

IMMOFINANZ with growth surge in Q1 2023

- Rental income rises to EUR 128.4 million due to full consolidation of S IMMO and acquisitions
- Results of operations and FFO 1 more than double
- Like-for-like growth in rental income remains strong at 9.8%
- Equity ratio increases to 50.1%, net LTV conservative at 37.6%

KEY FIGURES (IN MEUR)	Q1 2023	Δ IN %	Q1 2022
Rental income	128.4	82.9	70.2
Results of asset management	104.9	94.6	53.9
Results of property sales	-5.1	n.a.	0.6
Results of property development	-1.4	67.0	-4.1
Results of operations	82.5	≥100	38.1
EBIT	77.4	≥100	37.3
Financial results	-48.5	n.a.	47.7
Net profit	18.4	-74.5	72.4
FFO 1 (before tax)	72.5	≥100	34.4

The increase in the investment in S IMMO to 50% plus one share was finalised at year-end 2022. The assets and liabilities of S IMMO have therefore been included in IMMOFINANZ's consolidated financial statements since 31 December 2022, while the income statement positions were included beginning with Q1 2023.

IMMOFINANZ Group recorded strong growth in both rental income and operating results for the first quarter of 2023, which was supported primarily by the full consolidation of S IMMO and by property acquisitions. Rental income rose by roughly 83% to EUR 128.4 million. The results of operations and sustainable FFO 1 from the standing investment business more than doubled to EUR 82.5 million and EUR 72.5 million, respectively.

“Our acquisitions for the retail business combined with the increase in our S IMMO investment and the resulting full consolidation have significantly strengthened our market position. The IMMOFINANZ property portfolio now covers roughly eight billion euros in ten European countries, and our operating results have more than doubled. We are also making excellent progress with our portfolio optimisation. In the first quarter of this year, our group successfully closed strategic property sales with a volume of roughly 470 million euros”, commented **Radka Doehring, Executive Chairwoman of IMMOFINANZ.**

Sustainable FFO 1 (before tax) improved by 110.4% to EUR 72.5 million (Q1 2022: EUR 34.4 million) and exceeded the increase in both rental income and the results of asset management. That represents FFO 1 per share of EUR 0.53 (Q1 2022: EUR 0.26).

Financial results turned negative at EUR -48.5 million (Q1 2022: EUR 47.7 million). The underlying reasons include, above all, non-cash valuation effects and the full consolidation of S IMMO under which the earnings contributions are no longer included under financial results. In total, IMMOFINANZ generated net profit of EUR 18.4 million, or earnings per share of EUR 0.16, in the first quarter of 2023.

High occupancy rate

The IMMOFINANZ Group's property portfolio contained 550 properties as of 31 March 2023, which have a combined value of EUR 7.9 billion. Of this total, EUR 7.5 billion represent standing investments with 3.4 million sqm of rentable space and a gross return of 6.5%. The occupancy rate remained high at 92.2% (31 December 2022: 92.9%).

A further improvement was recorded in like-for-like rental income (i.e. adjusted for acquisitions, completions and sales, excluding S IMMO) with an increase of 9.8% in the first quarter of 2023 (versus Q1 2022). The indexing of rental contracts served as the driving factor.

Robust balance sheet structure

The IMMOFINANZ Group had a robust balance sheet structure with an equity ratio of 50.1% as of 31 March 2023 (31 December 2022: 47.9%) and a solid net loan-to-value ratio (net LTV) of 37.6% (31 December 2022: 40.7%). Cash and cash equivalents amounted to EUR 741.2 million. Roughly 89.0% of financial liabilities are hedged against interest rate increases.

The IFRS book value per share improved by 0.8% to EUR 27.68 (31 December 2022: EUR 27.47). The EPRA NTA per share declined slightly by 2.9% to EUR 28.95 (31 December 2022: EUR 29.82).

Outlook

IMMOFINANZ's portfolio strategy remains focused on resilient and cost-efficient retail properties and innovative office solutions. Plans include the expansion of this offering in the core countries over the medium term. Following the closing of successful transactions in 2022 and in Q1 2023, the sale pipeline defined in connection with the Group's active portfolio management covers properties with a total value of approximately EUR 760 million (excluding S IMMO). Further closings are expected in the coming months despite the volatile market environment. The proceeds will be used to repay debt or for reinvestment in real estate.

Further synergies and opportunities for improvement will be identified together with S IMMO and with the support of CIPIG in 2023 to increase transparency and profitability for all stakeholders.

Results in detail

Rental income recorded by the IMMOFINANZ Group rose by 82.9% to EUR 128.4 million in the first quarter of 2023. This increase is chiefly attributable to the full consolidation of S IMMO as well as the acquisition of retail properties in the previous year. The improvement in the **results of asset management** exceeded the increase in rental income with a plus of 94.6% to EUR 104.9 million (Q1 2022: EUR 53.9 million).

The **results of property sales** totalled EUR -5.1 million (Q1 2022: EUR 0.6 million) based on real estate sales with a volume of EUR 471.8 million. These sales consisted mainly of strategic transactions by S IMMO in Germany, while IMMOFINANZ continued its portfolio optimisation with the sale of another office property in Vienna during the first quarter of 2023. The **results of property development** amounted to EUR -1.4 million (Q1 2022: EUR -4.1 million) and reflected the market development and rising construction costs.

The **results of operations** more than doubled to EUR 82.5 million (Q1 2022: EUR 38.1 million). **Operating profit (EBIT)**, after an adjustment for market-related property valuations of EUR -5.1 million, increased by over 100% year-on-year to EUR 77.4 million (Q1 2022: EUR 37.3 million).

Financing costs rose to EUR -39.8 million (Q1 2022: EUR -17.0 million), mainly due to the full consolidation of S IMMO as well as increased cost of financing. Other financial results turned negative at EUR -24.8 million based on the non-cash valuation of interest rate derivatives (Q1 2022: EUR 45.9 million) which followed the decline in long-term eurozone interest rates during the first quarter. The settlement payments from derivatives were, in

contrast, positive and made an important contribution to financing income of EUR 10.6 million (Q1 2022: EUR 0.7 million). As the investment in S IMMO is no longer accounted for at equity, the share of profit/loss from equity-accounted investment declined to EUR 1.6 million (Q1 2022: EUR 17.3 million). **Financial results** totalled EUR -48.5 million in the first quarter of 2023 (Q1 2022: EUR 47.7 million).

Profit before tax amounted to EUR 28.9 million (Q1 2022: EUR 85.1 million), and income taxes declined slightly to EUR -10.4 million (Q1 2022: EUR -12.7 million). **Net profit** for the first quarter of 2023 equalled EUR 18.4 million (Q1 2022: EUR 72.4 million) and represents earnings per share of EUR 0.16 (Q1 2022: EUR 0.55).

The interim financial report by IMMOFINANZ AG for the first quarter 2023 as of 31 March 2023 will be available on the company's website under <https://immofinanz.com/en/investor-relations/financial-reports> starting on 26 May 2023.

On IMMOFINANZ

The IMMOFINANZ Group is a commercial real estate corporation 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 IMMOFINANZ relies on its established brands – STOP SHOP (retail), VIVO! (retail) and myhive (office) – as well as complementary products and portfolios like S IMMO. IMMOFINANZ increased its investment in S IMMO to 50% plus one share at the end of 2022 and now includes this company through full consolidation. The real estate portfolio of the IMMOFINANZ Group has a value of approximately EUR 7.9 billion and covers roughly 550 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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