



**Graphisoft Park**

**2021 Q1 results**

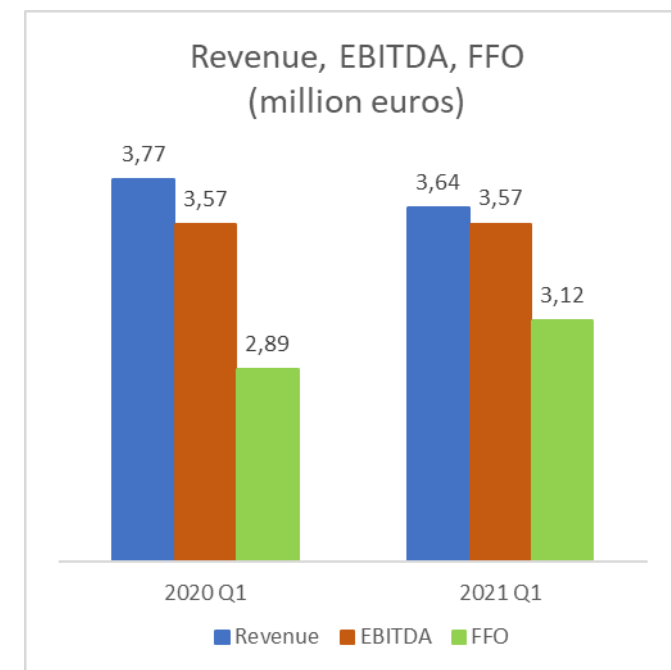




# Financial results

Rental revenue	EBITDA	Pro forma result	FFO I <sup>(1)</sup>	FFO yield
<b>3.64 M EUR</b>	<b>3.57 M EUR</b>	<b>1.34 M EUR</b>	<b>3.12 M EUR</b>	<b>11.55%</b>
<b>-3%</b>	<b>-</b>	<b>+17%</b>	<b>+8%</b>	<b>+34%</b>

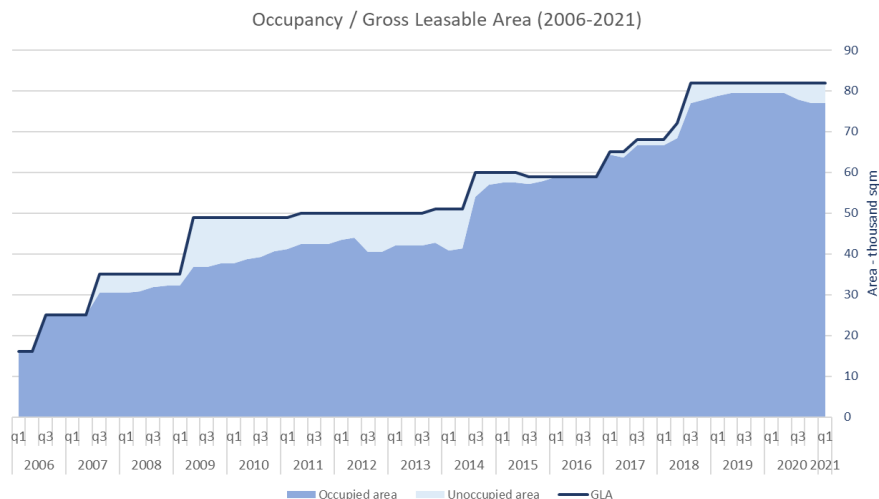
- In the first quarter of 2021 rental revenue is about by 130 thousand euros or 3% lower than the 2020 Q1 revenue, which period was not yet affected by the effects of the COVID-19 crisis. Due to the more favorable development of other income and operating expenses, EBITDA remained on the same level as in the first quarter of the previous year.
- FFO increased by 230 thousand euros while the pro forma result is by 200 thousand euros higher, as the interest payable on declining outstanding capital and the interest income realized on forint assets developed more favorably. In addition, the annualized FFO yield is higher, partly due to the above mentioned factors, and partly due to the significantly lower market capitalisation compared to the end of 2020 Q1.



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

# Occupancy, forecast for the year 2021

- The **occupancy rate of the office park**, which was at high level, fell slightly from 97% in the second half of 2020 by 3% and remained at **94% in Q1 2021**, which is still more favorable than the average office vacancy in Budapest.
- 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 euros**, taking into account the current occupancy level, the expected operating costs, the depreciation and the net interest expense.



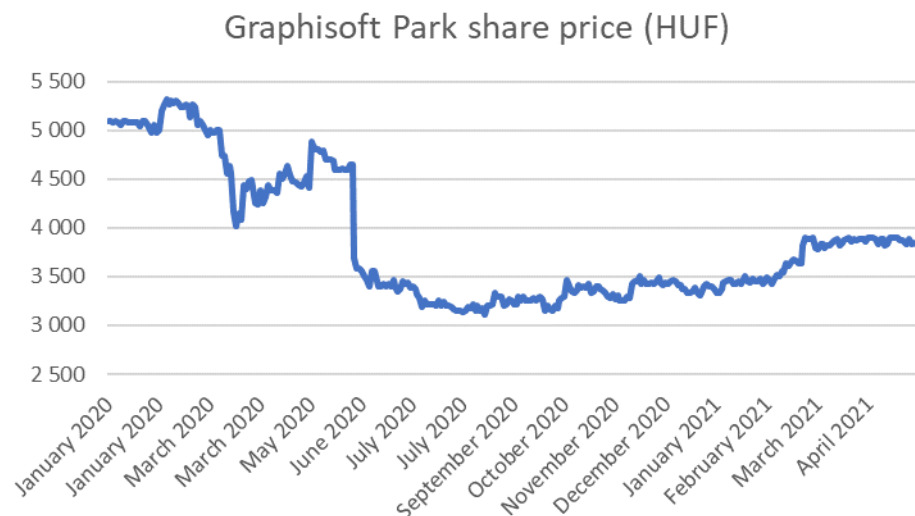
Million euros	2019 actual	2020 actual	2021 forecast
Rental revenue	14.25	14.54	14.5
<b>EBIDTA</b>	<b>13.35</b>	<b>13.72</b>	<b>13.3</b>
Depreciation	7.13	7.09	7.1
Net interest expense	1.26	2.18	1.9
<b>Pro forma result</b>	<b>4.94</b>	<b>4.43</b>	<b>4.3</b>



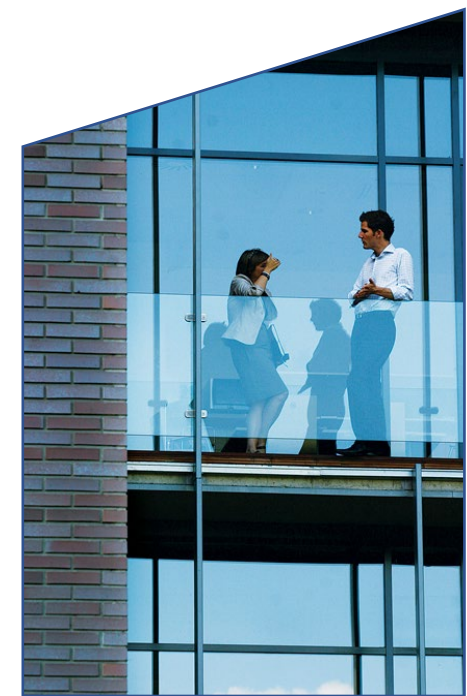


# Dividend in 2021

- As announced by the Company on April 20, 2021, a **dividend** of approximately **10 million euros** will be paid in June 2021 based on a resolution of the Board of Directors acting on behalf of the General Meeting. The starting date of the dividend payment will be June 2., the dividend per share is 357 HUF (see details in the related publication: [https://bet.hu/site/newkib/en/2021.05./Dividend\\_Payment\\_128559714](https://bet.hu/site/newkib/en/2021.05./Dividend_Payment_128559714)).
- The Board of Directors saw an opportunity for the Company to pay an additional dividend of ca. 6 million euros from the available funds in addition to the 4 million euros dividend corresponding to 90% of the 2020 pro forma net profit. The cash from operations and the remaining available cash balance ensure 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.



- The share price stabilised at around 3,500 HUF, when last year's 1,060 HUF dividend payment had been priced out in June 2020. In the second half of 2020, due to the second wave of the COVID-19 crisis the share price decreased by 1.5-2%, but at the end of the year the closing share price was around 3,500 HUF again. In 2021 Q1 the third wave had no negative effect on the share price and reached 3,900 HUF after the announcement of the current year dividend payment in February.





# Development potential

- In the first quarter of 2021, the Company **purchased** approximately 1,200 m<sup>2</sup> of real estate located between the already built area South Park I and the development area South Park II, which, combined with the already owned land of the Company, **allows the development of an additional 4,000 m<sup>2</sup> of leasable office space.**
- In addition, **the southernmost part of the southern development area**, named South Park II, offer room for **another 20,000 m<sup>2</sup> potential development.** In the second half of 2019 we have commenced the archeological and landscaping works there on 4,000 m<sup>2</sup>, as well as the preparations for launching possible future projects. The preparatory works were finished in 2020 to deliver new buildings on this area even within 18 months if demand would arise.
- **In the northern area** no further preparatory work or development is allowed until MVM Next Energiakereskedelmi Zrt. completes its mandated rehabilitation duties in the area. After the remediation, this northern development area together with the unused part of the monument area will provide **room for another 42,000 m<sup>2</sup> gross leasable area.** Altogether this gives development potential of around additional 66,000 m<sup>2</sup> gross leasable area, and as such, **the gross leasable area might increase to 148,000 m<sup>2</sup> in the whole Graphisoft Park.**



# Property portfolio and financing

<ul style="list-style-type: none"> <li><b>Fair value of property portfolio</b></li> </ul>	<b>241.6 M EUR</b>	<p>Value increased by 400 thousand euros compared to the 2020 yearend:</p> <ul style="list-style-type: none"> <li>Value of completed properties declined by 100 thousand euros due to the high yield caused by uncertain market conditions, changing tenant behaviour and temporary vacancy periods.</li> <li>Value of development lands is by 500 thousand euros higher, due to the purchased real estate and the increase of the development potential.</li> </ul>
<ul style="list-style-type: none"> <li><b>Occupancy</b></li> </ul>	<b>94%</b>	<p>In the second half of 2020, the occupancy rate, which was at high level, slightly decreased from 97% by 3%, partly due to the economic downturn and partly due to tenant requests. In 2021 Q1 the rate remained at 94%.</p>
<ul style="list-style-type: none"> <li><b>WAULT</b></li> </ul>	<b>3.85 years</b>	<p>It also shows the loyalty of our tenants, that the average lease term in the Park calculated with the starting date of current tenant's earliest lease agreements is 13.9 years.</p>
<ul style="list-style-type: none"> <li><b>Loans</b></li> </ul>	<b>101.8 M EUR</b>	<p>The outstanding loan liability is decreasing by the regular loan repayments, its current value is 42% of the fair value of the property portfolio. Due to 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"> <li><b>LTV</b></li> </ul>	<b>42%</b>	
<ul style="list-style-type: none"> <li><b>Net asset fair value</b></li> </ul>	<b>152 M EUR</b>	<p>In 2021 Q1 the net asset fair value increased by 3.6 million euros due to the current period principal repayment of loans, the net profit achieved and the development of the fair value of properties. In the 2<sup>nd</sup> quarter of 2021 however, this value is expected to decline by around 10 million euros, that is 6.5% after the dividend payment scheduled for early June.</p>
<ul style="list-style-type: none"> <li><b>Net asset fair value per share</b></li> </ul>	<b>15.1 EUR</b>	<p>Due to all above, net asset fair value per share is 15.1 euros, taking all ordinary shares and excluding treasury shares (10,082,598 pcs).</p>

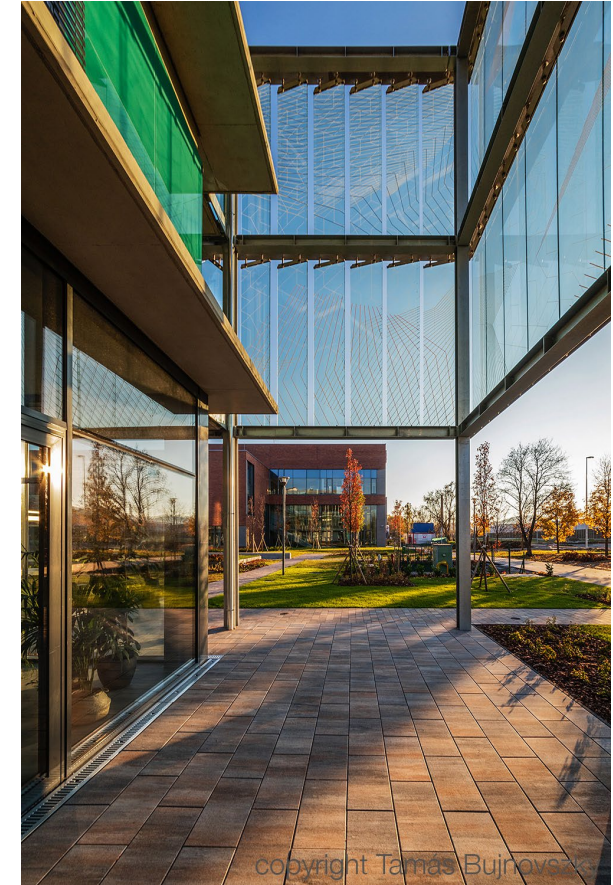






- The Graphisoft Park is an office park located in the III. district of Budapest along the bank of the river Danube, in an environment inspiring research, creative work and education.
- Key characteristic of the Graphisoft Park domestic „Silicon Valley” concept is the sustained synergy between teams 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 m<sup>2</sup> gross leasable area have been developed.
- The remaining area provides the opportunity to develop an additional 66,000 m<sup>2</sup> 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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