

IMMOFINANZ with a strong start into the 2022 financial year: 4.3% increase in like-for-like rental income

- FFO 1 (before tax) reflects the very good prior year level at EUR 34.4 million
- Occupancy rate remains high at 94.4%
- EPRA NTA per share improves to EUR 29.4
- Strong balance sheet with equity ratio of 52.3% and net LTV of 32.7%

| KEY FIGURES (IN MEUR) | Q1 2022 | Δ IN % | Q1 2021 |
|---------------------------------|---------|--------|---------|
| Rental income | 70.2 | -6.1 | 74.8 |
| Rental income like for like | 64.0 | 4.3 | 61.4 |
| Results of asset management | 53.9 | -1.8 | 54.9 |
| Results of property sales | 0.6 | n/a | -0.4 |
| Results of property development | -4.1 | n/a | 1.1 |
| Results of operations | 38.1 | -17.9 | 46.4 |
| EBIT | 37.3 | -21.1 | 47.4 |
| Financial results | 47.7 | -40.1 | 79.7 |
| Net profit | 72.4 | -41.2 | 123.1 |
| FFO 1 (before tax) | 34.4 | -0.2 | 34.5 |

IMMOFINANZ successfully completed a solid start into the 2022 financial year: Like-for-like rental income rose by 4.3% in the first quarter, the occupancy rate remained high at 94.4%, and FFO 1 before tax was stable at a very good level of EUR 34.4 million. Net profit totalled EUR 72.4 million, compared with a substantial positive effect in the first quarter of the previous year from the revaluation of the stake in S IMMO. With an equity ratio of 52.3% and conservative debt level with a net LTV of 32.7%, IMMOFINANZ has a strong capital foundation.

IFRS rental income totalled EUR 70.2 million in the first quarter and was slightly lower than the previous year, which was influenced by a positive non-recurring compensation payment from a large tenant for a pandemic-related reduction in the rented space (Q1 2021: EUR 74.8 million). After an adjustment for this non-recurring effect of EUR 6.7 million, IMMOFINANZ generated sound growth in the first quarter: In comparison with the previous year, rental income rose by 3.1% and exceeded the Q4 2021 level by 2.8%. This positive development was also reflected in a year-on-year increase of 4.3% in like-for-like rental income (adjusted for acquisitions, sales and completions) to EUR 64.0 million.

“The strong growth in like-for-like rental income underscores the optimal positioning of our portfolio: This mix of affordable retail for consumers and high-quality, innovative and flexible offices solutions meets the requirements of our tenants as well as their customers and employees”, explained Dietmar Reindl, member of the Executive Board of IMMOFINANZ. “Positive development was recorded in most of the markets – led by Austria. Like-for-like rental income rose by 2.9% in the office business and by 5.6% in the retail business, which impressively demonstrates the strength of our STOP SHOP and myhive brands.”

The results of operations totalled EUR 38.1 million in the first quarter of 2022 (Q1 2021: EUR 46.4 million), and financial results equalled EUR 47.7 million (Q1 2021: EUR 79.7 million). Net profit amounted to EUR 72.4 million, following a comparative first quarter that was substantially influenced by the positive revaluation of the stake in S IMMO (Q1 2021: EUR 123.1 million). FFO 1 from the standing investment business (before tax) was stable at EUR 34.4 million (Q1 2021: EUR 34.5 million). That represents FFO 1 per share of EUR 0.26, compared with EUR 0.28 in Q1 2021 based on a higher number of shares.

Occupancy rate at high level

The IMMOFINANZ property portfolio covered 225 properties as of 31 March 2022 with a combined value of EUR 5.2 billion. Standing investments represented the largest component at EUR 4.6 billion and 2.0 million sqm of rentable space. At 94.4% (31 December 2021: 95.1%), the occupancy rate remained high. The retail properties were practically fully rented at 98.4%. The gross return on the standing investment portfolio equalled 5.9% based on IFRS rental income and 6.2% based on invoiced rents.

Radka Doehring, member of the Executive Board of IMMOFINANZ: *“We further expanded our position as the leading retail park operator in Europe this year with the acquisition of another retail park in Italy. We also recently completed a STOP SHOP in the Croatian city of Kastela and opened with full occupancy. Our plans call for the continuation of our growth course in the promising Adriatic region, and we will soon start construction on further retail park projects in Croatia.”*

Equity ratio strengthened

IMMOFINANZ had a robust balance sheet structure as of 31 March 2022 with a stronger equity ratio of 52.3% (31 December 2021: 48.1%) and cash and cash equivalents of EUR 953.6 million. Cash and cash equivalents declined by EUR 568.8 million after the end of the reporting period following the repayment of corporate bonds. Despite this liquidity outflow, IMMOFINANZ still has a sound financial position. The average financing costs for financial liabilities (incl. derivatives) remained unchanged at a favourable 1.9%.

Stefan Schönauer, member of the Executive Board of IMMOFINANZ: *“Our equity ratio has improved to roughly 52% since the beginning of the year and our debt level – based on the net loan-to-value – is very conservative at 32.7%. In addition, roughly 90% of our financial liabilities are hedged against rising interest rates – which also has a positive influence on our financial results and underscores our effective hedging strategy. That creates a decisive advantage in the current environment.”*

EPRA indicators per share improved

The EPRA NTA per share rose by 0.6% from EUR 29.19 at the end of December 2021 to EUR 29.37 as of 31 March 2022. The IFRS book value per share equalled EUR 26.94 at the end of March 2022 (31 December 2021: EUR 27.44)*.

Outlook

A change of control event led to the repayment of corporate bonds and to cash outflows of EUR 568.8 million. As communicated in an ad-hoc press release on 26 April 2022, the amount of these repayments had an influence on the outlook for business development in 2022 as originally announced by IMMOFINANZ. This guidance was therefore retracted, and the Executive Board is re-assessing the expected development of business. Plans call for the announcement of an updated guidance for the financial goals in 2022 during the year.

The annual general meeting for the 2021 financial year will be held on 12 July 2022 as a virtual annual general meeting in accordance with the relevant COVID-19 regulation. The dividend recommendation for the 2021 financial year will be announced on a timely basis before the annual general meeting.

* Number of shares included for Q1 2022: 138,280,964 (basic); number of shares included for 2021: 123,292,767 (basic)

Results in detail

Rental income totalled EUR 70.2 million in the first quarter. The year-on-year decline (Q1 2021: EUR 74.8 million) is attributable to a positive non-recurring compensation payment of EUR 6.7 million in the first quarter of 2021 from a large tenant for a pandemic-related reduction in the rented space. After an adjustment for this non-recurring effect, rental income rose by 3.1%. Rental income also exceeded the Q4 2021 level by 2.8%. This positive development was also reflected in an increase of 4.3% in like-for-like rental income (adjusted for acquisitions, sales and completions) over Q1 2021.

Property expenses fell by 28.5% to EUR -12.2 million, above all due to a sharp drop to EUR -0.4 million (Q1 2021: EUR -6.2 million) in the write-off of rent receivables included in this position. These write-offs represented support by IMMOFINANZ for its tenants during the pandemic-related lockdown periods in 2020 and 2021. The write-offs of rent receivables declined to the pre-crisis level in Q1 2022. The results of asset management were stable year-on-year at EUR 53.9 million (Q1 2021: EUR 54.9 million).

The **results of property sales** rose to EUR 0.6 million (Q1 2021: EUR -0.4 million) based on sales of EUR 2.5 million. The sold properties consisted mainly of non-core land in Turkey. The **results of property development** amounted to EUR -4.1 million (Q1 2021: EUR 1.1 million) and resulted chiefly from a general increase in the construction costs for individual projects.

Other operating expenses rose to EUR -12.9 million (Q1 2021: EUR -10.1 million), mainly due to consulting costs in connection with the takeover offers by the CPI Property Group and S IMMO for IMMOFINANZ and in connection with digitalisation measures. Consequently, the **results of operations** equalled EUR 38.1 million (Q1 2021: EUR 46.4 million).

Results from the revaluation of standing investments amounted to EUR -0.7 million (Q1 2021: EUR 1.0 million) based – as is regularly the case in Q1 and Q3 of a financial year – on an internal valuation. **Operating profit (EBIT)** totalled EUR 37.3 million (Q1 2021: EUR 47.4 million).

Financing costs fell by 15.2% to EUR -17.0 million (Q1 2021: EUR -20.0 million) and declined at a higher rate than the 8.7% reduction in the financing volume. The largest savings were attributable to conversions of the convertible bond 2024 in connection with the attainment of control by the CPI Property Group. The other financial results of EUR 45.9 million (Q1 2021: EUR 8,9 million) were based primarily on the positive valuation of interest rate derivatives (EUR 47.5 million) following an increase in long-term interest rates and underscore the Group's effective hedging policy.

The share of results from equity-accounted investments totalled EUR 17.3 million (Q1 2021: EUR 90.9 million), due to the strong positive revaluation of the S IMMO investment in the first quarter of the previous year. The S IMMO investment was responsible for a proportional earnings share of EUR 15.1 million (Q1 2021: EUR 88.0 million). **Financial results** totalled EUR 47.7 million (Q1 2021: EUR 79.7 million).

Profit before tax totalled EUR 85.1 million (Q1 2021: EUR 127.0 million). After the deduction of EUR -12.7 million (Q1 2021: EUR -4.0 million) in income taxes, **net profit** amounted to EUR 72.4 million (Q1 2021: EUR 123.1 million). That represents **earnings per share*** of EUR 0.55 (Q1 2021: EUR 0.91).

The interim financial report by IMMOFINANZ AG for the first quarter of the financial year 2022 as of 31 March 2022 will be available on the company's website under <https://immofinanz.com/en/investor-relations/financial-reports> starting on 25 May 2022.

* Number of shares included for Q1 2022: 132,867,405 (basic and diluted); number of shares included for Q1 2021: 137,196,458 (diluted)

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. With the new On Top Living brand, IMMOFINANZ is expanding into sustainable and affordable living. The real estate portfolio has a value of approximately EUR 5.2 billion and covers more than 220 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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