



## **Announcement**

### **Execution of a new loan facility agreement and forecast for the results in 2018**

With regards to the extraordinarily low interest rate environment Graphisoft Park SE, by the approval of its Board of Directors, has concluded on 30 November 2017 a new euro-based, 10 years to maturity loan facility with Erste Bank Hungary Zrt., for the refinancing of the previous loan facility before its maturity, concluded with Westdeutsche ImmobilienBank AG in 2007 with expiration in May 2019. The new loan facility is complemented by an interest rate swap agreement (IRS) for its entire term, thus the interest rate is fixed for the entire term – unlike the facility to be redeemed with partly variable interest rates.

Consequently, the interest on the new loan will be somewhat higher from its first drawing in mid-2018 than the current exceptionally low interest on the loan to be redeemed; but the interest rate is fixed for the next 10 years which allows for more predictable progress and more precise forecasting of the results.

The new facility is worth 40 million EUR, whose bulk is to be used for the repayment of the entire debt to Westdeutsche ImmobilienBank AG, while the remaining smaller part will be used to finance the refurbishment of the older buildings of Graphisoft Park.

#### **Forecast for the year 2018:**

Rental revenue is expected to surpass the revenue forecasted for 2017 by 1.8 million EUR, or 17%, primarily because of the delivery of the office complex on the southern development area in mid-2018 and the commencement of its partial occupation and use before the end of the year. In addition, other revenues are expected to rise by 300 thousand EUR compared to 2017. Operating expense will rise by 100 thousand EUR over the same period, but the company's transformation into a regulated real estate investment pre-company will result in no income tax, nor local business tax liabilities occurring next year, therefore the income tax expense will be 200 thousand EUR less than in the previous year.

After taxes a somewhat higher profit is expected than in 2017 at 3.8 million EUR. We do not expect a proportional growth in the profit after taxes in 2018 with the growth in revenues for the following reasons:

- Interest expenses are expected to grow, partially because of the new long-term refinancing described above (including the one-time payment of the fee for repayment before maturity), by 400 thousand EUR compared to 2017.

- The office complex on the southern development area will be occupied gradually by tenants starting from its delivery in mid-2018, but the cost of depreciation will be accounted for the entire complex starting from the delivery of its first block. In addition to this, the systemic renovation and refurbishment of the buildings of the nearly 20 years old office park – which began in 2017 – will raise depreciation expenses further. For all the above, we are preliminarily forecasting a depreciation expense figure 1.7 million EUR higher in 2018 than in 2017.

For all the above, and considering the rental agreements concluded and in force the expected 2018 results (from ordinary activities) are as follow (with the actual 2016 figures in the first column):

<b>(million EUR)</b>	<b>2016 fact</b>	<b>2017 forecast</b>	<b>2018 plan</b>
<b>Rental revenue</b>	<b>9,52</b>	<b>10,5</b>	<b>12,3</b>
Operating expense	-1,13	-1,5	-1,6
Other income (net)	0,35	0,3	0,6
<b>EBITDA</b>	<b>8,74</b>	<b>9,3</b>	<b>11,3</b>
Depreciation	-4,18	-4,6	-6,3
<b>Operating profit</b>	<b>4,56</b>	<b>4,7</b>	<b>5,0</b>
Net interest expense	-0,83	-0,8	-1,2
<b>Profit before tax</b>	<b>3,73</b>	<b>3,9</b>	<b>3,8</b>
Income tax expense	-0,56	-0,2	0,0
<b>Profit for the period</b>	<b>3,17</b>	<b>3,7</b>	<b>3,8</b>

Budapest, November 30, 2017

Graphisoft Park SE