

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

Warimpex posts profit of EUR 13.4 million for the first half of 2022

- **Significantly improved profit for the period of EUR 13.4 million (1–6 2021: EUR 1.7 million)**
- **Revenues from the rental of office properties up by 52% and Hotels revenues up by 77%, EBITDA more than doubled**
- **Net asset value 40% higher at EUR 3.7 per share**
- **Property disposal in Budapest and acquisition in Łódź**

Vienna/Warsaw, 30 August 2022 – The Warimpex Group is pleased to report positive operating performance for our office properties and hotels in the first half of 2022. Revenues from office property rental and from hotel operations improved in annual comparison. Two transactions were also successfully closed in June, one being the sale of the B52 office building in Budapest with over 5,200 square metres of net floor space under a share deal. The other was Warimpex's purchase of Red Tower in Łódź with over 12,400 square metres of lettable space. Plans are in place to renovate the office tower and to expand it with a co-working zone and conference rooms. Around 40 per cent of the space at the building is occupied at the moment. In total, this resulted in a profit for the Warimpex Group in the first half of 2022 of EUR 13.4 million, up from EUR 1.7 million in the previous year.

"We are very pleased with the positive development of our business operations. But the general economic conditions are still being impacted by the conflict in Ukraine, the western sanctions against Russia, and Russia's reactions to these sanctions. After falling substantially at the end of February, the rouble stabilised starting in April 2022 and strengthened considerably in June 2022 – including in annual comparison," noted Franz Jurkowitsch, Warimpex's CEO.

Substantially improved profit for the period

The financial metrics for the Warimpex Group in the first half of the year were as follows: Revenues from the rental of office properties rose from EUR 9.7 million to EUR 14.7 million in the first six months of this year. This was primarily due to the inclusion of the revenues from the Jupiter office towers at AIRPORTCITY St. Petersburg, which have been fully consolidated in the Group since the end of 2021, as well as to the substantially stronger rouble. Hotel revenues grew from EUR 2.2 million during the first half of 2021, a weak period due to the coronavirus, to EUR 3.8 million. Total revenues improved from EUR 12.8 million to EUR 20.1 million while the expenses directly attributable to revenues advanced from EUR 4.4 million to EUR 7.2 million. This equates to gross income from revenues of EUR 12.9 million versus EUR 8.4 million in the prior year.

EBITDA doubled from EUR 5.0 million to EUR 10.7 million. This increase was driven primarily by the better gross income from revenues and the sale of B52 Office in Budapest with an earnings contribution of EUR 2.8

million. EBIT improved from EUR 5.9 million to EUR 16.7 million due to the higher EBITDA and the positive result from property valuation.

The financial result (including joint ventures) went from minus EUR 3.6 million to plus EUR 0.9 million. This includes currency translation gains of EUR 5.9 million (2021: gains of EUR 0.7 million) and losses from the measurement of derivatives held for interest rate hedging purposes and currency hedging purposes in the amount of EUR 0.7 million.

This results in a profit for the period for the Warimpex Group of EUR 13.4 million compared with a profit of EUR 1.7 million in the previous year.

New office buildings under construction or in planning phase

In terms of development projects, efforts in the first half of the year were focused primarily on moving forward with construction and planning work. In Krakow, progress is being made on the construction of Mogilska 35 Office, which will offer roughly 12,000 square metres of lettable space. The project is scheduled to be completed in 2023. Building permits have been issued for both the Chopin office building in Krakow with around 21,200 square metres of lettable space and the MC 55 office building in Białystok with about 38,500 square metres of lettable space. In line with Warimpex's strategy, construction will start on both projects as soon as an appropriate level of tenant interest has been secured. In the German city of Darmstadt, the planning for the West Yard 29 office building with roughly 13,800 square metres of space is already at an advanced stage.

At AIRPORTCITY St. Petersburg, the building shell for Avior Tower 1, which will offer roughly 16,900 square metres of space, has been completed. *"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 properties are financed through local banks in local currency, have a solid capital base, and cover their liquidity needs themselves. This means that our Russian subsidiaries can act autonomously and independently of the support of the parent company. At present, it is possible to continue the operational activities in Russia without significant restrictions. Naturally, we are monitoring the economic and legal developments very closely in order to be able to react quickly to current events if necessary,"* Jurkowitsch explained.

Outlook

The company's operational focus for the second half of 2022 will remain on making preparations for construction, obtaining building permits, and continuing ongoing construction. Energy efficiency, the use of renewable energy sources, and reducing carbon emissions are core considerations in the construction and refurbishment of the buildings. Warimpex is striving to obtain certifications for its portfolio in this area by implementing sustainability concepts at the properties.

"Although the situation surrounding the conflict in Ukraine and our investments in Russia remains difficult, we are still well equipped for the current and coming challenges with our experienced, crisis-tested team," Jurkowitsch concluded.

Key financial figures for the first half of 2022 at a glance:

in EUR '000	1-6/2022	Change	1-6/2021
Investment Properties revenues	14,691	52%	9,672
Hotels revenues	3,826	77%	2,158
Development and Services revenues	1,585	72%	920
<i>Total revenues</i>	<i>20,101</i>	<i>58%</i>	<i>12,750</i>
Expenses directly attributable to revenues	-7,207	65%	-4,368
<i>Gross income from revenues</i>	<i>12,895</i>	<i>54%</i>	<i>8,382</i>
Gains or losses from the disposal of properties	2,821	-	-
EBITDA	10,741	115%	5,006
Depreciation, amortisation, and remeasurement	5,993	543%	932
EBIT	16,733	182%	5,938
Financial result	947	-	-3,610
Profit or loss for the period	13,421	-	1,724
Net cash flow from operating activities	6,324	153%	2,504
	30/06/2022	Change	31/12/2021
Gross asset value (GAV) in EUR millions	457.3	24%	365.8
EPRA NTA per share in EUR	3.68	40%	2.63
End-of-period share price in EUR	0.84	-25%	1.12

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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