



– **IMMOFINANZ** –  
THE REAL ESTATE COMPANY

# Strategy update



24 June 2022

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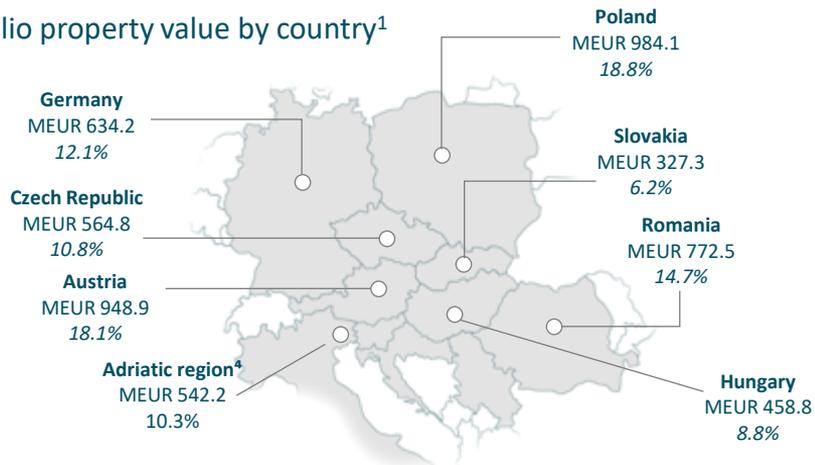
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# A leading European commercial property specialist – IMMOFINANZ –

## Company snapshot

- Founded in 1990 and headquartered in Vienna, IMMOFINANZ is a **leading commercial real estate company with a focus on office** (ca. 61% by carrying amount) **and retail** (c. 37%) in selected countries in **Western and Central Eastern Europe**
- Amongst the largest European commercial real estate players with **strong market position in each of its core markets** across a portfolio valued EUR 5.2 bn
- Company’s shares have **traded on the Vienna Stock Exchange** since December 1994

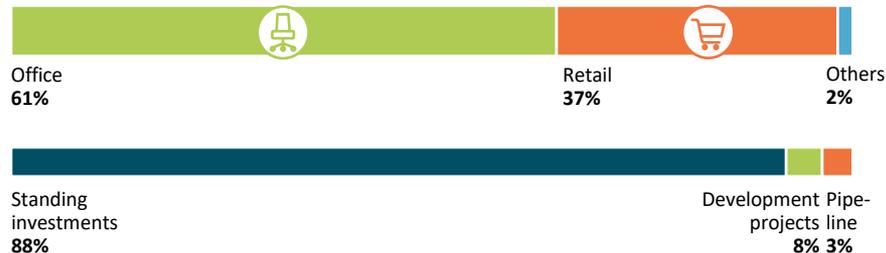
## Portfolio property value by country<sup>1</sup>



## Key figures as of 03/2022



## Portfolio segmentation



<sup>1</sup> Excludes MEUR 9.4 (0.2%) in further countries (Turkey); <sup>2</sup> 5.9% on IFRS rental income; <sup>3</sup> Pro forma liquidity position (excl. cash outflow for bonds repayment); <sup>4</sup> Adriatic region includes Serbia, Slovenia, Croatia and Italy

# Update of successful strategy to enhance value

- Well-defined portfolio strategy with crisis-resilient and sustainable real estate solutions
- Robust financial fundament as a strong base for stable cash flow



**Strategic diversification** by asset classes and regions – active in stable and growing markets



**Clear brand strategy**, focused on innovative office and retail solutions and affordable housing with strong customer orientation



**Active portfolio management:** Asset rotation program to realize valuation gains and streamline the portfolio according to the updated strategy



**Strong commitment to sustainability** affects entire range of activities – alignment of ESG targets and reporting with CPIPG



**Robust financial structure and strong commitment to IG rating** support long-term growth and stable cash flow



**IMMOFINANZ and CPIPG** work together on how both groups benefit from lifting synergies

# Selective asset rotation to realize value of mature buildings and invest in higher yielding products

– IMMOFINANZ –

- As the macroeconomic environment is characterized by high inflation and increasing interest rates, IMMOFINANZ considers investments in higher yielding retail and office properties as sustainable long-term investment strategy.
- Plans to divest certain lower yielding properties in order to realize the value of mature buildings or where buildings no longer fit into updated strategy.
- Active portfolio management should ensure properties are not only attractive for tenants, but also in balance with the environment from a social and sustainable perspective.
- Divestments to reach ~EUR 1 billion for reinvestment into assets according to strategy update and repayment of debt.
- In closer integration of the entire CPI group, IMMOFINANZ pursues a retail and office focused strategy; targeted acquisitions will involve properties from CPI matching the strategy.



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# Successful brands remain in focus

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## – IMMOFINANZ – THE REAL ESTATE COMPANY



# STOP SHOP retail parks



## STOP SHOP - our brand for retail parks in CEE/SEE

- Likeable and convenient local supplier located in catchment areas of 30,000 to 150,000 people
- Broad product range offering good value for money
  - “smart shoppers” as target group
- Good transport links and extensive parking facilities

# STOP SHOP – Further strengthening of leadership

– IMMOFINANZ –



- Positioned as leading retail park operator in Europe
- Defensive and high yielding retail format with an occupancy rate of 99%
- Further portfolio enlargement by acquisitions and developments to strengthen leadership position
- 140 locations planned - corresponding to a lettable area of approx. 1 million sqm

## 100 properties in ten countries

Rentable space	783,822 sqm
Occupancy rate	98.7%
Rental income Q1 2022 <sup>1</sup>	MEUR 23.0
Carrying amount	MEUR 1,184.0
Gross return IFRS/invoiced rent	7.8% / 7.9%



<sup>1</sup> Rental income on basis of primary usage of the property (rental income in P&L is according to actual usage of the property; marginal deviations to P&L are therefore possible)

# VIVO! shopping centers



## **VIVO! - our brand for shopping centers**

- Designed for cities with a catchment area of at least 200,000 residents
- Strong anchor tenants and an attractive retail mix
- VIVO! combines affordable shopping with an experience for the whole family

# VIVO! – growth via acquisitions and becoming market leader

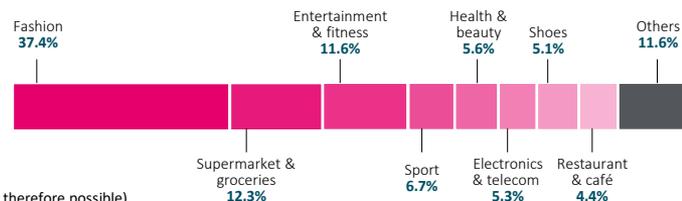


## – IMMOFINANZ –

- Convenient shopping with entertainment factor – Europe's best retail brands as strong anchor tenants
- Investments in regional shopping centers to strengthen the VIVO! brand
- Mid-term goal to become market leader in the retail segment in our core markets

### 10 properties in four countries

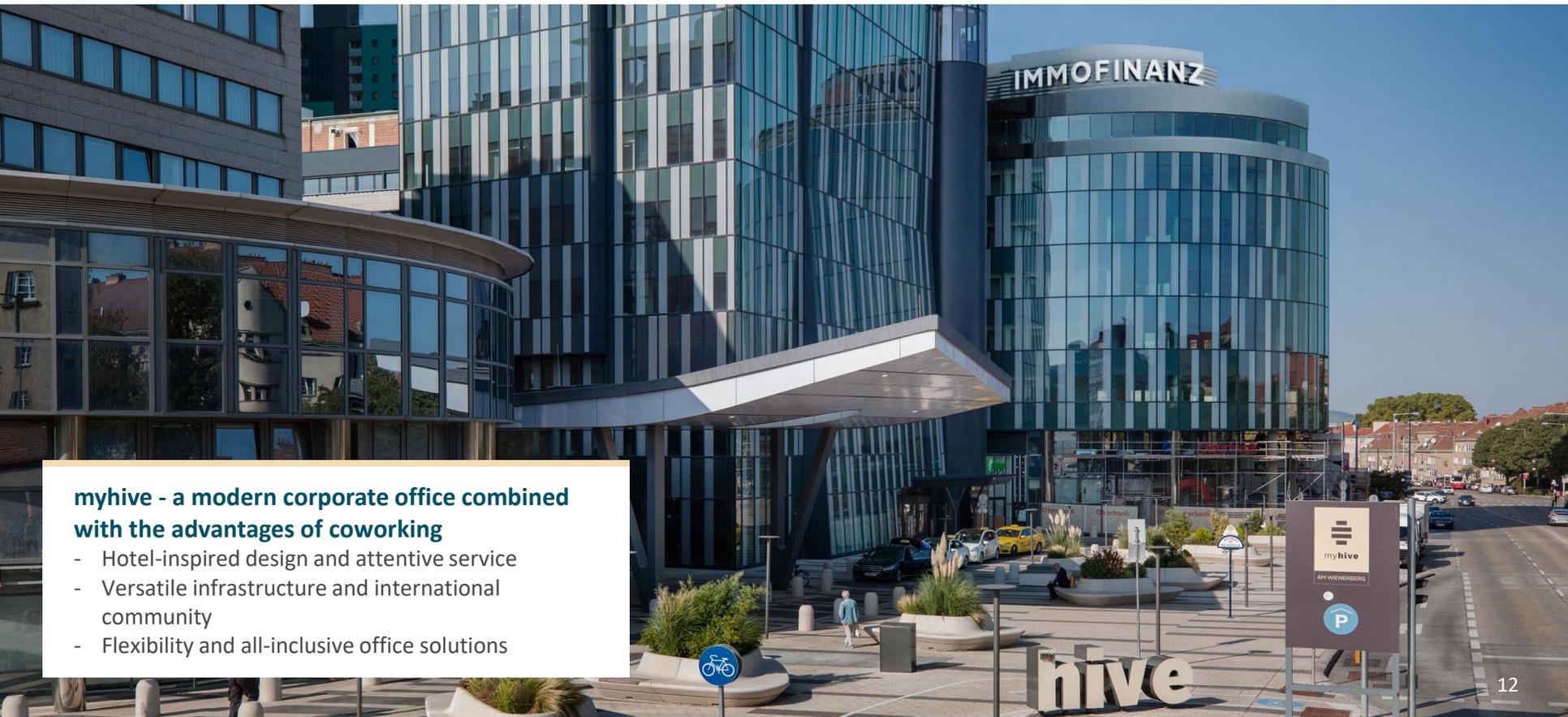
Rentable space	312,242 sqm
Occupancy rate	97.8%
Rental income Q1 2022 <sup>1</sup>	MEUR 13.1
Carrying amount	MEUR 670.0
Gross return IFRS / invoiced rent	7.8% / 8.2%



<sup>1</sup> Rental income on basis of primary usage of the property (rental income in P&L is according to actual usage of the property; marginal deviations to P&L are therefore possible)

**myhive - a modern corporate office combined with the advantages of coworking**

- Hotel-inspired design and attentive service
- Versatile infrastructure and international community
- Flexibility and all-inclusive office solutions



# myhive - enlargement of portfolio by multi-tenant properties in selected countries

– IMMOFINANZ –



- Successful establishment of the multi-tenant brand throughout Europe since its introduction in 2016
- Unique concept enabling office product personalization, tailored exactly to tenants' needs
- Implementation of the myhive concept in other buildings across core markets
- Focus on innovative, flexible, sustainable and multi-tenant properties with value-creating potential

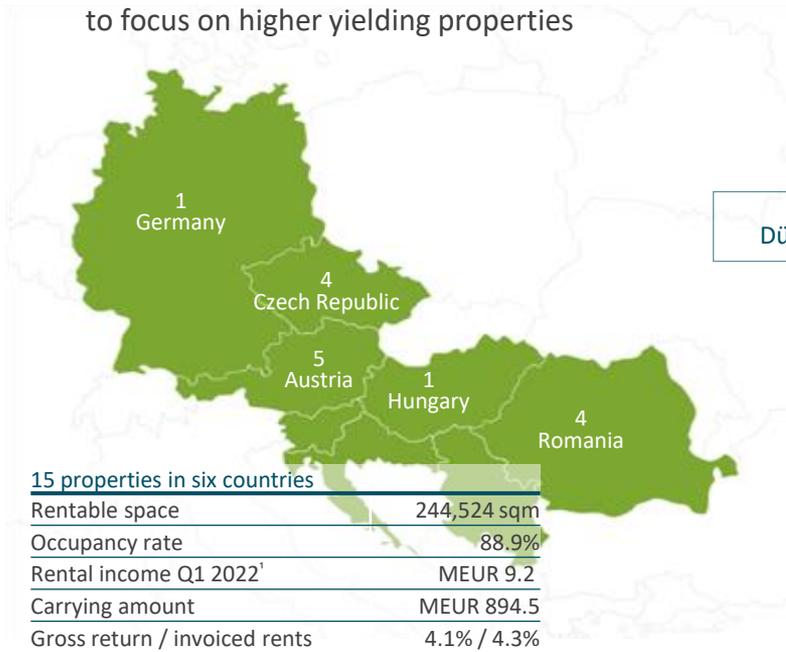
## 29 properties in eight countries

Rentable space	640,490 sqm
Occupancy rate	89.4%
Rental income Q1 2022 <sup>1</sup>	MEUR 22.6
Carrying amount	MEUR 1,846.5
Gross return IFRS / invoiced rent	4.9% / 5.3%

<sup>1</sup> Rental income on basis of primary usage of the property (rental income in P&L is according to actual usage of the property; marginal deviations to P&L are therefore possible)

# Other Offices

- Including properties rented to single tenants with headquarters in Europe
- Selectively part of asset rotation program in order to focus on higher yielding properties



FLOAT,  
Düsseldorf (DE)



BBC Gamma,  
Prague (CZ)



City Tower,  
Vienna (AT)

<sup>1</sup> Rental income based on the main type of use of the property

# On Top Living – portfolio expansion with affordable and sustainable housing

– IMMOFINANZ –



- Creation of affordable rental housing directly near local suppliers and recreational offerings
- Densification through overbuilding of our STOP SHOP properties
- Important contribution to the fight against climate change, ground sealing and exploding housing costs

# Developments – focus on sustainable and flexible myhive buildings and further STOP SHOP expansion

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Development projects	Number of properties	Carrying amount in MEUR	Carrying amount in %	Open construction costs in MEUR	Rentable space in sqm	Expected fair value after completion in MEUR	Exp. rental income at full occupancy in MEUR	Exp. yield after completion in % <sup>1</sup>
Austria	4	100.8	23.5	77.4	42,686	185.9	7.6	4.3
Germany	1	163.6	38.2	7.3	21,707	186.0	6.5	3.8
Poland	1	3.5	0.8	6.3	6,732	9.9	0.8	7.9
Hungary	1	72.4	16.9	6.6	33,896	79.0	5.6	7.1
Romania	2	66.9	15.6	95.3	52,341	167.3	11.8	7.3
Adriatic <sup>2</sup>	8	21.4	5.0	65.8	56,380	88.7	6.9	7.9
<b>Active projects</b>	<b>17</b>	<b>428.7</b>	<b>100.0</b>	<b>258.7</b>	<b>213,742</b>	<b>716.6</b>	<b>39.2</b>	<b>5.7</b>
In preparation	6	13.3						
<b>IMMOFINANZ</b>	<b>23</b>	<b>441.9</b>						

Development projects: 8.4% of portfolio value with moderate costs to completion

<sup>1</sup> Expected rental income after completion in relation to the current carrying amount including outstanding construction costs

<sup>2</sup> Croatia, Serbia

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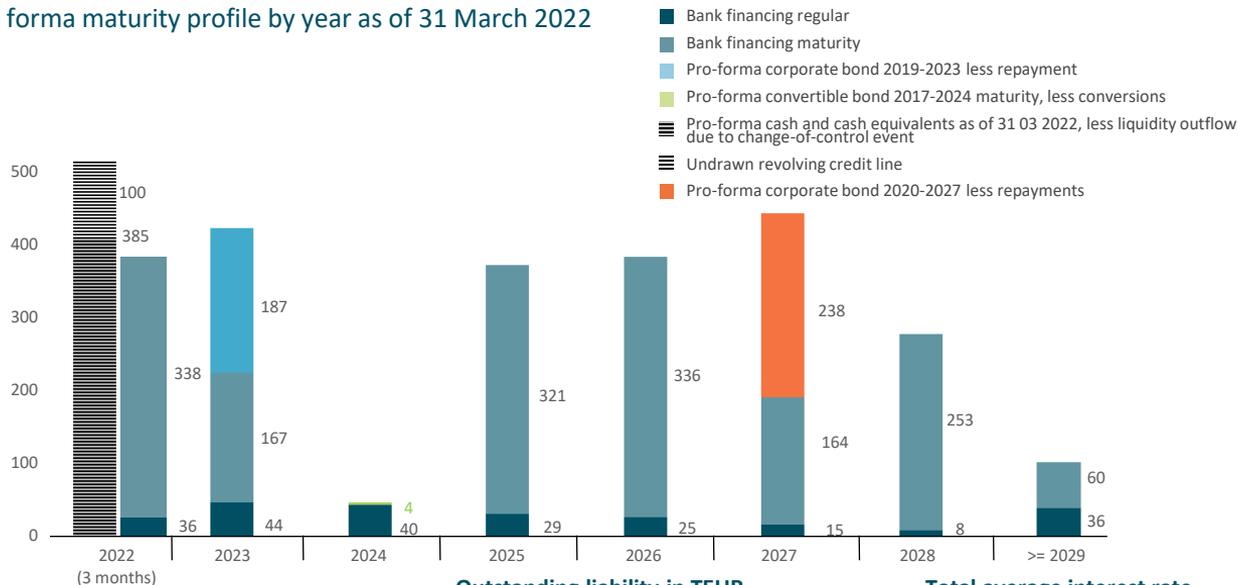
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# Robust liquidity profile and diversified debt structure – IMMOFINANZ –

Pro forma maturity profile by year as of 31 March 2022



	Outstanding liability in TEUR as of 31 March 2022	Total average interest rate incl. expenses for derivatives % <sup>1</sup>
Convertible bonds <sup>2</sup>	10,786.3	1.50
Corporate bonds	977,205.1	2.56
Bank liabilities <sup>3</sup>	1,867,934.6	1.63
<b>IMMOFINANZ</b>	<b>2,855,926.0</b>	<b>1.95</b>

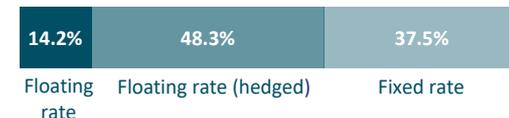
<sup>1</sup> Based on nominal remaining debt.

<sup>2</sup> Convertible bond 2017–2024 (coupon reduction to 1.5% following the receipt of an investment grade rating). After conversions, a volume of only MEUR 4.3 was outstanding at the end of April (excluding the convertible bonds held by IMMOFINANZ); this volume was called prematurely by IMMOFINANZ in a clean-up call end of April.

<sup>3</sup> Including IFRS 5

- Pro forma liquidity position of **MEUR 385.0** (excl. cash outflow for bonds repayment) and further financial flexibility from a **MEUR 100** credit line
- Net LTV at a conservative level of **32.7%** (12/2021: 36.7%)
- Financing costs (weighted average interest rate including hedging costs) at a low level of **1.95%** (12/2021: 1.92%)
- Remaining term of financing at **3.8 years**
- Unencumbered asset pool of **MEUR 1,471.3 (28.0%)** or **MEUR 2,022.8 (34.7%)** including S IMMO shares based on EPRA NAV
- **Confirmed IG rating (BBB- with stable outlook)**

**Hedging quota 85.8%** (12/2021: 88.8%)

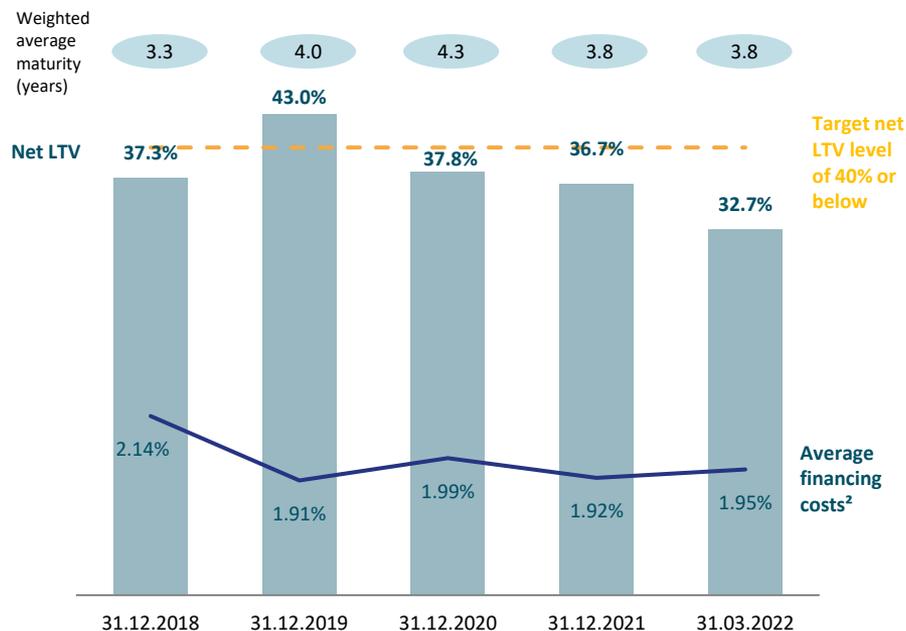


# Financing policy commitment

## Retention of robust financial position and further strengthen ability to generate stable cash flows

- Strong commitment to investment grade rating<sup>1</sup> and to further improvement of the rating (achieving „high BBB“ in coming years in alignment with CPIPG)
- Unchanged high hedging quota to be optimally prepared for rising interest rates
- Net LTV of 40% or below
- Proactive management of maturity profile
- Considering current and mid-term market conditions, IMMOFINANZ is primarily focusing on bank financing and thereby benefiting from strong relationship with banks in its core markets

### Deleveraging under increasing debt maturity and low cost of debt



<sup>1</sup> In order to align the rating on IMMOFINANZ to those on CPI Property, S&P raised the rating on IMMOFINANZ and its unsecured debt from "BBB-" to "BBB" on 3rd June 2022. The CreditWatch status was changed to "negative" reflecting the CreditWatch status of CPIPG.

<sup>2</sup> Including hedging based on nominal debt

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# Highlights

## Sustainability certifications:

Further increase of certified space to ~50% of overall space



WE SUPPORT



**Net-Zero Emission Strategy:** Target to be emission-free along the entire value chain by 2040

Selected by the UN to participate in the **World Climate Summit 2022** as one of 45 companies worldwide

## Green certifications in % of portfolio



■ Certified  
■ In preparation

**On Top Living:** Portfolio expansion into sustainable and affordable housing

Participant in the **United Nations Global Compact**, the world's largest corporate sustainability initiative



ESG training for all employees and development of **overall ESG strategy**

# Our ESG strategy – five focus areas



# Selected ESG targets and further alignment of ESG data collection and reporting with CPIPG

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## CO<sub>2</sub> REDUCTION

60% absolute emission reduction (scopes 1, 2 and 3) by 2030 (baseline year: 2019)

Net-Zero emissions (scopes 1, 2 and 3) per sqm of controlled area by 2030

Net-Zero by 2040 (scopes 1, 2 and 3)



## ENERGY EFFICIENCY

Energy efficiency refurbishments amounting to at least 5% of the total gross lettable area (GLA)

Digitalization of consumption data and full roll-out of smart metering by 2025



## RENEWABLE ENERGY

Purchase of 100% renewable energy in the controlled area by 2024

60% STOP SHOP roofs covered with PV by 2030



## SOCIALLY SUSTAINABLE SPACES

Development of a green lease strategy and roll-out by 2023

Development of criteria for sustainable and healthy spaces by 2024

Achievement of top building certifications and aspire alignment with EU taxonomy

Active involvement in the development and alignment of building certification



## SOCIALLY SUSTAINABLE WORK PLACES

Empowering employees to succeed in their current and future roles, along career path; targeted succession planning

Ensuring gender and national diversity across organization on Group and local level



## ENVIRONMENTAL AND SOCIAL IMPACT ACROSS THE SUPPLY CHAIN

Supplier Assessment: identifying and evaluating social and environmental impacts for all material supplier groups by 2023

Start setting up an audit programme to assess, set preventive measures and monitor by 2024

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# Outlook

- CPI Property Group (CPIPG) holds a stake of approx. 77% in IMMOFINANZ and will act as an active parent company and long-term strong strategic partner.
- CPIPG values IMMOFINANZ's portfolio based on successful brands with strong customer orientation.
- IMMOFINANZ and CPIPG work together in ongoing projects to lift synergies for the benefit of both companies.

## Annual shareholder meeting for financial year 2021

- Taking into consideration the outflow of liquidity due to the exercise of CoC-rights of bondholders of the corporate bonds of IMMOFINANZ and the overall macroeconomic and regional situation, CPIPG decided not to support a proposal to the shareholders' meeting for the distribution of dividend payments for the financial year 2021.
- The annual shareholder meeting will take place on 12 July 2022 as virtual meeting.

## Guidance for the financial year 2022

- Change-of-Control (CoC) events for the two corporate bonds 2023 and 2027 led to a short-term liquidity requirement of ca. MEUR 569.
- As the amount of this liquidity outflow had an impact on the guidance previously issued by IMMOFINANZ for business development in 2022, the guidance was revised.
- Based on the strategy update, IMMOFINANZ will announce a new guidance in the second half of 2022.

# Contact and financial calendar

## Investor Relations

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## Financial calendar

29th annual general meeting	12 07 2022
Q1–2 results 2022	24 08 2022 <sup>1</sup>
Q1–2 report 2022	25 08 2022
Q1–3 results 2022	23 11 2022 <sup>1</sup>
Q1–3 report 2022	24 11 2022

## Ticker symbols

Vienna Stock Exchange	IIA
Warsaw Stock Exchange	IIA
ISIN	AT0000A21KS2
Reuters	IMFI.VI
Bloomberg	IIA AV

<sup>1</sup> Publication after close of trading on the Vienna Stock Exchange