warimpex

WARIMPEX

Report on the First Half of 2024

WARIMPEX GROUP

Key Figures

in EUR ’000	**1–6/2024**	Change	1–6/2023
Investment Properties revenues	18,410	-5%	19,415
Hotels revenues	6,253	6%	5,914
Development and Services revenues	1,314	41%	929
Total revenues	*25,977*	*-1%*	*26,258*
Expenses directly attributable to revenues	-9,514	6%	-9,004
Gross income from revenues	*16,463*	-5%	*17,254*
Gains or losses from the disposal of properties	–	–	–
EBITDA	8,581	-24%	11,264
Depreciation, amortisation, and remeasurement	-10,719	122%	-4,825
EBIT	-2,139	-133%	6,440
Financial result	-6,609	27%	-5,208
Profit or loss for the period	-8,783	–	214
Net cash flow from operating activities	4,673	-72%	16,565
Equity and liabilities	375,062	-10%	416,074
Equity	117,744	-21%	149,085
Equity ratio	31%	-5 pp	36%
Number of shares	54,000,000	–	54,000,000
Earnings per share in EUR	-0.17	–	0.00
Number of treasury shares	1,939,280	–	1,939,280
Number of office and commercial properties	10	1	9
Lettable office space (adjusted for proportionate share of ownership)	138,200 m²	11,900 m²	126,300 m²
m² with sustainability certificates (adjusted for proportionate share of ownership)	118,700 m²	43,300 m²	75,400 m²
In % of the total floor area	86%	26 pp	60%
Number of hotels	3	-1	4
Number of rooms	831	–	831

	30/6/2024	Change	31/12/2023
Gross asset value (GAV) in EUR millions	363.8	1%	360.1
NNNAV per share in EUR	2.60	-3%	2.68
EPRA NTA per share in EUR	2.47	-4%	2.56
End-of-period share price in EUR	0.742	–	0.745

Contents

Red Tower
Łódź, PL

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

The first half of 2024 continued to be shaped by difficult market conditions, with high interest rates, elevated prices, and in part lower property valuations. An initial turning point was seen when the ECB lowered the key rate in June 2024. Nevertheless, Warimpex's operational performance was stable, and the development projects are proceeding according to plan, with attention being focused on the current developments in Krakow and Darmstadt.

Operational stability

In the first half of 2024, total revenues remained relatively constant at EUR 26.0 million (minus 1 per cent), while the expenses directly attributable to revenues increased by 6 per cent to EUR 9.5 million. The development of revenues in the Hotels segment was positive despite the weaker rouble exchange rate in the first half of 2024, while revenues from the rental of office properties declined slightly. This led to a 5 per cent decrease in gross income from revenues to EUR 16.5 million.

Slightly lower revenues and impairments on receivables resulted in lower EBITDA of EUR 8.6 million, versus EUR 11.3 million in the prior-year period. Due to the lower EBITDA and a negative remeasurement result for investment properties, EBIT fell from EUR 6.4 million to minus EUR 2.1 million.

Finance income went from minus EUR 5.2 million to minus EUR 6.6 million due to a lack of income from foreign exchange rate changes in the financial result. In total, this resulted in a loss for the period of EUR 8.8 million for Warimpex, compared to a profit of EUR 0.2 million in the prior-year period.

Focus on office developments

We are sticking to our strategy when it comes to our development projects: The focus is on office developments with sustainability certifications that also meet the requirements of the EU Taxonomy.

The marketing of the Mogilska 35 Office building, which was opened at the the end of 2023, is going according to plan, and we currently expect it to be fully occupied by the end of the year.

The West Yard 29 project in Darmstadt with lettable space of 12,500 square metres is in the advanced planning stage. We expect the building permit to be issued before the end of the year.

The Red Tower in Łódź received BREEAM In-Use – Very Good sustainability sustainability certification in April 2024. In addition, the new Mogilska 35 Office building was awarded WELL Health-Safety certification for a safe and healthy work environment. The existing WELL Health-Safety certifications were renewed for the two office buildings Mogilska 43 Office in Krakow and Ogrodowa Office in Łódź. The Memos coworking offerings were recently expanded by another 600 square metres due to the high demand. Warimpex sold a development property in Białystok after the reporting date.

Outlook for 2024

Due to the continuing conflict in Ukraine and the low economic growth, we expect market conditions to remain challenging. Nevertheless, we believe that our operational activities will see positive development, and we are proceeding with the ongoing project developments according to plan. Our focus continues to be on making preparations for construction and obtaining building permits for our development projects in order to be ready to start construction at the suitable time. In addition, we are continuing the implementation of sustainability concepts at our properties by obtaining appropriate certifications.

Vienna, August 2024

Franz Jurkowitsch

Franz Jurkowitsch

CHAIRMAN OF THE MANAGEMENT BOARD

warimpex

Semi-Annual Consolidated Management Report

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024

Economic Environment

Economic conditions
Attention continued to be focused on the geopolitical developments in the first half of 2024. 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 impact of the Ukraine conflict on the Group, please refer to the information in section 3.4.1. of the consolidated financial statements as at 31 December 2023, section 2.2. of the consolidated interim financial statements, and the section "Outlook" in the management report.

In addition, inflation rose significantly in the Eurozone starting in 2022, due in part to energy price increases and shortages caused by the Ukraine conflict. The ECB reacted by raising the key interest rate in multiple steps from July 2022 to September 2023. Consequently, inflation declined again in the Eurozone over the course of the year. However, the ECB's target of 2 per cent has not yet been reached. The ECB lowered its key rate again for the first time in the first half of 2024.

Markets

POLAND

Existing portfolio: 4 office properties, 1 hotel
Warimpex bought the Red Tower in Łódź at the end of June 2022. Renovations were started during the 2022 financial year and are continuously progressing. The Red Tower is located in the heart of Łódź, is 80 metres 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 modernised 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 square metres with large windows and light wells that ensure that all workstations are well lit. Around 36 per cent of the space of the office building was occupied as at the reporting date.

Ogrodowa Office was opened in Łódź in 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. Ogrodowa Office was awarded BREEAM In-Use – Excellent certification and is classified as Taxonomy-aligned according to the EU Taxonomy Regulation. Around 81 per cent of the space at the office building was occupied as at the reporting date.

Mogilska 43 Office was completed in early April 2019. A full 100 per cent of the office space was occupied as at the reporting date. 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 – Excellent certification. The office property is classified as Taxonomy-aligned according to the Taxonomy Regulation.

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.

The grand opening of Mogilska 35 Office, an office building with roughly 11,900 square metres of space, was celebrated in November 2023. BREEAM In-Use – Excellent certification is planned for the building. Based on the environmental standards that were taken into account in the development of the property, it is classified as Taxonomy-aligned in accordance with the EU Taxonomy Regulation. As at the reporting date, 66 per cent of the office space was already occupied.

Warimpex has been 50 per cent leaseholder of the five-star InterContinental hotel in Warsaw since the end of December 2012. As part of 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 declined from 78 per cent in the prior year to 72 per cent while the average room rate in euros advanced by roughly 4 per cent.

Under development: 2 office buildings, reserve properties

In recent years, Warimpex has acquired smaller, partially developed properties adjacent to the three existing Mogilska office buildings. 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 a co-living/office building with around 20,600 square metres of space is to be built. A building permit has already been issued.

Warimpex sold a development property in Białystok after the reporting date.

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.

Roughly 96 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 Biztositó zRT, a Hungarian branch of the international Groupama Group.

RUSSIA

Existing portfolio: 3 office properties, 1 multi-use building, 1 hotel

In St. Petersburg, Warimpex holds 100 per cent of AIRPORTCITY St. Petersburg. 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 was 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 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 Avior Tower office building with roughly 18,600 square metres of lettable office space was completed in the third quarter of 2022 and has been fully occupied since January 2023.

The Airportcity Plaza hotel (formerly the Crowne Plaza hotel) achieved occupancy of 55 per cent (1–6 2023: 49 per cent) while the average room rate in euros fell by 3 per cent versus the prior-year period.

Under development: Development properties

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

GERMANY

Existing portfolio: 1 hotel

In April 2019, Warimpex acquired a hotel property in Darmstadt and later reopened it under the name greet hotel. Cycas Hospitality was tasked with managing the three-star superior conference hotel. Following the pandemic-related restrictions and extensive renovation, the hotel is once again welcoming more guests. 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 (excluding the long-stay area) was 58 per cent during the reporting period (1–6 2023: 51 per cent). The average room rate did not change.

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. A new zoning plan was approved by the City of Darmstadt in September 2023. The permit planning for the first office building (West Yard 29 with roughly 12,500 square metres) is already at an advanced stage.

Assets, Financial Position, and Earnings Situation

Earnings situation

Development of revenues
Revenues from the rental of office properties (Investment Properties revenues) declined from EUR 19.4 million to EUR 18.4 million due to a weaker rouble exchange rate compared with the prior-year period.

In the first half of 2024, revenues in the Hotels segment rose to EUR 6.3 million, which represents an increase of 6 per cent over the prior-year period.

Total revenues fell by 1 per cent to EUR 26.0 million, while the expenses directly attributable to revenues increased by 6 per cent to EUR 9.5 million. This led to a 5 per cent decrease in gross income from revenues to EUR 16.5 million (2023: EUR 17.3 million).

Gains or losses from the disposal of properties
As in the first half of 2023, the Group conducted no real estate transactions in the first half of 2024.

EBITDA – EBIT
EBITDA (earnings before interest, taxes, depreciation, amortisation, and gains/losses on the remeasurement of investment properties) went from EUR 11.3 million to EUR 8.6 million, primarily due to lower revenues resulting from a change in the exchange rate as well as recognised impairments on receivables. Due to the lower EBITDA and a negative remeasurement result for investment properties, EBIT fell from EUR 6.4 million to minus EUR 2.1 million.

Financial result
Finance income (including earnings from joint ventures) went from minus EUR 5.2 million to minus EUR 6.6 million due to a lack of income from foreign exchange rate changes in the financial result.

Profit or loss for the period
The result for the period for the Warimpex Group went from EUR 0.2 million in the prior-year period to minus EUR 8.8 million.

Segment analysis

The Warimpex Group has defined the business segments of: Investment Properties, Hotels, and Development and Services. 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.

Investment Properties segment

in EUR '000	**1–6/2024**	1–6/2023
Segment revenues	18,410	19,415
Segment EBITDA	9,358	14,887
Property remeasurement result	-9,203	-2,791

The lower revenues and lower EBITDA for the Investment Properties segment are primarily due to the change in the rouble exchange rate and impairments on receivables.

Hotels segment

in EUR '000	**1–6/2024**	1–6/2023
Segment revenues	6,253	5,914
Segment EBITDA	1,568	1,177
Depreciation, amortisation, and impairments/impairment reversals	-630	1,034

The development of revenues in the Hotels segment was positive in the first half of 2024 despite the weaker rouble exchange rate.

Development and Services segment

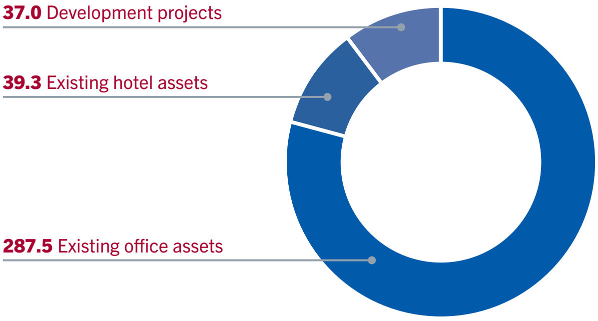
in EUR '000	**1–6/2024**	1–6/2023
Segment revenues	1,314	929
Gains or losses from the disposal of properties	–	–
Segment EBITDA	-2,345	-4,800
Remeasurement result	-887	-3,068

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. No such real estate transactions were conducted in the first half of 2023 or 2024.

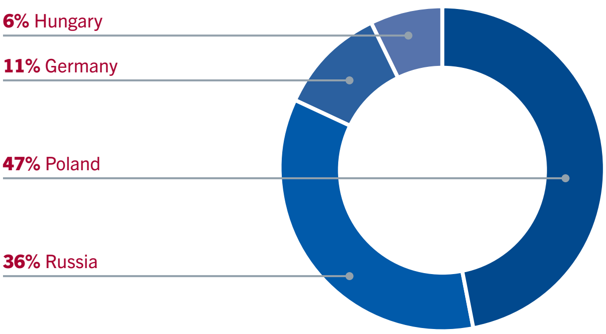
Real Estate Assets

On 30 June 2024, the real estate portfolio of the Warimpex Group comprised three hotels with roughly 1,000 rooms (around 800 rooms when adjusted for the proportionate share of ownership), plus ten office properties with total lettable office and commercial space of roughly 138,000 square metres.

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 valuated twice annually (on 30 June and 31 December) by independent real estate appraisers.

On 30 June 2024, the following experts appraised Warimpex's portfolio:

Appraiser	Fair values as at 30/6/2024	in %
	in EUR millions	
Knight Frank	166	46%
CB Richard Ellis	62	17%
Internal	131	36%
None	5	1%
	364	**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 2023.

The gross asset value (GAV) of all Warimpex properties (based on proportionate ownership) came in at EUR 363.8 million at 30 June 2024 (31 December 2023: EUR 360.1 million). The Group's triple net asset value (NNNAV) fell from EUR 139.8 million as at 31 December 2023 to EUR 135.3 million as at 30 June 2024.

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

in EUR millions	**6/2024**		12/2023	
Equity before non-controlling interests		117.6		121.9
Deferred tax assets	-1.1		-1.0	
Deferred tax liabilities	10.8	9.7	11.2	10.2
Carrying amount of existing hotel assets	-30.9		-30.0	
Fair value of existing hotel assets	39.3	8.4	37.7	7.7
Triple net asset value		**135.7**		**139.8**
Number of shares as at 31 December		54.0		54.0
Treasury shares		-1.9		-1.9
Number of shares as at 31 December		52.1		52.1
NNNAV per share in EUR		**2.60**		**2.68**

EPRA Net Asset Value Metrics	30/6/2024 EPRA NRV	30/6/2024 EPRA NTA	30/6/2024 EPRA NDV
in EUR ’000			
IFRS Equity attributable to shareholders	117,604	117,604	117,604
Include:			
ii.c) Revaluation of other non-current investments	8,194	8,194	8,194
Diluted NAV at Fair Value	**125,798**	**125,798**	**125,798**
Exclude:			
v) Deferred tax in relation to fair value gains of investment property	6,204	3,102	
viii.b) Intangibles as per the IFRS balance sheet		-9	
Include:			
ix) Fair value of fixed interest rate debt			23,957
xi) Real estate transfer tax	6,325	0	
NAV	**138,326**	**128,890**	**149,754**
Fully diluted number of shares	52,100	52,100	52,100
NAV per share	**€2.66**	**€2.47**	**€2.87**

EPRA Net Asset Value Metrics	31/12/2023 EPRA NRV	31/12/2023 EPRA NTA	31/12/2023 EPRA NDV
in EUR ’000			
IFRS Equity attributable to shareholders	121,904	121,904	121,904
Include:			
ii.c) Revaluation of other non-current investments	7,542	7,542	7,542
Diluted NAV at Fair Value	**129,446**	**129,446**	**129,446**
Exclude:			
v) Deferred tax in relation to fair value gains of investment property	7,550	3,775	
viii.b) Intangibles as per the IFRS balance sheet		-13	
Include:			
ix) Fair value of fixed interest rate debt			26,973
xi) Real estate transfer tax	7,625	0	
NAV	**144,621**	**133,208**	**156,420**
Fully diluted number of shares	52,100	52,100	52,100
NAV per share	**€2.78**	**€2.56**	**€3.00**

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 or due to changes in geopolitical circumstances. 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 risks

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 the financial statements were prepared, a lawsuit filed by the Group with regard to two outstanding monthly rent payments was pending in court. Please see section 2.2. of the notes to the consolidated interim financial statements for more information.

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 the Group's economic activities are Taxonomy-eligible.

Only a few properties have the best certifications that are necessary to contribute to meeting the climate targets. In general, certifications are planned for all new developments with a minimum standard of LEED – Gold, BREEAM – Excellent, or DGNB – Gold.

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 the future. 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, 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 occasionally 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 in section 8.2.

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). As at the reporting date, only around 20 per cent of the Group’s interest-bearing financial liabilities were subject to variable interest rates, so interest rate risk is considered to be moderate for Warimpex.

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).

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.

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.

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 2023.

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.

Warimpex continuously monitors budget compliance and progress for development projects and maintenance work to prevent cost overruns and an associated increased outflow of liquidity.

Please also see section 8.2.4. in the notes to the consolidated financial statements as at 31 December 2023.

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 responsibility lies with the managers of the respective business units.

This makes the regular 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 (for annual and consolidated 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 9.2. of the notes to the consolidated interim financial statements for information about key events after the reporting date.

Outlook

The following real estate projects are currently under development:

- Chopin co-living/office project with roughly 20,600 square metres of space, Krakow (currently being planned, building permit issued)
- West Yard 29 office building in Darmstadt with roughly 12,500 square metres of space (currently being planned, new zoning plan approved)

Our operational focus continues to be on making preparations for construction and obtaining building permits in order to be ready to start construction at the suitable time.

Since the beginning of the conflict in Ukraine, management has continuously focused on the related geopolitical, legal, and economic developments. Please see section 3.4.1. of the notes to the consolidated financial statements as at 31 December 2023 as well as section 2.2. of the consolidated interim financial statements for more information. Warimpex expects the rouble exchange rate to remain volatile in the future, as well.

The increase in the cost of project financing resulting from the inflation trend and the higher key rates as well as the rise in yields for properties, which have already resulted in lower property values, are still key topics in the real estate industry. As at the reporting date, only around 20 per cent of the Group's interest-bearing financial liabilities were subject to variable interest rates, so interest rate risk is considered to be moderate for Warimpex.

Based on the budget figures, the Group anticipates positive results for its ongoing operational activities in 2024. Market conditions are expected to remain challenging due to the continuing conflict in Ukraine and the declining economic growth, but Warimpex is optimally prepared to meet these challenges with its experienced and crisis-tested team.

In addition, the topic of sustainability is becoming an increasingly important focus. Sustainability has long since become more than a peripheral topic and now shapes the thinking and actions of the majority of the population. Sustainability and climate protection are gaining even more significance due to the EU Taxonomy, which contributes to the promotion of environmentally sustainable economic activities. Throughout the Group, the goal is to confirm the implementation of sustainability concepts at our properties by obtaining appropriate certifications for our property portfolio. Several of our properties have already been classified as Taxonomy-aligned and thus as environmentally sustainable. This course will be continued in the future.

Vienna, 29 August 2024

Franz Jurkowitsch
Chairman
of the Management Board

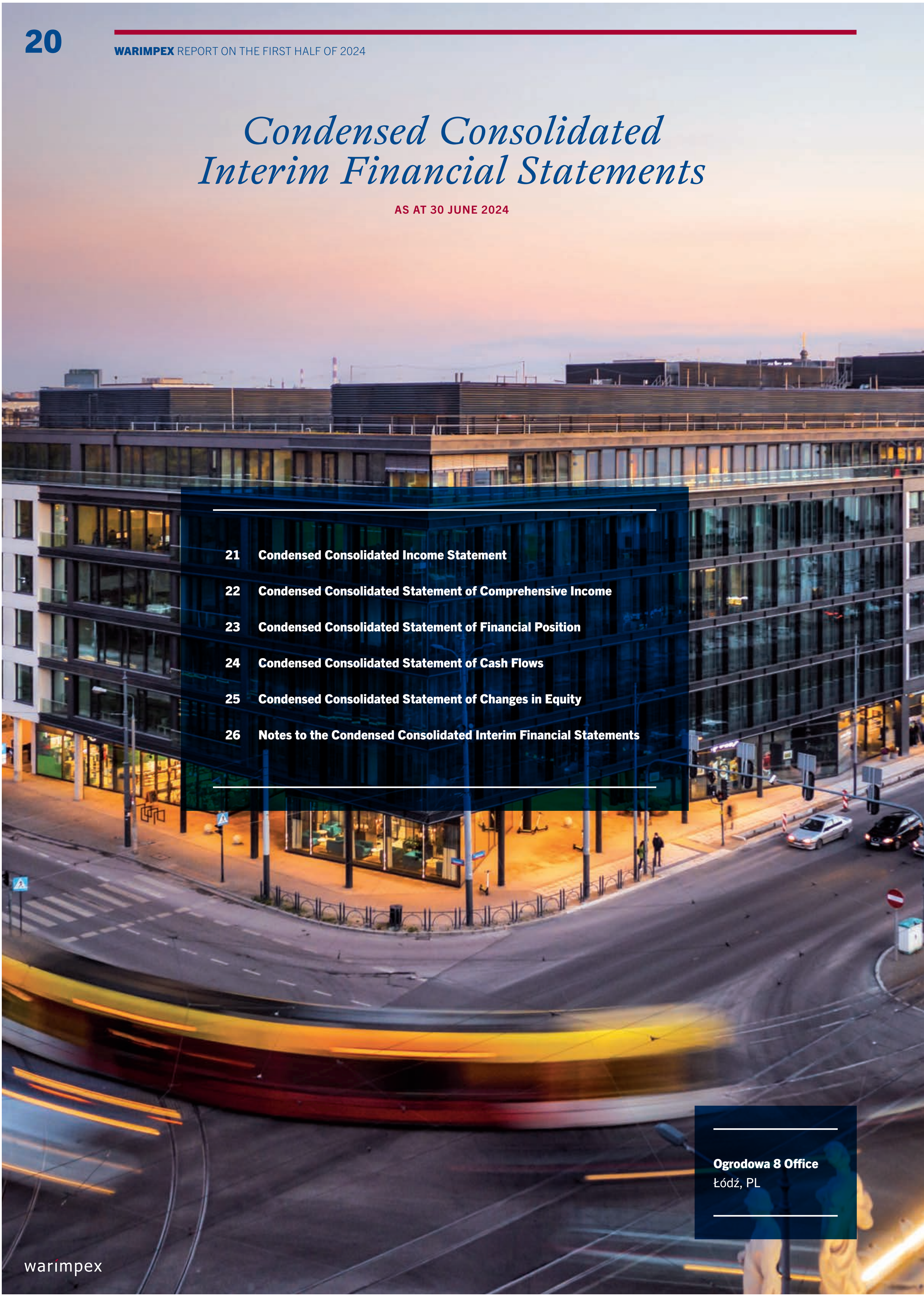
Daniel Folian
Deputy Chairman
of the Management Board

Alexander Jurkowitsch
Member of the
Management Board

Florian Petrowsky
Member of the
Management Board

Condensed Consolidated Interim Financial Statements

AS AT 30 JUNE 2024



Ogrodowa 8 Office
Łódź, PL

Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024 – UNAUDITED

in EUR '000	Note	**1–6/2024**	**4–6/2024**	1–6/2023	4–6/2023
Investment Properties revenues		18,410	9,322	19,415	9,397
Hotels revenues		6,253	3,716	5,914	3,490
Development and Services revenues		1,314	811	929	425
Revenues	6.1.	**25,977**	**13,848**	**26,258**	**13,312**
Expenses from the operation of investment properties		(3,678)	(1,773)	(3,582)	(1,834)
Expenses from the operation of hotels		(4,681)	(2,402)	(4,640)	(2,488)
Expenses directly attributable to development and services		(1,154)	(803)	(783)	(440)
Expenses directly attributable to revenues		**(9,514)**	**(4,977)**	**(9,004)**	**(4,763)**
Gross income from revenues		**16,463**	**8,871**	**17,254**	**8,549**
Other operating income		**156**	**88**	**157**	**106**
Administrative expenses	6.2.	**(5,076)**	**(2,623)**	**(5,441)**	**(2,741)**
Other expenses	6.3.	**(2,962)**	**(1,550)**	**(706)**	**(248)**
Earnings before interest, taxes, depreciation, amortisation, and remeasurement (EBITDA)		**8,581**	**4,786**	**11,264**	**5,666**
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets		(858)	(447)	(935)	(470)
Scheduled depreciation on right-of-use assets		(176)	(143)	(174)	(90)
Impairment of property, plant, and equipment		(59)	(46)	(152)	(152)
Reversals of impairment on property, plant, and equipment		166	106	1,931	1,749
Gains/losses on remeasurement of investment property		(9,793)	(9,858)	(5,496)	(5,540)
Depreciation, amortisation, and remeasurement	6.4.	**(10,719)**	**(10,388)**	**(4,825)**	**(4,502)**
Earnings before interest and taxes (EBIT)		**(2,139)**	**(5,603)**	**6,440**	**1,163**
Interest revenue		433	215	287	151
Finance expenses	6.5.	(7,055)	(3,649)	(6,868)	(3,341)
Changes in foreign exchange rates		–	–	1,361	1,182
Result from joint ventures (equity method) after taxes	7.3.	14	7	11	16
Financial result		**(6,609)**	**(3,427)**	**(5,208)**	**(1,992)**
Earnings before taxes		**(8,748)**	**(9,030)**	**1,231**	**(828)**
Current income taxes		(870)	(506)	(783)	(454)
Deferred income taxes		835	1,548	(235)	146
Taxes		**(35)**	**1,042**	**(1,018)**	**(308)**
Profit or loss for the period		**(8,783)**	**(7,988)**	**214**	**(1,137)**
thereof profit or loss of non-controlling interests		5	(13)	2	(22)
thereof profit or loss of shareholders of the parent		**(8,788)**	**(7,975)**	**212**	**(1,114)**
Earnings per share:					
Undiluted earnings per share in EUR		-0.17	-0.15	0.00	-0.02
Diluted earnings per share in EUR		-0.17	-0.15	0.00	-0.02

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024 – UNAUDITED

in EUR '000	Note	**1–6/2024**	**4–6/2024**	1–6/2023	4–6/2023
Profit or loss for the period		**(8,783)**	**(7,988)**	**214**	**(1,137)**
Foreign exchange differences		4,810	4,921	(24,002)	(12,189)
thereof reclassified to the income statement		–	–	*129*	*129*
(Deferred) taxes in other comprehensive income	6.6.	(319)	(332)	2,475	1,304
Other comprehensive income (reclassified to profit or loss in subsequent periods)		**4,491**	**4,589**	**(21,527)**	**(10,885)**
Gains/losses from financial assets measured at fair value through other comprehensive income		–	–	110	53
Other comprehensive income (not reclassified to profit or loss in subsequent periods)		–	–	**110**	**53**
Other comprehensive income		**4,491**	**4,589**	**(21,417)**	**(10,832)**
Total comprehensive income for the period		**(4,292)**	**(3,399)**	**(21,204)**	**(11,968)**
thereof profit or loss of non-controlling interests		7	(14)	17	(9)
thereof profit or loss of shareholders of the parent		**(4,300)**	**(3,386)**	**(21,220)**	**(11,959)**

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2024 – UNAUDITED

in EUR '000	Note	30/6/2024	31/12/2023	30/6/2023
ASSETS				
Investment properties	7.1.	321,546	323,235	355,461
Property, plant, and equipment	7.2.	34,165	33,106	33,887
Other intangible assets		9	13	33
Net investments in joint ventures (equity method)	7.3.	448	435	25
Financial assets measured at fair value through other comprehensive income		–	–	5,331
Other assets		1,225	1,650	1,448
Deferred tax assets		1,099	1,011	1,188
Non-current assets		**358,493**	**359,450**	**397,373**
Inventories		157	161	204
Trade and other receivables	7.4.	7,131	4,806	5,762
Derivative financial instruments		–	–	23
Cash and cash equivalents		5,335	6,857	12,712
Non-current assets held for sale	5.1.	3,946	–	–
Current assets		**16,570**	**11,824**	**18,701**
TOTAL ASSETS		**375,062**	**371,273**	**416,074**
EQUITY AND LIABILITIES				
Share capital		54,000	54,000	54,000
Retained earnings	7.5.	96,126	104,914	128,981
Treasury shares		(2,991)	(2,991)	(2,991)
Other reserves		(29,530)	(34,019)	(31,046)
Equity attributable to shareholders of the parent		**117,604**	**121,904**	**148,944**
Non-controlling interests		140	133	142
Equity		**117,744**	**122,036**	**149,085**
Bonds	7.5.	9,285	9,178	10,858
Other financial liabilities	7.5.	176,844	179,184	190,738
Lease liabilities	7.5.	1,473	1,649	1,682
Other liabilities		7,929	7,946	10,912
Provisions		2,368	2,315	2,402
Deferred tax liabilities		10,798	11,225	17,114
Deferred income		6	17	29
Non-current liabilities		**208,703**	**211,517**	**233,736**
Bonds	7.5.	1,923	1,870	1,966
Other financial liabilities	7.5.	35,110	24,818	20,204
Lease liabilities	7.5.	630	485	527
Trade and other payables		10,780	10,340	10,484
Provisions		–	85	10
Income tax liabilities		102	99	39
Deferred income		23	23	23
Liabilities directly associated with the assets held for sale	5.1.	46	–	–
Current liabilities		**48,616**	**37,720**	**33,253**
Liabilities		**257,318**	**249,237**	**266,989**
TOTAL EQUITY AND LIABILITIES		**375,062**	**371,273**	**416,074**

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024 – UNAUDITED

in EUR '000	Note	1–6/2024	4–6/2024	1–6/2023	4–6/2023
Cash receipts					
from letting and hotel operations		21,332	11,632	31,887	14,226
from real estate development projects and other		34	–	837	440
from interest income		350	174	155	59
Cash receipts from operating activities		**21,716**	**11,806**	**32,879**	**14,725**
Cash payments					
for real estate development projects		34	42	(267)	(110)
for materials and services received		(9,222)	(5,186)	(8,055)	(4,541)
for personnel expenses		(4,592)	(2,445)	(5,158)	(2,435)
for other administrative expenses		(2,353)	(708)	(2,140)	(657)
for income taxes		(911)	(412)	(695)	(620)
Cash payments for operating activities		**(17,043)**	**(8,710)**	**(16,314)**	**(8,362)**
Net cash flows from operating activities		**4,673**	**3,096**	**16,565**	**6,362**
Cash receipts from					
purchase price payments from sales in previous periods		125	–	125	–
other financial assets		932	–	2	2
returns on joint ventures		2	–	396	396
Cash receipts from investing activities		**1,058**	–	**523**	**398**
Cash payments for					
investments in investment property		(3,320)	(2,067)	(8,389)	(5,336)
investments in property, plant, and equipment		(555)	(292)	(684)	(471)
other financial assets		–	–	(1,013)	(988)
Cash payments for investing activities		**(3,875)**	**(2,359)**	**(10,086)**	**(6,795)**
Net cash flows for investing activities		**(2,817)**	**(2,359)**	**(9,563)**	**(6,397)**
Payments received from loans and borrowing		13,491	5,503	9,421	4,561
Payments for the repayment of loans and borrowing		(10,823)	(4,503)	(10,748)	(2,445)
Payments for the payment of lease liabilities		(135)	(24)	(107)	8
Paid interest (for loans and borrowing)		(6,016)	(3,090)	(6,645)	(3,590)
Paid interest (for bonds)		(243)	(243)	(243)	(243)
Paid financing expenses		(88)	(43)	(103)	(52)
Net cash flows from financing activities		**(3,815)**	**(2,399)**	**(8,425)**	**(1,762)**
Net change in cash and cash equivalents		**(1,959)**	**(1,662)**	**(1,424)**	**(1,796)**
Foreign exchange rate changes in cash and cash equivalents		19	3	50	43
Foreign exchange rate changes from other comprehensive income		418	412	(1,838)	(879)
Cash and cash equivalents at the beginning of the period		6,857	6,582	15,924	15,344
Cash and cash equivalents as at 30 June		**5,335**	**5,335**	**12,712**	**12,712**
Cash and cash equivalents at the end of the period consist of:					
Cash and cash equivalents of the Group		**5,335**	**5,335**	**12,712**	**12,712**

Condensed Consolidated Statement of Changes in Equity

AS AT 30 JUNE 2024 – 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 2023	**54,000**	**128,659**	**(2,991)**	**(9,505)**	**170,164**	**125**	**170,289**
Total comprehensive income for the period	–	322	–	(21,542)	**(21,220)**	17	**(21,204)**
thereof profit or loss for the period	*–*	*212*	*–*	*–*	***212***	*2*	***214***
thereof other comprehensive income	*–*	*110*	*–*	*(21,542)*	***(21,432)***	*15*	***(21,417)***
As at 30 June 2023	**54,000**	**128,981**	**(2,991)**	**(31,046)**	**148,944**	**142**	**149,085**
As at 1 January 2024	**54,000**	**104,914**	**(2,991)**	**(34,019)**	**121,904**	**133**	**122,036**
Total comprehensive income for the period	–	(8,788)	–	4,489	**(4,300)**	7	**(4,292)**
thereof profit or loss for the period	*–*	*(8,788)*	*–*	*–*	***(8,788)***	*5*	***(8,783)***
thereof other comprehensive income	*–*	*–*	*–*	*4,489*	***4,489***	*2*	***4,491***
As at 30 June 2024	**54,000**	**96,126**	**(2,991)**	**(29,530)**	**117,604**	**140**	**117,744**

Notes to the Condensed Consolidated Interim Financial Statements

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024 – 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 2024 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 29 August 2024.

[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 2024 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 2023.

The consolidated interim financial statements as at 30 June 2024 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 2024 have not changed compared with the consolidated financial statements as at 31 December 2023.

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

In February 2022, Russian troops invaded Ukraine, thus starting an armed 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. The rouble largely remained stable against the euro in the first half of 2024. As at 30 June 2024, the exchange rate was 92.4184 RUB per EUR, compared to 95.1052 as at 30 June 2023 and 99.1919 as at 31 December 2023. The key interest rate in Russia remained constant at 16 per cent in the first half of 2024 and was raised to 18 per cent in July 2024.

Through independent Russian subsidiaries, the Group owns properties in St. Petersburg (including one hotel, three office properties, and one multi-use building). The office properties and the multi-use building are fully occupied, and the hotel is operated by a Group-owned Russian management company. The financing for the properties was arranged through Russian banks and is entirely 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. 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 projects are not planned in Russia at this time.

At present, it is possible to continue the operational activities (letting and hotel operations) in Russia without significant restrictions. Although the office properties are fully occupied, one tenant stopped making the rent payments for a building that is let out to this tenant in full and unilaterally reduced the monthly payments for two other rented properties. A provision was formed in the consolidated interim financial statements in relation to this matter (see sections 7.4. and 6.3.). With regard to the lawsuit pertaining to two outstanding monthly rent payments from 2023, the court of first instance ruled in favour of our Russian subsidiary, but the contract party filed an appeal. Negotiations regarding the outstanding rent receivables were under way with the tenant before and after the reporting date. Further lawsuits pertaining to outstanding receivables were filed and prepared after the reporting date. Please refer to section 6.4. for information about the valuation of the Russian properties.

As at the reporting date, there are bank deposits of Russian subsidiaries equivalent to EUR 4,734 thousand (31 December 2023: EUR 3,843 thousand). They are reported as cash and cash equivalents in the statement of financial position and can be used to meet the local payment obligations of the Russian subsidiaries. Russian restrictions on the movement of capital – as described in the consolidated financial statements as at 31 December 2023 – are still in force.

Further financial or accounting effects on the consolidated financial statements are possible in future depending on the duration of the conflict, but still cannot be reliably estimated.

[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 recharging 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 2024 and as at 30 June 2024.

CONDENSED CONSOLIDATED SEGMENT INFORMATION

	Investment Properties		Hotels		Development and Services		Segment total 1 January–30 June	
in EUR '000	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
SEGMENT OVERVIEW – PROFIT OR LOSS FOR THE PERIOD								
External revenues	18,410	19,415	6,253	5,914	1,314	929	**25,977**	26,258
Intragroup services	–	–	–	–	1,855	1,212	**1,855**	1,212
Expenses directly attributable to revenues	(3,678)	(3,582)	(4,681)	(4,640)	(1,154)	(783)	**(9,514)**	(9,004)
Gross income from revenues	**14,732**	**15,834**	**1,572**	**1,274**	**2,015**	**1,358**	**18,319**	**18,466**
Other operating income	54	69	89	64	13	24	**156**	157
Expenses for development projects	–	–	–	–	(76)	(139)	**(75)**	(139)
Personnel expenses	(159)	(589)	–	–	(3,079)	(3,208)	**(3,238)**	(3,797)
Other/miscellaneous expenses	(3,414)	785	(93)	(162)	(1,218)	(2,835)	**(4,725)**	(2,211)
Intragroup services	(1,855)	(1,212)	–	–	–	–	**(1,855)**	(1,212)
Segment EBITDA	**9,358**	**14,887**	**1,568**	**1,177**	**(2,345)**	**(4,800)**	**8,581**	**11,264**
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(65)	(142)	(737)	(746)	(56)	(47)	**(858)**	(935)
Scheduled depreciation on right-of-use assets	(21)	(22)	–	–	(155)	(152)	**(176)**	(174)
Impairment of property, plant, and equipment	–	–	(59)	(152)	–	–	**(59)**	(152)
Impairment reversals	–	–	166	1,931	–	–	**166**	1,931
Measurement gains	4,536	2,068	–	–	795	692	**5,330**	2,760
Measurement losses	(13,652)	(4,695)	–	–	(1,471)	(3,561)	**(15,123)**	(8,256)
Segment EBIT	**155**	**12,097**	**938**	**2,211**	**(3,232)**	**(7,868)**	**(2,139)**	**6,440**
Finance income	164	170	–	–	268	117	**433**	287
Finance expenses	(4,835)	(5,007)	(713)	(736)	(1,507)	(1,124)	**(7,055)**	(6,868)
Changes in foreign exchange rates	–	308	–	–	–	1,053	–	1,361
Earnings from joint ventures	–	–	–	–	14	11	**14**	11
Current income taxes	(556)	(646)	–	(28)	(314)	(109)	**(870)**	(783)
Deferred income taxes	844	(328)	–	127	(10)	(34)	**835**	(235)
Segment overview – profit or loss for the period	**(4,228)**	**6,594**	**226**	**1,574**	**(4,780)**	**(7,954)**	**(8,783)**	**214**

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

5.1. Non-current assets classified as held for sale (IFRS 5)

As at 30 June 2024, the plots of land including right-of-use assets in Białystok were classified as non-current assets held for sale according to IFRS 5. Accordingly, the associated lease liabilities were also reported as current in accordance with IFRS 5. The sales transaction was successfully concluded after the reporting date.

5.2. Changes in the scope of consolidation

There were no changes in the scope of consolidation during the reporting period; an ancillary company in Poland was liquidated in the first half of 2023.

[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 2023			
	Investment Properties	Hotels	Development and Services	**Total**
Geographical composition:				
Russia	2,092	2,867	8	4,967
Poland	753	–	887	1,641
Germany	–	2,408	–	2,408
Hungary	127	–	24	152
Austria	–	–	10	10
Revenues according to IFRS 15	**2,973**	**5,275**	**929**	**9,177**
Russia	11,706	–	–	11,706
Poland	3,836	–	–	3,836
Germany	–	639	–	639
Hungary	901	–	–	901
Revenues according to IFRS 16 (rental revenue)	**16,443**	**639**	–	**17,082**
Total revenues	**19,415**	**5,914**	**929**	**26,258**

	1 January to 30 June 2024			
	Investment Properties	Hotels	Development and Services	**Total**
Geographical composition:				
Russia	1,749	3,270	4	5,022
Poland	879	–	1,256	2,135
Germany	–	2,467	–	2,467
Hungary	145	–	31	175
Austria	–	–	24	24
Revenues according to IFRS 15	**2,772**	**5,737**	**1,314**	**9,823**
Russia	10,628	–	–	10,628
Poland	4,060	–	–	4,060
Germany	–	516	–	516
Hungary	950	–	–	950
Revenues according to IFRS 16 (rental revenue)	**15,638**	**516**	–	**16,154**
Total revenues	**18,410**	**6,253**	**1,314**	**25,977**

6.2. Administrative expenses

	1 January to 30 June	
	2024	2023
Composition:		
Other personnel expenses	(3,238)	(3,797)
Other administrative expenses	(1,838)	(1,645)
	(5,076)	**(5,441)**

6.3. Other expenses

	1 January to 30 June	
	2024	2023
Composition:		
Impairments on receivables related to leases (see section 2.2.)	(2,535)	–
Property costs	(1,424)	(1,522)
Advertising	(152)	(189)
Other development expenses	(75)	(139)
Sundry other expenses	(195)	(392)
	(4,381)	**(2,242)**
Less other expenses directly attributable to revenues	1,419	1,536
	(2,962)	**(706)**

The other expenses include lease expenses for short-term leases in the amount of EUR 31 thousand and for low-value leased assets in the amount of EUR 17 thousand.

6.4. Depreciation, amortisation, and remeasurement

	1 January to 30 June	
	2024	2023
Composition:		
Scheduled depreciation and amortisation on property, plant, and equipment	(858)	(935)
Scheduled depreciation on right-of-use assets	(176)	(174)
Impairment of property, plant, and equipment	(59)	(152)
Reversals of impairment on property, plant, and equipment	166	1,931
Measurement gains (from investment properties)	5,330	2,760
Measurement losses (from investment properties)	(15,123)	(8,256)
	(10,719)	**(4,825)**

The reversal of impairment on property, plant, and equipment is the result of the measurement of the Airportcity Plaza hotel.

The measurement gains in the Investment Properties segment pertain above all to an office property and the multi-use building in St. Petersburg due to an increase in market rents. In the Development and Services segment, measurement gains were posted primarily for the plots of land in Białystok (see section 5.1.).

The measurement losses in the Investment Properties segment mainly pertain to two office properties in St. Petersburg for which lower rental revenue (see also section 2.2.) and in part higher investments are expected in the future. In Poland, measurement losses resulted from higher investment costs.

6.5. Finance expenses

	1 January to 30 June	
	2024	2023
Composition:		
Interest on short-term borrowings, project loans, and other loans	(6,413)	(6,163)
Interest on bonds	(293)	(318)
Interest on loans from minority shareholders	(7)	(9)
Interest on lease liabilities	(47)	(43)
Other finance expenses	(294)	(283)
Unrealised losses on derivative financial instruments	–	(51)
	(7,055)	**(6,868)**

6.6. Income taxes in other comprehensive income

	1 January to 30 June	
	2024	2023
The income taxes in other comprehensive income consist of:		
Foreign exchange differences	(319)	2,475

[07] Notes to the statement of financial position

7.1. Investment properties

	Developed properties	Development properties	Reserve properties	**Total**
Changes in 2023:				
Carrying amounts at 1 January	336,835	30,128	21,500	388,463
Additions/investments	882	7,195	589	8,666
Capitalised borrowing costs	–	442	–	442
Disposals	(252)	–	–	(252)
Net measurement result	(2,627)	(2,976)	107	(5,496)
Exchange adjustments	(36,561)	1,595	(1,397)	(36,363)
Carrying amounts at 30 June	**298,277**	**36,385**	**20,799**	**355,461**
Changes in 2024:				
Carrying amounts at 1 January	286,536	12,946	23,753	323,235
Additions/investments	4,173	81	61	4,315
Disposals	(208)	–	–	(208)
Reclassification according to IFRS 5	–	(3,946)	–	(3,946)
Net measurement result	(9,117)	445	(1,122)	(9,793)
Exchange adjustments	7,389	63	491	7,944
Carrying amounts at 30 June	**288,774**	**9,590**	**23,182**	**321,546**

The additions primarily pertain to tenant adaptations for the Mogilska 35 Office building opened in Krakow in 2023 and to a lesser degree the office buildings in Łódź. In the prior year, the figure for the development properties included the construction costs for Mogilska 35 Office, while tenant adaptations were recognised for the developed properties. The reclassification according to IFRS 5 pertains to the development properties in Białystok (see section 5.1.).

7.2. Property, plant, and equipment

	Hotels	Right-of-use assets	Other property, plant, and equipment	**Total**
Changes in 2023:				
Carrying amounts at 1 January	33,362	896	2,149	36,408
Additions	291	185	381	857
Disposals	(7)	–	–	(7)
Scheduled depreciation and amortisation	(743)	(164)	(188)	(1,095)
Impairment charges	(152)	–	–	(152)
Impairment reversals	1,931	–	–	1,931
Exchange adjustments	(4,142)	6	81	(4,056)
Carrying amounts at 30 June	**30,541**	**923**	**2,423**	**33,887**
Composition as at 30/6/2023:				
Acquisition or production cost	49,952	1,082	3,752	54,786
Cumulated write-downs	(19,412)	(159)	(1,329)	(20,899)
	30,541	**923**	**2,423**	**33,887**
Changes in 2024:				
Carrying amounts at 1 January	30,033	834	2,239	33,106
Additions	356	141	204	700
Disposals	(1)	–	–	(1)
Scheduled depreciation and amortisation	(748)	(167)	(114)	(1,029)
Impairment reversals	166	–	–	166
Impairment charges	(59)	–	–	(59)
Exchange adjustments	1,265	2	15	1,282
Carrying amounts at 30 June	**31,012**	**810**	**2,344**	**34,165**
Composition as at 30/6/2024:				
Acquisition or production cost	51,902	1,193	3,910	57,005
Cumulated write-downs	(20,891)	(383)	(1,566)	(22,840)
	31,012	**810**	**2,344**	**34,165**

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

7.3. Net investments in joint ventures (equity method)

	2024	2023
Development:		
Carrying amounts at 1 January	435	410
Extension (+) / repayment (-) of loans	–	(396)
Earnings allocation from profit/loss for the period	14	11
Carrying amounts at 30 June	**448**	**25**

7.4. Trade and other receivables (current)

	30/6/2024	31/12/2023
Composition:		
Purchase price claims relating to property/interest sales	125	125
Trade receivables	1,124	878
Receivables due from joint ventures	6	6
Receivables due from related parties	47	30
Subtotal of contract balances according to IFRS 15	**1,303**	**1,039**
Receivables from tax authorities	1,138	896
Other current receivables	50	1,033
Advance payments made	170	278
Receivables related to leases	6,133	361
Impairments on rent receivables	(2,636)	–
Deferred expenses	974	1,198
	7,131	**4,806**

The impairments on rent receivables are explained in section 2.2. Impact of the conflict in Ukraine.

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 2023:						
As at 1 January	206,753	14,556	12,627	8,897	2,136	244,970
Borrowing (cash flow)	9,421	–	–	–	–	9,421
Repayment (cash flow)	(4,798)	(3,949)	–	(2,000)	(105)	(10,852)
Change in accumulated interest	179	–	197	(130)	16	263
Changes in foreign exchange rates	(17,648)	–	–	(339)	(7)	(17,994)
Other changes	–	–	–	–	168	168
As at 30 June	**193,907**	**10,607**	**12,824**	**6,429**	**2,209**	**225,976**
thereof current (due < 1 year)	*9,710*	*4,988*	*1,966*	*5,506*	*527*	*22,697*
thereof non-current (due > 1 year)	*184,197*	*5,618*	*10,858*	*923*	*1,682*	*203,279*
Changes in 2024:						
As at 1 January	188,089	9,420	11,049	6,494	2,134	217,185
Borrowing (cash flow)	–	6,021	–	7,470	–	13,491
Repayment (cash flow)	(5,030)	(2,486)	–	(3,308)	(135)	(10,959)
Change in accumulated interest	400	75	159	33	17	684
Changes in foreign exchange rates	4,408	–	–	370	9	4,786
Other changes	–	–	–	–	78	78
As at 30 June	**187,867**	**13,030**	**11,208**	**11,059**	**2,102**	**225,265**
thereof current (due < 1 year)	*11,225*	*13,030*	*1,923*	*10,856*	*630*	*37,663*
thereof non-current (due > 1 year)	*176,642*	*–*	*9,285*	*203*	*1,473*	*187,602*

There were no new borrowings or early repayments related to project loans in the first half of 2024. In the prior-year period, the borrowings pertained to the loans for the construction of Mogilska 35 Office. The drawing of credit from the borrowing facilities resulted primarily from the utilisation of existing lines of credit. The borrowing and repayment related to other loans pertain to the prefinancing of rent receivables as well as a loan extended by Georg Folian (see section 9.1.2.). In the first half of 2023, a promissory note was partially repaid early.

[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 **30/6/2024**	Fair value **30/6/2024**	Carrying amount 31/12/2023	Fair value 31/12/2023
Assets – categories						
FAAC	Other financial assets – other		856	856	981	981
	Other non-current assets		357,636		358,468	
	Total non-current assets		**358,493**		**359,450**	
FAAC	Receivables		4,850	4,850	2,433	2,433
FAAC	Cash and cash equivalents		5,335	5,335	6,857	6,857
	Other current assets		6,385		2,533	
	Total current assets		**16,570**		**11,824**	
	Total assets		**375,062**		**371,273**	
Liabilities – classes						
FLAC	Fixed-rate bonds	3	9,285	9,316	9,178	9,356
FLAC	Fixed-rate loans	3	148,483	125,538	150,086	130,948
FLAC	Variable-rate loans	3	28,362	27,471	29,099	27,398
FLAC	Lease liabilities		1,473	n/a	1,649	n/a
FLAC	Other non-current financial liabilities	3	6,450	6,450	6,417	6,417
	Other non-current liabilities		14,651		15,088	
	Total non-current liabilities		**208,703**		**211,517**	
FLAC	Fixed-rate bonds	3	1,923	1,895	1,870	1,805
FLAC	Fixed-rate loans	3	20,735	19,719	14,097	12,876
FLAC	Variable-rate loans	3	14,376	14,325	10,720	10,761
FLAC	Lease liabilities		630	n/a	485	n/a
FLAC	Other current financial liabilities	3	7,926	7,926	7,228	7,228
IFRS 5	Financial liabilities related to assets held for sale	3	46	46	–	–
	Other current liabilities		2,980		3,319	
	Total current liabilities		**48,616**		**37,720**	
	Total liabilities		**257,318**		**249,237**	

		30/6/2024	31/12/2023
Summary of carrying amounts by category for financial assets and liabilities:			
FAAC	Financial assets at amortised cost	11,041	10,272
FLAC	Financial liabilities at amortised cost	239,641	230,831
IFRS 5	Financial instruments related to assets held for sale	(46)	–

The method of fair value measurement is the same as at 31 December 2023.

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 2024	2023
Changes in assets:		
Carrying amounts at 1 January	–	5,306
Gains/losses on remeasurement in profit or loss	–	(51)
Gains/losses on remeasurement in other comprehensive income	–	100
Carrying amounts at 30 June	**–**	**5,354**

[09] Other disclosures

9.1. Related party transactions

9.1.1. Transactions with Ambo GmbH

	1 January to 30 June 2024	2023
Income from performance management	15	11

	30/6/24	31/12/23
Receivable from Ambo GmbH	44	27

9.1.2. Transactions with Georg Folian

	1 January to 30 June 2024	2023
Expenses for fee paid to Mr Folian	(6)	(3)
Income from clerical activities for Mr Folian	9	10
	3	**6**

	30/6/24	31/12/23
Receivables from Mr Folian	3	3
Liabilities to Mr Folian	(1,516)	–

9.1.3. Transactions with Management Board members

	1 January to 30 June 2024	2023
Expenses for Management Board compensation	(682)	(641)
Income from fees paid to Franz Jurkowitsch	–	17
	(682)	**(624)**

	30/6/24	31/12/23
Liabilities to Management Board members	2,057	1,928

9.1.4. Transactions with Supervisory Board members

	1 January to 30 June	
	2024	2023
Expenses for Supervisory Board fees	(122)	(105)

	30/6/24	31/12/23
Liabilities to Supervisory Board members	116	119

9.1.5. Transactions with joint ventures

	1 January to 30 June	
	2024	2023
Income from transactions	93	91

	30/6/24	31/12/23
Receivables due from joint ventures	6	6
Payables due to joint ventures	4,039	4,101

9.2. Events after the reporting date

The sale of the plots of land in Białystok was closed after the reporting date (see section 5.1.). The transaction led to a remeasurement gain in the amount of EUR 795 thousand in the reporting period from the adjustment of the fair value and to a liquidity inflow in the amount of the purchase price of EUR 3,900 thousand in the third quarter of 2024.

Vienna, 29 August 2024

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

Financial Calendar

2024

29 November 2024

Publication of the results
for the first three quarters of 2024

NOTES

We have compiled this report and checked the data with the greatest possible care.
Nonetheless, rounding, typographical, and printing errors cannot be ruled out.
The summation of rounded amounts and percentages may result in rounding differences.

Statements referring to people are intended to be gender neutral.
This report was prepared in German, English, and Polish. In cases of doubt, the German version is authoritative.

PUBLICATION DETAILS
Warimpex Finanz- und Beteiligungs AG
Floridsdorfer Hauptstraße 1, A-1210 Vienna
Investor Relations: **Daniel Folian** Tel. +43 1 310 55 00-156, investor.relations@warimpex.com
Photos: Warimpex

www.warimpex.com

warimpex