



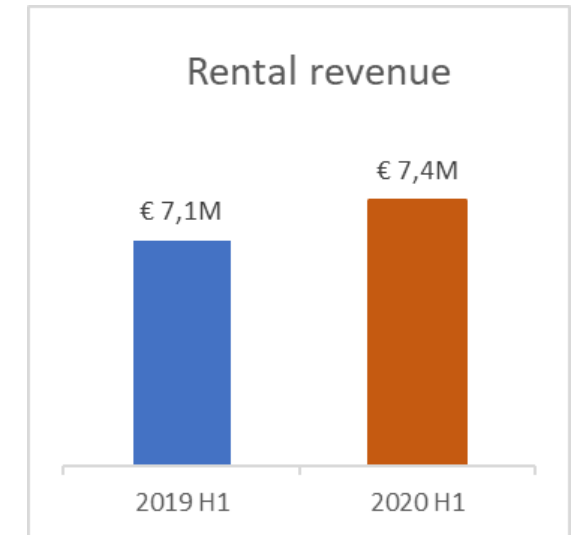
2020. H1 results



Financial results

Rental revenue	EBITDA	FFO I ⁽¹⁾⁽²⁾	FFO yield ⁽²⁾	Pro forma result ⁽²⁾
7,4 M EUR	6,8 M EUR	5,8 M EUR	11,8%	2,14 M EUR
+5%	+6%	-5%	+20%	-9%

- Results of 2020 H1 developed favourably, the first wave of COVID-19 crisis affected Graphisoft Park less seriously than earlier expected.
- In the first half of 2020 rental revenue increased by 360 thousand euros, that is 5%, while EBITDA rose by 340 thousand euros or 5%.
- FFO decreased by 100 thousand euros, while pro forma result went down by 300 thousand euros mainly due to the higher interest expense of increased loans payable. The annualized FFO yield looks favourable, partly due to the lower market capitalization.



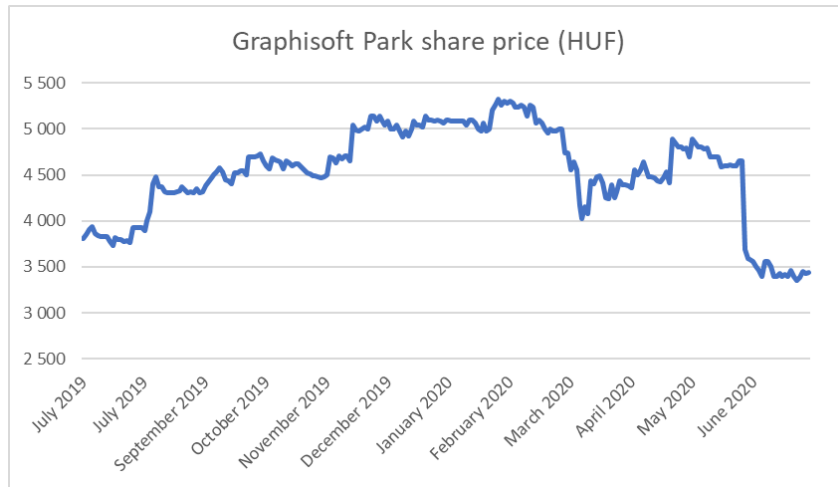
(1) Revenue less operating expenses and realized financial result.

(2) FFO, FFO yield and Pro forma result do not include the 747 thousand euros exchange rate loss relating to the 30 million euro dividend paid in HUF.



Dividend payment and its effects

In June 2020, according to the Board of Directors decision 30 million euros dividend was paid to the shareholders. As such, a significant part of the amount allocated to the cancelled share repurchase transaction has been distributed. The remaining 7.5 million euros – which is reasonable reserve in the current situation – ensures the safe operation of the Company as well as the future distribution of 90% of the pro-forma profit as dividend (which is the Company’s practice) even in deepening recession.

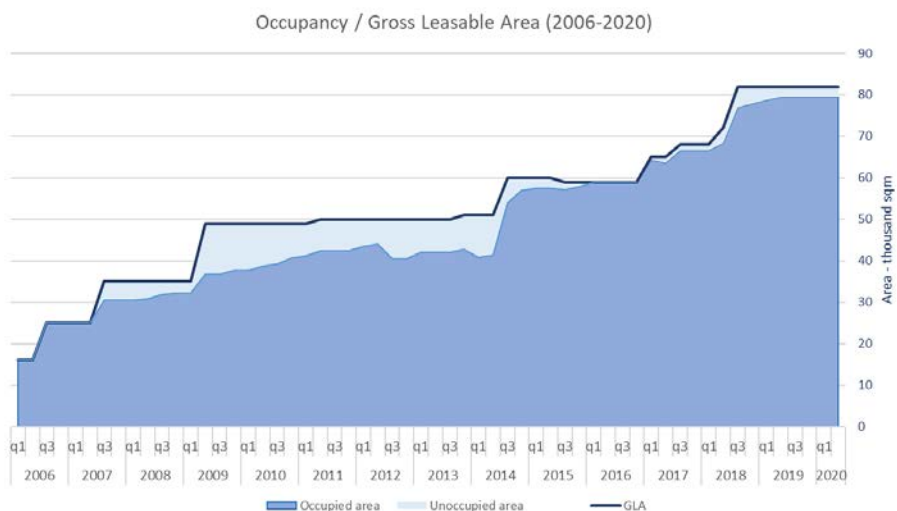


The crisis caused by COVID-19 had less effect than expected on the 2020 H1 results, however in the second part of March the general market uncertainties had negative effect on the share price; the closing share price was under the local maximum price by 17%. Following the dividend decision the share price started to increase again, and after the dividend payment the closing price was around 3.500 HUF.



Forecast for the years 2020 and 2021

- The first wave of COVID-19 crisis affected Graphisoft Park less seriously than earlier expected, however general expectations still show uncertainty for years 2020 and 2021.
- The **occupancy rate of the office park is permanently 97%** for more than 1 year, which will **temporarily decrease by 2-3%** in the remainder of the year. However, we do not count with permanent decline in occupancy: in our view, which is based on our tenants' feedbacks, besides "home office" which became general practice during the lockdown, on longer term personal presence will be also required, which need offices offering high quality services.
- According to the Company's current calculations, the 2020 and 2021 expected pro forma results will develop more favorable than it was published earlier: besides the slight decrease of the occupancy rate, as a result of the indexation of rental fees and rental fee increases resulting from the renewal of rental contracts, **we expect for this year 14.4 million euros rental revenue and 4.2 million euros pro forma result, while for 2021 14.5 million euros rental revenue and 4.3 million euros pro forma result**, surpassing our 2020 Q1 forecasts.



Million euros	2019 actual	2020 forecast	2021 plan
Rental revenue	14.25	14.4	14.5
EBIDTA	13.35	13.3	13.3
Depreciation	7.13	7.1	7.1
Net interest expense	1.26	2.0	1.9
Pro forma result	4.94	4.2	4.3

Property portfolio and financing

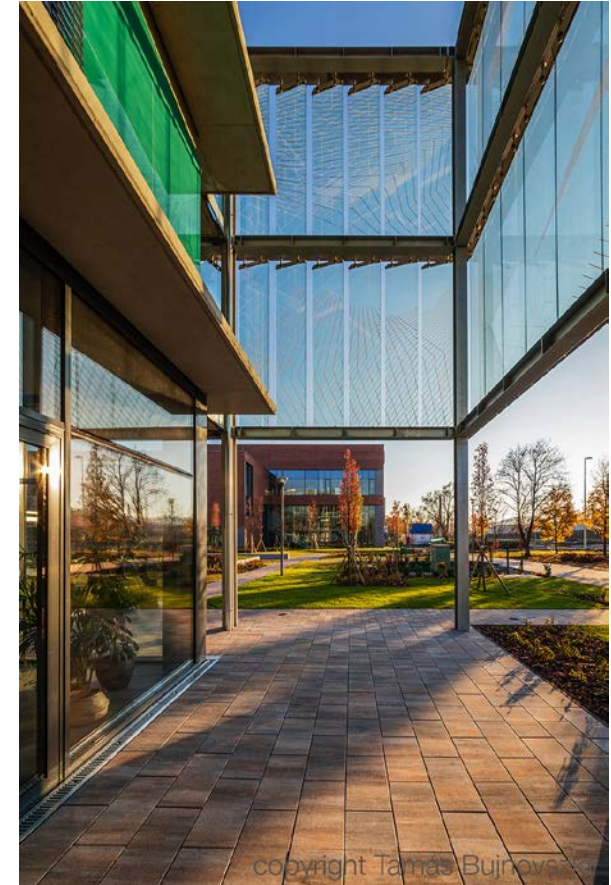
<ul style="list-style-type: none"> Fair value of property portfolio 	263 M EUR	<p>2 million euros less compared to 2019 yearend (nearly the same as the 2020 Q1):</p> <ul style="list-style-type: none"> Value of the completed properties decreased by 1.8 million euros in 2020 Q1. This is partly due to the increase of yield because of the uncertain economic conditions and partly due to the expected temporary vacancy in 2020-2021. Value of development lands went down by 0.2 million euros as due to the uncertainties developments might delay. In 2020 Q2 the fair value of the property portfolio remained on the same level beside the similar increase of the yield.
<ul style="list-style-type: none"> Occupancy 	97%	<p>Form the second half of 2019, after delivery of past years' developments Park's occupancy rate is again permanently high, 97%, however for the rest of the year we count with a temporary 2-3% decrease in the occupancy level.</p>
<ul style="list-style-type: none"> WAULT 	4.4 years	<p>It also shows the loyalty of our tenants, that the average lease term in the Park calculated with the starting date of current tenants' earliest lease agreements is 13.3 years.</p>
<ul style="list-style-type: none"> Loans 	106.3 M EUR	<p>Loan to value is 40%, due to the new loan drawn down at the end of 2019. After concluding the hedge agreements, all of the Company's outstanding loan liabilities have been switched to fixed interest rates for the 10 year loan term.</p>
<ul style="list-style-type: none"> LTV 	40%	
<ul style="list-style-type: none"> Net asset fair value 	166 M EUR	<p>Besides the development of the investment property fair value and the loan installments, the fair value of net assets decreased by 15% as a result of the payment of 30 million euros dividend.</p>
<ul style="list-style-type: none"> Net asset fair value per share 	16.4 EUR	<p>Due to all of the above, net asset fair value per share is 16.4 euros, taking all ordinary shares and excluding treasury shares (10,082,598 pcs).</p>





- The Graphisoft Park is an office park located in the III. district of Budapest along the bank of the river Danube, in an environment inspiring research, creative work and education.
- Key characteristic of the Graphisoft Park domestic „Silicon Valley” concept is the sustained synergy between teams of startup entrepreneurs, global IT and Technology focused companies and Higher Educational Institutions as leading edge „knowledge-factories”.
- The total area of Graphisoft Park is nearly 18 hectares. Over the past 20 years, 82,000 m² gross leasable area have been developed.
- The remaining area provides the opportunity to develop an additional 62,000 m² of gross leasable area.
- Graphisoft Park Group is dealing with real estate development, property leasing and operation. From January 1, 2018 the companies are – except for one group member – regulated real estate investment entities (SZITs) and so they are exempt from paying corporate income and local business tax.
- The parent company is Graphisoft Park SE which is listed on the Budapest Stock Exchange since 2006.

Graphisoft Park



CONTACT

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