

## PRESS RELEASE

### **Appeninn and Erste signed an EUR 5.5 million refinancing agreement besides of the former creditor bank's EUR 3.5 million allowance**

*With the new agreement Appeninn's loans will be decreased by almost 6,5 million Euros*

**16<sup>th</sup> December 2015. Appeninn Holgind Plc., listed in the premium category at Budapest Stock Exchange, managed to transform the last Swiss franc loan element of its loan portfolio under favorable conditions. The company made a 5.5 million Euros credit agreement with Erste Bank Hungary Zrt. to refinance its project loans. The main shareholders of the listed company provided a further 3 million Euros contribution partly via the company's bond issue, closed in September. The loan restructuring will decrease the company's bank loans by 6.5 million Euros and will support significantly Appeninn group's liquidity, as the company's repayment obligations will be eased by more than 650,000 Euros annually. By this agreement the company has closed the restructurement of its real-estate loans, its loans is now in accordance with the currency of the company's revenue.**

The listed company, Appeninn group converted the last Swiss franc based element of its credit portfolio – linked to one of the group's real-estate credit – to a Euro based financing arrangement under favorable conditions. The company replaced its former 13 million Swiss franc loan with a 5.5 million Euros credit-agreement, to which the main shareholders of the listed group provided a 3 million Euros contribution. The latter amount came partly from the company's bond issue, closed in September. Besides that the restructured loan, including this contribution represents a lump sum 6.5 million Euros reduction of the credit financing, repayment conditions are also more favorable. These conditions will reduce the company's repayment burdens by more than 650,000 Euros annually and the company's net asset value increased by 30 percent. Thus the restructuring of the group's credit portfolio has been closed, the group's credit structure is in accordance with its revenues. The group's aggregate credit stock represents an amount of 37 million Euros. 95.5 percent of this is held in Euro based and 4.5 percent is held in HUF based credit-contracts.

„The really high and stabil utilization of the real-estate element, which represents the basis of the new agreement made with Appeninn group, and the experiences of our former contracts represent absolutely enough guarantee for us to provide the needed resources“- said Zoltán Balázs, head of real estate finance at Erste Bank. „The foundation stone of the financing agreement is to provide loans under such terms that assures the expected level of return – the current credit ratio and the repayment conditions can assure this for both sides.“

„The management of currency risk, thus the restructuring of our CHF-loan was essential for us. Thanks to the favorable conditions, as an immediate effect, bank credit stock of our company decreased by HUF 2 billion. Furthermore, with these eases we managed to draw a new scheme

for one of our most important and well operating office building, while on a group level we achieved a 650,000 Euros expenditure reduction annually – said Gábor Székely, Chief Operating Officer Appeninn Plc.. „The resources released this way will be utilized for efficiency enhancement purposes, and for purchasing new real-estates, which will create new values for the group and its investors.”

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### **The Company**

The Appeninn Asset Management Holding Plc. was founded at the end of the year 2009 and by now one of the most dynamically developing real estate investment company of Hungary. The company focusing on the niche segments, where they can acquire low priced but high-yield producing assets for investment use. Such target fields are B category business centers and the industrial and logistic properties. The objective of the Appeninn is to become a holding with a traditional, conservative business policy and readily definable asset-based values through the continuous expansion of the company's property portfolio. The size of the aggregate area of real estate owned by the company in the capital and in the country of more than 55 thousand square meters.

The Company ended the 2014 financial year with a turnover of EUR 4.62 million and EBITDA profit of EUR 2.26 million.

The Company's shares are available on the Budapest Stock Exchange and on the Frankfurt Stock Exchange Premium class rotating floor of the members of the BUX basket BUMIX and regional CECE index.

[www.appeninn.hu](http://www.appeninn.hu)