

IMMOFINANZ with very good first half-year in 2022: FFO 1 increases by 6%, net profit reaches EUR 163 million

- Rental income stable year-on-year, plus 4.2% after adjustment for non-recurring effect
- Occupancy rate high at 94.3%
- EPRA NTA per share improves to EUR 29.5
- Strong balance sheet with equity ratio of 57.3% and net LTV of 32.5%

KEY FIGURES (IN MEUR)	Q1–2 2022	Δ IN %	Q1–2 2021
Rental income	144.2	-0.6	145.0
Results of asset management	110.0	3.0	106.8
Results of property sales	-11.8	≤ -100%	-3.7
Results of property development	-7.8	n/a	22.0
Results of operations	56.3	-45.5	103.3
EBIT	131.0	-15.9	155.9
Financial results	68.8	-24.8	91.6
Net profit	162.7	-28.8	228.6
FFO 1 (before tax)	78.7	6.1	74.2 ¹

IMMOFINANZ closed the first half of 2022 with very strong performance: Rental income reached a high level of EUR 144.2 million, the results of asset management improved by 3.0% to EUR 110.0 million, and sustainable FFO 1 from the standing investment business rose by 6.1% to EUR 78.7 million. Net profit equalled EUR 162.7 million, whereby the first half of the previous year was influenced, above all, by a substantial revaluation to the investment in S IMMO. With an equity ratio of 57.3% and conservative debt with a net LTV of 32.5%, IMMOFINANZ has a strong capital base.

“The good development of earnings in the first half of 2022 underscores IMMOFINANZ’s strong position in its core markets. Rental income – after an adjustment for non-recurring effects – increased despite the challenging environment and FFO 1 rose by more than 6%. Although several one-off effects were reflected in earnings and on the balance sheet, we have a very solid financial base to continue our value-enhancing growth course in the future. We plan to expand with our strong myhive, STOP SHOP und VIVO! brands and further improve our leading position in innovative office and retail solutions. We are optimally positioned to create value for our tenants, employees and shareholders”, explained **Radka Doehring of the Executive Board of IMMOFINANZ.**

The attainment of majority control by the CPI Property Group triggered several non-recurring effects in the first half-year, among others, higher costs due to the takeover offers by the CPI Property Group and S IMMO and the related premature repayment of corporate bonds due to the change of control. The current environment was also reflected in the full write-off of a purchase price receivable from the Russian portfolio that was sold in 2017, which had a negative effect on the results of property sales. The results of operations totalled EUR 56.3 million (Q1–2 2021: EUR 103.3 million) and operating profit amounted to EUR 131.0 million (Q1–2 2021: EUR 155.9 million).

In total, IMMOFINANZ generated net profit of EUR 162.7 million, or earnings per share of EUR 1.20, in the first half of 2022 (Q1–2 2021: EUR 228.6 million resp. EUR 1.69 per share).

FFO 1 from the standing investment business (before tax) rose by 6.1% to EUR 78.7 million in the first half of 2022 (Q1–2 2021: EUR 74.2 million¹). That represents FFO 1 per share of EUR 0.58 (Q1–2 2021: EUR 0.60¹) and is based on a higher number of shares.

Occupancy rate at high level

The IMMOFINANZ property portfolio covered 227 properties as of 30 June 2022 with a combined value of EUR 5.4 billion. Standing investments represented the largest component at EUR 4.8 billion and 2.0 million sqm of rentable space. At 94.3% (31 December 2021: 95.1%), the occupancy rate remained high. The retail properties were practically fully rented at 98.5%. The gross return on the standing investment portfolio equalled 6.1% based on IFRS rental income and 6.4% based on invoiced rents.

Equity ratio strengthened

IMMOFINANZ had a robust balance sheet structure with a stronger equity ratio of 57.3% (31 December 2021: 48.1%) and cash and cash equivalents of EUR 383.5 million at the end of June 2022. The average financing costs for financial liabilities (incl. derivatives) remained unchanged at a favourable 1.9%.

EPRA per share indicators improved

The EPRA NTA per share rose by 1.0% from EUR 29.19 at the end of December 2021 to EUR 29.49 as of 30 June 2022. The IFRS book value per share equalled EUR 27.64 (31 December 2021: EUR 27.44).

Outlook

IMMOFINANZ intends to continue its growth course, as indicated in the strategy update which was approved after the majority takeover by the CPI Property Group in June of this year. The focus will remain on retail properties and myhive office solutions. Active portfolio management will also include the sale of properties with a combined value of roughly EUR 1 billion. IMMOFINANZ plans to reinvest the proceeds in real estate to strengthen its brands or use the funds to repay debt.

FFO 1 before tax is expected to reach the good prior year level of roughly EUR 120 million for the full 12 months of 2022.

The distribution policy for the 2022 financial year will be dependent on the further development of the market environment, the timing of planned property acquisitions and sales, and coordination with IMMOFINANZ's majority shareholder.

Results in detail

Rental income was stable in comparison with the previous year at EUR 144.2 million in the first half of 2022 (Q1–2 2021: EUR 145.0 million). However, the first half of 2021 was positively influenced by a non-recurring compensation payment of EUR 6.7 million from a major tenant for a pandemic-related reduction in space. After an adjustment for this non-recurring effect, rental income rose by 4.2%. This increase was supported by the sound development of like-for-like rental income, the purchase of a STOP SHOP retail park in Italy, and the completion of development projects which more than offset the sale of properties. Like-for-like rental income (adjusted for acquisitions, sales and completions) increased by a solid 7.1% in the second quarter of 2022.

Property expenses were 14.8% lower at EUR -26.9 million, chiefly due to a substantial decline in the write-off of rents receivable included in this position to EUR -1.2 million (Q1–2 2021: EUR -9.4 million). These write-offs represented support by IMMOFINANZ for its tenants during the pandemic-related lockdown periods in 2020 and 2021. The pre-crisis level for write-downs was reached during the first half of 2022. The **results of asset management** rose by 3.0% to EUR 110.0 million (Q1–2 2021: EUR 106.8 million).

The **results of property sales** amounted to EUR -11.8 million (Q1–2 2021: EUR -3.7 million) and were influenced, above all, by the full write-off of a EUR -12.9 million purchase price receivable from Russia. This receivable originated from the sale of the Russian portfolio in 2017 and was scheduled for settlement in the first half of 2022. As a consequence of the war in Ukraine and the related sanctions against the Russian Federation together with the accompanying effects – in particular, the payment restrictions imposed by Russia – management classified this receivable as uncollectible. IMMOFINANZ holds no other receivables nor liabilities from the former Russian portfolio and is currently reviewing all legal options to assert this claim.

Property sales totalled EUR 4.9 million in the first half of 2022 and consist, above all, of non-core land in Turkey. The **results of property development** equalled EUR -7.8 million (Q1–2 2021: EUR 22.0 million) and reflect the increase in construction costs for individual projects which resulted from changes in the operating environment.

Other operating expenses increased to EUR -36.1 million as a result of non-recurring effects (Q1–2 2021: EUR -23.0 million). These expenses generally involved consulting fees related to the takeover offers for IMMOFINANZ by the CPI Property Group and S IMMO, the resignation of Dietmar Reindl and Stefan Schönauer from the Executive Board, and digitalisation projects. The **results of operations** amounted to EUR 56.3 million (Q1–2 2021: EUR 103.3 million).

Results from the revaluation of standing investments totalled EUR 74.7 million (Q1–2 2021: EUR 52.5 million). Retail properties were responsible for EUR 50.4 million of the value appreciation, which covered STOP SHOPS as well as VIVO! shopping centers and reflected the improvement in the market environment. Revaluations in the standing office investments amounted to EUR 28.3 million and were supported by positive effects at buildings in Warsaw, Vienna and Prague. **Operating profit (EBIT)** equalled EUR 131.0 million (Q1–2 2021: EUR 155.9 million).

Financing costs declined by 2.6% to EUR -41.0 million (Q1–2 2021: EUR -42.2 million). The other financial results of EUR 80.9 million (Q1–2 2021: EUR 8.5 million) were based primarily on the positive valuation of interest rate derivatives (EUR 88.1 million) following an increase in long-term interest rates and demonstrate the Group's effective hedging policy. These factors were contrasted by costs of EUR -5.6 million for the repurchase of corporate bonds at 101% of the nominal value as a consequence of the change of control.

The share of results from equity-accounted investments totalled EUR 27.4 million and reflected the strong positive revaluation of the S IMMO investment in the first half of the previous year (Q1–2 2021: EUR 124.1 million). The S IMMO investment was responsible for a proportional earnings share of EUR 25.2 million in the first half of 2022 (Q1–2 2021: EUR 121.8 million). **Financial results** amounted to EUR 68.8 million (Q1–2 2021: EUR 91.6 million).

Profit before tax totalled EUR 199.9 million (Q1–2 2021: EUR 247.4 million). Income taxes rose to EUR -37.1 million (Q1–2 2021: EUR -18.8 million), above all due to the increase in deferred tax expenses that resulted among others from the strong positive valuation of interest rate derivatives. **Net profit** equalled EUR 162.7 million (Q1–2 2021: EUR 228.6 million) and represents **earnings per share²** of EUR 1.20 (Q1–2 2021: EUR 1.69).

The interim financial report by IMMOFINANZ AG for the first half of the financial year 2022 as of 30 June 2022 will be available on the company's website under <https://immofinanz.com/en/investor-relations/financial-reports> starting on 25 August 2022.

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 5.4 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>

For additional information contact:

Bettina Schragl

Head of Corporate Communications and Investor Relations

T +43 (0)1 88 090 2290

M +43 (0)699 1685 7290

communications@immofinanz.com

investor@immofinanz.com

¹ To improve comparability, the 2021 dividend from S IMMO was adjusted to show an assumed receipt of EUR 9.7 million in the second quarter 2021 instead of the actual payment in the fourth quarter 2021.

² Number of shares included for Q1–2 2022: 135,707,360; number of shares included for Q1–2 2021: 137,196,458