

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

Warimpex: Impairments weigh down half-year results despite stable revenues

- **Total revenues nearly unchanged versus prior-year period at EUR 26.0 million**
- **Lower property valuations and impairments weigh down half-year results**
- **Office developments in Poland and Germany proceeding according to plan**
- **Further buildings receive international certifications; expansion of coworking offerings**

Vienna/Warsaw, 30 August 2024 – The first half of 2024 continued to be shaped by difficult market conditions, with high interest rates, elevated prices, and in part lower property valuations. On the whole, this resulted in a loss for the period of EUR 8.8 million for Warimpex despite stable revenues. An initial turning point was seen when the ECB lowered the key rate in June 2024. *“Despite the continuing challenges, operational performance was stable and the development projects are proceeding according to plan, with attention being focused on the current developments in Krakow and Darmstadt,”* commented Warimpex CEO Franz Jurkowitsch.

A detailed look at the half-year results

In the first half of 2024, total revenues remained relatively constant at EUR 26.0 million (minus 1 per cent), while the expenses directly attributable to revenues increased by 6 per cent to EUR 9.5 million. The development of revenues in the Hotels segment was positive despite the weaker rouble exchange rate in the first half of 2024, while revenues from the rental of office properties declined slightly. This led to a 5 per cent decrease in gross income from revenues to EUR 16.5 million.

The slightly lower revenues as well as impairments on receivables resulted in lower EBITDA of EUR 8.6 million, versus EUR 11.3 million in the prior-year period. Due to the lower EBITDA and a negative remeasurement result for investment properties, EBIT fell from EUR 6.4 million to minus EUR 2.1 million.

Finance income went from minus EUR 5.2 million to minus EUR 6.6 million due to a lack of income from foreign exchange rate changes in the financial result. In total, this resulted in a loss for the period of EUR 8.8 million for Warimpex, compared to a profit of EUR 0.2 million in the prior-year period.

Focus on office developments

We are sticking to our strategy when it comes to our development projects: The focus is on office developments with sustainability certifications that also meet the requirements of the EU Taxonomy.

The marketing of the Mogilska 35 Office building, which was opened in Krakow at the end of 2023, is going according to plan, and we currently expect it to be fully occupied by the end of the year.

The West Yard 29 project in Darmstadt with lettable space of 12,500 square metres is in the advanced planning stage. We expect the building permit to be issued before the end of the year.

The Red Tower in Łódź received BREEAM In-Use – Very Good sustainability certification in April 2024. In addition, the Mogilska 35 Office building was awarded WELL Health-Safety certification for a safe and healthy work environment. The existing WELL Health-Safety certifications were renewed for the two office buildings Mogilska 43 Office in Krakow and Ogródowa Office in Łódź. The Memos coworking offerings were recently expanded by another 600 square metres due to the high demand. Warimpex sold a development property in Białystok after the reporting date.

Outlook for 2024

Market conditions are expected to remain challenging due to the continuing conflict in Ukraine and the low economic growth. *“Nevertheless, we believe that our operational activities will see positive development, and we are proceeding with the ongoing project developments according to plan. Our focus continues to be on making preparations for construction and obtaining building permits for our development projects in order to be ready to start construction at the suitable time. In addition, we are continuing the implementation of sustainability concepts at our properties by obtaining appropriate certifications,”* concluded Franz Jurkowitsch.

Key financial figures for the first half of 2024 at a glance:

in EUR '000	1–6/2024	Change	1–6/2023
Investment Properties revenues	18,410	-5%	19,415
Hotels revenues	6,253	6%	5,914
Development and Services revenues	1,314	41%	929
<i>Total revenues</i>	<i>25,977</i>	<i>-1%</i>	<i>26,258</i>
Expenses directly attributable to revenues	-9,514	6%	-9,004
<i>Gross income from revenues</i>	<i>16,463</i>	<i>-5%</i>	<i>17,254</i>
Gains or losses from the disposal of properties	-	-	-
EBITDA	8,581	-24%	11,264
Depreciation, amortisation, and remeasurement	-10,719	122%	-4,825
EBIT	-2,139	-	6,440
Financial result	-6,609	27%	-5,208
Profit or loss for the period	-8,748	-	214
Net cash flow from operating activities	4,673	-72%	16,565
	30/6/2024	Change	31/12/2023
Gross asset value (GAV) in EUR millions	363.8	1%	360.1
NNNAV per share in EUR	2.60	-3%	2.68
EPRA NTA	2.47	-4%	2.56
End-of-period share price in EUR	0.742	-	0.745

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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