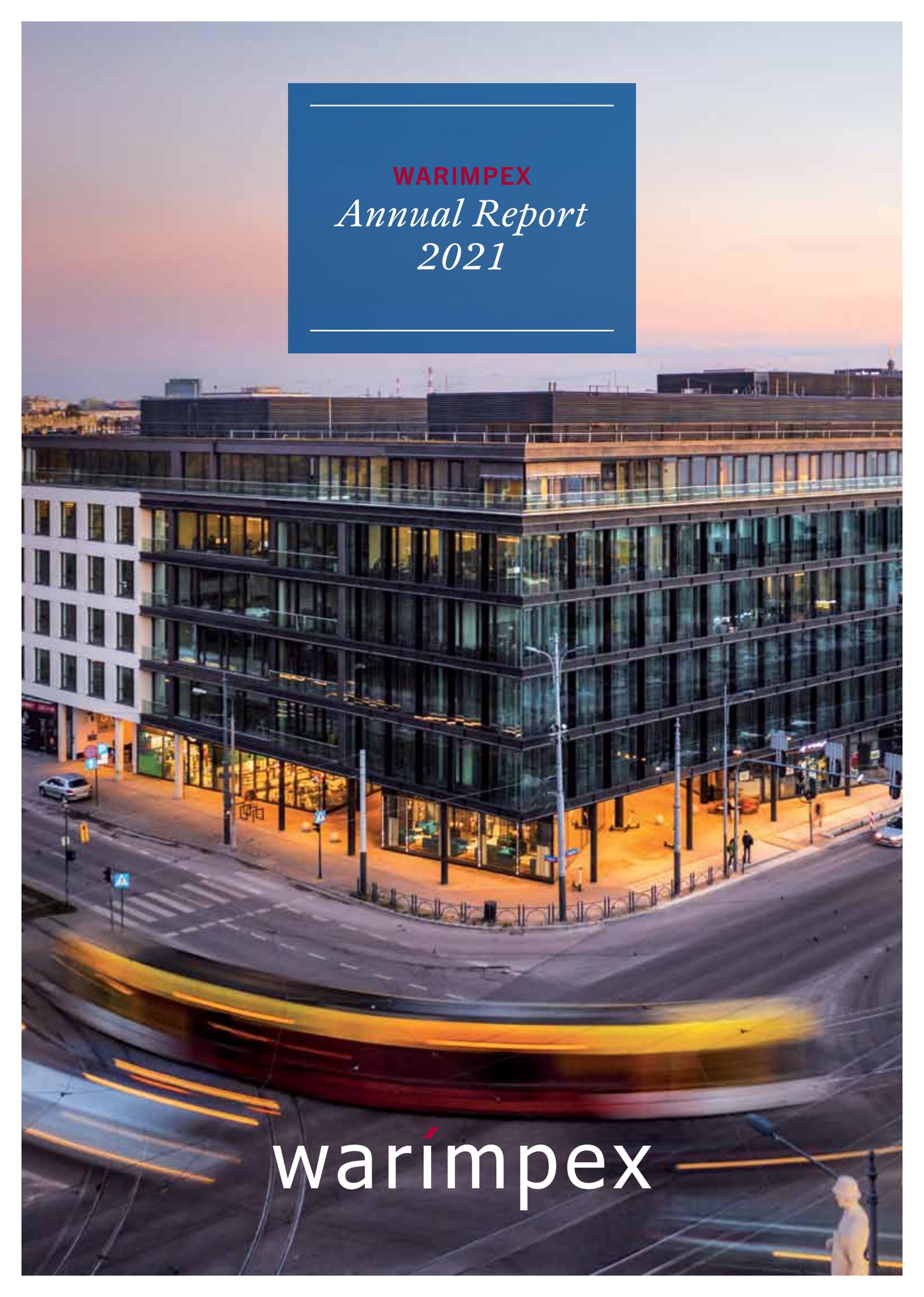

WARIMPEX
Annual Report
2021



warimpex

WARIMPEX GROUP

Key Figures

in EUR '000	2021	Change	2020
Investment Properties revenues	20,267	-2%	20,604
Hotels revenues	4,836	34%	3,607
Development and Services revenues	1,618	12%	1,449
<i>Total revenues</i>	<i>26,720</i>	<i>4%</i>	<i>25,660</i>
Expenses directly attributable to revenues	-10,597	-6%	-11,288
<i>Gross income from revenues</i>	<i>16,123</i>	<i>12%</i>	<i>14,371</i>
Gains or losses from the disposal of properties	–	–	–
EBITDA	14,512	387%	2,979
Depreciation, amortisation, and remeasurement	1,025	–	-10,666
EBIT	15,537	–	-7,687
Earnings from joint ventures	-1,713	–	-4,858
Financial result	-613	–	-21,426
Profit or loss for the period (annual result)	11,980	–	-31,119
Profit or loss for the period (shareholders of the parent)	12,274	–	-29,691
Net cash flow from operating activities	4,977	101%	2,463
Equity and liabilities	388,118	21%	320,665
Equity	124,717	15%	108,792
Equity ratio	32%	-2 pp	34%
Number of shares	54,000,000	–	54,000,000
Earnings per share in EUR	0.24	–	-0.57
Number of treasury shares as at 31 December	1,939,280	–	1,939,280
Number of office and commercial properties	8	–	8
Lettable office space (adjusted for proportionate share of ownership)	97,500 m ²	4,700 m ²	92,800 m ²
m ² with sustainability certificates (adjusted for proportionate share of ownership)	53,800 m ²	13,800 m ²	40,000 m ²
Number of hotels	4	–	4
Number of hotel rooms (adjusted for proportionate share of ownership)	831	35	796
Segment information (including joint ventures on a proportionate basis):			
Investment Properties revenues	23,865	-2%	24,383
Investment Properties EBITDA	15,672	-5%	16,488
Hotels revenues	9,896	32%	7,483
Net operating profit (NOP)	1,460	–	-1,909
NOP per available room in EUR	2,060	–	-2,784
Development and Services revenues	1,809	25%	1,449
Gains or losses from the disposal of properties	–	–	–
Development and Services EBITDA	1,837	–	-8,693
Average number of employees in the Group	142	-29%	201
	31/12/2021	Change	31/12/2020
Gross asset value (GAV) in EUR millions	365.8	21%	301.8
Triple net asset value (NNNAV) in EUR millions	143.7	12%	128.4
NNNAV per share in EUR	2.76	12%	2.46
EPRA NTA	2.63	10%	2.39
End-of-period share price in EUR	1.12	-3%	1.15

WARIMPEX ANNUAL REPORT 2021

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Bialystok Office
Bialystok, PL



Ogrodowa 8 Office
Łódź, PL

Warimpex is a “hybrid” real estate company that develops and operates properties itself as an asset manager and property owner until the time at which the highest added value can be realised through sale. The majority of these projects is located in Central and Eastern Europe.

Accordingly, the Warimpex Group generates ongoing cash flows from the letting of office space and the operation of hotel properties while simultaneously realising proceeds from property sales.

Sustainability is a key success factor for Warimpex.

Environmental and social megatrends are leading to new requirements for properties – at a pace that will accelerate significantly in the coming years. We are already taking measures today to ensure that our properties remain attractive and retain their value over the long term, with a focus on innovative buildings for a carbon-free future, the efficient use of resources, proximity to nature, and health and well-being. In this way, we also contribute to the transition to a sustainable economy and society.

The hybrid business model is particularly well-suited to allow Warimpex to integrate environmental and social aspects into its property development activities. Because Warimpex does not just develop properties with a short-term outlook, but also holds them in its portfolio and operates them itself for an indefinite period of time, long-term value retention and low operating costs are in the Group’s own interest.

WARIMPEX

An Overview

Evolution of the Warimpex Group

Warimpex was founded in 1959 by Stefan Folian as an import/export and transit trading company. From 1982 onwards, under the management of Georg Folian and Franz Jurkowitsch, the Company started to specialise in real estate projects in Central and Eastern Europe. Since that time, the Warimpex Group has developed real estate with investments amounting to more than one billion euros, including hotels in the five-, four-, and three-star categories. In addition, Warimpex also develops office buildings and other real estate.

Development and asset management

Real estate project development and operations are coordinated by Warimpex in Vienna together with the local branch offices in Budapest, St. Petersburg, Krakow, and Łódź. Warimpex also builds upon its successful, long-standing cooperative projects with international hotel groups such as InterContinental Group, Kempinski, and Accor.

The Warimpex Group's real estate development projects and the operation of its properties have an impact on the social, ecological, and economic environments in which it does business. Because of this, the Company bears great responsibility. It has firmly anchored the fulfilment of this responsibility into its corporate culture, and sees living up to this responsibility as a central element in its success. This applies to new and existing buildings. In the further development of existing properties into hotel and office buildings, we attach considerable importance to compliance with the requirements for the preservation of the historic features of the properties. Building energy-efficient buildings is a matter of course for us because the operating costs of these buildings are lower.

Existing portfolio

As at the end of 2021, Warimpex was the owner, co-owner, or leaseholder of eight commercial and office buildings with a total floor area of some 97,500 square metres, plus four hotels with a total of 1,000 rooms (roughly 800 rooms when adjusted for the proportionate share of ownership) in Poland, Germany, Russia, Hungary, and Austria.

Due to the long service life of properties, the decisions we make today have an impact for the next 10 to 30 years. In the coming decades, climate protection and the sustainable use of resources will become even more important than they already are today. Real estate companies have to respond now – for instance in the area of climate protection. In order to achieve the 2-degree target defined at the Paris climate conference in 2015, we will have to transform into a low-carbon economy that hardly emits any carbon dioxide by 2050. This already has to be factored into long-term investments today. Warimpex is aware of its far-reaching responsibility in this context and does not see properties merely as economic goods, but also takes the ecological and social aspects into account in every stage of the planning. This basic philosophy reflects a deep-seated conscientiousness and respect for people and the environment and shapes both the Company's corporate culture and its concrete activities in all areas of business.

Highlights

2021

Operational highlights

4/2021

Building permit for office project in Białystok

6/2021

Optimisation measures lead to BREEAM In-Use – Excellent certification for two Polish properties

12/2021

After acquisition of shares: Warimpex holds 100 per cent of AIRPORTCITY St. Petersburg

12/2021

LEED – Gold for Zeppelin Tower in St. Petersburg

Financial highlights

- Revenue of EUR 26.7 million (up 4 per cent)
- Gross income from revenues of EUR 16.1 million (up 12 per cent)
- EBITDA of EUR 14.5 million (up 190 per cent)
- Depreciation, amortisation, and remeasurement of EUR 1.0 million
- EBIT of EUR 15.5 million
- Profit for the financial year of EUR 12.0 million
- Real estate assets of EUR 361.2 million (up 21 per cent)
- Triple net asset value (NNNAV) per share of EUR 2.76 (up 12 per cent)

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

Although 2021 was once again shaped by the coronavirus pandemic and the related government-ordered measures – albeit to a lesser extent than 2020 – Warimpex succeeded in generating profits again, and a return to some degree of normalcy appeared to be within reach. However, that normalcy has slipped further away again due to the conflict in Ukraine that started in February 2022 and all of the resulting human suffering. Due to the volatile situation, the full scope of the economic effects caused by the international sanctions against Russia as well as Russia's counterreactions is difficult to predict, and we are monitoring the developments on an ongoing basis.

Overview of the 2021 financial year

Now let's look back at the events of the 2021 financial year: We achieved a solid operational performance during the reporting period, and the hotel segment in particular recovered compared with the weak year in 2020 caused by the pandemic. In the office segment, our properties with long-term leases that are contractually assured generated ongoing cash flows. There were additional new lettings at B52 Office in Budapest and Mogilska 43 Office in Krakow. Both buildings are now fully occupied. In the development segment, we obtained important building permits and started the construction of Mogilska 35 Office in Krakow.

Positive annual result

Revenues from the rental of office properties edged down from EUR 20.6 million to EUR 20.3 million in the 2021 financial year. This can be attributed to annualised average depreciation of the rouble by 9 per cent versus the prior year. The performance of the hotels improved again following the decline in revenues caused by the coronavirus, with revenues in the hotel segment increasing from EUR 3.6 million to EUR 4.8 million. Total revenues rose from EUR 25.7 million to EUR 26.7 million, while the expenses directly attributable to revenues were reduced from EUR 11.3 million to EUR 10.6 million, in part due to coronavirus aid measures. This results in gross income from revenues of EUR 16.1 million versus EUR 14.4 million in the prior year.

EBITDA advanced from EUR 3.0 million to EUR 14.5 million. This can be attributed to the higher gross income, an accounting gain from the purchase of shares, and the decline in expenses due to the lack of allocations to provisions. EBIT improved from minus EUR 7.7 million to EUR 15.5 million due

to the higher operating result and the positive result from property valuation.

The financial result (including joint ventures) went from minus EUR 21.4 million to minus EUR 0.6 million. This includes an accounting gain from loan purchases in the amount of EUR 7.2 million as well as gains from currency translation in the amount of EUR 1.0 million and a loss from joint ventures in the amount of EUR 1.7 million.

Overall, the Warimpex Group generated a much better result for the period in the 2021 financial year, with a profit of EUR 12.0 million versus a loss of EUR 31.1 million in 2020.

Office developments in Poland, Russia, and Germany

In 2021, we focused on making progress on our development projects: In November, construction started on Mogilska 35 Office in Krakow, which will offer roughly 12,000 square metres of lettable space. The building is scheduled to be completed in 2023. We have acquired smaller, partially developed properties adjacent to this site in recent years, where we are planning the construction of the Mogilska Phase IV project. The initial demolition work has already begun. In Białystok, we obtained the building permit for our construction project encompassing three buildings with roughly 33,400 square metres of office space and 5,000 square metres of commercial space. In addition, we received the building permit for a new office building with around 21,200 square metres of space next to the Chopin Hotel in Krakow after the reporting date. In line with our strategy, we will start construction on both projects as soon as an appropriate level of tenant interest has been secured.

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 our Russian subsidiaries can act autonomously and independently of the support of the parent company. Therefore, the consequences of the conflict are only affecting these companies to a minor extent thus far. At AIRPORTCITY St. Petersburg, the building shell for Avior Tower 1 – which will offer roughly 16,000 square metres of space – was completed. The building is scheduled to open in the third quarter of 2022.

Along with the greet hotel, we have property reserves for high-quality office and retail space in the German city of Darmstadt. The preparation of a new development plan and the permit planning for the first office building, which will offer around 13,800 square metres of lettable space and will be very much in line with the current trends with regard to sustainability criteria, are already at an advanced stage.

Outlook

Our operational focus in 2022 is on making preparations for construction, obtaining building permits, and continuing on-going construction. The topic of sustainability will continue to be a priority for us: Climate change is resulting in new requirements for properties, including for new buildings, existing buildings, and when it comes to the operation. Therefore, we place particular emphasis on energy efficiency, the use of renewable energy, and the reduction of carbon dioxide emissions for all of our properties. With this in mind, we will continue striving to obtain sustainability certifications in the future. In Poland, our two office buildings Mogilska 43 Office in Krakow and Ogrodowa Office in Łódź have been awarded BREEAM In-Use – Excellent certification, which confirms the properties' high environmental standards. And the Zeppelin Tower at AIRPORTCITY St. Petersburg recently received LEED – Gold certification, as well.

Warimpex remains on solid financial footing, and we expect the positive development of our business activities to continue. We are taking the tense humanitarian and economic situation surrounding the conflict in Ukraine very seriously. We have an experienced and crisis-tested team that can react flexibly to new developments, so we are well equipped for future challenges.

In conclusion, I would like to thank all of Warimpex's employees for their hard work as well as our esteemed shareholders for the trust they have placed in us.

Vienna, April 2022

Franz Jurkowitsch



*Franz
Jurkowitsch*

CHAIRMAN OF THE
MANAGEMENT BOARD

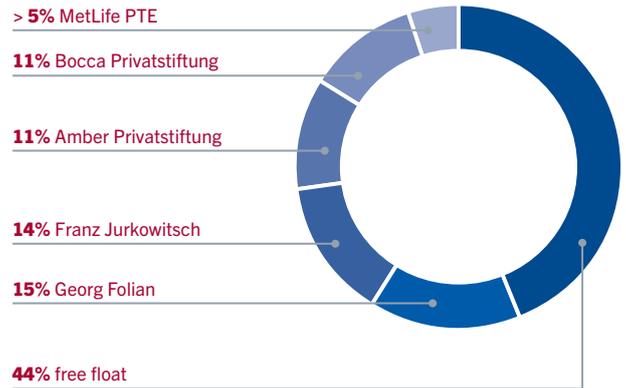
Investor Relations

The share price was EUR 1.15 and PLN 5.08 at the beginning of the year, and the share performed well until mid-2021, climbing to EUR 1.365 and PLN 6.55. Then the price declined again, and the closing price as at 30 December 2021 was EUR 1.12 and PLN 4.70.

Since our IPO, we have maintained an open and proactive communication policy with our investors. Warimpex participated in online investor conferences organised by Raiffeisen Centrobank and Erste Bank in 2021.

The following analysts are covering the Warimpex share: Raiffeisen Centrobank and Erste Bank.

SHAREHOLDER STRUCTURE AS AT 10 APRIL 2022



SHARE PRICE PERFORMANCE**KEY SHARE DATA**

ISIN	AT0000827209
Number of shares as at 31/12/2021	54,000,000
Ticker symbols	Stock exchanges WXF Reuters WXFB.VI
High*	EUR 1.365 PLN 6.55
Low*	EUR 1.06 PLN 4.50
Price as at 30/12/2021	EUR 1.12 PLN 4.70
* Last 52 weeks	

Warimpex is included in the following indices, among others:	
Vienna	ATX Prime, Immobilien-ATX
Warsaw	WIG, WIG-real estate
100-day trading average	in Vienna roughly 18,000 shares

WARIMPEX

Corporate Governance Report

In accordance with the recommendation in the AFRAC opinion on corporate governance reports, the corporate governance report of the parent company and the consolidated corporate governance report are being merged into a single report.

Commitment to the Code of Corporate Governance

Warimpex is committed to compliance with the Austrian Code of Corporate Governance (ACCG) as well as the Polish Best Practice for GPW Listed Companies 2021. The Management Board declares that it complies with both sets of guidelines to the best of its ability and published its corporate governance report at www.warimpex.com (Company/ESG). Deviations from individual corporate governance rules relate to the Company's structure and/or to Polish rules that are not complied with due to the Company's primary orientation towards the relevant Austrian regulations.

Austrian Code of Corporate Governance, as amended in January 2021

The Austrian Code of Corporate Governance (as amended in January 2021 and which was applied for financial year 2021, www.corporate-governance.at) contains rules that must be followed (L-Rules), rules that are not mandatory for the Company but for which justification must be provided in the event of non-compliance (C-Rules), and rules that are entirely optional for the Company. Failure to comply with them requires no justification (R-Rules). Overall, the Company's statutes and the internal terms of reference for the Management Board and the Supervisory Board comply with the L-Rules in full, and with all of the C-Rules except as explained below:

- The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes, which would be required by Rule 18. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of Rule 18 is not planned for the foreseeable future for cost reasons.
- The remuneration of the Management Board is made up of fixed and variable components. The amount of the variable remuneration is not linked to any non-financial criteria as defined in Rule 27. This is intended to ensure objectivity and transparency. For further disclosures and information regarding the remuneration paid to the individual Supervisory Board members and the individual members of the Management Board, please consult sections 9.3.2.7. and 9.3.2.8. in the notes to the consolidated financial statements. Additional information is available in the report on the remuneration policy and the annual remuneration report on Warimpex's website.
- According to Rule 62, an external evaluation of compliance with the C-Rules must take place regularly, in any case at least every three years. The results of this evaluation must be presented in the corporate governance report. An internal evaluation is completed on the basis of the External Evaluation of Compliance with the Austrian Code of Corporate Governance questionnaire, which is also used for external evaluations. No external evaluation is conducted for cost reasons.
- The financial auditor does not assess the effectiveness of the Company's risk management system in a separate report as defined in Rule 83. Such an external evaluation is not conducted for cost reasons, as in the course of auditing the financial statements, financial auditors also gain an understanding of the internal controls that are relevant for the audit.

Poland – Best Practice for GPW Listed Companies 2021

The Company has decided to comply with these Polish rules, with the following exceptions. The majority of the exceptions relate to Austrian law, to which the Company is subject.

- Rules 1.4.1–1.5: The Company voluntarily prepares a detailed consolidated non-financial report (sustainability report). This report includes a sustainability strategy. An equal pay index for employees is not published due to the significant differences in the employees' areas of responsibility and places of employment. The Company's sponsorship activities are not reported separately for each charity organisation due to the very low extent to which the Company engages in such activities.
- Rules 2.1–2.2: The Company does not have a binding diversity concept. Further information can be found in this report under the heading "Diversity concept – measures for promoting women".
- Rule 2.11.: Austrian law does not require an assessment by the Supervisory Board of the internal control, risk management, and compliance systems and other such systems. Austrian law requires that a Supervisory Board report be submitted to the annual general meeting; the contents of this report do not fully satisfy the Polish regulations.
- Rules 3.1 and 3.4–3.8: The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of this is not planned for the foreseeable future for cost reasons.
- Rules 4.1, 4.3, and 4.5.: Webcasts of the Company's Annual General Meeting are not offered due to the high costs involved. The Company allows votes to be cast by authorised proxy, and this option is exercised by numerous Polish institutional investors. Annual General Meetings are conducted according to Austrian law.
- Rule 6.4: The Company's remuneration policy, which was prepared in accordance with Austrian stock corporation regulations and put to a vote by the Annual General Meeting, provides for meeting attendance fees for each meeting of the Supervisory Board or a committee. Annual fixed remuneration can also be established by way of a resolution of the Annual General Meeting.

SUMMARY OF THE BOARDS AND OFFICERS AND THE CORRESPONDING REMUNERATION

Management Board

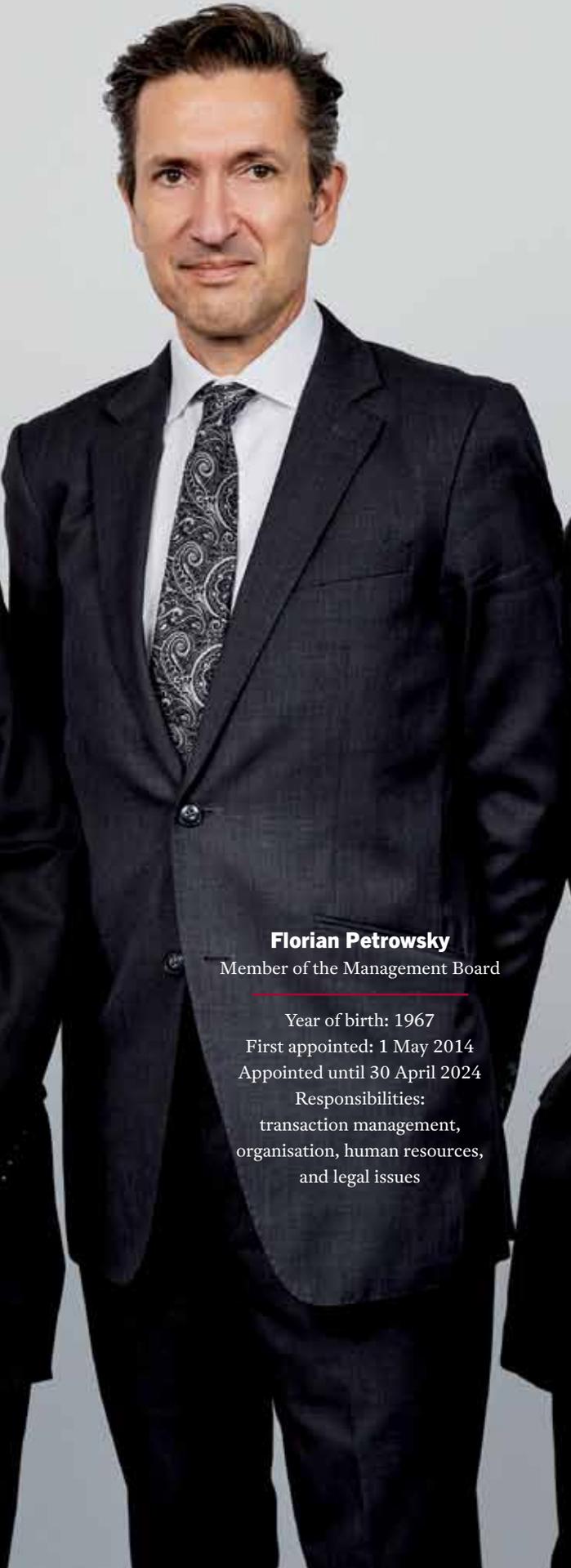
Daniel Folian
Deputy Chairman

Year of birth: 1980
First appointed: 1 January 2018
Appointed until 31 December 2022
Responsibilities:
finances and accounting,
investor relations,
and financial management



Franz Jurkowitsch
Chairman of the Management Board

Year of birth: 1948
First appointed: 2 September 1986
Appointed until 31 December 2022
Responsibilities:
strategy and corporate
communications



Florian Petrowsky

Member of the Management Board

Year of birth: 1967

First appointed: 1 May 2014

Appointed until 30 April 2024

Responsibilities:

transaction management,
organisation, human resources,
and legal issues



Alexander Jurkowitsch

Member of the Management Board

Year of birth: 1973

First appointed: 31 July 2006

Appointed until 31 March 2024

Responsibilities:

planning, construction, IT,
and information management

Supervisory Board



Hubert Staszewski

Member of the Supervisory Board

Year of birth: 1972
 First appointed: 8 June 2016
 Current period of office ends
 in 2022 (37th AGM)

Thomas Aistleitner

Deputy Chairman of the
 Supervisory Board
 Chairman of the Audit Committee
 Member of the Project Committee
 Member of the Personnel Committee

Year of birth: 1953
 First appointed: 11 June 2012
 Current period of office ends
 in 2021 (36th AGM)

Gina Goëss

Member of the Supervisory Board

Year of birth: 1956
 First appointed: 14 September 2021
 Current period of office ends
 in 2025 (40th AGM)

Günter Korp

Chairman of the Supervisory Board
 Deputy Chairman of the Audit
 Committee/financial expert
 Chairman of the Personnel Committee
 Deputy Chairman of the
 Project Committee

Year of birth: 1945
 First appointed: 16 October 2009
 Current period of office ends
 in 2021 (36th AGM)



Harald Wengust

Member of the Supervisory Board
 Chairman of the Project Committee
 Member of the Audit Committee
 Deputy Chairman of the
 Personnel Committee

Year of birth: 1969

First appointed: 16 October 2009

Current period of office ends
 in 2021 (36th AGM)

All members of the Supervisory Board are independent as defined by C-Rule 53 of the Austrian Code of Corporate Governance. The guidelines for independence are based on the guidelines published in Annex 1 to the Code.

1 The Supervisory Board member has not served as a member of the management board or as a management-level staff member of either the Company or a subsidiary, associate, or affiliate of the Company (referred to as “Group companies” in the following) in the past five years.

2 The Supervisory Board member does not maintain and has not maintained in the past year any business relations with the Company or one of its Group companies to an extent of significance for the member of the Supervisory Board. This also applies to relationships between the Company and companies in which the Supervisory Board member has a considerable economic interest. The exercise of functions within the Group or the mere exercise by a Supervisory Board member of duties as a member of the management board or as a managing director do not generally result in the relevant company being considered a company in which the Supervisory Board member has a considerable economic interest. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 of the ACCG does not automatically mean the person is qualified as not independent.

3 The Supervisory Board member has not acted as auditor of the Company or owned a share in the auditing company or worked there as an employee in the past three years.

4 The Supervisory Board member is not a member of the management board of another company in which a member of the Management Board of Warimpex Finanz- und Beteiligungs AG is a supervisory board member.

5 The Supervisory Board member is not a close relative (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the Company’s Management Board or of persons who hold one of the positions described in items (1) to (4).

A directors and officers liability insurance policy has been taken out.

Information about the procedures of the Management Board and Supervisory Board

The Management Board

The terms of reference for the Management Board govern the composition and procedures of the Board, collaboration between the Management Board and Supervisory Board, how conflicts of interest are to be handled, the reporting and disclosure obligations of the Board, and what decisions require the approval of the Supervisory Board (including the most important business transactions of the Company's material subsidiaries). The Management Board generally meets at least every two weeks to exchange information and decide on motions.

Working principles of the Supervisory Board

The Supervisory Board discusses the position and objectives of the Company and adopts motions to fulfil its duties, in particular the supervision and strategic assistance of the Management Board. In addition to the composition, procedures, working principles, and responsibilities of the Supervisory Board, the terms of reference for this Board also govern how conflicts of interest are to be handled and specify the Supervisory Board committees (Audit Committee, Personnel Committee, and Project Committee) and their responsibilities and powers. The Supervisory Board held five meetings during the reporting period. Please refer to the Supervisory Board report for information about the focuses of the activities of and the number of meetings of the individual committees during the financial year.

Meetings were also held between the Supervisory Board and Management Board to discuss issues of Company management. All members of the Supervisory Board took part in more than half of the meetings of this Board during the reporting period.

Committees

The Supervisory Board appoints an Audit Committee, a Project Committee, and a Personnel Committee from among its members.

A separate strategy committee has not been formed because all such issues are handled by the Supervisory Board as a whole. The members of the committees are appointed for the duration of their tenure on the Supervisory Board. Each committee elects a chairman and a deputy chairman from among its members. Please refer to the information about the boards and officers of the Company for further details.

Diversity concept – measures for promoting women

There is currently one woman serving on the Supervisory Board of Warimpex. There are 5 women in management positions, including one woman serving as an authorised officer (Prokuristin) and one woman working as a local managing director. This represents a share of 33 per cent.

There are currently no concrete measures for the promotion of women in managerial positions in place at the Company.

At this time, the Company does not have a binding diversity concept that stipulates the consideration of criteria such as age, gender, education, and professional background in the appointment of members of the Management Board and Supervisory Board. The Company does not want to limit itself in the selection of board members. Nevertheless, the Management Board and Supervisory Board are very diverse in terms of the age, educational and professional background, and nationality of the members.

Group Management Report

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2021

Economic conditions

COVID-19

While the 2021 financial year was still shaped by government-ordered measures such as lockdowns, travel bans, and the closure of hotels and businesses – albeit to a lesser extent than in 2020 – the measures were loosened starting in March 2022, and a return to normality appears possible.

Ukraine crisis

Apart from the pandemic, attention is focused on the current geopolitical developments. After the reporting date, Russian troops invaded Ukraine on 24 February 2022, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time.

The growth forecasts were revised, making it impossible to provide a reliable economic outlook for the individual countries in which Warimpex operates at this time.

greet

greet Hotel
Darmstadt**S**
Darmstadt, D

Markets



Ogrodowa 8 Office
Łódź, PL

MARKETS

Poland

The volume of real estate transactions increased by 7 per cent versus the previous year and came to roughly EUR 5.71 billion in 2021.¹ Prime yields for office properties were 4.50 per cent in Warsaw in 2021 (2020: 4.60 per cent) and roughly 5.75 per cent in secondary cities (2020: 6.00 per cent).² Rents ranged between EUR 12.50 and EUR 15.50 per square metre in regional cities such as Krakow and Łódź.³ In the five-star hotel segment, average occupancy in Warsaw rose by around 20 percentage points to 31 per cent while the average room rate in the local currency dropped by 5 per cent to PLN 408.⁴

Existing portfolio: 3 office properties, 1 hotel

Ogrodowa Office was opened in Łódź at the beginning of October 2018. The building is a state-of-the-art office property located directly in the Łódź city centre near the Manufaktura shopping centre. The current tenants include Orange Polska, PwC Poland, and Harman Connected Services. Around 87 per cent of the space at the office building was occupied as at 31 December 2021.

Mogilska 43 Office was completed in early April 2019. As at the reporting date, 99 per cent of the office space was let out. Mogilska 43 Office is an ultra-modern, class A office building that encompasses a total of 12,900 square metres over nine floors. Large glass surfaces provide natural lighting for the offices, and the efficient climate control system ensures the optimal temperature and humidity. Green balconies and terraces can be accessed directly from the office level. The building's ground floor contains retail and service spaces, and the two-storey garage offers 203 parking spaces as well as bike racks, changing rooms, and showers. Mogilska 43 Office meets the highest environmental standards and has been awarded BREEAM In-Use certification with an "Excellent" rating.

An office building in Krakow (Mogilska 41 Office) with roughly 5,100 square metres of space was acquired in 2017, renovated, and handed over to the new tenant in September 2019. The building has been fully occupied since then.

Warimpex has been 50 per cent leaseholder of the five-star InterContinental in Warsaw since December 2012. As part of a lease agreement, the hotel is being leased back at a fixed rate and managed under the InterContinental brand until 2039.

Occupancy at the InterContinental hotel increased from 26 per cent to 37 per cent and the average room rate in euros advanced by roughly 23 per cent. The hotel was closed from 20 December 2020 to 12 February 2021 due to the coronavirus. The lease payments were partially suspended in agreement with the lessor, and the lease agreement was extended by another 18 months to 30 June 2039.

Under development: 3 office buildings, reserve properties

Property reserves were also acquired along with Mogilska 41 Office. In March 2021, the building permit was issued for an office building with roughly 11,900 square metres of space (Mogilska 35 Office, formerly "Phase III"), and construction started in November 2021. The building is scheduled to be completed in 2023.

In recent years, Warimpex has acquired smaller, partially developed properties adjacent to the two existing Mogilska office buildings and the Mogilska 35 project. The Mogilska Phase IV project will subsequently be built on these properties. The initial demolition work has already been completed.

Warimpex is also the owner of a development property next to the Chopin Hotel in Krakow, on which an office building with around 21,200 square metres of space is to be built. The building permit was issued after the reporting date.

Warimpex owns a development property in Białystok. Three office buildings with roughly 33,400 square metres of office space and 5,000 square metres of commercial space are to be built. A building permit was issued in March 2021.

¹ CB Richard Ellis, Real Estate Market Outlook 2022, Poland

² Knight Frank, Report for Warimpex

³ CB Richard Ellis, Real Estate Market Outlook 2022, Poland

⁴ STR Comp Set – Performance Report for InterContinental Warsaw

MARKETS

Hungary

In Budapest, average rents remained stable at roughly EUR 13.50 per month⁵, prime yields went from 5.75 per cent to 5.25 per cent⁶, and vacancy rose from 8.1 per cent to 9.1 per cent.⁷

Existing portfolio: 2 office properties

In Budapest, Warimpex owns the Erzsébet and B52 office buildings, which together have a total net floor space of around 20,200 square metres.

The B52 office building was acquired at the end of May 2018 and has a total net floor space of 5,200 square metres. In Q4 2021, another lease was concluded for roughly 1,370 square metres of space, bringing the property's occupancy rate to 100 per cent.

Roughly 96 per cent of the space at Erzsébet Office was let out on the reporting date; 12,250 square metres (of 14,400 square metres) are let to the insurance company Groupama Garancia Insurance Private Co. Ltd., a Hungarian branch of the international Groupama Group.

⁵ CB Richard Ellis, Budapest Office Snapshot, Q3 2021

⁶ CB Richard Ellis, Budapest Office Snapshot, Q3 2021

⁷ CB Richard Ellis, Budapest Office Snapshot, Q3 2021



MARKETS

*Austria***Existing portfolio: 1 hotel**

In Vienna, Warimpex holds around 10 per cent of the company holding the Palais Hansen Kempinski hotel in Vienna. The co-shareholders are Wiener Städtische Versicherung/Vienna Insurance Group and UBM Development. The hotel is Warimpex's first project in Austria and was opened in March 2013.





AirportCity
St. Petersburg, RU

MARKETS

Russia

The volume of real estate transactions in Russia increased by 38 per cent to around RUB 395 billion in 2021. Local investors accounted for 97 per cent of the real estate transaction volume in 2021.⁸ The share of transactions in St. Petersburg increased to 23 per cent.⁹ The vacancy rate for class A office properties in St. Petersburg was 5.6 per cent at the end of September 2021 (4.8 per cent), and average rents (including operating costs and VAT) came to roughly RUB 2,040 (around EUR 23; 2020: RUB 1,970) per square metre per month.¹⁰

In St. Petersburg, hotel occupancy rates increased by an average of 29 per cent to 44 per cent, and the average room rate improved by 51 per cent to RUB 7,030.¹¹

Existing portfolio:**1 hotel, 2 office properties, 1 multi-use building**

In St. Petersburg, Warimpex holds 100 per cent of AIRPORTCITY St. Petersburg following the acquisition of the non-controlling interests in December 2021 and the purchase of the remaining shares in the Jupiter 1 and 2 office towers. In the first phase of the project, a four-star Crowne Plaza hotel (InterContinental Hotel Group) and two office towers (Jupiter 1 + 2) with 16,800 square metres of lettable space were opened at the end of December 2011. AIRPORTCITY St. Petersburg is being developed by the project company AO AVIELEN A.G. and is located in close proximity to the Pulkovo international airport in St. Petersburg. AIRPORTCITY is the first premium-class business centre in the region and is a key infrastructure project in the growing economic centre of St. Petersburg.

The Zeppelin office building with 15,500 square metres of lettable space was completed at AIRPORTCITY at the end of June 2015. The tower is completely let out. Zeppelin meets the highest environmental standards and has been awarded LEED – Gold certification. In addition, Warimpex owns the Bykovskaya multi-use building (with parking spaces for around 450 vehicles and roughly 2,200 square metres of office and 2,500 square metres of archive space), which has been fully occupied since it was completed in May 2017.

The Crowne Plaza hotel achieved occupancy of 44 per cent (1–12 2020: 29 per cent) despite the coronavirus pandemic, while the average room rate in euros rose by 28 per cent.

Under development: 1 office property, development properties

There are property reserves for around 150,000 square metres of office space at AIRPORTCITY St. Petersburg.

The construction of an office tower (Avior Tower) with roughly 16,900 square metres of lettable office space began in the fourth quarter of 2019. The project is scheduled to be completed in the third quarter of 2022.

⁸ CB Richard Ellis, Russian Real Estate Investment Market, Q4 2021

⁹ CB Richard Ellis, Russian Real Estate Investment Market, Q4 2021

¹⁰ Maris CBRE, Market Commentary, Saint Petersburg

¹¹ STR Comp Set – Performance City St. Petersburg

MARKETS

*Germany***Existing portfolio: 1 hotel**

In April 2019, Warimpex acquired a hotel property (327 rooms) in Darmstadt that had been closed since mid-2018 and reopened it under the name “The Hotel Darmstadt” in September 2019. Cycas Hospitality was tasked with managing the three-star superior conference hotel. Following the pandemic-related restrictions, the newly renovated hotel is once again welcoming guests under the name “greet”. With a total of 330 hotel and long-stay rooms and 37 conference, event, and project rooms spanning more than 4,500 square metres of conference, event, and exhibition space, as well as 1,000 square metres of office space that can also be rented on a short-term basis, the hotel is one of the biggest conference and event centres in the Rhine-Main region. The hotel’s occupancy was 16 per cent.

Under development: Development properties

The 30,000 square metre hotel property also offers property reserves for the development of further premium office and commercial space. The preparation of a new development plan and the permit planning for the first office building (roughly 13,800 square metres) are already at an advanced stage.



greet Hotel
Darmstadt**S**
 Darmstadt, D

BUSINESS DEVELOPMENT

Assets, Financial Position, and Earnings Situation

Development of revenues

Revenues from the rental of office properties (Investment Properties revenues) declined from EUR 20.6 million to EUR 20.3 million as a result of the depreciation of the rouble compared with the previous year (average depreciation of the rouble by roughly 9 per cent).

Revenues in the Hotels segment rose to EUR 4.8 million, which represents an increase of around 34 per cent compared with the prior year. The hotel in Darmstadt generated low revenues in the financial year due to the coronavirus, while the Crowne Plaza hotel was already able to earn higher revenues than in the previous year.

Total revenues improved by 4 per cent to EUR 26.7 million and the expenses directly attributable to revenues were reduced by EUR 0.7 million to EUR 10.6 million, in part due to coronavirus aid measures. This results in gross income from revenues of EUR 16.1 million (2020: EUR 14.4 million).

Earnings situation

Gains or losses from the disposal of properties

As in 2020, the Group conducted no real estate transactions during the reporting period.

EBITDA

Earnings before interest, taxes, depreciation, amortisation, and gains/losses on the remeasurement of investment properties (EBITDA) rose from EUR 3.0 million to EUR 14.5 million. An accounting gain from a business combination in the amount of EUR 5.8 million resulted from the acquisition of shares at a price below market value. It is reported in the other operating income. In addition, the increase in EBITDA can be attributed to the higher gross income as well as the decline in other expenses due to the lack of allocations to provisions.

Depreciation, amortisation, and remeasurement

Depreciation, amortisation, and remeasurement amounted to EUR 1.0 million (2020: minus EUR 10.7 million). The remeasurement result from the office assets (investment properties) came to EUR 2.5 million, while market value adjustments in the amount of minus EUR 7.8 million were recognised in the prior-year period. Impairment reversals for hotels amounted to EUR 0.5 million (2020: impairments of minus EUR 1.0 million).

EBIT

EBIT improved from minus EUR 7.7 million to EUR 15.5 million. This increase is primarily due to the higher operating result (EBITDA) and a positive result from property valuation (2020: measurement loss).

Financial result

The financial result (including earnings from joint ventures) went from minus EUR 21.4 million to minus EUR 0.6 million. The other finance income (EUR 7.9 million) includes an accounting gain from the purchase of loans of former minority shareholders of a Russian company (EUR 7.2 million). In addition, the financial result increased to results from currency translation in the amount of EUR 1.0 million (2020: minus EUR 8.2 million) and from joint ventures in the amount of minus EUR 1.7 million (2020: minus EUR 4.9 million).

Profit or loss for the period

The result for the period for the Warimpex Group improved significantly from minus EUR 31.1 million in the prior-year period to EUR 12.0 million due to the elimination of losses from property valuation and currency translation, accounting gains from purchases of shares and loans, and the improved operating result.

Segment analysis

For more information, see the detailed comments in section 2. Segment information of the notes to the consolidated financial statements.

The Warimpex Group has defined the business segments of: Investment Properties, Hotels, and Development and Services. The joint ventures that are recognised using the equity method in the consolidated financial statements are included in the segment report using the proportionate consolidation method. The Hotels segment is comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting period (with the joint ventures recognised on a proportionate basis). The Investment Properties segment contains the rental revenue from office properties. The Development and Services segment covers development services, activities of the Group parent, and profit contributions from the sale of properties.

Investment Properties segment*

in EUR '000	2021	2020
Revenues for the Group	23,865	24,383
Segment EBITDA	15,672	16,488

* Including all joint ventures on a proportionate basis

The revenues and EBITDA of the Investment Properties segment declined primarily due to the average annual depreciation of the rouble compared with the prior year.

Hotels segment*

in EUR '000	2021	2020
Revenues for the Group	9,896	7,483
Average number of hotel rooms for the Group**	709	686
GOP for the Group	1,525	-943
NOP for the Group	1,460	-1,909
NOP/available room in EUR	2,060	-2,784

* Including all joint ventures on a proportionate basis

** See the disclosures pertaining to the Hotels segment in the consolidated financial statements

The results in the Hotels segment are still being impacted by the coronavirus pandemic. The receipt of coronavirus aid led to lower direct expenses and thus to a positive NOP.

Key figures that are typical for the sector are used to manage the hotels. These include GOP (gross operating profit, calculated according to the Uniform System of Accounts for the Lodging Industry) and NOP (net operating profit, which corresponds to the GOP less specific costs of ownership after GOP such as management fees, insurance, land tax, etc.).

Development and Services segment*

in EUR '000	2021	2020
Revenues for the Group	1,809	1,449
Gains or losses from the disposal of properties	–	–
Segment EBITDA	1,837	-8,693

* Including all joint ventures on a proportionate basis

The results in this segment typically depend heavily on the sale of real estate holdings (share deals) and properties (asset deals) and are subject to significant year-on-year fluctuation.

Assets

Consolidated Statement of Financial Position in EUR '000	31/12/2021	31/12/2020	31/12/2019
ASSETS			
Non-current assets	371,114	308,132	345,053
Current assets	17,004	12,533	11,506
Total assets	388,118	320,665	356,559
EQUITY AND LIABILITIES			
Share capital	54,000	54,000	54,000
Retained earnings and reserves	70,612	56,619	104,431
Equity attributable to the parent	124,612	110,619	158,431
Non-controlling interests	105	-1,827	-1,364
Total equity	124,717	108,792	157,068
Non-current liabilities	218,817	183,857	172,210
Current liabilities	44,584	28,016	27,282
Total liabilities	263,401	211,873	199,491
Total equity and liabilities	388,118	320,665	356,559

As Warimpex is a property developer, the assets side of the statement of financial position is dominated by investment properties and property, plant, and equipment. Because two thirds of the properties held by Warimpex Group are financed through long-term project loans, non-current financial liabilities make up the majority of the liabilities side of the statement of financial position.

Financial position

Consolidated Statement of Cash Flows in EUR '000	2021	2020
Cash receipts from operating activities	27,629	26,690
Cash payments for operating activities	-22,652	-24,222
Net cash flows from operating activities	4,977	2,468
Net cash flows for investing activities	-17,584	-11,342
Net cash flows from financing activities	14,523	11,459
Cash and cash equivalents at 31 December	11,192	8,931

Cash flow from operations

The cash flow from operating activities increased significantly during the reporting period due to higher income including coronavirus aid.

Cash flows for investing activities

As in the prior year, the cash payments for investments were primarily related to construction activities for the Avior Tower in St. Petersburg, renovations at the Hotel Darmstadt, tenant

adaptations in Poland, and project preparations in Poland and Germany. The cash payments for the purchase of equity interests pertained to the purchase of shares in AIRPORTCITY St. Petersburg.

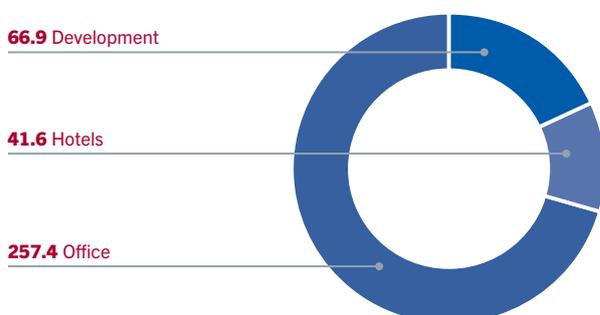
Cash flows from financing activities

The change in the cash flows from financing activities can primarily be attributed to a higher amount of loans and borrowing in connection with construction work.

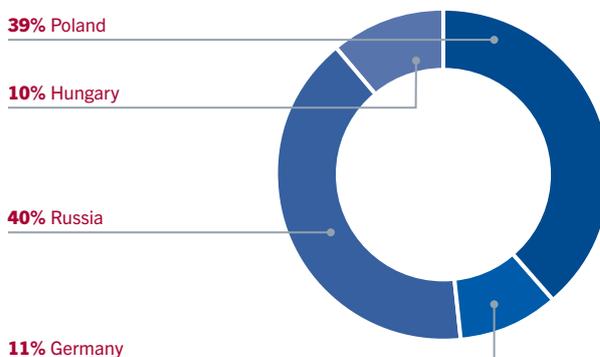
REAL ESTATE ASSETS

On 31 December 2021, the real estate portfolio of the Warimpex Group comprised four hotels with roughly 1,000 rooms (800 rooms when adjusted for the proportionate share of ownership) plus eight office properties with total lettable office and commercial space of roughly 97,500 square metres (97,500 square metres when adjusted for the proportionate share of ownership).

PROPERTY ASSETS IN € MILLIONS



GAV BY COUNTRY IN %


Calculation of gross asset value and triple net asset value in EUR millions

Warimpex recognises its property, plant, and equipment such as hotel properties at cost less depreciation according to IAS 16, as is required for owner-operated hotels in IAS 40.12. Changes in the value of investment properties (primarily office buildings) are recognised through profit or loss according to the fair value model in IAS 40.56.

The majority of the properties and development projects are valued twice annually (on 30 June and 31 December) by independent real estate appraisers.

On 31 December 2021, the following experts appraised Warimpex's portfolio:

Appraiser	Fair values as at 31 December 2021 in EUR millions	in %
CB Richard Ellis	222	61%
Knight Frank	142	39%
Others or not appraised	2	0%
	366	100%

The fair values are determined in accordance with the valuation standards of the Royal Institute of Chartered Surveyors (RICS). The fair value is the price that would be paid for the transfer of an asset or a liability in a transaction at arm's length terms on the reporting date. The real estate appraisers use an income-based approach (investment method or discounted cash flow method) to calculate the fair values of developed properties, and the comparative method for reserve properties. Development projects are generally measured using the residual value method, taking a developer's profit into account.

For information on the yield used to calculate the fair value, please see section 7.1.3. (investment properties) and section 7.2.2. (hotels) in the notes to the consolidated financial statements.

The gross asset value of Warimpex's proportionate properties came in at EUR 365.8 million on 31 December 2021 (31 December 2020: EUR 301.8 million), of which EUR 0 million (31 December 2020: EUR 16.5 million) can be attributed to joint ventures. This increase was primarily due to acquisitions and construction activities. The Group's triple net asset value (NNNAV) rose from EUR 128.4 million as at 31 December 2020 to EUR 146.5 million as at 31 December 2021.

The triple net asset value (NNNAV) and the EPRA Net Asset Value are calculated as follows:

in EUR millions	12/2021	12/2020
Equity before non-controlling interests	124.6	110.6
Deferred tax assets	-1.2	-1.0
Deferred tax liabilities	12.0	8.7
Carrying amount of existing hotel assets	-33.1	-30.2
Fair value of existing hotel assets	41.4	40.3
Triple net asset value	143.7	128.4
Number of shares as at 31 December	54.0	54.0
Treasury shares	-1.9	-1.9
Number of shares as at 31 December	52.1	52.1
NNNAV per share in EUR	2.76	2.46

EPRA Net Asset Value metrics	31/12/2021	31/12/2021	31/12/2021
in EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to shareholders	124,612	124,612	124,612
Include*:			
ii.c) Revaluation of other non-current investments ²	8,282	8,282	8,282
Diluted NAV at fair value	132,894	132,894	132,894
Exclude*:			
v) Deferred tax in relation to fair value gains of IP ⁵	9,687	4,844	
vi) Fair value of financial instruments	-399	-399	
viii.b) Intangibles as per the IFRS balance sheet		-75	
Include*:			
ix) Fair value of fixed interest rate debt			2,136
xi) Real estate transfer tax ⁶	6,793	0	
NAV	148,975	137,263	135,030
Fully diluted number of shares	52,100	52,100	52,100
NAV per share in EUR	€2.86	€2.63	€2.59

EPRA Net Asset Value metrics	31/12/2020	31/12/2020	31/12/2020
in EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to shareholders	110,619	110,619	110,619
Include*:			
ii.c) Revaluation of other non-current investments ²	10,100	10,100	10,100
Diluted NAV at fair value	120,719	120,719	120,719
Exclude*:			
v) Deferred tax in relation to fair value gains of IP ⁵	7,198	3,599	
vi) Fair value of financial instruments	320	320	
viii.b) Intangibles as per the IFRS balance sheet		-80	
Include*:			
ix) Fair value of fixed interest rate debt			-4,256
xi) Real estate transfer tax ⁶	5,814	0	
NAV	134,051	124,558	116,463
Fully diluted number of shares	52,100	52,100	52,100
NAV per share in EUR	€2.57	€2.39	€2.24

MATERIAL RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED AND RISK MANAGEMENT

As an international group, Warimpex is exposed to various economic and financial risks as part of its daily operations.

a) General

As part of its risk management system, Warimpex has set internal risk management targets for the Management Board and Company staff and adapts these targets to the prevailing market conditions. These risk management targets include special regulations and define responsibilities for risk assessment, control mechanisms, monitoring, information management, and communication within the Company and with external parties.

There is a clearly defined organisation within Warimpex and especially within the Management Board that governs responsibilities and authorisations in this connection to enable risks to be identified at an early stage and appropriate action to be taken. The Management Board's guidelines and the guidelines for the Supervisory Board define the responsibilities and obligations of the Company's boards and officers.

b) Operating risks

In the Investment Properties segment, Warimpex is exposed to the risk that it will be unable to let out spaces, that rents will decline, and that tenants will default on their payments. Rental risk is closely linked to the general economic conditions in the individual markets and is thus subject to corresponding planning uncertainties. There is always a certain degree of rental risk due to the different political and economic developments in the various markets. The competition between property owners for well-known, attractive tenants can also impact occupancy rates and lease extensions, especially amidst lower demand for space due to new workplace models. Depending on the economic development in the various markets, rents can come under pressure. In particular, this may make it necessary to accept rents that are lower than originally projected.

In the Hotels segment, Warimpex is exposed to the general risks inherent to the tourism industry such as economic fluctuations, political risks, increasing fear of terrorist attacks, and travel restrictions related to pandemics. There is the risk that competitors may enter the Group's target markets, thereby increasing the number of beds available.

The Group is exposed to finance and currency risks, interest rate risks, market entry risks, and the risk of delays in the completion of construction work on real estate projects. In addition,

there are risks of rent default which may impact both on the current cash flow and on property values.

The Group invests in real estate in a limited number of countries, and is therefore exposed to increased risk that local conditions such as an excess supply of properties can affect the development of business. Owing to its focus on property development and property holdings, the Group's performance is heavily dependent on the current situation in the real estate markets. Price declines in the real estate market could therefore affect the Group significantly and also influence real estate financing.

Real estate maintenance is a key aspect in the sustainable economic development of the Warimpex Group. Asset management staff therefore submit status reports to the Management Board at regular intervals together with projections for the optimum maintenance of the properties.

c) Capital market risk

Refinancing on the capital market is of high strategic importance for Warimpex. To avoid risks of insufficient capital market compliance, Warimpex has enacted a compliance guideline that ensures adherence to the capital market regulations and that especially prevents the abuse or sharing of insider information. A permanent confidentiality area has been set up for all employees in Vienna, and temporary confidentiality areas are set up and waiting periods and trading prohibitions enacted on a project basis.

d) Legal risks

As an internationally active company, Warimpex is exposed to a wide range of legal risks. These include risks related to the purchase and sale of properties and legal disputes with tenants or joint venture partners.

At the time that the financial statements were prepared, no material legal disputes were known.

e) Political risks

Along with operating and legal risks, the activities of Warimpex are subject to (geo)political risks, particularly with regard to the office properties and the hotel in St. Petersburg at the moment. As demonstrated by the developments in connection with the conflict in Ukraine and the sanctions imposed against Russia in response, legal and economic conditions can

change drastically at very short notice due to unforeseeable geopolitical events. Such developments are very volatile, and the full scope of the microeconomic and macroeconomic effects is difficult to estimate. The Management Board is monitoring the developments very closely in order to be able to adapt its strategy as quickly as possible if necessary.

(f) Climate-related risks

Warimpex sees the sustainability of its properties as an important success factor and reinforces this with corresponding certifications for the majority of the property portfolio. In some cases, such certifications have already been issued and in other cases, the Company plans to pursue certification in the future. Nevertheless, the Company is exposed to climate-related risks. Climate-friendly construction and the climate-friendly operation of office properties or hotels can lead to higher construction/operating costs. There is a risk that these costs will not be able to be passed on to the tenants or guests or that lower proceeds will be generated in the event of a sale.

In addition, there are risks in connection with the EU's Green Deal and the EU taxonomy that is based on it, including the defined environmental targets. According to the EU taxonomy, office properties are generally taxonomy-eligible.

In this context, there is a risk that the requirements for taxonomy alignment will be met to a lesser extent in the future due to older existing properties and/or new technical standards. This could make it more expensive and/or more difficult to secure loans. In addition, the demand for properties that are not taxonomy-aligned may decline among buyers or tenants, thus leading to a loss in the value of such properties.

Warimpex assesses climate-related risks on an ongoing basis, but does not expect any carrying amount adjustments to become necessary in this context in the next financial year based on the fact that the majority of its economic activities are taxonomy-aligned.

Only a few properties have the best certifications that are necessary to meet the climate targets. In general, certifications are planned for all new developments with a minimum standard of LEED – Gold, BREEAM – Excellent, or DGNB – Gold, for example the Avior Tower project currently under construction in St. Petersburg, which is expected to receive LEED – Gold certification, and the Mogilska 35 project in Krakow, for which BREEAM – Excellent certification is planned.

There is a risk that property appraisers will apply a “brown discount” of up to one third of the property value for properties

that are not energy-efficient (i.e. unsustainable). In addition, there is a risk that the financing costs for properties that cause higher emissions will be higher and the rental revenue lower.

g) Risk and risk management related to financial instruments

Aside from derivative forms of financing, the most significant financial instruments used by the Group are current account and bank loans, bonds and convertible bonds, cash and cash equivalents, and short-term deposits. The main purpose of these financial instruments is to provide funds for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The Group also enters into derivatives transactions that are intended to minimise the Group's exposure to interest rate and currency risk. The Group's risk management policies provide for a risk-oriented relationship between fixed-rate and variable-rate financial liabilities. All significant financial transactions are subject to approval by the Management Board and, when required, also approval by the Supervisory Board.

Further information on financial risk management, in particular quantitative disclosures, can be found in the notes to the consolidated financial statements as at 31 December 2021 in section 8.2.

Interest rate risk

The risk of fluctuations in market interest rates (usually the three-month EURIBOR for bank loans) to which the Group is exposed results primarily from its variable-rate long-term financial liabilities.

Interest rate hikes can impact the Group's result by causing higher interest expenses for existing variable-rate financing. In the case of variable-rate financing, a change in the interest rate has an immediate effect on the Company's financial result.

Warimpex limits the risk of rising interest rates that would lead to higher interest expenses and a worsening of the financial result in part through the arrangement of fixed-rate financing and in part through the use of derivative financial instruments (especially interest rate swaps).

Currency risk

Currency risk results primarily from financial liabilities denominated in currencies other than the functional currency. For Group companies that have the euro as their functional currency, this is primarily financial liabilities in a local or other

foreign currency (such as PLN), or for foreign Group companies with the local currency as their functional currency, financial liabilities in a foreign currency (EUR). In recent years, euro liabilities of Group companies with the rouble as their functional currency have been reduced considerably, thus lowering the associated currency risk significantly.

There are no natural hedges, and the Group does not systematically use derivative financial instruments to hedge its exposure to foreign currency risk. When needed, cross currency swaps or currency forwards concluded for a maximum of one year in relation to specific future payments in foreign currencies are employed to hedge the currency risk.

Default risk

The amounts stated as assets on the face of the consolidated statement of financial position represent the maximum credit risk and default risk, since there are no general settlement agreements.

The default risk pertaining to trade receivables in the Investment Properties segment correlates to the creditworthiness of the tenants. Tenants' creditworthiness can deteriorate on a short- or medium-term basis, particularly during an economic downturn. In addition, the risk can emerge that a tenant will become insolvent or is otherwise incapable of meeting the payment obligations defined in the lease. The risk of rent default can be reduced further through targeted monitoring and proactive measures (e.g. requiring collateral, assessing tenants' creditworthiness and reputation).

The default risk associated with trade receivables can be considered moderate in the Hotels segment because receivables are generally paid either in advance or immediately on site. Longer payment terms are generally only accepted for receivables from travel agencies.

The Group is in a position to influence the default risk on loans to joint ventures or associates through its involvement in the management of the respective companies, but there are still default risks arising from operational risks and possibly also political risks.

The default risk associated with cash and short-term deposits can be considered negligible since the Group only works with financial institutions which can demonstrate sound creditworthiness. The default risk for other receivables is relatively low, as attention is paid to working with contract partners that have good credit ratings. The Group recognises impairments where necessary.

Please also see section 8.2.3. in the notes to the consolidated financial statements.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans for project financing. Refinancing on the capital market is also of high strategic importance for Warimpex.

Significant fluctuations on the capital markets can hamper the raising of equity and debt capital. To limit refinancing risk, Warimpex maintains a balanced combination of equity and debt capital and of different terms for bank and capital market financing.

Liquidity risks are also minimised through a medium-term 18-month plan, an annual budget planned in monthly blocks, and revolving monthly liquidity planning. Daily liquidity management ensures that all operational obligations are met and that cash is invested optimally. Free liquidity resulting from the sale of properties is primarily used to repay operating credit lines and to finance acquisitions and the development of new projects.

Please also see section 8.2.4. in the notes to the consolidated financial statements.

To prevent cost overruns and an associated increased outflow of liquidity, Warimpex completes continuous budget and progress monitoring for development projects and maintenance work.

h) Reporting on key characteristics of the internal control system and the risk management system as relevant for the accounting process

The Management Board bears overall responsibility for the Group's risk management system, while operational responsibility lies with the managers of the respective business units.

This makes the internal reports that are submitted to Group headquarters particularly important in ensuring that risks are recognised at an early stage so that suitable countermeasures can be taken. To this end, the operating units submit weekly and monthly reports to the Management Board with all necessary information.

The internal reports that are prepared by the subsidiaries are subjected to plausibility reviews at the Group headquarters and are compared with the planning calculations to ensure that suitable countermeasures can be taken in the event of deviations. To this end, the companies are required to submit annual

budgets and medium-term plans, which must be approved by the Management Board.

The correctness of the accounts at the subsidiaries is monitored by the local management as well as by the Group holding company, particularly on the basis of the input from and the reporting to the Group accounting department. This is intended to prevent risks that lead to incomplete or erroneous financial reporting.

In addition to the measures taken under the internal control system, the annual financial statements of all operational property companies are also reviewed by external financial auditors, so the consolidated financial statements are largely based on audited local figures.

The risk management system is primarily monitored by the Management Board, and compliance with the prescribed risk management targets and methods in the preparation of quarterly and annual financial statements is ensured by the following units and individuals:

- Management Board, especially the Chief Financial Officer
- Group accounting department
- Audit Committee (only for annual financial statements)

The current development of business and foreseeable opportunities and risks are discussed at regular meetings between the Management Board and local managers.

Quarterly financial statements are prepared by the Group accounting department in orientation towards IAS 34, Interim Financial Reporting, reviewed by the Chief Financial Officer, and then approved for publication by the Management Board. The annual financial statements and consolidated annual financial statements are studied by the Supervisory Board and by the Audit Committee before they are published.



Mogilska 35 Office
Krakow, PL

Consolidated Non-Financial Report

DISCLOSURES PURSUANT TO § 267A
AUSTRIAN COMMERCIAL CODE

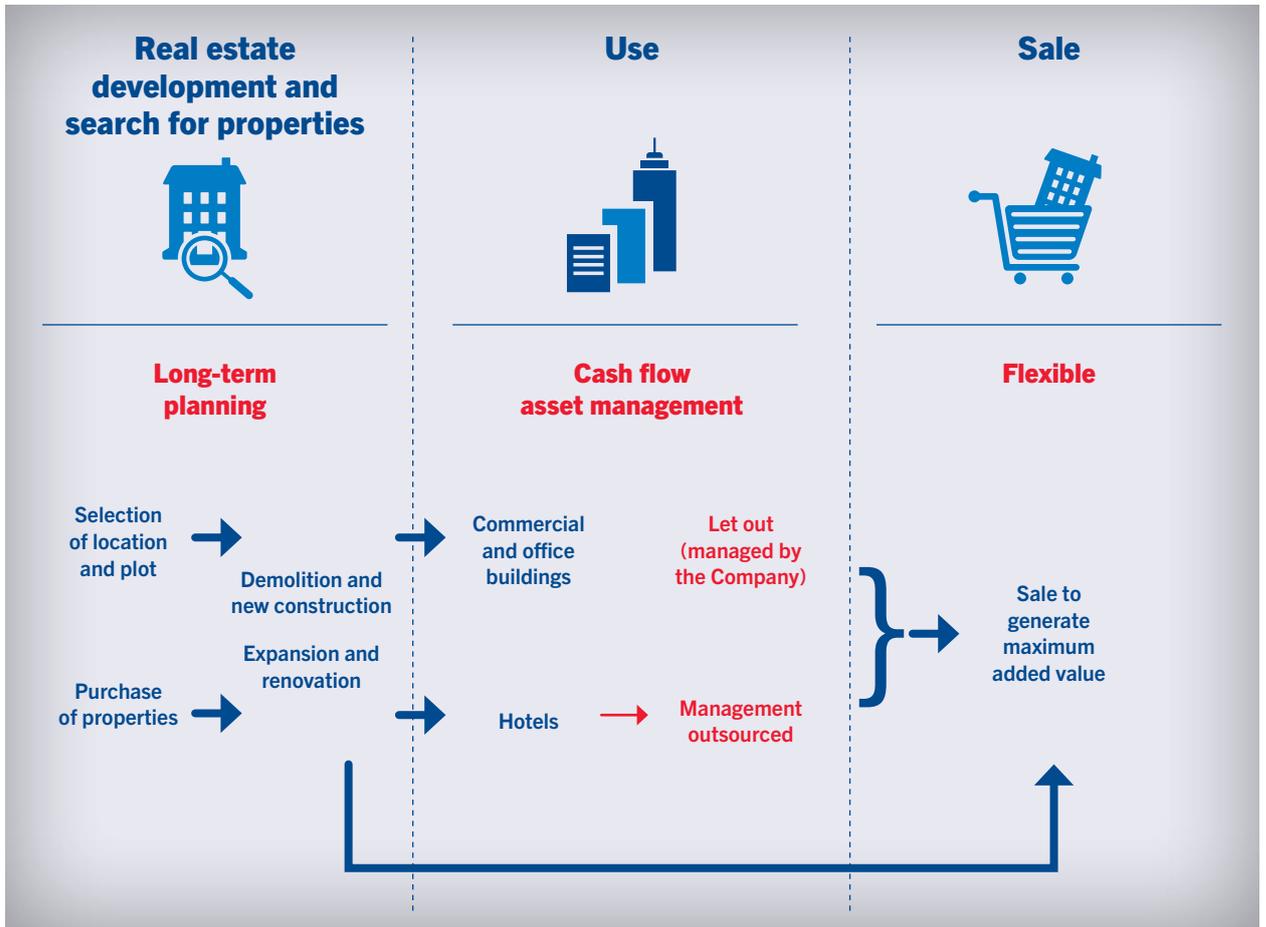


WARIMPEX – Business model

Warimpex is a “hybrid” real estate company that develops and operates properties itself as an asset manager and property owner until the time at which the highest added value can be realised through sale. The majority of these projects is located in Central and Eastern Europe.

Accordingly, the Warimpex Group generates stable cash flows from the letting of office space and the operation of hotel properties while simultaneously realising proceeds from property sales.

In contrast to pure real estate portfolio companies, Warimpex combines the steady business of the asset management segment with the high profitability of the property development segment. Under this strategy, the property development units benefit from the stable cash flow from the developed properties, and the typical exit risk of a pure project developer is simultaneously minimised because the completed properties are generally held in the Company’s portfolio initially in order to wait for the right time to sell.



WARIMPEX – An Overview

Evolution of the Warimpex Group

Warimpex was founded in 1959 by Stefan Folian as an import/export and transit trading company. From 1982 onwards, under the management of Georg Folian and Franz Jurkowsch, the Company started to specialise in real estate projects in Central and Eastern Europe. Since that time, the Warimpex Group has developed real estate with investments amounting to more than one billion euros, including hotels in the five-, four-, and three-star categories. In addition, Warimpex also develops office buildings and other real estate.

Development and asset management

Real estate project development and operations are coordinated by Warimpex in Vienna together with the local branch offices in Budapest, St. Petersburg, Krakow, and Łódź. Warimpex also builds upon its successful, long-standing cooperative projects with international hotel groups such as InterContinental Group, Kempinski, and Accor.

As at the end of 2021, Warimpex was the owner, co-owner, or leaseholder of four hotels with a total of 1,000 rooms (roughly 800 rooms when adjusted for the proportionate share of ownership), plus eight commercial and office buildings with a total floor area of some 97,500 square metres in Poland, Russia, Hungary, Germany, and Austria.

Only properties that have been in the portfolio for at least 12 months are included in the indicators for the non-financial report (with the exception of those related to the EU taxonomy).

Warimpex sustainability strategy

Warimpex aims to ensure that all properties in its portfolio have sustainable property certifications and meet the criteria of the EU taxonomy. This applies to both new developments and existing buildings.

Emphasis is placed on the following sustainability priorities:

- energy efficiency,
- use of renewable energy sources,
- carbon reduction, and
- quality of interior space (comfort, air quality, etc.)

Certifications and sustainability priorities will become a unique selling point that is indicative of high sustainability standards for the Warimpex Group's properties.

Due to the long service life of properties, the decisions we make today have an impact for the next 10 to 30 years. In the coming decades, climate protection and the sustainable use of resources will become even more important than they already are today. Real estate companies have to respond now – for instance in the area of climate protection. In order to achieve the 2-degree target defined at the Paris climate conference in 2015, we will have to transform into a low-carbon economy that hardly emits any carbon dioxide by 2050. This already has to be factored into long-term investments today. Warimpex is aware of its far-reaching responsibility in this context and does not see properties merely as economic goods, but also takes the ecological and social aspects into account in every stage of the planning. This basic philosophy reflects a deep-seated conscientiousness and respect for people and the environment and shapes both the Company's corporate culture and its concrete activities in all areas of business.

The Warimpex Group's real estate development projects and the operation of its properties have an impact on the social, ecological, and economic environments in which it does business. Because of this, the Company bears great responsibility. It has firmly anchored the fulfilment of this responsibility into its corporate culture, and sees living up to this responsibility as a central element in its success. This applies to new and existing buildings. In the further development of existing properties into hotel and office buildings, we attach considerable importance to compliance with the requirements for the preservation of the historic features of the properties. Building energy-efficient buildings is a matter of course for us because the operating costs of these buildings are lower.

Warimpex familiarises its team with the sustainability strategy through training measures. The short chain of command and the annual focus on a few selected projects make it possible to select the right sustainability certification for each property development and optimally implement the strategic priorities. Warimpex's Management Board monitors the consistent adherence to the sustainability strategy for every real estate project and in the overall portfolio. It is also responsible for the implementation of the sustainability activities in the other categories such as sustainable corporate culture (ethics and compliance), social responsibility, employees, and human rights.

To this end, a project aimed at developing a sustainability strategy for the development of properties was completed in 2019. Along with internal strategic requirements for renovation projects and new construction projects in the office and hotel segments, sustainability standards were defined for Warimpex's properties. The aspects taken into account in this context include requirements from tenants and investors as well as criteria for sustainability certifications such as the BRE Environmental Assessment Method (BREEAM), the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB) Certification System, and Leadership in Energy and Environmental Design (LEED).

Therefore, this project included the following measures:

1. Survey to ascertain the sustainability requirements of the key customers
2. Clarification of the importance and use of sustainable building certifications
3. Development of minimum sustainability standards for Warimpex real estate projects
4. Definition of new, sustainable energy solutions for hotels and office buildings

As a result, the Company now has a clear definition regarding the sustainability priorities for developments, a process for dealing with sustainability certifications, and a guideline and questionnaire for optimised energy solutions.

The sustainability priorities are energy efficiency, the use of renewable energy sources, the reduction of carbon dioxide emissions, and the quality of interior space (comfort, air quality, etc.). LEED for Existing Buildings: Operation & Maintenance was selected as the standard certification, but different certifications may be employed depending on the country, project type, and market requirements. Different certifications may also exist in the given country, for example when it is necessary

to differentiate between new buildings and existing buildings. The plan is to have all new buildings certified during construction and to gradually have existing buildings certified. These certifications do not just benefit the owners – they also directly benefit the tenants in the form of cost savings. Certification will also pay off in the long run: It is conceivable that excessive carbon dioxide emissions will be “punished” with higher taxes in the future, for example. These certifications will become a unique selling point that is indicative of high sustainability standards for the Warimpex Group's properties.

As at the reporting date, the following properties are certified:

	Opening		Certificate
Orgodowa 8 Office, Łódź	2018	28,000 m ²	BREEAM In-Use – Excellent
Mogilska 43, Krakow	2019	12,000 m ²	BREEAM In-Use – Excellent
Zeppelin Tower, St. Petersburg	2015	15,600 m ²	LEED – Gold
		55,600 m ²	

Planned certifications:

	Opening		Certificate
Avior Tower, St. Petersburg	2022	16,000 m ²	LEED – Gold
Mogilska 35, Krakow	2023	12,000 m ²	BREEAM In-Use – Excellent
Chopin Office, Krakow	2023	21,000 m ²	BREEAM In-Use – Excellent or LEED – Platinum

In addition, the decision was made to pursue certification according to the WELL Health-Safety Rating of the International WELL Building Institute (IWBI), which is based on the WELL Building Standard, for Krakow and Łódź in order to improve health, safety, and well-being at the properties. These certifications were received in 2021.

The Warimpex Group also decided to switch to green electricity as far as possible at all properties. The preparations for this are under way.

Initial application of the EU taxonomy

The EU taxonomy is the EU's classification system for the definition of “environmentally sustainable” business activities. The taxonomy-eligible revenues, investments (CAPEX), and operating expenses (OPEX) must be disclosed for the 2021 financial year. Starting with the 2022 financial year, these disclosures must be supplemented with information about taxonomy alignment.

To prepare for the disclosures required in the 2022 financial

year, Warimpex commissioned an external auditor to evaluate whether all of its LEED- or BREEAM-certified properties that were opened before 31 December 2020 are among the best 15 per cent of the national or regional building stock and whether the rental revenue, CAPEX, and OPEX are thus taxonomy-aligned. Due to the initial application of the EU taxonomy and the fact that the application practices are still under development, a final evaluation is not yet possible. The Company strives to hold as many taxonomy-aligned properties as possible in its portfolio.

For real estate projects that are currently under construction, the expert assessed whether they are being built in a taxonomy-aligned manner or whether adaptations are necessary. The Company strives to ensure taxonomy alignment for new construction projects. Because the buildings are still under construction, some of the requirements for new buildings such as the energy performance certificate, air tests, risk mitigation, and so forth are not yet available. Since these buildings have no energy use history, no assessment can be conducted regarding whether they are operated efficiently. The electricity consumption can only be estimated on the basis of a plan.

The analysis of the taxonomy alignment of the Group's business areas produced the following results:

	Investment Properties	Hotels	Services
NACE classification	L68 Construction and real estate activities	–	–
Taxonomy-eligible?	Yes	No	No
	Certificate	Taxonomy-eligible	Not taxonomy-eligible
HOTELS			
Greet hotel, Darmstadt			
Crowne Plaza, St. Petersburg			
OFFICES			
Mogilska 41, Krakow	WELL Health-Safety Rating		
Mogilska 43, Krakow	BREEAM In-Use – Excellent, WELL Health-Safety Rating		
Ogrodowa, Łódź	BREEAM In-Use – Excellent, WELL Health-Safety Rating		
Erszébet,, Budapest			
B52, Budapest			
Zeppelin, St. Petersburg	LEED – Gold		
Airport City Carpark, St. Petersburg			
SERVICES			
DEVELOPMENT PROJECTS			
Avior Tower, St. Petersburg	LEED – Gold		
Mogilska 35, Krakow	BREEAM In-Use – Excellent		
Others			
Revenue		76%	24%
OPEX		50%	50%
CAPEX		96%	4%

Materiality and stakeholders

The following sustainability report (prepared in accordance with the requirements of the Austrian Sustainability and Diversity Improvement Act [Nachhaltigkeits- und Diversitätsverbesserungsgesetz, NaDiVeG]) is addressed to all stakeholders as well as everyone else who is interested in Warimpex's ecological, social, and economic performance.

Sustainable development is a multifaceted process that is influenced by many different issues in the areas of the economy, the environment, and society. The potential impact of business activities on these areas of life is determined by a company's core business, industry, and business environment.

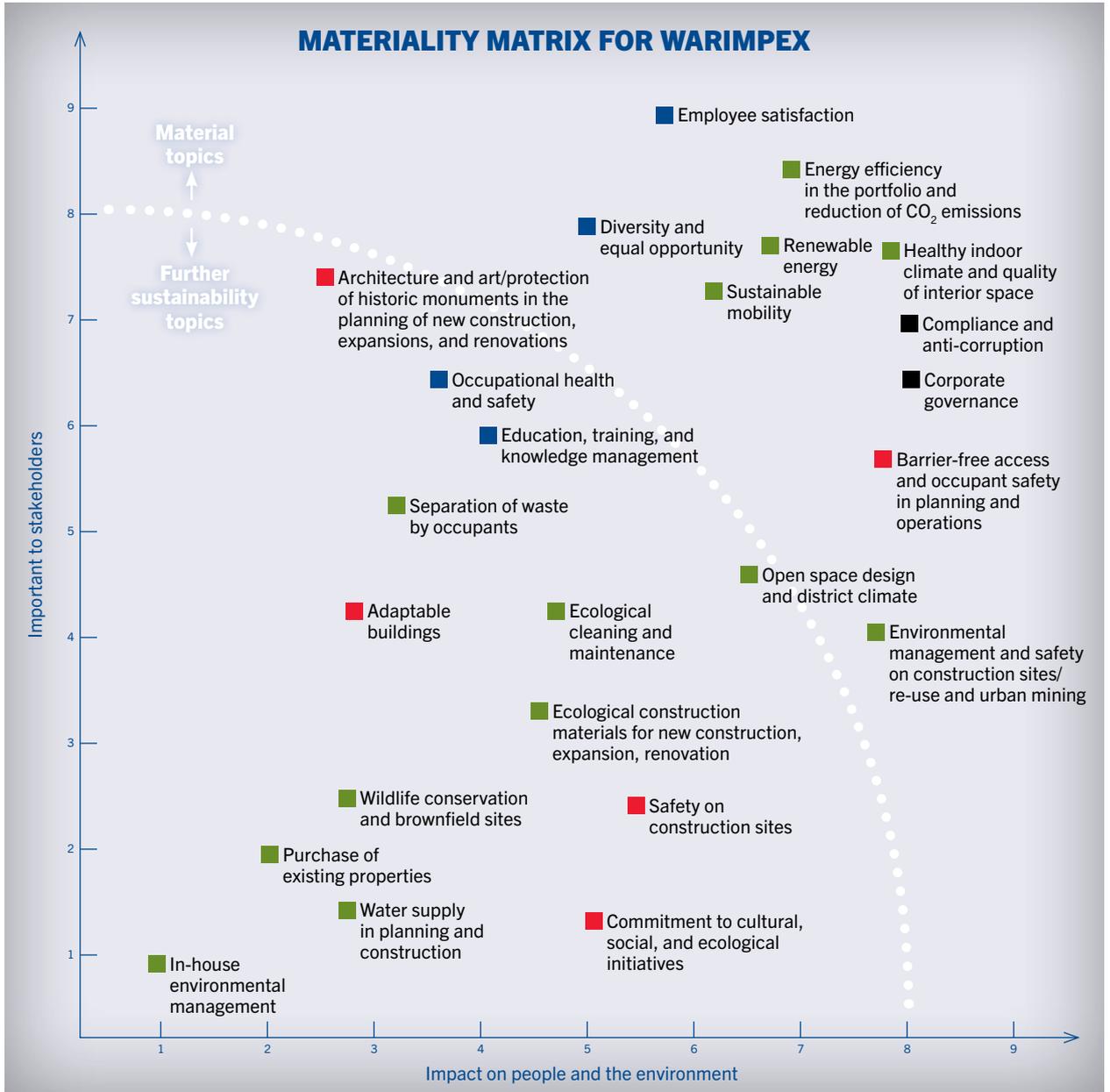
Process description and strategic integration

A comprehensive materiality analysis forms the basis for the reporting. The potential material topics for the Warimpex Group were identified and prioritised in a multi-stage process. The topics were analysed with regard to their impact on people and the environment as well as with regard to their importance for the following key stakeholders: investors, shareholders, analysts, banks, employees, suppliers, service providers, tenants, neighbours, peer companies, the media, policymakers, public authorities, and hotel guests. The topics that were deemed to be material can be assigned to the following categories:

- **Environment and energy**
- **Sustainable corporate culture (ethics and compliance)**
- **Social responsibility**
- **Employees**
- **Human rights**

In the following, Warimpex reports on activities and measures related to the issues deemed to be material, which are described in the overview below:

Topic	Description	Issue according to NaDiVeG
Energy efficiency of buildings	Thermal quality of buildings, energy-efficient technical building systems, appliances, etc. support the energy efficiency of buildings (heating, cooling, electricity consumption)	Environmental issue
Re-use and urban mining/environmental management on construction sites	Use of renewable resources as well as materials that are manufactured in an environmentally friendly manner and are regionally sourced, contaminant-free, multifunctional, and recyclable Noise and dust prevention, exclusion of brownfield sites, effective waste management, safe handling and storage of chemicals, and short transport distances	Environmental issue
Sustainable mobility	Offering of and incentives to use environmentally friendly means of transport such as connections to public transport networks, pedestrian and bike path networks, provision of infrastructure for bicycles, e-mobility, and car and bike sharing	Environmental issue
Corporate governance, compliance, and anti-corruption	Compliance with legal requirements (employment law, competition law, data protection, etc.), clear contract awarding processes, proper working relationships with contractors	Combatting corruption and bribery
Barrier-free access and occupant safety	Technical components (such as fire protection measures, escape routes, alarms for dangerous situations, or evacuation), structural components (such as signage, lighting, video surveillance, or concierge services) Compliance with all legal regulations and requirements and regular monitoring of this compliance	Social issue
Employee satisfaction	Motivation and satisfaction of the team is strengthened and maintained at a high level	Employee issue
Diversity and equal opportunity	Diverse team structure with regard to age, gender, background, working model, etc.	Employee issue
Work-life balance	Different work schedule models, flexible time management	Employee issue
Respect for human rights	Deep-rooted part of the corporate culture that is put into practice internally and externally	Respect for human rights
Open space design and district climate	Prevention of urban heat islands (e.g. through light-coloured surfaces, providing green areas, water areas, optimised air circulation in districts) Designing open spaces with near-natural conditions (creation of habitats for native plants and animals)	Environmental issue
Healthy indoor climate and quality of interior space	Thermal comfort in winter and summer, visual comfort, sufficient ventilation, prevention of pollutants (formaldehyde, volatile organic compounds, and fine dust), acoustic comfort	Employee issue
Renewable energy	Use of green electricity, photovoltaics	Environmental issue



- Categories**
- Environment and energy
 - Employees
 - Sustainable corporate culture (ethics and compliance)
 - Social responsibility

NON-FINANCIAL RISKS

Issue	Sustainability topic	- Risks + Opportunities	Description of the risk	Mitigation measures
Environmental issue	Energy efficiency of buildings	- High operating costs - Risk of non-implementation + Low operating costs for tenants, contribution to making Europe climate neutral by 2050	Limitations in construction due to a lack of funds or insufficient resources	Certification of all developed properties over the medium term, certification of new buildings
Environmental issue	Re-use and urban mining/environmental management on construction sites	- Risk of material waste + Potential for cost savings	Re-use of existing materials	Incorporated into the project concept
Environmental issue	Sustainable mobility	- Risk of a lack of infrastructure + Potential for the use of environmentally friendly means of transport	Lack of charging stations, bike parking spaces, no access to public transport	Incorporated into the project concept
Combatting corruption and bribery	Corporate governance, compliance, and anti-corruption	- Risk of a lack of knowledge + Opportunity due to training	Lack of awareness with regard to bribery and corruption	Training, compliance with Code of Conduct
Social issue	Barrier-free access and occupant safety	- Risk due to solutions that are not user-friendly + Opportunity due to improved accessibility	Compliance with legal requirements	Review of legal requirements for projects and usability
Employee issue	Employee satisfaction	- Risk due to loss of skilled personnel + Opportunities for higher employee satisfaction	Creation of a positive working climate	Employee reviews, office facilities and equipment are up to date
Employee issue	Diversity and equal opportunity	- Risk due to discrimination + Opportunities due to openness	Expertise and diversity	Promotion of diversity
Employee issue	Work-life balance	- Risk due to loss of employees + Opportunities for innovations	Burnout prevention	Training, consumption of holiday leave, balanced assignment of work
Respect for human rights	Respect for human rights	- Risk of human rights violations	Diversity and equal opportunity in the workplace	Principles apply equally to hiring, opportunities for promotion, and remuneration policies
Environmental issue	Open space design and district climate	- Risk of contributing to overheating in summer and soil sealing, reduction of quality of life of occupants and neighbours + Potential for high-quality public spaces outside of the building	Effect of the building on the microclimate of the district, water retention, people-friendly environment	Incorporated into the project concept
Employee issue	Healthy indoor climate and quality of interior space	- Risk of "sick building syndrome" – negative health impact from indoor emissions, reduced productivity of occupants + Opportunities to ensure well-being of occupants, boost productivity of employees in offices	Thermal comfort, sufficient lighting, selection of sustainable materials for interior design	Incorporated into the project concept
Environmental issue	Renewable energy	- Risk of negative health impacts from non-renewable energy (e.g. fine dust) + Opportunity to contribute to making Europe climate neutral by 2050	Providing building heat via renewable energy sources, generation of own electricity with photovoltaics, green electricity from credible providers	Incorporated into the project concept

ENVIRONMENT AND ENERGY

The topics of energy supply, energy consumption, and energy-related technical building systems are extremely important in the construction and real estate industry. The provision of energy in the form of electricity and heat is the basis for comfortable office facilities. At the same time, energy sources and energy consumption have a significant impact on climate change. Warimpex is aware of its energy-related impact on the environment and society and therefore takes great care with regard to ecological and economic requirements in terms of the energy supply and energy consumption and in terms of enhancing and preserving the value of buildings.

Warimpex also confronts the challenges of our time and makes an essential contribution to the lasting reduction of emissions by planning projects on a long-term basis. Building energy-efficient buildings is a matter of course for us because the operating costs of these buildings are lower. Warimpex believes that sustainability and cost efficiency are not mutually exclusive.

At the beginning of 2013, Warimpex completed the BREEAM – Good-certified Le Palais Office building in Warsaw. In 2018, the newly opened Ogrodowa Office building in Łódź received a BREEAM – Very Good certification. A rating of BREEAM – Very Good was obtained for the Mogilska 43 office project that was completed in Krakow in 2019. Both properties received BREEAM In-Use – Excellent certification in 2020 following the completion of optimisation measures. In 2021, the existing Zeppelin property in St. Petersburg received LEED – Gold certification.

In general, certifications are planned for all new developments with a minimum standard of LEED – Gold, BREEAM – Excellent, or DGNB – Gold, for example the Avior Tower project currently under construction in St. Petersburg, which is expected to receive LEED – Gold certification. Although Warimpex's portfolio does not contain any certified hotel properties at this time, the Company nevertheless attaches considerable importance to high environmental standards for existing and future hotels.

When it comes to new projects, the Company plans to maximise the environmental, social, and economic benefits. For Warimpex, this means that properties retain their value or increase in value over the long term while at the same time offering ecological and social benefits. In this context, measures will also be taken to prevent environmental damage. These principles will be followed not only for new construction projects but also for renovations. The Company developed a control model for internal project controlling aimed at review-

ing projects with regard to energy efficiency, flexible floor plans, accessibility, and mobility.

Energy efficiency of the portfolio

Warimpex's direct area of influence lies in the energy-related design of new buildings, modernisation measures on existing properties, and energy performance. In addition, the selection of the energy source can have a positive impact on the energy balance of the properties.

However, energy efficiency does not just depend on the building itself. The careful use of energy by the occupants is also a decisive factor and can make a significant contribution to climate protection. However, Warimpex can only influence the individual behaviour of the occupants to a very limited extent. The steering measures in this regard are focused on clear and targeted communication with occupants, such as through notices at the property.

One key task for Warimpex is to create the conditions for low energy consumption at its buildings. This includes the energy-efficient design of new properties as well as the gradual energy-related modernisation of suitable existing properties.

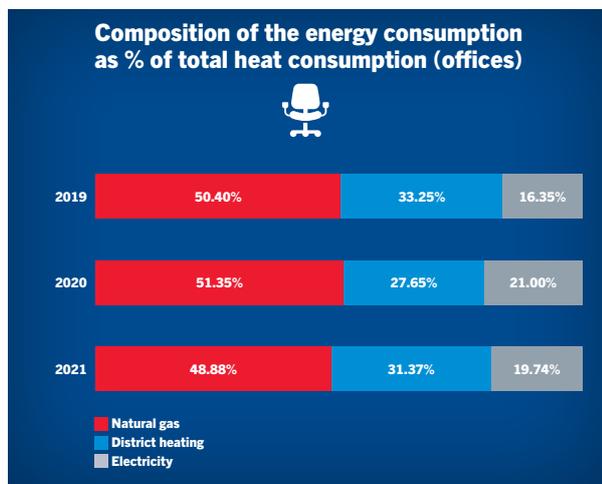
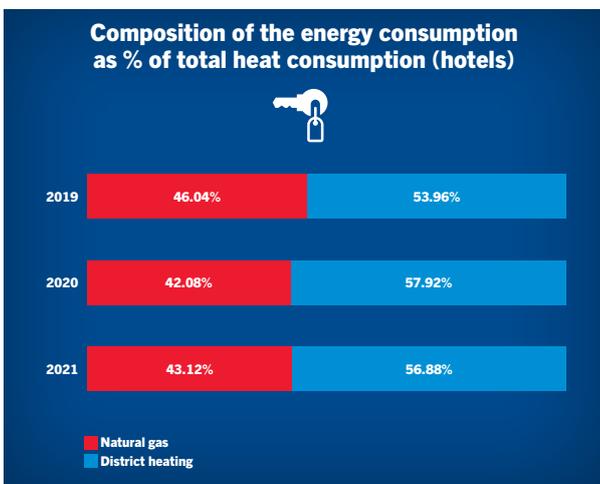
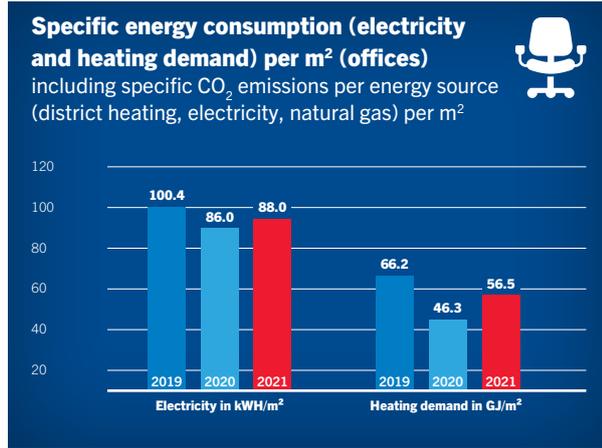
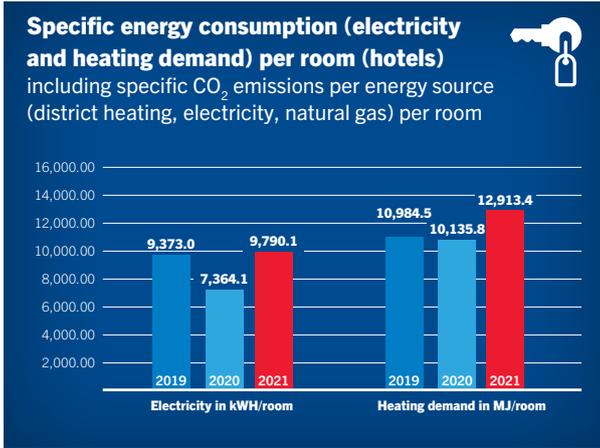
Indicators for 2021

The indicators are presented differently for the asset classes of offices and hotels in order to provide a clear picture. For hotels, indicators are reported on a per-room basis in order to improve comparability. In contrast, the energy consumption figures for office properties are based on the square metres of lettable space.

The indicators were collected for the first time in 2017 and thus form the basis for the ongoing monitoring of energy consumption. Warimpex aims to improve these indicators on an ongoing basis and take them into consideration in the planning of new projects.

Particular emphasis was placed on energy-efficient and environmentally friendly design for the two newest office buildings in Poland: A green wall was built at the Mogilska 43 project in Krakow, and a green roof was implemented for the Ogrodowa project in Łódź. These measures not only contribute to the occupants' well-being, but also play a decisive role in environmental and climate protection. The energy consumption for cooling is reduced and the burden on the sewer system is minimised by the water retention. At the same time, these measures help to counteract urban heating and the formation of heat islands.

The Company ensures the energy-efficient operation of its own hotels by planning the occupancy of the rooms so that vacant



rooms or floors do not have to be fully heated. To this end, care is taken in the initial planning of the projects to ensure that hotel areas can be supplied with energy individually, which can make a major contribution to reducing heating demand.

Environmental management and safety on construction sites/ re-use and urban mining

At construction sites, the Company does everything in its power to prevent noise and dust, to clean up brownfield sites, and to ensure effective waste management for building demolitions. The efficient separation of secondary raw materials is facilitated by working with companies that provide separation with as little mixing of materials as possible. It is important to Warimpex to maintain good relations and optimal communication with all stakeholders. One notable example in this context is the fact that the heating system of the direct neighbours of the Mogilska 43 construction site was converted to a district heat connection. In addition, vouchers for professional car washes were handed out to neighbours during the demolition work at this construction site. Warimpex aims to continue preventing complaints and lawsuits through good communication with neighbours.

All legal requirements are complied with in the Company’s construction activities, and there have been no official complaints or fatal workplace accidents to date. Warimpex receives monthly reports from the general contractors containing up-

dates on the progress of projects and, if applicable, information about violations of safety requirements and accidents on construction sites. Warimpex has set a clear goal to continue to avoid legal complaints and major violations of safety requirements at construction sites. In addition, the monthly reports from the general contractors for future projects will be expanded to include information about workplace accidents and official complaints related to occupational safety, environmental issues, and other legal issues.

The rehabilitation of old buildings is prioritised whenever possible in order to save resources, costs, and time. Construction activities are always resource-intensive. The intense use of raw materials contributes to the waste of resources and thus represents a risk to the environment. This risk is minimised by ensuring the optimal continued use of existing buildings in projects. For example, an old office building in Munich was converted into a hotel and an old office building that was built in Budapest in the 1960s was gutted and refurbished into an office building that meets today’s requirements.

In 2021, there was yet again a rehabilitation project: The hotel that was acquired in Darmstadt in 2019 (a building from 1989) was extensively renovated from 2019 to 2021 and repositioned on the market under the “greet” brand in September 2021.

Sustainable mobility

Mobility involves a number of current and future challenges pertaining to climate change, particularly in urban areas. This includes the risk of local air pollution due to emissions from automobile traffic in the form of nitrogen oxide as well as energy consumption.

Due to the rising demand for charging stations for electric vehicles, there is a risk that it will not be possible to provide a sufficient number of EV charging stations for the occupants of buildings. Forward-looking, intelligent mobility and traffic concepts are viable solutions in this context, including the increased use of public transport and car-sharing programmes as well as the further electrification of mobility in urban areas. In order to meet these requirements, it is important to account for a sufficient number of charging stations with a suitable charging capacity and charging connection in the initial planning stages and to observe and evaluate various concepts in order to determine which ones should be implemented at a site to optimally meet the demand.

E-mobility in particular represents an essential and groundbreaking topic. In this context, the future need for parking spaces with electric charging points or cable conduits for later retrofitting efforts at the building already have to be taken into consideration in the design and planning phase – generally around three years before completion. Among Warimpex's existing properties, Ogródowa Office and Mogilska 43 Office currently offer EV charging stations, and EV charging stations are also planned for new projects. A total of 60 bike parking spaces were built at Mogilska 43 (which corresponds to 0.4 parking spaces per 100 square metres of office space). The building also offers showers and changing rooms in order to make it more appealing for employees to bike to the office. The Ogródowa 8 project in Łódź has 150 bike parking spaces (which corresponds to 0.5 parking spaces per 100 square metres of office space) as well as showers and changing rooms in the office facilities.

The majority of the Warimpex Group's properties are in central locations in primary and secondary cities. Good transport connections for the users of the building (employees and customers) are an important factor for all of the projects. Hotels and office properties have to be easy to get to – both with public transport such as buses or trains as well as with cars and coaches. Public transport stations are generally located within a radius of 200 metres, and a connection to the airport must be available.

In the future, it will become increasingly important to offer optimal connections to the public transport network in a city because significant restrictions on private transport such as

car-free zones or parking restrictions are to be expected. It is also crucial to promote sustainable mobility (electric vehicles, car sharing, etc.) because property users will see these offerings as decisive factors. In order to optimally address these developments, Warimpex has set itself the goal of taking sustainable mobility into consideration as a criterion for future projects.

In-house environmental management

	in t CO ₂				
	2021	2020	2019	2018	2017
Flights	37	46	129	113	123
Kilometres driven by car	19	22	29	32	64

Employees of Warimpex Finanz- und Beteiligungs AG

The volume of carbon dioxide emissions caused by travel activities in 2021 decreased compared with the prior year. This reduction is the result of a decline in travel due to the COVID-19 pandemic.

Warimpex's employees have a high level of travel because nearly all of the Company's projects are located outside of Austria. This impacts the environment through increased emissions and represents a danger to employee safety due to the increased risk of car accidents. Travel planning is the responsibility of the relevant project team, but reducing travel to an absolute minimum is a basic principle at Warimpex. Efforts are made in the planning of business travel to combine the travel of individual employees and to form carpools in order to keep travel expenses and the environmental impact as low as possible. Some project sites can be reached by train or plane, while others are more conducive to travelling by car because they are more easily accessible by car or require technical equipment to be taken along. In order to reduce business travel, the use of teleconferences and video conferences is encouraged. The necessary technology required for this is provided by Warimpex.

New developments are evaluated and incorporated into the Company's IT on an ongoing basis in order to ensure the optimal use of new technologies. This enables cross-border collaboration in projects to be simplified and employees' travel to be optimised. Warimpex acquired two electric vehicles for its vehicle fleet as part of a pilot project in order to study usage behaviour and gather valuable information both for future travel and for the charging infrastructure and other requirements for office locations. Along with the ongoing maintenance and modernisation of the vehicle fleet, investments are being made in employee training for business travel in the form of driving courses.

SUSTAINABLE CORPORATE CULTURE (ETHICS AND COMPLIANCE)

Around the world, bribery and corruption hinder investment activities and disrupt international competition. In addition, the economic, social, and ecological well-being of society is jeopardised by the diversion of funds through corrupt practices. Companies play an important role in combatting these practices because corruption is damaging not only to democratic institutions but also to proper corporate governance. In addition, some of the countries in which Warimpex does business have poor rankings according to the Corruption Perceptions Index and are thus exposed to a higher risk of corruption.

Corporate governance, compliance, and anti-corruption

Therefore, the implementation of effective corporate governance practices represents a significant sustainability topic with regard to fostering a responsible corporate culture.

As a listed company, Warimpex operates in accordance with the rules of the Austrian Code of Corporate Governance (January 2021 version) and the Polish Best Practice for GPW Listed Companies 2021. These codes are voluntary agreements for proper corporate governance and control aimed at achieving responsible value creation focused on sustainability and a long-term vision. These measures ensure that the interests of all stakeholders whose welfare is dependent upon the success of the Company are optimally served and that a high level of transparency is provided.

Code of Conduct

The Code of Conduct (CoC) is a summary of the general rules of conduct for Warimpex employees. The CoC has been applied at Warimpex AG since 2013 and was extended to all of the fully consolidated companies in 2018.

Warimpex's employees are required to obey the law at all times in their business dealings and to clearly reject all forms of bribery or corruption with their own conduct. The CoC documents the Company's interactions with employees, customers, suppliers, and all other stakeholders and provides orientation for day-to-day conduct. The ethical and legal rules and guidelines are specified in the CoC and promote individual responsibility and an open, respectful, and responsible working climate.

Employees receive ongoing training in order to foster an open and honest working climate. In 2021, training courses were offered on current topics such as the General Data Protection Regulation. Training sessions were also held on the Code of Conduct and corruption prevention as well as occupational safety. These training measures will be offered again in 2022.

The various workdays of employees due to different scheduling models and travel are taken into account when planning the dates for training by offering multiple courses on different days so that everyone can participate. In addition, Warimpex strives to offer additional training as needed when it becomes apparent that a certain topic is important at the moment or is requested by the employees.

No cases related to corruption or violations of internal compliance guidelines have been identified to date.

SOCIAL RESPONSIBILITY

Barrier-free access and occupant safety in planning and operations

Barrier-free access is taken into account in accordance with legal requirements in both new construction and in the renovation/refurbishment of existing properties. All offices and hotels offer barrier-free access. The safety of the occupants is ensured through regular monitoring in line with local ordinances (e.g. inspection by the fire department or work inspectors) and at the management level (inspection together with the operators of the relevant property). Our own random inspections ensure the safety of the occupants of our properties and minimise the risk of a violation of the applicable regulations. No significant complaints (e.g. imminent hazards) have been lodged by authorities in relation to safety requirements to date. In acute cases, individual measures are taken to ensure the safety of the occupants at the given property. For example, increased security checks have been performed at the entrances to hotels in response to terrorist attacks in a given destination.

The goal is to prevent complaints by authorities and customers and to meet all legal requirements in order to guarantee the safety of the occupants at all times.

Six of the 294 hotel rooms at the Crowne Plaza hotel in St. Petersburg are barrier-free, which represents a share of 2 per cent. At the greet hotel in Darmstadt, 2 of 194 hotel rooms are barrier-free (1 per cent).

EMPLOYEES

Employee satisfaction

Warimpex aims to offer opportunities for growth and career advancement, to reward outstanding performance, to promote collaboration at all levels, and to ensure an open corporate culture. The working world is constantly changing due to more vigorous demands and increasing requirements for flexibility.

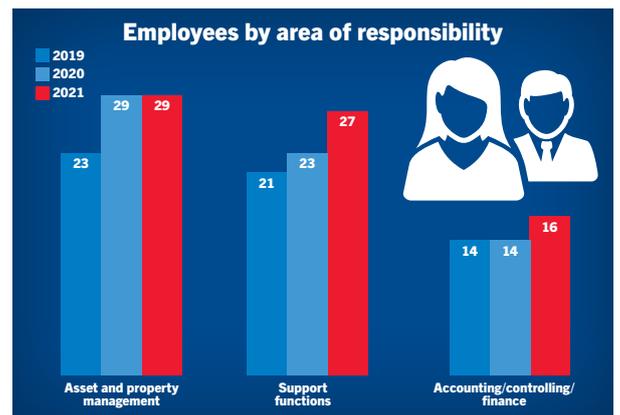
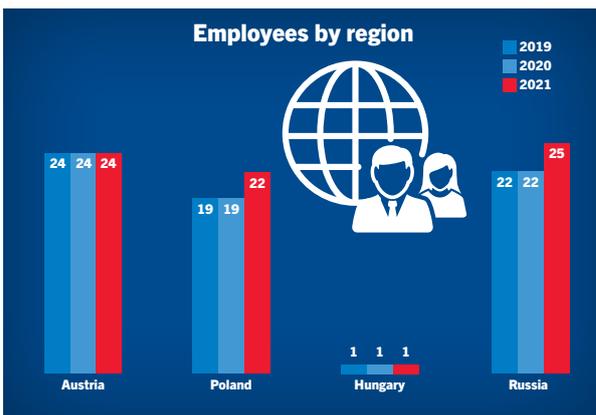
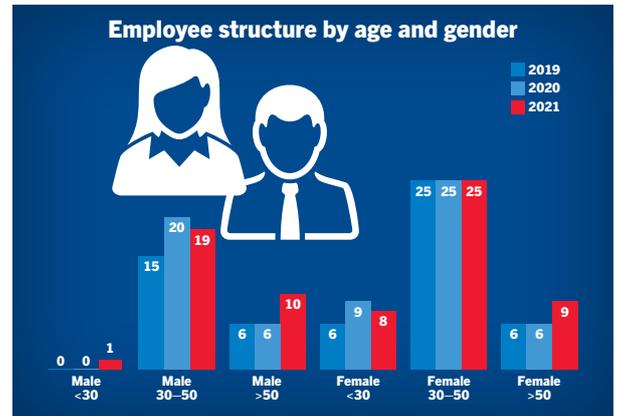
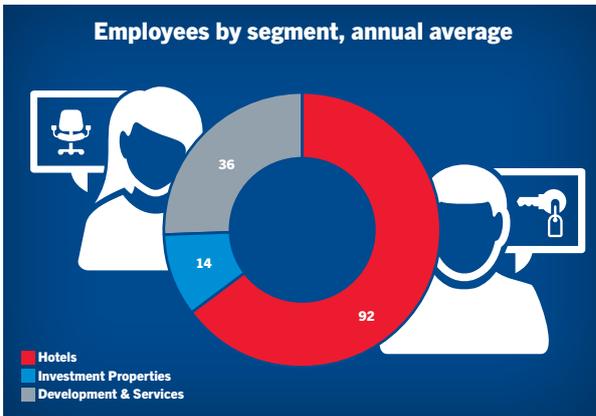
It is becoming more and more difficult for employees to achieve a balance between their careers, family duties, and private lives. A consistent policy of equal treatment, flexitime work models, and teleworking opportunities represent the pillars of a healthy work-life balance for Warimpex’s employees.

Hotels are operated by hotel management companies under management agreements. Therefore, control over personnel matters and the management of the hotel staff are the responsibility of the hotel managers and are not influenced by Warimpex. As such, the following information only pertains to Warimpex’s other two segments (Investment Properties and Development and Services).

Employees in the Group

The duties in asset and property management include the management of the existing properties and development properties by the managers, technicians, and project controllers. The finance segment comprises the Group accounting department and the bookkeeping departments. The support functions provide administrative and organisational assistance to the other two segments.

In order to guard against the risk of losing highly qualified staff members, Warimpex’s employees are provided with state-of-the-art technical equipment to make the work process as smooth and efficient as possible. This is intended to ensure a safe and pleasant work environment for everyone. Employees are also supported through the open and honest corporate culture. Warimpex has a flat management structure; tremendous emphasis is placed on fostering a level playing field and respectful collaboration. The Company takes the individual needs of the employees into consideration by offering various working models such as part-time schedules, teleworking, and other possibilities, and adapting these models as necessary.



Diversity and equal opportunity

Ensuring equal opportunity between women and men and diversity with regard to the employees' different cultural backgrounds is a key priority for the Company. Diversity is valued at Warimpex. This diversity applies not only to the background of employees from different cultures and countries, but can also be seen in the age structure of the staff. Employees from four countries and with various migration backgrounds work at the Group's headquarters in Vienna. At Warimpex, no one is excluded due to their gender, age, or background. On the contrary: The convergence of different views, opinions, and experiences allows many different aspects to be examined and addressed in projects.

A flat hierarchy also allows goals to be achieved through short communication channels, without having to fight through extraneous bureaucracy. Women and men are given equal opportunities to stay connected to the Company even when they are on parental leave. Invitations to company events are also sent to employees on parental leave, and these employees can continue to use communication devices such as their phones and laptops while on leave. It is also possible to work while on parental leave, and many employees take advantage of this opportunity. When employees return from parental leave, their needs are re-evaluated and individually adapted to suit their circumstances. In cases where it is desired and possible, teleworking and flexible working hours are agreed with employees. All of these measures have proven to be effective in the past and will thus be continued in the future. As a result, the risk of potential discrimination against employees is deemed to be low. Warimpex sees the diversity of its employees as an opportunity and utilises it accordingly.

The share of women in the total workforce was just under 53 per cent as at 31 December 2021, which represents a decline of 8 per cent compared with 2020. The share of female managers decreased by roughly 5 per cent versus 2020 and amounted to 33.3 per cent. This change can be attributed to the increased hiring of male technicians. Warimpex offers its female and male employees the same opportunities and requirements. What counts are an employee's qualifications and experience in their field, not their nationality or gender. Women and men have the same opportunities for advancement – equality is a matter of course at Warimpex and is also reflected in the share of women in the total workforce.

The average age of the employees is roughly 43.7 years. The Warimpex Group works with an attractive mix of experienced employees and new employees.

Warimpex sees the diversity of its employees as an important factor for success.

HUMAN RIGHTS

Respecting human rights is seen as a deep-rooted part of Warimpex's philosophy and is put into practice each and every day. Freedom of expression is anchored in Warimpex's organisational structure because there are no restrictions on communication of any kind, apart from the confidentiality areas that have been established. Warimpex also respects and aims to protect everyone's right to freely practise their beliefs. At hotel buildings, for example, the interior design is kept non-religious as far as possible in order to ensure the religious freedom of all users. This is reflected in the selection of the pictures in the rooms and the lack of religious symbols such as crosses.

Respect for human dignity is primarily an important issue when it comes to employee relations. Warimpex is absolutely opposed to all forms of prejudice and discrimination. It is important that all employees are treated equally regardless of their age, gender, sexual orientation or identity, nationality, ethnic background, disability, religion, or world views. The Company actively promotes a culture characterised by respect, openness, trust, and mutual appreciation.

Warimpex is clearly committed to protecting international human rights. The Company supports and respects the protection of human rights within its sphere of influence and ensures that it is not involved in human rights violations. We expect our suppliers and partners to comply with the legal regulations as well. Warimpex assumes that they comply with the applicable laws for the protection of human rights and that violations are appropriately prosecuted by the competent legal authorities in the jurisdiction of the relevant suppliers and partners. We do not see a need or a possibility to take additional internal initiatives in this area. Suppliers and partners also receive goods and services from third parties in some cases. We are not aware of any human rights violations in connection with this supply chain to date. We assume that our suppliers and partners take action if they become aware of such issues. Proven violations are punished and can result in the termination of the business relationship with the respective supplier or partner.

Social commitment – impact on society and the environment

Warimpex aims to reduce poverty and promote the arts and culture with donations and sponsorship activities. To this end, donations are regularly made to the following organisations during the Advent season: Teach for Austria, Freispiel, and Entwicklungshilfeklub. We also get involved on a personal basis: Members of the Management Board personally take part in the events at schools and hold presentations as part of the Teach for Austria programme. Many events could not be held in 2020 and 2021 due to COVID-19, so the volume of the Company's donations and sponsorships declined slightly.

Effects of COVID-19

The COVID-19 crisis had an impact on several factors in 2020 and 2021:

Environmental issues:

The reduced travel activity around the world resulted in lower consumption of resources and thus to a decline in greenhouse gas emissions. This can also be seen in the travel activity of the Warimpex Group. However, it must be noted that no compromises are being made with regard to the Company's sustainability goals based on the decline in business caused by the COVID-19 crisis.

Employee issues:

The opportunities for teleworking and videoconferencing were expanded due to the crisis. Teleworking was offered to all employees. Training in the use of new programs is completed on an ongoing basis. The Company's data security was assessed and was deemed to be appropriate. Employees have the opportunity to get tested for COVID, and COVID anti-gen self-tests are also provided at the office.

Human rights:

There is a potential risk of human rights violations during the COVID-19 crisis – women are more heavily impacted due to short-time work and the double burden of professional and family obligations, and this was taken into account at Warimpex by offering flexible working hours.

Effects of the conflict in Ukraine

At the time of the preparation of this report, our attention is focused on the conflict in Ukraine and the resulting wave of refugees. Based on our connections to Poland and the reports on the situation prevailing there at the moment, we are providing support by working with our contacts in the country to organise the transport of refugees to our hotel in Darmstadt, Germany, where we want to offer fast, unbureaucratic assistance for people in need. We are in contact with our partners in Germany and are providing help for dealing with administrative matters with government agencies and delaying construction work in Darmstadt so that we can provide accommodations for refugees over the medium term. We are aware that these are not fully adequate apartments, but are providing kitchens, washing machines, and other amenities in an effort to offer comfortable accommodations on a medium-term basis to allow people to organise longer-term living arrangements in an environment that is as peaceful as possible.

Our activities in Russia are limited to the St. Petersburg region, so neither our employees nor our properties are directly affected by the events. Warimpex and all of its employees are appalled and dismayed by these events and we can only hope that peace is restored very soon and further unnecessary suffering is prevented.



InterContinental*****
Warsaw, PL

ADDITIONAL NON-FINANCIAL PERFORMANCE INDICATORS

- **Vacancy rate of individual properties:** The vacancy rate shows the ratio of the unlet space to lettable space and thus plays an important role in the return that can be generated. The higher the vacancy rate, the lower the rental revenue. The vacancy rate is reported per property in the management report.
- **Location quality and infrastructure** are key determinants of how easy it is to let a property.
- **Local presence and market knowledge:** Branch offices in the core markets ensure efficient operation and tenant retention.

DISCLOSURES PURSUANT TO § 243a AUSTRIAN COMMERCIAL CODE

The share capital of Warimpex Finanz- und Beteiligungs AG amounts to EUR 54,000,000 and is divided into 54,000,000 non-par-value bearer shares.

The Management Board is aware of no limitations on voting rights or the transfer of shares.

The following shareholders each hold interests amounting to more than 10 per cent of the Company's share capital:

Georg Folian	14.6%
Franz Jurkowitsch	14.1%
Bocca Privatstiftung	10.6%
Amber Privatstiftung	10.7%

The bond of Warimpex Finanz- und Beteiligungs AG as at 31 December 2021

	ISIN	Outstanding amount
Bond 09/25	AT0000A23GA4	EUR 7,200,000

Treasury shares:

At the Annual General Meeting on 3 June 2019, the Management Board was authorised to purchase shares in the Company up to the maximum amount permitted by law of 10 per cent of the total capital stock within a period of 30 months after the passing of the motion. The purposes for which the purchased shares may be used were also specified. In addition to being held as treasury shares, they can be sold or given to employees of the Company or of an associate. The shares can also be used to service the convertible and/or warrant bonds or as payment for the purchase of real estate, business entities, business operations, or shares in one or more companies in Austria or abroad, or can be sold at any time on the exchange or through

a public offer, and can be sold by any other legal means, including outside of the stock exchange, for a period of five years after the adoption of the resolution.

A buyback programme was completed from 23 September 2019 to 4 March 2020, with 1,000,000 shares being purchased at an average price of EUR 1.60.

Warimpex held a total of 1,939,280 treasury shares as at 31 December 2021, which corresponds to 3.59 per cent of the capital stock.

Apart from the above, there are no further particulars that must be disclosed pursuant to § 243a Austrian Commercial Code.

Outlook

The following development projects are currently under construction or development:

- Avior Tower 1 with roughly 16,900 square metres of space, St. Petersburg (under construction)
- Mogilska 35 Office with roughly 11,900 square metres of space, Krakow (under construction)
- Office building in Białystok with roughly 38,500 square metres of space (currently being planned, building permit issued)
- Chopin office building with roughly 21,200 square metres of space, Krakow (currently being planned, building permit issued)
- West Yard 29 office building in Darmstadt with roughly 13,800 square metres of space (currently being planned)

Our operational focus in 2022 is on making preparations for construction and obtaining building permits for our development projects as well as continuing ongoing construction.

Warimpex is on solid financial footing, even against the backdrop of the current COVID-19 pandemic. In recent years, the Company focused on the strategic reorientation and diversification of the portfolio, and while it was primarily active in the now heavily impacted hotels segment up to just a few years ago, the fair value of hotels now only accounts for 12 per cent of the overall portfolio. Office properties with long-term leases that are contractually assured account for 71 per cent of the overall portfolio.

The Group is evaluating the impact of COVID-19 on an ongoing basis. After two years of the pandemic, still only minor operational effects are discernible in the property letting segment, while hotels are being impacted to a greater degree than office properties. A slight recovery was already seen in 2021. The Group is taking a wide range of measures to minimise the impact on its business, including making use of government aid such as short-time work aid, the suspension of property taxes, and interim aid.

Apart from the pandemic, management is focusing on the current geopolitical developments. On 24 February 2022, Russian troops invaded Ukraine, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time. For example, the Russian central bank more than doubled its key rate to 20 per cent and the rouble initially depreciated significantly against the euro. In April 2022, the key rate was lowered to 17 per cent and the rouble exchange rate stabilised at the pre-crisis level. The Group owns properties in St. Petersburg (one hotel, two office properties, one multi-use building, and an office tower in the final phase of construction) with a value of EUR 148,780 thousand. With the exception of the building that is under construction, these properties are fully occupied and make up roughly 40 per cent of the Group's property assets. The financing for these properties was arranged through local banks and is denominated in roubles for the most part. Fixed interest rates or interest rate ceilings are defined in the credit agreements. Warimpex is represented in St. Petersburg by local employees working at local subsidiaries that manage the business operations in the country. The revenue attributable to Russia in the financial year came to EUR 14,606 thousand. Apart from capital injections completed in the past and liabilities for loans secured by mortgages, there are no financial links or ongoing business relationships between the Russian subsidiaries and the Group parent company or other Group companies. New developments that were originally planned in St. Petersburg are not being pursued further at this time. The Management Board is monitoring the economic and legal developments in Russia very closely in coordination with the Supervisory Board in order to be able to react quickly to current events if necessary. At the time of the preparation of the financial statements, the Group estimates that losses from currency translation in the amount of approximately EUR 1,400 thousand will have to be recognised in the first quarter of 2022. Value decreases on Russian office properties as at 31 March 2022 are currently being evaluated within the Group; write-downs of 10 per cent are to be expected for the existing properties and up to 25 per cent for the project that is under construction. No negative effects are currently discernible in the hotel segment, and the occupancy and reve-

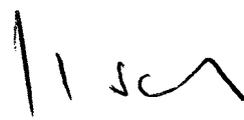
nue of the Crowne Plaza hotel in St. Petersburg were above budget in March 2022.

Further financial effects of this crisis on the consolidated financial statements are possible depending on the duration of the conflict, but cannot be reliably estimated at present.

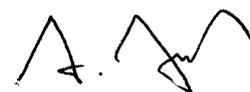
Nevertheless, Warimpex expects the positive development of its business activities to continue. The updated planning calculations show positive EBITDA (results of operating activities before finance income, taxes, depreciation, amortisation, and remeasurement) and sufficient liquidity for the 2022 financial year even in the event that the rouble loses half of its value compared with the budgeted exchange rate and/or in the event of the loss of the planned operating result from the Russian subsidiaries. Although the situation surrounding the conflict in Ukraine and the investments in Russia is difficult for Warimpex, the Company is well equipped for the current and coming challenges with its experienced, crisis-tested team.

Beyond this, we are also focusing on the topic of sustainability. Sustainability is no longer a peripheral topic, but now shapes the thinking and actions of the majority of the population. We aim to obtain certifications for our property portfolio in this area by implementing sustainability concepts at our properties.

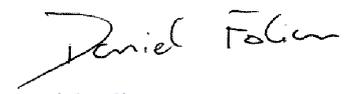
Vienna, 26 April 2022



Franz Jurkowitsch
Chairman of the Management Board



Alexander Jurkowitsch
Member of the Management Board



Daniel Folian
Deputy Chairman of the Management Board



Florian Petrowsky
Member of the Management Board

Consolidated Financial Statements

AS AT 31 DECEMBER 2021

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Ogrodowa 8 Office
Łódź, PL

Consolidated Income Statement

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2021

in EUR '000	Note	2021	2020
Investment Properties revenues		20,267	20,604
Hotels revenues		4,836	3,607
Development and Services revenues		1,618	1,449
Revenues	6.1.	26,720	25,660
Expenses from the operation of investment properties		(5,283)	(5,110)
Expenses from the operation of hotels		(4,061)	(5,441)
Expenses directly attributable to development and services		(1,253)	(737)
Expenses directly attributable to revenues	6.2.	(10,597)	(11,288)
Gross income from revenues		16,123	14,371
Other operating income	6.3.	6,490	423
Administrative expenses	6.4.	(7,322)	(8,672)
Other expenses	6.5.	(779)	(3,143)
Earnings before interest, taxes, depreciation, amortisation, and remeasurement (EBITDA)		14,512	2,979
Scheduled depreciation and amortisation on property, plant, and equipment		(1,527)	(1,575)
Scheduled depreciation on right-of-use assets		(379)	(345)
Impairment of property, plant, and equipment		–	(976)
Reversals of impairment on property, plant, and equipment		470	–
Gains/losses on remeasurement of investment property		2,460	(7,770)
Depreciation, amortisation, and remeasurement	6.5.	1,025	(10,666)
Earnings before interest and taxes (EBIT)		15,537	(7,687)
Interest revenue	6.7.	628	653
Other finance income	6.8.	7,923	125
Finance expenses	6.9.	(8,458)	(9,133)
Changes in foreign exchange rates	6.10.	1,008	(8,213)
Result from joint ventures (equity method) after taxes	7.3.4.	(1,713)	(4,858)
Financial result		(613)	(21,426)
Earnings before taxes		14,924	(29,113)
Current income taxes	6.11.	(372)	(665)
Deferred income taxes	7.5.	(2,572)	(1,341)
Taxes		(2,944)	(2,006)
Profit or loss for the period		11,980	(31,119)
thereof profit or loss of non-controlling interests		(294)	(1,429)
thereof profit or loss of shareholders of the parent		12,274	(29,691)
Undiluted earnings per share in EUR	7.9.1.	0,24	-0,57
Diluted earnings per share in EUR	7.9.1.	0,24	-0,57

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2021

in EUR '000	Note	2021	2020
Profit or loss for the period		11,980	(31,119)
Foreign exchange differences		3,921	(16,138)
<i>thereof reclassified to the income statement</i>		16	(1)
Other comprehensive income from joint ventures (equity method)		281	(670)
(Deferred) taxes in other comprehensive income		(162)	80
Other comprehensive income (reclassified to profit or loss in subsequent periods)	7.9.3.	4,040	(16,729)
Gains/losses from remeasurement of property, plant, and equipment	7.7.	586	–
Gains/losses from financial assets measured at fair value through other comprehensive income	7.7.	(121)	(617)
Gains/losses from remeasurement in accordance with IAS 19		(466)	384
(Deferred) taxes in other comprehensive income		(93)	24
Other comprehensive income (not reclassified to profit or loss in subsequent periods)	7.9.3.	(94)	(209)
Other comprehensive income		3,946	(16,938)
Total comprehensive income for the period		15,926	(48,057)
thereof profit or loss of non-controlling interests		(76)	(2,463)
thereof profit or loss of shareholders of the parent		16,002	(45,594)

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2021

in EUR '000	Note	31/12/2021	31/12/2020
ASSETS			
Investment properties	7.1.	324,596	251,337
Property, plant, and equipment	7.2.	36,590	33,877
Other intangible assets		75	80
Joint ventures (equity method)	7.3.	415	5,077
Financial assets measured at fair value through other comprehensive income	7.7.	5,504	5,625
Derivative financial instruments		399	–
Other assets	7.4.	2,347	11,158
Deferred tax assets	7.5.	1,187	978
Non-current assets		371,114	308,132
Inventories		140	154
Trade and other receivables	7.6.	5,673	3,448
Cash and cash equivalents	7.8.	11,192	8,931
Current assets		17,004	12,533
TOTAL ASSETS		388,118	320,665
EQUITY AND LIABILITIES			
Share capital	7.9.1.	54,000	54,000
Retained earnings	7.9.3.	86,103	77,307
Treasury shares	7.9.3.	(2,991)	(2,991)
Other reserves	7.9.3.	(12,500)	(17,697)
Equity attributable to shareholders of the parent		124,612	110,619
Non-controlling interests		105	(1,827)
Equity		124,717	108,792
Bonds	7.10.1.	5,360	7,137
Other financial liabilities	7.10.2.	189,565	152,624
Lease liabilities	7.10.3.	1,849	1,709
Derivative financial instruments	7.11.	–	320
Other liabilities	7.12.	7,271	6,731
Provisions	7.13.	2,754	4,700
Deferred tax liabilities	7.5.	11,955	8,679
Deferred income	7.15.	64	1,957
Non-current liabilities		218,817	183,857
Bonds	7.10.1.	1,861	1,890
Other financial liabilities	7.10.2.	27,185	14,546
Lease liabilities	7.10.3.	314	217
Trade and other payables	7.14.	11,894	8,881
Provisions	7.13.	2,942	2,241
Income tax liabilities	6.10.	292	12
Deferred income	7.15.	95	229
Current liabilities		44,584	28,016
Liabilities		263,401	211,873
TOTAL EQUITY AND LIABILITIES		388,118	320,665

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2021

in EUR '000	Note	2021	2020
Cash receipts			
from letting and hotel operations		25,764	25,578
from real estate development projects and other		1,733	1,004
from interest income		132	108
Cash receipts from operating activities		27,629	26,690
Cash payments			
for real estate development projects		(89)	(310)
for materials and services received		(9,328)	(8,507)
for personnel expenses		(8,251)	(9,171)
for other administrative expenses		(4,828)	(5,525)
for income taxes		(156)	(710)
Cash payments for operating activities		(22,652)	(24,222)
Net cash flows from operating activities		4,977	2,468
Cash receipts from			
purchase price payments from sales in previous periods	5.3.	125	463
the sale of property, plant, and equipment		–	5
other financial assets		2,806	970
returns on joint ventures		–	1,083
Cash receipts from investing activities		2,931	2,520
Cash payments for			
investments in investment property		(17,474)	(9,344)
investments in property, plant, and equipment		(2,872)	(3,451)
investments in intangible assets		(26)	(14)
other financial assets		–	(1,052)
joint ventures		(859)	–
the purchase of equity interests		(3,372)	–
less received cash and cash equivalents of equity interests		4,088	–
Payments made for investments		(20,515)	(13,862)
Net cash flows for investing activities		(17,584)	(11,342)
Cash payments for the purchase of treasury shares			
	7.9.1.	–	(654)
Cash payments to non-controlling interests			
	5.2.	(1)	–
Cash payments for the redemption of bonds			
	7.10.3.	(1,800)	(5,500)
Cash receipts from loans and borrowing			
	7.10.3.	80,664	78,961
Payments for the repayment of loans and borrowing			
	7.10.3.	(55,894)	(51,190)
Payments for lease liabilities			
	7.10.3.	(230)	(318)
Paid interest (for loans and borrowing)			
		(6,233)	(6,275)
Paid interest (for bonds and convertible bonds)			
		(251)	(526)
Paid financing expenses			
		(1,731)	(1,475)
Payments for dividends			
	7.9.1.	–	(1,564)
Net cash flows from financing activities		14,523	11,459
Net change in cash and cash equivalents		1,916	2,586
Foreign exchange rate changes in cash and cash equivalents			
		(1)	24
Foreign exchange rate changes from other comprehensive income			
		345	(1,197)
Cash and cash equivalents as at 1 January			
		8,931	7,519
Cash and cash equivalents as at 31 December		11,192	8,931

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2021

in EUR '000	Equity attributable to shareholders of the parent					Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Treasury shares	Other reserves				
As at 1 January 2020	54,000	109,155	(2,337)	(2,386)	158,431	(1,364)	157,068	
Capital from non-controlling interests	–	–	–	–	–	2,000	2,000	
Treasury shares buyback	–	–	(654)	–	(654)	–	(654)	
Dividend	–	(1,564)	–	–	(1,564)	–	(1,564)	
Total comprehensive income for the period	–	(30,284)	–	(15,310)	(45,594)	(2,463)	(48,057)	
<i>thereof profit or loss for the period</i>	–	(29,691)	–	–	(29,691)	(1,429)	(31,119)	
<i>thereof other comprehensive income</i>	–	(593)	–	(15,310)	(15,903)	(1,035)	(16,938)	
As at 31 December 2020	54,000	77,307	(2,991)	(17,697)	110,619	(1,827)	108,792	
= as at 1 January 2021	54,000	77,307	(2,991)	(17,697)	110,619	(1,827)	108,792	
Changes in the scope of consolidation	–	16	–	(16)	–	–	–	
Reclassification from IAS 19 reserve	–	(1,364)	–	1,364	–	–	–	
Increase of shares within scope of consolidation	–	(2,008)	–	–	(2,008)	2,007	(1)	
Total comprehensive income for the period	–	12,153	–	3,848	16,002	(76)	15,926	
<i>thereof profit or loss for the period</i>	–	12,274	–	–	12,274	(294)	11,980	
<i>thereof other comprehensive income</i>	–	(121)	–	3,848	3,727	218	3,946	
As at 31 December 2021	54,000	86,103	(2,991)	(12,500)	124,612	105	124,717	

CONSOLIDATED SEGMENT INFORMATION (in EUR '000)

In “Segment overview – profit or loss for the period”, the segments are presented in accordance with their breakdown in the income statement and allocated to the consolidated result. Detailed information about the individual segments in terms of their scope and management criteria is presented in section 2.

in EUR '000	Investment Properties		Hotels	
	2021	2020	2021	2020
SEGMENT OVERVIEW – PROFIT OR LOSS FOR THE PERIOD				
External revenues	23,865	24,383	9,896	7,483
Intragroup services	–	–	–	16
Expenses directly attributable to revenues	(5,872)	(5,889)	(8,436)	(9,392)
Gross income from revenues	17,993	18,494	1,460	(1,893)
Gains or losses from the disposal of properties	–	–	–	–
Other operating income	91	3	629	345
Expenses for development projects	–	–	(30)	(63)
Personnel expenses	(277)	(260)	(8)	–
Other/miscellaneous expenses	(872)	(571)	(299)	(427)
Intragroup services	(1,264)	(1,177)	(1)	–
Segment EBITDA	15,672	16,488	1,751	(2,038)
Scheduled depreciation and amortisation on property, plant, and equipment	(9)	(9)	(1,889)	(2,042)
Scheduled depreciation on right-of-use assets	(71)	(36)	(1,986)	(1,944)
Impairments	–	–	(4,714)	(928)
Impairment reversals	–	–	470	–
Measurement gains	3,788	1,624	–	–
Measurement losses	(4,900)	(9,708)	–	–
Segment EBIT	14,480	8,359	(6,367)	(6,951)
Finance income	403	187	–	1
Finance expenses	(7,731)	(8,215)	(2,365)	(2,555)
Changes in foreign exchange rates	717	(9,175)	1,008	(2,738)
Earnings from joint ventures	–	–	–	–
Income taxes	(728)	(508)	(109)	–
Deferred income taxes	(2,363)	2,418	(322)	(454)
Segment overview – profit or loss for the period	4,777	(6,934)	(8,156)	(12,696)

	Development and Services		Segment total		Reconciliation		Group total	
	2021	2020	2021	2020	2021	2020	2021	2020
	1,809	1,449	35,570	33,314	(8,850)	(7,655)	26,720	25,660
	1,265	1,161	1,265	1,177	(1,265)	(1,177)	–	–
	(1,403)	(737)	(15,710)	(16,017)	5,113	4,729	(10,597)	(11,288)
	1,672	1,873	21,125	18,474	(5,002)	(4,103)	16,123	14,371
	–	–	–	–	–	–	–	–
	7,075	75	7,795	423	(1,305)	–	6,490	423
	(22)	(70)	(52)	(132)	–	–	(52)	(132)
	(4,257)	(5,469)	(4,541)	(5,730)	–	–	(4,541)	(5,730)
	(2,631)	(5,102)	(3,802)	(6,101)	295	147	(3,508)	(5,953)
	–	–	(1,265)	(1,177)	1,265	1,177	–	–
	1,837	(8,693)	19,259	5,757	(4,747)	(2,778)	14,512	2,979
	(222)	(257)	(2,120)	(2,308)	594	733	(1,527)	(1,575)
	(308)	(309)	(2,365)	(2,289)	1,986	1,944	(379)	(345)
	–	(48)	(4,714)	(976)	4,714	–	–	(976)
	–	–	470	–	–	–	470	–
	5,052	3,967	8,840	5,591	(991)	(1,624)	7,849	3,967
	(488)	(2,029)	(5,389)	(11,737)	–	–	(5,389)	(11,737)
	5,870	(7,370)	13,982	(5,962)	1,555	(1,725)	15,537	(7,687)
	8,215	646	8,618	835	(67)	(57)	8,551	778
	(1,204)	(1,133)	(11,300)	(11,904)	2,842	2,771	(8,458)	(9,133)
	–	–	1,724	(11,913)	(717)	3,700	1,008	(8,213)
	–	–	–	–	(1,713)	(4,858)	(1,713)	(4,858)
	278	(169)	(559)	(677)	187	12	(372)	(665)
	(392)	(3,463)	(3,077)	(1,499)	505	158	(2,572)	(1,341)
	12,768	(11,489)	9,388	(31,119)	2,592	–	11,980	(31,119)

SEGMENT DISCLOSURES AT GROUP LEVEL (GEOGRAPHIC)

	Investment Properties		Hotels		Development and Services		Group total	
	31/12/21	31/12/20	31/12/21	31/12/20	31/12/21	31/12/20	31/12/21	31/12/20
Composition of non-current assets in accordance with IFRS 8.33 (geographic):								
Austria	–	–	–	–	802	955	802	955
Poland	120,740	118,644	–	–	24,698	18,313	145,438	136,956
Russia	101,801	55,197	18,748	17,351	28,231	14,864	148,780	87,413
Germany	–	–	14,594	12,934	16,604	14,092	31,198	27,026
Hungary	35,014	32,914	–	–	30	30	35,044	32,944
Total	257,555	206,755	33,343	30,285	70,364	48,254	361,262	285,294
	2021	2020	2021	2020	2021	2020	2021	2020
Composition of revenues (geographic):								
Austria	–	–	–	–	16	68	16	68
Poland	7,267	6,536	–	–	1,117	1,006	8,383	7,542
Russia	10,223	11,335	3,947	2,443	436	305	14,606	14,083
Germany	–	–	888	1,165	0	18	888	1,183
Hungary	2,778	2,733	–	–	49	52	2,827	2,784
Total	20,267	20,604	4,836	3,607	1,618	1,449	26,720	25,660
Average number of employees	14	14	92	151	36	36	142	201

Notes to the Consolidated Financial Statements

FOR THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2021

[01] Corporate Information

Warimpex Finanz- und Beteiligungs AG (“the Company” or “Warimpex”) is registered with the Commercial Court of Vienna under the number FN 78485w. The Company’s registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna, Austria.

The audited consolidated financial statements of Warimpex Finanz- und Beteiligungs AG for the reporting year ended 31 December 2021 were authorised for release to the Supervisory Board by the Management Board on 26 April 2022. It is the duty of the Supervisory Board to review the consolidated financial statements and state whether the consolidated financial statements are approved.

The core activities of the Group encompass the construction of office buildings and hotels as well as the operation of these properties in Central and Eastern Europe. Depending on the market situation and maturity, properties are sold to achieve the maximum added value.

[02] Information on the Business Segments

2.1. General

Reporting within the Group is based on the following reportable business segments:

- Investment Properties
- Hotels
- Development and Services

The business segments were defined according to the criteria in IFRS 8.5 ff. The individual segments are identified on the basis of their different products and services. The individual hotels and individual managed properties (investment properties) also represent individual business segments based on the Group’s reporting structure and are consolidated under the reportable segments of Hotels and Investment Properties as appropriate in accordance with IFRS 8.12. Detailed information about this can be found in section 2.2.

Transactions between business segments contain the recharging of intragroup services and project development services at arm’s length terms. Service relationships with a single customer exceeded 10 per cent of the total Group revenues in the reporting period. These revenues amounted to EUR 10,342 thousand (2020: EUR 11,569 thousand) and primarily pertained to the Investment Properties segment. Revenues from customers are allocated geographically in the segment reporting according to the place of performance.

The internal reporting and segment reporting are completed according to the provisions of the IFRS as they have been adopted by the EU. One hotel and one office building (until 31 December 2021) are operated through joint ventures. The income, expenses, assets, and liabilities of joint ventures are included under the principle of proportionate consolidation for segment reporting purposes. The “Reconciliation” column shows the effects from the reconciliation between recognition of the joint ventures using the proportionate consolidation method for the segment information and the equity method in the consolidated financial statements.

2.2 Information about the individual business segments

2.2.1. Investment Properties segment

The Investment Properties segment contains the business activities, assets, and liabilities for the non-hotel properties that are currently operated by the Group. These are offices and office buildings that have comparable economic characteristics. The office properties in the reportable segment are comparable in terms of the rendered services (letting), the production processes (construction or purchase of the property, tenant adaptations), the customer groups (corporate customers), and the sales channels.

The properties are wholly owned by the Group as at the reporting date. The Investment Properties segment contains the following buildings for the reporting period:

- Poland: Ogródowa Office, Łódź; Mogilska 41 Office, Krakow; Mogilska 43 Office, Krakow
- Russia: Zeppelin office tower, Bykovskaya multi-use building, Jupiter 1 and 2 office towers (as a joint venture until 31 December 2021) – all in St. Petersburg
- Hungary: B52 Office, Erzsébet Office – both in Budapest

This segment is managed on the basis of the performance metrics according to IFRS, in particular EBITDA (earnings before financial expenses and gains/losses on remeasurement). The revenues consist primarily of rental revenue (according to IFRS 16), income from charged operating expenses (IFRS 15), and, if applicable, revenue for tenant adaptations.

2.2.2. Hotels segment

The individual hotels are combined into a single reportable segment on the basis of comparable economic characteristics. This pertains particularly to the type of products and services (lodging, food and beverages), to the production processes in the hotels, to the customer structure (business and leisure), and to the sales channels.

The resulting business segment covers all activities, assets, and liabilities that are associated with the operation of hotels. The hotels are either wholly owned by the Group or are leased (as part of a joint venture). The hotels are in the three-star superior and four-star segments. The following hotels are fully or proportionately included in the segment information:

- Poland: InterContinental hotel, Warsaw (lease, joint venture)
- Russia: Crowne Plaza, St. Petersburg
- Germany: greet hotel Darmstadt

Key figures that are typical for the sector are used to manage the hotels. These include GOP (gross operating profit, calculated according to the Uniform System of Accounts for the Lodging Industry) and NOP (net operating profit, which corresponds to the GOP less specific costs of ownership such as management fees, insurance, land tax, etc.). A reconciliation of the NOP against the earnings before interest and taxes (EBIT) can be seen in the profit or loss overview for the Hotels segment. Additional hotel-specific metrics are occupancy and the average revenue per available room (REVPAR).

The Hotels segment is analysed according to the cost of sales method for purposes of internal Group reporting. The GOP contains all sales revenues, costs of materials and services, and personnel expenses that are directly related to the operation of the hotel. The NOP also contains the directly allocable costs of the owner.

Hotel revenue consists mainly of revenue for lodging and for food and beverages. The hotels are managed by external service providers; the management fee is generally calculated as a percentage of the revenues and of the GOP. The property costs include insurance and property taxes, among other expenses.

Other costs after NOP include personnel expenses for administrative staff as well as expenses of the owner of the hotel that are not directly attributable to the operation of the hotel.

2.2.3. Development and Services segment

The Development and Services segment contains development activities and other services, as well as the associated assets and liabilities including activities in the Group parent company. The revenues in this segment come either from the sale of developed properties or from development activities and services for third parties, and are subject to significant annual fluctuation. Properties operated under a different segment are reclassified into the Development and Services segment in the event of a sale.

During the reporting period, the segment assets included development properties and properties under construction in Poland, Russia, and Germany.

This business segment is primarily managed on the basis of sale transactions, and revenue, EBITDA, and the segment result according to IFRS are the most important metrics.

[03] Basis for Preparation

3.1. Basis for preparation of the financial statements

The consolidated financial statements of Warimpex Finanz- und Beteiligungs AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The additional requirements of § 245a (1) UGB (Austrian Commercial Code) were also met.

As a general rule, the consolidated financial statements are prepared using the (amortised) historical cost of all assets. However, investment properties, derivative financial instruments (to the extent such instruments are held), and financial assets measured at fair value through other comprehensive income are stated at fair value.

The consolidated financial statements are based on the going concern principle.

The Group’s reporting currency is the euro. The consolidated financial statements are presented in full thousands of euros except where otherwise indicated. Rounding differences may arise from the addition of rounded figures.

Financial statements of the Group member companies prepared in accordance with local accounting regulations are reconciled with IFRS and uniform Group accounting guidelines by the Group’s accounting department in Vienna. All companies included in the consolidated financial statements prepare their financial statements as at 31 December.

All entities that are included in the consolidated financial statements are listed in section 4.1.1.

3.2. Changes in accounting policies and regulations

3.2.1. New and amended standards and interpretations – first-time application

The following new or amended standards were required to be applied for the first time in the reporting period:

• **IFRS 16: COVID-19-Related Rent Concessions**

These provisions allow lease modifications related to rent concessions for tenants to be recognised in simplified form in the income statement without having to apply the rules for lease modifications. This relief is subject to the cumulative fulfilment of the following conditions:

- The concession is granted due to the coronavirus pandemic.
- The consideration must be less than or the same as before the concession.
- The concession only applies to payments due on or before 30

June 2022 (extended until 30 June 2022 from the original cut-off of 30 June 2021).

- The concession is not related to material lease modifications beyond this.

The amendments are effective for annual periods beginning on or after 1 June 2020. This rule had no impact on the consolidated financial statements in the reporting period because it does not pertain to the Group; however, it may be applied by the Group at a later date if the conditions are met.

• **IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 9: Interest Rate Benchmark Reform (Phase 2)**

This second phase of amendments to the listed IFRS provisions pertains to the presentation of the effects of an interest rate benchmark reform (IBOR reform) in financial reporting. It provides reliefs for the accounting of modifications of financial instruments and the continuation of hedge accounting, with adaptations to the documentation in each case. The IBOR reform has also resulted in amendments to IFRS 4 (Insurance Contracts) and IFRS 16 (Leases) as well as the disclosures required in the notes (IFRS 7).

The amendments are effective from 1 January 2021 and are to be applied retrospectively. These amendments may have an impact on the Group’s accounting in the future. There were no changes during the reporting period because no contractual amendments were made in connection with the IBOR reform.

• **Other amendments:**

The following amendments to the international accounting regulations that must be applied starting on 1 January 2021 did not have any effects for the Group in the financial year:

Standard / Interpretation	Content/ description	Initial application mandatory from start of financial year
IFRS 4	Deferral of IFRS 9	1/1/21

3.2.2. New and amended standards and interpretations – not yet applied

The following new or amended standards and interpretations were adopted by the EU after they were published by the International Accounting Standards Board (IASB) and therefore must be applied starting on the specified date (see section 3.2.2.1.):

Standard / Interpretation	Content/ description	Initial application mandatory from start of financial year
IFRS 17	Insurance Contracts (including amendments from June 2020)	1/1/23*
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	1/1/22*
IFRS 3	Reference to the Conceptual Framework	1/1/22*
IAS 16	Proceeds before Intended Use	1/1/22*
IFRS 1	Subsidiary as First-time Adopter	1/1/22*
IFRS 9	Fees in the 10 per cent Test for Derecognition	1/1/22
IFRS 16	Lease Incentives	1/1/22*
IAS 41	Taxation in Fair Value Measurements	1/1/22*
IAS 1	Presentation of Financial Statements	1/1/23*
IAS 8	Definition of Accounting Estimates	1/1/23

The following new or amended standards and interpretations have already been published by the IASB, but have not yet been adopted by the EU (see section 3.2.2.2.):

Standard/ interpretation	Content/ description	Initial application mandatory from start of financial year as per standard
IAS 1	Classification of Liabilities as Current or Non-current and Deferral of Effective Date	1/1/23
IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1/1/23*
IFRS 17	Initial Application of IFRS 17 and 9 – Comparative Information	1/1/23*

*) Based on the Group's current assessment, these amendments to the accounting regulations will have no impact or only a minor impact on the consolidated financial statements. Therefore, they are not explained in detail in the following. The assessment of the relevance of these amendments will be evaluated on a regular basis before the first-time application date and adapted if necessary.

Warimpex does not intend to apply the new or amended standards and interpretations listed above early.

3.2.2.1. New and amended standards and interpretations (adopted by the EU)

• IFRS 9: Fees in the 10 per cent Test for Derecognition

This amendment pertains to the 10 per cent test for modifications to the terms of financial liabilities that is used to assess whether the present value of the new cash flows differs from the present value of the original cash flows by more than 10 per cent following the modification of the terms and the debt must therefore be derecognised. The amendment clarifies that only fees paid directly between the lender and the borrower or fees paid by one on behalf of the other are to be included in this test. The amendment is effective from 1 January 2022. Following an initial analysis, the Group believes that it will only lead to minor changes in the consolidated financial statements.

• IAS 8: Definition of Accounting Estimates

This amendment to IAS 1 replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The amendment clarifies that

- a change in accounting estimates that results from new information or new developments is not the correction of an error, and
- the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective from 1 January 2023 and are to be applied prospectively. These amendments may have an effect on the consolidated financial statements in isolated cases in future.

3.2.2.2. New and amended standards and interpretations (not yet adopted by the EU)

• IAS 1: Classification of Liabilities as Current or Non-current and Deferral of Effective Date

This amendment clarifies that the classification of liabilities as current or non-current should solely be based on rights that exist at the end of the reporting period. In addition, the concept of the settlement of liabilities is defined in more detail. Settlement can refer to the transfer of cash, economic resources, or equity instruments. After the transfer of such settlement, the liability is extinguished. Due to the COVID-19 pandemic, the mandatory – retrospective – first-time application was delayed to periods beginning on or after 1 January 2023. These clarifications are in line with the Group's accounting policies and will therefore not lead to any changes in the future based on the Group's current assessment.

3.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of Warimpex Finanz- und Beteiligungs AG and its direct and indirect subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the parent company, using consistent accounting policies.

Subsidiaries are included in the consolidated financial statements by full consolidation from the acquisition date, which is the date when the Group obtains control of the subsidiary. They continue to be consolidated until the date that the Group's control of the company ceases.

Business combinations are accounted for according to the purchase method. All subsidiaries that have to be consolidated have been included in the consolidated financial statements (see section 4.1.). Please refer to the information in section 3.5. for details about the recognition of joint ventures.

3.4. Important accounting judgements and estimation uncertainty

In preparing the consolidated financial statements of the Group, it is necessary to estimate figures and make assumptions which influence the recording of assets and liabilities, the presentation of other obligations as at the reporting date, and the recognition of revenues and expenses during the period. The uncertainty that is associated with these estimates can result in material changes to the values of assets or liabilities in future periods.

The most important future-related assumptions and other sources of estimation uncertainties that existed as at the reporting date and which may constitute a source of considerable risk that substantial adjustments of the carrying amounts of balance sheet items will have to be made in the subsequent financial year are explained in detail below.

3.4.1. Impact of the COVID-19 pandemic

The COVID-19 pandemic once again impacted economic developments in 2021. Following another wave of infections at the beginning of the year that led to extensive restrictions, the measures against the coronavirus were loosened over the course of the first half of 2021 due to the vaccination progress and seasonal effects. This initiated an economic recovery in many markets, but conditions have not yet reached pre-crisis levels. In the second half of the year, the Delta variant of the coronavirus increasingly spread and restrictions were imposed again in order to contain infections, thus dampening the economic upswing somewhat.

The Group is evaluating the impact of COVID-19 on an ongoing basis. In the area of office property letting (Investment Properties segment), hardly any operational effects are discernible. The payment discipline of office tenants remains high; arrears and defaults have only been seen in isolated cases thus far. However, there is a general risk that payments will not be made as contractually agreed in future.

Hotels are being impacted to a greater degree. The hotel in Darmstadt generated low revenues in 2021 due to the pandemic. Following the completion of the renovation, the hotel was repositioned on the market under the "greet" brand at the end of August 2021. The Crowne Plaza hotel in St. Petersburg was open throughout the period and generated higher results compared with the prior year. The InterContinental hotel in Warsaw, which is operated under a 50/50 joint venture, was closed until mid-February 2021, and suffered corresponding revenue contractions. As in the prior year, the impact of COVID-19 on the Development and Services segment and the Group's financing activities was relatively minor in the 2021 financial year.

The Group received coronavirus aid from the government in the 2021 financial year. These aid measures primarily consist of assistance from the interim aid III package for the impacted hotel in Darmstadt as well as short-time work aid and property tax reductions.

To the extent it is possible to assign the coronavirus aid to a specific item, it has been deducted from the relevant subsidised expenses in the consolidated financial statements (see section 3.16.). Subsidies for investments reduce the fixed assets and are distributed over the estimated useful lives of the respective assets. The individual amounts for each item are listed in the table below.

Overview of coronavirus aid:

	Cross reference	2021	2020
Expenses from the operation of hotels (including short-time work aid)	6.2.	1,273	420
Development and Services expenses (short-time work aid)	6.2.	–	5
Other operating income	6.3.	602	343
Personnel expenses (including short-time work aid)	6.4.1.	377	305
Administrative expenses	6.4.2.	140	–
Other expenses	6.5.	42	–
Finance expenses	6.9.	263	–
Property, plant, and equipment	7.2.1.	80	–
		2,778	1,073

Receivables related to coronavirus aid measures amounted to EUR 910 thousand as at 31 December 2021 and EUR 628 thousand as at 31 December 2020 (see sections 7.4. and 7.6.).

The suspension of interest and redemption payments for loans that was introduced by law in Hungary in 2020 was continued until October 2021. This regulation was utilised for a project loan while simultaneously extending the term by ten months. This resulted in a lower outflow of liquidity in the amount of EUR 120 thousand (interest) and EUR 214 thousand (redemption) in 2021; in the prior year, these figures came to EUR 121 thousand (interest) and EUR 211 thousand (redemption). In 2021, no contractual amendments were negotiated in relation to the project loans for the hotels in Darmstadt and St. Petersburg, while deferrals for amounts totalling EUR 631 thousand were granted in the prior year.

Due to the COVID-19 pandemic and uncertainties regarding the Russian economy (see section 3.4.2.), the property valuation as at the reporting date for the hotel in St. Petersburg is subject to a higher degree of estimation uncertainty than usual. As at 31 December 2021, measurement gains and impairment reversals were able to be recognised versus the prior year, but their total amount was not yet sufficient to offset the losses from the prior year. Please refer to section 6.6. for details about the remeasurement results.

The COVID-19 pandemic is also impacting the Group's liabilities, as described in section 9.1.3. Arbitration proceedings

were initiated during the reporting period in connection with contractual bonds enforced by the contract partner (see section 9.1.1. Litigation).

3.4.2. Impact of the conflict in Ukraine

In addition to human suffering, the conflict in Ukraine that began on 24 February 2022 as well as the associated sanctions imposed against Russia and measures in Russia are resulting in economic upheavals and increased uncertainty. These are non-adjusting events after the reporting date, so potential financial impacts of the conflict are not reflected in the accounting as at 31 December 2021. Because this conflict and the accompanying effects represent a material event for the Group, however, information about the situation is included in section 9.4. (Events after the reporting date).

Along with the effects of the pandemic and their economic ramifications, management is now particularly focused on the effects of the conflict in Ukraine and is monitoring the situation on an ongoing basis. The updated planning calculations show positive EBITDA (results of operating activities before finance income, taxes, depreciation, amortisation, and remeasurement) and sufficient liquidity for the 2022 financial year even in the event that the rouble loses half of its value versus the euro compared with the budgeted exchange rate and/or in the event of the loss of the planned operating result from the Russian subsidiaries. Thus, the continued existence of the Company is not threatened by the coronavirus pandemic or the conflict in Ukraine and the investments in Russia, so the going concern principle on which the consolidated financial statements are based is still fulfilled.

3.4.3. Fair value reasurment (IFRS 13)

The Group measures non-financial assets such as investment properties and certain financial instruments such as equity instruments and – if present – derivatives at their fair value on each reporting date. The fair value is the price that would be paid for the transfer of an asset or a liability in a transaction at arm's length terms on the reporting date. In measuring the fair value, it is assumed that the transaction will take place on the primary market or, when such a market does not exist, on the most advantageous market.

All assets and liabilities for which the fair value is measured or that are reported in the consolidated financial statements are classified according to the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Measurement methods employing inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Measurement methods employing inputs other than

quoted prices included within level 1 that are not observable for the asset or liability

3.4.3.1. Valuation of property

Because of the importance of properties for the Group, the value of properties is generally determined by independent external experts with appropriate professional qualifications and current experience with the location and type of the property in question using recognised appraisal methods. The experts are selected by the Chief Financial Officer in coordination with the responsible project or asset managers. In the cases where there is a binding offer to buy a property or a purchase contract for a property, this is used for the valuation. This was not the case as at 31 December 2021.

The appraisal method used by the expert depends on the type of property. In this, developed properties that generate regular returns (hotels and office properties), properties under development, and undeveloped plots of land are treated differently.

Income-based appraisal methods (investment method or discounted cash flow method) are used to determine the fair value of developed properties. This corresponds to level 3 of the fair value hierarchy. Regardless of the appraisal method, planning uncertainties are accounted for by selecting an appropriate interest rate. Both the contracted rental revenue as at the reference date and the projected standard rental revenue after the expiration of leases are taken into account in the appraisal of office properties.

The residual value method is generally used for properties under development. For this, the fair value is first determined on the basis of the expected cash flows. The outstanding investment costs and an appropriate project profit for the developer are deducted from this. The development profit is calculated as a percentage of the investment costs, and covers the development risk, among other things.

The fair value of undeveloped properties (reserve properties) is determined using the comparative method, based on standard market prices per square metre.

The fair value determined by the experts is checked by the responsible project/asset manager with regard to the assumptions and input parameters applied by the expert as well as the changes compared with the previous valuation date and is approved for posting by the Chief Financial Officer.

Remeasurement results for investment properties:

Warimpex recognises its investment properties using the fair value model taking external appraisals into account. The re-

measurement results that stem from the changes in the fair values are recognised through profit or loss.

Please see section 7.1. for information about the changes in investment properties, the valuation input parameters, and the associated sensitivity information. The gains/losses on re-measurement are shown in section 6.6.

Impairment of and reversal of impairments on hotel properties (see also sections 6.6. and 7.2.):

The Group generally recognises the hotel properties it operates itself as property, plant, and equipment and regularly reviews them for impairment. This requires the estimation of the recoverable amount. The recoverable amount is the higher of the value in use or fair value, less selling expenses. The recoverable amount of each property is determined on the basis of external appraisals.

Changes in the recoverable amount are recognised on the income statement as follows: impairments in their full amount and impairment reversals only up to the amortised cost of acquisition. The amortised cost of acquisition is the amount that would result after accounting for scheduled depreciation and amortisation without any impairment charges in prior years.

The recoverable amount depends heavily on the applied exit yield and the expected future cash inflows.

The impairment reversals and impairment charges are shown in section 6.6. Please see section 7.2. for information on the carrying amounts of these assets.

3.4.3.2. Measurement of financial instruments

If the Group cannot measure the fair value of recognised financial instruments using listed prices on active markets, it is determined using measurement methods including the discounted cash flow approach. The inputs used in the valuation models that fall under level 3 of the hierarchy are based on observable market data to the greatest extent possible. If such data is not available, discretionary decisions have to be made by management. This discretion pertains to inputs such as liquidity risk, default risk, and volatility. When changes are made to the assumptions for these factors, this can have an effect on the recognised fair values of the financial instruments.

One equity instrument is measured at fair value in the consolidated statement of financial position as at the reporting date. Additional information is provided in section 7.7. Please refer to sections 3.6. and 8.1. for further information about financial instruments and fair values.

3.4.4. Measurement of revenues

For the application of IFRS 15 (Revenue from Contracts with Customers), the Group made discretionary decisions for the measurement of the revenues in the Investment Properties segment pertaining to whether the Group is to be considered the principal or the agent when it comes to earnings from operating costs in connection with the letting of office space.

Based on the indicators specified in IFRS 15, the Group determined that the given subsidiary has primary responsibility for fulfilling the commitments vis-à-vis the customers for the vast majority of the operating costs; must fulfil the contract vis-à-vis the suppliers even if costs cannot be charged with or without a surcharge; and has discretion in establishing prices in the course of the contract negotiations. Therefore, the Group recognises its income from charged operating expenses as revenues according to IFRS 15.

3.4.5. Determination of the functional currency of foreign business operations

The functional currency of subsidiaries deviates from the local currency in some cases. In most cases, the rental revenue from office properties in the Group is denominated in euros – with the exception of Russia or agreements concluded with government entities. At hotels in the EU, the revenue is also primarily denominated in euros. The goods and services required for letting out office properties and for hotel operations are paid for in part in the local currency and in part in euros. Financing throughout the Group is generally conducted in euros. Applying the discretion permitted in IAS 21.12, the euro is defined as the functional currency for the subsidiaries whose revenue is denominated in euros. The functional currency of each subsidiary is shown in the overview of subsidiaries (section 4.1.1.).

3.4.6. Recognition of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the loss carryforwards of unused tax credits can be utilised. The amount of deferred tax assets is determined at the discretion of the management based on the expected time of occurrence and the amount of future taxable income as well as future tax planning strategies.

Other deferred tax assets are only shown in the statement of financial position if tax budgeting for the individual taxable entity makes it appear probable that the deferrals can actually be utilised.

Further information is provided in section 6.11. Income taxes and section 7.5. Deferred taxes (tax assets and liabilities).

3.4.7. Estimation uncertainties due to climate-related risks

Warimpex assesses climate-related risks on an ongoing basis (see item 8.2.5.), but does not expect any carrying amount adjustments to become necessary in this context in the next financial year based on the fact that the majority of its economic activities are taxonomy-aligned.

3.5. Joint ventures and associates

Interests are qualified as joint ventures when an agreement is in place under which the contract partners that exercise joint control over the arrangement have rights to the net assets of the arrangement.

An associate is a company in which the Group holds a material interest, in which it can influence decisions, but in which it can exert no control over decision-making processes and in which decisions are not made jointly. In cases of doubt, interests of between 20 per cent and below 50 per cent are classified as associates.

The Group recognises its net investments in joint ventures (IFRS 11) and its interests in associates using the equity method.

Based on its contractual rights, the Group recognised its 44 per cent stake in AO Micos as a joint venture until the acquisition of the remaining roughly 56 per cent of the shares in December 2021 (see section 7.3.3.).

The composition of and changes in the net investments in joint ventures and summarised financial information about the key joint ventures can be found in section 7.3.

3.6. Financial instruments

3.6.1. Financial assets

In accordance with IFRS 9, financial assets are classified as follows upon initial recognition:

1. Measured at amortised cost
2. Measured at fair value through other comprehensive income
3. Measured at fair value through profit or loss

The classification is based on the Group's business model and the characteristics of the contractual cash flows. In each case, assets are recognised at their fair value upon initial recognition, taking the provisions of IFRS 9 into account. The transaction costs are also recognised except in the case of financial assets recognised at fair value through profit or loss.

Measured at amortised cost

Financial assets are recognised at amortised cost when the objective of the business model is to hold the asset in order to collect the contractual cash flows ("business model test") and the contractual terms give rise on specified dates to cash flows from payments of principal and interest ("cash flow characteristics test"). The objective of the Group's business model is to collect the contractual cash flows from payments of principal and in some cases interest, so the Group's financial assets are generally recognised at amortised cost. Interest revenue is to be calculated by applying the effective interest rate method to the gross carrying amount. There are exceptions for credit-impaired assets. In the event of changes in contractual cash flows that do not result in derecognition, the gross carrying amount is recalculated and the difference compared with the previous gross carrying amount is recognised as a modification gain or modification loss.

Measured at fair value through other comprehensive income

Financial assets are recognised at fair value through other comprehensive income if the asset is either

1. an equity instrument that is not held for trading, or
2. a debt instrument in a hold to collect and sell business model with cash flows that are solely payments of principal and interest.

With regard to the equity instruments held within the Group, Warimpex has elected to recognise value changes in other comprehensive income. Later reclassification of cumulated value changes (recycling) is not permitted. Divi-

dends from the equity instruments are recognised through profit or loss.

IFRS 9 stipulates that debt instruments in a hold to collect and sell business model that meet the conditions of the cash flow characteristics test must be measured at fair value through other comprehensive income. Value changes are not recognised through profit or loss, but are instead initially recognised in other comprehensive income. Later reclassification to the income statement (recycling) is permitted.

Measured at fair value through profit or loss

Derivatives and debt instruments that do not meet the conditions of the business model test and cash flow characteristics test described above – and thus are not measured at amortised cost or at fair value through other comprehensive income – must be recognised at fair value through profit or loss according to IFRS 9. Value changes are recognised in the income statement.

3.6.2. Impairment of financial assets

The amount of the impairment and the recognised interest is determined in three stages in accordance with IFRS 9:

Stage 1: Expected losses in the amount of the present value of an expected 12-month loss must be measured upon initial recognition.

Stage 2: If there is a significant increase in the default risk, the risk provision must be increased to the amount of the expected full lifetime losses for the entire remaining term.

Stage 3: When there is objective evidence of impairment, interest revenue must be recognised on the basis of the net carrying amount, i.e. the carrying amount less risk provisions.

The Group applies the simplified approach for trade receivables and contract assets that do not contain a significant financing component. Under this approach, impairments must be recognised in the amount of the expected lifetime losses for the entire remaining term.

3.6.3. Financial liabilities

When recognised for the first time, financial liabilities are either categorised as financial liabilities measured at amortised cost, as financial liabilities measured at fair value through profit or loss, or as derivative financial instruments in a hedging relationship.

Upon initial recognition, financial liabilities are recognised at fair value; financial liabilities that are recognised at amortised cost are recognised at their fair value less directly allocable transaction costs upon initial recognition.

Financial liabilities measured at amortised cost:

After initial recognition, financial liabilities are recognised at amortised cost using the effective interest rate method. Gains and losses are recognised through profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Financial liabilities measured at fair value through profit or loss:

The category of financial liabilities measured at fair value through profit or loss includes all derivative financial instruments with negative fair values (including separately recognised embedded derivatives) not held for hedging purposes. Gains and losses from financial liabilities that are recognised at fair value are recorded in the income statement.

Derivative financial instruments with hedging relationships:

The Group occasionally employs derivative financial instruments with hedging relationships (cash flow hedges). These serve to protect against the risk of fluctuations in cash flows associated with an asset or liability on the statement of financial position, for example loans subject to variable interest, a risk that may materialise related to a forecast transaction, or the currency risk associated with a firm off-balance-sheet commitment.

The Group did not hold any derivative financial instruments in a hedging relationship during the reporting period.

3.7. Leases**The Group as lessee:**

According to IFRS 16, the Group recognises both a right-of-use asset on the assets side of the consolidated statement of financial position and the corresponding lease liability on the liabilities side for leases in which it is the lessee. There are exceptions from the recognition obligation for the capitalisation of short-term leases (with a [remaining] term of less than one year) and leases of low-value assets (up to roughly EUR 5,000). The Group has decided to apply these exceptions. When determining the useful life of the right-of-use asset, the Group assesses whether it is reasonably certain that an extension option will be exercised, taking into account the overall circumstances and, in particular, the economic incentives. The extension option is only taken into account when determining the useful life if it is reasonably certain that it will be exercised.

The first-time recognition of the right of use encompasses the following components: the initial measurement of the lease liability (present value of the lease payments), lease payments made before or at the beginning of the leasing arrangement, direct initial costs of the lessee, and any dismantling costs. Subsequently, the right of use is recognised at amortised cost pursuant to IAS 16 Property, Plant and Equipment and IAS 36 Impairment of Assets (see section 7.2.1.). This does not include investment properties that are measured at fair value pursuant to IAS 40 (see section 7.1.1.). The Group is party to long-term lease agreements for plots of land (perpetual usufruct) in connection with investment properties. Due to the application of IFRS 16, the rights of use from these lease agreements increase the previously determined fair value of the property, while the associated lease liabilities are presented on the liabilities side.

Lease liabilities are discounted using the rate implicit in the agreement and reduced by the lease payments. Interest expenses and variable lease payments that are not part of the lease liability are recognised through profit or loss in the income statement.

The Group as lessor:

Leases under which all material risks and benefits incidental to ownership of the leased item are not transferred from the Group to the lessee are classified as operating leases. The Group has concluded leases for the commercial letting of its investment properties (primarily office properties) and classified them as operating leases. According to IFRS 16.B33, income from land tax and insurance charged to tenants was assigned to rental revenue and not revenues in accordance with IFRS 15.

The Group has not concluded any leases as a lessor that meet the requirements for classification as finance leases.

3.8. Non-current assets/disposal groups held for sale

If disposal groups are classified as held for sale, all associated assets and liabilities are reclassified in accordance with IFRS 5. Non-current assets or disposal groups are classified as held for sale when the associated carrying amount is based primarily on a disposal transaction. It must be highly probable that the asset will be sold, and the asset or disposal group must be in an immediately saleable condition. Further criteria for classification as held for sale are related Management Board decisions, the initiation of a search for a buyer or the implementation of the associated plans, and expected sale within one year.

Non-current assets (or disposal groups) that are classified as held for sale are recognised at the lower of the carrying amount or the fair value less selling costs. Investment properties are still subject to the measurement rules of IAS 40, even when they have been classified as held for sale. For this reason, these properties are recognised at fair value, not taking the costs of disposal into account.

3.9. Foreign currency transactions and balances

The financial statements of foreign companies are translated into euros according to the functional currency concept. The functional currency for each entity within the Group is determined on the basis of the relevant criteria (see section 3.4.5.). The items contained in the financial statements of each entity are translated on the basis of the functional currency.

Where the transactions that are relevant in determining an entity's functional currency change, this will lead to a change in the functional currency of the respective entity. An overview of the functional currencies is presented in section 4.1.1.

Foreign currency transactions and balances:

Foreign currency transactions are translated into the functional currency by the Group member company at the valid spot rate on the date of the transaction. Monetary assets and liabilities in a foreign currency are translated into the functional currency on the reporting date using the valid spot rate on the reporting date.

When the respective local currency is not the functional currency for foreign businesses, current income and expenses are translated on the basis of monthly interim financial statements at the weighted average exchange rate for the respective month. Significant transactions are translated at the spot rate that is valid for the date of the transaction. All translation differences are recognised in profit or loss.

Non-monetary items measured at historical cost in a foreign currency are translated at the valid exchange rate on the date of the transaction.

Translation of the financial statements of the entities included in the consolidated financial statements (foreign businesses):

The assets and liabilities of the foreign subsidiaries are translated into euros at the valid rate on the reporting date. The income and expenses are translated at the spot rate on the date of the transaction, or at average rates for the purposes of simplification. All exchange differences that arise are recognised in other comprehensive income. Upon disposal of a foreign entity, the deferred cumulated amount related to the particular subsidiary previously recognised in other comprehensive income is transferred to the profit or loss statement. When settling internal monetary assets and debts within the Group, the translation difference is recognised through profit or loss so far as the difference is not a translation difference from monetary items that are part of the net investment in a foreign business. These are recognised in the other comprehensive income, and are transferred from equity to the profit or loss statement in the event that the net investment is sold.

Exchange rates:

The exchange rates that have been applied for all items that are translated at the closing rate as at the reporting date are as follows:

		31/12/2021	31/12/2020
Polish zloty	(PLN/EUR)	4.5994	4.6148
Hungarian forint	(HUF/EUR)	369.00	365.13
Russian rouble	(RUB/EUR)	84.0695	90.6824

3.10. Investment properties

The Group recognises investment properties at fair value according to IAS 40. Changes in the fair value result in measurement gains or losses that are recognised through profit or loss during the financial year.

Investment properties are classified as such when there is no intention to sell them or use them for Group purposes and they are held to generate rental revenue or value increases. The Group reclassified a reserve property from property, plant, and equipment to investment properties during the previous financial year (see section 7.2.1.).

Rent incentives (e.g. rent-free periods) and the initial costs of leases are deferred in accordance with the relevant IFRS regulations and recognised through profit or loss over the term of the given lease. Such deferred items are recognised in the same way as additions to property and thus reduce the remeasurement result, while the release of these deferred items in the subsequent years increases the remeasurement result over the term. Where applicable, the value of investment properties is increased by rights of use from long-term lease agreements in connection with properties recognised in accordance with IAS 40 (see also section 3.7. on IFRS 16).

Investment properties are derecognised upon the sale of such properties or when no further continued use is possible or no future economic benefit is expected from their disposal. Gains or losses from the disposal of investment property are recognised through profit or loss at the time at which the property is disposed of or sold.

3.11. Property, plant, and equipment

Property, plant, and equipment that is eligible for depreciation is recognised at cost of acquisition or production less scheduled depreciation and impairment charges plus any impairment reversals in accordance with IAS 16. Scheduled depreciation is applied on a straight-line basis and is calculated for the estimated useful lives of the assets. Where significant components of an item of property, plant, and equipment have different useful lives, depreciation is based on the useful lives of these components. Replacements that are capitalised are also written down over their estimated useful lives. The carrying amounts of property, plant, and equipment items are tested for impairment whenever there is evidence to indicate that the carrying amount of the asset is greater than its recoverable amount.

For accounting purposes, hotels are separated into their most significant components (land and rights equivalent to land, building fabric, heating facilities and other technical equipment, and fixtures) and depreciated individually. Please see section 7.2. in the notes for information about the useful lives.

Production costs of property, plant, and equipment developed by the Group contain direct expenses plus allocated material and production overheads. Borrowing costs are capitalised according to IAS 23 where they can be directly attributed to the project under development through specific project financing or loans from joint venture partners or shareholders, for example. These costs are also written down over the estimated useful economic lives of the respective assets.

A property, plant, and equipment item is derecognised upon its disposal or when no further economic benefit is expected from the continued use or disposal of the asset. The gains or losses associated with the derecognition of the asset are determined by calculating the difference between the net selling proceeds and the carrying amount of the asset and are recognised through profit or loss in the period in which the asset is derecognised.

3.12. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less from the time of acquisition.

The Group holds bank deposits that serve as collateral for guarantees or loans. These are not reported under the cash and cash equivalents, but under the other assets.

3.13. Pensions and other employee benefits

Provisions for severance payments and long-term service bonuses for employees and members of the Management Board are primarily recognised for employees of Austrian Group companies, since employees in Poland, Hungary, Germany, and Russia are not entitled to similar benefits and local laws only provide for a very limited range of employee benefits.

The provisions are measured using the projected unit credit method. For this, the expected benefits to be paid are distributed according to the active time of the employee until retirement or until the last planned anniversary bonus payment. The provision amounts are determined on the reporting date by an external expert in the form of an actuarial opinion.

Actuarial valuation changes to provisions for severance and pension benefits are recognised in other comprehensive income in the period in which they are incurred according to IAS 19. The interest component is taken into account in finance expenses. Provisions for pensions and other long-term employee benefits pertain solely to the Development and Services segment.

Pension agreements were in force with three Management Board members of the parent company as at 31 December 2020. Pension reimbursement insurance was taken out for these pension commitments. Annual contributions are made to this item, which is dedicated to the coverage of the pension obligations and is of a long-term nature. The pension reimbursement insurance was not a pension plan asset within the meaning of IAS 19 and was recognised separately. The pension plan was a defined benefit plan and was unfunded.

The pension agreements with the three Management Board members were amended in the 2021 financial year and must now be classified as a defined contribution plan rather than a defined benefit plan. As a result, both the receivable from the pension reimbursement insurance and the previous provisions for pension benefits were derecognised through profit or loss and only the ongoing contributions to the pension insurance

plan were recognised on the income statement from the effective date of the amended pension agreements (see sections 6.4.1. and 7.13.1.).

3.14. Revenue recognition**Income recognition in accordance with IFRS 15:**

Pursuant to IFRS 15, revenue is recognised according to the following model:

1. Identification of the contract with a customer
2. Identification of the individual performance obligations in the contract
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligations in the contract
5. Recognition of the revenue when the company satisfies a performance obligation
(criterion: transfer of control)

The Group's revenues are recognised as follows:

Hotels revenues:

Revenue in the Hotels segment consists mainly of revenue for overnight stays (lodging) and revenue from the sale of food and beverages. For these types of performance obligations, revenue is recognised at a point in time. There are no customer loyalty programmes in place in the Group that have a material impact on the timing or the amount of the revenue recognition.

Investment Properties revenues:

The revenue in this segment is primarily made up of rental revenue as well as earnings from facility management and operating costs. When negotiating leases for office space, not only the rent but also the fees for operating costs and in some cases other services are generally agreed together in the contracts with the tenants.

IFRS 16 (Leases) stipulates that lease and non-lease components of a contract must be separated and the non-lease components must be recognised separately in accordance with IFRS 15. Therefore, rental revenue is recognised in accordance with IFRS 16 and other income from contracts with tenants in accordance with IFRS 15.

Development and Services revenues:

In the development segment, IFRS 15 stipulates the recognition of revenue over a period of time for properties that have already been sold but are still in development. Warimpex does not perform such services at this time. Property sales, which are generally recognised at a point in time as at the closing date, also fall under this business segment. Other customer contracts in the Development and Services segment are ana-

lysed individually according to the requirements of IFRS 15 and the revenues are recognised accordingly.

Gains from the sale of subsidiaries (IFRS 10):

Income is recognised when control of the subsidiary is lost in accordance with IAS 10.25. In the case of the sale of a subsidiary, the difference between the sale price and the net assets plus cumulated foreign currency translation differences recognised in other comprehensive income and the goodwill are recognised through profit or loss at the point that control is transferred.

3.14. Deferred taxes

Deferred income tax is provided for using the liability method on temporary differences as at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The Group reviews the carrying amount of deferred income tax assets on each reporting date and does not recognise tax assets for which it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised. Unrecognised deferred tax assets are reassessed on each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be realised.

Income tax related to items recognised either in other comprehensive income or directly in equity are not included in the profit or loss for the period.

3.16. Government grants

The Group receives government assistance in connection with the coronavirus pandemic. It is recognised in the financial statements as soon as there is an appropriate degree of certainty regarding the fulfilment of the conditions associated with the assistance and the granting of the assistance. When the conditions are met, the Group recognises the assistance in the period for which the compensation for losses or the financial support is intended. Otherwise, appropriate information is provided.

Provided that it can be assigned to a specific item, Warimpex offsets the assistance against the subsidised expenses in the income statement. Subsidies for investments initially reduce the fixed assets and are written off through profit or loss over the estimated useful lives of the respective assets. Other subsidies are recognised on the income statement under other operating income.

[04] Information about the Companies Included in the Consolidated Financial Statements

4.1. Information about consolidated subsidiaries

4.1.1. Overview of subsidiaries

The following entities were fully consolidated in these financial statements:

Included subsidiaries	Domicile/ country	Voting rights share and equity interest		Share capital in thousands	Currency of capital	Functional currency*	Activity/ segment
		direct	indirect				
100% interests:							
Grassi Hotelbeteiligungs- und Errichtungs GesmbH	A-Vienna	100%	–	2,943	EUR	EUR	DS
Grassi H1 Hotelbeteiligungs GmbH	A-Vienna	100%	–	35	EUR	EUR	DS
Warimpex Leasing GmbH	A-Vienna	100%	–	500	EUR	EUR	DS
Boyauville Invest GmbH	D-Munich	100%	–	25	EUR	EUR	H/DS
Boyauville Betriebs GmbH	D-Darmstadt	100%	–	25	EUR	EUR	H
Memos GmbH	D-Darmstadt	100%	–	25	EUR	EUR	DS
Memos sp. z o.o.	PL-Warsaw	100%	–	5	PLN	PLN	DS
REVITÁL ZRT.	HU-Budapest	100%	–	220,500	HUF	HUF	DS
BÉCSINVESTOR Kft. ²	HU-Budapest	100%	–	35,380	HUF	EUR	IP
ELSBET Kft.	HU-Budapest	100%	–	103,000	HUF	EUR	IP
Hamza-Office Kft.	HU-Budapest	100%	–	15	HUF	EUR	DS
Warimpex Property HU 2 Kft.	HU-Budapest	100%	–	600	HUF	HUF	DS
Vladinvest Praha s.r.o. ³	CZ-Prague	100%	–	3,100	CZK	CZK	IP / DS
WX Office Development sp. z o.o.	PL-Warsaw	100%	–	100	PLN	PLN	DS
Multi Development sp. z o.o.	PL-Warsaw	100%	–	50	PLN	PLN	DS
→ WX Office Innovation sp. z o.o.	PL-Warsaw	3%	97%	5	PLN	EUR	IP / DS
WX Mogilska Office 3 sp. z o.o. (vormals Erty sp. z o.o.)	PL-Krakow	100%	–	5	PLN	PLN	DS
WX Mogilska Office 4 sp. z o.o. (vormals Duose sp. z o.o.)	PL-Krakow	100%	–	5	PLN	PLN	DS
Stelio sp. z o.o. ⁴	PL-Krakow	100%	–	5	PLN	PLN	DS
Hotel Rondo Krakow sp. z o.o.	PL-Krakow	100%	–	5	PLN	PLN	DS
Mogilska Office Development sp. z o.o.	PL-Krakow	100%	–	7,045	PLN	PLN	DS
→ Limonite sp. z o.o.	PL-Krakow	–	100%	8,035	PLN	PLN	DS
WX Office Development 2 sp. z o.o.	PL-Krakow	100%	–	150	PLN	EUR	DS
KONTAS sp. z o.o. ¹	PL-Krakow	100%	–	5	PLN	PLN	DS
WX Financing sp. z o.o. ¹	PL-Krakow	100%	–	5	PLN	PLN	DS
Warimpex Polska sp. z o.o.	PL-Warsaw	100%	–	2,000	PLN	PLN	DS
WX Krakow Holding S.A. ²	LU-Luxembourg	100%	–	31	EUR	EUR	DS
→ WX Management Services sp. z o.o. Prozna Development SKA ⁵	PL-Warsaw	100%	–	50	PLN	PLN	DS
→ Le Palais Holding s. a r.l. ²	LU-Luxembourg	–	100%	13	EUR	EUR	DS
→ Prozna Investments sp. z o.o. ³	PL-Warsaw	–	100%	23,550	PLN	PLN	DS
Kopernik Development sp. z o.o.	PL-Warsaw	100%	–	25	PLN	PLN	DS
AO Avielen Parking	RU-St. Petersburg	100%	–	30	RUB	RUB	IP
AO Atmosfera	RU-St. Petersburg	100%	–	30	RUB	RUB	DS
OOO Fomalhaut	RU-St. Petersburg	100%	–	1,000	RUB	RUB	DS
OOO Aval Invest ¹	RU-St. Petersburg	100%	–	1,000	RUB	RUB	DS
AO Avielen A.G. ⁶	RU-St. Petersburg	100%	–	370,001	RUB	RUB	H / IP / DS
→ AO Micos ⁷	RU-Moscow	–	100%	43	RUB	RUB	IP
Non-controlling interests:							
El Invest Sp. z o.o.	PL-Warsaw	81%	–	1,300	PLN	PLN	DS

Explanations:

H = Hotels segment

IP = Investment Properties segment

DS = Development and Services segment

→ These are indirect subsidiaries with the company specified above as the parent company.

* Discretionary decisions on the functional currency are explained in section 3.4.5.

¹ These companies were acquired or founded during the financial year.

² These companies were liquidated during the financial year.

³ These companies were liquidated in 2020.

⁴ These companies were acquired or founded in 2020.

⁵ The shares in this company were transferred to the Group parent in an intragroup transaction during the financial year.

⁶ The stake held in AO Avielen A.G. was increased from 90 per cent to 100 per cent during the financial year.

⁷ The interest in AO Micos that was previously recognised using the equity method was increased from 44.02 per cent to 100 per cent at the end of the financial year and was fully consolidated as at 31 December 2021.

4.1.2. Information about subsidiaries with non-controlling interests

The information about subsidiaries in which material non-controlling interests are held pertains to general information and summary financial information about each company. The financial information below shows the amounts before intragroup reconciliation. Dividends were not assigned to the non-controlling interests.

Overview of non-controlling interests:

Company	Domicile/country	Voting rights and capital share non-controlling interests		Profit/loss attributable to non-controlling interests		Total non-controlling interests	
		31/12/21	31/12/20	2021	2020	31/12/21	31/12/20
AO Avielen A.G. *)	RU-St. Petersburg	–	10%	(269)	(1,461)	–	(1,956)
El Invest Sp. z o.o.	PL-Warsaw	19%	19%	(25)	32	105	129
Total of non-controlling interests						105	(1,827)

*) The Group acquired 10 per cent of the shares from the minority shareholder in December 2021, so there were no non-controlling interests in AO Avielen A.G. as at the reporting date.

Summary financial information:

	AO Avielen A.G.	
	31/12/21	31/12/20
Summary balance sheet:		
Non-current assets	–	65,987
Current assets	–	1,270
Total assets	–	67,257
Equity – Group share	–	(17,603)
Equity – non-controlling interests	–	(1,956)
Non-current liabilities	–	84,808
Current liabilities	–	2,008
Total equity and liabilities	–	67,257
	2021	2020
Summary income statement:		
Income	10,976	9,880
Expenses	(13,667)	(24,488)
Profit or loss for the period	(2,691)	(14,608)
<i>thereof attributable to shareholders of the parent</i>	(2,422)	(13,148)
<i>thereof attributable to non-controlling interests</i>	(269)	(1,461)
Other comprehensive income	2,176	(8,184)
<i>thereof attributable to shareholders of the parent</i>	1,958	(9,166)
<i>thereof attributable to non-controlling interests</i>	218	982
Profit/loss for the period	(515)	(22,792)
<i>thereof attributable to shareholders of the parent</i>	(464)	(22,313)
<i>thereof attributable to non-controlling interests</i>	(52)	(479)
	2021	2020
Summary cash flow statement:		
Net cash flows from operating activities	851	4,017
Net cash flows for investing activities	1,396	946
Net cash flows from financing activities	(1,625)	(4,426)
Net change in cash and cash equivalents	623	537

4.1.3. Other disclosures

Nature and extent of material restrictions in connection with subsidiaries:

In some cases, subsidiaries are subject to contractual restrictions on the use of assets and the payment of interest and dividends to shareholders and on the repayment of shareholder loans based on existing credit agreements. For information on

the granting of mortgage collateral to lenders, please see the information about the carrying amounts of the assets in question in section 7.1. Investment properties and section 7.2. Property, plant, and equipment.

There are no restrictions based on protection rights of non-controlling interests in the Group.

[05] Property Sales and Changes in the Scope of Consolidation

5.1. Disposal of shares and property

No sales transactions for shares or property took place during the financial year.

5.2. Changes in the scope of consolidation

At the end of the financial year, the Group acquired the remaining shares (55.98 per cent) of the former joint venture AO

Micos, which is the owner of the Jupiter office towers in St. Petersburg and lets out the properties (see also section 7.3.3.). The purchase was executed based on the Group's decision to hold full ownership of all properties at AIRPORTCITY St. Petersburg. Because the stake has now increased from 44.02 per cent to 100 per cent, AO Micos is no longer recognised in the consolidated financial statements using the equity method, but is now fully consolidated.

The transaction had the following direct effects on the consolidated financial statements:

Balance sheet:	Addition in Group	Disposal – joint venture
Investment properties	47,112	
Other assets (loans)		(3,916)
Net investments in joint ventures		(6,109)
Trade and other receivables	223	(3)
Cash and cash equivalents	4,088	
Consolidated liabilities/receivables	(4,954)	1,328
Deferred tax liabilities	(241)	
Other non-current financial liabilities	(26,880)	561
Other current financial liabilities	(1,975)	
Trade and other payables	(3,495)	13
Non-current deferred income		1,861
Current deferred income		157
Net capital	13,878	(6,109)
Acquired shares (55.98%)	7,769	
Assumed shareholder loans	(3,626)	
Consideration transferred for shareholder loans	1,366	
Liability from acquisition of shareholder loans (see item 7.10.3.)	(2,260)	
Income statement:		
Acquired shares (55.98%)	7,769	
Less consideration transferred	-2,006	
Gain from business combination	5,763	
Cash flow:		
Consideration transferred for shares	(2,006)	
Consideration transferred for shareholder loans	(1,366)	
Cash and cash equivalents acquired	4,088	
Cash flow from business combination	716	

The acquired assets and liabilities are measured at their fair value as at the time of acquisition. The disposal pertains to Group activities that are now consolidated and were previously recognised as business transactions with the former joint venture. Because it was recognised using the equity method, the equity previously held in the acquired company corresponded to the fair value as at the time of acquisition, so the re-measurement of the shares did not have an impact on earnings.

Please see section 4.1.1. for information about further changes in the scope of consolidation. During the financial year, two companies that do not constitute businesses for the purposes of a business combination according to IFRS 3 were acquired.

[06] Notes to the Consolidated Income Statement

6.1. Revenues

The revenues are broken down according to the business segments of the Group.

The following table breaks revenues down into revenues according to IFRS 15 and other revenues:

	Investment Properties	Hotels	Development and Services	Total
Geographical composition in 2020:				
Russia	2,016	2,443	305	4,764
Poland	1,548	–	1,001	2,550
Germany	–	1,043	18	1,061
Hungary	544	–	52	595
Austria	–	–	68	68
Revenues according to IFRS 15	4,108	3,485	1,444	9,037
Russia	9,319	–	–	9,319
Poland	4,988	–	5	4,993
Germany	–	122	–	122
Hungary	2,189	–	–	2,189
Revenues according to IFRS 16 (rental revenue)	16,495	122	5	16,622
Total revenues	20,604	3,607	1,449	25,660

Geographical composition in 2021:

Russia	2,019	3,947	436	6,402
Poland	1,610	–	1,113	2,723
Germany	–	752	0	752
Hungary	537	–	49	587
Austria	–	–	16	16
Revenues according to IFRS 15	4,167	4,700	1,614	10,480
Russia	8,203	–	–	8,203
Poland	5,656	–	4	5,660
Germany	–	136	–	136
Hungary	2,240	–	–	2,240
Revenues according to IFRS 16 (rental revenue)	16,100	136	4	16,240
Total revenues	20,267	4,836	1,618	26,720

The revenue in the Development and Services segment includes revenue with joint ventures in the amount of EUR 456 thousand (2020: EUR 325 thousand).

6.2. Expenses directly attributable to revenues

	2021	2020
Composition of direct Hotels expenses:		
Expenses for materials and services rendered	(2,513)	(2,753)
Personnel expenses	(1,128)	(2,110)
Other expenses	(420)	(577)
	(4,061)	(5,441)

	2021	2020
Composition of direct Investment Properties expenses:		
Expenses for materials and services rendered	(4,235)	(4,193)
Personnel expenses	(51)	–
Other expenses	(997)	(917)
	(5,283)	(5,110)

	2021	2020
Composition of direct Development and Services expenses:		
Expenses for materials and services rendered	(1,110)	(661)
Personnel expenses	(65)	(53)
Other services	(78)	(22)
	(1,253)	(737)

6.3. Other operating income

	2021	2020
Composition:		
Foreign currency translation differences	5,763	–
Coronavirus aid	602	343
Other	126	80
	6,490	423

The income from business combinations pertains to the acquisition of shares at a price below the market value. The transaction is explained in detail in section 5.2. Changes in the scope of consolidation.

6.4. Administrative expenses

	2021	2020
Composition:		
Other personnel expenses	(4,541)	(5,730)
Other administrative expenses	(2,781)	(2,942)
	(7,322)	(8,672)

The individual components of the administrative expenses are explained in sections 6.4.1. and 6.4.2.

6.4.1. Other personnel expenses

	2021	2020
Composition:		
Wages and salaries	(6,375)	(6,700)
Ancillary wage and salary costs	(800)	(926)
Coronavirus aid	377	305
Expenses for posted employees	(171)	(119)
Expenses/income related to holiday, severance, pension, and anniversary bonus benefits	1,183	(453)
	(5,785)	(7,893)
Less personnel expenses directly attributable to revenues	1,244	2,164
Other personnel expenses	(4,541)	(5,730)

During the reporting period, the Group had an average of 142 (2020: 201) employees. Please see section 9.3.2.7. for information about directors' remuneration.

6.4.2. Other administrative expenses

	2021	2020
Composition:		
Administrative expenses	(1,118)	(1,221)
Coronavirus aid	140	–
Legal and consulting expenses	(1,059)	(894)
Supervisory Board remuneration	(146)	(335)
Other administration-related expenses	(599)	(493)
	(2,781)	(2,942)

Fees were paid to the Group financial auditor, Ernst & Young Wirtschaftsprüfungs GmbH, Vienna, for the financial year as follows: EUR 130 thousand (2020: EUR 137 thousand) for auditing services, and EUR 24 thousand (2020: EUR 1 thousand) for other services.

The remuneration of the Supervisory Board is explained in detail in section 9.3.2.8.

6.5. Other expenses

	2021	2020
Composition:		
Property costs	(1,649)	(1,529)
Coronavirus aid	42	–
Public relations, stock exchange listing, and sales	(382)	(591)
Non-deductible input taxes	(36)	(48)
Foreign exchange differences	(40)	(491)
Rental expenses for short-term leases	(30)	(46)
Rental expenses for low-value assets	(10)	(13)
Allocation to guarantee provisions	–	(1,664)
Sundry other expenses	(168)	(279)
	(2,273)	(4,660)
Less administrative expenses directly attributable to revenues	1,494	1,517
Other expenses	(779)	(3,143)

Property costs consist of owner expenses such as maintenance, insurance premiums, and property taxes. The allocation to guarantee provisions in the prior year pertains to potential guarantee claims in connection with contractual guarantees that may be exercised due to coronavirus-related financial losses in the hotel sector (see also the information in section 9.1.).

6.6. Depreciation, amortisation, and remeasurement

	2021	2020
Composition:		
Scheduled depreciation and amortisation on property, plant, and equipment	(1,527)	(1,575)
Scheduled depreciation on right-of-use assets	(379)	(345)
Impairment of property, plant, and equipment	–	(976)
Reversals of impairment on property, plant, and equipment	470	–
Measurement gains (from investment properties)	7,849	3,967
Measurement losses (from investment properties)	(5,389)	(11,737)
	1,025	(10,666)

The scheduled depreciation, impairments, and impairment reversals pertain to the property, plant, and equipment (primarily hotel properties) that are recognised at amortised cost according to IAS 16. Measurement gains and losses result from the changes in the fair values of the investment properties, which are recognised at fair value according to IAS 40.

Appraisals were obtained for hotel properties from the property valuation company CBRE Hotels on the reporting date (see section 3.4.3.1.). These valuations are based on assumptions about the future development of earnings that reflect the prevailing market conditions on the reporting date.

Impairment reversals:

Impairments in the Hotels segment were reversed in the amount of EUR 470 thousand (2020: impairment of EUR 928 thousand) during the reporting period due to higher planned net income.

The recoverable amount of the hotels for which an impairment reversal was recognised in the reporting period comes to EUR 18,552 thousand (2020: EUR 17,337 thousand).

Gains/losses on remeasurement of investment property:

The measurement gains were primarily due to development projects, particularly the Avior Tower in St. Petersburg as well as development properties in Darmstadt and Krakow as a result of progress on the projects and an increase in land prices. In the Investment Properties segment, the measurement gains primarily relate to the office properties in Budapest and in Łódź due to higher future rental revenue.

The vast majority of the measurement losses pertain to a property in St. Petersburg due to an increase in the discount rate that could not be offset by higher expected income.

In the prior year, the measurement gains also pertained to the Avior Tower in St. Petersburg due to the construction progress and, to a lesser extent, to the development properties in Darmstadt due to an increase in land prices (Development and Services segment in both cases). In contrast, there were measurement losses to varying degrees on all developed properties in the Investment Properties segment as well as on several Polish development projects in the Development and Services segment in the prior year largely due to higher interest rates for the calculation and more cautious assumptions about the future in connection with the coronavirus pandemic.

6.7. Interest income

	2021	2020
Composition:		
Interest received from loans to joint ventures	485	536
Other interest received	143	117
	628	653

The interest received from joint ventures pertains to AO Micos (see explanation regarding AO Micos in section 7.3.3.).

6.8. Other finance income

	2021	2020
Composition:		
Income from the derecognition of liabilities	7,191	–
Modification gain from credit agreements	–	125
Realised gains on derivative financial instruments	324	–
Unrealised gains on derivative financial instruments	407	–
	7,923	125

The income from the derecognition of liabilities results from the purchase of shareholder loans from a (former) minority shareholder of AO Avielen A.G. at a price below the outstanding nominal value (see section 7.10.3.).

6.9. Finance expenses

	2021	2020
Composition:		
Loan interest	(6,221)	(5,633)
Coronavirus aid	263	–
Other finance expenses	(1,527)	(1,135)
Interest on loans from minority shareholders	(207)	(379)
Interest on bonds	(236)	(300)
Derecognition of capitalised loan deferrals	(317)	(1,196)
Interest on lease liabilities	(76)	(63)
Impairment of other loans	(122)	–
Unrealised losses on derivative financial instruments	–	(331)
Expenses from credit agreement modifications	–	(56)
Other	(13)	(39)
	(8,458)	(9,133)

Please see section 7.10.4. for information about the terms for interest-bearing financial liabilities. The derecognition of capitalised loan deferrals is a non-cash item and pertains to transaction costs to be distributed over the term as well as modification gains to be distributed over the term, which must be derecognised upon disposal of the given financial instrument (loan). The other finance expenses include lending commitment fees and transaction costs, costs from the assumption of financial liabilities, and other loan-related costs distributed over the respective terms using the effective interest rate method.

6.10. Foreign exchange rate changes in the financial result

	2021	2020
Composition:		
Changes in foreign exchange rates from EUR financing (deviating functional currency)	1,008	(8,213)
	1,008	(8,213)

The changes in foreign exchange rates from EUR financing in the reporting period stem from the currency translation of a

project loan at a Russian subsidiary, for which the functional currency is the local currency and the financing is denominated in euros. In the prior year, the changes in foreign exchange rates pertained to several project loans denominated in euros and shareholder loans from non-controlling interests.

The translation differences of foreign currencies pursuant to IAS 21 totalled EUR 2,010 thousand (2020: minus EUR 8,704 thousand) in the reporting period. This amount consists of operating translation differences in the amount of EUR 1,002 thousand (2020: minus EUR 491 thousand), which are contained in other operating income, and translation differences in the financial result.

6.11. Income taxes

A reconciliation between income tax expense and the product of the profit for the period multiplied by the Group's domestic tax rate of 25 per cent (valid corporate income tax rate in Austria) for the reporting period and previous year is as follows:

Reconciliation of tax expenses:	2021	2020
Consolidated income statement		
Group earnings before taxes	14,924	(29,113)
Group earnings before income tax x 25% tax rate	(3,731)	7,278
± Changes in tax rates	(134)	–
± Other foreign tax rates	1,046	(841)
± Effects of tax-exempt results	1,646	(448)
± Permanent differences	(1,510)	(524)
± Expired loss carryforwards	(89)	(70)
± Effects of changes in the previous year	(7)	(96)
± Impairment of deferred tax assets	7	(3,422)
± Use of previously unrecognised tax assets	11	–
± Unused temporary differences	(1,931)	(3,856)
± Foreign withholding taxes and minimum corporate income taxes	635	(149)
± Effects of exchange rate fluctuations	1,113	122
Taxes according to the income statement	(2,944)	(2,006)
Effective tax rate	19.73%	-6.89%
Consolidated statement of comprehensive income		
± Remeasurement of financial assets measured at fair value through other comprehensive income	–	24
± Remeasurement according to IAS 16	(93)	–
± Allocation of other comprehensive income from joint ventures	(70)	167
± Effects of exchange rate fluctuations	(92)	(88)
Taxes in other comprehensive income	(255)	104

Of the income taxes incurred during the reporting period, an amount of EUR 7 thousand pertains to the prior year (excluding deferred taxes; 2020: EUR 95 thousand).

In both the reporting period and the prior periods, no deferred tax liabilities were recognised for unremitted earnings of subsidiaries, since intragroup dividend distributions within the European Union are not taxed.

Deferred tax assets and liabilities are recognised for temporary differences associated with joint ventures and applied to the extent that these differences result in tax liability. Deferred tax assets and liabilities are recognised for all temporary differences associated with interests in subsidiaries within the scope of the outside basis differences.

The Group has loss carryforwards of EUR 166,855 thousand (2020: EUR 153,321 thousand) at its disposal. Of these tax loss carryforwards, EUR 36,877 thousand (2020: EUR 53,133 thousand) are offset against deferred tax liabilities; deferred taxes were recognised for tax loss carryforwards in the amount of EUR 5,935 thousand (2020: EUR 4,892 thousand) because these will be offset against taxable profits in the foreseeable future.

The tax loss carryforwards originated:

in Poland (can be carried forward for 5 years, tax rate 9–19%, 15% for SMEs)	11,946
in Hungary (can be carried forward for 5 years or until 2030 in the case of loss carryforwards prior to 2015, tax rate 9%)	1,680
in Russia (can be carried forward indefinitely starting in 2017, tax rate 20%)	94,091
in Austria (can be carried forward indefinitely, tax rate 25%)	51,802
in Germany (can be carried forward indefinitely, tax rate 15.83% or 31.72%)	7,336
	166,855

Recognised loss carryforwards in the amount of EUR 418 thousand will expire in the coming financial year. If these cannot be offset against taxable income in the coming financial year, the associated tax expenses will amount to EUR 79 thousand in the coming financial year.

No deferred tax claims were recognised for tax loss carryforwards in the amount of EUR 124,044 thousand (2020: EUR 95,296 thousand) because they may not be used against the taxable profits of other companies in the Group and arose in subsidiaries that have been generating losses for some time already.

No deferred taxes were recognised for deferred tax assets according to IAS 12.44 (outside basis differences) in the amount of EUR 103,003 thousand (2020: EUR 93,285 thousand) because the temporary differences are not expected to reverse in the foreseeable future.

No deferred taxes were recognised for deferred tax liabilities according to IAS 12.39 (outside basis differences) in the amount of EUR 40,122 thousand (2020: EUR 35,587 thousand) because the temporary differences are not expected to reverse in the foreseeable future, as this reversal is within the parent company's sphere of influence.

[07] Notes to the Consolidated Statement of Financial Position

7.1. Investment properties

The Group measures investment properties at their fair value.

7.1.1. Changes in and composition of investment properties

	Developed properties	Development properties	Reserve properties	Total
Changes in 2020:				
Carrying amounts at 1 January	232,738	19,405	20,312	272,455
Reclassification due to start of development	–	2,769	(2,769)	–
Reclassification of property	(4,388)	4,388	–	–
Additions/investments	2,500	5,071	931	8,503
Net measurement result	(6,346)	(616)	(808)	(7,770)
Exchange adjustments	(17,758)	(2,737)	(1,355)	(21,850)
Carrying amounts at 31 December	206,746	28,280	16,311	251,337
Changes in 2021:				
Carrying amounts at 1 January	206,746	28,280	16,311	251,337
Changes in the scope of consolidation	47,112	–	–	47,112
Additions/investments	1,939	14,765	537	17,241
Capitalised borrowing costs	–	499	–	499
Transfer of property, plant, and equipment	–	958	(189)	769
Reclassification of development property	–	584	(584)	–
Disposals	(522)	–	–	(522)
Net measurement result	(2,104)	2,555	2,009	2,460
Exchange adjustments	4,383	1,087	230	5,700
Carrying amounts at 31 December	257,555	48,729	18,313	324,596

The changes in the scope of consolidation relate to the addition of the Jupiter office towers in St. Petersburg (see section 5.2.). The investments primarily pertain to the construction progress at the Avior Tower in St. Petersburg as well as construction preparations and tenant adaptations in Krakow. The reclassifications are related to reserve properties in Darmstadt due to new surveys in connection with the partitioning of plots of land (see section 7.2.1.).

The developed properties contain right-of-use assets in the amount of EUR 807 thousand (2020: EUR 504 thousand); the development properties contain right-of-use assets in the amount of EUR 22 thousand (2020: EUR 22 thousand). During the reporting period, there were additions to the right-of-use assets pertaining to investment properties in the amount of EUR 305 thousand (2020: none). As in the prior year, no subsequent purchase costs were incurred.

The capitalised borrowing costs were based on a borrowing cost rate of roughly 10.9 per cent.

In the prior year, the additions primarily pertain to construction costs for the Avior Tower as well as tenant adaptations; the reclassifications resulted from the start of the development phase for a plot of land in Darmstadt and the partitioning of a plot of land in Krakow.

7.1.2. Result from investment properties

	2021	2020
Rental revenue	16,104	16,500
Income from charged operating expenses and other services	4,167	4,108
less income from properties let out on a short-term basis	(4)	–
less direct operating expenses	(5,283)	(5,110)
Net rental income	14,984	15,498

During the reporting period, material operating expenses that can be directly attributed to the investment properties and for which no rental revenue was generated amounted to EUR 728 thousand (2020: EUR 386 thousand).

7.1.3. Information on fair value, material inputs, and sensitivity

The carrying amounts of the investment properties correspond to their fair values. The properties are generally assessed every six months by external property valuers applying level 3 of the fair value hierarchy, i.e. using non-observable inputs (see also the information on discretionary decisions in section 3.4.3.1.).

The valuation method and the measurement parameters (inputs) depend on the respective development stage of the property. In this, the Group differentiates between developed properties, development properties, and reserve properties.

The inputs presented below can influence each other. In particular, rising rents and falling yields (interest rates) increase the market value while falling rents and rising yields have a detrimental effect on the market value.

Developed properties:

Developed properties are valued based on the income they generate using the investment or DCF method.

Material inputs	2021		2020	
	Range	Weighted average	Range	Weighted average
Exit yield	6.1–10.5%	8.4%	6.1–10.5%	8.1%
Discount yield	5.7–13.5%	9.3%	5.8–12.4%	8.4%
Estimated rent value (ERV)/m ² /month in EUR	9.0–27.7	15.2	8.8–30.6	15.8

A change in the indicated inputs would result in the following changes in the fair values:

Sensitivity analysis 2020					
Change in the exit yield by basis points	Change in the estimated rent value				
	-10%	-5%	0%	+5%	+10%
-100 bp	4%	10%	15%	21%	26%
-50 bp	-3%	-2%	7%	12%	17%
0 bp	-9%	-5%	0%	5%	9%
50 bp	-15%	-11%	-7%	-2%	2%
100 bp	-20%	-16%	-12%	-8%	-4%

Sensitivity analysis 2021					
Change in the exit yield by basis points	Change in the estimated rent value				
	-10%	-5%	0%	+5%	+10%
-100 bp	2%	6%	11%	15%	19%
-50 bp	-3%	1%	5%	9%	12%
0 bp	-7%	-4%	0%	4%	8%
50 bp	-11%	-7%	-4%	-1%	2%
100 bp	-14%	-11%	-8%	-5%	-1%

Development properties:

Development properties are valued based on the income they generate using the residual value method.

Material inputs	2021		2020	
	Range	Weighted average	Range	Weighted average
Exit yield	3.9–10%	7.6%	6.5–10%	8.3%
Estimated rent value (ERV)/m ² /month in EUR	12.0–23.7	17.6	12.7–18.6	15.9
Outstanding construction and development costs/m ² in EUR	1,069–2,911	1,571	1,170–1,889	1,451
Developer's profit	15–20%	16%	15–20%	16%

A change in the indicated inputs would result in the following changes in the fair values:

Sensitivity analysis 2020					
Change in the exit yield by basis points	Change in the estimated rent value				
	-10%	-5%	0%	+5%	+10%
-100 bp	-3%	20%	44%	67%	90%
-50 bp	-48%	-27%	-5%	16%	38%
0 bp	-87%	-67%	0%	-27%	-7%
50 bp	-120%	-101%	-82%	-64%	-45%
100 bp	-148%	-131%	-114%	-96%	-79%

Sensitivity analysis 2021					
Change in the exit yield by basis points	Change in the estimated rent value				
	-10%	-5%	0%	+5%	+10%
-100 bp	58%	78%	97%	117%	137%
-50 bp	8%	26%	44%	62%	80%
0 bp	-33%	-16%	0%	16%	33%
50 bp	-67%	-52%	-37%	-22%	-7%
100 bp	-97%	-83%	-69%	-55%	-41%

Sensitivity analysis 2020					
Change in the developer's profit in percentage points	Change in the outstanding construction and development costs				
	-10%	-5%	0%	+5%	+10%
-10%	121%	95%	69%	44%	18%
-5%	89%	62%	35%	8%	-19%
0%	57%	28%	0%	-28%	-56%
5%	24%	-5%	-35%	-64%	-93%
10%	-8%	-39%	-69%	-100%	-131%

Sensitivity analysis 2021					
Change in the developer's profit in percentage points	Change in the outstanding construction and development costs				
	-10%	-5%	0%	+5%	+10%
-10%	109%	85%	61%	36%	12%
-5%	81%	56%	30%	5%	-21%
0%	53%	27%	0%	-27%	-53%
5%	25%	-2%	-30%	-58%	-86%
10%	-3%	-32%	-60%	-89%	-118%

Reserve properties:

The reserve properties are valued based on their market prices using the comparative method.

Material inputs	2021		2020	
	Range	Weighted average	Range	Weighted average
Market price/m ² area in EUR	153–1,238	471	159–1,118	514

Sensitivity analysis	Change of assumption	Change in the result before taxes	
		2021	2020
Market price/m ² area	+10%	1,390	1,721
Market price/m ² area	+5%	695	861
Market price/m ² area	-5%	-695	-861
Market price/m ² area	-10%	-1,390	-1,721

Along with the property-specific input factors listed above, the exchange rate from the local currency to the Group currency of euros also has an impact on the value of properties indicated in euros. This particularly pertains to the Russian investment properties. These are financed through debt denominated in the local currency of roubles, so a weaker rouble results in lower property values and lower liabilities to banks after translation into euros. Conversely, a stronger rouble leads to higher property and loan values in euro terms. These types of translation differences do not affect the Group's profit or loss for the period because they are recognised directly in equity through other comprehensive income. For additional details, please refer to the information about currency risk in section 8.2.2.

7.2. Property, plant, and equipment

7.2.1. Changes in and composition of property, plant, and equipment

	Hotels	Right-of-use assets	Other property, plant, and equipment	Total
Changes in 2020:				
Carrying amounts at 1 January	35,567	1,113	2,196	38,876
Additions	2,665	716	658	4,039
Disposals	–	(44)	(37)	(81)
Scheduled depreciation and amortisation	(1,292)	(345)	(267)	(1,904)
Impairment charges	(928)	–	(20)	(948)
Exchange adjustments	(5,795)	(57)	(254)	(6,105)
Carrying amounts at 31 December	30,218	1,384	2,275	33,877

Composition as at 31/12/2020:

Acquisition or production cost	49,172	1,733	3,247	54,152
Cumulated write-downs	(18,955)	(349)	(972)	(20,276)
	30,218	1,384	2,275	33,877

thereof pledged as senior collateral for interest-bearing loans (see section 7.10.3.)

31,601

	Hotels	Right-of-use assets	Other property, plant, and equipment	Total
Changes in 2021:				
Carrying amounts at 1 January	30,218	1,384	2,275	33,877
Additions	2,681	107	106	2,893
Disposals	–	(8)	–	(8)
IAS 16 remeasurement in conjunction with IAS 40 (reclassification)	586	–	–	586
Reclassification to investment properties	(769)	–	–	(769)
Scheduled depreciation and amortisation	(1,284)	(363)	(228)	(1,875)
Impairment reversals	470	–	–	470
Exchange adjustments	1,375	8	33	1,416
Carrying amounts at 31 December	33,276	1,128	2,186	36,590

Composition as at 31/12/2021:

Acquisition or production cost	54,468	1,494	3,240	59,202
Cumulated write-downs	(21,192)	(366)	(1,054)	(22,612)
	33,276	1,128	2,186	36,590

thereof pledged as senior collateral for interest-bearing loans (see section 7.10.3.)

34,404

The hotels are recognised at the amortised cost of acquisition or production in accordance with the IFRS provisions.

The Group's uniform estimates for the assets' useful lives are applied as follows:

	2021	2020
Buildings (including finance leasing)	60 years	60 years
Hotel technical facilities	15 years	15 years
Hotel fixtures	7 years	7 years
Furniture and office equipment	7 years	7 years
Plant	20 years	20 years

The useful life of the right-of-use assets is oriented toward the contractual minimum lease term as well as any extension options, provided the likelihood that they will be exercised is deemed to be sufficiently high.

7.2.2. Material inputs and sensitivity information

The amortised costs of the hotels and reserve properties are assessed on the basis of external appraisals to determine any im-

Hotels:

Material inputs	2021		2020	
	Range	Weighted average	Range	Weighted average
Exit yield	7–11%	8.90%	7–11%	8.90%
Discount rate	9.25–13.5%	11.25%	9.25–13.5%	11.26%
Expected cash flows (year one) in EUR '000/room	-0.6–2.9	1.0	-1.44–3.93	1.1

Sensitivity analysis	Change of assumption	Change in the result before taxes	
		2021	2020
Exit yield	+50 basis points	-313	-660
Exit yield	-50 basis points	343	550
Discount rate	+50 basis points	-568	-1,022
Discount rate	-50 basis points	592	1,110
Expected cash flows (year one)	+5%	884	1,215
Expected cash flows (year one)	-5%	-800	-1,099

Along with the property-specific input factors listed above, the exchange rate from roubles to the Group currency of euros also has an impact on the value of the hotel property indicated in euros. A weaker rouble results in a lower property value after translation into euros, while a stronger rouble leads to a higher property value in euro terms. These types of translation differences do not affect the Group's profit or loss for the period because they are recognised directly in equity through other comprehensive income.

The costs of acquisition and production of the hotels are broken down into building fabric, building technical systems, and fixtures and written down over the respective useful lives pursuant to IAS 16.43 (component approach).

As in the prior year, the additions to the hotels primarily pertain to renovations at the hotel in Darmstadt that was acquired in 2019. Also in Darmstadt, space was reclassified from property, plant, and equipment to investment properties due to new surveys and the partitioning of plots of land (see section 7.1.1.). Prior to this, the plots were measured at fair value through other comprehensive income in accordance with the IFRS provisions.

Further information on the impairments and impairment reversals on property, plant, and equipment is provided in section 6.6.

pairment or the need for impairment reversal. The inputs used for this and the possible effects of changes in the most important inputs on earnings before taxes are shown below.

7.3. Joint ventures (equity method)

7.3.1. Overview of joint ventures

The consolidated financial statements include the following companies that were recognised using the equity method in the reporting period and in the prior year:

Company	Domicile/ country	Voting rights and capital share	Capital stock	Currency of capital	Functional currency	Segment
in thousands						
UBX 1 Objekt Berlin Ges.m.b.H. iL	D-Munich	50%	25	EUR	EUR	DS
Sienna Hotel Sp. z o.o.	PL-Warsaw	50%	81,930	PLN	EUR	H
Lanzarota Investments Sp. z o.o.	PL-Warsaw	50%	5	PLN	EUR	H
AO Micos ¹	RU-Moscow	44.02%/100%	43	RUB	RUB	IP

Explanations:

¹ The stake held in AO Micos was increased from 44.02 per cent to 100 per cent during the financial year.

Therefore, it is no longer a joint venture as at the reporting date, but rather a fully owned subsidiary that is fully consolidated as at the reporting date (see section 5.2.).

7.3.2. Financial information about material joint ventures

The following information corresponds to the amounts in the IFRS annual financial statements of the joint ventures.

	Sienna Hotel Sp. z o.o. and Lanzarota Sp. z o.o.		AO Micos	
	31/12/21	31/12/20	31/12/21	31/12/20
Summary balance sheet:				
Non-current assets	69,146	78,667	–	44,007
Current assets	4,299	1,702	–	24,496
Total assets	73,444	80,369	–	68,503
<i>thereof cash and cash equivalents</i>	3,648	1,080	–	420
Equity	(10,880)	3,344	–	6,954
<i>thereof capital transactions</i>	–	16	–	–
Non-current liabilities	77,831	71,567	–	39,797
Current liabilities	6,493	5,458	–	21,751
Total equity and liabilities	73,444	80,369	–	68,503
<i>thereof non-current financial liabilities (IFRS 12)</i>	–	–	–	29,972
<i>thereof current financial liabilities (IFRS 12)</i>	–	–	–	–
	2021	2020	2021	2020
Summary income statement:				
Income	12,592	7,754	8,739	9,325
Expenses including remeasurement result	(26,815)	(17,499)	(2,525)	(9,298)
Profit or loss for the period	(14,224)	(9,745)	6,214	27
Other comprehensive income	–	–	709	(1,690)
Net profit or loss for the period	(14,224)	(9,745)	6,923	(1,663)
Included in the profit or loss for the period:				
Scheduled depreciation and amortisation	(5,159)	(5,354)	–	–
Interest income	–	3	130	102
Interest expenses	(3,328)	(3,207)	(2,677)	(2,651)
Income tax expenses (or income)	–	(877)	(1,572)	638
	31/12/21	31/12/20	31/12/21	31/12/20
Reconciliation to carrying amount of the interest:				
Net assets	(10,880)	3,344	–	6,954
Group interest	50%	50%	n/a	44,02%
Proportionate net assets	(5,440)	1,672	–	3,061
Net investment (carrying amount)	–	1,672	–	3,061

7.3.3. Information on joint ventures

The following information pertains to the material joint ventures presented above:

Sienna Hotel Sp. z o.o. and Lanzarota Investments Sp. z o.o.:

Sienna Hotel Sp. z o.o. (formerly Lanzarota Investments Sp. z o.o. Sienna Hotel S.K.A.) leases the InterContinental hotel in Warsaw under an operating lease and runs the establishment. Lanzarota Investments Sp. z o.o. held a small stake in Lanzarota Investments Sp. z o.o. Sienna Hotel S.K.A. and engages in no material business operations. As these companies are viewed together in the Group, they are depicted together here.

AO Micos:

The Group held a 44.02 per cent stake in AO Micos through the subsidiary AO Avielen A.G. Due to the articles of association, which stipulate that all material decisions must be made unanimously, the company had to be recognised as a joint venture, which was also recognised according to the equity method. In December 2021, the Group acquired the remaining 10 per cent stake in Avielen A.G. as well as the remaining 55.98 per cent stake in AO Micos through another subsidiary, OOO Aval Invest, so this company was fully owned by the Group as at the reporting date. Micos is the owner of the Jupiter 1 and 2 office towers in St. Petersburg and lets these properties out.

7.3.4. Composition and development of joint ventures

	Capital shares	Loans	Total
Composition as at 31/12/2020:			
Net investments	8,208	–	8,208
Cumulated earnings allocation (profit or loss for the period)	(3,131)	–	(3,131)
	5,077	–	5,077
Composition as at 31/12/2021:			
Net investments	1,909	–	1,909
Cumulated earnings allocations (profit or loss for the period)	(1,494)	–	(1,494)
	415	–	415

The net investments include shares in the joint ventures and loans extended to joint ventures that are not planned or likely to be repaid in the foreseeable future. Proportionate gains and losses are recognised as allocated results when they are covered by the net investment. Any impairment according to IAS 28.40 is also taken into account.

	2021	2020
Development:		
Carrying amounts at 1 January	5,077	10,671
Additions	–	8
Disposals	(6,109)	–
Extension (+) / repayment (-) of loans	(49)	–
Capitalised interest income from loans granted	49	–
Earnings allocation from profit/loss for the period	1,135	(4,858)
Earnings allocation from other comprehensive income	312	(744)
Carrying amounts at 31 December	415	5,077

7.3.5. Other information about joint ventures

The following table contains summarised financial information about the net investments in joint ventures. The amounts are adjusted for the Group's share.

	31/12/21	31/12/20
Share of the assets and liabilities:		
Non-current assets	34,573	58,706
Current assets	2,163	11,656
Assets	36,736	70,362
Proportionate equity	(5,025)	5,077
Proportionate Group shareholder's loans	–	1,944
Proportionate joint venture partner shareholder's loans	–	2,381
Non-current liabilities	38,507	48,578
Current liabilities	3,255	12,382
Equity and liabilities	36,736	70,362

	31/12/21	31/12/20
Reconciliation to carrying amount:		
Share of net assets	(5,025)	5,077
Group shareholder loan	–	4,417
Unallocated share of losses	5,440	–
Loans to joint ventures	–	(4,417)
Net investment in joint ventures (carrying amount)	415	5,077

	31/12/21	31/12/20
Aggregated disclosures about joint ventures that are individually immaterial:		
Net investment in joint ventures (carrying amount)	415	343
Group share of the profit or loss for the period (going operations)	71	2
Group share of net result for the period	71	2

Nature and extent of material restrictions in connection with joint ventures:

Risks associated with shares in joint ventures: The guarantees and bonds entered into in connection with joint ventures are explained in section 9.1.3.

7.4. Other assets

	31/12/21	31/12/20
Composition non-current:		
Loans to joint ventures	–	4,417
Advance payments made	247	801
Deposits with banks pledged as collateral	1,078	3,253
Pension reimbursement insurance rights	–	997
Receivables related to coronavirus aid measures	–	248
Non-current receivables from tax authorities	557	148
Long-term purchase price claims	464	575
Loans and other non-current receivables	–	327
Other non-current financial assets	1	393
	2,347	11,158

The loans to joint ventures were eliminated as at the reporting date because they are now fully consolidated (see section 7.3.3.).

The non-current receivables related to coronavirus aid measures in the prior year pertained to government assistance in connection with property taxes (see section 3.4.1.).

The remaining financial assets listed above are neither overdue nor impaired.

The restricted accounts pledged as collateral for guarantees amount to EUR 1,078 thousand. The terms correspond to the standard terms for each contract partner. The restricted account pertains to security accounts in connection with the project loan for Ogródowa Office in Łódź as well as for rent guarantees for the InterContinental hotel in Warsaw.

The pension reimbursement insurance claims were eliminated during the reporting period due to the amendment of the underlying pension agreements.

7.5. Deferred taxes (tax assets and liabilities)

The deferred taxes break down and changed as follows:

	Available deferred tax assets		Thereof applied deferred tax assets	
	31/12/21	31/12/20	31/12/21	31/12/20
Composition:				
Differences in property, plant, and equipment and investment properties	391	247	202	–
Temporary differences in connection with shares	2,220	2,944	–	–
Measurement differences in the current assets	(6)	1,266	–	–
Differences in the tax treatment of pensions and other long-term employee benefits	584	890	180	104
Measurement differences in the liabilities and provisions	1,686	2,254	1,035	1,680
Capitalisation of tax loss carryforwards	35,912	33,510	10,455	8,458
	40,787	41,111	11,872	10,242
Offsetting with the same tax authority			(10,685)	(9,263)
			1,187	978

	Deferred tax liabilities	
	31/12/21	31/12/20
Composition:		
Differences in property, plant, and equipment and investment properties	(22,256)	(17,686)
Measurement differences in the current assets	(80)	(158)
Measurement differences in the liabilities and provisions	(304)	(98)
	(22,640)	(17,942)
Offsetting with the same tax authority	10,685	9,263
	(11,955)	(8,679)

	Deferred tax assets		Deferred tax liabilities	
	2021	2020	2021	2020
Development:				
As at 1 January	978	4,475	(8,679)	(10,939)
Changes in the scope of consolidation	–	–	(241)	–
Change recognised in other comprehensive income, thereof:	76	(686)	(331)	789
<i>Foreign currency translation</i>	76	(710)	(238)	789
<i>Measurement of financial assets measured at fair value through other comprehensive income</i>	–	24	–	–
<i>Remeasurement in connection with reclassification from IAS 16 to IAS 40</i>	–	–	(93)	–
Change recognised in profit or loss for the period	133	(2,817)	(2,705)	1,470
As at 31 December	1,187	972	(11,955)	(8,679)

Unrecognised deferred tax assets in connection with shares stem entirely from Austria and do not expire.

7.6. Trade and other receivables (current)

	31/12/21	31/12/20
Composition:		
Claims related to property and share sales	125	125
Trade receivables	888	467
Receivables due from joint ventures	6	12
Receivables due from related parties	23	–
Subtotal of contract balances according to IFRS 15	1,042	604
Receivables from tax authorities	2,531	1,728
Advance payments made	584	221
Receivables related to leases	195	127
Rent receivables due from related parties	–	4
Other current receivables and assets	147	208
Receivables related to coronavirus aid measures	910	380
Deferred expenses	264	176
	5,673	3,448

Please see section 3.4.1. for information about current receivables from coronavirus aid measures.

The maturity structure of trade receivables and rent receivables is as follows:

	31/12/21	31/12/20
Composition:		
Neither overdue nor bad debt provision made	805	589
30 days overdue, no bad debt provision made	187	2
60 days overdue, no bad debt provision made	62	1
90 days overdue, no bad debt provision made	6	4
120 days overdue, no bad debt provision made	17	1
>120 days overdue, no bad debt provision made	7	1
Impaired receivables	174	277
	1,258	875

The remaining current financial assets in this item are neither overdue nor impaired.

Trade receivables are non-interest-bearing and generally have terms of 10 to 90 days.

7.7. Financial assets measured at fair value through other comprehensive income

	31/12/21	31/12/20
Development:		
Carrying amount on 1 January	5,625	6,242
Remeasurement	(121)	(617)
Carrying amount on 31 December	5,504	5,625

This item includes a 9.88 per cent interest in Palais Hansen Immobilienentwicklung GmbH. The company owns the Kempinski hotel Palais Hansen. As there is no active market for this shareholding, its measurement is based primarily on a fair value calculated for the property using the discounted cash flow method, and was determined on the basis of an appraisal.

Further information about measurement, material inputs, and sensitivity can be found in sections 8.1.2. to 8.1.4.

7.8. Cash and cash equivalents

	31/12/21	31/12/20
Composition:		
Cash on hand	4	2
Bank balances	11,188	8,929
	11,192	8,931

This item consists of cash and cash equivalents.

The fair value of cash and cash equivalents corresponds to the carrying amount.

7.9. Equity

7.9.1. Share capital, earnings per share

The Company's share capital is divided into 54,000,000 non-par-value shares and is fully paid up.

At the reporting date, the Company had purchased 1,939,280 treasury shares (2020: 1,939,280) at an average price of EUR 1.54 per share (2020: EUR 1.54 per share).

The weighted average number of shares in free float between 1 January and 31 December 2021 was 52,060,720 (2020: 52,098,454).

	2021	2020
	Shares	Shares
Breakdown of shares and potential shares:		
Shares 1 January to 31 December	54,000,000	54,000,000
Less weighted treasury shares	-1,939,280	-1,901,546
Weighted average number of shares	52,060,720	52,098,454

	2021	2020
	in EUR '000	in EUR '000
Earnings per share (based on the weighted average number of shares):		
Profit or loss for the period allocable to the shareholders of the Group:		
undiluted = diluted	12,274	(29,691)
Earnings per share undiluted = diluted (in EUR)	0.24	(0.57)

As in the prior year, there were no potential approved shares from convertible bonds outstanding on the reporting date.

When calculating the undiluted earnings per share, the result attributable to the holders of shares in the parent company is divided by the weighted average number of shares in circulation during the reporting period. This also corresponds to the diluted earnings per share.

According to the Austrian Stock Corporation Act, the annual financial statements as at 31 December 2021 of the parent company Warimpex Finanz- und Beteiligungs AG, which have been prepared under the Austrian Commercial Code, provide the basis for the distribution of a dividend.

These annual financial statements report a profit for the 2021 financial year of EUR 1,297 thousand. Taking into account the profit carryforward, the net result for the period as at 31 December 2021 is a loss of EUR 6,222 thousand. This will be carried forward to the next accounting period.

7.9.2. Capital management

The equity reported in the consolidated financial statements is used for the purposes of capital management at the Group level. The primary objective of the Group's capital management policy is to ensure that the Group preserves a favourable equity ratio to support its business activities and maximise shareholder value.

The Group is not subject to capital requirements, either under its articles of association or under external regulations. Legal requirements only apply to the share capital and legal reserves, and are complied with in full.

The Group monitors its capital on the basis of its equity ratio, which should be between 20 per cent and 40 per cent.

The consolidated equity ratio was 32.7 per cent on the reporting date (2020: 33.9 per cent), and was within the target range.

	31/12/21	31/12/20
Determining the consolidated equity ratio:		
Equity	124,717	108,792
Borrowings	263,401	211,873
Equity and liabilities	388,118	320,665
Equity ratio in %	32.1%	33.9%

7.9.3 Reserves

The equity includes the following Group reserves:

Revaluation reserve:

The revaluation reserve includes remeasurement results from property, plant, and equipment before they were reclassified to investment properties.

Reserve for currency translation:

Cumulated exchange rate differences resulting from the translation of annual financial statements of subsidiaries operating with functional currencies other than the euro are reported in the reserve for currency translation.

IAS 19 reserve:

The IAS 19 reserve contains cumulated changes in the remeasurement of obligations to provide benefits after or related to the termination of the employment relationship according to IAS 19 that are reported in other comprehensive income. This reserve will not be reclassified into profit or loss in future periods.

The changes in the respective reserves and the analysis of the other comprehensive income per component of equity are as follows:

	Revaluation reserve	Reserve for currency translation	IAS 19 reserve	Total
Changes in 2020:				
As at 1 January	1,239	(1,125)	(2,501)	(2,386)
Other comprehensive income	–	(15,104)	384	(14,720)
Other comprehensive income from joint ventures	–	(670)	–	(670)
(Deferred) taxes	–	80	–	80
Total other comprehensive income	–	(15,694)	384	(15,310)
As at 31 December	1,239	(16,819)	(2,117)	(17,697)
Changes in 2021:				
As at 1 January	1,239	(16,819)	(2,117)	(17,697)
Changes in the scope of consolidation	–	(16)	–	(16)
Reclassification from IAS 19 reserve	–	–	1,364	1,364
Other comprehensive income	586	3,702	(466)	3,822
Other comprehensive income from joint ventures	–	281	–	281
(Deferred) taxes	(93)	(162)	–	(255)
Total other comprehensive income	493	3,821	(466)	3,848
As at 31 December	1,732	(13,013)	(1,219)	(12,500)

The other comprehensive income allocable to non-controlling interests in the amount of EUR 219 thousand (2020: minus EUR 1,035 thousand) pertains to currency translation to which no deferred taxes apply, as in the prior year.

7.10. Financial liabilities

Financial liabilities contain interest-bearing liabilities – primarily bonds and loans from financial institutions or companies – that serve to cover the Group's financing needs. These do not correspond to the financial liabilities for the purposes of IAS 32, which are shown separately in section 8.1.1.

7.10.1. Bonds

	31/12/21	31/12/20
Composition:		
Bond 09/2018–09/2025	7,221	9,026
<i>thereof non-current</i>	5,360	7,137
<i>thereof current</i>	1,861	1,890

In September 2018, a bond with a nominal value of EUR 9,000 thousand (bond 09/2018–09/2025) was issued. The bond will be redeemed annually starting in September 2021 with an amount of EUR 1,800 thousand per year; the coupon is 2.79 per cent and is payable in arrears on an annual basis.

Proportionate transaction costs are taken into account using the effective interest rate method when recognising the bonds.

7.10.2. Other financial liabilities (loans)

	31/12/21	31/12/20
Breakdown of non-current loans:		
Project loans	187,885	133,000
Loans from non-controlling interests	173	10,001
Other loans	1,507	493
Overdraft and borrowing facilities	–	9,130
	189,565	152,624
Breakdown of current loans:		
Project loans	8,514	5,639
Overdraft and borrowing facilities	17,676	8,499
Other loans	995	408
	27,185	14,546
Total loans	216,750	167,170

Please see section 8.2.4. for information on the maturity of the project loans.

7.10.3. Summary of liabilities arising from financing activities

The change in and composition of liabilities arising from financing activities (interest-bearing financial liabilities), consisting of bonds (section 7.10.1.) and other financial liabilities (section 7.10.2.), can be broken down as follows:

	Project loans	Working capital loans	Bonds	Loans from minorities and others	Lease liabilities	Total
Changes in 2020:						
As at 1 January 2020	129,926	2,725	14,745	13,078	1,626	162,100
Borrowing (cash flow)	63,853	14,904	–	204	–	78,961
Repayment (cash flow)	(51,190)	–	(5,500)	–	(318)	(57,008)
Change in accumulated interest	50	–	(226)	(207)	63	(320)
Changes in foreign exchange rates	(4,725)	–	–	(173)	(59)	(4,958)
Other changes	725	–	8	(2,000)	614	(654)
As at 31 December	138,639	17,629	9,026	10,902	1,926	178,122
<i>thereof current (due < 1 year)</i>	5,639	8,499	1,890	408	217	16,652
<i>thereof non-current (due > 1 year)</i>	133,000	9,130	7,137	10,493	1,709	161,470
Changes in 2021:						
As at 1 January	138,639	17,629	9,026	10,902	1,926	178,122
Borrowing (cash flow)	79,936	728	–	–	–	80,664
Repayment (cash flow)	(53,266)	(681)	(1,800)	(1,947)	(230)	(57,924)
Change in accumulated interest	313	–	(5)	52	40	399
Changes in the scope of consolidation	28,856	–	–	(561)	–	28,295
Changes in foreign exchange rates	1,922	–	–	911	11	2,843
Other changes	–	–	–	(6,681)	416	(6,265)
As at 31 December	196,399	17,676	7,221	2,675	2,163	226,134
<i>thereof current (due < 1 year)</i>	8,514	17,676	1,861	995	314	29,360
<i>thereof non-current (due > 1 year)</i>	187,885	–	5,360	1,680	1,849	196,774

Financial liabilities in a total amount of EUR 204,849 thousand (2020: EUR 147,132 thousand) are secured by mortgages on land and buildings. Of this, EUR 13,083 thousand (2020: EUR 12,935 thousand) pertain to property, plant, and equipment and EUR 159,200 thousand (2020: EUR 116,463 thousand) to investment properties.

The borrowing and repayments related to project loans are primarily the result of the refinancing of a property in Łódź and a property in Budapest. In addition, funds were borrowed for the construction of Avior Tower I in St. Petersburg as well as for the hotel renovation in Darmstadt. The changes in the scope of consolidation pertain to the project loan for the Jupiter office towers in St. Petersburg (see section 7.3.3.) as well as a loan that is now fully consolidated. In the prior year, the borrowing and repayments related to project loans were primarily connected to refinancing in St. Petersburg and Krakow.

In December 2021, the Group increased its stake in the subsidiary AO Avielen A.G. from 90 per cent to 100 per cent and simultaneously purchased existing loans of a former minority shareholder at a price below the outstanding nominal value. The purchase price payment for the acquisition of the loans represents a repayment from the Group's perspective; the still outstanding purchase price payment in the amount of EUR 1,750 thousand and the difference compared to the assumed nominal value in the amount of EUR 7,191 thousand were reclassified and/or recognised through profit or loss (see section 6.8.) and are presented in other changes to loans of minority shareholders with an amount of minus EUR 8,941 thousand.

In addition, the other changes increased due to the purchase price liability in the amount of EUR 2,260 thousand for the acquisition of shareholder loans of the former joint venture partner of AO Micos, whose shares and shareholder loans were purchased by the Group in December 2021 (see also section 7.3.3.).

7.10.4. Interest rate terms on financial liabilities

	31/12/21	31/12/20
Interest on financial liabilities:		
thereof fixed rate	173,904	91,718
thereof variable rate	52,230	86,403
	226,134	178,122
Per cent share:		
thereof fixed rate	77%	51%
thereof variable rate	23%	49%

	2021	2020	
Range of the variable interest for:	Base rate	Premium	Premium
• Overdraft/borrowing facilities	3M EURIBOR	2.25%	2.25%
	3M LIBOR	2.50%	2.50%
• Project loans	3M EURIBOR	1.3–2.75%	1.3–2.75%
	3M WIBOR	1.85%	n/a
	1M WIBOR	2.80%	2.80%
	Russian key rate	2.40%	n/a

The ranges for the financial liabilities with fixed interest rates held at the reporting date are between 2 per cent and 9.13 per cent (2020: 2 per cent and 9.3 per cent).

Please see section 8.1.1. for information about the market values of interest-bearing financial liabilities.

7.11. Derivative financial instruments

In connection with the project financing for Ogródowa Office in Łódź, the Group concluded an interest rate swap for a portion of the loan (roughly 60 per cent) in which a variable reference interest rate based on the three-month EURIBOR is swapped for a fixed base interest rate of 0 per cent. The interest rate swap had a term until 29 February 2024, but was terminated early during the reporting period due to the refinancing of the project loan.

In connection with the project financing for the Avior Tower in St. Petersburg, a floor/cap agreement was concluded which limits the interest rate risk for the term of the variable-rate loan until December 2023.

7.12. Other non-current liabilities

	31/12/21	31/12/20
Composition:		
Payables due to joint ventures	3,668	4,027
Security deposits received	2,398	2,230
Security deposits	1,205	474
	7,271	6,731

7.13. Provisions

The provisions pertain to pensions and other long-term employee benefits and other provisions. The provisions for pensions and other long-term employee benefits are non-current provisions.

7.13.1. Provisions for pensions and other long-term employee benefits (section 3.13.)

	Voluntary pension benefit commitment	Entitlement to Severance benefits	Anniversary bonuses	Total
Changes in 2020:				
As at 1 January	1,822	2,757	143	4,722
Service costs	237	81	3	322
Change recognised in personnel expenses	237	81	3	322
Actuarial gains or losses from changed financial assumptions	287	90	–	377
Other (restatements based on experience)	–	(760)	–	(760)
Remeasurement recognised in other comprehensive income	287	(670)	–	(384)
Interest expenses	16	22	1	39
As at 31 December	2,363	2,190	148	4,700
Changes in 2021:				
As at 1 January	2,363	2,190	148	4,700
Expenses for severance benefits	–	(133)	–	(133)
Plan amendment	(2,363)	–	–	(2,363)
Service costs	–	62	12	74
Change recognised in personnel expenses	(2,363)	(71)	12	(2,422)
Actuarial gains or losses from changed financial assumptions	–	(84)	–	(84)
Other (restatements based on experience)	–	550	–	550
Remeasurement recognised in other comprehensive income	–	466	–	466
Interest expenses	–	9	1	11
As at 31 December	–	2,593	161	2,754

Three members of the Management Board had been awarded binding pension plans on the reporting date. The pension agreements were amended during the reporting period and thus classified as defined contribution plans instead of defined benefit plans as in the past. As a result, it is no longer necessary to recognise a provision as at the reporting date. The reversal of the provision is offset against the derecognition of the pension reimbursement insurance and presented in personnel expenses. Details can be found in the transactions with Management Board members in section 9.3.2.7.

The provisions are determined using the projected unit credit method. The salary increase is estimated at 2.75 per cent (2020: 2.75 per cent) for severance payments and for anniversary bonuses. In the prior year, the annual increase for pension entitlements amounted to 2 per cent–2.125 per cent. The calculations are based on a discount rate of 0.8 per cent (2020: 0.5 per cent). Fluctuation discounts were not applied. As in the prior year, the calculation is based on the current version of AVÖ 2018-P für Angestellte. The average term of the obligations for severance payments is 10.6 years (2020: 10.7 years) and 33.4 years for pension benefits in the prior year.

The following table shows the sensitivity of the net present values of the obligations in response to certain changes in the inputs that, based upon reasonable judgement, may in principle occur. All other variables remain constant.

Actuarial assumption	Possible change	Change in the net present value for:	
		Pensions	Severance payments
Sensitivity analysis 2020:			
Discount rate	+1 percentage point	(647)	(212)
Discount rate	-1 percentage point	933	256
Salary increase	+0.5 percentage	201	118
Salary increase	-0.5 percentage	(184)	(109)
Sensitivity analysis 2021			
Discount rate	+1 percentage point	n/a	(249)
Discount rate	-1 percentage point	n/a	298
Salary increase	+0.5 percentage	n/a	137
Salary increase	-0.5 percentage	n/a	(127)

7.13.2. Other provisions

	Short-term	Long-term	Total
Changes in 2020:			
As at 1 January	758	–	758
Utilised	(120)	–	(120)
Additions	1,848	–	1,848
Releases	(242)	–	(242)
Exchange adjustments	(3)	–	(3)
As at 31 December	2,241	–	2,241
Changes in 2021:			
As at 1 January	2,241	–	2,241
Utilised	(195)	–	(195)
Additions	1,055	–	1,055
Releases	(159)	–	(159)
As at 31 December	2,942	–	2,942

The allocation of the provision was primarily connected to potential claims related to guarantees provided by the Group.

7.14. Trade and other payables and other current liabilities

	31/12/21	31/12/20
Composition:		
Trade liabilities	5,601	2,576
Other liabilities	2,151	2,748
Liabilities from acquisition of shareholder loans	1,750	–
Advance payments received – hotels	19	18
Advance payments received – other	586	483
Security deposits received	560	434
Security deposits	204	341
Liabilities to related parties	551	1,574
Payables due to joint ventures	473	708
	11,895	8,881

Other liabilities contain tax liabilities of EUR 742 thousand (2020: EUR 1,892 thousand), liabilities for social security contributions of EUR 146 thousand (2020: EUR 96 thousand), and accruals for unconsumed compensated absences of EUR 373 thousand (2020: EUR 358 thousand).

The advance payments received in the Hotels segment are classified as contract liabilities according to IFRS 15 and represent future performance obligations. At the beginning of the financial year, the Company had performance obligations pursuant to IFRS 15 in the amount of EUR 18 thousand, which were satisfied during the reporting period. The resulting revenues are included in the hotel revenues (see section 6.1.). At the end of the financial year, the Company had performance obligations in the amount of EUR 19 thousand that must be satisfied within one year.

For information on transactions with related parties, please refer to section 9.3.2.

Trade receivables are non-interest-bearing and generally have terms of 10 to 60 days. Current tax liabilities and liabilities for social security contributions are non-interest-bearing, except for late payment. These liabilities are generally due within 30 days. Other liabilities are non-interest-bearing.

7.15. Deferred liabilities

	31/12/21	31/12/20
Composition non-current:		
Advance rent received St. Petersburg	–	1,870
Other	64	87
	64	1,957

	31/12/21	31/12/20
Composition current:		
Advance rent received St. Petersburg	–	145
Other	95	84
	95	229

The advance rent payments received in St. Petersburg were fully consolidated as at the reporting date and are therefore no longer reported separately (see section 5.2.)

[08] Disclosures on Financial Instruments, Fair Value, and Financial Risk Management**8.1. Financial instruments and fair value (IFRS 7 and IFRS 13)****8.1.1. Carrying amounts and fair values according to class and measurement category**

The following shows the carrying amounts for financial instruments and for assets and liabilities that are measured at fair value, broken down by classes.

Measurement category as per IFRS 9 or other IFRS		IFRS 13 level	Carrying amount 31/12/21	Fair value 31/12/21	Carrying amount 31/12/20	Fair value 31/12/20
Assets – categories						
IAS 40	Investment properties (developed)	3	257,555	257,555	206,746	206,746
IAS 40	Investment properties (in development)	3	67,042	67,042	44,591	44,591
IAS 19	Refund claims (other assets)		–	–	997	997
FAAC	Financial assets – fixed rate	3	–	–	4,417	4,772
FVTPL	Other financial assets – derivative	3	399	399	–	–
FAAC	Other financial assets		1,543	1,543	4,155	4,155
FVOCI	Financial assets measured at fair value through other comprehensive income	3	5,504	5,504	5,625	5,625
	Other non-current assets		39,071		41,601	
	Total non-current assets		371,114		308,132	
FAAC	Receivables		1,384	1,384	944	944
FAAC	Cash and cash equivalents		11,192	11,192	8,931	8,931
FAAC	Financial assets – fixed rate		–	–	–	–
	Non-financial current assets and current assets not measured at fair value					
	Other current assets		4,428		2,658	
	Total current assets (including IFRS 5)		17,004		12,533	
	Total assets		388,118		320,665	
Liabilities – classes						
FLAC	Fixed-rate bonds	3	5,360	5,521	7,137	7,348
FLAC	Fixed-rate loans	3	152,539	154,583	74,295	78,695
FLAC	Variable-rate loans	3	37,026	37,489	78,329	80,394
FLAC	Lease liabilities		1,849	n/a	1,709	n/a
FLAC	Other non-current liabilities		5,466	5,466	5,059	5,059
FVTPL	Derivative financial instruments – interest rate swaps	3	–	–	320	320
	Other non-current liabilities		16,577		17,009	
	Total non-current liabilities		218,817		183,857	
FLAC	Fixed-rate bonds	3	1,861	1,879	1,890	1,907
FLAC	Fixed-rate loans	3	11,982	11,895	6,471	6,553
FLAC	Variable-rate loans	3	15,203	15,231	8,075	8,073
FLAC	Lease liabilities		314	n/a	217	n/a
FLAC	Other liabilities		10,029	10,029	6,033	6,033
	Other current liabilities		5,195		5,330	
	Total current liabilities (including IFRS 5)		44,584		28,016	
	Total liabilities		263,401		211,873	

		31/12/21	31/12/20
Summary of carrying amounts by category for financial assets and liabilities:			
FAAC	Financial assets at amortised cost	14,119	18,446
FVOCI	At fair value through other comprehensive income	5,504	5,625
FLAC	Financial liabilities at amortised cost	(241,629)	(189,213)
FVTPL	At fair value through profit or loss	(399)	(320)

The fair values were determined as follows:

The investment properties are recognised at fair value pursuant to IAS 40. The fair value is determined using the investment or DCF method, the residual value method, or the comparative method depending on the stage of development of the respective property (see also the information about material discretionary decisions and estimates in section 3.4.3.1.).

The fair value of the fixed-rate financial assets (fair value level 3) was determined in the same manner as the fair value of the financial liabilities. The carrying amounts of the cash and cash equivalents and of the current receivables and liabilities are almost identical with the fair values because of the short terms. The same applies to the other financial assets because of their interest rate structure.

Please see sections 7.7. and 8.1.3. for information about the measurement of the fair value of the financial assets measured at fair value through other comprehensive income.

The fair value for bonds and loans in level 3 of the fair value hierarchy was determined by discounting the future cash flows with the Group-specific interest rates for new financing as estimated on the reporting date, taking own credit risk into account. The fair value of the fixed-rate financial assets was determined in the same manner as the fair value of the financial liabilities.

The other derivatives pertain to interest rate swaps and are measured by the credit institutions with which the derivative transactions were concluded using recognised valuation models. The performance risk of the contract partners and the Group's own credit risk were deemed to be immaterial, and were therefore not taken into account separately.

8.1.2. Reconciliation of level 3 measurement (recurring fair value measurement)

The assets and liabilities that are subject to recurring fair value measurement changed as follows:

	2021	2020
Changes in assets:		
Carrying amounts at 1 January	256,962	278,697
Additions (including transfer of property, plant, and equipment)	67,285	3,302
Disposals	(37)	–
Gains/losses on remeasurement in profit or loss	686	(2,461)
Other comprehensive income	5,602	(22,576)
Carrying amounts at 31 December	330,500	256,962

The remeasurement result in the income statement pertains to investment properties, as in the prior year, and is included in the position Depreciation, amortisation, and remeasurement. As in the prior year, the remeasurement result in the other comprehensive income primarily pertains to the gains/losses on currency translation and, to a limited extent, changes in the value of financial assets measured at fair value through other comprehensive income. These are unrealised value changes in each case.

	2021	2020
Changes in liabilities:		
Carrying amounts at 1 January	320	–
Gains/losses on remeasurement in profit or loss	(320)	320
Carrying amounts at 31 December	–	320

The recurring fair value measurement pertains to an interest rate swap related to the project financing for Ogrodowa Office (see the information on derivative financial instruments in section 7.11.). The amount recognised in the income statement is an unrealised non-cash remeasurement result.

8.1.3. Measurement methods and inputs (recurring fair value measurement)

The following table shows the measurement method and input parameters relating to the recurring fair value measurement of financial instruments:

Level	Classes	Measurement method	Material inputs
3	Financial assets measured at fair value through other comprehensive income	Income-based	Cash flows, exit yield
3	Non-current derivative financial instruments – interest rate swaps	Income-based	Yield curve

No changes were made to the measurement methods in the reporting period.

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value.

Level	Classes	Material inputs	2021	2020
3	Financial assets measured at fair value through other comprehensive income	Exit yield	3.50%	3.30%
3	Financial assets measured at fair value through other comprehensive income	Cash flow (year one) in EUR '000	3,323	2,690

8.1.4. Sensitivity analysis for changes in unobservable material inputs (recurring measurement)

The following is quantitative information about material unobservable inputs that were used in the measurement of the fair value of financial instruments.

Level	Input	Change of assumption	Change in total comprehensive income before taxes	
			2021	2020
3	Financial assets measured at fair value through other comprehensive income:			
	Exit yield	+50 bp	-1,027	-1,221
	Exit yield	-50 bp	1,347	1,633
	Cash flow (year one)	+5%	528	770
	Cash flow (year one)	-5%	-528	-413

8.1.5. Net results from financial instruments

The following information pertains to the income and expense items and the gains and losses per measurement category as related to the financial instruments:

	Measurement categories according to IFRS 9				Total
	FVTPL	FAAC	FVOCI	FLAC	
Financial year 2020:					
Allocation/release of impairments		(126)			(126)
Interest and other financial revenue		653			653
Modification gain				125	125
Interest expenses				(8,746)	(8,746)
Expenses due to early redemptions				(56)	(56)
Unrealised remeasurement result	(331)				(331)
Result from exchange rate changes				(8,213)	(8,213)
Profit or loss for the period	(331)	527	–	(16,890)	(16,694)
Unrealised remeasurement result – equity			(617)		(617)
Net result from consolidated statement of comprehensive income	(331)	527	(617)	(16,890)	(17,311)
	FVTPL	FAAC	FVOCI	FLAC	Total
Financial year 2021:					
Allocation/release of impairments		(1)			(1)
Interest and other financial revenue		628			628
Gain on derecognition of liabilities				7,191	7,191
Interest expenses				(8,458)	(8,458)
Unrealised remeasurement result	407				407
Realised remeasurement result	324				324
Result from exchange rate changes				1,008	1,008
Profit or loss for the period	731	627	–	(259)	1,100
Unrealised remeasurement result – equity			(121)		(121)
Net result from consolidated statement of comprehensive income	731	627	(121)	(259)	979

All financial instruments that are measured at fair value through profit or loss are classified upon initial recognition.

Changes in the value of financial instruments measured at fair value through other comprehensive income (FVOCI) are reported in other comprehensive income without future reclassification to the income statement. The changes that occurred in the value of financial instruments measured at fair value through other comprehensive income (FVOCI) in the prior year also pertained to the other comprehensive income.

8.2. Financial risk management

In terms of financial risk management, the goal of the Group is to minimise risks to the greatest extent possible, taking the associated costs into account. A detailed description of the material financial risks to which the Group is exposed and the associated financial risk management (qualitative information on financial risks) can be found in the risk reporting section of the consolidated management report (Material Risks and Uncertainties to Which the Group is Exposed).

The following information is about the quantitative risks that relate to financial instruments.

8.2.1. Interest rate risk

The Group strives to maintain a risk-oriented relationship between fixed- and variable-rate financial liabilities.

On the reporting date, about 77 per cent (2020: 51 per cent) of the Group's debt obligations were fixed-rate obligations and are not subject to interest rate risk. Details about the interest rate terms for the variable-rate financial liabilities can be found in section 7.10.4.

Sensitivity of interest rate changes:

The following table shows the sensitivity of Group earnings before taxes to certain changes in material market interest rates that, based upon reasonable judgement, may in principle occur (owing to the impact of such changes on variable-rate loans). All other variables remain constant.

	Increase in basis points	Effect on the earnings before taxes	Reduction in basis points	Effect on the earnings before taxes
2020				
3M EURIBOR	+50	(508)	-50	508
2021				
3M EURIBOR	+50	(254)	-50	254

Interest rate risk for financial liabilities:

The following table shows the variable-rate financial liabilities of the Group that are subject to interest rate risk broken down by contractual maturity:

	2021	2022	2023	2024	2025	More than five years	Total
31/12/2020:							
Project loans	2,865	3,628	4,049	34,511	2,589	24,286	71,929
Borrowing/overdraft facilities	4,991	9,130	–	–	–	–	14,121
Other	544	–	–	–	–	–	544
	8,400	12,758	4,049	34,511	2,589	24,286	86,594
31/12/2021:							
Project loans	1,530	1,729	1,747	1,768	1,757	29,851	38,383
Borrowing/overdraft facilities	13,434	–	–	–	–	–	13,434
Other	413	–	–	–	–	–	413
	15,377	1,729	1,747	1,768	1,757	29,851	52,230

8.2.2. Currency risk

The currency structure of financial liabilities in the Group breaks down as follows:

	RUB	PLN	EUR	Total
31/12/2020:				
In foreign currencies	2,986,300	2,940		
In EUR	32,931	637	144,553	178,122
31/12/2021:				
In foreign currencies	2,133,525	2,590		
In EUR	25,378	563	200,193	226,134

Sensitivity of consolidated earnings:

The following table shows the sensitivity of the Group's earnings before taxes to certain changes in exchange rates that, based upon reasonable judgement, may occur for the respective currency versus the euro. All other variables remain constant.

	PLN	RUB	Total
Sensitivity 2020:			
Increase by 10%	(841)	(1,364)	(2,204)
Decrease by 10%	841	1,364	2,204
Increase by 20%		(2,727)	(2,727)
Decrease by 20%		2,727	2,727
Increase by 30%		(4,091)	(4,091)
Decrease by 30%		4,091	4,091
Sensitivity 2021:			
Increase by 10%	(702)	(1,384)	(2,085)
Decrease by 10%	702	1,384	2,085
Increase by 20%		(2,767)	(2,767)
Decrease by 20%		2,767	2,767
Increase by 50%		(4,151)	(4,151)
Decrease by 50%		4,151	4,151
Increase by 100%		(8,302)	(8,302)
Decrease by 100%		8,302	8,302

Sensitivity of equity:

The following table shows the sensitivity of the Group's equity to certain changes in exchange rates that, based upon reasonable judgement, may occur for the respective currency versus the euro. All other variables remain constant.

	PLN	Total
Sensitivity 2020:		
Increase by 10%	(22)	(22)
Decrease by 10%	22	22
Sensitivity 2021:		
Increase by 10%	(96)	(96)
Decrease by 10%	96	96

8.2.3. Default risk

Please refer to section 7.6. for quantitative information about default risk. This shows the impairments that were recognised and the maturity structure of the current receivables. The maximum default risk is limited to the carrying amount of the financial receivables. There is no evidence of impairment for the financial assets that are neither past due nor impaired.

In 2018, the Group began letting out smaller office spaces. This can lead to higher default risk for Warimpex if the creditworthiness of individual tenants fluctuates. So far, no noteworthy defaults have occurred in relation to the letting business. The Group continuously monitors this risk.

Overall, default risk is not seen as a core risk because of the business activities of the Group; impairment charges are recognised to the extent necessary.

8.2.4. Liquidity risk

The Group had current financial liabilities in the amount of EUR 39,514 thousand (2020: EUR 22,685 thousand) as at the reporting date. Of this, EUR 29,360 thousand (2020: EUR 16,652 thousand) pertain to current financial liabilities serving Group financing purposes.

The share of debt falling due within 12 months should not exceed 35 per cent of liabilities. On the reporting date, 16.7 per cent (2020: 13.2 per cent) of the liabilities were current.

The maturity structure of the Group's non-derivative financial liabilities was as shown below on the reporting date. The figures are stated on the basis of contractual, non-discounted payment obligations including interest payments.

Non-derivative financial liabilities:	Due within 1 year	1 to 5 years	More than 5 years	Total
Fixed-rate bonds	2,001	5,702	–	7,703
Fixed-rate project loans	17,197	85,060	125,170	227,428
Variable-rate project loans	2,333	10,119	33,747	46,200
Fixed-rate borrowing/overdraft facilities	4,306	–	–	4,306
Variable-rate borrowing/overdraft facilities	13,618	–	–	13,618
Lease liabilities	304	1,159	1,572	3,035
Other loans and borrowings	240	–	173	413
Trade and other payables	10,029	5,466	–	15,495
Total	50,028	107,506	160,663	318,197

8.2.5. Climate-related risks

Warimpex sees the sustainability of its properties as an important success factor and reinforces this with corresponding certifications for the majority of the property portfolio. In some cases, such certifications have already been issued and in other cases, the Company plans to pursue certification in the future. Nevertheless, the Company is exposed to climate-related risks.

Climate-friendly construction and the climate-friendly operation of office properties or hotels can lead to higher construction/operating costs. There is a risk that these costs will not be able to be passed on to the tenants or guests or that lower proceeds will be generated in the event of a sale.

In addition, there are risks in connection with the EU's Green Deal and the EU taxonomy that is based on it, including the defined environmental targets. According to the EU taxonomy, office properties are generally taxonomy-eligible. An initial analysis shows that 96 per cent of the existing properties fall into the category of taxonomy-eligible economic activity.

Nevertheless, there is a risk that the requirements for taxonomy alignment will be met to a lesser extent in the future due to older existing properties and/or new technical standards. This could make it more expensive and/or more difficult to secure loans. In addition, the demand for properties that are not taxonomy-aligned may decline among buyers or tenants, thus leading to a loss in the value of such properties.

[09] Other Disclosures

9.1. Other commitments, litigation, and contingencies

9.1.1. Litigation

During the reporting period, arbitration proceedings were initiated at the instigation of the contract partner in connection with the contractual guarantee provided by the Group to the buyer of the angelo hotel in Prague (see the information in section 9.1.3.2.). Based on the development of the proceedings thus far, the Group believes that it will most likely be possible to achieve the elimination or at least a reduction of the guarantee amount.

9.1.2. Contractual performance obligations (Investment Properties)

Before the reporting date, the Group committed to handing over rental spaces to tenants in Poland. In this context, Warimpex agreed to provide fit-out contributions for the future tenants in a total amount of EUR 570 thousand (2020: EUR 659 thousand).

9.1.3. Contractual bonds and guarantees

The Group was subject to the following contractual bonds and guarantees on the reporting date:

	Note	Maximum outstanding amount	
		2021	2020

Guarantees and bonds in the Group:

Credit guarantee for Jupiter office towers, St. Petersburg	9.1.3.1.	n/a	6,836
Guarantees related to the sale of the angelo Prague	9.1.3.2.	n/a	n/a

	Note	Maximum outstanding amount	
		2021	2020

Guarantees and bonds related to joint ventures:

Corporate guarantee and bank guarantee related to the leasing of the InterContinental hotel, Warsaw	9.1.3.3.	4,666	5,744
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9.1.3.1. Credit guarantee for Jupiter office towers, St. Petersburg

Due to the acquisition of the shares in AO Micos, which owns and lets out the Jupiter office towers, during the reporting period (see section 5.2.), the Group guarantee has been eliminated because the loan is now presented in full in the consolidated financial statements.

9.1.3.2. Guarantees related to the sale of the angelo hotel Prague

In the course of the sale of the angelo hotel in Prague in 2016, a contractual guarantee was agreed with the buyer with a term until 2021 assuring that the hotel manager would generate a usual annual GOP I (gross operating profit less management fees of the hotel manager) of at least EUR 1,800 thousand. During the settlement period from 11/2019 to 10/2020, hotel operations were significantly impacted by the COVID pandemic, so the guarantee could not be exercised or only exercised to a limited degree in the opinion of the Group. In addition, the hotel management agreement was terminated, which in and of itself nullifies the guarantee. In light of the negative hotel results, the buyer nevertheless lodged a claim for the payment of the guarantee amount. During the reporting period, the beneficiary of the guarantee initiated contractually defined arbitration proceedings for the enforcement of the claims that had been lodged. The Group is disputing the legal claim to this payment and has formed provisions for any costs that may nevertheless be incurred in connection with this matter.

9.1.3.3. Guarantee related to the InterContinental hotel, Warsaw

Warimpex issued a corporate guarantee to the lessor of the InterContinental hotel in Warsaw, which is operated by a 50/50 joint venture. Due to the financial losses of the hotel caused by the pandemic, the hotel lease agreement and the terms of the corporate guarantee were changed during the reporting period. As a result, the guarantee was extended until 30 September 2039 (previously until 31 March 2038) and will be reduced to EUR 1,377 thousand. There is also a bank guarantee in the amount of EUR 3,289 thousand with a term until October 2022, which has to be extended on an annual basis. Depending on the development of the pandemic, it may not be possible to generate even the reduced lease payments in 2022 and additional payments by the shareholders may be necessary. The Group has formed provisions for this. Discussions regarding further lease reductions are under way.

9.1.3.4. Contingencies

At two subsidiaries, there is a risk – but it is not more likely than not – that the tax authority will assess certain circumstances differently than the Company in the event of a tax audit. As a result, there is a risk of an additional tax payment of up to EUR 2,389 thousand.

9.2. Information about leases

9.2.1. Leases as the lessee

The disclosures required for leases according to IFRS 16 are either contained in the associated financial statement items or included in the notes and organised by topic. Below is an overview of the associated cross references in accordance with IFRS 16.52:

Disclosure in the notes	Cross reference
Description of the accounting methods	3.7.
Depreciation on right-of-use assets	7.2.1.
Interest expenses for lease liabilities	6.9.
Expenses for short-term leases	6.5.
Expenses for low-value leases	6.5.
Cash outflow for leases	7.10.3.
Additions and carrying amounts of right-of-use assets	7.1.1., 7.2.1
Maturity analysis for lease liabilities	8.2.4.
Variable lease payments, subleases, and sale and lease-back agreements	n/a

9.2.2. Operating leases as lessor

The Group is party to operating leases as lessor in relation to its let investment properties (particularly office buildings). As at the reporting date, this pertained to the following properties:

- Erzsébet office towers, Budapest
- Car park for Erzsébet, Budapest (from 6/2021)
- B52 office building, Budapest
- Zeppelin office tower, St. Petersburg
- Bykovskaya multi-use building, St. Petersburg
- Jupiter office tower, St. Petersburg (fully consolidated from 1/2022)
- Mogilska 41 Office, Krakow
- Mogilska 43 Office, Krakow
- Ogródowa Office, Łódź
- Office space at Hotel Darmstadt

The existing leases result in the following maturity analysis for the minimum lease payments:

	Total	Thereof up to 1 year	Thereof 1 to 5 years	More than 5 years
Future minimum lease payments, non-cancellable as at 31 December 2020	85,334	16,230	59,576	9,528
Future minimum lease payments, non-cancellable as at 31 December 2021	117,189	27,377	82,343	7,469

9.3. Related party disclosures

9.3.1. Overview of related parties

The following enterprises/persons are related parties to the Group and have the following business relations:

Amber Privatstiftung

A-1210 Vienna, Floridsdorfer Hauptstrasse 1 (FN 178109a, Commercial Court Vienna), as at the reporting date holds 10.7 per cent of the shares in Warimpex Finanz- und Beteiligungs AG. Franz Jurkowitsch is the beneficiary.

Bocca Privatstiftung

A-1210 Vienna, Floridsdorfer Hauptstrasse 1 (FN 178104v, Commercial Court Vienna), as at the reporting date holds 10.6 per cent of the shares in Warimpex Finanz- und Beteiligungs AG. Georg Folian is the beneficiary.

Ambo GmbH

A-1210 Vienna, Floridsdorfer Hauptstrasse 1 (FN 328097x, Commercial Court Vienna). Amber Privatstiftung and Bocca Privatstiftung each hold a 50 per cent stake in this company. Warimpex provides services to Ambo GmbH to a minor extent.

KDAG Data GmbH (KDAG):

A-1210 Vienna, Floridsdorfer Hauptstrasse 1 (FN 167302h, Commercial Court Vienna). Amber Privatstiftung and Bocca Privatstiftung each hold a 33 per cent stake in this company. Warimpex provides services to KDAG to a minor extent.

BOCCA IRODAHÁZ

Ingatlan-fejlesztési és hasznosítási kft. (Bocca kft.):

HU-1146 Budapest, Hungária körút 140–144 (HR 01-09-713920). Franz Jurkowitsch and Georg Folian each indirectly hold a 50 per cent stake in this company. The Group let out storerooms to Bocca kft. during the reporting period.

Georg Folian

Was Deputy Chairman of the Management Board of Warimpex Finanz- und Beteiligungs AG until 31 December 2017 and held 14.6 per cent of the shares in the Company on the reporting date.

Management Board:

The Management Board of Warimpex Finanz- und Beteiligungs AG is composed of the following members:

Name	Function	Stake in Warimpex Finanz- und Beteiligungs AG (direct):	Stake in Warimpex Finanz- und Beteiligungs AG (indirect as beneficiary):
Franz Jurkowitsch	Chairman	14.1%	10.7%
Daniel Folian	Deputy chairman	< 0.1%	n/a
Alexander Jurkowitsch	Member	0.6%	n/a
Florian Petrowsky	Member	< 0.1%	n/a

Supervisory Board:

The Supervisory Board of Warimpex Finanz- und Beteiligungs AG is composed of the following members:

Name	Function	Stake in Warimpex Finanz- und Beteiligungs AG:
Günter Korp	Chairman	< 0.1%
Thomas Aistleitner	Deputy chairman	0.0%
Harald Wengust	Member	0.5%
Gina Goëss	Member	0.0%
Hubert Staszewski	Member	0.0%

All subsidiaries and joint ventures:

Please refer to the information about subsidiaries in section 4. and to the information about joint ventures in section 7.3.

9.3.2. Related party transactions**9.3.2.1. Related party transactions**

	2021	2020
Dividend disbursement	–	(173)

9.3.2.2. Transactions with Bocca Privatstiftung

	2021	2020
Dividend disbursement	–	(172)

9.3.2.3. Transactions with Ambo GmbH

	2021	2020
Income from performance management	–	19
Receivable from Ambo GmbH as at 31 December	23	–

9.3.2.4. Transactions with KDAG

	2021	2020
Administrative income	–	31

9.3.2.5. Transactions with Bocca kft.

	2021	2020
Rental revenue	–	3
Receivable from Bocca kft. as at 31 December	–	4

9.3.2.6. Transactions with Georg Folian

	2021	2020
Consulting fee	(1)	(3)
Clerical activities for Mr Folian	16	18
	14	15
Receivables from Mr Folian as at 31 December	–	11

9.3.2.7. Transactions with Management Board members

	2021	2020
Directors' remuneration 1 January to 31 December (without provisions)	1,675	1,118
Liabilities due to Management Board members as at 31 December	551	1,586
<i>The directors' remuneration breaks down among the Management Board members as follows:</i>		
Franz Jurkowitsch	533	347
Daniel Folian	381	257
Alexander Jurkowitsch	381	257
Florian Petrowsky	381	257
	1,675	1,118

The directors' remuneration breaks down as follows:

	2021	2020
Regular remuneration	1,123	1,118
Variable remuneration (bonus)	552	–
Current benefits	1,675	1,118

In addition, the following provisions were recognised for future entitlements of the Management Board members:

	2021	2020
Change in provision for severance payments	60	79
Change in provision for pension benefits	–	237
	60	317

The variable remuneration (bonus) for the Management Board amounts to 4.5 per cent of the annual profit attributable to the shareholders of the parent. Due to the negative business results, the bonus of 4.5 per cent was not applied in the prior year.

Pension plans were in force for the Management Board members Daniel Folian, Alexander Jurkowitsch, and Florian Petrowsky on the reporting date. The associated agreements were amended during the reporting period and must now be recognised as defined contribution pension plans. This eliminates the allocation of provisions.

The entitlement to the retirement pension is valid from the time the beneficiary reaches the age of 65 and corresponds to the amount of the pension benefits from the pension reimbursement insurance with a 20-year pension guarantee period from the start of the pension payments. Adjustments to the insurance premiums and profit sharing for the pension reimbursement insurance increase the retirement pension. In the case of early retirement and collection of a permanent, legally stipulated pension, the beneficiary is eligible for an early retirement pension. Alternatively, the benefits can be transferred or settled via a lump-sum payment. The pension benefits vest three years after the original pension commitment in the event of termination without cause and after 15 years in the event of resignation.

Other termination entitlements are governed by the Austrian Salaried Employee Act (AngG).

9.3.2.8. Transactions with Supervisory Board members

	2021	2020
Supervisory Board remuneration	146	170
Fees paid to Supervisory Board members as at 31 December	111	–

The remuneration of the Supervisory Board breaks down among the Supervisory Board members as follows:

Günter Korp	63.0	62.0
Thomas Aistleitner	42.0	46.0
Harald Wengust	19.5	32.0
Hubert Staszewski	15.0	20.0
Gina Goëss	6.0	–
William de Gelsey (until 26 February 2021)	–	10.0
	145.5	170.0

The Supervisory Board members' remuneration represents current liabilities.

Transactions with the members of the Supervisory Board all pertain solely to the parent company.

9.3.2.9. Transactions with joint ventures

	2021	2020
Income from transactions with joint ventures	990	861
Expenses from joint ventures	(156)	(146)
Receivables due from joint ventures as at 31 December	1,905	4,429
Liabilities to joint ventures as at 31 December	(4,141)	(5,190)

The income from transactions with joint ventures primarily pertains to the allocation of costs to joint ventures and interest received from joint ventures. The expenses are interest expenses. The liabilities to joint ventures include the non-current payable related to the allocation of a security account for a rent guarantee.

Please refer to section 9.1.3. for information about contractual bonds and guarantees issued for joint ventures.

9.4. Events after the reporting date

On 24 February 2022, Russian troops invaded Ukraine, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time. For example, the Russian central bank more than doubled its key rate to 20 per cent and the rouble depreciated significantly against the euro. In April 2022, the key rate was lowered to 17 per cent and the rouble exchange rate stabilised at the pre-crisis level.

The Group owns properties in St. Petersburg (one hotel, two office properties, one multi-use building, and an office tower in the final phase of construction) with a value of EUR 148,780 thousand through Russian subsidiaries. With the exception of the building that is under construction, these properties are fully occupied and make up roughly 40 per cent of the Group's property assets. The financing for these properties was arranged through local banks and is denominated in roubles for the most part. Fixed interest rates or interest rate ceilings are defined in the credit agreements. Warimpex is represented in St. Petersburg by local employees working at local subsidiaries that manage the business operations in the country. The revenue attributable to Russia in the financial year came to EUR 14,606 thousand. Apart from capital injections completed in the past and guarantees for loans secured by mortgages, there are no financial links or ongoing business relationships between the Russian subsidiaries and the Group parent company or other Group companies.

New developments that were originally planned in St. Petersburg are not being pursued further at this time. The Management Board is monitoring the economic and legal developments in Russia very closely in coordination with the Supervisory Board in order to be able to react quickly to current events if necessary. At the time of the preparation of the financial statements, the Group estimates that losses from currency translation in the amount of approximately EUR 1,400 thousand will have to be recognised in the first quarter of 2022. Value decreases on Russian office properties as at 31 March 2022 are currently being evaluated within the Group; write-downs of 10 per cent are to be expected for the existing properties and up to 25 per cent for the project that is under construction. No negative effects are currently discernible in the hotel segment, and the occupancy and revenue of the Crowne Plaza hotel in St. Petersburg were above budget in March 2022. Further financial effects of this crisis on the consolidated financial statements are possible depending on the duration of the conflict, but cannot be reliably estimated at present.

Vienna, 26 April 2022



Franz Jurkowitsch
Chairman of the
Management Board



Daniel Folian
Deputy Chairman
of the Management Board



Alexander Jurkowitsch
Member of the
Management Board



Florian Petrowsky
Member of the
Management Board

Auditor's Report*

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of **Warimpex Finanz- und Beteiligungs Aktiengesellschaft, Vienna,**

and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2021 and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian Generally Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Emphasis of Matter

On February 24, 2022, Russian troops invaded Ukraine, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time.

This is a nonadjusting event after the reporting date, which has not to be included within the consolidated financial statements as of December 31, 2021. We draw the attention to the statements of the Management Board within the notes under "3.4.2. Effects of the the conflict in Ukraine" and "9.4 Events after the reporting date" and in the management report in the sections "Material Risks and Uncertainties to Which the Group is Exposed and Risk Management – item e) Political risks" and "Outlook".

Our audit opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters that we identified:

- Valuation of investment property
- Valuation of property, plant and equipment

* This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

*Title***Valuation of investment property***Risk*

Warimpex Finanz- und Beteiligungs Aktiengesellschaft reports investment properties in the amount of TEUR 324,596 and a result from revaluation amounting to TEUR 2,460 in the consolidated financial statements as of December 31, 2021.

Investment properties are measured at fair value based on valuation reports from external valuation experts.

The valuation of investment properties is subject to material assumptions and estimates. The material risk for every individual property exists when determining assumptions and estimates such as the discount/capitalisation rate and rental income and for investment properties under development the construction and development costs to completion and the developer's profit. A minor change in these assumptions and estimates can have a material impact on the valuation of investment properties.

The respective disclosures relating to significant judgements, assumptions and estimates are shown in Section 3.4.3.1. and 7.1. in the consolidated financial statements.

Consideration in the audit

To address this risk, we have critically assessed the assumptions and estimates made by management and the external valuation experts and performed, among others, the following audit procedures with involvement of our internal property valuation experts:

- Assessment of concept and design of the underlying property valuation process
- Assessment of the competence, capability and objectivity of the external valuation experts engaged by management
- Assessment of the applied methods and the mathematical accuracy of selected valuation reports as well as assessment of the plausibility of the underlying assumptions (e.g. Rental income, discount/capitalisation rate, vacancy rate), if available by means of comparison with market data
- Assessment of appropriate note disclosures

*Title***Valuation of property, plant and equipment***Risk*

Warimpex Finanz- und Beteiligungs Aktiengesellschaft reports property, plant and equipment in the amount of TEUR 36,590 and a result from reversal of impairment amounting to TEUR 470 in the consolidated financial statements as of December 31, 2021. Property, plant and equipment mainly consists of two hotel properties.

For property, plant and equipment with a certain useful life it is necessary to assess at the end of each reporting period whether there is any indication that an asset may be impaired or whether impairments of prior periods have to be reversed. If such an indication exists, the entity shall estimate the recoverable amount of the asset.

The recoverable amount is determined using valuation reports by external valuation experts and is subject to material assumptions and estimates. The material risk exists when determining assumptions and estimates such as the discount/capitalisation rate and future cash flows from hotel operation. A minor change in these assumptions and estimates can have a material impact on the valuation of property, plant and equipment.

The respective disclosures relating to property, plant and equipment and relating judgements, assumptions and estimates are shown in Section 3.4.1, 3.4.3.1 and 7.2. in the consolidated financial statements.

Consideration in the audit

To address this risk, we have critically assessed the assumptions and estimates made by management and the external valuation experts and performed, among others, the following audit procedures with involvement of our internal property valuation experts:

- Assessment of concept and design of the underlying property valuation process
- Assessment of the competence, capability and objectivity of the external valuation experts engaged by management
- Assessment of the applied methods and the mathematical accuracy as well as assessment of the plausibility of the underlying assumptions if available by means of comparison with market data
- Assessment of appropriate note disclosures

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the annual financial report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgement, and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based

on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

**Additional information in accordance
with article 10 EU regulation**

We were elected as auditor by the ordinary general meeting at September 14, 2021. We were appointed by the Supervisory Board on November 24, 2021. We are auditors without cease since 2007.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited nonaudit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mr. Alexander Wlasto, Certified Public Accountant.

Vienna, April 26, 2022

ERNST & YOUNG

WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT M.B.H.

Mag. Alexander

Wlasto mp

Wirtschaftsprüfer

Certified Public Accountant

ppa Mag. Benedicte

Maderthaler mp

Wirtschaftsprüferin

Certified Public Accountant

Supervisory Board Report

Fundamental aspects

The Supervisory Board of Warimpex Finanz- und Beteiligungs Aktiengesellschaft was regularly informed by the Management Board of all significant transactions, the development of business, the business and financial situation of the Group and its equity interests, and the outlook with regard to future developments in detailed verbal and written reports as well as at regular meetings during the 2021 financial year and properly fulfilled all of the duties and control functions required of it by law, the articles of association of the Company, and the terms of reference of the Supervisory Board. In particular, the Supervisory Board supervised the Management Board in the direction of the Company and ensured that the operations of the Company were managed properly. The Chairman of the Supervisory Board also maintained regular contact with the Chairman of the Management Board and his deputy, in particular to evaluate, discuss, and exchange ideas and information about the Company's strategic orientation, the future development of business, and the Company's risk management. One of the key topics at the Supervisory Board meetings during the 2021 financial year was the economic impact of the COVID-19 pandemic on the Company and its short- and medium-term development and the resulting strategic necessities. Discussions about the development of sales and earnings, liquidity forecasts, and the Company's financial position were also a regular and integral part of the Supervisory Board meetings.

The Company is committed to compliance with the Austrian Code of Corporate Governance (ACCG) as well as the Polish Best Practice for GPW Listed Companies 2021 (Best Practice). The Supervisory Board faithfully fulfilled the duties and responsibilities laid down in these codes in the interest of continuing and further developing the Company's responsible and sustainable corporate governance. The articles of association of the Company and the terms of reference of the Management Board and Supervisory Board are amended as needed to account for new legal requirements. Deviations from individual corporate governance rules defined in the ACCG or the Polish Best Practice relate to the Company's structure and/or to Polish rules that are not complied with due to the Company's primary orientation towards the relevant Austrian regulations.

Ms Gina Goëss was appointed as a new member of the Supervisory Board at the Annual General Meeting on 14 September 2021.

A total of five Supervisory Board meetings were held in financial year 2021 (some in the form of face-to-face meetings and some in the form of videoconferences due to the legal restrictions related to COVID-19), at which the necessary resolutions were adopted in each case. All members of the Supervisory Board fulfilled the minimum attendance requirements.

The remuneration report was reviewed by the Company's Supervisory Board and approved by way of circular resolution in June 2021.

Committees

The Supervisory Board has set up three permanent committees: the Audit Committee, the Project Committee, and the Personnel Committee. A separate strategy committee has not been formed because all such issues are handled by the Supervisory Board as a whole. The members of the committees are appointed for the duration of their tenure on the Supervisory Board. Each committee elects a chairman and a deputy chairman from among its members. An ad hoc committee can be formed if necessary. The resolutions that were adopted at the committee meetings were again discussed in detail at subsequent Supervisory Board meetings.

Audit Committee

In accordance with the law and the terms of reference of the Supervisory Board, the Supervisory Board has set up a permanent committee for reviewing and accepting the annual financial statements (approval of the consolidated financial statements), the proposal for the appropriation of profits, and the management report for the Company and the Group (Audit Committee). In addition to performing the other duties it is responsible for pursuant to the applicable stock corporation regulations, the Audit Committee reviewed the consolidated financial statements in cooperation with the auditor responsible for auditing the financial statements, issued a proposal on the selection of the independent auditor, and reported to the Supervisory Board on this. Mr Aistleitner took over the chairmanship of the Audit Committee from Mr Korp in December 2021 because the chairperson of the committee may not be the same person as the chairperson of the Supervisory Board according to item 2.9. of the new Polish Best Practice for GPW Listed Companies 2021. Therefore, Mr Aistleitner chairs the Audit Committee and, like his deputy, Mr Korp, possesses special knowledge and practical experience in finance and accounting and in financial reporting (financial expert). Along with the chairman and the deputy chairman, one other member of the Supervisory Board who is independent according to the terms of reference of the Supervisory Board sits on the Audit Committee.

Two Audit Committee meetings were held in financial year 2021.

Project Committee

In accordance with its terms of reference, the Supervisory Board has set up a permanent committee (Project Committee) to monitor and approve transactions that are subject to approval pursuant to § 95 (5) AktG and the terms of reference of the Management Board, provided that the total transaction

costs do not exceed EUR 50,000,000.00 (fifty million euros). When the total costs of the intended transaction exceed this limit, the transaction must be reviewed and approved by the Supervisory Board as a whole. The Project Committee is chaired by Supervisory Board member Harald Wengust. Two other members of the Supervisory Board who are independent according to the terms of reference of the Supervisory Board also sit on the Project Committee.

In financial year 2021, four motions were passed by way of circular resolution by the Project Committee: two in relation to the financing of the Avior Tower office building, one for the financing of the acquisition of shares in the project company for Jupiter Tower, and one pertaining to the purchase of the company shares in AO Avielen A.G. including shareholder loans from the minority shareholder.

Personnel Committee

In accordance with its terms of reference, the Supervisory Board has formed a permanent committee that is responsible for personnel matters between the Company and the Management Board (remuneration, issue of proposals for the filling of vacant posts on the Management Board, and succession planning). The Personnel Committee is chaired by Supervisory Board Chairman Günter Korp. Two other members of the Supervisory Board who are independent according to the terms of reference of the Supervisory Board also sit on the Personnel Committee.

No Personnel Committee meetings were held during financial year 2021.

Annual and consolidated financial statements for 2021

The annual financial statements, the management report, the consolidated financial statements, and the group management report for the year ended 31 December 2021 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The final result of this audit revealed no grounds for objection and the legal provisions were fully complied with, so that unqualified auditor's reports were issued.

The annual financial statements, the management report, the consolidated financial statements including the group management report (and the consolidated non-financial report), and the corporate governance report were reviewed by the Audit Committee after a comprehensive oral report by the auditor, and their acceptance was proposed to the Supervisory Board at its meeting on 26 April 2022. The Supervisory Board reviewed the annual financial statements including the management report, the consolidated financial statements including the group management report (and the consolidated non-financial report), and the corporate governance report prepared by the Management Board and approved the annual financial state-

ments. The Audit Committee also proposed to the Supervisory Board that Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. be appointed as the financial auditor for the Company and the Group for the financial year ending on 31 December 2022.

The Supervisory Board thanks the Management Board, the Company's managers, and all employees of Warimpex Group for their hard work and commitment during the financial year under particularly difficult circumstances due to the pandemic. At the time of the preparation of this report, the impact of the military conflict in Ukraine and the resulting economic and humanitarian consequences, the full scope of which cannot yet be estimated, weigh heavily on our minds. Warimpex and all of its employees hope that peace is restored as quickly as possible and further unnecessary suffering is prevented.

Due to its experienced Management Board and proven team, the Supervisory Board believes the Company is also well equipped for the medium- to long-term effects caused by the Ukraine crisis and wishes the Company continued success in the future.

Vienna, April 2022



Günter Korp
Chairman of the Supervisory Board

Declaration by the Management Board

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the Group as required by the applicable accounting standards and that the

group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, 26 April 2022



Franz Jurkowitsch

Chairman of the Management Board

Responsibilities:

Strategy and corporate communication



Daniel Folian

Deputy Chairman of the Management Board

Responsibilities:

Finances and accounting,
financial management, and investor relations



Alexander Jurkowitsch

Member of the Management Board

Responsibilities:

Planning, construction,
information management, and IT

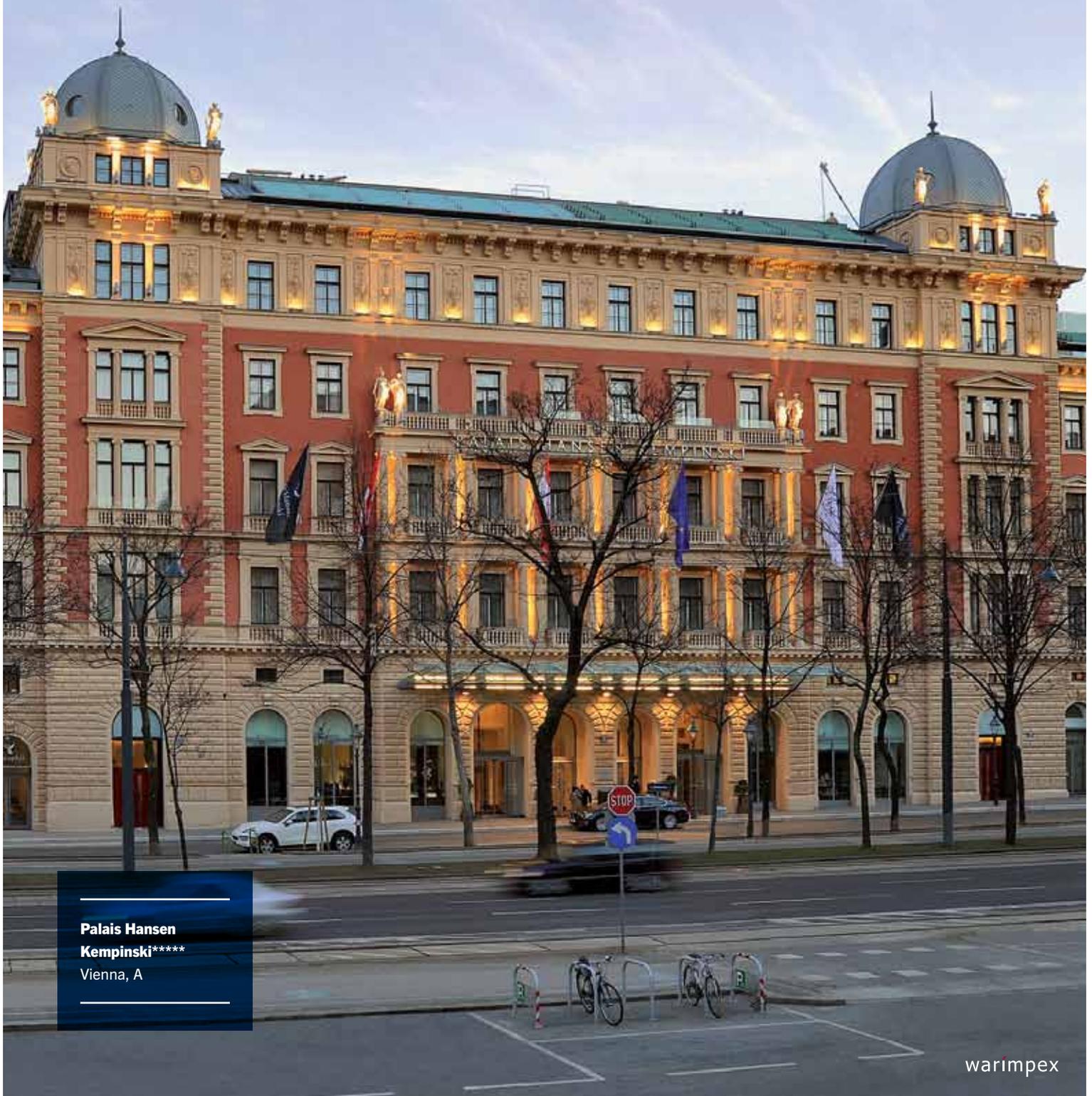


Florian Petrowsky

Member of the Management Board

Responsibilities:

Transaction management, organisation,
human resources, and legal issues



Palais Hansen
Kempinski*****
Vienna, A

Warimpex Portfolio Overview

31/12/2021

	City	Property	Certification	Ownership state as at reporting date	Year of construction	Floor area in m ²	Lettable space in m ²				Office and retail round
							Office	Retail	Other	Total	
INVESTMENT PROPERTIES											
Poland	Krakow	Mogilska 43	BREEAM In-Use – Excellent	100%	2019		11,344	1,565	264	13,173	12,900
	Krakow	Mogilska 41		100%	1967		5,088		283	5,371	5,100
	Łódź	Ogrodowa	BREEAM In-Use – Excellent	100%	2018		24,931	3,491	1,480	29,902	28,400
Total in Poland							41,363	5,056	2,027	48,446	46,400
Russia	St. Petersburg	Zeppelin	LEED – Gold	100%	2015	11.993	12,537		2,944	15,481	12,500
	St. Petersburg	Jupiter		100%	2012	4.711	16,807			16,807	16,800
	St. Petersburg	Airportcity Car Park		100%	2017	13.023	2,200		2,500	4,700	2,200
Total in Russia							31,544	–	5,444	36,988	31,500
Hungary	Budapest	B52		100%	2006		5,218		220	5,438	5,200
	Budapest	Erzsebet		100%	1963/65		14,355			14,355	14,400
Total Hungary							19,573	–	220	19,793	19,600
TOTAL INVESTMENT PROPERTIES							92,480	5,056	7,691	105,227	97,500
									Certified office and retail		53,800

HOTELS											
	St. Petersburg	Crowne Plaza		100%	2011						
	Darmstadt	Greet		100%	1988						

PROJECTS UNDER CONSTRUCTION											
	St. Petersburg	Avior 1	LEED – Gold	100%	2022		16,935			16,935	16,900
	Krakow	Mogilska Phase III	BREEAM In-Use – Excellent	100%	2023		10,628	1,248	–	11,876	11,900
							27,563	1,248	–	28,811	28,800

PROJECTS BEING IMPLEMENTED											
	Krakow	Chopin		100%			18,015	2,591		20,606	20,600
	Krakow	Mogilska Phase IV		100%			8,074	976		9,050	9,100
	Białystok	Offices		100%			33,431	5,024		38,455	38,500
	Darmstadt	West Yard 29		100%			11,449			11,449	11,400
							44,880	5,024	–	49,904	49,900

PROPERTY RESERVES											
	Darmstadt			100%							
	Mogilska			100%							
	St. Petersburg	Startovaya land plot		100%							
	Budapest			100%							

	Parking spaces	Total rental value	Total valuation rent	For NIY calculation		Occupancy by m ² , weighted	Occupancy rate by m ² in %	Rental value of available space	Effective occupancy rate (ERV) in %	Fair value	Gross rental yield in %	EPRA Net Initial Yield (NIY)
				Revenue cost (year 1)	Gross fair value							
	203						99 %		98 %			
	12						100 %		100 %			
	286						87 %		88 %			
	501	8,022	7,208	544	126,604	44,427	92 %	651	90 %	120,740	6,64 %	5,26 %
	208						100 %		100 %			
	–						100 %		100 %			
	445						100 %		100 %			
	653	11,153	18,167	2,172	101,801	36,988	100 %	–	100 %	101,801	10,96 %	15,71 %
	6						100 %		100 %			
	157						96 %		96 %			
	163	2,681	2,394	118	36,704	19,219	97 %	77	97 %	34,703	7,73 %	6,20 %
	1,317	21,856	27,769	2,834	265,109	100,634	96 %	728	97 %	257,244	8,50 %	9,41 %

Rooms												
	294											
	330											
	624									41,592		

	264											
	264									32,770		

	234											
	140											
	396											
	396									18,658		

15,360

365,624



Białystok Office
Białystok, PL

Financial Calendar

2022

27 April 2022*Publication of the Annual Report for 2021***9 May 2022***Record date for the Annual General Meeting***19 May 2022***Annual General Meeting***30 May 2022***Publication of the results
for the first quarter of 2022***30 August 2022***Publication of the results for the first half of 2022***29 November 2022***Publication of the results
for the first three quarters of 2022*

NOTES

In the interests of readability, we refrained from using gender-sensitive formulations. Statements referring to people are intended to be gender neutral.

We have compiled this report and checked the data with the greatest possible care. Nonetheless, rounding, typographical, or printing errors cannot be ruled out. The summation of rounded amounts and percentages may result in rounding differences. This report was prepared in German, English, and Polish. In cases of doubt, the German version is authoritative.

PUBLICATION DETAILS

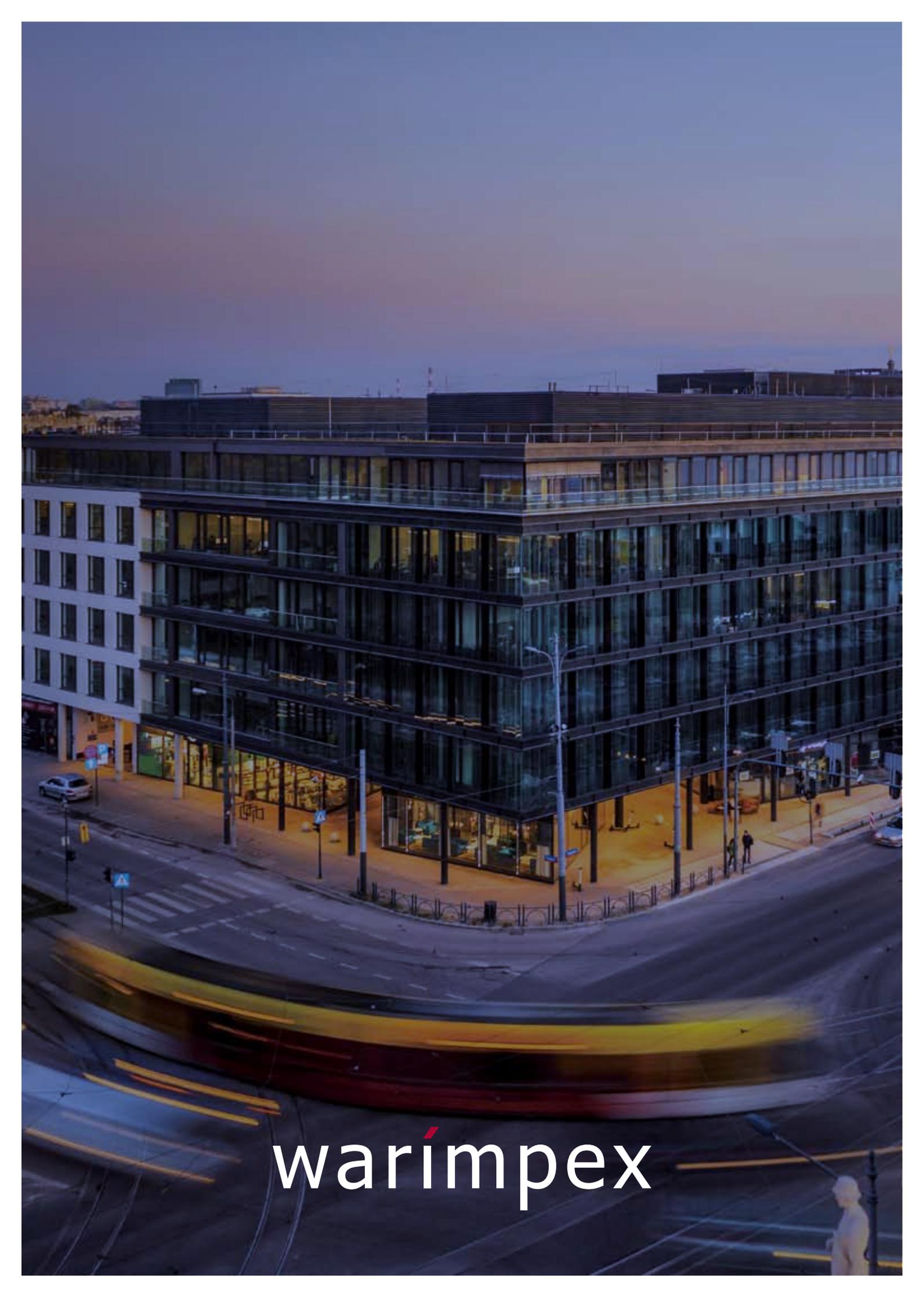
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Photos: Warimpex

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A photograph of a modern glass skyscraper at dusk. The building has a dark, metallic frame and large glass windows that reflect the twilight sky. The interior lights are on, and some floors have glass railings. In the foreground, a curved road shows light trails from moving vehicles, primarily yellow and white. A few people are visible on the sidewalk near the building's base. The sky is a mix of blue and purple.

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