

## IMMOFINANZ with strong results in 2021: 46% increase in results of operations, net profit reaches EUR 346 million

- Strong Group results with profit of EUR 345.8 million
- Sound performance in all income streams leads to 46% increase in results of operations to EUR 210.1 million
- Occupancy rate remains high at 95.1%
- EPRA NTA per share improves by 5% to EUR 29.2, book value by 9% to EUR 27.4
- Strong balance sheet with equity ratio of 48.1% and liquid funds of EUR 987.1 million
- Value-creating growth strategy with steady focus on ESG along the entire value chain and expansion into sustainable and affordable housing
- Selected by UN to participate in the World Climate Summit 2022 as one of 45 companies worldwide

KEY FIGURES (IN MEUR)	2021	Δ IN %	2020
Rental income	284.7	-1.7%	289.5
Results of asset management	211.0	2.2%	206.4
Results of property sales	25.7	≥+100.0%	7.9
Results of property development	18.9	n/a	-24.2
Results of operations	210.1	45.9%	143.9
EBIT	296.0	n/a	-12.7
Financial results	90.4	n/a	-147.8
Net profit/loss	345.8	n/a	-165.9
FFO 1 (before tax and incl. S IMMO)	120.1	-4.7%	126.1

The 2021 financial year brought a massive increase in IMMOFINANZ's earning power: The results of operations rose by roughly 46% to EUR 210.1 million and clearly topped the previous year as well as the pre-crisis period in 2019. Net profit improved significantly to EUR 345.8 million, compared with the crisis-related loss of EUR -165.9 million in the previous year.

IMMOFINANZ successfully implemented its value-creating growth strategy in 2021, even though the markets were still negatively influenced by the Covid-19 pandemic. The results of operations rose by 45.9% to EUR 210.1 million. The company realised an increase in the results of asset management and a significant improvement in the earnings from property sales and property development as well as cost savings. The pandemic-related revaluation losses recognised to property in the previous year were in part recovered. Revaluation results from the standing investment portfolio totalled EUR 85.9 million, compared with EUR -156.6 million in the previous year. Financial results improved to EUR 90.4 million due to a substantial increase in the profit from investments. In total, IMMOFINANZ generated net profit of EUR 345.8 million, compared with EUR -165.9 million in the previous year. That represents diluted earnings per share of EUR 2.6 (2020: EUR -1.5).

*“2021 was an eventful and, at the same time, a very successful financial year. Our portfolio is optimally positioned: With our mix of low-cost retail solutions for consumers and high-quality, innovative and flexible office products, we meet the demands of our tenants as well as their customers and employees. We intend to extend our strong market position in 2022 and grow with our STOP SHOP and myhive brands – and drive the portfolio expansion towards sustainable and affordable housing with our new brand On Top Living”, explained Dietmar Reindl, member of the Executive Board of IMMOFINANZ. “The improvement of our sustainability performance is also a key priority. With our ESG strategy, we have set ambitious goals along the entire value chain to make IMMOFINANZ emission-free by 2040. This illustrates and underscores our responsibility for people and the environment, and we want to actively support the fight against climate change in our industry. In this connection, we are especially pleased that IMMOFINANZ was chosen as one of 45 companies worldwide to participate in the United Nation’s World Climate Summit at Sharm El-Sheikh in November 2022 where we can share our innovations and sustainable activities and inspire other companies throughout the world.”*

**Stefan Schönauer, member of the Executive Board of IMMOFINANZ:** *“A strong balance sheet, solid financing structure and stable investment grade rating are the foundation for our value-creating, sustainable growth. Our equity ratio improved to roughly 48% during the course of the year and gearing – based on the net loan-to-value – is conservative at 36.7%. Over and above that, we have nearly one billion euros of liquid funds. In other words, we have a sound foundation for further growth and the flexibility for possible debt repayment. Almost 90% of our financial liabilities are hedged against rising interest rates – an important point in today’s very volatile environment.”*

FFO 1 before tax, which does not include any valuation effects, was slightly lower than the previous year at EUR 120.1 million in 2021 (2020: EUR 126.1 million). This decline reflects the increased financing costs which resulted from a higher volume of financing as well as a lower dividend payment from the investment in S IMMO. FFO 1 per share equalled EUR 0.97 compared with EUR 1.13 in the previous year, based on a higher number of shares.

### **Steady high occupancy rate**

At 95.1% (31 December 2020: 96.0%), the occupancy rate remained at a high level. The retail properties were practically fully rented at 98.4%. Take-up amounted to roughly 427,500 sqm, or 22% of the total rentable space, despite a still challenging market environment. The take-up in 2021 includes 83,200 sqm of new rentals and 344,300 sqm of contract extensions. The gross return on the standing investment portfolio equalled 5.9% based on IFRS rental income and 6.3% based on invoiced rents.

### **More than EUR 1 billion of available liquid funds**

IMMOFINANZ has a robust balance sheet structure with a strengthened equity ratio of 48.1% (31 December 2020: 45.1%) and cash and cash equivalents of EUR 987.1 million. Furthermore, a revolving credit line of EUR 100.0 million is also available. The net loan-to-value ratio equalled a conservative 36.7% at year-end 2021 (31 December 2020: 37.8%). The average remaining term of the financial liabilities was 3.8 years, and the average financing costs (including derivatives) declined to 1.9% (31 December 2020: 2.0%). The hedging quota for interest rate risk was high at 88.8%, and the unencumbered asset pool (investment property and S IMMO shares at the EPRA NAV as of 30 September 2021) totalled EUR 2.0 billion or 35.5%.

### **EPRA indicators and book value per share improved**

The EPRA NTA per share rose by 4.9% to EUR 29.2 in 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 8.9% to EUR 27.4 (31 December 2020: EUR 25.2).

## Outlook and dividend

The war against Ukraine which was started by Russia at the end of February 2022 represents an increased uncertainty factor for the entire global economy whose impact cannot be conclusively evaluated at the present time. IMMOFINANZ believes its flexible and crisis-resilient real estate products create a sound position – also for an environment with greater uncertainty. From the current point of view and under the assumption of moderate Covid-19 influences, no further escalation of the war in Ukraine and no significant effects on the company's liquidity situation from the change-of-control clauses triggered by the majority takeover by the CPI Property Group, IMMOFINANZ confirms its guidance for the 2022 financial year. Plans call for the expansion of the portfolio towards the EUR 6 billion-mark in 2022, whereby the focus will be placed on sustainable properties in the myhive and STOP SHOP brands. FFO 1 before tax is expected to exceed EUR 135 million. The financial policy will remain unchanged: Gearing, based on the net LTV, is planned to remain below 45% over the medium term and the investment grade rating will be retained.

*“IMMOFINANZ pursues an attractive dividend policy, and we want our shareholders to also participate in the company's success during the extremely productive 2021 financial year. Since the current outlook is still heavily influenced by numerous external factors and assumptions, we will wait with a detailed recommendation for the dividend for the year 2021 – but announce this on a timely basis before the annual general meeting”, explained Executive Board member Stefan Schönauer. The annual general meeting for the 2021 financial year will be held on 12 July 2022. The dividend guidance for the 2022 financial year remains unchanged at roughly 70% of the FFO 1 generated in 2022.*

## Results 2021 in detail

The **results of asset management** rose by 2.2% to EUR 211.0 million (2020: EUR 206.4 million). This improvement was supported primarily by a reduction in real estate expenses, which fell by 14.5% to EUR -61.4 million (2020: EUR -71.9 million). These costs are still higher than the pre-crisis level due to the pandemic, but the included write-offs of rents receivable, which reflected support by IMMOFINANZ for its tenants during the lockdown periods, were substantially reduced to EUR -11.9 million (2020: EUR -29.2 million). **Rental income** totalled EUR 284.7 million (2020: EUR 289.5 million) and nearly matched the previous year, whereby the slight difference is chiefly attributable to property sales in the office business.

The **results of property sales** more than tripled to EUR 25.7 million (2020: EUR 7.9 million), whereby the largest positive effect was the sale of the Cluster Produktionstechnik office building in Aachen for EUR 124.0 million. Overall, properties with a volume of EUR 328.4 million were sold during 2021 in line with the corporate strategy. In addition to the building in Aachen, this mainly involved older non-core office properties in Warsaw and Budapest. A substantial improvement was also recorded in the **results of property development**, which turned positive to EUR 18.9 million (2020: EUR -24.2 million). This increase was based, above all, on positive valuation effects from the office development project in Düsseldorf.

Other operating expenses declined by 2.6% to EUR -47.7 million (2020: EUR -48.9 million). The **results of operations** therefore rose by a strong 45.9% to EUR 210.1 million (2020: EUR 143.9 million). **Results from the revaluation of standing investments** totalled EUR 85.9 million, following crisis-related write-downs of EUR -156.6 million in the previous year due to the COVID-19 pandemic. Of the total revaluations, EUR 65.7 million are related primarily to office properties in Düsseldorf, Vienna and Warsaw. The revaluations to standing investments in the retail business amounted to EUR 21.0 million and were supported by positive effects from individual VIVO! shopping centers in Romania and the Czech Republic following an improvement in the operating environment. These factors were responsible for a significant improvement in **operating profit (EBIT)**, which rose to EUR 296.0 million (2020: EUR -12.7 million).

Financing costs amounted to EUR -81.1 million (2020: EUR -64.0 million) and also reflected the year-on-year increase in the financing volume during 2021 – above all due to the issue of a EUR 500 million corporate bond in October 2020. Average financing costs, including hedging, declined to 1.92% per year (31 December 2020: 1.99% per year). Other financial results of EUR 29.3 million (2020: EUR -14.6 million) resulted mainly from the positive valuation of interest rate derivatives (2021: EUR 25.2 million) based on the increase in long-term interest rates. The share of profit/loss from equity-accounted investments increased substantially to EUR 139.8 million (2020: EUR -69.5 million). Of this total, EUR 134.0 million are attributable to S IMMO (revaluation of EUR 85.3 million to the investment based on the higher share price and the EUR 48.8 million share of earnings)\*. **Financial results** amounted to EUR 90.4 million (2020: EUR -147.8 million).

**Profit before tax** improved significantly to EUR 386.3 million (2020: EUR -160.4 million). After the deduction of EUR -40.5 million (2020: EUR -5.5 million) in income taxes, **net profit** totalled EUR 345.8 million (2020: EUR -165.9 million; 2019: EUR 352.1 million). That represents **earnings per share\*\*** of EUR 2.8 (basic), respectively EUR 2.6 (diluted), compared with EUR -1.50 in 2020.

The financial report by IMMOFINANZ AG for the 2021 financial year as of 31 December 2021 will be available on the company's website under <https://immofinanz.com/en/investor-relations/financial-reports> starting on 21 April 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 5.2 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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\* As of 31 December 2021, S IMMO was included at equity based on an extrapolation of the financial statements as of 30 September 2021 and including additional material effects (among others, based on ad-hoc reports and other published information).

\*\* Number of shares included for 2021: 123,293,525 (basic) and 137,069,885 (diluted); number of shares included for 2020: 111,595,279 (basic)