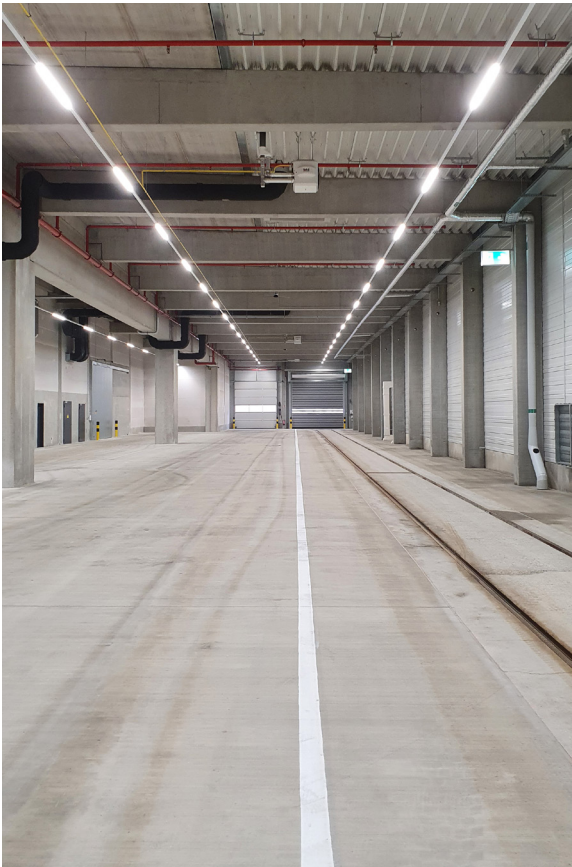


Half-year Financial Report
2021

TAKING SUSTAINABILITY TO NEW DIMENSIONS



GROUP KPIS

IN EUR THOUSAND	H1 2021	H1 2020	Change in %
Income statement KPIs			
Revenue	50,723	46,408	+9.3
Changes in value for investment properties	4,589	5,897	-22.2
EBT (earnings before tax)	37,342	34,593	+7.9
EBT excluding valuation effects and extraordinary items	32,753	28,696	+14.1
Consolidated net income	31,393	29,050	+8.1
Earnings per share (undiluted/diluted, in EUR)	1.10	1.02	+7.8
Balance sheet KPIs			
	30/06/2021	31/12/2020	
Total assets	1,486,052	1,454,156	+2.2
Investment properties	1,380,726	1,368,001	+0.9
Equity	656,436	625,178	+5.0
Equity ratio (in %)	44.2	43.0	+1.2 pt.
Net debt	693,092	708,584	-2.2
LTV (loan-to-value ratio, in %)	48.7	50.3	-1.6 pt.
NAV (net asset value), undiluted/diluted	699,196	666,322	+4.9
NAV per share (in EUR), undiluted/diluted	25.35	24.16	+4.9
Other key financials			
	H1 2021	H1 2020	
FFO (funds from operations)	28,450	25,063	+13.5
FFO per share (in EUR)	1.03	0.91	+13.2
	30/06/2021	31/12/2020	
Share price (XETRA closing price, in EUR)	35.80	28.65	+25.0
Number of shares	27,579,779	27,579,779	0
Market capitalisation	987,356	790,161	+25.0
ICR (interest coverage ratio: interest expense/net basic rents, in %)	15.5	17.5	-2.0 pt.
Average borrowing rate (in %)	1.75	1.77	-0.02 pt.
Real estate KPIs			
	30/06/2021	31/12/2020	
Annualised net basic rents	92,173	89,597	+2.9
Vacancy rate (in %)	0.9	2.5	-1.6 pt.
Rentable space (in sqm)	1,301,888	1,285,995	+1.2
EPRA performance indicators			
	H1 2021	H1 2020	
EPRA earnings	26,566	23,115	+14.5
EPRA earnings per share (in EUR)	0.96	0.84	+14.5
	30/06/2021	31/12/2020	
EPRA NRV	760,775	727,901	+4.5
EPRA NRV per share (in EUR)	27.58	26.39	+4.5
EPRA vacancy rate (in %)	0.9	2.5	-1.6 pt.

CONTENTS

TO OUR SHAREHOLDERS

- 2 VIB successful in the first half of 2021
- 2 Property portfolio
- 4 Annual General Meeting

INTERIM MANAGEMENT REPORT

- 5 Business report
- 8 Risks and opportunities
- 8 Outlook

INTERIM FINANCIAL STATEMENTS

- 9 Consolidated income statement (IFRS)
- 10 Consolidated balance sheet (IFRS)

- 12 Financial calendar
- 13 Masthead/IR contact

VIB SUCCESSFUL IN THE FIRST HALF OF 2021

Even in times of the coronavirus pandemic, VIB continued to undergo positive development and can look back upon a successful first half of 2021. Thanks to the additions to the property portfolio during the second half of 2020 and the first half of 2021, the company was able to further increase both revenue and earnings. The coronavirus-related effects remain manageable during the current financial year and do not constitute a substantial risk for VIB. As of the balance sheet date of June 30, 2021, rental waivers for the 2021 financial year were granted Group-wide in the amount of EUR 178 thousand (30/06/2020: EUR 296 thousand). For 2021 as a whole, the forecast contains a deduction of EUR 500 thousand to account for the risk of rental waivers.

PROPERTY PORTFOLIO

OVERVIEW

As of the balance sheet date of June 30, 2021, our property portfolio comprises a total of 114 properties with a total rentable area of 1,301,888 sqm. At Group level, the vacancy rate remains extremely low at 0.9% (31/12/2020: 2.5%). Logistics and light industry properties account for the lion's share of the portfolio (71%), followed by retail parks and home improvement stores/garden centres (24% in total). The "office" and "service/other" segments represent a combined share of 5%.

As of the balance sheet date, the market value of the property portfolio stood at EUR 1,381 million (31/12/2020: EUR 1,368 million), whereas annualised net rents increased to EUR 92.2 million due to new properties and sites (31/12/2020: EUR 89.6 million).

PROPERTY PORTFOLIO IN KEY FIGURES

Number of properties	114 properties
Rentable space	1,301,888 sqm
Market value of portfolio	EUR 1,381 million
Annualised net basic rents	EUR 92.2 million
Vacancy rate	0.9%

Last updated: June 30, 2021

The VIB property portfolio is characterised by an attractive average remaining term of rental agreements. As of the balance sheet date of June 30, 2021, this stands at five years and seven months, thus ensuring a high degree of predictability in relation to rental revenues.

In terms of tenant structure, we also attach considerable importance to diversification in order to minimise any cluster or concentration risks. As such, the largest single tenant of VIB has a share of total rental income of some 8%, with the largest ten tenants accounting for approximately 44% as a whole. As a rule, to minimise the risk of rent default, we check the credit rating of a future tenant before entering into a rental agreement.

2021 PORTFOLIO DEVELOPMENT

At the beginning of the year, further successes were achieved in terms of rental renewals for portfolio properties, with rental agreements being extended for the properties in Baunatal, Haiming and Regensburg with a total useful area of 62,000 sqm. All three properties are in the logistics/light industry sector.

In the first quarter, the development projects in Eslarn and at Interpark near Ingolstadt were completed as planned. The properties, which were completely rented when construction began, have a total useful area of 16,500 sqm. Both the property in Eslarn as well as the property at Interpark have been certified Gold under the DGNB System. Furthermore, a photovoltaic system has been installed on the roofs of both properties.

After conclusion of the conversion/redevelopment phase, the property in Ehningen, south of Stuttgart, was completely rented in the second quarter. The property, which comprises 9,100 sqm, was converted to a modern and sustainable logistics facility through improvements to sustainability and fire safety aspects, and has a rental agreement of 5.5 years.

In June of this year, VIB received construction authorisation for the portfolio property in Erding with a total area of 215,000 sqm. On the site, commercial use areas for light industry as well as modern office spaces will be constructed totalling approximately 86,000 sqm.

The extension to the property in Schwäbisch Gmünd is also progressing according to plan. Due to the tenant's additional need for space, the total useful area will grow by 6,100 sqm to 22,500 sqm after completion in the first half of 2022. At the same time, the rental agreement for the entire property will be extended for seven additional years. In light of the demands placed on sustainable construction, half of the roof area will be covered with gardens and the other half will feature a photovoltaic system.

Also in June of this year, VIB expanded its site pipeline with a new property with an area of 63,000 sqm. The site, which boasts excellent transport links, features an existing construction plan that provides for 24/7 use, among other things. The planned construction allows for a building with total useful area of some 25,000 sqm.

As of the balance sheet date of June 30, 2021, VIB thus has a property pipeline for future project developments with a potential useful area of approx. 160,000 sqm, as well as an additional of some 47,000 sqm as part of a joint venture with WDP. In addition to in-house developments, we also review the possibility of expanding our portfolio by means of targeted acquisitions on an ongoing basis.

2021 ANNUAL GENERAL MEETING

At the Annual General Meeting on July 1, 2021, which, as in the previous year, was held virtually, VIB Vermögen AG summarised the course of business in the previous financial year and explained the continued strategy for the 2021 financial year.

As in the previous years, we are especially thrilled that we have once again recommended and approved an increase in the dividend to our shareholders, now for the 12th consecutive year. At EUR 0.75 per share, compared to EUR 0.70 per share in the previous year, this represented an increase of 7.1% and a total distribution of EUR 20.7 million for the 2020 financial year (previous year: EUR 19.3 million).

For the first time in the history of VIB Vermögen AG, this year the shareholders had the choice between receiving the dividend in the form of cash or shares. We are pleased that more than 30% of shareholders have chosen to receive the dividend in the form of shares in the first year with this option. Upon entry of this transaction in the commercial register on July 27, the share capital of VIB thus increased accordingly by 130,230 shares to now 27,710,009 registered shares. The subscription period ended on July 16.

The payment of the cash dividend was carried out on July 29 by the custodian banks, and the new shares were posted in the securities deposit accounts of the shareholders on August 2.

For more information on the individual Annual General Meeting resolutions, as well as the general presentation documents for the Annual General Meeting, please visit the company website at www.vib-ag.de.

BUSINESS REPORT

COURSE OF BUSINESS

We are satisfied with the course of business in the first half of the year despite the continuing coronavirus pandemic. All indicators are in line with the forecasts issued at the start of the year. By virtue of the new additions to the property portfolio, we have been able to further increase both revenue and earnings. All significant cost items have developed as expected. As the interest rate environment remains favourable, we were able to achieve a further reduction in interest expenses. This resulted in climbs in the earnings before tax (EBT) as well as the funds from operations (FFO).

No further events occurred after the end of the first half of 2021 that had a material impact on the company's earnings, assets and financial position.

EXPLANATORY NOTES ON THE EARNINGS, ASSETS AND FINANCIAL POSITION

EARNINGS POSITION

SELECTED INDICATORS OF EARNINGS POSITION

IN EUR THOUSAND	H1 2021	H1 2020	Change in %
Revenue	50,723	46,408	+9.3
Changes in value for investment properties	4,589	5,897	-22.2
EBT	37,342	34,593	+7.9
EBT excluding valuation effects and extraordinary items	32,753	28,696	+14.1
Consolidated net income	31,393	29,050	+8.1
Earnings per share (in EUR), undiluted/diluted	1.10	1.02	+7.8
FFO	28,450	25,063	+13.5
FFO per share (in EUR)	1.03	0.91	+13.2

Due to new additions to the property portfolio and rental indexing, revenue rose by 9.3% on the prior-year period to EUR 50,723 thousand (previous year: EUR 46,408 thousand). This figure already takes into account rental waivers granted to companies that have been particularly badly impacted by the coronavirus crisis.

Changes in value for investment properties were EUR 4,589 thousand (previous year: EUR 5,897 thousand) and resulted from the construction projects completed in the first half of the year. Expenses for investment properties were down marginally on the previous year at EUR 7,965 thousand (previous year: EUR 8,063 thousand), with operating costs coming in at EUR 6,752 thousand (previous year: EUR 6,122 thousand) and maintenance costs at EUR 1,213 thousand (previous year: EUR 1,940 thousand). Personnel expenses came in at EUR 2,217 thousand in the first six months (previous year: EUR 2,084 thousand), with other operating expenses increasing by EUR 92 thousand to EUR 1,008 thousand (previous year: EUR 916 thousand).

Interest expenses declined by EUR 500 thousand, or 6.9%, year-on-year to EUR 6,759 thousand (previous year: EUR 7,259 thousand). Earnings before tax (EBT) stood at EUR 37,342 thousand, compared with EUR 34,593 thousand in the previous year. EBT adjusted for valuation effects and extraordinary items rose year-on-year to EUR 32,753 thousand (previous year: EUR 28,696 thousand), which equates to an increase of 14.1%, or EUR 4,057 thousand.

Income tax expenses stood at EUR 5,949 thousand (previous year: EUR 5,543 thousand), with current taxes coming in at EUR 3,510 thousand (previous year: EUR 2,902 thousand) and deferred taxes totalling EUR 2,439 thousand (previous year: EUR 2,641 thousand). Consolidated net income rose by 8.1% in the first half of 2021, climbing from EUR 29,050 thousand in the previous year to EUR 31,393 thousand. Both undiluted and diluted earnings per share stood at EUR 1.10 in the reporting period (previous year: EUR 1.02).

NET ASSETS

SELECTED INDICATORS OF NET ASSETS

IN EUR THOUSAND	30/06/2021	31/12/2020	Change in %
Total assets	1,486,052	1,454,156	+2.2
Investment properties	1,380,726	1,368,001	+0.9
Net debt (current and non-current financial liabilities less bank balances)	693,092	708,584	-2.2
Equity	656,436	625,178	+5.0
Equity ratio	44.2%	43.0%	+1.2 pp

The total assets of the VIB Group rose by EUR 31,896 thousand compared with December 31, 2020, to EUR 1,486,052 thousand (31/12/2020: EUR 1,454,156 thousand). Due to new investments in the property portfolio, investment properties climbed by EUR 12,725 thousand to EUR 1,380,726 thousand (31/12/2020: EUR 1,368,001 thousand). Bank balances and cash in hand came in at EUR 54,348 thousand as of the cut-off date (31/12/2020: EUR 39,363 thousand).

Due to the consolidated result generated, equity rose to EUR 656,436 thousand as of the balance sheet date of June 30, 2021 (31/12/2020: EUR 625,178 thousand), with the equity ratio increasing by 1.2 percentage points to 44.2% (31/12/2020: 43.0%).

The item of non-current financial liabilities decreased by EUR 32,575 thousand to EUR 755,621 thousand (31/12/2020: EUR 788,196 thousand), whereas current financial liabilities were up by EUR 33,213 thousand to EUR 73,995 thousand (31/12/2020: EUR 40,782 thousand). Net debt, i.e. the balance between current and non-current financial liabilities less bank balances, came to EUR 693,092 thousand as of June 30, 2021, and was therefore down by EUR 15,492 thousand on year end 2020 (31/12/2020: EUR 708,584 thousand).

By virtue of the positive course of business, the undiluted net asset value (NAV) of the company climbed to EUR 699,196 thousand as of June 30, 2021 (31/12/2020: EUR 666,322 thousand). Taking the 27,579,779 shares in circulation as of June 30, 2021, this corresponds to an undiluted NAV per share of EUR 25.35 as of the balance sheet cut-off date, compared to EUR 24.16 as of December 31, 2020 – an increase of 4.9%, or EUR 1.19 per share.

FINANCIAL POSITION

SELECTED INDICATORS OF FINANCIAL POSITION

IN EUR THOUSAND	H1 2021	H1 2020
Cash and cash equivalents at start of period	39,363	36,738
Cash flow from operating activities	33,745	28,541
Cash flow from investment activities	-11,356	-38,428
Cash flow from financing activities	-7,404	6,652
Cash and cash equivalents at end of period	54,348	33,503

Cash flow from operating activities came in at EUR 33,745 thousand in the reporting period (previous year: EUR 28,541 thousand). Cash outflow from investment activities amounted to EUR 11,356 thousand (previous year: EUR 38,428 thousand), mainly due to investments in the property portfolio. Net cash outflow from financing activities stood at EUR 7,404 thousand (previous year: inflow of EUR 6,652 thousand).

This figure includes a cash inflow of EUR 15,800 thousand (previous year: EUR 25,000 thousand) from the taking out of new loans as well as a cash outflow from the repayment of loans in the amount of EUR 16,307 thousand (previous year: EUR 10,610 thousand). Interest payments on bank liabilities declined by EUR 500 thousand year-on-year to EUR 6,759 thousand (previous year: EUR 7,259 thousand).

As of the balance sheet date of June 30, 2021, the VIB Group's cash and cash equivalents totalled EUR 54,348 thousand (31/12/2020: EUR 39,363 thousand).

FFO (funds from operations) as an indicator of the company's cash inflow from operating activities climbed to EUR 28,450 thousand in the first half of 2021 (previous year: EUR 25,063 thousand). FFO per share improved accordingly from EUR 0.91 to EUR 1.03.

EMPLOYEES

In addition to the two members of the Managing Board, the VIB Group employed a further 38 commercial members of staff (31/12/2020: 38) and six industrial members of staff (31/12/2020: six) as of the balance sheet date of June 30, 2021. The industrial staff are primarily employed on a part-time basis to manage our properties. The resulting personnel expenses are passed on to our tenants via ancillary costs.

The Managing Board comprises Martin Pfandzelter (CEO) and Holger Pilgenröther (CFO).

OVERALL STATEMENT ON THE COMPANY'S BUSINESS POSITION

Despite the continuing coronavirus crisis, we are satisfied with the course of business of the VIB Group in the first half of 2021. Development in both revenue and adjusted earnings before tax (EBT) was in line with the forecast issued at the start of the year. The company has sufficient liquid assets to continue its positive course of business going forward.

RISKS AND OPPORTUNITIES

The basic principles of risk management, as well as significant opportunities and risks (particularly the risks connected with the coronavirus pandemic), are presented in detail in the 2020 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

Despite the continuing coronavirus crisis, we believe that the underlying conditions are in place to enable VIB to continue its profitable growth trajectory in the second half of the year.

Subject to the assumption that there will be no significant deterioration in the economic situation in the second half of 2021, we confirm the forecast for the 2021 financial year published in the 2020 Annual Report:

- › an increase in revenue to between EUR 99.0 million and EUR 105.0 million (2020: EUR 94.2 million)
- › an increase in earnings before tax (EBT), excluding valuation effects and extraordinary items, to between EUR 61.0 million and EUR 65.0 million (2020: EUR 57.7 million)
- › an increase in funds from operations (FFO) to between EUR 54.0 million and EUR 58.0 million (2020: EUR 50.4 million)

Furthermore, we anticipate

- › a low single-digit vacancy rate as of December 31, 2021 (31/12/2020: 2.5%)
- › a further slight reduction in the average interest rate on the borrowing portfolio as of the end of 2021 (31/12/2020: 1.77%)

These forecasts could be influenced by material changes to the underlying macroeconomic conditions (e.g. a renewed intensification of the coronavirus crisis) and unplanned acquisitions or disposals of properties.

Neuburg/Danube, August 10, 2021



Martin Pfandzelter
(Chief Executive Officer)



Holger Pilgenröther
(Member of the Managing Board, CFO)

CONSOLIDATED INCOME STATEMENT (IFRS)

FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2021

IN EUR THOUSAND	H1 2021	H1 2020
Revenue	50,723	46,408
Other operating income	126	984
Total operating income	50,849	47,392
Changes in value for investment properties	4,589	5,897
Expenses for investment properties	-7,965	-8,063
Personnel expenses	-2,217	-2,084
Other operating expenses	-1,008	-916
Earnings before interest, tax, depreciation and amortisation (EBITDA)	44,248	42,226
Depreciation and amortisation	-218	-155
Earnings before interest and tax (EBIT)	44,030	42,071
Profit/loss on equity-accounted investments	154	-136
Interest and similar expenses	-6,759	-7,259
Expenses from guaranteed dividends	-83	-83
Earnings before tax (EBT)	37,342	34,593
Income tax	-5,949	-5,543
Consolidated net income	31,393	29,050
Group shareholders' share of earnings	30,429	28,079
Non-controlling shareholders' share of earnings	964	971
UNDILUTED EARNINGS PER ORDINARY SHARE (IN EUR)		
Profit/loss on continuing operations	1.10	1.02
Undiluted earnings per share	1.10	1.02
DILUTED EARNINGS PER ORDINARY SHARE (IN EUR)		
Profit/loss on continuing operations	1.10	1.02
Diluted earnings per share	1.10	1.02

CONSOLIDATED BALANCE SHEET (IFRS)

AS OF JUNE 30, 2021

ASSETS

IN EUR THOUSAND	30/06/2021	31/12/2020
Non-current assets		
Intangible assets	23	18
Property, plant and equipment	10,959	11,136
Investment properties	1,380,726	1,368,001
Interests in associated companies	17,584	14,230
Total non-current assets	1,409,292	1,393,385
Current assets		
Receivables and other assets	6,297	3,739
Bank balances and cash in hand	54,348	39,363
Prepayments and accrued income	1,215	2,769
Assets held for sale	14,900	14,900
Total current assets	76,760	60,771
Total assets	1,486,052	1,454,156

EQUITY AND LIABILITIES

IN EUR THOUSAND	30/06/2021	31/12/2020
Equity		
Subscribed share capital	27,580	27,580
Share premium account	191,218	191,218
Retained earnings	95,106	95,106
Cumulative earnings	315,857	285,428
Foreign currency translation	22	16
Equity attributable to parent company shareholders	629,783	599,348
Non-controlling shareholders' share of earnings	26,653	25,830
Total equity	656,436	625,178
Non-current liabilities		
Financial liabilities	682,749	717,894
Deferred taxes	69,413	66,974
Pension provisions	3,459	3,328
Total non-current liabilities	755,621	788,196
Current liabilities		
Financial liabilities	64,691	30,053
Income tax liabilities	1,295	241
Liabilities to participating interests	830	827
Other liabilities	7,005	9,369
Accruals and deferred income	174	292
Total current liabilities	73,995	40,782
Total assets	1,486,052	1,454,156

FINANCIAL CALENDAR

November 10, 2021

Publication of the 2021 Q3 interim report

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MASTHEAD

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Directors entitled to represent the company

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Holger Pilgenröther

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