

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

Warimpex Q1 2021:

Significant improvement in result for period

- **Result for period increases from minus EUR 18.7 million to minus EUR 0.5 million due to cost reductions, positive results from property valuation, and improved financial result**
- **Operational performance: increase in revenues from office properties in local currency, but lower rouble exchange rate leads to slight decline in euros (minus 8 per cent) – revenues from hotels down 69 per cent due to coronavirus – EBITDA increases to EUR 1.6 million**
- **Developments: building permits obtained for two office development projects in Poland**

Vienna/Warsaw, 28 May 2021 – Warimpex Finanz- und Beteiligungs AG saw a significant increase in the Group's result for the period, which went from minus EUR 18.7 million in the prior-year period to minus EUR 0.5 million in the first quarter of 2021. Operating activities also developed positively, as revenues from office properties increased in local currency. However, the company reported a slight decline in euros due to the lower rouble exchange rate compared with the previous year. EBITDA and EBIT both improved and climbed into positive territory.

“The first reopening steps and the steady vaccination progress in the majority of European countries are leading to an improvement in the social and economic situation at the moment. However, combatting the COVID-19 pandemic remains a global challenge in 2021. The effects of the crisis still cannot be fully assessed at present, but experts are projecting an economic recovery and growth in nearly every sector for this year and next year – including in our markets, which naturally makes us optimistic,” said Franz Jurkowitsch, CEO of Warimpex, adding, *“Warimpex remains on solid financial footing at the beginning of the 2021 financial year. The majority of our portfolio is made up of office properties with long-term leases that are contractually assured, and these properties generate cash flow on an ongoing basis. We concluded another lease for 900 square metres of space at Mogilska 43 Office in Krakow in May 2021, thus after the end of the reporting period. This brings the building's occupancy rate to 98 per cent, which is especially pleasing in light of the challenging market conditions at the moment.”*

The figures for the first quarter of 2021 in detail

Warimpex's operational performance was positive once again in the first quarter of 2021. Revenues from the rental of office properties declined by 8 per cent to EUR 4.9 million due to the 15% decline in the rouble exchange rate compared with the first quarter of 2020. Before the conversion into euros, i.e. in local currency terms, the company achieved a slight increase in revenues from office properties. Revenues in the Hotels segment fell by 69 per cent to EUR 0.7 million as a result of the COVID-19 pandemic and the temporary hotel closures. Total revenues dropped by 24 per cent to EUR 6.1 million, while the expenses attributable to revenues

were reduced by 38 per cent to EUR 2.5 million. This resulted in gross income from revenues of EUR 3.5 million, which represents a decline of 8 per cent.

EBITDA increased from EUR 0.9 million to EUR 1.6 million, primarily due to a reduction of expenses. EBIT climbed into positive territory, increasing from minus EUR 2.4 million to EUR 2.1 million. Along with the improvement in EBITDA, this can be attributed to a positive result from property valuations, compared with a measurement loss in the prior-year period.

Finance income (including earnings from joint ventures) went from minus EUR 13.0 million to minus EUR 2.5 million. This includes gains from currency translation in the amount of EUR 0.3 million (2020: loss of EUR 8.2 million) and losses from joint ventures of EUR 0.8 million (2020: loss of EUR 3.1 million) in connection with negative hotel results.

Overall, this led to an improvement in the result for the period for the Warimpex Group from minus EUR 18.7 million in the previous year to minus EUR 0.5 million.

Pushing ahead with development projects in the office and hotel segments

The current projects are progressing according to plan. In Poland, legally valid building permits have now been obtained for the Mogilska Phase III office development in Krakow and the office development project in Białystok. In line with Warimpex's strategy, construction will start as soon as an appropriate level of tenant interest has been secured. Also in Krakow, an office building with a total lettable floor area of roughly 21,000 square metres is being planned next to the Chopin Hotel.

At AIRPORTCITY St. Petersburg, development continues on Avior Tower 1, which will offer roughly 16,000 square metres of lettable office space. The building shell is already complete, and the opening is scheduled for the second quarter of 2022.

In the German city of Darmstadt, a hotel that was acquired in 2019 is currently being renovated. The hotel is scheduled to reopen under a new brand in the autumn of 2021. In addition, an office building with roughly 13,800 square metres of lettable space is currently being planned next to the hotel and further space is being prepared for development.

Outlook

In 2021, Warimpex's activities will focus on making preparations for construction and obtaining building permits for its current development projects as well as on continuing ongoing construction and starting new construction work. At the same time, the topic of sustainability is becoming an increasingly important focus. Energy efficiency, the use of renewable energy sources, and the reduction of carbon dioxide emissions are no longer peripheral topics, but key requirements for the construction and operation of buildings. Therefore, Warimpex aims to obtain further sustainability certifications for the property portfolio.

In closing, Franz Jurkowitsch had the following comment: *“On the whole, we expect the stable development of our business activities to continue – the current reopening measures in Europe will presumably lead to a recovery, particularly in the hotel industry. As such, 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 well equipped to overcome the current and coming challenges.”*

Key financial figures for the first quarter of 2021 at a glance:

in EUR '000	1–3/2021	Change	1–3/2020
Investment Properties revenues	4,929	-8%	5,379
Hotels revenues	670	-69%	2,151
Development and Services revenues	451	18%	383
<i>Total revenues</i>	<i>6,051</i>	<i>-24%</i>	<i>7,913</i>
Expenses directly attributable to revenues	-2,544	-38%	-4,092
<i>Gross income from revenues</i>	<i>3,506</i>	<i>-8%</i>	<i>3,821</i>
Gains or losses from the disposal of properties	-	-	-
EBITDA	1,623	75%	930
Depreciation, amortisation, and remeasurement	515	-	-3,337
EBIT	2,138	-	-2,407
Earnings from joint ventures	-783	-	-3,080
Financial result	-2,480	-81%	-12,963
Profit or loss for the period	-535	-97%	-18,722
Profit or loss for the period (shareholders of the parent)	-578	-97%	-17,278
Net cash flow from operating activities	1,106	-	997
Segment information (including joint ventures on a proportionate basis):			
Investment Properties revenues	5,786	-10%	6,436
Investment Properties EBITDA	3,341	-20%	4,183
Hotels revenues	876	-79%	4,117
Hotels net operating profit (NOP)	-609	-	-27
Development and Services revenues	451	18%	383
Gains or losses from the disposal of properties	-	-	-
Development and Services EBITDA	-313	-	-1,876
	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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