

IMMOFINANZ with top performance in Q1-3 2021: results of operations and net profit clearly above pre-crisis level

- Strong Group results with net profit of EUR 295.7 million
- Successful crisis management leads to substantial improvement in results of operations by roughly 60% to EUR 180.4 million
- Occupancy rate remains high at 94.1%
- EPRA NTA per share increases by more than 10% to EUR 30.8
- Portfolio expansion to roughly EUR 6 billion planned for 2022
- FFO 1 before tax of more than EUR 135 million projected for 2022 – dividend payment targeted at approximately 70% of FFO 1

KEY FIGURES (IN MEUR)	Q1-3 2021	Δ IN %	Q1-3 2020
Rental income	216.4	0.3%	215.8
Results of asset management	163.1	2.6%	158.9
Results of property sales	24.1	≥+100.0%	9.5
Results of property development	24.1	n/a	-21.0
Results of operations	180.4	59.5%	113.1
EBIT	234.4	n/a	-31.7
Financial results	91.8	n/a	-60.5
Net profit/loss	295.7	n/a	-98.3
FFO 1 (before tax incl. accrued interest for bonds)	90.7	-3.1%	93.6

IMMOFINANZ again demonstrated its strong earning power in the first three quarters of 2021. The results of operations rose by nearly 60% year-on-year to EUR 180.4 million and even substantially exceeded the comparable 2019 pre-crisis level (+29% versus Q1–3 2019). Net profit turned clearly positive at EUR 295.7 million and also surpassed the pre-crisis level in 2019 (Q1–3 2019: EUR 202.6 million).

IMMOFINANZ delivered strong results for the first three quarters of 2021, even though the markets generally remained under the influence of the COVID-19 pandemic. An increase in the results of asset management, significant improvement in the earnings from property sales and property development as well as cost savings led to a substantial **increase of 59.5% in the results of operations to EUR 180.4 million**. 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. Results from the revaluation of standing investments equalled EUR 54.0 million, compared with EUR -144.8 million in the first three quarters of 2020. Financial results improved to EUR 91.8 million despite a higher financing volume and increased results from equity-accounted investments. IMMOFINANZ generated **net profit of EUR 295.7 million** in the first three quarters of 2021 (Q1-3 2020: EUR -98.3 million). FFO 1, which does not include revaluation results, basically reflected the previous year at EUR 90.7 million (Q1–3 2020:

EUR 93.6 million). This slight decline is attributable, above all, to an increase in financing costs as a result of the higher financing volume.

“IMMOFINANZ is again moving rapidly from one strong quarter to the other after the corona year in 2020, despite the ongoing effects of the pandemic on our business activities. Even though we are seeing a substantial rise in infections in many of our core countries, we are very optimistic over results for the full 2021 financial year. Sound performance in the first three quarters and a positive outlook for the remainder of the year prove that we took the right steps during the crisis. We are emerging stronger from this pandemic and have built the foundation for future-value creating growth. Our sustainable success is based on a clear portfolio strategy with crisis-resistant brands and flexible and innovative offers“, explained **Dietmar Reindl, COO of IMMOFINANZ**. “Based on our very good market position, we are planning to expand the portfolio with our STOP SHOP and myhive brands from the current volume of EUR 5 billion to roughly EUR 6 billion in 2022.“

Stefan Schönauer, CFO of IMMOFINANZ: “This growth, the further development of the portfolio and our solid financial structure represent a strong **foundation for future FFO growth** and our sustainable dividend policy. For the coming 2022 financial year, we expect FFO 1 before tax of more than EUR 135 million – assuming hopefully moderate COVID-19 effects – and we want to distribute **roughly 70% of FFO 1 as dividends** to our shareholders.“ IMMOFINANZ’s financial policy remains unchanged: Leverage expressed by net LTV, which currently equals a very conservative 36.6%, is targeted to remain below 45% over the medium-term and the **investment grade rating** will be protected. With regard to the valuable investment in S IMMO, IMMOFINANZ is still keeping all options open.

Crisis-resistant portfolio and waiting lists for flexible office products

IMMOFINANZ’s property portfolio totalled approximately EUR 5.0 billion at the end of September 2021. Of this total, approximately 63% are attributable to the office business and 36% to the retail business. The portfolio strategy is based on clearly defined brands with flexible and innovative offers and strong customer orientation. These factors, in combination, allow IMMOFINANZ to meet the needs of buyers in the retail business and tenants in the office business. The roll-out of the flexible myhive office products has continued in 2021. The demand for these short-term bookable, flexible office solutions is developing very well, and there are currently waiting lists at several locations.

In the retail business, COVID-19 containment measures resulted in the temporary shutdown of roughly 15% of IMMOFINANZ’s retail space at the end of November but this space is expected to re-open before Christmas. The earlier waves in the COVID-19 pandemic were followed by the very rapid recovery of visitor traffic in the retail parks after the end of the lockdowns as well as an increase in the turnover per visit. In the first nine months of 2021, in the STOP SHOP properties retail turnover was 10.0% higher than the comparable period in 2020. Footfall in the STOP SHOPS was 3.2% lower than the previous year during the months from January to September 2021 – including the COVID-19-related shutdown days. For the VIVO! shopping centers, footfall was 13.8% higher, while retail revenues rose by 25.0%. This sizeable increase is attributable, above all, to the four VIVO! shopping centers in Romania, which were affected by extensive shutdowns in the previous year up to mid-June 2020.

Occupancy rate high at 94.1%

The standing investment portfolio has a gross return of 5.9% based on IFRS rental income and a return of 6.3% based on invoiced rents. At 94.1% (31 December 2020: 96.0%), the occupancy rate remained at a high international level. The retail properties are practically fully rented at 97.4%, and the STOP SHOPS can demonstrate an even higher 99.0%. The occupancy rate in the office business declined slightly to 90.2% during the first three quarters – however, this is mainly due to the reduction of space by a large tenant in Germany who was hit hard by the COVID-19 pandemic. The first new tenants will soon move into these vacant areas. Take-up amounted to roughly 337,800 sqm in the first nine months of 2021, which represents 17% of the total rentable space. In the office properties, take-up nearly reached the 2019 pre-crisis level at 106,000 sqm.

More than EUR 1 billion of available liquid funds

IMMOFINANZ has a **robust balance sheet structure** with a strengthened equity ratio of 48.5% (31 December 2020: 45.1%) and cash and cash equivalents of EUR 1,016.9 million. Furthermore, a revolving credit line of EUR 100.0 million is also available. The net loan to value remains at a conservative 36.6% (31 December 2020: 37.8%). The average remaining term of the financial liabilities is 4.0 years, and **the average financing costs (including derivatives) declined to 1.92%** (31 December 2020: 1.99%). The hedging quota for interest rate hedges is high at 87.9%, and the unencumbered asset pool (investment property and S IMMO shares at the EPRA NAV) totals EUR 2.1 billion or 36.7% (31 December 2020: EUR 2.0 billion or 34.9%).

EPRA indicators and book value per share improved by more than 10%

The **EPRA NTA per share** rose by 10.6% to EUR 30.8 as of 30 September 2021 (31 December 2020: EUR 27.8). This increase is primarily attributable to the positive development of earnings. The **book value** per share increased by 10.3% to EUR 27.8 (31 December 2020: EUR 25.2).

Q1-3 2021 results in detail

Rental income rose slightly to EUR 216.4 million (Q1–3 2020: EUR 215.8 million) and led to an improvement of 2.6% in the **results of asset management** to EUR 163.1 million (Q1–3 2020: EUR 158.9 million). This increase resulted, above all, from a reduction in property expenses, which improved by 11.5% to EUR -43.4 million (Q1–3 2020: EUR -49.1 million). Property expenses still exceeded 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 -10.9 million (Q1–3 2020: EUR -19.2 million).

The **results of property sales** more than doubled to EUR 24.1 million (Q1–3 2020: EUR 9.5 million). The sale of the Cluster Produktionstechnik office building in Aachen for EUR 124.0 million was responsible for the largest positive effect. In line with the corporate strategy, properties with a total volume of EUR 259.6 million were sold during the first three quarters of 2021. Included here are the building in Aachen and, above all, older and non-strategic office properties in Warsaw and Budapest. The **results of property development** also turned strongly positive at EUR 24.1 million (Q1–3 2020: EUR -21.0 million), chiefly due to positive valuation effects from an office development project in Düsseldorf.

Other operating expenses improved by 9.8% to EUR -32.3 million (Q1–3 2020: EUR -35.8 million), above all due to the absence of non-recurring effects from the previous year. The **results of operations** therefore rose by a solid 59.5% to EUR 180.4 million (Q1–3 2020: EUR 113.1 million). Results from the revaluation of standing investments equalled EUR 54.0 million, compared with crisis-related write-downs in the previous year to reflect the adverse effects of the COVID-19 pandemic (Q1–3 2020: EUR -144.8 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 234.4 million (Q1–3 2020: EUR -31.7 million).

Financing costs totalled EUR -61.9 million (Q1–3 2020: EUR -55.7 million) and reflect a year-on-year increase of roughly 12% in the financing volume. Average financing costs, including hedging, equalled 1.92% per year (31 December 2020: 1.99%). The other financial results of EUR 20.3 million (Q1–3 2020: EUR -13.4 million) resulted primarily from the positive valuation of interest rate derivatives (Q1–3 2021: EUR 14.8 million) following an increase in long-term interest rates. The share of results from equity-accounted investments increased to EUR 131.5 million (Q1–3 2020: EUR 9.4 million). Of this total, EUR 128.0 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 42.8 million). **Financial results** totalled EUR 91.8 million (Q1–3 2020: EUR -60.5 million).

Profit before tax improved significantly to EUR 326.2 million (Q1–3 2020: EUR -92.2 million) and also exceeded the comparable pre-crisis period in 2019. After the deduction of EUR -30.5 million (Q1–3 2020: EUR -6.0 million) in income taxes, **net profit** amounted to EUR 295.7 million (Q1–3 2020: EUR -98.3 million and Q1–3 2019: EUR 202.6 million). That represents **earnings per share*** (basic) of EUR 2.4, respectively EUR 2.2 (diluted) (Q1–3 2020: EUR -0.91).

FFO 1 from the standing investment business (before tax and including the accrued interest on bonds) totalled EUR 90.7 million and is roughly at the previous year's level (Q1–3 2020: EUR 93.6 million). This slight decline is attributable, above all, to an increase in financing costs as a result of the higher financing volume. **FFO 1 per share** equalled EUR 0.74, compared with EUR 0.87 in the first three quarters of 2020, based on a higher number of shares*.

The interim report by IMMOFINANZ AG on the first three quarters of the year 2021 as of 30 September 2021 will be available on the company's website under <https://immofinanz.com/en/investor-relations/financial-reports> starting on 30 November 2021.

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 5.0 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>

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* Number of shares for the calculation for Q1–3 2021: 123,293,780 (basic) and 137,196,443 (diluted)

Number of shares for the calculation for Q1–3 2020: 107,667,310