

PRESS RELEASE

Appeninn starts its 2017 portfolio expansion with an office building purchase in Zugló, Budapest

Budapest, February 1, 2017 – Appeninn continues to expand its real estate portfolio by purchasing an office building in Zugló, the 14th district of Budapest. The over 3200 square meter B-category office building has favorable capabilities, with an occupancy rate of 95%. The company listed in the Budapest Stock Exchange is planning to expand the number of its properties in 2017 at an even higher pace than in the previous year, and to continue its operation as a “Szabályozott Ingatlanbefektetési Társaság” (Real Estate Investment Trust), shall the legislation make it possible.

Appeninn Nyrt., listed in the Budapest Stock Exchange, has expanded its portfolio by another office building with a high occupancy rate, after purchasing the project company Várna 12 Holding Zrt. (registration number: 01-10-048812, registered seat: H-1092 Budapest, Kinizsi u. 21-25) owning the 3241 square meters B-category office building in Várna Street, Budapest, through one of its subsidiaries, Appeninn Angel Zrt. The purchase price of the 95% occupancy rate real estate (project company) is HUF 440 million, the HUF 160 million downpayment of which is paid by Appeninn’s own shares, while the remaining part of the purchase price is covered by a 12-year term, HUF-based loan from OTP Bank, with an interest rate of BUBOR +2.5%. Thus, the investment provides a 10% yield for Appeninn. Gabor Szekely, Appeninn Nyrt’s Chief Operating Officer said in connection with the acquisition that the company wishes to accelerate the expansion of its real estate portfolio, and so at the moment they have advanced negotiations in progress regarding several potential real estates. Furthermore, the company is planning to continue its operation as a “Szabályozott Ingatlanbefektetési Társaság” (Real Estate Investment Trust) at the Budapest Stock Exchange, if the legislation on Real Estate Investment Trusts already amended last year continues to be further modified, primarily in terms of some technical questions. According to the corporation, this would be a more favorable form of operation for the shareholders of the company.

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 firms. 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 company that represents traditional, conservative business policy and readily definable asset-based values through the continuous expansion of its real-estate property 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.

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