warimpex

WARIMPEX

Report on the First Half of 2020

WARIMPEX GROUP

Key Figures

in EUR '000	**1–6/2020**	Change	1–6/2019
Hotels revenues	2,379	-51%	4,809
Investment Properties revenues	10,597	15%	9,229
Development and Services revenues	665	-44%	1,188
Total revenues	*13,642*	*-10%*	*15,225*
Expenses directly attributable to revenues	-6,506	9%	-5,983
Gross income from revenues	*7,136*	*-23%*	*9,242*
Gains or losses from the disposal of properties	–	–	7,158
EBITDA	345	-97%	9,910
Depreciation, amortisation, and remeasurement	-9,580	–	6,721
EBIT	-9,235	–	16,631
Earnings from joint ventures	-2,520	–	380
Financial result	-10,563	–	4,161
Profit or loss for the period	-21,731	–	17,922
Profit or loss for the period (shareholders of the parent)	-20,543	–	13,948
Net cash flow from operating activities	332	–	-702
Equity and liabilities	330,309	-3%	339,848
Equity	126,074	18%	106,658
Equity ratio	38%	7 pp	31%
Average number of shares in the financial year	54,000,000	–	54,000,000
Earnings per share in EUR	-0.39	–	0.26
Number of treasury shares as at 30 June	1,939,280	1,106,719	832,561
Number of hotels	4	-2	6
Number of rooms (adjusted for proportionate share of ownership)	796	-293	1,089
Number of office and commercial properties	8	–	8
Lettable office space (adjusted for proportionate share of ownership)	92,800 m²	8,100 m²	84,700 m²
Segment information (including joint ventures on a proportionate basis):			
Hotels revenues	4,460	-77%	19,773
Hotels net operating profit (NOP)	-1,116	–	4,785
NOP per available room in EUR	-1,496	–	4,949
Investment Properties revenues	12,617	12%	11,261
Investment Properties EBITDA	8,498	2%	8,316
Development and Services revenues	665	-56%	1,513
Gains or losses from the disposal of properties	–	–	7,158
Development and Services EBITDA	-5,223	–	2,211

	30/6/2020	Change	31/12/2019
Gross asset value (GAV) in EUR millions	311.0	-7%	333.3
Triple net asset value (NNNAV) in EUR millions	146.6	-18%	178.8
NNNAV per share in EUR	2.82	-17%	3.41
End-of-period share price in EUR	1.26	-23%	1.63

THE BONDS OF WARIMPEX FINANZ- UND BETEILIGUNGS AG AS AT 30 JUNE 2020

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

The bond 05/20 with a volume of EUR 5,500,000 was redeemed according to plan in May 2020.

Contents

Mogilska Phase III
Krakow, PL

FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

Dear Shareholders,

While Warimpex Finanz- und Beteiligungs AG generated a record consolidated profit of nearly EUR 67 million last year, the first half of 2020 was impacted by the COVID-19 pandemic. Starting in March, there were lockdowns around the world, with extensive government measures including stay-at-home orders, travel restrictions, and the closure of businesses and cultural institutions. This led to historic declines in economic output in the second quarter of 2020. On the operational side, the pandemic has primarily impacted Warimpex in the form of negative hotel results, while rental revenue from office properties saw a significant increase and earnings before interest, taxes, depreciation, and amortisation and gains/losses on remeasurement (EBITDA) remained positive overall.

Warimpex has strategically realigned its property portfolio in recent years and is now benefiting from the resulting risk diversification. While the Company was primarily active in the hotel segment in the past, hotels now only account for 12 per cent of the total portfolio. The development of revenues from the rental of office properties, which make up 76 per cent of the total portfolio, remained positive and improved versus the first half of 2019. Attractive locations and the high quality of the assets are a major advantage – all of the office properties have been newly built or extensively refurbished in recent years and satisfy the latest tenant requirements. The development of the equity ratio underscores Warimpex's solid economic and financial foundation. After coming in at 31 percent as at the reporting date for the first half of 2019, it increased to 38 per cent as at 30 June 2020 as a result of the tremendous success achieved in the previous financial year. Based on the stable development of the office properties and current refinancing arrangements, the Management Board is considering discussing the possibility of a dividend payment with the Supervisory Board in the course of the ongoing evaluation.

Current development projects

In the first half of 2020, Warimpex focused on the development of current projects and continuing with construction permit processes. Despite the challenging market conditions, progress was made on material plans with no delays.

Construction work for Avior Tower 1 with around 16,000 square metres of space at AIRPORTCITY St. Petersburg began last year. The construction is continuing according to plan at present.

The hotel that was opened in Darmstadt last September was closed in April due to the COVID-19 pandemic. This situation is being used to push ahead with the refurbishment work that was originally scheduled to take place while the hotel remained open for business. In the course of the refurbishment programme, the hotel will be converted to the new Accor brand "greet" and will then be repositioned on the market in the first quarter of 2021 due to the market situation.

In Poland, we will continue to move forward with the next office property development projects (Mogilska Phase III, Białystok Offices, and Chopin Office). We expect construction permits to be issued for at least two of the three properties listed in the second half of the year.

A detailed look at the first half of 2020

Revenues from the rental of office properties increased by 15 per cent, improving from EUR 9.2 million to EUR 10.6 million. This can be attributed primarily to the completion of Mogilska 43 Office in May of last year. Due to the effects of the COVID-19 pandemic, revenues from the hotel segment declined by 51 per cent year-on-year to reach EUR 2.4 million in the first half of 2020. This led to a decline in total revenues to EUR 13.6 million. Expenses directly attributable to revenues rose from EUR 6.0 million to EUR 6.5 million, yielding gross income from revenues of EUR 7.1 million (2019: EUR 9.2 million).

The operational impact of the government measures to contain the health crisis became clear in the second quarter in particular. Looking at the second quarter on an isolated basis, hotel revenues declined from EUR 3.0 million to EUR 0.2 million, while the associated expenses were only reduced from EUR 1.5 million to EUR 1.0 million. By contrast, revenues from the rental of office properties remained stable in quarter-on-quarter terms at EUR 5.2 million. Overall, consolidated revenues fell from EUR 9.0 million to EUR 5.7 million in the second quarter and expenses directly attributable to revenues dropped from EUR 3.1 million to EUR 2.4 million, resulting in gross income from revenues of EUR 3.3 million for the second quarter of 2020 (second quarter of 2019: EUR 5.9 million).

While the first half of 2019 saw the sale of an office property and the operating company for the Dvořák hotel in Karlovy Vary, no property transactions were completed in the first half of 2020.

EBITDA retreated from EUR 9.9 million to EUR 0.3 million, and EBIT from EUR 16.6 million to minus EUR 9.2 million. This can be attributed to a lack of disposal proceeds, negative, non-cash effects from property valuation, and the negative earnings contribution from hotel operations. The financial result (including earnings from joint ventures) declined from

EUR 4.1 million to minus EUR 10.6 million. This includes non-cash losses from currency translation in the amount of EUR 4.7 million (2019: gain of EUR 7.3 million) and losses from joint ventures of EUR 2.5 million (2019: gain of EUR 0.4 million). These can also be attributed in part to negative hotel results and in part to losses from currency translation.

Due to these effects, the result for the period decreased from a gain of EUR 17.9 million in the first half of 2019 to a loss of EUR 21.7 million. Along with the lack of property sales, this can be attributed to the liquidity of remeasurement results on properties with no direct impact and of currency translation, the non-cash impairment of deferred tax claims, and the negative results from the hotel segment.

Outlook

Based on its experience during the global financial and economic crisis of 2008, Warimpex has set its strategic focus on expanding and diversifying the property portfolio, boosting earnings potential, and creating new offerings, and will continue to pursue this strategy. The loosening of the government measures to contain the COVID-19 pandemic is expected to slowly but surely contribute to the recovery of the hotel segment. We expect the solid trend in the office segment to continue. However, the long-term effects of the health crisis are still difficult to predict and depend on how the pandemic progresses.

With a crisis-tested team, deep roots in its core markets, excellent relationships with strong partners, and the economic strength of its business model and financial base, Warimpex remains optimally equipped to overcome the current and coming challenges.

Franz Jurkowitsch

Semi-Annual Consolidated Management Report

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020

Due to the massive spread of the SARS-CoV-2 virus (coronavirus) and the associated COVID-19 pandemic, measures such as lockdowns, travel bans, and the closure of airports and businesses were implemented by the governments in Austria as well as in other European countries and in Russia starting in February and March 2020. These measures were loosened gradually starting in the middle of May 2020.

Economic Environment

Growth forecasts have been revised downward recently because of this pandemic and its negative impact on the economy, the extent of which cannot be foreseen at this time.

In its World Economic Outlook update in June 2020, the International Monetary Fund (IMF) revised its April economic projections as follows: The Eurozone economy is now expected to contract by 10.2 per cent in 2020 (April 2020 projection: minus 7.5 per cent), followed by growth of 6.0 per cent (4.7 per cent) in 2021. The 2020 projection for Russia was lowered by 1.1 per cent to minus 6.6 per cent, while the forecast for 2021 was raised from 0.6 per cent to 4.1 per cent. Economic output is expected to decline by 5.6 per cent (5.2 per cent) in emerging and developing Europe[1] in 2020. The IMF growth projection for 2021 is 4.3 per cent (4.2 per cent).

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 2034. The occupancy rate at the InterContinental hotel fell to 29 per cent (1–6 2019: 75 per cent), and the average room rate in euros fell by 38 per cent. The hotel was closed from the end of March to the beginning of June 2020.

In December 2017, Warimpex purchased a fully occupied office building in Krakow (Mogilska 41 Office) with roughly 5,800 square metres of space for the purpose of generating rental revenue over the medium term and redeveloping the property at a later date. The building was renovated in 2019 and handed over to the new tenant in September 2019. Property reserves for a real estate development were also acquired along with the building.

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 84 per cent of the space at the office building was occupied as at 30 June 2020.

Mogilska 43 Office was completed in early April 2019. As of the reporting date, roughly 79 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 level. 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 certification with a "Very Good" rating.

Under development: 3 office buildings

Property reserves were also acquired along with the Mogilska 41 Office building, and planning has started for an office building (Mogilska Phase III) with around 12,000 square metres of space. A portion of the available land will be parcelled out for further development and used for the new office building.

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. Planning for this project is under way.

Warimpex owns a development property in Białystok. Four office properties and a hotel 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 planned.

[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 99 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.

AUSTRIA

Existing portfolio: 1 hotel
In Vienna, Warimpex holds around 10 per cent of the project company behind the Palais Hansen Kempinski hotel in Vienna together with Wiener Städtische Versicherung/Vienna Insurance Group and UBM. 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 32 per cent (1–6 2019: 75 per cent) while the average room rate in euros declined by about 31 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.

In August 2019, Warimpex acquired a 35 per cent stake in the project company AO AVIELEN A.G. As a result, the Group now holds a total stake of 90 per cent in AVIELEN, which is responsible for the development and operation of AIRPORTCITY St. Petersburg. The remaining 10 per cent is held by UBM Development.

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 an office tower (Avior Tower 1) with roughly 16,000 square metres of lettable office space began in the fourth quarter of 2019. The opening is scheduled for the fourth quarter of 2021.

GERMANY

Existing portfolio: 1 hotel
In April 2019, Warimpex acquired a hotel property (324 rooms) in Darmstadt. The hotel was reopened under the name "The Hotel Darmstadt – soon to be greet" in early September 2019. Cycas Hospitality was tasked with managing the three-star conference hotel. The hotel was closed at the beginning of April, presumably until mid-February 2021. In the course of a refurbishment programme, the hotel will be converted to the new Accor brand "greet" and will then be repositioned on the market.

Under development: Development properties
In addition, the 29,000 square metre hotel property offers property reserves for the development of further premium office and commercial space. Warimpex will now start using this development potential to create new offerings.

Assets, Financial Position, and Earnings Situation

Earnings situation

Development of revenues

In the first half of 2020, revenues in the Hotels segment fell to EUR 2.4 million, which represents a decline of 51 per cent compared with the first half of 2019. Revenues declined significantly starting in March 2020 due to the COVID-19 pandemic, falling by 92 per cent to just EUR 0.2 million in the second quarter of 2020.

Revenues from the rental of office properties (Investment Properties revenues) climbed from EUR 9.2 million to EUR 10.6 million, largely due to the completion of the Mogilska 43 Office building in May 2019.

Total revenues fell to EUR 13.6 million, while expenses directly attributable to revenues increased from EUR 6.0 million to EUR 6.5 million. This results in gross income from revenues of EUR 7.1 million (2019: EUR 9.2 million).

Gains or losses from the disposal of properties

The Group conducted no real estate transactions during the reporting period. In the comparison period, Warimpex sold an office property in Budapest and the operating company for the Dvořák spa hotel in Karlovy Vary. The gain from these disposals totalled EUR 7.2 million.

EBITDA

Earnings before interest, taxes, depreciation, and amortisation, and gains/losses on the remeasurement of investment properties (EBITDA) fell from EUR 9.9 million to EUR 0.3 million, primarily due to the result from property sales in the first quarter of 2019 and a negative result from the Hotels segment.

Depreciation, amortisation, and remeasurement

Depreciation, amortisation, and remeasurement fell from EUR 6.7 million to minus EUR 9.6 million. The remeasurement result from the office assets (investment properties) came to approximately minus EUR 5.4 million, while market value adjustments in the amount of EUR 6.7 million were recognised in the prior-year period. Impairment for hotels amounted to minus EUR 3.2 million.

EBIT

EBIT declined from EUR 16.6 million to minus EUR 9.2 million, due to a lack of disposal proceeds, negative effects from property valuation, and the negative earnings contribution from hotel operations.

Financial result

The financial result (including earnings from joint ventures) went from EUR 4.1 million to minus EUR 10.6 million. This includes losses from currency translation in the amount of EUR 4.7 million (2019: gain of EUR 7.3 million) and losses from joint ventures of EUR 2.5 million (2019: gain of EUR 0.4 million). The losses from joint ventures resulted in part from the negative earnings contribution of the InterContinental hotel in Warsaw and in part from non-cash foreign exchange losses in Russia.

Profit or loss for the period

The result for the period for the Warimpex Group decreased from EUR 17.9 million in the previous year to minus EUR 21.7 million. This decline can be attributed to the lack of property sales, losses from property valuation and currency translation, a negative result from the Hotels segment, and write-downs on deferred tax assets.

Segment analysis

The Warimpex Group has defined the business segments of: Hotels, Investment Properties, 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.).

Hotels segment*

in EUR '000	**1–6/2020**	1–6/2019
Revenues for the Group	4,460	19,773
Average number of hotel rooms for the Group	746	967
Occupancy	27%	74%
RevPar in EUR	30.44	82.87
GOP for the Group	-588	6,479
NOP for the Group	-1,116	4,785
NOP/available room in EUR	-1,496	4,949

* Including all joint ventures on a proportionate basis

In the reporting period, the average number of rooms falling under Group ownership declined due to the sale of the Dvořák hotel at the end of February 2019 and the sale of the two hotels in Paris at the end of September 2019. An additional hotel was opened in Darmstadt in September 2019, but was closed again in April 2020 due to the coronavirus.

Investment Properties segment*

in EUR '000	**1–6/2020**	1–6/2019
Revenues for the Group	12,617	11,261
Segment EBITDA	8,498	8,316

* Including all joint ventures on a proportionate basis

The revenues and EBITDA of the Investment Properties segment increased primarily due to the completion of Mogilska 43 Office in Krakow in May 2019.

Development and Services segment*

in EUR '000	**1–6/2020**	1–6/2019
Revenues for the Group	665	1,513
Gains or losses from the disposal of properties	–	7,158
Segment EBITDA	-5,223	2,211

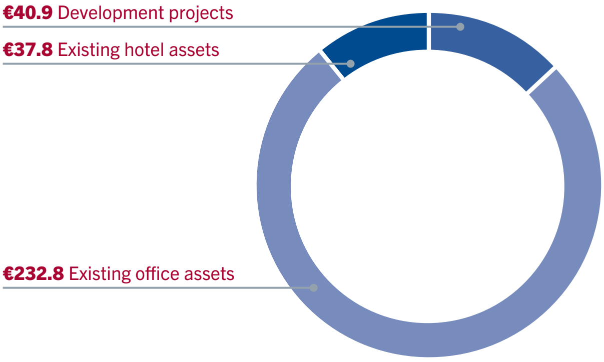
* Including all joint ventures on a proportionate basis

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

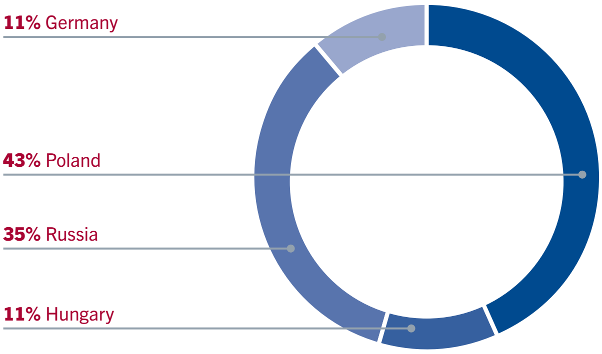
Real Estate Assets

On 30 June 2020, 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



GAV BY COUNTRY



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. To allow comparison with other real estate companies, Warimpex reports the triple net asset value (NNNAV) in its management report.

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 2020, the following experts appraised Warimpex's portfolio:

Appraiser	Fair values at 30/6/2020	in%
CB Richard Ellis	EUR 85 million	27%
Knight Frank	EUR 131 million	42%
PricewaterhouseCoopers	EUR 92 million	30%
Others or not appraised	EUR 3 million	1%
	EUR 311 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 income-based measurement methods (investment method or discounted cash flow approach) 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.

The gross asset value of Warimpex's proportionate properties came in at EUR 311.0 million on 30 June 2020 (31 December 2019: EUR 333.3 million), of which EUR 17.4 million (31 December 2019: EUR 19.6 million) can be attributed to joint ventures. This decline is primarily due to value decreases on hotel properties and the weaker rouble exchange rate. The Group's triple net asset value (NNNAV) dropped from EUR 178.8 million as at 31 December 2019 to EUR 146.6 million as at 30 June 2020.

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

in EUR millions	06/2020		12/2019	
Equity before non-controlling interests		129.2		158.4
Deferred tax assets	-0.3		-4.5	
Deferred tax liabilities	8.4	8.1	10.9	6.4
Carrying amount of existing hotel assets	-30.3		-35.6	
Fair value of existing hotel assets	39.6	9.3	40.6	14.0
Triple net asset value		**146.6**		**178.8**
Number of shares		54.0		54.0
Treasury shares		-2.0		-1.5
Number of shares excluding treasury shares		52.0		52.5
NNNAV per share in EUR		**2.82**		**3.41**

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. Depending on the economic development in the various markets, rents can come under pressure. 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, and increasing fear of terrorist attacks and pandemics. There is the risk that competitors may enter the Group's target markets, thereby increasing the number of beds available.

The Group is exposed to finance and currency risks, interest rate risks, market entry risks, and the risk of delays in the completion of construction work on real estate projects. In addition, there are risks of rent default which may impact both on the current cash flow and on property values.

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

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

c) Capital market risk

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

d) Legal risks

As an internationally active company, Warimpex is exposed to a wide range of legal risks. These include risks related to the purchase and sale of properties and legal disputes with tenants or joint venture partners. At the time that the financial statements were prepared, no material legal disputes were known.

e) 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 2019 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 RUB or 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.

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.

Please also see section 8.2.3. in the notes to the consolidated financial statements as at 31 December 2019.

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

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

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

Please also see section 8.2.4. in the notes to the consolidated financial statements as at 31 December 2019.

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 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. 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 12,000 square metres of space, Krakow (currently being planned)
- Office building in Białystok with roughly 32,000 square metres of space (currently being planned)
- Chopin office building with roughly 21,000 square metres of space, Krakow (currently being planned)
- Office building in Darmstadt with roughly 15,000 square metres of space (currently being planned)

Making preparations for construction and obtaining building permits will be the focus of our activities again in 2020. At the same time, we expect to see an increase in revenues in the Investment Properties segment thanks to rental revenue from our new assets – first and foremost Mogilska 43 Office in Krakow, which was completed last year.

Warimpex is on solid financial footing, even against the backdrop of the current COVID-19 pandemic. The year 2019 was a record period for the Group, with an equity ratio of 44 per cent as at the reporting date of 31 December 2019. A focus in the prior years was placed on the strategic reorientation and diversification of the portfolio, and while the Group was primarily active in the now heavily impacted hotels segment up to just a few years ago, hotels now only account for 12 per cent of the overall portfolio. Office properties with long-term leases that are contractually assured account for 76 per cent of the overall portfolio.

Past crisis events, such as the financial crisis of 2008, have shown that the hotel segment responds to macroeconomic developments early on in the cycle, but also recovers quickly once conditions normalise. In the office segment, which is characterised by long-term leases, Warimpex is not seeing any direct effects from the health crisis at the present time.

The concrete long-term effects of the COVID-19 pandemic are very difficult to predict in general. However, it is safe to assume that the record result seen in 2019 will not be repeated this year. Nevertheless, Warimpex expects the positive development of its business activities to continue. Our updated planning calculations still show positive results of operating activities before finance income, taxes, depreciation, and amortisation (EBITDA) and sufficient liquidity for 2020. With a solid financial base and an experienced, crisis-tested team, Warimpex is well equipped for the current and coming challenges.

Vienna, 27 August 2020

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

Mogilska 41 Office
Krakow, PL

Condensed Consolidated Interim Financial Statements

AS AT 30 JUNE 2020

Mogilska 43 Office
Krakow, PL

Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020 – UNAUDITED

in EUR '000	Note	1–6/2020	4–6/2020	1–6/2019	4–6/2019
Hotels revenues		2,379	228	4,809	2,988
Investment Properties revenues		10,597	5,218	9,229	5,163
Development and Services revenues		665	283	1,188	808
Revenues	6.1.	**13,642**	**5,729**	**15,225**	**8,959**
Expenses from the operation of hotels		(3,509)	(1,010)	(3,231)	(1,524)
Expenses from the operation of investment properties		(2,651)	(1,179)	(1,870)	(900)
Expenses directly attributable to development and services		(346)	(224)	(882)	(653)
Expenses directly attributable to revenues		**(6,506)**	**(2,414)**	**(5,983)**	**(3,077)**
Gross income from revenues		**7,136**	**3,315**	**9,242**	**5,882**
Income from the sale of properties		–	–	8,920	–
Disposal of carrying amounts and expenses related to sales		–	–	(1,761)	(127)
Gains or losses from the disposal of properties	5	**–**	**–**	**7,158**	**(127)**
Other operating income		**1**	**–**	**–**	**–**
Administrative expenses	6.2.	**(6,024)**	**(3,697)**	**(5,176)**	**(2,775)**
Other expenses	6.3.	**(768)**	**(203)**	**(1,314)**	**(672)**
Earnings before interest, taxes, depreciation, amortisation, and remeasurement (EBITDA)		**345**	**(585)**	**9,910**	**2,308**
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets		(772)	(379)	(467)	(249)
Scheduled depreciation on right-of-use assets		(193)	(87)	(212)	(118)
Impairment of property, plant, and equipment		(3,229)	(1,623)	–	–
Reversals of impairment on property, plant, and equipment		–	–	710	540
Gains/losses on remeasurement of investment property		(5,386)	(4,154)	6,690	6,700
Depreciation, amortisation, and remeasurement	6.4.	**(9,580)**	**(6,242)**	**6,721**	**6,873**
Earnings before interest and taxes (EBIT)		**(9,235)**	**(6,827)**	**16,631**	**9,181**
Interest revenue	6.5.	247	123	360	164
Other finance income		316	305	–	–
Finance expenses	6.5.	(3,902)	(2,046)	(3,853)	(2,413)
Changes in foreign exchange rates		(4,704)	3,458	7,273	876
Result from joint ventures (equity method) after taxes	7.3.	(2,520)	560	380	(94)
Financial result		**(10,563)**	**2,400**	**4,161**	**(1,467)**
Earnings before taxes		**(19,798)**	**(4,427)**	**20,792**	**7,714**
Current income taxes		(227)	(132)	(1,607)	(387)
Deferred income taxes		(1,706)	1,550	(1,262)	(1,203)
Taxes		**(1,933)**	**1,418**	**(2,869)**	**(1,590)**
Profit or loss for the period		**(21,731)**	**(3,010)**	**17,922**	**6,124**
thereof profit or loss of non-controlling interests		(1,189)	255	3,975	1,014
thereof profit or loss of shareholders of the parent		**(20,543)**	**(3,265)**	**13,948**	**5,110**
Earnings per share:					
Undiluted earnings per share in EUR		-0.39	-0.06	0.26	0.10
Diluted earnings per share in EUR		-0.39	-0.06	0.26	0.10

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020 – UNAUDITED

in EUR '000	Note	**1–6/2020**	**4–6/2020**	1–6/2019	4–6/2019
Profit or loss for the period		**(21,731)**	**(3,010)**	**17,922**	**6,124**
Foreign exchange differences		(7,979)	4,508	2,506	370
thereof reclassified to the income statement		*1*	*1*	–	–
Other comprehensive income from joint ventures (equity method)		(401)	150	6	7
(Deferred) taxes in other comprehensive income	6.6.	(210)	234	(1)	–
Other comprehensive income (reclassified to profit or loss in subsequent periods)		**(8,590)**	**4,891**	**2,511**	**376**
Gains/losses from financial assets measured at fair value through other comprehensive income		(25)	85	65	41
(Deferred) taxes in other comprehensive income	6.6.	6	(21)	(16)	(16)
Other comprehensive income (not reclassified to profit or loss in subsequent periods)		**(19)**	**64**	**49**	**25**
Other comprehensive income		**(8,609)**	**4,955**	**2,559**	**401**
Total comprehensive income for the period		**(30,340)**	**1,945**	**20,482**	**6,524**
thereof profit or loss of non-controlling interests		(1,752)	568	4,431	1,029
thereof profit or loss of shareholders of the parent		**(28,588)**	**1,378**	**16,051**	**5,495**

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE – UNAUDITED

in EUR '000	Note	30/6/20	31/12/19	30/6/19
ASSETS				
Property, plant, and equipment	7.1.	33,261	38,876	36,144
Investment properties	7.2.	261,361	272,455	252,099
Other intangible assets		104	110	25
Net investments in joint ventures (equity method)	7.3.	7,712	10,671	8,404
Financial assets measured at fair value through other comprehensive income	7.4.	6,217	6,242	6,320
Other assets		11,035	12,224	10,007
Deferred tax assets		341	4,475	2,160
Non-current assets		**320,031**	**345,053**	**315,158**
Inventories		81	131	115
Trade and other receivables		3,197	3,856	6,701
Cash and cash equivalents		7,001	7,519	7,644
Non-current assets (disposal groups), held for sale	5.	–	–	10,231
Current assets		**10,278**	**11,506**	**24,690**
TOTAL ASSETS		**330,309**	**356,559**	**339,848**
EQUITY AND LIABILITIES				
Share capital		54,000	54,000	54,000
Retained earnings	7.5.	88,601	109,155	72,969
Treasury shares		(2,991)	(2,337)	(1,246)
Other reserves		(10,420)	(2,386)	(2,755)
Equity attributable to shareholders of the parent		**129,190**	**158,431**	**122,967**
Non-controlling interests		(3,116)	(1,364)	(16,310)
Equity		**126,074**	**157,068**	**106,658**
Bonds	7.5.	8,948	8,943	8,938
Other financial liabilities	7.5.	142,367	135,817	159,425
Lease liabilities	7.5.	1,066	1,259	1,149
Derivative financial instruments		329	–	–
Other liabilities		7,074	7,785	6,543
Provisions		4,906	4,722	3,291
Deferred tax liabilities		8,377	10,939	9,430
Deferred income		2,360	2,746	2,793
Non-current liabilities		**175,425**	**172,210**	**191,569**
Bonds	7.5.	200	5,802	12,851
Other financial liabilities	7.5.	17,726	9,912	13,795
Lease liabilities	7.5.	319	367	424
Trade and other payables		8,236	10,178	13,696
Provisions		2,107	758	637
Income tax liabilities		31	51	36
Deferred income		190	213	183
Current liabilities		**28,810**	**27,282**	**41,622**
Liabilities		**204,235**	**199,491**	**233,191**
TOTAL EQUITY AND LIABILITIES		**330,309**	**356,559**	**339,848**

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020 – UNAUDITED

in EUR '000		**1–6/2020**	**4–6/2020**	1–6/2019	4–6/2019
Cash receipts					
from hotel operations and letting		13,399	5,238	14,230	7,980
from real estate development projects and other		255	169	517	424
from interest income		43	23	92	24
Cash receipts from operating activities		**13,697**	**5,430**	**14,839**	**8,428**
Cash payments					
for real estate development projects		(220)	(37)	(196)	(112)
for materials and services received		(4,343)	(1,738)	(4,474)	(2,495)
for related personnel expenses		(4,711)	(2,500)	(3,832)	(1,874)
for other administrative expenses		(3,839)	(1,652)	(5,243)	(2,798)
for income taxes		(251)	(163)	(1,797)	(1,521)
Cash payments for operating activities		**(13,365)**	**(6,091)**	**(15,541)**	**(8,801)**
Net cash flows from operating activities		**332**	**(661)**	**(702)**	**(373)**
Cash receipts from					
the sale of disposal groups and property	5.	–	–	7,974	(114)
less outflow of cash and cash equivalents from disposal groups sold	5.	–	–	(268)	(9)
the sale of property, plant, and equipment		–	–	3	3
purchase price payments from sales in previous periods		510	506	–	–
other financial assets		630	503	9	9
returns on joint ventures		330	223	310	365
Cash receipts from investing activities		**1,470**	**1,231**	**8,027**	**254**
Cash payments for					
investments in property, plant, and equipment		(1,615)	(575)	(10,265)	(10,203)
investments in investment property		(5,470)	(2,738)	(25,278)	(16,806)
the purchase of data processing programs		(2)	–	(19)	(19)
other financial assets		(633)	(599)	8	8
the purchase of equity interests		–	–	(14)	(14)
less received cash and cash equivalents of equity interests		–	–	14	–
Cash payments for investing activities		**(7,721)**	**(3,913)**	**(35,555)**	**(27,034)**
Net cash flows from investing activities		**(6,251)**	**(2,681)**	**(27,527)**	**(26,780)**
Cash payments for the purchase of treasury shares		(654)	–	(772)	(436)
Transactions with non-controlling interests		–	–	(300)	(300)
Cash received from the issue of bonds		–	–	7,000	7,000
Cash payments for the redemption of bonds		(5,500)	(5,500)	–	–
Payments received from loans and borrowing		31,536	25,758	31,063	22,460
Payments made for the repayment of loans and borrowing		(16,819)	(15,563)	(2,930)	(597)
Payments made for the payment of lease liabilities		(181)	(68)	(326)	(119)
Paid interest (for loans and borrowing)		(1,720)	(703)	(3,649)	(1,611)
Paid interest (for bonds)		(275)	(275)	–	6
Paid financing costs		(440)	(406)	(300)	(235)
Payments for dividends		–	–	(3,199)	(3,199)
Net cash flows from/used in financing activities		**5,947**	**3,242**	**26,587**	**22,970**
Net change in cash and cash equivalents		**27**	**(100)**	**(1,643)**	**(4,184)**
Foreign exchange rate changes in cash and cash equivalents		(5)	7	10	10
Foreign exchange rate changes from other comprehensive income		(540)	261	472	43
Cash and cash equivalents at the beginning of the period		7,519	6,833	8,805	11,775
Cash and cash equivalents as at 30 June		**7,001**	**7,001**	**7,644**	**7,644**
Cash and cash equivalents at the end of the period consist of:					
Cash and cash equivalents of the Group		7,001	7,001	7,644	7,644
		7,001	**7,001**	**7,644**	**7,644**

Condensed Consolidated Statement of Changes in Equity

AS AT 30 JUNE 2020 – UNAUDITED

in EUR '000	Equity attributable to shareholders of the parent						
	Share capital	Retained earnings	Treasury shares	Other reserves	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2019	**54,000**	**62,171**	**(474)**	**(4,810)**	**110,887**	**(20,740)**	**90,147**
Dividend		(3,199)	–	–	**(3,199)**	–	**(3,199)**
Share buyback	–	–	(772)	–	**(772)**	–	**(772)**
Total comprehensive income for the period	–	13,996	–	2,055	**16,051**	4,431	**20,482**
thereof profit for the period	–	*13,948*	–	–	***13,948***	*3,975*	***17,922***
thereof other comprehensive income	–	*49*	–	*2,055*	***1,332***	*456*	***1,788***
As at 30 June 2019	**54,000**	**72,969**	**(1,246)**	**(2,755)**	**122,967**	**(16,310)**	**106,658**
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)**
thereof profit for the period	–	*(20,543)*	–	–	***(20,543)***	*(1,189)*	***(21,731)***
thereof other comprehensive income	–	*(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**

Condensed Consolidated Segment Information

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020 – UNAUDITED

	Hotels		Investment Properties	
in EUR '000	**2020**	2019	**2020**	2019
SEGMENT OVERVIEW – PROFIT OR LOSS FOR THE PERIOD				
External revenues	4,553	19,781	12,617	11,261
Intragroup services	8	–	–	–
Expenses directly attributable to revenues	(5,669)	(14,996)	(3,042)	(2,264)
Gross income from revenues	**(1,108)**	**4,785**	**9,575**	**8,997**
Gains or losses from the disposal of properties	–	–	–	–
Other operating income	–	2	–	–
Expenses for development projects	–	–	–	–
Personnel expenses	–	(272)	(136)	(63)
Other/miscellaneous expenses	(231)	(716)	(408)	(389)
Intragroup services	–	–	(532)	(230)
Segment EBITDA	**(1,339)**	**3,799**	**8,498**	**8,316**
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(1,015)	(1,321)	(4)	(6)
Scheduled depreciation on right-of-use assets	(1,130)	(1,130)	(21)	(18)
Impairments	(3,229)	–	–	–
Impairment reversals	–	710	–	–
Measurement gains	–	–	1,193	5,085
Measurement losses	–	–	(6,946)	(1,672)
Segment EBIT	**(6,713)**	**2,059**	**2,720**	**11,706**
Finance income	4	15	261	39
Finance expenses	(1,140)	(1,552)	(3,665)	(3,416)
Changes in foreign exchange rates	(1,568)	2,424	(4,880)	6,350
Earnings from joint ventures	–	–	–	–
Current income taxes	–	(609)	(220)	(1,353)
Deferred income taxes	(1,364)	219	2,725	(1,698)
Segment overview – profit or loss for the period	**(10,781)**	**2,556**	**(3,058)**	**11,628**

	Development and Services		Segment total 1 January–30 June		Reconciliation		Group total 1 January–30 June	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	665	1,513	**17,836**	32,555	**(4,194)**	(17,330)	**13,642**	15,225
	524	230	**532**	230	**(532)**	(230)	**–**	–
	(346)	(1,216)	**(9,057)**	(18,476)	**2,551**	12,493	**(6,506)**	(5,983)
	843	**527**	**9,310**	**14,309**	**(2,175)**	**(5,067)**	**7,136**	**9,242**
	–	7,158	**–**	7,158	**–**	–	**–**	7,158
	1	–	**1**	2	**–**	(2)	**1**	–
	(70)	(28)	**(70)**	(28)	**–**	–	**(70)**	(28)
	(2,875)	(2,546)	**(3,012)**	(2,881)	**–**	29	**(3,012)**	(2,852)
	(3,122)	(2,899)	**(3,761)**	(4,004)	**51**	394	**(3,710)**	(3,610)
	–	–	**(532)**	(230)	**532**	230	**–**	–
	(5,223)	**2,211**	**1,937**	**14,326**	**(1,592)**	**(4,416)**	**345**	**9,910**
	(88)	(91)	**(1,108)**	(1,417)	**336**	950	**(772)**	(467)
	(172)	(194)	**(1,322)**	(1,342)	**1,130**	1,130	**(193)**	(212)
	–	–	**(3,229)**	–	**–**	–	**(3,229)**	–
	–	–	**–**	710	**–**	–	**–**	710
	1,508	3,612	**2,701**	8,697	**(59)**	–	**2,642**	8,697
	(1,082)	(804)	**(8,028)**	(2,476)	**–**	470	**(8,028)**	(2,006)
	(5,056)	**4,733**	**(9,049)**	**18,498**	**(185)**	**(1,867)**	**(9,235)**	**16,631**
	327	340	**592**	394	**(30)**	(34)	**562**	360
	(482)	(606)	**(5,288)**	(5,574)	**1,386**	1,721	**(3,902)**	(3,853)
	–	–	**(6,448)**	8,774	**1,744**	(1,501)	**(4,704)**	7,273
	–	(296)	**–**	(296)	**(2,520)**	676	**(2,520)**	380
	(7)	91	**(227)**	(1,870)	**–**	263	**(227)**	(1,607)
	(2,674)	(525)	**(1,312)**	(2,004)	**(394)**	742	**(1,706)**	(1,262)
	(7,892)	**3,738**	**(21,731)**	**17,922**	**–**	**–**	**(21,731)**	**17,922**

in EUR '000	Segment total 1 January–30 June 2020	2019	Reconciliation 1 January–30 June 2020	2019	Subtotal Group 1 January–30 June 2020	2019
HOTELS SEGMENT – OVERVIEW EBIT						
Revenues from hotels	4,460	19,773	(2,174)	(14,973)	**2,286**	4,800
Expenses for materials and services rendered	(2,532)	(7,933)	846	6,205	**(1,686)**	(1,729)
Personnel expenses	(2,516)	(5,361)	1,156	4,367	**(1,361)**	(994)
Gross operating profit (GOP)	**(588)**	**6,479**	**(173)**	**(4,401)**	**(761)**	**2,078**
Income after GOP	93	8	–	–	**93**	8
Management fees	(213)	(910)	97	695	**(116)**	(215)
Exchange rate differences	(58)	9	(12)	(31)	**(69)**	(22)
Property costs	(351)	(801)	74	529	**(277)**	(272)
Net operating profit (NOP)	**(1,116)**	**4,785**	**(14)**	**(3,208)**	**(1,130)**	**1,578**
Other costs after NOP	(231)	(984)	36	415	**(195)**	(569)
Lease/rent	–	(2)	–	2	–	–
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(1,015)	(1,321)	336	947	**(679)**	(374)
Scheduled depreciation on right-of-use assets	(1,130)	(1,130)	1,130	1,130	–	–
Impairment of fixed assets	(3,229)	–	–	–	(3,229)	–
Impairment reversals on fixed assets	–	710	–	–	–	710
Contribution to the operating profit for the Hotels segment	**(6,721)**	**2,059**	**1,488**	**(714)**	**(5,233)**	**1,345**
Less intragroup services	**8**	–	**(8)**	–	–	–
Segment EBIT	**(6,713)**	**2,059**	**1,480**	**(714)**	**(5,233)**	**1,345**
Key operating figures in the Hotels segment						
Employees – Hotels	235	494	(89)	(217)	**145**	277
Rooms (absolute)	828	979	(207)	(604)	**621**	375
Rooms available	746	967	(194)	(592)	**552**	375
Rooms sold	202	718	(59)	(462)	**143**	256
Occupancy	27%	74%	–1%	–6%	**26%**	68%
RevPAR (in EUR)	30.44	81.45	(13.49)	(36.02)	**16.95**	45.43
Composition of NOP (geographical):						
Czech Republic	–	(82)	–	–	–	(82)
Poland	14	1,966	(14)	(1,966)	–	–
Russia	(428)	1,660	–	–	**(428)**	1,660
Germany	(702)	–	–	–	**(702)**	–
France	–	1,242	–	(1,242)	–	–

Notes to the Condensed Consolidated Interim Financial Statements

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2020 – 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 2020 were released for publication by the Management Board of Warimpex Finanz- und Beteiligungs AG on 27 August 2020.

[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 2020 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 2019.

The interim financial statements as at 30 June 2020 were not audited and were not reviewed by an independent financial auditor.

The accounting policies and measurement methods applied in preparing the interim consolidated financial statements as at 30 June 2020 have not changed compared with the consolidated financial statements as at 31 December 2019.

By their very nature, interim consolidated financial statements are based on estimates to a greater extent than annual consolidated 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. These uncertainties are heightened by the COVID-19 pandemic that has dominated events since the first quarter of 2020.

2.2. Information on the impact of the COVID-19 pandemic

These interim financial statements are influenced by the COVID-19 pandemic that started in February/March. Starting in March 2020, nearly every affected country saw lockdowns to varying degrees, with stay-at-home orders, travel restrictions, and the partial closure of businesses and other establishments. Following the first lockdown phase, these measures have now been loosened, although restrictions are still in place in some areas. This led to historic economic downturns in the second quarter of 2020 and a general deterioration of economic forecasts.

The Group is evaluating the impact of COVID-19 on an ongoing basis. In the area of office property letting (Investment Properties segment), no operational effects are discernible at the moment. The payment discipline of office tenants remains high. However, there is a general risk that payments will not be received as contractually agreed in future. By contrast, hotels have been severely impacted. The hotel in Darmstadt was closed in April 2020, and the renovation that was originally planned to be completed while remaining open for business was started early. The hotel is scheduled to reopen in mid-February 2021. The Crowne Plaza hotel in St. Petersburg remained open throughout this period, and saw significantly lower occupancy and a decline in revenues. The InterContinental hotel in Warsaw, which is operated under a 50/50 joint venture, was closed from March to early June 2020, and suffered corresponding revenue contractions. The Development and Services segment and the Group's financing activities were hardly influenced by COVID-19 in the first half of 2020.

With regard to government aid, reimbursements for short-time work in the amount of EUR 148 thousand were claimed for the Darmstadt hotel and in Vienna in the first half of 2020, EUR 42 thousand of which had not yet been received as at 30 June 2020.

Property valuations varied significantly as at 30 June 2020. While the discount rate for Polish properties increased and required impairments to be recognised, there were also measurement gains in other markets. In the Hotels segment, the recoverable amounts declined significantly, which led to impairments being recognised for the Crowne Plaza hotel. Please refer to section 6.4. for details about the remeasurement results.

The COVID-19 pandemic is also impacting the Group's contingent liablities, 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 2020 and as at 30 June 2020.

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

There were no property sales or changes in the scope of consolidation during the reporting period. In the comparison period, an office property in Budapest and the operating company for the Dvořák spa hotel in Karlovy Vary were sold.

As at 30 June 2019, joint venture shares in the following companies were classified as held for sale:

- Joint venture shares in Asset Paris II SARL (Magic Circus hotel, Disneyland Paris)
- Joint venture shares in UBX II (France) SARL (Dreamcastle hotel, Disneyland Paris)
- Joint venture shares in Warimpex Management Services Sp. z o.o.

[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 2019			
	Hotels	Investment Properties	Development and Services	**Total**
Geographical composition:				
Russia	4,330	1,103	47	5,480
Poland	–	421	1,083	1,504
Czech Republic	478	–	10	488
Hungary	–	265	36	301
Revenues according to IFRS 15	**4,809**	**1,789**	**1,175**	**7,773**
Russia	–	4,871	–	4,871
Poland	–	1,462	–	1,462
Czech Republic	–	–	12	12
Hungary	–	1,106	–	1,106
Revenues according to IFRS 16 (rental revenue)	–	**7,439**	**12**	**7,452**
Total revenues	**4,809**	**9,229**	**1,188**	**15,225**

	1 January to 30 June 2020			
	Hotels	Investment Properties	Development and Services	**Total**
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
Germany	58	–	–	58
Poland	–	2,430	–	2,430
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**

6.2. Administrative expenses

	1 January to 30 June	
	2020	2019
Composition:		
Other personnel expenses	(3,012)	(2,852)
Other administrative expenses	(3,012)	(2,324)
	(6,024)	**(5,176)**

6.3. Other expenses

The other expenses include lease expenses for short-term leases in the amount of EUR 13 thousand and for low-value leased assets in the amount of EUR 1 thousand.

6.4. Depreciation, amortisation, and remeasurement

	1 January to 30 June **2020**	2019
Composition:		
Scheduled depreciation and amortisation on property, plant, and equipment	(772)	(467)
Scheduled depreciation on right-of-use assets	(193)	(212)
Impairment of property, plant, and equipment	(3,229)	–
Reversals of impairment on property, plant, and equipment	–	710
Measurement gains (from investment properties)	2,642	8,697
Measurement losses (from investment properties)	(8,028)	(2,006)
	(9,580)	**6,721**

The impairment (2019: impairment reversal) pertains to the Crowne Plaza hotel in St. Petersburg and can be attributed to diminished future earnings in connection with the COVID-19 pandemic. The recoverable amount for the properties for which impairments were recognised is EUR 18,337 thousand.

The measurement gains in the Investment Properties segment primarily pertain to the Zeppelin office tower due to rising rental revenue, and those in the Development and Services segment relate to a development property due to the progress of the project.

The measurement losses in the Investment Properties segment and in the Development and Services segment largely resulted from the Polish properties due to higher interest rates and changes in the assumptions about the future.

6.5. Finance expenses

	1 January to 30 June **2020**	2019
Composition:		
Interest on short-term borrowings, project loans, and other loans	(2,411)	(2,551)
Interest on bonds	(173)	(209)
Interest on loans from minority shareholders	(200)	(679)
Interest on lease liabilities	(30)	(65)
Derecognition of capitalised transaction costs	(404)	–
Other finance expenses	(354)	(348)
Unrealised losses on derivative financial instruments	(330)	–
	(3,902)	**(3,853)**

The derecognition of capitalised transaction costs is related to the refinancing of the project loan for the Zeppelin office tower (see section 7.5.).

6.6. Income taxes in other comprehensive income

	1 January to 30 June **2020**	2019
The income taxes in other comprehensive income consist of:		
Foreign exchange differences	(210)	(1)
Taxes on other comprehensive income (reclassified to profit or loss in subsequent periods)	**(210)**	**(1)**
Gains/losses from financial assets measured at fair value through other comprehensive income	6	(16)
Taxes on other comprehensive income (not reclassified to profit or loss in subsequent periods)	**6**	**(16)**
Total income taxes in other comprehensive income	**(203)**	**(18)**

[07] Notes to the statement of financial position

7.1. Property, plant, and equipment

	Hotels	Reserve properties	Right-of-use assets	Other property, plant, and equipment	**Total**
Changes in 2019:					
Carrying amounts at 1 January	20,982	3,741	1,173	1,465	27,362
Additions	9,770	–	45	334	10,149
Disposals	(3)	–	–	–	(3)
Reclassification to investment properties	–	(3,741)	–	–	(3,741)
Scheduled depreciation and amortisation	(374)	–	(159)	(91)	(623)
Impairment reversals	710	–	–	–	710
Exchange adjustments	2,252	–	18	21	2,291
Carrying amounts at 30 June	**33,337**	**–**	**1,078**	**1,729**	**36,144**
Composition at 30/6/2019:					
Acquisition or production cost	54,471	–	1,227	2,456	58,154
Cumulated write-downs	(21,134)	–	(150)	(727)	(22,011)
	33,337	**–**	**1,078**	**1,729**	**36,144**

	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 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**

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

7.2. Investment properties

	Developed properties	Development properties	Reserve properties	**Total**
Changes in 2019:				
Carrying amounts at 1 January	197,978	7,556	6,719	212,253
Additions/investments	13,296	314	8,035	21,645
Capitalised borrowing costs	137	–	–	137
Transfer of property, plant, and equipment	–	3,741	–	3,741
Disposals	(1)	–	–	(1)
Net measurement result	3,905	(154)	2,961	6,712
Exchange adjustments	6,754	382	476	7,612
Carrying amounts at 30 June	**222,068**	**11,839**	**18,192**	**252,099**
Changes in 2020:				
Carrying amounts at 1 January	232,738	19,405	20,312	272,455
Additions/investments	2,185	2,534	672	5,391
Disposals	(112)	–	–	(112)
Net measurement result	(5,861)	(85)	512	(5,434)
Exchange adjustments	(8,948)	(1,292)	(698)	(10,939)
Carrying amounts at 30 June	**220,003**	**20,561**	**20,797**	**261,361**

7.3. Net investments in joint ventures (equity method)

	2020	2019
Development:		
Carrying amounts at 1 January	10,671	9,337
Increase in capital shares	7	5
Capital reduction	–	(1,013)
IFRS 5 reclassification (as held for sale)	–	(567)
Extension (+) / repayment (-) of loans	–	(145)
Interest income from loans granted	–	20
Earnings allocation from profit/loss for the period	(2,520)	676
Earnings allocation from other comprehensive income	(446)	91
Carrying amounts at 30 June	**7,712**	**8,404**

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 2019:						
As at 1 January 2019	99,161	3,194	14,569	42,425	1,654	161,003
Borrowing (cash flow)	27,078	3,985	7,000	(435)	143	37,771
Repayment (cash flow)	(2,427)	(503)	–	–	(225)	(3,155)
Change in accumulated interest	(14)	–	6	–	–	(8)
Exchange rate and other changes	1,151	–	214	(394)	–	971
As at 30 June	**124,949**	**6,676**	**21,789**	**41,595**	**1,573**	**196,581**
thereof current (due < 1 year)	5,972	*6,676*	*12,851*	*1,147*	*424*	*27,070*
thereof non-current (due > 1 year)	118,977	–	*8,938*	*40,448*	*1,149*	*169,512*
Changes in 2020:						
As at 1 January 2020	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
Exchange rate and other changes	(1,287)	–	–	(47)	–	(1,334)
As at 30 June	**132,936**	**14,322**	**9,148**	**12,834**	**1,384**	**170,625**
thereof current (due < 1 year)	*4,394*	*12,825*	*200*	*507*	*319*	*18,245*
thereof non-current (due > 1 year)	*128,542*	*1,497*	*8,948*	*12,327*	*1,066*	*152,380*

The borrowings related to project loans primarily pertain to the refinancing of the Zeppelin office tower and, to a lesser extent, the loan increase for the renovation of the hotel in Darmstadt. The redemption of project loans also largely relates to the refinancing of the Zeppelin office tower.

[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 **30/6/2020**	Fair value **30/6/2020**	Carrying amount 31/12/2019	Fair value 31/12/2019
Assets – categories						
IAS 19	Refund claims (other financial assets)		820	820	820	820
FAAC	Financial assets – fixed rate	3	5,607	5,764	6,501	6,501
FAAC	Other financial assets		4,083	4,083	4,095	4,095
FVOCI	Financial assets measured at fair value through other comprehensive income	3	6,217	6,217	6,242	6,242
	Other non-current assets		303,304		327,395	
	Total non-current assets		**320,031**		**345,053**	
FAAC	Receivables		1,030	1,030	1,643	1,643
FAAC	Cash and cash equivalents		7,001	7,001	7,519	7,519
FAAC	Financial assets – fixed rate	3	–	–	25	25
	Other current assets		2,247		2,319	
	Total current assets (including IFRS 5)		**10,278**		**11,506**	
	Total assets		**330,309**		**356,559**	
Liabilities – classes						
FLAC	Fixed-rate bonds	3	8,948	8,400	8,943	9,902
FLAC	Fixed-rate loans	3	50,030	51,477	45,216	45,216
FLAC	Variable-rate loans	3	92,337	97,209	90,601	98,718
FLAC	Lease liabilities	3	1,066	1,066	1,259	1,259
FLAC	Other non-current financial liabilities	3	5,146	5,146	5,597	5,597
FVTPL	Derivative financial instruments – interest rate swaps	3	329	329	–	–
IAS 19	Provisions for pensions		1,949	1,949	1,822	1,822
	Other non-current liabilities		15,621		18,772	
	Total non-current liabilities		**175,425**		**172,210**	
FLAC	Fixed-rate bonds	3	200	60	–	–
FLAC	Fixed-rate loans	3	2,976	3,001	4,123	4,123
FLAC	Variable-rate loans	3	14,750	14,682	5,789	5,831
FLAC	Lease liabilities	3	319	319	366	366
FLAC	Other current financial liabilities	3	7,205	7,205	9,011	9,011
	Other current liabilities		3,360		7,993	
	Total current liabilities (including IFRS 5)		**28,810**		**27,282**	
	Total liabilities		**204,235**		**199,491**	

		30/6/2020	31/12/19
Summary of carrying amounts by category for financial assets and liabilities:			
FAAC	Financial assets at amortised cost	17,721	19,783
FVOCI	At fair value through OCI	6,217	6,242
FLAC	Financial liabilities at amortised cost	182,976	170,905
IFRS 5	Financial instruments related to disposal groups	–	–
FVTPL	At fair value through profit or loss	329	–

The method of fair value measurement is the same as at 31 December 2019.

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 2020	2019
Changes in assets:		
Carrying amounts at 1 January	6,242	6,255
Gains/losses on remeasurement in other comprehensive income	(25)	65
Carrying amounts at 30 June	**6,217**	**6,320**

	1 January to 30 June 2020	2019
Changes in liabilities:		
Carrying amounts at 1 January	–	–
Gains/losses on remeasurement in profit or loss	329	–
Carrying amounts at 30 June	**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
31/12/2019:				
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
30/6/2020:				
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	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 **30/6/20**	31/12/19
3	Financial assets measured at fair value through other comprehensive income			
	Exit yield	+ 50 bps	(1,222)	(1,257)
	Exit yield	- 50 bps	1,633	1,688
	Cash flow (year one)	+ 5%	744	636
	Cash flow (year one)	- 5%	(439)	(565)

[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 negative hotel results, there is a general 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, has obtained expert opinions, and has initiated talks with the guarantee holders, which have not yet been concluded. The Group has formed provisions in the amount of the likely claims.

9.2. Related party transactions

9.2.1. Transactions with Amber Privatstiftung

	1 January to 30 June	
	2020	2019
Dividend disbursement	–	(346)

9.2.2. Transactions with Bocca Privatstiftung

	1 January to 30 June	
	2020	2019
Dividend disbursement	–	(343)

9.2.3. Transactions with Ambo GmbH

	1 January to 30 June	
	2020	2019
Income from performance management	10	9
Receivable from Ambo GmbH as at 30 June	–	22

9.2.4. Transactions with Georg Folian

	1 January to 30 June	
	2020	2019
Consulting fee	(3)	(2)
Clerical activities for Mr Folian	12	4
	8	**2**

9.2.5. Transactions with Management Board members

	1 January to 30 June	
	2020	2019
Management Board compensation 1 January to 30 June	532	471
Liabilities to Management Board members	2,279	2,765

9.2.6. Transactions with Supervisory Board members

	2020	2019
Supervisory Board fees 1 January to 30 June	–	135

9.2.7. Transactions with joint ventures

	2020	2019
Income from transactions 1 January to 30 June	275	20

	30/6/20	31/12/19
Receivables due from joint ventures	5,607	6,526
Payables due to joint ventures	4,738	4,878

9.3. Events after the reporting date

During the period in which the financial statements were being prepared, the rouble depreciated by over 10 per cent versus its value as at 30 June 2020 following a moderate recovery in the second quarter. This is leading to lower income and expenses for the Russian subsidiaries upon translation into euros as well as losses from the measurement of euro-denominated loans in Russia. In the case of a 10 per cent depreciation of the rouble, non-cash currency losses amounting to EUR 2,500 thousand are to be expected as at the next balance sheet date.

Vienna, 27 August 2020

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

Palais Hansen Kempinski*****
Vienna, A

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

2020

Postponed*
Record date for the Annual General Meeting

Postponed*
Annual General Meeting

Postponed*
Ex-dividend date

Postponed*
Dividend record date

Postponed*
Dividend payment date

28 August 2020
Publication of the results for the first half of 2020

27 November 2020
Publication of the results for the first three quarters of 2020

*** These dates will be determined at a later time.**

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Photos: Warimpex

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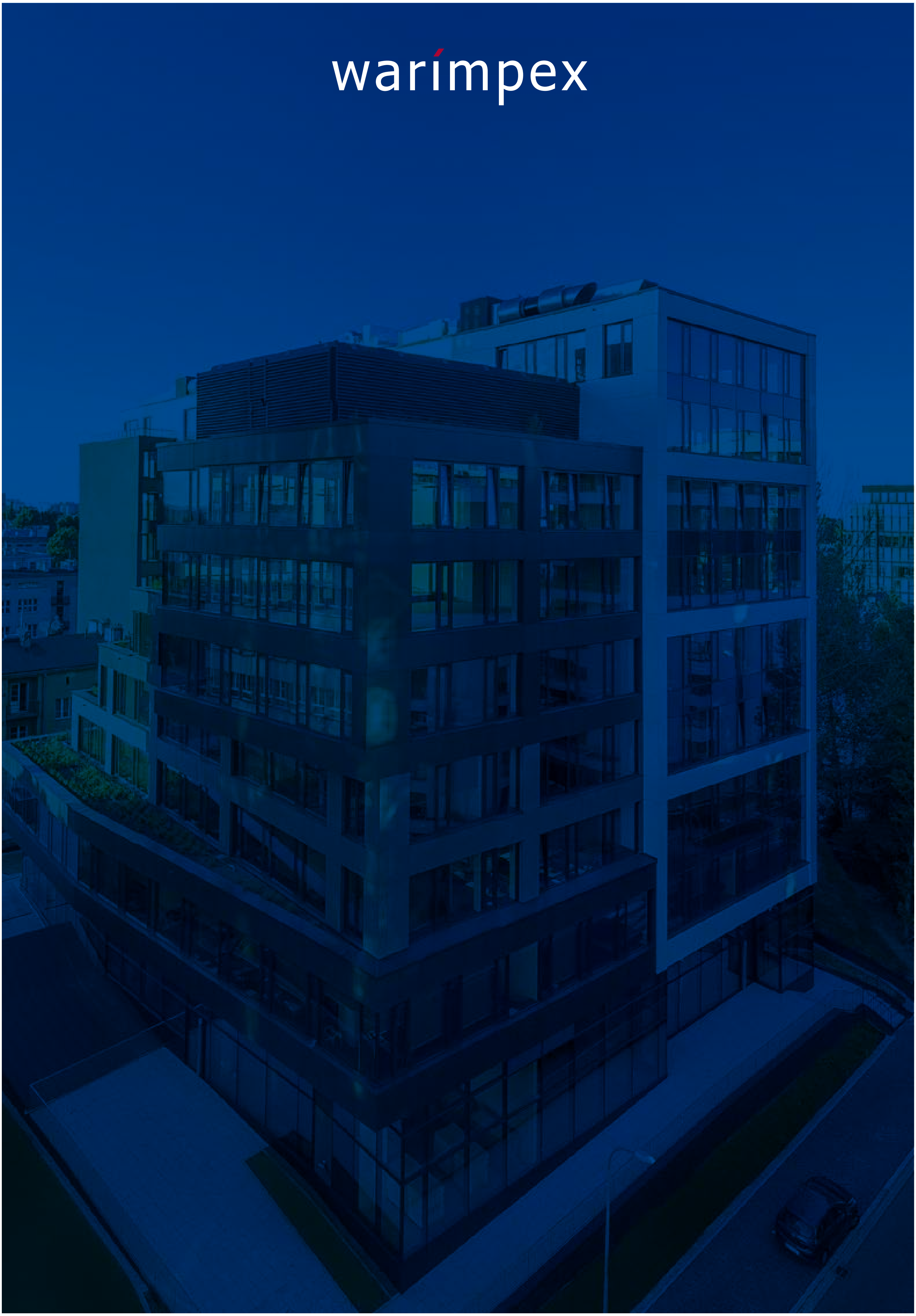
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