



BIANNUAL REPORT OF  
BILK LOGISZTIKAI NYRT.  
FOR THE FIRST HALF OF 2018

Date: Budapest, 18 September 2018

---

**BILK Logisztikai Nyrt.**  
**1239 Budapest, Európa u. 6.**  
**Phone: 421-8551**



### **Publisher's Declaration**

BILK Logisztikai Nyrt. (hereafter referred to as 'the Company') hereby declares that in preparing its report for the first half of 2018 it acted in accordance with the accounting principles set forth in Act C of 2000 on Accounting.

The Biannual Report provides a true and reliable overview of the Company's assets, liabilities, financial position, profits and the status of the company.

The Management Report gives a reliable picture of the Company's situation, development and performance, setting out major risks and uncertainty factors.

The data of the Biannual Report have not been audited by independent auditors.

The announcements can be found on the related websites:

Website of the Company: [www.bilk.hu](http://www.bilk.hu)

Website of Budapesti Értéktőzsde Zrt.: [www.bet.hu](http://www.bet.hu)

The related website operated by the National Bank of Hungary: [www.kozzetetelek.hu](http://www.kozzetetelek.hu)

Budapest, 18 September 2018

A handwritten signature in blue ink, appearing to read "Livia Waberer".

Livia Waberer

Chief Executive Officer



**BALANCE SHEET OF BILK LOGISZTIKAI Nyrt.**  
**30 June 2018**  
 VERSION 'A'

**Assets**

expressed in EUR

Accountance number	Item	30/06/2017	31/12/2017	30/06/2018
<b>01. A.</b>	<b>Fixed assets (line 02+10+18)</b>	<b>84 958 624</b>	<b>124 143 401</b>	<b>124 802 880</b>
02. I.	INTANGIBLE ASSETS (lines 03-09)	1 211	839	480
03. 1.	Capitalised value of start-up and restructuring			
04. 2.	Capitalised value of R&D			
05. 3.	Leasing and similar rights	994	658	337
06. 4.	Intellectual products	217	181	143
07. 5.	Goodwill			
08. 6.	Prepayment on intangible assets			
09. 7.	Revaluation of intangible assets			
10. II.	TANGIBLE ASSETS (lines 11-17)	84 957 413	124 142 562	124 802 400
11. 1.	Land and related property-valued rights	41 277 049	43 694 109	122 749 910
12. 2.	Technical equipment, machinery, vehicles	59 151	38 425	28 019
13. 3.	Other equipment, accessories, vehicles	220 442	175 498	134 520
14. 4.	Livestock			
15. 5.	Reconstruction in progress	5 543	94 290	1 674 191
16. 6.	Prepayment on investments			215 760
17. 7.	Revaluation of tangible assets	43 395 228	80 140 240	
18. III.	FINANCIAL INVESTMENTS (lines 19-26)	0	0	0
19. 1.	Long-term shares in associated undertakings			
20. 2.	Long-term loans to associated undertakings			
21. 3.	Significant permanent ownership shares			
22. 4.	Long-term loans to undertakings in major profit-sharing partnership			
23. 5.	Other long-term share			
24. 6.	Long-term loans to undertakings in other profit-sharing partnership			
25. 7.	Other long-term loans			
26. 8.	Securities embodying long-term credit partnership			
27. 9.	Revaluation of financial investments			
28. 10.	Valuation difference of financial investments			



Accountance number	Item	30/06/2017	31/12/2017	30/06/2018
<b>29. B.</b>	<b>Current assets (lines 28+35+43+49)</b>	<b>6 231 584</b>	<b>4 311 827</b>	<b>2 711 255</b>
30. I.	INVENTORIES (lines 29-34)	0	0	0
31. 1.	Raw materials			
32. 2.	Unfinished goods and work-in-progress			
33. 3.	<b>Livestock</b>			
34. 4.	Finished goods			
35. 5.	Goods			
36. 6.	Advances on inventories			
37. II.	RECEIVABLES (lines 36-42)	947 655	1 029 783	944 341
38. 1.	Accounts receivable	466 161	1 027 423	937 764
39. 2.	Accounts owed by associated undertakings			
40. 3.	Accounts owed by undertakings in major profit-sharing partnership			
41. 4.	Receivables from independent enterprises			
42. 5.	Protested Bills			
43. 6.	Other amounts receivable	481 494	2 360	6 577
44. 7.	Valuation difference of receivables			
45. 8.	Positive valuation difference of derivative transactions			
46. III.	SECURITIES (lines 44-48)	0	0	0
47. 1.	Share in associated undertakings			
48. 2.	Major shares			
49. 3.	<b>Other shares</b>			
50. 4.	Own shares			
51. 5.	Securities for trade embodying credit partnership			
52. 6.	Valuation difference of securities			
53. IV.	CASH AND CASH EQUIVALENTS (lines 50-51)	5 283 929	3 282 044	1 766 914
54. 1.	Cash in hand, cheques	949	1 535	1 199
55. 2.	Bank deposits	5 282 980	3 280 509	1 765 715
<b>56. C.</b>	<b>Prepayments</b>	<b>2 352 815</b>	<b>2 062 291</b>	<b>2 200 851</b>
57. 1.	Prepayments of income	1 768 145	2 059 125	1 458 413
58. 2.	Prepayments of costs and expenditures	584 670	3 166	742 438
59. 3.	Deferred expenditures			
<b>TOTAL ASSETS (lines 01+27+52)</b>		<b>93 543 023</b>	<b>130 517 519</b>	<b>129 714 986</b>



## Liabilities

expressed in EUR

Accountance number	Item	30/06/2017	31/12/2017	30/06/2018
<b>60. D.</b>	<b>Equity (lines 57-66)</b>	<b>64 309 044</b>	<b>104 941 037</b>	<b>61 396 954</b>
61. I.	REGISTERED CAPITAL	9 720 278	9 720 278	2 750 000
62.	of which: ownership shares repurchased at face value			
63. II.	REGISTERED UNPAID CAPITAL(-)			
64. III.	CAPITAL RESERVE			43 334 435
65. IV.	PROFIT RESERVE	5 629 000	7 147 798	13 027 138
66. V.	TIED UP RESERVE	1 618 804		
67. VI.	REVALUATION RESERVE	43 395 228	80 140 240	
68. 1.	Adjustment and valuation reserve	43 395 228	80 140 240	
69. 2.	Valuation reserve for fair value valuation			
70. VII.	PROFIT AFTER TAX	3 945 734	7 932 721	2 285 381
<b>71. E.</b>	<b>Provisions (lines 68-70)</b>	<b>0</b>	<b>0</b>	<b>0</b>
72. 1.	Provisions for expected liabilities	0		0
73. 2.	Provisions for future costs			
74. 3.	Other provisions			
<b>75. F.</b>	<b>Liabilities (lines 72+76+85)</b>	<b>26 006 825</b>	<b>23 334 252</b>	<b>66 233 517</b>
76. I.	SUBORDINATED LIABILITIES (73-75)	0	0	0
77. 1.	Subordinated liabilities against associated undertakings			
78. 2.	Subordinated liabilities against undertakings in major profit-sharing partnership			
79. 3.	Subordinated liabilities to associated enterprises in other profit-sharing partnership			
80. 4.	Subordinated liabilities against other party			
81. II.	LONG-TERM LIABILITIES (lines 77-84)	20 625 011	0	62 562 500
82. 1.	Long-term loans			
83. 2.	Convertible and equity bonds			
84. 3.	Debenture loans			
85. 4.	Investment and development credits			
86. 5.	Other long-term credits	20 625 011	0	62 562 500
87. 6.	Long-term liabilities against associated undertakings			
88. 7.	Long-term liabilities against undertakings in major profit-sharing partnership			
89. 8.	Long-term liabilities to associated enterprises in other profit-sharing partnership			
90. 9.	Other long-term liabilities			



reference number	Item	30/06/2017	31/12/2017	30/06/2018
91.	III. CURRENT LIABILITIES (lines 86-96)	5 381 814	23 334 252	3 671 017
92.	1. Short-term loans			
93.	from this: convertible and equity bonds			
94.	2. Short-term credits	3 749 995	22 500 006	1 625 000
95.	3. Prepayments received from purchasers			
96.	4. Trade creditors	532 933	244 064	827 526
97.	5. Bills of exchange payable			
98.	6. Short-term liabilities against affiliated undertakings			
99.	7. Short-term liabilities against an undertaking in major profit-sharing partnership			
100.	8. Short-term liabilities against undertakings in other profit-sharing partnership			
101.	9. Other Current Liabilities	1 098 886	590 182	1 218 491
102.	10. Valuation difference of liabilities			
103.	11. Negative valuation difference of derivatives transactions			
104.	G. Deferred income and accrued expenses (lines 98-100)	3 227 154	2 242 230	2 084 515
105.	1. Accrual of income	2 877 858	1 896 492	1 843 009
106.	2. Accrual of costs and expenditures	284 511	283 208	180 690
107.	3. Deferred income	64 785	62 530	60 816
	<b>TOTAL LIABILITIES (lines 56+67+71+97)</b>	<b>93 543 023</b>	<b>130 517 519</b>	<b>129 714 986</b>



**PROFIT-AND-LOSS STATEMENT OF BILK LOGISZTIKAI Nyrt.**  
**First half of 2018**

**'A' PROFIT-AND-LOSS STATEMENT**  
 (total costs procedure)

expressed in E

Accountance number	Item	First half of 2017	First half of 2018
01.	Net domestic sales	5 666 418	5 989 082
02.	Net export sales revenues		
<b>I.</b>	<b>Net sales revenue (01+02)</b>	<b>5 666 418</b>	<b>5 989 082</b>
03.	Changes in stocks of finished goods and in work in progress		
04.	Own work capitalised		
<b>II.</b>	<b>Value of the enterprise's own performance capitalised (03+04)</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>Other income</b>	<b>182 196</b>	<b>64 846</b>
	of which: reversed impairment		
05.	Cost of raw materials	57 405	53 872
06.	Services used	812 535	490 207
07.	Other services	17 138	23 466
08.	Original value of goods sold	757 172	691 776
09.	Value of services sold (brokerage)	45 416	56 845
<b>IV.</b>	<b>Material-type costs (05+06+07+08+09)</b>	<b>1 689 666</b>	<b>1 316 166</b>
10.	Wage costs	81 850	71 836
11.	Other personal type expenses	16 363	10 497
12.	Wage contributions	20 666	16 060
<b>V.</b>	<b>Personnel-type expenses (10+11+12)</b>	<b>118 879</b>	<b>98 393</b>
<b>VI.</b>	<b>Depreciation and amortization</b>	<b>649 018</b>	<b>1 163 013</b>
<b>VII.</b>	<b>Other expenses</b>	<b>839 669</b>	<b>718 040</b>
	of which: impairment loss		
<b>A.</b>	<b>OPERATING PROFIT (I.+II.+III.-IV.-V.-VI.-VII.-VIII.)</b>	<b>2 551 382</b>	<b>2 758 316</b>



Accountance number	Item	First half of 2017	First half of 2018
13.	Received (earned) dividend, profit share		
	of which: received from affiliated companies		
14.	Income from shares and exchange gains		
	of which: received from affiliated companies		
15.	Income from financial investments (securities, loans) and exchange gains		
	of which: received from affiliated companies		
16.	Other interest and similar income due	38 864	
	of which: received from affiliated companies		
17.	Other financial income	1 658 606	251 516
	of which: valuation difference		
<b>VIII.</b>	<b>Income from financial operations (13+14+15+16+17)</b>	<b>1 697 470</b>	<b>251 516</b>
18.	Expenditures from shares and exchange losses		
	of which: given to affiliated companies		
19.	Expenditures from financial investments (securities, loans) and exchange losses		
	of which: given to affiliated companies		
20.	Interest and similar expenditures payable	191 859	442 743
	of which: given to affiliated companies		
21.	Impairment on participations, securities and bank deposits		
22.	Other financial charges	111 259	79 331
	of which: valuation difference		
<b>IX.</b>	<b>Expenses on financial operations (18+19±20±21)</b>	<b>303 118</b>	<b>522 074</b>
<b>B.</b>	<b>PROFIT ON PAYMENT TRANSACTIONS (VIII-IX)</b>	<b>1 394 352</b>	<b>-270 558</b>
<b>C.</b>	<b>PRE-TAX PROFIT/LOSS (±A.+ -B.)</b>	<b>3 945 734</b>	<b>2 487 758</b>
<b>X.</b>	<b>Tax liability</b>		<b>202 377</b>
<b>D.</b>	<b>PROFIT AFTER TAX (±C-X)</b>	<b>3 945 734</b>	<b>2 285 381</b>

*The data are not supported by audit!*





## Management Report

One of the largest intermodal logistics developments in Budapest and the whole country has been implemented on the area of the Budapest Intermodal Logistics Centre (BILK). The property is situated close to all major international destination and transit route intersections. In addition to the excellent road and rail connections, fair water and air connections are also available (due to the Csepel Free Port - the water, and due to the Liszt Ferenc airport - the air transportation is also barrier-free), and it is also easily accessible from the city centre. As a public contribution to the success of the project, the Republic of Hungary has undertaken to build a stand-alone junction and an exit on the M0 motorway to serve the BILK. After the handover of this direct exit in 2005, an even faster and easier access was ensured for the partners. A further extension of the M0 motorway, the M5 and main road No. 4, as well as the connection of Terminal 2 of the Liszt Ferenc Airport had a positive impact on the business. A further impressively positive effect came about by linking main roads No. 2 and 3 which was completed in 2008, that is, the extension of the M0. In 2012, the last step of these developments was the direct connection of the old and the new road sections of the M0, which made it possible to travel from BILK in all directions with a final connection. In connection with this, a new traffic order was introduced on the territory of BILK which resulted in a large-scale decrease of the road and environmental load of the Ócsa road.

In the first half of 2018, BILK Logisztikai Nyrt. further increased its sales revenue and the efficiency of its operations. In the first half of 2018, it marketed its services for over 5,989,882 euros, thus achieving a six percent increase compared to the same period of the previous year.

The operating profit from renting and operation of warehouses was eight percent higher in the first six months of 2018 than in the first six months of the previous year. The logistics park of over 182,000 m<sup>2</sup> of gross rentable area today has increased its efficiency in almost all areas of its operation. The index for rented out warehouse and office space was 98.3 percent on 30 June 2018, which is 2.3 percent higher than a year ago. Accordingly, the vacancy rate improved as well, which was 1.7 percent at the end of the first half of this year.

*“By mid-2018, new halls with a total area of over 30,000 square metres (of which 25,691 m<sup>2</sup> is warehouse and 4,564 m<sup>2</sup> office space) were handed over in three logistics parks. With this, the industrial/logistics real estate stock has increased to 2,081,120 m<sup>2</sup>. The proportion of vacant area further decreased: at the end of June 2018 only 3.54% of the total stock was unused. According to data measured by the middle of the year, net absorption was again positive (34,755 m<sup>2</sup>), which, together with record low vacancy, encourages investors to launch new developments. The extremely low vacancy leads to an increasing rise in rental rates, and encourages developers to launch new projects.”*

*Source: ESTON International Property Advisors Ltd.*



Following the development trend, with the neighbouring land purchased at the end of 2017 to increase its real estate development capacity, in 2018 the company has operated on a total area of 77.4 hectares, which is by 7.4 hectares larger than in the previous year. In recent months, the company has prepared and submitted a request for a permit for construction of a warehouse of a total of 30,000 m<sup>2</sup> on the new area.

In the first quarter of 2018, the construction of a new high-bay warehouse of 3,800 m<sup>2</sup> was launched. In order to meet increasing tenant needs, the company takes creative solutions, thus, a building of 12.2 metres of useful interior height will be constructed on a free area between two existing warehouses. The prospective tenant has booked the exclusive use of the hall that is suitable for the provision of complex logistic services for more than 11 years in advance. The investment worth more than half a billion forints is expected to be completed in September.

In the first half of the year the company was transformed into a public limited company with the intention to continue its business, following the sale of 49 percent of its shares at the Budapest Stock Exchange, as a regulated real estate investment company (RREIC). The private sale of the shares launched at the end of the first half of 2018 was closed without results, as no optimal investment structure in line with the requirements of the RREIC Act was created in the procedure. The company is committed to continue its activities in the future as a regulated real estate investment company, and to examine the steps to be taken for its realisation.

Information relating to environmental protection:

The company does not possess any tangible assets that directly ensure environmental protection. During the operation of the company, it did not carry out any environmentally polluting activity. The company did not have any tangible assets directly intended to protect the environment.

At the end of 2008, afforestation of more than two hectares was carried out on the territory of BILK, thus improving the comfort of both the tenants and the surrounding population.

In 2009, the company commissioned an environmental impact assessment which enabled the company to obtain an environmental permit for a long time.

In 2010, financed jointly with the BILK Kombiterminál Zrt., the company built a noise barrier to improve the comfort of the population, and planted a protective forest to improve the noise load.

In 2013, the company carried out a replacement afforestation on more than three hectares on its own area, thus increasing the green ratio of the area.

In 2016, the Company carried out the renewal of its Environmental Permit, which enabled it to acquire a long-term Environmental operator's licence for the entire logistics park.



Research and development information:

BILK has taken steps for research and application of "Green-Logistics" solutions, and its main focus is the conscious use of renewable energy sources which includes a short-term plan for utilisation of solar energy.

Improvement of competitiveness is to be achieved through the development of the service, which includes the development of information processes, material flow processes and collaborative processes.

Information relating to employment policy:

BILK has operated with an unchanged workforce.