

## IMMOFINANZ: FFO 1 for 2020 tops previous year, Executive Board recommends dividend of EUR 0.55 per share

- FFO 1 before tax reaches EUR 126.1 million (+0.6%)
- Rental income rises by 3.1% to EUR 288.6 million, results of asset management stable at EUR 206.4 million
- Strong operating performance with an occupancy rate of 96%
- Net profit amounts to EUR -165.9 million due to crisis-related write-downs
- Available liquid funds total EUR 1.2 billion (incl. credit line)
- Positive development of S IMMO share price in Q1 2021 can lead to a revaluation of up to roughly EUR 96.0 million to the investment at the end of Q1 2021

KEY FIGURES (IN MEUR)	2020	Δ IN %	2019
Rental income	288.6	3.1%	279.9
Results of asset management	206.4	-0.4%	207.3
Results of property sales	7.9	n/a	-5.1
Results of property development	-24.2	-95.3%	-12.4
Results of operations	143.9	-4.0%	149.9
EBIT	-12,7	n/a	345.6
Financial results	-147.8	n/a	4.5
Net profit/loss	-165.9	n/a	352.1
FFO 1 (before tax incl. S IMMO)	126.1	0.6%	125.3
FFO 1 (before tax incl. S IMMO) / share in EUR	1.13	-4.2%	1.18

IMMOFINANZ recorded an increase in rental income and results of property sales in 2020 despite the Covid-19 crisis. FFO 1 (before tax and incl. the S IMMO dividend) rose by 0.6% year-on-year to EUR 126.1 million, supported by cost savings. The capital measures carried out in the previous year strengthened the balance sheet structure and reduced the net LTV to 37.8%. The strong cash position increased to approximately EUR 1.2 billion, including an undrawn credit line.

Rental income rose by 3.1% to EUR 288.6 million due to the strong growth in the portfolio during the second half of 2019, but a crisis-related increase in receivables write-offs from asset management led to substantially higher property expenses. The results of asset management totalled EUR 206.4 million in 2020 and reflect the previous year despite these write-offs. The pandemic also had a negative influence on the valuation of investment property: revaluations totalled EUR -166.5 million, compared with clearly positive results in the previous year (2019: EUR 193.3 million). This reduction represents roughly 3.2% of the total property portfolio. In addition, the continuing decline in the price of the S IMMO share during 2020 led to a write-down of EUR -88.6 million in this investment to EUR 363.6 million. Net loss for the 2020 financial year amounted to EUR -165.9 million.

“The pandemic and the related support for our tenants plus the crisis-related negative effects from the valuation are, unquestionably, reflected in our group result – but our occupancy rate remained unchanged at very high 96% and FFO 1, as the indicator for our operational earning power, even increased slightly. At the end of the year, we had more than a billion euros of liquid funds. That is a very strong foundation – to manage the ongoing crisis environment as well as the post-crisis recovery and growth phase. In this respect, we successfully closed the 2020 financial year from a position of strength”, commented **Ronny Pecik, CEO of IMMOFINANZ**, on the company’s performance.

## Occupancy rate stable at high level

The real estate portfolio included 209 properties with a combined carrying amount of approximately EUR 5.0 billion at the end of December 2020. Of this total, approximately 64% are attributable to the office business and 34% to the retail business. The occupancy rate is nearly unchanged at a high 96.0% (31 December 2019: 96.8%) and equalled 93.7% in the office properties and 98.1% in the retail properties. The gross return equalled 6.2% based on IFRS rental income and 6.6% based on invoiced rents.

## Robust balance sheet further strengthened by capital measures

IMMOFINANZ has a robust balance sheet structure, which was further strengthened by capital measures during the past year. Equity increased to EUR 3.1 billion in July 2020 following the placement of shares and a mandatory convertible bond. Cash and cash equivalents rose to EUR 1.1 billion (31 December 2019: EUR 345.1 million), and a revolving credit line of EUR 100.0 million is also available. The net loan-to-value ratio (net LTV) improved to 37.8% (31 December 2019: 43.0%). The equity ratio equalled 45.1% (31 December 2019: 46.0%). The average remaining term of the financial liabilities is 4.3 years.

Average financing costs equalled 1.99% per year including derivatives (31 December 2019: 1.91%). The hedging quota is a high 88.6%, and the unencumbered asset pool (investment property and S IMMO shares at the EPRA NAV) totals EUR 2.0 billion or 34.9% (31 December 2019: EUR 1.9 billion or 33.8%).

## EPRA indicators

**EPRA NAV per share** equalled EUR 27.79 as of 31 December 2020 (31 December 2019: diluted EUR 31.05) and first time calculated **EPRA NTA per share** amounted to EUR 27.82 (31. December 2019: EUR 31.25). This decline is primarily attributable to the negative revaluation of investment property as well as diluting effects. The **book value per share** equalled EUR 25.20 as of 31 December 2020 (31 December 2019: EUR 29.34).

## Outlook and dividend proposal

In view of the Group’s solid capital base, the Executive Board will make a recommendation to the 28th annual general meeting on 18 June 2021 to distribute a dividend of EUR 0.55 per share. That represents a dividend yield of 3.2% based on the closing price for 2020. The annual general meeting will again be held as a “virtual annual general meeting” without the physical presence of shareholders for safety reasons.

The worldwide Covid-19 vaccination campaign is making steady progress, but the rate and spread of infections is expected to remain dynamic for the time being. From the current point of view, the end of the second quarter or second half of 2021 could bring a potential improvement in the pandemic – but for the moment, uncertainty remains high. Temporary restrictions, for example, as a result of government-imposed curfews, business shutdowns etc., can therefore continue to affect IMMOFINANZ, its tenants, customers and suppliers. Approximately 20% of the retail space was temporarily closed as of 19 April 2021, but re-openings are expected in the coming weeks. It is impossible to conclusively assess the effects of these restrictions, and a forecast for the development of FFO 1 in 2021 will therefore not be issued at the present time. IMMOFINANZ has already implemented a wide range of measures to minimise the potential negative effects of the pandemic on the Group.

IMMOFINANZ is continuing to pursue its proven financing strategy, which is designed to ensure sufficient liquidity at all times and to maintain a balanced capital structure and maturity profile and thereby protect the Group's position as an issuer in the investment grade range over the long-term.

IMMOFINANZ is very well positioned with its real estate solutions – myhive for high-quality offices with a comfortable atmosphere and lively community as well as the cost-efficient STOP SHOP and VIVO! retail brands – and with its robust financial base and intends to return to a profitable growth course as soon as possible. In the office sector, plans include further growth with the myhive brand in the capital cities of IMMOFINANZ's core countries. The goals for the STOP SHOP retail parks include an increase to roughly 140 locations over the coming years.

The S IMMO share lost 23.9% of its value during 2020 and closed the year at EUR 16.96. The decline represented an impairment trigger and led to a write-down of EUR -88.6 million to the investment. As of 31 December 2020, the carrying amount of the S IMMO investment equalled EUR 363.6 million. The significant improvement in the price of the S IMMO share since 31 December 2020 provided objective indications of an increase in the value at the end of the first quarter of 2021. Therefore, an increase in the carrying amount of the investment up to the realisable amount of EUR 459.8 million (based on the closing price of EUR 21.45 on 31 March 2021) is possible as of 31 March 2021.

### Takeover offer for S IMMO

IMMOFINANZ announced a voluntary public takeover offer to acquire a controlling interest pursuant to § 25a of the Austrian Takeover Act for the purchase of all outstanding S IMMO shares. The offer price was set at EUR 22.25 per share on a cum-dividend basis. The completion of the offer will be subject, among others, to the condition that the annual general meeting of S IMMO AG approve an amendment to the articles of association which cancels the maximum voting right. The specific terms of the offer will be published in the offer documents, whereby the final evaluation by the Austrian Takeover Commission is still outstanding. The offer documents will be published as soon as possible after the final evaluation by the Austrian Takeover Commission.

### Results Q1-4 2020 in detail

**Rental income** increased by 3.1%, or EUR 8.7 million, to EUR 288.6 million, above all due to acquisitions and property completions in the second half of the previous year. The Covid-19 pandemic led to a substantial rise in the write-off of receivables from asset management to EUR -29.2 million (2019: EUR -2.2 million). In contrast, maintenance and real estate marketing costs declined to EUR -14.4 million (2019: EUR -21.6 million), respectively EUR -5.4 million (2019: EUR -8.3 million) and reflect the liquidity protection measures that were implemented immediately at the start of the crisis to cut costs and protect liquidity. Property expenses were 25.1% higher than the previous year at EUR -71.9 million (2019: EUR -57.4 million). However, an adjustment for the effects on receivables write-offs shows a year-on-year reduction of 22.8% in property expenses to EUR -42.7 million.

The **results of asset management** reflected the previous year at EUR 206.4 million in 2020 (2019: EUR 207.3 million). The **results of property sales** rose to EUR 7.9 million (2019: EUR -5.1 million), supported, above all, by the profitable sale of an office property in Düsseldorf and the related revaluation. Properties with a volume of EUR 109.8 million were sold during 2020 (asset and share deals), whereby the largest transactions involved one office property each in Düsseldorf and Warsaw as well as land in Romania.

The **results of property development** totalled EUR -24.2 million (2019: EUR -12.4 million). This decline resulted from the revaluation of properties under construction, which amounted to EUR -21.2 million (2019: EUR 1.5 million) and also reflected a Covid-19-related increase in market yields as well as costs increases on individual projects.

Other operating expenses rose by 6.0% to EUR -48.9 million (2019: EUR -46.1 million). The increase in personnel expenses included under this position is primarily attributable to a non-recurring payment related to the resignation of Oliver Schumy from the Executive Board. The **results of operations** equalled EUR 143.9 million and were only slightly lower than the previous year (2019: EUR 149.9 million).

**Results from the revaluation of standing investments** turned negative – due to the adverse effects of the Covid-19 pandemic – at EUR -156.6 million (2019: EUR 195.7 million). This value decline represents roughly 3.5% of the carrying amount of the standing investments as of 31 December 2020. Retail properties were written down by EUR -71.0 million (4.3% of the carrying amount) and office buildings by EUR -89.1 million (3.2% of the carrying amount). These crisis-related, negative valuation results were responsible for a decline in **operating profit (EBIT)** – despite the strong operating performance – from EUR 345.6 million in 2019 to EUR -12.7 million.

Financing costs declined slightly to EUR -64.0 million (2019: EUR -64.6 million) despite a year-on-year increase of roughly 12% in the financing volume. Average financing costs, including hedging, equalled 1.99% per year (31 December 2019: 1.91%). Other financial results amounted to EUR -14.6 million (2019: EUR -9.0 million) and resulted chiefly from the valuation of interest rate derivatives in the current low-interest environment.

The steady decline in the price of the S IMMO share during 2020 represented an objective indication of impairment to this investment as of 31 December 2020. Consequently, the S IMMO investment was tested for impairment and the carrying amount was written down to EUR 363.6 million (i.e. to a carrying amount of EUR 18.65 per S IMMO share). Net profit for the 2020 financial year therefore includes an impairment loss of EUR -88.6 million. The share of profit/loss from equity-accounted investments amounted to EUR -69.5 million in 2020 (2019: EUR 78.4 million), whereby EUR 15.0 million (2019: EUR 62.0 million) are attributable to the share of earnings from S IMMO. Of this total, EUR -73.1 million are attributable to S IMMO (including the carryforward of EUR 0.6 million in undisclosed reserves from the initial consolidation). **Financial results** totalled EUR -147.8 million (2019: EUR 4.5 million).

**Profit before tax** equalled EUR -160.4 million (2019: EUR 350.1 million). After the deduction of EUR -5.5 million (2019: EUR -2.5 million) in income taxes, **net loss** amounted to EUR -165.9 million (2019: EUR 352.1 million). That represents earnings per share\* (basic) of EUR -1.50 (2019: EUR 3.37).

The financial report by IMMOFINANZ AG for the 2020 financial year as of 31 December 2020 will be available on the company's website under <http://www.immofinanz.com/en/investor-relations/financial-reports> starting on 22 April 2021.

## On IMMOFINANZ

*IMMOFINANZ is a commercial real estate group whose activities are focused on the office and retail segments of seven core markets in Europe: Austria, Germany, Poland, Czech Republic, Slovakia, Hungary and Romania. The core business covers the management and development of properties, whereby the STOP SHOP (retail), VIVO! (retail) and myhive (office) brands represent strong focal points that stand for quality and service. The real estate portfolio has a value of approx. EUR 5.0 billion and covers roughly 210 properties. IMMOFINANZ is listed on the stock exchanges in Vienna (leading ATX index) and Warsaw. Further information under: <http://www.immofinanz.com>*

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\* Number of shares included (basic): 111,595,279 for 2020 and 106,567,143 for 2019