

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

Warimpex in 2020:

Rental revenue stable despite coronavirus, operating result positive, result for year negative due to economic developments

- **Operational performance:** revenues from office properties up 4 per cent – revenues from hotels down 64 per cent due to coronavirus – EBITDA positive at roughly EUR 3 million
- **Loss of EUR 31.1 million** for the period due to negative hotel results, lack of property transactions, and losses from property valuation and currency translation
- **Developments:** building permits obtained for two office development projects in Poland – focus on sustainability
- **Outlook for 2021:** focus on construction preparations, obtaining additional building permits, and ongoing development projects – positive operating result expected

Vienna/Warsaw, 27 April 2021 – The past year was dominated by the COVID-19 pandemic in both social and economic terms. For the Warimpex Group, the effects of the coronavirus crisis were primarily felt in the first half of 2020. Developments in the second half of the year were relatively stable by comparison. Nevertheless, a negative result in the Hotels segment due to the pandemic, the lack of profits from property sales, property impairments, and currency losses led to a loss of EUR 31.1 million for the 2020 financial year. Revenues from the rental of office properties increased by 4 per cent despite the depreciation of the rouble, the operating result (EBITDA) remained positive at roughly EUR 3 million, and good progress was made on the developments in Poland, Germany, and Russia.

"Warimpex remains on solid financial footing at the beginning of the 2021 financial year. Office properties with long-term leases that are contractually assured account for 73 per cent of our overall portfolio, and there was hardly any impact here. The payment discipline of our office tenants remains high, which can also be seen in the persistently positive operating business in this segment. Attractive locations and the high quality of the assets are a major advantage," said Franz Jurkowitsch, CEO of Warimpex. "Nearly all of our office properties have been newly built or extensively refurbished in recent years and have received sustainability certificates. This allows us to satisfy the latest requirements of our tenants."

A detailed look at the figures for the 2020 financial year

Revenues from the rental of office properties increased by 4 per cent to EUR 20.6 million during the reporting period, primarily due to the completion of the Mogilska 43 Office building in Krakow in May 2019 as well as new lettings at Ogrodowa Office in Łódź. Due to the measures to combat the pandemic, revenues in the Hotels segment fell by 64 per cent to EUR 3.6 million. Overall, revenues declined by 19 per cent to EUR 25.7 million. No real estate transactions were conducted in 2020. The lack of property sales and negative results from the Hotels segment caused EBITDA to decrease to EUR 3 million (2019: EUR 29.9 million). Depreciation,

amortisation, and remeasurement came to minus EUR 10.7 million for the financial year (2019: EUR 14.9 million). Market value adjustments to office assets (investment properties) – primarily Polish properties – accounted for minus EUR 7.8 million of this amount, while measurement gains in the amount of EUR 15.3 million were recognised in the prior-year period. Impairment for hotels amounted to EUR 1 million (2019: impairment reversal of EUR 1.2 million). After accounting for depreciation, amortisation, and remeasurement, EBIT fell to minus EUR 7.7 million (2019: EUR 44.7 million).

The financial result (including earnings from joint ventures) went from EUR 25.8 million to minus EUR 21.4 million. This includes exchange rate losses of EUR 8.2 million and losses from joint ventures of EUR 4.9 million.

On the whole, this caused the Warimpex Group's result for the period to decline from the record level of EUR 66.5 million in the previous year to minus EUR 31.1 million. This decline can be attributed to the lack of property sales and accounting gains as well as to losses from property valuation and currency translation and negative results from the Hotels segment due to the pandemic.

Pushing ahead with development projects with a focus on sustainability

During the last financial year, Warimpex primarily focused on making progress on planned development projects in order to be optimally prepared for the reopening of the markets.

In Poland, building permits were issued for the Mogilska Phase III office development in Krakow and the office development project in Białystok after the end of the reporting period. In line with Warimpex's strategy, construction will start as soon as an appropriate level of tenant interest has been secured.

At AIRPORTCITY St. Petersburg, the building shell for Avior Tower 1 – which will offer roughly 16,000 square metres of lettable office space – has been completed. The opening is scheduled for the second quarter of 2022.

In 2019, Warimpex purchased a hotel in the German city of Darmstadt that is currently being renovated and adapted to the Accor brand "greet". The reopening is planned for the autumn of 2021. 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 are already at an advanced stage.

"Our activities in 2021 will focus on making preparations for construction and obtaining additional building permits as well as on continuing ongoing construction and starting new construction work," explained Jurkowitsch, adding, "Sustainability and climate protection will also play a significant role here. All of our new buildings are certified during the construction process with regard to energy efficiency, the use of renewable energy sources, the reduction of carbon dioxide emissions, and the quality of interior space, and certification will gradually be obtained for our developed properties. These certifications confirm the high sustainability standards for the properties of the Warimpex Group."

Outlook

"The global challenge for 2021 continues to be combating the COVID-19 pandemic. Its overall effects and their economic impact still cannot be conclusively assessed due to the dynamic development of the situation, which Warimpex is monitoring on an ongoing basis. Provided the projected economic recovery materialises, we expect the stable development of our business activities to continue. Our updated planning calculations show positive results from operating activities (EBITDA) and sufficient liquidity for 2021. With a crisis-tested team, deep roots in our core markets, excellent relationships with strong partners, and the economic strength of our business model and financial base, we are optimally equipped to overcome the current and coming challenges," concluded Jurkowitsch.

Key financial figures for financial year 2020 at a glance:

in EUR '000	2020	Change	2019
Investment Properties revenues	20,604	4%	19,861
Hotels revenues	3,607	-64%	9,987
Development and Services revenues	1,449	-19%	1,794
<i>Total revenues</i>	<i>25,660</i>	<i>-19%</i>	<i>31,641</i>
Expenses directly attributable to revenues	-11,288	-20%	-14,169
<i>Gross income from revenues</i>	<i>14,371</i>	<i>-18%</i>	<i>17,473</i>
Gains or losses from the disposal of properties	-	-	28,934
EBITDA	2,979	-90%	29,858
Depreciation, amortisation, and remeasurement	-10,666	-	14,868
EBIT	-7,687	-	44,726
Earnings from joint ventures	-4,858	-	3,585
Financial result	-21,426	-	25,756
Profit or loss for the period	-31,119	-	66,505
Profit or loss for the period (shareholders of the parent)	-29,691	-	61,472
Net cash flow from operating activities	2,463	-	-41
Segment information (including joint ventures on a proportionate basis):			
Investment Properties revenues	24,383	2%	24,015
Investment Properties EBITDA	16,488	2%	16,170
Hotels revenues	7,483	-80%	37,545
Hotels net operating profit (NOP)	-1,909	-	9,114
Development and Services revenues	1,449	-35%	2,241
Gains or losses from the disposal of properties	-	-	28,934
Development and Services EBITDA	-8,693	-	16,355
	31/12/2020	Change	31/12/2019
Gross asset value (GAV) in EUR millions	301.8	-7%	333.3
NAV per share in EUR	2.46	-28%	3.41

Warimpex Finanz- und Beteiligungs AG at a glance

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

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