

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

Results for the third quarter of 2019:

Warimpex continues on successful course with strongest quarterly results in company history

- **Profit for the period rises to EUR 57.5 million due to property sales, accounting gain, and exchange rate gains (2018: loss of EUR 6.5 million)**
- **Increased involvement in St. Petersburg, hotel sales in Paris, and reopening of hotel in Darmstadt**
- **Company to continue successful strategy focused on building up property portfolio, strengthening earnings potential, and realising new offerings**

Vienna/Warsaw, 29 November 2019 – Following a solid first quarter and positive results for the first half of the year, Warimpex Finanz- und Beteiligungs AG continued along its successful path in the third quarter of 2019, delivering the strongest quarterly results in the company's history. During the reporting period, the real estate development and investment company generated a profit of EUR 57.5 million – in comparison, a loss of EUR 6.5 million was reported for the third quarter of the prior year. These results were largely driven by gains on the disposal of properties, an accounting gain on the purchase of loans of former minority shareholders of a Russian group company, and exchange rate gains. Following the sale of numerous assets in 2017, Warimpex used the subsequent years to set its strategic course.

“The results for the third quarter confirm the success of our strategy, which is focused on completing ongoing developments, acquiring cash-flow generating assets with potential for the future, and strengthening our earnings potential. At the same time, we see one of Warimpex’s key strengths in the combination of the long-term planning and short decision-making channels typical of a family-run business with the flexibility and transparency of a listed company,” explained Warimpex CEO Franz Jurkowitsch.

The results in detail

Revenues in the Hotels segment fell to EUR 7.4 million, which represents a decline of 23 per cent compared with the prior-year period. This can be attributed to the sale of the operating company for the Dvořák hotel at the end of February 2019. The new hotel in Darmstadt was reopened at the beginning of September, and thus did not yet make a significant contribution to revenues in the third quarter of 2019. Revenues from the rental of office properties increased from EUR 11.3 million to EUR 14.3 million. This was largely due to the purchase of the B52 office building in Budapest in May 2018, the completion of Ogrodowa Office in Łódź in October 2018, and the completion and opening of Mogilska Office 43 in Krakow in May 2019. Total revenues rose to EUR 23.3 million during the first three quarters of 2019, while expenses directly attributable to

revenues remained constant at EUR 9.2 million. Gross income from revenues came to EUR 14.1 million, compared to EUR 12.4 million in the first nine months of the prior year.

During the first three quarters of 2019, Warimpex sold the Vienna House Dream Castle and Vienna House Magic Circus hotels in Paris, the operating company for the Dvořák spa hotel in Karlovy Vary, and an office property in Budapest. This brought the disposal result to EUR 27.9 million. Last year, Warimpex sold a reserve property located in Budapest for EUR 5.4 million. The property had already been valued at the sale price, so no sale proceeds were recognised in the prior-year period.

Earnings before interest, taxes, depreciation, amortisation, and gains/losses on remeasurement (EBITDA) rose from EUR 4.4 million in the comparison reporting period to EUR 53.4 million. This can be attributed primarily to property sales and an accounting gain of EUR 20.4 million on the purchase of loans of former minority shareholders of a Russian group company. EBIT improved from EUR 4.2 million to EUR 56.6 million. Depreciation, amortisation, and remeasurement went from minus EUR 0.2 million to EUR 3.1 million. The remeasurement result from the office assets came to roughly EUR 3.4 million, versus EUR 0.1 million in the third quarter of the prior year.

The financial result (including earnings from joint ventures) rose from minus EUR 10.6 million to EUR 4.5 million. This includes exchange rate gains in the amount of EUR 7.8 million following exchange rate losses of EUR 8.6 million in the comparison reporting period. The profit or loss for the period also improved: A profit of EUR 57.5 million was generated for the current reporting period, while a loss of EUR 6.5 million was reported for the first three quarters of 2018. This was primarily due to income from the sale of properties, an accounting gain, and exchange rate gains.

Activities in Russia, France, and Germany

Warimpex's activities in the third quarter largely centred around the markets in Russia, France, and Germany. Back in May, the acquisition of a 35 per cent stake in the project company AO AVIELEN A.G., which is responsible for the development and operation of AIRPORTCITY St. Petersburg, was announced. The transaction was successfully concluded on 12 August after all of the prerequisites for the closing were satisfied. Warimpex now holds 90 per cent of the shares in the project company AVIELEN, and an additional 10 per cent stake is held by UBM Development AG. AIRPORTCITY St. Petersburg offers tremendous potential for further development, as looser visa requirements in Russia will make things easier for holiday and business travellers and thus provide an additional boost for the location. In addition to a four-star Crowne Plaza hotel, three modern office buildings with a total lettable space of roughly 31,000 square metres have been built thus far. A majority stake in the two fully occupied towers from the first construction phase, Jupiter 1 and Jupiter 2, was sold in 2015. The third tower, Zeppelin, is fully let out. In addition, AIRPORTCITY St. Petersburg offers property reserves for around 150,000 square metres of office space. In the third quarter, construction started on another office tower (Avior Towers) with roughly 18,000 square metres of office space.

In August, Warimpex also announced the sale of the Vienna House Dream Castle and Vienna House Magic Circus hotels at Disneyland® Paris to a 50/50 joint venture between the British private equity fund manager Benson Elliot Capital Management and Schroder Real Estate Hotels (formerly Algonquin). Warimpex and UBM had developed the hotels as part of a 50/50 joint venture, and the sale was successfully concluded on 27 September.

The preparations for the reopening of the hotel property in the German city of Darmstadt that Warimpex acquired in April were also completed during the third quarter of 2019. Cycas Hospitality was tasked with managing the three-star eco-lifestyle conference hotel. During a year-long refurbishment programme, the hotel will be converted to the new Accor brand “greet” while remaining open for business and will then be repositioned on the market in autumn 2020. The reopening took place in early September, and “The Hotel Darmstadt – soon to be greet” began contributing to Warimpex’s revenues. In order to take advantage of the central location and proximity to leading technology companies, the recently renovated telecom training centre that is part of the property will begin offering coworking spaces and offices before the end of the year. The 29,000 square metre hotel property also has property reserves for the development of additional premium office and commercial space. Warimpex will now start using this development potential to create new offerings.

Outlook

“The current financial year is shaping up to be one of the most successful years in the history of Warimpex. We will continue on our successful course, which is shaped by the focus on building up our property portfolio, creating new offerings, and strengthening our earnings potential. We have a number of exciting activities on the agenda, including development projects in the Polish cities of Krakow and Białystok, the refurbishment of the hotel in Darmstadt without disrupting ongoing operations, and the continuing development of AIRPORTCITY St. Petersburg in Russia. All of this makes us optimistic for the future,” said Warimpex CEO Franz Jurkowitsch in closing.

Key financial figures for the third quarter of 2019 at a glance (as at 30 September 2019):

in EUR '000	1–9/2019	Change	1–9/2018
Hotels revenues	7,438	-23%	9,681
Investment Properties revenues	14,299	27%	11,290
Development and Services revenues	1,602	144%	657
Total revenues	23,339	8%	21,629
Expenses directly attributable to revenues	-9,193	-	-9,210
Gross income from revenues	14,147	14%	12,418
Gains or losses from the disposal of properties	27,938	-	-
EBITDA	53,429	-	4,353
Depreciation, amortisation, and remeasurement	3,125	-	-197
EBIT	56,554	-	4,157
Earnings from joint ventures	1,821	111%	862
Profit or loss for the period	57,489	-	-6,464
Profit or loss for the period (shareholders of the parent)	53,024	-	-3,042
Net cash flow from operating activities	918	-24%	1,205
Segment information (including joint ventures on a proportionate basis):			
Hotels revenues	31,750	-6%	33,640
Hotels net operating profit (NOP)	7,972	-11%	8,912
NOP per available room in EUR	8,403	-3%	8,707
Investment Properties revenues	17,371	22%	14,240
Investment Properties EBITDA	12,993	15%	11,306
Development and Services revenues	2,049	84%	1,115
Gains or losses from the disposal of properties	27,938	-	-
Development and Services EBITDA	41,641	-	-6,527
	30/6/2019 ¹	Change	31/12/2018 ¹
Gross asset value (GAV) in EUR millions	318.2	18%	269.9
NNNAV per share in EUR	2.71	6%	2.56

¹ As no external valuation of the portfolio was completed as at 30 September 2019 or 30 September 2018, the latest available values are shown.

Warimpex Finanz- und Beteiligungs AG at a glance

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

Contact:**Warimpex Finanz- und Beteiligungs AG**

Christoph Salzer, presse@warimpex.com

Daniel Folian, investor.relations@warimpex.com

Tel. +43 1 310 55 00

www.warimpex.com

**Ecker & Partner Öffentlichkeitsarbeit
und Public Affairs GmbH**

Nele Renzenbrink, Michael Moser

presse@warimpex.com

Tel. +43 59932-28