

## PRESS RELEASE

### Stable operation and growth expected at Appeninn

**Budapest, 25 August 2016 – Besides stable operation, Appeninn Nyrt. further expanded its property portfolio in the first half of this year, so that the Company's revenue in the following quarters may increase, and based on its earnings result so far this year the Company adheres to its intention of distribution of dividends. The Company closed the first six months of this year with a revenue of EUR 2.15 million, and with a net income of EUR 412,000.**

Appeninn Nyrt., listed in the Budapest Stock Exchange in the Premium category, continued to register a stable performance in the first half of 2016, so the real estate investment managing Company sets out for the second half of this year with favorable prospects. The group closed the first half year of this year with a revenue of EUR 2.15 million, and with a net income of EUR 412,000. The small (3.9%) decrease in the revenue is due to the sale of some projects in accordance with last year's portfolio restructuring, as well as the forint exchange rate changes. Compared to the same period in the previous year, the earnings result was burdened by a financially not realized accounting exchange loss, as well as the extraordinary administration and bank expenditures related to the refinancing of a CHF 13 million bank loan successfully executed in December of the previous year. As significant elements of the EUR 1.043 thousand capital increase by share premium carried out in the first six months of this year, Appeninn acquired bonds issued by the Company in a face value of EUR 900,000, as well as two new properties worth EUR 1.575 thousand, increasing its equity by EUR 2.191 thousand. As a result, the cash generative capacity of the Company continues to improve, with the possibility of further increasing the revenue resulting from leasing already in the third quarter. Due to last year's decrease in the bonds issued by the Company supplemented by the bank credit decrease, the Company's debt service will at least EUR 650,000 lower this year. In the light of the figures for the first half of the year, the Board of Directors confirms its plan to pay dividends on this year's profit of Appeninn.

The Company maintains its plan of realizing further dynamic growth via the acquisition of properties and property managing projects (companies), thus improving its profit-generating capabilities. The real estate transaction that took place in August served the same purpose, further expanding Appeninn's property portfolio by purchasing a property of over 800 square meters in the Rózsadomb area of Budapest, the purchase price of which may return within 7 years, as a 6-year fixed-term lease agreement was signed immediately.

#### **Company information**

The Appeninn Vagyonkezelő Holding Nyrt. is listed in the Budapest Stock Exchange in the Premium category. It is one of Hungary's dynamically expanding real estate investment companies. Founded in 2009, the company focuses on niche market segments, in which low-price assets can be acquired with the promise of yielding high interest. Such target areas include B-category office buildings as well as the industrial and logistic real estate segment. The main objective of the Appeninn Holding is to operate as a holding representing a classical, conservative business policy, as well as a value well-definable on the basis of its assets, by continuously expanding its real-estate portfolio. The total area of the company's properties in Budapest and the countryside is over 55,000 square meters.

The consortium closed the 2015 fiscal year with a revenue of EUR 4.6 million from leasing, and with a net income of EUR 1.2 million.

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

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#### **Further information:**

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