals	-2,094
Revaluation	-2,373
Reclassifications	376
Ending balance	227,944

The additions are related primarily to myhive development projects in Vienna and investments in STOP SHOP locations in Croatia. The reclassifications involve, above all, transfers from property under construction to investment property.

Property under construction did not include any IFRS 16 rights of use as of 30 June 2023 or 30 June 2022.

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 as of 30 June 2023 (31 December 2022: EUR 0.0 million). These rights of use are amortised on a straight-line basis over the term of the lease.

4.4 Equity-accounted investments

The development of the equity-accounted investments is shown in the following table:

All amounts in TEUR	Q1-2 2023
Beginning balance	36,284
Additions	2,617
Current net profit or loss from equity-accounted investments	2,555
Dividend	-5,897
Ending balance	35,559

4.5 Trade and other receivables

All amounts in TEUR	30 06 2023	thereof re- maining term under 1 year	thereof re- maining term between 1 and 5 years	thereof re- maining term over 5 years	31 12 2022
Rents receivable	50,560	49,724	222	614	44,486
Miscellaneous	19,842	19,693	149	0	28,738
Total trade accounts receivable	70,402	69,417	371	614	73,224
Receivables due from associates	5	5	0	0	2
Total receivables due from equity-accounted in- vestments	5	5	0	0	2
Restricted funds	36,838	15,821	20,276	741	52,507
Financing	4,191	6	27	4,158	4,404
Property management	13,258	12,903	328	27	8,723
Outstanding purchase price receivables - sale of properties	0	0	0	0	6,069
Outstanding purchase price receivables - sale of shares in other companies	41,523	41,523	0	0	12,966
Miscellaneous	40,935	37,462	3,097	376	29,514
Total other financial receivables	136,745	107,715	23,728	5,302	114,183
Tax authorities	15,564	15,564	0	0	21,082
Total other non-financial receivables	15,564	15,564	0	0	21,082
Total	222,716	192,701	24,099	5,916	208,491

4.6 Assets and liabilities held for sale

Of the assets and liabilities classified as held for sale as of 31 December 2022, commercial and residential properties with a combined value of EUR 477.4 million were sold by S IMMO in the first half of 2023. Management stands by its intention to sell the assets classified as held for sale as of 31 December 2022 and to complete the sales not realised as of 30 June 2023.

The following table provides summarised information on the assets and liabilities classified as held for sale as of 30 June 2023:

All amounts in TEUR	Carrying amount as of 30 06 2023	Carrying amount as of 31 12 2022
Investment property	145,475	510,406
Other tangible assets	46	18
Trade and other receivables	159	93
Other financial assets	934	6,021
Cash and cash equivalents	288	31,946
Assets held for sale	146,902	548,484
Financial liabilities	102	77,839
Trade and other payables	270	892
Provisions	62	552
Deferred tax liabilities	4,602	47,963
Liabilities held for sale	5,036	127,246

The investment property and property under construction which are classified as held for sale do not include any IFRS 16 rights of use.

4.7 Equity

Share buyback

IMMOFINANZ repurchased 694,557 shares from 20 June 2022 to 29 July 2022 at a weighted average price of EUR 14.58 per share as part of the share buyback programme 2022. The total purchase price amounted to EUR 10,126,484.94. The share buyback programme 2022 was based on an authorisation of the annual general meeting on 1 October 2020 in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act (which was renewed by an authorisation of the annual general meeting on 12 July 2022). The repurchased shares represent EUR 694,557.00, or approximately 0.5%, of share capital.

IMMOFINANZ held 695,585 treasury shares as of 30 June 2023 (31 December 2022: 695,585 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. Moreover, the Executive Board was 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.

4.8 Financial liabilities

The following table shows the composition and classification of financial liabilities by remaining term as of 30 June 2023:

All amounts in TEUR	30 06 2023	thereof re- maining term under 1 year	thereof re- maining term between 1 and 5 years	thereof re- maining term over 5 years	31 12 2022
Amounts due to financial institutions	2,809,328	147,477	2,224,830	437,021	2,766,246
thereof secured by collateral	2,809,042	147,191	2,224,830	437,021	2,766,128
thereof not secured by collateral	286	286	0	0	118
Liabilities arising from the issue of bonds	737,028	114,536	497,269	125,223	922,825
Other financial liabilities	359,671	9,846	301,891	47,934	478,399
Total	3,906,027	271,859	3,023,990	610,178	4,167,470

The liabilities from the issue of bonds represent fixed-interest, unsecured, non-subordinated bonds. They include one bond issued by IMMOFINANZ AG with an outstanding nominal value of EUR 237.8 million (31 December 2022: EUR 424.9 million) as well as eight bonds issued by S IMMO AG with a total outstanding nominal value of EUR 545.6 million (31 December 2022: EUR 545.6 million). The decline in the bonds issued by IMMOFINANZ AG is attributable to the maturity and redemption of the 2.625% corporate bond on 27 January 2023 ("Bond 2023", ISIN XS1935128956). The repayment totalled EUR 187.1 million. It was serviced in full from existing liquid funds and represented the outstanding nominal amount of Bond 2023 after the change of control event which led to the repayment of EUR 295.7 million in April 2022.

The other financial liabilities include a liability of EUR 220.4 million (31 December 2022: EUR 337.4 million) to the CPI Property Group as well as EUR 78.3 million (31. Dezember 2022: EUR 81.4 million) due to insurance companies and EUR 61.0 million (31 December 2022: EUR 59.6 million) of lease liabilities.

4.9 Trade payables and other liabilities

All amounts in TEUR	30 06 2023	thereof re- maining term under 1 year	thereof re- maining term between 1 and 5 years	thereof re- maining term over 5 years	31 12 2022
Trade payables	57,902	56,721	1,179	2	75,029
Derivative financial instruments (liabilities)	205	0	3	202	0
Property management	5,113	5,113	0	0	3,416
Amounts due to associated companies	13	13	0	0	214
Deposits and guarantees received	41,584	5,093	31,780	4,711	40,730
Prepayments received on property sales	740	740	0	0	742
Construction and refurbishment	960	769	191	0	2,755
Outstanding purchase prices (share deals)	1,820	1,820	0	0	1,820
Outstanding purchase prices (acquisition of prop- erties)	149	21	128	0	149
Miscellaneous	48,428	47,075	92	1,261	40,823
Total other financial liabilities	99,012	60,644	32,194	6,174	90,649
Tax authorities	16,322	16,322	0	0	23,085
Rental and lease prepayments received	46,752	45,325	116	1,311	66,351
Other contractual liabilities	5,687	5,369	318	0	1,499
Total other non-financial liabilities	68,761	67,016	434	1,311	90,935
Total	225,675	184,381	33,807	7,487	256,613

5. Notes to the Consolidated Income Statement

5.1 Rental income

All amounts in TEUR				Q1–2 2023
	Office	Retail	Other	Total
Office space	129,319	70	139	129,528
Retail space	2,748	107,710	0	110,458
Other space	9,046	1,741	2,721	13,508
thereof parking areas	5,316	283	0	5,599
thereof warehouse space	1,900	199	3	2,102
thereof hotel	966	0	0	966
thereof advertising and telecommunications	543	989	0	1,532
thereof other	321	270	2,718	3,309
Income from non-performance-related components of operating costs	2,504	2,929	0	5,433
Total	143,617	112,450	2,860	258,927

All amounts in TEUR				Q1–2 2022
	Office	Retail	Other	Total
Office space	53,354	71	691	54,116
Retail space	3,093	69,937	9	73,039
Other space	9,708	1,708	24	11,440
thereof parking areas	5,736	213	0	5,949
thereof warehouse space	1,908	184	13	2,105
thereof hotel	871	0	0	871
thereof advertising and telecommunications	671	1,231	4	1,906
thereof other	522	80	7	609
Income from non-performance-related components of operating costs	2,820	2,650	89	5,559
Total	68,975	74,366	813	144,154

The year-on-year increase in rental income resulted, above all, from the full consolidation of S IMMO. S IMMO contributed EUR 94.6 million to rental income in the first half-year of 2023, of which EUR 78.5 million are attributable to the office asset class, EUR 13.4 million to the retail asset class and EUR 2.7 million to other properties.

5.2 Expenses from investment property

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Commission expenses	-1,243	-116
Maintenance	-8,923	-9,427
Operating costs charged to building owners	-10,260	-7,385
Property marketing	-1,139	-2,424
Personnel expenses from asset management	-980	-3,202
Other expenses from asset management	-2,522	-900
Fit-out costs	-743	-1,816
Write-off of receivables from asset management	-893	-1,197
Other expenses	-1,341	-456
Total	-28,044	-26,923

5.3 Result of property sales

All amounts in TEUR	Q1-2 2023	Q1-2 2022
Office	112,634	2,513
Retail	5,680	19
Other	110,220	2,373
Proceeds from property sales	228,534	4,905
Less carrying amount of sold properties	-228,534	-4,905
Net gain/loss from property sales	0	0
Results from deconsolidation	-45,845	-379
Sales commissions	-254	-80
Personnel expenses from property sales	-322	-166
Legal, auditing and consulting fees from property sales	-402	-148
Write-off of receivables from property sales	0	-12,945
VAT adjustments from the sale of properties	-660	0
Other expenses	-1,548	-31
Expenses from property sales	-3,186	-13,370
Revaluation results from properties sold and held for sale	-3,963	1,924
Total	-52,994	-11,825

Property sales in the current period mainly involved the sale of office and residential properties in Germany by the S IMMO Group as well as the Bureau am Belvedere office building in Vienna and a smaller piece of land in Romania. For results from deconsolidation please refer to 2.2.

5.4 Results of property development

All amounts in TEUR	Q1-2 2023	Q1-2 2022
Cost of real estate inventories sold	-2	-4
Write-down of real estate inventories	0	-1
Income and expenses related to written-off purchase price receivables from the sale of real estate inventories	0	94
Other expenses from real estate inventories	0	-1,158
Expenses from real estate inventories	0	-1,065
Expenses from property development	-1,621	-1,938
Revaluation results from properties under construction	-2,367	-4,788
Total	-3,990	-7,795

5.5 Results of owner-operated properties

The owner-operated properties are hotels held by the S IMMO Group, which was taken over in the 2022 financial year. The results as of 30 June 2023 are summarised below:

All amounts in TEUR	Q1-2 2023	Q1-2 2022
Income from owner-operated properties	31,387	0
Expenses from owner-operated properties	-23,430	0
Depreciation on owner-operated properties	-6,496	0
Total	1,461	0

5.6 Other operating income

Other operating income comprises the following items:

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Expenses charged on	171	0
Insurance compensation	46	1,138
Income from derecognised liabilities	1,154	448
Reimbursement for penalties	222	12
Miscellaneous	2,909	422
Total	4,502	2,020

5.7 Other operating expenses

Other operating expenses include the following items:

All amounts in TEUR	Q1–2 2023	Q1–2 2022
Administrative expenses	-3,645	-33
Legal, auditing and consulting fees	-4,789	-10,750
Penalties	-18	-14
Taxes and levies	-2,499	-494
Advertising	-1,354	-2,131
EDP and communications	-2,006	-961
Expert opinions	-341	-229
Personnel expenses	-17,306	-16,933
Other write-downs	-2,026	-942
Miscellaneous	-13,769	-3,570
Total	-47,753	-36,057

Line item miscellaneous include expenses for the adjustment of the provision to reflect an initial court decision in restitution proceedings for land on which a Romanian subsidiary constructed a shopping center.

The decline in legal, auditing and consulting fees resulted primarily from the absence of expenses recognised for a Group-wide digitalisation project in 2022 and from expenses related to the takeover offers by the CPI Property Group and S IMMO.

The increase in personnel expenses resulting from the initial consolidation of S IMMO was principally offset by the absence of one-off payments in connection with the resignation of Dietmar Reindl and Stefan Schönauer from the Executive Board as of 8 June 2022.

5.8 Revaluation results from investment property and goodwill

The results from the revaluation of investment properties and goodwill as of 30 June 2023 consist solely of effects from property valuation.

The following table shows the revaluation gains and losses on investment property:

All amounts in TEUR	Q1-2 2023			Q1-2 2022		
	Revaluation gains	Revaluation losses	Total	Revaluation gains	Revaluation losses	Total
Investment property	32,962	-223,826	-190,864	101,806	-27,043	74,763
Property under construction	2,059	-4,426	-2,367	9,155	-13,943	-4,788
Properties sold and held for sale	230	-4,193	-3,963	2,369	-445	1,924
Total	35,251	-232,445	-197,194	113,330	-41,431	71,899

5.9 Financial results

All amounts in TEUR	Q1-2 2023	Q1-2 2022
For financial liabilities AC	-84,749	-36,700
For derivative financial instruments	-19,581	-4,345
Total financing costs	-104,330	-41,045
For financial receivables AC	1,147	1,251
For derivative financial instruments	41,183	0
Total financing income	42,330	1,251
Foreign exchange differences	4,866	317
Profit or loss on other financial instruments and proceeds on the disposal of financial instruments	-1,160	-5,894
Valuation of financial instruments at fair value through profit or loss	-17,563	87,350
Distributions	535	798
Negative interest on cash and cash equivalents	-30	-1,384
Other financial results	-18,218	80,870
Net profit or loss from equity-accounted investments	2,555	27,433
Total	-72,797	68,826

AC: financial assets/liabilities measured at amortised cost

In 2022, the profit or loss on other financial instruments and proceeds on the disposal of financial instruments included the expenses from the repurchase of the corporate bonds, which were redeemed at 101% of the nominal value (also see section 4.8).

The valuation of financial instruments at fair value through profit or loss consists primarily of results from the measurement of derivative financial instruments (interest rate swaps).

Information on the net gains and losses from equity-accounted investments is provided in section 4.4.

6. Additional Disclosures on Financial Instruments

6.1 Classes and categories of financial instruments

The following table shows the carrying amount and fair value of each class of financial assets and financial liabilities defined by the company and reconciles these amounts to the appropriate balance sheet line items.

All amounts in TEUR	Carrying amount of financial assets	Carrying amount of non-financial assets	Total carrying amount	Total carrying amount	Total fair value	Total fair value
	30 06 2023	30 06 2023	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Trade accounts receivable	70,402	0	70,402	73,224	70,402	73,224
Financing receivables	4,196	0	4,196	4,406	4,196	4,406
Loans and other receivables	132,554	15,564	148,118	130,861	148,118	130,861
Trade and other receivables	207,152	15,564	222,716	208,491	222,716	208,491
Derivatives	221,270	0	221,270	235,983	221,270	235,983
Miscellaneous other financial instruments	17,480	0	17,480	15,335	17,480	15,335
Other financial assets	238,750	0	238,750	251,318	238,750	251,318
Cash and cash equivalents	728,885	0	728,885	652,750	728,885	652,750
Total assets	1,174,787	15,564	1,190,351	1,112,559	1,190,351	1,112,559

All amounts in TEUR	Carrying amount of financial liabilities	Carrying amount of non-financial liabilities	Total carrying amount	Total carrying amount	Total fair value	Total fair value
	30 06 2023	30 06 2023	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Bonds	737,028	0	737,028	922,825	685,308	878,041
Amounts due to financial institutions	2,809,328	0	2,809,328	2,766,246	2,806,049	2,751,666
Other financial liabilities	359,671	0	359,671	478,399	285,387	456,013
Financial liabilities	3,906,027	0	3,906,027	4,167,470	3,776,745	4,085,720
Trade payables	57,902	0	57,902	75,029	57,902	75,029
Derivatives	205	0	205	0	205	0
Miscellaneous other liabilities	98,807	68,761	167,568	181,584	167,568	181,584
Trade and other payables	156,914	68,761	225,675	256,613	225,675	256,613
Total equity and liabilities	4,062,941	68,761	4,131,702	4,424,083	4,002,420	4,342,333

6.2 Hierarchy of financial instruments carried at fair value

The following section includes an analysis of the financial instruments carried at fair value. A three-level classification was developed for this analysis in accordance with the measurement hierarchy defined in IFRS 13:

- Level 1: quoted prices for identical assets or liabilities on an active market (without any adjustments)
- Level 2: inputs that can be derived directly (e.g. as prices) or indirectly (e.g. based on prices) for the individual assets or liabilities and cannot be classified under Level 1
- Level 3: inputs for assets or liabilities that are not based on observable market data

All amounts in TEUR	Level 1	Level 2	Level 3	30 06 2023
				Total
Financial assets at fair value through other comprehensive income				
Miscellaneous other financial instruments	-	-	9,150	9,150
Financial assets at fair value through profit or loss				
Derivatives	-	-	221,270	221,270
Miscellaneous other financial instruments	8,079	-	251	8,330
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	205	205
				31 12 2022
All amounts in TEUR	Level 1	Level 2	Level 3	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

The following table reconciles the beginning and ending balances of the financial instruments classified under Level 3:

All amounts in TEUR	Derivatives	Miscellaneous other financial instruments	Total
	Q1–2 2023	Q1–2 2023	Q1–2 2023
Beginning balance	235,983	7,717	243,700
Recognised in the consolidated income statement	-17,887	-138	-18,025
Recognised in other comprehensive income	0	1,822	1,822
Disposals	2,969	0	2,969
Ending balance	221,065	9,401	230,466

The result of EUR -18.0 million reported in the above table is recognised in profit or loss and is solely attributable to financial instruments that were held as of 30 June 2023. The respective amounts are included under other financial results.

The valuation procedures and valuation-relevant input factors used to determine the fair value of significant financial instruments 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%

IMMOFINANZ calculates the fair value of derivatives by discounting the future cash flows based on a net present value method. The interest rates used to discount the future cash flows are based on an interest curve that is observable on the market. The following three parameters are required to calculate the credit value adjustment (CVA) and the debt value adjustment (DVA): the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The probability of default is derived from the credit default swap (CDS) spreads of the respective counterparty.

Derivatives with a positive fair value represent receivables for IMMOFINANZ; in these cases, a CVA calculation is used to calculate the amount of the receivable. One parameter for this calculation is the probability of default for the counterparties. IMMOFINANZ concludes contracts with over ten financial institutions, and observable CDS spreads are available on the market for many of them. In exceptional cases, average branch benchmarks are used as a substitute for unavailable spreads. These benchmarks represent Level 1 and 2 input factors on the fair value measurement hierarchy. Derivatives with a negative fair value represent liabilities for IMMOFINANZ; in these cases, a DVA calculation is used to calculate the amount of the liability and IMMOFINANZ's own probability of default must be determined. IMMOFINANZ generally concludes derivatives at the level of the property company that manages a particular property. Neither observable market CDS spreads, nor benchmarks are available for these property companies. Credit margins are therefore used to estimate CDS spreads which, in turn, form the basis for deriving the probability of default. The credit margin for IMMOFINANZ is determined in a two-step procedure. The first step involves the calculation of an average margin based on signed credit agreements and term sheets, whereby the time horizon for the applied margins equals twelve months. The second step involves obtaining indicative credit margin offers from banks and averaging these values with the margins from the credit agreements and term sheets. These offers are grouped by country and asset class. The individual property companies that have concluded financial instruments are assigned to a group based on country and asset class. The plausibility of the calculated credit margins is also verified by comparison with external market reports. This procedure results in market-conform credit margins that can be used as estimates for valuing the company's own credit risk. These input factors represent Level 3 on the IFRS 13 measurement hierarchy. The loss given default (LGD) is the relative value that would be lost on default. IMMOFINANZ uses an ordinary market default rate to calculate the CVA and DVA. The exposure at default represents the expected amount of the asset or liability at the time of default. The calculation of the exposure at the time of default is based on a Monte Carlo simulation.

For net present value methods, an increase in the discount rate, exit yield or counterparty CDS values leads to a reduction in fair value. In contrast, fair value is increased by a reduction in these input factors.

The valuation of default risk includes assumptions for the probability of default, loss rate and the outstanding amount at the time of expected default. An increase in the probability of default and the loss rate will reduce the fair value of a derivative with a positive outstanding amount (receivable) and reduce the liability for a derivative with a negative outstanding amount (liability). A decrease in the probability of default and the loss rate leads to the opposite effect.

7. Transactions with Related Parties

All amounts in TEUR	30 06 2023	31 12 2022
Relations with CPI Property Group		
Receivables	13,742	13,063
Liabilities	268,512	342,871
All amounts in TEUR		
	Q1-2 2023	Q1-2 2022
Relations with CPI Property Group		
Other income	1,763	0
Other expenses	-15,379	0
Interest income	20	0
Interest expense	-9,194	0

In the current reporting period, Andrásy Real Kft., Hungary was acquired from SIMMO by CPI Property Group by way of a share deal. The transaction volume amounted to EUR 25.6 million. Moreover, S IMMO signed and closed the acquisition of three office buildings and one hotel in the Czech Republic from the CPI Property Group on 21 April 2023. The involved properties include the Mayhouse and Luxembourg Plaza office buildings in Prague, the ZET.office in Brno and the Hotel Courtyard by Marriott Prague City in Prague. These four properties have a total value of EUR 167.7 million and generate annual income of approximately EUR 8.4 million. This acquisition is considered a related party transaction.

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ for the first half of 2023:

All amounts in TEUR	30 06 2023	31 12 2022
Relations with associated companies		
Receivables	5	2
Liabilities	13	214
All amounts in TEUR		
	Q1-2 2023	Q1-2 2022
Relations with associated companies		
Other income	238	389
Other expenses	-1,405	-1,407

The Supervisory Board of IMMOFINANZ AG appointed Pavel Měchura to the Executive Board for a term beginning on 16 June 2023. Radka Doehring and Pavel Měchura now form the Executive Board of IMMOFINANZ. Effective 16 June 2023 Radka Doehring was also appointed to the Management Board of S IMMO AG.

There were no reportable transactions between IMMOFINANZ and related persons in the first half of 2023.

8. Subsequent Events

During the third quarter, S IMMO issued a green bond (ISIN AT0000A35Y85) with a total nominal value of EUR 75.0, a term of five years and a fixed of 5.5% per annum.

Statement by the Executive Board

We confirm to the best of our knowledge that these consolidated interim financial statements of IMMOFINANZ as of 30 June 2023, which were prepared in accordance with the rules for interim financial reporting defined by the International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by Austrian stock market regulations. We also confirm to the best of our knowledge that the interim Group management report gives a true and fair view of important events that occurred during the first six months of the financial year and their impact on these consolidated interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year and reportable transactions with related parties.

Vienna, 30 August 2023

The Executive Board of IMMOFINANZ AG



Radka Doehring



Pavel Měchura

Financial calendar 2023

29 November 2023¹

Announcement of results for the first three quarters of 2023

¹ Publication after the close of trading on the Vienna Stock Exchange

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

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