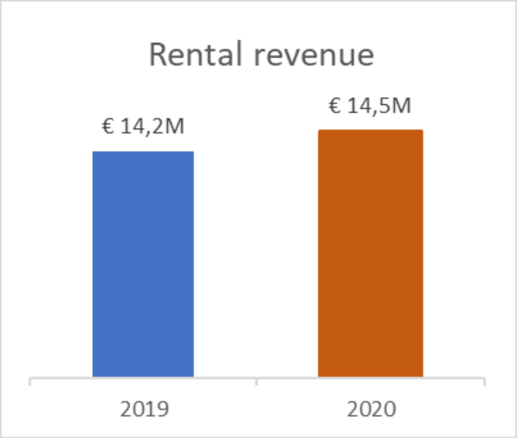
2020 results

Financial results

Rental revenue	EBITDA	Pro forma result [(2)]	FFO I [(1)(2)]	FFO yield [(2)]
14.5 M EUR	**13.7 M EUR**	**4.4 M EUR**	**11.2 M EUR**	**11.9%**
+2%	**+6%**	**-10%**	**-7%**	**+43%**

- Despite the coronavirus epidemic that determined the year 2020 and the resulting economic crisis, rental income increased by approximately 300 thousand euros, while EBITDA increased by almost 400 thousand euros compared to 2019.

- FFO decreased by 840 thousand euros, while Pro-forma result decreased by 510 thousand euros because of the increased interest expenses of the higher outstanding loan balances, on the other hand FFO yield developed favourably mainly due to the significantly lower market capitalisation.



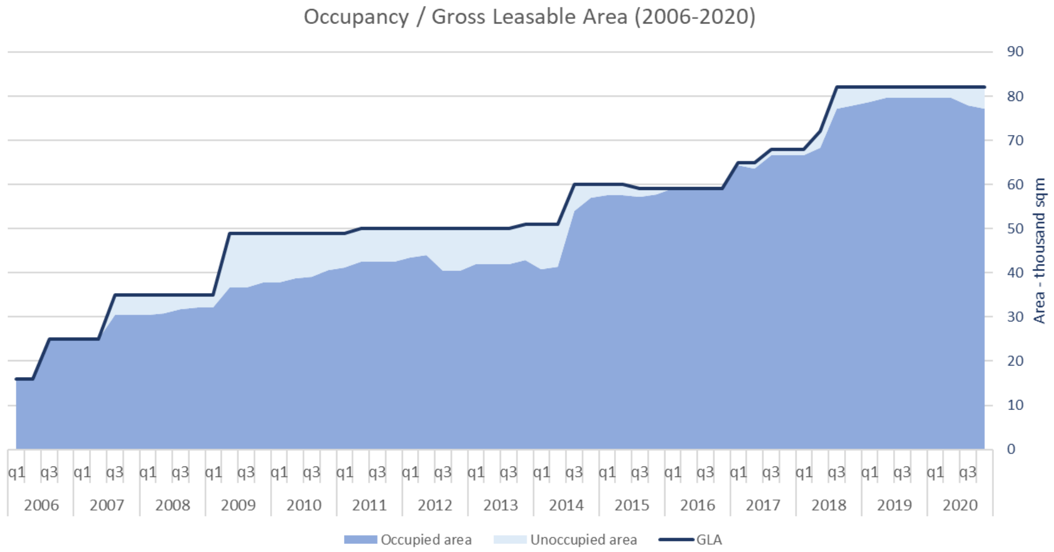
(1) Revenue, less operating expenses and realized financial result.
(2) FFO, FFO yield and pro forma result do not include the 747 thousand euros exchange rate loss relating to the 30 million euros dividend paid in HUF.

Occupancy, forecast for the year 2021

- The **occupancy rate** of the office park was permanently 97% until the end of the first half of 2020, which **decreased slightly by 3%** in the second half of the year but remained more favorable than the average vacancy rate in the Budapest office market.

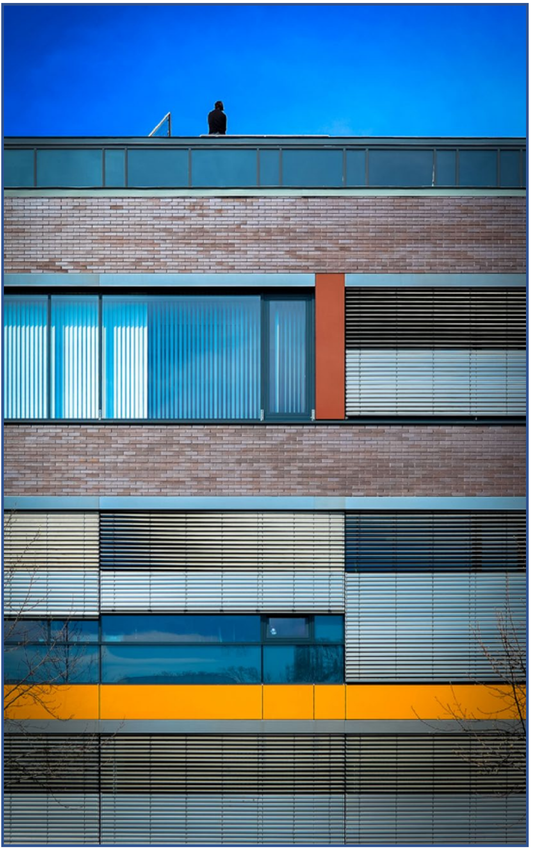
- We do not expect a significant further decline in occupancy in 2021, although we will have to count with smaller area reduction demands when renewing leases during the year. At the same time, the declining space requirements of these tenants also provide an opportunity to meet the further growth needs of other tenants. Based on our expectations, there will be a need for a personal presence in the longer term, especially for large offices surrounded by green space that serve the requirement of social distance well.

- According to our calculations, we continue to maintain the forecast for 2021 published in the previous quarterly report: we expect **rental revenue of 14.5 million euros** and a **pro forma result of 4.3 million euros**, taking into account the current occupancy level.



Million euros	2019 actual	2020 actual	2021 forecast
Rental revenue	14.25	14.54	14.5
EBIDTA	**13.35**	**13.72**	**13.3**
Depreciation	7.13	7.09	7.1
Net interest expense	1.26	2.18	1.9
Pro forma result	**4.94**	**4.43**	**4.3**

Dividend in 2021



- In 2020, in addition to 90% of the 2019 pro forma result, an additional dividend of 25.5 million euros was paid out of the amount allocated for the structured share repurchase transaction, which was canceled considering the situation caused by the coronavirus epidemic.
- The Board of Directors proposes to pay an additional dividend in 2021 from the reserve justified by the extremely uncertain market situation at that time: in addition to the dividend of 4 million euros corresponding to 90% of the pro forma net profit of 2020, the Board of Directors **plans to propose** to the General Meeting the payment of an additional dividend of approximately 6 million euros, i.e. a **dividend of altogether 10 million euros**.
- According to our calculations, the remaining available cash balance ensures the further safe operation of the Company in the current situation, as well as the financing of the preparation of certain refurbishments requested by tenants and potential future developments.

Crisis caused by COVID-19 pandemic

Given the prolonged economic downturn caused by the COVID 19 epidemic and its short- and long-term effects, the independent valuer reduced the fair value of the property portfolio by an additional 1.8% compared to the end of the previous quarter. Accordingly, **the estimated fair value of properties has decreased** by further 1.8% **to 241 million euros** as of December 31, 2020.

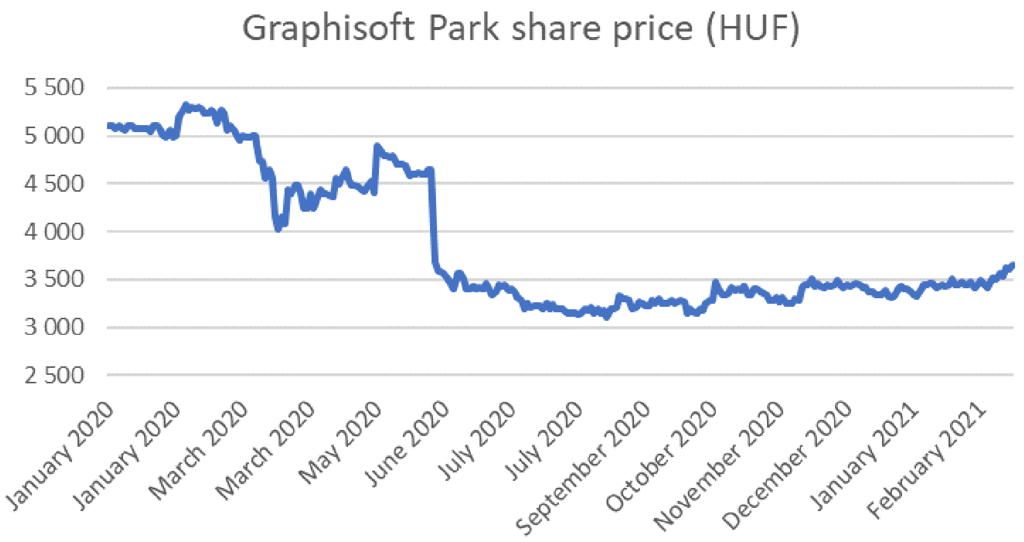
The devaluation considered the following factors:

- yield increases continuously due to the uncertain market conditions,
- slight temporary decrease in occupancy rate,
- vacancy periods might increase in case of tenant change,
- beside the braking away of “home office” on the long term, the possible cancellation of renewal of certain rental contracts might occur as well as changes in office usage and there is need of the decrease of certain rented areas.

The general market uncertainties caused by the first wave of COVID-19 had negative effect on the share price from the second half of March; the Q1 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, when the 1,060 HUF dividend per share was priced out, the share price stabilised around 3,500 HUF.

In the third quarter the uncertainty caused by second wave of the crisis affected the share price less, however there was further 1.5-2% decrease, but at the end of the year the closing share price was around 3,500 HUF again, reaching the average share price of 2019 H1.



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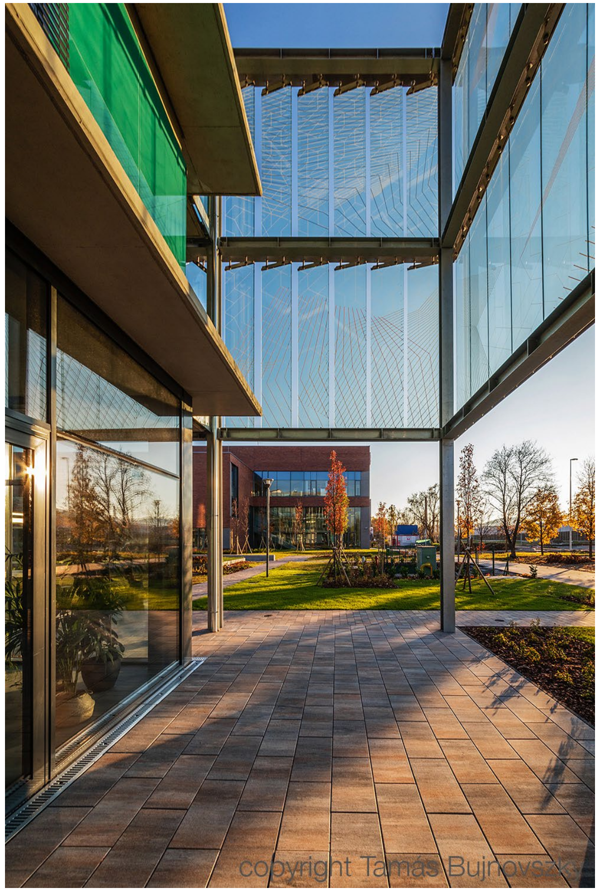
Property portfolio and financing

Fair value of property portfolio	**241 M EUR**	Value decreased by 23.8 million euros compared to 2019 yearend: • Value of completed properties declined by 23.3 million euros due to the (1) increasing yield caused by the uncertain market conditions, (2) changing tenant behaviour and (3) temporary vacancy periods. • Value of development lands decreased by 0.5 million euros, future developments will be delayed due to uncertain market conditions.
Occupancy	**94%**	After the delivery of prior years' developments, from the second half of 2019 the occupancy rate permanently increased to 97%. Till the end of 2020 the occupancy rate slightly decreased to 94%, partly due to the economic downturn and partly due to tenant requests.
WAULT	**4 years**	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 13.7 years.
Loans **LTV**	**103.2 M EUR** **43%**	Loan to value is 43%, 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.
Net asset fair value	**149 M EUR**	In 2020 fair value of net assets decreased from 195 million euros to 149 million euros, this is partly due to the increase in net assets with the net profit and loan installments, and party due to the decrease in net assets with the dividend payment of 30 million euros in June 2020 and devaluation of investment properties by 24 million euros.
Net asset fair value per share	**14.7 EUR**	Due to all of the above, net asset fair value per share is 14.7 euros, taking all ordinary shares and excluding treasury shares (10,082,598 pcs).

Graphisoft Park

- 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 m^2 gross leasable area have been developed.
- The remaining area provides the opportunity to develop an additional 62,000 m^2 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.



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