

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

Warimpex generates positive result for 2021

- **Result for 2021 financial year significantly improved at EUR 12.0 million (2020: minus EUR 31.1 million)**
- **Occupancy of office properties at 96 per cent**
- **Progress continues on current office developments, new leases in Hungary and Poland, construction start in Krakow**

Vienna/Warsaw, 27 April 2022 – The Warimpex Group achieved a positive operational performance in 2021. The hotel segment saw a particularly solid recovery compared with the weak year caused by the pandemic in 2020 and in the office segment, properties with long-term leases that are contractually assured generated ongoing cash flows. Along with obtaining important building permits for development projects in Poland, the company started the construction of Mogilska 35 Office in Krakow. New leases were concluded in Budapest and Krakow, so B52 Office and Mogilska 43 Office are both fully occupied now. The overall occupancy rate for the office properties is 96 per cent. The Warimpex Group's result for the period improved significantly, going from a loss of EUR 31.1 million to a gain of EUR 12.0 million.

“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,” commented Warimpex CEO Franz Jurkowitsch. *“However, that normalcy is now slipping further away again due to the events in Ukraine and all of the resulting human suffering. The full scope of the economic effects caused by the international sanctions against Russia as well as Russia's counterreactions is difficult to predict due to the volatile situation, and we are monitoring the developments on an ongoing basis. We are supporting local aid projects and making transport arrangements for refugees to our hotel in Darmstadt, where we are providing accommodations for them on a medium-term basis.”*

Warimpex closes 2021 financial year with positive result for the period

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 by 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.

Start of construction and building permits in Poland

In 2021, Warimpex focused on making progress on its current 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. The company has acquired smaller, partially developed properties adjacent to this site in recent years, where it is planning the construction of the Mogilska Phase IV project. The initial demolition work has already begun. In Białystok, the building permit was obtained for a construction project encompassing three buildings with roughly 33,400 square metres of office space and 5,000 square metres of commercial space. In addition, Warimpex 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 the company's strategy, construction will start 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 stable 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 the Russian subsidiaries can act autonomously and independently of the support of the parent company. Therefore, the consequences of the events in Ukraine 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.

Along with the greet hotel, Warimpex has 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

Warimpex's operational focus in 2022 is on making preparations for construction, obtaining building permits, and continuing ongoing construction. The topic of sustainability will continue to be a priority: Climate change is resulting in new requirements for properties, including for new buildings, existing buildings, and when it comes to the operation. Therefore, particular emphasis is placed on energy efficiency, the use of renewable energy, and the reduction of carbon dioxide emissions at all properties. With this in mind, Warimpex will continue striving to obtain sustainability certifications in the future. In Poland, the 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.

In closing, Franz Jurkowitsch had the following comment: *“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 events 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.”*

Key financial figures for financial year 2021 at a glance:

in EUR '000	1–12/2021	Change	1–12/2020
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	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%	2,468
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
Hotels 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
	31/12/2021	Change	31/12/2020
Gross asset value (GAV) in EUR millions	365.8	21%	301.8
NNNAV per share in EUR	2.76	12%	2.46
EPRA NTA	2.63	10%	2.39

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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