

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

H1 2019 results:

Warimpex continues successful business development

- Profit for the period rises to EUR 17.9 million compared to loss of EUR 4.3 million in first half of 2018
- Acquisition of additional stake in AIRPORTCITY St. Petersburg and opening of Mogilska Office 43 in Krakow
- Re-entry into the German market through acquisition of a hotel property in Darmstadt

Vienna/Warsaw, 27 August 2019 – Warimpex Finanz- und Beteiligungs AG is continuing its successful development in the current financial year with a positive result for the first half of 2019. During the reporting period, Warimpex generated a profit of EUR 17.9 million (H1 2018: loss of EUR 4.3 million). This can be attributed primarily to property sales, valuation gains and exchange rate gains. Warimpex's strategic focus continues to be on building up its property portfolio and strengthening its earnings potential. The company's goal is to increase revenue and improve gross income.

“Following the sale of numerous assets in 2017, we used last year to set our strategic course. In particular, we are focusing on completing ongoing development projects, pursuing new developments, and acquiring cash-flow generating assets with potential for the future. The positive development of business demonstrates the success of this strategy,” commented Warimpex CEO Franz Jurkowitsch.

A detailed look at the results for the first half of 2019

Revenues in the Hotels segment fell to EUR 4.8 million, which represents a decline of 24 per cent compared with the first half of 2018. This can be attributed primarily to the sale of the operating company for the Dvořák hotel in the Czech town of Karlovy Vary. Revenues from the rental of office properties increased to EUR 9.2 million in the first half of 2019 (H1 2018: EUR 7.5 million). This revenue growth was largely driven by the purchase of the B52 office building in Budapest and the completion of Ogrodowa Office in the Polish city of Łódź in the previous financial year. Total revenues rose to EUR 15.2 million in the first half of 2019, while expenses directly attributable to revenues fell from EUR 6.3 million in the prior-year period to EUR 6.0 million. Gross income from revenues amounted to EUR 9.2 million (H1 2018: EUR 8.1 million).

Earnings before interest, taxes, depreciation, and amortisation and gains/losses on remeasurement (EBITDA) also increased, thanks in large part to property sales. While EBITDA came to EUR 2.9 million in the first half of 2018, it advanced to EUR 9.9 million during the reporting period. EBIT also rose from EUR 2.7 million to EUR 16.6 million due to property sales and measurement gains. The financial result (including earnings from joint ventures) improved from minus EUR 7.2 million to EUR 4.2 million. This includes changes in foreign

exchange rates in the amount of EUR 7.3 million (H1 2018: minus EUR 4.9 million). While the result for the first half of 2018 was a loss of EUR 4.3 million, the company generated a profit of EUR 17.9 million for the first six months of the current financial year. This improvement can be attributed primarily to gains on the sale of properties, exchange rate gains and valuation gains.

Acquisitions in St. Petersburg and Darmstadt, opening of an office project in Krakow

Warimpex's strategic direction is reflected in its activities during the first half of 2019. The acquisition of a 35 per cent stake owned by CA Immobilien AG in the project company AO AVIELEN A.G. was announced in May of this year. AVIELEN is responsible for the operation and development of AIRPORTCITY St. Petersburg, which is located in close proximity to the international airport in St. Petersburg. The transaction was successfully closed during the summer. Warimpex now holds 90 per cent of the shares in AVIELEN, and an additional 10 per cent stake is held by UBM Development AG. The reporting period also saw the company's re-entry into the German market. In April, Warimpex acquired a three-star conference hotel in Darmstadt. The location is distinguished by its rapidly growing economy, excellent infrastructure, and proximity to the Frankfurt metropolitan area, which is an important region for business travellers, as well as the Messe Frankfurt convention centre. The company plans to reopen the hotel and reposition it under a new brand before the end of the year. Additional refurbishment and renovation work will be completed without disrupting ongoing operations. The building also offers property reserves for additional development projects. On the Polish market, the Mogilska Office 43 project was completed in Krakow in April after a construction period of 21 months, and the grand opening was held in May. With a total of 12,000 square metres of space spread out over eight stories, Mogilska Office 43 offers tenants state-of-the-art offices, and the majority of the space is already let out. Emphasis was placed on meeting the highest environmental standards during the development of the project, as is evidenced by the fact that the building has received BREEAM certification (with a "Very Good" rating).

Outlook

"On the basis of selective purchases and consistent construction progress, we are confident that we will be able to further expand our portfolio volume by the end of the year – despite planned sales in the hotel segment. In the office segment, we expect to see a significant increase in revenues and an improvement in gross income thanks to rental revenue from new assets. We are particularly pleased to be active in Germany again in addition to our continued operations in our core markets of Poland, Russia, and Hungary. We look forward to dynamic and successful development over the remainder of the financial year," said Jurkowitsch in closing.

Key financial figures for the first half of 2019 at a glance (as at 30/6/2019):

in EUR '000	1–6/2019	Change	1–6/2018
Hotels revenues	4,809	-24%	6,296
Investment Properties revenues	9,229	23%	7,506
Development and Services revenues	1,188	99%	597
<i>Total revenues</i>	<i>15,225</i>	<i>6%</i>	<i>14,399</i>
Expenses directly attributable to revenues	-5,983	-5%	-6,317
<i>Gross income from revenues</i>	<i>9,242</i>	<i>14%</i>	<i>8,082</i>
Gains or losses from the disposal of properties	7,158	-	-
EBITDA	9,910	243%	2,892
Depreciation, amortisation, and remeasurement	6,721	-	-145
EBIT	16,631	505%	2,747
Earnings from joint ventures	380		34
Profit or loss for the period	17,922	-	-4,263
Profit or loss for the period (shareholders of the parent)	13,948	-	-2,461
Net cash flow from operating activities	-702	-	634
Segment information (including joint ventures on a proportionate basis):			
Hotels revenues	19,773	-6%	20,946
Hotels net operating profit (NOP)	4,785	-5%	5,050
NOP per available room in EUR	4,949	-	4,949
Investment Properties revenues	11,261	18%	9,513
Investment Properties EBITDA	8,316	11%	7,471
Development and Services revenues	1,513	66%	909
Gains or losses from the disposal of properties	7,158	-	-
Development and Services EBITDA	2,211	-	-4,055
	30/6/2019 ¹	Change	31/12/2018 ¹
Gross asset value (GAV) in EUR millions	318.2	18%	226.3
NNNAV per share in EUR	2.71	6%	2.4

Warimpex Finanz- und Beteiligungs AG at a glance

Warimpex Finanz- und Beteiligungs AG is a real estate development and investment company. The firm is headquartered in Vienna and is listed on the stock exchanges in Vienna and Warsaw. Its core focus is the construction and operation of hotels and offices in Central and Eastern Europe. Due to this combination of real estate development and asset management, Warimpex sees itself as a “hybrid” real estate company that operates properties itself until the time at which the highest added value can be realised through sale. The company has developed properties worth over one billion euros over the past 30 years and is currently active in CEE, Russia, Austria, Germany, and France. Warimpex believes in quality and sustainability as the basis for strong future growth.

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