

WARIMPEX

*Report on the
First Half of
2022*

warimpex

WARIMPEX GROUP

Key Figures

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
Equity and liabilities	495,055	50%	331,078
Equity	176,713	54%	114,070
Equity ratio	36%	2 pp	34%
Number of shares	54,000,000	–	54,000,000
Earnings per share in EUR	0.26	–	0.03
Number of treasury shares	1,939,280	–	1,939,280
Number of office and commercial properties	8	–	8
Lettable office space	104,700 m ²	13%	92,800 m ²
Office space with sustainability certificates	53,800 m ²	35%	40,000 m ²
Number of hotels	4	–	4
Number of rooms	831	29	802
	30/6/2022	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

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Białystok Office
Białystok, PL

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

Economic conditions are still being impacted by the conflict in Ukraine, the western sanctions against Russia, and Russia's reactions to these sanctions. The International Monetary Fund recently revised its economic projections for the European countries downwards. The Russian economy is expected to contract this year and next year. Conversely, 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.

In terms of our Group, we are pleased to report positive operating performance for our office properties and hotels for the first half of 2022. We also successfully closed two transactions 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.

Substantially improved profit for the period

A detailed look at the financial metrics for the first half of 2022 is encouraging. 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 improved 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 our strategy, we will start construction 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. New developments that were originally planned at the site are not being pursued further at this time. 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.

Outlook

Our 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 our buildings. We strive to obtain certifications for our portfolio in this area by implementing sustainability concepts at our 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.

Vienna, August 2022

Franz Jurkowitsch

*Franz
Jurkowitsch*

CHAIRMAN OF THE
MANAGEMENT BOARD

Semi-Annual Consolidated Management Report

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

Economic Environment

Ukraine crisis

Attention is currently focused above all on the current geopolitical developments. On 24 February 2022, Russian troops invaded Ukraine, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time. For information about the impacts of the Ukraine conflict on the Group, please refer to the information in the consolidated interim financial statements as at 30 June 2022, section 2.2., and the section “Outlook” in the semi-annual consolidated management report.

In its World Economic Outlook update in July 2022, the International Monetary Fund (IMF) revised its April 2022 economic projections as follows: The Eurozone economy is

now expected to grow by 2.6 per cent in 2022 (April 2022 projection: 2.8 per cent), and by 1.2 per cent (2.3 per cent) in 2023. The 2022 projection for Russia was lowered by 2.0 per cent to minus 6.0 per cent, while the forecast for 2023 was revised from minus 2.3 per cent to minus 3.5 per cent. Economic output is expected to decline by 1.4 per cent (minus 2.9 per cent) in emerging and developing Europe¹ in 2022. The IMF growth projection for 2023 is 0.9 per cent (1.3 per cent).

COVID-19

While the 2021 financial year was still shaped by government-ordered measures such as lockdowns, travel bans, and the closure of hotels and businesses – albeit to a lesser extent than in 2020 – the measures were gradually loosened starting in March 2022 and the pandemic is now only playing a minor role in the daily lives of most people.

Markets

POLAND

Existing portfolio: 4 office properties, 1 hotel

Warimpex bought the Red Tower in Łódź at the end of June 2022. Plans are in place to renovate the office tower. The Red Tower is located in the heart of Łódź, is 80 meters high, and offers a gorgeous panoramic view as one of the highest office buildings in the city. The property was built in 1978 and completely modernized from 2006 to 2008. With more than 12,400 square metres of lettable space, the Red Tower offers office space with flexible partitioning and layouts. A typical storey has an area of around 650 m² with large windows and light wells that ensure that all workstations are well lit. In the future, a co-working zone will offer further flexible areas tailored to the needs of small and medium-sized businesses as well as conference rooms and a relaxation area. Around 40 per cent of the space at the office building is occupied at the moment.

Ogrodowa Office was opened in Łódź at the beginning of October 2018. The building is a state-of-the-art office property located directly in the Łódź city centre near the Manufaktura shopping centre. The tenants include Orange Polska, PwC Poland, and Harman Connected Services. Around 87 per cent

of the space at the office building was occupied as at 30 June 2022.

Mogilska 43 Office was completed in early April 2019. A full 100 per cent of the office space was occupied as at 30 June 2022. Mogilska 43 Office is an ultra-modern, class A office building that encompasses a total of 12,900 square metres over nine floors. Large glass surfaces provide natural lighting for the offices, and the efficient climate control system ensures the optimal temperature and humidity. Green balconies and terraces can be accessed directly from the office level. The building's ground floor contains retail and service spaces, and the two-storey garage offers 203 parking spaces as well as bike racks, changing rooms, and showers. Mogilska 43 Office meets the highest environmental standards and has been awarded BREEAM In-Use certification with an “Excellent” rating.

An office building in Krakow (Mogilska 41 Office) with roughly 5,100 square metres of space was acquired in 2017, renovated, and handed over to the new tenant in September 2019. The building has been fully occupied since then.

Warimpex has been 50 per cent leaseholder of the five-star InterContinental in Warsaw since December 2012. As part of

¹ Emerging and Developing Europe
Composed of 13 countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Lithuania, FYR Macedonia, Montenegro, Poland, Romania, Serbia, and Turkey

a lease agreement, the hotel is being leased back at a fixed rate and managed under the InterContinental brand until 2040.

Occupancy at the InterContinental hotel increased from 15 per cent in the first half of 2021 to 70 per cent and the average room rate in euros advanced by roughly 12 per cent. The lease payments were partially suspended in agreement with the lessor, and the lease agreement was extended by another 18 months to 31 May 2040.

Under development: 3 office buildings, reserve properties

Property reserves were also acquired along with Mogilska 41 Office. In March 2021, the building permit was issued for an office building with roughly 11,900 square metres of space (Mogilska 35 Office, formerly "Phase III"), and construction started in November 2021. The building is scheduled to be completed in 2023.

In recent years, Warimpex has acquired smaller, partially developed properties adjacent to the two existing Mogilska office buildings and the Mogilska 35 project. The Mogilska Phase IV project will subsequently be built on these properties. The initial demolition work has already been completed.

Warimpex is also the owner of a development property next to the Chopin Hotel in Krakow, on which an office building with around 21,200 square metres of space is to be built. The building permit has already been issued.

Warimpex owns a development property in Białystok. Three office buildings with roughly 33,400 square metres of office space and 5,000 square metres of commercial space are to be built. A building permit was issued in March 2021.

HUNGARY

Existing portfolio: 1 office property

In Budapest, Warimpex owns the Erzsébet office building, which has a total net floor space of around 14,400 square metres.

The B52 office building with over 5,200 square metres of net floor space was sold to Semmelweis University in June 2022.

Roughly 99 per cent of the space at Erzsébet Office was let out on the reporting date; 12,700 square metres (of 14,400 square metres) are let to the insurance company Groupama Biztosító zRT, a Hungarian branch of the international Groupama Group.

AUSTRIA

Existing portfolio: 1 hotel

In Vienna, Warimpex has a stake of around 10 per cent in the company holding the Palais Hansen Kempinski hotel. The other shareholders are Wiener Städtische Versicherung / Vienna Insurance Group and UBM Development AG. The hotel is Warimpex's first project in Austria and was opened in March 2013.

RUSSIA

Existing portfolio: 1 hotel, 2 office properties, 1 multi-use building

In St. Petersburg, Warimpex holds 100 per cent of AIRPORTCITY St. Petersburg following the acquisition of the non-controlling interests in December 2021 and the purchase of the remaining shares in the Jupiter 1 and 2 office towers. In the first phase of the project, a four-star Crowne Plaza hotel (InterContinental Hotel Group) and two office towers (Jupiter 1 + 2) with 16,800 square metres of lettable space were opened at the end of December 2011. AIRPORTCITY St. Petersburg is being developed by the project company AO AVIELEN A.G. and is located in close proximity to the Pulkovo international airport in St. Petersburg. AIRPORTCITY is the first premium-class business centre in the region and is a key infrastructure project in the growing economic centre of St. Petersburg.

The Zeppelin office building with 15,500 square metres of lettable space was completed at AIRPORTCITY at the end of June 2015. The tower is completely let out. Zeppelin meets the highest environmental standards and has been awarded LEED – Gold certification. In addition, Warimpex owns the Bykovskaya multi-use building (with parking spaces for around 450 vehicles and roughly 2,200 square metres of office and 2,500 square metres of archive space), which has been fully occupied since it was completed in May 2017.

The Crowne Plaza hotel achieved occupancy of 49 per cent (1–6 2021: 39 per cent) while the average room rate in euros rose by 28 per cent.

After the withdrawal of the InterContinental Hotel Group from Russia in July 2022 and a rebranding, the hotel is being operated under the new name "Airportcity Plaza".

Under development: 1 office property, development properties

There are property reserves for around 150,000 square metres of office space at AIRPORTCITY St. Petersburg.

The construction of an office tower (Avior Tower) with roughly 16,900 square metres of lettable office space began in the fourth quarter of 2019. The project is scheduled to be completed in the third quarter of 2022.

GERMANY**Existing portfolio: 1 hotel**

In April 2019, Warimpex acquired a hotel property in Darmstadt that had been closed since mid-2018 and reopened it under the name "The Hotel Darmstadt" in September 2019. Cycas Hospitality was tasked with

managing the three-star superior conference hotel. Following the pandemic-related restrictions, the newly renovated hotel is once again welcoming guests under the name "greet". With a total of 330 hotel and long-stay rooms and 37 conference, event, and project rooms spanning more than 4,500 square metres of conference, event, and exhibition space, as well as 1,000 square metres of office space that can also be rented on a short-term basis, the hotel is one of the biggest conference and event centres in the Rhine-Main region. The hotel's occupancy was 30 per cent during the reporting period.

Under development: Development properties

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 ((West Yard 29 with roughly 13,800 square metres) are already at an advanced stage.

Assets, Financial Position, and Earnings Situation

Earnings situation**Development of revenues**

The rise in revenues from the rental of office properties (Investment Properties revenues) from EUR 9.7 million to EUR 14.7 million is due above all to the first-time inclusion of the revenues from the Jupiter office towers in St. Petersburg, which have been fully consolidated in the Group since the end of 2021, but also due to the significantly stronger rouble following the currency's steep slide in February and March.

In the first half of 2022, revenues in the Hotels segment increased to EUR 3.8 million, which represents an increase of 77 per cent compared with the prior-year period. The development of revenues in the first half of 2021 was still stunted by the COVID-19 pandemic.

Total revenues improved by 58 per cent to EUR 20.1 million, while the expenses attributable to revenues increased by 65 per cent to EUR 7.2 million. This led to a 54 per cent increase in gross income from revenues to EUR 12.9 million (2021: EUR 8.4 million).

Gains or losses from the disposal of properties

At the end of June 2022, the B52 office building in Budapest was sold under a share deal generating an earnings contribution of EUR 2.8 million.

The Group conducted no real estate transactions in the first half of 2021.

EBITDA – EBIT

EBITDA (earnings before interest, taxes, depreciation, amortisation, and gains/losses on the remeasurement of investment properties) rose from EUR 5.0 million to EUR 10.7 million, primarily due to the improvement in gross income from revenues and the gains on the disposal of properties.

EBIT improved from EUR 5.9 million to EUR 16.7 million. This increase is primarily due to the higher EBITDA and a positive result from property valuation.

Financial result

The financial result (including earnings from joint ventures) went from minus EUR 3.6 million to 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.

Profit or loss for the period

The result for the period for the Warimpex Group increased from EUR 1.7 million in the prior-year period to EUR 13.4 million.

Segment analysis

The Warimpex Group has defined the business segments of: Investment Properties, Hotels, and Development and Services. Until 31 December 2021, the joint ventures recognised using the equity method in the consolidated financial statements were included in the segment report using the proportionate consolidation method. Warimpex has only held a stake in one remaining operational joint venture since December 2021. Starting in 2022, the segment report will therefore be prepared taking all of the companies included in the consolidated financial statements into account, without using the proportionate consolidation method for the remaining joint venture. The Investment Properties segment contains the income and expenses from the rental of office properties as well as the gains/losses on the remeasurement of the properties. The results from the operation of the hotel properties owned by the Group are shown in the Hotels segment. The Development and Services segment covers development services, activities of the Group parent, and profit contributions from the sale of properties.

Key figures that are typical for the sector are used to manage the hotels. These include GOP (gross operating profit, calculated according to the Uniform System of Accounts for the Lodging Industry) and NOP (net operating profit, which corresponds to the GOP less specific costs of ownership after GOP such as management fees, insurance, land tax, etc.).

Investment Properties segment*

in EUR '000	1-6/2022	1-6/2021	1-6/2021 proportionate consolidation
Revenues for the Group	14,691	9,672	11,402
Segment EBITDA	7,432	6,300	7,686
Property remeasurement result	1,820	1,424	718

The higher revenues and the segment EBITDA are primarily due to the earnings contributions from the Jupiter office towers.

Hotels segment*

in EUR '000	1-6/2022	1-6/2021	1-6/2021 proportionate consolidation
Revenues for the Group	3,826	2,158	2,913
GOP for the Group	717	308	73
NOP for the Group	859	787	380

Following the rebranding of the greet hotel in Darmstadt in the late summer of 2021, more hotel and long-stay rooms are now available again.

Development and Services segment*

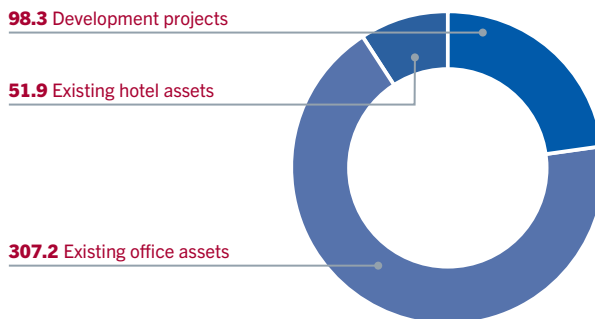
in EUR '000	1-6/2022	1-6/2021	1-6/2021 proportionate consolidation
Revenues for the Group	1,585	920	920
Gains or losses from the disposal of properties	2,821	—	—
Segment EBITDA	1,985	-2,429	-2,412

The results in this segment typically depend heavily on the sale of real estate holdings (share deals) and properties (asset deals) and are subject to significant year-on-year fluctuation.

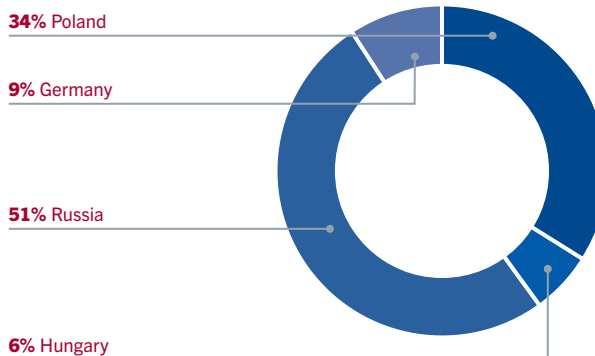
Real Estate Assets

On 30 June 2022, the real estate portfolio of the Warimpex Group comprised four hotels with roughly 1,000 rooms (800 rooms when adjusted for the proportionate share of ownership) plus eight office properties with total lettable office and commercial space of roughly 104,700 square metres (104,700 square metres when adjusted for the proportionate share of ownership).

PROPERTY ASSETS IN MILLIONS



GAV BY COUNTRY



Calculation of gross asset value and triple net asset value in EUR millions.

Warimpex recognises its property, plant, and equipment such as hotel properties at cost less depreciation according to IAS 16, as is required for owner-operated hotels in IAS 40.12. Changes in the value of investment properties (primarily office buildings) are recognised through profit or loss according to the fair value model in IAS 40.56.

The majority of the properties and development projects are valued twice annually (on 30 June and 31 December) by independent real estate appraisers.

On 30 June 2022, the following experts appraised Warimpex's portfolio:

Appraiser	Fair values as at 30 June 2022	in%
Maris (formerly CBRE)	EUR 209 million	46%
Knight Frank	EUR 153 million	33%
CB Richard Ellis	EUR 39 million	9%
Others	EUR 29 million	6%
Internal	EUR 27 million	6%
	EUR 457 million	100%

The fair values are determined in accordance with the valuation standards of the Royal Institute of Chartered Surveyors (RICS). The fair value is the price that would be paid for the transfer of an asset or a liability in a transaction at arm's length terms on the reporting date. The real estate appraisers use an income-based approach (investment method or discounted cash flow method) to calculate the fair values of developed properties, and the comparative method for reserve properties. Development projects are generally measured using the residual value method, taking a developer's profit into account.

For information on the yield used to calculate the fair value, please see section 7.1.3. (investment properties) and section 7.2.2. (hotels) in the notes to the consolidated financial statements as at 31 December 2021.

The gross asset value (GAV) of all Warimpex properties (based on proportionate ownership) came in at EUR 457.3 million at 30 June 2022 (31 December 2021: EUR 365.8 million). This increase was primarily due to acquisitions, construction activities, and a higher rouble exchange rate. The Group's triple net asset value (NNNAV) rose from EUR 143.7 million as at 31 December 2021 to EUR 201.2 million as at 30 June 2022.

The triple net asset value (NNNAV) and the EPRA Net Asset Value are calculated as follows:

in EUR millions	30/6/2022	31/12/2021
Equity before non-controlling interests	176.6	124.6
Deferred tax assets	-1.1	-1.2
Deferred tax liabilities	17.2	16.1
Carrying amount of existing hotel assets	-42.8	-33.1
Fair value of existing hotel assets	51.3	41.4
Triple net asset value	201.2	143.7
Number of shares as at 31 December	54	54.0
Treasury shares	-1.9	-1.9
Number of shares as at 30 June/31 December	52.1	52.1
NNNAV per share in EUR	3.86	2.76

Net Asset Value metrics	30/6/2022 EPRA NRV	30/6/2022 EPRA NTA	30/6/2022 EPRA NDV
in EUR '000			
IFRS equity attributable to shareholders	176,601	176,601	176,601
Diluted NAV	176,601	176,601	176,601
Include:			
ii.c) Revaluation of other non-current investments	8,509	8,509	8,509
NAV at fair value	185,110	185,110	185,110
Exclude:			
v) Deferred taxes in relation to fair value gains of IP	14,579	7,290	
vi) Fair value of financial instruments	-666	-666	
viii.b) Intangibles as per the IFRS balance sheet		-62	
Include:			
ix) Fair value of fixed interest rate debt			-28,240
xi) Real estate transfer tax (including ancillary acquisition costs)	11,400		
NAV	210,423	191,672	156,870
Fully diluted number of shares	52,100	52,100	52,100
NAV per share in EUR	4.04	3.68	3.01

EPRA Net Asset Value metrics	31/12/2021 EPRA NRV	31/12/2021 EPRA NTA	31/12/2021 EPRA NDV
in EUR '000			
IFRS equity attributable to shareholders	124,612	124,612	124,612
Diluted NAV	124,612	124,612	124,612
Include:			
ii.c) Revaluation of other non-current investments	8,282	8,282	8,282
NAV at fair value	132,894	132,894	132,894
Exclude:			
v) Deferred taxes in relation to fair value gains of	9,687	4,844	
vi) Fair value of financial instruments	-399	-399	
viii.b) Intangibles as per the IFRS balance sheet		-75	
Include:			
ix) Fair value of fixed interest rate debt			2,136
xi) Real estate transfer tax (including ancillary acquisition costs)	6,793		
NAV	148,975	137,263	135,030
Fully diluted number of shares	52,100	52,100	52,100
NAV per share in EUR	2.86	2.63	2.59

Material Risks and Uncertainties to Which the Group is Exposed and Risk Management

As an international group, Warimpex is exposed to various economic and financial risks as part of its daily operations.

a) General

As part of its risk management system, Warimpex has set internal risk management targets for the Management Board and Company staff and adapts these targets to the prevailing market conditions. These risk management targets include special regulations and define responsibilities for risk assessment, control mechanisms, monitoring, information management, and communication within the Company and with external parties.

There is a clearly defined organisation within Warimpex and especially within the Management Board that governs responsibilities and authorisations in this connection to enable risks to be identified at an early stage and appropriate action to be taken. The Management Board's guidelines and the guidelines for the Supervisory Board define the responsibilities and obligations of the Company's boards and officers.

b) Operating risks

In the Investment Properties segment, Warimpex is exposed to the risk that it will be unable to let out spaces, that rents will decline, and that tenants will default on their payments. Rental risk is closely linked to the general economic conditions in the individual markets and is thus subject to corresponding planning uncertainties. There is always a certain degree of rental risk due to the different political and economic developments in the various markets. The competition between property owners for well-known, attractive tenants can also impact occupancy rates and lease extensions, especially amidst lower demand for space due to new workplace models. Depending on the economic development in the various markets, rents can come under pressure. In particular, this may make it necessary to accept rents that are lower than originally projected.

In the Hotels segment, Warimpex is exposed to the general risks inherent to the tourism industry such as economic fluctuations, political risks, increasing fear of terrorist attacks, and travel restrictions related to pandemics. There is the risk that competitors may enter the Group's target markets, thereby increasing the number of beds available.

The Group is exposed to finance and currency risks, interest rate risks, market entry risks, and the risk of delays in the

completion of construction work on real estate projects. In addition, there are risks of rent default which may impact both on the current cash flow and on property values.

The Group invests in real estate in a limited number of countries, and is therefore exposed to increased risk that local conditions such as an excess supply of properties can affect the development of business. Owing to its focus on property development and property holdings, the Group's performance is heavily dependent on the current situation in the real estate markets. Price declines in the real estate market could therefore affect the Group significantly and also influence real estate financing.

Real estate maintenance is a key aspect in the sustainable economic development of the Warimpex Group. Asset management staff therefore submit status reports to the Management Board at regular intervals together with projections for the optimum maintenance of the properties.

c) Capital market risk

Refinancing on the capital market is of high strategic importance for Warimpex. To avoid risks of insufficient capital market compliance, Warimpex has enacted a compliance guideline that ensures adherence to the capital market regulations and that especially prevents the abuse or sharing of insider information. A permanent confidentiality area has been set up for all employees in Vienna, and temporary confidentiality areas are set up and waiting periods and trading prohibitions enacted on a project basis.

d) Legal risks

As an internationally active company, Warimpex is exposed to a wide range of legal risks. These include risks related to the purchase and sale of properties and legal disputes with tenants or joint venture partners.

At the time that the financial statements were prepared, no material legal disputes were known.

e) Political risks

Along with operating and legal risks, the activities of Warimpex are subject to (geo)political risks, particularly with regard to the office properties and the hotel in St. Petersburg at the

moment. As demonstrated by the developments in connection with the conflict in Ukraine and the sanctions imposed against Russia in response, legal and economic conditions can change drastically at very short notice due to unforeseeable geopolitical events. Such developments are very volatile, and the full scope of the microeconomic and macroeconomic effects is difficult to estimate. The Management Board is monitoring the developments very closely in order to be able to react swiftly and adapt its strategy as quickly as possible if necessary.

f) Climate-related risks

Warimpex sees the sustainability of its properties as an important success factor and reinforces this with corresponding certifications for the majority of the property portfolio. In some cases, such certifications have already been issued and in other cases, the Company plans to pursue certification in the future. Nevertheless, the Company is exposed to climate-related risks.

Climate-friendly construction and the climate-friendly operation of office properties or hotels can lead to higher construction and operating costs. There is a risk that these costs will not be able to be passed on to the tenants or guests or that lower proceeds will be generated in the event of a sale. In addition, there are risks in connection with the EU's Green Deal and the EU taxonomy that is based on it, including the defined environmental targets. According to the EU taxonomy, office properties are generally taxonomy-eligible.

In this context, there is a risk that the requirements for taxonomy alignment will be met to a lesser extent in the future due to older existing properties and/or new technical standards. This could make it more expensive and/or more difficult to secure loans. In addition, the demand for properties that are not taxonomy-aligned may decline among buyers or tenants, thus leading to a decrease in the value of such properties.

Warimpex assesses climate-related risks on an ongoing basis, but does not expect any carrying amount adjustments to become necessary in this context in the next financial year based on the fact that the majority of its economic activities are taxonomy-aligned.

Only a few properties have the best certifications that are necessary to meet the climate targets. In general, certifications are planned for all new developments with a minimum standard of LEED – Gold, BREEAM – Excellent, or DGNB – Gold, for example the Avior Tower project currently under construction in St. Petersburg, which is

expected to receive LEED – Gold certification, and the Mogilska 35 project in Krakow, for which BREEAM – Excellent certification is planned.

There is a risk that property appraisers will apply a “brown discount” of up to one third of the property value for properties that are not energy-efficient (i.e. unsustainable). In addition, there is a risk that the financing costs for properties that cause higher emissions will be higher and the rents lower.

g) Risk and risk management related to financial instruments

Aside from derivative forms of financing, the most significant financial instruments used by the Group are current account and bank loans, bonds and convertible bonds, cash and cash equivalents, and short-term deposits. The main purpose of these financial instruments is to provide funds for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The Group also enters into derivatives transactions that are intended to minimise the Group's exposure to interest rate and currency risk. The Group's risk management policies provide for a risk-oriented relationship between fixed-rate and variable-rate financial liabilities. All significant financial transactions are subject to approval by the Management Board and, when required, also approval by the Supervisory Board.

Further information on financial risk management, in particular quantitative disclosures, can be found in the notes to the consolidated financial statements as at 31 December 2021 in section 8.2.

1. Interest rate risk

The risk of fluctuations in market interest rates (usually the three-month EURIBOR for bank loans) to which the Group is exposed results primarily from its variable-rate long-term financial liabilities.

Interest rate hikes can impact the Group's result by causing higher interest expenses for existing variable-rate financing. In the case of variable-rate financing, a change in the interest rate has an immediate effect on the Company's financial result.

Warimpex limits the risk of rising interest rates that would lead to higher interest expenses and a worsening of the financial result in part through the arrangement of fixed-rate financing

and in part through the use of derivative financial instruments (especially interest rate swaps).

2. Currency risk

Currency risk results primarily from financial liabilities denominated in currencies other than the functional currency. For Group companies that have the euro as their functional currency, this is primarily financial liabilities in a local or other foreign currency (such as PLN), or for foreign Group companies with the local currency as their functional currency, financial liabilities in a foreign currency (EUR). In recent years, euro liabilities of Group companies with the rouble as their functional currency have been reduced considerably, thus lowering the associated currency risk significantly.

There are no natural hedges, and the Group does not systematically use derivative financial instruments to hedge its exposure to foreign currency risk. When needed, cross currency swaps or currency forwards concluded for a maximum of one year in relation to specific future payments in foreign currencies are employed to hedge the currency risk.

3. Default risk

The amounts stated as assets on the face of the consolidated statement of financial position represent the maximum credit risk and default risk, since there are no general settlement agreements.

The default risk pertaining to trade receivables in the Investment Properties segment correlates to the creditworthiness of the tenants. Tenants' creditworthiness can deteriorate on a short- or medium-term basis, particularly during an economic downturn. In addition, the risk can emerge that a tenant will become insolvent or is otherwise incapable of meeting the payment obligations defined in the lease. The risk of rent default can be reduced further through targeted monitoring and proactive measures (e.g. requiring collateral, assessing tenants' creditworthiness and reputation).

The default risk associated with trade receivables can be considered moderate in the Hotels segment because receivables are generally paid either in advance or immediately on site. Longer payment terms are generally only accepted for receivables from travel agencies.

The Group is in a position to influence the default risk on loans to joint ventures or associates through its involvement in the management of the respective companies, but there are still

default risks arising from operational risks and possibly also political risks.

The default risk associated with cash and short-term deposits can be considered negligible since the Group only works with financial institutions which can demonstrate sound creditworthiness. The default risk for other receivables is relatively low, as attention is paid to working with contract partners that have good credit ratings. The Group recognises impairments where necessary.

Please also see section 8.2.3. in the notes to the consolidated financial statements as at 31 December 2021.

4. Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans for project financing. Refinancing on the capital market is also of high strategic importance for Warimpex.

Significant fluctuations on the capital markets can hamper the raising of equity and debt capital. To limit refinancing risk, Warimpex maintains a balanced combination of equity and debt capital and of different terms for bank and capital market financing.

Liquidity risks are also minimised through a medium-term 18-month plan, an annual budget planned in monthly blocks, and revolving monthly liquidity planning. Daily liquidity management ensures that all operational obligations are met and that cash is invested optimally. Free liquidity resulting from the sale of properties is primarily used to repay operating credit lines and to finance acquisitions and the development of new projects.

Please also see section 8.2.4. in the notes to the consolidated financial statements as at 31 December 2021.

To prevent cost overruns and an associated increased outflow of liquidity, Warimpex completes continuous budget and progress monitoring for development projects and maintenance work.

h) Reporting on key characteristics of the internal control system and the risk management system as relevant for the accounting process

The Management Board bears overall responsibility for the Group's risk management system, while operational responsi-

bility lies with the managers of the respective business units.

This makes the internal reports that are submitted to Group headquarters particularly important in ensuring that risks are recognised at an early stage so that suitable countermeasures can be taken. To this end, the operating units submit weekly and monthly reports to the Management Board with all necessary information.

The internal reports that are prepared by the subsidiaries are subjected to plausibility reviews at the Group headquarters and are compared with the planning calculations to ensure that suitable countermeasures can be taken in the event of deviations. To this end, the companies are required to submit annual budgets and medium-term plans, which must be approved by the Management Board.

The correctness of the accounts at the subsidiaries is monitored by the local management as well as by the Group holding company, particularly on the basis of the input from and the reporting to the Group accounting department. This is intended to prevent risks that lead to incomplete or erroneous financial reporting.

In addition to the measures taken under the internal control system, the annual financial statements of all operational property companies are also reviewed by external financial auditors, so the consolidated financial statements are largely based on audited local figures.

The risk management system is primarily monitored by the Management Board, and compliance with the prescribed risk management targets and methods in the preparation of quarterly and annual financial statements is ensured by the following units and individuals:

- Management Board, especially the Chief Financial Officer
- Group accounting department
- Audit Committee (only for annual financial statements)

The current development of business and foreseeable opportunities and risks are discussed at regular meetings between the Management Board and local managers.

Quarterly financial statements are prepared by the Group accounting department in orientation towards IAS 34, Interim Financial Reporting, reviewed by the Chief Financial Officer, and then approved for publication by the Management Board. The annual financial statements and consolidated annual financial statements are studied by the Supervisory Board and by the Audit Committee before they are published.

Events after the Reporting Date

Please see section 9.3. of the notes to the consolidated interim financial statements for information about key events after the reporting date.

Outlook

The following development projects are currently under construction or development:

- Avior Tower 1 with roughly 16,900 square metres of space, St. Petersburg (under construction)
- Mogilska 35 Office with roughly 11,900 square metres of space, Krakow (under construction)
- MC 55 office building in Białystok with roughly 38,500 square metres of space (currently being planned, building permit issued)
- Chopin office building with roughly 21,200 square metres of space, Krakow (currently being planned, building permit issued)
- West Yard 29 office building in Darmstadt with roughly 13,800 square metres of space (currently being planned)

Our operational focus in 2022 is on making preparations for construction and obtaining building permits for our development projects as well as continuing ongoing construction.

The Group is evaluating the impact of COVID-19 on an ongoing basis. In the third year of the pandemic, still only minor operational effects are discernible in the property letting segment, while hotels are being impacted to a greater degree than office properties.

Apart from the pandemic, management is focusing on the current geopolitical developments. On 24 February 2022, Russian troops invaded Ukraine, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time. After falling substantially at the end of February, the rouble stabilised again starting in April 2022 and strengthened considerably in June 2022, including in annual comparison. The key interest rate in Russia, which had been hiked to 20% at the end of February, was 9.5% at

30 June 2022 and was cut further to 8% at the end of July 2022.

The Group owns properties in St. Petersburg (one hotel, two office properties, one multi-use building, and an office tower in the final phase of construction) with a value of roughly EUR 238.5 million. With the exception of the building that is under construction, these properties are fully occupied and make up roughly 53 per cent of the Group's property assets as at 30 June 2022 due to the strong rouble; they had made up around 36% as at 31 March 2022. The financing for these properties was obtained through local banks, and the arrangements are denominated in roubles. Fixed interest rates or interest rate ceilings are defined in the credit agreements. Warimpex is represented in St. Petersburg by local employees working at local subsidiaries that manage the business operations in the country independent of Warimpex. The revenue attributable to Russia in the first half of 2022 came to EUR 12.2 million. Apart from capital injections completed in the past and liabilities for loans secured by mortgages, there are no financial links or ongoing business relationships between the Russian subsidiaries and the Group parent company or other Group companies. New developments that were originally planned in St. Petersburg are not being pursued further at this time. The Management Board is monitoring the economic and legal developments in Russia very closely in coordination with the Supervisory Board in order to be able to react quickly to current events if necessary.

At present, it is possible to continue the operational activities in Russia without significant restrictions. Measurement gains from Russian properties in the amount of roughly EUR 3.1 million and gains from currency translation in the amount of around EUR 5.9 million were recognised in the first half of the year. In the Hotels segment, revenues in the first half of 2022 were around 32% higher than in the comparison period of 2021. The contract with the previous hotel manager

InterContinental Hotel Group (IHG) was terminated in July 2022 due to IHG's withdrawal from Russia. Because fewer international guests are visiting the hotel due to the coronavirus and the Ukraine conflict, the Group is not expecting significant impacts on the hotel's revenue or occupancy. Other financial effects on the consolidated financial statements are possible depending on the duration of the conflict, but cannot be reliably estimated at present.

Overall, Warimpex expects the positive development of its business activities to continue. The planning calculations show positive EBITDA (results of operating activities before finance income, taxes, depreciation, amortisation, and remeasurement) and sufficient liquidity for the 2022 financial year. Although the developments surrounding the conflict in Ukraine and the investments in Russia remain difficult, Warimpex is well equipped for the current and coming challenges with its experienced, crisis-tested team.

In addition, the topic of sustainability is becoming an increasingly important focus. Sustainability is no longer a peripheral topic, but now shapes the thinking and actions of the majority of the population. We aim to obtain certifications for our property portfolio in this area by implementing sustainability concepts at our properties.

Vienna, 29 August 2022



Franz Jurkowitsch
Chairman
of the Management Board



Daniel Folian
Deputy Chairman
of the Management Board



Alexander Jurkowitsch
Member of the
Management Board



Florian Petrowsky
Member of the
Management Board

Condensed Consolidated Interim Financial Statements

AS AT 30 JUNE 2022

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Mogilska 35 Office
Krakow, PL

Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022 – UNAUDITED

in EUR '000	Note	1–6/2022	4–6/2022	1–6/2021	4–6/2021
Investment Properties revenues		14,691	8,169	9,672	4,742
Hotels revenues		3,826	2,664	2,158	1,488
Development and Services revenues		1,585	745	920	469
Revenues	6.1.	20,101	11,578	12,750	6,700
Expenses from the operation of investment properties		(2,816)	(1,648)	(2,515)	(1,279)
Expenses from the operation of hotels		(2,967)	(1,586)	(1,371)	(361)
Expenses directly attributable to development and services		(1,424)	(697)	(483)	(184)
Expenses directly attributable to revenues		(7,207)	(3,931)	(4,368)	(1,824)
Gross income from revenues		12,895	7,648	8,382	4,875
Gains or losses from the disposal of properties	5	2,821	2,821	—	—
Other operating income		1,262	1,245	448	422
Administrative expenses	6.2.	(5,060)	(2,845)	(3,397)	(1,689)
Other expenses	6.3.	(1,178)	(1,040)	(427)	(225)
Earnings before interest, taxes, depreciation, amortisation, and remeasurement (EBITDA)		10,741	7,829	5,006	3,384
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets		(1,086)	(717)	(872)	(434)
Scheduled depreciation on right-of-use assets		(203)	(104)	(179)	(81)
Impairment of property, plant, and equipment		(26)	(26)	(17)	(17)
Reversals of impairment on property, plant, and equipment		—	(140)	—	(220)
Gains/losses on remeasurement of investment property		7,307	11,152	2,000	1,169
Depreciation, amortisation, and remeasurement	6.4.	5,993	10,165	932	417
Earnings before interest and taxes (EBIT)		16,733	17,995	5,938	3,801
Interest revenue		275	159	209	101
Other finance income		—	(761)	99	60
Finance expenses	6.5.	(5,511)	(3,200)	(3,695)	(1,583)
Changes in foreign exchange rates		5,858	7,276	677	408
Result from joint ventures (equity method) after taxes	7.3.	325	327	(900)	(117)
Financial result		947	3,801	(3,610)	(1,130)
Earnings before taxes		17,681	21,796	2,328	2,671
Current income taxes		(290)	(141)	(468)	(289)
Deferred income taxes		(3,970)	(4,047)	(136)	(122)
Taxes		(4,260)	(4,187)	(604)	(411)
Profit or loss for the period		13,421	17,609	1,724	2,260
thereof profit or loss of non-controlling interests		11	(1)	3	(41)
thereof profit or loss of shareholders of the parent		13,410	17,610	1,722	2,300
Earnings per share:					
Undiluted earnings per share in EUR		0.26	0.34	0.03	0.04
Diluted earnings per share in EUR		0.26	0.34	0.03	0.04

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022 – UNAUDITED

in EUR '000	Note	1–6/2022	4–6/2022	1–6/2021	4–6/2021
Profit or loss for the period		13,421	17,609	1,724	2,260
Foreign exchange differences		40,157	48,460	2,897	2,111
<i>thereof reclassified to the income statement</i>		–	–	(16)	(16)
Other comprehensive income from joint ventures (equity method)		–	–	168	110
(Deferred) taxes in other comprehensive income	6.6.	(1,628)	(1,743)	(3)	41
Other comprehensive income (reclassified to profit or loss in subsequent periods)		38,529	46,718	3,062	2,262
Gains/losses from financial assets measured at fair value through other comprehensive income		61	22	26	13
Remeasurement of property, plant, and equipment		–	–	562	562
(Deferred) taxes in other comprehensive income	6.6.	(15)	(6)	(95)	(95)
Other comprehensive income (not reclassified to profit or loss in subsequent periods)		46	17	492	479
Other comprehensive income		38,575	46,734	3,554	2,741
Total comprehensive income for the period		51,996	64,343	5,278	5,001
thereof profit or loss of non-controlling interests		7	(2)	158	65
thereof profit or loss of shareholders of the parent		51,989	64,345	5,120	4,936

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2022 – UNAUDITED

in EUR '000	Note	30/6/22	31/12/21	30/6/21
ASSETS				
Investment properties	7.1.	406,751	324,596	263,096
Property, plant, and equipment	7.2.	46,587	36,590	34,725
Other intangible assets		62	75	78
Net investments in joint ventures (equity method)	7.3.	418	415	4,346
Financial assets measured at fair value through other comprehensive income		5,565	5,504	5,651
Derivative financial instruments		666	399	-
Other assets		2,573	2,347	9,972
Deferred tax assets		1,120	1,187	1,334
Non-current assets		463,742	371,114	319,203
Inventories		230	140	108
Trade and other receivables	7.4.	8,876	5,673	5,767
Cash and cash equivalents		22,208	11,192	5,999
Current assets		31,314	17,004	11,875
TOTAL ASSETS		495,055	388,118	331,078
EQUITY AND LIABILITIES				
Share capital		54,000	54,000	54,000
Retained earnings	7.5.	99,559	86,103	79,064
Treasury shares		(2,991)	(2,991)	(2,991)
Other reserves		26,033	(12,500)	(14,333)
Equity attributable to shareholders of the parent		176,601	124,612	115,739
Non-controlling interests		111	105	(1,669)
Equity		176,713	124,717	114,070
Bonds	7.5.	18,160	5,360	7,155
Other financial liabilities	7.5.	227,051	189,565	148,592
Lease liabilities	7.5.	1,895	1,849	1,628
Derivative financial instruments		-	-	248
Other liabilities		8,719	7,271	6,412
Provisions		2,605	2,754	4,129
Deferred tax liabilities		17,249	11,955	9,269
Deferred income		64	64	1,978
Non-current liabilities		275,745	218,817	179,411
Bonds	7.5.	1,907	1,861	2,001
Other financial liabilities	7.5.	27,384	27,185	25,603
Derivative financial instruments		41	-	-
Lease liabilities	7.5.	373	314	179
Trade and other payables		10,565	11,894	7,408
Provisions		2,304	2,942	2,115
Income tax liabilities		-	292	115
Deferred income		23	95	176
Current liabilities		42,598	44,584	37,596
Liabilities		318,343	263,401	217,007
TOTAL EQUITY AND LIABILITIES		495,055	388,118	331,078

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022 – UNAUDITED

in EUR '000	Note	1–6/2022	4–6/2022	1–6/2021	4–6/2021
Cash receipts					
from letting and hotel operations		20,826	12,111	12,184	6,326
from real estate development projects and other		1,375	1,165	403	38
from interest income		195	119	52	22
Cash receipts from operating activities		22,397	13,395	12,639	6,387
Cash payments					
for real estate development projects		(119)	(64)	(15)	217
for materials and services received		(7,066)	(4,283)	(4,007)	(2,154)
for personnel expenses		(4,436)	(2,480)	(2,878)	(1,536)
for other administrative expenses		(3,835)	(2,284)	(2,828)	(1,175)
for income taxes		(618)	(170)	(407)	(339)
Cash payments for operating activities		(16,073)	(9,282)	(10,135)	(4,988)
Net cash flows from operating activities		6,324	4,114	2,504	1,399
Cash receipts from					
the sale of disposal groups and property	5	12,518	12,518	–	–
less outflow of cash and cash equivalents from disposal groups sold	5	(366)	(366)	–	–
purchase price payments from sales in previous periods		125	–	125	–
the sale of property, plant, and equipment		70	46	–	–
other financial assets		–	–	1,160	65
returns on joint ventures		322	72	–	–
Cash receipts from investing activities		12,668	12,270	1,285	65
Cash payments for					
investments in investment property		(13,856)	(10,451)	(5,902)	(3,108)
investments in property, plant, and equipment		(748)	(496)	(1,209)	(589)
the purchase of data processing programs		–	–	(7)	(7)
other financial assets		(69)	3	–	–
joint ventures		–	–	(1,318)	(300)
Cash payments for investing activities		(14,673)	(10,943)	(8,436)	(4,004)
Net cash flows for investing activities		(2,005)	1,326	(7,151)	(3,939)
Cash received from the issue of bonds		13,424	13,424	–	–
Payments received from loans and borrowing		11,501	4,648	19,906	2,788
Payments for the repayment of loans and borrowing		(16,304)	(11,982)	(15,050)	(87)
Payments for the payment of lease liabilities		(109)	(56)	(159)	(74)
Paid interest (for loans and borrowing)		(4,862)	(2,896)	(2,743)	(1,383)
Paid financing expenses		(959)	(847)	(494)	(125)
Net cash flows from financing activities		2,692	2,291	1,459	1,120
Net change in cash and cash equivalents		7,011	7,731	(3,188)	(1,421)
Foreign exchange rate changes in cash and cash equivalents		(30)	(22)	(3)	5
Foreign exchange rate changes from other comprehensive income		4,035	4,834	259	162
Cash and cash equivalents at the beginning of the period		11,192	9,665	8,931	7,253
Cash and cash equivalents as at 30 June		22,208	22,208	5,999	5,999
Cash and cash equivalents at the end of the period consist of:					
Cash and cash equivalents of the Group		22,208	22,208	5,999	5,999

Condensed Consolidated Statement of Changes in Equity

AS AT 30 JUNE 2022 – UNAUDITED

in EUR '000	Equity attributable to shareholders of the parent					Non-controlling interests	Total equity
	Share capital	Retained earnings	Treasury shares	Other reserves	Total		
As at 1 January 2021	54,000	77,307	(2,991)	(17,697)	110,619	(1,827)	108,792
Total comprehensive income for the period	—	1,757	—	3,363	5,120	158	5,278
<i>thereof profit or loss for the period</i>	—	1,722	—	—	1,722	3	1,724
<i>thereof other comprehensive income</i>	—	35	—	3,363	3,399	155	3,554
As at 30 June 2021	54,000	79,064	(2,991)	(14,333)	115,739	(1,669)	114,070
As at 1 January 2022	54,000	86,103	(2,991)	(12,500)	124,612	105	124,717
Total comprehensive income for the period	—	13,456	—	38,533	51,989	7	51,996
<i>thereof profit or loss for the period</i>	—	13,410	—	—	13,410	11	13,421
<i>thereof other comprehensive income</i>	—	46	—	38,533	38,579	(4)	38,575
As at 30 June 2022	54,000	99,559	(2,991)	26,033	176,601	111	176,713

Condensed Consolidated Segment Information

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022 – UNAUDITED

in EUR '000	Investment Properties		Hotels	
	2022	2021	2022	2021
SEGMENT OVERVIEW – PROFIT OR LOSS FOR THE PERIOD				
External revenues	14,691	9,672	3,826	2,158
Intragroup services	–	–	–	–
Expenses directly attributable to revenues	(2,816)	(2,515)	(2,967)	(1,371)
Gross income from revenues	11,875	7,157	859	787
Gains or losses from the disposal of properties	–	–	–	–
Other operating income	163	24	701	423
Expenses for development projects	–	–	(15)	–
Personnel expenses	(184)	(117)	(8)	–
Other/miscellaneous expenses	(3,801)	(407)	(213)	(74)
Intragroup services	(620)	(357)	–	(1)
Segment EBITDA	7,432	6,300	1,324	1,135
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(55)	(5)	(900)	(769)
Scheduled depreciation on right-of-use assets	(37)	(36)	–	–
Impairments	–	–	(26)	(17)
Measurement gains	11,430	2,143	–	–
Measurement losses	(9,610)	(719)	–	–
Segment EBIT	9,160	7,683	398	349
Finance income	91	108	–	–
Finance expenses	(3,875)	(2,800)	(387)	(356)
Changes in foreign exchange rates	–	–	5,858	677
Earnings from joint ventures	–	–	–	–
Current income taxes	(300)	(334)	–	(72)
Deferred income taxes	(1,941)	(245)	13	39
Segment overview – profit or loss for the period	3,135	4,413	5,883	638

	Development and Services		Segment total 1 January–30 June	
	2022	2021	2022	2021
	1,585	920	20,101	12,750
	620	358	620	358
	(1,424)	(483)	(7,207)	(4,368)
	782	796	13,515	8,740
	2,821	–	2,821	–
	398	1	1,262	448
	(101)	(17)	(116)	(17)
	(2,707)	(2,089)	(2,899)	(2,207)
	792	(1,119)	(3,222)	(1,600)
	–	–	(620)	(358)
	1,985	(2,429)	10,741	5,006
	(131)	(98)	(1,086)	(872)
	(166)	(143)	(203)	(179)
	–	–	(26)	(17)
	7,345	1,169	18,775	3,312
	(1,858)	(593)	(11,468)	(1,312)
	7,175	(2,094)	16,733	5,938
	184	199	275	307
	(1,248)	(539)	(5,511)	(3,695)
	–	–	5,858	677
	325	(900)	325	(900)
	10	(62)	(290)	(468)
	(2,043)	70	(3,970)	(136)
	4,403	(3,326)	13,421	1,724

Notes to the Condensed Consolidated Interim Financial Statements

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022 – UNAUDITED

[01] Corporate information

Warimpex Finanz- und Beteiligungs AG (“the Company” or “Warimpex”) is registered with the Commercial Court of Vienna under the number FN 78485w. The Company’s registered address is Floridsdorfer Hauptstrasse 1, A-1210 Vienna, Austria.

The condensed consolidated interim financial statements of Warimpex Finanz- und Beteiligungs AG as at 30 June 2022 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 29 August 2022.

[02] Basis for preparation of the interim financial statements and accounting policies

2.1. General

The consolidated interim financial statements for the period ended 30 June 2022 were prepared in accordance with IAS 34. Interim financial statements do not contain all information and notes included in annual financial statements; they should therefore be read in conjunction with the consolidated financial statements as at 31 December 2021.

The consolidated interim financial statements as at 30 June 2022 were not audited and were not reviewed by an independent financial auditor.

The accounting policies and measurement methods applied in preparing the consolidated interim financial statements as at 30 June 2022 have not changed compared with the consolidated financial statements as at 31 December 2021.

The segment reporting was changed compared with the 2021 consolidated financial statements. Until 31 December 2021, the joint ventures recognised using the equity method in the consolidated financial statements were included in the segment information using the proportionate consolidation method. Warimpex has only held a stake in one remaining operational joint venture since December 2021. Thus, the internal reporting and segment information were changed starting in 2022 such that they now contain all companies included in the consolidated financial statements without the proportionate consolidation of the remaining joint venture.

By their very nature, consolidated interim financial statements are based on estimates to a greater extent than consolidated annual financial statements. In addition to the principal estimation uncertainties identified in the consolidated annual

financial statements, the interim financial statements are affected by estimation uncertainties resulting from the timing of asset impairments or reversals.

2.2. Impact of the conflict in Ukraine

On 24 February 2022, Russian troops invaded Ukraine, thus starting a conflict that has resulted in significant economic upheavals due to the international sanctions imposed against Russia as well as the reactions in Russia and will most likely continue to have an impact for some time. After falling substantially at the end of February, the rouble stabilised again starting in April 2022 and strengthened considerably in June 2022, including in annual comparison. The key interest rate in Russia, which had been hiked to 20% at the end of February, was 9.5% at 30 June 2022 and was cut further to 8% at the end of July 2022.

The Group owns properties in St. Petersburg (one hotel, two office properties, one multi-use building, and an office tower in the final phase of construction) with a value of roughly EUR 238.5 million. With the exception of the building that is under construction, these properties are fully occupied and make up roughly 53 per cent of the Group’s property assets as at 30 June 2022 due to the strong rouble; they had made up around 36% as at 31 March 2022. The financing for these properties was obtained through local banks, and 90% of the arrangements are denominated in roubles. Fixed interest rates or interest rate ceilings are defined in the credit agreements. Warimpex is represented in St. Petersburg by local employees working at local subsidiaries that manage the business operations in the country independent of Warimpex. The revenue attributable to Russia in the first half of 2022 came to EUR 12.2 million. Apart from capital injections completed in the past and liabilities for loans secured by mortgages, there are no financial links or ongoing business relationships between the Russian subsidiaries and the Group parent company or other Group companies. New developments that were originally planned in St. Petersburg are not being pursued further at this time. The Management Board is monitoring the economic and legal developments in Russia very closely in coordination with the Supervisory Board in order to be able to react quickly to current events if necessary.

At present, it is possible to continue the operational activities in Russia without significant restrictions. Measurement gains from Russian properties in the amount of roughly EUR 3.1 million and gains from currency translation in the amount of around EUR 5.9 million were recognised in the first half of the year. In the Hotels segment, revenues in the first half of 2022 were around 32% higher than in the comparison period of 2021. The

contract with the previous hotel manager InterContinental Hotel Group (IHG) was terminated in July 2022 due to IHG's withdrawal from Russia. Because fewer international guests are visiting the hotel due to the coronavirus and the Ukraine conflict, the Group is not expecting significant impacts on revenue or occupancy. Other financial effects on the consolidated financial statements are possible depending on the duration of the conflict, but cannot be reliably estimated at present.

2.3. Impact of the COVID-19 pandemic

In the third year of the COVID-19 pandemic, only minor operational effects are still discernible in the area of office property letting (Investment Properties segment). In the more heavily impacted Hotels segment, a recovery is emerging but is still below pre-coronavirus levels. The Development and Services segment and the Group's financing activities were again not influenced by COVID-19 in the first half of 2022.

The Group received coronavirus aid from the government in the first half of 2022. These aid measures primarily consist of assistance from the interim aid package for the Greet hotel in Darmstadt as well as short-time work aid and property tax reductions.

To the extent it is possible to assign the coronavirus aid to a specific item, it has been deducted from the relevant subsidised expenses in the consolidated financial statements. The individual amounts for each item are listed in the table below. The amounts from the interim aid package pertaining to the first quarter of 2022 that were recognised in the financial statements in the second quarter of 2022 in accordance with IAS 20 are presented separately.

	thereof interim aid			
	1–6/ 2022	1–6/ 2021	1–3/ 2022	1–3/ 2021
Overview of coronavirus aid:				
Expenses from the operation of hotels	184	856	75	333
Other operating income	101	411	77	191
Administrative expenses	91	58	73	–
Other expenses	21	19	18	15
Finance expenses	41	175	29	88
Property, plant, and equipment	–	80	–	–
	437	1,598	271	627

Receivables related to coronavirus aid measures amounted to EUR 436 thousand as at 30 June 2022 (31 December 2021: EUR 910 thousand).

The COVID-19 pandemic is also impacting the Group's liabilities, as described in section 9.1.

[03] Seasonal fluctuations in earnings

The rental of office properties is not subject to seasonal earnings fluctuations. Owing to seasonal fluctuations in tourism, in particular city tourism, earnings contributions in the Hotels segment are generally higher in the second half of the year. By contrast, no determinable pattern can be identified with regard to contributions from the sale of properties, subsidiaries, or business combinations.

[04] Information on the business segments

The operations of Warimpex Group are divided into three business segments: Investment Properties, Hotels, and Development and Services. The individual segments are identified on the basis of their different products and services. Individual hotels and individual managed properties also represent individual business segments based on the Group's reporting structure and are consolidated under the Hotels and Investment Properties segments as appropriate in accordance with IFRS 8.12.

Transactions between business segments contain the re-charging of intragroup services and project development services at arm's length terms. The segment information includes information on the income and results of the Group's business segments for the period from 1 January to 30 June 2022 and as at 30 June 2022.

[05] Property sales and changes in the scope of consolidation

5.1. Property sales

The stake in Hamzsa-Office Kft., which owns and lets B52 Office in Budapest, was sold under a share deal during the reporting period. No property sales were conducted in the prior-year period.

5.2. Changes in the scope of consolidation

The sale of B52 Office in Budapest (share deal, see section 5.1.) in June 2022 resulted in corresponding carrying amount disposals in the Group. The Group also acquired a new ancillary company in Czechia in the first half of 2022 in connection with the financing of the Red Tower office property that was purchased in Łódź in June 2022.

Effects of property/interest sales on the consolidated financial statements:

Consolidated statement of financial position:	Assets	Equity and liabilities
Investment properties	(9,949)	
Other receivables	(15)	–
Cash and cash equivalents	(366)	–
Deferred tax liabilities	–	252
Other non-current liabilities (discharged shareholder loans)	–	3,500
Other current liabilities	–	29
	(10,330)	3,781
Carrying amount of the disposed net assets	(6,549)	

Consolidated income statement:	
Agreed (net) purchase price for the property/interests	9,427
Carrying amount of the proportionate net assets of the sold property/interests	(6,549)
Directly allocable expenses in connection with the sale of interests and properties	(58)
Net result from the sale	2,821

Consolidated cash flow:	
Agreed (net) purchase price for the property/interests	9,427
Purchase price for discharge of shareholder loans	3,500
less directly allocable expenses in connection with the sale of interests and properties	(58)
less open purchase price claim	(352)
	12,518
less outflow of cash and cash equivalents	(366)
Cash flow	12,151

[06] Notes to the consolidated income statement**6.1. Revenues**

The following table breaks revenues down into revenues according to IFRS 15 and other revenues:

	1 January to 30 June 2021			
	Investment Properties	Hotels	Development and Services	Total
Geographical composition:				
Russia	965	1,935	328	3,228
Poland	768	–	528	1,296
Germany	–	150	–	150
Hungary	236	–	25	261
Austria	–	–	18	18
Revenues according to IFRS 15	1,969	2,085	899	4,953
Russia	4,114	–	–	4,114
Poland	2,508	–	21	2,529
Germany	–	73	–	73
Hungary	1,080	–	–	1,080
Revenues according to IFRS 16 (rental revenue)	7,702	73	21	7,797
Total revenues	9,672	2,158	920	12,750

	1 January to 30 June 2022			
	Investment Properties	Hotels	Development and Services	Total
Geographical composition:				
Russia	1,083	2,550	4	3,638
Poland	648	–	1,549	2,198
Germany	–	1,023	–	1,023
Hungary	224	–	22	246
Austria	–	–	9	9
Revenues according to IFRS 15	1,955	3,573	1,585	7,114
Russia	8,522	–	–	8,522
Poland	2,962	–	–	2,962
Germany	–	252	–	252
Hungary	1,251	–	–	1,251
Revenues according to IFRS 16 (rental revenue)	12,736	252	–	12,988
Total revenues	14,691	3,826	1,585	20,101

6.2. Administrative expenses

	1 January to 30 June	
	2022	2021
Composition:		
Other personnel expenses	(2,899)	(2,207)
Other administrative expenses	(2,160)	(1,190)
	(5,060)	(3,397)

6.3. Other expenses

The other expenses include lease expenses for short-term leases in the amount of EUR 14 thousand and for low-value leased assets in the amount of EUR 8 thousand.

6.4. Depreciation, amortisation, and remeasurement

	1 January to 30 June	
	2022	2021
Composition:		
Scheduled depreciation and amortisation on property, plant, and equipment	(1,086)	(872)
Scheduled depreciation on right-of-use assets	(203)	(179)
Impairment of property, plant, and equipment	(26)	(17)
Measurement gains (from investment properties)	18,775	3,312
Measurement losses (from investment properties)	(11,468)	(1,312)
	5,993	932

The measurement gains in the Investment Properties segment pertain above all to the Jupiter office property in St. Petersburg and Red Tower office property in Łódź due to rising rental revenue. In the Development and Services segment, measurement gains were posted primarily for the Avior Tower in St. Petersburg due to the construction progress.

The measurement losses in the Investment Properties segment stemmed largely from properties in St. Petersburg (Zeppelin and Bykovskaya) due to lower future budgeted rental revenue.

6.5. Finance expenses

	1 January to 30 June	
	2022	2021
Composition:		
Interest on short-term borrowings, project loans, and other loans	(4,564)	(2,846)
Coronavirus aid for interest expenses	41	175
Interest on bonds	(56)	(125)
Interest on loans from minority shareholders	(4)	(137)
Interest on lease liabilities	(37)	(31)
Derecognition of capitalised transaction costs	–	(147)
Other finance expenses	(205)	(453)
Unrealised losses on derivative financial instruments	(685)	(16)
Impairment of financial assets	–	(115)
	(5,511)	(3,695)

6.6. Income taxes in other comprehensive income

	1 January to 30 June	
	2022	2021
The income taxes in other comprehensive income consist of:		
Foreign exchange differences	(1,984)	(3)
Taxes on other comprehensive income (reclassified to profit or loss in subsequent periods)	(1,984)	(3)
Gains/losses from remeasurement in accordance with IAS 16	–	(89)
Gains/losses from financial assets measured at fair value through other comprehensive income	(15)	(7)
Taxes on other comprehensive income (not reclassified to profit or loss in subsequent periods)	(15)	(95)
Total income taxes in other comprehensive income	(1,999)	(99)

[07] Notes to the statement of financial position**7.1. Investment properties**

	Developed properties	Development properties	Reserve properties	Total
Changes in 2021:				
Carrying amounts at 1 January	206,746	28,280	16,311	251,337
Additions/investments	1,079	2,898	1,349	5,326
Capitalised borrowing costs	–	57	–	57
Transfer of property, plant, and equipment	–	329	440	769
Disposals	(420)	–	–	(420)
Net measurement result	1,424	1,566	(990)	2,000
Exchange adjustments	2,886	919	223	4,028
Carrying amounts at 30 June	211,714	34,048	17,334	263,096
Changes in 2022:				
Carrying amounts at 1 January	257,555	48,729	18,313	324,596
Changes in the scope of consolidation	(9,949)	–	–	(9,949)
Additions/investments	6,590	6,401	52	13,042
Capitalised borrowing costs	–	723	–	723
Reclassification	–	(1,227)	1,227	–
Disposals	(375)	–	–	(375)
Net measurement result	2,805	2,001	3,363	8,170
Exchange adjustments	51,830	15,892	2,820	70,543
Carrying amounts at 30 June	308,457	72,518	25,775	406,751

The changes in the scope of consolidation pertain to B52 Office in Budapest, which was sold under a share deal during the reporting period (see section 5.1.). The additions to the developed properties can largely be attributed to the purchase of the Red Tower office building in Łódź in June 2022 while the investments in development properties result primarily from the construction progress made on Mogilska 35 Office in Krakow and on Avior Tower in St. Petersburg.

7.2. Property, plant, and equipment

	Hotels	Right-of-use assets	Other property, plant, and equipment	Total
Changes in 2021:				
Carrying amounts at 1 January	30,218	1,384	2,275	33,877
Additions	1,095	49	16	1,161
Disposals	—	(7)	—	(7)
IAS 16 remeasurement in conjunction with IAS 40 (before reclassification)	562	—	—	562
Reclassification to investment properties	(769)	—	—	(769)
Scheduled depreciation and amortisation	(762)	(179)	(101)	(1,042)
Impairment charges	(17)	—	—	(17)
Exchange adjustments	897	10	54	961
Carrying amounts at 30 June	31,224	1,257	2,244	34,725
Composition as at 30/6/2021:				
Acquisition or production cost	51,905	1,439	3,232	56,576
Cumulated write-downs	(20,682)	(181)	(987)	(21,851)
	31,224	1,257	2,244	34,725

	Hotels	Right-of-use assets	Other property, plant, and equipment	Total
Changes in 2022:				
Carrying amounts at 1 January	33,276	1,128	2,186	36,590
Additions	520	50	147	718
Disposals	(67)	—	—	(67)
Scheduled depreciation and amortisation	(896)	(193)	(182)	(1,270)
Impairment charges	(19)	—	—	(19)
Exchange adjustments	10,503	22	111	10,635
Carrying amounts at 30 June	43,318	1,008	2,262	46,587
Composition as at 30/06/2022:				
Acquisition or production cost	76,644	1,198	3,535	81,376
Cumulated write-downs	(33,326)	(190)	(1,273)	(34,789)
	43,318	1,008	2,262	46,587

The right-of-use assets pertain to other property, plant, and equipment.

7.3. Net investments in joint ventures (equity method)

	2022	2021
Development:		
Carrying amounts at 1 January	415	5,077
Earnings allocation from profit/loss for the period	3	(917)
Earnings allocation from other comprehensive income	—	187
Carrying amounts at 30 June	418	4,346

7.4. Trade and other receivables (current)

	30/6/22	30/6/21
Composition:		
Purchase price claims relating to property/interest sales	477	125
Trade receivables	1,125	888
Receivables due from joint ventures	6	6
Receivables due from related parties	35	23
Subtotal of contract balances according to IFRS 15	1,643	1,042
Receivables from tax authorities	3,516	2,531
Advance payments made	1,491	584
Receivables related to leases	268	195
Receivables related to coronavirus aid measures	436	910
Other current receivables	829	147
Deferred expenses	693	264
	8,876	5,673

7.5. Liabilities arising from financing activities

The liabilities arising from financing activities (interest-bearing financial liabilities) consist of bonds, other financial liabilities, lease liabilities, and, if applicable, financial liabilities in connection with disposal groups classified as available for sale (according to IFRS 5).

The change in and composition of these liabilities can be broken down as follows:

	Project loans	Working capital loans	Bonds	Loans from minorities and others	Lease liabilities	Total
Changes in 2021:						
As at 1 January	138,639	17,629	9,026	10,902	1,926	178,122
Borrowing (cash flow)	18,318	1,588	–	–	40	19,945
Repayment (cash flow)	(15,050)	–	–	–	(159)	(15,209)
Change in accumulated interest	252	–	130	149	–	531
Changes in foreign exchange rates	1,263	–	–	547	–	1,809
Other changes	(42)	–	–	2	–	(40)
As at 30 June	143,380	19,217	9,156	11,599	1,806	185,158
<i>thereof current (due < 1 year)</i>	5,978	19,217	2,001	408	179	27,783
<i>thereof non-current (due > 1 year)</i>	137,401	–	7,155	11,191	1,628	157,375
Changes in 2022:						
As at 1 January	196,399	17,676	7,221	2,675	2,163	226,134
Borrowing (cash flow)	11,389	91	13,424	22	–	24,925
Repayment (cash flow)	(9,409)	(4,228)	–	–	(109)	(13,745)
Change in accumulated interest	(503)	–	(578)	110	19	(952)
Changes in foreign exchange rates	38,897	–	–	1,316	49	40,262
Other changes	–	–	–	–	147	147
As at 30 June	236,774	13,539	20,068	4,123	2,269	276,772
<i>thereof current (due < 1 year)</i>	12,269	13,539	1,907	1,576	373	29,665
<i>thereof non-current (due > 1 year)</i>	224,504	–	18,160	2,547	1,895	247,107

The borrowings related to project loans pertain largely to credit line utilisation to finance the Mogilska 35 Office project in Krakow and the Avior Tower in St. Petersburg. The repayment of project loans consists primarily of the repayment of the project loan for B52 Office in Budapest in the context of the sale of the holding company (see section 5.1.).

Two new fixed-rate bonds with maturities in 05/2024 and 05/2025 were issued during the reporting period. The 2025 bond was issued to finance the purchase and refurbishment of the Red Tower office property in Łódź (see also section 7.1.).

[08] Information about financial instruments

8.1. Carrying amounts and fair values according to class and measurement category

The following table contains information on the carrying amounts and fair values of financial instruments, broken down into categories.

Measurement category as per IFRS 9		IFRS 13 level	Carrying amount 30/6/2022	Fair value 30/6/2022	Carrying amount 31/12/2021	Fair value 31/12/2021
Assets – categories						
FAAC	Other financial assets		1,489	1,489	1,543	1,543
FVTPL	Other financial assets – derivative		666	344,713	399	399
FVOCI	Financial assets, measured at fair value through other comprehensive income	3	5,565	5,565	5,504	5,504
	Other non-current assets		456,022		363,667	
	Total non-current assets		463,742		371,114	
FAAC	Receivables		2,740	2,740	1,384	1,384
FAAC	Cash and cash equivalents		22,208	22,208	11,192	11,192
	Other current assets		6,365		4,428	
	Total current assets		31,314		17,004	
	Total assets		495,056		388,118	
Liabilities – classes						
FLAC	Fixed-rate bonds	3	18,160	18,157	5,360	5,521
FLAC	Fixed-rate loans	3	195,632	168,164	152,539	154,583
FLAC	Variable-rate loans	3	31,419	33,120	37,026	37,489
FLAC	Lease liabilities		1,895	n/a	1,849	n/a
FLAC	Other non-current financial liabilities	3	5,903	5,903	5,466	5,466
	Other non-current liabilities		22,735		16,577	
	Total non-current liabilities		275,745		218,817	
FLAC	Fixed-rate bonds	3	1,907	1,944	1,861	1,899
FLAC	Fixed-rate loans	3	11,489	10,684	11,982	11,895
FLAC	Variable-rate loans	3	15,896	16,368	15,203	15,231
FLAC	Lease liabilities		373	n/a	314	314
FVTPL	Derivative financial instruments	3	41	41	–	–
FLAC	Other current financial liabilities	3	7,470	7,470	10,029	10,029
	Other current liabilities		5,422		5,195	
	Total current liabilities		42,598		44,584	
	Total liabilities		318,343		263,401	
					30/6/2022	31/12/2021
Summary of carrying amounts by category for financial assets and liabilities:						
FAAC	Financial assets at amortised cost				26,437	14,119
FVOCI	At fair value through OCI				5,565	5,504
FLAC	Financial liabilities at amortised cost				290,145	241,629
FVTPL	At fair value through profit or loss				707	399

The method of fair value measurement is the same as at 31 December 2021.

8.2. Reconciliation of level 3 measurement (recurring fair value measurement)

The financial instruments that are subject to recurring fair value measurement can be broken down as follows:

	1 January to 30 June			1 January to 30 June	
	2022	2021		2022	2021
Changes in assets:			Changes in liabilities:		
Carrying amounts at 1 January	5,903	5,625	Carrying amounts at 1 January	–	320
Additions	–	–	Additions	–	20
Disposals	–	–	Disposals	–	–
Gains/losses on remeasurement in profit or loss	(648)	–	Gains/losses on remeasurement in profit or loss	37	(92)
Gains/losses on remeasurement in other comprehensive income	976	26	Gains/losses on remeasurement in other comprehensive income	4	–
Carrying amounts at 30 June	6,231	5,651	Carrying amounts at 30 June	41	248

8.3. Measurement methods and inputs (recurring fair value measurement)

The following table shows the measurement method and input parameters relating to the recurring fair value measurement of financial instruments:

Level	Class	Measurement method	Material inputs
3	Financial assets measured at fair value through other comprehensive income	Income-based	Exit yield, cash flows

No changes were made to the measurement methods in the reporting period.

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value.

Level	Class	Material inputs	Weighted average
31/12/2021:			
3	Financial assets measured at fair value through other comprehensive income	Exit yield	3.5%
3	Financial assets measured at fair value through other comprehensive income	Cash flow (year one) in EUR '000	3,323
30/6/2022:			
3	Financial assets measured at fair value through other comprehensive income	Exit yield	3.5%
3	Financial assets measured at fair value through other comprehensive income	Cash flow (year one) in EUR '000	3,488

8.4. Sensitivity analysis for changes in unobservable material inputs (recurring measurement)

The following is quantitative information about material, unobservable inputs that were used in the measurement of fair value. The cumulated, discounted expected payment flows correspond to the fair values.

Level	Input	Change of assumption	Change in the result before taxes	
			30/6/22	31/12/21
3	Financial assets measured at fair value through other comprehensive income			
	Exit yield	+ 50 bps	(1,027)	(1,131)
	Exit yield	- 50 bps	1,347	1,512
	Cash flow (year one)	+ 5%	528	837
	Cash flow (year one)	- 5%	(528)	(281)

[09] Other disclosures

9.1. Contractual bonds and guarantees

The following guarantees are related to hotel operations and are therefore impacted by the COVID-19 pandemic:

- GOP guarantee from the sale of angelo Prague
- Lease guarantee related to InterContinental hotel, Warsaw

With regard to the guarantee issued by the Group in connection with the hotel sale for the achievement of a certain GOP (gross operating profit), there were differing legal opinions on the degree to which the exercise of the guarantee in relation to the impairment of hotel operations due to the pandemic was justified. Thus, the contract partner called arbitration proceedings, for which a decision was handed down at the end of June 2022. Under this decision, Warimpex is required to pay half of the claimed guarantee amounts including interest and half of the costs of the arbitration proceedings. As a result, the remaining provisions after deduction of the above amounts could be released during the reporting period.

The lease agreement for the InterContinental hotel in Warsaw, the operating company of which is a 50% subsidiary of the Group, was amended in June 2022 due to operational impairments relating to the coronavirus pandemic. Based on this contract amendment, a new company guarantee was issued in August 2022 for an amount of EUR 841 thousand (previously EUR 1,377 thousand).

9.2. Related party transactions

9.2.1. Transactions with Ambo GmbH

	1 January to 30 June	
	2022	2021
Income from performance management	10	10
	30/6/22	31/12/21
Receivable from Ambo GmbH	35	23

9.2.2. Transactions with Georg Folian

	1 January to 30 June	
	2022	2021
Consulting fee paid to Mr Folian	(2)	(3)
Clerical activities for Mr Folian	9	7
	7	4
	30/6/22	31/12/21
Receivables from Mr Folian as at 30 June	3	–

9.2.3. Transactions with Management Board members

	1 January to 30 June	
	2022	2021
Management Board compensation	(288)	(565)
Fees paid to Franz Jurkowitsch	17	–
	(271)	(565)

	30/6/22	31/12/21
Liabilities to Management Board members	257	551

9.2.4. Transactions with Supervisory Board members

	1 January to 30 June	
	2022	2021
Supervisory Board fees	(288)	(565)

	30/6/22	31/12/21
Liabilities to Supervisory Board members	107	–

9.2.5. Transactions with joint ventures

	2022	2021
Income from transactions		
1 January to 30 June	186	513

	30/6/22	31/12/21
Receivables due from joint ventures	6	6
Payables due to joint ventures	4,068	4,141

9.3. Events after the reporting date

In August 2022, a Russian subsidiary was able to refinance a EUR-denominated project loan locally in roubles and extend the loan term. As a result, all Russian project financing is now denominated in roubles. Due to the fluctuations in the rouble exchange rate, a profit from currency translation for the loan in the amount of EUR 4.2 million is expected for the period from 1 January to 30 September 2022 and for the 2022 financial year, while a loss from currency translation of approximately EUR 1.5 million is expected for the third quarter of 2022 alone.

Vienna, 29 August 2022



Franz Jurkowitsch
Chairman
of the Management Board



Daniel Folian
Deputy Chairman
of the Management Board



Alexander Jurkowitsch
Member of the
Management Board



Florian Petrowsky
Member of the
Management Board

Declaration by the Management Board

We confirm to the best of our knowledge that the condensed consolidated interim financial statements, which were prepared in accordance with the applicable accounting standards, give a true and fair view of the asset, financial, and earnings position of the Group and that the semi-annual consolidated management report of the Group gives a true and fair view of the asset, financial, and earnings position of the Group in terms of the material events during the first six months of the financial year and their effects on the condensed consolidated interim financial statements, in terms of the material risks and uncertainties in the remaining six months of the financial year, and in terms of the material related party transactions that must be disclosed.



Franz Jurkowitsch
Chairman of the Management Board

Responsibilities:
Strategy and
corporate communication



Daniel Folian
Deputy Chairman of the Management Board

Responsibilities:
Finances and accounting,
financial management, and investor relations



Alexander Jurkowitsch
Member of the Management Board

Responsibilities:
Planning, construction,
information management, and IT



Florian Petrowsky
Member of the Management Board

Responsibilities:
Transaction management, organisation,
human resources, and legal issues



Mogilska 43 Office
Krakow, PL

Financial Calendar

2022

29 November 2022*Publication of the results
for the first three quarters of 2022*

NOTES

In the interests of readability, we refrained from using gender-sensitive formulations.
Statements referring to people are intended to be gender neutral.

We have compiled this report and checked the data with the greatest possible care.
Nonetheless, rounding, typographical, or printing errors cannot be ruled out.
The summation of rounded amounts and percentages may result in rounding differences.
This report was prepared in German, English, and Polish.
In cases of doubt, the German version is authoritative.

PUBLICATION DETAILS

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