

## **Results for the first quarter of 2019:**

### **Warimpex starts off new financial year with a profit**

- **Profit for the period of EUR 11.8 million compared to loss of EUR 3.0 million in prior year due to property sales and exchange rate gains**
- **Focus on building up property portfolio: Acquisition of hotel property in Darmstadt, opening of Mogilska office building in Krakow, and expansion of involvement in St. Petersburg after reporting period**
- **Successful sales in Karlovy Vary and Budapest**

Vienna/Warsaw, 28 May 2019 – Warimpex Finanz- und Beteiligungs AG is starting off the 2019 financial year with a positive result for the first quarter. The profit of EUR 11.8 million is primarily the result of higher gains on property sales and a positive financial result due to exchange rate gains. The focus for the real estate development and investment company this year is on building up its property portfolio and strengthening its earning potential.

Warimpex is concentrating on completing ongoing developments and working to quickly get new projects up and running. At the same time, the acquisition of cash-flow generating assets with potential for the future will help the company achieve its goals for the current financial year. The first successes can already be seen.

### **A detailed look at the results for the first quarter of 2019**

In the first quarter of 2019, revenues in the Hotels segment fell to EUR 1.8 million, which represents a decline of 24 per cent compared with the first quarter of 2018. This can be attributed primarily to the sale of the operating company for the Dvořák hotel in Karlovy Vary at the end of February. The company reported an increase in revenues from the rental of office properties: This figure rose by 7 per cent to EUR 4.1 million due to the purchase of the B52 office building in Budapest in May 2018 and the completion of the Ogródowa office building in Łódź in October 2018. Total revenues fell by 6 per cent to EUR 6.3 million.

EBITDA saw a significant increase from EUR 1.3 million to EUR 7.6 million, primarily due to gains on property sales. EBIT also rose from EUR 1.2 million to EUR 7.5 million. The financial result (including earnings from joint ventures) improved from minus EUR 4.1 million to EUR 5.7 million. This includes changes in foreign exchange rates in the amount of EUR 6.4 million (Q1 2018: minus EUR 2.1 million). This resulted in a profit of EUR 11.8 million for the first quarter of 2019 (Q1 2018: loss of EUR 3.0 million).

### **Acquisition in Darmstadt, opening of office building in Krakow, and increased involvement in St. Petersburg**

Warimpex's strategy is underlined by a few current examples. After the reporting period – at the end of April – the company secured the purchase of a hotel property in the German city of Darmstadt. It plans to reopen the

three-star conference hotel, which is currently closed, before the end of the year and reposition it under a new brand following a refurbishment and renovation phase that will be completed without disrupting ongoing operations. The hotel property also offers property reserves for the development of additional premium office and commercial space.

There is also good news to report from other markets. In May, Warimpex officially opened the Mogilska office project in the Polish city of Krakow. The ultra-modern, class A office building was completed on schedule after a construction period of 21 months and offers a total of 12,000 square metres over eight storeys. Rental agreements have been signed for the majority of the office space, and the first tenants have already moved in. Also in May, Warimpex announced the acquisition of a 35 per cent stake in the project company AO AVIELEN A.G. Following this acquisition, Warimpex will hold a total stake of 90 per cent in AVIELEN, which is responsible for the development and operation of AIRPORTCITY St. Petersburg. The closing of the transaction is still subject to the standard closing prerequisites for transactions of this type, in particular the approval of the Russian antitrust authority.

#### **Disposals in Karlovy Vary and Budapest**

In accordance with its corporate strategy, Warimpex also completed two successful sales in the first quarter of 2019. On the one hand, the company sold the Dvořák hotel in the Czech city of Karlovy Vary to an international private investor in February. On the other, it disposed of the Sajka office building with its roughly 600 square metres of lettable space in Budapest at the start of the year.

#### **Outlook**

Warimpex expects to see a significant increase in revenues in the Investment Properties segment and an improvement in gross income this year thanks to rental revenue from new assets – first and foremost from the two office buildings in Poland. The company is also active on the German market again thanks to the acquisition in Darmstadt.

**Key financial figures for the first quarter of 2019 at a glance (as at 31 March 2019):**

<b>in EUR '000</b>	<b>1–3/2019</b>	<b>Change</b>	<b>1–3/2018</b>
Hotels revenues	1,821	-24%	2,381
Investment Properties revenues	4,065	7%	3,803
Development and Services revenues	379	-25%	506
<i>Total revenues</i>	<i>6,265</i>	<i>-6%</i>	<i>6,690</i>
Expenses directly attributable to revenues	-2,906	-10%	-3,236
<i>Gross income from revenues</i>	<i>3,360</i>	<i>-3%</i>	<i>3,453</i>
Gains or losses from the disposal of properties	7,285	-	-
EBITDA	7,602	484%	1,302
Depreciation, amortisation, and remeasurement	-152	-18%	-129
EBIT	7,450	535%	1,173
Earnings from joint ventures	474	-	-770
Profit or loss for the period	11,799	-	-2,975
Profit or loss for the period (shareholders of the parent)	8,838	-	-2,017
Net cash flow from operating activities	-329	-	184
<b>Segment information (including joint ventures on a proportionate basis):</b>			
Hotels revenues	7,814	-9%	8,585
Hotels net operating profit (NOP)	859	-22%	1,108
NOP per available room in EUR	866	-20%	1,083
Investment Properties revenues	5,068	5%	4,840
Investment Properties EBITDA	3,731	-1%	3,813
Development and Services revenues	544	-26%	657
Gains or losses from the disposal of properties	7,285	-	-
Development and Services EBITDA	5,112	-	-1,618
	<b>31/12/2018<sup>1</sup></b>	<b>Change</b>	<b>31/12/2017<sup>1</sup></b>
Gross asset value (GAV) in EUR millions	269.9	33%	202.5
NNNAV per share in EUR	2.56	5%	2.44

<sup>1</sup>As no external valuation of the portfolio was completed as at 31 March 2019 or 31 March 2018, the latest available values are shown.