

## P R E S S R E L E A S E

### Warimpex Group sees revenue growth in first half of 2023

- Total revenues up 31 per cent, EBITDA improves by 5 per cent
- Result for period positive at EUR 0.2 million, but stunted by declines in property values and negative financial result
- Mogilska 35 Office development in Krakow nearly complete
- Focus on sustainability certifications continues to be implemented

Vienna/Warsaw, 30 August 2023 – For Warimpex, the first half of 2023 was characterised by a further improvement in revenues and EBITDA and the progression of the construction activities in Krakow as planned. While a recovery is evident in the Hotels segment, interest rates remain high, property valuations are subject to high volatility, and the Russian rouble is being impacted by currency fluctuations. The currency has depreciated compared with the first half of 2022. Nevertheless, the Warimpex Group is reporting a slight profit of EUR 0.2 million.

*“We anticipated potential changes in the interest rate level and currency fluctuations and aligned our financing strategy accordingly. Therefore, we are able to report a positive result at the half-year mark despite declines in property values, a negative financial result, and a lack of sales proceeds,”* commented Warimpex CEO Franz Jurkowitsch.

#### **Operating business remains strong**

Total revenues improved by 31 per cent in the first half of 2023, coming to EUR 26.3 million. This can be attributed to higher revenues from the rental of office properties in Poland as well as the Avior Tower in St. Petersburg. After being completed last year, the latter has been fully occupied since January 2023. In contrast to the prior-year period, the Group conducted no real estate transactions in the first half of 2023. Nevertheless, EBITDA rose by 5 per cent to EUR 11.3 million thanks to the revenue increases.

The changes in economic conditions are reflected in EBIT, which declined by EUR 10.3 million from EUR 16.7 million to EUR 6.4 million due to a negative result from property valuations. This includes measurement losses of EUR 5.5 million as well as write-ups of EUR 1.9 million, whereas a measurement gain of EUR 7.3 million was generated in the prior-year period. The financial result went from EUR 0.9 million to minus EUR 5.2 million, primarily due to changes in foreign exchange rates. In total, this resulted in a slight profit for the period of EUR 0.2 million, down from EUR 13.4 million in the prior-year period.

### **Office developments with a focus on sustainability**

Warimpex continues to focus on office developments and strives to obtain the optimal sustainability certifications, which also meet the requirements of the new EU Taxonomy.

Mogilska 35 Office in Krakow with 11,900 square metres of net floor space and BREEAM – Excellent certification is nearing completion and is on schedule. The office space at Red Tower in Łódź spanning 12,400 square metres is still being modernised on a step-by-step basis while the letting process continues to progress. Innovative concepts are also being implemented at the property: In May, for example, a second coworking space was opened that offers new possibilities for flexible working models and is being received well.

Building permits were issued for further Polish office developments in Krakow (Chopin Office with roughly 21,200 square metres) and Białystok (MC 55 with roughly 38,500 square metres). In the German city of Darmstadt, planning for the West Yard 29 office building with roughly 13,800 square metres of space is at an advanced stage. There are still no new developments planned in Russia.

### **Outlook**

Warimpex continues to monitor the geopolitical developments related to the conflict in Ukraine, the inflation trend, and the elevated key interest rates and construction costs. *“As a listed, family-run company, we are oriented towards the long term. Thanks to strong cash flows from our existing properties, we have the flexibility to take advantage of economically favourable time windows to push ahead with development projects on our property reserves and execute transactions,”* explained Franz Jurkowitsch. *“With strong operating business and solid occupancy rates in our portfolio of modern existing properties, we expect the positive development of our business to continue for the current financial year despite the uncertain economic conditions.”*

### Key financial figures for the first half of 2023 at a glance:

in EUR '000	1–6/2023	Change	1–6/2022
Investment Properties revenues	19,415	32%	14,691
Hotels revenues	5,914	55%	3,826
Development and Services revenues	929	-41%	1,585
<i>Total revenues</i>	<i>26,258</i>	<i>31%</i>	<i>20,101</i>
Expenses directly attributable to revenues	-9,004	25%	-7,207
<i>Gross income from revenues</i>	<i>17,254</i>	<i>34%</i>	<i>12,895</i>
Gains or losses from the disposal of properties	-	-	2,821
EBITDA	11,264	5%	10,741
Depreciation, amortisation, and remeasurement	-4,825	-	5,993
EBIT	6,440	-62%	16,733
Financial result	-5,208	-	947
Profit or loss for the period	214	-98%	13,421
Net cash flow from operating activities	16,565	162%	6,324
	<b>30/6/2023</b>	<b>Change</b>	<b>31/12/2022</b>
Gross asset value (GAV) in EUR millions	393.9	-8%	429.3
NNNAV per share in EUR	3.33	-12%	3.78
EPRA NTA	3.16	-12%	3.59
End-of-period share price in EUR	0.78	20%	0.65

### Warimpex Finanz- und Beteiligungs AG at a glance

Warimpex is a real estate development and investment company that was founded in 1959. The firm is headquartered in Vienna and is listed on the stock exchanges in Vienna and Warsaw. Warimpex develops properties and operates them itself until the time at which the highest added value can be realised through sale. The company optimally combines the long-term strategic planning and short decision-making channels of a family-run business with the transparency and financial flexibility of a listed firm. In addition, Warimpex has more than 60 years of business experience in Central and Eastern Europe, where it serves as a true pioneer, for example with the development of the region's first design hotel. Warimpex has developed properties worth more than one billion euros over the past 40 years and is deeply anchored in Poland, Russia, Hungary, Germany, and Austria to this day.

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