

An aerial photograph of a city at sunset. The sun is low on the horizon, casting a warm, golden glow over the buildings and streets. In the foreground, a modern, multi-story building with a white facade and large glass windows is prominent. The building has a flat roof with several air conditioning units. To the right, there are older, multi-story residential buildings. The sky is filled with soft, orange and yellow clouds. The overall scene is a mix of modern and traditional urban architecture.

warimpex

WARIMPEX

*Report on the
First Half of
2021*

WARIMPEX GROUP

Key Figures

in EUR '000	1–6/2021	Change	1–6/2020
Investment Properties revenues	9,672	-9%	10,597
Hotels revenues	2,158	-9%	2,379
Development and Services revenues	920	38%	665
<i>Total revenues</i>	<i>12,750</i>	<i>-7%</i>	<i>13,642</i>
Expenses directly attributable to revenues	-4,368	-33%	-6,506
<i>Gross income from revenues</i>	<i>8,382</i>	<i>17%</i>	<i>7,136</i>
Gains or losses from the disposal of properties	–	–	–
EBITDA	5,006	1,350%	345
Depreciation, amortisation, and remeasurement	932	–	-9,580
EBIT	5,938	–	-9,235
Earnings from joint ventures	-900	–	-2,520
Financial result	-3,610	–	-10,563
Profit or loss for the period	1,724	–	-21,731
Profit or loss for the period (shareholders of the parent)	1,721	–	-20,543
Net cash flow from operating activities	2,504	655%	332
Equity and liabilities	331,078	0%	330,309
Equity	114,070	-10%	126,074
Equity ratio	34%	-4 pp	38%
Number of shares	54,000,000	–	54,000,000
Number of treasury shares	1,939,280	–	1,939,280
Number of hotels	4	–	4
Number of rooms (adjusted for proportionate share of ownership)	802	6	796
Number of office and commercial properties	8	–	8
Lettable office space (adjusted for proportionate share of ownership)	92,800 m ²	–	92,800 m ²
Office space with sustainability certificates (adjusted for proportionate share of ownership)	40,000 m ²	–	40,000 m ²
Segment information (including joint ventures on a proportionate basis):			
Investment Properties revenues	11,402	-10%	12,617
Investment Properties EBITDA	7,686	-10%	8,498
Hotels revenues	2,913	-35%	4,460
Hotels net operating profit (NOP)	380	–	-1,116
NOP per available room in EUR	538	–	-1,496
Development and Services revenues	920	38%	665
Gains or losses from the disposal of properties	–	–	–
Development and Services EBITDA	-2,412	–	-5,223
	30/6/2021	Change	31/12/2020
Gross asset value (GAV) in EUR millions	314.2	4%	301.8
Triple net asset value (NNNAV) in EUR millions	133.4	4%	128.4
NNNAV per share in EUR	2.56	4%	2.46
End-of-period share price in EUR	1.23	7%	1.15

THE BONDS OF WARIMPEX FINANZ- UND BETEILIGUNGS AG AS AT 30 JUNE 2021

	ISIN	Outstanding amount
Bond 09/25	AT0000A23GA4	EUR 9,000,000

Contents

02	Key Figures
04	Foreword
06	Semi-Annual Consolidated Management Report
06	Economic Environment
06	Markets
08	Assets, Financial Position, and Earnings Situation
10	Real Estate Assets
11	Material Risks and Uncertainties and Other Disclosures
14	Events after the Reporting Date
14	Outlook
16	Condensed Consolidated Interim Financial Statements as at 30 June 2021
17	Condensed Consolidated Income Statement
18	Condensed Consolidated Statement of Comprehensive Income
19	Condensed Consolidated Statement of Financial Position
20	Condensed Consolidated Statement of Cash Flows
21	Condensed Consolidated Statement of Changes in Equity
22	Notes to the Condensed Consolidated Interim Financial Statements
37	Declaration by the Management Board
39	Financial Calendar
39	Publication Details

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

According to the forecasts of the International Monetary Fund, the global economy is recovering from the COVID-19 pandemic. Many restrictions aimed at containing the pandemic have been lifted as a result of the vaccination progress, and the growth outlook improved again in July as compared with the projections published in April. This is also benefiting the markets in which we operate.

Warimpex remains on solid financial footing in the 2021 financial year, our operational performance has improved, and our development projects in the office segment are proceeding according to plan.

Opening of greet hotel Darmstadt

We are particularly pleased that the opening of our newly renovated hotel in Darmstadt under the name greet hotel Darmstadt is coming up quickly – on 30 August. We acquired the hotel in 2019 and refurbished and adapted it to the Accor brand “greet” while it was closed due to the pandemic. With a total of 330 hotel and long-stay rooms, over 4,500 square metres of conference, event, and exhibition space, as well as 800 square metres of office space that can also be rented on a short-term basis, the greet hotel Darmstadt is one of the biggest conference and event centres in the Rhine-Main region.

Positive result for the first half of 2021

Our operational performance remained positive in the first half of 2021. Revenues from the rental of office properties declined by 9 per cent to EUR 9.7 million due to the depreciation of the rouble by roughly 20 per cent compared with the first half of 2020. Overall, revenues in the hotel segment fell by 9 per cent to EUR 2.2 million as a result of the pandemic. In the second quarter, however, revenues from hotels improved to EUR 1.5 million (Q2 2020: EUR 0.2 million). Total revenues dropped by 7 per cent to EUR 12.8 million, while the expenses directly attributable to revenues were reduced by 33 per cent to EUR 4.4 million. This results in gross income from revenues of EUR 8.4 million, which represents an increase of 17 per cent versus the prior-year period.

EBITDA improved from EUR 0.3 million to EUR 5.0 million due to the higher gross income and lower administrative expenses. EBIT climbed into positive territory, increasing from minus EUR 9.2 million to EUR 5.9 million. Along with the improved operating result, this can be attributed to a

positive result from property valuations (EUR 2.0 million), compared with a measurement loss of EUR 5.4 million in the prior-year period.

Finance income (including earnings from joint ventures) went from minus EUR 10.6 million to minus EUR 3.6 million. This includes gains from currency translation in the amount of EUR 0.7 million (2020: loss of EUR 4.7 million) and losses from joint ventures of EUR 0.9 million (2020: loss of EUR 2.5 million) in connection with negative hotel results.

Overall, this led to an improvement in the result for the period for the Warimpex Group from minus EUR 21.7 million to EUR 1.7 million in the first half of 2021, and the triple net asset value also increased from EUR 2.46 per share to EUR 2.56 per share.

Development projects in the office and hotel segments

In the development segment, we are working to make further progress on our current projects. In Poland, building permits were issued for both the Mogilska Phase III office development in Krakow and the office development project in Białystok. In line with our strategy, we will start construction as soon as an appropriate level of tenant interest has been secured. Also in Krakow, an office building with a total lettable floor area of roughly 21,000 square metres is being planned next to the Chopin Hotel.

At AIRPORTCITY St. Petersburg, work is under way on the completion of Avior Tower 1, which will offer roughly 16,000 square metres of lettable office space. The building shell is already complete, and the opening is scheduled for the second quarter of 2022.

In the German city of Darmstadt, an office building with roughly 13,800 square metres of lettable space is to be built next to the greet hotel. It will be very much in line with the current trends with regard to sustainability criteria. The preparation of a new development plan and the permit planning are already at an advanced stage.

Outlook

In 2021, our activities will focus on making preparations for construction for our development projects, obtaining building permits, and continuing ongoing construction. The topic of sustainability is playing an increasingly important role here.

After all, energy efficiency, the use of renewable energy sources, and the reduction of carbon dioxide emissions are key requirements for the construction and operation of buildings. Therefore, we aim to obtain further sustainability certifications for our property portfolio. In Poland, for example, our two office buildings Mogilska 43 Office in Krakow and Ogrodowa Office in Łódź have been awarded BREEAM In-Use – Excellent certification, which confirms the properties' high environmental standards.

Following the lifting of many of the coronavirus measures, we expect to see an upward trend in the hotel segment and continued stable development in the office segment in the second half of 2021. Based on our positive half-year results – despite hotel closures and pandemic-related restrictions – Warimpex expects to generate a profit from its operational activities for the 2021 financial year as a whole. We believe that we are in a solid position for the coming tasks, both financially and in terms of our personnel, and look forward to continuing the realisation of our projects.

Vienna, August 2021



Franz Jurkowitsch



*Franz
Jurkowitsch*

CHAIRMAN OF THE
MANAGEMENT BOARD

Semi-Annual Consolidated Management Report

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

Economic Environment

In its World Economic Outlook update in July 2021, the International Monetary Fund (IMF) revised its April economic projections as follows: The Eurozone economy is now expected to grow by 4.6 per cent in 2021 (April 2021 projection: 4.4 per cent), and by 4.3 per cent (3.8 per cent) in 2022. The 2021 projection for Russia was adjusted by 0.6 per cent to 4.4 per cent, while the forecast for 2022 was revised from 3.8 per cent

to 3.1 per cent. Economic growth is expected to total 4.9 per cent (4.4 per cent) in emerging and developing Europe¹ in 2021. The IMF growth projection for 2022 is 3.6 per cent (3.9 per cent). These forecasts must be viewed in light of the future course of the COVID-19 pandemic, which is currently characterised by vaccination progress on one hand and the spread of the delta variant on the other.

Markets

POLAND

Existing portfolio: 3 office properties, 1 hotel

Warimpex has been 50 per cent leaseholder of the five-star InterContinental in Warsaw since 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 2039.

Occupancy at the InterContinental hotel declined from 29 per cent to 15 per cent and the average room rate in euros increased by roughly 44 per cent. The hotel was closed from the end of March to the beginning of June 2020 and from 20 December 2020 to 12 February 2021. The lease payments were partially suspended during the reporting period on the basis of an agreement with the lessor, and the lease agreement was extended by an additional one and a half years.

An office building in Krakow (Mogilska 41) with roughly 5,800 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.

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 current tenants include Orange Polska, PwC Poland, and Harman Connected Services. Around 83 per cent of the space at the office building was occupied as at 30 June 2021.

Mogilska 43 Office was completed in early April 2019. As at the reporting date, roughly 90 per cent of the office space had been let out. Mogilska 43 Office is an ultra-modern, class A office building that encompasses a total of 12,000 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 levels. The building's ground floor contains retail and service spaces, and the two-storey garage offers 204 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.

Under development: 3 office buildings, reserve properties

Property reserves were also acquired along with the Mogilska 41 building. In March 2021, a building permit was issued for an office building with roughly 9,700 square metres of space (Mogilska Phase III).

In recent years, Warimpex has acquired smaller, partially developed properties adjacent to the two existing Mogilska office buildings and the Mogilska Phase III 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 21,000 square metres of space is to be built. The application for a building permit has been submitted.

Warimpex owns a development property in Białystok. Office properties will be built on this site in multiple phases. Two office buildings with roughly 24,000 square metres of office space and 8,000 square metres of commercial space are being planned. A building permit was issued in March 2021.

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

HUNGARY

Existing portfolio: 2 office properties

In Budapest, Warimpex owns the Erzsébet and B52 office buildings, which together have a total net floor space of around 20,200 square metres.

The B52 office building was acquired at the end of May 2018 and has a total net floor space of 5,200 square metres and an occupancy rate of 96 per cent.

Roughly 96 per cent of the space at Erzsébet Office was let out on the reporting date; 12,250 square metres (of 14,500 square metres) are let to the insurance company Groupama Garancia Insurance Private Co. Ltd., a Hungarian branch of the international Groupama Group.

A plot with around 600 square metres of space for additional parking spaces for Erzsébet Office was acquired in June 2021.

AUSTRIA

Existing portfolio: 1 hotel

In Vienna, Warimpex holds around 10 per cent of the company holding the Palais Hansen Kempinski hotel in Vienna together with Wiener Städtische Versicherung/Vienna Insurance Group and UBM Development. 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 90 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 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.

Warimpex indirectly holds roughly 40 per cent of the Jupiter 1 and 2 office towers at AIRPORTCITY St. Petersburg.

The Zeppelin office building (stake: 90 per cent) with 15,600 square metres of lettable space was completed at AIRPORTCITY at the end of June 2015. The tower is completely let out.

The Crowne Plaza hotel achieved occupancy of 39 per cent (1–6 2020: 32 per cent) while the average room rate in euros rose by 41 per cent.

Warimpex owns a 100 per cent stake in the Bykovskaya multi-use building (with parking spaces for around 450 vehicles and roughly 6,000 square metres of office and archive space), which has been fully occupied since it was completed in May 2017.

Under development: 1 office property, development properties

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

In April 2018, Warimpex took over full ownership of a portion of this property reserve (roughly 17,000 square metres) from AO AVIELEN A.G. through a project company. The construction of the Avior Tower I office building with roughly 16,000 square metres of lettable office space began in the fourth quarter of 2019. The opening is scheduled for the second quarter of 2022.

GERMANY

Existing portfolio: 1 hotel

In April 2019, Warimpex acquired a hotel property (330 rooms) in Darmstadt that had been closed since mid-2018 and reopened it under the name "The Hotel Darmstadt" in September. Cycas Hospitality was tasked with managing the three-star superior conference hotel. The hotel was closed due to the pandemic in early April 2020 and was renovated. It will reopen on 30 August 2021 under the Accor brand "greet".

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 are 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 10.6 million to EUR 9.7 million as a result of the depreciation of the rouble in the first half of 2021 compared with the first half of 2020 (average depreciation of roughly 20 per cent).

In the first half of 2021, revenues in the Hotels segment fell to EUR 2.2 million, which represents a decline of around 9 per cent compared with the first half of 2020. In the prior-year period, January and February were not impacted by the pandemic. The hotel in Darmstadt was closed for the most part during the first half of 2021 and generated only meagre revenues, while revenues at the Crowne Plaza hotel improved in year-on-year terms.

Total revenues dropped by 7 per cent to EUR 12.8 million and the expenses directly attributable to revenues were reduced by EUR 2.1 million to EUR 4.4 million, in part due to coronavirus aid measures. This results in gross income from revenues of EUR 8.4 million (2020: EUR 7.1 million).

Gains or losses from the disposal of properties

As in 2020, the Group conducted no real estate transactions during the reporting period.

EBITDA

Earnings before interest, taxes, depreciation, and amortisation, and gains/losses on the remeasurement of investment properties (EBITDA) rose from EUR 0.3 million to EUR 5.0 million, primarily due to the improved gross income and the decline in administrative expenses

Depreciation, amortisation, and remeasurement

Depreciation, amortisation, and remeasurement advanced from minus EUR 9.6 million to EUR 0.9 million. The remeasurement result from the office assets (investment properties) came to EUR 2.0 million, while coronavirus-related market value adjustments in the amount of minus EUR 5.4 million were recognised in the prior-year period. Impairment for hotels was reduced from minus EUR 3.2 million in the prior-year period to nearly zero.

EBIT

EBIT improved from minus EUR 9.2 million to EUR 5.9 million. This increase is primarily due to the higher operating result (EBITDA) and a positive result from property valuation (2020: measurement loss).

Financial result

Finance income (including earnings from joint ventures) went from minus EUR 10.6 million to minus EUR 3.6 million. This includes modest gains from currency translation in the amount of EUR 0.7 million (2020: loss of EUR 4.7 million) and losses from joint ventures of EUR 0.9 million (2020: loss of EUR 2.5 million). The losses from joint ventures resulted from the negative earnings contribution of the InterContinental hotel in Warsaw due to the coronavirus.

Profit or loss for the period

The result for the period for the Warimpex Group improved from minus EUR 21.7 million in the previous year to EUR 1.7 million, due in part to the elimination of losses from property valuation and currency translation and in part to the improved operating result.

Segment analysis

The Warimpex Group has defined the business segments of: Investment Properties, Hotels, and Development and Services. The joint ventures that are recognised using the equity method in the consolidated financial statements are included in the segment report using the proportionate consolidation method. The Hotels segment is comparable with the hotels and/or hotel rooms held by the Group as consolidated entities in the reporting period (with the joint ventures recognised on a proportionate basis). The Investment Properties segment contains the rental revenue from office properties. 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	1-6/2021	1-6/2020
Revenues for the Group	11,402	12,617
Segment EBITDA	7,686	8,498
Remeasurement result	718	-5,753

* Including all joint ventures on a proportionate basis

The revenues and EBITDA of the Investment Properties segment declined due to the depreciation of the rouble in the first half of 2021 compared with the first half of 2020.

Hotels segment*

in EUR '000	1-6/2021	1-6/2020
Revenues for the Group	2,913	4,460
Average number of hotel rooms for the Group	828	828
GOP for the Group	73	-588
NOP for the Group	380	-1,116
NOP/available room in EUR	538	-1,496

* Including all joint ventures on a proportionate basis

The results in the Hotels segment are still being impacted by the coronavirus pandemic, but on the whole indicate an improvement versus the prior-year period.

Development and Services segment*

in EUR '000	1-6/2021	1-6/2020
Revenues for the Group	920	665
Gains or losses from the disposal of properties	–	–
Segment EBITDA	-2,412	-5,223

* Including all joint ventures on a proportionate basis

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

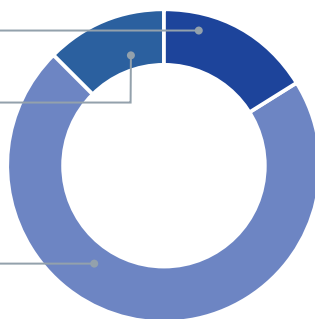
On 30 June 2021, the real estate portfolio of the Warimpex Group comprised four hotels with roughly 1,000 rooms (800 rooms when adjusted for the proportionate share of ownership) plus eight office properties with a total lettable floor area of roughly 104,600 square metres (92,800 square metres when adjusted for the proportionate share of ownership).

PROPERTY ASSETS IN MILLIONS

51.1 Development projects

39.0 Existing hotel assets

224.1 Existing office assets



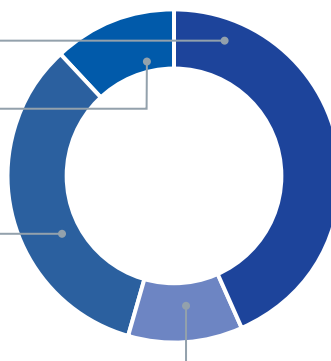
GAV BY COUNTRY

44% Poland

12% Germany

34% Russia

11% Hungary



Calculation of gross asset value and 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.

Warimpex's property portfolio was valued as follows as at 30 June 2021:

Appraiser	Fair values as at 30 June 2021	in %
CB Richard Ellis	EUR 143 million	46%
Knight Frank	EUR 137 million	43%
Valued internally	EUR 34 million	11%
	EUR 314 million	100%

The fair values are determined in accordance with the valuation standards of the Royal Institute of Chartered Surveyors. 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 valuation approach (investment method or discounted cash flow method) to determine the fair values or the comparative method in the case of reserve properties. Development projects are generally measured using the residual value method, taking a developer's profit into account.

The gross asset value of Warimpex's proportionate properties came to EUR 314.2 million as at 30 June 2021 (31 December 2020: EUR 301.8 million), of which EUR 16.7 million (31 December 2020: EUR 16.5 million) can be attributed to joint ventures. This increase was primarily due to progress on properties under construction and the higher rouble exchange rate. The Group's triple net asset value (NNNAV) rose from EUR 128.4 million as at 31 December 2020 to EUR 133.4 million as at 30 June 2021.

The triple net asset value (NNNAV) is calculated as follows:

in EUR millions	6/2021	12/2020
Equity before non-controlling interests	115.8	110.6
Deferred tax assets	-1.3	-1.0
Deferred tax liabilities	9.3	8.0
Carrying amount of existing hotel assets	-31.2	-30.2
Fair value of existing hotel assets	40.8	40.3
Triple net asset value	133.4	128.4
Number of shares	54.0	54.0
Treasury shares	-1.9	-1.9
Number of shares excluding treasury shares	52.1	52.1
NNNAV per share in EUR	2.56	2.46

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.

e) 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 2020 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). During the 2020 financial year, euro liabilities of Group companies with the rouble as their functional currency were significantly reduced, thus lowering the associated currency risk.

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 tenant. 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.

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.

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

(f) 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 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 Group has enacted uniform standards for all subsidiaries governing the implementation and documentation of the entire internal control system, and therefore also the accounting process in particular. This is intended to prevent the risks that can lead to incomplete or erroneous financial reporting.

The internal reports that are prepared by the subsidiaries are subject 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. The annual financial statements of all operating property companies are also reviewed by external financial auditors.

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 16,000 square metres of space, St. Petersburg (under construction)
- Phase III of Mogilska office building with roughly 11,200 square metres of space, Krakow (currently being planned, construction permit issued)
- Office building in Białystok with roughly 31,600 square metres of space (currently being planned, construction permit issued)
- Chopin office building with roughly 21,000 square metres of space, Krakow (currently being planned)
- Office building in Darmstadt with roughly 13,800 square metres of space (currently being planned)

In 2021, our activities will focus on making preparations for construction and obtaining building permits for our development projects as well as on continuing ongoing construction.

Warimpex is on solid financial footing, even against the backdrop of the current COVID-19 pandemic. In recent years, the Company focused on the strategic reorientation and diversification of the portfolio, and while it was primarily active in the now heavily impacted hotels segment up to just a few years ago, the fair value of hotels now only accounts for 12 per cent of the overall portfolio. Office properties with long-term leases that are contractually assured account for 71 per cent of the overall portfolio.

The Group is evaluating the impact of COVID-19 on an ongoing basis. In the area of office property letting (Investment Properties segment), only minor operational effects are discernible at the moment. The payment discipline of office tenants remains high; lease adjustments, rent arrears, and rent defaults have only been seen in isolated cases thus far. However, there is a general risk that payments will not be received as contractually agreed in future.

Hotels are being impacted by the pandemic to a greater degree than office properties. The hotel in Darmstadt was closed for the most part and, following another lockdown in early 2021, will be reopened on 30 August 2021. The Crowne Plaza hotel in St. Petersburg has remained open throughout this period, and is seeing low, but rising occupancy. The InterContinental hotel in Warsaw, which is operated under a 50/50 joint venture, was closed until mid-February 2021,

and suffered corresponding revenue contractions. The impact of COVID-19 on the Development and Services segment and the Group's financing activities was relatively minor in comparison.

The Company continues to take a wide range of measures to minimise the impact on the Group, including making use of government aid such as short-time work aid, the suspension of property taxes, and interim aid.

Due to the ongoing vaccination progress, the pandemic situation already appears to be improving at the moment and economic growth is recovering. At this point, new drastic and restrictive measures are not expected, but cannot be ruled out, either. Warimpex still expects the positive development of its business activities to continue. Our updated planning calculations show positive results of operating activities before finance income, taxes, depreciation, and amortisation (EBITDA), and sufficient liquidity for the 2021 financial year. With a solid financial base and an experienced, crisis-tested team, Warimpex is well equipped for the current and coming challenges.

Apart from COVID-19, we are also focusing on the topic of sustainability. 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, 30 August 2021



Franz Jurkowitsch
Chairman
of the Management Board



Daniel Folan
Deputy Chairman
of the Management Board



Alexander Jurkowitsch
Member of the
Management Board



Florian Petrowsky
Member of the
Management Board



AirportCity
St. Petersburg, RU

Condensed Consolidated Interim Financial Statements

AS AT 30 JUNE 2021

- 17 **Condensed Consolidated Income Statement**
- 18 **Condensed Consolidated Statement of Comprehensive Income**
- 19 **Condensed Consolidated Statement of Financial Position**
- 20 **Condensed Consolidated Statement of Cash Flows**
- 21 **Condensed Consolidated Statement of Changes in Equity**
- 22 **Notes to the Condensed Consolidated Interim Financial Statements**

Mogilska 41 Office
Krakow, PL

Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021 – UNAUDITED

in EUR '000	Note	1–6/2021	4–6/2021	1–6/2020	4–6/2020
Investment Properties revenues		9,672	4,742	10,597	5,218
Hotels revenues		2,158	1,488	2,379	228
Development and Services revenues		920	469	665	283
Revenues	6.1.	12,750	6,700	13,642	5,729
Expenses from the operation of investment properties		(2,515)	(1,279)	(2,651)	(1,179)
Expenses from the operation of hotels		(1,371)	(361)	(3,509)	(1,010)
Expenses directly attributable to development and services		(483)	(184)	(346)	(224)
Expenses directly attributable to revenues		(4,368)	(1,824)	(6,506)	(2,414)
Gross income from revenues		8,382	4,875	7,136	3,315
Gains or losses from the disposal of properties	5	–	–	–	–
Other operating income		448	422	1	–
Administrative expenses	6.2.	(3,397)	(1,689)	(6,024)	(3,697)
Other expenses	6.3.	(427)	(225)	(768)	(203)
Earnings before interest, taxes, depreciation, amortisation, and remeasurement (EBITDA)		5,006	3,384	345	(585)
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets		(872)	(434)	(772)	(379)
Scheduled depreciation on right-of-use assets		(179)	(81)	(193)	(87)
Impairment of property, plant, and equipment		(17)	(17)	(3,229)	(1,623)
Reversals of impairment on property, plant, and equipment		–	(220)	–	–
Gains/losses on remeasurement of investment property		2,000	1,169	(5,386)	(4,154)
Depreciation, amortisation, and remeasurement	6.4.	932	417	(9,580)	(6,242)
Earnings before interest and taxes (EBIT)		5,938	3,801	(9,235)	(6,827)
Interest revenue		209	101	258	123
Other finance income		99	60	305	305
Finance expenses	6.5.	(3,695)	(1,583)	(3,902)	(2,046)
Changes in foreign exchange rates		677	408	(4,704)	3,458
Result from joint ventures (equity method) after taxes	7.3.	(900)	(117)	(2,520)	560
Financial result		(3,610)	(1,130)	(10,563)	2,400
Earnings before taxes		2,328	2,671	(19,798)	(4,427)
Current income taxes		(468)	(289)	(227)	(132)
Deferred income taxes		(136)	(122)	(1,706)	1,550
Taxes		(604)	(411)	(1,933)	1,418
Profit or loss for the period		1,724	2,259	(21,731)	(3,009)
thereof profit or loss of non-controlling interests		3	(41)	(1,189)	255
thereof profit or loss of shareholders of the parent		1,721	2,300	(20,543)	(3,265)
Earnings per share:					
Undiluted earnings per share in EUR		0.03	0.05	-0.39	-0.06
Diluted earnings per share in EUR		0.03	0.05	-0.39	-0.06

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021 – UNAUDITED

in EUR '000	Note	1–6/2021	4–6/2021	1–6/2020	4–6/2020
Profit or loss for the period		1,724	2,259	(21,731)	(3,009)
Foreign exchange differences		2,897	2,111	(7,979)	4,508
<i>thereof reclassified to the income statement</i>		(16)	(16)	1	1
Other comprehensive income from joint ventures (equity method)		168	110	(401)	150
(Deferred) taxes in other comprehensive income	6.6.	(3)	41	(210)	234
Other comprehensive income (reclassified to profit or loss in subsequent periods)		3,062	2,262	(8,590)	4,891
Gains/losses from financial assets measured at fair value through other comprehensive income		26	13	(25)	85
Remeasurement of property, plant, and equipment		562	562	–	–
(Deferred) taxes in other comprehensive income	6.6.	(95)	(92)	6	(21)
Other comprehensive income (not reclassified to profit or loss in subsequent periods)		492	482	(19)	64
Other comprehensive income		3,554	2,744	(8,609)	4,955
Total comprehensive income for the period		5,278	5,004	(30,340)	1,946
thereof profit or loss of non-controlling interests		158	65	(1,752)	568
thereof profit or loss of shareholders of the parent		5,120	4,939	(28,588)	1,378

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2021 – UNAUDITED

in EUR '000	Note	30/6/21	31/12/20	30/6/20
ASSETS				
Investment properties	7.1.	263,096	251,337	261,361
Property, plant, and equipment	7.2.	34,725	33,877	33,261
Other intangible assets		78	80	104
Net investments in joint ventures (equity method)	7.3.	4,346	5,077	7,712
Financial assets measured at fair value through other comprehensive income	7.4.	5,651	5,625	6,217
Other assets		9,972	11,158	11,035
Deferred tax assets		1,334	978	341
Non-current assets		319,203	308,132	320,031
Inventories		108	154	81
Trade and other receivables		5,767	3,448	3,197
Cash and cash equivalents		5,999	8,931	7,001
Current assets		11,875	12,533	10,278
TOTAL ASSETS		331,078	320,665	330,309
EQUITY AND LIABILITIES				
Share capital		54,000	54,000	54,000
Retained earnings	7.5.	79,064	77,307	88,601
Treasury shares		(2,991)	(2,991)	(2,991)
Other reserves		(14,333)	(17,697)	(10,420)
Equity attributable to shareholders of the parent		115,739	110,619	129,190
Non-controlling interests		(1,669)	(1,827)	(3,116)
Equity		114,070	108,792	126,074
Bonds	7.5.	7,155	7,137	8,948
Other financial liabilities	7.5.	148,592	152,624	142,367
Lease liabilities	7.5.	1,628	1,709	1,066
Derivative financial instruments		248	320	329
Other liabilities		6,412	6,731	7,074
Provisions		4,129	4,700	4,906
Deferred tax liabilities		9,269	8,679	8,377
Deferred income		1,978	1,957	2,360
Non-current liabilities		179,411	183,857	175,425
Bonds	7.5.	2,001	1,890	200
Other financial liabilities	7.5.	25,603	14,546	17,726
Lease liabilities	7.5.	179	217	319
Trade and other payables		7,408	8,881	8,236
Provisions		2,115	2,241	2,107
Income tax liabilities		115	12	31
Deferred income		176	229	190
Current liabilities		37,596	28,016	28,810
Liabilities		217,007	211,873	204,235
TOTAL EQUITY AND LIABILITIES		331,078	320,665	330,309

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021 – UNAUDITED

in EUR '000	1–6/2021	4–6/2021	1–6/2020	4–6/2020
Cash receipts				
from hotel operations and letting	12,184	6,326	13,399	5,238
from real estate development projects and other	403	38	255	169
from interest income	52	22	43	23
Cash receipts from operating activities	12,639	6,387	13,697	5,430
Cash payments				
for real estate development projects	(15)	217	(220)	(37)
for materials and services received	(4,007)	(2,154)	(4,343)	(1,738)
for personnel expenses	(2,878)	(1,536)	(4,711)	(2,500)
for other administrative expenses	(2,828)	(1,175)	(3,839)	(1,652)
for income taxes	(407)	(339)	(251)	(163)
Cash payments for operating activities	(10,135)	(4,988)	(13,365)	(6,091)
Net cash flows from operating activities	2,504	1,399	332	(661)
Cash receipts from				
purchase price payments from sales in previous periods	125	–	510	506
other financial assets	1,160	65	630	503
returns on joint ventures	–	–	330	223
Cash receipts from investing activities	1,285	65	1,470	1,231
Cash payments for				
investments in investment property	(5,902)	(3,108)	(5,470)	(2,738)
investments in property, plant, and equipment	(1,209)	(589)	(1,615)	(575)
the purchase of data processing programs	(7)	(7)	(2)	–
other financial assets	–	–	(633)	(599)
joint ventures	(1,318)	(300)	–	–
Cash payments for investing activities	(8,436)	(4,004)	(7,720)	(3,913)
Net cash flows from investing activities	(7,151)	(3,939)	(6,251)	(2,681)
Cash payments for the purchase of treasury shares	–	–	(654)	–
Cash payments for the redemption of bonds	–	–	(5,500)	(5,500)
Payments received from loans and borrowing	19,906	2,788	31,536	25,758
Payments for the repayment of loans and borrowing	(15,050)	(87)	(16,819)	(15,563)
Payments for the payment of lease liabilities	(159)	(74)	(181)	(68)
Paid interest (for loans and borrowing)	(2,743)	(1,383)	(1,720)	(703)
Paid interest (for bonds)	–	–	(275)	(275)
Paid financing expenses	(494)	(125)	(440)	(406)
Net cash flows from/used in financing activities	1,459	1,120	5,947	3,242
Net change in cash and cash equivalents	(3,188)	(1,420)	27	(100)
Foreign exchange rate changes in cash and cash equivalents	(3)	5	(5)	7
Foreign exchange rate changes from other comprehensive income	259	162	(540)	261
Cash and cash equivalents at the beginning of the period	8,931	7,252	7,519	6,833
Cash and cash equivalents as at 30 June	5,999	5,999	7,001	7,001
Cash and cash equivalents at the end of the period consist of:				
Cash and cash equivalents of the Group	5,999	5,999	7,001	7,001

Condensed Consolidated Statement of Changes in Equity

AS AT 30 JUNE 2021 – 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 2020	54,000	109,155	(2,337)	(2,386)	158,431	(1,364)	157,068
Share buyback	–	–	(654)	–	(654)	–	(654)
Changes in the scope of consolidation	–	(1)	–	1	–	–	–
Total comprehensive income for the period	–	(20,553)	–	(8,035)	(28,588)	(1,752)	(30,340)
<i>thereof profit or loss for the period</i>	–	(20,543)	–	–	(20,543)	(1,189)	(21,731)
<i>thereof other comprehensive income</i>	–	(10)	–	(8,035)	(8,045)	(563)	(8,609)
As at 30 June 2020	54,000	88,601	(2,991)	(10,420)	129,190	(3,116)	126,074
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>	–	1,721	–	–	1,721	3	1,724
<i>thereof other comprehensive income</i>	–	36	–	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

Condensed Consolidated Segment Information

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021 – UNAUDITED

in EUR '000	Investment Properties		Hotels	
	2021	2020	2021	2020
SEGMENT OVERVIEW – PROFIT OR LOSS FOR THE PERIOD				
External revenues	11,402	12,617	3,067	4,553
Intragroup services	–	–	–	8
Expenses directly attributable to revenues	(2,771)	(3,042)	(2,686)	(5,669)
Gross income from revenues	8,632	9,575	380	(1,108)
Gains or losses from the disposal of properties	–	–	–	–
Other operating income	24	–	423	–
Expenses for development projects	–	–	–	–
Personnel expenses	(117)	(136)	–	–
Other/miscellaneous expenses	(496)	(408)	(112)	(231)
Intragroup services	(357)	(532)	(1)	–
Segment EBITDA	7,686	8,498	690	(1,339)
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(5)	(4)	(1,064)	(1,015)
Scheduled depreciation on right-of-use assets	(36)	(21)	(972)	(1,130)
Impairments	–	–	(17)	(3,229)
Measurement gains	2,143	1,193	–	–
Measurement losses	(1,424)	(6,946)	–	–
Segment EBIT	8,364	2,720	(1,363)	(6,713)
Finance income	137	261	–	4
Finance expenses	(3,344)	(3,665)	(1,155)	(1,140)
Changes in foreign exchange rates	674	(4,880)	677	(1,568)
Earnings from joint ventures	–	–	–	–
Current income taxes	(460)	(220)	(72)	–
Deferred income taxes	(225)	2,725	39	(1,364)
Segment overview – profit or loss for the period	5,145	(3,058)	(1,874)	(10,781)

	Development and Services		Segment total 1 January–30 June		Reconciliation		Group total 1 January–30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
	920	665	15,390	17,836	(2,639)	(4,194)	12,750	13,642
	358	524	358	532	(358)	(532)	–	–
	(483)	(346)	(5,940)	(9,057)	1,571	2,551	(4,368)	(6,506)
	796	843	9,808	9,310	(1,426)	(2,175)	8,382	7,136
	–	–	–	–	–	–	–	–
	1	1	448	1	–	–	448	1
	(17)	(70)	(17)	(70)	–	–	(17)	(70)
	(2,089)	(2,875)	(2,207)	(3,012)	–	–	(2,207)	(3,012)
	(1,103)	(3,122)	(1,710)	(3,761)	110	51	(1,600)	(3,710)
	–	–	(358)	(532)	358	532	–	–
	(2,412)	(5,223)	5,964	1,937	(958)	(1,592)	5,006	345
	(98)	(88)	(1,167)	(1,108)	295	336	(872)	(772)
	(143)	(172)	(1,151)	(1,322)	972	1,130	(179)	(193)
	–	–	(17)	(3,229)	–	–	(17)	(3,229)
	1,169	1,508	3,312	2,701	–	(59)	3,312	2,642
	(593)	(1,082)	(2,017)	(8,028)	706	–	(1,312)	(8,028)
	(2,077)	(5,056)	4,924	(9,049)	1,014	(185)	5,938	(9,235)
	204	327	341	592	(33)	(30)	307	562
	(549)	(482)	(5,049)	(5,288)	1,354	1,386	(3,695)	(3,902)
	–	–	1,351	(6,448)	(674)	1,744	677	(4,704)
	18	–	18	–	(917)	(2,520)	(900)	(2,520)
	(61)	(7)	(593)	(227)	125	–	(468)	(227)
	70	(2,674)	(115)	(1,312)	(20)	(394)	(136)	(1,706)
	(2,396)	(7,892)	876	(21,731)	849	–	1,724	(21,731)

in EUR '000	Segment total 1 January–30 June		Reconciliation 1 January–30 June		Subtotal Group 1 January–30 June	
	2021	2020	2021	2020	2021	2020
HOTELS SEGMENT – OVERVIEW EBIT						
Revenues from hotels	2,913	4,460	(909)	(2,174)	2,004	2,286
Coronavirus aid in GOP	71	–	–	–	71	–
Expenses for materials and services rendered	(1,881)	(2,532)	703	846	(1,178)	(1,686)
Personnel expenses	(1,030)	(2,516)	441	1,156	(589)	(1,361)
Gross operating profit (GOP)	73	(588)	235	(173)	308	(761)
Income after GOP	154	93	–	–	154	93
Coronavirus aid in NOP	784	–	–	–	784	–
Management fees	(208)	(213)	63	97	(145)	(116)
Exchange rate differences	5	(58)	8	(12)	13	(69)
Property costs	(427)	(351)	100	74	(327)	(277)
Net operating profit (NOP)	380	(1,116)	407	(14)	787	(1,130)
Income after NOP	12	–	–	–	12	–
Coronavirus aid after NOP	411	–	–	–	411	–
Other costs after NOP	(112)	(231)	38	36	(74)	(195)
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(1,064)	(1,015)	295	336	(769)	(679)
Scheduled depreciation on right-of-use assets	(972)	(1,130)	972	1,130	–	–
Impairment of fixed assets	(17)	(3,229)	–	–	(17)	(3,229)
Contribution to the operating profit for the Hotels segment	(1,362)	(6,721)	1,712	1,488	350	(5,233)
Less intragroup services	(1)	8	1	(8)	–	–
Segment EBIT	(1,363)	(6,713)	1,713	1,480	350	(5,233)
Key operating figures in the Hotels segment						
Employees – Hotels	133	235	(52)	(89)	81	145
Rooms (absolute)	828	828	(207)	(207)	621	621
Rooms available	706	746	(207)	(194)	499	552
Rooms sold	146	202	(30)	(59)	116	143
Occupancy	21%	27%	3 %	-1%	23 %	26%
RevPAR (in EUR)	15.83	30.44	(1.33)	(13.49)	14.5	16.95
Composition of NOP (geographical):						
Poland	(407)	14	407	(14)	–	–
Russia	652	(428)	–	–	652	(428)
Germany	135	(702)	–	–	135	(702)

Notes to the Condensed Consolidated Interim Financial Statements

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021 – 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 2021 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 30 August 2021.

[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 2021 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 2020.

The consolidated interim financial statements as at 30 June 2021 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 2021 have not changed compared with the consolidated financial statements as at 31 December 2020.

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 COVID-19 pandemic

The COVID-19 pandemic continues to influence economic developments. Following another wave of infections at the beginning of the year that led to extensive restrictions, the measures against the coronavirus were loosened over the course of the first half of 2021 due to the vaccination progress and seasonal effects. This initiated an economic recovery in many markets, but conditions have not yet reached pre-crisis levels.

The Group is evaluating the impact of COVID-19 on an ongoing basis. In the area of office property letting (Investment Properties segment), only minor operational effects are discernible at the moment. The payment discipline of office tenants remains high; arrears and defaults have only been seen in isolated cases thus far. Hotels are being impacted to a greater degree. The hotel in Darmstadt has remained closed for the most part in 2021 and has been renovated. It will be reopened under the “greet” brand on 30 August. The Crowne Plaza hotel in St. Petersburg was open throughout the period and generated higher results compared with the prior year. The InterContinental hotel in Warsaw, which is operated under a 50/50 joint venture, was closed until mid-February 2021, and suffered corresponding revenue contractions. The influence of COVID-19 on the Development and Services segment and the Group’s financing activities was relatively minor in the first half of 2021.

The Group received coronavirus aid from the government in the first half of 2021. These aid measures primarily consist of assistance from the interim aid III package for the closed 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. Subsidies for investments reduce the fixed assets and are distributed over the estimated useful lives of the respective assets. The individual amounts for each item are listed in the table below. The amounts from the interim aid III package pertaining to the first quarter of 2021 that were recognised in the financial statements in the second quarter of 2021 in accordance with IAS 20 are presented separately.

	for 1–6/2021	thereof interim aid for 1–3/2021
Overview of coronavirus aid		
Expenses from the operation of hotels	856	333
Other operating income	411	191
Administrative expenses	58	–
Other expenses	19	15
Finance expenses	175	88
Property, plant, and equipment	80	–
	1,598	627

Receivables related to coronavirus aid measures amounted to EUR 1,758 thousand as at 30 June 2021.

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

[03] Seasonal fluctuations in earnings

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

[04] Segment information

The operations of Warimpex Group are divided into three business segments: Hotels, Investment Properties, 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 2021 and as at 30 June 2021.

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

As in the prior-year period, there were no property sales or changes in the scope of consolidation during the reporting period.

[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 2020			Total
	Hotels	Investment Properties	Development and Services	
Geographical composition:				
Russia	1,459	1,078	66	2,604
Poland	–	747	565	1,312
Germany	861	–	8	869
Hungary	–	237	26	264
Revenues according to IFRS 15	2,320	2,063	665	5,048
Russia	–	4,944	–	4,944
Poland	–	2,430	–	2,430
Germany	58	–	–	58
Hungary	–	1,161	–	1,161
Revenues according to IFRS 16 (rental revenue)	58	8,535	–	8,593
Total revenues	2,379	10,597	665	13,642

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

6.2. Administrative expenses

	1 January to 30 June	
	2021	2020
Composition:		
Other personnel expenses	(2,207)	(3,012)
Other administrative expenses	(1,190)	(3,012)
	(3,397)	(6,024)

6.3. Other expenses

The other expenses include lease expenses for short-term leases in the amount of EUR 17 thousand and for low-value leased assets in the amount of EUR 5 thousand.

6.4. Depreciation, amortisation, and remeasurement

	1 January to 30 June	
	2021	2020
Composition:		
Scheduled depreciation and amortisation on property, plant, and equipment	(872)	(772)
Scheduled depreciation on right-of-use assets	(179)	(193)
Impairment of property, plant, and equipment	(17)	(3,229)
Measurement gains (from investment properties)	3,312	2,642
Measurement losses (from investment properties)	(1,312)	(8,028)
	932	(9,580)

As in the prior year, the impairment pertains to the Crowne Plaza hotel in St. Petersburg and can be attributed to lower planned earnings in connection with the COVID-19 pandemic. The recoverable amount for the properties for which impairments were recognised is EUR 17,829 thousand.

The measurement gains in the Investment Properties segment primarily pertain to the Bykovskaya building due to rising rental revenue and the B52 Office building due to new lettings. In the Development and Services segment, measurement gains predominantly resulted from the issue of the building permit for the Mogilska Phase III project.

The measurement losses were primarily attributable to the Investment Properties segment due to increased investment costs related to Mogilska 43 Office.

6.5. Finance expenses

	1 January to 30 June	
	2021	2020
Composition:		
Interest on short-term borrowings, project loans, and other loans	(2,846)	(2,411)
Coronavirus aid for interest expenses	175	–
Interest on bonds	(125)	(173)
Interest on loans from minority shareholders	(137)	(200)
Interest on lease liabilities	(31)	(30)
Derecognition of capitalised transaction costs	(147)	(404)
Other finance expenses	(453)	(354)
Unrealised losses on derivative financial instruments	(16)	(330)
Impairment of financial assets	(115)	–
	(3,695)	(3,902)

6.6. Income taxes in other comprehensive income

	1 January to 30 June	
	2021	2020
The income taxes in other comprehensive income consist of:		
Foreign exchange differences	(3)	(210)
Taxes on other comprehensive income (reclassified to profit or loss in subsequent periods)	(3)	(210)
Remeasurement result in accordance with IAS 16	(89)	–
Gains/losses from financial assets measured at fair value through other comprehensive income	(7)	6
Taxes on other comprehensive income (not reclassified to profit or loss in subsequent periods)	(95)	6
Total income taxes in other comprehensive income	(99)	(203)

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

	Developed properties	Development properties	Reserve properties	Total
Changes in 2020:				
Carrying amounts at 1 January	232,738	19,498	20,219	272,455
Additions/investments	2,185	2,536	669	5,391
Disposals	(112)	–	–	(112)
Net measurement result	(5,861)	(85)	512	(5,434)
Exchange adjustments	(8,948)	(1,297)	(694)	(10,939)
Carrying amounts at 30 June	220,003	20,653	20,706	261,361
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 from 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

7.2. Property, plant, and equipment

	Hotels	Right-of-use assets	Other property, plant, and equipment	Total
Changes in 2020:				
Carrying amounts at 1 January	35,567	1,113	2,196	38,876
Additions	1,242	10	261	1,512
Disposals	–	–	(16)	(16)
Scheduled depreciation and amortisation	(672)	(243)	(91)	(1,006)
Impairment charges	(3,229)	–	–	(3,229)
Exchange adjustments	(2,710)	(34)	(133)	(2,876)
Carrying amounts at 30 June	30,198	846	2,216	33,261
Composition as at 30/6/2020:				
Acquisition or production cost	53,202	1,121	3,007	57,330
Cumulated write-downs	(23,003)	(275)	(791)	(24,069)
	30,198	846	2,216	33,261
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 classification)	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

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

7.3. Net investments in joint ventures (equity method)

	2021	2020
Development		
Carrying amounts at 1 January	5,077	10,671
Increase in capital shares	–	7
Earnings allocation from profit/loss for the period	(917)	(2,520)
Earnings allocation from other comprehensive income	187	(446)
Carrying amounts at 30 June	4,346	7,712

7.4. Financial assets measured at fair value through other comprehensive income

These assets solely pertain to the 9.98 per cent stake in Palais Hansen Immobilienentwicklungs GmbH, Vienna.

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 2020:						
As at 1 January	129,926	2,725	14,745	13,078	1,626	162,100
Borrowing (cash flow)	19,939	11,597	–	–	(60)	31,476
Repayment (cash flow)	(16,416)	–	(5,500)	(403)	(181)	(22,500)
Change in accumulated interest	774	–	(97)	206	–	883
Changes in foreign exchange rates	(1,287)	–	–	(50)	–	(1,337)
Other changes	–	–	–	3	–	3
As at 30 June	132,936	14,322	9,148	12,834	1,384	170,625
<i>thereof current (due < 1 year)</i>	4,394	12,825	200	507	319	18,245
<i>thereof non-current (due > 1 year)</i>	128,542	1,497	8,948	12,327	1,066	152,380
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	–	–	–	19,906
Repayment (cash flow)	(15,050)	–	–	–	(159)	(15,209)
Change in accumulated interest	252	–	130	151	20	552
Changes in foreign exchange rates	1,263	–	–	547	16	1,826
Other changes	(42)	–	–	–	3	(39)
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

The borrowings related to project loans primarily pertain to the refinancing of Elsbet Office in Budapest and, to a lesser extent, additional loans for the project financing for Avior Tower in St. Petersburg. The redemption of project loans also largely relates to the refinancing of the Elsbet office building.

[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 30/6/2021	Fair value 30/6/2021	Carrying amount 31/12/2020	Fair value 31/12/2019
Assets – categories					
IAS 19 Refund claims (other financial assets)		676	676	997	997
FAAC Financial assets – fixed rate	3	4,723	5,230	4,417	4,772
FAAC Other financial assets		2,772	2,772	4,155	4,155
FVOCI Financial assets measured at fair value through other comprehensive income	3	5,651	5,651	5,625	5,625
Other non-current assets		305,381		292,938	
Total non-current assets		319,203		308,132	
FAAC Receivables		2,145	2,145	944	944
FAAC Cash and cash equivalents		5,999	5,999	8,931	8,931
FAAC Financial assets – fixed rate	3	–	–	–	–
Other current assets		3,731		2,658	
Total current assets		11,875		12,533	
Total assets		331,078		320,665	
Liabilities – classes					
FLAC Fixed-rate bonds	3	7,155	7,002	7,137	7,348
FLAC Fixed-rate loans	3	77,516	79,271	74,295	78,695
FLAC Variable-rate loans	3	71,076	72,489	78,329	80,394
FLAC Lease liabilities		1,628	n/a	1,709	n/a
FLAC Other non-current financial liabilities	3	4,652	4,652	5,059	5,059
FVTPL Derivative financial instruments – interest rate swaps	3	248	248	320	320
Other non-current liabilities		17,135		17,009	
Total non-current liabilities		179,411		183,857	
FLAC Fixed-rate bonds	3	2,001	1,984	–	–
FLAC Fixed-rate loans	3	7,423	7,488	6,471	6,553
FLAC Variable-rate loans	3	18,180	18,073	8,075	8,089
FLAC Lease liabilities		179	n/a	210	210
FLAC Other current financial liabilities	3	6,211	6,211	6,040	6,040
Other current liabilities		3,602		7,220	
Total current liabilities		37,596		28,016	
Total liabilities		217,007		211,873	
				30/6/2021	31/12/20
Summary of carrying amounts by category for financial assets and liabilities:					
FAAC Financial assets at amortised cost				15,638	18,446
FVOCI At fair value through other comprehensive income				5,651	5,625
FLAC Financial liabilities at amortised cost				196,021	187,324
FVTPL At fair value through profit or loss				248	320

The method of fair value measurement is the same as at 31 December 2020.

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		
2021			2020		
Changes in assets:			Changes in liabilities:		
Carrying amounts at 1 January	5,625	6,242	Carrying amounts at 1 January	320	–
Gains/losses on remeasurement in other comprehensive income	26	(25)	Additions	20	–
Carrying amounts at 30 June	5,651	6,217	Gains/losses on remeasurement in profit or loss	(92)	329
			Carrying amounts at 30 June	248	329

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	Range	Weighted average
31/12/2020:				
3	Financial assets measured at fair value through other comprehensive income	Exit yield	3.25%	3.25%
3	Financial assets measured at fair value through other comprehensive income	Cash flow (year one) in EUR '000	3,689	3,689
30/6/2021:				
3	Financial assets measured at fair value through other comprehensive income	Exit yield	3.25%	3.25%
3	Financial assets measured at fair value through other comprehensive income	Cash flow (year one) in EUR '000	2,879	2,879

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	
			30/6/21	31/12/20
3	Financial assets measured at fair value through other comprehensive income			
	Exit yield	+50 bp	(1,131)	(1,222)
	Exit yield	-50 bp	1,512	1,633
	Cash flow (year one)	+5%	837	744
	Cash flow (year one)	-5%	(281)	(439)

[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

Due to the impact of COVID-19 on hotel results, there is a possibility that the guarantees will be utilised. In light of the unprecedented situation in connection with the COVID-19 pandemic, however, there are varying legal opinions regarding the extent to which these guarantees can be claimed. Therefore, the Group is evaluating the legal and economic situation on an ongoing basis and has formed provisions in the amount of the likely claims.

9.2. Related party transactions

9.2.1. Transactions with Ambo GmbH

	1 January to 30 June	
	2021	2020
Income from performance management	10	10
Receivable from Ambo GmbH as at 30 June	12	–

9.2.2. Transactions with Georg Folian

	1 January to 30 June	
	2021	2020
Consulting fee	(3)	(3)
Clerical activities for Mr Folian	7	12
	4	8

9.2.3. Transactions with Management Board members

	1 January to 30 June	
	2021	2020
Management Board compensation 1 January to 30 June	565	532
	30/6/21	31/12/20
Liabilities to Management Board members	1,586	1,586

9.2.4. Transactions with joint ventures

	2021		2020
Income from transactions 1 January to 30 June	513		275
	30/6/21		31/12/20
Receivables due from joint ventures	5,847		4,429
Payables due to joint ventures	4,673		5,190

9.3. Events after the reporting date

No significant events after the reporting date occurred during the preparation of the financial statements.

Vienna, 30 August 2021



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



AirportCity
St. Petersburg, RU

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

2021

4 September 2021

*Record date for the
Annual General Meeting*

14 September 2021

*Annual
General Meeting*

29 November 2021

*Publication of the results
for the first three quarters
of 2021*

PUBLISHED BY:

Warimpex Finanz- und Beteiligungs AG
Floridsdorfer Hauptstraße 1, A-1210 Vienna
www.warimpex.com

Investor Relations: **Daniel Follan**
Tel. +43 1 310 55 00-156, investor.relations@warimpex.com

Photos: Warimpex

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. 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.

warimpex

