

IMMOFINANZ with strong earnings plus for the first half-year – successful growth course will be continued

- Strong performance with net profit of EUR 228.6 million
- Successful crisis management in volatile times leads to substantial improvement of 73% in results of operations to EUR 103.3 million
- FFO 1 reaches EUR 64.4 million and tops the pre-crisis level in 2019
- EPRA NTA per share rises by 7.8% since the beginning of the year to EUR 30.0
- Acquisitions and development projects of EUR 1.0 billion by 2024
- Dividend recommendation to the annual general meeting on 19 October for the 2020 financial year will be increased to EUR 0.75/share

KEY FIGURES (IN MEUR)	Q1-2 2021	Δ IN %	Q1-2 2020
Rental income	145.0	-0.8%	146.2
Results of asset management	106.8	3.9%	102.8
Results of property sales	-3.7	≤-100.0%	-0.7
Results of property development	22.0	n/a	-16.7
Results of operations	103.3	73.0%	59.7
EBIT	155.9	n/a	-83.6
Financial results	91.6	n/a	-42.4
Net profit/loss	228.6	n/a	-120.4
FFO 1 (before tax incl. accrued interest for bonds)	64.4	7.7%	59.8

IMMOFINANZ generated strong growth in the results of operations and net profit during the first half-year. The expansion of the portfolio through acquisitions in Bucharest and Italy during recent months will be continued: The acquisition and development project pipeline has a volume of more than EUR 1 billion.

IMMOFINANZ delivered strong results for the first half of 2021, even though the markets generally remained under the influence of the COVID-19 pandemic and related containment measures. The results of operations rose by a sound 73% to EUR 103.3 million, above all due to an increase in the results of asset management and the results of property development combined with cost savings, and shows the professional performance of IMMOFINANZ employees in all markets. The progress of vaccination campaigns and the related economic upturn supported the recovery of part of the crisis-related property write-downs from the previous year. Net profit turned strongly positive and, at EUR 228.6 million, clearly exceeded the pre-crisis half-year in 2019. FFO 1, which excludes valuation results and reflects the company's operating cash flow earning power, improved by 7.7% to EUR 64.4 million and also substantially exceeded the pre-crisis FFO 1 from the 2019 reference period.

“The strong development of our business and portfolio in the first half of 2021 underscores the excellent position of our real estate products in both crisis times and for the following years as well as our pioneering role in Europe – with regard to our high-quality, flexible myhive office solutions and our standing as Europe's leading retail park

operator. From this basis, we intend to continue our growth course as one of the major European real estate companies and are planning acquisitions and development projects for more than one billion euros by 2024“, indicated **Dietmar Reindl, COO of IMMOFINANZ**. Plans include the further expansion of the existing asset classes with myhive in Vienna and in the capital cities of the core countries. The STOP SHOP retail park portfolio will grow from roughly 100 to 140 locations, whereby the country focus will be placed on Italy and Croatia, CEE and, selectively, also on Western Europe.

“We are very well positioned for this growth with a robust balance sheet structure, more than one billion euros of available liquidity, our investment grade rating and favourable financing costs of 1.9%. In view of the strong earnings and financial situation and successful crisis management, we will make a recommendation to the annual general meeting for the 2020 financial year to increase the dividend from EUR 0.55 per share to EUR 0.75 per share“, explained **Stefan Schönauer, CFO of IMMOFINANZ**. The 28th annual general meeting is scheduled for 19 October 2021.

Property portfolio grows to EUR 5.1 billion

IMMOFINANZ's portfolio included 209 properties with a combined carrying amount of EUR 5.1 billion at the end of June 2021 (31 December 2020: EUR 5.0 billion). Of this total, approximately 64% are attributable to the office business and 35% to the retail business. The gross return equals 5.9% based on IFRS rental income and 6.2% based on invoiced rents. The occupancy rate equals 94.1% and continues to represent a high level in international comparison (31 December 2020: 96.0%). The retail properties are essentially fully rented with an occupancy rate of 97.5%, and all of the space in our shopping centers and retail parks is open without limitation. The office business registered a slight decline in the occupancy rate to 90.3% during the first half-year – primarily due to a reduction in the space leased by a major tenant in Germany which was hard hit by the COVID-19 pandemic. Despite the still challenging environment, we completed several new major long-term rentals: for example, nearly 11,000 sqm to a leading Romanian medical center provider in Bucharest.

More than EUR 1 billion of available liquid funds

IMMOFINANZ has a robust balance sheet structure with an equity ratio of 47.4% (31. December 2020: 45.1%) and cash and cash equivalents of EUR 966.9 million. Furthermore, a revolving credit line of EUR 100.0 million is also available. The net loan to value remains at a conservative 38.1% (31 December 2020: 37.8%). The average remaining term of the financial liabilities is 4.25 years, and the average financing costs declined to 1.91% per year including derivatives (31 December 2020: 1.99%). The hedging quota is high at 88.6%, and the unencumbered asset pool (investment property and S IMMO shares at the EPRA NAV) totals EUR 2.0 billion or 35.6% (31 December 2020: EUR 2.0 billion or 34.9%).

EPRA indicators and book value per share improve by roughly 8%

The **EPRA NTA per share** rose by 7.8% to EUR 30.0 as of 30 June 2021 (31 December 2020: EUR 27.8). This increase is primarily attributable to the positive development of earnings in the first half of 2021. The **book value** per share increased by 7.8% to EUR 27.2 (31 December 2020: EUR 25.2).

Q1-2 2021 results in detail

Rental income was stable at EUR 145.0 million (Q1–2 2020: EUR 146.2 million), and the results of asset management rose by 3.9% to EUR 106.8 million (Q1–2 2020: EUR 102.8 million). This increase resulted, above all, from a reduction in property expenses, which fell by 18.8% to EUR -31.6 million (Q1–2 2020: EUR -38.9 million). These expenses still exceed the pre-crisis level due to the effects of the pandemic – but the write-off of rents receivable included in this position, which represent support by IMMOFINANZ for its tenants during the lockdown periods, were substantially lower than the previous year and totalled EUR -9.4 million (Q1–2 2020: EUR -18.2 million).

Property sales totalling EUR 148.6 million were concluded during the first half-year and were related primarily to older office properties in Warsaw and Budapest. The **results of property development** turned strongly positive at EUR 22.0 million (Q1–2 2020: EUR -16.7 million), chiefly due to positive valuation effects from an office project in Düsseldorf.

Other operating expenses improved by 13.4% to EUR -23.0 million (Q1–2 2020: EUR -26.5 million), above all due to the absence of non-recurring effects from the previous year. The **results of operations** therefore rose by a solid 73.0% to EUR 103.3 million (Q1–2 2020: EUR 59.7 million).

Results from the **revaluation of standing investments** equalled EUR 52.5 million, compared with crisis-related write-downs in the previous year to reflect the adverse effects of the COVID-19 pandemic (Q1–2 2020: EUR -143.4 million). The revaluations are related chiefly to office properties in Austria and Germany and reflect the ongoing dynamic market environment. **Operating profit (EBIT)** therefore improved significantly to EUR 155.9 million (Q1–2 2020: EUR -83.6 million).

Financing costs totalled EUR -42.2 million (Q1–2 2020: EUR -37.7 million) and reflect the year-on-year increase of roughly 11.1% in the financing volume. Average financing costs, including hedging, equalled 1.91% per year (31 December 2020: 1.99%). The other financial results of EUR 8.5 million (Q1–2 2020: EUR -12.4 million) resulted primarily from the valuation of interest rate derivatives (Q1–2 2021: EUR 11.1 million) following an increase in long-term interest rates.

The share of results from equity-accounted investments increased to EUR 124.1 million (Q1–2 2020: EUR 6.4 million). Of this total, EUR 121.8 million are attributable to S IMMO (revaluation of EUR 85.3 million to the investment due to the increase in the share price and a proportional earnings share of EUR 36.5 million). **Financial results** totalled EUR 91.6 million (Q1–2 2020: EUR -42.4 million).

Profit before tax improved significantly to EUR 247.4 million (Q1–2 2020: EUR -126.0 million). After the deduction of EUR -18.8 million (Q1–2 2020: EUR 5.7 million) in income taxes, **net profit** amounted to EUR 228.6 million (Q1–2 2020: EUR -120.4 million). That represents earnings per share¹ of EUR 1.85 (basic), respectively EUR 1.69 (diluted) (Q1–2 2020: EUR -1.19 basic/diluted).

FFO 1 from the standing investment business (before tax and including accrued interest on the bonds) rose by 7.7% to EUR 64.4 million (Q1–2 2020: EUR 59.8 million). This increase is attributable, above all, to the improvement in the results of asset management. FFO 1 per share equalled EUR 0.52, compared with EUR 0.59 in the first half of 2020 based on a higher number of shares².

The interim report by IMMOFINANZ AG on the first half year 2021 as of 30 June 2021 will be available on the company's website under <http://www.immofinanz.com/en/investor-relations/financial-reports> starting on 31 August 2020.

On IMMOFINANZ

IMMOFINANZ is a commercial real estate group whose activities are focused on the office and retail segments of eight core markets in Europe: Austria, Germany, Poland, Czech Republic, Slovakia, Hungary, Romania and the Adriatic region. 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 5.1 billion and covers roughly 210 properties. IMMOFINANZ is listed on the stock exchanges in Vienna (leading ATX index) and Warsaw. Further information under: <https://www.immofinanz.com>

¹ Number of shares for the calculation for Q1–2 2021: 123,293,795 (basic, including full dilution by mandatory convertible bonds 2023) and 137,196,458 (diluted, incl. full dilution by convertible bonds 2024)

² Number of shares: 123,293,795 for Q1–2 2021 incl. full dilution by mandatory convertible bonds 2023 and 100,876,743 shares for Q1–2 2020

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