

Branicks



# Q1 2024 Results Conference Call

16 May 2024



# “Delivering on promises” in a strained market environment



## Refinancing milestones successfully reached at the end of Q1 2024::

- Promissory note loans and bridging loan extended
- Maximum focus on steadily reducing liabilities and boosting liquidity
- Foundation laid for the future configuration of our Company



## Commercial Portfolio records strong operating performance::

- Continuing focus on office and logistics properties (80% of market value)
- Rent indexations deliver stable and predictable effect (like-for-like rent growth of 2.3%)



## Stable Institutional Business:

- Focus on assets under management of EUR 9.4 billion
- Business model expanded to include new renewables asset class in partnership with Encavis



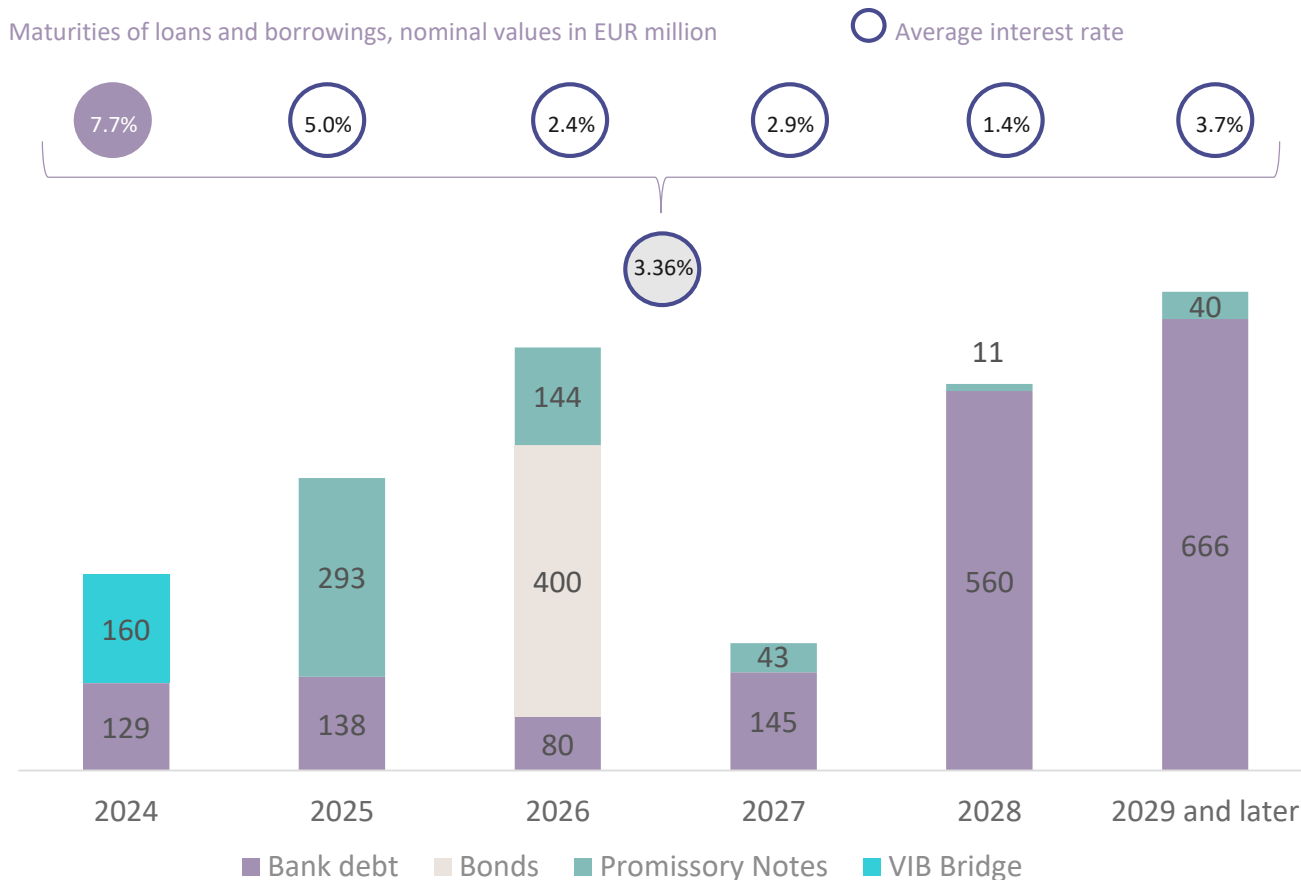
## Progress in the implementing of the “Performance 2024” action plan :

- After a reduction of 16% in 2023, OPEX were also further reduced on a quarterly basis by 7% (from EUR 16.7 million in Q1 2023 to EUR 15.6 million in Q1 2024)



# Financial profile substantially improved end of Q1-2024

As of 31 March 2024



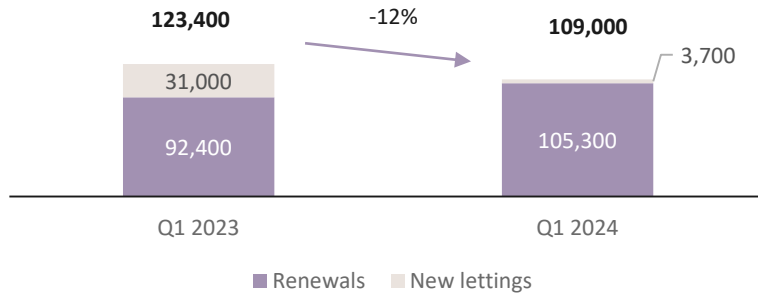
- **Continued focus on deleveraging while monitoring covenants**
- **Bond covenants** as of 31 March 2024 with sufficient headroom remaining:
  - Bond LTV 57.3% (covenant level <60.0%)<sup>1</sup>
  - Secured LTV 32.7% (covenant level <45.0%)<sup>1</sup>
  - Bond ICR 2.00x (covenant level >1.8x)<sup>2</sup>
- **LTV covenants** slightly improved in Q1 2024 and will further be improved due to disposals and redemption of bridge financing over the course of 2024
- **ICR covenant** with improvement expected 2024 due to redemption of bridge
- **Agreed prolongation of 2024 SSD and Bridge** led to staggering of short-term maturities



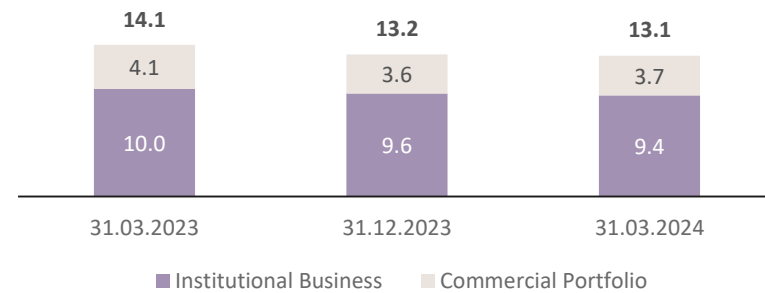
# Q1 2024: Solid performance in challenging environment due to strong performing real estate platform

Like-for-like rental growth continues with +4.6%

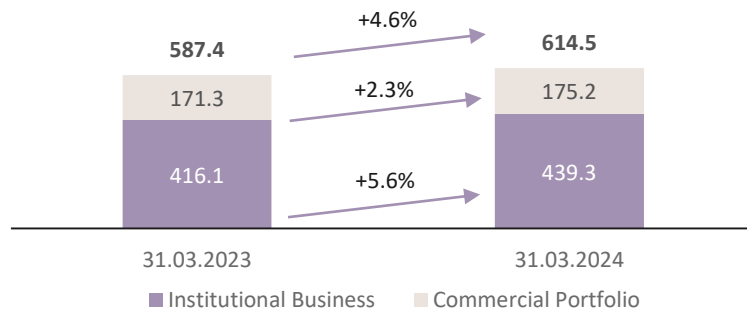
**Letting performance**  
in sqm



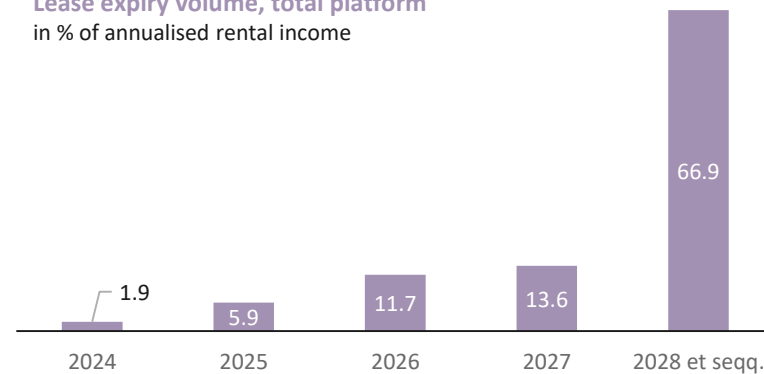
**Assets under Management**  
in EUR billion



**Like-for-like rental income**  
annualised in EUR million



**Lease expiry volume, total platform**  
in % of annualised rental income

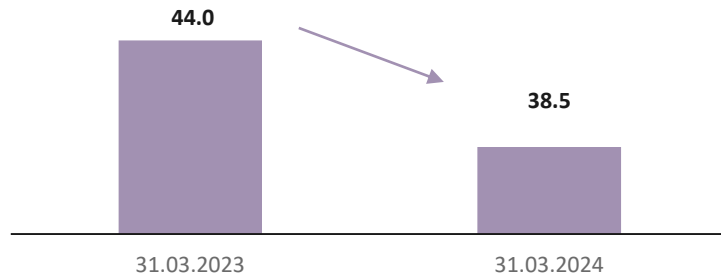




# Q1 2024: Stable contribution from directly held portfolio, no transaction-related income

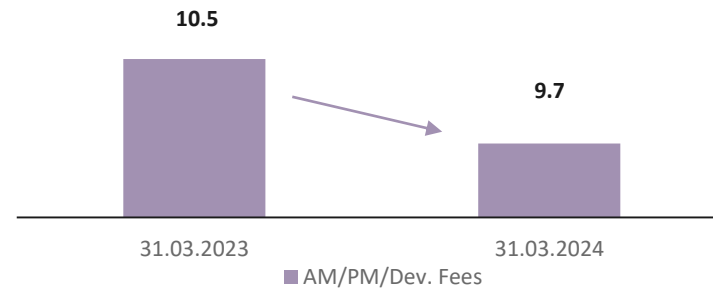
Solid recurring income results

## Net rental income

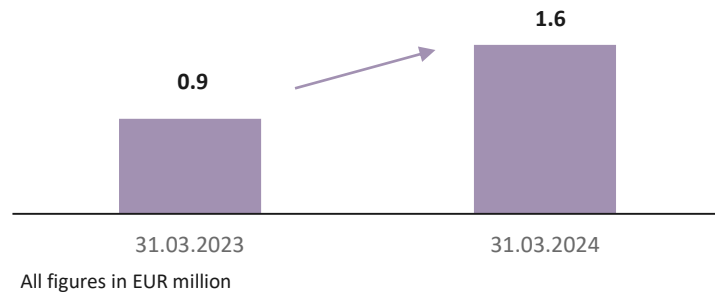


## Real estate management fees

Include in Q1 2024 and prior year quarter solely recurring Asset-, Property- and Development-Fees

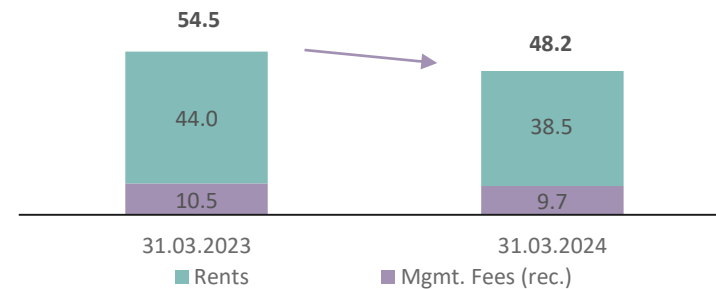


## Income from associated companies



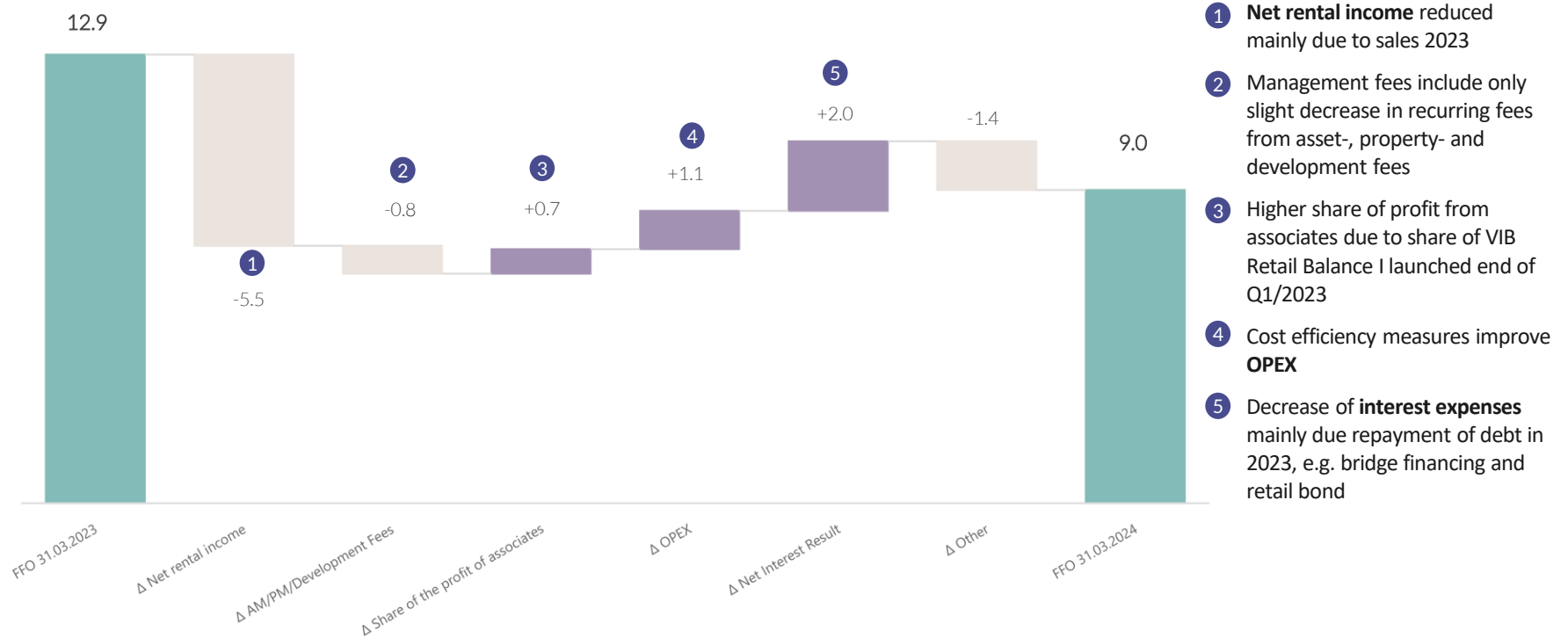
## Recurring income

Rents and management fees





# Q1 2024: Funds from Operations (FFO)<sup>1</sup> in line with expectations, OPEX shows upside from “Performance 2024”



<sup>1</sup> Excluding non-controlling interest (NCI), before taxes



# Guidance 2024 unchanged

| Outlook 2024                              |  |
|---|--|
| Gross rental income                       | EUR <b>160 – 175</b> million   |
| Real estate management fees               | EUR <b>40 – 50</b> million   |
| FFO I (after minorities and before taxes) | EUR <b>40 – 55</b> million   |
| Acquisitions                              | EUR <b>150 – 300</b> million, thereof:<br>Commercial Portfolio: no acquisitions<br>Institutional Business: c. EUR 150 - 300 million    |
| Disposals                                 | EUR <b>650 – 900</b> million, thereof:<br>Commercial Portfolio: EUR 500 - 600 million<br>Institutional Business: EUR 150 - 300 million |



# Mid-term ambition confirmed: Transformation of Branicks Group towards a profitable, ESG-focussed and value-generating asset expert

Expansion of value chain in an extended asset spectrum will sustainably strengthen cashflows and financial position

## Ambitions:

Substantially **improve Group earnings** and **cashflows**

**Return to net profit** and **positive net cashflow in 2026**

Earnings from **ESG** expertise will surpass earnings contribution from traditional real estate management

Substantial **debt reduction** and strengthened headroom for financial covenants

**ICR** increases generally remaining **above 2.0x** from Q2 2024 onwards

**LTV <50%** by course of 2025

**Secured LTV around 30%** by end of 2026





Q & A



# Contact and financial calendar

## Investor Relations



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## Financial calendar

### 2024

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- |        |   |
|--------|---|
| 16.05. | Publication Quarterly Statement Q1 2024 |
| 29.05. | Publication Sustainability Report 2023  |
| 22.08  | Annual General Meeting 2024             |
| 27.08. | Publication Half-Year Report 2024       |
| 07.11. | Publication Quarterly Statement Q3 2024 |



# Appendix

More facts and figures



# Q1 2024: P&L – Commercial Portfolio segment

## Significant growth in rent from operating business

### Commercial Portfolio (COP)

- **Net rental income** decreased by EUR 5.5 million (-12.5%) to EUR 38.5 million, primarily because the prior-year quarter still included rents from properties in the VIB Retail Balance I fund and other sold properties in 2023 that overcompensates the IFl- increase of 2.3%.
- The **share of the profit or loss of associates** mainly consists of deferred income from fund shares, and, in contrast to Q1 2023, contains the share of profits in VIB Retail Balance I.
- **Depreciation and amortisation** of EUR 17.9 million remained virtually unchanged from the previous year (EUR 17.2 million).
- **Operational expenditures** in this segment amount to EUR 5.9 million, which is almost on the previous year level (previous year: EUR 5.7 million). The EUR 0.6 million decline in personnel costs to EUR 3.2 million (previous year: EUR 3.8 million) almost fully offset the increase in administrative expenses due to legal and consulting costs by EUR 0.8 million to 2.7 million.
- The **net interest result** of EUR -23.9 million (previous year: EUR -26.0 million) was primarily reduced due to repayments of debt in 2023, e.g. bridge loan and retail bond.
- The **segment's FFO contribution** after deducting minority interests declined to EUR 8.9 million (previous year: EUR 12.9 million), primarily on account of lower net rental income compared with the previous year.

### Segment reporting

| in EUR million   | 3M 2024    |            |            | 3M 2023     |            |             |
|--|------------|------------|------------|-------------|------------|-------------|
|  | COP        | IBU        | Total      | COP         | IBU        | Total       |
| Gross rental income (GRI)  | 44.4       |            | 44.4       | 50.4        |            | 50.4        |
| Net rental income (NRI)  | 38.5       |            | 38.5       | 44.0        |            | 44.0        |
| Profits on property disposals  | 0.0        |            | 0.0        | 8.2         |            | 8.2         |
| Real estate mgmt. fees   |            | 9.7        | 9.7        |             | 10.5       | 10.5        |
| Share of the profit or loss of associates                                | 0.9        | 0.7        | 1.6        | 0.2         | 0.7        | 0.9         |
| Depreciation and amortisation  | -17.9      | -2.4       | -20.3      | -17.2       | -1.2       | -18.4       |
| Net other income   | 0.2        | 0.1        | 0.3        | 0.0         | 0.0        | 0.0         |
| Net interest result  | -23.9      | -0.1       | -24.0      | -26.0       | 0.0        | -26.0       |
| Operational expenditure (OPEX)   | -5.9       | -9.7       | -15.6      | -5.7        | -11.0      | -16.7       |
| - of which admin costs   | -2.7       | -3.5       | -6.2       | -1.9        | -3.7       | -5.6        |
| - of which personnel costs   | -3.2       | -6.2       | -9.4       | -3.8        | -7.3       | -11.1       |
| Other adjustments  | 1.7        | 0.0        | 1.7        | 6.5         | 0.2        | 6.7         |
| Non-controlling interests  | 2.6        | 0.6        | 3.2        | 6.1         | 0.4        | 6.5         |
| <b>Funds from operations (FFO) after non-controlling interests</b>       | <b>8.9</b> | <b>0.1</b> | <b>9.0</b> | <b>12.9</b> | <b>0.0</b> | <b>12.9</b> |
| <b>Funds from operations II (FFO II) after non-controlling interests</b> | <b>8.9</b> | <b>0.1</b> | <b>9.0</b> | <b>20.4</b> | <b>0.0</b> | <b>20.4</b> |



# Q1 2024: P&L – Institutional Business segment

## Rise in current fees, fewer transactions

### Institutional Business (IBU)

- The **real estate management fees** of EUR 9.7 million (previous year: EUR 10.5 million) solely comprise recurring asset, property and development fees. As in the prior-year quarter, no fees were generated from transactions.
- The **share of the profit or loss of associates** remained unchanged at EUR 0.7 million.
- **Operational expenditures** were down on the previous year's figure of EUR 11.0 million at EUR 9.7 million, primarily due to lower personnel expenses of EUR 6.2 million (previous year: EUR 7.3 million).
- The **segment's FFO contribution** after minority interest was almost on a par with the previous year at EUR 0.1 million (previous year: EUR 0.0 million).

### Segment reporting

| in EUR million   | 3M 2024    |            |            | 3M 2023     |            |             |
|--|------------|------------|------------|-------------|------------|-------------|
|  | COP        | IBU        | Total      | COP         | IBU        | Total       |
| Gross rental income (GRI)  | 44.4       |            | 44.4       | 50.4        |            | 50.4        |
| Net rental income (NRI)  | 38.5       |            | 38.5       | 44.0        |            | 44.0        |
| Profits on property disposals  | 0.0        |            | 0.0        | 8.2         |            | 8.2         |
| Real estate mgmt. fees   |            | 9.7        | 9.7        |             | 10.5       | 10.5        |
| Share of the profit or loss of associates                                | 0.9        | 0.7        | 1.6        | 0.2         | 0.7        | 0.9         |
| Depreciation and amortisation  | -17.9      | -2.4       | -20.3      | -17.2       | -1.2       | -18.4       |
| Net other income   | 0.2        | 0.1        | 0.3        | 0.0         | 0.0        | 0.0         |
| Net interest result  | -23.9      | -0.1       | -24.0      | -26.0       | 0.0        | -26.0       |
| Operational expenditure (OPEX)   | -5.9       | -9.7       | -15.6      | -5.7        | -11.0      | -16.7       |
| - of which admin costs   | -2.7       | -3.5       | -6.2       | -1.9        | -3.7       | -5.6        |
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| Other adjustments  | 1.7        | 0.0        | 1.7        | 6.5         | 0.2        | 6.7         |
| Non-controlling interests  | 2.6        | 0.6        | 3.2        | 6.1         | 0.4        | 6.5         |
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| <b>Funds from operations II (FFO II) after non-controlling interests</b> | <b>8.9</b> | <b>0.1</b> | <b>9.0</b> | <b>20.4</b> | <b>0.0</b> | <b>20.4</b> |



# Q1 2024: Balance sheet structure

## Dominated by loan repayments

- 1 As at 31 March 2024, **total assets** decreased by EUR 198.7 million compared to the end of 2023 mainly due to loan repayments.
- 2 The EUR 25.0 million increase in **non-current assets** compared to 31 December 2023 is primarily attributable to the addition of a property for which the transfer of possession, benefits and associated risks was completed in March. This property was acquired as part of a forward deal.
- 3 **Current assets** decreased by EUR 223.7 million overall compared to 31 December 2023, mainly as a result of the EUR 200.6 million reduction in cash and cash equivalents. This decrease in cash and cash equivalents was primarily caused by loan repayments totaling EUR 196.5 million, of which EUR 126.0 million were paid in Q1 / 2024 using funds from sales completed during the 2023 financial year.
- 4 **Equity** was EUR 9.6 million lower as of 31 March 2024 than at the end of 2023. This mainly relates to loss for the year of EUR -8.8 million (previous year: profit for the year of EUR +2.2 million). At a solid 32.7%, the equity ratio exceeded the previous year's figure of 31.5% due to lower total assets.
- 5 **Liabilities** declined by a total of EUR 189.1 million compared with the end of 2023. The change in current and non-current liabilities primarily resulted from the repayment of a EUR 40.0 million portion of our bridge loan and the reclassification from current to non-current liabilities of the EUR 225.0 million promissory note loans originally scheduled to mature during 2024. At the same time, EUR 126 million of loans and borrowings were repaid using funds from sales completed during the 2023 financial year.

## Balance sheet overview

| in EUR million                          | 31.03.2024 |   | 31.12.2023 |
|---|------------|---|------------|
| Total assets                            | 4,647.5    | 1 | 4,846.2    |
| Total non-current assets                | 4,065.6    | 2 | 4,040.6    |
| - thereof goodwill                      | 190.2      |   | 190.2      |
| Total current assets                    | 581.9      | 3 | 805.6      |
| Equity                                  | 1,517.5    | 4 | 1,527.1    |
| Total non-current financial liabilities | 2,408.8    |   | 2,316.1    |
| Total current financial liabilities     | 318.5      |   | 618.9      |
| Other liabilities                       | 402.7      |   | 384.1      |
| Total liabilities                       | 3,130.0    | 5 | 3,319.1    |
| Balance sheet equity ratio              | 32.7%      | 4 | 31.5%      |



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Presentation as of May 2024