

IMMOFINANZ with strong performance in a challenging environment: FFO 1 improves by 15%, net profit reaches EUR 249 million

- Like-for-like rental income increased by 7.9% in Q3
- Rental income in Q1–3 2022 stable year-on-year at EUR 216.9 million, 3.4% improvement after adjustment for non-recurring effect
- Leading position in retail park market further expanded to 122 locations through acquisitions and own development projects
- EPRA NTA per share improved to EUR 29.9
- Strong balance sheet with an equity ratio of 58.0% and net LTV of 33.7%

KEY FIGURES (IN MEUR)	Q1–3 2022	Δ IN %	Q1–3 2021
Rental income	216.9	0.2	216.4
Results of asset management	168.4	3.2	163.1
Results of property sales	5.0	-79.4	24.1
Results of property development	-7.8	n. a.	24.1
Results of operations	117.8	-34.7	180.4
EBIT	186.6	-20.4	234.4
Financial results	122.4	33.3	91.8
Net profit	248.6	-15.9	295.7
FFO 1 (before tax)	115.9	15.4	100.5 ¹

IMMOFINANZ produced very solid results for the first three quarters of 2022 in spite of the challenging environment: Rental income reached a high EUR 216.9 million, the results of asset management improved by 3.2% to EUR 168.4 million, and sustainable FFO 1 from the standing investment business (including the S IMMO dividend) rose by more than 15% to EUR 115.9 million. Net profit equalled EUR 248.6 million. With an equity ratio of 58.0% and conservative leverage with a net LTV of 33.7%, IMMOFINANZ has a strong capital base.

“These excellent results for the first three quarters confirm the high resilience and earning power of our portfolio. In a challenging environment, we increased key indicators that included like-for-like rental income, the results of asset management and FFO 1 and also strengthened our balance sheet. We are making good progress with the optimisation of our portfolio and cost structure and have strong brands in the retail and office business which we intend to grow. The recent acquisitions and development projects have extended our leading position in the retail park market in Europe, and our portfolio now covers 122 locations. We believe IMMOFINANZ is well positioned to successfully continue this value-creating course, also in difficult times,” explained **Radka Doehring, Executive Chairwoman of IMMOFINANZ.**

The attainment of majority control by the CPI Property Group triggered several non-recurring effects during the reporting period. These effects include, among others, higher costs in connection with the takeover offers by the CPI Property Group and S IMMO, the related premature repayment of corporate bonds due to the change of control, and the resignation of two Executive Board members.

The results of operations totalled EUR 117.8 million and operating profit, which was supported by positive property revaluations, amounted to EUR 186.6 million. In total, IMMOFINANZ generated net profit of EUR 248.6 million, or earnings per share of EUR 1.82², in the first three quarters of 2022.

Sustainable FFO 1 from the standing investment business (before tax) rose by 15.4% to EUR 115.9 million in the first three quarters of 2022 (Q1–3 2021 adjusted: EUR 100.5 million¹). That represents FFO 1 per share of EUR 0.85³ (Q1–3 2021 adjusted: EUR 0.81^{1,3}) despite being based on a higher number of shares compared to the previous year.

Occupancy rate at high level

The value of the IMMOFINANZ portfolio rose by 6.5% to EUR 5.5 billion at the end of September 2022 and covered 260 properties. Standing investments represent the largest component at EUR 4.9 billion and 2.1 million sqm of rentable space. The occupancy rate remained high at 94.0% (31 December 2021: 95.1%). The retail properties were practically fully rented at 98.3%. The standing investment portfolio had a gross return of 6.0% based on IFRS rental income and a return of 6.4% based on invoiced rents. The return was adjusted to reflect the acquisition of 36 retail properties in the Czech Republic and Poland in September.

Equity ratio further strengthened

IMMOFINANZ had a robust balance sheet structure with a stronger equity ratio of 58.0% (31 December 2021: 48.1%) and an improved net loan-to-value ratio (net LTV) of 33.7% (31 December 2021: 36.7%). Cash and cash equivalents amounted to EUR 241.7 million and the average financing costs for financial liabilities (incl. derivatives) equalled 2.1%.

EPRA per share indicators improved

The EPRA NTA per share rose by 2.5% from EUR 29.19 at the end of December 2021 to EUR 29.92 as of 30 September 2022. The IFRS book value per share improved to EUR 28.30 despite an increase in the number of shares (31 December 2021: EUR 27.44).

Outlook

Based on the results for the first three quarters of 2022 and the retail property acquisitions made at the end of September, IMMOFINANZ expects FFO 1 before tax (including S IMMO dividend) of approximately EUR 135 million for the full 2022 financial year.

Results in detail

Rental income was stable in year-on-year comparison at EUR 216.9 million in the first three quarters of 2022 (Q1–3 2021: EUR 216.4 million). However, the first three quarters of 2021 were 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 3.4%. The 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) rose by a solid 7.9% year-on-year in the third quarter of 2022, while a comparison of the first three quarters of 2022 with the previous year period shows a plus of 6.6%.

Property expenses declined by 13.7% to EUR -37.5 million, above all due to a substantial reduction in the write-off of rents receivable included in this position to EUR -1.7 million (Q1–3 2021: EUR -10.9 million). These write-offs represented support by IMMOFINANZ for its tenants during the pandemic-related lockdown periods in 2020 and 2021. Maintenance costs totalled EUR -13.0 million for the reporting period (Q1-3 2021: EUR -8.5 million). The **results of asset management** rose by 3.2% to EUR 168.4 million (Q1–3 2021: EUR 163.1 million).

The **results of property sales** amounted to EUR 5.0 million (Q1–3 2021: EUR 24.1 million) and were influenced, above all, by the full write-off of a EUR -12.9 million purchase price receivable from Russia during the second

quarter. 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 or liabilities from the sale of the Russian portfolio and is currently reviewing all legal options to assert this claim. Property sales totalled EUR 100.2 million and consisted primarily of an office building in Prague and non-core land in Turkey.

The **results of property development** equalled EUR -7.8 million (Q1–3 2021: EUR 24.1 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 -50.9 million as a result of non-recurring effects (Q1–3 2021: EUR -32.3 million). These expenses generally involved consulting fees related to the takeover offers for IMMOFINANZ by the CPI Property Group and S IMMO, expenses due to the resignation of Dietmar Reindl and Stefan Schönauer from the Executive Board, and digitalisation projects. The **results of operations** amounted to EUR 117.8 million (Q1–3 2021: EUR 180.4 million).

Results from the revaluation of standing investments totalled EUR 68.8 million (Q1–3 2021: EUR 54.0 million). Retail properties were responsible for EUR 49.8 million of the value appreciation, which covered STOP SHOPS as well as VIVO! shopping centers and reflected the pandemic-related improvement in the market environment. Revaluations in the standing office investments amounted to EUR 27.4 million and were supported by positive effects at buildings in Warsaw, Vienna and Prague. The write-downs of EUR -8.3 million involved miscellaneous properties. **Operating profit (EBIT)** equalled EUR 186.6 million (Q1–3 2021: EUR 234.4 million).

Financing costs declined by 8.7% to EUR -56.5 million (Q1–3 2021: EUR -61.9 million). The substantial year-on-year increase in other financial results to EUR 139.7 million (Q1–3 2021: EUR 20.3 million) was based primarily on the positive valuation of interest rate derivatives (EUR 147.1 million) in line with the upturn in long-term interest rates and demonstrates 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 37.0 million for the reporting period. In the first three quarters of the previous year, this position had been influenced by the strong positive revaluation of the S IMMO investment (Q1–3 2021: EUR 131.5 million). The S IMMO investment was responsible for a proportional earnings share of EUR 33.1 million in the first three quarters of 2022 (Q1–3 2021: EUR 128.0 million). **Financial results** amounted to EUR 122.4 million in the first three quarters of 2022 (Q1–3 2021: EUR 91.8 million).

Profit before tax totalled EUR 308.9 million (Q1–3 2021: EUR 326.2 million). Income taxes rose to EUR -60.3 million (Q1–3 2021: EUR -30.5 million), above all due to the increase in deferred tax expenses that resulted from the positive valuation of interest rate derivatives. **Net profit** equalled EUR 248.6 million (Q1–3 2021: EUR 295.7 million) and represents **earnings per share** of EUR 1.82² (Q1–3 2021: EUR 2.20²).

The interim financial report by IMMOFINANZ AG for the first three quarters of 2022 as of 30 September 2022 will be available on the company's website under <https://immofinanz.com/en/investor-relations/financial-reports> starting on 24 November 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. The real estate portfolio has a value of approximately EUR 5.5 billion and covers 260 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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1 To improve comparability, the 2021 dividend from S IMMO was adjusted to show an assumed receipt of EUR 9.7 million in the first three quarters of 2021 instead of the actual payment in the fourth quarter 2021.

2 Earnings per share, number of shares included for Q1–3 2022: 136,493,246; number of shares included for Q1–3 2021: 137,196,443

3 FFO 1 per share, number of shares included for Q1–3 2022: 136,493,246; number of shares included for Q1–3 2021: 123,293,780