

WARIMPEX

*Report on the  
First Three  
Quarters of 2018*



## WARIMPEX GROUP

## Key Figures

in EUR '000	1–9/2018	Change	1–9/2017
Hotels revenues	9,681	-61%	24,551
Investment Properties revenues	11,290	17%	9,610
Development and Services revenues	657	-50%	1,310
<i>Total revenues</i>	<i>21,629</i>	<i>-39%</i>	<i>35,470</i>
Expenses directly attributable to revenues	-9,210	-50%	-18,417
<i>Gross profit</i>	<i>12,418</i>	<i>-27%</i>	<i>17,053</i>
Gains or losses from the disposal of properties	–	–	23,648
EBITDA	4,353	-86%	31,774
Depreciation, amortisation, and remeasurement	-197	–	13,773
EBIT	4,157	-91%	45,547
Earnings from joint ventures	862	-33%	1,280
Profit or loss for the period	-6,464	–	34,152
Net cash flow from operating activities	1,205	-84%	7,485
Equity and liabilities	269,212	18%	228,936
Equity	72,262	-7%	78,101
Equity ratio	27%	7 pp	34%
Average number of shares in the financial year	54,000,000	–	54,000,000
Earnings per share in EUR	-0.06	–	0.54
Number of hotels	6	–	6
Number of rooms (adjusted for proportionate share of ownership)	892	–	892
Number of office and commercial properties	7	2	5
Lettable office space (adjusted for proportionate share of ownership)	45,300m <sup>2</sup>	32%	34,300m <sup>2</sup>
<b>Segment information (including joint ventures on a proportionate basis):</b>			
Hotels revenues	33,640	-30%	47,869
Hotels net operating profit (NOP)	8,912	-38%	14,467
NOP per available room in EUR	8,707	18%	7,352
Investment Properties revenues	14,240	12%	12,675
Investment Properties EBITDA	11,306	11%	10,188
Development and Services revenues	1,115	-49%	2,207
Gains or losses from the disposal of properties	–	–	23,648
Development and Services EBITDA	-6,527	–	18,516
	<b>30/6/2018<sup>1</sup></b>	<b>Change</b>	<b>31/12/2017<sup>1</sup></b>
Gross asset value (GAV) in EUR millions	226.3	12%	202.5
Triple net asset value (NNNAV) in EUR millions	126.9	-2%	129.0
NNNAV per share in EUR	2.35	-2%	2.39
End-of-period share price in EUR	1.28	-10%	1.43

<sup>1</sup> As no external valuation of the portfolio was completed as at 30 September 2018 or 30 September 2017, the latest available values are shown.

## Operational highlights

<b>5/2018</b>	Warimpex sells development property on Üllői ut in Budapest
<b>5/2018</b>	Warimpex acquires B52 office building (5,200 square metres) in Budapest
<b>9/2018</b>	Warimpex places seven-year bond
<b>10/2018</b>	Warimpex opens Ogrodowa office building (28,000 square metres) in Łódź
<b>11/2018</b>	Topping out ceremony for Mogilska office building (12,000 square metres) in Krakow

## FOREWORD BY THE CHAIRMAN OF THE MANAGEMENT BOARD

*Dear Shareholders,*

The third quarter of the current financial year was characterised by solid overall development of our assets from an operational standpoint – which, however, was dampened by currency effects in Russia – as well as a further reduction of finance expenses. After buying back all of the convertible bonds and redeeming the majority of the outstanding bonds, we took advantage of the prevailing low interest rate levels to optimise our financing structure at the holding level and successfully placed a seven-year bond in September. As a result, we are in an optimal financial position to act rapidly and flexibly when interesting investment opportunities arise. This step will also help us to complete our ongoing development projects, quickly get new projects up and running, and acquire cash flow-generating assets with potential for the future.

Our goal is still to rapidly build up our property portfolio again following the partial portfolio sale and to strengthen our earning potential. We took important steps to this end with our two office projects in Poland after the end of the reporting period: At the beginning of October, we opened the Ogródowa office building in Łódź. The state-of-the-art office building offers 28,000 square metres of space and is located directly in the city centre near the Manufaktura shopping centre. The first tenants for offices and service facilities have already moved in. Negotiations are currently under way with prospective tenants for the remaining space, so occupancy is expected to increase to about 60 per cent by the end of the year. Lease agreements have also been concluded for 60 per cent of the office space at the Mogilska office building in Krakow. The building shell for the office property with 12,000 square metres of space was finished at the beginning of November, and the building is scheduled to be completed by the end of the first quarter of 2019.

Development projects that are currently still in the planning phase but will quickly be made ready for the start of construction include the Chopin office building in Krakow with 21,000 square metres of space as well as four office properties with up to 73,000 square metres of net floor space in Białystok. In addition, we have promising property reserves at AIRPORT-CITY St. Petersburg and have started the planning activities for Avior Tower 1.

In addition to our own developments, we have focused our attention on completing cash flow-generating acquisitions and purchased the fully occupied Mogilska 41 office building in Krakow in December 2017. In May 2018, this was followed by the B52 office building in Budapest, which is also fully let out. Their earnings contributions can already be seen in the revenues from the rental of office properties.

**Overview of the results for the first three quarters of 2018**

While the development of our business operations was positive on the whole in the third quarter, we did feel the effects of the weak rouble at our Russian properties. During the first nine months of the financial year, revenues in the Hotels segment declined from EUR 24.6 million to EUR 9.7 million due to the lower number of rooms resulting from the sale of part of our portfolio. It must be noted that the revenues of the hotel entities that were sold were still included up until May 2017. By contrast, revenues from the rental of office properties rose from EUR 9.6 million to EUR 11.3 million, largely due to the completion of the fully occupied Bykovskaya multi-use building at AIRPORTCITY St. Petersburg at the end of May 2017 and the acquisition of two fully occupied office buildings in Krakow and Budapest. Overall, consolidated revenues declined from EUR 35.5 million to EUR 21.6 million.

Due to the lower earnings contribution from hotel revenues and the lack of gains from the disposal of properties in the current financial year, EBITDA also fell from EUR 31.8 million to EUR 4.4 million. EBIT dropped from EUR 45.5 million to EUR 4.2 million. While the financial result including joint ventures improved from minus EUR 11.5 million to minus EUR 10.6 million, it was negatively impacted by non-cash exchange rate losses in the amount of EUR 8.6 million. We achieved a significant reduction of finance expenses, which went from EUR 9.3 million to EUR 5.4 million. All in all, this led to a loss for the period of EUR 6.5 million in the first three quarters of 2018 (1–9 2017: profit of EUR 34.2 million).

**Outlook**

Along with the ongoing activities in our core CEE markets of Poland and Hungary, we are also evaluating options in Western Europe and definitely see potential for acquisitions here – in one case, negotiations are already at an advanced stage. We consider 2018 to be a transition year following the sale of part of our portfolio last year, and expect a significant increase in revenues and an improvement in gross income for 2019 following the opening of the Ogródowa office building in Łódź this year.


**Franz Jurkowitsch**

## Assets, Financial Position, and Earnings Situation

Warimpex announced the sale of part of its hotel portfolio to the Thai investor U City Public Company Limited (U City) on 23 February 2017. The sale closed on 31 May 2017. The transaction covered eight hotel holdings, which account for around 50 per cent of the total real estate assets of Warimpex and represent a property value of roughly EUR 180 million (excluding the holdings of UBM in this portfolio).

The agreement on the final settlement of the purchase price was signed on 27 April 2018. The associated profit was already recognised in 2017.

### Earnings situation

#### Development of revenues

Revenues in the Hotels segment declined by 61 per cent to EUR 9.7 million in the first nine months of 2018 due to the sale of the portfolio of eight hotel operations in May 2017.

Revenues from the rental of office properties (Investment Properties revenues) rose from EUR 9.6 million to EUR 11.3 million, largely due to the completion of the fully occupied Bykovskaya multi-use building at the end of May 2017 and the acquisition of two other fully occupied office buildings in Krakow and Budapest. The Mogilska 41 office building in Krakow was purchased in December 2017 and the B52 office building in Budapest in May 2018.

Total revenues dropped by 39 per cent to EUR 21.6 million.

Expenses directly attributable to revenues fell from EUR 18.4 million to EUR 9.2 million, causing the gross profit to decline by around 27 per cent to EUR 12.4 million.

#### Gains or losses from the disposal of properties

Warimpex sold a reserve property located in Budapest for EUR 5.4 million during the first nine months of 2018. The property had already been valued at the sale price, so no gains or losses from the sale were recognised during the reporting period. A disposal result of EUR 23.6 million was achieved in the prior year, EUR 21.4 million of which can be attributed to the sale of the hotel portfolio.

#### EBITDA

Earnings before interest, taxes, depreciation, and amortisation, and gains/losses on the remeasurement of investment properties (EBITDA) decreased from EUR 31.8 million to EUR 4.4 million, primarily due to the high disposal result in the prior year and a lower profit contribution from hotel revenues because of the sale of the portfolio in the prior year.

#### Depreciation, amortisation, and remeasurement

Depreciation, amortisation, and remeasurement fell from EUR 13.8 million to minus EUR 0.2 million. The gains and losses on the remeasurement of office properties (Investment Properties) were nearly even, compared to a gain on remeasurement of EUR 12.1 million in the prior-year period.

#### EBIT

EBIT declined from EUR 45.5 million to EUR 4.2 million due to the absence of gains on the sale of properties and on remeasurement.

#### Financial result

The financial result (including earnings from joint ventures and associates) went from minus EUR 11.5 million to minus EUR 10.6 million.

Finance expenses saw a significant decline, falling from EUR 9.3 million to EUR 5.4 million.

The financial result was negatively impacted by non-cash exchange rate losses of EUR 8.6 million (1–9/2017: exchange rate losses of EUR 6.7 million).

Financial result in EUR '000	1–9/2018	1–9/2017
<b>Composition:</b>		
Interest on short-term borrowings, project loans, and other loans	(2,780)	(3,642)
Interest on convertible bonds	(362)	(385)
Interest on bonds	(148)	(2,096)
Interest on loans from minority shareholders	(1,512)	(1,520)
Other financing expenses	(645)	(662)
Unrealised losses on derivative financial instruments	–	(998)
	<b>(5,447)</b>	<b>(9,303)</b>

#### Profit or loss for the period

The result for the period for the Warimpex Group declined from EUR 34.2 million in the first nine months of the previous year to minus EUR 6.5 million.

## Financial position

Changes in the most important assets and liabilities:

Property, plant, and equipment in EUR '000	Hotels	Reserve properties	Other property, plant, and equipment	Total
<b>Changes in 2018:</b>				
Carrying amounts at 1 January	24,396	3,857	1,308	29,561
Additions	46	22	485	552
Scheduled depreciation and amortisation	(598)	–	(99)	(697)
Impairments	–	(20)	–	(20)
Impairment reversals	555	–	–	555
Exchange adjustments	(2,356)	(91)	(31)	(2,479)
<b>Net carrying amount at 30 September</b>	<b>22,042</b>	<b>3,767</b>	<b>1,663</b>	<b>27,473</b>

Investment properties in EUR '000	Developed properties	Development properties	Reserve properties	Total
<b>Changes in 2018:</b>				
Carrying amounts at 1 January	103,613	43,695	7,455	154,763
Reclassification	–	2,713	(2,713)	–
Additions/investments	7,306	30,681	40	38,027
Capitalised borrowing costs	–	932	–	932
Net measurement result	(974)	227	784	37
Exchange adjustments	(6,932)	(176)	(751)	(7,860)
<b>Net carrying amount at 30 September</b>	<b>103,012</b>	<b>78,071</b>	<b>4,815</b>	<b>185,899</b>

Financial liabilities in EUR '000	Project loans	Working capital loans	Bonds, convertible bonds	Loans from minorities and others	Total
<b>Changes in 2018:</b>					
Carrying amounts at 1 January	72,898	501	11,503	54,945	139,847
Borrowing/accumulated interest	19,787	2,100	9,120	(1,246)	29,761
Repayment	(7,823)	(1)	(4,523)	(301)	(12,649)
Exchange rate and other changes	(1,970)	–	(33)	13	(1,990)
<b>Net carrying amount at 30 September</b>	<b>82,892</b>	<b>2,600</b>	<b>16,067</b>	<b>53,411</b>	<b>154,969</b>
<i>thereof current (due &lt; 1 year)</i>	4,816	–	7,137	1,124	13,076
<i>thereof non-current (due &gt; 1 year)</i>	78,076	2,600	8,930	52,287	141,893

## 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.

**Hotels segment\***

in EUR '000	1-9/2018	1-9/2017
Revenues for the Group	33,640	47,869
Average number of hotel rooms for the Group	1,024	1,968
Occupancy	77%	74%
RevPar in EUR	82.4	58.1
GOP for the Group	11,738	18,413
NOP for the Group	8,912	14,467
NOP/available room in EUR	8,707	7,352

\* Including all joint ventures and associates on a proportionate basis

During the reporting period for the prior year, the average number of rooms falling under Group ownership declined by 48 per cent due to the sale of the following hotels on 31 May 2017:

- Vienna House Easy Chopin Krakow
- andel's Krakow (operating and leaseholding company)
- andel's Łódź
- angelo Katowice (50 per cent stake)
- Amber Baltic, Międzyzdroje
- Vienna House Diplomat, Prague
- angelo Plzeň (50 per cent stake)
- angelo Bucharest

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	1-9/2018	1-9/2017
Revenues for the Group	14,240	12,675
Segment EBITDA	11,306	10,188

\* Including all joint ventures and associates on a proportionate basis

The increase in the revenues and EBITDA of the Investment Properties segment was primarily due to the completion and handover of the Bykovskaya multi-use building in May 2017 and the acquisition of the fully occupied office buildings Mogilska in Krakow in December 2017 and B52 in Budapest in May 2018.

**Development and Services segment\***

in EUR '000	1-9/2018	1-9/2017
Revenues for the Group	1,115	2,207
Gains or losses from the disposal of properties	–	23,648
Segment EBITDA	-6,527	18,516

\* Including all joint ventures and associates 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. The result from the disposal of properties in the prior year stems primarily from the sale of the hotel portfolio (see above).

## Outlook

The Ogródowa office building in Łódź (roughly 28,000 square metres) was completed after the reporting date. Around 40 per cent of the space at the building is occupied at the moment. Negotiations are currently under way with numerous prospective tenants, so occupancy is expected to increase to about 60 per cent by the end of the year.

### The following development projects are currently under construction or development:

- Mogilska office building with roughly 12,000 square metres of space, Krakow (under construction)
- Chopin office building with roughly 21,000 square metres of space, Krakow (currently being planned)
- Avior Tower 1 with roughly 18,000 square metres of space, St. Petersburg (currently being planned)

Our objective for the coming months is to move ahead with our current development projects. We expect a significant reduction of interest costs in 2018 and subsequent years due to the early redemption of bonds and convertible bonds as well as the elimination of project loans.

We still see our future in the development of hotels and office buildings in CEE, focusing on the established markets in Poland, the Czech Republic, Hungary, Romania, Russia, Germany, and France.

### Vienna, 30 November 2018



**Franz Jurkowitsch**  
Chairman  
of the Management Board



**Daniel Folian**  
Deputy Chairman  
of the Management Board



**Alexander Jurkowitsch**  
Member of the  
Management Board



**Florian Petrowsky**  
Member of the  
Management Board

# Condensed Consolidated Income Statement

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018 – UNAUDITED

in EUR '000	1–9/2018	7–9/2018	1–9/2017	7–9/2017
Hotels revenues	9,681	3,385	24,551	3,765
Investment Properties revenues	11,290	3,785	9,610	3,557
Development and Services revenues	657	61	1,310	645
<b>Revenues</b>	<b>21,629</b>	<b>7,230</b>	<b>35,470</b>	<b>7,966</b>
Expenses from the operation of hotels	(6,483)	(2,192)	(15,830)	(2,142)
Expenses from the operation of investment properties	(2,165)	(623)	(1,841)	(762)
Expenses directly attributable to development and services	(562)	(78)	(746)	(107)
<b>Expenses directly attributable to revenues</b>	<b>(9,210)</b>	<b>(2,893)</b>	<b>(18,417)</b>	<b>(3,011)</b>
<b>Gross profit</b>	<b>12,418</b>	<b>4,337</b>	<b>17,053</b>	<b>4,955</b>
Income from the sale of properties	5,400	–	60,382	–
Disposal of carrying amounts and expenses related to sales	(5,400)	–	(36,734)	24
<b>Gains or losses from the disposal of properties</b>	<b>–</b>	<b>–</b>	<b>23,648</b>	<b>24</b>
<b>Other operating income</b>	<b>–</b>	<b>–</b>	<b>1,143</b>	<b>313</b>
<b>Administrative expenses</b>	<b>(6,170)</b>	<b>(2,080)</b>	<b>(7,395)</b>	<b>(1,971)</b>
<b>Other expenses</b>	<b>(1,896)</b>	<b>(795)</b>	<b>(2,675)</b>	<b>(998)</b>
<b>Earnings before interest, taxes, depreciation, amortisation, and remeasurement (EBITDA)</b>	<b>4,353</b>	<b>1,462</b>	<b>31,774</b>	<b>2,322</b>
Scheduled depreciation and amortisation on property, plant, and equipment and intangible assets	(745)	(274)	(633)	(201)
Impairments	(20)	–	–	–
Reversals of impairment on property, plant, and equipment	543	175	1,085	181
Gains/losses on remeasurement of assets/disposal groups held for sale	(69)	–	1,174	–
Gains/losses on remeasurement of investment property	94	47	12,147	(108)
<b>Depreciation, amortisation, and remeasurement</b>	<b>(197)</b>	<b>(52)</b>	<b>13,773</b>	<b>(129)</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,157</b>	<b>1,410</b>	<b>45,547</b>	<b>2,194</b>
Finance income	2,539	1,148	3,179	466
Finance expenses	(5,447)	(1,679)	(9,303)	(2,342)
Changes in foreign exchange rates	(8,570)	(3,687)	(6,682)	(1,116)
Earnings from joint ventures and associates (equity method) after taxes	862	828	1,280	681
<b>Financial result</b>	<b>(10,615)</b>	<b>(3,389)</b>	<b>(11,527)</b>	<b>(2,311)</b>
<b>Earnings before taxes</b>	<b>(6,459)</b>	<b>(1,980)</b>	<b>34,020</b>	<b>(117)</b>
Income taxes	(112)	(77)	269	202
Deferred income taxes	107	(145)	(137)	521
<b>Taxes</b>	<b>(5)</b>	<b>(222)</b>	<b>132</b>	<b>723</b>
<b>Profit or loss for the period</b>	<b>(6,464)</b>	<b>(2,202)</b>	<b>34,152</b>	<b>605</b>
thereof profit or loss of non-controlling interests	(3,423)	(1,621)	4,951	120
<b>thereof profit or loss of shareholders of the parent</b>	<b>(3,042)</b>	<b>(580)</b>	<b>29,202</b>	<b>486</b>
<b>Earnings per share:</b>				
Undiluted earnings per share in EUR	-0.06	-0.01	0.54	0.01
Diluted earnings per share in EUR	-0.06	-0.01	0.54	0.01

# Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018 – UNAUDITED

in EUR '000	1-9/2018	7-9/2018	1-9/2017	7-9/2017
<b>Profit or loss for the period</b>	<b>(6,464)</b>	<b>(2,202)</b>	<b>34,152</b>	<b>605</b>
Foreign exchange differences	(1,593)	(182)	(984)	(487)
<i>thereof reclassified to the income statement</i>	(12)	-	-	-
Valuation of cash flow hedges	-	-	1,234	-
<i>thereof reclassified to the income statement</i>	-	-	1,190	-
Other comprehensive income from joint ventures (equity method)	(13)	11	8	-
Gains/losses from available-for-sale financial assets	-	-	1,219	-
<i>thereof reclassified to the income statement</i>	-	-	(661)	-
(Deferred) taxes in other comprehensive income	33	9	(587)	(10)
<b>Other comprehensive income (reclassified to profit or loss in subsequent periods)</b>	<b>(1,574)</b>	<b>(161)</b>	<b>890</b>	<b>(497)</b>
Gains/losses from financial assets measured at fair value through other comprehensive income	74	32	-	-
(Deferred) taxes in other comprehensive income	(19)	(8)	-	-
<b>Other comprehensive income (not reclassified to profit or loss in subsequent periods)</b>	<b>56</b>	<b>24</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>	<b>(1,518)</b>	<b>(137)</b>	<b>890</b>	<b>(497)</b>
<b>Total comprehensive income for the period</b>	<b>(7,982)</b>	<b>(2,339)</b>	<b>35,043</b>	<b>109</b>
thereof profit or loss of non-controlling interests	(3,496)	(1,578)	4,544	59
<b>thereof profit or loss of shareholders of the parent</b>	<b>(4,487)</b>	<b>(761)</b>	<b>30,499</b>	<b>50</b>



# Condensed Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER – UNAUDITED

in EUR '000	30/9/18	1/1/18	31/12/17	30/9/17
<b>ASSETS</b>				
Property, plant, and equipment	27,473	29,561	29,561	31,490
Investment property	185,899	154,763	154,763	135,022
Other intangible assets	8	10	10	14
Net investments in joint ventures and associates (equity method)	18,684	17,224	17,224	15,784
Available-for-sale financial assets	–	–	6,146	–
Financial assets measured at fair value through other comprehensive income	6,220	6,146	–	–
Other financial assets	11,910	13,646	13,646	13,736
Deferred tax assets	2,148	1,922	1,922	739
<b>Non-current assets</b>	<b>252,340</b>	<b>223,272</b>	<b>223,272</b>	<b>196,785</b>
Inventories	189	271	271	215
Contract assets	–	5,646	–	–
Trade and other receivables	5,335	7,816	13,463	8,052
Available-for-sale financial assets	–	–	–	8,113
Cash and cash equivalents	11,347	22,849	22,849	15,772
Non-current assets (disposal groups), held for sale	–	5,400	5,400	–
<b>Current assets</b>	<b>16,872</b>	<b>41,982</b>	<b>41,982</b>	<b>32,151</b>
<b>TOTAL ASSETS</b>	<b>269,212</b>	<b>265,254</b>	<b>265,254</b>	<b>228,936</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	54,000	54,000	54,000	54,000
Retained earnings	53,213	59,435	59,194	47,855
Treasury shares	(301)	(301)	(301)	(301)
Other reserves	(3,708)	(2,208)	(1,967)	(866)
<b>Equity attributable to shareholders of the parent</b>	<b>103,203</b>	<b>110,926</b>	<b>110,926</b>	<b>100,687</b>
Non-controlling interests	(30,941)	(27,445)	(27,445)	(22,586)
<b>Equity</b>	<b>72,262</b>	<b>83,481</b>	<b>83,481</b>	<b>78,101</b>
Convertible bonds	–	–	–	4,202
Other bonds	8,930	5,357	5,357	5,310
Other financial liabilities	132,963	121,560	121,560	102,890
Derivative financial instruments	–	929	929	1,359
Other liabilities	16,254	14,931	14,931	7,020
Provisions	2,499	2,357	2,357	2,867
Deferred tax liabilities	5,677	5,572	5,572	2,515
Deferred income	2,752	3,215	3,215	3,265
<b>Non-current liabilities</b>	<b>169,075</b>	<b>153,922</b>	<b>153,922</b>	<b>129,428</b>
Convertible bonds	–	4,543	4,543	121
Bonds	7,137	1,603	1,603	1,857
Other financial liabilities	5,939	6,784	6,784	8,199
Trade and other payables	13,317	12,475	12,475	10,379
Provisions	1,275	1,884	1,884	285
Income tax liabilities	4	365	365	351
Deferred income	202	197	197	215
<b>Current liabilities</b>	<b>27,874</b>	<b>27,851</b>	<b>27,851</b>	<b>21,408</b>
<b>Liabilities</b>	<b>196,949</b>	<b>181,773</b>	<b>181,773</b>	<b>150,836</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>269,212</b>	<b>265,254</b>	<b>265,254</b>	<b>228,936</b>

# Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018 – UNAUDITED

in EUR '000	1-9/2018	7-9/2018	1-9/2017	7-9/2017
Cash receipts				
from hotel operations and rent received	21,338	6,959	35,214	7,798
from real estate development projects and other	93	21	634	344
from interest income	145	28	502	92
<b>Cash receipts from operating activities</b>	<b>21,576</b>	<b>7,009</b>	<b>36,351</b>	<b>8,234</b>
Cash payments				
for real estate development projects	(961)	(567)	(793)	(136)
for materials and services received	(5,389)	(1,940)	(9,023)	(1,363)
for related personnel expenses	(7,934)	(2,278)	(12,701)	(2,124)
for other administrative expenses	(5,614)	(1,568)	(5,801)	(1,981)
for income taxes	(473)	(86)	(549)	403
<b>Cash payments for operating activities</b>	<b>(20,372)</b>	<b>(6,439)</b>	<b>(28,866)</b>	<b>(5,201)</b>
<b>Net cash flows from operating activities</b>	<b>1,205</b>	<b>570</b>	<b>7,485</b>	<b>3,033</b>
Cash receipts from				
the sale of disposal groups and property	5,400	(1,337)	78,382	600
less outflow of cash and cash equivalents from disposal groups sold	–	–	(4,027)	–
purchase price payments from sales in previous periods	4,707	–	1,625	1,500
other financial assets	786	6	1,795	1,780
returns on joint ventures and associates	–	–	–	321
<b>Cash receipts from investing activities</b>	<b>10,893</b>	<b>(1,331)</b>	<b>77,775</b>	<b>4,201</b>
Cash payments for				
investments in property, plant, and equipment	(509)	(115)	(1,277)	(101)
investments in investment property	(30,646)	(5,271)	(15,340)	(8,020)
the purchase of data processing programs	(1)	–	–	–
other financial assets	–	–	(58)	(8)
joint ventures and associates	(345)	274	(325)	–
<b>Cash payments for investing activities</b>	<b>(31,500)</b>	<b>(5,112)</b>	<b>(17,000)</b>	<b>(8,128)</b>
<b>Net cash flows from investing activities</b>	<b>(20,607)</b>	<b>(6,443)</b>	<b>60,775</b>	<b>(3,927)</b>
Cash receipts from the issue of bonds and convertible bonds	9,000	9,000	5,239	–
Cash payments for the redemption of bonds and convertible bonds	(4,523)	–	(46,435)	(27,399)
Payments received from loans and borrowing	22,178	1,297	3,403	303
Payments made for the repayment of loans and borrowing	(8,126)	(2,263)	(13,257)	(846)
Paid interest (for loans and borrowing)	(5,816)	(863)	(3,623)	(786)
Paid interest (for bonds and convertible bonds)	(390)	–	(2,276)	(551)
Paid financing costs	(517)	(187)	(210)	(37)
Payments for dividends	(3,236)	–	–	–
<b>Net cash flows from/used in financing activities</b>	<b>8,571</b>	<b>6,984</b>	<b>(57,160)</b>	<b>(29,316)</b>
<b>Net change in cash and cash equivalents</b>	<b>(10,831)</b>	<b>1,111</b>	<b>11,100</b>	<b>(30,210)</b>
Foreign exchange rate changes in cash and cash equivalents	(15)	28	52	(1)
Foreign exchange rate changes from other comprehensive income	(655)	–	(103)	–
Cash and cash equivalents at the beginning of the period	22,849	10,208	4,723	45,983
<b>Cash and cash equivalents as at 30 September</b>	<b>11,347</b>	<b>11,347</b>	<b>15,772</b>	<b>15,772</b>
<b>Cash and cash equivalents at the end of the period consist of:</b>				
Cash and cash equivalents of the Group	<b>11,347</b>	<b>11,347</b>	<b>15,772</b>	<b>15,772</b>

# Condensed Consolidated Statement of Changes in Equity

AS AT 30 SEPTEMBER – UNAUDITED

in EUR '000	Equity attributable to shareholders of the parent					Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Treasury shares	Other reserves				
<b>As at 1 January 2017</b>	<b>54,000</b>	<b>13,218</b>	<b>(301)</b>	<b>3,271</b>	<b>70,188</b>	<b>(27,130)</b>	<b>43,058</b>	
Changes in the scope of consolidation	–	5,434	–	(5,434)	–	–	–	
Total comprehensive income for the period	–	29,202	–	1,297	<b>30,499</b>	4,544	<b>35,043</b>	
<i>thereof profit or loss for the period</i>	–	29,202	–	–	<b>29,202</b>	4,951	<b>34,152</b>	
<i>thereof other comprehensive income</i>	–	–	–	1,297	<b>1,297</b>	(407)	<b>890</b>	
<b>As at 30 September 2017</b>	<b>54,000</b>	<b>47,855</b>	<b>(301)</b>	<b>(866)</b>	<b>100,687</b>	<b>(22,586)</b>	<b>78,101</b>	
<b>As at 31 December 2017</b>	<b>54,000</b>	<b>59,194</b>	<b>(301)</b>	<b>(1,967)</b>	<b>110,926</b>	<b>(27,445)</b>	<b>83,481</b>	
Reclassification	–	241	–	(241)	–	–	–	
<b>As at 1 January 2018</b>	<b>54,000</b>	<b>59,435</b>	<b>(301)</b>	<b>(2,208)</b>	<b>110,926</b>	<b>(27,445)</b>	<b>83,481</b>	
Dividend	–	(3,236)	–	–	<b>(3,236)</b>	–	<b>(3,236)</b>	
Total comprehensive income for the period	–	(2,986)	–	(1,501)	<b>(4,487)</b>	(3,496)	<b>(7,982)</b>	
<i>thereof profit or loss for the period</i>	–	(3,042)	–	–	<b>(3,042)</b>	(3,423)	<b>(6,464)</b>	
<i>thereof other comprehensive income</i>	–	56	–	(1,501)	<b>(1,445)</b>	(73)	<b>(1,518)</b>	
<b>As at 30 September 2018</b>	<b>54,000</b>	<b>53,213</b>	<b>(301)</b>	<b>(3,708)</b>	<b>103,203</b>	<b>(30,941)</b>	<b>72,262</b>	

# Financial Calendar

2019

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**26 April 2019**

*Publication of the Annual Report for 2018*

**24 May 2019**

*Record date for the Annual General Meeting*

**28 May 2019**

*Publication of the results for the first quarter of 2019*

**3 June 2019**

*Annual General Meeting*

**6 June 2019**

*Ex-dividend date*

**7 June 2019**

*Dividend record date*

**12 June 2019**

*Dividend payment date*

**27 August 2019**

*Publication of the results for the first half of 2019*

**29 November 2019**

*Publication of the results for the first three quarters of 2019*

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Floridsdorfer Hauptstraße 1, A-1210 Vienna  
[www.warimpex.com](http://www.warimpex.com)

Investor Relations: **Daniel Folián** Tel. +43 1 310 55 00-156, [investor.relations@warimpex.com](mailto:investor.relations@warimpex.com)

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