

# VIB

PART OF DIC



# dynamic performance

2023 half-year financial report of the VIB Vermögen AG

# Group KPIs

in EUR thousand	1. HY 2023	1. HY 2022	Change in %
<b>INCOME STATEMENT KPIS</b>			
Gross rental income	46,369	46,559	-0.4
Amortisation and depreciation on investment properties	11,718	13,035	-10.1
Earnings from ordinary business activities (EBT)	72,844	37,858	+92.4
Consolidated net income	63,424	35,153	+80.4
Earnings per share <sup>1</sup> (in EUR), undiluted/diluted	1.98	1.25	+58.4
<b>BALANCE SHEET KPIS</b>			
	30/06/2023	31/12/2022	
Total assets	1,795,990	1,586,409	+13.2
Investment properties	1,076,692	1,145,908	-6.0
Equity	809,039	744,754	+8.6
Equity ratio (in %)	45.1	46.9	-1.8 points
Net debt	538,248	667,867	-19.4
LTV (loan-to-value-ratio, in %)	25.6	28.9	-3.3 points
<b>OTHER KPIS</b>			
	1. HY 2023	1. HY 2022	
FFO (Funds from Operations) before tax and minority interests	37,292	34,951	+6.7
FFO per share <sup>1</sup> (in EUR)	1.13	1.26	-10.3
	30/06/2023	31/12/2022	
Share price (XETRA closing price, in EUR)	13.70	20.30	-32.5
Number of shares <sup>2</sup>	33,054,587	33,054,587	0
Market capitalisation	452,848	671,008	-32.5
ICR (Interest Coverage Ratio: interest expense/ net basic rent, in %)	27.4	13.2	+14.2 points
Average borrowing rate (in %)	3.50	1.77	+1.73 points
<b>REAL ESTATE KPIS</b>			
	30/06/2023	31/12/2022	
Annualised net basic rent	82,766	99,597	-16.9
Vacancy rate (in %)	1.7	1.4	+0.3 points
Rentable space (in sqm)	1,170,476	1,365,381	-14.3
<b>EPRA KPIS</b>			
	1. HY 2023	1. HY 2022	
EPRA earnings	32,311	29,418	+9.8
EPRA earnings per share (in EUR)	0.98	1.06	-7.5
	30/06/2023	31/12/2022	
EPRA NRV	1,734,226	1,737,064	-0.2
EPRA NRV per share (in EUR)	52.47	52.55	-0.2
EPRA NDV	1,543,286	1,530,026	+0.9
EPRA NDV per share (in EUR)	46.69	46.29	+0.9
EPRA NTA	1,481,920	1,471,098	+0.7
EPRA NTA per share (in EUR)	44.83	44.51	+0.7
EPRA vacancy rate (in %)	1.7	1.4	+0.3 points

<sup>1</sup> Average number of shares during the financial year

<sup>2</sup> Shares in issue as of the balance sheet date

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# Successful first half of 2023

Despite global problems due to the war in Ukraine, high inflation and a sluggish economy, VIB Vermögen AG successfully closed the first half of 2023. All key indicators are in line with the forecasts issued at the start of the year and adjusted in July 2023. The sale of 31 commercial properties to a special property fund in December 2022 was completed as planned on March 31, 2023, with the transfer of ownership, benefits and encumbrances. Going forward, this sale enables VIB to focus even more closely on expansion of the core segment of Logistics/Light Industry.

## Property portfolio

### Overview

As of the balance sheet date of June 30, 2023, the in-house property portfolio of the VIB Group comprises a total of 83 properties with a total rentable area of 1.17 million sqm, whereas the Institutional Business portfolio, i.e. properties managed on behalf of third parties, comprises a total of 75 properties with a total rentable area of 1.17 million sqm.

The market value of the in-house property portfolio stands at EUR 2.0 billion as of June 30, 2023, with the market value of the Institutional Business portfolio amounting to EUR 1.4 billion. Overall, 158 properties with a total value of EUR 3.4 billion are therefore managed under the umbrella of the VIB Group; this represents considerable growth compared to previous years and reflects the expanded business strategy of VIB.

The vacancy rate, which stands at 1.7% in the in-house portfolio and at 0.8% in the Institutional Business portfolio, remains at a very low level compared with the rest of the sector. As of the end of the first half of the year, VIB's focus on the core segment of Logistics/Light Industry is also reflected in the structure of the in-house portfolio. This segment now accounts for 91% of the portfolio as a whole, followed by retail properties at 4%, offices at 3% and service/other at 2%. Logistics and light industrial properties account for 77% of the Institutional Business portfolio.

### Key real estate indicators at a glance, as of 30/06/2023

#### IN-HOUSE PORTFOLIO

Number of properties	83
Rentable space	1,170,476 sqm
Annualised net basic rents	EUR 82,766 thousand
Vacancy rate	1.7%

#### INSTITUTIONAL BUSINESS

Number of properties	75
Rentable space	1,169,464 sqm
Annualised net basic rents	EUR 78,874 thousand
Vacancy rate	0.8%

The VIB in-house property portfolio is characterised by an attractive average remaining term of rental agreements. As of the balance sheet date of June 30, 2023, this stands at four years and nine months (December 31, 2022: five years and three months), thus ensuring a high degree of predictability in relation to rental revenues.

Successful first half of 2023

Property portfolio

**2023 Annual General Meeting**

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# 2023 Annual General Meeting

At the Annual General Meeting for the 2022 fiscal year on July 4, 2023, which was once again held virtually, VIB Vermögen AG provided insights into the course of business in the previous year and explained the company's strategy and business model to its shareholders. The Annual General Meeting approved all agenda items with an overwhelming majority in each case.

For more information on the Annual General Meeting and details of voting results, please visit the company website at [www.vib-ag.de](http://www.vib-ag.de).

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# Business report

## Explanatory notes on the earnings, assets and financial position

### Earnings position

#### Selected indicators of earnings position

in EUR thousand	1. HY 2023	1. HY 2022	Change in %
Gross rental income	46,369	46,559	-0.4
Earnings from ordinary business activities	72,844	37,858	+92.4
Consolidated net income	63,424	35,153	+80.4
FFO before taxes and minority interests	37,292	34,951	+6.7

Despite the sale of 31 retail properties as of March 31, 2023, the gross rental income of the VIB Group remained more or less stable in the first six months of the year at EUR 46,369 thousand (previous year: EUR 46,559 thousand). Various property acquisitions in the Logistics/Light Industry segment in the second half of 2022, as well as rental indexing, made a positive contribution in this regard.

Net rental income came in at EUR 44,882 thousand and was therefore up by 2.2% on the previous year (previous year: EUR 43,927 thousand). This item includes ancillary cost payments made by tenants, advance operating cost payments to utility companies payable by VIB and other property-related expenses, e.g. property maintenance expenses.

In the reporting period, administrative expenses fell sharply to EUR 928 thousand (previous year: EUR 2,392 thousand). This includes one-off effects of EUR 253 thousand from legal and consulting costs in connection with the funding of the logistics portfolio. In the previous year, this item included one-off effects associated with legal and consultancy costs. Personnel expenses also decreased considerably by EUR 4,107 thousand to EUR 2,011 thousand. Here too, the previous year's figure included one-off effects.

Depreciation and amortisation stood at EUR 14,525 thousand (previous year: EUR 13,255 thousand) and includes depreciation and amortisation on the investment properties, property, plant and equipment and intangible assets of the VIB Group.

In the first half of the year, earnings of EUR 2,913 thousand (previous year: EUR 0 thousand) were generated from the handling of property administration activities on behalf of third parties.

Due to the sale of 31 retail properties and the transfer of ownership, benefits and encumbrances as of March 31, 2023, net proceeds from the disposal of investment properties were recorded in the amount of EUR 306,000 thousand (previous year: EUR 21,760 thousand). The residual carrying amount of the properties totalled EUR 254,945 thousand (previous year: EUR 21,774 thousand), meaning that a total net profit of EUR 51,055 thousand (previous year: EUR -14 thousand) was generated from the sale of investment properties.

Earnings attributable to associated companies stood at EUR 931 thousand, compared with EUR 21,727 thousand in the previous year. The prior-year figure chiefly comprised earnings from the sale of the interest in joint venture WVI GmbH.

Due to the investment of cash and cash equivalents, which, among other things, increased due to the refinancing of a large portion of the logistics portfolio, interest income in the amount of EUR 3,012 thousand (previous year: EUR 0 thousand) was generated in the reporting period. Interest expenses rose to EUR 12,663 thousand (previous year: EUR 6,351 thousand), mainly due to the refinancing of a large portion of the logistics portfolio, which was completed in the first half of the year. It also includes one-off expenses of EUR 725 thousand.

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On account of the profit from the sale of the retail portfolio, earnings from ordinary business activities rose sharply year-on-year by EUR 34,986 thousand to EUR 72,844 thousand (previous year: EUR 37,858 thousand). Consolidated net income also rose sharply in the reporting period, climbing from EUR 35,153 thousand to EUR 63,424 thousand.

FFO before tax and minority interests rose by EUR 2,341 thousand year-on-year to EUR 37,292 thousand (previous year: EUR 34,951 thousand).

## Net assets

### Selected indicators of net assets

in EUR thousand	30/06/2023	31/12/2022	Change in%
Total assets	1,795,990	1,586,409	+13.2
Investment properties	1,076,692	1,145,908	-6.0
Bank balances	365,882	67,826	>100
Non-current liabilities	931,487	645,428	+44.3
Current liabilities	55,464	196,227	-71.7
Net debt	538,248	667,867	-19.4
Equity	809,039	744,754	+8.6
Equity ratio	45.1%	46.9%	-1.8 PP

The total assets of the VIB Group rose by EUR 209,581 thousand compared with December 31, 2022, to EUR 1,795,990 thousand (December 31, 2022: EUR 1,586,409 thousand). As of the balance sheet date, investment properties at the VIB Group stood at EUR 1,076,692 thousand (December 31, 2022: EUR 1,145,908 thousand).

Trade receivables came in at EUR 7,008 thousand (December 31, 2022: EUR 2,381 thousand); other receivables amounted to EUR 91,842 thousand (previous year: EUR 43,483 thousand) and mainly comprise outstanding receivables from third parties in connection with the granting of loans. Bank balances and cash in hand came in at EUR 365,882 thousand as of the balance sheet date (December 31, 2022: EUR 67,826 thousand); assets held for sale amounted to EUR 179,764 thousand (December 31, 2022: EUR 254,945 thousand).

Due to the consolidated net income generated, equity rose to EUR 809,039 thousand as of the balance sheet date of June 30 (December 31, 2022: EUR 744,754 thousand), with the equity ratio coming in at 45.1% (December 31, 2022: 46.9%).

Non-current interest-bearing financial liabilities increased by EUR 278,761 thousand to EUR 862,407 thousand (December 31, 2022: EUR 583,646 thousand); deferred tax liabilities amounted to EUR 65,886 thousand (December 31, 2022: EUR 58,590 thousand). Current interest-bearing financial liabilities fell sharply by EUR 110,324 thousand to EUR 41,723 thousand (December 31, 2022: EUR 152,047 thousand) in connection with the refinancing.

Net debt, i.e. the balance of current and non-current interest-bearing financial liabilities less bank balances, came to EUR 538,248 thousand as of June 30, 2023, and was therefore down by EUR 129,619 thousand on year end 2022 (December 31, 2022: EUR 667,867 thousand).

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## Financial position

## Selected indicators of financial position

in EUR thousand	1. HY 2023	1. HY 2022
<b>Cash and cash equivalents at start of period</b>	<b>67,826</b>	<b>68,164</b>
Cash flow from operating activities	35,540	32,583
Cash flow from investment activities	179,200	6,724
Cash flow from financing activities	83,091	-47,240
<b>Cash and cash equivalents at end of period</b>	<b>365,882</b>	<b>60,231</b>
Net change in cash and cash equivalents	298,056	-7,933

Cash inflow from operating activities rose by EUR 2,957 thousand to EUR 35,540 thousand in the reporting period (previous year: EUR 32,583 thousand).

Net cash inflow from investment activities stood at EUR 179,200 thousand (previous year: EUR 6,724 thousand). This figure includes cash inflow from the disposal of investment properties in the amount of EUR 304,323 thousand (previous year: EUR 21,760 thousand). It also includes a cash outflow due to investments in the property portfolio of EUR 20,534 thousand (previous year: EUR 15,289 thousand) as well as outgoing payments for non-current financial assets of EUR 102,870 (previous year: EUR 0 thousand).

Net cash inflow from financing activities stood at EUR 83,091 thousand (previous year: net cash outflow of EUR 47,240 thousand). Alongside cash inflow from the taking out of non-current property-related loans in the amount of EUR 525,947 thousand (previous year: EUR 29,925 thousand), this item also includes outgoing payments for interest on loans in the amount of EUR 12,663 thousand (previous year: EUR 6,351 thousand). Outgoing payments were made in the amount of EUR 349,924 thousand (previous year: EUR 72,891 thousand) in connection with the repayment of existing loans. In addition, payments were made for current financial investments of EUR 82,880 thousand (previous year: EUR 0 thousand). Interest received on the high bank balances held in the first half of the year stood at EUR 2,959 thousand (previous year: EUR 0 thousand).

The net change in cash and cash equivalents stood at EUR 298,056 thousand as of June 30, 2023. As such, cash and cash equivalents at the VIB Group totalled EUR 365,882 thousand as of the balance sheet date of June 30, 2023 (December 31, 2022: EUR 67,826 thousand).

## Employees

As of the balance sheet date of June 30, 2023, the VIB Group employed 34 commercial members of staff (December 31, 2022: 33) and one industrial member of staff (December 31, 2022: one member of staff) in addition to the members of the Managing Board.

As of July 1, 2023, the Managing Board comprises Dirk Oehme (Speaker of the Board) and Nicolai Greiner. Mr Hettmer stepped down from the Managing Board with effect from June 30, 2023.

## Overall statement on the company's business position

Despite global problems such as the ongoing war in Ukraine, high inflation and a sluggish German economy, we are satisfied with the course of business of the VIB Group in the first half of 2023. Development in both gross rental income and Funds from Operations (FFO) was in line with the issued guidance. The company has sufficient liquid assets to continue its positive course of business going forward.



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# Risks and opportunities

The basic principles of risk management at the VIB Group and the current material risks and opportunities are outlined in detail in the 2022 Annual Report. No further risks have been identified that, in the opinion of the company, could jeopardise the company's future as a going concern.

## Outlook

In an ad hoc notification dated July 7, 2023, VIB Vermögen AG announced the conclusion of a new loan agreement with DIC Asset AG. The resulting additional interest income will have a significant positive impact on the forecast indicator funds from operations (FFO). Therefore, the Managing Board anticipates the following for the 2023 fiscal year:

- Gross rental income of EUR 82.0 million to EUR 88.0 million (unchanged; 2022: EUR 93.8 million)
- Funds from operations (FFO) to now be in a range of EUR 68.0 million to EUR 74.0 million (previously EUR 58.0 million to EUR 64.0 million; 2022: EUR 71.2 million)
- A low single-digit vacancy rate as of December 31, 2023 (unchanged; December 31, 2022: 1.4%)

Neuburg/Danube, August 3, 2023



Dirk Oehme  
(Managing Board Speaker)



Nicolai Greiner  
(Managing Board member)

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# Consolidated income statement (IFRS)

For the period from January 1 to June 30, 2023

in EUR thousand	1. HY 2023	1. HY 2022
<b>Gross rental income</b>	<b>46,369</b>	<b>46,559</b>
Earnings from operating and ancillary costs	6,715	5,962
expenses from operating and ancillary costs	-6,947	-6,934
Other property-related expenses	-1,255	-1,660
<b>Net rental income</b>	<b>44,882</b>	<b>43,927</b>
Administrative expenses	-928	-2,392
Personell expenses	-2,011	-6,118
Depreciation and amortisation	-14,525	-13,255
Earnings from property administration fees	2,913	0
Other operating income	178	334
Net earnings from disposal of investment property	306,000	21,760
Residual carrying amount of investment properties	-254,945	-21,774
<b>Result from the disposal of investment properties</b>	<b>51,055</b>	<b>-14</b>
<b>Earnings before Interest and other financing activities</b>	<b>81,564</b>	<b>22,482</b>
Earnings attributable to associated companies	931	21,727
interest Income	3,012	0
Interest expense	-12,663	-6,351
<b>Earnings from ordinary buinsess activities</b>	<b>72,844</b>	<b>37,858</b>
Current income tax expense	-2,124	-2,965
Deferred tax expense	-7,296	260
<b>Consolidated net income</b>	<b>63,424</b>	<b>35,153</b>
Share of earnings attributable to Group shareholders	65,423	34,596
Share of earnings attributable to minority shareholders	-1,999	557

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# Consolidated balance sheet (IFRS)

As of June 30, 2023

## Assets

in EUR thousand	30/06/2023	31/12/2022
<b>NON-CURRENT ASSETS</b>		
Investment Property	1,076,692	1,145,908
Property, plant and equipment	10,695	10,923
Interests in associated companies	21,607	17,868
Intangible assets	40,464	43,034
<b>Total non-current assets</b>	<b>1,149,458</b>	<b>1,217,733</b>
<b>CURRENT ASSETS</b>		
Trade receivables	7,008	2,381
Receivables from related parties	0	41
Income tax receivables	2,036	0
Other current assets	91,842	43,483
Bank balances and cash in hand	365,882	67,826
Assets held for sale	179,764	254,945
<b>Total current assets</b>	<b>646,532</b>	<b>368,676</b>
<b>Total Assets</b>	<b>1,795,990</b>	<b>1,586,409</b>

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# Consolidated balance sheet (IFRS)

As of June 30, 2023

## Equity and liabilities

in EUR thousand	30/06/2023	31/12/2022
<b>EQUITY</b>		
Issued capital	33,055	33,055
Share premium	299,307	299,307
Revenue reserves	104,150	104,150
Retained earnings	342,478	277,054
Cash Flow Hedge reserve	1,111	0
<b>Equity attributable to shareholders of the parent company</b>	<b>780,101</b>	<b>713,566</b>
Non-controlling interest	28,938	31,188
<b>Total equity</b>	<b>809,039</b>	<b>744,754</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current interest-bearing loans and borrowings	862,407	583,646
Deferred tax liabilities	65,886	58,590
Pension provisions	3,194	3,192
<b>Total non-current liabilities</b>	<b>931,487</b>	<b>645,428</b>
<b>CURRENT LIABILITIES</b>		
Current interest-bearing loans and borrowings	41,723	152,047
Trade payables	5,767	345
Liabilities to related parties	598	31,088
Liabilities to participating interests	2,947	2,906
Income tax payable	0	831
Other liabilities	4,429	9,010
<b>Total current liabilities</b>	<b>55,464</b>	<b>196,227</b>
<b>Total equity and liabilities</b>	<b>1,795,990</b>	<b>1,586,409</b>

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**Pictures**

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