

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

Warimpex: Negative result for the first quarter of 2022

- Improved operating result, but measurement and exchange rate losses lead to loss of EUR 4.4 million for Q1 (Q1 2021: loss of EUR 0.5 million)
- Revenues from the rental of office properties up 32 per cent, revenues in the Hotels segment up 73 per cent, improvement in EBITDA by 79 per cent

Vienna/Warsaw, 30 May 2022 – The business operations of the Warimpex Group developed positively in the first quarter of 2022. Particularly the performance of the hotels improved following a weaker prior-year period due to the pandemic, and revenues in the office segment also increased significantly. Nevertheless, measurement losses on Russian properties and losses from changes in the foreign exchange rate for the rouble led to a loss of EUR 4.4 million for the first quarter of 2022, compared with a loss of EUR 0.5 million in the previous year.

"With the loosening of the COVID-19 measures starting in March 2022, it seemed as though we were leaving the crisis behind us. And this may be true with regard to the pandemic for the moment – as of now in the spring, it remains to be seen what autumn will bring. It is also impossible to say how the current geopolitical situation will develop moving forward. The armed conflict in Ukraine is not only resulting in unspeakable suffering for the people in the country, but is having an impact on the entire world and is not least leading to significant economic upheavals due to the international sanctions against Russia as well as Russia's counterreactions. Naturally, we are monitoring the economic and legal developments in Russia very closely in order to react quickly to current events if necessary," explained Franz Jurkowitsch, CEO of Warimpex.

Loss for the period due to measurement and exchange rate losses

Revenues from the rental of office properties rose from EUR 4.9 million to EUR 6.5 million during the first three months of the year. This can be attributed to the inclusion of the revenues from the Jupiter office towers at AIRPORTCITY St. Petersburg, which have been fully consolidated in the Group since the end of 2021. Revenues in the Hotels segment also increased from EUR 0.7 million to EUR 1.2 million following the weaker performance in the first quarter of 2021 due to the coronavirus. Total revenues improved from EUR 6.1 million to EUR 8.5 million, while the expenses directly attributable to revenues increased from EUR 2.5 million to EUR 3.3 million. This results in gross income from revenues of EUR 5.2 million versus EUR 3.5 million in the prior year.

EBITDA increased from EUR 1.6 million to EUR 2.9 million due to the improvement in gross income from revenues. EBIT declined from EUR 2.1 million to minus EUR 1.3 million due to the negative result from property valuations for Russian properties following a measurement gain in the prior year.

The financial result (including joint ventures) went from minus EUR 2.5 million to minus EUR 2.9 million. This includes losses from currency translation in the amount of EUR 1.4 million (2021: gain of EUR 0.3 million) and gains from the measurement of derivatives held for interest rate hedging purposes in the amount of EUR 0.8 million.

Despite the improved operating result, net measurement losses on Russian properties and losses from changes in the foreign exchange rate for the rouble led to a loss of EUR 4.4 million for the first quarter of 2022 (2021: loss of EUR 0.5 million).

New office buildings under construction or in planning phase

On the development side, several new projects are already under construction, and others are still in the planning phase. In Krakow, progress is being made on the construction of Mogilska 35 Office, which will offer roughly 12,000 square metres of lettable space. The project is scheduled to be completed in 2023. Building permits have been issued for both the Chopin office building in Krakow with around 21,200 square metres of lettable space and the MC 55 office building in Białystok with about 38,500 square metres of lettable space. In line with Warimpex's strategy, construction will start on both projects as soon as an appropriate level of tenant interest has been secured.

In the German city of Darmstadt, the planning for the West Yard 29 office building with roughly 13,800 square metres of space is already at an advanced stage.

At AIRPORTCITY St. Petersburg, the building shell for Avior Tower 1, which will offer roughly 16,900 square metres of space, has been completed. New developments that were originally planned at the site are not being pursued further at this time. *"In Russia, Warimpex owns a 100 per cent stake in the project companies responsible for AIRPORTCITY St. Petersburg, which are secure and self-sufficient. The projects are financed through local banks primarily in local currency, have a solid capital base, and cover their liquidity needs themselves. This means that the Russian subsidiaries can act autonomously and independently of the support of the parent company. At present, it is possible to continue the operational activities in Russia without significant restrictions,"* commented Jurkowitsch.

Outlook

Warimpex's operational focus for the 2022 financial year is on making preparations for construction, obtaining building permits, and continuing ongoing construction. The company is also concentrating on the issue of sustainability in general and specifically on energy efficiency, the use of renewable energy sources, and the reduction of carbon dioxide emissions. It strives to obtain certifications for the property portfolio in this area by implementing sustainability concepts at the properties.

"Although the developments surrounding the conflict in Ukraine and the investments in Russia represent a difficult situation for Warimpex, we are still well equipped for the current and coming challenges with our experienced, crisis-tested team," said Jurkowitsch in conclusion.

Key financial figures for the first quarter of 2022 at a glance:

in EUR '000	1–3/2022	Change	1–3/2021
Investment Properties revenues	6,522	32%	4,929
Hotels revenues	1,162	73%	670
Development and Services revenues	839	86%	451
<i>Total revenues</i>	<i>8,523</i>	<i>41%</i>	<i>6,051</i>
Expenses directly attributable to revenues	-3,276	29%	-2,544
<i>Gross income from revenues</i>	<i>5,247</i>	<i>50%</i>	<i>3,506</i>
Gains or losses from the disposal of properties	-	-	-
EBITDA	2,911	79%	1,623
Depreciation, amortisation, and remeasurement	-4,172	-	515
EBIT	-1,261	-	2,138
Financial result	-2,854	15%	-2,480
Profit or loss for the period	-4,381	-	-535
Net cash flow from operating activities	2,210	-	1,106
	31/12/2021	Change	31/12/2020
Gross asset value (GAV) in EUR millions	365.8	21%	301.8
NNNAV per share in EUR	2.76	12%	2.46
EPRA NTA	2.63	10%	2.39

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.

Contact:

Warimpex Finanz- und Beteiligungs AG

Christoph Salzer, presse@warimpex.com

Daniel Folian, investor.relations@warimpex.com

Tel. +43 1 310 55 00

www.warimpex.com

Ecker & Partner Öffentlichkeitsarbeit

und Public Affairs GmbH

Barbara Hirsch, Silvia Rapp

presse@warimpex.com

Tel. +43 660 4895395