

FINANCIAL
REPORT ON
THE FIRST
THREE
QUARTERS
2018

Q1-3

KEY FIGURES

Earnings Data

| | | Q1-3 2018 | Q1-3 2017 | Change in % |
|--|---------|-----------|-------------------|-------------|
| Rental income | in MEUR | 175.7 | 174.1 | 0.9% |
| Results of asset management | in MEUR | 134.5 | 122.6 | 9.7% |
| Results of property sales | in MEUR | 28.1 | 2.7 | ≥ +100.0% |
| Results of property development | in MEUR | 23.7 | -26.1 | n.a. |
| Results of operations | in MEUR | 149.7 | 66.2 | ≥ +100.0% |
| Revaluations | in MEUR | 31.2 | 11.3 | ≥ +100.0% |
| EBIT | in MEUR | 150.1 | 65.4 | ≥ +100.0% |
| Financial results | in MEUR | 32.3 | 88.6 | -63.5% |
| EBT | in MEUR | 182.4 | 154.0 | 18.5% |
| Net profit for the period | in MEUR | 135.0 | -59.1 | n.a. |
| FFO 1 before tax (sustainable FFO from asset management) ¹ | in MEUR | 63.0 | 31.5 ² | ≥ +100.0% |
| FFO 1 per share before tax ¹ | in EUR | 0.57 | 0.31 ² | 83.9% |

¹ See calculation in chapter *Business Development*

² Adjusted

Asset Data

| | | 30 Sep. 2018 | 31 Dec. 2017 | Change in % |
|---|----------|--------------|--------------|-------------|
| Balance sheet total | in MEUR | 5,731.6 | 6,062.7 | -5.5% |
| Equity as % of the balance sheet total | in % | 48.2% | 46.3% | n.a. |
| Net financial liabilities | in MEUR | 1,688.9 | 2,140.4 | -21.1% |
| Cash and cash equivalents | in MEUR | 685.4 | 477.9 | 43.4% |
| Loan-to-value ratio (net) | in % | 35.9% | 40.8% | n.a. |
| Gearing | in % | 61.1% | 76.3% | n.a. |
| Average interest rate on financial liabilities, incl. hedging | in % | 2.2% | 2.3% | n.a. |
| Average term of financial liabilities | in years | 3.5 | 3.5 | 0.0% |

Property Data

| | | 30 Sep. 2018 | 31 Dec. 2017 | Change in % |
|-------------------------------------|---------|--------------|--------------|-------------|
| Total number of properties | | 223 | 239 | -6.7% |
| Rentable space | in sqm | 1,855,440 | 1,865,178 | -0.5% |
| Occupancy rate | in % | 94.5% | 94.2% | n.a. |
| Gross return | in % | 6.2% | 6.4% | n.a. |
| Invoiced rents return ¹ | in % | 6.5% | n.a. | n.a. |
| Portfolio value | in MEUR | 4,275.6 | 4,194.8 | 1.9% |
| thereof investment properties | in MEUR | 3,868.6 | 3,729.5 | 3.7% |
| thereof property under construction | in MEUR | 359.0 | 404.1 | -11.2% |
| thereof real estate inventories | in MEUR | 48.1 | 61.2 | -21.5% |
| Unencumbered investment property | in MEUR | 750.7 | 846.1 | -11.3% |

¹ Yield based on invoiced rents; this information is provided to improve comparability with the peer group.

EPRA Indicators¹

| | | 30 Sep. 2018 | 31 Dec. 2017 | Change in % |
|--|---------|--------------|-------------------|-------------|
| EPRA Net Asset Value | in MEUR | 3,334.1 | 3,220.6 | 3.5% |
| EPRA Net Asset Value per share | in EUR | 27.24 | 28.60 | -4.8% |
| EPRA Triple Net Asset Value | in MEUR | 3,324.6 | 3,201.6 | 3.8% |
| EPRA Triple Net Asset Value per share | in EUR | 27.16 | 28.43 | -4.5% |
| | | Q1-3 2018 | Q1-3 2017 | Change in % |
| EPRA earnings | in MEUR | 79.2 | 102.2 | -22.5% |
| EPRA earnings per share | in EUR | 0.71 | 0.99 | -28.3% |
| EPRA earnings after company-specific adjustments | in MEUR | 54.4 | 4.4 | ≥ +100.0% |
| EPRA earnings per share after company-specific adjustments | in EUR | 0.49 | 0.04 | ≥ +100.0% |
| EPRA Net Initial Yield | in % | 5.6% | 5.5% ² | n.a. |

¹ See calculation in chapter *Business Development*
² Adjusted

Stock Exchange Data

| | | 30 Sep. 2018 | 31 Dec. 2017 | Change in % |
|--|---------|--------------|--------------|-------------|
| Book value per share | in EUR | 25.54 | 25.28 | 1.0% |
| Share price at end of period | in EUR | 22.44 | 21.47 | 4.5% |
| Discount of share price to NAV per share | in % | 17.6% | 24.9% | n.a. |
| Total number of shares | | 112,085,269 | 111,617,378 | 0.4% |
| thereof number of treasury shares | | 3,061,526 | 0 | n.a. |
| Market capitalisation at end of period | in MEUR | 2,515.2 | 2,396.4 | 5.0% |
| | | Q1-3 2018 | Q1-3 2017 | Change in % |
| Earnings per share (basic) | in EUR | 1.23 | -0.55 | n.a. |
| Earnings per share (diluted) | in EUR | 1.14 | -0.55 | n.a. |

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

All information on the share price and the resulting calculations as well as the data per share were adjusted to reflect the 10:1 reverse stock split which took effect on 23 June 2018.

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myhive

- **EARNINGS JUMP AFTER THREE QUARTERS**

Net profit turns strongly positive at EUR 135.0 million

- **OCCUPANCY RATE AT HIGH LEVEL**

94.5% of the space in our properties is rented

- **ROBUST BALANCE SHEET**

Cash and cash equivalents rise to EUR 685.4 million
Net LTV at 35.9%



CEO LETTER

DEAR SHAREHOLDERS,

We can now see the results of IMMOFINANZ's repositioning as one of the leading commercial real estate companies in Central and Eastern Europe with a focus on the office and retail asset classes. The measures implemented to date are taking effect, and the expected improvement is now reflected in our key performance indicators for the 2018 financial year.

Our properties had a solid occupancy rate of 94.5% at the end of September 2018. We also recorded a substantial improvement in our most important drivers for operating earnings. The results of asset management rose by 9.7% to EUR 134.5 million in the first three quarters. The results of property sales increased significantly to EUR 28.1 million (Q1-3 2017: EUR 2.7 million), and the results of property development turned positive at EUR 23.7 million after a loss in the previous year (Q1-3 2017: EUR -26.1 million).

Financial results for the period benefited, on the one hand, from a reduction of more than 30% in financing costs to EUR -51.3 million and a book gain of EUR 66.2 million on the very profitable sale of the CA Immo investment. On the other hand, an impairment loss of EUR -25.1 million was required for the investment in S IMMO because the market price of these shares and the related book value on the balance sheet date were below the acquisition cost. Our net profit turned strongly positive at EUR 135.0 million for the first three quarters, following the negative effects, above all from the sale of the Russian portfolio, in the previous year.

The development of our sustainable Funds from Operations, a key profitability indicator in the real estate industry, also underscores our stronger earning power: FFO 1 from the standing investment business rose by 100% to EUR 63.0 million. With these results, we are well on target to meet our goal and generate FFO 1 of more than EUR 100 million in 2019.

Our financial profile is also stronger: cash and cash equivalents rose to approximately EUR 685 million, and leverage – based on the net loan-to-value – has fallen to roughly 36%. Financing costs declined further to 2.17% including and 1.80% excluding derivatives during the past nine months.

We completed a number of fully rented development projects during the first three quarters of 2018 – including our landmark property, the *trivago Campus* in Düsseldorf, and two STOP SHOPS in Serbia – and transferred these properties to the tenants. We also continued to drive the expansion of our successful STOP SHOP retail brand through acquisitions and strengthen our position as the leading retail park operator in Europe. In mid-November we announced the purchase of eight retail parks in Slovenia, Serbia and Croatia. This transaction increases our STOP SHOP portfolio to 80 locations in nine countries with more than 567,000 sqm of rentable space and a book value of roughly EUR 800 million. Our strategy calls for continued expansion with this brand.

-

**THE EXPECTED
IMPROVEMENT IS
NOW REFLECTED
IN OUR KEY
PERFORMANCE
INDICATORS.**



In 2018 we also took advantage of the opportunity to become the largest shareholder of the listed S IMMO. This creates a very good basis for various forms of cooperation between the two companies. The S IMMO and IMMOFINANZ portfolios complement each other very well with their focus on commercial properties, and this investment is therefore expected to give both companies a stronger market position and lead to synergies in the area of facility management. A possible future combination and the resulting increase in size would also create a substantially stronger position on the capital market.

With regard to our distribution policy, we have successfully repositioned IMMOFINANZ as a sustainable dividend stock. Our plans for the current financial year include a further increase in the dividend to 80 cents per share. Share buybacks are also part of this distribution policy due to our sound liquidity position and the relatively high discount of the share price to the book value. We completed a buyback programme for 1.5 million shares during the first half-year and started another buyback programme in July for up to 9.7 million shares, or 8.66% of the shares currently outstanding.

IMMOFINANZ has become a substantially stronger player on the European commercial real estate market which pays sustainable and attractive dividends, has a solid foundation for continued growth and is successfully positioned to utilise the opportunities resulting from changes in the market environment.

Vienna, 27 November 2018

Oliver Schumy
CEO

IMMOFINANZ on the Capital Market

THE MARKET ENVIRONMENT AND THE IMMOFINANZ SHARE

Rising corporate profits and ongoing favourable economic reports were responsible for a generally friendly stock market climate during the third quarter of 2018. In spite of these developments, the EURO STOXX 50 and the ATX traded 3.0% and 2.2%, respectively, below the year-end 2017 level at the end of September.

**IMMOFINANZ share
with new ISIN
AT0000A21KS2**

The IMMOFINANZ share rose to EUR 22.44 at the end of September, for a plus of 4.5% since the beginning of the year. The annual high thus far was reached shortly after the presentation of half-year results for 2018 with EUR 23.28 on 4 September. As of the editorial deadline for this report (23 November 2018), the share traded at EUR 20.86, which represents a decline of 2.8% since the beginning of the year and reflects the general uncertainty on the capital markets.

DEVELOPMENT OF THE IMMOFINANZ SHARE VS. SELECTED INDEXES

Indexed as of 1 January 2018



PERFORMANCE COMPARISON

| 1 January to 30 September 2018 | in % |
|--------------------------------|--------|
| IMMOFINANZ share | 4.5% |
| ATX | -2.2% |
| Immobilien ATX | 8.5% |
| EPRA/NAREIT Emerging Europe | -48.3% |
| EPRA/NAREIT Developed Europe | -2.3% |

KEY DATA ON THE SHARE

| | |
|---------------------|--------------------------|
| ISIN | AT0000A21KS2 |
| Segment | ATX, WIG |
| Reuters | IMFI.VI |
| Bloomberg | IJA:AV |
| Financial year 2018 | 1 January to 31 December |

INFORMATION ON THE IMMOFINANZ SHARE

| | | 30 Sep. 2018 | 31 Dec. 2017 | Change in % |
|---|---------|------------------------|-------------------|-------------|
| Book value per share | in EUR | 25.54 | 25.28 | 1.0% |
| EPRA Net Asset Value per share ¹ | in EUR | 27.24 | 28.60 | -4.8% |
| EPRA Triple Net Asset Value per share ¹ | in EUR | 27.16 | 28.43 | -4.5% |
| Earnings per share | in EUR | 1.23 | -0.55 | n.a. |
| FFO 1 per share before tax (excl. CA Immo) ² | in EUR | 0.57 | 0.31 ⁴ | 83.9% |
| Share price at end of period | in EUR | 22.44 | 21.47 | 4.5% |
| Share price high Q1-3 based on the closing rate | in EUR | 23.28 | 20.76 | 6.9% |
| Share price low Q1-3 based on the closing rate | in EUR | 18.78 | 16.98 | 10.6% |
| Discount of share price to NAV per share | in % | 17.6% | 24.9% | n.a. |
| Total number of shares | | 112,085,269 | 111,617,378 | 0.4% |
| thereof treasury shares | | 3,061,526 ² | 0 | n.a. |
| Market capitalisation at the end of the period | in MEUR | 2,515.2 | 2,396.4 | 5.0% |
| Free float ³ | in % | approx. 78% | approx. 84% | n.a. |

¹ See the calculation under the section *Business development*.

² IMMOFINANZ has been repurchasing its shares within the framework of the share buyback programme 2018/2019 since 16 July 2018 (for additional details, see the section *Share buybacks*).

³ Calculation method as defined by the Vienna Stock Exchange, Prime Market rules

⁴ Adjusted

REVERSE STOCK SPLIT AND SHARE CAPITAL

The 25th annual general meeting of IMMOFINANZ on 11 May 2018 approved a reverse stock split at a ratio of 10:1. This resolution took effect when it was recorded in the company register on 23 June 2018. The reverse stock split reduced the number of share from the previous level of 1,120,852,699 to 112,085,269. In connection with the reverse stock split, the IMMOFINANZ share also received a new International Securities Identification Number (ISIN): AT0000A21KS2.

*Reverse stock split
at a ratio of 10:1*

This annual general meeting also approved an increase in share capital from internal funds, combined with an ordinary capital decrease. As a result of these resolutions, share capital now totals EUR 112.09 million (31 December 2017: EUR 111.6 million). The total number of shares rose by 467,892, or roughly 0.4%, based on capital increases from conditional capital which were carried out to service the exchange rights of holders of the convertible bond 2018. This bond was converted or redeemed in full as of 8 March 2018.

DIVIDEND

The annual general meeting on 11 May 2018 approved a dividend of EUR 0.70 per share for the 2017 financial year (2016A: EUR 0.60). It was classified as a repayment of capital under Austrian law (§ 4 (12) of the Austrian Income Tax Act) and was therefore not subject to withholding tax for natural persons who are resident in Austria and who hold IMMOFINANZ AG shares as part of their private assets.* The ex-dividend date was 15 May and the dividend was paid on 17 May 2018.

*Dividend of
EUR 0.80/share
planned for 2018*

A further increase in the dividend to EUR 0.80 per share is planned for the current 2018 financial year.

SHARE BUYBACKS

A total of 1.5 million shares were repurchased during the period from 14 March to 15 June 2018 as part of the share buyback programme 1/2018. The shares were repurchased over the stock exchange at an average price of EUR 21.05 per share.

*Repurchase of up
to 9.7 million
shares, or 8.66%*

A new share buyback programme with a volume of up to 9.7 million shares, or 8.66% of the outstanding shares, was approved on 2 July 2018. The buyback started on 16 July and will end, at the latest, on 31 December 2019. Information on the share buyback programme 2018/2019 is available under www.immofinanz.com/en/investor-relations/our-share/share-buyback-programmes.

25TH ANNUAL GENERAL MEETING

The 25th annual general meeting of IMMOFINANZ was held on 11 May 2018 in the Austria Center Vienna. The related documents and voting results can be found under www.immofinanz.com/en/investor-relations/general-meeting.

The 26th annual general meeting will be held on 22 May 2019 in Vienna.

ANALYSTS' RECOMMENDATIONS

The following ten national and international houses publish regular evaluations and studies on IMMOFINANZ: Baader Helvea, Deutsche Bank, Erste Group, HSBC, Kepler Cheuvreux, PKO BP Securities, Raiffeisen Centrobank, Société Générale, Wood & Company and Wiener Privatbank. These evaluations are updated regularly and can be reviewed on the IMMOFINANZ website under www.immofinanz.com/en/investor-relations/our-share/analyses.

YOUR IR CONTACT

We would be happy to answer your questions and provide additional information on IMMOFINANZ and its share.

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* Subject to certain assumptions, e.g. when the total capital repayment exceeds the tax base of the purchased shares.

GROUP INTERIM MANAGEMENT REPORT

Portfolio Report

Portfolio value of EUR 4.3 billion

The property portfolio covered 223 properties* as of 30 September 2018 (31 December 2017: 239) with a combined value of EUR 4,275.6 million** (31 December 2017: EUR 4,194.8 million) in the core markets of Austria, Germany, Poland, Czech Republic, Slovakia, Hungary and Romania. Standing investments represented the largest component at EUR 3,676.1 million, or 86.0% of the carrying amounts and approximately 1.9 million sqm. These properties generate steady rental income. The development projects comprised EUR 359.0 million or 8.4% of the carrying amount and real estate inventories EUR 48.1 million or 1.1%. Pipeline projects were responsible for EUR 192.5 million or 4.5% of the carrying amount and include future planned development projects as well as undeveloped land that is intended for sale.

Clear brand strategy

The IMMOFINANZ portfolio is focused on clearly defined brands with a high degree of standardisation. In the retail sector, the brands include STOP SHOP for retail parks and VIVO! for shopping centers. myhive, an international office brand, was launched in autumn 2016 and rolled out to a number of office buildings. Properties in these three brands were responsible for 66.0% of the carrying amount of the standing investment portfolio as of 30 September 2018 and 70.7% of rental income in the first three quarters of 2018.

STRUCTURE OF THE PROPERTY PORTFOLIO

Total carrying amount: MEUR 4,275.6



A geographical analysis shows 50.3% of the property portfolio in Austria, Germany and Poland, i.e. in so-called "developed markets" as defined by FTSE EPRA/NAREIT.

PROPERTY PORTFOLIO BY CORE MARKET AND CLASSIFICATION

| Property portfolio | Number of properties | Standing investments in MEUR | Development projects in MEUR | Real estate inventories in MEUR | Pipeline projects in MEUR | Property portfolio in MEUR | Property portfolio in % |
|---------------------------------|----------------------|------------------------------|------------------------------|---------------------------------|---------------------------|----------------------------|-------------------------|
| Austria | 33 | 796.6 | 22.6 | 0.0 | 9.8 | 829.0 | 19.4% |
| Germany | 13 | 278.4 | 232.6 | 47.2 | 0.0 | 558.2 | 13.1% |
| Poland | 32 | 717.1 | 44.6 | 0.0 | 0.0 | 761.7 | 17.8% |
| Czech Republic | 18 | 336.0 | 4.7 | 0.0 | 0.0 | 340.7 | 8.0% |
| Hungary | 31 | 487.3 | 2.6 | 0.0 | 28.0 | 517.9 | 12.1% |
| Romania | 57 | 619.5 | 49.7 | 0.9 | 126.9 | 797.0 | 18.6% |
| Slovakia | 21 | 303.6 | 0.0 | 0.0 | 1.2 | 304.7 | 7.1% |
| Non-Core countries ¹ | 18 | 137.5 | 2.2 | 0.0 | 26.7 | 166.4 | 3.9% |
| IMMOFINANZ | 223 | 3,676.1 | 359.0 | 48.1 | 192.5 | 4,275.6 | 100.0% |
| | | 86.0% | 8.4% | 1.1% | 4.5% | 100.0% | |

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.
1 In declining order based on the carrying amount: Serbia, Slovenia, Croatia, Turkey, Bulgaria

* Properties that are held for sale and fall under IFRS 5 were, as in the past, not included in the portfolio report (see section 4.5 in the consolidated interim financial statements).

** Incl. non-core countries, excl. IFRS 5

SALE OF NON-STRATEGIC PROPERTIES

Properties with a value of EUR 252.8 million (excl. proceeds from the sale of real estate inventories) were sold during the first three quarters of 2018.

*Property sales of
MEUR 252.8*

INVESTMENTS

Investments in the property portfolio totalled EUR 117.8 million in the first three quarters of 2018 (Q1-3 2017: EUR 215.2 million).

STRUCTURE OF THE PROPERTY PORTFOLIO BY ASSET CLASS AND CLASSIFICATION

Total carrying amount: MEUR 4,131.7 (excl. Other); in MEUR



The following table shows the carrying amount of IMMOFINANZ's property portfolio as of 30 September 2018:

PROPERTY PORTFOLIO BY BRAND AND CLASSIFICATION

| Property portfolio | Number of properties | Standing investments in MEUR | Development projects in MEUR | Real estate inventories in MEUR | Pipeline projects in MEUR | Property portfolio in MEUR | Property portfolio in % |
|--------------------------------|----------------------|------------------------------|------------------------------|---------------------------------|---------------------------|----------------------------|-------------------------|
| Office | 80 | 2,290.7 | 318.6 | 41.1 | 53.1 | 2,703.5 | 63.2% |
| thereof myhive | 21 | 1,067.5 | 0.0 | 0.0 | 0.0 | 1,067.5 | 25.0% |
| Retail | 104 | 1,377.1 | 17.9 | 0.0 | 33.2 | 1,428.2 | 33.4% |
| thereof VIVO!/ Shopping Center | 11 | 644.8 | 0.4 | 0.0 | 0.0 | 645.2 | 15.1% |
| thereof STOP SHOP/ Retail Park | 82 | 712.2 | 17.4 | 0.0 | 2.4 | 732.1 | 17.1% |
| Others | 39 | 8.2 | 22.6 | 7.0 | 106.1 | 143.9 | 3.4% |
| IMMOFINANZ | 223 | 3,676.1 | 359.0 | 48.1 | 192.5 | 4,275.6 | 100.0% |

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates. Based on the primary use of the property (on the income statement based on the actual use of the property; marginal differences to the income statement are therefore possible).

STANDING INVESTMENTS

The 153 standing investments had a carrying amount of EUR 3,676.1 million as of 30 September 2018 (31 December 2017: 153 standing investments and EUR 3,527.2 million). Of this total, 62.3% were attributable to office properties and 37.5% to retail properties. The focal point of the standing investments based on the carrying amount are the markets in Austria (EUR 796.6 million), Poland (EUR 717.1 million) and Romania (EUR 619.5 million).

Standing investments are the most important source of earnings

These properties have 1,855,440 sqm of rentable space (31 December 2017: 1,865,178 sqm). Based on annualised rental income* (rental income Q1-3 2018: EUR 170.0 million), the portfolio had a gross return of 6.2% and a return of 6.5% based on invoiced rents**. The difference is explained by the accrual of rental incentives – e.g. the standard market practice of granting rent-free periods or allowances for fit-out costs.

These incentives must be accrued on a straight-line basis over the contract term in accordance with IFRS (basis for gross return under IFRS), but are not included in the invoiced rent. The occupancy rate increased to 94.5% (30 September 2017: 92.9%; 31 December 2017: 94.2%). IMMOFINANZ rented roughly 217,300 sqm of usable

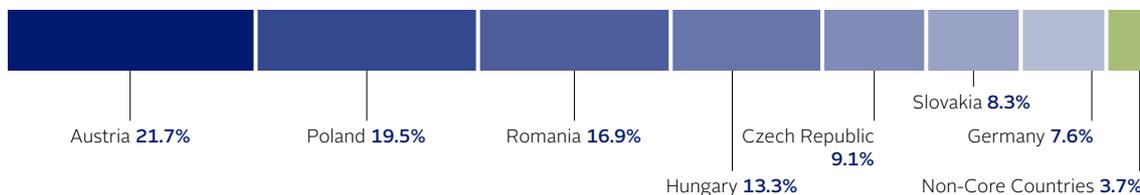
Occupancy rate of 94.5%

* Rental income in the first three quarters of 2018 was divided by three and then multiplied by four to develop the annualised amount.

** Return based on invoiced rents; this information is provided to improve comparability with the peer group.

space in the first three quarters of 2018 (excl. Other standing investments). Of this total, approx. 87,600 sqm represented new rentals and 129,700 sqm contract extensions. The average unexpired lease term (WAULT*) weighted by rental income equalled roughly four years as of 30 September 2018.

The following graph shows the geographical distribution of IMMOFINANZ's standing investment portfolio as of 30 September 2018 based on the carrying amount:



STANDING INVESTMENTS BY CORE MARKET

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|----------------------|----------------------|-------------------------|----------------------|-----------------------|---------------------|---------------------|
| Austria | 30 | 796.6 | 21.7% | 307,199 | 280,814 | 91.4% |
| Germany | 4 | 278.4 | 7.6% | 71,451 | 71,016 | 99.4% |
| Poland | 26 | 717.1 | 19.5% | 374,037 | 353,297 | 94.5% |
| Czech Republic | 17 | 336.0 | 9.1% | 185,062 | 172,957 | 93.5% |
| Hungary | 25 | 487.3 | 13.3% | 299,590 | 283,705 | 94.7% |
| Romania | 18 | 619.5 | 16.9% | 343,474 | 322,737 | 94.0% |
| Slovakia | 20 | 303.6 | 8.3% | 177,321 | 171,643 | 96.8% |
| Non-Core countries | 13 | 137.5 | 3.7% | 97,306 | 96,676 | 99.4% |
| IMMOFINANZ | 153 | 3,676.1 | 100.0% | 1,855,440 | 1,752,845 | 94.5% |

| Standing investments | Rental income Q1-3 2018 in MEUR ¹ | Gross return (invoiced rents return ²) in % | Carrying amount financing in MEUR | Financing costs in % ³ | Financing costs incl. derivatives in % | LTV in % |
|----------------------|--|---|-----------------------------------|-----------------------------------|--|--------------|
| Austria | 33.8 | 5.7% (5.7%) | 415.2 | 1.8% | 2.7% | 52.1% |
| Germany | 8.0 | 4.8% ⁶ (4.8%) | 182.2 | 0.7% | 1.0% | 65.4% |
| Poland | 32.6 | 6.1% (6.9%) | 383.7 | 1.7% | 2.2% | 53.5% |
| Czech Republic | 15.2 | 6.0% (5.9%) | 192.0 | 1.6% | 1.8% | 57.1% |
| Hungary | 22.8 | 6.2% (6.6%) | 248.6 | 1.8% | 2.2% | 51.0% |
| Romania | 34.3 | 7.4% (7.7%) | 115.1 | 3.4% | 3.6% | 18.6% |
| Slovakia | 15.6 | 6.8% (7.0%) | 150.3 | 2.1% | 2.2% | 49.5% |
| Non-Core countries | 7.7 | 7.5% (7.8%) | 63.4 | 3.5% | 3.5% | 46.1% |
| IMMOFINANZ | 170.0 | 6.2% (6.5%) | 1,750.5 | 1.8% | 2.3% | 47.6% |

| | | | | | | |
|---|--------------|--|----------------|-------------|-------------|--|
| Development projects and pipeline projects | 3.2 | | 177.2 | 1.3% | 1.4% | |
| Rental income from sold properties plus adjustments | 2.5 | | 0.0 | 0.0% | 0.0% | |
| Group financing | 0.0 | | 422.0 | 1.9% | 1.9% | |
| IMMOFINANZ | 175.7 | | 2,349.7 | 1.8% | 2.2% | |

| | | | | | | |
|--|--|--|----------------|--|--|--------------|
| Market value property portfolio | | | | | | 4,275.6 |
| EPRA NAV S IMMO shares (19.5 million shares) ⁴ | | | | | | 374.3 |
| Cash and cash equivalents ⁵ | | | -685.4 | | | |
| Properties/liabilities held for sale (asset & share deals) | | | 24.6 | | | 59.5 |
| IMMOFINANZ | | | 1,688.9 | | | 35.9% |

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

¹ Rental income based on the primary use of the property (rental income reported on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Return based on invoiced rents; this information is provided to improve comparability with the peer group.

³ Financing costs based on nominal outstanding liability.

⁴ 19.5 million shares of S IMMO at the EPRA NAV of EUR 19.20 per share per 30 September 2018.

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

⁶ Annualised gross return, adjusted for the completion of the *trivago Campus* during 2018.

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

FURTHER IMPROVEMENT IN LIKE-FOR-LIKE RENTAL INCOME

A like-for-like analysis (i.e. acquisitions, completions and sales are deducted to facilitate comparison with the first three quarters of 2017) shows an increase of EUR 4.4 million or 3.0% in rental income to EUR 150.8 million in the first three quarters of 2018. This improvement resulted primarily from an increase in the occupancy rate in individual markets and from higher rental income.

STANDING INVESTMENTS LIKE-FOR-LIKE BY CORE MARKET

| Standing investments like-for-like ¹ | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rental income Q1-3 2018 in MEUR | Rental income Q1-3 2017 in MEUR | Change in rental income Q1-3 2018 to Q1-3 2017 in MEUR |
|---|----------------------|-------------------------|----------------------|---------------------------------|---------------------------------|--|
| Austria | 29 | 780.6 | 24.5% | 33.1 | 31.6 | 1.5 |
| Germany | 1 | 41.5 | 1.3% | 1.5 | 1.4 | 0.1 |
| Poland | 25 | 677.9 | 21.3% | 30.3 | 29.9 | 0.4 |
| Czech Republic | 17 | 336.0 | 10.5% | 15.2 | 14.1 | 1.1 |
| Hungary | 23 | 465.7 | 14.6% | 21.3 | 20.6 | 0.7 |
| Romania | 15 | 566.2 | 17.8% | 32.2 | 32.0 | 0.2 |
| Slovakia | 13 | 211.2 | 6.6% | 10.9 | 10.9 | 0.0 |
| Non-Core countries | 10 | 105.9 | 3.3% | 6.2 | 5.9 | 0.3 |
| IMMOFINANZ | 133 | 3,185.0 | 100.0% | 150.8 | 146.4 | 4.4 |
| Rental income from properties sold/ acquired and development projects | | | | 24.8 | | |
| IMMOFINANZ | | | | 175.7 | | |

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 Q1-3 2018 in MEUR | Rental income Q1-3 2017 in MEUR | Change in rental income Q1-3 2018 to Q1-3 2017 in MEUR |
|---|----------------------|-------------------------|----------------------|---------------------------------|---------------------------------|--|
| Office | 57 | 1,970.9 | 61.9% | 82.7 | 81.0 | 1.7 |
| thereof myhive | 20 | 1,022.6 | 32.1% | 42.7 | 41.5 | 1.2 |
| Retail | 72 | 1,213.1 | 38.1% | 68.1 | 65.4 | 2.7 |
| thereof VIVO!/Shopping Center | 9 | 605.6 | 19.0% | 33.4 | 32.0 | 1.4 |
| thereof STOP SHOP/Retail Park | 60 | 589.7 | 18.5% | 33.4 | 32.0 | 1.4 |
| Others | 4 | 1.0 | 0.0% | 0.0 | 0.0 | 0.0 |
| IMMOFINANZ | 133 | 3,185.0 | 100.0% | 150.8 | 146.4 | 4.4 |

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

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

OFFICE STANDING INVESTMENTS

The carrying amount of the 62 office standing investments totalled EUR 2,290.7 million as of 30 September 2018 (31 December 2017: 64 standing investments and EUR 2,165.4 million). They represented 62.3% of the standing investment portfolio and 54.3% of rental income in the first three quarters of 2018. The focal points of these properties are the capital cities in the core markets of Austria (EUR 684.1 million), Poland (EUR 450.4 million) and Romania (EUR 315.3 million).

These standing investments have 1,029,523 sqm (31 December 2017: 1,046,828 sqm) of rentable space. Based on annualised rental income (rental income Q1-3 2018: EUR 92.3 million), the office portfolio generated a gross return of 5.5%* and a return of 5.9% based on invoiced rents. The office properties in the myhive brand represented a carrying amount of EUR 1,067.5 million as of 30 September 2018. They generated a gross return of 5.5%, respectively 6.1% based on invoiced rents.

* Annualised gross return, adjusted for the completion of the *trivago Campus* during 2018.

**myhive office
occupancy rate:
93.0%**

The occupancy rate in the office portfolio equalled 91.8% as of 30 September 2018 (30 September 2017: 90.1%; 31 December 2017: 91.9%), and the myhive offices have an occupancy rate of 93.0%. The take-up in the office segment during the first three quarters of 2018 amounted to approx. 104,400 sqm. Of this total, roughly 47,700 sqm represented new rentals and 56,700 sqm contract extensions.

The office portfolio has a balanced tenant structure. The ten largest tenants are responsible for 20% of the space in the standing investments, and no single tenant has rented more than 3.3% of the total space in these office properties. The WAULT* equalled 4.1 years as of 30 September 2018.

The ten largest standing investments in the office portfolio based on the carrying amount (in declining order) are the *myhive am Wienerberg* (Vienna), *trivago Campus* (Düsseldorf), *City Tower Vienna* (Vienna), *BB Centrum Gamma* (Prague), *myhive S-Park* (Bucharest), *myhive Átrium Park* (Budapest), *myhive Park Postępu* (Warsaw), *Cluster Produktionstechnik* (Aachen), *myhive Haller Gardens* (Budapest) and *IRIDE Business Park* (Budapest).

KEY DATA ON THE OFFICE STANDING INVESTMENTS BY CATEGORY

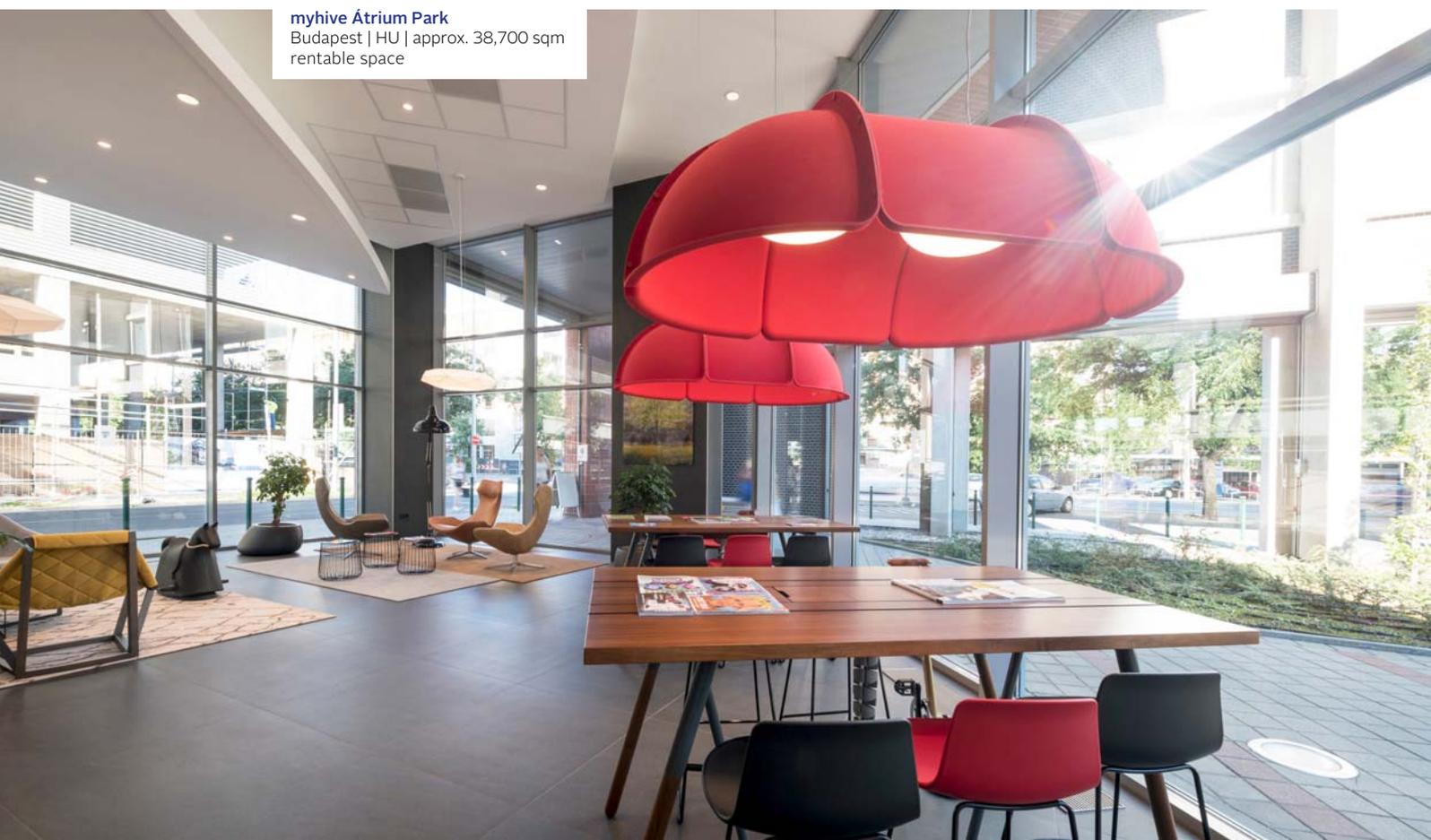
| Standing Investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|----------------------|----------------------|-------------------------|----------------------|-----------------------|---------------------|---------------------|
| IMMOFINANZ | 62 | 2,290.7 | 100.0% | 1,029,523 | 945,523 | 91.8% |
| thereof myhive | 21 | 1,067.5 | 46.6% | 468,453 | 435,717 | 93.0% |

| Standing Investments | Rental income Q1-3 2018 in MEUR ¹ | Gross return (invoiced rents return ²) in % | Carrying amount financing in MEUR | Financing costs in % ³ | Financing costs incl. derivatives in % | LTV in % |
|----------------------|--|---|-----------------------------------|-----------------------------------|--|--------------|
| IMMOFINANZ | 92.3 | 5.5%⁴ (5.9%) | 1,126.5 | 1.7% | 2.3% | 49.2% |
| thereof myhive | 44.2 | 5.5% (6.1%) | 531.1 | 1.8% | 2.5% | 49.8% |

Rounding differences may result from the use of automatic data processing equipment for the addition of rounded amounts and percentage rates.
 1 Rental income based on the primary use of the property (rental income reported on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)
 2 Return based on invoiced rents; this information is provided to improve comparability with the peer group.
 3 Financing costs based on nominal outstanding liability
 4 Annualised gross return, adjusted for the completion of the *trivago Campus* during 2018

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

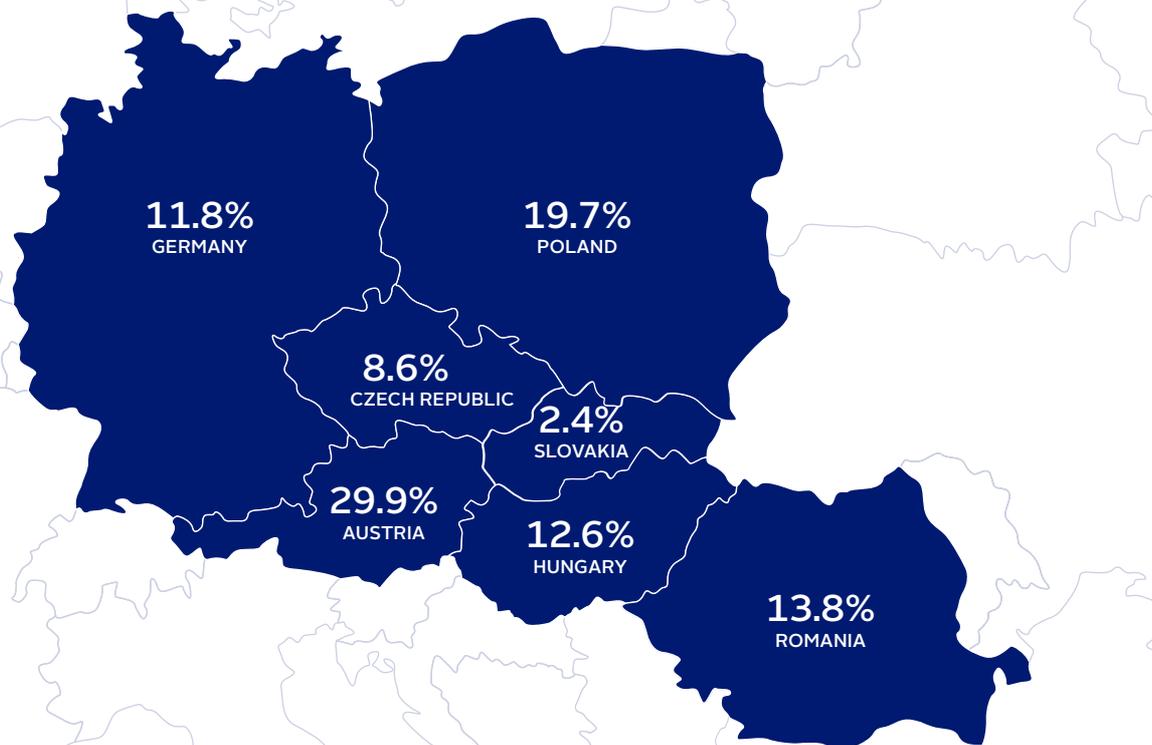
myhive Átrium Park
Budapest | HU | approx. 38,700 sqm rentable space





THE OFFICE SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 2,290.7)



| AUSTRIA | 29.9% |
|--|---------|
| Number of properties | 16 |
| Carrying amount in MEUR | 684.1 |
| Rentable space in sqm | 246,933 |
| Occupancy rate | 89.6% |
| Rental income Q1-3 2018 in MEUR ¹ | 27.5 |
| Gross return in % | 5.4% |

| POLAND | 19.7% |
|--|---------|
| Number of properties | 15 |
| Carrying amount in MEUR | 450.4 |
| Rentable space in sqm | 226,734 |
| Occupancy rate | 92.8% |
| Rental income Q1-3 2018 in MEUR ¹ | 19.3 |
| Gross return in % | 5.7% |

| ROMANIA | 13.8% |
|--|---------|
| Number of properties | 9 |
| Carrying amount in MEUR | 315.3 |
| Rentable space in sqm | 190,016 |
| Occupancy rate | 90.4% |
| Rental income Q1-3 2018 in MEUR ¹ | 14.7 |
| Gross return in % | 6.2% |

| HUNGARY | 12.6% |
|--|---------|
| Number of properties | 11 |
| Carrying amount in MEUR | 289.5 |
| Rentable space in sqm | 163,412 |
| Occupancy rate | 91.6% |
| Rental income Q1-3 2018 in MEUR ¹ | 12.1 |
| Gross return in % | 5.6% |

| GERMANY | 11.8% |
|--|--------|
| Number of properties | 3 |
| Carrying amount in MEUR | 271.2 |
| Rentable space in sqm | 71,451 |
| Occupancy rate | 99.4% |
| Rental income Q1-3 2018 in MEUR ¹ | 7.8 |
| Gross return in % ² | 4.8% |

| CZECH REPUBLIC | 8.6% |
|--|--------|
| Number of properties | 5 |
| Carrying amount in MEUR | 196.3 |
| Rentable space in sqm | 79,399 |
| Occupancy rate | 90.4% |
| Rental income Q1-3 2018 in MEUR ¹ | 7.3 |
| Gross return in % | 5.0% |

| SLOVAKIA | 2.4% |
|--|--------|
| Number of properties | 2 |
| Carrying amount in MEUR | 55.6 |
| Rentable space in sqm | 35,584 |
| Occupancy rate | 95.1% |
| Rental income Q1-3 2018 in MEUR ¹ | 2.3 |
| Gross return in % | 5.4% |

| NON-CORE COUNTRIES ³ | 1.2% |
|--|--------|
| Number of properties | 1 |
| Carrying amount in MEUR | 28.3 |
| Rentable space in sqm | 15,995 |
| Occupancy rate | 99.1% |
| Rental income Q1-3 2018 in MEUR ¹ | 1.2 |
| Gross return in % | 5.8% |

| IMMOFINANZ | 100.0% |
|--|-----------|
| Number of properties | 62 |
| Carrying amount in MEUR | 2,290.7 |
| Rentable space in sqm | 1,029,523 |
| Occupancy rate | 91.8% |
| Rental income Q1-3 2018 in MEUR ¹ | 92.3 |
| Gross return in % ² | 5.5% |

¹ Rental income based on the primary use of the property (rental income reported on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Annualised gross yield, adjusted for the completion of the *trivago Campus* project development during the year

³ Croatia

RETAIL STANDING INVESTMENTS

The carrying amount of the 86 standing investments in the retail sector totalled EUR 1,377.1 million as of 30 September 2018 (31 December 2017: 84 standing investments and EUR 1,353.8 million). These properties represented 37.5% of the standing investment portfolio and generated 45.6% of rental income in the first three quarters of 2018. The largest regional markets are Romania with EUR 303.2 million, Poland with EUR 266.7 million and Slovakia with EUR 248.0 million. The STOP SHOP retail parks had a carrying amount of EUR 712.2 million and a gross return of 7.5%, respectively 7.7% based on invoiced rents. The VIVO! shopping centers had a carrying amount of EUR 644.8 million; they generated a gross return of 7.4% and an invoiced rental return of 7.5%.

The retail standing investments have 825,917 sqm of space (31 December 2017: 818,350 sqm). Based on annualised rental income (rental income Q1-3 2018: EUR 77.5 million), the retail portfolio had a gross return of 7.5%, respectively 7.7% based on invoiced rents.

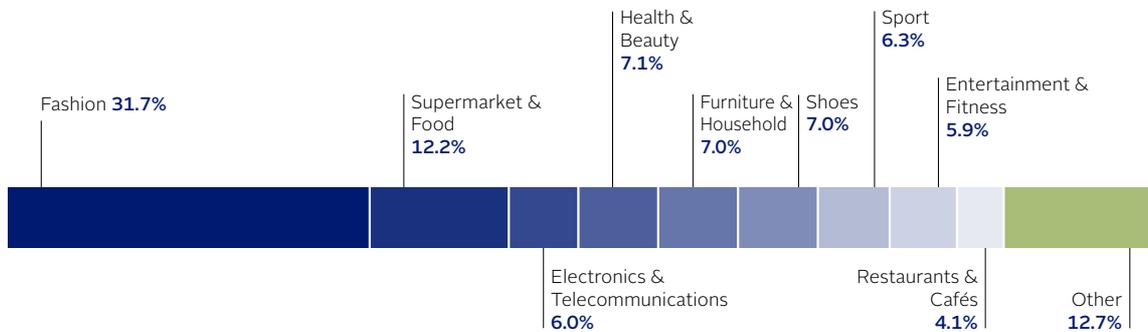
Retail: occupancy rate of 97.7%

The occupancy rate in the retail properties rose to 97.7% as of 30 September 2018 (30 September 2017: 96.6%; 31 December 2017: 97.2%). The STOP SHOPS and VIVO!s are, from a technical viewpoint, fully occupied at 98.4% and 97.5%, respectively. The take-up amounted to roughly 112,900 sqm in the first three quarters of 2018, whereby 39,900 sqm represent new rentals and 73,000 sqm contract extensions. Major new rentals over roughly 2,000 sqm each included, for example, the *Polus City Center* in Bratislava and the Serbian STOP SHOPS in Požarevac and Vršac.

IMMOFINANZ relies on a balanced tenant mix and the inclusion of recreational and entertainment opportunities to create an optimal environment for retailers and their customers. All of the larger IMMOFINANZ retail properties have numerous solid international and local anchor tenants. Retailers from the fashion sector in the discount and medium price segment are the largest tenant group based on rented space, followed by food products. Other important tenant groups are health & beauty, shoes, furniture & household, sport, electronics & telecommunications and entertainment & fitness. The WAULT* equalled 3.7 years as of 30 September 2018.

BRANCH MIX – RETAIL

Only rented space in standing investments as of 30 September 2018



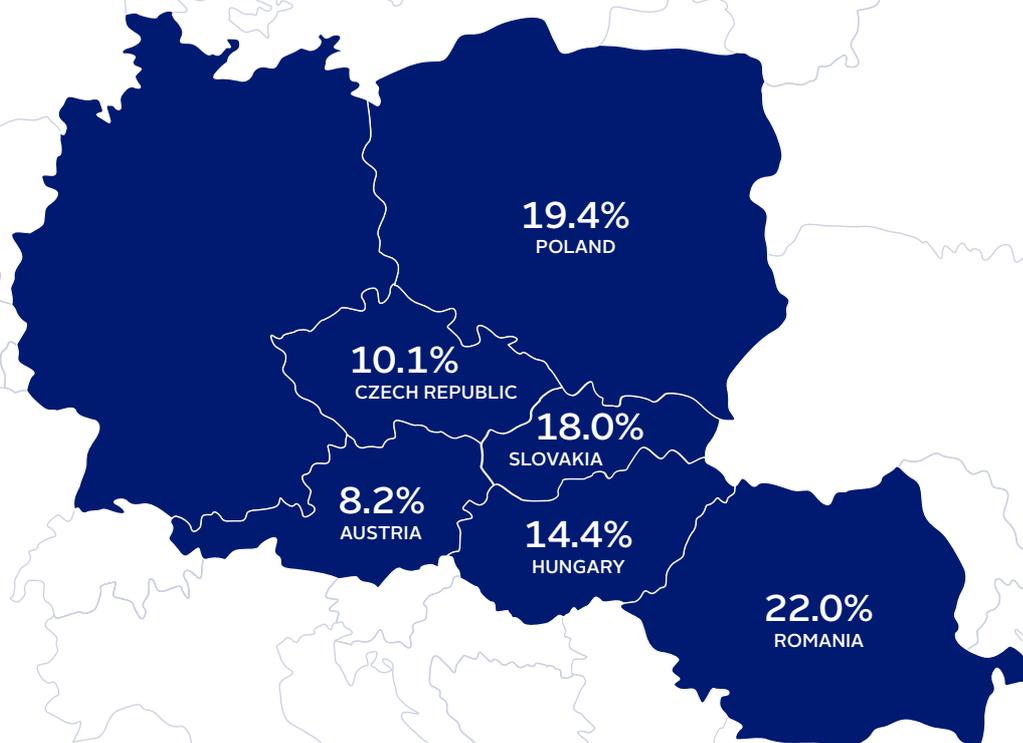
The ten largest standing investments in the retail portfolio based on the carrying amount (in declining order) are the *VIVO! Cluj* (Romania), *Taraszy Zamkowe* (Poland), *Polus City Center* (Slovakia), *VIVO! Constanța* (Romania), *VIVO! Baia Mare* (Romania), *VIVO! Stalowa Wola* (Poland), *VIVO! Piła* (Poland), *VIVO! Krosno* (Poland), *VIVO! Hostivař* (Czech Republic) and *STOP SHOP Veszprém* (Hungary).

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



THE RETAIL SECTOR IN THE IMMOFINANZ CORE MARKETS

Share of the standing investment portfolio
(based on the carrying amount of MEUR 1,377.1)



| ROMANIA | 22.0% |
|--|--------------|
| Number of properties | 6 |
| Carrying amount in MEUR | 303.2 |
| Rentable space in sqm | 153,458 |
| Occupancy rate | 98.4% |
| Rental income Q1-3 2018 in MEUR ¹ | 19.6 |
| Gross return in % | 8.6% |

| POLAND | 19.4% |
|--|--------------|
| Number of properties | 11 |
| Carrying amount in MEUR | 266.7 |
| Rentable space in sqm | 147,303 |
| Occupancy rate | 97.0% |
| Rental income Q1-3 2018 in MEUR ¹ | 13.3 |
| Gross return in % | 6.7% |

| SLOVAKIA | 18.0% |
|--|--------------|
| Number of properties | 18 |
| Carrying amount in MEUR | 248.0 |
| Rentable space in sqm | 141,737 |
| Occupancy rate | 97.2% |
| Rental income Q1-3 2018 in MEUR ¹ | 13.3 |
| Gross return in % | 7.2% |

| HUNGARY | 14.4% |
|--|--------------|
| Number of properties | 14 |
| Carrying amount in MEUR | 197.9 |
| Rentable space in sqm | 136,178 |
| Occupancy rate | 98.4% |
| Rental income Q1-3 2018 in MEUR ¹ | 10.6 |
| Gross return in % | 7.2% |

| CZECH REPUBLIC | 10.1% |
|--|--------------|
| Number of properties | 12 |
| Carrying amount in MEUR | 139.7 |
| Rentable space in sqm | 105,663 |
| Occupancy rate | 95.8% |
| Rental income Q1-3 2018 in MEUR ¹ | 7.9 |
| Gross return in % | 7.5% |

| AUSTRIA | 8.2% |
|--|-------------|
| Number of properties | 13 |
| Carrying amount in MEUR | 112.5 |
| Rentable space in sqm | 60,266 |
| Occupancy rate | 98.8% |
| Rental income Q1-3 2018 in MEUR ¹ | 6.3 |
| Gross return in % | 7.4% |

| NON-CORE COUNTRIES² | 7.9% |
|--|-------------|
| Number of properties | 12 |
| Carrying amount in MEUR | 109.2 |
| Rentable space in sqm | 81,311 |
| Occupancy rate | 99.4% |
| Rental income Q1-3 2018 in MEUR ¹ | 6.5 |
| Gross return in % | 7.9% |

| IMMOFINANZ | 100.0% |
|--|---------------|
| Number of properties | 86 |
| Carrying amount in MEUR | 1,377.1 |
| Rentable space in sqm | 825,917 |
| Occupancy rate | 97.7% |
| Rental income Q1-3 2018 in MEUR ¹ | 77.5 |
| Gross return in % | 7.5% |

¹ Rental income based on the primary use of the property (rental income reported on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Slovenia and Serbia

KEY DATA ON THE RETAIL STANDING INVESTMENTS BY CATEGORY

| Standing investments | Number of properties | Carrying amount in MEUR | Carrying amount in % | Rentable space in sqm | Rented space in sqm | Occupancy rate in % |
|-------------------------------|----------------------|-------------------------|----------------------|-----------------------|---------------------|---------------------|
| IMMOFINANZ | 86 | 1,377.1 | 100.0% | 825,917 | 807,321 | 97.7% |
| thereof VIVO!/Shopping Center | 10 | 644.8 | 46.8% | 302,671 | 295,044 | 97.5% |
| thereof STOP SHOP/Retail Park | 72 | 712.2 | 51.7% | 498,842 | 490,854 | 98.4% |

| Standing investments | Rental income Q1-3 2018 in MEUR ¹ | Gross return (invoiced rents return ²) in % | Carrying amount financing in MEUR | Financing costs in % ³ | Financing costs incl. derivatives in % | LTV in % |
|-------------------------------|--|---|-----------------------------------|-----------------------------------|--|--------------|
| IMMOFINANZ | 77.5 | 7.5% (7.7%) | 621.0 | 2.1% | 2.4% | 45.1% |
| thereof VIVO!/Shopping Center | 35.7 | 7.4% (7.5%) | 223.8 | 2.0% | 2.4% | 34.7% |
| thereof STOP SHOP/Retail Park | 40.3 | 7.5% (7.7%) | 397.3 | 2.1% | 2.4% | 55.8% |

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

¹ Rental income based on the primary use of the property (rental income reported on the income statement is based on the actual use of the property; marginal differences to the income statement are therefore possible)

² Return based on invoiced rents; this information is provided to improve comparability with the peer group.

³ Financing costs based on nominal outstanding liability

DEVELOPMENT PROJECTS

Active development projects with a carrying amount of MEUR 263.0

The development projects had a carrying amount of EUR 359.0 million as of 30 September 2018, which represented 8.4% of the total property portfolio. Included in this amount are EUR 263.0 million of active development projects and EUR 96.0 million of projects in the preparation or concept phase which are expected to be reclassified as active projects in the coming quarters but for which outstanding construction costs are not yet available.

The expected fair value of the active projects on completion amounts to EUR 391.2 million. At EUR 317.0 million, the core market Germany represents the focus of these activities based on the expected fair value after completion. The active development projects also include the expansion and refurbishment of existing properties which will be reclassified to the standing investment portfolio after completion. These types of projects were ongoing in two buildings as of 30 September 2018: the conversion of an office building in the *myhive am Wienerberg* into a hotel and office property and the expansion of the *VIVO! Stalowa Wola* shopping center.

The development projects in preparation include the extensive modernisation of standing investments, e.g. three office buildings in Bucharest and three standing investment buildings in the *EMPARK* office complex in Warsaw.

The following development projects were reclassified to standing investments in the first three quarters of 2018: the *STOP SHOP Požarevac* and *STOP SHOP Vršac* in Serbia and the *trivago Campus* and a car park in the *Cluster Produktionstechnik* in Germany.

CURRENT FOCUS OF DEVELOPMENT ACTIVITIES

GERMANY

Düsseldorf

Development projects focused on Germany

The new global headquarters for trivago was constructed in the Medienhafen and covers approx. 26,000 sqm of rentable office space in the first building section. This six-storey, horizontally structured building opens towards the harbour basin, which creates an expansive campus with a welcoming atmosphere. The *trivago Campus* was reclassified to the standing investment portfolio as of 30 June 2018.

The second building section covers approximately 22,000 sqm on 16 floors. This high-rise is designed as a multi-tenant building and will be the first myhive office property in Germany. Completion is scheduled for 2020.

Also under development in the Medienhafen is the *FLOAT*, an office ensemble with six buildings designed by the star architect Renzo Piano. The utility company Uniper has leased the entire office space of approx. 28,000 sqm; the first building sections will be transferred to the tenant in the fourth quarter of 2018.

AUSTRIA

In the *myhive am Wienerberg*, work is currently in progress to convert an office building into a hotel and office property. The ground floor lobby will include an entranceway to the neighbouring shopping center; the hotel rooms will be integrated on floors 8 to 21; and the other areas – six floors in total – will be refitted as modern offices. The hotel will be operated by the NOVUM Group as the Holiday Inn Vienna-South and is scheduled to open in summer 2019.

*myhive am
Wienerberg:
office building
conversion*

CZECH REPUBLIC

The STOP SHOP in Třebíč is currently undergoing expansion to add approximately 6,600 sqm of rentable space. This retail park will then have roughly 21,800 sqm of rentable space in total. The expansion is planned for completion in November 2018.

POLAND

Activities in Poland currently include the development of a STOP SHOP retail park in Siedlce and the expansion of the *VIVO! Stalowa Wola* shopping center. The latter has roughly 22,500 sqm of space and is almost fully rented. It will now be expanded by 2,800 sqm, whereby the new space has already been rented and is partially completed. The STOP SHOP in Siedlce is expected to have roughly 11,000 sqm of rentable space and is scheduled to open at the end of 2019.

SERBIA

One retail park in Serbia was under development as of 30 September 2018: the opening of the *STOP SHOP Sremska Mitrovica* with approximately 7,000 sqm of rentable space is planned for the second half of 2019.

DEVELOPMENT PROJECTS BY CORE MARKET

| Development projects | Number of properties | Carrying amount in MEUR | Carrying amount in % | Outstanding construction costs in MEUR | Planned rentable space in sqm | Expected fair value after completion in MEUR | Expected rental income at full occupancy in MEUR | Yield on cost in % ¹ |
|-------------------------|----------------------|-------------------------|----------------------|--|-------------------------------|--|--|---------------------------------|
| Austria | 1 | 22.6 | 8.6% | 14.1 | 12,611 | 36.6 | 2.2 | 6.1% |
| Germany | 2 | 231.6 | 88.0% | 64.5 | 52,364 | 317.0 | 14.0 | 4.7% |
| Poland | 2 | 2.0 | 0.8% | 16.7 | 17,435 | 20.0 | 1.5 | 8.1% |
| Czech Republic | 1 | 4.7 | 1.8% | 3.2 | 6,667 | 9.0 | 0.7 | 8.4% |
| Non-Core countries | 1 | 2.2 | 0.8% | 5.8 | 7,011 | 8.6 | 0.8 | 9.8% |
| Active projects | 7 | 263.0 | 100.0% | 104.2 | 96,088 | 391.2 | 19.2 | 5.2% |
| Projects in preparation | 11 | 96.0 | | | | | | |
| IMMOFINANZ | 18 | 359.0 | | | | | | |

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

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

ACTIVE DEVELOPMENT PROJECTS BY BRAND

| Development projects | Number of properties | Carrying amount in MEUR | Carrying amount in % | Outstanding construction costs in MEUR | Planned rentable space in sqm | Expected fair value after completion in MEUR | Expected rental income at full occupancy in MEUR | Yield on cost in % ¹ |
|--------------------------------|----------------------|-------------------------|----------------------|--|-------------------------------|--|--|---------------------------------|
| Active projects | 7 | 263.0 | 100.0% | 104.2 | 96,088 | 391.2 | 19.2 | 5.2% |
| thereof VIVO!/ Shopping Center | 1 | 0.4 | 0.2% | 4.4 | 6,610 | 5.6 | 0.4 | 9.0% |
| thereof STOP SHOP/ Retail Park | 3 | 8.5 | 3.2% | 21.2 | 24,503 | 32.0 | 2.5 | 8.5% |

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

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

REAL ESTATE INVENTORIES

Real estate inventories with an expected fair value of MEUR 49.8

Real estate inventories are apartments that are intended for sale after completion or underground garages and the hotel in Cologne's *Gerling Quartier* which was still in the project development phase as of 30 September 2018. This hotel was sold as a forward purchase, but was developed by IMMOFINANZ. It was transferred to the operator, 25hours, in July 2018, but was still classified as a development project at the end of September 2018 because the closing had not taken place.

| Real estate inventories | Number of properties | Carrying amount in MEUR | Carrying amount in % | Outstanding construction costs in MEUR | Expected fair value after completion in MEUR |
|-------------------------|----------------------|-------------------------|----------------------|--|--|
| Germany | 6 | 47.2 | 98.2% | 1.7 | 48.9 ¹ |
| Romania | 6 | 0.9 | 1.8% | 0.0 | 0.9 |
| IMMOFINANZ | 12 | 48.1 | 100.0% | 1.7 | 49.8 |

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

¹ Reduction versus 31 December 2017 due to the initial application of IFRS 15. Details are provided in note 1.1 to the *consolidated interim financial statements*.

PIPELINE PROJECTS

Pipeline projects include planned development projects, undeveloped land and/or temporarily suspended projects.

Pipeline projects with a carrying amount of MEUR 192.5

The pipeline projects had a carrying amount of EUR 192.5 million as of 30 September 2018 (31 December 2017: EUR 202.3 million). These sites and projects are evaluated quarterly for possible transfer to an active development status. IMMOFINANZ intends to reduce the share of pipeline projects in the property portfolio through selected sales.

PIPELINE PROJECTS BY CORE MARKET

| Pipeline projects | Number of properties | Carrying amount in MEUR | Carrying amount in % |
|--------------------|----------------------|-------------------------|----------------------|
| Austria | 2 | 9.8 | 5.1% |
| Hungary | 4 | 28.0 | 14.5% |
| Romania | 29 | 126.9 | 65.9% |
| Slovakia | 1 | 1.2 | 0.6% |
| Non-Core Countries | 4 | 26.7 | 13.9% |
| IMMOFINANZ | 40 | 192.5 | 100.0% |

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

ASSETS HELD FOR SALE

The assets held for sale totalled EUR 59.8 million as of 30 September 2018 and are not included in this portfolio report (31 December 2017: EUR 265.1 million). Concrete sale plans have been approved for these properties, and their sale is intended in the near future. Details are provided in note 4.5 to the *consolidated interim financial statements*.

Financing

Financial liabilities totalled EUR 2.4 billion as of 30 September 2018 (31 December 2017: EUR 2.6 billion). Cash and cash equivalents rose to EUR 685.4 million (31 December 2017: EUR 477.9 million). Net debt, i.e. debt after the deduction of cash and cash equivalents held by the Group, equalled EUR 1.7 billion (31 December 2017: EUR 2.1 billion).

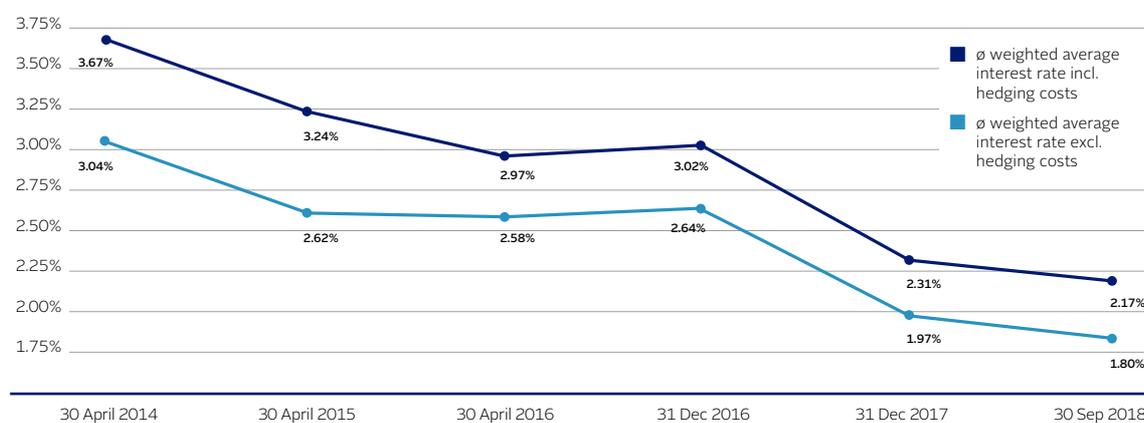
Robust balance sheet structure

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 48.2% (31 December 2017: 46.3%) and a net loan-to-value ratio (net LTV) of 35.9% (31 December 2017: 40.8%).

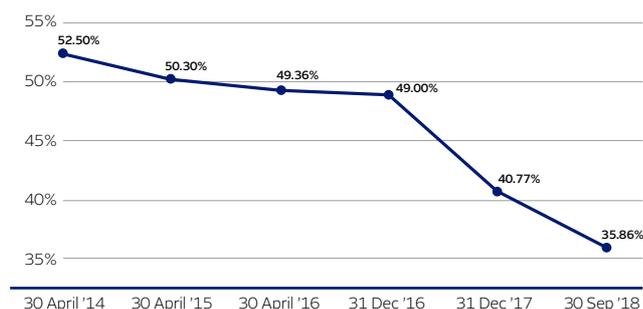
**Net loan-to-value
of 35.9%**

The net LTV shows the carrying amount of financing less cash and cash equivalents in relation to the total carrying amount of the properties and the EPRA NAV for the roughly 29% investment in S IMMO AG (S IMMO). The closing for the acquisition of this investment took place in the third quarter of 2018 for a purchase price of approximately EUR 390.0 million. The package sale of the roughly 26% investment plus four registered shares in CA Immo for a total price of EUR 757.9 million also closed during the third quarter of 2018.

DEVELOPMENT OF AVERAGE FINANCING COSTS



DEVELOPMENT OF NET LTV



CALCULATION OF NET LTV AS OF 30 SEPTEMBER 2018

| | Amounts in TEUR |
|--|-----------------|
| Carrying amount of financing | 2,374,308.7 |
| – Cash and Cash equivalents | -685,413.3 |
| Net carrying amount of financing | 1,688,895.4 |
| Carrying amount of property & EPRA NAV of S IMMO shares ¹ | 4,709,448.5 |
| Net LTV | 35.86% |

¹ 19.5 million S IMMO shares at the EPRA NAV of EUR 19.20 per share as of 30 September 2018

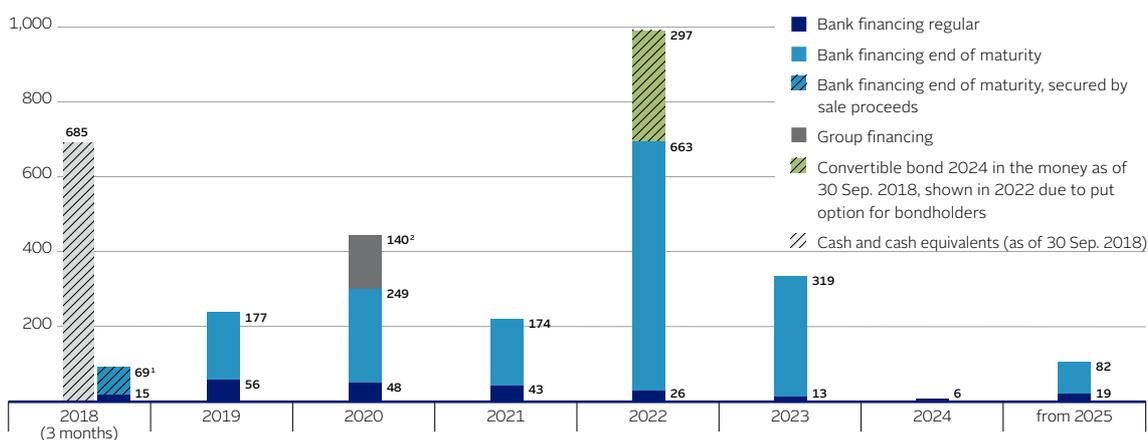
Further reduction in financing costs

Financing costs declined to EUR -51.3 million in the first three quarters of 2018 (Q1-3 2017: EUR -75.0 million). The average financing costs for IMMOFINANZ equalled 2.17% per year as of 30 September 2018 including the derivatives used for interest rate hedging (31 December 2017: 2.31% per year) and 1.80% per year excluding the derivatives used for interest rate hedging (31 December 2017: 1.97% per year).

Term structure

The weighted average remaining term of the financial liabilities equals 3.50 years. The following graph shows the term structure by year for IMMOFINANZ as of 30 September 2018. The liabilities scheduled to expire during the 2018 financial year totalled EUR 69.5 million as of 30 September 2018 (31 December 2017: EUR 447.6 million). This amount consists exclusively of financing for properties which have already been sold and will be repaid from the respective sale proceeds by the end of 2018. The weighted average remaining term of the property financing equals 3.75 years.

TERM STRUCTURE OF FINANCIAL LIABILITIES BY FINANCIAL YEARS AS OF 30 SEPTEMBER 2018



1 The maturing financing is related entirely to properties which have already been sold and will be repaid from the respective sale proceeds in 2018.
2 This represents a margin loan on the S IMMO shares.

17.3% of property carrying amount unencumbered

Unencumbered property

In addition to properties which carry external financing and are encumbered through standard market collateral (e.g. mortgages, pledge of company shares), EUR 750.7 million, or 17.3%, of the total property carrying amount was not externally financed and therefore unencumbered as of 30 September 2018 (31 December 2017: EUR 846.1 million or 19.0%). The unencumbered standing investments have a combined carrying amount of EUR 522.4 million or 12.1% (31 December 2017: EUR 566.7 million or 16.1%).

UNENCUMBERED PROPERTY BY ASSET CLASS

Unencumbered property in total: MEUR 750.7



COMPOSITION OF FINANCIAL LIABILITIES

The financial liabilities held by IMMOFINANZ consist of amounts due to financial institutions as well as liabilities from a convertible bond. The composition of these liabilities as of 30 September 2018 is as follows:

| | Outstanding liability in TEUR as of 30 Sep. 2018 | Weighted average interest rate excl. derivatives ¹ | Share of fixed interest in % ¹ | Share of floating interest in % ¹ | Fixed interest rate in % ¹ | Floating interest rate in % ¹ |
|-------------------------|--|---|---|--|---------------------------------------|--|
| Convertible bond in EUR | 281,967.4 | 2.00% | 100.00% | n.a. | 2.00% | n.a. |
| Bank liabilities in EUR | 2,092,341.3 | 1.77% | 7.22% | 92.78% | 1.31% | 1.81% |
| IMMOFINANZ | 2,374,308.7 | 1.80% | 18.73% | 81.27% | 1.77% | 1.81% |

1 Calculation basis: actual remaining debt (nominal amount)

The remaining balance of the financial liabilities held by IMMOFINANZ totalled EUR 2,374.3 million as of 30 September 2018. As of that date, all of the financing was denominated in Euros.

BANK LIABILITIES

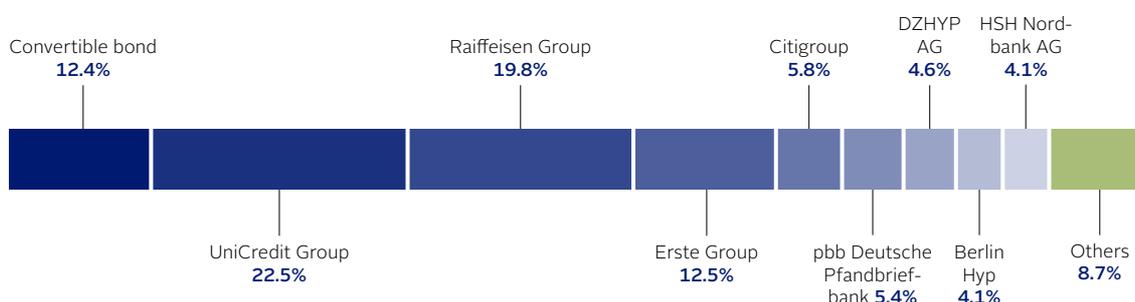
Refinancing, long-term extensions and new financing from bank liabilities totalled EUR 520.8 million in the reporting period.

Refinancing of EUR 353.9 million was arranged for properties in the office asset class. The transactions included long-term portfolio financing for four office properties in Prague, the refinancing of the *trivago Campus* in Düsseldorf and refinancing for nine office properties in Budapest.

In the retail segment, new financing of EUR 26.9 million was arranged for the *VIVO! Krosno* shopping center in Poland.

Group financing of EUR 140.0 million was also arranged for the purchase of an investment in S IMMO. In addition, loan financing of EUR 250.0 million related to the CA Immo was repaid during the reporting period.

FINANCING BANKING GROUPS AS OF 30 SEPTEMBER 2018



DERIVATIVES

IMMOFINANZ uses derivatives to hedge against interest rate increases. The volume of financial liabilities hedged through interest rate derivatives amounted to EUR 1,336.8 million as of 30 September 2018 (31 December 2017: EUR 1,182.7 million). In total, 74.49% of financial liabilities are hedged against interest rate risk; 55.76% via interest rate derivatives, while a further 18.73% represent financial liabilities with fixed interest rates.

74.5% of financial liabilities hedged against interest rate risk

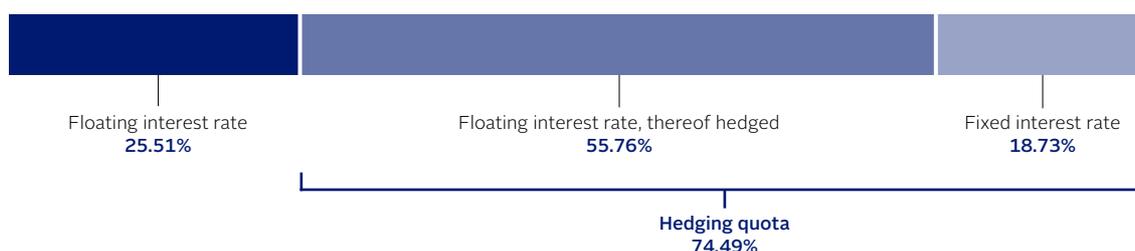
| Derivatives ¹ | Floating leg | Market value incl. interest & CVA/ DVA as of 30 Sep. 2018 in TEUR | Notional amount in TEUR | Average hedged reference interest rate |
|--------------------------|--------------|--|----------------------------|---|
| Interest rate swap | 3-M-EURIBOR | -5,118.4 | 1,124,810.0 | 0.24% |
| Interest rate swap | 6-M-EURIBOR | -769.3 | 212,000.0 | 0.95% |
| IMMOFINANZ AG | | -5,887.8 | 1,336,810.0 | |

¹ Including IFRS 5 (Assets held for sale see note 4.5 to the consolidated interim financial statements).

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

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

FINANCIAL LIABILITIES – TYPE OF INTEREST AS OF 30 SEPTEMBER 2018



One convertible bond with a nominal value of EUR 297.2 million outstanding

BONDS

One bond with a total nominal value of EUR 297.2 million was outstanding as of 30 September 2018 (31 December 2017: EUR 330.0 million). It represents the convertible bond issued in January 2017, which has a term ending in 2024 and a put option in 2022.

The development is as follows:

| | ISIN | Maturity | Interest rate in % | Nominal value as of 31 Dec. 2017 in TEUR | Repurchases/redemptions/conversions/new issues 2018 in TEUR | Nominal value as of 30 Sep. 2018 in TEUR |
|----------------------------|--------------|---------------------------|--------------------|--|---|--|
| Convertible bond 2011–2018 | XS0592528870 | 8 March 2018 | 4.25% | 32,819.7 | -32,819.7 | 0 |
| Convertible bond 2017–2024 | XS1551932046 | 24 Jan. 2022 ¹ | 2.00% ² | 297,200.0 | 0 | 297,200.0 |
| IMMOFINANZ | | | | 330,019.7 | -32,819.7 | 297,200.0 |

¹ Maturity at put option; term ends in 2024

² Coupon reduction of 50 basis points upon receipt of investment grade rating

The outstanding nominal value of the convertible bond 2018, which equalled EUR 32.8 million as of 31 December 2017, was converted or redeemed in full during the first quarter of 2018. The conversions represented a nominal value of EUR 15.5 million and involved approximately 4.7 million IMMOFINANZ shares and approximately 0.3 million BUWOG shares. The remaining amount of EUR 17.3 million was repaid as of the maturity date on 8 March 2018.



STOP SHOP

Eferding | AT | approx. 3,500 sqm rentable space

Business Development

IMMOFINANZ significantly strengthened its earning power in the first three quarters of 2018: The results of operations more than doubled to EUR 149.7 million (Q1-3 2017: EUR 66.2 million), sustainable FFO 1 from the standing investment business rose by 100.0% to EUR 63.0 million or EUR 0.57 per share and net profit turned positive with a significant increase to EUR 135.0 million (Q1-3 2017: EUR -59.1 million).

INCOME STATEMENT

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

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|---|----------------|----------------|
| Rental income | 175,667 | 174,059 |
| Results of asset management | 134,534 | 122,584 |
| Results of property sales | 28,118 | 2,683 |
| Results of property development | 23,748 | -26,146 |
| Other operating income | 4,306 | 6,990 |
| Other operating expenses | -41,018 | -39,919 |
| Results of operations | 149,688 | 66,192 |
| Other revaluation results | 425 | -836 |
| Operating profit (EBIT) | 150,113 | 65,356 |
| Financial results | 32,328 | 88,618 |
| Earnings before tax (EBT) | 182,441 | 153,974 |
| Net profit for the period from continuing operations | 135,775 | 116,273 |
| Net profit or loss from discontinued operations | -771 | -175,401 |
| Net profit or loss | 135,004 | -59,128 |

RESULTS OF ASSET MANAGEMENT

The results of asset management include rental income, other revenues, operating income and operating costs as well as the expenses directly attributable to investment property. Rental income rose by 0.9% to EUR 175.7 million in the first three quarters of 2018 (Q1-3 2017: EUR 174.1 million). Rental income amounted to EUR 56.7 million in Q3 2018 and was lower than the comparable prior year value (EUR 59.2 million) and previous quarters due to the sale of properties (among others, office properties in Cologne).

Property expenses were 20.4% lower year-on-year at EUR -47.9 million (Q1-3 2017: EUR -60.2 million). This decline resulted primarily from a reduction in the costs for fit-outs (EUR -1.2 million versus EUR -8.2 million) and vacancies (EUR -6.6 million versus EUR -8.9 million). Maintenance costs totalled EUR -16.3 million in Q1-3 2018 (including EUR -8.5 million in Q3) and were slightly higher than the prior year level of EUR -16.0 million. This reflects the increase expected in the second half of 2018 compared with the first half-year. The growth in rental income combined with the reduction in property expenses led to an increase of 9.7% in the results of asset management to EUR 134.5 million (Q1-3 2017: EUR 122.6 million).

RESULTS OF PROPERTY SALES AND PROPERTY DEVELOPMENT

The results of property sales improved substantially from EUR 2.7 million in the first three quarters of the previous year to EUR 28.1 million, whereby this increase was primarily attributable to the reclassification of foreign exchange differences. The results of property development turned positive at EUR 23.7 million following a loss in the previous year (Q1-3 2017: EUR -26.1 million) and resulted, in particular, from positive revaluation effects on development projects in Germany during the first half-year.

RESULTS OF OPERATIONS

The results of operations more than doubled to EUR 149.7 million (Q1-3 2017: EUR 66.2 million). Other operating expenses rose slightly to EUR -41.0 million (Q1-3 2017: EUR -39.9 million) – as reported in Q1 2018 – among others due to the payment of a one-time special bonus of EUR -4.0 million to the Executive Board for the successful restructuring of the Group. Other non-recurring effects of approximately EUR -6.3 million involved one-off expenses and special projects related to the simplification of the corporate structure. After an adjustment for the special bonus, personnel expenses were 8.6% lower year-on-year at EUR -22.6 million (Q1-3 2017: EUR -24.8 million).

REVALUATION

The revaluation of investment property (foreign exchange-adjusted and foreign exchange-based) totalled EUR 0.5 million for the reporting period (Q1-3 2017: EUR -0.1 million).

In contrast, the total revaluation results recorded by IMMOFINANZ in Q1-3 2018 were clearly positive at EUR 31.2 million (Q1-3 2017: EUR 11.3 million). This amount includes EUR 16.4 million (Q1-3 2017: EUR 7.9 million) of foreign exchange-adjusted revaluations. Positive effects were provided, among others, by an increase in the value of the *FLOAT* and *trivago Campus* development projects in Germany, whereby the latter was reclassified to investment property as of 30 June 2018, and by two office properties, the *myhive Metrooffice* in Bucharest and the *Polus Towers* in Bratislava. The start of modernisation in the *VIVO! Cluj* shopping center had a temporary negative valuation effect. The foreign exchange-based revaluations totalled EUR 14.8 million for the reporting period (Q1-3 2017: EUR 3.4 million) and were related to properties in non-core countries whose functional currency is not the Euro.

FINANCIAL RESULTS AND TAXES

Financing costs declined, as expected by 31.5% to EUR -51.3 million (Q1-3 2017: EUR -75.0 million) as a result of the extensive refinancing measures carried out in 2017. Other financial results turned positive at EUR 4.3 million, whereby the comparable prior year period (EUR -10.1 million) was negatively influenced, above all, by the valuation of derivatives and the earnings effect from the incentivised conversion of the convertible bond 2018.

The share of profit/loss from equity-accounted investments amounted to EUR 72.6 million (Q1-3 2017: EUR 175.1 million). Included here are a book gain of EUR 66.2 million on the sale of the CA Immo shares, EUR 24.0 million for the proportional share of CA Immo earnings for the first half of 2018 and an impairment loss of EUR -25.1 million to the investment in S IMMO. The S IMMO share had a market price of EUR 17.20 as of 30 September 2018, but the fair value (after the inclusion of a package premium) equalled EUR 18.72 and was therefore lower than the purchase price of EUR 20.00 per share. In the comparable prior year period, the share of profit/loss from equity-accounted investments was significantly influenced by the very positive development of the CA Immo and BUWOG share prices. Financial results totalled EUR 32.3 million for the first three quarters of 2018 (Q1-3 2017: EUR 88.6 million).

Earnings before tax (EBT) improved substantially to EUR 182.4 million (Q1-3 2017: EUR 154.0 million). Income tax amounted to EUR -46.7 million (Q1-3 2017: EUR -37.7 million) and contains EUR -29.4 million of deferred taxes for the income taxes that could become due in later financial years. These deferred taxes include, among others, EUR -10.7 million from property valuation.

NET PROFIT

Net profit improved significantly to EUR 135.0 million (Q1-3 2017: EUR -59.1 million) and represents basic earnings per share of EUR 1.23 (Q1-3 2017: EUR -0.55), respectively diluted earnings per share of EUR 1.14 (Q1-3 2017: EUR -0.55).

FUNDS FROM OPERATIONS (FFO)

The development of sustainable funds from operations, an important profitability indicator for the real estate branch, underscores IMMOFINANZ's stronger earning power. FFO 1 (before tax) from the standing investment business improved by 100.0% to EUR 63.0 million. In addition, FFO 1 (before tax) per share increased by 83.9% to EUR 0.57. FFO 1 does not include the dividend or the economic interest in CA Immo or S IMMO. Including the dividend payment of EUR 20.6 million from CA Immo in 2018, FFO 1 would equal EUR 83.5 million or EUR 0.75 per share.

FUNDS FROM OPERATIONS (FFO)

| All amounts in TEUR | P&L Q1-3 2018 | Adjustments | FFO Q1-3 2018 | FFO Q1-3 2017 (adjusted) |
|---|---------------|-------------|---------------|-----------------------------|
| Results of asset management | 134,534 | 363 | 134,897 | 123,014 |
| Results of property sales | 28,118 | -28,118 | | |
| Results of property development | 23,748 | -23,748 | | |
| Other operating income | 4,306 | -873 | 3,433 | 3,841 |
| Other operating expenses | -41,018 | 10,304 | -30,714 | -35,715 |
| Results of operations | 149,688 | -42,072 | 107,616 | 91,140 |
| Other revaluation results | 425 | -425 | | |
| Operating profit (EBIT) | 150,113 | -42,497 | 107,616 | 91,140 |
| Financing costs | -51,336 | | | |
| Financing income | 6,734 | | | |
| Foreign exchange differences | 73 | | | |
| Other financial results | 4,291 | | | |
| Net profit or loss from equity-accounted investments | 72,566 | | | |
| Financial results | 32,328 | -76,988 | -44,660 | -59,640 |
| Earnings before tax (EBT) / FFO 1 before tax (excl. CA Immo) | 182,441 | -119,486 | 62,955 | 31,500 |
| Dividends received from CA IMMO | | | 20,552 | 16,699 |
| Earnings before tax (EBT) / FFO 1 before tax adjusted | | | 83,507 | 48,199 |
| Number of shares (according to EPS calculation) | | | 110,971,562 | 103,072,897 |
| FFO 1 per share before tax | | | 0.57 | 0.31 |
| FFO 1 per share before tax adjusted | | | 0.75 | 0.47 |

Other operating expenses were adjusted for non-recurring effects, such as the special bonus granted to the Executive Board for the restructuring of the Group, and for costs related to the simplification of the corporate structure. The adjustments to financial results involve, above all, the contributions from CA Immo and S IMMO which are included under the net profit or loss from equity-accounted investments.

BALANCE SHEET

The condensed balance sheet is shown below:

| All amounts in TEUR | 30 Sep. 2018 | in % | 31 Dec. 2017 | in % |
|------------------------------------|------------------|---------------|------------------|---------------|
| Investment property | 3,868,553 | | 3,729,519 | |
| Property under construction | 358,970 | 75.6% | 404,064 | 73.6% |
| Real estate inventories | 48,079 | | 61,221 | |
| Assets held for sale | 59,778 | | 265,148 | |
| Other assets | 52,799 | 0.9% | 73,702 | 1.2% |
| Equity-accounted investments | 371,087 | 6.5% | 685,984 | 11.3% |
| Trade and other receivables | 286,894 | 5.0% | 365,137 | 6.0% |
| Cash and cash equivalents | 685,410 | 12.0% | 477,889 | 7.9% |
| Assets | 5,731,570 | 100.0% | 6,062,664 | 100.0% |
| Equity | 2,763,461 | 48.2% | 2,808,043 | 46.3% |
| Liabilities from convertible bonds | 281,967 | 4.9% | 313,217 | 5.2% |
| Financial liabilities | 2,092,341 | 36.5% | 2,306,418 | 38.0% |
| Trade and other payables | 175,236 | 3.1% | 242,656 | 4.0% |
| Other liabilities | 68,467 | 1.2% | 67,218 | 1.1% |
| Deferred tax liabilities | 350,098 | 6.1% | 325,112 | 5.4% |
| Equity and Liabilities | 5,731,570 | 100.0% | 6,062,664 | 100.0% |

The value of the property portfolio amounted to EUR 4.3 billion and represented 75.6% of total assets as of 30 September 2018. These properties are reported on the balance sheet under the following positions: investment property, property under construction, real estate inventories and non-current assets held for sale. Non-current assets held for sale include properties as well as other assets which will be transferred to the buyer in the event of a sale. Of the properties classified as held for sale as of 31 December 2017, nine office

properties and three retail properties were sold during the first three quarters of 2018. These transactions reduced the balance of available-for-sale properties to EUR 59.8 million as of 30 September 2018.

The balance of equity-accounted investments declined during the reporting period following the sale of the CA Immo investment, which closed during the third quarter. The investment of 29.14% in S IMMO is carried at EUR 365.1 million (for details see note 4.3 in the *consolidated interim financial statements*).

The following properties were transferred from property under construction to investment property during the reporting period: the *trivago Campus* and *Parkhaus Cluster Produktionstechnik* in Germany, two STOP SHOP retail parks in Serbia and the expansion of a Polish VIVO! shopping center.

Financial liabilities declined by 9.3% to EUR 2.1 billion since the beginning of the year. This is a result, among others, of the repayment of EUR 250.0 million in credit financing related to the CA Immo investment and the repayment of financing for sold properties. New borrowings included external financing of EUR 140.0 million for the purchase of the shares in S IMMO.

EPRA INDICATORS

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

Net asset value (NAV) is calculated in accordance with the Best Practices Recommendations issued by the European Public Real Estate Association (EPRA). The EPRA NAV concept is used to present the fair value of equity on a long-term basis in order to give investors an overview of a company's sustainable asset position. The calculation of EPRA NAV also includes the undisclosed reserves in real estate inventories as well as the (negative) fair value of derivative financial instruments. Undisclosed reserves are not included in carrying amounts in accordance with IFRS accounting rules, while the (negative) fair values of derivative financial instruments regularly serve as a means of hedging long-term financing so these gains or losses will remain hypothetical as of the balance sheet date. The deferred taxes on these items are included. In accordance with the EPRA NAV concept, the calculation should include the deferred taxes that would be realised on the sale of property. Goodwill, which arises as a technical figure due to the recognition of deferred taxes on business combinations, is deducted.

Triple net asset value (NNNAV) is also calculated in accordance with the EPRA's Best Practices Recommendations. The calculation of EPRA NNNAV involves an adjustment to reverse the (negative) fair value of derivative financial instruments from the NAV calculation. In addition, financial liabilities are restated at their fair value. This calculation also includes the deduction of the deferred taxes expected from the sale of properties. Asset deals generally result in the full realisation of deferred taxes, while the assumption for sales through share deals is that IMMOFINANZ will (economically) bear 50% of the deferred tax liabilities.

The EPRA NNNAV calculation also includes the deferred taxes from the adjustments to derivative financial instruments and from the fair value measurement of financial liabilities. The objective is to give investors an overview of the current value of all assets and liabilities.

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

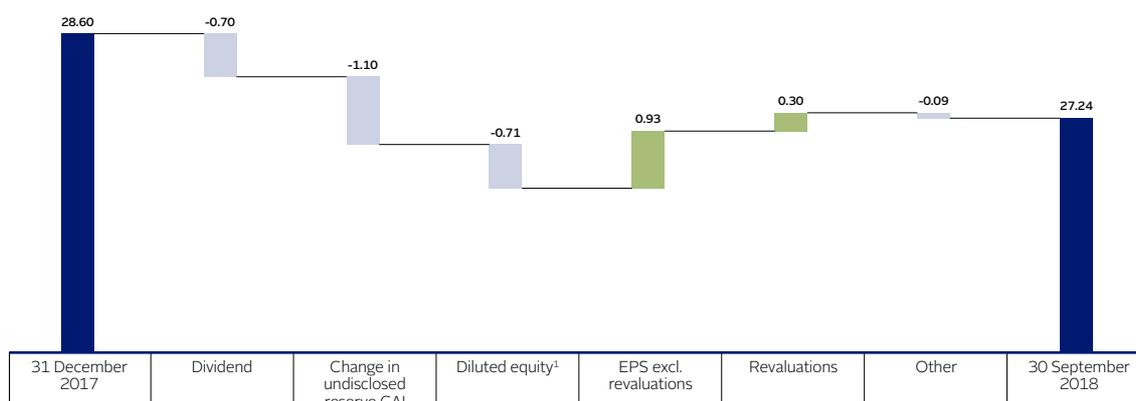
| | 30 September 2018 | | 31 December 2017 | |
|---|-------------------|------------------|------------------|------------------|
| | in TEUR | in EUR per share | in TEUR | in EUR per share |
| Equity excl. non-controlling interests | 2,784,488 | | 2,821,521 | |
| Diluting effects of convertible bond 2024 | 281,967 | | 19,121 | |
| Diluted equity excl. non-controlling interests after an adjustment for convertible bonds and the exercise of options | 3,066,455 | | 2,840,642 | |
| Undisclosed reserves in the investments | 0 | | 123,993 | |
| Undisclosed reserves in real estate inventories | 74 | | 74 | |
| Fair value of derivative financial instruments | 4,998 | | 7,375 | |
| Deferred taxes on investment property | 288,272 | | 274,977 | |
| Deferred taxes on real estate inventories and derivative financial instruments | -1,188 | | -1,643 | |
| Goodwill excl. deferred taxes | -24,507 | | -24,848 | |
| Number of shares excl. treasury shares (in 1,000) | | 109,024 | | 111,617 |
| Potential shares (in 1,000) | | 13,387 | | 989 |
| EPRA NAV | 3,334,103 | 27.24 | 3,220,570 | 28.60 |
| Fair value of derivative financial instruments | -4,998 | | -7,375 | |
| Effect of fair value measurement of financial liabilities | 24,895 | | 5,737 | |
| Deferred taxes on derivative financial instruments and the fair value measurement of financial liabilities | -5,110 | | 197 | |
| Deferred taxes on investment property | -24,334 | | -17,495 | |
| EPRA NNNAV | 3,324,557 | 27.16 | 3,201,634 | 28.43 |

The calculation of the EPRA NAV and EPRA NNNAV as of 30 September 2018 includes the diluting effects which would result from the conversion of the IMMOFINANZ convertible bond 2024. These effects were included for the first time because of the convertible bond was "in the money" as of 30 September 2018 and rational investors would therefore be expected to convert their bonds.

The EPRA NAV rose by 3.5% over the level on 31 December 2017 to EUR 3,334.1 million. The EPRA NAV per share equalled EUR 27.24 after the distribution of the EUR 0.70 dividend in May and including the diluting effects of the convertible bond 2024 (31 December 2017: EUR 28.60). After an adjustment for the dilution, the EPRA NAV per share equalled EUR 28.00.

The diluted EPRA NNNAV per share equals EUR 27.16 (31 December 2017: EUR 28.43).

EPRA NAV BRIDGE



¹ Total number of shares diluted by 13.4 million shares from the convertible bond 2024, which was "in the money" as of 30 September 2018.

EPRA EARNINGS PER SHARE

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|--|----------------|----------------|
| Weighted average number of shares (in 1,000) | 110,972 | 103,073 |
| Net profit or loss from continuing operations excl. non-controlling interests | 137,667 | 119,014 |
| Revaluation of investment properties and development properties | -33,033 | -15,715 |
| Results of property sales | -28,118 | -2,683 |
| Goodwill impairment, negative differences and earn-out effects on income | 100 | 733 |
| Changes in fair value of financial instruments | -2,597 | -3,462 |
| Acquisition costs on share deals | 16 | 0 |
| Taxes in respect of EPRA adjustments | 10,639 | 1,556 |
| EPRA adjustment in respect of joint ventures and non-controlling interests | -5,482 | 2,770 |
| EPRA earnings | 79,194 | 102,214 |
| EPRA earnings per share | 0.714 | 0.992 |
| Company specific adjustments | | |
| Result from termination of equity accounting of BUWOG AG | 0 | -25,841 |
| Impairment loss/reversal CA IMMO Group | 0 | -91,850 |
| Sale CA Immo | -66,203 | 0 |
| Result from incentivised conversion of the convertible bond 2018 | 19 | 12,580 |
| One-time effect in other operating expenses | 8,174 | 0 |
| Impairment loss S IMMO | 25,129 | 0 |
| Foreign exchange gains and losses | -73 | 5,358 |
| Deferred taxes in respect of company-specific adjustments | 8,195 | 1,934 |
| Company-specific adjusted earnings | 54,436 | 4,394 |
| EPRA earnings per share after company-specific adjustments | 0.491 | 0.043 |

EPRA earnings per share equalled EUR 0.71, respectively EUR 0.49 per share after company-specific adjustments.

EPRA NET INITIAL YIELD

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 (adjusted) |
|--|------------------|-------------------------|
| Investment property | 3,918,014 | 4,678,744 |
| Investment property – proportional share of joint ventures | 54,498 | 43,823 |
| Less undeveloped land | -210,786 | -199,185 |
| Less Russian portfolio | 0 | -796,021 |
| Less undeveloped land – proportional share of joint ventures | -1,690 | -1,283 |
| Total property portfolio | 3,760,036 | 3,726,078 |
| Allowance for estimated purchasers' costs | 67,681 | 67,069 |
| Gross value of total property portfolio | 3,827,717 | 3,793,147 |
| Annualised cash rental income | 245,123 | 241,355 |
| Annualised cash rental income – proportional share of joint ventures | 1,966 | 1,793 |
| Non-recoverable property operating expenses | -32,217 | -34,235 |
| Non-recoverable property operating expenses – proportional share of joint ventures | -105 | -56 |
| Annualised net rental income | 214,767 | 208,858 |
| EPRA net initial yield | 5.61% | 5.51% |

The EPRA net initial yield rose from 5.5% in the first three quarters of the previous year to 5.6% for the reporting period.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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Consolidated Balance Sheet

| All amounts in TEUR | Notes | 30 9 2018 | 31 12 2017 |
|---|-------|------------------|------------------|
| Investment property | 4.1 | 3,868,553 | 3,729,519 |
| Property under construction | 4.2 | 358,970 | 404,064 |
| Other tangible assets | | 1,057 | 1,719 |
| Intangible assets | | 24,933 | 25,056 |
| Equity-accounted investments | 4.3 | 371,087 | 685,984 |
| Trade and other receivables | 4.4 | 99,011 | 118,767 |
| Other financial assets | | 11,528 | 32,015 |
| Deferred tax assets | | 5,375 | 5,291 |
| Non-current assets | | 4,740,514 | 5,002,415 |
| Trade and other receivables | 4.4 | 187,883 | 246,370 |
| Income tax receivables | | 9,906 | 9,621 |
| Assets held for sale | 4.5 | 59,778 | 265,148 |
| Real estate inventories | | 48,079 | 61,221 |
| Cash and cash equivalents | | 685,410 | 477,889 |
| Current assets | | 991,056 | 1,060,249 |
| Assets | | 5,731,570 | 6,062,664 |
| Share capital | 4.6 | 112,085 | 1,116,174 |
| Capital reserves | 4.6 | 4,465,283 | 3,452,324 |
| Treasury shares | 4.6 | -66,745 | 0 |
| Accumulated other equity | | -174,158 | -129,961 |
| Retained earnings | | -1,551,977 | -1,617,016 |
| Equity attributable to owners of IMMOFINANZ AG | | 2,784,488 | 2,821,521 |
| Non-controlling interests | | -21,027 | -13,478 |
| Equity | | 2,763,461 | 2,808,043 |
| Liabilities from convertible bonds | 4.7 | 276,023 | 277,460 |
| Financial liabilities | 4.8 | 1,798,565 | 1,773,688 |
| Trade and other payables | 4.9 | 34,030 | 40,680 |
| Provisions | | 1,411 | 2,151 |
| Deferred tax liabilities | | 350,098 | 325,112 |
| Non-current liabilities | | 2,460,127 | 2,419,091 |
| Liabilities from convertible bonds | 4.7 | 5,944 | 35,757 |
| Financial liabilities | 4.8 | 293,776 | 532,730 |
| Trade and other payables | 4.9 | 141,206 | 201,976 |
| Income tax liabilities | | 15,301 | 5,704 |
| Provisions | | 50,784 | 56,702 |
| Liabilities held for sale | 4.5 | 971 | 2,661 |
| Current liabilities | | 507,982 | 835,530 |
| Equity and liabilities | | 5,731,570 | 6,062,664 |

Consolidated Income Statement

| All amounts in TEUR | Notes | (not reviewed) Q3 2018 | Q1-3 2018 | (not reviewed) Q3 2017 | Q1-3 2017 |
|--|------------|---------------------------|----------------|---------------------------|----------------|
| Rental income | 5.1 | 56,700 | 175,667 | 59,153 | 174,059 |
| Operating costs charged to tenants | | 22,789 | 67,030 | 21,152 | 62,862 |
| Other revenues | | 1,616 | 4,229 | 1,434 | 4,938 |
| Revenues | | 81,105 | 246,926 | 81,739 | 241,859 |
| Expenses from investment property | 5.2 | -19,485 | -47,906 | -18,479 | -60,154 |
| Operating expenses | | -21,837 | -64,486 | -19,736 | -59,121 |
| Results of asset management | | 39,783 | 134,534 | 43,524 | 122,584 |
| Proceeds from the sale of properties | 5.3 | 122,181 | 174,892 | 29,483 | 135,584 |
| Carrying amount of sold properties | | -122,181 | -174,892 | -29,483 | -135,584 |
| Results from deconsolidation | 2.2 | 6,367 | 33,059 | -350 | 7,663 |
| Expenses from property sales | | -856 | -3,063 | 2,236 | -541 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 5.7 | 772 | -3,899 | -4,028 | -9,554 |
| Results of property sales before foreign exchange effects from revaluation | | 6,283 | 26,097 | -2,142 | -2,432 |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 5.7 | 1,186 | 2,021 | 2,780 | 5,115 |
| Results of property sales | 5.3 | 7,469 | 28,118 | 638 | 2,683 |
| Proceeds from the sale of real estate inventories | | -2,423 | 7,566 | 6,203 | 28,111 |
| Cost of real estate inventories sold | | 2,402 | -7,596 | -6,310 | -24,086 |
| Expenses from real estate inventories | 5.4 | -1,779 | -6,707 | -4,022 | -43,709 |
| Expenses from real estate development | | 1,286 | -2,022 | -132 | -2,281 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 5.7 | 101 | 32,540 | 7,170 | 16,051 |
| Results of property development before foreign exchange effects | | -413 | 23,781 | 2,909 | -25,914 |
| Revaluation of properties under construction resulting from foreign exchange effects | 5.7 | 2 | -33 | -124 | -232 |
| Results of property development | 5.4 | -411 | 23,748 | 2,785 | -26,146 |
| Other operating income | 5.5 | 1,206 | 4,306 | 1,598 | 6,990 |
| Other operating expenses | 5.6 | -13,202 | -41,018 | -16,146 | -39,919 |
| Results of operations | | 34,845 | 149,688 | 32,399 | 66,192 |
| Revaluation of investment properties adjusted for foreign exchange effects | 5.7 | -16,561 | -12,238 | -2,103 | 1,419 |
| Revaluation of investment properties resulting from foreign exchange effects | 5.7 | 7,714 | 12,763 | -712 | -1,522 |
| Goodwill impairment and earn-out effects on income | | 0 | -100 | 0 | -733 |
| Other revaluation results | | -8,847 | 425 | -2,815 | -836 |
| Operating profit (EBIT) | | 25,998 | 150,113 | 29,584 | 65,356 |
| Financing costs | 5.8 | -17,574 | -51,336 | -22,776 | -74,979 |
| Financing income | 5.8 | 3,649 | 6,734 | 1,205 | 3,975 |
| Foreign exchange differences | | -1,171 | 73 | -5,380 | -5,359 |
| Other financial results | 5.8 | 4,610 | 4,291 | 263 | -10,112 |
| Net profit or loss from equity-accounted investments | 4.3 | 41,303 | 72,566 | 10,923 | 175,093 |
| Financial results | 5.8 | 30,817 | 32,328 | -15,765 | 88,618 |
| Earnings before tax (EBT) | | 56,815 | 182,441 | 13,819 | 153,974 |
| Current income tax | | -13,008 | -17,313 | -6,865 | -14,049 |
| Deferred tax | | 2,515 | -29,353 | -3,824 | -23,652 |
| Net profit or loss from continuing operations | | 46,322 | 135,775 | 3,130 | 116,273 |
| Net profit or loss from discontinued operations | 2.3 | 2,469 | -771 | -167,525 | -175,401 |
| Net profit or loss | | 48,791 | 135,004 | -164,395 | -59,128 |
| Thereof attributable to owners of IMMOFINANZ AG | | 48,876 | 136,896 | -164,049 | -56,387 |
| Thereof attributable to non-controlling interests | | -85 | -1,892 | -346 | -2,741 |
| Basic earnings per share in EUR | | 0.44 | 1.23 | -1.60 | -0.55 |
| Net profit or loss from continuing operations per share in EUR | | 0.42 | 1.24 | 0.03 | 1.15 |
| Net profit or loss from discontinued operations per share in EUR | | 0.02 | -0.01 | -1.62 | -1.70 |
| Diluted earnings per share in EUR | | 0.41 | 1.14 | -1.48 | -0.55 |
| Net profit or loss from continuing operations per share in EUR | | 0.39 | 1.14 | 0.16 | 1.15 |
| Net profit or loss from discontinued operations per share in EUR | | 0.02 | -0.01 | -1.64 | -1.70 |

Consolidated Statement of Comprehensive Income

| All amounts in TEUR | Notes | (not reviewed) Q3 2018 | Q1-3 2018 | (not reviewed) Q3 2017 | Q1-3 2017 |
|--|-----------|---------------------------|----------------|---------------------------|----------------|
| Net profit or loss | | 48,791 | 135,004 | -164,395 | -59,128 |
| Other comprehensive income (reclassifiable) | | | | | |
| Currency translation adjustment | | -12,391 | -46,112 | -3,774 | -22,335 |
| Thereof changes during the financial year | | -7,645 | -13,983 | -3,774 | -14,439 |
| Thereof reclassification to profit or loss | 2.2 / 2.3 | -4,746 | -32,129 | 0 | -7,896 |
| Other comprehensive income from equity-accounted investments | 4.3 | 796 | -400 | 2,386 | 5,597 |
| Thereof changes during the financial year | | 20 | -1,176 | 2,640 | 6,146 |
| Thereof reclassification to profit or loss | | 776 | 776 | 0 | 0 |
| Thereof income taxes | | 0 | 0 | -254 | -549 |
| Total other comprehensive income (reclassifiable) | | -11,595 | -46,512 | -1,388 | -16,738 |
| Other comprehensive income (not reclassifiable) | | | | | |
| Other comprehensive income from equity-accounted investments | 4.3 | 0 | -1,447 | 0 | 72 |
| Thereof changes during the financial year | | 0 | -1,479 | 0 | 106 |
| Thereof income taxes | | 0 | 32 | 0 | -34 |
| Total other comprehensive income (not reclassifiable) | | 0 | -1,447 | 0 | 72 |
| Total other comprehensive income after tax | | -11,595 | -47,959 | -1,388 | -16,666 |
| Total comprehensive income | | 37,196 | 87,045 | -165,783 | -75,794 |
| Thereof attributable to owners of IMMOFINANZ AG | | 39,939 | 93,795 | -164,541 | -70,318 |
| Thereof attributable to non-controlling interests | | -2,743 | -6,750 | -1,242 | -5,476 |

Consolidated Cash Flow Statement

| All amounts in TEUR | Notes | Q1-3 2018 | Q1-3 2017 |
|--|-----------|-----------------|-----------------|
| Earnings before tax (EBT) | | 182,441 | 153,974 |
| Earnings before tax (EBT) from discontinued operations | 2.3 | -601 | -196,628 |
| Revaluations of investment properties | 2.3 / 5.7 | -31,154 | 150,336 |
| Goodwill impairment | | 0 | 62,045 |
| Write-downs and write-ups on real estate inventories (including impending losses from forward sales) | 5.4 | 5,836 | 41,064 |
| Write-downs and write-ups on receivables and other assets | | -1,026 | 2,149 |
| Net profit or loss from equity-accounted investments | 4.3 | -72,566 | -175,093 |
| Foreign exchange differences and fair value measurement of financial instruments | | -3,139 | -14,113 |
| Net interest income/expense | | 44,603 | 112,027 |
| Results from deconsolidation | 2.2 / 2.3 | -33,244 | -7,664 |
| Other non-cash income/expense/reclassifications | | 125 | 342 |
| Gross cash flow before tax | | 91,275 | 128,439 |
| Income taxes paid | | -6,697 | -23,115 |
| Gross cash flow after tax | | 84,578 | 105,324 |
| Change in real estate inventories | | -10,841 | -7,808 |
| Change in trade and other receivables | | -361 | -1,017 |
| Change in trade payables and other liabilities | | -18,156 | -20,716 |
| Change in provisions | | -3,467 | -8,646 |
| Cash flow from operating activities | | 51,753 | 67,137 |
| Acquisition of investment property and property under construction | | -130,784 | -206,653 |
| Consideration paid for business combinations in prior periods | | -325 | 0 |
| Consideration transferred from disposal of discontinued operations, net of cash and cash equivalents | | 5,838 | 0 |
| Consideration transferred from disposal of subsidiaries, net of cash and cash equivalents | | 76,184 | 24,158 |
| Acquisition of other non-current assets | | -478 | -19,135 |
| Acquisition of equity accounted investments and increase in receivables from other net investment positions | | -391,237 | 0 |
| Disposal of investment property and property under construction | | 184,910 | 170,251 |
| Disposal of other non-current assets | | 14,938 | 9,096 |
| Disposal of equity-accounted investments and cash flows from other net investment positions | | 755,361 | 107,844 |
| Dividends received from equity-accounted investments | 4.3 | 24,072 | 18,365 |
| Interest or dividends received from financial instruments | | 767 | 1,990 |
| Cash flow from investing activities | | 539,246 | 105,916 |
| Increase in financial liabilities plus decrease in blocked cash and cash equivalents | | 626,834 | 619,382 |
| Proceeds from the issue of convertible bonds less transaction costs | 4.7 | 0 | 294,972 |
| Repayment of financial liabilities plus increase in blocked cash and cash equivalents | | -795,057 | -741,242 |
| Redemption of convertible bonds | 4.7 | -17,286 | 0 |
| Transaction costs from the issue of shares (settlement of the legal proceedings over the review of the exchange ratio) | 4.6 | 0 | -203 |
| Incentivised conversion of convertible bonds plus transaction costs | 4.7 | 0 | -112,934 |
| Derivatives | | -8,251 | -10,532 |
| Interest paid | | -41,747 | -96,307 |
| Distributions | 4.6 | -77,928 | -63,152 |
| Transactions with non-controlling interest owners | | -1,850 | 19,111 |
| Share buyback | 4.6 | -66,785 | -40,232 |
| Cash flow from financing activities | | -382,070 | -131,137 |
| Net foreign exchange differences | | -2,783 | -2,528 |
| Change in cash and cash equivalents | | 206,146 | 39,388 |
| Cash and cash equivalents at the beginning of the period (consolidated balance sheet item) | | 477,889 | 189,287 |
| Plus cash and cash equivalents in discontinued operations and disposal groups | | 1,378 | 16,941 |
| Cash and cash equivalents at the beginning of the period | | 479,267 | 206,228 |
| Cash and cash equivalents at the end of the period | | 685,413 | 245,616 |
| Less cash and cash equivalents in discontinued operations and disposal groups | 4.5 | 3 | 3,397 |
| Cash and cash equivalents at the end of the period (consolidated balance sheet item) | | 685,410 | 242,219 |

Consolidated Statement of Changes in Equity

| All amounts in TEUR | Notes | Share capital | Capital reserves | Treasury shares |
|--|------------|------------------|------------------|-----------------|
| Balance on 31 December 2017 | | 1,116,174 | 3,452,324 | 0 |
| Effects of the initial application of IFRS 9 | | | | |
| Effects of the initial application of IFRS 15 | | | | |
| Balance on 1 January 2018 | | 1,116,174 | 3,452,324 | 0 |
| Other comprehensive income | 4.6 | | | |
| Net profit or loss | | | | |
| Total comprehensive income | | | | |
| Share buyback | 4.6 | | -40 | -66,745 |
| Issue of shares (for conversion of the convertible bond 2011-2018) | 4.7 | 4,678 | 4,232 | |
| Increase in share capital from internal funds | | 750,000 | -750,000 | |
| Ordinary capital decrease | | -1,758,767 | 1,758,767 | |
| Distributions | 4.6 | | | |
| Transactions with non-controlling interest owners | | | | |
| Disposal of non-controlling interests | 2.4 | | | |
| Balance on 30 September 2018 | | 112,085 | 4,465,283 | -66,745 |
| Balance on 31 December 2016 | | 975,956 | 3,353,263 | -18,214 |
| Other comprehensive income | | | | |
| Net profit or loss | | | | |
| Total comprehensive income | | | | |
| Share buyback | | | | -40,230 |
| Issue of shares (for incentivised conversion of the convertible bond 2011-2018) | | 63,532 | 45,108 | |
| Issue of convertible bond 2017-2024 | | | 21,655 | |
| Settlement of legal proceedings over the review of the exchange ratio applied to the merger of IMMOEAST and IMMOFINANZ | | 13,037 | -45,330 | 31,306 |
| Distributions | | | | |
| Transactions with non-controlling interest owners | | | | |
| Balance on 30 September 2017 | | 1,052,525 | 3,374,696 | -27,138 |

| Accumulated other equity | | | | | | | |
|--|----------------|------------------------------|-------------------|-----------|---------------------------|--------------|--|
| Revaluation reserve (former AFS reserve) | IAS 19 reserve | Currency translation reserve | Retained earnings | Total | Non-controlling interests | Total equity | |
| 4,323 | -414 | -133,870 | -1,617,016 | 2,821,521 | -13,478 | 2,808,043 | |
| -1,096 | | | 2,723 | 1,627 | | 1,627 | |
| | | | 4,633 | 4,633 | | 4,633 | |
| 3,227 | -414 | -133,870 | -1,609,660 | 2,827,781 | -13,478 | 2,814,303 | |
| -1,478 | 31 | -41,654 | | -43,101 | -4,858 | -47,959 | |
| | | | 136,896 | 136,896 | -1,892 | 135,004 | |
| -1,478 | 31 | -41,654 | 136,896 | 93,795 | -6,750 | 87,045 | |
| | | | | -66,785 | | -66,785 | |
| | | | | 8,910 | | 8,910 | |
| | | | | 0 | | 0 | |
| | | | | 0 | | 0 | |
| | | | -77,928 | -77,928 | -90 | -78,018 | |
| | | | -1,285 | -1,285 | -566 | -1,851 | |
| | | | | 0 | -142 | -142 | |
| 1,749 | -383 | -175,524 | -1,551,977 | 2,784,488 | -21,027 | 2,763,461 | |
| -783 | -461 | -629,919 | -1,019,542 | 2,660,300 | -9,684 | 2,650,616 | |
| 5,453 | 72 | -19,456 | | -13,931 | -2,735 | -16,666 | |
| | | | -56,387 | -56,387 | -2,741 | -59,128 | |
| 5,453 | 72 | -19,456 | -56,387 | -70,318 | -5,476 | -75,794 | |
| | | | | -40,230 | | -40,230 | |
| | | | | 108,640 | | 108,640 | |
| | | | | 21,655 | | 21,655 | |
| | | | | -987 | | -987 | |
| | | | -63,152 | -63,152 | -13,405 | -76,557 | |
| | | | 291 | 291 | 18,789 | 19,080 | |
| 4,670 | -389 | -649,375 | -1,138,790 | 2,616,199 | -9,776 | 2,606,423 | |

NOTES

1. Basis of Preparation

The consolidated interim financial statements of IMMOFINANZ as of 30 September 2018 were prepared for the period from 1 January 2018 to 30 September 2018 (Q3 2018) in accordance with the International Financial Reporting Standards (IFRS) which were adopted by the EU and are applicable to interim reporting.

The condensed scope of reporting in these consolidated interim financial statements is in agreement with 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 2017. Together, this information forms the basis for these consolidated interim financial statements. Information on the changes resulting from the initial application of IFRS 15 and IFRS 9 is provided in section 1.1.

These consolidated interim financial statements of IMMOFINANZ were reviewed by the auditor, Deloitte Audit Wirtschaftsprüfungs GmbH.

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.

1.1 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

The following new or revised standards and interpretations required mandatory application for IMMOFINANZ in the third quarter of 2018; the option for voluntary premature application was not elected.

IFRS 9: Financial Instruments

IFRS 9 replaced the rules defined by IAS 39 for the recognition and measurement of financial instruments as of 1 January 2018. IMMOFINANZ did not adjust previous financial years, but recorded the differences in the carrying amounts which result from the initial application of IFRS 9 as of 1 January 2018 directly in equity without recognition through profit or loss.

In contrast to IAS 39, IFRS 9 defines a new procedure for the classification of financial assets which is based on the respective business model and the characteristics of the contractual payment flows for the individual financial instruments. These new classification requirements led to changes in the recognition and measurement of other financial assets. The equity effect equalled EUR 1.0 million as of 1 January 2018.

IFRS 9 replaces the incurred loss model previously applied to financial assets under IAS 39 with an expected loss model. Under the new model, impairment losses must be recognised at the amount of the credit defaults that are expected within the next 12 months or at the amount of the credit defaults that are expected over the entire term of the asset. The first alternative is applied when the credit risk has not increased significantly since the initial recognition of the asset; the second alternative is applied when the credit risk has increased significantly since the initial recognition of the asset or when there are objective indications of impairment as a result of default events similar to those listed in IAS 39. A default event is assumed when a receivable is overdue more than 90 days. The trade receivables held by IMMOFINANZ are principally secured (primarily through deposits) up to a due date of 90 days, and an impairment loss must therefore only be recorded when a default event is assumed (i.e. when a receivable is more than 90 days overdue). Consequently, there are no major changes in comparison with IAS 39. The equity effect from the impairment of cash and cash equivalents and other receivables, after the deduction of deferred taxes, amounted to EUR -0.1 million as of 1 January 2018.

A further effect from the initial application of IFRS 9 for IMMOFINANZ is attributed to the equity-accounted investment in CA Immo, which also applied IFRS 9 as of 1 January 2018. In this case, the result was an increase of EUR 1.9 million in retained earnings and a reduction of EUR 1.1 million in accumulated equity as of 1 January 2018.

Section 6.2 includes a comparison of the classification of financial assets and financial liabilities under the previously applied IAS 39 valuation categories and the valuation categories applicable under IFRS 9 as of 1 January 2018.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 replaces the rules defined by IAS 18, IAS 11 and the related interpretations for revenue recognition as of 1 January 2018. IMMOFINANZ did not apply IFRS 15 prematurely and used the cumulative method for the conversion. In accordance with IFRS 15, revenue recognition must be changed from a point in time to over time when the performance obligation leads to an asset with no alternative use for IMMOFINANZ and IMMOFINANZ has an enforceable right to payment for the performance transferred to date. This led to a change from revenue recognition at a point in time to revenue recognition over time for apartment development projects sold but not transferred as of 31 December 2017. It also resulted in the reporting of contractual assets and contractual liabilities in place of real estate inventories and prepayments received which are included under trade payables and other liabilities. Since the involved apartment development projects were measured at their respective net realisable value less transaction costs as of 31 December 2017 in accordance with IAS 2, there were no resulting effects on equity. As of 1 January 2018, real estate inventories as reported on the consolidated balance sheet were therefore reduced by EUR 29.7 million and trade receivables and other liabilities were reduced by EUR 20.5 million; contractual assets of EUR 9.2 million were also recognised as of that date.

A further effect of the initial application of IFRS 15 for IMMOFINANZ resulted from the investment in CA Immo, which is included in the consolidated financial statements at equity; this company also initially applied IFRS 15 as of 1 January 2018. The related equity effect equalled EUR 4.6 million as of 1 January 2018.

Summary of the effects on the individual balance sheet positions from the initial application of IFRS 9 and IFRS 15 as of 1 January 2018

| All amounts in TEUR | 31 12 2017 as reported | Effects of the initial application of IFRS 9 | Effects of the initial application of IFRS 15 | 1 1 2018 adjusted |
|--------------------------------|---------------------------|---|--|----------------------|
| Equity-accounted investments | 685,984 | 764 | 4,633 | 691,381 |
| Other financial assets | 32,015 | 1,280 | 0 | 33,295 |
| Deferred tax assets | 5,291 | 22 | 0 | 5,313 |
| Non-current assets | 5,002,415 | 2,066 | 4,633 | 5,009,114 |
| Trade and other receivables | 246,370 | 0 | 9,196 | 255,566 |
| Real estate inventories | 61,221 | 0 | -29,739 | 31,482 |
| Cash and cash equivalents | 477,889 | -119 | 0 | 477,770 |
| Current assets | 1,060,249 | -119 | -20,543 | 1,039,587 |
| Assets | 6,062,664 | 1,947 | -15,910 | 6,048,701 |
| Accumulated other equity | -129,961 | -1,096 | 0 | -131,057 |
| Retained earnings | -1,617,016 | 2,723 | 4,633 | -1,609,660 |
| Equity | 2,808,043 | 1,627 | 4,633 | 2,814,303 |
| Deferred tax liabilities | 325,112 | 320 | 0 | 325,432 |
| Non-current liabilities | 2,419,091 | 320 | 0 | 2,419,411 |
| Trade and other payables | 201,976 | 0 | -20,543 | 181,433 |
| Current liabilities | 835,530 | 0 | -20,543 | 814,987 |
| Equity and liabilities | 6,062,664 | 1,947 | -15,910 | 6,048,701 |

The above table also includes the indirect effects of IFRS 15 and IFRS 9 on the equity-accounted investment in CA Immo, which result from the initial application of these two standards by that company.

The initial effects of the application of IFRS 15 as of 1 January 2018, which were reported in the first and second quarters of 2018, contained a calculation error. These effects were therefore restated in comparison with the presentation in the consolidated interim financial statements as of 31 March 2018 and 30 June 2018. The adjustments to contractual assets as of 1 January 2018, which were reported under trade receivables in the first and second quarters of 2018, were restated by TEUR 3,336 from TEUR 5,861 to TEUR 9,196. In addition, the reported adjustment of real estate inventories as of 1 January 2018 was restated by TEUR -3,336 from TEUR -26,403 to TEUR -29,219. These changes had no effect on earnings.

Summary of the effects of IFRS 15 on the individual balance sheet and income statement positions as of 30 September 2018

The following tables on the consolidated balance sheet as of 30 September 2018 and the consolidated income statement for Q1–3 2018 only show the details for positions which were influenced by the initial application of IFRS 15 as of 1 January 2018.

| All amounts in TEUR | 30 9 2018 as reported | Adjustment as per IFRS 15 | Amounts excl. application of IFRS 15 |
|--------------------------------|--------------------------|------------------------------|--|
| Non-current assets | 4,740,514 | 0 | 4,740,514 |
| Trade and other receivables | 187,883 | -5,391 | 182,492 |
| Real estate inventories | 48,079 | 20,790 | 68,869 |
| Current assets | 991,057 | 15,399 | 1,006,456 |
| Assets | 5,731,571 | 15,399 | 5,746,970 |
| Equity | 2,763,461 | 0 | 2,763,461 |
| Non-current liabilities | 2,460,127 | 0 | 2,460,127 |
| Trade and other payables | 141,206 | 15,399 | 156,605 |
| Current liabilities | 507,982 | 15,399 | 523,381 |
| Equity and liabilities | 5,731,570 | 15,399 | 5,746,969 |

The earnings effects for the equity-accounted investment in CA Immo, which resulted from the initial application of IFRS 15, were included in the proportional share of results for the period (IAS 28) up to 30 June 2018. Based on the package sale of all CA Immo shares which was approved on 2 July 2018 and the related reclassification of the equity-accounted investment in CA Immo to assets held for sale, no further period results or proportional earnings effects from the initial application of IFRS 15 were recorded for Q3 2018. IFRS 15 does not contain

separate disclosure requirements for equity-accounted investments. The closing for the sale of the CA Immo shares took place on 27 September 2018.

Since the apartment development projects affected by the initial application of IFRS 15 were measured at their net realisable value less transaction costs as of 31 December 2017, there were no effects on Group earnings in Q1–3 2018. The only effect involves the results of property development, where revenues from the sale of real estate inventories and the corresponding production cost of the sold inventories would have been higher without the initial application of IFRS 15.

| All amounts in TEUR | Q1-3 2018 as reported | Adjustment as per IFRS 15 | Amounts excl. application of IFRS 15 |
|---|--------------------------|------------------------------|--|
| Proceeds from the sale of real estate inventories | 7,566 | 8,949 | 16,515 |
| Cost of real estate inventories sold | -7,596 | -8,949 | -16,545 |
| Results of property development | 23,748 | 0 | 23,748 |

1.2 STANDARDS AND INTERPRETATIONS APPLICABLE IN THE FUTURE

IFRS 16: Leasing

IFRS 16 replaces the previous rules for the recognition and measurement of leases (above all by the lessee) as of 1 January 2019; this standard was adopted into EU law through the endorsement procedure on 31 October 2017. IMMOFINANZ will initially apply this new standard as of 1 January 2019; premature application is not planned. IMMOFINANZ is the lessee for usage rights to land (construction rights, leasehold rights), above all in Poland, Austria and Germany. These right-of-use assets must be recognised in accordance with IFRS 16 and presented as part of property assets; a lease liability must also be recognised at the same time. The amounts of the resulting effects are currently under evaluation. The analyses have also shown that the scope of other leased operating assets (individual offices, autos and other items of furniture, fixtures and office equipment) are immaterial for the lessee. The accounting treatment by the lessor is not expected to result in any material effects on the consolidated financial statements of IMMOFINANZ AG. In accordance with an option provided by IFRS 16, IMMOFINANZ will not record a usage right and lease liability for short-term leases with a term of less than 12 months or for low-value leases. The exemption not to record a usage right and lease liability for leases with a remaining term of less than 12 months as of 1 January 2019 will also be applied. Motor vehicle leases will be separated into non-lease and lease components. IMMOFINANZ will apply IFRS 16 based on the modified retrospective method as of 1 January 2019.

A further change involves the revenue from operating costs charged out which is not contrasted by the provision of services in the narrow sense of the term, but only represents compensation for costs incurred in connection with the legal ownership of a property (i.e. land tax and building insurance). As of 1 January 2019, this revenue must be presented as revenue in accordance with IFRS 16. This differentiation does not lead to an earnings effect on the income statement, but only to a change in presentation.

2. Scope of Consolidation

2.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the development of the scope of consolidation in Q1-3 2018:

| Scope of consolidation | Subsidiaries full consolidation | Joint ventures at equity | Associates at equity | Total |
|--|------------------------------------|-----------------------------|-------------------------|------------|
| Balance on 31 December 2017 | 421 | 8 | 13 | 442 |
| Companies initially included | | | | |
| Other acquisitions | 0 | 0 | 1 | 1 |
| New foundations | 0 | 0 | 2 | 2 |
| Companies no longer included | | | | |
| Sales | -17 | 0 | -1 | -18 |
| Loss of control with retention of investment | -1 | 0 | 0 | -1 |
| Mergers | -17 | 0 | 0 | -17 |
| Liquidations | -44 | -1 | -2 | -47 |
| Balance on 30 September 2018 | 342 | 7 | 13 | 362 |
| Thereof foreign companies | 208 | 5 | 6 | 219 |
| Thereof in liquidation | 42 | 0 | 1 | 43 |
| Thereof intragroup merger resolution adopted | 35 | 0 | 0 | 35 |

2.2 SALE AND LIQUIDATION OF SUBSIDIARIES

The effects of deconsolidations on the balance sheet position and earnings are summarised in the following table

| All amounts in TEUR | Q1-3 2018 |
|--|---------------|
| Investment property (see 4.1) | 57,977 |
| Goodwill | 336 |
| Receivables and other assets | 50,586 |
| Deferred tax assets | 3,837 |
| Investment properties held for sale | 19,900 |
| Assets held for sale | 46 |
| Cash and cash equivalents held for sale | 156 |
| Real estate inventories | 115 |
| Cash and cash equivalents | 2,101 |
| Financial liabilities | -34,334 |
| Trade payables | -1,102 |
| Other liabilities | -36,767 |
| Income tax liabilities | -275 |
| Provisions | -228 |
| Deferred tax liabilities | -5,265 |
| Liabilities held for sale | -142 |
| Net assets sold | 56,941 |
| Consideration received in cash and cash equivalents | 56,122 |
| Outstanding purchase price receivables | 1,750 |
| Less net assets sold | -56,941 |
| Reclassification of foreign exchange differences to profit or loss | 32,128 |
| Results from deconsolidation | 33,059 |
| Consideration received in cash and cash equivalents | 56,122 |
| Less cash and cash equivalents sold | -2,257 |
| Net inflow of cash and cash equivalents | 53,865 |

In the first three quarters of 2018, IMMOFINANZ received payments of EUR 22.3 million on outstanding receivables resulting from the sale of subsidiaries in previous years.

The reclassification of foreign exchange differences to profit or loss resulted primarily from four Ukrainian subsidiaries, three Czech subsidiaries and one Serbian subsidiary.

2.3 DISCONTINUED OPERATIONS

The closing for the sale of the shopping centres included in the discontinued operation “retail portfolio Moscow”, with the exception of one Russian service company, took place on 6 December 2017. The retail portfolio Moscow had been presented as a discontinued operation since 19 December 2016 based on a resolution passed by the Executive Board and Supervisory Board on that date. The assets and liabilities of the Russian service company, which were reported under “assets held for sale” or “liabilities held for sale” as of 31 December 2017, were sold through the closing on 8 February 2018. On the consolidated income statement, the results (after tax) for the retail portfolio Moscow in Q1–3 2018 and in the comparative period are reported on a separate line. The results from discontinued operations in Q1–3 2018 also include other operating income of EUR 2.6 million in connection with a contingent receivable from the retail portfolio Moscow; the receipt of these funds in the future is nearly certain. This receivable originated on 6 December 2017 in connection with pending proceedings for the refund of withholding taxes and land taxes which are currently in progress and have an uncertain outcome. A contingent receivable was not recognised for the remaining balance of this item because the realisation of the related income was not considered highly probable as of 30 September 2018. IMMOFINANZ had received reimbursements totalling TEUR 703 for withholding taxes and land taxes by 30 September 2018.

The following table shows the net assets of the service company and its subsidiary, which were part of the retail portfolio Moscow and were sold on 8 February 2018, as well as the results from deconsolidation.

| All amounts in TEUR | Q1-3 2018 |
|--|-------------|
| Assets held for sale | |
| Intangible assets (excl. goodwill) | 3 |
| Receivables and other assets | 56 |
| Cash and cash equivalents | 16 |
| Liabilities held for sale | |
| Trade payables | -79 |
| Other liabilities | -178 |
| Net assets sold | -182 |
| Consideration received in cash and cash equivalents | 1 |
| Less net assets sold | 182 |
| Reclassification of foreign exchange differences to profit or loss | 2 |
| Results from deconsolidation | 185 |
| Consideration received in cash and cash equivalents | 1 |
| Less cash and cash equivalents sold | -16 |
| Net inflow of cash and cash equivalents | -15 |

The net profit or loss from discontinued operations as reported on the consolidated income statement also include expenses related to the sale of the logistics portfolio in the abbreviated 2016 financial year. These subsequently recognised costs represent contractually agreed reimbursements in connection with pending tax proceedings involving the sold logistics properties. In the first quarter of 2018, IMMOFINANZ received EUR 5.2 million of the outstanding purchase price receivables from the sale of the logistics portfolio in the abbreviated 2016 financial year. All of the outstanding purchase price receivables from the sale of the logistics portfolio have now paid in full.

The following table shows the results of the two discontinued operations as presented in the consolidated income statement:

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|--|-------------|-----------------|
| Net profit or loss retail portfolio Moscow | 2,466 | -175,401 |
| Net profit or loss logistics portfolio | -3,237 | 0 |
| Net profit or loss from discontinued operations | -771 | -175,401 |

The detailed results from the retail portfolio Moscow and the logistics portfolio are as follows:

| All amounts in TEUR | Retail portfolio Moscow | | Logistics portfolio | |
|---|-------------------------|-----------------|---------------------|-----------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Rental income | 0 | 62,084 | 0 | 0 |
| Operating costs charged to tenants | 0 | 13,450 | 0 | 0 |
| Other revenues | 0 | 1,328 | 0 | 0 |
| Revenues | 0 | 76,862 | 0 | 0 |
| Expenses from investment property | 0 | -21,824 | 0 | 0 |
| Operating expenses | 0 | -13,000 | 0 | 0 |
| Results of asset management | 0 | 42,038 | 0 | 0 |
| Other operating income | 2,593 | 582 | 0 | 0 |
| Other operating expenses | -145 | -3,038 | -3,237 | 0 |
| Results of operations | 2,448 | 39,582 | -3,237 | 0 |
| Revaluation of investment properties adjusted for foreign exchange effects | 0 | 6,474 | 0 | 0 |
| Revaluation of investment properties resulting from foreign exchange effects | 0 | -44,239 | 0 | 0 |
| Goodwill impairment | 0 | -5,197 | 0 | 0 |
| Other revaluation results | 0 | -42,962 | 0 | 0 |
| Operating profit (EBIT) | 2,448 | -3,380 | -3,237 | 0 |
| Financing costs | 0 | -41,030 | 0 | 0 |
| Financing income | 0 | 8 | 0 | 0 |
| Foreign exchange differences | 3 | 27,757 | 0 | 0 |
| Financial results | 3 | -13,265 | 0 | 0 |
| Earnings before tax (EBT) | 2,451 | -16,645 | -3,237 | 0 |
| Current income tax | -16 | -3,685 | 0 | 0 |
| Deferred tax | -154 | 2,731 | 0 | 0 |
| Earnings from discontinued operations | 2,281 | -17,599 | -3,237 | 0 |
| Loss from fair value measurement less costs to sell | 0 | -179,983 | 0 | 0 |
| Income tax on the valuation loss attributable to the sale | 0 | 22,181 | 0 | 0 |
| Result from the disposal of the business operation (including reclassification of foreign exchange differences to profit or loss) | 185 | 0 | 0 | 0 |
| Net profit or loss from discontinued operations | 2,466 | -175,401 | -3,237 | 0 |
| Thereof attributable to owners of IMMOFINANZ AG | 2,466 | -175,401 | -3,237 | 0 |

The cash flows from the discontinued operations can be summarised as follows:

| All amounts in TEUR | Retail portfolio Moscow | | Logistics portfolio | |
|---|-------------------------|----------------|---------------------|-----------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Cash flow from operating activities | -1,110 | 24,656 | 0 | 0 |
| Cash flow from investing activities | -33 | -1,589 | 0 | 0 |
| Cash flow from financing activities | 0 | -52,060 | 0 | 0 |
| Net cash flow from discontinued operations | -1,143 | -28,993 | 0 | 0 |

3. Information on Operating Segments

Information on the reportable segments of IMMOFINANZ is presented in the following section. Segment assets also include investment property held for sale

| All amounts in TEUR | Austria | | Germany | |
|--|------------------|-------------------|------------------|-------------------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Office | 22,330 | 23,777 | 6,277 | 5,355 |
| Retail | 8,288 | 11,848 | 65 | 351 |
| Other | 5,580 | 4,473 | 806 | 1,553 |
| Rental income | 36,198 | 40,098 | 7,148 | 7,259 |
| Operating costs charged to tenants | 8,495 | 8,322 | 2,621 | 2,142 |
| Other revenues | 378 | 1,392 | 0 | 6 |
| Revenues | 45,071 | 49,812 | 9,769 | 9,407 |
| Expenses from investment property | -13,885 | -23,480 | -4,369 | -3,522 |
| Operating expenses | -8,491 | -8,193 | -2,740 | -2,059 |
| Results of asset management | 22,695 | 18,139 | 2,660 | 3,826 |
| Proceeds from the sale of properties | 16,886 | 58,438 | 134,773 | 70,128 |
| Carrying amount of sold properties | -16,886 | -58,438 | -134,773 | -70,128 |
| Results from deconsolidation | 271 | -327 | 0 | 0 |
| Expenses from property sales | -1,074 | -1,762 | -428 | -648 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | -2,830 | -5,084 | 2,293 | 4,181 |
| Results of property sales before foreign exchange effects from revaluation | -3,633 | -7,173 | 1,865 | 3,533 |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Results of property sales | -3,633 | -7,173 | 1,865 | 3,533 |
| Proceeds from the sale of real estate inventories | 0 | 0 | 2,172 | 22,929 |
| Cost of real estate inventories sold | 0 | 0 | -2,172 | -18,603 |
| Expenses from real estate inventories | -430 | -255 | -6,262 | -43,120 |
| Expenses from real estate development | 515 | -276 | -1,436 | -793 |
| Revaluation of properties under construction adjusted for foreign exchange effects | -3,390 | -2,796 | 31,778 | 24,113 |
| Results of property development before foreign exchange effects | -3,305 | -3,327 | 24,080 | -15,474 |
| Revaluation of properties under construction resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Results of property development | -3,305 | -3,327 | 24,080 | -15,474 |
| Other operating income | 393 | 1,065 | 124 | 261 |
| Other operating expenses | -488 | -2,009 | -5,091 | -2,778 |
| Results of operations | 15,662 | 6,695 | 23,638 | -10,632 |
| Revaluation of investment properties adjusted for foreign exchange effects | -5,169 | -3,140 | -1,746 | 70 |
| Revaluation of investment properties resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Goodwill impairment and earn-out effects on income | 0 | 0 | 0 | 0 |
| Other revaluation results | -5,169 | -3,140 | -1,746 | 70 |
| Operating profit (EBIT) | 10,493 | 3,555 | 21,892 | -10,562 |
| | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Investment property | 806,449 | 809,060 | 278,409 | 114,040 |
| Property under construction | 22,559 | 9,040 | 232,591 | 293,550 |
| Goodwill | 0 | 0 | 0 | 0 |
| Investment properties held for sale | 32,730 | 72,407 | 10,042 | 136,437 |
| Real estate inventories | 0 | 0 | 47,210 | 55,859 |
| Segment assets | 861,738 | 890,507 | 568,252 | 599,886 |
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Segment investments | 19,482 | 5,513 | 71,175 | 78,591 |

| All amounts in TEUR | Poland | | Czech Republic | |
|--|------------------|-------------------|------------------|-------------------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Office | 17,562 | 19,998 | 7,758 | 8,651 |
| Retail | 14,334 | 9,811 | 7,750 | 7,630 |
| Other | 2,654 | 2,278 | 707 | 779 |
| Rental income | 34,550 | 32,087 | 16,215 | 17,060 |
| Operating costs charged to tenants | 16,228 | 15,320 | 5,273 | 5,129 |
| Other revenues | 1,822 | 1,444 | 155 | 157 |
| Revenues | 52,600 | 48,851 | 21,643 | 22,346 |
| Expenses from investment property | -8,016 | -10,142 | -3,536 | -3,738 |
| Operating expenses | -15,800 | -14,236 | -5,064 | -4,974 |
| Results of asset management | 28,784 | 24,473 | 13,043 | 13,634 |
| Proceeds from the sale of properties | 4,877 | 0 | 0 | 0 |
| Carrying amount of sold properties | -4,877 | 0 | 0 | 0 |
| Results from deconsolidation | 681 | -2,400 | 7,102 | 95 |
| Expenses from property sales | -94 | 1,056 | -804 | -566 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | -1,825 | -1,592 | -131 | -2,038 |
| Results of property sales before foreign exchange effects from revaluation | -1,238 | -2,936 | 6,167 | -2,509 |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Results of property sales | -1,238 | -2,936 | 6,167 | -2,509 |
| Proceeds from the sale of real estate inventories | 4,750 | 4,764 | 0 | 0 |
| Cost of real estate inventories sold | -4,754 | -5,237 | 0 | 0 |
| Expenses from real estate inventories | -224 | -146 | 0 | 0 |
| Expenses from real estate development | -457 | -973 | -206 | -188 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 28 | 1,495 | 0 | 0 |
| Results of property development before foreign exchange effects | -657 | -97 | -206 | -188 |
| Revaluation of properties under construction resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Results of property development | -657 | -97 | -206 | -188 |
| Other operating income | 1,411 | 397 | 51 | 1,499 |
| Other operating expenses | -2,196 | -1,983 | -1,201 | -1,126 |
| Results of operations | 26,104 | 19,854 | 17,854 | 11,310 |
| Revaluation of investment properties adjusted for foreign exchange effects | 762 | -11,265 | 554 | 6,084 |
| Revaluation of investment properties resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Goodwill impairment and earn-out effects on income | 0 | -554 | -100 | -99 |
| Other revaluation results | 762 | -11,819 | 454 | 5,985 |
| Operating profit (EBIT) | 26,866 | 8,035 | 18,308 | 17,295 |
| | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Investment property | 717,108 | 712,869 | 336,009 | 391,290 |
| Property under construction | 44,607 | 44,974 | 4,652 | 0 |
| Goodwill | 32 | 32 | 7,056 | 7,396 |
| Investment properties held for sale | 8,682 | 13,742 | 0 | 0 |
| Real estate inventories | 0 | 3,935 | 0 | 0 |
| Segment assets | 770,429 | 775,552 | 347,717 | 398,686 |
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Segment investments | 3,230 | 22,862 | 5,696 | 4,491 |

| All amounts in TEUR | Slovakia | | Hungary | |
|--|------------------|-------------------|------------------|-------------------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Office | 2,091 | 1,503 | 10,023 | 10,707 |
| Retail | 13,166 | 11,072 | 11,217 | 10,110 |
| Other | 318 | 244 | 1,538 | 836 |
| Rental income | 15,575 | 12,819 | 22,778 | 21,653 |
| Operating costs charged to tenants | 7,616 | 6,437 | 8,710 | 8,341 |
| Other revenues | 333 | 154 | 135 | 181 |
| Revenues | 23,524 | 19,410 | 31,623 | 30,175 |
| Expenses from investment property | -3,874 | -2,750 | -2,992 | -5,770 |
| Operating expenses | -6,096 | -5,160 | -8,578 | -8,114 |
| Results of asset management | 13,554 | 11,500 | 20,053 | 16,291 |
| Proceeds from the sale of properties | 0 | 0 | 859 | 6,112 |
| Carrying amount of sold properties | 0 | 0 | -859 | -6,112 |
| Results from deconsolidation | 2 | 0 | 0 | 0 |
| Expenses from property sales | -50 | -10 | -121 | -33 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 0 | -10 | 714 | 0 |
| Results of property sales before foreign exchange effects from revaluation | -48 | -20 | 593 | -33 |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Results of property sales | -48 | -20 | 593 | -33 |
| Proceeds from the sale of real estate inventories | 0 | 0 | 0 | 0 |
| Cost of real estate inventories sold | 0 | 0 | 0 | 0 |
| Expenses from real estate inventories | 0 | 0 | 0 | 0 |
| Expenses from real estate development | -59 | -79 | -16 | -82 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 0 | -1,022 | 0 | 0 |
| Results of property development before foreign exchange effects | -59 | -1,101 | -16 | -82 |
| Revaluation of properties under construction resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Results of property development | -59 | -1,101 | -16 | -82 |
| Other operating income | 59 | 106 | 18 | 16 |
| Other operating expenses | -1,027 | -968 | -1,249 | -1,043 |
| Results of operations | 12,479 | 9,517 | 19,399 | 15,149 |
| Revaluation of investment properties adjusted for foreign exchange effects | 6,547 | 4,009 | 5,290 | 9,106 |
| Revaluation of investment properties resulting from foreign exchange effects | 0 | 0 | 0 | 0 |
| Goodwill impairment and earn-out effects on income | 0 | -25 | 0 | 0 |
| Other revaluation results | 6,547 | 3,984 | 5,290 | 9,106 |
| Operating profit (EBIT) | 19,026 | 13,501 | 24,689 | 24,255 |
| | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Investment property | 304,744 | 291,300 | 515,290 | 513,025 |
| Property under construction | 0 | 0 | 2,645 | 0 |
| Goodwill | 184 | 184 | 2,708 | 2,708 |
| Investment properties held for sale | 0 | 0 | 0 | 0 |
| Real estate inventories | 0 | 0 | 0 | 0 |
| Segment assets | 304,928 | 291,484 | 520,643 | 515,733 |
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Segment investments | 6,872 | 65,099 | 180 | 19,793 |

| All amounts in TEUR | Romania | | Other non-core countries | |
|--|------------------|-------------------|--------------------------|-------------------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Office | 11,776 | 14,529 | 928 | 907 |
| Retail | 19,953 | 19,530 | 6,565 | 4,881 |
| Other | 3,704 | 2,967 | 277 | 269 |
| Rental income | 35,433 | 37,026 | 7,770 | 6,057 |
| Operating costs charged to tenants | 15,927 | 15,689 | 2,160 | 1,482 |
| Other revenues | 1,348 | 1,407 | 58 | 197 |
| Revenues | 52,708 | 54,122 | 9,988 | 7,736 |
| Expenses from investment property | -9,933 | -9,437 | -1,301 | -1,315 |
| Operating expenses | -15,608 | -14,959 | -2,109 | -1,426 |
| Results of asset management | 27,167 | 29,726 | 6,578 | 4,995 |
| Proceeds from the sale of properties | 17,497 | 906 | 0 | 0 |
| Carrying amount of sold properties | -17,497 | -906 | 0 | 0 |
| Results from deconsolidation | -1 | 0 | 25,004 | 10,295 |
| Expenses from property sales | -224 | -159 | -268 | 1,581 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | 196 | -148 | -2,316 | -4,863 |
| Results of property sales before foreign exchange effects from revaluation | -29 | -307 | 22,420 | 7,013 |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 0 | 0 | 2,021 | 5,115 |
| Results of property sales | -29 | -307 | 24,441 | 12,128 |
| Proceeds from the sale of real estate inventories | 600 | 418 | 44 | 0 |
| Cost of real estate inventories sold | -600 | -246 | -70 | 0 |
| Expenses from real estate inventories | 214 | -169 | -5 | -19 |
| Expenses from real estate development | -348 | 260 | -15 | -150 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 695 | -5,810 | 3,429 | 71 |
| Results of property development before foreign exchange effects | 561 | -5,547 | 3,383 | -98 |
| Revaluation of properties under construction resulting from foreign exchange effects | 0 | 0 | -33 | -232 |
| Results of property development | 561 | -5,547 | 3,350 | -330 |
| Other operating income | 1,794 | 305 | 37 | 190 |
| Other operating expenses | -3,829 | -3,835 | -1,572 | -1,665 |
| Results of operations | 25,664 | 20,342 | 32,834 | 15,318 |
| Revaluation of investment properties adjusted for foreign exchange effects | -5,745 | -3,600 | -12,731 | 155 |
| Revaluation of investment properties resulting from foreign exchange effects | 0 | 0 | 12,763 | -1,522 |
| Goodwill impairment and earn-out effects on income | 0 | -8 | 0 | -47 |
| Other revaluation results | -5,745 | -3,608 | 32 | -1,414 |
| Operating profit (EBIT) | 19,919 | 16,734 | 32,866 | 13,904 |
| | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Investment property | 746,390 | 772,899 | 164,154 | 125,036 |
| Property under construction | 49,718 | 48,620 | 2,198 | 7,880 |
| Goodwill | 13,529 | 13,529 | 998 | 999 |
| Investment properties held for sale | 4,662 | 1,890 | 3,385 | 38,859 |
| Real estate inventories | 869 | 1,242 | 0 | 185 |
| Segment assets | 815,168 | 838,180 | 170,735 | 172,959 |
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Segment investments | 637 | 7,227 | 10,525 | 11,634 |

| All amounts in TEUR | Total reportable segments | | Reconciliation to consolidated financial statements | | IMMOFINANZ | |
|--|---------------------------|-------------------|---|-------------------|------------------|-------------------|
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Office | 78,745 | 85,427 | 0 | 0 | 78,745 | 85,427 |
| Retail | 81,338 | 75,233 | 0 | 0 | 81,338 | 75,233 |
| Other | 15,584 | 13,399 | 0 | 0 | 15,584 | 13,399 |
| Rental income | 175,667 | 174,059 | 0 | 0 | 175,667 | 174,059 |
| Operating costs charged to tenants | 67,030 | 62,862 | 0 | 0 | 67,030 | 62,862 |
| Other revenues | 4,229 | 4,938 | 0 | 0 | 4,229 | 4,938 |
| Revenues | 246,926 | 241,859 | 0 | 0 | 246,926 | 241,859 |
| Expenses from investment property | -47,906 | -60,154 | 0 | 0 | -47,906 | -60,154 |
| Operating expenses | -64,486 | -59,121 | 0 | 0 | -64,486 | -59,121 |
| Results of asset management | 134,534 | 122,584 | 0 | 0 | 134,534 | 122,584 |
| Proceeds from the sale of properties | 174,892 | 135,584 | 0 | 0 | 174,892 | 135,584 |
| Carrying amount of sold properties | -174,892 | -135,584 | 0 | 0 | -174,892 | -135,584 |
| Results from deconsolidation | 33,059 | 7,663 | 0 | 0 | 33,059 | 7,663 |
| Expenses from property sales | -3,063 | -541 | 0 | 0 | -3,063 | -541 |
| Revaluation of properties sold and held for sale adjusted for foreign exchange effects | -3,899 | -9,554 | 0 | 0 | -3,899 | -9,554 |
| Results of property sales before foreign exchange effects from revaluation | 26,097 | -2,432 | 0 | 0 | 26,097 | -2,432 |
| Revaluation of properties sold and held for sale resulting from foreign exchange effects | 2,021 | 5,115 | 0 | 0 | 2,021 | 5,115 |
| Results of property sales | 28,118 | 2,683 | 0 | 0 | 28,118 | 2,683 |
| Proceeds from the sale of real estate inventories | 7,566 | 28,111 | 0 | 0 | 7,566 | 28,111 |
| Cost of real estate inventories sold | -7,596 | -24,086 | 0 | 0 | -7,596 | -24,086 |
| Expenses from real estate inventories | -6,707 | -43,709 | 0 | 0 | -6,707 | -43,709 |
| Expenses from real estate development | -2,022 | -2,281 | 0 | 0 | -2,022 | -2,281 |
| Revaluation of properties under construction adjusted for foreign exchange effects | 32,540 | 16,051 | 0 | 0 | 32,540 | 16,051 |
| Results of property development before foreign exchange effects | 23,781 | -25,914 | 0 | 0 | 23,781 | -25,914 |
| Revaluation of properties under construction resulting from foreign exchange effects | -33 | -232 | 0 | 0 | -33 | -232 |
| Results of property development | 23,748 | -26,146 | 0 | 0 | 23,748 | -26,146 |
| Other operating income | 3,887 | 3,839 | 419 | 3,151 | 4,306 | 6,990 |
| Other operating expenses | -16,653 | -15,407 | -24,365 | -24,512 | -41,018 | -39,919 |
| Results of operations | 173,634 | 87,553 | -23,946 | -21,361 | 149,688 | 66,192 |
| Revaluation of investment properties adjusted for foreign exchange effects | -12,238 | 1,419 | 0 | 0 | -12,238 | 1,419 |
| Revaluation of investment properties resulting from foreign exchange effects | 12,763 | -1,522 | 0 | 0 | 12,763 | -1,522 |
| Goodwill impairment and earn-out effects on income | -100 | -733 | 0 | 0 | -100 | -733 |
| Other revaluation results | 425 | -836 | 0 | 0 | 425 | -836 |
| Operating profit (EBIT) | 174,059 | 86,717 | -23,946 | -21,361 | 150,113 | 65,356 |
| | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Investment property | 3,868,553 | 3,729,519 | 0 | 0 | 3,868,553 | 3,729,519 |
| Property under construction | 358,970 | 404,064 | 0 | 0 | 358,970 | 404,064 |
| Goodwill | 24,507 | 24,848 | 0 | 0 | 24,507 | 24,848 |
| Investment properties held for sale | 59,501 | 263,335 | 0 | 0 | 59,501 | 263,335 |
| Real estate inventories | 48,079 | 61,221 | 0 | 0 | 48,079 | 61,221 |
| Segment assets | 4,359,610 | 4,482,987 | 0 | 0 | 4,359,610 | 4,482,987 |
| | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 | Q1-3 2018 | Q1-3 2017 |
| Segment investments | 117,797 | 215,210 | 0 | 1,537 | 117,797 | 216,747 |

4. Notes to the Consolidated Balance Sheet

4.1 INVESTMENT PROPERTY

The development of investment property during Q1-3 2018 is as follows:

| All amounts in TEUR | Q1-3 2018 |
|----------------------------------|------------------|
| Beginning balance | 3,729,519 |
| Deconsolidations (see 2.2) | -57,977 |
| Currency translation adjustments | -12,712 |
| Additions | 17,907 |
| Disposals | -18,356 |
| Revaluation | 493 |
| Reclassifications | 180,181 |
| Reclassification from IFRS 5 | 33,750 |
| Reclassification to IFRS 5 | -4,252 |
| Ending balance | 3,868,553 |

The reclassifications from available-for-sale assets involve two land sites in Turkey. The reclassifications to available-for-sale assets involve three properties in Romania and one property in Poland which are assigned to the asset class Other.

4.2 PROPERTY UNDER CONSTRUCTION

The development of the property under construction during the first three quarters of 2018 is as follows:

| All amounts in TEUR | Q1-3 2018 |
|----------------------------------|----------------|
| Beginning balance | 404,064 |
| Currency translation adjustments | 33 |
| Additions | 99,890 |
| Revaluation | 32,507 |
| Reclassifications | -177,524 |
| Ending balance | 358,970 |

Additions include, in particular, the *trivago Campus* and *FLOAT* development projects in Germany, a development project on the Wienerberg in Austria and STOP SHOP properties in non-core countries which are assigned to the segment Other.

The following properties were reclassified from property under construction to investment properties in Q1-3 2018 following their completion: the *trivago Campus*, the *Parkhaus Aachen*, two Serbian STOP SHOP retail parks and part of a Polish VIVO! shopping center. In addition, three STOP SHOPS were reclassified from investment property to property under construction.

4.3 EQUITY-ACCOUNTED INVESTMENTS

The following table shows the development of the equity-accounted investments:

| All amounts in TEUR | CA Immo Group | S IMMO | NP Investments a.s. | Other | Total |
|---|----------------|----------------|---------------------|--------------|----------------|
| Interest held by IMMOFINANZ | 26.00% | 29.14% | 50.00% | | |
| Beginning balance | 682,007 | 0 | 0 | 3,977 | 685,984 |
| Additions | 0 | 390,239 | 0 | 0 | 390,239 |
| Disposals | -688,375 | 0 | 0 | -7 | -688,382 |
| Net profit or loss from equity-accounted investments | 24,033 | 0 | 5,864 | 1,595 | 31,492 |
| Other comprehensive income from currency translation adjustment | -1,063 | 0 | 0 | -113 | -1,176 |
| Other comprehensive income from financial instruments measured at fair value through other comprehensive income (FVOCI) | -1,478 | 0 | 0 | 0 | -1,478 |
| Adjustment through other comprehensive income as of 1.1.2018 as per IFRS 9 and IFRS 15 | 5,397 | 0 | 0 | 0 | 5,397 |
| Other comprehensive income from measurement of defined benefit plans | 31 | 0 | 0 | 0 | 31 |
| Offset of results with other net investment positions | 0 | 0 | -2,475 | 656 | -1,819 |
| Dividend | -20,552 | 0 | 0 | -3,520 | -24,072 |
| Impairment losses | 0 | -25,129 | 0 | 0 | -25,129 |
| Ending balance | 0 | 365,110 | 3,389 | 2,588 | 371,087 |

The income statement position 'net profit or loss from equity-accounted investments' comprises the following: EUR 66.2 million of results from the sale of the CA Immo investment, an impairment loss of EUR 25.1 million to the investment in S IMMO AG and EUR 31.5 million for the proportional share of earnings from equity-accounted investments.

On 2 July 2018, the Supervisory Board of IMMOFINANZ AG approved the package sale of all shares held by IMMOFINANZ in CA Immo (25,690,163 bearer shares plus four registered shares). This equity-accounted investment was subsequently reclassified at an amount of EUR 688.4 million from non-current assets to assets held for sale as of 30 June 2018. The closing took place on 27 September 2018. The sale price, less transaction costs of EUR 2.5 million, totalled EUR 755.4 million and resulted in a book gain of EUR 66.2 million after the reclassification of currency translation differences. This book gain is included in the profit from equity-accounted investments.

IMMOFINANZ purchased 19,499,437 bearer shares of S IMMO AG (in short: S IMMO) on 18 April 2018. The resulting investment amounts to an interest of approximately 29.14% which, according to the issuer's current articles of association, currently represents 15% of the voting rights. The closing took place on 21 September 2018. Due to the limited time before the closing date for this interim financial report, 30 September 2018 was selected as the initial recognition date for simplification purposes. A proportional share of results as of 30 September 2018 was, therefore, not recorded. The purchase price allocation should be considered preliminary. This share package gives IMMOFINANZ significant influence over S IMMO, and the investment was consequently accounted for at equity.

The purchase price totalled EUR 390 million (EUR 20.00 per share), and the capitalisable transaction costs amounted to EUR 0.3 million. S IMMO shares are traded in the Prime Market segment of the Vienna Stock Exchange. The market price equalled EUR 17.2 as of 30 September 2018, which was lower than the cost per share. That represents an objective indication of impairment. For the purpose of impairment testing, the recoverable amount of the share package was determined on the basis of fair value less selling costs.

The absence of Level 1 fair values for the unit of account (i.e. a share package which represents a comparable capital interest) required a discretionary decision concerning the valuation procedure. IFRSs do not provide explicit rules for the determination of fair value in accordance with IFRS 13 for these types of valuation objects. IMMOFINANZ's management decided to carry out these valuations as "close to market" as possible. The price on the Vienna Stock Exchange as of 30 September 2018 plus a premium for the share package therefore formed the basis for valuation. IFRS 13 permits the inclusion of premiums under the

following conditions: when the premium reflects the economic characteristics of the valuation object; when hypothetical buyers would include the premium in determining a purchase price; and when the inclusion of a premium does not contradict the unit of account (in this case, the equity-accounted investment in S Immo). In view of these circumstances, an appropriate premium of 10.8% (EUR 1.86 per share, resp. EUR 36.2 million) for the size of the share package (under consideration of the existing voting restrictions) was included in the determination of fair value. This premium was derived from comparable transactions – i.e. the purchase of share packages in European real estate companies from 2009 to 2018 – based on capital market data. Since this fair value was derived from both observable and non-observable data, it is classified under Level 3 on the IFRS 13 measurement hierarchy.

The resulting recoverable amount - it represents a fair value of EUR 371.6 million (EUR 19.1 per share) less selling costs of 1.75% – equalled EUR 365.1 million as of 30 September 2018. The book price of the investment in S IMMO equalled EUR 18.7 per share as of 30 September 2018. The proportional results from S IMMO would include an impairment loss of EUR 25.1 million.

4.4 TRADE AND OTHER RECEIVABLES

| All amounts in TEUR | 30 9 2018 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 31 12 2017 |
|--|----------------|-------------------------------------|--|-------------------------------------|----------------|
| Rents receivable | 21,557 | 21,551 | 6 | 0 | 18,515 |
| Miscellaneous | 32,854 | 32,331 | 523 | 0 | 37,166 |
| Total trade accounts receivable | 54,411 | 53,882 | 529 | 0 | 55,681 |
| Receivables due from associates | 4,399 | 4,123 | 0 | 276 | 3,371 |
| Receivables due from joint ventures | 37,850 | 775 | 37,026 | 49 | 30,184 |
| Receivables due from equity-accounted investments | 42,249 | 4,898 | 37,026 | 325 | 33,555 |
| Restricted funds | 96,535 | 66,637 | 29,898 | 0 | 154,806 |
| Financing | 11,768 | 433 | 1,069 | 10,266 | 12,650 |
| Property management | 3,633 | 3,577 | 19 | 37 | 1,651 |
| Outstanding purchase price receivables – sale of properties | 1 | 1 | 0 | 0 | 10,043 |
| Outstanding purchase price receivables – sale of shares in other companies | 16,243 | 3,079 | 13,164 | 0 | 39,924 |
| Miscellaneous | 19,059 | 12,381 | 6,445 | 233 | 17,798 |
| Total other financial receivables | 147,239 | 86,108 | 50,595 | 10,536 | 236,872 |
| Tax authorities | 37,604 | 37,604 | 0 | 0 | 39,029 |
| Other contractual assets | 5,391 | 5,391 | 0 | 0 | 0 |
| Total other non-financial receivables | 42,995 | 42,995 | 0 | 0 | 39,029 |
| Total | 286,894 | 187,883 | 88,150 | 10,861 | 365,137 |

The other contractual assets of EUR 5.4 million result from the initial application of IFRS 15 as of 1 January 2018. A summary of the effects of IFRS 15 is provided in section 1.1.

4.5 ASSETS AND SPECIFIC LIABILITIES HELD FOR SALE

Of the assets and liabilities held for sale as of 31 December 2017, three retail properties, nine office properties and one property in the asset class Other were sold during Q1–3 2018. In addition, the sale of the Russian service company together with a subsidiary, which were part of the discontinued operation “retail portfolio Moscow”, closed on 8 February 2018 and represented the final step in the sale of the retail portfolio Moscow (see section 2.3).

Management terminated its plans to sell two land sites in Turkey because of ongoing re-zoning proceedings and reclassified the sites to investment property (see section 4.1); as of 31 December 2017, these sites were reported as held for sale. The sale plans remain in effect for three further land sites in Turkey, whereby a foreign exchange-adjusted revaluation of EUR 0.3 million was recognized to the carrying amount during the first three quarters of 2018.

The Romanian properties in the asset classes Other and Office, which were reclassified as held for sale in the first and second quarters of 2018, were sold during the second and third quarters of 2018. Additions to

the assets held for sale in the third quarter of 2018 included four properties in Poland and Romania which are assigned to the asset class Other and are expected to be sold through asset deals.

Management's plans remain intact to sell the other assets and liabilities classified as held for sale as of 31 December 2017 and to complete the sales not realised as of 30 September 2018.

The assets and liabilities held for sale as of 30 September 2018 can be summarised as follows:

| All amounts in TEUR | Friesen-/ Gerling Quartier | Other | Carrying amount as of 30 9 2018 | Carrying amount as of 31 12 2017 |
|----------------------------------|----------------------------------|---------------|---------------------------------------|--|
| Investment property | 0 | 49,460 | 49,460 | 132,623 |
| Property under construction | 3,791 | 0 | 3,791 | 124,462 |
| Real estate inventories | 6,250 | 0 | 6,250 | 6,250 |
| Other tangible assets | 0 | 0 | 0 | 27 |
| Intangible assets | 0 | 0 | 0 | 3 |
| Deferred tax assets | 0 | 0 | 0 | 50 |
| Trade and other receivables | 0 | 274 | 274 | 355 |
| Cash and cash equivalents | 0 | 3 | 3 | 1,378 |
| Assets held for sale | 10,041 | 49,737 | 59,778 | 265,148 |
| Reclassifiable reserves | 0 | 682 | 682 | 677 |
| Trade and other payables | 0 | 9 | 9 | 720 |
| Provisions | 920 | 42 | 962 | 1,941 |
| Liabilities held for sale | 920 | 51 | 971 | 2,661 |

The properties in the *Gerling Quartier* (second building section), which were classified as a disposal group based on resolutions of the Executive Board and Supervisory Board on 27 July 2016 and 19 December 2016, were still held by IMMOFINANZ as of 30 September 2018. The sale of the held-for-sale, unused office building on *Hohenzollernring* in Cologne closed shortly before 30 June 2018, and the closing for the properties in the first building section of the *Gerling Quarter* took place in the third quarter of 2018. The (foreign exchange-adjusted) revaluation of standing investments and real estate inventories totalled EUR 2.3 million in the first three quarters of 2018.

In addition to the above-mentioned properties in the first and second building sections of the *Gerling Quartier*, a hotel under construction and the accompanying underground parking spaces were sold through a forward sale as of 30 January 2017. These two properties remain classified as real estate inventories. Write-downs of EUR -4.4 million were recognised to these two real estate inventories during the first three quarters of 2018 to reflect construction cost overruns; these items are reported under expenses from real estate inventories.

4.6 EQUITY

The initial application of IFRS 15 and IFRS 9 led to the reclassification of EUR -1.1 million from the revaluation reserve recorded under equity (former AFS reserve) to retained earnings as well as the addition of EUR 6.3 million to retained earnings without recognition through profit or loss (see section 1.1).

In Q1 2018, 4,678,921 new shares were issued from conditional capital to service conversions of the convertible bond 2011–2018. This led to an increase of EUR 4.7 million in share capital and EUR 4.2 million in capital reserves.

The 25th annual general meeting of IMMOFINANZ AG on 11 May 2018 approved the new classification of share capital following a reverse stock split at a ratio of 10 : 1 (ten existing shares will be combined into a single share). The reverse stock split took effect when it was recorded in the company register on 23 June 2018. The 10 : 1 reverse stock split reduced the number of shares from the previous level of 1,120,852,699 to 112,085,269.

The 25th annual general meeting on 11 May 2018 also approved an increase of EUR 750 million in share capital from internal funds (conversion of appropriated capital reserves into share capital) and a subsequent reduction of EUR 1,758.8 million in share capital (as an addition to unappropriated capital reserves and to re-establish the proportional share of share capital at EUR 1 per share).

The Executive Board and Supervisory Board announced the start of a buyback programme for up to 15 million IMMOFINANZ shares on 8 March 2018. This decision was based on an authorisation of the 24th annual general meeting on 1 June 2017 in accordance with § 65 (1) No. 8 of the Austrian Stock Corporation Act. The maximum volume of 15 million shares was reached on 15 June 2018, and the share buyback programme was therefore terminated. The amount of the repurchase totalled EUR 31.6 million, and the weighted average cost per share equalled EUR 2.105. The related transaction costs of TEUR 19 were recorded under capital reserves. The 10 : 1 reverse stock split at the end of June reduced the 15 million treasury shares held by IMMOFINANZ to 1.5 million shares.

On 2 July 2018, the Executive Board and Supervisory Board of IMMOFINANZ AG approved the use of an authorisation by 25th annual general meeting on 11 May 2018 to carry out a share buyback programme (share buyback programme 2018/19) in accordance with § 65 (1) No. 8 of the Austrian Stock Corporation Act. The authorisation covers up to 10% of the company's share capital. The share buyback programme 2018/19 has a volume up to 9.7 IMMOFINANZ shares, which represent 8.66% of the current share capital. The share buyback started on 16 July 2018. A total of 1.6 million IMMOFINANZ shares were repurchased for EUR 35.2 million by

The 25th annual general meeting on 11 May 2018 approved a dividend of EUR 0.07 per share for the 2017 financial year, which represents EUR 0.70 after the reverse stock split. In this connection, a total of EUR 77.9 million was distributed on 17 May 2018.

Other comprehensive income of EUR -43.1 million (Q3 2017: EUR -13.9 million) is attributable to the shareholders of IMMOFINANZ and EUR -4.9 million (Q3 2017: EUR -2.7 million) to non-controlling interests.

4.7 LIABILITIES FROM CONVERTIBLE BONDS

As of 30 September 2018, IMMOFINANZ had convertible bonds with a total nominal value of EUR 297.2 million outstanding (31 December 2017: EUR 330.0 million). The underlying bond liability and the related interest coupons are measured at amortised cost based on the effective interest rate method.

| All amounts in TEUR | 30 9 2018 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 31 12 2017 |
|----------------------------|----------------|-------------------------------------|--|-------------------------------------|----------------|
| Convertible bond 2011–2018 | 0 | 0 | 0 | 0 | 33,151 |
| Convertible bond 2017–2024 | 281,967 | 5,944 | 276,023 | 0 | 280,066 |
| Total | 281,967 | 5,944 | 276,023 | 0 | 313,217 |

Convertible bond 2011–2018

Bondholders converted a nominal value of EUR 15.5 million from the convertible bond 2011–2018 during the first quarter of 2018. This led to the issue of 4,678,921 IMMOFINANZ shares (see section 4.6) from conditional capital as well as the transfer of 252,938 BUWOG shares. The remaining outstanding nominal value of EUR 17.3 million was redeemed as scheduled on 8 March 2018.

The value of the standalone derivative from the convertible bond 2011–2018, which was recorded under other liabilities (see section 4.9), was derecognised through financial results as of 8 March 2018 at an amount of EUR 1.3 million (see section 5.8).

Convertible bond 2017–2024

On 24 January 2017 IMMOFINANZ issued a convertible bond through an accelerated bookbuilding process with institutional investors. The bond has a nominal value of EUR 297.2 million, an interest rate of 2.0% and a term ending on 24 January 2024. The coupon will be reduced by 50 basis points when IMMOFINANZ receives and maintains an investment grade rating from S&P, Moody's or Fitch. The convertible bond 2017–2024 includes a (non-separable) put option at the nominal value plus accrued interest as of 24 January 2022, which also determines the instrument's maturity at the present time.

The cash dividend of EUR 0.07 per share (see section 4.6), which was approved by the annual general meeting on 11 May 2018, led to the adjustment of the conversion price for the convertible bond 2017–2024 to EUR 2.22 per share. The conversion price was further adjusted on 23 June 2018 to reflect the reverse stock split (see section 4.6) and equalled EUR 22.2 per share as of 30 June 2018. The conversion right can be exercised up to 10 January 2024.

4.8 FINANCIAL LIABILITIES

The following table shows the composition and classification of financial liabilities by remaining term as of 30 September 2018:

| All amounts in TEUR | 30 9 2018 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 31 12 2017 |
|---------------------------------------|------------------|-------------------------------------|--|-------------------------------------|------------------|
| Amounts due to financial institutions | 2,091,993 | 293,428 | 1,532,424 | 266,141 | 2,305,028 |
| Thereof secured by collateral | 2,091,709 | 293,144 | 1,532,424 | 266,141 | 2,304,691 |
| Thereof not secured by collateral | 284 | 284 | 0 | 0 | 337 |
| Other financial liabilities | 348 | 348 | 0 | 0 | 1,390 |
| Total | 2,092,341 | 293,776 | 1,532,424 | 266,141 | 2,306,418 |

4.9 TRADE AND OTHER PAYABLES

| All amounts in TEUR | 30 9 2018 | Thereof remaining term under 1 year | Thereof remaining term between 1 and 5 years | Thereof remaining term over 5 years | 31 12 2017 |
|---|----------------|-------------------------------------|--|-------------------------------------|----------------|
| Trade payables | 94,457 | 92,340 | 2,093 | 24 | 114,591 |
| Derivative financial instruments (liabilities) | 7,065 | 709 | 6,075 | 281 | 10,929 |
| Property management | 7,215 | 7,215 | 0 | 0 | 2,913 |
| Amounts due to non-controlling interests | 3,954 | 0 | 262 | 3,692 | 6,777 |
| Amounts due to associated companies | 83 | 83 | 0 | 0 | 319 |
| Amounts due to joint ventures | 334 | 6 | 21 | 307 | 386 |
| Deposits and guarantees received | 24,486 | 5,306 | 13,414 | 5,766 | 25,586 |
| Prepayments received on property sales | 1,910 | 1,842 | 68 | 0 | 24,691 |
| Construction and refurbishment | 398 | 378 | 20 | 0 | 4,552 |
| Outstanding purchase prices (share deals) | 49 | 2 | 47 | 0 | 373 |
| Outstanding purchase prices (acquisition of properties) | 0 | 0 | 0 | 0 | 2,846 |
| Miscellaneous | 6,800 | 5,738 | 1,057 | 5 | 9,969 |
| Total other financial liabilities | 52,294 | 21,279 | 20,964 | 10,051 | 89,341 |
| Tax authorities | 7,943 | 7,943 | 0 | 0 | 14,695 |
| Rental and lease prepayments received | 20,525 | 19,631 | 894 | 0 | 24,006 |
| Miscellaneous | 17 | 13 | 4 | 0 | 23 |
| Total non-financial liabilities | 28,485 | 27,587 | 898 | 0 | 38,724 |
| Total | 175,236 | 141,206 | 23,955 | 10,075 | 242,656 |

Due to the initial application of IFRS 15 as of 1 January 2018, the prepayments reported as of 30 September 2018 were EUR 15.4 million lower than they would have been without the application of this standard. The presentation of other contractual liabilities (TEUR 12) is also attributable to IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

5. Notes to the Consolidated Income Statement

5.1 RENTAL INCOME

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

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|---------------------|----------------|----------------|
| Office | 78,745 | 85,427 |
| Retail | 81,338 | 75,233 |
| Other | 15,584 | 13,399 |
| Total | 175,667 | 174,059 |

5.2 EXPENSES FROM INVESTMENT PROPERTY

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|--|----------------|----------------|
| Vacancies | -6,621 | -8,941 |
| Commission expenses | -1,354 | -868 |
| Maintenance | -16,346 | -16,019 |
| Operating costs charged to building owners | -8,789 | -8,307 |
| Property marketing | -3,653 | -3,451 |
| Personnel expenses from asset management | -3,826 | -3,402 |
| Other expenses from asset management | -3,345 | -3,152 |
| Rental and lease payments | -1,586 | -2,074 |
| Fit-out costs | -1,170 | -8,197 |
| Write-off of receivables from asset management | -116 | -672 |
| Other expenses | -1,100 | -5,071 |
| Total | -47,906 | -60,154 |

5.3 PROCEEDS FROM THE SALE OF PROPERTIES

The proceeds from property sales through asset deals in the first three quarters of 2018 were generated primarily in Germany, Austria, Romania and Poland. Of these proceeds, EUR 134.8 million are attributable to office properties in Germany (Q1-Q3 2017: EUR 70.1 million), EUR 14.7 million (Q1-Q3 2017: EUR 28.1 million) to office properties in Austria and EUR 2.2 million (Q1-Q3 2017: EUR 27.3 million) to retail properties in Austria. Other sales during the first three quarters of 2018 included the following: in Romania, standing investments in the asset class Other for EUR 9.0 million (Q1-Q3 2017: EUR 0.9 million) and office properties for EUR 8.3 million (Q1-Q3 2017: EUR 0.0 million); and in Poland, a standing investment in the asset class Other for EUR 3.3 million and a retail property for EUR 1,6 million. Sale transactions in Austria during the first three quarters of 2017 also included properties in the asset class Other for proceeds totalling EUR 3.0 million.

5.4 RESULTS OF PROPERTY DEVELOPMENT

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|---|---------------|----------------|
| Proceeds from the sale of real estate inventories | 7,566 | 28,111 |
| Cost of real estate inventories sold | -7,596 | -24,086 |
| Marketing for real estate inventories | 0 | -2 |
| Brokerage fees for real estate inventories | 0 | -283 |
| Other costs to sell for real estate inventories | -73 | -3,002 |
| Write-down related reversals of real estate inventories | 284 | 762 |
| Write-down of real estate inventories | -6,710 | -38,518 |
| Impending losses from the forward sale of real estate inventories | 589 | -3,308 |
| Operating costs charged to building owners-inventories | -267 | 642 |
| Other expenses from real estate inventories | -530 | 0 |
| Expenses from real estate inventories | -6,707 | -43,709 |
| Expenses from property development | -2,022 | -2,281 |
| Revaluation results from properties under construction (see 5.7) | 32,507 | 15,819 |
| Total | 23,748 | -26,146 |

Due to the initial application of IFRS 15 as of 1 January 2018, proceeds from the sale of real estate inventories were EUR 8.9 million lower as of 30 September 2018 than they would have been without the application of this standard. Since the involved residential development projects were reported at their net realisable value less transaction costs as of 31 December 2017, the production costs of the sold inventories were also EUR 8.9 million lower due to the initial application of IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

5.5 OTHER OPERATING INCOME

Other operating income consists of the following:

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|--------------------------------------|--------------|--------------|
| Expenses charged on | 47 | 602 |
| Insurance compensation | 196 | 171 |
| Income from derecognised liabilities | 2,375 | 2,106 |
| Reimbursement for penalties | 166 | 77 |
| Miscellaneous | 1,522 | 4,034 |
| Total | 4,306 | 6,990 |

5.6 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|-------------------------------------|----------------|----------------|
| Administrative expenses | -143 | -560 |
| Legal, auditing and consulting fees | -6,606 | -9,310 |
| Penalties | -2,197 | -31 |
| Levies | -3,606 | -2,540 |
| Advertising | -1,496 | -1,560 |
| Expenses charged on | -72 | -226 |
| Rental and lease expenses | -423 | -432 |
| EDP and communications | -2,731 | -2,566 |
| Expert opinions | -479 | -556 |
| Personnel expenses | -19,604 | -17,981 |
| Other write-downs | -534 | -627 |
| Miscellaneous | -3,127 | -3,530 |
| Total | -41,018 | -39,919 |

The increase in personnel expenses resulted primarily from a one-time special bonus of EUR 4.0 million for the Executive Board, which was approved by the Personnel Committee of the Supervisory Board during the first quarter of 2018.

The increase in taxes and levies is chiefly attributable to costs for the acquisition of limited partnership shares.

5.7 REVALUATION OF PROPERTIES ADJUSTED FOR FOREIGN EXCHANGE EFFECTS AND REVALUATION OF PROPERTIES RESULTING FROM FOREIGN EXCHANGE EFFECTS

The following table shows the revaluation gains and losses resulting from the revaluation of properties adjusted for and resulting from foreign exchange effects. Detailed information on the regional distribution of revaluation gains and losses is provided under segment reporting.

| All amounts in TEUR | Revaluations adjusted for foreign exchange effects | | | Revaluations resulting from foreign exchange effects | | | Q1-3 2018 Revaluation |
|-----------------------------------|--|--------------------|---------------|--|--------------------|---------------|-----------------------|
| | Revaluation gains | Revaluation losses | Total | Revaluation gains | Revaluation losses | Total | Total |
| Investment property | 27,358 | -39,596 | -12,238 | 9,794 | 2,969 | 12,763 | 525 |
| Property under construction | 36,822 | -4,282 | 32,540 | -26 | -7 | -33 | 32,507 |
| Properties sold and held for sale | 5,015 | -8,914 | -3,899 | 2,072 | -51 | 2,021 | -1,878 |
| Total | 69,195 | -52,792 | 16,403 | 11,840 | 2,911 | 14,751 | 31,154 |

| All amounts in TEUR | Revaluations adjusted for foreign exchange effects | | | Revaluations resulting from foreign exchange effects | | | Q1-3 2017 Revaluation |
|-----------------------------------|--|--------------------|--------------|--|--------------------|--------------|-----------------------|
| | Revaluation gains | Revaluation losses | Total | Revaluation gains | Revaluation losses | Total | Total |
| Investment property | 37,786 | -36,367 | 1,419 | -215 | -1,307 | -1,522 | -103 |
| Property under construction | 27,109 | -11,058 | 16,051 | 0 | -232 | -232 | 15,819 |
| Properties sold and held for sale | 10,262 | -19,816 | -9,554 | 4,995 | 120 | 5,115 | -4,439 |
| Total | 75,157 | -67,241 | 7,916 | 4,780 | -1,419 | 3,361 | 11,277 |

5.8 FINANCIAL RESULTS

| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
|---|----------------|----------------|
| For financial liabilities FLAC | -44,315 | -66,380 |
| For derivative financial instruments | -7,021 | -8,599 |
| Total financing costs | -51,336 | -74,979 |
| For financial receivables AC | 6,593 | 3,488 |
| For derivative financial instruments | 141 | 487 |
| Total financing income | 6,734 | 3,975 |
| Foreign exchange differences | 73 | -5,359 |
| Profit or loss on other financial instruments and proceeds on the disposal of financial instruments | 54 | -11,693 |
| Valuation of financial instruments at fair value through profit or loss | 2,597 | 2,575 |
| Distributions | 498 | 1,318 |
| Write-off of receivables | 1,142 | -2,312 |
| Other financial results | 4,291 | -10,112 |
| Net profit or loss from equity-accounted investments (see 4.3) | 72,566 | 175,093 |
| Total | 32,328 | 88,618 |

AC: financial assets measured at amortised cost

FLAC: financial liabilities measured at amortised cost

Profit or loss on the valuation of financial instruments at fair value through profit or loss consists, above all, of results from the measurement of derivative financial instruments. Of these measurement results EUR 0.7 million (Q1-3 2017: EUR -19.2 million) are attributable to the standalone derivative from the convertible bond 2011–2018 and EUR 1.5 million (Q1-3 2017: EUR 8.9 million) to other derivatives. In Q1-3 2017, the position profit or loss on other financial instruments and proceeds on the disposal of financial instruments included expenses of EUR -12.6 million for the incentivised conversion of the convertible bond 2011–2018.

Information on the profit or loss from equity-accounted investments is provided in section 4.3.

6. Information on Financial Instruments

6.1 CLASSES 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.

| | Carrying amount of financial assets | Carrying amount of non-financial assets | Total carrying amount | Total carrying amount | Total fair value | Total fair value |
|---|-------------------------------------|---|-----------------------|-----------------------|------------------|------------------|
| All amounts in TEUR | 30 9 2018 | 30 9 2018 | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Trade accounts receivable | 54,411 | 0 | 54,411 | 55,681 | 54,411 | 55,681 |
| Financing receivables | 54,017 | 0 | 54,017 | 46,205 | 54,017 | 46,205 |
| Loans and other receivables | 135,471 | 42,995 | 178,466 | 263,251 | 178,466 | 263,251 |
| Trade and other receivables | 243,899 | 42,995 | 286,894 | 365,137 | 286,894 | 365,137 |
| Real estate fund shares | 3,055 | 0 | 3,055 | 4,934 | 3,055 | 4,934 |
| Derivatives | 2,067 | 0 | 2,067 | 2,206 | 2,067 | 2,206 |
| Miscellaneous other financial instruments | 6,406 | 0 | 6,406 | 24,875 | 6,406 | 24,875 |
| Other financial assets | 11,528 | 0 | 11,528 | 32,015 | 11,528 | 32,015 |
| Cash and cash equivalents | 685,410 | 0 | 685,410 | 477,889 | 685,410 | 477,889 |
| Total assets | 940,837 | 42,995 | 983,832 | 875,041 | 983,832 | 875,041 |

Non-FI: non-financial assets

Non-financial assets include other contractual assets of EUR 5.3 million which require reporting as of 1 January 2018 under IFRS 15. A summary of the effects of IFRS 15 is provided in section 1.1.

| | Carrying amount of financial liabilities | Carrying amount of non-financial liabilities | Total carrying amount | Total carrying amount | Total fair value | Total fair value |
|---|--|--|-----------------------|-----------------------|------------------|------------------|
| All amounts in TEUR | 30 9 2018 | 30 9 2018 | 30 9 2018 | 31 12 2017 | 30 9 2018 | 31 12 2017 |
| Liabilities from convertible bonds | 281,967 | 0 | 281,967 | 313,217 | 290,430 | 320,450 |
| Amounts due to financial institutions | 2,091,993 | 0 | 2,091,993 | 2,305,028 | 2,058,635 | 2,292,264 |
| Other financial liabilities | 348 | 0 | 348 | 1,390 | 348 | 1,390 |
| Financial liabilities | 2,092,341 | 0 | 2,092,341 | 2,306,418 | 2,058,983 | 2,293,654 |
| Trade payables | 94,457 | 0 | 94,457 | 114,591 | 94,457 | 114,591 |
| Derivatives | 7,065 | 0 | 7,065 | 10,929 | 7,065 | 10,929 |
| Miscellaneous other liabilities | 45,229 | 28,485 | 73,714 | 117,136 | 73,714 | 117,136 |
| Trade and other payables | 146,751 | 28,485 | 175,236 | 242,656 | 175,236 | 242,656 |
| Total equity and liabilities | 2,521,059 | 28,485 | 2,549,544 | 2,862,291 | 2,524,648 | 2,856,760 |

Non-FI: non-financial liabilities

6.2 HIERARCHY OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The fair value measurement hierarchy defined by IFRS 13 covers the following three levels:

- > 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

The financial instruments measured at fair value are classified under the following hierarchy levels:

| All amounts in TEUR | | | | 30 9 2018 |
|---|---------|---------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | |
| Real estate fund shares | - | - | 3,055 | 3,055 |
| Derivatives | - | - | 2,067 | 2,067 |
| Miscellaneous other financial instruments | 6,406 | - | - | 6,406 |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivatives | - | - | 7,065 | 7,065 |

| All amounts in TEUR | | | | 31 12 2017 |
|---|---------|---------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets available for sale | | | | |
| Real estate fund shares | - | - | 206 | 206 |
| Financial assets at fair value through profit or loss | | | | |
| Fair value option | | | | |
| Real estate fund shares | - | - | 4,728 | 4,728 |
| Miscellaneous other financial instruments | 19,820 | - | - | 19,820 |
| Held for trading | | | | |
| Derivatives | - | - | 2,206 | 2,206 |
| Financial liabilities at fair value through profit or loss | | | | |
| Held for trading | | | | |
| Derivatives | - | - | 10,929 | 10,929 |

The following table shows the reconciliation of the opening and closing balances of the financial instruments classified under Level 3:

| | Real estate fund shares | Derivatives | Total |
|---|----------------------------|---------------|---------------|
| All amounts in TEUR | Q1-3 2018 | Q1-3 2018 | Q1-3 2018 |
| Beginning balance | 4,934 | -8,723 | -3,789 |
| Recognised in the consolidated income statement | 135 | 2,226 | 2,361 |
| Disposals | -2,014 | 1,499 | -515 |
| Ending balance | 3,055 | -4,998 | -1,943 |

The results of EUR 2.4 million which are shown in the above table and recognised in the consolidated income statement include EUR 0.6 million attributable to financial instruments that were held as of 30 September 2018. These amounts were reported under other financial results

Valuation procedures and input factors used to determine the fair value of financial instruments

| Level | Financial instruments | Valuation method | Major input factors | Major non-observable input factors |
|-------|-----------------------------------|---------------------------|--|------------------------------------|
| 3 | Real estate fund shares | Net present value methods | Discount rate, expected principal repayments and dividends | Discount rate: 9.10% |
| 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: 1.50% to 3.50% |

Additional details on the valuation procedures and input factors are provided in section 7. of the consolidated financial statements as of 31 December 2017.

The following table provides the following information for each class of financial assets and financial liabilities: the original valuation category under IAS 39 and the valuation category under IFRS 9 as well as the carrying amounts at the time of conversion in accordance with IAS 39 and IFRS 9.

Assets

| All amounts in TEUR | Original measurement category IAS 39 | Measurement category IFRS 9 | Carrying amount as per IAS 39 1 1 2018 | Carrying amount as per IFRS 9 1 1 2018 |
|---|--------------------------------------|-----------------------------|--|--|
| Trade accounts receivable | L&R/AC | AC | 55,681 | 55,681 |
| Financing receivables | L&R/AC | AC | 46,205 | 46,205 |
| Loans and other receivables | L&R/AC | AC | 224,222 | 224,222 |
| Trade and other receivables | | | 326,108 | 326,108 |
| Real estate fund shares | AFS | FVPL | 206 | 206 |
| Real estate fund shares | Fair value option | FVPL | 4,728 | 4,728 |
| Derivatives | HFT | FVPL | 2,206 | 2,206 |
| Miscellaneous other financial instruments | AC | FVPL | 5,055 | 6,335 |
| Miscellaneous other financial instruments | FVPL | FVPL | 19,820 | 19,820 |
| Other financial assets | | | 32,015 | 33,295 |
| Cash and cash equivalents | AC | AC | 477,889 | 477,770 |
| Total assets | | | 836,012 | 837,173 |

Equity and liabilities

| All amounts in TEUR | | | | |
|---|-------------|-------------|------------------|------------------|
| Liabilities from convertible bonds | FLAC | FLAC | 313,217 | 313,217 |
| Amounts due to financial institutions | FLAC | FLAC | 2,305,028 | 2,305,028 |
| Other financial liabilities | FLAC | FLAC | 1,390 | 1,390 |
| Financial liabilities | | | 2,306,418 | 2,306,418 |
| Trade payables | FLAC | FLAC | 114,591 | 114,591 |
| Derivatives | HFT | FLPL | 10,929 | 10,929 |
| Miscellaneous other liabilities | FLAC | FLAC | 78,412 | 78,412 |
| Trade and other payables | | | 203,932 | 203,932 |
| Total equity and liabilities | | | 2,823,567 | 2,823,567 |

L&R: loans and receivables

AC: financial assets measured at amortised cost

AFS: available for sale

FVPL: financial assets mandatorily at fair value through profit or loss

Fair value option: financial assets designated at fair value through profit or loss

HFT: held for trading

FLAC: financial liabilities measured at amortised cost

FLPL: financial liabilities at fair value through profit or loss

7. Transactions with Related Parties

Business transactions with equity-accounted investments led to the following amounts in the consolidated interim financial statements of IMMOFINANZ in Q1-3 2018:

| All amounts in TEUR | 30 9 2018 | 31 12 2017 |
|--|------------------|------------------|
| Relations with joint ventures | | |
| Receivables | 37,851 | 30,185 |
| Thereof allowance for bad debt | -7,082 | -10,838 |
| Liabilities | 333 | 386 |
| Relations with associated companies | | |
| Receivables | 4,400 | 3,372 |
| Thereof allowance for bad debt | -7,041 | -6,621 |
| Liabilities | 84 | 320 |
| All amounts in TEUR | Q1-3 2018 | Q1-3 2017 |
| Relations with joint ventures | | |
| Other income | 163 | 593 |
| Interest income | 4,012 | 1,588 |
| Write-downs for bad debt | 3,756 | 3,571 |
| Thereof results that increase or reduce the net investment | 2,236 | 528 |
| Income taxes | -23 | -250 |
| Relations with associated companies | | |
| Other income | 541 | 627 |
| Other expenses | -2,389 | -3,402 |
| Interest income | 533 | 286 |
| Write-downs for bad debt | -420 | -970 |
| Thereof results that increase or reduce the net investment | -420 | -404 |
| Income taxes | 1 | -23 |

There were no reportable transactions between IMMOFINANZ and related persons in Q1-Q3 2018.

8. Subsequent Events

On 14 November 2018 IMMOFINANZ announced the acquisition of eight retail parks in Slovenia, Serbia and Croatia for a total purchase price of EUR 90.5 million. These properties are fully rented and generate annual rental income of approximately EUR 7.2 million, which represents a gross return of 8.0%. The acquisition of these retail parks did not include any business operations in the sense of IFRS 3, and the transaction is therefore not classified as a business combination under IFRS 3. The closing for the purchase of most of the locations is expected by the end of 2018.

The real estate package in Slovenia includes three retail parks in Maribor, Krsko and Ptuj with approximately 22,000 sqm of rentable space. The two acquired retail parks in Croatia with roughly 13,500 sqm of rentable space in total are located in Osijek and Valpovo. The acquisitions in Serbia involve retail parks with approximately 32,500 sqm of rentable space in Subotica, Borca and Smederevo. All the acquired properties have an attractive tenant mix. The properties will be rebranded in line with the STOP SHOP concept after the transactions close.

The signing for the sale of a hotel property on the Wienerberg took place on 21 November 2018. The purchase price equalled EUR 29 million and reflected the book value of the property as of 30 September 2018. The transaction costs for the sale amounted to EUR 0.36 million. This sale was carried out as an asset deal and is expected to close by the end of the 2018 financial year.

Statement by the Executive Board

We confirm to the best of our knowledge that these consolidated interim financial statements of IMMOFINANZ as of 30 September 2018, which were prepared in accordance with the rules for interim financial reporting defined by 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 exchange regulations. We also confirm to the best of our knowledge that the Group management report gives a true and fair view of important events that occurred during the first nine months of the financial year and their impact on these consolidated interim financial statements as well as of the principal risks and uncertainties for the remaining three months of the financial year and the transactions with related parties which are subject to disclosure.

Vienna, 27 November 2018

The Executive Board of IMMOFINANZ AG



Stefan Schönauer CFO



Oliver Schumy CEO



Dietmar Reindl COO

REPORT ON THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying condensed interim consolidated financial statements and the consolidated interim management report of IMMOFINANZ AG, Vienna, for the period from 1 January 2018 to 30 September 2018. These condensed interim consolidated financial statements comprise (i) the consolidated statement of financial position as of 30 September 2018, (ii) the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows, each for the period from 1 January 2018 to 30 September 2018 and the comparative information for the period from 1 January 2018 to September 30, 2017, and (iii) explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable to interim financial reporting as well as for the preparation of the consolidated interim management report.

Our responsibility is to express a conclusion on these interim consolidated financial statements and the consolidated interim management report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Austrian legal requirements and professional standards and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. For the review of the consolidated interim management report we applied these standards accordingly.

A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing, which require the application of the International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that (i) the accompanying condensed interim consolidated financial statements of IMMOFINANZ AG is not prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable to interim financial reporting or (ii) the consolidated interim management report is materially misstated or is materially inconsistent with the condensed interim financial statements.

Vienna, November 27th, 2018

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Friedrich Wiesmüller
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Mag. Nikolaus Schaffer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

FINANCIAL CALENDAR 2019

| | |
|------------------|---|
| 10 April 2019 | Announcement of results for 2018 (after the close of trading) |
| 11 April 2019 | Annual report 2018 |
| 12 May 2019 | Record date for participation in the 26th annual general meeting |
| 22 May 2019 | 26th annual general meeting |
| 24 May 2019 | Expected ex-dividend date |
| 27 May 2019 | Expected date for the determination of dividend rights (record date) |
| 28 May 2019 | Expected dividend payment date |
| 28 May 2019 | Announcement of results for the first quarter of 2019 (after the close of trading) |
| 29 May 2019 | Report on the first quarter of 2019 |
| 28 August 2019 | Announcement of results for the first half of 2019 (after the close of trading) |
| 29 August 2019 | Report on the first half of 2019 |
| 27 November 2019 | Announcement of results for the first three quarters of 2019 (after the close of trading) |
| 28 November 2019 | Report on the first three quarters of 2019 |

IMPRINT

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Photos

IMMOFINANZ, IMMOFINANZ APA-Fotoservice Pacewicz

Concept and Realisation

Mensalia Unternehmensberatung
Financial Report, pages 2–64: produced inhouse using firesys GmbH

Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. This report is published in German and English, and can be downloaded from the investor relations section of the IMMOFINANZ website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in IMMOFINANZ AG.

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

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